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PROCEEDINGS AND DEBATES OF THE 103^{d} CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, March 10, 1994*

The House met at 10 a.m.

The Reverend Dr. Lawrence R. Veatch, senior minister, First Christian Church, Jefferson City, MO, offered the following prayer:

Mighty God, Lord of History, Ruler of the Nations, we bow before You in the knowledge that we are not our own, for You are the source of our life and the end of our being. We ask Your special benediction for these whom we have elected to make decisions as our Nation confronts many serious and complex challenges. In the crucible of their debate, help them separate the wheat from the chaff, truth from falsehood, good from evil, righteousness from selfishness, and good policy from personal ambition. Give them the courage to choose what is right rather than what is merely popular or expedient. Grant them a strong faith that in pursuing Your will and love, the strength of our Nation is found. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. SMITH] come forward and lead the House in the Pledge of Allegiance?

Mr. SMITH of Texas led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize seven Members on each side for 1-minute speeches.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 1913. An Act to extend certain compliance dates for pesticide safety training and labeling requirements.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1284) "An Act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. HARKIN, Mr. METZENBAUM, Mrs. KASSEBAUM, and Mr. DURENBERGER, to be the conferees on the part of the Senate.

THE REVEREND DR. LAWRENCE R. VEATCH

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, I take this opportunity to tell this body of the guest chaplain who is with us today, the Reverend Dr. Lawrence R. Veatch, who is the minister of the First Christian Church Disciples of Christ, located in the Missouri State Capital of Jefferson City.

A native of Dayton, WA, Reverend Veatch received his undergraduate degree in sociology from the University of Oregon. He then attended the Christian Theological Seminary in Indianapolis, IN, and was ordained in 1969 at the Oxford Christian Church in Oxford, IN.

His first service was in the First Christian Church in the hometown of another famous Missourian, Samuel Clemens, in Hannibal, MO. He faithfully served that congregation in that community as preacher, mentor, and friend. On May 11, 1991, he was given a doctor of humane letters citation from Culver-Stockton College in Canton, MO, in recognition of his outstanding contributions to Hannibal and the surrounding communities.

The Reverend Veatch gave his first sermon at the First Christian Church in Jefferson City on October 4, 1992. In the time that he has served there, Reverend Veatch has shown his dedication to his congregation and to the community.

Mr. Speaker, this incidentally is the same church that my grandfather, the late John T. Boone, served as pastor some 90 years ago.

Reverend Veatch is an active member of the Chamber of Commerce in Jefferson City and the Rotary Club, and highly respected as a leader in the Christian community.

I am truly proud to have such a distinguished leader of my church give the opening prayer to my colleagues here in the House. He has given joy to people from his hometown of Dayton, WA, to Missouri, the heartland, and now to the Nation's Capitol.

PUTTING FAMILIES FIRST BUDGET

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, this week Congress will have the opportunity to vote on the Republican alternative to President Clinton's budget plan, entitled "Putting Families First." Putting Families First combines two traditional Republican principles—pro-family tax relief and deficit reduction. The 1990 budget deal with Congress brought on $158 billion in new taxes for Americans. President Clinton's 1993 budget deal with Congress imposed $240 billion in new taxes, including higher income taxes, higher Medicare payroll taxes, and the new 4.3 cent-per-gallon gasoline tax, among many other levies.

America needs not only deficit reduction but a different plan than the one that has led it to years of misguided

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

tax increases. During the last four decades, the Federal income tax burden on a family of four has increased by over 250 percent as a share of family income. Senior citizens are penalized for supplementing their income by working and now face a punitive surtax on their savings and pensions. Finally, investors, entrepreneurs, and risk takers have had their incentive reduced by excessive taxation of capital and income.

The Kasich plan delivers what President Clinton could only promise; a middle-class tax cut. It does not simply shift spending from one program to another, it takes the necessary step of cutting spending.

THE ECONOMY

(Mr. CLYBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLYBURN. Mr. Speaker, it was expected to be a fiscal failure. It was predicted to create a recipe for disaster. It was supposed to drive the economy in the gutter.

It had been compared to a deadly virus that would kill jobs, stifle economic growth, and suffocate the American people with higher taxes.

Where is this monster of economic mayhem of whom I speak? Mr. Speaker, I rise today to tell you that such a monster does not exist and is purely a myth created in the minds of those who did not believe in the efficacy of President Clinton's budget.

Instead of a monster bent on economic destruction, the President's budget—like a phoenix rising from the ashes of previous administrations—has brought about positive changes for the American people and the American economy.

Leading economic indicators are up. Consumer confidence is up. Job growth, household spending, retail sales, business investments, factory orders and housing starts also are on the rise.

Low interest rates have spurred business investments and made it possible for millions of Americans to refinance their homes.

And to those who seek to divert attention from the realities of this Nation's sound economy, the $255 million budget deficit, the lowest since 1979, should serve as a major indicator of a budget that has proven itself to be right on target.

THE REPUBLICAN BUDGET

Mr. WALKER. Mr. Speaker, later today and into tomorrow, the House will have a choice between two different budgets. One of those budgets, the Democrat budget, expands Government. It does so in their claim to do the country good.

We believe that there is another way of doing the country good, and that is to offer a plan for reform and a plan that helps the American family. If Members look at the two budgets they will find that the Democrat budget is a status quo budget. In fact, it is worse than the status quo. If we would allow the budget to simply grow automatically, we would end up with less spending and less deficit than what is included in the Democrat budget that will come to the floor in the next few hours.

In the Republican budget we offer health care reform, we offer welfare reform, we offer a crime package, and we offer the American people a $500 tax credit for every child in the family. We do so at the same time as reducing the deficit $150 billion below what the Democrats are offering on the floor.

If the American people want true reform and they want the families of this country empowered, they will support the Republicans in what we are attempting to do in this House, and that is to change the direction of America, to bring about real change in the budget process.

CONSTITUTIONAL FORUM

(Mr. SKAGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKAGGS. Mr. Speaker, the one thing that each of us raises our hand and swears to at the beginning of each Congress is to uphold and defend the Constitution of the United States. Yet, I would speculate that it is a document that almost none of us fully understand in all its complexity, and subtlety and history.

In order to try to remedy our need for further understanding and education in constitutional issues, the gentleman from Iowa [Mr. LEACH] and I are beginning what we are calling the constitutional forum. The forum will sponsor a series of luncheon meetings for Members to discuss in depth, and we hope seriously, constitutional issues facing this body.

The first of these sessions will be this coming Tuesday, and we will feature a discussion of the war powers issue and the constitutional tension between executive and legislative authority over the use of U.S. military power.

□ 1010

We will feature the newly named counsel to the President, Lloyd Cutler, and Harold Koh, a constitutional scholar from Yale Law School, to discuss that issue. We invite all of our colleagues to join us for what we hope will be a very useful series of discussions of constitutional matters.

DON'T BYPASS LEGISLATIVE PROCESS ON HEALTH CARE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, amid all the speeches about the need to have Democrats and Republicans work together on a bipartisan and cooperative manner on health care, comes the pronouncement for the committee on Energy and Commerce that it intends to bypass subcommittee markup on this issue and go directly to full committee on the President's health care bill.

Mr. Speaker, this is yet another move to push the President's legislation through without full and open debate. Why is the normal legislative process being undermined in this instance?

We have been told that due to time constraints we will not adhere to the normal legislative process. However, the magnitude of this legislation demands that it go through the entire legislative process that is, subcommittees and then full committees prior to being considered on the House floor.

It is imperative that all members participate in the process as we move ahead. It is incumbent upon the leadership, including the chairmen of the various committees involved, that this occurs. I have advised the Energy and Commerce Committee about my desire to see a full legislative review of this issue. I reiterate here again today that the need still exists.

There is nothing to fear from full debate and participation on health care, only a better bill for all Americans can result.

BANKERS GET BIG PAY RAISES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Citicorp boss, John Reed, got a 92-percent pay raise to $4.2 million. Folks, Charles Rice, he busted the bank at Barnett by doubling his pay to $7.3 million.

Now, let me ask you something: What did these fat-cat bankers do to warrant this type of a pay raise, folks? First, they laid off or fired most of their workers. And second, they cheered on Alan Greenspan, who helped them get their fat pay raises.

What bothers me here, Congress, is you need $2 in the bank to make a $1 loan anymore in this country. If you are a small businessman, you have to kiss the banker's ring just to get a meeting. Guess what the bankers tell us: The problem with America is American workers make too much money.

Beam me up, Congress. With bankers like this, we will be lucky if we have any jobs left.

CLINTON'S NEW THREE-STRIKES-AND-YOU'RE-OUT POLICY

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, there are three issues before the American people today.

Health care is on their minds, Whitewater is on the front page of their papers, and the Federal budget deficit is in their wallets.

The three are not unrelated.

A White House that proposes a deficit-increasing health care plan and opposes a budget-balancing amendment is not being forthright about the budget.

Nothing could more clearly illustrate where the administration is coming from or where they would like to take the Nation.

A White House staffed by people that could not handle the transactions of a small-time Arkansas Savings & Loan—and now cannot handle the investigation of it—cannot be trusted to take over operation of the Nation's entire health care system.

With deficit-increasing health care reform, Whitewater, and opposition to the balanced budget amendment, it appears that the administration is devising a novel innovation of the three-strikes-and-you're-out policy.

Regretfully for the American people, the Clinton administration just keeps on swinging, and missing.

ECONOMY'S IMPROVEMENT SHOWS COUNTRY IS BACK ON THE RIGHT TRACK

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, as we begin this year's budget debate it would be instructive to look back at the Republican rhetoric of last year's debate verses today's economic reality.

Last year, Mr. KASICH said, "The Democrats have the job killer program."

Mr. ARMEY added, "This plan is not a recipe for new jobs * * *. It is a recipe for disaster."

Luckily, for the American people, Mr. KASICH, Mr. ARMEY, and their Republican colleagues were dead wrong.

More than 2 million jobs have been created during the first 13 months of the Clinton administration. Already, the United States has seen 500,000 more jobs created under Bill Clinton and the Democrats than during the entire 4 years under George Bush.

The job creation has resulted in the largest drop in unemployment in 6 years and a 20-percent increase in help wanted advertising.

Mr. Speaker, the economic facts are real. In the face of unanimous Republican opposition and super-heated rhetoric, jobs are being created, the deficit is being reduced, interest rates are down, and the country is starting back on the right track.

BUREAUCRATS SHOULD NOT DECIDE WHAT IS MEDICALLY NECESSARY

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, in defining his health care plan, President Clinton declares that every American that gets sick must get really sick.

They will have to get really sick because under the Clinton plan it will be up to seven high-level bureaucrats in Washington to decide if they really need medical help.

Under the President's plan, the National Health Board will decide what the guidelines will be in judging what they call medically necessary and appropriate treatment.

Mr. Speaker, I can not speak for all my colleagues, but I know I would not want a panel of bureaucrats deciding what is medically necessary and appropriate for me.

If I am sick, I do not plan to call the National Health Board—I do not plan to call a politician—I plan to call my doctor—that is what people outside the beltway normally do when they are sick. It works—let us not foul it up.

PERSONAL MEDICAL DECISIONS SHOULD BE LEFT UP TO PATIENTS AND DOCTORS

(Ms. FURSE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. FURSE. Mr. Speaker, I rise today to discuss a part of health care reform that is critical to the American family.

As we debate health care reform, let us not forget who is the doctor and who is the patient. Doctors are qualified to prescribe what is best for a patient, and patients can follow that advice to get healthy. But I am concerned that politicians want to decide what is the right prescription for women.

Right now, 90 percent of all women have coverage for abortion services in their private insurance plans. Whether or not a person agrees with women's right to choose, it is the law, a law which allows women to make this decision with the help of their doctors and families. Politicians have no business in people's private lives. Let us make decisions about how to develop the best health care plan we can, and leave the personal decisions up to patients and their doctors.

WTOP CELEBRATES 25TH ALL-NEWS ANNIVERSARY IN MARCH

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, today I would like to pay special tribute to Washington's only all-news radio station—WTOP 1500-AM. For 25 years, WTOP's dedicated news professionals have been bringing us up-to-the-minute news of important events in the Nation's Capital, the metropolitan region, and from throughout the world.

The station's alumni include such distinguished names as Walter Cronkite and Connie Chung. But it is the familiar and friendly voices of Capitol Hill reporter Dave McConnell, business editor Larry Matthews, and their many noteworthy colleagues that help to keep us up to date.

Congratulations, WTOP, for a quarter-century as Washington's top all-news radio station.

THE CLINTON PLAN IS WORKING

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, as we prepare to debate the budget resolution for fiscal year 1995 we should remember the debate that took place 1 year ago, when our Republican colleagues predicted that the sky would fall if President Clinton's budget passed. The plan passed, the sky did not fall, and our sky is clear and our economy is growing.

Since the Clinton economic plan was implemented, the growth rate for our economy has risen to 3.5 percent and inflation has remained in check. Over 2 million jobs have been created in the first 13 months of the Clinton administration. At that same time we have cut our deficit projections by 40 percent and enacted the largest budget deficit reduction plan in history.

We need to recognize that the Clinton plan is working and the Republicans refuse to recognize this. By slinging mud at the President and the First Lady over their investment history, the Republicans have shown that they are willing to do anything to sidetrack this Congress and our administration. If we allow that to happen we will be doing our Nation a great disservice.

Despite their efforts we will move ahead and pass health care reform, welfare reform, and a comprehensive crime control measure. They can either choose to be part of the solution to these problems or spend their time chasing shadows. The Whitewater case is being investigated but it should not delay health care, education, or other substantial issues. We need to get back to our jobs and off our soapboxes. We should not let the supporters of stalemate, the proponents of gridlock, and forces of darkness win by diversion.

☐ 1020

A TRUE BALANCED BUDGET

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, the previous speaker was a Democrat, and he was bragging about how small these deficits are in the next 5 years under the Clinton program. Let me read them to you, ladies and gentlemen.

In 1995, $171 billion; that is small? In 1996, $166 billion; that is small? In 1977, $183 billion; that is small? It goes on and on.

In 5 years it increases the national debt by another $1 trillion, ladies and gentlemen. You are going to have a Republican alternative offered today that is going to cut those deficits substantially. you are also going to have a bipartisan balanced budget presented to this body around 4 or 5 this afternoon which actually balances the budget and begins to show surpluses at the end of that 5 years. I hope you will pay a lot of attention to this because this is a chance to turn around this sea of red ink which is ruining this country.

THE BUDGET DEFICIT REDUCTION PLAN IS WORKING

(Mr. TUCKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TUCKER. Mr. Speaker, this is correct, the prior speaker was a Democrat and he talked about the fact that 1 year ago we had a deficit reduction plan and that deficit reduction plan has already begun to work.

Contrary to the banterings of the prior speaker, who is a Republican and said that we can have much more deficit reduction, he was the same party and the same voice that said the deficit reduction plan of 1993 would not work. Let us see what has happened just 1 year later:

Growth in good-paying jobs is accelerating at 4.3 percent, industrial production is up 4.7 percent, real gross domestic product jumped up 7.5 percent; the index of leading economic indicators is up for the sixth consecutive month.

Mr. Speaker, Mr. Clinton's plan has already begun to work, and we need to support it, Republican, Democrat, Americans alike. We must continue to trust in the proven leadership of this administration and the party which has already proven to you that it gives good economic guidance.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 218, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 384 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 384

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the United States Government for the fiscal years 1995, 1996, 1997, 1998, and 1999. The first reading of the concurrent resolution shall be dispensed with. All points of order against the concurrent resolution and against its consideration are waived. Initial general debate shall be confined to the congressional budget and shall not exceed two hours (including one hour on the subject of economic goals and policies) equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After initial general debate, an additional period of general debate shall be confined to the subject of the amendment numbered 4 in the report of the Committee on Rules accompanying this resolution and shall not exceed one hour equally divided and controlled by Representative Kasich of Ohio and an opponent. After general debate on the subject of the amendment numbered 4, an additional period of general debate shall be confined to the subject of the amendment numbered 3 of the report of the Committee on Rules and shall not exceed one hour equally divided and controlled by Representative Mfume of Maryland and an opponent. After general debate on the subject of the amendment numbered 3, the concurrent resolution shall be considered for amendment under the five-minute rule and shall be considered as read. No amendment shall be in order except those printed in the report of the Committee on Rules. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments printed in the report are waived. If more than one amendment in the nature of a substitute is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House. After the conclusion of consideration of the concurrent resolution for amendment, and a final period of general debate, which shall not exceed ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution to the House with such amendment as may have been finally adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

The SPEAKER pro tempore (Mr. CLYBURN). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Florida [Mr. GOSS] pending which I yield myself such time as I may consume.

Mr. Speaker, during consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 384 provides for the consideration of House Concurrent Resolution 218, setting forth the congressional budget for fiscal year 1995. The rule provides for 2 hours of general debate, including a period of 1 hour on the subject of economic goals and policies, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

The rule further provides for additional periods of general debate of 1 hour each on the Kasich substitute and Mfume substitute after conclusion of the initial period of general debate. Debate time is equally divided and controlled by the proponent and an opponent.

The rule waives all points of order against the concurrent resolution and against its consideration and makes in order only the five amendments in the nature of substitutes which are printed in the report accompanying the resolution. The rule provides that the five substitutes shall be considered under a king-of-the-hill procedure. Under king-of-the-hill, if more than one amendment in the nature of a substitute is adopted, only the last such amendment adopted shall be considered as finally adopted and reported back to the House.

The substitutes will be considered in the following order and will be debatable for 1 hour each: first, the substitute to be offered by Representative FRANK; second, the substitute to be offered by Representative SOLOMON; third, the substitute by Representative MFUME; fourth, the substitute to be offered by Representative KASICH and; fifth, the concurrent resolution as reported by the Budget Committee. The rule waives all points of order against the substitutes and the substitutes are not amendable and shall be considered as read.

After the disposition of the last substitute, the rule further provides for a period of 10 minutes of concluding debate, equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

Finally, the rule also makes in order mathematical consistency amendments as needed and as provided in section 305(a)(5) of the Budget Act and provides that the concurrent resolution is not divisible.

Mr. Speaker, this year's budget resolution incorporates President Clinton's budget request for fiscal year 1995, and implements the spending cuts mandated by last year's deficit reduction package. Under that package, the deficit is projected to drop from $225 billion in fiscal year 1993 to $175 billion by fiscal year 1995—or $80 billion in a 2-year period. The resolution calls for no new taxes and does not require reconciliation.

The budget resolution sets total discretionary spending for fiscal year 1995 within the caps established by last year's deficit reduction package. Specifically, the resolution sets discretionary spending at $511.2 billion in budget authority, $6.8 billion less than the cap, and $541.1 billion in outlays, also within the cap.

For domestic discretionary spending, the resolution sets a fiscal year 1995 level of $226.6 billion in budget authority and $249.2 billion in outlays. These levels generally assume both the investments and the extensive spending cuts proposed by the President.

The President requested increases of $14.1 billion in budget authority for a number of investment programs, such as Head Start, compensatory education, crime control, WIC, health research, job training, and transportation. The budget resolution includes $13.5 billion for these programs. The budget resolution also adopts the President's reordering of spending priorities, which call for the termination of over 100 domestic discretionary programs and spending reductions in more than 300 others.

For defense, the budget resolution calls for $263.8 billion in budget authority and $270.9 billion in outlays next year. These figures are consistent with the President's request and reflect savings resulting from the administration's proposed procurement reform and reduced rent payments from Federal agencies.

The budget resolution also contains a number of modifications to the President's budget and rejects proposed cuts in the Low Income Home Energy Assistance Program, mass transit operating funds, veteran's medical research as well as the Emergency Food Assistance Program.

Finally, the budget resolution does not prejudge the debate on health care reform and does not include any specific figures for health care reform. Rather it assumes budget neutrality of any such legislation over a 5-year period.

Mr. Speaker, after 4 years of economic stagnation, the economy is once again starting to pick up. Industrial productivity is on the rise as well as business investment. The rate of unemployment is down as is the deficit and inflation. The rate of new housing starts are on the rise while mortgage rates remain low. Although we are still not out of the woods, this budget will keep us on the course to recovery.

Mr. Speaker, House Resolution 384 is a fair rule that will expedite consideration of this important resolution. I urge my colleagues to support the rule and the resolution. I reserve the balance of my time.

□ 1030

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my friend, the gentleman from South Carolina [Mr. DERRICK] for yielding, and I wish to tell him that he will be missed sincerely by all of us. We wish him well in the years ahead.

Members may not realize that, under the Budget Act, budget resolutions are privileged and may be brought directly to the floor without passing through the Rules Committee. Under the normal rules of this House, any Member is supposed to have the opportunity to amend the budget resolution on the floor.

In this case today, though, the normal procedures were set aside and the Rules Committee was asked to structure debate on the budget resolution—placing limits on the involvement of Members in outlining our budget priorities for the next 5 years. Managing the public's budget and bringing down our staggering national debt is arguably one of the most important parts of every Member's job. Yet Members will only have a limited set of preselected options from which to choose as we proceed today. That is not the way it is supposed to work.

The majority seemed to have an especially strong interest in expediting this important step in our budget process today getting to the budget resolution. One might even call it rushing it through even though we are already a full 2½ weeks ahead of schedule. In its haste to move the budget resolution, the majority leadership disregarded another crucial standing procedure in this House—ignoring the normal requirement that budget resolutions be available to Members for 5 legislative days prior to voting.

Why is this important? I am holding the committee's budget resolution—it is a sizable document that contains crucial information about how we intend to parcel out the Nation's resources over the next 5 years. It is heavy reading—and it takes time to digest.

Members should have a chance to read what they are being asked to vote on before they are asked to vote. But this year, the final report on the budget resolution was not widely available to Members until Wednesday, yesterday. Since we are so far ahead of schedule, I am troubled that Members are not afforded time for reflection and study. It does not make much sense and it did not have to be this way.

Today's rule reflects the wishes of our distinguished chairman [Mr. MOAKLEY] who asked that changes to the budget resolution come in the form of complete substitutes. While I understand the reasoning behind this request and the interest in having orderly debate, significant proposals to improve our budget outline will not be heard today because of that limitation.

For instance, under this process I was not encouraged to proceed with an amendment making an additional 76 specific spending cuts for a 5-year savings of $285 billion, the socalled Spirit of '76 proposal.

Still, I could accept this limitation—had it been fairly and consistently applied to all substitutes presented. But this was not the case—in fact there were two very thoughtful, credible, and responsible substitutes that were inexplicably shutout of the process.

One, a proposal by Mr. BURTON of Indiana that I strongly support, is known as the 2-percent solution, and seeks to freeze our budget at this year's levels plus 2 percent. The gentlewoman from Maryland [Mrs. BENTLEY] offered a similar amendment and was also denied.

A second substitute not made in order, offered by the gentleman from Colorado [Mr. SCHAEFER] listed an additional $550 billion in budget cut savings over the next 5 years. Even though I agree with the chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO] that we have made some progress in reducing the deficit, I am convinced much more can and must be done to cut Federal spending on wasteful, redundant, and low-priority programs.

That is what Mr. SCHAEFER was attempting to do—and that is what my own Spirit of '76 intends to do.

Mr. Speaker, this rule does make in order 4 complete substitutes—including a comprehensive Republican budget offered by the gentleman from Ohio [Mr. KASICH] and the balanced budget approach I am proud to have worked on with my friend the gentleman from New York [Mr. SOLOMON]. In addition, we will consider proposals by the gentleman from Massachusetts [Mr. FRANK] and the gentleman from Maryland [Mr. MFUME] all of which we will hear about in detail in the hours ahead. For that, we are grateful.

I am disappointed, though, that the majority felt the need to add yet another shackle to this process—the arcane procedure known as king-of-the-hill, whereby four or five proposals are considered in a row and the last one to pass wins. Many of us would prefer to let the chips fall where they may—and let the House truly work its will—by voting on each and accepting the one with the highest vote total.

King-of-the-hill tends to reduce Members' accountability by giving them free votes, while allowing the majority a last chance to undo anything that is done and still get their budget passed.

I think I can predict exactly what budget is going to pass, and I can predict safely that after 9 hours of debate here, which is very orderly, exactly where we are going to come out, and it is going to be called the Budget Deficit Reduction Act budget for this year.

I have got to point something out at this time, as I did yesterday at the Committee on Rules meeting. On the budget deficit for this year much crowing is going on because it is only going to be a $175.3 billion deficit this year. Now we have made it not as bad as it could have been, but a $175.3 billion deficit this year alone is nothing to brag about. But the problem is that is not the true number. The true number is a much bigger deficit than that because we have not included the Social Security savings. We have simply said that those $65 or so billion dollars we are crediting against the deficit, those moneys are already predestined to go to the people who have paid into the Social Security System. They are not available to reduce the deficit, and we all know it, so that gets the deficit up to about $250, $240, $250 billion, and then, then the real problem. We have been told we are going to have health care reform this year.

Mr. Speaker, the President has stood in this very body, in this Chamber, and said that he will veto anything except certain proposals. CBO has given us a cost estimate on the one proposal so far that we know he is not going to veto, the Clinton plan. It is $130 billion. Mr. Speaker, we have two long days of thoughtful discussion ahead of us. There are strong feelings on all sides—and legitimate and deep-seated philosophical differences exist that do not necessarily run along partisan lines. While I am glad that we will have an opportunity to hear five very different visions of where our budget priorities should lie—I wish we could have opened the process up completely. For that reason, I oppose this rule.

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Mr. Speaker, I include the following material at the end of my remarks:

ROLLCALL VOTES IN THE RULES COMMITTEE ON AMENDMENTS TO THE PROPOSED RULE ON HOUSE CONCURRENT RESOLUTION 218, BUDGET RESOLUTION FOR FISCAL YEARS 1995–1999

1. Burton (IN)—Substitute. Making each aggregate and functional total equal to fiscal year 1994 level plus 2 percent. Intended to reduce federal spending by $795.6 billion over 5 years. Directs 16 committees to report reconciliation.

Vote (defeated 4-5): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Moakley, Bonior, Wheat, Gordon.

2. Schaefer (CO)—Substitute. Provides $550 billion in spending cuts over the next 5 years.

Vote (defeated 4-5): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Moakley, Bonior, Wheat, Gordon.

3. Talent (MO)—Amendment to increase defense (function 050) by over $19 billion over 5 years, with offsetting cuts in general government (function 800).

Vote (defeated 4-6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

4. Bentley (MD)—Amendment that directs each aggregate and functional total be changed to the fiscal year 1994 level plus 2 percent. Intended to reduce Federal spending below baseline spending levels by $795.6 billion over 5 years. Also directs the Committee of the Whole to report to the House a reconciliation bill reducing expenditures by $34.019 billion.

Vote (defeated 4-6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

5. Eliminate King-of-the-Hill procedure and provide substitute adopted with most favorable votes reported back to the House.

Vote (defeated 4-6): Yeas—Solomon, Quillen, Dreier, Goss. Nays—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Not voting: Bonior, Wheat, Gordon.

6. Adoption of Rule—

Vote (adopted 6-4): Yeas—Moakley, Derrick, Beilenson, Frost, Hall, Slaughter. Nays—Solomon, Quillen, Dreier, Goss. Not voting: Bonior, Wheat, Gordcn.

OPEN VERSUS RESTRICTIVE RULES 95TH–103D CONG.

Congress (years)	Total rules granted [1]	Open rules		Restrictive rules	
		Number	Percent [2]	Number	Percent [3]
95th (1977–78)	211	179	85	32	15
96th (1979–80)	214	161	75	53	25
97th (1981–82)	120	90	75	30	25
98th (1983–84)	155	105	68	50	32
99th (1985–86)	115	65	57	50	43
100th (1987–88)	123	66	54	57	46
101st (1989–90)	104	47	45	57	55
102d (1991–92)	109	37	34	72	66
103d (1993–94)	58	12	21	46	79

[1] Total rules counted are all order of business resolutions reported from the Rules Committee which provide for the initial consideration of legislation, except rules on appropriations bills which only waive points of order. Original jurisdiction measures reported as privileged are also not counted.

[2] Open rules are those which permit any Member to offer any germane amendment to a measure so long as it is otherwise in compliance with the rules of the House. The parenthetical percentages are open rules as a percent of total rules granted.

[3] Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules, as well as completely closed rule, and rules providing for consideration in the House as opposed to the Committee of the Whole. The parenthetical percentages are restrictive rules as a percent of total rules granted.

Sources: "Rules Committee Calendars & Surveys of Activities," 95th–102d Cong.; "Notices of Action Taken," Committee on Rules, 103d Cong., through Mar. 10, 1994.

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 58, Feb. 2, 1993	MC	H.R. 1: Family and medical leave	30 (D–5; R–25)	3 (D–0; R–3)	PQ: 246–176. A: 259–164. (Feb. 3, 1993).
H. Res. 59, Feb. 3, 1993	MC	H.R. 2: National Voter Registration Act	19 (D–1; R–18)	1 (D–0; R–1)	PQ: 248–171. A: 249–170. (Feb. 4, 1993).
H. Res. 103, Feb. 23, 1993	C	H.R. 920: Unemployment compensation	7 (D–2; R–5)	0 (D–0; R–0)	PQ: 243–172. A: 237–178. (Feb. 24, 1993).
H. Res. 106, Mar. 2, 1993	MC	H.R. 20: Hatch Act amendments	9 (D–1; R–8)	3 (D–0; R–3)	PQ: 248–166. A: 249–163. (Mar. 3, 1993).
H. Res. 119, Mar. 9, 1993	MC	H.R. 4: NIH Revitalization Act of 1993	13 (d–4; R–9)	8 (D–3; R–5)	PQ: 247–170. A: 248–170. (Mar. 10, 1993).
H. Res. 132, Mar. 17, 1993	MC	H.R. 1335: Emergency supplemental Appropriations	37 (D–8; R–29)	1(not submitted) (D–1; R–0)	A: 240–185. (Mar. 18, 1993).
H. Res. 133, Mar. 17, 1993	MC	H. Con. Res. 64: Budget resolution	14 (D–2; R–12)	4 (1-D not submitted) (D–2; R–2)	PQ: 250–172. A: 251–172. (Mar. 18, 1993).
H. Res. 138, Mar. 23, 1993	MC	H.R. 670: Family planning amendments	20 (D–8; R–12)	9 (D–4; R–5)	PQ: 252–164. A: 247–169. (Mar. 24, 1993).
H. Res. 147, Mar. 31, 1993	C	H.R. 1430: Increase Public debt limit	6 (D–1; R–5)	0 (D–0; R–0)	PQ: 244–168. A: 242–170. (Apr. 1, 1993).
H. Res. 149 Apr. 1, 1993	MC	H.R. 1578: Expedited Rescission Act of 1993	8 (D–1; R–7)	3 (D–1; R–2)	A: 212–208. (Apr. 28, 1993).
H. Res. 164, May 4, 1993	0	H.R. 820: Nate Competitiveness Act	NA	NA	A: Voice Vote. (May 5, 1993).
H. Res. 171, May 18, 1993	0	H.R. 873: Gallatin Range Act of 1993	NA	NA	A: Voice Vote. (May 20, 1993).
H. Res. 172, May 18, 1993	0	H.R. 1159: Passenger Vessel Safety Act	NA	NA	A: 308–0 (May 24, 1993).
H. Res. 173 May 18, 1993	MC	S.J. Res. 45: United States forces in Somalia	6 (D–1; R–5)	6 (D–1; R–5)	A: Voice Vote (May 20, 1993)
H. Res. 183, May 25, 1993	0	H.R. 2244: 2d supplemental appropriations	NA	NA	A: 251–174. (May 26, 1993).
H. Res. 186, May 27, 1993	MC	H.R. 2264: Omnibus budget reconciliation	51 (D–19; R–32)	8 (D–7; R–1)	PQ: 252–178. A: 236–194 (May 27, 1993).
H. Res. 192, June 9, 1993	MC	H.R. 2348: Legislative branch appropriations	50 (D–6; R–44)	6 (D–3; R–3)	PQ: 240–177. A: 226–185. (June 10, 1993).
H. Res. 193, June 10, 1993	0	H.R. 2200: NASA authorization	NA	NA	A: Voice Vote. (June 14, 1993).
H. Res. 195, June 14, 1993	MC	H.R. 5: Striker replacement	7 (D–4; R–3)	2 (D–1; R–1)	A: 244–176.. (June 15, 1993).
H. Res. 197, June 15, 1993	MO	H.R. 2333: State Department. H.R. 2404: Foreign aid	53 (D–20; R–33)	27 (D–12; R–15)	A: 294–129. (June 16, 1993).
H. Res. 199, June 16, 1993	C	H.R. 1876: Ext. of "Fast Track"	NA	NA	A: Voice Vote. (June 22, 1993).
H. Res. 200, June 16, 1993	MC	H.R. 2295: Foreign operations appropriations	33 (D–11; R–22)	5 (D–1; R–4)	A: 263–160. (June 17, 1993).
H. Res. 201, June 17, 1993	0	H.R. 2403: Treasury-postal appropriations	NA	NA	A: Voice Vote. (June 17, 1993).
H. Res. 203, June 22, 1993	MO	H.R. 2445: Energy and Water appropriations	NA	NA	A: Voice Vote. (June 23, 1993).
H. Res. 206, June 23, 1993	0	H.R. 2150: Coast Guard authorization	NA	NA	A: 401–0. (July 30, 1993).
H. Res. 217, July 14, 1993	MO	H.R. 2010: National Service Trust Act	NA	NA	A: 261–164. (July 21, 1993).
H. Res. 220, July 21, 1993	MC	H.R. 2667: Disaster assistance supplemental	14 (D–8; R–6)	2 (D–2; R–0)	PQ: 245–178. F: 205–216. (July 22, 1993).
H. Res. 226, July 23, 1993	MC	H.R. 2667: Disaster assistance supplemental	15 (D–8; R–7)	2 (D–2; R–0)	A: 224–205. (July 27, 1993).
H. Res. 229, July 28, 1993	MO	H.R. 2330: Intelligence Authority Act, fiscal year 1994	NA	NA	A: Voice Vote. (Aug. 3, 1993).
H. Res. 230, July 28, 1993	0	H.R. 1964: Maritime Administration authority	NA	NA	A: Voice Vote. (July 29, 1993).
H. Res. 246, Aug. 6, 1993	MO	H.R. 2401: National Defense authority	149 (D–109; R–40)		A: 246–172. (Sept. 8, 1993).
H. Res. 248, Sept. 9, 1993	MO	H.R. 2401: National defense authorization			PQ: 237–169. A: 234–169. (Sept. 13, 1993).
H. Res. 250, Sept. 13, 1993	MC	H.R. 1340: RTC Completion Act	12 (D–3; R–9)	1 (D–1; R–0)	A: 213–191–1. (Sept. 14, 1993).
H. Res. 254, Sept. 22, 1993	MO	H.R. 2401: National Defense authorization		91 (D–67; R–24)	A: 241–182. (Sept. 28, 1993).
H. Res. 262, Sept. 28, 1993	0	H.R. 1845: National Biological Survey Act	NA	NA	A: 238–188 (10/06/93).
H. Res. 264, Sept. 28, 1993	MC	H.R. 2351: Arts, humanities, museums	7 (D–0; R–7)	3 (D–0; R–3)	PQ: 240–185. A: 225–195. (Oct. 14, 1993).
H. Res. 265, Sept. 29, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	A: 239–150. (Oct. 15, 1993).
H. Res. 269, Oct. 6, 1993	MO	H.R. 2739: Aviation infrastructure investment	N/A	N/A	A: Voice Vote. (Oct. 7, 1993).
H. Res. 273, Oct. 12, 1993	MC	H.R. 3167: Unemployment compensation amendments	3 (D–1; R–2)	2 (D–1; R–1)	PQ: 235–187. F: 149–254. (Oct. 14, 1993).
H. Res. 274, Oct. 12, 1993	MC	H.R. 1804: Goals 2000 Educate America Act	15 (D–7; R–7; I–1)	10 (D–7; R–3)	A: Voice Vote. (Oct. 13, 1993).
H. Res. 282, Oct. 20, 1993	C	H.J. Res. 281: Continuing appropriations through Oct. 28, 1993	N/A	N/A	A: Voice Vote. (Oct. 21, 1993).
H. Res. 286, Oct. 27, 1993	0	H.R. 334: Lumbee Recognition Act	N/A	N/A	A: Voice Vote. (Oct. 28, 1993).
H. Res. 287, Oct. 27, 1993	C	H.J. Rès. 283: Continuing appropriations resolution	1 (D–0; R–0)	0	A: 252–170. (Oct. 28, 1993).

OPEN VERSUS RESTRICTIVE RULES: 103D CONG.—Continued

Rule number date reported	Rule type	Bill number and subject	Amendments submitted	Amendments allowed	Disposition of rule and date
H. Res. 289, Oct. 28, 1993	O	H.R. 2151: Maritime Security Act of 1993	N/A	N/A	A: Voice Vote. (Nov. 3, 1993).
H. Res. 293, Nov. 4, 1993	MC	H. Con. Res. 170: Troop withdrawal Somalia	N/A	N/A	A: 390–8. (Nov. 8, 1993).
H. Res. 299, Nov. 8, 1993	MO	H.R. 1036: Employee Retirement Act–1993	2 (D–1; R–1)	N/A	A: Voice Vote. (Nov. 9, 1993).
H. Res. 302, Nov. 9, 1993	MC	H.R. 1025: Brady handgun bill	17 (D–6; R–11)	4 (D–1; R–3)	A: 238–182. (Nov. 10, 1993).
H. Res. 303, Nov. 9, 1993	O	H.R. 322: Mineral exploration	N/A	N/A	A: Voice Vote. (Nov. 16, 1993).
H. Res. 304, Nov. 9, 1993	C	H.J. Res. 288: Further CR, FY 1994	N/A	N/A	
H. Res. 312, Nov. 17, 1993	MC	H.R. 3425: EPA Cabinet Status	27 (D–8; R–19)	9 (D–1; R–8)	F: 191–227. (Feb. 2, 1994).
H. Res. 313, Nov. 17, 1993	MC	H.R. 796: Freedom Access to Clinics	15 (D–9; R–6)	4 (D–1; R–3)	A: 233–192. (Nov. 18, 1993).
H. Res. 314, Nov. 17, 1993	MC	H.R. 3351: Alt Methods Young Offenders	21 (D–7; R–14)	6 (D–3; R–3)	A: 238–179. (Nov. 19, 1993).
H. Res. 316, Nov. 19, 1993	C	H.R. 51: D.C. statehood bill	1 (D–1; R–0)	N/A	A: 252–172. (Nov. 20, 1993).
H. Res. 319, Nov. 20, 1993	MC	H.R. 3: Campaign Finance Reform	35 (D–6; R–29)	1 (D–0; R–1)	A: 220–207. (Nov. 21, 1993).
H. Res. 320, Nov. 20, 1993	MC	H.R. 3400: Reinventing Government	34 (D–15; R–19)	3 (D–3; R–0)	A: 247–183. (Nov. 22, 1993).
H. Res. 336, Feb. 2, 1994	MC	H.R. 3759: Emergency Supplemental Appropriations	14 (D–8; R–5; I–1)	5 (D–3; R–2)	PQ: 244–168. A: 342–65. (Feb. 3, 1994).
H. Res. 352, Feb. 8, 1994	MC	H.R. 811: Independent Counsel Act	27 (D–8; R–19)	10 (D–4; R–6)	PQ: 249–174. A: 242–174. (Feb. 9, 1994).
H. Res. 357, Feb. 9, 1994	MC	H.R. 3345: Federal Workforce Restructuring	3 (D–2; R–1)	2 (D–2; R–0)	A: VV (Feb. 10, 1994).
H. Res. 366, Feb. 23, 1994	MO	H.R. 6: Improving America's Schools	NA	NA	A: VV (Feb. 24, 1994).
H. Res. 384, Mar. 9, 1994	MC	H. Con. Res. 218: Budget Resolution FY 1995–99	14 (D–5; R–9)	5 (D–3; R–2)	

Note.—Code: C-Closed; MC-Modified closed; MO-Modified open; O-Open; D-Democrat; R-Republican; PQ: Previous question; A-Adopted; F-Failed.

Mr. Speaker, I reserve the balance of my time.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, I support the rule, but I will oppose the budget. I mean no offense to the Democrats. I will also oppose the Republican version of the budget. I think both the Democratic and Republican versions are misguided, and I want to disassociate myself from both of them, for the following reasons:

There are some good things in the Democratic budget, there are some good things in the Republican budget, but the truth is that we keep and continue on with the same economic program in America and we are rearranging the deck chairs with all these tax manipulations.

The truth is that we have got to change the way we tax and raise revenue in our country. Everybody is talking about spending, and on one is focusing on revenue.

Here is the way America works, Democrats and Republicans both: No. 1, if you work hard, very hard, you are penalized and you are zapped for it. It is time to at least look at reducing our income taxes with a flat tax on income and coupling them with a tax on spending.

There is a whole second economy called The Street that we are subsidizing with prisons that our working people could benefit from if we would at least look at some alternatives. But the truth is that no one is talking about that. The reason is there is really no difference between Democrats and Republicans.

I listen to the abortion rap, I listen to the gun rap and the death penalty business, but when it comes to taxes and trade and the way we do business, there is not one bit of difference here, and no one is reading the frustration of the American people. No one is even analyzing that frustration, and it is there. The American people are simply taxed off.

Here is where we go: We are now going forward against the rich again. We are going to hit the rich.

We are moving into class wars in this country. We have already chased the rich people's factories and their jobs out of the country. I say, "Now, watch, Congress, that you don't chase their money and their savings out of this country."

We should be incentivizing the Tax Code so the rich people would be putting their money into America in the form of investments and hiring American workers. We are not doing that.

For all of those who are looking at these rosy pictures, I would point out that individual personal income dropped three-tenths of 1 percent in the last quarter while individual spending and borrowing raised one-half of 1 percent. That is not wages, I say to the Congress. It is debt, individual debt, business debt, national debt, and the truth is that we are doing nothing. Democrats and Republicans both are doing absolutely nothing. We are not even studying an alternative to the way we tax in our own country.

I want to close out and basically ask this: Why would you invest in America with the IRS and Social Security down your throats, with Workman's Compensation and Unemployment Compensation, EPA, OSHA, banking regulations, and security regulations?

I say, "Folks, what are we doing?" What is the cost of wages in our country? Why have we driven our people out? It is not because they are not patriots. Congress continues to develop budgets here that rearrange those deck chairs by adding another wrinkle to another 5-year bill.

I am trying to figure this out: Is this the year of the Clinton 5-year bill, or is this the first of another 5-year deal Congress is bringing up?

Where is Gramm-Rudman that was supposed to balance the budget in 1991? It started at $200 billion in 1986. It was $320 billion in 1991. It is not working, I say to the Congress. The American people know it is not working, and it is Democrats and Republicans who are going to argue about some fine print in their different versions, but there is not a damn bit of difference in either budget from either party.

Mr. Speaker, I want to disassociate myself from it. I appreciate the President's action in taking some of the steps he has taken. I would hope that he would not have fallen into the same team of Washington, DC, advisers that have grabbed the last five Presidents. To tell you the truth, I do not know what is in the White House anymore. Democrat or Republican, it makes no difference.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding this time to me. I rise today in opposition to this rule.

President Clinton may be content with a deficit of only $170 billion next year, but taxpayers are not. To put this Government on the path toward a balanced budget, I offered a substitute amendment to the budget resolution that orders another round of deficit reduction under a reconciliation process. That substitute was not made in order, and I will oppose this restrictive rule.

The Schaefer substitute ordered House committees must find $560 billion in savings over the next 5 years—without tax increases.

Best of all, the reconciliation bill is already written, in the form of H.R. 3958, The Fiscal Responsibility Act of 1994. This bipartisan package of 150 spending cuts, which I introduced last week, specifies line-by-line, program-by-program, how to achieve the savings required by the Schaefer budget substitute.

Although my substitute was turned down, I urge my colleagues to take a hard look at my bill, on which the substitute was based. The Fiscal Responsibility Act is the only bill before Congress that provides the details necessary to finally stem the flood of red ink from the U.S. Treasury.

Mr. Speaker, I do support the Solomon approach which is near the Penny-Schaefer substitute, and I think it is probably the only way to go at this point in time.

Mr. Speaker, I thank the Members for all the hard work they have done on this legislation.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON], the distinguished deputy majority whip.

Mr. RICHARDSON. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, a year ago our friends on the other side were predicting economic disaster if we passed the budget resolution. Alan Greenspan, the Chairman of the Federal Reserve Board, recently commented that we are seeing the best economic outlook we have seen in decades.

The fact is that because of the budget resolution we passed last year, the economy is growing all the way from Wall Street to main street.

This budget is a tough budget. It cuts the deficit to $171 billion, the lowest figure we have seen in 5 years.

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It continues the successful spending cuts of the Committee on the Budget last year, cutting more than the President did, initiates over 100 Federal programs being killed and 200 others drastically reduced.

Discretionary spending in 1995 is below last year's dollar level, and total Federal spending is at its lowest level in 15 years. At the same time, we are investing in people; $13.6 billion of the President's $14 billion request for new initiatives are in education, training, research and development, infrastructure, health, and human services.

The reason that we are not having such a heated debate, watched by everybody in the world, is because the economy is in good shape, and this budget resolution is another step in the right direction.

Mr. Speaker, we have a budget resolution that reduces the deficit at a time when the economy is growing, 2 million jobs created in 1993, 70 percent more private sector jobs in 1 year than were created in the previous 4 years. Unemployment is way down. The deficit is down. Interest rates are at a 25-year low, and as a result, 5 million Americans have been able to refinance their home.

Mr. Speaker, let us pass this budget to continue this economic growth in this country.

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from the Commonwealth of Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, a long time ago the Congress passed a statute to bind itself on a fiscal year to complete its appropriations by September 30 of every year. That is the law. Congress passed the law against itself to bind itself. Almost every year since I have been here, at least 9 years out of the 12 that I have been here, we have failed to meet that deadline. So what does the Congress resort to to try to continue its business? It forms a continuing resolution, a temporary set of appropriations, until the time that the final appropriations can be passed.

Well, that has caused a lot of mischief. No. 1, it permits the people who control the budget, the appropriators, to favor certain projects and to slip in certain appropriations that we never had contemplated in the original consideration of the bills. Mischief.

No. 2, it has permitted 9 times in the last 12, it has allowed, the Federal Government to come to a halt. That is, there was an absence of Government in our country for given periods of time during the after September 30 period until a new budget was allowed.

Worst of all, this occurred one time when our Armed Forces were amassing in Saudi Arabia during Desert Shield in 1990. Here we were, our young fellow Americans were all poised for the big battle that was to come in Desert Storm, all ready with their weapons, and the Government of the United States shut down because the Congress did not pass the appropriations to make the Government run.

Now, that is outlandish, outrageous, and an abdication of the duty of the Congress to the Armed Forces and to the entire country.

What have we done since then? I have introduced time and time again a bill that would call for instant replay. That is to say that on October 1, if appropriations bills have not been passed by the deadline, midnight of September 30, then on October 1, it would be an instant replay, an instant adoption, automatic adoption, of last year's appropriations.

This would guarantee a continuum of appropriations until the Congress is ready to act on the full appropriations. And what is even better, it will prevent forever the Government from shutting down, which is an outrage and an insult to the American people.

Mr. Speaker, this is not a scheme on my part which has no support. The GAO, in its report on this very same cycle of failure to meet the September 30 deadline, issued the report which came to every Member, and, lo and behold, to the great satisfaction of my ego, they mentioned in a footnote that my bill was introduced that could go a long way in curing this malady of our budget process.

Now again, this year I presented it to the Committee on Rules, a sense of the Congress to do exactly that same thing, and I was smacked in the face again. But I am going to get up from my floor position and fight again whenever I can.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 5 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think it was the poet Shelly that said that children need to believe in belief. And I think what that means is that our children in America need to be able to believe in their dreams. They need to be able to believe in childhood. They need to be able to believe in that elf that whispers in their ear and talks about Santa Claus, or the beauty of being what ever you want to be when you grow up.

It is too often times in the America of today that we see here in Washington, DC, where young people are shooting each other in the streets, and now in the schools, that our children do not have this opportunity to dream. They do not have the opportunity to believe in belief, and they never are children.

I went before the Committee on Rules yesterday to propose what I thought was a reasonable amendment to the budget, because the budget is the appropriate place to do this. And my amendment would have done two things: It would have cut the intelligence budget by 5 percent over 5 years, and eliminated the D5 Trident missile program, accumulating to about $11.8 billion in cuts, and taken that $11.8 billion and put it into a Children's Initiative for America, another CIA.

Mr. Speaker, I believed putting this money in initiatives for children, like the Women, Infants, and Children [WIC] Program, the immunization program for children, the Head Start Program for children, would begin to give so many of these children in America this opportunity to live the kind of life and to fulfill the kind of dreams that we think the American dream is about. That is the opportunity to do better than our parents did.

Mr. Speaker, that amendment was not agreed to, and I am disappointed. I also thought there was precedent for that amendment to be agreed to by the Committee on Rules

In 1989 the Committee on Rules allowed an amendment offered by the gentleman from California, Mr. Panetta, now our OMB Director, to offset money, to put more money toward the veterans services. In 1991 the Committee on Rules allowed an amendment by Mr. FORD to offset with cuts roughly a $400 million increase in the education account, a function 500 account. And I am hopeful that we will begin to get more and more of a groundswell. Mr. Raspberry in a column in the Washington Post said that we need a children's movement, a children's crusade. We need a groundswell of Members in Congress to get these kinds of amendments put before this distinguished body, so that we can invest in our most precious human resources, our children.

Mr. Speaker, while I am disappointed that this amendment was not allowed by the Committee on Rules, I do have to say that the gentleman from Minnesota, Mr. SABO, working very closely with President Clinton, has come up with a very good budget, I think a budget that will increase, although I would like to see it increase even more, funding in programs such as WIC, Head Start, and children's immunizations. I think the gentleman from Minnesota [Mr. SABO] has done yeoman's work on the bill.

Mr. Speaker, the gentleman from Minnesota [Mr. SABO] has worked very closely with the Clinton administration on a host of goals, and done a very very good job with a very very arduous task.

In that light, I intend to support the rule. I intend to work with the gentleman from Minnesota [Mr. SABO] on the appropriations and authorization bills, to try to achieve what my amendment would have achieved on the budget resolution. And I look forward to more members working through the children's working group that I have established here in Congress to try to get more attention paid to these amendments.

Mr. Speaker, I thank the Committee on Rules and thank the distinguished chairman of the Committee on the Budget, and look forward to voting for this rule and working on a budget that is in the best interest of American and the best interests of our children of America.

Mr. GOSS. Mr. Speaker, I yield 3 minutes and 30 seconds to the distinguished gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Speaker, I thank the distinguished gentleman for yielding time to me.

Mr. Speaker, I understand the need to order debate to foreclose issues when we are discussing a broad budget like this, issues which may be particular to a particular district, which may be particularly political or partisan in nature. That is why I understand the need for the Committee on Rules to exercise some control over this whole process.

The Committee on Rules ought not to be used, however, to foreclose issues which are national in nature, while cannot be discussed realistically at any other point, and which are not political or partisan. I think that has happened with this rule.

It is the reason I will oppose it, because we are not going to be able to fully debate a very vital issue. That is the question of how much this country is going to spend on national defense this year.

Mr. Speaker, it is important to outline what has happened in the last few years. Many Members are not aware of it. Many members of the public are not aware of it. Defense spending has been reduced in this country by 35 percent in real terms since 1986, at the same time as domestic spending has gone up by over 30 percent, at the same time as the need for greater conventional power has increased and not decreased as a result of the collapse of the Soviet Union.

The bipolar nature of the world up through about the late eighties suppressed conventional kinds of conflicts. We would not have had a Desert Storm 10 years ago. Because there were two major powers standing off against each other with nuclear weapons, it was very unlikely that those kind of regional conflicts would emerge or at least would emerge to that kind of an extent. So we are in more serious danger of conventional conflicts than we used to be at the same time as defense spending has been decreasing.

The result of that is the hollowing out of America's defenses, which I have reported on to the Congress in a number of special orders.

My amendment targeted this by taking $20 billion over the next 5 years in the budget resolution from overhead, from the legislative budget, from executive overhead, and putting it into national defense and addressing two of the worst areas in which we are hollowing out. One of them is pay.

As we reduce defense forces, we have got to have high-quality people. The only way to do that is pay them what we need to pay in order to get good-quality people on the forces. We are projecting now 1.6-percent pay increases, which is substantially below inflation, below the formula that this Congress had set for pay increases in the past.

My amendment would have raised it to 2.6 percent or restored what we had been doing in the past.

The other crucial area is modernization. As you reduce the number of troops you have in the Army, it is essential, there is a consensus on this, that each soldier be able to protect himself better and to pack more firepower. We cannot afford either in terms of the lives of our people or the objectives of the country to be losing one person for every person that the enemy may lose in the event of battle. To do that, you have to have modernization.

The Army's budget for modernization was cut 25 percent last year alone for the next 5 years. It was cut 25 percent in 1 year. My amendment would have restored $10 billion approximately over the next 5 years which is the minimum amount necessary.

Mr. Speaker, the only way to consider this defense issue without getting tied up in all the other issues and all the partisan politics is to have a discrete amendment doing nothing to the committee's budget but taking some money from a domestic spending area and putting it into defense. If we cannot do it in that context, the House will never have a chance to express an opinion on it in the course of debating the budget resolution. And this is the only time we can, because as the Members are aware, if we do not change the budget caps during the budget resolution, budget resolution process, we cannot do anything when we debate the actual authorization or appropriation bill later on.

Mr. Speaker, the primary responsibility of the Government is to raise and fund the national defense and protect the lives of our soldiers and the security of our people. I urge the House to defeat the rule so we can consider an amendment that would put that issue before the House.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Minnesota [Mr. SABO], the distinguished chairman of the Committee on the Budget.

Mr. SABO. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise to commend him for this rule. It is a fair rule. It allows a variety of alternatives to be considered and debated by this Congress.

But more importantly, I would like to say to the gentleman from South Carolina how much I and the whole House are going to miss him. The work he does on the Committee on Rules is going to be missed. The work he does as an individual member representing his district, it is going to be missed.

The work he does as a whip is going to be missed. He is truly one of the Members of this Congress that will leave a big hole, and all of us deeply appreciate the thoughtfulness which he brings and has brought to public service. We look forward to working with him for the balance of the year and wish him well in the future.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding the time to me.

Mr. Speaker, this will be the 12th year in which I have had a very modest role in the deliberations on a budget resolution, and this year is no exception. I have not met a budget resolution I like. I do not like all or any of the alternatives presented, but the fact of the matter is, we must, of course, under our budgetary procedures, have a budget resolution.

I rise today to express my concern primarily over the failure of the Committee on Rules to have made in order an amendment, which I presented to them, which would have allowed to be considered an amendment to the Republican budget resolution alternative, which would have restored funding for the Federal Impact Aid to Education Program, a program vitally important to my district, but also important to perhaps 100 or more other districts throughout America.

Federal Impact Aid to Education is critically important to the financial viability of education systems in numerous school districts within my district in Virginia, as it is to many others that have a significant Federal impact.

It is a program where the Federal Government is doing something which it is only right and appropriate that they do in absorbing the impact of the present Federal activities which detract from the tax base and resources of local communities with which to support the educational system that provides the educational services to Federal, military, and civilian employees.

I think it is a serious mistake not to have permitted consideration of an amendment that has that broad a sweep.

In the budget resolutions that come before us, I am going to be supporting the Republican alternative, not because I like all that is in it. There is much in it I do not like. My understanding of a budget resolution is that it sets parameters. It makes assumptions as to programmatic activity, but it does not legislate programmatic conclusions.

Consequently, I find myself able to support the Republican alternative because I think its major thrust is the soundest of all the alternatives before us. It would have been better had we been able to modify some of its provisions rather than having to appear to be giving an imprimatur to all aspects of it, when there are significant parts of it which could be improved by modification or even some elimination.

I regret very much not to be able to support this rule, and I understand the difficulty of the Committee on Rules in a totally open rule on a budget resolution. But certainly, there are very significant amendments that members have chosen to offer, wanted to offer, but this rule permits them from doing so. I think, therefore, it is dificient.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from greater downtown metropolitan San Dimas, CA [Mr. DREIER].

Mr. DREIER. Mr. Speaker, I thank my friend, the gentleman from Sanibel, FL, for yielding time to me.

I guess on our side, we are going to have Committee on Rules' members sort of wrapping things up. So I will try not to take all of the remaining time of the gentleman from New York [Mr. SOLOMON].

Let me say that we are opposing this rule, Mr. Speaker, for a number of reasons. And I would like to focus for just a moment on an issue here that we have tried to address in the past and last night when we were marking this rule up. I offered an amendment to try and address it. Unfortunately, it was defeated.

We have this marvelous sounding provision called the king of the hill procedure. The king of the hill procedure, based on the structure that we have, says that the last amendment that passes is the one that actually is implemented. It seems to me that that is not a real king of the hill procedure. When I was a kid, and I know many of the rest of my colleagues all played that game of king of the hill, it was who got to the top of the hill and was actually able to survive.

Unfortunately, we have this king of the hill procedure which allows basically a bait and switch. We can cast a vote on an item and end up with something else. We can be drawn into a proposal and end up with something else. Why? Well, we have five substitutes that are called for under this rule.

We have proposals that bring about great reductions, the Solomon substitute, the Kasich substitute.

Every Member here will have an opportunity to vote for those, making the claim that they voted to bring about reductions in spending, yet if we end up voting for the last substitute, which does not bring about the kind of meaningful spending cuts that we believe are necessary and that the American people believe are necessary, those earlier votes that they have cast will not count. And the last one is the only one that counts.

So, what will Members be able to do. They will be able to say yes, of course, I voted to bring about those cuts by supporting this Solomon effort to be specific on measures that should be reduced. But they will not be accountable for it.

Mr. Speaker, we should end this king of the hill procedure or at least put into place a meaningful king of the hill procedure so that substitute, the proposal which gets the largest number of votes is the one which we actually pass.

Let us defeat this rule, come back with a king of the hill procedure which is meaningful, and does what we believe should be done and that is bring about the accountability that is necessary, and pass a budget that will be acceptable to the American people. I thank my friend for yielding.

Mr. GOSS. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Speaker, it is spring, it is budget time, and the minority is going to be run over—again. The majority suggests this is good. I think not.

Today, America will see the President's budget, which includes few cuts and many taxes. The Democrats assure us that the road to prosperity is paved with taxes.

This is an argument I have never understood: How can you and I be more prosperous if the Government takes our money? We have less, so how can we be more prosperous?

The majority claims it is time for hard choices. I agree, but those choices can never be made if they are not brought to the floor.

Mr. BURTON has formulated his freeze plus 2 percent solution which would balance the budget by the year 2001. My plan is similar to Mr. BURTON's—the only real difference being my reconciliation language instructs the Committee of the Whole to reduce expenditures by $34 billion.

This is a novel approach—permissible under the rules. Such an approach would give all Members a chance to participate in the budgetmaking process—the only way we can take the budget process out of the back rooms and onto C-Span for the public to see.

This is the only time the whole budget would be in front of Congress, and all Members should be allowed to offer their alternatives, to offer specific budget cuts.

But they are not. Instead, Members are required to submit a complete budget document, one that includes CBO projections.

Such a task is daunting when you consider a sample budget is a minimum of 60 pages long—each page replete with endless line items.

So what has happened? Most Members have resigned themselves to spectator status because they lack the staff to draft such a document.

Under the Budget Act, any budget line item increasing spending must be balanced by a corresponding cut from someplace else.

Americans want the merits of honey subsidies, highways, and defense debated—weighed one against the other.

Since I first proposed an across-the-board freeze in 1988, I have talked to many people from farmers to seniors to veterans to Federal workers. They all say the same thing: "The budget should not be balanced on my back alone." All of them have been willing to shoulder the burden—if everyone else also does.

Equity, and equity alone, should drive the budget talks.

Vote down the rule, so all Members can participate in the debate.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I rise to commend the chairman and the members of the House Committee on the Budget for producing a bill of which they and this Congress can be justifiably proud.

In an economic and political environment in which nothing large or small is attempted without a wary eye toward cost, the committee has produced a budget measure that embodies the same responsible fiscal behavior that Americans demanded of last year's budget.

Although this budget resolution differs somewhat from President Clinton's original proposal to Congress, it continues the fiscal constraint that was reintroduced to Government with last year's budget—the first budget of this administration. As a result, this proposal brings the 1995 Federal deficit down to $175.3 billion, the lowest level in 5 years. It is more than $100 billion below the projection made by CBO in January 1993.

There is yet another accomplishment in this budget proposal for which the committee is to be commended. It is a difficult accomplishment and one more intimate to individual Americans than are the arithmetic puzzles offered them by Federal number-crunchers. In continuing this administration's precedent of well-targeted outlays, this is a very human budget as much as it is a Government budget.

The budget presented to us today has as its guidance the needs of individuals and families. It contains funding for emergency food assistance, for badly needed mass transit, and for home energy assistance. Although it achieves the lowest deficit since 1975 when measured against the size of the economy, it funds new initiatives in education and training, in health and human services, in crime control, and in community development. This budget is geared to continue the rise in employment that Congress and the administration accomplished with the preceding budget.

The proposal which the House Committee on the Budget has crafted and set before us for consideration seeks not to further burden American citizens, but rather to free them from their burdens.

One of the most loved members of this Chamber, the late Speaker Tip O'Neil, used to caution that "All politics is local." This budget reflects the best kind of local politics. It is a reflection of a Congress that has used as its guidance the needs of the people in the cities, towns, and counties throughout this country. As those people have articulated their needs to us, so the committee has directed the impact of its good fiscal judgment where it will most directly meet those needs.

My congratulations to the members of the Budget Committee for their skilled accomplishment of a most difficult task.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my intent here is to make a remark, use a little of our time, and then yield to the gentleman from New York [Mr. SOLOMON] to close for the balance.

Mr. Speaker, all I want to add to the remarks of my colleague from California, Mr. DREIER, about the king of the hill is this: the trouble with the king of the hill is you do not get the best of the rest, you have a bunch of losers left at the bottom of the hill, and that is why we do not like the king of the hill, because the best of the rest has some good stuff in it.

And the other point I want to make is about the deficit: when we are talking about the ship of state and the deficit, we do not want to brag because the ship sink sank in 1,000 feet of water rather than 120,000 feet of water. The point is not to let the ship of state sink under the deficit at all. And that is why we have to get rid of the deficit.

Mr. Speaker, I yield the balance of my time to the distinguished gentleman from New York [Mr. SOLOMON], ranking member of the Committee on Rules, has an outstanding substitute amendment for us.

Mr. SOLOMON. I thank the gentleman for yielding the time.

Mr. Speaker, even though the rule that we are about to vote on does make in order my personal balanced budget substitute, I do have to oppose the rule because, Mr. Speaker, the House again is not being allowed to work its will.

And we had a number of Members of Congress, all respectable Members, Democrats and Republicans, that came before the Rules Committee yesterday, with good ideas that ought to be brought to the floor of this House. And those good ideas are not going to be allowed.

The gentleman from California [Mr. CONDIT] was one, the gentleman from Indiana [Mr. ROEMER] was another, and on our side of the aisle we have Mrs. BENTLEY who has a different approach to balancing the budget than I do with my specific cuts. Hers would limit line item increases to 2 percent. The gentleman from Florida [Mr. GOSS] has talked about the Burton substitute and Schaefer's and his own specific cuts, and Mr. Speaker, the House is not being allowed to work its will and that is why we really should defeat this rule and let the other credible substitutes be brought on the floor so that every Member is not discriminated against.

□ 1120

Having said all of that, I do want to thank the majority for making in order our balanced budget which will be brought to the floor sometime around 4 or 5 o'clock this afternoon.

First of all, I want to urge every member on both sides of the aisle to vote for the Republican alternative, the so-called Kasich budget. It is an outstanding budget. It goes a long way toward beginning to bring some fiscal responsibility into this body. It cuts these projected deficits on an annual basis considerably more than what the Clinton budget does.

Having said that, also, I would just like to say that it is completely compatible to vote for the Solomon approach as well. And what we do, Mr. Speaker, is we, in the year 1999, actually balance the budget. We end up with a $2 million surplus, and in the year 2000 and 2001 we begin to pay off that debt that has just about bankrupted this great Nation of ours.

So I would just hope that Members come to the floor. We have here a copy of the specific cuts. I might just point out, Mr. Speaker, you know, most of the time when budgets are offered, you get something like this, and this is just a bunch of functions. It does not really mean anything. I would invite every Member to come over and look at it. You could not tell one thing being cut in that, because all it is is just a level of functions.

What we do, which is not very politic, is we actually show you over $600 billion in spending cuts, 500 of them listed right here, and it does this without raising taxes, without touching Social Security trust funds, without touching earned veterans' benefits, and it restores defense spending, because I have had a number of Members from conservative Democrats on your side of the aisle who have come to me and asked me what I do in my budget with defense spending. We restore $50 billion of those cuts that President Clinton recommended.

We still manage to balance the budget in 1999. It is completely compatible to vote for the Kasich Republican alternative and for the Solomon substitute.

Again, if we were not under this king of the hill, we would let the one with the most votes then survive, and that would become the law of the land. However, we will have to wait and see how that plays out.

Mr. Speaker, I would urge every Member come to the floor and vote against the rule so that we can bring back a rule that does not discriminate against any Member.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the Members of this body on both sides of the aisle to vote for the rule. It is a good rule. It is a fair rule. I urge the Members also to vote for the budget resolution. It is a resolution that, I think, will continue to carry our economy forward with less unemployment, with keeping the economy moving, increasing jobs.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. CLYBURN). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 245, nays 171, not voting 17, as follows:

[Roll No. 50]

YEAS—245

Abercrombie
Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Cooper
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Glickman
Gonzalez
Gordon
Green

Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton

Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rostenkowski
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—171

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)

Bartlett
Barton
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute

Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert

Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Coppersmith
Cox
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke

Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Petri

Pombo
Porter
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—17

Andrews (NJ)
Andrews (TX)
Brooks
Conyers
Crane
Crapo

Dellums
Gallo
Hastings
Kopetski
Lightfoot
Natcher

Portman
Reynolds
Schumer
Walsh
Washington

☐ 1151

Mr. ROSTENKOWSKI and Mr. PICKETT changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Speaker, as a result of a family emergency, I was unable to vote on the Rule for consideration of House Concurrent Resolution 218. Had I been in attendance, I would have voted as follows: Rollcall No. 50—No.

HOUR OF MEETING ON TOMORROW

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

The SPEAKER pro tempore. Pursuant to House Resolution 384 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution, House Concurrent Resolution 218.

☐ 1154

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for consideration of the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, with Mr. SERRANO in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to the rule, the concurrent resolution is considered as having been read the first time.

Debate shall be confined to the congressional budget and shall not exceed 2 hours, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH].

After initial general debate, there will be an additional period of general debate which shall be confined to the subject of amendment No. 4 printed in House Report 103–429 and which shall not exceed 1 hour, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and an opponent.

Following that debate, there will be an additional period of general debate which shall be confined to the subject of amendment No. 3 printed in the report and which shall not exceed 1 hour, equally divided and controlled by the gentleman from Maryland [Mr. MFUME] and an opponent.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the gentleman from Minnesota [Mr. SABO] and the gentleman from Ohio [Mr. KASICH].

At this time the Chair will recognize the gentleman from Minnesota [Mr. SABO] for 1 hour and the gentleman from Ohio [Mr. KASICH] for 1 hour.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is indeed a pleasure to be back before you with the Budget Committee's recommendation for the 1995 budget resolution.

Last year at this time, we faced high deficits, and a host of other problems.

By August we had passed the President's comprehensive economic plan and we had improved on his proposals throughout the legislative process.

In that process we reduced the Federal budget deficit by $500 billion over the 5 year period from 1994 to 1998.

And, we redirected scarce Federal dollars to programs that reward work like the earned income tax credit [EITC]; to education and job training so people can find work and continue to remain productive in a changing economy; to research and development so our Nation can remain a world economic power; and to health, nutrition, and human resource programs so that all Americans can enjoy healthy and fruitful lives.

This year, we are seeing the rewards for those efforts.

The deficit is down significantly and projected to continue to decline. In fact from 1992 to 1996 we are seeing deficits decline 4 years in a row. The last time this occurred was 1944–48.

Under this budget, in 1995 discretionary spending as a percent of the gross domestic product will be at its lowest level since 1948. And, it will shrink still further in the next 5 years.

News on the economic front is overwhelmingly positive. Evidence of improved economic performance is everywhere. According to recent testimony by Fed Chairman Alan Greenspan, "The outlook * * * is the best we have seen in decades. Further, according to David Schulman, the chief economist at Salomon Brothers, "The economic recovery is now moving from Wall Street to Main Street."

All the major economic indicators show improvements. Over the last year we have seen the creation of 1.9 million new private sector jobs; an increase in industrial production of 4.7 percent; an 11 percent increase in business investment; a decrease in the unemployment rate from roughly 7.7 percent in January 1993 to 6.5 percent in February 1994; and improvements in the leading economic indicators for 6 months in a row.

Everywhere we turn things are looking up. I think it is safe to say that all these good things would not be happening if we hadn't enacted the President's economic program. And this good news is particularly helpful in dealing with our budget problems.

This year's budget builds on last year's program. It continues the fiscal restraint we began last year and continues to direct scarce Federal resources toward the needs of the nineties.

The resolution we have presented to you follows the President's program with a few exceptions. As you have probably heard, CBO reestimated the President's budget at $3.1 billion over the outlay caps for 1995 so we had to make some adjustments to fit within those caps. We also disagreed with the President on his proposals to cut the Low-Income Home Heating Program [LIHEAP], mass transit operating subsidies, the REA loan guaranty program, and one or two other programs. In order to reject these cuts we had to find the funds elsewhere. Consequently, the budget before you is slightly different from the President's while at the same time reflecting his major policy choices.

A general outline of the plan and the major modifications we made to the President's plan are as follows.

BASIC ELEMENTS OF THE PACKAGE

This budget continues the fiscal restraint that was begun with last year's budget and reorders spending in line with the President's program. It terminates 100 Federal programs and reduces more than 200 others.

This budget brings the 1995 deficit down to $175.3 billion, the lowest level in 5 years, and more than $100 billion below the projections made by CBO in January 1993.

Measured relative to the size of the economy, the 1995 deficit will be lower than any year since 1979.

Discretionary spending in 1995 is below last year's dollar level, and total Federal spending is at its lowest level in 15 years when measured as a percent of gross domestic product [GDP].

At the same time, this budget includes $13.6 billion of the President's $14.8 billion request for new initiatives in education and training, research and development, infrastructure, community development, health and human services, and crime control.

It assumes full funding for the President's crime control initiative at $2.4 billion in 1995.

The proposal does not prejudge the nature of health care reform so it does not specifically include any figures for health care reform. Rather, it assumes that the final health care reform package will be deficit-neutral over the 5-year budget period.

It contains no new taxes and does not require reconciliation.

MODIFICATIONS OF THE PRESIDENT'S PROPOSAL CONTAINED IN THE PACKAGE

This budget rejects the President's proposal to reduce the important LIHEAP—Low-Income Home Energy Assistance Program—by $745 million. Rather, it assumes restoration of $520 million of that proposed cut and it expresses support for the President's efforts to target the program better to those most in need.

This budget rejects the President's proposal to cut mass transit operating funds by $200 million and assumes restoration of these funds to the 1994 level.

It rejects the President's proposed $80 million cut in TEFAP, the Temporary Emergency Food Assistance Program within the Department of Agriculture, and assumes restoration to the 1994 level.

It rejects the President's proposal to cut the Rural Electrification Administration [REA] loan program by $63 million and assumes a restoration of funding to 1994 levels.

This budget rejects proposed cuts in veteran's medical research and assumes full funding at the 1994 level.

It assumes a restoration of $40 million of the President's proposed reduction in Indian health facility construction, primarily for sanitation and other essential public safety requirements.

This proposal cuts the President's budget by $3.1 billion through a variety of changes including the assumption of the full savings from personnel cuts as set by the buy-out bill (H.R. 3345) that recently passed the House and Senate.

Mr. Chairman, I reserve the balance of my time.

□ 1200

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we enter into another chapter of the ongoing struggle in Washington to define our view of how the Federal Government ought to operate.

I want to kind of go back to the beginning of the book and start at the beginning and move up to where we are today. You might recall that last February, the President came to Capitol Hill and stood in the well and he said, "I did promise you a tax cut, but now we are going to have tax increases, and I would like you to be patriotic." He turned to the Republicans and said, "If you do not like my tax increases, give me your specifics."

So the Republicans did give the President their specifics in terms of reducing the deficit by even more than what the President reduced the deficit by, without one dime of tax increase. That document was praised by a number of publications across this country, from liberal to conservative, for its intellectual honesty and its effort to reduce government.

We were rejected in that effort to show the American people how we would eliminate the tax increases and substitute instead the changes in the operation of the Federal Government to achieve significant deficit reduction, more than what the President achieved, but without taxes.

Then the reconciliation bill, the flat tax bill, that came to this House floor. And the President had his taxes and he said, "If you do not like our taxes, give us your specifics." So one more time the Republicans trotted out their list, and we said we have specific recommendations to downsize the operation of the Federal Government, and we do not believe we need these taxes in order to reduce the deficit. And one more time the decision was made, more for Washington, and less for us back home.

So after that ended, we got to the Penny-Kasich bill. Now, the Penny-Kasich bill was the specific recommendations to reduce the operation of the Federal Government. Of course, the President was aware of our specifics because he worked hard to defeat our specifics. This was a President who had pledged that he would welcome additional spending reductions. So Mr. PENNY and I came to the floor with our specific spending reductions. We offered them. The President opposed us with a majority of the majority party, and we were one more time defeated. And they said no, we wanted more for Washington, and we do not really hear the cries of the people around this country back home. We want to keep the Washington establishment happy. Penny-Kasich was defeated.

Now, ladies and gentlemen, this year the President came into this well again with his budget proposal that he said was flat as a table, the top of a table. And what is interesting to note is if the President had not sent his budget to Capitol Hill, if the President had permitted the budget to increase on automatic pilot, if the President had said that the Government of the United States could go on automatic pilot, and I will not send the budget to Capitol Hill, then the deficit and the levels of Government spending would be less—would be less—than what we have under the President's budget.

So when the President talks about how we have all these major cuts in programs and savings and a tight deficit, the bottom line is if that budget document had not made its way from the White House to Capitol Hill, we would have lower deficits and lower spending.

And the President challenged us. And the President said, "If you don't like my budget, show us what you would do." And Republicans have.

What we have done is we have laid things out on the table that represent a follow through of some promises and some rhetoric that have been articulated by this current administration. The President said he wanted welfare reform. It is not in his budget. The President said we would have health care reform to reduce deficits. It has been withdrawn from his budget. The President said he wanted a comprehensive crime bill. We only find pieces of it in his budget. And we are still waiting for the President to hold good to his promise that we will have middle income tax relief.

What the Republicans did is we went through virtually every nook and cranny of the Federal Government, with a philosophy of downsizing the Federal Government. We have privatized some programs, for example the Federal Aviation Administration, following a number of the practices that are being done by other countries around the world. We think that privatization of that program, privatization of a part of our prison system, makes very good sense.

We have also eliminated some programs, part of our philosophy. Programs like the helium reserve, a whole variety of programs that we think just similarly do not make sense and are outdated, like the Interstate Commerce Commission, originally created to regulate the pulling of ice wagons throughout this country. We have decided we do not need to have those operations of the Federal Government around any more.

We have also decided to do some shifting of block grants to the States without regulation. The reason why we have done that is that we do not think that people back home cannot figure out how to solve problems, if we would just let them have their own money to fix problems the way they feel are the best ways to fix them.

I want to talk about one program that the gentleman from Arizona [Mr. KOLBE] developed, called WIC-plus. We have been able to take all the nutrition programs of the Federal Government, put them in one block grant, send them to the States, double the amount of money that goes to women, infants and children, and save $8 billion for the Federal Government by not letting every bureaucrat in Washington touch this money. Whenever bureaucracy touches money, they burn it up.

So we have used this idea of block granting programs back to states and trusting in people where we live, to be able to solve problems. And I am constantly amazed when I meet with people in the bureaucracy here who do not even know what the time zone is in Columbus, OH. If they do not know what the time zone is right there, I am not quite sure they are going to know how to fix our particular problems.

So we block grant more programs, including mass transport and low priority transportation projects. We also use more consolidating and block granting in the area of job retraining, something the GAO says we are not even sure the job training programs of the Federal Government are working to help people get jobs. That is all of our goals. We think we have a more effective way to do it.

We have gone through every nook and cranny of the Federal Government, down sizing, privatizing, eliminating some, and just reducing the increase in others. And doing that, we have been able to achieve a very comprehensive package that in fact does deliver us comprehensive welfare reform.

In our budget, we not only talked about doing welfare reform, we have in fact delivered a comprehensive welfare reform package. We also have in there what we view as a very strong down payment on both health care and crime legislation, allowing people at home to have more money to build prisons, more money for police on the streets. And in health care, a down payment on fixing the health care system with a minimum of Federal involvement and a maximum of the private sector being involved.

Then we have also decided that we think it makes sense to provide greater efficiencies to our industries. And what we have done is allowed industries to be able to write off plant and equipment faster so that more Americans will get jobs, so that we will be more competitive in the international atmosphere today.

□ 1210

We will be able to put more people to work. We index capital gains that will not only help industry but will also protect people's investments against inflation. People should not have to pay taxes on inflation. And we have also had in here the kind of crowning jewel of the package. That is the $500 tax credit per child per family under $200,000.

When I presented this budget, the press said, "How can you do this and how can you pay for it?" The amazing thing about this proposal is that we not only have deficits that are lower than the President's in every single year of the 5 years that this budget is made up, but it is cumulatively $150 billion less in deficits than the President's budget. Why?

Because we decided to go eyeball to eyeball with change and eyeball to eyeball with the Washington establishment and dig in and give the American people what they want, a downsizing of the Federal Government and real change. And in the course of doing it, in the course of scouring every nook and cranny of the Federal Government, we have been able to achieve lower deficits every single year than the President, $150 billion less over 5 years, and we have been able to give middle-income families tax relief, to the tune of $500 per child per family under $200,000.

It is not smoke and mirrors. It is not some kind of voodoo economics. It is a proposal that makes hard choices about reducing the influence of Washington, reducing the influence of big government, making a down payment on reducing the deficit and, at the same time, allowing the American family to share in some of the savings.

And do my colleagues know what, we do not give anybody anything. It is the American people, the American taxpayer that sends their money to this town. All we are saying is that in the course of downsizing the Federal Government, we believe that the American family, which has been besieged in this country, should reap a benefit. It is not a giant benefit, but it is a benefit. But we do not do it at the expense of future generations, because we have been able to reduce the deficit by more than what the President has done.

So not only downsizing of the Government, not only greater deficit reduction, but some tax relief for the besieged American family. If Members are really for change on either side of the aisle, if they really want to see Washington have less influence, there are proper functions of the Federal Government, obviously. But if Members really want to see some privatization, some downsizing, some elimination of wasteful programs, slowing the increase in some other Federal programs, and they want to give relief and a bigger down payment on the deficit, then Members will support the Republican alternative.

I would ask my colleagues, we will probably have a vote on this tomorrow, on the Republican family budget. I would ask my colleagues to take time in their offices, clearly taking a look at the road map that we have laid out. I think that when they look at it, Members will be surprised at how much can be achieved by just trying to be creative and innovative and imaginative with the programs of the Federal Government. I would ask for Members' support.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM], a hard-working member of the Committee on the Budget, a member who has been working immensely hard to reorganize and streamline Government with the emphasis on the Department of Agriculture.

Mr. STENHOLM. Mr. Chairman, I rise today in support of House Concurrent Resolution 218, the budget resolution for fiscal year 1995. I do so with praise for my chairman, Mr. SABO, for the manner in which he always conducts business within our committee. I also do so, however, with mixed feelings about the missed opportunities of this budget.

Last year, in writing about the fiscal year 1994 budget resolution, five Democratic Members stated,

> We are disappointed that we did not address the issue of entitlement spending more than we did in this resolution. Even a cursory examination of our national spending points out the inevitability of dealing with entitlement spending if we are to have money to spend on any other programs while bringing our budget into balance. We must develop meaningful budget enforcement legislation which must include some mechanism to force us to deal with entitlements in future years.

Unfortunately, those views are just as relevant today as they were a year ago. We find ourselves in a position again this year of noting that the budget resolution accomplishes a minimal amount of what should be done on the resolution, but that a far greater portion was left unaddressed.

In particular, we are disappointed with the decision that further deficit reduction, carried out through a reconciliation bill later this year, was unnecessary. While it is true that the deficit is projected to take a slight downturn over the next few years, we remain convinced that sustained deficits of $200 billion a year present a greater economic hazard to our Nation's future.

We are pleased that we were able, at least, to attach report language to the resolution which calls for the provision of enforceable entitlement spending limits, establishing a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit, and granting the President expedited rescission authority over appropriations measures. Obviously, reconciliation instructions along the same vein would have been far preferable.

We also are pleased that there was an agreement with our party's leadership for the consideration of further budget process votes within the House of Representatives. Past experience with the outcome of such promised fair votes does not lead to extreme optimism but we nonetheless look forward to the opportunity to offer amendments not only on the budget process items just mentioned, but also on a reexamination of the Consumer Price Index formula and a measure which would guarantee that all appropriation cuts are dedicated to reducing the deficit.

The omissions in this budget resolution further convince me that only with the constitutional imperative of a balanced budget amendment will the Congress and President finally face head-on the demands of deficit reduction. My hope is that 290 of my colleagues will come to the same conclusion when we take up that issue here in the House of Representatives next week.

The shortcomings notwithstanding, I supported the budget resolution passed out of the House Budget Committee because we were able to add the aforementioned report language and negotiate the agreement for later budget process votes. I commend Chairman SABO for his assistance in this regard, I look forward to continuing to work with him, and I look forward to the budget process votes which will be coming later this year.

I do not want to spend my time talking about what we should have done. I want to talk about what we are doing.

Mr. Chairman, the administration, with the full cooperation of the House and Senate Agriculture Committees, has made, rightly or not, USDA the first great experiment in reinventing government, even though all USDA outlays represent only 4 percent of the entire Federal budget and agriculture programs in USDA are only 1 percent of the budget. Yet USDA, since 1981 has made $60 billion in legislative budget savings. The 1990 budget agreement alone cut farm price supports by 20 percent.

Nevertheless, our committee agrees that USDA must become more efficient and streamlined, not only to better the Department's modern day clients but also because we are budgeting for additional, significant cuts in spending.

Secretary Mike Espy made restructuring a top priority; 1,200 of our 3,700 USDA field offices will be closed. But Mr. Espy wanted to reorganize starting at the top, a very appropriate decision. His proposal, H.R. 3171, introduced last September will grant the Secretary the most sweeping authority to reorganize the Department since the Great Depression.

The full House Committee on Agriculture has already reported legislation and the full House passed it in H.R. 3400 last November. It requires USDA to use existing authority to cut staffing by 7,500 positions and spending by $1.6 billion by fiscal year 1999.

Now we are going even further to refine H.R. 3400. My subcommittee has held more than a dozen hearings here and in nine States nationwide on USDA reorganization. On February 8, we approved and sent to the full committee a bill that grants the Secretary virtually all the authority he needs to streamline the Department, combine agencies and offices, and more efficiently serve our clients, farmers, and consumers. Staff would be cut with the deepest cut starting in the Washington bureaucracy.

USDA itself expects total savings from reorganization to reach $2.3 billion over the next 5 years. We are now pressing the Secretary to keep his promise and begin implementing field office closings. The Secretary does not need final congressional action in order to close or consolidate offices.

The bottom line for today for the budget hearings is, there will be reorganization in the coming year, already budgeted for it. It is within the budget resolution. The savings will be real. And the service to our farmers and consumers will not be deteriorated. The consumer services will be improved. The point here is, we can spend our time criticizing this budget, but there are things in it that show that we are, in fact, taking some very tough positions that have to be done in order to meet our fiscal needs. Not as far as some would like, but much further than our critics say that we are doing.

Mr. KASICH. Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. SAXTON] for the purpose of debate on economic goals and policies, and I ask unanimous consent that he be entitled to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SAXTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, a week or so ago, I was in my office with a group of very hard-working Americans, employees of the postal system. And they came to explain to me that there were certain things in my voting record that they liked and certain things in my voting record with which they took issue.

They said, for example, that they opposed a balanced budget amendment and asked me to explain why I favor it, which I did. And they informed me that there were ways to get the budget balanced without amending the Constitution.

Then they said they took issue with the vote that I had on a bill that became known as the Penny-Kasich amendment. The Penny-Kasich amendment would have cut the deficit by more than $100 billion without raising taxes. And I said, "Well, that was an effort to balance the budget without amending the Constitution."

☐ 1220

So here we are again today. Once again, we have a bill sponsored by the gentleman from Ohio [Mr. KASICH]. Frankly, I told my postal workers I thought he was a hero, because he is the one guy in the House of Representatives who has put together a program demonstrating that there is more than one way to do business here.

I am very delighted to be able to be here today to support his effort, Mr. Chairman. This year, perhaps more than ever, I am amazed at the difference between the two budget proposals. There are two basic proposals that we are going to vote on, one by the folks from the other side of the aisle, which is the basic budget bill this year, and the one that I just mentioned which will be proposed a little bit later by the gentleman from Ohio [Mr. KASICH].

There is a very basic difference. I heard today in speeches, 1-minute speeches on the floor and other speeches more recently here on the floor, that somehow the two biggest tax increases in this country's history, one in 1990 and the next one in 1993, have somehow miraculously helped our economy to grow. I don't know a lot of economists who would buy into that theory. In 1990 we had a tremendous tax increase, and then in 1993, under a different President, we had another big tax increase. There is a lot of talk going on around here this year that says that because of that tax increase, the economy is once again growing.

I brought some charts with me today to illustrate what is really happening with the economy today. After recessions, certain things happen with the economy. If we have good tax policy to support recoveries, good things will happen in terms of growth in GDP.

This chart, for example, illustrates what happened after the recession which took place in the early 1950's. During the 2½-year period immediately after that recession, the economy grew by something in excess of 10 percent.

In the early 1960's, we had another recovery following a recession. During that recovery, the economy grew in a 2½-year period by almost 12 percent.

In 1970 we had another recovery following a recession, and the economy grew again by 10.2 percent. In 1974 we had another recovery after a recession, and the economy grew in a 2½-year period by over 12 percent.

That brings us to the latest recovery which we hear so much about from the other side of the aisle. It is called a miraculous recovery, in fact. Yet in the 2½-year period after the 1990 recession, we have seen a recovery of a scant 6 percent.

Something is different about this recovery. It has been called a number of things, including a jobless recession. That is for good reason.

If we can look at the next chart, which explains in some greater detail what actually happens in growth after recessions, we have taken the average growth after recessions, and we have looked to see how that compares with this recovery.

Throughout the recoveries that I just described, the average growth 1 year out is demonstrated here by this line chart, and at 2 years out and at 3 years out. We can see represented by the blue part of the chart that average growth after recessions has been quite substantial, as compared to the growth that has occurred in the first 2½ years after this latest recession.

If we can go to the next chart, the same can be illustrated in terms of our industrial production. Through the recoveries which I described a few moments ago, we can see, as demonstrated by the blue lines on this chart, what the average growth was during recovery periods, and the red lines, of course, illustrate what growth has been in terms of industrial production, during this recovery period.

Finally, we have one additional chart here, which is very interesting and somewhat scary, because it affects the lives of families all across the country who are still unemployed today. This shows that beginning in March 1991, when we actually came out of the recession, job growth was not only flat after the 1990 tax increase, but that we were actually still losing jobs.

In most recoveries, as demonstrated here by these red bars on the graph, we begin to see some growth in jobs immediately following a recovery.

When the recession ended in March 1991, it was more than a year and a half before we saw any growth in jobs at all. The reason for this is simple: we raised taxes on the American people. More than 4 years ago, I and others stood at this podium and said, "If we increase taxes, we will hurt the economy and hinder any recovery."

We said again in 1993, "You are going to throw a wet blanket on this recovery if you increase taxes again." That is exactly, in my opinion, why this economy is not expanding at the rate of other economic recoveries following a recession.

Mr. Chairman, we also said during those debates that there are some things that changed people's behavior. For example, we changed tax policy to support budgets like the one that is supported by the Democrats' side of the aisle. In fact, the 1993 tax increase changed people's behavior, particularly in terms of hiring and rehiring workers. As the chart beside me shows, these new taxes affected job growth.

For example, in 1984 we had people who worked about 3.4 hours of overtime, on average, for each worker.

Today in 1994, however, almost 10 years later, we see that that average has gone up from 3.4 hours per week to 4.5 average hours per week. Why? Are employers willing to pay overtime but not hire more workers. Because employers do not want to pay higher payroll costs.

They do not want to hire because Social Security taxes went up, because payroll taxes went up, and they do not want to hire because they do not know if new taxes will be forced on them to support some new health care plan. Therefore, tax policy has had a tremendous effect on our economy.

While I am glad that we are finally beginning to see some growth in jobs and some improvement in the economy, it is certainly not the kind of economic recovery that we would hope to have seen by now. All of this, in my opinion, is a result of bad tax policy in 1990 and again in 1993. I am also fearful of what we are going to see when last year's round of tax increases comes into full effect later this year.

For these reasons, Mr. Chairman, the Kasich proposal makes more cuts, reduces more of the deficit, cuts taxes on families, and puts in place a new budgetary program that I hope will pass. I do not have great hope, however, because I can count likely votes. But I hope it will pass, because we need to set this country on the correct course. Our future, our children's future and our grandchildren's future depend on it.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Mississippi [Mr. MONTGOMERY], chairman of the Committee on Veterans' Affairs.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this budget resolution.

Mr. Chairman, I want to commend the gentleman from Minnesota, the chairman of the Budget Committee, and all the members of the Budget Committee, for bringing this resolution to the floor. As my colleagues know, CBO estimated that the President's budget was $3.1 billion over the discretionary caps we established last year. As a result, almost all of the President's proposals to increase spending above the 1994 level had to be pared back by the Budget Committee. Proposed increases for the National Service Program, mass transit grants, and energy conservation programs had to be scaled back because of this problem.

But the President's proposed increase of $500 million above the 1994 level for VA medical care was left intact. In addition, the Budget Committee has recommended that the VA's award-winning medical research program be increased by $41 million above the President's request.

I want veterans to know that Chairman SABO and members of his committee had to make some very tough decisions. Not only did they avoid taking any money out of the veterans budget to make up this $3.1 billion difference, they added $41 million for VA medical research.

Although I believe the Budget Committee did what it had to do, I want Members to know that service to veterans is not going to get any better under this budget, and will probably get a little worse. Our committee was frankly troubled by the VA budget picture and felt there was a lot of justification to recommend an additional $779 million for veterans programs above the level recommended by the administration.

The number of veterans who will be able to obtain outpatient care, nursing home care, and hospital care will decline when compared with this year's level. The number of pending claims for compensation, pension, and education benefits is projected to grow to 1 million by the end of next year. It will take almost 2 years to get a decision from the Board of Veterans Appeals.

In summary, even though this budget includes almost none of the recommendations made by our committee for veterans programs, it is a responsible one given the budget caps on discretionary programs. But my colleagues must understand tight budgets certainly will have an effect on our veterans health care.

□ 1230

Mr. SABO. Madam Chairman, I yield 4 minutes to the distinguished gentlewoman from Hawaii [Mrs. MINK], a member of our committee.

Mrs. MINK of Hawaii. Madam Chairman, I thank the chairman of the Budget Committee for yielding me time.

Madam Chairman, I rise in support of the budget resolution. I think it is often confusing to the general public when we debate the budget resolution about exactly what is the budget. As I see the budget, it is probably the most important document that comes from the administration. What it expresses is its policy, its priorities, the things that it wants to see changed, the direction of the Government, and expression of confidence in the future, the things that ought to be done by the various Cabinet offices.

I serve on the Committee on Education and Labor and I am very pleased to see a budget come forth from the White House that articulates the hopes and aspirations of the American people with emphasis on education. The budget resolution underscores its support of this direction, and of all of the functions that we have in this budget resolution, the one that has the highest percentage of increase is in the education and training areas, and I am very, very pleased with that.

The President has staked his future on the programs that he has articulated in the education area. He is for school reform, and we have the Goals 2000 bill currently in conference where the two committees are trying to iron out the differences. We have already started work on the School to Work Program because we know that 75 percent of the students that finish high school do not go on to higher education, do not go on to college, and they are out there looking for jobs, looking for opportunities. And what we need to do is to find a way to meld the 12 years that they are in regular school into something that can provide them the channels for advancement in a job or a career. And so the School to Jobs Programs is critically important.

In this budget resolution we not only see increases in funding generally for education, but we see an increase of $595 million for Goals 2000, which articulate the future of this country and the direction we are urging local school districts and the States to take. And in the School to Work Program we have $100 million for the Department of Education to be matched by the Department of Labor. For the first time in my memory, and I have been in the Federal Government for a long time, we see a Department of Education working together with a Department of Labor to put together a meaningful program wherein the young people can have direction, counseling, and at the end of their high school have a job that leads somewhere and is not a dead end job situation.

There are other points that are important in the bill. We have emphasis in Pell grants to emphasize the importance of students going on. We know that the Pell grants were cut last year. We have now put in an additional $100 for Pell grants so that the support can be $2,400.

We have an additional $560 million for the drugs and safe schools. We debated this yesterday in the authorization, and everyone is in support of further efforts in schools to do something about drugs and violence.

So at the end, Madam Chairman, I think it is critically important for us to recognize that embedded in this budget resolution is the hope for the future of this Nation as expressed by the President's budget, and I urge adoption of the resolution.

Mr. SAXTON. Madam Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Madam Chairman, today's debate on the Humphrey-Hawkins employment review provides an appropriate opportunity to discuss one of the most insidious threats to economic growth and job creation in our economy—burdensome Federal regulations.

In a 1993 study, William Laffer of Heritage noted that Federal regulations cost each American household at least $8,000 a year and may reduce national output by as much as $1.1 trillion a year.

And as you can see by this chart, regulatory costs continue to rise dramatically. If current trends continue, the direct cost of regulations will exceed $650 billion a year by 2000.

Equally alarming, the study showed that Federal regulations reduce employment by at least 3 million jobs.

As the next chart points out, the number of pages in the Federal Register, a publication of new Federal regulations, dropped in the 1980's but is on the rise again. In President Clinton's first year in office, the Federal Register had more pages than any year since the Carter administration—60,950 pages.

And as of January 31, 1994, only 1 month into the new year, the Federal Register had already printed over 4,500 pages of new regulations.

A small but critical industry—medical technology—provides a stark illustration of regulatory overkill.

As the health care debate rages, medical technology, despite facing a bruising regulatory regime, effectively controls health care costs by bringing lifesaving technologies to market.

In addition, exporting medical products has generated a trade surplus that has risen from $1.1 billion in 1987 to $4 billion in 1992.

Unfortunately, the small companies which comprise the bulk of the industry are highly vulnerable.

The FDA, which regulates the industry, has nearly destroyed the sector with an approval process that takes so long that businesses are forced to move production offshore.

This chart depicts the length of time for device approval. In fiscal year 1991, the average clearance time was 102 days. By fiscal year 1993, it had risen to 195 days.

Equally disturbing, there is a current backlog of over 5,100 device applications at the FDA—a 50-percent jump in outstanding applications since 1991.

That is why even the smallest companies are establishing research and production facilities in Europe first to begin clinical trials in time to keep up with their competition.

A constituent company of mine, InStent, is still awaiting action on a device approval application it submitted in August 1992.

The device it makes for treatment of pancreatic cancer has been approved for sale in every major developed country except the United States.

Even Canada, which has perhaps the most bureaucratic health care system in the world, has approved InStent's device.

The company—which has 18 employees in my district—was forced to open 2 overseas offices, 1 in Israel with 17 employees and 1 in Holland with 6.

Madam Chairman, in 1993 alone, more than $500 million in stock offerings for medical device and drug firms were canceled because of overregulation and the threat of health care price controls.

Madam Chairman, we cannot afford to lose our medical technology jobs. We can't afford to lose more jobs in any sector because of excessive regulations.

While the massive budget deficit is alarming, to promote long-term economic growth we must address the cancer of regulatory overreach that is killing our key industries.

□ 1240

It is costing thousands and thousands of lost jobs.

Mr. SABO. Madam Chairman, I yield 3 minutes to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation.

Mr. MINETA. Madam Chairman, I rise in strong support of House Concurrent Resolution 218 on the budget for fiscal year 1995.

At the outset, I want to commend the distinguished Chairman of the Budget Committee, the gentleman from Minnesota [Mr. SABO], for his outstanding leadership and hard work in crafting this important resolution and for bringing it to the floor in such an expeditious timeframe.

Mr. Chairman, House Concurrent Resolution 218 is a good budget resolution—good in the sense that it assumes the proper priorities, is fiscally responsible, and continues the trend toward deficit reduction begun last year.

Generally, the fiscal year 1995 budget resolution incorporates the heart of the President's fiscal year 1995 budget request, thereby implementing the savings mandated by the 5-year deficit reduction package enacted by Congress last year.

In doing so, the resolution conforms to the spending caps for discretionary spending established by the deficit reduction package, setting discretionary spending in fiscal year 1995 at $541.1 billion—the first time since 1969 that discretionary spending will actually fall. The resolution also cuts outlays in fiscal year 1995 by $3.1 billion more than the President's proposals in order they meet the cap on outlays set last year.

Under the resolution, the deficit for the coming year would total $175.3 billion, $115.1 billion less than 3 years ago and the lowest level in 5 years. In fact, the deficit under this resolution represents the smallest share of the U.S. economy since 1979.

Furthermore, Mr. Chairman, the budget resolution assumes no new tax legislation and no changes in entitlements, and does not contain any reconciliation instructions to committees.

While the resolution embodies the President's budget, it does subtract from and add to about 40 areas of the President's budget in reshaping and improving the plan, and in achieving the overall spending reductions.

Some substantial changes included a $225 million reduction in defense spending, a $115 million cut in foreign aid, and $796 billion in savings from a proposed Federal employee buyout plan.

At the same time, the resolution restores $520 billion in spending for low-income home energy assistance, $200 million for mass transit operating assistance, $80 million for emergency food assistance, and $63 million of spending authority for Rural Electrification Administration loan guarantees.

For most major public works and transportation programs, the resolution assumes the President's budget request except in four important instances which I would like to address.

First and foremost, I am pleased to report that House Concurrent Resolution 218 assumes full funding for highways at the levels authorized in the Intermodal Surface Transportation Efficiency Act of 1991.

There certainly can be no question of the need for full funding of ISTEA highways. There are some 235,000 miles of Federal highways that are in poor or mediocre condition and need repair.

The cost to eliminate backlog highway deficiencies is about $212 billion, and the annual cost to maintain Federal-aid highways in their 1991 condition is $48.4 billion—in 1991 dollars.

In addition, there are approximately 118,000 structurally deficient bridges whose conditions would cost $78 billion to correct. The annual cost to maintain bridges in their 1991 conditions is $5.2 billion—in 1991 dollars.

The President's budget assumed an overall obligation ceiling of $19.969 billion for highways. This included $18.32 billion for the so-called highway core programs and $1.6 billion for both minimum allocation—MA—and way demonstration projects program. An additional $100 million, outside the $19.969 billion ceiling, was assumed for the emergency relief—ER—program. The President's budget assumed recission of highway projects, first effective for fiscal year 1994.

The budget resolution, in assuming full-funding of ISTEA highways, also assumes a core obligational ceiling of $18.332 billion. In addition, per ISTEA, it assumes approximately $1.2 billion each for MA and demos. Thus, the resolution totals about $20.7 billion for highways—plus the $100 million for ER—or $800 million above the President's request. In making these assumptions, the resolution does not assume the rescission of any highway demonstration projects.

A second and equally important area of difference with the President is transit operating assistance where the resolution restores $200 million to the President's request, thus equaling the fiscal year 1994 appropriations for operating assistance. While this still falls far short of full funding of ISTEA transit, it does represent continued commitment on the part of the Congress in addressing a key funding component of our Nation's transit system. Even though the $200 million restoration comes as a result of reducing section 9 capital grants by $400 million, the resolution still includes an overall section 9 assumption of about $223 million more than the fiscal year 1994 appropriation.

Mr. Chairman, a recent survey conducted by the American Public Transit Association estimates that more than $7 billion in Federal funds could be quickly obligated over and above existing transit program funding levels. This number only represents the immediate backlog of unmet transit needs—to restore transit to its pre-1980's level would require an investment of $11 billion per year. In addition, the passage of the Americans With Disabilities Act placed new financial demands on transit operators across the country.

A third difference between the budget resolution and the President's budget is funding for the airport improvement program. The President's budget assumes $1.690 billion for this program; that is a freeze at the fiscal year 1994 appropriated level. The budget resolution assumes $2.165 billion or nearly one-half billion dollars more than the President to reflect the authorized level of House-passed H.R. 2739, the Aviation Infrastructure Investment Act of 1993. This critical piece of legislation has been awaiting Senate action since October 13, 1993.

Mr. Chairman, the infrastructure needs of the Nation's airports continue to grow. We now have 23 so-called problem airports. These airports are each experiencing more than 20,000 hours of aircraft delay annually. Without remedial action, that number is expected to rise to 36 by 2001. The capital needed to alleviate airport congestion and flight delays averages $10 billion a year for the next five years.

Such projects, if funded, would increase airport capacity and reduce system delays. This is important in that the Nation's economy would become more productive and competitive if the air transportation becomes more efficient. We need at a bare minimum for fiscal year 1995 the authorized level passed by the House and assumed in House Concurrent Resolution 218.

The budget resolution also assumes a $221 million reduction from the President's budget or new construction and acquisition activities of the General Services Administration. Notwithstanding this reduction in budget authority, outlays are assumed in the resolution to be $125 million more than in the President's budget. While we support increased funding for GSA in this critical area, we are concerned about the possible source of those funds.

In prior years, new construction funds came from the Federal Buildings Fund [FBF], with a modest direct appropriation to cover projected shortfalls. GSA customarily did not request this shortfall, and relied on the appropriation process to add the necessary funds. However, in the fiscal year 1995 request, the administration has chosen to request $1.479 billion in general fund appropriations to fund capital investment activities. The FBF is financed by rental payments by Federal agencies and it has been these payments which have, in the past, supported GSA construction and acquisition activities.

Funding these via general fund appropriations is contrary to law, specifically the Public Buildings Act of 1972, which established the FBF, and tne committee has concerns regarding any changes to the FBF.

Mr. Chairman, as I said at the outset, House Concurrent Resolution 218 is a good resolution. It is realistic and responsive. It deserves our support and I urge its adoption.

Mr. KOLBE. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I will be brief, because I do want to reserve some time for the rest of our debate and also we have a number of Members who want to talk about our budget.

But I would like to begin by talking about the Republican budget alternative that will be proposed, and we will have another hour of debate very specifically on the Kasich alternative.

I would start by first of all commending the chairman of the Committee on the Budget and his staff for the work that they have done and also tell them how much I appreciate the courtesy that he has extended to the minority members of the Committee on the Budget.

I think the discussion that we had, the debate we had, and our opportunity to present our points of view and our ideas on the budget were fairly heard. It is not a surprise, I am sure, to any Member of this body to hear that, however, we have serious disagreements with the kind of budget that we are looking at here.

I think that we have a fundamental philosophical difference between the two budget alternatives before us. I say the two; I recognize the others, and I think they are important to have them debated. But I think in the end we are going to come down to a Republican budget alternative and the budget alternative of the budget that is proposed by the chairman of the committee on behalf of the administration and the Democrats in this body.

There is a fundamental difference, and I think there are three things that the Republican budget alternative does that, I think, are very important, that are not largely done in the Democratic alternative.

The first and the most important is that we give significant tax relief to Middle America. We give it through the $500-per-child tax credit. Madam Chairman, that is one of the things that President Clinton, then candidate Clinton, campaigned on was giving tax relief to Middle America, and today we find the American family increasingly under assault. They are under assault in a very physical way. They are under assault as they find that their families are threatened, the security of their families is threatened, but they are also under assault economically. It is harder and harder for the American family to make ends meet.

All of us as Members of this body have heard that from our constituents about how difficult it is to make ends meet, given the taxes they face today at the Federal level, the State level, and also at the local level, the high costs of owning a home, the high costs of health care, the high costs of educating their children.

We believe the American family needs tax relief. If we had just given an inflation adjustment over the years to the exemption, the deduction that we have for each child, today under the income taxes, it would be much higher, several times what it is today.

We believe this tax deduction, this tax credit, that is in the Republican alternative is a way to give relief to the American family, and we do it now, and we can do it quickly. But we can do it without increasing the deficit or making it worse.

Madam Chairman, in fact, we can do it and still make a more significant reduction in the Federal deficit than is made under the Sabo budget initiative that we are going to be considering later. We do that. We make almost $150 billion more in cuts in spending, and that is the second point I would make about our budget alternative.

There is less spending in it. We do it by hard cuts, by making significant reductions in the actual spending that we do. We do it by making some hard decisions about programs for the future, and that is the third point that I would make.

When we talk about reinventing government, as we have heard this administration talk a great deal about, we are actually doing something in that area. We are actual changing program. We are saying we are not going to have the programs, the new programs, at a time when our first priority has to be deficit reduction and getting this deficit under control.

So in those three areas, I think we have made some fundamental changes.

There is a fourth area that I think, and you might call it honesty in government; the Republican budget alternative actually accounts for the cost of the programs that we have been talking about around here, the health care reform, the welfare reform, and the crime initiative. All of those, or at least our alternatives on those reforms, are included in our budget alternative.

The Democratic budget is silent on those. There is nothing in here for health care reform.

I know, I know, we have heard it said, it is a pay-go, it will have to pay for itself. But you are talking about the most massive change in the legislation. The law of this land of a fundamental program that we have ever talked about in this body in modern history.

□ 1250

And none of that is included in the budget as to how that would be accommodated and how that would be accomplished. Ours does do that. Similarly, with welfare reform, we include the cost of that. Similarly, with crime, we have the money in there for those initiatives.

So our initiatives are included in here. We think this is an honest budget. We think it is one which bears looking at. We believe it is one which bears careful consideration.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a distinguished member of our committee.

Mr. BLACKWELL. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, the choice in today's discussion, debate, and vote is very clear.

It is a choice between the future and the past. It is a choice between failed policies that took this Nation to the brink of financial ruin and forward-looking policies that can restore America to its rightful position.

It is a choice between what is good for a few in America or what is best for all of America. It is a choice which we must prudently and carefully make. At issue is the destiny of this country and its people.

For 12 years, we increased military spending, gave tax cuts to the wealthy, and caused a dramatic shift in resources from the hands of many to the hands of a few.

During that 12-year period, the deficit grew, while investment in human needs fell sharply. We are now in a period when it is time for investment to go up and for the deficit to go down. The President is committed to that goal.

We have a choice today between a budget that proposes a $6.4 billion increase in defense spending, while cutting spending in most domestic programs, and a budget that meets the spending caps in a less painful way.

One budget would fund summer jobs. The other budget would eliminate the Summer Jobs Program entirely. One budget would fund Job Corps. The other budget would eliminate it.

One budget would support the School-to-Work Program, one-stop career centers, Head Start, AIDS programs, immunizations for our children, and legal services for the poor. The other budget would get rid of them.

The budget of the past would repeal Davis-Bacon, raise the retirement age to 65, and eliminate AFDC support for legal aliens. The budget of the future forces no such changes.

The budget of the future restores LIHEAP, preserves rapid transit operating subsidies, and fully funds the Emergency Food Assistance Program.

And, Madam Chairman, if I may be allowed to be practical and parochial, the budget of the past touches my city very directly, by eliminating operating funds for Amtrak and cutting the Northeast Corridor project.

The budget of the future also touches my city very directly by increasing funding for homelessness, funding empowerment zones, maintaining the HOPE Program, and increasing funds for AIDS programs.

The choices are clear. We can fall back into a floundering economy from the past, or we can continue to experience gradual growth through an economy of the future. I intend to vote for the future.

Mr. KOLBE. Madam Chairman, I would just say in response to the last speaker, before I yield, that I find it is a curious place here in Washington where we talk about slowing down spending increases as spending cuts.

Madam Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. I thank the gentleman for yielding this time to me.

Madam Chairman, I appreciate the condescending confession of the previous speaker that our President is not perfect.

Madam Chairman, when I came into the Chamber, I was not planning to say anything, but one of the gentlemen, I believe, the gentleman from New Jersey, was talking about a balanced budget amendment. Let me make a few comments and say how that relates to our decision today.

Madam Chairman, in my part of the country, we have a Member of Congress who quite often argues against the budget-balancing amendment, using the argument that those individuals who have been in charge of things know how to play the game and how to make things happen. That is just probably the most compelling argument against or for the budget-balancing amendment.

I believe, as the gentleman, Senator SIMON, made the comment the other day that the reason there were so many heroes at the Alamo is because there was no back door. That is exactly what a budget-balancing amendment would do, would be to close the back door and force us to do those things which we should do and are incapable of doing in Congress without a budget-balancing amendment.

I served in the State senate on the appropriations committee for many years in the State of Oklahoma. We went through a lot of times when we would like to have spent more money, but we did not because we had a budget-balancing amendment.

I was mayor of the city of Tulsa, and we had the same thing there. We lived within those confines of the revenues we had coming in.

So I would like to at least remind us, as we are considering the Kasich bill, the Republican alternative, that I do not think it is going to pass, but let us look at the alternative. We hear a lot of comment on this side of the aisle as to what is going to happen if we pass the Kasich bill. Sure there are some things there I do not like.

Let us stop and think about what would really happen: If we continue to do what we are doing today, to be totally fiscally irresponsible, as we have been for the last 40 years, my two grandchildren, who were born a year ago this month, during their lifetime 75 percent of their incomes will be paid to service the debt that we are handing them.

Today we have an opportunity to set a new course for this country, and I would like to challenge us, if we do not pass this today, then we are going to be coming back with a balanced budget amendment to force us to consider some of these difficult decisions, such as the decisions we should be making today.

Mr. SABO. Madam Chairman, I yield 5 minutes to a distinguished member of our committee, a very thoughtful Member of the House and of the Committee on the Budget, the gentleman from North Carolina [Mr. PRICE].

Mr. PRICE of North Carolina. Madam Chairman, last year we passed an historic budget resolution-reconciliation bill which started putting our fiscal house in order.

Now, there were some naysayers, people who stood in the well of this House and gave dire predictions about the ruinous effects of this budget plan. They talked with doom and gloom about how the economy was going to fail because of what we were doing. And they did this despite the fact that our budget offered $70 billion more in deficit reduction than its Republican competitor.

Not surprisingly, we have not been hearing a lot of that talk lately, as business investment has gone up, housing starts have gone up, unemployment has gone down.

Representative KASICH last year even said that if this thing worked, maybe he would have to join the Democratic Party. So, I would like for him to know that the seat is warm over here. We have had some good economic news. We have gotten this deficit down, and if we can pass the budget resolution for 1995 reported by the Budget Committee, we can keep the deficit on a downward path for the third year in a row.

This budget resolution aims to reduce the 1995 deficit to $175 billion. We need to remind ourselves that a year ago the estimate for the 1995 budget deficit was over $300 billion. So, we have reduced the projected deficit by 40 percent in 1 year, partly because of the 5-year budget plan and partly because of the economic recovery it has supported.

I am not implying that the work is done, but I am saying that we have made significant headway and we have got to continue. It is a welcome change for this Nation. We are going to continue on this course despite the attempts by our opponents to muddy the waters.

Last year I grew tired of hearing the charge that our budget provided no spending cuts. I stood in the well of this House and read a long list of the cuts that it called for.

Well, this year President Clinton proposed terminating 115 Federal programs and cutting 300 others below last year's dollar level.

The Budget Committee has included most of these cuts in the budget resolution, and if the Appropriations Committees have different priorities, then they are going to have to find equivalent cuts or terminations to replace any that they do not agree with.

Here are some of the terminations. Let me just read the list as far as time permits:

Oilseed export subsidies, $50 million, terminated.

Cooperative State Research Service earmarked buildings and facilities, $23 million, terminated.

Farmers Home Administration State Mediation grants, $3 million, terminated.

Over 30 National Oceanic and Atmospheric Administration programs, totaling over $50 million, terminated.

NOAA aircraft procurement and modernization, $43 million, terminated.

The Navy CH-53 heavy cargo helicopter procurement, $250 million, terminated.

The Spacelifter launch system development, $53.9 million, terminated.

A long list of education programs, terminated.

Atomic vapor laser isotope separation programs, uranium supply and enrichment program, $177 million, terminated.

U.S. Geological Survey Water Resources Research Institutes, $6 million, terminated.

BOM Minerals Institutes, $1.6 million, terminated.

BIA community development business enterprise development. Program Grants, $4 million, terminated.

NASA's long duration orbiter, $43 million, terminated

NASA's commercial experiment transporter, $15 million, terminated.

NASA's advanced solid rocket motor, $178 million, terminated.

State Department's bilateral science and technology program, $4.3 million, terminated.

□ 1300

There are many more programs totally eliminated, but let me turn to the program reductions:

The Soil Conservation Service's Resource Conservation and Development program, reduced by $7 million.

The Watershed and flood prevention operations, reduced by $242 million.

The Agricultural conservation program, reduced by $95 million.

The Market promotion program, reduced by $25 million.

FHA's multifamily housing loans, reduced by $182 million.

The Army Corps of Engineers general construction, reduced by $345 million.

NOAA fleet modernization, reduced by $54 million.

The Army's Kiowa Warrior Reconnaissance Helicopter, reduced by $114 million.

The Army Javelin Anti-Armor Missile System, reduced by $76 million.

The Army Multiple-Launch Rocket System, reduced by $193 million.

Oceanographic ships, reduced by $109 million.

Air Force space boosters, reduced by $81 million.

Army Apache Longbow anti-armor missile, reduced by $86 million.

Department of Energy Nuclear reactor programs, reduced by $16 million.

DOE nuclear weapons stockpile support, reduced by $505 million.

DOE nuclear weapons material support, reduced by $146 million.

The Health Care Financing Agency Research and Demonstrations, reduced by $17.4 million.

HCFA Medicare contractors expenditures, reduced by $5 million.

HCFA's health professions curriculum assistance program, reduced by $15 million.

Bureau of Reclamation construction, reduced by $67 million.

The Fish and Wildlife Service construction, reduced by $39 million.

National Park Service construction, reduced by $53 million.

Mr. Chairman, we are reducing, we are terminating, not just the things that are easy to take cheap political shots at, but some things that require painful choices of this Nation's priorities. Nonetheless, Mr. Chairman, we are economizing, we are cutting back and we are targeting. We are reducing spending in this budget resolution and also redirecting spending to areas of greater national priority and greater economic payoff.

Mr. Chairman, this is a good solid budget resolution. I urge my colleagues to support it.

Mr. KYL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget.

Mr. SMITH of Texas. Mr. Chairman, once again we have come to a point where Congress is faced with the decision of how we will manage the Nation's pocketbook.

It is important to remember that this is not our pocketbook, it is the people's and we are responsible to them.

We are faced with two choices.

We can sign on again to the status quo, to last year's bad deal that increased taxes and still has the deficit going up in the very near future.

That is the Clinton budget. Last year it amounted to a step backwards, this year it amounts to standing still.

The Clinton budget is as notable for what it does not contain as for the increased spending and taxes that it does.

Look as hard as you want and you won't find the administration's number one priority—health care reform—anywhere in here.

According to the White House, it is supposed to save money; according to the Congressional Budget Office it will increase spending, but according to the President's budget it will do nothing at all—because it's not in here at all.

Some have said health care is MIA in the President's budget. In fact it is AWOL—absent without leave—because a budget is the place for things that affect Federal spending.

It is a place for priorities. Health care is merely the most expensive item the President talks about that is not in his budget, but it's not alone.

The President's budget literally does not do what he says. The President has not put his money where his mouth is or his priorities where his promises are.

The right choice is a budget that does exactly what the Republican party is talking about.

We do more than just talk about reinventing government, crime control, health care reform, welfare reform, and deficit reduction. We budget for them.

The Republican budget, for example, ups the Clinton ante on Federal employee reductions by cutting 285,000 positions over 5 years and does it without decimating the Nation's defense—where the bulk of President Clinton's personnel cuts are hidden.

In comparison to the Clinton budget, which cuts all Federal employee pay, we eliminate unnecessary workers rather than penalizing all of them.

Yes, we are faced with two choices.

If this were the American people deciding, I feel confident about what they would decide.

Free from the blinders of partisan politics they would choose the plan that matches priorities to promises.

Today it's a choice between the President's plan which backs up when it comes to his promises or the Republican alternative that backs up our promises.

I am voting for the Republican plan and against the President's and if the American people had a vote here they would too.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. KYL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would just point out in response to the gentleman from North Carolina [Mr. PRICE], and I am sorry that he has left the floor here, but he was giving all the programs that were terminated, and yet in the last couple of days on H.R. 6 we had votes about terminating some of those programs that were requested for termination by the President. But, as reported out by the authorizing committee, they are not terminated. We had specific amendments to terminate them, and by a very substantial margin we did not terminate any of those programs. So, Mr. Chairman, the will of this body to even terminate the programs that the President is talking about is not there.

They talk about it. They list all the things that are being terminated. But when it comes to voting, Mr. Chairman, they do not terminate any of them, so let us not kid ourselves that they are.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I, too, want to comment on the statement of the gentleman from North Carolina [Mr. PRICE] who ran through a list of all the program terminations. I say to my colleagues, "You know it is incredible, but, when you add up the 110 programs, and the gentleman from Arizona has just pointed out that this House has even rejected some of the 110 programs, but when you add up the 110 program terminations in the President's budget, and I have said from the beginning it is the only part of the budget that represents some real change, those 110 programs save $670 million."

Mr. Chairman, that is millions. I did not say $670 billion. I said $670 million.

If the President had not sent his budget to Capitol Hill and had put the Government on automatic pilot, we would have lower deficits and lower spending than under this proposal. I say to my colleagues, "You can't change the facts, and the facts are that bragging about saving less than $1 billion as representing some kind of a breakthrough in this town, and then realizing the House is systematically rejecting even those minuscule savings, really shows us the kind of trouble we're in in this country."

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON], a distinguished member of our committee, a very thoughtful member.

Mr. ORTON. Mr. Chairman, in considering this year's budget resolution, it is important to note what is and is not possible to include in a budget resolution which will not be followed by subsequent reconciliation legislation. While the Budget Committee may increase, decrease, or maintain current levels of spending on discretionary spending programs through the budget resolution, any comprehensive change in mandatory spending programs or budget process reform would require separate legislation to accomplish. In order to ensure that such legislation would be acted upon, the budget resolution could call for specific committees to report language back to the Budget Committee in what is called budget reconciliation. I am disappointed with the decision not to enact a reconciliation bill which could further reduce the deficit through reductions in mandatory spending programs and further reforms of the budget process.

Since there will be no reconciliation, however, I believe that this committee was successful in accomplishing as much as it could within the budget resolution alone. The major issue facing the committee this year was whether to stay within the discretionary spending caps, or raise the caps and increase discretionary spending and therefore the deficit, or lower the caps and decrease spending and therefore further reduce the deficit. While I oppose raising the caps, and favor lowering them, I am pleased that the committee stayed within the 5-year hard freeze on discretionary spending and the pay-as-you-go framework. We have kept faith with the commitment set forth in the 1994 budget resolution and reconciliation for real deficit reduction.

Once the committee agreed upon overall spending within the discretionary caps, the second issue we faced was reallocation of scarce discretionary funds toward new national priorities. The committee appropriately followed the President's lead by shifting priorities to reinvestment in infrastructure and people, including an increase in education spending, while protecting other priorities such as national defense. In addition to readjusting spending priorities, we have cut several wasteful programs that do not work and shifted funding to programs that do work.

While I may not agree with every specific line item of this budget resolution, I do believe that it is on the right track. I am proud of the progress toward deficit reduction we have made in the last two budget resolutions. When I was first elected to Congress 3 years ago, the Federal deficit was $290 billion. This year the deficit will be $175 billion. that is a 40-percent reduction, the first time the deficit has fallen 4 consecutive years since President Truman's term in the 1940's. However, the bulk of deficit reduction has evolved from cuts in discretionary spending, primarily defense, increased taxes on the wealthy, and lower interest rates.

It is clear that we cannot balance the budget through cuts in discretionary spending alone. All discretionary spending, including defense, accounts for only 35 percent of Federal outlays, and interest on the national debt consumes another 14 percent. Without substantial new tax increases, which I oppose, it will be impossible to achieve long-term deficit reduction unless we reduce mandatory spending on social programs which comprises the remaining 51 percent of Federal outlays.

In an effort to begin progress on reducing mandatory spending, our committee included in the resolution a sense of the Congress provision which calls upon the House to consider subsequent legislation to: First, provide enforceable limits to control the growth of entitlement or mandatory spending; second, amend the Budget Enforcement Act to require emergency and disaster assistance to be paid for without increasing the deficit; and, third, grant the President expedited rescission or line-item veto authority. Last year, the full House adopted an expedited rescission bill and a bill to place limits on the growth of entitlement spending. However, the legislation has not yet been considered by the Senate. The President adopted the limits on entitlement growth in Executive order in 1993.

While this represents substantial progress, it is not yet enough. I believe the time has come for means testing of all Federal entitlement programs. We should not continue to distribute entitlement benefits to wealthy individuals in the highest income brackets. In addition, it is time to reevaluate the formula used to calculate the consumer price index [CPI] to determine whether it overstates inflation. Many portions of the budget, both outlays and revenues, are indexed to inflation as determined by the CPI. A very small error in the CPI may translate into billions of dollars of Federal deficits in future years. The committee report, therefore, includes a recommendation to complete an evaluation of the CPI within 1 year. We also included a provision to eliminate baseline budgeting which has been used to portray policies that would simply slow down the increase in spending as actual spending reductions. In the future, the starting point for deliberations on a budget resolution should be the actual spending levels for the current year, not what would be spent in the future if policies remain unchanged and inflation increased.

Health care services represent the most rapidly growing segment of the Federal budget and must be contained if there is to be any hope of long-term deficit reduction. While the Congress debates the course of health care reform, it is impossible to determine or even estimate the ultimate costs or savings to be achieved. Therefore, the committee included language to require that whatever legislation is ultimately adopted must be treated as part of the Federal budget and must meet the pay-as-you-go requirements, which means it must be paid for and cannot result in increased deficit spending.

It is clear that Congress has heard the message from the people to reduce Federal deficit spending. However, rather than eliminating programs which can no longer be funded, Congress has used mandates to merely shift the burden of paying for those programs onto State and local governments. I am delighted that the committee included a sense of the Congress provision to prevent unfunded Federal mandates and to require the costs of mandates to be considered when deliberating authorizing legislation.

Finally, I believe that it is imperative to amend the Budget Enforcement Act of 1990 to reform the budget process to include biennial budgeting, a unified operating and capital budget, sunset authority, expedited rescission authority, performance-based budgeting, and incremental-based budgeting. These provisions are outlined in H.R. 1138, the Comprehensive Budget Process Reform Act of 1993, which I filed in both the 102d and 103d Congresses. When combined with a balanced budget constitutional amendment, these process reforms will provide Congress with the tools to evaluate priorities and make the difficult decisions necessary to reduce deficit spending and balance the Federal budget.

The course has been charted, we have taken bold steps and accomplished much. But we are not yet finished. As the poet, Robert Frost wrote, we have promises to keep and miles to go before we sleep. I urge my colleagues to support the budget resolution and continue to follow the course.

Mr. KYL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MILLER], a member of the Committee on the Budget.

□ 1310

Mr. MILLER of Florida. Mr. Chairman, last year the President and Democrats in Congress proposed and enacted the largest tax increase in history. Republicans offered an alternative budget that cut spending first without raising taxes.

Poll after poll shows that the vast majority of American citizens continue to prefer less spending and lower taxes to more of the same. The Democrats' budget last year did exactly the opposite: it dramatically increased taxes and spending. The new Democrat, it turns out, is the same as the old tax-and-spend Democrats.

The President's budget this year maintains the status quo. It is not remarkable for what it includes, but for what it lacks.

Most remarkable of all, the President's own budget does not contain the President's own health care plan. The largest Government-run social program in history, commandeering one-seventh of the American economy, adding an estimated $1.2 trillion and hundreds of billions in new taxes to the Federal budget—it is not in there. Neither is welfare reform. Or tough crime reform. Candidate Clinton promised all of these things. President Clinton's budget contains none of them.

Just as we did last year, the Republicans on the Budget Committee have come up with a better alternative to the status quo. Instead of increasing the size of government, we downsize government. Instead of raising taxes, we cut the tax bill for families and businesses. Instead of empty promises of change, we do it.

Honest health care reform does not have to create a massive Federal bureaucracy. We can control costs and improve coverage without undermining the quality of the best system in the world. Our budget proposal gives Americans what they want from reform: elimination of preexisting condition restrictions, portability, comprehensive malpractice reform, and medical savings accounts.

Our budget also funds comprehensive welfare and crime reforms. All paid for by cuts in the size of government. We pay for reform, and we reduce the deficit by $153 billion more than the Democrat budget offers. That is real change.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from California [Ms. WOOLSEY], a freshman Member and a member of the Committee on the Budget.

Ms. WOOLSEY. Mr. Chairman, I oppose the Kasich and Solomon substitutes for a number of reasons, including the fact that they contain the Republican welfare reform proposal.

Mr. Chairman, I differ from every other Member of this House because I am the only Member of Congress to have been a welfare mother. So my opinions are not based on theory. They are based on real-life experience.

The Republican budget, which includes welfare reform, takes a complicated, emotionally charged social problem and puts forward a simplistic and punitive answer.

And they do this without the benefit of any debate here in the House of Representatives.

Their bills says that the two causes of welfare are illegitimacy and nonwork.

Mr. Chairman, this concept is illegitimate and it will not work.

The real issue is how to make it possible for poor single parents, like I was, to support their families and get off welfare permanently.

This bill does nothing to address that. It doesn't give families the tools to make themselves self-sufficient—no guaranteed health care, child support, no job creation. It simply punishes people for being poor.

In a recently released bipartisan survey, just 7 percent of Americans choose saving taxpayers money as a top goal for welfare reform, way behind every other option.

By more than 5 to 1, Americans favor reforms that help people leave welfare once and for all. But, the Kasich and Solomon proposals do not do that. They penalize children in order to cut the budget. So, Mr. Chairman, the ill-conceived Kasich and Solomon substitutes are way out of touch with the beliefs of the American public.

To do welfare reform right, it will require an up-front investment to achieve long-term gains.

I urge my colleagues on the other side of the aisle to come up to speed with the rest of the country, and I urge everyone to vote against the Kasich and/or Solomon substitute.

Mr. KOLBE. Mr. Chairman, before I yield time to the next speaker, I yield myself such time as I may consume just to point out to the Members that we should be aware that for the previous speaker's district, the Sixth District of California, our budget alternative would provide $56.8 million in family tax relief.

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise today to express my strong support for the Kasich amendment.

The time is long overdue for this body to face up to our Nation's real needs and act responsibly to address them.

The Kasich amendment does just that. It reduces the Federal deficit by a further $152 billion below the Clinton budget, yet still provides real tax relief for American families with a $500-per-child tax credit.

It emphasizes the issues that Americans care about most: Crime control, health care reform, and welfare reform.

And, as opposed to the Clinton plan, it restores sense to our national security budget by providing an additional $60 billion over 5 years for defense. These funds will give us the force structure we really need to successfully address and win two major regional contingencies.

Mr. Chairman, the Kasich budget will require some sacrifice. Frankly, it contains items that I would prefer were not there. But we can no longer run from this country's deficit monster. We must vote for responsible government. We must vote for the Kasich plan.

Mr. SABO. Mr. Chairman, I yield the balance of my time on this segment to the gentleman from Wisconsin [Mr. OBEY], chairman of the Joint Economic Committee, for the purpose of debate on economic goals and policy, and I ask unanimous consent that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. KOLBE. Mr. Chairman, before the gentleman begins, may I inquire as to how much time remains on each side?

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has 28 minutes remaining, the gentleman from Arizona [Mr. KOLBE] has 3 minutes remaining, and the gentleman from New Jersey [Mr. SAXTON] has 15 minutes remaining.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. I yield myself 15 minutes.

Mr. Chairman, I heard one of our friends on the minority side of the aisle say a bit ago that he had not heard of any economists who suggested that the budget that we passed last year had made a contribution to economic growth in the previous year. I would simply suggest that he and I were both at a hearing when we heard Alan Greenspan, Chairman of the Federal Reserve, say just that.

In fact, quoting Mr. Greenspan, he said this:

> The underlying long-term economic outlook in this country is improving quite measurably, and indeed I don't recall as good an underlying base for the long-term outlook that we had today in the last 2 or 3 decades.

Then he went on to describe the role of last year's budget package in promoting lower long-term interest rates to facilitate growth.

Chairman Greenspan is far from alone in that assessment. I would like to review that point as to why he and so many other economists are so positive about the long-term outlook facing this country today.

Despite all the good news we have on the economy, I recognize that there are some of our friends on the Republican side of the aisle whose tendency seems to be to say, "Well, with so many silver linings, there must be a cloud around here somewhere." But the fact is that I think the sky looks pretty bright.

One of the major reasons for the improving economy is that we did have a tough deficit reduction package enacted by the Congress last year. This chart demonstrates, for instance, that in January 1993, President Bush estimated that the deficit for California 1993 would be $327 billion. That dropped to $255 billion in actuality by October 1 of last year. The deficit for 1994 is expected to be $223 billion, and it is projected by CBO to be $171 billion for fiscal year 1995. That is a 40-percent reduction below just 3 years ago. It represents the first time since the end of World War II under Harry Truman when we will have had 3 successive years of deficit reduction.

Now, that is not perfect, but it is a whole lot better than we saw all through the eighties under the policies that this Congress ill-advisedly supported at that time, policies promoted by the two prior administrations.

Mr. Chairman, if you take a look at the deficit as a percentage of the economy, you see that in 1979, before Ronald Reagan walked into the White House, the deficit was 1.7 percent of GDP. It went up to a high of 6.3 percent in 1983, and bounced around since then. In 1992 it was 4.8 of GDP. It is projected to be 2.4 percent of GDP by 1995. Again, that is a very large reduction, a drop of 62 percent from the 1983 peak.

One reason for that decline is that we had a budget passed by this House which cut 500 programs below the previous year's spending level. I just heard a speaker on this side of the aisle say only in Washington would you talk about a cut in growth of a program as being a spending cut. Well, that is not what I am talking about.

The budget that was adopted last year cut 500 programs below the previous year's spending level, for a total savings of $34 billion.

The President is suggesting that we terminate an additional 100 programs this year, and suggesting that we cut spending below existing spending levels for 200 others.

Now, Congress will not accept every one of those as the President has suggested, but they will accept an awful lot of them, and we will hit those spending reduction targets.

I would also point out that as part of that deficit reduction package passed by the Congress last year, we also did raise revenues by imposing income tax increases on 1.4 million taxpayers earning more than $140 thousand in adjusted gross income, or the 1.2 percent to the wealthiest Americans in this society.

At the same time, we cut taxes for over 15 million people because of our action to expand the earned income tax credit. CBO estimates when that tax credit is phased in fully, that 21 million families in this country will be eligible for a tax reduction, a 42 percent increase in eligibility.

In assessing the net impact of those tax policies, Kiplinger's Personal Finance Magazine last fall said:

> About 110 million Americans will file individual tax returns next spring. On 108 million of them, taxes will take a smaller bite than they did last year. That is right, smaller.

In fact, the only tax that fell on working age Americans last year who earned less than $140 thousand was the 4.3-cent gas tax increase. But as this chart demonstrates, the drop in oil prices since that time has more than fully wiped out the effect on the consumer of that tax increase.

Before the gas tax went into effect, the price of a gallon of gas was averaging $1.08. After it was averaging $1.13. Today it is averaging not quite $1.07. What that demonstrates is with price reductions wiping out the impact of even that tax, that the tax burden of last year's action is falling where it was intended to fall, on the top 1.2 percent of Americans who belong to families who make more than $140 thousand a year. And I make absolutely no apology for that whatsoever. That is elemental justice and it helped reduce the deficit and was well worth it.

As a result of what we did in the budget, and a lot of other actions, economic growth is accelerating. As this chart demonstrates, economic growth expanded at a much greater rate in each of the last four quarters, and the blue chip forecast for the next year is that the economy will grow at about a 3.6 percent rate. That again is not bad. And that growth is based on solid investment trends. If you take a look at what is happening to industrial growth in this country, industrial production, 1993 was the best year we had in the last five, with 4.2 percent increase in industrial production. Again, not perfect, but a whole lot better than we saw in the last 4 years.

If you want to turn to the unemployment figures, we have had a steady decline in the unemployment rate, dropping from 7.7 percent in January 1993 to 6.5 percent today. From January to January, that is the fastest 1-year drop in unemployment in 6 years. And the improvement can be seen also in the total number of jobs in the private sector. Not the public sector, private sector jobs. Good old capitalist jobs. If you take a look at the numbers, you see from January of 1989 to January of 1993, which happens to be the 4 years of the previous President's term, there was a total increase in jobs of one million. From January 1993 to February 1994, there has been a 1.9 million increase in the number of jobs in this country. Again, not perfect, but it is a far cry from the crunch that people were experiencing on the job front before the Congress took the action that it took last year.

I would point out this economic growth is not being bought with inflation. We have had 3 years of declining inflation. This chart demonstrates that we had 3.1 percent inflation in 1991, 2.9 percent in 1992, 2.7 percent last year. That is the lowest 3-year average in 30 years. The lowest 3-year average in 30 years.

In January 1994, the Consumer Price Index increase was zero. And I would suggest that the performance of the American economy is even more impressive and striking when you consider how slow the economic rate of growth has been in the rest of the world. In fact, when you consider that a good portion of the world last year was in a significant recession.

So we are experiencing, in my judgment, some good short-term success with the economy. The deficit is headed in the right direction, along with virtually all other economic trends. But we still need to do more.

The economy is still plagued by the burdens of the eighties, and we still face a major challenge in restoring income growth and jobs for many Americans, especially those without a college education.

The following chart shows that we have had an increase in real average weekly earnings for the average American family for the first time in more than 5 years. That is the primary problem that we have had in this economy. If you take a look at what real family income is today, you will see in fact that in 1979, real earnings were $302 a week. Sixteen percent above last year's level. And if you take a look at the long-term history of the economy, you will see that in fact real earnings peaked 20 years ago, in 1973, at $315 a week, 19 percent above 1993 levels. So that is the subject we need to be talking about on a bipartisan basis. We need to recognize the fact that this economy has been in trouble in terms of our ability to produce a growing wage environment for families for a good 20 years under administrations of both parties. And what we ought to be doing, instead of shooting at each other in a partisan way, is figuring out ways to really attack that problem. We have had a good turnaround this year. Thank God, the first time in 6 years we have had an increase in real average wages. But that is not good enough for us. We have got to do more.

□ 1330

We should remember that the squeeze on workers' wages in this country has been focused primarily on noncollege educated workers, and that is why we agree with the President that we have to have the right balance in our economic policy between deficit reduction and continued long-term investments over the next 10 years in education and training to improve the chances of people who do not have a college education to participate in the economic prosperity of this country.

Yet we have a threat to that investment facing us today in the form of the Kasich amendment. When we debated NAFTA, I stood on this floor and I asked the following question. I said, I recognize that the President has the support of many of our friends on the Republican side of the aisle for the NAFTA proposal. But we all recognized there would be some job dislocation from that package.

I asked the question, would they be there supporting us when we were trying to make the needed investments in education and training to counteract the job loss that we were going to be facing under NAFTA for certain workers in this society? Today we have their answer. The answer is apparently no. Because if Members take a look at the Kasich amendment, they will see that it virtually eliminates all possibility for increased investment in the very job training that we need, not only to deal with the effect of NAFTA but to deal with the effect in general of America's economy moving into an international economy which is very, very competitive and which is very, very tough on workers with the least education and least training.

So I think, in short, that we can be proud of the short-term economic progress we have made. But we still have a significant long-term challenge ahead. The budget before us tries to meet that challenge.

It tries to do as much as possible, while still struggling with the debt overhang left from the 1980's and the continuing problems of converting from a cold war defense posture.

The best thing we can do is to continue our determination to produce orderly, consistent reductions in the deficit, mixed with the right investments to produce long-term economic growth. We want to bring down that deficit. But deficit reduction alone, as Jack Kemp used to remind us, is not an economic policy.

We must produce the kind of economic growth and equity and sharing so that that growth produces a more secure society for all.

I believe we ought to heed the words of Herb Stein, the chairman of President Nixon's Council of Economic Advisers, who said this recently:

> The Federal debt is a small part of what we pass on to the future. We decide, mainly by our private savings, investment and research, what conditions for productivity and income we bequeath to our children and our grandchildren. Also by public policy, we are determining many of the conditions in which our descendants will live. If we can leave our children a country free of the dangers of war, with safe streets, reduced racial hostility, fewer miserable urban ghettos and elevated culture, we will not have to apologize.

That is the purpose of the budget here today, to both reduce the debt overhang that this country built up under the misguided policies of the 1980's and to return to a policy of long-term prudent investment, both private and public, in the things that will make this economy strong and will prepare us, God help us if we ever have to, will prepare us to economically support a military effort of large dimensions, if we are ever called upon again in our history to launch one.

Mr. Chairman, I reserve the balance of my time.

Mr. SAXTON. Mr. Chairman, I yield myself 5 minutes.

I would just like to say to the gentleman from Wisconsin that I share his desire to see real economic growth in our country. And whether we have a Republican President or a Democratic President makes little difference to me, as it does the American people.

We are interested in getting people back to work, but that does not mean that I agree with the thrust of the gentleman's remarks. In fact, I quite strongly disagree. I am sure the gentleman is not too surprised at that.

Obviously, the gentleman pointed out that some of us see some clouds on the horizon and that is true. We see some clouds on the horizon, because we know that there is something different about this recovery. We know that the one thing that we can point to that is quite different about this recovery is that during it, we increased taxes twice. And because of that, during my opening statements, I pointed out, because of that the recovery has been slow and sluggish and about half as strong as recoveries that took place after every other recession since 1950.

So we are interested in getting people back to work, and that is a goal that we share. We differ on how to do that.

The gentleman also spoke at some length and eloquently about the progress that has been made with regard to deficit reduction. I would like to just point out to the gentleman that I recall very vividly being here on the floor of this House in July 1990, and having the leadership of the House and the Senate and the President's budget people return from Andrews Air Force Base.

And they said, "We have made a deal. We have got to increase taxes because our CBO forecasters in CBO say that by 1995, we are going to have $142 billion of deficit, if we don't increase taxes." This year CBO projections for fiscal year 1995 are $171 billion in deficit.

What happened in the meantime? We have raised taxes twice. In 1990, we raised taxes by $130 billion, and in 1993, we raised taxes by $16 billion. And the projected deficit for 1995, instead of being $142 billion, which was what was projected in 1990 for 1995, is going to be $171 billion. I do not call that progress, Mr. Chairman. I call that more deficit than we had projected prior to these two humongous tax increases, which have slowed the economy in the meantime.

Mr. Chairman, I share the gentleman's desire, and I share the gentleman's optimism, perhaps, about the future, but we have got to put in place some additional economic incentives, if we are really going to get the kind of growth that we need subsequent to a recession.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. SAXTON. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I thank the gentleman for yielding to me.

There are a number of items we are going back and trying to check, whether 500 programs were cut last year.

We are going to check that. I can tell my colleagues that the 110 programs that the administration has proposed cutting this year totals again $670 million. It is the only real change in the Clinton budget. And one more time, if Clinton had not sent his budget, we would have lower deficits than if we put the Government on automatic pilot.

What I would say is, the President deserves credit for coming into office and trying to aggressively seize an agenda. But what we would find, if we looked deeper into the economic evidence, is that we have seen interest rates significantly decline since about 1990.

What I would say is, like the 1990 tax and spend bill, which Republicans in the bulk opposed, I do not want to say the bulk, which a number of us opposed, including me, for the simple reason that the tax and spend does not work. Investing in Government does not work. It did not work then. And the difficulty that we have right now is that long-term interest rates are at their highest level in a year. Short-term interest rates are at the highest level they have been in 2 years.

What we are fearful of is that raising taxes, raising spending, and this really curious idea that if we invest in the Government that somehow that is going to solve our unemployment problems. We have been investing in these Government programs for about 40 years. What we suggest, under our plan, is that the people in Ohio and Arizona and New Jersey, who run these programs, are not stupid, that they do not think that Federal bureaucrats ought to be the ones that tell them how to job train people in their areas.

If we want to invest in Washington, more for Washington, less for the States, fine. We give Members a clear choice. What our concern is is that, and it is a clear philosophical difference, if Members think that we are going to be guaranteed economic security in this country with higher taxes and higher spending and more regulation, then we have to pick that choice.

□ 1340

What we will find is that program will in fact not work and guarantee the most prosperity for our Nation.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I just want to comment on some things the gentleman from Wisconsin [Mr. OBEY] said. He said the Republicans find a dark cloud behind a silver lining.

We are glad that a recovery is underway. That recovery started in March 1991, 21 months before the previous administration left off, but in fact it has been a subpar recovery. Look at it.

If you look at four quarters, the last four quarters of the previous recoveries in 1954, 1958, 1961, 1970, 1975, and 1982, there was an average of 5.8 percent economic growth. This one, it has been 1.7 percent.

For eight quarters it is 4.6 percent for those previous recoveries. This one was 2.5 percent. If we look at the whole time of 11 quarters, on average it was 4.4 percent. This time it has been 2.7 percent. That is because of the tax increases in 1990, which some of us on this side of the aisle opposed. That is going to be exacerbated by the tax increases we just enacted last year.

If we look at it in terms of jobs, in 1991 we created 2.3 million new jobs, whereas the 1982 recovery was 7.9 million new jobs, and in 1975, 7.2 million new jobs. This is a subpar recovery.

Mr. OBEY. Mr. Chairman, I yield myself 4 minutes and 30 seconds.

Mr. Chairman, I am really not especially interested in reviewing old history. I am more than willing, if people want to do that. I am more than fully prepared. It seems to me there is not much benefit that accrues to the country when that happens.

Mr. Chairman, I would simply observe that we can debate whether this is a slower recovery than past recoveries or whether it is not. Of course, it is, because the country was so crippled by the huge debt overhang left to us by the policies of previous Congresses and previous administrations that we have not had the ability available to the Government to stimulate the economy the way the administrations were able to stimulate the economy in past recessions.

We also were not in a world economy which was collapsing around us in past recessions, because America did not trade very much 10 and 20 years ago. We do today, so we are very much affected by what happens around us. Our economy will not really begin to grow as fast as it ought to grow until the economies of Japan and Germany recovery, so we can begin again selling to them many more American goods that we would like to send.

Mr. Chairman, I would simply make the point that if we want to debate Bush versus Clinton, I think the record is pretty clear. Most of the job growth by far that has occurred since the end of the recession occurred under President Clinton's watch.

I would also point out, despite the references that I hear continuously to higher taxes, there are no taxes in this budget resolution. This budget resolution is not raising taxes.

Mr. Chairman, I think we can compare the kind of tax code that our party prefers with the kind of tax code our friends on the other side of the aisle seem to prefer, because the lion's share of our tax increases last year were focused on those who made more than $140,000 a year, and the tax cuts were focused on those who made less than $26,000 a year.

If we take a look at what I understand to be the Republican proposal today, it says if a person makes $200,000, they can continue to get the tax break which they are talking about, but if a person makes $15,000, they cannot. I do not find that a very persuasive distribution of burden out in the public marketplace. I would be happy to allow the public to decide what they think about that.

Mr. Chairman, I would also like to respond to the suggestion that we are investing in the Government. Nobody is investing in the Government. We are trying to invest in people.

What we are trying to do is invest in kids by way of education. What we are trying to do is invest in science by way of health research and other scientific research, so we can stay on the cutting edge of technology; so that new jobs because of new manufacturing processes and new jobs because of new scientific breakthroughs go to Americans rather than to somebody else.

What we are trying to do, Mr. Chairman, is invest in the physical infrastructure which must be modernized if any community is to provide a decent condition under which our economy is to grow.

Our communities need decent sewer and water. Our communities and our States need decent highways and transit systems. That is what we have in the President's budget, a careful balance between deficit reduction and those kinds of investments.

Mr. Chairman, we have two bridges a day that fall down in this country. Would it not be nice if we started fixing them at the rate that we are capable of doing?

We are in the midst of defense conversion, where areas who employ people in defense plants are being squeezed to the marrow because of cutbacks in the military budget. Would it not be nice if we were giving people additional things to do in this economy, as we did at the end of World War II?

We are not doing nearly enough of that. We do not, frankly, do enough of that in this budget, but we are doing the best we can under budget constraints. I think there needs to be no apology made for that.

Mr. SAXTON. Mr. Chairman, I would just point out very briefly that the tax credit that the gentleman mentioned that is in the so-called Kasich budget does not provide a $500 per child tax credit to Americans who qualify, and is meaningful or is meaningless, as one wants to put it. In the gentleman's own district, it would mean $62 million tax credits to families that live in the gentleman's district. Mr. Chairman, I think that is quite meaningful.

Mr. OBEY. Mr. Chairman, I would ask of the gentleman from New Jersey [Mr. SAXTON], is it not true that the gentleman's credit is not refundable, so therefore does not go to low-income people in this country?

Mr. SAXTON. Will the gentleman yield?

Mr. OBEY. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Chairman, I would say to the gentleman it is not refundable; that is correct.

Mr. OBEY. I thank the gentleman. That proves my point.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I find it curious that the gentleman would argue that a family in his district with an income of $25,000, a family of four, should not get a $2,000 tax credit. I would find it curious that the gentleman does not support that, but I would say to the gentleman that I agree with him, that the real key is how do we keep the recovery going.

Is it not amazing that the Republican proposal that the gentleman does not like reduces the deficit by $150 billion more in deficit reduction by streamlining Government, and at the same time gives that long-promised tax credit? That longtime middle-income tax promise that the President has made and retreated from, we deliver it.

Mr. Chairman, I would suggest to the gentleman that we are not only reducing deficits by more than he is, but at the same time we give a piece of that to middle-income families. Of course, the bottom line is how do we keep the recovery going? Do we keep it going by investing in Washington bureaucracy, or do we do it by reducing deficits, providing incentives for business, and tax relief for families?

That is really the question. That is what it is going to come down to tomorrow, and that is what the American people are going to have to judge. Do they want to invest more in the Washington bureaucracy, or do they want to give more to States and give more to individuals, provide incentives for business, and cut the deficit more?

I think the choice is clear. I think the American people, if they could vote a national referendum, would elect this thing overwhelmingly.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BUYER].

□ 1350

Mr. BUYER. Mr. Chairman, the budget proposed by President Clinton is merely a continuation of the deafness to the demands of the American people to cut spending first. The President has promised lower Federal spending and greater deficit reduction but instead has given us a framework for increasing the Federal debt by over $1.5 trillion during the next 5 years. I am disappointed that President Clinton has given us more of the same—big government and more Federal spending that takes money out of the pockets of hard-working families.

The President's budget should be measured both for what it says and for what it does not say. It says that it "holds the line on deficits." It says that it reduces Federal spending by meeting the discretionary spending caps and lower entitlement spending. It also claims to have the much-vaunted health care guarantees and crime reform. However, the plan is far from the requests from Hoosier families to cut spending first.

President Clinton's budget increases spending by $370 billion over 5 years and increases the long-term deficit by $365 billion by 2004—all while gouging Defense by $136 billion, which still leaves a $20 billion shortfall from the DOD's bottom-up review. The President's budget also only marginally identifies the fiscal effects of health care reform, which is questionably paid for by the levying of increased taxes on top of last year's tax increases. Next, the President's budget completely ignores welfare reform. To add even more insult, the President's budget pays lip-service to anti-crime efforts by funding only a fraction of the promised increased police efforts.

What has been happening to all the increased tax revenues and spending cut savings the President is claiming? We have larger long-term deficits because the President takes the savings and creates more government spending and calls the marginally efficient programs investment. In fact, the deficits would even be smaller if the President has not even submitted a budget at all.

The American people deserve to be able to pursue the American dream in an environment conducive to business development. They deserve a budget that reflects political morality. Responsible fiscal planning with the payment of benefits and debts in the same generation in which they are incurred. That is exactly what the Kasich plan delivers.

Mr. KASICH's House Republican budget initiative, unlike the President's budget, is a bold and dynamic proposal that takes command of America's fiscal woes and delivers solutions to the American people. The keystone of the initiative is a much needed family tax credit that provides a $500 per child credit per year for middle-class tax relief. But the initiative also provides lower Federal spending, higher deficit reduction, and keeps more money in the hands of the people who earned it.

The lower spending is a result of logical Government streamlining coupled with reasoned spending cuts. Among other efforts, the initiative provides for the reduction of fertilizer and environmental funds from the Tennessee Valley Authority [TVA]. I am an advocate of reducing these activities because they are well beyond the scope of the TVA. Also, the initiative provides for the USDA reorganization and preferences for ethanol use. These are typical of the efforts to improve Government efficiency and eliminate bureaucracy.

The initiative is also proactive. It promotes economic growth, job creation, and provides welfare, health care, and crime reforms that all surpass the promises of the President. Economic growth would be encouraged with extending expiring tax credits and neutral cost recovery to accelerate the rate of depreciation for small business so they can stay competitive and efficient in the expanding global marketplace. Additionally, capital gains would be indexed and capital losses on the sale of a principle place of residence could be deducted. All this is provided without jeopardizing of our national security—and it's all paid for up front and not on the backs of our children and grandchildren.

I urge my fellow members to seize the moment and act with fiscal responsibility by adopting the house Republican budget initiative. Liberty and economic opportunity are inextricable. When Government restricts liberty with overburdens of regulations, it directly effects the opportunity for entrepreneurs and small businesses to grow and prosper. It's time to lift the oppressive yoke of big government, reign in the excesses of big government, and enact true deficit reduction so that the American people can realize the pursuit of happiness.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. BUYER. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I want to point out that the gentleman from Indiana has 129,730 children in his district who qualify for over $64 million in tax relief paid for under our proposal.

Mr. BUYER. I compliment the gentleman from Ohio on the budget and for addressing health care, crime, and welfare reform that the President in his budget does not address. I am tired of all of these problems that everybody is making investments in people that coddle the criminals with all of these hug-a-thug type programs.

Mr. OBEY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am trying to find the Member of the House on this side of the aisle to whom these gentlemen are responding. I do not see him. I do not see anybody who has uttered most of the words with which they are trying to disagree. The previous gentleman indicated that he is tired of having Members blame previous administrations without recognizing that the Congress had coequal responsibility. I said twice in my last two statements on the floor that Congress had to bear their share of responsibility because they ill advisedly supported the policies that were promoted by the previous administrations on budgeting. I know because I was here and I offered the alternatives to them, and I got the blazes beat out of me in the process. So I know how it feels to have tractor tracks over my back.

Simply I would suggest again, and I would repeat for the benefit of those who need to hear it, that nobody is talking about investing in Washington bureaucracy. When we have education and training programs, I do not know what happens in other people's districts, but that means that kids in my district and communities like Wausau, and Stevens Point, Chippewa, Superior, Ashland, you name it, they wind up getting services which were not otherwise available to them. When we expand Head Start, that does not mean that the Washington bureaucracy is expanded. It means that the waiting list of kids in my district for Head Start becomes a little bit shorter. When we pass funds for childhood immunization, it means that kids in my district as well as every other district in the country get the needed health services they need.

It is true that the budget before us does not make some of the cuts that would be made in the Kasich amendment. We do not cut the $45 billion which the Kasich amendment cuts in Medicare. I make no apology for that, no apology whatsoever. We believe that those cuts ought to be considered in the context of health care.

I also would point out that since the gentleman referred to my district, I think it also is good to point out that in the budget we passed last year there were some 1,200 wealthy individuals in my district who wound up paying more taxes because of that budget, but there were some 20,000 people who became eligible for tax reductions because of that action, and they were people on the modest end of the income scale, and in my view that is the right balance, and I again make absolutely no apology for it.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, I thank the gentleman from New Jersey for yielding time to me.

Mr. Chairman, over the past 2 years, voters have sent Congress several clear messages: Cut spending, reduce the deficit, create jobs, and stimulate the economy. As a member of the House Budget Committee, I have worked hard with Representative KASICH to do just that. The Republican budget plan cuts spending and reduces the deficit by $150 billion more than the administration's budget proposal over 5 years. It proposes a tax credit for middle-class Americans, and provides measures that promote job growth, private sector investment, and tax relief for hard-working Americans.

I rise in opposition today to the administration's budget proposal for fiscal year 1995 for some very simple reasons—this budget does nothing to change the status quo on spending. It does nothing to change the status quo on deficit reduction. It does nothing to change the status quo of an economic climate which burdens workers and the middle-class. When the administration presented this budget to Congress and the American people, there is only one signal they sent—the status quo, for them, is good enough.

Well, Mr. Chairman, I believe the status quo isn't good enough for Mainers or the American people.

On the other hand, the Republican alternative plan is a blueprint for long-term economic stability and growth that takes full measure of the impact of the deficit and national debt on our economy and confronts these issues squarely. It acknowledges that as long as these problems remain, job growth and long-term economic vitality will be difficult to achieve.

Unfortunately, judging by the administration's budget proposal, they are undertaking an effort to try and convince the American people that enough has already been done to reduce the deficit and spur economic growth, and that no further action on the deficit is necessary because they believe an economic recovery is underway.

Nothing could be further from the truth. The administration's unwillingness to take further action on deficit reduction represents a short-term view of our economy which allows it to underperform. There is no doubt that—if anything—we have learned that it is higher taxes and higher deficits which have had a direct, adverse impact on job creation, employment, and economic stability.

And if there is one thing that differentiates the Republican outlook on the budget with the administration's outlook, it is this: Republicans understand that we cannot continue to go deeper into debt and expect to see sustained job growth and economic vitality.

Yet the administration's plan calls for a 2.3-percent increase in spending next year for total fiscal year 1995 spending of $1.5 trillion. This, by the way, does not include whatever the costs for health care reform will be. While the administration proposes to eliminate 115 programs and reduce many others, none of the savings are devoted to deficit reduction. The administration also claims that the deficit will decrease to around $176 billion in 1995—but on that point we should ask ourselves this one question: Should we allow this administration to convince Congress and the American people that yearly deficits of $175 billion of deficits of any size are acceptable or an adequate enough standard of economic strength or stability?

Clearly, more can be done as evidenced by the Republican proposal which achieves a deficit level in fiscal year 1995 of $163 billion—$15 billion below what the President has proposed. The total spending amount in our budget proposal for 1995 is $1.49 trillion—or $55 billion lower than the President's proposal, while total 5-year spending is about $359 billion less than the administration's 5-year projections. Our proposal reduces the deficit further to $140 billion in fiscal year 1996, with a total 5-year deficit reduction total of $310 billion. Over that 5-year period, our approach translates to $147 billion more in deficit reduction than the administration's plan. Worse yet, the administration's plan allows the national debt to increase from $4.3 trillion to about $6 billion over 5 years, meaning over $1.7 trillion in new debt.

What is particularly troublesome, is that—for all practical purposes—the administration suspends deficit reduction for 5 years as if the problem will go away by itself. But it won't.

For my constituents in Maine, jobs and a strong economy are the paramount issues. Many in my district have felt the impact of last year's regressive and retroactive income tax increases. To those who say that the tax hikes have had no impact, I say there are many in Maine who simply ask "Where's the recovery?" Well, 42 percent of Mainers are worried about job creation and the economy, according to a recent poll. Maine has only regained 3,000 of the 30,000 jobs that we lost during the recession; 60 percent of the American people say that we are not out of a recession. Less than 30 percent of the American people say that we are in an economic recovery.

What is more troubling according to Department of Labor statistics, after the previous four recessions, 44 percent of workers laid off expected to be recalled once the economy improved. After this last recession, however, only 14 percent of job losers expected to be recalled to work. This is one indication that employment and the economy are not expanding as they could, or even as they have in the past. And let me give the administration a quick message about how their recovery is shaping up down East: a Maine State planning office report anticipates that we will add fewer than 10,000 jobs each year, which is one-third of the growth of the past two decades. They also state that it's likely to be 1997 before Maine regains all the jobs it lost during this recession. The bottom line is—hard times continue in much of Maine, and I'm sure in other areas of the country as well.

But with the economic illusions this administration is trying to create, we are in danger of allowing the majority party to convince consumers, taxpayers, and workers that an anemic recovery, subpar growth, higher taxes, and continued deficits are acceptable commodities for an American economy facing stiffer competition and stronger trade from all corners of the global marketplace. And we are in danger of allowing our country to settle for second best—to slip to a second rung on the ladder of economic opportunity—and to accept budgets which compromise the economic opportunities which have worked to expand the American middle-class and allow small businesses to hire more workers, market more American products, and build on the American dream.

What we need now is a budget that does what is necessary to create jobs, reduce the deficit, spur economic growth, eliminate wasteful government spending, and bring relief to middle-class Americans.

We can do better than the administration's plan. We should do better than the administration's plan. Have we crafted a better plan for the American people before? The answer is yes. That is why the Kasich alternative merits serious, bipartisan support.

Mr. OBEY. Mr. Chairman, may I inquire how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Wisconsin [Mr. OBEY] has 5 minutes remaining, the gentleman from New Jersey [Mr. SAXTON] has 4½ minutes remaining, and the gentleman from Arizona [Mr. KOLBE] has 30 seconds remaining.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I think it is useful again to emphasize some of the differences between the Kasich amendment and the budget before us.

I have a Republican Governor in my State, for instance, and he is interested in seeing to it that we fully fund the ISTEA Highway Act. The Kasich amendment does not do that. The budget resolution before us from the Democratic side does.

In my view, that investment is crucial to the ability of the economy of my State and others to grow. I think it is worth the investment.

The Kasich amendment makes a $28 billion reduction in overhead savings. A significant portion of that falls on the Veterans' Administration, which means that they will be able to buy less in medical supplies.

□ 1400

They also, as I understand it, have a $200 million reduction in veterans' medical care. I do not especially want to go home to campaign for that or to brag about that. I do not think that makes a whole lot of sense.

So I would simply say that I am very happy to take home to my constituents the comparisons, and I think our package will not be found wanting.

Mr. SAXTON. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, you know, I just find that argument fascinating about the gentleman criticizing our cuts in overhead.

You know, this again is more investment in Washington, DC, and the bureaucrats as opposed to sending tax relief to families back to his district.

Now, let me tell you what we are cutting in overhead. We are telling the bureaucrats they are not going to travel as much; they are not going to ship as much; they are not going to have as many rental payments to the General Services Administration; they are not going to have as much communication; they are not going to have as much printing and reproduction or consultants, as many supplies and materials. You see, this is the mindset. The mindset is you invest in Washington, DC, bureaucracy and let the bureaucrats travel more and let them print more and let them have more consultants, but do not downsize that.

What we do in our budget is we reduce this overhead spending by 7½ percent, and we say that the bureaucrats here in this town ought to do with less; in the process of doing it, we can have greater deficit reduction, and we can give the American family some tax relief.

Do you want to know something? That is where the American people are. They want the bureaucrats and the bureaucracies in this town downscaled.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Despite the rhetoric we have just heard, I will ask the gentleman this question: Does not your amendment cut veterans' programs by $200 million?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I am happy to yield to the gentleman from Ohio.

Mr. KASICH. The answer is no. What I would say to the gentleman if he is yielding to me is I did not know the gentleman was so committed to consultants.

Mr. OBEY. No. I want an answer to that question.

Mr. KASICH. So committed to consultants and bureaucratic travel. The answer is no.

Mr. OBEY. Reclaiming my time, that is certainly not the reading by the Committee on the Budget on this side. Our estimate is you cut veterans' programs $200 million below the committee resolution.

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I am delighted to engage in this debate, because I want to say to the gentleman from Wisconsin, the gentleman criticized our overhead spending, and the gentleman said that our overhead spending was a cut in these various administrations, and I will tell the gentleman that that is correct. We do not think we ought to have as many supplies and materials in the bureaucracy. We do not think that the bureaucrats who travel most in the final quarter of the fiscal year, we think that they ought to be trimmed back.

Now, my constituents at home think that there is plenty of waste in the bureaucracy of this Government, and they want it to be eliminated, and that, of course, is precisely what we have done.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

I would simply say this gentleman is very happy to see cuts in overhead. I am not happy to see cuts in the medical supplies available to the Veterans' Administration. That is the point I am trying to make. I think it is a valid one.

Mr. KOLBE. Mr. Chairman, I yield myself the last 30 seconds that I have to state once again to the gentleman from Wisconsin that is not true. That is not what we are cutting. We are not cutting medical supplies in the Veterans' Administration. That is not what is being cut. These numbers we are cutting in overhead are numbers that are given to us that were scored by the Congressional Budget Office.

Mr. SAXTON. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this debate has been very enlightening, I believe, in terms of demonstrating the very significant difference in the approaches as proposed by the gentleman to my right, the gentleman from Ohio [Mr. KASICH], and the Democrat budget proposal.

The Democrat budget proposal proposes to go forward with business as usual, a budgetary process that was laid out in 1993, and continued through 1994, and now proposed for 1995. It has resulted in very sluggish growth in our economy. It has resulted in higher taxes, and it has resulted in estimated growth in the future by both the President and by CBO of 2½ percent, and by historic standards our goal has been growth of at least 3 percent to consider ourselves on the right path.

So the Kasich budget, in proposing to reduce the deficit by an additional $153 billion over what the Democrat plan does, recognizes in that respect that our spending pattern has gone up very rapidly, yes, through the 1980's and continues to increase rapidly now into the 1990's.

It also recognizes, as the Governor of New Jersey recently has, as a matter of fact, that the Tax Code is a very, very important tool which we use correctly sometimes and misuse at other times to help promote or hold back economic growth.

The Governor of New Jersey, Christine Todd Whitman, just last week signed into law a 5-percent tax reduction.

The Kasich budget moves in the same direction with a $500-per-child tax credit which would apply to districts all across the country, not only to make it a little easier for families to come to grips with daily and weekly and monthly expenses, but also to recognize what it is about our Tax Code that helps the economy to grow, and that has been demonstrated time and time again as well.

So there is a difference here. On the one hand we continue the tax-and-spend policies that have put us where we are today; on the other hand, with a vote for Kasich which will come up in just a few minutes, we have an opportunity to turn the corner on additional spending which requires, as happened in 1990, additional taxes, and in 1993 additional taxes, as well.

So I thank the chairman, and we look forward to further debate as the Kasich amendment comes up.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. COYNE].

Mr. COYNE. Mr. Chairman, the House has an opportunity to pass a budget resolution for fiscal year 1995 which will help to ensure the continued growth of the U.S. economy and a steady reduction in the Federal deficit.

President Clinton announced a Federal budget on February 7 that provides good news for the economy and job creation. President Clinton's budget recommendations revealed that continued progress on reducing the deficit is being made, with the 1995 budget deficit at $176 billion compared to the 1994 deficit of $235 billion. Skeptics of the hard freeze on spending enacted in last year's budget act must now admit that Congress and President Clinton did produce a real deficit cutting agreement in 1993.

As a member of the House Budget Committee, I strongly support the budget resolution approved by the committee. This budget builds on the recommendations of the Clinton administration and will promote economic policies that create jobs and help local families buy a home or start a business. The House Budget Committee has also reported a budget resolution that complies with the discretionary spending caps set for fiscal year 1995.

Lower deficits should help to keep long-term interest rates low and that helps to create jobs in construction, auto sales and businesses that rely on consumer spending. This reduction in the Federal deficit should also help to maintain home mortgage interest rates at record low levels.

While the administration's budget calls for the elimination of 115 specific programs and tight controls on discretionary spending, some of the money saved by making these cuts will be targeted for priority programs serving the American people. For example, the House Budget Committee reported a budget that provides a significant increase of $2.3 billion in outlays for education and training that will help workers and young Americans obtain the skills needed in today's economy. This budget also provides for a major boost in funding for child nutrition and Head Start to provide children a better chance of doing well in school.

I am especially pleased that this budget provides for an increase of 7.6 percent in outlays for law enforcement efforts. This increased funding will help hire more police officers in communities across the country. Community policing has been used successfully in many areas to prevent crime as well as provide more resources to catch individuals who commit a violent crime.

This House budget resolution also provides for a 5.6 percent increase in funding for the National Institutes of Health. NIH funding is a vital part of our Nation's effort to prevent illness and find cures for diseases like breast cancer, AIDS, and heart disease. As the Congressman representing the city of Pittsburgh, which proudly hosts major research centers like the University of Pittsburgh Medical Center and Magee-Womens Hospital, I strongly support the recommended increase in funding for the NIH.

While there is much to recommend in the administration's proposed budget, I have worked with other House Budget Committee Members to restore most of the funding cuts proposed for LIHEAP [the Low Income Home Energy Assistance Program]. The House Budget Committee approved budget resolution restores $520 million of the proposed reduction in LIHEAP funding.

This action will help the millions of moderate income Americans in cities like Pittsburgh who face the difficult challenge of paying high winter heating bills. I have listened to many local residents in Pittsburgh report how difficult the recent winter weather has been for their household budgets and I am convinced that the House Budget Committee has set the right priority in restoring LIHEAP funding.

The House Budget Committee has also restored funding for transit operating assistance to $802 million, the fiscal year 1994 level. This action should help communities maintain vital mass transit services without raising fares, cutting service routes or taking other steps that would decrease the quality of local transportation services.

The House Budget Committee has also adopted language which calls for full funding of the Healthy Start Program. This program seeks to ensure that low- and moderate-income Americans have access to vital health services that give a child the best chance of growing up healthy. I have been a strong supporter of the Healthy Start Program in the city of Pittsburgh and I can assure the Members of the House that this is a program that works.

Mr. Speaker, the House Budget Committee has reported a budget that meets the challenge of continued deficit reduction and discipline on spending. At the same time, this budget addresses national priorities such as crime, education and training and investment in the future. I urge my colleagues to support this budget.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would simply say, in light of the response of the gentleman from Ohio on veterans, I want to say that on page 24 of the Republican budget initiative, March 3, 1994, there is a line which says, "Limiting increases in the President's investment spending in function 700;" function 700 is veterans. They cut that by $585 million; $579 million of that is medical care.

So, in fact, the situation is far worse than I described.

I would simply say that I think people ought to vote for the committee resolution. It provides for deficit reduction which will take the deficit down to more than 40 percent below where it was just 3 years ago. It means that it will be the first time since the end of World War II that we have had three successive years of deficit reduction.

□ 1410

It is also in support of the economic policy which has seen a reversal of more than a 5-years-in-a-row decline in family income. This year for the first time we have seen a modest increase in real family income.

The policy has also produced the lowest inflation rate in 30 years. It has also produced job growth which has produced twice as many new jobs in 1 year as we had in the previous administration. I think those numbers stand on their own.

It seems to me that we ought to stick to this budget. It is the budget which has helped improve the economy. The American people understand that. Eventually, I think everyone in this House will understand that.

Mr. OWENS. Mr. Chairman, today we will consider the resolution for the 1995 budget. All advanced briefings indicate that the House Budget Committee has engaged in a rubber-stamping exercise that adds very little insight and vision to the administration's monstrous presentation. When we vote on this flawed resolution there will be none of the drama of last year's session. This year the Democrats have surrendered in advance. A golden opportunity to begin redirecting the Nation's resources has been tossed away. Is the Republican Party still in control of the Office of Management and Budget? The worms at OMB devoured more than 100 small programs and drastically cut 300 more. The total abandonment of jobless inner-city youth was begun with the transfer out of $60 million into programs to retain adults who have had the good fortune to have jobs for the last 12 years, but are losing their Defense-related employment now.

But the most scandalous act of all in this budget-making process has been the House Committee's acquiescence to the administration's position that there will be "no further cuts in Defense". The military industrial complex reigns supreme "uber alles." The no-cuts-in-Defense doctrine represents a monumental blunder, a gigantic waste of resources that should be utilized to redirect our economy. Building schools, bridges, highways, mass transit, educational technology equipment, health centers, and other civilian infrastructure components, would produce many more jobs for the dollars being spent to maintain obsolete overseas bases and weapons systems. The folly of continuing our multibillion dollar Defense waste is so apparent that our grandchildren will condemn us as being stupid or cowardly or corrupt. Of course, posterity will quickly understand that the Members of the 103d Congress were not stupid. Some of the best minds in America are in the Congress. But posterity will condemn us for allowing the military industrial complex to either bully us or buy us. We must confront the intimidation and let our intelligence take over. Adherence to the "no further cuts in Defense" doctrine is a super blunder.

THE SUPER BLUNDER

Decisiveness Firmness Resolve
Let logic dissolve
No cuts for Defense
A blunder immense
Insight shows no sense
Overseas bases
Won't get the ax
Luxury weapons makers
All can relax
No Bosnia or Haiti
No worthy attacks
Just fund everybody
Gentlemen Generals
No need to fear
Sit tight on your rear
NATO leases
Surrender no pieces
Fat foreign neighborhoods
Keep selling our soldiers
Erotic adventures
And glitzy dry goods
Japanese markets are closed
But none of our bases disposed
3.5 billion could build
A thousand schools
But only one nuclear carrier
Is written into the rules
Decisiveness Firmness Resolve
Let logic dissolve
No cuts for Defense
A blunder immense

Mr. BORSKI. Mr. Chairman, I rise in support of House Concurrent Resolution 218, the budget resolution for fiscal year 1995.

Last year, the Democrats in Congress took a bold step and approved the principles of

President Clinton's economic growth and deficit reduction package outlined in the Omnibus Budget Reconciliation Act. Not one Republican joined us in supporting this plan. Instead, they stood up here spreading misinformation and giving dire predictions about its impact on the economy. They said the plan would destroy our economy, increase the deficit and kill jobs.

Mr. Speaker, the economic reality is that last year's budget package has strengthened this economy. In fact, in recent testimony to the Joint Economic Committee, Federal Reserve Chairman Alan Greenspan said "* * * the underlying, long-term economic outlook in this country is improving quite measurably and, indeed, I don't recall as good an underlying base for the long-term outlook that we have today in the last two or three decades."

Under President Bush, the economy grew at the slow rate of merely 1.5 percent, the weakest growth of the post-war period. The President's plan has turned this around. In 1993, the economy grew at a rate of 3.2 percent and topped off with a rate of 7.5 percent in the last quarter. Leading indicators show that the economy will continue its strong performance.

In addition, under the President's plan, the deficit has shown dramatic improvement. Deficits are at their lowest levels as a percent of GDP since 1979. In 1993, the deficit was $73 billion less than projected under President Bush. The deficit forecast for 1994 has dropped by $70 billion and by over $100 billion for 1995. This will be the first time in 50 years that the deficit will drop for 3 consecutive years.

Finally, during President Clinton's first 13 months, over 2 million jobs were created—twice the number of jobs created during President Bush's entire 4 years. The unemployment rate has declined by a full percentage point, the largest annual drop in unemployment in 6 years.

This year's budget resolution continues the process of reducing the deficit and rebuilding our economy outlined in last year's budget package. It implements the spending cuts mandated by the 5-year deficit reduction package. Under the resolution, the deficit will drop to $175 billion in fiscal year 1995, $115 billion less than 3 years ago. In addition, the resolution conforms to the spending caps for discretionary spending established by the deficit reduction package. Under these caps, discretionary spending will actually fall for the first time since 1969.

The budget resolution also contains the President's proposals for investment in areas key to our sustained economic growth, including education, training, community development and crime control. The resolution increases funding for Head Start, job training programs for dislocated workers, one-stop career centers and a number of crime initiatives, including community policing, border security and illegal immigration control.

Mr. Chairman, last year, President Clinton introduced his economic and deficit reduction package and gave this country new direction and new hope for the future. Today, we have the opportunity to further the success of this program by pursuing the deficit reduction and economic revitalization outlined in the budget resolution. I urge all my colleagues to support the President and vote for House Concurrent Resolution 218.

Mrs. VUCANOVICH. Mr. Chairman, I strongly support the budget proposed by the gentlewoman from Maryland and I am appalled that we will not even be allowed to consider it during these discussions over the budget resolution. By increasing each line item of Federal spending by 2 percent, the Bentley proposal does not pick winners or losers. At the same time, it would save close to $800 billion over the next 5 years. This could be the perfect, nonpolitical, nonpartisan, easy vote on the budget. No taxes, increase every item of Federal spending by the same percentage, and have a budget surplus by 1999.

I said there would be no winners or losers if we could debate and vote for the Bentley proposal. That's not quite right. I should have said there would only be winners. The American public would win, because we would put our economic house in order. The economy would win, and the Federal Government would win, because we would not be forced to devote so many resources to interest payments on a mounting Federal debt.

I commend the gentlewoman from Maryland for her foresight and commiserate with her on the unfortunate decision by this body which will not allow us to give serious attention to her proposal.

Mr. FORD of Michigan. Mr. Chairman, I rise in strong support of House Concurrent Resolution 218, the concurrent resolution on the budget for fiscal year 1995, as reported by the Budget Committee. At a time when budget rules and fiscal constraints limit our options, this budget resolution offers the foresight of renewed investment in this Nation's most precious resource—our people.

Over the past three decades, I have fought to sustain a commitment of resources to the education of our children and the training of our workers. Just 3 years ago, I proudly championed a successful homefront budget initiative which set education and training as a priority in allocating the Federal budget. The House adopted my amendment on this floor as part of the budget process in recognition of the great future return on the near-term investment in these programs.

Today, I rise in support of what I view as an extension of my earlier effort. While I would gladly support a more generous commitment to education and training, this budget is a good step in the right direction. I offer to work with my colleagues to see the fulfillment of the pledge we make here today—promoting better educated younger people and better trained workers.

I strongly support the budget resolution because it implements the President's decision to invest scarce resources in the Nation's working people. Such investments in the work force will increase the value of our Nation's most distinctive asset—its workers. This focus upon America's "human capital" will help our workers increase their wages in our increasingly competitive global economy. The resolution ensures that more than a billion new dollars will go to initiatives to train high school graduates and unemployed workers for better jobs. This funding will make legislation to establish skill standards, to promote school-to-work transition programs, and to make reemployment a reality.

I also strongly support the budget resolution because it ensures funding of the administration's proposals to strengthen the enforcement of labor standards laws in the Nation's workplaces. The resolution gives the Department of Labor the additional resources necessary for enforcing the wage and hour, occupational health and safety, and pension laws of the Nation. These additional resources are a good start toward reversing the neglect of workers' rights of the last two administrations.

At this point in the RECORD, I offer a letter from the Committee for Education Funding [CEF] in support of the Budget Committee-reported budget resolution. The CEF has always been there to plead the case of our young people. Its members have been and continue to be valued partners in the fight to sustain adequate resources for education—and the Nation's future.

COMMITTEE FOR EDUCATION FUNDING,
March 9, 1994.

DEAR REPRESENTATIVE: On behalf of the member organizations of the Committee for Education Funding, we urge you to vote for the FY 1995 House Budget Resolution as reported by the House Budget Committee on March 3rd. The Committee resolution makes the education, training, employment and social service needs of our nation's citizens a priority. The budget plan includes a $3.6 billion increase for Function 500 (education and training), affirming the President's recommendation for a substantial investment in the programs of the Labor, HHS, Education Appropriations Subcommittee. We also urge you to vote against any alternative budget plan that cuts funding for education programs below the Committee-reported resolution.

The overall numbers in the Budget Resolution reflect the President's investment in the education and training of our nation's most precious resource—our people. As stated in the report, a renewed investment in education is "one of the most prudent policy decisions our government can make to improve our nation's ability to fulfill our hopes and expectations for the future." The report notes that "schools are facing greater challenges in educating children. Violence on our streets has invaded the classrooms of our schools. School facilities are deteriorating, and funds are lacking to provide new equipment and keep up with advances in technology."

In a photographic essay in the February 20th New York Times Magazine, the stark contrast between our deteriorating schools and the costly renovation of prison facilities are clearly portrayed. "Seventy percent of all prison space in use today has been built since 1985, at a cost of $32.9 billion. But only 11 percent of the nation's classrooms were constructed during the 1980's * * * The courts, citing the constitutional ban on cruel and unusual punishment, require states to maintain decent prisons. But the Constitution doesn't address school class size or library resources." The budget resolution as reported by the Committee is an important step in addressing dire needs in education.

In the weeks ahead, the House will be setting spending priorities by allocating funds to each of the 13 appropriations subcommittees. We urge members to insist that the President's recommended increase to the Labor, HHS, Education Appropriations Subcommittee that is reaffirmed in the Budget Resolution, is actually translated into the 602(b) appropriations allocations. The President made education a priority, despite tight fiscal constraints set by the budget caps. We urge you to do the same.

Sincerely,

THE 1994 COMMITTEE FOR EDUCATION FUNDING EXECUTIVE COMMITTEE

Beth B. Buehlmann, CEF President, California State University; John B. Forkenbrock, CEF Vice-President, National Association of Federally Impacted Schools; Violet A. Boyer, CEF Treasurer, National Association of Independent Colleges and Universities; Richard A. Kruse, CEF Past President, National Association of Secondary School Principals; David Baime, American Association of Community Colleges; William Bruno, National School Boards Association; Edward M. Elmendorf, American Association of State Colleges and Universities; Carnie C. Hayes, Council of Chief State School Officers; Maureen Hoyler, National Council of Educational Opportunity Associations; Gerald Morris, American Federation of Teachers; Thomas C. Polgar, Paramount Communications Inc.; Michael Pons, National Education Association; Adele Robinson, National Association of State Boards of Education; Chuck Russell, Texas Education Agency; Dena G. Stoner, Council of Educational Development and Research; Tom E. Netting, ex officio, Career College Association; Richard Yep, ex officio, American Counseling Association.

Mr. LEWIS of California. Mr. Chairman, I rise today to voice my opposition to House Concurrent Resolution 218 (H. Con. Res. 218) and strong support for two amendments—the Kasich/Republican budget initiative amendment and the Solomon-Fawell-Upton amendment.

The Republican budget provides lower spending, lower taxes, and lower deficits than proposed in the Democrat budget. The Republican budget also tackles major initiatives in its 5 year spending outline.

I would like to take a few moments to outline several of these initiatives. First, the Republican budget includes a family tax credit. This tax credit provides a $500 per-child tax credit to families earning less than $200,000 a year. Residents in my district will be the beneficiaries of nearly $60 million in tax relief through this tax credit. Second, the Republican plan creates jobs and provides economic growth by changes in the tax code. These changes include—indexation of capital gains, fully deductible IRA accounts, deduction for capital losses on the sale of a primary residence, immediate expensing of business equipment, and an extension of the research and development tax credit. Third, this budget reduces the deficit by almost $152 billion more than the Democrat budget proposal. Fourth, the Republican budget also incorporates a bold welfare reform proposal which stresses work instead of welfare. Fifth, the Republican budget contains a plan to regain control of our streets and neighborhoods through a tough anticrime measure, the Crime Control Act of 1993. Finally, the Republican budget fully funds the Affordable Health Care Now Act while the Democrat budget makes no provision whatsoever for health care reform.

The Republican budget plan also provides a cost of living allowance [COLA] to Federal employees and military personnel. Further, the Republican budget plan provides a more reasonable blueprint for our national security needs. Relative to the President's budget, the Republican initiative restores $67 billion in the Defense budget.

The proposals contained in the Republican budget initiative are paid for through real spending cuts and real reforms in how the Federal Government operates.

I also strongly support the budget amendment proposed by colleagues JERRY SOLOMON, HARRIS FAWELL, and FRED UPTON. Their amendment to House Concurrent Resolution 218 balances the budget in 5 years. It calls for over 500 specific cuts. The Solomon-Fawell-Upton amendment cuts over $600 billion in Federal spending. This plan does not raise taxes or touch the Social Security trust fund. Many of the cuts contained in the Solomon-Fawell-Upton plan stem from recommendations from the Concord coalition, the Grace Commission, the Congressional Budget Office Citizens Against Government Waste, the National Taxpayer's Union, the Heritage Foundation, the Porkbusters coalition, and the administration's reinventing Government proposal.

As a strong supporter of a balanced budget amendment, I am also highly supportive of the Solomon-Fawell-Upton budget which balances the budget within 5 years without raising taxes, affecting the Social Security retirement trust fund, or cutting the benefits of veterans.

I urge my colleagues from both sides of the aisle to resist the status quo budget presented by the majority and to support the bold, progressive, and innovative budget blueprints presented by the Republican members of the Budget Committee and the Solomon-Fawell-Upton budget.

Ms. PELOSI. Mr. Chairman, I rise in support of the budget resolution as reported by the Budget Committee and commend Chairman SABO and the committee for their thoughtful work.

The Clinton budget builds on the strong foundation of deficit reduction, economic growth, and job creation that was established last year in the Clinton economic plan. This budget resolution reverses the policies of the past. The resolution keeps budget deficits on a downward path—this will be the first time in 26 years that the total discretionary spending will actually decline from one year to the next without even an adjustment for inflation. The President and Congress have cut spending first.

Despite these unprecedented reductions in total spending, the Clinton budget reflects investments in economic growth, in fighting crime, and in developing the skills of American workers and our children. This budget builds on the significant steps in the right direction that have made our Nation so much more hopeful over the last year.

Mr. Chairman, this is a tough but a good budget. The President and the Budget Committee are to be commended for their discipline and their vision in shaping this budget.

Mr. GOODLING. Mr. Chairman, in designing his budget, the President has failed to address our Nation's priorities: deficit reduction, controlling the debt, shrinking Government, maintaining national security, and highlighting key initiatives such as health care reform, welfare reform, and efforts to combat crime.

This administration continues to confuse reductions in the percentage of increased spending with actual spending cuts. Moreover, the administration does not explain that while the annual deficit may be reduced in the short term, each fiscal deficit continues to add to the burgeoning national debt. In fact, under the Clinton budget, the Federal debt will grow from $4.6 trillion in fiscal year 1994 to nearly $6.3 trillion in fiscal year 1999, an increase of $1.7 trillion over 5 years. Additionally, the deficit will increase from $176 billion in fiscal year 1995 to $201 billion in fiscal year 1999. The $176.1 billion deficit, which is the lowest the deficit has been since the mid-1980's, reflects three factors which had nothing to do with President Clinton's policies. The country does not have to spend $27 billion for the savings and loan cleanup process, $25 billion for reduced Medicare costs, or $20 billion due to economic growth. Moreover, the Congressional Budget Office [CBO] now estimates the deficit will exceed $365 billion by the year 2004. It is painfully obvious that Federal spending is not being controlled.

The one area of Federal spending which is being cut significantly is the defense budget. Defense spending will fall from $292.4 billion in fiscal year 1993 to $258.1 billion in fiscal year 1999, representing a decline of 11 percent in real terms over 5 years. Moreover, the budget does not contain the $20 billion in additional funding requested by the Department of Defense to implement former Secretary Aspin's "bottom-up review." Quite simply, the President's defense budget does not meet national security requirements.

Probably the most puzzling aspect of the administration's budget is what is missing. The three most important legislative initiatives this year will likely be health care reform, welfare reform, and efforts to combat crime. Inexplicably, these three issues were primarily omitted from the budget. While the President pledged support for 100,000 new police officers, his budget only funds 50,000. President Clinton's alleged support for the $22 billion Senate crime bill rings hollow when his budget approves only $2.3 billion, notably proposing no funding to assist States to build new prisons. While welfare reform was highlighted in the State of the Union Address, the President's budget offered no ideas on how to pay for expanded job training and placement, medical care, day care, and other family support benefits. Finally, the budget offers an incomplete picture of the actual cost of the administration's health care plan. The budget omits over $100 billion in mandatory premiums as well as the spending resulting from those receipts. Moreover, according to CBO, the White House underestimated the plan's cost by $132 billion.

EDUCATION AND LABOR PRIORITIES

Mr. Chairman, as the ranking Republican of the Education and Labor Committee, I would like to state for the record what my priorities would be had I prepared an "Education and Labor Budget Alternative."

I have always said that Members who wish to cut the deficit must begin by examining the programs under their own jurisdiction. During the last couple of months, I have been working with the Republican members of the Budget Committee to share ideas for budget savings in Education and Labor Committee programs. During that process I recommended numerous cuts, which would save billions of dollars.

In this section of my statement I will also point out issues contained in the various Republican budget alternatives, on which I do not necessarily agree. I want to stress, however, that just because I may disagree with some of the recommendations of my Republican colleagues it does not mean that I do not support the general thrust of their budget alternatives. After all, that is all a budget resolution really is meant to provide—the general budgetary blueprint for the coming fiscal year. All the programmatic assumptions made in a budget resolution are only advisory, and are not binding.

ELEMENTARY AND SECONDARY EDUCATION

As the reauthorization for the Elementary and Secondary Education Act (H.R. 6) further progresses through Congress, I want to reiterate my support for continued funding for the chapter 2 and Even Start programs. I would increase funds for chapter 2 by consolidating into it several other smaller education programs, instead of eliminating it as the administration has requested. I do, however, support the administration's fiscal year 1995 request of $118 million for Even Start.

The administration has requested a substantial increase in funds for chapter 1, but I would defer any increase until we are assured that true quality reform for this program will be passed by Congress and implemented by the administration.

The Republican/Kasich alternative proposes to eliminate both "a" and "b" impact aid payments. While I support the elimination of "b" payments, I differ with my colleagues with regard to eliminating "a" payments.

In addition to ESEA, I again recommend continuing the effort to close the funding gap in the Individuals with Disabilities Education Act [IDEA] mandate. As of fiscal year 1983, the Federal Government was mandated to contribute 40 percent of the excess cost of educating children with disabilities. The Federal Government currently only provides, and the administration only requests funding for, 7 percent of the cost necessary to educate disabled children.

Also regarding disabled children, I do not support the specific recommendations of the Republican/Kasich alternative that would eliminate SSI payments for children under 16 with disabilities. While SSI payments are not within the jurisdiction of the Education and Labor Committee, most issues regarding disabled children are, and so I want to state for the record that this is one area where I differ.

FOOD AND NUTRITION PROGRAMS

My priorities for food and nutrition programs are: streamlined procedures to reduce costs to State and local governments; elimination of the fraud and abuse that threaten the system; and guaranteeing nutritional quality for those served. At a time of limited Government resources it is imperative that we stretch those resources to serve the greatest number of people.

It is also a priority for me to assure continued section 4 grant-in-aid payments to provide support for the basic infrastructure of the National School Lunch Program. It is essential that these payments continue tin order for the School Lunch Program to continue. Evidence shows that if funding were reduced to target only low-income children, then some schools would not be able to afford providing lunch services at all. This is one area where I am not in agreement with the different Republican alternatives.

I would also continue funding for the Cash/CLOS Demonstration Program, which allows schools to purchase commodities through Commodity Letters of Credit [CLOC].

POSTSECONDARY EDUCATION

Regarding postsecondary education programs, I continue to support the elimination of the Pell grant shortfall and increased funding for the Pell Grant Program as I have done under prior administrations. Increases to Pell grant funds serve those students most in need and ensure access to postsecondary education for all students.

Another program which I have strongly favored over the years is the college Work-Study Program and I support increased funding for this program.

The various Republican alternatives uniformly support the elimination of several higher education programs, which I think are vital to our Nation's students. I am particularly concerned about eliminating the State Student Incentive Grant Program [SSIG] and the Supplemental Educational Opportunity Grant Program [SEOG], both of which require matching funds from States and both of which serve the neediest students. I am also troubled by the proposed elimination of all campus-based aid, including SEOG, Perkins loans which are low interest loans made to needy undergraduates and graduates, and Work Study which requires matching funds and provides students both financial aid and valuable work experience. Redirecting one-half of the savings to the Pell Grant Program if the campus-based programs are eliminated will assist needy students, but this redirection of funds will not come close to helping the numbers of students who currently benefit from the campus-based programs.

HUMAN RESOURCES

In the human resources area, I would like to make three recommendations. First, I recommend that the funding for the Low-Income Home Energy Assistance Program [LIHEAP], that has already been appropriated for fiscal year 1995, be maintained. I oppose the administration's request to cut that funding by $707 million. Even the Democrat Budget Resolution, which departs from the administration's request, would cut LIHEAP by $187 million.

Second, I recommend that funding for Head Start be maintained at current levels plus inflation, until we are able to determine whether some real quality reforms emerge from the reauthorization process, and until any such reforms have been implemented.

Third, the administration's budget calls for a 48 percent—$275 million—increase in budget authority for fiscal year 1995 for the recently enacted national service initiative. This program is not even fully implemented yet, and so I strongly oppose the idea of increasing funding for it. Even the Democrat Budget Resolution, which departs from the administration's request, would increase National Service funding by $175 million.

Further regarding national service, I recommend applying a needs analysis to the educational awards. In this way limited Federal dollars for this program would go to the students most in need of assistance to attend college. This would not result in a budget savings, but it would result in more money being available for more needy participants in the program, once it is up and running.

JOB TRAINING

Mr. Chairman, last year the General Accounting Office [GAO] issued a report that listed 154 separate Federal job training programs. While I do not agree with the GAO that all of the programs listed are truly job training programs, I nonetheless recognize that far too much duplication and fragmentation exists within Federal education and training programs designed to serve adults and out-of-school youth. Therefore, I recommend funding for most of the major education and training programs which serve this population—including vocational and adult education programs, and programs serving disadvantaged youth and adults under JTPA—at approximately the fiscal year 1994 levels.

Yet I also recommend consolidating 84 individual training programs—as listed by the GAO—into 7 broad block grants, consisting of 12 major programs. This consolidation is expected to result in administrative savings over time, and would immediately result in much cleaner and more flexible funding streams going down to the States and local areas for these programs. I also recommend the elimination altogether of several other unnecessary programs listed in the GAO report as job training programs—most of which fall outside the jurisdiction of the Education and Labor Committee—for a total savings of approximately $1 billion over fiscal year 1994. These eliminations could be accomplished without adversely affecting our true Federal employment and training programs.

I appreciated the opportunity to work with Republican members of the Budget Committee to share with them this recommended consolidation idea. While I strongly support this consolidation effort, which should improve program efficiency and result in administrative savings, I am concerned over the level by which these programs—beyond our recommendations—were reduced in the Republican budget resolution alternative. I do want to note, however, that this proposal does provide moderate increases in funding for training programs for disadvantaged youth and for dislocated workers.

In the work force preparation area, I recommend modest increases for a consolidated dislocated worker program; for the development of occupational skill standards; for the establishment of a school-to-work transition system; and for incentives to States and localities to implement reforms leading to a coordinated system of one-stop-shopping delivery of training services. All of these recommendations fall within our recommendations for a much more efficient and flexible system of workforce development in this Country, and represent significantly smaller increases than proposed by the administration's budget in this area.

LABOR

Mr. Chairman, with regard to labor issues I have several priorities.

The Department of Labor proposes $36 million to be allocated for increased enforcement. I submit that the Department has adequate enforcement and that the administration should apply any surplus here to the deficit or to programs to help small employers learn how to comply with these complex laws. For example, OSHA has a consultation program which could be more adequately funded under this approach.

I recommended that the costs of any new Federal mandates on State or local governments must be determined in advance and/or will be applicable only to the extent that the Federal Government provides offsetting moneys. This recommendation is consistent with legislation that I have sponsored—see H.R. 1295. This is a recommendation that applies to all areas within the jurisdiction of the Education and Labor Committee, and to all issues before Congress for that matter.

I recommend amending the Federal Employees' Compensation Act [FECA] to prohibit individuals from receiving FECA benefits if they have been convicted of FECA fraud. This would result in a savings of $22.6 million over 5 years. (See H.R. 3491).

I, along with all of the Republican Budget alternatives, recommend repealing the Davis-Bacon Act and exempting Federal construction projects from the reporting requirements of the Copeland Act. This would result in a savings of approximately $3.3 billion over 5 years. At a minimum, the threshold for coverage under the Davis-Bacon Act should be raised and the reporting requirements under the Copeland Act should be reduced.

Again, I and all the Republican Budget alternatives recommend amending the Service Contract Act to eliminate the successorship provision, thereby permitting successor contractors to pay lower wage rates or to provide less costly fringe benefits than those provided by their predecessors. This would result in a savings of $900 million over 5 years. Furthermore, repealing the Service Contract Act would result in more significant savings.

Mr. Chairman, the National Institute for Occupational Safety and Health [NIOSH] was established in order to be the research arm for occupational health and safety issues. While some of its activities are focused on research, much of its work in recent years has been focused on making recommendations for regulatory action by MSHA, OSHA, and other agencies. This leads to a confusing situation—one Government agency, which does not have responsibility for action, telling another agency, which does have that responsibility, what to do. I recommend eliminating NIOSH, saving $133 million from the administration's budget.

The National Performance Review [NPR] recommended that OSHA establish a program using what it termed "market mechanisms" to improve safety and health, and specifically recommended the use of incentives to encourage employers to utilize third party auditors to review the workplace. This proposal is similar to proposals for changing the OSHA program contained in legislation proposed by Education and Labor Republicans—see H.R. 2937. It is not a budget savings, but it would allow for better utilization of Government resources, and thus alleviate the need for any "army of OSHA inspectors to descend on American employers."

I recommend allowing voluntary electronic filing of ERISA Annual Financial Reports—Forms 5500—and further consideration of how to increase the percentage of reports filed electronically. This is a desirable method of significantly reducing the cost of processing—cost shared by DOL and the IRS—and reducing the 3-year delay it takes to obtain information from an annual filing.

I recommend amending the ERISA requirement for the filing of summary plan descriptions by employee benefit plan administrators with the DOL. Since the summary plan descriptions are actually filed for only a small percentage of plans, the cost to maintain the system and the administrative burden on employers far outweigh its public benefit. The NPR suggest that this program change would save approximately $600,000 in fiscal years over a 5-year period.

I recommend amending and enhancing the Department of Labor's Return-to-Work Program which assists occupationally disabled Federal workers return to work. By overhauling the program substantial savings could be gained by reducing long-term benefit costs to the Government. The NPR estimates that the change would result in approximately $125.7 million in savings over a 5-year period.

Finally, I recommend that Pension Benefit Guaranty Corporation [PBGC] reform legislation be enacted this Congress in order to prevent the occurrence of substantial long-term costs and the insolvency of the pension plan termination insurance programs administered by the PBGC.

CONCLUSION

In conclusion Mr. Chairman, I believe, in general, we need to pass economic policies which cut domestic spending; provide for a responsible defense budget which meets national security requirements in a volatile and unpredictable world; reduce the burden of taxes and mandates on private enterprise—the job creators; and eliminate the deficit so that we can begin the long and difficult task of reducing the national debt. I hope Congress will pass, and the President will support, a fiscally responsible budget that addresses these fundamental criteria.

Mr. ALLARD. Mr. Chairman, today this House debates the budget of the U.S. Government for the years 1995 through 1999.

As we begin this debate it is clear that the Congress has arrived at a fork in the road. We have a choice.

We can go down one fork in the road recommended by President Clinton, or we can go down the other fork recommended by those of us who serve as Republican members of the House Budget Committee.

The road that President Clinton wants us to take promises the American people business as usual as far as the eye can see. Down this road we get bigger Government, higher taxes, and nearly $1 trillion more added to the national debt by 1999.

Down the other road, mapped out by JOHN KASICH, and unanimously supported by all his Republican colleagues on the Budget Committee, the American people get change.

The Republican budget alternative reduces the deficit by $150 billion more than the Clinton plan.

The Republican alternative provides tax relief for working families in the form of a $500 tax credit for children. It also provides capital gains indexing, Individual retirement accounts, and strong depreciation incentives—all designed to help small businesses create jobs and grow our economy.

The Republican alternative truly reinvents Government by transferring Federal land and resources to the States. It also reinvents the Department of Agriculture—restoring it as an agency designed to empower farmers not bureaucrats.

The Republican alternative includes comprehensive welfare reform, and tough punishment for crime.

The Republican alternative includes a health care reform plan which identifies the problems with our health care system and fixes those problems. Our plan builds on the first health care system in the world and fundamentally rejects the socialist approach of the Clinton health plan. The Clinton health plan promises all the compassion of the IRS and the efficiency of the post office.

The Republican alternative retains a strong defense to guarantee peace and security in a dangerous world.

The Republican alternative calls for a budget which reflects the massive cost of Federal regulations and redtape, and then sets out to reduce that redtape.

Now let's contrast this vision of change with Mr. Clinton's budget. The White House would like Americans to believe that the President's budget is a tough budget filled with spending cuts. Unfortunately, many in the media have bought into this deception.

The facts lead to a very different conclusion. According to the President's own budget document, Federal outlays will rise from $1.4 trillion in 1993 to $1.74 trillion in 1998. Only in Washington would a $330 billion increase be considered a tough budget.

What makes these numbers more striking is that because of President Reagan's victory in the cold war we are today able to spend $70 billion less in real terms on defense than we did in 1987.

Even with dramatic declines in defense spending, we find overall spending going up. This tells us one simple fact: Domestic spending under President Clinton is growing by leaps and bounds.

Let me point out several specifics which demonstrate the problem with the Clinton budget. As a member of the Budget Committee, I was responsible for developing four areas in the Republican budget. These were natural resources, agriculture, energy, and science. Lets compare the difference in these areas with President Clinton's budget.

The Republican alternative cuts outlays in the natural resources area $17 billion more than Clinton over 5 years. In energy, the Republican plan cuts $16.4 billion more in outlays over 5 years. In agriculture, we achieve $10.6 billion more in outlay savings. Only in science do we spend a modest $1.9 more in outlays than Clinton.

In just four areas, the Republican alternative achieves $42 billion more in spending reduction over 5 years. This makes it clear why the Clinton budget continues to grow the Government.

The choice at the fork in the road is clear: More of the same big Government with Mr. Clinton, or real change with the Republican plan. I vote for change.

It is clear from this budget debate that the Democrats looked change in the eye, and blinked. By contrast the Republicans embraced it.

President Clinton promised Americans family tax relief; the Republicans deliver it with the $500 tax credit for children.

It is about time we started giving families a break.

I am always amused when I listen to the media or read studies by academics talking about what the biggest expenses for families are.

Sometimes we hear that the mortgage is the biggest expense.

Sometimes we hear that food and clothing are the biggest expense.

Sometimes we hear about education or transportation expenses.

None of these are close to the biggest expense for most families.

The biggest expense for middle class American family is taxes.

Tax Freedom Day is the day each year that the average person works to pay the tax bill. Last year it was May 3, the latest ever. It will be even later this year with all the new Clinton tax hikes.

This means that in the typical American family, the parents are working for the Government for the first 4 months of the year. Over a third of family income goes to Government.

It is time to recognize this huge tax burden and give something back to the hard working families that pay the bills around here.

It is also appropriate that this tax credit gives something to the young people of this country since they are going to be the ones responsible for paying the interest on the national debt that Congress keeps increasing.

This $500 credit is the least we can give to our children. As it stands now, all the Democrat budget plan gives them is a $4.5 trillion debt.

President Clinton and his Vice President continually talk about reinventing government. The Republican budget alternative doesn't just talk about reinventing government—we do it.

Included in our plan is a complete overhaul of the Federal Government's natural resources policy.

We dramatically downsize the Department of Interior—eliminating bureaucracy and consolidating the numerous Federal land agencies into one Federal Land Management Agency.

We retain parks and land of an enduring national interest at the Federal level and transfer the remaining land and control to the States.

I would like to quote from Vice President GORE'S National Performance Review [NPR] in support of our proposal. Here the NPR is addressing the need to consolidate land programs within Interior:

> Federal lands managed by DOI's Bureau of Land Management (BLM) and the Department of Agriculture's Forest Service often lie side by side or are intermingled in many areas. This dispersed ownership pattern prevents efficient operations and results in fragmented assistance to customers.

This sounds great, but the President's budget does nothing to address this. The Republican plan takes action. We combine the lands of many Federal agencies into one land management agency. The Republican plan doesn't just talk about the problem, it fixes the problem.

Similarly, in the Department of Agriculture we work to empower farmers, not bureaucrats.

We close more field offices than the administration, but avoid cuts in farm programs such as the administration's dramatic reduction in conservation cost share programs.

Unlike the administration we don't only cut field offices that farmers use, we also cut field offices that have only administrative functions.

I would now like to address the issue of health care reform. It is interesting to note that neither the President's original budget submission, or the Democrat budget plan accounts for the cost of the administration's health reform plan.

Earlier in the year, Representative PENNY and I introduced legislation to require that all Government mandated health care reform be on-budget where the American people can clearly see the level of taxes and outlays envisioned under the Clinton health plan or any other health reform plan that includes mandates.

This is no small matter. A recent analysis by the Alexis de Tocqueville Institution, which I distributed to all members earlier this week, concludes that by the year 2004, when the Clinton plan is fully implemented, taxes would be $566 billion higher than without the Clinton plan. In effect, under the Clinton plan Federal taxes would be increased by 27 percent, by far the largest tax increase every.

Last month, the Congressional Budget Office recommended that the Clinton health plan should be on-budget with the mandated premiums of employers and employees counted as Federal receipts and the expenditures of the health alliances counted as Federal outlays.

Since CBO's view was only advisory, I have found it necessary to pursue this issue and help ensure that any health care reform enacted this year is properly accounted for in the Federal budget.

Last week during the Budget Committee markup of this resolution I offered an amendment making clear that it is the understanding of the Budget Committee that any health care reform relying on mandated payments should be on-budget. I am pleased that this amendment passed and is included in the Sabo budget resolution.

The American people are presented with two dramatically different visions for America in this budget debate. The Democrat-Clinton budget sees America's future in higher taxes, more spending, and bigger Government.

By contrast, the Republican plan is a detailed vision of a dramatically scaled down Federal Government, lower taxes, and less control of our lives by Washington.

Mr. Chairman, we have indeed arrived at a fork in the road. For 40 years this House has been controlled by the Democrats. As a result we have continued down the road of bigger Government. It is time for a change.

The American people are ready to take the other fork in the road—the fork that leads to less Government and more freedom.

Mr. WILLIAMS. Mr. Speaker, I rise in support of the budget resolution before the House today.

This resolution implements the spending cuts mandated by the deficit reduction package enacted by Congress last year.

This resolution projects a deficit of $175 billion in fiscal year 1995, a full $115 billion less than where our Nation was 3 years ago. It results in a deficit that represents the smallest share of our economy since 1979. That is significant progress my friends and the nay-sayers on the other side of the aisle should stand up and take note.

To achieve these savings, we are trimming discretionary spending to $102 billion below the baseline level, by maintaining the spending caps on discretionary programs for fiscal years 1994 through 1998. In fact, this resolution is $6.8 billion in budget authority below the discretionary cap for fiscal year 1995.

President Clinton's budget presented us with a number of important investment opportunities. This budget assumes 92 percent of these investments in such efforts as Head Start, job training, compensatory education, WIC, and crime control. This budget also assumes most of the extensive cuts in discretionary spending with the termination of 100 programs and spending cuts in more than 200 others.

This budget resolution wisely rejects the President's proposed cuts in low income energy assistance and in mass transit operating funds.

I urge my colleagues to support this resolution, and I want to congratulate my friend, Chairman SABO, for his and his committee's efforts in putting it together.

Mr. KYL. Mr. Chairman, before any Members of this House try to sell the American people on the idea that the Federal budget deficit has been tamed—that Congress can take a respite from deficit-cutting this year—keep in mind that the Congressional Budget Office has estimated that the deficit will climb to $365 billion in less than a decade.

The budget for fiscal year 1995, which has been proposed by the Budget Committee, and which closely mirrors the budget submitted by President Clinton, raises the white flag in the fight to reduce the deficit. In fact, were we not to pass this budget resolution and simply allow the budget to run on auto-pilot, deficits would actually be lower over 5 years by some $26 billion than they will be under the Clinton budget.

Let me say that again: if we do nothing—if we simply allow the current budget to run on auto-pilot—the Nation will accumulate $26 billion less in new debt than if we pass the Clinton budget.

Mr. Chairman, the President and the committee had to struggle just to say within the spending caps they set in their own budget last year. They were left scrambling after the Congressional Budget Office [CBO] found that the President's plan exceeded the spending caps by $3.1 billion.

But, even that doesn't tell the whole story. The only way the President and the Budget Committee can make their budget numbers meet the spending caps is by omitting major spending initiatives they support.

For example, the budget before us today does not include the costs of the President's health care reform plan, and those costs will be significant. Despite the President's suggestion that his health care plan will reduce deficits, the CBO determined just a day after he submitted his budget that the Clinton health plan would boost Federal budget deficits by $74 billion. And a week later, CBO upped that projection by $51 billion more—bringing the increase in the deficit attributable to the Clinton health care plan to a total of $125 billion over 9 years.

The costs of welfare reform, the crime bill, and immigration reform are missing from this budget, as well. Once those are added, spending will increase further, and so will the budget deficit.

This budget is short by $20 billion the amount which the Clinton administration's own Bottom-Up Review determined was necessary to meet the basic national security needs of the country.

Mr. Chairman, this budget resolution would score an incomplete in any classroom in America.

This is a budget of stale ideas—just more spending and more debt.

The alternative budget that is being proposed by the ranking Republican on the Budget Committee, JOHN KASICH, is a budget of real change. The Kasich budget would reduce the Clinton deficits by $152.6 billion over 5 years. By setting priorities, the Kasich budget is not only able to cut low-priority spending and achieve those savings, but also identify the resources and pay for health care reform, welfare reform, and a new crime initiative.

The Kasich budget includes significant new economic growth incentives, including indexing of capital gains, fully deductible individual retirement accounts [IRA's], extension of the research and development tax credit, and immediate expensing of business equipment.

And, most important, it gives badly needed tax relief to American families, providing a $500 per child tax credit. That provision alone will pump $375 million into Arizona's economy every year.

Mr. Chairman, the Kasich budget provides tax relief. It includes, and fully funds, health care and welfare reform, and a major anticrime initiative. It does all these things and still cuts the Clinton deficits by more than $152 billion. How? It sets priorities for spending, something that has been lacking for far too long in this Chamber.

I urge my colleagues to oppose the committee-Clinton budget, and support the Kasich alternative.

The CHAIRMAN. All time has expired on this segment.

Pursuant to the rule, it is now in order to debate the subject matter of amendment No. 4.

The gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes and the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

GENERAL DEBATE ON AMENDMENT NO. 4

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Virginia [Mr. WOLF], one of the leaders of the family movement in the House.

Mr. WOLF. Mr. Chairman and Members of the body, I want to strongly rise in support of the Kasich budget. This is the most important vote that any Member of Congress will be able to vote on with respect to helping the American family. In the Kasich budget, in the Republican budget, they give a $500 tax credit per child. Now, in the National Commission for Children, which President Clinton was on and Marian Wright Edelman, noted for being concerned with children, Senator ROCKEFELLER, and our colleague from the other side, the gentleman from California [Mr. MILLER], came on and recommended a $1,000 tax credit. We can only give a $500 tax credit, but still it will make a difference.

Second, why should we be for this? The American family is under more pressure today than any other time in the history of this country. Every indicator that you look at is going the wrong way: Child abuse is up, spouse abuse is up, teen suicide is up, teen pregnancy is up, teen violence is up. The Kasich budget deals with this issue by allowing moms and dads to keep more of their hard-earned money.

They say the basic problem for the family is the twin deficits, not enough money to take care of the kids and not enough time to spend with their kids. The Kasich budget allows parents to keep more of their hard-earned money. We do not create a new Government agency, we do not hire more employees, we do not build more buildings, we just merely allow you in your tax returns to keep more of your hard-earned money.

Last year we had a bill similar to this, with 240 cosponsors, both Republican and Democrats alike.

Second, I as a father of five kids—and none of my kids can take advantage of this now, they are too old—but I wanted my children to have my values. If you want your children to have your values, you have to spend time with your children; you do not just publish a notice saying, "These are the values of the family and you will live by them."

Values are not only taught to children, values are caught by children, as Dr. Dotson says. This bill will enable parents to spend more time with their kids. This is clearly—there are many other good things in the bill, many other things—but this one provision with regard to the $500 tax credit is the most pro-family issue that we have ever had.

So I just strongly urge Members, frankly everyone on both sides of the aisle, to support this bill because this bill will do more than anything we have done in the last 10 years to help the American family.

So I strongly rise and urge everyone to support this very, very reasonable proposal. I thank the gentleman from Ohio. He has done more in this proposal to help moms and dads and kids than anything we have done in this Congress for the last 10 years.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

Mr. Chairman, would the gentleman from Virginia say that the people across this country, the American family, would like to cut paperclips and printing and transportation of bureaucrats in part to help pay for this? Or does the gentleman think they would rather invest in paperclips, travel, bureaucracy?

Mr. WOLF. No, the moms and dads of this country would certainly favor this. Particularly, let me say the toughest job in the world is a single parent. The gentleman's bill does more to help single parents than anything we have done. So, clearly, they would like to make those cuts.

I thank the gentleman again for his leadership. He has done more to help parents, particularly single parents, but all parents than any other single thing we have done. I hope the gentleman will get a unanimous vote from this side as well as the other side.

Mr. Chairman, I support the Kasich budget, putting families first. The Kasich budget is a dramatic shift in Government resources that directly reinvests in American families and provides incentives to increase job creation, private savings, and sound investments in the future by providing individuals and families with a greater participatory role in shaping and determining their own futures.

The Kasich budget does all of this while cutting the budget by approximately $100 billion more than the President's budget. It also does this while putting a good welfare reform plan in place, reforming health care in a positive way that will help families and putting more money into crime control. This plan also does not harm present Federal employees or retirees and in fact will help many Federal employee families by providing them with a significant tax break. Given the hits they have taken in the past 2 years, this is good news. In short, the Kasich budget is good policy and it makes good sense.

Instead of increasing taxes and writing off the middle class, the Kasich budget resurrects many of the promises made to the middle class during the election and helps to revive the ability of families to personally invest in their future. The $500 child tax credit in the Kasich budget will scale back the heavy tax burden imposed on American families. This is a simple means of allowing families to keep more of their own hard-earned money and invest it in their own families. Family tax relief is a good common sense policy that has support across the political spectrum ranging from the Heritage Foundation to the Family Research Council to the Progressive Policy Institute to the Communitarian Network. The National Commission on Children, which was chaired by Senator ROCKEFELLER and included as members Bill Clinton, Marian Wright Edelman, and Congressman GEORGE MILLER, endorsed a $1,000 child tax credit. Surely, with this kind of broad based support, we can at least start this process this year.

In 1992, candidate Clinton berated Beltway Democrats who want to spend more of your tax money on programs that don't embody your values. In January 1992 as a Presidential candidate, Bill Clinton said that family tax relief was the answer. He said the one glaring difference between himself and Democratic rival Paul Tsongas was his support for a middle-class tax cut. This tax cut was to be in the form of a child-based tax credit or a reduction in middle-class tax rates; families would select one or the other. In his campaign treatise, "Putting People First," Mr. Clinton reiterated this policy: "Virtually every industrialized nation recognizes the importance of strong families in its tax code: we should too."

In the 102d Congress a family tax relief measure that I introduced, H.R. 1277, which increased the dependent deduction for children, gained the bipartisan support of 262 House Members. In the 103rd Congress this same measure, introduced as H.R. 436, has the support of 208 Members. This measure would increase the dependent deduction from the present level of $2,350 to $3,500. The $500 tax credit for children included in the Kasich budget is the equivalent of increasing the dependent deduction to approximately $6,000 for a family in the 15 percent bracket. This tax credit serves the same purposes and will allow families to keep more of their own hard-earned money.

The growing tax toll on families burdens millions of, if not most, families. When State and local taxes are included, Government now takes over one-third of the income of the average family. During the past four decades, the tax protection for families has shrunk to one-quarter of what it was in the 1950s. If the dependent deduction had kept pace with inflation and per capita income, it would stand at over $8,000 a person this year, according to the Urban Institute, rather than the 1992 level of $2,300.

Furthermore, two-thirds of the average working mother's earnings go to paying for increases in Federal taxes over the past several decades rather than providing additional income for her family. Uncle Sam gets more out of Mom's paycheck than do her own children.

Not surprisingly, the condition of children and families has declined along with this increased taxation on families. Yet, while today's families are under tremendous cultural pressures and social changes, they are forced by financial realities to spend less and less time attending to family matters. Daily, we see the adverse effects of this downward spiral.

A recent report by former Education Secretary William Bennett identifying various cultural indicators of well-being paints a disturbing picture of our culture today: There has been a 419-percent increase in illegitimate births since 1960; more than a 200-percent increase in the teenage suicide rate; and quadrupling in divorce rates; a tripling of the percentage of children living in single-parent homes; a drop of almost 80 points in SAT scores; and a 560-percent increase in violent crime, much of it by perpetrators of a younger and younger age. Another frequently cited study noted that parents today spend 40 percent less time with their children than did parents a generation ago. And all of this has occurred while total social spending by all levels of government—measured in constant 1990 dollars—has risen from $143 billion to $787 billion—more than a fivefold increase. Inflation-adjusted spending on welfare has increased by 630 percent, spending on education by 225 percent. Bennett writes, "Never before has the reach of government been greater or its purse larger—and never before have our social pathologies been worse."

It is time to put families first again. The Kasich budget does exactly that. I invite my many colleagues who supported this tax relief measure to join us in supporting the Kasich budget.

Mr. SABO. Mr. Chairman, may I inquire of the gentleman from Ohio, does the gentleman intend to make a general presentation on his plan?

Mr. KASICH. I would say to the gentleman, what we do is have a lineup of some speakers who are going to basically talk about it. I am not writing what they are going to say, but they obviously are going to reflect the part of the plan that they support, such as the gentleman from Virginia has just done. The gentleman from Texas [Mr. ARMEY] is going to have some comments of a more general nature.

Mr. SABO. I was planning a general response to what I assumed would be a general presentation by the gentleman from Ohio.

Mr. KASICH. I think it will be more general presentation on the plan, and then of course we have the extra time tomorrow to do it again. I am not sure what the gentleman is looking for. I am not sure what the gentleman wants me to tell him.

We are going to have 30 minutes' worth of speakers who are going to outline why they support this.

Mr. SABO. They are going to be speaking to individual parts of it, not to the totality?

Mr. KASICH. I would say to the gentleman I cannot tell him that, I do not know. I think some will be specific, such as Mr. WOLF; some will be more general, like the distinguished gentleman from Texas; Mr. ALLARD will be more general. I do not know about the rest of it yet.

Mr. SABO. Very well. I was getting geared up to follow the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and members of the committee, I would first comment about some of the comments I heard earlier that somehow things are on automatic pilot. That is simply not the case. We are on a program that is producing significant deficit reduction. We had projections of deficits well over $300 billion a year. They are coming down to approximately $255 billion for last year, projected at about $255 billion this current year, and projected to go down under this program to $175 billion in 1995.

This plan involves significant changes from the administration's proposal and from plans of a year ago, as we continue on course on a significant deficit reduction program designed to get the economy going.

Let me speak to some of the specifics of the Republican plan which we have before us. Clearly, the thought of giving a tax cut to people is always popular. But what do they do? You know, a year ago we passed a substantial increase in the earned income tax credit for people working hard and at the bottom of the economic scale in this country. Are they eligible for the Republican tax credit? No.

If your income is $16,000, you are not eligible if you are a family of 4. But the benefit goes, and continues, to people with incomes up to $200,000.

But what strikes me more than anything about this plan is the hidden explosion of tax cuts contained in the bill and under their proposals.

Substantial increases in business depreciation, in IRA's, primarily benefiting the most affluent; indexation of capital gains, with over 50 percent of the benefits going to people with incomes over $200,000. How do they do it?

□ 1420

They structure it so we do not see the costs in this 5-year window, but they explode in costs after this 5 years.

Our estimate:

We do not say it with detailed language, but our estimates are that the costs of the benefits for high income people, changes in business depreciation for business, will cost in the neighborhood of $40 billion a year once we get beyond the window of the 5-year-pay-go provisions.

What about what does this amendment do, some of the basic things we are trying to do to get America going again both in the short term and then in long term?

I say, if your interest is research, it gets cut whether it is in NSF, whether it is in energy and seeking to find funding for alternative energy resources in this country. All those programs get cut. If you are concerned about a program like NISTA, trying to make grants to push the technology of this country, cut, a good number of them simply eliminated. Transportation, basic infrastructure of this country for highways and transportation, cut. Operating subsidies, cut. Costs transferred to local units of government. Amtrak, Northeast Corridor, eliminated. Education and training.

As my colleagues know, I did not support NAFTA, but I listened to people who supported NAFTA, and they said, "We know it is going to create some dislocation in our economy. We are going to have to put special emphasis on training, over 5 years in education, training, employment and social services."

Mr. Chairman, the Kasich amendment cuts education by $53.3 billion in budget authority, close to $45 billion in outlays. Impact aid, eliminated. Guaranteed student loans, changed. So, students have to pay close to $10 billion for over the 5-year period, and it goes on and on, a couple of billion dollars more cut from training programs.

The President's proposal for additional job training, not funded. Health, increased. Research to deal with the vital health issues before this country, cut. And then, of course, we get to Medicare, big, substantial cuts in Medicare, $45 billion, most of it involving not reduction in programs, but transfer of costs from the Government to the elderly, many of the proposals similar to some of the things that the President recommends in his program for comprehensive reform of health care in this country. And to do some of those things in that context, Mr. Chairman, this amendment would cut the knees off that proposal at this point in time.

So, Mr. Chairman, veterans affairs, cut. Administration of justice, cut. It goes on and on.

Mr. Chairman, it is basically an amendment that says we will do something for some middle class families today, but we will hide the fact that we are really passing the big tax cuts for business, for the high income people, and hide it in such a fashion that the costs show up beyond the 5-year window, basically saying, we do not want to readjust, reform, Government as the administration is doing, to cut what Government is doing in our society, but focusing on some of the primary needs of this country in health research, in education, training, in training our work force, in doing a better job of solving our criminal justice system in this country.

So, Mr. Chairman and Members of the House, I would urge the Members of this body to vote no on the Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield myself as much time as I can consume here to respond because it is very interesting what the chairman has said.

First of all, Mr. Chairman, it is interesting to note that they no longer can criticize our budget fundamentally on the basis of the 5 years. Now they have got to reach beyond the 5 years in order to talk about how there is this great loss of revenue.

First of all, every time we have been asked to pay for programs, we have done it. We met the Clinton challenge when he said, "If you don't like our taxes, give us your specifics," and every time we give those folks the specifics, Mr. Chairman, they reject them in favor of more taxes.

Now we also do not believe in the static system, making industry in America more competitive. As my colleagues know, it is the administration that is bashing the Japanese right now, and to some degree with good reason, but do my colleagues know what the capital gains tax is in Japan right now? It is zero I am told by the distinguished ranking member of the Joint Economic Committee, the gentleman from Texas [Mr. ARMEY], and what we are trying to do is to say that people should be protected against inflation.

Mr. Chairman, if a senior citizen sells their home, they bought their home at $50,000, they sell it at $100,000, and there is $30,000 worth of inflation, they should not pay taxes on inflation. Second, small businesses should be given incentive to be able to depreciate plant and equipment, and guess who uses plant and equipment in America? The American worker, to become more competitive.

But what the chairman wants to say is, "Well, we can't get it in the 5 years. We'll get it in the outyears."

First of all, Mr. Chairman, we think we will have a growth. We will have added growth in this country by providing incentives to individuals and businesses that will help this economy; and, No. 2, we will pay for our programs, and it is interesting to note that the administration came up here with their health care plan which the General Accounting Office said turned health care over to the government, and it has disappeared from the budget. Why? Because it explodes the deficit, not only in the short run, but into the long run, almost into the year 2004, and then 2004 and on. I do not think the numbers are very credible.

But let me tell my colleagues a couple of other things that he has said:

So, in other words, we have got some growth elements, we have got family tax relief, we think the one positive element of the Clinton plan the last time were the tax incentives for poor Americans.

We welcomed those. Those are Republican ideas. We want to enhance those. We want to give some relief to the American family by downsizing the Government more than the Clinton administration.

The gentleman talks education, job training programs. My colleagues, the administration wants to invest in Washington bureaucracy. We want to solve the problems of Americans who cannot get job trained. Do my colleagues know what we do? We take 84 bureaucracies. We combine the programs into seven, and we send the money to the States, and we tell the Governors and the county commissioners, we think you are better at training people than a bureaucrat in Washington who does not even know what time zone it is where you live.

And let me tell my colleagues what the General Accounting Office said about the job training programs:

When reviewed individually, the more than 150 programs providing employment training, assistance, have well intended purposes.

My colleagues have good purposes when they want to invest in Washington Bureaucracy. However collectively, and I am quoting the GAO, they create confusion and frustration for their clients and administrators, hamper the delivery of services tailored to the needs of those seeking assistance and create the potential for duplication of effort and unnecessary administrative costs.

☐ 1430

We are convinced that a major structural overhaul and consolidation in employment training programs is needed. And we have major restructuring of the programs and we empower local people to fix the problems.

I say to the other side, "No, it is you who want to invest in Washington Bureaucracy. It is you who want to invest in government overhead." What we want to do is we want to trust the people in the States and in the local communities. That is why we developed our WIC-plus program that consolidated all the nutrition programs and send them to the States. It saved $8 billion, and we said to the States, "Double the amount of money for poor women, infants, and children."

We eliminate bureaucracy, and we eliminate redtape. Americans all over this country know that we need to chop the waste, the duplication, the redtape, and the inefficiency, and we need to improve the programs. That is precisely what we have done, and in the course of doing it, we have provided incentives to business so they can hire people. That is paid for.

We decided that it is noble for people to save, so we created IRA's. No, we did not create it. Lloyd Bentsen created the IRA program in our budget, and we decided in the course of downsizing and improving the operation of the Federal Government we will contribute to deficit reduction $150 billion more than the administration, and at the same time we want to give the American family a piece of the savings because it represents some of the money that they send to this town. This town is intent and this administration is intent on maintaining the status quo.

Mr. Chairman, I would say to my colleague that there is not a better definition of the difference between the administration and the House Republicans than this budget proposal.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, before I yield more time, let me yield myself such time as I may consume simply to say this: It is this administration that is using Federal employees by over 270,000 over a period of 5 years. Under this budget the amount of GDP that the Federal Government consumes by itself in goods and services is at the lowest level since 1948. It is this administration that is doing the hard work of reforming the Federal Government, of making it efficient, of streamlining it, and or turning around the record of the last 12 years of Republican administrations.

Mr. Chairman, I yield 4 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio, specifically to the draconian cuts that it makes in an area that I have been working on and that I think is important to every American family. I speak today as a microbiologist with a master's degree in Public Health and say quite honestly that the benefits to health research we have achieved over the last 4 years will be destroyed in the Kasich budget.

We remember how hard we worked in this House to get where we are today. I think every American woman is beginning to realize that for years she had been completely ignored in health resources. We found this out first after the aspirin studies became known to us. We were told that an aspirin a day would help men to prevent heart attack or a stroke. We were delighted. We said, "Every man we know shall certainly take this aspirin. Now, how much do we take?" It was then that we discovered that women had been left out of the clinical trials, and that they had no idea if we would benefit.

Over the years during the total neglect of the health care of women in this country, the incidence of breast cancer has risen in the United States while it has fallen in countries that are comparable to ours. As a matter of fact, every woman in this country knows that the statistics are 1 in 8. If we had any other plague that affected 1 in 8 Americans, we would be moving heaven and Earth to make sure we could cure, but not when it came to breast cancer. Only since 1990 have we been able to direct any money in the budget at all and direct it toward breast cancer research.

There are millions of people, men and women, who devote themselves to work on this battle on a daily basis who are going to be angry to find that not only will we lose what we gained, but we are going back below where we used to be: pre-1990.

It has taken us the 6 years I have been here to be able to get older women's mammograms covered by Medicare. We could lose this with Kasich.

We talk about giving peace of mind to American families. How do we give an American family peace of mind when 1 in 8 of them will lose their mother, their daughter, their sister, or their wife. We have successfully tried over the years to pay some attention to the diseases that affect women most that have been ignored like ovarian cervical cancer, osteoporosis, lupus, the diseases related to DES exposure and diseases with special risk factors for women.

We know that every single dollar we spend on health research or on prevention will save us $10. What we may lose here is an investment in the health of our citizens.

There is $30 billion less than our budget recommendation for the discretionary health programs, and that includes AIDS research, AIDS funding, and childhood immunization. We would already, if it were not for Colombia and Haiti, have the worst immunization rates for our children in the Western Hemisphere.

Health research and infant mortality, surely we cannot afford to let these things go unresearched. And what about tuberculosis prevention? That is a disease that is coming back and growing daily.

These investments, as I have said before, are very important. We cannot expect a healthy economy built by an unhealthy Nation. Health must be a top priority for our Government.

As we speak today, more women are dying of breast cancer. I would point out that 46,000 women will die this year of breast cancer, and 300 men will die; this is an incidence in men that doubles almost on a yearly basis.

Mr. Chairman, after so many years of nothing and after 4 years of trying to catch up, I urge my colleagues not to take the risk of putting us back into that abysmal darkness of illness and no hope.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I just want to respond to the last speaker and point out that while the Clinton budget does increase health care functions by 11 percent, our budget does increase health care functions by 6 percent. So the draconian cuts the gentlewoman from New York is talking about are simply not true. We do understand the need for this kind of research, and we do fund it. We believe there are areas where we can make reductions, but we are not talking about the drastic cuts the gentlewoman suggested we were talking about.

Mr. ARMEY. Mr. Chairman, the gentlewoman from New York should realize that in her district, the 28th District of New York, the Kasich budget promises $56.5 million of family tax relief. I am sure her families will find that nothing to sneeze at.

Mr. Chairman, I have been listening to this debate from some time, and as I listen to the debate, I realize that the American people, when they address the question of the budget, make a singular demand of us, and that is, in the parlance of the street, to "get real." They want us to "get real" and understand that this is a real matter of real consequences in their real lives.

□ 1440

What they do not understand in the real world is that in Washington we have a different standard for reality. In Washington, perception is reality.

Now, I have just listened to another stock-in-trade tirade against the eighties. Mr. Chairman, when will the members of the Democrat Party give up on the eighties? When will they finally give up on trying to tell the American people that what they understand to be their own life's experience for a very important decade in their life is something different than what they know it to have been?

This is an important point. Because if the Democrat spokesman for their budget cannot even tell an accurate story about 10 years in the life experience of the real American family across this whole Nation, if they cannot even understand the reality of life in America for the most recent decade in which we have lived in this country, how then can we expect them to present to us with any degree of reality what it is we are doing now, and what will be the consequences of that in the future?

The fact is the American people made a magnificent economic success of their life during the eighties, especially by contrast to the economic horror of stagflation in the seventies, when in fact we had the only period in the history of this country, from 1976 to 1980, where the rich got richer and the poor got poorer.

During all of the eighties, with the exception of the year 1980, the last year of the Carter presidency, the last year prior to this year in which the Democrats controlled the House, the Senate, and the White House, we had 140 percent of all the decrease in average family income that took place in this country for the period of time 1979 to 1989. In fact, in 1980, only 1 percent, the richest 1 percent of the American people, realized any increase in their average family income. Everybody else lost.

That, ladies and gentlemen, is why Ronald Reagan got elected. And throughout all the eighties, the rich got richer, and the poor got richer. And what galls the Democrats is that the rich got richer and the poor got richer on their own, without Government redistribution programs.

Mr. Chairman, the American people know the reality of their life experience. Why not drop the farce. Leave the eighties alone.

Also, maybe we could do budget work that is a little bit better than good enough for Government work.

Mr. SABO. Mr. Chairman, I yield 3½ minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], a distinguished member of the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Chairman, I rise today in support of the budget resolution and in opposition to the Kasich substitute.

This budget resolution would reduce the deficit to a level that is $115 billion less than it was 3 years ago, representing the smallest share of the U.S. economy since 1979. It would mark the first time since 1969 that discretionary spending would actually fall.

This budget is concrete evidence that the discretionary budget caps are real and they do bite. The Budget Committee even had to cut the President's budget by an additional $3.1 billion to bring it into line with the caps and Congressional Budget Office scoring.

In addition, we are under the entitlement caps set last year. And entitlement spending will be addressed in health care and welfare reform later this year. Both health care and welfare reform will be done on a pay-as-you-go basis. Increases in spending in one area will necessitate cuts in another.

Mr. KASICH, on the other hand, assumes the Republican welfare plan. As I said to the gentleman from Ohio in the committee, the budget resolution, particularly a budget resolution without reconciliation instructions, is not the place to do welfare reform. The Republicans have their plan; the President will submit his sometime around Easter and we will have real debate about this in the Ways and Means Committee.

I agree with the President that welfare ought to be a second chance, not a way of life. I certainly hope that those who vote with Mr. KASICH today are as serious about reinventing welfare when we get down to it in Ways and Means as they purport to be today.

The Kasich substitute also assumes the Republican alternative health care plan.

Again, this is not the place to debate health care. The Ways and Means Health Subcommittee has been in bipartisan markup all week on health care. And Mr. DINGELL and Mr. FORD are talking with Members trying to move a bill in their respective committees.

We may not have a consensus on health care at this point but we do have three major committees hard at work on finding one. I think the one area all three committees would agree on at this point is that there certainly is not a consensus to support the Republican alternative. I can only hope your Members will be as interested in health care when it comes down to specifics in the committees.

The Budget Committee worked hard on this budget to bring it into line with last year's caps using CBO reestimates, but we also worked to increase funding for important programs.

One of the few areas where the President asked for a significant increase was for crime programs. We have increased funds for the crime bill and to move us toward our goal of putting an additional 100,000 police officers on the street. I don't think there is a single person in this body who would disagree with the need to crack down on crime. This funding will be of substantial help in that area.

In addition, the committee added back much of the President's proposed cut in the Low Income Home Energy Assistance Program. Thousands of families in Connecticut rely on this program for help to pay their heating bills. And when you've had a winter like the one we had this year, this funding can mean the difference between life and death.

So we did make hard choices in this budget resolution. Do I personally wish we could have done more in some areas—aid to cities for example—absolutely. But it is not always possible to do everything we would like to do, which brings us to Mr. KASICH's $500-a-child tax credit.

Sure, it sounds great. I wish I could support it, and I'll bet the President does too. But with future deficits projected to be over 160 billion per year, we simply cannot afford it. The President has said, and I support him in this, that to the extent the economy continues to improve and the deficit along with it, he is willing to reexamine this issue. But in the interim, it simply is cruel to hold out hope that this is going to happen any time soon.

The Kasich child tax credit is also a cruel hoax on many hardworking American families. Many moderate income families simply won't even be eligible—families with incomes below $16,000—that is because the credit is not refundable. It simply makes no sense that a family with $150,000 income gets $500 a child and the working family making a whole lot less doesn't.

The Kasich substitute also promises $119 billion in tax cuts and lower deficits over the budget window. But he does it by using a different baseline and manipulating the numbers. In fact, the depreciation piece alone was estimated by Joint Tax to cost $60 billion over 5 years until they manipulated the timing of the deductions—but even with the manipulation, the proposal raises $4 billion in the year but plunges to costing $1 billion in year five. CRS has estimated that outside the budget window, this change would ultimately be more than 10 times as large as the temporary decrease in the deductions in the budget window.

So I would say to my colleagues be realistic, be responsible, oppose Kasich and support the budget resolution. This budget is a good budget, and well rounded. It continues the progress we made last year in attacking the deficit, progress that contributed to the economic rebound in many areas of the country.

Finally, I would like to thank and commend my good friend, the gentleman from Minnesota [Mr. SABO], for his great leadership in shepherding this bill through his committee. He has worked tirelessly on this, and we all owe him a debt of gratitude.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado [Mr. ALLARD], a member of the committee.

Mr. ALLARD. Mr. Chairman, I would like to thank the gentleman from Ohio for yielding time to me.

Mr. Chairman, in response to the previous speaker, the gentlewoman from Connecticut [Mrs. KENNELLY], it is the Republican budget, it is the Kasich budget, that is really making the tough choices. In addition to making these tough choices, we are providing $500 per child in tax credit for family relief from the tax burden they are already facing. It is a badly needed relief that we should give to the American family.

The basic choice is do you do more for Washington or do you do more for the people back home or for the American family? And I think that the answer is that you do more for the American family. Because when you do that, they are going to put their worth in the marketplace, and that is where real economic growth is going to occur.

Mr. Chairman, today this House debates the budget of the U.S. Government for the years 1995 through 1999.

As we move through this debate it is clear that the Congress has arrived at a fork in the road. We have a choice.

We can go down one fork in the road recommended by President Clinton, or we can go down the other fork recommended by those of us who serve as Republican members of the House Budget Committee.

The road that President Clinton wants us to take promises the American people business as usual as far as the eye can see. Down this road we get bigger government, higher taxes, and nearly $1 trillion more added to the national debt by 1999.

Down the other road, mapped out by JOHN KASICH, and unanimously supported by all his Republican colleagues on the Budget Committee, the American people get change, more for Washington, less for us, the American people.

The Republican budget alternative reduces the deficit by $150 billion more than the Clinton plan.

The Republican alternative provides tax relief for working families in the form of a $500 tax credit for children. It also provides capital gains indexing, individual retirement accounts, and strong depreciation incentives—all designed to help small businesses create jobs and grow our economy.

The Republican alternative truly reinvents government by transferring Federal land and resources to the States. It also reinvents the Department of Agriculture—restoring it as an agency designed to empower farmers, not bureaucrats.

The Republican alternative includes comprehensive welfare reform, and tough punishment for crime.

The Republican alternative includes a health care reform plan which identifies the problems with our health care system and fixes those problems. Our plan builds on the finest health care system in the world and fundamentally rejects the socialist approach of the Clinton health plan. The Clinton health plan promises all the compassion of the IRS and the efficiency of the post office.

The Republican alternative retains a strong defense to guarantee peace and security in a dangerous world.

The Republican alternative calls for a budget which reflects the massive cost of Federal regulations and redtape, and then sets out to reduce that redtape.

Now, let's contrast this vision of change with Mr. Clinton's budget. The White House would like Americans to believe that the President's budget is a tough budget filled with spending cuts. Unfortunately, many in the media have bought into this deception.

The facts lead to a very different conclusion. According to the President's own budget document, Federal outlays will rise from $1.4 trillion in 1993 to $1.74 trillion in 1998. Only in Washington would a $330 billion increase be considered a tough budget.

Let me point out several specifics which demonstrate the problem with the Clinton budget. As a member of the Budget Committee I was responsible for developing four areas in the Republican budget. These were natural resources, agriculture, energy, and science. Let's compare the difference in these areas with President Clinton's budget.

In just four areas, the Republican alternative achieves $42 billion more in spending reduction over 5 years. This makes it clear why the Clinton budget continues to grow the government.

I would now like to address the issue of health care reform. It is interesting to note that neither the President's original budget submission, or the Democrat budget plan, accounts for the cost of the administration's health reform plan.

Last month, the Congressional Budget Office recommended that the Clinton health plan should be on-budget with the mandated premiums of employers and employers counted as Federal receipts and the expenditures of the health alliances counted as Federal outlays.

Since CBO's view was only advisory, I have found it necessary to pursue this issue and help ensure that any health care reform enacted this year is properly accounted for in the Federal budget.

Last week during the Budget Committee markup of this resolution I offered an amendment making clear that it is the understanding of the Budget Committee that any health care reform relying on mandated payments should be on-budget. I am pleased that this amendment passed and is included in the Sabo budget resolution.

The American people are presented with two dramatically different visions for America in this budget debate. The Democrat-Clinton budget sees America's future in higher taxes, more spending, and bigger government.

By contrast, the Republican plan is a detailed vision of a dramatically scaled down Federal Government, lower taxes, and less control of our lives by Washington.

Mr. Chairman, we have indeed arrived at a fork in the road. For 40 years this House has been controlled by the Democrats. As a result we have continued down the road of bigger government. It is time for a change.

The American people are ready to take the other fork in the road—the fork that leads to less government and more freedom. We need to do less for Washington and more for the American people.

□ 1450

Mr. SABO. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentleman from North Carolina [Mr. PRICE], a member of our committee.

Mr. PRICE of North Carolina. Mr. Chairman, to anyone who finds the Kasich budget to have a superficial political appeal, all I would say is just read the fine print. I want to concentrate on one aspect of that here today. This is something we hear a lot of talk about in this Chamber, unfunded mandates.

Members protest unfunded mandates all the time, and rightly so, the way we here in Washington sometimes make decisions without any regard for their impact on State and local government. Too often, we just pass the cost along.

Well, to anyone who is concerned about unfunded mandates, I would say watch out for this Kasich budget. Not only does it have unfunded mandates, it has defunded mandates.

We can do this in two ways: We can lay new responsibilities on the States and localities and then let them eat the cost, or we might remove the supports they now have. Unfortunately, this Kasich budget does both.

Let me give a few examples. In the natural resources and environment area, the Kasich substitute takes away $1.9 billion in Federal financial assistance to localities for construction of waste water treatment and drinking water facilities. That is what these communities have to do to comply with the Clean Water Act and Drinking Water Act.

The Kasich budget would simply jerk the props out from under them.

In the transportation area, the Kasich substitute says that the Federal share of mass transit capital grants is going to move from 80 to 50 percent, and there is going to be no assistance, no assistance whatsoever for operating costs.

These transit systems are struggling to comply with the Clean Air Act and with the Americans With Disabilities Act, and the Kasich substitute would simply remove most of their support.

Let us turn to the education and training budget, and consider impact aid. This is what communities that have Federal and military facilities nearby rely on for education assistance.

The Kasich substitute would phase that out completely. How many Members will want to tell that to their local communities that count on that support?

The Kasich substitute consolidates five social service programs into a single discretionary block grant and cuts their funding. Here we are talking about social services block grants, community services, at-risk child care, child care and development, and dependent care planning grants. What kind of deal is that for State and local governments?

Then in health, the Kasich substitute says to the States, "You have got to adopt a Medicaid system that reduces per capita costs by 6 percent." The way we suggest you do that, says the gentleman from Ohio [Mr. KASICH], is to deny fee-for-service medicine to low-income people. Put them all on managed care.

The Kasich budget would require the States to do this, and whether they did it or not, it would cut their Medicaid funding.

What kind of a deal is that for the States? Managed care has its virtues, but to put that kind of mandate on the States and in the meantime to remove funding on which they depend, is the sort of thing we have seen far too much in this Chamber. And there is far too much of it in this Kasich budget.

Mr. Chairman, we had a visit this week from North Carolina's county commissioners. They came up to Washington with unfunded mandates on their mind. They reminded our North Carolina Members from both parties that government should be a partnership. It is irresponsible to brag about economizing in Washington, if we are simply shifting the burden to State and local governments.

Unfunded and defunded mandates are a hallmark of the Kasich budget, and that is one of the many reasons that it should be rejected.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, earlier the gentleman from North Carolina gave us a list of all the programs and listed all those programs that the administration was recommending that we cut. We had a chance yesterday to vote on two of those in an authorization on elementary and secondary education, to eliminate two of those the President said that he wanted eliminated. By a vote of 203 voting aye and 213 voting no, we decided not to eliminate the Native Hawaiian Education program. By a vote of 202 voting aye and 220 voting no, we decided not to eliminate the Territorial Education Improvement Program. Those are two that the President of the United States has said we ought to eliminate. This body cannot eliminate the things that their own President says that he wants to eliminate. Let us not listen to the cuts they are talking about. They are meaningless.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, I want to strongly urge support for the Kasich budget, particularly to the previous speaker, my good friend, the gentleman from North Carolina, in the Fourth District, where his constituents would receive, under the Kasich Republican budget, $54.9 million in family tax relief, if he would join us in supporting that budget.

Mr. Chairman, I think lawmakers in Washington are finally beginning to hear the message. The American people want us to significantly cut spending. We will soon vote on several budget resolutions that claim to cut spending. A few actually do, but not the President's plan. I still don't understand how the President can claim that his plan cuts spending when he failed to include funding for his health care reform plan and welfare reform in his budget proposal. Including funding for health care alone would have increased the President's budget by 25 percent and resulted in the largest tax hike in history.

The Republican plan delivers what the President promised, a middle-class tax cut. Through wise and equitable spending reductions, these tax cuts will not increase the deficit. In my Sixth District of Virginia alone, the tax cut will amount to over $52 million dollars of increased personal disposal income.

We have a choice today on more than just budgetary guidelines. We vote today on the need for real change. The Republican plan includes funding for change in how the Government operates; change in health care; change in law enforcement; and change in the tax burden of middle class American families. We have a clear choice. We can enact change for our families or we can vote to continue the status quo and the Washington establishment that has burdened each and every member of our country, not just taxpayers, with an over $17,000 share of our national debt.

We can choose to pass a budget resolution that listens to the demands and acts on the wishes of our constituents, or we can choose a smoke and mirror show that protects the Washington establishment and continues business as usual.

I urge support to the Kasich amendment.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. BAC

Mr. BACCHUS of Florida. Mr. Chairman, I have heard the President of the United States, Mr. Clinton, accused of many things by the Republicans in the past year, rarely have I ever heard him accused by Republicans of being a defender of the status quo.

Mr. Chairman, I rise in opposition to the Kasich substitute. From time to time, I am a fellow traveler of the gentleman from Ohio [Mr. KASICH]. I am an admirer of his. I work with him. I helped write and supported the Penny-Kasich deficit reduction plan last November. I voted for it. I would do so again, if it were on the floor today.

I am sure I will be voting with the gentleman from Ohio [Mr. KASICH] again in the future on other efforts. I am often his fellow traveler. But this time my friend, the gentleman from Ohio [Mr. KASICH] is taking us down the wrong road.

We are on the right road now, the road to real and enduring prosperity. The deficit is down. Jobs are up. We are making the transition at long last that we need to make to compete in the world economy.

The President introduced a training program yesterday, a reemployment program. I am a cosponsor of that.

We have technology initiatives in space and defense reinvestment and other advanced technologies.

□ 1500

The Clinton plan is working, and we need to give it a chance to continue to work. The gentleman from Ohio [Mr. KASICH] would take us on a detour away from recovery and away from prosperity.

Mr. Chairman, I like the $500 per child tax credit in this plan. All of us do. In an ideal world, when we have enough money, we would all vote for that. Perhaps some day we will, but at what price? $108 billion.

Financed by what? Look at the details, as the gentleman from North Carolina [Mr. PRICE] said, look at the fine print. The gentleman from Ohio [Mr. KASICH] is suggesting not tough choices but wrong choices: cuts in Head Start, child nutrition, child care, in many education programs, in student loans. Is that really pro-family?

Mr. Chairman, 34,000 of my constituents have already received a tax cut as part of the Clinton deficit reduction plan through an increase in the earned income tax credit. Only 3,000 got personal income tax increases. I voted for that bill in part because it helped cut taxes for a lot of my constituents. I am certain that a similar number would have received tax cuts in the district of the gentleman from Ohio [Mr. KASICH], had he been willing to vote for that. They did, thanks to the fact that a majority in the House nevertheless did pass the bill.

Also in the fine print the gentleman from Ohio [Mr. KASICH] is cutting worker retraining, transportation, community development, advanced technologies of all kinds. Is that pro growth? I don't think so. Inevitably, I believe these cuts in domestic discretionary spending would doom the space station and much of the space program.

My own view, as the gentleman from Ohio [Mr. KASICH] knows, is that we will be able to achieve all the investments we ever need, public and private alike, all the tax breaks that the middle class definitely needs, and the balanced budget, only if we make some truly tough choices, some truly hard choices. We have to tell the truth to the American people about entitlement spending. We have to means test entitlements.

I commend the gentleman from Ohio [Mr. KASICH] for the fact that he has some means testing for Medicare in his proposal, but we need a lot more. I applaud him for the good that he has done. I am sure I will work with him to do more good in the future, but it is going to take something more than just appeasing the people with phony promises of a phantom tax credit.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. INGLIS], a member of the committee.

Mr. INGLIS of South Carolina. I thank the gentleman for yielding time to me.

I rise in strong support of the so-called Kasich substitute. I would point out to my colleagues here in this House that contrary to the previous Speaker, there is not calm in the country. In fact, I believe we are on the verge of a revolution. The revolution will not start, though, with any guns. The revolution will start with two implements: one, a calculator, and two, a paycheck stub.

Mr. Chairman, I would encourage the people of America to take out their little calculator and to take out their paycheck stub, and to calculate the percentage of taxes they are paying out of what they make to this bloated Federal Government, to their large State government, and then keep going, add up the sales taxes that they pay at the grocery store, add the taxes they pay as a result of the Clinton budget last time at the gas pump; add it all up. The national average is, you have 40 cents out of every dollar we make, we pay in taxes. Forty cents out of every dollar we make, State and local taxes, is the national average. In some places it is up to 50 cents.

Mr. Chairman, we have people on the other side who say, "My goodness, we cannot cut anything. My goodness, we cannot give money back to the American family." The previous speaker is actually depriving the people of his district of $51.9 million of tax relief. That is tax relief that families in that gentleman's district need, because they are currently paying 40 cents out of every dollar they make in taxes.

Mr. Chairman, I submit to my colleagues, if we want to stop that revolution from happening, that revolution that is going to be caused by a calculator and that paycheck stub, that we have to offer middle class tax relief. That is what the Kasich plan is about.

Mr. KASICH. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentleman from Cleveland, Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, $176 billion is not very much money anymore. If we believe the gentleman from Florida, if we were to do something about reducing that $176 billion deficit any further, we would lose this prosperity that we have all of a sudden engaged in overnight.

Mr. Chairman, I was waiting to hear about a chicken in every single pot that might be also a part of our new prosperity. It seems to me that we are missing the forest for the trees in this debate, and that what is really going on here is a very fundamental difference between whether you believe that we ought to send more money to Washington, to filter it back through these bloated bureaucracies to the local areas, to the places that we come from, or whether we believe that those States, those localities, those municipalities, those cities, those townships, those counties are in a better position to fund that money themselves and to pay for it and to raise the taxes and do with it what they want on a local level.

Mr. Chairman, the problem with the Congress of this country for the past 50 years is that we have gotten so self-important that we feel that we have to do everything through our own congressional mandate, and that that is the best way to spend money. We will tax the citizens of this country more and more, raise more and more money, and then float it through based on political in-fighting and who has the biggest stick politically.

Mr. Chairman, it is just simply not good policy. It is not a good way to run a railroad. It is not a good way to run a country. That is what this debate is all about.

Mr. Chairman, we are going to spend $1.5 trillion next year, in fiscal 1995. The debate is only focusing on the little, nitty-gritty stuff. The fact is that there is something in a budget of $1.5 trillion, or $1.6 trillion, that anybody could find fault with. Clearly there are going to be disagreements, but the underlying philosophical principles have to do with how do we raise this money and how do we spend it, and who is in the best position.

Let me give one simple example. One of the things we were criticized for earlier by the gentleman from North Carolina is that we are going to supposedly eliminate operating subsidies for mass transit.

That is not true. It is simply not the case. What we are in fact doing is we are amalgamating Federal highway funds in such a way that local communities can make their own decisions about how they are going to allocate those funds. We are not going to tell them they have to spend so much on operating subsidies and so much on highway funds. We are going to allow them to make the choices between the two.

It is a tough business. It is hard choices. The question is who do you want spending the money, the people here in Washington, or the people in the localities?

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

The amendment clearly eliminates operating subsidies, Mr. Chairman.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I have a lot of differences with the so-called Kasich substitute. I commend the gentleman for putting together a comprehensive alternative, but I think it has many different faults. There are two that I think are particularly egregious and I want to speak to those.

One, I really wonder whether my friend, the gentleman from Ohio, has thought about his decision to include that portion of the so-called Herger amendment on welfare in his substitute which, for the first time that I am aware of in history, seeks to create a two-tiered system between American citizens and legal American residents of many, many years standing on the question of their eligibility for SSI benefits, for food stamps, for different kinds of Medicaid Programs, for AFDC Programs.

Mr. Chairman, I am not talking about a decision that says the welfare system would work better if we cut people off of welfare for several years. I am not talking about requirements of work. I am talking about looking at where a person was born and whether or not they have naturalized, and deciding whether or not a 69-year-old person is going to get SSI benefits.

A poor low-income 69-year-old would be ineligible under the Kasich proposal simply because of the fact that he had not naturalized, he had not become a U.S. citizen, even if his spouse was a U.S. citizen, and he had come here legally. It seeks to take the public furor over the question of illegal immigration and extend it to cover legal immigration, and create a totally unjustifiable two-tiered system.

□ 1510

It is unconstitutional on its face. It violates the 14th amendment on due process which does not apply only to citizens but applies to persons. It is blatantly unfair. It is morally bankrupt. I think it was not well-considered in its inclusion in the Kasich substitute.

The second point I would like to make is on the question of the huge slash in the foreign assistance program. One-sixth of the purported savings of the Kasich amendment, one-sixth, over 18 percent, comes out of a portion of the budget which amounts to less than 2 percent, and that is the international affairs budget. And where do those cuts come? Mr. KASICH's substitute slashes the Export-Import Bank financing dramatically at exactly the time we are trying to promote U.S. exports and U.S. jobs.

The Kasich substitute substantially cuts the Public Law 480 food program, a program of vital assistance for relief of world hunger and critically important to U.S. farmers.

Then, of course, if Members ask supporters of the Kasich amendment, "Well, Israel and Egypt get a huge portion of that foreign assistance budget," they will say, "Oh, we don't want to cut them." But when you cut as many millions of dollars as the gentleman from Ohio [Mr. KASICH] does out of that budget, to pretend that you are a great supporter of Israel and Egypt and the Camp David process and the peace process, and have no desire to touch them is the height of irresponsibility, and I think people will see through it. This is a disproportionately unfair cut in the international affairs budget. It will have massive effects on the peace process, the Camp David process, and it slashes just the programs that we need for economic strength here at home.

I urge a no vote on the Kasich amendment.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I would like to inform that previous speaker that the Kasich budget here would put about $60 million of tax relief for families in his district right back there in California where I know those folks would appreciate it.

I support the Kasich budget because it is crafted after just what the American people have been trying to tell this body up here every year. We stood here a year ago arguing about budgets, taxes. People keep calling and writing and saying cut spending, no more taxation, and they meant that.

But not only is the Kasich budget crafted to cut spending, but it is actually crafted to create jobs. When we create jobs we create more taxpayers. That is what this system is all about, people working, paying into the system.

Let me just give a couple of examples of what I ran into when I was campaigning in 1992 to come up here and join this body. I was in a little, small town in middle Georgia in a small shop, a TV rental shop. I walked in there and a lady jumped me about taxes and taxation. She said, "You know, I have a little piece of property out here at the edge of town." This was Barnesville, GA, about 13,000 folks in the whole county. She said, "I have a little piece of property out here. I could have sold it three times, but I haven't sold it, and the reason I haven't sold it is because I don't want to pay tax on it. The taxes are too high."

She was talking about capital gains, sir. Do you know what happened when she did not sell the property? Nothing. She did not make a profit, she did not pay any taxes, and the government, neither the State nor the Federal received anything from that property. It is still laying there right now.

Capital gains creates activities, it transfers titles to land, it transfers money, it creates profits and it generates revenue for this government and other governments. That is what capital gains does.

Let us talk about incentives for equipment purchases. I have been in the trucking business for over 30 years, and many of those years there have been incentives to purchase equipment. In 1986 we took away a lot of those incentives. Leasing companies that lease equipment, truckers especially, were rotating their fleets. They were rotating their fleets every 3 years. But after we took away the tax incentive, sir, they started rotating them every 5 years, and some of them did not rotate, but just rebuilt them, and put them back out on the road.

What did that do? It cut down on the production on the assembly lines, which cuts down on jobs. Incentives to invest create jobs that put people to work manufacturing that equipment that people out here like MAC COLLINS will purchase.

I hear people talk about tax cuts, tax cuts, we are giving incentives to business. Well, where in the world do you think businesses get their money from? They collect it through the consumer product that they sell or the service they render. And who pays for it? Working people, working men and women of this country. There is nobody else to pay the bill.

Oh, I hate to hear people talk about giving somebody an incentive or giving someone a break, or giving away something from the government when every time we give away something from this government we have to collect some money from somebody to give it away with. And that somebody is working folks. You folks better wake up and understand that too, because working America is tired of this business up here. Their agenda is a lot different agenda than the agenda of this Congress, and that difference is going to be shown later on this year.

Talking about the $500 a year credit for each child in a family, when we leave that money in the private sector that money rotates, it revolves itself. it will revolve itself some five times, and every time it turns over, money is generated for the government. Why not leave more money in that private sector and let it generate more moneys for us and for local governments, local governments that we keep putting pressure on and causing them to have to raise taxes and spend money? I am all for leaving it out there and letting folks that pay the bill enjoy and reap some of the benefits from what we are doing here.

Mr. Chairman, I would say to the gentleman from Minnesota [Mr. SABO], about a year ago I asked him something about the budget at that time and that budget resolution, and the fact that it looked like we were going to have about 6.289 trillion dollars' worth of debt at the end of that budget cycle, 5 years, 1998. The gentleman said that was right. So I am worried about that, sir. That is not what the American people want. The gentleman said, "I'm worried about it too." And the gentleman also said if interest rates go up any at all we are sunk. Sir, interest rates are going to go up, they are already starting to climb. Based on your comments, we are sunk.

So we ought to leave money out there in that private sector, and leave it in the pockets of the families so that it can rotate and revolve and generate more money for us.

I appreciate this time and I just hope that the Members of this body will adhere to what the folks back home are saying, and that is cut spending and leave more money in our pockets at home to spend on our families and quit taking so much of it to Washington.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. KASICH] has expired.

The gentleman from Minnesota [Mr. SABO] has 3½ minutes remaining.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, quickly may I ask the gentleman from Minnesota [Mr. OBERSTAR], chairman of the Subcommittee on Aviation, if he has made an analysis of the Kasich proposal on the FAA and what it would result in?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I say to the chairman we have laboriously analyzed the position, and to summarize it, the total airline passenger payments that would result from the shifting of costs under this proposal would be the equivalent of a tax of 16½ percent on air travelers compared to 10 percent tax now, and new taxes and fees on an airline industry that has lost $11 billion over the last 4 years.

Mr. SABO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I rise in strong opposition to the gentleman's amendment.

There are many sections of this substitute that I do not agree with—too many to spend time talking about all of them. So I will focus on a valuable program my colleague proposes to eliminate—the Advanced Technology Program under the Department of Commerce.

This program is a cornerstone of President Clinton's competitiveness agenda and a major part of the President's investment initiative in his fiscal year 1995 budget request. Why is this program so important?

Our Nation's technology policy must begin to reflect the reality that both American industry and Government have underinvested in manufacturing technology. We need to work to build our manufacturing capability and increase our competitiveness in the global marketplace.

The Advanced Technology Program will help us to achieve this end. It is market oriented. While Government provides the catalyst, industry conceives, manages, and executes ATP projects. The ATP also emphasizes cost sharing—ATP recipients pay more than half the total cost of the research and development. This helps ensure that companies have a vested interest in the success of projects and in timely commercialization.

Congressman KASICH asserts that if the technology was worth developing, the private sector would do it themselves. This simply is not true. ATP projects focus on precompetitive, generic technologies, those that industry cannot afford to develop on their own, those that they must develop in order to be competitive in the future.

□ 1520

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I rise to address one highly publicized point of the Republican plan, the $500 credit for every child for families earning up to $200,000.

I speak to this as perhaps the newest father in this Chamber, because it was only 6 weeks ago that my wife and I went out to National Airport and picked up an infant from Korea that will become our adopted daughter by the end of the year.

The gentleman from Ohio [Mr. KASICH], I want to thank you for being so generous as to think that we might need this $500 tax credit, in fact, that other families in this Chamber might need tax credits, the fact that families earning up to $200,000 per year might need this kind of assistance from the Government.

But I think the assistance can better be directed at the poor, the lowest earning income people in this country, and it is these people to whom you have directed the cuts in your bill.

This is Robin Hood in reverse, taking from the poor and giving to the rich. It just is not fair.

The CHAIRMAN. All time has expired.

Pursuant to the rule, it is now in order to debate the subject matter of amendment No. 3.

The gentleman from Maryland [Mr. MFUME] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Maryland [Mr. MFUME].

GENERAL DEBATE ON AMENDMENT NO. 3

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the alternative budget that is being offered by the Congressional Black Caucus today and that we hope to have voted on tomorrow represents an aggressive and yet fiscally responsible approach to respond to a number of the problems that are plaguing our Nation today.

The CBC alternative budget stays within the established discretionary caps, and that is a point that I am going to continue to make throughout this debate, because I think clearly it is one that is quite valid.

In addition, our budget deficit is $1.8 billion less than the budget proposed by the House Committee on the Budget, and $2.6 billion less than the budget proposed by the administration.

Every day on the floor of this Chamber we hear speeches about the immense problems that are facing and, indeed, plaguing our Nation. Unemployment, crime, illiteracy, homelessness, despair, the deficit, are just to name a few.

While many of the problems facing America may, in fact, be exacerbated in the inner cities which many members of the Black Caucus represent, the problems we address in our budget are endemic, I would remind this body, throughout our entire Nation, and they threaten each and every one of our States, each and every one of our congressional districts. It is because of these problems and the fact that they are so widespread and so ominous that we have tried over and over again to offer an alternative, and this year have named it a Budget to Rescue America.

First and foremost, Mr. Chairman, our budget proposal is aimed at creating jobs. Our proposal allocates more than $2 billion above and beyond the amounts proposed by the President and by the Committee on the Budget for job training and job creation.

By creating jobs and ultimately training people, we are helping the economy, we are helping to repair our infrastructure, we are in the long term, we believe, helping to prevent crime.

Examples of job-creating programs contained within our proposal include an increase in spending on the Community Development Block Grant Program and the expedited establishment of community development banks.

The alternative currently under discussion also includes funding for many aspects of the Congressional Black Caucus alternative crime bill. The caucus crime bill and, therefore, this proposal focuses on crime prevention, something I mentioned a moment ago, and something I think that goes to the heart of many of our problems.

Now, it is clear that crime prevention is preferable to punishment, as prevention does not result in a victim. Included in this package is funding for the Ounce of Prevention Council, the Community Development Corporations, and the Local Partnership Act.

Another major focus of our proposal is the education of our children, and as I indicated earlier, the retraining of our job force.

The CBC alternative budget calls then for an overwhelming campaign for the improvement of education in all American schools, and at the heart of this education and training proposal is, in fact, an increase of $1 billion for training and employment programs, for health-care-related jobs. Even without health care reform, there is already a shortage of qualified people to deliver a whole spectrum of health care services such as child care and workers, and medical record clerks, practical nurses, and I could go on and on. Other programs within this proposal aimed at improving the state of education in America include an educational infrastructure act which has been debated and talked about on this floor before, designed to provide emergency funds for the repair and renovation of schools and funding to guarantee access for the poor to the information superhighways.

Other budget highlights include the full funding of Federal employee salaries, the income protection and housing of our elderly, and the full restoration of funding for low-income energy assistance programs.

Furthermore, the alternative budget that we offer supports the President and the Committee on the Budget in a number of areas that we feel are important to this Nation and to its people, areas such as the expansion of the earned income tax credit.

Lastly, we support the permanent extension of the targeted jobs tax credit, which we feel is an important tool in promoting employment in the private sector. As I have said earlier, we have managed this in a clear understanding of what we have to work with and what we have to do. We have put the focus on the needs of the American people, while staying within the established discretionary caps. We were able to do this by reducing spending in areas such as defense and intelligence and through a small across-the-board cut in areas such as Federal Government service contracts.

While this budget does recommend $8 billion less than the administration for defense and intelligence, members of the Congressional Black Caucus and the Progressive Caucus and others who have worked on this remain confident that it will not result in compromising the Nation's defense capabilities.

And so the budget being offered by the Congressional Black Caucus and the Progressive Caucus creates an additional set of deficit-reduction tools through a 20-percent Federal tax on the sale of handguns, assault weapons, and ammunition; the ammunition for those particular assault weapons, and so if there is some confusion as we go through this, I want to be very clear about that one individual way to raise revenue.

Mr. Chairman, I am proud of this budget and proud of the Members of this body in both caucuses who have worked hard to put it together. I believe that a thorough review of the document by Members who may be in opposition or Members who have still yet to make up their minds will demonstrate that it is a fiscally sound, responsible, aggressive, and responsive way to deal with many of the problems that are facing our Nation.

Let me stress again before reserving the balance of my time that this particular budget that we offer is $1.8 billion less than the budget proposed by the Committee on the Budget, and it is $2.6 billion less than the budget proposed by this administration.

Mr. Chairman, I reserve the balance of my time.

□ 1530

Mr. KASICH. I yield myself 7 minutes.

Mr. BUNNING. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Chairman, I thank the gentleman for yielding, and I rise in strong support of the Kasich Republican alternative and in opposition to the Committee on the Budget's recommended budget.

Mr. Chairman, I rise today in strong support of the Kasich substitute budget and in opposition to the Budget Committee resolution.

In 1992 candidate Clinton promised the middle-class Americans that he would give them tax relief. Instead, President Clinton gave us all a huge tax increase. We would like to help President Clinton to keep the promise that candidate Clinton made to the middle class.

That is why we are offering a $500 per child tax credit. The Republican substitute is a document drafted with the conviction that middle-class families deserve to keep more of the money that they earn. We understand that average Americans can spend their money more wisely and more effectively than the Federal Government can.

The $500 per child tax credit means more money stays in the pockets of the people who go out each day and earn the bread on their table by the sweat of their brow. It means that they have more money for school clothes, for food, for education, or whatever they decide is in their best interests. It is an article of faith with us that the American people know what is best for them and their children.

We also believe that American businesses should be rewarded for investing in new plants and equipment which would make our businesses more competitive and create jobs for American workers. That is why we included the neutral cost recovery plan for business in the Kasich alternative.

American businesses should not be put at a disadvantage in the world market place because their overseas competitors are not handicapped by the antiquated depreciation rules of the IRS Code. Neutral cost recovery will help to level the playing field for Americans.

The Kasich budget not only addresses the need for neutral cost recovery but also removes the impediments in the Tax Code to investment in our corporations by indexing capital gains.

Capital gains indexing is recognized as fair and necessary by economists and businessmen if we are to maintain growth of our businesses and our economy. Capital gains indexing has enjoyed wide bipartisan support in this House in the past and it should be adopted.

The Republican alternative budget is the budget that truly addresses the needs of the American people. Unlike the Clinton budget, as modified by the Budget Committee Democrats, the Kasich substitute provides important funding for welfare reform, health care reform, crime control, and pays for it all.

President Clinton, for all of his big talk about being fiscally responsible simply does not walk the walk. He does not include his budget busting health care plan in his budget, he does not include anything for crime control and he does not include anything on welfare reform. All of those initiatives are missing in action.

On the other hand, we not only pay for our programs, we found enough waste and fat in the Government to pay for the things that we need and still achieve greater deficit reduction than the Democrats.

Mr. Chairman, I suppose that the differences between our Republican budget and the Sabo/Clinton budget say a great deal about our different visions of the country. The Republican budget envisions an America where individuals and families are in charge of their own lives and are free to make decisions about how best to spend their money with the least interference from the Federal Government.

The Republican alternative budget was drafted with an eye toward addressing the big issues that need attention such as welfare reform, crime control, and health care reform and paying for them; something that has become a somewhat radical idea in this institution.

Our budget looks toward a tomorrow where our economy is larger and the Government is smaller and more efficient. That stands in stark contrast to the big Government, Washington-knows-best budget that President Clinton has sent us.

Mr. KASICH. Mr. Chairman, initially I want to pay tribute to the gentleman from Maryland for his efforts. I must tell the gentleman I have not seen the details of the budget yet; we had some folks over last night. But I know, as one who kind of single-handedly back in 1989 and 1990 tried to put something together, know how tough it is.

I do want to compliment the gentleman for what I think has been an impressive, a very impressive performance. And I do not mean performance in the sense of an actor, but I mean it in the highest sense of promoting an agenda for the Black Caucus, and he has done it, and is due kudos from everyone, to force the emergence of an agenda, to be able to be heard above, a lot of times, the roar in this House. I just think the gentleman has done a very fine job as the chairman.

I also want to say that I look forward to the day when I can join with the gentleman and other members of the Black Caucus to sponsor legislation that will remove the terrible class warfare bickering that we have experienced in the period of the eighties into the early nineties. I would say to the gentleman that one of the reasons why this Republican budget alternative has not just deficit reduction, although it has that, the reason why we have got the indexing of capital gains and more-generous depreciation schedules for businesses is because we think that in addition to reducing the deficits, job growth creation using the private sector incentives that have made this country so prosperous are a key element. And when politicians trip themselves up on a debate about class warfare, everybody loses.

I say to the gentleman the issue of enterprise zones, when I was a member of the Ohio legislature, I was the first one to introduce enterprise zones because I recognize the value of trying to wipe out regulation, wipe out taxes, and provide encouragement for the location and creation of jobs in areas of high unemployment.

Our day is going to come, in my opinion, where members of this Republican conference and members of this very, very hard-working Black Caucus are going to be able to come together on a growth agenda. It is going to take both sides, both sides are going to have to move a little bit toward one another. I want to say to the gentleman that we have the same purpose.

I want to just tell you about this issue of job retraining: You see, what we do in our Republican budget on job retraining is we consolidate 80 programs down to 7, and we send them to the States and say—and the gentleman was in the State legislature—we would say, "You deal with it." And you county commissioners, "You figure out the best way to apply these resources."

I do not know if the gentleman has seen the General Accounting Office report. Mr. SHAYS, the gentleman from Connecticut, was in the hearing when the GAO testified. They said that the job training programs of the Federal Government, more than 150 that provide employment training, have well-intended focuses. Collectively, they create confusion, frustration for their clients and administrators. They hamper the delivery of services tailored to the needs of those seeking assistance; create potential duplication of effort, unnecessary administrative costs.

I would say to the gentleman that what we really need to do is we need to figure out a better way to build a mousetrap, a better mousetrap, a better way to train people, a better way to feed hungry people. That is what we do in our WIC proposal, our WIC-plus proposal. We eliminate a lot of bureaucracy. I say to the gentleman—and this is not meant to cast aspersions on Government workers—but when you pass a $20 bill through 10 offices, the handling costs reduce the value of the money that started at the first office.

We have got to open our minds to all of these arguments. We need to send more money to areas of high unemployment, of high crime, high poverty. We are going to have to do that, and we are going to have to work with the gentleman to streamline this bureaucracy, to index capital gains and not get tripped up on something that has existed for so long.

And I want to say I wish the gentleman from North Dakota [Mr. POMEROY] was still here. He has got about 143,800, almost 144,000 children in his district who would qualify for our middle-income tax credit and would be able to take almost $80 million back to his district for family tax relief. Do you know what he accused us of? Class warfare.

I want the gentleman from Maryland to recognize that the family tax credit that the Republicans have in their budget which provides $500 per child, per family up to $200,000—and I must tell you that the President himself said that we should provide $1,000 in tax credit per child per family with no means testing, with no means testing, before the election. We put a means test at $200,000, but I want to show you the impact—90 percent of the benefits of this proposal go to people whose income is under $75,000; only 10 percent of this proposal goes to families who qualify over $75,000. But I would say to the gentleman from Maryland: Is that really the issue, the means testing? Is that the issue? Is that really the issue, or is the issue whether it is possible to restructure, reshape, privatize, reduce the deficit and at the same time give the American family a little piece, a little refund of all the money they send to Washington?

And then we want to get tripped up into a class warfare debate?

I say to my friend, we have got to move beyond this class warfare. It does not work. It does not serve the least prosperous people in our society.

But I want to say to the gentleman I look forward to the time when we can work together because I think it will be a productive period for all Americans, rich and poor. Again, as I complimented the gentleman from California [Mr. DELLUMS] on his effort, this gentleman has done a fine job.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Let me say to the gentleman from Ohio, whose words I appreciate and whose sincerity I understand and I feel that I genuinely respect the gentleman's efforts in fashioning his budget, I think also and hope and pray also that one day we get to the point in this House where we are not divided by party label, divided by race, divided by region, but we recognize on some issues at least there ought to be a coming together, a galvanizing, if you will, of the heart, mind, spirit, and energy of this body to move forward based on what is right and what may not be politically popular to do at any one given time.

I compliment the gentleman from Ohio [Mr. KASICH] for his remarks, his sincerity. He certainly believes in what he says and does. I would suggest, also, that perhaps the time of looking at indexing capital gains, if in fact it spurs development, economic development in our cities across this Nation, may not be that far off, and that the Congressional Black Caucus has been considering that and will stay very much open on the idea. The bottom line for us is being able to help people.

Mr. Chairman, at this time I yield 3 minutes to the distinguished gentleman from Vermont [Mr. SANDERS], who heads the Progressive Caucus and has worked very hard on helping to shape this budget alternative.

□ 1540

Mr. SANDERS. Mr. Chairman, I rise in strong support of the alternative budget developed by the Congressional Black Caucus in coalition with the House Progressive Caucus offered today as the Mfume substitute. Frankly, Mr. Chairman, I do not support every single line of this budget. I would have gone further in the direction of shifting some of the tax burden which for a dozen years was transferred to working people and the middle class back to the upper class and to the wealthy so that they can finally begin to pay their fair share of taxes. But there is no question but that this budget is far preferable to the administration's budget and far, far preferable to the Republican budget, and once again, as it has been the case in many years in the past, this budget becomes the conscience of the U.S. Congress.

Mr. Chairman, I think there is no doubt, there should be no doubt, as to what has happened to America in the last dozen years. I heard reference a moment ago to the issue of class warfare, and it is true, in fact, that that is precisely what has been going on in this country over the last dozen years, and the headlines of today's newspapers reflect that reality. What has gone on is that the wealthiest people in this country have become much wealthier, the middle class has shrunk, and today we have a significant increase in poverty, and for our poorest people we now have some 2 million Americans sleeping out on the street, and we have 5 million children in this country who are hungry, and I must say to my colleagues in the House that it should be an absolute national disgrace that we should work to resolve every day, that the United States, with 22 percent of its children living in poverty has by far the highest rate of poverty among children in the industrialized world.

When we talk about priorities, Mr. Chairman, maybe we should not be worrying about spending a hundred billion dollars a year defending Western Europe and Asia. Maybe we should not be talking about space stations, and supersonic colliders and more nuclear weapons. Maybe we should say that tomorrow we are going to end the disgrace of childhood hunger in America, end the disgrace of 2 million people sleeping out on the streets.

The gentleman from Ohio [Mr. KASICH] talked about class warfare, and let us refer to the fact that while the children grow hungry the number of billionaires in this has grown. Let us talk about the fact that the chief executive officers of the largest corporations now make 157 times more than the workers of those corporations. If that is not class warfare, what is class warfare?

Mr. Chairman, let me simply conclude by urging the Members of the House to support the Congressional Black Caucus budget. It begins to move us in the right direction. It offers some sane priorities in terms of how the U.S. Congress should go.

The people of America are hurting. They are upset about the inequality in wealth. They are upset about the hunger that our children are facing. Let us change the priorities of America. Let us support the Congressional Black Caucus budget that was prepared in coalition with the Progressive Coalition.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, I would like to point out to the gentleman from Vermont [Mr. SANDERS] that there are 124,330 children in his district that would get $62,200,000 in the family tax relief item which would go somewhat toward solving some of the problems that exist. It is certainly not enough, and certainly a lot of us share his concerns that we get on with some of the very difficult choices in this country.

In looking at the budget of the Congressional Black Caucus which I have just gotten, Mr. Chairman, I would like to talk a little bit about health care.

I respect the gentleman from Maryland [Mr. MFUME] very much. I serve on the Committee on Standards of Official Conduct with him, and I think he brings a great strength to the cause that he speaks for in the manner in which he does address that cause, and I think the gentleman from Ohio [Mr. KASICH] expressed much of my sentiments.

In the area of health care, Mr. Chairman, there are a number of good things that I see in here, certainly on immunization, certainly on HIV, certainly in the three million funds, enhanced family community violence and stopping things of that sort. Certainly we all share those concerns.

One of the things I am having difficulty in is looking at the budget and seeing whether health care is funded, whether the Clinton proposal is in there or not. On our side we tried to take the Republican alternative health care plan and put it in here. It is not a perfect plan, but we think it begins to meet many of the needs that the gentleman is discussing. The mental health block grants program they have, I think that is a very strong component in their program.

But I think one of the things that we need to look at, as we look toward this health care program, and the problem we all have is that we need to look at each of the proposals, but we have a proposal that is based very much upon the ability of the private sector to solve the health care problems that are out there with some assistance from the Government. I cannot tell exactly how this program is put together, but I can tell my colleagues that those of us on the Committee on the Budget, many of us, and the gentleman from Connecticut [Mr. SHAYS] is probably going to talk later more forcefully on this, share many of the concerns that the gentleman has in the health care arena, and I think one of the things that we have to do is to make sure that none of us, and I am not saying they are not in this at all, but we have very real problems that we can expand health insurance to, and health coverage and access to everyone as we look forward into this area as we move forward. We cannot allow though a lot of programs to go out and have people feeling that they are betrayed because we cannot deliver in the future on some of these things. We on the Committee on the Budget struggled very much on our side in trying to come up with a program that we thought was realistic.

Mr. Chairman, there are things that can be added, and I say to my colleagues, "Certainly, if you look at the Medicaid Program that we have in there that would expand and allow States to use Medicaid in a managed care situation, that would be very helpful, and it would also help in the kind of programs you're looking for."

So, Mr. Chairman, we look forward to working with the gentleman on that, but I have a problem with the budget as we have seen it so far, and I would urge that the program offered by the gentleman from Ohio [Mr. KASICH] be the one that we adopt.

Mr. MFUME. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, the Congressional Black Caucus offers this alternative as an amendment in the nature of a substitute to the House Budget Committee Resolution.

The proposed CBC budget for fiscal year 1995 represents a serious and responsible alternative to the budget proposed by the President, by the House Budget Committee, and by the House Republicans.

The CBC alternative budget stays within established discretionary caps while providing $2.6 billion more in deficit reduction than does the President and $1.8 billion more than the House Budget Committee.

The focus of the CBC alternative budget this year, as it has been in years past, is to address the numerous problems facing our constituents and indeed the Nation.

Specifically, our budget:

Creates jobs—while we appreciate the efforts being made by the President and the House Budget Committee to address the serious unemployment problems facing this nation, we are nevertheless concerned that their attempts to adequately address the problem fall short. The CBC budget, therefore, includes more than $2 billion in funding for job training and job creation. In addition to resolving some of the intractable unemployment problems facing our Nation, the programs that receive this funding will help us rebuild our cities and our infrastructure.

Combats crime—included within the CBC budget proposal is the CBC alternative crime package. Our package focuses on crime prevention. Included in our budget is funding for the Ounce of Prevention Council, the community development corporations, and the Local Partnerships Act. The CBC alternative budget promotes the concept that the best way to stop crime is to eliminate many of the factors that create this explosive environment.

Educates our children and retrains our work force—included in the CBC is funding for an intense and much-needed program to help educate all of our Nation's children from the very young through post-secondary education, including continuing education.

Other highlights of our budget include the full funding of Federal employee salaries, the protection and housing of our elderly, and the full restoration of funding for the Low-Income Home Energy Assistance Program.

The CBC alternative budget also agrees with the President and the House Budget Committee on the amount allocated for the earned income tax credit, which the CBC was pleased to see expanded in last year's reconciliation legislation.

The CBC budget also includes a permanent extension of the targeted jobs tax credit.

As I indicated earlier, the CBC alternative budget also includes additional revenues to be dedicated to deficit reduction. This money is gained through a Federal tax on guns and ammunition, and through the assumption, based on Joint Economic Committee estimates, that every 1 percent of additional employment created by the budget generates an additional $1 billion to the Federal budget.

The reductions made in defense and intelligence are calculated to maintain a strong defense and enhanced security for us and our allies. The proposed amounts for reduction in spending is $8 billion.

The CBC alternative budget accepts the economic forecasts and projections advanced by the Congressional Budget Office. The numbers contained within the budget are calculated against the CBO baseline reestimates of March 2, 1994.

Mr. Chairman, members of the committee, I thank you again for your time and patience and I hope that you will, as you have in past years, allow our caucus this opportunity to offer to the House a budget that we feel best addresses the pressing problems facing our Nation today.

□ 1550

The CBC alternative budget promotes the concept that the best way to stop crime is to eliminate many of the factors that create this explosive environment.

It educates our children and it retrains our work force. Included in the CBC budget is an intense and much-needed program to help educate all of our Nation's children.

There are many other highlightes of our budget, including the full funding of Federal salaries, the protection of housing for our elderly, and the full restoration of the Low-Income Home Energy Assistance Program. Our budget also agrees with the President and the Committee on the Budget of the House on the amount allocated for the earned income tax credit, which the CBC was pleased to see expanded in last year's reconciliation legislation.

The CBC budget also includes a permanent extension of the targeted jobs tax credit. As I indicated earlier, the CBC budget also includes additional revenues to be dedicated to deficit reduction. This money is gained through a Federal tax on guns and ammunition and through an assumption based on Joint Economic Committee estimates that every 1 percent of additional employment created by the budget generates an additional $1 billion to the Federal budget.

Mr. Chairman, this is a serious budget. This alternative budget deserves to be considered seriously.

Mr. SHAYS. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I want to congratulate, as well as my colleagues, the Congressional Black Caucus and the gentleman from Maryland, Mr. KWEISI MFUME, for the tremendous work he has done in this Congress over a number of years and congratulate him for a very thorough and, I think, extraordinarily comprehensive plan.

We basically have 4 plans before us. We have the Democratic plan brought out by the Committee on the Budget; we have the Kasich Republican plan that is presented by the Republican members of the Committee on the Budget and endorsed by most members of the Republican caucus; we have the Solomon plan; and we have the Black Caucus plan.

I would submit to the Members that the Kasich plan is far superior to any of the other three, but I would say that if the choice were between the Black Caucus plan and the Democratic proposal, I would go with the Black Caucus plan.

What I find of concern, though, in general, is that we have simply ignored the fact that when the plan passed last year by just 2 votes in the House and a tie vote in the Senate broken by the Vice President, that plan simply has allowed the national debt to grow too far. If the national debt is going to grow by $1.6 trillion in the next 5 years, we are not going to have a lot of money in the years to come to deal with many of the problems that are in the Black Caucus plan. There is going to be such a need in the future, because all we are doing is postponing the inevitable.

What I am struck with is that a year ago we had the Speaker come on the floor of the House wrapping up this debate, getting all the Members he could to support it, and he promised us this—and I am going to quote him—he said, "The most important thing to note with this plan tonight is that it will not by itself accomplish what we need to do. We must do more," the Speaker said. And he said, "We must cut more spending, and we will, we must reallocate our priorities and we will, we must continue the process of deficit reduction, and we will."

The bottom line, though, is that we have not, and the plan presented by the Democrats out of the Committee on the Budget does not do it. It does not reduce the deficit. It does not cut any spending, and as the President said when he spoke on the floor in the State of the Union address, "Basically, we must stay the course."

We cannot stay the course. The Republican plan changes the course we are headed in. It provides $152 billion of additional deficit reduction. It provides an extraordinary $500 tax credit per child limited to families below $200,000. It has job creation and economic growth through changes in our Tax Code. It has welfare reform, it has crime control, and it has a basic reform of government operations and consolidation. We put in our budget health care reform as well.

I would just say to the Members of Congress that we did not do what the Speaker said we would do, that we are staying the course when we should change the course, and that this Republican plan makes major changes.

But I would submit—and maybe not all my Republican colleagues would join me in this—that the Black Caucus plan in fact reduces the President's plan by $2 billion and makes significant major changes that I support. I will vote for the Black Caucus plan over the Democratic package.

Mr. Chairman, I congratulate my colleague [Mr. MFUME] for the work he has done.

Mr. MFUME. Mr. Chairman, my thanks to the gentleman from Connecticut [Mr. SHAYS] for those kind and gracious remarks.

Mr. Chairman, I yield 4½ minutes to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I rise in strong support of this Congressional Black Caucus/progressive caucus alternative budget. I commend Chairman MFUME and all the other members who have worked hard to shape this important budget alternative.

The yearly budget debate focuses our attention on budget choices. Despite a modest economic recovery, millions of Americans continue to be left behind. The Federal budget does not yet come close to meeting the demand for social investment and economic development that could make a significant difference in the lives of many Americans. More than any other budget before us, the CBC alternative budget would do just that.

Many communities in America are in crisis. For the third straight year in 1992, poverty rates increased to 14.5 percent—up from 14.2 percent in 1991. This rate of poverty is higher than at any time during the 1970's. It represents the highest number of Americans living in poverty—38.6 million—since 1962. Since 1989, the number of poor people in America has risen by 5.4 million.

Tragically, poverty among children is the highest of any age group. Child poverty stands at 21.9 percent; 14.6 million children live in poverty. One in every four children under the age of 6 lives in poverty. It is hard to rejoice at the good economic news, when so many American children, teenagers and adults remain unaffected by the economic recovery.

This budget grapples with the tragic social deprivation which strangles millions of Americans. Our cities seethe with anger, despair, and hopelessness. Joblessness continues at unacceptable levels. Unemployment remains at 6.5 percent. Approximately 50 percent of out-of-school young Americans—those age 16 to 24—without a high school degree are not employed. And more than 70 percent of young African-American high school dropouts are not employed.

This budget increases the education and training function by $1.2 billion over the Budget Committee proposal, including $75 million for Youth Fair Chance, a stipend-based job training program and $75 million for alternative recreation, gang prevention programs.

Mr. Chairman, a rising tide clearly does not lift all boats—that is why the Federal Government must invest in programs that will spur economic development, job creation, and crime reduction. That is the central purpose of the CBC budget. More than any other, the CBC budget would reduce joblessness, prevent crime and revitalize communities.

Our budget increases the community and regional development function by $550 million, transportation programs by $900 million, community development banks by $600 million, and funds neighborhood infrastructure programs at $750 million. These job creating programs would leverage billions in private sector investment, create hundreds of thousands of jobs, and dramatically reduce the underlying social tension in society.

There has been a lot of rhetoric about crime during this session of Congress. While some of the hysteria is misdirected, there is certainly a desperate need for a serious effort to reduce violent crime in America.

While overall crime has come down over the past twenty years, violent crime is up 24 percent since 1973. In 1992, nearly 2 million violent crimes were committed. There were 750,000 arrests for violent crimes and 410,000 prisoners held for violent crimes. Twenty-three percent of American families were touched by crime—violent or otherwise—in 1992.

The CBC budget increases direct crime prevention programs by $1.2 billion. These programs, combined with the substantial investment in job creation and economic development would go a long way toward solving the social problems this institution spends so much time discussing.

This budget tackles the underlying social problems which lead to crime. It invests in long-term crime reduction strategies, not short-term political ones.

Today's deficit reduction momentum takes place at a time when the Federal budget has been cut severely, and State and local funds are often more restrained still. While most public officials applaud the progress that has been made reducing the deficit, we may be losing sight of the purpose of Federal investment—namely encouraging job growth and creation, and lending a helping hand to those who the private sector leaves behind.

The CBC budget resolution proves it is possible to invest in our communities, responsibly fund the military and reduce the budget deficit. The CBC alternative does not resort to robbing-Peter-to-pay-Paul among important domestic programs.

This budget presumes that job training and job creation is a short-term investment that will pay long-term economic dividends. If we train and employ our young today, the cost to government tomorrow will be greatly reduced. Additionally, by giving idle youth and young adults alternatives—especially in inner cities—crime will come down dramatically. Most of us understand this principle, but this budget backs up the principle with the necessary resources.

The CBC budget rejects the notion that no serious social investment is possible within the discretionary budget caps. On the contrary. With targeted reductions in unnecessary spending, this budget puts real money in programs that many Members support, but which the other budgets underfund. This budget is the best one presented. It is real. It would make a difference. I urge support for the CBC alternative budget.

□ 1600

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, let me first say that I join with the gentlewoman from California [Ms. WATERS] in being concerned about children, and point out that her district, the 35th of California, would receive $58 million for children under the Kasich bill.

Mr. Chairman, I have been listening most of the day. I do not intend to talk about details. The gentleman from Maryland [Mr. MFUME] talked about helping people, and I agree with that. And I suppose everyone here wants to help people.

The question is, how do we do that? How do we best do that? It seems to me that is the great debate. There is no one here that does not want to help people.

So budgets, I think, are predicated on what you want to do, where you want to go, what it is you want to achieve. And that is what budgets ought to be about. And there is a legitimate difference of view.

I think we ought to talk about philosophy. How much government do we expect to have, how much taxes do we expect to charge, where do we see the role of the Government. I think these are legitimate philosophical questions that make it much easier to decide what budget you really support.

What do you think about the size and the scope of government? Do you want more? Do you want less? Do you think the Government is involved enough in our lives, or should there be indeed something less. I will wager most of us go home and say we will have less government and come here and vote for more. Legitimate questions.

Taxes. Do we want more? Do we want less? Obviously, if you are going to have more programs, you have to have more taxes. That is the way that works. I have listened to endless numbers of programs today that we simply could not get along without. I doubt that. It seems to me local government could well do it if we would leave the money there. That is a legitimate question. Do you want more taxes or less.

The role of the private sector. We are all about solving problems. Many problems can be solved better in the private sector, better at local government. Do you want more emphasis on the private sector, or less?

Individual freedom. That is part of it. If we have more government, we have less freedom. With freedom goes some responsibility. We have to do that.

So, Mr. Chairman, these are legitimate questions that we ask. And the budget drives the answer. The budget drives the answer. It makes it fairly clear to me that the Kasich budget is the one to support to have less government, to solve problems in the private sector, to deal with problems, have more freedom, more responsibility. If you believe that, the Kasich budget is the one to support. And I believe that.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Chairman, I rise in strong support of the Kasich budget because it is the only budget on the floor today or tomorrow that will be real reform in Washington, DC, that sets out real programmatic changes. That I think is what the American people are calling for.

One such change is a welfare reform bill that was placed in the Kasich budget that is supported by 162 of the 175 members of the Republican caucus. It is the only bill out there trying to bring the Clinton administration to the table on welfare reform, something he promised as a candidate.

One key aspect of the reform we are calling for in the welfare system is SSI, supplemental security income. Just to give you an illustration of what the Kasich bill will do, of what the welfare reform bill will do, and what our proposal accomplishes, and the absolute abuse that is going on in the SSI and the welfare system, let us look at the explosion of drug addicts receiving SSI.

These are people who are addicted to drugs so badly that we give them money. They are unable to work because they are addicted to drugs, so we give them money to help them with their addiction.

In 1985, we had about 5,000 people who were drug addicts receiving SSI. Today, 80,000 people in America are so badly drug addicted that we give them $450 a month, at least, in some States more, in cash benefits, drug treatment, and Medicaid.

Now, this sounds terrible. This is a lot of money. This is over $300 million a year to drug addicts on SSI.

Now, that sounds bad. There is a requirement, however, that these people be in treatment. So when the Social Security Administrator came before our subcommittee the other day, I asked her, what percentage of these people are in drug treatment as required under the law?

Her answer, under 10 percent. Under 10 percent. I said well, what are you doing with these other 91, 92 percent? She says I do not know. We just send them the money. We just send them the money.

Now, that sounds bad too, doesn't it? It gets even worse. Who do we send the money to? The Social Security Administration figured out you don't send cash to drug addicts. They figured that out. We give them a big point for that one. So who do they send it to? They send it to a representative payee, someone appointed to manage the money for the drug addict. And who did the General Accounting Office testify before the subcommittee is in increasing numbers becoming the representative payee? The drug dealer. Of course. We are sending money to the drug dealer to take are of the drug addict's habit.

In some cases we send it to the bartender. There is a case in Denver where there is a Denver bartender who received over $10,000 a month in SSI checks to take care of the alcoholics who frequent his bar.

Now, this is a ridiculous situation. This is something that the Kasich budget solves. By the way, this is the tip of the iceberg. I talked about 80,000 drug addicts. Those 80,000 drug addicts are in three States. You say how can 3 States have 60 percent of the 80,000 drug addicts? The reason is because the Social Security Administration came up with a great idea. They came up with the idea that these people are sick and we need to help them, so we have to find them and get them in the system.

So they instituted outreach centers in Detroit and in Chicago and in Los Angeles, and they go out and find drug addicts and sign them up so they can receive benefits. That is why these three States have the most.

Just in January they decided to set up an outreach office in the District of Columbia to find alcoholics and drug addicts who were so disabled that we have to help them.

Well, what they found out is in the District of Columbia, of the 80,000 drug addicts nationwide, 38, only 38, are in the District of Columbia. You can find 38 alcoholics and drug addicts within 5 blocks of the Capitol. The fact of the matter is this is an addiction program that is broken. How do we solve it? We solve some of it by drug testing. We say to people if you have an illegal substance in your body, we are no longer going to give you cash assistance. You can stay on drug treatment. We will help you. We will give you an opportunity to rise back in society and get your life together, but we are no longer going to pay for something we do not want in our society.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

I would ask the distinguished gentleman from Pennsylvania, surely he does not suggest that the things he found reprehensible are part of the Congressional Black Caucus' budget?

Mr. SANTORUM. Mr. Chairman, if the gentleman will yield, this is part of the existing system that Mr. FORD and Mr. JACOBS just had a hearing on about 3 or 4 weeks ago. The Subcommittee on Human Resources and the Subcommittee on Social Security had this hearing, and that is why we proposed this solution in the Kasich budget.

Mr. MFUME. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I thank the gentleman, and would like to extend my congratulations to those members of the CBC that prepared this budget, and say that in the Congressional Black Caucus budget, we have the only budget which clearly refuses to accept the President's doctrine of no further cuts in defense. That is a major blunder, and we should have corrected it in all of the budgets.

The American people need to know that we are still spending enormous amounts of money for defense, when it is not needed. We can fund the programs we need to fund in education, we can fund the programs in health care and in job training that we need to fund, and we do not have to raise taxes for anybody.

□ 1610

All we have to do is stop spending money on worthless weapons systems. We have to stop funding overseas bases in Germany and Japan, where if they need bases, they can pay for their own bases. We have to stop funding Star Wars and weapons systems that we are never going to use. Defense is where the money is. But we have refused to do that, and thus we do not have the money to spend for education and for job training and for health care that we need.

In this budget, the theme that education and employment has been vitally needed in our big cities runs through the entire budget. We have a disaster in most of our big cities. We have an education and employment disaster. We appropriated $8 billion for an earthquake disaster in California recently. Last year we appropriated $6 billion for a flood relief disaster in the Midwest. Before that, we appropriated about $6 billion for hurricane disaster relief in Florida. Those were stimulus packages for those parts of the country. I have no problem with helping people who need help.

But in the northeast we have a jobs disaster and, we have had a jobs disaster for the last 12 years. We need relief. We need education and employment disaster relief. We need programs for job training. We need programs for education.

At the heart of this budget is a program which would do that. We have programs in here which will help to rebuild our schools. The Education Infrastructure Act will provide emergency funds for the repair and renovation of schools, for asbestos and lead poisoning abatement, and other needs.

We have a family learning center program for libraries to guarantee access for the poor to the information superhighway which we hear so much about, but nobody is planning to allow poor people to be a part of that. We have opportunity to learn, incentive grants proposed to encourage selective local education agencies and to match their proposals for curriculum content improvements and increased testing with some concrete proposals for improvements in the education delivery system.

We have a school-based building construction training program to expand the model which is already developed by the youth build experimental program which employs young teenagers, trains them, and employs them in the actual renovation and rebuilding of buildings that are located in their own community and then their families get the first opportunity to occupy those buildings.

We need relief in the Northeast. We need relief in New York, inner city communities. We need relief in Chicago. Any census track that has unemployment above the national level for the last 12 years ought to be declared a disaster area. It ought to be eligible for extensive amounts of funds for job training and for employment.

It is only fair. We have given it to the earthquake areas, to the disaster flood areas. God created those disasters. But the disaster in our cities was created by man, and the victims of that disaster deserve help as much as any other victims of other disasters.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO], a very distinguished new Member of Congress.

Mr. LAZIO. Mr. Chairman, I thank the gentleman from Connecticut for yielding time to me.

Mr. Chairman, I rise in support of the Kasich substitute and urge my colleagues to support it.

Mr. Chairman, budget resolutions are many things to many people and the nature of budget resolutions has changed over time. They have evolved to contain policy guidance of a highly specific nature.

I prefer the traditional concept of a budget resolution. I think of budget resolutions as highly aggregated blueprints for fiscal policy, intended to offer broad guidance to Congress as Congress sets out to put in place a coherent fiscal plan. Any specifics—for example, which programs to cut, eliminate, or even increase, or which taxes to cut, raise, or revise—should, quite properly be left to the committees of actual jurisdiction for these programs.

This said, the Kasich substitute, unlike the Democrats' resolution, contains a high level of specifics, and I doubt if any of my Republican colleagues support each and every provision. I know I do not—I am not happy with several of the entitlement changes, especially those in health programs. Nor do I support the large cuts in the foreign assistance. And, rather than repealing Davis-Bacon, I support reform which enjoys widespread bipartisan backing.

But just because a Member disagrees with some provisions of a complicated budget resolution is not sufficient reason to vote against. As former New York Congressman Barber Conable said in this context, "there's always something for somebody to hate."

Voting against a budget resolution simply because there are some disagreeable provisions is, in my view, an excuse to duck the important issue of fiscal policy.

I support the Kasich substitute because it offers a clearly preferable fiscal policy path for our country. Compared to the Democrats' resolution, it has significantly greater deficit reduction—$150 billion more over 5 years—and, in my view, the long-term benefits of deficit reduction outweigh the short-term pain of program reductions.

Moreover, the Republican substitute is more honest than the Democrats'. Unlike the Democrats', the Republican budget includes health policy reform. It also provides for welfare reform and for fighting crime. Mr. Chairman, it is nothing short of disingenuous for my Democratic colleagues to criticize these provisions of the Kasich substitute when their resolution is silent on these three important issues.

Mr. MFUME. Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. PORTER], a member of the Committee on Appropriations and a very strong fiscal conservative.

Mr. PORTER. Mr. Chairman, I thank my able colleague for yielding time to me.

Mr. Chairman, I want to talk a minute about budget priorities. The First Lady, Hillary Rodham Clinton, recently—in a speech at the National Institutes of Health, in Bethesda—following, I think, very good advice by Secretary Donna Shalala, spoke about the National Institutes of Health being one of our national treasures. And, Mr. Chairman, it is fascinating to understand how biomedical research results in cost savings in health care.

The amount of money saved by just one discovery, the discovery of the Salk polio vaccine, amounts to the entire funding cost of NIH throughout its history. What that means to health care cost savings in the future is almost incalculable.

Yet last year the administration put out a budget that would have provided a 1-percent increase for NIH below inflation, resulting in actual cuts in 9 of the 17 Institutes. We on the Appropriations Committee and the Subcommittee on Labor-Health and Human Services-Education ended up raising that to 6 percent in the House and 5.2 percent in the final conference, all within the budget, because we considered NIH one of our true priorities.

This year the President's budget puts NIH at an increase of $517 million or 4.7 percent. Even if we take out the forward funding, it is $417 million or 3.8 percent. However, the House Committee on the Budget, on the opposite side of the aisle, provided an increase in their budget document of only $259 million or 2.3 percent. This puts NIH, again, below inflation and shows that they do not make the agency a priority at all.

The Republican Kasich substitute supports the President's view that NIH is a high priority and puts it in at 4.7 percent or $517 million. Although this bill made cuts overall, it makes a priority choice to fund biomedical research at NIH.

Mr. Chairman, NIH biomedical research in America is the envy of the entire world. If we provide funding on a downward slope, we are going to lose an entire generation of research scientists who are dedicating themselves to finding cures or preventions for AIDS, cancer, and diabetes, and Parkinson's disease as well as all the afflictions that affect us as human beings. This research is a priority.

The Kasich substitute is so much better in this area than the Democratic budget. Support the Kasich substitute.

Mr. MFUME. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

□ 1620

Ms. NORTON. I thank the gentleman for yielding to me.

I ask my colleagues to give a very serious look at the CBC budget this year, a year when we can afford this budget.

Mr. Chairman, in the 1980's we saw a massive transfer of funds from the domestic side of the budget to the military side of the budget. If we look for a theme in the CBC budget this year, it is giving something back from that side of the budget where we have been largely successful to the domestic side of the budget, once again. Mr. Chairman, we are paying for the transfer and we are paying dearly.

As we look at the crime in our streets, Mr. Chairman, we know that the causes are multiple, but is there a person in this body who would not concede that the cities did not profit from the transfer from one side of the budget to the other? Look at what our budget would do in education, training, and social services.

We are asking for nearly $2 billion more than the $19 billion that is already in the budget. Is that a lot of money, Mr. Chairman? The money would go for job training, for Pell grants, for job creation in the health care industry, for example.

Something has begun to happen to me in the streets of the District of Columbia. Over and over again, young black men, in particular, come up to me say what I have not heard them say directly to my face before, "Congresswoman, I need a job," over and over again. I don't know if this is being orchestrated, but they are young black men.

I do know this: Last week on the front page of the New York Times we were told there were 5 percent fewer black men going to college in the 1990's than went in the 1980's. That ought to send the strongest conceivable message to us.

The notion that has driven us during the new administration has been, to put it pejoratively, "It is the economy, stupid." By paying attention to the economy, we have seen some gains with the best economy since 1989 and the best deficit reduction ever in the shortest amount of time.

The theme for this coming year surely will be not "It is the economy, stupid," but "It is jobs, stupid." It is jobs that, instead of leading the recovery, have been following the recovery. A substantial amount of the recovery, indeed, has come at the expense of jobs, as businesses continues to become lean at the expense of its own workers.

Mr. Chairman, unemployment went down in the country in the last cycle. It went up in the black community. What kind of perverse ratio is that? The burden is now on us to show that the upturn in the economy can have the only payoff that counts, an upturn in jobs, and we will not get that without the substantial amount of effort we have put into improving the economy itself.

If we go for 5 years driven entirely by deficit reduction without substantially more investment in our people, we may be closer to a balanced budget at the end of that time, but much further away from the balanced allocation of resources that we need.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. SMITH]. One of the reasons why the gentleman from Ohio [Mr. KASICH] has been so successful is because of the good work of this gentleman.

Mr. SMITH of Michigan. Mr. Chairman, I rise today in support of the Republican budget alternative. As chairman of the Republican Physical Capital Working Group on the Budget Committee, reviewing commerce and housing credit (370), transportation (400), and economic development (450) functions, we met for over 1,000 hours over the past several months compiling the recommendations included in this budget alternative.

These changes are good policy. We consolidate several economic development programs into a single economic development block grant. We propose the privatization of the nonsafety-related functions of the Federal Aviation Administration. We support an innovative "risk-sharing" initiative in the Federal Housing Administration to reduce the risk to the Federal Government in housing guarantee programs.

For each of these initiatives, we have talked with the experts to address their concerns. We met with Secretary Cisneros of HUD, Secretary Pena of Transportation, and other experts at CBO and CRS. These ideas not only save money, they make good policy sense.

Mr. Speaker, this budget alternative is not perfect, but responds to the American people's request that we reduce spending and increase efficiency in the Federal Government.

Mr. Chairman, I thank the gentleman very much for the nice words.

Mr. Chairman, I would say to the gentlewoman from the District of Columbia [Ms. NORTON], as we look at how much the District of Columbia would get, our tally is $48.1 million from the $500 child tax credit.

Does anybody know what we have done in the last year in terms of increasing the debt of this country? For the last year, we have gone into debt an additional $1 billion a day, $361 billion that we have added to the debt of this country. We are mortgaging our kids' futures.

What I am encouraged about is that I think we have turned the corner. The gentleman from Maryland [Mr. MFUME] last year led an effort to balance the budget with his proposal. The gentleman from Ohio [Mr. KASICH] this year is leading an effort, that we are coming to a lower deficit in 1996, for example, than we have come since 1982.

We have added in this so-called Kasich proposal some tax changes that we need. We are saying to business for the first time, "Look, you can consider that new machinery and equipment that is going to help your productivity and jobs, you can consider that as a business expense, and you can take it off your income tax, you can deduct it from your income tax, expensing."

We have said not only the $500 child tax credit, but we have said to the self-employed that, "Look, we are going to start being fair to you in terms of you being able to have 100 percent deductibility for health care costs."

I think the $150 billion extra that we cut spending in this budget is a giant step forward. We take $150 billion more than the Democrat proposal that we will be voting on later.

If there are 263 of us that can sign a petition to put a balanced budget amendment on the floor, it seems reasonable that there should be at least 219 of us that are willing to say, "Yes, let us take the first step."

Mr. MFUME. Mr. Chairman, I yield 2½ minutes to my colleague, the distinguished gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would like to offer first my congratulations to the gentleman and other Members in the caucus that worked so hard in putting this Black Caucus alternative budget together.

Mr. Chairman, I rise in strong support of that budget, because I think it offers to those of us in Congress some real options, some real choices, as to how we want to spend the money of the American taxpayer.

In the first instance, we say in order to fund increased spending, we have to make realistic cuts, so the Black Caucus alternative budget starts with that premise, and, in fact, does make cuts in defense spending reflective of the new age in which we live.

Second, we say we have to have certain important priorities. I want talk about two: education and economic development. In the first instance, in terms of education, it is widely accepted that we are not going to prosecute our way out of this crime problem. Prevention is the key, and the catchword for prevention is education. We have to educate young people and provide them with hope and other options, if we hope over the long-term to respond to the crime problem.

Yes, Members can say, "Put a Band-Aid on it and build some prisons," but we cannot afford to keep building prisons and spending $20,000 per-year-per-inmate.

Let me suggest that the Black Caucus budget is the preferable alternative. It says, first, let us work with young people in the Chapter 1 Program, and the Black Caucus Program adds $2 billion to the Chapter 1 Program to work with at-risk and disadvantaged young people.

It says, second, let us put some money into college training, so it adds another $2 billion for Pell grants, so that young people who are disadvantaged can go to college instead of going to prison.

It says, third, let us provide support services to those disadvantaged college students, many of whom are first generation college students, and it provides money for that. It addresses the problem of at-risk youth, and fighting gang warfare early in the process, and it provides money for job training and education and life skills.

On the other side of the coin, it says the key to economic development is job creation. So the Black Caucus budget includes $650 million for Community Development Banks. That is almost double what the administration put in for this same project.

If we want poor communities, urban communities, poor rural communities to prosper and create jobs, we have to have access to capital and banking services. The Community Development Bank Program in the Black Caucus budget accomplishes that.

Second, it includes $6 million for minority business development within the Commerce Department. Again, minority businesses are an engine for creating jobs in the minority community. That is another way to fight crime.

An additional $3 million is for minority and small business assistance.

Putting together a budget is about making choices. The choices are the administration budget or the far more progressive Black Caucus budget. I urge the Members' acceptance of the Black Caucus alternatives.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER], a leader of the House and a member of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Connecticut [Mr. SHAYS] for yielding this time to me.

Mr. Chairman, I thank the Republican team that put together the so-called Kasich budget, and I want to also thank the Black Caucus for the efforts they have undertaken here.

Let me just address my friends in the Black Caucus with respect to something I think they should consider very strongly. One thing we have done correctly in the last 10 to 12 years, one of our constitutional duties to all of our people is to protect them. We have done a darned good job of it.

☐ 1630

We rebuilt national defense in the 1980's. At the time when I came to Congress we had about 1,000 petty officers a month getting out of the Navy because they could not make enough money. We had a lot of our military personnel on food stamps. We had equipment that would not work. Fifty percent of our aircraft were not mission-capable, and we had enemies round the world taking advantage of this perceived American weakness.

But we rebuilt national security in the 1980s, and as a result of that we brought down the Berlin Wall, and it brought about the dissolution of the Soviet Empire.

That action has allowed us to reduce the defense budget by billions and billions of dollars, and in real terms since about 1985, the defense budget has come down in excess of 40 percent. So if we look at the $300 billion budgets we were funding in the mid-1980s, and put a pencil to that, it means that there are tens of billions of dollars available now that we have plugged into other aspects of the budget, the domestic side of the budget because we were strong, because we maintained peace through strength.

Let me now say we now have a world that is dangerous in different ways. It is a world in which North Korea is acquiring a nuclear weapon. We are not sure exactly what we can do about that. We are sure there is nothing we can do immediately about that problem. China is moving into the South China Sea with some force. They are taking the place of the Soviet Union as the next superpower, I think. We have a cauldron in the Middle east. We have the Balkans exploding. We have a dangerous world in different ways than the world in which the Soviet Union and the United States were the chief protagonists.

We have a duty to our men and women in uniform to keep them safe and to keep them secure and to keep them well-equipped. We can only do that with a good budget, and the Kasich budget has the minimum amount of money we should be spending on national security.

Mr. MFUME. Mr. Chairman, I reserve the balance of my time.

Mr. SHAYS. Mr. Chairman, I yield myself the remainder of our time.

Mr. Chairman, we would like to conclude by just once again emphasizing the extraordinary need to get our fiscal house in order. We have a national debt that is going to go up $1.6 trillion in the next 5 years, and the Democratic package that passed out of the Budget Committee simply allows that to continue to happen.

The President says we need to stay the course, and yet staying the course means we are going to have one of the largest increases in the national debt in my 5-years period happening under his presidency. The Republican budget initiative was just formed around some basic, major Republican principles such as federalism, block granting, real reform in health care, welfare reform and immigration reform. We are also in our package reforming the organization of Government. We attempt to privatize and we attempt to have smaller Government.

We asked ourselves a basic question: Who do we want to help, the people in Washington or the people back home? The people back home need our help. We have to get our financial house in order.

There are going to be four basic budget packages, including a small one by the gentleman from Massachusetts [Mr. FRANK], which makes a fifth. But there is the Democratic plan, there is the Kasich Republican plan, there is the Solomon plan, there is the Black Caucus plan.

I would submit that the Kasich plan deals with major reform, and addresses so many of the problems we need to address today. I would submit, however, that the Black Caucus reform is certainly better than the Democratic package that passed out of the House Budget Committee last week.

Mr. Chairman, I yield back the balance of my time.

Mr. MFUME. Mr. Chairman, I yield myself the remainder of our time.

Mr. Chairman, in conclusion let me just state again that the budget being offered today by the Congressional Black Caucus, which we will again debate tomorrow, represents an aggressive and yet fiscally responsible approach to a number of our problems in our society.

Again let me remind Members that our budget deficit is $1.8 billion less than the budget proposed by the House Budget Committee and still $2.6 billion less than the budget proposed by the administration.

I want to thank the Members of the House Progressive Caucus who have worked in conjunction with us in shaping this document. Clearly we want to thank the staff. My thanks to the gentleman from Ohio [Mr. KASICH] and the gentleman from Connecticut [Mr. SHAYS], both of whose visions and whose sincerity I appreciate in this very difficult process, and both of whom I suspect will have an opportunity to debate again tomorrow, and neither of whom I think could have put together this package without a sincere understanding at least in their perspective of what they wanted to do.

And I appreciate that, and I speak on behalf of the members of the Congressional Black Caucus and the Progressive Coalition who have worked to shape our proposal.

Having said that, Mr. Chairman, I look forward to tomorrow's continuation of this debate.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the concurrent resolution is considered as having been read for amendment under the 5-minute rule.

The text of House Concurrent Resolution 218 is as follows:

H. CON. RES. 218

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.

Fiscal year 1996: $1,031,200,000,000.

Fiscal year 1997: $1,079,700,000,000.

Fiscal year 1998: $1,136,400,000,000.

Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.

Fiscal year 1996: $0.

Fiscal year 1997: $0.

Fiscal year 1998: $0.

Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.

Fiscal year 1996: $106,300,000,000.

Fiscal year 1997: $111,900,000,000.

Fiscal year 1998: $117,800,000,000.

Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,246,800,000,000.

Fiscal year 1996: $1,308,400,000,000.

Fiscal year 1997: $1,374,400,000,000.

Fiscal year 1998: $1,447,800,000,000.

Fiscal year 1999: $1,531,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,225,500,000,000.

Fiscal year 1996: $1,284,700,000,000.

Fiscal year 1997: $1,356,500,000,000.

Fiscal year 1998: $1,419,000,000,000.

Fiscal year 1999: $1,495,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $247,700,000,000.

Fiscal year 1996: $253,500,000,000.

Fiscal year 1997: $276,800,000,000.

Fiscal year 1998: $282,600,000,000.

Fiscal year 1999: $304,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,968,300,000,000.

Fiscal year 1996: $5,293,800,000,000.

Fiscal year 1997: $5,640,100,000,000.

Fiscal year 1998: $5,996,200,000,000.

Fiscal year 1999: $6,367,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,700,000,000.

(B) New primary loan guarantee commitments, $199,700,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $32,100,000,000.

(B) New primary loan guarantee commitments, $174,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $33,800,000,000.

(B) New primary loan guarantee commitments, $164,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $35,700,000,000.

(B) New primary loan guarantee commitments, $164,100,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $37,800,000,000.

(B) New primary loan guarantee commitments, $163,500,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $263,300,000,000.

(B) Outlays, $270,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $255,300,000,000.

(B) Outlays, $261,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $252,000,000,000.

(B) Outlays, $256,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $258,700,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $258,700,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $19,200,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $18,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $17,700,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $17,700,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $16,500,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $22,200,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,100,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $22,000,000,000.

(B) Outlays, $21,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,600,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $10,100,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $13,900,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $9,800,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $7,300,000,000.

(B) Outlays, −$8,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $5,300,000,000.

(B) Outlays, −$10,900,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $103,200,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $5,100,000,000.

(B) Outlays, −$3,500,000,000.

(C) New direct loan obligations, $3,100,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $5,200,000,000.

(B) Outlays, −$2,900,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $5,200,000,000.

(B) Outlays, −$1,900,000,000.

(C) New direct loan obligations, $3,400,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $41,800,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $41,800,000,000.

(B) Outlays, $39,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $43,100,000,000.

(B) Outlays, $40,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $43,900,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $44,700,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $57,000,000,000.

(B) Outlays, $53,400,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $58,200,000,000.

(B) Outlays, $55,200,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $59,900,000,000.

(B) Outlays, $58,000,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $61,700,000,000.

(B) Outlays, $60,600,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $61,800,000,000.

(B) Outlays, $60,800,000,000.

(C) New direct loan obligations, $16,800,000,000.

(D) New primary loan guarantee commitments, $11,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New budget authority, $123,400,000,000.

(B) Outlays, $122,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $136,600,000,000.

(B) Outlays, $135,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $150,900,000,000.

(B) Outlays, $149,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $166,600,000,000.

(B) Outlays, $165,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $182,900,000,000.

(B) Outlays, $181,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $162,400,000,000.

(B) Outlays, $160,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $180,500,000,000.

(B) Outlays, $178,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $198,500,000,000.

(B) Outlays, $196,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $217,700,000,000.

(B) Outlays, $215,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $242,200,000,000.

(B) Outlays, $239,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $219,800,000,000.

(B) Outlays, $220,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $234,500,000,000.

(B) Outlays, $229,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $249,100,000,000.

(B) Outlays, $242,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $261,000,000,000.

(B) Outlays, $253,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $272,200,000,000.

(B) Outlays, $264,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,800,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $37,200,000,000.

(B) Outlays, $36,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $36,600,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $39,700,000,000.

(B) Outlays, $39,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $18,000,000,000.

(B) Outlays, $16,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $19,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $21,700,000,000.

(B) Outlays, $20,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $22,700,000,000.

(B) Outlays, $22,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,800,000,000.

(B) Outlays, $22,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $14,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $13,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $247,100,000,000.

(B) Outlays, $247,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $267,200,000,000.

(B) Outlays, $267,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $282,800,000,000.

(B) Outlays, $282,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $298,500,000,000.

(B) Outlays, $298,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $315,800,000,000.

(B) Outlays, $315,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, −$800,000,000.

(B) Outlays, −$1,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$3,600,000,000.

(B) Outlays, −$2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$3,600,000,000.

(B) Outlays, −$2,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$2,900,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,400,000,000.

(B) Outlays, −$900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,100,000,000.

(B) Outlays, −$36,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$30,300,000,000.

(B) Outlays, −$30,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,300,000,000.

(B) Outlays, −$30,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,200,000,000.

(B) Outlays, −$31,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$31,600,000,000.

(B) Outlays, −$31,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. HEALTH CARE REFORM.

(a) If health care reform legislation is reported (including by a committee of conference), budget authority, outlays, and new entitlement authority shall be allocated to committees, and the total levels of budget authority, outlays, and revenues shall be adjusted, to reflect such legislation if the legislation in the form in which it will be considered would not increase the total deficit for the period of fiscal years 1995 through 1999.

(b) Upon reporting of legislation described in subsection (a) and again upon submission of a conference report on such legislation, the chairman of the Committee on the Budget shall publish in the Congressional Record revised allocations under section 602(a) of the Congressional Budget Act of 1974 and revised levels of total budget authority, outlays, and revenues to carry out this section. Such allocations and totals shall be considered as the allocations and aggregates under this resolution.

SEC. 5. SENSE OF THE CONGRESS.

It is the sense of Congress that the following legislation should be enacted:

(1) Legislation providing enforceable limits to control the growth of entitlement or mandatory spending.

(2) Amendments to the Budget Enforcement Act of 1990 to establish a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit.

(3) Legislation granting the President expedited rescission authority over appropriations measures, as provided by H.R. 1578, as passed the House.

SEC. 6. SENSE OF COMMITTEE ON THE BUDGET ON SCORING HEALTH REFORM.

It is the sense of the Committee on the Budget that all financial transactions associated with the President's health reform legislation or similar health reform legislation relying on mandated payments to a Government entity be treated as part of the Federal budget, including premium payments by individuals and employees to health alliances (which should be treated as receipts) and payments by health alliances to providers (which should be treated as outlays), for all purposes under the Congressional Budget Act of 1974.

SEC. 7. SENSE OF COMMITTEE ON THE BUDGET.

(a) The Committee on the Budget is troubled by the Federal Government's failure to enforce immigration laws and secure United States borders from illegal immigration. The Government has also failed to investigate and prosecute Federal wage and hour violations, thus creating incentives to hire persons illegally in the United States and exacerbating the problem of illegal immigration.

(b) The Committee on the Budget recognizes that the Federal Government has an obligation to help fund increasing State and local government costs directly resulting from ineffective Federal enforcement efforts in this area. Therefore, the Committee assumes that adequate funding in this resolution will be used to reimburse States and local governments for both authorized program costs and legally binding obligations associated with providing:

(1) Elementary and secondary education for undocumented children in the public schools.

(2) Emergency medical assistance to undocumented persons.

(3) Law enforcement resources and personnel to incarcerate and supervise parole of criminal aliens. This funding can either be used by the Federal Government to take into custody and incarcerate criminal aliens or to reimburse States and local governments for their associated costs.

(4) Services incidental to admission of refugees under the Refugee Admission and Resettlement program.

SEC. 8. SENSE OF THE CONGRESS REGARDING RESERVE FUNDS FOR EMERGENCIES.

It is the sense of Congress that—

(1) the emergency designation under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 has repeatedly been invoked to circumvent the discretionary spending limits for other than emergency purposes;

(2) amounts for emergencies should be set aside within a reserve fund and subject to the discretionary spending limit;

(3) the reserve fund shall total 1 percent of annual budget outlays; and

(4) emergency funding requirements in excess of amounts held in the reserve fund should be offset by a reduction in appropriations.

SEC. 9. SENSE OF THE CONGRESS REGARDING UNFUNDED MANDATES.

It is the sense of Congress that—

(1) the Federal Government should not diminish the fiscal autonomy of State and local governments over their own sources of revenue;

(2) the Federal Government should not shift the costs of administering Federal entitlements to State and local governments;

(3) the Federal Government's share of entitlement programs should not be capped without providing States authority to amend their financial or programmatic responsibilities to continue meeting the mandated service; and

(4) Congress should develop a mechanism to ensure that the costs of mandates are considered during deliberations on authorizing legislation.

SEC. 10. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from an inflated spending level; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

The CHAIRMAN. No amendments are in order except the amendments printed in House Report 103-429, which shall be considered in the order printed in the report and by the named proponent or a designee, shall be considered as read and shall not be subject to amendment.

Each amendment will be debatable for 1 hour, equally divided and controlled by the proponent and an opponent of the amendment.

If more than one amendment in the nature of a substitute is adopted, only the last amendment adopted shall be considered as having been finally adopted and reported back to the House.

At the conclusion of consideration of the concurrent resolution for amendment, there will be a final period of general debate which shall not exceed 10 minutes, equally divided and controlled by the chairman and ranking minority member on the Committee on the Budget.

It is now in order to consider amendment No. 1 printed in House Report 103-429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment is as follows:

Amendment in the nature of a substitute offered by Mr. FRANK of Massachusetts:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.
Fiscal year 1996: $1,031,200,000,000.
Fiscal year 1997: $1,079,700,000,000.
Fiscal year 1998: $1,136,400,000,000.
Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,246,800,000,000.
Fiscal year 1996: $1,308,400,000,000.
Fiscal year 1997: $1,374,400,000,000.
Fiscal year 1998: $1,447,800,000,000.
Fiscal year 1999: $1,531,400,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,225,500,000,000.
Fiscal year 1996: $1,284,700,000,000.
Fiscal year 1997: $1,356,500,000,000.
Fiscal year 1998: $1,419,000,000,000.
Fiscal year 1999: $1,495,000,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $247,700,000,000.
Fiscal year 1996: $253,500,000,000.
Fiscal year 1997: $276,800,000,000.
Fiscal year 1998: $282,600,000,000.
Fiscal year 1999: $304,800,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,968,300,000,000.
Fiscal year 1996: $5,293,800,000,000.
Fiscal year 1997: $5,640,100,000,000.
Fiscal year 1998: $5,996,200,000,000.
Fiscal year 1999: $6,367,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,700,000,000.

(B) New primary loan guarantee commitments, $199,700,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $32,100,000,000.

(B) New primary loan guarantee commitments, $174,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $33,800,000,000.

(B) New primary loan guarantee commitments, $164,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $35,700,000,000.

(B) New primary loan guarantee commitments, $164,100,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $37,800,000,000.

(B) New primary loan guarantee commitments, $163,500,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $260,900,000,000.

(B) Outlays, $270,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $255,300,000,000

(B) Outlays, $261,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $252,000,000,000.

(B) Outlays, $256,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $258,700,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $258,700,000,000.

(B) Outlays, $256,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $19,200,000,000.

(B) Outlays, $18,100,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $18,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $17,700,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $17,700,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $16,500,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $6,000,000,000.

(B) Outlays, $5,000,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,100,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $4,900,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $4,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $5,400,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $21,400,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $22,200,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,100,000,000.

(B) Outlays, $21,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $22,000,000,000.

(B) Outlays, $21,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $21,600,000,000.

(B) Outlays, $21,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $10,100,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $12,400,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $13,900,000,000.

(B) Outlays, $12,700,000,000.

(C) New direct loan obligations, $9,800,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,200,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $7,300,000,000.

(B) Outlays, −$8,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $5,300,000,000.

(B) Outlays, −$10,900,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $103,200,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $5,100,000,000.

(B) Outlays, −$3,500,000,000.

(C) New direct loan obligations, $3,100,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $5,200,000,000.

(B) Outlays, −$2,900,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $5,200,000,000.

(B) Outlays, −$1,900,000,000.

(C) New direct loan obligations, $3,400,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $41,800,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $41,800,000,000.

(B) Outlays, $39,600,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $43,100,000,000.

(B) Outlays, $40,100,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $43,900,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $44,700,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,000,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $57,000,000,000.

(B) Outlays, $53,400,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $58,200,000,000.

(B) Outlays, $55,200,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $59,900,000,000.

(B) Outlays, $58,000,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $61,700,000,000.

(B) Outlays, $60,600,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $61,800,000,000.

(B) Outlays, $60,800,000,000.

(C) New direct loan obligations, $16,800,000,000.

(D) New primary loan guarantee commitments, $11,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New budget authority, $123,400,000,000.

(B) Outlays, $122,300,000,000.

(C) New direct loan obligations, $0

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $136,600,000,000.

(B) Outlays, $135,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $150,900,000,000.

(B) Outlays, $149,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $166,600,000,000.

(B) Outlays, $165,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $182,900,000,000.

(B) Outlays, $181,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $162,400,000,000.

(B) Outlays, $160,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $180,500,000,000.

(B) Outlays, $178,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $198,500,000,000.

(B) Outlays, $196,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $217,700,000,000.

(B) Outlays, $215,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $242,200,000,000.

(B) Outlays, $239,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $219,800,000,000.

(B) Outlays, $220,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $234,500,000,000.

(B) Outlays, $229,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $249,100,000,000.

(B) Outlays, $242,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $261,000,000,000.

(B) Outlays, $253,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $272,200,000,000.

(B) Outlays, $264,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,800,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $37,200,000,000.

(B) Outlays, $36,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $37,600,000,000.

(B) Outlays, $36,600,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $38,500,000,000.

(B) Outlays, $38,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $38,600,000,000.

(B) Outlays, $38,500,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $39,700,000,000.

(B) Outlays, $39,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $18,000,000,000.

(B) Outlays, $16,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $20,800,000,000.

(B) Outlays, $19,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $21,700,000,000.

(B) Outlays, $20,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $22,700,000,000.

(B) Outlays, $22,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,800,000,000.

(B) Outlays, $22,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $13,700,000,000.

(B) Outlays, $13,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $14,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $13,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $13,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $247,100,000,000.

(B) Outlays, $247,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $267,200,000,000.

(B) Outlays, $267,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $282,800,000,000.

(B) Outlays, $282,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $298,500,000,000.

(B) Outlays, $298,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $315,800,000,000.

(B) Outlays, $315,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, $1,600,000,000.

(B) Outlays, −$1,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$3,600,000,000.

(B) Outlays, −$2,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$3,600,000,000.

(B) Outlays, −$2,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$2,900,000,000.

(B) Outlays, −$6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,400,000,000.

(B) Outlays, −$900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,100,000,000.

(B) Outlays, −$36,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$30,300,000,000.

(B) Outlays, −$30,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,300,000,000.

(B) Outlays, −$30,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,200,000,000.

(B) Outlays, −$31,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$31,600,000,000.

(B) Outlays, −$31,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. HEALTH CARE REFORM.

(a) If health care reform legislation is reported (including by a committee of conference), budget authority, outlays, and new entitlement authority shall be allocated to committees, and the total levels of budget authority, outlays, and revenues shall be adjusted, to reflect such legislation if the legislation in the form in which it will be considered would not increase the total deficit for the period of fiscal years 1995 through 1999.

(b) Upon reporting of legislation described in subsection (a) and again upon submission of a conference report on such legislation, the chairman of the Committee on the Budget shall publish in the Congressional Record revised allocations under section 602(a) of the Congressional Budget Act of 1974 and revised levels of total budget authority, outlays, and revenues to carry out this section. Such allocations and totals shall be considered as the allocations and aggregates under this resolution.

SEC. 5. SENSE OF THE CONGRESS.

It is the sense of Congress that the following legislation should be enacted:

(1) Legislation providing enforceable limits to control the growth of entitlement or mandatory spending.

(2) Amendments to the Budget Enforcement Act of 1990 to establish a regular procedure to provide assistance for disasters and other emergencies without adding to the deficit.

(3) Legislation granting the President expedited rescission authority over appropriations measures, as provided by H.R. 1578, as passed the House.

SEC. 6. SENSE OF COMMITTEE ON THE BUDGET ON SCORING HEALTH REFORM.

It is the sense of the Committee on the Budget that all financial transactions associated with the President's health reform legislation or similar health reform legislation relying on mandated payments to a Government entity be treated as part of the Federal budget, including premium payments by individuals and employees to health alliances (which should be treated as receipts) and payments by health alliances to providers (which should be treated as outlays), for all purposes under the Congressional Budget Act of 1974.

SEC. 7. SENSE OF COMMITTEE ON THE BUDGET.

(a) The Committee on the Budget is troubled by the Federal Government's failure to enforce immigration laws and secure United States borders from illegal immigration. The Government has also failed to investigate and prosecute Federal wage and hour violations, thus creating incentives to hire persons illegally in the United States and exacerbating the problem of illegal immigration.

(b) The Committee on the Budget recognizes that the Federal Government has an obligation to help fund increasing State and local government costs directly resulting from ineffective Federal enforcement efforts in this area. Therefore, the Committee assumes that adequate funding in this resolution will be used to reimburse States and local governments for both authorized program costs and legally binding obligations associated with providing:

(1) Elementary and secondary education for undocumented children in the public schools.

(2) Emergency medical assistance to undocumented persons.

(3) Law enforcement resources and personnel to incarcerate and supervise parole of criminal aliens. This funding can either be used by the Federal Government to take into custody and incarcerate criminal aliens or to reimburse States and local governments for their associated costs.

(4) Services incidental to admission of refugees under the Refugee Admission and Resettlement program.

SEC. 8. SENSE OF THE CONGRESS REGARDING RESERVE FUNDS FOR EMERGENCIES.

It is the sense of Congress that—

(1) the emergency designation under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 has repeatedly been invoked to circumvent the discretionary spending limits for other than emergency purposes;

(2) amounts for emergencies should be set aside within a reserve fund and subject to the discretionary spending limit;

(3) the reserve fund shall total 1 percent of annual budget outlays; and

(4) emergency funding requirements in excess of amounts held in the reserve fund should be offset by a reduction in appropriations.

SEC. 9. SENSE OF THE CONGRESS REGARDING UNFUNDED MANDATES.

It is the sense of Congress that—

(1) the Federal Government should not diminish the fiscal autonomy of State and local governments over their own sources of revenue;

(2) the Federal Government should not shift the costs of administering Federal entitlements to State and local governments;

(3) the Federal Government's share of entitlement programs should not be capped without providing States authority to amend their financial or programmatic responsibil-

ities to continue meeting the mandated service; and

(4) Congress should develop a mechanism to ensure that the costs of mandates are considered during deliberations on authorizing legislation.

SEC. 10. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from an inflated spending level; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 30 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

PARLIAMENTARY INQUIRIES

Mr. FRANK of Massachusetts. Mr. Chairman, before we begin the debate, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. FRANK of Massachusetts. Mr. Chairman, it is my understanding that the Government Printing Office in printing their report for this bill, misprinted two numbers in my amendment. The original copy of the report submitted to the printing office by the Rules Committee had the correct figures.

Am I correct that it is the numbers which were submitted by the Rules Committee and not those printed erroneously which are the numbers that will be governing this amendment?

The CHAIRMAN. It is the Chair's understanding that there is a printing error in the Rules Committee report. The correct version of the amendment is now pending at the desk.

Mr. FRANK of Massachusetts. A further parliamentary inquiry: That means Members who may have read the report might have been misled in the effect of this amendment I am offering, which would be to reduce the total budget authority by $2.4 billion. The report suggests that it would be taking $2.4 billion and moving it into the allowances function, but in fact under the ruling that the Chair has just given me, adopting this amendment would have the effect of reducing the total budget authority by $2.4 billion and not increasing the allowances function at all. Is that correct?

The CHAIRMAN. The Chair cannot rule on the effect of the amendment, but the Chair agrees with the initial inquiry.

Mr. FRANK of Massachusetts. Let me further inquire then, Mr. Chairman, am I correct that the numbers submitted, which were that the allowances function would remain the same, and the BA function would be reduced by $2.4 billion, that that will be what will govern if the amendment is adopted?

The CHAIRMAN. The amendment is at the desk available for any Member who wishes to read the amendment as it reads now with the correct numbers.

Mr. KASICH. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KASICH. Mr. Chairman, is the amendment at the desk inaccurate as well as the one the gentleman from Massachusetts [Mr. FRANK] has been talking about here?

The CHAIRMAN. The amendment at the desk is accurate.

Mr. FRANK of Massachusetts. If the gentleman will yield to me, the amendment at the desk is accurate and the amendment at the desk reflects that the BA is reduced by $2.4 billion.

Mr. KASICH. They said they had the amendment printed, and I cannot figure out whether the Government Printing Office has printed it right or wrong, or which one is up here.

Mr. FRANK of Massachusetts. If the gentleman will yield, he could figure it out if he was trying seriously, frankly, to deal with this. The Chair has just ruled and made it clear that the error by the Government Printing Office does not govern, that it is governed by the numbers that are there.

Mr. KASICH. I was just making a parliamentary inquiry with the gentleman who is known to have a good sense of humor. But I appreciate what the gentleman is saying.

Mr. Chairman, am I right in saying that the gentleman from Massachusetts' amendment calls for reductions in the authorizing amounts for the Department of Defense, not an increase like it was spelled out? I think everybody should be clear on that.

Mr. FRANK of Massachusetts. If the gentleman will yield, why does not the Clerk read the amount that is before us in only that one appropriate part, since the amendment is technically the whole budget?

The CHAIRMAN. The Clerk will read the corrections that were made in the amendment.

The Clerk will report the corrections.

The Clerk read as follows:

Corrections to amendment offered by Mr. FRANK of Massachusetts:

Section 2, paragraph (2), strike $1,246,800,000,000 insert $1,244,400,000,000.

Section 3, paragraph (19), strike $1,600,000,000 insert –$800,000,000.

□ 1640

Mr. KASICH. Mr. Chairman, I ask unanimous consent that the amendment be laid at the Clerk's table. I would also say that I think it is pretty clear what the amendment does. In an effort to try to accommodate the gentleman from Massachusetts [Mr. FRANK], I ask unanimous consent that the amendment be considered as read and laid there for Members to read.

Mr. FRANK of Massachusetts. I appreciate the gentleman's request.

The CHAIRMAN. Under the rule, the amendment has been considered as read. The Clerk was reading the corrections in the amendment.

PARLIAMENTARY INQUIRY

Mr. BROWDER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROWDER. Mr. Chairman, the gentleman from Massachusetts made a parliamentary inquiry just a minute ago and received a ruling from the Chair. Then the gentleman from Massachusetts attempted to explain the ruling from the Chair.

Would the chair, please, repeat the ruling on the parliamentary inquiry from the gentleman from Massachusetts?

The CHAIRMAN. The initial parliamentary inquiry asked about the report. The Chair stated that the understanding was that a printing error in the Committee on Rules report did exist and that the correct version of the amendment is available as it is at the desk.

Mr. BROWDER. I thank the Chair.

Mr. FRANK of Massachusetts. I will proceed then, Mr. Chairman.

That is the number that the Clerk then read?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] is recognized for 30 minutes.

Mr. KASICH. Mr. Chairman, I wish to claim the time in opposition to the amendment, but I want to yield 12 minutes to the gentleman from South Carolina [Mr. SPENCE], the ranking member of the Committee on Armed Services, and 18 minutes to my distinguished colleague, the gentleman from Alabama [Mr. BROWDER], and before we begin, I ask unanimous consent that they then be permitted to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 30 minutes.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

The gentleman is lucky the Government Printing Office did not have to print that up for him.

Mr. Chairman, what we have now is an amendment that would reduce the total budget authority in this bill by $2.4 billion.

The reason it is submitted is that many of us on the Committee on the

Budget and elsewhere in the House thought it was a mistake for the President to propose last December a change in the budget agreement that we had adopted only a few months before. We adopted a budget agreement, and it had some tight spending controls.

The Pentagon alone decided that it could not live with those controls. No one was happy with them. The Pentagon then succeeded, as part of the earthquake emergency, in getting an additional billion two over and above the budgeted amount. That is behind us now. Remember, they did get for this fiscal year $1,200,000,000 under the emergency procedures to add on to what was voted in the appropriations process last time.

Now, we have a Presidential request, and this is the first part of it, which would over the remaining 4 years of this 5-year agreement give the Pentagon an additional $11.4 billion. We cannot be sure whether this would be an add-on to the deficit, a subtraction for domestic programs, or, as is likely, some combination thereof.

But giving the Pentagon an additional 11.4 or 11.7 billion is clearly the first breach in the budget wall adopted last year.

All departments have had problems. All departments have been told to absorb inflation. All departments have been told to absorb pay raises. All departments were living within that.

If we set the precedent of giving the Pentagon the first of a 5-year increase, we set a precedent that other departments will follow.

Today, I simply offer an amendment that would reduce total budget authority, and for that reason, it is supported by the National Taxpayers' Union, supported by the Citizens Against Government Waste. They said it was the least deficit reducing, but it was still under the gun, so it reduces total spending authority.

In future years, there would be an outlay effect to this, and we could deal with that. This year, since that additional request came with no additional outlay request, it is simply a budget-authority request.

The question is: Do we begin the process today of saying that the Pentagon gets an $11-billion-plus increase from the budget agreement, an increase that will come either by adding onto the deficit as it did during the earthquake emergency bill or by coming out of other programs?

I believe that there are many places where the Defense Department can continue to save money. I think it would be an error for us to begin the process of breaking down the budget discipline by giving them this exemption.

Mr. Chairman, I reserve the balance of my time.

Mr. BROWDER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, it is important for us to understand what's going on here with this amendment. Or, more importantly, let's focus on what's not going on here! Exactly what does this amendment not do?

In the first place, this amendment does not shift our priorities from a cold war defense to a post-cold war budget. As you can see from the charts in the well, which I requested from the Secretary of Defense who used them in his testimony before our congressional committees, that shift is already taking place. Defense spending is going down dramatically. The question posed by amendments like this is whether we pursue a rational, managed defense downsizing over the years or whether we gut our national security and our economy. As President Bill Clinton said in a letter yesterday to Budget Committee Chairman MARTY SABO, "The committee has done a careful job in balancing the needs of the Nation, and I am prepared to work with you to oppose any cuts in the level of defense funded in the resolution."

Second is deficit reduction. Despite promises in some "Dear Colleague" letters being circulated for this amendment, there is no deficit reduction in the amendment. It absolutely does not reduce budget outlays or the deficit numbers. The Frank amendment includes the exact same budget outlay and deficit figures as the Budget Committee resolution. This amendment simply "squirrels away" $2.4 billion this year and $11.4 billion over the next 5 years for spending somewhere else sometime in the future.

I urge my colleagues to support the President's and the Budget Committee's budget resolution and to oppose the Frank amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I rise today in opposition to the amendment offered by the gentleman from Massachusetts. To suggest that supporters of this amendment are being disingenuous in their comments on the amount allocated for national defense in the budget resolution would be kind. By suggesting that the $2.4 billion at issue here today represents an increase in the Defense budget is to ignore basic simple facts about the Federal budget in general and the Defense budget in particular.

Defense spending as percentages of the Federal budget and of gross domestic product reached their peaks in 1985. Since then, it has declined steadily. The Armed Forces are shrinking; the amount of the Defense budget spent on the actual procurement of weapons has declined by 67 percent over the last 10 years; military careers, many of them exemplary, are being cut short; readiness is degrading; recruiting is suffering. To suggest, as supporters of the Frank amendment do, that Defense has not been reduced and reduced substantially is, Mr. Chairman, simply not correct.

The $2.4 billion in question is the fiscal year 1995 share of a 2.6-percent active duty pay raise Congress passed last year. It does not represent an increase in the Defense budget. The future years Defense plan proposed by the administration was being underfunded in its own budget request by, depending on who you believe, from $30 billion to $50 billion. The proposed $11 billion added back to the Defense budget over the next several years was not an increase in Defense spending so much as a reduction in the amount being underfunded.

Mr. Chairman, I invite supporters of the Frank amendment to venture out into the field to visit with the men and women who serve in the Armed Forces of the United States. These are people who risk their lives in an often harsh, austere environment while separated from their families for long periods of time, all the time knowing that they may return from 6 months at sea or from an extended deployment in a far away desert to discover they are being separated from the service against their wishes. I urge the supporters of the Frank amendment to compare the 2.6-percent pay raise with the amount of locality pay recently provided for Federal civilian employees.

It is just plain wrong to suggest that the Defense budget is receiving preferential treatment because a $30 to $50 billion budget shortfall is being marginally reduced to cover the cost of a 2.4-percent pay raise. No other part of the Federal budget has seen the decline that the part allocated for national Defense has. Yes, I know that the cold war is over. I also know that the military has seen more action—at the behest of its civilian leadership—since the end of the cold war than any time after Vietnam.

Mr. Chairman, I urge my colleagues in the House to reject this cynical attack on a Defense budget already in steep decline. Oppose the Frank amendment.

□ 1650

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 30 seconds to myself in order to refute the inaccurate statement of the gentleman from Alabama [Mr. BROWDER] when he said this money was being squirreled away. The only thing squirrely about that is the logic. The fact is this amendment reduces budget authority. It does not squirrel it away, it does not put it anywhere else, it reduces budget authority by $2.4 billion. That is $2.4 billion less than would be available for the Appropriations Committee when they do it. The budget deals with outlays, but the appropriations process, which deals with budget authority, will receive $2.4 billion less. That is why both the National Taxpayers Union and Citizens Against Government Waste sided with me.

Mr. Chairman, I yield 4 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding to me.

Let me add a few more things. The prior speaker said that folks had intimated that the Defense budget had not come down. I do not think anyone on our side has said the Defense budget has not come down. But the other side, then, what are you saying? That it can never come down? There is no reason for it to come down?

The issue is the Defense budget in every other country in the world has come down like an elevator with its cable cut. If you add the total amount that we are spending on Defense, it is more than all the rest of the countries on the planet combined.

So I really find it rather shocking to see people standing up and saying if you take $2.4 billion out of an over $2.6 billion budget, it will be the end, as we know it; people will be really left out there, hanging out there with nothing to defend themselves. That really does not pass the giggle test. This is even—it is about 1.5-percent cut, and it was a cut that was not supposed to have been there in the first place. This was an add-on over what we agreed to last year after, as the gentleman from Massachusetts has pointed out, many other add-ons have happened.

So let us put this straight and let us be really honest about this. Here is a chance to save some money, real money.

Let me just point out some of the things that we could cut out of the budget, I think. I am just reading from my own little part of defense bill. How about the tractor rose problem, or the tractor hip problem, or the tractor field problem or the tractor flop problem, the tractor pump problem, the tractor hike problem, the tractor hole, tractor dirt, tractor red, tractor rose, tractor hip again, and here is tractor cage, tractor tread, tractor dump comes back again, tractor dirt, and tractor dirt. That is in the armed services for the Army. That is for research and development.

If you want to get into the Navy, that is an interesting situation: pilot fish, retract juniper, chalk eagle, chalk coral, link hazel—we know these are very important things that we had better have—link hazel, retract maple, link plumeria, chalk weed, retract elm, and chalk poinsettia. You know, if we cut this out, I do not know what we are going to possibly do.

If you also look into the Defense budget, you realize all three branches have their own separate chaplains school. I guess each of them have a different God—I am not quite sure I understand. I never understood why they did not have one chaplain school for the three services.

They have three engineering schools. You would hope engineering for each of the services would be similar.

They have got three different legal schools. Again, you would hope the law would be the same in the different services.

I mean I can go on if you wanted me to. I could find all sorts of stuff in here that does not make any sense that I think we could do without, and we would still have all sorts of money left over.

Let us look at other things. When you look at how every other agency has suffered, no other agency has been able to come out and add to their budget in each supplemental, and they have not been able to add in this year when we have such tight budgets. I certainly think if you can come forward and tell us exactly why you needed this $2.4 billion, why the $260 billion that was decided upon last year was not enough, why we absolutely had to have it, why we are getting ready to spend another $11 billion, I think everyone would listen. But I think this generic talk about, "Oh, my, it is already going down," that does not do it. We know that, but it is going down everywhere. The threat is going down.

I think the taxpayers are due much more than that.

So I salute the gentleman from Massachusetts' amendment, and I would hope all of us would stand up and say we are going to treat each agency equally and if they have something they need to add, we are going to be very critical about it rather than just saying, "We don't want it," and we certainly would not want to deny it.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. DICKS], a member of the Subcommittee on Defense Appropriations.

Mr. DICKS. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts.

The President, in his State of the Union speech emphasized:

> There are still dangers in the world—rampant arms proliferation, bitter regional conflicts, ethnic and nationalist tensions in many new democracies.
>
> * * * Last year I proposed a defense plan that maintains our post-Cold War security at a lower cost. This year many people urged me to cut our defense spending further to pay for other government programs. I said, no. The budget I send to Congress draws the line against further defense cuts. It protects the readiness and quality of our forces.
>
> * * * We must not cut defense further. I hope the Congress without regard to party will support that position.

President Clinton has reaffirmed his commitment in a letter sent yesterday to Budget Committee Chairman SABO by stating:

> I want to emphasize my opposition to any cuts in the defense budget below the level provided in the resolution.

We have already cut Defense significantly since its peak level in 1985 in recognition of the dramatically changed military threat. The cumulative change to date from 1985 will exceed 35 percent in real terms. During the 1990's, mandatory spending will go up 38 percent in real terms, domestic discretionary will go up 12 percent while defense outlays will decline 38 percent under the President's budget plans.

In order to keep his pledge, and avoid a return of hollow forces, the President approved a modest adjustment in defense spending plans over the 5-year period that restores about one-eighth of the additional cuts that President Clinton proposed beyond the Bush planned reductions. I view this as the absolute minimum that can be accepted. It is still very unclear whether this modest adjustment will meet the identified shortfall below the requirements of the Bottom-Up Review.

Anyone who thinks that Defense cuts are not producing real hardship should visit southern California and talk to unemployed aerospace workers, go to Charleston, SC, and discuss the impact on the community of base closures, or to go to any base in the country and talk to sergeants about the impact of training cuts on his troops.

We had 18 active Army divisions in 1990, we will have only 10 by 1999. Naval ship battle forces have declined from 546 to 1990 to 373 today, and ultimately will go to 346. Air Force active fighter wings have already been cut nearly in half from 24 to 13. Planned bomber cuts are from 315 to 107. Active military manpower has declined by more than half a million, or 32 percent. Defense civilians are going down 330,000 or 29 percent. Even reserve forces will be 20 percent lower than they were in 1990.

There has been some claim that this amendment promotes deficit reduction. But it does not lower discretionary spending caps, and in any event involves no outlays at all.

In addition, the author makes no secret that he views the amendment as a statement of congressional intent to make further adjustments totaling $11.7 billion in additional Defense cuts over the next 5 years. As stated in his dear colleague in support of the amendment "Stopping new spending now will free up resources for domestic priorities in the coming years * * *"

Do not jeopardize the lives of American troops, lead us back to hollow forces and make it impossible for the President to fulfill his pledge. Oppose the Frank amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise today to voice my strong opposition to the Frank amendment.

In my view, the President's defense budget for fiscal year 1995 was totally inadequate as originally proposed. The Secretary of Defense is clearly on record as stating that the administration's budget submission already underfunds the force structure specified by the Bottom-Up Review by some $20 billion. This is the force structure that we have repeatedly been told is the absolute minimum acceptable force necessary to fight and win two major regional contingencies.

The amendment that is now pending before the House would impose a cut of a further $2.5 billion this year and $11.7 billion over 5 years on the Defense Department budget. In my view, that is totally irresponsible. The President's budget already represents a reduction in real defense funding of nearly 34 percent from the peak we reached in 1985, and 43 percent by 1999.

For me, the question is simple: Are we going to ask our soldiers, sailors, airmen and Marines to put their lives on the line behind an inadequate force structure? Are we going to rob them of the training and the systems that they need to help secure our national security goals?

I urge this body to defeat the Frank amendment.

□ 1700

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. FRANK] for yielding this time to me.

Mr. Chairman, I did bring my own chart. It was not prepared at great expense by the Department of Defense. It is a little smaller, but there is a point to be made here.

Are we going to overwhelm our enemies with wasteful spending and big charts? Are we going to overwhelm them by being the leanest and meanest military in the world?

Here is the opposition down here.

The question is: Should the United States spend 10 times more than all of its potential enemies combined without any allies? Should we spend 15 times? How much is enough to overwhelm our potential foes?

Here is the United States spending; here is our allies. Add these two up. That is 20 times more than the potential of all the bad guys that the Pentagon can identify.

The Frank amendment is so modest, Mr. Chairman, it is amazing that the fiscal conservatives around here cannot see through the smokescreen that is coming out of the Pentagon. We are talking about $2.4 billion out of a $260 billion-plus budget. My colleagues already heard some examples of some of the extraordinarily frivolous programs that are being funded by this.

If my colleagues do not believe us, how about Lawrence Korb? How did this happen? First, instead of reinventing the Pentagon, the Pentagon reinvented the threat and downplayed the contributions, very considerable, of our allies. The service chiefs convinced Mr. Aspin and Mr. Perry that the regional threats from countries like Iraq and North Korea, whose military spending is less than 20 billion a year, are almost equal to that posed by the Soviet Union which spend $200 billion a year before its collapse. That is Lawrence Korb, my colleagues.

We have finally got to say that we have spent more than enough. We are burying them in dollar bills. We are burying them in contracts. We are burying them in charts. We beat them at real war. Now it is time to get ready for the conflict of the next century, which is economic, and if this country spends itself into bankruptcy, that is the war we are going to lose, the real war, the real conflict of the next century, the economic conflict with our allies, and ex-enemies and the like.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. SKELTON], chairman of the Subcommittee on Military Forces and Personnel.

Mr. SKELTON. Mr. Chairman, may I ask that the chart that we had here be replaced?

Mr. Chairman, those who would cut into this military budget have not read the history of this country. After every major conflict and threat that we have had we have substantially reduced our military capability. We paid for it not in dollars, as the previous gentleman spoke of, but we paid for it with the blood of young Americans, Task Force Smith, the Kasserine Pass, other places where we did not have enough, did not have the proper materiel, did not have the proper training. Let us not make that mistake in our day.

Mr. Chairman, the President of the United States correctly in his letter of March 9 to the Honorable MARTIN SABO, the chairman of the Committee on the Budget, stated that, and I read from his letter:

> I want to emphasize my opposition to any cuts in the defense budget below the level provided in the resolution. As pointed out in my State of the Union Address, I am fully committed to the principle that our military must be the best equipped, the best trained, the best prepared in the world.

Mr. Chairman, when was the last time that our defense establishment hit rock bottom, and I speak to my side of the aisle. The last time, sadly, was when the Democratic administration did so. The President, this President, is determined not to repeat that sad experience, and I support him in that effort.

Mr. Chairman, I urge us to defeat this Frank amendment. My colleagues, we are going through the hearing process now dealing with the bottom-up review. Frankly the bottom-up review cannot fulfill, in my opinion, the two major regional conflicts. We also see the Navy coming in with 16 less ships than what was in the bottom-up review, the Air Force coming in with 70-some-odd bombers less. We must maintain what is in this budget.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts [Mr. FRANK] to reverse Congress' decision to provide sufficient funding for military pay raises in fiscal year 1994. What we have learned over the past generation is that readiness in a capable and motivated all-volunteer force is, first and foremost, about people. Our young men and women in uniform are the heart and soul of military readiness.

Mr. Chairman, I am at a loss to explain why the President has proposed for the second year in a row to send the wrong signal to the troops by proposing a cut in pay from levels endorsed by Congress less than 6 months ago. Today U.S. military personnel are working harder, deployed away from home longer and remain underpaid relative to their civilian contemporaries. If the President's pay proposals were to be enacted, within 2 years military pay would be a staggering 17 percent below comparable civilian pay. One result would obviously be a worsening of the already troubling trends becoming apparent in recruitment and retention. Today, for example, an E–1, a private, makes $832 a month. That is only slightly above the federally defined poverty level. We have got people in our military on food stamps.

Mr. Chairman, military pay is a key issue. The Frank amendment will only hurt more of our young men and women in uniform.

To its credit, Mr. Chairman, Congress rejected the President's budget last year on the issue of military pay, and I suspect it will do so again this year. Defeating the Frank amendment is an important first step in this process. The Frank amendment would undo what we did last year. The $2.5 billion that the gentleman from Massachusetts [Mr. FRANK] proposes to cut from the fiscal year 1995 defense top line was added to the budget by the administration late last year for the express purpose of funding the military pay raise Congress mandated last year.

I say to my colleagues, "Let's don't pull the rug out from under our troops. Vote no on the Frank amendment."

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WOOLSEY], a member of the Committee on the Budget.

Ms. WOOLSEY. Mr. Chairman, first, I want to say that the budget reported by our committee points the Nation in the right direction in almost every way. I would like to thank the gentleman from Minnesota [Mr. SABO] for his hard work in looking out for President Clinton's priorities—Head Start; child nutrition; job training and job creation.

However, there is one number in this budget which is dead wrong. In a post-cold-war age when we have to focus on our urgent domestic needs, it is criminal Mr. Chairman that the Pentagon is asking for $263.3 billion in defense spending—a $2.4 billion increase over last year.

Mr. Chairman, it is therefore with great frustration that I join the gentleman from Massachusetts [Mr. FRANK] and my other colleagues in offering an alternative which eliminates this $2.4 billion increase in military spending.

When I was first named to the Budget Committee, just over a year ago, if you had told me that military spending would go up by $2.4 billion in 1995, I would not have believed you. This has been quite a wake-up call for a first-term Member of Congress.

This Member was hired by the people of Marin and Sonoma Counties to work for them here, in Washington, to make education our Nation's No. 1 priority and part of this job is to make sure that the military budget reflects post-cold-war reality.

This amendment changes only one part of the budget—military spending—and it does not change it much. But, this is a very important vote. Make no mistake—passage of this amendment will send a clear message that Congress is finally ready to move away from the cold-war budgets of the past, and ready to step up to the challenges of the future—which are: Education, health care, crime, welfare, and deficit reduction.

Mr. Chairman, the President has sent us a budget which begins to step up to these challenges. But we cannot meet them without a post-cold-war military budget that eliminates the unnecessary programs we are funding today. I urge my colleagues to support the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise today to oppose the Frank substitute budget resolution which seeks to cut $2.5 billion in defense spending from the fiscal year 1995 budget resolution. I am not a Member who says—no, never cut the defense budget. Like many others, I have tried to keep our Nation's best interest and national security needs at the forefront of decisions regarding changes in our defense needs. However, I feel strongly that on this occasion we should support our President and his pledge to avoid further reductions in defense spending at this time.

With the cold war over, I can understand the desire of some of my colleagues to bring about additional reductions in spending. We should, however, remember that each major attempt we have made at downsizing our military has gone too far. Given the number of volatile situations, such as the civil war in the former Yugoslavia, which have emerged around the world and the uncertainty of future threats, such as the nuclear hopes of North Korea and others, we must remain vigilant.

I urge my colleagues to remember that defense spending has been reduced by 33.7 percent in real terms since 1985 and by 1999 the real cut will be 43 percent. In 1999, defense spending will be at its lowest post-war levels in terms of its share of GNP, 3 percent, and as a share of Federal outlays, 13.2 percent.

Further reductions in defense spending at this time risk even further damage to an already fragile defense industrial base. The Nation is already dealing with the effects of reductions made thus far. In my own State of Connecticut, thousands of skilled defense workers have been displaced because of a shrinking defense budget. Military personnel levels have also declined by more than half-a-million since 1985. If this $2.5 billion is deleted from the fiscal year 1995 defense budget, the Department of Defense will be forced to seek the funds elsewhere in its budget. This could amount to further reductions in personnel, elimination of weapons systems critical to our future security and a continued erosion in our readiness.

There is yet another side to this question of military expenditures. A further reduction in budget authority in the fiscal year 1995 defense budget translates to a further reduction in budget outlays in the out years. Approving the Frank substitute would force the Appropriations Committee to stretch an already shrinking budget to dangerously thin levels in coming years. Such a shortage could prevent our military from maintaining necessary personnel level or make procurement of needed future weapons system extremely difficult.

I urge my colleagues to follow the Clinton administration in managing our defense needs and urge my colleagues to oppose the Frank substitute.

Mr. BROWDER. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. MCCURDY] the chairman of the Mainstream Forum.

Mr. MCCURDY. Mr. Chairman, I rise in opposition to the Frank amendment. I appreciate and respect my colleague, but we do have a disagreement on his provisions in this amendment.

President Clinton has rightfully cited three pillars for an effective foreign policy: A strong economy, support for democracy, and a strong national defense. He has also stated as his priorities within defense policy and goals to preserve the quality of the forces, the quality of technology, and preserve readiness.

During the Presidential campaign when he was outlining his policy for how to reduce the defense budget while preserving these important priorities, he proposed a reduction of $60 billion on top of what President Bush had recommended. But when he came into office, he found out that the deficit was larger, and therefore he doubled that request and actually cut it $120 billion.

By cutting $120 billion though, he created a serious challenge for the Department of Defense, and that is how do you reduce the overhead, the bases, the infrastructure, the overhead of the Department of Defense, and at the same time not sacrifice the quality of the force, the readiness, and creating a hollow force.

What he has found is that in doing this, and by having such a rapid pace of decline, those very things that he is arguing to protect are being threatened today. That is why after a number of us met with the President and Vice President expressing our concern about readiness, that he decided in his judgment to recommend this offset.

This is $2.4 billion for the pay raise and to adjust somewhat for the increased estimate of inflation.

My colleagues, there is a serious threat in the world today as the changes in Russia are occurring. This is different than when the President first proposed the budget. North Korea is highly unstable and dangerous. My colleagues are still asking for action in Bosnia. We see the changes throughout the world.

I believe that this is a modest adjustment, it is fair, it continues with I think the priorities of the administration, and I think we ought to defeat the Frank amendment.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Chairman, I rise today to oppose strongly this amendment and respectfully disagree with my colleague from Massachusetts. My concern with the amendment before us is the impact it will have on the readiness and capability of our armed forces.

I support President Clinton's statement that we cannot cut defense further than the cuts that President Clinton has recommended. The defense budget has been cut over 33 percent in real terms since 1985. That is right, every year since 1985, the defense budget has been cut.

While we all celebrate the end of the Soviet Union, we now face a different, smaller, and in some ways more complicated threat. As the tension of a bipolar world has decreased, instability in the world has increased. There are now more than a handful of dictators armed with ballistic missiles and other weapons of terror who feel free to make mischief, especially in the Mideast.

If opponents of democracy again rise up, who will defend our interests? Who will we send to join our allies in the region to fight aggression and terror?

It is ironic that at a time when our women and men in uniform are being asked to shoulder more and more responsibilities, such as humanitarian and peacekeeping missions on top of their first responsibility of defending U.S. interests, that some want even deeper cuts in our defense budget than even President Clinton does.

Mr. Chairman, I urge my colleagues to reject this shortsighted amendment and support keeping our women and men in uniform prepared.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from Hawaii [Mrs. MINK], a member of the Committee on the Budget and former national security official of the United States at the State Department.

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the issue that this House must face is the integrity of the decision that we made in August. It was a difficult decision, hard to come by, just barely met, in which the progress of this country was determined. The economy has bolstered, the recession has just about disappeared, people have been put back to work, the confidence of this Nation was established by that budget resolution.

We were committed under that budget resolution to certain targets. We believed in the integrity of that decision. And yet now this House is being asked to violate that compromise which was made in all quarters, painfully for many of us. Many of us felt that there were certain cuts that were made against the disabled and the elderly and the children of our country that should not have been made, but we stuck by the necessity for that resolution.

Today what we are faced with is a violation of that commitment. We are being asked, without any defense or explanation, for an increase of $2.4 billion in the defense budget. I ask this House to consider not the amount of money that is involved here, but the principles which we are being asked to violate, which we established in August. And I think that that is a very, very important point.

Why do we allow the Defense Department alone to come before this House and get an increase of $2.4 billion in budget authority? No other function has been allowed such discretion. Where is the justification? Every other department is being asked to suffer cuts in their payroll, cuts in the number of personnel.

Two hundred fifty-two thousand individuals in all of the departments all across this country are being cut. They are being asked to absorb those deficits. They are being asked to absorb all the other stringent requirements that the budget resolution laid before each of the departments, except for the Department of Defense.

Mr. Chairman, it seems to me that is wrong. The budget resolution ought to be truthful and faithful to the commitment that it made this country in August of last year. I ask this House to support the Frank substitute to the budget resolution.

Mr. BROWDER. Mr. Chairman, might I inquire how much time I have left?

The CHAIRMAN. The gentleman from Massachusetts [Mr. FRANK] has 15 minutes left, the gentleman from Alabama [Mr. BROWDER] has 9 minutes left, and the gentleman from South Carolina [Mr. SPENCE] has 4½ minutes left.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURTHA], the chairman of the Subcommittee on Defense Appropriations.

Mr. MURTHA. Mr. Chairman, let me say that over the last 15 years, the Defense Department budget has been cut by over $150 billion. I do not think anybody can match the record of cuts in defense in any other area of the government. Secretary Perry projects a $20-billion shortfall in the defense budget over the next 5 years. I project the shortfall could be $40 to $50 billion.

What concerns me is in 1980 we could not pull off Desert One. We had the same number of troops in 1991, and we pulled off Desert Storm. Readiness was the key, and we are going to lose that edge and will have a hollow force if we do not provide the money for defense.

The reduction of $2.4 billion is for the pay increase. They are absorbing the outlays, but the budget authority is for extra pay for the troops. The troops are deployed twice as much as they have been in the past years.

The tempo of operation is even greater than when they had a large force. So it is absolutely essential that we defeat the Frank amendment, which has good intentions, but which would destroy the readiness of the Armed Forces.

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank our ranking member for yielding.

Mr. Chairman, I wanted to reiterate what the gentleman who preceded me just said. The Frank amendment will destroy readiness.

My friends, let me give you a couple of facts. Since Desert Storm, we have flown twice the sorties over Iraq than we flew during Desert Storm.

☐ 1720

The airlift in Bosnia has now gone on longer than the Berlin airlift. We are talking about 28 sorties a day. We are spending a ton of money in fees keeping missions around the world, and the military is taking it out of their hide.

We have cut now our fighter force by 50 percent in the military. We have cut, the gentlewoman said we are going to cut 270,000 civilians, where is the cut for the military?

The military, I would say to my colleague from Hawaii, has cut over 500,000 positions since they started downsizing, over twice what the civilian population is taking.

The last issue is credibility. We stay strong and we maintain a strong position in this world because of our credibility.

We have over 30,000 people in Korea whose lives are protected by the credibility of America's strength. If we cut our defense and we have to have another so-called peacekeeping operation, we will spend $2.5 billion, $3 billion in a matter of a couple weeks. This is the worst decision we could possibly make to support the Frank amendment. It is bad. It is bad for readiness. It is bad for the men and women who wear the uniform.

Let us vote it down. Let us be rational. Let us keep America strong.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. MEEHAN], who serves on the Committee on Armed Serves.

Mr. MEEHAN. Mr. Chairman, if any other department wanted to break the budget caps so they could have an extra couple of billion dollars to cover the cost of salary increases, they'd be ridiculed. I'm amazed that the Department of Defense can keep a straight face, when they argue that they should get an extra $2.4 billion for pay raises.

This has nothing to do with the pay raise and everything to do with the fact that the military has to learn to live within the budget. During the early 1980s, the armed forces spent money like drunken sailors, and Congress congratulated them for it. I guess it shouldn't be surprising that the military thinks it's above the budget law, but we have a duty to tell them they're wrong.

The United States continues to spend more on defense than our NATO partners, Russia, Iraq, and a dozen other countries put together. Communism is dead. There's no reason to spend more on defense than all our potential allies and enemies combined.

Some of my friends on the other side of the aisle who would not vote for the President's deficit reduction package, because it did not cut spending enough, and they would not vote for any increases in taxes. And next week they will be here to say they want more spending on defense. They do not want to touch entitlements, but they are for a balanced budget.

If we can't fight and win two regional conflicts at once, maybe the problem is that we're spending too much on the wrong things. A lot of people who complain about hollow forces want money for expensive modernization programs, not O&M. I'm all for supporting adequate levels of readiness, but no one should use a professed concern about readiness as an excuse to support pork in uniform.

The Frank substitute would not cut defense beyond the levels mandated by last year's deficit reduction package. It would simply force the DOD to set priorities like everyone else. Let's make the budget agreement stick.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. MEEHAN. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, there are a lot of sailors in my district. I find that none of them use alcohol any worse than anybody else in society.

Mr. MEEHAN. Mr. Chairman, that was an expression to use for the fact that the military spent money in the early 1980's. It has nothing to do with alcohol, and the gentleman probably knows that.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY], the chairman of the Committee on Veterans' Affairs and vice-chairman of the Committee on Armed Services.

Mr. MONTGOMERY. Mr. Chairman, I rise in opposition to the Frank amendment. Between 1989 and 1999, we will bring down the spending and strength level of the active forces by 36 percent, and we will bring down the spending and the forces of the National Guard and reserve by 20 percent. Really, is that not enough?

Since 1991, some of my colleagues have already lost their active bases in their communities because of the drawdown. In most cases, we have been able to protect the National Guard and Reserve armories and flying units.

If the Frank amendment is adopted, no question about it, National Guard units will have to be cut more than they have been cut.

As I said earlier, we have been able to protect the Guard flags and Reserve flags in our communities. If we adopt the Frank amendment, we are going to have to close these armories, and they are there for the community to help in natural disasters and also national crises.

I ask Members to vote against the Frank amendment to protect the reserve units.

Mr. SPENCE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the Frank amendment. I thought everyone knew by now that we are cutting too much from defense. We are doing irreparable harm not only to our national security but also to our economic security.

We have already closed more than 200 bases in this country, and over 600 bases and facilities abroad.

We are in the painful process of base closures, and we have another round of closures coming up next year. We are cutting back too quickly and too deeply.

We have already lost more than one million jobs from our active duty military, reserves, civilian employees, and private sector defense industrial base workers. I suspect that every Member's district in this country has been affected one way or another by these defense cutbacks. I know everyone in this Chamber is aware of and sensitive to the problems being created by the jobs being lost.

We are losing thousands of defense jobs every month, hundreds of thousands a year, and have been since the late 1980's. We have a national defense strategy that was developed by this administration called the Bottom-Up Review.

The Bottom-Up Review, which was meant to address potential threats that this country might face, is currently underfunded according to administration spokesmen, by at least $20 billion. Some estimates put the shortfall closer to $100 billion.

Even President Clinton, the "mother" of all defense cuts, is opposed to this amendment. I urge Members to vote against the Frank amendment.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE], who is on the Committee on Armed Services, as I contemplate the reference to the President as the "mother of all defense cuts."

Ms. FURSE. Mr. Chairman, the amendment before us today is about choices. We can choose to reduce the deficit, or we can choose to increase the defense budget.

I support a strong military. But I am opposed to wasting taxpayer dollars. Giving an additional $2.4 billion to the Defense Department is truly wasteful spending. This is not about a hollow force. Just listen to some of the things defense contractors charge the Pentagon for: A California defense firm charged the Pentagon more than one-half a million dollars for employee conferences in Jamaica, Hawaii, Mexico, and the Grand Cayman Islands.

And a Massachusetts military contractor let its employees use its 46-foot fishing boat for their personal enjoyment and charged the Pentagon $62,000, calling it overhead for Government contracts.

Taxpayers in my home State of Oregon, as well as those from around the country should be outraged. I know my constituents would rather pay for more cops on the beat than defense contractors' fun in the sun.

I quote my colleague, Mr. FRANK, we must also choose whether we are Uncle Sam or Uncle Sucker. The rest of the world invests in their own economies while U.S. taxpayers pick up the tab for their defense. I say it's time to stop being Uncle Sucker.

The Children's Defense Fund has endorsed our amendment. Because of poverty or lack of services American babies are at risk.

Mr. Chairman, I choose to help American children grow up in safe and healthy communities. I call on all of my colleagues to answer the following question: Do taxpayers in your district want to pick up the tab for waste and frivolous trips? If the answer is no, then you must support the Frank amendment. The 1994 level of spending appropriated for defense is quite enough.

□ 1730

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. HARMAN], my colleague on the Committee on Armed Services.

Ms. HARMAN. Mr. Chairman, the act of budgeting is about finding balances.

In that regard, I rise to oppose the Frank amendment and to support the committee-reported budget resolution.

Our job is to balance our Nation's critical needs with available resources. As a member of the Armed Services Committee, I know that we have struggled to find the proper balance in the defense budget—to build a military adequate to meet current and future threats during a time of shrinking defense dollars. As President Clinton said during his State of the Union speech, we must "draw the line against further defense cuts."

Though the fiscal atmosphere calls for tough decisions, both the administration and the Budget Committee have managed to retain a strong defense budget and stay within the discretionary spending caps. Taking an additional $2.4 billion out of defense would place our industrial base at risk, and force the Defense Department to make cuts that would leave our military vulnerable. The defense question would change from "How do we best meet global and regional threats?" to "Which threats will go unmet?"

As the representative of the aerospace center of California, I know what is at risk. And it is not pork.

The balance achieved in the committee budget resolution reflects the tough budget choices we made last year, enacting the largest deficit reduction package in history—nearly $500 billion over 5 years. Included in that package was a proposal I coauthored with several of my colleagues to create a deficit reduction trust fund to ensure that net revenue increases and spending reductions included in the package go toward deficit reduction—not new spending.

This discipline has paid off. The deficit is lower than it has been at any point in the 1990's. We have a growing economy, a falling jobless rate, historically low interest rates and negligible inflation. Our direction is sound, and the committee budget resolution keeps us on this fiscal path, and keeps Federal spending within the caps that the Congress enacted last year.

In contrast to maintaining the balance, the Solomon and Kasich alternative budgets compromise the investments we need to secure a productive future. The Solomon proposal cuts the technology development associated with the space station; it cuts wastewater treatment, land conservation, job training, education, and law enforcement. The Kasich proposal cuts energy research, including renewable energy research; it cuts environmental cleanup, civilian technology research, transit, student loans, and high speed rail development. And these are cuts beyond the substantial scale-back of discretionary spending under which we are now operating.

That is not to say that additional balanced deficit reduction cannot still be achieved. During the coming months, many of us will be fighting for specific cuts during the appropriations process. We need further tools to ensure that those cuts stick. That is why I have joined with a bipartisan group of colleagues in drafting a Deficit Reduction Lock Box. This lock box will mandate that cuts made in appropriations bills go to deficit reduction instead of simply freeing up the funds for future spending. We need the lock box to make sure that the deficit reduction momentum we have started can continue.

I commend the work of the Budget Committee in adhering to the difficult standards of last year's reconciliation bill and finding the proper balance between necessary investments and necessary cuts. I urge this House to continue to fight for responsible spending in the weeks and months ahead.

Mr. SPENCE. Mr. Chairman, I yield our remaining 30 seconds to the gentleman from Virginia [Mr. SISISKY].

Mr. SISISKY. Mr. Chairman, I thank the gentleman for giving me this time. I will just take a minute.

This afternoon we had a hearing in the Armed Services room concerning the Bottom-Up Review, and we had about four academics from different think tanks and other things, and three of them really were opposed to the Bottom-Up Review, and one was pro. And I asked them a very simple question at the end. I said, "It's so simple that all I need is a yes or no." I said, "On July 31 of 1990, would you have predicted that we would have 500,000 uniformed people 8,000 miles away in the desert by Christmas time?" And they all shook their head and said no. I said, "How can a bottom-up review predict where the next conflagration will be?"

Believe me, we need to defeat the Frank amendment and to keep our military strong.

Mr. FRANK of Massachusetts. I yield 2 minutes to the gentleman from Illinois [Mr. DURBIN] a member of the Committee on Agriculture and the Committee on Appropriations.

Mr. DURBIN. Mr. Chairman, as I listened to this debate, from time to time it sounded like a prayer meeting. Those who spoke critical of the Frank amendment kept using the familiar prayerful chant, "Hallowed be thy Army". And yet the simple fact of the matter is if the United States has any other nation in the world which is a threat, we are outspending that nation by at least 10 to 1. And if we combine all of the nations which we fear, the so-called rogue nations, all of their defense spending combined, the United States outspends them by a margin of almost 15 to 1.

This comes down to some pretty tough choices, as budget debates will. Which is more important to America, the defense of Japan or the defense of American families against crime? Which is more important to America, building President Reagan's cold war relic, the Star Wars Program, or building a health care system which protects millions of uninsured working families? Which is more important to our future, better schools or better Trident missiles?

Why in the world should we cut money to be spent on medical research so that we can turn around and give the Department of Defense the only increase over the budget deficit agreement of last year?

Many argue that these are false choices. I disagree. As the chairman of an Appropriations subcommittee, I am facing a freeze in spending. It is not pleasant. I think the Department of Defense should be up against the same kind of a standard.

Let me close by saying this: Next week we will have a vote on the balanced budget amendment. We will hear some of the most soaring rhetoric in the world about cutting spending. Take a close look at this roll call and find out how many of these balanced budget warriors are going to sign up today to actually cut $2.5 billion in spending.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. STENHOLM], my colleague on the Committee on the Budget.

Mr. STENHOLM. Mr. Chairman, I rise in opposition to the Frank amendment. I do so because of my growing concerns, now supported by this administration, that to cut defense further could unnecessarily jeopardize our Nation's security.

There has also been a great deal of confusion as to whether or not the Frank amendment reduces the deficit. Let me begin by saying that the gentleman from Massachusetts has been very honest insofar as not reallocating the $2.4 billion in budget authority which he removes from function 050, the National Defense function. Where I differ with Mr. FRANK is in his claim that this simple lack of reallocation will cause deficit reduction.

In my opinion, none of the facts of the amendment support such a claim. First, you will note that while the defense BA has been reduced by $2.4 billion, there is no reduction in defense outlays. As we all know, the deficit is an outlay number. If you compare the deficit numbers of the Sabo committee bill with the deficit numbers of the Frank amendment, you will note that they are identical. I do not understand how a deficit reduction claim can be made when the amendment itself shows precisely the same deficit number.

Second, if Mr. FRANK were committed to his new-found conversion to deficit reduction, he would have included in his amendment a lowering of the spending caps. As you will recall from last year's Penny-Kasich vote, the reason those of us who supported that amendment could claim deficit reduction was because we not only made the specific spending cuts, but we also lowered the caps. Only by lowering the discretionary caps is there an iron-clad guarantee of deficit reduction.

In truth, Mr. FRANK, as always, has been very honest about his hopes for these defense savings. His hope is that ultimately it will be the desire of this Congress to reduce the amount our Nation spends on defense and increase the amount we spend on domestic programs. That's a perfectly legitimate position for him to take and I support his right to take it. While I, too, want to reduce discretionary spending, where I differ is that I believe we must invest not in today's programs but in tomorrow's generations by removing the weight of our irresponsible spending from their shoulders.

I am encouraged by my friend's steps toward budget cutting and I hope that in the future we will be able to count on him to join the deficit reduction army.

I urge my colleagues to oppose the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BLACKWELL], a member of the Committee on the Budget.

Mr. BLACKWELL. Mr. Chairman. I rise in support of the amendment.

The amendment would strike the $2.5 billion increase in defense spending contained in the budget resolution. By implication, the amendment also rejects the proposed $6.4 billion increase in the substitute.

I support the amendment, Mr. Chairman, because I believe it is more important to fund certain, key domestic programs than it is to escalate the production of weapons.

When the Congressional Budget Office scored the President's fiscal year 1995 budget proposal, it found $3.1 billion in overspending. The major part of this overspending was due to an unexpected, proposed increase in defense spending.

Faced with this overspending, the budget committee sought to preserve the increases in defense spending, while finding reductions in domestic spending to meet the spending caps.

In my view, however, it is more important to fund drug free schools and communities than it is to fund nuclear weapons testing. In this budget, we spend almost twice as much on nuclear weapons testing than on drug free schools.

We spend $818 million for the B-2 Stealth bomber, an amount in excess of half the funds needed to fund the Low Income Home Energy Assistance Program at the fiscal year 1994 level.

We spend two and a half billion for the F-22 advanced tactical fighter. The cost of one of those planes, $134 million, would be more than enough to fund the Impact Aid Program for military dependents.

The list of defense spending goes on and on, while the list of domestic reductions goes on and on. It is time, Mr. Chairman, to put our priorities in order. I urge support for the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. TANNER] my colleague on the Committee on Armed Services.

□ 1740

Mr. TANNER. It is an old axiom that the only certainty in this world is uncertainty. I do not think anyone here, no matter how you are going to vote on this amendment, can seriously argue that we are not cutting defense in an orderly manner.

What we need is certainty in this downsizing. We can downsize the military in this country. We can do it safely without jeopardizing national security, but we must be left to do that job.

This approach, this amendment, is wrongheaded.

May I suggest to you that some had mentioned about pay. There are 20,000 military households that now qualify for food stamps. That is not anything to be proud of, because we asked these young men and women in uniform, and will, remembering that the only certainty is uncertainty, we will ask them again to go to some foreign land at some unknown hour, some unknown day, at some unknown week, some unknown month and year in the future, and lay down their lives for this country.

What we are talking about here is a wrongheaded approach to letting us on the committee downsize in a rational, logical manner.

Please, defeat this amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I rise to express my opposition to the Frank amendment.

Since 1985, we have been cutting the defense budget. And we will continue to cut in the future. By the year 1999 the defense will be only 2.8 percent of GDP—the lowest since before World War II.

What this means is the Army will lose 45 percent of its divisions, the Navy will lose 37 percent of its battle force ships and the Air Force will lose almost 40 percent of its attack aircraft.

If we are to continue to have the world's best equipped, best trained, and best prepared fighting forces—we must not undermine our Armed Services by accepting this amendment.

Again, I urge my colleagues to vote against the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS of Texas. Mr. Chairman, I keep hearing we should not give the Department of Defense special treatment. But the truth is if every Federal agency had been cut like the Department of Defense, we would not even have a deficit problem.

The Frank amendment will not reduce the deficit by one dime. What it will do is cut military training, COLA's, housing, and possibly even health care to open the door for pork-barrel politics.

Above all, $2.4 billion in extra cuts would mean we are willing to put the lives of our military personnel at greater risk in future conflicts. We have no right to do that.

Vote "no" on the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 30 seconds to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, I rise reluctantly to oppose the Frank amendment.

Cutting the 1995 defense budget by $2.5 billion, as proposed in the amendment, cannot be made without serious disruptions.

The demands on the Department of Defense for peacekeeping, disaster relief, environmental cleanup continue to increase while defense resources decrease, exacerbating the impact of any additional cut to defense.

There are no easy cuts left. The choice is either to cripple readiness or debilitate the modernization program. Maintaining readiness of our forces is the first priority, and we have got to maintain it.

I submit that we must oppose the Frank amendment.

Mr. BROWDER. Mr. Chairman, I yield 15 seconds to the gentleman from Kansas [Mr. SLATTERY].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield 15 seconds to the gentleman from Kansas [Mr. SLATTERY].

The CHAIRMAN. The gentleman from Kansas is recognized for 30 seconds.

Mr. SLATTERY. Mr. Chairman, I thank my friend, the gentleman from Massachusetts, and my friend, the gentleman from Alabama, for yielding me this time.

I rise in opposition to the Frank amendment. I do so because it was the Commander-in-Chief, our President, who spoke to all of us earlier this year who said it is time for us to draw the line on further defense cuts.

As far as I am concerned, it is the Commander-in-Chief who has the responsibility to defend American interests around this dangerous world, and it is critically important for us not to undermine the judgment of the President of the United States in terms of what his needs are to defend this country.

So I urge my colleagues to oppose the Frank amendment and to support the committee position on defense spending.

Mr. BROWDER. Mr. Chairman, I yield 15 seconds to the gentleman from Florida [Mr. HUTTO], chairman of the Subcommittee on Readiness.

Mr. HUTTO. Mr. Chairman, as chairman of the Readiness Subcommittee, I can tell you if we are going to have this tremendous drawdown, we are going to have to have ready forces. We cannot, if we have this kind of cut.

We have to give them the proper ops tempo, the number of flying hours, the steaming hours, the tank hours that they need. The drawdown is already too severe.

If we are going to have a strong national defense, we cannot tolerate this kind of cut.

Please, vote "no" on this amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the remainder of my time.

First, I have to differ with my friend, the gentleman from Texas [Mr. STENHOLM]. He has been a consistent and principal supporter of deficit reduction. When he said the amendment I am offering does not guarantee defense reduction, he was right, but I must say I think he overspoke when he suggested that it was unrelated to deficit reduction.

You cannot in the budget resolution repeal statutory caps. I concede that. What I can do is to do away with budget authority. Budget authority is what this process cedes to the appropriations committees to make binding future spending commitments. When you reduce budget authority by $2.4 billion, as this does, you take away $2.4 billion in future spending commitments.

That is why the National Taxpayers' Union and Citizens Against Government Waste have endorsed this, because it greatly advances the cause of deficit reduction.

Let us now talk about the reductions that have already held. Several Members here eloquently refuted a statement that no one has made. No one has suggested that there have not been cuts in defense spending. The question is: Have they been appropriate?

Yes, there have been cuts in defense spending. Partly that is because during the early 1980's, when we had a Commander in Chief named Ronald Reagan, defense spending was bloated. Beyond that, however, there has been a change in the reality that the Defense Department confronts.

I guess I should have had some charts. I would have had one chart which would have talked about reductions in the Warsaw Pact threat, except the chart would have gone down into the first floor.

Ten years ago we were told that one of the major reasons we were spending money in defense was to prevent the Eastern Europeans behind the Soviet Union in a land invasion of Western Europe. NATO was created for that. We were spending tens and tens of billions of dollars to protect Western Europe against an attack in which the Soviet Union led the Warsaw Pact countries to the West.

There is no Soviet Union. There is no Warsaw Pact. And several of those countries do not exist anymore.

No agency of the Federal Government has seen external reality change for the better as much as the Defense Department.

Yes, there are threats in the world. But let us not pretend they are new. People said, "Well, we have these other threats, Iraq and Iran." Iraq and Iran are menacing countries, but they are not new. What were Iraq and Iran in 1984? Disney World?

There has been a substantial drop in the nature of the threat we face. The capacity of the Soviet Union to damage us in nuclear war has been substantially diminished, although not totally abolished, and the Warsaw Pact has completely disappeared. The significant threat is gone.

So, of course, we have made some reductions. It would have been nuts not to.

The question is: Have we made enough? People say, "Well, there is a shortfall in defense." No doubt from the standpoint of the people who run that agency, there is a shortfall, but we have got some other shortfalls. We have a shortfall in police protection in this country. We have promised and promised and promised again more police protection, but you will spend it up when the Pentagon says, "We need it first."

We have shortfalls in education, shortfalls in health research at the NIH, shortfalls in environmental cleanup, shortfalls in health care for people. Yes, there are shortfalls.

The nature of Government in a time of limited resources is to try to do the best you can to deal with shortfalls, but there are people here who get scared politically and who will tell you that the one area where we must immunize them against the threat of shortfall is the Pentagon.

Where we are talking national defense, that is one thing. But we are talking more than national defense. We are talking about the greatest charity program in the history of the world, the one by which the taxpayers of the United States subsidize again and again and again the richest nations in the world in Western Europe.

Our Western European allies spend a small fraction of what we spend as a percentage of national wealth, but that is because there are people in this body who believe it is somehow the American taxpayer's obligation to subsidize France, Norway, Belgium, Germany, Italy, and other countries, because subsidize them we do.

They will cut their military budgets. They will provide greater services for their own people. And we will take up the slack for them.

No one doubts that we are by far the strongest Nation in the world with a considerable margin of superiority over everyone else. Of course, we should be. The question is whether we will continue when the rest of the world gets richer and when the threat gets smaller to spend disproportionately on defense.

There are plenty of places in this function that they can find $2.4 billion. We have intelligence. The intelligence agencies are the only ones who, when they screw up, say they need more money. When they do not do well, that is an argument for giving them more money.

We have the burdensharing where we carry Western Europe. We have weapons systems there. And is it a coincidence, or was there a high correlation between those who came and spoke for the budget and those who have defense money spent in their districts?

□ 1750

Now, the Defense Department, like any other department, has a mission and it also has goodies to hand out. It also has people who benefit from it. Some of my friends on the other side talked again about the jobs we would lose. One of the great inconsistencies in this country is that conservatives who tell you that the Government is a detractor from jobs, the Government hurts the economy, when the Government spends, it doesn't hurt anything—except for defense. Where defense is concerned, suddenly they become Harold Ickes's and Harry Hopkins. Defense, for them, is the WPA.

Defense spending ought to be treated the same as any other. Yes, it has dropped some from the days when it was way too high, but the threat has also dropped. If we do this for the Defense Department today, it comes either out of the deficit or out of other domestic programs. I think that is an unnecessary restriction to place upon ourselves.

The CHAIRMAN. The gentleman from Alabama [Mr. BROWDER] has 2 minutes remaining.

Mr. BROWDER. Mr. Chairman, I yield the balance of my time to the majority leader, the gentleman from Missouri [Mr. GEPHARDT], who will urge our Members to support the budget resolution recommended by the President and the Committee on the Budget.

Mr. GEPHARDT. Mr. Chairman and members of the committee, I rise with great respect of the author of this amendment and the argument he has made. On many occasions I have voted with him on issues like this because of my belief that we have had to cut our defense budget because we live in a different world today than we lived in a few years ago.

But I also believe that we have to pay attention to our President, who has made a decision and asked us to stand behind that decision. I would read from his letter, which has probably been read from before, where he said on March 9:

> As I pointed out in my State of the Union Address, I am fully committed to the principle that our military must be the best equipped, best trained, and the best prepared in the world. My fiscal year 1995 defense budget was based on a careful, bottom-up review of our defense requirements. It funds the forces required to meet our national defense strategy.

I think we should stick with that judgment. I understand and sympathize with many of the arguments that have been made. I think that not only because our strategists in the Pentagon feel we have to be prepared to fight a war or 1½ wars or whatever it is, but because I think in the world we are in we are beginning to take on a lot of peacekeeping responsibilities. We have been peacekeeping in Somalia, we have peacekeepers in Somalia. We have peacekeepers in Macedonia. We are likely to have some more there. We are likely to have some more in Bosnia if we can get a peace treaty in Bosnia. We are likely to be committing peacekeepers in the Middle East if we are fortunate enough to get a treaty in the Middle East.

It is a new world, but it is not a world that is without danger and it is not a world without needs for us to keep the peace. That takes defense dollars as well as dollars in other areas.

I urge Members to consider all of this as they vote on this amendment. I think what the Budget Committee did was appropriate. I think what the President asked for was right, and I hope the Members will stick with the President's budget, and I reluctantly speak against my friend's amendment.

Mrs. LLOYD. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Massachusetts.

My colleagues, I am a member of the Armed Services Committee. Over the years I have become intimately familiar with the issues surrounding our national defense. I have studied programs affecting readiness, personnel, and acquisition. We on the committee have attempted to change our defense budget priorities to reflect the end of the cold war and the changing threats that we may face.

The administration also has presented Congress with its view of defense spending and posture for the next 5 years. Defense spending is being cut significantly. I have expressed concerns that we may be cutting too much too fast. But I really must caution the membership against supporting any further cuts beyond the 5-year plan envisioned by the administration in the bottom-up review. We are pushing the envelope here.

The Frank amendment cuts $2.5 billion from our defense budget for fiscal year 1995. This is beyond the cuts asked for by the administration or the Budget Committee and clearly beyond any good judgment.

Mr. Chairman, we on the committee are about half way through our budget hearings. We have heard from all the services. If one walks away from those hearings with anything, it is the notion that we are getting perilously close to the hollow force of the 1970's. Readiness and operations and maintenance is being called into question. Make no mistake about it, this type of budget situation has a direct impact on the men and women who serve in the military. We have a responsibility to provide these men and women with the best equipment, training, and benefits we can. The Frank amendment and any further cuts, I believe, jeopardizes that commitment.

My colleagues, sadly, we continue to have a problem with sexual harassment in the military. Efforts so far to remedy this situation have fallen short. Further resources may be needed to develop the type of programs that will educate the military about this issue and hopefully eradicate sexual harassment of any kind from the military. I could go on and on about other areas that need funding to keep the military at a minimum level of readiness.

Please vote "no" on the Frank amendment.

Mrs. MALONEY. Mr. Chairman, I rise in strong support of the Frank amendment to the budget resolution.

We've all seen the graphs and heard the figures—next year the United States plans to spend as much on defense as the rest of the world combined, over $260 billion. In real dollars that's more than Richard Nixon's administration spent on defense at the very height of the cold war 20 years ago. Today the Soviet Union is gone and the Russian military is only a shadow of its former self. The Pentagon, however, insists that it still needs as much money as it had when the Soviet threat was real. The bottom-up review starts from the premise that the United States must be able to fight two Gulf War type conflicts simultaneously. Even given that dubious assumption, I fail to understand why this country must spend 23 times more than Iraq and North Korea combined.

I also find specious the argument that we must vote this increase to offset the pay raise that Congress mandated last year. The size of the military is decreasing—and many experts argue that we should downsize as much as 25 percent.

Mr. Chairman, three decades ago President Eisenhower warned the American people against the "conjunction of an immense military establishment and a large arms industry" and "the acquisition of unwarranted influence * * * by the military-industrial complex." His warning is one we should be heeding, especially at a time when our national security interests need to involve deficit reduction as a high priority. Congress courageously took the first important steps along that path last year, and now is no time to backtrack.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SPENCE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 105, noes 313, not voting 20 as follows:

[Roll No. 51]

AYES—105

Abercrombie
Ackerman
Andrews (ME)
Barca
Barrett (WI)
Becerra
Beilenson
Berman
Blackwell
Brown (OH)
Bryant
Cardin
Clayton
Collins (MI)
Conyers
Coyne
Danner
de Lugo (VI)
DeFazio
Dellums
Duncan
Durbin
Engel
English
Eshoo
Evans
Farr
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Furse
Gordon
Hamburg
Hinchey
Hoke
Inslee
Jacobs
Johnson (SD)
Johnston
Kennedy
Kildee
Kleczka
Klein
Klug
LaFalce
Lambert
Leach
Lewis (GA)
Maloney
Margolies-Mezvinsky
Markey
McDermott
McKinney
Meehan
Mfume
Minge
Mink
Moakley
Morella
Nadler
Neal (MA)
Norton (DC)
Nussle
Oberstar
Olver
Owens
Payne (NJ)
Penny
Peterson (MN)
Petri
Poshard
Rahall
Rangel
Roukema
Roybal-Allard
Rush
Sanders
Sangmeister
Schroeder
Schumer
Sensenbrenner
Serrano
Shays
Shepherd
Slaughter
Stark
Stokes
Studds
Synar
Towns
Unsoeld
Upton
Velazquez
Vento
Waters
Watt
Waxman
Woolsey
Wyden
Wynn
Yates
Zimmer

NOES—313

Allard
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clay
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crapo
Cunningham
Darden
de la Garza
Deal
DeLauro
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dornan
Dreier
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Goss
Grams
Grandy
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jefferson
Johnson (CT)
Johnson (GA)
Johnson, E.B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennelly
Kim
King
Kingston
Klink
Knollenberg
Kolbe
Kreidler
Kyl
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Levy
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Mann
Manton
Manzullo
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meek
Menendez
Meyers
Mica
Michel
Miller (FL)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murphy
Murtha
Myers
Neal (NC)
Obey
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roth
Rowland
Royce
Sabo
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Scott
Sharp
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Traficant
Tucker
Underwood (GU)
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Young (AK)
Young (FL)
Zeliff

NOT VOTING—20

Andrews (NJ)
Andrews (TX)
Brooks
Collins (IL)
Crane
Dooley
Edwards (CA)
Ford (TN)
Gallo
Gutierrez
Hastings
Kopetski
Lewis (CA)
McMillan
Miller (CA)
Natcher
Pelosi
Reynolds
Torricelli
Washington

☐ 1817

Messrs. OBERSTAR, STOKES, and HOKE changed there vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order to consider Amendment No. 2 printed in House Report 103–429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate this amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. SOLOMON:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $977,800,000,000.
Fiscal year 1996: $1,031,200,000,000.
Fiscal year 1997: $1,079,700,000,000.
Fiscal year 1998: $1,136,400,000,000.
Fiscal year 1999: $1,190,200,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,185,600,000.
Fiscal year 1996: $1,215,000,000.
Fiscal year 1997: $1,255,700,000.
Fiscal year 1998: $1,313,900,000.
Fiscal year 1999: $1,360,100,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,187,600,000,000.
Fiscal year 1996: $1,183,000,000,000.
Fiscal year 1997: $1,218,000,000,000.
Fiscal year 1998: $1,245,700,000,000.
Fiscal year 1999: $1,288,700,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $209,500,000,000.
Fiscal year 1996: $151,400,000,000.
Fiscal year 1997: $140,500,000,000.
Fiscal year 1998: $108,900,000,000.
Fiscal year 1999: $98,100,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,939,300,000,000.
Fiscal year 1996: $5,200,900,000,000.
Fiscal year 1997: $5,453,400,000,000.
Fiscal year 1998: $5,862,500,000,000.
Fiscal year 1999: $6,193,900,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,000,000,000.

(B) New primary loan guarantee commitments, $196,500,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $30,400,000,000.

(B) New primary loan guarantee commitments, $170,300,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $31,900,000,000.

(B) New primary loan guarantee commitments, $160,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $33,700,000,000.

(B) New primary loan guarantee commitments, $159,800,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $35,900,000,000.

(B) New primary loan guarantee commitments, $160,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $263,700,000,000.

(B) Outlays, $270,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $255,300,000,000.

(B) Outlays, $261,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $252,000,000,000.

(B) Outlays, $256,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $258,600,000,000.

(B) Outlays, $256,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $265,000,000,000.

(B) Outlays, $257,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $2,900,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,600,000,000.

(B) Outlays, $14,000,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $13,400,000,000.

(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $13,200,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $13,500,000,000.

(B) Outlays, $14,200,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $15,100,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $15,100,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $15,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,400,000,000.

(B) Outlays, $15,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,700,000,000.

(B) Outlays, $15,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $5,000,000,000.

(B) Outlays, $4,300,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $4,800,000,000.

(B) Outlays, $4,200,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,600,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $4,100,000,000.

(B) Outlays, $2,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,900,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $18,100,000,000.

(B) Outlays, $20,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $18,300,000,000.

(B) Outlays, $20,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,400,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $17,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $11,400,000,000.

(B) Outlays, $11,200,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $6,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $8,400,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $10,000,000,000.

(B) Outlays, $8,700,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $10,700,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $10,300,000,000.

(B) Outlays, $9,200,000,000.

(C) New direct loan obligations, $8,800,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $6,700,000,000.

(B) Outlays, −$10,200,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $4,650,000,000.

(B) Outlays, −$13,050,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $103,100,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $3,100,000,000.

(B) Outlays, −$6,200,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $3,200,000,000.

(B) Outlays, −$6,200,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $3,400,000,000.

(B) Outlays, −$5,300,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $32,500,000,000.

(B) Outlays, $33,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $33,400,000,000.

(B) Outlays, $34,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $34,900,000,000.

(B) Outlays, $34,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $36,700,000,000.

(B) Outlays, $34,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $37,500,000,000.

(B) Outlays, $35,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $9,200,000,000.

(B) Outlays, $12,500,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,300,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,800,000,000.

(B) Outlays, $9,800,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $50,900,000,000.

(B) Outlays, $50,900,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $49,800,000,000.

(B) Outlays, $47,900,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $50,300,000,000.

(B) Outlays, $48,500,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $51,200,000,000.

(B) Outlays, $49,800,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $51,800,000,000.

(B) Outlays, $50,400,000,000.

(C) New direct loan obligations, $16,900,000,000.

(D) New primary loan guarantee commitments, $11,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New budget authority, $118,800,000,000.

(B) Outlays, $118,100,000,000.

(C) New direct loan obligations, $0

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $124,500,000,000.

(B) Outlays, $123,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $131,800,000,000.

(B) Outlays, $130,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $140,400,000,000.

(B) Outlays, $138,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $151,100,000,000.

(B) Outlays, $149,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $162,400,000,000.

(B) Outlays, $151,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $180,400,000,000.

(B) Outlays, $153,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $198,400,000,000.

(B) Outlays, $167,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $217,500,000,000.

(B) Outlays, $179,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $242,100,000,000.

(B) Outlays, $193,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $207,200,000,000.

(B) Outlays, $213,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $208,700,000,000.

(B) Outlays, $210,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $217,700,000,000.

(B) Outlays, $218,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $232,600,000,000.

(B) Outlays, $220,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $228,200,000,000.

(B) Outlays, $229,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $6,800,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $9,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,300,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,000,000,000.

(B) Outlays, $12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,800,000,000.

(B) Outlays, $13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $36,600,000,000.

(B) Outlays, $36,500,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $36,200,000,000.

(B) Outlays, $34,900,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $36,100,000,000.

(B) Outlays, $36,100,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $35,600,000,000.

(B) Outlays, $35,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $35,500,000,000.

(B) Outlays, $35,700,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $15,300,000,000.

(B) Outlays, $15,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $15,200,000,000.

(B) Outlays, $15,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $15,100,000,000.

(B) Outlays, $14,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,300,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,200,000,000.

(B) Outlays, $15,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $12,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $11,100,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $10,500,000,000.

(B) Outlays, $11,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $9,900,000,000.

(B) Outlays, $10,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,500,000,000.

(B) Outlays, $9,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $242,900,000,000.

(B) Outlays, $242,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $258,300,000,000.

(B) Outlays, $258,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $266,800,000,000.

(B) Outlays, $266,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $273,700,000,000.

(B) Outlays, $273,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $285,700,000,000.

(B) Outlays, $285,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, −$11,900,000,000.

(B) Outlays, −$4,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$13,400,000,000.

(B) Outlays, −$9,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$13,600,000,000.

(B) Outlays, −$11,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$14,000,000,000.

(B) Outlays, −$12,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$14,500,000,000.

(B) Outlays, −$13,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,200,000,000.

(B) Outlays, −$36,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$30,600,000,000.

(B) Outlays, −$30,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,700,000,000.

(B) Outlays, −$30,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,700,000,000.

(B) Outlays, −$31,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$32,200,000,000.

(B) Outlays, −$32,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 5. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from inflated spending levels; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

SEC. 6. ADJUSTMENT OF PAY-AS-YOU-GO SCORECARD.

It is the sense of the Congress that upon enactment of a reconciliation bill pursuant to section 4, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net change in the deficit achieved through the enactment in that Act of direct spending and receipts legislation for that year.

SEC. 7. SPENDING REDUCTIONS.

Nothing in this concurrent resolution on the budget commits the Congress to making the specific spending reductions used as assumptions in deriving the appropriate budgetary levels in this concurrent resolution, with the full understanding that the Congress may make comparable spending reductions in other areas to arrive at the same appropriate budgetary levels.

The CHAIRMAN. Pursuant to the rule, the gentleman from New York [Mr. SOLOMON] will be recognized for 30 minutes, and a Member opposed, the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

MODIFICATION TO AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I ask unanimous consent to modify the Solomon amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SABO. Mr. Chairman, reserving the right to object, and I will not object, I do so in order that the gentleman from New York may explain his modification.

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Mr. SOLOMON. Mr. Chairman, if the gentleman will yield, because the Congressional Budget Office was unable to complete scoring of the Solomon substitute and others, we were unable to have the exact figures we have. We had plugs in what we had offered. We are now asking to have the corrections submitted at the desk.

Mr. SABO. Mr. Chairman, I withdraw my reservation of objection.

The text of the amendment in the nature of a substitute, as modified, offered by Mr. SOLOMON, is as follows:

Modification to amendment in the nature of a substitute offered by Mr. SOLOMON:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $975,683,000,000.
Fiscal year 1996: $1,028,844,000,000.
Fiscal year 1997: $1,079,570,000,000.
Fiscal year 1998: $1,136,278,000,000.
Fiscal year 1999: $1,190,049,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,154,722,000,000.
Fiscal year 1996: $1,176,157,000,000.
Fiscal year 1997: $1,222,353,000,000.
Fiscal year 1998: $1,279,873,000,000.
Fiscal year 1999: $1,324,885,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,176,773,000,000.
Fiscal year 1996: $1,173,966,000,000.
Fiscal year 1997: $1,211,781,000,000.
Fiscal year 1998: $1,239,458,000,000.
Fiscal year 1999: $1,281,851,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $201,090,000,000.
Fiscal year 1996: $145,122,000,000.
Fiscal year 1997: $132,211,000,000.
Fiscal year 1998: $103,180,000,000.
Fiscal year 1999: $91,802,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,924,400,000,000.
Fiscal year 1996: $5,150,300,000,000.
Fiscal year 1997: $5,363,000,000,000.
Fiscal year 1998: $5,547,900,000,000.
Fiscal year 1999: $5,713,800,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,000,000,000.

(B) New primary loan guarantee commitments, $196,500,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $30,400,000,000.

(B) New primary loan guarantee commitments, $170,300,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $31,900,000,000.

(B) New primary loan guarantee commitments, $160,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $33,700,000,000.

(B) New primary loan guarantee commitments, $159,800,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $35,900,000,000.

(B) New primary loan guarantee commitments, $160,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $267,433,000,000.

(B) Outlays, $274,301,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $260,977,000,000.

(B) Outlays, $267,033,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $259,878,000,000.

(B) Outlays, $263,928,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $267,416,000,000.

(B) Outlays, $265,068,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $275,866,000,000.

(B) Outlays, $266,899,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $13,260,000,000.

(B) Outlays, $16,299,000,000.

(C) New direct loan obligations, $2,900,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $10,177,000,000.

(B) Outlays, $13,613,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,604,000,000.

(B) Outlays, $12,404,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,890,000,000.

(B) Outlays, $11,346,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $8,200,000,000.

(B) Outlays, $10,630,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $14,666,000,000.

(B) Outlays, $15,601,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $14,655,000,000.

(B) Outlays, $14,734,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,946,000,000.

(B) Outlays, $14,770,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $14,935,000,000.

(B) Outlays, $14,942,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,223,000,000.

(B) Outlays, $15,131,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $3,294,000,000.

(B) Outlays, $2,551,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $3,000,000,000.

(B) Outlays, $2,529,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $2,500,000,000.

(B) Outlays, $1,848,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $1,885,000,000.

(B) Outlays, $629,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $1,453,000,000.

(B) Outlays, $381,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $18,729,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $14,700,000,000.

(B) Outlays, $16,691,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,899,000,000.

(B) Outlays, $12,998,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,258,000,000.

(B) Outlays, $12,244,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,853,000,000.

(B) Outlays, $11,784,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $7,734,000,000.

(B) Outlays, $7,722,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $6,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$254,000,000.

(B) Outlays, −$1,408,000,000.

(C) New direct loan obligations, $8,400,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $3,829,000,000.

(B) Outlays, $2,590,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $4,275,000,000.

(B) Outlays, $2,488,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $3,484,000,000.

(B) Outlays, $2,397,000,000.

(C) New direct loan obligations, $8,800,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $3,537,000,000.

(B) Outlays, $−11,074,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $935,000,000.

(B) Outlays, $−14,664,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $103,100,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $−238,000,000.

(B) Outlays, $−8,215,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $−779,000,000.

(B) Outlays, $−8,506,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $−1,139,000,000.

(B) Outlays, $−7,888,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $28,110,000,000.

(B) Outlays, $30,831,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $28,747,000,000.

(B) Outlays, $30,537,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $29,932,000,000.

(B) Outlays, $30,037,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $31,379,000,000.

(B) Outlays, $30,069,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $31,810,000,000.

(B) Outlays, $30,007,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $8,321,000,000.

(B) Outlays, $13,941,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $8,474,000,000.

(B) Outlays, $12,049,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,577,000,000.

(B) Outlays, $9,863,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,260,000,000.

(B) Outlays, $9,203,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,032,000,000.

(B) Outlays, $9,156,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $50,304,000,000.

(B) Outlays, $50,670,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $49,551,000,000.

(B) Outlays, $47,677,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $50,441,000,000.

(B) Outlays, $48,689,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $51,921,000,000.

(B) Outlays, $50,576,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $53,883,000,000.

(B) Outlays, $52,537,000,000.

(C) New direct loan obligations, $16,900,000,000.

(D) New primary loan guarantee commitments, $11,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New budget authority, $118,701,000,000.

(B) Outlays, $118,116,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $122,861,000,000.

(B) Outlays, $121,787,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $130,082,000,000.

(B) Outlays, $128,786,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $138,587,000,000.

(B) Outlays, $137,091,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $149,089,000,000.

(B) Outlays, $147,493,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $161,599,000,000.

(B) Outlays, $153,661,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $178,555,000,000.

(B) Outlays, $167,028,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $196,607,000,000.

(B) Outlays, $180,463,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $215,309,000,000.

(B) Outlays, $193,254,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $238,147,000,000.

(B) Outlays, $202,479,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $197,875,000,000.

(B) Outlays, $207,863,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $201,872,000,000.

(B) Outlays, $207,237,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $211,513,000,000.

(B) Outlays, $215,134,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $227,128,000,000.

(B) Outlays, $218,039,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $224,967,000,000.

(B) Outlays, $227,998,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $6,760,000,000.

(B) Outlays, $9,360,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $6,255,000,000.

(B) Outlays, $9,355,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,250,000,000.

(B) Outlays, $11,450,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,940,000,000.

(B) Outlays, $12,240,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,730,000,000.

(B) Outlays, $13,030,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $36,388,000,000.

(B) Outlays, $36,413,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $36,058,000,000.

(B) Outlays, $34,772,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $36,030,000,000.

(B) Outlays, $36,174,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $35,939,000,000.

(B) Outlays, $35,921,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $35,724,000,000.

(B) Outlays, $35,906,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $15,491,000,000.

(B) Outlays, $15,830,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $15,461,000,000.

(B) Outlays, $15,692,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $15,428,000,000.

(B) Outlays, $15,241,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,693,000,000.

(B) Outlays, $15,478,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $14,155,000,000.

(B) Outlays, $15,274,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $10,260,000,000.

(B) Outlays, $11,742,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $9,870,000,000.

(B) Outlays, $10,710,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $9,339,000,000.

(B) Outlays, $9,947,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,775,000,000.

(B) Outlays, $9,077,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $8,421,000,000.

(B) Outlays, $8,216,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $245,763,000,000.

(B) Outlays, $245,763,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $261,542,000,000.

(B) Outlays, $261,542,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $270,219,000,000.

(B) Outlays, $270,219,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $277,157,000,000.

(B) Outlays, $277,157,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $283.663,000,000.

(B) Outlays, $283,063,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $8.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, −$13,097,000,000.

(B) Outlays, −$5,161,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$15,625,000,000.

(B) Outlays, −$11,248,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$15,789,000,000.

(B) Outlays, −$13,795,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$16,395,000,000.

(B) Outlays, −$15,154,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$16,976,000,000,000.

(B) Outlays, −$15,932,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,385,000,000.

(B) Outlays, −$36,385,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$31,700,000,000.

(B) Outlays, −$31,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$30,700,000,000.

(B) Outlays, −$30,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$31,700,000,000.

(B) Outlays, −$31,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$32,300,000,000.

(B) Outlays, −$32,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 5. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) FINDINGS.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from inflated spending levels; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

SEC. 6. ADJUSTMENT OF PAY-AS-YOU-GO SCORECARD.

It is the sense of the Congress that upon enactment of a reconciliation bill pursuant to section 4, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net change in the deficit achieved through the enactment in that Act of direct spending and receipts legislation for that year.

SEC. 7. SPENDING REDUCTIONS.

Nothing in this concurrent resolution on the budget commits the Congress to making the specific spending reductions used as assumptions in deriving the appropriate budgetary levels in this concurrent resolution, with the full understanding that the Congress may make comparable spending reductions in other areas to arrive at the same appropriate budgetary levels.

"(5) the Federal government should suspend regulations mandating compliance with federal statutes that result in direct costs to state and local governments until reimbursement for these costs are provided by the Federal government."

The CHAIRMAN pro tempore (Mr. TORRES). Without objection, the amendment in the nature of a substitute offered by the gentleman from New York [Mr. SOLOMON] is modified.

There was no objection.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

In just 1 hour from now this Congress is going to have the opportunity to live up to your rhetoric and, for the first time in many years, actually vote for a balanced budget.

Mr. Chairman, this country is drowning in a sea of red ink that has literally turned this great country into a debtor nation; where the accumulated debt has grown so large—a debt incidently owned by mostly foreign nations—the interest on which is now larger than the amount we spend on our military budget.

Mr. Chairman, the Democrat budget before us today does noting to stop this hemorrhaging red ink, adding almost $200 billion a year to this unconscionable deficit.

Mr. Chairman, the balanced budget we present to you today stops that deficit spiral, and actually produces a surplus that begins to pay off the debt in the year 1999, 2000, and 20001.

Mr. Chairman, this balanced budget contains more than 500 specific cuts totalling more than $600 billion.

To build this consensus balanced budget, we included recommendations and suggestions from: the Concord Coalition, the Grace Commission, the Congressional Budget Office, Citizens Against Government Waste, Individual Member Initiatives, National Taxpayers' Union, Heritage Foundation, The Porkbusters Coalition, and many others.

Mr. Chairman, during the recent Senate debate on the balanced budget amendment, President Clinton, OMB Director Leon Panetta, (in twisting arms to vote against it), made the point that we don't need a balanced budget amendment.

What we need is a Congress willing to vote for a balanced budget.

Well Members, Congress is going to get their chance to do just that today.

Other critics and Members—including Senate Majority Leader GEORGE MITCHELL—claimed that you could not balance the budget without dipping into the Social Security retirement trust fund, slashing earned benefits for veterans and without raising taxes.

Well, that kind of rhetorical scare tactic was wrong too and we prove it with this balanced budget.

This balanced budget does not touch the Social Security retirement fund.

It does not cut a dime from veterans benefits.

It does not raise taxes.

And, instead of decimating the defense budget, it actually restores about $50 billion in cuts proposed by President Clinton.

Mr. Chairman, in this budget, everyone will be asked to tighten their belts, including Congress itself.

Our budget is tough medicine. It cuts congressional spending by 25 percent.

Cuts White House spending by 25 percent.

Consolidates departments like Energy and Interior.

Terminates many Federal commissions.

Eliminates programs like the space station.

Privatizes programs like NOAA.

Contracts out items like the U.S. Printing Office.

Eliminates 90 percent of crop subsidies.

Bars financial assistance to illegal aliens.

Merges job training programs.

Sells off the governments direct loan portfolio to the private sector.

And, in all of this belt tightening, which touches every branch of Government, we only cut spending by a mere 3½ percent yet we manage to balance the Federal budget.

Is a 3½ percent cut over five years too much to ask of this Congress?

Well we think not and the American people think not.

And we are asking Congress to summon the courage to vote for this balanced budget today.

The buck stops here, ladies and gentlemen.

No longer can we blame past or present Presidents for the deficit crisis.

We can only blame ourselves if we fail to vote for a truly balanced budget today.

Budget Committee members in the other body, over in the Senate, have reviewed this balanced budget that we have before Members here today. They are so impressed that they have scored it and have printed it as a working document, which I have right here in front of me. They are going to use this working document. I would expect them to present this in the other body as the official Republican substitute, a balanced budget, which the American people insist on.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

As I understand it, the gentleman's amendment increases defense spending about 50 billion beyond the President's projections over the next 5 years.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, that is correct.

Mr. SABO. And makes no reductions in Social Security?

Mr. SOLOMON. Mr. Chairman, if the gentleman will continue to yield, that is correct.

Mr. SABO. And then $600 billion elsewhere?

Mr. SOLOMON. With one qualification. As most Members know, the Kasich budget, which is the official Republican alternative, which I am supporting, is a part of this Solomon balanced budget task force substitute.

What we have simply done, so every Member understands, we have removed all the tax cutting provisions out of the Republican alternative.

Mr. SABO. Which provisions?

Mr. SOLOMON. All of the tax cutting provisions out of the Republican alternative. And then we have added an additional $300 billion-plus in spending cuts, which we have itemized and have passed out to all Members. That is how we arrived at this official figure, which I have just given the gentleman, which indicates we are reducing the deficit over the 5-year period by $698 billion, over the 5-year period, leaving a surplus in the fifth year, 1999, a surplus of $8 billion.

Mr. SABO. Mr. Chairman, I am curious what the gentleman is doing with farm programs, because as we read the budget, in 1996, it produces a billion four of revenue to the Federal Government.

Mr. SOLOMON. Mr. Chairman, I would say to the gentleman that we do not touch any of the agricultural programs other than what is in the Kasich budget, except we eliminate the CCC, the Commodity Credit Corporation. We eliminate all of it but the milk price supports, which certain members of the task force did not feel was a commodity crop program.

Mr. SABO. But I am curious, the Ag programs end up making money for us in 1996.

Mr. SOLOMON. If that is the case, we show that as a revenue in our budget.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to ask the gentleman, what he is saying is, he cut out all farm programs affecting wheat, corn, rice, cotton, tobacco, everything. For whatever reason, we leave dairy alone in this program, and the dairy program also on occasion costs the Government some money.

I support it, but I do not understand, for the life of me, why the gentleman wants to say to the wheat farmer, the corn farmer, the rice farmer, the cotton farmer and all of the other farmers in the country that they are going to suffer. And by the way, they are in bleak economic times, as it is.

The removal of these programs will probably throw thousands of farmers, if not ten of thousands, into bankruptcy. But the gentleman leaves the dairy farmer alone.

□ 1830

Mr. SOLOMON. The gentleman raises a very, very good concern. As a matter of fact, when I mentioned that we had taken all of the recommendations by the Grace Commission, the Concord Commission, et cetera, we had over a trillion dollars in cuts, and included in that was a recommendation to do away with the dairy as well and a lot of other things. They had a recommendation, for instance, to raise the Medicare qualifications from 65 to 67 years. That was dropped. The dairy was dropped. If we had had the votes, we could have kept it all in, but we were unable to do that.

Mr. GLICKMAN. Just 1 additional second, if the gentleman will yield.

Mr. SABO. I am happy to yield to the gentleman from Kansas.

Mr. GLICKMAN. First of all, I compliment the gentleman from New York. He at least comes up with something that makes real proposals. I disagree with most of them, but there is at least some intellectual honesty in here.

The problem with his proposals is that it will throw, just this one piece of it, vast portions of rural America into cataclysm. With no advanced warning the gentleman is removing the entire safety net that the government provides for crops in this country, and that will produce a great deal of havoc for the people who rely on food and fiber in America, and for that reason alone I would ask Members to vote against the amendment.

Mr. SOLOMON. Will the gentleman yield further?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Because of that very concern, because there are a lot of things in here that I do not like, one of them, for instance, is privatizing of Amtrak which runs 270 miles right straight through my district, and I have probably more stops than anyone, yet I cannot vote against this whole budget because it happens to be in here. I put in a caveat so if we have a reconciliation bill later on, or if we have our 13 appropriation bills and the agricultural appropriation bill comes forth, there is nothing to prevent the gentleman from substituting and putting back in the CCC, and making light cuts within the domestic programs. And I would imagine the gentleman would see fit to do that. We were looking out for the gentleman's interests when we put this in here.

Mr. SABO. Mr. Chairman, I reserve the balance of my time.

Mr. SOLOMON. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL], a gentleman who has taken this well many times as the chairman of the Porkbusters Task Force, and I thank him for his input.

Mr. FAWELL. Mr. Chairman, this is a historic vote that we will be having. I rise in support of the Solomon balanced budget resolution, and I do for one particular reason at least, but there are others. It is because I do not see that the administration, nor do I see anywhere else that there are any plans whatsoever to balance the budget either in this century or the one that is coming up. And lo and behold, come fiscal year 1999, we are going to have new debt, counting trust fund borrowing, of over $350 billion as we go into the next century.

I came to Congress in January of 1985. The debt was $1.4 trillion. I have witnessed all kinds of 5-year plans and fancy deficit reduction promises, promising literally trillions of dollars of deficit reductions. And what have we got but trillions of dollars of new debt, $300 billion just to pay interest on that.

Why is this so? The problem, I suggest, is that all of the deficit reduction plans that we have had are founded on the idea of decreasing increases in spending. We all know what that means. What we have in this budget is not perfect, but it makes the hard choices of eliminating and cutting literally hundreds, 500 programs.

It has been said if you die and go to heaven, and you want to come back and have eternal life, come back as a Federal program because we never cut. We can put the lie to that.

Will the Clinton 5-year so-called deficit-reduction plan change anything? No, because the Clinton plan adds $1.7 trillion of new debt over its 5-year span, and this is based on the improbable assumption that, first, all of the plan's $250 billion in new taxes will be collected—they won't—and also on the assumption that all of the plan's $255 billion in deficit cuts will be made—they won't. In fact, 80 percent of Mr. Clinton's deficit cuts come in years four and five of the 5-year plan and we all know that Congress' 5-year deficit reduction plans don't even last that long. But, even with these assumptions, Mr. Clinton's 5-year deficit reduction plan would add $1.7 trillion to the national debt by fiscal year 1999. And, by fiscal year 1998 the debt will be a minimum of $6 trillion, and it will be $6.3 trillion by fiscal year 1999. These are right in the President's 5-year budget presented this year!

We're going to hear all kinds of things from special interest groups who won't like these cuts in the Solomon-Fawell-Upton balanced budget. "This is not the time," they will say. For 24 years it has "not been the time" for Congress to balance its budget! No matter what economic times we've had during the last 24 years, good or bad, it's never the right time for Congress to balance its budget. Well, I ask if now is not the right time, what time is the right time?

There are, however, some people you will not hear from in regard to the issue of Congress finally balancing its budget. I can tell Members who will not be calling them. For one, Emily Heap, 5 years old, Naperville, IL, will not be calling you. Zoe Fawell, 6 years old in Naperville, IL, will also not call you. They are two of my eight grandchildren, and your grandchildren and children will not call you either because do you know what? They trust the Congress. They really trust the Congress. Nobody has told them that no one is even planning to do anything about balancing the Congressional budget—in this century, nor the next. No one. But we know one thing for sure—the national debt will climb to at least $6.3 trillion by 1999. The President's budget guarantees the children of America about that—it's right there in the President's budget.

This balanced budget is for Emily and Zoe and the millions of other children who will have a brighter economic future if Congress has the guts to actually balance its budget over the next 5 years. We can do it. This budget shows we can do it, if this Congress really wants to.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong opposition to the Solomon substitute to House Concurrent Resolution 218 and in support of the concurrent resolution.

Since I have arrived in Congress, the message has been consistent: With precious few dollars to go around, we must pay for programs that have a proven track record of working, and we must continue to invest in the American people. Both the Solomon and the Kasich substitute amendments fail this test.

The Solomon substitute guts assistance for seniors by cutting the valuable Senior Community Service Employment Program as well as by cutting Medicare reimbursements to hospitals for health care and lab services. If you represent a rural community heavily populated by seniors, this alone should convince you to vote "no." Rural health care facilities that are disproportionately dependent on Medicare would be big losers under this Solomon provision.

But the slash-and-burn tactics do not stop with our seniors. The Solomon substitute hurts young adults by slashing education assistance in the form of guaranteed student loans and health professional education subsidies. This is not frivolous spending, this is investment in our future.

These are programs that invest in our people, both young and old. These are programs that need and deserve our support.

We also need to fund programs that we know work.

The Byrne Formula Block Grant has been zeroed out by the administration and was not reinstated by the Budget Committee. Yet just last week, I and some of my colleagues on the Government Operations Committee heard testimony from law enforcement professionals that stated that the Byrne Formula Grant must be restored if we are to have any success in the war on drugs. My testimony on this issue which was submitted to the Budget Committee further illuminates the success that States like Michigan have enjoyed under the Byrne Formula Grant Program. While the American people have told us that they are willing to spend money on an improved criminal justice system, Mr. SOLOMON's substitute makes significant cuts in this and other justice assistance programs making any such investments impossible.

The chairman has done an excellent job of keeping us within our discretionary spending limits. This new fiscal discipline, however, mandates that we be more careful in choosing spending programs. Funding for the Coast Guard is another example of where we should be investing. All of the budgets before us today reduce the administration's request for Coast Guard acquisition, construction, and improvement. Mr. Chairman, this money is not political or controversial. The Coast Guard requires a minimum of between $500 and $600 million a year just to maintain the assets they have right now. While the Coast Guard is running as lean as possible, it would be a mistake to put off investing in its most basic capital needs. These reductions would seriously degrade the Coast Guard's ability to protect our precious water resources in the Great Lakes region.

Mr. Chairman, where is the investment in our people? Where is the investment in programs that have shown success? They are not in the Solomon or Kasich proposals. I urge a no vote on the Solomon amendment.

I would urge my colleagues to cast a vote for investment in the American people.

Vote "no" on Solomon.

□ 1840

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I say to my good friend, the gentleman from Michigan [Mr. STUPAK], you know, the same cuts he is complaining about were those that were in Penny-Kasich that he and I helped to craft and we both voted for.

Mr. STUPAK. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Michigan.

Mr. STUPAK. For the same reason I had to vote against Penny-Kasich, because it cut seniors and it cut the other programs.

Mr. SOLOMON. Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. ZIMMER] who has had a great input into this piece of legislation.

Mr. ZIMMER. Mr. Chairman, it is time to put up or shut up. In today's Washington Post a deputy House majority whip is quoted as saying we don't need a balanced budget Constitutional amendment. "We shouldn't hide behind the Constitution," he says. He goes on to say "If we want to balance the budget we should have the courage to just do it." Well, here is your chance to just do it. The Solomon budget is your only chance. Neither the President nor the Budget Committee majority has a plan to balance the budget this year, this century, next century or ever. The Solomon budget is the only game in town. For those of you who say all we need is courage, you can show some today by voting yes.

For those of us who are committed to a balanced budget amendment because we believe it is the only thing that will force Congress to get its fiscal house in order, here is an opportunity for us to show we have the courage of our convictions and to move from easy rhetoric to painful reality. Here is a chance to put the taxpayers' money where our mouth is.

There are cuts in the Solomon budget that I strongly disagree with. If I had written it myself I would have done it differently. But those of us who advocate a balanced budget have a moral obligation to get specific and show how it can be done.

Let us show our constituents that Congress is able to do what every family has to do, what every business has to do, indeed what every State Government has to do and that is to live within our means. Support the Solomon amendment.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. POMEROY], one of the distinguished new Members of the House and one who represents my native State in Congress.

Mr. POMEROY. Mr. Chairman, I rise to oppose the Solomon amendment.

Mr. Chairman, in my analysis, this is the most complete and absolutely devastating attack on rural America that I have seen in the now 14 months I have been a Member of this body.

The Solomon amendment would eliminate all farm commodity programs vital to virtually every agricultural community in every region of this country. It would eliminate Farmers Home, a critical source of farm credit, particularly for struggling farmers, family farmers, trying to remain on the land.

It would eliminate the Rural Electric Associations. And what would be the consequence of these eliminations? Just a few farmers suffering a little more pain? Absolutely not. The result would be dramatically higher electric rates for more than 25 million REA subscribers across this country.

The result would be dramatically higher grocery bills because what we have with the farm program is not an expensive farm program. What we have is a cheap food policy, and the results translate directly into the amounts the consumers in rural, in urban, in virtually every city of this country pay when they go to their grocery store. That would be the consequence of the proposals relative to agriculture proposed in the Solomon amendment.

What is most mystifying to me is that cuts of such a draconian nature must be crafted under some kind of belief that everything is fat out on the farm when, in fact, the results shows that absolutely directly opposite conclusions must be drawn.

In my State, and I represent North Dakota, one of the most rural States in the country, we had 42,000 family farmers in 1975. The count as of 1992 showed down to 33,000 family farmers, and the out migration proportionate in North Dakota, as reported by United Van Lines, is consistently ranked at the very top or near the top of the 50 States in the country.

I can tell you from the personal experience that I see every weekend in the coffee shops across my State what a dire and difficult time this is for family farmers. I do not just speak for North Dakota when I make that point, Mr. Chairman.

In a survey taken of the 14 plain States, 500 of the 633 counties experienced serious out migration.

If you want to forecast yet additional consequences of voting for the Solomon amendment this afternoon, you can add the ramifications of a huge new population in our urban areas as people now struggling to remain on the farm and sustain family farm agriculture into the next generation are forced to throw in the towel and move to the cities.

There are a lot of other cuts that I seriously question the wisdom of, and the deep savaging of Medicare, I think, ought to raise grave concern for anyone contemplating supporting this measure.

But particularly when it comes to agriculture, this matter, this proposal, really goes way too far.

I urge defeat of the Solomon amendment.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will point out to the gentleman that, first of all, we do not eliminate Farmers Home. We simply cut it like we do other programs.

We do not decimate Medicare. We do not even cut it anywhere near what President Clinton does in his Health Care Program.

Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in support of the only budget amendment before us today that will actually balance the budget, and I commend the gentleman from New York for offering it.

The Solomon-Fawell-Upton budget alternative will give every Member the chance to vote for what the overwhelming majority of Americans are saying: Cut spending first.

Mr. Chairman, the Solomon alternative balances our budget in 5 years.

It does not cut Social Security or earned veterans benefits. It does not devastate our already weakened defense budget, and it does not raise taxes.

It does not touch Medicare benefits. In fact, the Medicare budget grows under the Solomon proposal.

Mr. Speaker, what the Solomon budget proposes to do is cut unneeded and unnecessary federally subsidized programs that we just simply cannot afford any more. I wish we could, but we cannot.

Mr. SOLOMON's proposal cuts $27 billion that we have been giving to illegal aliens.

It puts a moratorium on land purchases. In fact, the National Park Service already has a backlog of $5.6 billion in land acquisition costs. That would take us 37 years to pay off.

It ends additional U.S. financial support for the International Monetary Fund [IMF] and the World Bank, which have consistently failed to promote economic development through their lending programs.

It eliminates the Advisory Commission on Intergovenmental Relations which studies Federal-State frictions. This duplicates the work of various executive branch and State governments.

The Solomon amendment would cut in half, by $5 billion, Federal spending on furniture and office decorations.

It would reduce the amount the Federal Government uses to pay consultants, saving $24 billion over 5 years, and the list goes on. Sadly, these programs are only the tip of the iceberg in unneeded and unnecessary programs.

We have a debt of more than $4.3 trillion. We are spending almost $1 billion a day of money that we do not have.

Our Federal debt continues to increase and our children and grandchildren will have to pay for this ridiculous expenditure.

I urge support for the Solomon budget proposal.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from Sanibel, FL [Mr. GOSS], who has had tremendous input in trying to once and for all balance this budget.

Mr. GOSS. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the Solomon budget ensures we can meet a balanced budget amendment by cutting waste by fiscal year 1999, and America can understand that, while the Clinton budget leaves us way off the mark, in fact, about $6 trillion off the mark in terms of the national debt.

The Solomon balanced budget provides for a specific realistic blueprint for achieving a balanced budget, and even recording a surplus into the next century.

This is not a vague pronouncement of principle. This is tough cuts. It is hard choices, and it is real deficit reduction.

Of course, we all find difficult the tradeoffs on this list of more than 500 line item budget cuts. Clearly each of us might have done a list a little differently as we are hearing in this debate. I, in fact, have done House Resolution 377, called the Spirit of '76, and it is a list of 76 cuts that does not touch Social Security, does not touch Medicare, does not touch Medicaid, does not touch veterans' benefits, but does cut $285 billion over 5 years.

Fortunately, many of my cuts are included in the Solomon substitute.

Clearly, each Member might prefer cutting more in one area in the interests of maintaining more resources in another area. That is what this is about. That is why we asked in the Committee on Rules to have a deliberate process in considering the Solomon budget where any Member could have sought to substitute one cut for another as long as the total value of the deficit reduction achieved by the package was not reduced.

Even though the Committee on Rules declined to give us that flexibility, I hope my colleagues will agree that this package does represent a breakthrough in the campaign to bring our Federal budget into balance by cutting.

This package deserves our support. Seventy percent of America is telling us, "Balance the budget."

Now is the time. We can vote for a true balanced budget plan.

And in the reported words of the gentlewoman from the Commonwealth of Pennsylvania from across the aisle, "We are putting our money where our mouth is," and we urge our colleagues from both sides of the aisle to follow that advice as well.

Mr. SABO. Mr. Chairman, I would ask the gentleman from New York, could you describe the Medicare cuts that you have in here?

Mr. SOLOMON. If the gentleman will yield, all of our Medicare cuts are again what is in the Kasich budget. We do not touch the eligibility of it. Just, for example, I think I told the gentleman that there was a rumor that we had raised the qualification requirement from 65 to 67 years. We do not do that. We do not touch it at all.

We simply took the entire Republican alternative and incorporated it into our budget.

Mr. SABO. Maybe the gentleman could explain one thing that I do not understand in that alternative. They take and have some seniors pay 100 percent of the national cost, average national cost, for part B of Medicare. I looked at that issue last summer and discovered that in 95 percent of the counties in this country the actual costs were substantially less than the national average.

□ 1850

In my home State of Minnesota, every county, every county was substantially below the national average, and in some States the difference was even more pronounced. So a very significant number of the elderly in this country to which this provision would apply would be paying substantially more than the 100 percent of part B premiums.

Mr. SOLOMON. I would say to the gentleman I was not a member of this committee, but in talking to the members of the Committee on the Budget on the Republican side, they had informed me that the reason that they put that in there, in their budget, is because it only affected those people, single people with incomes above $70,000 and couples above $90,000.

Mr. SABO. That is right, but there are still significant parts of the country which would be asked to pay substantially more than actual costs. I have always tried to understand that rationalization. Over 95 percent of the counties, the actual costs there are below the national average.

Mr. GILCHREST. Mr. Chairman, would the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Maryland.

Mr. GILCHREST. I thank the gentleman for yielding.

Mr. Chairman, is the gentleman not asking that seniors, fairly wealthy seniors at that, just have their subsidy from the Federal Government reduced?

Mr. SABO. If the gentleman would yield. No.

Mr. GILCHREST. That is a subsidy that they are getting from the Federal Government.

Mr. SABO. No. Currently, they pay 25 percent of the national average. They go to 100 percent of the national average. The reality is that in 95 percent of the counties, the actual cost is significantly below the national average. So for those seniors, they would be paying substantially more than 100 percent of the actual cost for part B.

Mr. GILCHREST. I am not sure if I would use the word "substantially," but we are talking about seniors, fairly wealthy seniors with that income, having their subsidy reduced for that particular health insurance.

Mr. SABO. No, you eliminate all the subsidy plus ask 95 percent of the counties to pay more than 100 percent of their actual cost.

So, they are being asked to—and I forget what the actual average is, something like $130 a month—there are significant parts of the country where the actual costs are less than $100 a month.

Mr. GILCHREST. Apparently, there are significant parts of the country where there are wealthier seniors.

Mr. SABO. No. What there is around the country is significant differences in health care costs and significant difference in Medicare reimbursements around the country.

So, for most of the counties, most rural counties and even many urban areas, those seniors would be asked to pay substantially more than 100 percent of actual cost.

You might want to check into this and find the rationalization.

Mr. SOLOMON. I would just say to the gentleman I would certainly like to check into it. Again, that is why we have written into our substitute these caps that would allow the Committee on Appropriations or the Committee on the Budget, the reconciliation, later on, to make those substitutions if there is a problem there. Does the gentleman's bill deal with it at all?

Mr. SABO. No. As a matter of fact, the President has a recommendation for changing Part B premiums in his health care proposal. That is something the committees will have to be looking at. That is one of the potential sources of revenue for funding health care reform in this session of Congress.

Mr. SOLOMON. Mr. Chairman, the gentleman knows I have great respect for him and the work that he does, and even Members on that side of the aisle, but you know, the gentleman from North Dakota said we are decimating rural America. I represent rural America. This budget hurts everybody, it is tough medicine, but it does not just go to rural America; it goes to suburban America, it goes to inner-core cities. Everybody has to take their fair cut. And that is what we are doing in this budget.

We would certainly be glad to hear any other recommendations to get to the balanced budget amendment to prevent what is happening there, and that is a $204 billion deficit 5 years from now in that 1 year alone.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the heart of changing that long-term deficit in this country is for us to fundamentally deal with health care reform. There is one part of the Federal budget that is growing very rapidly, and that is health care, Medicare, Medicaid reimbursements. To get a handle on the totality of the health care costs in this country, and the same thing happening in the private sector, clearly the most compelling issue before this session of Congress is to find agreement on health care reform, how we can achieve universal coverage to make sure people in this country have health insurance and at the same time control the escalating costs for both the public and private sectors.

There is no issue more important to individual Americans and their individual lives, there is no issue more important to us than to be able to control the long-term deficit in this country.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield briefly?

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, I really share a lot of the same concerns with the gentleman from Minnesota. That is why—you know, President Clinton is proposing to abolish Medicare, for all intents and purposes——

Mr. SABO. No.

Mr. SOLOMON. I do not think he ought to be doing that. We ought to maintain it. That is a part of the system that is not broke.

Mr. SABO. The gentleman from New York [Mr. SOLOMON] is totally inaccurate in his description of the President's program. That is a comprehensive plan for reform, a base where we consider as we move to deal with that most important issue.

The fact is the gentleman from New York would substantially impact all kinds of programs that are of prime importance to millions of Americans while the real issue before us this session is whether we can move forward on the very important issue of reforming our health care system.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. SOLOMON] has 16½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 10 minutes remaining.

Mr. SOLOMON. Mr. Chairman, this body is going to lose one of its most valuable Members at the end of this session. If there is anyone who has tried to focus on the terrible deficits which are just ruining this country, it is the speaker I am going to recommend from the other side of the aisle. I refer to one of the most respected Members of this body, the gentleman from Minnesota [Mr. PENNY], who has announced his retirement at the end of this year.

Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. I thank the gentleman from New York for yielding this time to me.

Mr. Chairman, I applaud the chairman of the Committee on the Budget for his articulation of the health reform issue, because clearly we must reform out health system with an eye toward reducing the Federal deficit. Health care reform that does not cut Federal health care expenditures is not worthy of the word "reform."

The health care reform plan adopted by this Congress must show budget savings in the first 5 years, not after the turn of the century.

We have before us today, however, a budget resolution. This comes just 1 week ahead of a vote on a balanced budget amendment. A two-thirds' vote is required to pass a balanced budget amendment, and there are currently 260 cosponsors of that measure, nearly the two thirds required to pass it.

With or without a balanced budget amendment, we need to make the tough choices. What we want to find out today is whether we have a similar number of legislators who are willing to vote for a tough budget that would actually balance the Federal accounts within the next 5 years; 260 cosponsors of the balanced budget amendment, how many of them will vote today for a balanced budget? There is only one budget under consideration that cuts nearly $700 billion and would balance the budget within 5 years. It is the Solomon budget, and it deserves our support.

Any tough budget includes controversial items, and clearly none of us would agree with all the details of the Solomon plan. But we ought to agree with the goals set forth by this plan.

I think it is critically important to convey to the American public just how painful and far-reaching the cuts must be in order to reach a balanced budget, which most Americans claim they want us to achieve.

Most of this plan I can wholeheartedly endorse. As suggested by a previous speaker, I too would have some problems with the severity of the agricultural cuts. But on the other hand, I do not believe we need to add back money in the Pentagon budget. I can live with the President's number. But the totality of this plan still gets us a balanced budget in 5 years and it does convey that there are no easy choices.

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Too many other budget alternatives gloss over the fact that we still have a major deficit problem, and I would rather be identified with a budget that takes the deficit seriously rather than one which pretends the deficit is no longer a threat.

Admittedly we have made some progress with the passage of the President's economic program, and the deficit is coming down in the near term. But under that program, Mr. Chairman, the deficit has climbed again in the outyears, and more heavy lifting will be required in order to tackle the deficit at that time. We ought to face those choices now and not wait a few years, until the deficit crisis resurfaces.

Last year, Mr. Chairman, I think the gentleman from New York [Mr. SOLOMON] deserved credit for offering what was the best budget. But it only received a handful of votes, and unfortunately in my time in Congress I have noticed that the toughest budgets always get the fewest votes. We have to change that record, and we ought to start tonight. Instead of empty rhetoric about a balanced budget amendment, instead of rhetoric about the near term success of the President's economic program, let us challenge ourselves and the American public to finally face reality.

Mr. Chairman, we either have to vote for tough budget cuts or we cannot have a balanced budget. The Solomon budget places that challenge before this institution and before the country. It deserves our support.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. ZELIFF]. New Hampshire has gone through unbelievable weather this year, along with my neck of the woods. This gentleman has done much since he came here to try to bring this budget under control.

Mr. ZELIFF. Mr. Chairman, I rise today in support of the Solomon balanced budget proposal. I am proud to have worked with the balanced budget task force in creating this proposal to produce a budget surplus in just 5 years.

Mr. Chairman, what we have done today is to present to this House a document that shows that a balanced budget is possible—without touching Social Security retirement or earned veterans benefits, or raising taxes.

This is a significant accomplishment. It shows all the naysayers that real spending cuts can be used to reach a balanced budget.

On the day of the balanced budget amendment vote in the Senate, our former colleague and friend, the OMB Director, Leon Panetta, said this country does not need a balanced budget amendment. We do not need to change the Constitution to force us to do what we are elected to do.

Mr. Panetta said that a constitutional amendment "doesn't give anybody the guts or courage that they need to make the right choices." Mr. Chairman, the Solomon amendment enables us to make those tough choices today.

Mr. Chairman, we cannot have it both ways. The administration does not want a constitutional amendment to balance the budget. The administration also will not support our effort to propose a real balanced budget with those tough choices today.

There is no question that this is a tough package of spending cuts. And I have to tell you that I do not agree with all of the cuts in the Solomon plan. But in the interest of balancing our Federal budget, I support it. We need to start somewhere.

To those Members who do not like these specific cuts, I say: It would have been nice to have an open rule on spending cuts. My good friend from New York [Mr. SOLOMON], and I asked the Rules Committee for an A to Z style open rule. This would have allowed the House to examine and vote on each specific spending cut in this package.

An open rule would have allowed Members to either add or delete a particular program. Unfortunately, we did not get the opportunity and we must now vote on the package of cuts before us.

Mr. Chairman, the Solomon package is a reasonable attempt to balance the Federal budget. It is tough medicine, but it is only a 3.5-percent spending cut. Any business in this Nation could find a way to cut 3.5 percent from their budget, so I ask, "Why can't the U.S. Congress make a 3.5-percent cut?"

It is time that we stop playing the game of telling people back home that we care about living within our means and then come back down here and do something else. The Solomon budget before us is balanced, and while not perfect, will do the job.

Our problem is spending. It is time to take the medicine, my friends, and stop passing our examples on to future generations. Here is the plan. Now we need your vote.

I urge my colleague to vote yes on the Solomon amendment.

Mr. SOLOMON. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. GILCHREST], another Member who has been so active in trying to bring this deficit under control.

Mr. GILCHREST. Mr. Chairman, I thank the gentleman from New York [Mr. SOLOMON] for yielding this time to me. I want to make a couple of comments.

Mr. Chairman, I do not live in North or South Dakota, but I live in a very rural area of Maryland, and there are certainly things in this budget that I would not put as my priority, but in the overall scheme of things this is not only good for the country, but it is good for rural areas, and I represent a rural community, and, unless we balance this budget soon, and that is in 5 years, our debt will consume all our dollars, and there will be no money for any programs. Over $290 billion just for interest on the national debt, and that amount is increasing, not decreasing. That money does not go for seniors, it does not go for educational programs, it does not go for health reform, it does not go for public safety, it goes for nothing, and it is about time that we get a handle on the debt.

I am sure that all of us agree that the deficit needs to be eliminated; about two-thirds of us will probably vote for a balanced budget amendment in the near future. But for most of us, it seems that deficit elimination should be the responsibility of some other Congress, some other time, cutting some other people's programs or raising some other people's taxes. This mentality—deficit elimination, but not on my watch—is threatening to bankrupt our children.

Too many of us fail to realize that every year we wait, it will be harder to balance the budget because of demographic factors and growing interest on the debt. The deep cuts in the Solomon budget may seem draconian today, but in a few years they will be necessary just to meet the interest payments, and still deeper cuts will be required to pay for our spending today.

Those draconian cuts today will seem mild compared to what we will have to do in the future if we do not cut the debt today.

Many Members are probably concerned about how the Solomon budget cuts this program or that program in somebody's district; about how certain groups might be offended, about how this could hurt them politically. Let us be clear on one thing: this is a budget resolution. The only thing binding in this resolution is the bottom line, and that is the spending cuts, and that is what we need to do today.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to another gentleman from Maryland [Mr. BARTLETT], a freshman Member in this House whom we deeply admire.

Mr. BARTLETT of Maryland. Mr. Chairman, I was pleased to be a member of the Balanced Budget Task Force, and I rise in strong support of the Solomon budget. This budget does what American citizens have asked us to do. It balances the budget.

Mr. Chairman, there is no way, no way, that we are ever going to balance the budget without some discomfort and perhaps without some pain. This discomfort and pain is reflected in the appeals of those who have stood to oppose this budget.

It causes me some personal pain, but I say to my colleagues, I think that if you're No. 1 in the world, you're the only superpower in the world, you need to act like you're No. 1 in the world, and that means pursuing programs like the Space Station. But I tell you it's far more important to me to get our country back on a track to solvency than it is to at this moment pursue the Space Station. I'm willing to put that on hold until we balance the budget, and then we'll do programs like that, high priority programs on a pay as you go basis.

My colleagues, let us not send the message to the American people that we have just been funning them when we talk about a balanced budget amendment, that we are not really serious. Let us make the tough choices before we bankrupt our country. Let us vote for the Solomon budget resolution.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER], a Member of this body who was deprived of offering his amendment by the rule that brought this budget to the floor. His cuts are a part of this budget, and we appreciate his cooperation.

□ 1910

Mr. SCHAEFER. Mr. Chairman, I rise in support of the balanced budget substitute offered by Mr. SOLOMON.

I wish that the full House of Representatives had the opportunity to vote on more than deficit reduction substitute. Unfortunately, the Rules Committee blocked a vote on my substitute, which ordered a $560 billion reconciliation, based on the spending reductions in H.R. 3958, the Fiscal Responsibility Act.

Nevertheless, I am pleased to support the Solomon substitute. Too many are content that we have done enough deficit cutting for the time being. I am here today to tell you that such complacency would be misplaced and dangerous.

Any deficit relief derived from the 1993 reconciliation will be very temporary. Within only a few years, the deficit will surpass its current levels and race toward new records.

Mr. Chairman, now is the time to press the attack on the deficit—not a few years from now when it is again reaching record levels. We have the deficit up against the ropes. We should go for the knockout punch.

The Solomon substitute is that knockout punch and I urge my colleagues to support it.

Mr. SOLOMON. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Chairman, 80 percent of us in this Chamber I believe want to get to the summit of a balanced budget. What route are we going to take to get there? I think we ought to put a lot of green lights up there for this particular bill tonight. Maybe not because it is the right route, but because it follows something my brother did for me once when I was young. We were trying to climb a mountain. And I looked up at the mountain, and it was a long ways up there. There was a cliff. I did not see any good way of getting there. All the routes were risky. All of the routes involved potential risk to me. I was a little leery about taking any of them.

My brother went up there, and he took a route, and it was not the route I would have picked, but he went to the top. And he got there.

Maybe this bill will not pass or this amendment will not pass tonight, but we ought to put some green lights up there to send a message to everyone in this country, to the leadership, and our leader in the White House, that there are people willing to go up there, to take some route to get to the top, even though it involves risk in every one of our districts and to every one of our constituents.

Mr. SOLOMON. Mr. Chairman, let me say to my good friend, the gentleman from Minnesota [Mr. SABO] that we have one closing speaker.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, just let me briefly say that I rise in opposition to the amendment. I commend the gentleman for his work. He clearly has put a great deal of work into this amendment. It achieves the goal the gentleman sets. It achieves it in a fashion that in my judgment would be very detrimental to the economy of this country and to the economic future of this country.

I have to remind this body that we are on a course of significant deficit reduction. We moved from $255 billion in the 1993 budget to around $225 billion in 1994, to a projection of $175 billion in 1995. We are there because the economy responded to the economic package we passed last year, which was a disciplined deficit reduction plan. It worked. The economy responded.

We had many people on the other side of the aisle who were telling us that things simply were not going to work when we passed it a year ago. Fortunately, we passed the program, and the economy has responded. It is growing. Jobs are being produced again. So we are on the right track.

I hope and would urge Members to vote down this amendment, but I commend the gentleman from New York, Mr. SOLOMON, for his hard work and the sincerity with which he approaches it.

Mr. Chairman, I yield back the balance of my time.

Mr. SOLOMON. Mr. Chairman, let me just say to the gentleman from Minnesota, [Mr. SABO] who is the chairman of the Committee on the Budget, he is one of the most respected Members on that side of the aisle because we know of his perseverance and the hard work he does. We commend him for it.

Mr. Chairman, I yield the balance of our time to the gentleman from Michigan [Mr. UPTON], one of the cochairmen of the Balanced Budget Task Force, who has done yeoman's work for so many years trying to bring the budget under control.

Mr. UPTON. Mr. Chairman, I think that everyone here in this House would individually write a different budget than is being offered today, and I think that is one of the reasons why so many of us in fact voted against the rule which denied so many other excellent alternative amendments.

Mr. Chairman, I am voting for the budgets that reduce the deficits in the outyears. In the few years that I have held office, I can almost count on one hand those special interest groups that have stopped by my office asking me to reduce spending. Instead, almost every group out there is asking for more, and more, and more. That is no way to run a railroad, and it is certainly not the way to run the Government.

Mr. Chairman, several years ago a number of us drafted a freeze budget. Everyone sacrificed. However, the Committee on Rules refused us the opportunity to even offer that budget for a vote here on the House floor. Consequently, we are far worse off today with a $4.5 trillion national debt. Too bad we can't turn back the clock and consider that amendment anew.

Mr. Chairman, next week we are debating the constitutional amendment to balance the budget. We will hear a lot of rhetoric from the opponents of such saying instead that we need only the courage to reduce the national debt and the annual deficit.

Well, unfortunately we have not shown much courage, as was witnessed just yesterday when this House failed to approve a couple of cuts that even the President cut in his own education budget.

Remember last year's budget battle, when we finally got rid of the beekeeper subsidy that had been stinging the taxpayer far too long.

Mr. SOLOMON's budget is not perfect, but it does balance the budget. And for those of us that want to believe that this place is not the Land of Oz, where deficit spending goes on and on and on down that yellow brick road, it is time to get back to reality.

Mr. Chairman, you can show your courage tonight by voting for the Solomon substitute, because if you believe in fiscal responsibility, it is indeed time to walk the walk, and not just talk the talk.

Mr. Chairman, in closing, I would just like to point out this chart indicating the CBO deficit projections in terms of where this budget process is taking us. Under the Solomon budget, in fact, we get to a balanced budget; in fact, we get to a surplus in the fiscal year 1999. And I think for all of us that go to those town meetings and read our mail and sign it back to the folks that sent us here, they know it is time to cut spending first, and that is what this budget does.

Mr. Chairman, I would encourage my colleagues to show courage tonight. Go take a medal from the lion from the Wizard of Oz. You can do it tonight by voting yes on the Solomon substitute.

Mr. SMITH of Michigan. Mr. Chairman, I am supporting the Solomon amendment because it is the only opportunity to vote on a balanced budget this year. I am disappointed that the Rules Committee would not allow an open rule so that we could consider changes to these proposals.

I disagree with several cuts in this substitute. In particular, I am in very strong disagreement with the language in the Solomon proposal that does away with essentially all farm programs starting next year. We do need to move to Federal farm policy that allows farmers to get reasonable prices at the marketplace. However, this needs to be a gradual adjustment to assure that we continue the high quality of food and fiber that's available at the lowest prices in the world.

Hard working farmers, abundant natural resources, world-class research and extension, and the free enterprise system have made the United States the largest and most efficient producer of food and fiber in the world. As a result, Americans spend just 12 percent of their disposable income on food, the lowest in the world. The average farmer in 1960 fed 16 people. Today that farmer feeds 96, with even greater nutrition and quality.

The fact is that if we want to have a stable supply of food and fiber in this country, a farmer cannot stay in business and sell below his cost of production. Farm programs have been an inefficient way to make adjustments and need to be drastically modified, but cannot be totally eliminated as suggested by SOLOMON.

In conclusion, I commend Mr. SOLOMON for having the only balanced budget amendment on the floor. Because this budget resolution is a guideline for spending and not a mandate to what programs are cut, I am casting my vote in favor of a balanced budget.

Mr. PACKARD. Mr. Chairman, I rise in support of the budget alternative presented by my distinguished colleague, Mr. SOLOMON.

I support Mr. SOLOMON'S alternative to President Clinton's budget for several reasons.

But the most compelling reason for my district in southern California is that Mr. SOLOMON'S alternative eliminates benefits for illegal aliens.

Now this House has recently been through a very emotional debate about benefits for illegal aliens. The debate degenerated into a name calling session. Apparently, if you support eliminating benefits for those who have broken our laws to enter this country, you are a fascist. You can be accused of being a racist.

Mr. Chairman, I commend Mr. SOLOMON and his colleagues for recognizing this for what it is: an economic issue. It is appropriate that eliminating these benefits is put in the context of a budget debate, because that is where it belongs.

As Members of Congress, we are sworn to uphold the laws of this land. It is illegal to enter our country without going through the proper naturalization process to become a citizen. I don't care what your motivation is, that is the law.

However, the Federal Government will give benefits to those who enter our country illegally. This ought to be stopped. Vote for the Solomon budget alternative and make this a reality.

Mr. PORTER. Mr. Chairman, the Budget Committee has jurisdiction not over the allocation for each function of Government, such as agriculture, defense, transportation, and so forth, but only over the overall spending amount.

The Solomon budget would balance the budget by fiscal year 1999 solely by restraining spending, not by raising taxes.

While I do not agree with the detail the gentleman from New York offers in support of his overall spending limit, I do agree with his balanced budget goal and that it is achievable through spending restraints, this spirit, and with this understanding, I support the Solomon budget substitute.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from New York [Mr. SOLOMON].

The question was taken, and the Chairman announced that the "ayes" appeared to have it.

RECORDED VOTE

Mr. SABO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 73, noes 342, not voting 23, as follows:

[Roll No. 52]

AYES—73

Armey
Bachus (AL)
Baker (LA)
Ballenger
Barcia
Bartlett
Barton
Burton
Callahan
Coble
Collins (GA)
Condit
Cox
Cunningham
Deal
DeLay
Dornan
Dreier
Duncan
Fawell
Fingerhut
Fish
Franks (NJ)
Gilchrest
Goodlatte
Goodling
Goss
Greenwood
Hancock
Hoekstra
Hoke
Hunter
Inslee
Istook
Johnson (GA)
Knollenberg
Kreidler
Margolies-Mezvinsky
McCandless
Mica
Miller (FL)
Minge
Moorhead
Murphy
Orton
Packard
Paxon
Payne (VA)
Penny
Petri
Porter
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Rohrabacher
Roth
Royce
Schaefer
Sensenbrenner
Shays
Smith (MI)
Solomon
Stenholm
Sundquist
Swett
Tauzin
Taylor (MS)
Upton
Weldon
Zeliff
Zimmer

NOES—342

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Applegate
Archer
Bacchus (FL)
Baesler
Baker (CA)
Barca
Barlow
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Buyer
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (MI)
Combest
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doolittle
Dunn
Durbin
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foglietta
Ford (MI)
Fowler
Franks (CT)
Frost
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Gordon
Grams
Grandy
Green
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Kolbe
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Michel
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella

Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Parker
Pastor
Payne (NJ)
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Smith (OR)
Snowe
Spence
Spratt
Stark
Stearns
Stokes
Strickland
Studds
Stump
Stupak
Swift
Synar
Talent
Tanner
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)

NOT VOTING—23

Andrews (TX)
Brooks
Collins (IL)
Crane
Dooley
Edwards (CA)
Ford (TN)
Frank (MA)
Gallo
Gutierrez
Hastings
Kopetski
Lewis (CA)
McMillan
Miller (CA)
Natcher
Pelosi
Reynolds
Shaw
Smith (TX)
Torricelli
Washington
Wilson

☐ 1942

The Clerk announced the following pairs:

On this vote.

Mr. Lewis of California for, with Mr. Shaw, against.

Mr. McMillan for, with Mr. Dooley, against.

Mr. JOHNSON of South Dakota, Mr. MFUME, Mrs. BYRNE, and Messrs. KIM, MANZULLO, and EHLERS changed their vote from "aye" to "no."

Messrs. PAYNE of Virginia, GOODLATTE, KREIDLER, BARTON of Texas, FINGERHUT, and SWETT changed their vote from "no" to "aye."

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

Mr. SABO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SMITH of Iowa) having assumed the chair, Mr. SERRANO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 417

Mr. FOGLIETTA. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 417, the Securities Private Enforcement Reform Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

COMMUNICATION FROM HON. STEVEN SCHIFF, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Hon. STEVEN SCHIFF, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 9, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House that a member of my staff has been served with a subpoena issued with regard to a Special Court-Martial appointed pursuant to appropriate military authority.

After consultation with the General Counsel to the Clerk, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

STEVEN SCHIFF.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on House Administration:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 10, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L of the Rules of the House that the Committee on House Administration has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is not inconsistent with the privileges and precedents of the House.

Sincerely,

CHARLIE ROSE,
Chairman.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

REDUCTION IN REGULATORY CONTROL OF FEDERAL RESERVE BOARD IS SUBJECT OF PROPOSED LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, for several days now and weeks I have been addressing this question of the Federal Reserve Board and its total lack of accountability.

One reason that there is dire need to have accountability is that all history shows no matter, irrespective of what society, all through mankind's recorded history, that when power, particularly tremendous power, or wholesale grants of power flow to any individual, group of individuals, no matter what, whether they be public, private, even religious institutions, that there will be a corruption and misuse of that power ultimately.

The fundamental premise of our Government, even before the Constitution and even during the beginning and the first glimmers of nationhood, the question of accountability was foremost.

For example, the issue the First and Second Continental Congresses, and then the body under the Articles of Confederation was what is technically known as fiscal agent or banker was going to be used.

☐ 1950

And if any of my colleagues would like to know what such great Americans as Thomas Jefferson thought of bankers and the confraternity, I invite you to read his remarks about it.

But at this point, for whatever reason, and particularly since the war, that is the 1940's, neither the Congress, which created the Federal Reserve Board, incidentally—the Federal Reserve Board was not heaven-sent—it was created by the Congress and the Congress has not seen fit, nor the executive branch in its power to appoint the Chairman and some of the members, has not been able to have any kind of accountability flowing from the Federal Reserve Board.

As a result, Americans know and are feeling now the effects of this unaccountability of power because it is the power that determines the allocation of a credit, who does it, who will benefit, who will have access to credit which always from the beginning of our nationhood has been the central question.

With the Federal Reserve insisting that it has an almost divine right to retain its regulatory function over bank holding companies, as I brought out last night and the night before, it may come as a surprise to some that the central bank came into this position of power as an accident of the political battles with the Nixon administration.

For example, interest rates: All during the war, President Roosevelt and the Government did not have to pay even an average of 2 percent on its borrowing to wage and win the war. How did that happen? How could that have been done when now the Government has to pay not only interest of huge amounts, in fact, just a few years ago it was paying as much as 16 percent on long-term bonds, which is usury, but worse than that it is compound interest. We keep going that way and forget about ever resolving the national debt, which is now really not acceptable, over $4 trillion, and that does not account for the private debt, that is us Americans, and corporate debt, which is almost equal to that governmental debt.

So we are in deep trouble, and it is the policies set by a board that has no responsibility to account for its actions to anybody. In the name of what? Independence.

So what? The difference is that after the war and when we went into the 1970's and the Nixon administration, things happened that changed everything from the management of the debt and the handling of the debt and the function that the Congress set forth for the Federal Reserve Board has been usurped. The Federal Reserve Board Act of 1913 says the Federal Reserve Board shall be the fiscal agent of the U.S. Treasury. But, lo and behold, it is the one that is printing our money.

I ask my colleagues to reach into your pockets and pick out any note, a $1 note, $5 note, $10 note, $20 note, and see if you do not see "Federal Reserve note." That used to be, not too long ago, "U.S. Treasury note." Therein is a big story.

But during the Nixon period, in the banking industry, then under the head of Paul Volcker, later the Chairman of the Fed, who was then at the Chase Manhattan Bank, presented a plan to scatter the Fed's regulatory authority to three different agencies. And the rest is history.

I will continue to bring out the sorry and dreary results to the detriment of Americans who find themselves, as Jefferson said we will find ourselves, "Americans homeless, rootless in our own land," made so by the bankers.

Mr. Speaker, with the Federal Reserve insisting that it has an almost divine right to retain its regulatory functions over bank holding companies, it may come as a surprise to some that the central bank came into this position of power as an accident of political battles with the Nixon administration. Some would also be surprised that the Nixon administration's Treasury Department with its banker leadership including Paul Volcker, then at Chase Manhattan Bank, presented a plan to scatter the Fed's regulatory authority to three different agencies. It was the great former House Banking chairman, Wright Patman, who was compelled to choose the lesser of two evils in 1970—to allow the Federal Reserve to retain its present authority just as the holding company plan of organization was beginning to spread throughout the banking industry.

Over the last two decades the holding company form of organization of banks has exploded. Today the Federal Reserve regulates holding companies, which have 93 percent of the country's banking assets. Before the 1970's the Federal Reserve had few regulatory responsibilities and it did not protest or cry that it needed to supervise banks and bank holding companies in order to formulate monetary policy.

The historical record shows this endowment of regulatory power is merely the result of political fights in the 1960's and 1070's between former House Banking chairman, Wright Patman, the Office of the Comptroller of the Currency—which examines national banks—and the Nixon administration, which wanted to weaken control over bank holding companies by giving it to three banking regulators. To avoid this scenario, the Congress passed legislation in 1970 giving full authority to the Federal Reserve to regulate bank holding companies.

Although the 1933 Banking Act provided for mild regulation of bank holding companies, it exempted most one-bank holding companies ostensibly on the grounds that they were small local enterprises that shouldn't be subject to "onerous regulation." The Federal Reserve historically had been conservative in its approach to nonbanking activities and had established relatively narrow limits on bank holding companies' activities after the passage of the 1956 Bank Holding Company Act.

However, in the 1960's, the Office of the Comptroller of the Currency, beginning with Comptroller James Saxon, allowed holding companies to branch to the outer limits by approving a variety of nonbank acquisitions and activities by national banks, even though existing law prohibited banks from getting into nonbanking businesses. Eventually, Comptroller Saxon had to defend his positions in lawsuit after lawsuit brought by entities threatened by the entry of banks into their business. Saxon lost consistently in the courts.

The Comptroller's liberal policy was a bonanza to large banks. By the late 1960's large banks—anxious to bypass the law and expand their role in commerce—had seized on the loophole and formed one-bank holding companies that branched into a wide range of activities—even Shakey's Pizza Parlors and S&H Green Stamps. With the explosion of the myth of one-bank holding companies being sleepy rural entities, the banking industry saw the opportunity to weaken federal restrictions on multi-bank holding companies as well.

The Nixon administration took up the cause of both reducing regulation of bank holding companies and taking regulatory authority away from the Federal Reserve. Even before Nixon took office, his transition team made it clear that holding company legislation would be one of the administration's first initiatives.

President Nixon's Treasury Department—headed by David Kennedy, president and CEO, Continental Illinois National Bank, Charles Walker, executive director, the American Bankers Association, and Paul Volcker of Chase Manhattan Bank and later, Federal Reserve Chairman—drafted legislation which broadened the closely related clause for holding company activities and scattered the regulation among the three banking agencies—the Office of the Comptroller of the Currency, the Federal Reserve, and the Federal Deposit Insurance Corporation—with the regulator of the lead bank getting the jurisdiction over the holding company.

Former House Banking Chairman Wright Patman dubbed this the "three-headed monster." To his credit, when Paul Volcker later went to the Federal Reserve, along with Chairman Arthur Burns, he exhibited some caution on nonbank activities of holding companies.

Chairman Patman, after President Nixon's election, introduced legislation the first day of the new Congress that retained existing requirements for close regulation of holding companies and retention of holding company authority by the Federal Reserve. The 1970 amendments to the 1956 Bank Holding Company Act put the holding company regulatory functions exclusively at the Federal Reserve.

Anyone who interprets Congress 1970 preference for Federal Reserve regulation of bank holding companies as some kind of historical endorsement for the continued presence of the Federal Reserve in the regulatory structure is missing the point of the 1967–1970 fight. As far back as the 1950's, Chairman Patman was a staunch proponent of a single bank regulator which would have stripped regulatory duties from the Federal Reserve. He was forced by the Comptroller of the Currency and the initiatives of the Nixon administration to settle for leaving the regulation of holding companies with the Federal Reserve.

The historical record hardly supports Federal Reserve Chairman Greenspan's arguments for the vital need for this regulation. Chairman Greenspan is waging a classic turf war on behalf of the Government bureaucracy largely controlled by the bankers. This is why I urge my colleagues to consider the new, independent single bank regulator advocated by the Clinton administration, which will prove more cost-effective and less duplicative than our present Federal bank regulatory system.

H.R. 3982, THE OCEAN RADIOACTIVE DUMPING BAN ACT OF 1994

The SPEAKER pro tempore (Mr. LAUGHLIN). Under a previous order of the House, the gentleman from Pennsylvania [Mr. WELDON] is recognized for 5 minutes.

Mr. WELDON. Mr. Speaker, yesterday, Chairman ORTIZ and I introduced the Ocean Radioactive Dumping Ban Act of 1994. The act conforms the U.S. law to the international treaty known as the London Convention which, effective February 20, 1994, banned the dumping of radioactive waste at sea.

Currently, the ocean dumping of radioactive waste is regulated under the Ocean Dumping Act [ODA]. The ODA allows dumping of radioactive waste only after Congress has passed a joint resolution authorizing the dumping. Although this provision has been in force since 1985, Congress has yet to authorize any radioactive dumping.

For decades, U.S. law on ocean pollution has been more stringent than international law. At the time of enactment, the radioactive dumping provisions in ODA were among the most restrictive in the world, going well beyond international treaty obligations. That is no longer the case.

The Ocean Radioactive Dumping Ban Act corrects this by eliminating ODA's current arduous permitting process and replacing it with a simple ban. It ensures that the United States retains its leadership position in protecting the world's marine environment.

The relevance of the United States' banning radioactive dumping is far reaching. Historically, the United States has set international policy on ocean dumping of radioactive waste. Until last year, the United States had resisted an international ban. Through the United States influence, the issue was left unresolved.

That all changed last November, when the Clinton administration reversed the United States policy and announced its support for a ban. The reversal, which was brought on in part by heavy lobbying from the Global Legislators Organization for a Balanced Environment [GLOBE], enabled the international community to amend the London Convention to ban the ocean dumping of nuclear waste.

As the ranking Republican on the Oceanography, Gulf of Mexico, and Outer Continental Shelf Subcommittee and the newly appointed chairman of the GLOBE Ocean Protection Working Group, I have spent the last year working to eliminate radioactive contamination of the sea.

On September 30, 1993, at my request, the Oceanography Subcommittee held a hearing on the threat of contamination from the Russian dumping of nuclear waste. For four decades the former Soviet Union, and now the Russian Republic, has been dumping nuclear waste from nuclear submarines and weapons plants into the world's oceans. The information gathered by the subcommittee was sobering.

The West's first concrete evidence about the dumping came last summer following the release of the Yablokov Report, which was commissioned by President Boris Yeltsin to detail the extent of Soviet nuclear disposal at sea. According to the report, the Soviet Union had dumped over 2.5 million curies of radioactive waste into the Arctic Ocean and other marine environments. By comparison, the accident at Three Mile Island in my home state of Pennsylvania released 15 curies of radiation.

During the hearing, the subcommittee discovered that since 1959, the former Soviet Union dumped 18 nuclear reactors, a reactor screen 11,000 to 17,000 cannisters of nuclear waste, and hundreds of thousands of gallon of liquid radioactive waste. It also learned that solid nuclear fuel waste totaling 10 million curies is currently stored aboard vessels in Murmansk Harbor.

Even after the fall of communism, Moscow has continued to dispose of radioactive waste at sea. In October 1993, Russia dumped 900 tons of low-level radioactive waste in the Sea of Japan in violation of a previously agreed upon international moratorium. According to Japanese press accounts, high ranking Russian officials have admitted that ocean dumping is likely to persist.

The Russian Federation's actions following the October dumping have only reinforced these fears. Russia was one of only five nations to abstain from voting to approve the London Convention radioactive dumping ban in November 1993. Then, just last month, it became the only nation to declare its intent not to comply with the new international ban on dumping.

Hopefully, with pressure from the United States, the Russian Federation can be convinced to change its policy. With ten million curies of radiation stored aboard ships in Murmansk Harbor and awaiting disposal, the risk to the marine environment is significant if we fail.

Clearly, the world's oceans should not be used as nuclear disposal sites. Before the United States can pressure Russia to comply with international law, we must set a strong example ourselves. We must pass H.R. 3982 and ban this destructive dumping once and for all.

Mr. Speaker, only through strong U.S. leadership is there any hope that the ongoing nuclear contamination of marine environments can be stopped. I encourage all my colleagues to join me in this effort by cosponsoring the Ocean Radioactive Dumping Ban Act of 1994.

□ 2000

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. KASICH] is recognized for 60 minutes as the designee of the minority leader.

THE REPUBLICAN BUDGET ALTERNATIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. KASICH] is recognized for 60 minutes.

Mr. KASICH. Mr. Speaker, I want to take a few minutes tonight to talk a little bit about the Republican budget alternative, the putting families first, Kasich, Republican, budget that will be voted on tomorrow, we believe, and I know that maybe some of our listeners are a little bit tired of all the budget talk they heard today. I know some of the people are tired of listening to this discussion about the budget. But I know they are not tired of thinking about the fact that each one of them may qualify because they have children who would be eligible for the $500 tax credit.

More on that later for those that are listening. I want to go back and kind of paint the picture of where we have been in the last 15 months.

I say to my colleagues, you might remember that last year the President came up here, and he said, "If you don't like my tax and spend program, then, Republicans, let us have your specifics," and so the budgeteers sat down, and we basically began to reinvent government, and we put our specifics on the table, and what we did is we said that we would be able to reduce the deficit by as much as the President without a tax increase.

Mr. Speaker, we sent our specifics down to the President. He rejected them. We sent them to the majority party, the Democrats, in the committee. They rejected them. We came to the House floor, and we were rejected here. They were not interested in our specifics to offset their taxes.

But we did not quit. The reconciliation, or tax bill, came to the House floor, and the President said, I would say to the gentleman from Connecticut [Mr. SHAYS], the President said, "If you don't like my specific taxes, tell us how you would get rid of them," and we did. We gave our specifics about how to reduce the influence of the Federal Government in all of our lives and to have deficit reductions through tax increases because we fundamentally believe that big government, big taxes, and big regulation stifles economic growth in this country.

Well, they did not like our proposal that time, beat us again in favor of more for Washington and less for the people.

Well, Mr. Speaker, then the gentleman from Minnesota [Mr. PENNY] and I got together, along with a distinguished group of legislators, and our goal was to try to reduce spending again by a penny on a dollar to get the momentum rolling for change in this country. We sent our specifics to the President. He said he did not like them. So did the vast majority of the majority here. They said they did not like them, and so one more time they beat down our specifics that were designed to downsize the Government, to reduce the influence of Washington. They voted at that point to give more to Washington and less to the people.

And then this year the President came for his State of the Union speech, and he said, "You know my budget is the toughest budget ever, toughest budget in 40 years." I do not remember exactly his remarks, but he claimed that he was sending us a tough-minded budget, and, as I pointed out today in the debate, if we let these automatic spending increases occur as provided for under law, if in fact we put the Government on automatic pilot and the President had not sent his budget to Capitol Hill, we would have lower deficits and lower spending than the budget that the President sent us.

And so Republicans said, "We can do better," and so I would say to the gentleman from Connecticut [Mr. SHAYS] that we got together again, and this time we got even more serious about reinventing government. We privatized programs. We consolidated programs. We eliminated some of the programs like the helium reserve and the Interstate Commerce Commission. We decided on elimination, and privatizing and consolidating programs to eliminate Federal waste and on letting people at home have more control over solving the problems with their money that they send here to Washington.

Basically what the President said is, "I want more for Washington and less for the people, and, oh, by the way, that middle income tax cut—forget it. You can't have it."

And so what we did is we went through all nooks and crannies of the Federal budget, and we truly have begun to reinvent government. But we felt that reducing the deficit was our No. 1 priority, and so what we did was we reduced the deficit in all 5 years by a greater amount than the President, and cumulatively over the 5 years we are $150 billion lower in deficits.

Let me emphasize again, I say to the gentleman from Connecticut and to our other colleagues, this budget that the Republicans will offer tomorrow has $150 billion in lower deficits than the administration.

Now we think there are some other things that should happen as a result of downsizing the Government. We think the family, the American family, ought to share in the benefits of downsizing the operation of the Federal Government. After all, it is their money.

Now this $500 tax credit, $500 per child, per family, up to $200,000 in income is going to be the first installment on an effort by Republicans to try to help the besieged American family, and we pay for it. We are not providing benefits or tax credits to somebody, and taking that money and saying, "Well, we'll pay for it later." We have paid for it in our Republican budget.

We have also said there ought to be a crime bill. We ought to pay for more prisons. We ought to put more police on the street.

We also say there ought to be some real welfare reform, and the leader of the welfare reform movement in the House and frankly, I think, the national leader on this welfare reform movement, the gentleman from Pennsylvania [Mr. SANTORUM], a member of the Committee on Ways and Means, he is going to be with us tonight to talk a little bit about what the welfare reform package is.

And we also make a down payment on health care reform by introducing the Republican health care bill which relies on market forces rather than the Government to begin to fix this health care problem.

And we have also provided help for the American worker. How? Well, not by turning more money over to Washington, but we have provided some help for the American worker by, No. 1, giving business the ability to buy more plant, buy more machinery, become more efficient and more effective and hire more people so we can be even more competitive internationally.

And we also provide for everyone in this country a provision to protect their investments against inflation. Now let me explain that for a second. We index the capital gains tax.

I have some next-door neighbors who are senior citizens. They probably bought their house for, I do not know, $30,000 or $40,000. I do not know what their house is worth now. But I can promise my colleagues that that house has gone up in value not just because of an increased value on that home, but because of inflation driving up the price of that home. If they should sell that home, I do not think they should have to pay taxes on the inflation value of that home.

So, we are not only trying to help business and the American worker by making it more possible for them to expand and export, to have higher productivity, but at the same time we are also saying that we will index the capital gains for industry and for individuals, and at the same time, Mr. Speaker, of course we want the American family to share in a piece of the reinventing government that we have started in this Congress of the United States.

Imagine $150 billion in lower deficits under the Republican plan, $500 per child, per family, up to $200,000, more incentives for business to expand and hire people, a crime bill, a welfare reform bill, the down payment on health care, all within this package.

□ 2010

I would say there is no reason to vote against this proposal, because do you know what this proposal represents? This proposal represents more for the people, and less for Washington. And that is how it will be judged on the vote tomorrow, should it come tomorrow, or next week, if it comes next week. And it will be judged for the rest of this year. Decide who you want to choose up sides with, just like when you were a kid picking teams at a baseball game. Do you want to choose to play on the team with the Washington establishment, or do you want to vote to help the people of this country who are back home in the districts we represent?

Mr. Speaker, at this time I would yield to the distinguished gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget, who has done such yeoman's work in terms of aiding our effort, all of our team effort, to reinvent government.

Mr. SHAYS. I thank the gentleman for yielding. I am struck by your talking about what happened in the last 15 months. When the President presented his plan last year, I remember you had already got us working on the Republican side of the aisle to start to find ways to match the President's numbers on deficit reduction with no tax increase.

We spent 2 months before the President actually even began his plan. When we knew his numbers, then we started to come forward with a deficit reduction package of $500 million without a tax increase.

I remember it wasn't easy at first. When we did this, some Members in the caucus said why should we do this? We are not in control. But you and others felt very strongly, and I felt that some way, that it was our job to show that you could balance the budget with no tax increases, or at least meet the President's numbers with no tax increases. And we did it.

The impact of that was significant, because the President came in with $3.53 of taxes for every dollar it cut in the increase in spending. And you got them to realize they had to cut more, and they did. And they got their numbers down to $1.50 of taxes for every $1 of spending cuts.

What you did not say, which I wish you had said, was that when the President got his package through it was considered a great victory. He got it through by two votes. And if one Member in the House had not voted, it would have been a tie vote and would not have passed. But to get it through, the Speaker of the House said this is just the beginning. We need to cut more. We need to cut more spending, get this deficit down. This is just the beginning. And he promised that there would be the Penny-Kasich opportunity, that Mr. PENNY would have an opportunity.

Mr. PENNY comes in a bipartisan basis, and you put forward a plan with others. And we go to the White House and say, you asked for specifics; we are giving you specifics. You said work on a bipartisan basis, and Mr. PENNY is doing that with us. And now we can move forward; $90 billion of cuts. And the White House snuffed it out. They worked hard against it, as they are doing now.

I see we have the expert on welfare here, and I just am intrigued by his comments today. I would like to return the floor to him very quickly. But I just want to make this point to you. It just astounds me that rather than opposing this package, the White House would not support it.

We have $150 billion of cuts, $150 billion of cuts, specific cuts. We reform welfare, we reform immigration, we have crime control, and we have a plan that, while I was not an advocate as strongly as others, we are returning $500 to the family of every child. And if there are two in a family, they get $1,000, and it is to the families that need it.

It just seems to me that there is every reason to support this package. The choice tomorrow is we can go with Mr. Clinton's plan, or we can go with the Kasich Republican plan. The Kasich Republican plan is $150 billion of deficit reduction over 5 years, welfare reform, immigration reform, reorganization of government, consolidation of programs.

You know what? This wasn't a sudden plan put together in a week or two. This was the culmination of what happened 15 months ago. You started us 15 months ago on this plan. When our plan was defeated in March, we kept working on it, and this is the result of a lot of hard work. And I just hope that tomorrow we are going to see Democrats willing to step forward in support of a plan that truly deserves bipartisan support.

I would like to continue to participate, but we have others as well, and I yield back.

Mr. KASICH. I would like to yield to the distinguished gentleman from Pennsylvania [Mr. SANTORUM]. I wish you would just take 5 minutes, that is a long time in a special order, but take a little bit of time, if you would, and repeat for our colleagues tonight what you talked about today, the SSI Program, because I would say to the gentleman, Members came on the floor as you were talking and they were locked in place, they were really locked in disbelief of what you were saying. And then maybe give a little broader explanation of what our welfare reform package does.

Mr. SANTORUM. What I talked about today was the explosion of the SSI Program with respect to drug addicts. There is an odd provision in the Supplemental Security Income Program that allows drug addicted individuals who are so badly addicted to drugs or alcohol that they can no longer work, and as a result, they are eligible for cash assistance, they are eligible for treatment, and they are eligible for Medicaid.

In 1985 there were about 4,000 people on this program. Today, as of 1993, there were almost 80,000 people in this country who are on that program. That sounds like an explosion of a program. It is roughly $300 million we spend on drug addicts who are so addicted that they simply cannot work.

What happens? Well, I asked the Commissioner of Social Security, I said now, these people are required to be in treatment in order to get them off their drug addiction so they can get back into the mainstream of life and off SSI. What percentage of the people in this program are on drug treatment?

She said, well, anywhere from 3 to 9 percent. Even though they are required to be in the program, in order to receive the cash, only about 3 to 9 percent are in the program.

I said, well, what are you doing with the other 91, 97, whatever, percent of the people who aren't in treatment? She says, well, we do not know where they are. We simply send them the check.

Now, the odd thing is they do not really send them the check. They send the check to a representative payee, because the Social Security Administration figured out you don't send a check to drug addicts. You send the check to someone who manages the money for the drug addict. So the money is sent to someone who is appointed to receive the money for the drug addict and take care of their funds.

The problem is the General Accounting Office testified at this same hearing a few weeks ago that in ever increasing numbers, the person turning out to be the representative payee is the drug dealer or the bartender. There is the case in Denver, CO, of a bartender who receives almost $16,000 a month in SSI cash benefits to take care of the alcoholics who visit his bar.

Now, it even gets worse. I asked the Social Security Administrator, I said, now, how effective is this program? And she said we have—listen to this, I didn't say this today—in the history of this program, in the history of this program, there has not been one documented case of anyone getting off this program because they have been cured of their addiction. They have absolutely no evidence that anyone has gotten off this program.

Mr. KASICH. Let me ask the gentleman, if I could get him to yield for just a second, does the Kasich Republican budget begin to address this problem?

Mr. SANTORUM. It hits it right between the eyes.

Mr. KASICH. Does the Clinton budget address this problem?

Mr. SANTORUM. Let me tell you what the Clintons are doing now that you mentioned it. We found, and the Social Security Administrator reported to us, that three States have 60 percent of these 80,000 drug addicts, 3 States, California, Michigan, and Illinois.

Now, you say wait a minute, California, Michigan, and Illinois, they are big States, but certainly not 60 percent of the population of this country. Why do they have such a disproportionate number?

The reason, because the Social Security Administration figured out that these people are sick and they need our help. And so we are going to set up outreach centers, and they did, several years ago, in Chicago, in Detroit, and Los Angeles, to go out and find drug addicts and alcoholics to sign them up so they can receive Government benefits, Medicaid, and drug treatment.

Now, the Social Security Administration says this has been so successful because the program has grown so dramatically, this is success in Government terms, getting more people on the benefit rolls, that they are now going to set up outreach centers in every State in the country, in all major cities, to go out and find these people and bring them into the system.

They just set up one in Washington DC. They have 18 now in the pilot program, and they are going to expand it even further. That is what the Social Security Administrator told us at the hearing, this is a successful program. This program will double in size. The number of people in this program will double in size.

□ 2020

Now, that is what we talked about as one aspect of the SSI problem. There are many more.

Mr. KASICH. Does the Kasich Republican budget alternative begin to address this problem?

Mr. SANTORUM. It hits it right between the eyes. We simply say this: We say that if you are someone who is on this program, we will do a drug test. And if you fail the drug test in the sense that you have an illegal substance in your body, and you fail that drug test, then you will be removed from cash assistance and Medicaid. You will continue to receive drug treatment. We will give you drug treatment as long as you need the treatment in order for you to get off. We will allow you to come back and test again after a period of time to see if you have gotten off drugs. But we are not going to continue to subsidize behavior which is, in fact, destructive.

The basic premise is, if you want more of something, subsidize it.

We are subsidizing the kind of behavior that is not what we want to see in this country, and so that is the solution that we put forward. We believe it saves not only a lot of money, but we think it sets the right kind of response.

Mr. KASICH. That language is not contained in the Clinton budget.

Mr. SANTORUM. It is not only not contained in the Clinton budget, but as I suggested before, they wanted to expand this program.

Mr. KASICH. Would the gentleman spend a few minutes talking about the bill that he has pioneered here that is included in this budget, the welfare reform section.

Mr. SANTORUM. The welfare reform section, not only does it save $20 billion, I know that is one of the major reasons it is in this bill, because it saves a lot of money, but it does what is really consistent with the Kasich, and I just have to commend CHRIS SHAYS for the tremendous amount of work that he has done on this bill. There is not anybody who comes to the floor and is more diligent in trying to get this budget reduced, and willing to put forward and put their good name on the line every single day—to come out here and do that. I want to commend you for your work on the committee and here on the floor.

It is consistent with what you folks have been trying to do, which is to do programmatic reform, to try to come up with, in a sense, reinventing government to make it work better, to create the right incentives.

What our plan simply does is attack the two major societal issues that lead to poverty in this country. One is obvious, nonwork. People do not work, they are poor. In fact, 86 percent of families who have no workers in the family are in poverty. That does not come as any surprise to most people, except when you look at what happens when people work.

If you take families with one full-time year round worker, if you have families, if you look at all families that have one full-time year round worker, whether it is two parents or single-parent families, only 6 percent of American families that have one full-time year round worker are in poverty, versus 86 percent that have no workers that are in poverty.

Work pays. What we need to do is get people to work in jobs so they can get out of poverty. How do we do that?

The Republican plan tries to be, in a sense, to strike a cord of bipartisanship in reaching out to the President, reaching out to the Democrats, and say, we will adopt your 2-year limitation on welfare and then require work. And we have some very serious provisions that if you do not work, if you do not work, you do not receive your benefits. Simple as that. You lose the cash portion of your benefits.

It is a requirement, and it is a requirement to give you an opportunity to get out of poverty. What we need to do is to move these people and give them the opportunity to go out and work, to learn the ethic, and to get up every morning, get ready, and go to work, and get their children off to school. Most working families in this country, all working families in this country, do in America.

So we think that is a very important part of the plan. It is in here, and it is something that we hope to get a lot of support for.

The second problem is the problem of out-of-wedlock births, illegitimacy. The numbers are just astounding, the growth of children born out of wedlock in this country. Sixty-eight percent of all African-American children born in this country are born out of wedlock. Twenty-two percent of children in the white community are born out of wedlock. That is a startling number. It is one that is, frankly, as many are considering, the biggest societal problem that we have. Because it, in fact, has dual consequences of, No. 1, having a bunch of young males not attached to families out in communities joining with gangs instead of moms. And you have children being raised in single-parent families where mom is being stretched to the limit and not able to provide the kind of nurturing and support needed and—that fathers are so important for young children. So we have both of those problems being created by the problem of illegitimacy.

It is causing a disintegration not only of families but a disintegration of communities and neighborhoods and is the root cause, in my opinion, of the crime problem in this country.

We take a very pro-active position on that. Two ways: No. 1, fathers.

Fathers are often ignored in welfare debates. We do not ignore them in this case. We say fathers are necessary. Fathers are no longer disposable, that fathers are going to be encouraged to stay with families, that we are not going to penalize families if fathers stay, which is what we do now.

If dad leaves, mom gets more money, which is the perverse incentive that the welfare system creates.

We changed that. We allow States to allow the benefit to continue, even though the father who is not married to the mother may be around or living and supporting the child. That is No. 1.

No. 2, we find out who dad is. Over half the children on welfare today, who are born out of wedlock, do not know who their fathers are. That is absolutely unforgivable, and it is not necessary. Because the fact of the matter is, mom knows who the father is. So what we have to do is somehow convince mom that it is important to have both mother and father supporting children and that we are not going to say that fathers are okay to leave.

So what we do is, we tell mothers that they have to give us the name of the father in order for them to be eligible for welfare benefits, if they so want to apply.

Mr. SHAYS. One of the things that is so clear in this budget, because of the good work that you have done, is that we know that 12-year-olds having babies, 14-year-olds that are selling drugs, 16-year-olds that are killing each other, 18-year-olds that cannot read their diplomas are the legacy of a welfare State.

What we are trying to do, as Republicans, is be pro-active and recognize that Government has helped create the very problem that we are now left with.

The incredible story you tell of the Government sending money to people to further their addiction is just a continuation. It furthers that process.

I was speaking with JOHN KASICH about it. He said, "This just points out where Government is headed and what we need to do."

What I like about the Republican plan and what you did is, it is not like we stand back and say, no, Government cannot get involved. We just realize that Government is involved in the wrong way. We need to switch it around, get Government involved in the right way and change it.

To me, that is what President Clinton said he would do. He was going to change America.

Mr. SANTORUM. And welfare, as we know it. And if you look at some of his early drafts, over a year into his Presidency and his No. 1 campaign issue that made him the moderate that he was has still not been delivered to the Congress and the United States. We are still waiting. If you look at the preliminary documents being circulated, they are not even close to ending welfare as we know it.

I would argue that they extend welfare as we know it. It is not a bold plan. It is not a dramatic plan. It is a sellout plan.

What we have done in this budget is put forward a plan that is meaningful, that changes behavior, that sets expectations, that demands responsibility, that says that the American people are very giving and loving people and they want to help, but they do not want to encourage a lifestyle that is simply unproductive and unsafe for this country and for its future.

If I could just finish, the other thing we do is something that a lot of conservatives are pushing for to be done across the board. A lot of pressure is coming these days to say that if you have a child born out of wedlock, no welfare benefits. That is the end of discussion right now, to cut all children born out of wedlock and moms off welfare.

We believe that that maybe makes nice philosophical talk and that you do not want to encourage behavior that in fact you think is not necessarily productive for a society.

□ 2030

But that is a rather dramatic step to take on a theory. So what we have suggested is let us apply it to the population, on those who it makes the most sense to try that theory out, and that is the young children, teenagers who have children out of wedlock. They are predominantly, almost exclusively the welfare-dependent population of this country, because if you have a child at 14, and do not finish school, and you end up on welfare, you are probably going to be on welfare for a long, long time.

So what we have done is focus in on that generation because No. 1, there is a potential for long-term and massive destruction. No. 2, in fact because they are younger, they have more of an ability to be influenced by society and by rules and regulations. And No. 3, they have a family network which has a legal obligation, if not a moral obligation, to continue to support them until they get out of their teenage years.

So what do we do? We end welfare for minor children who are under the age of 18 who have children. No cash benefits; no housing benefits. They are required to live at home, and we are requiring and encouraging people to do exactly what the gentleman from Connecticut said, which is to replace the Federal Government's role of giving people fish and saying it is time for the community, the family, the individual, the churches to begin to take back these people, to begin to say that they in fact are the principal folks who are going to help care for the poor and give the poor the opportunity to rise up in our society.

I have done about 30 meetings on welfare reform around the State of Pennsylvania, and the theme that I keep hearing come back and back is the story of a Government that is taking over more and more of our lives and making us not only dependent on Government, but less dependent on each other. We are a country that used to know who our neighbors were, all of us. We do not anymore, or not as much anymore. We are a country that used to be committed to organizations, used to go out and do a lot of community service and be committed to each other, and to support each other as a community. If we look at the VFW's, if we look at the Rotarys and all of these clubs, they are declining in enrollment. There was an article the other day on record clubs. Record clubs used to sell long-term contracts to buy records. They can only sell 1-year memberships now. Why? Because Americans will not commit to anything longer than that.

You see we have become more isolated as a country. Government has done more for us. We pay our taxes and then it is not our job anymore. It is somebody else's job to take care of my next-door neighbor. It is not my job. I am too busy. I have too many things to worry about myself. That is what the danger is in our society.

I will give the best example. I was watching the Olympics the other night and I saw the biathlon coach for the United States who was from Lithuania. He was talking about his sister who is still in Lithuania, and he got a call from his other sister just before the Olympics, and she called and she told him that his sister was dying, his other sister was dying in the hospital. She had sepsis, a massive bacterial infection, and that there was not any medicine in the country, and no one would get the medicine, it was available other places but no agency, no individuals, no institution would take the time or take the trouble to go out and save this person who could be saved. So what did he do? He called his friends. And they were able to organize and get the medicine, and someone else got him to the airport in New York, someone else bought the airplane ticket, all individuals, and they flew him over to Lithuania and he saved his sister's life. And what he said was so important and so central to this debate as to what welfare will be. He said, "In my country, in my old country of Lithuania, because of government-run institutions, and because of socialism for so many years, people do not care about each other anymore. In America we are a great country because we do."

Mr. KASICH. Mr. Chairman, I want to thank the gentleman for taking the time to talk about this very important section of our bill. I think we are all disturbed about the fact that the President came here and he gave a beautiful speech where he talked about all of the things that he wanted to see done, but you know, it is kind of like the middle-income tax cut. The President said the centerpiece of any economic program that he will present to the American people will be a middle-income tax cut. Of course, we still do not have it.

But the Republicans are going to give everybody in this country a chance to vote on a tax credit for children, paid for with a budget proposal $150 billion under the President's by downsizing government. We reduce the deficit, then give the American family a piece of those savings. After all, they are the ones that sent all of the money here to begin with.

I wonder if the gentleman might have a comment on the tax credit.

Mr. SANTORUM. I would love to comment, and then I would like to yield to my colleague from Iowa [Mr. NUSSLE]. We always like to say in the 102d Congress we were the two youngest Members of the U.S. House of Representatives, and both of us have two young children. He has Sarah and Mark, and I have Elizabeth and little Johnny, not named after JOHN KASICH, I would add. But we both have two young children, and we care very much about families.

What we have done to the American family over the past 40 years in this country is simply criminal. What have we done? I always say, you know, when I was growing up and I was a kid, I used to watch Leave it to Beaver, and I used to watch "Ozzie and Harriet," and I wondered how Ward and June Cleaver did it, how they could live in that nice house with just one person working, and Ward got home at 5 o'clock in the afternoon, and how did they do it? How were they able to survive in America living in that situation? I do not know whether there was a Ward and June Cleaver ever, but I can tell you that there were better chances for it in the 1950's. Why? Exactly what the gentleman from Ohio was referring to. We were a lot friendlier in the tax code to families. The average American family in the 1950's paid 2 percent of their income to the Federal Government in taxes, 2 percent of the average-income family. Today that same average-income family pays 24 percent of their hard-earned dollars to Washington, DC. The principal reason for that is the dependent tax deduction. If you had taken what the dependent tax deduction was in the 1950's and indexed it to inflation, then instead of it being $2,650 for a dependent or per child today, as it is today, it would be over $8,000 per child.

What have we done with all of this money? What we have done by taking all of this money away from families is that we have paid a bunch of people here in Washington to help you. I think a lot of Americans back home are saying stop helping me. Let me keep my own money and let me take care of my own family.

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. KASICH. I am happy to yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, I think that is exactly right. And I would just comment on the thrust of some of the comments the gentleman made when he was wrapping up his conversation on welfare.

Do you know what struck me? It was when the gentleman was talking about the organizations that have maybe gone a little bit south and have not had some of the support they had in the past, and the fact that we do not know our neighbors, and maybe we seem to be a little more closed off and that we are not as responsible. And the thought came to my mind that really what JOHN KASICH is trying to do, and the people that supported his plan, and those of us that have tried to add our 2 cents to his effort is we are really trying to recapture the American dream. That is really what this is all about.

The $500 per child tax credit is just one very small downpayment on that American dream.

I just looked through the information that we had here on what the $500 per child tax credit would mean to my State and to my district. We always talk about it in this Chamber, and even over at the Senate as well about how we are able to bring home the bacon to our folks. And maybe it comes in the form of a road sometimes, maybe it comes in the form of a research grant another time, but it is usually snuck through in a special project. Here is something very demonstrative that we can do for every child in our district. We can give them an ability to start to recapture the American dream, put a downpayment on it, if you will. Just for my district it is $61 million, $61 million, and for my State, $303 million, just for my State alone. That is what this downpayment that we give for every child in this country would mean, a downpayment on the American dream.

And I think we still see some glimmer of hope. I would not say the American dream is yet something that we have lost. But I do think we have to start fighting for it.

The way I like to describe it is I am a volunteer fireman in Manchester, IA, and one of the things that always struck me as interesting was that when I went out to a fire, let us say it was a farm, maybe a barn was burning down, right after the fire trucks came over the hill to help try and put out the fire, then the neighbors came in the pickup trucks, usually with a covered dish of some sort to help out the family. They are neighbors, they are doing more than maybe their fair share. They are being responsible, they are reaching out. There is no Government program. There is no research study that says how much a damaged family from a fire might eat in casseroles in one evening. We do not need the Government to do it, and yet we still have that American dream, we still have that neighborly attitude in many parts of this country. And I guess that is what we are looking for. We are just looking for an opportunity to share that.

The President did break, I think, many of his promises. We have already heard about the middle-class tax cut. We are fulfilling the promise through this kind of tax cut to our kids.

□ 2040

Welfare was a centerpiece of his campaign. You give it to the American people through your plan, through the Kasich plan, and I think that is exciting.

Crime: We are able to fund our crime bill in here. The President has yet to put his crime bill on the table.

So as Americans look at this and they wonder whether or not they have the American dream and whether their kids, for that matter their grandkids, are going to be able to recapture or renew the American dream, I think the John Kasich plan, the plan that was put together I think in a very responsible way with other leaders of the Republicans in the House and many of us who had an opportunity to add our 2 cents even though we may be new around here, I think is a way to do just that, not only fulfill the promises, but put a downpayment on a process to get there.

I would ask my friend, the gentleman from Arkansas [Mr. DICKEY], and find out if the American dream is alive in the South these days.

Mr. DICKEY. If the gentleman will yield, I have a definition I got in the mail today of several different things. One is if we expect our fathers to take care of us that is called paternalism. If we expect our mothers to take care of us, we call that maternalism. If we expect the Government to take care of us, we call that socialism. If we expect our comrades to take care of us, that is communism. If we take care of ourselves and our neighbors, that is called Americanism. That is what we are talking about, is it not? That is exactly what we are talking about.

Let me tell you something that has happened that is not happening in America for us, that would be a good example for us, and that is in Mexico to the south. We had inflation that was going wild down there, 1,000 percent a year. We had a debt that was out of sight, taxes that were unbelievable, and oppressive, and we had government taking over, thinking that it could do better than private enterprise taking over the economy.

We never would have accepted a NAFTA Treaty if that situation had existed.

So what happened? Without our help and without our example, they said, "We have to raise revenues." So what did they do? They cut taxes. They got the government out of business. They sold or they privatized all the businesses they thought they could run better in the private enterprises, and they got money for that and they also got taxes from the operations because they became successful.

They paid off the debt in 2 to 3 years. Inflation is down to 8 or 9 percent.

Now, how they did that was by cutting spending, by being disciplined, by being just like we are when we in our home budget come to a point where the money that is coming in is not enough to pay out for the debts or expenses, so we stop the expenses and we go back and start paying the debts off. That is what we have to do as a Nation.

I am concerned, because what I am seeing as a freshman legislator in the United States of America is people of this body and of Congress saying to the people of America and to the freshmen and to the inexperienced, "What you are saying to us about cutting spending first is rhetoric. You do not really mean it, because when we start cutting spending, when we start voting for the Kasich or the Penny-Kasich bill or this type of operation or this type of bill, what we are saying is we are going to have to sacrifice, and those people back home do not want to sacrifice." They are saying, "JAY, do not believe those people at home when they say, 'Cut spending first' and that helps them at the barbershop, that helps at the coffee shop and in their conversation and that even helps them with you as they communicate with you, but they do not mean it, because when you start cutting spending, watch what they do."

When we got back to the definition of socialism and communism and Americanism, we have to bring in the fact that we are going to cut spending, and it is not going to kill us.

The people in this body have got to understand that there is life after spending cuts, and that we can raise revenues by cutting taxes.

Mr. KASICH. Let me ask the gentleman, let us go back to the coffee shop in Arkansas. In fact, it would be fun to be there this Saturday to see their reaction. I am going to be in a coffee shop in Westerville, OH, this Saturday.

If you went to the people at the counter and you said, "You know, we have got a budget plan. It really does cut the number of paper clips and the number of trips that bureaucrats make around this country especially in the fourth quarter of the fiscal year, and it is going to mean you are going to not be able to print as many papers," and just look around this place today and all the paper just sitting here, and you are going to have to cut back some of these overhead expenses in the Federal Government, and you said to them, "You know, we are going to take this money, and some of it, tougher choices, and we are going to apply a big, big chunk of it to reducing the national or to reduce the deficit, but we are going to give your kids, we are going to give your kids a little bit of it, we are not going to make your kids pay for it later by giving it to you, we are going to pay for what we are giving them now, but we are going to reduce the deficit by $150 billion more than the President does," and I am going to tell them that at this coffee shop that, "I want to give you a little benefit from that right now for your family who has been under siege," what do you think the reaction would be at your luncheon counter?

I know what it is going to be in Westerville. What will it be in Arkansas?

Mr. DICKEY. Let me tell you what I think is going to happen. I think Arkansans, we are proud people and independent, and stand up and say, "You are not giving me anything. This is money that I have earned. You are just not taking it from me." That is the first thing that I think Arkansans would say, particularly the people in the fourth district. They would say, "You all," being the Government, "are not earning anything. We are the ones earning it. We are giving it to you. You are acting like you are giving it back to us."

Then they would say, "Yes, we can spend it better than the Federal Government, and there will not be any middleman in the way to take our money and be inefficient with it."

Mr. KASICH. In other words, if people in that coffee shop have the money in their pocket rather than sending it to the Government and somehow it filtering down and, of course, that $500 that they would have sent up here, by the time it would get back to them, instead of giving them the tax credit, by the time it gets back to them probably it would not be enough to buy a cup of coffee with, they would be pretty happy about this, would they not?

Mr. DICKEY. Let me say this, $53 million in my district alone will be given or will be kept by the people in the fourth district if this vote is passed. That money will then multiply. That money will then bring more revenue and more taxes into the coffers in my opinion because it circulates seven times.

Mr. KASICH. Do you not think these same folks in this country would say, "You know, I do not want to have a tax credit if we are going to lay it on other people?" Would they not feel good if they knew we made choices so that we made this money or so that we could refund some of this money to them?

Mr. DICKEY. Yes, sir; yes, sir.

Mr. KASICH. It is hard to believe, is it not, I say to the gentleman from Arkansas, that we could actually have a package that has crime reform, welfare reform, health care, and incentives to business, some refunds back to the children of these folks, and still have $150 billion in lowered deficits; can you imagine how anybody would come here and vote no on that and vote for a status quo budget that reaffirms the tax increases from last year?

Mr. DICKEY. Only if the crusted leadership in this body is correct in saying that it is rhetoric. I do not believe it is rhetoric. I think cut spending first is what the groundswell is from America. I believe what the fourth district is saying is what the rest of the Nation is saying. We have got to start that, and this bill will do it.

Mr. KASICH. I yield to the gentleman from Iowa.

Mr. NUSSLE. I think there are some people who are going to be able to come here tomorrow and vote no on that kind of a plan, and I think the reason is it is a matter of who they trust.

I see in your plan a willingness to trust the decisionmaking that happens around the kitchen tables of America, you know, when they are balancing their checkbooks, trying to decide how they are going to send their kids to school, to college, what to do about next month's bills; they have got to make some pretty tough choices, in fact, tougher choices than I think sometimes we give them credit for but also tougher choices than we make. We trust them to make those decisions. We trust them to make those better decisions that affect their daily lives.

I think there are a lot of folks around here who do not trust that anymore, that do not trust the power of the individual, the family, the neighborhood, and the community to make those decisions. You not only see it with raising taxes, but you see it manifested in another way that we have not really even talked about and that is the mandates, that is the unfunded mandates, because somebody said to me in a town meeting, they said, "The big print giveth and the small print taketh away." That is exactly right. We have got a lot of small print in the budget that came down from the White House that has a lot of mandates that tell us what to do. Do not give us the money; tell the American families, the American communities how they are going to operate, and yet do not give the opportunity to pay the bills.

□ 2050

And they have to figure out around their kitchen table, with their county supervisors' meetings or city council meetings, how to do that. It is a matter of trust. There are folks who trust people and some who do not trust.

Mr. KASICH. We have mandated relief language in this bill. We also say that we want to decrease the total amount of regulation on this economy downward to a lower percentage of the gross domestic product. Why? Because the lower that amount of regulation is, the more jobs that get created because regulation is a job killer. It increases prices and it kills jobs.

We actually have a provision in here that says that the standing committees—and I say that to my colleagues though we have never even talked about this provision—that we would give the standing committees authority to only regulate to a certain percentage of the GDP. They could not regulate beyond it because regulations beyond it will kill jobs in this country. It is a very unique concept that we are going to begin to push the rest of this year.

I want to say to the gentleman from Iowa [Mr. NUSSLE] that he touched on a very important point about trusting people at home. Part of the way in which we pay for this budget—and it drives me crazy when I try to explain to people why it is we cannot get this adopted—but if you take the nutrition programs of the Federal Government and you put them altogether and you block-grant them to the States, you can save money and increase the amount of money that goes to feed poor people.

Now, why is that? Because if you start money in a Federal agency, every hand that it touches, you are burning up the money. If you consolidate offices and say to the people of Iowa, "We are just going to send you the money. We are not going to put strings on it. You go ahead and feed people in the most efficient and effective way," you save money.

Job retraining: Our idea is consolidate the job retraining programs, send it out to Iowa, to Ohio, to Arkansas, to Connecticut, and to Pennsylvania; send it out there, get rid of all the bureaucrats and let the people out there, the county commissioners, the Governors' offices, the legislature, let them work together to design a job training program to employ people.

Now, if you do not think the people in Iowa, Arkansas, Ohio, Connecticut, and Pennsylvania are capable of doing that, you do not like that program or you do not like that idea. You know, in many respects this is almost like a Reagan budget of the early 1980's. It has tax incentives, but there is a difference: We pay for them.

There is a consolidation of programs, returning to the States the authority, but we also give them the money. This is in a way like Reagan-II.

I know the gentleman knows this, there is just no confidence that the people back home can solve problems for themselves. That is why there are strings and mandates.

The Secretary of Labor, Mr. Reich, came before us and I said, "Why do we have to do job training from the top down? Why not from the bottom up?" He said, "States, if they want waivers to get this money, they can ask for them."

Why do the people in Columbus, OH, have to ask a Federal bureaucrat who does not even know what time zone it is in Columbus for a waiver so they can try to help a poor person get a job? It is just a matter of fundamental philosophy.

The gentleman is right, it is just not family at the kitchen table, but it is the idea that people back across this country cannot solve problems unless there is somebody in Washington telling them how to do it.

Mr. Speaker, I yield to the gentleman from Arkansas.

Mr. DICKEY. Mr. Speaker, I go back to this: Where are we dealing with rhetoric? The rhetoric, it seems to me, at this point, what the people here in Washington are saying is that the rhetoric at home is to cut spending first, but that they do not mean it. They want pork barrel coming in. I do not believe that. I believe the real rhetoric is here with the people in Washington. Those people who are trying to get reelected and say, "We would like to cut spending." The rhetoric is here, it is time for us to show what we really are in this situation. We are going to vote on it. I hope the people of this body will refer back to what the folks at home want and need and vote for this bill and say that the rhetoric is here in Washington, it is not at home.

Mr. KASICH. I want to thank all my colleagues for participating. I understand there have been a lot of calls coming into the offices of our colleagues from people all across America, the ones that we want to help. I hope that the public calling is going to make a difference on deciding whether you are going to go with Washington, more for Washington, or whether we are going to give incentives and whether we are going to rebate part of the benefits of this program to the American people.

I think it is an interesting debate and a critical debate and one that is just not going to go away.

REPORT TO THE CONGRESS FROM A VERY IMPORTANT GROUP OF YOUNG PEOPLE: STUDENTS, YOUNG ADULTS OF 19TH CONGRESSIONAL DISTRICT OF THE STATE OF OHIO

The SPEAKER pro tempore (Mr. LAUGHLIN). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. FINGERHUT] is recognized for 15 minutes as the designee of the majority leader.

Mr. FINGERHUT. I thank the Speaker for this time. I thank the majority leader for designating this time for me so that I can make a few remarks for the RECORD which really is more than a typical speech at this time of our session, but rather a report to this body from a very important group of constituents in my district, the 19th Congressional District of Ohio, and that is the young people, students, young adults in the 19th Congressional District.

I have never been more proud of my constituents than I have been on the many occasions, virtually every week that I have had the chance to visit one school or another in my district and talk to the students of all ages about their views of their community, our State, our Nation, and the problems that face us.

During the Presidents Day recess, I conducted a series of very special seminars with the high school students throughout my district. The subject of the seminars was the problem of crime.

Mr. Speaker, I represent three different counties in the State of Ohio: Ashtabula County, Lake County, and Cuyahoga County. In each of those communities the superintendents and principals of the high schools were good enough to bring together students from all of the different high schools, public and private, into a seminar setting where I could meet with them, discuss with them the issue of crime and learn from them what they would like Congress to do.

I explained to the students in each of these seminars that their views on issues are as important as the views of their parents; they are as important as the views of any of my constituents in the district; their ideas are as valid, their perceptions about what is happening in our community are real. That, I feel, all too often we in public life neglect to ask the young people in our communities for their opinions.

I told them that what we are trying to do in these seminars was to reinstitute the process of building a community.

You know, at the beginning of the 19th century Alexis de Tocqueville wrote admiringly of the process that Americans go through in their communities where they meet together, talk together, discuss, sometimes we argue and debate, but we solve our problems through that process.

Together the students, educators, law enforcement officials in my district and I participated in this process. We educated each other, learned from each other in a give-and-take that I hope had an impact on all of us.

The students in all of our districts participated, all three of our districts, participated in the debate over such issues as gun control, drugs in the schools, gangs, criminal sentencing, prisons, community involvement, role models, and other questions.

The students understood, often better than the adults, what commonsense solutions we need to address this most distressing problem in our country, the problem of crime.

I asked the students three questions: First, what are the problems that you face in your communities and in your schools? Second, what are your ideas about what we ought to be doing to solve the crime problem in your schools and in your communities? And third, what are your comments or suggestions about the various issues that the Congress is proposing to deal with the problem of crime?

□ 2100

Let me go through each of these questions and just highlight a few of the answers that I received from the students in my district.

On the question of what the problems are that they face in their communities, Mr. Speaker, I was quite disturbed to hear some of the answers. First they were concerned about the easy accessibility of alcohol, of drugs, and even of cigarettes to minors, to people who should not be able to get any of these substances. Mr. Speaker, they said that it is not a problem for them to have alcohol brought for them by adults, to have alcohol provided to them at events outside of the schools, that it is not a problem for them to get their hands on drugs, if they need to, and, as I said, even some students mentioned the fact that, if they can walk into stores and be sold cigarettes even when they are under age, that that in itself sends a message about what kind of a community it is that we have provided for them.

They also mentioned a very troubling thing about the use of drugs, and that is that in their opinion the peer pressure that should be working against the use of alcohol and other addictive drugs—and of course alcohol is an addictive drug. I separate it out only because our laws provide a different set of rules with respect to these two different kinds of addictive drugs. But they talked about the lack of a peer pressure that is working against the use of these substances.

A number of them referred to the DARE programs in their communities, and a number of students commented that they felt that the programs were too little and too late, that by the time they actually got to the DARE program that their minds had already been formed. Some said that the DARE program, after getting off to an initially strong start in our communities, seems to have tapered off in its effectiveness.

Others mentioned the fact that the antidrug advertising that had been so prevalent on our televisions and our radios for years past had declined. They felt that advertising was effective. They wanted to see that advertising back.

In short, Mr. Speaker, they wanted us to help them with the peer pressure, to make it easier for them to stay off the drugs, to stay off of alcohol.

And finally they said that even good students, even people who you would think are immune from the problem, have gotten involved in gangs. Why? They said two reasons. First of all that even the good students have time on their hands, time that they need to fill, and second that many, many people are simply afraid, and they turn to gangs for safety and the security that they are lacking in the schools, and the parks and the environments that we provide.

Well then, Mr. Speaker, if those were the problems that the students in my district talked about, what were some of the solutions that they had in mind? And I have to say that it was interesting to me and enlightening to me that the students went right to the question of prevention of crime. They understand the question of punishment, and I will come to some of their thoughts on the question of punishment and the question of crime enforcement, but the vast bulk of time and the first many comments in each of the three meetings were focused on the question of prevention.

And what is it that they said more than anything else, and if this Statement does not wake us up all across America, I do not know what will. What they said first of all was, "Congressman FINGERHUT, we need role models. We need to see adults in our community. We need to see our parents. We need to see the teachers, and the business people, and the public figures, and, yes, the entertainers, and the people we see on television. We need to see these people involved in our lives, involved in our daily lives showing us the kinds of role models that we need to stay away from trouble and to be involved in productive and constructive activity."

Mr. Speaker, every parent, every religious leader, every educational leader, every business leader, every community leader should have heard the students talking about the need for role models, and then they talked about the need for a safe environment. They need a place. They want their schools to be safe so they can feel safe in them. They want the parks to be safe so they can feel safe when they go off to be by themselves, and to play and to socialize. They need to feel that the community center are open to them, that the activities that are available to them are safe and are free of the outside influences.

Some went even beyond the need for these facilities to be safe, Mr. Speaker, and emphasized the need for them to be available to them at all. In fact, one group of students in Ashtabula County, OH, stood up and said, "We have no place to go. The parks have deteriorated. There is no clean, safe place for us to go to be together."

I want to comment that one public official who was there, Ashtabula City Manager Joe Varquette, stood up immediately, invited those students to participate with him in a task force to build up the recreational activities in his community. I want to applaud him for his responsiveness, and I want to applaud the students who have taken him up on the offer and who, I hope, are working with him on this day to improve the recreational activities in the parks in Ashtabula City.

They talked about sports programs, about work-study programs, about youth clubs, about counseling for the people, the students among them, the young people among them, who they know need additional help. These were the compassionate, yet very sensible and reasonable, ideas of our young people focused on prevention, and I think that, as we approach the crime debate in this Congress, we need to hear their voices and make sure that we are paying attention to the question of prevention of crime among our young people.

But they did also, of course, talk about the issue of law enforcement, of punishment, of deterrence, and they were quite straightforward and quite perceptive about the failures of our criminal justice system. They agreed with Congress' proposals to put more police on the streets on foot patrol. They want that kind of safety and security visible in their community.

They are deeply concerned, as are many of the adults I talked to, that punishments that are on the books are not punishment in reality. They are concerned that the court system, the judicial system, whether through plea bargaining or through ineffective sentencing procedures, lets criminals off, renders these sentences that are on the books ineffective. They were concerned that, if we say that we have a death penalty on the books, that we ought to enforce it. They do believe, Mr. Speaker, that if someone is in prison, being in prison ought to be doing time and ought to be doing hard time.

Sheriff Billy Johnson in Ashtabula County talked about our Senator, JOHN GLENN, who had been a soldier, had served in Korea and had lived in quonset huts, and he commented, "If it was good enough for our soldiers in Korea, it's certainly good enough for our prisoners." Students understood that being in prison has to be something that is a serious punishment, that it is not something that is taken lightly in any way, shape, or form. They felt that if you have money, or if you are connected, or if you are a celebrity or somehow you have special clout that you can get out of the severity of the sentences that ought to be applied to you, and they felt very strongly, very strongly, that, if we are going to have sentences, the only way we are going to deter crime is by making them real, making them stick and making them tough punishment.

But they also understood, Mr. Speaker, if someone is going to be in prison, if they are there as a result of drugs, that they need to have the rehabilitation services so that, when they come out, they are no longer addicted to drugs and they have a chance at rebuilding their life when they get out of jail.

Mr. Speaker, these are just some of the very thoughtful comments that the students in the 19th Congressional District of Ohio had. I offer them here tonight on this floor because in a few short weeks we will be debating the crime bill here in the House, and I know that there will be many debates, and many proposals, and many disagreements, but, as I said at the outset of this report, the opinions of the young people in my district, and I am sure they are no different than those in the districts of each and every one of the Members of this body, are as good, they are as intelligent, they are as sound as our opinions and as the opinions of their parents and the other adults. They understand the Government must ensure the security of its citizens, but also the Government cannot do everything.

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They understand that there is a responsibility that they have and their communities have to help solve this problem of crime. They understand that if we work together, we can prevent crime in the first place. They are compassionate, they are caring, but they are tough.

Mr. Speaker, I intend to take their ideas with me as I enter this debate over the crime bill and work to see that the priorities that they have set for me become the priorities of this Congress.

I intend to work together with them to make the streets safe again for our children and for all the citizens of my district and of the country.

Mr. Speaker, again I thank you for yielding the time, and I thank the majority leader for designating this time for me to make this report on behalf of the students of my district.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CONYERS (at the request of Mr. GEPHARDT) for today before 1 p.m., on account of a medical appointment.

Mr. MCMILLAN (at the request of Mr. MICHEL), from 4:30 p.m. today and for the balance of the week, on account of illness in the family.

Mr. KOPETSKI (at the request of Mr. GEPHARDT) for March 10 and 14, on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore, entered, was granted to:

(The following Member (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN, for 5 minutes, on March 17.

Mr. WELDON, for 5 minutes, today.

(The following Member (at the request of Mr. GONZALEZ) to revise and extend his remarks and include extraneous material:)

Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KOLBE) and to include extraneous matter:)

Mr. GEKAS.

Mr. LEWIS of California in two instances.

Mr. GILMAN in four instances.

Mr. SMITH of New Jersey.

Mr. MCCANDLESS.

Mr. GOODLING.

Mr. BOEHLERT.

Mr. ALLARD.

Mr. ROGERS in two instances.

Mr. WELDON.

Mr. BAKER of California.

Mr. PACKARD.

Mr. ZIMMER.

Mr. BURTON of Indiana.

Mr. PORTMAN.

Mr. HORN.

Mr. PORTER.

Mr. HYDE.

Mr. FISH.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. TRAFICANT.

Mr. KLECZKA.
Ms. ESHOO in two instances.
Mr. CARR of Michigan.
Mr. NEAL of Massachusetts.
Mrs. MEEK of Florida.
Mr. BROWN of California.
Mr. VENTO.
Mr. HAMILTON in three instances.
Mr. REED.
Mr. MENENDEZ.
Mr. MORAN.
Mr. SNYAR.
Mr. SERRANO.
Mr. RICHARDSON in two instances.
Mr. MCNULTY.
Mr. BORSKI.
Mrs. MALONEY.
Mr. ORTIZ.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1913. An act to extend certain compliance dates for pesticide safety training and labeling requirements; to the Committee on Agriculture.

ADJOURNMENT

Mr. FINGERHUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, March 11, 1994, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2744. A letter from the Auditor, District of Columbia, transmitting a copy of a report entitled "Review of the Department of Public and Assisted Housing's Response to Selected Audit Recommendations," pursuant to D.C. Code, section 47–117(d); to the Committee on the District of Columbia.

2745. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a copy of Presidential Determination No. 94-15: Eligibility of Eritrea to be Furnished Defense Articles and Services Under the Foreign Assistance Act and the Arms Export Control Act, pursuant to 22 U.S.C. 2311(a) and 22 U.S.C. 2753(a)(1); to the Committee on Foreign Affairs.

2746. A letter from the Acting Chairman, Commodity Futures Trading Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2747. A letter from the Executive Director, Interstate Commission on the Potomac River Basin, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1993, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

2748. A letter from the Chairman, Cost Accounting Standards Board, Office of Federal Procurement Policy, transmitting the fourth annual report of the Cost Accounting Standards Board, pursuant to Public Law 100-679, section 5(a) (102 Stat. 4062); to the Committee on Government Operations.

2749. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2750. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act to authorize appropriations for refugee and entrant assistance for fiscal years 1995 and 1996, pursuant to 31 U.S.C. 1110; to the Committee on the Judiciary.

2751. A letter from the Chairman, U.S. Merit Systems Protection Board, transmitting the 15th annual report on the activities of the Board during fiscal year 1993, pursuant to 5 U.S.C. 1206; to the Committee on Post Office and Civil Service.

2752. A letter from the Secretary, Department of Transportation, transmitting a report on State participation in the National Motor Vehicle Title Information System, pursuant to 15 U.S.C. 2043; jointly, to the Committees on the Judiciary and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Natural Resources. H.R. 2815. A bill to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System; with an amendment (Rept. 103–430). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 375. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes; with an amendment (Rept. 103–431). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. S. 341. An act to provide for a land exchange between the Secretary of Agriculture and Eagle and Pitkin Counties in Colorado, and for other purposes (Rept. 103–432, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. BILIRAKIS (for himself, Mrs. MALONEY, Ms. SNOWE, and Mr. FRANK of Massachusetts):

H.R. 3994. A bill to provide limitations on the use of certain funds for the establishment of diplomatic relations between the United States and the territory of the former Yugoslav republic of Macedonia; to the Committee on Foreign Affairs.

By Mr. COBLE:

H.R. 3995. A bill to suspend temporarily the duty on 5-Cholor-2-(2,4-dichlorophenoxy) phenol; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 3996. A bill to suspend for the period January 1, 1994, to April 30, 1994, the duty on frozen onions; to the Committee on Ways and Means.

By Mr. DOOLITTLE:

H.R. 3997. A bill to amend the Endangered Species Act of 1973 to require the preparation of economic impact analyses with respect to certain actions to protect endangered species and threatened species, and for the purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FOGLIETTA:

H.R. 3998. A bill to protect the consumers of check cashing services by encouraging States to establish uniform laws on the regulation of check cashing services and to require the Secretary of the Treasury to study the effectiveness of State efforts with respect to such regulation and make appropriate recommendations to the Congress on such efforts; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LIPINSKI (for himself, Mr. SANGMEISTER, Mr. RUSH, Mr. REYNOLDS, and Mr. FAWELL):

H.R. 3999. A bill to amend the Illinois and Michigan Canal Heritage Corridor Act of 1984 to modify the boundaries of the corridor and for other purposes; to the Committee on Natural Resources.

By Mr. MILLER of Florida (for himself, Mr. KASICH, and Mr. STEARNS):

H.R. 4000. A bill to provide a fair, nonpolitical process that will achieve $65 billion in budget outlay reductions each fiscal year until a balanced budget is reached; jointly, to the Committee on Government Operations and Rules.

By Mr. REED:

H.R. 4001. A bill to provide for tort liability for firearms dealers who transfer firearms in violation of Federal firearms law; to the Committee on the Judiciary.

By Mr. ROGERS:

H.R. 4002. A bill to amend section 410 of the Surface Mining Control and Reclamation Act of 1977 to prohibit the limitation of appropriations on emergency reclamation projects in any one State, and for other purposes; to the Committee on Natural Resources.

By Mr. STUDDS (for himself, Mr. FIELDS of Texas, Mr. LIPINSKI, and Mr. MANTON) (all by request):

H.R. 4003. A bill to authorize appropriations for fiscal year 1995 for certain maritime programs of the Department of Transportation, to amend the Merchant Marine Act, 1936, as amended, to revitalize U.S.-flag merchant marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. TANNER:

H.R. 4004. A bill to suspend temporarily the duty on combination microwave convection ovens; to the Committee on Ways and Means.

By Mr. TORRICELLI:

H.R. 4005. A bill to amend title 18, United States Code, to prevent minors from gaining unsupervised access to loaded firearms or to unloaded firearms and ammunition for such firearms; to the Committee on the Judiciary.

By Mr. COX:

H.R. 4006. A bill to provide statements of the economic and employment impacts of Federal legislation and regulation on the private sector and State and local governments; jointly, to the Committees on Rules and Government Operations.

By Mr. MORAN (for himself and Ms. NORTON):

H.R. 4007. A bill to amend the Water Supply Act of 1958 to provide for the funding of capital improvements at the Washington Aqueduct, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ORTIZ (for himself, Mr. WELDON, Mr. STUDDS, Mr. FIELDS of Texas, Mr. LIPINSKI, Mr. MANTON, and Mr. YOUNG of Alaska):

H.R. 4008. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration for fiscal years 1994 and 1995, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RICHARDSON (for himself, Mr. SKEEN, Mr. SCHIFF, Mr. STUMP, Mr. KOLBE Mr. KYL, Mr. PASTOR, and Ms. ENGLISH of Arizona):

H.R. 4009. A bill to authorize a study of the equity of Forest Service funding allocations among the nine regions of the National Forest System; to the Committee on Agriculture.

By Mr. RICHARDSON:

H.R. 4010. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; jointly, to the Committees on Natural Resources and Merchant Marine and Fisheries.

By Ms. BYRNE:

H.J. Res. 333. Joint resolution designating May 11, 1994, as "Vietnam Human Rights Day"; to the Committee on Post Office and Civil Service.

By Mr. SERRANO:

H.J. Res. 334. Joint resolution designating May 29 through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week" in the United States; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.J. Res. 335. Joint resolution designating the month of April 1994 as "Alcohol Awareness Month"; to the Committee on Post Office and Civil Service.

By Ms. MARGOLIES-MEZVINSKY:

H. Res. 385. Resolution amending the Rules of the House of Representatives to prohibit consideration of any measure proposing a balanced-budget constitutional amendment until the Congressional Budget Office certifies that the Federal budget has been in balance for the two most recently completed fiscal years; to the Committee on Rules.

By Mr. SHAW (for himself, Mr. MICHEL, Mr. GINGRICH, Mr. SANTORUM, Mr. DELAY, Mr. GRANDY, Mr. CAMP, Mrs. JOHNSON of Connecticut, and Mr. CASTLE):

H. Res. 386. Resolution providing for the consideration of the bill (H.R. 3500) to amend title IV of the Social Security Act to provide welfare families with the education, training, job search, and work experience needed to prepare them to leave welfare within 2 years, to increase the rate of paternity establishment for children receiving welfare benefits, to provide States with greater flexibility in providing welfare, to authorize States to conduct demonstration projects to test the effectiveness of policies designed to help people leave welfare and increase their financial security, to strengthen child support enforcement, and to eliminate welfare payments for most groups of noncitizens; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ROSE:

H.R. 4011. A bill for the relief of Anil K. Sharma; to the Committee on the Judiciary.

By Mr. SHAW:

H.R. 4012. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Sea Bandit*; to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Ms. PELOSI.

H.R. 39: Mr. KLEIN, Ms. SCHENK, and Mr. BARRETT of Wisconsin.

H.R. 65: Mr. INHOFE.

H.R. 140: Mr. SMITH of Oregon, Mr. KING, Mr. ROGERS, Mr. COLLINS of Georgia, Mr. MCDADE, Mr. APPLEGATE, Mr. BUNNING, Mr. TAUZIN, Mr. GOODLATTE, Mr. LEVY, Mr. STUMP, Mr. HOLDEN, Mr. LIGHTFOOT, Mr. CLINGER, and Ms. MOLINARI.

H.R. 441: Mr. BARRETT of Nebraska.

H.R. 518: Mrs. ROUKEMA and Mr. COLEMAN.

H.R. 630: Mr. FISH.

H.R. 702: Mr. ROBERTS.

H.R. 777: Mr. MCNULTY.

H.R. 790: Mr. STUPAK.

H.R. 830: Mr. MCCURDY and Mr. LIPINSKI.

H.R. 930: Mr. FISH.

H.R. 1120: Mr. FINGERHUT.

H.R. 1151: Mr. NEAL of Massachusetts.

H.R. 1168: Mr. LINDER, Mr. PETERSON of Minnesota, Mr. GENE GREEN of Texas, Mr. GOSS, and Mr. BARRETT of Wisconsin.

H.R. 1174: Mr. JOHNSON of South Dakota and Mr. JOHNSTON of Florida.

H.R. 1276: Mr. DELAY and Mr. CALVERT.

H.R. 1332: Mr. HOKE and Mr. ROWLAND.

H.R. 1455: Mr. DEUTSCH.

H.R. 1490: Mr. HOBSON, Mr. ROHRABACHER, and Mr. HUTTO.

H.R. 1493: Mr. ROBERTS.

H.R. 1534: Mr. BOEHLERT.

H.R. 1621: Mr. BARRETT of Wisconsin.

H.R. 1671: Mr. GUNDERSON.

H.R. 1823: Mrs. COLLINS of Illinois.

H.R. 1986: Mr. FILNER.

H.R. 2019: Mr. MILLER of California.

H.R. 2092: Mr. TORKILDSEN, Mr. FALEOMAVAEGA, Mr. PASTOR, Mr. ROHRABACHER, and Mr. HOYER.

H.R. 2420: Mr. HUTTO.

H.R. 2447: Ms. WATERS, Mr. ENGEL, Mrs. MINK of Hawaii, Mr. KREIDLER, Mr. MORAN, Mr. SAWYER, and Mr. BRYANT.

H.R. 2467: Mr. BEREUTER, Mr. GILMAN, Mrs. KENNELLY, Mr. LEVY, Mr. MAZZOLI, Mr. PAXON, Mr. SCHIFF, Mr. SISISKY, and Mr. STUPAK.

H.R. 2481: Mr. BONIOR.

H.R. 2543: Mr. SHAYS and Mr. WYNN.

H.R. 2586: Mr. PARKER and Mr. SANGMEISTER.

H.R. 2708: Mr. PARKER.

H.R. 2759: Mr. HOKE, Mr. MARTINEZ, Ms. KAPTUR, Mr. GRAMS, Mr. SLATTERY, Mr. HUNTER, and Mr. DREIER.

H.R. 2767: Mr. FROST.

H.R. 2873: Mr. OLVER, Mr. TORRES, Mr. INHOFE, Mr. QUINN, Mr. SOLOMON, Mr. MATSUI, Mr. FAZIO, Mr. MOORHEAD, Mr. PETERSON of Minnesota, Mr. HUTCHINSON, and Mr. DICKS.

H.R. 2912: Mr. UPTON.

H.R. 3023: Mr. YOUNG of Alaska, Ms. LAMBERT, Mr. HYDE, Mr. SISISKY, Mr. POMBO, Mr. DOOLITTLE, Mr. LANTOS, Mr. HUTTO, Mr. WALSH, Mr. HANSEN, Mr. BUNNING, Mr. LEWIS of Georgia, Mr. HUTCHINSON, Mr. SANTORUM, Mr. THORNTON, and Mr. MOLLOHAN.

H.R. 3065: Mr. DEUTSCH.

H.R. 3079: Mr. KOPETSKI.

H.R. 3087: Mr. CASTLE, Mr. HINCHEY, Mr. FIELDS of Louisiana, and Mr. SCHIFF.

H.R. 3122: Mr. BACHUS of Alabama.

H.R. 3125: Mr. PACKARD and Mr. CALVERT.

H.R. 3246: Mr. BARRETT of Nebraska, Mr. GRANDY, Mr. HUTCHINSON, Mr. LIPINSKI, Mrs. MALONEY, Mr. MONTGOMERY, Mr. NEAL of North Carolina, Mr. RIDGE, Mr. SABO, Mrs. UNSOELD, Mr. WISE, Mr. SKELTON, Mr. MOLLOHAN, Mr. MCCOLLUM, Mr. BRYANT, Mr. HANCOCK, Mr. APPLEGATE, and Mr. DARDEN.

H.R. 3256: Mr. PENNY.

1H.R. 3269: Mr. DEFAZIO, Mr. LEWIS of Georgia, Mr. HOCHBRUECKNER, Mr. BISHOP, Ms. WOOLSEY, Mr. BARRETT of Wisconsin, Mr. HAMBURG, Mr. FISH, Mr. MCDERMOTT, and Mr. GEJDENSON.

H.R. 3288: Mr. MURPHY.

H.R. 3293: Mr. RANGEL and Mr. BORSKI.

H.R. 3309: Mr. TRAFICANT, Mr. FORD of Michigan, Mr. PETERSON of Minnesota, Mr. JOHNSON of South Dakota, Ms. CANTWELL, Mr. HEFNER, Mr. MURPHY, Mr. KOPETSKI, Mr. CLAY, Mr. VENTO, Mr. BILBRAY, Miss COLLINS of Michigan, Ms. PELOSI, and Ms. ESHOO.

H.R. 3367: Mr. KIM, Mr. HOBSON, and Mr. ROTH.

H.R. 3486: Mr. DORNAN, Mr. DICKEY, Mr. SUNDQUIST, Mr. DERRICK, Mr. ALLARD, Mr. KLUG, Mr. GORDON, Mr. BONILLA, Mr. ZELIFF, Mr. INHOFE, Mr. DELAY, Mr. GOODLING, Mrs. LLOYD, Mr. HUTCHINSON, Mr. CRAPO, Mr. MANZULLO, Mr. TAYLOR of North Carolina, Mrs. UNSOELD, Mr. TAYLOR of Mississippi, Mr. BREWSTER, Mr. FRANKS of Connecticut, Mr. FIELDS of Texas, Mr. SWETT, Mr. NUSSLE, Mr. THOMAS of Wyoming, Mr. UPTON, Mr. BOEHNER, and Mr. SENSENBRENNER.

H.R. 3488: Mr. PETERSON of Minnesota, Mr. DUNCAN, Mr. SARPALIUS, Mr. BARLOW, Mr. DICKEY, and Mr. CALVERT.

H.R. 3490: Mr. DUNCAN and Mrs. MINK of Hawaii.

H.R. 3564: Mr. WASHINGTON and Mr. FISH.

H.R. 3636: Mr. NEAL of Massachusetts and Mr. OWENS.

H.R. 3663: Mr. SANDERS.

H.R. 3729: Ms. SNOWE, Mr. CAMP, and Mrs. VUCANOVICH.

H.R. 3786: Mr. HUGHES.

H.R. 3794: Mr. ALLARD and Mr. DICKEY.

H.R. 3802: Mr. SHAYS.

H.R. 3840: Mr. FIELDS of Texas, Mr. PICKLE, Mr. EDWARDS of Texas, Mr. LAUGHLIN, Mr. DE LA GARZA, Mr. WASHINGTON, Mr. ANDREWS of Texas, Mr. ORTIZ, Mr. GENE GREEN of Texas, Mr. COMBEST, Mr. SMITH of Texas, Mr. BONILLA, Mr. SAM JOHNSON, Mr. DELAY, and Mr. SMITH of Oregon.

H.R. 3875: Mr. MCCANDLESS, Mr. ROBERTS, Mr. WILSON, Mr. EMERSON, Mr. INHOFE, Mr. THOMAS of Wyoming, Mr. BOEHNER, Mr. HUTCHINSON, and Mr. LIVINGSTON.

H.R. 3912: Mr. GILMAN.

H.R. 3929: Mr. HANSEN, Mr. HEFLEY, Mr. EWING, Mr. MORAN, Mr. CONDIT, Mr. POMBO, Mr. BONILLA, Mr. DELAY, Mr. HASTERT, Mr. DOOLITTLE, and Mr. BAKER of California.

H.R. 3935: Mr. PICKLE.

H.R. 3949: Mr. MCHUGH, Mr. SISISKY, Mr. DORNAN, and Mr. RANGEL.

H.R. 3951: Mr. STENHOLM, Mr. EMERSON, Mr. DUNCAN, and Mr. ORTON.

H.R. 3955: Mr. BREWSTER and Mr. LEWIS of Florida.

H.J. Res. 253: Mr. DELLUMS, Mr. HILLIARD, Ms. SNOWE, Ms. BROWN of Florida, and Mr. GEKAS.

H.J. Res. 278: Ms. SNOWE and Ms. EDDIE BERNICE JOHNSON of Texas.

H.J. Res. 310: Mr. GINGRICH, Mr. BURTON of Indiana, Mr. WHEAT, Mr. TORRES, Mr. SISISKY, and Mr. FINGERHUT.

H.J. Res. 317: Mr. LEWIS of Florida, Mr. WYDEN, Mr. HOAGLAND, Mr. TAYLOR of North Carolina, Mr. RICHARDSON, Mr. UNDERWOOD, Mr. UPTON, Mr. DICKEY, Mr. PRICE of North Carolina, Mr. RAVENEL, Mr. MCHUGH, Mr. SABO, Mr. FIELDS of Texas, Mr. EVERETT, Mr. HOBSON, Mr. BATEMAN, Mr. TAUZIN, Mr. MANN, Mr. CONDIT, Mrs. VUCANOVICH, Mr. REGULA, Mr. TEJEDA, Mr. GREENWOOD, Mr. TORRES, Ms. LAMBERT, Mr. DEAL, Mr. INSLEE, Mr. BAKER of Louisiana, Mr. STUMP, Mr. SMITH of Texas, Mr. PAYNE of Virginia, Mr. BROWN of California, Mr. GRANDY, Mr. BARCIA of Michigan, Mr. PETE GEREN of Texas, Mr. PETERSON of Minnesota, Mr. BARRETT of Nebraska, Mr. LAFALCE, Ms. MARGOLIES-MEZVINSKY, Mr. BLILEY, Mr. HALL of Ohio, Mr. HUTTO, Mr. HYDE, Mr. HANSEN, Mr. HALL of Texas, Mr. LANCASTER, Mr. DICKS, Mr. RIDGE, Mr. FORD of Tennessee, Mr. VALENTINE, Mrs. UNSOELD, Mr. SWIFT, Ms. DUNN, Mr. KREIDLER, Mr. HUNTER, Mrs. BENTLEY, Mr. SWETT, Mr. JOHNSON of Georgia, Ms. CANTWELL, Mr. BARTLETT of Maryland, and Mr. SISISKY.

H.J. Res. 318: Mr. SKEEN, Mr. HUTCHINSON, Mr. SOLOMON, Mr. HEFNER, Ms. BROWN of Florida, Mr. DEUTSCH, Mr. BILIRAKIS, Mr. GORDON, Mr. HUTTO, Mr. PARKER, Mr. FRANKS of New Jersey, and Mr. BATEMAN.

H.J. Res. 319: Mr. LINDER, Mr. BUNNING, Mr. HOUGHTON, Mr. ROHRABACHER, Mrs. MEYERS of Kansas, Mr. HUGHES, Mr. BAKER of Louisiana, Mr. LEWIS of Florida, and Mr. GOSS.

H.J. Res. 325: Mr. KIM, Mr. HAMBURG, Mr. CALLAHAN, Mr. FROST, Ms. WATERS, Mr. FRANK of Massachusetts, and Mr. GONZALEZ.

H.J. Res. 326: Mr. HOCHBRUECKNER, and Mr. FROST.

H. Con. Res. 98: Ms. MOLINARI, Mr. SLATTERY, Mr. CALVERT, Mr. HERGER, Mr. DREIER, Ms. DUNN, and Mr. ROYCE.

H. Con. Res. 147: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WHEAT, Mr. MANN, and Mr. STUPAK.

H. Con. Res. 152: Mr. JOHNSON of South Dakota.

H. Con. Res. 202: Mr. BORSKI.

H. Con. Res. 209: Mr. EVANS, and Mr. RANGEL.

H. Res. 255: Mr. MACHTLEY, Mr. BARCA of Wisconsin, Mr. SAM JOHNSON of Texas, Mr. ROYCE, Ms. MCKINNEY, and Mr. SLATTERY.

H. Res. 365: Mr. CANADY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 417: Mr. FOGLIETTA.

SENATE—*Thursday, March 10, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

The steps of a good man are ordered by the Lord: and he delighteth in his way.—Psalm 37:23.

Eternal God, Lord of history, Ruler of nations, we thank You for this very encouraging word from the psalmist. Last week, we were sadly surprised to hear the news that Senator MITCHELL will be leaving the Senate at the end of this session. All of us want to express our gratitude for the leadership he has given. We thank You for him and all that he has meant to the Senate, the Nation, and the world.

Loving Father in Heaven, thank You for Senator MITCHELL's influence as leader and servant. Thank You for his strength, his fairness, his patience; his hardness when toughness was required, his softness when gentleness was needed. Thank You for his strong political convictions and his understanding of those who disagree. We ask for Your continued blessing on his life. Whatever the future holds, may he go in the confidence that, "The steps of a good man are ordered by the Lord; and he delighteth in his way."

We pray in His name who is the Way, the Truth, and the Life. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 10, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DANIEL K. AKAKA, a Senator from the State of Hawaii, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. AKAKA thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9 a.m. with the Senator from Nevada [Mr. REID] permitted to speak therein for the entire period.

The Senator from Nevada is recognized.

Mr. REID. I thank the Chair.

(The remarks of Mr. REID pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. REID. I yield back the remainder of my time.

SENATOR ROBERT BYRD'S 35TH ANNIVERSARY

Mr. DECONCINI. Mr. President, I just came from a luncheon honoring our colleague, the President pro tempore, ROBERT BYRD, on his 35th anniversary. As usual, Senator BYRD put things in perspective, as only he can do. He said that what is really important to all of us men and women is, first, God, and then understanding that, whatever that God is to each and every one of us; second, family, and what that means to each of us and to society; third was the Senate.

When he got into the Senate, he talked about the history as he has so eloquently talked about before many times, and about the party and the politics which, though it is integrated so much in our system here, is really a secondary or a third or fourth consideration on how we operate our lives and what we do here.

I had not thought about it in those terms, I guess, but it is a partisan body. We know that. Each side has that obligation and responsibility. Senator BYRD, as usual, got to the core of it. Then he talked about the history of our Founding Fathers, as only Senator BYRD can do. I left that luncheon, once again, in deep admiration and just felt an uncontrollable urge to come and say so, because he is not only a friend of mine, but somebody who will not be matched in history, I do not think, that has served in this body for so long.

THE WHITEWATER INVESTIGATION

Mr. DECONCINI. Mr. President, while I do not think there is anyone in this body who fully understands the intricacies of the complex Whitewater case, we should all understand the potential danger of a premature congressional hearing. That danger could be significant in getting to the truth and bringing about what we all want—a conclusion. All we need to do is reflect upon the problems associated with the criminal convictions and having them stick or not stick in the Iran-Contra case, largely because of joint Senate and House hearings.

We should be on notice of these pitfalls. And, in retrospect, I am willing to admit that those hearings turned out to be a mistake. They were not intended to be, but in fact they were. I hope we will not make that mistake again.

I will be the first to admit that the Whitewater case might have been handled better by the White House, but I am convinced that the proper protections are now in place to prevent additional mistakes, which could impede any investigation.

The lengthy White House directive ordering full cooperation with the investigation, the searching of files, going through trash cans and burned bags to ensure that all material is made available, is, I believe, precedent setting for the 18 years I have been here, when a White House is being pursued or asked questions.

I compliment the President and the First Lady. They have never tried to stonewall this. Yes, we can kibitz or suggest that they might have done things differently. But they have been open and have told their people to come and testify, whether to the grand jury or to Congress. They will work cooperatively with us at any time. And that has not always been the case when there have been investigations involving personnel at the White House.

If our objective is to get to the truth—and I believe that is it—in this Whitewater case, and to ensure that anybody who may be guilty of wrongdoing will be punished, we should leave the investigation to the special counsel, Mr. Fiske. Mr. Robert Fiske, Jr., is a well-respected Republican, a former prosecutor. He is an extremely capable attorney. His reputation is of the utmost integrity. He is a no-nonsense investigator, who is dedicated to getting to the bottom, getting to the truth of this complicated matter. He subpoenaed a large number of high-level

White House staff, without batting an eye. Can there be any doubt that Mr. Fiske is going to conduct a very aggressive special counsel investigation? I think not.

If we want to help Mr. Fiske with this investigation, we should honor his request for Congress not to hold hearings at this time. In this respect, I am glad to see that our Republican colleagues, yesterday, seemed to finally get the message that this is not something we ought to be partisan about. If there is wrongdoing, it is going to come out. We should not jeopardize in any way the special prosecutor's investigations. We should heed Mr. Fiske's advice. The Congress and especially this body, will have ample time to do its thing, as we say, to hold hearings, to proceed and ask witnesses, and even somewhere down the line, after the criminal case, if there are criminal charges, to grant immunity, if that would be necessary.

So I am pleased that it looks like maybe we are going to cool off a little bit here on the partisan side and let the process we enacted into law, to have Mr. Fiske, as special counsel, do the independent investigation. The case for a congressional hearing now, in my judgment, has been purely and simply political. Everybody understands what is going on here. I do not know any time, in the years I have been here, where there has been an effort to damage the First Lady of this country. I resent it as a Member of this body and as a citizen. Trying individuals in the public arena undermines the most fundamental principles of justice upon which this great Nation was founded.

We understand politics as well as anybody here, but these attacks on the First Lady and the President are unfounded and ought not to be continued. So let us put faith in the institutions and what we have created under the special counsel legislation here, and let it go forward.

As I said before, if there were wrongdoings, it will come out notwithstanding the press deciding that there has to be a feeding frenzy on this every day. You see the stories where one day the courier in the Rose firm in Arkansas did this or did not do this. It is every day. I know Mr. Fiske will complete this investigation as thoroughly and expeditiously as he can.

KATHRYN CLARENBACH

Mr. FEINGOLD. Mr. President, I want to take this opportunity today to pay tribute to the life and work of University of Wisconsin emeritus professor, Kathryn Clarenbach. Mrs. Clarenbach was truly an American and a Wisconsin treasure. She passed away at her Madison home on March 4 after a long struggle with emphysema. She was 73. To the fight for women's equality she was a pioneer, an architect, a leader, and an inspiration to thousands. To me, Kathryn was a colleague, a friend, and a role model.

She was born in Sparta, the small-town county seat of Monroe County, WI. She attended the University of Wisconsin, graduated with honors and received her Ph.D from the University of Wisconsin in 1946. A teacher of political science and government affairs, she inspired students at Olivet College in Michigan, Purdue University, Edgewood College in Madison, and the University of Wisconsin.

Her academic career focused on the role of women in government and society. She was particularly interested in the difficulties faced by women when reentering the workplace after raising children. This interest led to her development of innovative continuing education programs for women through the University of Wisconsin—Extension. She was also interested in the feminization of poverty saying recently, "for women who claim to be feminist to accept this poverty, or to put the interests of the wealthy or of business ahead of people's interests is absolutely contrary to the whole notion of feminism."

I served with Kathryn Clarenbach on the Wisconsin Women's Council where we all benefited from her experience, energy, and wisdom. While a Wisconsin State senator I worked closely with her on a number of issues including divorce law, marital property reform, sexual assault legislation, and pay equity for women.

But her impressive legacy in academics and Wisconsin State government is matched if not exceeded by her critical role as an original founder of the modern women's movement. Kathryn Clarenbach was the first chairwoman of the board for the National Organization for Women or NOW. In fact, for a time NOW was headquartered in the Clarenbach home on Eton Ridge in Madison. She was also a founding member of the National Women's Political Caucus and the Wisconsin Women's Network.

She was fighting for equality for women in the fifties and early sixties well before the movement caught the attention of the Nation and the world. Her friends and early colleagues included Gloria Steinem, Betty Friedan, and Patricia Ireland. Kathryn Clarenbach was credited by many of her early colleagues for providing the organizational glue that held the women's movement together and allowed it to move forward.

On a more personal note Kathryn was an inspiration to me in deciding to pursue a life of public service. I grew up in Wisconsin, a State that reveres its long tradition of progressive, forward thinking leaders. My role models were people like Bob LaFolette, Gaylord Nelson, and Kathryn Clarenbach.

To me, Kathryn exemplied all that is good about the term activist. Her genuine passion for the things she believed in was bolstered by research, sound reasoning, good argumentation, and a cooperative demeanor that helped move opponents closer to her point of view without necessarily realizing they had moved at all. Rarely has one person contributed so much to the lives of so many. She will be missed.

STATE SAVINGS UNDER HEALTH REFORM

Mr. KENNEDY. Mr. President, one of the principal aspects of the health care crisis we face is high costs that today's patchwork health care system imposes on all aspects of our economy—the public sector and the private sector alike.

We all know the burden on the Federal budget. But for years, State budgets has suffered, too, from the soaring cost of Medicaid and the equally soaring health care costs for State employees and retirees. State spending on Medicaid nearly tripled in the past decade, consuming a greater and greater portion of limited State budgets. In 1992, Medicaid absorbed 17 percent of State spending, up from 10 percent just 5 years earlier. In fact, with the exception of education, States spend more on health care than any other item in their budget.

Like other employers, States have seen the cost of health insurance continue to escalate. Nationally, States spent almost $11 billion to insure their workers and retirees last year, up 45 percent over the past 3 years. In Massachusetts, the cost of insuring State workers more than doubled over the past 7 years, from $200 million in 1986 to $465 million in 1993.

When our patchwork health care system fails, it is often State and local governments are left holding the bag. Despite Medicaid and other measures, nearly 40 million Americans are uninsured today. Two million more lose their health insurance every month. Every day, doctors and nurses in the emergency rooms of public hospitals, in community health centers, and in local public health departments see the costs of not guaranteeing insurance coverage for all our citizens.

We cannot afford to continue down this road. States need the relief that only universal coverage and cost control can bring. The national Governors Association recognized this when they overcame partisan differences earlier this year to endorse a resolution calling for Congress to pass a health care reform bill this year.

We constantly hear critics of the President's plan talking about the high costs of health reform. But few of those critics talk about the even higher costs of doing nothing. No one can afford the status quo. States, employers, and families are all struggling under the weight of ever-increasing health care costs in a system where so many Americans fall through the cracks.

Opponents of the President's plan argue that we cannot afford to guarantee health insurance to all Americans. I say, we can't afford not to reform the system.

President Clinton's plan offers essential relief to everyone, and especially to hard-pressed State and local governments. The report released by the administration last week clearly shows that the President's plan will save State governments alone more than $45 billion between 1996 and the year 2000. Every State will participate in these savings if the President's plan is enacted.

In Massachusetts, the plan will save the State government $2.1 billion during that period. Independent evaluations released by the Congressional Budget Office, Lewin-VHI, and the Urban Institute confirm that the President's plan will result in substantial savings for State governments.

With health care costs under control, States can more effectively balance their budgets, provide tax relief for citizens, and invest in other pressing needs.

Although the latest administration report focuses primarily on savings to State governments, it also demonstrates that comprehensive reform is in the best interests of business and workers. Nationally, employers who now buy health insurance for their employees will save almost $60 billion in the year 2000 alone under the President's plan, and workers in these firms will save almost $30 billion that year. These large savings means more investment by business, higher wages for workers, and a stronger economy for our country.

The inexcusable toll exacted by our current health care system can no longer be ignored. Tinkering around the edges is not enough. Comprehensive reform is needed, and it is needed this year.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

NATIONAL COMPETITIVENESS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will now report.

The bill clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Simpson amendment No. 1486, in the nature of a substitute.

Mr. MACK addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Florida [Mr. MACK].

Mr. MACK. Mr. President, the amendment that was offered, or the substitute offered by Senator SIMPSON, recognizes that only the free-market system in the private sector can determine what technologies will be economically viable in the next century. Japan has realized with the failure of the old technology in high-definition television in which their Government sunk billions of dollars—and I heard as high as $21 billion—that industrial policy does not work.

We need to remove the artificial impediments of needless regulation and keep the cost of capital in check in order to help our businesses be competitive internationally. This amendment recognizes this and allows the private sector in the market system to choose the winners and losers in the next century.

Small businesses are the backbone of the U.S. economy. It is my understanding that small businesses produce about 40 percent of GDP and 50 percent of the total output of the private sector. In order for small businesses to stay competitive, they need access to a steady flow of inexpensive capital.

One of the largest sources of both short-term and long-term capital for small businesses is the banking industry. We need to ask ourselves what can we do to make sure that this flow of capital is not impeded.

I believe the one thing that we can do to help this capital flow is to reduce the crush of regulatory burden that our financial institutions are operating under and get them back into the business they were designed for: Providing credit to our Nation's businesses and consumers and keeping the economy going.

Credit to the economy is like oxygen to the body. We need to get our Nation's financial institutions focusing on providing credit and not on complying with needless Government regulations.

Year after year, Congress has passed well-meaning legislation that by itself may not impose significant regulatory burdens. While no single regulation is most burdensome and most have meritorious goals, the aggregate burden of the litany of banking regulations ultimately affects banks' operations and their ability to serve customers effectively.

This aggregate burden has caused many banks, especially community banks, to reduce the number of employees serving customers because those resources must be devoted to compliance. One effect of accumulation of regulation is the additional staff devoted entirely to compliance.

In addition, a study released on December 19, 1992, by the Federal Institutions Examination Council, included an estimate of regulatory compliance that was as high as $17.5 billion per year. If this cost was reduced by just 25 percent, that is approximately $4.4 billion that could be added to bank capital each year to support tens of billions of dollars in additional lending.

I believe it is important to reduce this crush of Federal regulation and reverse the tide of new, unnecessary burdens imposed on these institutions. The provisions in this amendment were taken from S. 265, the Economic Growth and Regulatory Paperwork Reduction Act of 1993, introduced by Senator SHELBY and myself and cosponsored by a total of 51 Senators.

These provisions were put together in consultation with banking and small business experts so as to remove the impediments to lending and to keep the economy moving. They are intended to ease some of the unnecessary costs to consumers, eliminate micromanagement of financial institutions, and eliminate those regulations that do nothing more than create paperwork and increase cost to our Nation's borrowers.

These provisions leave in place, with little or no modification, the strong supervisory provisions enacted in recent years. These include risk-based premiums, strong capital rules, enhanced authority to restrict and close troubled financial institutions, strong supervisory sanctions, strong criminal sanctions, FDIC back-up authority, and limits on brokered deposits.

If we are serious about economic competitiveness, we need to move away from the Federal Government dictating the winners and losers in our dynamic economy and toward allowing the private sector to act without unnecessary Federal impediments.

I urge my colleagues to support this substitute. Thank you, Mr. President. I yield the floor.

Mr. HOLLINGS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, I have a young staffer that was good enough to pick me up early this morning so I could be here at the opening. He is a brilliant young man. He asked a lot of questions.

He asked, "Senator, what aspect of the bill will we be discussing today?" I said, "None; no aspect."

We have been on the bill 3 days, and there are still no amendments relevant to this bill. Oh, yes, we have had plenty of utterly nongermane amendments. Now we are into banking regulations.

I have never seen a more shabby treatment of a serious piece of legislation in all the years I have been in the Senate. It is absolutely ridiculous. We have had an amendment with regard to pesticides. We have had an amendment relative to postal affairs. We have had an amendment relevant to the General Agreement on Tariffs and Trade—the same people who advocated fast track consideration with no amendments for GATT, they now want to amend GATT on my bill. Excuse me, our bill. This is a unanimous bill, bipartisan.

They argue that industrial policy does not work. In truth, we have had industrial policy since the founding of this Republic, and it has worked wonderfully. We also have an industrial policy with respect to our standard of living. In the body politic, supported by Republicans and Democrats, we have legislated Social Security, Medicare, Medicaid, unemployment compensation, clean air, clean water, plant closing, parental leave, safety, safe working place, safe machinery. You can go down the list.

We legislate the fine standard of living. We put these burdens on the back of industry, then we turn around and say to American business that it needs to come in off the golf course; they have got to get more competitive; they have to invest for the long-term.

Well, this bill goes right to that need: investment for the long-term. We found out that the so-called venture capital alluded to by the distinguished Senator from Missouri is not found in high-technology. The investments in high-technology are too long range.

Oh, they will invest in Wal-Mart. They will invest in telecommunications. They will get into various other ventures. But there is no venture capital for high-technology because it is on the long payout, and if any begin to score, the Japanese are in here cleaning our clock in short order.

So we found, as a matter of industrial policy, after 10 years of industrial policy vis-a-vis the savings and loan; the industrial policy of aircraft deregulation, which has got all the U.S. companies begging their employees to please take over and help; the industrial policy of communications, with the deregulation of the FCC, Federal Communications Commission, with all the violence and crime, four-letter words and otherwise.

My counterpart, the ranking member, was one of the leaders of the fight to institute what we called Sematech, industrial policy for semiconductors, a policy that has worked. He then put in a bill for an industrial policy for the aircraft industry modeled after Sematech. Now he presumes to say that we are embracing a new philosophy with S. 4. This is obviously not new—it has been discussed with him in specific for 3 years and with his approval. He has been supporting it for 3 years. We voted this bill out unanimously in 1992, unanimously last year from the Committee of Commerce. So this is not any new philosophy at all. It has been tried and true and found, and proven. I refer to President Reagan's own competitiveness commission, the Young Commission back in 1985, which said:

> There is not enough for research and development with competitiveness as its goal.

And we can go on and on referring to it.

> If we are comparing our technological position to that of our trading partners, then it is misleading to include all government funded R&D. Given the limited amount of Federal funds spent on many areas of commercial potential, the question of how government manages its R&D becomes a critical issue.
>
> Perhaps the most glaring deficiency in America's technological capabilities has been our failure to devote enough attention to manufacturing or process technology. It does us little good to design state-of-the-art products if within a short time our foreign competitors can manufacture them more cheaply. The United States has failed to apply its own technologies to manufacturing. Robotics, automation, statistical quality control were all first developed in the United States but in recent years they have been more effectively applied elsewhere.

Then coming to the statement, of course, by the Secretary of Commerce at that time, Secretary Mosbacher:

> Emerging technologies have the potential to create a multitude of new products and services and to substantially advance productivity and quality. This report identifies 12 emerging technologies in 4 major categories of featured combined U.S. market potential of about $350 billion in annual product sales by the year 2000 in a world market approaching $1 trillion. If the United States takes maximum advantage of this economic potential of emerging technologies, further growth in the United States standard of living should result. However, competition from the world's other two economic power centers, Japan and the European Community, is strong. If current trends continue, this study indicates that before the year 2000 the United States could lag behind Japan in most emerging technologies and trail the European community in several of them.

Those are the words of Secretary Robert Mosbacher, the Secretary of Commerce under President Bush. There's no hesitation about industrial policy in those words.

Since they did not get complete support, the group under President Reagan, the Young Commission, regrouped again as the Council on Competitiveness headed up by John Young of Hewlett-Packard, former chairman. George Fisher, and others. They concluded, "The U.S. position in many critical technologies is slipping, and in some cases has been lost. U.S. public policy does not adequately support American leadership in critical technologies." And on down the list, Mr. President. We will get into that very thoroughly.

But the point to be made here is this is not a new philosophy. Leaders of American industry, particularly in the field of technology say, "Wake up America. Let us get competitive." As a result of our hearings over a 3-year period, we have come forward again with a bill that has already been passed unanimously. Yet we still hear the charge that, wait a minute, we are starting a new philosophy. Nonsense, this is the same philosophy of the past 8 years. We had best leadership of America's industry saying let us go now. Let the Government invest smartly. Let us make sure it is not political, but businesslike, specifically instituted by business, no political or governmental picking of winners and losers, rather the industry itself picking.

It has to be a serious selection in that the industry has to put up the majority share, and our experience over the past couple of years is that nearly 70 percent, the majority of the money, has come from the private sector. And these investments have to withstand peer review, merit selection.

On that basis we move forward. We have a program already at work. But this is the outdated authorization, including an embellishment with the National Science Foundation, with the National Information Infrastructure championed by the distinguished Vice President, Mr. GORE, and several other measures.

On the amount of money, opponents have tried to falsify the figures, and say, "Wait a minute, these figures, this is not what we discussed." The funding has ballooned, as they say it; silly language of that kind, when the Senator is using the language and actually voted for more money for the next fiscal year, $143 million more than what is in this bill for fiscal year 1995, and voted for $35 million more than what is in this bill for 1996. We went to OMB and they retrenched and cut back. So what was voted for has not been ballooned, but rather cut.

I do not know what the game is. It is a political game. It is not a factual game. Now we have an amendment before us on banking regulation. Yes, small business is a focus of this. This bill aims primarily to help small business. That is exactly what it is, and it was worked out with the Small Business Administration, worked out with the Small Business Committees of the House and the Senate.

So we are on course. It is very dismaying for these Senators to come to the floor and weave together a bunch of comments and statements that have no regard for the facts about this particular measure, and come with amendments to other bills with separate initiatives. This is not the Banking Committee. There are some problems, I grant, with respect to banking. Let the distinguished Senator handle that in banking or on a banking bill. This is not the banking bill.

But here we are. It is after 9 o'clock, and I understand my counterpart was held up a little in traffic. But I hope the others will come now and see what we can do with this particular amendment.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mrs. BOXER addressed the Chair.

The ACTING PRESIDENT pro tempore. Will the Senator withhold the quorum call?

Mr. HOLLINGS. Yes. I withhold the quorum call, please.

The ACTING PRESIDENT pro tempore. The Senator from California [Mrs. BOXER] is recognized.

Mrs. BOXER. I thank you, Mr. President.

I want to say to my friend from South Carolina, the distinguished chairman of the Commerce Committee, how much I respect what he is trying to do for his country with this bill. This bill is crucial to our competitiveness.

I had the opportunity to sit in the chair during some of the debate. We were debating things that had to do with farm workers, and all kinds of issues, pesticides. One can only ask what is the motivation behind this big stall? The only answer I can come up with is it is politics again. It is stopping progress again. We have seen it time and time again. I know my distinguished friend is going to stay here as long as it takes to get this bill finished. I want him to know that I am looking forward to working with him to see that this bill gets passed. For my State, it is absolutely crucial.

ORDER OF PROCEDURE

Mr. President, seeing that there are no other colleagues who wish to speak on the bill, I ask unanimous consent that I be allowed to speak as if in morning business for 15 minutes.

Mr. HOLLINGS. Mr. President, let me first thank the distinguished colleague from California. She is right on target. This is an extremely important bill, and we are facing some kind of political stall. It is very interesting that a serious statement was made. Otherwise, I would not have alluded to it. But it was stated that this bill really is political pork to carry the State of California. I said, "Come on. Are you serious?" They said, "That is the word that has gotten out." I had to go into detail. That is why I continued to refer to this particular debate. They do not say so publicly.

I can enumerate the merit review, the oversight by the National Academy of Sciences, and much more. How is the money spent. The bulk of it goes to NIST, the old Bureau of Standards. There is no pork there. A lot of the money goes to the National Science Foundation. There are no politics to the National Science Foundation. Money goes to the manufacturing technology centers; each one of those centers must be means tested and peer reviewed.

We have been true to the original representation of the bill. The Secretary of Commerce could not possibly play favorites even if he wanted to. But that is why the bill has been distorted over here, and some of the Senators with good intent did not realize that. That is why I want to emphasize.

I am particularly grateful for the distinguished Senator's comments. She has been a leader in the development of technology and the creation of jobs, which is so vital to the State of California as well as the country.

I would be glad to hear her on another subject.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous consent request? Without objection, it is so ordered.

The Senator from California [Mrs. BOXER] is recognized.

Mrs. BOXER. Thank you very much, Mr. President.

FACES OF HEALTH CARE: ANDY AZEVEDO

Mrs. BOXER. Mr. President, I just want to say that we are really on the verge of being able to make some progress on health care for all Americans. I think it becomes increasingly important, as the special interests pay for their very sophisticated commercials that make people believe that changes in the health care system will only harm them, that we come to the Senate floor when we can and put a face on this health care crisis. That is what I am going to do today, Mr. President, in a very personal way.

I want to talk to you about a young man whose name was George Anthony—we called him Andy—Azevedo, who came to Washington and talked to many of us about health care reform when he was 19 years old.

I will never forget. He was a very strapping young man, with a potential scholarship to college. That was 4 years ago. He would have desperately wanted to be here with us today in Washington, pushing us to enact real health care reform, but he cannot because Andy Azevedo died in 1991. I think that his story is very instructive for all Americans to hear.

Andy would want us to know how hard he tried not to let down all those who cared about him. He would want us to know how his doctors never let him down, how his friends and his neighbors were there for him, how thousands of strangers from California and from all over the country gave him their love and their caring and as much money as they could.

The money was essential because the health care system did let Andy down. The insurance industry let him down. To Andy they seemed not to care about him or people like him.

Andy died still fighting for all those who were excluded from health care like he was, or who would be excluded. It is now our fight to carry on. It is our responsibility. It is our duty to the American people to stand up and fight for real health care reform.

Let me tell you a little more about Andy.

Andy was raised in Sonoma County, CA, in a very rural area of our State. He and his mom and dad, Marilyn and Simon Azevedo, and his two brothers and two sisters, spent a lot of time in Two Rock, which was their home. Andy loved sports. Football was his main love, and he played it every chance he got.

In fact, when Andy first found out that he had cancer, he thought he had a football injury. He had a sore on his finger, not much of a sore, but it would not heal. So his mom had him get it checked out. After all, here is a tough kid who bangs around all the time on the football field. What is a sore finger? As Andy said: "I just came from football practice. How can I have cancer?"

But the diagnosis was clear-cell sarcoma. He had a sarcoma, clear-cell sarcoma, a rare disease that usually strikes people much older than Andy.

Illness like this can strike any of us, any American, any of our relatives, and any of our friends. A potentially fatal disease struck Andy at the age of 18, at the prime of his teenage years, on the way up a promising football career. A sore in his finger and too short a time later Andy died.

But do you know why Andy came to see me and to 60 other offices on Capitol Hill? I was over in the House of Representatives then. Andy wanted us to know that even if he had survived his fight with cancer, he would never get health insurance again. Andy's insurance came through his parents' policy. He told us that he fully expected to survive his cancer. He said: "When I turn 21, I am going to have to get my own insurance." Andy's insurance company told him that he would be uninsurable because he was too great a risk.

Andy was a fighter. He was a fighter and he fully intended to reach that 21st birthday and beyond. But all the time he worried about losing his insurance. So Andy came here to fight for the tens of thousands of people like him, people who have fought the fight of their lives.

Mr. President, we all have friends and relatives who have fought cancer and who have won the battle, and then after they survive the fight of their life they can never get health insurance again because of something the insurance company called a preexisting condition.

I call it a disgrace, a shame, on our country. I call it a failure of our system to keep people secure, a failure to keep faith with those who have sent us here to do the right thing.

Can you imagine what it was like for Andy fighting every day just to be alive, and at the very time he needed all the positive thoughts he could hold on to—and anyone who has fought cancer knows that is part of the fight, a positive attitude, a positive feeling. But all the time he had to face the fact that even if he survived it he could never get his own insurance and he and his family would be in financial risk forever.

Mr. President, no one in America should ever have to face those feelings, to know that they are expendable for some company's bottom line. Every man, woman, and child deserves to know that if they will fight to survive, we will fight to make sure they are never uninsured.

Andy might be alive today if he had received better treatment from his insurance company.

He came here to tell us what life was like when he was denied a needed operation by his insurance company, and then he had to face the fact that even if he was able to raise money for this operation, and even if he survived that operation, he would lose his insurance.

Andy's family found out what it was like—extra jobs for extra money just to pay for uncovered medical costs. Andy's friends, both old and new, found out through bake sales, weekend runs, Sunday brunches, anything they could think of that earned a little money toward Andy's enormous health care bills. I know how much people cared, because I went to one of those breakfasts where we all prayed and gave what we could.

Andy went through hell. There is no other way to describe it. His finger was amputated. They found 3 dozen tumors in his lungs, a tumor in his heart, and then a tumor in his brain.

In his fight, Andy had surgery on both lungs, his heart, and his brain. The doctors said: "You will never walk, you will never feel; you will never play football again." They told Andy he would never survive.

But Andy survived for a period long enough to become a spokesperson for parents of kids with cancer. He was with us for less than 2 years, 2 years where the doctors said he would never survive. But he shared his strength with many in those 2 years.

His only hope after so many surgeries, a bone marrow operation, was denied by his insurance company. Andy went to organizations for financial help. His friends went to their savings. People from all over the country helped raise $60,000 just to get Andy admitted to the hospital for treatment. The fight took too long, and Andy died before he could get the operation.

But do you know the irony, Mr. President? The irony of our current system is that even if that transplant had been successful and Andy had survived, he would have lost his insurance coverage when we turned 21 because his cancer made him uninsurable.

As Andy wrote to me,

> If I'm one of the lucky ones, I'll still need to be followed closely. I will need to be checked out every few months for the remainder of my life, but I can't do that unless I am able to buy the needed health insurance.

Andy did not want charity from anyone, from any company. He just wanted to be allowed to buy insurance.

He wrote, and I quote further:

> The lawmakers of our country were elected with a trust of the people to do what is right for them. And to let children who have fought so hard to stay alive * * * become victims of big business after fighting for their lives seems very wrong.

Those are the jewels, the words of a 19-year old.

Andy lettered in three sports at Tomales High School. He was the student representative to the school board. He never asked much for himself. He wanted to do for himself. But he came here to Washington to ask for others. That is what the President's health care plan does. It asks for others, for all those who cannot ask for themselves, or who do not even know the trouble that may be awaiting them with the current health care system.

Andy and his mom wanted others to know how sometimes our health system caused them even more pain than Andy's cancer. They started a book together about health care. Marilyn, Andy's mom, promised to send the book for all of us when it is finished, and I am going to send it to each and every one of my colleagues. Marilyn, his mom, said:

> If you have a rare disease like Andy's, you're blazing a trail because the treatment that you will get will help others. Helping Andy would have helped others.

And she said further:

> Insurance has to be there for all of us when we need it. Isn't that what it's for?

We are going to debate this issue. There are those who are fighting for the status quo.

And I am going to again quote Marilyn Azevedo, a mother who lost a son, who put it all in two sentences:

> Insurance has to be there for all of us when we need it. Isn't that what it's for?

I hope that I can tell her, and I will fight to tell her, that we are going to make certain that insurance will be there for everyone, regardless of preexisting conditions.

And here is another terrible irony. Marilyn, Andy's mom, told us that the company she works for changed insurance carriers and that her new carrier rejected her—high blood pressure, they told here.

During one of his remissions Andy, was talking about his career. He said, "I'm interested in forestry because I like the outdoors. But, who knows, after all this, I could get into politics."

Andy never made it. He never made it here. But we have, and let us listen to his plea.

An illness may have beaten Andy, but nothing except our lack of courage on health care reform can beat the spirit that he shared with so many of us.

Andy's courage in the fight against cancer is legendary. Now let us find the courage to stand up to the special interests and to those who fight for the status quo, and to Harry and Louise on television, a couple of actors who want to turn Americans against health care reform. Andy has given me the courage, and I hope Andy will give each and every one of my colleagues the courage.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from California yields the floor.

Mr. ROCKEFELLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. I thank the Chair.

Before the good Senator from California, [Mrs. BOXER] leaves, I think we are all very conscious of Andy and I hope we get around finally to doing something about Andy.

What strikes me about this place is our ability to put politics above people, to put party above people, and to put all of those above Andy. Andy would not have been happy about that.

I think that is one of the reasons that you were elected and that is one of the reasons that the Senator from California is such a strong advocate. And if we can just focus the American people's attention on Andy, on health care, we will get this done, because we know they want us to do it, just as Andy's family wants us to do it.

So I really thank the Senator.

Mrs. BOXER. Mr. President, if I might ask the Senator to yield to me for just a moment to comment on his leadership on this.

This has been a very long and difficult struggle. The Senator from West Virginia has stayed focused on this issue to the point where I think sometimes it pays a price.

I want to say to him that the more we can bring these real stories to the floor of this U.S. Senate and talk about real people and talk about our responsibilities, I think the quicker we will succeed.

With the Senator's leadership—I will be by his side—we will pass real health care reform, and we will all be proud, and we will do it in Andy's memory and for all those children and adults who had to go through really the kind of hell that he went through; again, at one point saying that this fear of losing insurance was more painful at times than the cancer. It is an extraordinary comment, is it not?

I yield the floor.

Mr. ROCKEFELLER. I thank the Senator from California.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. ROCKEFELLER. Mr. President, I rise to once again ask my colleagues to consider the urgency and importance of the bill before us, S. 4, the National Competitiveness Act.

I am still trying to understand why it is taking so much time and energy to pass a bill that is about the heart and soul of this country. Knowing what challenges we face in staying competitive and prosperous, I find it inconceivable that anyone would oppose this effort. Personally, knowing the opportunities this bill poses for my own State—its industries, its workers and their families—I am determined to see us get this legislation signed into law.

All of a sudden, we are hearing a series of misgivings about the idea of continuing a long tradition of the Government working with American industry to stay on the cutting edge of technology, improve manufacturing, and create and even expand jobs for our people. In light of the obvious competition we face in technology throughout the world, isn't this bill one of the equally obvious answers—a bill to invest in the Nation's economic future.

The bill before us is not a new or radical idea. It is not even some sharp swerve in policy and direction. The programs we want to continue or expand are the same ones that something called the Senate Republican Task Force on Adjusting the Defense Base specifically endorsed in 1992. In that report, it was noted that these kinds of programs are "important to the effort to promote technology transfer to allow defense industries to convert to civilian activities."

Both Democrats and Republicans in the private sector support this legislation and the time-tested concepts that are its underpinnings.

Just this week, the head of the Council on Competitiveness, in endorsing this legislation, reminded us that many of the provisions in S. 4 were initially proposed by the Bush administration and were in fact signed into law by President Bush. That includes the Advance Technology Program, started under the Bush administration with bipartisan support in this body. This is the Government's principal civilian program to help industry develop new technologies where the risks or costs are just too much for companies to undertake alone. The projects are industry-led, selected completely on the basis of merit through a stringent review process, and require the companies to contribute half of the costs. The idea of this program is to avoid the infamous VCR experience—where Americans invented a path-breaking technology only to see others solve technical problems more quickly than we did, and get to the market first.

In contrast to some of the debate within these walls, just take a look outside and you will be quickly reminded and assured that his bill has strong bipartisan support and intense industry support. Indeed, the fact of the matter is that this bill springs from a tradition of public-private partnerships that go back decades.

Go back to World War II. As we woke up to the challenges being posed by the Europeans, the United States committed the resources needed to stay ahead. That investment led to new products, new industries, and higher living standards.

As a recent Business Week article pointed out, U.S. wartime discoveries fueled growth in the aerospace, nuclear power, pharmaceutical, and electronics industries. And looking at the next four decades, "fundamental research produced transistors, lasers, and molecular biology—the foundations of America's world-leading computer, communications, and biotech industries."

The entire U.S. Senate should strongly support the bill. As one of its original cosponsors and architects, I am enormously proud of this legislation. Through the steps that we propose, we will strengthen our country's economy, promote U.S. competitiveness, and create more and better jobs for the people of West Virginia and the rest of America.

I commend Senator HOLLINGS, chairman of the Senate Commerce Committee, who has been the master-architect of this effort. Many other Members of this body have devoted serious thought and work to this blueprint for investment and economic growth, and I hope they all get the credit they deserve from the people and industries of their States.

This is an important bill, Mr. President, because it focuses attention on the most pressing things we need to do to compete in the international marketplace now and into the 21st century.

I presume that we will be discussing this bill throughout the day. That's understandable, since it is a significant proposal that deserves this body's full consideration. But I want to say as loudly as it is humanly possible that this should not turn into a debate designed to win political points.

This legislation deserves bipartisan support. It embodies the pragmatism, the fiscal discipline, the commitment to private-public partnerships, and the dedication to economic growth that all of us share as objectives. It is based on practical experience in technology programs within other agencies that have paid enormous dividends. It recognizes that investing, by working directly with industry, in technology, is the road to a more robust and competitive economy.

I have pointed out on other occasions in this Chamber that if we are to maintain our position of global leadership, we must understand the changes in the world that will define our future and adjust our goals accordingly. Put simply, the end of the cold war means that our global leadership role will be determined by our economic strength, which will define our political and military strength. Economic strength, in turn, will be measured by our ability to compete in the critical industries of tomorrow that will be the infrastructure of the 21st century.

We usually think of infrastructure as roads and bridges, concrete and steel. But it is now telecommunications and information, electronics, fiber optics and computers. Instead of the interstate highway system, we are contemplating smart highways, supersonic air transport, and information superhighways. These are the things that will drive our economy in the future.

Japan and the rapidly industrializing countries of the Pacific rim understand this and are acting quickly to prepare themselves for the future. Unfortunately, planning ahead has become politically incorrect in the United States in the past decade. As a result, we are behind the economic eight-ball, still debating the wisdom of Government action to improve our manufacturing and R&D base, while our competitors have gone ahead with aggressive action of this very sort.

If we lived in a world of closed markets and limited trade, we could avoid these changes and survive. But as we all know, our world is rapidly becoming a single market, making us constantly vulnerable to our competitors' efforts. The computer I use may contain Japanese semiconductors on a motherboard assembled in Singapore, shipped to Taiwan where it is put inside its plastic frame along with a screen assembled in Malaysia, before it is finally sent here—by an American company.

That kind of globalized production may be inevitable, but it still occurs in a world of nation-states, and governments have not lost their ability to influence their own competitiveness through appropriate macro and microeconomic policy tools.

The National Competitiveness Act is about the latter—using our micro policy tools on behalf of the industries and sectors we need to be a high technology 21st century economy.

I might add that I still believe we missed a golden opportunity to move quickly on these issues last spring when Congress rejected the President's stimulus program. Almost unnoticed in the debate over summer jobs and other short-term spending was the immediate investment that was included for technology research, development, and commercialization.

This legislation is about where we know or competitive future lies. It is manufacturing that generates not only jobs but profits to fund research and development of new generations of technology and products. We may lead the world in research—and I would argue that we do—but ultimately if we don't make anything, we won't invent anything, and we won't create good jobs for our workers. S. 4 deals directly with commercialization and technology diffusion.

First, as others have made clear, it expands and extends our existing manufacturing technology outreach efforts. Making the latest technology and know-how available throughout our country, particularly in States like West Virginia that have large rural populations and small towns helps all our companies, including our smaller businesses improve their competitiveness. For example, in my home State of West Virginia, this bill will authorize a telecommunication network that will connect the rural schools, hospitals, and manufacturers to the information highway. These organizations will have the same access to information and data that the more densely populated States already have. This portion of the bill makes the State more competitive in international markets which create more high quality jobs—the responsibility of those of us who serve as elected representatives.

This bill also opens the door to new, innovative ways of looking at the process of becoming competitive. It includes language I had sought that could lead to the creation of a manufacturing technology center or manufacturing outreach center that is concerned with the total competitive environment in a region and not just with technology transfer. A region's education system, its tax policies, its zoning rules, and a thousand other, largely non-Federal, Government-related activities have a critical impact on the companies that operate within the region. Helping local governments and community leaders understand that and adjust their policies so advanced manufacturing and competitive companies are encouraged rather than discouraged is an important new element in this bill.

In addition, S. 4 focuses directly on the need to spur commercialization, which we all know is absolutely critical to our future. Thanks to a great deal of work, the bill includes a revised version of a proposal I originally introduced in 1992 to provide Federal support for venture capital investments in critical technology commercialization.

Mr. President, many of us believe that this country has an investment capital shortage right now. Others do not agree with that assessment, but all would agree that we clearly have a shortage of capital willing to invest in relatively high risk critical technologies and willing to invest at the critical commercialization stage of development. Conventional venture capital companies have become risk averse over the years, focusing on safer high return investments and often coming in only at a later stage when success is more likely.

In truth, there's nothing wrong with that—it's the market making appropriate judgments about where money should go to ensure a return. But that does not mean that is in the national interest. It is my view, Mr. President—and we have had hearings on this issue—that we could significantly assist our critical technology companies in bringing their ideas from the laboratory or prototype into mass production through carefully structured minimal assistance from the Government.

S. 4 achieves that goal through its critical technology financing program. By licensing venture capital firms specifically to invest in critical technology enterprises and then purchasing some of their equity with Federal dollars, the Government will create a cadre of venture capitalists focusing their creative energies specifically on critical technology development with a minimal transfer of Federal funds.

Most important in this concept is the fact that the investment decision making process remains in private hands. This is not the Federal Government making investments or selecting winners and losers. It is the private venture capitalists doing that—and they have the expertise to succeed at it. The Federal role, and the Federal funds, give them the incentive and the opportunity to take the particular risks inherent in this kind of investment. We all know how successful our basic research programs have been—leading to many Nobel prizes—but how many of our best ideas have not created jobs in this country. This provision of the bill will help to take the best ideas from American research laboratories to products by providing patient venture capital. This will create more high quality manufacturing jobs.

It is interesting to note, Mr. President, that there was little or no debate over this section of the bill. It is so obvious, it has attracted wide support. Instead, we had an extensive debate over whether this program should be run by the Department of Commerce, our lead civilian technology agency, or by the Small Business Administration, whose SBIC program has some similarities to the critical technology investment companies that would be created.

In the end, as so often happens, we produced a compromise, and the Senators from Arkansas [Mr. BUMPERS] and South Dakota [Mr. PRESSLER] are to be commended for their cooperation in working this out. I will leave it to others to describe the details of the revised provision, Mr. President. Let me simply note that since this is fundamentally a technology program, Commerce will retain the policy and decision making lead but will rely on SBA's administrative experience in programs of this kind to actually manage it. In my view, this is a suitable outcome that uses the strengths of both agencies to create a successful program.

The basis for this resolution came directly from discussions between the Secretary of Commerce, Ron Brown, and the Small Business Administrator, Erskine Bowles, both of whom, on behalf of the administration, support this provision. I am also grateful to them for their hard work and personal involvement in seeing this issue through.

I know that there are others in the administration, who were only beginning their analysis of the venture capital problem when we were ending ours, who are considering other means of achieving the same objective. That is why this program is structured not to begin for a year, and the Commerce Department is directed in the interim to develop detailed procedures for its implementation. It may well be that the Department will return to us in a year suggesting some modifications even before the program begins. That would be entirely appropriate, and I am sure the committee will consider such seriously.

Let me simply close by reiterating how important this legislation is. I want to commend the chairman of the Commerce Committee again, and my many colleagues who have worked for years to craft this agenda for the future. I am very grateful for the hard work, the imagination, and public service that were poured into this legislative effort by numerous staff.

This bill is significant because it looks to our future, not our past. It puts in place the objectives, the commitments, and the programs to pave a future of continued global economic leadership. And that future translates into one of hope, opportunity, and jobs for the American people.

I thank the Chair and yield the floor

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair. I wish you a good morning.

Mr. President, I want to thank my colleague, Senator SIMPSON, for including my language in the Republican substitute aimed at promoting industrial competitiveness and economic growth through Federal regulatory reform.

Both sides recognize the necessity of job creation. Federal agencies must consider the costs associated with Government regulation. The American family is currently paying over $1,000 per family every year for the cost of environmental regulations.

The question before us is the merits of cost-benefit analysis. The environmental community, the Environmental Protection Agency, and some of my colleagues on the other side are fearful of cost-benefit analysis being a factor in promulgating regulations along with the consideration of international competitiveness and economic growth.

Agencies should be required in law to publish a cost-benefit analysis in the Federal Register. The merits of every law that we pass should be evaluated in terms of costs and benefits. This evaluation should include a risk analysis.

The public really needs to have this information. A logical place to put it is in the Federal Register.

My amendment requires the Federal agency heads to publish in the Federal Register cost-benefit analysis for all proposed regulations.

More specifically, the regulatory actions to be published in the Federal Register with an accompanying cost-benefit analysis include a notice of proposed rulemaking, an interim final rule, and then a final rule. The cost-benefit analysis should include some detail, not an overabundance of detail, but some practical and understandable recognition of the proposed regulations costs and benefits so everyone can read and understand them. So often, we react after the fact to horror stories from a constituent, and we shake our head and say, "I cannot imagine how that ever happened. That certainly was not the intent."

The cost-benefit analysis should include an analysis of specific costs and the benefits resulting from the regulation and specifically a certification from the Federal agency head that the regulation will produce benefits that justify the cost. There is an environmental terrorism associated with what this means. This is not an unfair obligation nor an unreasonable requirement—a simple certification that the regulation will produce benefits that justify the cost.

The costs as a result of implementation of, and compliance with, the proposed regulations would include the total number of direct and indirect jobs to be lost, the costs to the Federal Government and local governments and other public and private entities, and the human health or environmental risks created. With the cost-benefit analysis, it would put an obligation, an appropriate obligation, to evaluate some very important considerations.

Benefits include the total number of direct and indirect jobs to be gained, the savings accrued by the Federal, State, and local governments and other private and public entities, and the human health or environmental risk reduced. We would like to think that the benefits of regulations outweigh the costs in most cases but that is not always the case.

The amendment covers the cost of regulatory reform on the economy because there are costs. With the exploding costs of unfunded Federal mandates which are imposed on local governments, the public should have cost-benefit information available to them in the Federal Register.

Regulations often fail to assess the minuscule risks, and some of them are very small, being addressed compared to the enormous costs of reducing the risk. In my State of Alaska, unreasonable regulations are most often in the area of environmental regulations, and they are uniform. When they make a uniform environmental regulation, it has different effects in Alaska than it has in other States. For example, we are the only State with the Arctic in it. We have a big hunk of our State that is in the Arctic. Wetlands are synonymous with permafrost and we are the only State with permafrost. You mandate a wetlands application; permafrost automatically is included—and one-half of our State is in permafrost—and away we go. It is a free license for the EPA, the Corps of Engineers and on and on and on.

Mr. HOLLINGS. Will the Senator yield?

Mr. MURKOWSKI. I would be happy to yield without losing my right to the floor.

Mr. HOLLINGS. I know it is very, very difficult to keep up. We adopted that amendment yesterday, cost-benefit analysis, in the Nickles-Reid portion of the Simpson amendment. I just thought I would bring that to the attention of the distinguished Senator.

Mr. MURKOWSKI. I appreciate that from my good friend from South Carolina, but I am under the impression that my amendment as included in the Simpson substitute is more direct on cost-benefits as opposed to the Nickles, which is in the area of economic attention specifically.

So I want to just complete my little treatise here on the emphasis on the environmental area, because, Mr. President, Government, business, and industry in our country spent approximately $115 billion for pollution control in 1990, and it is estimated that the figure will increase to $185 billion per year—that is 2.3 percent of our gross national product—by the year 2000. EPA continues to implement, I think, overly burdensome regulations while the Government continues to talk about creating jobs.

The tragedy is aggravated by the fact that we often know so little about the benefits of regulation. Regulations often are based upon inadequate scientific analysis or fail to assess the minuscule risks being addressed compared to the enormous costs of reducing risks.

I do not know how many of you saw a Washington Post article, I think it was yesterday. It covered a statement by the EPA. One of the EPA water quality rules allows arsenic levels no more than 2 or 3 parts per billion. Now, we all hear about arsenic, and we react and, good heavens, we have it in our water and we are told that we cannot have levels of more than 2 or 3 parts per billion. Yet we go out and eat a plate of shrimp, and a plate of shrimp contains 30 parts per billion. But there is no bridge between the two, which points out that clearly 2 to 3 parts per billion in water is of little concern to human health.

Now, there are other examples about which I could speak. We talk about the proposed ban on lead fishing sinkers and about the merits of ingestion of the sinkers by birds. I am not going to go into these examples. I am just saying, Mr. President, that we are entitled to have this cost-benefit analysis. I am pleased it is in the Republican substitute. I wish to keep the issue alive. It is not a partisan issue; it is a bipartisan issue because it represents common sense.

This is an important issue—the Federal Government often spends a fortune on enforcing regulations where the costs far outweigh the risks. And this cost-benefit analysis, I think, is an essential element to the regulatory reform that needs to be addressed.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague, Senator SIMPSON, from Wyoming for putting this package together. I wish to especially say thank you to my friend and colleague, Senator MURKOWSKI, from Alaska, for the statement he made concerning cost-benefit analysis, which is needed so desperately.

I picked up the paper recently, and it talked about EPA saying cost on a life saved is as much as $1 billion per life. And some of these regulations imposed have such enormous costs, whether you are talking about clean air or clean water, OSHA, or you are talking about others, having a risk-benefit assessment is awfully important.

I also wish to thank my friend and colleague from Wyoming for including the Nickles-Reid Economic and Employment Act, which we agreed to yesterday, because not only do we need to know the risk and economic benefit, but we also need to know the cost and we need to know the impact on employment.

So I think the Murkowski amendment and the Nickles-Reid amendment complement each other significantly and, I think, will be giant steps in the right direction.

I also wish to thank my friend and colleague from Wyoming for including a couple of other provisions, one of which deals with Davis-Bacon reform and increasing the threshold from $2,000 to $100,000. I think people are shocked when they find out that the Federal Government still mandates wage rates on any Federal construction project that is more than $2,000.

That means, I say to my colleague from Wyoming, if you had a little post office in Cody that had a door that needed to be fixed or a little roof repair, if a contractor said, well, that is going to be over $2,000, they cannot just do the work. They cannot just say here is what the contract will be. They would have to go all the way back to Washington, DC, get the Department of Labor, and ask what is the prevailing wage. And maybe they already have the prevailing wage in Cody. But I will tell you, they do not have the prevailing wage in a lot of rural areas. And yet the Federal Government is going to mandate what the wage rates are for any Federal construction project that is over $2,000. I find that to be ridiculous in this day and age. That is the same $2,000 that was enacted in 1935. It makes no sense.

So this is commonsense reform. It says, wait a minute. For small construction projects, let us not have the Federal Government mandating what people will pay. Let us not have the Department of Labor determine what people should be paid. Let us allow private contractors, working with their employees, who know best what the value or the merit of that job is, to determine what the wage level will be, not the Department of Labor.

So I think that is an excellent piece of reform. My friend from Wyoming has come up with a very good, a very credible package, one that does not cost money. Unlike the original bill, which is going to cost taxpayers, if it is all appropriated, $2.8 billion, this program is going to save money. The Davis-Bacon regs alone will save over $30 million over a few years. It is going to save a lot of money for companies and individuals who will not have to comply with useless and needless regulations.

I think it is an excellent package, and an excellent substitute. I compliment my friend from Wyoming for putting it together.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. I thank the Senator from Oklahoma, Mr. President. He has done tremendous work in this area over the years. In doing so he has often presented matters to the Senate for consideration only to see them targeted in a single-shot way, and then immediately in a partisan vote shot down.

So he has, thanks to the floor manager, now included an amendment which is of great interest to him. And I appreciate him making the distinction between the Murkowski amendment on cost analysis and his own amendment on cost analysis, hoping at least to attempt to answer the question of Senator HOLLINGS; that they are different, and that they deal with different aspects of cost analysis.

But I know who has been working in this vineyard, laboring long for years, and that is the Senator from Oklahoma. I deeply appreciate that.

Mr. President, I believe the order of business is that we are on the amendment.

The PRESIDING OFFICER. That is correct.

Mr. SIMPSON. Mr. President, this amendment was sent up last night. As the Senate begins debate on S. 4, the so-called Competitiveness Act, we must ask ourselves: Do we enhance American competitiveness by allowing ever greater Government intervention in the private sector? I do not think so. The better approach is to attempt to reduce the existing regulatory burdens which are anticonsumer, and which greatly inhibit American competitiveness. Senators DOLE, NICKLES, COCHRAN, PRESSLER, THURMOND, DURENBERGER, COVERDELL, HUTCHISON, HELMS, CRAIG, COATS, KEMPTHORNE, WALLOP, MACK, MURKOWSKI, GRAMM, LOTT, SMITH, GORTON, WARNER, and I will be offering a substitute amendment to S. 4 which we believe is a real competitiveness bill. It is aimed at reversing the trend of anticompetitive regulations which take such an immense toll on our economy. It also makes an effort to reform the process which leads to the promulgation of such regulations.

Over the past century, Federal regulations have collectively limited our economy's ability to approach its maximum potential for growth. As many as 85 percent of Americans agree that Government regulators are now out of control and that lowering the cost of regulation to the public should be a very top priority. The American consumer obviously know what is up. We consumers ultimately bear the costs of all these regulations. The Clinton administration in the reinventing government proposal has stated that the current costs of government regulation in America is $430 billion per year. Thomas Hopkins of Rochester Institute of Technology, who is thought to have authored the foundational study of the cost of regulations, has projected $564 billion as the figure for 1992. Either way, it amounts to $4,300 to $5,600 per family per year. These costs do not appear on any Government ledgers or on a paysheet stub. It is a hidden tax which equals or exceeds the average Federal tax burden on an American family, estimated at $4,000 per year by the Bureau of Labor Statistics Consumer Expenditure Survey 1988–1989.

Our objective is to provide regulatory relief to American consumers without endangering their health or their safety. This is not all-sweeping legislation. Much more can and should be done. Our amendment has the endorsement of the 600,000-member NFIB and the Labor Policy Association. I ask unanimous consent that various letters of endorsement be printed in the RECORD after these remarks.

This legislation incorporates a few good ideas from both sides of the aisle. Some of them are new, and some have been shot down when offered separately in the past. But, it is a good start down the right path of regulatory reform. And based on preliminary CBO estimates, our amendment would save approximately $1 billion over 5 years.

Included in this amendment is language from Senator DOLE'S Government downsizing bill relating to reforming the Davis-Bacon Act of 1931. We have also applied the same reforms to the Service Contract Act of 1965. Throughout their history, these laws have artificially increased the cost of Federal construction and service contracts. Davis-Bacon requires that construction contracts of more than $2,000 entered into by the Federal Government specify minimum wages to be paid to the various classes of laborers and mechanics working under those contracts. The minimum wages are based on the prevailing wage in the locality of the project as determined by the Department of Labor. The Service Contract Act also requires Federal contractors to pay the prevailing wage in the locality when contracting for a service worth more than $2,000. Several of my colleagues have advocated taking the ultimate step and repealing these laws. That is not a consensus building approach. Accordingly, we have tried to impose some sensible reform on these laws. We have increased the threshhold which triggers the applicability of these laws to $100,000. In Davis-Bacon, CBO estimates that this reform would save $216 million over the next 5 years. In the service contract law, CBO estimates that this reform would save the taxpayer nearly $100 million over the same period.

The costs of these laws are utlimately passed to the taxpayer. Not only are these laws anticonsumer, they also burden the private sector with tremendous paperwork. Contractors must submit extensive weekly payroll reports in order to prove compliance. Our proposal would eliminate the requirement of these weekly reports and instead require contractors to file monthly to prove their compliance.

Senator DURENBERGER has contributed legislative language which would enhance the international competitiveness of the American medical technology industry. Under current law, a medical device which has been approved in a foreign industrialized country may not be exported to that country from the United States, unless the product meets FDA standards. Even when the product will never be used in the United States and customers in a modernized nation want it—it is currently subject to the slow FDA product approval process. This impedes American industry's ability to export its more advanced medical technologies in an area where we have a large competitive edge. The ultimate effect of current law is to encourage American firms to manufacture outside the United States. Our amendment would allow the technology to be exported to certain developed countries if that country's government makes a positive finding regarding the safety of the product.

Senator MACK has contributed legislative language from the Economic Growth and Regulatory Paperwork Reduction Act, which he introduced with Senator SHELBY. That bill has 51 cosponsors, and has the goal of reducing, in a measured way, some of the regulatory burdens which inhibit credit availability, and economic growth, without compromising the safety and soundness of our Nation's financial institutions. The redtape required of our lenders come at quite a cost to Americans. A recent study by the Federal Financial Institutions Examination Council estimated that the cost of regulatory compliance was as high as $17.5 billion per year. If this cost were reduced by just 25 percent, that would be approximately $4.4 billion which could be added to bank capital and could support tens of billions in additional lending. The language of the amendment ensures that the strong bank supervisory provisions enacted in recent years like risk-based premiums, strong capital rules, enhanced authority to close troubled institutions, and annual audits are maintained. Rolling back the crust of regulations on our Nation's financial institutions while leaving in place strong measures for safety and soundness of the industry is what we believe competitiveness is all about.

The Paperwork Reduction Act of 1993 is bipartisan legislation that was sponsored by Senators NUNN, BUMPERS, DANFORTH, DOLE, and others. It is fully incorporated in this amendment. The fundamental purpose of the Paperwork Reduction Act of 1980 was to minimize the Federal paperwork burdens imposed on individuals, small businesses, State and local governments, educational and nonprofit organizations, and Federal contractors. That act established the Office of Information and Regulatory Affairs [OIRA] within OMB. The mission of OIRA is to prevent the imposition of needless information collection requests on the public, and essentially to be the traffic cop to review potential regulations. OIRA tries to ensure that the information requested is necessary, assess how it will be used, and estimate the average burden on the recipient of the request.

Our amendment would overturn Dole versus United Steelworkers of America (1990). In that case, the Supreme Court ruled that the Paperwork Reduction Act was not applicable to non-Federal Government entities enlisted to process and maintain paperwork by the Federal Government. This decision has exempted about one-third of all Federal paperwork from OIRA review. Our amendment provides that all Federal Government sponsored paperwork would be subject to OIRA review. Furthermore, the amendment would set a governmentwide goal beginning on October 1, 1994, in order to reduce the Federal paperwork burden on the public by 5 percent per year for the next 3 fiscal years.

Senator WALLOP and Senator BOREN have introduced legislation called the Rural Community Bank Paperwork Relief Act. We incorporate the provisions of that bill in this amendment. The Community Reinvestment Act enacted in 1977 was not intended to burden small communities and responsible community banks in America's rural towns. The evidence is clear. These banks are serving community development needs in their areas. They must do so in order to stay in business. Our legislation would lift unnecessary CRA paperwork burdens from those institutions in small cities and towns, populations of not more than 20,000. The bill would allow lending institutions in such cities and towns to show that they are meeting their community's credit needs by utilizing State-based ratios as defined by appropriate Federal agencies. The bill would reward banks for making more loans in their communities, while retaining all appropriate requirements for safety and soundness.

In trying to make some progress toward inserting some modicum of common sense in the regulatory area, this legislation also includes language sponsored by the fine new Senator from Idaho [Mr. KEMPTHORNE] called the Hero Act. The idea for his bill arose from an accident on a construction site near Boise, ID. A dirt trench wall collapsed on 21-year-old Dwight Kaufman. All but one inch of his head was covered. He was suffocating and trying to scream for help. Two coworkers used their hands and tools to dig out the dirt from around Dwight's head before a rescue crew could arrive to pull him out of the ditch. His coworkers were able to save Dwight's life. OSHA did not quite see it that way. It fined the company nearly $8,000 because the good Samaritans failed to put on hard hats, and took no precautions against other trench walls falling on them during the rescue. The State OSHA director said that, 'Rescues must only be attempted after taking proper precautions to ensure that victims are not injured in secondary cave-ins." Senator KEMPTHORNE was successful in having the fines dismissed by the Labor Department. However, it is necessary to enact legislation which would exempt such acts of heroism from OSHA fines in the future. There should be a distinction made between technical violations of OSHA regulations and the heroic acts of individuals who respond to save other lives.

Another bipartisan piece of legislation known as the Economic and Employment Impact Act was introduced by Senators NICKLES and REID. It too is incorporated into our alternative. This legislation would require each committee report accompanying a bill to contain a CBO analysis of the bill's impact on employment and the economy. Furthermore, it would require the agency which publishes any significant proposed regulation to include an analysis of its economic and employment impact. Often, Congress fails to consider how much a new law or regulation would increase the cost of products and services to consumers or the loss in jobs when businesses have to cut back on their employment in response to growing Federal demands.

Also included in our substitute is legislation introduced by Senator DOLE and many others called the Private Property Rights Act. There are literally billions in claims filed against the Federal Government by landowners who believe their private property has been taken by the Federal Government without just compensation, as is required by the Constitution. It is important to note that a taking of private property can occur even though title to the property remains with the original owner and the Government has only placed restrictions on its use. Fortunately, courts have recognized that these partial takings are subject to just compensation under our Constitution. Unfortunately, the only check on the enforcement of these fundamental rights has been through our judicial system. There, Americans can, often at huge expense, seek to ensure that their Government complies with the Constitution. President Reagan recognized the failure of the system and issued Executive Order 12630 which in effect required Federal agencies to review regulations before they were issued to determine whether takings of private property might occur. The order directed the agencies not to take private property in whole or in part unless absolutely necessary. This legislation would codify that Executive order. Secondly, it would require all Federal departments and agencies to comply with that order.

I also appreciate the contribution of legislative language by Senator MURKOWSKI which further strengthens our amendment's efforts to reform the regulatory process. The language would require the heads of Federal agencies which are proposing regulatory actions to provide an analysis of the costs versus the benefits of the proposed action, and to publish that analysis in the Federal Register. This analysis will include the effect of the proposed regulation on jobs, the economy, and the environment. It requires a certification by the promulgating agency that the regulation will justify the costs to the Government and to the public.

Senator WALLOP, my good friend from Wyoming, has contributed a second regulatory reform measure to this package. Provisions he authored would amend the Regulatory Flexibility Act [RFA] to provide relief to small businesses. Currently there is no meaningful judicial review under RFA from a Federal agency's decision that a regulation would not have a substantial impact on small business. Our amendment would give RFA teeth by providing for such judicial review procedure.

I very much appreciate the fine assistance and cooperation of those colleagues who have had your legislative ideas incorporated into this measure. This legislation is certainly not the end of our vigorous efforts toward achieving regulatory reform, indeed it is a good start, and a much better alternative to achieving real competitiveness than S. 4, as reported. I urge my colleagues to support this amendment.

I also emphasize that I am the compiler of the various components of this amendment, not the author of the various provisions. Although I appreciate the rich cooperation and contributions of my colleagues, I would not pretend to be the expert on the provisions crafted by others.

So I know that my colleague from South Carolina will ask some piercing questions on my amendment. When they become too piercing, I shall simply call upon my colleagues who have authored that particular section to come forward in order to provide a more detailed response.

The Senator from South Carolina has seen all of these provisions in one form or another during his "tour of duty," as have I. This is by no means a frivolous amendment. We are not attempting to detonate the whole situation. It is an honest attempt to say: If you are going to talk about competitiveness, get some of these things done which, in our minds, would truly be a competitiveness act of greater import.

At this time, I will certainly assist in seeing that those who wish to speak on this amendment come forward; and if not, I will assist the manager of the bill in setting a time agreement where we can dispose of this during the day, because the majority leader clearly has indicated that we will proceed into the dark hours if we do not conclude, or at least get to a point of disposition.

Mr. HOLLINGS. Mr. President, if the Senator will yield, he said it is not his intent to destroy.

Someone could well say: Fine, let's also tack on regulatory reform, and Bacon-Davis, and labor matters, and banking matters, and economic-impact statement matters, and so on without end.

But does the Senator realize that this has been a bipartisan effort over the past 5, 6, 7 years, trying to boost America's technological competitiveness? It has been a concerted effort by the House and Senate, Republican and Democrat.

We got it moved. We got it ready to be approved, but now the Senator's measure says, as a substitute, get rid of it, and let us just have two regulatory reforms.

I am sure I would be astonished if that was the intent of the Senator. Is that the intent—just to get rid of this bill?

Mr. SIMPSON. Mr. President, that is not the intent. It is trying to bring a sense of reality.

There are those on my side of the aisle who feel that if this were really the attempt to give a rebirth to President Bush's proposal, which was somewhat similar to this, as I understand, and which had the provisions in it which cost in total, I am told, $280 million, this measure is $2.8 billion. My information, and I share it with the Senator from South Carolina, would indicate that S. 1330—these are the figures I have and I would like to have that discussed—was called the Manufacturing Strategy Act of 1991. Of course, that was of the Bush administration years. It authorized $280 million for 3 years. The bill was passed in the Senate in June of 1992 and while in the House the authorizing levels were increased and the House message was never passed prior to adjournment. There was an understanding among Senate Republicans that if the bill were to reach the White House, President Bush would veto the measure. That signal went out that they had increased the amount of the budget, and he did not go for that.

The pending National Competitiveness Act authorizes $2.8 billion for 2 years. I inquire of these figures, 1995 fiscal year and 1996. It also encompasses parts of four other initiatives which individually have never passed the Senate. If we are dealing with things that have never passed, in my amendment we are dealing with four things that have never been passed before in the Senate. In addition, the four initiatives have also been authorized at a considerable increase, in some cases nearly 10 times the original level. The four initiatives are, and I seek information, S. 1328, which is the Advanced Manufacturing Act of Senator BINGAMAN; a bill of Senator WOFFORD, the occupant of the chair, called S. 3296, the Industrial Innovation Act; S. 1581, technology transfer improvement by Senator ROCKEFELLER; and S. 2937, the Information Infrastructure Technology Act, which originally was an authorship of Senator GORE, and Senate Republicans have supported funding for advanced technology programs, manufacturing technology centers, however at considerably lower levels than those authorized in the pending S. 4, and that is a legitimate objection of many in my party.

We are seeking a judgment on what is the best way to help move and assist with competitiveness. The whole point of Senator HOLLINGS' bill is competitiveness. We take a different view, or a great majority of us take a different view of what constitutes competitiveness.

We think our amendment is very germane, and it represents two different approaches to that issue, but it is a very honest attempt. We have the gravest of reservations of seeing the money go to the Department of Commerce for even though there may be peer review and all sorts of safeguards, this is a huge amount of money, and it will be going out with a great deal of pressure involved because of the matching funds and because of employers. You can bet we are getting a lot of urging from some of our constituents, often the ones who write us the most pungent letters about the deficit and the debt, saying simply get the bucks, get the bucks, and get them in places where it will best help this administration.

That is the viewpoint that is held by many on our side of the aisle.

So with those explanations if those queries can be assuaged, I would certainly appreciate it. But that is where this amendment is coming from.

I have the deepest respect for the Senator from South Carolina. I worked with him side by side much more than we have ever been on the other side. But it is simply our view that it is too big. It does not fit. If we are continuing to say that President Bush made a proposal of $280 million over 5 years and this one is $2.8 billion over 2 years, it just seems all out of proportion to what has changed so much since 1991 and 1994.

Those are my inquiries.

Mr. HOLLINGS. Yes.

Mr. President, now for discussion with respect to amounts, the 1993 figure which was the last figure that we had from President Bush was $288 million and the present 1994 figure that we have right now under the budget is $526 million. So we both have the same figures of $526 million at the present time, $287 million under President Bush.

I am going to distinguish various things. One thing, in the Bush years, we didn't have the national information superhighway, we never had the National Science Foundation, and other moneys in here.

But let us start right at the beginning with one thing we can agree on. This is not the Bush program. In fact, I wish the Senator would have been there in 1988 when we had the trade bill, and I instituted this at the request of industry. I had tremendous industry support behind me. We put it on the trade bill, and the word came back from the conference that it was veto bait by President Bush.

I then got with the conference and persuaded them that we had such strong support. I can see Senator Bentsen now, and we intended just frankly to take the floor and do the best we could to expose the fallacy of the idea that here with $70 billion in Government research there wasn't any for commercializing technologies. This was not going to withstand the light of day and the light of truth.

So they included it on the bill and sent it to the President. He signed it, but he did not like it, and he did not fund it. So, in 1989 and 1990 if you want to look at the Bush figure, it was zero. Let us get the record straight. Zero. We put the moneys in in the appropriations process. So we are not trying to implement any Bush policy here. We brought him kicking and screaming into the real world. He finally realized that he had to put some money up there in his budget request, a minimal amount at that. When I say "minimal," Mr. President, let us go to various things here that refer to just exactly where we are.

The Critical Technologies Subcouncil—and I want to get my colleague's attention with respect to this because President Reagan's National Science Foundation director was the chairman, Erich Bloch, of the Critical Technologies Subcouncil, that submitted this report just as President Clinton came to office the early part of last year.

The membership of this particular Subcouncil is very noteworthy with the dean of the Albert Nerken School of Engineering, Eleanor Baum; Frederick Bernthal, Deputy Director of the National Science Foundation; Michael Borrus, co-director, Berkeley Roundtable on International Economics; Eugene Wong, who was the Associate Director of Industrial Technology, Office of Science and Technology Policy under President Bush; Mr. Robert M. White was Under Secretary of Technology in the Department of Commerce. You can go right on down, whether on the labor side, Howard Samuel, president of the Industrial Union Department of AFL–CIO; or Craig Fields, president and CEO of MCC; Edward Fort, chancellor of North Carolina A&P Techical State University; John Foster, consultant, TRW. William Happer, the director of the Office of Energy Research; Richard Lester, the director of the Industrial Performance Center, MIT; Richard Nelson, a professor at Columbia University.

I have got them on and on.

I ask unanimous consent that the entire report be printed in the RECORD, along with these board members.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PROMOTING INDUSTRY

Equally important to a competitive economy is a clear and rational approach to managing business and industry. This includes a sharp improvement in our ability to develop and, most important, to apply new technologies. It also means careful attention to the way in which corporations are governed by internal and external decision-makers, and the relationships between corporations and the financial markets on which they depend for capital. A competitive economy must also look beyond its borders to international markets for its products. Trade policy is an important ingredient in the competitive vantage point of American businesses.

TECHNOLOGY

For most of the past 50 years, technology has been an unquestioned American strength. US industry was the leader in virtually all key areas of civilian technology. The United States science and technology enterprise still has many outstanding strengths, including unparalleled research universities, an open and entrepreneurial climate that attracts the best minds and ideas from around the world, technically advanced national laboratories, and strong corporate research labs.

Nevertheless, in many leading edge areas of technology, US leadership has declined or been lost. Studies indicate that the United States still leads in overall manufacturing productivity by some measures but that we fall behind in machinery, electrical equipment, transport equipment and ground transport—technology intensive sectors that are essential for trade, national security, and economic growth. Moreover, R&D in general is underfunded. In 1990, for example, the nation as a whole invested only 1.9 percent of GDP on non-defense R&D as compared with 3 percent in Japan and 2.7 percent in Germany.

A major problem facing American competitiveness is the lag of American firms in converting technological advances into a competitive advantage in the marketplace—the "commercialization" of technology. We continue to lead the world (albeit by a shrinking amount) in new inventions. Firms in other countries, however, seem to do better at converting new ideas—including American ideas—into the third, sixth and tenth iteration of the product that captures markets. Our smaller firms are often unable to grow successfully beyond the new venture stage, and our larger firms often seem unable to sustain the continual flow of improvements in process and product that is necessary to meet ever-more vigorous foreign competition. Unfortunately it remains largely correct that "Americans are good starters while the Japanese (and others) are better finishers." Flat panel displays and robotics are two prime examples of this pattern. Furthermore, with five of the top ten recipients of US patents in 1991 being Japanese firms, we cannot be assured of our lead in invention for the future.

Our Subcouncil on Critical Technologies concluded that US companies, universities, and the federal government have undervalued the importance of making continual improvements to products and processes, and of manufacturing in general. As noted in our First Annual Report, federal technology policy has contributed to the problem by focusing primarily on esoteric defense technologies and on scientific break-throughs rather than on areas that will provide the greatest economic benefits and commercial follow-throughs.

To improve and accelerate the commercialization of US technology, both industry and government must substantially increase the resources devoted to R&D, on process technologies in manufacturing. US manufacturing industries currently invest about $76 billion annually in privately-funded R&D, a little over 1 percent of GDP. Japanese and German industry invest closer to 2 percent of their GDP (Figure 5). The difference shows up clearly in the relative roles of manufacturing industries in the three countries' economies: manufacturing's share of GDP in 1989 in the United States was 19.3 percent, but far greater in Germany (31.1%) and Japan (28.9%).

[Graphics not reproducible in the Record.]

There must also be a renewed effort to disseminate technological "best practices" throughout industry. With proper reforms, government funding and technical resources can provide incentives and leverage private sector investment, requiring little if any net increase in government spending.

The Council endorses a number of technology proposals developed by our Manufacturing Subcouncil and our Subcouncil on Critical Technologies. First, private sector R&D should be stimulated and expanded by implementation of a new innovation and commercialization tax credit (ICTC):

R&D on process improvements (in addition to R&D which occurs before the "first article of production") should clearly be eligible for the credit. This will support continual improvements in process as well as product technology.

The credit should be made permanent to provide a solid basis for long-term corporate planning.

The credit should apply to incremental expenditures, as recommended by our Subcouncil on Critical Technology. Our Manufacturing Subcouncil prefers that the credit apply to all research and development spending at a much lower rate.

An additional 25 percent credit should be allowed for industry-sponsored university research, in light of the wide benefits of such research and the desirability of linking university research to industry needs. Most university research is now government funded.

To help overcome corporate reluctance to test traditional antitrust tenets, an additional 10 percent credit could be allowed for the first two years of new R&D consortia registered under the Cooperative Research Act of 1984, such as SEMATECH or the Advanced Battery Consortium.

Second, the government should reorient its own R&D spending from purely military to civilian and dual-use R&D. At the height of the Cold War, almost two-thirds of all government R&D went for narrow military purposes. That ratio has already declined to less than 60 percent and should fall to 50 percent in the coming years. As major defense systems are delayed or cancelled, the reductions in development and testing budgets—a range of perhaps $4 to $8 billion—should be applied to civilian and dual-use R&D. Defense research and exploratory development should be kept strong but the new R&D budget should also emphasize generic technologies including new materials, biotechnology, computers and especially manufacturing processes. The White House Office of Science and Technology Policy (OSTP) should ensure that the efforts of all the agencies—civilian and defense—are better coordinated and better integrated with those of the private sector, as has been done for high-performance computing and communications.

Third, some of these funds should be used to expand federal support for cooperative projects in areas of strong industry-government mutual interest such as manufacturing processes, improving energy efficiency, developing environmentally benign products, improving the national information infrastructure, and technologies for improved health care and education. Specific steps include:

Encouraging the Defense Advanced Research Projects Agency (DARPA) and the military services to actively promote dual use technologies. Evidence of potential commercial utility should be a plus, not a minus, in evaluating projects that are otherwise significant for national security needs.

Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of about $750 million.

Allocating 10 to 20 percent of the resources of the multi-program labs operated by the Department of Energy, of the NASA labs, and of selected Defense Department labs to jointly planned and jointly funded industry-government R&D on the basis of model Cooperative Research and Development Agreements (CRADAs) with private firms. Lab directors should be able to enter into these partnerships without long delays and micromanagement from their agencies.

Modifying federal procurement rules to make the federal government a better consumer of leading edge technologies.

Authorizing on a pilot basis DARPA, the Department of Commerce, the National Institutes of Health and perhaps others, such as the National Science Foundation's Engineering Research Centers, to participate directly in the commercialization of technologies they have supported, through equity participation or loans, increased both their incentive to foster business successes and their funding for future efforts.

Requesting the Department of Commerce to explore ways to facilitate filing for foreign patents by American universities, perhaps involving a revision of the overhead rules.

COOPERATIVE GOVERNMENT—INDUSTRY TECHNOLOGY PROGRAMS

A number of cooperative government—industry R&D programs were started in the 1980s, aimed at developing generic industrial technologies and building cooperation across industry, academia, and government. Key characteristics of such programs are industry participation in project planning, funding, evaluation, and personnel exchanges.

The Advanced Technology Program. A key missing piece in the commercialization of technology is the R&D that falls between basic research (often federally-funded) and specific product development (usually industry-funded). This stage is known as precompetitive or generic R&D and is the focus of the Advanced Technology Program (ATP) within the Department of Commerce. ATP was established in 1988 to support private sector development of promising generic technologies. Project proposals are submitted by private sector businesses and joint ventures, and awards are made competitively based on an external expert review of their technical merit and business potential.

SEMATECH. SEMATECH is an industry-government funded, industry-led R&D consortium created in 1987 to recapture US leadership in semiconductor manufacturing technology. Member companies set the research agenda and contribute at least half of the $200 million in annual funding and approximately 60 percent of the technical personnel. A recent General Accounting Office review found that SEMATECH's technical progress is on schedule and that SEMATECH has led to improved cooperation among semiconductor makers and between semiconductor makers and their suppliers. Most observers credit SEMATECH with helping the US semiconductor industry and the semiconductor equipment industry regain global market share.

Engineering Research Centers. The National Science Foundation established its first Engineering Research Centers in 1985 to foster an interdisciplinary, team oriented approach to engineering and to speed the conversion of advances in fundamental research in universities into competitive products and processes in the marketplace. There are currently 18 centers at major US universities in such critical technology fields as bioprocessing and biomedical engineering optoelectronics, microelectronics and communications; and manufacturing and design. The centers are jointly funded by government and industry and are evaluated in part on their contribution to competitiveness and degree of interaction with industry.

CRITICAL TECHNOLOGIES SUBCOUNCIL

Chairman: Erich Bloch, Distinguished Fellow, Council on Competitiveness, (President Reagan's USF Director).

David W. Cheney, Staff Director.

MEMBERSHIP

Eleanor Baum, Dean, Albert Nerken School of Engineering, Cooper Union;

Frederick M. Bernthal, Deputy Director, National Science Foundation;

Sherwood L. Boehlert, U.S. House of Representatives;

Michael G. Borrus, Co-director, Berkeley Roundtable on International Economics;

Rick Boucher, U.S. House of Representatives;

Lewis M. Branscomb, Professor, Harvard University;

Daniel Burton, Executive Vice President, Council on Competitiveness;

Dennis Chamot, Executive Assistant to the President, Department of Professional Employees, AFL–CIO;

John Deutch, Professor, MIT;

John W. Diggs, Deputy Director for Extramural Research, Department of Health and Human Services;

Craig Fields, President and CEO, MCC;

Edward B. Fort, Chancellor, North Carolina Agricultural and Technical State University;

John S. Foster, Consultant, TRW, Inc., and Chairman, Defense Science Board;

William Happer, Director, Office of Energy Research, US Department of Energy;

Joseph S. Hezir, Principal, EOP Group, and former Deputy Assistant Director, Energy and Science Division, OMB;

Richard K. Lester, Director, Industrial Performance Center, MIT;

John W. Lyons, Director, National Institute for Standards and Technology;

Daniel P. McCurdy, Manager, Technology Policy, IBM;

Joseph G. Morone, Professor, Rensselaer Polytechnic Institute, School of Management;

Al Narath, President, Sandia National Laboratories;

Richard R. Nelson, Professor, Columbia University;

William D. Phillips, Former Associate Director of Industrial Technology, Office of Science & Technology Policy;

Lois Rice, Guest Scholar, Brookings Institution

Nathan Rosenberg, Director of Program for Technology & Economic Growth, Stanford University;

Howard D. Samuel, President, Industrial Union Department, AFL–CIO

Hubert J.P. Schoemaker, President and CEO, Centocor, Inc.;

Charles Shanley, Director of Technology Planning, Motorola Inc.;

Richard H. van Atta, Research Staff Member, Institute for Defense Analyses;

Robert M. White, Under Secretary for Technology, US Department of Commerce;

Eugene Wong, Associate Director of Industrial Technology, Office of Science & Technology Policy, (Bush administration).

Mr. HOLLINGS. Mr. President, addressing the charge that there is too much money. Amongst other things, the report said:

> Second, the Government should reorient its own R&D spending from purely military to civilian and dual-use R&D. At the height of the cold war, almost two-thirds of all Government R&D went for narrow military purposes. That ratio has already declined to less than 60 percent and should fall to 50 percent in the coming years. As major defense systems are delayed or cancelled, the reductions in development and testing budgets—a range of perhaps $4 to $8 billion—should be applied to civilian and dual-use R&D.

Let me repeat that—that $4 to $8 billion should be applied to civilian and dual-use R&D.

The total amount would be $1.37 billion for next year, and for 1996, $1.4 billion.

And here, this Critical Technologies Subcouncil, that is an impartial group of scientists, engineers, college presidents, and research directors in the field of technology, they asked for a range of $4 to $8 billion. I quote:

> Defense research and exploratory development should be kept strong but the new R&D budget should also emphasize generic technologies including new materials, biotechnology, computers, and especially manufacturing processes * * * some of these funds should be used to expand Federal support for operative projects in areas of strong industry-Government mutual interest such as the manufacturing processes, improving energy efficiency, developing environmental benign products, improving the national information infrastructure, and technologies for improved health care and education.

Now we have added in the national information infrastructure, as well. We are only at $1.4 billion. We do not get to the bottom figure of $4 to $8 billion. We look at the big picture, $70 billion in research, and we say that of $70 billion, let us allocate to commercialization and manufacturing some fraction of that, $4 to $8 billion. When we come year after next, 2 years from now, the sum is $1.4 billion—a quarter of the amount recommended.

They say, too big, too big, and this is a Bush program gone awry. It is not a Bush program. Oh, no, I can tell you. I had to fight for this one, and he did not like it. We heard all of that nonsense about industrial policy. At the same time we were trying to get Avtech, an aviation consortium. When they got Sematech for semiconductors, they did not mind industrial policy for their particular interests. But when it came to industrial policy for all technology, then they started squawking. Then came the election of November 1992, with the call to get this country moving. Americans had had enough of the negative industrial policy of the eighties, losing 2 million jobs and losing our manufacturing backbone in this country.

Right to the point, I read: "Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of $750 million."

Now look at the Advanced Technology Program under this bill. Instead of $750 million, we asked for $475 million for 1995 and $575 million for 1996, 2 years out. We have not gotten to that so-called Bush figure.

When the impartial groups meet, we can go—and I think I should at this time, by emphasis on money, I mean right now the funding for extension centers is $30 million. Yet recently, McDonnell Douglas in St. Louis, MO, just won a $42.9 million research program. Now that is one single research program.

We are trying to bring this into perspective. For the understanding of everybody, yes, there is the bill by the distinguished Senator from Pennsylvania and the distinguished Senator from New Mexico. And so far it is all into this particular bill. There will be other bills perhaps.

But this is the one adopted by the administration and a consensus of Senators and Congressmen on both sides of the aisle, and that is why it has been unanimous and we said let us come on in and let us get it going because we have the instrumentality. The bill relies on peer review. It is a merit selection process initiated by the industry itself.

And I cannot overemphasize, Mr. President, that while we were talking about the need for a growth policy, the Bush administration was opposing, was offering absolutely nothing. At that time, we had the MIT study about America regaining its productive edge.

I ask unanimous consent that this study be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MADE IN AMERICA—REGAINING THE PRODUCTIVE EDGE

(By Michael L. Dertouzos, Richard K. Lester, Robert M. Solow, and the MIT Commission on Industrial Productivity)

INTRODUCTION

To live well, a nation must produce well. In recent years many observers have charged that American industry is not producing as well as it ought to produce, or as well as it used to produce, or as well as the industries of some other nations have learned to produce. If the charges are true and if the trend cannot be reversed, then sooner or later the American standard of living must pay the penalty.

The indictment of American industry has multiple counts. Products made in the United States are said to be inferior to foreign goods; this complaint extends both to consumer products, such as cars and clothing, and to industrial commodities, such as steel and semiconductor chips. American factories are accused of inefficiency; the work force is said to be indifferent and ill-trained; and managers are criticized for seeking quick profits rather than pursuing more-appropriate long-term goals. Designers, engineers, and the research community are also named in the indictment, on the grounds that America's best technology has been surpassed in many fields.

Some of the charges can be backed up by quantitative evidence. The United States buys far more overseas than it can sell in other countries, which has resulted in a huge current-account deficit: $161 billion in 1987. Most of this imbalance is generated by trade in manufactured goods. Growth in productivity, a crucial indicator of industrial performance, has been slower in the past 15 years than it was for at least two decades before; moreover, the rate of productivity improvement in the United States has fallen behind that in several Western European and Asian nations. Certain American industries that once dominated world commerce—automobiles and steel come immediately to mind—have lost much of their market share both at home and abroad; in a few industries, attitudinal complexes compete with one another. Only an extraordinary optimist could believe, for example, that the current wave of takeover activity is an efficient way to deal with the organizational deficiencies of American industries. In at least one respect, its tendency to favor short time horizons, we believe it is part of the problem, not part of the solution.

Why Manufacturing Matters

The Commission has concentrated much of its effort on identifying and prescribing cures for weaknesses in manufacturing performance. But how important is manufacturing? Its share of total employment, more than 30 percent not long after World War II, has been shrinking steadily and is now below 20 percent. Meanwhile, employment in the service sector has been increasing both in absolute terms and as a share of the total. By this measure, at least, manufacturing is less important than it was in the past. Indeed, some see a transition from manufacturing to services as an inevitable and desirable stage in the economic development of the nation, with the U.S. increasingly leaving manufacturing to other countries.

We think this idea is mistaken. A large continental economy like the United States will not be able to function primarily as a producer of services in the foreseeable future. One reason is that it would have to rely on exports of services to pay for its imports, and this does not seem realistic. In 1987 gross U.S. exports of services, excluding income from overseas investments and overseas sales of government services, were worth about $57 billion, whereas the total value of goods and services imported into the United States was about $550 billion. Trade in services is increasing, to be sure, and the United States is among the world's largest exporters of services. Imports as well as exports of services have been growing rapidly, however, and U.S. trade in services, excluding official transactions and investment income, is approximately in balance.

The notion that the United States could eventually become almost exclusively a producer of services is all the more implausible when it is recognized that all of the manufactured goods now produced domestically would have to be imported (and hence paid for with exports of services). In 1987 the total value of manufactured goods purchased in the United States was about $1 trillion, nearly 20 times the volume of services exported. Moreover, the long-term trend in the United States is toward increased demand for manufactured goods. Between 1960s and 1986 total spending on manufactured goods other than food and fuel in the United States increased threefold in real terms. In short, it is unreasonable to expect that the United States could achieve a trade surplus in services large enough to satisfy its huge appetite for manufactured goods, if all such goods had to be imported.

There is also reason to believe that if large sections of American manufacturing industry were ceded to other countries, high-wage nonmanufacturing industries would follow them, including many of the service industries that provide inputs to manufacturing, such as design and engineering, payroll, inventory and accounting, finance and insurance, transportation, repair and maintenance of plant and equipment, testing services, and the like. According to a recent estimate by the Congressional Office of Technology Assessment, private service industries supplied 17 cents of inputs toward each dollar of manufacturing output.

The United States thus has no choice but to continue competing in the world market for manufactures. The ultimate scale of American manufacturing industry is not known, but it will not be trivial. The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low wage manufacturer or as a high-productivity producer.

If labor and capital were perfectly mobile across national borders, there would be less need to worry about the viability of American industry. Labor and capital resident in the United States would earn what they could elsewhere, or they would go elsewhere. But labor is far from mobile internationally, and capital, while more mobile, is not perfectly mobile. Hence, the best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

A related fact is that manufacturing firms account for virtually all of the research and development done by American industry. They thus generate most of the technological innovations adopted both inside and outside their own industry. High technology manufacturing industries account for about three-quarters of all funding for research and development, and the other manufacturing industries account for most of the rest. The roots of much of the technological progress responsible for long-term economic growth can ultimately be traced to the nation's manufacturing base. Because of this connection, high-technology and high-value-added services as well as products depend on the presence of a healthy, technologically dynamic manufacturing sector.

Finally, even if all the economic arguments for the importance of manufacturing were somehow rendered moot, the nation's manufacturing base would still remain fundamentally important to national security. The Department of Defense has estimated that it purchases about 21 percent of the gross product of U.S. manufacturing industries and over a third of the output of high-technology manufacturing industries; it depends on virtually every sector of the manufacturing base for its matériel. For the nation to become heavily dependent on foreign technology for its defense would be politically and militarily untenable.

These arguments for the importance of manufacturing still do not explain why it is the exclusive focus of the Commission's report. Manufacturing may be essential, but it accounts for less than a fourth of the GNP and for less than a fifth of all employment. Further, manufacturing is certainly not the only troubled sector of the economy; as shown in table 2.1, productivity growth in many nonmanufacturing industries has been significantly worse. Since these other segments now account for such a large part of the economy, progress in them is essential; the nation cannot sustain an overall improvement in its standard of living without them, no matter how well manufacturing performs.

Again, then, why did the Commission study only manufacturing? In part, we were choosing the segment of the economy with which MIT, an institution with technology at its core, has the closest ties; we chose it because we know it best. We should also acknowledge that the choice may have caused us to miss certain causes of productivity weakness or opportunities for productivity growth. We suspect that one such neglected area may be low productivity among white-collar workers, which is emerging as a particularly serious problem in the services sector and which deserves more careful attention than we have been able to give it.

TECHNOLOGICAL WEAKNESSES IN DEVELOPMENT AND PRODUCTION

In the postwar years the United States invested heavily in research, and the investment paid off, sometimes in surprising ways. Basic research, undertaken for its own sake, often led to commercial applications that could not have been predicted at the outset. Likewise, research for defense needs generated innovations useful for the civilian economy. These experiences shaped current expectations for science and technology.

There are important truths embodied in these expectations. Investment in basic scientific and engineering research is essential for long-term economic growth. Defense research can bear commercial fruit. But the nation's technological strength depends on far more than the health of its research laboratories, important as that is. Prowess in research does not lead automatically to commercial success. New ideas must be converted into products that customers want, when they want them, and before competitors can provide them, and the products must be made efficiently and well. Ralph Gomory of IBM recently observed, "You do not have to be the science leader to be the best consumer of science, and you do not have to be the best consumer of science to be the best product manufacturer."

The United States is still unarguably the leader in basic research. The scale of its scientific enterprise is unequaled, and it is second to none in making new discoveries. Yet U.S. companies increasingly find themselves lagging behind their foreign rivals in the commercial exploitations and discoveries. Transistor radios, color televisions, videocassette reorders, and numerically controlled machine tools are just a few examples of products now dominated by foreign manufacturers, even though the major enabling technological advances were first made in the United States.

There is irony in this situation. The industrial lead built up by the United States earlier in the century rested in no small part on its superior performance in exploiting inventions made elsewhere. Later, during the first two decades of the postwar era, American firms dominated the early stages of the product cycle in most industries. Because of the unrivaled strength of the nation's research base and the industrial weaknesses of other countries, U.S. firms were almost always first to market with new products. In many cases, overseas rivals eventually did acquire the technology, and their lower labor costs sometimes enabled them to manufacture the products more cheaply. By then, however, the American firms had moved on to the next generation of new products.

Today the industrial nations of Europe and Asia have greatly expanded their technological capabilities. They can understand and rapidly capitalize on promising technological discoveries made anywhere in the world. They have also developed their own private and public research establishments. The emphasis of their research is somewhat different, however. They have focused on applied research and on product and process development. As a result, they have greatly shortened the time between discovery and commercialization.

In the United States, meanwhile, outstanding successes in basic science and in defense research have left the product-realization process a poor cousin. As firms in other countries have improved their capabilities in these downstream areas, shortcomings have become evident in the performance of American industry in developing new products, engineering them, and manufacturing them. Specifically, our industry studies have revealed several closely related deficiencies in this area. American companies evidently find it difficult to design simple, reliable, mass-producible products; they often fail to pay enough attention at the design stage to the likely quality of the manufactured product; their product-development times are excessively long; they pay insufficient attention to manufacturing processes; they take a reactive rather than a preventive approach to problem solving; and they tend to underexploit the potential of continuous improvement in products and processes.

Who Is to Blame?

The persistent failures of American industry to convert technologies into products have several root causes. In earlier chapters of this book industrial managers and executives have already been accorded a generous share of the blame. In the immediate postwar years they were complacent; they held stubbornly to an outmoded mass-production model; they set inappropriate financial goals; they relegated product realization and production engineering to second-class status; and they failed to make the investments in plant, equipment, and skills necessary for timely product development and efficient manufacturing.

But managers are not the only responsible parties; another detrimental influence has been the apparent indifference of government. Whereas the governments of most other industrial nations have actively and explicitly promoted research and technology for economic development, U.S. policy for science and technology has traditionally focused on basis research and paid much less attention to the commercial development and application of new technologies. The latter has been seen as the responsibility of the private sector. The Department of Defense, NASA, and other government agencies have invested heavily in technology development, but usually with specific missions in mind; commercial spinoffs are sometimes cited by those promoting the programs, but little is done to foster commercial exploitation. Recently, as concern about the nation's competitiveness has grown, the government has begun to assume a more active role in supporting the commercialization of technology. In the main, though, these efforts have focused on the commercialization of new products. Only very recently (in programs such as Sematech, the National Center for Manufacturing Sciences, and the Industrial Base Initiative, sponsored by the Department of Defense) has the federal government paid much attention to questions of manufacturability and process technology.

Mr. HOLLINGS. Starting right there with the very first sentence: "To live well, a nation must produce well."

Now we are not legislating here about government regulations. That is an ancillary issue, outside the scope of this bill. We do not have anything in the 140-some pages to do the regulatory matters related to the banking industry or Davis-Bacon in labor or environmental impact statements or economic impact statements or paperwork or any of these other things.

"To live well, a nation must produce well."

It goes on to say:

> The Commission has concentrated much of its effort on identifying and prescribing cures for weaknesses in manufacturing performance. But how important is manufacturing? Its share of total employment, more than 30 percent not long after World War II, has been shrinking steadily and is now below 20 percent.

This is 5 years ago in 1989:

> Meanwhile, employment in the service sector has been increasing both in absolute terms and as a share of the total. By this measure, at least, manufacturing is less important than it was in the past. Indeed, some use a transition from manufacturing to services as an inevitable and desirable stage in the economic development of the nation, with the U.S. increasingly leaving manufacturing to other countries.
>
> We think this idea is mistaken. A large continental economy like the United States will not be able to function primarily as a producer of services in the foreseeable future. One reason is that it would have to rely on exports of services to pay for its imports, and this does not seem realistic.

Going on:

> There is also reason to believe that if large sections of American manufacturing industry were ceded to other countries, high-wage nonmanufacturing industries would follow them, including many of the service industries that provide inputs to manufacturing, such as design and engineering, payroll, inventory and accounting, finance and insurance, transportation, repair and maintenance of plant and equipment, testing services, and the like. * * *
>
> The United States thus has no choice but to continue competing in the world market for manufacturers. The ultimate scale of American manufacturing industry is not known, but it will not be trivial. The important question is not whether the United States will have a manufacturing industry but whether it will compete as a low-wage manufacturer or as a high-productivity producer.
>
> If labor and capital were perfectly mobile across national borders, there would be less need to worry about the viability of American industry. Labor and capital resident in the United States would earn what they

could elsewhere, or they would go elsewhere. But labor is far from mobile internationally, and capital, while more mobile, is not perfectly mobile. Hence, the best way for Americans to share in rising world prosperity is to retain on American soil those industries that have high and rapidly rising productivity. Manufacturing, and high-technology manufacturing in particular, belongs in this category.

A related fact is that manufacturing firms account for virtually all of the research and development done by American industry. They thus generate most of the technological innovations adopted both inside and outside their own industry. High technology manufacturing industries account for about three-quarters of all funding for research and development, and the other manufacturing industries account for most of the rest. The roots of much of the technological progress responsible for long-term economic growth can ultimately be traced to the nation's manufacturing base. Because of this connection, high-technology and high-value-added services as well as products depend on the presence of a healthy, technologically dynamic manufacturing sector.

Going on, Mr. President, I do not want to have to read the entire matter. But let us say this:

In the postwar years the United States invested heavily in research, and the investment paid off, sometimes in surprising ways. Basic research, undertaken for its own sake, often led to commercial applications that could not have been predicted at the outset. Likewise, research for defense needs generated innovations useful for the civilian economy. These experiences shaped current expectations for science and technology.

There are important truths embodied in these expectations. Investment in basic scientific and engineering research is essential for long-term economic growth. Defense research can bear commercial fruit. But the nation's technological strength depends on far more than the health of its research laboratories, important as that is. Prowess in research does not lead automatically to commercial success. New ideas must be converted into products that customers want, when they want them, and before competitors can provide them, and the products must be made efficiently and well. Ralph Gomory of IBM recently observed, "You do not have to be the science leader to be the best consumer of science; and you do not have to be the best consumer of science to be the best product manufacturer." * * *

Yet U.S. companies increasingly find themselves lagging behind their foreign rivals in the commercial exploitation of inventions and discoveries. Transistor radios, color televisions, videocassette recorders, and numerically controlled machine tools are just a few examples. . . .

Today the industrial nations of Europe and Asia have greatly expanded their technological capabilities. They can understand and rapidly capitalize on promising technological discoveries made anywhere in the world. They have also developed their own private and public research establishments. The emphasis of their research is somewhat different, however. They have focused on applied research and on product and process development. As a result, they have greatly shortened the time between discovery and commercialization.

In the United States, meanwhile, outstanding successes in basic science and in defense research have left the product-realization process a poor cousin.

* * * * *

The persistent failures of American industry to convert technologies into products have several root causes.

They go down and list these things. But managers are not the only responsible parties; another detrimental influence has been the apparent indifference of government. Whereas the governments of most other industrial nations have actively and explicitly promoted research and technology for economic development, U.S. policy for science and technology has traditionally focused on basic research and paid much less attention to the commercial development and application of new technologies.

Then it goes on to talk about how we ought to join together with the private sector.

Mr. President, I ask unanimous consent that an editorial dated April 6, 1992 in Business Week, be printed in its entirety in the RECORD here.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FORGING A GROWTH POLICY FOR AMERICA

Call it the light bulb theory of growth. For some years now, America's most competitive companies have been its brainiest, the ones making the supercomputers and cellular phones, the spreadsheets and the synthetic drugs—the new products that dot our high-tech lives. In the global-growth sweepstakes, these companies lead the pack, and their competitors overseas in similar cutting-edge industries have become formidable opponents. They all rely on ideas—ideas for raw materials, product designs, manufacturing processes, and, ultimately, for commercial products.

In such an environment, knowledge counts for more than capital or labor. The nations that will prosper will be those that create new knowledge best and are able to transform it most effectively into new products and technologies. The end of the cold war with its prospect of big defense cutbacks breathes new life into an old question: Should the U.S. have a policy to promote technology and industry? We say the government must have an important role in spurring the attainment of knowledge and the generation of ideas, including research and development, scientific and technical education, the diffusion of technological knowledge, and help to industry in exporting science- and technology-based products (page 70).

America needs a new growth policy for the 1990s, an industrial policy that acknowledges that ideas drive growth. Government should provide a fertile environment for individuals, companies, and industries to pursue new ideas and new techniques, and it should be willing to spend money and even lose money today in order to ensure more vigorous growth tomorrow. Supporting tuition for engineering and science students and making the research and investment tax credits permanent would be good moves. So, too, would reallocating defense R&D spending toward civilian R&D.

And because so many people across so many industries benefit from ideas that serve as building blocks for new technologies and products, it's not right to assume that individuals or individual companies can or even should shoulder all the costs of developing new ideas. Even today, the U.S. government is supporting supercomputing and biotech research. Some basic ideas are, in economists' parlance, public, or at least quasi-public, goods and deserve to received public financing.

The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.

A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about. First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs. No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

Mr. HOLLINGS. That is where, amongst others who testified before us who said let us get going, we put it on the trade bill. As a result of having put it on the trade bill we had a hard time: No, this is not the Bush policy, this is not the Bush figure. But it is far below the figures recommended by all the private sector; far below the figures, $143 million, that the ranking member, formerly Chairman of Commerce under President Reagan, voted for. It is $143 million less—this is what we are recommending here rather than what Senator DANFORTH voted for:

The end of the cold war with its prospect of big defense cutbacks breathes new life into an old question: Should the U.S. have a policy to promote technology and industry? We say the government must have an important role in spurring the attainment of knowledge and the generation of ideas, including research and development, scientific and technical education, the diffusion of technological knowledge, and help to industry in exporting science- and technology-based products.

The report anticipated the critics:

The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.

A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about.

That is why I want to allude to this particularly, because this is what we have in this bill:

First, policies must be designed in such a way that no particular industries are favored.

That is the Advanced Technology Program, the extension, and services outreach centers. I will state that again: "Can avoid these pitfalls." We thought the same thing. We are not pell-mell down the road, and we are certainly not with any Bush policy, you are right:

> First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs.

That is when you get the so-called cuts in defense, permitting the increases here. We are not increasing anything in the overall. In fact it is a net loss. We are cutting back, really, both. We cut back what the Senator from Missouri and the Senator from South Carolina, leading on this bill, voted for in the Commerce Committee last year in June when we reported the bill:

> No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

That is the business world talking. As I read the amendment of the Senator, he said kill it. I would hope the Senator does not want to kill the modest momentum we have going, bearing in mind that this is far less than what we voted for. It has been cut back and it is far less than what the business leadership, the technological world says it ought to be: $4 billion to $8 billion. At best, 2 years from now we get to $1.4 billion.

The PRESIDING OFFICER (Mr. DORGAN). The Senator from Wyoming.

Mr. SIMPSON. Mr. President, the Senator from South Carolina is very instructive. I hear what he is saying. As far as numbers and history and background regarding these measures, I leave those things in the province of the chairman and the ranking member who is now on the floor.

I can see there has been a response to my remarks about President Bush. I do understand that. President Bush's proposal—and these figures I do know because they come from the CONGRESSIONAL RECORD—was for a manufacturing technologies bill. That was the very narrow scope of it, limited only to manufacturing: $10 million for fiscal year 1993; $145 million for fiscal year 1994; and fiscal year 1995 was $125 million. It went to the House, and the House raised it to $2.2 billion. The House sent back a very broad-based bill, much broader in scope than originally proposed, including manufacturing and other civilian technology programs.

That is what happened to that legislation. It perished because of its own greed and corporeal fat. So that was the end of that.

I listened to Senator HOLLINGS' dissemination of the report he cited—but there are some very interesting philosophical differences the two parties have on the issue of competitiveness.

The purpose of my amendment is to deal with competitiveness and not just deal with "high tech." President Clinton said each nation is "like a big corporation competing in the global marketplace." I think that is quite revealing.

It suggests that if we erase the line between public and private sectors, America will then be able to achieve its maximum potential when it comes to being competitive in the international marketplace.

On page 3 of the committee report, this bill we are dealing with, we are told:

> The Department of Commerce has a leadership role to play in this new era.

And this—

> Expanded efforts at the Department of Commerce can be important steps toward developing a comprehensive industry-led national system to finance needed industrial technologies.

And just down the page a bit in the report, we are told that America's competitors are succeeding because they are being supported by their governments. It is all right here in the committee report.

The premise of this S. 4 is a national industrial policy. That is in the report of the committee. This grand assumption, I think, really needs a closer look, because one international competitor of envy is Germany. President Clinton has said on more than one occasion that "Germany is the model."

I lived there. I have a great affection for that country and its leaders and its citizens. But let us examine Germany for a moment. Germany's massive industrial policy appears to have done very little to relieve the huge problems that confront that country's economy presently. They have a skyrocketing unemployment rate of 12 percent. Their work force is now 25 percent less productive than ours.

I must say, if there is a historically consistent role model of success, it is not Japan, it is not Germany, it is the United States of America. Ira Magaziner and Robert Reich wrote a book together in 1982 called "Minding America's Business." The book advocated a U.S. industrial policy by offering a quantitative basis for such policy. They said:

> Our standard of living can only rise if capital and labor increasingly flows to industries with high value-added per worker and if we maintain a position in those industries that are superior to that of our competitors.

I guess if we were to follow the logic completely through, then we should be further subsidizing the tobacco companies because they are by far the No. 1 manufacturing sector in this country when it comes to value-added per worker. No one can match tobacco companies on that score. Oil refining, automobiles: Distant second, distant third.

So Ira Magaziner and Robert Reich are calling for an industrial policy that would funnel capital and labor into the cigarette industries. I do not think that will happen.

So you see, there will be somebody picking winners and losers under their plan.

Finally, I simply add that, yes, technology is important and so are high-tech firms, but the fact is there are other industries of equal importance to this country. How about the oil and gas industry where I come from, which has just gone into the "bowwows." Out. Gone. And no one is paying attention. We cannot get the ear of anyone as we talk about relief for an oil and gas industry, which is truly on the ropes, because of the cost of the product and because of Government regulations, Mr. President. We are talking about the major source of our energy, as long as we still like internal combustion machinery.

What about the uranium industry? Is it not "high tech?" It is the "highest tech" thing you can ever imagine. I bet they will not get much out of this bill. I cannot imagine it. They are going to lose out in the pick, and yet there are 109 reactors in this country. Pretty high-tech stuff, too; about as high tech as you can get. They will not be picked, you can bet on that.

So you see, maybe the opponents, when they use the phrase "picking winners and losers" are wrong, but when you see the lists of the potential participants and those who are going to be lined up on the track for the "great race," you can see that there will be pickers of winners and losers just like a regular racetrack.

These are things that trouble me. I like the phrase "high tech." I think of what my good friend, ED MARKEY, in the House said, when they talk about the super information highway. He said the good news is we have a new thing called the super information highway. He said the bad news is nobody knows what it is. That is about where we are when we are talking about high tech.

But if we are talking about something that is just distributed by the Secretary of Commerce, even with a peer review, even with all the rest, you can bet that industries that are really on the ropes will not be in that selection process, and this is a very disturbing thing.

The amount of money is also disturbing to us. These are some of the reasons for my amendment. If you really want to do something, then pass our regulatory reform alternative and not just provide funds through this process. Many of us think S. 4 will not accomplish anything more than the mission—not of the Senator from South Carolina, but of the administration—to enhance the position of the Department of Commerce in America.

I have real concerns about that. That Department happens to be operated by the person who was the chairman of the Democratic National Committee, whether we like that or not. I do not want to be too partisan, but that is who is there. He is very, very savvy, very articulate and a very able man. He is looking for more "turf," and he is looking for more arena. He has the ear of his President because he helped Bill Clinton get the title "Mr. President."

That is another aspect to this. I know that may detonate a great miasma of clouds through the Chamber, and it is not intended to do that. But these are some of the concerns of those on our side of the aisle. What is the purpose, the real purpose of this unless it is picking in the most adroit places and the most appropriate places to ladle out some plenty big bucks?

It is odd that the high-tech firms are not in Wyoming, they are not in North Dakota, they are not in Indiana. They are in the big places like California and New York where there is much ground to be tilled for 1996.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Very few, I take it, in South Carolina, too.

But it is really disappointing to have injected in here the Secretary of Commerce, who is a former chairman of the party. After all, we had the former chairman of the Republican Party, who was President here for 4 years while we fought him, and then he finally came around to it.

The distinguished Senator from Wyoming talked very casually. There is no program to be found that started off at $10 million and has gone to $2 billion, something like he is talking about. What we did back then is resolve the National Bureau of Standards into the National Institute of Standards and Technology. And the Bureau of Standards is still funded at $300 million in this one, less than any extension centers and some of the others.

So it is very poor practice to lump together 2 years and say $2 billion something, when it is $1.2 billion for next year and $1.4 billion for 1996, including all of these programs of the National Science Foundation and National Information Infrastructure and much more. And then to go back and quote Ira Magaziner in 1982. Come on. We marked up this bill—we never have had Ira Magaziner connected with this bill in my life, and I have lived this bill since we started it even before 1988. For the last 8 years, I have been knocking on the door trying to get something. It was only part of an amendment.

I have other amendments over in the Finance Committee to do away with the export sales offset and various other things of that kind, again with respect to enforcing our dumping laws, with respect to enforcing the free trade zones, with respect to transfer pricing to get the IRS involved, and so on. This was part of a bill. I never heard of Mr. Magaziner in relation to this bill. His field is health. He is not on this particular score that I know of. And then to just quote him, so he could drag in Ira Magaziner.

Of course, that side is in heat over Ira, which is obvious since health care is on the griddle. There have been a few who have accepted his statistics, so we just spread across the spectrum here the name Ira Magaziner like he is associated with this bill. Likewise they invoke the name of the former chairman of the Democratic Party. The name that should be mentioned is Craig Fields, previously at DARPA in the Department of Defense, and now a member of the Economic Competitiveness Council, backed up by all the leaders of the National Science Foundation. I cannot get a more outstanding group of scientists and engineers, experts in technology, and everything else of that kind. It is they who support this bill.

And then come and talk about the big bucks when it is less than what we unanimously reported out in June of last year. The distinguished Presiding Officer, as a member of the committee, realizes we have cut it back. Last year, it was $1.513 billion. Now, instead of $1.513—$1,513,000,000—this bill provides $1.370 billion for all of these endeavors here listed. It is $143 million less than what Republican colleagues on the committee supported.

The figures of the Senator here are totally inaccurate. His explanation of the genesis of this is totally inaccurate. Everybody knows. They cannot give one example. We have had Secretary Brown, the former chairman of the party, administering this for over a year. Name a center that he put in politically, or a grant that he has made politically.

Well, they know that is sheer nonsense. They do not give any example. They do not give any amendment. They just spew out all these nongermane matters, and finally come around and say, well, we do not like it because the former chairman of the party is the Secretary of Commerce. This is a disgrace.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana [Mr. BAUCUS].

Mr. BAUCUS. Mr. President, I rise in strong opposition to the Simpson amendment, which attempts to add the provisions of S. 177, the Dole Private Property Rights Act, to this bill.

Why do I oppose it? For a lot of reasons. First, this amendment would write into law an executive order on takings; that is, takings under the fifth amendment to the Constitution, signed not by President Clinton, not by President Bush, but by President Reagan 6 years ago. It would incorporate lock, stock, and barrel that executive order under President Reagan signed 6 years ago. It would, therefore, carve into legislative stone an Executive order which, as far back as 1988, the Congressional Research Service concluded: First, overstated the likelihood of a taking; second, was out of step with Federal case law on takings; and third, had the potential to burden the implementation of important Federal programs.

This amendment would saddle this President and all future Presidents with what President Reagan's own Solicitor General, Charles Fried, described as a quite radical plan to undermine Government's ability to protect the health, safety, civil rights, and environment of all Americans. In short, this amendment would make bad law.

How would this amendment make bad law? By writing into law the provisions of Executive Order 12630, signed in March 1988 by then President Reagan. That Executive order has three fatal flaws. First, it interprets takings in a manner which goes far beyond any interpretation by any Federal court. Second, it makes the Attorney General the czar of all regulations promulgated by the executive branch. And third, it chills the ability of Federal agencies to issue regulations to protect our citizens' health, safety, civil rights, and environment.

Let me address each of these. First, by writing the Executive order into law, the amendment undermines two centuries of Federal jurisprudence defining what constitutes a taking in violation of the fifth amendment of the Constitution. As recently as 1992, in the now famous case of Lucas versus South Carolina Coastal Council, the U.S. Supreme Court reaffirmed that property owners become entitled to compensation for takings of their property when Government action deprives them of all economically viable use of their property. The Supreme Court essentially reaffirmed prior Supreme Court interpretations of the fifth amendment.

The Executive order, however, declares that Government action may result in a taking of private property—get this—even if there is only a partial diminution in the value of property, even where there might be temporary restrictions on the use of the property, or where there is simply a delay in Federal Government decisionmaking.

I ask, Mr. President, what is a partial diminution? How much is partial? Who decides how much is partial? What about temporary? How temporary? Just a little bit temporary? Major temporary? How are we going to decide? What Federal agency is going to decide how temporary? What about delay? How much of a delay? A week? A day? A month? Two years?

Mr. President, there is a reason that takings should properly be decided in the judicial arena; that is, by courts, not by bureaucrats. Courts decide what constitutes a taking under the fifth amendment of the Constitution on a case-by-case basis. Each case is different, with unique circumstances. If this Executive order passes, no regulation can be issued until the Attorney General has certified that the agency has determined there will not be a taking because of a partial diminution of value or a temporary restriction of use or because there is a delay in the agency's decision. Obviously, it is a process that cannot work.

The amendment before us would write the Executive order's extensive and unjustified definitions of takings into the law. Broadening the scope of potential takings in this manner would greatly increase the potential liability of the American taxpayer for what up until now have been legitimate forms of Government regulations designed to protect Americans' health, safety, civil rights, and the environment.

Second, by legislating the Executive order, the amendment would make the Attorney General the czar—or, in this case, the "czarina"—of all Federal regulations issued by any Federal agency.

The Executive order requires the Attorney General to issue guidelines for agencies to follow to avoid takings in carrying out their activities and to ensure that the policies of Federal agencies are in line with the guidelines and the Executive order. The amendment prohibits any new Federal regulations on any subject from taking effect until the Attorney General has certified that the agency issuing the regulations is in compliance with the Executive order. Thus, the Attorney General could veto any Federal regulation issued by any agency on the grounds that it does not comply with the Executive order's interpretation of what constitutes a taking. Again, this is wide open; a slight diminution; a slight delay; temporary restrictions. These could be takings under the Executive order.

I have the highest regard for Attorney General Reno. However, I do not believe that she should be passing final judgment on the wisdom of regulations to control emissions of toxic substances under the Clean Air Act, to determine whether a species should be listed as threatened or endangered under the Endangered Species Act, or to establish factory ventilation requirements under the Occupational Safety and Health Act.

If the Founding Fathers did not see fit to make the Attorney General first among equals in the Cabinet, I do not see why we should allow overzealous ideologues in an earlier administration to do so by incorporating it into law today. I might add that Attorney General Reno herself, in an April 26, 1993, letter to Senator GLENN, and in a March 9, 1994, letter to the majority leader, has expressed the administration's opposition to the Dole bill and this amendment.

I ask unanimous consent that a copy of those letters be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, April 26, 1993.

Hon. JOHN GLENN,
U.S. Senate,
Washington, DC.

DEAR SENATOR GLENN: I am writing to express the Administration's concern about S. 177, legislation that would codify Executive Order 12630 issued by President Reagan in 1988. It is my understanding that an amendment to this effect may be offered when the Senate considers your bill to elevate the Environmental Protection Agency to Cabinet Department status.

This legislation would require federal agencies to engage in an additional, elaborate process of review of proposed regulations. It would prohibit any regulation from becoming effective until the Attorney General has certified that the agency is in compliance with the terms of the Executive Order "as in effect in 1991."

This Administration is, of course, committed to protecting the legitimate property rights of American citizens. We believe, however, that freezing this Executive Order into law would be unwise. Codifying the Order as it stood in 1991 would prevent this and any future administrations from revising the Order to make it consistent with interpretations of the law governing takings, as enunciated by the Supreme Court. Finally, the legislation would create a private right of action that would extend beyond that now available under the Fifth Amendment to the Constitution.

I respectfully suggest that this legislation represents an unnecessary incursion upon the executive authority of the President and, accordingly, should not be adopted. Thank you for your consideration of this important issue.

Sincerely,

JANET RENO.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, March 9, 1994.

Hon. GEORGE MITCHELL,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR SENATOR MITCHELL: I understand that a "takings" amendment may be offered to S. 4 that would in effect codify Executive Order 12630, issued by President Reagan in 1988. I write to restate this Administration's opposition to such an amendment.

On April 26, 1993, I wrote Senator Glenn expressing concern about a similar attempt to legislate a requirement that federal agencies engage in an additional, elaborate process of review of proposed regulations.

This Administration continues its commitment to protecting the legitimate property rights of American citizens. However, such an amendment could limit the ability of this and any future administrations to revise the Order to make it consistent with interpretations of the law governing takings, as enunciated by the Supreme Court.

I respectfully suggest that this legislation represents an unnecessary incursion upon the executive authority of the President and, accordingly, should not be adopted. Thank you for your consideration of this important issue.

Sincerely,

JANET RENO.

Mr. BAUCUS. Mr. President, third, this amendment, like the Executive order, will chill the ability of Federal agencies to issue regulations protecting Americans' health and safety, civil rights, and the environment, or any thing else, for that matter. The Executive order requires Federal agencies to perform "Takings Implication Assessments" on virtually anything they do: regulations, proposed regulations, proposed legislation, comments on legislation, and policy statements. These Takings Implication Assessments are to be based on the Executive order's erroneous and overbroad interpretation of what constitutes a taking. Apply those incorrect standards, agencies will be wary of incurring takings claims. Consequently, agencies may shy away from adopting regulations governing the number of fire exits in food processing plants, requiring employers to provide health insurance, expressing a view on legislation to guarantee the civil rights of disabled Americans, or requiring the cleanup of toxic waste in an economically disadvantaged community.

With potential consequences like these, it is easy to see why this amendment is opposed by diverse groups like the AFL-CIO, the American Public Health Association, the National Citizens Coalition for Nursing Home Reform, the National Trust for Historic Preservation, the National Wildlife Federation, the United Steelworkers of America, and many others.

Mr. President, as you can see, there are strong substantive reasons why we should not adopt this amendment. But let me add one more reason: The amendment presents a false choice between supporting and opposing protection of private property rights. The amendment is billed as one to protect private property rights. Vote for it, its proponents say, and you will support protection of private property. Vote against it and be branded as a foe of one of the most basic tenets of American democracy—the right to property. Mr. President, it is not that simple.

There is an excellent article by Betsy Carpenter in the March 14, 1994, issue of U.S. News & World Report entitled, "This Land Is My Land," which describes the takings debate.

I ask unanimous consent that the complete text of the article be included in the RECORD. Allow me, however, to now read a few excerpts from this article:

[I]n fact, though America's land-use policies have been among the freest in the world, private property rights have never been absolute, say historians. Even in colonial Massachusetts, property rights were sometimes abridged in the interest of promoting social goals, says David Konig of Washington University in St. Louis. To build and preserve a sense of community, for example, villagers in many Puritan towns weren't allowed to sell their land to outsiders or build their homes more than half a mile from the meeting house. There even were prohibitions on hunting—regulations echoed in today's rules protecting endangered species. By the late 1600's, for instance, deer populations had been so ravaged by overhunting and habitat destruction that owners were forbidden from killing deer on their property.

The fundamental rule, then as now, was that owners could not use their land in any way that harmed the community, according to John Humbach, a law professor at Pace University in White Plains, N.Y. "We've always agreed that some land uses are socially intolerable," says Humbach. "It's just a matter of which are which."

The article concludes with the following:

Ultimately, the controversy between land rights activists and environmentalists boils down to the perennial question of how to balance private rights with the public good. Though the basic question has remained the same since the colonial era, circumstances have changed—and greatly. Two hundred years ago, when there was a superabundance of undeveloped land and neighbors were often tens of miles away, it was pretty hard to use land in a way that harmed the community. Now, many parts of the country are densely settled, and scientists have a much richer understanding of how countless small assaults on the part of millions of individuals can threaten a region's ecological health. Says Pace University's Humbach: "Property rights are important, but so is the livability of the land."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, Mar. 14, 1994]

THIS LAND IS MY LAND—ENVIRONMENTALISM IS COLLIDING WITH THE RIGHTS OF PROPERTY OWNERS

(By Betsy Carpenter)

By all rights these should be glory days for environmentalists. The nation's vice president is the author of a green bestseller, and a battalion of environmental leaders hold top administration jobs. Yet the movement is faltering badly. From the newspaper oped columns to the corridors of Congress, greens are under attack as elitists who don't see or care about the problems of ordinary working people. Moreover, the movement has suffered a string of setbacks in Washington, D.C., including the recent departure of a sympathetic Bureau of Land Management chief and the defeat of a bill that would have elevated the Environmental Protection Agency to departmental status.

These setbacks are only the opening volleys, however, of an all-out war brewing between environmentalists and a burgeoning force on the political landscape known as the property rights movement. Land rights advocates are challenging as unvarnished land grabs on the part of the government a host of environmental laws, from the Clean Water Act to the Endangered Species Act. Already, activists from both camps have traded shots in state capitols and the courts, and a Supreme Court case this month will test the potency of both arguments. The struggle cuts to the heart of the fierce convictions Americans hold about private property and individual liberty, and the outcome will determine the future of the nation's dwindling undeveloped lands.

The property rights credo is simple: The government should compensate landowners any time green regulations lower the value of property. But behind this proposition is the broader goal of drastically curtailing the overall environmental regulatory scheme. Says Donald Schmitz of the Fifth Amendment Foundation, a property rights group in Santa Monica, Calif., "It would cool [the government's] jets significantly if it had to pay people for what it stole."

The land rights rebellion bubbled up as a coalition of small grass-roots groups in the mid-1980s, right about the time that the environmental agenda shifted to restrictions in the use of private property. Today, it is a powerful force composed of hundreds of organizations backed by conservative think tanks and special-interest groups, including farmers, developers, loggers, miners, and oil and gas producers. When the environmental movement was launched in the early 1970s, the government focused on curbing the poisons spewed out by big polluting industries. Once industry's worst excesses were checked, however, the feds began tackling the environmental damage brought about by development and urban sprawl. Suddenly, legions of property owners were feeling the pinch of regulation, too.

For some, that pinch has felt more like a stranglehold. Yshmael Garcia of Winchester, Calif., asserts that he lost his home to a wildfire last October because of the endangered Stephen's kangaroo rat. U.S. Fish and Wildlife Service and state and county fire officials discouraged him from plowing a proper firebreak around his home because the equipment might have damaged labyrinthine burrows where the rats live. Says Garcia, "Now, I'm homeless, thanks to a bunch of bureaucrats and so-called environmentalists." According to U.S. Fish and Wildlife Service spokeswoman Connie Babb, a plowed firebreak would not necessarily have saved Garcia's home. "Those fires were jumping six-lane highways," she says.

At the root of this civil war are a dozen words seemingly tacked on to the end of the Fifth Amendment of the Bill of Rights: ". . . nor shall private property by taken for public use, without just compensation." According to legal historians, the original purpose of the "takings clause" was to make sure that owners would be paid when their land was actually seized, which was not uncommon in Revolutionary times with two armies grabbing acreage to build roads and quarter soldiers. In addition, the largely wealthy, landed Founding Fathers wanted to ensure that when the Constitution granted the masses political power, they would not turn around and redistribute the holdings of the rich.

Both land rights advocates and environmentalists concur that when the government actually seizes land—for roads and schools, for instance—owners deserve to be compensated for their losses. But the land rights camp takes the argument further, maintaining that regulation without compensation is tantamount to stripping owners of freedom of speech, due process and other fundamental liberties set out in the Bill of Rights. "The right to own and use private property is sacred," says Nancie Marzulla of the Defenders of Property Rights, based in Washington, D.C. "It's been that way since the nation was born."

HISTORIC PERSPECTIVE

But, in fact, though America's land-use policies have been among the freest in the world, private-property rights have never been absolute, say historians. Even in colonial Massachusetts, property rights were sometimes abridged in the interest of promoting social goals, says David Konig of Washington University in St. Louis. To build and preserve a sense of community, for example, villagers in many Puritan towns weren't allowed to sell their land to outsiders or build their homes more than half a mile from the meeting house. There even were prohibitions on hunting—regulations echoed in today's rules protecting endangered species. By the late 1600s, for instance, deer populations had been so ravaged by overhunting and habitat destruction that owners were forbidden from killing deer on their property.

The fundamental rule, then as now, was that owners could not use their land in any way that harmed the community, according to John Humbach, a law professor at Pace University in White Plains, N.Y. "We've always agreed that some land uses are socially intolerable," says Humbach. "It's just a matter of which are which."

Until recently, property rights activists fought their campaign primarily through the courts. In the past six years the movement has chalked up several victories, but judges have not embraced the entire agenda. Indeed, in a number of landmark cases, the U.S. Supreme Court has affirmed that reasonable regulation of land use is constitutional and that the state need not pay unhappy landowners every times regulations lower land values.

At the same time, the Supreme Court has emphasized that governments cannot ride roughshod over property owners and has laid down two key tests for deciding when owners generally deserve compensation. First, the government must open its coffers when a property owner suffers a permanent "physical occupation"—no matter how minor—such as when the government mandates that cable television lines be strung across a property. Also, the state has to compensate a property owner when a regulation goes "too far," such as when a property's economic value is destroyed. In 1992 the Supreme Court ruled in favor of a South Carolina developer, David Lucas, who lost the right to build on two oceanfront lots, for which he had paid nearly $1 million, after the state adopted a coastal zone management plan.

A case now before the Supreme Court will clarify another murky area of the law: whether restricting land use is justified absent a direct and immediate link to environmental damage. The case, which will be heard March 23, concerns, Florence Dolan of Tigard, Ore., who sought to enlarge her plumbing and electrical supply store. The city granted her permission on the condition that she set aside about a 10th of the property for a bicycle path and a greenway along the flood plain of an adjacent creek. When Dolan protested, the city maintained that the greenway was needed to help handle increased water runoff from the larger store and parking lot, while the path would ease traffic congestion caused by Dolan's growing number of customers.

DAILY DAMAGES

Florence Dolan's son Daniel Dolan argues that the city's terms are "extortion, pure and simple." But environmentalists fear that a Dolan victory could severely limit governments' ability to impose a variety of important green regulations. By all accounts, many of today's ecological problems stem from the ordinary activities of millions of people, not the actions of a handful of dirty industries. For instance, fisheries in the Chesapeake Bay are declining in large part because of polluted runoff from city streets, farms and septic tanks across a 64,000-square-mile watershed. Protecting the bay hinges on state and local governments managing growth, says Ann Powers, vice president and general counsel of the Chesapeake Bay Foundation in Annapolis, Md. According to Powers, a Dolan win could "completely tie the hands of local governments."

As it has become clear that the Supreme Court will not give the land rights movement a total victory, its activists have increasingly carried their crusade to Congress, attempting to attach land rights amendments to every important piece of environmental legislation and in the process paralyzing the Clinton administration's environmental efforts. Last October, for instance, conservative lawmakers tried to slap a land rights amendment onto legislation authorizing a government survey of plant and animal species. The amendment, sponsored by W. J. "Billy" Tauzin, a Louisiana Democrat, would have required the government to compensate owners if the economic value of their property dropped by 50 percent or more as a result of survey data. The amendment was defeated, but the debate was so vociferous that environmentalists are putting off reauthorization of the controversial Endangered Species Act for at least another year.

"The premise [of the property rights argument] seems to be that the individual produces while the government just takes away," argues environmentalist Jessica Mathews, a senior fellow at the Council on Foreign Relations. But often the reason that land is so valuable in the first place, she asserted in a Washington Post essay, is because the government has built interstates and bridges, provided flood insurance and paid for sewer lines. "Perhaps, then, property owners should pay every time a government action raises the value of their property," she wrote. "It makes just as little sense."

Land rights activists have also taken the battle to state capitols, where in the past two years fully 39 states have considered land rights legislation. Most of the measures, known as "assessment bills," would require states to study the potential costs of compensating owners before writing any new regulations. Some states have considered more-radical proposals that, like Tauzin's amendment, would mandate compensation whenever regulations cut the value of property by a certain percent.

Most of these bills have been defeated because state legislators conclude that such laws would not only break the bank but undermine basic health and environmental protections. At present, only four states—Delaware, Indiana, Utah and Washington—have laws in place, though legislation is pending in several others.

FOR EVERYMAN?

Property rights advocates often portray themselves as average "moms and pops" fighting a rearguard action against powerful bureaucracies and environmental organizations. But a look at who owns land in America reveals that by and large the property rights movement represents the wealthier and more powerful segments of American society, according to John Echeverria, counsel for the National Audubon Society in Washington, D.C. First, the movement benefits from the lobbying clout of many rich special-interest groups. In addition, most of the privately owned land in America is concentrated in the hands of relatively wealthy individuals and corporations. Indeed, according to Charles Geisler of Cornell University in Ithaca, N.Y., 5 percent of landowners in this country, including corporations, have title to three quarters of the privately held land. Moreover, says Geisler, landownership is growing more monopolized all the time.

A DELICATE BALANCE

Still, according to experts, when land-use rules change, small landowners are often hit hardest, because they have a high proportion of their total wealth tied up in real estate. Government officials are beginning to recognize that the property rights movement includes a contingent of "regular people" who have been steamrollered by overreaching regulations. "It is clear that the federal government needs to get more user-friendly for small landowners," says Department of Interior spokesman Kevin Sweeney. He points out that preserving small, isolated patches of natural lands in the midst of sprawling development, as some of today's laws require, does not always make ecological sense. Nor does it make much sense economically to treat owners of small parcels of land the same as major landholders, who often can afford to set aside a portion of their holdings to preserve the environment.

Ultimately, the controversy between land rights activists and environmentalists boils down to the perennial question of how to balance private rights with the public good. Though the basic question has remained the same since the colonial era, circumstances have changed—and greatly. Two hundred years ago, when there was a super-abundance of undeveloped land and neighbors were often tens of miles away, it was pretty hard to use land in a way that harmed the community. Now, many parts of the country are densely settled, and scientists have a much richer understanding of how countless small assaults on the part of millions of individuals can threaten a region's ecological health. Says Pace University's Humbach, "Property rights are important, but so is the livability of the land."

Mr. BAUCUS. Mr. President, each of us in the Senate has sworn an oath to uphold the Constitution, including the fifth amendment's protection against taking private property for public use without just compensation. I care deeply, as I believe all Senators do, about protecting private property rights. But I also care deeply about ensuring American's health, safety, and civil rights, and protecting the environment. That is why I believe the best way to protect private property rights and ensure these other important public rights is by being faithful to the Constitution as it is interpreted by the Federal courts.

Under our system of government, the courts have the duty to interpret the Constitution. For two centuries now, the courts have done so. The courts interpret the Constitution to determine what constitutes a taking of private property in violation of the fifth amendment. In doing so, the courts strike a balance between private property rights and the public's rights to the type of community we all want to live in.

I think we do the Constitution, and ultimately the American people, a great disservice when we try to ignore the courts and legislate, as this amendment does, with unwarranted, unbalanced, and ideologically driven interpretations of the Constitution.

For all these reasons, Mr. President, I urge Senators to oppose the amendment.

Mr. President, to some degree, what this comes down to is some public concern about the overzealous issuance of regulations—too much red tape in the Federal Government. That is a very legitimate concern. But the answer is not this amendment. It is not this takings proposal.

Let me remind Senators, for example, of the Endangered Species Act. In the 20 years of its existence, there have been two claims of takings in the Federal courts—two. And no court has found that the Endangered Species Act has resulted in a taking. In 20 years, under the Clean Water Act, there have been just three cases in which a court has found a taking. It just does not happen.

The answer, then, to concern about overregulation is for Congress to do a better job in handling excessive rules and regulations. We are doing that. For example, the Environment and Public Works Committee, which has jurisdiction over most of our environmental statutes, just last week concluded markup of the Clean Water Act. What do we do in that legislation? No. 1, we reduce mandates. The public is concerned about excessive mandates, unfunded mandates. We reduce those so that now overflow and storm water requirements will be much less burdensome and onerous on our cities.

In the Safe Drinking Water Act that we are taking up, communities are concerned about excessive monitoring of their water systems and excessive standards for the water systems. We will be reporting out legislation in our committee this week, or the following week, which dramatically addresses those points and reduces the monitoring requirements and reduces the standards in a way consistent with public health. We are responding.

Mr. President, I might say that part of the answer to excessive regulations is for this body to have strong oversight hearings. We in the Environment and Public Works Committee are doing just that. We are making sure that the agencies follow the intent of the Congress. The way to do that is to have very aggressive oversight hearings, and ask a lot of tough questions of the agencies to make sure they do not go afield.

Mr. President, that is basically the way to deal with excessive regulation. It is not to pass this amendment—particularly an amendment which includes the takings amendment, which incorporates an Executive order that makes no sense, and that I think will be causing a lot more problems than we are going to solve.

I did not address the gridlock that amendment would create. The American people are very tired of gridlock. President Clinton ran on the platform of change, to end gridlock and solve problems. We are passing legislation which does that. But if this amendment passes, believe me, we have not begun to see gridlock. We have not begun to see gridlock, because if this amendment passes, everyone is going to be reinterpreting whether or not something is a taking or not, as interpreted by each agency, and as interpreted by the Attorney General. Boy, then you will see litigation, then you will see gridlock.

Frankly, I do not think that is the intent of the sponsors. I do not think that is their intent, but that will be the effect if this amendment passes—a dramatic disservice to the American public. For all of these reasons, I strongly urge my colleagues to not vote in favor of the amendment.

I yield the floor.

Mr. HOLLINGS. Mr. President, I thank the distinguished Chair. Just to correct the RECORD relative to the statement made by my colleague from Wyoming, Senator SIMPSON said that four new bills had been added to the S. 4 floor version. The Gore bill, S. 2937, was in the original S. 4. It was not added. The fact of the matter is that the Gore bill, S. 2937, has been cut from $244 to $209 million. The Bingaman bill that he referred to is included in the DOD authorization legislation. S. 1537, by Senator ROCKEFELLER, is not in S. 4. Senator WOFFORD of Pennsylvania, his small bill was a series of amendments with no authorizations and was added before the Commerce Committee vote. So I wanted to make that absolutely clear.

The opponents lump together 2 years of appropriations to argue we are going from $10 million to $2 billion. I wish we could, incidentally, because it would be wonderful to take it out of Defense, some of that $40 billion over there, and at most $2 billion over here in the advanced technology, commercialization of our technology and advanced technology. I wish we could. But this is bipartisan, and everybody studied and looked, including OMB, which cut us back on the amounts. These are not any kind of new bills all of a sudden coming up.

Another particular reference was made, of course, to the Secretary of Commerce. I compliment the Secretary of Commerce, Ron Brown. They talk about him as the former chairman of the Democratic Party, and I do so advisedly. I will never forget my colleague to the north, in North Carolina, running for reelection, and the hundreds of thousands, over $1 million he got from the national committee. My colleague down in Georgia similarly got a million-plus dollars. Old HOLLINGS never got anything. I understand when I made that statement, the party got $25,000 at one time.

Let me say this: Chairman Ron Brown was not out politicking for old HOLLINGS' reelection in 1992. But I still admire the gentlemen. I think he is an outstanding Secretary of Commerce. I have seen them all, for 40 years now, and have worked with them over the many, many years. I really admire his diligence and his conscientiousness, particularly in regard to technology, where Secretary Brown has coordinated this team:

Mary Lowe Good, who is the Under Secretary of Technology, and she comes as the senior vice president for technology from Allied Signal. It was only yesterday that colleagues said she had testified before the Finance Committee relative to the General Agreement of Tariffs and Trade, and how outstanding she was, how balanced and how cogent she was in her presentation at that particular time. We have had nothing but wonderful praise from both sides of the aisle for Mary Lowe Good. She is not out there "dishing out big bucks," as the Senator from Wyoming states.

Similarly, we were very fortunate in bringing over as the former office director of the Defense Research entity, DARPA, from the Department of Defense, Arati Prabhakar. She is head of NIST. Right to the point, the Senator from New Mexico said he had Arati Prabhakar come out to New Mexico. Senator DOMENICI, my counterpart —and he and I worked closely together on the budget, and we worked closely together as the chairman and ranking member of the Commerce appropriations. But Arati Prabhakar went out there to Sandia Laboratories and other facilities in New Mexico, and Senator DOMENICI was exclaiming how fortunate we are to have this consummate professional who is thoroughly familiar and motivated with respect to playing catchup ball and getting our country back on top of the technology heap. And she is not there, I can tell you now, dishing out the big bucks.

Graham Mitchell, the Assistant Secretary for Technology Policy, from GTE Laboratories, is the planning and forecasting director there and was formerly with General Electric. These are the folks there now. If you had, as intimated, the head of the party, he would have brought along three assistants to help because he is traveling a lot. Any Secretary of Commerce is responding to many, many duties. He would have three there handling it and say "dish out the money."

I will never forget, that is exactly what happened with OEO and President Lyndon Johnson when I was there serving under him in the early days and the election was coming on. He told Sarge Shriver, "Get it out; get it out." That is why we had the Black Panthers meeting and fighting with some other group up in Chicago. They were just dishing out the money hither, thither, and yon, to get it. That is 30-year-old politics.

In the olden days, we watched these things. Our Republican colleagues watched these things. I am glad that they do. That is why we have this bipartisan effort, and that is why we passed this out unanimously from the committee last year in June, and it has been passed by unanimous vote here in the U.S. Senate the year before that.

With respect to dishing out the big bucks, here are the endorsements that have come from the Advanced Technology Coalition. The Advanced Technology Coalition endorsing this includes AEA—the American Electronics Association. I happen to know—having been around town long enough you know their propensity and you know their politics. You do have to raise money. All of them have been supportive of me, but not nearly so supportive as compared to if I had been a Republican. In fact, I have had a lot of them ask me, on account of my often conservative views, and views on the budget, and my views with the distinguished Chair trying to pay the bill around this town, why don't I join the Republican Party. Maybe this is the reason why they come with this extraneous nonsense here when you have a good measure, unanimously passed, and engage in this. This would be embarrassing to me. If I saw our side engage in this, I would go to GEORGE MITCHELL and say: "Look here. Let us cut that nonsense out."

We have a lot of good work to do up here in Washington. Let us not all of a sudden, when you get a measure that has been unanimously passed, thoroughly vetted, and with all the support you could possibly ask, start dragging in Ira Magaziner and Ron Brown, former chairman of the Democratic Party, and that kind of thing. That is an embarrassment.

Here are the groups whose names are associated affirmatively with S. 4: The American Electronics Association, the Modernization Forum, the National Association of Manufacturers, the Microelectronics and Computer Technology Corp., Honeywell, Inc., the National Society of Professional Engineers, Business Executives for National Security, IEEE–USA, Semiconductor Equipment and Materials International, Institute for Interconnecting and Packaging Electronics Circuits, Wilson and Wilson, American Society for Training and Development, Catapult Communications Corp., Dover Technologies, Texas Instruments, Columbia University, Motorola, Intel Corp., Cray Research, Electron Transfer Technologies, Electronic Data Systems, American Society for Engineering Education, U S West, Electronic Industries Association, Tera Computer Co., Convex Computer Corp., Association for Manufacturing Technology, Semiconductor Research Corp., American Society of Engineering Societies, AT&T, and on down the list.

Mr. President, I ask unanimous consent that this letter and the enclosure and endorsements attendant thereto be printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FACTSHEET ON S. 4, THE NATIONAL COMPETITIVENESS ACT

THE PROPOSAL

S. 4 will help American industry improve competitiveness and create and retain jobs by reauthorizing the technology and manufacturing assistance programs of the Commerce Department's Technology Administration, especially its National Institute of Standards and Technology (NIST). The bill also authorizes several other Federal manufacturing and computer initiatives.

The Senate will consider a modified version of the reported bill. The Commerce Committee approved S. 4 without objection on May 25, 1993. S. 4, in turn, is based on S. 1330, which passed the Senate by unanimous consent on June 30, 1992. The House companion to S. 4 is H.R. 820.

MAIN PROVISIONS

NIST manufacturing research and extension. S. 4 directs NIST to continue its existing manufacturing research efforts, and also reauthorizes NIST's Manufacturing Extension Partnership (MEP). The MEP program currently supports 7 Manufacturing Technology Centers around the country, which give small manufacturers technical advice on improving productivity, boosting profits, and saving jobs. The MEP also awards State Technology Extension Program planning grants to states, manages 42 DOD-supported extension projects in 25 states, and soon will support small Manufacturing Outreach Centers to serve less urban areas. S. 4 is a step towards to Administration's goal of eventually creating over 100 extension centers, large and small, to provide technical assistance nationwide to America's 360,000 small manufacturers.

NIST Advanced Technology Program. S. 4 also reauthorizes the ATP—the government's principal civilian program to help industry develop new technologies which have broad economic value but also have risks or costs too steep for companies to undertake alone. By helping companies solve technical problems associated with new ideas, the ATP helps U.S. industry avoid cases like the VCR—where Americans invent a technology only to see others solve technical problems quickly and get to market first. ATP projects are industry-led, cost-shared, and selected by merit review. The ATP only funds research; it does not subsidize commercial products. Since its creation in 1988, it has supported 89 projects with 200 research partners in 34 states. The FY 1994 appropriation is $200 million; S. 4 authorizes $475 million for FY 1995 and $575 million for FY 1996.

NIST laboratories. Since 1901, NIST and its predecessor, the National Bureau of Standards, have provided technical services to American industry—particularly precise measurement and quality assurance techniques which help companies improve quality, lower costs, and speed new products to market. NIST also has the leading Federal laboratory on fire and building safety. S. 4 reauthorizes these activities.

NSF manufacturing research and training. S. 4 also authorizes $75 million at NSF to expand its manufacturing research and training activities.

Information technology applications research. Title VI of S. 4 revises the current High-Performance Computing and Communications Program to require Federal computer agencies to work with computer users and vendors on research to develop new advanced computer applications in the socially-important areas of education, health care, manufacturing, and information.

Other provisions. The bill also contains several other authorizations, including ones for the Office of the Under Secretary for Technology, industry advisory groups, an upgraded DOC office to monitor foreign technology, and a new DOC-Small Business Administration pilot program to support private technology venture capital companies. A new title VII in the floor version contains amendments to the 1990 Fastener Quality Act, a law which regulates the manufacture and sale of high-strength bolts used in safety-related applications; the revisions were recommended by both NIST and the official Fastener Advisory Committee.

Authorizations. The floor substitute contains FY 1995 authorizations totalling $1,370 million and FY 1996 authorizations of $1,478 million. Any new appropriations based on these authorizations will be within the discretionary budget's hard freeze. A budget table is attached.

TALKING POINTS ON THE BILL

S. 4 is an economic growth bill. It reauthorizes programs at the Commerce Department and elsewhere that support industry's own efforts to stay at the cutting edge of technology, improve manufacturing, and create and retain American jobs. In an era when American companies face serious long-term competition in technology, S. 4 is a vital investment in the Nation's economic future.

S. 4 focuses on today's priority—helping general manufacturing and manufacturing jobs. The Federal Government has long provided research support to several industries, including agriculture, aerospace, energy, and medicine. But while overall manufacturing employs 19 million Americans, as late as 1992 less than 1 percent of the government's annual $70 billion research budget went to support general industrial development. S. 4 follows the proven model of agricultural research and extension by expanding similar support for U.S. manufacturing and technology firms, including small companies.

S. 4 does not fit the caricature of "industrial policy." The bill definitely will help industry—just as other Federal research programs help agriculture, aircraft, and so forth. But S. 4's programs do not fit the old stereotype of "industrial policy." In the ATP, industry—not government—picks technologies, runs research projects, and pays over half the costs. S. 4's programs are not pork; peer-review is used for the ATP and NSF, and manufacturing center proposals are evaluated by the National Academy of Engineering. Moreover, NIST and NSF only support research; they never subsidize commercial products. These are high-quality programs.

S. 4 will not bust the budget or lead to massive government spending. All appropriations will be within the freeze on discretionary spending, and even with this bill Commerce Department technology programs will amount to less than 2 percent of Federal research spending. Is that too much to spend in support of general American manufacturing?

Leading industry groups strongly support S. 4. Endorsement letters have been received from, among others, the American Electronics Association, the National Association of Manufacturers, and the National Coalition for Advanced Manufacturing. This bill supports industry's own technology efforts, and was written in close consultation with industry.

ADVANCED TECHNOLOGY COALITION,
Washington, DC, February 9, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S. 4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S. 4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE–USA.
Semiconductor Equipment and Materials International (SEMI).

Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southeast Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

THE NATIONAL COALITION FOR
ADVANCED MANUFACTURING,
Washington, DC, February 8, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S. 4, I remain,

LEO REDDY,
President.

COMPUTER SYSTEMS
POLICY PROJECT,
Washington, DC, February 23, 1994.

Hon. ERNEST F. HOLLINGS,
Chairman, Senate Committee on Commerce, Science, and Transportation, Russell Senate Office Building, Washington, DC.

DEAR CHAIRMAN HOLLINGS: I am writing on behalf of the Computer Systems Policy Project (CSPP) in support of your efforts to enact legislation to establish an information applications technology component of the High Performance Computing Act, Title VI of S. 4.

CSPP strongly believes that the research framework established by Title VI of S. 4 will complement efforts by the private sector to develop applications for an enhanced national information infrastructure (NII). Title VI authorizes funds for precommercial research that will stimulate the development by the private sector of new applications in education, healthcare, access to government information and services, and digital libraries. These applications have the potential to create new products, services, and jobs and to improve the quality of life for all Americans by bringing the benefits of the information age to everyone.

The United States is currently the world leader in computing and communications technologies. An enhanced national information infrastructure will not only help us maintain that lead, but will put our information technology advantage to work for all Americans. CSPP believes that initiatives such as those authorized by Title VI of S. 4 will contribute significantly to successful and rapid evolution of the NII.

Sincerely,

LEWIS E. PLATT,
Chairman and CEO, Hewlett-Packard Co., Chairman, CSPP Working Group on Information Infrastructure.

AMERICAN INDUSTRIAL
EXTENSION ALLIANCE,
College Park, MD, February 14, 1994.

DEAR SENATOR HOLLINGS, The Senate will soon be considering Senate File 4, a bill that will directly impact the ability of American industry to compete in world markets. This important bill contains a section on manufacturing extension that is designed to provide the United States with an effective system of assisting industry in modernizing technical, management and processing systems. There is preponderance of evidence that our industries lag in utilizing modern equipment and systems, and this federal effort will bring cohesion to the disparate systems now in existence.

The members of the American Industrial Extension Alliance are firmly behind efforts to strengthen this country's technical assistance programs and bring this needed service to all the states. The Alliance members represent most of the industrial extension programs that now exist, but we are well aware the size of the problem is beyond the capabilities of these few programs. We support the position of the National Coalition for Advanced Manufacturing and the expanding Manufacturing Extension Partnership at NIST.

Your support in strengthening American manufacturing firms by the passage of Senate File 4 will be appreciated.

Sincerely,

DAVID H. SWANSON, Ph.D.,
President.

AMERICAN SOCIETY FOR
TRAINING AND DEVELOPMENT,
Alexandria, VA, February 4, 1994.

Re S. 4, the National Competitiveness Act of 1993.

MEMBER,
U.S. Senate, Washington, DC.

DEAR SENATOR: The American Society for Training and Development (ASTD), on behalf of more than 55,000 corporate-based human resources development specialists, urges your support for S. 4, the "National Competitiveness Act of 1993," when it is considered on the floor in the coming days.

The "National Competitiveness Act of 1993" establishes key underpinnings of a national technology policy based on outreach to the private sector, the targeting of assistance to small and medium-sized companies, and the integration of worker training with technology assistance.

ASTD specifically supports provisions to create Manufacturing Outreach Centers and expand the activities of the existing Manufacturing Technology Centers. Enactment of these provisions will help companies gain increased access to manufacturing assistance, implement the best manufacturing technology and processes at least cost, and train workers in maximum utilization of technology and productions systems.

ASTD is the world's largest association dedicated to advancing workforce training in conjunction with technological progress and the creation of high performance workplaces. We look forward to swift passage of this important initiative during the 2d session of the 103d Congress as a critical step to improve U.S. competitiveness.

Sincerely,

CURTIS E. PLOTT,
President and CEO.

THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS,
Washington, DC, February 7, 1994.

Hon. BOB DOLE,
Hart Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the Technology Policy Group of the American Society of Mechanical Engineers (ASME), I urge you to support S. 4, the "National Competitiveness Act of 1993," which is scheduled to be brought to the Senate floor this week.

This important legislation will provide the underpinning for a realistic national technology policy. It includes provisions that support the development and use of manufacturing technologies which are essential for continued U.S. gains in productivity and industrial competitiveness. The bill also calls for industry participation in the development of advanced manufacturing program strategies through the use of an advisory committee to assure that the infrastructure and new knowledge gained from the program will be effectively utilized by U.S. manufacturers.

ASME has accorded competitiveness a high priority in our 1994 public policy agenda. This letter is written on behalf of the Technology Policy Group, a group of ASME members with expertise in the field of competitiveness, and reflects its views, rather than an official position of ASME.

Again, I urge your support of this legislation to further the nation's industrial competitiveness.

Sincerely,

JOHN PARKER,
Vice President,
Government Relations.

Mr. HOLLINGS. Mr. President, from the Council on Competitiveness, I have from Paul Allaire, Council Chairman, chairman and CEO of Xerox, a letter dated March 7, 1994:

> On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As you can see the Chairman is Paul Allaire of Xerox; Tom Everhart of California Institute of Technology; Henry Schacht, Cummins Engine Co.; Jack Sheinkman, of the Amalgamated Clothing and Textile Workers Union, AFL–CIO, CLC; Donald R. Beall, of Rockwell International; John L. Clendenin, BellSouth Corp.; George M.C. Fisher of Eastman Kodak Co.; Katharine Graham, the Washington Post; William Hambrecht, Hambrecht & Quist Inc.; Jerry Jasinowski of National Association of Manufacturers; Tom Labrecque, of the Chase Manhattan Corp.; Peter Likins of Lehigh University; Robert Mehrabian of Carnegie Mellon University; Thomas J. Murrin, Duquesne University; Michael Porter of Harvard; James J. Renier of Honeywell, Inc.; Albert Shanker of the American Federation of Teachers; Ray Stata of Analog Devices; Jerre Stead of NCR; William Steere of Pfizer; Gary L. Tooker of Motorola; Charles M. Vest, the head of Massachusetts Institute of Technology; Arnold Weber of Northwestern University; William Weiss of Ameritech; A.D. Welliver, of the Boeing Co.; Lynn R. Williams, the United States Steel Workers; John A. Young of Hewlett-Packard, and on down. The Distinguished Fellow is Erich Bloch and others listed here.

They said:

> We commend your continued support for these initiatives and urge you to play a leadership role in their implementation.

And they say:

> S. 4 authorizes over $350 million in fiscal year 1995 and fiscal year 1996 for a coordinated interagency program to support research, technology development and pilot projects. * * * These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

And they endorsed significantly expanding the advanced technology program, S. 4.

Here is what they are talking about when they talk about big bucks and all this. They are here. Here are the business folks—

> S. 4 increases funding for ATP to $567 million in fiscal year 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

They say S. 4 will:

> Support the development and diffusion of technology especially to small- and medium-sized manufacturers.
>
> S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing Federal and State extension programs into an integrated Manufacturing Extension Partnership to help small- and medium-sized manufacturers in all geographic regions to adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

When they emphasize that extension partnership for manufacturing which, yes, increases this bill, to have it managed by the Department of Commerce now at the commercial and business end rather than the defense end, that was the movement endorsed by the Republican conversion committee 2 years ago. They said we ought to get on with this and let us support this and let us support the Advanced Technology Program, and let us get that thing from defense over here in proper hands and properly peer reviewed. Yet some Senators who previously endorsed it now come and say it is a new program or a new philosophy.

Then, of course, Mr. President, we have this endorsement this morning from the National Association of Manufacturers—addressed, this one is to Senator WALLOP:

> NAM supports S. 4, the National Competitiveness Act and urges you to vote for its passage. This legislation will markedly enhance the ability of U.S. manufacturing firms to access and adopt modern manufacturing technologies and techniques. It does so by improving the coordination of existing, yet unconnected, institutions at the Federal, State and local levels. The industrial extension network provided for by S. 4 would be a resource that companies of all sizes and sectors could use to help modernize their manufacturing operations. The result will be a stronger manufacturing base and a stronger U.S. economy.
>
> The National Competitiveness Act also builds on existing legislation, championed by then-Senator Gore and signed into law by President Bush, that boosts research and development efforts in the area of high-performance computing and networking. High-performance computing will be a key generic technology underpinning our 21st century information infrastructure.
>
> The agenda for improving U.S. competitiveness does not end with the passage of the National Competitiveness Act, but we believe enactment of S. 4 will be a significant step in the right direction. Again, we urge your support for this legislation.

Mr. President, in the face of all of that thoroughness, in the face of that outstanding array of expertise and experience and endorsement, now comes the Simpson amendment and says slash and burn; just get rid of it. Do not now really get any kind of a Davis-Bacon, or do not get any kind of reform for regulations or banking regulations, do not do that as an amendment to the bill, rather as a substitute. Just kill the bill.

And, by way of killing, they add on various Democratic Senators' bills, hoping to put them in the juxtaposition of saying, "Wait a minute. I have to vote for my bill and then I have to vote to kill the entire thing."

I mean, come on. That is no way to do business. We had one amendment which said, absurdly, that none of the amounts authorized should be appropriated.

I hope we can sober up and understand what is afoot here.

I am glad to yield to the distinguished chairman of the Governmental Operations Committee.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

(Mr. HOLLINGS assumed the chair.)

Mr. GLENN. I thank my colleague.

Mr. President, I rise somewhat with regret, because I have to rise to oppose the Simpson amendment. I do not question the motivation of what my distinguished colleague from Wyoming is proposing. I do think it is the wrong legislation to pass at this time, because we have other considerations regarding many of the things being proposed by this amendment.

I oppose the amendment basically for several reasons, among them the following:

Rather than cure some of the gridlock that we know is endemic in Government, I think this will create more gridlock in Government. I think it will create Government redtape and paralysis by analysis. I think it will increase Government spending and I think it will weaken important public health, safety, and environmental protections.

Further, this amendment is being hastily considered without hearings and without the careful study and consideration we should give to something of this importance.

This amendment sort of takes a "three blind mice" approach to legislating. It is an approach where the Senate makes national decisions with little study or foresight as to their impact. In other words, it adds more problems to what they are trying to cure with this amendment to this legislation.

Now, what also troubles me is this would happen just as the Committee on Governmental Affairs is in the midst of considering these issues. We already have hearings scheduled, so we are not ignoring these things. We are addressing them. We want to have the hearings that we have scheduled so we can bring out all the pros and cons on each one of these issues.

How does this amendment create more Government bureaucracy, redtape, gridlock, and spending? The amendment does it through a number of ways. Just listen to this list.

First, it requires regulatory impact statements, risk assessments, regulatory flexibility analyses, taking assessments or cost-benefit analyses on virtually every single piece of legislation considered by Congress and every single regulation promulgated by Federal agencies.

Now, does it make sense to do them on the literally hundreds and hundreds of bills that we consider each year, or on the thousands upon thousands of regulations that Federal agencies put out each year on all of them?

While I certainly want to cut down on some of those rules and regulations, I want to make sure the rules and regulations that are promulgated are needed. But I do not think it is necessary to say that we automatically would go through that whole list of things that I just read that would apply to all the legislation and all the rules and regulations that are written over in the agencies, pursuant to the legislation that we pass here.

I submit, if we really are prepared to do that kind of an analysis on these thousands of things, what we should call this is a lawyers' full-employment bill, because that is what it is going to be. We are going to require more lawyers than we have in Washington, DC, to run these kinds of analyses if we do it on every single thing that is proposed before the Congress.

Does it make sense to conduct some of these assessments or analyses on certain pieces of legislation or regulations? That is a different question. I have to answer a resounding yes to that. Of course, it does. And, of course, we should make those assessments and analyses on certain pieces of legislation.

But before we go ahead and impose this on the whole legislative process—we are going to risk shutting down the legislative and regulatory process—we ought to study where detailed analysis makes sense and contrary to where it is wasteful and duplicative.

That is what the committee hearing process is all about. That is what it is for.

I want to emphasize again that my Committee on Governmental Affairs, which is the committee with jurisdiction over these particular items, is taking very seriously the problems of administrative paperwork and regulatory burdens on State and local Governments, business, consumers, and the public. We are not sweeping these problems under the rug. We are trying to address them, but do it in a logical way that brings out the pros and cons on each one of these procedures.

Last fall, the committee held hearings on the problems of State and local Governments and what they face from unfunded Federal mandates. We have scheduled further hearings for early April to review specific legislative remedies, and I plan to report out mandate relief legislation later this year.

I met just a short time ago, during the National Governors Conference when they were in here, in a meeting of the Governors, who let us know about their problems with regard to unfunded mandates. We appreciated their views on this thing and I agree with them on most of their concerns. So we want to address that.

But, in terms of addressing the problems of regulatory and paperwork burdens on business, the economy, and competitiveness, we have scheduled three hearings so far for later this spring. They are already scheduled.

So it is clear the committee is not sitting still, wringing its hands. We are committed to tackling these problems head-on. We have a schedule and we have a timeframe to do exactly that.

Now, let me discuss some of the concerns and problems with some of the specifics in the Simpson amendment.

First, the various analyses that it advocates will cost the taxpayers money. These things do not come for free. To do a regulatory impact analysis, a risk assessment, or a cost-benefit analysis properly takes planning and resources. They do not just fall out of trees someplace all completed.

How much do they cost? Well, EPA estimates that on a major rule it spends roughly $500,000 for a study of the rule's impact.

Now, I am not saying that every single rule or every single regulation that is written is going to have that kind of an economic impact. But I am not saying a lot of them will not exceed that, also.

If you extrapolate even a portion of that cost to all the rules and regulations, both minor and major, we are not talking about peanuts, we are talking about millions, if not hundreds of millions, of dollars in new Government spending, a new bureaucracy supposedly to try to cure the old bureaucracy that is out of whack. I agree that it is out of whack, but we are looking at it, we are trying to come up with legislation that considers all of these different things, considers the costs and considers the effectiveness. That is what we are looking at.

The amendment also requires "takings" assessments on all regulations. Again, these types of assessments are costly, not to mention burdensome and paperwork intensive.

Further the Constitution is quite clear about compensation to private property owners in case of a Government taking. This clause has fully protected citizens' property rights for more than 200 years, and when the Government has overstepped its bounds, the courts have intervened to protect citizens' rights.

The process up to now has worked pretty well and should not be, really, taken out of its current context unless we look at it very carefully, make careful examination, and give some thought as to its long-term consequences.

I agree wholeheartedly that we may need to change some of the Government's responsibilities. We have moved into a new level, where certain rules and regulations or legislation we pass here does have a takings impact that may need to be considered more in the light of modern business and industry than we had before. But the point I make is let us look at it very carefully. Let us not just pass it out here on the floor and maybe make some legislation that is going to cost billions and billions of dollars in compensation as a result of the takings legislation without looking at it very carefully.

Furthermore, the amendment does not simply direct agencies to protect private property rights. Far from it; what it really does is to lock into law a Reagan administration Executive order that legal experts criticized from the beginning as inconsistent with Supreme Court rulings. Now, it is even more out of date—on March 23, the Supreme Court will be considering what experts describe as the most important regulatory takings case in 15 years. Are we trying to preempt the Court before it has even considered the case. I think certainly the time is not at hand to do that. Let us let the Court make its decision.

The Simpson substitute includes the Wallop amendment on regulatory flexibility. I support the goals of my colleague's amendment. Hearings before my committee have shown that Federal agencies have done a poor job complying with the Reg-Flex Act's objectives and requirements for developing more flexible, less burdensome regulations that impact small business and small governments. We have additional legislation on that. I, too, have introduced legislation to put some teeth into the act. But I am concerned that the Wallop amendment's requirement for judicial review of agency analysis of the indirect effects of a regulation will open the courts up to a flood of litigation.

Once again, what are we doing here? Are we just providing for a lawyers full employment act? This increases regulation and increases the legal review of all these things, I think unnecessarily. I am not saying there are not some parts of this that need to have that kind of approach; a legislative approach. But let us look at it in the light of hearings and know what we are doing, rather than just passing this out here on the floor right now.

While some judicial review of parts of the Reg-Flex Act may be appropriate, it is a subject that needs further study.

Given its other paperwork-creating and bureaucracy-generating provisions, it's ironic to note that the Simpson substitute contains an amendment proposed by Senator DANFORTH, S. 560, the Nunn-Bumpers paperwork reduction bill. I would note that I have my own bill, S. 681, to reauthorize the Paperwork Reduction Act. Senators NUNN, BUMPERS, and I are currently working together, along with the administration, to reauthorize the act. We have scheduled hearings on May 19 in my Committee on Governmental Affairs to review the consensus compromise that we will have worked out by then. While S. 560 has many worthy provisions, we should allow the committee process to go forward and not consider the bill at this time. Our negotiations will produce a bill that can become law this year, but moving the Simpson amendment to preempt that process makes no sense at this time.

I would add, I have a real sense of deja vu when it comes to this particular item. Way back in the last administration we had an agreement with Dick Darman who was the head of OMB at that time on how we were going to work this out with the Paperwork Reduction Act. We had, on the other side of the aisle, an anonymous rolling hold, one of the more obnoxious things I have seen since I have been in the U.S. Senate and I am on my 20th year here. I see my distinguished colleague presiding now smiling, because an anonymous rolling hold gets his hackles up too. I know that.

I ran into this in the waning days of a session. We had agreement with the administration, had a sign-off. We still have a letter in the files how we are going to reauthorize the Paperwork Reduction Act.

What happened? I came over. I thought we had unanimous consent to get this passed on the floor. No, we had a hold on it on the other side of the aisle.

So I thought I knew who had the hold on it. I went and I saw the person. I will not use names at this particular point. The person said: Oh, no, I took my hold off yesterday.

These are all anonymous. Whoever puts the hold on, leadership does not let that be known. We are trying to figure out who had the next hold, because they still would not let the thing loose. And by the time we got that figured out, which we finally did, the session was over, the bill died, the Paperwork Reduction Act did not get reauthorized, and we are still living with that series of anonymous holds even though we had the administration sign off on it. Dick Darman signed off. I still have a letter in the file that he agreed with it.

That is several years ago now. We are still working to try to get this reauthorized and I think we will be able to do that. But to me it makes a lot of sense to run this through the committee, let us do the pros and cons of it, and not pass something and preempt the committee activity out on the floor right now with this bill.

The Simpson amendment addresses many important issues but I think the solutions proposed, as I have stated through my remarks here this morning—the solutions I believe will slow if not stop the basic processes of government. It is going to cost millions of dollars of new Government spending to implement these things. It cannot help but do that. You do not do all these analyses for nothing.

In its effort to curtail regulation and reduce paperwork it winds up creating more. As I said earlier, you could call this a lawyers' full employment bill. It is going to put everybody to work doing all these analyses and so on. I agree we have to have some of these done but to make it as sweeping and all inclusive, and in effect shut down regulations, shut down rules of Government, shut down the implementation of what we pass here with legislation on the floor and require all those same kinds of analyses here, too—I think we should look at very carefully before we pass this legislation. The committee process in our current legislation and hearing plans provide the forum. I did not suddenly schedule hearings on these subjects. They have been already scheduled for some time before our distinguished colleague from Wyoming ever brought this amendment up. So we have had this scheduled that we are going to have the hearings on it. We will look at these things and provide a forum to examine the issues in further depth.

For all those above reasons I urge my colleagues to vote "no" on the Simpson amendment or vote "aye" for tabling, if that is the decision of the floor manager of the bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I wanted to take the floor briefly to say a few words in opposition to the Simpson substitute and a few kind words about S. 4, that we have had on the floor, now, for some long while.

It was not too many days ago that we all watched the Olympics. The Olympics are a lot of fun to watch. They are interesting. They are going to get your competitive juices flowing. The Olympics have events in which, at the end of the events, the contestants do the best they can and they either win or lose. If they win they get a medal, if they lose they get nothing. It is a very simple concept: Winners get medals, losers go home.

But it is not just on the athletic field that there is competition in this world. We are involved in an Olympics of sorts. We are involved in a competition that is a pretty intense, keen—tough competition in the economic arena. It is not a competition that produces medals. The winner of the economic competition produces jobs and opportunity. The losers lose jobs and opportunity. That is the way the economic Olympics works. If you win you grow; you produce opportunity and strength for your country. If you lose you diminish; your economy shrinks.

What has happened in recent years? As I said the other day, when I went to school I just got up in the morning and understood we were the biggest, the best, the strongest, the most. We won just by competing in the morning. That was the economic strength of the USA. Now we face tough, shrewd economic competition from other countries.

Some of us say—the distinguished Presiding Officer, myself, and others—just as when you are involved in any competition, you need to have some teamwork. You need to work together with those who have the same interests as you do and you need to have a plan to understand what you are going to do here, how you are going to get to the finish line, what is your goal, what kind of plan are you going to use to get there.

Some say, with great pride, not only do we not need a plan, we do not have a plan and I would like to keep bragging about it, they say.

Not having a plan in this country for how we are going to enhance our economic strength is surely something we ought to stop bragging about.

We had about 1½, 2 years ago a fellow come to speak in this town who was one of the chief economists of one of the largest banks in Japan. What he said made a memorable impression on me. I do not know whether it is true or not, but here is what he predicted. He said their economic modeling predicted by 1997, Japan would be the largest manufacturing country in the world, and just after the year 2000, Japan would be the world's economic leader.

He said they invest every year in Japan—at that time—$440 billion more in new plants and equipment than we invest in new plants and equipment in this country. Of course, we understand what that means. You win in the economic competition when you produce a better product and sell it at a better price. Part of that represents what kind of factories you have, what kind of manufacturing facilities you have, and what kind of technologies you have. That is the point, the reason we are debating this bill on the floor today.

It is hard almost to go around during the day and find anybody in this country who makes anything anymore. People are selling things back and forth and competing, but it is hard to find somebody who is making real products. This bill relates to manufacturing especially—and I want to highlight that part of the bill, manufacturing technology.

Why is that important? I do not think this country can long remain an economic giant unless it retains its economic base through manufacturing. This bill relates to that. Some say, "Well, the private sector does just fine." We took an economic detour for a decade with the private sector running up, wallpapering America with junk bonds, loading S&L's with junk bonds. We had one guy make $600 million in 1 year, 1 year's salary from junk bond sales was $600 million. Then he got 2, 3, 4 years at hard tennis at some minimum security prison, got out and kept most of his money. That is the private sector at its worst.

What happened in the decade when others were investing in plants and equipment? Our big shots were wallpapering America with junk bonds. We need to develop a plan and to say the private sector is just fine, it will take care of itself, we can help the private sector and should help the private sector, not by telling them what to do but by creating mechanisms in which we share all across this country research in critical technologies, information about manufacturing technology, and give the opportunity to those small manufacturers all across this country who want to compete and win the ability to do that. Give them information, give them the kind of things that we develop in research and know-how to allow them to better compete internationally.

We in this country have been a leader in the manufacturing of airplanes. Did that come about because some private companies decided we are going to decide to build a jet airplane, a commercial jetliner? No. It came about through our military establishment. We sunk an enormous amount of research into building military jet airplanes, and from those military jet airplanes, the technology was used then for enormously significant commercial contributions. The 707's, big four-engine jets, that comes from the technology we learned in the military that then became a commercial technology. That is Government; Government to business, a partnership, and we became the leader. Think of the hundreds of billions of dollars that has meant to our economy.

Now we are told on the floor today that this bill that we put together, S. 4, that says let us find ways so instead of fighting each other—the private and public sector—we are helping each other. The public sector, the Government, finds ways to help the private sector become more competitive and win in this economic competition. And carefully constructed in this legislation are a series of steps to do that, to say here is a helping hand, let us find ways to facilitate the exchange of information, the development of technology, additional research, distributing that research and helping American business.

Now we have someone come to the floor and say, "Well, that might be all well and good, you might think that is the right approach, but we come from the side of the aisle that says we want to brag about having no plan, so we're going to substitute for what you offered. We will just get rid of everything you constructed over a number of years and we offer sort of a vegetable soup package of legislative issues, some of which have had hearings, some of which have not, some of which we know about, some of which we do not. And we would like now to offer this, and without the product of any careful research or careful evaluation, let's just go ahead and have a vote on this as a substitute for all of the other things that we have put together to try to create this public-private sector partnership."

I look at this substitute. There are some things in here that I can agree with. Some of them have had hearings, some of them are coming to the floor in other pieces of legislation. Some of them I have never heard of before. A number of them have had no hearings, a number of them look like they are brand new ideas. It is an interesting use of the legislative process to decide the way to develop ideas and legislate them is just to bring them to the floor with no notice and just bypass all rational discussion and debate in the hearing process; let us just have a vote on it before we even discuss it and know much about it. That is a thoughtless way to legislate. I am not suggesting that this is a thoughtless substitute. I am just saying any time we are put in a position of voting on legislation that is comprehensive or substantive, parts of which have had no hearings, that does not, in my judgment, advance or serve the legislative interests of producing good public policy.

Let me make one final point, Mr. President, and let me try to make it as emphatically as I can. There is a major, major difference in philosophy among many of us on this floor that is at the root of this debate. Some say and boast continually that we ought not have any plan in this country, the private sector is just fine; we do not need any plan in terms of where we are going or where we are headed or what we are doing.

Others say, if you are involved in the competition and the other side has a plan, they have a training camp, they all get together and make joint decisions and they help each other, whereas our side says, we do not need any training camps, we do not need any plan, let us just sort of show up, we will all wear different uniforms and all have a different approach, that we can compete effectively.

We cannot. The fact is other economies around this world that have been successful have some notion of what it is the investment is going to produce.

Let me ask a quick question: Does anybody think this country will do well if we have no automobile industry left? That is not going to happen because we happen to be on the rebound for a lot of reasons. But are there not certain sectors, manufacturing sectors, without which a strong country cannot perform? I am just picking automobiles as an example.

The answer, in my judgment, is yes, there are. There are certain concentric economic activities without which a strong country cannot function, and we must understand that, and we must reach out and say, "All right, this sector is critically important to this country's future. What can we do to strengthen it and improve it and help it compete against other countries around the world?"

That is the purpose of this bill. It is very simple. The question is, do you want to do something or do you want to do nothing? Do you want to continue to boast we have no plan, or do you want to decide to advance this country's economic interest with S. 4? That is the question before us.

If you believe as I do that S. 4 makes good sense for this country, is long overdue and ought to be passed as quickly as possible, then we ought to vote no on this substitute and vote yes on S. 4.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, the Senator from North Dakota has made a very powerful statement. He talked of winners and losers, and the winners getting medals and the losers going home.

I note that at the end of World War II, the United States had the only strong economy, whereas the economy of Japan was devastated. Today the Japanese per capita income is $23,325, and the great powerful, only superpower in the world, the United States has a per capita income of only $19,815.

That carries me back to the original comment made by the distinguished junior Senator from Florida, who came early in the Chamber here at 9 o'clock this morning and talked about how we do not want to get into industrial policy. Look what happened to Japan. He says Japan went and put its efforts behind high definition television and found that that is not going to be the technology of the future and therefore Japan is distraught, is lost in this economic Olympics.

They can make many, many more mistakes before the United States ever catches up with them if we make the mistake of this particular Simpson amendment by way of a substitute.

I wish we could debate the economy. I wish we could debate international trade and GATT. I will never forget being told that the foreign policy, the security of the United States is like on a 3-legged stool. We have the one leg here, the values that we have as a Nation, and that is, of course, very strong. We have just sacrificed lives to feed the hungry in Somalia. There is no question about the values of the United States for the principles of freedom the world around.

The second leg is that of your military power, and we know about that with respect to our vast defense establishment.

But the third leg is that of the economy. And that leg is weak and fractured. And going right to the competition down on the field, there is the Japanese competition. Japan fielded its team out there. And Japan has got its Government, the combination of MITI and the Ministry of Finance correlated together. They are the Government. That is what runs Japan. So the Japanese have the quarterback on the field calling the plays, and we have the best players, we have the most productive industrial worker in the entire world. The players are there, but the Government quarterback is up in the grandstand whining, "Be fair. Be fair; I want a level playing field. I want a level playing field."

Absolute nonsense. Whoever heard of anybody in economic affairs being fair. Why do you think we have laws against monopoly? Why do you think we have antitrust laws? Why do you think we have health laws to protect our health? Why do you think we have safety laws?

I can go right on down the list. Do you think the market is going to act safely? Do you think the market is going to act for good health? For 13 years we heard the litany of deregulate, deregulate; get rid of the Government; the Government is not the solution, the Government is the problem.

They whined around here for 13 years and you see where we are. The economic leg is fractured. We are behind the curve, and we are trying to play catchup ball and the best of the best in industry, the best of the best in technology, the best of the best in graduate education, the best of the best in manufacturing has come in here in a uniform fashion with organized labor saying we are joining hands and let us go with this bill S. 4.

They come here with the monkeyshines of wait a minute; the Secretary of Commerce is former chairman of the political party and the big bucks here are going to the party chairman and we are going to deal out the bucks. Sheer nonsense. They ought to be embarrassed.

They mentioned Arati Prabhakar, because she is the Director of the National Institute of Standards and Technology. On this woman's outstanding record with the Defense Advanced Research Programs office, DARPA; managing a total annual budget of $300 million, and 300 contracts with 65 companies including large electronics manufacturers, traditional defense contractors, midsized and small technology firms, 50 universities, and 30 other laboratories.

Now, that is where this money is going, to the National Institute of Standards and Technology, and I am sure the distinguished lady had no idea her record would be used in this debate, but I use it because it is very pertinent, very relevant in the context of the reckless charges of some sinister industrial policy here, the idea that this is a new philosophy.

The distinguished director of NIST, she has been managing these high-tech programs at Defense. She has been doing exactly what the Republican task force said on defense conversion, get the money out of defense and get it over to Commerce, get it into business hands, get it into technology, get it into the commercialization of our technology, and to do exactly what they say to do.

But the Director of the Office of Management and Budget has written us a letter in support this morning. I would like to put it in the RECORD at this particular point. It is dated March 9, to myself, the chairman of the Committee on Commerce, Science, and Transportation.

> I am writing to express the Administration's objections to the amendment to be offered by Senator Simpson to S. 4, the National Competitiveness Act of 1993. This amendment proposes significant policy changes which could have serious negative consequences.
>
> This amendment could lead to sweeping changes in labor law, worker protection, and Federal regulatory management. Largely speaking, these proposals have not been fully reviewed by the Senate or Administration and warrant further consideration before they are enacted into law. Furthermore, I would note that the Administration is currently working to address many of the issues contained in the Simpson proposal.
>
> In his March 7th letter to the Senate Majority Leader, the President expressed his support for swift Senate action on this legislation and urged that the Senate not adopt extraneous amendments tht would delay enactment of the bill. Clearly, the controversial nature of the proposals contained in the Simpson amendment would significantly delay—if not jeopardize entirely—the enactment of S. 4. I urge strongly that the Senate reject the Simpson amendment and work quickly to pass S. 4.
>
> Sincerely,
>
> LEON E. PANETTA,
> *Director.*

Mr. President, I think the main point to be made is that here we have countering the pleas with respect to the big bucks and the small bucks. They are talking about politically giving out pork and starting a big-bucks program. They never called that program, over in the Defense Department, such a thing. There was not any new philosophy arguments there. We have supported it for years, and it had a $300 million budget that the Director had with 300 contracts with 65 companies, electronic manufacturers, defense contractors, midsized and small technology firms, 50 universities, and 30 other laboratories—all pursuant to the Republican Defense Conversion Task Force filed year before last, signed by the distinguished ranking member of the Committee on Commerce, my colleague, Senator DANFORTH.

We are doing conversion, so we not only take the programs over, we not only take the Directors of those programs, and put the distinguished lady as the Director of NIST, but they still bellyache about "pork" and "ballooning," and "new philosophy."

I can tell you here and now, when you do what they ask you to do, then they just come politically here with slash and burn and substitute. Just get rid of the National Bureau of Standards, which is the fundamental part. That is the big one. Look at these figures. They are talking about amounts. You will find that the Bureau goes up, up, and away.

So that is what we want to do, instead of the research in DARPA; yes, get that commercial research up, up, and away. That is intended. We have the best doing it, who have been doing it with acclaim over in the Department of Defense: Arati Prabhakar and Under Secretary Mary Lowe Good.

I do not know how you do it better and gain the confidence of any who would have a question, be they Republican or Democrat, to ensure that we do not start a pork program.

I emphasize again we reported the bill out at $1.5 billion for next year. That was supported by the Senator from Missouri, and now comes the amount in the bill, $1.3 billion. So in actual figures, it is a cut. I hate to see it. I wish we could get way, way more into that program, as the private sector experts have recommended.

We need to really get going when we realize we now have only seven manufacturing technology centers, and we hope to get only another seven. The administration says that by the turn of the century they hope to get 100. The competition that the distinguished Senator from North Dakota was commenting upon, Japan, has 170 of them. And it is working. That is where you get the high productivity. That is where you get the quality. That is where you get the high pay. That is where you get the higher per-capita income. Fledgling little Japan is a country now that has won the gold medal as to per-capita income. Meanwhile, we are still languishing here with diversionary amendments on banking regulations, labor regulations, impact statements, pesticides, post offices, anything in the heaven's world that they can think of except an amendment relevant to the bill.

This is the fourth day of it, Thursday. We started on a measure that had been passed unanimously through both Houses, ready in conference, could not get it then up as a reported bill with all the conferees, Republican and Democrat; then again last June, unanimously out of the Committee on Commerce, all the Republicans and all the Democrats supporting it, and at a higher amount than what we have at the present time. Now they come and say just get rid of the program.

I yield the floor.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. KEMPTHORNE. Mr. President, thank you very much. I want to thank my friend from South Carolina for his courtesy.

I wish to address an aspect of the Simpson amendment which I am responsible for placing in there. In all honesty, it should not be necessary for this part of the amendment.

I am going to relate to you a situation that many Americans have already heard about because Paul Harvey talked about this situation. Many Americans read about this in Reader's Digest, in last January's edition. I am going to tell you about an incident that happened in Garden City, ID.

There was a construction accident. A trench caved in and it buried a worker. Two people happened to be going by and they heard the commotion; they heard the muffled screams. So they ran to the side of this trench cave-in, and they saw what had taken place. They saw just one inch of the buried victim's head. Of course, he was covered with dirt and debris and was pinned in this trench and could not breathe.

So these people that happened to be coming by immediately began to dig the debris from around that individual's head so that he could breathe again. Then that trench began to fill with water. So they rerouted the water so that this individual would not drown until emergency personnel could get there with the appropriate equipment so they could extricate him.

Thank goodness for the victim that these individuals happened to be going by. For their efforts, the mayor of Garden City, ID, acknowledged them in a proclamation as heroes; and indeed they were heroes.

Unfortunately, those heroes received from their Federal Government citations, citations from OSHA of nearly $8,000.

Mr. President, I ask unanimous consent that the entire Readers Digest article, entitled "Fined for Heroism," in the January edition of Readers Digest under the section of "That's Outrageous," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From That's Outrageous, Reader's Digest, January 1994]

FINED FOR HEROISM

Kavin Gill and another employee of DeBest Plumbing Inc. had to act quickly to rescue 21-year-old Dwight Kaufman after a dirt trench wall collapsed on him at a construction site near Boise, Idaho. Using their hands as tools, they dug the dirt from around his head before a rescue crew arrived and pulled him out of the ditch.

"We could hear muffled screams. You could just see about one inch of the back of his head," Gill said. His shoulders were pinned from the collapsed piece. With his head covered, I think he would have died."

But the federal Occupational Safety and Health Administration didn't see it that way. It fined the Boise plumbing company nearly $7875 because the good Samaritans failed to put on hard hats and took no precautions against other trench walls falling on them during the rescue.

Idaho OSHA Director Ryan Kuemichel said that "rescues must only be attempted after taking proper precautions to ensure that victims are not injured in secondary cave-ins."

But Gill said he, fellow worker Myron Jones and a bystander didn't have the time to find their hats, remove water from the trench and shield the walls.

Sen. Dirk Kempthorne (R., Idaho) asked the Labor Department to review the case, and the fines were dismissed. Kempthorne says he will draft legislation that exempts acts of heroism from OSHA fines. "Thank goodness there are still people in this world who are willing to help their neighbors—despite an absurd bureaucratic mind-set in the federal government that would seem to discourage saving a life," Kempthorne said.

Mr. KEMPTHORNE. Mr. President, let me tell you about these citations. They received one citation of $2,250 for not properly being trained in recognizing and avoiding unsafe conditions. That is of the two people that happened to be walking by, or driving by, that had nothing to do with this construction site—two employees of DeBest Plumbing. They received a second citation, a $1,125 penalty because they did not first run to their vehicles and retrieve hardhats.

It has been pointed out that if they had taken the time to run to the trucks to get their hardhats, in all likelihood, it would have created, potentially, greater injury to the victim, if not death.

They received a third citation for $2,250 for working in an excavation where water had accumulated. This is outrageous.

They received a fourth citation from OSHA of $2,250, because the employees should have shored up the walls of the trench before attempting to rescue the victim. That is the letter of the law, but it is not the spirit of the law.

If these good Samaritans that happened to be going by had abided by OSHA's interpretation of the letter of the law, in all likelihood we would have had a victim who was then deceased.

I had my office in Idaho contact the OSHA office there and say: "Surely, there has been a mistake. Surely, you do not intend to fine these two heroes $8,000." They said: "Oh, yes we do." Then they went on to explain that the agency felt it was necessary to cite everyone for any possible violation, and then let them appeal the decision.

So you have to go to a review, and you have to go to court in order to get citations removed that should never have happened.

Mr. President, this portion of the Simpson amendment that I have added is necessary. It appears today in our Federal bureaucracy that we are now going to have to legislate common sense and build it into the law because, unfortunately, we have Federal regulators that, in their intent to be so strict in their enforcement of the letter of the law and their assessment of fines, are not using common sense.

I believe—as I think all Americans do—that heroes deserve commendations, not citations. We need to ensure that we honor heroes and not punish them. Therefore, Mr. President, that is why this particular aspect of the Simpson amendment is there, so that these regulators know that there will be an exemption so that when a heroic act takes place that saves lives, they can abide by the spirit of the law, not the absolute letter of the law.

Mr. President, I yield back to the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Idaho. I had to smile when he said we are going to legislate common sense. He has a good initiative, and he has a good cause. I have listened with tremendous interest. But, in fact, if he thinks he is going to legislate common sense to the Government, I can speak from hard experience over 27 years up here. Does the Senator realize the stupidity of Government. Does he realize that this particular entity, OSHA, elects Senators?

I remember about 20 years ago when OSHA elected Senator WALLOP. Senator WALLOP ran in his campaign a good little TV ad against the late Senator Gale McGee of Wyoming, and it said: "Do you know what those fools in Washington in OSHA are requiring here for the rancher to round up his herd? They said you have to get a toilet bowl." And they had a video of the toilet tank around the animal's head, and his head was bent down—I can see it now. The ad said this is what Washington requires of us. Elect WALLOP.

They elected him; there is no question about that.

You and I are going to be dead and gone and that crazy crowd will still be in the bureaucracy. They are still putting out bad decisions of that kind. But it has no relation whatsoever to this bill. We have 140 pages, and you cannot find OSHA, or safety, or any of those other regulations in this particular measure. This is technology. This is every bit of research into technology, in the outreach extension, advanced programs, the peer review. But OSHA—I did not intend to pass a bill on OSHA.

That is why we are somewhat distraught, because here we have, perhaps, as the Senator has described it, a perfectly fine initiative relative to OSHA. Hopefully, we can legislate common sense separately. Maybe I would support the distinguished Senator from Idaho then. But right now we have Republicans and Democrats and a movement going here with all the best of knowledge, already unanimously reported out of the committee, and we are being distracted into OSHA.

Mr. KEMPTHORNE. If the Senator will yield, I appreciate his comments. Under the umbrella of this underlying bill, we are dealing with competitiveness. And what I have heard repeatedly from business people is that if we would get the Government off their backs, they can be more competitive. Here we have a situation where the Government has erred in judgment, and it is on their backs. So we are trying to correct that.

I agree with the good Senator from South Carolina that, as I said in the beginning, it is unfortunate that this is even necessary, and that we have to talk about this. It may be impossible to legislate common sense. But we are the folks that are elected by the other people of this Nation to come in here and, hopefully, bring some common sense in.

When we see a Federal agency that has run afoul, I think we have to bridle it back. That is what this accomplishes. But again, the reason that it is germane, in my opinion, is the fact that if we are going to be competitive, we ought to look for every opportunity we can to get the Government off the backs of the good folks that are out there trying to be competitive.

Mr. HOLLINGS. I agree. The Senator is correct. Any time you can get the Government off your back—and that expression is used just as frequently in South Carolina as in Idaho. But this amendment is not aimed at getting technology competitiveness going. I guess that any subject could be brought up under the rubric of competitiveness and described as such, but that is really stretching it. I am sure the Senator realizes that.

Mr. KEMPTHORNE. If the Senator will yield. I ask the good Senator from South Carolina, in the event that this is not successful in today's debate, would the Senator be willing to cosponsor with me this same amendment, in a stand-alone situation at some other time.

Mr. HOLLINGS. Yes. The way you have described it, I was powerfully interested in it. That thing ought to be corrected. There is no question about it.

Let me ask the Senator, because I know nothing about it, where is it in hearings or why have we not made progress on his bill?

Mr. KEMPTHORNE. Mr. President, if I may respond, this occurred at the end of last year. So, we talked with OSHA officials. They felt they could correct this through other means.

I went ahead and prepared the language, which really reflects language which I think OSHA would be headed toward. This gets us there.

So, this is the first opportunity that I have had to bring it forward. But, again, if it was not successful in this particular issue, then I appreciate greatly that the Senator would join me as a partner because it ought to happen.

Mr. HOLLINGS. Yes, I hope we can have hearings and flesh it out and bring it to the floor.

I thank the distinguished Senator.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that I might speak as in morning business for a period of up to 15 minutes and at the conclusion of my remarks that my remarks be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROCKEFELLER. I thank the distinguished Chair.

THE COSTS OF DISTRACTION

Mr. ROCKEFELLER. Mr. President, conduct in Washington over the past few days reminds me of a Biblical warning about straining out a gnat while swallowing a camel.

This week we have heard a grinding tirade about a 16-year-old real estate transaction and precious few sentences about the perilous future of health care for millions of Americans.

For too many years, Americans have flipped to C-SPAN and come face to face with congressional sniping but few solutions for the real life problems of real Americans. Debate has seemed more like political ping-pong than serious discussions of issues with real and lasting impact on our people and on our Nation.

It is not surprising that the people of America tune us out. For more than a decade we have seen campaigns waged with tactics of division and fear. Work in this Congress was subverted by debates about budget gimmicks and flag burning, all of this while family income stagnated, while millions lost health coverage, and more were shunted into HMO's while industry's competitive edge was worn away and our foreign competitors ate our economic lunch while a quarter of our children slipped into poverty and a quarter of the homeless each night are our children.

Mr. President, in just 12 months President Clinton has started to turn around 12 years of inaction and neglect. He has pulled sound legislation from the mire here and gotten the Family Leave Act, the Motor Voter Act, and the National Service Program, which is fundamental to the rejuvenation of our spirit in America, and a deficit reduction package passed that all the pundits said could not be done, but he did it.

He is the first President to finally get tough on trade with Japan. He understands lives filled with long days and constant struggles to make tomorrow a measure better than today. He talks about that often. He comes to this town penniless, and he will leave a poor man. He goes to work every day aching to make America work again. In my 30 years of public life, I have never seen so committed a public servant, so rich in talent, so prodigious in his desire to take on the really tough problems that vex this Nation.

His wife Hillary has traveled this country trying to fill families touched by tragedy with a new sense of hope, as only she can, after their insurance has run out perhaps but their child's needs for medicine, of course, has not run out. She has worked herself to exhaustion, past exhaustion for doctors so worn down themselves by the system that they cannot remember why they went to medical school in the first place.

She listened to fathers who worried about children graduating into jobs without benefits. She buried her own father and went straight back to work for families who labor every day caring for their own aging parents.

She has worked countless hours on a plan to help parents who work knowing that, if they gave up and took welfare, they would get the benefits that they need; to help storeowners who lie awake wondering how they will tell trusted employees who they have known all their lives that their coverage will have to be cut.

For all these people she has been a tireless educator and a tireless advocate. And her reward, Mr. President? Outside this Chamber she has been personally attacked by the same people committed to killing the health care reform which she has wrought.

Mr. President, when Eleanor Roosevelt was in the White House, she was attacked, too, most vociferously in fact, when she championed an antilynching bill. That is right. When she spoke up against vicious mob violence, she was called a dangerous enemy to America.

Now, a new generation of self-appointed judges want to tear down this First Lady and her good work. They deserve the same contempt that we heaped upon past defenders of lynching.

Right now, President Clinton and the First Lady are working tirelessly to pass the most important piece of social legislation in the history of this Congress. That is what is at stake here, and that is what some in this city do not want our Nation to hear about.

Recently the pattern of deliberate distraction has returned. One day it is whipping up a haze of confusion claiming there is no health care crisis in America. The next day it is rolling out a fog of nonsense that the President's health care reform plan is dead while in the meantime, of course, offering absolutely no alternative at all, and then a day later it is churning up a sandstorm over a 16-year-old real estate development—anything, anything to avoid knuckling down to our real work that we are hired on here to do. What flimsy excuse is next, Mr. President? What will they bring next? The Sun was in our eyes. Our shoe laces were untied. The dog ate the health care bill.

It is pathetic. It is absolutely pathetic. Some here will always reach for one more excuse because good policy is hard work and it does take time and it takes patience, by the way, and it takes political courage.

Some others upstairs in the press gallery will always want to write about the petty conflict, not the dry policy, because it is not exciting, it does not have entertainment value, it does not make for a good picture, it does not make for hard copy.

Yesterday, a writer for a national publication known by everybody in this Chamber told me that his editors did not want him to write anything positive about the Clintons, not this week, not with blood in the water.

Mr. President, we must get past the distractions and the obsessions and the excuse-a-day mentality that we seem so rich in. The facts are plain regarding the latest diversion. There is no evidence of any wrongdoing, and I might say recent staff meetings were approved in advance by ethics officers. The President and the White House are answering every single question and providing every single scrap of paper and posted note. The special investigator has been empowered to pursue every avenue, and we fervently hope that Mr. Fiske will thoroughly answer all the questions of the press and of the public.

I expect the sensationalists will eventually tire of this, Mr. President, the same way they tired of chasing Tanya and Nancy around Norway. Remember them? They were a big deal for quite awhile until we discovered they were not. Maybe they will find another irrelevant gnat to pursue, or maybe, just maybe, they will turn finally to the consequences of inaction around here, the costs of distraction, and maybe they will turn to the promise of reform—just maybe.

Make no mistake, America. Make no mistake, America. Whoever wins the latest political brawl, one thing is certain. You could lose. You, America, could lose. You could lose welfare reform. You could lose new crime-fighting initiatives. You could lose guaranteed health coverage. You could lose all kinds of things because of the way we operate in this town and our own glorious, sanctimonious nature.

We must not let this important opportunity for health reform slip past, Mr. President. The benchmark has been set.

The President's plan guarantees every American private insurance that can never be taken away from them for the course of their lives for any reason whatsoever. It ensures that you, not your boss or your insurance company, will choose your own doctor and your own health plan. It outlaws unfair insurance practices that jack up your rates if you get sick. It makes sure that seniors can count on Medicare. And it does all of this by building on the system that most Americans rely on now—insurance through their workplace.

If we fail, if we are fooled by the diversions, if we deliver less than the President has proposed, then make no mistake, there will be no places to point and put the blame but here on our own heads. But, if we could rise above the noise, if we can pass this reform and provide a measure of health security to our families, our neighbors, our friends, our parents, and our children, then, in a lifetime of public service, we will count no greater contribution.

Yes, Mr. President, it can be done—insurance every American can count on, no matter what. Do not settle for less. Do not let us deliver less.

I thank the Chair and I yield the floor.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri [Mr. BOND], is recognized.

Mr. BOND. Thank you very much, Mr. President.

I ask unanimous consent that I may be permitted to speak as if in morning business.

The PRESIDING OFFICER. Hearing no objection, it is so ordered.

Mr. BOND. I thank the Chair.

HEALTH CARE REFORM

Mr. BOND. Mr. President, I listened with interest to the comments of my colleague from West Virginia because we have had an opportunity to travel not just around this town but literally around the country talking about the very important issue of health care reform. I believe he and I share the same goals, almost exactly the same goals. We disagree on the road to get there, but we are both committed to getting there and getting there this year is vitally important.

I believe that Americans want the President and the Congress to work on the challenges before our Nation and the problems affecting our lives. Personally, I would like to be able to devote my time to working on health care reform, to ensure that every American has health insurance that cannot be taken away if you change jobs, if you become ill or if someone in your family becomes ill.

ABUSE OF EXECUTIVE POWER

Mr. BOND. Mr. President, I am a senior member of the Senate Banking Committee, and there are very serious questions which have been raised about possible abuse in the executive branch of the power of the Federal banking regulators and of the White House. Possible insider dealing at the Madison Guaranty Savings and Loan is an issue that needs to be resolved by the special prosecutor in Arkansas. There is also another tragic death that has to be investigated.

But there is an issue clamoring for congressional airing under our system of checks and balances, and that is: Has there been any misuse or abuse of executive power in this administration over the investigation?

This is one of the most important responsibilities in our system of checks and balances, and that is to make sure that no branch of Government is allowed to misuse its power. The Constitution is clear that this Senate, as well as the House, has a responsibility to be a check on the misuse of executive power.

I believe it is in everyone's interest, the public's, the President's and, foremost, the Nation's interest that we air these issues out and get them behind us. The President has stated forcefully that he has nothing to hide, that he has done nothing wrong. Then let us question the administration officials who stand accused of ethical breaches, give them an opportunity to explain their actions to the public and move on to other issues.

I have already stated that I believe a number of the officials in the executive branch have not served the President well. Several have rescued themselves from action and others have planned to leave Government.

I have questions beyond the scope of civil or criminal prosecution, but that are central to the issues of abuse of power, public trust and integrity. If there are not discussions, in which administration officials are questioned about their actions, then we probably will not get straight answers. That would be damaging to this President and, more importantly, the office of the Presidency.

What everyone must understand is that ethical lapses—sufficient, perhaps, to be a breach of the public's trust—are not necessarily crimes. And the independent counsel is looking for crimes.

So what does this administration and what does Congress do about those individuals who have clearly undermined our faith in their abilities to handle their responsibilities fairly—but have not committed a crime?

Do we wait 2 years for The Special Prosecutor's report, leaving them on the job during the interim? Obviously, that does not make any sense. And, of course, there are a series of other questions that Mr. Fiske will not be asking.

Last week, as part of our oversight hearings on the operation of the Resolution Trust Corporation, I asked a series of questions to the acting head of the RTC. My staff received strong criticism from staff on the other side of the aisle for my asking such stupid questions and for our pursuing those questions.

However, as the answers to those questions came out during the week, one official rescued himself from further work on this matter, 10 subpoenas were issued to officials in the Treasury, the RTC, and the White House, and, among other things, the White House counsel announced his resignation.

For those people who say that congressional investigations do not mean anything, do not do anything, I would say, for asking a couple of stupid, inappropriate questions, we have had some spectacular results.

That is a not the objective, though. The objective is to get at the facts.

Let me take an issue on which I think several administration officials should comment. Let me lay it out.

For several years, the Resolution Trust Corporation took the position that the statute of limitations on savings and loan prosecutions should be extended, because they were concerned about the sheer volume of cases. The RTC and other banking regulators felt that they needed additional time to complete their complicated cases against S&L thieves. By extending the statute of limitations from 3 to 5 years the RTC would have time to build evidence and pursue these civil cases. If the statute of limitations were allowed to expire, then the RTC would have to drop cases because the 3-year time limit had run out.

A brief chronology of this issue is in order:

In 1992 two votes were held in the Senate on the specific issue of extending the statute of limitations, and the extension was also included in other bills by consent. Overall, the Senate passed the extension provision in three separate bills, but the House did not act. During this period, the RTC supported the extension, because they had already seen the statute of limitations expire on 274 thrifts by September 1992, and deadlines were occurring every week.

However, just 9 months and an intervening election later, the RTC changed its tune. In a copy of May 4, 1993, the acting RTC chief, Roger Altman, wrote Chairman Henry Gonzalez of the House Banking Committee to oppose extending the statute of limitations on savings and loans and civil prosecution stating:

> Over a year ago the RTC generally supported legislative efforts to extend the statute of limitations because its Professional Liability Section [PLS] was facing a peak number of institutions which were closed in 1989 * * * The limitation period expired during this time for 410 of the 752 thrifts under RTC control for PLS purposes. * * *

But he then went on to state:

> The RTC has no need at this time either to revisit "closed" claims arising in institutions in which the limitation period had expired or to extend the limitation period prospectively * * *.

If the Congress had listened to Mr. Altman's recommendation, then the civil prosecution of Madison Guaranty Savings and Loan potentially involving the Clintons never would have been reopened.

And according to the Washington Post, the key civil case that the RTC is now reviewing involved Madison's representation by Mrs. Clinton and the Rose law firm of Little Rock.

So, did Mr. Altman know that his action could have jeopardized the case against Madison and potentially against the individuals, including the Clintons? Did other administration officials who participated in this policy reversal know that it would have permanently shut down the civil prosecution in the Madison case? Was anyone from the White House consulted on this significant policy reversal?

These are serious questions about public trust and potential abuse of power which are not the province of a special prosecutor—should not be; are not—and will not be answered thoroughly until administration officials testify before Congress. Mr. Altman may have a good explanation for the RTC's policy reversal, and he and other officials should have an opportunity before Congress to explain this action.

If the case against Madison, and the other individuals including the Clintons did play a role in the RTC's policy reversal, then the abuses of power will have reached a new low. Prosecutions against S&L crooks across the country could have been shut down prematurely just in order to solve one problem. I think the officials involved should have an opportunity under questioning to explain this decision, and I would think that they would want it.

Personally, I am deeply concerned by this question, because I listened to the RTC's opinion and voted with them, relying on their judgment. Many others in Congress also relied on Mr. Altman's position and voted to end the statute of limitations as the RTC requested. I think those of us who had voted that way would want an opportunity to ask these serious questions of administration officials, because that is not the province of the special prosecutor.

Some may want to turn this investigation into a partisan battle. Some may want to use it to endanger the President's agenda and the office of the Presidency.

That is not our purpose. I suggest it does no credit to those on the other side who charge that it is, nor to those on the other side who hurtle personal accusations against Senators who are raising the question.

Treating this serious situation like a political campaign only makes one wonder what there is to hide. If there is nothing to hide, let us open it up, show it, and get on with it.

The Banking Committee under Senator D'AMATO's strong leadership is trying to perform its responsibility to ensure that the power given to the executive branch by the people has not been abused. With Senator D'AMATO in the lead, one way or another I believe we will get that job done.

We certainly intend to.

Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, I wonder if my colleague from Missouri will yield for a question?

Mr. BOND. I would be happy to.

Mr. PRYOR. The question I pose to my very good friend and neighbor from Missouri is as follows. You spoke of your membership on the Banking Committee, I wonder if the Senator from Missouri actually asked Mr. Altman those particular questions in the hearing last week, the questions that you now say that he should now come before the Congress and answer? Did the Senator from Missouri pose those questions to him, at that appropriate time, in the Banking Committee hearing?

Mr. BOND. Mr. President, to answer that question, in the time allotted me in the Banking Committee hearing, I asked Mr. Altman questions about whether he had advised the White House or anyone in the White House about the criminal referral of the S&L case. I asked if anybody on his staff had advised the White House.

He advised me that they had not. It was 3 days later that he then called me in the evening to say that information was incorrect. I did not ask the question because I did not see—and it was later brought to my attention—the May 4 specific terms of the letter. That was brought to my attention after the hearing. If Mr. Altman comes before the Banking Committee again I assure my colleague from Little Rock I will give him the opportunity to answer those questions.

Mr. PRYOR. Mr. President, would my friend from Missouri answer another question?

Mr. BOND. I will be happy to.

Mr. PRYOR. I wonder if the Senator from Missouri has received or had the opportunity to read a letter, written by

Robert Fiske, Jr., the independent counsel, addressed to Chairman RIEGLE and the ranking member, Mr. D'AMATO of New York, dated March 7? I wonder if my friend from Missouri has read this letter?

Mr. BOND. I have not.

Mr. PRYOR. I wonder if the Senator from Missouri would comment on this particular sentence in the letter from Mr. Fiske to Senators RIEGLE and D'AMATO.

> Inquiry into the underlying events surrounding Madison Guaranty Savings and Loan, Whitewater, and CMS, by Congressional Committee would pose a severe risk to the integrity of our investigation. Inevitably, any such inquiry would overlap substantially with the grand jury's activities. Among other concerns, the Committee certainly would seek to interview the same witnesses or subjects who are central to the criminal investigation.

I wonder if the Senator would comment on this particular writing?

Mr. BOND. Mr. President, I will be happy to. That letter very clearly sets out the legitimate concern of the special prosecutor, Mr. Fiske.

Mr. Fiske has taken the position that he does not want the Congress intervening in any of the activities in Little Rock, what went on at Madison Guaranty.

My question to Mr. Altman, that I phrased today, was: Was he even aware of it when he made a policy recommendation to this body? That I submit, Mr. President, does not have anything to do with whether there were any illegal, criminal, or perhaps liability-inflicting actions taken by the people involved at Madison Guaranty or Whitewater. It is a totally different case.

I would say also to my good friend from Arkansas, that Mr. Fiske I believe was clear, as a result of discussions he held on the Hill yesterday, that his primary concerns were, among others, that he does not support any congressional investigation. Prosecutors generally do not. He did not want to have immunity granted. He did not want people who were going to have to testify —he did not want his referral made public. He did not want to grant immunity. He did not want people who were to be questioned under subpoena questioned by a congressional committee prior to the time that he would question them.

I submit if Mr. Altman did know about the Madison Guaranty situation, and even if he did recommend to Congress that the statute of limitations expire, there is absolutely no grounds—there is absolutely no grounds for a criminal proceeding against him. I think it is a serious matter of not being straight with the Congress, but I do not believe we should invoke criminal proceedings to deal with that. I believe we can deal with that in the political process. So that has nothing to do with the investigation of the special prosecutor. And I daresay it will not have anything to do with the investigation by the special prosecutor.

Mr. PRYOR. Mr. President, let me just finally state—I know Senator HOLLINGS wants to get back on the floor and continue with S. 4—but finally I would like to say, Mr. President, to my very good friend from Missouri, Chairman RIEGLE held the hearing record open after the RTC hearing so that any follow-on questions could be asked of him in writing.

I am just curious, I wonder if the Senator from Missouri has availed himself of that opportunity? An opportunity that I might add that exists as we speak right now?

Mr. BOND. Mr. President, I will avail myself of that opportunity. I think that is an important question, if we can get that answered. I would prefer to have questions answered in an open committee hearing where we can question the witness and follow up.

I used a number of followup questions because I was not convinced of the answers when Mr. Altman was in front of us, and I think that my second and third questions and fourth and fifth questions would depend upon his first answer and subsequent answers. I do not believe that investigating a matter as complex as the decision to oppose extending the statute of limitations can well be answered by a question submitted for the record. That is not the role of questions submitted for the record.

Mr. PRYOR. Well, Mr. President, I am not going to pursue this matter any further today. But it appears that almost every other hour on the floor of the Senate, it has gotten to be the pattern now that one of our colleagues will come over and attempt to impugn someone's integrity or make some assertion about someone's character or their lack of honesty, or what have you. It appears that the pattern has been set, and we have seen that pattern over the past several weeks.

So I just think that it is time we set the record straight; that we take the advice of the independent counsel and wait until the proper time for any hearings. And if congressional hearings are justified, we will hold congressional hearings, but to hold congressional hearings at the moment that the grand jury is meeting is unwise—and, by the way, Mr. President, the grand jury, as we stand here on the floor of the Senate, is meeting, actively meeting, and interviewing witnesses in this whole case.

I hope we will listen to the plea of the independent counsel and use our common sense and attempt to make certain that the facts—that the facts—are ascertained. Let us listen to Mr. Fiske, a respected and Republican special counsel, and let him do his work without congressional interference.

Mr. President, I yield the floor.

Mr. BOND. Mr. President, I will say simply to my good friend from Arkansas, whose integrity I respect, that I trust that he was not directing any comments to me because I have come here to ask questions. I have seen allegations and accusations made about people on this floor many times. But we are attempting to get congressional authorization to hold hearings, to ask questions which are not going to be the province of the investigation by the special prosecutor.

I do not want to impede that. I do have a series of questions and I believe my colleagues have questions that deserve to be answered.

I suggest to my good friend that when those hearings are scheduled, then there will not be need to come to the floor to talk about the questions that should be asked if there were that opportunity.

I thank the Chair, and I thank my good friend from Arkansas for giving me the opportunity to respond.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COVERDELL. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNFUNDED FEDERAL MANDATES

Mr. COVERDELL. Mr. President, first, I want to commend Senator SIMPSON from Wyoming for his amendment in the current debate. I am a cosponsor of it. I have not spoken on it directly this morning because last evening there was unanimous consent on my amendment that dealt with a sense of the Senate to call on the U.S. Postal Service to cease and desist from its audits and intimidating procedures they have used on private businesses with regard to the use of private carriers.

But this morning, I want to visit something we hear more and more about in this Capital City and that is unfunded mandates.

I voted against the proposal last year under the title of motor voter, and I warned at the time that it was an unfunded mandate and it was going to cause consternation in many of our States.

Our general assembly in Georgia has just concluded its session and, indeed, as was predicted, they have been confronted with a Federal order, edict, mandate which has caused them to spend millions of dollars to solve a nonexistent problem.

I read from the Atlanta Journal Constitution an editorial. It says:

> The so-called "motor voter" bill in the Georgia House is in many ways a sparkling example of the sort of junk laws that afflict society today. Its fundamental assumptions are flat wrong, it won't do anybody any good, and because it was forced on the State by Congress without any funding, it will cost the State's taxpayers several million dollars.

But it has to be passed because not to do so puts a bludgeon in the hands of the Federal Government. This is a classic example of the activity that should come to a stop in this Nation's Capital.

Mr. President, I ask unanimous consent to print this editorial in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Atlanta Journal and Constitution, Feb. 14, 1994]

MOTOR VOTER IS BAD, BUT PASS IT

Most of the time, if there are lots of things wrong with a piece of legislation and only one thing in its favor, the natural conclusion is that it ought to be defeated. There are, however, rare exceptions.

The so-called "motor voter" bill in the Georgia House is in many ways a sparkling example of the sort of junk laws that afflict society today. Its fundamental assumptions are flat wrong, it won't do anybody any good, and because it was forced on the state by Congress without any funding, it will cost the state's taxpayers several million dollars. But it will have to be passed.

Why? Because the congressional action makes it essentially a done deal. If Georgia doesn't go along with the charade, then voter registration procedures for federal and state elections would be different, and the legality of some elections could be challenged. Meanwhile the state would have to shell out more money to fight lawsuits than it would cost to implement the new system—and almost certainly lose in the end anyway.

We resent all these sorts of "unfunded mandates" Congress keeps pushing on the states and their taxpayers. We resent them even more when they are no more than posturing for political constituencies, show-boating measures that accomplish nothing. No one seriously thinks that voter participation will be meaningfully increased by allowing registration when a citizen gets a driver's license; in most states where that has been implemented, turnout for elections has actually gone down.

But, despite all the arguments against the bill, it's futile to fight it now. The best thing states can do is pass it, then hope whatever new voters are registered around the country will elect smarter people to Congress.

Mr. COVERDELL. Mr. President, on January 21 of this year, I received a letter from the speaker of the house, signed by the majority leader, the chairman of the ways and means committee, the chairman of the rules committee, and the chairman of the human relations and aging committee, the chairman of the university system, the chairman of appropriations, the chairman of state institutions and property, chairman of governmental affairs, speaker pro tempore.

I will not share the entire letter, but I will ask that it be printed in the RECORD.

On the first page, the speaker of the house, the longest standing speaker in the United States, says:

> In sum, Georgia will attempt to comply with the National Voter Registration Act, but we are not happy with unfunded Federal mandates in this or any other area. If the Congress wants programs to be implemented, then Congress should fund such programs accordingly.

I could not agree more with these distinguished gentlemen. It is wrong for one government to impose an edict and instruct another government to fund its priorities, and the Congress is not accountable for what has to be done because of a law passed; someone else is. Any time we have a situation where one body can pass laws and order another to be accountable for them, we are developing a major problem and a constitutional crisis.

Mr. President, I ask unanimous consent to print the letter from the speaker of the House of Representatives of Georgia in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
Atlanta, GA, January 21, 1994.

Hon. PAUL COVERDELL,
Senate Office Building,
Washington, DC.

DEAR SENATOR COVERDELL: The Georgia General Assembly is now confronted with the need to fund and implement the provisions of the National Voter Registration Act of 1993 (NVRA). Due to the fact that Georgia presently has none of the forms of registration required by the NVRA, this Act imposes a significant burden on the state, both as a practical matter and as a financial matter.

We must be in compliance with the NVRA by January 1, 1995. This leaves only the remaining months of this year to fund and develop a system to meet the mandate of the NVRA. Consequently, the cost of implementing the NVRA is high since all of our efforts must be focused into a short period of time. We anticipate that compliance may cost well over $8 million at a time when our state treasuries are not stocked with funds for current obligations, much less new programs.

While the goals of the NVRA may be laudable, it appears to us that the failure of the Congress to fund this legislation is inexcusable. If Congress feels that the NVRA is a good idea, then it is worth funding. The NVRA came to us with no funding whatsoever.

We continue to receive complaints at the state level from our counties and cities about the evils of unfunded mandates and we are attempting to respond to those concerns. Congress would do well to rein in further unfunded mandates to the states. In fact, it is not too late for Congress to appropriate funds to cover the costs of implementing this Act or to relieve some of the costs of the Act. We ask that you consider such action as soon as possible.

In sum, Georgia will attempt to comply with the NVRA, but we are not happy with unfunded federal mandates in this or any other area. If the Congress wants programs to be implemented, then Congress should fund such programs accordingly.

Sincerely,
House Budget Sub-Committee Members:
Thomas B. Murphy, Speaker; Larry Walker, Majority Leader; Thomas B. Buck, Chairman, Ways & Means; William J. (Bill) Lee, Chairman, Rules; David Lucas, Chairman, Human Relations & Aging; Calvin Smyre, Chairman, University System; Terry Coleman, Chairman, Appropriations; Carlton Colwell, Chairman, State Institutions & Property; Bob Homes, Chairman, Governmental Affairs; Jack Connell, Speaker Pro Tem.

Mr. COVERDELL. Mr. President, on February 24, I received a letter from the distinguished secretary of state of the State of Georgia. He says:

> As the State of Georgia undertakes the necessary steps to implement the National Voter Registration Act, we are more and more concerned about the cost of this federally imposed mandate.

At one time in the discussions of motor voter, to assuage the States, we said they would have lower-cost mail, third-class costs but that it would be treated as first-class mail. Now the Postal Department, which I talked about a little earlier, has told the States, "No, that is not so." So they cannot use the lower-class mail because voter information would not be delivered on time. It could be 3 weeks or longer.

So we have welshed, once again, on the burdens that are incumbent upon us to deal with these costs we have imposed on someone else.

In this particular case, just this function of the motor voter bill will cost a quarter of a million dollars to the State of Georgia virtually every year.

Mr. President, I ask unanimous consent to print in the RECORD the letter from the secretary of state for the State of Georgia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF STATE,
ELECTIONS DIVISION,
Atlanta, GA, February 24, 1994.

Hon. PAUL COVERDELL,
U.S. Senator, Senate Office Building, Washington, DC.

DEAR SENATOR COVERDELL: As the State of Georgia undertakes the necessary steps to implement the National Voter Registration Act of 1993 (NVRA), we are more and more concerned about the cost of this federally-imposed mandate.

One section of the NVRA is especially troubling. In Section 8(h), the Congress amended Chapter 36 of Title 39 of the United States Code to provide for reduced postal rates for mailings under the NVRA. These reduced postal rates were supposedly to be made available from the post office by utilizing the nonprofit organization rate. The United States Postal Service has taken the position that this section provides that the states can utilize the nonprofit organization rate and level of service, which is third-class mail. Under the provisions of the NVRA, there are no mailings which are contemplated to be handled under third-class mail. All of the mailings under the NVRA must be handled by first-class mail. In addition, the Postal Service is phasing out the nonprofit organization rate. This has therefore made these supposedly reduced rates for mailings under the NVRA illusory and of no use whatsoever.

I request that you take whatever steps are necessary to assist the states in funding the provisions of the NVRA by making the reduced postal rates a reality. This could be done very easily by requiring the Postal Service to develop a reduced rate for first-class mail for all mailings which are certified by the appropriate election official to be required under the NVRA. This would permit substantial savings to the states. If the rate were one-half of the current first-class mail rate, the savings to the State of Georgia would be projected at $250,000,000.00 each year. Please consider taking the initiative to give us the assistance needed in implementing this mandate.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely,

H. JEFF LANIER,
Director, State Elections Division.

Mr. COVERDELL. Mr. President, we have had county commissioners in this State, we have had mayors visit our capital, school boards. They are all saying the same thing: "You have to stop imposing mandates on local government for which you do not pay."

Currently, almost any local jurisdiction is spending about one-third of its property tax base trying to answer current mandates.

We all talk about how onerous they are. But we keep passing them and they keep having an effect, as motor-voter did in the State of Georgia, costing the State millions of dollars.

What is truly sad is that nothing of significant value is achieved. I have argued that if we are going to pass a Federal mandate, then there should be a compelling need for it. I would hope that some of the various provisions introduced in the Senate or the House will be implemented in the near term to slow this train down and stop this egregious behavior, this imposition of one branch of government on the other. As I saw these letters from leaders of my State, it infuriated me once again as to the unfair nature of what we continue to do in the Nation's Capitol.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. HOLLINGS. Mr. President, I hope those in support of the Simpson amendment will now proceed to the floor, because the reason we yielded, I guess, to these extraneous matters, is they are just as relevant as the Simpson amendment is to the underlying bill. No relation whatsoever. I keep insisting that you can go down the list of all these matters, whether it is regulatory or anything, they have nothing to do with the developing of technology.

Just going down the summary sheet, the Economic and Employment Act has nothing to do with it. The impact statements there, nothing to do with the development of technology. Private property rights has nothing to do with the development of the Nation's technology. The flex amendments has nothing to do—judicial review of adverse decisions has nothing to do with the development of technology. Davis-Bacon does not contribute to the research and development of technology. Paperwork requirements has nothing to do with it. I can go right on down this list here—banking regulations and all.

S. 4 has been worked out over the years with bipartisan support until now. I take it what got us off track is that the Senator from Missouri did not like the General Agreement on Tariffs and Trade negotiations relative to subsidies.

On that particular score, what in heaven's name have we been doing over the years but subsidizing? So it is an offset. They make direct allocations, I take it, of funds to Airbus. We, indirectly, come around either through the Defense Department, through the National Aeronautics and Space Administration, in space research, allocating the spinoffs from these research endeavors to the aircraft industry, coming around indirectly with the Export-Import Bank.

In one particular item, Mr. President, relative to the recently hailed contract of sale of aircraft, civilian aircraft to Saudi Arabia, we understand that 6 billion dollars' worth of commercial aircraft from United States manufacturers to furnish a civilian fleet of about 50 planes was linked to the rescheduling of $9.2 billion in Saudi debt in United States defense equipment.

Now, Mr. President, there is also the transaction being facilitated by $6.2 billion in export financing provided by the Export-Import Bank.

I can tell you now, to come here and talk about a new philosophy on account of what they did on GATT is begging the question, and they know it. They have to know that. Here, we use every device; they use every device, and that is the message. We are into a competition. You are not going back and asking 114 nations to renegotiate the subsidies section. That is not going to happen.

The distinguished Senator who raises the point wanted to say, I wish to make sure it does not happen. He pressed for fast track. This Senator opposed it. I was defeated. The Senator from Missouri won the fast-track debate, put it on there so that there could not be any amendments by any Members of the Senate. Now he comes with an amendment here on this Senator's bill, on the technology bill, because he knows he can't amend GATT.

Now we are getting to the meat of the coconut. We wonder how in heaven's name you get a unanimously passed bill 2 years ago, ready to send it over into law. Then you ran out of time, so you come back and unanimously report it out again. All Democrats, all Republicans joined last year. We finally get it to the floor and then find our colleagues almost in a block yesterday afternoon voting to kill the bill, voting to kill the bill. And you finally hear this morning what evidently is on their mind because that is just terribly unfortunate.

It is not that at all. I described Arati Prabhakar, the fine lady who is the administrator now, the Director of the National Institute of Standards and Technology, coming over from the Defense advanced research programs section of the Pentagon. I wanted to emphasize—and will probably again before this debate is out—her background, showing exactly what she did at that particular time in the Department of Defense, because we had her confirmation hearings, and in her curriculum vitae it notes:

> Managed one of the largest DARPA offices; execute a total annual budget of $300 million and 300 contracts with 65 companies, including large electronics manufacturers, traditional defense contractors, midsized, small technology firms, 50 universities, and 30 other laboratories.

Now, they never said there were big bucks to be given out over there by the Department of Defense. They never said that was a new philosophy. This is what she is doing now and has been doing for years. They never said that was new technology or, rather, new policy, that we ought to have a debate here on a new policy.

That has been going on, and to have it now go on in commerce instead of defense was exactly what they asked for in the defense conversion report of the Republican body. The Republicans in the Senate convened, studied, and reported. The Senator from Missouri signed it, amongst a good 16 to 17 other Republican colleagues. They said what we should do is transfer DARPA, namely, defense research, into private or commercial research under the Commerce Department. What they said was we endorse NIST. We endorse the Advanced Technology Program. Those are their words.

So here we have Ms. Prabhakar doing exactly that. You cannot do better than that. You cannot do better than that. We not only do the programs over but we take the director of the programs and bring the distinguished leader and director of those programs in defense and have her as the new Director of the National Institute of Standards and Technology, and she is at work there.

Now we have at least a year's experience. They do not come, and, say, "Look at the pork; look how this contract was given; look how this facility was built; look how this research grant was made," because they cannot. It cannot be done that way. It has to be merit selected and in competition and reviewed by the National Academy of Engineering with the peer review process.

So they do not have any examples of abuse—not a single one.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont [Mr. LEAHY] is recognized.

Mr. LEAHY. Mr. President, I could stay here and listen to the distinguished chairman for the rest of the day. In fact, on occasion I have. I have found it to be a matter of some great education.

I should note, Mr. President, that I am a cosponsor of this legislation with Senator HOLLINGS and am proud to be. I enjoy the company I am in. I am pleased to be following his leadership. I think he has tried mightily and successfully to keep this legislation focused on its primary purpose.

It is so easy when legislation comes up to toss this, that, and other extraneous things at it as though somehow we are going to come out with a better law that way. The fact is that in most of these instances it simply goes nowhere.

The distinguished chairman has tried to keep together a piece of legislation that reflects not only the needs of today, but into the next century. As one who has children who will live most of their lives in the next century, I applaud the chairman for that. I applaud his leadership. I applaud him for his farsightedness, and I hope that we will resist the siren call of just adding on other things that will simply slow down and probably kill the legislation in the long run. Sometimes it is the death of legislation by good intentions more than anything else. Let us keep our eye on the ball.

Mr. President, if the chairman has no objection, I would like to refer for just a very few minutes to the issue of health care. I assure him that I will take but just a very, very few minutes.

HEALTH CARE REFORM

Mr. LEAHY. Mr. President, I think that the momentum in health care reform is changing. You can feel the difference.

Our subcommittee this week is actually marking up legislation guaranteeing every American health coverage. Senate committees are holding hearings almost every day. The House and Senate leadership are talking about going to the floor around Memorial Day and beginning the real debate, not the debate that goes on before the TV cameras, not the debate that goes on in the talk shows, not the debate that goes on in the press releases, but the real debate so the American public will find out how we are going to vote, and with that come to the issue of not if Congress is going to act but when. It means every one of us will actually have to stand up and be counted. That is because of the President's leadership, because he has forced this forward so we will stand up.

There will be a lot of give and take in it, but there is one part of this health care issue that is nonnegotiable. If we send a bill to the President that we want signed, it has to guarantee every American health coverage. The President insists on that. I support him in that. The vast majority of Americans support him in that. The question, of course, is how do you do it?

Some have suggested Congress increase taxes and let the Federal Government pay for health care. Others have proposed a mandate on every individual to buy health insurance. Of course, both options will be a major change in the way we receive our medical care. Currently, two-thirds of all nonelderly Americans get their health care through the workplace. That is why the President chose a third, and I think least disruptive, option—building on the current employer-employee system because it already works so well for so many Americans.

Back home, in my State of Vermont, our State legislature is having its own debate on health care. A very similar package is taking shape. Last week, a special committee of the Vermont House voted 10 to 1 for a universal health coverage bill, requiring employers and employees to share the cost of health insurance.

Basically, what happens is in almost every workplace where there is health insurance, it requires employers to pay 70 percent of the premiums, and it provides subsidies for small businesses with low-income families to shoulder the cost.

The Vermont special committee looked at all three options, and they chose the one closest to the President. It made the most sense, and our Governor, who is a practicing physician, Howard Dean, pointed out that it is the only approach that could command support of both Republicans and Democrats.

This kind of workplace health benefit is gaining ground around the country as well. Yesterday, Senator DASCHLE, who has done such tremendous work in keeping this debate going forward, released a letter signed by 110 national organizations, businesses, and unions supporting an employer mandate as a "fair, effective and practical means for achieving coverage."

Fair because it ends the cost-shifting going on right now when the majority of employers who provide health coverage for their workers pay for those employers who do not.

Effective, of course, because it gets us to universal coverage.

And practical because it is the least disruptive way.

If health care is going to pass this year, we should keep the momentum going and pass it.

I might suggest, Mr. President, that one way to keep the momentum going is to vote on S. 4 now and get this off the legislative calendar so we can go forward. Every single Senator knows how he or she would vote if we are going to have a final vote on this bill.

The distinguished chairman has worked extremely hard in the beginning of this Congress to bring this legislation before us. I cannot believe there is anybody in this Chamber who does not know how he or she would vote if we were approaching final passage. The American people have to wonder why the delay. We ought to be able to go forward, and I commend the distinguished Senator from South Carolina for his leadership.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona, [Mr. DECONCINI], is recognized.

Mr. DECONCINI. Mr. President, I will yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator. I thank my distinguished colleague from Vermont. He is a leader, not only on agricultural matters, but particularly with respect to foreign operations. I watched his work in the Appropriations Committee. He had a conference at the policy level with respect to health care, and we are mightily impressed with what Vermont is doing. I appreciate his bringing it to the floor. I thank him.

Mr. DECONCINI. Mr. President, I join the Senator from Vermont in reference to his remarks to the distinguished chairman of the Commerce Committee, the Senator from South Carolina.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. DECONCINI. Mr. President, the National Competitiveness Act that is before us today is something that I am going to vote for. The reason I am not here offering amendments and participating in the debate, at least from my standpoint, is that the Senator from South Carolina has constructed a bill through his most able manner of holding hearings, of listening to people, not just talking, but being very aware of the needs of the private sector, of what is necessary to invest in this country.

So I could not help but take the opportunity to come here and tell him that is why I am not bothering him with amendments about competitiveness in Arizona or someplace else because, though everybody could add or subtract something to this bill, he has done it in such a manner that I do not know that it could be done any better.

He will say if I vote for the amendment that is offered here, he will cite back my words, I am sure. I do not know what amendments will be offered here, but I do intend to oppose the substitute amendment that I understand will be offered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BRYAN). Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask unanimous consent that I be allowed to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER

Mr. DASCHLE. Mr. President, this morning's Wall Street Journal reported on another poll they have done. The poll reflects what many of us have said all along: The American people see through all the partisanship of Whitewater. They see it for what it is: Politics at its worst. More Americans perceive Whitewater more as a beltway political fight than as anything else. Twice as many people believe the issue is being used against the President as believe there was anything done wrong.

No question was asked in the poll about whether this has been yet another body blow to the institution, but one does not need a poll to answer that. No one should be mistaken. Opponents of the President may be aiming their political missiles at him and the First Lady, but they are destroying us.

The age-old political tactic has always been to tear down the opponent, do what one can to tar him with negatives. As we know, all too often it works, at least in the short term. And as we also know, this practice usually raises the negative opinion of both sides, and that is what the polling data is telling us again today. The American people do not believe the accusations. They overwhelmingly believe that the motivation is political. And it appears they also believe less in the institutions of government now than at any time since polling data has been produced.

The American people are asking what a constituent of mine asked just last weekend: Why do all of you not put the same energy into health care or deficit reduction that you seem so consistently to put into politics?

I would add—why, especially if, with this kind of politics, everyone loses?

If the American people see through the political rhetoric, as the Wall Street Journal poll indicates—if their view of Congress continues to erode with each new episode, then, Mr. President, why do we do it? Why do we continue to destroy the institutions we all claim we came here to serve?

The motivations of some of our Republican colleagues could not be more clear than they are on the matter of the special counsel. We all now know the facts. Even though there were no specific allegations of legal wrongdoing relating to Whitewater, many Republicans created the appearance of legal wrongdoing and demanded a special counsel. Incredibly, the demand followed a long debate about the very need for a counsel, in which most Republicans argued for the abolition of the office.

Following Republican demands, Attorney General Janet Reno appointed a special counsel, in spite of the lack of specific legal allegations and, I might add, at a substantial cost to the taxpayer. The response to the appointment was universally positive.

Robert Fiske, a Republican attorney with an impeccable reputation, was an appropriate choice. Our colleague from New York, Senator D'AMATO, called him "one of the most honorable and skilled lawyers anywhere to be found." And praise was justified.

Since he was appointed, he has issued broad subpoenas and empaneled a grand jury. He is calling witnesses before that grand jury, as we speak.

Yet, just as he is about to delve into the allegations, carefully, systematically, with the precision of a surgeon, some of the same Republicans on both sides of the Capitol are now saying, "We want to do it too,"—but not as surgeons, more as butchers—taking a meat-ax to the process, to legal considerations for the investigation, to the reputations of the people involved.

After having opposed the Office of the Special Counsel, then demanding a special counsel and getting one, some of them now want to do his work. And by now everyone knows the position of the special counsel on the matter of the timing of congressional hearings. He has asked that all hearings be postponed. He has asked that he be given time to do the job that we asked him to do. And, he made it very clear, "Nothing could jeopardize the success of [his] work more than congressional intrusion right now."

That view is strongly shared by the last special counsel, Lawrence Walsh.

Judge Walsh, in his final Iran-Contra report, states:

> Congress should be aware of the fact that future immunity grants, at least in such highly publicized cases, will likely rule out criminal prosecution.
>
> Congressional action that precludes, or makes it impossible to sustain, a prosecution has more serious consequences than simply one conviction. There is a significant inequity when more peripheral players are convicted while central players in a criminal enterprise escape punishment. And perhaps more fundamentally, the failure to punish governmental lawbreakers feeds the perception that public officials are not wholly accountable for their actions.

Let there be no mistake, after creating a special counsel, some Republicans clearly are willing to subvert his work. What makes it even more transparent is something that appeared in this morning's Wall Street Journal, as well. Apparently, similar meetings to the ones which have so exercised some of our colleagues occurred in the Bush White House. In his book, "Full Faith and Credit," Bill Seidman describes a conversation remarkably similar to those now being criticized. On page 243 of his book, Seidman describes a telephone conversation between Al Byrne, the chief counsel of the FDIC, and C. Boyden Gray, the White House counsel. Gray raised the Neil Bush matter, known as Silverado:

> Boyden wanted to know if there was any legal process to move the Neil Bush case out of the administrative process and into a Federal court * * * On January 2, my first day in the office after the holidays, Tim Ryan informed me that Al had called him about Neil Bush and the possible change of venue * * * Here was a neat little story for some investigative reporter, and I could never write the headline: "White House Tries to Influence the Neil Bush Case."

Mr. President, perhaps it would be appropriate to ask Mr. Fiske to expand his investigation to all cases involving White House dealings and personal matters relating to the RTC, but that really takes me back to my original point: How is the institution best served in all of this?

I think we know the answer. The answer is really pretty simple. The answer is to let Mr. Fiske do his job. It is to let us tone down the political rhetoric and stop the posturing. It is to let us get on with the pressing legislative agenda before us. That is the answer.

We did that last year, and the results have exceeded our expectations. Frankly, that may be the very reason we are being diverted right now. It is hard to find something to complain about when it comes to the economy or our efforts to reduce the deficit. Nine months ago, many of our critics predicted a recession if the President's economic plan was passed.

But we know the results. Under President Clinton, we have seen a 2.8-percent growth in the economy, double what it was for the 4 years before he took office. The President's critics predicted massive job layoffs. Instead, 1.9 million new jobs have been created, more than the total number of jobs created in the 4 years before he took office.

Our critics predicted an increase, not a decrease, in the Federal deficit. But the projected deficit has been reduced by $114 billion for 1995 alone. Inflation is the lowest it has been since 1979, and, at 2.7 percent, is less than two-thirds of what it was in the 4 years before the President took office.

Maybe that is why the American people see through this, Mr. President. So many Republicans were wrong on the economy, so many were wrong on the deficit. They are likely wrong on this, too.

The American people shake their heads in recognition that politicians in

Washington just do not get it. It is politics as usual that drives them to support term limits and campaign reform and just about anything else that could bring about changes in our democratic institutions. But all they really want is something of which there is an abundance outside the beltway: They want hard work and good common sense.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. BINGAMAN. Mr. President, I come here today to express my support for the efforts of the Senator from South Carolina, Senator HOLLINGS, and to express my disappointment with the vote last night on the Danforth amendment and the ongoing partisan debate that seems to have bogged this bill down into what I see as extraneous matters.

Last evening, I was somewhat amazed that the Danforth amendment won as much support as it did, particularly among Republican Senators. I hope that this does not signal the death knell of a very long era of bipartisanship on technology policy going back more than a decade. As we all tried to learn the lessons of the mistakes that were made in the seventies by Presidents of both parties on such large-scale development projects as the Clinch River breeder reactor, the Synfuels Corporation, and the supersonic transport.

I have supported making the research and development tax credit permanent since I have come to this body. In my view, it is a false choice to choose between this bill and that tax credit. I would like to challenge some of the fundamental points that were made yesterday by the Senator from Missouri because I think they relate to the facts.

The Senator from Missouri said yesterday that he is fundamentally concerned about the roles that this bill perceives for the Government in general and for the Department of Commerce in particular in the area of research. In my view, most of the roles that he is concerned about are long established.

We had a very good hearing yesterday morning in the Finance Committee on the research and development subsidy issue in the Uruguay round of the GATT agreement. In that hearing, I made the point that the Uruguay round essentially embraces President Bush's technology policy and, as many Senators know, President Bush and his senior policy advisors, his senior science adviser Allan Bromley, and Dick Darman at the Office of Management and Budget, and others, went to great lengths to distinguish the technology policy of President Bush's Presidency and that of President Reagan from the so-called industrial policy, as that term is used in a pejorative sense, that had occurred in the seventies; that is the Synfuels Corporation, the supersonic transport and the Clinch River breeder reactor as being three examples of the industrial policy that I think there is a general consensus now that was objectionable.

The heart of the Bush technology policy that is still the heart of the Clinton-Gore technology policy is that there is an appropriate role for Government in technologies that have commercial application, but that that role stops at precompetitive development which should be cost shared with industry.

It was in this way that President Bush could push a high performance computing initiative, and an advance materials processing initiative, and an advance manufacturing technology initiative, and a biotechnology initiative, and an advance battery consortium with the automobile industry, and Sematech with the semiconductor industry, and a doubling of the small business innovative research setaside, and an explosion in cooperative research and development agreements between our Federal laboratories and the private sector to ensure the fruits of our Federal research and development flowed to private firms and to other programs that were not national security concerns.

I know that yesterday Senator HOLLINGS pointed out the contradictions between the Rudman task force on defense conversion, that report that the Rudman task force issued, and the position now being taken by many of our colleagues in this body.

It might be instructive to read a bit from the last budget document submitted by a Republican President. I have President Bush's 1993 budget request here, and it has in it a very nice section called Investing in the Future. Within that section there is a chapter entitled "Enhancing Research and Development and Expanding the Human Frontier."

Let me just read a couple of excerpts from that chapter. These are items I know the Senator from South Carolina is very familiar with. But let me just read some of this from the last budget document that President Bush submitted to the Congress. This is a quotation from that document. He says:

> The administration has sought to foster technological advancement through a multifaceted technology policy that includes:
>
> Increased Federal investments in high-payoff applied research and development, including increased emphasis on pre-competitive generic technologies;
>
> Increased Government-industry collaboration, including both formal consortia arrangements (such as the Advanced Battery Consortium) and informal interaction such as the Computer Systems Policy Project;
>
> Accelerated technology transfer from Government laboratories;
>
> Greater emphasis on investments in new technologies as part of several National Strategies to address transportation and energy issues, and to advance the U.S. space program;
>
> Support for incentives to encourage greater private sector R&D investments including making permanent the R&E tax credit, expansion of the National Cooperative Research Act to include joint production ventures, and the proposed reduction of the taxation rate for capital gains.

And on and on.

Clearly, there was a major commitment to Government involvement and support for industry efforts to commercialize technology in the prior administration.

Yesterday, the Senator from Missouri questioned what he referred to as the "extent of partnership, if any, between Government and industry in research." That is a quotation from his statement yesterday.

If he indeed has deep philosophical concerns about this sort of partnership, I think the reality is that there is already a huge partnership today in this country encouraged by numerous pieces of legislation that were passed by this body since 1980, usually by unanimous consent, signed into law by Republican Presidents. I do not know where my colleagues were when that legislation was passed.

President Bush, at least in the budget document I referred to, was proud of the fact that on his watch civilian applied research and development had increased from $11.6 billion to $16.3 billion. He was also proud that he was proposing to increase that further to $17.3 billion in fiscal year 1993. This is not basic research for which President Bush was asking these billions of dollars but civilian applied research and precompetitive development and probably some development at NASA and DOE that goes beyond precompetitive. President Clinton's fiscal year 1995 proposed budget for civilian applied research and development is $18.6 billion. This is not a sea change from President Bush's last budget. If you put 2 years of inflation on $17.3 billion, it may actually be less than President Bush requested.

So, Mr. President, I frankly am somewhat perplexed by the debate that has occurred in the last day or two. I recall George Bush giving a series of speeches in the closing months of the 1992 campaign to industry groups in Detroit and Chicago and Colorado Springs where he enunciated a technology policy consistent with his budget.

I recall Allan Bromley, the President's Science and Technology Adviser, complaining to the Los Angeles Times reporter in October 1993 that President Bush did not get enough credit for his technology policy and that the Clinton policy was just borrowing the Bush administration's ideas.

So maybe my memory is faulty. Perhaps the Senator from South Carolina has more details on this. I am sure he does since he spends great time on it. But I do not recall deep philosophical and partisan debates over this matter when we passed all the legislation that was passed in this area in the 1980's and in the early 1990's.

We spend today $70 billion plus each year on research and development. That is at the Federal Government level. There is no way that that spending is going to be neutral among different industries. We have mission agencies, we have the National Institutes of Health, we have the Department of Energy, the Department of Defense, NASA, the Department of Agriculture. Mr. President, you can tell by the names of these agencies where they are going to direct the great bulk of their research dollars. Our research expenditures abandoned the pristine neutrality that the Senator from Missouri apparently desires, and we abandoned that when we invented these mission agencies.

It is an incontrovertible fact that the research of these mission agencies increasingly overlaps with the research conducted in the private sector. It was the recognition of this fact that led us, on a bipartisan basis from 1980 until the present, to try to define partnership mechanisms between the mission agencies and the private sector. In my view, if Senators have concerns such as have been expressed in the last 24 hours, they should have opposed this entire body of law that has passed in the last 14 years.

I do not think we should go back. I do not think we can go back. A research and development tax credit has a role in our policy, and I support making that R&D tax credit permanent. But we should not kid ourselves that such a credit is neutral. Obviously, it favors firms in sectors which invest intensively in research compared to those which do not. Electronics is benefited much more than textiles. Firms with profits to be taxed benefit more than small firms, small business startups still facing losses. So we should not kid ourselves that even that tax credit is perfectly neutral.

The bill that the Senator from South Carolina is so ably managing has a significant role, too. If you accept that the mission agencies are going to be investing in research beyond basic research, as they have for the entire post-World War II period, there is a significant role for the Commerce Department beyond its traditional role in standards research and oceanic and atmospheric research. The Advanced Technology Program and the HOLLINGS manufacturing technology centers are the heart of that role. They have broad support in industry, as the Senator from South Carolina has repeatedly pointed out in this debate.

Until this year, they were not controversial. Since I have served on the Armed Services Committee, I tend to see some of what we are trying to do with the Advanced Technology Program in terms of the history of the Department of Defense research agencies.

Back in 1958, President Eisenhower created the Advanced Research Projects Agency. He did this because he thought defense research was in a rut. It was not investing enough in breakthrough technologies. It was underinvesting in some key generic technologies that cut across all the services, technologies such as electronics and materials and computation. The Advanced Research Projects Agency became a court of last resort for innovative military technologies which the service bureaucracies, for whatever reason, were failing to fund. In that role, ARPA's successes included precision-guided munitions, phased-array radars, stealth technology, and many others.

Our second mission was to invest in those crosscutting technologies which the services would underinvest in: electronics, materials, computation, et cetera. And in that role the agency has an even longer list of successes. The whole foundation for computer networking and personal computing is an obvious example.

The Commerce Department through the ATP program can similarly be a locus of industry-led, pre-competitive research and development that seeks both to support cross-cutting generic technology, for example in advanced manufacturing processes, and to fund innovative industry ideas for pro-competitive development that the civilian mission agencies for whatever reason are underinvesting in.

Yesterday, the Senator from Missouri posed the question whether the Commerce Department has a leadership role to play in this new era of strong international competition. His answer was no. My answer is yes. ARPA manages to lead innovative research within DOD despite having a budget that is only about 6 percent of the overall DOD research budget. Under S. 4, the ATP and Hollings Center budgets remain well less than 5 percent of our civilian research budget. The key is not to duplicate what the other agencies are doing. It is to look, in partnership with industry, for the high-leverage opportunities that the other agencies are missing or to leverage their resources to get something done. In that way Commerce can keep those agencies on their toes and be an advocate for greater government-industry partnership in those agencies' research programs, where that makes sense, just as ARPA performs that same function in the Department of Defense.

I am personally delighted with the people we have in place at the Commerce Department to carry out the programs we are authorizing in this bill. Mary Good, who comes out of Allied Signal with long experience on industry advisory boards, and Arati Prabhakar, who was ARPA's best program manager in the Bush administration, know how important it is to work with the other civilian agencies. They know how important it is to preserve industry-led, merit-based procedures in these programs. They have a strong champion in Senator HOLLINGS in his role as chairman of the appropriations subcommittee to ensure that the earmarking Senator DANFORTH talks about does not occur here, as it too often does in the civilian mission agencies. And I have been an ally of Senator DANFORTH of Missouri on that subject of trying to reduce earmarking.

My bottom line is that we need to move forward. Senator DANFORTH would move us back not just a small step, but all they way to 1980 or perhaps 1945 with his notion that government's role in civilian research should be limited to basic research and an R&D tax credit. Such a limitation of the government's role is not appropriate, it is not sustainable, and it flies in the face of decades of history. I am with him if he wants to oppose large-scale Federal support of development of particular commercial products by particular firms. I do not want to fund Synfuels Corps., or Supersonic transports, or Clinch River Breeder Reactors to the tune of billions of dollars.

The real money to get a product to market comes in development beyond the pre-competitive stage. We should let our private sector handle that unless there is a compelling government mission need, such as defense, that forces us into the development phase.

But there is a role for government in general, and the Commerce Department in particular, in research and precompetitive development of technologies of commercial interest. It has been carefully defined in a large body of legislation which has preceded this bill into law. It has been carefully defined in this bill. This bill is simply not industrial policy in the sense that term has been used in the past. To call this bill industrial policy is to accuse Presidents Reagan and Bush of being card-carrying advocates of industrial policy.

So I hope we will not go back. I hope this series of extraneous amendments will be rejected, just as the Danforth amendment was last night. I hope the Members on the other side of the aisle who supported Sematech, who supported the Trade Act of 1988, the Technology Transfer Act of 1986, the National Competitiveness Technology Transfer Act of 1989, the Energy Policy Act of 1992, and numerous other pieces of legislation will join us in voting down these amendments. I hope those Members who supported President Bush's budgets for civilian applied research and development will support this bill. I hope those members who signed their names to the Rudman Task Force report in 1992 will support this bill. I hope those who have supported this very bill until recently will reconsider making technology policy a partisan issue, when President Bush's last budget saw it as a key component of our country's need to invest in our future.

Again, I want to commend the Senator from South Carolina for carrying the entire burden of this debate on the very important legislation on the floor. If this bill is industrial policy, then virtually every authorization bill of every mission agency and every appropriations bill of every mission agency should provoke a similar debate. And this body will not have much time to debate anything else.

Mr. President, I appreciate the opportunity to speak.

Again, I commend the Senator from South Carolina for his excellent work, and I hope we can proceed to final passage of this bill quickly.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Senator from South Carolina.

Mr. HOLLINGS. Madam President, the distinguished Senator from New Mexico has been the leader with respect to technology and competitiveness in the field of technology.

Madam President, he does not just serve as the chairman of the Subcommittee of Armed Services on Industry and Technology but he has chaired for years the Competitiveness Task Force in Congress. He and I have been in lockstep with respect to trying to sustain all of this wonderful talent that we have, and at the same time direct it to where it is needed, the talent being of course in our National laboratories, Livermore, Sandia, the others.

We have worked very closely with Craig Fields over the years. We were disappointed when he left. Otherwise, we were very much enthused, as the distinguished Senator has emphasized, when Arati Prabhakar took over as the administrator of DARPA, and in her current capacity as administrator of NIST. Her service has given us a tremendous continuity and integrity in the entire approach.

I like the Senator from New Mexico's emphasis with respect to the bipartisan nature of this effort. Until this bill reached the floor, I always thought it to be bipartisan. I cannot thank Senator BINGAMAN enough. We really are engaging in continuity and follow-up, here. This is just one more step in a well-established direction that he gets the lion's share of credit for.

I do understand now that the distinguished Senator from Wyoming wants to amend his amendment, which of course is his right. I wish he would amend it all and eliminate it; eliminate all extraneous matters, and then he and I in a spirit of goodwill can get on with this measure. I yield the floor.

Mr. SIMPSON. Madam President, Senator HOLLINGS and I do a lot of legislative work together in this Chamber. As I say, I have been more times on his side than on the opposing side. But there is another linkage that we have, and that is that our spouses are trustees of Ford's Theater. Senator HOLLINGS and I as "spouses of" are invited from time to time to various festivities at that particular remarkable historical and entertainment site. I want to keep that in close view as we go forward.

MODIFICATION OF AMENDMENT 1486

Mr. SIMPSON. I understand that, procedurally, at the current time I have a right to modify my pending substitute. I send to the desk a modification of the substitute amendment.

The PRESIDING OFFICER. The substitute is so modified.

The modification is as follows:

On page 13 strike line 6 through and including page 14, line 25.

Mr. SIMPSON. Madam President, although it is not necessary, it is important, I think, as we do proper legislation. This is a two-page section in the bill that has to do with codification of the issue of the taking of property and proper compensation. There is a judicial decision on that, and that is quite adequate. This would have codified that. But for the purposes of procedure at this time, I submit that modification and ask its acceptance.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Madam President, I have heard a lot of talk about this bill being industrial policy. I have heard a lot of talk about why it is unwise policy, and about all kinds of provisions in it, or that might be added to it. What has not been said, and must be said, is that it is none of the above. It is straight, old-fashioned, politics.

Madam President, I have a speech that was given in California by the Democratic Party chairman, David Wilhelm. It says, in effect, that this bill—not by name, but by strategy—is for the purpose of taking California and its electoral votes for the Democratic Party. Let me read a few things from a news article:

> The comments by the 36-year-old Wilhelm, now the aggressive new chairman of the Democratic National Committee, came last weekend at the State party convention where he made sure everyone understood that Clinton will not repeat Bush's mistake of a year ago.

The President was elected with just 43 percent of the vote. "Clinton's success or failure in transforming his first term into a new Democratic majority depends largely on his ability to consolidate a tenuous political hold on California," Wilhelm said.

"California is the beginning point and the ending point of our electoral college strategy," he said.

> If you win California, the entire match shifts in your favor. If you lose California, you are so far behind the eight ball, you are left with nothing but a thread-and-needle strategy, where you have to win just about every remaining State so that you have a chance.
>
> By contrast, Wilhelm ticked off a list of actions Clinton and the Democrats plan to take through California: provide money, operatives and frequent campaign swings by the President and Vice President as part of a coordinated plan to replace Pete Wilson with a Democratic Governor in 1994.

Madam President, I hope the Senate listens to this and the American public listens to this.

The next point says: Use the office of Commerce Secretary Ron Brown to develop and carry out a targeted strategy to help boost California's ailing economy and cushion the blow of military base closings by earmarking defense conversions and job retraining for the State.

Madam President, what this bill does is take $2.8 billion of Americans' hard-earned tax money for a campaign fund. That is what this bill we are debating is all about. It is not about an industrial strategy. Rather, it is intended to put into the hands of the office of the Commerce Secretary, Ron Brown, the resources to carry out the above-described strategy to boost the economy of California and to earn votes.

Some on our side have been willing and honest cosponsors of this legislation. But clearly they did not understand what it was that they were being asked to do. When you combine this bill with the comments from the chairman of the Democratic Party, it no longer is merely some little bill. Simply, it is a campaign strategy to use $2.8 billion of the public's money over 2 years. Incidentally, is it not curious that the length of the authorization period is only 2 years, when most of the rest of the appropriations and authorizations are for 5 years? How much will it cost over the next 5 years to help Secretary Brown carry out his targeted campaign strategy?

I am opposed to an industrial policy because I do not believe it works. One of our so-called successful industrial strategies was the Synthetic Fuel Corp., which wasted billions of American dollars to buy us nothing. We have seen what happened to Japan when they spent billions of their taxpayers' dollars trying to develop HDTV, only to find it was all wasted.

The Government's place is not to pick winners and losers among America's private sector energy. But when they have $2.8 billion to woo big corporate America—and you can, because big corporate America's basic political philosophy is to go where they are rewarded—and you use that money to target a campaign strategy to elect Democrats, it is not why Americans pay taxes.

This debate, therefore, is not an argument about whether we should have a national industrial strategy; it is an argument about whether we are going to stand by and allow the Congress of the United States to spend Americans money to assure a permanent majority for the Democratic Party. The sum $2.8 billion may not seem like very much in terms of the great, enormous deficits America runs, but I will tell you that the people in the State of Wyoming think it is a huge amount of money. It would run our State for 4 years.

I hope that the Members of the Senate on both sides realize that what we are doing here is wrong. It is not about the philosophical differences between parties. It is about whether we will use the money of Americans honorably, or as part of a targeted strategy to help boost California and to keep Democrats elected.

I yield the floor.

Mr. HOLLINGS. Madam President, nobody in their right mind is going to believe what you just heard on the floor of the U.S. Senate. I thought as the Senator from Wyoming got into his marvelously creative tale that he was also going to assert that Ron Brown deliberately caused the earthquake in Los Angeles—for the sole purpose, of course, of allowing Democrats to pump $6 billion or $7 billion into California for sinister electoral purposes. This whole California conspiracy theory is fabricated out of the whole cloth.

Because my own industry could not qualify under Ron Brown. We went out and got a $350 million program out of Livermore in California. It is almost like the fireplug wetting the dog. I mean, what we have had is California giving to the textile industry what Ron Brown refused them, a $350 million program.

Let us talk sense and let us talk facts. I presume I have met Mr. Wilhelm. I cannot tell you when. I do not say that in a disparaging sense at all. I just am not that familiar with the national party and the talks they are making and what have you.

But I can tell the Senator the Democratic National Committee has no relation whatsoever to this program here, and this has been his program, and I am going to show him how this reckless talk of $2.8 billion could not possibly happen unless it went through very loyal and studious and professional Republican hands.

If the Senator has a question, I will be glad to try to answer.

Mr. WALLOP. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. WALLOP. The effect of it is, from what I read, it is not a unique thing. That was last April. But on December 5 of this past year, there is a statement that says:

> The White House, mindful of how California turned on George Bush, is waiting to 1996 to shower the State with attention. In addition to his three quick visits, Clinton put Commerce Secretary Ron Brown in charge of a California task force that directs Federal spending and other assistance to California. Clearly it is a very important political State, Brown says.

Mr. HOLLINGS. The Senator and I gave him the money.

Mr. WALLOP. I am suggesting that what we are about to do is invest in the Department of Commerce a significant amount more of money. Its purpose has been signaled to us, not through California earthquake relief or fire relief, but through a very specific program which put it in the Department of Commerce to be expended by the Secretary of Commerce, Mr. Ron Brown, after having heard from him and from others in the administration, including the chairman of the Democratic Party that this is part of a targeted program to achieve political success.

Mr. HOLLINGS. Let us get down to the real figure, I say to the Senator. Let us assume that is true and I am Ron Brown. Now, I am looking at the laboratory itself, and that is not for California. That is the regular old Bureau of Standards laboratory for next year, funding of $320 million. So I cannot send that money to California. I look down the list and find out the National Science Foundation is $75 million, and I cannot send that money to California. I know construction and facilities, we have been trying to get the old Bureau of Standards into better facilities with $110 million of that amount. And the national information superhighway—that money will be distributed nationwide. Otherwise, the $475 million is all National Academy of Engineering merit selection and peer review.

Maybe I ought to emphasize here the merit selection process, incidentally, because it is very interesting in that we have two folks over there administering that program—two women of impeccable credentials. But the truth of the matter is that we have Mary L. Good, who is the Under Secretary of Technology. She was appointed by President Reagan to chair the Board of Directors of the National Science Foundation. You are not going to find a more competent industry scientist. She was vice president in charge of all research and technology for Allied Signal for years. But she was President Reagan's appointee. So we more or less have a Republican appointee directing this alleged Democratic Party conspiracy to pump money into California.

And then Arati Prabhakar, who served in the Department of Defense in the Reagan administration from 1986 to 1990. She was those 4 years program manager of the Electronic Sciences Division of the Defense Science Office in the Defense Advanced Research Program. That was under President Reagan. Then under President Bush she was Deputy Director of the Defense Sciences Office from January 1990 to April 1991, and then, from 1991 until 1993, she was Director of the Microelectronics Technology Office and managed the largest office of all, $300 million with 300 contracts—in a Republican administration. I guess that Ms. Prabhakar, too, is part of the Democratic National Headquarters conspiracy to pump money into California with an eye to 1996.

So when you look at that particular part of the program, Wilhelm does not know what he is talking about. He is whistling Dixie. We right now have $30 million in manufacturing technology centers, the so-called Hollings centers. That would go up to $70 million next year and $100 million the following year, and they are all under a competitive basis and peer review and by way of competition. I had agreed with the distinguished Senator from Missouri when we put through the authorizing legislation that this was going to be peer reviewed.

I hear what the Senator says and, incidentally, I am grateful to the Senator from Wyoming. I heard the rumor, and I said I do not know what they are talking about. They are saying Ron Brown is going to be dishing out the big bucks to California to carry the State. I said I wish the Senator from New Mexico, JEFF BINGAMAN, were here. We have been working in this technology field for years now. Books have been written on it. We do not even have a good start. There is $70 billion in research money, $40 billion in defense alone, but we get peanuts for these technology programs. So if Wilhelm thinks S. 4 is a piggy bank for funding California, he doesn't know from "sic 'em." He better look at some of the other departments where the real money is.

I had one program here just came through this week for McDonnell Douglas, $42.9 million for advanced systems of hardware. They were in that contract. That is over in defense, that one little contract, in the backyard of the senior Senator from Missouri right where he is living in St. Louis, the fundamental industry that he supports, they get $42 million. That's just one defense contract, and we have $30 million for seven of the centers around the country. It is a modest amount.

But Ron Brown—let us get him out of the particular debate here. I cannot imagine passing this thing out unanimously on a bipartisan basis, and working on it over 3 years, and all the hitches taken care of. We got together on a bipartisan basis with the House side. All of these things have been ironed out. And the Lord is my judge, I never heard of David Wilhelm or any notion that this was a pot of money to be dished out for electoral purposes. That is pure fantasy.

That is less than what the Senator from Missouri—the Senator voted for $1.5 billion in June when we reported the bill out. But when OMB got hold of it, they cut it back.

So this is not any ballooning money the administration got. They have to find out from David Wilhelm, to quit cutting my budget because they are cutting, in fact, $143 million that we could have put out in California, according to that article. They are cutting it back $143 million. We better get David Wilhelm to talk to the OMB, because they are cutting out our campaign in California. You know differently.

Mr. WALLOP. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. WALLOP. Madam President, I am touched by the list. The National Science Foundation, of course, takes the grant and places them, and has not been above having them placed with a little direction.

But leaving that all aside, let me just not quote David Wilhelm. It is Secretary Ron Brown, himself, saying, "It is a very important political State and we are really doing this because of basic economic judgment."

I understand how long the Senator has worked on this bill. But this is not what we passed almost by unanimous consent in previous years. It is quite a different bill. It contains nearly 10 times as much spending. Then, it authorized $208 million. Now it is $2.8 billion.

The fact of it is, things have changed. I appreciate you do not believe this, but your party chairman appears to, and some of us are skeptical enough to believe that politics do play a role. I would not be accusing the Senator from South Carolina of playing politics, but when you have these various statements, one has to be skeptical.

And one has to believe that corporate America is only too willing to take tax dollars from whatever source they are, Republican or Democrat. One of the things that is interesting to many of us is the fact that corporate America, having once opposed the bill, now supports something called industrial policy.

But I am still persuaded that this is at least as much, and probably twice as much, political policy as it is industrial policy.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. My head is shaking in disbelief about the figure used. They always relate that back about 10 times as much. It is 10 times as much that the Senator from South Carolina put in there under one particular item for the centers when we started, because the Bush administration did not like this program. They absolutely redlined it and would not appropriate anything for the first 2 years.

So you can say, 1,000 times as much, if that is the way you want to describe it. But the bipartisan technology group—and I will put that in the RECORD—called for a program of between $4 and $8 billion. We got it up 2 years hence at $1.4 billion. We have not got it to $4 billion, and we have not gotten it to $8 billion. These are your friends that recommended that much.

But, the gentleman's statement should not really poison the well with respect to the bipartisan nature of this bill, because I think the distinguished Senator here was in on that program sometime back. I will have to get the particular one that was recommended by the task force.

I have here the report of the Senate Republican Task Force on Adjusting the Defense Base. This is defense conversion, dated June 1992. It is signed by Senator Rudman, Senator DOLE, Senator HANK BROWN, Senator COHEN, Senator DANFORTH, Senator DOMENICI, Senator HATCH, Senator KASSEBAUM, Senator LOTT, Senator LUGAR, Senator MCCAIN, Senator Seymour, Senator STEVENS, and Senator WARNER.

You have 17 distinguished colleagues of yours. I do not see your name listed on that particular task force.

But this task force concluded as follows:

> The task force endorses two programs. The National Institute of Standards and Technology is important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the manufacturing technology program and the advanced technology program.

So we are doing exactly what the Republican task force recommended. Look at the public record. The peer review boards do not award plums to California on a political basis. We could not have gotten this thing through, we really could not have, if we had been a pork barrel program.

We wanted to make sure it was balanced, it was peer reviewed, it was on a merit basis, it was on a contested basis in competition. And then we followed through by getting President Reagan's appointee and President Bush's appointee to come over to Commerce to run these programs.

Then to come in loosely and say the funding is $2 billion, gone up 10 times, ballooning—that is not the case at all. We have the breakdown here, and Secretary Brown has no control whatsoever in where the money is awarded.

Now I know something about Government. I know where I can get money. I was taught by my own textile industry. We have never had $350 million for the advanced technology program. But the textile crowd came to town and could not qualify under Secretary Brown. And here I am, the chairman of the committee. They called and asked, "Why can't you take care of your people?" Commerce told me, "Well, they do not meet muster." And so I said, "Well, that is it. Live by the sword, die by the sword." I put it in merit review in the bill myself.

Then I got a call to invite me to the textile award announcement down in Raleigh, NC. I said, "What award is that?" They said, "We got the textile program funded out of Livermore, the Energy Department. It is a $350 million program and we are going down to Raleigh, NC, to advance it. We know you are interested and have tried to be helpful. Thank you, all the same."

So continue your search for conspiracies. Your notions are way off base with regard to S.4. If this is some kind of Democratic Party conspiracy, it is the sorryest, most inept conspiracy imaginable.

Now you know that you would really be able to sail ahead here if Secretary Brown just disregarded the particular law and did not have the peer review, did not have the merit selection. Boy, oh boy, then you could really give us a fit there. And I hope you will watch it between now and 1996, because I certainly will, I promise you that right now.

Mr. WALLOP. If the Senator will yield, I would say to my friend, by then it would be too late. Should this strategy have worked, it will not matter what I or anybody else on this side would say.

Mr. HOLLINGS. But after all, to get California moving, we have got to start dishing out the big bucks, as the term was used. I would hope they could start dishing out the big bucks to California, but they are not dishing it out from this program.

Watch defense, watch energy, watch disaster funds. I never did get a good accounting of that, and that bothered me, those disaster funds. Because I had the hearing, I say to the Senator, with respect to the San Andreas Fault where the veterans hospital fell into the crevice there. We went out after several months and found out, where in the world were these $3,500 loans being made by SBA. And they invariably had a swimming pool manufacturer going door to door, saying, "Sign your name here and you get your $3,500. We will build a swimming pool." And the Government is never going to come back, as the district attorney is too busy out there in California, and they never did. It was a scandal. It was a scandal.

You have to watch those things. But do not look at the newspaper at what Ron Brown or David Wilhelm were saying. If they were really going to attempt some political hijinx, do you think they would be announcing it in the newspaper? They are better politicians than that.

Mr. WALLOP. Again, if the Senator will yield, forgive my continued skepticism. But when I see a strategy so clearly described and then I see money that had not been anticipated going to that source, you would forgive me if I thought—like most Americans thought—that this was part of a strategy that had been laid out.

Mr. HOLLINGS. I understand the Senator's fear, but I can tell him in all honesty: All our Republican colleagues participated and they never raised this question. I understand that was April of last year, that particular statement. In 1993 we reported this bill out unanimously, all Republicans and Democrats, in June 1993.

Mr. WALLOP. I would say the second one I quoted was December 5 of last year.

Mr. HOLLINGS. The second one. But the first one——

Mr. WALLOP. And it is, if anything, more specific. So the pattern is running in the direction that causes the Senator anxiety.

Mr. HOLLINGS. Then as a last plea, think of the country, not Republicans and Democrats and who is going to get elected and reelected. We have had a struggle, trying to get the economic backbone of this country repaired. It has degenerated for various reasons. Financially, the Senator from Wyoming agrees on that, we have not paid our bills as a government. With respect to trade, we have not enforced the trade laws. I always said when I put up the textile bill, if they would only enforce the existing trade agreements I would withdraw the bill. We have never been able to get an industrial policy going except on an ad hoc basis for semiconductors; yes, for airplanes; yes, for cancer research and health matters and a select group of industries.

But when it comes to small business and general assistance on a merit basis and peer review in limited amounts? I noted for the Senator a defense award made this past week in St. Louis that exceeds the entire budget for the extension centers over in Commerce—just one award.

On a very, very limited basis, on a bipartisan basis, we have tried to move forward, but you would want a newspaper article quoting a party chairman to sour the well. I hope it will not. I hope the colleagues will look at the number, 10 times the number, $2.8 billion. When you vote the Simpson amendment, you do away with the Bureau of Standards. You do away with programs that have been going on for years, formative programs. The facilities they are going to build, $110 million 1 year, and $112 million—not out in California, that is right here in Washington.

So I hope the Senator will look at it closely and reconsider his position on this one and I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Madam President, the senior Senator from Wyoming and I have legislated together for nearly 30 years in the Wyoming Legislature and House of Representatives and then he went on to the Wyoming Senate and then he came to the U.S. Senate 2 years previous to my entry here. It has always been a great pleasure, a great exciting adventure in legislating with my friend MALCOLM WALLOP.

Of course he will leave this Chamber at the end of this session to go into other things in life, like many others on both sides of the aisle have done. But one thing about my friend MALCOLM WALLOP, he is direct, exceedingly articulate, very dedicated, and he has come upon something that is very disturbing to us. It matters not. I do not attribute any of this to Senator HOLLINGS. In fact, Senator HOLLINGS is one of the most knowledgeable people of what the needs are out in the area of his committee jurisdiction. He works with Senator DANFORTH in a unique way.

But Senator WALLOP has just spotlighted something which has to be distressing. If this had happened during Ronald Reagan's time or George Bush's time, where the chairman of the Republican Party got up and spoke about what needed to be done in a certain State for one purpose only, to carry the State in the next Presidential election, I can tell my colleagues, having sat here for 12 years and watched—not Senator HOLLINGS but a certain trio or cadre over here on this side of the aisle that chopped George Bush's bicycle tires to shreds on a daily basis, they would have had high glee in this situation.

It is the same irony we find, I suppose, when we see what is happening with the Whitewater issue. I heard comments from others what a horrid thing it is that the Republicans are involved in this in some way.

As far as I know, the Republicans do not have much power over the New York Times or the Washington Post or other papers that seem to be reporting this with great relish as they often do. They get excited and just seem to go to pieces when they get slavering over some cadaver in the roadway, some carrion upon the pavement. And that is what they see here as something they can hardly stop doing. And that is the way that works. But that is not Republicans.

I could not help but think how, during the administration of Ronald Reagan and George Bush, we had a request for congressional investigation about once a day. There was the Iran-Contra. There was HUD. These were not just normal committee activities. These were the things that were just continual. October Surprise—oh, there was a magnificent, dazzling thing, the October Surprise—surely the most sinister thing that ever lurked in the caverns of American political life. And not a thing to do with it; nothing. Absolute zip. But it sure did not help George Bush when it came to October. So many things like that.

So, if we can all remember the horror that would roar through our own bosoms if we saw this occur, whether it be investigations that the Democrats used to urge upon America once a week or once every other day with Ronald Reagan and George Bush in the White House. Oh, that was a frequent call. And from the same people who are saying you are picking on us.

But there is one thing about the Senator from South Carolina and I, we both take politics as a contact sport. He is a good man to get in a scrap with, because it is done with gusto and spirit and energy and always, at least in my experience, good humor. When you walk away, you shake hands and move on. That is the pleasure of legislating.

A lot of people do not understand that aspect of what we do, but I surely understand it because I have been doing it for 30 years. The only time I get in trouble is when I get a belly full of something and then I am not very good at my craft because it shows in many, many ways—when I get a pure belly full.

So we have had some who feel very, very suspicious simply because, rightly or wrongly, this man, this chairman of the Democratic Party, in an interview of April 10, 1993, Saturday, final edition of the San Francisco Chronicle, talks about the comments by this vigorous 36-year-old Wilhelm, David Wilhelm, who is the same person who wrote a very powerfully potent, almost threatening kind of letter to Senator ALFONSE D'AMATO of New York. That letter you will want to see, and plenty will see it, because it was a slasher.

So this fellow is not exactly one to wallflower here or Willie Wallflower. He is pretty tough stuff. He tells us, as Senator WALLOP shared with you, that the beginning and end of all political life for the President of the United States is California. That is in his article. He says:

> California is the beginning point and the ending point of our Electoral College strategy. If you win California, the entire map shifts in your favor. If you lose California, you are so far behind the eight ball that you are left with nothing but the thread-the-needle strategy where you have to win just about every remaining State that you have a chance.

And then the most disturbing part is that he listed the things, he ticked off a list of actions that Clinton and the Democrats need to do to woo California. And the one that grinds in our craw like the rocks in a gizzard is this one. It says:

> Use the Office of Commerce Secretary Ron Brown to carry out a targeted strategy to help boost California's ailing economy and

> cushion the blow of military base closings by earmarking defense conversion and job retraining programs for the State.

And then more.

That is very disturbing and I think would be exceedingly disturbing if it were heard by a Democrat who is listening to a Republican Chairman talking about what he or she were going to do for a Republican President. That would spook you up.

Then, of course, the more current one of December 5 where a California pollster—this is just a few months ago—says:

> But the White House, mindful of how Californians turned on George Bush, isn't waiting until 1996 approaches to shower the State with attention.

I am being repetitive. It has been shared with you. Then it says:

> In addition to his frequent visits, Clinton put Commerce Secretary Ron Brown in charge of a California task force that directs Federal spending and other assistance to California.

Then Ron Brown said clearly, it is a very important State politically, a political State but "we're really doing this because of a basic economic judgment. You cannot very well declare economic recovery in America until you start to turn the California economy around. The politics won't matter if there isn't a recovery."

Those things do not have anything to do with Senator HOLLINGS. They have a lot to do with serious reservations by people in our party when we see public comments like that. I think my good colleague from Wyoming is perfectly right in his scope and duty to present that, and it disturbs us.

It is a big bill. It has lots of things in it. It has some things that have gone up from zero percent to big percent. I am sure that all of those have been explained, and I am not on the committee of jurisdiction and I would not in any way want to get into the detail of the bill because I know that the mastery of the subject is far beyond me.

But I do note in the summary of the authorization—I believe this is a committee printout—that there are some huge increases. I am sure that every one of them is explainable. These are the things that have caused concern. Here is one, SBA pilot program. I do not know what that is, and that is $50 million. It was zero in 1994. There was no request for it and then $50 million. I am not trying to delay, but I ask about that one.

Then the NIST funding goes from the fiscal year 1994, $520 million to a request of nearly double, $935 million. The bill takes it up further. Then in 1996, all of them go up.

The disturbing thing to us, again, not attributed to the Senator from South Carolina, is that it is curious to see a bill with these kind of increases for only two fiscal years, the two fiscal years which will end at election time of 1996.

That is the essence of Washington, DC. Because I am sure there is an explanation for that, but the perception of it is beyond comprehension. When you read the language, when you see the request, when you see it for 2 years, you know as a political person—and we all are—that this is a tremendous political advantage. I hear the part about peer review. I believe that, and I need to learn more about that, apparently. I hear the material about merit. But I also know that I hear politics, maybe on cat-like tread, but I tell you, I think if you listened and developed it further, it would sound like elephants clomping through a hard wood floor.

So that is the concern; that remains a concern. I do not know how many more wish to speak on the amendment. I know that the Senator from South Carolina will, and he has been very courteous to us, make a motion to table within a very short time. I certainly will yield to the Senator from Washington. I believe that is perhaps, I will say, the final warning. I will say that I hope our people, if anyone wishes to speak on the amendment, will come forward so that Senator HOLLINGS may proceed with that after we hear from our colleague from Washington.

Mr. HOLLINGS. I did hear the Senator from Missouri wanted to say a few remarks. I hope he hears it or someone can communicate that to him.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Senator from Washington.

Mr. GORTON. Mr. President, it occurs to this Senator that the amendment proposed by my distinguished friend and colleague from Wyoming presents at least two quite distinct issues for debate in this body and perhaps three.

The first issue, of course, is the validity of the underlying bill, the bill for which the Simpson amendment is a substitute.

The second is the validity, the importance, the urgency of the various reforms which are contained in the Simpson amendment itself.

And the third has to do with one of the criticisms that was presented by the distinguished Senator from South Carolina with respect to this amendment, and that was that it substituted for every single element of S. 4 itself.

This Senator, for example, joins with the distinguished chairman of the Commerce Committee in praising the effectiveness and acknowledging the importance of the National Institute of Standards and Technology and in being somewhat biased in favor of increasing its ability to provide services to American business.

The Senator also is a strong supporter of the National Science Foundation and the work that it does in this connection.

This Senator might suggest that if these items were separated from the primary thrust of the bill that the Senator from Wyoming himself would very likely be willing to accept these additions and these new programs. The criticism which he has levied and which his distinguished colleague from Wyoming has levied against the major portions of this bill is that which provides for subsidies, provide a huge new supply of pork to be distributed by a national administration.

A particular department, a political agenda of which is certainly open to question at the very least, as the Senators from Wyoming have pointed out, that is the heart of the criticism which has been levied against this bill. In that connection, this Senator finds that criticism to be overwhelmingly justified.

This bill and its principal elements, without exception, with respect to its new programs, is an attempt further to governmentalize the private sector of the economy of the United States, either at its worst to distribute money for purely or principally political purposes or, at best, to substitute the determination of Government bureaucrats for that of the private sector with respect to what should be the areas of concentration of a dynamic and a growing American economy.

If the history of this economy and of every other economy in the world is any indicator, Government simply is not capable of making decisions of that sort effectively or efficiently when compared to the individual judgments of individual entrepreneurs. Government agencies will always and inevitably be behind the curve in that connection.

When, on the other hand, the Government supports a National Science Foundation, when it supports a National Institute of Standards and Technology, it can be a facilitator when it stays out of the direct business of business itself.

And so this Senator, and he suspects most of his colleagues on this side, would be happy to provide for increased efficiency, effectiveness, and services on the part of those two entities. This Senator joins with his colleagues on this side of the aisle, however, in stating that the bulk of this bill, the largest amount of money contained in this bill, is either purely political or almost certainly ineffective and would be far better not spent and returned to the people of the United States either directly by lower taxes or indirectly by this great a diminution of the deficit.

But the other half, perhaps the more important half, of the debate in which we are engaged right now has to do with the merits of the various programs contained in the Simpson amendment itself.

In that connection—and it seems to this Senator that the arguments in favor are for all practical purposes overwhelming—it may be that many of the individual bills which are gathered together in the Simpson amendment have not gone through the long and laborious process of endless committee hearings, but that certainly is not the fault of the sponsors from both sides of the aisle of each of these proposals. Each of them is a proposal which meets with a tremendous degree of support in the private sector of our economy, a private sector increasingly beleaguered by Government regulations which limit its ability to compete, limit its ability to innovate, limit its ability to provide better and better jobs and careers for increasing thousands of American people.

While we can make these statements in general, I would like to share with my colleagues a couple of examples of specific small businesses in my own State that have taken the opportunity to write to me about the way in which they are treated and regulated by Federal agencies. The first is an excerpt from a letter I received from a business entitled "Skagit River Steel and Recycling."

The president of that company writes me as follows, and I quote:

> We are a typical small business. We employ 37 people at well above minimum wage and provide 100 percent medical insurance for our employees, life insurance, and a profit-sharing pension plan. We believe that by the very nature of our business we are a big part of the solution to the reduction of the waste stream. We take seriously our responsibilities to educate the public about recycling and conduct many school tours and speaking engagements to that end. We strive to be a good corporate citizen as we believe every business should. But we are also being taxed into extinction. It is not just direct taxation but the insidious tax that is imposed in the form of excessive regulation, paperwork, and paperwork regulation. Because these taxes are so difficult to quantify, most small businesses fail to recognize the true impact this creeping bureaucracy is having on their business. I have listed the administrative costs of compliance with Federal, State and local regulations.

This ends the quote directly from the letter.

The president then said that his total tax of regulatory burden was $248,585 for a recent fiscal year. Of that, $51,341 was regulatory compliance spending.

The president of the company ends his letter by saying, and I quote once again:

> We employ 3 full-time people or 8 percent of our total work force just to complete Government forms and comply with Government regulations. No small business can survive very long under this burden.

Now, Mr. President, two restaurant owners recently contacted us and said that they were forced by the Bureau of the Census to fill out what was called a Commodity Flow Survey. Each told me that this survey cost them $500 to complete. On their behalf, I contacted the Bureau of the Census and once the Bureau took a look at the requests, its officials said that for one of the restaurant owners, and I quote: "The activities at his location are not covered by this survey."

I must say that I was somewhat puzzled that someone at the Bureau of the Census did not reach that conclusion before they required the business owner to shell out $500 in order to complete that survey. But, of course, the fact that that expenditure was undertaken did not affect anyone in the Bureau of the Census at all, but it did have a small but nevertheless measurable effect on the owner of that restaurant.

There is not a Member of this body who could not multiply each of these examples by 10 or 100. There is not a Member of this body who has not heard the legitimate complaints of those who are attempting to build their businesses and provide jobs for the American people about the crushing burden of regulation imposed upon them. There is not a Member of this body who does not recognize that the great majority of all new jobs in this country are created by small businesses. The amendment of the distinguished Senator from Wyoming would mark a tremendous step forward in relieving some of that burden and in giving promise to our small business people that additional burdens would also be lifted.

There is no question in the mind of this Senator whatsoever that the relief from the burdens which would be provided directly by the passage of this Simpson amendment into law would vastly exceed all of the improvements in our business climate and competitiveness by every one of the programs in S. 4 even if those programs worked in the way in which their sponsors intended, an intention which will almost certainly be frustrated in the real world.

So purely on a substitution of the Simpson amendment for S. 4 itself, the business community, the job climate, American competitiveness, American exports would all be enhanced. At the same time, I am sure that changes and improvements in the National Institute of Standards and Technology and the National Science Foundation could also be accommodated.

Mr. President, we do not need a whole series of new Government programs. We do not need a Government deciding which cutting edge or innovative businesses it should invest in. We need a freeing up of a free-market system which has meant so much to the people of this country, and we will come far closer to freeing up that free market by the passage of the substitute than we will by the passage of the original bill.

Mr. HOLLINGS. Mr. President, it is difficult to believe your ears when those who come from the aircraft industry, subsidized over the many, many years, preach about free markets and the evils of industrial policy. The aircraft industry is the beneficiary of government industrial policy par excellance, when government-financed technological research, with all the financing of the Export-Import Bank; and just recently boosted with a $6 billion program, an order from Saudi Arabia for 50 commercial aircraft to be financed by in excess of $6 billion financing by the Export-Import Bank, and a rescheduling of billions in Saudi Arabia's debt.

I have a hard time believing my ears when I hear about the free market from those who have benefited so generously from government policies.

Let me refer specifically to April 10, 1993 where the Senator from Wyoming said that Wilhelm ticked off a list of actions that Democrats planned to take to move California. Amongst others here, about Ross Perot; hightechology planning, startup companies; investments; and get some other things done.

And I quote, use the office of the Commerce Secretary Ron Brown to:

> * * * develop and carry out a targeted strategy to help boost California's ailing economy, and cushion the blow of military base closings by earmarking defense conversion and job retraining programs.

That is how much Wilhelm knows about it. After all, Secretary Brown does not have the defense conversion and job retraining programs. I know from my experience, a modest amount you might call it, in commerce with EDA, he could give the entire EDA budget. We do not earmark. We refuse, on the Senate side, to earmark EDA funds, as all the Senators know.

Otherwise, to use Secretary Brown—that is why I was wondering, I was going down the list, not having seen the article, and saying, well, he cannot use it here, he cannot use this construction money there, he cannot do this other thing.

One other one that was pointed out as an increase about the Small Business Administration, that is only $50 million. That was worked out for technology loans to small business. Everybody is for that. That is a pittance compared to the $720 million that we voted last year when the loan fund ran out of money.

This Senator happens to have the Small Business Administration appropriations. We worked that out. But this, when it comes to small business loans, is peanuts in this particular bill.

When we moved California, Wyoming or South Carolina, what is really said, and you have to agree, California is the beginning point. This is what chairman Wilhelm said.

> * * * is the beginning point and the ending point of our electoral college strategy. If you win California, the entire map shifts in your favor. If you lose California, you are so far behind the eight ball that you are left with nothing but a thread-the-needle strategy.

> Well, you have to win just about every remaining State that you have a chance in.

I agree with that. I know a little bit about national programs. I tried to get in one. Nobody remembers it. But in any event, I remember it very, very well. I traveled to the State of California, as well as the other 49 States.

It goes on to say:

> Bush and the Republicans used to make similar noises in paying lip service to California's 54 electoral votes. But when the deal went down, their preelection strategy consisted of making Vice President Dan Quayle the GOP point man in the State. And their campaign plan was even worse. After promising the California delegation to the Republican National Convention that Bush would wage an enormous campaign in the State, the Ex-President made exactly one appearance shortly after Labor Day and never came back.

I can tell you that in the little State of South Carolina, I was in the only statewide race with the President. He made four appearances in 1992 in the little State of South Carolina.

So do not let us get all boiled up. I rather think that rationale is accurate, and I think will help in emphasizing the importance of California. And I hope he, and whoever the chairman of the Republican Party is, will both emphasize it. That is real politics.

But he is mistaken with respect to conversion and retraining programs. He is either under labor or the Department of Defense. That is why it does not allude to this bill at all.

Look at another bill. Look to the funds that they may have in other programs in the Commerce Department like EDA, or look to the energy appropriations, or look to the defense retraining, and conversion moneys. Look, Mr. President, to the $8.8 billion that all of us Senators voted for disaster relief as a result of the earthquake.

You can bet your boots there is going to be in 1996, out of that $8.8 billion, $1 billion going perhaps into the State of California. That is a given.

But that is not going to happen with this well-conceived, bipartisan program. At best, all we could do was take the $70 million that is in 1 year, and $100 million in the other year, and put all of the development centers in the State of California. But under peer review that is not going to happen. In any case, California already has one. I doubt if they get any more under the particular merit selection basis. It is competitive. It will have to go through none other than Arati Prabhakar, who is the President Reagan appointee and President Bush appointee for these programs, and Mary Lowe Good who is also President Reagan's appointee as Chairman of the Board of Directors of the Science Board under the National Science Foundation. You cannot get two more people of higher integrity, and with the admonitions and restrictions of law, better peer review, and not political.

Mr. DOLE. Mr. President, it is a fact that we are overregulated and the American consumer pays the price for it. The costs of this overregulation are really a hidden tax on the consumer that does not appear on paystubs but that is just as real and just as relentless as more-visible taxes.

This substitute measure contains numerous proposals from both sides of the aisle, each of which aims to reduce the regulatory burden on American consumers, without endangering their health or their safety. The measure is a proposed substitute to S. 4, which is incongruously called the "Competitiveness Act." Simply declaring something "procompetitive" does not make it so.

Mr. President, in the international marketplace, governments do not compete, people and companies do. And governments do not make people and companies more competitive in the global marketplace by further intervention into the private sector.

Governments can make individuals and industries more competitive by reversing the crushing burden of regulation, and by eliminating the "hidden tax" on consumers that overregulation creates.

This substitute measure contains many proposals to begin that reversal. This is just a start. Preliminary CBO estimates show that the bill would save approximately $1 billion over 5 years. Clearly, this is just the tip of the iceberg.

One element of this amendment is a proposal of which I am the primary sponsor. It was an honor for me to have been asked by our very distinguished former colleague, Steve Symms of Idaho, to introduce this measure a little over a year ago. It is called the Private Property Rights Act.

One might reasonably ask why, in a nation in which the rights of property owners are supposed to be protected from the Federal Government under the fifth amendment to our Constitution, and from State Governments by the 14th amendment, would we need a law protecting private property? The reason is, unfortunately, those working in Government, those who have sworn to uphold our Constitution, are not always as vigilant as they need to be.

There are literally billions of dollars in claims filed against the Federal Government by landowners who believe their private property has been taken by the Government without just compensation, as is required by the Constitution. It is important to note that a taking can occur even though title to the property remains with the original owner and the Government has only placed restrictions on its use.

Fortunately, courts have recognized these partial takings are subject to just compensation. Unfortunately, the only check on the enforcement of the Constitution has been through the court system, wherein citizens can, at vast expenditure of money and time, ensure that Government complies with the Constitution.

Were it not so tragic, it might be amusing—we are forcing our citizens to spend their time, their money, to ensure those who are sworn to uphold the Constitution—Government employees—actually do so.

President Ronald Reagan recognized this failure of the system and, on March 15, 1988, issued Executive Order 12630 which, in effect, required Federal agencies to review regulations before they were issued to determine whether takings of private property could occur thereunder. The order also established a set of principles based on the age-old law of man that private property ownership is sacred and should be defended. The order told the agencies not to take private property—in whole or in part—unless absolutely necessary.

The private property rights provision in this substitute measure would accomplish two goals: First, the Executive order would become law, and second, would require all Federal departments and agencies to comply.

These are simply goals really, we are asking the Government to uphold the Constitution—we are asking those who have sworn to uphold our Bill of Rights to do so, we are telling the citizens, the taxpayers, the landowners that finally we will do our job, and they can rest assured they will not spend their time, their money, to ensure we do our job.

Mr. President, this substitute measure also contains a provision for Federal regulatory agencies to address the risk and cost/benefit of their regulatory actions. The provision requires Federal regulatory agencies to conduct a comprehensive analysis of the specific costs and benefits of a proposed regulation. It then asks the agencies to publish analyses or detailed summaries of such analyses in the Federal Register. Specifically, it asks the agencies to outline the jobs gained or lost; the costs incurred by Federal, State and local governments and other public and private entities; and any human health or environmental risks created by the regulations proposed.

Mr. President, the substitute measure will be a start on the road toward real regulatory reform. In contrast, S. 4 will send us hurtling down the road of industrial policy. This is not a road that most Americans want us to take. I urge my colleagues to take the side of the American consumer and support this measure.

Mr. BURNS. Mr. President, I want to announce my intent to vote against the amendment offered by Senator SIMPSON to the pending bill, S. 4, the National Competitiveness Act. Included in the Senator from Wyoming's amendment are a number of provisions I support. But even if this amendment passed all it would do is kill the bill now before the Senate.

The National Competitiveness Act is legislation I have cosponsored since it was introduced on the first day of this Congress, January 21, 1993. This bill is one of the top five priorities for Senate Democrats and I am the only Republican cosponsor. My support for this measure has not been overlooked by my colleagues on this side of the aisle.

I worked closely with the distinguished chairman of the Senate Commerce, Science and Transportation Committee, Senator HOLLINGS, to improve this bill as it moved through the committee. Senator HOLLINGS indicated a willingness to work with all the members of the Commerce Committee both Democrats and Republicans on this bill. In fact, there were no Republicans on the Senate Commerce Committee who opposed the bill when it passed the committee.

When I was sent to the Senate by the voters of Montana they knew my party affiliation but expected me to do what was in our State's and Nation's best interest. With this vote, that is what I am doing.

I think it is vital for our Nation to be the world's leader in advanced technologies such as information, computers, electronics, and new materials. This bill helps us accomplish that goal. It contains provisions for research and development companies, universities and tribal colleges in my State.

For these reasons and many more I will elaborate on in later debate, I want the National Competitiveness Act to pass the Senate. While I support a number of the provisions in the Simpson amendment because it is a substitute for the existing language in S. 4 designed to eliminate the thrust of S. 4, instead of improving the bill I plan to vote against the pending amendment. If the Simpson amendment was offered as an addition to the bill rather than a substitute, I would then support it.

I yield the floor.

Mr. HEFLIN. Mr. President, I rise to express my exasperation with the pending substitute amendment. The last version I have seen of it is a conglomeration of about 12 separate legislative proposals. Many of them I support. Some of them I am actively working to pass. Yet, without any notice from Members on the other side of the aisle, these proposals have been included in this substitute amendment, along with a host of other, unrelated provisions which I and other Members may or may not support. The upshot of this is that the sponsors of this substitute amendment are forcing Members to vote against proposals which they support and on which they have been working.

For example, I, along with other of my colleagues, have been working to pass the Private Property Rights Act. In fact, staff are scheduled to meet tomorrow about this legislation. Yet, without any notice or warning, I find that this proposal, one which I support and am working on, has been incorporated into a controversial, killer amendment to S. 4.

Likewise, for some time now, I have been working with the chamber of commerce on a regulatory flexibility proposal, one which I support, to give small business judicial review of adverse decisions concerning the impact of Federal regulations. Yet, this amendment and many others, which enjoy bipartisan support, are being used here in the most partisan of manners.

These are just two examples. There are others. Other proposals which I support individually but have been tossed into this substitute amendment. By incorporating them all in one amendment, the substitute's sponsors know they are forcing Members, especially Members on this side of the aisle, to vote against proposals which they strongly support. Rather than working for a vote on these amendments on their own merit, the proposals have been lumped together to serve a political purpose, not to provide any relief or benefit for our constituents. I for one believe that the individual's proposals which make up this substitute are too important to be used as a political hand grenade to be thrown at the underlying bill and I urge the sponsors of this substitute amendment to withdraw it from consideration immediately.

Mr. LIEBERMAN. Mr. President, I very much oppose this amendment. Let's not lose sight of what is going on here. This is a substitute for S. 4. If adopted, this amendment would replace S. 4. Let's be clear about that. If we adopt this amendment, we will not simply have added provisions that might be appropriate in another time or another place. We will have replaced the text of S. 4—a bill that is critically important to our future competitiveness, a bill that will keep our manufacturers on the leading edge of technology and, perhaps most importantly, a bill that will help generate the technology that will create the high-skill, high-wage jobs of the future.

So, you may like the idea of reforming Davis-Bacon. You may like the idea of providing small businesses with judicial review of adverse decisions concerning the impact of regulations. You may like the idea of requiring cost benefit analysis of all regulations. In fact, I like some of the things in the Simpson substitute. But I don't like the idea of killing S. 4.

In another place, in another time, I would certainly consider the merits of this proposal by my friend and colleague from Wyoming. But that is beside the main point.

As I look through this proposal there is at least one section which I have trouble with—the Private Property Rights Act. Private property rights are, of course, an important foundation of our economic system.

But one of the hallmarks of our system of government is that all rights are balanced and none are absolute. Even the freedom to speak, which is the cornerstone of democracy, has its limits. I respectfully suggest that this substitute takes the tried and true and much revered, much appreciated, much valued, much protected, right of private property in this country and would use that right as a theory to obliterate a host of other rights we have such as the right to due process, to be safe, healthy and free, and to be protected by a government of laws that we must depend on because we cannot always protect ourselves.

Mr. President, this proposal overreaches by far. It prohibits any rulemaking from becoming effective until the promulgating agency has been certified by the Attorney General as complying with Executive Order 12630 or similar procedures. Believe it or not, Mr. President, this amendment actually prohibits deregulatory rule makings from going into effect. This amendment prohibits rules from being repealed.

It is important to understand the tremendous breadth of the regulatory freeze that would be imposed by this proposal. It prohibits regulations from becoming effective even where the benefits clearly outweigh the costs. It would even prohibit emergency regulations, such as might be imposed if we found ourselves suddenly at war.

This proposal purports to codify by reference an Executive order which is a very significant change in the way this proposal was made from last year, because it means that no changes can ever be made to the Executive order except by statute. We must really devote careful study to the provisions of that Executive order before we codify it and prevent the President from ever changing it.

Furthermore, even if this proposal only applied to rulemakings that increase regulatory burden, it raises very serious questions. Under this proposal, the remedy for an agency's failure to achieve Department of Justice certification of its regulatory procedures is holding up the implementation of the final rule. By the terms of this proposal, a party challenging a regulatory action would not need to show that an actual taking had occurred, or that takings concerns were even implicated by the rulemaking. All it would have to show is that the Department of Justice had not certified that the agency was in compliance with the codified Executive order. The remedy goes way beyond what is necessary to address the perceived harm.

Mr. President, even where a taking may arguably have occurred, I am not convinced that this proposal is necessary. The Constitution establishes a very fair principle in the fifth amendment that when the Government takes private property there ought to be just compensation. Private parties who believe they have had their property taken can seek restitution in the U.S. Claims Court.

Moreover, there is a clear line of decisions that establishes what private property is. There are some court decisions that have begun to raise the question of whether some of the kinds of actions by regulatory bodies sometimes affect private property rights, but the job of developing that peripheral body of case law is much more appropriately left to the courts. The courts have been addressing these issues for over 200 years. And the fact that some of these courts have found that some Government regulations may result in a taking shows that the court system is working.

Mr. President, the proponents of this proposal have simply not made the case for this aggressive legislative intervention that I think would effectively and dramatically limit our Government's capacity to protect us, protect our environment, protect our health, protect our safety. It is important to remember what is at stake here. For example, should the President's proposals to reform banking regulations to ease the credit crunch really be delayed while the banking regulators are certified as complying with the Executive order? Do we really mean to suspend the government's ability to promulgate rules that save lives and protect public health? Do we really want to halt for an indeterminate period the Government's ability to issue rules that prevent fraud, waste, and abuse in Government programs, or that attempt to detect money laundering by drug traffickers?

My answer to all of those questions is no, and that, as well as my support of the underlying language of S. 4, is why I will vote against this amendment.

AMENDMENT NO. 1480

Mr. PRESSLER. Mr. President, yesterday the Senate refused to table an amendment I cosponsored with my distinguished colleague, Senator COCHRAN, which delayed the implementation of burdensome EPA regulations.

Regulations have damaged the competitiveness of U.S. businesses. If we are serious about passing legislation to improve the competitiveness of U.S. industry, the Simpson amendment deserves the consideration of my colleagues. Passing the Simpson amendment will do more for Main Street American business than any provision of S. 4.

Most Americans do not make their living in the high technology industry or in manufacturing. Manufacturing jobs, as a percentage of all nonfarm employment in the United States, have remained relatively flat for the past 33 years. Most of the jobs created in the United States have not been in the manufacturing sector. Does this mean we are not competitive in manufacturing? Not necessarily.

A recent McKinsey & Co. study, "Manufacturing Productivity," found that the United States still holds a worldwide edge in manufacturing in certain sectors. I would like to ask consent to submit for the record a New York Times article about the McKinsey report.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the New York Times, Oct. 22, 1993]

WHY U.S. IS INDEED PRODUCTIVE

(By Sylvia Nasar)

Contrary to a widely held view that the United States is an industrial has-been whose productivity in manufacturing has been surpassed in some other countries, a new study concludes that for manufacturing as a whole, the United States still holds a significant edge over the presumed world standard-setters, Germany and Japan.

The yearlong study—by the consulting firm McKinsey & Company, together with three of the nation's top experts on productivity including Robert M. Solow, a Nobel laureate in economics—combined research into nine industries with a wide array of available statistics. While other studies have also found that the United States was still the world's productivity leader in manufacturing, the new study provides a more detailed look at individual industries.

Productivity, or output per hour worked, is the ultimate yardstick of an economy's competitiveness. It determines a nation's material standard of living as well as its standing among nations.

EXPLAINING THE DISPARITIES

Perhaps the most provocative findings concern the probable causes of the productivity differences that do exist. It concludes that in industries where the United States has fallen behind, the reasons have more to do with how goods are produced than with the skills of workers or the quality of technology.

"If the United States is lagging behind Japan in certain manufacturing industries, it doesn't appear to be because of the failure of our schools or technology," said Martin Baily, a University of Maryland professor, who helped direct the study. "We haven't put enough effort into organizing the workplace and designing products so that they are easy to manufacture."

Others versed in the field welcomed the McKinsey effort. "A couple of economists in some dingy room can cook up anything," said John A. Young, former chief executive of the Hewlett-Packard Company and chairman of President Ronald Reagan's Commission on Industrial Competitiveness. "This draws on McKinsey's incredible network of people in the field who can do a little sanity check on the numbers."

The study, a sequel to a McKinsey report last year that found that American service industries had a large productivity lead over the German and Japanese industries, challenges the view of some influential economists—from Lester Thurow of M.I.T., author of "Head to Head: The Coming Economic Battle Among Japan, Europe and America," to Laura D'Andrea Tyson, chief of the Council of Economic Advisers—who have argued that American manufacturing has been overtaken by German and Japanese industries.

"There's a lot of conventional wisdom swirling around here that's turning out, by and large, just to be wrong," said Bill Lewis, director of the McKinsey Global Institute in Washington, and a former Assistant Secretary of Energy in the Carter Administration.

The study also suggests that losing leadership in a particular set of industries—cars, steel, consumer electronics—does not preclude first-rate economic performance or, for that matter, high living standards any more than a student with A−'s and B+'s would necessarily be less able than one who has a mixture of A+'s and D's.

"In the heads of a lot of people, there's a consumer-electronics theory of economic welfare," said Francis Bator, a Harvard University economist, who advised the research team. "It's nonsense."

The advice the report proffers runs counter to the conventional wisdom, and boils down to doing what the United States—as opposed to Europe and Japan—has already been doing: Where you lag, open your borders—not just to imports, but to transplants; where you lead, set up shop in the countries of the laggards.

"You can make theoretical arguments about managed trade," Mr. Lewis said, "but the evidence that we found, for the first time, is that the more open you are, the more productive you become. On the U.S. side, the proof is the renaissance of the U.S. auto industry."

McKinsey's comparisons of individual industries show that the United States is by no means the most efficient producer of all products: Japanese output an hour is 15 percent to almost 50 percent higher in cars, car parts, machine tools, consumer electronics and steel.

Germany's productivity, which is half to three-fourths this country's in half a dozen industries from cars to beer, is equal to the United States' in steel and machine tools.

But these industrial powerhouses trail so far behind in some other industries—packaged food in Japan, beer and cars in Germany—that, measured in dollars of comparable purchasing power, the average Japanese or German factory worker produces $8 worth of goods in the time it takes an American worker to make $10 worth. The comparisons are based on case studies of nine industries that account for about a fifth of United States manufacturing.

In Japan, for example, a worker in the highly protected and fragmented food-processing industry—which employs more workers than the auto, computer, consumer-electronics and machine-tool industries combined—produces $39 worth of food in an hour, compared with an American counterpart's $119.

"What makes the Japan-U.S. comparison for manufacturing as a whole so much in the U.S. favor is that food production is such a large business in Japan and is so primitive," Professor Bator said.

The study suggests that a lack of leading-edge technology is less important than some suggest. Brewers in Germany, for example, are far less productive than Japanese or American beer makers. But the reason is hardly that the Germans lack the technology. The more efficient American and Japanese brewers use machinery imported from Germany.

QUALITY BEYOND TECHNOLOGY

Nor is lesser technology necessarily the difference in cars. General Motors, for instance, poured billions into robots and other glitzy technology, while Toyota and other

Japanese manufacturers placed less emphasis on a high-tech approach and concentrated on how they trained, organized and motivated workers.

McKinsey's prescription for raising productivity—to expose manufacturers to head-to-head competition with Japan, Germany or whoever is No. 1 in an industry—raises hackles among American advocates of industrial policy.

The Europeans, said Stephen S. Cohen, co-director of the Berkeley Roundtable on the International Economy, "would be foolish to resist pressures to insulate themselves."

"They don't need more pressure," he added. "They don't have to take the same bloodletting."

But Professor Baily has a different perception. "We keep hearing policy makers say 'We've got to protect,' as if Americans got no benefit from going through all this pain and agony," he remarked. "Our industries today are in much better shape. Our view is that the evidence—particularly from Germany, which hasn't allowed that kind of competition—suggests that you should let the winners and losers emerge."

Copies of the report can be obtained from the McKinsey Global Institute in Washington by calling (202) 662-3141.

Mr. PRESSLER. High-technology jobs are high-wage jobs. I have seen the benefit of the creation of high-technology jobs in my State, but these jobs are still a small percentage of all the jobs created in South Dakota. Despite its small size, I doubt South Dakota is any different from other States in terms of jobs creation.

I have heard my colleagues state that S. 4 will create jobs. What I have not heard discussed is how many jobs will be created. The high-technology sector is promising, and has created well-paying jobs. Whether spending $2.8 billion over 2 years will generate a significant number of high-technology or manufacturing jobs is still, in my mind, a big question mark. Almost $3 billion may not impact significantly the trend of manufacturing jobs as a percentage of non-farms jobs since 1961.

By focusing on so-called critical technologies, we are rewarding specific sectors of our economy with Government incentives. The McKinsey study indicated that the United States has a worldwide edge in the food processing industry—not an industry identified as being a critical technology. It is, however, an industry of interest and importance to agricultural States. What do we do to assist industries that are not in manufacturing or high technology or identified as "critical"?

The wisest course we could take to assist these businesses, indeed, all U.S. businesses, is to implement regulatory reform, lift burdensome paperwork reductions and Government mandates on wages that must be paid for work on Government contracts.

I urge my colleagues to look upon the Simpson amendment as a logical extension of the Cochran amendment of yesterday. It is a concerted effort to lift onerous regulations from U.S. businesses, large and small, whether they are service industries or high-technology enterprises. Let us not just reward certain segments of the economy. Let us work for the benefit of all U.S. businesses.

Mr. CRAIG. Mr. President, I commend the Assistant Republican leader for offering this substitute to S. 4. Senator SIMPSON's substitute is the real National Competitiveness Act. The underlying bill, S. 4, is really the Picking Favorites and Industrial Policy Act.

Business enterprises in America want to compete, innovate, and create jobs. The biggest threat to their competitiveness, and therefore, America's competitiveness, is that the Federal Government will hobble them before they even make it into the world marketplace.

KEMPTHORNE OSHA REFORM

There are many excellent provisions in the Simpson substitute. I note, particularly, language that originated with my Idaho colleague, Senator KEMPTHORNE, providing exemptions from strict enforcement of the letter of the law when blind enforcement would punish heroic acts. That's pure common sense, but OSHA tried to fine an Idaho contractor when workers rushed to save the life of a coworker buried in a collapsing trench and ignored some OSHA technical requirements in the process.

That's what the Simpson substitute is all about: A commonsense understanding of how Government excess can stifle competitiveness and destroy jobs.

DAVIS-BACON REFORMS; INTRO

I want to speak in particular to the reforms that the substitute would make to the outdated Davis-Bacon Act of 1931.

I am the sponsor of S. 916, which would make comprehensive changes in Davis-Bacon, and I have cosponsored Senator BROWN's S. 1228, which would go all the way and repeal the act. I will continue to pursue those more substantial changes, but I welcome the incremental improvements that the Davis-Bacon changes in the Simpson substitute would bring.

I want to emphasize the compromise nature of the Davis-Bacon provisions in the Simpson substitute. These are the very modest reforms recommended by Vice President GORE's National Performance Review. This is about as bipartisan as you can get.

These provisions would raise the threshold below which contracts are exempt from Davis-Bacon from $2,000 to $100,000 and scale back a lot of unnecessary and useless paperwork that employers are required to file every week.

RAISING THE THRESHOLD TO $100,000

Setting this threshold for Davis-Bacon is consistent with other NPR recommendations that $100,000 should be a set as a uniform contract threshold for government acquisition of goods and services. The current $2,000 threshold was set in 1935 and is so low that, as a practical matter, all construction, alteration, and repair contracts are covered by Davis-Bacon.

The $100,000 threshold would exempt only 3.5 percent of the contract dollar volume of current Davis-Bacon contracts—in other words, only 3.5 percent of the actual construction alteration, and repair work being performed. But because a small amount of this work is covered by a very large number of very small contracts, almost 75 percent of the number of contracts would be exempted.

Today, the Department of Labor is forced by Davis-Bacon to spend a disproportionate amount of its resources issuing prevailing wage determinations and collecting paperwork for hundreds of thousands of these tiny contracts. They are stepping over boulders to pick up pebbles. By Federal standards, a $100,000 construction contract is a tiny contract.

Lifting this burden of micromanagement with a $100,000 threshold would free up resources to improve the quality of DOL's work on the remaining 96.5 percent of construction contracts.

Many small and minority contractors would like to bid on Federal contracts for small jobs but are discouraged from doing so because of the rigid and archaic work rules, the arbitrary and artificial wage rates, and overwhelming paperwork requirements that come with Davis-Bacon.

To at least a modest extent, therefore, this reform would allow many small and minority contractors to compete for the first time in the Federal arena. Senators talk a good game about promoting small and minority businesses. This substitute actually does something to treat them more fairly.

DAVIS-BACON PAPERWORK REDUCTION

The other Davis-Bacon reform that Senator Simpson adopts from NPR is paperwork reduction. Today, the Copeland Act of 1934 requires contractors on Davis-Bacon projects to submit copies entire payroll records to the government on a weekly basis. It's estimated that this produces 11 million reports a year, requiring 5.5 million hours of industry expense, and accounting for 5.5 percent of DOL's total paperwork.

Officials have testified in the past that, coming in a tidal wave as it does, all of this paperwork is useless and enforcement of Davis-Bacon generally depends on the filing of actual complaints.

The Simpson/NPR reform would require that every contractor certify compliance with Davis-Bacon on a monthly basis. This would still keep employers on notice as to their responsibilities and would deter violations.

Mr. President, the Davis-Bacon Act discriminates against minorities and women, prevents public-spirited citizens from volunteering for community projects, reduces the amount of housing that can be provided for the poor, wastes billions of dollars, and lines the pockets of a few big contractors who specialize in milking the Federal procurement system.

We ought to repeal or more substantially reform it. But the Simpson/NPR provisions in this substitute are at least a step in the right direction.

CONCLUSION ON THE SIMPSON SUBSTITUTE, IN GENERAL

Back on a more general level, Mr. President; we all agree that government at local, State, and Federal levels should exercise its authority in appropriate circumstances to protect public and worker safety and promote fair dealing. But these responsibilities involve restraining excesses, promoting honesty, and penalizing negligent or dangerous acts.

That's a far cry from government trying to substitute its supposed wisdom for the judgment of the men and women actually trying to provide goods and services.

A funny thing happens when government gets tangled up in decisions that should be left to the marketplace. Political thinkers from John Locke to Lady Thatcher have pointed out that political considerations replace economic ones, favoritism replaces competition, and privileged elites are the principal beneficiaries.

If we genuinely want to enhance competitiveness, if we want real regulatory reform, we will pass the Simpson substitute to S. 4. It's a thoughtful and comprehensive plan that includes ideas from both sides of the aisle and deserves the Senate's approval.

Mr. HATFIELD. Mr. President, the Simpson amendment to the pending legislation, the National Competitiveness Act, includes important reforms to the Davis-Bacon Act of 1931. While I strongly support the continuation of the Davis-Bacon law, I do believe changes need to be made.

It is my understanding that legislation has been pending before the Labor Committee that would make extensive changes to the Davis-Bacon Act for the last two Congresses. In fact, many of the reforms have been marked up in subcommittee by the House. Several of the provisions of the bill are meritorious and it is my hope that we will be able to enact some of these reforms in the near future. By supporting these carved out reform provisions now, I believe that it will serve notice to the Labor Committee that I am ready to reform the Davis-Bacon Act sooner rather than latter.

I have my own ideas of reform that should take place regarding the applicability of the Davis-Bacon Act on volunteers. Volunteers should be allowed to work on certain types of community projects in rural areas if they choose to do so by their own volition and if they are not being supervised by paid contractors or subcontractors. Volunteers should not be allowed to work on the construction of nuclear power plants or highway projects. However, many rural communities cannot afford to improve their communities because of fiscal constraints. Without the use volunteers, many rural communities simply cannot afford to build new courthouses, schools, libraries, and the like. Clearly, projects of this nature benefit the community as a whole.

Mr. President, although I support the Davis-Bacon Act reforms included in the Simpson amendment, I am committed to working with my colleagues on the Labor Committee towards comprehensive Davis-Bacon Act reforms in the near future.

Mrs. FEINSTEIN. Mr. President, I would like to speak for a few minutes on the bill that is before this body, S. 4, the National Competitiveness Act.

I rise in support of the bill. I believe that this bill is going to improve the industrial competitiveness and the economic growth of this Nation. The reason it is going to do that is that it is going to strengthen civilian technology programs, something that we do not pay enough attention to, primarily in the manufacturing sector.

I am one that happens to believe that manufacturing is extraordinarily important to this country. It accounts for 19 percent of the gross domestic product, 75 percent of all U.S. exports, and approximately 19 million jobs. More importantly, it has traditionally, provided the well-paying jobs that have allowed average Americans to live the American dream.

You can get a production line job, you can buy a home, you can finance a car, you can educate your kids and, yes, you can even send them to college. That is the American dream.

In California—and since California plays so predominantly in this debate, let me make the argument on the basis of merit—our manufacturing sector has been severely and adversely affected by defense downsizing. Twenty-one percent of our manufacturing employment is in aerospace. The aerospace position of the manufacturing sector is being devastated. Since 1988, aerospace employment has declined by 42 percent.

On the basis of merit alone, the private sector job loss due to the defense drawdown between 1991 and 1997 is three times higher in California than in any other State in the Union. Of the top 10, California is No. 1, followed by New York, Texas, Virginia, Massachusetts, Pennsylvania, Ohio, Florida, Connecticut, and New Jersey. But the California job loss is three times that of the next highest States, Texas and New York.

So nobody should ascribe politics to this. Take a look at what is happening out there. It is three times worse in the State of California than in the next worst off State.

I mentioned this Nation must have a strong manufacturing base.

I will never forget being at a speech that Akio Morita, the chairman of the Sony, made. One of the things he said in his speech was, "What I greatly fear is that America loses its manufacturing base. If it loses its manufacturing base, it will cease to be a world power."

The United States, in fact, is falling behind other nations in adopting advanced manufacturing technologies to increase productivity and to improve the quality of goods.

According to the Department of Commerce, the United States is either "losing badly" or "losing" to Japan and Europe in 13 of 24 emerging technologies, including superconductors, advanced materials, sensors, and biotechnology. The United States is leading Europe in only 3 technologies and is not leading Japan in any technologies.

Let me quote from the 1991 Council on Competitiveness report:

> The United States is losing badly in many critical technologies. Unless this Nation acts today to promote the development of generic industrial technology, its technological position will erode further, with the disastrous consequences for American jobs, economic growth, and the national security. The Federal Government should view support of generic industrial technologies as a priority mission.

That is exactly what this bill does.

Unfortunately, our Nation has not invested in these technologies as much as other countries. While some European countries invest upwards of 20 percent of their research and development budget for the industrial sector, the United States invests a mere 0.2 percent in industrial development. Other nations, 20 percent; we are investing 0.2 percent only. At the same time, the United States invested over 65 percent of its R&D budget for defense, compared with 12.5 percent for West Germany and less than 5 percent for Japan.

Clearly, we must do more to help our civilian technologies. The United States R&D budget must place a greater emphasis on supporting civilian industrial technologies. As the committee report states, "The selective expansion of Federal civilian technologies and manufacturing programs can contribute significantly to United States economic competitiveness and prosperity."

The National Competitiveness Act, this bill, helps to accomplish this. It creates a "21st Century Manufacturing Infrastructure Program" to develop, in partnership with the private sector, new technologies to enhance productivity and improve U.S. global competitiveness. Also, it helps get these new technologies into the private sector quickly and effectively.

Let us talk about small business for a moment. The future of the American business sector is small business, rising dramatically, new startups, new ideas, new creativity. Small business is where much of the action is.

This bill helps small business, and I will tell you how. Many small businesses, as we have discussed before on this floor, particularly when you talk about capital gains and capital formation, do not have the resources or the capital to invest in new technologies and upgrade existing equipment. According to the National Coalition for Advanced Manufacturing, of the 360,000 smaller American manufacturers—those with 500 or fewer employees—most have not advanced in the adoptions of modern equipment. Only 6 in 10 smaller businesses employ advanced technology, compared with 9 out of 10 businesses with more than a hundred employees.

Building on the successes of manufacturing technology centers and the State technology extension program created in the Omnibus Trade and Competitiveness Act of 1988, this bill will increase authorization for advanced technology programs, ATP—the one Federal program whose sole purpose is to help private sector civilian companies with the research that is necessary to speed the development of promising new technologies. ATP is similar to the successful technology reinvestment project, known as TRP, which is devised to help defense firms transition to the civilian marketplace, and it is also a competitive grant program.

This bill provides, as you know, $2.3 billion over 2 years to expand the efforts of commerce to place advanced manufacturing technologies into the hands of small- and medium-sized business.

Please, let us not get into this bill might benefit California, or this bill might benefit another State. Do we not want to do this as a nation? Do we not want to be strong? Do we not want to see our small businesses be able to compete with others? Do we not want to see our manufacturing in America be able to compete with Japan and Germany and other countries?

Anybody whose answer is no does not belong in the Senate of the United States.

Of course, we do. It is American to think that way. We want to see our businesses upgraded.

We talk a lot about global competitiveness, the free marketplace. What is wrong with talking about a partnership between the U.S. Government and the small businesses of this Nation; a partnership between America and manufacturing in this Nation? What is wrong with it? That is what we ought to be discussing.

I commend the Senator from South Carolina. This is an important bill. I submit to you, it boggles my mind to see how people could be opposed to it.

So I am very happy to support S. 4 and I was very pleased to see that it was unanimously reported out of committee with strong bipartisan support.

Please, this is not the stimulus package of a year ago. This is a National Competitiveness Act aimed toward the private manufacturing and the private small business sector to make us competitive worldwide. Let us go ahead with it.

Thank you, Mr. President.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator. It is a very eloquent statement, and a unique one in that it is on the bill.

This is the fourth day. We have never had an amendment, really, to the bill itself. We have had various political maneuvers to kill the bill, namely this one here at hand we will momentarily move to table. This, as the distinguished Senator reminded me, when Akio Morita made the statement that he was fearful we would lose our manufacturing base, that was over 10 years ago. MIT, a special commission on industrial productivity, issued a book back 5 years ago, "Made in America." Right to the point, they found we ought to be getting just into these programs we are talking about of the partnership in technological research.

I am going to skip over some things. Along comes the task force of the Republican Party. They state categorically, these distinguished Senators in the party itself, that "The task force endorses the National Institute of Standards and Technology as an important effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are: First, the Manufacturing Technology Program and the Advanced Technology Program."

So we know we have their programs and we have them endorsed. I know it is all peer reviewed and all on a merit basis. So what has the Secretary of Commerce done? He has gone over to the Defense Department and got Arati Prabhakar on the one hand, as the Administrator or Director of NIST, the National Institutes of Standards and Technology, who has been working for over 10 years in the Department for President Reagan and for President Bush, administering the programs. Otherwise, you have Under Secretary Good, who was President Reagan's appointment. She is the Under Secretary for Technology, President Reagan's appointee—the Chairman of the Board of Directors of the Science Board of the National Science Foundation. Then we come almost in seriatim to the programs themselves: 31 States, some 85 of the different programs, all listed that we have taken from DARPA, and put over here. That is why we have the increases.

Then we come, of course, to the Critical Technology Subcouncil itself that just recently put out a report saying this is exactly what we ought to be doing. It is updated now. They said we ought to have, for example, just by way of figures, because the moneys have come in—they said we ought to have in the Advanced Technology Program, I read: "Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of $750 million."

This is only at the $500 million level 2 years out. We never have gotten to that. The overall program is less than $1 billion. In fact, all of these things in here, the National Science Foundation, the SBA loans, the construction of $100 million in here—all those add up to the $1.3 and $1.4 billion, which, incidentally, while I am reminded—the ranking Member, he voted for $1.5 billion. So this is less than what the distinguished chairman voted last June, along with all the other Republicans and all Democrats in the report of the bill.

But this auspicious group here, all the technology leaders in the country, said the Advanced Technology Program should reach $750 million, and it has here, the amount for the entire program should be anywhere from $4 to $8 billion. We do not even approximate that.

So we come to the end, after working through with the Energy Committee, with the Small Business Committee, Democrats, Republicans on both sides, Labor, Health, Human Resources, Education Committee; the White House, Department of Commerce, OMB that cut back the money and everything else like that, and really joined unanimously, 2 years ago—unanimously out of the committee last year. Now we are ready to pass it. And in 4 days they have not put up a single amendment that was pertinent to the bill or to amend any section of the bill. There have been these onslaughts from pesticides to post offices, Whitewater we have had around here and everything else but this.

This particular amendment has just a grab bag of any and every kind of regulations: Postal regulations, Davis-Bacon provisions, labor provisions, retraining provisions, Post Office provisions again, and everything of that kind. Not as an amendment to this bill, but as a substitute, to take all of this fine work and a studied measure, all in the best of light, really getting this country moving, and to put up that grab bag.

I move to table the Simpson grab bag.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the motion of the Senator from South Carolina.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 52 Leg.]

YEAS—56

Akaka
Baucus
Biden
Bingaman
Boren
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Conrad
Daschle
DeConcini
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—42

Bennett
Bond
Brown
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Campbell
Dodd

So the motion to lay on the table the amendment (No. 1486), as modified, was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER (Mrs. BOXER). The Senator from Wyoming.

Mr. HOLLINGS. Madam President, if the Senator will yield a minute.

Mr. WALLOP. I will be happy to yield.

Mr. HOLLINGS. Madam President, we have had two formative votes relative to the so-called strategy, and I know this is not a partisan bill because I have worked it for 3 years. It is a bipartisan measure. So I hope that will satisfy the nicities of that particular thought. Now we can go on to anywhere, we have heard, from four to six remaining amendments. I do not know how long they will take. I think the two or three I have heard of will not take long, but there might be three others that might require extended debate. But it is the intent, with the majority leader's permission, to go right on at least a little bit later tonight to get several more votes.

So we are ready to go, and I thank the distinguished Senator for yielding.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

AMENDMENT NO. 1487

(Purpose: To amend chapter 6 of title 5, United States Code, relating to regulatory flexibility analysis)

Mr. WALLOP. Madam President, I send an amendment to the desk on behalf of myself, Mr. COATS, Mr. MACK, and Mr. SIMPSON, and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP], for himself, Mr. COATS, Mr. MACK, and Mr. SIMPSON, proposes an amendment numbered 1487.

Mr. WALLOP. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (2) by inserting "any rule of the Internal Revenue Service" before "or any other law, including";

(2) in paragraph (5) by striking out "and" at the end thereof;

(3) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

Mr. WALLOP. Madam President, as the Senate considers the National Competitiveness Act, many Americans find it ironic that the biggest hurdle to U.S. competitiveness is oftentimes their own Government. The rules to regulate every aspect of business activity—how it interacts with workers, other businesses, customers, the public, and the environment have become so pervasive and the burdens so onerous as to hinder all ability to compete.

Regulations are estimated to cost Americans between $880 billion and $1.6 trillion per year. This sounds like the kind of deficits we run up in decades, but Madam President, this is the per year cost to American business.

There are nearly 125,000 Federal employees who do nothing but issue and inforce regulations. In 1993, last year, the Federal Register published 69,688 pages of proposed and final regulations which businesses are expected to know and to comment upon.

How can we expect American business men and women to compete when they have to spend so much of their time, so much of their effort, and so much of their creativity just trying to meet the demands of their government. The burden is especially difficult for small business, and even small rural communities, to shoulder. Even relatively inexpensive regulations can pose insurmountable obstacles to small businesses.

One mechanism in place to help shield small entities is the Regulatory Flexibility Act of 1980. It requires agencies to consider the impacts of their rules on small businesses and when possible, modify those rules to mitigate any undue burdens.

Madam President, unfortunately, the agencies have found innumerable ways to avoid complying with this act, so that, despite its intentions it is no longer effective.

For instance, under current law no regulatory impact analysis is required for rules classified as interpretative—following congressional intent. Unfortunately, some agencies improperly classify rules as interpretative and thus avoid having to perform any analysis of its impact.

This amendment closes the loophole by including interpretative rules within the coverage of the act.

Second, the original Regulatory Flexibility Act does not take into account the fact that regulations which are imposed on small entities have an indirect impact on the customers and/or clients of those entities. This amendment would ensure that these are properly considered.

Most importantly, currently the Reg Flex Act has no teeth. Whatever its intentions, it cannot be made to be enforced.

Let me briefly outline how the process is supposed to work. If a proposed rule impacts small entities—small businesses, small nonprofit organizations, and rural municipalities—then agencies have two options; perform a regulatory flexibility analysis or issue a certification.

If a rule significantly impacts a number of small entities then the agency must perform a regulatory flexibility analysis. Most importantly, the agency must review alternatives which might mitigate the adverse economic impact of the rule.

If, on the other hand, the agency decides that a rule will not have a significant economic impact upon a substantial number of small entities, it issues a certification of that fact, along with the reason for the finding.

The Reg Flex Act has no teeth because agency decisions cannot be challenged.

Madam President, this Congress spoke loudly and clearly when it passed the Flex Act. It intended for agencies to pay heed to the effects of their regulations on small business. But these are made essentially unreviewable by any court. So while a court can look at a regulatory flexibility analysis to determine whether a rule is rational, no court has ever deemed the rule invalid based on a defective regulatory analysis. Thus, agencies can prepare an inadequate impact analyses with impunity and they can certify that a rule has no significant impact without any meaningful challenge.

Absent judicial review, the Regulatory Flexibility Act simply does not work as intended. It will not, and cannot shield small entities from the crushing weight of burdensome regulations unless we give them the opportunity to have a court review agency actions.

To my knowledge, the only opposition to allowing judicial review is from the Federal agencies themselves. They fear a flood of lawsuits to slow them down. Madam President, I do not believe that is a bad thing, but, history says those fears are unfounded. The fact of the matter is, that small businesses simply cannot afford to challenge any but the most egregious rulemaking. And I would also note that although 24 States allow judicial review of their State rulemaking process, less than 10 lawsuits have ever been filed.

Madam President, this is not a partisan issue. This is a provision which has widespread support on both sides of the aisle.

Let me read from Vice President GORE's National Performance Review. The first recommendation of the Small Business Administration is to:

> Allow Judicial Review of the Regulatory Flexibility Act—allow access to the courts when federal agencies develop rules that fail to properly examine alternatives that will lessen the burden on small businesses.

So the administration is in favor of it. The Vice President has made it part of his National Performance Review. The Acting Chief Counsel for Advocacy, the office charged with giving small business a voice in Government, recently discussed the importance of judicial review of Reg Flex decisions. Doris Freedman said:

> Absent some procedure to force agency compliance with the RFA (Reg Flex Act), such as improved opportunity for judicial review of agency determinations under the Act, some agencies will continue to evade the spirit of the RFA through mechanical and boilerplate application of the certification process. Such evasion is antithetical to good government and mocks the reform recommendations instituted by President Clinton and other recommendations made by the NPR (Nation Performance Review). After considering other alternatives, I must agree with the NPR—the threat of litigation, judicial review, and potential remand of regulations is the only way to obtain full agency compliance with the analytical requirements of the Act.

Virtually every small business trade association supports strengthening the Reg Flex Act. The National Association for the Self-Employed, representing 320,000 members 85 percent of whom employ five people or fewer, strongly support my amendment. The most recent White House Conference on Small Business, held in 1986, endorse strengthening it.

I urge my colleagues to join me in doing something to improve national competitiveness. By mitigating the impact of excessive regulation, the competitiveness of America's small business can be determined in the marketplace, not the office of a Federal bureaucrat.

Madam President, I ask unanimous consent that the paragraph from the Vice President's National Performance Review recommendation, Small Business Administration No. 1, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

VICE PRESIDENT GORE'S NATIONAL PERFORMANCE REVIEW RECOMMENDS:

SMALL BUSINESS ADMINISTRATION

SBA01: Allow Judicial Review of the Regulatory Flexibility Act—Allow access to the courts when federal agencies develop rules that fail to properly examine alternatives that will lessen the burden on small businesses.

Mr. WALLOP. Madam President, I also ask unanimous consent that a letter to me from the Chamber of Commerce of the United States dated today endorsing this be printed in the RECORD. I will read the first paragraph.

> The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, strongly supports the regulatory flexibility act amendments, which are expected to be offered as an amendment to S. 4 by Senator Wallop. Accordingly, we urge you to vote for adoption of these amendments.

The letter goes on to say that the Chamber will include this vote in its annual "how they voted" ratings, and it is signed by William T. Archey, a senior vice president for policy at Congressional Affairs.

I ask unanimous consent that the entire letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD as follows:

CHAMBER OF COMMERCE OF THE
UNITED STATES OF AMERICA,
Washington, DC, March 10, 1994.

Hon. MALCOLM WALLOP,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR WALLOP: The U.S. Chamber of Commerce, representing 215,000 businesses, 3,000 state and local chambers of commerce, 1,200 trade and professional associations, and 69 American Chambers of Commerce abroad, strongly supports the regulatory flexibility act amendments, which are expected to be offered as an amendment to S. 4 by Senator Wallop. Accordingly, we urge you to vote for adoption of these amendments.

The Regulatory Flexibility Act of 1980 (RFA) was designed to provide the small business community respite from the ever-growing hindrance of excessive regulation by requiring federal agencies to consider the impact of proposed regulations on small entities. Its intent was to ensure that the least burdensome approach for regulatory implementation was adopted. Unfortunately, the law has some fundamental flaws, the most important being that the agencies do not have to answer to any compelling authority for noncompliance. The RFA specifically excluded the courts as reviewers. In turn, this has led to bureaucratic abuses of the RFA. Senator Wallop's amendment would authorize judicial review of agency compliance with the RFA—the crucial ingredient necessary to make the RFA work as originally intended.

The RFA was never intended to relieve small business of its responsibilities, but rather to ensure ease of compliance. Small businesses have too often borne the brunt of the cumulative impact of federal mandates. Given their importance to our struggling economy, we need to ensure not just their survival but their growth as well. Senator Wallop's amendment is in that spirit and merits your support.

The Chamber will include this vote in its annual "How They Voted" vote ratings.

Sincerely,

WILLIAM T. ARCHEY.

Mr. WALLOP. Madam President, it is my hope that the Senate will see fit to adopt this amendment. It has been bipartisan and has been the subject of Small Business Committee hearings. The Senator from Arkansas [Mr. BUMPERS], has been in favor of it. I do not see him here. The fact of it is that the agencies of the Government of the United States are simply not complying with the spirit of the law. Elsewise, we would not need judicial review. This amendment simply provides a means by which some in small business—and many of them do not have the wherewithal to challenge Government—will, from time to time, be able to take on the most egregious regulations and ask that they be reviewed as Congress intended.

I urge adoption of my amendment.

I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Madam President, I regret that I must oppose the amendment offered by my colleague from Wyoming, Senator WALLOP. I very strongly support the goals of the Regulatory Flexibility Act, and I realize, as hearings by the Committee on Governmental Affairs have shown, that Federal agencies have done a poor job. They have indeed done a poor job of meeting the Reg Flex Act and requirements for regulatory flexibility for small business and for small governments, also.

I agree with Senator WALLOP that the act has not lived up to its promise, and its regulatory flexibility requirements do need to be strengthened. I, too, have introduced legislation to accomplish that objective. But I feel that, right now, in the middle of this S. 4 is not the time to consider this particular amendment.

The Committee on Governmental Affairs, of which I am chairman, will soon have a second hearing on unfunded Federal mandates on State and local governments. We plan a further hearing on the regulatory burdens on business and the current state of Federal regulatory management. These hearings, I think, will be a very appropriate forum in which to consider all the different aspects of proposals to reduce regulatory burdens on small business and small governments.

There are a couple of specific concerns with this particular amendment that I wanted to point out. First, the proposed amendment would require agencies to analyze indirect economic effects on small entities, as well as the direct effects. I agree that agencies should consider such indirect economic effects in the regulatory process. But the amendment would, as I understand it, require regulatory flexibility analysis on all regulations that have either a direct or indirect effect on small business or small governments.

If I read this correctly, this provision would require an analysis for every single regulation put forward by the Federal Government. I do not want to get us into another situation of paralysis-by-analysis. If we are saying, well, it would not require that on most of them, well, you never know what the direct or indirect effects are going to be unless you do this kind of analysis to find out. On every single regulation to be put out—and there are thousands per year—we are trying to reduce those regulations, and I agree that we have far too many regulations put out, and we want to curtail that. But to require such an analysis on every single regulation, which is the only way this can be interpreted, I think that puts us into a situation, as I said, where we are going to analyze things into paralysis, I am afraid.

Further, the amendment subjects the analysis to judicial review—all of these things, every single one of them. I am sympathetic with the concerns that underlie the need for judicial review. I favor some sort of judicial review. However, we should be careful that in inserting judicial review into the Reg Flex Act, we do not want to turn this into the "lawyers full employment act." I know the Senator from Wyoming addressed this, and there have not been many cases, or whatever the statement was a moment ago, in the State functions. Only a few cases have been brought.

I believe that any efforts to establish judicial review should be very carefully evaluated and then carefully crafted so we can avoid the flood of litigation that could end up clogging the courts. So I hope that my colleague from Wyoming could work with us in strengthening the Reg Flex Act. I want to work with him on that. I believe that the currently scheduled hearing before the Committee on Governmental Affairs will provide an appropriate forum in which to consider the ideas. We already have the hearing schedules. This debate on S. 4 is neither the right time nor place to consider the amendment.

With regret, I must urge my colleagues to vote against the Wallop amendment.

I yield the floor.

Mr. WALLOP. Madam President, I wish I had heard reason to oppose my amendment. I have heard lots of reasons to move on with it.

I say to my friend from Ohio that we have been trying to get these amendments considered. We had hearings on this as far back as 1989. It does not give the people of America, who have to live with these things, a great deal of confidence to know that we are going to have more hearings. It has often been said, incorrectly, that the way to do nothing is to have a study. What we have is another study.

The Senator from Ohio talks of unfunded mandates. For Heaven's sake, they are part and parcel of the problem, but not the direct effect of this amendment or the Senator from Wyoming and the Reg Flex Act.

What we are talking about here is what the Vice President of the United States has endorsed. What we are talking about here is what the Office of Advocacy in the Small Business Administration has endorsed. What we are talking about here is the necessity for judicial review. If anybody thinks that there is the means by which you can add teeth to this regulatory flexibility, the Reg Flex Act, as it now exists, without giving judicial review, let them say. But there have been hearings in 1989, 1990, 1991, 1992, and 1993. It is time we acted on this. America is waiting for us to do something different, and we have not been willing to.

They have been speaking to us about how the arrogance of the regulatory community is very, very simple. It just says we do not have to do it, and you cannot make us.

The Senator says—and I agree—that we do not want to establish a paralysis-by-analysis and a lawyer's dream. But there are 240 years worth of experience within the States, and only 10 times have there been cases brought. American small business is a darn sight more intelligent and practical than is America's regulatory community. They are waiting for us to act, and we do not need more hearings. We know what it means.

We have had, with all due respect, hearings and hearings upon hearings, and the fact of it is that the small business community continually comes to us and says: For Heaven's sake, put the voice of reason into this Government. The reason why we continue to have a high degree of small business failures, frankly, Madam President, is because it is so complicated to comply with the rules of the Government of the United States that most of them cannot afford to.

If the Senator would agree, and I am sure he would if he has been traveling his State of Ohio, that what has taken place in America is that small businessmen and small governments are frightened of their Government lest it take notice of them. They are trying to serve it rather than be served by it.

We would not be here with this amendment if the agencies of the Government of the United States had in any way lived up to their responsibility as Congress hoped when we passed the Reg Flex Act in 1980.

It just does not make sense to ask businesses and small communities and small governments in America to wait for more hearings when we have been doing nothing here. How do we listen? The hearings have been held. But the listening has apparently not started. This amendment is an attempt to get us to listen to America.

If the Senator wants, report language could easily reflect the worry that he has about this turning into a judicial nightmare. I think the worry is misplaced. The experience of States has been that it just is not a problem, and there is no reason to suppose, unless there is a total lapse of responsibility, that the Federal Government would have more problems than do the States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, I know we do not want a long, extended debate on this. I do not plan to get in a long discussion of this thing because

I know the distinguished floor manager of the bill, Senator HOLLINGS, wants to move along and get this done as rapidly as possible.

I would only respond in brief, in that I know there have been hearings. For a long time I have tried to get regular review, and I know the Senator from Wyoming has been very interested in this.

I submit, before one of the things that held it up in the previous administration was some of the action on the Council on Competitiveness where, when we tried to get regulatory reform and interest in it, there was not that kind of interest. There was interest in taking some other paths toward paperwork reduction and reg reform and that sort of thing.

I submit we are into a different day now. The new administration has, in fact, put out an Executive order, which I am sure the distinguished Senator is aware of, cost-benefit analysis. It does not go to the smaller contracts, that is true. It is on the bigger contracts. But something like that can certainly be extended down to the smaller contracts, and smaller regulations will be considered. So we want to look at that.

But as I understand it—and I would like to be corrected on this; I seriously would like to be corrected if I am wrong—as I understand it, this would require analysis of every single regulation put forward by the Federal Government for direct or indirect consideration and then would submit each one of those to judicial review if the person wanted to do that.

That opens up a real enormous Pandora's box of potential litigation, as I see it. If I am wrong in my assumptions, then that is a little different ball game. But I do not think I am wrong, not by the wording of it anyway. This would require that kind of a regulation to know whether there are direct or indirect effects, I believe. Is that correct?

Mr. WALLOP. The Senator is correct, when dealing with the final rule. But if the Senator has talked with his small businessmen and his small communities—and I am sure he has—and I am sure he knows that the indirect effects are the ones that are killing them. Their impact is not so difficult to analyze. The fact of it is that small businesses need this help. What has happened is that the arrogant Washington Government just does not care what the indirect effect is. If agencies did nothing but look over their shoulder, we would have a better and more efficient Government.

Madam President, I do not intend to carry on the debate, but I would like to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There does not appear to be a sufficient second.

Mr. WALLOP. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. WALLOP. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to call the roll.

The assistant legislative clerk resumed the call of the roll.

Mr. GLENN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Madam President, will the Senator yield again for a request?

Mr. GLENN. I yield.

Mr. WALLOP. Madam President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Madam President, I was not aware until just a few moments ago that there has been a letter sent to the distinguished chairman of the Finance Committee, Senator MOYNIHAN, from the Department of the Treasury, Secretary Lloyd Bentsen, and I will read the letter:

> DEAR PAT: I understand that the Senate is currently considering Senator Wallop's amendment to the Regulatory Flexibility Act (the "Act"). This amendment would subject interpretative tax regulations issued by the Internal Revenue Service (IRS) to the provisions of the Act. I believe that this amendment is unwise and would operate to the detriment of taxpayers, including small businesses.
>
> Currently, the Act requires agencies to prepare a regulatory flexibility analysis when the Administrative Procedure Act or any other law requires the publication of a notice of proposed rulemaking—that is, when the regulations are not interpretative. When regulations merely interpret rules passed by Congress, rather than impose additional rules on taxpayers, an agency is not required to issue a notice of proposed rulemaking and thus is not required to prepare a regulatory flexibility analysis.
>
> I oppose Senator Wallop's amendment for several reasons. First, current law requires the IRS to consider the impact that their interpretative rules will have on small businesses. Congress has, in the past, carefully considered and rejected the application of the Act to interpretative IRS regulations. It should do so again. Rather than apply the Act to all IRS regulations, Congress in 1988 enacted section 7805(f) of the Internal Revenue Code. This section requires the IRS to submit all proposed regulations to the Small Business Administration's (SBA) Chief Counsel for Advocacy for review and comment. The IRS is required to explicitly address comments of the SBA when it is finalizing regulations. These rules are a very important part of the regulatory process and the IRS fully complies with these Congressional mandates.
>
> Second, this amendment would have a significant adverse affect on the ability of the IRS to administer the tax code and provide necessary and timely guidance to taxpayers. The IRS issues interpretative rules to provide taxpayers with the guidance necessary for compliance. Tax regulations are generally classified as interpretative because they are so closely tied to the statutory provisions to which they relate. The IRS does not classify tax regulations as interpretative to avoid rules requiring an analysis of how the rules affect small businesses.
>
> Third, this amendment would have an adverse impact on taxpayers ability to comply with a detailed and comprehensive framework for the determination and collection of taxes. We have received numerous complaints from taxpayers and their advisers that the IRS issues too little, rather than too much, guidance and that guidance is needed faster. On Sept. 30, 1993, the President issued a memorandum directing agencies to review the procedures by which they develop and review regulations and to report back to him by March 31, 1994 on actions they have taken to streamline those procedures. The President's goal is that regulations be issued on a more timely basis. To impose the Act on the IRS when it is issuing regulations that merely interpret rules enacted by Congress would clearly delay the issuance of regulations to the detriment of taxpayers, including small businesses.
>
> Sincerely,
>
> LLOYD BENTSEN.

I was not aware of this letter until just a moment ago here. So I am sorry I did not have a copy of this to give to my colleague. If he wishes a copy, I will be glad to give it to him.

Mr. WALLOP. Madam President, I will try not to carry on too long on this.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Madam President, at the end of my remarks I know what happens. This will be used as a means by which to destroy what we are trying to do for small business.

The letter from the Secretary of the Treasury is precisely why we need this amendment.

I will move to strike the provision. If I could have the attention of the Senator from Ohio, I would like to say why it was included and why it is needed and why I will fight to return one day to put it in.

The fact of it is that the IRS is the principal agency to whom this ought to apply. The Office of Advocacy in the Small Business Administration says so. But they have one person—one person, Madam President—to look at everything that comes out of the IRS.

Now if we want to expand exponentially the staff of the Small Business Advocacy Administration, we can do that, but the IRS will ignore them anyway because they have no means by which to enforce the RFA.

The Regulatory Flexibility Act now applies only when Federal agencies are required to issue notice and comment. As a result, interpretative rulings, general statement of policy, rules concerning loans, grants, benefits or public contracts are not subject to the analytical requirements under the act. Because the IRS claims that its rulings are "interpretive"—to advise the public on the construction of the law—the IRS falls outside of the requirements of RFA.

Our amendment would subject the IRS to the rules of RFA. It would treat them like other agencies. There is no good reason why the tax hounds of America ought to be treated differently than other agencies and, in fact, because of the economic cost of their regulations, it is all the more important that they are treated the same.

By applying RFA to the IRS, they would have to consider the impact of their regulations on small businesses and determine if there is a less onerous alternative that does not detract from its collection purposes.

And I might say, Madam President, that in the course of this, I will show that in some cases the IRS is costing itself money by its idiotic application of regulations.

My amendment is intended to apply only to temporary, proposed, or final regulations issued by the IRS. These are the rules by which they interpret the tax code and which have the most impact on small business.

Why should we not consider what the impact of regulations are on small business? Is the IRS king god, above all of us? Are they not part of a democratic process? Is the IRS so important to America that they can waive all the constitutional requirements of a democracy?

Now I do not intend to have the amendment apply to such rules as technical advice memoranda, revenue rulings, or revenue procedures.

The IRS says the Office of Advocacy at SBA should handle it this issue.

They have used this argument, I would say to my friend, absolutely endlessly to claim that they should not be subject to the rules and, if they are, the Office of Advocacy should be responsible.

I would tell the Secretary that the SBA Advocacy Office disagrees. He might once in awhile talk to the people who he says can undertake this process.

Besides, the IRS is the only one really equipped to handle the analysis. Instead, they are advocating the creation of another entire bureaucracy to address an analysis which they alone are already prepared to do.

Now the IRS says that the proposal will generate lots of litigation.

The judicial review provision obviously adds teeth to the RFA. It will force agencies to assess and deal with the impact of their actions on small business. A simple certification would allow the IRS to avoid any analysis of the impact on small business.

By making the RFA subject to judicial review, any challenge to the reasonableness of a regulation would include consideration of the regulatory flexibility analysis performed for the Federal rule.

All this provision will do, I say to my friend from Ohio and the Secretary of the Treasury, is give taxpayers additional information with which to challenge IRS regulations. It merely requires them to give further consideration to the impact on small business.

I have seen a total lack of concern, even disdain, by the IRS about the impact of its action on taxpayers. And this is as true with its regulations, as it is when it brings a case against a taxpayer.

For example, Senator PRYOR from Arkansas has been trying for a long time to get his Taxpayer Bill of Rights 2 enacted into law, but he has been thwarted in his efforts, in part, because the bill would give taxpayers an opportunity to receive more information about the IRS actions and receive attorney's fees more readily.

If the IRS does not care about the cost incurred by a taxpayer who may be wrongly affected by the service, why should we think that they care about the impact of their regulations on small businesses? And experience tells us they do not.

As usual, this is a bureaucracy, and perhaps a bureaucracy above all others in the American bureaucracy, that wants all the powers and leaves the taxpayer without recourse.

Let me give my colleagues an example of an IRS regulation that will have a significant impact on small business and to which the IRS and Treasury have shown little concern.

When the tax bill was enacted last August, it included a provision to change the point at which the diesel fuel taxes are assessed and collected. It would require tax-exempt diesel fuel to be dyed, because it was thought that this would be an easier way to ensure compliance.

This diesel fuel dyeing provision is ridiculous and it is going to cost businesses more to comply than the revenue that will be raised, which is why Senator NICKLES' proposal to require a cost-benefit analysis provision prior to enactment of a law is so important.

Now I understand that IRS and Treasury have to draft regulations on a bad law, but they have done nothing to alleviate the problems. And they appear to have little concern for the impact their regulations will have either on business or the environment.

Did you know that the IRS may mandate that terminal operators to install dyeing equipment to meet the provisions of the law?

In Wyoming, I have refiners who chose not to install dyeing equipment when the EPA rule requiring high sulfur fuel to be dyed, was enacted. Instead, customers agreed to pay slightly higher fuel prices for undyed, low-sulfur fuel because it was more environmentally sound.

So now the IRS says that if they want to sell dyed fuel, they have to put in equipment that costs upwards of $20,000 per terminal in order to ensure that the IRS collects a few extra dollars—$20,000 per terminal, Madam President, and they do not seem to care. And there are other ways, and they have been shown other ways, to achieve their goal.

Did you know that the IRS wants to require 10 pounds of dye per 1,000 barrels of diesel fuel? Yet, preliminary data suggests that the 10-pound dyeing requirement for high-sulfur diesel fuel could impair product quality by increasing the amount of sediment in the fuel; it could plug burners in heating units; and high dye concentrations make it impossible for pipelines to perform quality testing. Finally, those high dye concentrations leave residual deposits which causes storage tanks to be useless for other products or could bleed through to a new product.

Does the IRS care that it is bothering the environment? Does the IRS care that it is making them useless? No, they do not.

Does anyone in the Senate know that the regulations give the IRS the ability to detain a vehicle, a train or a boat to inspect its fuel tanks and storage tanks? This has nothing to do with collecting taxes. But there are no limitations to ensure that this detainment is not abusive. How can we stop the IRS from holding up important and timely shipments?

These are only some of the problems with the IRS diesel fuel regulations. But they certainly highlight the need for a regulatory analysis.

I would also like to reference some comments by Congressman UPTON at a hearing on the Regulatory Flexibility Act:

> The IRS maintained that the contemporaneous record-keeping requirements were a classic case of interpretive regulations. They insist they were simply carrying out Congressional orders which they were powerless to change or control. Yet IRS used their own judgment in deciding what Congress meant by "adequate contemporaneous records." In the IRS view, this required a daily log of date, purpose (whether business or pleasure), user's name, place of use, odometer readings, and length of use (if appropriate), as well as other related expenses. When public pressure grew and it became obvious the reporting cost far outweighed the benefits gained, the IRS proceeded to amend their regulations and adopt alternatives.
>
> As they told an IRS commissioner later, "If you were doing the Reg Flex analysis that many of us think you ought to be doing all along, you would have come up with the proposal and said, 'Look, in order to gain $150 million it is going to cost the taxpayers $3 billion in extra paperwork.'"

I know what this letter from Secretary Bentsen means. But I do not want it to be a means by which it impinges on the freedom of the rest of small business to receive the benefits of judicial review of the RFA.

So, Madam President, I ask unanimous consent that I be permitted to amend my amendment by withdrawing paragraph 1 which says: "in paragraph (2) by inserting "any rule of the Internal Revenue Service before "or any other law including"; which would eliminate the IRS.

I will send that to the desk.

The PRESIDING OFFICER (Mr. WELLSTONE). Is there objection?

Mr. GLENN. Mr. President, reserving the right to object, and I do not think I will object because the Senator can modify his amendment if he likes. Either way.

I want him to be aware there is another letter here that has come to our attention. We are not bringing these things out of the woodwork, they are just arriving as we are on the floor here. But this is from the Small Business Administration to Senator BUMPERS, who is chairman of the Senate Small Business Committee. The last paragraph of which says:

> My support for providing regulatory relief to small businesses is well known, but, under these circumstances, we feel that S. 4 is not the appropriate vehicle for resolution of the issues raised by Senator Wallop's amendment. We recommend it not be added to S. 4 at this time.

Mr. President, I ask unanimous consent the entire letter from Erskine Bowles, Administrator of the U.S. Small Business Administration, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, at the appropriate time I will move to table the amendment. But I want the distinguished Senator from Wyoming to know——

Mr. WALLOP. Would the Senator permit the Senator from Wyoming to modify his amendment as suggested, to remove the IRS?

Mr. GLENN. I have no objection to that.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment? Without objection, it is so ordered.

The amendment (No. 1487), as modified, is as follows:

At the appropriate place, insert the following:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (5) by striking out "and"at the end thereof;

(2) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

Mr. GLENN. Mr. President, I want to make clear I am entirely in favor of some of this regulatory relief that hits small businesses, hits small governments, hits them hard. We are moving in that direction. We have several pieces of legislation.

I know the Senator says we have gone back many years but we did not go back many years with this administration, let me point out. The problem with regulatory change has not been with the Clinton administration, with all due respect. The problem has been in the past administrations, Bush and Reagan, where we really did try to do this and it was blocked. So let us just make sure we understand that.

I was part and parcel of that, in trying to get some changes. So we do have a different ball game now. We have an Executive order out from this President that says we are going to look at these things. He applies it to the bigger entities, so it does not go down to the level the Senator from Wyoming wants. And I want to take it down to that level. But I want to do it after due consideration in the committee, where we already have hearings scheduled. I am committed to this as much as anybody in this Chamber, including my distinguished colleague from Wyoming, to getting regulations under control. We are inundated with regulations. We are moving with Leon Panetta, OMB, to look at these things. We are getting a new person in on management over there as well as the people who are working on this out of OIRA, the Office of Information and Regulatory Affairs. So it is not something we are ignoring.

All this about the past history of this thing, that was the past administration where they did not really go for this sort of thing. They wanted to do it under the Council on Competitiveness, under the Vice President. That is what we had to fight before. When we tried to change some of these things we were blocked. So let us make sure we all understand what we are talking about here.

I am not trying to block anything. I am as much for regulatory reform as anybody in this body and have worked to that end and am doing so on the committee now. That is what I want a chance to do, is go ahead and take these things up in committee so we can do the proper job on it and not just do it out here on the floor with one particular piece of legislation. We are going on longer than I had anticipated with this debate here.

Mr. WALLOP. If the Senator will allow me to conclude?

Mr. GLENN. I will indeed. At the appropriate time, if my colleague will let me know, I will move to table.

EXHIBIT 1

SMALL BUSINESS ADMINISTRATION,
Washington, DC, March 10, 1994.

Hon. DALE BUMPERS,
Chairman, Senate Small Business Committee,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: It has come to my attention that Senator Wallop proposes to offer an amendment to S. 4, the National Competitiveness Act, which would amend the Regulatory Flexibility Act to provide regulatory relief to small businesses.

As you know, we are strongly in favor of S. 4. We believe it can make a real difference in promoting job growth and economic development for the nation. The President has indicated his preference that the Senate reject any amendments which would delay enactment of this bill.

My support for providing regulatory relief to small businesses is well known, but, under these circumstances, we feel that S. 4 is not the appropriate vehicle for resolution of the issues raised by Senator Wallop's amendment. We recommend that it not be added to S. 4 at this time.

Sincerely,

ERSKINE B. BOWLES,
Administrator.

Mr. WALLOP. Mr. President, I ask unanimous consent that Senator PRESSLER be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I would say to my friend from Ohio, his excuse is gone. His excuse is gone.

Mr. GLENN. My excuse?

Mr. WALLOP. It is not here anymore. And my question is, what is it about ruling that makes governments resist management? If the excuse was that the Bush administration stopped the Senator from doing it, well, that administration is gone.

Mr. GLENN. Will the Senator yield for an answer?

Mr. WALLOP. Absolutely.

Mr. GLENN. I am not looking for any excuse at all. I am the last guy in the world here who is going to have an excuse for anything like regulatory reform. But I want to do it right. I do not want to do it here on a bill it should not be on to begin with. I want to take it up in committee, consider big business, small business, big government, small government, small government enterprises, and do it right. We have several different pieces of legislation that are proposed. I just do not want to see us do a halfway job on this and do something that is going to be a lawyers full employment act.

All we are going to do—we say we are going to take up every direct and indirect possibility of every single rule and regulation that is put into effect in this Government. We are talking about thousands and thousands of potential lawsuits across this country. Maybe my colleague says in the States that has not been the track record, but that is the potential he is opening up. I would say, all I want to do is consider this in committee and take it up. I will be glad to work with the Senator from Wyoming on this in committee so we can come up with something that has less potential for disaster than this has. That is my only view on it.

Mr. WALLOP. Mr. President, if we have the potential for those thousands and thousands of lawsuits, maybe it tells us something about what we are doing. I would say to my friend from Ohio that this administration in the past year has put out the third largest number of regulations in the history of our country. The previous two records having been held by Jimmy Carter.

That is not a record that matches the rhetoric. But I would say that this Government, of which you are part of the majority, has already considered this in the National Performance Review.

Let me say it is always interesting that an administration can summon, on demand, a new level of opposition even from someone who has just given his or her blessing. I speak in particular of the Small Business Administration. Administrator Bowles is obviously doing somebody's bidding that does not reflect his own view. Because in response to a question by Senator MACK during his confirmation hearing asking "What changes do you believe need to be taken to strengthen the regulatory flexibility act?" The answer was, "Imposition of judicial review would strengthen the act by ensuring a Federal agency failure to comply would be answerable in the courts. In addition, the RFA must be clarified to ensure that agencies examine, indirect ["indirect" Senator] as well as direct impacts on small businesses. Often agencies issue rules that only have minor direct impacts but the indirect impacts are quite onerous."

All I would say is that something has happened. I suspect it is an order from the Treasury Department or the White House, to have changed the very specific and clear response that Administrator Bowles gave in the first place.

Mr. President, I ask in closing that a list of several dozen organizations, including the NFIB, be printed in the RECORD as supporting the concept of strengthening the Reg Flex Act, especially with regard to providing judicial review. I yield the floor.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS WHICH SUPPORT STRENGTHENING REG FLEX

National Federation of Independent Business.
The Society of American Florists.
National Tooling & Machining Association.
Automotive Parts Rebuilders Association.
National Association of Plumbing-Heating-Cooling Contractors.
Manufacturers' Agents National Association.
The National Association of Negro Business and Professional Women's Clubs, Inc.
National Roofing Contractors Association.
American Road & Transportation Builders Association.
American Association of Nurserymen.
National Association for the Self Employed.
Business Advertising Council, Inc.
Small Business Exporters Association.
National Limousine Association.
Association of Women Government Contractors.
National Parking Association.
United Bus Owners of America.
Minority and Women Owned Businesses of the D.C. Metro Area.
National Association of Chemical Distributors.
Opticians Association of America.
Associated Landscape Contractors of America.
Asian American Business Roundtable.
International Dairy Foods Association.
Associated Specialty Contractors.
Automotive Body Parts Association.
Automotive Parts Rebuilders Association.
Automotive Engine Rebuilders Association.
Automotive Service Association.
Auto International Association.
Automotive Service Industry Association.
Automotive Parts & Accessories.
Automotive Warehouse Distributors.
Council of Fleet Specialists.
Paint, Body and Equipment Association.
Motor & Equipment Manufacturers Association.
Production-Engine Remanufacturers Association.
National Glass Association.
Specialty Equipment Market Association.
National Tire Dealers & Retreaders Association.
Automotive Wholesalers Association of New England.
Professional Lawn Care Association of America.
Independent Business Association of Illinois.
National Small Business United.
Northeast Texas Nursery Growers Association.
American Boiler Manufacturers Association.
American Trucking Associations.
Associated Builders and Contractors, Inc.

Mr. GLENN. Mr. President, only one final remark. I talked about the number of regulations that could come out this year. I am sure the Senator from Wyoming is aware it takes a year or two for regulations to come out after laws are passed. The regulations coming out this year are from laws passed during the Bush administration, basically.

Mr. WALLOP. The regulation, nonetheless, I would say to my friend, is the province of the agency. Not the province of the Congress which passed them. That is why we passed the Reg Flex in the first place, because we saw the agencies doing more than we suspected they would when we passed the law.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I understood the discourse. I appreciate the interest—the Senator from Wyoming with regulations—but there has been no keener interest than the distinguished chairman of our Governmental Affairs Committee.

I think Senator GLENN has outlined it exactly. Here is an amendment that has no relation whatsoever to the bill. This Chinese-bandit approach. I would have hoped now, having had two really informative kind of votes—one just to get rid of the bill, really not appropriate to anything to authorize, and another one of a grab-bag approach by a very popular leader, Senator SIMPSON, with Democratic cosponsors within the grab bag in order to get the vote, what have you. It did not work.

I guess they want to wear us down. Of course, that is not going to happen. I learned one thing. I have a harder head than most of these folks around here, so we are willing to stay, rather than have all these votes on tabling.

Mr. WALLOP. Mr. President, the Senator would surely not accuse me of taking a long time on this amendment.

Mr. HOLLINGS. No, even bringing it up. There is no objection to your amendment; there is no objection to the subject matter. In fact, I am confident the Senator from Ohio would work with the Senator from Wyoming and get the job done within the committee and get it out. There is not going to be any delay this year.

It is seemingly a part of the Chinese-bandit strategy: Keep peppering with nongermane amendments that do not apply to technology and the Advance Technology Program.

Mr. WALLOP. I will say to the Senator, if he will yield, one of the rationale that has been proffered for S. 4 is to improve American competitiveness, and this does.

Mr. HOLLINGS. That is the general idea. I guess we ought to change the title if we can ever get to an amendment and get to the real substance of it. That was just a buzz word and everybody can come in and say that improves competitiveness. It has no relation to the bill and ought to be tabled.

I yield to the Senator from Ohio.

Mr. GLENN. Mr. President, I move to table the amendment.

Mr. WALLOP. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. Mr. President, I rise today as a cosponsor of the Wallop Regulatory Flexibility Act amendment to S. 4, the National Competitiveness Act. The Regulatory Flexibility Act is of paramount importance to the 21 million U.S. small businesses. This sector played a starring role in the economic expansion of the past decade. Small businesses today employ 54 percent of the U.S. work force, account for 44 percent of all sales, and generate 39 percent of our gross domestic product. Government regulation places undue burdens on small businesses which in turn inhibits their ability to compete at home and in the global marketplace. However, the Regulatory Flexibility Act [RFA], if properly implemented and appropriately strengthened, can help ease the regulatory burdens on small businesses. That is why the small business community strongly endorses this amendment.

THE REGULATORY FLEXIBILITY ACT

The RFA is based on two premises. First, Federal agencies often do not recognize the impact their rules have on small businesses. Second, small businesses are disproportionately affected by Federal regulation compared to their larger counterparts. The RFA was enacted to not only obtain Federal agency recognition of these effects, but to reduce them. The RFA requires Federal agencies to assess the impact of their proposals on small businesses. Agencies have two options under the statute—performing a regulatory flexibility analysis or issuing a certification.

An agency certifies a rule if it determines the rule will not have a significant economic impact on a substantial number of small businesses. The certification must be announced in the Federal Register and must be accompanied by "a succinct statement explaining the reasons for such certification." Boilerplate statements that the rule will not have such an effect are inadequate under the RFA.

An agency assessment that reveals the rule will have a significant economic impact on a substantial number of small businesses requires the agency to prepare a regulatory flexibility analysis. The analysis must contain: a description of the reasons why the action is being considered; a succinct statement of the objectives of, and legal basis for the action; a description and estimate of the small businesses affected by the agency action; a detailed description of the reporting, recordkeeping, and other compliance requirements with special attention to the affected small businesses; and any duplicative Federal regulations.

Additionally, the analysis must describe and examine significant alternatives to the proposed rule which accomplish the objectives of the agency, but that minimize the economic impact on small businesses. Significant alternatives may include, but are not limited to: Establishment of differing compliance or reporting requirements that take into account the resources available to small businesses; the use of performance rather than design standards; or exemptions of small businesses from all or part of the rule. When an agency promulgates a final rule under section 553 of the RFA, it must explain why it did not adopt other alternatives to minimize the effects on small businesses which were presented to the agency during the rulemaking process.

Unfortunately, not every agency has discovered the RFA is a valuable tool in its regulatory process. When agencies fail to comply with the RFA, they impose significant and burdensome requirements on small businesses, and thereby threaten their viability. These agencies often view the RFA as nothing more than another procedural impediment to the promulgation of a particular rule. This causes agencies to issue boilerplate certifications without performing the underlying assessment of impacts on small business required by the RFA.

Some agencies use loopholes in the RFA to avoid the analytical requirements of the act. For example, the Internal Revenue Service (IRS) avoids compliance by labeling its regulations as interpretative and therefore not subject to the rulemaking requirements of the RFA. These loopholes undermine the potential promise of the RFA as a tool to improve agency rulemaking.

MEANS TO STRENGTHEN AGENCY COMPLIANCE WITH THE RFA

Our Regulatory Flexibility Amendment has three key elements: First, repeal of the prohibition against judicial review; second, coverage of both direct and indirect effects; and third, coverage of interpretative rules—closing the IRS loophole.

The RFA requires agencies to consider the impact of their actions on small businesses. However, the authors of the RFA were concerned a litigation explosion might result under the RFA. The rationale being that businesses would attempt to delay the implementation of regulations through court action. To prevent this problem, the sponsors included a provision excluding separate judicial challenges to agency compliance with the RFA. However, it is highly unlikely there would be a flood of litigation if a judicial review provision was added to the RFA. The fact is, that most small businesses do not have the financial resources to bring countless RFA suits. As a consequence, my Colleagues, should not be fooled by the "red herring" of a threat of litigation explosion.

The ability of agencies to ignore their responsibilities under the RFA is enhanced by the conspicuous absence of judicial review under the RFA. Without judicial review, compliance rests upon each agency's voluntary commitment to utilization of the RFA in its quest for rational rulemaking mandated by the Administrative Procedure Act [APA]. However, small businesses do not need voluntary commitments, they need action. The primary means to accomplish mandatory compliance would be to repeal section 611 and authorize individuals aggrieved by agency failure to comply with the RFA to challenge the agency's action in court.

Additionally, agencies would increase their contact with the SBA Office of Advocacy, take greater heed of its advice as the agency responsible for monitoring the RFA, and improve the documentation of their discussions with the SBA Office of Advocacy concerning potential impact on small business, in their efforts to avoid potential litigation. Of course, Federal bureaucrats will not view with any pleasure the institution of yet another means to challenge their regulatory authority.

The RFA currently requires Federal agencies to comply with its terms only when they are required to issue notice and comment rulemaking of the APA or some other law. Thus, interpretative rules, general statements of policy, and rules concerning loans, grants, benefits, or public contracts are not subject to the analytical requirements under the RFA. For the most part, this causes no problems in agency compliance with the RFA. Generally, rules most often classified as interpretative do not pose problems for small businesses. Similarly, rules concerning agency management, while significant, usually do not affect small businesses. One exception to this basic premise is the actions taken by the IRS.

A majority of rules issued by the IRS are characterized as interpretative. Interpretative rules are meant only to advise the public, not to bind them.

However, many rules the IRS labels interpretative are indistinguishable in their substance and effect from rules requiring notice and comment under the APA. To the small business owner, who must comply with the IRS' rules, they are identical.

Congressional committees with RFA oversight responsibilities, repeatedly have urged the IRS to put aside the often arbitrary distinctions drawn between interpretative and legislative rules and to utilize the analytical procedures of the RFA to provide a solid foundation for its rulemakings.

The IRS has used this exemption and other means to avoid the small business analysis required by the RFA—irrespective of the potential burden the rules would place on small businesses. The RFA also does not reach Revenue Rulings, Revenue Procedures, Notices, or Letter Rulings. These are akin to general statements of policy which are not subject to the notice and comment provisions of the APA. In addition, they are not subject to the analytical requirements of the RFA. The IRS decision to classify a rule or pronouncement in a particular manner virtually is impervious to court challenge.

The IRS should be required to comply with the provisions of the RFA. Its interpretations have a substantial impact on small businesses and the IRS should consider these effects when it issues rules. Congress should amend the RFA to require the IRS to comply with the Act, irrespective of the characterization of the IRS issuance. The interpretative rule loophole in the RFA needs to be closed if small businesses are to be protected from excessive regulation by the IRS.

CONCLUSION

Mr. President, I fully support this effort to strengthen the RFA. This amendment will help curtail excessive regulation by Government bureaucrats. Furthermore, it will add teeth to the RFA and give small businesses a legal means for countering continued violations of the RFA. The RFA, if properly implemented and appropriately strengthened, can help ease the regulatory burdens on small businesses. Regulatory relief for small businesses will create greater opportunity for small businesses, more jobs for American workers, and will expand the U.S. economy. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 1487. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 31, nays 67, as follows:

[Rollcall Vote No. 53 Leg.]

YEAS—31

Akaka
Biden
Boxer
Bradley
Daschle
DeConcini
Dorgan
Feingold
Ford
Glenn
Graham
Hollings
Inouye
Johnston
Kennedy
Levin
Lieberman
Metzenbaum
Mikulski
Mitchell
Moynihan
Murray
Pell
Pryor
Riegle
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wofford

NAYS—67

Baucus
Bennett
Bingaman
Bond
Boren
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Exon
Faircloth
Feinstein
Gorton
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Lott
Lugar
Mack
Mathews
McCain
McConnell
Moseley-Braun
Murkowski
Nickles
Nunn
Packwood
Pressler
Reid
Roth
Sasser
Shelby
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Campbell
Dodd

So the motion to lay on the table the amendment (No. 1487) was rejected.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. WALLOP. Mr. President, I ask unanimous consent that the request for the yeas and nays on the amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment. The amendment (No. 1487) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. I thank the Chair. I thank the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COHEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER

Mr. D'AMATO. Mr. President,

> A central function of democracy is to allow a free people to drag realities out into the sunlight and demand a full accounting from those who are committed to hold and exercise power. Congress provides a forum for disclosing the hidden aspects of governmental conflict.

These are powerful words that proclaim the responsibility of Congress—on behalf of the American people—to expose the truth and demand a complete report of the facts from those entrusted to function within our Government.

These are great words. They are not mine. These words were written by two highly respected colleagues, the distinguished majority leader and Senator COHEN, in a book entitled "Men of Zeal."

These words are being echoed all over America. Just this morning, Sam Dash, the man whom the Senate chose to serve as the chief counsel of the Special Committee To Investigate Watergate, said:

> We have a democracy. The ultimate sovereign is the people, and Congress is the agency that is given the power and the right to inform the public on how the Government is working and how the Executive Branch is working.

He went on to say:

> I see no problem in Congress holding hearings. I think Senator D'Amato and the other Members of Congress have acted responsibly.

The New York Times in an editorial, yesterday, said:

> Congress has a clear right to ask questions about the Government regulation of the savings and loan mess in Arkansas and, even more urgently, about whether the recently disclosed White House meetings with bank regulators represented an attempt to obstruct justice. * * * The public has a right to know whether the White House is abusing its power.

Mr. President, I do not believe that there is a single Member of this body who does not agree that the public has a right to know what is taking place in our Government, and that the Congress has an obligation to gather that information and bring those facts to light.

Indeed, during my 12 years in the Senate, the Congress has not hesitated to conduct extensive hearings into the conduct of the executive branch of Government, especially if there has been even a hint of potential wrongdoing. Yet, some Members of this body have refused to hold hearings involving Whitewater. Have the responsibilities of Congress changed? No. Has the public's right to know changed? No. There has only been a change in one thing: the political party in power in the White House.

To those who say it is the Republicans that are playing politics, Al Smith said it best: "Let's look at the record." That record shows that it is the Democrats who are playing politics. First, they oppose the appointment of a special counsel, and now they are opposed to holding hearings. By refusing to hold hearings, the Democrats are building a stone wall around Whitewater and blocking the flow of facts to the American people.

Mr. President, yesterday Senator COHEN and I met with Robert Fiske, the special counsel appointed to look into the Whitewater affair. Understandably, he must be able to conduct his investigation, and we agreed and made it clear that Congress should not and would not grant immunity to any witness involved in his investigation. That is the right thing to do. But to permit Democrats and my colleagues in the Congress to grant immunity to the White House from any hearings is just plain wrong.

There should be no congressional immunity for the White House and the people have a right to know. That is exactly what is taking place now. The issue is not whether Congress should hold hearings, but rather how to conduct those hearings in a way that enables the special counsel to conduct his investigation. The special counsel has a job to do, and so does Congress. Congress did not delegate its oversight responsibility to Mr. Fiske. There have been many investigations, but Congress has never before run away from its oversight role as a result of an ongoing investigation.

We should not let Congress leave the scene now. As the New York Times stated in yesterday's editorial:

> The challenge now is for both sides to figure out a way for Congress to conduct legitimate inquiries, without impeding a thorough and fair criminal investigation.

Mr. President, I am confident that Congress can meet this challenge on how best to structure oversight hearings. Unfortunately, getting my colleagues on the other side of the aisle to join me in fulfilling our congressional responsibilities to hold any hearings is the biggest challenge of all.

Mr. President, let me say that it was as a result of a Senate Banking Committee oversight hearing that we found out that there were meetings taking place that should not have taken place. We found out from Mr. Altman, the acting head of the RTC, that he had initiated, in his own words, one meeting to give a "heads up," as it related to the Whitewater-Madison matter, to people in the White House. Thereafter, Mr. Altman sought to correct his testimony in two letters. One was dated March 2 and the other March 3 to Senator RIEGLE.

The fact of the matter is that in both of those letters he did not adequately address the fact that there may have been other conversations with those in the White House. I refer to today's New York Times, page 820, in which people at the White House have indicated that indeed Mr. Altman has had some other meetings or conversations. And one of them—it may seem a rather simple matter—I would suggest is more distressing and disturbing than what we have already learned. Because if it is true that the acting head of an independent agency actually went to the White House to ask them whether or not he should recuse himself, then I have to suggest that that in and of itself is rather damning.

There were those of us who suggested publicly that Mr. Altman was in an untenable position, being a top political appointee to the Treasury Department, and finding himself as the acting head of an independent regulatory body conducting investigations that may touch upon the very people who appointed him. I believe that this was difficult, if not impossible for him. It put him in a terrible position. But, Mr. President, I suggest that if he went to his own counsel, if he went to outside ethics counsel to ascertain whether or not he should make this recusal, that would be the normal course; but to go to the White House and ask the very people who he goes in to brief, that is unacceptable. Just think about it. It is absolutely wrong on its face.

The fact that after he communicated in letters to the chairman of the Banking Committee to correct his testimony, that he communicated as it related to his testimony to Senator BOND thereafter, but never brought up the fact that he made contact with the White House to seek their advice as to whether or not he should recuse himself is absolutely unforgivable. There is no explanation that can justify that kind of conduct. It is absolutely wrong on its face.

You do not go to the very people who may have a very real interest as it relates to what that independent agency is doing to ascertain whether or not you should recuse yourself.

Mr. Altman certainly should have known better. According to this account, he refused, or failed to tell the committee, and thereafter, on at least three separate occasions, even after advising the committee chairman that he would like to correct his testimony, that he asked whether or not he should recuse himself. If this account as contained in the Times, which quotes unnamed White House sources and certain other sources, is accurate, I suggest to you that Mr. Altman should resign.

I yield the floor.

Mr. FORD. Mr. President, the Senator from New York has, from time to time, come to the floor—and I cannot place it in any kinder words—and damned this present administration. I think when Mr. Fiske was appointed, the most eloquent approval of Mr. Fiske was given by the junior Senator from New York—thorough, honest, all of the accolades and things that you need.

We learned a real lesson in Iran-Contra here in the Senate. The lesson was that we gave immunity for testimony. Those who gave the testimony were convicted, they appealed their conviction, and the circuit court ruled.

In the ruling of the circuit court—and I am not a lawyer so I take my advice and counsel from what dad would tell me, "Get a good lawyer and stay with him," and I have tried to do that—the rules of the game have been changed because of that decision.

It is not that we are trying to not hold hearings, but we want the special counsel to do exactly what the junior Senator from New York wants him to do—make a thorough investigation without being impeded; second, if he finds wrongdoing in that investigation, to prosecute it vigorously.

You cannot ask for much more than that from the special prosecutor who has been given the highest accolades anybody can give. He even made a trip to Capitol Hill to say, "Please do not do this to me; let me complete my investigation."

Yet we come out here and hear the chest thumping and desk pounding of why we are not getting it done.

I was not in the meeting, but I listened to the junior Senator from New York and Mr. Fiske yesterday on television, and read his article in the paper, that after he completes certain portions of his investigation he said, yes, you can, and we can go forward with it. And the Republican group that was there said we will wait until June.

I think it ought to be left there. Everybody understands that it is a different situation. Everybody understands we have a special counsel. Everybody understands that he has the support of the party on the other side of the aisle, particularly the junior Senator from New York.

Oh, I understand. I am not as good as he is. He can jump up and down and stay there all night and make speeches and do those sorts of things. But the facts are the facts, and I think it is time now that we try to get on with the business of the Chamber and let the individual do his job, instead of trying to make the headlines in the newspaper every day.

Mr. D'AMATO. Mr. President, will the Senator yield for a question?

Mr. FORD. I am not sure I can answer it, but without losing the right to the floor, Mr. President, I will yield.

Mr. D'AMATO. First of all, I thank my colleagues and thank Senator FORD. I think that maybe there is a ray of sunshine in his remarks, at least I detect, and maybe I have not seen it before.

Mr. FORD. There may be a ray of sunshine in the Senator's remarks. Get on with it. Maybe we can call it quits.

Mr. D'AMATO. If I take from what you indicate, the fact that you recognize it, that we did indicate that as it related to certain aspects of the independent counsel review, and the indication he would have it wrapped up and he would have no objection, provided, as we had indicated, that we were not going to attempt to give immunity to anyone thereafter, that minimized his concerns—I am quoting him—that minimized his concerns. He felt that was reasonable, and he said it. He said to Senators COHEN and D'AMATO, it is reasonable.

So if the response is that the deputy majority leader, the whip on the other side, believes that my Democratic colleagues would be willing then to go forth within a 2-month period of time, or after he has undertaken the examination, as he has indicated, of some of the events he thinks he can wrap up within a matter of weeks or a month or 2 months, and that is why I mentioned—I used the dateline, certainly—by at least June 1 if we could then undertake these reviews in an appropriate manner, that to me is a realistic answer. And if the Senator is saying he is prepared to at least negotiate that——

Mr. FORD. I am not prepared to tell the Senator anything today, one, because Mr. Fiske has not completed his investigation yet.

The Senator came out today, started accusing people at the White House, telling them how wrong they had been, and he has condemned them before Mr. Fiske has made a judgment.

Mr. D'AMATO. No; I have not.

Mr. FORD. Yes; the Senator has. We have read the RECORD. We read the RECORD. The Senator talked about Mr. Altman and all those at the White House.

Mr. D'AMATO. Yes.

Mr. FORD. The Senator condemned by his speech on the floor today, day after day after day after day. I say it is time to quit.

Even the special counsel that the Senator asked for, he has. And the one he has is one that he made great tribute to. Now let him do his work. The Senator does not have to continue coming out here every day to make a speech and condemn everybody, condemn everybody.

It is time to stop. Let us get on with the legislation. Let us get on with the job at hand.

If the Senator would spend more time working on legislation and less time working on what is going on at the White House he probably could represent New York a whole lot better.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me suggest as it relates to advising people how to represent their State, I will take my direction from the people of the State.

Let me also suggest that I came to the floor not to be incendiary—I do not think I was—and I pointed out that the central element of democracy, as in a statement made by the majority leader, is that we should go forward and show the sunlight, and there was a way in which to do this and not to impede the special counsel.

Indeed, we are not going to wait, and this Senator simply will not sit back and say we have to wait until all is done, whether it be 1 year from now, 1½ years from now, 2 years from now. But there is a way, as suggested by the New York Times and other editorial writers, that even Special Counsel Sam Dash, a learned professor of law, said we learned; you just do not grant immunity. And if Congress is willing to do that, it really has a right to go forward and a responsibility and a duty, and that is what I am suggesting.

Mr. FORD. Mr. President, will the Senator yield for a question? I yielded to him a moment ago.

Mr. D'AMATO. I will yield without giving up the floor. I will yield for a question.

Mr. FORD. He is referring to Sam Dash here several times this afternoon. Sam Dash said on TV the other night that you cannot prove any criminal activity, and you did not know what went on. Yet the Senator comes over here and says these things. And Sam Dash said you better take a step back and wait and let Mr. Fiske make his judgment. Once he makes his judgment, then you will have the facts. Right now you are talking about the unknown. Everybody knows that when you walk through the cemetery at midnight there is a ghost behind every tombstone.

I think it is about time we stop walking through the cemetery.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I might say, and maybe my distinguished friend and colleague is at a disadvantage and not aware of the fact that Mr. Dash was aware of Senator COHEN and my meeting with special counsel, and he was made aware of that and indicated today on television on "Good Morning America" on a program on which we both appeared. I did not know he was going to appear or what he was going to say. I quote: "I see no problem in Congress holding a hearing, if Senator D'AMATO and other Members of Congress acted responsibly." And he was talking about the fact, and he went on to say, that the big problem was when Congress granted immunity.

He also said, and I quote:

> We have a democracy. The ultimate concern of the people and Congress is an agency given the power and right to inform the public on how the Government is working and how much the Executive Branch is working.

Oh, no. The fact of the matter is here that it is not good enough to say, look, it was a goof off as related to Iran-Contra and, therefore, we should not have any congressional hearing. Oh, no. There is the blur, the blur; the fine distinction as it relates to the fact that whether or not Congress said we are going to go ahead willy-nilly how much we want, wherever we want, and grant immunity to everybody we want.

I think we learned, and that is why he said to the counsel and why he said he felt assured, he felt better. He said that he felt that we made progress in this, so we are not just demanding we go busting in.

But to say no, you are politicizing. The Senator says we want to recognize his role.

Let me suggest is there any politics? There is just as much politics. Of course, there are politics in this body. Let us not be naive. There are politics from both sides.

But to just simply say, no, this is driven by politics would ignore the fact that it was as a result of our asking questions that finally the special counsel was appointed. It was a result of a public hearing that finally we learned of not one meeting but two meetings and three meetings, and Lord knows we never would have learned of those meetings that took place and the question as to whether there was interference with an independent administrative agency.

So I think we have gone over it enough. I did not intend to engage in an extended debate or speech as it relates to this, and I apologize to my colleagues, the chairman of the committee, for going beyond the 10 minutes. I did not intend to do that.

I yield the floor.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the Consideration of the bill.

AMENDMENT NO. 1479

(Purpose: To require reports on foreign industrial espionage)

Mr. COHEN. Mr. President, I call up amendment numbered 1479, which is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1479.

Mr. COHEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the title III insert the following:

SEC 309. REPORTS ON FOREIGN INDUSTRIAL ESPIONAGE.

(a) IN GENERAL.—(1) In order to assist Congress in its oversight functions with respect to this Act and to improve the awareness of United States industry of foreign industrial espionage and the ability of such industry to protect against such espionage, the President shall submit to Congress a report that describes, as of the time of the report, the following.

(A) The respective policy functions and operational roles of the agencies of the executive branch of the Federal Government in identifying and countering threats to United States industry of foreign industrial espionage, including the manner in which such functions and roles are coordinated.

(B) The means by which the Federal Government communicates information on such threats, and on methods to protect against such threats, to United States industry in general and to United States companies known to be targets of foreign industrial espionage.

(C) The specific measures that are being or could be undertaken in order to improve the activities referred to subparagraphs (A) and (B), including proposals for any modifications of law necessary to facilitate the undertaking of such activities.

(D) The threat to United States industry of foreign industrial espionage and any trends in that threat, including—

(i) the number and identity of the foreign governments conducting foreign industrial espionage;

(ii) the industrial sectors and types of information and technology targeted by such espionage; and

(iii) the methods used to conduct such espionage.

(2) The President shall submit the report required under this subsection not later than 6 months after the date of the enactment of this Act.

(b) ANNUAL UPDATE.—Not later than 1 year after the date referred to in paragraph (2) of subsection (a), and on the expiration of each year thereafter, the President shall submit to Congress a report updating the information referred to in paragraph (1)(D) of that subsection.

(c) FORM OF REPORTS.—To the maximum extent practicable, the reports referred to in subsections (a) and (b) shall be submitted in an unclassified form, but may be accompanied by a classified appendix.

(d) REPORT UNDER DEFENSE PRODUCTION ACT.—Section 721(k)(1)(B)) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(k)(1)(B)) is amended by inserting "or directly assisted" after "directed".

(e) DEFINITION.—For the purposes of this section, "foreign industrial espionage" means industrial espionage conducted by a foreign government or by a foreign company with direct assistance of a foreign government against a private United States company and aimed at obtaining commercial secrets.

Mr. COHEN. Mr. President, I noted with some interest the findings in title III of the bill that is currently before the Senate in which the committee states:

> The governments of our most successful competitor nations in the global marketplace have created supportive structures and programs that have been effective in helping their domestic industries increase their global market shares.

I assume that this refers to foreign governments' efforts to help their industries to compete by allowing well-educated workers to have access to low-cost capital and to benefits of government-funded research programs.

But there is another type of supportive structure and program that many foreign governments provide their industries. I am referring to industrial espionage committed by or with the assistance of foreign intelligence services.

Mr. President, I am not going to suggest that foreign industrial espionage is the greatest problem confronting the American industry today. But it is a real problem. It costs the U.S. economy billions of dollars annually, and it appears to be growing quite rapidly. It also is a problem that has received far too little attention. As a result, efforts to deal with it, I think, are grossly inadequate.

To too far an extent, foreign industrial espionage has been left as an issue of specialty to those who are studying intelligence matters, rather than those who are engaged in business. There are a number of larger companies who have taken measures to protect themselves, but most American businesses do not, including many of the smaller firms, which give birth to so much of our new technology. Here are a few examples of what is taking place; there are an abundance of reports in the media about this type of espionage:

A South Korean computer company penetrates an American competitor with a mole, who plants a bug in the United States company's FAX machine.

A Japanese company recruits an American executive, who has a drug habit to support, causing him to buy sensitive bidding information and other commercial secrets for their benefit.

A maintenance worker, working for U.S. companies overseas, reprograms the telephone switching equipment to enable them to eavesdrop on the company's phone calls.

An American scientist goes from lab coat to turncoat, selling foreign pharmaceutical companies trade secrets.

These are just a few of the examples one can read day after day. And while much of the industrial espionage is solely the work of private firms, in many cases foreign governments are assisting or even directing economic spying activities.

French intelligence has long engaged in a large-scale industry espionage program, penetrating foreign businesses, intercepting telecommunications, and conducting a reported 10 to 15 break-ins each day in Parisian hotels to copy documents that business people have left in their rooms. The information acquired is passed on to French industry.

The Governments of Japan, Germany, Belgium, Netherlands, and other allies, as well as other countries, such as China, are also reported to be spying on behalf of their countries' industries.

I am quoting now:

> All of America's major foreign competitors have the full weight of their governments' diplomatic and intelligence resources thrown behind their nationals' companies or consortia, especially the ones in heavy offshore competition.

These are the words of former CIA official, George Carver; he spoke them about 3 years ago.

The situation is only getting worse as "foreign intelligence services have turned from politics to economics with the United States as their prime target," said the former CIA Director, Robert Gates.

The U.S. Government has taken some steps to make American industry better informed of this espionage threat, and also to assist it in defending itself. But most of these efforts have been directed toward the defense industry. These are the industries that were long targeted by the Soviet Union and other hostile intelligence services.

I think we have made some progress in this regard. But the reaction of the U.S. Government is largely a reactive one at best, telling nondefense industry: We are ready to help you if you come to us with a problem. In my view, the Government should have a much more aggressive approach going out to industry to explain what the problem is and how to guard against it.

Let me say that, to its credit, the FBI did produce in late 1992, a small pamphlet to raise business travelers' awareness of the industrial espionage threat while they are overseas. But the value of the pamphlet was undermined by almost the exclusive focus on industrial espionage by Communist or formerly Communist countries, which few view as economic competitors and even fewer travel to today. The GAO has summed up the situation, I think, well in its 1992 testimony. The efforts of intelligence in criminal justice agencies do not appear to be sufficiently coordinated to adequately protect U.S. industry against economic espionage. The Justice Department also has acknowledged the weakness in its ability to confront this.

So, Mr. President, I have considered various legislative options for addressing the problem, and the amendment I am offering today basically accepts the GAO recommendation that before we seek to legislate, Congress ought to generate, No. 1, broader public dialog and a comprehensive review on how the Federal Government is organized to fight the threat. This would help to ensure that the legislative and other remedies adopted are going to be effective.

So the amendment will do basically three things, and I am trying to summarize a fairly lengthy legislative proposal.

First, it would require a one-time report that reviews the following:

First, the respective roles of the various agencies in identifying and countering foreign industrial espionage threats.

Second, the means by which the Federal Government communicates the U.S. industry information on these threats, and methods that can be used to protect against it.

Third, the specific measures to improve the Government's internal functioning to counter the foreign industrial espionage threat and its communication with industry on these activities.

Fourth, the specific information on the nature of the threat, including the number and identity of foreign governments who are conducting it, the industrial sectors and information technologies being targeted for espionage, and the methods used.

Those are the four basic goals of this one-time report.

Second, the amendment would require an annual update, but only on the nature of the threat, so that the business community and Congress will be aware of the trend lines of this threat.

The third major goal would help to clarify existing requirements for quadrennial reports on foreign industrial espionage targeting of critical technologies, to examine not only espionage directed by foreign governments, but directly assisted by foreign governments.

I want to emphasize that there is nothing in this amendment that would in any way advocate that we engage in offensive industrial espionage. My colleague, the chairman of the committee, knows from his service on the Intelligence Committee, that at the end of the cold war, there was some notion that perhaps we ought to engage in economic spying. This amendment does not, in fact, advocate that.

This amendment advocates that we become aware that this is taking place on a substantial scale. It is not only individual firms within various countries, but being organized and assisted by foreign governments, and we are ill prepared to cope with it.

So basically, it is seeking to implement a GAO recommendation that we get more information to be coordinated, and that that information be disseminated. And we, therefore, take a pretty aggressive proactive measure to counter the kind of threats that we are being confronted with.

I ask unanimous consent that several documents and articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, October 6, 1992.

Hon. WILLIAM S. COHEN
U.S. Senate,
Washington, DC.

DEAR SENATOR COHEN: This is in response to your letter of July 28, 1992, requesting a point of contact within the Department of Justice should American corporations have questions or concerns regarding industrial or foreign espionage activities being directed against them. Your letter also invited suggestions as to what precautionary techniques we suggest businesses take to better protect themselves from these types of activities.

Jurisdiction to investigate violations of the espionage statutes rests with the Federal Bureau of Investigation (FBI). The FBI also has jurisdiction to investigate violations of those Federal criminal statutes generally relating to "industrial espionage"—type activities, for example: Wire Fraud, Interstate Transportation of Stolen Property, Copyright Infringement, and Conspiracy. Consequently, whenever businesses suspect their products or technologies are being targeted or stolen by foreign government or government-sponsored individuals/entities or by other individuals or groups which may be operation in violation of Federal law, they should expeditiously notify their nearest FBI field office for appropriate action. In addition, FBI Special Agents regularly provide one-on-one security, counter-espionage, and counterintelligence briefings to those companies possessing information or technologies known to be of interest to foreign governments or business entities. Again, interested companies should contact their local FBI field offices directly for further assistance and information regarding such briefings. Should you or your staff require further specific information, place contact FBI Supervisory Special Agent Peter F. Brust, Office of Public and Congressional Services, (202) 324-6027.

As you know, there are growing concerns in this country that "economic espionage" is routinely being conducted against American businesses by foreign government and/or government-sponsored business entities bent upon stealing, rather than developing for themselves, information or technologies which would make them competitive in the world marketplace. These concerns have identified and highlighted issues which need to be addressed by the United States Government if we are to protect American jobs and economic competitiveness. For example, in many instances information is being targeted and stolen which falls within a statutory "gray area"; that is, an area where law and jurisdiction, either from a criminal or counterintelligence perspective, remains as yet undefined. Proprietary information, intellectual property, and trade secrets all fall into this category. Under existing criminal statutes, the Attorney General has a limited ability to counter the unfair economic advantages being realized by foreign businesses and industries, entities which are too often covertly owned or fostered by foreign governments. Therefore, legislation providing additional "economic espionage" investigative jurisdiction to the Attorney General is warranted at this time. I would welcome an opportunity to further explore this topic with the Congress.

Thank you for your letter and for your interest in preserving the security of this Nation and economic well-being of its people.

Sincerely,

W. LEE RAWLS,
Assistant Attorney General.

U.S. DEPARTMENT OF COMMERCE,
OFFICE OF THE GENERAL COUNSEL,
Washington, DC, October 19, 1992.

Hon. WILLIAM S. COHEN,
U.S. Senate,
Washington, DC.

DEAR SENATOR COHEN: Thank you for your letter inquiring about steps that U.S. businesses can take to protect themselves against industrial espionage. Enclosed is a list of some of the associations and publications that deal in this area. Also, we understand that the Federal Bureau of Investigation will soon publish a pamphlet entitled "The Susceptible Traveler," providing tips on how best to protect information while traveling abroad. The pamphlet will be available from the Foreign Counter-Intelligence Training Unit of the FBI, which can be contacted at (202) 324-2566. Additionally, the Office of Export Enforcement at the Department of Commerce works with U.S. companies to prevent unauthorized disclosure or export of "dual use" technology and information (items with both military and civilian applications). Enclosed is a packet of information about their programs, and any questions can be directed to their office at (202) 482-2252.

We can also suggest a few general guidelines for companies to follow. First, a company should educate its employees about the threat of industrial espionage, increasing awareness about the techniques used by others to collect business confidential information and the basic countermeasures for protecting such information from disclosure. Second, companies must develop a system for safeguarding material, including storing documents in secure container and discouraging sensitive business discussions among employees in public places. third, a company should "compartmentalize" sensitive information, disseminating it only to employees who need to know such information to perform their jobs.

I hope these suggestions and the enclosed items will prove helpful to you in answering inquiries from U.S. corporations interested in countering industrial espionage.

Sincerely,

ELEANOR ROBERTS LEWIS,
Chief Counsel, International Commerce.

ECONOMIC ESPIONAGE—THE THREAT TO U.S. INDUSTRY

(By Milton J. Socolar, Special Assistant to the Comptroller General)

Mr. Chairman and Members of the Subcommittee: We are pleased to be here today at your request to talk about our ongoing examination of issues involving foreign economic espionage.

The theft of U.S. proprietary information or technology by foreign companies has long been a part of the competitive business environment. However, as the world political climate changes with the end of the Cold War, the surreptitious gathering of economic and technological information has taken on added significance. The unauthorized acquisition of U.S. proprietary or other information by foreign governments to advance their countries' economic position is growing—referred to as economic espionage. The loss of proprietary information and technology through espionage activity will have broadening detrimental consequences to both U.S. economic viability and our national security interests.

The United States, a leader in creative technological research and development, is a prime target for economic espionage. In recent months, government officials have begun to speak out about this problem. In a recent speech, Central Intelligence Agency (CIA) Director Robert Gates focused on the changing activities of foreign intelligence efforts when he reported, "[S]ome foreign intelligence services have turned from politics to economics and the United States is their prime target." President Bush also expressed concern about such activities when he stated in a speech, "We must * * * thwart anyone who tries to steal our technology or otherwise refuses to play for fair economic rules."

Sophisticated and often undetectable methods are used in economic espionage. Unfortunately, U.S. companies targeted by foreign intelligence agencies may not know—and may never know—that they have been targeted or compromised. In addition, many companies that know they have been victimized want to avoid the negative publicity associated with the loss of valuable trade secrets and other proprietary information. Industry representatives are thus reticent to publicize incidents of espionage.

While it is not possible for me to quantify the scope of economic espionage conducted by foreign intelligence agencies, there is evidence of a real and growing problem. It has been known for many years that the KGB has been misappropriating U.S. corporate secrets. Indeed, the FBI has estimated that the efforts of the KGB and its surrogates saved the Soviet Union billions of dollars and years of research and development efforts in gaining Western technologies and expertise.

A former director of the French secret service, DGSE (Direction Generale de la Securite Exterieure), publicly admitted that he directed French industrial and technological intelligence forces to gather economic information from the United States and other countries. In one instance, he stated that the DGSE compiled a detailed secret dossier of the proprietary proposals from U.S. and Soviet companies who were competing with a French company for a billion dollar contract to supply fighter jets for India. Negotiators for the French company, which builds the Mirage jet, were stated to have then used the information provided by DGSE to obtain the contract.

The following instances of economic espionage that we found in open source documents further illustrate the nature of the problem:

Recon Optical, Inc., a U.S. company, contracted with the Israeli government to design a top-secret airborne spy-camera system. After months of disagreement between Recon and Israel, Israeli agents allegedly gave Recon's plans for the system to Electro-Optics, an Israeli defense contractor. Recon brought suit against Israel, and the case was settled in 1991. Court records of the settlement are still sealed.

In two other instances, the French DGSE was allegedly involved in the misappropriation of proprietary information from two U.S. companies. In the first case, the DGSE acquired proprietary information for IBM's next-generation personal computer. The DGSE reportedly provided the information to Campagnies des Machines Bull, an IBM competitor. In the second case, a French national, working for Corning, Inc. in France, sold information and trade secrets to DGSE regarding Corning's latest fiber optic technology. DGSE, in turn, allegedly provided this information to a French competitor of Corning.

In some instances, U.S. business people have aided foreign competitors in obtaining information. For example, in one case a U.S. scientist sold the trade secrets of U.S. pharmaceutical companies to foreign corporations. The research and development costs associated with the pharmaceutical products alone were estimated at $750 million.

A complicating factor in examining the problem of economic espionage is the difficulty in determining whether a particular theft of information is the result of foreign government or foreign business activity. This occurs when the company perpetrating the theft is in a country whose government-to-industry relationship is substantially different than what prevails in the United States.

The government-to-industry relationship in Japan makes it difficult to determine if the Japanese government is involved when Japanese companies successfully acquire U.S. corporate secrets in an unauthorized manner. For example, in 1982 Hitachi employees pleaded guilty to conspiring to transport stolen IBM property—in this case, design documents and components for every major part of IBM's newest and most powerful generation of computers, which were not yet on the market. Hitachi, a manufacturer of IBM-compatible products, planned to use this technology to eliminate costly and time-consuming research, thereby shortening the lead time required to bring compatible Hitachi products to the marketplace.

The clandestine operations by the DGSE and other foreign intelligence agencies can be contrasted sharply with the U.S. intelligence community's view that it should not conduct industrial or economic espionage to benefit U.S. companies. As CIA Director Gates recently stated, U.S. intelligence "does not, should not, and will not engage in industrial [or economic] espionage." Mr. Gates' position is consistent with the views of U.S. industry leaders; they have stated that it would be highly undesirable to have the CIA engage in this type of activity due to ethical and practical reasons. For example, what would the intelligence community's dissemination policies be with respect to foreign company secrets?

Cryptographic and other information technologies exist that can protect against the vulnerability of the electronic transmission of sensitive information. Such technology is readily available under internationally accepted industry standards. U.S. industry could use this technology to afford a high degree of protection to its proprietary information. The intelligence community, however, appears to be insisting upon the development of a different standard for U.S. industry for electronic communications between it and the government. This separate standard is weaker than what is commercially available, is an added burden on commercial activities, and raises the question as to whether any practical purpose would be served by the requirement. The issues involved, although they may lie within the national security area, merit public discussion.

Technological advances in computers have made it easier for foreign intelligence agencies and others to monitor the electronic commerce of U.S. industry. U.S. companies may be less able to protect themselves from the espionage apparatus of a foreign government than from a competitor. This problem is made more acute by the globalization of economic competition and the use of advanced communication technologies to conduct business. We need to examine openly the extent to which the government should be hampering industry's use of generally available cryptographic technology that would better protect electronic business communications.

The CIA and the Federal Bureau of Investigation (FBI) maintain foreign counterintelligence efforts to protect national security. However, the efforts of these agencies do not appear to be sufficiently coordinated to adequately protect U.S. industry against economic espionage. This suggests that there are significant policy issues requiring resolution. In addition, the National Security Agency (NSA) maintains electronic intelligence capabilities that may include gathering economic information. Under the Computer Security Act of 1987, NSA's role is to provide technical advice to the National Institute of Standards and Technology (NIST). NIST's responsibility, under the act, includes assisting government agencies and private entities in protecting unclassified, but sensitive, computer data from compromise.

Many of the issues in economic espionage, concerning the roles of the FBI and CIA, are similar to those raised during the hearings leading to the enactment of the Computer Security Act of 1987. A wide range of concerns had been raised at that time, regarding President Reagan's decision to give the Department of Defense (DOD) responsibility for computer security involving unclassified, but sensitive, data located in civilian agencies and the private sector.

As you know, Congress responded by holding hearings that resulted in legislation giving the responsibility to the Commerce Department instead of DOD. Pursuant to the act, the Commerce Department is responsible for issuing computer security standards that allow industry to use the best commercially available technology.

In closing, economic espionage is an important problem that this country has to face. The criminal justice and intelligence agencies have not adequately addressed this problem. Economic espionage must be looked at very carefully. There should be a thorough review of which agencies should be involved in this area together with what their responsibilities should be. No decision should be made without benefit of a full public debate. Currently, most of the discussions are being conducted within the intelligence community, without the benefit of public debate. In the final analysis, Congress may have to develop legislation to protect industry from economic espionage. How these issues are decided may have a dramatic effect on the economic future of this country.

[From Newsweek, May 4, 1992]

UNITED STATES FIRMS FACE A WAVE OF FOREIGN ESPIONAGE

(By Douglas Waller)

It's tough enough these days for American companies to compete with their Pacific Rim rivals, even when the playing field is level. It's a lot tougher when your trade secrets are peddled by competitors. One Dallas computer maker, for example, recently spotted its sensitive pricing information in the bids of a South Korean rival. The firm hired a detective agency, Phoenix Investigations, which found an innocent-looking plastic box in a closet at its headquarters. Inside was a radio transmitter wired to a cable connected to a company fax machine. The bug had been secretly installed by a new worker—a mole planted by the Korean company. "American companies don't believe this kind of stuff can happen," says Phoenix president Richard Aznaran. "By the time they come to us the barn door is wide open."

Welcome to a world order where profits have replaced missiles as the currency of power. Industrial espionage isn't new, and it isn't always illegal, but as firms develop global reach, they are acquiring new vulnerability to economic espionage. In a survey by the American Society for Industrial Security last year, 37 percent of the 165 U.S. firms responding said they had been targets of spying. The increase has been so alarming that both the CIA and the FBI have beefed up their economic counterintelligence programs. The companies are mounting more aggressive safeguards, too. Kellog Co. has halted public tours at its Battle Creek, Mich., facility because spies were slipping in to photograph equipment. Eastman Kodak Co. classifies documents, just like the government. Lotus Development Corp. screens cleaning crews that work at night. "As our computers become smaller, it's easier for someone to walk off with one," says Lotus spokesperson Rebecca Seel.

To be sure, some U.S. firms have been guilty of espionage themselves—though they tend not to practice it overseas, because foreign companies have a tighter hold on their secrets. And American companies now face an additional hazard: the professional spy services of foreign nations. "We're finding intelligence organizations from countries we've never looked at before who are active in the U.S.," says the FBI's R. Patrick Watson. Foreign intelligence agencies traditionally thought friendly to the United States "are trying to plant moles in American high-tech companies [and] search the briefcases of American business men traveling overseas," warns CIA Director Robert Gates. Adds Noell Matchett, a former National Security Agency official: "What we've got is this big black hole of espionage going on all over the world and a naive set of American business people being raped."

No one knows quite how much money U.S. businesses lost to this black hole. Foreign governments refuse to comment on business intelligence they collect. The victims rarely publicize the espionage or report it to authorities for fear of exposing vulnerabilities to stockholders. But more than 30 companies and security experts Newsweek contacted claimed billions of dollars are lost annually from stolen trade secrets and technology. This week a House Judiciary subcommittee is holding hearings to assess the damage. IBM, which has been targeted by French and Japanese intelligence operations, estimates $1 billion lost from economic espionage and software piracy. IBM won't offer specifics but says that the espionage "runs the gamut from items missing off loading docks to people looking over other people's shoulders in airplanes."

Most brazen: France's intelligence service, the Direction Generale de la Securite Exterieure (DGSE), has been the most brazen about economic espionage, bugging seats of businessmen flying on airliners and ransacking their hotel rooms for documents, say intelligence sources. Three years ago the FBI delivered private protests to Paris after it discovered DGSE agents trying to infiltrate European branch offices of IBM and Texas Instruments to pass secrets to a French competitor. The complaint fell on deaf ears. The French intelligence budget was increased 9 percent this year, to enable the hiring of 1,000 new employees. A secret CIA report recently warned of French agents roaming the United States looking for business secrets. Intelligence sources say the French Embassy in Washington has helped French engineers spy on the stealth technology used by American warplane manufacturers. "American businessmen who stay in Paris hotels should still assume that the contents of their briefcases will be photocopied," says security consultant Paul Joyal. DGSE officials won't comment.

The French are hardly alone in business spying. NSA officials suspect British intelligence of monitoring the overseas phone calls of American firms. Investigators who just broke up a kidnap ring run by former Argentine intelligence and police officials suspect the ring planted some 500 wiretaps on foreign businesses in Buenos Aires and fed the information to local firms. The Ackerman Group Inc., a Miami consulting firm that tracks espionage, recently warned clients about Egyptian intelligence agents who break into the hotel rooms of visiting execs with "distressing frequency."

How do the spies do it? Bugs and bribes are popular tools. During a security review of a U.S. manufacturer in Hong Kong, consultant Richard Hefferman discovered that someone had tampered with the firm's phone-switching equipment in a closet. He suspects that agents posing as maintenance men sneaked into the closet and reprogrammed the computer routing phone calls so someone outside the building—Hefferman never determined who—could listen in simply by punching access codes into his phone. Another example: after being outbid at the last minute by a Japanese competitor, a Midwestern heavy manufacturer hired Parvus Co., a Maryland security firm made up mostly of former CIA and NSA operatives. Parvus investigators found that the Japanese firm had recruited one of the manufacturer's midlevel managers with a drug habit to pass along confidential bidding information.

Actually, many foreign intelligence operations are legal. "The science and technology in this country is theirs for the taking so they don't even have to steal it," says Michael Sekora of Technology Strategic Planning, Inc. Take company newsletters, which are a good source of quota data. With such information in hand, a top agent can piece together production rates. American universities are wide open, too: Japanese engineers posing as students feed back to their home offices information on school research projects. "Watch a Japanese tour team coming through a plant or convention," says Robert Burke with Monsanto Co. "They video everything and pick up every sheet of paper."

Computer power: In the old days a business spy visited a bar near a plant to find loose-lipped employees. Now all he needs is a computer, modem and phone. There are some 10,000 computer bulletin boards in the United States—informal electronic networks that hackers, engineers, scientists and government bureaucrats set up with their PCs to share business gossip, the latest research on aircraft engines, even private White House phone numbers.

An agent compiles a list of key words for the technology he wants, which trigger responses from bulletin boards. Then, posing as a student wanting information, he dials from his computer the bulletin boards in a city where the business is located and "finds a Ph.D. who wants to show off," says Thomas Sobczak of Application Configured Computers, Inc. Sobczak once discovered a European agent using a fake name who posed questions about submarine engines to a bulletin board near Groton, Conn. The same questions, asked under a different hacker's name, appeared on bulletin boards in Charleston, S.C., and Bremerton, Wash. Navy submarines are built or based at all three cities.

Using information from phone intercepts, the NSA occasionally tips off U.S. firms hit by foreign spying. In fact, Director Gates has promised he'll do more to protect firms from agents abroad by warning them of hostile penetrations. The FBI has expanded its economic counterintelligence program. The State Department also has begun a pilot program with 50 Fortune 500 companies to allow their execs traveling abroad to carry the same portable secure phones that U.S. officials use.

But U.S. agencies are still groping for a way to join the business spy war. The FBI doesn't want companies to have top-of-the-line encryption devices for fear the bureau won't be able to break their codes to tap phone calls in criminal investigations. And the CIA is moving cautiously because many of the foreign intelligence services "against whom you're going to need the most protection tend to be its closest friends," says former CIA official George Carver. Even American firms are leery of becoming too cozy with their government's agents. But with more foreign spies coming in for the cash, American companies must do more to protect their secrets.

HOW THE SPIES DO IT

MONEY TALKS

Corporate predators haven't exactly been shy about greasing a few palms. In some cases they glean information simply by bribing American employees. In others, they lure workers on the pretense of hiring them for an important job, only to spend the interview pumping them for information. If all else fails, the spies simply hire the employees away to get at their secrets, and chalk it all up to the cost of doing business.

STOP, LOOK, LISTEN

A wealth of intelligence is hidden in plain sight—right inside public records such as stockholder reports, newsletters, zoning applications and regulatory filings. Eavesdropping helps, too. Agents can listen to execs' airplane conversations from six seats away. Some sponsor conferences and invite engineers to present papers. Japanese businessmen are famous for vacuuming up handouts at conventions and snapping photos on plant tours.

BUGS

Electronic transmitters concealed inside ballpoint pens, pocket calculators and even wall paneling can broadcast conversations in sensitive meetings. Spies can have American firms' phone calls rerouted from the switching stations to agents listening in. Sometimes, they tap cables attached to fax machines.

HEARTBREAK HOTEL

Planning to leave your briefcase back at the hotel? The spooks will love you. One of their ploys is to sneak into an exec's room, copy documents and pilfer computer disks. Left your password sitting around? Now they have entry to your company's entire computer system.

[From Business and Society Review, Winter 1991]

INDUSTRIAL ESPIONAGE: WHAT YOU DON'T KNOW CAN HURT YOU

(By Michael J. Stedman)

It wasn't long ago that American industry set the standards for the world. Particularly envied was the nation's prolific research and development (R&D) in high technology. Today things are a bit different, but American technology is still a valuable target for foreign businesses and nations—and their spies.

There are, of course, a host of reasons why American competitiveness has weakened in the past twenty years, not the least of which is that its commercial challengers have gotten stronger. But business and government leaders—seriously concerned with America's deteriorating economic position—are reaching the conclusion that part of our competitors' gains can be attributed to the loss of exclusive trade secrets and technology to foreign espionage. Officials at the Central Intelligence Agency (CIA) and the National Security Agency (NSA), for example, think it is time for America to employ all its resources—including intelligence—to meet more effectively global competition and to bolster the U.S. economic base.

With the Cold War over, field officers around the world have begun to move from the intelligence services into private business. Indeed, the services themselves are moving their resources from military to economic and business arenas. Says Sen. David Boren (D–Okla.), who sits on the Senate Select Committee on Intelligence: "As the arms race is winding down, the spy race is heating up."

And when it comes to spying, the Soviets, with totalitarian single-mindedness, have always played writer/director. As Steven Bryen, former Director of the Defense Technology Security Administration, and now president of Delta Tech, Inc., a consulting firm in Washington, D.C., says, "The Russians turned what was a cottage industry—people spying on each other's companies—into an international product." Bryen's view is supported by the evidence. In the past twenty years, the Soviets have diverted thousands of different high technology items; the hardware alone is worth billions of dollars.

America's warming relationship with Russia will not likely change the Soviet need for discounts on sensitive technological advancements or its approach to business research.

According to CIA Director William Webster, the changes introduced by Soviet President Mikhail Gorbachev make it more important for the Soviets to get intelligence on advanced technology. "We see signs that the Soviets are more aggressive, more robust; there are more pitches being made," Webster says. He adds that there is a greater Soviet effort to recruit agents both in the United States and in Europe. One recent Soviet defector disclosed that the KGB's Dept. T, which specializes in industrial espionage, illicitly gathered 25,000 technical documents and 4,000 pieces of machinery from 1984 to 1988.

CLOAK AND DAGGER

Industrial espionage has a global dimension. The intelligence services of several African nations, for example, cooperate with the KGB to attempt to steal U.S. secrets abroad. "Soviet intelligence is more aggressive than it has been at any time in the last decade," argues Oliver Revell, the Federal Bureau of Investigation's (FBI) associate deputy director in charge of investigations. And intelligence officials indicate that the Soviets are even now recruiting the best agents from the East bloc while those not selected seek espionage jobs in the West. Many end up working in western countries for Iraq, Yemen, and Libya.

According to one global specialist, Steven Dedijer, of Lund University's School of Economics and Management in Sweden, "Today, it has become a real threat to U.S. companies." on May 19, 1990, KGB Chief Vladamir Kryuchkov said his agents would help Soviet businesses acquire economic information from the West. Why? Stealing technologies is one of the quickest ways for them to make up lost ground. Says Dedijer: "The U.S.S.R. enterprises until now have not had competition. With the Gorbachev economic reforms . . . there are strong indications that thousands of KGB officers will be engaged by Soviet firms to help establish corporate intelligence."

This, of course, is news only in degree. The Soviets (as well as Americans) have always engaged in economic intelligence. A 1985 declassified CIA report revealed that "in spite of the several decades of massive investment in indigenous R&D, the prospects are small that the Soviets can reduce their dependence on a large variety of western products and technology in this decade and the next without allowing the technological gap to widen. Even if there were some major Soviet economic or managerial reforms, no real lessening of the Soviet dependence on western innovation is anticipated," the report warned. The impact of the dependence could be even more important in the 1990s than it is today," it added.

While the Soviet Union's espionage is regarded by the FBI and top U.S. military counterintelligence as the most sophisticated and threatening, there has been increased concern of late with Chinese spying and technology theft. U.S. customs officials in California rate the Chinese as the leading foreign power involved in stealing U.S. technology.

"The Russians and Chinese may be the most active spies, but they are certainly not the only ones rifling American technology and industrial secrets." An increasing share of the espionage directed against the United States comes from spying by foreign governments against private American companies aimed at stealing commercial secrets to gain a national economic advantage.

According to George A. Carver, Jr., a former career CIA official and now a fellow at the Center for Strategic and International Studies and president of C and S Associates, Inc., a consulting firm, economic competition is replacing military competition in most of the world—a shift that does not necessarily mean the world is about to become one big happy family. All of America's major foreign competitors [have] the full weight of their governments' diplomatic and intelligence resources thrown behind their nationals' companies or consortia, especially ones in heavy offshore competition," Carver says.

American companies face a formidable foe overseas since, points out Dwayne O. Andreas, head of Archer Daniels Midland, "Every one of our competitors is a democratic, socialist, mercantile managed economy. American companies are not competing with other companies but with the treasuries of other governments, and that is the problem."

An example of this problem surfaced this past summer when it was revealed that U.S. agents discovered that the French intelligence service, Direction Générale de la Securité Extérieure, recruited spies in the European branches of IBM, Texas Instruments, and other U.S. electronics companies. U.S. officials say the spy ring, which was passing on marketing and research secrets to Compagnie des Machines Bull, the troubled government-owned French computer company, was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence.

Anyone skeptical of an impending threat to America's leadership in the technological and industrial sector need only look at a report, "Deterrence in Decay: the Final Report of the Defense Industrial Base Project," issued last year by a Defense Department-supported panel of industry spokespersons. Produced by the Center for Strategic and International Studies, the report states: "One of the most important national security aspects of industrial performance is import penetration into the domestic defense industry. Total import penetration grew between 1980 and 1986 in 104 of 122 defense sectors for which data are available. Certain critical components are available only from foreign suppliers whose reliability in time of emergency is questionable. . . . Foreign penetration of the U.S. defense industrial base may drain the U.S. technological lead."

"The United States is the most formidable country in the world once it sets its mind on doing something," says William T. Archey, a vice president for the U.S. Chamber of Commerce. "And what it needs to do right now is focus its attention on international competitiveness and the importance of trade to the country's economic well-being." But many experts involved in security and intelligence wonder if American business is up to the job.

OVERT AND COVERT

These experts essentially argue that American business has too long ignored the relationship between intelligence gathering and economic competitiveness. Carver emphasizes that intelligence collection and other operations cannot be neatly compartmentalized into "overt" and "covert" categories. Rather, they span a spectrum that ranges from using one's own eyes and ears while engaged in perfectly open, lawful activities (and encouraging others to do the same) to classical espionage operations conducted with the full panoply of clandestine tradecraft. Thus, many important intelligence tasks can only be performed by humans. And because the kind of talent needed to perform them effectively isn't readily available, a new industry—business intelligence (BI)—is emerging. Intelligence specialists, who bring with them their special expertise, are in the process of creating this totally new business discipline that some say will eventually prove to be as valuable to business as the development of strategic planning. It is important to understand the difference between business intelligence and corporate espionage: it is the difference between stealing secrets and analyzing, organizing, and distributing legally available information that can be useful to the unique policymaking needs of one particular enterprise.

Dedijer, speaking at a recent convention of business and competitive intelligence professionals in Paris, said, "BI today is the chief national weapon in the worldwide economic war." While he points to Japan as having the most sophisticated business intelligence, he also credits the U.S.S.R. with making it a science.

MILITARY EXPERIENCE

The evidence that intelligence is important to the success of business enterprises has had little impact on business schools in America. American management science, with very few exceptions, has preferred not to devote serious consideration to the intelligence and security competence of the enterprise, regarding it in many respects as an unethical realm of cloak-and-dagger escapades and worse. That may partially explain why until now most business intelligence professionals have been men with experience in various branches of military, police, and political intelligence. Didijer explains that "the emergent intelligent corporation will need" professionals with business school training in the theory and practice of business intelligence.

A consensus is beginning to form that American business needs to develop its understanding of how the rest of the world balances the relationship between industry and government with regard to intelligence. This is not an entirely new need, of course. Competition from friend and foe has been increasing for the past twenty to twenty-five years. But recent and impending forces—the collapse of communism and the enormous markets that that event opens, the unification of Europe in 1992, the increased financial pressure on Japan, and the frenzied search for innovation and new products—bring a startling urgency to the situation. The pressure on business to compete more effectively is destined to increase exponentially.

CIA Director Webster has noted that President Bush has identified competitiveness as a national goal. That effort is inextricably linked to America's commitment to develop its comprehension of how information and intelligence can be handled in a competitive environment. "It is the job of intelligence to provide information that will help our policymakers reach that goal . . . to examine

. . . the ways that actions taken abroad can affect our national security interest. Understanding the capabilities and intentions of competitors will assist our policymakers in deciding how our nation will play. It is very important for us to recognize that other countries may not be playing by the rules that we would necessarily advance," he adds.

In the arcane area of intelligence there can be problems that cannot be solved by individual companies or even entire industries. These problems are not only beyond reach of the corporate marketing or research departments, but reside in a shadowy region sheltered from our own laws and agreements.

STOLEN SECRETS

Bob Muir, director of the patent office at Caterpillar in Moline, Illinois, cited a frustrating example: "me-too" registrations. Because many of the chemicals used by the pharmaceutical and agro-chemical industries are toxic, some nations require that foreign companies register with the government a chemicals formulation and present evidence demonstrating how the substance can be safely used. Having done this (compiling the test results can sometimes take years), American companies often find that the chemical formulas they have developed and spent years testing turn up in the registrations filed by competitors within that country. Only the intervention of the U.S. government can correct this unjust enrichment at the expense of American companies. Muir says patent experts have been pressing for laws that would protect companies from this practice. The practice is now legal in a number of lesser-developed nations.

A similar scheme was hurting U.S. manufacturers in Italy until the laws were finally changed, according to Muir. "Italy had a large pharmaceutical industry which simply manufactured pharmaceuticals identical to those patented in this country," he says. Since it is the process of making a product that is usually patented, Italy's pharmaceuticals could be exported anywhere—and particularly to the United States, where importing a product made by an identical process overseas does not constitute a patent infringement.

Gerald Burke, chairman and CEO, Parvus Co., Silver Spring, Maryland, a private investigation firm, says that while American technology is the primary target of both espionage and intelligence efforts by foreign governments and companies, the activity is neither confined to American corporations, nor to technology. Burke's firm, like the intelligence agencies its operatives come from, specializes in counterespionage and security.

A very large international Swiss construction contractor retained Parvus because it was suspicious that an Italian competitor was stealing bidding information on contracts worth billions of dollars. The client, which should have won some of the contracts, was being consistently underbid. "We did find the bad guy, a former employee of our client who still had an in with the people in the controller's office of our client and literally bribed him for this bidding data," Burke says.

OPERATING OPERATIVES

Burke's firm illustrates the rising prominence of business intelligence and the type of expertise the field employs. Burke started his career as a naval officer before transferring into Naval Intelligence, where he worked closely with the National Security Agency as an expert in Soviet missiles. In 1969, after reaching the top levels of NSA as civilian chief of staff, he was appointed by President Richard Nixon as executive director of the President's Foreign Intelligence Advisory Board to evaluate worldwide spy operations.

Parvus' roster of officers and operatives reveals it to be a small, private version of the Central Intelligence Agency for hire. As an example, former CIA director Richard Helms is chairman of Parvus' advisory board. Virtually all of its operating employees came out of CIA, NSA, DEA, FBI, U.S. Foreign Service, State Department intelligence, INTERPOL, IRS, and intelligence branches of the various armed services. The range of expertise at the firm is broad; several on the staff, for example, have medical degrees.

The secrecy inherent in all this creates a Catch-22 situation: While the U.S. intelligence community wants to broaden public support for efforts to increase the exchange of economic and business information between government and industry, the secrecy necessary to shield intelligence activity from adversaries inhibits them from acting. After all, not even the victims of foreign espionage and business intelligence activities want to talk about it. And for the CIA, NSA, or one of the defense intelligence agencies to discuss it would mean unmasking methods and resources that are at the heart and soul of their work.

America's cultural reservations about big business and big government have further hindered any advance toward bridging the gap between business and government intelligence.

Former CIA director Richard Helms, now president of Safeer Company, Washington, D.C., agrees that while the American intelligence community has always been involved in economic intelligence, there is more of a need today for the government "to provide information to individual companies in an effort to keep America competitive. But I don't think anyone's worked out a solution to that problem." Helms pointed out that not a small part of the difficulty "is this country's cultural environment itself. Our culture in America is such that when companies do work for their government, they're always open to suspicion and vice versa." Perhaps that explains partly why "nearly all of this stuff [espionage against U.S. companies] will remain secret because there is a mutual defense pact here: the guy getting it doesn't want it to be known that he's doing it, the guy receiving it doesn't want it to be known that he's getting it, and the victim doesn't want anyone to know he's been had."

Burke illustrates the problem when discussing his own experiences. He is unable to divulge the identity of his clients or other specifics when describing examples of espionage at work against commercial enterprises.

"We recently had a case on retainer where we caught a Japanese computer company stealing or misappropriating, not hard trade secrets, but marketing analyses, cost and pricing data, etc., [which] can have immediate bottom-line implications for an American company." Burke's firm identified and caught the guilty parties but the client did not want to involve the authorities—the firm simply wanted the practice to end. "They weren't at all interested in calling in the FBI," says Burke. "If someone is victimized, they don't want anyone to know that they are vulnerable."

MULTINATIONAL SPIES

One of the best ways to make American companies more competitive is to open their eyes to competitive intelligence, Burke says. He points to the "grand old tradition in Europe" of using national intelligence services to help private companies. Echoing Ambassador Helms, he says "there is a kind of adversarial relationship between government and business" and laments that American companies are not nearly as sophisticated as Japanese, German, or French companies in terms of competitive intelligence.

As vice chairman of the National Intelligence Council and special assistant to former Director of Central Intelligence William Casey, Herb E. Meyer managed the production of the U.S. national intelligence estimates, the top-secret projections that go to the President every day. Today Meyer is president of Real World Intelligence, Inc., Washington, DC. He is also a former editor of Fortune magazine and the author of the recently released book Real World Intelligence.

After leaving the CIA, Meyer says he became aware that non-American companies were making tremendous use of information analysis—as opposed to field operations or clandestine activity—in ways that American firms were not. "There is no such thing as a Japanese company that doesn't have a business analysis system, and European companies are beginning to do it, too. And I saw the emergence of a management tool that was being used against American companies of which we were not aware," he says.

Many major foreign multinational companies are increasingly using intelligence as a management tool as well. And, according to Meyer, they are doing so far more extensively and effectively than U.S. corporations. He says that the foreign multinationals are taking advantage of intelligence analyses provided by intelligence-consulting firms that have set up shop in the past few years in the world's financial and political capitals. Most of these firms, he explains, are owned and operated by former high-level government officials who, in effect, are repackaging and selling to corporate clients—often for large fees—the information and insights they acquired while in office.

Meyer believes business intelligence is destined to become the next major management science tool to take America by surprise. To illustrate how uninitiated he feels the American business and academic business school community remains, he likens what is happening today to two earlier instances of major management science break-throughs: strategic planning, which American ingenuity recognized, and quality control circles, which it didn't.

Meyer believes that, with a bit of encouragement, American corporations and business schools can shed their negative perception of business intelligence. Indeed, he thinks it may eventually be embraced enthusiastically. Meyer recalls the enthusiasm that greeted another new management method: strategic planning. Business, which saw how Pentagon "whiz kids" had used logistics to help Allied forces win WW II by providing for the smooth and uninterrupted flow of vital food and supplies to troops, recognized the potential of the new management method.

CORPORATE RADAR

Meyer also recalls W. Edward Deming, who developed innovative quality control manufacturing techniques—techniques that were ignored in the United States. After his rejection at home in the years after World War II, Deming took his ideas on the road to Japan. There, he became the second most celebrated person after the Emperor. Every year, the Deming award for quality is broadcast nationally on Japanese television. Says Meyer:

"[Deming] was a nobody [in the United States]. No one would buy him lunch. Now big American companies are flying him in on private jets with lines waiting to listen to him.

"There is a serious danger that the pattern will repeat itself. You cannot graduate from the top business school in France without taking a course in business intelligence. There are virtually no BI courses in American business schools," he adds.

Meyer's book has just been published in the United States; it's being launched in France, and will be printed in Japanese. "Business intelligence is corporate radar; it doesn't exist in the United States except that now we're beginning. You can go to any CEO and ask 'How do you plan strategically,' and he can tell you. But ask 'how do you harness information?' and he cannot answer your question. That's the equivalent of 'Hey, everybody keep your eyes peeled and if you see anything, let me know.' It's a non-system," he shrugs.

The line in Real World Intelligence Meyer says gets quoted most is that Mitsubishi has an intelligence analytic staff that takes up two floors of the Pan Am building in New York. "To serve their broad commercial interests, the Japanese trading companies—the sogo shosha—have created vast overseas data-collection networks," he smiles.

Another former government official, Michael Sekora, who headed the Defense Department's SOCRATES project which examined the availability of technology on a global basis, now operates a private consulting firm, Technology Strategic Planning, in Stuart, Florida. Sekora says that the United States has "to start playing the game the way everyone else does: Limit the flow of good technology out of your own country while going to other countries and getting theirs."

Charles Hunt, an associate of Meyer in Paris, says business must be played like war today—seriously—but without the dirty tricks and nastiness. "You have to know your objectives, your target, and once you know your target, you build your sensory apparatus: radar." Hunt uses the metaphor of a soldier in warfare tending radar for a harbor. "You're looking for the enemy," he says.

SEOUL GUITARS

Business intelligence requires setting up a sensory system that will channel information directly from sources to deciphering and analysis, where data is put into a form that can be acted on effectively and immediately. "That's the first part of the trick, to know where to look, to use your sensory equipment. Once you have your system to get the early signals and a way to go to the sources, you have almost 95 percent of the intelligence business," Hunt explains.

Hunt has also just published a book in France—Strategic Intelligence for Your Enterprise—that offers a compelling example of business intelligence. The huge Korean organization Samsung, Hunt writes, has a very articulated, informal, internal intelligence network. Samsung's headquarters in Seoul receives a daily intelligence report from all locations where the organization employs more than four people. The system was so effective that even the Iran-Iraq war and the Iranian revolution did not interfere with the flow of daily reports from Samsung subsidiaries and branches to Seoul. The reports contained information that allowed headquarters to plan effectively in advance for the needs of its far-flung empire. A gripping example of how intelligence can be used effectively and within legal and ethical parameters was illustrated by the American guitar caper. According to Hunt, an employee responsible for Samsung's Los Angeles office read in the local paper that one of the last American guitar factories was going to close. Guitars from East Asia were cheaper and a price war made it no longer profitable to make them at the American factory. The employee in Los Angeles sent the newspaper article to Seoul.

"So [headquarters] thought about it and decided that the guitar was a strong symbol of the free American spirit, of independence, the cowboy strumming along the cattle trail," said Hunt. Samsung anticipated that the American guitar industry "would go to Washington to canvass and Congress would put some sort of restraints on those kinds of string instruments," Hunt added.

The information, confirmed by other Samsung representatives, gave management all it needed to make a strategic decision that would prove extremely profitable. "They just stacked their warehouses in America with all the guitars they could find in Korea and sold all they could until Congress passed a ruling, which it did," said Hunt.

The need for more attention to intelligence as a management science in corporations as well as in business schools is driven home by Lester Thurow, the dean of MIT's business school. "We in America are very poorly organized to employ business intelligence to compete." He points to a reluctance to catch up with modern facts of business and economic life, if not sheer arrogrance, as a problem. "Because for a half-century we believed there was nothing important to learn in the rest of the world and therefore we don't have to have our vacuum cleaners out there vacuuming it up; it goes from the trivial to the sophisticated," Thurow says. He points out that one of the jobs at the Japanese Productivity Center in Washington simply is to translate every science and engineering article written in English into Japanese and send it to all the corporations in Japan that they think should read it. The United States doesn't do anything like that.

"It is interesting to note that there are virtually no courses in business intelligence at American business schools, including at MIT. It goes back to the same thing: no one thought it was necessary," Thurow says. He adds: "The U.S. government is going to have to jump in with both feet to help its corporations because other countries already do that."

Speaking to the morality of business intelligence, Fred Haynes, vice president for planning and analysis of LTV's Missile and Electronics Group, says, "It's not spying. It doesn't have to be done unethically. It's part of a normal process."

[From Time, May 28, 1990]

WHEN "FRIENDS" BECOME MOLES—AMERICAN COMPANIES WAKE UP TO A NEW SPY THREAT: U.S. ALLIES

(By Jay Peterzell)

The dangers of Soviet military espionage may be receding, but U.S. security officials are awakening to a spy threat from a different quarter: America's allies. According to U.S. officials, several foreign governments are employing their spy networks to purloin business secrets and give them to private industry. In a case brought to light last week in the French newsmagazine *L'Express*, U.S. agents found evidence late last year that the French intelligence service Direction Générale de la Sécurité Extérieure had recruited spies in the European branches of IBM, Texas Instruments and other U.S. electronics companies. American officials say DGSE was passing along secrets involving research and marketing to Compagnie des Machines Bull, the struggling computer maker largely owned by the French government.

A joint team of FBI and CIA officials journeyed to Paris to inform the French government that the scheme had been uncovered, and the Gallic moles were promptly fired from the U.S. companies. Bull, which is competing desperately with American rivals for market share in Europe, denies any relationship with DGSE. Last year the company made a legitimate acquisition of U.S. technology when it agreed to purchase Zenith's computer division for $496 million.

U.S. officials say the spy ring was part of a major espionage program run against foreign business executives since the late 1960s by Service 7 of French intelligence. Besides infiltrating American companies, the operation routinely intercepts electronic messages sent by foreign firms. "There's no question that they have been spying on IBM's transatlantic communications and handing the information to Bull for years," charges Robert Courtney, a former IBM security official who advises companies on counterespionage techniques.

Service 7 also conducts an estimated ten to 15 break-ins every day at large hotels in Paris to copy documents left in the rooms by visiting businessmen, journalists and diplomats. These "bag operations" first came to the attention of the U.S. Government in the mid-1980s. One U.S. executive told officials about a trip to Paris during which he had made handwritten notes in the margin of one of his memos. While negotiating a deal with a French businessman, he noticed that the Frenchman had a photocopy of the memo, handwritten notes and all. Asked how he got it, the Parisian sheepishly admitted that a French government official had given it to him. Because of such incidents, U.S. officials began a quite effort to warn American companies about the need to take special precautions when operating in France.

While France can be blatant, it is by no means unique. "A number of nations friendly to the U.S. have engaged in industrial espionage, collecting information with their intelligence services to support private industry," says Oliver Revell, the FBI's associate deputy director in charge of investigations. Those countries include Britain, West Germany, the Netherlands and Belgium, according to Courtney. The consultant has developed a few tricks for gauging whether foreign spies are eavesdropping on his corporate clients. In one scheme, he instructs his client to transmit a fake cable informing its European office of a price increase. If the client's competitor in that country boosts its price to the level mentioned in the cable, the jig is up. "You just spoof'em," Courtney says.

Most U.S. corporations could protect their sensitive communications simply by sending them in code. But many companies are reluctant to do this, even though the cost and inconvenience might be minor. One reason may be that the effects of spying are largely invisible. All the company sees is that it has failed to win a contract or two. Meanwhile, its competitor may have clandestinely learned all about its marketing plans, its negotiating strategies and its manufacturing secrets. "American businesses are not really up against some little competitor," observes Noel Machette, a former National Security Agency official who heads a private security firm near Washington. "They're up against the whole intelligence apparatus of other countries. And they're getting their clocks cleaned."

As U.S. national-security planners increasingly focus on American competitiveness, many of them fear that U.S. corporations are operating at a severe disadvantage. America's tradition of keeping Government and business separate tends to minimize opportunities for the kind of intelligence sharing that often occurs in Europe. "I made a big effort to get the intelligence community to support U.S. businesses," recalls Admiral Stansfield Turner, who headed the CIA in the late 1970s. "I was told by CIA professionals that this was not national security." Moreover, it would be hard for the Government to provide information to one U.S. firm and not to another. Yet if sensitive intelligence is shared too widely, it cannot be protected.

One thing the U.S. Government can do is make sure business leaders understand the threat. When the late Walter Deeley was a deputy director at NSA in the early 1980s, he began a hush-hush program in which executives were given clearances and told when foreign intelligence agencies were stealing their secrets. "He considered it a real crusade," a former intelligence official says. "If American business leaders could see some of these intelligence reports, I think they would go bananas and put a lot more effort into protecting their communications."

"It may not be possible to level the playing field [with foreign companies] by sharing intelligence directly" with their U.S. rivals, observes deputy White House science adviser Michelle Van Cleave. "But it should be possible to button up our secrets." That argues for much more use of secret-keeping techniques and far less naiveté on the part of American business as it enters the spy-vs.-spy era of the 1990s.

Mr. COHEN. With that, Mr. President, I yield the floor at this time and seek any comment that the chairman might have.

Mr. HOLLINGS. Mr. President, right to the point, there is no use trying to extend technology with regional centers when the foreign intelligence penetrations are going on, and they are ahead of the extension, particularly with respect to our technology. As it shifts from DOD and DARPA over into Commerce's Advanced Technology Program, this has been a matter of concern. It is not a subject, of course, of this committee, but we are willing to try, in the light of what has been explained by the distinguished Senator from Maine, try to take it and see what the Members on the other end of the Capitol would like to do. We will do our best.

I have worked in this intelligence field; I will plead guilty on that. I started back in the fifties on the Hoover Commission. We investigated, at that time, the intelligence activities not only of the entire Defense Department—Army, Navy, Air Force, Department of Defense intelligence, the old Atomic Energy, Nuclear, the CID, CIA, FBI, National Security Agency, particularly the CIA, working at that time with Allen Dulles. We had a real tight and responsive organization. I have just completed 8 years with the distinguished Senator from Maine on the Intelligence Committee. We are sadly lacking in this area he highlighted, and this is definitely needed. There is no question. That is my opinion. If others are disposed otherwise, I would yield and let others address the particular subject, and then go along with his move to adopt.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 1479) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 1489

(Purpose: To amend the National Security Act of 1947 to improve counterintelligence measures through enhanced security for classified information, and for other purposes)

Mr. COHEN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. COHEN] proposes an amendment numbered 1489.

Mr. COHEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. COHEN. Mr. President, in line with the last amendment I wanted to focus briefly, if I could, on the need for adequate counterintelligence.

When Boris Yeltsin gave his memorable speech to a joint session of Congress in 1991, he bluntly declared, "No more lies." Perhaps because of the thunderous applause that followed, many Americans seem to have misheard him to say "no more spies." We now know better.

The point, though, is what we should have known all along. If anyone got the impression that the end of the cold war meant there would be no one left to come in from the cold, they did not get that impression from Moscow. After the collapse of the Berlin Wall and the Warsaw Pact, Soviet and later Russian intelligence officials clearly stated that they were still hard at work and even were getting more aggressive at stealing business secrets.

The FBI and others warned that the end of the cold war would produce no decline in espionage against the United States and, indeed, might lead to an increase since some Americans might be more comfortable selling secrets to countries that no longer appear to threaten us.

The image of a cold war spy was of a Philby, Burgess or other high-level official driven by ideological zeal. But long before the cold war ended, these glamorous, derring-do agents of real life and fiction gave way to faceless bureaucrats whose zeal was not for the Red banner but the greenback.

During the 1980's, more spies were unmasked than during any other decade in our history. They were clerks, analysts, cryptanalysts, military personnel and other low- to mid-level employees with access to our most important secrets and a willingness to sell those secrets to the highest bidder. Only one-tenth of them were recruited. Nine out of ten were volunteers, initiating contact with a foreign intelligence service.

Five years ago, recognizing that countering this new breed of spies would require new methods, Senator BOREN and I, as chairman and vice chairman of the Senate Intelligence Committee, undertook a year-long review to identify ways to improve the Nation's counterintelligence system without sacrificing the personal liberties our national security apparatus is meant to protect.

To assist us in that effort, Senator BOREN and I convinced a panel of wise men with significant experience in government.

This distinguished panel included Eli Jacobs, a businessman who has served on many government advisory panels related to national security and intelligence; now-Secretary of State Warren Christopher; Lloyd Cutler, who served as counsel to President Carter and has just been named as President Clinton's counsel; Reagan White House counsel Arthur B. Culvahouse; and Ambassador Sol Linowitz.

The work of this panel, as well as testimony we received from the FBI, the CIA, the Justice Department, the ACLU, the American Foreign Service Association, and others greatly contributed to our effort. Based on our research and these contributions, we drafted legislation to deter U.S. citizens from spying, detect those who are not deterred and help prosecute those we detect.

Given the pecuniary motives of today's spies, we sought to improve the chance that warning lights would start flashing when Americans handling highly classified information lived beyond their means. Or, as I noted in a 1990 statement that is unexpectedly pertinent in light of the Ames case, if a guy goes from a Vega to a Jaguar in a year's time, something's wrong and should be detected.

We concluded that the FBI should be given greater access to financial and foreign travel records of persons who handle Top Secret information. Giving consent to such FBI access should be a condition of obtaining a Top Secret clearance, and this consent should apply throughout the time a person has access to Top Secret information and for 5 years thereafter. Current law actually prohibits a person from giving consent for government access to financial records for more than 3 months.

While constituting a moderate loss of privacy for those handling highly classified information, this would create an important deterrent to those tempted to spy and a new tool to catch those who do. Being entrusted with the Nation's secrets is a privilege for which the Nation can and should ask reasonable sacrifice.

A second significant change we proposed was to establish uniform requirements for access to highly classified information, which today can vary widely from one agency to another. According to a recent report by a panel appointed by the CIA and the Pentagon, information on a certain technology was subject to discretionary controls by the Department of Energy but protected with deadly force by one of the military services. Similar, if less extreme, variations exist in agencies' requirements for obtaining security clearances.

Besides creating wasteful redundancies, this permits weak links in the chains of security guarding our secrets. It even opens the opportunity for a person to shop around for a security clearance. Jonathan J. Pollard, who pleaded guilty in 1986 of spying for Israel, was denied employment by the CIA in 1977 because of security concerns only to be hired 2 years later as a civilian Navy intelligence analyst.

Other measures we identified included improving protection of cryptographic information, which can be the magic key to read volumes of sensitive communications at all levels of classification; closing gaps in our espionage laws; better enabling the Government to confiscate spies' ill-gotten gains; establishing jurisdiction in U.S. courts for espionage acts committed abroad; and allowing monetary rewards for information leading to the arrest or conviction of spies or prevention of espionage.

Mr. President, I was very pleased last week when the Chairman of a special DOD–CIA appointed commission endorsed not only these types of measures but this very legislation, itself. In fact, in public testimony to the Senate Intelligence Committee, Jeff Smith called for the prompt passage of this legislation so that it can be enacted into law this year. Smith chaired the Joint Security Commission, a group of experienced and knowledgeable private citizens appointed by Secretary Aspin and Director Woolsey last May to review the defense and intelligence communities security procedures.

The endorsement by yet another distinguished panel verifies that this legislation remains urgently needed.

It is quite possible that Aldrich Ames would have been caught years ago had this legislation been adopted when we first introduced it in 1990. Now, however, it is more important to look to the future. Passage of this amendment will greatly increase the chances that unknown persons now spying or considering doing so could be caught or deterred before causing grievous and costly damage.

It would, of course, had been better to adopt this back in the 101st Congress, when we first introduced it, or in the 102d Congress, when we reintroduced it. Unfortunately, as the cold war thawed, the resulting flood of goodwill for our former enemies swept away support for improving counterintelligence. While thoroughly vetted by the special advisory panel, congressional hearings and Justice Department reviews, this legislation languished due to the widespread belief that it was a solution to a problem of another era.

At the time, we asked what would be needed to get Congress to act—another Felix Bloch? Would it take another security disaster before Congress would be spurred to action? As the Ames case regrettably reveals, the answer was yes.

Now that Mr. Ames has reminded us that spying for dollars will continue as long as we entrust secrets to fallible human beings, we should promptly adopt this legislation to improve our chances of catching those faceless bureaucrats who still spy and deter those who are considering getting in on the act.

If we do not act now, when will we—after the next Aldrich Ames?

At this point, Mr. President, I would like to briefly run through each section of the Counterintelligence Improvement Act, and I ask that at the conclusion of my remarks a more detailed section-by-section analysis be included in the RECORD.

Before doing so, I would note that the amendment we are offering is essentially identical to S. 3251 of the 101st Congress and S. 394 of the 102d Congress. The only nontechnical modification is the elimination of Section 12 from those earlier bills, related to FBI access to telephone subscriber information. A version of Section 12 was adopted by Congress last November as free-standing legislation and enacted as Public Law 103–142.

And the detailed section-by-section analysis I am submitting for the RECORD is essentially identical to that which appeared in the RECORD of October 26, 1990. The only modifications are technical corrections and the elimination of the discussion of section 12.

SUMMARY OF PROVISIONS

Section 1. Gives the bill the short title of the Counterintelligence Improvements Act of 1994.

Section 2. Adds a new title to the National Security Act of 1947 to establish uniform requirements for access to Top Secret information. To be granted access to such information, a person would be required to permit access by U.S. Government investigative agencies to financial records, consumer credit reports, and foreign travel records maintained by commercial entities in the United States.

Section 3. Adds a new title to the National Security Act of 1947 to provide special requirements for the protection of cryptographic information.

Section 4. Amends the Right to Financial Privacy Act of 1978 to permit a person being considered for access to Top Secret information to provide consent to U.S. Government investigative agencies to obtain access to his or her financial records. This would apply for the period of the person's access to such information and for 5 years thereafter. Currently, consent can be provided for only three months.

Section 5. Amends chapter 37 of title 18, U.S. Code, to create a new criminal offense for the possession of espionage devices where the intent to use such devices to violate the espionage statutes can be shown.

Section 6. Amends chapter 37 of title 18, U.S. Code, to create a new criminal offense for any person who knowingly sells or transfers for any valuable consideration to a person whom he knows or has reason to believe to be an agent or representative of a foreign government any document or material classified Top Secret.

Section 7. Provides that any officer or employee of the United States who knowingly removes documents or materials classified Top Secret without authority and retains them at an unauthorized location shall be fined not more than $1000 or imprisoned not more than 1 year, or both.

Section 8. Establishes jurisdiction in certain U.S. Federal courts to try cases involving violations of the espionage laws where the alleged misconduct takes place outside the United States.

Section 9. Amends title 18 of the U.S. Code to provide for expansion of the forfeiture provision to certain espionage offenses that are not enumerated in the existing law.

Section 10. Provides that a person may be denied annuity or retired pay by the U.S. if convicted in a foreign country of offenses for which such annuity or retired pay could have been denied had such offense occurred within the United States.

Section 11. Amends the Consumer Credit Protection Act to provide the FBI access to records sought in connection with an authorized foreign counterintelligence investigation when there are specific and articulable facts giving reason to believe the person to whom the records relate is an agent of a foreign power.

Section 12. Provides the Attorney General with discretionary authority to pay rewards, up to $1 million, for information leading to the arrest or conviction of espionage against the United States or the prevention of such acts.

Section 13. Subjects physical searches in the United States to the same court order procedure that is required for electronic surveillance under the Foreign Intelligence Surveillance Act.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, they know the aberrations in the Ames polygraph, also, as we all know.

The "good old boy" system over there, the bureaucracy, the analysis section without relating the number, is tremendously overstaffed. There is a crowd of them in there, analysts being paid not only Senatorial pay, but they get overtime. You see it is overtime now for me. It is past 5 o'clock, but I am not getting any extra pay. But over at the Central Intelligence Agency they are. And they fall over each other. They cut the corners analyzing. They are around the edges so that General Schwarzkopf, when he got the reports from Desert Storm from the CIA said, "Mush." That is his word. And he had to depend on the field intelligence, as we well know.

But what got me is here we had the man Rick Ames who was in counterintelligence. Namely, he was working our spies over there in the Soviet Union. Under the golden rule, do unto others as we do unto you. If we are spying on them under the golden rule, not pickpocketing, you may say the Soviet was only responding to the golden rule.

I never could see this great hiatus about, oh, shock and surprise when it was the catching of our main man in charge of counterintelligence, namely, of spying on them. I think that the need here is very clear.

Unfortunately, it is not on our bill. It is not within the subject or purview, but we will see, as I have explained on the former amendment, over on the other side of the Capitol what we might do.

So I will then go along with the Senator for the adoption of the amendment.

Mr. BOREN. Mr. President, I am proud to join and cosponsor this amendment with Senator COHEN. The recent Ames case makes clear the need for reform. Our amendment would strengthen the tools available to the Federal Government to deter, catch and prosecute those guilty of spying against our country. It grows out of work performed by the Senate Select Committee on Intelligence when I served as chairman and Senator COHEN served as vice chairman in 1990.

The amendment is the product of work performed by a distinguished panel of outside experts. Public hearings on their proposal were held by the Senate Select Committee on Intelligence. The independent panel, which issued its report in 1990, was chaired by New York businessman Eli Jacobs, who had served on a number of national security advisory boards. Other members included Lloyd Cutler who has been recently named White House Counsel; Warren Christopher, now the Secretary of State; Jim Woolsey who has since been named CIA Director; Admiral Bobby Inman, former director of the National Security Agency and former deputy director of the CIA; former White House counsel A.B. Culvahouse; Sol Linowitz, former ambassador to the Organization of America States; Richard Helms, former director of the CIA; Seymour Weiss, a former ambassador and State Department official; and Columbia law professor, Harold Edgar who is a noted scholar on national security law.

The panel determined that most modern spies sell secrets for financial rather than philosophical motives and for that reason are not likely to be discouraged by the political changes that have swept through the Eastern bloc. Indeed, the largest part of the espionage problem is impervious to the political change in the former Soviet Union and Eastern Europe. It is the phenomenon of the U.S. citizen with access to highly classified information who volunteers his service to a foreign intelligence service for money. No foreign government is going to turn down an opportunity to acquire information in its own national interests.

The changes proposed by the panel in the legislation were presented at a rare open intelligence hearing on May 23, 1990. A second open session was held a month later.

The changes proposed in the legislation fall into three categories—improving the government's personnel security system, providing additional penalties for espionage activities, and enhancing counterintelligence investigative capabilities.

At the time the legislation was first introduced, the cold war was coming to an end and many people asked why we should continue to worry about espionage. Although ideologically inspired spying was decreasing, spying for financial gain was on the rise. Those tempted to spy now may not think they're putting their country in jeopardy as much as during the cold war. Senator COHEN and I had difficulty in focusing enough attention on our proposal at the time it was first unveiled. Hopefully, recent developments have made it clear that the winding down of the cold war does not necessarily mean that the espionage threat has been reduced. With a desire of more nations to collect information related to national economic interests, the threat may actually be increasing.

The Boren-Cohen amendment would establish uniform requirements binding on all branches of government for access to TOP SECRET information and require all persons considered for such access to make personal financial reports during that period and for 5 years after their access is terminated. It would make some Government employees subject to random polygraph test and establish a new criminal offense for possession of espionage devices where intent to spy can be proved. Further, it would establish criminal offenses for selling or transferring TOP SECRET materials or removing them without authorization, tighten laws barring profit from espionage and expand existing authority to deny retirement pay to those convicted of espionage in foreign courts.

The amendment would permit the FBI to obtain consumer reports on persons believed to be agents of foreign powers without those persons being notified. The FBI would be allowed to obtain subscriber information from telephone companies on persons with unlisted numbers who are called by foreign powers or their agents. It would authorize the Attorney General to pay rewards of up to $1 million for information leading to arrests or convictions for espionage or for the prevention of espionage. Finally, the legislation would subject physical searches in the United States to the same court order procedure that is required for electronic surveillance.

No one is under the illusion that these proposals will eliminate espionage. But they should give the Government an improved ability to deter U.S. citizens from spying, to detect those who are not deterred and to help prosecute those who trade our security for their enrichment. I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Maine.

The amendment (No. 1489) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I have some questions about this legislation, and I would like to ask my distinguished colleague, the Senator from Missouri, to see if I understand his bill correctly.

As I understand the bill—and I am open to correction on this—what it does is it provides that over the course of 2 years, that is fiscal year 1995, which starts on October 1, and fiscal year 1996, that the bill authorizes some $2.8 billion of additional spending.

Am I correct in that, I ask the Senator?

Mr. DANFORTH. Well, it authorizes $2.8 billion of spending. The spending does exceed the appropriations levels for 1994.

Mr. CHAFEE. So, in other words, in 1994, for this series of programs, as I look at the summary sheet, $526 million was appropriated.

Mr. DANFORTH. That is correct.

Mr. CHAFEE. And the request in the President's budget was $964 million, nearly doubling, a little short of doubling, say some 70 percent increase, perhaps?

Mr. DANFORTH. That would be for 1995.

Mr. CHAFEE. Now, what this bill does, it authorizes not what the President requested—by the way, the last I heard it was a Democratic President—but it is not $964 million that is requested, but under this bill the authorization is $1.370 billion; am I correct?

Mr. DANFORTH. That is correct. This year, 1994, the appropriation for all these programs combined is $526 million. The President has requested for all of these programs $964 million. This is an authorization for 1995 for $1.370 billion.

Mr. CHAFEE. I know that there is a difference between authorization and appropriation. But clearly, the committee has not authorized this without hoping that it will be appropriated, that can be only my conclusion.

My second question is: is there a method of paying for this in the legislation?

In other words, I can only assume that probably the President, in his budget request, has found some way of paying for it or adding it to the deficit. How about the difference? In other words, the difference here is some $400 million. Is there a way of paying for that in here?

Mr. DANFORTH. Well, as I understand the argument in favor of the legislation, with the cutbacks in national defense and the cutbacks in spending for research in national defense, we have created a pocket of money which is now burning a hole in that pocket and that this is an opportunity to spend it by having the Government entangle itself in the private sector's research activities.

Mr. CHAFEE. I must say, I find this rather amusing, because just some 10 days ago on the floor of the Senate, we were debating the question of a constitutional amendment. I heard some stirring oratory on the other side of the aisle that, "What this Senate needs is some courage, the courage to stop this spending. We don't need a Constitutional amendment."

Let me quote from one distinguished Democratic Senator.

> It does not take a constitutional amendment to reduce the Federal deficit or balance the Federal budget. All it takes is enough courage by Congress and the administration to make the tough decisions we were elected to make.

Now, hard on the heels of that—and the constitutional amendment was defeated with overwhelming rejection on the other side of the aisle—now we come to an era when perhaps there are some tough decisions. And, as I understand it, there are programs, some money available in the defense budget, so the first thing, as I understand it, is to spend it, to spend it on a new program or enlargement of programs, some of which currently exist, and to not only increase them by some $800 million this year, and next year even more, am I correct; that next year the idea is to have even more than what they are proposing for this budget for the fiscal year 1995?

Mr. DANFORTH. That is correct. The authorization for 1995 is $1.370 million and in 1996, it is $1.478 billion; the grand total being $2.8 billion.

It is the contention of this Senator that that reflects a ballooning of the cost of these programs, and, of course, the creation of some new programs to boot.

Mr. CHAFEE. Well, yes.

I notice that there is the creation of some new programs. For example, in looking at this, first of all, we start off with an SBA Pilot Program. No money in the current year, no money requested in the budget by the administration. We start off with $50 million for the next year and $50 million beyond that.

Additional Activities, zero for the current year, zero requested by the President, $14 million, and then $19 million beyond that.

And then, Wind Energy and Environmental Construction, zero, zero, and then $6 million; National Technology Info Service, that is zero in the current year, requested by the President some $18 million, and up it goes to $20 million. New NFS Centers—I presume that is National Science Foundation—zero in the current year, zero requested by the President, $75 million in this bill.

Mr. DANFORTH. Seventy-five million dollars in each of the 2 years.

Mr. CHAFEE. Computer Applications, zero in the current year, zero requested by the President, $209 million in the next year and $150 million.

Is this evidence of that courage that we were urged to take by those sterling declarations in connection with defeating the constitutional amendment? Am I missing something here?

Mr. DANFORTH. Well, I do not want to miscast or in any way misrepresent what this is about.

The way the Senator has put the issue has to do with increased spending. I believe that the argument would be made that this is called investment and that because it is investment, maybe it is not spending.

Mr. CHAFEE. Well, let me just say to the Senator, I have served considerable time on the Environment and Public Works Committee. One of our former chairmen was a wonderful individual. He frequently used that—that this is not spending, this is an investment.

And I would like to see any program around here, whether it is Social Security, whether it is Head Start, whether it is school lunch programs, or whether its elementary and secondary education, that there is not one of them who cannot stand on the floor and say, "That is not spending, that is investment."

We believe every one of those programs are an investment. And, by the way, I think that applies to the EPA programs. For example, is Superfund a spending program or is it an investment to clean up the environment of this Nation? Clearly, it is an investment.

Now, I would further like to ask the Senator once again about the means of paying for this.

Again, as I understand it, it is going to come from some area. Now is that area designated where it is going to come from? I have not understood that it is so pointed out in the measure. In other words, if it is going to come from some places, where? Does it say in the legislation?

(Mr. HARKIN assumed the Chair.)

Mr. DANFORTH. No. The Senator is raising a good question. It comes out of thin air.

Mr. CHAFEE. Well, I am rather sensitive on this subject, because during the debate over the balanced budget amendment, the supporters of the amendment were sharply criticized for offering what was a placebo instead of the hard medicine needed to reduce the deficit. In other words, our desire to reduce the deficit through the constitutional amendment was labeled as a phony because the amendment did not state how the budget would be balanced. We did not detail that.

Now here we are, 10 days later on the floor with a bill, legislation, that is similarly phony. It authorizes $2.8 billion in new spending but does not tell us how it is to be paid for.

Suppose it did tell us how it was to be paid for: cuts, or savings in other programs. Is it immoral to take some savings that are there and put them toward the deficit? Instead of immediately grabbing them to spend in another program, this program for example? As I understand the budget deficit in the current fiscal year, it is anticipated to be $170 billion. Am I correct? That is the latest figure I have. The budget deficit for this current fiscal year ending in the end of September is $170 billion.

Mr. DANFORTH. I do not have the number in front of me but I accept that figure.

Mr. CHAFEE. That is the latest figure that they have.

Now, what does that mean, when we run a budget deficit like that? By the way, the deficit in the following year is in the billions, likewise. I am sure for 1995, when we are going to embark on this program with some $400 million more than this requests in its authorization for the current year, that means we are going to send the bill to our children. It is all well and good to give sturdy speeches out here about doing something about the deficit, having courage. But here we start right off with a measure that spends $2.8 billion to take care of big business, to a considerable degree, and send the bill to our children.

Mr. President, I think that is wrong. Can nice arguments be made in favor of this spending? Of course they can be made. Just like there is not one of us who could not be here on the floor and dream up 100 programs that are not only good for our Nation but we can classify as investments; that key word, "investment." But in the final analysis we are sending the bill to our children. I think it is wrong. I hope this measure will be defeated.

Mr. DANFORTH. Let me just address one comment to the Senator from Rhode Island. One, new programs that would be created by this legislation would make the Federal Government into a venture capitalist. There is a program, which is a brand new program, that would create a fund of $50 million for 1995, and an additional $50 million for 1996, that would turn our Government into a venture capitalist operation. The legislation provides if we invest well, we might be able to make money.

So let us say that we decided in the venture capital operation to invest in, let us say, Bullfrog Gold Mines and we struck it rich and made a fortune. I suppose it is conceivable that, if the governmental venture capitalists do strike it rich, we will fix the problem of the budget deficit. So maybe there is good news in some of this. I will have to see it to believe it. I am not confident we will do a good job as venture capitalists, but it is in the legislation. It is believed that this is an appropriate role for the taxpayers' money to get into the venture capitalist business. If you are a venture capitalist, sometimes you win money and sometimes you lose money.

Mr. CHAFEE. Mr. President, I would like to ask the distinguished Senator from Missouri, who are the very, very wise people who are going to make these venture capital investments that we are fortunate enough to have in the employ of the U.S. Government? How is this going to work? I am curious. They must be very, very bright people who are going to do this.

By the way, how do they make their decisions, who gets the money?

Mr. DANFORTH. As I understand it there is a company that is set up that gets involved in venture capital. I would defer to the author of the bill for an answer to that question.

Mr. CHAFEE. I wonder if the distinguished Senator from South Carolina could give me a hand on that because I find this intriguing.

Mr. HOLLINGS. What I find intriguing in this Off-Broadway show. Evidently, we have a fundraiser or a special meal. I was not listening here to the last question because it was all out of whole cloth.

What does the Senator want to know about venture capitalists?

Mr. CHAFEE. How it works. I am not familiar that previous to this we have had the Federal Government investing money in startup ventures. Am I correct that is what happens? How does this work?

Mr. HOLLINGS. This works in a different way. For one, the main program, the Advanced Technology Program, is at the initiation of private industry. They have to come in and say here is our advanced technology research program. They have to come in with at least half of the money. Once that is done, they have to give it on a merit basis, peer review—we have the National Academy of Engineering. You do not have to wonder about it, we have a list of success stories all around the country. It has been going on for 2 years.

When the Senator yields the floor, I will get to the amounts of money and show how facetious this act has been. Because we are not spending the money the Senator from Missouri, answering questions, indicates.

We are not spending as much money as he voted for. The Senator asked him to answer the question. He never did tell you candidly. But, wait a minute, Senator from Rhode Island, when we reported this bill for $1.5 billion for 1 year or $3 billion, not 2.8 billion, in fact we are spending $143 million less than the Senator from Missouri voted for. He is not telling you that. He is talking about a pocketful of money and burning a hole in it and we are going to dish it all out.

And where does the money come from in this authorization? Have I ever seen where the money comes from in the authorization of, let us say, the defense budget? Or the environmental budget? Or any of these other authorizations? I have been around here a long time.

I will get into the courage in just a little while, too, with respect to paying the bills around this town.

So I appreciate the time taken. I guess something else important is going on because I am going to get to the truth when you folks are completed.

Mr. CHAFEE. I appreciate that. Perhaps while the Senator is up he can give me the truth in where I erred in the figures I have here. Am I in error in saying that the total appropriation for these activities were $526 million in the current fiscal year? Am I in error there?

Mr. HOLLINGS. It is way more than that. Current fiscal year, the Senator is using the $526 million. Where he is in error is he comes to the $2.8 billion there. A lot of these programs as he indicates, the financing SBA wants; the new National Science Foundation; the new information highway; the facilities and various other ones. I think what we ought to do, rather than confuse the Senator going step by step, is just look and see what it says there on that particular report, fiscal year 1995, S. 4 report. It reported $1.513 billion.

Does the Senator see that in the column down at the bottom? The second one. He cited the 526. Go to the next figure on totals.

Mr. CHAFEE. I have the next total, it shows what has been requested for these programs by the administration in the current year.

Mr. HOLLINGS. No. No. The Senator does not have the $1.513 figure for 1995?

Mr. CHAFEE. For 1995 I have $964 million was requested by the administration in the current year.

Mr. HOLLINGS. Yes, but I am trying to get to the one everybody is trying to avoid on that side of the aisle. The $1.513 billion is before you get over to the $964 million, because that is a cut from what we reported. You see, all the Republicans voted for this. I hate for you to just run them down and burning holes in the pockets, hot pockets, and all of these other things and encourage balanced budget amendments.

Let us get to where the unanimous Republicans as well as unanimous Democrats voted for this particular bill when we reported it. The administration, you are right, asked for less, $964 million is less than the $1.513 billion. In fact, they did cut it. But $1.513 billion. All of these things that they started out with—yes, this is a new program and it is an old program. It is an embellished program. It is intelligently embellished. If you will yield the floor, I will go into it and show you why.

Mr. CHAFEE. I would just like to make sure I understand the statistic. I guess what you are saying, and that apparently does not appear in my figures here, what you are saying is the authorization for 1994 was, you say—if I understand you correctly—was $1 billion something, and the appropriation was $526 million; is that correct?

Mr. HOLLINGS. No, that is not it. I said when we reported the bill that all voted for——

Mr. CHAFEE. This year or last year?

Mr. HOLLINGS. For the next year, 1995. All of it comes up from 1994. There is no question about that. But after judicious discussion and treatment, we went over the bill and we reported $1.5 billion, and when we started the bill, having gone to OMB and having brought it back within budget so it does not increase the deficit, it is within the freeze, it is down to $1.370 billion. That is exactly the floor modification for 1995 and for 1996, $1.478 billion.

Mr. CHAFEE. I am with you on those last two figures.

Mr. HOLLINGS. Yes.

Mr. CHAFEE. Your $1.5 billion, I am not sure whether that was the committee that sent that along.

Mr. HOLLINGS. Yes, that is right.

Mr. CHAFEE. Do not tarnish me with the committee. I am not on the committee.

Mr. HOLLINGS. Excuse me, you are asking the distinguished Senator from Missouri who is my ranking member. That is why I take it as a pretty good act off Broadway. Come on. He answered not with a figure, he answered with hot pockets, a pocket of money burning a hole.

Mr. CHAFEE. That appears to me to be the case here, and I would echo that sentiment because when all is said and done—if you have your way, we are going to spend a lot more money on this program. Next year you are going to spend more money and the year after you are going to spend more than that.

Mr. HOLLINGS. I hope, if you understand what is going on—I am going to just get the floor and explain this to you, all right?

Mr. CHAFEE. All right, that is fine. In the meantime, let me repeat that I think we have a lot of requirements in the United States Government. We are spending more than we take in; that when we have a chance to hold the line, we ought to hold the line. And people can label lovely things with terms like "investment" or "cows come home," but the truth is, we are sending the bill on to our children on this measure, and I think it is wrong and I hope S. 4 is defeated.

Mr. DANFORTH. Mr. President, before the Senator yields the floor, I think I am in a position now to shed light on the Senator's inquiry about the new $50 million a year venture capital program.

To appreciate this program, the Senator has to understand the philosophy behind the bill. In the committee report, we are told that we are in an era of strong international economic competition. Then we are told, DOC—that is the Department of Commerce—has a leadership role to play in this new era.

Now, pursuant to the new leadership role for our Department of Commerce, under this program, a committee consisting of the Department of Commerce and the Small Business Administration would license venture capital companies.

So let us say that you have a venture capital company. Why, you could come from, let us say, Rhode Island, to Washington and meet with the committee and apply for a license, and then if the Department of Commerce and the SBA were to license your venture capital company, you would be eligible to receive financial support under this program. And then you would be able to, in turn, lend the money that the Government is providing to your licensed venture capital company to high-tech ventures.

So that would be how it would work.

Mr. CHAFEE. This is a new program?

Mr. DANFORTH. Yes, this is brand new where the Department of Commerce and the Small Business Administration licenses venture capital firms who would then be eligible to apply for and receive Federal money so that they could use it to invest in venture capital projects.

Mr. CHAFEE. You know the best thing in the world, if you want to encourage venture capital, why do they not cut the capital gains rate?

Mr. DANFORTH. I think that is a very, very good question. I think that is a very good question, but the way we choose to do it in this legislation—I do not choose to do it—but the way they have chosen to do it in this legislation is to create a new program so that the Department of Commerce and the Small Business Administration can license venture capital companies.

This is the place to come, Washington. If you are in the venture capital business, Washington is the place to come to be licensed. I hope that some modicum of this money, just a little bit, just a few dollars of the $100 million for venture capital in this legislation can be provided to engrave the licenses.

If we have venture capital companies that are licensed by the Department of Commerce and the Small Business Administration, let us not have cheap licenses that look like they were cranked out on a Xerox machine. Let us have the real thing. Maybe the Bureau of Printing and Engraving can get on this case and we can have first-class licenses suitable for framing.

Mr. CHAFEE. Mr. President, I just want to say, I want to find the directions to this place because, obviously, I will send all the Rhode Islanders who want some money to start ladling out to come on down, the cookie jar is available to dole out to what this worthy group determines to be the type of venture capitalism they ought to get into.

I do not know how this country has survived without these programs. I thought once we were a great entrepreneurial country that was moving ahead and, indeed, was the most creative and inventive Nation in the world, and we have done all this without this Government-run venture capital. Now we are going to learn how to do it from these wise men and women in Washington. It is certainly an intriguing possibility. The only problem is, of course, our children will be paying it.

I want to thank the Chair.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, in spite of the statement just heard, the best of the best—the Advanced Technology Coalition, which comprises the American Electronics Association, the National Association of Manufacturers and going right on down all the responsible entities—have endorsed it.

Once again, so the distinguished Senator from Rhode Island understands—and incidentally, we did not just start in this business. I remember years back when you started talking about responsibility and budgets and what the children are going to pay. It so happens as a young Governor, I realized that nobody was going to invest in Podunk and certainly not a bankrupt State.

And so the first order of business was to cut spending and raise some revenues and get a AAA credit rating. The way I got that AAA credit rating advanced in balancing the budget was also put in an initiative. I went up to Standard & Poor's and Moody's and they say, "Well, so you got it balanced in 1 year. How can we count on it?"

I said I have a certificate by the comptroller to be given quarterly to the Governor that the expenditures are within the revenues. And they got cut straight across the board. They said, "You've got it." Both Standard & Poor's and Moody's gave us a AAA rating, and we did not lose it until last year. We had it from 1959 on. I used the technical training and skills to clean Rhode Island's and Missouri's clocks. You name the industry that left for South Carolina from Missouri and Rhode Island, and I will give you a list of them.

I worked hard on this when I came to the Congress. I was delighted to work at that particular time when President Lyndon Johnson said, "I am being accused of guns and butter. Cut the spending and get back in the black." And it was the final hours in December 1968, going into the 1968–1969 period there, where we called over and Marvin Watson said, "Yes, we can get permission, cut another $5 billion." The whole budget was only $178 billion at the time, and so we put the Government into the black.

Later on, trying through the years to get things done and cut some spending and raise some revenues both, we put in the freeze. I had the distinguished leader, majority leader, Senator Howard Baker, help me on it. We got tackled from behind, when you talk about courage and not giving the bill to the children.

I then took that South Carolina idea—it worked so well—and went with Senator GRAMM and Senator RUDMAN, and over on this side of the aisle, if you think it is easy to get votes on these kinds of things, 14 votes up and down. The majority of the Democrats voted for it over the opposition of the then-majority leader, the majority whip and the chairman of the Budget Committee.

I do not know the Senator's exact voting record, but I know my own. And

I raised the point of order when they went to repeal it in 1990, that particular summit conference. I raised it late at night and they voted to repeal Gramm-Rudman-Hollings.

They run around saying it did not work. They removed its applicability is exactly what happened.

So then I went to President Bush at the time and asked him, told him what we needed was some spending cuts, but we needed a value-added tax. I testified before the distinguished Senator's Finance Committee with Lawton Chiles, Dr. Van Cnossen, the expert on value-added taxes, saying to President Bush at the time—and I got a note from him; I can gladly confirm it. He thought it was a good idea, but not now. Darman, Dick Darman, we worked on it and everything else. And I said, "Mr. President, you are going to be in real trouble by 1992. If you don't go now, you will not need the Secret Service." So it did not go.

So I put in the bill the first of '92 before the election, and again now in the first of '93, for a value-added tax. I had to run on it. The Senator is talking about courage; try running on taxes someplace. We ran on taxes. We put in taxes for health care and the deficit and debt.

I have heard statements made by the Senator himself on the TV show that no one has proposed really how to pay for this, Republican and Democrat. I have heard the same statements made by our own leader over here.

I have proposed how to pay for it. We can put in a VAT. I believe in paying for it, and I do not believe in putting it off on the children. I voted for a Kerrey amendment, across-the-board spending cuts. I voted against the supercollider. I am chairman of space authorization—but I voted against the space station. I can go down a long list of those things I will spend and cut and tax, so do not come and ask this Senator about where is the courage, where in the bill, that little act.

I was really amused because I never heard this in my life. He says, "Now, where does the money come from?" And then the Senator from Missouri, "Well, that raises a good point. It does not say so in the bill?"

You show me in any of these authorization bills where the money comes from.

Then he says, "Well, it is a phony bill. It does not tell us where the money comes from."

We are grown individuals. We have been around here. We have worked together. But do not put on this kind of nonsense at this particular time because, bottom line, we are spending less than what the Senator and all the others voted for. I will give you the rollcall.

But they reported a bill in June of last year, unanimously, and they said spend $1.5 billion—not zero. Yes, zero here but so much there, and on down the line—$1.513 billion. And the amount for '95 now is down to $1.370 billion, which is $143 million less than what the Senator from Missouri supported. He did not tell that in responding to the question. And $1.478 billion out in 1996, which is still less, less—cutting—the amount of the Senator from Missouri and the other Senators on the committee.

So they can put on the act and talk about burning holes in the pocket, and slush funds, and everything else like that. But there is nothing more studied and structured.

The Republican Task Force on Defense Conversion, June 25, 1992. Here is what they asked. They said, "Please get into this program. We want to get in from defense over to the private sector." On that score, I will read word for word what 14 of our Republican Senators called for.

> The task force endorses two programs of the National Institute of Standards and Technology important to the efforts to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the manufacture and technology programs and the advanced technology programs.

Then all you have to do—not just us—go to the coalition itself that has been working in this particular field, the Competitiveness Policy Council. They put out their report and they said, for example, on spending "expand the advanced technology program in the Department of Commerce and"—a new place to go get your money—"venture capital."

Yes, that is what they said. They compared it to an annual program of $750 million. We have not gotten up to that in 1996. It is only 500-some million. We have not even gotten what they want. And then you call it $2.6 billion. You marry together 2 years. You do not say that. I wish we could get it to a $2 billion program.

What do they say? What do they say? All right, here it is. They said, "And the reductions in the defense systems development and testing budgets, the $4 billion to $8 billion, should be applied to civilian dual use R&D."

So they are trying to get it up to $4 billion to $8 billion, not 2.8 billion, whatever figure you are using, and it is not the $3 billion that the Senator wanted, if we are going to use 2-year figures.

So come on. It sounds pretty to put on these shows, but it is not factual, it is not truth. And it is very damaging to a well conceived measure that has gone through the scrutiny of all the committees on all sides, and really when it got to the money, to the OMB, yes, they cut it back. And that is why we put in the modification.

AMENDMENT NO. 1490

(Purpose: To provide incentives to eligible institutions to enable such institutions to devise and implement solutions to problems facing business development and expansion in lower income urban communities)

AMENDMENT NO. 1491

(Purpose: To increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by authorizing a demonstration program that enables local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans)

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I send two amendments to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows.

The Senator from Oregon [Mr. HATFIELD] proposes amendments en bloc numbered 1490 and 1491.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1490

At the appropriate place, insert the following section:

SEC. ___. URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.

(a) URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.—

(1) AUTHORIZATION.—The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to make grants to eligible institutions in accordance with this section.

(2) APPLICATION.—

(A) IN GENERAL.—An eligible institution seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

(B) CONTENTS.—Except as provided in subparagraph (C), each application submitted pursuant to subparagraph (A) shall include—

(i) a description of the activities and services for which assistance is sought;

(ii) evidence of coordination with any small business development centers in existence in the community; and

(iii) documentation of the formation of a consortium that includes, in addition to eligible institutions, one or more of the following entities:

(I) A nonprofit organization.

(II) A business or other employer.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (B)(iii) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan that otherwise meets the requirements of this section.

(3) SELECTION PROCEDURES.—Not later than 120 days after the date of enactment of this section, the Secretary shall, by regulation,

develop a formal procedure for the submission of applications under this section and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this section.

(b) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds provided under this section shall be used to design and implement programs to assist businesses, especially those in lower income urban communities, to become more productive and able to compete in the global marketplace.

(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this section may include research on, or planning and implementation of technology transfer, technical training, the delivery of services, or technical assistance in—

(A) business development;

(B) business creation;

(C) business expansion; and

(D) human resource management.

(c) PEER REVIEW PANEL.—

(1) ESTABLISHMENT.—Not later than 90 days after the date on which the Secretary publishes the announcement in the Federal Register in accordance with subsection (a)(3), the Secretary shall appoint a peer review panel (hereafter in this section referred to as the "panel").

(2) MEMBERSHIP.—In appointing the panel under paragraph (1), the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations in order to ensure that—

(A) the panel membership is geographically balanced; and

(B) the panel is composed of representatives from public and private institutions of higher education, labor, business, and nonprofit organizations having expertise in business development in lower income urban communities.

(3) DUTIES.—The panel shall—

(A) review applications submitted under this section; and

(B) make recommendations to the Secretary concerning the selection of grant recipients.

(d) DISBURSEMENT OF FUNDS.—

(1) LIMITATION ON AMOUNT.—The Secretary shall not provide assistance under this section to any recipient which exceeds $400,000 during any 1-year period.

(2) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this section in a manner that achieves equitable geographic distribution of such grants.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) LOWER INCOME URBAN COMMUNITY.—The term "lower income urban community" means an urban area in which the percent of residents living below the Federal poverty level is not less than 115 percent of the statewide average.

(2) URBAN AREA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "urban area" means a primary metropolitan statistical area of the United States Department of Commerce, Bureau of the Census.

(B) EXCEPTION.—With respect to a State that does not contain an urban area, as defined in subparagraph (A), the Secretary shall designate 1 area in the State as an urban area for purposes of this section.

(3) ELIGIBLE INSTITUTION.—

(A) INSTITUTION OR CONSORTIUM.—The term "eligible institution" means a nonprofit institution of higher education that meets the requirements of subparagraph (B), or a consortium of such institutions, any 1 of which meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—An institution meets the requirements of this subparagraph if the institution—

(i) is located in an urban area;

(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources;

(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas; and

(vii) has a school of business accredited by the American Assembly of Collegiate Schools of Business (or similar organization) with faculty experienced in conducting research on issues of immediate concern to small and emerging businesses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $10,000,000, for fiscal year 1995; and

(2) such sums as may be necessary, for fiscal years 1996, 1997, 1998, and 1999.

AMENDMENT NO. 1491

Add at the end of the bill the following new title:

TITLE VIII—LOCAL EMPOWERMENT AND FLEXIBILITY

SEC. 801. SHORT TITLE.

This title may be cited as the "Local Empowerment and Flexibility Act of 1994".

SEC. 802. FINDINGS.

The Congress finds that—

(1) historically, Federal social service programs have addressed the Nation's social problems by providing categorical assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of social services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex social problems which require the delivery of many kinds of social services;

(4) the Nation's communities are diverse, and different social needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote local delivery of social services to meet the full range of needs of individuals and families;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver social services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of the people in their communities while continuing to address national social service goals; and

(6) many communities have innovative planning and community involvement strategies for social services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 803. PURPOSES.

The purposes of this title are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal social service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local social services goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal assistance to the particular needs of low income citizens and the operating practices of recipients, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical social service problems.

SEC. 804. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the social service needs of a community (or any part of such a plan) that is approved by the Community Enterprise Board under section 806;

(2) the term "community advisory committee" means such a committee established by a local government under section 808;

(3) the term "Community Enterprise Board" means the board established by the President that is composed of the—

(A) Vice President;

(B) Assistant to the President for Domestic Policy;

(C) Assistant to the President for Economic Policy;

(D) Secretary of the Treasury;

(E) Attorney General;

(F) Secretary of the Interior;

(G) Secretary of Agriculture;

(H) Secretary of Commerce;

(I) Secretary of Labor;

(J) Secretary of Health and Human Services;

(K) Secretary of Housing and Urban Development;

(L) Secretary of Transportation;

(M) Secretary of Education;

(N) Administrator of the Environmental Protection Agency;

(O) Director of National Drug Control Policy;

(P) Administrator of the Small Business Administration;

(Q) Director of the Office of Management and Budget; and

(R) Chair of the Council of Economic Advisers.

(4) the term "covered Federal assistance program" means an eligible Federal assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal assistance program"—

(A) means a Federal program under which assistance is available, directly or indirectly, to a local government or a qualified organization to carry out a program for—

(i) economic development;

(ii) employment training;

(iii) health;

(iv) housing;

(v) nutrition;

(vi) other social services; or

(vii) rural development; and

(B) does not include a Federal program under which assistance is provided by the Federal Government directly to a beneficiary of that assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of assistance provided by the Federal Government under 2 or more eligible Federal assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "low income" means having an income that is not greater than 200 percent of the Federal poverty income level;

(10) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal assistance program included in such a plan;

(11) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(12) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 805. DEMONSTRATION PROGRAM.

The Community Enterprise Board shall—

(1) establish and administer a local flexibility demonstration program by approving local flexibility plans in accordance with the provisions of this title;

(2) no later than 180 days after the date of the enactment of this Act, select no more than 30 local governments from no more than 6 States to participate in such program, of which—

(A) 3 States shall each have a population of 3,500,000 or more as determined under the most recent decennial census; and

(B) 3 States shall each have a population of 3,500,000 or less as determined under the most recent decennial census.

SEC. 806. PROVISION OF FEDERAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 807. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Community Enterprise Board in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.—An application submitted under this section shall include—

(1) a proposed local flexibility plan that complies with subsection (c);

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Community Enterprise Board, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply;

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal assistance programs included in the proposed plan; and

(C) low income individuals and families that reside in that geographic area participated in the development of the proposed plan;

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 810; and

(5) other relevant information the Community Enterprise Board may require to approve the proposed plan.

(c) CONTENTS OF PLAN.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by age, service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal assistance programs to be included in the plan as covered Federal assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Community Enterprise Board considers necessary to approve the plan;

(5) except for the requirements under section 809(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 806(b)(2); and

(9) other relevant information the Community Enterprise Board may require to approve the plan.

(d) PROCEDURE FOR APPLYING.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Community Enterprise Board.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Community Enterprise Board.

SEC. 808. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) REVIEW OF APPLICATIONS.—Upon receipt of an application for approval of a local flexibility plan under this title, the Community Enterprise Board shall—

(1) approve or disapprove all or part of the plan within 45 days after receipt of the application;

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) APPROVAL.—(1) The Community Enterprise Board may approve a local flexibility plan for which an application is submitted under this title, or any part of such a plan, if a majority of members of the Board determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this title and of each covered Federal assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this title;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program;

(H) the qualitative level of those benefits shall not be reduced for any individual or family; and

(I) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Community Enterprise Board may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Community Enterprise Board shall disapprove a part of a local flexibility plan if a majority of the Board disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Community Enterprise Board shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this title under section 813(a).

(5) Disapproval by the Community Enterprise Board of any part of a local flexibility plan submitted by a local government under this title shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) Memoranda of Understanding.—(1) The Community Enterprise Board may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive assistance under the plan enters into a memorandum of understanding under this subsection with the Community Enterprise Board.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Community Enterprise Board, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal assistance programs that are to be waived by the Community Enterprise Board under section 809(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal assistance program included in those parts;

(C) the sources of all non-Federal funds that shall be provided as benefits under or used to administer those parts;

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

(E) the data to be collected to make that determination.

(d) Limitation on Confidentiality Requirements.—The Community Enterprise Board may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

(1) impede the exchange of information needed for the design or provision of benefits under the parts; or

(2) conflict with law.

SEC. 809. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) Payments and Administration in Accordance With Plan.—Notwithstanding any other law, any benefit that is provided under a covered Federal assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) Waiver of Requirements.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Community Enterprise Board may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Community Enterprise Board.

(2) The Community Enterprise Board may not waive a requirement under this subsection unless the Board finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal assistance program.

(3) The Community Enterprise Board may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); or

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) Special Assistance.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) Evaluation and Termination.—(1) A local government, in accordance with regulations issued by the Community Enterprise Board, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Community Enterprise Board of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Community Enterprise Board a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 807(c)(3).

(3)(A) If the Community Enterprise Board, after consultation with the head of each Federal agency responsible for administering a covered Federal assistance program included in an approved local flexibility plan of a local government, determines—

(i) that the goals and performance criteria included in the plan under section 807(c)(3) have not been met; and

(ii) after considering any experiences gained in implementation of the plan, that those goals and criteria are sound;

the Community Enterprise Board may terminate the effectiveness of the plan.

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Community Enterprise Board shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal assistance programs included in the plan.

(e) Final Report; Extension of Plans.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Community Enterprise Board a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Community Enterprise Board may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 810. COMMUNITY ADVISORY COMMITTEES.

(a) Establishment.—A local government that applies for approval of a local flexibility plan under this title shall establish a community advisory committee in accordance with this section.

(b) Functions.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings;

(2) representing the interest of low income individuals and families; and

(3) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) Membership.—The membership of a community advisory committee shall—

(1) consist of—

(A) low income individuals, who shall—

(i) comprise at least one-third of the membership; and

(ii) include minority individuals who are participants or who qualify to participate in eligible Federal assistance programs;

(B) representatives of low income individuals and families;

(C) persons with leadership experience in the private and voluntary sectors;

(D) local elected officials;

(E) representatives of participating qualified organizations; and

(F) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.—Before submitting annual or final reports on an approved assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 811. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.—(1) The Community Enterprise Board may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Community Enterprise Board—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Community Enterprise Board may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) low income individuals and families that shall receive benefits under covered Federal assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO BOARD.—At the request of the Chairman of the Community Enterprise Board and with the approval of an agency head who is a member of the Board, agency staff may be detailed to the Community Enterprise Board on a nonreimbursable basis.

SEC. 812. COMMUNITY ENTERPRISE BOARD.

(a) FUNCTIONS.—The Community Enterprise Board shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this title;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal assistance program under which substantial Federal assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Community Enterprise Board by this title; and

(5) issue regulations to implement this title within 180 days after the date of its enactment.

(b) REPORTS.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Community Enterprise Board shall submit a report on the 5 Federal regulations that are most frequently waived by the Community Enterprise Board for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 813. TERMINATION AND REPEAL; REPORT.

(a) TERMINATION AND REPEAL.—This title is repealed on the date that is 5 years after the date of the enactment of this Act.

(b) REPORT.—No later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to continuing local flexibility.

AMENDMENT NO. 1490

Mr. HATFIELD. Mr. President, I am pleased to offer an amendment to S. 4 which builds upon previous work of the Senate in granting greater flexibility to States and to local jurisdictions. In an age of increasingly limited Federal resources, my amendment is designed to help local government and nonprofits direct funds in the areas that help their communities the most.

My amendment creates a demonstration project under the Community Enterprise Board to allow up to 30 local governments in 6 States to allow much greater flexibility in the way they administer Federal economic development and social service funds. Broader local discretion will help our Nation's communities and local areas position themselves to be successful in our Nation's changing economic and social environment without any increase in Federal spending.

Currently, local governments are eligible for hundreds of separate categorical grants for social services and economic development. Federal programs have largely been created in response to a particular need or problem. Programs that provide similar services may be administered by completely different agencies. Many grant programs are narrow, and regulatory rigidity means Federal dollars end up mired in audits and recordkeeping rather than in services to people.

This demonstration refocuses attention from the administrative process to the services delivered to people and communities.

To participate in this demonstration project, local governments would prepare a local flexibility plan for the integration of Federal funds. The local plan must include citizen involvement, including involvement, of low-income citizens. In their planning process, local governments would identify the Federal resources they would use, the Federal, State, and local regulations which would need to be waived, the local resources to be used, and how changes in services will be experienced in the community.

There are many things a local government could not do. The local government could not waive civil rights protections, reduce payments made directly to a person, increase Federal spending, or draw on money passed through State government without permission of the State.

Local flexibility plans must also include clear accountability. The local government must establish clear and measurable goals, and then collect data about the effectiveness of their services. If goals are not met, then the Federal Government will rescind all flexibility and waivers that have been granted.

This is not merely about waiving cumbersome Federal regulations. The local government must also look at the State and local regulations that affect good service delivery. This is an opportunity for local governments to think about the key aspects of the services they deliver, and get out from under administrative procedures that slow or damage effective services.

Granting the new authority to local governments will not increase Federal spending. We are merely giving local jurisdictions more flexibility to use dollars they already receive. And because more dollars can be directed into services rather than administration, we are making limited Federal dollars go further.

Mr. President, the Senate is on record in support of freeing-up State and local government from unnecessary regulations as long as Federal goals continue to be met. Last month, the Senate voted 97–0 in favor of a demonstration project to allow six States to experiment with greater flexibility for education and schools.

A bill similar to my amendment has been introduced in the House of Representatives and has received a favorable response from the Clinton administration. The National Association of Counties and the National League of Cities also testified in favor of the House bill. The President's National Performance Review contained a recommendation similar to this amendment, and the administration supports the creation of comprehensive, community-based plans to remove regulatory barriers to the effective use of limited Federal, State, and local funds. I have designed my amendment to tie into the President's Community Enterprise Board, and I believe those local areas selected as empowerment zones and enterprise communities will be among those most able to gain through this amendment.

Population and employment growth, shifts in the global economy, and technological changes are creating new challenges for communities which do not respect the traditional programs that are available to deal with social and economic problems. We need to give our local governments tools to help them find innovative solutions to economic development, job creation, job training, housing, health, and other social issues.

My amendment will help communities better position themselves to be competitive. Economic development and social services are key components of community health, and local governments in our Nation serve communities with a wide variety of social and economic needs. My amendment will help them do it better. I urge my colleagues to join me in passing this amendment.

AMENDMENT NO. 1491

Mr. HATFIELD. Mr. President, this amendment would utilize research facilities already existing in our urban universities to help enable businesses to grow successfully to the point where they can effectively use the technology we are promoting in this act. This amendment will not create a new bureaucracy. It is designed merely to promote business research and business assistance by those uniquely qualified to take on these tasks: namely, our business schools in conjunction with private or nonprofit organizations.

The focus here is not limited to technology, but is on the overall health of businesses in lower income urban communities. But, this amendment does not preclude this assistance from being applied in the rural areas. In fact, if a State does not contain an urban area as defined in the amendment, the Secretary may designate an area for this purpose.

We know one of the most basic problems that businesses face is overregulation. Small and emerging businesses in low income urban areas find development difficult because of the lack of access to investment capital and technical assistance. But, why do some of these businesses thrive and compete internationally while similar businesses fail?

As the committee report on S. 4 notes, only 6 out of 10 of our smaller manufacturers employ advanced technology, compared to 9 out of 10 of plants with more than 500 employees. The SBA's small business profile for 1992 showed a 44-percent increase in business failures nationally from 60,740 in 1990 to 87,266 in 1991. In Oregon these failures rose by 120 percent. While the recession was a major cause of this increase, reports offer little information on exactly why businesses fail or cease to expand in certain areas. When I tried to find research on the specific problems that businesses face in Oregon, one of the only current sources of information was a survey done by the National Federation of Independent Business. Surveys and government statistics cannot take the place of primary research conducted by our Nation's business schools.

Business schools—or consortia made up of schools, businesses, and nonprofit organizations—have an important role to play in sustaining business development. This role could be greatly enhanced without creating any new Federal bureaucracies by encouraging these entities to conduct the much needed research and apply it to businesses in their communities.

This proposal would allow the Department of Commerce to make grants to urban universities for research on, or for implementation of, technical assistance, technology transfer, or delivery of services in business creation, expansion, and human resource management.

The authorization for these demonstration grants is limited to $10 million. The grants would be disbursed geographically, and not exceed $400,000 per institution or consortium. This would make use of the talent and facilities that already exist to create the information and assistance that developing businesses need.

For example, a comprehensive data base on business births, deaths, expansions, or contractions is no longer maintained. One benefit of this proposal might be the creation of such a data base in conjunction with assistance efforts based upon this information. In this case, we would see nonprofit entities taking over functions that were previously under the direction of the SBA in order to enhance American competitiveness.

Other programs such as the Small Business Development Centers [SBDC's] do an admirable job of specializing in assisting small entrepreneurial enterprises. The Urban University Business Initiative is designed to offer the applied research and long-term, in-depth technical assistance to small and emerging businesses that SBDC's do not have the facilities to undertake.

I urge the adoption of this amendment and ask unanimous consent that supporting letters from the American Association of State Colleges and Universities, the National Association of State Universities and Land-Grant Colleges, the American Electronics Association of Oregon, and Portland State University be placed into the RECORD following my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 9, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the American Association of State Colleges and Universities (AASCU) and the National Association of State Universities and Land-Grant Colleges (NASULGC), we commend your efforts to match the resources of our urban colleges and universities to the needs of the urban business community through the proposed Urban University Business Initiative legislation.

The community resource and economic development mission of our urban colleges and universities inextricably links our institutions to the communities in which they reside. Moreover, the business community's need for technical assistance and solutions to problems, especially those in lower income urban areas, and the urban university's ability and interest in applying their energies and talents to human and community concerns, creates a climate for urban universities and urban businesses to collaborate.

As we approach the 21st century, the technological challenges threatening America's economy and international competitiveness will have to be addressed by the American people. Too often the potential of our colleges and universities, as participants in the problem solving process, is overlooked. Your legislation helps create the link between urban institutions of higher education and the communities in which they reside.

Once again, we appreciate your foresight and leadership on this issue and your outstanding and longstanding advocacy on behalf of urban and metropolitan colleges and universities.

Sincerely,

JAMES B. APPLEBERRY,
President, American Association of State Colleges and Universities.

C. PETER MAGRATH,
President, National Association of State Universities and Land-Grant Colleges.

AMERICAN ELECTRONICS ASSOCIATION,
Salem, OR, March 9, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I am writing to let you know that we have seen your proposed amendment to S.4 regarding urban university business initiative grants and welcome your efforts.

As you well know, Oregon is a hotbed of small businesses, many of which are faced with the daunting task of trying to compete in a global marketplace. Although such programs as the SBDCs attempt to help small enterprises get started, your amendment addresses a different need: the applied research and long-term technical assistance that could be provided by our urban universities.

Your amendment addresses another gap in our current system—a much needed data base to track small business development and chart the reasons for success and failure.

A recent discussion we had with economic development leaders in the Portland area highlighted for us the urgent need for business development strategies designed specifically for lower income urban communities. We hope that your proposal, if successful, will help address those needs.

As always, we applaud your leadership in these issues. Good Luck.

Sincerely,

JIM CRAVEN,
Government Affairs Manager.

PORTLAND STATE UNIVERSITY,
Portland, OR, March 8, 1994.

Hon. MARK O. HATFIELD,
Hart Senate Office Building,
Washington, DC.

DEAR SENATOR HATFIELD: I'm writing to let you know I enthusiastically endorse your proposed legislation related to urban universities and technical assistance for small and emerging businesses. This legislation will make a difference not only to businesses in Oregon, but throughout the nation. Establishing direct linkages between urban universities and business assistance will help enhance the success rate of small and emerging businesses.

At a time when our nation's economic base is changing dramatically from industrial to small and mid-size business, legislative solutions like the Urban University Business Initiative Grants are especially crucial to long-term sustainability. In addition to providing technical assistance, your legislation specifically establishes a priority for a research agenda. Clearly, too little is now known about what works to support business development, strategies for promoting business expansion, and successful efforts to maintain profitability and sustainability.

The urban university is well positioned to provide business assistance. It is the mission of the urban university to work with the community to address community problems. A key problem for urban areas, especially lower-income neighborhoods, is business competitiveness. Jobs particularly family wage jobs, are essential to self-sufficiency, family stability, and community development. Your legislation creates a mechanism for urban university business schools to be an integral part of the solution.

Senator Hatfield, your leadership on this issue is greatly appreciated. I especially want to recognize the good work and commitment of your staff in making this legislative concept a reality. It is obvious that your passion for the urban university mission is shared by the people you employ.

Thank you again for embracing this important issue. Please call upon me if I can provide you with any information or assistance.

Best regards,

JUDITH A. RAMALEY,
President.

Mr. HATFIELD. Mr. President, these are two very brief amendments, and yet I think they are very poignant and important to the basic concept we are debating here tonight. They have been cleared on both sides of the aisle. Both the majority and the minority managers and staff have reviewed them as well.

Mr. President, we have been moving to try to develop flexibility in this maze of Government bureaucracy where well-intended programs oftentimes get focused on administrative process and categorical grants to the local governments get mired in the compliance role rather than in the results-oriented focus of that program.

This is an effort much like we added to the Goals 2000, an educational flexibility amendment. I am offering this similar pattern of providing 30 local government units within 6 States as demonstration projects to take the myriad of categorical grants and to try to see how they can be innovative, maintaining the goals of those grants but lifting much of the bureaucratic control and mechanisms that are now in place, and in turn that the State governments respond to the same call for this demonstration project.

I believe that is basically the essence of the amendment. I would be happy to answer any questions on it.

The other amendment is to again try to enhance involvement of local resources. Oftentimes in these programs that we create at the Federal level we are, in effect, often neglecting the opportunity to merge into the purpose of the bill our local existing resources. In this case, the purpose would be to facilitate grants, up to certain limitations, to urban university, business schools, and business research activities within those business schools, private and public.

We have had some interesting experience in the Portland metropolitan area where Portland State University is taking on more and more of a service role with the various purposes and the objectives of community enterprise. For instance, under minority enterprises that we are trying to stimulate in our city, they have helped provide those minority entrepreneurs the resource data in order to apply for grants and so forth.

So basically, this idea will utilize the urban universities, as a source of research, and data for small enterprise—indeed, all enterprise. That basically is the purpose of the second amendment.

Again, I would respond to any questions on these amendments. Otherwise, Mr. President, I believe they have been cleared on both sides.

I urge their adoption.

Mr. HOLLINGS. Mr. President, the staff has looked this amendment over. It is within the Commerce Committee jurisdiction. As I understand it, it is peer reviewed. There is no apparent controversy. It will help the small business development centers as outlined in that small business part of the program to more accurately direct themselves to the technological applications.

With that in mind, I yield, and join in urging the adoption of the amendment.

Mr. HATFIELD. I thank the manager and the chairman of the committee.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendments, en bloc.

The amendments, en bloc (No. 1490 and No. 1491) were agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I would like to ask the chairman of the committee if it would be possible to take a minute to make a statement on an unrelated topic? I do not want to intrude into the consideration of the bill.

Mr. HOLLINGS. Mr. President, we have been waiting for the Senator from Colorado to bring his amendment. Can we do that when we are through with this? Is that all right?

Mr. BROWN. The chairman's decision would be fine with me.

Mr. HOLLINGS. Go ahead.

ORDER OF PROCEDURE

Mr. SARBANES. Mr. President, I ask unanimous consent to proceed for 90 seconds as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMENDATION OF RADIO STATION WTOP

Mr. SARBANES. Mr. President, I want to take just a moment of the Senate's time to recognize and commend WTOP Radio, Washington's only all-news radio station on the celebration actually to the day of its 25th anniversary of broadcasting in the all-news format.

Serving the Nation's capital with its tremendous demand for up-to-the-minute news and information on the fast-breaking events that dominate our activities here, WTOP has for a quarter of a century now been a principal news source that most of us in the Congress turn to repeatedly for up-to-the-minute information on developments in the national capital region, across the country, and around the world.

Those of us who represent States whose citizens are served directly by WTOP's staff of nearly 50 news anchors, reporters, editors, writers, know well that the station serves our constituents as an important minute-by-minute source of news and information on local developments as well as developments on Capitol Hill.

School closings, traffic reports, and developments in local government are covered clearly on WTOP, just as are events at the White House and in the Congress.

Finally, this opportunity should not pass without commending Dave McConnell, who since 1981 has reported and clarified congressional action in his unique daily program "Today on the Hill." Dave McConnell is a professional journalist in every sense of the word. He is a constant presence at hearings, press conferences, and in the press galleries covering floor action.

He covers the Congress thoroughly, and incisively with a skill and insight that brings the news clearly to WTOP's many listeners. While his beat is Capitol Hill, and his listeners are in Maryland, Virginia, and the District of Columbia, Dave McConnell sets a standard for reporters everywhere.

I am pleased to commend WTOP and its outstanding staff of professional newspeople on 25 years of dedicated and outstanding service.

I thank the chairman.

I thank the distinguished Senator from Colorado for his courtesy.

I yield the floor.

Mr. HOLLINGS. Mr. President, I want to join in the congratulations on the 25th anniversary of 1500 AM, WTOP. I started here in Washington with it. Dave McConnell is from South Carolina, and has been doing an outstanding job.

I welcome the opportunity as the chairman of the Committee on Commerce, Science, and Transportation with the Subcommittee of Communications. I have listened to WTOP for the past 25 years, and have watched that particular endeavor develop to the point of excellence. I agree with the distinguished Senator from Maryland.

I yield the floor.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 1492

(Purpose: To make it a felony for persons awarding contracts to solicit campaign contributions from persons receiving the contracts)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1492.

The amendment is as follows:

At the appropriate place in the amendment, insert the following section:

SEC. . PROHIBITION ON SOLICITATION OF CAMPAIGN CONTRIBUTIONS BY PERSONS AWARDING CONTRACTS.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end the following new section:

"§610. Solicitation of political contributions by persons awarding contracts

"Any person who awards any contract or grant under any provision of, or any amendment made by, the National Competitiveness Act of 1994 who, during the 5-year period beginning on the date the contract or grant is awarded, knowingly solicits a political contribution (within the meaning of section 7322(3) of title 5, United States Code) from any person who was awarded such contract or grant (or any owner, officer, employee, or agent thereof) shall be imprisoned for 1 year or fined not more than $10,000, or both."

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new items:

"610. Solicitation of political contributions by persons awarding contracts."

Mr. BROWN. Mr. President, I took the liberty of asking the clerk to read through the amendment because it is reasonably concise. I think it is fairly straightforward. I thought it might be of benefit for Members, since it involved a minimum amount of time, to at least have an opportunity as they listened to this debate to consider the full impact of the amendment.

Mr. President, the amendment is meant to address a potential problem. This bill involves breaking of new ground. It certainly involves a wide range of economic activity, including government involvement in the private sector.

Specifically, as I read through the Congressional Budget Office's description of the bill that is included in our committee report running from page 18 on, I find the following activities, economic activities, authorized.

First, purchase of debentures; second, guarantee of debentures; third, participation in the nonparticipating preferred securities, and that is securities issued by qualified investment companies; pooling of debentures; pooling of securities; guarantee of trust certificates; funding of research; permitting the establishment of investing companies; subsidize loan programs.

Suffice it to say, this measure before the Senate involves a wide range of financial activities. It is well within, I think, the scope of what the authors of the bill want to accomplish, and that is, to provide a broad range of financial activities that can be engaged in by the government to encourage industry and investments and so on.

I believe it is fair to say, then, that this measure involves a wide range of financial activities. It also invites a great deal of interest for participating parties. I believe it is also fair to say that, as we look at this measure, there is enormous discretion left with the Federal officials, whether they buy the debentures or not, whether they guarantee debentures, whether they purchase securities, whether they pool securities or pool debentures, whether they purchase guaranteed trust certificates. The wide range of activities is matched by a very wide range of discretion.

We have not in this measure attempted to pin down with great precision the guidelines and restrictions that will be used by the decisionmakers. I do not criticize the measure on that account. It may well be necessary to leave broad discretion in the hands of the people who enforce this act. But I am concerned about—particularly with such broad-ranging financial activities—not having clear and precise standards on all of them. That raises the potential for abuse.

Specifically, I am concerned about this potential scenario: A request for funds, whether sale of debentures, sale of securities, pooling arrangements, underwriting of research, or others, is made to the Federal Government. Without definitive standards, enormous discretion is in the hands of the people who dispense this money. The people who dispense this money give it out and then turn around and solicit political contributions from the recipients, from the corporations that receive the funding under this act, from the businesses that get it, from the agents of those businesses, partners, lobbying firms, and others.

If you hope to get, or you have received, money that is dispensed on a somewhat discretionary basis from a Government agency, are you really free to say no when they come asking for political contributions? I think it raises a tough question. I think it raises a difficult question. I believe, particularly with the discretion available under this bill, that we put the people who receive the money in a very difficult spot.

I think we also put the people who make the decision on how the money is handed out in a difficult spot. Let us assume that those who are dispensing the government funds under this act have strong beliefs in one party or the other. Mr. President, I know you know that the potential for corruption does not extend only to one political party; it extends to both political parties.

Let us assume these people are asked to help out their political party, and, more particularly, they are asked to solicit money from those with whom they have the closest connections, people they have given Government money to. Will they say no? Well, perhaps. Perhaps they will feel uncomfortable because of their previous contact with those individuals, companies, or those operations. But my guess is that some will say yes. Some will say yes because they want to abuse the power that they have, and some will say yes simply because they want to help out their friends, not for any interest in abusing the system.

But the reality is that some are going to be in a position of handing out Federal money, with minimal guidelines and few restrictions, and they may also be in the position of asking the people who got that money to donate to a political campaign or party.

Keep in mind that under some portions of this program, the moneys given out have to be matched, but others do not have a matching requirement. It is free money; it is money that does not require even a match, in some areas, from the people who get it. Will they be able to say no? Well, I hope so. But I am not sure of that. And

I suspect that every Member of this body will have some doubts about the discretion, the ability to say no as well.

The amendment attempts to deal with the problem before it happens. It simply says this: Look, if you are one of those who hands out the money, then you cannot engage in soliciting money from people who got the money. That is pretty straightforward. It has a penalty clause in it, and it is meant to be enough to get their attention to stop the activity.

I think this is a minimum penalty that we ought to insert into this bill. It is a minimum of what we ought to demand. We should pass laws that vest the discretion to hand out the public's money without some restriction to curtail abuse. There may well be other safeguards that are appropriate and needed. I suspect there are already some safeguards that exist in law now. But this is an added safeguard that I think can have a positive impact and improve the integrity of the administration of the program and, perhaps more importantly, protect the process of the use of this money from political abuse.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, if I read this correctly, what it says, is if I am a Cabinet member and I award the contract, I am barred by law from soliciting a political contribution from any person who was awarded such contract or grant, is that correct?

Mr. BROWN. That is correct, except it would not apply beyond 5 years after the grant has been awarded. There is a time limit.

Mr. HOLLINGS. Awarded such contract, or any owner, officer, employee or agent thereof—let us say the XYZ Corporation, a solicitation of anybody connected with XYZ. In other words, it does not have to be the owner or chairman of the board, or one of the employees? I am not trying to be picky. I like this amendment. How would it be the agent? How would that be?

Mr. BROWN. My specific concern there is over an agent whose activities might be related to this, but who is not technically an employee. For example, a lobbying firm in Washington that might have assisted the company in getting a grant could be hit up for a contribution.

Mr. HOLLINGS. The lawyer at the lobbying firm and consultant would all be included?

Mr. BROWN. Indeed, that is part of what would be covered by amendment's reference to the term agent.

Mr. HOLLINGS. Now you are getting with the program. This is the first experience I had when I came here. A Cabinet officer was running around giving an allocation, saying to the textile industry, "Your allocation is $350,000." I knew the industry, and it always kept in my mind because running there and operating, getting all of the awards and what have you and kudos from the industry itself, I had never gotten that amount of money myself out of my own State. Yet, this Cabinet member said, "This is your allocation," and this really brought out the Federal campaign election practices, the Campaign Reform Act of 1974. We debated this. I had not thought of it. It is probably a good precedent, not only here, because it would apply to the Secretary of Commerce, but it would apply to any and every Secretary, is that correct?

Mr. BROWN. My sense is a Secretary not affiliated with the awards of the grant would not come under it.

Mr. HOLLINGS. No, but anyone would affiliate with the awarding of the grant.

Mr. BROWN. The essence here is where you have a connection with the act of awarding the grant or research and the person who receives it.

Mr. HOLLINGS. And the SBA can.

Mr. BROWN. Indeed, if it is covered under this particular act under the National Competitiveness Act of 1994.

Mr. HOLLINGS. It would only have to be under the National Competitiveness Act that I award General Electric a contract to the Department of Defense. It does not apply to me.

Mr. BROWN. If it does not involve funds covered under the National Competitiveness Act, this would not apply.

Mr. HOLLINGS. Would the Senator consider expanding this to include all grants of the Federal Government, all departments and agencies?

Mr. BROWN. I would indeed be delighted. While it is not my purpose to burden the bill by causing problems in other places, that would be my preference.

Mr. HOLLINGS. Very good.

This is a good initiative, unless there is a part I have not thought of. People do not realize it sounds serious and it is serious to make it a felony.

It is still a felony, as I understand it. If I recommend you as a postmaster of a particular town in my State or you recommend me as a postmaster, you have committed felony.

We put that in the Postal Reform Act as they called it way back in the early seventies. So you can start making it felonies here. This virus can spread, and maybe we could just simmer down a lot of things going on and set a good precedent here.

This is the nearest thing to campaign finance reform I have seen in quite a while. I am willing to go along with this amendment.

Mr. BROWN. I thank the chairman for his comments, and I assure him I will not nominate him to be a postmaster.

Mr. HOLLINGS. Nor will I the Senator.

I urge adoption of the amendment.

Mr. BROWN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that at 8:15 p.m. we vote on the Brown amendment up or down.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The rollcall vote on the pending Brown amendment will occur at 8:15 p.m.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Without objection, it is so ordered.

Mr. BROWN. Madam President, I rise to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the Senator from Colorado seeking to set aside the pending amendment?

Mr. BROWN. Thank you, Madam President.

I ask also unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Madam President, reserving the right to object, I accommodated the Senator from Colorado. Now he wants another amendment. Will he be sure he will be through at 8:15 p.m. so we can proceed to his original amendment?

Mr. BROWN. Indeed, I will be happy to assure the distinguished Senator that this should be completed quite promptly, and I can assure him of that.

Mr. FORD. Madam President, will the Senator require a rollcall on this amendment?

Mr. BROWN. My hope is that it will be accepted. I will not ask for a rollcall if it goes through, and my guess is it will be acceptable.

Mr. FORD. The other amendment was acceptable and the Senator wanted a rollcall vote on that. I was not sure.

Mr. BROWN. It is not my intention.

Mr. FORD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1493

(Purpose: To institute a cost share requirement for single businesses applying for funding under the Advanced Technology Program of the National Institute of Standards and Technology)

Mr. BROWN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1493.

The legislative clerk proceeded to read the amendment.

Mr. BROWN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, strike line 19 to line 7 on page 50, and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the business agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

"(C) strike paragraph (2) and replace with: enter into contracts and cooperative agreements, and subject to the last sentence of this subsection, other transactions with United States businesses and independent research organizations, especially small businesses and independent research organizations, *Provided:* that the business or independent research organization agrees to pay at least half of the total costs of a project during the project period, which shall not extend beyond 5 years and *Provided further:* that the emphasis is placed on applying the Institute's research, research techniques, and expertise to those organizations' research programs;".

Mr. BROWN. Madam President, I asked for the reading at least of that portion of the amendment I think to make it clear.

My understanding is that we already have on the books provisions that call for cost sharing. The amendment deals with both single businesses as well as joint ventures in making it clear that cost sharing of at least 50 percent is required by both single businesses and joint ventures.

What is the purpose of it? The purpose of this is to make it clear whoever gets the Government money has to put some of their money into it as well.

We have already recognized the need for this by requiring matching funds for joint ventures. But I think it is particularly appropriate that we make absolutely clear that people who get venture money out of this bill will have to risk their own money as well.

Is 50 percent too low a minimum match to ask? I think it is. It is included in this bill, though, at least setting forth a minimum.

As one who in the private sector spent a portion of his time looking at proposals for joint ventures, proposals for new businesses, proposals for new operations and for development of new projects, one of the things I found, and I believe it applies here, is that people tend to be far more careful with what they ask for if they have some of their own money riding on the venture as well.

This, I believe, provides the best insurance that any proposal will have good or better management, because it makes sure that the people who get the money have some of their own at risk.

My hope is that Members will find this acceptable and find it a positive addition to the bill.

I believe this is the best insurance we can come up with. If we fund ventures without asking the people who take the money to put anything of theirs on the line, we invite corruption, we invite abuse, we invite waste.

On the other hand, if we do, as this amendment suggests, ask them to step forward and belly up to the bar, as well, I think we provide strong incentive to make sure the money is far better used.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. It is my understanding, I say to the Senator from Colorado—I am just getting an understanding of the amendment itself—that this refers to the advanced technology program which already has a 50-50 requirement sharing of the cost.

So then we go technically to "cost." What are the costs, is that what we have involved here in this amendment?

Mr. BROWN. I believe the Senator is correct in the way he has described it.

My understanding is cost sharing applies only to joint ventures. This would extend it both to joint ventures and single entities.

Mr. HOLLINGS. When the industry comes on an advanced technology program, the applicant must have at least 50 percent, put up 50 percent of the cost of the money of the particular loan. If they are requesting a grant or loan approval of the project under the advanced technology program, our experience has been the majority, because they have more than 50 percent, they study it out. And we are talking about the cost. As I heard the Senator from Colorado, it is going to be more burdensome than before.

We already have that requirement in there, and getting credit for the overhead, the building, and so forth of that kind to put down on the cost of actually conducting that research.

We had this measured out. We talked with the Department of Defense. We are wondering, for example, on sharing the administration of some of the programs that are still within the Department of Defense costs but administered by the Department of Commerce. As they transmit over that, you do not have two IG's coming. You have one understanding of at least 50 percent of the cost and that is the way.

Now is it the concern of the Senator from Colorado as to what constitutes cost?

Mr. BROWN. My concern is that making sure that the sharing provisions applies to single businesses as well as joint ventures.

Mr. HOLLINGS. It applies to all—single ventures, joint ventures, limited partnerships.

Mr. BROWN. I am reading under subparagraph (b), the reference, (1)(B)(ii). The summary stating, "by striking the 'provision of a minority share of the cost of such joint ventures for up to 5 years' and inserting in lieu thereof 'the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs.'" And it goes on.

So it does apply the consent to the joint ventures. But at least my concern is that we are not fully covered on the portion that relates to direct costs which is listed as an option there.

Mr. HOLLINGS. I understand that section (B) reads:

Participation in such joint ventures by means of grants, cooperative agreements, [or contracts,] *contracts, and other transactions* if the Secretary, acting through the Director, determines participation to be appropriate, which may include (i) partial start-up funding, (ii) [provision of a minority share of the cost of such joint ventures for up to 5 years] *the option of providing either a minority share of the total cost of such joint ventures for up to 5 years, or only direct costs (and not indirect costs, profits, or management fees), for up to 5 years,* and (iii) making available equipment, facilities, and personnel.

Now your amendment would do what?

The PRESIDING OFFICER. The Chair would advise the Senator that the hour of 8:15 is upon us.

Mr. HOLLINGS. I will get with the Senator from Colorado later.

VOTE ON AMENDMENT NO. 1492

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. BROWN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Connecticut [Mr. DODD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. HELMS], and the Senator from Kansas [Mrs. KASSEBAUM] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 54 Leg.]

YEAS—94

Akaka
Baucus
Bennett
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner
Wellstone
Wofford

NAYS—0

NOT VOTING—6

Biden
Campbell
Dodd
Durenberger
Helms
Kassebaum

So the amendment (No. 1492) was agreed to.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Madam President, the distinguished chairman has raised what I believe is a very valid concern about the accounting procedures that would apply to my amendment to ensure a minimum of a 50–50 cost-sharing arrangement. It is my understanding that the distinguished chairman has an interest in assuring that a 50–50 cost-sharing arrangement is part of the bill and that he has interest in making sure that it is done in such a way so that it does not cause undue burdens or unreasonable accounting expense for the entities involved.

My understanding is that the chairman's staff and my staff will be working on developing acceptable language.

Mr. HOLLINGS. Madam President, the Senator is correct. We both have the same interest on the 50–50 cost sharing and how you estimate those costs with the least burden to the small business. That is what we are working on with the staff. I am confident we can work it out because I was sort of nonplused when you called the amendment. I said that is what I am for; what am I amending?

Let the staffs work it out with the least amount of burden, but it will be a 50–50 sharing.

Mr. BROWN. I thank the distinguished chairman for his assistance and advice. My thought would be to bring it up during our deliberations tomorrow with a solution to it.

Mr. HOLLINGS. The amendment is withdrawn then?

Mr. BROWN. I would like to lay it over.

Mr. HOLLINGS. Either way.

The PRESIDING OFFICER. Without objection, the amendment is set aside.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Nevada.

CHANGE OF VOTE

Mr. BRYAN. Madam President, I ask unanimous consent to be allowed to change my vote on vote No. 53, from aye to nay. I have cleared this with both sides of the aisle, with the floor managers, and I represent to the Chamber it would not in any way affect the outcome of that vote.

(The foregoing tally has been changed to reflect the above order.)

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Madam President I move to reconsider the vote on the just-adopted Brown amendment.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Madam President, we are looking now—our colleagues, of course, are very anxious to learn, and so am I— right now we are looking for amendments. I have talked to the majority leader. We will continue on to try to dispose of the amendments, as many as we can today, because it seems tomorrow is going to be a full day also.

So I ask our distinguished ranking member to bring on these amendments so that we can dispose of them. We have been making pretty good progress so far.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado. Is the Senator seeking recognition?

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Colorado is recognized.

AMENDMENT NO. 1494

(Purpose: To reduce the amount of new spending authorized)

Mr. BROWN. Madam President, I rise to send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1494:

The amendment is as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,500,000,000.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I thank the Chair.

The purpose of this amendment is to reduce the authorized amount of spending in this measure to an amount that is comparable with the House bill. This would achieve a savings of a little in excess of $1.3 billion. It seems to me that this amendment would move us not only toward the House position but would also deal with much of the concern about the authorized spending in this bill.

I do not intend to prolong the debate on this item—I assume it may well generate some interest. But, I want to at least offer the amendment tonight so Members can consider it.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from South Carolina.

Mr. HOLLINGS. Madam President, we do not support this amendment. Apparently, the amendment is so drawn as to really cut in half the program, not necessarily the House amount. The House amount never included the $244 million for the information highway.

Now, over on the House side they have a special bill, a Boucher bill and the Boucher bill is contemplated to include that amount. We are including it here, and we do not want it excluded there and have it handled in a separate bill. That is the main difference when you take those two amounts together because the House bill started off at $950, we started off at $1.194 for 1995 in the committee report, and, of course, it has been cut back to 1984—it is cut back, of course, $1.086 billion for the year 1995, and $1.253 billion for 1996.

So what really occurs, Madam President, is that the amendment of the Senator from Colorado will eliminate totally, of course, the information highway moneys plus I can see here some construction moneys that were not in the House bill for those facilities, and there are increased amounts on the National Science Foundation. The House included $30 million for the National Science Foundation. We increased that to $75 million for the 2 years. That is another one of the increases just going over it.

With respect to the laboratory, the House had in there a $300 million amount; we have $320 million for 1995 and $350 million for 1996. So you can see that is pretty constant. But the way the wording of the amendment appears here is to cut it right in half, $1.5. Actually, the $1.5 is less than what our Republican colleagues supported in the report of this bill. When we unanimously reported this out of the Committee of Commerce, they reported an amount of $1.513 billion. He is cutting it below what they all voted for back in June of last year and, of course, we have these additional endeavors here.

Of the particular SBA program, I talked about the laboratories, I talked about the matter of the facilities, and then, of course, the information highway that is in a separate bill over on the House side.

So you get up casually and you really couple in your discussion and in your amendment 2 years and act like, well, it should not exceed the House and it is just a little amount.

Actually, if it was for only 1 year at $1.5, I think we could compromise on the $13 million difference. That is the way the committee reported. And if we had that difference we would go along, but that is not the case at all. He has coupled the 1995 authorization and the 1996 authorization, so he just eliminates a year, a year's authorization under this particular measure, and it is less than what we voted for for the 1 year in 1995 when we reported the bill unanimously from the committee.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I wanted to ask the chairman a question. I do not want to necessarily speak on this amendment, although I must say the amendment is starting to get closer to the target we are at least talking about the bill. We laid this bill down on Monday. As I recall, I was in the chair when the distinguished chairman laid this bill down. We have now over 4 days covered almost every subject that is being discussed here in Washington in the last year or two.

I am curious, I would ask the chairman of the Commerce Committee when the Commerce Committee dealt with S. 4, when that was voted out of the committee, was this a controversial bill? Was it a close vote? Could the chairman tell us what happened in the committee on this bill?

Mr. HOLLINGS. In the committee, Mr. President, what really happened is that, yes, after all the work we had done over a period of years, there was total unanimity. There was no controversy whatsoever. All the amounts now the subject matter of the amendment of the Senator from Colorado, all the different endeavors with respect to the small business loan, with respect to the national information highway, all of these coming right on down were all considered and we reported it out unanimously.

What has really occurred is OMB has cut us back so that we would be within budget, within the veritable budget freeze going in 1994 to 1995. I am on that Budget Committee. I am confident that Senator SASSER and the Budget Committee is going to report practically the President's budget, which will be a freeze. But they come with these facetious—where does the money come from? Putting on about we have a lot of pockets and burning holes in the pockets. Then all the peripheral amendments here that have no relation whatsoever. It is now boiling down to finally we are getting on target with some of the amendments. We will vote on this and we will keep moving.

And I understand conversation about cloture, we can have several cloture votes because I think the klieg light of public interest and attention if we can get passed some of the other headlines will just show how ludicrous the position has taken.

Here our colleagues on the other side of the aisle are taking an item they are vitally interested in, and I know it and you know it; we have worked with them. They are vitally interested in the amounts in this bill, in the fairness of the bill, the peer review in the bill. Everything about this bill has been worked out, passed the Senate unanimously in 1992, unanimously reported out of the Committee of Commerce in June of last year.

Then they come with the tongue and cheek descriptions about the amounts, and all of a sudden, it is like I thought up a bill by myself and brought it to the floor. Then you can go right on down the list of the coalition of technology, including all the large names, blue-chip corporations in the technology industry all over America, plus the universities, plus the National Association of Manufacturers.

I have not seen the entity that says that this is a dangerous bill or this is a plush bill or pork barrel bill or any of those things. No, sir. No contest in it. There are just other reasons unexplained. But they have to explain why they are opposing their own bill.

Let us go ahead, vote, and get the cloture votes and then more cloture votes. We can continue.

Mr. DORGAN. Madam President, if I understand the chairman of the committee correctly, this bill, S. 4, left the conference committee with a unanimous vote, with nobody voting against it, no dissent, comes to the floor on a Monday.

Mr. HOLLINGS. That is correct.

Mr. DORGAN. It is Thursday night, and we have no idea how many amendments are left.

I am curious what the strategy is. The chairman would probably have a better idea than I would. He has been here a long, long time. But it seems to me this is pretty classic policy discussion.

Does the chairman believe that this kind of approach is the right approach? Or does he believe this is picking winners and losers and skating close to an industrial policy, and is bad?

If you believe it is bad, you vote against it. If you believe it is good, you try to promote the right kind of investments, then you support this.

But it seems to me that we are in the process here in which a bill that had almost had no opposition gets to the floor, and 4 days later we are not able to get to the nub of the policy to vote yes or no on it because folks, at their own time, will offer amendments that may or may not be germane, may or may not relate to the subject, may or may not be involved with the industrial policy or economic growth.

So the question is, do we ever get to advance this issue? Do we ever get to vote on it? That is the question.

Mr. HOLLINGS. I do not know. It seems there should be some shame involved in this shenanigan. There ought to be embarrassment at this particular point. I think after numerous cloture votes that is what we are going to have, and any other bills that come up, we are going to have this unanimously approved bill put on somebody else's bill, and with amendments.

We can play this game too. So they will have to, at one time or the other, give us a vote up or down on the measure just to see exactly where we are.

Mr. DORGAN. I thank the chairman. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

MOWA BAND OF CHOCTAW INDIANS FEDERAL RECOGNITION ACT

Mr. FORD. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 318, S. 282, a bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. I do object to the unanimous-consent request, Madam President. As I understand the request, this is asking unanimous consent that a bill be passed granting legislative recognition to the Mowa Band of Choctaw Indians of Alabama.

Mr. FORD. That is correct.

The PRESIDING OFFICER. Is there objection?

Mr. FORD. Did the Senator object?

Mr. COCHRAN. I do not object—Madam President, my objection goes to the passage of the bill, not to the calling up of the bill. I have expressed my opposition to the bill.

The PRESIDING OFFICER. Thank you.

Mr. FORD. As I understood it, Madam President, the Senator reserved the right to object to my unanimous consent, stated his purpose, and it is now up to the Chair to put the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request?

Mr. COCHRAN. I object to the passage of the bill by unanimous consent.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the bill.

The clerk will report.

The bill clerk read as follows:

A bill (S. 282), to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabma.

The Senate proceeded to consider the bill.

OPPOSITION TO S. 282, THE MOWA BAND OF CHOCTAW INDIANS RECOGNITION ACT

Mr. COCHRAN. Madam President, I want to express my opposition because of the inconsistency and unfairness that this kind of action leads to for groups petitioning for recognition by the Federal Government as a legally established entity under current law, entitled to the same kind of benefits, health care services, education, and housing benefits that native American tribes are entitled to under the laws of the United States.

This petitioning group has filed an application of longstanding with the Department of the Interior, which has the responsibility for administering this recognition program. There are established criteria by statute which must be met in order for petitioners to be certified as eligible for Federal recognition. This group has not met the test of those established criteria.

The Mississippi Band of Choctaw Indians is led by Chief Phillip Martin, who testified before our Select Committee on Indian Affairs, very persuasively and eloquently as to why recognition should not be granted by Congress as requested by this bill.

Mr. COCHRAN. Madam President, I oppose S. 282, which would grant Federal recognition to the Mowa Band of Choctaw Indians of Alabama.

The matter of granting legislative recognition to nonrecognized groups of Indian people is clearly a controversial issue. In my opinion all who seek Federal recognition should go through the acknowledgment process administered by the Department of the Interior and meet the established criteria. Legislative recognition creates a dual system, one in which the Congress applies no criteria, and the other where the Interior Department applies a set of statutory, established criteria. Congress should not grant Federal recognition because it leads to inconsistency and unfairness for petitioning groups.

As a member of the Interior Appropriations Subcommittee, I have observed funding for Indian programs lags far behind equivalent Federal programs. Native Americans generally suffer the worst conditions of unemployment, the lowest life expectancy, and least adequate education of all national groups.

Our government has a responsibility to native Americans based on treaties, statutes, and Federal court rulings. Federal acknowledgment establishes a perpetual government-to-government relationship between the tribe and United States, which has major political, social, and economic implications for the petitioning tribe and Federal, State, and local governments.

Congress has created special programs for federally recognized tribes, including housing, educational assistance, social services, and medical benefits. To qualify for the protection, benefits, and services available to federally recognized tribes, a group must satisfy the requirements for recognition established by the Department of Interior. These qualifications are as follows: First, the Indian group is identifiable by historical evidence, written or oral, as being an American Indian tribe;

Second, its members must have existed as a distinct Indian community throughout history until the present;

Third, the Indian group must have maintained political influence over its members as an autonomous entity throughout history until the present;

Fourth, the membership of the group is composed principally of persons who are not members of any other Indian tribe; and

Fifth, the tribe has not been the subject of congressional legislation expressly terminating their relationship with the Federal Government.

While the 3,000 members of the Mowa group deserve every benefit and protection afforded by our constitutional system, I do not support S. 282 because it would entitle the Mowa to all federally funded services by circumventing the established administrative recognition process—a process developed in 1978 with the support of Indian tribal governments, Congress, and the administration to ensure objective and uniform evaluation.

According to a 1992 statement by the Congressional Budget Office, the cost of S. 282 to the American taxpayers is estimated at $10 million a year. This expenditure would have a profound effect on federally recognized tribes which have met the established requirements I previously listed.

I believe it is a bad precedent to depart from the existing requirements of law in controversial recognition cases. It creates an exception based on evidence that is in sharp dispute regarding the legitimacy of petitions. I hope the Senate will exercise restraint in the future when considering exceptions to the rule.

I am, however, not opposed to the Mowa tribe seeking Federal recognition. I merely believe that the tribe should follow the same recognition process as other groups petitioning the Federal Government. The Federal acknowledgment process does not seek to determine if an individual is or is not Indian, it merely establishes the authenticity of a sovereign legal entity.

Senator MCCAIN and I recently introduced S. 1844, the Indian Federal Recognition Administrative Procedures Act of 1994, to improve and strengthen the administrative recognition process. If the current administrative process needs reform, then we as Members of Congress should place a stronger emphasis on comprehensively correcting the process, not circumventing the current system.

I ask unanimous consent that a letter from Mr. Phillip Martin, chief of the Mississippi Band of Choctaw Indians, to the chairman of the Select Committee on Indian Affairs together with testimony submitted by the Mississippi Band of Choctaw Indians on this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISSISSIPPI BAND OF CHOCTAW INDIANS,
Philadelphia, MS, July 12, 1991.

Hon. DANIEL K. INOUYE,
Chairman, Select Committee on Indian Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR INOUYE: We very much appreciate your giving us the time needed to comment on S. 362, the MOWA Band of Choctaw Indian Recognition Act. As you know, I had a prior commitment on the day of the Committee's hearing on S. 362; and I thank you for giving me the opportunity to provide the Committee my position in writing.

Attached is a study on the MOWA question which was carried out by an anthropologist on our staff. It demonstrates to me that without a doubt the members of the MOWA community had some Choctaw ancestors in the remote past. (Of the 30 first-generation Indian ancestors listed in the MOWA documentation, only 16 are identified as Choctaws, and of these, only one, Alexander Breashears, appeared on the Armstrong Roll of 1831, the listing of all Choctaw households east of the Mississippi compiled prior to the Removal to the Indian Territory.) But descendency to some fractional degree by some people does not make them an Indian tribe. There are areas of culture and political relationships that more closely define a tribe, areas reflected to some extent in the current Bureau of Indian Affairs federal acknowledgement process and in your, Senator McCain's, and Senator Cochran's effort to legislatively mandate such a process, S. 1315.

It has only been within the last ten to 20 years that the Mississippi Band of Choctaw Indians has been aware there were people in Washington and Mobile counties, Alabama, claiming Choctaw descent. Some members of that community have visited the reservation here in Mississippi to study tribal customs; and some tribal members here have been paid by the MOWAs to come over to teach that community Choctaw dances and the Choctaw language (although currently we know of no one there that does speak the language.) Our people could discern no Choctaw customs extant among the MOWA population at the time of our first contacts with them; and insofar as we are aware, the only traditional Choctaw customs now practiced in the MOWA community have resulted from instruction by members of the Mississippi Band of Choctaw Indians. These activities were carried out by individual members of the Mississippi Band of Choctaw Indians, and did not constitution any form of recognition by the tribal government of the Mississippi Band of Choctaw Indians.

In their attempt to obtain legislative recognition, the members of the MOWA community make three arguments that are either factually incorrect or historically inaccurate, and which I would like to address. First, they repeatedly invoke the provisions of the Treaty of Dancing Rabbit Creek of 1830. The only parts of what is now Alabama affected by the Treaty of Dancing Rabbit Creek were portions of Sumter, Greene, Pickens, and Choctaw counties. Washington and Mobile counties, the home of the MOWA community, had been previously ceded under the Treaty of Hoe Buckintoopa (1803), and the treaty with the British of 1765.

Secondly, the MOWA community maintains that because it receives federal funding from the Administration for Native Americans, the Office of Indian Education Programs of the U.S. Department of Education, and HUD, the federal government already recognizes the community. The receipt of these funds because of the community's status as state-recognized has nothing to do with the question of the community's federal recognition, which is a totally separate issue.

Finally, the members of the MOWA community are arguing that a failure of the Congress to act positively on this bill would be an abandonment of the Congressional power to handle "commerce with the Indian tribes" as provided for in the United States Constitution. We believe, to the contrary, that the Constitution provides for a government to government relationship only with those Indian tribes that are federally recognized, and that such recognition (as with foreign nations and the State Department) should for the most part be a function of the executive branch, and not of the Congress.

The Congress saw fit in the 1930's to limit services (and thus tribal membership) to Mississippi Choctaws to persons of one-half or greater degree demonstrable Mississippi Choctaw blood quantum. For the Congress to approve legislation that would now offer these same services to Alabama "Choctaws" of conceivably minuscule blood quanta would seem to us patently unfair. While we have no argument with groups asserting their rights under the Federal Acknowledgement Process of the Bureau of Indian Affairs, when specific legislation is introduced, we as Choctaws do have the right to be concerned about the name "Choctaw" being misrepresented and the historical record being distorted.

It appears to me that if the Congress took the initiative to legislatively recognize tribes outside of land claims cases, it would open the door for many, many other groups in the Southeast to submit bills, based on tenuous historical claims—a precedent the Congress would not want to have to concern itself with on a regular basis which could result in making a mockery of the historic government to government relationship that the Congress has maintained with bona fide tribes throughout the country.

The Mississippi Band of Choctaw Indians respectfully urges the members of the Select Committee on Indian Affairs to table S. 362 and to encourage the MOWA community to pursue the established process for recognition through the Department of the Interior.

Sincerely,

PHILLIP MARTIN,
Chief.

COMMENTS ON THE MOWA BAND OF CHOCTAW

(By Kenneth H. Carleton, M.A., Choctaw Tribal Anthropologist/Ethnohistorian; Mississippi Band of Choctaw Indians

INTRODUCTION

The "MOWA" are a group of people who live in northern Mobile county and southern Washington county, Alabama, in an area roughly bounded by the towns of Citronelle, Mt. Vernon, McIntosh and Tibbie. They have been known as the Alabama "Cajans" since that name was applied to them in the 1880s. Although they have never liked this name, it is a useful term to distinguish them. These people are the descendants of many of the early settlers in this area and are a unique mixture of both genetic and cultural heritages.

Over the past century, an enormous amount of material has been written about the "Cajans" by numerous people. There have been several articles in scholarly journals and church publications and at least three Masters theses which discuss the social, cultural and genetic backgrounds of these people. From the late 1920s onward, there are published accounts of them about every ten to twenty years. Therefore, the documentary background available on their social and cultural practices in really rather good, which is unusual for a group like this.

HISTORICAL BACKGROUND OF THE AREA

The initial European settlement of the Mobile Bay area took place in 1702 when the French under Iberville founded Fort Louis de la Louisiane north of modern-day Mobile. At this time, or within a few years, several small Indian tribes were living along the Mobile and Tombigbee Rivers north of Mobile. These tribes included the Mobile, the Tohome, the Appalachee and the Teansa, among others.

THE MOBILE

The Mobile Indians were living on the Mobile River approximately five miles below the confluence of the Alabama and Tombigbee rivers at the time of initial contact with the French and Spanish. By ca. 1730, they had moved to the mouth of the Mobile River where they stayed until 1763 when they disappear from the documentary record.

THE TOHOME

The Tohome were also present in the Mobile area at initial contact. There were apparently two groups (village ?) of them which were known as the Big Tohomes and the Little Tohomes or Naniabas. They continued to live there at least until they too disappear from the documentary record in the early 1770s.

THE APPALACHEE

The Appalachee where initially contacted by De Soto in central Florida and were missionized by the Spanish in the early seventeenth century. They lived primarily around the mission of San Luis, which was located in present-day Tallahassee. During the winter of 1703/04, an English-led raid from Charlestown, South Carolina (modern Charleston), destroyed San Luis and killed or captured as slave over 1,000 of the Appalachee. The survivors of this disaster fled to the Pensacola area. By the end of 1705 they had come to Mobile, where the settled under the protection of the French. In 1763 with the end of the French and Indian War, France was forced out of North America and England was granted all of France's territories east of the Mississippi. At this time the Appalachee in Mobile were jointed by other groups of Appalachee. In 1764, the newly reunited Appalachee, the Taensa, and the Pakana bank of Creeks all removed themselves to the Red River in Louisiana, in order to avoid English dominion.

THE TAENAS

At initial contact with the French, the Taensa were living on the Mississippi River. However, at the encouragement of the French by ca. 1715 they had moved all of their people to the Mobile area. They remained there until 1764, when they went to the Red River with the Appalachee.

These groups where not the only Indian presence in the Mobile area. Throughout the eighteenth century, particularly during the French Period (1702-1763), there was a constant flow of Indians, including Choctaw, Chickasaw, and various Creek groups, who came to Mobile to trade, receive presents and discuss important matters with the Europeans there. However, by the last two decades of the eighteenth century, there were no organized groups of Indians living in the area around Mobile.

The English took control of Mobile and its environs after 1763. They controlled the area until the American Revolution. In 1765, the British held the Congress of Mobile with the Choctaw Nation. At this Congress the Choctaw agreed to cede all territory south of the 31° Parallel, between the Tombigbee River and the Mississippi River and the Natchez District to the British.

In 1780, the Spanish took advantage of the conflict between the British and their former colonists and systematically invaded every non-Spanish port along the Gulf of Mexico. In March of 1780, a force of Spanish soldiers, a large number of which were Negroes and mulattos from South America and probably the Caribbean, took Mobile. By the middle of 1781 the entire Gulf Coast, from Florida to Louisiana, was under Spanish dominion. In 1783, at the end of the American Revolution, the British ceded all their territory south of Canada to the United States with the southern boundary along the Gulf Coast being set at the 31° Parallel.

During the next decade, especially when operating under the Articles of Confederation, the United States were not in a position to enforce this southern boundary with the Spanish. The Spanish encroached beyond this line in several places including the Mobile area, where they had a fort at St. Stephens, almost forty miles north of the 31° Parallel. Finally in 1795, the now stronger United States was able to force the Treaty of San Lorenzo which held the Spanish to the 31° Parallel. In this same year, the Mississippi Territory was formed with the 31° Parallel as its southern border and Natchez as its capital. It is at this time that a number of significant treaties with the Choctaw pertinent to this area began to be signed.

TREATY OF HOE BUCKINTOOPA, 1803

On August 31, 1803, the Treaty of Hoe Buckintoopa was signed. This treaty ceded all Choctaw claims to the area bounded by the Chickasawhay River, on the west; Buckatunna Creek, Red Creek and Santa Bogue Creek on the north; and the Tombigbee River, on the east and the 31° Parallel on the south. This area covers the eastern extremes of present-day Wayne and Greene counties, Mississippi, and the northern extreme of present-day Mobile County and all except the extreme northern portion of present-day Washington County, Alabama.

TREATY OF MOUNT DEXTER, 1805

On November 16, 1805, the Treaty of Mount Dexter was signed. This treaty ceded Choctaw territory across the southern portion of

Mississippi and into Alabama, which included the southern portion of present-day Choctaw County, Alabama, and the remaining portion of present-day Washington County, to the Tombigbee River.

TREATY OF ST. STEPHENS, 1816

On October 24, 1816, the Treaty of St. Stephens was signed. This treaty ceded all Choctaw lands east of the Tombigbee River, from the Chickasaw/Choctaw boundary to the northern limit of the area ceded by the Treaty of Mt. Dexter.

In 1817 Mississippi was admitted to the Union as a state. Alabama followed in 1819, thus ending the Mississippi Territory. This set the stage for the coming of the ancestors of the group known as the Alabama "Cajans" to the area north of Mobile.

THE ALABAMA "CAJANS"

The very name "Cajan", which was first applied to them in the 1880s, demonstrates that from a very early period these people have been recognized as a distinct group. They are what anthropologists and sociologist call an "isolate". That is, a subcultural group which due to some form of isolation has developed its own society and culture independent of the mainstream society which surrounds it. Numerous examples of such isolates are known and include such groups as the Polynesians of Hawaii or Tahiti, isolated by thousands of miles of open ocean; or Appalachia in the mountains of Tennessee, Kentucky and several other states, where the eighteenth and nineteenth century settlers from primarily the British Isles became isolated by the rugged terrain which surrounded them and resulted in a society which more closely resembled that of early nineteenth century Britain than twentieth century North America with elements that are uniquely their own thrown in; on some of the barrier islands along the coast of Virginia, the language that is spoken is not that of modern American English but more closely resembles that of Elizabethan English which the original settlers of these island spoke.

The "Cajans" of Alabama were not isolated from the mainstream society by great physical barriers. There are no enormous mountains which surround them or miles of ocean which separate them from their neighbors. Their isolation was a social isolation. These people are the descendants of a mixed genetic and social heritage. Many of the ancestors of this group were white, but many were also "mulattos" of mixed black and white or Indian backgrounds and many were part Indian and part white. They were not accepted by the mainstream white society and they refused to participate in the black society.

The mixed nature of their cultural and genetic heritage is very diverse. They are the descendants of American Indians (they themselves claim Choctaw, Cherokee, Creek, Chickasaw, Houma and even Apache), French, English, Spanish, Mexican, German, Russian and African sources from the Southeast and the Caribbean. This has resulted in a blending of the genetic and cultural heritages from all of these sources. They are not black, white or Indian but an unique mix of all three.

SOCIAL ISOLATION

Because of the mixed heritages of this group and the relatively remote area in which they lived, the members of this community became isolated from the mainstream society at a very early time. They were already recognized as a separate community, with their own cultural and social structure by the 1880s. This implies that almost from the beginning, they kept to themselves and only minimally interacted with the outside world.

This isolation was probably caused by several factors. First was their mixed genetic heritage. Although many of them appeared to be white, as attested to by the censuses in which they are listed as such, many more of them could not. They did not appear to be black, but they definitely were not white, which resulted in them being shunned by most white society. They, on the other hand, refused to be considered black, since they considered that insulting. So, the only option which they had was to stay away from the white society which did not accept them as part of it and to remain apart from the black society in which they refused to interact.

FAMILY HISTORIES

The historical antecedents of the Alabama "Cajans" are numerous and varied. Some of their ancestors were French colonial settlers or the children of French settlers. These include Juzans and the Chestangs families, both of who were well established in the area north of Mobile by the 1770s.

Some of the ancestors of this group were newer immigrants. The best known of these, and one of the most prominent early ancestors of the Alabama "Cajans" is Daniel Reed. Reed is listed as a freed Negro in Toulmin's digest of Alabama Laws, and since Toulmin probably knew Reed, this should be accurate. According to family legend, Reed came from San Domingo and was a mulatto of mixed African and either French or Spanish parentage. It is not known exactly when Daniel Reed came to this area, but by 1818 he had established himself well enough to have purchased a mulatto slave named Rose—presumably from Young Gaines, Perry County, MS—whom he married. In 1818 Reed was able to get an Act of the Alabama Territorial Legislature to emancipate Rose. Two years later, Reed got a second Act from the legislature to emancipate two of his, and presumably Rose's children. In all of these acts, Daniel Reed is listed as a "free man of color" and Rose and the children are referred to as "mulatto". In 1828, Daniel Reed purchased his son George from Young Gaines. The names of all of Daniel and Rose Reed's children are recorded at his death in 1844. They are: Julia Ann, Eliza, George, Matilda Ann, William, Reuben, Lucretia and Emaline. All are attested to being free persons of color, being the children of free persons of color, by the local county court judge at the time of Daniel Reed's death.

Of this second generation, four of the Reeds' daughters all married the following white men: Peter Cole, Willis Daugherty (married Emeline), John Harris, and Nedham Bryant Married Matilda); Lucretia never married and the sons, George, William and Reuben, married Ellen, Lovinda, and Emeline Weaver, in that order. The Weavers are one of the other founding families of the Alabama "Cajans" and these daughters are purported to have been half Cherokee from their father. Based on the 1870 Census data in Green, 1941, these marriages took place in the late 1840s and early 1850s.

It should be noted here that Rose Reed is claimed by her descendants to have been half Choctaw. However, there is no documentary evidence to prove this statement while there is a great deal of evidence to prove that she was a Negro slave. In one major court case (Barbara Young, et al, vs Board of School Commissioners of Mobile County, Alabama, 1930) the judge, while sounding sympathetic to their case, because of the evidence presented and the laws of Alabama was forced to rule that Rose was indeed Negro and that there was nothing but hearsay evidence to support the claim of Choctaw heritage.

It is unnecessary here to go into a detailed discussion of the histories of all of the other families which were the founders of the Alabama "Cajans"; although inadequately documented, they are presented in detail in Matte, et al, n. d., However it is necessary to make several observations. The three most common surnames among this group are Reed, Weaver and Byrd. The Reed line has already been discussed. The Weaver line purportedly trace its origins back to Dave Weaver, who was a Cherokee and listed as living at Sharp Mt., Georgia, on the 1835 Cherokee Roll. The Byrd line traces its beginnings to Lemuel Byrd, purported to be a mixed-blood Cherokee, also from Georgia, who moved into the Mobile area after service in the War of 1812.

All of these families, and many others, intermarried extensively beginning in the 1820's and 1830. Among them were probably many half- or part-blood Choctaw, Chickasaw, Creek, and Cherokee. However, the documentary evidence for these blood lines is ambiguous or non-existent. The majority of their claims are based solely on family reminiscences. The fact of the matter is that most families in Mississippi and Alabama which came to these areas as early as those of the Alabama "Cajans" probably do have at least some Indian blood. However, there is a great deal more to being an Indian than simply having the genetic heritage. There are cultural and social aspects of "Indianness" which more than anything else make Indians what they are.

SOCIAL AND CULTURAL ASPECTS OF ALABAMA "CAJANS"

Because so much was written about them in the 1930s we have a good sample of the social aspects and culture of the "Cajans" at a period before there was extensive influence on them from the outside. It should be pointed out that at the time the various authors were listing the "Cajans" in the '30s, these people led a life of abject poverty. There were virtually no roads in the areas in which they lived and travel was primarily by foot or horseback; virtually no electricity was available and there was no running water. The houses they lived in were shacks which are described by many of the authors as being even more decrepit and dilapidated than the local blacks' houses. There was little furniture or other household goods in many of the homes. Some of them had access to kerosene lamps but the majority of households were still using fat-pine torches as their main source of illumination after dark. At this time only a few houses had radios or phonographs and the majority of people had never even been to Mobile, just a few minutes automobile ride away. The overwhelming majority of them were illiterate. They were not only isolated from the society of their neighbors, they were cut off from virtually all influence from the outside world.

This situation began to change in the 1930s as several church mission efforts began by establishing schools and churches in the area. The young people began to be educated. After World War II, the outside world began to have more influence within the local area and with the passage of the Civil Rights Act and the abolition of segregation the situation has radically changed.

Therefore, at the time that some of the earliest information about these people is available, they had changed very little from their forebears in the nineteenth century.

This gives us an opportunity to see what the social and cultural situation of these people was before it had been extensively influence or disrupted by the popular American culture of the time.

The picture which we get of this group is one of nineteenth-century, southern, lower-economic, white culture. It resembles the culture of the Appalachian areas on more than a superficial level. The primary social organization is based on extended-family kinship groups. And in a society as closed and intermarried as this one, everyone was related to everyone else in some way. The basic unit of socio-political power among these people is the "settlement" which is a community of people living together around institutions such as churches and schools and a general store, if the community was large enough. Settlements can be further subdivided into "neighborhoods" which represent different extended-family lines (clans) within the settlement. The residency pattern is patrilocal; when a couple from different settlements gets married they live in the settlement of the husband's family. Each neighborhood has a head who is selected informally and the selection is primarily based on his qualifications as a religious leader. It is also primarily an achieved status (rather than inherited) with the person who is best qualified to act as leader getting the position, although the leadership also tends to run in families. The leaders of each neighborhood informally select one of their number to act as the head of the settlement. This position is usually held by the man having the most seniority. Generally speaking, any man from any family can be the leader of a settlement. However, in Mobile County members of the Reed family have been excluded in the past because of their commonly known descent from a Negro slave. The settlement and neighborhood heads are the authorities in each community. They arbitrate disputes, give advice, resolve problems with the schools and churches and lead the religious life of the neighborhoods.

FAMILY LIFE

The father was the absolute ruler of his household. His wife and children, until of legal age, were expected to obey him without question. Most women were expected to ask their husbands permission before doing something as simple as visiting a neighbor. The girls were expected to learn household duties at an early age and usually began helping their mothers with daily tasks by age six or so. The girls were strictly disciplined and were expected to obey all instruction given by not only their mothers and fathers but their elder brothers as well. On the other hand, boys were not very strictly disciplined and were given great liberty. Few parents would force a young boy to eat foods he disliked or to attend school and, while they might have been told not to, it was common for boys of eight or ten to smoke, drink and gamble with adults. Most girls were married by the time they were fifteen or sixteen and had had several children by the time they were twenty. Boys usually did not marry until they were twenty-one.

One interesting custom peculiar to this group was that of naming patterns. Although the habit initially sounds extremely unusual, when it is considered that there are only a few surnames among these people the pattern makes sense. When a child was born he/she was given a proper name. The child was then called by their first name and by one of their parents or grandparents names. Thus, Joseph whose father was named Edward, would be called "Joe Ed". The same pattern occurred at marriage when the wife took on her husband's name. Martha who married Bob would be called "Martha Bob".

BURIAL CUSTOMS

Upon the event of a death, all mirrors in the room in which the body was to be laid out were covered and all clocks were stopped at the time of death. The head of the corpse was bound with a cloth, tied on top of the head or beneath the chin and pennies were placed on the eyes. The body was placed on a "cooling board" and the water in which the body was washed was often placed under the board in the belief that it would aid in preservation. All doors in the room in which the body was laid out were left open to allow the spirit of the body to depart unimpeded. A "wake" was held the day after the person's death. People began gathering at the home where the body was laid out early in the morning. The children would play in the yard and the adults would gather inside or on the porch of the house. Food and hot coffee were served throughout the day by the female relatives of the deceased. Throughout the day more people would come and about sunset hymns would be sung. Around midnight the crowd would begin to depart and representatives of the family would sit with the body throughout the night. The next day the burial service would take place at the church and the person would be buried in the graveyard. At the end of the service, each person present would pass by the open grave and throw a handful of dirt on top of the coffin.

Initially, the idea of a wake for the dead did sound like the Choctaw custom of having a wake. However, when all of the activities involved in the preparation of the body and the wake were examined, not a single element of this event was found to be Choctaw. The wake of the Alabama "Cajans" is probably the result of the many Irish and other Europeans which settled in the area in the early nineteenth-century.

Many superstitions and cures were encountered among the Alabama "Cajans". Virtually all of them are either common in the Southeast today, or are of European origins.

SUMMARY AND CONCLUSIONS

Despite the fairly substantial body of written material available about the Alabama "Cajans" and their society and culture and despite the evidence that there are indeed numerous Indian ancestors of this group, their culture in the twentieth century is almost completely derived from that of Europeans. There are only a couple of things mentioned that sound even remotely Indian or Indian-derived and most of these when examined closely are probably not Indian.

A couple of the superstitions and folk cures might be derived from the general belief systems of the Southeastern Indians. However, they are so far removed from any actual superstitions practiced by Southeastern Indians that it is impossible at this point to say how they evolved. There is some evidence that some herbal medicine may have survived into the present. However, there are only a couple of slight references to these practices in any of the available material and the evidence is not sufficient to form an opinion.

In conclusion, the "MOWA" are a portion of the group known for the past century as the Alabama "Cajans". This group is a triracial isolate who are the descendants of American Indians, including Cherokee, Choctaw, Creek and Apache; African slaves and freemen; and Europeans, including French, English, Spanish, Germans and Russians. Due to their mixed genetic and cultural heritage they were isolated at an early time by pressures from without and within from the surrounding cultures. They have developed a unique and extremely interesting society and culture which blends many of the elements from all of their diverse background. However, they are not an Indian tribe; the are not the remnant of an Indian tribe; they are not Choctaw.

COMMENTS ON SOME OF THE TESTIMONY PRESENTED BY THE "MOWA" TO SUPPORT THEIR CLAIMS AS CHOCTAW

In the "MOWA's" testimony to the Senate Select Committee on Indian Affairs and in their Application for Recognition presented to the Bureau of Indian Affairs there have been numerous historical errors and misstatements. Most of these have been minor and have been pointed out by other sources. However, several gross errors were presented in the testimony presented before the Senate Select Committee on Indian Affairs on June 26, 1991, which can not be ignored or go uncorrected. One of the errors which needs to be corrected involves the location of the Six-Towns District (the Okla Hannali) of the Choctaw Nation and that of Yowani village. Another of the errors is the presumption that the area in which the "MOWA" live was covered under the Treaty of Dancing Rabbit Creek. Lastly is the assumption that all documents relative to the Choctaw automatically apply to the "MOWA".

First, numerous times in the testimony of June 26, the statement is made that Yowani village and the Six Towns District were in Alabama (Tab 4, part 3, page 1; Tab 5, part 1, page 1; Tab 5, part 2, pages 5-6; Tab 7, page 1; as well as many other references to the Six Towns and Yowani which imply but do not say they were in Alabama). This is totally inaccurate. The Six Towns—Yellow Canes, Bouctoulouctsi, Tala, Nachououenya, Senacha and Toussana—where located along Souinlovey Creek and Tarlow Creek, both on the west side of the Chunky River, in northern Jasper and southern Newton counties, Mississippi. Yowani Village, which was not part of the Six Towns, was located on the Chikasawhay River, in the extreme northern portion of Wayne County, Mississippi.

Second are the repeated references to the Treaty of Dancing Rabbit Creek and its provisions for private reservations or land grants to Choctaw who did not wish to be removed west. The area in which the "MOWA" now live and in which their ancestors have lived for close to the last two hundred years was not covered by Dancing Rabbit Creek. That area was ceded by the Choctaw to the United States under the Treaty of Hoe Buckintoopa in 1803, 27 years before Dancing Rabbit Creek. The area covered under Dancing Rabbit Creek is over 40 miles from the most northern portion of the area occupied by the "MOWA", yet they seem to be attempting to make some argument that they are owed something under this treaty.

Lastly, throughout all of the testimony and statements made there is a basic underlying assumption that these people are Chocktaw and that this matter does not need to be proven. And therefore, all documents and records which deal with the Choctaw automatically apply to the "MOWA". As has been shown in the foregoing discussion, the Alabama "Cajans" are not a Chocktaw band or even a remnant thereof. Therefore, none of the documents cited which deal with the Choctaw are relevant.

The **PRESIDING OFFICER**. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Mowa Band of Choctaw Indians Recognition Act."

FEDERAL RECOGNITION

SEC. 2. Federal recognition is hereby extended to the Mowa Band of Choctaw Indians of Alabama. All Federal laws of general application to Indians and Indian tribes shall apply with respect to the Mowa Band of Choctaw Indians of Alabama.

RESTORATION OF RIGHTS

SEC. 3. (a) All rights and privileges of the Mowa Band of Choctaw Indians which may have been abrogated or diminished before the date of enactment of this Act by reason of any provision of Federal law that terminated Federal recognition of the Mowa Band of Choctaw Indians of Alabama are hereby restored and such Federal law shall no longer apply with respect to the Band or the members of the Band.

(b) Under the treaties entered into by the ancestors of the Mowa Band of Choctaws, all historical tribal lands were ceded to the United States. Congress does hereby approve and ratify such cession effective as of the date of the said cession and said cession shall be regarded as an extinguishment of all interest of the Mowa Band of Choctaws, if any, in said lands as of the date of the cession. By virtue of the approval and ratification of the cession of said lands, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the Mowa Band of Choctaws, including but not limited to, claims for trespass damages or claims for use and occupancy, arising subsequent to the cession and that are based upon any interest in or right involving such land, shall be regarded as extinguished as of the date of the cession.

(c) The Mowa Band of Choctaws has no historical land claim and cannot, and shall not utilize its Federal recognition as provided by this Act to assert any historical land claim. As used herein, "historical land claim" means a claim to land based upon a contention that the Mowa Band of Choctaws, or its ancestors, were the native inhabitants of such land or based upon the Mowa Band of Choctaws' status as native Americans or based upon the Mowa Band of Choctaws' Federal recognition as provided by this Act.

(d) Except as otherwise specifically provided in section 4 or any other provision of this Act, nothing in this Act may be construed as altering or affecting—

(1) any rights or obligations with respect to property,

(2) any rights or obligations under any contract, or

(3) any obligation to pay a tax levied before the date of enactment of this Act.

LANDS

SEC. 4. (a) All legal rights, title, and interests in lands that are held by the Mowa Band of Choctaw Indians of Alabama on the date of enactment of this Act are hereby transferred to the United States in trust for the use and benefit of the Mowa Band of Choctaw Indians of Alabama.

(b)(1) Notwithstanding any other provision of law, the Mowa Band of Choctaw Indians of Alabama shall transfer to the Secretary of the Interior, and the Secretary of the Interior shall accept on behalf of the United States, any interest in lands acquired by such Band after the date of enactment of this Act. Such lands shall be held by the United States in trust for the Mowa Band of Choctaw Indians of Alabama.

(2) Notwithstanding any other provision of law, the Attorney General of the United States shall approve any deed or other instrument used to make a conveyance under paragraph (1).

(c) Any lands held in trust by the United States for the benefit of the Mowa Band of Choctaw Indians of Alabama by reason of this section shall constitute the reservation of such Band.

(d) The Congress finds that the provisions of this section are enacted at the request of the Mowa Band of Choctaw Indians of Alabama and are in the best interests of such Band.

SERVICES

SEC. 5. The Mowa Band of Choctaw Indians of Alabama, and the members of such Band, shall be eligible for all services and benefits that are provided by the Federal Government to Indians because of their status as federally recognized Indians and, notwithstanding any other provision of law, such services and benefits shall be provided after the date of enactment of this Act to the Band, and to the members of the Band, without regard to the existence of a reservation for the Band or the location of the residence of any member of the Band on or near any Indian reservation.

CONSTITUTION AND BYLAWS

SEC. 6. (a) The Mowa Band of Choctaw Indians of Alabama may organize for its common welfare and adopt a constitution and bylaws in accordance with regulations prescribed by the Secretary of the Interior. The Secretary of the Interior shall offer to assist the Band in drafting a constitution and bylaws for the Band.

(b) Any constitution, bylaws, or amendments to the constitution or bylaws that are adopted by the Mowa Band of Choctaw Indians of Alabama shall take effect only after such constitution, bylaws, or amendments are filed with the Secretary of the Interior.

MEMBERSHIP

SEC. 7. (a) Until a constitution for the Mowa Band of Choctaw Indians of Alabama is adopted, the membership of the Band shall consist of every individual who—

(1) is named in the tribal membership roll that is in effect on the date of enactment of this Act, or

(2) is a descendant of any individual described in paragraph (1).

(b) After the adoption of a constitution by the Mowa Band of Choctaw Indians of Alabama, the membership of the Band shall be determined in accordance with the terms of such constitution or any bylaws adopted under such constitution.

REGULATIONS

SEC. 8. The Secretary of the Interior shall prescribe such regulations as may be necessary to carry out the purposes of this Act.

Mr. FORD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I ask unanimous consent that in the Cohen amendment numbered 1489, the words "This Act" in section 1 be changed to "This Title" and, in sections 2 through 12, the words "of this Act" be changed to "of the Counterintelligence Improvements Act of 1994."

The PRESIDING OFFICER (Mr. DASCHLE). Without objection, it is so ordered.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, prior to this transaction, I listened to the colloquy between the Senator from North Dakota and the Senator from South Carolina. It is true that the bill came out of commerce on a unanimous vote. On the other hand, we do understand where we are, and we have to accept that.

I would like to make a plea for, in a sense, kind of cool heads on this because I really do not think that the country wanted to see us fighting in this way over this bill, which was designed to create precisely the kinds of jobs that we need in this country. What occurs to me, as I listened to these arguments, and have over the past couple of days, is that both sides of the aisle have participated in developing these policies. These are, in fact, very bipartisan policies.

This is understandable in the course of events. I really do believe we can pass this bill, and I really do know that we must pass this bill, because this is very good for my people in West Virginia and for the people from urban and rural States. In many ways, it is the promise of America. The next generation of what we have to be doing in America. So I hope that we will understand that we are basically in partnership on both sides of the aisle on the concepts embodied in S. 4. At NIH, NASA, Department of Energy, DARPA, and the Department of Defense Conversion, we are dealing with concepts that embodied in this bill.

I hope that debate will continue, and if there will need to be cloture votes, that will happen. But cool heads and thoughtful heads will reflect that this is really a bipartisan matter we are discussing.

I yield the floor.

Mr. HOLLINGS. Mr. President, does anybody wish further discussion on the amendment of the Senator from Colorado?

Mr. DANFORTH. Mr. President, first, I do believe that some explanation is in order for what happened in the Commerce Committee, because repeatedly it has been said that this was a unanimous vote in the Commerce Committee that it was approved in the Commerce Committee.

The fact of the matter is that it was agreed to by voice vote. There was not a recorded vote in the committee. It is true that any Senator on the Commerce Committee could have asked for a recorded vote. None was asked for. I want to explain why that was the case. It was the case not because everybody on our side of the aisle thought that this was just a terrific bill; they did not. We had people on our side who did not like this bill at all. But it was voice voted, very frankly, because it was the chairman's bill. It was the bill that the chairman has worked on over a long period of time, and I appreciate that. I know he has labored very, very hard to bring this bill to the floor of the Senate. He believes in it. A number of key ingredients in it are his. The so-called Hollings Centers are centers that are named after the very distinguished chairman of our committee. And I would really say that it was a matter of comity, plus the fact that it was $2.8 billion in an authorization bill, and people, frankly, let it slide.

Maybe we should not have. In retrospect, we should not have. I should have asked for a vote and opposed it in committee. I did not do it because I have other business to transact in that committee, and it was the chairman's bill. I viewed this bill as something of a minor problem in the quantity of it. I thought that it was a serious matter with respect to the underlying philosophy. I do believe that it is industrial policy. I do believe that it is an over-involvement by Government in the private sector. But it was not a matter that was really high on my level of priorities. It was way down my level of priorities until last winter. What happened last winter—I think last December—was that our Government changed its existing policy with respect to the subsidies code that was being negotiated in Geneva in the GATT negotiations.

I am sure I can be faulted, and I have been repeatedly on the floor of the Senate over the last 4 days, for letting this matter slide. But I want to explain what it was that elevated this from a minor issue that I was willing to let go by the committee to one that has become a major issue.

What happened was that when our Government changed its position in Geneva on the subsidies code, it decided to green light—that is, to permit—certain subsidies to be in existence around the world, which would no longer be countervailable. In other words, subsidies for research and development up to a very high level of percentage would now be permissible without the discipline of countervailing duties. Subsidies for research, which is now defined as any combination of basic research and applied research, would not be countervailable up to 75 percent of the cost of that subsidy. And subsidies for development up to 50 percent would now be permissible without being countervailable.

When that happened, it caught my attention, because I now thought something very serious is in the works. What is very serious is a breakdown of our international trading system and a breakdown of disciplines that existed with respect to subsidies. I believed that this was something that the administration was pursuing, and I do believe that. The change in the subsidies code was not something that was thrust upon our administration. It was something that this administration pressed for in the trade talks. This administration asked for this change and got this change. So suddenly, instead of seeing this as something that was not desirable, but was reasonably innocuous, and was, after all, the chairman's bill, it dovetailed, in my mind, with what was done with respect to the subsidies code. And therein is my problem.

It is the view of this Senator that we have a very, very serious problem facing us, and the problem relates to subsidies for research and development. I believe that if we get into a global contest with the rest of the world on how much we are going to be subsidizing research and development, that product after product after product is going to look very much like Airbus; and we are going to be in a position in our country of either keeping up with the rest of the world and subsidizing or, in the words of a Commerce Department memorandum that came to my attention well after this bill was out of our committee, being a leader in the world of subsidies, or we are going to lose major industries.

My interest in this bill is very closely tied with the trade question. I have been speaking repeatedly with people at USTR, including Ambassador Kantor and Ambassador Yerxa about this issue. I do not think it is going to be easily solved. But it is my hope that with respect to the enabling legislation, and with respect to perhaps side agreements that could be reached with the Europeans and the Japanese and the Canadians, perhaps we can somewhat mitigate what I consider to be a very, very serious situation.

So now we have this administration in Geneva pressing for major changes with respect to what governments can do for subsidies for research and development, and also we have this very, very major spurt forward in amounts of money to be spent for our own Government subsidies for research and development in the private sector.

Senator BROWN in the amendment that he has offered is absolutely correct. Senator BROWN has pointed out the dollar amounts, and it is a huge increase in dollar amounts.

Senator HOLLINGS says in 1992 we passed this. The 1992 bill was $208 million. That is what the Senate passed. This is $2.8 billion. This is 10 times as much as what we passed in 1992. This year for these programs we have appropriated $526 million. This grows from $526 million to $1.37 billion in a single year.

I may be slow of wit. I am not here to brag about my own genius. I should have seen this in the committee. I should have raised the issue. I apologize if I blind-sided my chairman by not pointing it out earlier.

But I will say, I think we have a serious policy matter before this country, and I think that it deserves to be debated. I do not think that it is correct to refer to it as Senator HOLLINGS has as monkeyshines and all this business. It is not monkeyshines. It is industrial policy. It is the spending of the taxpayers' dollar or the borrowed dollar in our Treasury. It is a major leap forward in the entanglement of the Federal Government in the private sector and it is, I believe, related to a trade policy which has now been adopted by our Government, which is basically the sky-is-the-limit policy with respect to research and development spending.

So, Mr. President, I think this is a serious issue, and I do not think this is an issue which should be just dispatched in 1 day or 2 days on the floor of the Senate. I truly believe that we are going to be living to regret what we are doing for a long time to come, not because of S. 4 alone, not because of $2.8 billion, even though it is a ballooned dollar amount over 2 years, but an authorization bill. Let us face it, for $2.8 billion in itself is not exactly a world-shaking event in this country. It is the whole idea that we are debating. It is the whole idea. It is S. 4 plus what was done in Geneva. It is S. 4 plus the changes in the subsidies code asked for by this administration.

I would just like to read to the Senate a column that was written that appeared in the Washington Post in, I think it was January 1, 1993, and I missed this. I frankly did not read this column, and if I had, maybe I would have been more alert to the problem of S. 4, but I am just going to read it. It does not take all that long. It is by Michael Schrage, and it appeared in the Washington Post. It is entitled "Medical & Biological Technology."

> As both a new year and a new administration approach, one question dominates the 1993 innovation agenda: Should Washington become the nation's next capital of innovation, and will it?
>
> Once upon a time, Pittsburgh, Detroit and Wilmington, Del., were the nation's innovation capitals: Their smokestacks symbolized American industry. In the decade past, Cali-

fornia's Silicon Valley, Boston's Route 128 and Wall Street shared the postindustrial innovation honors: People began to recognize that intellectual capital mattered every bit as much as financial capital.

Of course, some folks would argue that Washington, with its $70 billion-plus annual research and development budget and an armada of alphabet agencies—NOAA, NASA, NIST, DARPA, etc.—already is a capital of innovation.

Not true. Yes, there have always been champions of innovation in the federal bureaucracy, but this is the first postwar administration to have made it a central tenet of its economic proposals.

With a new president promising "change," "investment" and "reinventing government," the map of American innovation will inevitably be redrawn. Will Washington be at its center? Off to one side? Or will the new administration attempt to become the nation's innovation cartographer?

An administration that champions industrial competitiveness, technological prowess and a new government-industry "partnership" can't help but transform the culture and business of American innovation. Should we invest in new machinery now, or should we wait to see if that investment tax credit materializes? Should we launch that new research initiative, or should we first see if that new industry consortium materializes?

If Ron Brown's Commerce Department helps organize and fund a materials-research consortium of leading chemical companies, who sets the research priorities? The government technocrats, the Fortune 500 "corpocrats" or the entrepreneurs? What determines its ongoing success? the marketplace? Or an appropriations subcommittee worried about the reaction back home? When defense contractors in California and Massachusetts struggle to adapt to military spending cuts, who helps oversee their retraining efforts? The state? Or Robert B. Reich's Labor Department and Les Aspin's Pentagon?

These questions should not be construed as some morbid fear of central government or concern over pseudo-socialistic "industrial policies." The problem is actually much simpler and more dangerous. When the nation's capital promises bold and activist leadership, people understandably start to look as much to Washington as they do to themselves. A corrupting "psychology of the center" emerges.

Even the boldest entrepreneurs start viewing opportunities through the prism of policy. The capital of innovation becomes the capital of innovation politics. That's how leadership can devolve into pork-barrel codependence. Consequently, it becomes just as important to manage expectations as to manage programs.

Should Washington want to be seen as an arbiter of postindustrial innovation? Or should Washington's role be to enable dozens of innovation capitals to emerge? Does leadership in innovation mean federal decentralization or recentralization? Should government standards be used to stimulate technical innovation? Under what circumstances is federal intervention never appropriate?

This is what policy is all about. This is why rhetoric can matter as much as implementation. You can't "reinvent government" without first redefining it.

Clearly, there is a world of difference between innovation policies designed to stimulate regional economic development and those that recentralize power and influence. Clearly, innovation policies designed to stimulate small-business growth are fundamentally different from those intended to encourage mature industries to adopt new technologies.

But, just as clearly, any administration that asserts that these worthy goals can be pursued simultaneously understands neither innovation nor priorities. The obvious risk is that the promises of partnership quickly turn into a New Paternalism: a belief that the federal government is primarily responsible for setting technical standards, funding new technologies, promoting technology transfer and encouraging innovation.

Instead of necessity being the mother of invention, it becomes the excuse that justifies government intervention. The less obvious risk is that, if Washington becomes an innovation capital, we lose the benefits of creative tension and rivalry between industry and government. Open hostility is clearly counterproductive, but so is coziness and complacency. Look at the dramatic rise of fuel-efficient cars and the emergence of the semiconductor industry as examples in which the absence of public-private partnerships was essential to marketplace success.

Transforming Washington into a capital of innovation hasn't happened since Franklin D. Roosevelt and Vannevar Bush in World War II. Their success was astonishing and undeniable. But they had a world war and the most concisely articulated set of philosophies, policies and programs since the Federalist Papers. The new administration has little more than sharp people and great expectations. That's probably not enough.

Mr. President, that column really states the question. It is the position of this Senator that that is not a minor issue for America. It is a major issue. This S. 4 is a little window onto a major issue, but it is nonetheless a major issue.

I would like to repeat to the Senate the two paragraphs—and I am just going to read two paragraphs from the memo that was faxed either from or to the USTR at Geneva, maybe from the Commerce Department, but it clearly is a memo that was prepared by somebody in the Commerce Department, so says the administration. This was faxed on November 27, 1993, with respect to the trade talks. Here it is. And it is about the so-called green category; that is, the newly permissible forms of governmental subsidies for R&D.

If the green category of the Dunkel draft Subsidies Code is expanded to include development subsidies, the [U.S. Government] will ostensibly choose between matching or exceeding foreign subsidies or accepting the reduced competitiveness of U.S. manufacturers. If the first choice is made, budget resources will have to be made available or the choice is illusory, and the reduction of subsidies discipline would create a net loss to the U.S. economy, as others could subsidize and we would not.

The overall effect on the economy can be positive only as long as we remain willing and able to exceed foreign subsidies, and to be selective in the particular areas subsidized. * * * Thus, a decision to reduce subsidies disciplines requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given, if we are to ensure positive economic effects for the United States. Because the Code will be in effect for many years, the commitment must also be long-term.

Now I want to repeat that, Mr. President, because this is a memorandum that was circulating contemporaneously with the time the administration changed our position on the subsidies code. It says that if we are to now green light subsidies for research and development, that "requires a commitment to be subsidy leaders, both in choosing beneficiary sectors and amounts given."

"Subsidy leaders." That is what is required. That policy is what has brought all of this debate about. That policy with respect to the Government's involvement in research and development has been what has brought all of this about.

I do not agree with this policy. But the one thing I do not want us to do is to blunder into a new policy by the bum's rush.

That is why I have been participating in this debate. It has not been some political contrivance. It has not been some bad-faith maneuver on the part of the Senator from Missouri. It has not been an intentional effort to somehow blindside my chairman. It has simply been that a small matter has been blown into a big matter by a change in trade policy. And I admit I should have seen it earlier.

Mr. President, I suggest the absence of a quorum.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold the quorum call?

Mr. DANFORTH. No, I do not.

The PRESIDING OFFICER. The clerk will call the roll

Mr. HOLLINGS. Mr. President, I ask unanimous consent that further call of the quorum be dispensed with.

Mr. DANFORTH. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be 17 more minutes for debate on the pending Brown amendment allocated as follows: 5 minutes to Senator ROCKEFELLER, 2 minutes to Senator BROWN, and 10 minutes to Senator HOLLINGS; that upon the completion or yielding back of that time, the Senate proceed to vote on or in relation to the pending Brown amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. MITCHELL. Mr. President, I ask unanimous consent that the time to be used in the obtaining of the following agreement not be charged against the time on the pending Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—HOUSE MESSAGE ACCOMPANYING H.R. 3345

Mr. MITCHELL. Mr. President, I ask unanimous consent that at 9 a.m. on Friday, March 11, the Senate proceed to the House message to accompany H.R. 3345, the so-called buyout bill; that once the clerk has reported the message by title, Senator GRAMM, of Texas, be recognized to offer an amendment to reinstate the creation of the Violent Crime Reduction Trust Fund; that there be 1 hour for debate, to be equally divided in the usual form.

I further ask unanimous consent that following the conclusion or yielding back of time, the Senate proceed to vote without any intervening action or debate on the Gramm amendment.

I further ask unanimous consent that following the conclusion of that vote, regardless of the outcome, it be in order for the majority leader, or his designee, to move that the Senate disagree to the House amendment, or concur in the House amendment, as amended, by the Gramm amendment, as the case may be, and request a conference with the House on the disagreeing votes of the two Houses, and the Chair be authorized to appoint conferees, all without intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, therefore, Senators should be aware that a vote will occur in approximately 17 minutes, or at 10:07 p.m. this evening. I hope that during the period between now and the time that vote occurs, the Republican leader and I and the managers will be able to work out further agreements regarding the further handling of the pending bill.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I listened, as usual, with great respect to the argument of the Senator from Missouri about this matter. I respect the Senator from Missouri very much on trade issues and I usually agree with him.

I serve on the Finance Committee with the distinguished Senator from Missouri I listened to him at great length as he very clearly expressed concerns about the GATT subsidies agreement. I do not necessarily share his views on that, and in fact the very Airbus program that he referred to in his argument would be actionable under the new GATT agreement.

The point is that we have to separate the wheat from the chaff. We are not debating the GATT bill. The place to do that is in the Senate Finance Committee. If we are to resolve that issue, then let it be in the implementation legislation.

I say to my colleagues on the other side of the aisle, and those who might be listening, the Senate Finance Committee is preparing the proper implementing legislation so that the GATT round can pass. It cannot be law unless it passes the Senate Finance Committee. So the Senator will have ample chance to do something at that time.

But the punishment that he inflicts on S. 4, which is about creating jobs for Americans, is not fair. It is not fair to the rest of us. It is not fair to his own colleagues who have participated over the last few years going back to President Bush and developed this whole concept. We are not talking about an explosion of money, and we are also not, I might say, not talking about anything bad budgetarily. Any money that is increased for the purposes of S. 4 are handled by reductions in other programs in other parts of the budget.

This is a disciplined increase which just happens to reflect one of the five major priorities that the President of the United States wants to see happen to this country—namely job creation. It is called technology and where appropriate the Government and industry cooperating on technology.

Time after time, I have tried to point out, and more importantly the chairman of our full committee has tried to point out, these decisions are not made by Government. The decisions are made by industry. In the venture capital fund, which we debated last night, the decisions are not made by Government. The decisions are made by private industry.

I do not think the Senator could argue that McDonnell Douglas or the aerospace industry could have advanced without some help from Government. I do not think the Senator could argue that agriculture or the semiconductor industry could have advanced or be competitive without some help from Government.

We are not talking about a Government takeover. In fact, we are not talking about industrial policy. We really are not. And I know those words are very controversial. But I beg Members from the other side of the aisle to understand that the Senator from Missouri does have a very clear and definite problem with the GATT subsidies aspects and that he has made this clearly known in the Finance Committee. We will clearly have to deal with the Senator's concerns in that Committee. But this bill is about American jobs, American jobs created by technology, and it is a very, very good bill.

I accept the Senator's explanation that he did not choose to call for a rollcall vote in the Commerce Committee, but, on the other hand, there was not a single Republican who was seated while we had this vote who said "no." Therefore, I feel that there are Republicans who are sympathetic to this, and I would plead for our colleagues to understand this is the Senator's problem. Do not punish S. 4 just to satisfy the GATT subsidies concerns of the Senator from Missouri.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Who yields time? Who yields time?

Mr. BROWN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, this amendment is very straightforward. It deals with the cost of the bill. The comparable bill in the House, I am told, is H.R. 820. The authorization in that bill is $1.5 billion. This amendment changes the authorization to $1.5 billion. In other words, it is $1.350 billion in new spending that this changes it to and it is comparable to the figure in the House. It is a realistic amendment, I believe. It not only matches the House but it represents still a significant increase in spending here.

In advanced technology, the bill that is before us is 139 percent above the current '94 funding level. In manufacturers' extension partnerships, the fiscal year 1995 authorization is 133 percent above the fiscal year 1994 level. In NIST laboratories, this measure authorizes 42 percent above the fiscal year 1994 level.

Mr. President, there are areas we can save. This is an overall limit. It does not go into the individual categories. It would leave to the conference committee their ability to adjust the numbers or the appropriations committee to adjust the numbers.

Mr. President, if we are going to do this, let us do it right. Let us do it with a reasonable number. This is a modest amendment. I believe it gives this body an opportunity to go on record for the purpose of this bill but without getting carried away with regard to its cost.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. The amendment of the Senator from Colorado is not modest. The House bill came over in May of last year so it was for '94-'95. Our bill is for '95-'96 and includes, as I said, these things with respect to construction, with respect to information superhighway of $244 million, and I could go right on down the list of the amounts.

Bottom line, it is still, Mr. President, less than what we voted out June of last year, $1.513 billion in June of last year, which is less now where we have got $1.370 billion. And when he talks about 1.5, he is coupling the entire bill then of 2 years, which would be 2.8. At the 1.5 level, it would have been 3, if we followed out what we reported out in June of last year.

So we would have to move to table that. But before making that motion to table, let me clarify the record. I think the distinguished Senator from West Virginia has remarked properly with respect—I do have the transcript of both the 1992 vote and the 1993 vote before the Committee of Commerce. I just resent right quickly the characterization that somehow, wait a minute, this was just a bill for the chairman and it had something in there about Hollings centers and we wanted to go along.

Not so. Absolutely. There is no Hollings centers named. I understand they have been calling them that. But this is not anything of pride to help the poor old fellow along, whatever.

I worked with Senator BINGAMAN on this bill at length, the various measures in there. At one time, Senator JOHNSTON of Louisiana had a misgiving about it with respect to the Energy Committee. We cleared that.

We had Senator BUMPERS with the Small Business Committee, and we cleared it with him, and again with Senator PRESSLER on our committee. Senator PRESSLER is one of the top ranking members on our committee and would be it next year apparently. We worked with him on the bill. We worked with Senator BURNS. Senator BURNS had an intern program. That was included in here.

Of course, the leadership was given by Senator ROCKEFELLER, the chairman of the subcommittee. Senator KERRY, Senator DORGAN. This thing was really worked over and it was not any courtesy amendment because of the chairman. On the contrary, it was worked over in a bipartisan fashion and you do not find any chairman in all that. In fact, all the letters—and many of them I have read—have been to Senator DOLE and other Members on the other side of the aisle. But to come with that oozing along now that I just sort of misunderstood is absolutely false.

The distinguished Senator from Missouri came to me earlier this year, and he said, "I have been with you on this bill but I am going to have to do something about this subsidy thing. I am going to change on the subsidy and oppose it to try to highlight the matter on the subsidy to see if I can do that with respect to having amended GATT."

Here was a Senator who led the fight for fast track to ban amendments to GATT, and he was coming for an amendment on a bill that we had unanimously passed out of the committee one year and unanimously out of the committee the next year. I said, "Well, I hope you will not do that." The indication was, "Well, I am going to try to highlight it so we can get the administration's attention."

But there is no question over a year ago with respect to this bill that it represented a new venture or a new policy. February 24, of last year, the Senator's own bill, S. 419, said Federal financial assistance to the semiconductor industry consortium known as SEMATECH has been successful in improving the competitiveness of the U.S. semiconductor industry.

He was one of the leaders for that. The $10 billion was in there, and here is his statement at that time. I quote the Senator from Missouri:

> And then the second piece of legislation which you pointed out, Mr. Chairman, is the aerotech bill. It has a number of cosponsors, both Democrats and Republicans, and the idea of that legislation is to provide for private sector input into the spending of about $10 billion which the Federal Government now does each year in the research and development area in aerospace, and also to use as a model for aerospace what Sematech was for the semiconductor industry to make it possible for a consortium of U.S. aerospace industries with the support of the Government to join together in the development of new technologies for that industry.

So we know that he was taking the actual technology and marrying it in on the Sematech model to the tune of $10 billion. You can see exactly as he says in this bill:

> Such Government industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications of large civil aircraft.

That was his proposal. There has been no objection by the Senator from Missouri with respect to these subsidies moving to this one single industry so important to his State: $6 billion in sales to Saudi Arabia, financed by $6.2 billion in export financing. Yet now he comes along and says, "Wait a minute." This is a new departure in his bill. Likewise, in his bill, he says, "such sums as necessary." Where does the money come from? It is not in his bill. It is not in ours. It is not in most authorization bills where the money comes from. It is an authorized amount to be appropriated at a later time. That is why I call these objections monkeyshine. They know differently. They know of the unanimous vote for S. 4, and to come now and say, "Well, it sort of slipped by, and I did not look at the figure, and it really was not unanimous." It was.

What they are doing now is trying to gut the bill one other time with this particular amendment where the Senator from Missouri, and he looked at it and he knows the figures, not only the year before last but last year the figure in excess of what we have now before S. 4 before the U.S. Senate— $1.513 billion. We never asked about the amounts. He talks about burning holes in the pockets, and grabbing the money, and they are going to make a big, big assault here, pork barrel and everything else. But he now comes in a very sly way of saying, "Wait a minute. I did not really pay attention to it. I knew it was the chairman's bill, and I sort of went along." That is not the case whatsoever.

It is highly questionable to watch this particular procedure, and after 4 days and nights to come up here and try to say no, it was not unanimous. They could have raised objection to the amounts. There were eight Republicans there at one time. There were nine Republicans at another time. They know how to raise objections to the bill. They know how to vote no. And we have had divided reports in the past.

For example, on the product liability bill, I worked on that much longer than this. But they voted me down 16 to 4. So we live in the real world. If we oppose a bill, we vote no, even if it means disagreeing with the chairman. Do not distort the amount and come now with this kind of description, "Well, it was just you know HOLLINGS, and the centers, and I did not pay attention, and I think I ought to confess." The confession was to me last month when he came, and said, "I don't like what happened in December with GATT and it brings out a new issue regarding subsidies. And I am going to have to oppose it," when actually he has been leading the way for subsidies in the aircraft industry. This is a subsidy bill. Yes; let us call it subsidies. It is for all America's technologies, not just one single industry in the distinguished Senator's backyard.

I think it ought to be brought into focus as to really what is going on, and not mislead the colleagues, "Well, I do not know. It just passed by, and we just wanted to honor the gentleman and let it by because he was the chairman." That is not the case whatsoever.

I yield the remainder of my time, and I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SIMON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum for the majority leader at his request.

Mr. CHAFEE. Mr. President, could I make a couple of comments before we go to the rollcall vote?

I want to say, Mr. President——

The PRESIDING OFFICER. The request is for a quorum call.

Mr. HOLLINGS. I continue to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the following amendments be the only first degree floor amendments remaining in order to S. 4, the National Competitiveness Act, and that they be subject to second-degree amendments which are relative to the first-degree amendment to which it is offered, and that no motion to recommit be in order during the pendency of this agreement.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. Mr. President, I reserve the right to object. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the majority leader yield for that purpose? The majority leader has the floor. Does the majority leader yield for the purpose of questioning the presence of a quorum?

Mr. MITCHELL. Yes; I do. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection to the request?

Mr. CHAFEE. Mr. President, I ask that, in connection with that request, I might have a minute to speak before we vote on that tabling motion.

Mr. HOLLINGS. Mr. President, I make the same request.

The PRESIDING OFFICER. Does the majority leader yield for that purpose?

Mr. MITCHELL. Mr. President, if I could ask my colleagues, then, if they would let me get the agreement, and I will propound a separate request that Senator CHAFEE be recognized for 1 minute and then Senator HOLLINGS be recognized for 1 minute, and then we vote on the tabling motion.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, the list of amendments to which I referred in the agreement is contained in a document that has been sent to the desk. So the list of amendments will be printed. Each one of the two sides prepared their list, and we combined them.

I ask unanimous consent that Senator CHAFEE be recognized for 1 minute and, upon the completion of his remarks, Senator HOLLINGS be recognized for 1 minute, and upon the completion of Senator HOLLINGS' remarks, the Senate vote on Senator HOLLINGS' motion to table the pending amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Rhode Island is recognized.

Mr. CHAFEE. Mr. President, I listened to the presentation of the Senator from South Carolina just a few minutes ago, which was in effect a total attack on the Senator from Missouri. He did not address the amendment or the concerns of the Senator from Missouri. He indulged in a group of character labeling, referring to the "sly way" in which the Senator from Missouri proceeded.

We all know the Senator from Missouri very well in this body, and I think it is inappropriate that the Senator from South Carolina used the language he did. I think that it is not fitting. It is certainly not fitting in a description of the Senator from Missouri we know. I just wanted the body to know how strongly I felt about the approach of the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the RECORD will be printed there, and I constrained myself, I can tell you that right now. I referred to the facts, and he does not like being corrected by way of facts. The reason one uses the word "monkeyshines," it is a polite expression maybe for hypocrisy, for the simple reason that you cannot come moving in Sematech for the semiconductor industry, moving if you please for the private aircraft industry, going along with the sales and everything else, and come on this bill and say, with technology, now that this is a whole new venture. We know it is not a new venture.

The language of the Senator from Missouri used in presenting his own bill—I did not see any descriptive way other than to say exactly what happened. I know how it is presented, but I stand by everything I said. I know the rules of the Senate, and I am sorry you resent it. I resent your resentment.

Look to the language the Senator from Missouri used in presenting his own bill—I did not see any descriptive way other than to say exactly what happened. I know how it is presented, but I stand by everything I said. I know the rules of the Senate, and I am sorry you resent it. I resent your resentment.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], the Senator from Connecticut [Mr. DODD], the Senator from Hawaii [Mr. INOUYE], the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Idaho [Mr. CRAIG], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from North Carolina [Mr. HELMS], are necessarily absent.

The result was announced—yeas 49, nays 43, as follows:

[Rollcall Vote No. 55 Leg.]

YEAS—49

Akaka
Baucus
Bingaman
Boren
Boxer
Breaux
Bryan
Bumpers
Burns
Byrd
Daschle
DeConcini
Dorgan
Exon
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—43

Bennett
Bond
Bradley
Brown
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
D'Amato
Danforth
Dole
Domenici
Faircloth
Feingold
Gorton
Gramm
Grassley
Gregg
Hatch
Hatfield
Hutchison
Kassebaum
Kempthorne
Kohl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—8

Biden
Campbell
Craig
Dodd
Durenberger
Helms
Inouye
Pryor

So the motion to table the amendment (No. 1494) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. CAMPBELL. Mr. President, I rise today to express support for S. 4, the National Competitiveness Act.

S. 4 is a "jobs bill' for the future. It is the first building block of the information superhighway. To remain competitive as a nation, we must recognize that the jobs of the future are going to be in technology. We have the opportunity to lay that groundwork with this bill. We will be cheating ourselves and the future of our children if we allow this opportunity to pass us by.

S. 4 emphasizes research and development and encourages public/private partnerships. This effort to revitalize our economic base will ensure American competitiveness in the global economy. Strengthening Federal support for civilian technology and manufacturing will promote economic growth, U.S. competitiveness, and create jobs.

The programs in S. 4 are specifically targeted to small- and mid-sized manufacturers who create the new, high-wage jobs our country needs.

This bill is sound policy. It is a wise investment in America's economic future. It should be noted, Mr. President that S. 4 will not add one penny to the Federal deficit because all spending will be funded within the hard freeze on discretionary spending. Most of the funding comes from the reallocation of our post-cold-war R&D budget.

In closing, Mr. President, I want to remind my colleagues that the National Competitiveness Act presents us with the opportunity to do something very exciting for the future of this country. We have the chance to plant the seeds of a technological policy today that will grow and develop into a strong and competitive economy tomorrow.

THE NATIONAL COMPETITIVENESS ACT

Mr. COATS. Mr. President, I rise today to express my opposition to S. 4, the National Competitiveness Act. Every Member of this body unquestionably supports the goals of S. 4—to make the United States a more competitive nation worldwide. Many of us differ, however, on how to achieve this goal.

S. 4 promises bigger, more intrusive Government at a time when we should be reducing Government and removing the handcuffs that restrict small business. This bill doubles the size of the Commerce Department. It triples the size of one of its agencies, the National Institute of Standards and Technology. S. 4 creates or expands at least six programs within the Commerce Department and establishes three new advisory boards.

The underlying assumption of S. 4 is that the Federal Government, rather than the free market, is better suited to determine winners and losers in high-technology industries. This logic is fundamentally flawed and will do little to enhance U.S. competitiveness. In fact, the only increased competition we will see, if S. 4 is enacted, will be between Members of Congress and special interest groups fighting for pork-barrel projects. And mark my words, precious taxpayers dollars will flow to projects, not based on merit but on the skill of the special interests and politicians. If anyone doubts me, I've got a courthouse in Brooklyn to show them.

The Government can play an important role in promoting U.S. competitiveness. But that role is not to handpick new industries to subsidize. The key to improving the ability to U.S. businesses to compete globally is to unshackle them: reduce taxes which punish businesses for being successful, cut Federal spending to reduce the deficit, eliminate regulatory burdens, and provide legal reform.

First, we must categorically reject higher taxes, and call for specific tax reductions. The old arguments against tax increases are as valid as they've always been. High taxes bleed an economy of its productive power. They strip individuals of incentive and devalue their work.

We should not only reject tax hikes, but we should also move to reduce tax rates on labor income and capital formation. Payroll, income tax, and other tax cuts would reduce the cost of hiring workers and introducing new equipment. Cutting these taxes would also stimulate savings, investment, and productivity. And unlike targeted subsidies, tax relief would allow private funds to flow to their most productive uses.

Second, we must balance the Federal budget. The Congress must be prevented from buying special interest support with cash funded from debt. Our Nation is faced with what Thomas Jefferson called "the stark choice between economy and liberty, or profusion and servitude."

Last week, the Senate let an historic opportunity pass by in failing to pass a constitutional amendment to balance the budget. We do not have to raise taxes or gut spending programs to balance the Federal budget, as the naysayers would have us believe.

I have a plan called "Families First" which would balance the books in 8 years by capping the growth of Federal spending at 2 percent annually. At the same time, it provides and pays for several incentives for families to save and businesses to invest. Our debt is an unfair burden placed on our future. It is a failure of political will. It is a betrayal of moral commitments. We must end this legacy of excess.

Third, we must enact regulatory reform. Unnecessary regulations impede the ability of our Nation's businesses to compete with foreign producers, create jobs, and invest in ways that will increase productivity.

The President and Congress should establish a Federal regulatory budget and estimate the employment impact of regulations before they take effect. A regulatory budget means that the Government would place a limit on the total estimated cost imposed on the economy each year by all Federal regulations.

Vice President GORE's report on reinventing Government cites a 1993 study which concluded that the cost to the private sector of complying with regulations is "at least $430 billion annually—9 percent of our gross domestic product." It is essential that the Government take steps to unleash the competitive potential of business by removing the reams of Federal redtape that binds it.

Fourth, we must enact strong liability reform. Each year, Americans spend more on lawyers than our top 200 corporations earn in profits. This propensity to litigate takes it toll on U.S. businesses, as the costs associated with exposure to lawsuits drive some firms out of business or into bankruptcy.

One survey comparing liability costs of U.S. businesses with those of our foreign competitors found that America spends five times as much as its major industrial competitors on personal injury wrangling as a share of its economy, and that the gap is widening rather than narrowing. American liability costs are 15 times greater than in Japan and 20 times greater than in Europe. This added cost makes U.S. products more expensive and diverts funds from jobs and research and development.

By driving up prices and hindering product innovation, our current tort system impedes American competitiveness. Congress should pass product liability reform and other tort reform legislation to limit punitive damages and streamline court procedures to encourage settlement. We must ease the burden of liability that closes factory doors.

With the cold war at a close, we face a new international reality. Success will not be measured primarily by a military balance or control of strategic geography. It will be counted and accumulated in the currency of commercial competitiveness. In this new international situation, high taxes and unreasonable regulation are forms of unilateral disarmament. They handicap our efforts to compete in open markets. They slow our ability to respond to change. They surrender our advantages even before we start.

I am committed to working with my colleagues to create an environment in which high-technology industries can thrive. New businesses will not grow when they are overtaxed or burdened by excess litigation and regulation. Correcting these problems will do more to enhance U.S. competitiveness than any Big Government outreach program.

MURKOWSKI AMENDMENT OF RISK- AND COST-BENEFIT ANALYSIS

Mr. BAUCUS. Mr. President, I rise to speak in opposition to the Murkowski amendment on risk- and cost-benefit analysis of regulatory actions.

While many of us believe that the protection of human health and the environment is important, we also recognize that the cost of this protection must be considered in the development of environmental policy.

However, risk is a complex and relatively new tool and we must proceed cautiously. As we set priorities, we must be more mindful of the costs and burdens to States, municipalities, industry, and private citizens. We also must have a commitment to the American people to maintain the environmental progress we have achieved during the last 20 years.

Also, let me remind all of my colleagues that Executive Order 12286, written under the Clinton administration, already requires a full cost and benefit assessment of every major Federal regulation.

Let me quote from the order:

> Each agency shall assess the costs and the benefits of the intended regulation and, recognizing that some costs and benefits are difficult to quantify, propose or adopt a regulation only upon a reasoned determination that the benefits of the intended regulation justify its costs.

Let's remember, risk analysis has a simple purpose. That is to protect our environment. It must never become—as I suspect some hope it will become—a way to gut environmental laws and regulations. Just the opposite—it is a way to set priorities and protect the environment more effectively.

In my committee, we are currently addressing the use of risk analysis in the Safe Drinking Water Act, and I would ask the Members consider our approach to risk analysis and hold off on consideration of this issue until the Safe Drinking Water Act is up for consideration.

I urge my colleagues to vote against this amendment.

AMENDMENT NO. 1485

Mr. BURNS. Mr. President, I am a strong supporter of the Economic and Employment Impact Act amendment, so I am pleased to be a cosponsor.

I think Members of Congress should be fully informed of the impact of proposed bills. Whether the impact is good or bad in employment terms, it should be reliable information that is readily available.

Often, Congress acts without gauging the negative impact of legislation on businesses and on State and local governments. Coming from county government as I do, I know how frustrating it is to deal with the expensive requirements thrust on local government.

Requiring Federal agencies to provide an impact statement for regulatory actions is also an important step.

I urge my colleagues to support this amendment. I yield the floor.

Mr. LEAHY. Mr. President, the National Competitiveness Act is a road map for continued U.S. leadership in the international economy. As an original cosponsor of this legislation, I want to commend Chairman HOLLINGS for his unrelenting efforts to provide a blueprint for government-industry cooperation. He has set objectives that will ensure the United States maintains healthy manufacturing and technology sectors in the face of stiffer international competition.

Actually, Mr. President, these two sectors are rapidly becoming seamless. The long-term health of the U.S. economy depends not only on how our country promotes technology but how we apply and disseminate that technology.

American manufacturing has recently gone through a painful restructuring as firms cut to the bone during a recession which seemed endless. These cuts were on top of the steady decline in U.S. manufacturing that has taken place over the past two decades as international competition improved.

Thankfully, the economy is now on the road to recovery. But the long-term cost of the restructuring that took place is still not yet clear.

The National Competitiveness Act could not have come at a more opportune time. Jobs in research and development were frequently the first cut by manufacturing companies. While these workers do not contribute to the monthly bottom line, their work directly benefits how firms will maintain their competitiveness in the future.

Mr. President, the United States has been woefully behind the curve on providing assistance to small- and medium-size manufacturers. One reason German and Japanese companies have narrowed our technology edge is outright government support for their own manufacturing sectors. Both countries invest approximately $500 million annually on manufacturing assistance—much in the form of networks for small firms that disseminate information on new technologies and manufacturing processes.

As our economy rebounds from the recession, the Federal Government now more than ever should be a partner with industry in developing new technologies. The National Competitiveness Act creates this partnership.

This bill implements the President's technology initiatives by creating comprehensive technology development and outreach programs to achieve U.S. preeminence in advanced manufacturing technology within 10 years. These programs include:

The 21st Century Manufacturing Infrastructure program, made up of two core components: a new Advanced Manufacturing Technology Development Program and a Manufacturing Extension Partnership.

The new Advanced Manufacturing Technology Development Program would support industry-led efforts to develop, refine and test advanced computer-controlled manufacturing systems. This program will greatly expand the National Institute of Standards and Technology [NIST] Advanced Technology Program, which awards matching funds to companies and joint ventures for research in developing technologies. These matching funds are critical for many small firms that cannot afford all the research costs needed to develop these technologies.

The Manufacturing Extension Partnership would create a nationwide manufacturing extension system linking the successful NIST Manufacturing Technology Centers with new NIST Manufacturing Outreach Centers and a greatly expanded NIST State Technology Extension Program [STEP]. This partnership will provide funds and technology expertise to assist States and the private sector in planning and coordinating technology extension activities. These technology extension activities will be of particular benefit to small, rural States like Vermont that have limited State resources.

The Office of Technology Monitoring and Competitive Assessment, which will provide better information on the technological capabilities of our major trading partners. This office will help us learn from our foreign competitors so we can improve our own technological capabilities. To help us compete, we should learn about what our competitors do best.

The Critical Technologies Financing Pilot Program, which will license and regulate private venture capital companies called Civilian Technology Investment Companies. These companies will stimulate the flow of investment capital to technology firms by providing equity financing and loans. This program will help high-tech firms clear their highest hurdle on the way to growth—getting capital to expand.

The Information Technology Applications Research Program, which will ensure that Federal agencies work together with industry and consumers to develop advanced computing and networking applications. This new program will coordinate the activities of various Government agencies with the private sector to identify and promote these computer applications in such areas as education, manufacturing and health care.

This legislation creates these new technology initiatives without adding a cent to the Federal budget deficit. The funds needed to create these various programs are offset by spending cuts and are well within the strict discretionary spending caps that Congress imposed under the 1993 Budget Reconciliation Act.

The National Competitiveness Act is a wise investment in America's future. The bill strengthens the Federal Government and the private sector's ability to form partnerships to improve our technological capabilities, manufacturing performance, and information Infrastructure. These technology transfer initiatives will translate into more high-paying jobs for Americans—an investment that will keep paying dividends to all of us for the rest of this decade and into the next century.

Mr. KERREY. Mr. President, I rise in support of S. 4, the National Competitiveness Act of 1994. I am proud to be a co-sponsor of this vitally important bill, which will renew our manufacturing base, promote American competitiveness in the global marketplace, and create jobs.

I also want to commend the distinguished Senator from South Carolina, Commerce Committee Chairman HOLLINGS, as well as his staff, who have worked tirelessly in bringing this critical bill to the floor.

Mr. President, in 1991 I was a cosponsor of the High Performance Computing Act, which authorized the National High-Performance Computing Program, an innovative, Federal interagency R&D initiative.

Title VI of S. 4 expands the scope of the HPCCI, by creating the Information Technology Applications Research Program. This initiative will furnish large economic and social benefits to Americans. Precommerical research conducted under title VI will complement private sector efforts to generate new information technology applications in education, health care, access to Government information, and electronic libraries. This type of collaboration will translate into a better quality of life for Americans, who will benefit from new job opportunities, as well as access to a wide range of new products and services.

Mr. President, section 611 of title VI would authorize the establishment of State-based electronic libraries. This provision is based on a bill which I authored in the first session of the 103d Congress, S. 626, the Electronic Library Act of 1993.

Section 611 authorizes the National Science Foundation, in consultation with other Federal agencies, to initiate a competitive, merit-based program to support State-based electronic—or digital—libraries.

Mr. President, the State-based electronic libraries which this legislation envisions would provide Americans access to a vast array of interactive, multimedia educational programs, research and informational data sources, and networking opportunities. They would deliver and provide access to a variety of data bases, statistics and reports developed by Federal, State, and local governments, as well as other information and informational services.

These State-based electronic libraries would be available to Americans—in their homes, schools and communities—through public libraries, electronic data bases, and telecommunications systems such as the Internet or other publicly available networks. They also would provide computer program support services—including education and training to assist people in comprehending and utilizing computer technology and locating electronic information sources.

Mr. President, properly designed, State-based electronic libraries can promote job creation by helping businesses find new customers and assisting in the development of a new class of information entrepreneurs.

Properly designed, they can help people become better informed citizens. The information held by governments at all levels should become more accessible and usable.

Properly designed, they can be a resource for parents and teachers who want to use technology to improve their instruction skills.

Properly designed, they will be a place where young people want to go to learn to read, write, and explore.

This last point deserves special emphasis and attention.

Telecommunications and advanced computing technologies are viewed by many of us as a mixed educational blessing. We regard it as a curse when entertainment is the only use. It has shortened attention spans, dulled the capacity of our senses to imagine and create, pulled our communities off the street into the vortex of 100 million cathode ray tubes, and pushed down our verbal and writing ability.

Public libraries—which made a relatively new technology, the book, available to all regardless of income—are a uniquely American institution. No other country has demonstrated such a commitment to universal education and learning.

America's experiment with the public library was a decision by private and public philanthropy to endow every American with the opportunity to read and study. Libraries are responsible for producing millions of informed and prepared citizens.

The late 21st century public library, however, has been eclipsed by video stores, cable television, and the ever-expanding world of entertainment. This year more Americans will check out video tapes at video stores than will check out books at public libraries.

While we have been busy entertaining ourselves, the world has become more complicated and difficult. Today's American citizen—if he or she expects to make informed decisions—must know more, not less, than was needed only a generation ago.

While we have been entertaining ourselves, the American workplace has changed. Never before has the correlation between the ability to learn and income been so strong. Never before has the need for more than just a strong back been such a prerequisite for economic success.

To earn your way into the middle class today, a worker must be able to do far more than a generation ago. As workers become thinkers as well as doers, verbal skills become much more important.

Mr. President, for the sake of our culture, our democracy, and our economy, we urgently need to turn this around. I believe that communication and computing technology—properly applied by adults who care about reading and writing—can help. I believe that State-based electronic libraries could be the resource needed by communities grappling with this challenge.

Unique collaborative partnerships are possible, and the only limit is our imagination. Imagine, for example, a team of geography, language, history, or science teachers at a State-based electronic library forming a partnership with NASA in order to use full motion digitized graphics of the surface of the earth in the classroom. Imagine a similar partnership with the National Center for Atmosphere Research or one of the Department of Energy laboratories to teach science in the home for the school.

Even where there is such imagination in our community, problems still exist. Most schools do not have adequate computers and other hardware. Educational software development is moving ahead, but it currently is difficult to keep up with changes in the market in order to make decisions about the utility of the growing variety of programs.

Networking is hindered both by lack of connectivity and by prohibitive costs of line usage. Few schools have dedicated telephone lines or cable television connections into their individual classrooms—although recently several regional Bell operating companies [RBOC's] and cable multisystem operators [MSO's] have announced that they will provide free school links to computer networks like the Internet.

In recognition of this latter problem, the distinguished Senator from South Carolina also has introduced S. 1822, the Communications Act of 1994, legislation which I also am proud to cosponsor. I hope to continue work with Chairman HOLLINGS and Federal Communications Commission [FCC] Chairman Reed Hundt toward furnishing classrooms dedicated access—wired or wireless—to the national information infrastructure [NII] as soon as possible.

Mr. President, the State-based electronic library provision in S. 4 will provide a valuable resource for schools, businesses, and households.

It would allow for prototype projects which would pull together the hardware, software, and networking capabilities which do exist, publicize and demonstrate the possibilities, and also demonstrate current production capabilities.

State electronic libraries will give communities the catalyst they need to get and keep things moving. Acting as a storer of information, producer of useful software, as well as a trainer of people. State electronic libraries will permit the community to accomplish a critical goal: Making certain the technology serves people and not the other way around.

Mr. President, I cannot urge too strongly that the most important element of this entire program is to make certain that human values determine use. Human beings were meant to be more than efficient shoppers and informed selectors of the latest game or entertainment choice.

In sum, Mr. President, S. 4 and title VI in particular recognize that high-performance computing and high-speed networking can revolutionize many areas of American life—especially in education—ultimately creating jobs, improving industrial productivity and promoting American competitiveness as we move toward the 21st century.

I commend Chairman HOLLINGS for his leadership in championing S. 4, and I urge my colleagues to vote for its passage.

Thank you, Mr. President.

S. 4: THE NATIONAL COMPETITIVENESS ACT

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to express my strong support for this legislation. The National Competitiveness Act will encourage growth in one of the Nation's most important economic sectors, our manufacturing base. Our goal is to increase productivity and promote better jobs and better wages for American workers.

The need is obvious, and we have an administration that is working with Congress to meet it. Real wages have stagnated since the mid-1970s, and so have family incomes. As a result, families can no longer count on steady improvements in their standard of living. It used to be part of the American dream that each generation did better than the preceding one, and that children could expect to do better than their parents; now they can barely hope to do as well, and often even that standard is difficult or impossible to achieve. S. 4 is designed to help reverse this distressing trend by encouraging investment in new technologies and ensuring that industry and workers have access to the latest advances in manufacturing.

By expanding the successful Advanced Technology Program of the Commerce Department, which offers competitive grants for industry-led proposals, this measure will help achieve increased investment in the development of new technology.

In Massachusetts, ATP is already helping to fund a range of innovative projects. One company is developing technology to produce affordable night-vision devices for law enforcement officials and those who suffer from night blindness. Another firm is developing improved techniques for speech recognition by computers. Without ATP funding, these companies could not afford to undertake these projects, and our economy would lose the benefit of these new technologies.

To ensure that such technologies actually succeed, we must help more manufacturers take advantage of the latest advances. Small and medium-sized businesses have difficulty in finding enough resources to stay abreast of new developments. The Department of Commerce has begun to address this problem by developing manufacturing extension services, similar to those historically provided by the Department of Agriculture to enable farmers to take advantage of new agricultural technology. These services disseminate information about new manufacturing techniques and practices, and help businesses implement them in the workplace.

S. 4 will strengthen these services by establishing a Manufacturing Extension Partnership that includes regional Manufacturing Technology Centers, the State Technology Extension Program, and new Manufacturing Outreach Centers.

S. 4 also includes important provisions for improving the National Information Infrastructure and developing new applications of technology for education, health care, and other areas, in addition to manufacturing. I particularly commend Senator HOLLINGS and the Commerce Committee and its staff for their willingness to work with the Labor Committee to ensure that the Department of Education is included among the Federal agencies involved in this important effort, so that the information superhighway does not bypass the Nation's schools.

In addition to these technology programs that will be run through the Commerce Department, the Defense Department has established an extremely successful program with a comparable goal. It's called the Technology Reinvestment Project, and it's designed to help small and medium-sized defense firms make the transition to commercial markets. Companies in Massachusetts have taken advantage of the project, and many have benefited as grant winners. In addition, other firms have gained through the partnerships they have formed to compete in the TRP, even if they did not ultimately win grants.

The Commerce Department and Defense Department programs are major steps in the right direction, but additional steps are also needed. To achieve our economic goals, we also must ensure that workers are well-trained to use new technology in the workplace. Otherwise, there is a danger that the very real benefits of modernizing the economy will not be shared by America's workers.

Many economists, for example, have expressed concern that the sharp recent increases in productivity—at annual rates of 4 percent in the third quarter of 1993 and 6 percent in the fourth quarter—resulted in gratifying gains in profits, but not in wages. If we build better machines, but neglect worker skills, then we will have missed one of the most important goals of our overall technology policy—the development of a high-skilled workforce.

This legislation puts us on the right track. I commend Senator HOLLINGS and his colleagues on the Commerce Committee for their leadership in developing this legislation, and I urge my colleagues to support its passage.

Mr. WARNER. Mr. President, 2 years ago, I cosponsored with Senator BOB KERREY an important amendment to the intelligence authorization bill for fiscal year 1993, directing the administration to update its policy for the domestic and overseas sales of satellite imagery and systems. The policy at that time allowed only for the sale of very low resolution imagery by the commercial sector. Due to reductions in our industrial base, the emergence of a global commercial imagery market, and the growth of foreign satellite imagery competition, this policy was sadly out-of-date.

Today I am pleased to announce that the administration has announced a new policy. It will now allow U.S. aerospace companies to sell medium resolution imagery in the commercial marketplace. It will also allow firms to sell high resolution imagery in the future. This approach ensures that U.S. companies are able to compete on an equal footing with foreign competitors in the international marketplace.

At the same time, the policy allows the Secretary of Commerce, at the request of the Secretary of State or Defense, to limit the sale of imagery when National security interests may be seriously compromised. Disagreements between cabinet secretaries may be appealed to the President for final resolution. This approach seems to strike the proper balance between economic and national security. It guarantees a stable supplier relationship between U.S. Satellite companies and its customers, so necessary to win the market—and it protects U.S. National security interests.

Mr. President, according to experts in the Department of Commerce, the market for satellite imagery is expected to grow within the next 10 years to nearly $15 billion annually. This new policy positions U.S. companies, the best satellite and imagery makers in the world, to not just compete, but to dominate this vast market.

I am pleased that Senators KERREY, DECONCINI, and I were at the forefront in leading the fight to update this policy—and not just with the amendment 2 years ago, but with hearings, letters, and constant meetings under the auspices of the Select Committee on Intelligence. We followed up, keep the pressure on when the bureaucracy was grinding to a halt, and made this policy change happen.

Let me say a few things about the impact of this new policy. First, I have been watching the drawdown in defense for some years. It affects the industrial base, and, at some point, you can not maintain the critical skills necessary to build high quality systems as budget cuts continue. If we want to fly high quality imaging systems that work and are reasonable in cost to meet our National security needs, we had better not let the base shrink to the point where we lose the skilled labor force. One way to do that is to allow our satellite companies to compete in the global marketplace for new business. This new policy helps our defense and intelligence communities maintain quality systems.

Let me also stress that other countries are moving into the imagery business. The Russians are offering imagery at 2 meter resolution, and several reports suggest the French may be able to offer imagery at 1–3 meter resolution in the near future. Nevertheless, the satellite imagery business is a business in which we retain a competitive advantage. But if we do not move to dominate the market, we will lose it. This means we will lose high quality, high paying jobs, the type we want our citizens to have. This new policy will make it more likely that this will not happen.

Finally, let me note that if we dominate the market, we can set the agenda. Better that we build, operate, and, if necessary, export under close supervision, these systems than that others do so. To not follow such a policy is to create the conditions for the uncontrolled proliferation and use of these systems by others—and that is not in our national interest.

Mr. President, this new policy is a positive step forward. It allows us to compete in a potential $15 billion annual market, while at the same time protecting the critical flow of technology or information. Everyone wins, and I'm proud to have been part of this win-win effort.

Mrs. BOXER. Mr. President, I rise to express my strong support for S. 4, the National Competitiveness Act of 1994.

We won the cold war because there was a national commitment to win it. We dedicated the resources to the research and development and to the manufacturing that were required to win. That dedication produced the best military in the world, and much of it was produced by Californians.

Now, in the post-cold-war period, we are engaged in another great competition, for economic prosperity. In order to successfully compete without rivals around the world, we must once again have a national commitment to dedicate the resources we need to fight and win. And once again, California is ready to accept the challenge to do the research and development of the new technologies that will lead to the new industries that produce the best products in the world.

The bill before the Senate today contains a number of provisions which I believe will spark our Nation's manufacturing sector and improve our national competitiveness.

This legislation officially establishes the manufacturing extension partnership to link and strengthen existing manufacturing extension centers. The partnership aims to help small- and medium-size business learn about modern manufacturing programs. The partnership will also operate an information network and clearinghouse designed to provide information support. I believe that this kind of information dissemination is vital to future economic growth.

This is not Soviet-style centrally planned economics, as opponents have charged. On the contrary, it is exactly the kind of economic policy in which we should be engaged. The private sector develops the technology and the public sectors assist in spreading the word.

This is similar to an initiative I sponsored last year to create an economic conversion information clearinghouse within the Department of Commerce. Now, by dialing one telephone number, individuals and communities can learn all about defense conversion programs. Why not allow small businesses to learn about advanced manufacturing procedures by the same process?

This legislation addresses the link between high-performance computing, high-speed networking, and American industrial competitiveness though the Information Technology Applications Program. This critical technology—a lane on the much-talked about information superhighway—has the potential: To improve education—by providing students nationwide with access to educational resources anywhere in the country; to improve the health care system—by furnishing better and more timely information to health care providers; and to increase workers productivity—especially in the manufacturing sector.

Mr. President, my home State of California is a leader in high-technology and high-technology manufacturing. And I hope that my colleagues know that California has fallen on hard times lately. This is precisely the kind of legislation that can help California out of this recession and help put it back on top.

We won the cold war and we can win again, if we have the courage to dedicate the resources required. S. 4 is a significant step in that direction and for that reason, I urge my colleagues to support its passage.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, and Members of the Senate, the Senate has now been considering this bill for 4 days. I was advised early this evening that it would be necessary to file a cloture motion to bring this bill to a conclusion. Stated in simple English: Our Republican colleagues have indicated that they will use their rights under the rules to filibuster this bill and prevent a vote from occurring on it. I regret that, but it is, of course, a decision which is available to any Senator or group of Senators.

Having been so advised, I now have no alternative but to file a cloture motion in accordance with the provisions of rule XXII of the Senate.

Accordingly, Mr. President, I send a cloture motion to the desk and ask that it be stated.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Modified Committee Substitute to S. 4, the National Competitiveness Act of 1993.

Fritz Hollings, Jay Rockefeller, Tom Harkin, Wendell Ford, George Mitchell, Dan Inouye, Richard H. Bryan, Don Riegle, Paul Wellstone, Paul Simon, Barbara Boxer, Tom Daschle, Harry Reid, J.J. Exon, Paul Sarbanes, Russell D. Feingold, Pat Leahy.

Mr. MITCHELL. Mr. President, as I said, I regret very much the necessity of filing this cloture motion. I believe that this is a good and important bill, intended to encourage economic growth and job creation in our society. A similar bill, although smaller in scope, passed the Senate unanimously with little debate and no dissent 2 years ago. I regret that a filibuster is being brought against a bill of this type.

I have filed the cloture motion as soon as possible after learning of the filibuster. Under the rules of the Senate, unless an agreement is reached to the contrary, this motion to end the filibuster will ripen for a vote on Saturday morning. It had not been my intention to have a Saturday session of the Senate, and I still hope that will not be necessary.

Therefore, I do now request, and will request of my Republican colleagues, that an agreement be reached to permit a vote to occur on this cloture motion tomorrow; that is, instead of requiring Senators to return on Saturday for the purpose of voting on this motion to end the filibuster, that an agreement be reached which would permit that vote to occur tomorrow, Friday.

That is especially appropriate since we will, by a prior agreement, be in session tomorrow. A vote on the so-called buyout bill is expected to occur at or about 10 o'clock a.m. tomorrow.

It is my expectation and my understanding with the Republican leader that there will be other amendments to this bill offered and votes held on those amendments tomorrow. So Senators can and should expect a full day of debate and votes tomorrow. It would be far less inconvenient for Senators to be able to vote on the motion to end the filibuster tomorrow while in session and voting on other matters, without having to come back and vote on cloture on Saturday.

Had I known that our Republican colleagues intended to filibuster this bill yesterday, I would then have filed a cloture motion yesterday and we could have, under the rules and in the normal course of events, had a cloture vote tomorrow. But I was not so informed until this evening and, therefore, of course, had no reason to file a cloture motion prior to this time.

I think that it is a deeply regrettable state of events when a bill that is intended to promote economic growth and create jobs in America is the subject of a Senate filibuster. But I suppose that is the subject for another time and another discussion.

I thank my colleagues, especially the distinguished manager of the bill, the chairman of the committee, for his persistence in pushing this bill. It is my intention and determination that we are going to continue on this bill until we get it passed.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished majority leader and all Senators for their cooperation.

There is no question, when you see an occasion of this kind, specifically 4 days and 4 nights with only two amendments really pertinent to the subject matter of the bill, and both aimed at gutting it, one said authorize and never appropriate, this one said just cut it in half.

Other than those two amendments, dozens of other amendments, and all of the debate, 4 days and 4 nights, had to do with everything else except S. 4 and technology for a very good reason—because we reasoned this bill out, we worked it out on both sides.

We unanimously report this bill out of the committee back in 1992 and again unanimously in 1993. We were waiting our turn, until there was a change of mind. However that change of mind will be described, I do not want to waste the time of the Senate.

But it is a very, very disconcerting thing to work on matters of this kind, get unanimity, get bipartisanship, and we have dozens and dozens of letters from the various business, industry, technological groups, the universities, research consultants, and otherwise.

No one has come in here of any group and said, "We oppose this bill." So the real opposition is some political exercise on the other side of the aisle, which is very unfortunate. But when you see it that way, and you have to work it, and they will not even talk to the merit of the bill or anything else, I think that is a very good term, "monkeyshines." That is about as polite as you can get under serious conversation here, when you see some of the activity that has been going on.

So I thank the distinguished majority leader and our staffs, who have been working hard on both sides of the aisle, very, very much.

The PRESIDING OFFICER. The Senator from Kentucky.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent there be a period for morning business with Senators allowed to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the federal debt stood at $4,542,638,243,462.87 as of the close of business on Wednesday, March 9. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $17,424.04.

TRIBUTE TO JUDGES LATCHUM AND BIFFERATO

Mr. BIDEN. Mr. President, I recently had the great pleasure of attending the Delaware State Bar Association's 70th anniversary celebration. The event was also a tribute to two of my State's most distinguished jurists, both of whom mark in 1994 25 years of service on the bench.

The dual commemoration of their personal tenures and the Bar Association's anniversary could not have been more appropriate, in my view, because U.S. District Court Judge James L. Latchum and Delaware Superior Court Judge Vincent A. Bifferato, Sr., have had a truly defining influence on their respective courts and on the Delaware legal community.

There are not many States, I would guess, where two such long-serving and respected judges would be known as Jimmy and Biff, but that is our way in Delaware, where not only size but spirit favors familiarity. So the Bar Association event was not just a tribute to great guardians of the law, to valued and admired mentors; it was also a tribute to good colleagues and good neighbors.

Judge Jimmy Latchum has what you might call, in understatement, a very impressive resume. He earned his undergraduate degree from Princeton, and went on to law school at the University of Virginia—which is known both in Judge Latchum's courtroom and in his living room as "The University"—interrupting his education for several years of distinguished military service during World War II.

He began legal practice as an associate in a prestigious Delaware law firm from 1946 to 1951, when he was named a partner. Judge Latchum also served as an attorney for the State Highway Department, as an assistant U.S. attorney for Delaware, and as an attorney for the State's Interstate Highway Division and the Delaware River and Bay Association.

Then in 1968, President Lyndon Johnson nominated Jimmy Latchum to be a judge on the U.S. District Court for Delaware, where he served on active status until 1983. Judge Latchum was Chief Judge of the District Court from 1973 to 1983, when he took the senior status he now maintains.

That's the resume. Now let me see if I can say something about the man.

Jimmy Latchum—product of a highfalutin' Princeton-UVA education, a legal practitioner of the highest order, and a long-serving Federal judge—this same Jimmy Latchum is a notorious practical joker. In fact, the President of our State Bar Association, Dick Kirk, suggested in his remarks about Judge Latchum that some objects of his practical jokes had done legal research into whether such conduct violated the good behavior standard of his lifetime appointment to the federal bench.

Jimmy Latchum is a native of Kent County, DE, a place famed for breeding good folks. And Jimmy Latchum is, in the most meaningful and fundamental sense, good folks. That, as much as any other reason, is why he inspires such affection and regard among his law clerks that they gather every 5 years for a reunion, and that 23 of his 35 former clerks attended a 25th reunion with Judge Latchum just last fall.

In the tradition of Kent County, Jimmy Latchum is a remarkable storyteller, with a down-home manner and common-sense wit that instructs even as it entertains. He is a very proud father and grandfather, not to mention proud husband to the former Elizabeth Murray McArthur—and I will just add that the true pleasure of the bar association dinner was that I got to sit next to Betty Latchum.

Good folks. The same can be said of Delaware Superior Court Judge Vincent A. Bifferato, Sr.

Judge "Biff" is the product of a Villanova University education, both undergraduate and for law school. His unwavering devotion to Villanova certainly rivals Judge Latchum's affection for Virginia, and underscores an important quality the two men have in common—a deep and sincere appreciation for opportunity, and a deep and sincere value of loyalty.

Vince Bifferato became a judge young, at age 31, just 5 years after being admitted to the Delaware Bar. He had served a term in the state legislature and just recently joined the Public Defender's staff when in 1968 Governor Charles Terry, a Democrat, nominated him to be a Superior Court Judge.

He was subsequently reappointed by Governor Pete du Pont, a Republican, and appointed as Superior Court's Resident Judge for New Castle County in 1992 by then-Governor Mike Castle, another Republican. The bipartisan character of Judge Biff's appointments reflects, in part, the character of Delaware's legal community, but it is also a meaningful tribute to a jurist who has upheld the truest trust of the judicial branch.

Judge Bifferato's continuous service on the same court also speaks to the value of loyalty I mentioned earlier. The Superior Court is, to a great extent, Biff's court. He is, as Dick Kirk accurately described him, the Court's rock solid anchor; he is the hard-working, career Superior Court Judge who makes sure things run as they should as efficiently as they can without compromising the high standards of justice and service upon which he insists—and, I might add, when Biff insists on something, he does so with a certain undeniable authority.

Judge Bifferato is active on several committees concerned with court administration; he heads Superior Court's Trial Forum, a continuing legal education and mentoring program that he helped initiate; and he is the judicial representative on the Executive Committee of the Delaware State Bar Association. In addition, Biff is a frequent speaker at forums throughout and beyond Delaware—from civic association meetings, to students groups from high school to law school, to police-training classes.

With all that genuine love of the law, and all that genuine commitment to community and to promoting excellence in his own court and through educational and training programs, it is in talking about family that the light really shines in Biff's eye—and with good reason. His wife, the former Marie Connor, now Marie Bifferato, Esquire, is subject enough herself for an address to the Senate, and rightly shares Biff's immeasurable pride in three children and, of course, those two perfect granddaughters.

Good folks, Mr. President, These judges, Bifferato and Latchum, with 50 years of combined service on the bench. Active in the legal and broader communities; dedicated and loyal in their work as in all aspects of their lives; intelligent, able, and honest. Good judges, good family men, good neighbors. We're lucky to have them in Delaware.

FASB NEEDS TO RECONSIDER OPTIONS PLAN

Mr. KERRY. Mr. President, the Financial Accounting Standards Board, which establishes the accounting principles for the private sector in this country, is currently in the midst of a major controversy. FASB has proposed a rule that will require companies to amortize the value of stock options and deduct them off of their earnings statements, with the values derived not from current market prices, but from estimates of future prices derived by computer models. FASB hearings on the subject will begin this week.

Many of us have been reluctant to wade into this controversy, because of our fear of politicizing a process that must aspire to absolute clarity and fairness. After all, the day Congress begins devising the Generally-Accepted Accounting Principles is the day they become Generally Unaccepted Accounting Principles.

Moreover, FASB's stock option proposal—and the considerable support it has received from our colleague from Michigan, Senator LEVIN—were catalyzed by a phenomenon that many of us decried throughout the 1980s, the relentless and often-spectacular increases in executive compensation and bonuses awarded by companies that were otherwise losing money, laying-off workers, and dragging down shareholders.

Yet, however well-motivated FASB might have been at the start, I am now convinced that its effort has run off the rails. FASB's mandate to set standards devolves from the Securities and Exchange Commission.

The SEC has been rather quick to wag a finger at us in Congress, warning us against interference in the FASB process.

Mr. President, I think the time has come for the SEC to start wagging its finger in the other direction, and to compel FASB to take another approach to stock options.

I have come to this conclusion for two general reasons: the rule's purported benefit to the investing public, and its apparent impact on companies. Strictly speaking, FASB's mission is to worry only about the first—the benefit of the rule to investors. Those of us in elected office must be worried about both.

I am not an accountant, but I can do figures. I simply cannot see how the FASB rule, as proposed, will benefit the investing public.

Consider, first, that FASB already requires companies to report their earnings-per-share based on a total number of shares that includes all the stock options they have granted. Consider also that the SEC now requires substantial disclosure to shareholders of the total compensation and incentives awarded to the top five executives of each firm, including their stock options. Companies must also demonstrate how compensation and incentives awarded over time compare to the company's financial performance and that of comparable firms. Finally, I might add this Congress capped the deductibility of executive compensation at $1 million as part of last year's budget act. I have to believe that the greater part of the stealth has now been removed from what had been an excess of stealth compensation.

Contrast all this with the mechanics of the proposed FASB rule. Companies will have to choose from among six computer models to make estimates of the future value of their stock. It seems to me that requiring companies to choose between models is, by its nature, a requirement that introduces uncertainty into the financial reporting process. Then again, even FASB now concedes that the models can produce significant variations in expected values from company to company—yet another element of uncertainty.

Thus, it is not clear to me what the investing public gains from the FASB rule. Clearly, in granting stock options companies grant something that must have value, although they do not represent a cash expense, they are not tradable, and ultimately they have value only if the company's stock price goes up—in which case ordinary shareholders benefit along with option-holders. Stock options must have value, but is the FASB rule the way to establish that value?

In the absence of a clear answer to that question from FASB, we in the Congress have more than enough right to ask how the rule will affect companies and their workers. Here I fear that, while the rule is aimed at larger companies that abused options in years past, it is about to hit smaller companies that are creating new jobs in States like my own.

Mr. President, in my State, just as in Silicon Valley, stock options serve as a fundamental means of financing the start-up of new companies. Employees forego salary and benefits in return for stock options. In doing so they bind themselves to the firm for a period of several years, and commit themselves to the goal of all investors: the company's success. Stock options allow the company to reserve critically-needed cash for other vital needs of a new or emerging company: for research and development, for marketing, and for getting a new product out the door.

There is no more compelling testimony to the damage the FASB rule will do to these companies than the testimony of the venture capital community. After all, apart from company founders it is the venture capitalists who provide all or most of the ownership capital for emerging companies, so it is the venture capitalists who are giving away part of the store when they grant stock options. The venture capitalists tell me that the FASB rule will be granted less often, which will make recruitment of talent more difficult, and which will make the cost of starting a company rise.

Now, this might be acceptable if some greater public purpose were served by the FASB rule, such as the provision of a clear benefit to the investing public. But as I noted previously, it is difficult to find such a benefit in the current FASB proposal.

To the contrary, the evidence seems compelling that the FASB rule will disproportionately affect start-ups, smaller growth companies, and companies in new or break-through markets—that is, precisely the companies we are relying on in Massachusetts to make up for the thousands of jobs lost over the last five years. Companies in larger, more-established, and mature markets will be much less affected, because they have financial and stock market track records that will be more easily digested by these new stock option pricing models run by computer.

Mr. President, I am proud of the steps this Congress has taken to support new companies and new jobs during the last two years, and was glad to be able to play a role in taking those steps. We have cut capital gains taxes for investments in new companies, we have reformed the Small Business Investment Corporation Act, we have strengthened and expanded the Small Business Innovation Research program, we have created the Advanced Technology Program, we have increased expensing provisions for small business taxpayers, and more. This week we will take another giant step forward with what I expect to be the approval of the National Competitiveness Act.

The FASB proposal as it currently stands poses a real threat to these accomplishments, and all in the name of a standard of accounting purity that FASB has great difficulty explaining in simple English. As I have stated before, Congress should be in no hurry to dictate to FASB, but unless FASB can come up with a better and more defensible proposal on stock options, the Securities and Exchange Commission should exercise the authority it manifestly possesses and override FASB on its proposed stock option rule.

LETTER TO SECRETARY BABBITT RE: RANGELAND REFORM

Mr. WALLOP. Mr. President, yesterday on this floor, I read a March 3 memo from Kevin Sweeney, Director of Communication at the Department of Interior, which was addressed to the offices of Senator REID, Congressman VENTO, Congressman SYNAR, and Congressman MILLER regarding the Secretary's proposed rangeland reform proposal. The memo indicated that the Department would mold its press release on the new plan around any changes that the group cared to make by stating:

> * * * I realize you will meet tomorrow to discuss the proposed rule. If that meeting leads to substantive changes in the standards and guidelines section, the press release will of course change as well.

Today, I received a copy of a letter signed by the above four lawmakers in which they critique and comment on a February 20 draft of the rangeland proposal provided to them by Secretary Babbitt.

> CONGRESS OF THE UNITED STATES,
> *Washington, DC, March 4, 1994.*
> Hon. BRUCE BABBITT,
> *Secretary, Department of the Interior, Washington, DC.*
>
> DEAR MR. SECRETARY: We have reviewed the February 20, 1994 draft of proposed regulations to implement your Rangeland Reform '94 program. We appreciate your assurance that our comments will be considered in further developing these proposals.
>
> As you know, we believe strongly that your previous rangeland reform proposals were very sound. We worked hard last year to support those proposals against attacks from opponents who have no program but to prevent much needed and long overdue change. We recognize that many important elements of the original reforms have survived and in some ways have been refined in the current draft.
>
> It is with this history of support for your efforts and for comprehensive range reform, and with the candor of friends and allies, that we inform you we are deeply troubled by several major aspects of the February 20 draft that are radical departures from your previous proposals and from the Reid compromise and that result in a package that will undermine the effectiveness of the range reform initiative.
>
> In this letter, and the accompanying memorandum, we are expressing our concerns, objections, and questions about the February 20, 1994 draft provided to us. We have been informally advised that there is a later version incorporating several modifications of the February 20 draft, but that has not been provided to us and so we are confining our comments to the February 20 draft.
>
> We understand that you view the February 20 draft as still achieving a net improvement over current law—a much more modest goal than that of your original proposals. Regrettably, we are not convinced that it meets even that minimal standard.

* * * * *

Mr. President, there are no leaks here as reported. This memo clearly shows that Secretary Babbitt gave one Senator and three Members of the House of Representatives license to review and rewrite parts, if not all of his rangeland reform plan.

Mr. President, one Senator and three House Members do not a consensus make. I am deeply disappointed and angered. We cannot move forward in this atmosphere of apprehension and mistrust.

UNITED STATES POLICY TOWARD CROATIA AND THE BALKAN CONFLICT

Mr. PELL. Mr. President, I ask unanimous consent that a recent speech by Peter W. Galbraith, the United States Ambassador to Croatia, regarding the conflict in the former Yugoslavia be printed in the RECORD.

I am pleased to note that since the delivery of Ambassador Galbraith's speech last month, the Bosnian Muslims and the Bosnian Croats have reached an agreement to establish a Bosnian Federation incorporating both groups. In addition, Croatia has agreed to enter into a confederation with this Bosnian Federation. I hope that these arrangements will end the destructive fighting between Muslims and Croats and strengthen the negotiating position of these two groups vis a vis the Bosnian Serbs and their patrons in Belgrade.

Ambassador Galbraith's words sent an appropriately tough message to both Serbia and Croatia that the United States and the international community will not tolerate any outside intervention in the war in Bosnia-Hercegovina that is not authorized by the United Nations. This message is in line with an amendment I offered to the fiscal year 1994 State Department authorization bill calling for international sanctions, similar to those now in place against Serbia, to be imposed on Croatia if the Croatian leadership continues to condone the activities of the Croatian Army inside Bosnia.

Croatia's decision to join a confederation with a new Bosnian Federation represents a positive response to the United States' successful strategy of offering incentives to Croatia to reach out to the West and work for peace and democracy, while warning Croatia of the consequences if it fails to play a constructive role in Bosnia. I believe that Ambassador Galbraith's speech provides an excellent overview of that policy, and I commend it to my colleagues.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

UNITED STATES POLICY TOWARD CROATIA AND THE BALKAN CONFLICT

(By Peter W. Galbraith, U.S. Ambassador to Croatia)

I am delighted to be here with so many of you this evening. I have been asked to say a few words about my impressions of Croatia, and about U.S. policy toward Croatia and the conflict in the Balkans.

I strongly believe the best way to understand a people, a country, or a difficult situation is to travel to the place, to talk to the people there, and to see the problem firsthand. Thus it is that in my first months as Ambassador, I traveled to as much of Croatia as I possibly could. I went from Vukovar in the east to Prevlaka in the far south. I was of course impressed with the beauty of the countryside, the variety of topography and climate, the magnificence and antiquity of the monuments, and of course the friendliness of the Croatian people. Of course I also saw firsthand the extraordinary destruction visited on Croatia during and after the war for independence.

In Vukovar I saw a beautiful baroque city that had been systematically and maliciously destroyed. On my last trip there I went to the mass grave site in Ovcara with Ambassador Madeleine Albright, where more than 200 wounded Croatian soldiers ended up murdered in a garbage dump.

I toured Zadar and Sibenik and saw the "footprints" left by different kinds of explosives on historic buildings. I went to Dubrovnik and saw the damage done to a city that is not only Croatia's greatest monument, but also a world architectural treasure. I have seen the homes of thousands of ordinary Croats, in the Dubrovnik area, in the Zadar-Sibenik region, and in the UNPAs which have been blown up, destroying the life work and dreams of so many people.

From my travels and from the stories I have heard, I have gained a few perspectives on the conflict. First, one must understand that the war in the former Yugoslavia was and is an organized military campaign aimed primarily at civilians. Vukovar was destroyed by the JNA. Dubrovnik was shelled by the Yugoslav Navy in the Adriatic Sea and by Yugoslav Army units around the city. These acts were not the disorganized acts of a civil war; rather, they were clearly and indisputably ordered by Belgrade.

Similarly, in 1992 as Bosnia-Hercegovina moved democratically toward independence, Belgrade orchestrated a systematic campaign of aggression against the Muslim and Croat people of that country. In planned and carefully executed operations, the JNA, nominally demobilized to form the Bosnian Serb Army, moved into hundreds of communities, herding the men into concentration camps, raping and terrorizing the women, and razing hundreds of thousands of homes. This war, which let me again emphasize is directed and controlled by Belgrade, has produced crimes against humanity on a scale unknown in Europe since World War II.

The American people have watched the events in Croatia and Bosnia with disbelief and ever-growing horror. As a prominent member of the world community, the United States has, with our partners in Europe and the United Nations, sought to fashion a response to this war. Let me describe the response:

First, we have clearly identified the aggressor, and have taken severe steps to persuade the aggressor of the folly of its actions. Serbia is now subject to the most severe sanctions ever imposed on a country. its currency has become worthless; its people are mostly unemployed, cold, and immobile; with monthly salaries in the range of 20 DM, Serbia has fallen from a European standard of living to a per capita income at a level below that of Bangladesh. The damage to Serbia is severe and long-lasting.

Second, we have recognized the new countries to emerge from the former Yugoslavia and we have stressed our commitment to the unity and territorial integrity of these nations. Our goal was to make clear that Serbia could not hope to have Greater Serbia. Even as it sponsored aggression in Bosnia and Croatia, even as it set up rebel republics in Krajina and Srpska, it could not hope that its territorial acquisitions would be accepted, or that its rebel republics would be recognized. Our strategy was, and is, to persuade a Serbia made ever more desperate by sanctions to give up on territorial aspirations that it can never hold.

Third, the United States has made great efforts to try to mitigate the consequences of the catastrophe for the people of the area. To this end we have contributed more than any other country to the international relief effort. We have initiated air drops that provide the only supplies for isolated communities. And we are trying to alleviate the refugee burden on Croatia and other countries by resettling Bosnians in the United States.

As a fourth part of our strategy, the United States insists on an end to the killing in Bosnia. To this end, we are prepared to take all necessary steps including now, in the case of Sarajevo, the use of force. For 20 months, the Serbs have lobbed artillery and mortar into Sarajevo. In that time they have probably propelled some 300,000 projectiles containing high explosives onto office buildings, apartment complexes, streets, parks, and so forth. It is not surprising that, after having lobbed nearly enough artillery shells for every man, woman and child in Sarajevo, one mortar round ended up exploding in a crowded market. Saturday's market massacre was no accident; rather, it was the inevitable result of Serb actions.

While it is hard to see any good in such evil, the tragedy has at least galvanized the international community into action. In this connection, special credit goes to France and Turkey, whose Ambassadors are here, who helped shape the response. The shelling of Sarajevo will cease, either because the Serbs will withdraw their artillery, or because NATO will destroy it.

The overwhelming proportion of the atrocities in Bosnia has been the result of deliberate Serb policy. In response to this, Serbia is subject to sanctions, and now the Bosnian Serb forces around Sarajevo face possible attack. Sadly, however, the Serbs are not alone in being responsible for atrocities.

Through the summer and fall, the world focused increasingly on atrocities committed by the HVO in Bosnia. These included:

(1) the obstruction of convoys, that is, the deliberate effort to starve civilians;

(2) the detention of prisoners in inhumane conditions;

(3) artillery and mortar attacks on civilians, particularly in East Mostar;

(4) isolated massacres such as that at Stupni Do. While recognizing that the Muslim side has also committed atrocities, we take the position that no side can ever be justified in such acts. And, since Croatia supports the HVO, we hold Croatia responsible for the acts of the HVO. But more fundamentally, these acts have provided no benefit to the HVO or to Croatia. They have made no difference whatsoever to the military balance in Bosnia. But they have cost the Bosnian Croats sympathy that they might otherwise enjoy, and they have severely damaged Croatia's international reputation. I recognize that the Government of Croatia has taken some steps to improve the conduct of the HVO, but it is imperative that all such self-destructive behavior stop.

At the same time as we are taking steps to save lives, we have not ignored the peace process. We have encouraged all the parties to the conflict in Bosnia to resolve their differences at the negotiating table. The only lasting peace will be one which the parties voluntarily accept. Therefore, we will not pressure the Bosnian Government, as the war's principal victim, to make concessions. And we recognize that the greatest concessions must be made by the aggressors, that is, the Serbs.

Because of the importance of a negotiated outcome, we have not undertaken a new diplomatic initiative to find a solution. Ambassador Redman was here in Croatia today and tomorrow in Croatia with new ideas and new approaches. We see Croatia's role as critical to the peace process and to a viable outcome in Bosnia-Hercegovina. If it chooses to become our partner in finding an end to this war, Croatia will take a big step on the way to becoming our partner in the Western community.

In addition, we recognize there can be no lasting peace without justice. Unspeakable crimes have been committed in Croatia and Bosnia-Hercegovina. Our sensibilities as human beings demand justice. But the demand for justice is not merely a matter of conscience. Throughout the world, others in comparable conditions elsewhere might come to believe they too could ethnically cleanse without any adverse consequences.

But most importantly, unless individuals are held responsible for their crimes, people in this part of the Balkans will continue to attribute collective guilt to whole nations. Let me emphasize it is individual Serbs, and not the Serbian people, who are responsible for the bulk of the atrocities. However, unless we punish these individual Serbs (and also those Croats and Muslims that have committed war crimes), the cycle of violence is likely to continue. For all these reasons, the United States will vigorously pursue the prosecution and punishment of those who have committed war crimes. We have pledged more than $28 million in cash and in kind contributions to the United Nations War Crimes Tribunal. We may not immediately lay our hands on every criminal; but they must know they will be hunted for the rest of their lives.

Even though we are today focused on the peace process in Bosnia, we recognize there can be no lasting peace without the peaceful reintegration of the Krajina into Croatia. For this reason I have stressed from the moment I presented my credentials our support for the territorial integrity of Croatia. We have also worked to link the lifting of sanctions on Serbia to a resolution of the Krajina problem. Our strategy is simple: we seek to persuade Serbia to give up territory that the world will never allow it to have.

Unfortunately, our strategy has been significantly undermined by the Government of Croatia. While insisting on respect for its territorial integrity and the reintegration of the Krajina, Croatia has worked to undermine the unity and territorial integrity of Bosnia-Hercegovina. By supporting the HVO materially and through the direct intervention of the Croatian Army, Croatia is promoting secession in Bosnia and has helped create a rebel regime.

As a result, Croatia is losing the international sympathy that it justly deserves as a victim of aggression and for its generosity in serving as host to nearly 600,000 refugees and displaced persons. It is stunning to me that Croatia should find itself in the situation where the Security Council would be threatening sanctions. Yet this is where Croatia's Bosnia policy has led.

But most incomprehensibly, Croatia's actions have served to undermine the very principles in which Croatia has an enormous stake: territorial integrity and non-recognition of gains from ethnic cleansing. How can Croatia reasonably expect the international community to support its demand for Serb withdrawal from Croatia when its army is in the sovereign state of Bosnia-Hercegovina? How can Croatia expect the international community to expend vast resources to uphold Croatia's frontiers when it seeks to violate those of another country?

Our ability to work with Croatia for the reintegration of Krajina will depend significantly on Croatia's willingness to protect fully the human rights of its Serbian population. As the recent State Department Human Rights Report indicates, Serbs in Croatia have had serious problems. These include the destruction of Serb homes in free Croatia, people fired from their jobs because of their ethnicity, as well as isolated killings such as occurred at the Medak pocket.

As a democratic state, Croatia offers the only viable future for the people of the Krajina, both those living there now and those who have been forcibly expelled. But in order for this to occur, Croatia must reaffirm its commitment to the individual human rights of all its citizens. This means not just in law, but in fact. Only by following the highest standards of human rights can Croatia hope to persuade the Krajina Serbs that they have a real future, free of fear, within Croatia.

Croatia is a new democracy. It has special links to the United States. As the moderator pointed out, there is the historic link. Dubrovnik was the first State to recognize our new country, and it was the stone (and stone masons) from the island of Brac that built our White House. Our country is enriched by the presence of some two million Americans of Croatian origin. And your country benefits from the contributions that many Croat Americans are now making to an independent Croatia.

We believe both the United States and Croatia would benefit from a close relationship. We would like to work with Croatia to repair the damage of war, to protect its environment, to assist in the transition to free markets, and to build enduring democratic institutions. To do all these things, however, we must first end the tragic and bloody conflict in the former Yugoslavia. Croatia is the key to any peace settlement. And for Croatia to be our partner in the peace effort, it must adhere to the highest standards of law. Working with Croatia to this end is the centerpiece of U.S. policy.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar 720, Judith W. Rogers, to be U.S. circuit judge;

Calendar 721, Daniel T.K. Hurley, to be U.S. district judge;

Calendar 722, Helen G. Berrigan, to be U.S. district judge;

Calendar 723, Samuel Frederick Biery, Jr., to be U.S. district judge;

Calendar 724, W. Royal Furgeson, Jr., to be U.S. district judge;

Calendar 725, Orlando L. Garcia, to be U.S. district judge;

Calendar 726, John H. Hannah, Jr., to be U.S. district judge;

Calendar 727, Janis Graham Jack, to be U.S. district judge;

Calendar 728, Cameron M. Currie, to be U.S. district judge;

Calendar 729, Alfred E. Madrid, to be U.S. marshal;

Calendar 730, Charles Lester Zacharias, to be U.S. marshal;

Calendar 731, Lezin Joseph Hymel, Jr., to be U.S. attorney;

Calendar 732, Walter Clinton Holton, Jr., to be U.S. attorney;

Calendar 733, Kristine Olson Rogers, to be U.S. attorney;

Calendar 734, Raimon L. Patton, to be U.S. marshal;

Calendar 735, John Marshall Roberts, to be U.S. attorney;

Calendar 736, Thomas A. Constantine, to be administrator of drug enforcement;

Calendar 737, Israel Brooks, Jr., to be U.S. marshal;

Calendar 738, John James Leyden, to be U.S. marshal;

Calendar 739, Timothy Patrick Mullaney, Sr., to be U.S. marshal;

Calendar 740, Jack O. Dean, to be U.S. marshal;

Calendar 741, Laurent F. Gilbert, to be U.S. marshal.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that upon confirmation, the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

THE JUDICIARY

Judith W. Rogers, of the District of Columbia, to be United States Circuit Judge for the District of Columbia Circuit.

Daniel T. K. Hurley, of Florida, to be United States District Judge for the Southern District of Florida.

Helen G. Berrigan, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Samuel Frederick Biery, Jr., of Texas, to be United States District Judge for the Western District of Texas.

W. Royal Furgeson, Jr., of Texas, to be United States District Judge for the Western District of Texas.

Orlando L. Garcia, of Texas, to be United States District Judge for the Western District of Texas vice Emilio M. Garza, elevated.

John H. Hannah, Jr., of Texas, to be United States District Judge for the Eastern District of Texas.

Janis Graham Jack, of Texas, to be United States District Judge for the Southern District of Texas.

Cameron M. Currie, of South Carolina, to be United States District Judge for the District of South Carolina.

DEPARTMENT OF JUSTICE

Alfred E. Madrid, of Arizona, to be United States Marshal for the District of Arizona for the term of four years.

Charles Lester Zacharias, of Minnesota, to be United States Marshal for the District of Minnesota for the term of four years.

Lezin Joseph Hymel, Jr., of Louisiana, to be United States Attorney for the Middle District of Louisiana for the term of four years.

Walter Clinton Holton, Jr., of North Carolina, to be United States Attorney for the Middle District of North Carolina for the term of four years.

Kristine Olson Rogers, of Oregon, to be United States Attorney for the District of Oregon for the term of four years.

Raimon L. Patton, of Tennessee, to be United States Marshal for the Middle District of Tennessee for the term of four years.

John Marshall Roberts, of Tennessee, to be United States Attorney for the Middle District of Tennessee for the term of four years.

Thomas A. Constantine, of New York, to be Administrator of Drug Enforcement.

Israel Brooks, Jr., of South Carolina, to be United States Marshal for the District of South Carolina for the term of four years.

John James Leyden, of Rhode Island, to be United States Marshal for the District of Rhode Island for the term of four years.

Timothy Patrick Mullaney, Sr., of Delaware, to be United States Marshal for the District of Delaware for the term of four years.

Jack O. Dean, of Texas, to be United States Marshal for the Western District of Texas for the term of four years.

Laurent F. Gilbert, of Maine, to be United States Marshal for the District of Maine for the term of four years.

STATEMENT ON THE NOMINATION OF ISRAEL BROOKS, JR., FOR SOUTH CAROLINA'S U.S. MARSHAL

Mr. HOLLINGS. Mr. President, it was with great confidence and pride that I recommended to the President that he nominate Israel Brooks to the post of U.S. Marshal for South Carolina. Mr. Brooks is one of the finest, most accomplished, most respected law enforcement officers in the modern history of my State.

Israel Brooks is a 48-year-old native of Newberry, South Carolina. He graduated from the University of South Carolina in 1976, and has been with the South Carolina Highway Patrol since 1967. He began as a patrolman in Beaufort County, and later served as an instructor at the South Carolina Criminal Justice Academy. Since 1990, he has held the rank of Major, with responsibility for administration of the entire South Carolina Highway Patrol. Prior to entering law enforcement, Mr. Brooks spent four years in the United States Marine Corps, rising to the rank of sergeant and platoon leader.

Mr. President, Israel Brooks would be the first African American to serve as U.S. Marshal in South Carolina. I know of no law enforcement professional who is more superbly qualified for this job. I urge the Senate to confirm his nomination.

STATEMENT ON THE NOMINATION OF CAMERON CURRIE FOR U.S. DISTRICT JUDGE IN SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, when I recommended Cameron Currie for U.S. District Judge in South Carolina, I was keenly aware that this was my first opportunity to fill a judgeship in more than a dozen years. I made the most of that opportunity. Simply, put, Cam Currie has the most outstanding record of any man or woman in legal practice in South Carolina today. Period.

Cam received her undergraduate degree in 1970 from the University of South Carolina and her law degree in 1975 from George Washington University's National Law Center. But, as a lawyer, Cam got her real education in the best possible place: in the crucible of the courtroom, on the proving ground of daily litigation before judge and jury. In the course of a rich and varied career spanning two decades, Cam has seen it all: from major drug prosecutions to capital murder cases to employment discrimination.

While still in law school, Cam clerked for Arthur L. Burnett, U.S. Magistrate at the U.S. District Court for the District of Columbia. After graduation, from 1975 to 1978, she was an associate in the litigation section of the Washington firm, Arent, Fox, Kintner, Plotkin & Kahn.

In 1978, she was appointed an Assistant U.S. Attorney here in the District of Columbia. In 1980, she moved to Columbia, South Carolina to become an Assistant U.S. Attorney for the District of South Carolina. It was in this role that she was cocounsel for the Federal Government in the case of United States v. State of South Carolina, which was brought to compel the South Carolina Highway Patrol to hire women troopers; the case resulted in a consent decree under which the State agreed to begin hiring women.

In 1984 Cam was appointed the first woman U.S. Magistrate in South Carolina history. Five years later, in 1989, South Carolina Attorney General Travis Medlock tapped her to serve as Chief Deputy Attorney General.

In that capacity, Cam has also been Director of the State Grand Jury since its inception in 1989. From the outset, Cam has been the driving force behind this new institution: she got it organized, she runs its day-to-day operations, and she has established the State Grand Jury as the scourge of drug traffickers and government corruption in South Carolina. After 4 years, the State Grand Jury is recognized by the Justice Department as a national model. Cam has won a 94 percent conviction rate, and built a reputation for integrity, toughness and relentlessness.

Mr. President, Cam Currie has a distinguished legal pedigree. Her grandfather was an attorney in Florence, SC, as is her father. The nomination of Cam Currie is a real triumph of our Nation's judicial system: it is a triumph that the President would nominate a woman of this caliber and accomplishment; and it is a triumph that an attorney of Cam's exceptional quality is willing and eager to devote herself to a career in public service. I urge that her nomination be confirmed by the Senate.

NOMINATION OF JOHN LEYDEN AS U.S. MARSHAL

Mr. CHAFEE. Mr. President, I am pleased that the Senate today is considering the nomination of John James Leyden, of Rhode Island, to be United States Marshal for the District of Rhode Island. I am confident that the Senate will confirm this highly qualified official and allow him to assume his formal duties for the State of Rhode Island.

The position of U.S. Marshal for the District of Rhode Island is a critical element in effective law enforcement in our State. Responsible for the execution of all writs issued by authority of the U.S. Government, the Marshal is charged with the custody and transportation of all Federal prisoners, as well as the security of Federal witnesses. Moreover, the Marshal oversees all Federal judicial and court security, and is responsible for asset seizure and forfeiture management. It is an important and tough job, and it is not for the fainthearted.

We have been extremely fortunate to have had a very able and effective U.S. Marshal for the past 9 years in Donald W. Wyatt. Marshal Wyatt has retired after having done a superb job, with total service as a Marshal, in several different periods, of 19 years.

Chief Leyden, whose family has been involved with law enforcement for many years, has served as the Chief of Police for the Town of North Kingstown for more than 10 years, heading up an office of 49 full-time officers and 11 civilians. He came to that post after 28 years with the Providence Police Department, where he retired with the rank of major. He has served these communities and indeed our State with great distinction for many years, and has earned the respect of his colleagues and community leaders. I have worked with him in the course of his career, most recently on efforts to highlight the problem of gun violence, and I have found Chief Leyden to be truly an individual of quality, of great standing and integrity.

We in Rhode Island are proud of Chief Leyden.

And I might note that Chief Leyden will be the most physically fit 62-year-old marshal ever: every week he plays basketball with local young people.

I am confident that Chief Leyden will serve our Nation and the people of Rhode Island with distinction.

Mr. FORD. Mr. President, I ask unanimous consent that the Senate consider the following nomination reported today by the Committee on Armed Services and that the Senate proceed to its immediate consideration:

Calendar 749—John M. Deutch, to be Deputy Secretary of Defense.

I further ask unanimous consent that the nominee be confirmed, that any statements appear in the RECORD as if read, that the motion to reconsider be laid upon the table, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

Mr. THURMOND. Mr. President, we have no objections.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

John M. Deutch, of Massachusetts, to be Deputy Secretary of Defense.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

PUBLIC SERVICE RECOGNITION WEEK

PRIMARY IMMUNE DEFICIENCY AWARENESS WEEK

GREEK INDEPENDENCE DAY

NATIONAL AGRICULTURE DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of Calendar Nos. 380, 381, 382, and 383; that the joint resolutions and the preambles be passed en bloc and the motions to reconsider laid upon the table en bloc; further that consideration of these items appear individually in the RECORD and any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC SERVICE RECOGNITION WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 150) to designate the week of May 2 though May 8, 1994, as "Public Service Recognition Week," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 150

Whereas public employees at every level of government faithfully serve their fellow Americans;

Whereas there are 9,000,000 employees in local government, 4,000,000 employees in State government, and over 3,000,000 civilian workers and 2,000,000 military employees in the Federal Government;

Whereas Americans are aware of the many contributions public employees have made to the quality of their lives, in occupations that run the gamut from astronauts to zoologists, including scientists, police officers, teachers, doctors, forest rangers, engineers, food inspectors, researchers, and foreign service agents, among others;

Whereas the Nation should value a professional civil service whose highest principle is one of patriotism, whose foremost commitment is to excellence, and whose experience and expertise are a national resource to be used and respected;

Whereas the millions of workers who serve our country are men and women of knowledge, ability, and integrity who deserve to be recognized for their dedicated service; and

Whereas designating a week to honor these employees will provide a dual opportunity to pay tribute to our public employees and to inform the American people about the scope and importance of public service, including the range of employment opportunities available to our young people: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 2 through May 8, 1994, is designated as "Public Service Recognition Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

PRIMARY IMMUNE DEFICIENCY AWARENESS WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 151) designating the week of April 10 through 16, 1994, as "Primary Immune Deficiency Awareness Week," which had been report from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 151

Whereas primary immune deficiency is a congenital defect in the immune system such that the body cannot adequately defend itself from infection;

Whereas primary immune deficiency is most often diagnosed in children and affects more children than leukemia and lymphoma combined;

Whereas primary immune deficiency is believed to effect 500,000 Americans and possibly more because the defect is often undiagnosed and misdiagnosed;

Whereas many forms of primary immune deficiency are inherited;

Whereas there are currently considered to be 70 forms of primary immune deficiency ranging from severe combined immune deficiency (which is fatal if untreated) to chronic recurring infections and allergies that cannot be managed with prophylactic antibiotics;

Whereas the earliest symptoms of primary immune deficiency are easily confused with a number of common illnesses or infections so that physicians often fail to diagnose and treat the underlying problem;

Whereas once suspected, primary immune deficiency can be diagnosed through a series of blood screenings that test immune function;

Whereas early intervention and treatment can save lives and prevent permanent damage to lungs and other organs;

Whereas many form of treatment are available once a specific diagnosis is made;

Whereas procedures such as bone marrow transplants may result in complete cure, and other treatments like monthly infusions of gamma globulin dramatically reduce a patient's risk of infections and enable the patient to lead a normal life;

Whereas patients may have long periods of normal health then suddenly be struck by severe fevers and infections;

Whereas lack of public awareness can lead to anxiety and leave families isolated and confused; and

Whereas education is essential to make the general public, health care professionals, employers, and insurers more knowledgeable about primary immune deficiency: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of April 10 through 16, 1994, is designated as "Primary Immune Deficiency Awareness Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

GREEK INDEPENDENCE DAY: A NATIONAL DAY OF CELEBRATION OF GREEK AND AMERICAN DEMOCRACY

The Senate proceeded to consider the joint resolution (S.J. Res. 162) designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 162

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily upon the political experience and philosophy of ancient Greece in forming the representative democracy of the United States;

Whereas these and other ideals have forged a close bond both between the United States and Greece and between their peoples;

Whereas March 25, 1994, marks the 173rd anniversary of the beginning of the revolution that freed Greek people from the Ottoman Empire and enabled the reestablishment of democracy in Greece; and

Whereas it is proper and desirable to celebrate that anniversary with the Greek people and to reaffirm the democratic principles from which the United States and Greece were born: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1994, is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

NATIONAL AGRICULTURE DAY

The Senate proceeded to consider the joint resolution (S.J. Res. 163) to proclaim March 20, 1994, as "National Agriculture Day," which had been reported from the Committee on the Judiciary, was considered, ordered to be engrossed for a third reading, read the third time and passed.

The preamble was agreed to.

The joint resolution with its preamble is as follows:

S.J. RES. 163

Whereas agriculture is the Nation's largest and most basic industry, and its associated production, processing, and marketing segments together provide more jobs than any other single industry;

Whereas the United States agricultural sector serves all Americans by providing food, fiber, and other basic necessities of life;

Whereas the performance of the agricultural economy is vital to maintaining the strength of our national economy, the standard of living of our citizens, and our presence in the world trade markets;

Whereas the Nation's heritage of family-owned, family-operated farms and ranches has been the core of the American agricultural system and continues to be the best means for assuring the protection of our natural resources and the production of an adequate and affordable supply of food and fiber for future generations of Americans;

Whereas the American agricultural system provides American consumers with a stable supply of the highest quality food and fiber for the lowest cost per capita in the world;

Whereas American agriculture continually seeks to maintain and improve the high level of product quality and safety expected by the consumer;

Whereas the public should be aware of the contributions of all people—men and women—who are a part of American agriculture and its contributions to American life, health, and prosperity;

Whereas women play a vital role in maintaining the family farm system, both as sole operators and as working partners, and are also attaining important leadership roles throughout the American agricultural system;

Whereas farm workers are an indispensable part of the agricultural system as witnessed by their hard work and dedication;

Whereas scientists and researchers play an integral part in the agricultural system in their search for better and more efficient ways to produce and process safe and nutritious agricultural products;

Whereas farmers and food processors are responding to the desire of health-conscious American consumers by developing more health-oriented food products;

Whereas distributors play an important role in transporting agricultural products to retailers who in turn make the products available to the consumer;

Whereas our youth—the future of our Nation—have become involved through various organizations in increasing their understanding and our understanding of the importance of agriculture in today's society;

Whereas it is important that all Americans should understand the role that agriculture plays in their lives and well-being, whether they live in urban or rural areas; and

Whereas since 1973, the first day of spring has been celebrated as National Agriculture Day by farmers and ranchers, commodity and farm organizations, cooperatives and agribusiness organizations, nonprofit and community organizations, other persons involved in the agricultural system, and Federal, State, and local governments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 20, 1994, is proclaimed "National Agriculture Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities during the week of March 14 through March 20.

NATIONAL AGRICULTURE DAY

Mr. LEAHY. Mr. President, admiration is one word I save for very special groups of individuals. However, when I use it to describe how I feel about the American farming community, I do so without reservation. Again this year, I stand in proud support of National Agriculture Day.

We have always enjoyed one of the highest standards of living in the world. There are several components to the American recipe for success, but none are more important than our own secret ingredient; the tireless efforts of the men and women in agriculture.

As an institution, the American farming community is certainly worthy of emulation. Not only have they shown themselves accommodating to the whims of American dietary trends, but to the diets of every nation. One American farmer or rancher produces enough food for more than 100 citizens of the world. They have succeeded in providing Americans with the most economical, most nutritional food products the world has seen. Most remarkably, they have done all of this in the face of adversity.

This past year found America's farmers and ranchers battling the ranks of the Midwestern floods, the aftereffects of Hurricane Andrew and one of the cruelest winters in recent memory. Through it all, their resilient nature proved formidable enough to uphold the lifestyles we have come to enjoy.

There is something very special to me about the first day of spring. Symbolically, it proclaims how much good there is in our lives and instills a renewed sense of hope that things are only going to get better. Recognizing the American farming community on this day is not done by pure chance. The men and women that make up the America's farmers and ranchers are deserving of such a day, for they too remind us of the good in our lives. Therefore, as we recognize the farming community, let us not only convey our deep appreciation for their work, but pray that on the first day of spring in 1994, fewer trials will need to be endured.

(Note: The text of the House message pertaining to S. 1284, at page S2667 of the proceedings of the Senate on March 9, 1994, is as follows:)

DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT AMENDMENTS OF 1993

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1284) entitled "An Act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1993".

SEC. 2. TITLE AND PART HEADINGS.

(a) TITLE.—The heading of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended to read as follows:

"TITLE I—PROGRAMS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES".

(b) PART.—The heading of part A of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended to read as follows:

"PART A—GENERAL PROVISIONS".

SEC. 3. FINDINGS AND PURPOSES.

Section 101 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000) is amended to read as follows:

"SEC. 101. FINDINGS, PURPOSES, AND POLICY.

"(a) FINDINGS.—The Congress finds that—

"(1) in 1993 there are more than 3,000,000 individuals with developmental disabilities in the United States;

"(2) disability is a natural part of the human experience that does not diminish the right of individuals with developmental disabilities to enjoy the opportunity to live independently, enjoy self-determination, make choices, contribute to society, and experience full integration and inclusion in the economic, political, social, cultural, and educational mainstream of American society;

"(3) individuals with developmental disabilities continually encounter various forms of discrimination in critical areas;

"(4) there is a lack of public awareness of the capabilities and competencies of individuals with developmental disabilities;

"(5) individuals whose disabilities occur during their developmental period frequently have severe disabilities that are likely to continue indefinitely;

"(6) individuals with developmental disabilities often require lifelong specialized services and assistance, provided in a coordinated and culturally competent manner by many agencies, professionals, advocates, community representatives, and others to eliminate barriers and to meet the needs of such individuals and their families;

"(7) a substantial portion of individuals with developmental disabilities and their families do not have access to appropriate support and services from generic and specialized service systems and remain unserved or underserved;

"(8) family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family and community are provided with the necessary services and supports; and

"(9) the goals of the Nation properly include the goal of providing individuals with developmental disabilities with the opportunities and support to—

"(A) make informed choices and decisions;

"(B) live in homes and communities in which such individuals can exercise their full rights and responsibilities as citizens;

"(C) pursue meaningful and productive lives;

"(D) contribute to their family, community, State, and Nation;

"(E) have interdependent friendships and relationships with others; and

"(F) achieve full integration and inclusion in society;

in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities and capabilities of each individual.

"(b) PURPOSE.—The purpose of this Act is to assure that individuals with developmental disabilities and their families have access to culturally competent services, supports, and other assistance and opportunities that promote independence, productivity, and integration and inclusion into the community, through—

"(1) support to State Developmental Disabilities Councils in each State to promote, through systemic change, capacity building, and advocacy (consistent with section 101(c)(2)), a consumer and family-centered, comprehensive system, and a coordinated array of services, supports, and other assistance for individuals with developmental disabilities and their families;

"(2) support to protection and advocacy systems in each State to protect the legal and human rights of individuals with developmental disabilities;

"(3) support to university affiliated programs to provide interdisciplinary preservice preparation of students and fellows, community service activities, and the dissemination of information and research findings; and

"(4) support to national initiatives to collect necessary data, provide technical assistance to State Developmental Disabilities Councils, protection, and advocacy systems and university affiliated programs, and support other nationally significant activities.

"(c) POLICY.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this Act shall be carried out in a manner consistent with the principles that—

"(1) individuals with developmental disabilities, including those with the most severe developmental disabilities, are capable of achieving independence, productivity, and integration and inclusion into the community, and the provision of services, supports and other assistance can improve such individuals' ability to achieve independence, productivity, and integration and inclusion;

"(2) individuals with developmental disabilities and their families have competencies, capabilities and personal goals that should be recognized, supported, and encouraged and any assistance should be provided in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the individual;

"(3) individuals with developmental disabilities and their families are the primary decisionmakers regarding the services and supports such individuals and their families receive and play decisionmaking roles in policies and programs that affect the lives of such individuals and their families;

"(4) services, supports, and other assistance are provided in a manner that demonstrates re-

spect for individual dignity, personal preferences, and cultural differences;

"(5) communities accept and support individuals with developmental disabilities and are enriched by the full and active participation and the contributions by individuals with developmental disabilities and their families; and

"(6) individuals with developmental disabilities have opportunities and the necessary support to be included in community life, have interdependent relationships, live in homes and communities, and make contributions to their families, community, State, and Nation.".

SEC. 4. TECHNICAL AMENDMENTS.

(a) PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.—The heading of part C of title I of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.) is amended to read as follows:

"PART C—PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES".

(b) SYSTEM REQUIRED.—Section 142 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6042) is amended by adding at the end the following subsection:

"(i) PUBLIC NOTICE OF FEDERAL ONSITE REVIEW.—The Secretary shall provide advance public notice of any Federal programmatic and administrative review and solicit public comment on the system funded under this part through such notice. The findings of the public comment solicitation notice shall be included in the onsite visit report. The results of such reviews shall be distributed to the Governor of the State and to other interested public and private parties.".

(c) DEFINITION REGARDING UNIVERSITY AFFILIATED PROGRAMS.—The Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) is amended—

(1) in section 102(1)—

(A) by inserting ", except as provided in section 155," before "includes"; and

(B) by inserting "the Commonwealth of" before "Puerto Rico"; and

(2) by adding at the end of part D the following section:

"SEC. 155. DEFINITION.

"For purposes of this part, the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.".

SEC. 5. AUTHORIZATIONS OF APPROPRIATIONS.

(a) PLANNING OF PRIORITY AREA ACTIVITIES.—Section 130 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6030) is amended by striking "$77,400,000" and all that follows and inserting the following: "$70,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(b) PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS.—Section 143 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6043) is amended by striking "$24,200,000" and all that follows and inserting the following: "$24,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(c) UNIVERSITY AFFILIATED PROGRAM.—Section 154 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6064) is amended to read as follows:

"SEC. 154. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making grants under subsections (a) through (e) of section 152, there are authorized to be appropriated $19,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

(d) PROJECTS OF NATIONAL SIGNIFICANCE.—Section 163(a) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6083(a)) is amended by striking "$3,650,000" and all that follows and inserting the following: "$4,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.".

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-400. A resolution adopted by the Conference of Chief Justices relative to proposed crime legislation; to the Committee on the Judiciary.

POM-401. A resolution adopted by the Senate of the State of West Virginia; to the Committee on Labor and Human Resources.

"SENATE RESOLUTION NO. 7

"Whereas, in the 1930's, the Congress of the United States assumed the responsibility for developing a federally administrated retirement program to place the various railroad pension plans on a solid financial basis; and

"Whereas, the railroad retirement system today covers over one million individuals who have contributed over the years in good faith and have legitimate expectations of receiving their benefits; and

"Whereas, the national performance review board proposes to transfer the functions of the railroad retirement board to the social security administration, to other federal agencies and to private section service providers: and

"Whereas, this proposal would privatize and terminate a program that has worked well and provided retirement security for 1.3 million active, retired and disabled rail workers and their families for nearly 60 years; therefore, be it

"*Resolved by the Senate:*

"That the Senate of West Virginia urges that United States Congress to reject a proposal by the national performance review board to transfer the functions of the railroad retirement board to the social security administration; and, be it further

"*Resolved*, That the Clerk is hereby directed to forward a copy of this resolution to the members of the West Virginia congressional delegation and to the national performance review board."

POM-402. A resolution adopted by the House of the State of West Virginia; to the Committee on Labor and Human Resources.

"HOUSE RESOLUTION NO. 6

"Whereas, in the 1930's the Congress of the United States assumed the responsibility for developing a federally administered retirement program to place the various railroad pension plans on a solid financial basis; and

"Whereas, the railroad retirement system today covers over one million individuals who have contributed over the years in good faith and have legitimate expectations of receiving their benefits; and

"Whereas, the National Performance Review Board proposes to transfer the functions of the Railroad Retirement Board to the Social Security Administration, to other federal agencies, and to private section service providers; and

"Whereas, this proposal would privatize and terminate a program that has worked well and provided retirement security for 1.3 million active, retired and disabled rail workers and their families for nearly 60 years; therefore, be it

"*Resolved by the House of Delegates:*

"That the House of Delegates of the State of West Virginia urges the United States Congress to reject a proposal by the National Performance Review Board to transfer the functions of the Railroad Retirement Board to the Social Security Administration; and, be it further

"*Resolved*, That the Clerk is hereby directed to forward a copy of this resolution to the members of the West Virginia delegation to the Congress of the United States and to the National Performance Review Board, Washington, D.C."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

John M. Deutch,* of Massachusetts, to be Deputy Secretary of Defense;

Robert M. Walker,* of West Virginia, to be an Assistant Secretary of the Army;

Deborah P. Christie,* of Virginia, to be an Assistant Secretary of the Navy;

Stephen C. Joseph,* of Minnesota, to be an Assistant Secretary of Defense;

Robert B. Pirie, Jr.,* of Maryland, to be an Assistant Secretary of the Navy;

Helen Thomas McCoy,* of Maryland, to be an Assistant Secretary of the Army;

Robert F. Hale,* of Virginia, to be an Assistant Secretary of the Air Force;

Rodney A. Coleman,* of Michigan, to be an Assistant Secretary of the Air Force; and

Edwin Dorn,* of Texas, to be Under Secretary of Defense for Personnel and Readiness.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD of January 31, and February 3, 1994 and to save the expenses of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of January 31, and February 3, 1994, at the end of the Senate proceedings.)

*Admiral Robert J. Kelly, USN to be placed on the retired list in the grade of admiral (Reference No. 1012)

*In the Naval Reserve there are 2 promotions to the grade of rear admiral (list begins with Ronald Rhys Morgan) (Reference No. 1080)

*Lieutenant General Duane A. Willis, USMC to be placed on the retired list in the grade of lieutenant general (Reference No. 1114)

*In the Navy there are 5 promotions to the grade of rear admiral (list begins with Joseph John Dantone, Jr.,) (Reference No. 1118)

*Rear Admiral Edwin R. Kohn, Jr., USN to be placed on the retired list in the grade of vice admiral (Reference No. 1119)

*Vice Admiral Anthony A. Less, USN to be placed on the retired list in the grade of vice admiral (Reference No. 1141)

*Rear Admiral John H. Fetterman, Jr., USN to be placed on the retired list in the grade of vice admiral (Reference No. 1190)

Total: 12

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FEINGOLD:

S. 1917. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ROTH:

S. 1918. A bill to suspend temporarily the duty on crosscarmellose sodium; to the Committee on Finance.

By Mr. BINGAMAN:

S. 1919. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. HATFIELD, and Mr. NICKLES):

S. 1920. A bill to amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") to ensure the safety of public water systems, and for other purposes; to the Committee on Environment and Public Works.

By Mr. RIEGLE:

S. 1921. A bill to suspend temporarily the duty on amitraz; to the Committee on Finance.

S. 1922. A bill to suspend temporarily the duty on ACM; to the Committee on Finance.

By Mr. REID (for himself and Mr. SHELBY):

S. 1923. A bill to amend the Immigration and Nationality Act to curb criminal activity by aliens, to defend against acts of international terrorism, to protect American workers from unfair labor competition, and to relieve pressure on public services by strengthening border security and stabilizing immigration into the United States; to the Committee on the Judiciary.

By Mr. HATCH (for himself, Mr. EXON, and Mr. LIEBERMAN):

S. 1924. A bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FEINGOLD:

S. 1917. A bill to provide for public access to information regarding the availability of insurance, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ANTI-REDLINING IN INSURANCE DISCLOSURE ACT OF 1994

Mr. FEINGOLD. Mr. President, I rise today to introduce the Anti-Redlining in Insurance Disclosure Act of 1994, a bill designed to address the longstanding problem involving discrimination in the insurance industry which effectively denies millions of Americans access to affordable or adequate insurance for their homes and businesses—a practice better known as insurance redlining.

Historically, the term has been associated with certain discriminatory practices carried out by lending institutions which drew lines on maps in red ink around communities that they did not want to provide their respective financial services to—typically home or small business loans. These redlined areas were generally comprised of neighborhoods in which large or growing numbers of minority residents lived. For years similar practices were carried out by some members of the insurance industry and more recently similar results have been achieved by more subtle industry practices which leave many residents of poor or minority communities without access to adequate or affordable property insurance.

Sadly enough, the decision on who gets insurance and what type of coverage they will receive based solely on the color of an applicant's skin or the neighborhood in which that person lives has taken place for some time now. It is a problem which has been discussed and examined by public officials as far back as 25 years ago.

The problem of insurance redlining is pervasive and strikes at the core of the ability of many Americans to participate fully in our society by being able to enjoy that which has come to be known as the American dream—home ownership.

The consequences associated with the inability of individuals and entire neighborhoods to obtain property insurance was probably best described by the National Advisory Panel on Insurance in riot affected areas in 1968 when it observed that:

> Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance banks and other financial institutions will not and cannot make loans. New housing cannot be constructed and existing housing cannot be repaired.
>
> New businesses cannot be opened and existing businesses cannot expand, or even survive. Without insurance buildings are left to deteriorate; services, goods and jobs diminish; efforts to rebuild our Nation's inner cities cannot move forward. Communities without insurance are communities without hope.

This statement was made over 25 years ago and unfortunately, still accurately reflects the situation in many of our Nation's inner-city neighborhoods.

Study after study since then including the 1979 report of the Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin advisory committees to the U.S. Commission on Civil Rights, "Insurance Redlining, Fact Not Fiction" and the recent study on home insurance in 14 U.S. cities released by the community advocacy group ACORN, have reaffirmed the extent of this problem and the inadequacy of State and Federal responses to address it.

These studies and recent reports have also indicated that entire neighborhoods are continuing to be denied or provided inferior insurance coverage and that insurance redlining practices are currently widespread throughout the United States. It is not only disturbing that discrimination continues to exist today, but it troubles me even more so that the fine city of Milwaukee, WI, has received national attention regarding this problem. In fact, a CNN television report even stated that Milwaukee is becoming famous not only for beer, but for insurance discrimination.

And if you think that the lack of adequate insurance that is available in many of these neighborhoods is driven solely on sound principles of economics and statistically based risk assessments—and not on principles of prejudice—you may be as surprised and outraged as I was when I first learned of the actions of one district sales manager of a large insurance company which serves the Milwaukee area community that were reported in the media and presented in testimony before the House Subcommittee on Consumer Credit and Insurance. The impact that prejudice can sometimes have on the decisionmaking process on who should and who should not be written homeowner policies was evidenced by the tape recorded advice given to several insurance agents by their sales manager. This sales manager was recorded saying:

> Very honestly, I think you write too many blacks.* * * You gotta sell good, solid, premium paying white people * * *. They own their homes, the white works * * *. Very honestly, black people will buy anything that looks good right now * * * but when it comes to pay for it next time * * * you're not going to get your money out of them * * *. The only way you're going to correct your persistency is get away from blacks.

This "quit writing all those blacks" prejudicial policy was not only communicated to agents verbally, but was placed in writing as well and it has been reported that the manager even showed one agent how to accomplish this goal by stating that "if a black wants insurance, you don't have to say, just tell them, because based on this kind of policy, the company will only allow me to accept an annual premium. Do it that way."

Activity of this type that has prompted such allegations of discrimination in the insurance industry cannot and must not be tolerated anywhere in our society. We must now take steps to remedy the situation so that the actions of a few do not discredit the rest of the citizens of Milwaukee, our Nation, or the majority of the insurance industry.

It is an insult to the millions of Americans of color who take pride in home ownership and make their payments each month for certain decisionmakers to simply write them off by assuming that minorities are a greater risk or too risky to insure. Not only does this type of thinking prevent many hardworking individuals of all means the chance to own a home or start up a business, but if flies in the face of the evidence and adds to urban decay as well. In fact, data comparing low-income minority areas with low-income white areas collected from insurers in St. Louis and Kansas City by the Missouri insurance department showed that low-income minorities on average paid higher premiums for homeowners insurance than white homeowners of similar means for comparable coverage, even though losses were lower in the minority areas. What are the chances for a section of a city to ever rebound or be revitalized if individuals who are committed to turning things around are not given a chance and allowed to become insured and thus enabled to purchase a home or create jobs by opening a small business?

It is important that we place people of all races and ethnic backgrounds on a level playing field when it comes to the opportunity to purchase insurance. It is difficult enough these days for anyone to be able to afford to buy a home, and is even more difficult, if not impossible, to purchase one without homeowner insurance. Expanding home ownership is critical to any effort our Nation undertakes to turn around our cities. We must remove all barriers such as this type of discrimination in order to fulfill any urban revitalization goals.

The Anti-Redlining In Insurance Disclosure Act of 1994 would, among other things, give Federal agencies and affected individuals the ability to detect and address effectively the problem of insurance redlining and enforce the anti-discrimination provisions of the Fair Housing Act. It would accomplish this by requiring the Secretary of Housing and Urban Development to establish requirements for insurers to compile and submit information to the Secretary annually. The information that would be required to be disclosed along census tract lines includes data pertaining to the number and types of policies made, the race of the applicants, whether the applicants were accepted or rejected, the loss data for the specified area and other useful information in the 50 largest metropolitan statistical areas [MSA's] and an additional 100 MSA's based on geographic diversity and size of MSA populations. The bill would require the reporting of rural insurance information by ZIP Code rather than census tract in 50 rural areas as well.

This information would allow for the analysis and comparison of the availability, affordability, and quality or type of insurance coverage for property and casualty homeowners insurance. Such information would also be invaluable to Federal prosecutors and individuals seeking redress from discriminatory redlining practices.

The disclosure requirements found in this bill are patterned after those found in the Home Mortgage Disclosure Act [HMDA] which require financial institutions to report their lending activities along census tract lines. The only burden faced by insurance companies that are in compliance with the Fair Housing Act law that will be imposed by these requirements will be the costs associated with the collection and reporting of the data. Banks, savings associations, and credit unions have been able to meet the similar requirements under HMDA by using in-house software programs and outside services to convert address information to census tract form. The bill takes these costs concerns into account by requiring the Secretary of HUD to make software to make such conversions available to insurers at cost.

The Anti-Redlining In Insurance Disclosure Act of 1994 would also provide for a study concerning insurance availability, affordability, and adequacy for small businesses and residential property in the largest 25 MSA's. Data would be collected over a 5-year period, and the Secretary of HUD would be required to report the data each year. The number of insurers required to report the data would be limited in each of the 25 MSA's as determined by the Secretary.

After three decades of research, it is time that our Nation take concrete steps to end discrimination in the insurance industry. The Nation was first made aware of insurance redlining practices after studies following the riots of the 1960's and the problem has reemerged as a national concern primarily because of the aftermath of the 1991 Los Angeles riots. It is unfortunate that such tragedies must occur in order for the Nation to take notice of the problem and look for solutions. And it is a shame that three decades of research showing that there is an insurance crisis in many of our Nation's communities has gone unheeded.

Especially in light of the fact that in this same period of time we have required banks, and other lending institutions to provide housing-related credit in a nondiscriminatory fashion by enacting the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1975, and the disclosure requirements found in the Home Mortgage Disclosure Act, and even require that lenders have an affirmative obligation to lend in all the communities they are chartered to serve, including low- and moderate-income neighborhoods through the Community Reinvestment Act of 1977.

Our experience with the Home Mortgage Disclosure Act has shown that the public disclosure of this type of information can serve multiple purposes in combating insurance discrimination by allowing for an accurate assessment of the extent and nature of the problem, and by assisting affected individuals and State and Federal regulators in the enforcement of antidiscrimination laws. Such disclosure can also stimulate self corrective policies by the industry itself by bringing to light the disparate impact of certain industry policies.

Unfortunately, we can pass all of the laws that we want in order to make discriminatory activities illegal, but none will ensure that such practices will go away. Unequal treatment of individuals solely on the basis of the color of their skin will not disappear because a law is enacted making it illegal. But the law does enable people whose rights are violated to seek redress and punish those who violate these rights through the legal system. And the law also symbolizes our consensus to condemn and eliminate this invidious discrimination. The Anti-Redlining in Insurance Disclosure Act of 1994 will help achieve both of these purposes.

I am also interested in exploring suggestions that have been made that the insurance industry ought to be subjected to the same requirements that are imposed upon the banking industry under the Community Reinvestment Act. Just as the banking community is required to address the credit needs of all communities, we should consider whether the insurance industry ought to be asked to make a similar effort to make affordable insurance accessible to the residents of those communities as well.

Finally, I would also like to thank key members of the other body, Representatives JOSEPH KENNEDY and CARDISS COLLINS, for bring the issue of insurance redlining to the attention of Congress. Through their respective subcommittees information has been gathered that documents the problems of insurance redlining and its consequences for millions of Americans, who are denied insurance or forced to pay higher premiums for lower coverage. My colleague from Wisconsin, Representative TOM BARRETT, has also been deeply involved in this issue and chaired a hearing in Milwaukee on January 4 which focused on these problems. Representative BARRETT was actively involved in efforts to combat discrimination when we both served in the Wisconsin legislature and I am pleased to have the opportunity to work with him again on these important issues.

The bill I have introduced today is modeled after H.R. 1257, as it was reported out of the House Banking Committee, since it requires the disclosure of data along more well defined census tract lines rather than by ZIP Code. This method follows the requirements made by the Home Mortgage Disclosure Act and provides for the reporting of data that is more useful for disclosing patterns of discrimination, since many urban ZIP Codes contain neighborhoods that have a diverse range of economic, racial, and housing stock characteristics.

I would like to conclude my remarks by noting that the administration has signaled its support for legislation which would address the problem of insurance redlining and I have attached a letter from a number of community organizations supporting this bill as well including:

The Alliance to End Childhood Lead Poisoning,

The American Planning Association,

The Association of Community Organizations for Reform Now [ACORN],

The Center for Community Change,

The Consumer Federation of America,

Consumers Union,

The National Council of La Raza,

The National Fair Housing Alliance,

The National Insurance Consumer Organization,

The National League of Cities,

The National Low-Income Housing Coalition,

The National Neighborhood Coalition,

Network: A National Catholic Social Justice Lobby,

Public Citizen's Congress Watch,

And the United Methodist Church, General Board of Church and Society

I look forward to working with all of my colleagues and the administration in making sure that we do all that we can to end the practice of insurance discrimination.

I ask unanimous consent that the text of the bill, and the list of organizations endorsing this measure be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Anti-Redlining in Insurance Disclosure Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Establishment of general requirements to submit information.
Sec. 4. Reporting of noncommercial insurance information.
Sec. 5. Study of commercial insurance for residential properties and small businesses.
Sec. 6. Reporting of rural insurance information.
Sec. 7. Waiver of reporting requirements.
Sec. 8. Reporting by private mortgage insurers.
Sec. 9. Use of data contractor and statistical agents.
Sec. 10. Submission of information to secretary and maintenance of information.
Sec. 11. Compilation of aggregate information.
Sec. 12. Availability and access system.
Sec. 13. Designations.
Sec. 14. Improved methods and reporting on basis of other areas.
Sec. 15. Annual reporting period.
Sec. 16. Disclosures by insurers to applicants and policyholders.
Sec. 17. Enforcement.
Sec. 18. Reports.
Sec. 19. Task force on agency appointments.
Sec. 20. Studies.
Sec. 21. Exemption and relation to State laws.
Sec. 22. Regulations.
Sec. 23. Definitions.
Sec. 24. Effective date.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) there are disparities in insurance coverage provided by some insurers between areas of different incomes and racial composition;

(2) such disparities in affordability and availability of insurance severely limit the ability of qualified consumers to obtain credit for home and business purchases; and

(3) the lack of affordable and adequate commercial insurance for small businesses severely curtails the establishment and growth of such businesses.

(b) PURPOSES.—The purposes of this Act are—

(1) to establish a nationwide database for determining the availability, affordability, and adequacy of insurance coverage for consumers and small businesses;

(2) to facilitate the enforcement of Federal and State laws that prohibit illegally discriminatory insurance practices; and

(3) to determine whether the extent and characteristics of insurance availability, affordability, and coverage require public officials to take any actions—

(A) to remedy redlining or other illegally or unfairly discriminatory insurance practices; or

(B) regarding areas underserved by insurers.

(c) CONSTRUCTION.—Nothing in this Act is intended to, nor shall it be construed to, encourage unsound underwriting practices.

SEC. 3. ESTABLISHMENT OF GENERAL REQUIREMENTS TO SUBMIT INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to compile and submit information to the Secretary for each annual reporting period, in accordance with this Act.

(b) CONSULTATION.—In establishing the requirements for the submission of information under this Act, the Secretary shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents), representatives of property and casualty insurers, and community, consumer, and civil rights organizations, as appropriate.

SEC. 4. REPORTING OF NONCOMMERCIAL INSURANCE INFORMATION.

(a) IN GENERAL.—The requirements established pursuant to section 3 to carry out this section shall—

(1) be designed to ensure that information is submitted and compiled under this section as may be necessary to permit analysis and comparison of—

(A) the availability and affordability of insurance coverage and the quality or type of insurance coverage, by MSA and the applicable region, race, and gender of policyholders; and

(B) the location of the principal place of business of insurance agents and the race of such agents, and the location of the principal place of business of insurance agents terminated and the race of such agents, by MSA and applicable region; and

(2) specify the data elements required to be reported under this section and require uniformity in the definitions of the data elements.

(b) DESIGNATED INSURERS.—

(1) AGGREGATE INFORMATION.—The regulations issued under section 3 shall require that each designated insurer for a designated line of insurance under section 13(c)(1) compile and submit to the Secretary, for each annual reporting period—

(A) the total number of policies issued in such line, total exposures covered by such policies, and total amount of premiums for such policies, by designated line and by designated MSA and applicable region in which the insured risk is located;

(B) the total number of cancellations and nonrenewals (expressed in terms of policies or exposures, as determined by the Secretary), by designated line and by designated MSA and applicable region in which the insured risk is located;

(C) the total number and racial characteristics of—

(i) licensed agents of such insurer selling insurance in the designated line, by designated MSA and applicable region in which the agent's principal place of business is located; and

(ii) such agents who were terminated by the insurer, by designated MSA and applicable region in which the agent's principal place of business was located; and

(D) for such designated line of insurance, information that will enable the Secretary to assess the aggregate loss experience for the insurer, by designated MSA and applicable region in which the insured risk is located.

(2) SPECIFICATION OF INFORMATION FOR ITEMIZED DISCLOSURE.—

(A) IN GENERAL.—The regulations issued under section 3 regarding annual reporting requirements for designated insurers for a designated line of insurance under section 13(c)(1) shall, with respect to policies issued under the designated line or exposure units covered by such policies, as determined by the Secretary—

(i) specify the data elements that shall be submitted;

(ii) provide for the submission of information on an individual insurer basis;

(iii) provide for the submission of the information with the least burden on insurers, particularly small insurers, and insurance agents;

(iv) take into account existing statistical reporting systems in the insurance industry;

(v) require reporting by MSA and applicable region in which the insured risk is located;

(vi) provide for the submission of information that identifies the designated line and subline or coverage type;

(vii) provide for the submission of information that distinguishes policies written in a residual market from policies written in the voluntary market;

(viii) specify—

(I) whether information shall be submitted on the basis of policy or exposure unit; and

(II) whether information, when submitted, shall be aggregated by like policyholders with like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported;

(ix) provide for the submission of information regarding the number of cancellations and nonrenewals of policies under the designated line by MSA and applicable region in which the insured risk is located, by race and gender of the policyholder (if known to the insurer), and by whether the policy was issued in a voluntary or residual market; and

(x) provide for the submission of information on the racial characteristics and gender of policyholders at the level of detail comparable to that required by the Home Mortgage Disclosure Act of 1975 (and the regulations issued thereunder).

(B) RULES REGARDING OBTAINING RACIAL INFORMATION.—With respect to the information specified in subparagraph (A)(x), applicants for, and policyholders of, insurance may be asked their racial characteristics only in writing. Any such written question shall clearly indicate that a response to the question is voluntary on the part of the applicant or policyholder, but encouraged, and that the information is being requested by the Federal Government to monitor the availability and affordability of insurance. If an applicant for, or policyholder of, insurance declines to provide such information, the agent or insurer for such insurance may provide such information.

(3) RULE FOR REPORTING BY DESIGNATED INSURERS.—A designated insurer for a designated line shall submit—

(A) information required under subparagraphs (A), (B), and (D) of paragraph (1) and information required pursuant to paragraph (2), for risks insured under such line that are located within each designated MSA, any part of which is located in a State for which the insurer is designated; and

(B) information required under paragraph (1)(C) for agents within such designated MSA's.

(c) NONDESIGNATED INSURERS.—The regulations issued under section 3 shall require each insurer that issues an insurance policy in a designated line of insurance under section 13(c)(1) that covers an insured risk located in a designated MSA and which is not a designated insurer for the line in any State in which any part of such MSA is located, to compile and submit to the Secretary, for each annual reporting period—

(1) the total number of policies issued in such line;

(2) the total exposures covered by such policies; and

(3) the total amount of premiums for such policies;

by designated MSA and applicable region in which the insured risk is located.

SEC. 5. STUDY OF COMMERCIAL INSURANCE FOR RESIDENTIAL PROPERTIES AND SMALL BUSINESSES.

(a) IN GENERAL.—The Secretary shall conduct a study to determine the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

(b) SUBMISSION OF INFORMATION.—To acquire information for the study under this section, the Secretary shall, by regulation, establish requirements for insurers providing commercial insurance for residential properties and small businesses to compile and submit to the Secretary on an annual basis information regarding such insurance, as follows:

(1) MSA'S.—The Secretary shall carry out the study only with respect to the 25 MSA's having the largest populations, as determined by the Secretary and specified in the regulations under this section.

(2) INSURERS.—For each of the MSA's specified pursuant to paragraph (1), the Secretary shall designate the insurers required to submit the information. The Secretary shall designate a sufficient number of insurers to provide a representative sample of the insurers providing such insurance in each such MSA.

(3) LINES OF INSURANCE.—The Secretary shall require the submission of information regarding such lines, sublines, or coverage types of commercial insurance as the Secretary determines are necessary or important with respect to establishing, operating, or maintaining residential properties and each type of small business selected under paragraph (4), and shall require submission of such information by such lines, sublines, or coverage types.

(4) SMALL BUSINESSES.—For purposes of paragraph (3), the Secretary shall determine the types of businesses that are typical of small businesses and shall select a representative sample of such types.

(5) DATA ELEMENTS.—The Secretary shall identify the data elements required to be submitted.

(6) SUBMISSION BY LOCATION.—The Secretary shall require the information to be submitted by designated MSA and applicable region in which the insured risk is located.

(7) SUBMISSION BY INSURER.—The Secretary shall require the submission of information on an individual insurer basis and shall specify whether information, when submitted, shall be aggregated by like policies, except that the Secretary shall not permit such aggregation if it will adversely affect the accuracy of the information reported.

(8) SUNSET.—The Secretary shall require the submission of information under this section only for each of the first 5 annual reporting periods beginning more than 3 years after the date of enactment of this Act.

(c) CONSIDERATIONS.—In establishing the requirements for submission of information under this section, the Secretary shall—

(1) take into consideration the administrative, paperwork, and other burdens on insurers and insurance agents involved in complying with the requirements of this section;

(2) minimize the burdens imposed by such requirements with respect to such insurers and agents; and

(3) take into consideration existing statistical reporting systems in the insurance industry.

(d) REPORT.—Not later than 6 months after the expiration of the fifth of the 5 annual reporting periods referred to in subsection (b)(8), the Secretary shall submit a report to the Congress describing the information submitted under the study conducted under this section and any findings of the Secretary from the study regarding disparities in the availability, affordability, and quality or types of commercial insurance coverage for residential properties and small businesses, in urban areas.

SEC. 6. REPORTING OF RURAL INSURANCE INFORMATION.

(a) IN GENERAL.—The Secretary shall, by regulation, establish requirements for insurers to annually compile and submit to the Secretary information concerning the availability, affordability, and quality or type of insurance in designated rural areas in the lines designated under section 13(c)(1).

(b) CONTENT.—The regulations under this section shall provide that—

(1) the information to be compiled and submitted under this section by designated insurers and insurers that are not designated insurers shall be of such types, data elements, and specificity that is as identical as possible to the types, data elements, and specificity of information required under this Act of designated and nondesignated insurers, respectively, for designated MSA's and shall be subject to the provisions of section 4(b)(2)(B); and

(2) the information compiled and submitted under this section shall be compiled and submitted on the basis of each 5-digit zip code in which the insured risks are located, rather than on the basis of designated MSA and applicable region (as otherwise required in this Act).

(c) DESIGNATION OF RURAL AREAS.—For purposes of this section, the term "designated rural area" means the following:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this section apply, any of the 50 rural areas designated by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance. The Secretary shall (to the extent possible) designate one rural area under this paragraph in each State of the United States.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, a rural area for which a designation made by the Secretary under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate 50 rural areas as designated rural areas for each such 5-year period and shall designate such rural areas based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of rural areas for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 18(b) relating to such period.

(D) The designations of rural areas for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of a rural area shall remain in effect until a succeeding designation of rural areas under paragraph (2) takes effect.

SEC. 7. WAIVER OF REPORTING REQUIREMENTS.

(a) WAIVER FOR STATES COLLECTING EQUIVALENT INFORMATION.—

(1) AUTHORITY.—Subject to the requirements under this section, the Secretary shall provide, by regulation, for the waiver of the applicability of the provisions of sections 4, 5, and 6 for each insurer transacting business within a State referred to in paragraph (2), but only with respect to information required to be submitted under such sections that relates to agents or insured risks located in the State.

(2) REQUIREMENTS.—The Secretary may make a waiver pursuant to paragraph (1) only with respect to a State that the Secretary determines has in effect a law or other requirement that—

(A) requires insurers to submit to the State information that is the same as or equivalent to the information that is required to be submitted to the Secretary pursuant to sections 4, 5, and 6;

(B) provides for adequate enforcement of such law or other requirements;

(C) provides for the same annual reporting period used by the Secretary under this Act and for submission of the information to the Secretary in a timely fashion, as determined by the Secretary; and

(D) provides that, to the extent statistical agents are permitted to submit information to the State on behalf of insurers, such agents are subject to the same or equivalent requirements as provided under section 9(b).

(3) DURATION.—A waiver pursuant to paragraph (1) may remain in effect only during the period for which the State law or other requirement under paragraph (2) remains in effect.

(b) MULTIPLE-STATE MSA'S.—In the case of any designated MSA that contains area within—

(1) any State for which a waiver has been made pursuant to subsection (a); and

(2) any State for which such a waiver has not been made;

the provisions of this Act requiring submission of information to the Secretary regarding such MSA shall be considered to apply only to the portion of such MSA that is located within the State for which such a waiver has not been made.

(c) AUTHORITY FOR SECRETARY TO OBTAIN INFORMATION DIRECTLY FROM INSURERS.—If the State for which a waiver has been made pursuant to subsection (a) does not submit to the Secretary the information required under subsection (a)(2)(A) or submits information that is not complete, the Secretary shall require the insurers transacting business within the State to submit such information directly to the Secretary.

SEC. 8. REPORTING BY PRIVATE MORTGAGE INSURERS.

(a) HMDA REPORTING.—On an annual basis, the Federal Financial Institutions Examination Council (hereafter in this section referred to as the "Council") shall determine the extent to which each insurer providing private mortgage insurance is making available to the public and submitting to the appropriate agency information regarding such insurance that is equivalent to the information regarding mortgages required to be reported under the Home Mortgage Disclosure Act of 1975.

(b) REPORTING UNDER THIS ACT.—

(1) CERTIFICATION OF NONCOMPLIANCE.—If, for any annual period referred to in subsection (a), the Council determines that any insurer providing private mortgage insurance is not making available to the public or submitting the information referred to in subsection (a) or that the information made available or submitted is not equivalent information as described in subsection (a), then the Council shall notify the insurer of such noncompliance. If, after the expiration of a reasonable period of time, the insurer has not remedied such noncompliance to the satisfaction of the Council, then the Council shall immediately certify such noncompliance to the Secretary.

(2) REQUIREMENT.—Upon the receipt of a certification under paragraph (1), the Secretary shall, by regulation, require such insurer to submit to the Secretary information regarding such insurance that complies with the provisions of section 4 that are applicable to such insurance. Such regulations shall be issued not later than 6 months after receipt of such certification and shall apply to the first succeeding annual reporting period beginning not less than 6 months after issuance of such regulations and to each annual reporting period thereafter.

SEC. 9. USE OF DATA CONTRACTOR AND STATISTICAL AGENTS.

(a) DATA COLLECTION CONTRACTOR.—The Secretary may contract with a data collection contractor to collect the information required to be maintained and submitted under sections 4, 5, 6, 7, and 8(b), if the contractor agrees to collect the information pursuant to the terms and conditions of such sections and this Act and the regulations issued thereunder. Information submitted to such contractor shall be available to the public to the same extent as if the information were submitted directly to the Secretary.

(b) USE OF STATISTICAL AGENTS.—

(1) IN GENERAL.—The Secretary shall provide, by regulation, that insurers may submit any information required under sections 4, 5, 6, and 8(b) through statistical agents acting on behalf of more than one insurer.

(2) PROTECTIONS.—The regulations issued under this subsection shall permit submission of information through a statistical agent only if the Secretary determines that—

(A) the statistical agent has adequate procedures to protect the integrity of the information submitted;

(B) the statistical agent has a statistical plan and format for submitting the information that meets the requirements of this Act;

(C) the statistical agent has procedures in place that ensure that information reported under the statistical plan in connection with reporting under this Act and submitted to the Secretary is not subject to any adjustment by the statistical agent or an insurer for reasons other than technical accuracy and conformance to the statistical plan;

(D) the information of an insurer is not subject to review by any other insurer before being made available to the public; and

(E) acceptance of the information through the statistical agent will not adversely affect the accuracy of the information reported.

(3) DISCONTINUANCE OF ACCEPTANCE OF INFORMATION.—The Secretary may discontinue accepting information reported through a statistical agent pursuant to this subsection if the Secretary determines that the requirements for such reporting are no longer met or that continued acceptance of such information is contrary to the goal of ensuring the accuracy of the information reported.

(4) GAO AUDITS.—The Comptroller General of the United States shall, at the request of the Secretary, audit information collection and submission performed under this subsection by data collection contractors or statistical agents to ensure that the integrity of the information collected and submitted is protected. In determining whether to request an audit of a statistical agent, the Secretary shall consider the sufficiency (for purposes of this Act) of audits of the statistical agent conducted in connection with State insurance regulation.

(5) LIABILITY.—Notwithstanding any use of a statistical agent as authorized under this subsection, an insurer using such an agent shall be responsible for compliance with the requirements under this Act.

SEC. 10. SUBMISSION OF INFORMATION TO SECRETARY AND MAINTENANCE OF INFORMATION.

(a) PERIOD OF MAINTENANCE.—Each insurer required by this Act to compile and submit information to the Secretary shall maintain such information for the 3-year period beginning upon the conclusion of the annual reporting period to which such information relates. The Secretary shall maintain any information submitted to the Secretary for such period as the Secretary considers appropriate and feasible to carry out the purposes of this Act and to allow for historical analysis and comparison of the information.

(b) SUBMISSION.—The Secretary shall issue regulations prescribing a standard schedule (taking into consideration the provisions of section 12(a)), format, and method for submitting information under this Act to the Secretary. The format and method of submitting the information shall facilitate and encourage the submission in a form readable by a computer. Any insurer submitting information to the Secretary may submit in writing to the Secretary any additional information or explanations that the insurer considers relevant to the decision by the insurer to sell insurance.

SEC. 11. COMPILATION OF AGGREGATE INFORMATION.

(a) INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile, for each designated MSA, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information submitted under sections 4, 5, 7, and 8(b) and loss ratios (if the submission of loss information is required), aggregated by applicable region for all insurers submitting such information; and

(B) such information and loss ratios (if the submission of loss information is required), aggregated by applicable region for each such insurer; and

(2) produce tables based on information submitted under sections 4, 5, 7, and 8(b) for each designated MSA, by insurer and for all insurers, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods; and

(B) loss ratios based on the information obtained pursuant to sections 4, 5, 7, and 8(b) (if the submission of loss information is required), aggregated for the applicable regions within the MSA, grouped according to location, age of property, income level, and racial characteristics of neighborhoods.

(b) AGENT INFORMATION.—For each annual reporting period and for each designated MSA, the Secretary shall compile, by designated line, the information submitted under section 4(b)(1)(C)—

(1) by designated insurer by applicable region;

(2) by designated insurer aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics; and

(3) for all designated insurers that have submitted such information for the designated MSA, aggregated for the applicable regions within the designated MSA, grouped according to location, age of property, income level, and racial characteristics.

(c) RURAL INSURANCE INFORMATION.—For each annual reporting period, the Secretary shall—

(1) compile for each applicable 5-digit zip code, by designated line (and if such information is submitted, by subline or coverage type)—

(A) information regarding insurance in rural areas submitted under sections 6 and 7 and loss ratios, for all insurers for which such information is submitted; and

(B) such information and loss ratios, for each such insurer; and

(2) produce tables for each 5-digit zip code based on information regarding insurance in rural areas submitted under sections 6 and 7, by insurer and for all such insurers for which information is submitted under such sections, by designated line (and if such information is submitted, by subline or coverage type), indicating—

(A) insurance underwriting patterns, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available); and

(B) loss ratios, based on the information obtained pursuant to sections 6 and 7, aggregated by zip codes, grouped according to location, age of property, income level, and racial characteristics of neighborhoods (where such demographic information is available).

SEC. 12. AVAILABILITY AND ACCESS SYSTEM.

(a) AVAILABILITY TO PUBLIC.—

(1) IN GENERAL.—The Secretary shall maintain and make available to the public, in accordance with the requirements of this section, any information submitted to the Secretary under this Act and any information compiled by the Secretary under this Act.

(2) TIMING.—The Secretary shall make such information publicly available on a timetable determined by the Secretary, but not later than 9 months after the conclusion of the annual reporting period to which the information relates, except that such information shall not be made available to the public until it is available in its entirety unless not all the information required to be reported is available by such date.

(b) PUBLIC ACCESS SYSTEM.—

(1) IMPLEMENTATION.—The Secretary shall implement a system to facilitate access to any information required to be made available to the public under this Act.

(2) BASES OF AVAILABILITY.—The system shall provide access in the following manners:

(A) ACCESS TO ITEMIZED INFORMATION.—To information submitted under sections 4, 5, 6, 7, and 8(b) on the basis of the insurer submitting the information, on the basis of designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code), and on any other basis the Secretary considers feasible and appropriate.

(B) ACCESS TO AGGREGATE INFORMATION.—To aggregate information compiled under section 11, on the basis of—

(i) the insurer submitting the information;

(ii) designated MSA and applicable region (or in the case of rural information submitted under section 6 or 7, on the basis of 5-digit zip code); and

(iii) any other basis the Secretary considers feasible and appropriate.

(3) METHOD.—The access system shall include a toll-free telephone number that can be used by the public to request such information and the address at which a written request for such information may be submitted.

(4) FORM.—The Secretary shall, by regulation, establish the forms in which such information may be furnished by the Secretary. Such forms shall include written statements, forms readable by widely used personal computers, and, if feasible, on-line access for personal computers. The Secretary shall provide the information available under this section in any such form requested by the person requesting the information, except that the Secretary may charge a fee for providing such information, which may not exceed the amount, determined by the Secretary, that is equal to the cost of reproducing the information.

(5) ANALYSIS SOFTWARE.—The Secretary shall make available to the public software that can be used on a personal computer to analyze the information provided under this section. The software shall be capable of analyzing the information by insurer, designated line, race, gender, MSA, and applicable region. It shall also contain data compiled by the Secretary for each MSA and applicable region on income levels, age of property, and racial characteristics that can be used to evaluate the information provided under this Act by insurers. The software and any accompanying data shall be made available to the public without charge, except for an amount, determined by the Secretary, which shall not exceed the actual cost of reproducing the software and the accompanying data.

(c) PROTECTIONS REGARDING LOSS INFORMATION.—

(1) PROHIBITION OF DISCLOSURE OF LOSS INFORMATION.—Notwithstanding any other provision of this Act, the Secretary may not make available to the public or otherwise disclose any information submitted under this Act regarding the amount or number of claims paid by any insurer, the amount of losses of any insurer, or the loss experience for any insurer, except—

(A) in the form of a loss ratio (expressing the relationship of claims paid to premiums) made available or disclosed in compliance with the provisions of paragraph (2); or

(B) as provided in paragraph (3).

(2) PROTECTION OF IDENTITY OF INSURER.—In making available to the public or otherwise disclosing a loss ratio for an insurer—

(A) the Secretary may not identify the insurer to which the loss ratio relates; and

(B) the Secretary may disclose the loss ratio only in a manner that does not allow any party to determine the identity of the specific insurer to which the loss ratio relates, except parties having access to information under paragraph (3).

(3) CONFIDENTIALITY OF INFORMATION DISCLOSED TO GOVERNMENTAL AGENCIES.—The Secretary may make information referred to in paragraph (1) and the identity of the specific insurer to which such information relates available to any Federal entity and any State agency responsible for regulating insurance in a State and may otherwise disclose such information to any such entity or agency, but only to the extent such entity or agency agrees not to make any such information available or disclose such information to any other person.

SEC. 13. DESIGNATIONS.

(a) DESIGNATION OF MSA'S.—For purposes of this Act, the term "designated MSA" means the following MSA's:

(1) FIRST 5 YEARS.—With respect to the first 5 annual reporting periods to which the reporting requirements under this Act apply (pursuant to section 24), any of the 150 MSA's selected as follows:

(A) The Secretary shall select the 50 MSA's having the largest populations, as determined by the Secretary and specified in regulations issued pursuant to section 22, which shall not be amended or revised after issuance.

(B) The Secretary shall select 100 additional MSA's, on a basis that provides for—

(i) geographic diversity among the designated MSA's under this paragraph; and

(ii) diversity in size of the populations among such MSA's.

(2) AFTER FIRST 5 YEARS.—With respect to annual reporting periods thereafter, an MSA for which a designation under this paragraph is in effect, pursuant to the following requirements:

(A) The designations shall be made for each of the successive 5-year periods at the time provided in subparagraph (C), and the first such period shall be the 5-year period beginning upon the commencement of the sixth annual reporting period to which the reporting requirements under this Act apply.

(B) The Secretary shall designate not less than 150 MSA's as designated MSA's for each such 5-year period and shall designate such MSA's based upon the information and recommendations made in the report under section 18(b) relating to the period.

(C) The Secretary shall make the designation of MSA's for an ensuing 5-year period by regulations issued—

(i) not later than 12 months before the commencement of the 5-year period; and

(ii) not later than 6 months after the submission to the Secretary of the report under section 20(b) relating to such period.

(D) The designations of MSA's for a 5-year period shall take effect upon the commencement of the first annual reporting period of the 5-year period beginning not less than 12 months after the issuance of the regulations making such designations, and shall remain in effect until the expiration of the 5-year period.

Notwithstanding any other provision of this section, the designation of an MSA shall remain in effect until a succeeding designation of MSA's under paragraph (2) takes effect.

(b) DESIGNATION OF INSURERS.—The Secretary shall designate, for each designated line and each State, insurers doing business in the lines as designated insurers in the State for purposes of this Act, subject to the following requirements:

(1) HIGHEST AGGREGATE PREMIUM VOLUME.—

(A) GENERAL RULE.—For each State, the Secretary shall designate, for each designated line, each of the insurers and insurer groups included in the class established under this paragraph for the State.

(B) DETERMINATION.—In each State, the Secretary shall rank the insurers and insurer groups in each designated line from the insurer or group having the largest aggregate premium volume in the State for such line to the insurer or group having the smallest such aggregate premium volume and shall include in the class for the State only—

(i) the insurer or group of the highest rank;

(ii) each insurer or group of successively lower rank if the inclusion of such insurer or group in the class does not result in the sum of such aggregate premium volumes for insurers and groups in the class exceeding 80 percent of the total aggregate premium volume in the State for the line; and

(iii) the first such successively lower ranked insurer or insurer group whose inclusion in the class results in such sum exceeding 80 percent of the total aggregate premium volume in the State for the line.

(2) MINIMUM AGGREGATE PREMIUM VOLUME.—For each State, the Secretary shall designate, for each designated line, each insurer and insurer group not designated pursuant to paragraph (1) whose premium volume in the State for the designated line exceeds 1 percent of the total aggregate premium volume in the State for the line.

(3) FAIR PLANS AND JOINT UNDERWRITING ASSOCIATIONS.—For each State, the Secretary shall designate, for each designated line—

(A) each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements; and

(B) each joint underwriting association;

that provides insurance under such line.

(4) DURATION.—The Secretary shall designate insurers under this subsection once every 5 years. Each insurer designated shall be a designated insurer for each of the first 5 successive annual reporting periods commencing after such designation.

(c) DESIGNATION OF LINES OF INSURANCE.—

(1) IN GENERAL.—The Secretary shall, by regulation, designate homeowners, dwelling fire, and allied lines of insurance as designated lines for purposes of this Act, and shall distinguish the coverage types in such lines by the perils covered and by market or replacement value. For purposes of this Act, homeowners insurance shall not include any renters coverage or coverage for the personal property of a condominium owner.

(2) REPORT.—At any time the Secretary determines that any line of insurance not described in paragraph (1) should be a designated line because disparities in coverage provided under such line exist among geographic areas having different income levels or racial composition, the Secretary shall submit a report recommending designating such line of insurance as a designated line for purposes of this Act to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate.

(3) DURATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall make the designations under this subsection once every 5 years, by regulation, and each line and subline or coverage type designated under such regulations shall be designated for each of the first 5 successive annual reporting periods occurring after issuance of the regulations.

(B) ALTERATION.—During any 5-year period referred to in subparagraph (A) in which designations are in effect, the Secretary may amend or revise the designated lines, sublines, and coverage types only by regulation and only in accordance with the requirements of this subsection. Such regulations amending or revising designations shall apply only to annual reporting periods beginning after the expiration of the 6-month period beginning on the date of issuance of the regulations.

(d) TIMING OF DESIGNATIONS.—The Secretary shall make the designations required by subsections (b)(4) and (c)(3)(A) and notify interested parties during the 6-month period ending 6 months before the commencement of the first annual reporting period to which such designations apply.

(e) OBTAINING INFORMATION.—The Secretary may require insurers to submit to the Secretary such information as the Secretary considers necessary to make designations specifically required under this Act. The Secretary may not require insurers to submit any information under this subsection that relates to any line of insurance not specifically authorized to be designated pursuant to this Act or that is to be used solely for the purpose of a report under subsection (c)(2).

SEC. 14. IMPROVED METHODS AND REPORTING ON BASIS OF OTHER AREAS.

(a) DEVELOPMENT OF IMPROVED METHODS.—The Secretary shall develop, or assist in the improvement of, methods of matching addresses and applicable regions to facilitate compliance by insurers, in as economical a manner as possible, with the requirements of this Act. The Secretary shall allow insurers, or statistical agents acting on behalf of insurers, to match addresses and applicable regions through the use of 9-digit zip codes if the Secretary determines that such use will substantially reduce the cost and burden to insurers of such matching without significant adverse impact on the reliability of the matching.

(b) ADDRESS CONVERSION SOFTWARE.—The Secretary shall make available, to any insurer required to provide information to the Secretary under this Act, computer software that can be used to convert addresses to applicable regions within designated MSA's. The software shall be made available in forms that provide such conversion for designated MSA's on a nationwide basis and on a State-by-State basis. The software shall be made available not later than 6 months before the first annual reporting period to which the reporting requirements under this Act apply (pursuant to section 26) and shall be updated annually. The software shall be made available without charge, except for an amount, determined by the Secretary, which shall not exceed the actual cost of reproducing the software.

(c) CONVERTIBILITY.—

(1) AUTHORITY.—The Secretary may, by regulation, provide for insurers to comply with the requirements under sections 4, 5, and 8(b) by reporting the information required under such sections on the basis of geographical location other than MSA and applicable region, but only if the Secretary determines that information reported on such other basis is convertible to the basis of MSA and applicable region and such conversion does not affect the accuracy of the information.

(2) LIMITATION.—With respect to any information submitted on the basis of geographical location other than designated MSA and applicable region pursuant to paragraph (1), the Secretary may disclose the information only on the basis of designated MSA and applicable region.

SEC. 15. ANNUAL REPORTING PERIOD.

(a) IN GENERAL.—For purposes of this Act, the annual reporting periods shall be the 12-month periods commencing in each calendar year on the same day, which shall be selected under subsection (b) by the Secretary.

(b) SELECTION.—Not later than the expiration of the 6-month period beginning on the date of enactment of this Act, the Secretary shall, by regulation, select a day of the year upon which all annual reporting periods shall commence. In determining such day, the Secretary shall consider the reporting periods used for purposes of State and other insurance statistical reporting systems, in order to minimize the burdens on insurers.

SEC. 16. DISCLOSURES BY INSURERS TO APPLICANTS AND POLICYHOLDERS.

(a) IN GENERAL.—The Secretary shall, by regulation, require the following disclosures:

(1) APPLICANTS.—Each insurer that, through the insurer, or an agent or broker, declines a written application or written request to issue an insurance policy under a designated line shall provide to the applicant at the time of such declination, through such insurer, agent, or broker, one of the following:

(A) A written explanation of the specific reasons for the declination.

(B) Written notice that—

(i) the applicant may submit to the insurer, agent, or broker, within 90 days of such notice, a written request for a written explanation of the reasons for the declination; and

(ii) pursuant to such a request, an explanation shall be provided to the applicant within 21 days after receipt of such request.

(2) PROVISION OF EXPLANATION.—If an insurer, agent, or broker making a declination receives a written request referred to in paragraph (1)(B) within such 90-day period, the insurer, agent, or broker shall provide a written explanation referred to in such subparagraph within such 21-day period.

(3) POLICYHOLDERS.—Each insurer that cancels or refuses to renew an insurance policy under a designated line shall provide to the policyholder, in writing and within an appropriate period of time as determined by the Secretary, the reasons for canceling or refusing to renew the policy.

(b) MODEL ACTS.—In issuing regulations under subsection (a), the Secretary shall consider relevant portions of model acts developed by the National Association of Insurance Commissioners.

(c) PREEMPTION.—Subsection (a) shall not be construed to annul, alter, or effect, or exempt any insurer, agent, or broker subject to the provisions of subsection (a) from complying with any laws or requirements of any State with respect to notifying insurance applicants or policyholders of the reasons for declination or cancellation of, or refusal to renew insurance, except to the extent that such laws or requirements are inconsistent with subsection (a) (or the regulations issued thereunder) and then only to the extent of such inconsistency. The Secretary is authorized to determine whether such inconsistencies exist and to resolve issues regarding such inconsistencies. The Secretary may not provide that any State law or requirement is inconsistent with subsection (a) if it imposes requirements equivalent to the requirements under such subsection or requirements that are more stringent or comprehensive, in the determination of the Secretary.

(d) IMMUNITY.—In issuing regulations under subsection (a), the Secretary shall specifically consider the necessity of providing insurers, agents, and brokers with immunity solely for the act of conveying or communicating the reasons for a declination or cancellation of, or refusal to renew insurance on behalf of a principal making such decision. The Secretary may provide for immunity under the regulations issued under subsection (a) if the Secretary determines that such a provision is necessary and in the public interest, except that the Secretary may not provide immunity for any conduct that is negligent, reckless, or willful.

(e) ENFORCEMENT.—The Secretary may authorize the States to enforce the requirements under regulations issued under subsection (a).

SEC. 17. ENFORCEMENT.

(a) CIVIL PENALTIES.—Any insurer who is determined by the Secretary, after providing opportunity for a hearing on the record, to have violated any requirement pursuant to this Act shall be subject to a civil penalty of not to exceed $5,000 for each day during which such violation continues.

(b) INJUNCTION.—The Secretary may bring an action in an appropriate United States district court for appropriate declaratory and injunctive relief against any insurer who violates the requirements referred to in subsection (a).

(c) INSURER LIABILITY.—An insurer shall be responsible under subsections (a) and (b) for any violation of a statistical agent acting on behalf of the insurer.

SEC. 18. REPORTS.

(a) ANNUAL REPORT.—The Secretary shall annually report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate on the implementation of this Act and shall make recommendations to such committees on such additional legislation as the Secretary deems appropriate to carry out this Act. The Secretary shall include in each annual report a description of any complaints or problems resulting from the implementation of this Act, of which the Secretary has knowledge, made by (or on behalf of) insurance policyholders that concern the disclosure of information regarding policyholders and any recommendations for addressing such problems. Each report shall specifically address whether granting property and casualty insurance powers to other financial intermediaries would significantly reduce redlining and other discriminatory insurance practices and the Secretary shall consult with the appropriate financial institution regulators regarding such issues in preparing the report.

(b) GAO REPORTS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit a report under this subsection to the Secretary and the Congress for each 5-year period referred to in sections 6(c)(2) and 13(a)(2), which contains information to be used by the Secretary in implementing this Act during such period.

(2) TIMING.—The report under this subsection for each such 5-year period shall be submitted not later than 18 months before the commencement of the period to which the report relates.

(3) CONTENTS.—A report under this subsection shall include the following information:

(A) An analysis of the adequacy of the implementation of this Act and any recommendations of the Comptroller General for improving the implementation.

(B) The costs to the Federal Government, insurers, and consumers of implementing and complying with this Act.

(C) Any beneficial or harmful effects resulting from the requirements of this Act.

(D) An analysis of whether, considering the purposes of this Act, insurers are required by this Act (or by implementing regulations) to submit appropriate information.

(E) An analysis of whether sufficient evidence exists of patterns of disparities in the availability, affordability, and quality or type of insurance coverage to warrant continued applicability of the requirements of this Act.

(F) An analysis of whether the group of designated MSA's in effect at the time of the report are appropriate for purposes of this Act.

(G) Specific recommendations, for use by the Secretary in designating MSA's for the 5-year period for which the report is made, with regard to—

(i) the characteristics of MSA's that should be included in the group of designated MSA's;

(ii) the number of MSA's that should be included in the group;

(iii) the number of MSA's having each particular characteristic that should be included in the group; and

(iv) the characteristics of MSA's, and number of MSA's having each such characteristic, that should be removed from the group of designated MSA's in effect at the time of the report.

(H) With respect only to the first report required under this subsection, recommendations of whether the study conducted under section 5 should be continued beyond the date in section 5(b)(8) and, if so, whether the requirements regarding the submission of information under the study should be expanded or changed with respect to insurers, MSA's, lines, sublines or coverage types of insurance, and types of small businesses, or whether the study should be allowed to terminate under law.

(I) An analysis of whether the group of designated rural areas in effect at the time of the report are appropriate for purposes of this Act.

(J) Specific recommendations, for use by the Secretary in designating rural areas for purposes of section 6 for the 5-year period for which the report is made, with regard to—

(i) the characteristics of rural areas that should be included in the group of designated rural areas under such section;

(ii) the number of rural areas having each particular characteristic that should be included in the group; and

(iii) the characteristics of rural areas, and number of rural areas having each such characteristic, that should be removed from the group of designated rural areas in effect at the time of the report.

(K) Any other information or recommendations relating to the requirements or implementation of this Act that the Comptroller General considers appropriate.

(4) CONSULTATION.—In preparing each report under this subsection, the Comptroller General shall consult with Federal agencies having appropriate expertise, the National Association of Insurance Commissioners, State insurance regulators, statistical agents, representatives of small businesses, representatives of insurance agents (including minority insurance agents) and property and casualty insurers, and community, consumer, and civil rights organizations.

SEC. 19. TASK FORCE ON AGENCY APPOINTMENTS.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall establish a task force on insurance agency appointments (hereafter in this section referred to as the "Task Force"). The Task Force shall—

(1) consist of representatives of appropriate Federal agencies, property and casualty insurance agents, including specifically minority insurance agents, property and casualty insurers, State insurance regulators, and community, consumer, and civil rights organizations;

(2) have a significant representation from minority insurance agents; and

(3) be chaired by the Secretary or the Secretary's designee.

(b) FUNCTION.— The Task Force shall—

(1) review the problems inner-city and minority agents may have in receiving appointments to represent property and casualty insurers and consider the effects such problems have on the availability, affordability, and quality or type of insurance, especially in underserved areas;

(2) review the practices of insurers in terminating agents and consider the effects such practices have on the availability, affordability, and quality or type of insurance, especially in underserved areas; and

(3) recommend solutions to improve the ability of inner-city and minority insurance agents to market property and casualty insurance products, including steps property and casualty insurers should take to increase their appointments of such agents.

(c) REPORT AND TERMINATION.—The Task Force shall report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate its findings under paragraphs (1) and (2) of subsection (b) and its recommendations under paragraph (3) of subsection (b) not later than 2 years after the date of enactment of this Act. The Task Force shall terminate on the date on which the report is submitted to the committees.

SEC. 20. STUDIES.

(a) STUDY OF INSURANCE PRESCREENING.—

(1) IN GENERAL.—The Secretary shall conduct a study to determine the feasibility and utility of requiring insurers to report information with respect to the characteristics of applicants for insurance and reasons for rejection of applicants. The study shall examine the extent to which—

(A) oral applications or representations are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(B) written applications are used by insurers and agents in making determinations regarding whether or not to insure a prospective insured;

(C) written applications are submitted after the insurer or agent has already made a determination to provide insurance to a prospective insured or has determined that the prospective insured is eligible for insurance; and

(D) prospective insured persons are discouraged from submitting applications for insurance based, in whole or in part, on—

(i) the location of the risk to be insured;

(ii) the racial characteristics of the prospective insured;

(iii) the racial composition of the neighborhood in which the risk to be insured is located; and

(iv) in the case of residential property insurance, the age and value of the risk to be insured.

(2) REPORT.—The Secretary shall report the results of the study under paragraph (1) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act. The report shall include recommendations of the Secretary—

(A) with respect to requiring insurers to report on the disposition of oral and written applications for insurance; and

(B) for any legislation that the Secretary considers appropriate regarding the issues described in the report.

(b) STUDY OF INSURER ACTIONS TO MEET INSURANCE NEEDS OF CERTAIN NEIGHBORHOODS.—The Secretary shall conduct a study of various practices, actions, and methods undertaken by insurers to meet the property and casualty insurance needs of residents of low- and moderate-income neighborhoods, minority neighborhoods, and small businesses located in such neighborhoods. The Secretary shall report the results of the study, including any recommendations, to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act.

(c) Study of Disparate Claims Treatment.—

(1) In general.—The Secretary shall conduct a study to determine whether, and the extent to which, insurers engage in disparate treatment in handling claims of policyholders under designated lines of insurance based on the race, gender, and income level of the policyholder, and on the racial characteristics and income levels of the area in which the insured risk is located. In conducting the study, the Secretary shall specifically consider whether residents of low-income neighborhoods or areas and minority neighborhoods or areas are more likely than residents of other areas to have their claims contested or their insurance coverage canceled.

(2) Report.—The Secretary shall submit a report on the results of the study to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 2 years after the date of enactment of this Act.

(d) Study of Rating Territories.—The Secretary shall conduct a study to determine whether the practice in the insurance industry of basing insurance premium amounts on the territory in which the insured risk is located has a disparate impact on the availability, affordability, or quality of insurance by race, gender, or type of neighborhood. The Secretary shall submit a report on the results of the study to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 12 months after the date of enactment of this Act.

(e) Study of Insurer Reinvestment Requirements.—

(1) In general.—The Secretary shall conduct a study to determine the feasibility of requiring insurers to reinvest in communities and neighborhoods from which they collect premiums for insurance and whether, and the extent to which, community reinvestment requirements for insurers should be established that are comparable to the community reinvestment requirements applicable to depository institutions. The Secretary shall consult with representatives of insurers and consumer, community, and civil rights organizations regarding the results of the study and any recommendations to be made based on the results of the study.

(2) Report.—The Secretary shall report the results of the study, including any such recommendations, to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the appropriate committees of the Senate, not later than 6 months after the conclusion of the first annual reporting period to which the reporting requirements under this Act apply (pursuant to section 26).

SEC. 21. EXEMPTION AND RELATION TO STATE LAWS.

(a) Exemption for United States Programs.—Reporting shall not be required under this Act with respect to insurance provided by any program underwritten or administered by the United States.

(b) Relation to State Laws.—This Act does not annul, alter, or affect, or exempt the obligation of any insurer subject to this Act to comply with the laws of any State or subdivision thereof with respect to public disclosure, submission of information, and recordkeeping.

SEC. 22. REGULATIONS.

(a) In General.—The Secretary shall issue any regulations required under this Act and any other regulations that may be necessary to carry out this Act. The regulations shall be issued through rulemaking in accordance with the procedures under section 553 of title 5, United States Code, for substantive rules. Except as otherwise provided in this Act, such final regulations shall be issued not later than the expiration of the 18-month period beginning on the date of enactment of this Act.

(b) Burdens.—In prescribing such regulations, the Secretary shall take into consideration the administrative, paperwork, and other burdens on insurance agents, including independent insurance agents, involved in complying with the requirements of this Act and shall minimize the burdens imposed by such requirements with respect to such agents.

SEC. 23. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) Agent.—The term "agent" means, with respect to an insurer, an agent licensed by a State who sells property and casualty insurance. The term includes agents who are employees of the insurer, agents who are independent contractors working exclusively for the insurer, and agents who are independent contractors appointed to represent the insurer on a nonexclusive basis.

(2) Applicable region.—The term "applicable region" means, with respect to a designated MSA—

(A) for any county located within the MSA that has a population of more than 30,000, the applicable census tract within the county; or

(B) for any county located within the MSA that has a population of 30,000 or less, the applicable county.

(3) Commercial insurance.—The term "commercial insurance" means any line of property and casualty insurance, except homeowner's, dwelling fire, allied lines, and other personal lines of insurance.

(4) Designated insurer.—The term "designated insurer" means, with respect to a designated line, an insurer designated for a State by the Secretary under section 13(b) as a designated insurer for such line or any insurer that is part of an insurer group selected under such section.

(5) Designated investment.—The term "designated investment" means making or purchasing a loan for the purchase of commercial real estate, making or purchasing a mortgage loan for the purchase of a 1- to 4-family dwelling, making or purchasing a commercial or industrial loan.

(6) Designated line.—The term "designated line" means a line of insurance or bid, performance, and payment bonds designated by the Secretary under section 13(c).

(7) Exposures.—The term "exposures" means, with respect to an insurance policy, an expression of an exposure unit covered under the policy compared to the duration of the policy (pursuant to standards established by the Secretary for uniform reporting of exposures).

(8) Exposure units.—The term "exposure units" means a dwelling covered under an insurance policy for homeowners, dwelling fire, or allied lines coverage.

(9) Insurance.—The term "insurance" means property and casualty insurance. Such term includes primary insurance, surplus lines insurance, and any other arrangement for the shifting and distributing of risks that is determined to be insurance under the law of any State in which the insurer or insurer group engages in an insurance business.

(10) Insurer.—Except with respect to section 8, the term "insurer" means any corporation, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is authorized to transact the business of property or casualty insurance in any State or that is engaged in a property or casualty insurance business. The term includes any certified foreign direct insurer, but does not include an individual or entity which represents an insurer as agent solely for the purpose of selling or which represents a consumer as a broker solely for the purpose of buying insurance.

(11) Issued.—The term "issued" means, with respect to an insurance policy, newly issued or renewed.

(12) Joint underwriting association.—The term "joint underwriting association" means an unincorporated association of insurers established to provide a particular form of insurance to the public.

(13) Mortgage insurance.—The term "mortgage insurance" means insurance against the nonpayment of, or default on, a mortgage or loan for residential or commercial property.

(14) MSA.—The term "MSA" means a Metropolitan Statistical Area or a Primary Metropolitan Statistical Area.

(15) Private mortgage insurance.—The term "private mortgage insurance" means mortgage insurance other than mortgage insurance made available under the National Housing Act, title 38 of the United States Code, or title V of the Housing Act of 1949.

(16) Property and casualty insurance.—The term "property and casualty insurance" means insurance against loss of or damage to property, insurance against loss of income or extra expense incurred because of loss of, or damage to, property, and insurance against third party liability claims caused by negligence or imposed by statute or contract. Such term does not include workers' compensation, professional liability, or title insurance.

(17) Residual market.—The term "residual market" means an assigned risk plan, joint underwriting association, or any similar mechanism designed to make insurance available to those unable to obtain it in the voluntary market. The term includes each statewide plan under part A of title XII of the National Housing Act to assure fair access to insurance requirements.

(18) Rural area.—The term "rural area" means any area that—

(A) has a population of 10,000 or more;

(B) has a continuous boundary; and

(C) contains only areas that are rural areas, as such term is defined in section 520 of the Housing Act of 1949 (except that clause (3)(B) of such section 520 shall not apply for purposes of this Act).

(19) Secretary.—The term "Secretary" means the Secretary of Housing and Urban Development.

(20) State.—The term "State" means any State, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

SEC. 24. EFFECTIVE DATE.

The requirements of this Act relating to reporting of information by insurers shall take effect with respect to the first annual reporting period that begins not less than 3 years after the date of enactment of this Act.

MARCH 8, 1994.

Senator RUSS FEINGOLD,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR FEINGOLD: We write to offer our endorsement of S. XXX. This legislation addresses the serious problem of discrimination and redlining in the provision of homeowners insurance industry in a simple yet effective way—through the power of sunshine.

Numerous studies and hearings before the House of Representatives have shown that residents of low-income, predominantly minority areas have a harder time obtaining insurance coverage for their homes. When they can get coverage, it is often substantially more expensive, or of substandard quality. While insurers claim these results are due to an objective evaluation of risk, studies analyzing actual losses in low income and minority areas indicate this is not true.

Insurance redlining contributes to and furthers urban decay and disinvestment. The lack of affordable insurance is a material deterrent to homeownership and economic development in low income and minority communities. Without insurance, people simply cannot buy homes.

S. XXX simply requires insurers to begin to make public information as to where and at what price they write insurance. It also would collect data on insurer losses. The data collected by this legislation will go a long way to resolve the debate over insurance redlining and will be a valuable tool for enforcement of civil rights laws at the state and federal level.

Your legislation incorporates 3 key elements that are essential to advancing fair and equal access to insurance:

First, S. 1917 collects data on the cost and type of insurance policies written by the census tract (or zip+4's) where the policy is issued. Only census tracts are accurate enough to gauge the disparate impact insurance redlining has on minority and low-income neighborhoods. The Home Mortgage Disclosure Act requires banks to report loan information on a census tract basis, and this standard should apply to the insurance industry as well.

Second, S. 1917 collects data on insurance losses and claims. While insurers claim disparities in prices between different neighborhoods are solely based on loss experience, a recent study by the Missouri Department of Insurance suggests the opposite. Data analyzed by the department indicated that residents of minority neighborhoods pay more in premiums, but incur fewer losses, than residents of comparable white neighborhoods. Only through the collection of loss data can we conclusively resolve the debate about whether these disparities are due to risk or prejudice.

Third, S. 1917 would collect this data in 150 Metropolitan Statistical Areas (MSA's). The data collected by this legislation will be invaluable as a civil rights enforcement tool, and that tool should be available to the greatest number of communities and citizens.

We are eager to work with you to obtain passage of S. XXX, and commend you for your leadership on the issue.

Sincerely,

Alliance to End Childhood Lead Poisoning, American Planning Association, Association of Community Organizations for Reform Now (ACORN), Center for Community Change, Consumer Federation of America, Consumers Union, National Council of La Raza, National Fair Housing Alliance, National Insurance Consumer Organization, National League of Cities, National Low Income Housing Coalition, National Neighborhood Coalition, NETWORK: A National Catholic Social Justice Lobby, Public Citizen's Congress Watch, United Methodist Church, General Board of Church and Society.

By Mr. BINGAMAN:

S. 1919. A bill to improve water quality within the Rio Puerco watershed and to help restore the ecological health of the Rio Grande through the cooperative identification and implementation of best management practices which are consistent with the ecological, geological, cultural, sociological, and economic conditions in the region; to the Committee on Energy and Natural Resources.

RIO PUERCO WATERSHED ACT OF 1994

• Mr. BINGAMAN. Mr. President, I introduce legislation that will authorize a coordinated approach for restoration of the Rio Puerco watershed, which at 7,000 square miles is the largest tributary to the Rio Grande in terms of area and sediment. The Rio Puerco was once known as New Mexico's bread basket, with water supply and soil tilth to support that reputation.

Over time, extensive ecological changes have occurred in the Rio Puerco watershed, some of which have resulted in damage to the watershed that has seriously affected the economic and cultural well-being of its inhabitants. This has resulted in the loss of existing communities that were based on the land and were self-sustaining. Mr. President, a healthy and sustainable ecosystem is essential to the long-term economic and cultural viability of the region.

According to the Bureau of Land Management, the Rio Puerco contributes only 6 percent of the total water but over 50 percent of the sediments which enter the Rio Grande. Accelerated, progressive soil erosion within the basin threatens not only the sustained productivity of the rangeland watershed, but also the middle Rio Grande aquatic system, irrigators dependent on those water, and the economic foundation of the Mesilla Valley dependent on Elephant Butte Reservoir.

A substantial proportion of the rural population is concerned about its ability to maintain a traditional lifestyle with an economy which is natural resource based and dependent upon the productivity of land with multiple ownership. The vast Rio Puerco drainage system is a mosaic of land ownership and agency management. No single agency has watershed wide expertise and management responsibility. It is imperative that the numerous agencies and individuals with resource management responsibility—Indian Pueblos, Federal and State agencies, and private citizens—work together to develop a plan for and implement an effective Rio Puerco watershed management program.

This legislation directs the Secretary of the Interior to lead and coordinate a management program in the Rio Puerco watershed with the advice and input of a Rio Puerco management committee composed of the various landowners, affected Indian Pueblos, local, regional, State, and Federal governments, and other interested citizens.

The committee will prepare a management plan to identify reasonable and appropriate goals and objectives for land owners and managers in the Rio Puerco watershed; to describe potential alternative actions to meet the goals and objectives; to recommend voluntary implementation of appropriate best management practices on both public and private lands; to provide for cooperative development of management guidelines for maintaining and improving the ecological, cultural, and economic conditions on both public and private lands; and other activities that will promote cooperation and information sharing among those that own and manage land in the Rio Puerco watershed.

Mr. President, it is our hope that this legislation will advance the restoration of and maintenance of a healthy Rio Puerco watershed that will serve New Mexico and its citizens in the future as well as it has served us in the past. We have a lot of work ahead of us. A clear path must be outlined and a base of authorization, from which this program can be funded, established. Most importantly, this legislation authorizes an approach that brings all of the stakeholders together. The Federal Government cannot, and should not, undertake this effort alone. The support and contributions of local citizens, tribes, governmental entities, and others is crucial. I urge my colleagues to support this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rio Puerco Watershed Act of 1994".

SEC. 2. FINDINGS.

The Congress finds that—

(1) over time, extensive ecological changes have occurred in the Rio Puerco watershed, including—

(A) erosion of agricultural and range lands;

(B) impairment of waters due to heavy sedimentation;

(C) reduced productivity of renewable resources;

(D) loss of biological diversity;

(E) loss of functioning riparian areas; and

(F) loss of available surface water;

(2) damage to the watershed has seriously affected the economic and cultural well-being of its inhabitants, including—

(A) loss of existing communities that were based on the land and were self-sustaining; and

(B) adverse effects on the traditions, customs, and cultures of the affected communities;

(3) a healthy and sustainable ecosystem is essential to the long-term economic and cultural viability of the region;

(4) the impairment of the Rio Puerco watershed has damaged the ecological and economic well-being of the area below the junction of the Rio Puerco with the Rio Grande including—

(A) disruption of ecological processes;

(B) water quality impairment;

(C) significant reduction in the water storage capacity and life expectancy of the Elephant Butte Dam and Reservoir system due to sedimentation;

(D) chronic problems of irrigation system channel maintenance; and

(E) increased risk of flooding caused by sediment accumulation;

(5) the Rio Puerco is a major tributary of the Rio Grande and the coordinated implementation of ecosystem-based best management practices for the Rio Puerco system could benefit the larger Rio Grande system;

(6) the Rio Puerco watershed has been stressed from the loss of native vegetation, introduction of exotic species, and alteration of riparian habitat which have disrupted the original dynamics of the river and disrupted natural ecological processes;

(7) the Rio Puerco watershed is a mosaic of private, Federal, tribal trust, and State land ownership with diverse, sometimes differing management objectives;

(8) development, implementation, and monitoring of an effective watershed management program for the Rio Puerco watershed requires cooperation among—

(A) the Bureau of Land Management;

(B) the Rio Puerco Watershed Committee;

(C) the National Forest Service;

(D) the Pueblos of Acoma, Isleta, Jemez, and Laguna;

(E) the Eastern and Canoncito Bands of the Navajo Nation;

(F) the Jicarilla Apache Tribe;

(G) the Bureau of Reclamation;

(H) the Geological Survey;

(I) the Bureau of Indian Affairs;

(J) the Fish and Wildlife Service;

(K) the Soil and Conservation Service;

(L) the Army Corps of Engineers;

(M) the National Park Service;

(N) the State of New Mexico;

(O) private landowners;

(P) local and regional governmental entities;

(Q) other interested citizens; and

(R) affected local soil and water conservation districts;

(9) the Secretary of the Interior, acting through the Director of the Bureau of Land Management, in consultation with the entities listed in paragraph (7), and in cooperation with the Rio Puerco Watershed Committee, is best suited to coordinate management efforts in the Rio Puerco Watershed; and

(10) accelerating the pace of improvement in Rio Puerco Watershed on a coordinated, cooperative basis will benefit persons living in the Watershed as well as downstream users on the Rio Grande.

SEC. 3. MANAGEMENT PROGRAM.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Bureau of Land Management and in consultation with the Rio Puerco Management Committee established pursuant to section 4, shall—

(1) establish a clearinghouse for research and information on management within the Rio Puerco Watershed, as described in the attached map, including—

(A) current and historical natural resource conditions;

(B) data concerning the extent and causes of watershed impairment; and

(C) implementation, monitoring, and evaluation of best management practices initiated within the watershed; and

(2) provide support to the Rio Puerco Management Committee to identify objectives, coordinate implementation of best management practices, and monitor results.

(b) RIO PUERCO MANAGEMENT PLAN.—Not later than 2 years after the date of enactment of this Act, the Secretary, in consultation with the Rio Puerco Management Committee, shall prepare a plan for the restoration of the Rio Puerco watershed. The plan shall—

(1) identify reasonable and appropriate goals and objectives for landowners and managers in the Rio Puerco watershed;

(2) describe potential alternative actions to meet the goals and objectives, including proven best management practices and costs associated with implementing the actions;

(3) recommend voluntary implementation of appropriate best management practices on both public and private lands;

(4) provide for cooperative development of management guidelines for maintaining and improving the ecological, cultural, and economic conditions on both public and private lands;

(5) provide for the development of public participation and community outreach programs that would include proposals for—

(A) cooperative efforts with private landowners to encourage implementation of best management practices within the watershed; and

(B) involving private citizens in restoring the watershed.

(6) provide for the development of proposals for voluntary cooperative programs among the Rio Puerco Management Committee membership to implement best management practices in a coordinated, consistent, and cost-effective manner;

(7) provide for the encouragement and support implementation of best management practices on private lands; and

(8) provide for the development of proposals for a monitoring system that—

(A) builds upon existing data available from private, Federal, and State sources;

(B) provides for the coordinated collection, evaluation, and interpretation of additional data as needed or collected; and

(C) will provide information to—

(i) assess existing resource and socioeconomic conditions;

(ii) identify priority implementation actions; and

(iii) assess the effectiveness of actions taken.

(c) ADDITIONAL ASSISTANCE.—If the Secretary of the Interior determines that employment of additional personnel is necessary to carry out this Act, the Secretary shall, where feasible, employ individuals who reside in the vicinity of the Rio Puerco watershed restoration area.

SEC. 4. RIO PUERCO MANAGEMENT COMMITTEE.

(a) ESTABLISHMENT.—There is established the Rio Puerco Management Committee (referred to in this section as the "Committee").

(b) MEMBERSHIP.—The Committee shall be convened by a representative of the Bureau of Land Management, and shall include representatives from—

(1) the Rio Puerco Watershed Committee;

(2) affected tribes and pueblos;

(3) the National Forest Service of the Department of Agriculture;

(4) the Bureau of Reclamation;

(5) the Geological Survey;

(6) the Bureau of Indian Affairs;

(7) the Fish and Wildlife Service;

(8) the Army Corps of Engineers;

(9) the Soil and Conservation Service of the Department of Agriculture;

(10) the State of New Mexico, including the New Mexico Environment Department and the State Engineer;

(11) affected local Soil and Water Conservation Districts;

(12) the Elephant Butte Irrigation District;

(13) private landowners; and

(14) other interested citizens.

(c) DUTIES.—The Rio Puerco Management Committee shall—

(1) advise the Secretary of the Interior, acting through the Director of the Bureau of Land Management, on the development and implementation of the Rio Puerco Management Program described in section 3; and

(2) serve as a forum for information about activities that may affect or further the development and implementation of the best management practices described in section 3.

SEC. 5. REPORT.

Two years after the date of enactment of this Act, and biennially thereafter, the Secretary of the Interior, in consultation with the Rio Puerco Management Committee, shall transmit to the Committee on Energy and Natural Resources of the Senate and to the Committee on Natural Resources of the House of Representatives a report containing—

(1) a summary of accomplishments as outlined in section 3; and

(2) proposals for joint implementation efforts, including funding recommendations.

SEC. 6. LOWER RIO GRANDE HABITAT STUDY.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the Fish and Wildlife Service shall, in cooperation with the States of New Mexico and Texas, conduct a study of the Rio Grande from Caballo Lake to the Gulf of Mexico. The study shall include—

(1) a survey of the current habitat conditions of the river and its riparian environment;

(2) identification of the changes in vegetation and habitat over the past 400 years and the effect of the changes on the river and riparian area; and

(3) an assessment of the feasibility, benefits, and problems associated with activities to prevent further habitat loss and restoration of habitat through reintroduction or establishment of appropriate native plant species.

(b) TRANSMITTAL.—Not later than 1 year after the date on which funds are made available to carry out this Act, the Secretary shall transmit the study authorized by this section to the Committee on Energy and Natural Resources of the Senate and to the Committee on Natural Resources of the House of Representatives.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act, and to implement the plan prepared pursuant to section 3(b).●

By Mr. DOMENICI (for himself, Mr. BOREN, Mr. HATFIELD, and Mr. NICKLES):

S. 1920. A bill to amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") to ensure the safety of public water systems, and for other purposes; to the Committee on Environment and Public Works.

SAFE DRINKING WATER AMENDMENTS OF 1994

Mr. DOMENICI. Mr. President, I introduce the Safe Drinking Water Amendments of 1994. This Senator is clearly on the record in support of protecting safe drinking water as one of the keys to a high quality of life in a developed nation like the United States. However, as I have stated in the past, the current regulatory scheme amounts to overkill, and places unsustainable financial drains on public water systems and the communities they serve.

As many Senators will recall, I have previously come to this floor to seek simple and clear modifications to the existing Safe Drinking Water Act that will harm no one and relieve many of the economic burdens I mentioned. I return today to introduce legislation that will accomplish this goal by making two significant changes to the implementation of the existing law.

First, this bill will write into the law the flexibility EPA and the States need when protecting drinking water. In exercising their respective authorities, EPA will be able to set standards for contaminants considering both public health benefits and cost while States can establish monitoring requirements based on occurrence data. This means that regulatory requirements will be triggered by the actual presence of a contaminant in a particular drinking water system. By eliminating the need to monitor for contaminants that, in fact, do not occur in a particular drinking water system, enormous costs can be avoided.

By authorizing EPA to consider risk reduction benefits and cost when setting the maximum level at which a contaminant may be present in drinking water, the bill will ensure that recognizable benefits to the public health will actually be achieved by the huge rate increases that consumers will bear.

Second, the bill eliminates the requirement that EPA automatically and mechanically add 25 new contaminants to the list of regulated substances every 3 years, regardless of whether such substances actually occur in drinking water. By this provision, we can begin to get off the treadmill of regulating for the sake of regulations, and redirect our environmental protection resources to substances that may actually harm us.

I would like to take a few moments to address some of the concerns that have been raised about this bill. Some have said that this legislation would gut the existing Safe Drinking Water Act and its protections, or that it would eliminate key safeguards in the law. Mr. President, I could not stand before you today if I believed this legislation did anything of the kind. We can no longer ignore environmental regulatory reality. The money that the American taxpayer provides for environmental protection must be spent wisely, and in a manner designed to elicit the greatest level of health protection and risk reduction.

The broad coalition of support behind this legislation is a further indication of how pressing the problem of unrealistic regulation is. The National Governors' Association, the Conference of Mayors, the League of Cities, water agencies, and organizations representing both municipal and rural water consumers, and many others are squarely behind this improved approach to regulating.

I urge my colleagues to cosponsor this legislation and I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1920

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Safe Drinking Water Act Amendments of 1994".

(b) REFERENCES TO TITLE XIV OF THE PUBLIC HEALTH SERVICE ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act") (42 U.S.C. 300f et seq.).

SEC. 2. GOALS.

Part A (42 U.S.C. 300f et seq.) is amended by inserting before section 1401 the following new section:

"SEC. 1400. GOALS.

"The goals of this Act are—

"(1) to ensure the quality and safety of drinking water provided to the public by public water systems; and

"(2) to protect the public health from the threat of disease caused by water-borne contaminants.".

SEC. 3. DEFINITIONS.

Section 1401 (42 U.S.C. 300f) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) The term 'primary drinking water regulation' means a regulation that—

"(A) applies to public water systems;

"(B) specifies 1 or more contaminants subject to regulation under section 1412;

"(C) specifies for each contaminant referred to in subparagraph (B)—

"(i) a maximum contaminant level; or

"(ii) a treatment technique; and

"(D) contains criteria and procedures to ensure a supply of drinking water that dependably complies with each maximum contaminant level or treatment technique referred to in subparagraph (C), including—

"(i) quality control and testing procedures to ensure—

"(I) compliance with the level or treatment technique; and

"(II) proper operation and maintenance of the public water system; and

"(ii) requirements as to—

"(I) the minimum quality of water that may be taken into the public water system; and

"(II) siting for new facilities for public water systems.";

(2) in paragraph (4), by striking the second sentence and inserting the following new sentence: "The term includes—

"(A) a collection, treatment, storage, or distribution facility that is under the ownership of the system and is used primarily in connection with the system; and

"(B) a collection or pretreatment storage facility that is not under the ownership of the system and that is used primarily in connection with the system.";

(3) in paragraph (6), by inserting before the period at the end the following: "that is of public health or welfare concern";

(4) in paragraph (14), by adding at the end the following new sentence: "The term includes any Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).''; and

(5) by adding at the end the following new paragraphs:

"(15) The term 'risk reduction benefits and costs' means the public health benefits achieved by changing the regulated level of a contaminant from 1 level to another level, taking costs into consideration.

"(16) The term 'community water system' means a public water system that—

"(A) serves at least 15 service connections used by year-round residents of the area served by the system; or

"(B) regularly serves at least 25 year-round residents.

"(17) The term 'noncommunity water system' means a public water system that is not a community water system.".

SEC. 4. NATIONAL DRINKING WATER REGULATIONS.

Section 1412 (42 U.S.C. 300g-1) is amended—

(1) in subsection (a)(1), by striking the second sentence and inserting the following new sentence: "No regulation referred to in the preceding sentence shall be required to comply with the standards established under subsection (b)(3) unless the regulation is revised to establish a different maximum contaminant level (or treatment technique) after the date of enactment of the Safe Drinking Water Act Amendments of 1994.";

(2) in paragraph (3), by striking ", (2), or (3)" each place it appears and inserting "or (2)";

(3) by striking subsection (b) and inserting the following new subsection:

"(b)(1) In the case of a contaminant listed in the advance notice of proposed rulemaking published at 47 Fed. Reg. 9352, and at 48 Fed. Reg. 45502, for which a national primary drinking water regulation has not been issued as of the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall—

"(A) publish maximum contaminant level goals and issue a national primary drinking water regulation in accordance with paragraph (3) for the contaminant if the Administrator finds, based on data available under section 1445, that the contaminant occurs in drinking water at a level of public health concern; and

“(B) not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, eliminate monitoring, compliance, and enforcement requirements for the contaminant if the Administrator finds, based on the data referred to in subparagraph (A), that the contaminant does not occur in drinking water at a level of public health concern.

“(2)(A) Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994, and every 5 years thereafter, the Administrator shall issue maximum contaminant level goals and national primary drinking water regulations for new contaminants selected in accordance with this paragraph.

“(B) The Administrator shall review the national drinking water occurrence data base maintained under section 1445(b). After notice and an opportunity for public comment, the Administrator shall assess all occurrence and public health information available with respect to each contaminant in the data base.

“(C) Based on the assessment under subparagraph (B), the Administrator shall determine, with respect to each contaminant listed under section 1445, based on occurrence and public health concern, whether—

“(i) the issuance of a national primary drinking water regulation is or is not appropriate; or

“(ii) additional health effects or occurrence information is necessary before a determination under clause (i) can be made.

“(D) For each contaminant with respect to which the Administrator makes a determination under subparagraph (C)(i) that the issuance of a national primary drinking water regulation is not appropriate, the Administrator shall make a determination on the continuation of monitoring under section 1445(a).

“(3)(A) Each maximum contaminant level goal established under this subsection shall be set at a level—

“(i) at which no known or anticipated adverse effects on human health occur; and

“(ii) that allows an adequate margin of safety.

“(B) Each national primary drinking water regulation for a contaminant for which a maximum contaminant level goal is established under this subsection shall specify a maximum level for the contaminant that is achievable by public water systems with the use of the best technology, treatment techniques, and other means, taking public health risk reduction benefits and cost into consideration, that the Administrator finds are available, after examination for efficacy under field conditions (and not solely under laboratory conditions).

“(C) In each national primary drinking water regulation, the Administrator shall identify appropriate best technology treatment techniques (including watershed protection and pollution prevention) that may be used to meet applicable maximum contaminant levels under this subsection for public water systems that serve—

“(i) fewer than 1,000 people;

“(ii) between 1,000 and 10,000 people; and

“(iii) more than 10,000 people.

“(4) Notwithstanding paragraph (3), the Administrator shall issue national primary drinking water regulations for radionuclides, disinfection byproducts, sulfate, and corrosion byproducts that will be protective of public health and take into account—

“(A) the health benefits to be achieved by reducing the level of the contaminants in drinking water relative to reducing the level of the contaminants in other media;

“(B) the availability of technology—

“(i) that is effective in removing or otherwise treating the contaminants under field conditions reflecting a representative range of water qualities (and not solely under laboratory conditions); and

“(ii) that does not cause significant adverse impacts on—

“(I) other elements of drinking water quality;

“(II) other environmental media, including impacts related to disposal of treatment residuals; or

“(III) the efficacy of other drinking water treatment or processes; and

“(C) the costs to consumers of the regulation.

“(5)(A) Subject to subparagraph (B), each national primary drinking water regulation that establishes a maximum contaminant level shall list the technology, treatment techniques, compliance timeframes, and other means that the Administrator finds are available for the purpose of meeting the maximum contaminant level.

“(B) A regulation issued under this subsection shall not require that any specified technology, treatment technique, compliance timeframe, or other means be used for the purpose of meeting the maximum contaminant level.

“(6)(A)(i) The Administrator may issue a national primary drinking water regulation that requires the use of a treatment technique in lieu of establishing a maximum contaminant level, if the Administrator makes a finding that it is not economically or technologically feasible to ascertain the level of the contaminant.

“(ii) If the Administrator issues a regulation under clause (i), the Administrator shall—

“(I) identify such treatment techniques as will be protective of public health; and

“(II) take into account the factors specified in paragraphs (3) and (4), as appropriate.

“(iii)(I) Subject to subclause (II), a regulation issued under clause (i) shall specify each treatment technique known to the Administrator that meets the requirements of this paragraph.

“(II) The Administrator may grant a variance from any specified treatment technique in accordance with section 1415(3).

“(B)(i) Not later than 18 months after June 19, 1986, the Administrator shall propose and issue national primary drinking water regulations specifying criteria under which filtration (including coagulation and sedimentation, as appropriate) is required as a treatment technique for public water systems supplied by surface water sources. In issuing the regulations, the Administrator shall consider the quality of source waters, protection afforded by watershed management, treatment practices (such as disinfection and length of water storage), and other factors relevant to the protection of health.

“(ii)(I) In lieu of variances under section 1415, the Administrator shall specify procedures by which a State shall determine which public water systems within the jurisdiction of the State shall adopt filtration under the criteria of clause (i).

“(II) A State may require a public water system to provide studies or other information to assist in the determination described in subclause (I).

“(III) The procedures referred to in subclause (I) shall provide notice and an opportunity for a public hearing on the determination described in such subclause.

“(IV) If a State determines under this clause that filtration is required, the State shall prescribe a schedule for compliance by the public water system with the filtration requirement. The schedule shall take into account the time that is reasonably necessary for the public water system to plan, design, finance, and construct filtration facilities and make such adjustments to operating practices as are necessary to achieve compliance with the filtration requirement.

“(iii) Not later than 2 years after the Administrator establishes the criteria and procedures under this subparagraph, a State with primary enforcement responsibility for public water systems under section 1413 shall adopt such regulations as are necessary to carry out this subparagraph. Not later than 1 year after the date of adoption of the regulations, the State shall make determinations regarding filtration for all the public water systems within the jurisdiction of the State supplied by surface waters.

“(iv) If a State does not have primary enforcement responsibility for public water systems, the Administrator shall have the same authority to make the determination described in clause (ii) in the State as the State would have under such clause. A filtration requirement or schedule under this subparagraph shall be treated as if the requirement or schedule were a requirement of a national primary drinking water regulation.

“(7)(A) Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall propose and issue—

“(i) national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems; and

“(ii) a rule specifying criteria that will be used by the Administrator (or delegated State authorities) to grant variances from the requirement described in clause (i) in accordance with paragraphs (1)(B) and (3) of section 1415.

“(B) In carrying out section 1442(g), the Administrator (or the delegated State authority) shall, if appropriate, give special consideration to providing technical assistance to small public water systems in complying with the regulations issued under this paragraph.

“(8)(A)(i) The Administrator shall review each national primary drinking water regulation issued prior to the date of enactment of this clause not later than 30 months after the date of enactment.

“(ii) If the Administrator determines, based on data available under section 1445, that a contaminant subject to regulation does not occur in public water systems at a level of public health concern, the Administrator shall eliminate monitoring, compliance, and enforcement requirements from the contaminant regulation.

“(iii) In addition to the review under clause (i), the Administrator shall review each regulation referred to in clause (i) not later than 5 years after the date of enactment of this clause. If the Administrator determines that a regulation is not consistent with the factors specified in paragraph (3) or (4), as appropriate, the Administrator shall issue a revised regulation in accordance with the factors.

“(B)(i) Each national primary drinking water regulation issued after the date of enactment of this clause shall include a schedule for periodic review of the regulation.

“(ii) Each review referred to in clause (i) shall include an analysis of new health effects and occurrence data, and innovations or changes in technology, treatment techniques, or other activities, that have become available since the date of issuance of the regulation.

"(iii) If the Administrator determines that the contaminant subject to regulation no longer occurs in drinking water at a level of public health concern, the Administrator shall eliminate monitoring, compliance, and enforcement requirements from the contaminant regulation.

"(iv) If the Administrator determines that the regulation is not consistent with the factors specified in paragraph (3) or (4), as appropriate, the Administrator shall issue a revised regulation in accordance with the factors.

"(9)(A) Subject to subparagraph (B), a national primary drinking water regulation issued under this subsection (or a revision of the regulation) shall take effect in accordance with a schedule issued by the Administrator in the regulation.

"(B) Each schedule, including monitoring requirements, shall—

"(i) be for not less than 2 years; and

"(ii) take into account the time that is reasonably necessary for public water systems to plan, design, finance, and construct treatment facilities and make such adjustments to operating practices as are necessary to achieve compliance with the regulation.

"(C) A regulation issued under subsection (a) shall be superseded by a regulation issued under this subsection to the extent provided by the regulation issued under this subsection.

"(10) No national primary drinking water regulation may require the addition of any substance for preventive health care purposes unrelated to the contamination of drinking water.";

(4) in subsection (e), by striking the second sentence and inserting the following new sentence: "The Board shall respond, as the Board considers appropriate, and the Administrator shall publish the findings and recommendations of the Board, if any, as part of the notice of proposed rulemaking of the regulation."; and

(5) by adding at the end the following new subsection:

"(f) The Administrator may utilize negotiated rulemaking procedures provided for under subchapter III of chapter 5 of title 5, United States Code (commonly known as the 'Negotiated Rulemaking Act of 1990'), if the Administrator determines that the procedures will facilitate the issuance of regulations required by this section.".

SEC. 5. STATE PRIMARY ENFORCEMENT RESPONSIBILITY.

Section 1413(a) (42 U.S.C. 300g–2(a)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations issued by the Administrator under subsections (a) and (b) of section 1412, by not later than 2 years after the date of issuance by the Administrator;"; and

(2) by striking paragraph (4) and inserting the following new paragraph:

"(4) if the State permits variances from the requirements of the drinking water regulations of the State that meet the requirements of paragraph (1), permits the variances under conditions and in a matter that is not less stringent than the conditions under, and the manner in which, variances may be granted under section 1415; and".

SEC. 6. ENFORCEMENT OF DRINKING WATER REGULATIONS.

Section 1414 (42 U.S.C. 300g–3) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking "or an exemption under section 1416" each place it appears; and

(B) in paragraph (2), by striking "or an exemption under section 1416(f)" each place it appears;

(2) in subsection (b)—

(A) by striking "or exemption"; and

(B) by striking "or 1416";

(3) by striking subsection (c) and inserting the following new subsection:

"(c)(1) Each owner or operator of a public water system shall give notice to the persons served by the system—

"(A) of any failure on the part of the public water system to—

"(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

"(ii) perform monitoring required under section 1445(a); and

"(B) if the public water system is subject to a variance granted under section 1415(1) because of an inability to meet a maximum contaminant level requirement, of—

"(i) the existence of the variance; and

"(ii) any failure to comply with the requirements of a schedule prescribed pursuant to the variance.

"(2)(A) The Administrator shall by regulation prescribe the frequency for giving notice under this subsection.

"(B) Subject to subparagraphs (C) and (D), not later than 15 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator shall revise the regulations required under subparagraph (A) to provide for different types and frequencies of notice based on the seriousness of any potential adverse health effects that may be involved.

"(C) Notice of a violation designated by the Administrator as posing a serious potential adverse health effect shall be given as soon as practicable, but in no case later than 14 days after the violation.

"(D) Notice of a violation judged to be less serious than violations described in subparagraph (C) shall be given not less frequently than annually.

"(3) The Administrator shall provide guidance as to the form, manner, and content of the notices to be used to provide information as promptly and effectively as practicable, taking into account both the seriousness of any potential adverse health effects and the likelihood of reaching all affected persons. Each State, in consultation with public water systems in the State, shall determine the actual form, manner, and content of the notices.

"(4) The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the contaminant level of any unregulated contaminant required to be monitored under section 1445(a).

"(5) A person who violates this subsection or regulations issued under this subsection shall be subject to a civil penalty in an amount not to exceed $25,000."; and

(4) in subsection (f)(2), by striking "or exemption".

SEC. 7. VARIANCES.

Section 1415 (42 U.S.C. 300g–4) is amended to read as follows:

"SEC. 1415. VARIANCES.

"Notwithstanding any other provision of this part, a variance from a national primary drinking water regulation may be granted as follows:

"(1) A State that has primary enforcement responsibility for public water systems under section 1413 may grant 1 or more variances from an applicable national primary drinking water regulation to 1 or more public water systems within the jurisdiction of the State.

"(2)(A) A variance may be issued only if—

"(i) the State has determined that the water system cannot afford to install the best available technology or other technology that has been identified by the Administrator as appropriate for the system size category to meet the maximum contaminant level; and

"(ii) it is not feasible for the water system to connect with another source of water that will meet the standards.

"(B) If the State determines that a water system is unable to comply with a designated best available technology, the system shall comply with a best available affordable technology as designated by the Administrator. The measures comprising the best available affordable technology may include requirements for public education and notification, and use of alternative technologies that, while the technologies cannot bring the contaminant level below the maximum contaminant level, will not result in an unreasonable risk to health.

"(3) After a variance is issued, the variance shall be reviewed by the State not less than every 3 years to determine if the conditions for granting the variance continue to exist. It shall be the responsibility of the water system to provide documentation to the State indicating that then current best available technology for the system size continues to be unaffordable and that the system continues to be unable to connect with another source of water that meets the standards.

"(4) Before a determination to grant a variance is made by the State, the State shall provide notice and an opportunity for a public hearing on the determination. Each State that grants a variance shall promptly notify the Administrator of the granting of the variance. The notification shall include the reasons for the variance and the documentation used to grant the variance.

"(5) Not later than 18 months after the date of enactment of the Safe Drinking Water Act Amendments of 1994, the Administrator, in consultation with the States, shall develop affordability guidance. The affordability guidance shall be reviewed by the Administrator and the States not less than every 5 years to determine if changes are needed to the guidance.".

SEC. 8. EXEMPTIONS.

Section 1416 (42 U.S.C. 300g–5) is repealed.

SEC. 9. RETURN OF WATER.

Part B (42 U.S.C. 300g et seq.) is amended by inserting after section 1415 the following new section:

"SEC. 1416. PROHIBITION ON THE RETURN OF WATER TO PUBLIC WATER SYSTEMS.

"(a) IN GENERAL.—

"(1) PROHIBITION.—Except as provided in paragraph (2), notwithstanding any other provision of law, no treated drinking water may be removed from a public water system used for any purpose or routed through a device or pipe outside the public water system, and returned to the public water system.

"(2) EXCEPTIONS.—The prohibition in paragraph (1) shall not apply to a device or pipe totally within the control of 1 or more public water systems or to connections between water mains.

"(b) STATE ENFORCEMENT.—Subsection (a) shall be enforced in all States beginning on the date that is 2 years after the date of enactment of the Safe Drinking Water Act

Amendments of 1994. Each State shall enforce the subsection through State or local plumbing codes, or such other means of enforcement as the State determines is appropriate.".

SEC. 10. TAMPERING.

Subsection (d) of section 1432 (42 U.S.C. 300i-1(d)) is amended to read as follows:

"(d) DEFINITION OF TAMPER.—As used in this section, the term 'tamper' means, with respect to a public water system—

"(1) to introduce a contaminant into the public water system with the intention of harming persons;

"(2) to otherwise interfere with the operation of the public water system with the intention of harming persons; or

"(3) to inject water that has gone out of the public water system, back into the system in violation of section 1416.".

SEC. 11. RESEARCH, TECHNICAL ASSISTANCE, INFORMATION, AND TRAINING OF PERSONNEL.

Section 1442 (42 U.S.C. 300j-1) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "may" and by inserting "shall"; and

(B) in paragraph (2)(A), by inserting before the period at the end the following: "and for other purposes, including—

"(i) the development and dissemination of advisory measures to protect against contaminants that have not been found to occur in drinking water at levels of public health concern;

"(ii) assistance in achieving compliance with the public notification requirements of section 1414(c); and

"(iii) the development and dissemination of minimum guidance for the certification of laboratories that perform drinking water analyses, and for the certification of individuals who operate public water systems, for use by the States in ensuring—

"(I) the validity of monitoring reports by regulations issued under section 1445; and

"(II) the competence of system operators."; and

(2) by striking subsection (f) and inserting the following new subsection:

"(f)(1) There are authorized to be appropriated to carry out this section, other than paragraphs (1) and (2)(B) of subsection (a) and provisions relating to research—

"(A) $15,000,000 for fiscal year 1975;

"(B) $25,000,000 for fiscal year 1976;

"(C) $35,000,000 for fiscal year 1977;

"(D) $17,000,000 for each of fiscal years 1978 and 1979;

"(E) $21,405,000 for fiscal year 1980;

"(F) $30,000,000 for fiscal year 1981; and

"(G) $35,000,000 for fiscal year 1982.

"(2) There are authorized to be appropriated to carry out subsection (a)(1) for each of fiscal years 1995 through 1999 not more than the following amounts:

"Fiscal Year	Amount
1994	$20,000,000
1995	20,000,000
1996	20,000,000
1997	20,000,000
1998	20,000,000.

"(3) There are authorized to be appropriated to carry out subsection (a)(2)(B) $8,000,000 for each of fiscal years 1978 through 1982. There are authorized to be appropriated to carry out subsection (a)(2)(B) for each of fiscal years 1987 through 1991 not more than the following amounts:

"Fiscal Year	Amount
1987	$7,650,000
1988	7,650,000
1989	8,050,000
1990	8,050,000
1991	8,050,000.

"(4) There are authorized to be appropriated to carry out this section (other than subsection (g), paragraphs (1) and (2)(B) of subsection (a), and provisions relating to research) for each of fiscal years 1987 through 1991 not more than the following amounts:

"Fiscal Year	Amount
1987	$35,600,000
1988	35,600,000
1989	38,020,000
1990	38,020,000
1991	38,020,000.".

SEC. 12. GRANTS FOR STATE PROGRAMS.

Section 1443 (42 U.S.C. 300j-2) is amended—

(1) in subsection (a)(7), by striking the table and inserting the following new table:

"Fiscal Year	Amount
1987	$37,200,000
1988	37,200,000
1989	40,150,000
1990	40,150,000
1991	40,150,000
1995	100,000,000
1996	125,000,000
1997	150,000,000
1998	150,000,000
1999	150,000,000.";

and

(2) in subsection (c)(1)—

(A) by striking "and exemptions" both places it appears; and

(B) by striking "sections 1415 and 1416" and inserting "section 1415".

SEC. 13. RECORDS, OCCURRENCE DATA, AND INSPECTIONS.

Section 1445 (42 U.S.C. 300j-4) is amended to read as follows:

"SEC. 1445. RECORDS, OCCURRENCE DATA, AND INSPECTIONS.

"(a) RECORDS AND MONITORING.—

"(1) IN GENERAL.—

"(A) IN GENERAL.—Each person who is a supplier of water, who is or may be otherwise subject to a primary drinking water regulation prescribed under section 1412 or to an applicable underground injection control program (as defined in section 1422(c)), who is or may be subject to the permit requirement of section 1424 or to an order issued under section 1441, or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in—

"(i) establishing regulations under this title;

"(ii) determining whether the person has acted or is acting in compliance with this title;

"(iii) administering a program of financial assistance under this title;

"(iv) evaluating the health risks of an unregulated contaminant; or

"(v) advising the public of the risks.

"(B) CONSIDERATIONS BY THE ADMINISTRATOR.—In requiring a public water system to conduct monitoring under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the drinking water of the system.

"(C) CONSIDERATIONS BY STATES.—Notwithstanding subparagraph (A), a State with primary enforcement responsibility under section 1413 may otherwise establish, modify, or eliminate monitoring requirements for a system or class of systems based on occurrence data and other information concerning the system or class of systems that is available to the State.

"(2) GENERAL MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—

"(A) ESTABLISHMENT.—Not later than 18 months after the date of enactment of this subparagraph, the Administrator shall issue regulations establishing a monitoring program for unregulated contaminants.

"(B) FREQUENCY OF MONITORING.—The regulations shall require monitoring of drinking water supplied by the public water system and shall vary the frequency and schedule of monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found. Each system required to conduct monitoring shall conduct the monitoring at least once every 5 years after the effective date of the regulations of the Administrator, unless the Administrator requires more frequent monitoring.

"(3) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—

"(A) IN GENERAL.—Not later than 18 months after the date of enactment of this subparagraph and every 5 years thereafter, the Administrator shall issue revised regulations under paragraph (2) listing not more than 30 unregulated contaminants to be monitored by public water systems and included in the national drinking water occurrence data base maintained pursuant to subsection (b).

"(B) MONITORING BY LARGE SYSTEMS.—A public water system that serves 10,000 or more people shall conduct monitoring for all contaminants listed under subparagraph (A).

"(C) MONITORING PLAN FOR SMALL SYSTEMS.—Each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve fewer than 10,000 people. The plan shall require monitoring by systems representative of different sizes, types, and geographic locations within the State. The Administrator shall make available to the States, on request, laboratory capacity to analyze samples taken pursuant to the plan.

"(4) USE OF MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this subsection shall provide the results of the monitoring to the primary enforcement authority.

"(5) PUBLIC NOTIFICATION.—Notification of the availability of the results of the monitoring programs required under paragraph (2), and notification of the availability of the results of the monitoring program referred to in paragraph (6), shall be given to the persons served by the system and the Administrator.

"(6) WAIVER OF MONITORING REQUIREMENT.—The Administrator may waive the monitoring requirement under paragraph (2) for a system that has conducted a monitoring program after January 1, 1983, if the Administrator determines the program to have been consistent with the regulations issued under this section.

"(7) MONITORING BY VERY SMALL SYSTEMS.—A system that supplies fewer than 150 service connections shall be treated as complying with this subsection if the system provides water samples or the opportunity for sampling according to rules established by the Administrator.

"(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $30,000,000 for fiscal year 1987, to remain available until expended.

"(b) OCCURRENCE DATA BASE.—

"(1) IN GENERAL.—Not later than 2 years after the date of enactment of the Safe

Drinking Water Act Amendments of 1994, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a), and information from other public and private sources.

"(2) USE OF DATA.—The data in the data base referred to in paragraph (1) shall be used by the Administrator in making any determination under section 1412 with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

"(3) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed in regulations issued under subsection (a)(3).

"(c) ENTRY AND INSPECTION.—

"(1) IN GENERAL.—

"(A) AUTHORITY OF THE ADMINISTRATOR.—

"(i) IN GENERAL.—Except as provided in paragraph (2), the Administrator, or a representative of the Administrator duly designated by the Administrator, upon presenting appropriate credentials and a written notice to a supplier of water or any other person subject to—

"(I) a national primary drinking water regulation prescribed under section 1412;

"(II) an applicable underground injection control program; or

"(III) a requirement to conduct monitoring with respect to an unregulated contaminant pursuant to subsection (a),

or a person in charge of any of the property of the supplier or other person referred to in subclause (I), (II), or (III), may enter any establishment, facility, or other property of the supplier or other person in order to determine whether the supplier or other person has acted or is acting in compliance with this title.

"(ii) PURPOSES OF ENTRY.—An entry under clause (i) may include—

"(I) inspection, at reasonable times, of records, files, papers, processes, controls, and facilities; or

"(II) the testing of any feature of a public water system, including the raw water source of the system.

"(B) ACCESS TO RECORDS.—The Administrator or the Comptroller General of the United States (or a representative designated by the Administrator or the Comptroller General) shall have access for the purpose of audit and examination to any record, report, or information of a grantee that is required to be maintained under subsection (a) or that is pertinent to any financial assistance under this title.

"(2) ENTRY IF STATE HAS PRIMARY ENFORCEMENT RESPONSIBILITY.—

"(A) REQUIREMENT OF NOTICE.—No entry may be made under paragraph (1)(A)(i) to an establishment, facility, or other property of a supplier of water or other person subject to a national primary drinking water regulation if the establishment, facility, or other property is located in a State that has primary enforcement responsibility for public water systems under section 1413, unless, before written notice of the entry is made, the Administrator (or a designee of the Administrator) notifies the State agency charged with responsibility for safe drinking water of the reasons for the entry.

"(B) SHOWING BY A STATE.—Upon a showing by the State agency that an entry described in subparagraph (A) will be detrimental to the administration of the program of the State of primary enforcement responsibility, the Administrator shall take the showing into consideration in determining whether to make the entry.

"(C) USE OF NOTICE INFORMATION.—No State agency that receives notice under this paragraph of an entry proposed to be made under paragraph (1) may use the information contained in the notice to inform the person whose property is proposed to be entered of the proposed entry. If a State agency so uses the information, notice to the agency under this paragraph shall not be required until such time as the Administrator determines that the agency has provided the Administrator with satisfactory assurances that the agency will no longer so use information contained in a notice under this paragraph.

"(d) PENALTY.—A person who fails or refuses to comply with a requirement of subsection (a) or to allow the Administrator or the Comptroller General of the United States (or a representative of the Administrator or the Comptroller General) to enter and conduct an audit or inspection authorized by subsection (b) shall be subject to a civil penalty in an amount not to exceed $25,000.

"(e) TRADE SECRETS.—

"(1) IN GENERAL.—Subject to paragraph (2), upon a showing satisfactory to the Administrator by a person that any information required under this section from the person, if made public, would divulge a trade secret or secret process of the person, the Administrator shall consider the information confidential in accordance with section 1905 of title 18, United States Code. If the applicant fails to make a showing satisfactory to the Administrator, the Administrator shall notify the applicant not later than 30 days before releasing the information to which the application relates (unless the public health or safety requires an earlier release of the information).

"(2) DISCLOSURE.—Any information required under this section—

"(A) may be disclosed to any officer, employee, or authorized representative of the United States concerned with carrying out this title, to a committee of Congress, or when relevant in a proceeding under this title; and

"(B) shall be disclosed as described in subparagraph (A) to the extent that the information deals with the level of contaminants in drinking water.

"(3) DEFINITION.—As used in this subsection, the term 'information required under this section' means any paper, book, document, or information, or any particular part thereof, reported to or otherwise obtained by the Administrator under this section.

"(f) DEFINITIONS.—As used in this section:

"(1) GRANTEE.—The term 'grantee' means a person who applies for or receives financial assistance, by grant, contract, or loan guarantee, under this title.

"(2) PERSON.—The term 'person' includes a Federal agency.".

SEC. 14. JUDICIAL REVIEW.

Section 1448(b) (42 U.S.C. 300j-7(b)) is amended—

(1) by striking "or exemption" each place it appears; and

(2) in paragraph (1), by striking "or 1416".

SEC. 15. CITIZEN'S CIVIL ACTION.

Section 1449(b) (42 U.S.C. 300j-8(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ", or" and inserting a semicolon; and

(B) by adding at the end the following new subparagraph:

"(C) against a public water system that is operating under the terms of—

"(i) an administrative compliance order;

"(ii) an administrative consent agreement; or

"(iii) a judicial consent decree, and

is in compliance with the terms of the order, agreement, or decree; or"; and

(2) in the third sentence—

(A) by striking "or 1416"; and

(B) by striking "or exemption".

SEC. 16. STATE REVOLVING LOAN FUNDS.

Title XIV of the Public Health Service Act (42 U.S.C. 300f et seq.) is amended by adding at the end the following new part:

"PART G—STATE REVOLVING LOAN FUNDS

"SEC. 1471. GENERAL AUTHORITY.

"(a) CAPITALIZATION GRANT AGREEMENTS.—The Administrator shall offer to enter into an agreement with each State having primacy to make capitalization grants to the State pursuant to section 1472 (referred to in this part as 'capitalization grants') to establish a drinking water treatment State revolving loan fund (referred to in this part as a 'State loan fund').

"(b) REQUIREMENTS OF AGREEMENTS.—An agreement entered into pursuant to this section shall establish, to the satisfaction of the Administrator, that—

"(1) the State has established a State loan fund that complies with the requirements of this part;

"(2) the State loan fund will be administered by an instrumentality of the State that has the powers and authorities that are required to operate the State loan fund in accordance with this part;

"(3) the State will deposit the capitalization grants into the State loan fund;

"(4) the State will deposit all loan repayments received, and interest earned on the amounts deposited into the State loan fund under this part, into the State loan fund;

"(5) the State, beginning in fiscal year 1996, will deposit into the State loan fund an amount equal to at least 20 percent of the total amount of each capitalization grant to be made to the State on or before the date on which the grant is made to the State;

"(6) the State will use funds in the State loan fund in accordance with an intended use plan prepared pursuant to section 1474(b); and

"(7) the State and loan recipients that receive funds that the State makes available from the State loan fund will use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards, as determined by the Administrator.

"(c) ADMINISTRATION OF STATE LOAN FUNDS.—

"(1) IN GENERAL.—The authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to financial assistance provided with amounts deposited into the State loan fund shall remain with the State agency that has primary responsibility for the administration of the State program pursuant to section 1413(a).

"(2) FINANCIAL ADMINISTRATION.—A State may combine the financial administration of the State loan fund pursuant to this part with the financial administration of any other revolving loan fund established by the State if the Administrator determines that—

"(A) the grants to be provided to the State under this part, together with loan repayments and interest deposited into the State loan fund pursuant to this part, will be segregated and used solely for the purposes specified in this part; and

"(B) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413(a).

"SEC. 1472. CAPITALIZATION GRANTS.

"(a) GENERAL AUTHORITY.—The Administrator may make grants to capitalize State loan funds to a State that has entered into an agreement pursuant to section 1471(a).

"(b) FORMULA FOR ALLOTMENT OF FUNDS.—

"(1) IN GENERAL.—Subject to subsection (c), funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to section 1471(a) in accordance with a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 for fiscal year 1994.

"(2) OTHER JURISDICTIONS.—Each formula established pursuant to paragraph (1) shall reserve 0.5 percent of the amounts made available to carry out this part for a fiscal year for providing capitalization grants to jurisdictions referred to in subsection (e), other than Indian tribes.

"(c) RESERVATION OF FUNDS.—

"(1) INDIAN TRIBES.—

"(A) IN GENERAL.—For each fiscal year, prior to the allotment of funds made available to carry out this part, the Administrator shall reserve 1 percent of the funds for providing financial assistance to Indian tribes pursuant to subsection (e).

"(B) USE OF FUNDS.—Funds reserved pursuant to subparagraph (A) shall be used to address the most significant threats to public health associated with public water systems that serve Indian tribes, as determined by the Administrator in consultation with the Commissioner of Indian Affairs.

"(C) NEEDS ASSESSMENT.—The Administrator, in consultation with the Commissioner of Indian Affairs, shall, in accordance with a schedule that is consistent with the needs survey for assessments conducted pursuant to section 1475(c), prepare a biennial survey and assess the needs of drinking water treatment facilities to serve Indian tribes, including an evaluation of the public water systems that pose the most significant threats to public health.

"(2) PUBLIC HEALTH EMERGENCIES.—

"(A) IN GENERAL.—For each fiscal year, prior to the allotment of funds made available to carry out this part pursuant to subsection (b), the Administrator shall reserve 0.5 percent of the funds to provide financial assistance to respond to public health emergencies under section 1442(a)(2)(B).

"(B) ALLOTMENT OF UNUSED FUNDS.—On the last day of each fiscal year, the Administrator shall allot any funds that were reserved pursuant to subparagraph (A) but were not expended in the fiscal year to the States on the basis of the same ratio as is applicable to sums allotted under subsection (b).

"(3) RURAL SYSTEM TECHNICAL ASSISTANCE PROGRAM, AND DRINKING WATER HEALTH EFFECTS RESEARCH.—For each fiscal year, prior to allotment of funds made available to carry out this part pursuant to subsection (b), the Administrator shall reserve—

"(A) $15,000,000 to carry out the rural small drinking water systems technical assistance programs of the Environmental Protection Agency pursuant to section 1442(g); and

"(B) $10,000,000 for drinking water health effects research carried out under section 1442(a).

"(d) ALLOTMENT PERIOD.—

"(1) PERIOD OF AVAILABILITY FOR FINANCIAL ASSISTANCE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the sums allotted to a State pursuant to subsection (b) for a fiscal year shall be available to the State for obligation during the fiscal year for which the sums are authorized and during the following fiscal year.

"(B) FUNDS MADE AVAILABLE FOR FISCAL YEAR 1994.—The sums allotted to a State pursuant to subsection (b) from funds that are made available by appropriations for fiscal year 1994 shall be available to the State for obligation during each of fiscal years 1994 through 1996.

"(2) REALLOTMENT OF UNOBLIGATED FUNDS.—The amount of any allotment that is not obligated by a State by the last day of the period of availability established by paragraph (1) shall be immediately reallotted by the Administrator on the basis of the same ratio as is applicable to sums allotted under subsection (b). None of the funds reallotted by the Administrator shall be reallotted to any State that has not obligated all sums allotted to the State pursuant to this section during the period that the sums were available for obligation.

"(e) DIRECT GRANTS.—The Administrator is authorized to make grants for compliance with this title to Indian tribes, the District of Columbia, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau.

"SEC. 1473. ELIGIBLE ASSISTANCE.

"(a) IN GENERAL.—The amounts deposited into a State loan fund, including any amounts equal to the amounts of loan repayments and interest earned on the amounts deposited, may be used by the State to carry out projects that are consistent with this section.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—The amounts referred to in subsection (a) shall be used for providing loans or other financial assistance of any kind that the State considers appropriate for public water systems. The financial assistance may be used by a public water system only for expenditures (not including compliance monitoring, operation, and maintenance expenditures) of a type or category that the Administrator determines, through guidance, will—

"(A) facilitate compliance with national primary drinking water regulations applicable to the system under section 1412; or

"(B) otherwise significantly further the health protection objectives of this title.

"(2) SYSTEMS THAT SERVE FEWER THAN 10,000 INDIVIDUALS.—15 percent of the amounts credited to any State loan fund established under this part for a fiscal year shall be available solely for providing assistance to public water systems that regularly serve less than 10,000 individuals.

"(c) SPECIFIC REQUIREMENTS.—

"(1) IN GENERAL.—The Administrator shall offer to enter into an agreement with a State under this subsection only if the State has established, to the satisfaction of the Administrator, that—

"(A) the State will deposit all grants received from the Administrator under this subsection, together with all repayments and interest on the grants, in a drinking water treatment revolving fund established by the State in accordance with this subsection; and

"(B) the appropriate official of the State agency with primacy shall have authority to make determinations for criteria and eligibility for funding provided to a public water system from the revolving fund.

"(2) PROHIBITION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no loan or other financial assistance may be used by any public water system in significant noncompliance of a requirement of this title, for any expenditure that could be avoided or significantly reduced by appropriate consolidation, restructuring, or obtaining a new water source.

"(B) EXCEPTION.—The assistance referred to in subparagraph (A) may be provided for a consolidation, restructuring, or new water source referred to in such subparagraph.

"(d) ELIGIBLE PUBLIC WATER SYSTEMS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a State loan fund may provide financial assistance only to community water systems and public and nonprofit noncommunity water systems.

"(2) PRIVATELY OWNED NONCOMMUNITY SYSTEMS.—Before providing financial assistance to a privately owned noncommunity system pursuant to this paragraph, the State shall ensure that the assistance is secured with an appropriate amount of, and type of, financial collateral.

"(e) TYPES OF ASSISTANCE.—Except as otherwise limited by State law, the amounts deposited into a State loan fund under this section may be used only—

"(1) to make loans, on the condition that—

"(A) the interest rate for each loan is less than or equal to the market interest rate, including an interest free loan;

"(B)(i) the annual principal and interest payments on each loan will commence not later than 1 year after the completion of the project for which the loan was made; and

"(ii) each loan will be fully amortized not later than 30 years after the completion of the project;

"(C) the recipient of each loan will establish a dedicated source of revenue for the repayment of the loan; and

"(D) the State loan fund will be credited with all payments of principal and interest on each loan;

"(2) to buy or refinance the debt obligation of a municipality, or other public body created by or pursuant to State law, or interstate agency within the State, at an interest rate that is less than or equal to the market interest rate;

"(3) to guarantee, or purchase insurance for, a local obligation if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation;

"(4) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund;

"(5) as a source of revenue or security for the payment of interest on a local obligation, if the payment from the State loan fund does not reduce the effective interest rate of the obligation by more than 2.5 percentage points; and

"(6) to earn interest on the amounts deposited into the State loan fund.

"(f) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—Notwithstanding subsection (d), each State may forgive repayment of some or all of the principal amount of a loan or other financial assistance made available from the State loan fund to any community that the State determines, using criteria developed by the State, is (or will become) a disadvantaged community. The total amount of repayments of principal forgiven pursuant to this subsection shall be an amount not less than 10 percent and not more than 20 percent of the capitalization grant allotted to the State pursuant to section 1472.

"SEC. 1474. STATE LOAN FUND ADMINISTRATION.

"(a) Administration, Planning, and Technical Assistance.—Each State that has a State loan fund is authorized to expend from the State loan fund a reasonable amount—

"(1) not to exceed 5 percent of the capitalization grant made to the State, for the costs of the administration of the State loan fund; and

"(2) not to exceed the greater of—

"(A) $3,000,000; or

"(B) 10 percent of the capitalization grant made to the State,

for State primacy, technical and financial management assistance to public water systems including requirements for the preparation of ground water and wellhead protection plans, the implementation of underground injection control programs, and the operation of small systems monitoring programs and operator certification programs. The amount (whether principal or interest of the fund) shall not be subject to repayment to the fund.

"(b) Intended Use Plans.—

"(1) In general.—Not later than 1 year after receiving an initial capitalization grant under section 1472, and before receiving any subsequent grant, each State that enters into a capitalization agreement under this part shall, after providing an opportunity for public review and comment, prepare a plan that identifies the intended uses of the amounts deposited into the State loan fund of the State.

"(2) Contents.—An intended use plan shall include—

"(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the terms of financial assistance, and the size of the community served;

"(B) a description of all projects for which a public water system sought financial assistance for the fiscal year and the annual user charges of the system;

"(C) the criteria and methods established for the distribution of funds;

"(D) a description of projects expected to be assisted in the 2 fiscal years following the fiscal year for which a list was prepared under subparagraph (A); and

"(E) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

"(3) Priority for project funding.—An intended use plan shall provide, to the extent practicable, that priority for the use of funds be given to public water systems that are in violation of a national primary drinking water regulation.

"SEC. 1475. STATE LOAN FUND MANAGEMENT.

"(a) In General.—Not later than 1 year after the date of enactment of this part, and annually thereafter, the Administrator shall conduct such reviews and audits as the Administrator considers appropriate, or require each State to have the reviews and audits independently conducted, in accordance with the single audit requirements of chapter 75 of title 31, United States Code.

"(b) State Reports.—Not later than 1 year after the date of enactment of this part, and annually thereafter, each State that administers a State loan fund shall publish and submit to the Administrator a report on the activities of the State under this part, including the findings of the most recent audit of the State loan fund.

"(c) Drinking Water Needs Survey and Assessment.—Not later than 2 years after the date of enactment of this part, and every 4 years thereafter, the Administrator shall submit to Congress a survey and assessment of the needs for facilities in each State eligible for assistance under this part. The survey and assessment conducted pursuant to this subsection shall—

"(1) identify the needs for projects or facilities eligible for assistance under this part on the date of the assessment (other than refinancing for a project pursuant to section 1473(d)(2));

"(2) identify the needs for eligible facilities over the 20-year period following the date of the assessment;

"(3) identify the population served by each public water system that has a project eligible for assistance; and

"(4) include such other information as the Administrator determines to be appropriate.

"(d) Evaluation.—The Administrator shall conduct an evaluation of the effectiveness of the State loan funds through fiscal year 1996. The evaluation shall be submitted to Congress at the same time as the President submits to Congress, pursuant to section 1108 of title 31, United States Code, an appropriations request for fiscal year 1998 relating to the budget of the Environmental Protection Agency.

"SEC. 1476. ENFORCEMENT.

"The failure or inability of any public water system to receive funds under this part or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this Act.

"SEC. 1477. REGULATIONS AND GUIDANCE.

"The Administrator shall publish such guidance and issue such regulations as are necessary to carry out this part, including guidance and regulations to ensure that—

"(1) each State commits and expends funds from State loan funds in accordance with the requirements of this part and applicable Federal and State laws; and

"(2) the States and eligible public water systems that receive funds under this part use accounting, auditing, and fiscal procedures that conform to generally accepted accounting standards.

"SEC. 1478. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Environmental Protection Agency to carry out this part $600,000,000 for fiscal year 1994 and $1,000,000,000 for each of fiscal years 1995 through 2000.".

SEC. 17. MINORITY COMMUNITY GRANTS FOR COMMUNITIES WITH ECONOMIC HARDSHIP.

(a) Definitions.—As used in this section:

(1) Minority.—The term "minority" means an African-American, Hispanic American, Asian American, or Native American.

(2) Minority community with economic hardship.—The term "minority community with economic hardship" means an unincorporated community—

(A) that, based on the latest census data, has a minority population in excess of 50 percent of the total population;

(B) that is unable to be recognized as an appropriate political subdivision of the State that could more effectively access funding for water and wastewater projects; and

(C) for which the State legislature has made funds available by appropriations to assist in the payment of an eligible wastewater project (as described in subsection (c)).

(b) In General.—The Administrator may make a grant or provide other financial assistance to 1 or more minority communities with economic hardship for eligible wastewater treatment projects, including providing assistance for the construction of facilities and related expenses to minority communities with economic hardship to—

(1) improve the housing stock infrastructure in the communities; and

(2) abate health hazards caused by ground water contamination from septage in arid areas with high ground water levels.

(c) Eligible Wastewater Treatment Projects.—The eligible wastewater treatment projects that may receive assistance under this section shall include innovative technologies, including vacuum systems and constructed wetlands.

(d) Funding.—In carrying out this section, the Administrator shall use an amount equal to $20,000,000 of the funds made available to the Environmental Protection Agency for use beginning on May 31, 1994, under the matter under the heading "water infrastructure/state revolving funds" under the heading "Environmental Protection Agency" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124; 107 Stat. 1294).

SEC. 18. ASSISTANCE TO COLONIAS.

(a) Definitions.—As used in this section:

(1) Administrator.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) Border State.—The term "border State" means each of the following States:

(A) Arizona.

(B) California.

(C) New Mexico.

(D) Texas.

(3) Construction.—The term "construction" has the meaning provided the term under section 212(1) of the Federal Water Pollution Control Act (33 U.S.C. 1292(1)).

(4) Eligible community.—The term "eligible community" means a low-income community with economic hardship that—

(A) is commonly referred to as a colonia;

(B) is located along the United States-Mexico border (generally in an unincorporated area); and

(C) lacks basic sanitation facilities such as safe drinking water, household plumbing, and a proper sewage disposal system.

(5) Treatment works.—The term "treatment works" has the meaning provided the term under section 212(2) of the Federal Water Pollution Control Act (33 U.S.C. 1292(2)).

(b) Purposes.—The purposes of this section are to protect the economy, public health, environment, and water quality of the United States-Mexico border area that is endangered and is being polluted by raw or partially treated sewage, effluent, and other pollutants.

(c) Transfers and Grants To Alleviate Health Risk.—

(1) In general.—

(A) Assistance.—The Administrator is authorized to transfer funds to another Federal agency or award grants to any other appropriate entity or border State, designated by the President, to provide assistance to eligible communities for—

(i) the conservation, development, use, and control of water (including the extension or improvement of a water supply system); and

(ii) the construction or improvement of sewers, treatment works for wastewater treatment, and essential community facilities (including necessary related equipment).

(B) USE OF FUNDS.—Each transfer of funds, and each grant awarded, pursuant to subparagraph (A) shall be used to provide assistance to 1 (or more) eligible community with respect to which the residents are subject to a significant health risk (as determined by the Administrator) attributable to the lack of access to, or service by, an adequate and affordable—

(i) water supply system; or

(ii) treatment works for wastewater treatment.

(2) OPERATION AND MAINTENANCE.—To carry out the purposes referred to in subsection (b), the Administrator and the head of each other Federal agency, entity, or border State, designated by the President pursuant to paragraph (1)(A) are each authorized to operate and maintain a treatment works or other project that is constructed with funds made available pursuant to paragraph (1).

(3) APPROVAL OF PLANS.—

(A) PLANS AND SPECIFICATIONS.—Each treatment works or other project that is funded by a transfer or a grant made pursuant to paragraph (1)(A) shall be constructed in accordance with plans and specifications developed by the Administrator or the head of another Federal agency or the appropriate official of an entity or border State designated by the President under subparagraph (A), in consultation with the appropriate official of the affected border State.

(B) APPROVAL BY THE ADMINISTRATOR.—As a condition of carrying out the construction of a treatment works or other project referred to in subparagraph (A), the head of the Federal agency or appropriate official of an entity or border State shall submit the plans and specifications referred to in paragraph (1) to the Administrator for approval.

(C) STANDARDS FOR CONSTRUCTION.—The standards for construction applicable to a treatment works or other project under title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) shall apply to the construction of a treatment works or other project under this section in the same manner as the standards apply under such title.

(d) FUNDING.—

(1) AVAILABLE FUNDS.—The Administrator shall use such amount of the funds made available to the Environmental Protection Agency for use beginning on May 31, 1994, under the matter under the heading "WATER INFRASTRUCTURE/STATE REVOLVING FUNDS" under the heading "ENVIRONMENTAL PROTECTION AGENCY" in title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103-124; 107 Stat. 1294) as is necessary to carry out this section.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Environmental Protection Agency to carry out this section such sums as may be necessary for fiscal year 1995, and for each fiscal year thereafter.

Mr. BOREN. Mr. President, I am pleased to join my distinguished colleague, the senior Senator from New Mexico, as a sponsor of the Safe Drinking Water Act Amendments of 1993. This important legislation contains badly needed improvements to the Safe Drinking Water Act that will increase compliance with its provisions, particularly among small systems; reduce the administrative burdens that the act imposes on States; provide financial assistance to States and water systems; and, most importantly, strengthen protection of public health.

Everyone agrees that the current safe drinking water laws are broken. One need look no further than to my own State of Oklahoma for evidence of this. Oklahoma has 2,453 public water systems. Only 42 of these water systems serve over 10,000 persons, and only 114 systems serve more than 3,300 persons. Therefore, the other 95 percent of Oklahoma's public water systems serve under 3,300 persons. And the vast majority of these serve fewer than 500 persons.

These small and very small systems are run by conscientious people trying their hardest to provide safe drinking water to their customers. The managers of these water systems have no other interest than to provide the safest water possible; after all, in addition to their customers—who are friends and neighbors—they and their families drink it everyday. Ironically, despite its title, the Safe Drinking Water Act as it is currently written often makes the provision of safe drinking water more difficult.

Just one example will demonstrate this point. The Safe Drinking Water Act currently regulates 83 contaminants. All 83 of these contaminants must be monitored quarterly, whether or not they are found in the source water. Water systems must monitor for many contaminants regardless of whether the contaminants have even been found in a water supply anywhere in the country. This monitoring is very expensive, costing even the smallest system as much as $40,000 a year. The economics are obvious. Before too long, monitoring will fall by the wayside, and suddenly we will see hundreds of small systems in Oklahoma and thousands nationwide forced to consider breaking the law, despite the fact the water is completely safe.

Our bill contains a number of provisions that will ease the barriers facing these small systems. These provisions will relieve systems of all sizes from requirements that force water system customers to spend money for no clear health benefits.

First and foremost, our bill strengthens the Safe Drinking Water Act by focusing resources on those contaminants that actually occur at levels of public health concern. It regulates only those contaminants, determined through nationwide monitoring, that actually are found in drinking water supplies. It then permits the Administrator to regulate contaminants based on their public health effects, occurrence, and the cost of technology. This is in contrast to the current act which allows the EPA Administrator to look only at the cost of technology when setting standards.

Second, when determining affordable technology, our bill lets the Administrator examine what is affordable for three system sizes: those serving less than 1,000 customers; between 1,001 and 10,000; and greater than 10,000. Current regulations require technology to be affordable to systems serving 1 million or more. A threshold like that is difficult for even the biggest water system in Oklahoma to cross, let alone the small ones.

Third, recognizing that not all systems could comply immediately with the standards established under the current act, our Safe Drinking Water Act extends some timeframes for systems under certain conditions. Unfortunately, the current variance provisions are so difficult to understand and meet that State agencies don't often grant variances, and systems don't bother applying. Our bill would make the variance provisions workable, while at the same time ensuring that systems are attempting to come into full compliance with all standards.

Fourth, the authority to determine monitoring priorities is given to the States. These requirements would be based on the occurrence of contaminants and system characteristics, such as size. This sensible and logical provision will give those who know the most about the occurrence of contaminants the authority to establish monitoring requirements. Current EPA procedures for waving monitoring requirements are so complex and expensive that they are seldom utilized by States or water systems.

Fifth, finally our bill provides additional resources exactly where they are needed. It increases the authorization of State primacy grants to $150 million by fiscal year 1996. It also authorizes a State Revolving Fund for which $599 million has already been appropriated in fiscal year 1994. However, our State Revolving Loan Fund provides much more flexibility than other proposals. It allows the greater of $3 million or 10 percent of each capitalization grant to fund State administration of the Safe Drinking Water Act. Under this provision, between 10 and 20 percent of each capitalization grant can be used for loan forgiveness in disadvantaged communities. Also under this provision $15 million is set aside to fund the EPA rural small system technical assistance programs, and $10 million is set aside for research on the health effects of drinking water.

I urge my colleagues to take a close look at this legislation. After they do, I think they will conclude, as I have, that it provides modest but needed improvements to the Safe Drinking Water Act. Our legislation has been endorsed by the following groups: the National Governors Association, Conference of

Mayors, National League of Cities, National Conference of State Legislators, National Association of Counties, Association of State Drinking Water Agencies, National Association of Water Companies, Association of Metropolitan Water Agencies, American Water Works Association, National Rural Water Association, National Water Resources Association, National Association of Regulatory Utility Commissioners, the National Association of Towns and Townships, the National Environmental Health Association, the National Association of County Health Officials, the Florida Department of Environmental Protection, the Public Utilities Commission of Ohio, and the Congressional Rural Caucus. These associations and groups are all comprised of officials whose job it is to serve and protect the public.

Mr. President, I conclude my remarks today by applauding the work my colleague from New Mexico has devoted to preparing this bill. I look forward to working with him as it makes its way through Congress and to working with the committee to craft sensible and effective legislation. I urge my colleagues to cosponsor the Safe Drinking Water Act Amendments of 1993.

Mr. HATFIELD. Mr. President, today Senator DOMENICI, Senator BOREN, and Senator NICKLES, and I are introducing amendments to the Safe Drinking Water Act that will guarantee a high level of health protection at a cost the water-rate payers of our country can afford.

I have always supported the Safe Drinking Water Act. I voted for the original legislation in 1974 and for the 1986 amendments.

Last July, I convened over 150 representatives of water systems in Oregon to discuss drinking water and the Safe Drinking Water Act. All of the water operators of Oregon believe strongly in a safe, clean, and affordable supply of drinking water. However, I believe each of them would tell you that the Safe Drinking Water Act is not working as Congress originally intended.

My Senate colleagues have heard the same concerns. States and local systems struggle with unrealistically high standards, too many regulations, unclear priorities, limited information about the risk to human health, and inadequate resources. Many systems spend resources on contaminants they have never had while the worst problems go ignored.

For the people on the front lines of drinking water provisions, I learned that many of the requirements in the Safe Drinking Water Act have put an incredible burden on the local areas of my State, especially the rural areas. That burden is so great that—instead of guaranteeing safe water—the Safe Drinking Water Act may increase the risk Oregonians face when they turn on the tap.

I want to make sure that the resources of States and water systems go to those problems that place us all in jeopardy each time we use a drinking fountain or take a shower.

The Domenici-Boren-Hatfield-Nickles proposal will ensure that all people have safe water at a reasonable cost. Our bill is founded on three key principles: flexibility, protection of human health, and adequate resources.

The first principle is flexibility. The Safe Drinking Water Act is applied uniformly to every contaminant, every State, and every community in our Nation. While this may be egalitarian, it means that a lot of our regulations are not effective. Each water contaminant is different, and each water system has different needs, but current regulations ignore important differences.

To address the need for flexibility, the Domenici-Boren-Hatfield-Nickles bill removes many rigid statutory provisions and creates additional discretion for EPA and States. By no means does this flexibility mean less stringent regulation; rather the bill merely permits States and local systems to operate more effective programs.

The second principle is that drinking water regulations must relate to greater protection of human health. Mr. President, the Safe Drinking Water Act is special in the realm of environmental legislation; the only beneficiaries of safe drinking water programs are human beings, and our focus at looking at revisions should be guaranteeing that drinking water regulations reduce the threats to human health.

I learned from operators in Oregon that many regulations are costly, but do not necessarily lessen the risk of disease. Many systems believe they spend millions of dollars removing contaminants that pose little risk to people. The costs of these programs are passed on to the rate payers, but increased rates may not buy water consumers anything.

To better ensure money spent on drinking water result in real improvements in health, the Domenici-Boren-Hatfield-Nickles bill requires EPA to consider the risk reduction costs and benefits of each regulation. This is a technical way of stating that new drinking water regulations need to produce real and measurable benefits to human health to justify the costs created by a regulation.

We cannot ask people to pay for a program that does not help them. Citizens have a right to understand exactly what they are buying with their water rates, and the Safe Drinking Water Act needs to actually result in fewer risks from water.

The last key element is adequate resources. We have all heard from local governments in our States about unfunded Federal mandates, and the Safe Drinking Water Act is certainly one of the things cities, counties, and States are worried about. But the issue isn't only money. Local systems need better training and assistance in implementing the act.

The Domenici-Boren-Hatfield-Nickles bill addresses the resource shortfall by increasing the authorization for grants to States, by establishing a State revolving loan fund, and by setting up a program to certify drinking water technicians and labs. Our bill also shifts the role of EPA from enforcement to implementation, creating a stronger partnership between EPA and local agencies.

I do not believe you would find a single water system official opposed to regulating water. They all believe that our Nation's women, men, children, and babies must be protected. Mr. President, the water system operators of Oregon are committed to delivering clean, healthy water. They view it not as a legal responsibility, but as a moral one. As Robert MacRostie of the Deschutes Valley wrote me:

> If a health hazard existed in the water, the District would be ethically, morally, as well as legally required to remove the hazard. This statement is unqualified and without exception.

The Safe Drinking Water Act hinders people like Mr. MacRostie instead of helping them. The experience of the people on the front lines of implementing the regulations tell me that the Safe Drinking Water Act is not working for them. They tell me that they need more flexibility to attack the problems that pose the biggest threat to people, that they do not want to spend precious, limited resources on something that does not have a noticeable benefit for people, and that they need new resources to make their program work.

By Mr. REID (for himself and Mr. SHELBY):

S. 1923. A bill to amend the Immigration and Nationality Act to curb criminal activity by aliens, to defend against acts of international terrorism, to protect American workers from unfair labor competition, and to relieve pressure on public services by strengthening border security and stabilizing immigration into the United States; to the Committee on the Judiciary.

IMMIGRATION STABILIZATION ACT OF 1994

Mr. REID. Mr. President, during his recent State of the Union speech, President Clinton reminded us that our Nation is facing a health care crisis and a crime crisis, both of which are threatening the present—and more importantly—future well-being of our people, and both of which Congress must promptly address. Today, I want to spotlight another serious national crisis that adversely affects our health care and crime difficulties and on virtually every other major domestic issue. This is the matter of immigration.

As many of my colleagues will recall, my grave concerns over this issue led me to become quite involved with immigration reform last year. However, in the waning days of the session, in my eagerness to address what all parties agree is a pressing, yet complex and sensitive issue. I introduced S. 1351, the Immigration Stabilization Act of 1993. While no bill will please everyone, this bill was clearly unsatisfactory. Frankly, I should not have introduced the bill in the form that it was in. My intentions were good but the remedy proposed required significant fine tuning. As everyone who serves in this body knows, the legislative process is an evolving process. Enacting meaningful and beneficial legislation requires the thoughtful input of all parties affected by that legislation.

Since the introduction of S. 1351 I have heard from many, many groups affected by our immigration laws. The insights and experiences shared with me by immigration experts, minority communities, the INS, and other legal experts interested in reforming our immigration laws for the better were instrumental in my decision to reintroduce a new comprehensive immigration stabilization bill.

Today, I am introducing an immigration bill that I believe thoughtfully addresses the concerns of all those involved in this debate. This bill recognizes the significant contributions that immigrants have historically made—and will continue to make—to our society. It is axiomatic that we are a nation of immigrants and that continued immigration, at reasonable levels, will lead to a more diverse, and consequently better, society in America.

However, this bill also addresses the existing—and patently evident—problems with our current immigration policy. The heavy costs imposed on the States and the Federal Government are exorbitant and the spiraling increase in migration—because of the current law—only exacerbates the problem. The facts and the numbers make the argument for change compelling. Tuesday's New York Times reported that in 1992, legal and illegal immigration cost the State of Texas more than $4 billion for education, health care and other services.

The bill I am introducing today is a realistic recognition that something must be done to reduce these escalating costs to ensure that our children and grandchildren do not inherit a country in which no one would want to live. For if we do not take reasonable steps now, history may well judge us as the first generation of Americans that passed down to the next generation, a country with fewer opportunities and greater debts.

There are legitimate issues in the immigration debate that must be addressed. Ultimately, however, our legislative actions must avoid embracing those extremists who would rather engage in demagoguery and the politics of fear. Yes, we must reduce the flow of immigration to the levels recommended by President John Kennedy but we must do so consistent with the admonition of then Senator John Kennedy: "We are a nation of immigrants." My bill accomplishes this. In so doing, it balances the interests of those promoting continued immigration with the realistic recognition that if we fail to take proper steps now, the real losers will be those who play by the rules as well as the future generations of Americans.

We just finished debating the balanced budget amendment. The vehicle that drove this legislation was the concern for providing for a fiscally secure future for our Nation and the desire to motivate Congress to act in a responsible manner. Unfortunately, my version of this amendment, which would have balanced the budget while also protecting the future of the Social Security System, did not pass. However, the public support was overwhelming and the message we received in Washington was unambiguous. Fortunately, that clear unequivocal message—that we take action so that our children and grandchildren will not be burdened by the mistakes of our past—continues to resonate from coast to coast. I believe the immigration bill I am introducing today is consistent with this public outcry: Unreasonable levels of continuous immigration—like uncontrolled deficit spending—will only result in our mortgaging away both the future of our children and the sanctity of our environment. Mr. President, this is morally intolerable.

We are unquestionably the greatest Nation on the face of the earth. But even our great country is financially and resourcefully incapable of absorbing upward of a million new immigrants every year. Yet under the current law, that is exactly what we are doing and will continue to do. And remember, this calculation does not include the enormous numbers of individuals who make their way into our country illegally or otherwise abuse our generous immigration laws which are almost exclusively premised on the notion that laws on the books—regardless of their enforcement—will be a sufficient deterrent to fraud and abuse. I am by no means suggesting that all immigrants abuse the system. Of course, they do not. What I am suggesting, however, is that the system and the laws perpetrating its existence, invite fraud and abuse. Let's face it Mr. President, our current system is like a busy intersection without a traffic cop: Sure there are laws on the books, but absent enforcement, there are too many accidents.

My bill will allow us to avoid the many shortfalls and inequities caused by the current immigration system. It reconciles both our historic role as a Nation of immigrants and our unbreachable duty to provide future generations with a better world in which to live.

Some may question the necessity of comprehensive immigration reform. Critics may scoff that this bill is unnecessary in light of the recent amendments passed in 1990. I would ask critics to examine some charts that I am going to show and see what our population will be if we maintain the status quo.

By the year 2050, we will have a population of almost 400 million people. Arguably, this staggering increase not only makes the argument for reform compelling, it also shifts the burden to those who would defend the current system to make the case for its continued existence.

This chart, Mr. President, tracks population growth since 1970. You can see where it goes. This is where it would wind up by the year 2050. The red area is, as I have indicated, based on U.S. Census data and represents the increase in the admission of immigrants.

The green area down here represents population growth if we were to admit 160,000 immigrants each year. My legislation, you will see, would admit more than twice that number. Yet the increase represented by the green line is still material. What is evidenced by this chart, Mr. President, is the fact that any legislation is quite generous.

If we keep the present system, if we fail to take reform, this is where we will be by 2050, 392 million people. For the record, it should be noted that the source for this number is the U.S. Census Bureau. Not exactly a partisan interest group.

We must ask ourselves this. When 2050 rolls around, how will we need EPA standards for air and water. How will we ensure that our grandchildren's children will grow up in a healthy environment. Without change, we cannot ensure any of this.

I want to also, Mr. President, refer to another chart which is certainly obvious in its intent. It shows simply how immigration has increased—1930's, 1940's, 1950's, 1960's, 1970's, and 1980's. And here is where we are in the nineties. Just continually you see these building blocks going up, up, and up until we are here, and we will only continue to go up more.

Mr. President, the threshold question of any domestic or foreign policy initiative is, does it serve the national interest—I think that is a fair question—now as well as for the future. A secondary consideration, at least with respect to foreign policy, is will the legislation have a deleterious impact on other nations. I submit that our current immigration policy fails to satisfy either objective. We are selling out the well-being of future generations of Americans and sending the wrong signals to those countries working to improve or start up their own democracies. Again, my bill recognizes that the United States will always welcome those who are genuinely fleeing persecution, but it forces other industrialized nations to share in the effort.

We must ask ourselves what have we done to address this problem. Apart from a modest increase in funding for the Border Patrol and certain provisions in the crime bill, the Senate passed no significant immigration reform provisions last year, and the House did even less. In particular, despite overwhelming evidence that immediate statutory reforms were needed—and are needed—to address the serious abuses in the political asylum process, and despite bipartisan reform proposals, neither body passed legislation to stop these abuses. Hopefully, more substantial legislative actions will be taken in 1994.

Mr. President, I would like now to focus on some key facts that support my contention that the current policy is flawed.

Let us look at the alarming immigration numbers.

Many people mistakenly believe what the advocates of an open door immigration policy would have us think—that America has always admitted massive numbers of immigrants and that today's levels are generally in accord with our historic levels.

Looking at this chart, we simply know that is a false premise and a false argument.

Mr. President, anyone having this misperception should awaken to the facts, and the facts are these:

We have the highest immigration levels in U.S. history. The annual number of immigrants entering the United States, counting both legal and illegal, is at the highest level in the history of our country, and has been running alarmingly high for nearly three decades.

There are more than 1 million new immigrants each year. By contrast, we now have at least 300,000 new illegal immigrants settling here, and we have around 1 million new legal immigrants annually. In 1992, for example, the United States had over 1.2 million new immigrants.

Mr. President, legal immigration is massive. While most of the spotlight has been on illegal immigration, the fact is legal immigration makes up two-thirds of the flood of immigrants. For example, 957,000 new legal immigrants were admitted to the United States in 1992.

Congressional mistakes have dramatically increased immigration through a series of what I believe were ill-advised actions going back to 1965, when the basic notions of our immigration laws were revised. In 1990, Congress opened the floodgates by passing a 35-percent increase in legal immigration.

Mr. President, untold numbers of individuals are unlawfully coming to the United States every year. In 1986, Congress gave amnesty and legal status to 3.1 million individuals not lawfully residing here, and in 1990, it granted "temporary protected status"—which tends to be de facto permanent legal residence—to hundreds of thousands of others who did not play by the rules. Even after Congress has passed massive legalization programs, millions of individuals do not lawfully reside in the United States today, and many more continue to cheat the rules and continue to enter unlawfully. In 1992, for example, the Border Patrol apprehended approximately 1 million persons seeking to enter the United States illegally. And, at least 2 to 3 people escape—apprehension for every 1 that is captured.

Immigration is driving rapid population growth in the United States. The United States now has the fastest growing population of any nation in the industrialized world. Over half of our Nation's population growth is attributable to legal and illegal immigration. Largely because of our present immigration policies, the U.S. Census Bureau now estimates that our Nation's population will increase from its current size of approximately 250 to 392 million by the year 2050.

There is unprecedented worldwide pressures to immigrate to the United States. There are millions of people around the globe who are not refugees fleeing persecution, but who want to move to our country for economic or other reasons. In addition, the world's refugee population has exploded. Over 20 million persons now are deemed by the United Nations to be refugees outside their home countries, and another 20 to 25 million are displaced from their homes in their own countries. Millions of these suffering people naturally would like to move to the United States. The tragic reality is that our own resources are limited, and we can admit but a tiny fraction of even the true refugees.

Mr. President, there is growing worldwide population pressures to immigrate. The world's population of 5.4 billion is expected to increase to over 8 billion by the year 2025, and almost all of this increase is projected as coming in the poorest nations. In contrast to the United States, other industrialized nations have much more restrictive immigration policies, and most have been moving to further limit immigration to their countries. The worldwide population explosion and other developed nations' immigration limits will cause the demand to immigrate to the United States to grow astronomically.

In summary, Mr. President, the immigration numbers are alarming and the pressures to immigrate to the United States are growing. Given the host of problems our Nation is facing and our serious budget shortfalls, there is no way that we can continue to tolerate the levels of legal or illegal immigration we have been experiencing for a number of years.

Many citizens and legal residents—including many recent immigrants—are asking what we in Congress must ask: Why are we letting so many people come in? Quite frankly, I believe that when Congress does face this threshold question—and let me say that I will press very hard to have us do so this year—Senate and House Members will conclude overwhelmingly that the current high levels simply cannot be justified. Like every other major Federal public policy, immigration should serve the national interest. Clearly, our present immigration policy is no longer doing so. Therefore, Congress must apply the brakes and rethink the direction of U.S. immigration policy.

Labor force needs and economic conditions are disregarded in our policies. Many aspects of our current policies and procedures are patently wrong. For example, legal immigration has almost no link to U.S. employment needs or economic conditions. Only a handful, about 6 percent, of the total legal admissions, are allowed because they have a skill or vocation that is needed here. The vast majority of immigrants are admitted based on special preferences written into the immigration law that favor relatives of other recent immigrants. Sixty percent of our immigrants are admitted merely because they have relatives here. Many of these people are not immediate relatives, but are part of extended families. The nepotistic U.S. policy lets in relatives, then lets in the relatives' relatives, and so on, creating an endless and ever-growing chain of new immigrants.

U.S. immigration procedures are often flawed and invite abuse. We have a backlog of more than 3.4 million people who have formally filed petitions for admission. Given the complex system of preferences and quotas, almost everyone has to wait for years for a visa, and in many cases, this waiting period extends for decades—I say that in the plural. Not surprisingly, millions of people seek admission shortcuts by slipping across our borders illegally without immigration inspection, or by filing false claims for admission. Asylum claims jumped from 5,000 per year in 1981 to over 100,000 in 1992. Most of them are invalid and fraudulent. Others recognize that our political asylum process has broken down and tens of thousands have moved to take advantage of the system's defects. Fraudulent claimants know that by merely filing a claim almost anyone is given work authorization documents and is released pending a decision on their claim, which often takes well over a year. Not surprisingly, most claimants never show up for their hearing and merely continue working and living in the United States unlawfully. Penalties for violation of our immigration laws also generally are quite weak and provide little deterrent effect. So-called alien smugglers and those entering illegally know that Congress has not given the Border Patrol and INS adequate staff and other resources to provide tough enforcement and that these dedicated public servants are being overwhelmed by the massive numbers of violators. Under our immigration laws, cheaters tend to prosper.

I have focused on the excessively high levels of immigration that the United States has been experiencing and on some of the major flaws in our existing laws and procedures. I now want to shift to highlight a few of the problems that are resulting from this massive wave of immigration.

JOB LOSSES

Unemployment rates are still too high, international competition is getting tougher and, as President Clinton has pointed out, Americans are working harder and longer for less and less. In 1992, the Federal Government actually issued more work authorizations to immigrants and temporary foreign workers than the net number of new jobs created by our economy. Something is fundamentally wrong when we have millions of American citizens and legal residents begging for jobs, and yet we are admitting thousands and thousands of immigrants a year with virtually no consideration to our employment needs or their employment skills.

CRIME

The issue of crime and public safety is the No. 1 concern of most Americans. Immigration clearly is related to our crime problem. A quarter of all felons in Federal prisons are not even citizens of our country. Unfortunately this shocking number suggests that a disproportionate number of crimes are being committed by immigrants, many of whom are here illegally.

ADVERSE ENVIRONMENTAL IMPACTS AND RESOURCE DEPLETION

Our natural resources are being used up, and our environment is being significantly harmed by the rapidly growing population in the United States which now has the most rapid population growth in the industrialized world. Fully half of this population growth is a result of immigration, and the trends show that this situation will be getting even worse. The environmental impacts are of particular concern to me. In my State, we have tremendous water problems. A once beautiful body of water, Walker Lake, is dying in part because of over population.

Mr. President, we in Congress must act to address these problems by overhauling our immigration laws. There is no other way to do it. As we redesign our country's immigration policy, we must ensure that our national interests are being served instead of the special interests of those who want more immigration. to craft our new immigration policy, Congress must be able to answer three fundamental questions:

How many immigrants can we successfully absorb? We have an overriding and primary obligation to ensure the public welfare of our citizens and legal residents. Many would contend that we are unable to do this adequately now with our available resources. However, when we increase our population through immigration, we also take on new obligations to help the immigrants. Immigrants are human beings and have all the same human needs and aspirations as everyone else. When we admit immigrants our society is making a commitment to educate children, provide health care for the sick, create jobs for workers, construct housing for families, add and improve infrastructure, and many, many other things. Given the limits of our resources, we must set lower numbers because, clearly, we are exceeding our capacity to successfully absorb the recent levels of legal and illegal immigration.

The second question is, how should immigrants be selected? The overwhelming majority of legal immigrants are now admitted merely because they are related to other recent immigrants to the United States. While this seems like a well-meaning policy, it creates a constant pressure for increasing immigration levels each time a new immigrant is admitted. It is an automatic entitlement for relatives to join the immigration queue. By all means, we must have an immigration policy that encourages keeping the nuclear family intact, but beyond husbands, wives and minor children, we cannot effectively manage a policy that promises extended families that they, too, will be allowed to immigrate.

Third, how do we enforce the rules? One of the most perplexing problems we face is how to control the flood of illegal immigration. In addition to the nearly 1 million legal immigrants admitted annually many many more enter the United States illegally each year, and settle permanently. We can and we must institute effective and humane measures to control this unreasonable flow of illegal immigration. A recent Border Patrol crackdown in the El Paso, TX area has shown that our borders can be secured if adequate manpower and other resources are devoted to this effort. This will also require implementing a secure work verification system, based on the model that credit card companies use to verify the validity of credit cards, to ensure that only those who are legally here can work and receive benefits in the United States.

We must talk about comprehensive reform legislation. Today, I am introducing a comprehensive reform bill, the "Immigration Stabilization Act of 1994," and I will push hard for its enactment. This bill is a refined version of the comprehensive reform bill, S. 1351, the "Immigration Stabilization Act," which I introduced last year, and which has been cosponsored by Senators SHELBY, EXON, and FAIRCLOTH.

The provisions in my new bill would do the following:

It would limit annual admissions of immigrants, refugees, and asylees to 325,000.

This still allows for unlimited immigration for spouses and minor children of U.S. citizens. Based on previous years we expect this number to be about 170,000: 50,000 divided between parents of U.S. citizens and spouses and minor children of permanent resident aliens. 50,000 for refugees, 50,000 to be divided between the top two employment preferences; 50,000 to go to those on the existing waiting lists at the date the bill becomes effective.

It would also depoliticize and discipline the refugee admissions program.

It would also reform the asylum program by streamlining the application and decisional process.

It would exclude those individuals arriving in our country without documentation unless they indicated a fear of persecution or claimed asylum. Those who are not excluded would be immediately called to appear before a specially trained asylum officer to determine if they have a credible fear of persecution.

Those filing frivolous applications or failing to appear for asylum hearings would be ineligible for any benefits under immigration law.

The asylum status would terminate during an asylee's first 3 years here if conditions in their home country no longer justified asylum or another safe country is willing to accept them, or if the alien voluntarily returns to his or her own country.

This new legislation penalizes criminal aliens. It expands the list of serious crimes requiring deportation.

It speeds deportation proceedings.

It limits collateral attacks against final deportation orders.

It authorizes Federal incarceration of aliens convicted under State law.

It increases the maximum penalty for visa fraud from 5 to 10 years.

It requires State and local law enforcement agencies to provide the INS with certain information whenever they arrest an individual not lawfully within the country.

It prohibits violators of immigration laws from filing for immigrant status.

And it eliminates administrative discretion to waive grounds for excluding criminal aliens.

It imposes real financial responsibility.

It extends to sponsors of family-oriented immigrants financial accountability to ensure the immigrant will not become a public charge.

It limits federally funded benefits.

It also preserves jobs for citizens and legal residents. What it does is simply strengthen the current law's employer sanctions prohibitions on knowingly hiring illegal aliens.

It controls document fraud and removes sanctions compliance burdens by requiring issuance of counterfeit-resident Social Security-type cards and improved, machine-readable alien identification cards and establishment of a telephone verification system for work authorization.

It provides for a uniform national network of State vital statistic records to ensure a person's identity can be confirmed.

It greatly increases border security by increasing the Border Patrol at the rate of 1,000 new officers each year up to a level of 9,900 full-time positions.

It imposes a modest border crossing fee on persons or vehicles crossing the land or sea U.S. border.

It provides the fees will fund measures for preventing illegal entry of persons and contraband, for expediting lawful traffic, and for financial assistance to local law enforcement authorities.

It also increases fines against international carriers that consistently transport human cargo to the United States.

It curtails alien smuggling by organized crime by adding alien smuggling to a list of crimes subject to RICO sanctions.

It increases penalties for smuggling under the Federal Sentencing Guidelines.

It expands property that is forfeited when used in smuggling or harboring illegal aliens.

And it authorizes Federal wiretap authority for alien smuggling investigations.

Mr. President, the public is demanding that we take steps. In the coming weeks, we will be debating many of the issues involving immigration.

My grandmother was born in England, my father-in-law, my wife's father, was born in Russia. My wife's mother is of Lithuanian extraction. I believe in immigration. I think this country needs it for diversity and strength, and I am a great supporter of immigration. I just think we need to ratchet down our laws so that they are meaningful.

If we fail to take action now if we fail to carefully look at the facts, how will future generations of Americans judge us? I ask everyone involved in this debate to avoid the politics of name-calling and the politics of hate.

Mr. President, I stated earlier that our failure to act now would be intolerable. To illustrate this point I suggest we view America as we do our family dinner table. Even if the table is full and there is not that much food to go around, we would still invite a hungry stranger in and feed him or her for the night. That is part of the spirit and greatness of our country. However, if the table is full and there is no food to go around, we don't open the doors and continue to invite all others to join us. That is not ethical. That is not responsible. That is not humane. Everybody has a right to live in dignity and we in Congress are charged with the obligation of doing our most to ensure that this right is maintained.

In summary Mr. President, time has come for the Congress to deal with our immigration crisis.

I believe that the most realistic way to address this complex issue is the bill that I am introducing today.

Mr. President, I ask unanimous consent that the text of the bill be printed into the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Immigration Stabilization Act of 1994".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—ADMISSION OF IMMIGRANTS

Sec. 101. Reduction in annual immigration ceilings.
Sec. 102. Redefinition of immediate relatives.
Sec. 103. Revision of preference allocations for family-sponsored immigrants.
Sec. 104. Revision of preference allocations for employment-based immigrants.
Sec. 105. Conforming amendments.
Sec. 106. Transition.
Sec. 107. Repeals.

TITLE II—ADMISSION OF REFUGEES

Sec. 201. Numerical limitation on the admission of refugees.
Sec. 202. Congressional review.
Sec. 203. Repeal of Cuban Adjustment Act.

TITLE III—ASYLUM REFORM

Sec. 301. Inspection and exclusion by immigration officers.
Sec. 302. Asylum.
Sec. 303. Failure to appear for asylum hearing.
Sec. 304. Judicial review.
Sec. 305. Conforming amendments.
Sec. 306. Effective dates.

TITLE IV—CRIMINAL ALIENS

Sec. 401. Expansion in definition of "aggravated felony".
Sec. 402. Deportation procedures.
Sec. 403. Judicial deportation.
Sec. 404. Defenses to deportation.
Sec. 405. Enhanced penalties for reentry or failure to depart.
Sec. 406. Deportation of imprisoned aliens.
Sec. 407. Judicial order of deportation.
Sec. 408. Federal incarceration.
Sec. 409. Increased penalty for visa fraud.
Sec. 410. Notification of alien arrest.
Sec. 411. Excludability of unlawful entrants.
Sec. 412. Exclusion of immigration law violators.
Sec. 413. Miscellaneous and technical changes.

TITLE V—FINANCIAL RESPONSIBILITY

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TITLE IX—EFFECTIVE DATE

Sec. 901. Effective date.

TITLE I—ADMISSION OF IMMIGRANTS

SEC. 101. REDUCTION IN ANNUAL IMMIGRATION CEILINGS.

(a) FAMILY-SPONSORED IMMIGRATION.—Section 201(c)(1) of the Immigration and Nationality Act (8 U.S.C. 1151(c)(1)(A)(i)) is amended to read as follows:

"(c) WORLDWIDE LEVEL OF FAMILY-SPONSORED IMMIGRANTS.—(1) The worldwide level of family-sponsored immigrants under this subsection for a fiscal year is equal to—

"(A) 325,000, minus

"(B) the number computed under paragraph (2), plus

"(C) the number computed under paragraph (3).".

(b) EMPLOYMENT-BASED IMMIGRATION.—Section 201(d)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1151(d)(1)(A)) is amended by striking "140,000" and inserting "50,000".

(c) DIVERSITY IMMIGRATION.—(1) Section 201(a) of the Immigration and Nationality Act (8 U.S.C. 1151(a)) is amended—

(A) by inserting "and" at the end of paragraph (1);

(B) by striking "; and" at the end of paragraph (2) and inserting a period; and

(C) by striking paragraph (3).

(2) Sections 201(e) (8 U.S.C. 1151(e)) and 203(c) (8 U.S.C. 1153(c)) of the Immigration and Nationality Act are hereby repealed.

SEC. 102. REDEFINITION OF IMMEDIATE RELATIVES.

Section 201(b)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)(i)) is amended by striking "children, spouses, and parents of a citizen of the United States, except that, in the case of parents, such citizens shall be at least 21 years of age" and inserting "children and spouses".

SEC. 103. REVISION OF PREFERENCE ALLOCATIONS FOR FAMILY-SPONSORED IMMIGRANTS.

Paragraphs (1) through (4) of section 203(a) of the Immigration and Nationality Act are amended to read as follows:

"(1) SPOUSES AND CHILDREN OF PERMANENT RESIDENT ALIENS.—Qualified immigrants who are the spouses or children of an alien lawfully admitted for permanent residence shall be allocated visas in a number equal to 40 percent of the difference between such worldwide level and the number of immediate relative visas required, plus any visas not required for the class specified in paragraph (1).

"(2) PARENTS OF ADULT UNITED STATES CITIZENS.—Qualified immigrants who are the parents of citizens of the United States who are at least 21 years of age shall be allocated visas in a number equal to 60 percent of the difference between such worldwide level and the number of immediate relative visas required, plus any visas not required for the class specified in paragraph (1).

"(3) SONS AND DAUGHTERS OF UNITED STATES CITIZENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the sons and daughters of citizens of the United States shall be allocated visas in a number equal to 75 percent of the maximum number of visas available but not issued under paragraphs (1) and (2).

"(4) SONS AND DAUGHTERS OF PERMANENT RESIDENT ALIENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the sons and daughters of permanent resident aliens shall be allocated visas in a number equal to 25 percent of the maximum number of visas available but not issued under paragraphs (1) and (2).

"(5) BROTHERS AND SISTERS OF CITIZENS.—Qualified immigrants holding priority dates as of the effective date of this Act who are the brothers or sisters of citizens of the United States, if such citizens are at least 21 years of age, shall be allocated visas in a number equal to the number of visas not required for the classes specified in paragraphs (3) and (4).".

SEC. 104. REVISION OF PREFERENCE ALLOCATIONS FOR EMPLOYMENT-BASED IMMIGRANTS.

(a) ADJUSTMENT IN ALLOCATIONS AS PERCENTAGE OF WORLDWIDE LEVEL.—(1) Section 203(b)(1) of such Act is amended by striking "28.6 percent" and inserting "50 percent".

(2) Section 203(b)(2)(A) of such Act is amended by striking "28.6 percent" and inserting "50 percent".

(3) Section 203(b)(1) of such Act is amended by striking ", plus any visas not required for the classes specified in paragraphs (4) and (5),".

(b) ALLOCATIONS FOR BACKLOGGED PREVIOUS PREFERENCES.—(1) Section 203(b)(3)(A) of such Act (8 U.S.C. 1153(b)(3)(A)), in the text above clause (i), is amended to read as follows:

"(A) IN GENERAL.—Visas shall be made available in a number equal to the number of visas not required for the classes specified in paragraphs (1) and (2) to the following classes of aliens not described in paragraph (2) who are qualified immigrants holding priority dates as of the effective date of this Act:".

(2) Section 203(b)(4) of such Act (8 U.S.C. 1153(b)(4)) is amended by striking "in a number not to exceed 7.1 percent of such worldwide level, to qualified special immigrants" and inserting "in a number equal to the number of visas not required for the classes specified in paragraphs (1) through (3), to qualified special immigrants holding priority dates as of the effective date of this Act who are".

(3) Section 203(b)(5)(A) of such Act (8 U.S.C. 1153(b)(5)(A)), in the text above clause (i), is amended to read as follows:

"(A) IN GENERAL.—Visas shall be made available in a number equal to the number of visas not required for paragraphs (1) through (4) to qualified immigrants holding priority dates as of the effective date of this Act who are seeking to enter the United States for the purpose of engaging in a new commercial enterprise—".

(4) Section 203(b)(6) of such Act (8 U.S.C. 1153(b)(6)) is repealed.

SEC. 105. CONFORMING AMENDMENTS.

Section 204 of the Immigration and Nationality Act (8 U.S.C. 1154) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking "paragraph (1), (3), or (4)" and inserting "paragraph (1) or (3)";

(B) in subparagraph (D), by striking "203(b)(2), or 203(b)(3)" and inserting "or 203(b)(2)";

(C) by redesignating subparagraph (E)(ii) as subparagraph (E);

(D) by striking subparagraph (E)(i);

(E) by striking subparagraph (F); and

(F) by redesignating subparagraph (G) as subparagraph (F); and

(2) in subsection (b), by striking "or 203(b)(3)".

SEC. 106. TRANSITION.

(a) PARENTS OF CITIZENS; UNMARRIED SONS AND DAUGHTERS OF CITIZENS.—Any petition filed under section 204(a) of the Immigration and Nationality Act before the effective date of this Act for—

(1) immediate relative status as a parent of a United States citizen who is at least 21 years of age,

(2) preference status under section 203(a)(1) of such Act (as in effect before such date),

(3) preference status under section 203(a)(2) by virtue of being the spouse or child of a permanent resident alien, or

(4) preference status under section 203(a)(2) by virtue of being the son or daughter of a permanent resident alien,

shall be deemed, as of such date, to be a petition filed under such section for preference status under section 203(a)(2), section 203(a)(3), 203(a)(1), or 203(a)(4), respectively, of such Act (as amended by this Act).

(b) ELIMINATED PREFERENCE CLASSIFICATIONS.—Beginning on the effective date of this Act—

(1) the Attorney General may not accept any petition filed under section 204(a) for classification under section 203(a)(4), 203(b)(3), 203(b)(4), or 203(b)(5), as in effect before the effective date of this Act; and

(2) each priority date established before the effective date of this Act shall be maintained with respect to any petition filed under section 204(a) of the Immigration and Nationality Act before such date for preference status under paragraph (1), (2), (3), or (4) of section 203(a) (as in effect before such date) or paragraph (3), (4), or (5) of section 203(b) of such Act (as in effect before such date).

SEC. 107. REPEALS.

The following provisions of law are repealed:

(1) Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100-202; 101 Stat. 1329-183) (relating to the admission of Amerasians).

(2) Section 132 of the Immigration Act of 1990 (Public Law 101-649) (relating to the admission of aliens from adversely affected foreign countries).

(3) Section 301 of the Immigration Act of 1990 (Public Law 101-649) (relating to admission of dependents of legalized aliens).

TITLE II—ADMISSION OF REFUGEES

SEC. 201. NUMERICAL LIMITATION ON THE ADMISSION OF REFUGEES.

Section 207(a) of the Immigration and Nationality Act (8 U.S.C. 1157(a)) is amended—

(1) by amending paragraph (1) to read as follows: "(1) Except as provided in subsection (b), the number of refugees who may be admitted under this section in any fiscal year may not exceed 50,000.";

(2) by striking paragraph (2); and

(3) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 202. CONGRESSIONAL REVIEW.

Section 207(b) of the Immigration and Nationality Act (8 U.S.C. 1157(b)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as clauses (A), (B), and (C), respectively;

(2) by striking "(b) If" and inserting "(b)(1) Subject to paragraph (2), if";

(3) by striking "may fix a number" and inserting "may recommend to the Congress a number"; and

(4) by adding at the end the following:

"(2)(A) The number of refugee admissions proposed under paragraph (1) shall be effective only if the Congress, within 30 days of receipt of such recommendation, enacts a joint resolution approving the number of refugees to be admitted.

"(B) The President may waive the application of subparagraph (A) if he certifies to the Congress that it is important to the national interest to do so.

"(3) A joint resolution described in paragraph (2) shall be considered in accordance with paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriation Act, 1985 (as contained in Public Law 98-473), except that references in such paragraphs to the Committee on Appropriations shall be deemed to be references to the Committee on the Judiciary.".

SEC. 203. REPEAL OF CUBAN ADJUSTMENT ACT.

Public Law 89-732, as amended by Public Law 94-571, is repealed.

TITLE III—ASYLUM REFORM

SEC. 301. INSPECTION AND EXCLUSION BY IMMIGRATION OFFICERS.

(a) INSPECTION OF ALIENS.—Section 235(b) of the Immigration and Nationality Act (8 U.S.C. 1225(b)) is amended to read as follows:

"(b) INSPECTION AND EXCLUSION BY IMMIGRATION OFFICERS.—(1) An immigration officer shall inspect each alien who is seeking entry to the United States.

"(2)(A) If the examining immigration officer determines that an alien seeking entry—

"(i) does not present the documentation required (if any) to obtain legal entry to the United States; and

"(ii) does not indicate either an intention to apply for asylum (under section 208) or a fear of persecution, the officer shall order the alien excluded from the United States without further hearing or review.

"(B) The examining immigration officer shall refer for immediate inspection at a port of entry by an asylum officer under subparagraph (C) any alien who has indicated an intention to apply for asylum or a fear of persecution.

"(C)(i) If an asylum officer determines that an alien has a credible fear of persecution, the alien shall be entitled to apply for asylum under section 208.

"(ii) If an asylum officer determines that an alien does not have a credible fear of persecution the officer shall order the alien excluded from the United States without further hearing or review.

"(3)(A) Except as provided in subparagraph (B), if the examining immigration officer determines that an alien seeking entry is not clearly and beyond a doubt entitled to enter, the alien shall be detained for a hearing before a special inquiry officer.

"(B) The provisions of subparagraph (A) shall not apply—

"(i) to an alien crewman,

"(ii) to an alien described in paragraph (2)(A) or (2)(C)(ii), or

"(iii) if the conditions described in section 273(d) exist.

"(4) The decision of the examining immigration officer, if favorable to the admission of any alien, shall be subject to challenge by any other immigration officer and such challenge shall operate to take the alien, whose privilege to enter is so challenged, before a special inquiry officer for a hearing on exclusion of the alien.

"(5)(A) Subject to subparagraph (B), an alien has not entered the United States for purposes of this Act unless and until such alien has been inspected and admitted by an immigration officer pursuant to this subsection.

"(B) An alien who (i) is physically present in the United States, (ii) has been physically present in the United States for a continuous period of 1 year, and (iii) has not been inspected and admitted by an immigration officer shall be deemed to have entered the United States without inspection.".

(b) GROUNDS FOR EXCLUSION.—Section 212(a)(6) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(6)) is amended by adding at the end the following new subparagraphs:

"(G)(i) Any alien who, in seeking entry to the United States or boarding a common carrier for the purpose of coming to the United States, presents any document which is forged, counterfeit, altered, falsely made, stolen, or inapplicable to the alien presenting the document, or otherwise contains a misrepresentation of a material fact, is excludable.

"(ii) Clause (i) shall not apply to an alien if, in the determination of the asylum officer, the document or documents to which that clause refers were presented by the alien solely to enable the alien to depart directly from—

"(I) a country in which the alien had a credible fear of persecution; or

"(II) a country in which there was a significant danger that the alien would be returned to a country in which the alien would have a credible fear of persecution.

"(iii) For the purposes of this subparagraph, the term 'credible fear of persecution' means (I) that it is more probable than not that the statements made by the alien in support of his or her claim are true, and (II) that there is a significant possibility, in light of such statements and of such other facts as are known to the officer that the alien could establish eligibility for asylum under section 208.

"(H) Any alien who, in boarding a common carrier for the purpose of coming to the United States, presents a document that relates or purports to relate to the alien's eligibility to enter the United States, and fails to present such document to an immigration officer upon arrival at a port of entry into the United States, is excludable.".

(c) CONFORMING AMENDMENTS.—Section 237(a) (8 U.S.C. 1227(a)) is amended—

(1) in the second sentence of paragraph (1) by striking "Deportation" and inserting "Subject to section 235(b)(2), deportation"; and

(2) in the first sentence of paragraph (2) by striking "If" and inserting "Subject to section 235(b)(2), if".

SEC. 302. ASYLUM.

Section 208 (8 U.S.C. 1158) is amended to read as follows:

"SEC. 208. (a) ASYLUM.—

"(1) RIGHT TO APPLY.—An alien physically present in the United States or at a land border or port of entry may apply for asylum in accordance with this section.

"(2) CONDITIONS FOR GRANTING.—

"(A) GRANTS BY ATTORNEY GENERAL.—The Attorney General may grant asylum to an alien if the alien applies for asylum in accordance with the requirements of this section and establishes that it is more probable than not that in the alien's country of nationality (or, in the case of a person having no nationality, the country in which such alien last habitually resided) such alien would be arrested and incarcerated or such alien's life would be threatened on account of race, religion, nationality, membership in a particular social group, or political opinion.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to an alien if the Attorney General determines that—

"(i) the alien ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion;

"(ii) the alien, having been convicted by a final judgment of a particularly serious crime, constitutes a danger to the community of the United States;

"(iii) there are serious reasons for believing that the alien has committed a serious nonpolitical crime outside the United States prior to the arrival of the alien in the United States;

"(iv) there are reasonable grounds for regarding the alien as a danger to the security of the United States; or

"(v) a country willing to accept the alien has been identified (other than the country described in subparagraph (A)) to which the alien can be deported or returned and the alien does not establish that it is more likely than not that the alien would be incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership of a particular social group, or political opinion.

For purposes of clause (ii), an alien who has been convicted of an aggravated felony shall be considered to have committed a particularly serious crime. The Attorney General shall promulgate regulations that specify additional crimes that will be considered to be a crime described in clause (ii) or clause (iii).

"(3) ASYLUM STATUS.—In the case of any alien granted asylum under paragraph (2), the Attorney General, in accordance with this section—

"(A) shall not deport or return the alien to the country described under paragraph (2)(A);

"(B) shall authorize the alien to engage in employment in the United States and provide the alien with an 'employment authorized' endorsement or other appropriate work permit; and

"(C) may allow the alien to travel abroad with the prior consent of the Attorney General, except that such travel may not be authorized to the country from which the alien claimed to be fleeing persecution.

"(4) TERMINATION.—Asylum granted under paragraph (2) shall be terminated if the Attorney General, pursuant to such regulations as the Attorney General may prescribe, determines that—

"(A) the alien no longer meets the conditions described in paragraph (2) owing to a change in circumstances in the alien's country of nationality or, in the case of an alien having no nationality, in the country in which the alien last habitually resided;

"(B) the alien meets a condition described in paragraph (2)(B);

"(C) a country willing to accept the alien has been identified (other than the country described in paragraph (2)) to which the alien can be deported or returned and the alien cannot establish that it is more likely than not that the alien would be arrested or incarcerated in such country on account of race, religion, nationality, membership in a particular social group, or political opinion; or

"(D) the alien returns to the country from which the alien claimed to be fleeing persecution or makes application with the Attorney General to return to the country from which the alien claimed to fleeing persecution.

"(5) ACCEPTANCE BY ANOTHER COUNTRY.—In the case of an alien described in paragraph (2)(B)(v) or paragraph (4)(C), the alien's deportation or return shall be directed by the Attorney General in the sole discretion of the Attorney General, to any country which is willing to accept the alien into its territory (other than the country described in paragraph (2)).

"(b) ASYLUM PROCEDURE.—

"(1) APPLICATIONS.—

"(A) IN GENERAL.—

"(i) DEADLINE.—Subject to clause (ii), an alien's application for asylum shall not be considered under this section unless—

"(I) the alien has filed, not later than 30 days after entering or coming to the United States, notice of intention to file such an application, and

"(II) such application is actually filed not later than 45 days after entering or coming to the United States.

"(ii) EXCEPTION.—An application for asylum may be considered, notwithstanding that the requirements of clause (i) have not been met, only if the alien demonstrates by clear and convincing evidence changed circumstances in the alien's country of nationality (or in the case of an alien with no nationality, in the country where the alien last habitually resided) affecting eligibility for asylum.

"(B) REQUIREMENTS.—An application for asylum shall not be considered unless the alien submits to the taking of fingerprints and a photograph in a manner determined by the Attorney General.

"(C) FEES.—The Attorney General may provide for a reasonable fee for the consideration of an application for asylum or for any employment authorization under subsection (a)(3)(B).

"(D) NOTICE OF PRIVILEGE OF COUNSEL AND CONSEQUENCES OF FRIVOLOUS APPLICATION.—At the time of filing a notice of intention to apply for asylum, the alien shall be advised of the privilege of being represented (at no expense to the government) by such counsel, authorized to practice in such proceedings, as the alien shall choose and of the consequences, under subsection (d), of filing a frivolous application for asylum.

"(2) CONSIDERATION OF APPLICATIONS; HEARINGS.—

"(A) ASYLUM OFFICERS.—Applications for asylum shall be considered by officers of the Service (referred to in this Act as 'asylum officers') who are specially designated by the Service as having special training and knowledge of international conditions and human rights records of foreign countries. Pending the designation of such officers, individuals who as of the date of the enactment of the Immigration Stabilization Act of 1994 are authorized to perform duties as asylum officers shall be deemed to be qualified to be asylum officers for purposes of this Act.

"(B) SCHEDULING OF HEARINGS.—

"(i) IN GENERAL.—Upon the filing of an application for asylum, an asylum officer, at the earliest practicable time and after consultation with the attorney for the Government and the attorney (if any) for the applicant, shall set the application for hearing on a day certain or list it on a weekly or other short-term calendar, so as to assure a speedy hearing.

"(ii) DEADLINE.—Unless the applicant (or an attorney for the applicant) consents in writing to the contrary, the hearing on the temporary asylum application shall commence not later than 45 days after the date the application was filed.

"(C) PUBLIC HEARINGS.—A hearing on a asylum application shall be open to the public unless the applicant requests that it be closed to the public.

"(D) RIGHTS IN HEARINGS.—The officer shall, to the extent practicable, conduct the hearing in a nonadversarial manner. During such hearing, the applicant shall have the privilege of the assistance and participation of counsel (as provided under paragraph (1)(D)) and both the government and the applicant shall be entitled to present evidence and witnesses, to examine and object to evidence, and to cross-examine all witnesses.

"(E) COUNTRY CONDITIONS.—An officer may request opinions regarding country conditions from the Secretary of State, but shall not request or consider recommendations from the Secretary of State as to whether a particular named individual should or should not be granted asylum.

"(F) TRANSCRIPT OF HEARINGS.—A complete record of the proceedings and of all testimony and evidence produced at the hearing shall be kept. The hearing shall be recorded verbatim. The Attorney General and the Service shall provide that a transcript of a hearing held under this section is made available not later than 10 days after the date of completion of the hearing.

"(G) DEADLINE FOR DETERMINATIONS ON APPLICATIONS.—The officer shall render a determination on the application not later than 30 days after the date of completion of the hearing. The determination of the officer shall be based only on the officer's knowledge of international conditions and human rights records of foreign countries, and evidence produced at the hearing.

"(H) RESOURCE ALLOCATION.—The Attorney General shall allocate sufficient resources so as to assure that applications for asylum are heard and determined on a timely basis. However, nothing in this paragraph relating to scheduling or deadlines shall be construed as creating any right or benefit, substantive or procedural, which is legally enforceable by any party against the United States, its agencies, its officers, or any other person.

"(I) SANCTIONS FOR FAILURE TO APPEAR.—

"(i) Subject to clause (ii), the application for asylum of an alien who does not appear for a hearing on such application shall be summarily dismissed unless the alien can show exceptional circumstances (as defined in section 242B(f)(2)) as determined by the asylum officer.

"(ii) Clause (i) shall not apply if written and oral notice were not provided as required by section 242B(e)(4)(B).

"(iii) Except in exceptional circumstances (as defined in section 242B(f)(2)), an application summarily dismissed in accordance with clause (i) shall not be reopened or reconsidered nor shall a new application for asylum be entertained by the Attorney General at any time.

"(J) FINALITY OF DETERMINATIONS.—

"(i) IN GENERAL.—The decision of the asylum officer shall be the final administrative determination of a claim for asylum.

"(ii) TREATMENT OF CASES IN EXCLUSION OR DEPORTATION.—If proceedings are instituted against an alien under section 235 or 242 of this Act and the alien files an application for asylum based on circumstances described in subsection (b)(1)(A)(ii), the asylum officer shall render, on an expedited basis, a decision on the application.

"(c) ASYLUM STATUS ADJUSTMENTS.—

"(1) ADJUSTMENT OF STATUS.—Under such regulations as the Attorney General may prescribe, the Attorney General shall adjust to the status of an alien granted asylum the status of any alien granted asylum under subsection (a)(2)(A) who—

"(A) applies for such adjustment;

"(B) has been physically present in the United States for at least 3 years after being granted asylum;

"(C) continues to be eligible for asylum under this section; and

"(D) is admissible under this Act at the time of examination for adjustment of status under this subsection.

"(2) TREATMENT OF SPOUSE AND CHILDREN.—A spouse or child (as defined in section 101(b)(A), (B), (C), (D), or (E)) of an alien whose status is adjusted to that of an alien granted asylum under subsection (a)(2) may be granted the same status as the alien if accompanying, or following to join, such alien.

"(3) APPLICATION FEES.—The Attorney General may impose a reasonable fee for the filing of an application for adjustment to the status of an alien granted asylum under this subsection.

"(d) DENIAL OF IMMIGRATION BENEFITS FOR FRIVOLOUS APPLICATIONS.—

"(1) IN GENERAL.—If the asylum officer determines that an alien has made a frivolous application for asylum under this section and the alien has received the notice under subsection (b)(1)(D)(i), the alien shall be permanently ineligible for any benefits under this Act, effective as of the date of a final determination on such application.

"(2) TREATMENT OF FRAUDULENT OR MATERIAL MISREPRESENTATIONS.—For purposes of this subsection, an application considered to be 'frivolous' includes, but is not limited to, an application which is fraudulent or otherwise contains a willful misrepresentation or concealment of a material fact.".

SEC. 303. FAILURE TO APPEAR FOR ASYLUM HEARING.

Section 242B(e)(4) (8 U.S.C. 1252b(e)(4)) is amended in subparagraph (A)—

(1) by inserting "and" at the end of clause (i); and

(2) by striking all after clause (iii) and inserting "shall not be eligible for any benefits under this Act.".

SEC. 304. JUDICIAL REVIEW.

Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) is amended by adding at the end thereof:

"(d) Notwithstanding any other provision of law, no court shall have jurisdiction to review, except by petition for habeas corpus, any determination made with respect to an alien found excludable pursuant to titles I or II of this Act. In any such case, review by habeas corpus shall be limited to examination of whether the petitioner (1) is an alien, and (2) was ordered excluded from the United States pursuant to the provisions of this Act. Notwithstanding the nature of the suit or claim, no court shall have jurisdiction except as provided in this subsection to consider the validity of any adjudication or determination of exclusion, to certify a class in an action challenging the exclusion provisions of this Act or any portion or implementation thereof, or to provide declaratory or injunctive relief with respect to the exclusion of any alien.

"(e) In any action brought for the assessment of penalties for improper entry or reentry of an alien under section 275, 276, 277, or 278 of this Act, no court shall have jurisdiction to hear claims collaterally attacking the validity of orders of exclusion, or deportation entered under section 235, 236, or 242 of this Act.".

SEC. 305. CONFORMING AMENDMENTS.

Section 209(b) of the Immigration and Nationality Act (8 U.S.C. 1159(b)) is amended—

(1) in paragraph (2), by striking "one year" and inserting "5 years"; and

(2) by amending paragraph (3) to read as follows:

"(3) continues to be eligible for asylum under section 208,".

SEC. 306. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided, the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) EXCEPTIONS.—(1) The amendments made by this title shall not apply to applications for asylum or withholding of deportation made before the first day of the first month that begins more than 180 days after the date of the enactment of this Act and no application for asylum under section 208 of the Immigration and Nationality Act (as amended by section 201 of this Act) shall be considered before such first day.

(2) In applying section 208(b)(1)(A) of the Immigration and Nationality Act (as amended by this title) in the case of an alien who has entered or came to the United States before the first day described in paragraph (1), notwithstanding the deadlines specified in such section—

(A) the deadline for the filing of a notice of intention to file an application for asylum is 30 days after such first day, and

(B) the deadline for the filing of the application for asylum is 45 days after the date of filing such notice.

(3) The amendments made by section 305(b) (relating to adjustment of status) shall not apply to aliens granted asylum under section 208 of the Immigration and Nationality Act, as in effect before the date of the enactment of this Act.

TITLE IV—CRIMINAL ALIENS

SEC. 401. EXPANSION IN DEFINITION OF "AGGRAVATED FELONY".

(a) EXPANSION IN DEFINITION.—Section 101(a)(43) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(43)) is amended to read as follows:

"(43) The term 'aggravated felony' means—

"(A) murder;

"(B) any illicit trafficking in any controlled substance (as defined in section 102 of the Controlled Substances Act), including any drug trafficking crime as defined in section 924(c) of title 18, United States Code;

"(C) any illicit trafficking in any firearms or destructive devices as defined in section 921 of title 18, United States Code, or in explosive materials as defined in section 841(c) of title 18, United States Code;

"(D) any offense described in (i) section 1956 of title 18, United States Code (relating to laundering of monetary instruments) or

(ii) section 1957 of such title (relating to engaging in monetary transactions in property derived from specific unlawful activity) if the value of the funds exceeded $100,000;

"(E) any offense described in—

"(i) subsection (h) or (i) of section 842, title 18, United States Code, or subsection (d), (e), (f), (g), (h), or (i) of section 844 of title 18, United States Code (relating to explosive materials offenses),

"(ii) paragraph (1), (2), (3), (4), or (5) of section 922(g), or section 922(j), section 922(n), section 922(o), section 922(p), section 922(r), section 924(b), or section 924(h) of title 18, United States Code (relating to firearms offenses), or

"(iii) section 5861 of title 26, United States Code (relating to firearms offenses);

"(F) any crime of violence (as defined in section 16 of title 18, United States Code, not including a purely political offense) for which a sentence of 5 years imprisonment or more may be imposed;

"(G) any theft offense (including receipt of stolen property) or any burglary offense, where a sentence of 5 years imprisonment or more may be imposed;

"(H) any offense described in section 875, section 876, section 877, or section 1202 of title 18, United States Code (relating to the demand for or receipt of ransom);

"(I) any offense described in section 2251, section 2251A or section 2252 of title 18, United States Code (relating to child pornography);

"(J) any offense described in—

"(i) section 1962 of title 18, United States Code (relating to racketeer influenced corrupt organizations), or

"(ii) section 1084 (if it is a second or subsequent offense) or section 1955 of such title (relating to gambling offenses), where a sentence of 5 years imprisonment or more may be imposed;

"(K) any offense relating to the bribery or attempted bribery of an official or agent of the Government of the United States or of an official or agent of any political subdivision of the United States;

"(L) any offense relating to commercial bribery, counterfeiting, forgery or trafficking in vehicles whose identification numbers have been altered, where a sentence of 5 years imprisonment or more may be imposed;

"(M) any offense—

"(i) described in section 2421, section 2422, or section 2423 of title 18, United States Code (relating to transportation for the purpose of prostitution), or

"(ii) described in section 1581 through 1585, or section 1588, of title 18, United States Code (relating to peonage, slavery, and involuntary servitude);

"(N) any offense relating to perjury or subornation of perjury where a sentence of 5 years imprisonment or more may be imposed;

"(O) any offense described in—

"(i) section 793 (relating to gathering or transmitting national defense information), section 798 (relating to disclosure of classified information), section 2153 (relating to sabotage) or section 2381 or section 2382 (relating to treason) of title 18, United States Code, or

"(ii) section 421 of title 50, United States Code (relating to protecting the identity of undercover intelligence agents);

"(P) any offense—

"(i) involving fraud or deceit where the loss to the victim or victims exceeded $200,000; or

"(ii) described in section 7201 of title 26, United States Code (relating to tax evasion), where the tax loss to the Government exceeds $200,000;

"(Q) any offense described in section 1324(a)(1) of title 8, United States Code (relating to alien smuggling) for the purpose of commercial advantage;

"(R) any violation of section 1546(a) of title 18, United States Code (relating to document fraud), for the purpose of commercial advantage;

"(S) any offense relating to failing to appear before a court pursuant to a court order to answer to or dispose of a charge of a felony, where a sentence of 2 years or more may be imposed; or any attempt or conspiracy to commit any such act; or

"(T) any felony committed by an alien on or after the date that alien had received a waiver of deportation under section 212 or 241 of this Act (8 U.S.C. 1182 or 1251) after commission of a prior felony.".

Such term applies to offenses described in this paragraph whether in violation of Federal or State law and applies to such offenses in violation of the laws of a foreign country for which the term of imprisonment was completed within the previous 15 years.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to all convictions entered before, on, or after the date of enactment of this Act.

SEC. 402. DEPORTATION PROCEDURES.

(a) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) in subsection (a)—

(A) by inserting "DEPORTATION OF PERMANENT RESIDENT ALIENS.—(1)" after "(a)"; and

(B) by inserting in the first sentence "permanent resident" after "correctional facilities for";

(2) in subsection (b)—

(A) by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—"; and

(B) by striking "respect to an" and inserting "respect to a permanent resident"; and

(3) by adding the following after subsection (a), as amended herein:

"(b) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—(1) Notwithstanding section 242, and subject to paragraph (5), the Attorney General may issue a final order of deportation against any alien described in paragraph (2) whom the Attorney General determines to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time that proceedings under this section commenced, or

"(B) had permanent resident status on a conditional basis (as described in section 216) at the time that proceedings under this section commenced.

"(3) The Attorney General may delegate the authority in this section to the Commissioner or to any District Director of the Service.

"(4) No alien described in this section shall be eligible for any relief from deportation that the Attorney General may grant in his discretion.

"(5) The Attorney General may not execute any order described in paragraph (1) until 14 calendar days have passed from the date that such order was issued, in order that the alien has an opportunity to apply for judicial review under section 106.".

(b) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242(A)" after "aggravated felony"; and

(3) by adding at the end the following new subsection:

"(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(b) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 403. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a), as amended by section 402, is further amended by inserting at the end the following new subsection:

"(c) JUDICIAL DEPORTATION.—

"(1) AUTHORITY.—In any criminal case subject to the jurisdiction of any court of the United States or of any State, such court may enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of an aggravated felony).

"(2) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a).".

(b) TECHNICAL AND CONFORMING CHANGES.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking out "The" and inserting in lieu thereof, "Except as provided in section 242A(c), the".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 404. DEFENSES TO DEPORTATION.

(a) DEFENSES BASES ON SEVEN YEARS OF PERMANENT RESIDENCE.—The last sentence of section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended by striking out "has served for such felony or felonies" and all that follows through the period and inserting in lieu thereof "has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years if the time for appealing such conviction or sentence has expired and the sentence has become final.".

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) in the first sentence—

(A) by striking "or" at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting "; or"; and

(C) by adding at the end the following new subparagraph:

"(E) the alien has been convicted of a felony."; and

(2) by striking the last sentence.

SEC. 405. ENHANCED PENALTIES FOR REENTRY OR FAILURE TO DEPART.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking out "paragraph (2), (3), or 4 of" the first time it appears; and

(2) by striking out "shall be imprisoned not more than ten years" and inserting in lieu thereof, "shall be imprisoned not more than two years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (2), (3), or (4) of section 241(a)".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended—

(1) in paragraph (1)—

(A) by inserting after "commission of" the following: "two or more misdemeanors or"; and

(B) by striking out "5" and inserting in lieu thereof "10";

(2) in paragraph (2), by striking out "15" and inserting in lieu thereof "20"; and

(3) by adding at the end the following sentence: "For the purposes of this subsection, the term 'deportation' includes any agreement where an alien stipulates to deportation during a criminal trial under either Federal or State law.".

(c) COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.—Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by inserting after subsection (b) the following new subsection:

"(c) In any criminal proceeding under this section, no alien may challenge the validity of the deportation order described in subsection (a)(1) or subsection (b).".

SEC. 406. DEPORTATION OF IMPRISONED ALIENS.

Section 242(h) of the Immigration and Nationality Act (8 U.S.C. 1252(h)) is amended to read as follows:

"(h)(1) Except as provided in paragraph (2), an alien sentenced to imprisonment may not be deported until such imprisonment has been terminated by the release of the alien from confinement. Parole, supervised release, probation, or possibility of rearrest or further confinement in respect of the same offense shall not be a ground for deferral of deportation.

"(2) The Attorney General may deport an alien prior to the completion of a sentence of imprisonment—

"(A) in the case of an alien in the custody of the Attorney General, if the Attorney General determines that the alien has been adequately punished and that such deportation of the alien is appropriate; or

"(B) in the case of an alien in the custody of a State, if the chief State official exercising authority with respect to the incarceration of the alien determines (i) that the alien has been adequately punished and that such deportation is appropriate, and (ii) submits a written request to the Attorney General that such alien be so deported.".

SEC. 407. JUDICIAL ORDER OF DEPORTATION.

(a) IN GENERAL.—Subchapter A of chapter 227 of title 18, United States Code, is amended by adding at the end the following:

"§ 3560. Order of deportation for certain aliens

"The court, upon sentencing an individual who is an alien for an aggravated felony (as defined in section 101(a)(43) of the Immigration and Nationality Act, shall include in a sentencing order a declaration that the individual is deportable. Any presentence report required under the Rules of Criminal Procedure with respect to the sentencing of any individual for such a felony shall include whether or not such individual is an alien.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter A of chapter 227 of title 18, United States Code, is amended by adding at the end the following new item:

"3560. Order of deportation for certain aliens.".

(c) DEPORTATION PROCEDURES.—Section 242A of the Immigration and Nationality Act (18 U.S.C. 1252a) is amended by adding at the end the following:

"(f) DEPORTATION PURSUANT TO A JUDICIAL ORDER.—An alien subject to a judicial order of deportation under section 3560 of title 18, United States Code, shall be deported consistent with section 242(h).".

SEC. 408. FEDERAL INCARCERATION.

Section 242 of the Immigration and Nationality Act (8 U.S.C. 1252) is amended by adding at the end the following:

"(j)(1) The Attorney General shall take into the custody of the Federal Government, and shall incarcerate for a determinate sentence of imprisonment, a criminal alien described in paragraph (3) if—

"(A) the chief State official exercising authority with respect to the incarceration of the undocumented criminal alien submits a written request to the Attorney General;

"(B) the undocumented criminal is sentenced to a determinate term of imprisonment;

"(C) the State in which the official described in subparagraph (A) exercises authority cooperates, and requires local governments or agencies in such State to cooperate, with Federal immigration authorities with respect to the identification, location, arrest, prosecution, detention, and deportation of aliens who are not lawfully present in the United States; and

"(D) adequate Federal facilities are available for the incarceration of the criminal alien.

"(2) Criminal aliens taken into the custody of the Attorney General under paragraph (1) may be deported under subsection (h)(2)(A).

"(3) An alien is described in this paragraph if the alien—

"(A) has been convicted of a felony and sentenced to a term of imprisonment, and

"(B)(i) had entered the United States without inspection or at any time or place other than as designated by the Attorney General, or

"(ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State.".

SEC. 409. INCREASED PENALTY FOR VISA FRAUD.

(a) FALSE STATEMENT.—Section 1542 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(b) FORGERY.—Section 1543 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(c) MISUSE OF PASSPORT.—Section 1544 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(d) SAFE CONDUCT VIOLATION.—Section 1545 of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than three years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

(e) FRAUD AND MISUSE OF VISAS.—Section 1546(a) of title 18, United States Code, is amended by striking "fined not more than $2,000 or imprisoned not more than five years, or both" and inserting "fined under this title or imprisoned not more than 10 years, or both".

SEC. 410. NOTIFICATION OF ALIEN ARREST.

Whenever a State or local law enforcement agency arrests an alien for the commission of a felony, that State or local law enforcement agency shall provide the District Director of the Immigration and Naturalization Service for the district in which the State or local law enforcement agency has jurisdiction the following information within 72 hours of the arrest: the name of the alien; the alien's place of birth; the alien's date of birth; the alien's alien registration number, if any; the nature of the offense for which the alien was arrested; and any available information on bond, future hearings and proceedings.

SEC. 411. EXCLUDABILITY OF UNLAWFUL ENTRANTS.

Section 204(c) of the Immigration and Nationality Act is amended—

(1) by striking "laws or" and inserting "laws,"; and

(2) by inserting the following before the period: ", or (3) the petition was submitted by or on behalf of any alien who entered or attempted to enter the United States unlawfully, who entered or attempted to enter with fraudulent, forged or stolen documents, who failed to present the immigration officer any document produced when the alien boarded a common carrier for travel to the United States, or who entered the United States lawfully as a nonimmigrant but violated the terms of his or her nonimmigrant visa".

SEC. 412. EXCLUSION OF IMMIGRATION LAW VIOLATORS.

(a) EXCLUSION OF CRIMINAL ALIEN.—Section 212(a)(2)(A)(i) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)(A)(i)) is amended—

(1) by striking "or" at the end of subclause (I);

(2) by inserting "or" at the end of subclause (II); and

(3) by inserting after subclause (II) the following:

"(III) any violation of any immigration law or any violation of any federal or State statute prohibiting fraud, including any statutes prohibiting income tax evasion,".

(b) EXCLUSION REFORM.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by amending subsection (c) to read as follows:

"(c) Aliens lawfully admitted for permanent residence who temporarily proceeded abroad voluntarily and not under an order of deportation shall not be admitted if that alien is excludable under subsection (a), without regard to the purpose or duration of the alien's presence outside the United States.".

SEC. 413. MISCELLANEOUS AND TECHNICAL CHANGES.

(a) FORM OF DEPORTATION HEARINGS.—The second sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D);

(2) by striking "(b) A special" and inserting "(b)(1) Except as provided in paragraph (2), a special"; and

(3) by adding at the end the following:

"(2) Nothing in this subsection shall preclude the Attorney General from authorizing proceedings by electronic or telephonic media (with or without the consent of the alien) or, where waived or agreed to by the parties, in the absence of the alien.".

(b) Construction of Expedited Deportation Requirements.—No amendment made by this Act and nothing in section 242(i) of the Immigration and Nationality Act (8 U.S.C. 1252(i)), shall be construed to create any right or benefit, substantive or procedural, which is legally enforceable by any party against the United States, its agencies, its officers, or any other person.

TITLE V—FINANCIAL RESPONSIBILITY

SEC. 501. PUBLIC CHARGE DEFINED.

Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) Public charge.—Any alien who cannot demonstrate to the consular officer at the time of application for a visa, or to the Attorney General at the time of application for admission or adjustment of status, that, taking into account the alien's age and medical condition, he or she has assets, education, skills, or a combination thereof that make it very unlikely that he or she will become eligible for means-tested public assistance of any kind (including, but not limited to, medical care or food and housing assistance) or will otherwise become a public charge is excludable.".

SEC. 502. GUARANTEE OF FINANCIAL RESPONSIBILITY.

Section 213 of the Immigration and Nationality Act (8 U.S.C. 1183) is amended to read as follows:

"FINANCIAL RESPONSIBILITY OF SPONSORS

"Sec. 213. (a) An alien excludable under paragraph (4) of section 212(a) may, if otherwise admissible, be admitted in the discretion of the Attorney General upon the giving of a suitable and proper bond and a guarantee of financial responsibility by an individual (hereafter in this section referred to as the alien's 'sponsor') who is not less than 21 nor more than 60 years of age, is of good moral character, has never been convicted of a felony, has never filed for bankruptcy or been adjudicated a bankrupt, and is a citizen of the United States or an alien lawfully admitted for permanent residence.

"(b) The guarantee of financial responsibility in subsection (a) must provide (1) that the sponsor, and the sponsor's spouse if the sponsor is married, agree in the case of an alien under 21 years of age, to assume legal custody for the alien after the alien's departure to the United States and until the alien becomes 21 years of age, in accordance with the law of the State where the sponsor resides, and (2) that the sponsor agrees to furnish, during the 5-year period beginning on the date of the alien's acquiring the status of an alien lawfully admitted for permanent residence, or during the period beginning on the date of the alien's acquiring the status of an alien lawfully admitted for permanent residence and ending on the date on which the alien becomes 21 years of age, whichever period is longer, such financial support as is necessary to prevent the alien's becoming a public charge.

"(c) A guarantee of financial responsibility given under subsection (a) may be enforced with respect to an alien by a civil suit against his sponsor by the Attorney General or by any Federal or State agency that has provided the alien means-tested public assistance of any kind, including but not limited to medical, food, and housing assistance.

"(d) Civil suits under subsection (c) shall be brought in the United States district court for the district in which the defendant resides and may be brought at any time on or before the date that is 5 years after the date on which the sponsor's period of financial responsibility under subsection (a) expired.

"(e) The bond required of an alien's sponsor by subsection (a) shall be in favor of the United States and all States, territories, countries, towns, municipalities, and districts within the United States and shall hold them harmless against the alien's becoming a public charge. The bond shall be in such amount and shall contain such conditions as the Attorney General may prescribe. The bond shall terminate upon (1) the alien's permanent departure from the United States, (2) the death of an alien, or (3) the expiration of the period of financial responsibility described in subsection (b), whichever occurs first, and any sums or other security held to secure performance thereof, except to the extent forfeited for violation of the terms thereof, shall be returned to the person by whom furnished, or to his legal representative.".

SEC. 503. LIMITED BENEFITS FOR ILLEGAL ALIENS.

(a) Direct Federal Financial Benefits.—(1) Notwithstanding any other provision of law, no direct Federal financial benefit or social insurance benefit may be paid, conferred, or otherwise given, on or after the date of enactment of this Act, to any alien not lawfully admitted to the United States as a permanent resident or a refugee except pursuant to a provision of the Immigration and Nationality Act.

(2) Federal reimbursement of emergency medical care provided to such an alien may be provided under such regulations as the Secretary of Health and Human Services may in his or her discretion prescribe.

(b) Unemployment Benefits.—No alien who has not been granted employment authorization pursuant to Federal law shall be eligible for unemployment compensation under an unemployment compensation law of a State or the United States.

TITLE VI—EMPLOYER SANCTIONS

SEC. 601. IMPLEMENTATION OF GAO RECOMMENDATIONS.

(a) Work Eligibility Documents.—Effective January 1, 1995, section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended by striking subparagraphs (A) through (D) of subsection (b)(1) and inserting:

"(A) In general.—The person or entity must attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified that the individual is not an unauthorized alien by—

"(i) examining the document described in subparagraph (B) in the case of an individual claiming to be a United States citizen, United States national, or a permanent resident alien,

"(ii) examining the document described in paragraph (C) in the case of an individual not claiming to be a United States citizen, a United States national, or a permanent resident alien, and

"(iii) reporting the individual's Social Security account number to the Social Security Administration through the telephone verification system established pursuant to section 602 of the Immigration Stabilization Act of 1994.

"(B) Documents of citizens and nationals.—The document described in this subparagraph is an individual's Social Security account number card issued pursuant to section 601(c) of the Immigration Stabilization Act of 1994.

"(C) Documents of aliens.—The document described in this subparagraph is an alien's identification card issued by the Immigration and Naturalization Service pursuant to section 601(b) of the Immigration Stabilization Act of 1994.".

(b) Improvement of Alien Identity Cards.—

(1) Permanent resident aliens.—The Attorney General shall cause to be issued to every alien acquiring lawful permanent residence in the United States after June 30, 1994, and, upon application, to any alien who acquired lawful permanent residence before July 1, 1994, an alien identification card that shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the name, sex, date of birth, and such other identifying information as the Attorney General shall determine, and

(E) incorporate a machine-readable encoding of the information displayed on the card.

(2) Other aliens.—The Attorney General shall cause to be issued to every alien who becomes authorized to work in the United States after June 30, 1994, other than by reason of lawful admission for permanent residence, and shall cause to be issued, upon application, to any other alien who is authorized to work in the United States other than by reason of lawful admission for permanent residence an alien identification card that shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the alien's name, sex, date of birth, place of birth, and such other identifying information as the Attorney General shall determine,

(E) show an expiration date that shall be determined in accordance with regulations issued by the Attorney General, but shall not in any case be later than 3 calendar years after the date of issuance, and

(F) incorporate a machine-readable encoding of the information displayed on the card.

(c) Improvement of Social Security Cards.—

(1) Improved card for citizens.—The Secretary shall cause to be issued improved Social Security account number cards to United States citizens and United States nationals upon application, proof of identity, proof of citizenship or nationality, and payment of a reasonable fee.

(2) Improved card for aliens.—The Secretary shall cause to be issued improved Social Security account number cards to aliens lawfully admitted for permanent residence upon application, proof of identity, verification of status by the Immigration and Naturalization Service, and payment of a reasonable fee.

(3) Requirements.—The cards described in paragraphs (1) and (2) shall—

(A) be uniform in appearance,

(B) be as tamperproof and counterfeit-resistant as practicable,

(C) contain a photograph and fingerprint,

(D) display the name, sex, date of birth, place of birth, and Social Security account number of the issuee, and such other identifying information as the Secretary shall determine, and

(E) incorporate a machine-readable encoding of the information displayed on the card.

(4) Secretary Defined.—For purposes of this subsection, Secretary means the Secretary of Health and Human Services.

(d) Reasonable Fee.—The amount of the fee that is to be charged under subsections (b) and (c) shall be the amount (rounded to the nearest whole dollar), not exceeding $50, required to cover the costs of issuing the card.

(e) No Other Cards.—No Social Security account number card or alien identification card shall be issued after June 30, 1994, whether as an original card or as a replacement, that does not satisfy the requirements of this section.

(f) Definitions.—For purposes of this section—

(1) "State" means one of the United States, the District of Columbia, or Puerto Rico, and

(2) "place of birth" means, for an individual—

(A) born in a State, the two-letter symbol used by the United States Post Office to identify that State, or

(B) not born in a State, such two-letter symbol as the Secretary shall determine by regulations.

SEC. 602. VERIFICATION BY TELEPHONE.

(a) Social Security Database.—By September 30, 1994, the Secretary of Health and Human Services shall make such modifications to the Social Security account number data base (NUMIDENT) as are practicable and enable confirmation through the telephone verification system described in subsection (d) that a Social Security account number has been issued to an individual identified by last name, sex, year of birth, and place of birth and that such individual is not known to the Secretary of Health and Human Services to be an alien not authorized to work in the United States. At a minimum the data base shall be modified to enable confirmation that a Social Security account number is not assigned to an individual authorized to work in the United States because the number—

(1) has not been issued,

(2) was issued to an individual known by the Secretary of Health and Human Services as not authorized to work,

(3) was issued to a person that is deceased and has not been reissued, or

(4) was issued to an alien that any data base of the Immigration and Naturalization Service shows is not authorized to work in the United States.

The Attorney General shall provide such assistance as the Secretary of Health and Human Services may require to merge or otherwise make use of any data base of the Immigration and Naturalization Service for the purposes of this section.

(b) Exchange of Information.—The Attorney General shall notify the Secretary of Health and Human Services of the expiration of an alien's authorization to work in the United States not later than 14 calendar days after the date of expiration. The Secretary of Health and Human Services shall furnish the Attorney General with a list of any aliens for whom confirmation of work eligibility has been requested not later than 5 calendar days after such request. Such list shall include the telephone number from which the request was made and the employer identification number of the requester.

(c) Adult Applicants.—The Secretary of Health and Human Services shall furnish to the Attorney General a copy of any application (including supporting documentation) for a Social Security account number by an alien or by an individual over 16 years of age who claims to be a United States citizen or national and shall not issue a number before the earlier of the following dates:

(1) The date on which the Attorney General confirms in writing that his records do not show that the applicant is an alien unauthorized to work in the United States.

(2) 60 days after a copy of the application and supporting documentation has been delivered to the Attorney General.

(d) Telephone Verification System.—Before January 1, 1995, the Secretary of Health and Human Services shall test and place in operation a system whereby an employer can report by touch-tone telephone his employer identification number and the Social Security account number, last name, sex, year of birth, and place of birth of any individual who is to be employed and can receive immediate confirmation that the number was issued to the individual having that identity and that such person is not identified within the Social Security account number data base as an individual who is not a United States citizen, a United States national, or an alien authorized to work in the United States. The charge for each call will be sufficient to cover the costs of operating the system, except that it shall not exceed $2 plus any line charges payable to the telephone carrier. The system shall provide for access to a live operator if an entry is not accepted or confirmed, shall provide a verification code to the caller, and shall accommodate devices that read the magnetic strip incorporated by a card issued under section 601.

(e) Abuse of System.—The use of the telephone verification system established by subsection (d) by a person other than—

(1) an employer acting pursuant to section 274A(b)(1) of the Immigration and Nationality Act, or

(2) an officer or employee of an agency of the United States or of any State acting in the performance of official duties,

shall be punishable by a fine of not more than $1,000 per occurrence.

SEC. 603. UNIFORM VITAL STATISTICS.

The Secretary of Health and Human Services shall consult with the State agency responsible for registration and certification of births and deaths and, within 2 years of the date of enactment of this Act, shall establish a national electronic network linking the vital statistics records of such States. The network shall provide, where practical, for the matching of deaths with births and shall enable the confirmation of births and deaths of citizens of the United States, or of aliens within the United States, by any Federal or State agency or official in the performance of official duties. The Secretary shall institute measures to achieve uniform and accurate reporting of vital statistics into the national network, to protect the integrity of the registration and certification process, and to prevent fraud against the Government and other persons through the use of false birth or death certificates.

TITLE VII—BORDER SECURITY

SEC. 701. BORDER PATROL PERSONNEL.

The number of full-time officer positions authorized for the Border Patrol of the Immigration and Naturalization Service shall be increased to 5,900 in fiscal year 1994, 6,900 in fiscal year 1995, 7,900 in fiscal year 1996, 8,900 in fiscal year 1997, and 9,900 in fiscal year 1998.

SEC. 702. BORDER CROSSING FEE.

The Commissioner of Immigration and Naturalization shall collect a user fee for each entry into the United States by land or by sea after December 31, 1993. The fee shall be $3 for each person entering other than by private automobile, van, or truck and $5 for each private automobile, van, or truck. The Commissioner by regulation may establish a reduced fee or a multiple-crossing fee for frequent border crossers.

SEC. 703. BORDER CONTROL TRUST FUND.

There is established a Border Control Trust Fund ("Fund") under the control of the Commissioner of Immigration and Naturalization. The fees collected under section 702 shall be deposited into the Fund. Amounts deposited into the Fund and the earnings thereon shall be expended by the Commissioner exclusively on (1) measures, personnel, structures, and devices to deter and prevent illegal entry of persons and contraband into the United States by land or by sea, (2) construction and operation of facilities to expedite lawful border traffic and reduce, where practical, extensive delays in the time required for lawful entry of goods and persons, and (3) financial and other assistance to State and local law enforcement agencies that have entered into cooperative arrangements with the Immigration and Naturalization Service. Not less than 80 percent of the sum of—

(1) amounts deposited into the Fund during a fiscal year; and

(2) the earnings of the Fund during that fiscal year,

shall be expended during that or the subsequent fiscal year.

SEC. 704. RESPONSIBILITY OF INTERNATIONAL CARRIERS.

(a) In General.—Section 273 of the Immigration and Nationality Act (8 U.S.C. 1323) is amended—

(1) in subsection (a), by striking "(other than from foreign contiguous territory)";

(2) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively;

(3) by inserting after subsection (b) the following:

"(c) Records.—The Attorney General shall maintain a record of each undocumented alien arriving on or after the date of enactment of this subsection at a United States port of entry and of the carrier which brought such alien to that port of entry.";

(4) by inserting after subsection (c) (as added by paragraph (4)), the following:

"(d) Repeat Offenses.—(1)(A) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 0.5 undocumented aliens per arrival at United States ports of entry then, for the next calendar year, in lieu of the penalty of $3,000 specified in subsection (b), such carrier shall pay to the Attorney General a penalty of $10,000 for each alien brought in violation of subsection (a) or, alternatively, such carrier may choose to participate in a 1-year pilot program intended to reduce the number of undocumented aliens arriving at United States ports of entry via international carriers.

"(B) If such international carrier chooses to participate in the 1-year pilot program, that carrier will be subject to the penalty levels prescribed in subsection (b), rather than the increased penalty levels specified in this subsection, for each alien brought in violation of subsection (a).

"(C) The 1-year pilot program, which can be extended for multiple years at the discretion of the Attorney General, shall consist of a program whereby the international carrier collects the travel documents necessary for entry into the United States from all passengers upon their entry to the carrier and physically returns them to the passengers on an individual basis only at the actual point of inspection at the United States port of entry by United States immigration officials.

"(2) If the Attorney General determines that, during the preceding calendar year, any carrier has delivered an average of more than 1.5 undocumented aliens per arrival at United States ports of entry, then, for the next calendar year, in lieu of the penalties specified in subsection (b) and in paragraph (1) of this subsection, such carrier shall pay to the Attorney General a penalty of $20,000 for each alien brought in violation of subsection (a).

"(3) If the Attorney General determines that, in the preceding calendar year, any carrier has delivered an average of more than 2 undocumented aliens per arrival at United States ports of entry, then such carrier shall forfeit all landing rights in the United States for the next calendar year."; and

(5) subsection (e) (as redesignated) is amended—

(A) by inserting after "refunded," the following: "unless the alien transported is granted asylum status in the United States or"; and

(B) by inserting before the period at the end thereof "or that the visa or other immigration documentation presented to the carrier was forged, counterfeit, altered, falsely made, stolen, or inapplicable to the alien presenting the document".

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(4) shall take effect on January 1 of the second calendar year following the date of enactment of this Act.

TITLE VIII—ALIEN SMUGGLING

SEC. 801. COOPERATIVE ARRANGEMENTS.

The Secretary of State shall undertake to enter into, on behalf of the United States, cooperative arrangements with appropriate foreign governments for the purpose of preventing the unlawful entry of aliens by land, air, or sea.

SEC. 802. COAST GUARD INSTRUCTIONS.

The Secretary of Defense, in consultation, when appropriate, with the Attorney General and the Secretary of State, shall instruct the Coast Guard to deter and prevent the unlawful entry of aliens into the United States by sea. Such instructions shall include directives providing for stopping and boarding vessels, making inquiries of persons and inspecting documents and property on board such vessels, and returning a vessel to the country from which it came or to another country. In the case of vessels outside the territorial sea of the United States, such instructions shall be limited to vessels of the United States, vessels without nationality, vessels assimilated to vessels without nationality, and vessels of foreign nations with which the United States has arrangements authorizing the United States to stop and board such vessels. Except as otherwise provided in the preceding sentence, actions pursuant to this section are authorized to be undertaken both within and beyond the territorial sea of the United States.

SEC. 803. APPLICATION OF RICO.

Section 1961(1) of title 18, United States Code, is amended by striking "or" immediately prior to "(E)", and by adding: "or (F) any act which is indictable under any of the following provisions of the Immigration and Nationality Act: section 274(a)(i) (relating to prohibitions on bringing in or harboring certain aliens), section 275 (relating to illegal entry, marriage fraud, or establishing a commercial enterprise for the purpose of evading the immigration laws), section 277 (relating to aiding or assisting certain aliens to enter the United States), or section 1328 (relating to the importation of aliens for immoral purpose).".

SEC. 804. INCREASED PENALTIES FOR ALIEN SMUGGLING.

Pursuant to section 994 of title 28, United States Code, the United States Sentencing Commission shall promulgate guidelines, or amend existing guidelines, to provide that a defendant convicted of violating, or conspiring to violate section 274(a) of the Immigration and Nationality Act, shall be assigned not less than offense level 25 under section 2L1.1 of the United States Sentencing Guidelines if any of the following factors exist—

(1) if the offense involved five or more aliens in a single scheme or otherwise;

(2) if the offense involved other criminal activity including, but not limited to, violations of the Controlled Substances Act, prostitution, importation of aliens for immoral purposes, trafficking in firearms, money laundering, illegal gang activities, kidnapping or ransom demands, fraudulent documents, or extortion;

(3) if the offense involves smuggling of persons under the age of 18 years for the purposes of illegal adoption or of sexual or commercial exploitation;

(4) if the offense involves the smuggling of known or suspected terrorists or persons involved in organized crime;

(5) if the offense involves dangerous or inhumane treatment of the persons smuggled; or

(6) if death or serious bodily harm occurs to persons smuggled.

Otherwise, the base offense level shall be 13, except for an offense described in section 274(a)(2)(A) of the Immigration and Nationality Act.

SEC. 805. EXPANDED FORFEITURE FOR SMUGGLING OR HARBORING.

Subsection 274(b) of the Immigration and Nationality Act (8 U.S.C. 1324(b)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Any property, real or personal, which facilitates or is intended to facilitate, or which has been used in or is intended to be used in the commission of a violation of subsection (a) or of sections 274A(a)(1) or 274A(a)(2), or which constitutes or is derived from or traceable to the proceeds obtained directly or indirectly from a commission of a violation of subsection (a), shall be subject to seizure and forfeiture, except that—

"(A) no property, used by any person as a common carrier in the transaction of business as a common carrier shall be forfeited under the provisions of this section unless it shall appear that the owner or other person in charge of such property was a consenting party or privy to the illegal act;

"(B) no property shall be forfeited under the provisions of this section by reason of any act or omission established by the owner thereof to have been committed or omitted by any person other than such owner while such property was unlawfully in the possession of a person other than the owner in violation of the criminal laws of the United States or of any State; and

"(C) no property shall be forfeited under this paragraph to the extent of an interest of any owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of the owner, unless such action or omission was committed by an employee or agent of the owner, and facilitated or was intended to facilitate, or was used in or intended to be used in, the commission of a violation of subsection (a) or of section 274A(a)(1) or 274A(a)(2) which was committed by the owner or which intended to further the business interests of the owner, or to confer any other benefit upon the owner.";

(2) by striking from paragraph (2)—

(A) "conveyance" both places it appears and inserting in lieu thereof "property"; and

(B) "is being used in" and inserting in lieu thereof "is being used in, is facilitating, has facilitated, or was intended to facilitate";

(3) by striking from paragraphs (4) and (5) "a conveyance" and "conveyance" each place such phrase or word appears and inserting in lieu thereof "property";

(4) by striking from paragraph (4)—

(A) "or" at the end of subparagraph (C), and

(B) the period at the end of subparagraph (D) and inserting "; or"; and

(5) by adding at the end the following:

"(E) transfer custody and ownership of forfeited property to any Federal, State, or local agency pursuant to the Tariff Act of 1930, as amended (19 U.S.C. 1616a(c)).".

SEC. 806. WIRETAP AUTHORITY FOR ALIEN SMUGGLING INVESTIGATIONS.

(a) Section 2516(1) of title 18, United States Code, is amended—

(1) in paragraph (c), by inserting after "weapons)," the following: "or a felony violation of section 1028 (relating to production of false identification documentation), section 1546 (relating to fraud and misuse of visas, permits, and other documents),";

(2) by striking "or" after paragraph (l) and redesignating paragraphs (m), (n), and (o) as paragraphs (n), (o), and (p), respectively;

(3) by inserting after paragraph (l) the following new paragraph:

"(m) a violation of section 274 of the Immigration and Nationality Act (8 U.S.C. 1324) (relating to alien smuggling), of section 277 of the Immigration and Nationality Act (8 U.S.C. 1327) (relating to the smuggling of aliens convicted of aggravated felonies or of aliens subject to exclusion on grounds of national security), or of section 278 of the Immigration and Nationality Act (8 U.S.C. 1328) (relating to smuggling of aliens for the purpose of prostitution or other immoral purpose);"; and

(4) by striking "or any Deputy Assistant Attorney General in the Criminal Division specially designated by the Attorney General" and inserting "or any Deputy Assistant Attorney General or acting Deputy Assistant Attorney General in, or one other officer or employee of, the Criminal Division specially designated by the Attorney General".

(b) Section 2518(5) of title 18, United States Code, is amended by inserting "(including personnel of a foreign government or of a State or subdivision of a State)" after "Government personnel".

(c) Section 2510(7) of title 18, United States Code, is amended by inserting before the semicolon "and additionally, for purposes of paragraphs (1) and (2) of section 2517, any person authorized to perform investigative, law enforcement, or prosecutorial functions by a foreign government".

TITLE IX—EFFECTIVE DATE

SEC. 901. EFFECTIVE DATE.

Except where otherwise specifically provided, this Act, and the amendments made by this Act, shall take effect on October 1, 1994.

By Mr. HATCH (for himself, Mr. EXON, and Mr. LIEBERMAN):

S. 1924. A bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home; to the Committee on Finance.

HOME OFFICE DEDUCTION ACT OF 1994

Mr. HATCH. Mr. President, I rise today to introduce the Home Office Deduction Act of 1994. I am joined in this effort by my friends and colleagues, Senator EXON and Senator LIEBERMAN. Companion legislation (H.R. 3407) has already been introduced in the House of Representatives by Representatives PETER HOAGLAND, NANCY JOHNSON, KWEISI MFUME, PHIL CRANE, and others.

This bill is designed to reverse an inequity for hundreds of thousands of taxpayers that was created by last year's Supreme Court decision in Commissioner versus Soliman. That decision effectively closed the door to legitimate home office deductions for many taxpayers. Moreover, the decision unfairly penalizes many small businesses simply because they operate from a home rather than from a store front, office building, or industrial park.

Mr. President, until the Soliman decision, small business owners and professionals who dedicated a space in their homes to use for business activities were allowed to deduct the expenses of the home office if the following factors applied: First, the space in the home was used solely and exclusively as an office; second, the taxpayer had no other office for the business; and third, the deduction claimed was not greater than the income earned by the business. Through the Soliman case, the Supreme Court has narrowed significantly the availability of this deduction by adding two more requirements: First, the owner of the business physically meet clients or customers in the home office; and second, the revenue of the business is actually earned in the home office.

The ironic effect of the Supreme Court's decision is that a taxpayer who rents office space outside of the home is allowed a full deduction, but one who tries to economize by working at home is penalized. This makes no sense to me.

The Home Office Deduction Act of 1994 is designed to restore the deduction for home office expenses to pre-Soliman law. Rather than requiring taxpayers to meet the new criteria set out by the Court, the bill allows a home office to meet the definition of a principal place of business if it is the location where essential administrative or management activities are conducted on a regular and systematic basis by the taxpayer. To avoid possible abuses, the bill requires that the taxpayer have no other location for the performance of the administrative or management activities of the business.

Our economy is presently in a state of flux. Many corporations are downsizing. This restructuring of the job market is generally a progressive and beneficial move for the long-term health of our economy. In the short term, however, this change is causing many Americans to rethink, retrain, and redream. Many workers who have been laid off or forced from the job market are helping to restructure our Nation's job market by starting new businesses with their limited resources. For many, this means the fledgling business is based in the home of the entrepreneur. For these individuals, the Soliman decision could not have come at a worse time.

In most cases, Mr. President, startup businesses are very short on cash. Yet, for many, ultimate success depends on the ability to hold out for just a few more months. In these situations, even a relatively small tax deduction for the expenses of the home office can make a critical difference. It is important to note that some of America's fastest growing and dynamic corporations originated in the home or garage of the founder. Our tax policies should support those who dare to risk everything to bring their ideas to the marketplace. In today's changing world, many of tomorrow's jobs will come from entrepreneurs who are struggling to survive in a home-based business.

We should also recognize the family impact that a home-based business can have. Mothers and fathers, whether single or married, are more often choosing to work at home to be with their children. Having a parent at home who can help supervise children, while earning a living, can have a tremendous positive effect on the well being of our families and of society. This can also be very important when a taxpayer must stay at home to care for elderly or disabled relatives. This legislation supports these choices by treating a home-based business on a more equal footing with one away from home.

Recent improvements in computer and telecommunications technology have now made it possible for many individuals to do much of their work at home. In many cases, a home office can be just as technologically competitive as any commercial office space. Our tax policy should not discriminate against home businesses simply because a taxpayer makes the choice, often based on economic or family considerations, to operate his or her business out of the home.

This legislation can also have an important effect on rural areas, such as in my home State of Utah. Many small business owners and professionals in rural areas must spend a great deal of time on the road, meeting clients, customers, or patients. It is likely that many of my rural constituents will be unable to meet the new requirements for the home office deduction.

Mr. President, the Home Office Deduction Act of 1994 has the support of the American Institute of Certified Public Accountants, the National Federation of Independent Businesses, the Family Research Council, the Small Business Legislative Council, the National Association of the Self-Employed, the National Association of the Remodeling Industry, the National Association of Small Business Investment Companies, the Direct Selling Association, the Promotional Products Association International, the Illinois Women's Economic Development Summit, the Alliance of Independent Store Owners and Professionals, the American Veterinary Medical Association, the Bureau of Wholesale Sales Representatives, the National Association of Home Builders, the International Home Furnishings Representatives Association, the National Association of Women Business Owners, Communicating for Agriculture, and the National Society of Public Accountants.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Office Deduction Act of 1994".

SEC. 2. CLARIFICATION OF DEFINITION OF PRINCIPAL PLACE OF BUSINESS.

Subsection (f) of section 280A of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively, and by inserting after paragraph (1) the following new paragraph:

"(2) PRINCIPAL PLACE OF BUSINESS.—For purposes of subsection (c), a home office shall in any case qualify as the principal place of business if—

"(A) the office is the location where the taxpayer's essential administrative or management activities are conducted on a regular and systematic (and not incidental) basis by the taxpayer, and

"(B) the office is necessary because the taxpayer has no other location for the performance of the administrative or management activities of the business."

SEC. 3. TREATMENT OF STORAGE OF PRODUCT SAMPLES.

Paragraph (2) of section 280A(c) of the Internal Revenue Code of 1986 is amended by striking "inventory" and inserting "inventory or product samples".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1991.

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS,
Washington, DC, March 8, 1994.

Hon. ORRIN G. HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: On behalf of the American Institute of Certified Public Accountants (AICPA), I would like to take this opportunity to express our support for the

Home Office Deduction Act. We believe your proposal will be well received among the many home-based businesses in our country.

The recent Supreme Court decision, Commissioner v. Soliman, (113 S. Ct. 701 (1993)) curtails or at least throws into question a legitimate business expense deduction for many taxpayers. It penalizes certain home-based businesses solely because they operate from their homes rather than from a store front, industrial park or office building, even though these businesses may be practically identical.

Prior to Soliman, home office expenses were deductible if: (1) space in the home was used "solely and exclusively" as an office; (2) the taxpayer had no other office for the business; and (3) the business generated enough income to cover the deduction. (In addition, for employees the office at home had to be established for the convenience of the employer.) Soliman, at the very least, has now raised serious questions as to whether a deduction is allowable unless: (1) the customers of the home-based business physically visit the home office; and (2) the business revenue is produced within the home office.

Without passage of legislation to liberalize the rules for the eligibility of the home-office deduction some home-based business owners are likely to lose this deduction. We believe your bill upholds the original intent of the home office deduction, but provides standards that reflect the realities of the business world. It would maintain the three criteria, prior to Soliman, for the deduction, while making clear that essential administrative and management activities, such as tax preparation, bookkeeping and billing, and soliciting business, are legitimate uses of business time and office space for the purpose of deducting the expenses of a home office.

In the interest of tax simplification, we generally do not support retroactive legislation. However, since the IRS has announced in Notice 93-12 (1993-8 I.R.B. 46), that Soliman would be effective for 1993 and later years, we support the effective date in your proposal.

As you know, the AICPA is comprised of 310,000 members whose clients include many small business owners. We commend you for your advocacy on behalf of small business and look forward to working with you toward enactment of this legislation.

Sincerely,

HARVEY L. COUSTAN,
Chairman, Tax Executive Committee.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, March 10, 1994.

Hon. ORRIN HATCH,
U.S. Senate, Washington, DC.

DEAR SENATOR HATCH: On behalf of the over 600,000 members of the National Federation of Independent Business (NFIB), thank you for introducing legislation to clarify who is eligible for the home office deduction.

Millions of business owners work out of their homes. The vast majority of these businesses are new entities and their owners lack the resources to rent office space. Many of these businesses will grow into larger, more successful firms, providing jobs and tax revenue for their local communities. Other home-based businesses will remain small, but will allow their owners to stay close to their families while they work.

Unfortunately, the Supreme Court has interpreted current law in such a way that very few home offices will be able to take the home office deduction. Eliminating the deduction for these businesses makes it more expensive for those with entrepreneurial spirit to go into business for themselves.

NFIB supports enact of legislation to allow business owners who are working out of their homes to utilize the deduction if a room of their house is used exclusively for business purposes and if no other location in available.

Sincerely,

JOHN J. MOTLEY III,
Vice President,
Federal Governmental Relations.

MARCH 10, 1994.

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATCH: The undersigned associations strongly support the Home Office Deduction Act of 1994, legislation which recognizes the growing importance of home-based businesses to the nation's economy.

In striving to ameliorate the economic hardships caused by the recent U.S. Supreme Court decision in Commissioner v. Soliman, your legislation will do much to promote economic growth and create prosperity for the American work force. The proposal is an excellent response to the current spate of corporate downsizings which have resulted in the layoffs of tens of thousands of workers. They, like many other people, are now attempting to live the American dream by starting businesses out of their homes.

The legislation is a clear recognition of the convenience that home-based businesses offer American families. A home-based business provides a spouse (including a single parent) with the emotional benefits of taking care of his or her children at home while earning money at the same time.

Your proposal is also in tune with the fact that modern telecommunications equipment (such as personal computers, facsimile machines, and modems) make home-based businesses technologically competitive with any commercially leased space. Unfortunately, without enactment of your initiative, tens of thousands of persons stand to lose the home office deduction based on the Soliman decision—such as independent sales persons, plumbers, electricians, remodeling contractors, rural veterinarians, and others. Your proposal reaches for the right result by ensuring that these people continue to be eligible for the deduction even though they (a) visit customers outside the home and (b) generate the revenues of the business outside the home.

Thank you for introducing your home office deduction initiative. We will strongly support your efforts to obtain enactment of this very important piece of legislation for small business.

Sincerely,

Alliance of Independent Store Operators and Professionals, American Veterinary Medical Association, Bureau of Wholesale Sales Representatives, Communicating for Agriculture, Direct Selling Association, Family Research Council, Illinois Women's Economic Development Summit, International Home Furnishings Representatives Association, National Association for the Self-Employed, National Association of Home Builders, National Association of the Remodeling Industry, National Association of Small Business Investment Companies, National Association of Women Business Owners, National Society of Public Accountants, Promotional Products Association International, Small Business Legislative Council.

Mr. LIEBERMAN. Mr. President, I am pleased to join in the introduction of this important bill to restore the home office deduction.

After being turned down by two tax courts, the IRS succeeded in narrowing the definition of the home office deduction by taking their case to the Supreme Court. In essence, the early 1993 decision narrows the home office deduction test to businesses where income is generated in the home and to businesses where customers come to the home.

These new tests are flawed. They disallow the deduction for a whole host of legitimate home businesses. Take plumbers or house painters. Both plumbers and painters may run virtually all aspects of their businesses from the home but in the end they must travel to the customer. A plumber simply cannot insist that a bathtub be brought to the office. There is a clear and compelling reason for a house painter to make house calls.

Mr. President, this issue is of particular importance to my home state of Connecticut where laid-off workers are using severance packages to start businesses out of their homes where underemployed workers are making ends meet through part-time home businesses. These are the forced entrepreneurs I have been talking about for some time. These are the people who have struck out on their own in such numbers that they appear to be showing up in labor statistics. To quote an October 1993 report by the New England Economic Project,

> Households have been reporting more buoyant employment conditions than establishments have. The number of New Englanders now indicating they are working is 2 percent higher than a year earlier. This upturn appears to reflect a rise in self-employment and the emergence of small young businesses that are not yet tabulated in the establishment survey. In other words, people may be adjusting to shrinking job opportunities at the region's traditional employers by becoming entrepreneurs.

Mr. President, these new rules are truly a step backward. They ignore the trend toward home-based businesses by those who have lost traditional office jobs, they ignore those who are working second jobs to make ends meet, and they ignore those parents who choose to stay at home with the children while still earning a much-needed income.

In the past, there have undoubtedly been abuses of this deduction. I believe there has been cause to tighten these rules. But the solution to these abuses has clearly not been found. To exclude whole sectors of legitimate home office businesses is hardly the answer to the problem of abuse. I should also point out that in this economy, the last thing we should be doing is hurting legitimate businesses.

I encourage my colleagues to join me as a sponsor of this legislation.

ADDITIONAL COSPONSORS

S. 70

At the request of Mr. COCHRAN, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 70, a bill to reauthorize the National Writing Project, and for other purposes.

S. 208

At the request of Mr. BUMPERS, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 446

At the request of Mr. ROTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 446, a bill to extend until January 1, 1996, the existing suspension of duty on tamoxifen citrate.

S. 1224

At the request of Mr. METZEMBAUM, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1224, a bill to prohibit an agency, or entity, that receives Federal assistance and is involved in adoption or foster care programs from delaying or denying the placement of a child based on the race, color, or national origin of the child or adoptive or foster parent or parents involved, and for other purposes.

S. 1288

At the request of Mr. AKAKA, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 1288, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture commercialization research program, and for other purposes.

S. 1329

At the request of Mr. D'AMATO, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1329, a bill to provide for an investigation of the whereabouts of the United States citizens and others who have been missing from Cyprus since 1974.

S. 1405

At the request of Mr. KERRY, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1405, a bill to strengthen the National Flood Insurance Program and to reduce risk to the flood insurance fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, and for other purposes.

S. 1485

At the request of Mr. DECONCINI, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1485, a bill to extend certain satellite carrier compulsory licenses, and for other purposes.

S. 1669

At the request of Mrs. HUTCHISON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1669, a bill to amend the Internal Revenue Code of 1986 to allow homemakers to get a full IRA deduction.

S. 1715

At the request of Mrs. HUTCHISON, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1715, a bill to provide for the equitable disposition of distributions that are held at a bank or other intermediary as to which the beneficial owner are unknown or whose addresses are unknown, and for other purposes.

S. 1805

At the request of Mr. WARNER, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1805, a bill to amend title 10, United States Code, to eliminate the disparity between the periods of delay provided for civilian and military retiree cost-of-living adjustments in the Omnibus Budget Reconciliation Act of 1993.

S. 1819

At the request of Mrs. KASSEBAUM, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1819, a bill to prohibit any Federal department or agency from requiring any State, or political subdivision thereof, to convert highway signs to metric units.

S. 1915

At the request of Mr. SHELBY, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1915, a bill to require certain Federal agencies to protect the rights of private property owners.

SENATE JOINT RESOLUTION 146

At the request of Mr. WOFFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 146, a joint resolution designating May 1, 1994, through May 7, 1994, as "National Walking Week."

SENATE JOINT RESOLUTION 157

At the request of Mr. SASSER, the names of the Senator from Alabama [Mr. HEFLIN] the Senator from Alabama [Mr. SHELBY], the Senator from Michigan [Mr. LEVIN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of Senate Joint Resolution 157, a joint resolution to designate 1994, as "The Year of Gospel Music."

SENATE RESOLUTION 182

At the request of Mr. D'AMATO, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Resolution 182, a resolution entitled "A Call for Humanitarian Assistance to the Pontian Greeks."

SENATE RESOLUTION 185

At the request of Mr. D'AMATO, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Resolution 185, a resolution to congratulate Phil Rizzuto on his induction into the Baseball Hall of Fame.

AMENDMENT NO. 1486

At the request of Mr. BOND, his name was added as a cosponsor of Amendment No. 1486 proposed to S. 4, a bill to promote the industry competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovative Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National institute of Standards and Technology, and for other purposes.

AMENDMENTS SUBMITTED

NATIONAL COMPETITIVENESS ACT

WALLOP (AND OTHERS) AMENDMENT NO. 1487

Mr. WALLOP (for himself, Mr. COATS, Mr. MACK, Mr. SIMPSON, Mr. PRESSLER, and Mr. NICKLES) proposed an amendment to the bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; as follows:

DEFINITIONS

SECTION 1. Section 601 of title 5, United States Code is amended—

(1) in paragraph (2) by inserting "any rule of the Internal Revenue Service" before "or any other law, including";

(2) in paragraph (5) by striking out "and" at the end thereof;

(3) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(4) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

INITIAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 2. Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting in lieu thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

FINAL REGULATORY FLEXIBILITY ANALYSIS

SEC. 3. Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

JUDICIAL REVIEW

SEC. 4. Section 611(b) of title 5, United States Code, is repealed.

McCONNELL AMENDMENT NO. 1488

(Ordered to lie on the table.)

Mr. McCONNELL submitted an amendment intended to be proposed by him to the bill S. 4, supra;

NOTICE TO SUSPEND RULE XXVI

Mr. McCONNELL submitted the following notice in writing:

Mr. President, it is my intention to move to amend the Standing Rules of the Senate. An amendment to be proposed by myself would amend Rule XXVI of the Standing Rules of the Senate by adding the following:

MC CONNELL AMENDMENT NO. 1488

At the end of the bill, add the following new section:

SEC. . LITIGATION IMPACT STATEMENT.

Paragraph 11 of rule XXVI of the Standing Rules of the Senate is amended by—

(1) in subparagraph (c), by striking "paragraphs (a) and (b)" and inserting "paragraphs (a), (b), and (c)";

(2) by redesignating subparagraph (c) as subparagraph (d); and

(3) by adding after subparagraph (b) the following:

"(c) Each such report (except those by the Committee on Appropriations) shall also contain a litigation impact evaluation made by such committee which shall include—

"(1) an estimate of any increase in litigation which would result from the enactment of the bill or joint resolution;

"(2) an estimate of any increase in private liability which would result from the enactment of the bill or joint resolution; and

"(3) an estimate of any increase in liability insurance costs which would result from the enactment of the bill or joint resolution.".

COHEN (AND BOREN) AMENDMENT NO. 1489

Mr. COHEN (for himself and Mr. BOREN) proposed an amendment to the bill S. 4, supra; as follows:

At the end of the bill, insert the following new title:

SECTION 01. SHORT TITLE.

This Act may be cited as the "Counterintelligence Improvements Act of 1991".

SEC. 02. AMENDMENT TO THE NATIONAL SECURITY ACT OF 1947.

The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting at the end thereof the following new title:

"TITLE VIII—ACCESS TO TOP SECRET INFORMATION

"ELIGIBILITY FOR ACCESS TO TOP SECRET INFORMATION

"SEC. 801. (a) The President and Vice President, Members of the Congress, Justices of the Supreme Court and judges of other courts of the United States established pursuant to Article III of the Constitution, shall, by virtue of their elected or appointed positions, be entitled to access to Top Secret information needed for the performance of their governmental functions without regard to the other provisions of this title.

"(b) Among employees of the United States Government, access to Top Secret information shall be limited to employees;

(1) who have been granted access to such information pursuant to this title;

(2) who are citizens of the United States who require routine access to such information for the performance of official governmental functions; and

(3) who have been determined to be trustworthy based upon a background investigation and appropriate reinvestigations and have otherwise satisfied the requirements of section 802, below.

(c) Access to Top Secret information by persons other than those identified in subsections (a) and (b) shall be permitted only in accordance with the regulations issued by the President pursuant to section 802 below.

IMPLEMENTING REGULATIONS

"Sec. 802. The President shall, within 180 days of enactment of this title, issue regulations to implement this title which shall be binding upon all departments, agencies, and offices of the Executive branch. These regulations shall, at a minimum provide that—

(A) no employee of the United States Government shall be given access to Top Secret information owned, originated or possessed by United States, after the effective date of this title, by any department, agency, or entity of the United States Government unless such person has been subject to an appropriate background investigation and has—

"(1) provided consent to the investigative agency responsible for conducting the security investigation of such person, during the initial background investigation and for such times as access to such information is maintained, and for 5 years thereafter, permitting access to—

(a) financial records concerning the subject pursuant to section 1104 of the Right to Financial Privacy Act of 1978;

"(b) consumer reports concerning the subject pursuant to section 1681b of the Consumer Credit Protection Act; and

"(c) records maintained by commercial entities within the United States pertaining to any travel by the subject outside the United States: *Provided*, That—

"(i) no information may be requested by an authorized investigative agency pursuant to this section for any purpose other than making a security determination;

"(ii) where the person concerned no longer has access to Top Secret information, no information may be requested by an authorized investigative agency pursuant to this section unless such agency has reasonable grounds to believe, based upon specific and articulable facts available to it, that such person may pose a threat to the continued security of the information to which he or she had previously had access; and

"(iii) any information obtained by an authorized investigative agency pursuant to this section shall not be disseminated to any other department, agency, or entity for any purpose other than for making a security determination, or for foreign counterintelligence or law enforcement purposes;

"(2) agreed, during the period of his or her access, to report to the department, agency, or entity granting such access in accordance with applicable regulations, any travel to foreign countries which has not been authorized as part of the subject's official duties;

"(3) agreed to report to the Federal Bureau of Investigation, or to appropriate investigative authorities of the department, agency, or entity concerned, any unauthorized contacts with persons known to be foreign nationals or persons representing foreign nationals, where an effort to acquire classified information is made by the foreign national, or where such contacts appear intended for this purpose. For purposes of this subsection, the term 'unauthorized contacts' does not include contacts made within the context of an authorized diplomatic relationship. Failure by the employee to comply with any of the requirements of this subsection shall constitute grounds for denial or termination of access to the Top Secret information concerned.

"(B) all employees granted access to Top Secret information pursuant to this subsection shall also be subject to—

"(1) additional background investigations by appropriate governmental authorities during the period of access at no less frequent interval than every 5 years, except that any failure to satisfy this requirement that is not solely attributable to the subject of the investigation shall not result in a loss or denial of access; and

"(2) investigation by appropriate governmental authority at any time during the period of access to ascertain whether such persons continue to meet the requirements for access.

"(C) access to Top Secret information by categories of persons who do not meet the requirements of subsections (A) and (B) of this section may be permitted only where the President, or officials designated by the President for this purpose, determine that such access is essential to protect or further the national security interests of the United States.

"(D) a single office within the Executive branch shall be designated to monitor the implementation and operation of this title within the Executive branch. This office shall submit an annual report to the President and appropriate committees of the Congress, describing the operation of this title and recommending needed improvements. A copy of the regulations implementing this title shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives thirty days prior to their effective date.

"WAIVERS FOR INDIVIDUAL CASES

"SEC. 803. In extraordinary circumstances, when essential to protect or further the national security interests of the United States, the President (or officials designated by the President for this purpose) may waive the provisions of this title, or the provisions of the regulations issued pursuant to section 802, above, in individual cases involving persons who are citizens of the United States or are persons admitted into the United States for permanent residence: *Provided*, That all such waivers shall be made a matter of record and reported to the office designated pursuant to section 802(D), above, and shall be available for review by the Select Committee on Intelligence of the Senate and the

Permanent Select Committee of the House of Representatives.

"DEFINITIONS

"SEC. 804. For purposes of this title—

"(a) the term 'national security' refers to the national defense and foreign relations of the United States;

"(b) the phrases 'information classified in the interest of national security' or 'classified information' means any information originated by or on behalf of the United States Government, the unauthorized disclosure of which would cause damage to the national security, which has been marked and is controlled pursuant to the Executive Order 12356 of April 2, 1982, or successor orders, or the Atomic Energy Act of 1954;

"(c) the term 'Top Secret information' means information classified in the interests of national security, the unauthorized disclosure of which would cause exceptionally grave damage to the national security;

"(d) the term 'employee' includes any person who receives a salary or compensation of any kind from the United States Government, is a contractor of the United States Government, is an unpaid consultant of the United States Government, or otherwise acts for or on behalf of the United States Government, but does not include the President or Vice President of the United States, Members of the Congress of the United States, Justices of the Supreme Court or judges of other federal courts established pursuant to Article III of the Constitution; and

"(e) the term "authorized investigative agency" means an agency authorized by law or regulation to conduct investigations of persons who are proposed for access to Top Secret information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

"EFFECTIVE DATE

"SEC. 805. This title shall take effect 180 days after the date of its enactment.".

SEC. 03. PROTECTION OF CRYPTOGRAPHIC INFORMATION.

The National Security Act of 1947 (50 U.S.C. 401 et seq.), as amended by section 02, is further amended by inserting at the end the following new title:

"TITLE IX—PROTECTION OF CRYPTOGRAPHIC INFORMATION

"SEC. 901. (a) REQUIREMENTS FOR ACCESS TO CRYPTOGRAPHIC INFORMATION.—(1) Any employee of a department or agency within the Executive branch who is granted access to classified cryptographic information or routine, recurring access to any space in which classified cryptographic key is produced or processed, or is assigned responsibilities as a custodian of classified cryptographic key, shall, as a condition of receiving such access, or being assigned such responsibilities, and at a minimum:

"(A) meet the requirements applicable to persons having access to Top Secret information, as defined in subsection 804(c) of this Act, [as added by Section 02 of this Act]; and

"(B) be subject to periodic polygraph examinations conducted by appropriate governmental authorities, limited in scope to questions of a counterintelligence nature, during the period of access.

"(2) Failure to submit to an examination required under paragraph (1) shall be grounds for removal from access to cryptographic information or spaces.

"(3) No person shall be removed from access to cryptographic information or spaces based solely upon the interpretation of the results produced by a polygraph instrument, measuring physiological resources, unless, after further investigation, the head of the department or agency concerned determines the risk to the national security in permitting such access to be so potentially grave that access must nonetheless be denied.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'classified cryptographic information' means any information classified by the United States Government pursuant to law or Executive order concerning the details of (A) the nature, preparation, or use of any code, cipher, or cryptographic system of the United States; or (B) the design, construction, use, maintenance, or repair of any cryptographic equipment; *Provided, however*, That the term does not include information concerning the use of cryptographic systems or equipment required for personal or office use;

"(2) the phrase 'custodian of classified cryptographic key' means positions that require access to classified cryptographic key beyond that required to use or operate cryptographic equipment for personal or office use, future editions of classified cryptographic key, or classified cryptographic key used for multiple devices;

"(3) the term 'classified cryptographic key' means any information (usually a sequence of random binary digits), in any form, classified by the United States Government pursuant to law or Executive order that is used to set up and periodically change the operations performed by any cryptographic equipment;

"(4) the term 'cryptographic equipment' means any device, apparatus or appliance used, or prepared, or planned for use by the United States for the purpose of authenticating communications or disguising or concealing the contents, significance, or meanings of communications;

"(5) the term 'employee' includes any person who receives a salary or compensation of any kind from a department or agency of the Executive branch, or is a contractor or unpaid consultant of such department or agency;

"(6) the term 'head of a department or agency' refers to the highest official who exercises supervisory control over the employee concerned, and does not include any intermediate supervisory officials who may otherwise qualify as heads of agencies within departments; and

"(7) the phrase 'questions of a counterintelligence nature' means questions specified to the subject in advance of a polygraph examination solely to ascertain whether the subject is engaged in, or planning, espionage against the United States on behalf of a foreign government or knows persons who are so engaged.

"SEC. 902. IMPLEMENTING REGULATIONS.—The President shall, within 180 days of the date of enactment of this title, promulgate regulations to implement the provisions of this title. The President shall provide copies of such regulations to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.".

SEC. 04. AMENDMENT THE RIGHT TO FINANCIAL PRIVACY ACT.

Section 1104 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3404) is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the provisions of subsection (a), a customer who is the subject of a personnel security investigation conducted by an authorized investigative agency of the U.S. Government as a condition of being granted or maintaining access to Top Secret information, as defined by section 804(c) of the National Security Act of 1947 (as added by section 02 of this Act), may authorize nonrevokable disclosure of all financial records maintained by financial institutions for the period of the customer's access to such information and for up to 5 years after access to such information has been terminated, by the investigative agency responsible for the conduct of such investigation, for an authorized security purpose.

"(2) Such authority shall be contained in a signed and dated statement of the customer which identifies the financial records which are authorized to be disclosed. Such statement may also authorize the disclosure of financial records of accounts opened during the period covered by the consent agreement which are not identifiable at the time such consent is provided. A copy of such statement shall be provided by the investigative agency concerned to the financial institution from which disclosure is sought, together with the certification required pursuant to section 1103(b) (12 U.S.C. 3403(b)).

"(3) The rights of the customer established by subsection (c), above, shall pertain to any disclosures made pursuant to this subsection.

"(4) On an annual basis, the office designated by President pursuant to section 802(D) of the National Security Act of 1947 (as added by section 02 of this Act), shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning the number of requests for financial records made pursuant to this section.".

SEC. 05. NEW CRIMINAL OFFENSE FOR THE POSSESSION OF ESPIONAGE DEVICES.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"POSSESSION OF ESPIONAGE DEVICES

"SEC. 799a. Whoever knowingly maintains possession of any electronic, mechanical, or other device or equipment the design and capability of which renders it primarily useful for the purpose of surreptitiously collecting or communicating information, with the intent of utilizing such device or equipment to undertake actions which would violate section 793, 794, 794a (as added by section 06 of this Act), or 798 of this title, or section 783(b) of title 50, United States Code, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections for chapter 37 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"799a. Possession of espionage devices.".

SEC. 06. NEW OFFENSE FOR SALE OR TRANSFER TO FOREIGN GOVERNMENTS DOCUMENTS AND OTHER MATERIALS DESIGNATED AS TOP SECRET.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting after section 794 the following new section:

"SALE OR TRANSFER OF DOCUMENTS OR MATERIALS MARKED AS 'TOP SECRET'

"SEC. 794a. (a)(1) No person shall knowingly sell or otherwise transfer for any valuable consideration to any person whom he knows or has reason to believe to be an agent or representative of a foreign government—

"(A) any document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or other material, or portion thereof, knowing that it is marked or otherwise designated in any manner, pursuant to applicable law and Executive order, as 'Top Secret', or

"(B) any such document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or other material, or portion thereof, which has had such marking or designation removed without authority and the person making the sale or transfer is aware of such removal.

"(2) Paragraph (1) shall not be deemed to be violated by a person who makes such transfer pursuant to applicable law or executive branch authority.

"(b) In any prosecution under this section, whether or not the information or material in question has been properly marked or designated as "TOP SECRET" pursuant to applicable law or Executive order shall not be an element of the offense: *Provided, however*, That it shall be a defense to any prosecution under this section that the information or document in question has been officially released to the public by an authorized representative of the United States prior to the sale or transfer in question.

"(c) Violation of this section shall be punishable by imprisonment for a maximum of 15 years.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections of chapter 37 of title 18, United States Code, is amended by inserting after the item relating to section 794 the following new item:

"794a. Sale or transfer of documents or materials marked as 'Top Secret'."

SEC. 07. LESSER CRIMINAL OFFENSE FOR THE REMOVAL OF TOP SECRET DOCUMENTS BY GOVERNMENT EMPLOYEES AND CONTRACTORS.

(A) IN GENERAL.—Chapter 93 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"REMOVAL AND RETENTION OF 'TOP SECRET' DOCUMENTS OR MATERIAL

"SEC. 1924. Whoever, being an officer, employee, contractor or consultant of the United States, and having, by virtue of his office, employment, position, or contract, becomes possessed of documents or materials classified at the level of 'Top Secret' pursuant to applicable law or Executive order, knowingly removes such documents or materials without authority and retains such documents or materials at an unauthorized location shall be fined not more than $1,000, or imprisoned for not more than one year, or both.".

(b) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for chapter 93 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1924. Removal of 'Top Secret' documents or material."

SEC. 08. JURISDICTION OF UNITED STATES COURTS TO TRY CASES INVOLVING ESPIONAGE OUTSIDE THE UNITED STATES.

(a) Chapter 211 of title 18 of the United States Code is amended by adding a new section 3239 as follows:

"§3239. Jurisdiction for espionage and related offenses

"The trial for any offense involving a violation of—

"(a) section 793, 794, 794a (as added by section 06 of this Act), 798, 798a (as added by section 05 of this Act), or subsection 1030(a)(1) of this title;

"(b) section 601 of the National Security Act of 1947 as added by the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421); or

"(c) subsections 4(b) or 4(c) of the Subversive Activities Control Act of 1950 (U.S.C. 783(b) or 783(c));

begun or committed upon the high seas or elsewhere out of the jurisdiction of any particular state or district, may be prosecuted in the District of Columbia, or in the Eastern District of Virginia, or in any other district authorized by law.".

(b) The chapter analysis for chapter 211 of title 18 of the United States Code is amended by striking out

"[3239. Repealed.]"

and inserting in lieu thereof:

"3239. Jurisdiction for espionage and related offenses."

SEC. 9. EXPANSION OF EXISTING STATUTE REGARDING FORFEITURE OF COLLATERAL PROFITS OF CRIME TO ADDITIONAL ESPIONAGE OFFENSES.

Section 3681 of title 18, United States Code, is amended—

(1) in subsection (a), by striking out "section 794 of this title" and inserting in lieu thereof "sections 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title and section 783 of title 50, United States Code"; and

(2) by adding at the end thereof the following new subsection:

"(e) For purposes of this section, convictions pursuant to military courts-martial for offenses comparable to violations of sections 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title, or a violation of section 783 of title 50, or convictions by foreign courts for offenses which, if perpetrated within the United States, would constitute offenses under section 793, 794, 794a (as added by section 06 of this Act), 798, and 799a (as added by section 05 of this Act) of this title, or a violation of section 783 of title 50 shall be considered as convictions for which actions may be ordered pursuant to this section.".

SEC. 10. DENIAL OF ANNUITIES OR RETIRED PAY TO PERSONS CONVICTED OF ESPIONAGE IN FOREIGN COURTS INVOLVING UNITED STATES INFORMATION.

Section 8312 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsections (b)(1) and (c)(1), an offense within the meaning of such subsections is established if the Attorney General certifies to the agency employing or formerly employing the person concerned—

"(i) than an individual subject to this chapter has been convicted by an impartial court of appropriate jurisdiction within a foreign country in circumstances in which the conduct violates the provisions of law enumerated in subsections (b)(1) and (c)(1), or would violate such provisions, had such conduct taken place within the United States, and that such conviction is not being appealed or that final action has been taken on such appeal;

"(2) that such conviction was obtained in accordance with procedures that provided the defendant due process rights comparable to such rights provided by the United States Constitution, and such conviction was based upon evidence which would have been admissible in the courts of the United States; and

"(3) that such conviction occurred after the date of enactment of this subsection:

Provided, That any certification made pursuant to this paragraph shall be subject to review by the United States Court of Claims based upon the application of the individual concerned, or his or her attorney, alleging that any of the conditions set forth in subsections (1), (2), (3), herein, as certified by the Attorney General, have not been satisfied in his or her particular circumstances. Should the court determine that any of these conditions has not been satisfied in such case, the court shall order any annuity or retirement benefit to which the person concened is entitled to be restored and shall order that any payments which may have been previously denied or withheld to be paid by the department or agency concerned.

SEC. 11. AUTHORIZING THE FBI TO OBTAIN CONSUMER REPORTS ON PERSONS BELIEVED TO BE AGENTS OF FOREIGN POWERS.

Section 608 of the Consumer Credit Protection Act (15 U.S.C. 1681f) is amended—

(1) by inserting "(a)" before "Notwithstanding"; and

(2) by inserting at the end thereof the following new subsections:

"(b) Notwithstanding the provisions of section 604, a consumer reporting agency shall, upon request, furnish a consumer report to the Federal Bureau of Investigation, if the Director of the Federal Bureau of Investigation, or the Director's designee, certifies in writing to the consumer reporting agency that such records are sought in connection with an authorized foreign counterintelligence investigation and that there are specific and articulable facts giving reason to believe that the person to whom the requested consumer report relates is an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

"(c) Notwithstanding the provisions of section 604, a consumer reporting agency shall furnish identifying information respecting any consumer, limited to name, address, former addresses, places of employment, or former places of employment, to a representative of the Federal Bureau of Investigation when presented with a written request signed by the Director of the Federal Bureau of Investigation, or the Director's designee, stating that the information is necessary to the conduct of an authorized foreign counter-intelligence investigation.

"(d) No consumer reporting agency, or officer, employee, or agent of such institution shall disclose to any person that the Federal Bureau of Investigation has sought or obtained a consumer report or identifying information respecting any consumer under this section.

"(e) On an annual basis the Director of the Federal Bureau of Investigation shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests made under subsections (b) and (c).".

SEC. 12. TO PROVIDE FOR REWARDS FOR INFORMATION CONCERNING ESPIONAGE.

(a) IN GENERAL.—Chapter 204 of title 18, United States Code, is amended—

(1) by inserting at the end of the chapter heading "AND ESPIONAGE";

(2) in section 3071, by inserting "(a)" immediately before "With respect to";

(3) in section 3071, adding at the end thereof the following new subsection:

"(b) With respect to acts of espionage involving or directed at United States information classified in the interest of national security, the Attorney General may reward any individual who furnishes information—

"(1) leading to the arrest or conviction, in any country, of any individual or individuals for commission of an act of espionage against the United States;

"(2) leading to the arrest or conviction, in any country, of any individual or individuals for conspiring or attempting to commit an act of espionage against the United States; or

"(3) leading to the prevention or frustration of an act of espionage against the United States.".

(b) AMOUNT OF REWARDS.—Section 3072 of title 18, United States Code, is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

(c) DEFINITIONS.—Section 3077 of title 18, United States Code, is amended by inserting at the end thereof the following new paragraphs:

"(8) 'act of espionage' means an activity that is a violation of sections 794, 794a (as added by section 06 of this Act), 798, or 799a (as added by section 05 of this Act) of this title or section 783 of title 50, United States Code.

"(9) 'United States information classified in the interests of national security' means information originated, owned, or possessed by the United States Government concerning the national defense and foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure and that has been so designated.".

SEC. 13. TO PROVIDE A COURT ORDER PROCESS FOR PHYSICAL SEARCHES UNDERTAKEN FOR FOREIGN INTELLIGENCE PURPOSES.

The Foreign Intelligence Surveillance Act of 1978 is amended by inserting at the end thereof the following new title:

"TITLE IV—PHYSICAL SEARCHES WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

"AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN INTELLIGENCE PURPOSES

"SEC. 401. (a) Applications for a court order under this title are authorized if the President has, in writing, empowered the Attorney General to approve applications to the Foreign Intelligence Surveillance Court, and a judge of that court to whom application is made may, notwithstanding any other law, grant an order, in conformity with section 403, approving a physical search in the United States, for the purpose of collecting foreign intelligence information of—

"(1) the property, information or material of a foreign power as defined in section 101(a) (1), (2), and (3) of this Act, or

"(2) the premises, property, information or material of an agent of a foreign power or a foreign power as defined in section 101 (a) (4), (5), and (6) of this Act.

"(b) The Foreign Intelligence Surveillance Court shall have jurisdiction to hear applications for and grant orders approving a physical search for the purpose of obtaining foreign intelligence information anywhere within the United States under the procedures set forth in this title, except that no judge shall hear the same application which has been denied previously by another judge. If any judge denies an application for an order authorizing a physical search under this title, such judge shall provide immediately for the record a written statement of each reason for his decision and, on motion of the United States, the record shall be transmitted, under seal, to the Court of Review.

"(c) The Court of Review shall have jurisdiction to review the denial of any application made under this title. If such court determines that the application was properly denied, the Court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

"(d) Judicial proceedings under this title shall be concluded as expeditiously as possible. The record of proceedings under this title, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence.

"APPLICATION FOR AN ORDER

"SEC. 402. (a) Each application for an order approving a physical search under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge of the Foreign Intelligence Surveillance Court. Each application shall require the approval of the Attorney General based upon the Attorney General's finding that it satisfied the criteria and requirements for such application as set forth in this title. It shall include—

"(1) the identity, if known, or a description of the target of the search;

"(2) the authority conferred on the Attorney General by the President of the United States and the approval of the Attorney General to make the application;

"(3) the identity of the Federal officer making the application and a detailed description of the premises or property to be searched and of the information, material, or property to be seized, reproduced, or altered;

"(4) a statement of the facts and circumstances relied upon by the applicant to justify the applicant's belief that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power;

"(B) the premises or property to be searched contains foreign intelligence information;

"(C) the premises or property to be searched is owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power;

"(5) a statement of the proposed minimization procedures;

"(6) a statement of the manner in which the physical search is to be conducted;

"(7) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, premises, or property specified in the application, and the action taken on each previous applications;

"(8) a statement of the facts concerning any search described in section 406(b), below, which involves any of the persons, premises, or property specified in the application; and

"(9) a statement that the purpose of the physical search is to obtain foreign intelligence information.

"(b) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 403.

"ISSUANCE OF AN ORDER

"SEC. 403. (a) Upon an application made pursuant to section 402, the judge shall enter an ex parte order as requested or as modified approving the physical search if the judge finds that—

"(1) the President has authorized the Attorney General to approve applications for physical searches for foreign intelligence purposes;

"(2) the application has been made by a Federal officer and approved by the Attorney General;

"(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power: *Provided*, That no United States person may be considered an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States;

"(B) the premises or property to be searched are owned, used, possessed by, or is in transit to or from an agent of a foreign power or a foreign power; and

"(C) physical search of such premises or property can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means; and

"(4) the proposed minimization procedures meet the definition of minimization contained in this title; and

"(5) the application which has been filed contains all statements required by section 402.

"(b) An order approving a physical search under this section shall—

"(1) specify—

"(A) the Federal officer or officers authorized to conduct the physical search and the identity, if known, or a description of the target of the physical search;

"(B) the premises or property to be searched and the information, material, or property to be seized, altered, or reproduced;

"(C) the type of foreign intelligence information sought to be acquired; and

"(D) a statement of the manner in which the physical search is to be conducted and, whenever more than one physical search is authorized under the order, the authorized scope of each search and what minimization procedures shall apply to the information acquired by each search;

"(2) direct—

"(A) that the minimization procedures be followed;

"(B) that, upon the request of the applicant, a specified landlord, custodian, or other specified person furnish the applicant forthwith all information, facilities, or assistance necessary to accomplish the physical search in such a manner as will protect its secrecy and produce a minimum of interference with the activities of the landlord, custodian, or other person; and that such landlord, custodian or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain;

"(C) that the physical search be undertaken within 30 days of the date of the order, or, if the physical search is of the property, information or material of a foreign power as defined in section 101(a)(1), (2), or (3) of this Act, that such search be undertaken within one year of the order; and

"(D) that the federal officer conducting the physical search promptly report to the court the circumstances and results of the physical search.

"(c) At any time after a physical search has been carried out, the judge to whom the return has been made may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

"(d) Application made and orders granted under this title shall be retained for a period of at least ten years from the date of the application.

"(e) Not more than 60 days after a physical search of the residence of a United States person authorized by this title, or such a search in the circumstances described in section 406(b), has been conducted, the Attorney General shall provide the United States person with an inventory which shall include—

"(1) existence or not of a court order authorizing the physical search and the date of the order;

"(2) the date of the physical search and an identification of the premises or property searched; and

"(3) a list of any information, material, or property seized, altered, or reproduced.

"(f) On an ex parte showing of good cause by the Attorney General to a judge of the Foreign Intelligence Surveillance Court the provision of the inventory required by subsection (e) may be postponed for a period not to exceed 90 days. At the end of such period the provision of the inventory may, upon a similar showing, be postponed indefinitely. The denial of a request for such postponements may be reviewed as provided in section 401.

"USE OF INFORMATION

"SEC. 404. (a) Information acquired from a physical search conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No information acquired from a physical search pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(c) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the United States shall, prior to the trial, hearing, or the other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use of disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof against an aggrieved person any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(e) Any person against whom evidence obtained or derived from a physical search to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such search on the grounds that—

"(1) the information was unlawfully acquired; or

"(2) the physical search was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

"(f) Whenever a court of other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to a physical search authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from a physical search authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other law, if the Attorney General files an affidavit under oath that disclosure or an adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the physical search as may be necessary to determine whether the physical search of the aggrieved person was lawfully authorized and conducted. In making this determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the physical search only where such disclosure is necessary to make an accurate determination of the legality of the physical search.

"(g) If the United States district court pursuant to subsection (f) determines that the physical search was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the physical search of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the physical search was lawfully authorized or conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(h) Orders granting motions or requests under subsection (g), decisions under this section that a physical search was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders or other materials relating to the physical search shall be final orders and binding upon all courts of the United States and the several States except a United States court of appeals and the Supreme Court.

"(i) The provisions of this section regarding the use or disclosure of information obtained or derived from a physical search shall apply to information obtained or derived from a search conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would require a warrant for law enforcement purposes.

"OVERSIGHT

"SEC. 405. (a) On a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence concerning all physical searches conducted pursuant to this title, and all other searches, except those reported under section 108 of this Act, conducted in the United States for foreign intelligence purposes. On an annual basis the Attorney General shall also provide to those committees a report setting forth with respect to the preceding calendar year—

"(1) the total number of applications made for orders approving physical searches under this title; and

"(2) the total number of such orders either granted, modified, or denied.

"(b) Whenever a search is conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes, a full report of such search, including a description of the exigent circumstances, shall be maintained by the Attorney General. Each such report shall be transmitted to the Foreign Intelligence Surveillance Court promptly after the search is conducted.

"AUTHORITY FOR INTELLIGENCE SEARCHES

"SEC. 406. (a) The procedures contained in this title shall be the exclusive means by which a physical search, as defined in this title, may be conducted in the United States for foreign intelligence purposes, and an order issued under this title authorizing a physical search shall constitute a search warrant authorized by law for purposes of any other law.

"(b) Searches conducted in the United States to collect foreign intelligence information, other than physical searches as defined in this title and electronic surveillance as defined in this Act, and physical searches conducted in the United States without a court order to collect foreign intelligence information may be conducted only pursuant to regulations issued by the Attorney General. Such regulations, and any changes thereto, shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives at least 14 days prior to the taking effect. Any regulations issued by the Attorney General regarding such searches which were in effect as of June 1, 1990, shall be deemed to be regulations required by this subsection.

"PENALTIES

"SEC. 407. (a) OFFENSE.—A person is guilty of an offense if he intentionally—

"(1) under color of law for the purpose of obtaining foreign intelligence information, engages in physical search within the United States except as authorized by statute; or

"(2) discloses or uses information obtained under color of law by physical search within the United States, knowing or having reason to know that the information was obtained through physical search not authorized by statute, for the purposes of obtaining intelligence information.

"(b) DEFENSE.—It is a defense to a prosecution under subsection (a) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the physical search was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

"(c) PENALTY.—An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

"(d) JURISDICTION.—There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

"CIVIL LIABILITY

"SEC. 408. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101 (a) or (b)(1)(A), respectively, of this Act, whose premises, property information, or material has been subjected to a physical search within the United States or about whom information obtained by such a physical search has been disclosed or used in violation of section 407 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

"(a) actual damages;

"(b) punitive damages; and

"(c) reasonable attorney's fees and other investigative and litigation costs reasonably incurred.

"DEFINITIONS

"SEC. 409. As used in this title:

"(a) The terms 'foreign power,' 'agent of a foreign power,' 'international terrorism,' 'sabotage,' 'foreign intelligence information,' 'Attorney General,' 'United States person,' 'United States',' 'person,' and 'State' shall have the same meaning as in Section 101 of this Act.

"(b) 'Physical search' means any physical intrusion into premises or property (including examination of the interior of property by technical means) or any seizure, reproduction by technical means) or any seizure, reproduction or alteration of information, material or property, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, but does not include 'electronic surveillance' as defined in subsection 101(f) of this Act.

"(c) 'Minimization procedures' with respect to physical search, means—

"(1) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purposes and technique of the particular physical search, to minimize the acquisition and retention, and prohibit the dissemination, of non-publicly available information concerning unconsenting United States persons consistent with the need of the United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information;

"(2) procedures that require that non-publicly available information, which is not foreign intelligence information, as defined in subsection 101(e)(1) of this Act, shall not be disseminated in a manner that identifies any United States person, without such person's consent, unless such person's identity is necessary to understand such foreign intelligence information or assess its importance; and

"(3) notwithstanding paragraphs (1) and (2), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for law enforcement purposes."

"(d) 'Aggrieved person' means a person whose premises, property, information, or material is the target of physical search or any other person whose premises, property, information, or material was subject to physical search.

"(e) 'Foreign Intelligence Surveillance Court' means the court established by section 103(a) of this Act.

"(f) 'Court of Review' means the court established by section 103(b) of this Act.

"EFFECTIVE DATE

"SEC. 410. The provisions of this title shall become effective 90 days after the date of enactment of this title, except that any physical search approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this title, if that search is conducted within 180 days following the date of enactment of this title pursuant to regulations issued by the Attorney General, which are in the possession of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives prior to the date of enactment.".

HATFIELD AMENDMENT NOS. 1490–1491

Mr. HATFIELD proposed two amendments to the bill S. 4, supra; as follows:

AMENDMENT NO. 1490

At the appropriate place, insert the following section:

SEC. ___. URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.

(a) URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.—

(1) AUTHORIZATION.—The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to make grants to eligible institutions in accordance with this section.

(2) APPLICATION.—

(A) IN GENERAL.—An eligible institution seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

(B) CONTENTS.—Except as provided in subparagraph (C), each application submitted pursuant to subparagraph (A) shall include—

(i) a description of the activities and services for which assistance is sought;

(ii) evidence of coordination with any small business development centers in existence in the community; and

(iii) documentation of the formation of a consortium that includes, in addition to eligible institutions, one or more of the following entities:

(I) A nonprofit organization.

(II) A business or other employer.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (B)(iii) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan that otherwise meets the requirements of this section.

(3) SELECTION PROCEDURES.—Not later than 120 days after the date of enactment of this section, the Secretary shall, by regulation, develop a formal procedure for the submission of applications under this section and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this section.

(b) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds provided under this section shall be used to design and implement programs to assist businesses, especially those in lower income urban communities, to become more productive and able to compete in the global marketplace.

(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this section may include research on, or planning and implementation of technology transfer, technical training, the delivery of services, or technical assistance in—

(A) business development;

(B) business creation;

(C) business expansion; and

(D) human resource management.

(c) PEER REVIEW PANEL.—

(1) ESTABLISHMENT.—Not later than 90 days after the date on which the Secretary publishes the announcement in the Federal Register in accordance with subsection (a)(3), the Secretary shall appoint a peer review panel (hereafter in this section referred to as the "panel").

(2) MEMBERSHIP.—In appointing the panel under paragraph (1), the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations in order to ensure that—

(A) the panel membership is geographically balanced; and

(B) the panel is composed of representatives from public and private institutions of higher education, labor, business, and nonprofit organizations having expertise in business development in lower income urban communities.

(3) DUTIES.—The panel shall—

(A) review applications submitted under this section; and

(B) make recommendations to the Secretary concerning the selection of grant recipients.

(d) DISBURSEMENT OF FUNDS.—

(1) LIMITATION ON AMOUNT.—The Secretary shall not provide assistance under this section to any recipient which exceeds $400,000 during any 1-year period.

(2) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this section in a manner that achieves equitable geographic distribution of such grants.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) LOWER INCOME URBAN COMMUNITY.—The term "lower income urban community" means an urban area in which the percent of residents living below the Federal poverty level is not less than 115 percent of the statewide average.

(2) URBAN AREA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "urban area" means a primary metropolitan statistical area of the United States Department of Commerce, Bureau of the Census.

(B) EXCEPTION.—With respect to a State that does not contain an urban area, as defined in subparagraph (A), the Secretary shall designate 1 area in the State as an urban area for purposes of this section.

(3) ELIGIBLE INSTITUTION.—

(A) INSTITUTION OR CONSORTIUM.—The term "eligible institution" means a nonprofit institution of higher education that meets the requirements of subparagraph (B), or a consortium of such institutions, any 1 of which meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—An institution meets the requirements of this subparagraph if the institution—

(i) is located in an urban area;

(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources;

(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas; and

(vii) has a school of business accredited by the American Assembly of Collegiate Schools of Business (or similar organization) with faculty experienced in conducting research on issues of immediate concern to small and emerging businesses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $10,000,000, for fiscal year 1995; and

(2) such sums as may be necessary, for fiscal years 1996, 1997, 1998, and 1999.

AMENDMENT NO. 1491

Add at the end of the bill the following new title:

TITLE VIII—LOCAL EMPOWERMENT AND FLEXIBILITY

SEC. 801. SHORT TITLE.

This title may be cited as the "Local Empowerment and Flexibility Act of 1994".

SEC. 802. FINDINGS.

The Congress finds that—

(1) historically, Federal social service programs have addressed the Nation's social problems by providing categorical assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of social services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex social problems which require the delivery of many kinds of social services;

(4) the Nation's communities are diverse, and different social needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote local delivery of social services to meet the full range of needs of individuals and families;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver social services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of the people in their communities while continuing to address national social service goals; and

(6) many communities have innovative planning and community involvement strategies for social services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 803. PURPOSES.

The purposes of this title are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal social service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local social services goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal assistance to the particular needs of low income citizens and the operating practices of recipients, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical social service problems.

SEC. 804. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the social service needs of a community (or any part of such a plan) that is approved by the Community Enterprise Board under section 806;

(2) the term "community advisory committee" means such a committee established by a local government under section 808;

(3) the term "Community Enterprise Board" means the board established by the President that is composed of the—

(A) Vice President;

(B) Assistant to the President for Domestic Policy;

(C) Assistant to the President for Economic Policy;

(D) Secretary of the Treasury;

(E) Attorney General;

(F) Secretary of the Interior;

(G) Secretary of Agriculture;

(H) Secretary of Commerce;

(I) Secretary of Labor;

(J) Secretary of Health and Human Services;

(K) Secretary of Housing and Urban Development;

(L) Secretary of Transportation;

(M) Secretary of Education;

(N) Administrator of the Environmental Protection Agency;

(O) Director of National Drug Control Policy;

(P) Administrator of the Small Business Administration;

(Q) Director of the Office of Management and Budget; and

(R) Chair of the Council of Economic Advisers.

(4) the term "covered Federal assistance program" means an eligible Federal assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal assistance program"—

(A) means a Federal program under which assistance is available, directly or indirectly, to a local government or a qualified organization to carry out a program for—

(i) economic development;

(ii) employment training;

(iii) health;

(iv) housing;

(v) nutrition;

(vi) other social services; or

(vii) rural development; and

(B) does not include a Federal program under which assistance is provided by the Federal Government directly to a beneficiary of that assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of assistance provided by the Federal Government under 2 or more eligible Federal assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "low income" means having an income that is not greater than 200 percent of the Federal poverty income level;

(10) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal assistance program included in such a plan;

(11) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(12) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 805. DEMONSTRATION PROGRAM.

The Community Enterprise Board shall—

(1) establish and administer a local flexibility demonstration program by approving local flexibility plans in accordance with the provisions of this title;

(2) no later than 180 days after the date of the enactment of this Act, select no more than 30 local governments from no more than 6 States to participate in such program, of which—

(A) 3 States shall each have a population of 3,500,000 or more as determined under the most recent decennial census; and

(B) 3 States shall each have a population of 3,500,000 or less as determined under the most recent decennial census.

SEC. 806. PROVISION OF FEDERAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 807. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Community Enterprise Board in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.—An application submitted under this section shall include—

(1) a proposed local flexibility plan that complies with subsection (c);

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Community Enterprise Board, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply;

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal assistance programs included in the proposed plan; and

(C) low income individuals and families that reside in that geographic area participated in the development of the proposed plan;

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 810; and

(5) other relevant information the Community Enterprise Board may require to approve the proposed plan.

(c) Contents of Plan.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by age, service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal assistance programs to be included in the plan as covered Federal assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Community Enterprise Board considers necessary to approve the plan;

(5) except for the requirements under section 809(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 806(b)(2); and

(9) other relevant information the Community Enterprise Board may require to approve the plan.

(d) Procedure for Applying.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Community Enterprise Board.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Community Enterprise Board.

SEC. 808. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) Review of Applications.—Upon receipt of an application for approval of a local flexibility plan under this title, the Community Enterprise Board shall—

(1) approve or disapprove all or part of the plan within 45 days after receipt of the application;

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) Approval.—(1) The Community Enterprise Board may approve a local flexibility plan for which an application is submitted under this title, or any part of such a plan, if a majority of members of the Board determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this title and of each covered Federal assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this title;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program;

(H) the qualitative level of those benefits shall not be reduced for any individual or family; and

(I) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Community Enterprise Board may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Community Enterprise Board shall disapprove a part of a local flexibility plan if a majority of the Board disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Community Enterprise Board shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this title under section 813(a).

(5) Disapproval by the Community Enterprise Board of any part of a local flexibility plan submitted by a local government under this title shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) Memoranda of Understanding.—(1) The Community Enterprise Board may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive assistance under the plan enters into a memorandum of understanding under this subsection with the Community Enterprise Board.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Community Enterprise Board, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal assistance programs that are to be waived by the Community Enterprise Board under section 809(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal assistance program included in those parts;

(C) the sources of all non-Federal funds that shall be provided as benefits under or used to administer those parts;

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

(E) the data to be collected to make that determination.

(d) LIMITATION ON CONFIDENTIALITY REQUIREMENTS.—The Community Enterprise Board may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

(1) impede the exchange of information needed for the design or provision of benefits under the parts; or

(2) conflict with law.

SEC. 809. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) PAYMENTS AND ADMINISTRATION IN ACCORDANCE WITH PLAN.—Notwithstanding any other law, any benefit that is provided under a covered Federal assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) WAIVER OF REQUIREMENTS.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Community Enterprise Board may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Community Enterprise Board.

(2) The Community Enterprise Board may not waive a requirement under this subsection unless the Board finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal assistance program.

(3) The Community Enterprise Board may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); or

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) SPECIAL ASSISTANCE.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) EVALUATION AND TERMINATION.—(1) A local government, in accordance with regulations issued by the Community Enterprise Board, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Community Enterprise Board of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Community Enterprise Board a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 807(c)(3).

(3)(A) If the Community Enterprise Board, after consultation with the head of each Federal agency responsible for administering a covered Federal assistance program included in an approved local flexibility plan of a local government, determines—

(i) that the goals and performance criteria included in the plan under section 807(c)(3) have not been met; and

(ii) after considering any experiences gained in implementation of the plan, that those goals and criteria are sound;

the Community Enterprise Board may terminate the effectiveness of the plan.

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Community Enterprise Board shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal assistance programs included in the plan.

(e) FINAL REPORT; EXTENSION OF PLANS.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Community Enterprise Board a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Community Enterprise Board may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 810. COMMUNITY ADVISORY COMMITTEES.

(a) ESTABLISHMENT.—A local government that applies for approval of a local flexibility plan under this title shall establish a community advisory committee in accordance with this section.

(b) FUNCTIONS.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings;

(2) representing the interest of low income individuals and families; and

(3) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) MEMBERSHIP.—The membership of a community advisory committee shall—

(1) consist of—

(A) low income individuals, who shall—

(i) comprise at least one-third of the membership; and

(ii) include minority individuals who are participants or who qualify to participate in eligible Federal assistance programs;

(B) representatives of low income individuals and families;

(C) persons with leadership experience in the private and voluntary sectors;

(D) local elected officials;

(E) representatives of participating qualified organizations; and

(F) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) OPPORTUNITY FOR REVIEW AND COMMENT BY COMMITTEE.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) COMMITTEE REVIEW OF REPORTS.—Before submitting annual or final reports on an approved assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 811. TECHNICAL AND OTHER ASSISTANCE.

(a) TECHNICAL ASSISTANCE.—(1) The Community Enterprise Board may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Community Enterprise Board—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Community Enterprise Board may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) low income individuals and families that shall receive benefits under covered Federal assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) DETAILS TO BOARD.—At the request of the Chairman of the Community Enterprise Board and with the approval of an agency head who is a member of the Board, agency staff may be detailed to the Community Enterprise Board on a nonreimbursable basis.

SEC. 812. COMMUNITY ENTERPRISE BOARD.

(a) FUNCTIONS.—The Community Enterprise Board shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this title;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal assistance

program under which substantial Federal assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Community Enterprise Board by this title; and

(5) issue regulations to implement this title within 180 days after the date of its enactment.

(b) REPORTS.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Community Enterprise Board shall submit a report on the 5 Federal regulations that are most frequently waived by the Community Enterprise Board for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 813. TERMINATION AND REPEAL; REPORT.

(a) TERMINATION AND REPEAL.—This title is repealed on the date that is 5 years after the date of the enactment of this Act.

(b) REPORT.—No later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to continuing local flexibility.

BROWN AMENDMENT NO. 1492–1494

Mr. BROWN proposed three amendments to the bill S. 4, supra, as follows:

AMENDMENT NO. 1492

At the appropriate place in the amendment, insert the following section:

SEC. . PROHIBITION ON SOLICITATION OF CAMPAIGN CONTRIBUTIONS BY PERSONS AWARDING CONTRACTS.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 610. Solicitation of political contributions by persons awarding contracts

"Any person who awards any contract or grant under any provision of, or any amendment made by, the National Competitiveness Act of 1994 who, during the 5-year period beginning on the date the contract or grant is awarded, knowingly solicits a political contribution (within the meaning of section 7322(3) of title 5, United States Code) from any person who was awarded such contract or grant (or any owner, officer, employee, or agent thereof) shall be imprisoned for 1 year or fined not more than $10,000, or both."

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new item:

"610. Solicitation of political contributions by persons awarding contracts."

AMENDMENT NO. 1493

On page 49, strike line 19 to line 7 on page 50, and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the business agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

"(C) Strike paragraph (2) and replace with: enter into contracts and cooperative agreements, and subject to the last sentence of this subsection, other transactions with United States businesses and independent research organizations, especially small businesses and independent research organizations, *Provided*, That the business or independent research organization agrees to pay at least half of the total costs of a project during the project period, which shall not extend beyond 5 years and *Provided further*, That the emphasis is placed on applying the Institute's research, research techniques, and expertise to those organizations' research programs;"

AMENDMENT NO. 1494

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,500,000,000.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on the Small Business Administration's Microloan Program and the SBA's Business Development Program. The hearing will take place on Thursday, March 17, 1994, at 2:30 p.m., in room 428A of the Russell Senate Office Building. For further information, please call Patricia Forbes, counsel to the Small Business Committee at 224–5175.

NOTICE OF RESCHEDULING OF TIME FOR HEARING COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that the hearing on the domestic and international implications of energy demand growth in China and the developing countries of the Pacific rim will take place on March 16, 1994, in room SD–366 of the Dirksen Senate Office Building, First and C Streets, NE, Washington, DC, and will begin at 10 a.m. instead of 9:30 a.m., as originally scheduled.

For further information, please contact Shirley Neff of the committee staff at 202/224–7865.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet jointly with the Committee on Governmental Affairs on Thursday, March 10, 1994 at 2 p.m., in open session, to receive testimony on S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, March 10, 1994, at 9:30 a.m., in open session to consider the nomination of John M. Deutch to be Deputy Secretary of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m. to hear testimony on the subject of the health care cost containment.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 10 at 10 a.m. to hold a hearing on the administration's proposal to seek modification of the 1972 Anti-Ballistic Missile Treaty (ex. L. 92–2).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, March 10, 1994, at 2 p.m., for a joint hearing with the Armed Services Committee on the legislation: S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, March 10, 1994 to hold a hearing on the nomination of Deval L. Patrick, to be Assistant Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 9:30 a.m., to hold a hearing to receive testimony from Senators on Title I, Reform of the Senate, of S. 1824, the "Legislative Reorganization Act of 1994".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business

Committee be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 9:30 a.m. The committee will hold a full committee hearing on the impact of health care reform on the small business sector.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veteran's Affairs would like to request unanimous consent to hold a hearing on the budget for veterans programs for fiscal year 1995 at 2 p.m. on Thursday, March 10, 1994. The hearing will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 10, 1994, at 2:30 p.m., to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGING

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Aging be authorized to meet for a hearing on Women's Health Under the President's Health Care Plan, during the session of the Senate on March 10, 1994, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity be authorized to meet for a hearing on Creating a National Employment Training System, during the session of the Senate on March 10, 1994, at 11 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IDAMAE GARROTT

• Mr. SARBANES. Mr. President, Maryland State Senator Idamae Garrott has announced that when her current term in office expires this year she will not be a candidate for reelection, after more than 25 years of distinguished public service to the people of Montgomery County and indeed all of Maryland and the National Capital region.

A dedicated and committed legislator and community leader, Senator Garrott's career has indeed reflected her success as an informed and independent voice for the people she represents. Long active in a wide range of important public service leadership positions, she has served in the Maryland Legislature since 1979, and as senator since 1986; as a member and later president of the Montgomery County Council; president of the Washington Metropolitan Council of Governments; member and chairman of the Washington Suburban Transit Commission, and later a board member of Metro; and as first chairman of the Solid Waste Management agency of Metropolitan Washington.

During this outstanding career, Senator Garrott has accomplished a substantial list of important achievements. Among those she lists as the successes of which she is most proud are the legislation establishing fair housing in Montgomery County in 1967; her sponsorship of the county consumer protection law, the child safety seat legislation and a measure banning corporal punishment in Maryland public schools. Mr. President, these are but a few of Idamae Garrott's most important accomplishments during her career.

In announcing her decision not to seek reelection, Senator Garrott demonstrated the depth of her commitment to public service and the graciousness that has been the hallmark of her life when she said "I feel that the work I have done in government has been challenging, rewarding, and productive. Now I hope to lead a healthy, productive retired life."

Mr. President, I ask all of our colleagues to join in wishing Maryland State Senator Idamae Garrott every success in achieving that wish.•

A TRIBUTE TO TAD LANGLOIS, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to a young Olympian from Newport, NH, who participated in the 1994 Winter Olympics in Lillehammer, Norway.

Tad Langlois was a member of the U.S. ski jumping team where he placed 33d in the normal hill competition and 35th in the large hill competition. The Granite State is proud of his representation at this historic sporting event.

Tad is in his 8th year as a member of the U.S. ski team where he has been a competitive skier since the mid-1980's. In 1986, in his first Europa Cup in Tarvisio, Italy, Tad led after his first jump and wound up fifth. He finished 11th at the 1986 World Juniors where he won the U.S. junior title and was third in the 1986 large hill championship.

Tad, who made his first Olympic team as a teenager, was competing in his third Olympics at Lillehammer. He missed the 1993 World Championships after suffering a leg injury in a pickup basketball game at the Subaru U.S. championships and has been determined to do well this season.

In addition to skiing, Tad is an avid golfer. He has sponsored 1-day tournaments to raise funds for local jumping. He was a baseball infielder before trying ski jumping in the eighth grade. New Hampshire will continue to cheer on Tad as he continues his skiing career.•

A TRIBUTE TO TIM TETREAULT, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to an Olympian from Lebanon, NH, who participated in the 1994 winter Olympics in Lillehammer, Norway.

Tim Tetreault was a member of the U.S. ski team where he placed 30th in the Nordic Combined competition. The Granite State is proud of his representation at this historic sporting event.

Tim is the reigning U.S. champion who had an outstanding season in 1992. On leave from the University of Vermont, Tim posted three World Cup top 15 placements, made the Olympics and won his first U.S. title. In 1993, he successfully defended his U.S. title.

Tim commented that he has learned a lot last season and his cross country is getting better as he spends more time on it. He was a high school soccer player and the youngest of four children. He is an engineering major in college, which is on hold until he finishes competing. New Hampshire will continue to cheer on Tim as he continues his skiing career.•

COMBATING TELEVISION VIOLENCE

• Mr. SIMON. Mr. President, many of my colleagues have heard me express my concerns about the television violence that plagues our society. A recent article in the Chronicle of Higher Education, by Ronald G. Slaby, a senior scientist at the Education Development Center and pediatric lecturer at Harvard Medical School, describes how, by design or by default, television serves as an educator for our children. Viewers can learn values, skills, and positive behaviors from watching television. They also learn about violence. Unfortunately, the violence they watch is often glamorized, legitimized, and rewarded, communicating a distorted yet influential message to our vulnerable children, who lack the critical judgment and real world experience necessary to differentiate distortion from reality.

Mr. Slaby's article provides an interesting discussion about this complex problem, and offers some helpful suggestions. I urge my colleagues to read it.

Mr. President, I ask that the full text of this article be printed at this point in the RECORD.

The article follows:

COMBATING TELEVISION VIOLENCE

(By Ronald G. Slaby)

"Who killed him?" asked the four-year-old girl when her parents told her of the death of her playmate's father. The parents were prepared to discuss the many concerns that a child might have about the death of a parent, but not the question that she asked. After explaining that her playmate's father had died of a disease, they asked why she thought that someone had killed him. "Isn't that the way people die?" the girl asked. "That's the way people die on TV."

The depiction of violence on television not only fosters such misunderstanding, but also contributes to the rising tide of violent death and injury in our society. The research evidence is very clear on these harmful effects, a conclusion that was reinforced last year in Violence and Youth: Psychology's Response, the report of a commission appointed by the American Psychological Association to conduct a broad review of the scientific evidence.

First and foremost, the research demonstrates that television is a teacher—whether by design or by default. All viewers, and particularly children, learn skills, values, and behaviors from television. As Yogi Berra has been quoted as saying: "You can observe a lot—just by watching." Indeed, television is one of the most pervasive and effective teachers ever created. Unfortunately, American television teaches many misleading and harmful lessons about violence.

"Entertainment violence" (a strange term that many industry observers have come to accept) commonly teaches us that violence is legitimate, justified, rewarded, effective, and clean. Sometimes violence is portrayed as heroic, manly, funny, and even pleasurable. Exposure to these unrealistic and glorified portrayals of violence on television has increased dramatically recently with the greater availability of satellite, cable, video, and interactive video-game technologies.

Particularly high levels of unrealistic television violence are presented to those most vulnerable to its distorting effects—children. Children are generally more susceptible than adults because they lack the real-world experience and the critical judgment necessary to evaluate how unrealistic and irrelevant to their own lives the distorted portrayals of violence may be.

Newcomers to the research evidence on violence generally ask the question that the scientific community answered clearly and conclusively more than a decade ago. "Does viewing violence on television affect people?" This question is usually accompanied by a comment that indicates the expected answer: "I understand that the research is not clear on this point."

The simple answer is that several effects of viewing television violence have been conclusively documented. Serious concerns derived from this research have been voiced repeatedly by professional organizations such as the American Medical Association, the American Psychological Association, the American Academy of Pediatrics, and the American Public Health Association in publications, resolutions, and policy recommendations. Nevertheless, a huge education gap still exists between what is known from the research and what is understood by the general public.

Until recently, researchers' voices have been drowned out in the din of denial and disinformation coming from executives of the television and movie industries, whose self-serving defense of violent programming has prevailed. The question that scholars should be asking themselves now is, What can we do about this education gap?

Television violence produces several different harmful effects on viewers, documented by a large and diverse body of independently replicated findings. Although not all of these effects occur in all viewers and some viewers are more susceptible than others, it appears that no viewer is immune.

Research has shown that some viewers of television violence, particularly those who strongly identify with the aggressor, manifest what is called the "aggressor effect." They are more likely than non-viewers to display meanness, aggressive behavior, and even serious violence toward others. In longitudinal research that has followed individuals over major portions of their lives—in some cases for up to 22 years—we see that viewing large quantities of television violence when they were children is one of the best predictors of violent criminal behavior among the adult males studied, even when major demographic differences are factored in.

We have also documented the "victim effect." Some viewers of television violence, particularly those who identify with the victim, are more likely to show fear, mistrust, and self-protective behavior such as carrying a gun. They display an exaggerated belief that they are extremely vulnerable to violence by strangers. In reality, one's risk of violence comes mainly from families, partners, and acquaintances.

Viewers of television violence who demonstrate the "bystander effect" are more likely than other people to be callous toward victims of violence and to be apathetic toward others who engage in violence, because they have been desensitized into accepting it. The "increased-appetite effect" occurs when viewers, particularly those who have repeatedly seen violence portrayed in glorified ways, begin to seek out more-violent material.

The television industry has argued, "We are only giving you what you want," without owning up to the fact that viewers' appetites have been cultivated by television itself through repeated portrayals of violence glorified in many different ways.

We can better understand the gap between public understanding and the research evidence on violence by looking at similar situations in the past. Such gaps frequently exist when a powerful industry or organization is more interested in making dollars than in making sense. When the U.S. Surgeon General first warned that cigarette smoking was harmful to people's health, the tobacco industry denied it, misrepresented the evidence, and promoted unsupported counterclaims in response to each new scientific finding.

Although the television industry at first resisted giving up a major source of advertising revenue from tobacco companies, it eventually was forced to do so by federal regulatory pressure on stations to comply with the "fairness doctrine." That required giving public-service announcements about the dangers of smoking the same amount of time given to tobacco advertisements. The television industry eventually capitulated and adopted a voluntary ban on all advertising for tobacco products.

Once its financial ties with the tobacco companies were broken, TV began to use its powerful educational potential to help educate the public about the dangers of smoking. New scientific findings were reported on television, the number of smokers portrayed in shows was reduced, and TV reporters confronted tobacco-company executives and poked holes in their self-serving arguments in front of millions of American viewers. Major health benefits for American citizens have resulted from television's realistic presentation of the damaging effects of smoking and publicity about strategies to help smokers stop.

Television's presentation of the issue of television violence, however, has been shameful. As Marvin Kitman, TV critic for Newsday, testified before a Congressional committee: "You could put the amount of social responsibility the networks and cable have shown in the navel of a gnat and still have room left over for the Bill of Rights." Executives of the television industry generally have dealt with the scientific evidence on TV violence by ignoring, denying, misrepresenting, or attacking it with unsupported counterclaims. Attacks and misrepresentations of the evidence became so extreme in the early 1980's that Surgeon General C. Everett Koop sent one of the TV networks a letter of reprimand.

Much of the American public, informed primarily by television's own self-serving presentation of this issue, has given credence to the many misleading assertions made over the last four decades by the television industry. These included contentions that viewing TV violence is a means of draining off our aggressive energy, a non-issue, a mere reflection of our society, a simple response to popular demand, a problem of parental irresponsibility, or a problem for only a few crazies.

Much of the American public also has come to believe misleading claims by the television industry—that remedies are not needed, that the industry has already fixed the problem, that citizens who call for changes in television practices are simply "special-interest groups," and that all proposed remedies are equivalent to "censorship."

In the 1960's and 1970's, top television executives uniformly testified before Congress that TV violence reduced aggression in viewers through "catharsis," a process purported to drain off viewers' aggressive motivations. A better label for this notion, which has been unequivocally discredited among scientists, might have been "wishful thinking."

Then, in the 1980's and early 1990's, the top television executives uniformly dropped their claims of catharsis in favor of another line of defense. They repeatedly and vehemently have told Congress and the American public that television violence has no effect on viewers. This claim comes from the same executives whose businesses collectively earn several billion dollars a year precisely because television does, through advertising, affect viewers' behavior.

Meanwhile, four decades of denial have permitted TV violence to continue undisturbed and to proliferate into many new forms and delivery systems. The denial has delayed the important task of developing responsible remedies for the effects of TV violence. Worse yet, the education gap has led us to overlook TV's potential to contribute to solving the problem of violence throughout society—much as television finally helped educate us about the dangers of smoking.

The time has come for scholars to help close the education gap and to enlist the participation of the television industry in helping to solve some of the problems to which it has contributed. Pressure on the TV and movie industries to generate their own remedies has been applied by Sen. Paul Simon of Illinois, former Surgeon General Koop, Attorney General Janet Reno, and even President Clinton. The recent decision by a federal appeals court overturning the Federal Communications Commission's "indecency" regulations for TV programming further increases the importance of self-imposed regulation by the industry.

Several regulatory and legislative strategies friendly to the First Amendment also have been introduced. Rep. Joseph Kennedy, Jr., of Massachusetts has introduced a bill that would establish an 800 telephone number so that citizens could send the FCC comments, suggestions, and criticisms regarding television violence. This record would be made available to the public, summarized periodically for Congress, and sent to individual television stations for their responses.

Rep. Edward Markey of Massachusetts is sponsoring a bill that would require each new television set to be outfitted with a "V-chip" that would allow parents to block violent programming coded with an electronic warning signal. Rep. Charles Schumer of New York has introduced a bill that would establish a Presidential commission with representatives from TV, the public, and experts on television violence to propose ways to reduce broadcast violence.

William Abbott, president of the National Foundation to Improve Television, a nonprofit organization, has filed a rule-making petition with the FCC that proposes a variety of regulatory remedies that have been endorsed by First Amendment scholars. For example, the petition proposes that broadcasters and other telecasters be required to provide programming designed to educate children about ways to prevent violence. A number of scholars have been working with the sponsors of these proposals.

Such efforts and proposed remedies do have an impact. Last July, top television-industry executives finally took a step in the right direction. They admitted in a national press conference that television violence does contribute to the problems of violence in our society, and they promised to present parental advisories at the beginning of violent programs and in program listings. This, of course, is merely a baby step on a long journey that industry leaders need to take to own up to their responsibility for contributing to the problem.

Scholars must support a broad range of efforts to close the gap between what they and the public know about television violence. The advice of scholars in education, communications, the behavioral sciences, criminal justice, and public health is needed now more than ever before. Above all, we must make sure that the important question remains before the American public: What kind of teacher will we allow television to be? The teacher of misleading, even deadly, lessons about violence? Or the teacher of a broad variety of accurate and potentially effective solutions to society's violence? The time to act is upon us.•

CELEBRATING THE TOWN OF CLARKSON

• Mr. D'AMATO. Mr. President, I rise today to speak in celebration of the town of Clarkson on the occasion of it's 175th birthday. On April 2, 1994, the town of Clarkson will celebrate this landmark. I take pride in the anniversary of this great town and ask my colleagues to join me in celebrating its longevity and success. The entire town of Clarkson will celebrate this momentous occasion with appropriate fanfare and festivities.

A monumental celebration of this nature provides a golden opportunity to look back on the protracted history of one of the many great towns in our country. As we look back through the decades at Clarkson we see that the area was originally referred to as Murray Corners. The 19th century was marked by the development of dirt roads and later, when traffic increased and the stagecoach began stopping in Clarkson, the "Plank Road" was built by placing hemlock planks side by side. The War of 1812 was a very eventful period in Clarkson history, troops and a temporary depository for supplies and munitions of war were strategically placed here. The corners served as a stopping place where horses were exchanged and travelers could quench their thirst at the Wallbridge and Houston Tavern.

Today, if you visit Clarkson you will be able to see some of the landmarks of its rich history. The Presbyterian Congregational Society's house of worship built in 1825 is now the Clarkson Community Church with Paul Davis as pastor. Many taverns and inns have remained along the old stagecoach route. The town hall which was built in 1899 and remodeled in 1936 remains one of the most picturesque landmarks in the town. Some of the original planks from the "Plank Road," now Lake Road, can still be found in Clarkson.

Clarkson, NY, has bloomed, blossomed, and flowered into a viable community that has been shaped and reshaped by many individuals collectively contributing to many historical watersheds that have endowed Clarkson with much more than mere survival over the past 175 years.

Mr. President, I ask my colleagues in the Senate to join me in honoring the great history of Clarkson. As a Senator from New York, I am proud to represent this town and others like it. It is the good people of Clarkson who make up the very fabric of our American life and history. It is only right that we acknowledge the value of our history as exemplified by this American town. I salute the town of Clarkson and congratulate its citizenry on their special birthday.•

MISSION TO FIND THE MISSING

• Mr. DURENBERGER. Mr. President, an article appeared in the Washington Post today about grassroots organizations that have sprung up to search for missing children and prevent child abductions. The article caught my eye because it was accompanied by a picture of a dear friend of mine—a friend that I feel I know very well even though I have never had the privilege of meeting him.

Three weeks ago today, my friend turned 16 years old. His name is Jacob Wetterling, and he was abducted from St. Joseph, MN, by an armed stranger when he was 11 years old. No one has heard from Jacob or his abductor since that day. But we all continue to hope and pray for Jacob's safe return to us.

Jacob's parents, Jerry and Patty Wetterling, have been incredible examples of the power of hope. They labored to set up the Jacob Wetterling Foundation, an organization dedicated to preventing and responding to child abductions. Patty spends countless hours traveling to speak to kids and adults about child protection. Her advocacy for kids has been felt throughout Minnesota and nationwide.

Patty's efforts to pass a State child protection law in Minnesota led me to introduce Federal legislation in 1991, which I named the Jacob Wetterling bill. This legislation would require those convicted of a sexual offense against a child to register a current address with law enforcement officials, for a period of 10 years after being released.

This legislation was passed in 1991, and again in 1993, as a provision in the Senate crime bill. It was also passed at the end of last year by the House of Representatives as a separate bill. Since both the House and Senate have now overwhelmingly spoken their support, I hope that we can move toward swift enactment of the Jacob Wetterling bill.

Mr. President, I ask that the article that appeared in the Post this morning be printed at the conclusion of my remarks.

Anyone with information about Jacob's case, or any other missing child, should contact the Jacob Wetterling Foundation at 1-800-325-HOPE. May we all keep hope alive in our hearts for Jacob and America's kids.

The article follows:

[From the Washington Post, Mar. 10, 1994]

GRASS-ROOTS CRUSADERS EMBRACE A MISSION TO FIND THE MISSING

(By Christine Spolar and Barbara Vobejda)

Less than 10 hours after Polly Klass was dragged from her home last October, the people of Petaluma, Calif., were already learning how to make the 12-year-old girl the nation's most wanted child.

As a radio station blared the news that she had been abducted—taken from her bedroom by a knife-wielding stranger—neighbors drove to the police station, to her school and to a local printer's office to offer their help. By mid-morning, hundreds of posters were printed and dozens of people had abandoned their Saturday chores to distribute them.

Before a full day had passed, national groups concerned with missing children sent representatives. By the next day, a volunteer search troop had spread across the little Northern California town and into the foothills of Sonoma County. By midweek, volunteers began cutting back on their work hours to spend time at a make-shift research center, to mail out fliers and punch information into computer bulletin boards.

"None of us had ever done anything like this before," said Leslie Ronsheimer, who worked in a local dental office and called patients she knew to help. "We didn't always know what we were doing—but we kept calling and people kept giving."

This frenzy of activity embodied the most sophisticated of what has become a common response in child abductions, a grass-roots crusade dedicated to one cause: finding the missing child. No longer do parents and neighbors wait patiently for police to bring home news. Now, dozens of times a year when a child is kidnapped, a neighborhood enterprise springs to life, blanketing the community with information, raising money, prodding police and setting up hot lines.

Such groups have become a phenomenon—part sleuthing, part marketing, part community healing. In some cases, they are encouraged and supported by police investigators. In others, there is a mutual distrust, frustration that police seem to be moving too slowly, anger that volunteers are trying to take matters into their own hands.

But even when police officials are exasperated, they acknowledge that these community groups have generated renewed public interest in a relatively infrequent, but horrifying problem.

"If there's any legacy from this . . . it was a wake-up call for a lot of people," said Joanne Gardner, a California video director who helped search for Polly Klaas.

The day after the kidnapping, Gardner arrived with her laptop computer after watching news broadcasts that showed chaos among the volunteers. She riffled her Rolodex, calling the press and celebrities to ask that they publicize Polly's abduction. By day's end, Gardner was the media coordinator.

Others gave what they could: A community center donated tables and chairs. Pacific Bell, which intended to install one phone line, kept workers there until 11 lines were up and running. Local businesses donated computers, office supplies and fax machines for volunteers to trade and track search tips.

Cases like that of Polly Klaas—known as "stereotypical" abductions by strangers—happen about 200 to 300 times a year, according to a Justice Department study. They make up a small portion of the more than 100,000 American children abducted each year, the vast majority by a family member.

The neighborhood committees formed in the aftermath of abductions have often flourished, then faded away. But dozens of these and other groups with similar missions—at least 60 and perhaps many more—have continued, creating a network of local groups that rally when news of a missing child surfaces.

When 12-year-old Sara Anne Wood disappeared last August in upstate New York, hundreds of volunteers poured into a local church to print and distribute posters, raise money and answer phones. Months later, after a suspect told police where they could find the girl's body, her parent shifted the focus of their volunteer effort to search for other missing children.

Friends and neighbors who organized around the 1989 abduction of 11-year-old Jacob Wetterling in St. Joseph, Minn., still search for the boy, but have widened their focus to prevention, educating parents and children about safety.

Patty Wetterling, Jacob's mother, spends a great deal of time talking with the parents of other missing children, advising them on a wide range of subjects including how to organize search efforts and basic do's and don'ts: Don't use frantic energy after your child disappears to clean every inch of the house, for example. The child's clothes and hairbrush may be needed for hair analysis, and for tracking dogs who can pick up a scent.

But does all of this poster-printing, phone-calling and networking help find missing children?

In many cases, like those of Polly Klaas, Sara Anne Wood and Jacob Wetterling, it has not. It did not when 5-year-old Melissa Brannen disappeared in Lorton in December 1989.

Most children abducted by strangers have not been found alive—of the 1,543 cases complied over about 10 years by the National Center for Missing & Exploited Children, 393 were found alive, 211 were found dead and the rest are still missing.

Still, the intense volunteer efforts have had an effect. The congressional testimony of John and Reve Walsh, whose son Adam was kidnapped and murdered 13 years ago in Florida, helped pass legislation creating the national center, which serves as a central repository for information and helps local police in missing-children cases.

Experts say neighborhood watches and other types of citizen activism have reduced crime in some communities. And volunteer efforts have helped parents relatives and neighbors work through their sense of outrage and victimization.

"It helps parents deal with their kids' fears; it helps parents deal with their own fears," said Patty Wetterling. In Petaluma, many who volunteered found they could not walk away from the crime that, as one volunteer said, "crossed the line."

"This wasn't a carjacking or an abduction from a mall, the kind of crime, as a parent, you can think: 'Oh, that couldn't happen to me,' " said Gardner, a single mother of a 14-year-old daughter. "This crime was the bogyman come true. It said: No matter what you do as a parent, your child wasn't safe."

The Polly Klaas volunteer effort, which evolved into a foundation, was a remarkable coalition of talent. Real estate salesmen who knew the territory headed search teams. Lawyers became map makers and delivery truck drivers. Gary French, an out-of-work computer analyst, developed an unprecedented network to put Polly's image and information about her abduction on line with four different national computer links.

As Gardner said, the group "shamelessly courted the media," calling "America's Most Wanted," the "Today" show, any national broadcast that could show Polly's face to the public. The publicity brought out the good and the bad in people. Movie actress Winona Ryder, who grew up in Petaluma, offered a $200,000 reward for Polly's return and spent days volunteering.

Others among the hundreds who showed up at the local search center weren't as altruistic. In the first few weeks of the search, about a dozen people who said they were psychics approached the volunteers with visions. Marc Klaas, Polly's father, said the volunteer group felt compelled to follow up all those tips.

"I really have no belief in those but it's all we had," Klaas said. "I've since come to the conclusion that psychics are predators themselves."

The volunteers also found themselves in conflict with the official investigators. The FBI, which was in charge of the investigation, approached the case methodically, not readily accepting the family's story that a total stranger had taken Polly away. But the volunteers never doubted the story and many felt annoyed at the delay as the FBI investigated family members.

Then the FBI got riled when the volunteer group, frustrated that police had not followed up on a tip, interviewed a man and passed the information on to another police agency in Northern California.

Kelby Jones, who headed the volunteer search effort, said he was told that he could face obstruction of justice charges for that mistake.

"We tried to go as far as we could go," Jones said. "I think in the case of that tip, we unintentionally embarrassed the FBI because we were following up something they should have already done."

The result of that tension, however, was a police decision to provide daily updates to the volunteers.

"With these cases, you have to take law enforcement off the pedestal and sit down at a desk with them and work on something that's happened in your community," said French, the computer expert.

Mark J. Mershon, the FBI agent who headed the Klaas investigation, said the volunteer group was sometimes "misguided" but well-intentioned.

"As far as how this community galvanized, I've never seen anything like it," said Mershon, a 19-year veteran of the bureau.

The woman who found clothing on her property linking Polly and a suspect benefited from the tenacity of the volunteers. "I think if there had not been the intense community investigation and intense media interest, she would have probably ignored [the clothing] or wrinkled her nose and threw it out," Mershon said.

Eventually, the Klaas Foundation, the police and the FBI formed a strong alliance. The FBI in San Francisco is creating a special task force to address child kidnapping and molestation and both the law enforcement agencies and the community are using what they learned from the abduction.

Two weeks ago, a small child was reported missing around midnight by a distraught mother from Petaluma. The police responded quickly and alerted officials from the Klaas Foundation. A teletype was issued. FBI agents and volunteers were on the scene within two hours.

Then the effort had an abrupt happy ending. The woman found that her child was being cared for by a family friend, police said.

The Klaas Foundation is working on a reaction plan to share with other communities, an educational program for schools and tougher criminal legislation. Marc Klaas was in Washington recently to testify before Congress on proposals to revise prison sentencing for serious offenders.

The new efforts are part of an evolution for the Klaas Foundation. It is shifting from a crisis-management group to an institution in the community. Last month, it hired its first paid employee, an executive director who once guided Sonoma County's Special Olympics program.

"It's good to have a fresh face and new energy," French said. "Because this was draining for all of us."•

A TRIBUTE TO LIZ McINTYRE, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to an Olympian from Hanover, NH who participated in the 1994 winter Olympics in Lillehammer, Norway.

Liz McIntyre was a member of the U.S. women's freestyle ski team where she earned a silver medal in women's moguls for her outstanding performance in a field of tough competitors. The Granite State is proud of her achievement at this historic sporting event.

Liz was new to freestyle skiing. Skiing as a youngster at the Dartmouth Skiway, Liz learned to ski in the Ford Sayre Program near her hometown of Lyme, NH. She then turned to freestyle and her efforts gained national attention. As a student at Dartmouth College in Hanover, Liz began balancing Ivy League studies with soccer and ski training.

In 1991, Liz finished second again in the U.S. Championships and was back on the World Cup swirl. She opened the 1992 season with back-to-back topfives, earned an Olympic berth, and was sixth in the Albertville Olympics. Liz stepped up to become the team's leader and turned in the finest international results of her career last season. She collected her second World Cup victory in Tignes, was second at Lake Placid, and was third in the next two events.

Liz's coach Wayne Hilterbrand described her as a quiet leader. She cut back on mountain bike racing this past summer to concentrate on improving her skiing. She enjoys soccer, reading, cooking, and telemark skiing. New Hampshire will continue to support Liz as she continues her skiing career.•

HEALTH COVERAGE

• Mr. DASCHLE. Mr. President, there are only three ways to guarantee that all Americans have health coverage. First, we can increase taxes and let the Federal Government pay for health care. Second, we could shift the entire burden onto families, through an individual mandate, leaving a middle-class family to pay roughly 17 percent of its after-tax income on health care. According to one analysis, this type of family mandate would impose a marginal tax rate of 47 percent for families between 100 percent and 200 percent of poverty. Finally, we could build on the current system and require that all employers share with their employees the responsibility for paying premiums. The last option makes the most sense, since 84 percent of the uninsured live in families where the head of the household is employed, but does not receive coverage through the workplace.

Currently, two-thirds of all nonelderly Americans receive their coverage through the workplace. It is a system that has worked well for many Americans for decades, and one Americans know and support. Why not build on a system that works, rather than start a completely new one that shifts costs entirely onto families?

The majority of employers who do provide health coverage for the workers are paying right now for the employers who do not. In 1991, employers who sponsored health insurance for their employees footed a bill totaling $10.8 billion for uncompensated care and also paid $26.4 billion to cover spouses, and other dependents, who are employed by noninsuring firms. We must put an end to this type of unfair cost shifting.

Coupling strong cost containment with a requirement that employers share responsibility for health coverage will not result in job loss. In fact, according to the nonpartisan Employee Benefits Research Institute, implementation of the Health Security Act could result in a net gain of up to 660,000 jobs. Further, the CBO estimated that businesses would save $90 billion in 1 year under the Clinton plan, with larger gains in subsequent years.

This debate is not about whether or not we should have a mandate. We have a mandate right now—the status quo mandate that those who pay for their health care pay for those who do not. This is the most inefficient and unacceptable mandate of all.

According to a Washington Post survey, 73 percent of Americans support an employer requirement for full-time workers and 69 percent for part-time employees. A Wall Street Journal poll found that 65 percent of Americans support shared responsibility for small firms.

Support for workplace based benefits continues to gain momentum around the country. I am releasing today a letter signed by 110 national organizations, businesses, and unions supporting employer mandates as a fair, effective, and practical means for achieving universal coverage. The letter represents millions of working American families that believe all employers should share the responsibility for the well-being of their employees.

The 115 signatures on the letter represent a broad base of support among a wide variety of groups. The signers include the AARP and the National Council on the Aging, American Hospital Association, Children's Defense Fund, a number of unions including the UAW, American Federation of State, County, and Municipal Employees, and the SEIU, consumers, like Families USA and the Consumer Union. Lane Kirkland from the AFL–CIO sends his support for the employer shared responsibility, as well. Large corporations have also pledged their support with the National Leadership Coalition for Health Care Reforms endorsement of employer responsibility. The coalition represents over 100 businesses, industries, and unions.

American workers want a health care system that guarantees universal coverage for every American and the cost be shared between employers and employees. Today's letter sends a clear message to all members of the House and Senate, that shared responsibility is a must-do in our health care debate.

Mr. President, I ask that the organizational letter of support and the March 9, 1994, letter from the AFL–CIO be printed in its entirety in the RECORD as follows:

The material follows:

MARCH 9, 1994.

DEAR MEMBER/SENATOR: Health security for all Americans, that guarantees that no one lacks or loses high-quality health care coverage, is an essential element of health care reform. We believe that this objective should be achieved for working families by requiring all employers to provide and help subsidize health care coverage for their employees. We believe that such an employer mandate should be enacted for several reasons.

An employer mandate builds on our current employer-based insurance system and would be the least disruptive way to achieve universal coverage. It would be fair in that all employers and employees would be responsible for contribution towards coverage. It would level the playing field among different employers, most of whom provide such coverage today. And it would eliminate large, unpredictable and inequitable cost shifts that employers bear today for the uninsured workers of other employers. We recognize that some employers (and employees) will need financial help to meet their obligations. We, of course, support providing necessary subsidies.

We believe that an employer mandate is a fair, effective and practical means for achieving universal coverage. We, therefore, urge its adoption.

ORGANIZATIONS ENDORSING EMPLOYER-BASED INSURANCE

ACME Steel Company.
AIDS Action Council.
Amalgamated Clothing and Textile Workers Union.
Ambulatory Pediatric Association.
American Association for Partial Hospitalization.
American Association of Pastoral Counselors.
American Association of Retired Persons.
American Association of University Professors.
American Association on Mental Retardation.
American College of Nurse-Midwives.
American College of Obstetricians and Gynecologists.
American College of Physicians.
American Counseling Association.
American Federation of Government Employees.
American Federation of Teachers.
American Federation of State, County, Municipal Employees.
American Federation of State, County, Municipal Employees Retiree Program.
American Geriatrics Society.
American Hospital Association.
American Lung Association.
American Medical Student Association.
American Medical Women's Association.
American Nurses Association.
American Postal Workers Union, AFL-CIO.
American Psychological Association.
American Speech-Language-Hearing Association.
American Thoracic Society.
Amputee Coalition of America.

Asociacion Nacional Pro Personas Mayores.

Association for Gerontology in Higher Education.

Association of Community Action Agencies.

Association of Community Organizations for Reform Now (ACORN).

Association of Schools and Public Health.

Association of Letter Carriers, AFL-CIO.

Association of Maternal and Child Health Program.

Bakery, Confectionery & Tobacco Workers International Union.

Bazelon Center for Mental Health Law.

Bethlehm Steel.

Catholic Health Association of the United States.

Center for Community Changes.

Center for Science in the Public Interest.

Center for Women Policy Studies.

Center on Disability and Health.

Ceridian Association.

Children's Defense Fund.

Chrysler Corporation.

Coalition on Human Needs.

Consumers Union.

Eldercare America, Inc.

Epilepsy Foundation of America.

Families USA.

Health Care for the Homeless Project, Inc.

Independent Federation of Flight Attendants.

International Association of Psychosocial Rehabilitation Services.

International Association of Fire Fighters.

International Ladies' Garment Workers' Union.

International Union, UAW.

International Union of Bricklayers and Allied Craftsmen.

International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers, AFL-CIO (IUE).

Jesuit Social Ministries, National Office.

Laborers International Union.

League of Women Voters of the U.S.

Legal Action Center.

National Asian Pacific Center on Aging.

National Association of Alcoholism and Drug Abuse Counselors.

National Association of Area Agencies on Aging.

National Association of Child Advocates.

National Association of Children's Hospitals and Related National Institutions.

National Association of Community Action Agencies.

National Association of Community Health Centers.

National Association of Homes and Services for Children.

National Association of Professional Geriatric Care Managers.

National Association of Public Hospitals.

National Association of Social Workers.

National Caucus and Center on Black Aged.

National Community Mental Healthcare Council.

National Consumers League.

National Council of Senior Citizens.

National Education Association.

National Federation of Societies for Clinical Social Work.

National Hispanic Council on Aging.

National Leadership Coalition for Health Care Reform.[1]

National Mental Health Association.

National Multiple Sclerosis Society.

National Organization for Rare Disorders (NORD).

National Urban Coalition.

National Parent Network on Disabilities.

National Women's Health Network.

National Women's Law Center.

NETWORK: A National Catholic Social Justice Lobby.

New Ways to Work.

Older Women's League.

Project Vote Fund.

Rohm & Haas Company.

Rural Advancement Fund.

Save Our Security.

Service Employees International Union.

Society of Adolescent Medicine.

Southern California Edison Company.

The American State of the Art Prosthetic.

The Arc.

The Children's Foundation.

The Federation of Families for Children's Mental Health.

The National Council on the Aging, Inc.

United Auto Workers.

United Cerebral Palsy Association.

United Food and Commercial Workers Union.

United Auto Workers Retired and Older Workers Department.

United Mine Workers of America.

United Steelworkers.

Washington Ethical Action Office/AEU.

Women's Legal Defense Fund.

World Association for Psychosocial Rehabilitation-U.S. Branch.

YWCA of the U.S.A.

MEMBERS OF THE NATIONAL LEADERSHIP COALITION FOR HEALTH CARE REFORM

Acme Steel Company.

Amalgamated Clothing & Textile Workers Union, AFL-CIO.

American Academy of Family Physicians.

American Academy of Pediatrics.

American Association of Retired Persons.

American Automobile Manufacturers' Association.

American College of Physicians.

American Federation of Teachers, AFL-CIO.

American Iron & Steel Institute.

American Nurses Association, Inc.

American Physical Therapy Association.

American Psychological Association.

Association of Academic Health Centers.

Association of Minority Health Professional Schools.

B.C. Enterprises.

Bank South Corporation.

Bannon Research.

Bethlehem Steel Corporation.

Blue Diamond Growers.

Brown & Cole Stores.

Burlington Coat Factory.

Caterpillar Inc.

Ceridian Corporation.

Christian Children's Fund.

Chrysler Corporation.

Cold Finished Steel Bar Institute.

Communications Workers of America.

CoreStates Financial Corp.

Del Monte Foods.

Drummond Company Inc.

Families USA Foundation.

Filter Materials.

First Interstate Bancorp.

Ford Motor Company.

General Motors Corporation.

Georgia-Pacific Corporation.

Giant Food Inc.

The Great Atlantic & Pacific Tea Company, Inc.

Gross Electric Inc.

The Heights Group.

H.J. Heinz Co.

Hunt-Wesson Inc.

Inland Steel Company.

INSIGHT Treatment Services, Inc.

International Brotherhood of Electrical Workers.

International Multifoods.

International Union of Bricklayers and Allied Craftsmen.

James River Corporation.

Johnstown Corporation.

Keebler Company.

Keller Glass Company.

Lincoln Telephone & Telegraph Co.

Lockheed Corporation.

LTV Steel Company.

Lukens Inc.

Maternity Center Association.

Maytag and Admiral Products.

National Association of Childbearing Centers.

National Association of State Boards of Education.

National Easter Seal Society.

National Education Association.

National Steel Corporation.

Norwest Corporation.

Olympia West Plaza, Inc.

Pacific Gas & Electric.

PAR Associates.

Pella Corporation.

Preferred Benefits.

R.R. Donnelley & Sons Co.

Ralphs Grocery Company

Regis Corporation.

Rohm & Haas Company.

Safeway Inc.

Sara Lee Corporation.

Scott Paper Co.

Service Employees International Union, AFL-CIO.

Sokolov Strategic Alliance.

Southern California Edison Company.

Strategic Marketing Information, Inc.

Texas Heart Institute.

Time Warner Inc.

United Air Lines, Inc.

United Food and Commerical Workers International Union, AFL-CIO.

United Paperworkers International Union, AFL-CIO

United States Catholic Conference.

United Steelworkers of America, AFL-CIO

U.S. Bancorp.

The Vons Companies, Inc.

Westinghouse Electric Corporation.

Wheat, First Securities, Inc.

Wheeling-Pittsburgh Steel Corp.

The Whitment Group.

Wisconsin Public Service Corporation.

Xerox Corporation.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, March 9, 1994.

DEAR SENATOR: Universal coverage that guarantees that no one lacks or loses high-quality health care coverage is the cornerstone of comprehensive health care reform. The AFL-CIO believes the best way to achieve this objective is by requiring all employers to provide and help subsidize health care coverage for their employees.

An employer mandate builds on our current employer-based insurance system and would be the least disruptive way to achieve universal coverage. It would level the playing field among different employers, most of whom provide such coverage today. And it would eliminate large, unpredictable and inequitable cost shifts that employers bear today for the uninsured workers of other employers. We recognize that some employers

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[1] The National Leadership Coalition for Health Care Reform is made up of over 100 organizational members—corporations, industrial companies, unions, consumer groups and health care providers.

(and employees) will need financial help to meet their obligations. We, of course, support providing necessary subsidies.

The AFL-CIO believes that an employer mandate is a fair, effective and practical means for achieving universal coverage. We believe it is essential to any acceptable health care package.

Sincerely,

ROBERT M. MCGLOTTEN,
Director, Department of Legislation.●

THE SITUATION IN THE MIDDLE EAST

● Mr. BIDEN. Mr. President, the recent massacre of Moslems praying in a mosque in the West Bank city of Hebron was a despicable act. I condemn it in the strongest terms, and I am dismayed that there are people in the world who have condoned this heinous crime.

I take the floor today to note the prompt and decisive actions taken by the Government of Israel to heal the wounds caused by the Hebron massacre. Prime Minister Rabin visited Hebron to express his sorrow. He denounced the butchery, calling it a "shame on Zionism and an embarrassment to Judaism." He established a commission to investigate the killings. He released hundreds of Palestinian prisoners. He imposed a new restrictions on Israeli settlers.

These gestures of goodwill are the acts of a statesman, and demonstrate clearly that Prime Minister Rabin is committed to keeping the peace process on track. Thus far, Prime Minister Rabin's efforts have received only lukewarm response from the Palestinian Liberation Organization. Seizing the political moment, the PLO leadership seeks greater concessions from Israel.

It is not my purpose in speaking today to discuss the terms of the Middle East peace process. That is the business of those who live in the region.

But I believe that Israel's actions should not go unnoticed. Israel—both the government and her people—has taken steps to express its collective contrition for the crime committed by one deranged Israeli.

Mr. President, on March 1, a column in the New York Times by A.M. Rosenthal addressed itself to this subject. I agree with the sentiments expressed by Mr. Rosenthal, and I commend it to my colleagues.

The article follows:

[From the New York Times, Mar. 1, 1994]

THE WORTH OF ISREAL

(By A.M. Rosenthal)

For all Israelis but a handful the massacre of the Muslims at prayer was one of the saddest days in the country's history.

That fact does nothing to assuage grief or diminish the crime. Still, it does tell a great deal about the gap between Arab and Israeli societies—and the importance of not allowing shock or sorrow to overwhelm the awareness of the difference.

As long as the difference goes unmentioned, as long as the world's politicians, clergymen, intellectuals and journalists act as if it does not exist, they diminish the chances of peace, or even easement between Arab and Jew in the Mideast.

Baruch Goldstein committed a monstrous act of terrorism that cannot be softened by talk of his rage or sense of injustice. But collectively and individually, Israelis denounced the crime; some even saw it as a time for national contrition.

After the massacre, the President of Israel went to Hebron to bow his head. He said nothing worse had happened in the history of Zionism. In Jerusalem, Prime Minister Yitzhak Rabin set up a top-level investigation, ordered settlers deemed dangerous to be detained, disarmed or arrested. Benjamin Netanyahu, the opposition Likud leader, said the crime was a "despicable abomination." In New York, Jews prayed for the Muslim dead in a Christian church.

And now, it is healthy and wise to ask some questions. When 22 Jews in an Istanbul synagogue were murdered at prayer, did Yasir Arafat visit Israeli offices to express sorrow? When Pan Am 103 was bombed out of the sky, did Arab states immediately begin an investigation? When Israeli athletes were murdered in Munich or Israeli cities hit with Iraqi missiles, was weeping heard in Arab streets—or rejoicing?

Another difference: The mosque murderer was not ordered into action by state-sponsored terrorist squads like those that have moved out from Syria, Iran and Lebanon to kill Israelis, dissident Palestinians and Westerners decade after decade—and do to this day. No services of regret. What Arab president bows his head?

If we let these things go unsaid, we become parties to the offense of moral equivalence, the curse of Western society. In the days of the Communist empire, it was committed by the left and the stupid. Essentially they said that people were suffering under capitalism as well as Communism, so there was no great moral judgment to make between the two.

For a half-century, moral equivalence has been shield and weapon for those who oppose the existence of Israel or find a particular Israeli Government not to their liking. An act of repression or violence in Israel's democratic society becomes worse than the built-in repression and murder that are the very basis of Arab states at war with Israel.

In the time of Soviet power, moral equivalence was the cover-up for a leaning toward left-wing totalitarianism. About Israel, since independence moral equivalence often masks a taste for third-world totalitarianism.

Israel's Labor Government does not talk much about moral equivalence. Why bother when there's nobody to negotiate with but despotic states and movements?

Silence does not change reality. It is the nature and history of Israel's neighbors that make so many Israelis fear an independent Palestine. They see it as one more repressive hate-filled state on their borders, sworn to eat deeper into Israel.

The freely elected Israeli Government has already made fundamental concessions that could lead to Palestinian independence in a few years: recognition of the P.L.O., a Palestinian legislature and policy-army, steps toward giving up most of the West Bank and the Golan Heights, and a new untested military survival strategy based on that territorial loss.

How many Israeli settlers would remain on the West Bank to put their safety in the hands of Palestinian police? Patience, Mr. Arafat: Judea and Samaria can yet be Jew-free.

After the massacre the Arabs ask for more concessions as the price of negotiation. For the West or Russia to back the demands would be cynicism and cowardice.

But for Israel to agree would be an even greater error. Israel would then become party to a judgment of moral equivalence that would deny the worth of Israel as a democratic nation, set alone among the dictatorships in the Middle East.●

ANNIVERSARY OF CONCORDIA PUBLISHING HOUSE

● Mr. BOND. Mr. President, I wish to bring to the attention of the Senate and the American public the 125th anniversary of Concordia Publishing House. On March 9, 1994, Concordia Publishing House celebrated 125 years of producing quality children's books in South St. Louis, MO.

Families all over the world are familiar with Arch Books which are admired for their enjoyable rhyming Bible stories and lively illustrations. Concordia Publishing House sold over 55 million copies of these books. Soon, they will be introducing a new series of children's books, "PassAlong Arch Books." In celebration of their 125 years of publishing, Concordia Publishing House will give away 400,000 copies of the first book of the new series, "God's Easter Plan."

Concordia Publishing House has shown perseverance and dedication in the field of publishing. For 125 years, they have provided a meaningful service to the St. Louis community and families all over the world. I am justifiably proud of their achievements and extend my sincere congratulations to them.

Mr. President, I am honored to have had the opportunity to recognize the accomplishments of Concordia Publishing House.●

FACES OF THE HEALTH CARE CRISIS

● Mr. RIEGLE. Mr. President, I rise today in my continuing effort to put real faces on the health care crisis confronting our Nation. I would like to share the story of Ronald Doran from Roseville, MI. Ronald was forced to file personal bankruptcy because he is unable to pay over $20,000 in medical bills from a recent hospital stay.

Ronald Doran is a 57-year-old single man and has worked as an electrician most of his adult life. During his career, his employers, all of them small businesses, have not always offered health insurance and he has been uninsured several times. Our system today relies on employers to provide benefits. Since all employers today don't provide insurance, our system leaves employees, like Ronald, without affordable coverage.

Ronald has three major blockages in his heart, a condition that has resulted in four heart attacks since 1979. His third attack was in 1990, when he did not have insurance because he was between jobs and could not afford expensive private coverage. He was unable to pay his hospital bill and the hospital wrote off the costs as uncompensated care.

Ronald went back to work after that attack but again became uninsured when his most recent employer lost a major contract and laid off Ronald and several other workers in 1992. He could not afford to spend his own money on the high premiums of the plan his employer had provided. And he knew he wouldn't be able to get an affordable private policy because of his preexisting condition. While he was working he received regular medical care to manage his heart condition, but since he lost his insurance he has not had an ongoing source of care.

Ronald would like to go back to work but his deteriorating medical condition makes this impossible. Several months ago, he began receiving Social Security disability benefits, but will not be eligible for Medicare benefits for another 2 years. In the meantime, Ronald has no health insurance. He has used up all his savings and relies on his SSDI benefits of $843 a month to support himself.

In January of this year, Ronald was experiencing severe chest pains and called for emergency assistance. The ambulance took him to the nearest hospital, where he was admitted for artery blockage—his fourth heart attack. Ronald knew that he didn't have the money or the insurance to pay for the hospital services and pleaded to be released immediately. Despite his requests, the hospital medical staff determined that his condition was far too serious for him to leave the hospital. They performed an angioplasty in an attempt to open a blocked artery.

Ronald spent 2½ days in the hospital. His hospital and physician charges for the ordeal totaled over $20,000. There is no way for Ronald to pay these bills on his limited income of Social Security disability payments, so he was forced to declare personal bankruptcy.

Ronald has worked and contributed to society for years, but at 57 years he is still too young to receive Medicare benefits. He is going to continue to require followup care and medical management, without having any health insurance coverage to pay for it.

Mr. President, we must enact comprehensive health care reform to provide a guarantee of coverage for all Americans so that people like Ronald Doran aren't forced into bankruptcy due to the burden of medical bills. When you lose your job today it means you lose your health insurance. And this means that people can never be sure that they will have coverage when they need it. We need reform so that Americans have the security of ongoing coverage no matter what their employment status or their ability to pay. We need reform so that the small businesses which provide coverage are not unfairly burdened because their competitors do not.

Without reform, people with preexisting conditions will continue to deplete their savings to pay for their care, and end up going without critical services until they land in the emergency room. We need reform to make sure that people like Ronald Doran get continuing preventive care so that they can avoid hospitalization. And we need health care reform so that hospitals are not forced to charge more to their private patients with health insurance to cover the costs of the patients who simply cannot pay the bill.

Mr. President, I will continue to work with my colleagues in the Senate and with the White House to make sure that health care reform is a reality this year.•

A TRIBUTE TO KRISTEAN PORTER, OLYMPIAN FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, today I would like to pay tribute to a young Olympian from Greenland, NH, who participated in the 1994 Winter Olympics in Lillehammer, Norway.

Kristean Porter was a member of the U.S. Women's Freestyle Ski Team where she placed 20th in aerials. She is in her fifth year as a member of the U.S. Women's Ski Team. The Granite State is proud of her representation at this historic sporting event.

Aerials became an Olympic full-medal event for the first time at Lillehammer. Two years ago, Kriste missed making the 1992 Olympic squad by a single point. While missing the Olympic team in 1992 was a serious disappointment, Porter learned from the experience and vowed to go to the Olympics in 1994.

Kriste is one of the early freestyle skiers in Maine's Sugarloaf USA freestyle program. She made her way up the ladder, competing at the Subaru U.S. Championships in 1987 as a 15-year-old. Kriste moved onto the World Cup tour for the 1990 season and produced 10 top 15 results, including fourth overall in combined. She won the upright aerials and combined titles at the 1990 Subaru U.S. Freestyle Championships and was bronze medalist in combined at the 1991 World Championships.

Although aerials is her strong event, Porter continues to compete as a combined skier in World Cup events. New Hampshire will continue to support Kriste as she continues her skiing career.•

ORDERS FOR FRIDAY, MARCH 11, 1994

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Friday, March 11, that following the prayer, the Journal of Proceedings be approved to date and the time for the 2 leaders reserved for their use later in the day; that the Senate then proceed to the House message on H.R. 3345, as provided for under a previous unanimous-consent agreement; that upon disposition of the House message, the Senate then resume consideration of S. 4.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M. TOMORROW

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, and if no Senator is seeking recognition, I now ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 10:44 p.m., recessed until Friday, March 11, 1994, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 10, 1994:

DEPARTMENT OF JUSTICE

THOMAS A. CONSTANTINE, OF NEW YORK, TO BE ADMINISTRATOR OF DRUG ENFORCEMENT.

DEPARTMENT OF DEFENSE

JOHN M. DEUTCH, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF DEFENSE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUEST TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

DANIEL T. K. HURLEY, OF FLORIDA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA.

JUDITH W. ROGERS, OF THE DISTRICT OF COLUMBIA, TO BE U.S. CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT.

HELEN G. BERRIGAN, OF LOUISIANA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA.

SAMUEL FREDERICK BIERY, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

W. ROYAL FURGESON, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

ORLANDO L. GARCIA, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF TEXAS.

JOHN H. HANNAH, JR., OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF TEXAS.

JANIS GRAHAM JACK, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS.

CAMERON M. CURRIE, OF SOUTH CAROLINA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF SOUTH CAROLINA.

DEPARTMENT OF JUSTICE

ALFRED E. MADRID, OF ARIZONA, TO BE U.S. MARSHAL FOR THE DISTRICT OF ARIZONA FOR THE TERM OF 4 YEARS.

CHARLES LESTER ZACHARIAS, OF MINNESOTA, TO BE U.S. MARSHAL FOR THE DISTRICT OF MINNESOTA FOR THE TERM OF 4 YEARS.

LEZIN JOSEPH HYMEL, JR., OF LOUISIANA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF LOUISIANA FOR THE TERM OF 4 YEARS.

WALTER CLINTON HOLTON, JR., OF NORTH CAROLINA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF NORTH CAROLINA FOR THE TERM OF 4 YEARS.

KRISTINE OLSON ROGERS, OF OREGON, TO BE U.S. ATTORNEY FOR THE DISTRICT OF OREGON FOR THE TERM OF 4 YEARS.

RAIMON L. PATTON, OF TENNESSEE, TO BE U.S. MARSHAL FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

JOHN MARSHALL ROBERTS, OF TENNESSEE, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

ISRAEL BROOKS, JR., OF SOUTH CAROLINA, TO BE U.S. MARSHAL FOR THE DISTRICT OF SOUTH CAROLINA FOR THE TERM OF 4 YEARS.

JOHN JAMES LEYDEN, OF RHODE ISLAND, TO BE U.S. MARSHAL FOR THE DISTRICT OF RHODE ISLAND FOR THE TERM OF 4 YEARS.

TIMOTHY PATRICK MULLANEY, SR., OF DELAWARE, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF DELAWARE FOR THE TERM OF 4 YEARS.

JACK O. DEAN, OF TEXAS, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS.

LAURENT F. GILBERT, OF MAINE, TO BE U.S. MARSHAL FOR THE DISTRICT OF MAINE FOR THE TERM OF 4 YEARS.

EXTENSIONS OF REMARKS

HONORING ZLATA FILIPOVIC—BOSNIA'S ANNE FRANK

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SMITH of New Jersey. Mr. Speaker, today the Helsinki Commission was privileged to have Zlata Filipovic, a 13-year-old girl from Sarajevo, testify about her experience as a child in that besieged and war-torn city. Her presence there today was nothing short of a miracle.

The devastation and death which has been inflicted on the people of Sarajevo—indeed all of Bosnia—has ended the lives of thousands of people, young and old, whose contributions to the world will never be known. But perhaps in death, they call us to a task which might seem beyond our abilities—to seek a lasting peace where people of all ethnic backgrounds, cultures, and religions will live side by side, building a better world.

Zlata and her parents are no longer threatened personally by the destruction in Bosnia—but it has forever changed their lives. I am sure it has also changed how they will forever view the world. The recently published "Zlata's Diary"—her record of the war and her thoughts and perceptions—should certainly challenge us.

From the first time portions of the diary became known, the world sat up and took notice of this young girl whose insights and passion belie her age. Quickly, she received world attention. She was being acclaimed as the Anne Frank of Sarajevo. Newsweek magazine said "she compared herself to Anne Frank." But as I read her diary it was not Zlata, but others who gave her that name. Her response was simply, "That frightens me. I don't want to suffer her fate."

Mr. Speaker, Anne Frank's diary became known to the world only after her death, only after the whole world knew of the atrocities of the Nazi extermination programs. It serves as a reminder of one of the darkest moments in human history. Yet at the same time, it serves as a message of hope—hope that it seems only a child can offer at times such as that.

"Zlata's Diary" speaks to us now while the atrocities of the war in Bosnia continue. It is not a reminder of things past, but a call to respond now to the crisis. Her voice speaks for the thousands who are still besieged, who live with the fear that at any moment their world will be torn apart. She is the living spirit of the children who have died and of those who continue to suffer. She is a light of hope for those in Bosnia who each day lose hope. I am submitting for the RECORD excerpts from her diary published in Newsweek so that we all may be enlightened by her insight.

Now that Zlata is safe, she hopefully no longer has to worry about suffering the fate of Anne Frank. But how many more will if something is not done? How tragic it would be if we only praise her for her literary achievement and fail to respond to the crisis which gave birth to it.

Zlata speaks out forcefully and bravely for the Bosnians and for all children. She reminded me of the obligations which I have—which we all have—to seek peace, security, and justice.

CHILD OF WAR—THE DIARY OF ZLATA FILIPOVIC

In late 1991, Zlata Filipovic, 10, a Bosnian girl of mixed ethnic heritage, started a diary of her life in Sarajevo. It soon became a chronicle of horrors. Over the next two years, as the city came under intensifying Serb attack, Zlata grew from a girlish innocent into a precociously wise young teenager. She compared herself to Anne Frank, the Dutch Jewish girl who was killed by the Nazis and left behind a poignant account of her life in hiding. Last summer a peace group in Sarajevo published Zlata's diary. A French publisher brought out a European edition and arranged for the family's evacuation from Sarajevo. Now 13, Zlata lives with her parents in Paris. The U.S. edition of her diary is published this week. Exclusive excerpts:

THURSDAY, 3/5/92

Oh God, things are heating up in Sarajevo. On Sunday a small group of armed civilians (as they say on TV) killed a Serbian wedding guest and wounded the priest. On March 2 (Monday) the whole city was full of barricades. There were "1,000" barricades. We didn't even have bread. At 6:00 people got fed up and went out into the streets. The procession set out from the cathedral and made its way through the entire city. Several people were wounded at the Marshal Tito army barracks. People sang and cried "Bosnia, Bosnia." "Sarajevo, Sarajevo." "We'll live together" and "Come Outside."

MONDAY, 3/30/92

Hey diary! You know what I think? Since Anne Frank called her diary Kitty, maybe I could give you a name too. What about:

Asfaltina, Pidzameta, Sefika, Hikmeta, Sevala, Mimmy or something else???

I'm thinking, thinking . . . I've decided. I'm going to call you Mimmy.

All right then, let's start.

Dear Mimmy,

It's almost half-term. We're all studying for our tests. Tomorrow we're supposed to go to a classical music concert at the Skenderija Hall. Our teacher says we shouldn't go because there will be 10,000 people, pardon me, children, there, and somebody might take us as hostages or plant a bomb in the concert hall. Mommy says I shouldn't go. So I won't.

SUNDAY, 4/5/92. DEAR MIMMY

I'm trying to concentrate so I can do my homework (reading), but I simply can't. Something is going on in town. You can hear gunfire from the hills. Columns of people are spreading out from Dobrinja. They're trying to stop something, but they themselves don't know what. You can simply feel that something is coming, something very bad. On TV I see people in front of the parliament building. The radio keeps playing the same song: "Sarejevo. My Love." That's all very nice, but my stomach is still in knots.

TUESDAY, 4/28/92. DEAR MIMMY

Sniffle! Martina, sniffle, and Matea, sniffle, left yesterdaaay! They left by bus for Krsko [a town in Slovenia]. Oga has gone too, so has Dejan. Mirna will be leaving tomorrow or the next day, and soon Marijana will be going too.

Sniffle.

Everybody has gone. I'm left with no friends.

SATURDAY, 5/2/92. DEAR MIMMY

Today was truly, absolutely the worst day ever in Sarajevo. The shooting started around noon. Mommy and I moved into the hall. Daddy was in his office, under our apartment, at the time. We told him on the intercom to run quickly to the downstairs lobby where we'd meet him. We brought Cicko [the canary] with us. The gunfire was getting worse, and we couldn't get over the wall to the Bobars', so we ran down to our own cellar.

The cellar is ugly, dark, smelly. Mommy, who's terrified of mice, had two fears to cope with. The three of us were in the same corner as the other day. We listened to the pounding shells, the shooting, the thundering noise overhead. We even heard planes. At one moment I realized that this awful cellar was the only place that could save our lives. Suddenly, it started to look almost warm and nice. It was the only way we could defend ourselves against all this terrible shooting. We heard glass shattering in our street. Horrible. I put my fingers in my ears to block out the terrible sounds.

THURSDAY, 5/7/92. DEAR MIMMY

I was almost positive the war would stop. But today . . . Today a shell fell on the park in front of my house, the park where I used to play and sit with my girlfriends. A lot of people were hurt, and Nina is dead. A piece of shrapnel lodged in her brain and she died. She was such a sweet, nice little girl. We went to kindergarten together, and we used to play together in the park. Is it possible I'll never see Nina gain? Nina, an innocent 11-year-old little girl—the victim of a stupid war. I feel sad. I cry and wonder why? She didn't do anything. A disgusting war has destroyed a young child's life. Nina. I'll always remember you as a wonderful little girl.

WEDNESDAY, 5/27/92. DEAR MIMMY

Slaughter! Massacre! Horror! Crime! Blood! Screams! Tears! Despair!

That's what Vaso Miskin Street looks like today. Two shells exploded in the street and one in the market. Mommy was nearby at the time. She ran to Grandma and Granddad's. Daddy and I were beside ourselves because she hadn't come home. I saw some of it on TV but I still can't believe what I actually saw. It's unbelievable. I've got a lump in my throat and a knot in my tummy. Horrible. They're taking the wounded to the hospital. It's a madhouse. We kept going to the window hoping to see Mommy, but she wasn't back. Daddy and I were tearing our hair out.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I looked out the window one more time and . . . I saw mommy running across the bridge. As she came into the house she started shaking and crying. Through her tears she told us how she had seen dismembered bodies.

A horrible day, unforgettable.

Horrible! Horrible!

FRIDAY, JUNE 5, 1992, DEAR MIMMY

There's been no electricity for quite some time and we keep thinking about the food in the freezer. There's not much left as it is. It would be a pity for all of it to go bad. There's meat, and vegetable and fruit. How can we save it?

Daddy found an old wood-burning stove in the attic. It's so old it looks funny. In the cellar we found some wood, put the stove outside in the yard, lit it and are trying to save the food from the refrigerator. We cooked everything and joining forces with the Bobars, enjoyed ourselves. There was veal and chicken, squid, cherry strudel, meat and potato pies. All sorts of things. It's a pity, though, that we had to eat everything so quickly. We even overate.

THURSDAY, JUNE 18, 1992, DEAR MIMMY

I keep asking why? What for? Who's to blame? I ask but there's no answer. All I know is that we are living in misery. Yes, I know, politics is to blame for it all. I said I wasn't interested in politics, but in order to find out the answer I have to know something about it. They tell me only a few things. I'll probably find out and understand much more one day. Mommy and Daddy don't discuss politics with me. They probably think I'm too young or maybe they themselves don't know anything. They just keep telling me: This will pass—"it has to pass"?

MONDAY, JUNE 29, 1992, DEAR MIMMY

Boredom, shooting, shelling. People being killed. Despair, hunger, misery; fear.

That's my life. The life on an innocent 11-year-old schoolgirl. A schoolgirl without a school, without the fun and excitement of school. A child without games, without friends, without the sun, without birds, without nature, without fruit, without chocolate or sweets, with just a little powdered milk. In short, a child without a childhood.

THURSDAY, JULY 2, 1992, DEAR MIMMY

We gave ourselves a treat today, we picked the cherries off the tree in the yard and ate them all up. We had watched it blossom and its small green fruits slowly turn red and now here we were eating them. Oh, you're a wonderful cherry tree.

TUESDAY, AUGUST 11, 1992, DEAR MIMMY

Shelling, killing, darkness, and hunger continue in Sarajevo. Sad.

I still don't go out. I play with Bojana and with my kitty Cici, Cici has brightened up this misery of a life. How you can come to love an animal. She doesn't talk, but she speaks with her eyes, her paws, her meows, and I understand her, I really love you, Cici.

WEDNESDAY, OCTOBER 21, 1992, DEAR MIMMY

As you know, I confide in you everyday (almost). Well, you know the summer school in our community center? We had a wonderful time together there, did some acting some reciting, and best of all, some writing too. It was all so nice, until that horrible shell killed our friend Eldin.

Maja is still working with our teacher Irena Vidovic. And the other day, Maja asks me: "Do you keep a diary, Fipa?"

I say: "Yes."

And Maja says: "Is it full of your own secrets, or is it about the war?"

And I say: "Now, it's about the war."

And she says: "Fipa, you're terrific."

She said that because they want to publish a child's diary and it just might be mine, which means—you, mimmy. And so I copied part of you into another notebook and you went to the City Assembly to be looked at. And I've just heard that you're going to be published! You're coming out for the UNICEF Week! SUPER!

THURSDAY, 11/19/92. DEAR MIMMY

I keep wanting to explain these stupid politics to myself, because it seems to me that politics caused this war, making it our everyday reality. War has crossed out the day and replaced it with horror, and now horrors are unfolding instead of days. It looks to me as though these politics mean Serbs, Croats and Muslims. But they are all people. They are all the same. They all look like people, there's no difference. They all have arms, legs and heads, they walk and talk, but now there's "something" that wants to make them different.

Among my girlfriends, among our friends, in our family, there are Serbs and Croats and Muslims. It's a mixed group and I never knew who was a Serb, a Croat or a Muslim. Now politics has started meddling around. It has put an "S" on Serbs, and "M" on Muslims and a "C" on Croats, it wants to separate them. And to do so it has chosen the worst, blackest pencil of all—the pencil of war which spells only misery and death.

Why is politics making us unhappy, separating us, when we ourselves know who is good and who isn't? We mix with the good, not with the bad. And among the good there are Serbs and Croats and Muslims, just as there are among the bad. I simply don't understand it. Of course, I'm "young," and politics are conducted by "grown-ups." But I think we "young" would do it better. We certainly wouldn't have chosen war.

A bit of philosophizing on my part, but I was alone and felt I could write this to you. Mimmy. You understand me. Fortunately, I've got you to talk to.

THURSDAY, 12/3/92. DEAR MIMMY

Today is my birthday, my first wartime birthday, 12 years old. Congratulations. Happy Birthday to me!

The day started off with kisses and congratulations. First Mommy and Daddy, then everyone else. Mommy and Daddy gave me three Chinese vanity cases—with flowers on them!

As usual there was no electricity. Auntie Melica came with her family (Kenan, Naida, Nihad) and gave me a book. The whole neighborhood got together in the evening. I got chocolate, vitamins, a heart-shaped soap (small, orange), a key chain with a picture of my playmates Maja and Bojana, a pendant made of a stone from Cyprus, a ring (silver) and earrings (bingo!).

It was nice, but something was missing.

It's called peace!

THURSDAY, 4/8/93. DEAR MIMMY

More terrible, sad news today. Our dear, beloved [canary] Cicko has died. He just toppled over and that was it. He wasn't sick. It happened suddenly.

He was singing. Now he's not cold anymore. The poor thing got through the winter, we found him food. And he left it all. Maybe he had had enough of this war. Daddy buried him in the yard. His case is empty. No more Cicko.

TUESDAY, 6/1/93. DEAR MIMMY

Yesterday I was a disaster: Today I'm supposedly better. Let me tell you that breakfast, lunch and dinner were all uncooked because the gas went off yesterday. And as you know, we have no electricity either, so we're all on the verge of suicide. DISASTER! Oh, Mimmy, I can't take it anymore. I'm so tired of all these Sssss! I'm sorry I'm swearing but I really can't take it anymore. There's a growing possibility of my killing myself, if all these morons up there and down here don't kill me first. I'm losing it.

SATURDAY, 7/17/93. DEAR MIMMY

Book promotion day.

Since I didn't take you with me (just a part of you was there) I have to tell you what it was like.

It was wonderful. The presenter was a girl who looked unbelievably like Linda Evangelista. She read parts of you, Mimmy, and was even accompanied on the piano. Auntie Irena was there. Warm and kind, as always, with warm words for children and adults alike.

At the end I read my message. This is what I said:

"Suddenly, unexpectedly, someone is using the ugly powers of war, which horrify me, to try to pull and drag me away from the shores of peace, from the happiness of wonderful friendships, playing and love. I feel like a swimmer who was made to enter the cold water, against her will. I feel shocked, sad, unhappy and frightened and I wonder where they are forcing me to go. I wonder why they have taken away [the] peaceful and lovely shores of my childhood. I used to rejoice at each new day, because each was beautiful in its own way. I used to rejoice at the sun, at playing, at songs. In short, I enjoyed my childhood. I had no need of a better one. I have less and less strength to keep swimming in these cold waters. So take me back to the shores of my childhood, where I was warm, happy and content, like all the children whose childhood and the right to enjoy it are now being destroyed.

"The only thing I want to say to everyone is: PEACE' ".

FRIDAY, 7/23/93. DEAR MIMMY

Ever since July 17. Various people have been coming around—journalists, reporters, cameramen. From Spain, France, the U.S. . . . England . . . and yesterday a crew came from ABC News. They filmed me for American TV as the "person of the week." Hey, imagine, me a personality?

Can that outside world see the darkness I see? Just as I can't see myself on TV tonight, so the rest of the world probably can't see the darkness I'm looking at. We're at two ends of the world. Our lives are so different. Theirs is bright light. Ours is darkness.

MONDAY, 8/2/93. DEAR MIMMY

Some people compare me with Anne Frank. That frightens me. Mimmy, I don't want to suffer her fate.

WEDNESDAY, 8/18/93. DEAR MIMMY

Yesterday I heard some optimistic news. The "kids" [politicians] have signed an agreement in Geneva on the demilitarization of Sarajevo. What can I say? That I hope, that I believe it???? I don't know how I could. Whenever I believed and hoped for something it didn't happen, and whenever I didn't believe or expect anything it did happen.

SUNDAY, 10/17/93. DEAR MIMMY

Yesterday our friends in the hills reminded us of their presence and that they are now in control and can kill, wound, destroy . . . yesterday was a truly horrible day.

Five hundred and ninety shells. From 4:30 in the morning on, throughout the day. Six dead and 56 wounded. That is yesterday's toll. Souk-bunar fared the worst. I don't know how Melica is. They say that half the houses up there are gone.

We went down into the cellar. Into the cold, dark, stupid cellar which I hate. We were there for hours and hours. They kept pounding away. All the neighbors were with us.

Sometimes I think it would be better if they kept shooting, so that we wouldn't find it so hard when it starts up again. This way, just as you relax, it starts up AGAIN. I am convinced now that it will never end. Because some people don't want it to, some evil people who hate children and ordinary folk. We haven't done anything. We're innocent. But helpless!

HONORING WHITESBURG APPALACHIAN REGIONAL HEALTHCARE—TOP 25 IN THE NATION

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ROGERS. Mr. Speaker, today I rise to honor excellence in health care. Health care is a very dear subject to the people of southern and eastern Kentucky.

It is for this reason, I am proud to commend the administration and staff at the Whitesburg Appalachian Regional Healthcare facility for being named one of the top 25 performing rural facilities in the United States.

Whitesburg ARH was rated alongside 2,100 rural health care facilities with over 250 beds or less and scored among the leaders.

The study was undertaken by the healthcare information firm HCIA, Inc. and the Mercer health care provider consulting firm, to establish industry benchmarks for successful health delivery.

It scored hospitals, large and small, in eight categories: First, charge per discharge; second, risk-adjusted mortality rate; third, morbidity ratio; fourth, expenses per discharge; fifth, average length of stay; sixth, profitability; seventh, financial leverage; and eighth, investment in capital assets. These categories are implied measures of cost, quality, and viability.

Whitesburg ARH scored among the top hospitals in every category. Not a small feat—the only other hospital to receive such recognition in Kentucky was the UK Medical Center facility in the large hospital category.

Whitesburg ARH is not just excellent at delivering health services to the residents of Kentucky. It has devoted much time and effort in recent years in community health education through health fairs, information booth at events and even free health screenings at the hospital's annual pig roast, during the Mountain Heritage Festival.

I am proud to honor Administrator Nicholas P. Lewis, the administration and staff of Whitesburg ARH. They are a shining example of rural health care delivery which all of southern and eastern Kentucky, and all of America can be proud.

A TRIBUTE TO TIMOTHY C. MARTIN

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Timothy C. Martin of San Bernardino, CA. Tim, who has demonstrated a remarkable dedication to the needs and safety of San Bernardino County residents over the past 32 years, will be honored on March 19, 1994, as he retires from his position as chief of the Bureau of Investigation at the San Bernardino County district attorney's office.

Tim attended local schools and spent the majority of his law enforcement career in San Bernardino County. Because of his involvement and active leadership in the community, Tim has been an instrumental force in preserving the law and order in San Bernardino County.

Tim's initial interest in being a direct participant in preserving the peace and well-being of society can be traced back to his dedicated service as a U.S. Marine from 1958 to 1961. Following his service in the military, Tim joined the San Bernardino County sheriff's office as Deputy Sheriff where he achieved the rank of sergeant. Tim's law enforcement career flourished when he joined the San Diego County organized crime task force where he was personally responsible for breaking up an L.S.D. manufacturing and distribution ring, leading to 15 arrests and the seizure of a lab and $12 million in pure L.S.D. For the past 17 years Tim has diligently served as the chief of the Bureau of Investigation for the San Bernardino County district attorney's office where he was the first and only chief investigator. Tim's distinguished career is further highlighted by his involvement in numerous organizations in the law enforcement community. He has served as president of both the California District Attorney Investigators Association and the National Prosecutors Investigators' Association.

In addition to being a leader in the law enforcement community, Tim has been influential in the private sector as well. He has received several awards to commemorate his dedication to the needs of citizens which include the San Bernardino City Ambassador of Goodwill Award and the San Bernardino League of Women Voters Citizen Achievement Award. Indicative of Tim's commitment to community service, he has been a past president of both the Option House, a home for battered women, and Saint Anne's Church in San Bernardino. Additionally, Tim has many notable achievements in several chapters of the Elk's Lodge.

Mr. Speaker, I ask that you join me, our colleagues, Tim's family and many friends in honoring this unique individual for his extensive and dedicated service. Over the years, Tim has touched the lives of many people in our community and it is only fitting that the House recognize him today.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD two sworn affidavits made out by Ramon Antonio Grullon, a former official of the Government of the Dominican Republic:

AFFIDAVIT

[State of New York, County of Richmond]

Ramon Antonio Grullon, being duly sworn, deposes and states:

(1) I am the former Consul of the Dominican Republic to Philadelphia, the former Consul General and Ambassador to Kingston, Jamaica, as well as other diplomatic positions I held for the Government of the Dominican Republic.

(2) On or about the end of 1989, I was personally told by Dominican businessmen, Jose Delio Marte, Silvio Sanchez, Pedro Allegria and Ernesto Farbege that they needed my political assistance in "eliminating" former Immigration Officer Joseph Occhipinti. They explained to me that Occhipinti was a threat to their illegal businesses, which included loan sharking, gambling, drug distribution and the employment of illegal aliens. Pedro Allegria, Richard Knipping, Jose Delio Marte and a man call "Pepe", the brother-in-law to Delio Marte operate a major loan sharking operation out of Sea Crest Trading Company where they set up Bodegas to conduct their illegal businesses. They also use Joel Associates, Hamilton Drug Stores, and Hamilton Hardware located at West 136th and Hamilton Place from which illegal wire transfers from drug proceeds are made to the Dominican Republic.

I was told that Occhipinti would be eliminated on false allegations that he was shaking down the Bodega owners. They invited me to attend a press conference at the Club Deportivo (168th Street & Audubon Avenue) where they wanted to solicit the help of the Spanish media to publicize the false allegations. They told me I was needed because of my political position which would give credibility to their allegations. I refused because I didn't want any trouble.

(3) On or about April, 1990, Jose Delio Marte and Silvio Sanchez again approached me to accompany them as a protestor at City Hall against Occhipinti to make the same false allegations. I again refused.

(4) I am willing to cooperate with Staten Island Borough President Guy V. Molinari, as well as the United States Congress, in their investigation of the Occhipinti case and Dominican drug trafficking activity in the United States. I am cooperating in hopes that my cooperation will be brought to the attention of the Immigration and Naturalization Service where I am under deportion proceedings. No promises have been made to me in exchange for this cooperation. I am willing to work in an undercover capacity if requested, to prove what I have stated in this affidavit is true.

AFFIDAVIT

[State of New Jersey, County of Hudson]

Ramon Antoni Grullon, being duly sworn, deposes and states:

1. On August 19, 1993, I executed a sworn affidavit to Staten Island Borough President Guy V. Molinari, whereby I provided direct knowledge confirming the conspiracy against Mr. Occhipinti by certain members of the Federation and Sea Crest Trading Company. I outlined the motive for the conspiracy, as well as the identity of its co-conspirators, which led to his federal conviction for civil rights and related violations.

2. On August 20, 1993, I was interviewed by Mr. Anthony Pope, the attorney representing Mr. Occhipinti, regarding my first affidavit. At that interview, I provided additional testimony relative to the Occhipinti conspiracy, which are as follows:

A. I have confirmed why government witness Jose Liberato, a complainant against Mr. Occhipinti at trial, had falsely testified against Mr. Occhipinti and participated in the conspiracy. Mr. Liberato, a bodega owner, is a major participant of Sea Crest Trading Company and its illegal activities. As I previously stated, Sea Crest is a front for loan sharking, drug distribution, money laundering and gambling activity involving Dominican bodegas. Jose Liberato, as did the others at Sea Crest, lost thousands of dollars from Mr. Occhipinti's confiscation of contraband and monies from bodegas indebted to Sea Crest. In addition, Mr. Liberato and many of his relatives' bodegas, were investigated by Mr. Occhipinti.

B. On or about May 1993, I was present at a meeting with City Council's Guillermo Linares and Georgina "Donny" Sanchez where Mr. Occhipinti's case was discussed. Ms. Sanchez is a member of the Dinkins Administration, who acts as an intermediary in delivering illegal cash contributions to the Dinkins Campaign on behalf of the Federation and Sea Crest. This allegation is based upon personal knowledge since I was personally privy to one such illegal contribution involving about seven thousand dollars. It also explains why Mayor Dinkins supports the Federation and supported their efforts in having Mr. Occhipinti prosecuted. At the meeting, Georgian expressed her concern about Mr. Occhipinti's public and legal efforts for vindication, which could expose the conspiracy, as well as the Federation's and Sea Crest illegal operations. In response, Councilman Linares stated that he was not concerned because he had strong contacts at the prosecutor's office. Those contacts had assured him that they had everything under control. I interpreted that statement to mean that there may be some corrupt prosecutors involved in covering up the Occhipinti conspiracy.

3. As previously promised, I have agreed to work in an undercover capacity to help prove the conspiracy against Mr. Occhipinti. In addition, to have my conversation with the various co-conspirators consensually monitored to prove their complicity in the conspiracy.

TRIBUTE TO JOANNE BLUER

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BAKER of California. Mr. Speaker, I rise today to pay tribute to a survivor of polio, heart disease, lung disease, and breast cancer. She is Joanne Bluer, a Jewish-American poet from Walnut Creek, CA.

Her heroic struggle should serve as an inspiration to us all.

Among her most recent accomplishments is a book of poetry entitled "I Believe * * * The Thoughts of Joanne Bluer."

I would now like to share with you her poem "Peace Prayer."

PEACE PRAYER

I stand, or should I say "kneel" before Thee, O Lord
Not as a beggar, but as a child kneels before the flame
And watches the fire rising as a strong compound an falling as ashes.
I'm scared and I seek your strong hand to guide me.
Why should I be afraid? Why, why?
Because my legs are only flesh,
My steps are only human mechanisms.
The spirit that should rise and lift me above all that is of the world is lacking.
It's not gone, just withered and tired.
Help us have faith in You, so that we may rededicate our lives to Your truths and laws of reason and respect for all.
In these troubled times, good people reach out to good people.
It is not black and white, yellow and red.
It is good against evil.
As Rousseau said, "Evil triumphs because men of good will do nothing."
He also said "Man is neither good, nor is he bad. He is neutral and can be influenced to change and can be corrupted by the society in which he lives."
These are important points
Because people can initiate change
And they must do so now.
All good people must pray together
And what is more important,
Must work toward this end actively and with great hope in their hearts.
I hate to think how our society will hemorrhage if we fail now.
We must not fail.

BOEHNER AMENDMENT TO ELIMINATE THE ELLENDER FELLOWSHIP PROGRAM

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SYNAR. Mr. Speaker, yesterday, my colleagues voted on the Boehner amendment which would have eliminated several education programs from H.R. 6. Among these was the Allen J. Ellender Fellowship Program, which provides critically important funding to the Close Up Foundation.

As many of my colleagues know, the Close Up Foundation often provides students with their first exposure to our Nation's Capitol and the policymaking process. In my district, the Close Up Foundation helps provide many Oklahoma students with their first trip to Washington, DC, and the State capitol in Oklahoma City. I have met many of these eager and bright students and their teachers and can say that this experience empowers them. It provides them with knowledge that they in turn share with other students and teachers within their community. The Ellender Fellowship Program has been effective in using a small appropriation to improve teaching and learning within schools, provide professional development for teachers, and promote community involvement—all of which are goals of H.R. 6. I want to thank my colleagues who supported the intent of H.R. 6 and opposed the Boehner amendment.

TRIBUTE TO REBECCA STRINGER

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. WELDON. Mr. Speaker, I rise today to recognize an outstanding constituent, Rebecca Stringer, a senior at Conestoga High School in Berwyn, PA, who was recently selected as a regional recipient of the eighth annual Amateur Athletic Union/Mars Milky Way High School All-American Award.

The High School All-American Award is a national honor which recognizes four young men and four young women who exhibit exceptional scholastic, athletic, and community service achievements.

Rebecca is an outstanding student ranked near the top of her class, who is listed in "Who's Who Among American High School Students." She is a member of the National Honor Society, senior class treasurer and has maintained a position on the honor roll for 4 years. She also sings with her high school choir and has performed with the Wilmington Symphony Orchestra. As an athlete, Rebecca has distinguished herself in field hockey, swimming, and lacrosse. She participates on the national level with the U.S. Field Hockey Association and the National Field Hockey Developmental Program.

Despite her already full range of activities, Rebecca finds time for a variety of community service projects. She works with the hearing impaired and learned sign language to become the voice link between a deaf member of her high school swim team. In addition she volunteers with the Special Olympics and the American Diabetes Foundation. She also tutors an inner city elementary student and serves as a youth clinic coach in both field hockey and lacrosse.

This exceptional young woman is 1 of 2 Pennsylvania recipients and 1 of 8 regional recipients from more than 10,000 high school seniors from nominated nationwide. M&M/Mars awards $10,000 scholarships to the regional recipients. Rebecca's scholarship will be applied to the college of her choice.

Rebecca will now be eligible to become an All-American Award national recipient. In April, two national recipients—one young man and one young woman—will be named and each will be awarded a $40,000 scholarship.

So, I ask my colleagues in the House to join me in recognizing Rebecca B. Stinger, a remarkable young woman who demonstrates the promise that the future holds for our country.

TRIBUTE TO ROY KEPLER

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Ms. ESHOO. Mr. Speaker, I rise before the House of Representatives to commemorate the life of Roy Kepler, a gentle and accomplished man who lived on the frontlines of the nonviolent movement in California during the 1960's.

When one walks down the streets of Menlo Park in California's 14th Congressional District, everyone knows the name Kepler.

Inspired by the idea that information is the conduit of political change, Roy moved to Menlo Park 30 years ago and set up a small newsstand called Kepler's Books and Magazines. Kepler went to great lengths to make his bookstore a primary meeting place for activist movements of the sixties and seventies.

Roy opened his doors to young people, people of color, and young men escaping draft boards, and dedicated himself to their financial well-being by hiring them to do odd jobs. He was a warrior for peace, best exemplified by his opposition to America's involvement in Vietnam and his vision for change in America.

Although Roy was motivated by his own personal ideas, he did not impose his beliefs on the patrons of his bookstore. He saw his store as a resource where he could provide the community access to volumes of information on vast arrays of subjects.

The legacy of Roy Kepler lives on today. Young people still congregate at Kepler's to browse the stacks of books and papers and discuss politics. Kepler's remains a central meeting place where America's future can be discussed with an open heart and an open mind.

Roy Kepler's life and how he chose to live it is an eloquent statement about the community I am privileged to represent. We miss you Roy, and always will.

FAMILIES AND VALUES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 9, 1994, into the CONGRESSIONAL RECORD:

FAMILIES AND VALUES

Americans are putting much greater emphasis on the importance of the family than they did two decades ago. They recognize that the family is where most basic values are instilled—from being responsible for one's own actions to respecting people for themselves—and they think that for many reasons the family is under great strain today. They are worried about the prospects for the institution of the family.

For most of us it is hard to conceive of a successful society without strong families. Whenever there are indications that the families of the nation are in disarray or confused it becomes a matter of deep concern. Hoosiers in public meetings instinctively understand that at the heart of our society lies the family. A witness before a congressional committee some years ago said: "As families go, so goes the nation." So it makes a lot of sense to have as a paramount national goal the promotion of families that can successfully raise children.

IMPORTANCE OF FAMILY VALUES

Discussions on a wide range of social issues are increasingly coming back to discussions of families and values. The debate on crime has evolved into comments about the general moral decline in the country. People want criminals behind bars and heinous crime severely punished. But they also increasingly associate crime with a lack of social values and the breakdown of family structures—high divorce rates, single parenthood, child abuse. People want the root causes of crime addressed.

Other social issues are being linked more and more to values and family structure: lackluster educational achievement, high infant mortality rates, health care costs driven up by violence and drug abuse, and high poverty rates. There is not much doubt that the best social program for children is a stable, intact family.

The cold statistics on America's families are alarming. In the past three decades the percentage of children born outside of marriage has risen five-fold from 5 percent to 25 percent. Almost two-thirds of black children are born out of wedlock. Twenty percent of all female teenagers in the U.S. bear a child. Almost half of all marriages now end in divorce. The result is that almost a third of U.S. families with children are one parent households. And a lot of these children grow up poor. Children, especially those in single families, are the poorest Americans.

I think this concern about family structures and moral values is well-placed and healthy. Stable family structure is important because it enables parents to meet their responsibilities and counter the forces that can run contrary to values—from violence on TV to peer pressure. Values by which people live do matter and we should not pretend otherwise. We ought not to have any partisan debate about family values.

FEDERAL EFFORTS

I often ask myself what would be the most worthwhile public policies to help strengthen values and families. Certainly the problem is basically cultural rather than political, but there are public policies that can be helpful. When the government bans racial discrimination it forcers changes in public behavior and, over time, a change of attitudes. Or when the government takes steps to improve the economic outlook and make jobs more secure, that can affect the welfare of America's children and families.

Much of the federal government's involvement in family issues has been through a variety of specific programs, including prenatal care, low-income health and child care, Head Start, elementary and secondary education, assistance for young mothers, and family planning. I suspect that children are not as important as they should be in federal and state budgets. One estimate is that eleven times more federal benefit dollars per capita go to those over 65 than to those under 18.

Congress last year took several steps to help families. It expanded significantly the earned income tax credit, which will keep money in the hands of working parents. It passed the Family and Medical Leave Act, which permits employees up to 12 weeks of unpaid leave upon the birth or adoption of a child or to care for a family member with a serious illness. It set up a new program to offer assistance and support services to help troubled families and keep them intact. And it required states to step-up efforts to establish paternity in out-of-wedlock births in order to improve support by fathers. Other pro-family measures are pending before Congress, including a reform of welfare to minimize the penalties for getting married or going to work, and raising the income tax exemption for children, which has not been adjusted for inflation for decades.

But perhaps more important than specific federal programs would be for policymakers to look at how legislation in all sorts of areas could impact on the family. Will this tax policy or this health care reform or this assistance package tend to strengthen or weaken families? We look at broad public policy decisions in terms of how they affect the deficit or the environment; we also need to look at how they affect the family. Surely public policy should consider seriously the value of the family, and that means asking how legislation and market institutions affect the legal and economic incentives to form families and to maintain their stability. The aim of public policy should be to improve the chances that families will succeed.

CONCLUSION

I think the good news is that a consensus is developing in the country across ideological and partisan lines about the nature of the problems confronting America's families. Solutions include attention to the family structure, which conservatives like to emphasize, as well as the economic factors which the liberals like to stress. A better approach is to address these problems simultaneously with programs that increase resources available to parents as well as improve the chances that children will grow up in stable, intact families.

One of the wisest statements to come out of the White House in recent years came not from a president but from the first lady. Barbara Bush said, "Your success as a family—our success as a society—depends not on what happens at the White House, but on what happens inside your house."

REMEMBERING DR. HENRY CAMPBELL

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ROGERS. Mr. Speaker, the people of Kentucky and the Nation lost one of its most revered educators and servants when Dr. Henry A. Campbell, of Floyd County, passed away on Tuesday, February 22.

On June 12, 1964, Dr. Campbell became Prestonburg Community College's first president. While under his control, the college grew from 322 students in 1964 to more than 2,500 at his retirement in 1991.

He expanded the curriculum and, in 1987, established a satellite campus which now enrolls more than 800 students. He also played a vital role in establishing Hazard Community College.

He established the science building that bears his name at Prestonburg Community College, where his legacy for excellence in education will live forever.

His is a legacy that also will be shared each and every time a Prestonburg Community College graduate crosses the stage to receive their diploma.

A veteran who served in Europe during World War II under Gen. George Patton, Campbell was wounded in action and decorated for his brave service.

Many of us knew Campbell as the educator who passed other higher-glory opportunities to spend 27 years of his life molding a new college at Prestonburg into the complex that it is today.

Dr. Campbell also was a community leader and fundraiser. As an active member of many local and State organizations—education, and other, Campbell has left his mark on the Big Sandy area and Kentucky alike.

But Henry Campbell's greatest contributions have been to our children. Teaching by example, Dr. Campbell has shown generations of young people that hard work, devotion to community, and respect are the most honorable and everlasting pursuits.

In all of his activities, Dr. Campbell truly cared about the students and citizens of the Big Sandy area. All of his efforts have been to raise the quality of education and to improve the quality of life for the people of eastern Kentucky. Because of this commitment, he will be sorely missed.

A TRIBUTE TO ELMER J. DIGNEO

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of Elmer J. Digneo of Loma Linda, CA. Elmer, who has demonstrated a remarkable dedication to the needs of Loma Linda over the past 24 years, will be honored next month as he retires from the Loma Linda City Council.

Elmer grew up in Loma Linda, attended local schools, and remained in the area to establish his professional career and raise his family. Because of his involvement and active leadership in the community, Elmer has been an instrumental force in leading and preparing Loma Linda for the many challenges which lie in the future.

As a community leader, Elmer is well known for his long-term and dedicated service to numerous organizations throughout southern California. On a local level, Elmer spent 43 years in secondary education, including 20 years of administration. Indicative of his commitment to community service, he has been a member of the Loma Linda City Council since its incorporation in 1970, which included 5 years as mayor and 11 years as mayor pro tempore. As a member of the city council, Elmer made a significant impact on the community through his appointments on the Southern California Regional Rail Authority, the Inland Valley Development Agency Board, the Omnitrans Board, and the Southern California Association of Governments. In addition to his work on the city council, Elmer has also served as president of the Loma Linda Chamber of Commerce where he led a successful revitalization of business in Loma Linda. Most recently, Elmer has served as city representative and vice chairman of the Local Agency Formation Commission as well as chairman of the Redlands Unified School District/Loma Linda Redevelopment Agency Joint Powers Board. He is currently active in the Campus Hill Seventh-day Adventist Church as an organist and tour coordinator.

Mr. Speaker, I ask that you join me, our colleagues, and his many friends in honoring this outstanding individual for his extensive and dedicated service. Over the years, Elmer has touched the lives of many people in our community and it is only fitting that the House recognize him today.

COMMENDING GEORGE BYER FOR HIS UNTIRING WORK FOR WORLD PEACE

HON. ALFRED A. (AL) McCANDLESS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. McCANDLESS. Mr. Speaker, one of my constituents, George H. Byer of Hemet, CA, has made a name for himself as a promoter of world peace through friendship, and as a founder of a worldwide Friendship Corps for Children.

He was born 80 years ago in a sod farm house on the prairie in South Dakota. He remembers walking miles across the prairie to a one-room school house. He was an only child, with few neighbors or friends, who now puts great value on friendship.

Coming out of World War II with a disability, George Byer went to Alaska—which was then a territory of the United States—on the advice of a doctor, who told him to find some work to do that would keep him outdoors. He worked as a construction laborer and later as a longshoreman. As his health improved, so did his sense of purpose. Byer was appointed to civic committees, and he received a Man of the Hour award for his efforts to have the city of Anchorage recognized as the first All-American City outside the continental United States.

In 1959, Byer was elected mayor of Anchorage, Alaska's largest city. During his term as mayor, Byer began actively working for international peace, cooperation, and friendship. He broadcast a Christmas peace greeting on shortwave radio, which was translated into 35 languages and sent around the world.

Moving to California, Mr. Byer continues his message of friendship from his home in Hemet. Mr. Byer founded the worldwide Friendship Corps for Children in 1990. His logo—a picture of the globe surrounded by the words "Anywhere a Friend—Everywhere, Earth"—was flown on the space shuttle *Columbia* on its historic flight from April 26 to May 6, 1993.

Mr. Speaker, I salute George Byer for his untiring efforts to further the cause of peace.

HOLY COW! THE "SCOOTER" IS IN!

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BOEHLERT. Mr. Speaker, on February 25 of this year, a great injustice was corrected, and baseball fans everywhere breathed a collective sigh of relief as news spread that Philip Francis Rizzuto was finally elected into the National Baseball Hall of Fame in Cooperstown, NY.

Rizzuto, now 76, will be honored along with the late Leo Durocher and pitching great Steve Carlton as this year's inductees into baseball's hallowed shrine on July 31. Finally receiving the necessary 75 percent support of the Veterans Committee after 12 dry runs, Rizzuto was clearly ecstatic over this belated honor. "It's something they'll never be able to take away from me," he exclaimed.

The odds were long as the committee considered scores of candidates, and Rizzuto needing 75 percent of the vote for induction. But what seemed to do it for him was the recent addition to the committee of Bill White, Pee Wee Reese, and Yogi Berra, all of whom possessed the infinite wisdom to recognize the Scooter's extraordinary baseball talent and his enduring contributions to the game.

Rizzuto's detractors always point to the fact that he only played 13 seasons. But let's face it, he was, what Mel Allen once described, "* * * The heart and guts of the ball club." Even with the interruption of World War II, Rizzuto led the Yankees to 10 pennant championships and 7 World Series victories; not to mention an MVP award in 1950.

Rizzuto's handsome countenance will now adorn the hallowed halls of Cooperstown, joining many of his Yankee teammates—and his baseball glove. Not bad for a short guy who started off playing stick ball in the streets of Brooklyn.

Phil, we're all happy for you, you deserve it.

GUN DEALER RESPONSIBILITY ACT OF 1994

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. REED. Mr. Speaker, now that the Brady handgun control law is on the books, it is time to build on the national consensus to control crime and make people feel more secure in their homes, schools, neighborhoods, and places where we work every day. I believe that one important place to start turning the tide of violence is by requiring greater responsibility from people in the business of selling weapons.

Currently, there are over 284,000 Federally licensed firearms dealers—754 in Rhode Island alone. Many of these dealers are responsible small business people. There are, however, a substantial number of dealers, known as kitchen table dealers who sell guns out of their homes and cars to people who lack the requisite identification. Federal regulation of these dealers has been hit or miss, mostly miss. The Bureau of Alcohol, Tobacco, and Firearms [BATF] has only 240 inspectors throughout the United States dedicated to inspection of gun dealers to ensure compliance with Federal gun laws. In a chilling revelation, BATF recently reported that an investigation of 400 randomly selected gun dealers uncovered Federal firearms violations among 34 percent of the dealers.

President Clinton and Treasury Secretary Lloyd Bentsen have called for increased regulation of gun dealers and proposed increased administrative controls over the Federal gun dealer licensing process. However, administrative solutions are not enough.

Past law suits by victims of gun violence have revealed dealers who sell to prohibited buyers in what are called straw purchases. In these cases, an ineligible buyer goes to a store and has a friend or relative buy a gun for him.

In one Virginia case, a gun dealer sold a semi-automatic handgun to a 16-year-old boy who used his uncle as a straw purchaser. The boy had handed the $300 price of the gun to his uncle in front of the gun dealer, his uncle purchased the gun, and the 16-year-old left the store carrying the gun. The boy then used the same gun to kill one of his teachers. A Virginia court found that the gun dealer had been negligent in selling the murder weapon and awarded the victims family $105,000 in damages.

In Georgia, damages were awarded against a gun dealer who was found to be negligent in selling a semi-automatic rifle to a straw buyer. The straw purchase was made by the wife of a man who could not purchase a gun on his own because he had once been institutionalized for mental illness. The man then used the same gun to kill a woman while she sat in her home.

Despite these examples, it is very difficult for victims of gun violence to go to court and collect damages from gun dealers who break the law and sell guns to minors and straw buyers. This is because there is very little case law and no Federal law giving victims of gun violence the right to sue gun dealers who make illegal gun sales.

The bill I am introducing today, the Gun Dealer Responsibility Act of 1994, provides a statutory cause of action for victims of gun violence against gun dealers whose illegal sale of a gun directly contributes to the victim's injury. My intent in proposing this bill is to completely shutoff the illegal sale of guns to minors and convicted felons. I also believe my bill will go a long way toward making those gun dealers, who now may look the other way, more cautious about selling guns to straw gun buyers.

Gun sales in America generated $7 billion in 1992 and it is estimated this figure was $9 billion in 1993. In a time when many Americans have seen their quality of life altered by a fear of crime and random acts of violence, it is only fair that society ask those who profit from gun sales be held to a new and higher standard of responsibility.

I ask that a statement be printed in the RECORD along with the language of the bill and a copy of a letter from Sarah Brady of Handgun Control, Inc., supporting this legislation.

HANDGUN CONTROL, INC.,
Washington, DC, March 8, 1994.

Hon. JACK REED,
U.S. House of Representatives, 1510 Longworth House Office Building, Washington, DC.

DEAR CONGRESSMAN REED: I am writing in support of your proposed legislation to give gun violence victims a private damages remedy in Federal court against gun dealers who violate the Gun Control Act.

Our Nation is suffering an epidemic of gun violence. The violence in our streets too often is fueled by gun dealers who engage in irresponsible and illegal conduct, such as selling guns to minors or to straw purchasers for prohibited buyers.

With over 280,000 licensed gun dealers, the government cannot possibly discover and prosecute every illegal dealer sale. The threat of civil damages liability for the violence caused by illegal dealer conduct will provide a necessary and powerful incentive for dealers to obey the law.

A number of state courts have already recognized that victims can recover damages from dealers who violate the law. Your bill simply gives victims a uniform Federal remedy. It is an important component of a National strategy against gun violence.

Sincerely,

SARAH BRADY,
Chair.

A TRIBUTE TO SPRINGFIELD SYMPHONY ORCHESTRA'S 50TH ANNIVERSARY

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. NEAL of Massachusetts. Mr. Speaker, today I pay tribute to the Springfield Symphony Orchestra's 50th anniversary. I would like to share with my colleagues the long legacy of the Springfield Symphony Orchestra. I am confident that upon hearing the history of the Springfield Symphony, you will all appreciate the magnificent contributions the symphony has given the people of western Massachusetts.

Under the superb leadership of Mr. Alexander Leslie, the first conductor of the symphony, the Springfield Symphony performed its first concert on March 5, 1944. That night in the Springfield Municipal Auditorium, Alexander Leslie and his symphony began a forum of cultural enlightenment for the people of Springfield, that has since expanded throughout the region. Alexander Leslie had a vision that went well beyond the formation of a symphony. He realized the need for music education and enrichment for children. In cooperation with the Springfield Public Schools, the Roman Catholic Diocese of Western Massachusetts, and the Springfield City Library, Leslie Alexander began the Young People's Symphony in 1944. In 1948, Mrs. Douglas Wallace, a member of the board of directors, organized the Women's Symphony League. What had begun as another orchestra was quickly expanded to involve an entire community.

The growth of the Springfield Symphony continued throughout the next 40 years. The magnificent sounds of the symphony were heard throughout the state and the country. In recent years the Springfield Symphony has been heard by the National Public Radio, which extends to over 900,000 listeners, and has provided western Massachusetts with outside summer concerts. The SSO has become the second largest professional orchestra in Massachusetts.

This month, under the leadership of Maestro Raymond Harvey, current SSO board Chairman Ronald Weiss, President Peter Carando, and the many dedicated members of the board of directors, the Springfield Symphony Orchestra celebrates a half century of musical enjoyment and eagerly anticipates another 50 years of success and musical prosperity. I have enjoyed many wonderful evenings at the Springfield Symphony Orchestra, both as mayor of Springfield and Second District Congressman and am proud to be a longtime supporter. I wish everyone connected with the SSO many more years of fine music.

TRIBUTE TO JUANITA WHETSTONE

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. CARR. Mr. Speaker, I appreciate this opportunity to pay tribute today to Juanita Whetstone, formerly of Lansing, MI, who will be honored with an Eleanor Roosevelt Award by the Michigan Democratic Women's Caucus on March 12, 1994.

Juanita first came to Lansing in 1952, from Brownsville, TX. After giving her time to the 1960 voter registration drive in Mississippi, she returned to Lansing and joined the Michigan Democratic Party in 1963 as a volunteer. Thus began over 30 years of devoted and unparalleled service to the Michigan Democratic Party.

No one person has given as much time to the Michigan Democratic Party, with such remarkable results, as Juanita Whetstone. She has worked with nine Democratic Party chairs, holding a variety of offices in local politics. She has been a precinct delegate and a delegate to the Democratic Party State Convention every year since she joined the Michigan Democratic Party. She has also served on the Ingham County Women's Commission and the Ingham County Executive Board, and as a Democratic second ward chair, a member of the Nancy Williams Democratic Women's Club, and a convention and housing coordinator for State and national Democratic Party Conventions.

Having known Juanita for many years, I can say with confidence that in an arena as filled with egos as politics often is, Juanita is remarkable for her humility and grace. She is known more than anything for her ability to get the job done, and with an unrelenting emphasis on success, not on fanfare. For over 30 years, she has given greatly and selflessly of her own time to Michigan Democratic politics. She has also been a strong role model for many in the Michigan political community, particularly for women.

It is not far short of a miracle that Juanita has always found the time for her family and for her church activities. Yet she is a devoted mother of three daughters, and more recently, a doting grandmother of three grandchildren. Juanita has also been a faithful member of Paradise Missionary Baptist Church in Lansing.

Mr. Speaker, it is fitting that the House of Representatives honor outstanding individuals like Juanita Whetstone. Please join me in recognizing her many years of leadership in Michigan politics, and in wishing her continued success in the years to come.

IN TRIBUTE TO TSHOMBI WRIGHT

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. KLECZKA. Mr. Speaker, I rise today to honor a high school student in my hometown of Milwaukee who can teach us a thing or two about what it takes to fight crime.

Tshombi Wright is a 15-year-old high school freshman, but he has a maturity well beyond his years. He watches the devastating impact gangs and drug dealers are having in his neighborhood, and recognizes the need to provide children with positive influences to counteract the temptations the street has to offer.

Spurred on by that knowledge, he is doing all he can to serve as a walking, talking deterrent. He started by signing up as a coach with the local police athletic league. Then he joined the District 2 Police Explorer Program, and became a community services aide at post 882. In that role, Tshombi has volunteered hundreds of hours to perform for elementary school students as McGruff the Crime Dog, assist police officers at a host of gun safety and antigang and graffiti programs, and speak at community block watch meetings to answer parents' questions about keeping their kids away from drugs and gangs.

For his dedication, Tshombi was recently honored by the Milwaukee police as the city's Outstanding Youth Involved in Crime Prevention, Kathy Schult, a crime prevention officer in district 2 who nominated Tshombi for the award, said he has made an invaluable contribution to the community as a role model for his peers. "His example has helped kids realize how important it is to set goals and reap the benefits of their accomplishments," she said.

Tragically, there are some in Tshombi's neighborhood who do not appreciate his efforts. After an article featuring Tshombi appeared prominently in a local newspaper, he was the target of numerous threats to his safety. On the day after the article ran, in fact, Tshombi was accosted by four boys in his backyard, where one of them put a gun to his head.

That kind of senseless act reminds us of how deeply rooted the crime problem is today, and how difficult the challenge is to defuse the epidemic of violence haunting our inner cities. We can take hope, though, in the commitment of people like Tshombi. Despite the threats he has received, this kind-hearted freshman refuses to let go of his dream to one day become Milwaukee's chief of police, or to drop his community service work today. "You can't give up or give in to these kinds of people," he said. "I can't let them break me."

Mr. Speaker, this kind of resolve and sense of purpose deserves this body's praise and thanks. At a time when the media gives as a birds-eye view at one killing spree after another, we need to be reminded that there are encouraging and heart-warming stories like Tshombi's out there, and courageous people like him who are willing to stand up for what is right. We also need to know that the dedication and unselfishness of individuals like Tshombi will, in the end, be the most effective instrument we can employ to free our communities from the chokehold of violence.

ADDICTION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GEKAS. Mr. Speaker, I would like to share with my colleagues some remarks made by Dr. Avram Goldstein, professor emeritus of pharmacology at Stanford University, before the congressional biomedical research caucus on Monday, February 28, 1994. The text of Dr. Goldstein's remarks follow:

A 50-year-old man lies in a hospital bed, desperately ill. Emphysema has destroyed his lungs, and the pitiful sound of his labored breathing fills the room. Watch him! Incredible as it seems, he begs his wife to bring him some cigarettes. Cigarettes put him here, cigarettes will surely finish him off. Why doesn't he quit? Why didn't he quit 25 years ago, when the first Surgeon General's report on smoking, widely publicized, had already made it clear what his future would be if he continued his pack-a-day habit?

This introduction could have started differently.

A 50-year-old man gets off the bus in a seedy downtown neighborhood. Just hours before, he was released after serving a two-year sentence for burglary, his third time in prison. His regular income as a grocery clerk had barely been enough to support his wife and child, so burglary seemed the only way to raise the large sums he needed for his heroin habit. Watch him! Only a block from the bus terminal, he makes his "connection", buys a syringe and needle and some white powder. Heroin put him in prison three times, heroin will surely finish him off. Why doesn't he quit? Why didn't he quit 25 years ago, when he could see clearly enough what his future would be if he continued using heroin?

These are the opening paragraphs of my just-published book, Addiction: From Biology to Drug Policy (WH Freeman, New York, 1994). They make two important points: First, that nicotine addiction and heroin addiction are two examples of the same biologic process. To the pharmacologist, licit or illicit status has nothing to do with the addictive property of a drug. Second, that an addictive drug can take control of behavior, can lead to compulsive and self-destructive use that seems to defy common sense and rationality.

Albert Einstein once said, in connection with trying to explain complex scientific matters: "We should make things as simple as possible, but not simpler." In my book—and here today—I try to follow his advice.

Forty years ago the prevalent view of drug addiction held that it reflected "poor will power", an antisocial and criminal temperament, or both. Then basic research on the brain and behavior laid the basis of the disease concept of addiction. The change in public perception came about first with opiates and alcohol, beginning with research at the federal narcotics hospital in Lexington, Kentucky in the fifties. It had been thought that the reaction of addicts to having their drug withdrawn—the "withdrawal syndrome"—was largely manipulative complaining in an attempt to get more drug. The clinical research at Lexington established, for the first time, that the withdrawal disturbances were truly physical in nature, that they expressed a profound (possibly even irreversible) alteration in the physiology of the brain.

A further change in our perception of opiate addiction came about as a result of two major research findings in the sixties and seventies. Dole and Nyswander (with Mary Jeanne Kreek, whose talk follows mine here today) showed that maintaining antisocial and criminal heroin addicts on a regular daily dosage of the long-acting opiate methadone, given by mouth, could alter their compulsive drug-seeking behavior and open the way to their total rehabilitation. And basic neurobiology research revealed the existence of natural morphinelike substances—the endogenous opioids ("endorphins")—which activate specific opioid receptors in our brains, the same receptors on which the addictive opiates act.

These discoveries had profound implications. Since our brains actually contain and require substances that are like heroin and morphine, excessive exposure to such drugs would be expected to disturb the fine regulation of the brain's own opioid systems. It also became possible to imagine (and to look for) genetic abnormalities that might cause deficient production or regulation of these endogenous opioids and their receptors—abnormalities that could predispose to addiction. If someone had too little of a brain component essential to feelings of normality, might they then take a drug that would act like the endogenous opioids, in effect self-medicating?

The change in public attitudes toward addictions was accelerated by the 1988 Surgeon General's report summarizing the evidence that nicotine is a powerfully addictive drug. No longer could addicts be relegated to skid row or a criminal underclass. Now a major segment of "respectable" middle-class society were recognized to be addicts. The long-persisting myth that alcohol and nicotine were not even drugs began to break down.

We now know that there are seven families of addictive drugs. These seven (but no others) are capable, to varying degrees, of producing the compulsive and self-destructive use pattern that we call addiction. All of them, in varying degrees, are dangerous to individual and public health. They all alter behavior in varying degrees and in different ways that are often harmful to the addict and dangerous to others. Some cause grievous damage to the fetus, leading to impaired brain development and long-lasting learning deficits and behavioral disorders. Curiously, although some addictive drugs are much more dangerous than others, there is no relationship between the actual danger posed by a drug and its legal status. If a legitimate role of government is to protect the public health, the laws ought to be based on the biology ought to be tailored to minimize the harm caused by each drug.

Laboratory research has revealed where and how the addictive drugs act in the brain. This knowledge, typically, grew out of studies on rate behavior that had nothing to do with drug addiction. B.F. Skinner had developed experimental methods of studying behavior rigorously in pigeons and rats, introducing new concepts about how rewards drive and control behavior. James Olds, adapting some of Skinner's methods, discovered that rats would press a lever to stimulate their own brains with a mild electric shock—but only if the electrodes were implanted in specific regions deep in the brain. In other words, the rats "liked" to stimulate certain nerve cells, which turned out to contain (and to release when stimulated) the neurotransmitter dopamine. Years of research in many laboratories have revealed that this same dopamine "reward pathway" is stimulated by all the addictive drugs.

Cocaine, for example, prevents removal of the dopamine that is released normally in small amounts at the nerve endings in this pathway. As a result, greatly excessive amounts accumulate, causing the extreme excitement, elevated mood, and often frankly bizarre behavior seen during cocaine binges. Morphine (produced from heroin in the body) stimulates the same pathway by a different mechanism; it prevents the release of an inhibitory neurotransmitter that holds the dopamine nerves in check. In other words, morphine removes the breaks, causing large amounts of dopamine to flood the pathway. Nicotine, alcohol, marijuana, probably even caffeine (weakly addictive though it is), act in a similar way. Every addictive drug mimics or blocks the action of one of the brain's neuotransmitters.

What I have said is true, but I have violated Einstein's dictum by oversimplifying. Forgive me; it would require a whole course on the biology of addiction to deal with all the subtleties. Obviously, each of these addictive drugs has it own distinctive actions, so the common effect on the reward pathway is only one of many diverse effects on the brain, which can result in changes of mood, perception, cognition, alertness, coordination, judgment, sense of equilibrium, motor activity, and numerous other forms of behavior—changes that are characteristic for each addictive drug.

An important question being addressed in current research efforts is: What role does genetic predisposition play? Obviously, addiction is influenced by the availability and cost of a drug, the pharmacologic properties of a drug, by stress, and by numerous environmental influences. Yet it is a fact that with any addictive drug, of all who try it or even use it socially, only a small fraction become addicted. Could this mean that genetic vulnerability also plays a role? For alcohol addiction there is solid evidence, from adoption and other studies, that heritability is indeed a major factor. Search for the responsible genes is under way, using techniques of molecular biology that were developed without any reference to the drug addiction problem. If those who are especially vulnerable to addiction could be identified by a simple test, prevention efforts might be more efficient and cost-effective.

The central problem in treating addicts is not how to get them off the drug. For all the addictive drugs, that is a relatively easy matter with proper medication and good supervision. The real problem is the drug craving that sooner or later can lead to relapse and readdiction. We do not understand craving very well. It is difficult to study, especially in animal experiments, but the attempt is under way. If we could develop medications to block craving and relapse, we could take a very big step forward in getting the addiction problem under better control.

Should addiction research be targeted? Of course it should! But not at the expense of the free-wheeling untargeted research that discovers new principles, opens new paths, provides novel technologies. We need both targeted and untargeted research, we need both laboratory and clinical research. It goes without saying that to make progress in preventing and treating drug addictions, we need to study drug addictions. We need to understand the neurobiology, the genetics, the behavioral aspects, the epidemiology, the possible approaches to treatment. The National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA) have that specific mandate, and they already support most of the relevant research in the laboratory, in the clinic, and in human populations. We can predict, however, that important breakthroughs are likely to come unexpectedly from seemingly unrelated research, perhaps funded by other institutes of the National Institutes of Health or by other sources of support. History teaches us that studies on isolated nerve cells from lowly squid and sea slugs produced our basic knowledge about how nerves carry messages and how neurotransmitters pass messages from one nerve cell to another. Studies on the structure and function of receptors, which help us understand how all addictive drugs act, were carried out, by and large, by investigators who had no interest whatsoever in addiction. Such untargeted research has produced the information infrastructure on which targeted addiction research can draw. Who could have predicted that Skinner's experiments with pigeons pecking at a lever to get a kernel of corn—experiments that were ridiculed by some politicians for their lack of relevance—would lead directly to today's experiments on the reward pathway?

It is becoming ever more clear that addiction is a disease, some kind of neurobiologic disorder in the reward systems, in which dopamine plays a key role. Our aim, as for any chronic relapsing disease, should be harm reduction. Because the addictive drugs stimulate and overstimulate the same brain systems that are responsible for normal satisfactions, normal reward, normal "feeling good", we cannot simply develop drugs to block their actions. It would be unimaginable, for instance, to destroy or permanently inactivate the reward pathway. Thus, we need to learn much more in order to find more subtle and specific ways of reducing the harm caused by addictive drugs and forestalling relapse without disturbing essential brain functions.

In summary, addiction is primarily a public health problem, complicated secondarily (for some drugs) by criminality. The current budget proposal for the "drug war", which increases the amount for prevention and treatment relative to that for interdiction and law enforcement, is a move in the right direction, consistent with our present understanding of the biology of drug addiction and the need for a harm-reduction approach in dealing with it.

SUPPORT FOR JUSTICE HARRY BLACKMUN'S DEATH PENALTY OPINION

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. VENTO. Mr. Speaker, recently Supreme Court Justice Harry Blackmun, one of this Nation's foremost judicial experts, made a monumental shift in his position on the death penalty. For more than 20 years, Justice Blackmun, along with numerous members of the Court, has attempted to justify the acceptability and the constitutionality of the death penalty. Now, however, Justice Blackmun has reversed his opinion, recognizing that there are numerous inherent problems with this system of punishment.

In his own words, Justice Blackmun asked himself "[t]he basic question—Does the system accurately and consistently determine which defendants 'deserve' to die?" His answer, and one that I have long been in agreement with, is "no," the system cannot adequately make such a determination. With the lack of consistency in which the death penalty is enforced, and the inevitability of human error in courts' decisions, Justice Blackmun determined that he can no longer support this "machinery of death." I applaud Justice Blackmun's decision and encourage others to follow his lead.

Since the Supreme Court lifted the ban on the death penalty in 1976, there have been countless cases which put into question the impartiality and constitutionality of this punishment. Statistics consistently show that the death penalty is disproportionately used against people of color and members of low-income communities. In addition, statistics also show that the 36 States which utilize the death penalty, generally have higher murder rates than the 14 States which have not chosen to use the death penalty. These types of numbers add little credence to the argument that the death penalty is a deterrent to violent crime.

Justice Blackmun, who grew up in St. Paul, MN, the district which I now represent, has helped turn the corner for this Nation's thinking on the death penalty. I would like to submit into the RECORD the following articles which further explain Justice Blackmun's decision to reverse his stance. This is an encouraging sign for our Supreme Court, our judicial system, and the United States of America.

[From the Saint Paul Pioneer Press, Feb. 27, 1994]

SUPREME COURT JUSTICE HARRY BLACKMUN WEIGHS THE EVIDENCE—"NO MORE DEATH PENALTY"

(By Steven Thomma)

When Supreme Court Justice Harry Blackmun announced last week he would no longer support the death penalty, he echoed the sentiment of his home State and a resolute handful of others: It doesn't work.

Together, they stand against a powerful current of popular American thought. Fearful of crime, a majority of Americans want murderers executed. A majority of the states—36—oblige them.

Since the Supreme Court lifted its four-year-ban on the death penalty in 1976—with Blackmun agreeing—14 states have resisted increasing pressure to kill killers. Most of the holdouts are in the Midwest and Northeast.

The opponents make a strong case that it doesn't stop crime. Consider Blackmun's home state of Minnesota. It does not execute criminals, yet has one of the lowest murder rates in the Nation. Texas, which executes more people than any other state, has one of the highest murder rates. Despite the seeming assurance of the death penalty, citizens are nearly four times as likely to be murdered in Texas than in Minnesota.

"It isn't working," said Richard Deiter, director of the Death Penalty Information Center.

"Look at the murder rates. It is generally higher in States that have the death penalty than in those that don't have it," Deiter said.

Nationally, a person is more likely to be murdered in a state that has the death penalty than in one that does not, according to the information center's look at federal statistics on the subject.

The average murder rate in States without the death penalty in 1992 was 4.9 murders for every 100,000 residents. The average in States with the death penalty: 7.8 murders for every 100,000 residents.

Said FBI Director Louis Freeh: "I think the deterrent effect is probably minimal."

Even many supporters contend the death penalty prevents only a small number of crimes. Of course, they rush to add that it is worth executing convicts if it prevents even a few murders.

"I think it is a deterrent, though we may not be able to prove it," said Wisconsin state Sen. Alan Lasee, a Republican pushing to reinstate the death penalty in his state after 141 years.

"Would the murders go down in Wisconsin? I don't know. . . . But it would certainly send a strong signal to the criminal element that the citizens of Wisconsin are fed up."

"The overwhelming majority of murders are not going to be deterred," said Tony Bouza, the former Minneapolis police chief who is now running for governor of Minnesota.

However, he argues that the death penalty will make some would-be murderers stop and think.

"Whenever the human animal sets out to calculate, you want to set important negatives to deter. Human behavior is controllable through negative and positive reinforcement," said Bouza.

One thing is certain, Bouza adds: "It deters the executed."

Though Lasee and Bouza reflect majority opinion, they are in hostile territory.

Lasee failed last year to get a death penalty proposal out of the Wisconsin Legislature. This year, he narrowed the focus to executing people who kill children in the course of a sexual assault.

Still, he is two votes short of winning Senate approval for his plan to send the issue to the voters in November.

Bouza concedes that he would not aggressively seek re-enactment of the death penalty from the Minnesota Legislature which last year easily shot down another death penalty proposal.

No Sentence of Death May Be Constitutionally Imposed . . .

Following are excerpts from Justice Harry Blackmun's opinion dissenting from the Supreme Court's order denying review in a Texas death penalty case. The order, Callins vs. Collins, No. 93-7054, was unsigned and was issued without an opinion.

On Feb. 23, 1994, at approximately 1 a.m., Bruce Edwin Callins will be executed by the State of Texas. Intravenous tubes attached to his arms will carry the instrument of death, a toxic fluid designed specifically for the purpose of killing human beings. The witnesses, standing a few feet away will behold Callins, no longer a defendant, an appellant or a petitioner, but a man, strapped to a gurney, and seconds away from extinction.

Within days, or perhaps hours, the memory of Callins will begin to fade. The wheels of justice will churn again, and somewhere, another jury or another judge will have the unenviable task of determining whether some human being is to live or die.

We hope, of course, that the defendant whose life is at risk will be represented by competent counsel, someone who is inspired by the awareness that a less-than-vigorous defense truly could have fatal consequences for the defendant. We hope that the attorney will investigate all aspects of the case, follow all evidentiary and procedural rules, and appear before a judge who is still committed to the protection of defendants' rights even now, as the prospect of meaningful judicial oversight has diminished.

In the same vein, we hope that the prosecution, in urging the penalty of death, will have exercised its discretion wisely, free from bias, prejudice or political motive, and will be humbled, rather than emboldened, by the awesome authority conferred by the State.

But even if we can feel confident that these actors will fulfill their roles to the best of their human ability, our collective conscience will remain uneasy. Twenty years have passed since this Court declared that the death penalty must be imposed fairly, and with reasonable consistency or not at all (see Furman vs. Georgia, 1972), and, despite the effort of the States and Courts to devise legal formulas and procedural rules to meet this daunting challenge, the death penalty remains fraught with arbitrariness, discrimination, caprice and mistake.

This is not to say that the problems with the death penalty today are identical to those that were present 20 years ago. Rather, the problems that were pursued down one hole with procedural rules and verbal formulas have come to the surface somewhere else, just as virulent and pernicious as they were in their original form. Experience has taught us that the constitutional goal of eliminating arbitrariness and discrimination from the administration of death . . . can never be achieved without compromising an equally essential component of fundamental fairness: individualized sentencing. (See Lockett vs. Ohio, 1978.)

It is tempting, when faced with conflicting constitutional commands, to sacrifice one for the other or to assume that an acceptable balance between them already has been struck. In the context of the death penalty, however, such jurisprudential maneuvers are wholly inappropriate. The death penalty must be imposed "fairly, and with reasonable consistency, or not at all."(Eddings vs. Oklahoma, 1982)

To be fair, a capital sentencing scheme must treat each person convicted of a capital offense with that "degree of respect due the uniqueness of the individual. . . ." That means affording the sentencer the power and discretion to grant mercy in a particular case, and providing avenues for the consideration of any and all relevant mitigating evidence that would justify a sentence less than death.

Reasonable consistency, on the other hand, requires that the death penalty be inflicted evenhandedly, in accordance with reason and objective standards, rather than by whim, caprice or prejudice.

Finally, because human error is inevitable and because our criminal justice system is less than perfect, searching appellate review of death sentences and their underlying convictions is a prerequisite to a constitutional death penalty scheme.

On their face, these goals of individual fairness, reasonable consistency and absence of error appear to be attainable: Courts are in the very business of erecting procedural devices from which fair, equitable and reliable outcomes are presumed to flow. Yet, in the death penalty area, this Court, in my view, has engaged in a futile effort to balance these constitutional demands, and now is retreating not only from the Furman promise of consistency and rationality, but from the requirement of individualized sentencing as well.

Having virtually conceded that both fairness and rationality cannot be achieved in the administration of the death penalty (McCleskey vs. Kemp, 1987), the Court has chosen to deregulate the entire enterprise, replacing, it would seem, substantive constitutional requirements with mere aesthetics, and abdicating its statutorily and constitutionally imposed duty to provide meaningful judicial oversight to the administration of death by the States.

From this day forward, I no longer shall tinker with the machinery of death. For more than 20 years I have endeavored—indeed, I have struggled, along with a majority of this Court—to develop procedural and substantive rules that would lend more than the mere appearance of fairness to the death penalty endeavor. . . .

Rather than continue to coddle the Court's delusion that the desired level of fairness has been achieved and the need for regulation eviscerated, I feel morally and intellectually obligated simply to concede that the death penalty experiment has failed. It is virtually self-evident to me now that no combination of procedural rules or substantive regulations ever can save the death penalty from its inherent constitutional deficiencies. The basic question—does the system accurately and consistently determine which defendants "deserve" to die?—cannot be answered in the affirmative. . . . The problem is that the inevitability of factual, legal and moral error gives us a system that we know must wrongly kill some defendants, a system that fails to deliver the fair, consistent and reliable sentences of death required by the Constitution. . . .

There is little doubt now that Furman's essential holding was correct. Although most of the public seems to desire, and the Constitution appears to permit, the penalty of death, it surely is beyond dispute that if the death penalty cannot be administered consistently and rationally, it may not be administered at all. . . .

Delivering on the Furman promise, however, has proved to be another matter. Furman aspired to eliminate the vestiges of racism and the effects of poverty in capital sentencing; it deplored the "wanton" and "random" infliction of death by a government with constitutionally limited power. Furman demanded that the sentencer's discretion be directed and limited by procedural rules and objective standards in order to minimize the risk of arbitrary and capricious sentences of death.

In the years following Furman, serious efforts were made to comply with its mandate. State legislatures and appellate courts struggled to provide judges and juries with sensible and objective guidelines for determining who should live and who should die.

Some States attempted to define who is "deserving" of the death penalty through the use of carefully chosen adjectives, reserving the death penalty for those who commit crimes that are "especially heinous, atrocious or cruel," or "wantonly vile, horrible or inhuman." Other States enacted mandatory death penalty statutes, reading Furman as an invitation to eliminate sentencer discretion altogether.

Unfortunately, all this experimentation and ingenuity yielded little of what Furman demanded. It soon became apparent that discretion could not be eliminated from capital sentencing without threatening the fundamental fairness due a defendant when life is at stake. Just as contemporary society was no longer tolerant of the random or discriminatory infliction of the penalty of death . . . evolving standards of decency required due consideration of the uniqueness of each individual defendant when imposing society's ultimate penalty.

This development in the American conscience would have presented no constitutional dilemma if fairness to the individual could be achieved without sacrificing the consistency and rationality promised in Furman. But over the past two decades, efforts to balance these competing constitutional commands have been to no avail. Experience has shown that the consistency and rationality promised in Furman are inversely related to the fairness owed the individual when considering a sentence of death. A step toward consistency is a step away from fairness. . . .

While one might hope that providing the sentencer with as much relevant mitigating evidence as possible will lead to more rational and consistent sentences, experience has taught otherwise. It seems that the decision whether a human being should live or die is so inherently subjective, rife with all of life's understandings, experiences, prejudices and passions, that it inevitably defies the rationality and consistency required by the Constitution. . . .

The consistency promised in Furman and the fairness to the individual demanded in Lockett are not only inversely related, but irreconcilable in the context of capital punishment. Any statute or procedure that could effectively eliminate arbitrariness from the administration of death would also restrict the sentencer's discretion to such an extent that the sentencer would be unable to give full consideration to the unique characteristics of each defendant and the circumstances of the offense.

By the same token, any statute or procedure that would provide the sentencer with sufficient discretion to consider fully and act upon the unique circumstances of each defendant would "thro(w) open the back door to arbitrary and irrational sentencing." . . .

In my view, the proper course when faced with irreconcilable constitutional commands is not to ignore one or the other, nor to pretend that the dilemma does not exist, but to admit the futility of the effort to harmonize them. This means accepting the fact that the death penalty cannot be administered in accord with our Constitution. . . .

Perhaps one day this Court will develop procedural rules or verbal formulas that actually will provide consistency, fairness and reliability in a capital-sentencing scheme. I am not optimistic that such a day will come. I am more optimistic, though, that this Court eventually will conclude that the effort to eliminate arbitrariness while preserving fairness "in the infliction of (death) is so plainly doomed to failure that it and the death penalty must be abandoned altogether." (Godfrey vs. Georgia, 1980) . . . I may not live to see that day, but I have faith that eventually it will arrive. The path the Court has chosen lessens us all. I dissent.

REPORT ON U.S. ARMS SALES IN FISCAL YEAR 1993

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I would like to take the opportunity to bring to my colleagues' attention a quarterly report pursuant to section 36(a) of the Arms Export Control Act that includes a complete tabulation of U.S. arms exports sold under foreign military sales [FMS] agreements, foreign military construction, and U.S. licenses/approvals for the export of commercially sold defense articles and services.

These tables show that arms sales more than doubled between fiscal year 1992 and fiscal year 1993.

In fiscal year 1993, the United States set an all-time record for Government-to-Government arms sales. The United States sold $32.399 billion in defense articles and services, plus an additional $817.351 million in foreign military construction, and issued licenses/approvals of $25.546 billion for the export of commercially sold defense articles and services.

Licenses/approvals are permits for U.S. corporations to compete for commercial foreign military sales. In the past, the Department of State has estimated that 40 to 60 percent of licenses/approvals result in actual sales.

In fiscal year 1992, the United States sold $14.983 billion in defense articles and services, plus an addition $187.965 million in foreign military construction and issued licenses/approvals of $15.997 billion for the export of commercially sold defense articles and services. In fiscal year 1991 the United States sold $22.981 billion in defense articles and services, plus an additional $805.9 million in foreign military construction and issued licenses/approvals of $39.109 billion for the export of commercially sold defense articles and services.

Tables for fiscal year 1993 from the section 36(a) report follow:

Total value of Defense articles and services sold to each country/purchaser as of Sept. 30, 1993 under foreign military sales (see part II for construction sales)

[Dollars in thousands]

Countries (Part I)	*Accepted–FY 1993*
Antigua and Barbuda	754
Argentina	18,000
Australia	299,159
Austria	9,619
Bahrain	106,032
Barbados	510
Belgium	328,686
Belize	271
Bolivia—Intl NARC	12,968
Botswana	2,334
Brazil	26,195
Burundi	7
Cameroon	23
Canada	102,672
Chad	2,250
Chile	15,581
Colombia	14,279
Colombia—Intl NARC	30,136
Covoros	85
Costa Rica	147
Denmark	336,134
Djibouti	651
Dominica	312
Dominican Republic	1,841
Ecuador	1,869
Ecuador—Intl NARC	315
Egypt	454,297
El Salvador	13,784
Estonia	17
Finland	63
France	51,414
Gabon	147
Germany	203,298
Ghana	195
Greece	1,692,276
Grenada	436
Guinea	412
Honduras	8,587
Hungary	12,971
India	1
Indonesia	30,613
Ireland	48
Israel	162,326
Italy	108,016
Ivory Coast	739
Jamaica	3,115
Japan	1,407,223
Jordan	15,503
Korea (Seoul)	244,097
Kuwait	2,866,475
Lebanon	2,361
Luxembourg	435
Madagascar	295
Malawi	603
Malaysia	822
Mali	97
Malta	82
Mexico	6,369
Morocco	11,170
Nacisa	600
Namibia	2,418
NAMMA	60
NAMSA—F104	1,047
NAMSA—General + Nike	14,793
NAMSA—Hawk	31
NAMSA—Weapons	9,069
NAPMO	79,990
NATO	1,462
NATO AEW+C (O+S)	48,880
NATO SO REG SIG/COMM	40
Netherlands	782,461
New Zealand	9,339
NHPLO	160
Niger	1,974
Nigeria	461
Norway	443,817
Oas Hq	100
Oman	6,328
Org. of African Unity	55
Panama	73
Paraguay	9
Peru—Intl NARC	799
Portugal	15,340
Qatar	307
Rep. of Philippines	87,924
Saudi Arabia	11,752,250
Senegal	6,986
Seychelles	275
Shape	4,774
Sierra Leone	669
Singapore	405,405
Spain	118,796
St. Kitts and Nevis	336
St. Lucia	562
St. Vincent + Grenedines	530
Sweden	6,777
Switzerland	1,699,810
Taiwan	6,275,524
Thailand	388,627
Togo	206
Trinidad—Tobago	52
Tunisia	20,616
Turkey	742,332
United Arab Emirates	76,324
United Kingdom	134,906
Uruguay	353
Venezuela	19,049
Zimbabwe	1,105

Countries (Part I)	*Accepted–FY 1993*
Classified totals[1]	574,909
Subtotal	32,398,642
Part II	
Construction sales:	
Barbados	243
Bolivia—Intl NARC	5,822
Burundi	243
Part II	
Cameroon	777
Colombia	2,913
Colombia—Intl NARC	452
Egypt	14,039
El Salvador	971
Ghana	437
Honduras	4,423
Kuwait	6,488
Niger	534
Part II	
Saudi Arabia	779,952
Sierra Leone	58
Subtotal	817,351
Total	33,215,993

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[1] See the classified annex to the CPD.

NOTE.—Totals may not add due to rounding.

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Afghanistan	0	0	0	0	0
Albania	0	0	0	0	0
Algeria	17	2,200	834	3,609	6,660
Andorra	188	12	8	6	214
Angola	0	0	0	339	339
Anguilla	0	0	0	0	0
Antigua	0	0	0	1	1
Argentina	12,079	7,693	10,839	5,986	36,597
Armenia	0	0	0	0	0
Australia	93,191	135,225	137,437	100,247	466,100
Austria	7,259	1,347	7,387	3,457	19,450
Azerbaijan	0	0	0	0	0
Bahamas, The	23	6,532	13	11	6,579
Bahrain	1,573	46,947	1,020	1,924	51,464
Bangladesh	636	21	83	568	1,308
Barbados	11	21	56	22	110
Belarus	0	0	0	0	0
Belgium	23,090	101,188	169,185	80,008	373,471
Belize	16	23	3	21	63
Benn	34	6	11	0	51
Bermuda	29	2	3	103	137
Bhutan	38	0	0	0	38
Bolivia	494	1,407	1,072	1,131	4,104
Bosnia-Herzegovina	0	0	0	0	0
Botswana	1	5	987	608	1,599
Brazil	11,619	52,685	3,798	3,812	71,914
British Virgin Island	0	0	0	1	1
Brunei	558	1,013	7,070	4,405	13,046
Bulgaria	3	0	0	1	4
Burkina Faso	0	0	0	0	0
Burma	0	0	0	0	0
Burundi	0	0	43	1	44
Cambodia	0	0	0	0	0
Cameroon	0	0	0	0	0
Canada	18,195	1,522	1,013	11,407	32,137
Cape Verde, Republic	0	0	0	0	0
Cayman Islands	17	1	1	4	23
Central African Republic	0	0	0	0	0
Chad	0	0	0	0	0
Chile	3,874	563	25,541	22,449	52,427
China	15	7,692	0	1,055	8,762
Colombia	1,783	990	15,328	1,175	19,276
Comoros	0	0	0	0	0
Congo	0	0	0	0	0
Costa Rica	153	108	180	156	597
Cote D'Ivoire	2	0	1	2	5
Croatia	0	0	0	0	0
Cuba	0	0	0	0	0
Cyprus	304	156	2	9	471
Czech Republic	0	56	2,493	3,063	5,612
Czech Republic and Slovakia	107	0	0	131	238
Denmark	7,945	41,353	45,365	19,644	114,307
Djibouti	0	0	0	0	0
Dominica	6	0	59	12	77
Dominican Republic	1,312	970	843	683	3,808
Ecuador	555	4,602	733	1,985	7,875
Egypt	13,798	232,508	1,439,678	65,448	1,751,432
El Salvador	3	312	247	593	1,155
Equatorial Guinea	0	0	0	0	0
Eritrea	0	0	27	0	27
Estonia	0	0	7	0	7
Ethiopia	386	0	44	177	607
Fiji	0	0	0	0	0
Finland	4,691	1,661	6,100	2,921	15,373
France	29,175	101,642	66,080	57,471	254,368
French Guiana	0	499,300	233	23,493	523,026
Gabon	2	103	53	305	463
Gambia, The	0	0	0	1	1
Georgia	0	0	0	0	0
Germany	546,602	230,020	278,369	388,343	1,443,334
Ghana	27	60	27	30	144
Greece	78,601	130,811	201,977	92,663	504,052
Greenland	0	0	0	0	0
Grenada	0	0	12	13	25
Guadeloupe	0	0	0	2	2
Guatemala	490	599	2,230	3,965	7,284
Guinea	0	44	1	6	51
Guinea-Bissau	0	0	0	0	0
Guyana	354	2	32	28	416
Haiti	0	0	0	0	0
Honduras	3,153	380	172	1,810	5,515
Hong Kong	28,358	29,298	166,884	12,715	237,255
Hungary	102	223	412	12	749
Iceland	5	19	26	2	52
India	11,185	4,527	4,667	18,679	39,058
Indonesia	4,894	413,388	21,927	31,563	471,772
Iran	0	0	0	0	0
Iraq	0	0	0	0	0
Ireland	601	32	1,161	220	2,014
Israel	344,913	417,033	316,949	143,229	1,222,124
Italy	27,078	65,898	416,046	63,251	572,273
Jamaica	1,077	12	421	337	1,847

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993—Continued

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Japan	536,739	1,003,937	704,214	1,542,379	3,787,269
Jordan	1,939	3,784	20,999	4,477	31,199
Kazakhstan	0	0	9	0	9
Kenya	1,700	20,902	39	21	22,662
Kiribati	0	0	0	0	0
Korea, Republic of	120,953	871,415	179,356	912,691	2,084,415
Kuwait	405,019	4,795	32,587	43,251	485,652
Kyrgyzstan	0	0	0	0	0
Laos	0	0	0	0	0
Latvia	0	0	0	0	0
Lebanon	218	1,416	598	878	3,110
Lesotho	0	0	1	500	501
Liberia	0	0	0	0	0
Libya	0	0	0	0	0
Liechtenstein	2	11	0	0	13
Lithuania	2,224	18	0	76	2,318
Luxembourg	1,199	7,530	97,531	2,351	108,611
Macau	123	30	375	265	793
Macedonia	0	0	0	0	0
Madagascar	0	0	0	0	0
Malawi	62	0	0	0	62
Malaysia	72,994	5,024	86,278	22,480	186,776
Maldives	0	0	173	0	173
Mali	1	0	22	35	58
Malta	2	70	0	0	72
Marshall Islands	0	0	0	0	0
Mauritania	0	0	0	0	0
Mauritius	0	0	186	21	207
Mexico	47,196	83,677	75,998	44,013	250,884
Micronesia	0	0	0	0	0
Moldova	0	0	0	0	0
Monaco	97	5	0	7	109
Mongolia	0	0	0	0	0
Morocco	5,807	2,302	3,601	617	12,327
Mozambique	0	0	19	0	19
Namibia	1,477	524	87	239	2,327
Nauru	0	0	0	0	0
Nepal	0	0	0	78	78
Netherlands	137,406	75,791	99,812	506,446	819,455
Netherlands Antilles	9	322	133	105	569
New Caledonia	9	32	39	84	164
New Zealand	35,295	13,895	18,304	47,846	115,340
Nicaragua	273	0	32	1	306
Niger	0	0	0	0	0
Nigeria	840	6,220	12,443	430	19,933
Norway	51,785	70,750	75,381	13,975	211,891
Oman	480	965	8,657	1,922	12,024
Pakistan	11,660	31,089	40,664	15,251	98,664
Panama	3,027	27,583	675	1,255	32,540
Papua New Guinea	293	58	807	6	1,164
Paraguay	1,962	4,051	876	3,769	10,658
Peru	439	20	26	0	485
Phillipines	6,043	2,310	14,758	66,451	89,562
Poland	1	170	385	16,552	17,108
Portugal	6,352	44,861	36,358	17,886	105,457
Qatar	550	19,761	1,527	1,571	23,409
Reunion	0	0	5	0	5
Romania	0	0	0	3	3
Russia	52	125	291	235	703
Rwanda	0	0	0	0	0
San Marino	0	46	0	0	46
Sao Tome and Principe	0	0	0	0	0
Saudi Arabia	66,960	55,807	223,813	335,253	681,833
Senegal	0	0	18	0	18
Serbia and Montenegro	0	0	0	0	0
Seychelles	0	0	0	0	0
Sierra Leone	0	0	0	0	0
Singapore	57,702	83,320	110,656	157,320	408,998
Slovakia	0	0	22	1	23
Slovenia	0	59	0	2	61
Solomon Islands	0	0	0	0	0
Somalia	0	0	0	0	0
South Africa	341	185	283	36	845
Spain	70,292	52,390	98,335	65,772	286,789
Sri Lanka	0	222	15,063	273	15,558
St. Helena	0	0	0	0	0
St. Kitts and Nevis	0	0	12	0	12
St. Lucia	0	0	0	12	12
St. Vincent	156	0	0	0	156
Sudan	0	0	0	0	0
Surname	0	0	15	41	56
Swaziland	0	2	0	0	2
Sweden	8,883	66,119	361,353	176,559	612,914
Switzerland	94,125	23,811	85,755	123,134	326,825
Syria	0	0	0	0	0
Taiwan	62,544	60,401	12,195	210,886	346,026
Tajikstan	0	0	0	0	0
Tanzania	1	2	9	6	18
Thailand	33,055	24,298	83,834	63,858	205,045
Togo	20	0	0	0	20
Tonga	0	0	0	8	8
Trinidad and Tobago	4	51	57	80	192
Tunisia	107	1,880	1,061	2,207	5,255
Turkey	1,205,431	445,027	233,103	180,749	2,064,310
Turkmeninstan	0	0	0	0	0
Turks and Caicos	1	0	0	2	3
Tuvalu	0	0	0	0	0
Uganda	44	0	0	0	44
Ukraine	0	0	0	2	2
United Arab Emirates	67,014	6,356	24,980	66,838	165,188
United Kingdom	404,100	400,053	334,509	285,823	1,424,485
United Nations	0	0	127	24	151
U.S.A	0	0	61	603	664
Uruguay	1,211	450	1,095	447	3,203
Uzbekistan	0	0	0	0	0
Vanuatu	0	0	0	0	0

LICENSES/APPROVALS FOR THE EXPORT OF COMMERCIALLY SOLD DEFENSE ARTICLES/SERVICES AS OF SEPT. 30, 1993—Continued

[Dollars in thousands]

	October–December	January–March	April–June	July–September	Cumulative
Various Countries	16,847	17,181	52,895	384,071	470,994
Vatican City	0	0	0	0	0
Venezuela	323,563	76,672	4,114	6,038	410,387
Vietnam	0	0	0	0	0
Western Sahara	20	0	0	0	20
Western Samoa	0	0	0	6	6
Yemen	0	3,724	1,677	0	5,401
Yugoslavia	0	0	0	0	0
Zaire	0	0	0	0	0
Zambia	428	21	15	1	465
Zimbabwe	22	25	141	23	211
Classified total[1]	213,890	561,402	436,172	1,005,685	2,217,149
Worldwide total	5,361,611	6,725,159	6,949,806	7,509,238	26,545,814

[1] See classified annex to CPD.

Note: Details may not add due to rounding.

Source: This information was prepared and submitted by the Office of Defense Trade Controls, State Department.

INTRODUCTION OF RIO PUERCO WATERSHED ACT OF 1994

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. RICHARDSON. Mr. Speaker, I rise to introduce the Rio Puerco Watershed Act of 1994. This legislation, which is being introduced today in the Senate by JEFF BINGAMAN, will improve water quality within the Rio Puerco watershed and help restore the ecological health of the Rio Grande.

Extensive ecological changes have occurred in the Rio Puerco watershed including erosion of agricultural and range lands and loss of biological diversity and available surface water. This damage has seriously affected the economic and cultural well-being of the area. The threat to the Rio Puerco watershed below the junction of the Rio Puerco with the Rio Grande is especially severe. Not only has the water quality been decreased, but the excessive sedimentation threatens the water storage capacity and life expectancy of the Elephant Butte Dam and Reservoir system.

The stress to the Rio Puerco watershed from the loss of native vegetation, introduction of exotic species and alteration of riparian habitat is complicated by the interlocking land ownership of the area which includes private, Federal, tribal trust and State ownership. To address the many conflicting issues affecting protection of the area, my bill establishes a Rio Puerco Management Committee. This committee will include representatives from the Rio Puerco Watershed Committee, affected tribes and pueblos, the U.S. Forest Service, the Bureau of Reclamation, the U.S. Geological Survey, the Bureau of Indian Affairs, the U.S. Fish and Wildlife Service, the Army Corps of Engineers, the Soil and Conservation Service, the State of New Mexico, as well as private landowners.

In addition to authorizing the creation of a management committee, the Rio Puerco Watershed Act of 1994 provides for the long-term protection of the river by—first; requiring the Secretary of Interior to prepare a plan for restoration of the watershed within 2 years of enactment; second, requiring the Secretary of Interior to report to Congress 2 years after the date of enactment and biennially thereafter on the accomplishments of the management program and proposals for joint implementation efforts; and third, authorizing a lower Rio Grande habitat study to include the habitat of the Rio Grande from Caballo Lake to the Gulf of Mexico.

Mr. Speaker, the continued health of our environment is too important to ignore. The introduction of this legislation today signals Congress' willingness to address natural resources protection issues head on. But it will not be until legislation such as the Rio Puerco Watershed Act and other legislative attempts to protect our environment are signed into law that we can truly claim to be protectors of the environment. I call on my colleagues in the House to join me in this effort and support the responsible, effective protection of our precious natural resources by supporting the Rio Puerco Watershed Act of 1994.

SAINT PATRICK'S DAY 1994

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GILMAN. Mr. Speaker, today I am pleased to rise to call my colleagues' attention to the fact that Saint Patrick's Day is once again upon us. Around the world the Irish and those who are Irish at heart, celebrate this great feast—a feast that is a national holiday of the Republic of Ireland. It is a reason for joyous celebration around the globe by not only the Irish people, but so many others who share the joy and spirit of Ireland's great patron saint.

It is more than 1,500 years since Saint Patrick converted the beautiful Emerald Isle. He has long served as a symbol of hope for the Irish people, even in the darkest days and hours, over these many centuries. The deep religious faith and devotion he instilled in the Irish people continues to this day.

This year that abiding faith and hope that Saint Patrick instilled in the Irish people will be tested once again, as the historic peace talks proceed towards a hoped for fair, and just settlement to the troublesome situation in Northern Ireland. Courageously, the Prime Ministers of Great Britain and the Republic of Ireland started talks last year, that many in Europe, here in the United States, and around the globe, hope will finally bring peace to that troubled part of Ireland.

The United States owes a particular debt of gratitude to Americans of Irish birth and descent. Their contributions to America in terms of the arts, culture, politics, law enforcement, and sports are well known.

The history of our country is interwoven with the biographies of Irish men and women who have helped to provide leadership to our Nation.

At one point in time, the President, the Speaker of the House, and the majority leader of the other body were all Irish-Americans.

Because of this special relationship with Ireland, the United States must play a role in the ongoing and hopeful peace process now in progress. Appointment of a special U.S. representative who would focus on peace efforts would be a highly important and visible symbol that the United States is truly committed to helping all the parties to the conflict achieve a just and lasting settlement.

Those of us in this Congress who seek peace in Ireland must ensure that President Clinton lives up to his campaign promise to appoint a special envoy to Ireland, as well as his other campaign promises regarding Northern Ireland.

President Clinton wrote me on May 7, 1993, on the issue of peace in Northern Ireland. He recounted his high level talks with British Prime Minister John Major and with Irish Prime Minister Albert Reynolds on this subject. He said that those "* * * discussions were the first of many we will have with the British and Irish Governments in exploring ways to bring an end to the troubles." He went on to say, "* * * if there is some way that the United States could make a constructive contribution to a political settlement, we would do so."

The President's offer of action in support of the peace talks hopefully will not be necessary, if the parties proceed on their own to a fair, just, and humanitarian solution to the problems in Northern Ireland. If, however, the talks falter for whatever reason, those of us concerned with seeing a just and fair peace in Northern Ireland, will not hesitate to call upon the President's leadership to help move the peace talks and process along. Mr. Clinton pledged to do so during the last Presidential campaign, and his May 7, 1993, letter to me reiterated that commitment.

The United States must play its rightful role in bringing about peace in the North of Ireland. This role is especially timely now as we approach Saint Patrick's Day 1994 here in America, and around the globe.

Let us all take advantage of this Saint Patrick's Day to reflect on, and support the movement toward a just and lasting peace in Ireland today. May this St. Patrick's Day 1994, be the last great day of celebration of his feast, at a time when peace does not reign over the Emerald Isle.

Mr. Speaker, I request that President Clinton's letter of May 7, 1993, on Northern Ireland be inserted at this point in the RECORD:

THE WHITE HOUSE,
Washington, DC, May 7, 1993.

Hon. BENJAMIN A. GILMAN,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE GILMAN: Thank you for the letter which you and your House colleagues sent me on Northern Ireland. I had the opportunity to discuss Northern Ireland with British Prime Minister John Major and with Irish Prime Minister Albert Reynolds. In my meetings with each of them, I told them that Northern Ireland will be part of our agenda with both countries, and I urged them to redouble their efforts to reconvene the talks on Northern Ireland which were suspended last year.

My discussions were the first of many we will have with the British and Irish governments in exploring ways we could help to bring an end to the troubles. As for specific initiatives, let me reiterate what I told both leaders: if there is some way that the United States could make a constructive contribution to a political settlement, we would do so. Ultimately, however, it will be up to the parties themselves to end the tragedy in Northern Ireland.

I appreciate your interest and advice on this and hope you will continue to give me the benefit of your suggestions in the days to come.

Sincerely,

BILL CLINTON.

TRIBUTE TO MR. ROBERT CHAIS, FOUNDER OF THE BERGEN COUNTY EMERGENCY MEDICAL SERVICES TRAINING CENTER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. MENENDEZ. Mr. Speaker, I would like to take this opportunity to pay tribute to the late Robert Chais, founder of the Bergen County Emergency Medical Services [EMS] Training Center in Paramus. Mr. Chais passed away on January 26, 1994, at the age of 54.

Mr. Chais died doing exactly what he was known for: helping people. Over the years, Mr. Chais has shown a strong dedication to his profession. He volunteered his time several nights a week for the last 15 years, to run the EMS Center. For all his efforts, he neither sought nor received any pay. In fact, at the time of his death, he was teaching a class at the very center which he founded.

Thousands of New Jersey volunteer ambulance, rescue, and firefighting personnel have been trained at this center under the direction of Mr. Chais. Those brave volunteers have gone on to save countless thousands of people throughout New Jersey. Mr. Chais was responsible for assembling those dedicated volunteers and training them to save lives.

Mr. Chais set the standards which have influenced similar training centers throughout the United States and thus resulted in thousands of Americans surviving accidents and medical emergencies. The impact of his contribution can be felt nationwide.

Mr. Chais' dedication to his community and to the citizens in it was exemplary and deserves recognition and praise. He will be remembered with admiration and fondness. Most importantly, his contributions to his community will live on and bring pride to his loved ones.

RUTH V.K. PAKALUK HIGH SCHOOL ESSAY CONTEST

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HYDE. Mr. Speaker, I am pleased to provide my colleagues with the three winning essays in the recent Ruth V.K. Pakaluk High School essay contest conducted by the Massachusetts Citizens for Life. The quality and depth of thought reflected in this year's winning essays are a source of encouragement to the entire pro-life movement.

The winning essays follow:

[First Place]

THE FIRST HUMAN RIGHT—THE RIGHT TO LIFE

(By Theresa Foster)

Mother feels the stirring inside,
An esoteric, lyrical language of motions.
She is but a novice at this game of sorts, and
Can't read every signal, yet somehow she understands.
When the Inward Entity relays its insatiable demands,
She, The Outward Matrix, extends her largess.
How enchanting a love affair of soul and spirit, where
Words are exchanged only through songs of the body.
Every day, everywhere, Mothers are denied such delight.
Rampant are beliefs in the inordinate mendacities of
They who espouse perverse standards of choice;
They who give credence to "inconvenient pregnancy" and
Prioritize convenience over responsibility;
They who may legally suction and cut, and injure and murder;
They who counsel strategic warfare on one's body and spirit,
And claim ignorance to the consequences.
What illusion and trickery is used to conform to standings of
Misanthropy?
It is the utter dearth of the quality of human sanctity.
The ruling of Roe had burned Respect in effigy.
The conflagration has consumed millions upon
Millions of lives, and has engulfed a people in suffering.
We've lost so many seeds that would have ramified root
Systems of law, burgeoned skyward into stems of science, and
Blossomed beautifully as petals of literature.
The societal casualty on this battlefield is great; there is no
Longer a common perception of what is sacrosanct.
One's ineffable joy of pregnancy is another's anathema.
While one woman prays to become a mother, another sloughs off
The skin of motherhood.
Life is not a choice.
Life is a privilege given us, not by our parents, but by God.
Our existence is in the hands of God, and it is
By His decree that we are created or destroyed.
A charlatan false god holding silver instruments by the eerie
Yellow luminescence, has no right to defame a creation of God's.
When God made us human at that conceptual moment,
He gave us the right to live, and entrusted us to respect
Human existence. In this endeavor, we have sorely failed.
All that is left is to lament those we've lost,
And pray for a safe arrival of those to come.

[Second Place]

ADOPTION IS THE LOVING CHOICE

(By Oskar Hallig)

Now, in my Senior year of high school, I often think of the blessings of life I have experienced that abortion could and would have taken away. Eighteen years ago, last August, I was adopted by two very loving people who have done everything in their power to make my life as rich and fulfilling as possible. I am eternally grateful to my biological mother for granting me the right to experience all the wonderful blessings that God's world has to offer.

Adoption does work, it is a way for those who want children and can't have them to become parents and also for the innocent children to live. Most of these people would be great parents because they actually want the children and are willing to put the time into giving them a good life. As we cannot deny the right to be a parent, we certainly can't deny the right for the child to live. Since there are so many willing adults to adopt out in the world, how can we condemn the unborn to death? All of the unborn are God's children and we can't willingly murder them just because their biological parents do not want them.

To think if I had not been adopted I would just be another figure, a dead child. I would never have been given the chance to know what this wonderful world had to offer. I would never have been able to play ball or run around and have fun with my friends. My biological mother knew that she was not ready to have me so she gave me to those that were. Rather than ending my life because I came at an inopportune moment, she decided to let me live and enjoy what she had been able to experience. How can this right be denied to all of the poor children that are brutally murdered by abortion each and every day? Are these children not also good enough to have a chance at life? How can we say that because one woman does not want a particular child all women do not? There is a mother out there for every child and there is no excuse for this massacre of innocent children.

In conclusion, adoption is the loving alternative to abortion. The mere chance at life is better than death. Nothing can be more loving than the chance to experience God's creation. We must make adoption a more viable alternative because all children have a place in the world and we need to stop killing them and taking their God given rights away.

[Third Place]

THE FIRST HUMAN RIGHT—THE RIGHT TO LIFE

(By Gwendolyn MacKay)

On October sixteenth Isabella is conceived. Every day she changes and grows as she is nourished by the food her mother, Nina, sends through the umbilical cord. Her microscopic body is developing more rapidly now than it ever will again. Isabella is growing limbs, hands and feet. By November sixteenth Isabella's heart is beginning to beat. A month later she is an inch and a half long and all her organs are in place. As of February sixteenth Isa can move her lips, turn her head, grasp her hands and frown. Isa is kicking her feet now. She opens her eyes on May sixteenth.

Nina is driving to Tedeschi's for milk and pickles. She beeped at the driver ahead of her. When Isa heard the horn she jumped and her heartbeat quickened. Then her leg grazed her little body and, not knowing what it was, she was startled and her body jerked. Every time Nina speaks to Isa, Isa does somersaults.

The American Heritage Dictionary defines life as the quality manifested in functions such as metabolism, growth, response to stimulation and reproduction by which living organisms are distinguished from dead organisms or inanimate matter. Isabella began metabolic activity, growth and responses to stimulation on October sixteenth. Isabella is alive. She was given her own individual life on October sixteenth. As a living human being Isabella deserves to be protected by the Constitution. The first human right is the right to life. This right includes unborn babies. There is no magic moment after conception and during pregnancy that gives babies sudden life like Pinnochio. The only magic moment is conception.

Many people have fought for certain rights. Women demanded Women's rights, Blacks demanded Blacks' rights . . . Who will fight for the rights of unborn babies? We cannot hear them fighting for rights but they are equal people deserving equal rights. We have to demand their right to life. Maybe in return someday they will fight for us for a better world.

INTERNATIONAL WOMEN'S DAY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. PORTER. Mr. Speaker, every year, on March 8, women in countries on all continents commemorate International Women's Day. The observance of this occasion began in the early part of this century as a way to honor women and their struggle for equality and voting rights. Over the years, International Women's Day has been recognized by the United Nations as a day during which to celebrate the unique contribution which women make to the betterment of humankind.

On March 8th of this year, the Congressional Human Rights Caucus, the Congressional Caucus on Women's Issues and the Senate Foreign Relations Committee, in cooperation with the United Nations Information Centre, sponsored a briefing to focus on the status of human rights for women. We had three excellent speakers at this briefing whom I would like to acknowledge for the work they do to advance the cause of women's human rights: Melinda Kimble, Deputy Assistant Secretary for Global Issues in the Bureau for International Organizations at the Department of State; Dorothy Q. Thomas director of the Women's Rights Project for Human Rights Watch' and Kathryn Cameron Porter, director of Gender and Social Policy at Conservation International.

I would also like to acknowledge the assistance provided by Mrs. Flavia Biancheri, who is the wife of the Italian Ambassador. Mrs. Biancheri facilitated the delivery of Mimosas, a flower which is grown on trees in Italy, to our briefing. Traditionally, women in Italy have worn mimosas on International Women's Day. We are deeply grateful to Mrs. Biancheri for helping to share this tradition with us.

During this past year, the issue of human rights for women has achieved greater recognition. Following the successful lobbying efforts of women's groups at the World Conference on Human Rights held in June of last year, the human rights agenda of the international community now prominently features the rights of women. Hopefully, women will achieve even greater recognition of their rights at the upcoming International Conference on Women which will be held in Beijing next year.

Despite the advancement made by women in breaking down barriers at the international level, many societies continue to regard women as inferior and unworthy of equal status with men. Often, these long-ingrained societal attitudes lead governments to conclude that violence acts committed against women, such as rape, dowry killings and other forms of assault, are not human right abuses. Clearly, we must work to eradicate the myth that human rights abuses committed against women are marginal or are matters of privacy at home.

The Congressional Human Rights Caucus, which I cochair along with my colleague, TOM LANTOS, will continue to focus on the human rights issues facing women in developed and developing countries alike. We hope that on every International Women's Day in the future, we can celebrate the achievements of women in securing full recognition of their rights.

INTRODUCTION OF A HOUSE RESOLUTION TO NAME THE WEEK OF MAY 29 THROUGH JUNE 4, 1994, AS "PEDIATRIC AND ADOLESCENT AIDS AWARENESS WEEK"

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. SERRANO. Mr. Speaker, I rise today to ask my colleagues to lend their unwavering support to the tens of thousands of children, adolescents, and women infected with and affected by HIV infection and AIDs in the United States.

Please join me in calling upon the President to proclaim the week of May 29, through June 4, 1994, as "Pediatric and Adolescent AIDS Awareness Week".

The HIV epidemic is spreading rapidly among women, children, and adolescents. Over 5,000 children, over 14,000 young people ages 13–24, and approximately 40,700 adult women have been diagnosed with AIDS.

Unfortunately, the need for effective HIV care is even greater than these statistics might suggest. Since AIDS-defining symptoms appear an average of ten years after infection with HIV, AIDS statistics allow us to estimate the needs of people who are at just one end of the continuum of those living with HIV disease.

Approximately 15,000 to 20,000 children, an unknown number of adolescents 110,000 women, and over 1 million men are estimated to be HIV-infected but are not yet diagnosed with AIDS. Using 1989 sero-survey data for childbearing women, the CDC estimates that 6,000 HIV infected women will give birth to children each year; approximately 1,500 to 2,000 of whom will also be HIV-infected.

Today over 19 percent of the reported AIDS cases in the United States are among young adults in the 20 to 29 age range, suggesting that a majority were infected with HIV during their adolescent years.

HIV disproportionately affects low-income African-Americans and Latinos. Fifty-four percent of the reported children with AIDS are African-American, although only 14 percent of the nation's children are African-American. In addition, 24 percent of the children with AIDS are Latino, although only 11 percent of the United States are Latino.

My congressional district of the South Bronx, has the highest rate of sero-prevalence among newborns in the entire country. Twenty-four percent of all pediatric AIDS cases in the United States are reported in New York City; and 30 percent of these are in my district. The health experts in New York City estimate that 110 HIV-infected children are born in the Bronx each year.

If the incidence of AIDS continues to increase, within the next 10 years AIDS may become the fifth leading cause of death among children of all ages in the United States.

Equally dire are the projections of the number of children that will be orphaned as a result of the HIV–AIDS epidemic—24,600 under age 13, and 21,000 between the ages of 13 and 17 by 1995. With the current trends, the total number of children orphaned by AIDS is estimated to reach over 85,000 by the year 2000.

If my colleagues have not heard much about these powder kegs, it's because these children and families have no lobbying machines to advocate for their needs here in Congress. They deserve your commitment and compassion, as do the million and more others in this country living with HIV–AIDS.

Mr. Speaker, I am particularly concerned with providing access to care for these vulnerable populations. Last year, I led an effort to consolidate funding for pediatric, adolescent, and women HIV services in title IV of the CARE Act. This important program takes care of the majority of identified children and adolescents with HIV infection.

In 1990 I introduced the first resolution calling upon Congress to recognize and respond to pediatric AIDS, it became Public Law 102–57. This disease makes no distinctions between race, gender, age, nor ideology. In the other body, Senator ARLEN SPECTER has agreed to sponsor a matching resolution.

I urge my colleagues on both sides of the aisle to support this resolution, because we must fight this disease from all angles.

TO REAUTHORIZE THE OCEAN AND COASTAL PROGRAMS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ORTIZ. Mr. Speaker, I rise today to introduce legislation to reauthorize the ocean and coastal programs of the National Oceanic and Atmospheric Administration.

The National Oceanic and Atmospheric Administration [NOAA], within the Department of Commerce, is the primary steward of the Nation's ocean and coastal areas. NOAA has responsibility for a broad scope of marine and coastal programs which protect marine resources, enhance navigation and shipping, and provide an understanding of the ocean environment. NOAA draws general authority for its programs through a variety of public laws dating back to the last century. The first comprehensive authorization for NOAA was passed in the 102d Congress, authorizing appropriations for fiscal years 1992 and 1993. The legislation I introduce today authorizes NOAA's ocean and coastal programs through the end of fiscal year 1995.

Mr. Speaker, the structure of this bill represents an attempt to more closely match NOAA's authorizations to the appropriation process. Authorizations are provided at the activity level at which NOAA's programs are appropriated and policy decisions are made. The bill makes these authorizations only through the end of fiscal year 1995. The intention is for this to become a yearly authorization, keeping pace with changes in administration priorities and more closely matching the activities of the Committee on Appropriations.

The authorization levels provided by this legislation give priority to programs which are congressionally mandated, while maintaining the total authorization level near the President's request for fiscal year 1995. To accomplish this, offsets in the form of cuts to administrative costs and low-priority programs were made.

Mr. Speaker, this is valuable, fiscally responsible legislation which I feel reflects congressional priorities. I urge you and the other Members of the House to support this initiative.

NO PLACE IN AMERICA FOR VICIOUS BIGOTRY

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. ZIMMER. Mr. Speaker, on February 23, this body voted to condemn the racist statements made by former Nation of Islam spokesman Khalid Abdul Muhammad in his speech at Kean College in Union, NJ. Less than a week later, Mr. Muhammad addressed students at Trenton State College in my district in New Jersey.

I want to share with my colleagues the statement I made to more than 500 people attending an interfaith Vigil of Conscience I helped to protest Mr. Muhammad's appearance on February 28.

The vicious words of Khalid Abdul Muhammad and his leader Louis Farrakhan, are a pointed reminder that the United States is not immune from the epidemic of ethnic and religious hatred and violence that infects so much of the world.

As Franklin D. Roosevelt said: "We are a nation of many nationalities, many races, many religions—bound together by a single unity, the unity of freedom and equality. Whoever seeks to set one nationality against another seeks to degrade all nationalities. Whoever seeks to set one race against another seeks to enslave all races. Whoever seeks to set one religion against another, seeks to destroy all religion."

It is an unspeakable sacrilege that these men who claim to be ministers of God preach hatred and violence in his name. We have organized this vigil to reaffirm that Americans of all religions and all races are united in the belief that our God demands love, not hate. He demands unity, not discord. He demands truth, not slander.

There is a risk that by forcefully responding to bigots we give them a prominence they don't deserve. But the greater risk is to remain silent in the face of malicious falsehood, implying that what they say isn't important or that it is somehow acceptable.

We are here to reaffirm that there is no place in America for vicious bigotry and ethnic hatred and that we will not realize our ideals by trying to outshout each other, by demonizing each other or by killing each other.

We must instead seize this opportunity as members of a remarkably diverse coalition that has joined together this evening on account of hate to make a permanent commitment to the hard work of reconciliation and cooperation. That is the only way we can achieve the timeless hope of all our traditions—shalom, salaam, peace.

U.S. REPRESENTATIVE CARRIE MEEK HONORS MIAMI'S UNSUNG HEROINES

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mrs. MEEK. Mr. Speaker, it is my great pleasure to join with the city of Miami's Commission on the Status of Women in recognizing the achievements of 14 of our community's most talented and effective leaders.

The Unsung Heroine's Award luncheon is an annual event to honor outstanding women who make major contributions to our community every day but seldom make the evening news.

These women are inspiring for their commitment and remarkable for their accomplishments. They are dedicated women for whom hard work is business as usual and determination is a common attribute.

Mr. Speaker, I would like to share with my colleagues the following list of this year's Unsung Heroine Award winners, as well as a brief description of their contributions to our community:

UNSUNG HEROINES AWARDS 1994

Bonnie Dubbin Askowitz—is a long time political activist especially in the field of women's rights.

Ernestine Smith Davis—has provided public assistance and emergency housing to individuals and families. Counselled adult and youth both individually and in groups of post-traumatic stress syndrome following Hurricane Andrew.

Thelma Gibson—is active in "A Woman's Place" providing shelter for homeless women. Champion provider of services for children, youth, adults and the elderly through the Theodore Gibson Memorial Fund.

Lille Mae Henderson—works long and hard to provide necessities for the homeless, courageously determined to lift them from despair.

Cheryl A. E. Little—is a leading human rights activist who has provided free legal assistance to Haitian refugees.

Haydee Marin—an attorney who has unselfishly dedicated her life to advocate for those who suffer violations of their civil and human rights.

Lucille M. Pereira has been totally committed to the advancement of girls and women both at the educational and employment level. Extensive work on gender equity.

Bonnie Rippingille—an attorney active in Women's Park Committee. Has worked hard with disadvantaged juvenile offenders. Defended the cause of women's rights.

Kathleen Ruggiero—works in law enforcement and is also a nurse. Extensive work with battered women and prostitutes succeeding in turning them back into productive and self-sufficient individuals.

Sharon Sbrissa—as a teacher has advocated for disadvantaged children and their families for 24 years. Has also broadened the opportunities for children with learning disabilities.

Lydia M. Sosa—a teacher who has impacted the community with her work in education.

Elba M. Stephens—has addressed the problem of autistic children. Her impact is reflected in her fight to improve the quality of life through education.

Milagros Torres—has dedicated her time to work with the youth at Aspira.

Judith Turner—Girl Scout Leader who arranged for girls in hurricane affected areas to attend local encampment, and aided their families during their time of great need.

TRIBUTE TO THE CITY OF PALO ALTO, CA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor the vibrant City of Palo Alto, CA, on the occasion of its centennial celebration. A giant redwood tree is the symbol of Palo Alto's 100th birthday. It is a fitting reminder of the city's rich history, towering accomplishments, and solid future.

Palo Alto combines the beauty, charm, and friendliness of small town America with educational, industrial, and cultural assets rivaling those of any large city. Its people share a strong commitment to improving their community—a commitment reflected in one of the most successful public school systems in the country. As the birthplace of Silicon Valley, the entrepreneurial spirit is alive and well in Palo Alto, where numerous new technologies and companies are launched every year. In addition, Palo Alto's concern for the environment has made it a leader in recycling, while its people's appreciation for cultural diversity has made the city a warm, exciting place to live and work.

This centennial year many events and projects are taking place to honor Palo Alto's past and help shape its future. Concerts, events with sister cities in other nations, classroom and theater presentations, environmental inventories, a centennial calendar, and a spectacular birthday party are among the many events planned for 1994. The Centennial Endowment Fund, a generous permanent gift from the people of Palo Alto, will contribute to local nonprofit organizations working in areas such as health, housing, the arts, and the environment for many years to come.

Mr. Speaker, this is a community justifiably proud of its heritage. I am privileged to represent a community which day in and day out speaks of the best of America. I ask my colleagues to join me in saluting Palo Alto, CA, a remarkable city celebrating 100 years of excellence.

WASHINGTON PERFORMING ARTS SOCIETY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. FISH. Mr. Speaker, tonight my wife, Mary Ann, and I will have the pleasure of attending the Washington Performing Arts Society's annual gala, "Strings in Spring" which will feature a special performance by internationally acclaimed cellist Yo-Yo Ma. Under the patronage of President and Mrs. Clinton, this evening will benefit WPAS' communitywide arts enrichment programs which are focused primarily on students in the District of Columbia public school.

Now in its 28th season, the Washington Performing Arts Society [WPAS] is one of the Nation's leading nonprofit, independent, multidisciplinary, presenting organizations. Each season, WPAS presents over 100 recitals, orchestral, jazz, gospel, performance art, and dance performances at the Kennedy Center, GALA Hispanic Theater, the Warner Theater, and other theaters throughout the metropolitan Washington area. The Philadelphia Orchestra, Itzhak Perlman and Pinchas Zukerman, the Boys Choir of Harlem, Mikhail Baryshnikov and the White Oak Dance Project are among the artists WPAS is bringing to the Nation's Capital this year.

From the beginning, WPAS has been committed to enriching the educational experiences of area school students, particularly young people in need, and their families. As budget cuts force the elimination of arts enrichment programs in many schools, WPAS's educational arts presentation are in more demand than ever. The programs that will benefit from the Gala include:

Concerts in Schools, which brings the performing arts experience to 250,000 area school students in grades K–12 each year at no cost to the schools or students. Students in every District of Columbia public school and selected schools in Maryland and Virginia suburbs are introduced to jazz, dance, music, opera, and other art forms in these programs which encourage respect for and understanding of diverse cultures.

The Embassy Adoption Program is a multicultural enrichment program designed for sixth grade students in the District of Columbia public schools. Over 40 embassies "adopt" a class for a semester and interact with the students as they study the culture, Government, and geography of their "adopted" country.

The Enriching Experiences for Seniors program provides entertainment by area professionals, university, and high school artists and choirs to senior citizens in nursing homes and retirement centers throughout the Washington metropolitan area.

Mr. Speaker, I know my colleagues join me in congratulating the Washington Performing Arts Society on its efforts to enrich the cultural life of our Nation's Capital by bringing the best in the performing arts and educational arts programs to our community.

ARMY CORPS OF ENGINEERS—WASHINGTON AQUEDUCT

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. MORAN. Mr. Speaker, I rise today to introduce legislation to give the Army Corps of Engineers the authority to borrow from the Federal Financing Bank in order to finance capital improvements to the Washington Aqueduct. I want to thank my good friend and colleague, Senator JOHN WARNER, for introducing this important legislation in the Senate and Representative ELEANOR HOLMES NORTON for signing on as an original cosponsor in the House.

Many of you may recall that from December 8–11 of last year, 1 million water users in Virginia, the District of Columbia, and Maryland were ordered by the Environmental Protection Agency to boil their tap water before drinking it. More than a simple inconvenience, the water alert shook resident's faith in what they believed to be a safe, clean, drinking water supply.

Although subsequent investigations revealed that dangerous bacteria, chryptosporidium, was not present in the water, it was revealed that workers at the Washington Aqueduct had failed to respond to increasing levels of turbidity in the water supply. For many residents, questions about the cleanliness of the water supply remained well after the EPA rescinded its boil-water alert

In response to these concerns, the Corps of Engineers, which has operated the Washington Aqueduct since 1853, has been working closely with the EPA, the Council of Governments, and local government officials to identify ways to ensure the integrity of our water supply. One issue of particular concern to all the affected parties is the need to undertake capital improvements to the Washington Aqueduct. While the Corps of Engineers has identified almost $100 million in capital improvements that are either currently required, or may be needed in the next 5 years, they have not yet been undertaken because of the Corps' inability to borrow money necessary to begin the improvements.

Unlike most private utilities across the country, the Corps does not have the authority to borrow money in order to finance improvements to the infrastructure of the water system. Without such authority, the Corps will be forced to require its customers to pay the costs of the capital improvements up front, in the form of costly water bills.

Mr. Speaker, this situation is unacceptable. Water users should not be faced with a choice between exorbitant water bills or a questionable water supply. There is no question that with some of the piping for the aqueduct dating back to its construction in 1853, these repairs are an absolute necessity.

Allowing the Corps to borrow from the Federal Financing Bank ensures that needed capital improvements can occur, while allowing customers to pay for the improvements over the life of the project, rather than up front. The Corps will follow the lead of many other Federal agencies which regularly borrow from the Federal Financing Bank to help finance programs involving construction projects.

Without necessary improvements to the Washington Aqueduct, the region's water supply may once again be put at risk.

I urge my colleagues to support this legislation and ensure that these improvements occur in a timely fashion and that our water supply is protected.

PROJECT CHILDREN

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. MCNULTY. Mr. Speaker, I commend founder Denis Mulcahy and the supporters of Project Children for their efforts over the last 20 years in giving the children of Northern Ireland an opportunity to escape from the violence of their homeland for a short period of time.

The program and its many host families, including Lawrence and Diane Riley from my congressional district, have given these children a chance to temporarily escape the overwhelming fear that often exists in their lives.

Although the problems in Northern Ireland are deeply rooted, I hope that the experiences of these children while visiting the United States will contribute to making their future a little brighter.

TESTIMONY BEFORE THE SUBCOMMITTEE ON SPECIALTY CROPS AND NATURAL RESOURCES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BROWN of California. Mr. Speaker, I am here before this subcommittee to say a few words on behalf of the Giant Sequoia National Preservation Act which I introduced in May of last year. As I have stated before, my intent in introducing this bill was to ensure that the giant sequoia mixed conifer ecosystem would have permanent protection within a national forest preserve. It is essential that the protection of this ecosystem be insured by law, and not be subject to changes in the interpretation of or the adherence to the National Forest Management Act that might result from a change in administrations.

The giant sequoias are not only the world's largest trees, they are a living part of California's environmental history, the Earth's oldest living things. Millions of visitors come from within California, and from other areas of the country to walk through the sequoia and redwood forests. This ecosystem is a valuable and unique natural resource which will provide many more economic possibilities as a healthy, intact ecosystem than it will be a fragmented landscape with the scars of excessive clearcutting.

The bill calls for scientific research within the preserve, providing a living laboratory for use by scientists from the Forest Service and other organizations. As chairman of the House Science Committee, I am especially interested in better utilization of science in the development and implementation of land management. Obtaining information on a species as long-lived as the Giant Sequoia represents a unique scientific challenge.

I know that there is concern about the loss of jobs that will result from the ban on commercial timber harvesting. I do not like to see the loss of even one job. For this reason, I have made provisions in the bill for annual payments to local communities and for the establishment of job retraining, technical assistance, and loans and grants to help affected communities diversify their economies.

I should point out that if we do nothing with this there will be timber job losses. There is evidence that timber removal from the Sequoia National Forest over the past decade has exceeded sustainable rates. This pattern of overcutting will result in not only loss of jobs in the mills, but in the degradation of a valuable recreational resource. Ironically, allowing the current situation to continue will foreclose future diversification options to research and tourism. I believe that this bill will ultimately protect jobs as the forest.

Some of my colleagues from California are in opposition to this bill in its current form. They feel that this legislation is unnecessary and that the loss of timber-industry jobs in their districts would present an undue hardship on their constituents. I hope that once they have heard all of the information presented at the hearing today, that they will work with me to improve any current deficiencies in this bill and join me in support of it. All Americans are affected by current management policies in the Sequoia National Forest even though they do not reside within the districts containing the Sequoia National Forest. The concerns of the many southern Californians and citizens from the other States in this Nation who come to the Sequoia National Forest to enjoy all of the recreational opportunities available within this forest should also be considered.

The Forest Service's own records show the recreational value of Sequoia National Forest to be substantially greater than the timber value. In fact we are losing money on the timber program in this forest.

Mr. Chairman, I ask that the estimates provided to me by the Congressional Budget Office be entered into the RECORD. Item one indicates that implementation of H.R. 2153 would result in a timber program savings of about $6 million annually.

In spite of the greater recreational value, most of the budget for this forest is used to support clearcutting of timber. This skewed distribution of resources should be corrected. We should be investing scarce taxpayer dollars in areas where they will produce the greatest benefit for the most people. This bill is a step in that direction. By redirecting the budget of the Sequoia National Forest to greater support and development of the recreational uses of this area, more people can enjoy this unique natural resource.

We have been privileged to be one in the long line of generations that have enjoyed and marveled at the majestic nature of the Giant Sequoia. I introduced the bill to insure that our generation would not be the last one in the line.

Thank you very much.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC. March 8, 1994.

Hon. GEORGE E. BROWN, JR.,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN: I am pleased to respond to the five questions you asked in your letter of February 24 regarding the Congressional Budget Office cost estimate for H.R. 2153, the Giant Sequoia Preservation Act of 1993.

1. Reduction in Timber Program Costs in Affected Forests. In our analysis of the bill, we estimated that once fully implemented, H.R. 2153 would result in timber program savings totaling about $6 million annually. This is consistent with your point that the average annual timber program losses in the affected forests currently total at least $5 million. CBO expects, however, that the bill's provisions would take at least one year from the date of enactment to be fully implemented. Thus, we anticipate that the full impact of such savings would not be realized until fiscal year 1996.

2. Payments to Counties. We agree with you that the payments to counties from the affected forests currently total about $1 million annually. Our cost estimate reflects a savings of this amount beginning in fiscal year 1995. As with the timber program costs discussed above, we assumed that it would take at least one year after the bill's enactment to fully implement the bill's provisions. Consequently, CBO estimated that the savings from lower payments to counties would be about $500,000 in fiscal year 1994 and around $1 million in each of the subsequent years.

In calculating the tax equivalency payments that would be paid to the affected counties in lieu of the payments they would be due under current law, CBO relied on information from your staff, the Forest Service, the California State Board of Equalization, and the local counties. The Board of Equalization provided us with the 1993 Value of Timberland schedule sent to all counties in the state. This schedule established the value per acre for tax purposes of various grades of timberland, ranging from redwood to mixed conifer. The Forest Service indicated that the lands in the proposed preserve would be classified chiefly as mixed conifer, resulting in a total land value in the preserve of about $50 million (442,425 acres valued at about $105 per acre). The affected counties told us that their tax rates were approximately 1 percent. Applying this tax rate to the estimated land values yielded an estimated tax equivalency payment totaling about $500,000.

3. Yield Tax Payments. The federal budget does not record the acquisition of disposition of physical assets as budgetary transactions. Because the yield tax payments made by the federal government are "paid" to the state of California in the form of timber assets, not cash, the value of such "payments" is not recorded in the budget or included in our cost estimate.

4. Fire Management Costs. CBO's cost estimates include all effects on the federal budget that result from the enactment of new legislation, regardless of where such costs are accounted for by the affected agency. The Forest Service interpreted H.R. 2153 to require that any work done within the Giant Sequoia Preserve to clear away underbrush as part of their fire management plan for the area would have to be done without the use of mechanized equipment at greater cost to the agency. As a result, we estimated that fire management costs would increase by about $3 million annually.

5. Timber Contract Buyout Costs. In a letter to CBO dated September 16, 1993, the Forest Service stated that "there are 7 existing timber sales within the proposed boundary [of the preserve]. If we were to buy out these sales, it would cost approximately $8,750,000." The Forest Service interpreted the bill to require that these contracts, covering an estimated 25 million board feet of timber, would have to be cancelled and the contract-holders compensated. CBO included such costs in the estimate for H.R. 2153 because the federal government agrees in the timber contracts to pay for costs already incurred by the purchaser plus damages if the contracts are cancelled.

We have recently received more detailed information from the Forest Service which indicates that only about 11.4 million board feet of timber are currently under contract in the affected areas. Assuming additional contracts are not entered into before this bill's enactment, buyout costs are more likely to be in the range of $4 million to $5 million and would be incurred in the first year after enactment.

Sincerely,

ROBERT D. REISCHAUER,
Director.

INTRODUCTION OF FOREST SERVICE EQUITY STUDY ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. RICHARDSON. Mr. Speaker, today I have introduced legislation to authorize a study of Forest Service funding allocations among the nine regions of the National Forest System. I am pleased to be jointed in the introduction of the Forest Service Equity Study Act of 1994 by Representatives JOE SKEEN, STEVEN SCHIFF, BOB STUMP, JIM KOLBE, JON KYL, ED PASTOR, and KARAN ENGLISH.

As many of my colleagues know, several regions of U.S. Forest Service have historically been disadvantaged in the regional allocation process. Region Three, which includes both New Mexico and Arizona, has been a prime example of this inequity in Forest Service funding. In fact, data supplied by the Forest Service itself proves this point: some of the regions of the National Forest System receive more funding on a per unit basis than other regions for recreation management, wildlife and fish management, road maintenance and other activities.

Although the Southwest region has one of the greatest needs in the country for watershed restoration and management, our region was the lowest funded region in the Lower 48 States in fiscal year 1994 funding from the Forest Service for watershed protection. With 24 million acres, the Northwest region is comparable in size to the 21 million acres of the Southwest region. Despite this similarity, in fiscal year 1993, the Northwest received nearly twice the funds ($95.2 million) to manage nontimber resources then did the Southwest ($56.3 million).

My legislation, which has also been introduced in the Senate by JEFF BINGAMAN as S. 1839, is an attempt to correct this inequity by mandating a Federal study and setting the stage for reallocating regional Forest Service funds.

The Forest Service Equity Study Act of 1994 authorizes the Secretary of Agriculture to conduct an equity study within 1 year of the date of enactment of this act. This study would include an analysis of the methodology and rationale justifying funding decisions regarding the regions that were made prior to the date the study is conducted; examine the equity of the allocations taking into account regional unit burdens; and examine the relationships between funding allocations, Forest Service goals, and the diverse needs of the regions based on ecological factors and demand for multiple-use services.

Mr. Speaker, as budgets get tighter and it becomes more difficult for Congress to fund even the most basic programs, equity in Federal funding on a national basis should be our standard. We cannot expect the American people to pay equally for the maintenance of the Nation and not receive at least proportional benefits.

I look forward to working with my colleagues in the House to secure passage of this most important funding legislation and I urge all of my colleagues form States in similar situations to join me in supporting the Forest Service Equity Study Act of 1994.

SIKH NATION CONDEMNS CONGRESS PARTY DEATH WARRANT

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. BURTON of Indiana. Mr. Speaker, I rise today to bring to your attention the reward of $333,333 or 10 million rupees offered by India's ruling Congress Party for any person who assassinates Pakistani writer Sidiq Hussain. Mr. Hussain's book, "Tarik-e-Mujahedeen [History of Rebels]", contains disparaging and derogatory remarks about the Sikh Gurus, who are revered by the world's 21 million Sikhs.

I would like to point out, however, that the Congress Party death warrant directly violates Sikh principles. No major Sikh religious group has endorsed the death warrant. The call for Mr. Hussain's death was issued by Punjab Youth Congress President, Mr. Ramesh Singla, who is a Hindu, not a Sikh. Furthermore, the Congress Party is India's ruling political party, it is not a Sikh religious party of any kind.

I urge the Congress Party to withdraw its death warrant immediately. It is antidemocratic and barbaric. I am amazed that the ruling party of the world's so-called largest democracy could even participate in, much less initiate such as exercise. It says volumes about the state of Indian democracy.

For the RECORD, I am inserting a press release from the Council of Khalistan, headed by Dr. Gurmit Singh Aulakh. The press release clearly indicates Sikh condemnation for the Congress Party death warrant.

CONGRESS PARTY ISSUES DEATH WARRANT FOR WRITER—PUTS PRICE ON HEAD OF DR. SIDIQ HUSSAIN IN SHAMELESS VIOLATION OF SIKH ETHICAL CONDUCT

WASHINGTON DC, March 7, 1994.—In direct violation of Sikh principles, India's ruling Congress Party yesterday offered $333,333 or 10 million rupees to anyone who assassinated Pakistani writer Sadiq Hussain. Mr. Hussain's book, Tarik-e-Mujahedeen (History of the Rebels), contains profane and derogatory remarks about the Sikh Gurus, who are revered by the world's 21 million Sikhs. The Congress Party is the ruling Indian political party. It is not a Sikh religious group of any kind. It was the Congress Party that attacked the holy Sikh Golden Temple in June 1984, and is still despised by Sikhs the world over.

No popular Sikh group has endorsed or supported the Congress Party's "death warrant." The "death warrant", which subverts Sikh religious institutions and procedures for dealing with Mr. Hussain's book, is the first of its kind in Sikh history. Indeed, the "death warrant" was issued in a statement on Sunday by Mr. Ramesh Singla of the Congress Party, who is a Hindu, not a Sikh.

Commenting on the Congress Party "death warrant," Dr. Gurmit Singh Aulakh, President Council of Khalistan, said: "I categorically condemn the Congress Party's attack on the natural catholicity of the Sikh religion. How dare the Congress Party attack the Sikh religion by issuing a "death warrant" in breach of Sikh principles. How dare the Congress Party subvert the authority of the Akal Takht (seat of Sikh temporal authority in Amritsar, Punjab, Khalistan) to deal with this matter. The Congress Party destroyed the Akal Takht in June 1984 and it is attacking the Akal Takht again by issuing this 'death warrant.' The Sikh nation will not stand for it."

"The Congress Party, which is responsible for ethnic cleansing in Khalistan during the past ten years, has not right to speak on behalf of the affairs of the Sikhs. If the Congress Party wants to help the Sikh nation, it should respect our October 7, 1987 declaration of independence, and vacate Khalistan immediately!"

"This terrorist death warrant is the hardiwork of India's Research and Analysis Wing (India's intelligence wing, R.A.W.). Now that the movement for a free Khalistan has become peaceful and non-violent, this controversy was created by R.A.W. in order to project the Sikh nation as fundamentalists and terrorists in the international fora. Nevertheless, those who are aware of ground realities will see that no Sikh religious institution or political party has endorsed the terrorist Congress Party "death warrant."

"It is the height of hypocrisy for the Congress Party, whose government has murdered Sikhs it deems as 'terrorist,' to issue this 'death warrant.' Why doesn't Punjab Police Chief K.P.S. Gill arrest and kill Congress Party members for encouraging terrorism, as does and has done to Sikhs in Punjab, Khalistan for supposedly engaging in the same crimes."

"It is quite possible that this controversy is a prelude to war with Pakistan over Kashmir. R.A.W. wants the Sikh nation to side with India, and has created this controversy in order to garner support for the Indian government. But the Sikh nation will not be fooled. In case of a war between India and Pakistan, the Sikh nation will fight against India for the liberation of Khalistan. We reject the Congress Party's barbaric 'death warrant,' and demand that Sikh religious institutions be allowed to peacefully and responsibly address Mr. Hussain's book, which is financed by R.A.W. The Congress Party should remove itself from the affairs of the Sikh nation and not insult us by disrespecting the religious authority of the Akal Takht.

Pakistan is not our enemy. The tyrannical Indian government and the Congress Party is our enemy. They are the ones brutally occupying our country, Khalistan. The Sikh nation wants independence, and we will direct ourselves towards Khalistan, and nothing else.

U.N. PEACEKEEPING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. HAMILTON. Mr. Speaker, I submit for the RECORD an exchange of correspondence between myself and the U.S. Representative to the United Nations, the Honorable Madeleine K. Albright, on the subject of U.N. reform.

Many Members have expressed their concern about the need for two key reforms at the

United Nations: that an independent Inspector General be established expeditiously, and that the current U.S. assessed rate of 30.4 percent for U.N. peacekeeping be reduced.

I wrote recently to Ambassador Albright to highlight congressional concern over the need for progress on these two issues. Her response provided assurances that both an independent Inspector General and a reduction in the U.S. assessed rate for U.N. peacekeeping are high priorities for the administration.

The correspondence follows:

Congress of the United States,
House of Representatives,
Washington, DC, February 7, 1994.

Hon. Madeleine K. Albright, U.S. Representative to the United Nations, U.S. Mission to the United Nations,
New York, NY.

Dear Madame Ambassador: It was good to talk to you last week about our Committee work on the United Nations. We are appreciative of the good working relationship among the State Department, USUN, and the Committee and feel it is essential to maintain a close and frank dialogue.

You expressed some concerns about the role Marian Chambers of the Committee staff played in New York and in her travels. She and the entire committee benefitted from the cooperation she was given this last fall by your entire mission and by the State Department. Marian came away from her three months working with and observing the UN Mission with the impression that the U.S. could do more to push the reform process at the UN. Many Members of Congress, including myself, tend to agree with that impression. Her view, of course, raises questions of tactics. It should not detract from our agreement on goals, our desire to work closely together to achieve those goals, and the necessity we both see to be able to show progress on the issues of concern which drive so much of the debate on the United Nations here in the Congress.

My purpose in this letter is to share with you a few thoughts about how to maintain and increase Congressional support for the United Nations and for its peacekeeping operations.

I know that U.N. reform is one of the Administration's priorities, including the establishment of an independent Inspector General (IG) and reduction of the U.S. assessment for peacekeeping operations. I do not underestimate the difficulties you face in trying to translate these priorities into achievements.

Many of us in Congress do not fully understand the complexities of working in a multilateral environment, or the obstacles you face. As you well know, on these two "bellwether" issues, the Congress has often urged action. Many Members are frustrated that they not only remain unresolved, but that action on them does not appear imminent.

As we will soon be in conference on the State Department Authorization Act for fiscal years 1994 and 1995, I want to work with you to try to avoid draconian restrictions. It may be necessary to support in conference further action on these issues in order to maintain even minimal funding levels necessary for the United Nations and its activities.

UN INSPECTOR GENERAL

My impression is that, to receive support here in the Congress, a resolution establishing an independent U.N. Inspector General (IG) is necessary. The details can vary, of course, but it would probably include: broad authority for the IG to investigate throughout the United Nations, a degree of direction and control by the IG over all existing U.N. oversight mechanisms, the availability of all unedited IG reports, and an enforcement mechanism.

My thinking is that an independent IG would have a long-term positive impact on the United Nations in containing expenses, improving efficiency and program delivery, and ensuring high standards of accountability and transparency for U.N. operations, including peacekeeping missions. It would also help to restore Congressional confidence in the integrity of U.N. operations, and willingness to fund such operations.

My sense is that several steps can be taken to help achieve this goal, and to show Congress that progress is occurring. It would be helpful for you and your colleagues to explain in testimony to the Congress why thus far we have been able to obtain only a resolution which postpones examination of an independent IG until the resumed session of the UNGA this spring, and to describe what the Administration's strategy is to enact appropriate legislation at the resumed General Assembly. I would hope we would also be making a world-wide demarche to all U.N. Member States urging their support for an independent U.N. IG. We should make clear to the United Nations that the "interim IG" appointed last summer by the Secretary General is a welcome, but insufficient, step, and that continued U.S. financial support for the U.N. may likely depend on the establishment of an independent IG.

PEACEKEEPING ASSESSMENTS

As you are aware, the Congress has already directed the executive branch, in report language contained in the State Appropriations bill, to inform the United Nations that the United States intends to pay a peacekeeping assessment rate no higher than 25 percent.

This directive could be toughened unless Members understand the Administration's strategy and timetable for reducing the U.S. peacekeeping assessment.

I understand that these are not the only reforms needed at the UN, but they are important steps, especially for those of us here in the Congress. I will work with you in support of these reforms.

I hope this letter is helpful. It is certainly intended to be. I look forward to seeing you soon and following up on these and other issues of mutual interest.

With best regards.

Sincerely,

Lee H. Hamilton,
Chairman.

The Representative of the United States of America to the United Nations,
February 17, 1994

Hon. Lee Hamilton,
Chairman, Committee on Foreign Affairs, House of Representatives.

Dear Mr. Chairman: Thank you for your letter of February 7, 1994 in which you urge the establishment of an independent Inspector General and the reduction of United States assessments for United Nations peacekeeping operations. These are high priority issues for the Clinton Administration and I wish to assure you that I am fully committed to achieving these reforms as quickly as possible. In this regard, I would like to inform you of the efforts we will be undertaking over the next several months to accomplish these goals.

In his statement to the 48th General Assembly, the President called for the establishment of an Inspector General at the current session. Last fall, I presented the United States delegation's detailed proposal to the Fifth (Administrative and Budgetary) Committee. In view of the complexity of the proposal and time constraints, it was not possible to take final action before the end of the regular session in December. However, the General Assembly resolved to consider the proposal further during the resumed session.

The United States Mission has begun consultations on this issue with a view to adopting a final resolution this spring. This resolution will establish an independent United Nations Inspector General with many of the authorities and powers described in your letter. Our efforts will be focused on negotiating appointment, operating and reporting procedures to ensure that the UN Inspector General meets these standards.

There is considerable support among member states for an independent Inspector General. However, concerns have been raised with respect to its relationship with the Secretary General and existing oversight mechanisms. We will take all necessary steps, including a worldwide demarche, to ensure that the President's goal is met by the close of the 48th session in September.

With regard to the reduction in the peacekeeping assessment rate to 25 percent rate, in order for the United States to pay less, we must convince others to undertake a greater financial burden. Since many countries face similar domestic budgetary constraints, this requires an intensive lobbying effort in New York and in capitals. Ambassador Walter Cutler will soon launch that effort on a mission for the Secretary General to persuade several UN member states whose assessments do not reflect their current economic status to accept a higher peacekeeping assessment rate. Other US officials will follow up on Ambassador Cutler's efforts. Savings for the United States would also be achieved if Japan and Germany become Permanent Members of the Security Council.

The Clinton Administration agrees that the current scale of assessments is too high and needs to be reduced. We recognize the importance the Congress attaches to this issue and I can assure you we accord it the same high priority. I will keep you informed of significant developments as we progress towards our goal. I intend to provide Members with more details regarding our efforts to upcoming Congressional hearings.

I appreciate receiving your views on these important issues and look forward to seeing you in the future. Until then, I send my very best wishes.

Sincerely,

Madeleine K. Albright.

IN HONOR OF DENIS MULCAHY AND PROJECT CHILDREN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. GILMAN. Mr. Speaker, it is my privilege to call to the attention of our colleagues one of the more outstanding humanitarians of my 20th Congressional District of New York, Denis Mulcahy a decorated New York City policeman, has earned the respect and support of people throughout the world. As founder and chairman of Project Children, he has had a tremendous impact on an entire generation of young Irish people, teaching them peace, mutual trust, and understanding.

Last night, I had the pleasure of honoring Dennis at the 7th Annual Washington Dinner of Project Children. This organization has accumulated an impressive array of family and private sector sponsors from throughout the United States.

Mr. Speaker, I request that my remarks honoring Dennis Mulcahy be inserted at this point in the RECORD:

REMARKS BY REPRESENTATIVE BENJAMIN A. GILMAN, MARCH 9, 1994; PROJECT CHILDREN; 7TH ANNUAL DINNER

I am honored and pleased to be here with Project Children's founder and chairman, Denis Mulcahy. Denis is a constituent of mine in our 20th Congressional District of New York. I am pleased to note that Dennis is joined tonight by his son, Dennis Mulcahy, Jr.

For more than 20 years, this outstanding distinguished organization has brought thousands (over 9,000) Irish children, both Protestant and Catholic, to the United States for a summer vacation, helping to build mutual trust, understanding, and tolerance.

Here, with volunteer families, these children receive some peace and respite from the strife that tears at the fabric of their native Northern Ireland. From their American holiday comes lifelong friendships, and hopefully seeds of an eventual peace in the north of Ireland.

For this we all owe Denis Mulcahy a debt of gratitude and respect for his leadership and his dedication to the Irish children, the innocent victims of so much violence and hatred, over which they have no control.

I am honored to present this American flag flown over our beautiful Capitol along with this certificate by the Architect of the Capitol in addition to this 20th anniversary scrapbook, which we will fill with tributes to Denis during Irish Heritage month.

Congratulations, Denis. We sincerely thank you for your magnanimous work. On behalf of the children of Northern Ireland, all of us here this evening sincerely thank you for your dedication . . . and all of us join in thanking Dinner Chairperson Carol Wheeler for bringing us together this evening for this worthy cause.

Together we will work toward bringing about the peace that these children, and the wonderful Emerald Isle, surely deserve.

SENATE—*Friday, March 11, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable Carol Moseley-Braun, a Senator from the State of Illinois.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Therefore shall a man leave his father and his mother, and shall cleave unto his wife: and they shall be one flesh.—Genesis 2:24.

Father God, this morning we pray for our families who are so often hostage to Senate schedules. We thank You for our spouses and our children. We thank You for the explicit instruction given to our original parents, Adam and Eve, and we ask for Your wisdom and strength in conforming.

Gracious God, as we anticipate this weekend, help us to take time—make time—for our families. Help us to demonstrate, in some way, an awareness that the family has first priority, remembering that at the root of cultural and social decay is the dysfunctional family. Bless our families and our time with them this weekend.

We pray in His name who said, "Suffer the little children to come unto me, and forbid them not: for of such is the kingdom of God."—Mark 10:14.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Byrd].

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, March 11, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Carol Moseley-Braun, a Senator from the State of Illinois, to perform the duties of the Chair.

Robert C. Byrd,
President pro tempore.

Ms. MOSELEY-BRAUN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

FEDERAL WORKFORCE RESTRUCTURING ACT OF 1994

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair will now lay before the Senate a House message accompanying H.R. 3345, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3345) to amend title 5, United States Code, to eliminate certain restrictions on employee training; to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3345) entitled "An act to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Workforce Restructuring Act of 1994".

SEC. 2. TRAINING.

(a) In General.—Chapter 41 of title 5, United States Code, is amended—

(1) in section 4101(4) by striking "fields" and all that follows through the semicolon and inserting "fields which will improve individual and organizational performance and assist in achieving the agency's mission and performance goals;";

(2) in section 4103—

(A) in subsection (a)—

(i) by striking "In" and all that follows through "maintain" and inserting "In order to assist in achieving an agency's mission and performance goals by improving employee and organizational performance, the head of each agency, in conformity with this chapter, shall establish, operate, maintain, and evaluate";

(ii) by striking "and" at the end of paragraph (2);

(iii) by redesignating paragraph (3) as paragraph (4); and

(iv) by inserting after paragraph (2) the following:

"(3) provide that information concerning the selection and assignment of employees for training and the applicable training limitations and restrictions be made available to employees of the agency; and"; and

(B) in subsection (b)—

(i) in paragraph (1) by striking "determines" and all that follows through the period and inserting "determines that such training would be in the interests of the Government.";

(ii) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2); and

(iii) in subparagraph (C) of paragraph (2) (as so redesignated) by striking "retaining" and all that follows through the period and inserting "such training.";

(3) in section 4105—

(A) in subsection (a) by striking "(a)"; and

(B) by striking subsections (b) and (c);

(4) by repealing section 4106;

(5) in section 4107—

(A) by amending the catchline to read as follows:

***"§4107. Restriction on degree training"**;*

(B) by striking subsections (a) and (b) and redesignating subsections (c) and (d) as subsections (a) and (b), respectively;

(C) by amending subsection (a) (as so redesignated)—

(i) by striking "subsection (d)" and inserting "subsection (b)"; and

(ii) by striking "by, in, or through a non-Government facility"; and

(D) by amending paragraph (1) of subsection (b) (as so redesignated) by striking "subsection (c)" and inserting "subsection (a)";

(6) in section 4108(a) by striking "by, in, or through a non-Government facility under this chapter" and inserting "for more than a minimum period prescribed by the head of the agency";

(7) in section 4113(b)—

(A) in the first sentence by striking "annually to the Office," and inserting "to the Office, at least once every 3 years, and"; and

(B) by striking the matter following the first sentence and inserting the following: "The report shall set forth—

"(1) information needed to determine that training is being provided in a manner which is in compliance with applicable laws intended to protect or promote equal employment opportunity; and

"(2) information concerning the expenditures of the agency in connection with training and such other information as the Office considers appropriate.";

(8) by repealing section 4114; and

(9) in section 4118—

(A) in subsection (a)(7) by striking "by, in, and through non-Government facilities";

(B) by striking subsection (b); and

(C) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Technical and Conforming Amendments.—Title 5, United States Code, is amended—

(1) in section 3381(e) by striking "4105(a)," and inserting "4105,"; and

(2) in the analysis for chapter 41—

(A) by repealing the items relating to sections 4106 and 4114; and

(B) by amending the item relating to section 4107 to read as follows:

"4107. Restriction on degree training.".

(c) Effective Date.—The amendments made by this section shall become effective on the date of enactment of this Act.

SEC. 3. VOLUNTARY SEPARATION INCENTIVES.

(a) Definitions.—For the purpose of this section—

(1) the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), but does not include the Department of Defense, the Central Intelligence Agency, or the General Accounting Office; and

(2) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by an agency, is

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 12 months; such term includes an individual employed by a county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government; or

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A).

(b) Authority.—

(1) In general.—In order to avoid or minimize the need for involuntary separations due to a reduction in force, reorganization, transfer of function, or other similar action, and subject to paragraph (2), the head of an agency may pay, or authorize the payment of, voluntary separation incentive payments to agency employees—

(A) in any component of the agency;

(B) in any occupation;

(C) in any geographic location; or

(D) on the basis of any combination of factors under subparagraphs (A) through (C).

(2) Condition.—

(A) In general.—In order to receive an incentive payment, an employee must separate from service with the agency (whether by retirement or resignation) before April 1, 1995.

(B) Exception.—An employee who does not separate from service before the date specified in subparagraph (A) shall be ineligible for an incentive payment under this section unless—

(i) the agency head determines that, in order to ensure the performance of the agency's mission, it is necessary to delay such employee's separation; and

(ii) the employee separates after completing any additional period of service required (but not later than March 31, 1997).

(c) Amount and Treatment of Payments.—A voluntary separation incentive payment—

(1) shall be paid in a lump sum after the employee's separation;

(2) shall be equal to the lesser of—

(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section; or

(B) $25,000;

(3) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit;

(4) shall not be taken into account in determining the amount of any severance pay to which an employee may be entitled under section 5595 of title 5, United States Code, based on any other separation; and

(5) shall be paid from appropriations or funds available for the payment of the basic pay of the employee.

(d) Effect of Subsequent Employment With the Government.—

(1) In general.—An employee who has received a voluntary separation incentive payment under this section and accepts employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) Waiver authority.—

(A) Executive agency.—If the employment is with an Executive agency (as defined by section 105 of title 5, United States Code), the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(B) Legislative branch.—If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(C) Judicial branch.—If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) Definition.—For purposes of paragraph (1) (but not paragraph (2)), the term "employment" includes employment under a personal services contract with the United States.

(e) Regulations.—The Director of the Office of Personnel Management may prescribe any regulations necessary for the administration of subsections (a) through (d).

(f) Employees of the Judicial Branch.—The Director of the Administrative Office of the United States Courts may, by regulation, establish a program consistent with the program established by subsections (a) through (d) for individuals serving in the judicial branch.

SEC. 4. ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.

(a) Relating to Fiscal Years 1994 and 1995.—

(1) In general.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, an agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 9 percent of the final basic pay of each employee of the agency—

(A) who, on or after the date of the enactment of this Act and before October 1, 1995, retires under section 8336(d)(2) of such title; and

(B) to whom a voluntary separation incentive payment has been or is to be paid by such agency based on that retirement.

(2) Definitions.—For the purpose of this subsection—

(A) the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor; and

(B) the term "voluntary separation incentive payment" means—

(i) a voluntary separation incentive payment under section 3 (including under any program established under section 3(f)); and

(ii) any separation pay under section 5597 of title 5, United States Code, or section 2 of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36; 107 Stat. 104).

(b) Relating to Fiscal Years 1995 Through 1998.—

(1) In general.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, in fiscal years 1995, 1996, 1997, and 1998 (and in addition to any amounts required under subsection (a)), each agency shall, before the end of each such fiscal year, remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to the product of—

(A) the number of employees of such agency who, as of March 31st of such fiscal year, are subject to subchapter III of chapter 83 or chapter 84 of such title; multiplied by

(B) $80.

(2) Definition.—For the purpose of this subsection, the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), but does not include the General Accounting Office.

(c) Regulations.—The Director of the Office of Personnel Management may prescribe any regulations necessary to carry out this section.

SEC. 5. REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) Definition.—For the purpose of this section, the term "agency" means an Executive agency (as defined by section 105 of title 5, United States Code), but does not include the General Accounting Office.

(b) Limitations on Full-Time Equivalent Positions.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,084,600 during fiscal year 1994;

(2) 2,043,300 during fiscal year 1995;

(3) 2,003,300 during fiscal year 1996;

(4) 1,963,300 during fiscal year 1997;

(5) 1,922,300 during fiscal year 1998; and

(6) 1,882,300 during fiscal year 1999.

(c) Monitoring and Notification.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) Compliance.—If, at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) Waiver.—

(1) Emergencies.—Any provision of this section may be waived upon a determination by the President that—

(A) the existence of a state of war or other national security concern so requires; or

(B) the existence of an extraordinary emergency threatening life, health, safety, property, or the environment so requires.

(2) Agency efficiency or critical mission.—

(A) Subsection (d) may be waived, in the case of a particular position or category of positions in an agency, upon a determination of the President that the efficiency of the agency or the performance of a critical agency mission so requires.

(B) Whenever the President grants a waiver pursuant to subparagraph (A), the President shall take all necessary actions to ensure that the overall limitations set forth in subsection (b) are not exceeded.

(f) Employment Backfill Prevention.—

(1) In general.—The total number of funded employee positions in all agencies (excluding the Department of Defense and the Central Intelligence Agency) shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under section 3 (a)–(e). For purposes of this subsection, positions and vacancies shall be counted on a full-time-equivalent basis.

(2) RELATED RESTRICTION.—No funds budgeted for and appropriated by any Act for salaries or expenses of positions eliminated under this subsection may be used for any purpose other than authorized separation costs.

(g) LIMITATION ON PROCUREMENT OF SERVICE CONTRACTS.—The President shall take appropriate action to ensure that there is no increase in the procurement of service contracts by reason of the enactment of this Act, except in cases in which a cost comparison demonstrates such contracts would be to the financial advantage of the Federal Government.

SEC. 6. SUBSEQUENT EMPLOYMENT AND REPAYMENT OF SEPARATION PAYMENT.

(a) DEFENSE AGENCY SEPARATION PAY.—Section 5597 of title 5, United States Code, is amended by adding at the end the following:

"(g)(1) An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Restructuring Act of 1994 and accepts employment with the Government of the United States within 5 years after the date of the separation on which payment of the separation pay is based shall be required to repay the entire amount of the separation pay to the defense agency that paid the separation pay.

"(2) If the employment is with an Executive agency, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

"(3) If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

"(4) If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.".

(b) CENTRAL INTELLIGENCE AGENCY SEPARATION PAYMENT.—Section 2(b) of the Central Intelligence Agency Voluntary Separation Pay Act (Public Law 103–36; 107 Stat. 104) is amended by adding at the end the following: "An employee who receives separation pay under this section on the basis of a separation occurring on or after the date of the enactment of the Federal Workforce Restructuring Act of 1994 and accepts employment with the Government of the United States within 5 years after the date of the separation on which payment of the separation pay is based shall be required to repay the entire amount of the separation pay to the Central Intelligence Agency. If the employment is with an Executive agency (as defined by section 105 of title 5, United States Code), the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position. If the employment is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.".

SEC. 7. STANDARDIZATION OF WITHDRAWAL OPTIONS FOR THRIFT SAVINGS PLAN PARTICIPANTS.

(a) PARTICIPATION IN THE THRIFT SAVINGS PLAN.—Section 8351(b) of title 5, United States Code, is amended—

(1) by amending paragraph (4) to read as follows:

"(4) Section 8433(b) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates from Government employment.";

(2) by striking paragraphs (5), (6), and (8);

(3) by redesignating paragraphs (7), (9), and (10) as paragraphs (5), (6), and (7), respectively;

(4) in paragraph (5)(C) (as so redesignated by paragraph (3) of this subsection) by striking "or former spouse" each place it appears;

(5) by amending paragraph (6) (as so redesignated by paragraph (3) of this subsection) to read as follows:

"(6) Notwithstanding paragraph (4), if an employee or Member separates from Government employment and such employee's or Member's nonforfeitable account balance is $3,500 or less, the Executive Director shall pay the nonforfeitable account balance to the participant in a single payment unless the employee or Member elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under subsection (b)."; and

(6) in paragraph (7) (as so redesignated by paragraph (3) of this subsection) by striking "nonforfeiture" and inserting "nonforfeitable".

(b) BENEFITS AND ELECTION OF BENEFITS.—Section 8433 of title 5, United States Code, is amended—

(1) in subsection (b) by striking the matter before paragraph (1) and inserting the following:

"(b) Subject to section 8435 of this title, any employee or Member who separates from Government employment is entitled and may elect— ".

(2) by striking subsections (c) and (d) and redesignating subsections (e) through (i) as subsections (c) through (g), respectively;

(3) in subsection (c)(1) (as so redesignated by paragraph (2) of this subsection) by striking "or (c)(4) or required under subsection (d) directly to an eligible retirement plan or plans (as defined in section 402(a)(5)(E) of the Internal Revenue Code of 1954)" and inserting "directly to an eligible retirement plan or plans (as defined in section 402(c)(8) of the Internal Revenue Code of 1986)";

(4) in subsection (d)(2) (as so redesignated by paragraph (2) of this subsection) by striking "or (c)(2)"; and

(5) in subsection (f) (as so redesignated by paragraph (2) of this subsection)—

(A) by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and

(B) in paragraph (1) (as so redesignated by subparagraph (A) of this paragraph)—

(i) by striking "Notwithstanding subsections (b) and (c), if an employee or Member separates from Government employment under circumstances making such employee or Member eligible to make an election under either of those subsections, and such employee's or Member's" and inserting "Notwithstanding subsection (b), if an employee or Member separates from Government employment, and such employee's or Member's"; and

(ii) by striking "or (c), as applicable"; and

(C) in paragraph (2) (as so redesignated by subparagraph (A) of this paragraph) by striking "paragraphs (1) and (2)" and inserting "paragraph (1)".

(c) ANNUITIES: METHODS OF PAYMENT; ELECTION; PURCHASE.—Section 8434(c) of title 5, United States Code, is amended to read as follows:

"(c) Notwithstanding the elimination of a method of payment by the Board, an employee, Member, former employee, or former Member may elect the eliminated method if the elimination of such method becomes effective less than 5 years before the date on which that individual's annuity commences.".

(d) PROTECTIONS FOR SPOUSES AND FORMER SPOUSES.—Section 8435 of title 5, United States Code, is amended—

(1) in subsection (a)(1)(A) by striking "subsection (b)(3), (b)(4), (c)(3), or (c)(4) of section 8433 of this title or change an election previously made under subsection (b)(1), (b)(2), (c)(1), or (c)(2)" and inserting "subsection (b)(3) or (b)(4) of section 8433 of this title or change an election previously made under subsection (b)(1) or (b)(2)";

(2) by striking subsection (b);

(3) by redesignating subsections (c) through (i) as subsections (b) through (h), respectively;

(4) in subsection (b) (as so redesignated by paragraph (3) of this subsection) by amending paragraph (2) to read as follows:

"(2) Paragraph (1) shall not apply if—

"(A) a joint waiver of such method is made, in writing, by the employee or Member and the spouse; or

"(B) the employee or Member waives such method, in writing, after establishing to the satisfaction of the Executive Director that circumstances described under subsection (a)(2) (A) or (B) make the requirement of a joint waiver inappropriate."; and

(5) in subsection (c)(1) (as so redesignated by paragraph (3) of this subsection) by striking "and a transfer may not be made under section 8433(d) of this title".

(e) JUSTICES AND JUDGES.—Section 8440a(b) of title 5, United States Code, is amended—

(1) in paragraph (5) by striking "Section 8433(d)" and inserting "Section 8433(b)"; and

(2) by striking paragraphs (7) and (8) and inserting the following:

"(7) Notwithstanding paragraphs (4) and (5), if any justice or judge retires under subsection (a) or (b) of section 371 or section 372(a) of title 28, or resigns without having met the age and service requirements set forth under section 371(c) of title 28, and such justice's or judge's nonforfeitable account balance is $3,500 or less, the Executive Director shall pay the nonforfeitable account balance to the participant in a single payment unless the justice or judge elects, at such time and otherwise in such manner as the Executive Director prescribes, one of the options available under section 8433(b).".

(f) BANKRUPTCY JUDGES AND MAGISTRATES.—Section 8440b of title 5, United States Code, is amended—

(1) in subsection (b)(4) by amending subparagraph (B) to read as follows:

"(B) Section 8433(b) of this title applies to any bankruptcy judge or magistrate who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and who retires before attaining age 65 but is entitled, upon attaining age 65, to an annuity under section 377 of title 28 or section 2(c) of the Retirement and Survivors Annuities for Bankruptcy Judges and Magistrates Act of 1988.";

(2) in subsection (b)(4)(C) by striking "Section 8433(d)" and inserting "Section 8433(b)";

(3) in subsection (b)(5) by striking "retirement under section 377 of title 28 is" and inserting "any of the actions described under paragraph (4) (A), (B), or (C) shall be considered";

(4) in subsection (b) by striking paragraph (8) and redesignating paragraph (9) as paragraph (8); and

(5) in paragraph (8) of subsection (b) (as so redesignated by paragraph (4) of this subsection)—

(A) by striking "Notwithstanding subparagraphs (A) and (B) of paragraph (4), if any *bankruptcy judge or magistrate retires under circumstances making such bankruptcy judge or magistrate eligible to make an election under subsection (b) or (c)" and inserting "Notwithstanding paragraph (4), if any bankruptcy judge or magistrate retires under circumstances making such bankruptcy judge or magistrate eligible to make an election under subsection (b)"; and*

(B) by striking "and (c), as applicable".

(g) CLAIMS COURT JUDGES.—Section 8440c of title 5, United States Code, is amended—

(1) in subsection (b)(4)(B) by striking "Section 8433(d)" and inserting "Section 8433(b)";

(2) in subsection (b)(5) by striking "retirement under section 178 of title 28 is" and inserting "any of the actions described in paragraph (4) (A) or (B) shall be considered";

(3) in subsection (b) by striking paragraph (8) and redesignating paragraph (9) as paragraph (8); and

(4) in paragraph (8) (as so redesignated by paragraph (3) of this subsection) by striking "Notwithstanding paragraph (4)(A)" and inserting "Notwithstanding paragraph (4)".

(h) JUDGES OF THE UNITED STATES COURT OF VETERANS APPEALS.—Section 8440d(b)(5) of title 5, United States Code, is amended by striking "A transfer shall be made as provided in section 8433(d) of this title" and inserting "Section 8433(b) of this title applies".

(i) TECHNICAL AND CONFORMING AMENDMENTS.—Title 5, United States Code, is amended—

(1) in section 8351(b)(5)(B) (as so redesignated by subsection (a)(3) of this section) by striking "section 8433(i)" and inserting "section 8433(g)";

(2) in section 8351(b)(5)(D) (as so redesignated by subsection (a)(3) of this section) by striking "section 8433(i)" and inserting "section 8433(g)";

(3) in section 8433(b)(4) by striking "subsection (e)" and inserting "subsection (c)";

(4) in section 8433(d)(1) (as so redesignated by subsection (b)(2) of this section) by striking "(d) of section 8435" and inserting "(c) of section 8435";

(5) in section 8433(d)(2) (as so redesignated by subsection (b)(2) of this section) by striking "section 8435(d)" and inserting "section 8435(c)";

(6) in section 8433(e) (as so redesignated by subsection (b)(2) of this section) by striking "section 8435(d)(2)" and inserting "section 8435(c)(2)";

(7) in section 8433(g)(5) (as so redesignated by subsection (b)(2) of this section) by striking "section 8435(f)" and inserting "section 8435(e)";

(8) in section 8434(b) by striking "section 8435(c)" and inserting "section 8435(b)";

(9) in section 8435(a)(1)(B) by striking "subsection (c)" and inserting "subsection (b)";

(10) in section 8435(d)(1)(B) (as so redesignated by subsection (d)(3) of this section) by striking "subsection (d)(2)" and inserting "subsection (c)(2)";

(11) in section 8435(d)(3)(A) (as so redesignated by subsection (d)(3) of this section) by striking "subsection (c)(1)" and inserting "subsection (b)(1)";

(12) in section 8435(d)(6) (as so redesignated by subsection (d)(3) of this section) by striking "or (c)(2)" and inserting "or (b)(2)";

(13) in section 8435(e)(1)(A) (as so redesignated by subsection (d)(3) of this section) by striking "section 8433(i)" and inserting "section 8433(g)";

(14) in section 8435(e)(2) (as so redesignated by subsection (d)(3) of this section) by striking "section 8433(i) of this title shall not be approved if approval would have the result described in subsection (d)(1)" and inserting "section 8433(g) of this title shall not be approved if approval would have the result described under subsection (c)(1)";

(15) in section 8435(g) (as so redesignated by subsection (d)(3) of this section) by striking "section 8433(i)" and inserting "section 8433(g)";

(16) in section 8437(c)(5) by striking "section 8433(i)" and inserting "section 8433(g)"; and

(17) in section 8440a(b)(6) by striking "section 8351(b)(7)" and inserting "section 8351(b)(5)".

(j) EFFECTIVE DATE.—This section shall take effect 1 year after the date of the enactment of this Act or on such earlier date as the Executive Director of the Federal Retirement Thrift Investment Board shall provide in regulation.

SEC. 8. AMENDMENTS TO ALASKA RAILROAD TRANSFER ACT OF 1982 REGARDING FORMER FEDERAL EMPLOYEES.

(a) APPLICABILITY OF VOLUNTARY SEPARATION INCENTIVES TO CERTAIN FORMER FEDERAL EMPLOYEES.—Section 607(a) of the Alaska Railroad Transfer Act of 1982 (45 U.S.C. 1206(a)) is amended by adding at the end the following:

"(4)(A) The State-owned railroad shall be included in the definition of 'agency' for purposes of section 3 (a), (b), (c), and (e) of the Federal Workforce Restructuring Act of 1994 and may elect to participate in the voluntary separation incentive program established under such Act. Any employee of the State-owned railroad who meets the qualifications as described under the first sentence of paragraph (1) shall be deemed an employee under such Act.

"(B) An employee who has received a voluntary separation incentive payment under this paragraph and accepts employment with the State-owned railroad within 5 years after the date of separation on which payment of the incentive is based shall be required to repay the entire amount of the incentive payment unless the head of the State-owned railroad determines that the individual involved possesses unique abilities and is the only qualified applicant available for the position.".

(b) LIFE AND HEALTH INSURANCE BENEFITS.—Section 607 of the Alaska Railroad Transfer Act of 1982 (45 U.S.C. 1206) is amended by striking subsection (e) and inserting the following:

"(e)(1) Any person described under the provisions of paragraph (2) may elect life insurance coverage under chapter 87 of title 5, United States Code, and enroll in a health benefits plan under chapter 89 of title 5, United States Code, in accordance with the provisions of this subsection.

"(2) The provisions of paragraph (1) shall apply to any person who—

"(A) on the date of the enactment of the Federal Workforce Restructuring Act of 1994, is an employee of the State-owned railroad;

"(B) has 20 years or more of service (in the civil service as a Federal employee or as an employee of the State-owned railroad, combined) on the date of retirement from the State-owned railroad; and

"(C)(i) was covered under a life insurance policy pursuant to chapter 87 of title 5, United States Code, on January 4, 1985, for the purpose of electing life insurance coverage under the provisions of paragraph (1); or

"(ii) was enrolled in a health benefits plan pursuant to chapter 89 of title 5, United States Code, on January 4, 1985, for the purpose of enrolling in a health benefits plan under the provisions of paragraph (1).

"(3) For purposes of this section, any person described under the provisions of paragraph (2) shall be deemed to have been covered under a life insurance policy under chapter 87 of title 5, United States Code, and to have been enrolled in a health benefits plan under chapter 89 of title 5, United States Code, during the period beginning on January 5, 1985, through the date of retirement of any such person.

"(4) The provisions of paragraph (1) shall not apply to any person described under paragraph (2) until the date such person retires from the State-owned railroad.".

Mr. GRAMM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized to offer an amendment.

AMENDMENT NO. 1495

(Purpose: To establish a Violent Crime Reduction Trust Fund)

Mr. GRAMM. Madam President, I have an amendment at the desk, and I call that amendment up.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 1495.

Mr. GRAMM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

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SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

VIOLENT CRIME REDUCTION TRUST FUND

"(a) There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceeding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,423,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.

Mr. GRAMM. Madam President, I want to go back and recount where we have been on the issue that is the subject matter of the amendment which is before us.

I have offered an amendment, which consists of the text of the Byrd amendment which I cosponsored, on the crime bill, which has the objective of, after locking in a reduction in the Federal work force of 252,000 personnel slots, achieving a savings in the first 5 years of $20.8 billion, lowering the spending caps in the Federal budget to assure that none of that money is spent for other purposes, and then dedicating the $20.8 billion to a violent crime reduction trust fund to pay for a dual approach to try to rid America of violent crime.

One approach is putting 100,000 police officers on the street. The other approach is building prisons, adopting mandatory minimum sentencing, and asking States to enter into a partnership with the Federal Government to incarcerate repeat violent offenders in regional prisons which are to be constructed with the money contained in this amendment.

In order to participate, the States have to adopt certain policies, including a truth-in-sentencing provision which establishes a high ratio between the amount of time someone is sentenced to prison and the amount of time they actually spend in prison.

That, Madam President, is the subject matter of the amendment before us.

Let me relate the Senate's history on this issue because it is somewhat of a long history, and I think it will be helpful to understand why this amendment is so important to me. I hope it will be important to the Senate, and I hope it will become the law of the land.

On October 28 of last year, I offered the original amendment which set out in law the President's stated goal from the reinventing Government proposal to reduce the number of personnel slots in the Federal bureaucracy by 252,000, and to set out an enforcement mechanism whereby the Office of Management and Budget would make a finding concerning the level of actual full-time equivalent employment in the Federal Government.

If the OMB Director were to find that the level of full-time equivalent employment exceeds the level set out in law, then that would automatically trigger a hiring freeze that would stay in effect until the employment target is achieved and the attendant savings are realized.

The first Gramm amendment would have applied the entire $20.8 billion to deficit reduction. I remind my colleagues that when I offered that amendment on October 28, it was adopted on a very strong bipartisan vote, 82 to 14.

In November last year, when we were considering the anticrime bill, Senator BYRD, responding to a discussion of how we were going to come together on a crime bill where basically, Madam President, there were two approaches—the approach of Republicans was to build prisons, to impose mandatory minimum sentences, and to grab violent criminals by the throat to assure that every morning we do not have to wake up and open up the newspaper and find that a violent predator criminal who had previously brutalized or killed people is back out on the street and doing it again. We had an approach on the Democratic side to put more police officers on the street and institute a series of other reforms that were aimed at trying to deal with first-time offenders, trying to deal with some of the root causes of crime.

Senator BYRD and I lamented the fact that we had difficulty in funding both approaches. Senator BYRD came up with the idea of taking the text of my original amendment on Federal work force levels and using the savings from that amendment to fund the crime bill.

The Byrd amendment, which I cosponsored with many others, was adopted on November 4 of last year.

Then, at the end of the session, the original bill, to which I had attached the first Gramm amendment that set employment caps and saved $20.8 billion, came back over from the House without the Gramm amendment—despite the fact that Members of the House on two separate occasions had instructed conferees to accept that amendment and to save $20.8 billion. A conference occurred, it lasted for 5 minutes and the amendment was dropped.

The House then rejected that proposal and sent it back into conference. The amendment was dropped again. So despite the fact that the Senate voted 82 to 14 for my amendment, despite the fact that the House voted for it twice, it ended up being dropped from the House bill. Then last year, on the last day of the session, in one last attempt to see that we did not leave $20 billion on the table, a table which is often ransacked by people who want to spend money, I offered the amendment again. But my colleagues, in their zest to leave Capitol Hill and go back into America, rejected that amendment, I believe out of a fear that it would mean they might be forced to come back the next day or the next week.

Then when the bill that is now before us first came before the Senate in February, on February 11, Senator ROTH offered a substitute that contained the Byrd-Gramm language from the crime bill, with its many cosponsors, the amendment that created the crime reduction trust fund, and set in law the reduction in the Federal work force.

Now we have before us a bill which has provisions in it to pay people $25,000, or up to $25,000 to retire early, to try to meet the targets of reducing the size of the Federal bureaucracy.

The bill before us that has now returned from the House has part of my amendment in it. It has the employment reduction targets. It has the enforcement mechanism. But it does not have a reduction in the spending caps, so there is no guarantee that the money cannot be spent on just anything, and it does not have the crime trust fund.

What I am doing in my amendment today is putting us exactly back where we were when the Roth substitute was adopted. So that when we are providing a mechanism to reduce the size of the Federal work force with a buyout, we are certain the money saved is not going to be spent on conventional programs and that it is going to be available to be spent only for the purpose of reducing violent crime in America. So this is a subject we have voted on many times. It is a very important subject.

I have a growing suspicion, Madam President, that people do not intend to see this money spent to reduce violent crime; that there are those who intend to spend it on other things. I do not intend to see that happen. That is why I have offered the amendment today. I hope it will get a strong vote.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from Ohio.

Mr. GLENN. Madam President, I yield myself such time as I may require.

Madam President, the buyout bill, which is the basic bill we are talking about here, is very important. It has a great deal of urgency. We are beginning to run out of our available time window on this legislation as far as having it do any good and do what it was supposed to be able to do.

The administration has proposed that we reduce the Federal work force by some 252,000 people. I support that. But I want to do it in the right way. The reason that we want to do it in the right way is not just to say, well, we laid off 252,000 people. What we want to do is restructure the Federal work force.

By restructuring, I mean we have the wrong people in the wrong places right now, and this buyout bill we are considering is what will let us then make sure the people who are let go are not just out on a RIF, a reduction in force basis, but done in a way that will let us get the people out of Government we need out.

Now, what do I mean by that? Well, in the civilian sector, the normal manager-to-employee ratio is about 1 to 15, and in labor-intensive industry it may be 1 to 20 or even more. The Federal work force through the years has gotten topheavy with managers. The military had that problem some years ago. We called it brass creep, as we got too many officers in relation to the number of enlisted, and we put legislation forward that took care of that and got that ratio back into a more normal alignment.

What we have with regard to the Federal Government is a 1-to-7 ratio, and so the people we need to get out are the GS 13's, 14's, and 15's. There needs to be some incentive because they are not the people who are going to volunteer to get out.

So what we are going to do if we just have the 252,000 work force reduction and we do that by just normal attrition of the 11- or 12-percent turnover a year that happens in the Federal work force, we are going to lose the lower paid people who, by and large, are the minorities, the women who are at the lower pay scales in Government. It is going to be a very unfair matter.

That is the urgency behind this bill. We need this legislation in order to correct that imbalance in the upper levels of the GS ratings as opposed to the workers at the lower levels.

So we are beginning to run out of time because with the limitations that have been placed on the administration budgetwise, we have some of the departments of Government that right now are having to start RIF's, reductions in force, without this buyout, and it is going to leave us with the same unbalanced structure we have right now.

That is the urgency of this bill. When the bill came through before, the Senate acted on it but it attached the crime bill to it because as some of the savings came out of the GS cutbacks as reductions in force, the savings therefore were going to be put over into the crime bill.

Now, I voted for that before. The House objects to that strongly. And so they have sent the bill back to us with a changed formula, and we can accept the formula they have sent back to us, I believe, as far as how they structure the percentages that will be paid into this retirement fund. The $80 active employee contribution each year for up to 3 years from each department will be paid back into the civil service retirement trust fund, a 9-percent agency payment, 9 percent of the final year of salary for each retiring employee will come back into the fund also.

The House sent it back with no reference to the crime bill that we had sent over to them, and that is what the distinguished Senator from Texas, Mr. GRAMM, is proposing we put back in the bill today.

Now, in an ideal world, I would like to just accept the House bill and pass it, but I realize we voted for this before. There is general support for it in the Senate. And even though the administration in the form of a letter from the Vice President dated March 9 urges us just to pass the House bill so we can get on with dealing with the original problem of GS ratings I mentioned a moment ago, I doubt we are going to be able to do that. I am sure we will not be able to do that.

Madam President, I ask unanimous consent that the Vice President's letter be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Let me recount a bit of the history of this matter.

S. 1535, the Federal Work Force Restructuring Act, was first introduced on October 7 last year. On October 19, the Governmental Affairs Committee, which I chair, held a hearing on S. 1535. We marked it up on November 9. And on February 4, 1994, the House passed its version, H.R. 3345, and that bill was sent to the Senate.

The Senate then passed the substitute amendment to 3345 on February 11 and sent the bill back to the House. And so now we have the House version sent back to us again. This has been legislative ping-pong if I have ever seen it. But regardless of how many times we go back and forth, I think the game has gone on long enough.

The administration has stated repeatedly it desperately needs this Federal Work Force Restructuring Act so that Federal agencies can begin to downsize the work force by encouraging employees to resign or retire from Federal service. Agencies can downsize without resorting to reductions in force, to RIF's. And as private industry learned, unlike RIF's, buyouts also can streamline a work force without sacrificing morale or diversity.

We have had experience with that in the military over in the Pentagon in reductions in force. In addition, buyouts save agencies money because they cost less than layoffs.

The longer we wait to pass this bill the slimmer the opportunities become for agencies to use buyouts to down size in the way that we want them to down size.

The letter from the Vice President explains this also. Many agencies have said that the latest day they can use buyouts is March 15. Here we are March 11 referring to an amendment of the bill again. I just do not think we can continue to play around with the bill. We need to go to conference which we were willing to do some time ago. But it was up to the House at that time to call the conference under the rules under which we operate. So we never got to conference on it, and passing the bill with this amendment today will let us go to conference with it.

So while I would prefer to go with the House bill today so we could get into force as soon as we possibly could, I guess we are going to pass it today, I would be willing to accept this in the interest of getting on to the conference and accept it here.

I believe my distinguished colleague—correct me, if I am wrong—wants a rollcall vote on this particular amendment.

I reserve the remainder of my time.

EXHIBIT 1

THE VICE PRESIDENT,
Washington, March 9, 1994.

Hon. JOHN GLENN,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express the Clinton Administration's strong support for the House-passed version of H.R. 3345, the Federal Workforce Restructuring Act and to urge the Senate to expeditiously pass the bill. This legislation is needed immediately in order for the Executive branch to reduce, reshape and retool its workforce without large numbers of reductions in force (RIFs).

The Administration is committed to reducing the deficit and streamlining government with as few involuntary separations as possible. However, caps on agency budgets will force agencies to cut employment—with or without "buyouts." The question is whether we provide for a more orderly downsizing through buyouts, or suffer large numbers of reductions in force (RIFs). The down side of RIFs is well known: they are costly, disruptive, and strike younger workers, many of whom are recently hired women and minorities. Buyouts, coupled with early retirement authority, permit agencies to target employees in unnecessary high level jobs and maximize savings.

Time to realize savings through buyouts is running out. However, the earlier the buyout legislation is enacted, the sooner the savings can begin. With buyouts enacted in Fiscal Year 1994, agencies can still cover the costs of buyouts even if senior people take early retirement as late as the third quarter. Not only does the agency save salary and benefits costs in future years, but with the nine percent agency contribution to the retirement fund, the retirement system breaks even over the long run because early retirees take a permanent pension reduction.

> The bill as passed by the Senate included language from the Senate crime bill providing for the establishment of a violent crime reduction trust fund. As you know, the President strongly supports prompt congressional action on anti-crime legislation and the use of savings from reductions in the Federal bureaucracy to fund violent crime fighting activities. However, the Administration believes it would be more appropriate to consider the violent crime reduction trust fund in context of the crime legislation.
>
> I urge the Senate to pass H.R. 3345 swiftly. Passing this bill will demonstrate to the American people our shared commitment to lowering the deficit and the cost of doing business in the government. In short, the Senate will have taken a responsible step toward creating a government that works better and costs less.
>
> Sincerely,
>
> AL GORE.

Mr. GRAMM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. GRAMM. Madam President, I do not have a quarrel with my distinguished colleagues here today. But I have a big quarrel on this issue with some of the leadership of the House on the Democratic side of the aisle, and I am beginning to believe that I have a major quarrel about it with the administration. Every time we try to target this $20.8 billion, whether to apply it to deficit reduction, or use it to fund violent crime reduction, we are always running out of time. We were supposedly running out of time at the end of the last session.

So people who were for the amendment voted against it because they wanted the Congress to adjourn, and they did not want to be around here for two or three more days. The administration says that it wants to get tough on crime. But yet, it is increasingly clear to me that the administration does not want to dedicate the money that is required to do that.

The President came into office last year, cut prison construction by $580 million, cut FBI, and cut DEA. The Attorney General spent the entire year trying to overturn mandatory minimum sentencing, an effort that is still under way. Yet, the President in December had a conversion and endorsed the "three strikes and you are out" concept in the crime bill, and yet, when he submitted his budget this year, he cut prison construction again, he cut DEA again, and FBI funding is still below the projected level needed to maintain even the levels in the President's budget.

Now the Vice President who supposedly wants to pass our crime bill in supporting the President's position has sent a letter that says, well, look, this is an important matter, but we are running out of time. He says we shouldn't adopt this amendment because we are running out of time for passage of this bill. The House does not want to dedicate the savings from a limitation in the size of the Federal bureaucracy, either to hard deficit reduction or to fighting violent crime. They want to spend it on other programs.

Well, I understand running out of time. But I think the American people are running out of patience. With their opposition to this amendment, I am beginning to believe that the administration is not telling us the truth when they say they want our crime bill to become the law of the land. If we reject this amendment, our agreement on the crime bill is going to be overturned. I am going to believe that there is no intention when we come out of conference of having the Byrd language in that bill. And I believe that it is going to be important at that point for us to then begin the process of having a new crime debate.

So I hear that we are running out of time. I have no quarrel with any of my colleagues here. But my point is I believe the American people are running out of patience. I think they want to see this money either go to hard deficit reduction, or see it be spent fighting violent crime. We passed a bill with over 90 votes. This was a major element in it. Ultimately the House is going to have to support our position, or else this whole crime agreement is going to come apart.

So I am not running out of time. I am going to oppose this bill if it comes back without this provision in it.

I yield Senator ROTH 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. ROTH. I thank the distinguished Senator, Madam President. As he knows, I support the Gramm amendment, and urge its adoption. Its passage is essential to capture the $22 billion in savings created by this bill and dedicate it to fighting crime.

On Tuesday, after a 1-month delay, the House finally responded to the Senate amendment to H.R. 3345, the Federal Work Force Restructuring Act. The House action is curious in several respects. First, while the House suggests this is a matter of great urgency, it took nearly a month to respond to the Senate amendment.

Second, the House did not seek to clear in advance its amendment to the Senate amendment. As far as I know, the pending House amendment, which in some circles has been called a compromise, was fashioned unilaterally in the other body.

Third, the House amendment, and the statements delivered on the House floor in support of it, make no acknowledgment of the primary area of disagreement between the two bodies; namely, what is to be done with the $22 billion in savings realized from downsizing the Federal work force. The Gramm amendment would ensure that these savings are held available for the purpose of combating crime.

Today, the Senate takes action on this bill and does so without delay. It should be noted that while the other body complains about delay, this body has responded to the House actions on both occasions within hours—I emphasize within hours—of the House delivery of the legislative papers to the Senate. In contrast, the House has acted with total disregard of its own rhetoric of urgency. And the action taken by the House Tuesday, which completely ignores the primary area of disagreement, does not advance the cause but only forestalls the necessary resolution of the matter.

The Gramm amendment is not new to the Senate. Last November, the Senate in acting on the crime bill, agreed to an amendment offered by Senator BYRD that did three things: First, it ordered the reduction of Federal work force by 252,000 employees; second, it captured the savings from this downsizing, estimated to be approximately $22 billion by CBO, by lowering the discretionary spending caps by the amount of those savings; and third, it established a trust fund in a similar amount to be used exclusively for purposes of the crime bill that the President signs into law. The vote on this three-pronged amendment was 94 to 4.

Today, we are being asked to cast a vote on the identical provision that garnered a 94-to-4 vote last November.

On February 11, 1994, the Senate included this same amendment as part of the Senate substitute for H.R. 3345. At this time, 1 month later, this item remains as the only significant matter in disagreement.

Actually, the House has embraced the first of the three elements of the amendment by requiring a work force reduction of 252,000 employees. The disagreement is focused on the second and third elements. While the House would allow the $22 billion in savings to be spent on the general purposes of Government, the Senate bill and the Gramm amendment would fence off these savings from general appropriators by reducing the discretionary spending caps.

This is an important distinction. This legislation is a National Performance Review proposal "to make government work better and cost less." Normally, when you tell someone that something costs less, they expect to spend less rather than the same or more. The House bill, like the Senate bill, creates $22 billion in savings but, unlike the Senate bill, would turn the savings over to the appropriators to spend as they see fit.

How the savings are to be treated is not a question that can be avoided. Each House has a position. Those who suggest that the Senate position is unrelated to the legislation while the House position is related, unfortunately, do not understand how the budget process really works. If you reject the Senate language and the Gramm amendment, you allow the created savings to be spent on anything. If you agree with the Gramm amendment, the authority of appropriators is restricted. The choice cannot be avoided as unrelated. Whatever course is taken requires Congress to choose what to do with the savings.

One argument that is certain to be made is that Congress should wait until the crime bill goes to conference to determine how the savings from H.R. 3345 are to be spent. The problem is that if we accept the House position, the savings may not be available if and when that time comes; the appropriators are being besieged daily by demands for all sorts of causes. If we do not fence off the savings we create, there is no guarantee that no one will appropriate them before the crime bill is ready.

The Senate has acted twice to earmark these savings for a crime trust fund, once on the crime bill and once on this bill. Either time, it was possible to argue that the provision was misplaced. When the crime bill was before us, one could have argued that it was inappropriate to spend savings that had yet to be created. Now when the bill to create savings is before us, it may be argued that the crime bill is not finished, so we should put off consideration of the matter.

The Senate has rejected these circular arguments. However, it is my impression that some Members of the other body would like to catch us in a shell game in the hope that the provision survives in neither bill. Then, as the originator of appropriations bills, the House would have first choice on how to spend those savings. It is my opinion that the provision is most appropriate as part of the bill that creates the savings, because there are no savings without this bill. But for those who believe we should wait for the crime bill to include this provision, I would hope that they would see that it is necessary to escrow the savings by reducing the discretionary spending caps, lest the savings be spent before the crime bill is enacted.

The third element of the provision establishes a crime trust fund. It is important that my colleagues understand that this element does not enact the Senate crime bill in its totality. Rather, it merely creates a fund to which appropriators may turn to pay for the programs that both the House and the Senate must agree on in sending the crime bill to the President for signature. Upon enactment of the crime bill, separate appropriations legislation will be needed to spend the savings of this bill to fight crime. I mention this to assure the other body that if the Gramm amendment prevails, it still remains for Congress to decide how much money is to be appropriated for what crime program. What the Senate version and the Gramm amendment does is merely to assure that the funds are there to fight crime.

What is so bad about that? The President on several occasions has endorsed the Senate provision. It is time that the House finally faced the issue squarely. I urge adoption of the Gramm amendment and ultimately the endorsement of the President's wishes to use the $22 billion saved by downsizing the Federal work force to combat crime.

I reiterate, Madam President, once again, my strong desire to meet promptly in conference on this bill. I stand ready to expedite this conference committee, and I urge the House to do exactly the same.

I yield the floor.

Mr. GRAMM. I yield 4 minutes to the distinguished Senator from Florida [Mr. MACK].

The ACTING PRESIDENT pro tempore. The Senator from Florida is recognized.

Mr. MACK. Madam President, when I saw this debate begin this morning, I thought it was appropriate—since this is an issue of deep concern in my State—that I have an opportunity to speak. I have taken a headline from the Florida Times Union of February 24, 1994. The headline says: "Prison Math? 'Life' Equals 5 Months."

This is the result of a crime that took place some time ago in the State of Florida. The crime was committed by an individual who had been arrested 32 times, had 6 felonies, and was out on early release. He broke into a home, beat a woman, tied her up, stole her money, stole her car, was arrested; and under a new law in the State of Florida, he was given life in prison. That was 5 months ago. The individual is now being considered for early release.

I want to say that again. This person was arrested 32 times, had six felony convictions and committed another crime while he was out on early release. For his latest crime, this individual was sentenced to life in prison, or so we thought. Next Tuesday, March 15, just 5 months after this villain was sentenced to life in prison, the parole commission in Florida will hold a hearing to determine if this individual should walk free. How many more innocent victims must suffer until we stop turning out prisoners?

The people in my State and, frankly, people all over the country, are saying that one of the first things we ought to do to fight crime is we ought to just make those people who have already committed a crime, who have been sentenced, serve every single day of their sentence. That is a requirement that we placed in the Senate-passed crime bill. It is associated with the establishment of a Federal regional prison system that would make prison cells available for States like the State of Florida, where this individual would not be out on early release.

So I rise today in strong support of the amendment that has been offered by the Senator from Texas, which basically says if we are going to spend the money—not that we have to spend it—but if we are going to spend it, we spend it on crime only. I plead with my colleagues to support that amendment. People throughout the entire country and people in my State are saying we have to keep criminals off of our streets. To repeat, this person had 32 arrests, 6 felony convictions, broke into a woman's home, beat her, robbed her, stole her car, was caught, convicted, and given life in prison. In 5 months, he is up for early release—that is wrong.

I have sent a letter to the Florida Parole Commission urging that this individual and every other convicted criminal remain behind bars and serve their full sentence. There are evil people out there who must be locked up and kept away. This individual is one of them.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 11, 1994.

GENE HODGES,
Chairman, Florida Parole Commission, Tallahassee, FL.

DEAR MR. CHAIRMAN: On March 15, Curtis Head, currently serving a life sentence as a habitual offender for the July 1993 brutal beating and robbery of a Jacksonville woman will be considered for early release.

Mr. Head must not be released. He is a convicted felon who must remain behind bars for his full sentence, unable to prey on other innocent citizens.

It is a slap in the face of Mr. Head's victim Deborah Liles and every innocent victim throughout Florida to even consider this convicted criminal for early release. It was only five months ago he was sentenced to life for breaking into Deborah Liles' home and savagely beat her, robbing her of her possessions and more importantly, her freedom. Her life was never be the same, her wounds have just begun healing.

Yet in five short months, Mr. Head is already being considered for early release from prison. The last time this convicted felon was granted early release from a previous sentence, it took only 56 days to find his next victim, Deborah Liles. If Mr. Head is released from prison this time, how many days or hours will it take before another victim is brutalized, another family is terrorized, another life shattered?

Mr. Head and all criminals must serve their full sentence. Justice demands no less. Early release sends a loud and clear message to criminals: "do the crime and you won't have to serve the time." Instead of places for punishment, prisons have become revolving doors—a stop-off where criminals rest between crimes.

This injustice has to stop. I fully endorse the effort of Stop Turning Out Prisoners to end early prison release. STOP understands the system favors criminals over the safety of citizens. STOP is turning to the people of Florida to end early prison release because the justice system won't.

We can't wait for the passage of the STOP referendum to end early prison release and keep Curtis Head behind bars. He must stay behind bars now. It's time to send the right message to criminals: "do the crime and you will spend the full time." I urge you to keep Mr. Head locked-up and off our streets. Ms. Liles' safety and our safety depends on it.

Sincerely,

CONNIE MACK,
U.S. Senator.

Mr. MACK. In my State, there is an effort called STOP, Stop Turning Out Prisoners. It was put together by a group of victims of crime that have said enough is enough, it has to stop. I ask my colleagues again to support the Gramm amendment. We have to keep violent criminals off of our streets.

I yield the floor.

Mr. GLENN. Madam President, I yield myself such time as I might require.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. GLENN. Madam President, I would like to inquire of the Senator, because this brings up a point I brought up in previous debate on the crime bill. Forty-nine percent of the prisoners in our States are nonviolent prisoners. They could just as well be put in low-cost facilities, whether inflatable dome structures or Quonset huts or Butler buildings, like millions of Americans have lived in for many years of their lives.

I had an amendment in the crime bill that advocated States looking at this and trying to put as many prisoners as possible into that type of facility. We are doing a little bit of that in Ohio now. I talked to the Governor about it a couple of years ago, as a matter of fact, and they are now using some of these inflatable structures, like we see used for tennis facilities in the country. We could get people in and keep them in.

I saw a TV program where, I believe, in the State of North Carolina, of the sentences given to prisoners, one-twelfth of the sentence is the average served. It makes a mockery out of our criminal justice system. We spent a lot of money. We are going to put 100,000 new police on the streets. I do not quarrel with that, but we have police arresting people now that are not taken care of. Then we put more money into our system to make sure all their rights are protected. Then they stand up in front of a judge and get a sentence, and they should be put away. Where do they go? Into prisons that do not have space. Then we have to turn somebody out to put somebody else in. Obviously, the State of Florida, with somebody like this, who is a criminal of this magnitude, should turn somebody else out that is a nonviolent person to get this person in.

I want to create as many of these prisons as we need to take care of the violent prisoners, but I think we can do an awful lot in this regard by putting the nonviolent prisoners into the lesser facilities where they do not need all the expensive cells. The average cost is between $50,000 and $100,000 per cell for high security prisons of the type that are needed for the criminals like the distinguished Senator from Florida is talking about. It just points up the need.

I just wanted to point up the need for getting our prisoners that are nonviolent prisoners into lower-cost facilities. Do not keep them in the high-security prisons that are needed for things exactly like the Senator from Florida is talking about.

I reserve the remainder of my time.

Mr. SARBANES. Madam President, will the Senator yield me time?

Mr. GLENN. I yield to the Senator from Maryland 8 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. SARBANES. Mr. President, I thank the chairman of the committee for yielding me time.

I want to speak to the underlying bill, the buyout bill, and underscore its urgency and its necessity.

We are moving further and further into the fiscal year and, of course, as we do that the opportunities to utilize the buyouts and achieve the savings that are connected with them diminish and diminish. Eventually it will be a moot point.

The House originally passed a buyout bill in which they waived the Budget Act. They did not pay for it in the short run because they recognized that over the long run there are enormous savings to the Government to be achieved by this legislation.

Consequently, they originally passed a bill by a vote of 391 to 17, representing virtually unanimous bipartisan support. The House was able to produce such a majority because they recognized that moving employees off the payroll voluntarily through this separation incentive would, in fact, achieve very significant savings to the Government over time and would also achieve reductions in many of the middle and senior management levels, which is exactly where the national performance review has identified excessive layers of higher paid personnel.

One of the Senate's objections was that the bill was not paid for and, of course, what the House has now done is send us a bill that is paid for. CBO has scored this legislation as budget neutral over 5 years.

Let me just address the problem with reducing the Federal workforce if we do not seek to achieve these reductions through a voluntary separation incentive program. The alternatives are two.

One is a reduction in force, a RIF, which is really a slash-and-burn approach with potentially devastating consequences for thousands of employees across the country and for the activities of the Federal agencies. In fact, I do not know of anyone who argues that this is a preferable way to achieve reductions in the number of employees as compared with the voluntary separation incentive program proposed in the legislation before us.

RIF's, as we know, are likely to undermine morale in the Federal workforce. They may also result in losing the very people you want to keep, the lower-level people, the people most recently hired, the ones, in effect, who have a future—or so one hopes—in the Federal service. They would also impact adversely on the diversity of the work force. When you really think about it, RIF's are very costly in terms of work disruption, low morale, reemployment obligations, and administrative costs.

What the voluntary separation incentive approach does, the so-called buyouts, is to enable agencies to target reductions in the workforce in a way that can improve the efficiency of their activities. Buyouts permit agencies to target organizations whose products are no longer needed, without harming organizations with higher priorities. It enables them to reduce middle management and overseers while still preserving vital front-line workers upon whom the agencies depend to actually provide the services.

The other approach is a combination of a hiring freeze and attrition.

These are the three approaches: RIF's, a hiring freeze and attrition, and voluntary separation incentives or buyouts. I have discussed the problems associated with the RIF's; I think everyone recognizes the impact on morale, work disruption, and reemployment obligations. They impact adversely on the workforce and do not really thin the workforce in the very places where you seek or need to do it.

Next is a hiring freeze combined with attrition, which means that as people leave the Government their positions are not filled. Again, most of the reductions come at the lower levels. You do not really get at the excess numbers of managers and higher-grade specialists through this approach. It also takes a longer period of time in order to achieve the desired reductions. In fact, it is estimated that a hiring freeze would require virtually 3 years to get the kind of numbers that we are trying to achieve in 1 year.

The buyouts allow an agency to target employee reductions in contrast to these other two approaches, RIF's or a hiring freeze and attrition, both of which are tremendously disruptive to the workforce. The voluntary separation incentives allow an agency to target employees in surplus high-level positions, thereby maximizing savings. It is the quickest, cheapest, and the most effective way to downsize the Government with a minimum disruption of services, while maintaining managerial flexibility in delivering services and in administering the workforce.

We have used the voluntary separation incentives before. They were, in fact, authorized for the Department of Defense only last year. They have proven very successful. DOD's experience with buyouts is instructive. The Department has successfully used buyouts to cut its workforce. In fact, about half of the workforce reductions it achieved in fiscal 1993 were through the buyouts; the other half were achieved through normal attrition. Consequently, DOD suffered no real disruption to their workforce and no adverse impact on morale.

It is important to recognize that this is a technique also used extensively in the private sector. Seventy-nine of the Fortune 100 companies have offered their employees separation incentives, including corporate giants like General Motors and IBM. Furthermore, private sector separation incentive packages have typically been more generous, significantly more generous, than those proposed in this bill.

A survey by the University of Michigan in September 1993 found that the maximum separation incentive offered in this bill is 44 percent less than the mean—in other words, right in the middle—of the incentive packages offered to private sector workers by these large Fortune 100 companies.

In effect, the maximum benefit offered in this bill is at the mid-point of what these private companies are offering their people and, furthermore, DOD's average payout was less than $18,000, well short of the maximum that this bill provides.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. SARBANES. Madam President, how much time is remaining on this side?

The ACTING PRESIDENT pro tempore. Nine minutes 54 seconds.

Mr. SARBANES. I yield myself 1 minute and 54 seconds.

The ACTING PRESIDENT pro tempore. The Senator is recognized for an additional 1 minute and 54 seconds.

Mr. SARBANES. Finally, let me just close with this observation. The long-term salary savings from work force reductions will, in fact, far exceed anything that can be achieved under either the RIF or the attrition and hiring freeze approach. The clear superiority of buyouts as a work force reduction tool, in addition to the cost consideration, are significant nondirect cost factors, such as the ability to target the reductions, thereby maximizing work force efficiency as well as diversity, minimizing the disruption of the agency mission and maintaining work force morale.

So, Madam President, I close on the point on which I began, and that is the urgency now of achieving this buyout legislation. The further we move into the fiscal year, the less value buyouts have, because the offsetting benefits from the savings which result from not paying out the salary and benefits diminish with each pay period that goes by. Of course, in the lower-grade jobs, you are at that point now. The cost of the buyout is potentially higher than the savings that will be achieved in the current fiscal year. This negates it as a tool to be used to achieve our objective of reducing the work force, but in a way that is rational, sensible, and accomplishes this objective without having a negative impact on the workings of the Government.

As I indicated at the beginning, the House originally sent us a bill that was not paid for. They recognized the logic and the rationale of trying to move this thing forward and, in fact, they waived the Budget Act on a bipartisan basis with a vote of 391 to 17.

Objections were raised on this side regarding the pay-go issue, and the House has now sent us a bill that addresses the pay-go problem. This is an important step forward, it seems to me, in terms of some of the objections which have been raised on this side to moving the buyout legislation.

So I again close by underscoring the importance of getting this buyout provision into the law so we can move forward with a sensible, rational restructuring of the Federal work force.

I thank the Senator for yielding me time.

Mr. GLENN. I thank my distinguished colleague for his comments.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ROTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Delaware.

Mr. ROTH. Madam President, I just want to point out that we all agree as to the urgency and the importance of getting this matter resolved.

But it is also important to understand that it has been the House that has been delinquent. This body has acted within hours on two separate occasions on moving this legislation, as we are today.

I have already had a discussion with my distinguished chairman. We are hopeful that, when this is reported out, we will have a conference within days; that it will begin early next week. Because we agree with the Senator from Maryland that it is important to resolve the matter.

But my concern and unhappiness has been that the other side, the House, has talked about urgency and yet has failed for over a month to call a conference, as is the normal procedure in this kind of situation. But the important thing is, time is of the essence and we are ready to act.

Mr. GLENN. Madam President, I did not yield time.

Was that taken out of my time?

The ACTING PRESIDENT pro tempore. The time was charged to the Senator from Ohio.

Mr. GLENN. I am sorry I gave that impression.

How much time do I have remaining and how much time is remaining on the other side?

The ACTING PRESIDENT pro tempore. Without objection, the time that was used by the Senator from Delaware will not be charged to the Senator from Ohio.

The Senator from Ohio has 6 minutes.

Mr. GLENN. How much time is remaining on the other side?

The ACTING PRESIDENT pro tempore. The Senator from Texas has 4 minutes and 38 seconds.

Mr. GRAMM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. GRAMM. Madam President, we just had a very good and important discussion of what is at issue in the bill.

Let me say to our colleague from Maryland, I am for the buyout provision. I do not want to lay people off. I would rather try to use market incentives. I am delighted that the House has set up a fiscally responsible way of doing that by requiring agencies to absorb the cost.

I agreed to a time limit. I in no way want to hold this bill up.

But let me tell you, there is a greater emergency. We are faced with a greater time limit than just passing this bill. The greater emergency is that we have a criminal justice system which is the laughing stock of every hoodlum in America. We are going to have an opportunity today to take an important step toward fixing that.

I have offered an amendment that has previously been adopted in the Senate on several occasions. It is an amendment which has been endorsed by the House on two separate votes. It simply says this: With the $20-plus billion that we will save through employment caps, achieved with the buyout provisions in this bill to facilitate an efficient reduction in force, which everybody here, as far as I know, supports; with that $20-plus billion, there should only be two options: One, reduce the deficit and not allow one penny of this money to be spent on conventional Government; or, two, if it is spent, it has to be spent on dealing with violent crime.

So we take the money and put it into a violent crime trust fund. We lower the spending caps so it cannot be spent for other purposes.

Now, the issue here basically boils down to two things. First, it seems that the basic Democratic leadership of the House does not want to build these prisons. That is the first issue. The second issue is, they desperately want to spend this money on something else. I am trying to prevent that from happening.

I would just like to urge my colleagues, before I yield to my colleague from Utah, to look at the example that Senator MACK gave us. He spoke about a violent predator criminal in his State who has committed 32 crimes, who has been convicted of 6 felonies, who broke into a peaceful home in a peaceful neighborhood, beat up a pregnant women, and took her car. He was arrested, convicted, sentenced, and he is about to be let out of prison after just 5 months.

Does anybody believe that he is not going to go out and do it again? Now, maybe some Members of the House believe that their homes are safe and that it is not going to happen to them.

What I have proposed today is an amendment that will let us start addressing this problem by building prisons, by entering into a partnership with the State of Florida and every other State, and by asking them to have a truth-in-sentencing provision so, when somebody is sent to prison for life after having committed numerous felonies, they serve the life term.

That is what the issue is about. If you want to do something about it, first vote for my amendment today and then join me in opposing this bill if it comes back from the House without this provision in it.

I yield the remainder of my time to the Senator from Utah.

The ACTING PRESIDENT pro tempore. The Senator from Utah is advised that there is less than 1 minute remaining.

Mr. HATCH. Will the Senator from Ohio yield me a few minutes?

Mr. GLENN. Madam President, how much time is left?

The ACTING PRESIDENT pro tempore. There are 50 seconds left on the side of the Senator from Texas and 6 minutes to the Senator from Ohio.

Mr. GLENN. I yield 2 minutes to the Senator from Utah.

Mr. HATCH. I thank both of my colleagues.

Madam President, I want to personally congratulate and express my appreciation to the distinguished Senator from West Virginia, who helped to establish this Byrd amendment, and the distinguished Senator from Texas, from whom the idea came to begin with.

We are talking about whether or not we are going to make a difference against crime in this country. Everybody here knows that the President, without this amendment, is going to have to abide by the budget formulated by OMB that cut the FBI, cut the DEA, cut the Justice Department, and cut the prosecutors at a time when we are all talking about trying to do something about crime.

Now, I know the President would prefer to have this amendment; so would anybody who wants to be serious about crime. This is the way to pay for it and it comes right out of Vice President GORE's suggestion.

It took a very ingenious set of Senators to come up with this methodology of paying for our anticrime bill. We all know what the big ticket items on that bill are going to be. I think both Democrats and Republicans have worked very hard on this crime bill and it would be absolutely tragic if we pass a great, big, grandiose, important, workable crime bill and then not put the moneys there so it can work.

I commend the distinguished Senator from Texas because he has, almost singularly, worked on these budget issues to find the moneys to be able to do what really needs to be done and he deserves a lot of credit as does my friend and colleague from West Virginia, without whom we would not be here today.

This amendment is extremely important. It is one we simply have to have. I know my colleagues in the House are upset about having it on here but they themselves ought to be wanting to fund the anticrime efforts in this society and to do it in a straight-up fashion, like the amendment the distinguished Senator from Texas is filing here today.

(Mr. MATHEWS assumed the chair.)

Mr. HATCH. Mr. President, this is a good amendment. If we are serious about crime, we have to do something about it. This is an amendment that will do something about it. In all the time I have been here, for the first time we will be able to have the moneys that will really make a difference against the criminal activity in this country that is ripping our country apart.

The Gramm amendment establishes a violent crime reduction trust fund and affirms the Senate's position that savings earned through personnel reductions must be used to fund the crime bill.

I was pleased to help craft this amendment when it passed as an amendment to the Senate crime bill last fall under the able leadership of the distinguished leadership of the Senator from West Virginia. I was also encouraged when it passed without opposition as an amendment to an earlier version of the buyout bill.

Regarding the buyout bill, I have expressed an interest in limiting the availability of buyouts to law enforcement agencies to those cases where the agency replaces any participating agent with a new agent. It is my understanding and hope that the conferees will visit this issue during conference.

Opponents of the Gramm amendment argue that this amendment should be dealt with during the crime bill conference rather than as a part of the buyout bill. Yet, given the seriousness of our Nation's crime problem and the troubling law enforcement cuts contained in the President's fiscal year 1995 budget, I believe it is critical that the Senate take steps to settle this issue.

Mr. President, resolving this matter as part of the buyout bill is not premature. In fact, President Clinton has already stated his support for using reductions in the Federal bureaucracy, which the buyout bill facilitates, to pay for the crime bill. At a recent speech before law enforcement officers in Ohio, President Clinton specifically enforced this concept saying, "I think it's a good swap."

At the same speech, President Clinton talked tough about crime, saying, "I care a lot about this problem."

Alluding to his years as a State attorney general and Governor, the President went on to say:

> I know what it means to double the prison capacity of a state, and to sign laws toughening crimes, and to * * * add to the stock of police officers and to deal with all the problems that are facing them. I know this is a tough problem. I also know it is a complicated one. It's easy to demagogue, easy to talk about, and quite another thing to do something that will make a fundamental difference in the lives of the people of this Country.

Creation of the violent crime trust fund will insure that we do in fact make a difference in the fight against violent crime. Yet, I am concerned that if the Senate fails to act on this amendment, the crime bill may not be fully funded. After all, President Clinton has delivered to Congress a budget that cuts Federal prison construction by nearly 30 percent, a $78 million reduction, cuts Federal law enforcement personnel, and cuts existing grants to State law enforcement. Frankly, the President's budget does not reflect the rhetoric of enthusiastic support for crime control and law enforcement he espouses. For this reason, I believe we must resolve the crime bill funding mechanism sooner rather than later.

The fiscal year 1995 budget cuts 1,523 Department of Justice law enforcement agency positions.

According to the Justice Department budget summary, the Federal Bureau of Investigation loses 847 positions, the Drug Enforcement Agency loses 355, the Department's Criminal Division loses 28, the Organized Crime Drug Enforcement Task Forces lose 150, and Federal prosecutors lose 143 positions. Absent the fiscal year 1995 budget cuts, there are still 431 fewer FBI agents and 301 fewer DEA agents today than there were in 1992.

At a time when violent crime and drug control are said to be national priorities, these cuts will reduce the effectiveness of Federal law enforcement, and the President's budget acknowledges this. The administration's own budget figures reveal that Federal prosecutors will be filing 527 fewer criminal cases in fiscal year 1995. The Organized Crime Drug Enforcement Task Force Program, cut by over $12 million, will investigate, indict, and convict fewer criminals.

Existing State and local law enforcement block grants, which police have been counting on, are also cut by over

$400 million in order to fund the crime bill's proposed police hiring program. As I stated earlier, the money to pay for the police hiring program is supposed to come from savings earned through personnel cuts not from existing law enforcement grants. Crime emergency assistance grants have been cut by $222 million, the missing children's program is cut by nearly $3 million, and regional intelligence sharing grants have been cut by $14.5 million to pay for the administration's community policing program.

Ironically, when it suits the administration's purpose, they will defend the preservation of Federal prosecutors and law enforcement strength. In testifying against the balanced budget amendment, Attorney General Reno recently stated that preserving adequate funding for the FBI, DEA, and U.S. attorneys' office are what our Nation so desperately needs to fight crime aggressively. She went on to state that the effect of cuts on Federal law enforcement could be "catastrophic."

At this same hearing, Attorney General Reno discussed the importance of adequate staffing for the Justice Department. She said:

> I try, when I travel to different districts, to visit with the United States Attorney's offices. I ask one question when I go to these offices to begin a discussion. If you were Attorney General of the United States, what would you do to improve the operation of this office? And consistently they said we need more staff in the civil and criminal division.

There is a substantial increase in overall funding for the Department of Justice. Yet, instead of spending this money on Federal criminal law enforcement agencies, a bulk of this money goes to fund the Department's assorted civil branches. For example, the Department plans to bring more civil suits, 450 more cases, and more antitrust suits, 33 new positions are created. The Department plans to bring more environmental and natural resource cases, nearly 900 more cases given an increase of 78 positions.

There is clearly a need for fiscal restraint. Recognizing the need to address the budget deficit, Attorney General Reno has expressed a willingness on behalf of Federal law enforcement agencies and prosecutors to do their part to regain control over our Nation's financial well-being. But, in a budget of $1.5 trillion, priorities can and must be met. We must ensure that the sacrifices we ask law enforcement to make do not impair the Government's ability to meet its obligations to our Nation's law abiding citizens.

Cutting Federal criminal law enforcement positions, prison construction, and existing law enforcement grants programs is an unwise choice, especially in light of our Nation's crime problem. It is also certainly inconsistent with the President's stated position and the bravado we are hearing from the administration. For this reason, the Senate must adopt the Gramm amendment so that we can guarantee that the crime bill and the administration's promise to fund it are not an empty promise.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, in the short time remaining let me bring us back to the need for the buyout bill because I think it is important. It is important to all the people in civil service, the people who really make the Government run.

What has happened is basically out in the Federal workforce we have an imbalance between the managers and the people at the lower levels. When we do this 252,000 reduction which the administration has proposed, which I certainly support, if we do not have the buyout bill, we are going to get the wrong people out. We are going to have the people in the lower GS ratings, a high proportion minorities and women, who will be the ones forced out of Government while the people in the GS–13, –14, –15 levels will be the ones who stay in.

The imbalance there is we have about one manager for each seven Federal employees now. Business and industry have a ratio of about 1 to 15, 1 to 12 or 1 to 15 or in some labor-intensive industries, 1 to 20 is the ratio between managers and the rest of the employees. So what we want to do with this buyout bill is give the option to the administration, not just to go through RIF's, reductions in force, in which the lower level people will be the ones forced out. What we want is to give them the option to correct this imbalance. That is what this buyout bill would do.

The crime bill, of course, needs its funding. I supported that before and I support it again now. With the moneys saved out of the changes in the civil service ranks, the money saved through the years can go over into the crime bill which the Senate has voted in favor of before. So that is what the distinguished Senator from Texas has put back in.

I support that. I offered to accept the amendment. As I understand it, he still wants a rollcall vote on it, so I will be prepared to yield the remainder of my time.

Mr. ROTH. If the Senator will just yield the few seconds he has because I think the record should be clear we are all concerned and interested in downsizing in the most compassionate, humane way possible. That is the reason our committee has been concerned about this matter. It is the reason several years ago I came out with an early-out, to help "right size" Government.

We are all in agreement with the principles and goals of trying to downsize in a way so those who leave have a choice, so they are treated humanely, and it accomplishes the goals of retaining those employees necessary for good government.

Mr. GLENN. That is correct.

Unless there is further comment, time is passed, 10 o'clock, when we were going to vote. I yield the remainder of my time.

Mr. President, I ask unanimous consent the vote on the Gramm amendment occur at 10:25.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I rise today in strong support of the Federal Workforce Restructuring Act. This bill will ensure that we streamline Government as efficiently as possible. Reducing the Government work force through this legislation will permit agencies to target employees in unnecessary high level jobs and maximize savings. This will help meet the administration's goal of reducing the total Federal work force by approximately 252,000 employees over the next 5 years. This is a sensible and rational proposal for restructuring the Federal work force. Additionally the money saved through this downsizing effort will be targeted to help finance the omnibus crime bill which will help fund 100,000 additional police officers on the streets and ensure more effective punishment for criminals. I urge my colleagues to support this important legislation.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], the Senator from Connecticut [Mr. DODD], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Maryland [Ms. MIKULSKI], are necessarily absent.

I further announce that, if present and voting, the Senator from Delaware [Mr. BIDEN], would vote "aye."

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 90, nays 2, as follows:

[Rollcall Vote No. 56 Leg.]

YEAS—90

Akaka
Baucus
Bennett
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simpson
Smith
Specter
Stevens
Thurmond
Warner
Wellstone
Wofford

NAYS—2

Hatfield
Simon

NOT VOTING—8

Biden
Campbell
Dodd
Durenberger
Harkin
Kennedy
Mikulski
Wallop

So the amendment (No. 1495) was agreed to.

Mr. GLENN. Mr. President, I move to concur in the House amendment, as amended, request a conference with the House on the disagreeing votes of the two houses, and that the Chair be authorized to appoint conferees.

The motion was agreed to.

The PRESIDING OFFICER. Under the previous order, the Chair appoints the following conferees.

The Presiding Officer appointed Mr. GLENN, Mr. PRYOR, Mr. SASSER, Mr. ROTH, and Mr. STEVENS conferees on the part of the Senate.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

NATIONAL SECURITY STRATEGY

Mr. THURMOND. Mr. President, last week the Armed Services Committee held hearings to receive testimony from the commanders in chief, or "CINC's," of the major regional and operational commands. The CINC's are the officers who will carry out combat missions in their theaters should conflict arise. One troubling conclusion that emerged from these hearings is the apparent lack of a sound, well-conceived national security strategy. At the same time a major news story appeared in the Washington Post which supported my fears that the administration lacks consensus and coherence in its approach to national security strategy. This is disturbing because a coherent, overall strategy should provide the basis for judgments about the resources devoted to defense and the force levels required.

How much Defense spending is enough in today's still dangerous world? How much security can we afford in today's economic climate? An agreed-on strategy can give us standards by which to answer these questions. It can provide consensus on what military spending should actually buy, and clarity about what we must defend. Without such standards, one man's budget cuts are just as valid as another man's increases.

Sooner or later America is going to face another test of the Nation's military capacities and national leadership. That test may be severe, and may come in a time, place, and circumstances not of our choosing. Perhaps it will come again in the Persian Gulf, perhaps in Korea, perhaps in the Balkans. But let there be no doubt, such a challenge will come.

Before the Nation confronts another challenge that demands American lives and resources, I believe the Congress and the executive branch must do better in making the case to the American people for maintaining a strong military, and what is expected of it.

In 1986, Senator JOHN WARNER, one of the Armed Services Committee's most prominent members, introduced the National Strategy Act which required the President to send to the Congress a report at the beginning of each year laying out the national security strategy of the United States. The purpose was to provide the Congress a solid foundation for decisions on Defense budgeting, programs, and force levels. Senator WARNER's legislation was incorporated into the Goldwater-Nichols Department of Defense Reorganization Act, which I supported.

The executive branch has not always met the requirement to submit the strategy document, and even when submitted it has generally been late. In addition, the National Security Strategy report has seldom met the expectations of those of us who participated in passing the Goldwater-Nichols Act. Nevertheless, the requirement for a national security strategy document was a step in the right direction.

I am taking this occasion to call upon the President to give the National Security Strategy report the attention it deserves. Moreover, I hope he and his national security advisors will go beyond a narrow vision of national strategy and a pro forma compliance with the act. In consultation with the Congress, I would like to see the Secretary of Defense and Secretary of State avoid parochial squabbling, and get involved jointly in developing overall national strategy. The joint effort would aim first at achieving consensus on the lasting principles that undergird our foreign policy, and clarify the vital interests which must be protected by military power. Second, it would identify potential threats, insofar as they can be identified in today's rapidly changing world. Then logically would follow the national security strategy to defend those interests, encompassing all the Nation's resources, diplomatic and economic, as well as military. From that would flow the national military strategy and state of the forces, which would deal with the specifics of funding, military capabilities, force structure, and doctrine.

Approaching strategy in this coherent way will give us the clarity needed to determine how many and what kind of forces we need. Without such clarity, it will be increasingly difficult to sustain public support for Defense spending, or public support for military intervention abroad when necessary to defend the Nation's interests. I reiterate that without a clear assessment of vital interests, threats, and military requirements, there is no basis by which to properly evaluate budget cuts or assess the adequacy of resources available.

Mr. President, in response to my call for a more coherent approach to national strategy, I expect the administration will cite the Bottom-Up Review conducted by former Secretary Aspin. It is not my intention to offer a full critique of the Bottom-Up Review, which in some respects was useful. At least it showed an effort to come to grips with some of the issues I have raised. However, in my opinion it was inadequate in many respects.

To begin with, it was not a true bottom-up review: it did not start at a zero base and build force requirements from that point. It appears instead to have started with a budget figure, and then constructed a force posture to justify it. It did not clarify the most vital U.S. interests to be defended. It did not adequately address the Clinton administration's commitment to a greatly expanded role in U.N. peace operations, nor set limits on U.S. peacekeeping and peace enforcement missions. Its underlying assumptions about the future of the former Soviet Union are not clear, and it did not adequately assess the possibility of a renewed threat from Russia if democratic reforms fail.

Despite the end of the global threat from Soviet imperialism, the world remains dangerous, uncertain, and unpredictable. Though uncertainty is increasing, that does not relieve us of the need to prepare for crisis. Today's uncertainty obligates us to prepare for the defense of the Nation and our interests as much as the cold war did. Yet today we have far less agreement on what those interests are, and how we should defend them. The tensions that divide us must be resolved before they grow to undermine the foundations of national security.

Chief among those tensions is the issue of intervention in foreign conflicts. It is clear that America cannot live apart from the world's problems, which to a greater or lesser extent are our own. Today's new isolationists should remember that America, a maritime, trading Nation, has found it necessary to take military action abroad many times, even when the homeland was not directly threatened. We waged an undeclared naval war with France in 1797, defeated the Barbary pirates, fought Mexico and acquired new territories in the Southwest. We sent a naval force to Japan in 1854 to open up trade with that reclusive nation. We went to war with Spain and acquired new territories far beyond our traditional sphere of influence. We fought the Boxers in China, and sent Marines to Haiti and Nicaragua in the 1920's.

However, it should be clear to everyone but the most determined globalists that righting all the world's wrongs is impossible. Trying to do so will only leave us confused, weakened, and overextended so that we would not be able to meet our first responsibility, assuring our own safety and security. The American people understand this. They have made it clear they are not willing to substitute globalism for the primacy of America's interests as the foundation of U.S. foreign policy.

A second major tension is using the Defense budget to pay for domestic and social programs. Taking money intended for Defense does have an impact on our capabilities, and those who have succumbed to this temptation should remember that threats to America still abound. There are times when diplomacy by itself will not suffice and we will need a strong military to defend our interests.

On the other hand, we cannot give the Pentagon a blank check. We must also remember that war has shaped the modern collectivist state as much as any other influence. Perhaps it had to be; harnessing the Nation's resources to wage five major wars in this century, plus the cold war, required a powerful and therefore intrusive state. But supporters of a strong defense should never forget that the growth of centralized government and loss of individual liberty comes also from the warfare state as well as from the welfare state.

I believe that we as national leaders have a moral obligation to those who put their lives in danger for the Nation, to resolve these tensions and define clearly for what the Nation expects them to fight and possibly die. We need to do a better job of establishing national purpose and priorities, and giving direction to the services concerning what we want to achieve with U.S. military power, either by itself, or in concert with other Nations.

Mr. President, some of my colleagues might ask, what is the point of this philosophical discussion? For the skeptics who see no need for more clarity and consensus in our national security strategy, let me move from the abstract to the concrete. After all, I hope what I am advocating is practical, and will contribute to better decision-making in defense and foreign affairs.

First is the issue of defense spending. We recently passed a $10 billion emergency supplemental appropriation, which contained $1.2 billion to pay our bill for peacekeeping in Somalia, Haiti, and Bosnia. Those bill payers included $850 million in rescissions from the 1994 Defense budget. Important Defense programs were slowed or canceled because of these rescissions. But is this expenditure a better use of scarce Defense dollars than ballistic missile defense, for example?

The administration's fiscal year 1995 Defense budget request supposedly boosts readiness spending by $5 billion. But only about 20 percent appears to be devoted to genuine readiness and training of the forces. Perhaps this allocation is appropriate, but without more clarity for which the forces are getting ready, who can say with authority?

Regarding Somalia, our combat forces will be out by the end of March, and within weeks of our departure I expect Somalia may revert to clan warfare, followed by the hunger and disease that brought us there in the first place. In short order, it will be as if we had never gone to Somalia. Yet this operation cost 30 Americans dead and 130 wounded, and nearly a half billion dollars, much of it taken from operations and maintenance accounts or key Defense programs. Had we gone through the national strategy and state of the forces exercise I am calling for, we might have been able to determine in advance if Somalia was worth this high price.

Last week in Bosnia we have taken the first steps of a possibly wider military involvement. I support the limited intervention by NATO to lift the siege of Sarajevo, and the enforcement of the no-fly zone over Bosnia. But I cannot help but ask: where will these steps lead? How many American dead and wounded are we prepared to accept? How many scarce tax dollars are we prepared to expend? Do we have vital national interests at stake, and if so, what are they? I am not saying we have none, only that we need to have clarity and consensus before we ask the American people to send their loved ones into the third Balkan war in this century.

As much as we might wish otherwise, the world of the future will not be a peaceful world. There will be "wars and rumors of wars." America and North Korea are on a possible collision course. South Africa is headed toward possible break-up and civil war after the April elections. Iran and Islamic revolutions may challenge the United States in the Persian Gulf. The future will not be forgiving if we blunder into conflict blindly, or fail to act when our interests are challenged. We had better start now to build consensus on America's interests in the world, develop a coherent strategy to defend them, and ensure the means to carry it out.

Mr. President, I intend to offer additional thoughts from time to time on important questions of defense policy and strategy, which I hope will contribute to the national security debate by illuminating first principles. These principles abide, even in today's uncertain and changing world. They determine Defense budget decisions—or should. They can give us a fixed reference point in these difficult and challenging times. Unless we return from time to time to these abiding principles, we run the risk of wasting precious American blood, treasure, and moral energy on barren concepts unconnected to America's needs, or to the cause of liberty and justice in the world.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER (Mr. WOFFORD). The Senator from Pennsylvania.

NATIONAL COMPETITIVENESS ACT

Mr. SPECTER. I thank the Chair.

Mr. President, I have sought recognition for a few moments to state that I intend to oppose cloture on the National Competitiveness Act of 1993. I would like to articulate my reasons for that judgment, because I think that opposing cloture, otherwise known as a filibuster, should be employed only on rare occasions in the Senate, because I firmly believe in the majority rule, that is 51 votes out of 100 and not to require 60 votes.

But I have come to this conclusion because of my views that this bill is too expensive in its present form, but fundamentally on my response to the tactics of the majority.

Last night's debate I found very unfortunate. I decided not to respond in the heat of the moment, but to reflect on the matter overnight.

But, essentially, the Senator from South Carolina, who is on the floor, I found his comments about the Senator from Missouri unwarranted, unprofessional, and unsenatorial. The Senator from Rhode Island commented at greater length yesterday and I do not intend to say anything further.

But the manager's position and the majority's position reminds me of what happened on the stimulus package last year when, with great reluctance, I joined all the other Republicans in a filibuster.

I found that difficult because there were so many items in that stimulus package which I thought were important, especially important to my State, Pennsylvania, the same State as the presiding Senator here today. But I did so because of the tactics of the manager of the bill when the tree was tied up initially, even drawing protests from Senator BREAUX and Senator BOREN on the other side of the aisle. And I did so after a scathing attack on the Republican leader, Senator DOLE, and efforts by this Senator as well as others to respond which were not met.

It seemed to me, in the context of what was happening there, difficult as it was, I joined all other Republicans in a filibuster and in opposing cloture, which was hard to do, but, as I say, I did so because of those reasons on something which I think ought to be employed very, very sparingly.

I think we are at that point on this bill today. And I think that beyond the tactics which I have referred to, but I think that on the substance of this bill.

I also thought, parenthetically, that the stimulus package last year was too expensive, some $1.9 billion on projects which already had funding in the pipeline. But they were important matters—youth employment programs for cities like the big cities of my own State.

But, as I have taken a look at this program, this National Competitiveness Act of 1993, and I see its total cost, it seems to me that it is excessive in light of the problems of deficit spending and the national debt.

We have for the current fiscal year, fiscal year 1994, expenditures of some $526 million. Under this bill, the authorization would rise in 1995 to $1.370 billion and then in 1996 to $1.478 billion. In my judgment, that is excessive and unwarranted in light of the deficit and in light of the national debt.

I have a problem philosophically, which I expressed briefly earlier in the debate on this bill, on having the Government pick winners and losers. When the Senator from Missouri offered an amendment which would make the research and development tax credit permanent, I joined in that. It was a somewhat involved procedural matter, where the amendment called for no appropriations and then for the Finance Committee to use the funding for a permanent research and development tax credit, which I think to be the preferable course, where it is not the Government making selections and awards but it is the private sector expending private sector money and making judgments and having the research and development tax credit.

I note, Mr. President, that under the pending bill there is a program designated as an Advanced Technology Program with Government grants to selected high-technology industries.

My own view is that while it is fine to have a stimulus for high-technology programs, I am very skeptical about the wisdom of having the Government make the selections as to which of those high-technology programs are going to get Government grants.

We have done wonders in the United States. It is as a result of our technology and as a result of the free enterprise system. I had occasion to be in France recently to take a look at their economy. And to focus just a moment on productivity and ingenuity in America, where we developed the airplane and automobile and electricity and nuclear energy and the atomic bomb, that has been as a result of what the private sector has done. That is why I am so reluctant to see the Government start to make the decisions.

In my 14th year in the Senate I have grave reservations about governmental judgment, something that was reinforced yesterday when I sat on the Defense Appropriations Subcommittee and asked a question about nuclear waste disposal and got an answer from the Chief of Naval Operations which strained credulity, saying we had a way to dispose of nuclear waste.

So frequently, when we look at what the Government does and what the Government spends money on, we wonder why. But if the private sector puts up the money, then they are at risk. That is why I am very reluctant to see such an enormous expenditure undertaken.

At the same time, I am concerned about research and development and I am concerned about stimulus. After reflecting on the matter, it is my view that the amendment offered by the Senator from Colorado last night, [Mr. BROWN] probably strikes the appropriate balance, that is at some $1.5 billion. It is still probably too much. It may be too much, but at least it would be an accommodation.

I am advised by the Senator from Missouri he has had discussions with the Senator from South Carolina about a lower figure, which would not result in a Republican effort to defeat cloture, that is, to carry forward on a filibuster. I think filibusters are highly undesirable, Mr. President, on grounds of principle and especially now, given the public reaction and public disdain for gridlock.

The Congress as a unit has never been very popular. It has seldom been more unpopular than it is now. That in part is driven by the public view that we are fractured and we are partisan and we are political and we are wrapped in gridlock. That is why I do not like to see filibusters on this Senate floor so the American people see disagreement about which they have an instinct, largely true, that it is partisan and political. I, for one, do not like seeing the partisan votes where virtually everybody on that side of the aisle lines up that way and everybody on this side of the aisle winds up the other way.

My record in the Senate, now this 14th year, demonstrates my independence. I have been in the minority on this side a great deal as I have seen the individual issues. I think too frequently in our body people are unwilling to exercise independent judgment. I am not ready to respond in a knee-jerk reaction to a request to filibuster.

When the Senator from Missouri asked me to support that earlier this week, I replied in the negative. When the assistant Republican leader made the same request I gave the same answer. When the Senate Republican leader asked the same thing I again declined, as recently as yesterday evening. But what I saw last night has convinced me we have to take a stand and we have to oppose the kind of tactics which we have seen on this bill. We ought to take a stand to reduce the cost of this measure, acknowledging the value of research and development but not having the enormous increase to in excess of $2.8 billion.

If I had to pick a figure, frankly, I would pick a figure lower than the figure picked by the Senator from Colorado [Mr. BROWN] last night—$1.5 billion. But I intend to support a filibuster permanently until the figure is reduced to $1.5 billion on this pending legislation.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Will the Senator from South Carolina wait for a moment?

NATIONAL COMPETITIVENESS ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 4, which the clerk will report.

The bill clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Brown Amendment No. 1493, to institute a cost share requirement for single business applying for funding the Advanced Technology Program of the National Institute of Standards and Technology.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the Senator from Pennsylvania just commented. I was trying to listen at the same time. If I am correct, he said the comments I made at some time last evening were uncalled for and unsenatorial. I wish the distinguished

Senator would refer to those comments so we will know exactly what he is talking about.

Mr. SPECTER. I am talking about the comment where he said the Senator from Missouri was hypocritical. And he had another comment. The RECORD has been reviewed. It was just the subject of discussion in the Republican Cloakroom.

I make an inquiry of the Senator from South Carolina if the Senator from South Carolina has altered those comments as they appeared today in the CONGRESSIONAL RECORD? Has there been any alteration in those comments as they appear today in the CONGRESSIONAL RECORD, Senator HOLLINGS?

Mr. HOLLINGS. Not that I know of. I am just trying to get the RECORD right now. This is what it was. It is shown to me here:

> Mr. President, the RECORD will be printed there, and I constrained myself. I can tell you that right now. I referred to the facts, and he does not like being corrected by way of facts. The reason one uses the word, "monkeyshines," is a polite expression maybe for hypocrisy, for the simple reason you cannot come moving in Sematech for the semiconductor industry, moving if you please for the private aircraft industry, going along with the sales and everything else, and come on this bill and say, with technology, now that this is a whole new venture. We know it is not a new venture.

Is that what you referred to?

Mr. SPECTER. I refer specifically to the comment "monkeyshine" and the comment "hypocritical." My reading——

Mr. HOLLINGS. I did not——

Mr. SPECTER. If I may finish? Rule 19, I believe it is, prohibits and looks askance at comments which are made of a personal nature. I believe that when there is a statement that a Member of this body is hypocritical, I believe that is personal. I believe that is inappropriate under the rules.

Mr. HOLLINGS. That is exactly why I did not call the Senator hypocritical. They pressed me on the word "monkeyshines." I said it is a polite expression, maybe, for hypocrisy, for the simple reason—and I went down, exactly what I said. I will elaborate and perhaps it is a good time now to clear the air with respect to this in the RECORD, because I am proud of myself as a Senator, I am proud of myself at the decorum in the Senate here that we have, and my adherence thereto.

There was another occasion, and we can get into that, where the distinguished Senator from Pennsylvania came to the floor and distorted the RECORD. Let not this one be distorted. Simply stated, I have worked with the distinguished Senator from Missouri on this bill.

Mr. SPECTER. Will the Senator from South Carolina yield to tell me where this Senator distorted the RECORD? Where did I distort the RECORD?

The PRESIDING OFFICER. The Senator from South Carolina?

Mr. SPECTER. "Distortion" is another characterization, Senator HOLLINGS, which is uncalled for under rule 19. That is a charge, an accusation. Now back it up. Where did this Senator distort the RECORD?

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. It was quite some time ago, Mr. President. I will go right to that RECORD with respect to Senator METZENBAUM.

What really occurred there was that this particular Senator was handling a bill. It was a very sensitive subject —and, incidentally, involved the distinguished Senator from Missouri at the time. The RECORD will show—and then was later removed, and I have been trying to find it since, because certain staffers came and got that RECORD. But Senator Baker would remember it. He was the majority leader at the time.

And what happened was that we were arguing about religion and with respect to prayer in the schools. And we had had the exchange between the distinguished Senator from Missouri and the Senator from North Carolina referred to as the "Lay leader," the "Baptist lay leader," and the "Episcopal minister."

I think at that particular time, I am confident the Senator from Maine came on the floor, Senator MITCHELL, and we heard from Judge MITCHELL. So then I referred to myself as the Lutheran Senator. We were doing that in the lightening of the moment at the particular time, and this is where the distortion comes in.

I was not alluding to Senator METZENBAUM in a disparaging way as a Jewish Senator or anything of that kind. When Senator METZENBAUM came in right behind me and he sought recognition, I turned to him and said, "We will now come and hear from the distinguished Senator from B'nai B'rith." He took exception, and I immediately apologized.

That is where it ended for about an hour and a half until the Senator from Pennsylvania came all the way to the floor, as he comes this morning, and stating that the RECORD was offensive and he put it totally out of the whole cloth. I went back to get those references from the original transcriber's notes and was never able to find them. The distortion was in the context of what it was not at all. We were all talking and referring at that particular time. I did not do it in a smart aleck way or anything else like that. I had done it in a light way, referring to the distinguished Senator from Ohio and therein is what I was referring to when the Senator from Pennsylvania came down and took exception.

Thereupon, Senator Baker came on the floor and we had an exchange, and everything, and I thought then the feelings were all settled down. But he alluded, as he has come to the floor at this particular time, taking exception to me and how I insulted everybody and everything else of that kind. That was the distortion I referred to.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I am fascinated to hear the Senator from South Carolina defend his accusation that I distorted the RECORD by reference to an event which happened in 1981. It could have been 1982, but I believe 1981. I thought that when the Senator from South Carolina was charging this Senator with distortion that he was referring to something that I had said this morning.

I remember the incident very well. It was just a few months, I believe, after I had come to this body. I believe it was in the spring of 1981, and I had an office in the Russell Building. I did not come all the way over today to make a statement. I was here for a vote and waited to make that brief statement. But in 1981, I did hear the comment on the squawk box, and I did hear the Senator from South Carolina refer to the Senator from Ohio [Mr. METZENBAUM] as the Senator from B'nai B'rith. I was very much offended by that comment.

I do not think it is humorous, and I do not think that it is explainable in terms of an earlier comment which the Senator from South Carolina may have made referring to his own religion.

I came to the floor of the Senate, and I walked up to the Senator from South Carolina and I said to him, "I'm about to make a statement on the floor that I thought what you said was inappropriate." I am virtually certain I used the word "inappropriate" in my comment to the Senator from South Carolina, and I did not characterize it anymore harshly than that, although I felt very, very keenly about it.

It may be that there is some difference between being a member of the religion of the Senator from South Carolina in this country as opposed to being a member of my religion in this country. Maybe there is a difference, or maybe his experiences are different from mine. But I deeply resented that comment about Senator METZENBAUM being the Senator from B'nai B'rith. I took the floor—and it was not easy to do being a newcomer here—to take exception with a Senator who had been here since 1966, 14, 15 years at that time.

After I made the comment, Senator Baker came to me and he said to me, "ARLEN, Senator HOLLINGS and Senator METZENBAUM want that matter expunged from the RECORD." But the rule is that all the Senators have to agree before it will be taken out of the RECORD. I said to Senator Baker, "Howard, I don't want to do that." A short conversation followed, with Senator Baker's persuasiveness, and I said, "I'll think about it."

Later in the day, perhaps an hour or 2 afterward, I said to Senator Baker: "Since Senator METZENBAUM wants it, since Senator HOLLINGS wants it"—Senator Baker represented to me—"I will agree to it, Howard, since you wanted it and you are the leader here, on the condition that there is a spot in the RECORD which shows that something was expunged, something was taken out of the RECORD," because I do not like altering the RECORD.

I do not like doing that. I have great problems with the practice in this body of doctoring the RECORD, changing the comments which were made, beyond the exception of grammatical changes. I do not think that is the right thing to do, but that is what I did at that time.

Since the Senator from South Carolina has brought up the subject, I would ask him if he requested that that segment be expunged from the RECORD in 1981, as Senator Baker represented to me that Senator HOLLINGS had made that request?

Mr. HOLLINGS. I definitely did not. In fact, I said for the RECORD—and did not get it in time—I said to the staff that the Senator from Pennsylvania totally misunderstands the context. I never could get the RECORD, and I would like to have that RECORD now. Maybe if the original notes of the stenographer—I asked for them and have never been able to find them, because it seemed like a crass remark, a remark totally out of taste and totally out of context, and it was not, because that is how the reference was made at that particular time.

I am confident Senator HELMS will tell you that. I am confident the Senator from Missouri will tell you that, because I remembered we referred to the Baptist leader, the Episcopal minister, the Lutheran Senator. It was all three of us at that time, and that is why when we turned—to keep the same mood and lightness of it because we did not want to get heated into a religious thing. I could explain the context and I wanted that explained and I did not want the RECORD—in fact, I sent and even asked that somebody go back to the original notes, even though the printed part was there. Maybe they had on one of these machines, or whatever, that original record.

But I have explained that and, of course, fortunately the community down home, in my hometown, understands exactly what was said. I want to get into this other part of the RECORD here in just a minute and tell you exactly my feeling on that one.

But they immediately sent three TV crews from New York. They went to the various temples in my hometown of Charleston, SC. I have always had the friendship, the warmth, the understanding, the support and—the best compliment of all is to have a misunderstanding, Mr. President, of this arise and the best compliment of all is to try to get some critical statement by a community or an individual. And they reviewed all over Charleston, spent the whole weekend and never could get one.

That was the greatest compliment of all, because they know me, understand me and I am not that kind of person. That is why I apologized immediately to Howard. I said, "You know, I didn't mean to offend you." I apologized immediately. It was sometime later when the Senator from Pennsylvania, after the apology and the understanding was had, came to make a Federal case of it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, we have been nearly 5 full days on a bill that is very similar to a bill that was passed in less than 5 minutes 2 years ago. Most of the amendments that have been proposed to this bill, and almost all of the debate that has occurred in that 5-day period has had nothing to do with the bill. That has, of course, been true of the discussion this morning.

I recognize that the rules of the Senate are such that any Senator can talk for as long as he or she wishes at any time on any subject, and that any Senator can offer an amendment at any time, even though it has nothing to do with the subject. But I cannot recall in my 14 years in the Senate and my more than 5 years as majority leader an occasion in which the debate and the amendments have, in the aggregate, had so little to do with the subject.

There has been very little discussion over the past 5 days about this bill, about what this bill is trying to do, and the debate has ranged over a whole range of issues that have nothing to do with the bill.

Yesterday, for example, we had a debate and discussion on espionage matters. In the previous days, we had debate and discussion about other things that have nothing whatsoever to do with this bill. And I expect that several more of the amendments are going to relate to matters that have nothing whatsoever to do with this bill.

That is obviously permitted within the rules, but I would hope my colleagues could exercise some restraint, both with respect to the subject matter of the amendments and the subject matter of the debate. It is clear that Senators can get up and talk for as long as they want about anything they want to say. It is clear that Senators can continue to offer amendments that have nothing to do with the bill that is before us. But I submit that at some point any useful purpose in such efforts is passed and that it is now an appropriate time to get back to a discussion of this bill.

Any Senator has a perfect right to vote against this bill if he or she wants to. Any Senator has a perfect right to get up and explain why he or she will not support this bill. But I think this discussion has already gone too far afield, and I implore my colleagues to now permit a return to consideration of the bill. I hope we will get an amendment that has something to do with this bill as opposed to the continuing series of amendments that have nothing or little to do with the bill, and that we can, through the exercise of restraint, concentrate our efforts and our words and our activities on the pending legislation.

Obviously, I cannot impose any such standard on Senators. That is up to individual Senators themselves. But I think that we have reached a point where we have gone much further afield, much further from the subject than is appropriate, necessary, or even desirable. I ask my colleagues, does anybody have anything to say about this bill, which is supposed to encourage economic growth and promote economic growth and create jobs in our society?

I hope that we can focus ourselves on the bill. Much has been said, and we obviously cannot change what has been said or undo what has been done. But my hope is that we can now return to a discussion of this legislation and hopefully act on it one way or the other.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I appreciate the comments of the majority leader. I have an instinct that they may have been made as a cooling-off period as much as for substance, but I appreciate the substance of what he has said, and I agree with the substance of what the majority leader has said.

I took the floor for a few moments, and I have spoken only once on a matter directly relevant to this bill—I do not make a practice to speak on other matters—and I referred very briefly to the comment of the Senator from South Carolina last night, which I thought was an important point to make, albeit briefly, on my reasons for voting against cloture.

I am not sure what the count is over here, but I think my vote may be enough to defeat cloture, or my reasoning may be enough to attract at least two Republican Senators who wanted to vote against cloture on the first vote, to vote against cloture beyond the first vote. So that I think my comment on my position for a vote is directly related to this bill as this body works, and as there is a unification of Republicans in response to what happens on the other side of the aisle. So I think it was directly relevant.

When the Senator from South Carolina said that this Senator had distorted the RECORD, that brings a rather vehement response. I do not take that comment lightly at all. And based on what he has said, he has not made any statement of distortion. He said that when I complained about his comment about the Senator from B'nai B'rith, it was taken out of context.

Well, now, at worst, being taken out of context is totally, totally, totally different from a distortion. But when he says it was taken out of context, I do not believe, Mr. President, that there is any acceptable context of saying to any Senator that he is a Senator from B'nai B'rith. And I do not believe that there is any acceptable context to making a reference to B'nai B'rith, someone's religious affiliation.

And when the Senator from South Carolina refers to Episcopalians and Lutherans, I do not know what it is like growing up as an Episcopalian or a Lutheran. I have an instinct that being a part of majoritarian America is a lot easier than being a religious minority, and I will not detail why I feel that way. But it is true even in Russell, KS, even in a small town like that, it is different.

Now, I have great respect for the Senator from South Carolina. In the 14 years that I have been here, we have had a good relationship, and I expect us to disagree from time to time. When the Senator from South Carolina makes a comment that he has been lauded by the Jewish community in his home State, I can understand that because I do not think that there is any animosity or any deep-seated ill feeling by the Senator from South Carolina. I think that these are comments which were made in the heat of the moment.

I have respect for him, and I do not suggest to him in any way that he has any religious bias. I think we will continue to have a good relationship in this body. But that will not stop me when I hear him make a statement as I did in 1981, or when I heard the statement that was made last night.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I understand and appreciate what the distinguished Senator said. Mind you me, when I said start the Record or the situation, what I said, and continue to try to describe to all people of good will—in order to understand—would look at the context. I would agree categorically you do not refer—I do not know the religion of the Presiding Officer; never thought of anyone else. But we were discussing religion at that particular time. I wish I had that Record. You go ask our colleague, JESSE HELMS. He will tell you. He said, well, as a lay Baptist teacher, Sunday school teacher, Bible reader—or however he described himself, and the Senator from Missouri as an Episcopal minister, and then I referred to myself in the same facetious vain. Now, when you have Senators talking about prayer in the schools, and religion, and another Senator comes up and you do not refer to his religion, in a way, that is the sensitivity that we have in the South. They say: Wait a minute; you referred to the others, but you do not refer to the one?

That is how sensitive we are. It was not intended at any time to hurt Senator METZENBAUM's feelings, and he knows that and I know that. We have had the best of relationships since that time. I did apologize immediately. I said that was not the intent, and then he finally understood. He had not heard.

I appreciate the respect the Senator has for me, and I have tremendous respect for the Senator, but that was an unfortunate situation. Those kinds of things continue to get reported and reported out of context. They do not go into the scene as it was set.

I agree with the Senator categorically; you do not walk up and refer to anybody by their religion. But when you are discussing religion in the Chamber of the Congress here, and each is pointed out in their singular religion, which we were, and then another Senator comes and yields, that is why, in the light moment that we had, we were trying to lighten it so we did not get too serious and too much feeling in that particular subject matter. And it passed at that time.

Mr. MITCHELL. Mr. President, will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. MITCHELL. Mr. President, by definition, the incident now being discussed occurred 13 years ago. It was discussed extensively at the time. I believe no useful purpose is served by raising it at this time, discussing it, and debating it further.

I would like to again implore my colleagues to get back to the bill. I hope and encourage my colleagues to do so.

This matter is over 13 years old. No purpose is served in it being brought up again here today and debated here today. I hope very much that my colleagues will go back to the bill.

Mr. HOLLINGS. I appreciate the majority leader, and I appreciate the respect and friendship of my colleague from Pennsylvania.

Mr. President, let me get right to the point here with respect to this bill and the tremendous frustration one must encounter. I know the Senator from Missouri. We work closely together. He was chairman and I was ranking member. I am chairman now, and he is ranking member. I was making the case that these programs are peer reviewed; these programs do not become pork barrel.

So it is with the National Science Foundation. I do not have to quote the Senator from Missouri. But he asked questions at that particular time. There was a Rockefeller amendment. So we got into the issue of peer review at that time. That is years back.

Early on this particular bill, I can mention several others who addressed the issue of peer review. I just quote myself because at the hearing on this particular measure, I was then talking with the Senator from South Dakota [Mr. PRESSLER] and we were talking about these manufacturing centers. I quote:

> Since they have been characterized as "Hollings centers," let me level with everybody. I am also chairman of the Subcommittee on Appropriations. I met with my counterpart, Congressman Neal Smith over on the House side, and it has been contended that we have a struggle over this thing even going on now. And one of the grave misgivings of everybody is that this is not going to be pork. Incidentally, the Senate's record is pretty good on that. In last year's highway bill, the Senate did not have a single demonstration project when we passed the highway bill; we did not have any pork. Pork came about later in the conference.

I think it was $400-some million:

> On this particular score, there is not going to be any pork.

And gave my State proposal a double review, talking about that particular program. So I told my counterpart, Chairman SMITH. I said:

> Look if we start putting or writing into this bill these centers, manufacturing centers, the program is dead. It is going to become pork. It has got to be administered by the Secretary of Commerce with peer review. So I thought publicly you and I have not had a chance to discuss this, but this was a wonderful opportunity for everybody to understand the ground rules. There is no pork in this one. There is no rural or urban development. It is getting together the financial effort and interest in technology, whether it is in South Dakota or South Carolina.

So there has been a sensitive point with me to hear opponents come to the floor and say of S. 4 that we will have holes in our pockets, and pork barrel, and here is this big sum of money. I could not understand that argument, my colleagues, because we have gone out of our way to avoid exactly that. I obeyed the ground rules. I enforced the ground rules over on the House side about it, and then when we finally come to this debate, you hear the argument that these safeguards and restrictions are not in the bill.

I thought that was a tremendous misrepresentation, and still think so when they try to refer to it that way. And, I said, "What in the world is going on?" Nobody seems to understand the bill. The Senator from Wyoming finally furnished us a release which quoted the chairman of the Democratic Party in April of last year saying, "By gosh, we are going to get the Commerce Secretary and we are going to put the money in out here in California. It is important to carry in the Presidential election, and the Secretary is going to correlate the effort." But he was not talking about this bill. He was talking about how the training funds and other accounts that the Secretary of Commerce has no access to or jurisdiction over.

So I said, now hearing the ranking member talk about burning holes in the pocket, and pork, and then hearing the Senator from Wyoming's charges, no wonder we have a fever on the other side of the aisle that this is a pork barrel bill, and too much money, despite the fact they all voted for it.

That is one of the particular frustrations that has made me call the position on the other side of the aisle a "monkeyshine." You can call it "fanciful." You can call it other words. I was restraining myself, and am still restraining myself because, in response to that mischaracterization of this measure, which we hear time and again, I have noted the experience and politics of the people administering the program. We have the Under Secretary in charge of technology, who was a Reagan appointee, in charge of the Board of Directors of the National Science Foundation. We have Arati Prabhakar, brought over from DARPA into the Commerce Department, an appointee by both Reagan and Bush. She is the Administrator of the National Institute of Standards and Technology.

Then opponents of the bill argued that S. 4 involves a lot of money.

I could read the RECORD here about burning holes in the pocket, about how we are going to throw money at California. That is a very treacherous kind of reference on this particular bill. Then when the distinguished Senator started off, and I knew he had admonished me with respect to the matter of peer review. We had expressly provided for peer review by the National Academy of Engineering, and we defended that requirement on the House side. We have been appropriating for this measure for the last 3 years.

Then he said, well, this is a new philosophy, new philosophy, and with his prestige and dignity, when he stands up he gets the attention. It is a very treacherous and dangerous thing to talk about a new philosophy and a new approach with regard to industrial policy in the light of this RECORD.

So I cite that RECORD. I go down, and I say here was a Senator leading the way for industrial policy with respect to the semiconductor industry. A year ago he put in a bill as the principal author. What does he say on that bill?

> Federal financial assistance to the semiconductor industry consortium, known as Sematech, has been successful in improving the competitiveness of the U.S. semiconductor industry.

He cites that successful example to justify a similar assistance for the aircraft industry. I read from the following paragraph:

> Such a government industry consortium should focus its efforts on research, development and commercialization of new aeronautical technologies and related manufacturing technologies as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft.

So I am sitting there saying, "Wait a minute. He has been leading on this philosophy, and he is talking about the transfer of technologies from defense to commercial purposes." And then I go of course to the report of the Republican Task Force on Defense Conversion. He is a member of it. Let me quote from it:

> The task force endorses two programs of the National Institute of Standards and Technology as important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufacturing Technology Program and the Advanced Technology Program.

That endorsement was back in June 1992, almost 2 years ago. So how can we now be alleging a new philosophy, a new departure, when the program was endorsed 2 years ago?

This bill was supported in the committee, unanimously voted out, and as ranking member helped to get it cleared on the floor, but time did not allow for final passage; it was not adopted, so we put the bill back up again, and the amounts are in there, and it comes back. And what we are doing in S. 4 is this: We are following chapter and verse the philosophy of the Republican task force on defense conversion.

So we see it there; we see the statement by the distinguished Senator from Missouri. And he says in May of last year, with respect to the Aerotech bill. That bill has a number of cosponsors, both Democrats and Republicans, and the idea of that legislation is to provide for private sector input into the spending of about $10 billion, which the Federal Government now does each year in the research and development area in aerospace. It advocates that the aerospace industry emulate the model of Sematech, to make it possible for a consortium of U.S. aerospace industries, with the support of Government, to join together in the development of new technologies in that private industry.

So we have the example of the Senator's leadership with respect to semiconductors. We have his leadership with respect to the aircraft industry.

How can we now start talking about an alleged new philosophy, when the Senator knows his record and he knows his bill and he knows the unanimous support for S. 4. For 4 days and 4 nights, their nongermane amendment after nongermane.

We started off with GATT, and we went to pesticides, and we went to post offices, and we went to recordkeeping, and economic impact statements. We are just all over the lot. I thought "monkeyshines" was a pretty polite characterization of this situation. That is why I described it that way. I have been trying my best in total frustration. When you have 4 days and 4 nights and are trying to find out what is the intent of those on the other side of the aisle. Finally, we get an inkling from the Senator from Wyoming, who said, "Wait a minute, this is not industrial policy, this is political policy led by the chairman of the Democratic Party." Then the Senator from South Carolina begins to understand the change in the rules and why they are going through this filibuster.

Specifically, as to the amount of money, that keeps coming up and keeps getting misrepresented. When we reported that bill out, it was $1.5 billion a year ago. We took it over to OMB and they said, "That is not going to stay within our budget." We cut it back to about $1.3 billion for 1 year and $1.4 billion for the other year, and that is where they get the $2.8 billion. But under the old initiation and report of the bill with amounts of $1.5 billion for one year and $1.5 billion for the next, it would have been $3 billion. I can be exact now because we debated it. The bill before us is $143 million less for fiscal 1995 than what the Senator from Missouri supported.

So here I am. They are misrepresenting the amounts and they keep coming up on that. I try to explain how, from DARPA, we have taken the programs, and I list the programs in 31 States. There are over 85 programs that we bring from Defense to Commerce. That is where we get defense conversion. I talked to too many Republican colleagues who do not understand it. They get in caucuses, and I take it they are told stories about the Democratic Party chairman and what have you. I cannot rebut that misinformation in the caucus. I try my best. The horse is out of the barn.

We had an earthquake out there. They gave $8.8 billion to California, and nobody raised the political question at that time. They gave $5.6 billion to FEMA, not to Commerce. You are all watching Mr. Brown. You better watch Mr. FEMA. If you are President and you have your man from Arkansas, you say here is what to do and when to do it. You got $5.6 billion to do it. In marked contrast, there is strict peer review under S. 4. These programs are industry initiated, not Government picking a winner. We do not pick. The California industry, at best, if I am the Secretary of Commerce, has to initiate the request. They have to come with over half of the money under the law and thereupon pass merit selection or peer review of the National Academy of Engineering.

"Monkeyshines"—maybe that was not strong enough. But you can sit here and watch all of these extraneous efforts that have no reference whatsoever to this particular measure and have the Members vote on the amounts, when they do not understand we have taken it from Defense to Commerce, when the amount is less than what the Senator from Missouri supported, when the bill was reported. What can a Senator do trying to bring the truth out and trying to bring the facts out?

Here it is not any new philosophy, but the philosophy of the Senator from Missouri that we are following. He worked on this bill with us. The bill came out. And, in candor, he came to me at the beginning of the year and said, "I do not like what went on in Geneva in December, this matter of green lighting the subsidies." He said, "I am going to have to oppose the bill." I said, "Please do not oppose the whole bill on that. After all this has unanimous support on both sides of the aisle. There is not an industrial group that has not written in and said we are for it." He said, "Well, I am going to have to at least get the attention of the administration to see if we can get GATT amended."

Well, here is the distinguished Senator, and we are on opposite sides. I was against fast track, and he was for it. We heard those pro-fast-track arguments, such as how in the world are you going to get 114 nations back together again to deal with amendments. We do not want to have any amendments, once we get an agreement on GATT, the Uruguay round. But now, my gracious, first out of the box is an amendment by that same Senator, an amendment to a bill he supported over the last 3 years.

Inconsistency, fanciful—certainly inconsistent. I will leave it there. I appreciate the opportunity to once again talk to the colleagues on the other side of the aisle. We have been very reasonable. We tried to accept what amendments relate to the bill. But I cannot go along with, evidently, whatever the exercise is—I am afraid to use any word around here, because people take exception. But I have laid out the facts, and the RECORD is not to be changed. I said what I said and meant what I said, and I am sorry we had to say those kinds of things, but that is what the RECORD is. I have to try as manager of the bill to bring the facts to the colleagues.

Mr. DOLE. Mr. President, I listened to the distinguished majority leader, and I share part of his frustration. But if we are adding up who used most of the time, I think most of the time has been used on that side of the aisle—it may be two-to-one. We talk about the 4 days, and we ought to get a perspective. It has not all been used on this side. We had a number of Whitewater speeches over there, defending that, which is difficult to do, so it takes a long speech. All of this has been intertwined with this bill.

I think the RECORD should reflect that we have been cooperating with the majority leader. We gave him a UC this morning to take up something he mentioned to me yesterday. We also have agreed to clear an environmental bill, which is now blocked on that side of the aisle. We have been trying to accommodate the majority leader. I know how difficult it is to keep things moving.

In reference to this bill—and I am not an expert and probably could be corrected—but it started over a couple years of $280 million, and now it is $2.8 billion. It has grown a lot, about 10 times.

I do not know all the politics of it. I am not getting into all the politics of it.

But we did have a conference. We did have a discussion. We are concerned about it. It was about a year ago that they brought out this stimulus package. Democrats said we have to pass this $13 billion stimulus package to get the economy going. We did not think so.

This is sort of a ministimulus package. Many of us do not think this bill is worth passing.

We just had a big debate here on the balanced budget amendment.

A lot of colleagues who really are going to vote for this with great eagerness made great speeches on the balanced budget amendment. We said we do not need a balanced budget amendment; we have the will to hold down spending.

This is the first test since we debated the balanced budget amendment, and I do not know how many votes we are going to get on that side, but I bet I can count them on one hand or less.

If we want to go on, I know this is an authorization bill. The appropriation may be smaller. But this is a spending bill. It is 10 times larger than it was a couple years ago in the Bush administration. If that is not significant, so what is $3 billion? If it is $3 billion or $2.8 billion what is the difference? It is not much money. Someone said yesterday it was four or five times the budget of their State. I think it was Idaho. And it is probably as large as the budget of a lot of States.

I think it ought to be looked at in context. I think we are trying to cooperate. We got together a list of amendments last night.

I know how frustrating it is for the manager. I have been there. That is the Senate rule. You do not have to have a germane amendment. They are offered all the time.

In fact, we broke into the proceedings yesterday to consider a bill about an Indian tribe in Alabama, and probably should have.

So I want the RECORD to show that it had not all come from this side. We are prepared to cooperate. We are not certain you are going to get cloture. We do not like some of the things that were said by the distinguished Senator from South Carolina. Maybe they were necessary as he just indicated. We do not think so, particularly when they are directed at our friend from Missouri.

So we are ready to go. We told the majority leader we have three votes, three amendments lined up. We have two other amendments. I hope they are fairly related to the bill. I am not certain. One is on OSHA, which is not closely related. But the other was on business documents, or something, that might be related.

I want to assure the majority leader we will continue to cooperate as we did yesterday, as we did this morning, and we hope that we can make some changes in this bill and pass it.

But if changes are not going to be made, then we have to do what we think we have to do. We had a conference. We have taken a party position. I hope we can sustain that position.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would just like to comment to begin with that my friend from Missouri needs no one to defend him. His record of service, his standards of integrity, his straightforward dealings with all colleagues on both sides of the aisle require no elaboration by this Senator.

But I want to make it clear that in the brief 8 years that I have been here I have never known the Senator from Missouri to engage in monkeyshines, or engage in any devious activity of any kind.

I have always known the Senator from Missouri to be frankly a moral compass for many of us who appreciate his fundamental belief in fairness and his fundamental philosophy that has been, I think, an example for all Senators.

I hope that the Senator from South Carolina recognizes that when he levels criticism at the Senator from Missouri and brings up past records or past sponsorship of bills or statements that he has made, some of us find it disturbing because of the very high regard with which we hold the Senator from Missouri.

As I say that, I understand and appreciate the deep frustrations that the Senator from South Carolina has about the lack of progress on a piece of legislation about which he feels passionately and fiercely. I certainly do not envy his position, having spent, as he so well described, 4 days and 4 nights attempting to get this legislation passed.

At the same time, I hope the Senator from South Carolina recognizes that the Senator from Pennsylvania, in fact all 43 other Members on this side, holds the Senator from Missouri in the highest respect and admiration and, of course, are not pleased when we hear what was described as monkeyshines on his part.

Mr. President, in keeping with the admonition of the majority leader, I ask unanimous consent to address the Senate for 10 minutes as if in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

WHITEWATER

Mr. MCCAIN. Mr. President, the reason I say I respect the admonition of the majority leader is that I intend to speak on the issue of Whitewater, and I did note that both the majority leader, the assistant majority leader, and other Senators, during the course of consideration of this legislation, have come to the floor to speak on the Whitewater issue. That is why I do not have any conscience pangs about doing so.

I speak from a special perspective, Mr. President, as one who underwent an Ethics Committee investigation by this body where proceedings went on, including televised hearings, while at the same time the subject of the accusation, Mr. Charles Keating by name, was undergoing investigation and prosecution. It certainly did not impede the process of the Ethics Committee investigation of me and four of my colleagues at that time.

I just use that as an example of a special relationship I have with this kind of issue.

I would note that during the Reagan and Bush administrations there were at least 30 hearings of investigations of alleged improprieties by administration officials or their family members. Some of these persons were being investigated by a special prosecutor as well. During this time there were also a number of congressional hearings involving matters that were also the subject of ongoing criminal investigations.

My colleagues on the other side of the aisle seemed undeterred from going forward then. At that time the good of the Nation was at stake. Now, somehow, calls for public disclosures smell of politics.

It is certainly true that hasty and ill-conceived congressional hearings could adversely affect Mr. Fiske's criminal investigation, and he would prefer the Congress not to hold hearings. I respect Mr. Fiske's views and share his concerns, but I also believe they can be readily addressed.

In fact, no Republican Member of this body has suggested that we take any action that would unduly interfere with the special prosecutor investigation.

Senator D'AMATO and Senator COHEN met with Mr. Fiske and stated categorically that the Republicans did not intend to grant immunity, as was the case with the botched Iran-Contra hearings. Moreover, they have emphasized that Republicans were more than willing to wait to obtain testimony from witnesses until after Mr. Fiske and his staff had taken testimony from them so as not to color their appearance before a grand jury in any way.

Finally, they made it clear that Congress would work with the special prosecutor to ensure that witnesses that should not publicly testify before Congress would not be called.

I think it should also be noted, however, that the Supreme Court, in Hutcheson versus United States, specifically contemplated that a congressional inquiry and a criminal investigation into the same matter could coexist.

I am confident that we will be able to structure oversight hearings that will help uncover the facts that the American people are entitled to know, without imperiling Mr. Fiske's investigation. Indeed, I would submit that carefully structured hearings will almost certainly enhance the ability of the special prosecutor to complete his assigned task. As all America now knows, the information regarding meetings between the White House officials and regulatory officials came to light only after questioning by Members of the Senate in a committee hearing. These disclosures directly led to the issuance by Mr. Fiske of subpoenas to a number of administration officials. The additional sunlight shown on this issue by congressional hearings will augment Mr. Fiske's limited resources.

Mr. President, while the integrity of Mr. Fiske's investigation is crucial, and we will do everything to ensure that integrity, there is a much more fundamental issue at stake. The issue of overriding importance in this matter is Congress' responsibility to the American people and to inform the public about the operation of their Government.

Mr. Fiske has a relatively narrow mandate—to investigate and determine whether there has been any criminal wrongdoing—not to determine whether Government officials are abusing the public trust or acting in an unethical manner. Yes, we should let him do his job—find out whether anyone has committed a crime.

But Congress is concerned—must be concerned—about much more than criminal conduct. It is Congress' responsibility to ensure that elected and appointed public servants in Government are adhering to the highest standards of integrity and upholding the public trust. Ultimately, our constitutional democracy rests on a fragile foundation of public faith and trust in the institutions of Government.

Are we to sit idly by, as apparently some of my colleagues want, and wait for Mr. Fiske to complete his investigation of criminal misconduct—which could take many months—when there are already serious allegations of ethical misconduct, something that Mr. Fiske has no jurisdiction over?

Are the American people well served by allowing individuals who may have abused the public trust to go unquestioned for a period of months or even years? Of course not. So, while Mr. Fiske does his job, we must do ours.

Although some of my colleagues might hope that it were otherwise, there is ample historical, legal, and constitutional justification for Congress to hold investigative hearings in just these kinds of circumstances and inform the public as to the true facts involved.

Sam Dash, the eminent legal scholar and former Watergate prosecutor, made exactly this point yesterday morning on one of the network shows. When asked about the propriety of Congress holding hearings on Whitewater he responded, and I quote:

> Well, I'm not sure they're necessary at the time unless the Congress feels that they need facts, one, to see if their present laws are working well or if they need new laws, and, again, Congress has a very important constitutional function that the Supreme Court has held, and that is to keep the public informed.
>
> We have a democracy. The ultimate sovereign is the people. And Congress is the agency that is given the power and the right and the duty to inform the public on how the Government is working, how the executive branch is working.
>
> So I see no problem, by the way, in Congress holding hearings. I think it was a reasonable request on the special counsel's part, and I think Senator D'Amato and the other members of Congress have acted responsibly.

More importantly, this is also the view held by the highest Court in the land. In a seminal case involving the investigations of the House Committee on Un-American Activities, Watkins versus United States, the esteemed Chief Earl Warren wrote on behalf of the Supreme Court:

> The public is, of course, entitled to be informed concerning the workings of its government.

Woodrow Wilson, in his book "Congressional Government," put it most succinctly, when he wrote:

> The informing function of Congress should be preferred even to its legisaltive function.

Mr. President, I would like to quote from another statement that I believe is relevant to this issue. It was made by the now Vice President, then Senator from Tennessee, almost 3 years ago concerning the October Surprise matter. The Vice President said:

> The evidence which has thus far trickled into the public domain is still fragmentary. Much of it is circumstantial, but it is compelling. If the allegations are not true, the country needs to know they are not true. If they are true, the country needs to know that as well.
>
> I believe the air needs to be cleared. So, I am today calling for a formal investigation of these charges and allegations without prejudging what that investigation might find, but believing deeply that it needs to take place in order to establish the truth or falsehood of the allegations that have been made.

These words were spoken by our former colleague, the Vice President, on the floor of the Senate almost 3 years ago, when Democrats were clamoring for a congressional investigation into the so-called October Surprise matter. They are just as relevant today.

I might remind my colleagues, there was clearly no basis for any hearing on the October Surprise.

Mr. President, Republicans did not place a cloud over the administration—the administration did that themselves. Calling efforts to resolve that cloud by getting the facts out to the public in a timely fashion political partisanship is the height of hypocrisy by some and a copout by others. I would also note that it is not just Republicans that believe congressional hearings are appropriate, but virtually every newspaper editorial board in the country.

It was the New York Times which opined on the slovenly ethics of the administration. It was the New Republic, hardly a bastion of Republican defenders, which said that "the current strategy of slow-motion revelation—'let the special counsel do its job'—hardly serves the interests of the administration."

Mr. President, in today's Washington Post there is a very interesting article by Mr. Krauthammer. I quote from his article.

> Republicans are now demanding Whitewater hearings. The Democrats, having seen how much damage was done in half a day, continue to stonewall. This is the same party that in 1990 had the House Banking Committee spend two days in public hearings on Neil Bush's involvement in the collapsed Silverado S&L. At the time, Democrats were gleeful about making Bush the "S&L poster boy." Now that the S&L poster girl might turn out to be named Clinton, they express deep concern about the partisanship of such hearings.
>
> This is the same party that bathed the country in Iran-Contra hearings. That put every syllable of Anita Hill's charges against Clarence Thomas on national TV. That even saw fit to hold hearings on a total fiction, the so-called October Surprise.

Mr. President, Mr. Krauthammer goes on to say:

> The prosecutor's interest is prosecution. The public interest is disclosure. The prosecutor tries to find breaches of law. The public needs to know about breaches of trust. The public's interest in Whitewater is not, say, to see Hillary Clinton or her Rose law partners on trial. It is to find out simply what happened.

Mr. President, I suggest that we are nearing a point in the history of this country where hearings are called for if simply only to get on with the business of Government.

All Americans agree that we have serious and crucial issues that we have to face. And if we are in a perilous situation where the bleeding does not stop and we are treated on a daily basis to new and titillating allegations in the media, we need to have these hearings in order to get the business of Government back on track again.

Mr. President, I appreciate the indulgence of my colleagues. I yield back the remainder of my time, and I yield the floor.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

Mr. DANFORTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AIRBUS

Mr. DANFORTH. Mr. President, I would like to address the Senate on the question of the aerospace industry and particularly the matter of Airbus, because the Airbus situation has been so egregious and such a clear example of unfair trade practices against a major industry in the United States.

The aerospace industry has truly been one of the flagship industries of our country. The aerospace industry has been one of the leaders with respect to export sales by the United States. We have been the premier aerospace manufacturer, and the only real competitor in the manufacture of commercial aircraft has been Airbus.

Airbus is a consortium of European countries that have created a company, the Airbus company, Airbus industry, which has gotten into the business of commercial aircraft. It has gotten into the business of commercial aircraft with very, very heavy subsidies, production subsidies, research subsidies, development subsidies.

As a matter of fact, the Airbus industry in its history—which I believe is certainly several decades old now, something like three decades—the Airbus industry has never made a profit.

No private business can succeed without making a profit. No private business can stay alive without making a profit.

The Airbus industry has never ever made a profit, but Airbus industry has been very heavily subsidized by European governments, subsidized, as of 1990 or 1991, whenever the latest computation I have seen was made, subsidized to the tune of $26 billion. And, as a result of those subsidies, the Airbus industry, which has never made a profit, has captured approximately one-third of the market in commercial aircraft.

This, in turn, has had a very dramatic effect on the U.S. aircraft manufacturing companies, and there are two major ones, Boeing and McDonnell Douglas. McDonnell Douglas, of course, is headquartered in St. Louis, although most, if not all, of the work on commercial aircraft is not done in St. Louis but is done in California.

In any event, it has been very tough on the American commercial aircraft industry. From time to time, there have been discussions and speculation, and I believe even possibly negotiations between U.S. aircraft manufacturers and Airbus. If we cannot beat them, maybe we should join them; maybe we should have some sort of relationship with them.

Also, there have been efforts to sell in the European market, and because of the relationship between Airbus and the governments of the European countries, and between the governments and the airlines of the European countries, there has been some reluctance on the part of our aerospace industry to press, as far as they might have, the countervailing duty statute that would otherwise be available to counteract subsidies.

So against all of that background, a special agreement was negotiated between the United States and the European Community with respect to the subsidies of Airbus for the manufacturing of aircraft. And that special agreement green-lighted or permitted certain subsidies to continue. I thought that agreement was a very bad precedent. I thought that it was bad enough that Airbus was conducting all of these subsidies, but that it was even worse to officially recognize and condone the existence of the subsidies. So I felt very, very strongly about the Airbus agreement that was reached between the United States and the European Community.

In response to that negotiation, I took the position that, well, the United States now has to decide what it wants to do. My preferred response was that, despite the agreement, we initiate a countervailing duty case against Airbus.

A countervailing duty case can be initiated either by the affected industry or it can be initiated by the Government of our country. And because, under our Constitution, matters pertaining to foreign commerce are within the powers of the legislative branch of our Government, I believe that the thing to do is the legislative branch should speak out and mandate the initiation of a countervailing duty case against Airbus. I still believe that would have been the preferred course.

But I recognize that if we are not going to have a countervailing duty case and we are faced with foreign subsidies, with foreign unfair trade practices, the United States has only two options available to it. One option is to lose out and the other option is to meet subsidy with subsidy.

The idea of meeting subsidy with subsidy is not something that I prefer. It is not something that I think is good policy. It is not something that I would like to welcome. But when it comes to a question of necessity, if we are not going to use the remedies under the trade laws, if we are not going to bring countervailing duty cases, then it seems to me that what we should do is to get into the subsidy business ourselves, or at least open up that possibility.

So after the agreement was reached between the United States and the European Community, I introduced two bills. They were meant to be bills in the alternative. One bill was to compel the initiation of a countervailing duty case against Airbus. And the second bill was to form our own consortium, which would be called Aerotech. It was modeled after Sematech. Sematech was, itself, a U.S. response to unfair trade practices abroad.

I am not a fan of subsidies. I do think that there are times, especially when whole industries are going down the drain, like Chrysler, or times when other countries are doing something, when we have to react in some fashion, that the purity of a philosophical position is abandoned in the face of necessity.

That is the origin of my position with respect to Aerotech and my position with respect to Airbus.

Now, I am very concerned that what has been a singular case in the aerospace industry is going to become the model for the future. That is my concern. I think it is going to be the model for the future because under the trade agreement that has been negotiated between the United States and the rest of the world, we have agreed to the green-lighting of major subsidies for research and development—50 percent of development, 75 percent of research—which combines both basic research and applied research. This is a major change in U.S. trade policy and a major change in the subsidies code.

My fear is—and I hope I am wrong—that Airbus is going to be something of a model; what was done with Airbus and the Europeans is now going to be permitted. And it is not going to be a matter, anymore, of having a countervailing duties remedy and not using it; the remedy will not even be available. We will, in effect, have condoned and agreed to a system of subsidies which I believe is a very, very serious matter.

What has particularly concerned me is that the change in the position of our Government with respect to subsidies has been the moving force in achieving this change in the subsidies code. The change in the subsidies code and the green-lighting of certain subsidies has not been foisted upon the United States by the negotiating power of other countries. Instead, it has been something that has been advanced by our own Government as a matter of policy. I just think it is a serious policy and I think it deserves attention. And to the extent possible, it has to be remedied.

S. 4 is a major increase in Government subsidies for our private sector for research and development. It is a very dramatic increase in the so-called ATP Program, Advanced Technology Program, from $199 million to an authorization—which is this year—to an authorization of $575 million for 1996. This is a program which was zero about 4 years ago. There was not any such thing. It was zero. And it had a big burst forward just in this year to $199 million. It was way below that before. I do not have the numbers with me. They are somewhere in the back of the Chamber.

But in any event, it has gone from zero to $199 million in a few years, and now we are authorizing the ATP Program to go up to $575 million. That is a big change. And this is a program to provide direct subsidies to selected R&D companies.

Then we have something called the SBA Pilot Program. This is a program by which the Department of Commerce and the Small Business Administration licenses venture capital companies and then makes $50 million in 1995 and $50 million in 1996 available to venture capital companies for the purpose of who knows what.

It is a Government initiative into venture capital. I have attempted to point out the problem with the Government getting into venture capital is that there really is not any risk. Venture capitalists put a lot at risk. Venture capitalists can win or venture capitalists can lose their shirts, and there is a certain discipline that is imposed by knowing you are going to lose money. One thing you can do is you can pull the plug on a program that is not going very well. Government, when it is backing a program, does not like to pull the plug. Why? Because there are constituents out there; hey, there are real voters out there who are dependent on the subsidy.

So that is the so-called SBA pilot program. It is a venture capital program.

In a nutshell, Mr. President, I am concerned that Airbus is going to be the wave of the future. I am concerned that Airbus is something that is going to be practiced by our trading partners, or the Airbus scheme is going to be practiced by our trading partners in all kinds of very promising industries. I do not know what they are: High-definition television, pharmaceuticals, whatever. Some of the most promising future-oriented industries will be involved in some kind of a race worldwide on what governments are going to provide the greatest subsidies.

I am concerned that S. 4 dovetails with that problem in that it provides a substantial increase in funds and a substantial change in policy with respect to the Government entanglement with the private sector.

That is the nature of my concern, but I did want to speak with the Senate about the question of Airbus and the question of the so-called Aerotech proposal because it has been repeatedly mentioned on the other side of the aisle, countless times, really. I believed that it was important to clear that up.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I was trying to listen to two at one time. The 1994 figure, this fiscal year, is $526 million. We added thereto $50 million for the small business technology loans. That was worked out with Chairman BUMPERS, the chairman of the committee; it was worked out by the ranking member, Senator PRESSLER, who is also top ranking on our Committee of Commerce. That is one add-on.

I am trying to get an explanation and an understanding why we got up to the higher figure because we hear we have come from nothing to $2.8 billion. Let us talk in terms of years. When you say $2.8 billion, you are really going to 2 years rather than 1 year. What I want to do is take the 1 year and show how we proceeded.

We did not come from nothing to $2.8 billion. By the way, the Competitiveness Council said you ought to go up from $4 to $8 billion. That was their recommendation last year and again this year because we are transferring all of this from DARPA to Commerce, and, yes, there is an increase from $199 to $475 million, not $109 million and $575 million respectively out in 1996.

We can only talk in one vocabulary and one understanding, and I am talking about where we are in this fiscal year, right this minute, already signed into law and where we are going next year. The references to where President Bush was, it is a given President Bush tried to redline this one. He absolutely opposed it, and the only way we got it signed into law back at that time by President Reagan was on a trade bill where he would have had to veto the entire trade bill.

So they have been shouting industrial policy at us for quite a while whenever they really resist going in to try to develop jobs, to try to develop our technology, and to become competitive. There is no question about that. Do not use those figures; let us use the figure we have right now that the Congress approved—well, I daresay, I guess we will have to admit it—without a single Republican vote. Yes, we had to. We had to get all of the Democrats almost, plus the Vice President to get this amount. My memory is jarred. The economy is doing good on account of the budget that we passed last year that the distinguished Chair and I finally voted for. We had grave misgivings, but we had to get the country moving and it is moving.

With respect then to the 1994 figure, $526 million, the small business loans worked out to $50 million. I alluded to the fact that we had the advance technology programs go from $199 to $475 million, not $575 million 2 years out, but next year, $475 million. That is where instead of seven technology centers, we are going to try to add another seven centers and ultimately get more. We had testimony before concerning the business leadership, the Competitiveness Council before the Committee of Commerce 2 years ago. They said we ought to have 70 centers. On the centers, we only go from $30 million up to $70 million. So there is an increase there of $40 million.

All right. Summing up, again, we have the small business at $50 million; we have the advance technology programs being increased by $258 million; we have the centers at $40 million. The laboratory itself goes up $94 million. There has been some construction and, again, on that same construction contract almost $100 million added there.

With respect to the National Science Foundation, that is an add-on of $75 million. It is not in there this year.

They can go from zero to all of this. Yes, President Clinton's program in the light of $70 billion being used for research and health research and $40 billion in defense research and energy research of over $6.8 billion and these other things with the national labs. We are trying to get more into the private sector and under the National Science Foundation, so we add there another—National Science Foundation—$75 million.

The information superhighway of Vice President GORE goes up $209 million, and the manufacturing technology centers, $48 million. So you can see at a glance that we have added up now, instead of the $526 million, we are already to $1.2 billion. The amount overall is $1.3 billion. There is a little bit in there for the wind tunnel. There is a small increase here, there and yon. It is not just we have a zero program and let us go to $2.8 billion and start spending $3 billion without thought and without support and without bipartisan support.

Now, bipartisan support, once again—and we have been doing this 5 days this week—our Republicans colleagues and Democratic colleagues all on the Committee of Commerce reported out unanimously $1.5 billion for 1 year, or if it stayed the same as a freeze, it would be $3 billion, not $2.8 billion, for the $2.8 billion figure comparable. They continue to jump and make it just way out of line and keep talking about the amounts. So they jump it up to $2.8 billion from nothing. Only 10 times nothing is 10 times. Absolutely, I know. That is not the case at all. We have not come with 10 times. We have taken over programs from DARPA. We continue to explain it and it is less, Mr. President, than what the distinguished Senator from Missouri supported when we reported this bill last June.

That is on the figures.

With respect to the aerospace industry, because therein is where I see that I have agreed with the Senator from Missouri on philosophy. We have the letter on the GATT agreement—it is addressed to each one of us; we each have a copy—from the Assistant to the President for Science and Technology, J.H. Gibbons who was confirmed unanimously, incidentally, the former Director of our Office of Technology Assessment.

I worked on that particular board since its commencement back in the seventies with Senator KENNEDY and Senator Humphrey. We got together and instituted it, and I guess I am the remaining old-timer still on the Office of Technology Assessment. There has been nothing more of a delight than working with the expertise of John H. Gibbons, and Jack, as we call him, writes this letter from the White House dated March 7—

> I am writing to express my full support for the GATT agreement that has emerged from 8 years of international negotiations in the Uruguay round. It is an excellent document that will promote freer and fairer trade and enrich the nations of the world including our own. I am particularly pleased with the outcome of the subsidies code in the GATT agreement.

Let me read that again for the attention of the Members—

> I am particularly pleased with the outcome of the subsidies code in the GATT agreement. It puts real teeth in disciplining unfair trade distorting production and export subsidies. At the same time, it protects economically desirable U.S. Government investment in research and development from potential challenge by foreign countries.
>
> I applaud the successful efforts by our trade negotiators in Geneva to improve the language in the subsidies code relating to government research and development investments. The agreement as negotiated protects from challenge or threat U.S. Government programs that have long had widespread bipartisan support. Among them are—

And he goes down a list here but the important one addressing the particular subject addressed by the distinguished Senator from Missouri is, and I quote, "Support for aeronautical and space research dating back to 1915 for aeronautics from NASA."

Mr. President, I ask unanimous consent the letter in its entirety be printed in the RECORD.

There being no objection, the letter us ordered to be printed in the Record, as follows:

THE WHITE HOUSE,
Washington, DC, March 7, 1994.

Senator GEORGE J. MITCHELL,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MITCHELL: I am writing to express my full support for the GATT agreement that has emerged from eight years' international negotiations in the Uruguay Round. It is an excellent document that will promote freer and fairer trade, and enrich the nations of the world, including our own.

I am particularly pleased with the outcome of the subsidies code in the GATT agreement. It puts real teeth in disciplining unfair, trade-distorting production and export subsidies. At the same time, it protects economically desirable U.S. Government investment in research and development from potential challenge by foreign countries.

I applaud the successful efforts by our trade negotiators in Geneva to improve the language in the subsidies code relating to government research and development investments. The agreement as negotiated protects from challenge or threat U.S. Government programs that have long had widespread bipartisan support. Among them are:

Research at the National Institutes of Health that leads to commercial pharmaceutical or biotechnology products;

Support for aeronautical and space research (dating back to 1915 for aeronautics) from NASA;

Sematech, the government-industry consortium to improve semiconductor manufacturing technology that is widely credited with helping to restore the U.S. industry's position as world leader;

The Technology Reinvestment Program, a cornerstone of our defense conversion program;

The Commerce Department's Advanced Technology Program, designed to promote the growth of knowledge-intensive, wealth-creating industries that generate good new jobs;

The thousands of Cooperative Research and Development Agreements that industry has signed with our National Laboratories, to turn government research into technologically advanced commercial products.

We must not put these excellent programs in jeopardy.

I am proud and grateful that our trade negotiators achieved an agreement that reflects American values and the American approach to R&D partnerships between industry and government, while putting the brakes on free-for-all subsidies.

With kindest regards,

JOHN H. GIBBONS,
Assistant to the President for Science and Technology.

Mr. HOLLINGS. I thank the Chair. The concluding paragraph:

> I am proud and grateful that our trade negotiators achieved an agreement that reflects American values and the American approach to R&D partnerships between industry and Government while putting the brakes on free-for-all subsidies.
>
> With kindest regards,
>
> JACK.

He just sent that here the beginning of the week.

So, yes, there is a difference on the subsidies with respect to the distinguished Senator from Missouri and the White House and the administration. The White House is saying, the administration is saying, look, we think that the subsidies code in GATT puts real teeth into unfair trade distorting production and export subsidies and protects what we have been doing.

I read that specifically:

> It protects economically desirable U.S. Government investment in research and de-

velopment from potential challenge by foreign countries.

Now what happens? Let us bring us right up to date. Bringing us right up to date, Mr. President, with respect to those subsidies which have potential challenge from foreign countries, we find that there is such a one right in the aerospace industry that was not referred to, as I remember, by the distinguished Senator's comments, but that is the recent sale on February 16, Mr. President, of 6 billion dollars' worth of commercial aircraft to Saudi Arabia from United States manufacturers to replace its civilian fleet of about 50 airplanes. Now, Airbus, the four-nation European aircraft manufacturer, was quite surprised, and it goes on. I am not reading the entire amount, but it says:

> The consortium, made up of France, Germany, Spain and the United Kingdom, is looking at the possibility that the order was linked to the rescheduling of $9.2 billion in Saudi debt for U.S. defense equipment which would mean it violated article 4 of the GATT code. The official said article 4 bans inducements related to defense supplies.

The Senator from South Carolina knows not the truth or falsity of that particular provision of the code, but you can see the concern, because it goes on to state:

> The transaction was facilitated by $6.2 billion in export financing provided by the Export-Import Bank, an independent government agency that helps finance and promote exports sales of U.S. goods and services.

Now, Mr. President, there is a dispute. There is a dispute as to what is contained in the Uruguay round, the subsidies code, and whether or not it is good or bad. There is a definite difference. S. 4 does not deal with that except for the fact by way of allusion we can say we provided that our particular program is not subsidized in the context of cash money for the actual sale from Export-Import Bank, does not subsidize in the amounts otherwise for any forgiveness of any debt of that kind. We do not deal with any $9 billion. They talk about this bill here just to get all of America's technology going, and they use the 2-year figure but the 1-year figure is $1.3 billion. Yet they have no misgiving about using $9 billion to be rescheduled. They prefer to refer to this bill as an exorbitant thing for all of industry. The latter is exactly the point: It is for all of industry, not the aircraft technology.

Now, we have all agreed—and the distinguished Senator said he believed in Chrysler. He believed in semiconductor. And he says if you are not going to have countervailing duties, he believes in aerospace subsidies. So we know of those things. So we know when we look and say we put it in, in nominal peer reviewed amounts, instituted by industry and not government, we know we are really being on the conservative side of this particular approach, both of them being industrial policy. This is an industrial policy that we all should support, and I say so with pride.

What happens here is the Senator referred, of course, to Airbus and how the production, research, and development was subsidized, they never made a profit, and as a result they have got a third of the market. I know the feeling. I have been in a similar situation with respect to the textile industry. I remember attesting back in the 1950's before the old International Tariff Commission when we were alarmed in that the consumption of clothing and textiles in America was represented in 10 percent imports of its consumption, and that if we did not do something at that time, it could double to maybe 20 percent, and that was just going to be devastating.

Mr. President, not one-third of the market, two-thirds of the clothing within the view of this audience and in this Chamber is imported. We have lost two-thirds of the market and more of the apparel, and this is the employer of women and minorities. The largest employer of women and minorities in America is U.S. textiles.

Moreover, the GATT agreement—now the Senator from Missouri and I come back in lockstep with respect to opposing GATT. And I would like to see it renegotiated. They would not even let us in the door in Geneva. We had representatives there. We had letters of promise of what they intended to do. But what they did, namely the phaseout of what we called the multifiber arrangement, has been studied by Wharton. And the Wharton School says we are going to lose 1.3 million jobs for that phaseout. So we know this has been studied. It has been contested. As a result of the contest, we have been promised, and the promise has been broken. We are on course now with this GATT to lose 1.3 million jobs.

If the distinguished Senator can get aerospace subsidies and Airbus renegotiated, I am giving notice right now that I am going to join on and try to get the devastation of my textile industry repaired.

By the way, let me emphasize this. They had a hearing on this Tuesday. My distinguished ranking member said that he had to be off the floor as a member of the Finance Committee, and he attended that hearing. The Finance Committee brought up GATT. They brought up the matter of subsidies, and the head of Boeing Aircraft which supported that subsidy, supported the GATT agreement.

I am also told that both McDonnell Douglas and Boeing oppose bringing a countervailing duty. I read from the Council on Competitiveness in June of last year. It states on page 36, and I am just taking this up by advice of counsel:

> There has been industry and government consensus behind the pursuit of a negotiated solution to the trade-distorting effects of Airbus subsidies. There has, however, been little consensus behind the aggressive use of U.S. trade law to counter these subsidies. The gap between the tough talk on Airbus and the lack of trade action against it has at times been glaring.
>
> In December 1985 and in February 1987, U.S. trade officials prepared section 301 cases against Airbus for Cabinet-level decision. Both times no decisive trade action was taken. The 1985 decision even followed a highly publicized Presidential speech, and section 301 was supported. An Airbus subsidy was singled out as a violation of trade agreements. Countervailing duty investigations were also considered several times from 1978 through 1992, and not one was initiated. A likely consequence of that inconsistency was the weakening of the credibility of the U.S. trade policy.
>
> In lieu of trade action, negotiated solutions were sought with the objective of limiting the trade distortions associated with Airbus subsidies.
>
> Three factors block U.S. industry-government consensus on trade action against Airbus. One, the desire of U.S. airlines for access to subsidize cheaper Airbus products; two, U.S. government's linking of trade policy goals to foreign policy priorities; three, concern of U.S. and aircraft parts producers over jeopardizing relations with their European airline customers.
>
> In 1978, Eastern Airlines strongly opposed the Treasury Department self-initiated CBD case against Airbus. No action was taken. In 1985 the State Department blocked trade action on the grounds that it would damage U.S.-West European relations, particularly U.S.-French ties. And in 1987 McDonnell Douglas opposed Section 301 action out of fear that retaliation by Airbus governments would cost it important European airline customers.
>
> Consequently, the action was dropped. Government officials were unwilling to take trade measures opposed by the U.S. industry, lacking full industry support and sometimes inter-government consensus. Trade policy was paralyzed.

I had a similar experience, Mr. President, with the automobile industry. I will never forget the excitement in the early part of the year when we had the three big auto companies coming here, the heads of General Motors, Ford, and Chrysler. They were going to appear for the first time before the committee. I heard a couple of days before the hearing that they intended to come and support a dumping case, initiating a joining of hands, initiating a dumping case. We know over 2 years ago—and I am just citing from memory with round figures—that the Japanese automobile industry lost about $3.2 billion on overseas sales, but back home in the domestic market they made it up with $11.1 billion in profits.

So there is an assault. Do not ask about losing any money, as has been pointed out by Airbus and not making any money. The strategy with Airbus is market share. The strategy with Japanese is market share.

We are not going to turn to that strategy here in the United States and put in a MITI and put in an Airbus and start subsidizing. But we have to do something to boost the commercialization of our technology, and that is what S. 4 is all about.

So there we are. We are back on S. 4 now. We have heard about the aerospace, and there is one point of agreement: the legitimacy of a philosophy that supports industry. That is the philosophy we have in this particular bill. We ought to assist with the research, definitely do that. That is the bare minimum, and we have been doing that over the years. We have done it in agriculture. That is the land grant colleges. The distinguished Senator knows agriculture better than any. And we at the land grant colleges conducted the research with Federal grants. We had the experimental stations to put new ideas to the test. Then we had the extension centers to conduct outreach.

This is exactly what we have now for industry, and particularly small business industry on the industrial side, on the technology side, on the production side.

These programs are industry initiative and largely industry financed, with the National Academy of Engineering conducting peer review. We go about it in that very deliberate fashion and in a very modest way. I cannot find a business entity that opposes this. All of them have written in, all the coalitions: National Association of Manufacturers, the Competitive Technology Coalition, and all the others. So we have a good measure.

If we can move forward, I want to yield to see if we can get some amendments up and get some votes.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Mr. President, I have heard the chairman. I respond.

Mr. President, I rise to send an amendment to the desk, but I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1496

(Purpose: To amend rule 11 of the Federal Rules of Civil Procedure)

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1496.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new title:

TITLE —FEDERAL RULES OF CIVIL PROCEDURE

SEC. . RULE 11 FEDERAL RULES OF CIVIL PROCEDURE.

(a) IN GENERAL.—Rule 11 of the Federal Rules of Civil Procedure is amended—

(1) in subsection (b)(3) by striking out "or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery" and inserting "or are well grounded in fact"; and

(2) in subsection (c)—

(A) in the first sentence by striking out "may, subject to the conditions stated below," and inserting in lieu thereof "shall";

(B) in paragraph (2) by striking out the first and second sentences and inserting in lieu thereof "A sanction imposed for violation of this rule may consist of reasonable attorneys' fees and other expenses incurred as a result of the violation, directives of a nonmonetary nature, or an order to pay penalty into court or to a party."; and

(C) in paragraph (2)(A) by inserting before the period ", although such sanctions may be awarded against a party's attorneys".

(b) EFFECTIVE DATE.—The provisions of this section shall take effect 30 days after the date of the enactment of this Act.

Mr. BROWN. Mr. President, I know this bill has become somewhat controversial, that strong words have been exchanged. But I want to pay my respects to the distinguished work of the two Senators who are on the floor right now, the distinguished chairman who has brought this forward and the distinguished Senator from Missouri, who has worked so hard and long on this bill.

I know that both of them are genuinely and sincerely committed to improving the competitiveness of this country. I particularly appreciate the commitment of the chairman of the committee to work toward that end. While we may have some disagreements as to the funding level of this measure, I have no doubt that his purpose is sincere and that his commitment is to making this Nation much more competitive and to improving job opportunities for Americans.

Mr. President, in that regard, I want to offer an amendment to the Chamber that I hope will merit inclusion in the bill. It is one that I think deals with the fundamental question of competitiveness. Included in all of the factors that go to our competitiveness is the question of what has happened to our legal system and the potential for frivolous lawsuits.

In that regard, there has recently been a change in the rules of Federal Rules of Civil Procedure that I believe has a major impact on the potential competitiveness of this Nation. Those Rules of Civil Procedure were recently amended. I know many Members are familiar with the change. For those who are not, I might outline very briefly what has happened.

The Judicial Conference of the United States recommended to the Supreme Court that some changes to the Federal Rules of Civil Procedure be made. Their advisory committee has come up with some suggestions, many of them by trial attorneys that deal in this area, many of them by judges. Those changes have been accepted in a process that I will outline later. Many of the changes to the Federal Rules of Civil Procedure are very good and, I think, will help in the judicial process. But one particular set of changes I think presents an enormous problem for our country. And I feel that the overwhelming Members of this Chamber will be concerned about changes in the rules and will want to make some modifications in those changes in the rules.

What we are literally talking about is a change in the Rules of Civil Procedure—specifically, those changes to rule 11. We are particularly concerned about the changes in rule 11 that address the sanctions imposed for filing frivolous lawsuits. These are lawsuits that are brought without a solid basis in fact, or a solid basis in law.

In the past under rule 11, when those claims, those cases, those representations are made, we had an ability to bring meaningful sanctions against the party. The thinking was—and I believe it is valid—that bringing sanctions against a party who brings a groundless claim, one, discourages people from cluttering up our courts with those groundless claims and, two, provides appropriate compensation to the injured party. That is, if someone has a groundless claim made against them and they are injured not only by that, but by the attorney's costs, and other fees to defend themselves, they are entitled to some reasonable form of compensation.

I believe that not only do the Members of this Chamber feel that is fair, but the vast majority of American people feel that is fair. Frankly, Mr. President, this amendment only deal with a portion of the rule 11 changes regarding sanctions.

The December 1 changes to rule 11 were submitted to the Supreme Court, and the Supreme Court referred them on to Congress.

Let me read into the RECORD the language used by the Chief Justice of the United States when they referred those changes to this Congress. I am quoting a letter from the Chief Justice addressed to the Speaker of the House:

> This transmittal does not necessarily indicate that the Court itself would have proposed these amendments in the form submitted.
>
> Thus, it would be a mistake to believe that the changes to rule 11 have received a formal review and endorsement of the Supreme Court.

It has been referred to us, but the Chief Justice makes it clear that this does not necessarily represent the thinking of the Court, nor the wording the Court would have submitted.

One of the Justices wrote in dissent specifically about the changes to rule 11. That Justice—joined by others—felt that it was inappropriate and harmful to change rule 11 the way the Judicial Conference suggested. I want to share with the Members the comments of Justices Scalia, Thomas, and Souter from a dissent that they filed.

Quoting in part:

> In my view, the sanctions proposal will eliminate a significant and necessary deterrent to frivolous litigation.

I will repeat that. The rules as revised under the changes "will eliminate a significant and necessary deterrent to frivolous litigation." That is the issue, and that is the subject of the amendment.

The amendment attempts to address the changes in the Rules of Civil Procedure and address what I believe would be a tragic mistake: Changing our rules in a way that reduces or eliminates sanctions against frivolous lawsuits. If this Chamber closes its eyes to those rule changes, we will have had a direct hand in encouraging frivolous litigation and eliminating reasonable deterrence to frivolous litigation. I think that is a competitive issue. I think it makes a difference in whether we keep jobs in the United States or not, and it makes a difference as to the cost of goods produced in America versus the rest of the world.

To continue with the remarks of the Justices:

> The proposed revision would render the rule toothless, by allowing judges to dispense with sanctions, by disfavoring compensation for litigation expenses, and by providing 21-day safe harbor within which, if a party is accused of a frivolous filing withdraws a filing, he is entitled to escape with no sanctions at all.

The amendment before the body deals with those changes in rule 11. It does not eliminate one of the changes. One of the changes was the safe harbor provision. The testimony before the Judiciary Committee by a number of attorneys indicated a feeling on the part of some that the safe-harbor provision could well be a plus in eliminating frivolous actions.

The Justice of the Court that wrote this dissent did not feel so. I must confess that I have doubts as to whether the safe-harbor provision that has been added to the rules will be helpful or not. I suspect it will not. But I have not chosen to include it in this amendment. The safe-harbor provision will remain part of rule 11 even if this amendment passes. I have done that reluctantly, but I have done it because I wanted to retain the changes to rule 11 that even had a modicum of argument in favor of improving the situation.

The amendment before the body only focuses on four parts of the changes of rule 11 and basically, in those four areas, restores the impact and value of the old rule 11. I will go through them specifically, but I want to finish the comments of the Justices, because I think they address the case very well.

Here are their conclusions on the changes relating to rule 11:

> Finally, the likelihood that frivolousness will even be challenged is diminished by the proposed rule, which restricts the award of compensation to "unusual circumstances," with monetary sanctions "ordinarily" to be payable to the court.

I will interrupt the Justices' dialog to describe that.

In the past, if somebody files a frivolous lawsuit against you, it was possible—not required, but possible—for you to get your ordinary, necessary attorney's fees refunded to you. One of the changes in rule 11 says that sanctions go to the court, not to the injured party.

What kind of incentive is that to even raise the issue? If the injured party does not get compensated, why would they even point it out or bring it up? It is just more attorney costs. The changes in rule 11 gut the deterrence to a frivolous lawsuit. This is a terribly important measure. We cannot afford to gut the Rules of Civil Procedure sanctions against frivolous actions. That is what the Justices are talking about in this quote.

I continue:

> Under proposed rule 11(c)(2), a court may order payment for "some or all of the reasonable attorneys' fees and other expenses incurred as a direct result of the violation" only when that is "warranted for effective deterrence." And the commentary makes it clear that even when compensation is granted, it should be granted sparingly—for costs "directly and unavoidably caused by the violation." As seen from the viewpoint of the victim of an abusive litigator, these revisions convert rule 11 from a means of obtaining compensation for damages resulting from frivolous litigation to an invitation to file frivolous lawsuits.

Mr. President, I think these changes in rule 11 will eliminate the incentive of the injured party to alert the Court of these violations and will eliminate the deterrent value of sanctioning frivolous actions.

As Justice Scalia said:

> I would not have registered this dissent if there were convincing indication that the current rule 11 regime is ineffective, or encourages excessive satellite litigation. But there appears to be general agreement, reflected in a recent report of the advisory committee itself, that rule 11, as written, basically works. According to that report, a Federal Judicial Center survey showed that 80 percent of district judges believe rule 11 has had an overall positive effect and should be retained in its present form.

Mr. President, that is 80 percent of the district judges did not favor—or at least according to this survey do not favor—those changes in rule 11.

The report continues:

> Ninety-five percent believed the Rule had not impeded development of the law, and about 75% said the benefits justify the expenditure of judicial time.

True, many lawyers do not like rule 11. It may cause them financial liability, it may damage their professional reputation in front of important clients and the cost-of-litigation savings it produces are savings not to lawyers but to litigants. But the overwhelming approval of the rule by the Federal district judges who daily grapple with the problem of litigation abuse is enough to persuade me that it should not be gutted as the proposed revision suggests.

Mr. President, let me repeat Justice Scalia's comments, because I think it is very important. He refers to the feeling of the district judges that dealt with rule 11 before it was revised:

> The overwhelming approval of the rule by the Federal district judges who daily grapple with the problem of litigation abuse is enough to persuade me that it should not be gutted as the proposed revision suggests.

Mr. President, I have before me a variety of comments I would like to make, and I would like to go into the details of the amendment that I have offered to the Senate for consideration. But I see my colleague from Iowa here on the floor, and I know he wishes to make remarks with regard to this proposed amendment.

I would like at this time to yield to the distinguished Senator from Iowa for the purposes of debate only.

The PRESIDING OFFICER (Mr. FEINGOLD). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the Senator from Colorado for not only yielding, but I also thank him for his leadership in this area. He may have said this before I got to the floor, but this was of some concern to us last year as we reviewed within our Judiciary Committee the work of the courts and finally the Supreme Court in changing the rules of civil procedure.

So the Senator is not bringing up an issue that is new to the concern of our committee or the concern of this entire body. And he has spelled out very well the need for his amendment. But the amendment also expresses, over a long period of time, the concern that some of us have had on the Judiciary Committee, for the disregard that there is for rule 11.

So I rise in support of the Brown amendment, and I do that because we need to make sure that Federal courts are open to all who have legitimate claims. That is not the case now, because there is such a big amount of cases coming, some without merit, clogging our courts.

It seems to me that at the same time we are concerned that the Federal courts ought to be open to all legitimate claims, we also need to ensure that frivolous cases neither compete for attention with meritorious ones, nor that frivolous Federal litigation be used as a weapon.

As Federal civil litigation has grown, the number of frivolous cases has also grown.

Due to the general caseload increase, particularly in criminal cases, the time that passes before civil litigants can receive justice has lengthened tremendously. The rules of civil procedure had always had provisions against frivolous cases. But the original rule 11 was ineffective in preventing frivolous cases. So to take care of that problem, in 1983 sanctions were made mandatory.

The provision finally became effective in deterring the filing of cases that had not been fully investigated.

After 1983, rule 11 had teeth, and some lawyers who filed frivolous cases were bitten by those teeth. The provision was unfortunately weakened last year. No longer would sanctions be mandatory.

Worse, attorneys would no longer have to certify that the case appeared meritorious after reasonable investigation. Instead, Mr. President, an attorney, without penalty, could file a case without knowing that the case was meritorious. The attorney could file first and face no penalty if he or she reasonably believed evidence might be found to support the case afterward.

There would be no penalty under these circumstances, even if no evidence were ultimately found to support the frivolous claim. Moreover, no penalty could be imposed if the attorney agreed to dismiss the case. Even if a penalty were offered, it would be measured by its deterrent effect upon others, not upon the attorney who violated the rule by the award of attorney's fees.

So these provisions soon turned rule 11 into a hollow shell. If the rule is not soon changed, we will face an increase in frivolous cases in our Federal courts, further adding to their burden. This will cause our people and our economy to suffer wasted resources in time and money, without any benefit to anyone and with the denial of justice to a lot of people, because frivolous lawsuits in litigation benefit no one. It will not be deterred or punished under the current rule 11.

It certainly makes no sense to bring suit first and to determine that it is well grounded in fact later. Just think how long anyone would put up with this rule for criminal litigation—that a prosecutor could bring criminal charges first without any current belief that the law was broken and that the defendant violated it. That would be a regime that came right out of Alice in Wonderland, and of course there is no reason to implement such a system, then, in civil litigation, either.

The Brown amendment will restore effective sanctions to rule 11—that is all we are trying to do—as when rule 11 worked. No lawyer who practices in good faith nor any client of such a lawyer would have any reason to fear the changes that Senator BROWN is proposing. Moreover, the Brown amendment will not return rule 11 to its 1983 language in its entirety. Represented parties themselves will not be able to be sanctioned, and other changes that ensure the fairness of the rule will be maintained.

Cases that are not known to have a basis in fact or law at the time they are filed should not be brought. The Brown amendment will then fairly require that such cases not be brought.

I strongly support the amendment and I request that my colleagues support it, as well. It is something that will impact very positively upon our competitive position which the underlying bill is attempting to do. It will promote competitiveness from a point that is going to make a real impact because litigation, particularly litigation that is not legitimate, has economic consequences that are very negative.

So I urge the adoption of this amendment, and I yield the floor, Mr. President.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I want to describe to the Chamber why it is this is offered on this amendment. We referred to that to some extent earlier.

It is my feeling, and I believe most Senators will agree, that the millions of dollars lost in frivolous litigation has an impact on the cost of goods and services in this country and has a significant impact on our potential competitiveness around the world. That is why I think it is important that this amendment be addressed along with S. 4.

But someone could, I think, fairly and reasonably raise the issue: Why offer it on this vehicle even though this is a competitiveness bill?

Well, the answer lies in part on how the changes were made last December to the Rules of Civil Procedure. The procedures for the adoption of these changes in the rules are basically this: A recommendation comes out of a committee, the Supreme Court forward it to us, and then it becomes effective unless Congress takes some action; that is, the changes in rules become effective automatically without any legislative action unless we act to overturn them.

The problem is this: We have had committee hearings in Judiciary, we have had discussions, but we have not had a bill referred out dealing with rule 11.

In other words, this Chamber has not had an opportunity to go on record on rule 11. I would not burden the Chamber with this amendment, even though I feel very strongly about it and I think it is important to competitiveness, if this Chamber had acted on rule 11 prior. I would not presume to move to a vote on these items if the Chamber had due consideration and had considered this and made their feelings clear.

But the reality is, the Rules of Civil Procedure are being changed without this body having a voice in that matter, without this body having a chance to vote on it. Thus, offering the amendment gives the body an opportunity to voice their concerns about it.

If the majority wants to encourage frivolous litigation or adopt these rules which encourage frivolous litigation, that, of course, will be up to each Senator and their own view of what is appropriate. But I would think it would be a tragedy to have this kind of change in the basic fundamental Rules of Civil Procedure take place in this country and not have the Senate of the United States even review the item or vote on it.

I have chosen only four elements of the changes in rule 11 to address in this amendment. As I have already spelled out, a number of the other changes are not addressed by this amendment. The only ones that I have brought to the attention of the floor are the ones that I think are so egregious that I think they cry out for correction.

I thought I would take a few moments and outline to the Senate, very briefly, the kind of changes that have taken place.

The first I hope to draw to your attention to is the question of what kind of standards you ought to apply to the veracity of or support for allegations and claims filed in court. Should you be able to allege items in the pleadings, that is, representations of the law and facts, which you do not know to be true?

Well, here is what the old rule 11 says, and I am quoting a portion, "that to the best of the signer's knowledge, information, and belief formed after reasonable inquiry it is well grounded in fact and it is warranted by existing law or a good faith argument."

That is an excerpt from it, but I think it gets to the heart of it.

In other words, to make allegations in those pleadings, it has to be to the best of your knowledge and information and belief, formed after a reasonable inquiry. In other words, you have to do a reasonable check of the facts before you allege it and you have got to believe what you put down is true. I do not believe that is overly burdensome. It seems to me that is only reasonable.

What do the new changes in this regard in rule 11 say? Well, we are quoting from subparagraph (b)(3). It says this: "The allegations and other factual contentions have evidentiary support"—that seems reasonable, but here is the catch—"or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery."

The new rule 11 says, in effect, that you do not need to know if your claim has a basis in fact, but you think they might if you have a chance to investigate it, it might be true.

Let me use the exact language they use:

> * * * likely to have evidentiary support after a reasonable opportunity for further investigation or discovery.

In other words, you can bring charges against somebody and they have to hire a lawyer and they have to answer the pleadings and they have to go through enormous expense to answer charges that you do not even know are true.

Mr. President, that is not right. That is just not right—to say you can bring a lawsuit when you do not know what you are alleging is true and have not taken reasonable measures to find out. That makes no sense.

Now, I understand why some people might favor this change in the rule. Mr. President, I suspect that many of those people are ones who might be inclined to bring this kind of claim; that is, a claim that they do not know is accurate and have not taken the time to find out is accurate.

But that is not the way I was taught law. That is not the way generations of American attorneys have been taught law. That is not in conformance with the standards of ethical behavior that decades and decades and decades of attorneys in this Nation have followed.

This suggests a standard of behavior that is beneath what has been demanded by the Rules of Civil Procedure in the past.

Should we be lowering the standard of conduct that we expect from attorneys? Should we be suggesting that you can bring a lawsuit without knowing the facts that you allege, without doing a reasonable inquiry? I do not think so.

And that is why I felt so strongly about this that I brought this amendment before this body. We should have an opportunity to vote on whether or not you want to lower the standards for attorney's conduct, whether you want to lower the standards for bringing an action, whether you want to allow people to bring an action alleging things they do not even know are true.

So that is the first part of the amendment. Allow me to read from the amendment so it will be clear. It is under subsection (1) on page 2 of our amendment. It says: "In subsection (b)(3), by striking out 'or,' "—and then they quote the following passage that I quoted. It would read this way: an attorney certifies that "the allegation and other factual contentions have evidentiary support or are well grounded in fact." It is not as strong, even with my amendment, as I believe the previous rule was. It is meant to be a compromise. But it is meant to retain the very important requirement that there is evidentiary or factual support for what you allege in court. That is the first change. We simply say let us not denigrate the standards that attorneys have complied with over the years.

The second amendment deals with a different area. Let me read the passage that it involves. This deals with the question of sanctions. The new rule reads in subsection (c):

> Sanctions. If, after notice and a reasonable opportunity to respond, the court determines that subdivision (b) has been violated, the court may, subject to the conditions stated below, impose an appropriate sanction upon the attorneys, law firms, or parties that have violated subsection (b) or are responsible for the violation.

The justices that we quoted earlier referred specifically to this section, pointing out that sanctions should be mandatory, not permissive, for rule 11 violations.

The question is this: If someone has violated the rules, has brought a frivolous action, after notice and reasonable opportunity to respond, and the court determines that the rule is violated, should the court order sanctions?

Put another way: If you violated rule 11 and it is pointed out that you violated rule 11 and you have time to respond and you do not correct your mistake, should you have to pay sanctions or not? The new rule says that you may or may not have to. I suggest if you violated the rules and it is pointed out to you and you still do not correct your mistake, that you ought to have to pay for the damage you caused. So our rule change is simple. We simply drop the word "may" and change it to "shall."

I should point out in this regard that the degree of the sanctions is still discretionary. The degree of sanctions you will have to pay can vary. If it is not severe, if it is not serious, the judge has the ability to make it very small sanctions. But the primary issue of whether sanctions should be mandatory is very clear. If you break the rules and you know you are breaking them and you do not correct it and you cause another party damage, this amendment says you have to be sanctioned. The new rules say not necessarily so.

There is a third change in the new rule 11 that I thought was so severe that we ought to address it. The new rule reads as follows:

> A sanction imposed for violation of this rule shall be limited to what is sufficient to deter repetition of such conduct or comparable conduct by others similarly situated. Subject to the limitations in subparagraphs (A) and (B) * * *.

They go on to spell out what the sanctions may be. That is a dramatic change. It says the only sanctions you are likely to get is that which would prevent you from doing it again. What is the better approach? In thinking about what is an appropriate sanction, one way of looking at it is to say if you have caused damage of $100, you ought to pay damage of $100. The new rule 11 says: No, no. Just enough so you will not do it again. It could be $1, not $100. It could be 10 cents, not $100. This does not say pay for your mistake; it does not remedy the damage caused the other party. It says we are only going to do what we think might prevent you from doing it again. That is not a sanction. That is not a deterrent.

The new rule runs counter to our philosophy of tort law. It runs counter to our sense of justice, that you ought to pay for your mistakes. Only deterring the next action is not enough. Keep in mind here what has been imposed on an innocent party—the legal fees for defending a frivolous suit or claim can be thousands upon thousands of dollars.

This Member does not feel that is right. This Member thinks the one who violates rule 11 ought to pay for the damage. So here is what our amendment does. We substitute that language that says only deter, with this:

> In paragraph (2), by striking out the first and second sentences and inserting in lieu thereof "A sanction imposed for violation of this rule may consist of reasonable attorneys' fees and other expenses incurred as a result of the violation, directives of a nonmonetary nature, or an order to pay penalty into court or to a party."

What does it change? It focuses on the damage done to the innocent party. It drops any reference to paying only part of the damage, and it shifts the focus away from deterrence and back to compensation for damage. It raises the possibility of paying a penalty to a party and to the court. It also preserves the possibility of using nonmonetary penalties. Does anybody think if you are guilty of bringing a frivolous action you ought not to have to cover the attorneys' fees of the other side? I hope if people object to this amendment they will address that.

So the question on this portion of the amendment is pretty clear. Is rule 11 designed only for deterrence or do you allow the court to address the attorneys' fees and other costs imposed on the other party?

The fourth change that we thought was so egregious that we had to address it, involves a slight modification in the changes proposed by the Judicial Conference. They proposed adding this language, and I will read it because it is pretty brief.

> (A) Monetary sanctions may not be awarded against a represented party for a violation of subdivision (b)(2).

What is subdivision (b)(2)? Well, (b)(2) reads as follows:

> [The party or attorney certifies that] the claims, defenses, and other legal contentions therein are warranted by existing or by a nonfrivolous argument for the extension, modification, or reversal of existing law or establishment of new law.

What does all this deal with? It deals with the case where the attorneys argue for an extension or modification or reversal of existing law. In other words, someone brings an action knowing the law has not been read that way in the past, arguing it should be read that way in the future.

The new rule 11 says that when you bring that action knowing the law does not support your position and you lose, sanctions cannot be brought against you.

We do not strike that section. Although, Mr. President, I think it would make sense to strike it. But we do modify it slightly. We leave in the part that does not allow sanctions against the complaining party, but we do permit sanctions against the party's attorney. Our fourth change simply says: "although such sanctions may be awarded against a party's attorney."

So we have retained the limitation on sanctions against the party whose attorney tries to reverse or extend the law, but, under our amendment, it would be possible to sanction the attorney.

What is the logic for that? A client does not know or understand the law as the lawyer does. It is the lawyer who makes the recommendation or decision to attempt to reverse or extend existing law. So if the attorney engages in frivolous arguments—and that is what we are talking about here, a frivolous argument that costs the other party money to defend—at least the attorney ought to bear responsibility for that. Otherwise, there is no disincentive against every lawyer in every lawsuit from filing a frivolous attempt to reverse existing law.

Mr. President, that is the body of the amendment. Those are four small, modest changes in the rules. It brings rule 11 partially back to what it was before the commission made its recommendation. It accepts those portions of the commission's recommendations that have some basis in logic.

This issue is fundamental. It is much more significant than simply some technical procedures under our Federal rules. The question that is before the Senate with this amendment is simply this: Do we sanction frivolous actions, or do we close our eyes and do away with the ability to sanction frivolous legal actions? Some may say, "Look, the new rule still has some restrictions in it." That would not be an unfair comment. But it is also quite clear that the heart and the soul and the guts of rule 11 have been torn out of it. It is also quite clear that rule 11's ability to deter frivolous actions has been abated.

Ultimately, the question we must answer on this amendment is whether it is in the Nation's interest to encourage attorneys and parties to bring frivolous actions, to misstate the law, to allege facts that they do not believe or do not know to be true or have not investigated. It seems to this Senator that it is only reasonable to ask somebody to investigate what they are going to allege in court. It seems to this Senator that parties should know some of the facts underlying what they charge in the pleadings. It seems reasonable to ask them to have some knowledge of it. It seems reasonable to ask that frivolous arguments not be made.

The question is whether or not we address the need for improved competitiveness in this Nation by making sure we do not gut the rules that protect us against frivolous lawsuits.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, that amendment has no place on this bill. It obviously deals with a matter pertaining to the operation of courts. I do not know why it is even being brought here.

But let me explain a little bit about the procedure which happens regarding the Federal Rules of Civil Procedure, which include rule 11.

There has been controversy as to how courts ought to take care of its rulemaking authority, but the prevailing point of view is that the judiciary has the inherent power to determine its own rules. Congress felt it had a role, so it adopted the Rules Enabling Act by which the Rules of Procedure would be changed by first having a committee appointed by the Judicial Conference of the United States to study any proposed changes.

After the committee made its report to the Judicial Conference, which is a body composed of judges from all levels of the judiciary, the Judicial Conference would study any proposals and then make recommendations to the Supreme Court of the United States. Then the Supreme Court of the United States would consider the issue and make recommendations to Congress. Under the Rules Enabling Act, Congress has 6 months to either adopt the recommendations, to modify them, or to delete them.

This particular rule 11 that came up was submitted to the Congress and the 6-month time period expired prior to Congress' taking any action, and so all of the proposed Rules of Civil Procedure, including rule 11, went into effect on December 1. We knew toward the end of the Congress last year that if any changes had to be made, they had to be made before December 1.

If a Senator is interested in making a change to a rule, he or she could introduce a bill, but no bill was introduced proposing to change rule 11.

During that 6-month period last year in the House or in the Senate, if there were reasons for change, a bill could have been introduced in the House or the Senate.

In all fairness to Senator BROWN, he said that he did not like rule 11, but he never took the steps to modify the proposed changes, and now he is now belatedly taking steps on this particular bill, which is unrelated and not germane to Senator HOLLINGS' technology bill.

My colleague from Colorado raises issues about frivolous lawsuits and let me say that this has been considered by many concerned groups of people. The Brown amendment is completely opposed by the civil rights community. The Brown amendment is opposed by the Department of Justice. Six members of the Supreme Court approve rule 11 that is now in effect. Senator BROWN quoted from Justice Scalia's dissent. There are always going to be dissents over at the Supreme Court, but if you have a 6 to 3 vote in the Supreme Court of the United States, that is a pretty good vote.

As I listened to the criticisms of the new rule 11 from Senator BROWN and Senator GRASSLEY, I do not agree with them. I have before me a memorandum from the Administrative Office of the U.S. Courts which says:

> I am writing to address criticism raised during the markup of H.R. 2814 that the amendments to Rule 11 of the Federal Rules of Civil Procedure will eviscerate the rule's effect on parties filing frivolous proceedings and papers.
>
> The amendments to Rule 11 retain the rule's core principle to "stop and think" before filing. By broadening the scope of Rule 11 coverage and tightening its application, the amendments reinforce the rule's deterrent effect and also eliminate abuses that have arisen in the interpretation of the rule. Although the amendments strike a balance between competing interests, the changes strengthening the rule have been neglected by those critical of the amendments and need to be highlighted.
>
> First, the amendments expand the reach of the rule by imposing a continuing obligation on a party to stop advocating a position once it becomes aware that that position is no longer tenable.

What they would like to go back to under the old rule, as I interpret it, would be to allow "a party to continue advocating a frivolous position with impunity so long as it can claim ignorance at the time the pleading was signed, which could have been months or years ago."

> Second, the amendments specifically extend liability to a law firm rather than limiting the liability to the junior associate who actually signs the filing.
>
> Third, the amendments specifically extend the reach of Rule 11 sanctions to individual claims, defenses, and positions, rather than solely to a case in which the "pleading-as-a-whole" is frivolous. Some court decisions have construed the rule to apply only to the whole pleading, relieving a party of the responsibility for maintaining a single or several individual frivolous positions.

So rule 11 that went into effect on December 1 was designed to strengthen this matter.

> Fourth, the amendments equalize the obligation between the parties by imposing a continuing obligation on the defendant to stop insisting on a denial contained in the initial answer. Frequently, answers are general denials based on a lack of information at the time of the reply. The amendments impose a significant responsibility on the de-

> fendant to act accordingly after relevant information is later obtained.
>
> It is also important to highlight the provisions of the rule that the amendments retain. A party must continue to undertake "an inquiry reasonable under the circumstances" before filing under the amendments. In those cases where a party believes that a fact is true or false but needs additional discovery to confirm it, the amendments allow filing but only if such "fact" is specifically identified. The provision does not relieve a party of its initial duty to undertake a reasonable prefiling investigation. In cases of abuse, the court retains the power to sanction sua sponte and the aggrieved party can seek other remedies, e.g., lawsuit for malicious prosecution.
>
> The existing rule does not require a court to impose a monetary sanction payable to the other party. Instead, the rule does provide a court with the discretion to impose an appropriate sanction, including an order requiring monetary payments to the opposing party and to the court.

Now, as to the hearings that we had in the Judiciary Committee, the old rule 11—that is one that was in effect before December 1 of 1993—had language that said that signature to a pleading demonstrated that the pleading "is well grounded in fact."

Senator BROWN at the subcommittee hearings on July 28, 1993, grilled the chairman of the Rules Advisory Committee that had proposed to the Judicial Conference this aspect of the rule change.

Senator BROWN claimed that under the new rule 11, a party "no longer has to research a claim and know that it is true." He feels that a party "no longer has to know his facts" before bringing a lawsuit.

Well, what Senator BROWN ignores from the testimony and the response the chairman of the committee, Judge Sam Pointer, gave is that the new rule 11 "still calls for and demands that attorneys have made a reasonable investigation under the circumstances."

As Judge Pointer demonstrated, oftentimes a party does not get all the facts until the discovery is finished, and the new rule does, indeed, require high standards and is not an egregious loosening of standards.

The point is that under this new rule 11, "if a plaintiff is going to make an allegation that he does not have hard support for, the plaintiff should say, I do this on information and belief, and be under a responsibility to withdraw that or not continue to assert it, if after reasonable opportunity for discovery, it turns out there is no basis for it."

Now, the new rule 11 has changes from the old rule in that if a violation regarding a pleading is found, then the court may impose sanctions.

Under the old rule, the language was that a court must impose a sanction if it found a violation of the rule.

As Judge Pointer demonstrated in his testimony, a court needs the flexibility or discretion to impose sanctions because a complaint, or for that fact an answer or motion to dismiss may contain a technical violation, but the rest of that pleading could be perfectly acceptable. Why, then, should a court be required to impose a sanction? Such discretion would not, in my judgment, give way to mass, irresponsible pleading.

Obviously, those who are purporting to change rule 11 raise the possibility that a party could intentionally bring a frivolous action and, upon a finding of such by the court, might escape a penalty. The response to that concern is that well, yes, there could be no penalty, but in that type of egregious intentionally frivolous pleading a court will most likely impose a sanction.

Under the new rule—

> [I]f warranted, the court may award to the party prevailing on the motion the reasonable expenses and attorney's fees incurred in presenting or opposing the motion.

Also, a court on its own initiative may begin a show-cause proceeding as to whether a party has violated the rule. This should take care of concerns by Senator BROWN that plaintiffs could irresponsibly plead, claim, et cetera. The court has its own power to initiate an inquiry as to whether rule 11 has been violated.

As the Senate can clearly see, this is a highly technical matter that we are being called upon to consider, and it is attempting to be amended onto an unrelated bill without the Members of this body having an adequate opportunity to study the issues. For us here in Congress on Friday afternoon to have to consider this amendment on an unrelated bill seems to me to be an irresponsible way of legislating.

So it is my opinion that we ought not to be involved in this at this time. The Judiciary Committee had hearings, and there was ample opportunity for action to be taken. But no action was brought forth through the form of a bill being introduced to make any changes to rule 11.

There was some effort to make some changes to rule 26(a)(1), which deals with discovery, and rule 30(b)(2) relating to the taking of depositions. The House did make some changes in those areas, but it was not passed here in the Senate.

There is still some effort being made to try to reach some sort of an agreement with the Department of Justice, the civil rights groups, and others pertaining to those matters, but that has not proceeded to the point where anything has been finalized.

It seems to me that it is just improper and an inappropriate time to bring this matter up at such a late stage as this. If there had been a real sincere effort, it could have been done within the 6-month time period allowed pursuant to the Rules Enabling Act. It seems to me that we ought not to be dealing with this amendment at this time on this unrelated technology bill.

It may be that a bill could be introduced, referred to the Judiciary Committee, hearings could be held, and then its merits could adequately be considered.

In closing, I do feel that the new rule 11 is a flexible rule, and it has provisions that strengthen, not weaken, efforts to prevent frivolous lawsuits. The new rule is expected to reduce the number of inappropriate motions requesting sanctions, thereby allowing courts to focus more attention to legitimate sanction requests.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERRY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERRY. Madam President, I would like to say a few words about S. 4. I would like to compliment the Senator from South Carolina on what he is trying to accomplish with this bill. I hope that we in the Senate can move beyond some of the divisions of the last few days and try to focus on what this bill does.

We have had an extraordinary amount of debate in the U.S. Senate about jobs and the economy. During the NAFTA debate, there was a lot of discussion on the floor about the problems of the American workplace. There are, as you know, major problems in the American workplace. Raytheon Corp. in Massachusetts just announced that it will have to lay off some 4,400 more people over the course of the next couple of years—over 1,000 of them in Massachusetts itself.

Most of the companies in the country are downsizing in one way or the other. There are enormous numbers of jobs that are moving to low-skill, low-wage countries. There have been a series of articles in the newspapers recently commenting on the fact that—notwithstanding the improvements in the economy—there has not been an improvement in wages in America.

Americans are working longer, they are working harder, and they are taking home less. In the 1950's, most Americans could look forward to a major increase in income in the course of just a couple of years. Well, in the 1980's, it took the average American 10 years to achieve in income growth what it took only 2 years to achieve back then. In 1989 and 1990, American workers lost in each year what it had taken them those entire 10 years to get. That is the predicament of the American worker.

And it is that predicament that S. 4 seeks to address.

S. 4 has received support from a wide variety of technology businesses who recognize that America has a competitiveness problem, and who know there is nothing in this bill that smacks of industrial policy or the Government making decisions.

S. 4 is an effort to facilitate our ability to take products from the laboratory out into the workplace. It will help us avoid the situation we have faced in the past when Americans have developed technology—for the VCR, the fax machine—only to see it developed and manufactured by the Japanese, the Europeans, and others.

The fact is this bill will help create jobs.

Maybe this seems abstract to some. Let me cite a couple of examples of the tangible results the programs of the National Institute of Technology produce. In Massachusetts, Teradyne, Inc., is now marketing a new software package that was developed in conjunction with NIST. That package allows manufacturers of analog and analog/digital electronic components to actually test the components of these devices without compromising test accuracy.

This is a technique which would not have been developed, marketed, or produced without the NIST effort. And, without NIST, Americans would not be employed in this activity.

Studies by NIST researchers have pointed the way to significant processing improvements adopted by Ibis Technology, Inc., which is a company in Danvers, MA, the sole U.S. supplier of an experimental material. The NIST assistance can reduce by a hundredfold the number of defects in this material, making Ibis more competitive and allowing it to be a more secure employer of American workers.

I sincerely hope we can understand what is at stake here. We need to be able to commercialize ideas faster—better—and this bill permits industry to make choices about how to do that. It is an important bill for creating jobs and making this country more competitive.

I hope we can look a little harder at the ways in which S. 4 helps America to be competitive and helps us to create jobs and move away from a partisanship that seems to characterize so much of what happens in Washington.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, the distinguished Senator from Massachusetts is right on target. There is no question that our dilemma was foreseen by many over the past 10 years, specifically the U.S. Council on Competitiveness, headed up by John Young of Hewlett-Packard, George Fisher, then with Motorola and now Kodak, and other business leaders, certainly a nonpartisan group, which issued a document entitled "Gaining New Ground, Technology Priorities for America's Future" back in 1992, 2 years ago, and it says:

The U.S. position in many critical technologies is slipping and, in some cases, has been lost altogether. Future trends are not encouraging.

I ask unanimous consent to print the entire document in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GAINING NEW GROUND: TECHNOLOGY PRIORITIES FOR AMERICA'S FUTURE

EXECUTIVE SUMMARY

Throughout America's history, technology has been a major driver of economic growth. It has carried the nation to victory in two world wars, created millions of jobs, spawned entire new industries and opened the prospect of a brighter future. In many respects, technology has been America's ultimate comparative advantage. Because of our great technological strength, U.S. manufacturing and service industries stood head and shoulders above other nations in world markets.

That comforting view is under assault. As a result of intense international competition, America's technology edge has eroded in one industry after another. The U.S.-owned consumer electronics and factory automation industries have been practically eliminated by foreign competition; the U.S. share of the world machine tool market has slipped from about 50 percent to 10 percent; and the U.S. merchant semiconductor industry has shifted from dominance to a distant second in world markets. Even such American success stories as chemicals, computers and aerospace have foreign competitors close on their heels.

Blame for the problems has been laid at many doorsteps: sluggish domestic productivity growth, closed foreign markets, the deteriorating U.S. education and training system, poor management and misguided government policies in areas ranging from capital formation to product liability laws. Some fear the United States is too preoccupied with national prestige technology projects to worry about investing in the generic enabling technologies that are critical to the competitiveness of many industries. Others charge that the United States is increasingly turning over the difficult job of commercialization and manufacturing technology to foreign companies. Unfortunately, in turning over technology to its competitors, America is turning over the keys to economic growth and prosperity.

The American people and its leaders have too readily assumed that preeminence in science automatically confers technological leadership and commercial success as well. It does not. America assumed that government support for science would be adequate to provide for technology. It is not. In too many sectors, America took technology for granted. Today, the nation is paying the price for that complacency.

This report examines the U.S. position in critical technologies and the actions the nation must take to strengthen it.

KEY FINDINGS

1. There is a broad domestic and international consensus about the critical generic technologies driving economic growth and competitiveness

The U.S. Office of Science and Technology Policy, the U.S. Department of Commerce, the U.S. Department of Defense, Japan's Ministry of International Trade and Industry, the European Community and many individual industry groups have all compiled similar lists of critical technologies. This project examined critical technologies from the point of view of a cross section of U.S. industry and confirmed the overlap of critical technologies that appears in these other studies. Given the broad consensus about critical technologies, it is time to move beyond making lists and begin implementing programs that will strengthen U.S. technological leadership.

2. The U.S. position in many critical technologies is slipping and, in some cases, has been lost altogether. Future trends are not encouraging

America pioneered such technologies as numerically controlled machine tools, robotics, optoelectronics and integrated circuits only to lose leadership in them to foreign competitors. Moreover, in many critical technologies, ranging from leading-edge scientific equipment to precision bearings, trends are running against U.S. industry. (See lists on pages 7 to 11.) The erosion of the U.S. position in critical technologies has helped to highlight an important lesson about industrial competition in the late 20th century: a lead in science is not sufficient to sustain technological leadership. Scientific excellence also must be supplemented by a strong position in critical technologies and by the ability to convert these technologies into manufactured products, processes and services that can compete successfully in the marketplace. Otherwise, America's jobs, standard of living and national security will be in jeopardy and, because technology is increasingly driving new scientific advances, so will America's future lead in science.

3. Foreign governments are systematically pursuing leadership in critical technologies.

Governments in other major industrialized countries have used R&D incentives, public-private technology consortia, infrastructure programs, tax policy, trade policy and regulations to improve the technological competitiveness of their industries. The most successful efforts combine funding with extensive public-private collaboration. Partly as a result of these programs, U.S. industry has lost extensive market share in many technology-intensive products (such as memory chips and machine tools) and, in some cases, entire industries (such as consumer electronics). Problems arising from foreign government actions have been compounded by the lack of a timely, coordinated and effective U.S. industry and government response.

4. U.S. public policy does not adequately support American leadership in critical technologies, and U.S. national priorities do not sufficiently address issues related to the role of technology in U.S. competitiveness.

Other nations already spend more on non-defense R&D as a percent of GDP than the United States, and they are steadily increasing these levels. The United States needs to increase support for R&D and focus more resources on non-defense R&D that is commercially relevant. In 1990, only a relatively small fraction of the $67 billion federal R&D budget was directly relevant to the real technology needs of American industry. The low priority given to technology and competitiveness in the federal R&D budget is reflected in America's tax, trade and regulatory policies. It is also reflected in the decline of public investment in infrastructure, which fell from 5.8 percent of GNP in the mid-1950s to 3.9 percent in the mid-1980s. Unless R&D programs are reinforced by policies in these other areas that encourage private-sector investment in technology, they will have a limited impact on U.S. competitiveness. The most effective programs are those that encourage sharing of the cost and results of precompetitive research and that stimulate private-sector proprietary R&D and commercialization.

5. Most of the technologies that will drive economic growth over the next decade already exist, and industry needs to improve its ability to convert them into marketable products and services

Many of the competitiveness problems facing U.S. industry stem from industry's failure to commercialize technology effectively. Although it is important to discover breakthrough technologies that create entire new industries, it is equally important to develop existing technologies that improve industry's performance in large, established markets. In addition to research, market success depends on management systems that encourage the development and application of technology, education and training programs that build work force skills, and world-class commercialization systems. Unlike companies having strengths in these areas, they will not be able to translate their technical advantages into technological leadership.

6. America's research universities constitute a great national asset, but their focus on technology and competitiveness is limited

U.S. universities produce first-rate scientists and engineers and conduct pioneering research that lays the foundation for many advances in technology. However, their focus on undergraduate education and on preparing future scientists and engineers for the needs of industry, especially in the manufacturing sector, has been inadequate. A closer relationship with industry would help university faculty broaden their understanding of industry's education requirements, develop appropriate curriculums and motivate students. It would also help university researchers focus on challenging leading-edge technology and manufacturing research that is relevant to the private sector. In reaching out to industry, however, universities should be careful not to jeopardize their basic research programs, which have served the nation well.

KEY RECOMMENDATIONS

The recommendations highlighted below stem from one overriding conclusion: In order to create quality jobs, generate strong economic growth and safeguard national security, the U.S. Government and private sector should work together to develop coherent policies to ensure U.S. leadership in the development, use and commercialization of technology.

The first two recommendations focus on actions that the federal government should undertake; the second two on U.S. industry's responsibilities; and the last on what American universities can do. Taken together, they would make a major contribution to America's technological competitiveness. An in-depth discussion of these recommendations can be found in Chapter IV.

1. To enhance U.S. competitiveness, the President should act immediately to make technological leadership a national priority

The United States is already losing badly in many critical technologies. Unless the nation acts today to promote the development of generic industrial technology, its technological position will erode further, with disastrous consequences for American jobs, economic growth and national security. The federal government should view support of generic industrial technologies as a priority mission. It is important to note that this mission would not require major new federal funding. If additional funds for generic technology programs are required, other federal R&D programs, such as national prestige projects, should be redirected or phased in more slowly to allow more resources to be focused on generic technology. The President should move quickly to take the following actions:

Announce his intention to increase dramatically the percentage of federal R&D expenditures allocated to support for critical generic technologies and present a five-year implementation plan as part of his FY1993 budget.

Direct the Office of Science and Technology Policy and the newly created Critical Technologies Institute to work with industry to set priorities in critical generic technologies, translate these priorities into specific action plans and implement these programs.

Direct key technology agencies—such as the National Science Foundation, the National Institutes of Health, the National Institute of Standards and Technology, and the Defense Advanced Research Projects Agency—to work with industry to advance U.S. leadership in critical generic technologies.

Implement decisions to ensure that the federal laboratories' contribution to U.S. technological leadership and competitiveness is commensurate with the national investment in them.

Make the cost of capital for the development of priority technologies competitive with that of America's major competitors by accelerating depreciation schedules for manufacturing equipment, making the R&D tax credit permanent and broadening it to include manufacturing engineering and process R&D, and placing a permanent moratorium on Treasury Regulation 1.861–8.

Promote capital formation, antitrust reforms, regulatory guidelines, export policies and foreign market-opening measures that are conducive to U.S. manufacturing, investment in technology and quality of life.

Make technological leadership a central theme in the Administration's public communications efforts and highlight it in the President's annual State of the Union address, budget submissions and other messages on national priorities.

Ensure that key policymaking bodies, such as the National Security Council and relevant agencies and departments, are more closely involved in issues related to technology and competitiveness.

2. The Federal and State Governments should develop policies and implement programs to ensure that America has a world-class technology infrastructure

The nation's technology infrastructure is critical to its international competitiveness, national defense and world leadership. Technology infrastructure consists of physical assets, such as equipment, facilities and networks, and human capital, such as skilled scientists, engineers and other personnel. Infrastructure programs traditionally have been a responsibility of the federal and state governments. The federal government should assess the nation's technology infrastructure needs, benchmark what foreign governments are doing and develop strategies, programs and implementation plans to make sure that the United States has a world-class technology infrastructure. The Administration's 1989 report on high performance computing and networking, as well as related Congressional legislation, represent an infrastructure program that should be fully implemented. The following are essential aspects of a successful technology infrastructure program:

Broad relevance to many sectors of the U.S. economy.

Close links with public- and private-sector efforts to develop relevant critical generic technologies.

Support for education at all levels.

Investment in related university research, education, facilities and equipment.

Measures that make it easy for industry to invest in, deploy and use infrastructure to enhance its competitiveness.

3. U.S. Industry should establish more effective technology networks to help it compete in the international marketplace.

U.S. industry associations, professional societies, R&D consortia, universities and research institutes should all play more substantial roles promoting technological collaboration and in diffusing technology and information that promote America's technological competitiveness. Although there is an understandable sensitivity to sharing proprietary technology, the United States can, and must, do a better job of diffusing new ideas throughout industry and of sharing the cost and risk of developing technology. The Council on Competitiveness will take a leading responsibility to work with these organizations to promote technology networks. Industry groups and associations should take the following actions:

Strengthen their competence in technology issues.

Promote antitrust reforms that enable them to establish technology networks and share information about international market developments.

Identify and disseminate information about key generic technologies and world-class commercialization practices throughout the U.S. private sector.

Jointly assess critical generic technologies and develop technology road maps to boost U.S. competitiveness.

Build cooperative supplier networks that help set standards and share information in critical technologies.

4. U.S. firms should set a goal to meet and surpass the best commercialization practices of their competitors.

American management needs to improve its ability to commercialize technology. U.S. companies should understand and build on the successful commercialization practices of their domestic and foreign competitors. To achieve this goal, U.S. firms should benchmark their competitors. They should set appropriate goals and allocate the necessary resources. They should motivate, train and empower their employees to take responsibility for achieving these goals. And they should develop the external relationships necessary to accelerate the commercialization process. The Council on Competitiveness will play a role in encouraging industry to take these steps. Action in the following areas is especially important:

Match the Administration's goal to increase dramatically the R&D allocated to critical generic technologies and develop a five-year implementation plan (see recommendation 1).

Institute total quality management and continuous improvement.

Strengthen process engineering.

Accelerate time-to-market to competitive levels.

Improve the ability to share risks and spread costs for developing technology across a broad base.

Continuously upgrade the skills of the work force.

Encourage corporate executives and general managers to give strategic factors equal weight with financial projections in technology-based businesses.

5. While keeping their basic research programs strong, universities should develop closer ties to industry so that education and research programs contribute more effectively to the real technology needs of the manufacturing and service sectors

America's research universities are one of its great technological assets and should be strengthened. In pursuit of new knowledge, however, many universities have lost sight of issues related to technology and manufacturing that affect U.S. competitiveness. Universities should strengthen their focus on the manufacture, use and commercialization of technology. In the process, however, it is important not to jeopardize the basic research contributions of universities. Universities should focus on the following actions:

Develop close ties with U.S. industry and make efforts to ensure that important technological advances are communicated to potential U.S. user on a priority, expedited basis.

Make efforts, in cooperation with employers, to ensure that education programs in engineering and management reflect the real needs of industry.

Keep basic science and engineering programs strong and strengthen research capabilities so that they can adequately address fundamental, long-term technology issues that are relevant to industry.

CRITICAL TECHNOLOGIES

The following list of critical generic technologies represents the private sector's assessment of the technologies that will drive U.S. productivity, economic growth and competitiveness during the decade ahead. These technologies span different sectors of the U.S. economy. They are divided into five categories: 1) materials and associated processing technologies, 2) engineering and production technologies, 3) electronic components, 4) information technologies and 5) powertrain and propulsion technologies.

The list also includes an assessment of the U.S. competitive position in each technology. The assessment is based on extensive analysis and reflects the judgment of experts in industry who understand both the critical technologies and the relevant markets. In general, the competitive position shows the status of technologies that are incorporated in products or processes *in the marketplace*, rather than technologies *in the laboratory*. The U.S. position in each of the technologies is categorized in one of four ways.

Strong—U.S. industry is in a leading world position and is not in danger of losing this position in the next five years.

Competitive—U.S. industry is roughly even with world-best. This category includes technologies where the United States is leading but the leadership is unlikely to be sustained over the next five years, technologies where the United States is staying even and technologies where different countries lead in different niches.

Weak—U.S. industry is behind in technology or likely to fall behind in the next five years. Changes are needed if the United States is to remain in the businesses related to this technology.

Losing Badly or Lost—U.S. industry is no longer a factor or is not likely to have a presence in the next five years. It will take considerable effort or a major change in technology for the United States to become competitive.

Mr. HOLLINGS. Madam President, this is quoting from section 4, and I read it because this is exactly what the Senator from Massachusetts is saying now:

> U.S. public policy does not adequately support American leadership in critical technologies, and U.S. national priorities do not sufficiently address issues related to the role of technology in U.S. competitiveness.
>
> Other nations already spend more on nondefense R&D as a percent of GDP than the United States, and they are steadily increasing these levels. The United States needs to increase support for R&D and focus more resources on nondefense R&D that is commercially relevant. In 1990, only a relatively small fraction of the $67 billion Federal R&D budget was directly relevant to the real technology needs of American industry. The low priority given to technology and competitiveness in the Federal R&D budget is reflected in America's tax, trade and regulatory policies. It is also reflected in the decline of public investment in infrastructure, which fell from 5.8 percent of GNP in the mid-1950's to 3.9 percent in the mid-1980's. Unless R&D programs are reinforced by policies in these other areas that encourage private-sector investment in technology, they will have a limited impact on U.S. competitiveness. The most effective programs are those that encourage sharing of the costs and results of precompetitive research and that stimulate private-sector propriety R&D and commercialization.

I want to thank the Senator from Massachusetts because he is right in lockstep with the heads of American industry, the philosophy behind S. 4 and the actual provisions of S. 4, industry-initiated, industry-financed at least by half and in the main by our experience and peer reviewed, and you cannot do it better than that. We do it in a very modest fashion. The amounts have always come in question but when you are starting in with the National Science Foundation in this which had not been provided for before, $75 million when you start in with the computer superhighway of information, when you go in for the actual construction costs out there at the old Bureau of Standards these other add-ons and everything else, plus the DARPA Programs to be administered by the Department of Commerce, some 85 programs we put in the RECORD in 31 different States, yes, it is more and it is intended to be more, and incidentally according to this council not near enough, but I do thank the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Madam President, I would like to add to what the Senator from South Carolina is saying. I do not think a lot of us on this side of the aisle have too often been accused of being the mouthpieces of big business, but I have a letter received recently from Paul Allaire, the president of the Council on Competitiveness, which says:

> DEAR SENATOR KERRY: On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

He specifically points to what the ATP and the diffusion of technology for small- and medium-sized manufacturers will do. Mr. Allaire points particularly to stimulating investment in high performance computing and communications and says, "These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people."

Who is the Council on Competitiveness? Well, it is the Xerox Corp., Cummins Engine Co., the Amalgamated Clothing and Textile Workers Union, Rockwell International, BellSouth Corp., Eastman Kodak Co., National Association of Manufacturers, the Chase Manhattan Corp., The Ameritech Corp., the Boeing Co., Hewlett-Packard Co., and a number of educational institutions.

S. 4 is an effort to try to make the United States competitive. It deserves bipartisan support.

Mr. HATCH. Mr. President, it is a pleasure for me to join Senator BROWN today in support of his amendment to restore crucial provisions of rule 11 of the Federal Rules of Civil Procedure.

I support this amendment which will restore a very effective tool used by Federal judges to deter frivolous litigation. Certain of the recent rule changes which I opposed, have merely added to the delay and expense in our civil justice system. Trial lawyers who file baseless lawsuits are one group in our society that needs no relief, at least not the kind embodied in the recent changes to Federal rule 11. The American public will ultimately pay the high price for these frivolous litigation tactics.

I offer my support for this amendment because it discourages, not rewards, shoddy litigation practices. It requires that sanctions be imposed where there is a violation of rule 11 and eliminates the protection offered to those filing frivolous lawsuits. Our experience with former rule 11 has demonstrated its effectiveness in reducing frivolous litigation and should be restored.

Trial attorneys who file frivolous pleadings, in my opinion, do not deserve the court's protection or the benefit of a warning by opposing counsel to withdraw or correct their improper pleadings. This amendment will require judges to impose sanctions on irresponsible litigants who file frivolous suits. I urge my colleagues to join me in support of this amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Thank you. I ask unanimous consent that the pending Brown amendment be laid aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1497

(Purpose: To provide an exemption from citation by the Secretary of Labor under the Occupational Safety and Health Act to employers of individuals who perform rescues of individuals in imminent danger as a result of a life threatening accident, and for other purposes)

Mr. KEMPTHORNE. Madam President, I send to the desk then this amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] proposes amendment numbered 1497.

Mr. KEMPTHORNE. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the amendment add the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Heroic Efforts to Rescue Others Act" (HERO Act).

SEC. 2. FINDINGS.

Congress finds that—

(1) existing Occupational Safety and Health Administration regulations require the issuance of a citation to an employer in a circumstance in which an employee of such employer has voluntarily acted in a heroic manner to rescue individuals from imminent harm during work hours;

(2) application of such regulations to employers in such circumstance causes hardships to those employers who are responsible for employees who perform heroic acts to save individuals from imminent harm;

(3) strict application of such regulations in such circumstance penalizes employers as a result of the time lost and legal fees incurred to defend against such citations; and

(4) in order to save employers the cost of unnecessary enforcement an exemption from the issuance of a citation to an employer under certain situations related to such circumstance is appropriate.

SEC. 3. CITATIONS.

Section 9 of the Occupational Safety and Health Act (29 U.S.C. 658) is amended by adding at the end the following new subsection:

"(d)(1) No citation may be issued under this section for a rescue activity by an employer's employee of an individual in imminent harm unless—

"(A)(i) such employee is designated or assigned by the employee's employer with responsibility to perform or assist in rescue operations; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment;

"(B)(i) such employee is directed by the employee's employer to perform rescue activities in the course of carrying out the employee's job duties; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment; or

"(C)(i) such employee—

"(I) is employed in a workplace that requires such employee to carry out duties that are directly related to a workplace operation where the likelihood of life-threatening accidents is foreseeable, such as a workplace operation where employees are located in confined spaces or trenches, handle hazardous waste, respond to emergency situations, perform excavations, or perform construction over water;

"(II) has not been designated or assigned to perform or assist in rescue operations; and

"(III) voluntarily elects to rescue such an individual; and

(ii) the employer has failed to instruct employees not designated or assigned to perform or assist in rescue operations—

(I) of the arrangements for rescue;

(II) not to attempt rescue; and

(III) of the hazards of attempting rescue without adequate training or equipment.

"(2) For purposes of this subsection, the term 'imminent harm' means the existence of any condition or practice that could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.".

Mr. KEMPTHORNE. Madam President, we discussed this issue yesterday so I am going to merely recap some of the high points of this whole issue. This is something that many Americans are very well aware of this particular situation because Paul Harvey carried it on his news commentary. It has been an article that was written in the Reader's Digest. Dave Barry did a very good article about this. It has to do with a situation that occurred in Garden City, ID.

There was a construction site and at this construction site a trench caved in and it buried one of the workers. Hearing muffled screams and cries, other workers that happened to be going by that were not affiliated with this construction site ran to see what the commotion was and found that this worker had been buried alive. You could only see about one inch of the back of his head. He was covered with debris and dirt. These workers that happened to be coming by immediately began to remove the debris and dirt around the trapped worker's head so he could breathe. The trench then began to fill with water. So they rerouted the water so that he would not drown until the emergency medical people could come with the appropriate tools that allowed them to extricate him from that trench.

For their efforts these workers received from the mayor of that particular community a proclamation that declared them heroes. Indeed they were heroes for their quick thinking and their action. They saved this trapped worker's life.

Unfortunately, the Federal Government issued them citations from OSHA that equalled nearly $8,000 for the actions that they took.

Madam President, I ask unanimous consent that the Reader's Digest article and Dave Barry's article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Dave Barry's column in the Chicago Tribune]

There are times when, as a taxpayer, I just have to put my head between my legs and weep with joy at the benefits I am receiving from the federal government ("Official Motto: This Motto Alone Cost $13.2 Billion").

But before we do anything, let's salute the Occupational Safety and Health Administration (OSHA) office in Idaho for its prompt action regarding improperly attired rescue personnel.

Here's what happened, according to an article in The Idaho Statesman written by Martin S. Johncox and sent in by Joe Auvil:

On May 11 two employees of DeBest Inc., a plumbing company, were working at a construction site in Garden City, Idaho, when they heard a backhoe operator yell for help. They ran over and found that the wall of a trench—which was not dug by DeBest—had collapsed on a worker, pinning him under dirt and covering his head.

"We could hear muffled screams," one of the DeBest employees said. So the men jumped into the trench and dug the victim out, quite possibly saving his life.

What do you think OSHA did about this? Do you think it gave the rescuers a medal? If so, I can see why you are a mere lowlife taxpayer, as opposed to an OSHA executive. What OSHA did—remember, I am not making this up—was fine DeBest Inc. $7,875. Yes, OSHA said that the two men should not have gone into the trench without (1) putting on approved hard hats, and (2) taking steps to insure that other trench walls did not collapse and water did not seep in. Of course, this might have resulted in some discomfort for the suffocating victim. ("Hang in there! We should have the OSHA trench-seepage-prevention guidelines here within hours!") But that is the price you pay for occupational health and safety.

Unfortunately, after DeBest Inc. complained to Idaho Sen. Dirk Kempthorne, OSHA backed off on the fines. Nevertheless this incident should serve as a warning to would-be rescuers out there to comply with all federal regulations, including those that are not yet in existence, before attempting to rescue people. Especially if these people are in, say, a burning OSHA office.

[From That's Outrageous, Reader's Digest, January 1994]

FINED FOR HEROISM

Kavin Gill and another employee of DeBest Plumbing, Inc. had to act quickly to rescue 21-year-old Dwight Kaufman after a dirt trench wall collapsed on him at a construction site near Boise, Idaho. Using their hands as tools, they dug the dirt from around his head before a rescue crew arrived and pulled him out of the ditch.

"We could hear muffled screams. You could just see about one inch of the back of his head," Gill said. His shoulders were pinned from the collapsed piece. With his head covered, I think he would have died."

But the federal Occupational Safety and Health Administration didn't see it that way. It fined the Boise plumbing company nearly $7875 because the good Samaritans failed to put on hard hats and took no precautions against other trench walls falling on them during the rescue.

Idaho OSHA Director Ryan Kuemichel said that "rescues must only be attempted after taking proper precautions to ensure that victims are not injured in secondary cave-ins."

But Gill said he, fellow worker Myron Jones and a bystander didn't have the time to find their hats, remove water from the trench and shield the walls.

> Sen. Dirk Kempthorne (R., Idaho) asked the Labor Department to review the case, and the fines were dismissed. Kempthorne says he will draft legislation that exempts acts of heroism from OSHA fines. "Thank goodness there are still people in this world who are willing to help their neighbors—despite an absurd bureaucratic mind-set in the federal government that would seem to discourage saving a life," Kempthorne said.

Mr. KEMPTHORNE. Just to give you a sense of this let me tell you what these citations were for. The first citation for $2,250 was cited because the two employees were not properly trained in recognizing and avoiding unsafe conditions. Remember, they just happened to be coming by.

The second citation imposed a fee of over $1,000 because the workers did not first run to their vehicles and retrieve hard hats before performing the rescue.

And, as Dave Barry said, "This might have resulted in some discomfort for the suffocating victim."

The third citation, $2,250, because the employees were working in an excavation where water had accumulated. They rerouted the water so that this individual would not suffocate.

And the fourth citation, $2,250, that the employees should have shored up the walls of the trench before attempting to rescue the victim.

Again, it has been determined that, had that happened, in all likelihood the individual would have died.

To quote Readers' Digest:

> It is outrageous for OSHA to suggest that when someone's life is in jeopardy that any would-be rescuers might first take a refresher course in safety, run to their truck and put on a hard hat, and then make a trip to the hardware store to get materials to shore up the trench walls before saving a life.

I asked the OSHA office in Idaho to suspend these citations. They refused to do so. They said their preferred strategy in these matters was to cite everyone for any possible violation and then let them appeal the decision.

Well, that means that heroes are going to find that they have to then go and defend themselves and probably pay for an attorney and lose hours at their job site because they are now defending themselves. And what are they defending themselves for? They are defending the act of saving a life.

After the Idaho office would not suspend this, I then called the Department of Labor here in Washington. Within 24 hours, they called and said, "There has been a real mistake. We are tearing up those citations."

Well, Madam President, I think we all can agree that heroes deserve commendations, not citations. Heroes need to be honored, not punished.

This legislation that I am now proposing allows an exemption that, when a heroic act takes place and is done to save a life, we do not have to abide strictly by the letter of the law, but that we can interpret the spirit of the law, because that is how we ought to treat heroes.

So we are embarking upon something perhaps new and novel, because I am suggesting that we are going to now legislate common sense into the Federal Government. But I think this example clearly demonstrates that, at least with regard to OSHA, they did not use common sense.

So, Madam President, that is the essence of this amendment. I appreciated the comments yesterday by the distinguished Senator from South Carolina, who really, I think, understood the intent of this.

When this is considered, Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. The amendment of the Senator from Idaho is well conceived. At my suggestion, the distinguished Senator has coordinated with the leadership in our Labor, Health and Human Resources Committee, the pertinent committee on this side of the aisle, and made some suggested changes.

I think we should be prepared to vote. I think it was checked on both sides of the aisle.

I ask unanimous consent that the vote on Senator KEMPTHORNE's amendment occur at 2:45, with no other amendments in order prior to the disposition of that amendment, with the time for the debate equally divided in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I had thought that the Brown amendment was still subject to debate. I have no objection to the thrust of what the distinguished Senator from South Carolina has in mind, but I would like to have leave to speak on the Brown amendment for 5 minutes before the vote.

Mr. HOLLINGS. I will amend my request in order for the Senator from Pennsylvania to speak for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, that is the order.

The Senator from Pennsylvania is recognized.

AMENDMENT NO. 1496

Mr. SPECTER. I thank the Senator from South Carolina and I thank the Chair.

Debate has occurred today on the Brown amendment, which would seek to change the recommendations of the advisory committee on Federal Rule of Civil Procedure 11.

It is my thought that the appropriate way to take up this issue would be on a report from the Judiciary Committee, where the matter arises in the normal course of business, with a report from the Subcommittee on Courts to the full Judiciary Committee and then to the Senate so that we could have a fuller record.

There had been some reference to a survey of judges wanting the rule to remain as it is today. I believe that we need more information on that, and that would be accomplished by having regular order followed through the Judiciary Committee.

The principal change in the rule, as recommended by the advisory committee, is to have sanctions paid to the court where there are frivolous lawsuits brought.

By way of brief explanation, rule 11 now provides that if a party brings a suit in Federal court which is frivolous, then the court has the authority to impose sanctions. The rule in its prior form had those money awards payable to the party who was on the other side. The new rule would have that monetary award or sanction paid to the court.

The Supreme Court has reviewed this rule and has said, on a 6 to 3 vote, three judges dissenting, that the new rule should take effect. So the majority of the Court says that it is the preferable form to have the sanction, or the money award, paid to the court instead of to the opposite party.

My own view, Madam President, is that it is preferable to have this kind of a determination made in the judicial proceeding, as opposed to the legislative branch. The courts have traditionally structured the Rules of Civil Procedure and have made recommendations for changes. The courts are in the best position to know exactly what is happening with respect to the nature of the lawsuits which are brought, because the judge sees and hears the entire proceeding. The judge reads the pleadings. The judge sees what is developed by way of evidence on discovery through depositions and interrogatories.

The judges hear the arguments presented and have a much better feel for when a lawsuit is frivolous. And the courts, with this experience, it seems to me, are in the best position to know whether the interests of justice are best served by having the sanction paid to the court or by having the sanction paid to the opposing party.

The thrust of the rule change, obviously, is that there is more of an objective determination if the court or the U.S. Government is the beneficiary of the sanctions. Customarily in our society, when a fine is imposed or a sanction is imposed in an analogous criminal proceeding, that money is paid to the U.S. Government; it is not paid to the injured party.

It is my view, therefore, that the committee advising the court is in the best position. The Supreme Court itself, on a 6 to 3 vote, is in a better position than the Congress, certainly at this stage when an amendment is offered on a bill which does not take up this matter directly.

So, at least until we have action by the Judiciary Committee, it is my thought that Congress should not intervene at this stage on an amendment to a bill which deals with national competitiveness.

So, with respect to my colleague from Colorado, who has proposed a number of worthwhile amendments which I have supported on this bill, it seems to me that this amendment ought to be rejected.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SIMON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMON. Madam President, I ask unanimous consent to speak for 3 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HATE CRIMES

Mr. SIMON. Madam President, I am rising because the FBI has, this week, released their hate crimes statistics. Back about 3 years ago we passed legislation to ask the FBI to do this, and they have been doing it. The good news is about twice as many law enforcement authorities are doing it as last year. One of the States that is doing a better job is my own State of Illinois. In 1991 we had 98 reporting agencies and in 1992, 620 reporting agencies.

The figures we have are for 1992. Six out of every 10 hate crimes had a racial basis, 2 out of every 10 a religious basis, and 1 out of every 10 each, an ethnic or sexual orientation basis. Antiblack bias accounted for 36 percent; antiwhite, 31 percent; anti-Jewish, 13 percent.

These are 1992 figures. I have just discussed with the senior Senator from California the fact that California is listed as one of the States with only seven police departments participating. I see my friend from North Carolina on the floor. North Carolina is listed as only having one police department participating.

But, again, these are 1992 figures, and my guess is the 1993 figures will show higher numbers than that. I ask unanimous consent to have the full report printed in the RECORD, the report from the FBI.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

1992 HATE CRIMES

Data compiled by the FBI's Uniform Crime Reporting Program reveal that most hate crimes reported to law enforcement are motivated by racial bias. The data were reported by 6,180 law enforcement agencies in 41 States and the District of Columbia; which cover 53 percent of the U.S. population. The number of law enforcement agencies participating in the FBI's statistical program, which was initiated in response to the Hate Crime Statistics Act of 1990, grew by 123 percent when compared to the number of agencies reporting in 1991.

Racial bias motivated 6 of every 10 hate crimes reported in 1992; religious bias, 2 of every 10; and ethnic and sexual-orientation bias each, 1 of every 10. Among the specific bias types, antiblack offenses accounted for the highest proportion, 36 percent, followed by antiwhite and anti-Jewish motivations, 21 and 13 percent, respectively.

CRIMES COMMITTED

Among the 8,918 racially motivated offenses, intimidation was the most frequently reported hate crime, accounting for 37 percent of the total. Destruction/damage/vandalism of property followed with 23 percent; simple assault, 20 percent; aggravated assault, 16 percent; and robbery, 2 percent. The remaining offense types (murder, forcible rape, burglary, larceny-theft, motor vehicle theft, and arson) each accounted for 1 percent or less of the total.

OFFENDERS

In 38 percent of the incidents reported, information concerning the offenders was unknown. However, for incidents in which the suspected race of the offender was reported, 64 percent of the hate crimes were committed by whites, 33 percent by blacks, and 1 percent by persons of other races. The remaining incidents were committed by groups in which the offenders were not all of the same race.

HATE CRIME BIAS-MOTIVATIONS REPORTED, 1992[1]

Bias-motivation	Number	Percent[2]
Race	5,050	62.5
Anti-White	1,664	20.6
Anti-Black	2,882	35.7
Anti-American Indian/Alaskan Native	31	.4
Anti-Asian/Pacific Islander	275	3.4
Anti-Multi-racial group	198	2.5
Ethnicity	841	10.4
Anti-Hispanic	498	6.2
Anti-other ethnicity/national origin	343	4.2
Religion	1,240	15.4
Anti-Jewish	1,084	13.4
Anti-Catholic	18	.2
Anti-Protestant	29	.4
Anti-Islamic (Moslem)	17	.2
Anti-other religion	77	1.0
Anti-Multi-religious group	14	.2
Anti-atheism/agnosticism/et cetera	1	0
Sexual orientation	944	11.7
Anti-male homosexual (gay)	667	8.3
Anti-female homosexual (lesbian)	129	1.6
Anti-Homosexual (gay and lesbian)	132	1.6
Anti-Heterosexual	13	.2
Anti-Bisexual	3	0
Total	8,075	100.0

[1] No detailed breakdowns for bias motivations were reported from Minnesota and Pennsylvania.

[2] Because of rounding, percentages may not add to totals.

NUMBER OF HATE CRIME OFFENSES, 1992[1]

Offense	Number	Percent[2]
Murder	17	0.2
Forcible rape	8	.1
Robbery	172	1.9
Aggravated assault	1,431	16.0
Burglary	69	.8
Larceny-theft	36	.4
Motor vehicle theft	5	0
Arson	47	.5
Simple assault	1,765	19.8
Intimidation	3,328	37.3
Destruction/damage/vandalism of property	2,040	22.9
Total number of offense types	8,918	100.0

[1] Includes Minnesota and Pennsylvania.

[2] Because of rounding, percentages do not add to total.

SUSPECTED RACE OF OFFENDERS IN HATE CRIMES, 1992

Suspected race of offender	Number of incidents	Percent
White	2,919	39.2
Black	1,495	20.1
American Indian/Alaskan Native	28	.4
Asian/Pacific Islander	45	.6
Multi-racial group	104	1.4
Unknown	2,851	38.3
Total incidents	7,442	100.0

AGENCY PARTICIPATION IN HATE CRIME, 1992

State	Agencies participating[1]	Incidents reported
Alabama	4	4
Arizona	90	172
Arkansas	183	37
California	7	75
Colorado	197	258
Connecticut	23	62
Delaware	57	47
District of Columbia	1	14
Florida	374	334
Georgia	4	66
Idaho	115	54
Illinois	620	241
Indiana	5	19
Iowa	189	37
Kansas	2	3
Kentucky	2	5
Louisiana	10	13
Maine	9	19
Maryland	156	484
Massachusetts	158	424
Michigan	454	122
Minnesota	69	411
Mississippi	1	0
Missouri	17	158
Nevada	3	23
New Jersey	291	1,114
New York	569	1,112
North Carolina	1	1
North Dakota	1	1
Ohio	26	105
Oklahoma	9	147
Oregon	279	351
Pennsylvania	944	432
Rhode Island	44	48
South Carolina	4	4
Tennessee	2	4
Texas	870	486
Utah	9	12
Virginia	24	102
Washington	207	374
Wisconsin	145	67
Wyoming	5	0
Total	6,180	7,442

[1] Includes agencies participating in Program whether or not any incidents were experienced.

Mr. SIMON. Madam President, we are at the hour of 2:45 and I yield the floor.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

VOTE ON AMENDMENT NO. 1497

The PRESIDING OFFICER. The question occurs on amendment 1497 offered by the Senator from Idaho. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Delaware [Mr. BIDEN], the Senator from Colorado [Mr. CAMPBELL], the Senator from Connecticut [Mr. DODD], the Senator from Iowa [Mr. HARKIN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], and the Senator from Pennsylvania [Mr. WOFFORD] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. COHEN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Texas [Mr. GRAMM], the Senator from New Hampshire [Mr. GREGG], the Senator from Oregon [Mr. HATFIELD], the Senator from Vermont [Mr. JEFFORDS], the Senator from Florida [Mr. MACK], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

The PRESIDING OFFICER (Mr. PRYOR). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 82, nays 0, as follows:

[Rollcall Vote No. 57 Leg.]

YEAS—82

Akaka
Baucus
Bennett
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dole
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mathews
McCain
McConnell
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Simpson
Smith
Specter
Stevens
Thurmond
Warner
Wellstone

NAYS—0

NOT VOTING—18

Biden
Campbell
Cohen
Dodd
Domenici
Durenberger
Gramm
Gregg
Harkin
Hatfield
Jeffords
Kennedy
Mack
Metzenbaum
Mikulski
Nickles
Wallop
Wofford

So the amendment (No. 1497) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1496

The PRESIDING OFFICER. The pending question before the Senate is the amendment offered by the Senator from Colorado [Mr. BROWN] amendment No. 1496.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I may speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANTIREDLINING IN INSURANCE

Mr. FEINGOLD. Mr. President, I am going to speak briefly this afternoon about a piece of legislation that I introduced yesterday S. 1917, the Anti-Redlining in Insurance Disclosure Act of 1994.

This bill is designed to address the longstanding problem involving discrimination in the insurance industry which effectively denies millions of Americans access to affordable or adequate insurance for their homes and businesses—a practice better known as insurance redlining.

Historically the term has been associated with certain discriminatory practices carried out by lending institutions which drew lines on maps in red ink around communities that they did not want to provide their respective financial services to—typically home or small business loans. These redlined areas were generally comprised of neighborhoods in which large or growing numbers of minority residents lived. For years similar practices were carried out by some members of the insurance industry and more recently similar results have been achieved by more subtle industry practices which leave many residents of poor or minority communities without access to adequate or affordable property insurance.

Sadly enough, the decision on who gets insurance and what type of coverage they will receive based solely on the color of an applicant's skin or the neighborhood in which that person lives has taken place for some time now. It is a problem which has been discussed and examined by public officials as far back as 25 years ago.

The problem of insurance redlining is pervasive and strikes at the core of the ability of many Americans to participate fully in our society by being able to enjoy that which has come to be known as the American dream—home ownership.

The consequences associated with the inability of individuals and entire neighborhoods to obtain property insurance was probably best described by the national advisory panel on insurance in riot affected areas in 1968 when it observed as follows:

> Insurance is essential to revitalize our cities. It is a cornerstone of credit. Without insurance banks and other financial institutions will not and cannot make loans. New housing cannot be constructed and existing housing cannot be repaired.
>
> New businesses cannot be opened and existing businesses cannot expand, or even survive. Without insurance buildings are left to deteriorate; services, goods and jobs diminish; efforts to rebuild our Nation's inner cities cannot move forward. Communities without insurance are communities without hope.

This statement was made over 25 years ago and unfortunately, still accurately reflects the situation in many of our Nation's inner-city neighborhoods.

Study after study since then including the 1979 report of the Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin advisory committees to the U.S. Commission on Civil Rights, "Insurance Redlining, Fact Not Fiction" and the recent study on home insurance in 14 U.S. cities released by the community advocacy group ACORN, have reaffirmed the extent of this problem and the inadequacy of State and Federal responses to address it.

These studies and recent reports have also indicated that entire neighborhoods are continuing to be denied or provided inferior insurance coverage and that insurance redlining practices are currently widespread throughout the United States. It is not only disturbing that discrimination continues to exist today, but it troubles me even more so that the fine city of Milwaukee, WI has received national attention regarding this problem. In fact, a CNN television report even stated that Milwaukee is becoming famous not only for beer, but for insurance discrimination.

And if you think that the lack of adequate insurance that is available in many of these neighborhoods is driven solely on sound principles of economics and statistically based risk assessments—and not on principles of prejudice—you may be as surprised and outraged as I was when I first learned of the actions of one district sales manager of a large insurance company which serves the Milwaukee area community that were reported in the media and presented in testimony before the House Subcommittee on Consumer Credit and Insurance. The impact that prejudice can sometimes have on the decisionmaking process on who should and who should not be written homeowner policies was evidenced by the tape recorded advice given to several insurance agents by their sales manager. This sales manager was recorded saying:

> Very honestly, I think you write too many blacks. You gotta sell good, solid premium paying white people. They own their homes, the white works. Very honestly, black people will buy anything that looks good right now, but when it comes to pay for it next time, you're not going to get your money out of them. The only way you're going to correct your persistency is get away from blacks.

This "quit writing all those blacks" prejudicial policy was not only communicated to agents verbally, but was placed in writing as well. And it has been reported that the manager even showed one agent how to accomplish this goal by stating that "if a black wants insurance, you don't have to say, just tell them, because based on this kind of policy, the company will only allow me to accept an annual premium. Do it that way."

Activity of this type that has prompted such allegations of discrimination in the insurance industry cannot and must not be tolerated anywhere in our society. We must now take steps to remedy the situation so that the actions of a few do not discredit the rest of the citizens of Milwaukee, our Nation, or the majority of the insurance industry.

It is an insult to the millions of Americans of color who take pride in home ownership and make their payments each month for certain decisionmakers to simply write them off by assuming that minorities are a greater risk or too risky to insure. Not only does this type of thinking prevent many hard working individuals of all means the chance to own a home or start up a business, but it flies in the face of the evidence and adds to urban decay as well. In fact, data comparing low-income minority areas with low-income white areas collected from insurers in St. Louis and Kansas City by the Missouri Insurance Department showed that low-income minorities on average paid higher premiums for homeowners insurance than white homeowners of similar means for comparable coverage, even though losses were lower in the minority areas. What are the chances for a section of a city to ever rebound or be revitalized if individuals who are committed to turning things around are not given a chance and allowed to become insured and thus enabled to purchase a home or create jobs by opening a small business?

It is important that we place people of all races and ethnic backgrounds on a level playing field when it comes to the opportunity to purchase insurance. It is difficult enough these days for anyone to be able to afford to buy a home, and is even more difficult, if not impossible, to purchase one without homeowner insurance. Expanding home ownership is critical to any effort our Nation undertakes to turn around our cities. We must remove all barriers such as this type of discrimination in order to fulfill any urban revitalization goals.

The Anti-Redlining in Insurance Disclosure Act of 1994 would, among other things, give Federal agencies and affected individuals the ability to detect and address effectively the problem of insurance redlining and enforce the antidiscrimination provisions of the Fair Housing Act.

The disclosure requirements found in this bill are patterned after those found in the Home Mortgage Disclosure Act [HMDA] which require financial institutions to report their lending activities along census tract lines. The only burden faced by insurance companies that are in compliance with the Fair Housing Act law that will be imposed by these requirements will be the costs associated with the collection and reporting of the data. Banks, savings associations, and credit unions have been able to meet the similar requirements under HMDA by using in-house software programs and outside services to convert address information to census tract form. The bill takes these costs concerns into account by requiring the Secretary of HUD to make software to make such conversions available to insurers at cost.

After three decades of research, it is time that our Nation take concrete steps to end discrimination in the insurance industry. The Nation was first made aware of insurance redlining practices after studies following the riots of the 1960's and the problem has reemerged as a national concern primarily because of the aftermath of the 1991 Los Angeles riots. It is unfortunate that such tragedies must occur in order for the Nation to take notice of the problem and look for solutions. And it is a shame that three decades of research showing that there is an insurance crisis in many of our Nation's communities has gone unheeded.

Especially in light of the fact that in this same period of time we have required banks, and other lending institutions to provide housing-related credit in a nondiscriminatory fashion by enacting the Fair Housing Act of 1968, the Equal Credit Opportunity Act of 1975, and the disclosure requirements found in the Home Mortgage Disclosure Act, and even require that lenders have an affirmative obligation to lend in all the communities they are chartered to serve, including low and moderate-income neighborhoods through the Community Reinvestment Act of 1977.

Our experience with the Home Mortgage Disclosure Act has shown that the public disclosure of this type of information can serve multiple purposes in combating insurance discrimination by. allowing for an accurate assessment of the extent and nature of the problem; and by assisting affected individuals and State and Federal regulators in the enforcement of antidiscrimination laws. Such disclosure can also stimulate self corrective policies by the industry itself by bringing to light the disparate impact of certain industry policies.

Unfortunately, we can pass all of the laws that we want in order to make discriminatory activities illegal—but none will ensure that such practices will go away. Unequal treatment of individuals solely on the basis of the color of their skin will not disappear because a law is enacted making it illegal. But the law does enable people whose rights are violated to seek redress and punish those who violate these rights through the legal system. And the law also symbolizes our consensus to condemn and eliminate this invidious discrimination. The antiredlining in the Insurance Disclosure Act of 1994 will help achieve both of these purposes.

I am also interested in exploring suggestions that have been made that the insurance industry ought to be subjected to the same requirements that are imposed upon the banking industry under the Community Reinvestment Act. Just as the banking community is required to address the credit needs of all communities, we should consider whether the insurance industry ought to be asked to make a similar effort to make affordable insurance accessible to the residents of those communities as well.

Finally, I would also like to thank key Members of the other body, Representatives JOSEPH KENNEDY and CARDISS COLLINS, for bringing the issue of insurance redlining to the attention of Congress. Through their respective subcommittees, information has been gathered that documents the problems of insurance redlining and its consequences for millions of Americans, who are denied insurance or forced to pay higher premiums for lower coverage. My colleague from Wisconsin, Representative TOM BARRETT, has also been deeply involved in this issue and chaired a hearing in Milwaukee on January 4, which focused on these problems. Representative BARRETT was actively involved in efforts to combat discrimination when we both served in the Wisconsin Legislature and I am pleased to have the opportunity to work with him again on these important issues.

The bill I have introduced today is modeled after H.R. 1257, as it was reported out of the House Banking Committee, since it requires the disclosure of data along more well defined census tract lines rather than by ZIP Code. This method follows the requirements made by the Home Mortgage Disclosure Act and provides for the reporting of data that is more useful for disclosing patterns of discrimination, since many urban ZIP Codes contain neighborhoods that have a diverse range of economic, racial, and housing stock characteristics.

As I noted yesterday, the administration has signaled its support for legislation which would address the problem of insurance redlining and there are a number of community organizations supporting this bill as well, including:

The Alliance to End Childhood Lead Poisoning.

The American Planning Association.

The Association of Community Organizations for Reform Now [ACORN].

The Center for Community Change.

The Consumer Federation of America.

Consumers Union.

The National Council of La Raza.

The National Fair Housing Alliance.

The National Insurance Consumer Organization.

The National League of Cities.

The National Low Income Housing Coalition.

The National Neighborhood Coalition.

Network: a National Catholic Social Justice Lobby.

Public Citizen's Congress Watch, and

The United Methodist Church, General Board of Church and Society.

I look forward to working with all of my colleagues and the administration in making sure that we do all that we can to end the practice of insurance discrimination.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

NATIONAL COMPETITIVENESS ACT

AMENDMENT NO. 1489

Mr. DECONCINI. Mr. President, last evening, during the floor debate on S. 4, the National Competitiveness Act, Senator COHEN offered an amendment to insert the provisions of S. 1869, the Counterintelligence Improvements Act of 1994 in their entirety into the bill. The amendment was agreed to by voice vote.

Although S. 1869 had been referred to this committee, we received no prior notice that this amendment was to be offered nor did we learn that it had been accepted until after the fact. The committee was in closed session at the time taking testimony from the Director of Central Intelligence.

While we appreciate what motivated Senator COHEN to offer his amendment as well as what motivated the managers to accept it, it is simply premature, in our view, to go forward with this legislation at this time and in this manner.

Since the Ames case was made public, the Select Committee on Intelligence has been heavily involved in assessing what went wrong and what needs to be done to fix it. While Senator COHEN's bill—which incorporates the recommendations made by the so-called Jacobs' panel in 1990—contains several worthwhile provisions, we think it can be improved upon in a number of respects. It also appears likely, based on our discussions to date with the administration, that it would oppose several of the Jacobs proposals as they are now drafted.

We intend to introduce a new bill in the next few days which incorporates the best features of the Cohen bill and improves upon them. Our proposal will also include provisions not in the Cohen bill which are suggested by the facts of the Ames case. Public hearings will be held on the bill, with the objectives of reporting out a comprehensive proposal later this session which has the support of the administration.

Mr. President, I simply want to assure my colleagues on both sides of the aisle that the Intelligence Committee is fully engaged here and will be coming forward in due course to the Senate as a whole with legislative recommendations to deal with the problems evident in the Ames case. But we must be given an opportunity to do our work in a thoughtful, orderly way. Senator COHEN is right when he says we need to act. There are clearly some things that are broken. I only ask that our process be given a chance to work.

NICKLES AMENDMENT NO. 1485

Mr. GLENN. Mr. President, 2 days ago, the Senate accepted an amendment to S. 4, the National Competitiveness Act, offered by Senator NICKLES and entitled the "Economic and Employment Impact Act." This amendment would require the Congressional Budget Office [CBO] to conduct far-ranging cost impact analyses of all bills considered by either House of Congress. The amendment would also require agencies to conduct those analyses of all regulatory actions.

In opposing the amendment I argued, and will point out again, that this proposal will be an impediment to the already slow legislative process, will require uncertain and unverifiable projections of future possible costs, will necessitate the allocation of additional CBO resources, and will require agencies to conduct a narrowly focused regulatory analysis in a manner much more narrowly than that already required by Presidential Executive order. Then and now, I do not argue against legislative or regulatory analysis, but just that this amendment is not the way to provide for such analysis.

I rise today, however, not to detail again my various concerns about the Nickles amendment, but for the simple purpose of offering for my colleagues' review, a letter dated March 10, 1994, from CBO Director, Robert Reischauer. This letter confirms my concern about the resources CBO would have to devote to this analysis, and that those resources are not available. Mr. Reischauer writes:

> Without having done a complete analysis of all the requirements imposed on CBO by the Nickles Amendment, our preliminary estimate is that we would have to increase our workforce by about 80 percent of the size of the [CBO] Budget Analysis Division, or around 60 people. Applying this same proportion to the Budget Analysis Division's proposed budget for 1995, the total cost of additional resources required by CBO would amount to $6,200,000, at a minimum.

After describing in more detail what the needed $6.2 million would cover, Mr. Reischauer puts it quite simply: "To implement the Nickles amendment, CBO will need a 1995 budget increase of more than 30 percent."

This letter, which I ask unanimous consent to be included in the RECORD, following my remarks, clearly sets out the bottom-line. And I see nothing from the proponents of the amendment to indicate that any of these needed resources will be forthcoming. For this reason alone, I urge that the Nickles amendment be struck in conference.

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 10, 1994.

Hon. JOHN GLENN,
Chairman, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your request for information relating to the amount of additional resources the Congressional Budget Office would need to carry out the provisions of the Nickles Amendment to S. 4, the Competitiveness Act of 1994.

The Nickles Amendment requires CBO to prepare economic and employment impact estimates to accompany each bill or resolution reported by any committee of the House or Senate or considered on the floor of either House. These impact statements are supposed to estimate the costs to individuals, consumers, businesses, and state and local governments.

As required by the Congressional Budget and Impoundment Act of 1974, CBO already provides five-year federal budget cost estimates for virtually every public bill reported by legislative committees in the House and Senate. Official bill cost estimates average about 700 per year. Additionally, CBO is required to review bills to identify their potential impact on state and local governments. For the last ten years, we have prepared more than 600 state and local cost estimates per year.

The bulk of this work is done in our Budget Analysis Division which, with 75 employees, is the largest of CBO's seven divisions. Without having done a complete analysis of all of the requirements imposed on CBO by the Nickles Amendment, our preliminary estimate is that we would have to increase our workforce by about 80 percent of the size of the Budget Analysis Division, or around 60 people. Applying this same proportion to the Budget Analysis Division's proposed budget for 1995, the total cost of additional resources required by CBO would amount to $6,200,000, at a minimum.

The additional $6.2 million breaks down as follows:

$5 million in payroll and benefit costs for an additional 60 analysts;

$640,000 to cover increased ADP timesharing and model development costs;

$350,000 for additional computer hardware and software purchases;

$170,000 in increased central support costs, including additional telephones and office supplies and equipment and the like.

I emphasize that this is the minimum additional amount needed to cover a 60-person increase in CBO's staff size because it fails to include any provision for necessary increases in computer support staff or other administrative staff. This is a 27 percent increase in CBO's current staff size and obviously would have a significant impact upon administrative services.

To implement the Nickles Amendment, CBO will need a 1995 budget increase of more than 30%. CBO's current request is less than CBO's baseline projection for the agency. Additionally, the amendment creates logistics and timing problems. CBO currently occupies nearly the entire 4th floor of the Ford House Office Building. To accommodate an additional 60 employees, CBO would need a full wing of an additional floor of the building. Also, the Nickles Amendment calls for implementation 30 days after enactment. It would be nearly impossible to staff to the required level in that time. Finally, this estimate does not include any increase that would be required in CBO's 1994 budget nor has relief been granted CBO from current law requiring a four percent reduction in legislative branch staffing.

This is a very preliminary analysis of the Nickles Amendment's impact on CBO. It represents a minimum increase, however, in the amount of additional resources CBO would need to carry out those provisions.

I hope this information is useful. I would be happy to discuss further this matter with you or your staff.

Sincerely,

ROBERT D. REISCHAUER,
Director.

UNANIMOUS-CONSENT AGREEMENT—CLOTURE VOTE ON COMMITTEE SUBSTITUTE TO S. 4

Mr. MITCHELL. Mr. President, I ask unanimous consent that the first cloture vote on the committee substitute for S. 4 occur at 10 a.m. on Tuesday, March 15; and that if a third cloture motion is filed on Tuesday, it be deemed to mature on Wednesday, March 16, and that the mandatory live quorums be waived.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I now ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO CHARLES CLULEE

Mr. LIEBERMAN. Mr. President, I rise to honor the memory of a man who was a living repository of history in the town of Wallingford, CT. Charles Clulee, who passed away on February 21 at the age of 87, was Wallingford's town historian emeritus, and he leaves a long history of his own—a history filled with kindness, humor, and a desire to honor the past in a way that guides us to a better future.

Through lectures, maps, pictures, tours, and anecdotes, Charles Clulee helped generations of young people learn more about people and times gone by, and provided a strong link between Wallingford and Connecticut's rich past and fast-changing present. One of those people was my director of communications, Jim Kennedy, who had the honor of knowing Charles Clulee, and who received as a gift from him a 19th century map of Wallingford, which now hangs on a wall of my office.

It has been said that "History is the ship carrying living memories to the future." For the people of Wallingford, Charles Clulee was for many years the captain of that ship. Now, he has become part of the great legacy that is Wallingford's history, and we can only hope that others will follow his example and keep his memory alive so that future generations can know what a wonderful man he was.

Mr. President, I would like to insert in the RECORD of this Chamber an article about Charles Clulee by Mary Kay Melvin that appeared in the Record-Journal newspaper on February 23, 1994.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CLULEE HAD HISTORY OF DEDICATION TO TOWN

WALLINGFORD.—He immersed himself in the history of Wallingford for more than 30 years, but Charles Clulee did not live in the past.

Even at age 87, Clulee amazed caretaker Doris Pierce with his energy and love of life.

Clulee, a Wallingford native, was the town historian for several years and became town historian emeritus two years ago. He died Monday after falling and breaking his hip.

Clulee hired Pierce, a certified nursing assistant, seven years ago to help care for his wife, Mary. Since Mrs. Clulee's death, Pierce and her husband, Ken, have cared for Clulee. The Pierces moved into Clulee's house almost four years ago.

Many times, Pierce would rise and find Clulee sitting at the kitchen table with his hat on.

Depending on the weather, Pierce recalled, Clulee would say, "Aren't we going out, hon? It's such a dreary day, I think we should go out."

And out they went. Clulee was a big fan of local breakfast restaurants and a regular at New Haven's Blake Street Cafe 500, where he would eat lunch at least once a week.

Many of the restaurant's patrons knew Clulee, said Kevin Langan, a Blake Street Cafe 500 employee. Clulee had his own table there, and framed newspaper articles featuring Clulee were hung on the restaurant walls.

"Oh, he was such a kind and generous man," said Pierce, who was especially touched by Clulee's energy and sense of humor.

Wherever the trio traveled, Pierce said, Clulee would buy something so he would remember the experience.

"He was always collecting," she said. "He was a definite pack rat."

Clulee's penchant for collecting dates back to the early 1960s, when he returned to Wallingford after he retired as a merchandising manager from Sears Roebuck and Co., in New York and Chicago.

Clulee collected stamps and then postcards, old books, pictures, maps, newspaper clippings and city directories.

Clulee found his post-retirement calling at the Wallingford Historical Society, where he served as president. He developed a passion about Wallingford.

The historical society's headquarters is across the street from Clulee's house, where he was born and raised. The house was built by his grandfather in 1886.

"He was on the forefront of a lot of things," said Mary Annis, past president of the historical society.

Annis, who met Clulee through the historical society in the early 1970s, said Clulee developed many of the organization's outreach programs. For several years, he invited Wallingford teachers to seminars at the society's headquarters in the Samuel Parsons House.

He also offered annual tours of the house for elementary school pupils, she said.

"There will be a void," Annis said. "I don't know if there are very many people who knew Wallingford the way he did."

Clulee could answer questions off the top of his head, Annis said.

"He will be missed, of course," she said.

Johanna Fishbein met Clulee during preparations for the town's 300th birthday in 1970. The two have worked on many projects, including development of a speakers bureau for the country's bicentennial.

"Wallingford was his big thing," said Fishbein, adding that much of Clulee's interest stemmed from his ties to Wallingford's past.

Clulee's mother was of the Jones family, which dates to William Jones, deputy governor of the New Haven Colony in the 1600s.

Clulee was expected to serve as grand marshal of the town's 325th anniversary in 1995.

"I especially wanted him to because Charlie was our historian emeritus," Fishbein said.

Several years ago, Clulee donated much of his memorabilia to the Wallingford Public Library, according to Leslie Scherer, a co-director. He made similar donations to the Wallingford Historical Society and Choate Rosemary Hall.

Clulee also created an endowment that allows library officials to add to its historical collection. For example, the library recently transferred information from the town's old city directories onto microfilm, Scherer said.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as of the close of business on Thursday, March 10, the Federal debt stood at $4,546,800,625,410.70, meaning that on a per capita basis, every man, woman, and child in America owes $17,440.00 as his or her share of that debt.

STATEMENT ON THE CONFIRMATION OF JOHN J. LEYDEN AS U.S. MARSHAL FOR RHODE ISLAND

Mr. PELL. Mr. President. Yesterday, Thursday, March 10, the Senate confirmed Chief John J. Leyden of North Kingstown, RI, as the U.S. marshal for the District of Rhode Island.

I welcome this confirmation and look forward to the leadership and skills that Chief Leyden will bring to his tenure in office as marshal in Rhode Island. His record in law enforcement has been impeccable, spanning 37 years and encompassing virtually every aspect of police work, from routine patrol work, to investigation, to personnel and departmental administration. He currently serves as the chief of police and public safety director for the town of

North Kingstown in Rhode Island, a position in which he has performed with distinction for over 10 years. Perhaps most indicative of the general regard in which he is held, is the near universal acclamation his consideration and nomination by President Clinton has met. I am confident that his service will do honor to Rhode Island and the country.

Again I am pleased that the Senate has chosen to confirm Chief Leyden, I extend my best wishes as he begins his work in this position, and look forward to working with him in the delivery of law enforcement services to Rhode Island.

COST ESTIMATE ACCOMPANYING S. 208

Mr. JOHNSTON. Mr. President, on February 11, 1994, the Committee on Energy and Natural Resources filed its report accompanying S. 208, the National Park Service Concessions Policy Reform Act of 1994 (S. Rept. 103–226). S. 208 is now pending on the Senate Calendar (Calendar No. 369). At the time the report was filed, the cost estimate prepared by the Congressional Budget Office had not been completed. The cost estimate has now been transmitted to the committee, and I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD immediately following this statement.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 9, 1994.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 208, the National Park Service Concessions Policy Reform Act of 1994.

Enactment of S. 208 would affect direct spending. Therefore, pay-as-you-go procedures would apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,
ROBERT D. REISCHAUER,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 208.

2. Bill title: The National Park Service Concessions Policy Reform Act of 1994.

3. Bill status: As reported by the Senate Committee on Energy and Natural Resources on February 11, 1994.

4. Bill purpose: S. 208 would repeal the Concessions Policy Act of 1965 and replace it with new federal policies to govern the process by which the National Park Service (NPS) contracts for visitor facilities and services. The bill would codify existing NPS practices that:

Require concessions contracts to be subject to a competitive bidding process; and

Require contractors to depreciate the value of their "possessory interest" in assets constructed on public lands.

In addition, the bill would direct the NPS, wherever practicable, to require concessionaires to deposit all or a portion of their franchise fee obligations into park improvement funds rather than into the U.S. Treasury. Amounts deposited to such funds, including interest earnings, would be spent by the contractor on activities and projects within the park as directed by NPS.

Any franchise fees not paid to park improvement funds would be deposited into a special fund in the U.S. Treasury. (Currently, such amounts are deposited to the general fund.) These amounts would be available, subject to appropriation, for resource management and other park uses.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1994	1995	1996	1997	1998	1999
Estimated budget authority	....	4	9	15	22	32
Estimated outlays	....	2	6	11	17	26

The costs of this bill fall within budget function 300.

Basis of estimate: CBO estimates that enactment of S. 208 would increase direct spending by about $2 million in fiscal year 1995, rising to about $26 million annually in 1999. The increase in mandatory spending represents CBO's estimate of amounts that would be spent by concessionaires from new park improvement funds authorized by section 8. Because these funds would be controlled by the NPS, their expenditures should be considered government outlays for budget purposes.

In preparing this estimate, CBO has assumed that the NPS would phase park improvement fund requirements into most major new or renewed concessions contracts as the existing agreements expire over the next five years. We estimate that by 1999 fully 90 percent of all franchise fees would be paid to the new funds, reducing deposits to the U.S. Treasury from $35 million to about $3 million annually by that time. No decrease in offsetting receipts is shown in the table for this reduction, however, because deposits to the federally controlled park improvement funds should still be considered federal receipts. Outlays from the park improvement funds have been estimated on the basis of spending patterns for similar activities and projects at national parks.

Other provisions of S. 208 would merely codify existing NPS policies and would therefore have no impact on the federal budget.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. CBO estimates that enactment of S. 208 would increase direct spending by $2 million in fiscal year 1995, $6 million in 1996, $11 million in 1997, and $17 million in 1998.

7. Estimated cost to State and local governments: None.

8. Estimate comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Deborah Reis.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

TRIBUTE TO MICHAEL NOVAK

Mr. MOYNIHAN. Mr. President, it is with great pleasure that I rise today to recognize the achievements of one of America's most brilliant theologians, Michael Novak. On Tuesday of this week, Mr. Novak was awarded the 1994 Templeton Prize for Progress in Religion, an award comparable to the Nobel Prize.

Now a scholar at the American Enterprise Institute, he has long communicated the idea that free market capitalism is of greater economic benefit to the world's poor than is the socialist system.

His work has received worldwide praise, and now recognition.

Mr. President, at this time I ask that my statement and the following article from this past Wednesday's New York Times be submitted into the RECORD.

[From the New York Times, Mar. 9, 1994]

$1 MILLION RELIGION PRIZE FOR CAPITALISM DEFENDER

(By Peter Steinfels)

Michael Novak, a scholar known for formulating a theological defense of capitalism, has won a prize of nearly $1 million established by one of capitalism's most successful practitioners.

Mr. Novak, whose religious arguments linking democracy and capitalism influenced opinion in Eastern Europe and are echoed in Pope John Paul II's writings, was named the winner yesterday of the 1994 Templeton Prize for Progress in Religion.

The prize, created 22 years ago by Sir John M. Templeton, an American-born British subject who is widely considered the dean of global investing, honors a person judged to have advanced the world's understanding of religion. Valued at £650,000—$968,500 at yesterday's exchange rate—the prize will be awarded by Prince Philip at Buckingham Palace on May 4.

Sir John, who is active in the Presbyterian church, stipulated that the prize money should always surpass that of the Nobel Prizes, which he felt had overlooked religion. He sold his money management firm, Templeton, Galbraith & Hansberger, for $913 million in 1992 and now, at the age of 81, lives in the Bahamas.

Previous winners include Mother Teresa and the Rev. Billy Graham. Last year's winner was Charles W. Colson, the former special counsel to President Richard M. Nixon who established a prison ministry after serving seven months for his role in the Watergate cover-up.

Mr. Novak, a 60-year-old Roman Catholic who once studied for the priesthood, was a proponent of many of the changes in Catholic teachings and practices introduced by the Second Vatican council, which he covered on special assignment for Time magazine in 1963. He was an outspoken opponent of the war in Vietnam while teaching religious studies at Stanford University in the mid-1960's.

In the 1970's, when he also taught at the State University of New York at Old Westbury, L.I., and at Syracuse University, Mr. Novak moved into the ranks of neoconservative thinkers and politicians. In 1978, he became a resident scholar in religion and public policy at the conservative American Enterprise Institute in Washington.

Encountering opposition to capitalism in politically active religious circles, Mr. Novak in 1982 wrote "The Spirit of Democratic Capitalism" (Simon & Schuster) arguing that capitalism and democracy were mutually supportive embodiments of Christian principles. He also wrote several books criticizing the socialist elements in Latin American liberation theology.

Drawing bitter criticism from many of his former liberal allies in the church, Mr. Novak also organized opposition to the American Catholic bishops' pastoral letters on nuclear weapons and on the economy in the mid-1980's. At a news conference yesterday in Manhattan, he said he had largely agreed with the bishops' final versions of those documents.

In her memoirs, Margaret Thatcher, the former British Prime Minister, said Mr. Novak's writings had influenced her views on "quality of life" issues. Lady Thatcher served on the nine-member panel of judges who awarded the prize. The panel also included James Billington, the Librarian of Congress, and George Gallup Jr., the pollster.

Mr. Novak said he would use much of the prize money to finance scholarships at colleges where he studied and to support Crisis, the conservative Catholic monthly that he edits.

Asked about the New Testament's warnings against riches, Mr. Novak replied, "The more you have, the stricter your judgment will be, and the more you are responsible for."

Sir John, who attended the news conference, added, "I just hope we haven't kept Michael out of the kingdom of heaven."

TRIBUTE TO DR. ALVIN C. POWELEIT—HONORING A KENTUCKIAN'S HEROISM AND PROFESSIONAL LIFE

Mr. McCONNELL. Mr. President, I rise today to pay tribute to a distinguished Kentucky gentleman and a personal friend. Dr. Alvin C. Poweleit of Newport, KY, has lived a full life, distinguished by its honor, heroism, and dedication to helping those in need.

Dr. Poweleit's outstanding service began during World War II when as a member of Kentucky's Fighting 192d Light G.H.Q. Tank Battalion he served as the battalion surgeon. As a member of one of the most valiant fighting forces in our Nation's history, Dr. Poweleit experienced the horrors of war firsthand. After bravely defending the battalion's position in the Philippines the 192d was overrun by the vastly superior force and numbers of the enemy.

Mr. President, Dr. Poweleit survived the Bataan death march which followed as well as an extended time in a Japanese prisoner of war camp. It was while suffering in this camp, where many prisoners lost 40 to 60 percent of their total body weight, that Dr. Poweleit made a commitment to himself that he would spend his life caring for others. This was not a commitment made without conviction.

He returned to northern Kentucky a lieutenant colonel in the Medical Corps and a highly decorated war hero. Dr. Poweleit received the Silver Star, Legion of Merit, Purple Heart, Philippine Defense Medal, and Presidential Unit Citation Medal as a result of his distinguished service in defense of America. He was the first medical officer to be decorated in World War II. He received the Legion of Merit award for heroism he displayed when he dove underneath a partially submerged burning tank to rescue two trapped soldiers.

Mr. President, Dr. Poweleit did not rest on his laurels. Remembering the promise he had made half a world away and under horrific circumstances, he dedicated his life to serving his community and helping others. As long as he has been in practice he has never refused treatment to a patient in need. Always available, Dr. Poweleit gladly dispensed treatment and compassion whenever it was needed. As he is fond of saying, "There are talkers and there are doers," and there is no doubt which category he falls under. Being a doctor is both his vocation as well as avocation.

Mr. President, Dr. Poweleit is not in practice any more but he is still remembered fondly by all who know him. As the author of many books, both about his war experiences and the northern Kentucky medical community, his legacy will live on for many years to come. But to the generations of Kentucky families whose lives he enriched and cared for he will never be replaced.

Mr. President, I ask my colleagues to join me in honoring this wonderful Kentucky gentleman and my friend, Dr. Alvin C. Poweleit.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

EMPLOYER-BASED INSURANCE

Mr. DASCHLE. Mr. President, this week we had what I consider to be a very significant development. And frankly, I am a little disappointed that it has not generated more attention in the media. I am referring to a public endorsement of employer-based insurance by more than 100 organizations—in fact, 115 to be specific—that represent labor, scores of businesses, consumers and providers companies. For example, the National Leadership Coalition for Health Care Reform, which signed the letter, includes ACME Steel; Bank South Corp.; the H.J. Heinz Corporation; Keebler Co.; Lockheed; LTV Steel; Safeway; Scott Paper; U.S. Bankcorp; and Xerox, among other companies.

All of those businesses and other national-known organizations have come forward this week to say they think the best way to achieve universal coverage is through an employer-based insurance system. I would think that would generate a tremendous amount of news. Just a couple of weeks ago the news of one or two business organizations concluding that they would not now endorse the plan proposed by the President made the front page of several national newspapers. And yet this major endorsement of a concept that has generated so much controversy has not received anything like that kind of attention.

There has been a tremendous amount of misinformation about this issue of employer-based insurance, sometimes called an employer mandate. That is why we ought to take a look at the reasons why these organizations and so many others have determined that the best way to achieve universal coverage is through shared employer-employee responsibility.

First, and perhaps most importantly, if we accept that universal coverage is our goal, a goal shared almost universally in this body, there really are not many ways to accomplish this objective.

In fact, there are only three ways. One way is to do what some of our colleagues have suggested, to create a single-payer system run entirely through Government, financed by payroll or other taxes. Someone has also suggested using a value-added tax with this approach.

The second approach proposed by many is that we require families and individuals to take on responsibility for paying for health insurance. They propose that this not be the responsibility of business, but it be completely the responsibility of families. In other words, they are proposing a family or individual mandate.

There have been a number of different analyses of the effect of a family mandate. Two that I think are most disconcerting indicated that if we were to require a family mandate, the premium would consume 17 percent of family after-tax income.

In other words, 17 percent of a family's disposable income would have to go to health care, if we were to have a family or an individual mandate.

And it gets even worse, according to another study, for those who are in the 100 to 200 percent of poverty category, 47 percent of disposable income for families in that bracket would be required to pay for health insurance if we had a family mandate.

So obviously, when one looks at the ramifications of either a tax-based system or a family mandate, there are very disconcerting financial implications that I do not believe have been considered. We hear a lot about how difficult it would be for a small business to absorb the costs associated with taking on this responsibility. But what is missing in that analysis is that it would be equally difficult for a family to take on the same responsibility. If it is hard for business, why is it not equally as hard or more difficult for a family?

Under the current system 84 percent of the uninsured live in families where the head of household is employed.

It seems to me, it is a small step to build upon the current system, where two-thirds of employers have already readily accepted the responsibility for obtaining health coverage for their workers and where 84 percent of the uninsured live in a family where the head of household is employed. What a small step it would be compared to the radical departure it is to ask families to take on that entire responsibility.

One of the misconceptions about this shared responsibility, or the so-called employer mandate, is that the employer would take all of the responsibility. I get a lot of my businessmen who come to me and say, "I don't understand why I should shoulder the entire burden. Why can't it be a shared responsibility between employers and employees?"

When I inform them that is exactly what we are suggesting, the lights come on. An understanding of that shared responsibility is the first step to supporting a concept that I think has been misconstrued and maligned in the current debate.

That is my first point, Mr. President; that if we are going to achieve universal coverage, there are only three ways to do it: through taxes, by shifting the entire responsibility onto the family, or by asking for a shared responsibility between employers and employees.

The second point is that shared responsibility builds on a system, in place for generations. The most radical departure from tradition would be to require families to shoulder the whole burden, to require Government and the taxpayers to take on this responsibility all by themselves.

The third point is that shared responsibility avoids lost-shifting, a phenomenon that occurs all too frequently today. I think people understand how consequential cost shifting is. They have had to deal with this issue all the time. They have been able to calculate on their balance sheets that they are paying a larger share of their health costs than they ought to be. In fact, in 1991, employers with insurance paid $10 billion for medical care for people who do not have insurance. That amount came right out of business' pockets. People without insurance go to the emergency room and to the doctor's office. Although doctors and hospitals can absorb the costs temporarily, they must ultimately shift them onto the business community. And that burden, those payments for the uninsured, is carried more heavily by business than by anybody else—$10 billion in 1991 just for uncompensated care, and $26 billion covering spouses and dependents in noninsuring firms. In other words, people who take advantage of the fact that their spouses have insurance and then forgo insurance themselves, putting the entire responsibility on the employer of the insured. So, cost shifting, Mr. President, is a very serious problem and one that I hope, regardless of what else we do, we will address as we look at health reform this year.

The fourth reason why an employer-based insurance program makes sense is because we would reduce system-wide costs and according to studies done we could actually see increased employment. The Employee Benefits Research Institute estimates that we could gain 600,000 jobs if we could end cost shifting, if we could make everybody financially responsible for the care that they receive. CBO has said the President's plan would save the business community $90 billion a year between now and the year 2004.

The fifth reason why I believe this makes such good sense is that, no matter what we do, we cannot avoid a mandate. We can say that we do not want an employer mandate; that we do not want a family mandate; that we do not want any kind of mandate. And you hear that often: We should not be imposing mandates.

But such statements ignore the mandate we have right now, one that is more inequitable, more problematic, more inefficient than any of the others that have been proposed so far. Today, we have what I prefer to call a status quo mandate. Those who pay for health care are required to pay for those who do not. That is a mandate.

I do not think I would get one vote if I were to come to the floor and present a voluntary insurance proposal where anybody could sign up for insurance anywhere in the country but those who chose not to pay could simply shift their responsibilities on to those who do. But that is what we have today. That is the status quo. I do not think that is right. I hope that regardless of what we do, we all recognize that the status quo mandate, those who pay pay for those who do not, is unfair and it ought to be ended.

My last point is that the American people support shared responsibility, in poll after poll. They may be confused about what the Clinton plan does or does not do. They may have concerns about alliances and other features of the plan. But when it comes to whether or not the American people want an employer-based insurance system, it is unequivocal.

The Washington Post just last week reported that 73 percent of Americans polled support an employer-based system for full-time workers—73 percent, almost 3 out of 4; 69 percent support providing coverage for part-time workers. Just a couple of weeks ago the Wall Street Journal reported that 65 percent support an employer-based system, especially if it includes small firms. So for small business, large business, full time or part time workers, an overwhelming consensus among the American people is that we have to have an employer-based system. Maybe they already understand that if you do not have that, the only other option is to increase taxes or use a family-based mandate.

They understand the consequences of devoting 17 percent of after-tax income to health care. They know they cannot find the resources for that.

So I hope as we examine our options we will look very carefully at the ramifications of choosing some radical departure from the current system. I do not think the American people want a radical departure. I think they clearly have demonstrated their determination to see some form of shared responsibility between employers and employees alike.

I hope that we recognize these facts as we debate health reform options, and hope in the not-too-distant future we can conclude that the best approach to achieving universal coverage is employer-shared responsibility.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Republican leader.

TRIBUTE TO LAWRENCE SPIVAK

Mr. DOLE. Mr. President, on November 6, 1947, a television program called "Meet the Press" debuted on the National Broadcasting Co. network.

Almost half a century later, "Meet the Press" is still on the air, informing Americans, and asking tough questions of Presidents, Prime Ministers, Senators, and other newsmakers.

The founder of "Meet the Press," as well as its long-time host and producer was the remarkable Lawrence Spivak.

With Mr. Spivak's passing yesterday at the age of 93, American journalism has lost one of its true giants—a man known for his complete and total objectivity, professionalism, and accuracy.

Lawrence Spivak did not play favorites. No one could tell whether he was Republican or Democrat, liberal or conservative. Every guest on Mr. Spivak's "Meet the Press" knew they could expect hard but fair questions.

Thomas Jefferson once wrote that the press "is the best instrument for enlightening the mind of man, and improving him as a rational, moral, and social being."

Lawrence Spivak will always be remembered for his life-long dedication to enlightening the minds of all Americans. I know the Members of this body join with me in extending sympathies to his family and friends.

WHITEWATER HEARINGS

Mr. DOLE. Mr. President, yesterday, I delivered a letter to the distinguished majority leader expressing my hope—and I believe the hope of most Senate Republicans—that we will be able to find some way to hold public and bipartisan hearings into the so-called Whitewater affair.

On Wednesday, independent counsel Robert Fiske met with my distinguished colleagues, Senators D'AMATO and COHEN, to outline his concerns about how public hearings may affect his investigation.

It is certainly understandable that Mr. Fiske would want to protect his own prosecutorial turf. That is his job. But Mr. Fiske must understand that Congress has its own job to do as well.

As Charles Krauthammer pointed out in today's Washington Post, and I quote:

> The prosecutor's interest is prosecution. The public interest is disclosure. The prosecutor tries to find breachers of law. The public needs to know about breachers of trust.

So, Mr. President, public hearings are not meant to supplant or second-guess Mr. Fiske's investigation. On the contrary, hearings are essential if the Senate is to fulfill its own constitutional obligation to oversee executive branch activities. Unlike Mr. Fiske, the Senate has this oversight obligation, an obligation that Mr. Fiske has himself publicly acknowledged.

And needless to say, Mr. President, public hearings offer President Clinton a valuable opportunity to remove the ethical cloud now hanging over the White House.

Of course, Senate Republicans want to cooperate with Mr. Fiske to ensure that hearings do not needlessly interfere with his investigation. And that is why we want to be both fair and flexible when it comes to the timing of the hearings and the way the hearings are structured.

First of all, there is a consensus on this side of the aisle, at least, that no witness appearing at a Whitewater hearing should be granted immunity. No immunity. Period. That is what Mr. Fiske requested, and Senate Republicans are willing to accommodate his request. As I said on Wednesday, this should solve the so-called Iran-Contra problem.

Second, we are prepared to do whatever we can to prevent the public disclosure of the contents of the RTC criminal referrals concerning Madison guaranty. Of course, preventing public disclosure will require the cooperation of our democratic colleagues, as well.

And finally, Mr. President, we are willing to give the independent counsel a little breathing room, perhaps a few weeks, to conduct his separate investigation into the recently revealed meetings involving White House, Treasury, and RTC officials.

Mr. President, I have no idea what, if anything, lies at the bottom of Whitewater, nor do I know what the Whitewater hearings may or may not disclose.

But it is becoming increasingly clear, with the daily drip-drip-drip of allegations, that hearings are the only way to put the Whitewater episode behind us so that we can move ahead to the vital issues facing our country.

And those who oppose hearings should remember this: we would not have known about the White House-Treasury-RTC meetings if Banking Committee Republicans had not used the opportunity of an RTC oversight hearing to ask Whitewater-related questions. In other words: if there had been no hearing, there would have been no disclosure and no subpoenas.

I think we ought to remember that. If there had not been that hearing, a lot of these things that are coming out now would not have been known.

Mr. President, in a poll out yesterday, a plurality of the American people want congressional hearings on this matter. The American people deserve a full accounting of Whitewater, and they deserve hearings that are conducted in a fair and bipartisan manner. Senate Republicans are willing to work with our Democrat colleagues to achieve these important goals.

Mr. President, I ask unanimous consent that the Charles Krauthammer article be reprinted in the RECORD. I also ask unanimous consent that an editorial appearing in today's Los Angeles Times, supporting the oversight role of Congress in the Whitewater matter, be reprinted in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NO IMMUNITY, NO PROBLEM

(By Charles Krauthammer)

The White House counsel has resigned under pressure. Ten Clinton aides have been subpoenaed by the Whitewater special prosecutor looking into improper contacts between the White House and independent S&L regulators. The administration has promised the urgent erection of a "fire wall" to prevent further contacts. The deputy Treasury secretary has "recused" himself from investigations that touched on the Clintons' involvement in Whitewater. In short, the White House has pledged itself to a wholesale cleanup of its Whitewater ethics.

How did all this start? With a congressional hearing.

On Feb. 24, the Senate Banking Committee held oversight hearings on the Resolution Trust Corp. It was here that Deputy Treasury Secretary Roger Altman, acting head of the RTC, revealed under questioning that he had briefed the White House counsel on the RTC investigation of Madison Guaranty, the failed Arkansas S&L to which the Clintons had numerous and questionable ties.

This was the first and, thus far, only congressional hearing on Whitewater. Without it we might still not know about the secret contacts between Clinton aides and the agency investigating the Madison bank. Even the president admitted at this press conference on Monday: "I didn't know about, for example, Roger Altman's meeting until he testified to it on the Hill."

A week after Altman's testimony, The Washington Post revealed that there had been two more such meetings. The first of these had tipped off the White House that the RTC was going to make a "criminal referral" to the Justice Department in which the Clintons were named as possible beneficiaries of Madison's possibly criminal activities.

This is not the first time that a congressional hearing has led to a cascade of other revelations. The Watergate tapes were discovered not by the press, not by prosecutors, but in the course of congressional hearings.

Republicans are now demanding Whitewater hearings. The Democrats, having seen how much damage was done in half a day, continue to stonewall. This is the same party that in 1990 had the House Banking Committee spend two days in public hearings on Neil Bush's involvement in the collapsed Silverado S&L. At the time, Democrats were gleeful about making Bush the "S&L poster boy." Now that the S&L poster girl might turn out to be named Clinton, they express deep concern about the partisanship of such hearings.

This is the same party that bathed the country in Iran-contra hearings. That put every syllable of Anita Hill's charges against Clarence Thomas on national TV. That even saw fit to hold hearings on a total fiction, the so-called October Surprise.

If Bill Clinton were a Republican, we would now be in our third month of hearings of a Select Committee on Whitewater. We would by now have a pretty good idea of the financial, political and—a particular interest of Mrs. Clinton's—moral conduct of the Clintons during the "decade of greed" that they ran so successfully against in 1992.

So much for the hypocrisy. What about the public interest? The Democrats are trying to hide behind the Whitewater prosecutor, who is advising against hearings on the grounds that they might adversely affect his investigation. Aren't they right? Would not congressional hearings interfere with the prosecutor's work?

To which there are two answers. First, they do not have to. In fact, in this case, the prosecutor's own investigation of secret White House-RTC contacts was helped—indeed, triggered—by a disclosure elicited in congressional hearings.

True, the convictions of Oliver North and John Poindexter were famously overturned because of the immunity they had been granted in congressional testimony. To which the remedy is: no immunity.

If in congressional Whitewater hearings those subpoenaed decide to take the Fifth Amendment and not testify, fine. That is their right. The public will then have to wait for the press and the special prosecutor to ferret out the story. Nothing lost.

If, on the other hand, they do testify, much will be gained. The American people will learn about Whitewater today rather than next year. They can begin to make judgments based on the sworn testimony of the people involved.

But second, even if there is some disruption of the prosecutor's case, so what? Every prosecutor wants control. But a prosecutor's interests are not necessarily the same as the public interest.

The prosecutor's interest is prosecution. The public interest is disclosure. The prosecutor tries to find breaches of law. The public needs to know about breaches of trust. The public's interest in Whitewater is not, say, to see Hillary Clinton or her Rose law partners on trial. It is to find out simply what happened.

This capital has just endured a decade during which the criminalization of policy differences and ethical lapses became the norm. Perhaps it is poetic justice that the fate Democrats visited on Republicans should now rebound on them. But that would just compound the injustice.

The public interest is served best not by criminalizing but by publicizing. The most important objective of these inquiries is not to put people in jail (though that may happen) but to help us reach a judgment. Congressional hearings would do just that.

THE RAPIDS OF WHITEWATER

A congressional investigation of the Whitewater affair now seems not just possible but inevitable. Probably it is some months off. Republicans who are pushing for hearings say they are ready to wait while a federal grand jury in Washington hears testimony involving possible criminal wrongdoing. That is a responsible course, and the congressional Democratic leadership, rather than trying to block an investigation, should seek an early compromise on just what one would involve.

The first of 10 White House employees subpoenaed by the grand jury, including two members of Hillary Rodham Clinton's staff, were heard Thursday.

White House staff members, it was learned last week, had been briefed on the tangled Whitewater affair by federal regulators, raising serious concerns about whether the investigation was compromised. Those concerns have already forced the resignation of Bernard Nussbaum, the President's counsel.

In these circumstances Republicans, quite naturally, scent scandal and with it political opportunity. But to dismiss their clamor for congressional involvement as solely a product of partisanship would be to demean the legislative role. Congress' legitimate oversight responsibilities should not be in dispute. Disturbing questions have been raised ranging from the possible illegal diversion of funds from a federally regulated bank in the 1980s to possible obstruction of justice just in recent months. Answers are needed.

Special Counsel Robert B. Fiske Jr. fears that hearings could jeopardize potential prosecutions arising from his investigation. An agreement by Republicans not to compel testimony with grants of immunity is designed to alleviate that worry.

Conflict need not inevitably arise between Congress and the special counsel. Both should be committed only to getting at the truth in the Whitewater case. Is that too much to ask?

Mr. DOLE. Mr. President, I add that this same expression has been indicated by the New York Times, the Washington Post, and also expressed today in the Portland Press Herald in Maine.

So I think there is no doubt about it, and I can say with some authority, having been chairman of our party—the Republican Party—at the time of Watergate. I remember how the White House did not want to hear any bad news, and how the White House unfortunately did not tell the public, did not tell the press, and did not tell the American people.

I am not comparing the two. But I am just saying when people do not have information, they cannot make a judgment. There is a lot of information the American people do not have. Once they got the information on Watergate, they made a judgment. They made a very severe judgment. They want the information on Whitewater, so-called Whitewater. Nobody knows what it is.

When Watergate started, it was a third-rate burglary. When it ended, it was a mess, and it caused great damage to, I think in many cases, the country, and also to the Republican Party, and brought about a lot of changes in ethics laws and everything that deals with ethics.

It just seems to me that if any lesson was learned from that chapter in history, it should be that there ought to be disclosure, there ought to be hearings. There were hearings at that time, day after day after day, on live television, gavel-to-gavel hearings. In fact, I felt there was too much coverage, so much coverage we could not do our work.

So I just suggest that I think the time—it is not here now, it is going to be very soon. I believe that the leadership can work out the responsible hearings. There are a number of committees that have jurisdiction; four or five committees in the Senate. If everybody starts doing something, that will not be a very efficient way to do business. So I hope we can work something out.

It also seems to me that in the case of Mr. Altman and Mr. Hubbell—Mr. Roger Altman is No. 2 at Treasury, and Mr. Webster Hubbell is No. 3 at Justice—it seems to me that they have compromised themselves, and it seems to me it would be in their interests and in the President's interest if they sort of took administrative leave without pay until this matter has been cleared up, or until their names have been cleared.

I do not think they can continue in their present roles while this cloud is hanging over each of them, and maybe others that I am not aware of who have been involved in some of the secret meetings and in some of the activities, not only in the past several months but in the past several years.

Sooner or later everybody who is involved is going to be held accountable. You have to be accountable. In politics, you have to be accountable, in business, anything anybody does. Sooner or later somebody is going to call you to account.

It may touch the White House, it may touch the Treasury, it may touch the Justice Department, or somewhere else. But sooner or later, in my view, there will be hearings, there should be hearings, and I hope when that time comes, it will be on a bipartisan basis.

I remember on the Iran-Contra hearings—I believe this is correct—I think I am the first one who suggested hearings. I suggested that Congress stay in session and complete the hearings as quickly as we could. There was a bipartisan agreement to have hearings, and it involved a Republican White House and Republican President. It seems to me that we had 20 hearings—Congress had 20 hearings, congressional committees in the House and Senate—during the Bush and Reagan Presidencies. For 12 years, Congress was not a bit reluctant to have a nice little congressional hearing over very minor matters. Of course, the Democrats controlled the Congress. The Republicans controlled the White House. Now the Democrats control the White House and the Congress and, suddenly, Republicans are accused of playing politics for wanting the same treatment that we gave to Republican Presidents for 12 years, at least 20 different times.

The public wants to know. My view is that the public will know, and the sooner we get on with our work, the more we can focus on health care, crime, welfare, and the other issues. I believe—and I may be wrong—we should shift the focus away from the President and Mrs. Clinton and back to the Congress, so the President and Mrs. Clinton can pursue their agenda, which is primarily health care, crime, welfare, the same issues we are dealing with.

Mr. President, I hope we can resolve this matter. There are other things that can be done. We do not want to be obstructionists. We just want to be treated the same way. There should not be a double standard. We cannot hide behind special counsel and say we cannot do it because of that special counsel. We can take care of the special counsel's concerns. That can be worked out. So I think that sooner or later we need to say, OK, if there are not going to be any hearings, if that is a final answer, then I think we deserve to know so we can pursue whatever activity might be necessary. But it is a matter of importance to the public, and it should be important to the public. I am hopeful that it can be addressed on a bipartisan basis.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER

Mr. MITCHELL. Mr. President, I understand that the minority leader has, a short time ago, made another statement on the so-called Whitewater matter. Accordingly, I feel constrained to respond.

First, the minority leader made reference to a letter which he had sent to me requesting a meeting to discuss this matter.

Of course, I will be pleased to meet with the minority leader on this matter, as I have on any matter on which he has requested a meeting. In fact, we meet several times a day, including several meetings today, and I will be pleased to meet and discuss this matter with him at any time and to listen to and to give careful consideration to any suggestion he wishes to make. That has been my practice and that will continue to be my practice.

In the course of the statement, the minority leader, as have other Republican Senators, again called for public hearings on the Whitewater matter.

I would like, if I might, to address that subject, and I think the best way to do it is to put this matter into some context.

Earlier this year when allegations regarding Whitewater received press attention, the minority leader and several of our Republican colleagues publicly insisted that a special prosecutor be named. They urged and encouraged the appointment of a special prosecutor to investigate this matter. And at the time, they said that if a special prosecutor is named, there would be no second-guessing.

In accordance with their request, a special prosecutor was named. That special prosecutor is himself a lifelong Republican, a person who has experience in criminal investigation and prosecution, a person of unquestioned integrity. Indeed, following his appointment, Republican Senators, including the junior Senator from New York, praised him as a man of unquestioned ability and experience. But, of course, within moments after the special counsel was named, the second-guessing began. Contrary to the assertion that there would not be any second-guessing once the special prosecutor was named, hardly was the ink dry on the appointment of a special prosecutor than the second-guessing began. That second-guessing has taken the form of, first, a request for immediate public hearings in the Congress.

On his own initiative, the special prosecutor, Mr. Fiske, who, as I noted, is himself a lifelong Republican, wrote to the chairman and the ranking member of the Banking Committee on March 7 on the subject of hearings, and this is what he said. I think the letter is worth reading in its entirety because I think the American people have a right to know what it is the special prosecutor has requested and why.

He wrote to the two Senators:

> I am writing this letter to express my strong concern about the impact of any hearings that your Committee might hold into the underlying events concerning Madison Guaranty Savings and Loan ("MGS&L"), Whitewater and Capital Management Services ("CMS") on the investigation that this Office is conducting into these matters.
>
> As you know, I was appointed to the position of Independent Counsel pursuant to CFR 603.1 on January 31, 1994. Since that date we have obtained an Order from Chief Judge Stephen M. Reasoner in the East District of Arkansas authorizing the empaneling of a grand jury which will be devoted exclusively to the Whitewater/MGS&L/CMS investigation. In the meantime, we have been using the regular grand jury for this District. We have a team of eight experienced attorneys, six of whom were current or former prosecutors when they joined the staff. We are working in Little Rock with a team of more than twenty FBI agents and financial analysts who are working full time on this matter. We are doing everything possible to conduct and conclude as expeditiously as possible a complete, thorough and impartial investigation.
>
> Inquiry into the underlying events surrounding MGS&L, Whitewater and CMS by a Congressional Committee would pose a severe risk to the integrity of our investigation. Inevitably, any such inquiry would overlap substantially with the grand jury's activities. Among other concerns, the Committee certainly would seek to interview the same witnesses or subjects who are central to the criminal investigation. Such interviews could jeopardize our investigation in several respects, including the dangers of Congressional immunity, the premature disclosures of the contents of documents or of witnesses' testimony to other witnesses on the same subject (creating the risk of tailored testimony) and of premature public disclosure of matters at the core of the criminal investigation. This inherent conflict would be greatly magnified by the fact that the Committee would be covering essentially the same ground as the grand jury.
>
> While we recognize the Committee's oversight responsibilities pursuant to Section 501 of PL 101–73 (FIREAA), we have similar concerns with a Congressional investigation into the recently-disclosed meetings between White House and Treasury Department officials—particularly because we believe these hearings will inevitably lead to the disclosure of the contents of RTC referrals and other information relating to the underlying grand jury investigation.
>
> For these reasons, we request that your Committee not conduct any hearings in the areas covered by the grand jury's ongoing investigation, both in order to avoid compromising that investigation and in order to further the public interest in preserving the fairness, thoroughness, and confidentiality of the grand jury process.
>
> I will be glad to meet with you personally to explain our position further if you feel that would be helpful.
>
> Respectfully yours,
>
> ROBERT B. FISKE, Jr.,
> *Independent Counsel.*

Mr. MITCHELL. Mr. President, I repeat and emphasize, this is a letter, on his own initiative, by an independent counsel appointed at the request of Republicans, who is himself a Republican, and, according to our Republican colleagues in the Senate, a man of total integrity and fairness. This is his request that no investigation, no congressional hearings be held.

Mr. President, reference was made to the fact that he met with the ranking Republican Senator on the committee, who took him up on his request in the last sentence of the letter offering to meet personally. And what did Mr. Fiske say after that meeting? This is a quote from Mr. Fiske after the meeting with the Republican Senator:

> My position, as expressed in the letter and right now, is that I would prefer that there be no congressional hearings.

Mr. President, let us be clear at the outset. Congress has an important oversight responsibility. Congress should meet that responsibility, and I am confident that Congress will meet that responsibility, by conducting a careful inquiry, including hearings at an appropriate time and under circumstances which do not undermine the ongoing investigation by the independent counsel. There can and should be no doubt about that.

The only question is not whether there will be congressional oversight, because there certainly will be; the only question is whether we should heed the request of the independent counsel and have hearings at a time and under a circumstance which will undermine that investigation.

I believe we should honor the request of the special counsel. Our Republican colleagues do not want to do that. They want to have hearings now. Why is that? Well, I will get to that in a moment, what the motivation is by our colleagues for a hearing.

Before I do, let me describe the reasons such hearings now would undermine that investigation.

Mr. President, reference was made in the remarks of the minority leader and repeated by our colleagues that investigations have been conducted in the past, and we ought to do things now just the way we did them in the past. The implication was created that there have been no oversight responsibilities conducted by this Congress since the Clinton administration took office. Those oversight responsibilities are, in fact, being conducted.

The sole issue here is where you have an independent legal investigation, you should have congressional hearings at a time and under circumstances which will undermine the independent legal investigation. And on that question, the answer is clear.

The Iran-Contra inquiry is often cited, and was cited here today. The independent counsel in the Iran-Contra case, Judge Lawrence Walsh, himself a lifelong Republican who served in the Justice Department under a Republican President and a Republican administration, said in remarks made by him in January of this year:

> I think the views of some of those in the congressional committees that there was a possibility of concurrent activity that the Congress could investigate on television and that the criminal prosecution could also go on was just proved to be wrong, and I think the lesson is very clear, as we spelled out in the report. Congress has control. It's a political decision as to which is more important, but it can't have both. If it wants to proceed with a joint committee or a special committee or have to compel testimony by granting immunity, it has to realize that the odds are very strong that it's going to kill any resulting criminal prosecution.

In the report itself, on Iran-Contra, Judge Walsh stated:

> Congress should be aware of the fact that future immunity grants, at least in such highly publicized cases, will likely rule out criminal prosecution.
>
> Congressional action that precludes, or makes it impossible to sustain, a prosecution has more serious consequences than simply

> one less conviction. There is a significant inequity when more peripheral players are convicted while central figures in a criminal enterprise escape punishment. And perhaps more fundamentally, the failure to punish governmental lawbreakers feeds the perception that public officials are not wholly accountable for their actions.

Just yesterday, in a television interview, Judge Walsh made the following comments:

> Why can't they wait until Mr. Fiske finishes? What is it that there is so urgent about the Whitewater matter that it requires instant publicity and can't wait until an orderly prosecution is developed?

Well, of course, he hit the nail on the head in his comment—"instant publicity." That is what our colleagues are interested in, and the American people know that.

Mr. President, my colleague made reference to public opinion polls to support his conclusion. Well, just 2 days ago, a public opinion poll reported that 12 percent of Americans believe that Republicans are raising the Whitewater issue because they care about the matter; 78 percent believe that they are doing it for political gain.

Rarely are Americans so overwhelmingly in consensus on a matter, and rarely have they been more right. This is pure partisan politics. Everybody knows that. The American people know it. Even our colleagues know it. This is an effort to embarrass the President, to injure the President by any means possible, and to divert attention away from the central issues concerning us.

The most important issue facing America today, as it has been for years, is the need for economic growth and job creation, the need to get our economy moving, the need to create jobs for those Americans who want them and need them. Is there a single member of the American public today who knows what the Republican program is for economic growth and job creation? Is there anyone in the country who knows it? The answer is no, because there is none. They do not have time for economic growth and job creation because all they want to talk about is Whitewater. This is a way of diverting attention from the failure of Republicans to present to the American people concrete programs for economic growth and job creation, the central need in our country today as it has been for years and as it will be increasingly as we move into the next century.

And it is ironic and no coincidence that this further discussion about Whitewater occurs on a day in which Republicans are filibustering a bill, here in the Senate, which is intended to encourage technological innovation, job creation, and economic growth. Think about that. What an incredible and sad juxtaposition of events, that Republican Senators are engaged in a filibuster on a bill whose purpose is to create jobs, encourage technological innovation, and have economic growth, and as they seek to prevent that what they want us to do is to go have hearings on Whitewater, which of course will have the effect of undermining the independent counsel's investigation.

I do not think those are the priorities of the American people and I do not think they ought to be the priorities of the U.S. Senate.

Mr. President, I want to respond specifically to the suggestion that there is a double standard; that we had a practice in the past and we ought to have the same practice now. The comparison between this case and Iran-Contra is invalid because the law of the land today is different than it was then, and it was changed specifically arising out of the Iran-Contra case. In that case, Marine Lt. Col. Oliver North was granted immunity to testify before a congressional committee. He testified. Following that testimony he was indicted by a Federal grand jury, tried in Federal court, and convicted on three counts. He then appealed those convictions on the grounds that the prosecution improperly utilized his immunized testimony before the Congress, and the court of appeals agreed and reversed his convictions. And in deciding the case the court of appeals set forth a standard for such matters that is substantially different than the law was prior to then.

Prior to that case, which is now the governing law because the court of appeals opinion was not reviewed by the Supreme Court—prior to that case, the state of the law was set forth in a decision rendered by the Supreme Court in 1972 in a case, Kastigar versus the United States, in which the court said that a prosecution following immunized testimony requires the prosecutor to establish that the evidence presented was not derived from the immunized testimony.

It was a reasonable standard which could be met in certain circumstances. The court of appeals decision elevated that standard to a far higher level by requiring that it be done, if necessary, item by item, line by line, witness by witness—a standard which I say, as a former Federal prosecutor and a former Federal judge, simply cannot be met.

The current state of the law as set forth by the court of appeals in the North case in 1990, which arose out of the Iran-Contra investigation, effectively precludes both a congressional inquiry and a serious criminal investigation. Judge Walsh said it explicitly: "It cannot have both." And in that respect, Judge Walsh's analysis of the current state of the law is correct. And he should know, since he was the independent counsel who prosecuted the North case.

Now, Mr. President, the response will be: Well, we have already said we will not insist on giving immunity to any witnesses.

But, Mr. President, if we announce an inquiry and in advance say that no matter what the witnesses say or do we are not going to grant immunity, then we are guaranteeing that there is not going to be full disclosure of the facts. And what we are saying is we want to have this hearing for political purposes, because no matter what happens it will give us another forum to embarrass the President. That is really what the objective is here and it is so clear.

And furthermore, the reason not to have the congressional hearing goes beyond the question of immunized testimony, as Mr. Fiske himself made crystal clear in his letter. And I quote again from that letter:

> Such interviews could jeopardize our investigation in several respects, including the dangers of Congressional immunity, [one concern] the premature disclosures of the contents of documents or of witnesses' testimony to other witnesses on the same subject (creating the risk of tailored testimony) [a second independent reason] and of premature public disclosure of matters at the core of the criminal investigation [a third independent basis].

So, one reason not to do this in a way that undermines the special prosecutor's investigation is, first, if you announce in advance that no one is going to get immunity no matter what they do you reduce the likelihood of getting the very disclosure which is supposed to be the purpose of the hearing. And, second, even if you do not grant immunity you pose severe risks to the ongoing legal investigation for the other reasons, independent of immunity, stated by the special counsel.

I want to repeat, there is no doubt that there are going to be hearings; that there is going to be congressional oversight. That is the one thing on which we all agree. And the only question is the timing and circumstances in which such hearings should be held and such investigations should be held.

It is very clear that based on the current state of the law, based upon the request of the special counsel himself, those hearings and that congressional oversight should occur at a time and under circumstances when there is no jeopardy to the ongoing investigation.

The best way to find out the truth of what happened and the only way to ensure appropriate punishment for any wrongdoing is to let the special counsel do his job, and as he does it, let the chips fall where they may.

I know Robert Fiske. He is a Republican. He is a man of integrity. He is a man of experience. I believe he will conduct a thorough, fair, and impartial investigation. If he finds wrongdoing, I am convinced he will seek those engaged in wrongdoing, and if he does not find it, I am confident he will say that and give the reasons why. But we ought not to be here trying to exploit this matter for partisan political purposes, trying to divert attention away from the other pressing issues which confront us.

The answer is, of course, Congress will meet its oversight responsibilities. Congress will do so at a time and under circumstances that are appropriate and will not undermine the special counsel's investigation.

We learn from experience, not just in public policy but in all of our daily lives. We learn from dealing with our children, with our families. We learn in business. We ought to also learn here we have had an experience which taught a valuable lesson. There are those now who want to ignore that lesson who, for purely partisan political purposes, want to take a course of action which the special counsel has requested we not take, and for good and sound reasons has asked that we defer.

Mr. President, I say to Members of the Senate, we have a lot to do. We hope to pass comprehensive health care reform this year; we hope to pass strong and meaningful welfare reform; we hope to pass a tough crime bill; we hope to pass campaign finance reform; we have substantial, major environmental laws with which to deal, including the Clean Water Act and the Safe Drinking Water Act. We are trying right now to pass a bill on technology and innovation that will spur economic growth and create jobs. That is what we should be doing. That is what we should be devoting our attention to: The real needs of the American people; the real need for economic growth, for job creation, for opportunity in our society, for the chance for people to have good health care that they can afford; to have safety and security in their homes and in their neighborhoods and on the streets of their cities. Those are the tasks that confront us; those are the tasks to which we should address ourselves.

I hope very much that over the coming weeks and months we can devote ourselves to that and we can support the special counsel's investigation in the way that is best suited to bring about full public disclosure of the truth of what occurred and appropriate punishment of any wrongdoing that occurred.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—FILING OF AMENDMENTS TO S. 4

Mr. MITCHELL. Mr. President, I ask unanimous consent that on Monday, March 14, notwithstanding the recess of the Senate, with respect to the cloture motions filed regarding S. 4, that Senators with listed amendments may file first-degree amendments until 1 p.m. in their respective cloakrooms; further, that with respect to second-degree amendments, Senators may file until 9:15 a.m. on Tuesday, March 15.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:59 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 965) to provide for toy safety and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2303. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2304. A communication from the Office of the Commissioner (U.S. Section), International Boundary and Water Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2305. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2306. A communication from the Office of the Marshal of the Supreme Court, transmitting, pursuant to law, the report on the costs of protective functions for the period February 15, 1993 through February 15, 1994; to the Committee on the Judiciary.

EC-2307. A communication from the Executive Director of Government Affairs, Non-Commissioned Officers Association of the United States of America, transmitting, pursuant to law, the report of the consolidated financial statements for December 31, 1992 and 1993; to the Committee on the Judiciary.

EC-2308. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, pursuant to law, a report on proposed legislation entitled "Bankruptcy Amendments Act of 1993"; to the Committee on the Judiciary.

EC-2309. A communication from the General Counsel of the Federal Mediation and Conciliation Service, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2310. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2311. A communication from the Director of the United States Information Agency, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2312. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2313. A communication from the President of the Inter-American Foundation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2314. A communication from the Acting Chairman of the Commodity Futures Trading Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2315. A communication from the Acting Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2316. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2317. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2318. A communication from the Assistant Secretary of the Interior (Policy, Management and Budget), transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2319. A communication from the Vice President and General Counsel of the Overseas Investment Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2320. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2321. A communication from the General Counsel of the Legal Services Corporation, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC-2322. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report relative to domestic industries; to the Committee on the Judiciary.

EC-2323. A communication from the Director of the Federal Bureau of Prisons, Department of Justice, a report on functional literacy requirements for all individuals in Federal correctional institutions; to the Committee on the Judiciary.

EC-2324. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation to amend the Immigration and Nationality Act to authorize appropriations for refugee and entrant assistance for fiscal years 1995 and 1996; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS:

S. 1925. A bill to provide for the conservation of rhinoceros and tigers, and for other purposes; to the Committee on Environment and Public Works.

By Mr. PRESSLER (for himself and Mr. LEAHY):

S. 1926. A bill to amend the Food and Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the Food Stamp Program, and for other purposes; considered and passed.

By Mr. ROCKEFELLER (for himself, Mr. MURKOWSKI, Mr. DECONCINI, Mr. MITCHELL, Mr. GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. CAMPBELL, Mr. THURMOND, Mr. SIMPSON, Mr. SPECTER, and Mr. JEFFORDS):

S. 1927. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

By Mr. ROBB:

S.J. Res. 168. A joint resolution designating May 11, 1994, as "Vietnam Human Rights Day"; to the Committee on the Judiciary.

By Mr. WARNER (for himself, Mr. THURMOND, Mr. KENNEDY, Mr. CHAFEE, Mr. SIMON, Mr. CAMPBELL, and Mr. GLENN):

S.J. Res. 169. A joint resolution to designate July 27 of each year as "National Korean War Veterans Armistice Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN (for himself and Mr. WARNER):

S. Res. 188. A resolution to recognize the outstanding service of the Architect of the Capitol, the Honorable George M. White, for the restoration of the Statue of Freedom; considered and agreed to.

By Mr. MITCHELL (for himself and Mr. COHEN):

S. Res. 189. A resolution congratulating Bowdoin College on the occasion of its bicentennial anniversary; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS:

S. 1925. A bill to provide for the conservation of rhinoceros and tigers, and for other purposes; to the Committee on Environment and Public Works.

RHINOCEROS AND TIGER CONSERVATION ACT OF 1994

Mr. JEFFORDS. Mr. President, in 1970 there were over 65,000 black rhinoceros alive in the wild. Today there are only 2,000, and this number is rapidly declining. Of the eight species of tiger which have historically roamed our planet, three species are extinct. In fact, there are fewer than 5,000 tigers left in the wild, a 95 percent decline within this century. At this rate of decline, these species may not survive into the next century.

Mr. President, we can no longer stand by and allow these animals to go extinct. The threat is real and it is immediate. Loss of habitat and exploitation by humans threaten the survival of rhinoceros and tigers. But the gravest threat to these species is the international trade in rhinoceros and tiger parts and products. Poaching of rhinoceros and tigers continues because a few select countries continue to use parts from these animals for traditional medicinal purposes and other uses. This illegal trade must stop.

The Convention on International Trade in Endangered Species [CITES] accords protection for wild animals that are in danger of extinction. This Convention, signed in Washington in 1973, asks members to take limited trade sanctions against countries who engage in trade or taking which reduces the effectiveness of any international endangered species conservation program. U.S. law implementing the treaty allows the Secretary of Interior to make determinations if a country is engaging in illegal wildlife trade. If the Secretary certifies that a country is threatening the survival of an endangered species, the President has 60 days to decide whether to take further action. This can include working with violators to develop laws and enforcement mechanisms to end the use and trade in endangered species, as well as establishing education plans and programs to consolidate and control stockpiles. Finally, the President can approve import prohibitions if a country continues to violate the international laws.

Since 1974, the Department of Interior has certified foreign countries more than 20 times, most for diminishing the effectiveness of whaling protection laws. However, sanctions have never been imposed by the President. In the case of rhinoceros and tigers, I believe we must seriously consider sanctions against those countries who are continuing to violate international endangered species law.

Mr. President, today I am introducing legislation which will go a long way toward protecting the last remaining rhinoceros and tigers in the wild. The Rhinoceros and Tiger Conservation Act of 1994 will create a mechanism to support the conservation programs of nations whose activities affect rhinoceros and tiger populations and provide and financial resources for those programs.

The conservation fund can be used to support projects which protect rhinoceros and tiger habitat and programs which attempt to end the demand for rhinoceros and tiger parts and products. The fund is modeled after the highly successful African Elephant Conservation Fund created in 1988 by the U.S. Congress. This fund has provided grants to 33 elephant protection projects in 13 countries, including: Burkina Faso, Botswana, Cameroon, Central African Republic, Congo, Gabon, Kenya, Malawi, Namibia, Senegal, Tanzania, Zambia and Zimbabwe. These countries do not have the money or the manpower to stop poaching. Many of the projects assisted by the fund have proven vital to the continued survival of African elephants.

In addition, Mr. President, the fund can be used to help those countries which use and trade rhinoceros and tiger parts to end these illegal practices. This money could help violators set up public education programs, establish training programs for enforcement personnel and develop plans to consolidate and control stockpiles. Ending demand will reduce illegal poaching and preserve species.

Also, Mr. President, the legislation mandates an end to the importation into the United States of all fish and wildlife products from nations that continue to violate international laws and trade in rhinoceros and tiger products or engage in other activities that adversely affect those animals survival.

Mr. President, we must act immediately to avoid the extinction of the last remaining rhinoceros and tiger populations. Unless we take action, the dramatic decline in these animals will continue, until it is too late. This legislation is a bold step toward achieving this goal. I urge my colleagues to join in working to project and preserve those rhinoceros and tigers living in the wild.

By Mr. ROCKEFELLER (for himself, Mr. MURKOWSKI, Mr. DECONCINI, Mr. MITCHELL, Mr.

GRAHAM, Mr. AKAKA, Mr. DASCHLE, Mr. CAMPBELL, Mr. THURMOND, Mr. SIMPSON, Mr. SPECTER, and Mr. JEFFORDS):

S. 1927. A bill to increase the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1994

• Mr. ROCKEFELLER. Mr. President, as the chairman of the Committee on Veterans' Affairs, I am introducing today S. 1927, the proposed Veterans Compensation Cost-of-Living Adjustment Act of 1994. I am enormously pleased that the entire membership of the Committee on Veterans' Affairs has joined me as original cosponsors of this important measure—including ranking minority member FRANK MURKOWSKI and Senators DENNIS DECONCINI, GEORGE MITCHELL, BOB GRAHAM, DANIEL AKAKA, TOM DASCHLE, BEN NIGHTHORSE CAMPBELL, STROM THURMOND, ALAN SIMPSON, ARLEN SPECTER, and JAMES JEFFORDS.

Mr. President, this bill would increase, effective December 1, 1994, the rates of compensation paid to veterans with service-connected disabilities and the rates of dependency and indemnity compensation, or DIC, paid to the survivors of certain service-disabled veterans. The rates would increase by the same percentage as the increase in Social Security and VA pension benefits. The compensation COLA would become effective on the same date that the increase for those benefits takes effect.

Mr. President, we have a fundamental obligation to address the needs of the 2.2 million service-disabled veterans and 332,250 survivors who depend on these compensation programs. The needs of these veterans and survivors are uniquely related to veterans' enormous sacrifices on behalf of our great Nation. Addressing these needs is a top priority of mine as chairman of the Committee on Veterans' Affairs.

I represent a State where military service is held in the highest esteem. Ever since I entered public life, to serve the people of West Virginia, I have worked very closely with our veterans and their families. The compensation payments that this bill would adjust have a profound effect on the everyday lives of over 2½ million veterans and veterans' survivors—including over 20,500 in West Virginia. It is our responsibility to continue to provide increases in compensation and DIC benefits in order to ensure that the value of those top-priority, service-connected VA benefits is not eroded by inflation. Most recently, on November 4, 1993, Congress enacted Public Law 103–140, providing a 2.6-percent increase in these same benefits, effective December 1, 1993.

The Congressional Budget Office estimates that the December 1, 1994, Social Security and VA pension COLA will be 3 percent. This is a preliminary estimate, but I expect the actual increase will be close to this estimate. The Congressional Budget Office estimates that a 3-percent COLA would cost approximately $340 million over current law.

Mr. President, I am proud that Congress has provided annual increases in VA compensation rates every fiscal year since 1976, and I urge all of my colleagues to continue to support these necessary increases.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1927

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1994".

SEC. 2. DISABILITY COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION RATE INCREASES.

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1994, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2)(A) The Secretary shall increase each of the rates and limitations provided for in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code. The increase shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1994, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(B) In the computation of increased rates and limitations pursuant to subparagraph (A), amounts of $0.50 or more shall be rounded to the next higher dollar amount and amounts of less than $0.50 shall be rounded to the next lower dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (2 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 214(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year 1994, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2)(A) as increased under this section.•

By Mr. ROBB:

S.J. Res. 168. A joint resolution designating May 11, 1994, as "Vietnam Human Rights Day"; to the Committee on the Judiciary.

VIETNAM HUMAN RIGHTS DAY

• Mr. ROBB. Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 168

Whereas May 11, 1994, is the fourth anniversary of the issuance of the manifesto of the Non-Violent Movement for Human Rights in Vietnam;

Whereas the Manifesto, which calls upon Hanoi to respect basic human rights, accept a multiparty system, and restore the right of the Vietnamese people to choose their own form of government through free and fair elections, reflects the will and aspirations of the people of Vietnam;

Whereas the author of the Manifesto, Dr. Nguyen Dan Que, and thousands of innocent Vietnamese, including religious leaders, are imprisoned by the Socialist Republic of Vietnam because of their nonviolent struggle for freedom and human rights;

Whereas the leaders of the Socialist Republic of Vietnam are seeking to expand diplomatic and trade relations with the rest of the world;

Whereas the United States, as the leader of the free world, has a special responsibility to safeguard freedom and promote the protection of human rights throughout the world; and

Whereas the Congress urges Hanoi to release immediately and unconditionally all political prisoners, including Dr. Nguyen Dan Que, with full restoration of their civil and human rights; guarantee equal protection under the law to all Vietnamese, regardless of religious belief, political philosophy, or previous associations; restore all basic human rights, such as freedom of speech, religion, movement, and association; abolish the single party system and permit the functioning of all political organizations without intimidation or harassment and announce a framework and timetable for free and fair election under the sponsorship of the United Nations that will allow the Vietnamese people to choose their own form of government: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 11, 1994, is designated as "Vietnam Human Rights Day" in support of efforts by the Non-Violent Movement for Human Rights in Vietnam to achieve freedom and human rights for the people of Vietnam, and the President is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such day with appropriate ceremonies and activities.•

By Mr. WARNER (for himself, Mr. THURMOND, Mr. KENNEDY, Mr. CHAFEE, Mr. SIMON, Mr. CAMPBELL, and Mr. GLENN):

S.J. Res. 169. A joint resolution to designate July 27 of each year as "National Korean War Veterans Armistice Day"; to the Committee on the Judiciary.

NATIONAL KOREAN WAR VETERANS ARMISTICE DAY

Mr. WARNER. Mr. President, I rise today to introduce legislation, along with all of my seven fellow Korean war era veterans who are currently serving in the Senate, which would designate July 27 of each year as the "National Korean War Veterans Armistice Day."

This day, July 27, is the anniversary date of the signing of the armistice which led to the end of active hostilities in the Korean war.

Considered to be the forgotten war, I believe all Americans should be given the opportunity to reflect upon this tragic conflict and to realize the impact this war had on the many men and women who served this Nation in the armed services, as well as those who did not wear the uniform. With more than 160,000 casualties, the Korean war and our victory came at great cost, and its outcome shapes the very world political climate we live in today.

This year is the forty-first anniversary year of the signing of the armistice which ended the Korean war, and we are seeking passage of this resolution prior to June 25, 1994, the forty-fourth anniversary of the beginning of the Korean war. This schedule will afford the legislation and executive leadership of the Nation the opportunity to become role models for appropriate resolutions or proclamations promulgated by the State, county, and municipal governments. In addition, the prompt passage of this resolution will allow time for the preparation of other appropriate ceremonies and activities called for in the proclamation to be issued by the President.

I am confident you will agree that we must, as a nation, recognize the sacrifices made by so many men and women during the Korean war.

Therefore, I respectfully ask each of my colleagues to cosponsor this truly worthwhile legislation.

ADDITIONAL COSPONSORS

S. 1678

At the request of Mr. FAIRCLOTH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 1678, a bill to amend the Immigration and Nationality Act to provide that public ceremonies for the admission of new citizens shall be conducted solely in English.

S. 1693

At the request of Mr. REID, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 1693, a bill to amend the Internal Revenue Code of 1986 to delay the effective date for the change in the point of imposition of the tax on diesel fuel, to provide that vendors of diesel fuel used for any nontaxable use may claim refunds on behalf of the ultimate users, and to provide a similar rule for vendors of gasoline used by State and local governments.

S. 1728

At the request of Mr. BRYAN, the name of the Senator from Florida [Mr. MACK] was added as a cosponsor of S. 1728, a bill to provide regulatory capital guidelines for treatment of real estate assets sold with limited recourse by depository institutions.

S. 1802

At the request of Mr. HOLLINGS, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1802, a bill for the relief of Johnson Chestnut Whittaker.

S. 1837

At the request of Mr. RIEGLE, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1837, a bill to suspend temporarily the duty on the personal effects of participants in, and certain other individuals associated with, the 1994 World Cup soccer games.

S. 1913

At the request of Mr. COCHRAN, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of S. 1913, a bill to extend certain compliance dates for pesticide safety training and labeling requirements.

SENATE JOINT RESOLUTION 160

At the request of Mr. RIEGLE, the names of the Senator from Minnesota [Mr. WELLSTONE], the Senator from Kentucky [Mr. FORD], the Senator from Arkansas [Mr. BUMPERS], and the Senator from California [Mrs. BOXER] were added as cosponsors of Senate Joint Resolution 160, a joint resolution to designate the month of April 1994, as "National Sudden Infant Death Syndrome Awareness Month," and for other purposes.

SENATE JOINT RESOLUTION 161

At the request of Mr. BUMPERS, the names of the Senator from Mississippi [Mr. LOTT], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Georgia [Mr. COVERDELL], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of Senate Joint Resolution 161, a joint resolution to designate April 1994, as "Civil War History Month."

SENATE JOINT RESOLUTION 164

At the request of Mr. BROWN, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 164, a joint resolution to designate June 4, 1994, as "National Trails Day."

SENATE RESOLUTION 188—RELATIVE TO THE ARCHITECT OF THE CAPITOL

Mr. MOYNIHAN (for himself and Mr. WARNER) submitted the following resolution; which was considered and agreed to:

S. RES. 188

Whereas the Statue of Freedom Triumphant in Peace and War has stood atop the tholos of the United States Capitol Dome since December 2, 1863;

Whereas the Statue of Freedom has served since its installation as an object of great national pride and inspiration;

Whereas the Statue, modeled by the American sculptor Thomas Crawford in Rome, and cast by Clark Mills in Northeast Washington, D.C., using bronze made of zinc, Lake Superior copper, and tin purchased in New York, was found after inspection in 1988 to be suffering from rust and corrosion and to be in need of repair;

Whereas the plan developed by the Architect of the Capitol for carrying out the necessary repairs required great skill and expertise in historical restoration techniques as well as extraordinary feats of engineering for the removal and replacement of the Statue; and

Whereas Members of Congress, residents of Washington, D.C., and visitors watched with awe and appreciation as the Architect's plan unfolded, accomplishing the removal, restoration, and replacement of the Statue atop the Dome in time for the 200th anniversary of the laying of the cornerstone of the Capitol: Now, therefore, be it

Resolved, That the Architect of the Capitol, the Honorable George M. White, is recognized and commended for outstanding service to the Capitol and to the Nation for successfully restoring the original grandeur of the Statue of Freedom.

SEC. 2. The Secretary shall transmit a copy of this resolution to the Architect of the Capitol, the Honorable George M. White.

SENATE RESOLUTION 189—RELATIVE TO BOWDOIN COLLEGE

Mr. MITCHELL (for himself and Mr. COHEN) submitted the following resolution; which was considered and agreed to:

S. RES. 189

Whereas Bowdoin College was established in 1794 by the General Court of the Commonwealth of Massachusetts as the first college in the District of Maine;

Whereas, since 1802, Bowdoin College has educated students from Maine, the rest of the Nation, and many foreign countries on the principle that: "literary institutions are founded and endowed for the common good and not for the private advantage of those who resort to them for education";

Whereas alumni of Bowdoin College have included 1 President of the United States, 16 Members of the Senate, 42 Members of the House of Representatives, 2 Supreme Court Justices, and many other public officials;

Whereas other distinguished alumni of Bowdoin College have included authors Nathaniel Hawthorne and Henry Wadsworth Longfellow, Civil War hero and the Governor of Maine Joshua Chamberlain, Arctic explorer Admiral Robert E. Peary, and Olympic gold medalist Joan Benoit Samuelson; and

Whereas Bowdoin College is consistently named one of the Nation's most outstanding liberal arts colleges: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the contributions made by Bowdoin College to the State of Maine and the Nation over the past 200 years;

(2) extends heartiest congratulations to the students, alumni, faculty, staff, and administrators of this great institution of higher learning on the occasion of its bicentennial anniversary; and

(3) offers best wishes for the continued success of Bowdoin College in the future.

AMENDMENTS SUBMITTED

FEDERAL WORKFORCE RESTRUCTURING ACT

GRAMM AMENDMENT NO. 1495

Mr. GRAMM proposed an amendment to the bill (H.R. 3345) to amend title 5, United States Code, to eliminate certain restrictions on employee training; to provide temporary authority to agencies relating to voluntary separation incentive payments, and for other purposes; as follows:

At the end of Section 5, insert the following:

SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

VIOLENT CRIME REDUCTION TRUST FUND

"(a) There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,423,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' means amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.

NATIONAL COMPETITIVENESS ACT

BROWN AMENDMENT NO. 1496

Mr. BROWN proposed an amendment to the bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; as follows:

At the end of the bill add the following new title:

TITLE —FEDERAL RULES OF CIVIL PROCEDURE

SEC. .RULE 11 FEDERAL RULES OF CIVIL PROCEDURE.

(a) IN GENERAL.—Rule 11 of the Federal Rules of Civil Procedure is amended—

(1) in subsection (b)(3) by striking out "or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery" and inserting "or are well grounded in fact"; and

(2) in subsection (c)—

(A) in the first sentence by striking out "may, subject to the conditions stated below," and inserting in lieu thereof "shall";

(B) in paragraph (2) by striking out the first and second sentences and inserting in lieu thereof "A sanction imposed for violation of this rule may consist of reasonable attorneys' fees and other expenses incurred as a result of the violation, directives of a nonmonetary nature, or an order to pay penalty into court or to a party."; and

(C) in paragraph (2)(A) by inserting before the period ", although such sanctions may be awarded against a party's attorneys".

(b) EFFECTIVE DATE.—The provisions of this section shall take effect 30 days after the date of the enactment of this Act.

KEMPTHORNE (AND KASSEBAUM) AMENDMENT NO. 1497

Mr. KEMPTHORNE (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill S. 4, supra; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Heroic Efforts to Rescue Others Act" (HERO Act).

SEC. 2 FINDINGS.

Congress finds that—

(1) existing Occupational Safety and Health Administration regulations require the issuance of a citation to an employer in a circumstance in which an employee of such employer has voluntarily acted in a heroic manner to rescue individuals from imminent harm during work hours;

(2) application of such regulations to employers in such circumstance causes hardships to those employers who are responsible for employees who perform heroic acts to save individuals from imminent harm;

(3) strict application of such regulations in such circumstance penalizes employers as a result of the time lost and legal fees incurred to defend against such citations; and

(4) in order to save employers the cost of unnecessary enforcement an exemption from the issuance of a citation to an employer under certain situations related to such circumstance is appropriate.

SEC. 3. CITATIONS.

Section 9 of the Occupational Safety and Health Act (29 U.S.C. 658) is amended by adding at the end the following new subsection:

"(d)(1) No citation may be issued under this section for a rescue activity by an employer's employee of an individual in imminent harm unless—

"(A)(i) such employee is designated or assigned by the employee's employer with responsibility to perform or assist in rescue operations; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment;

"(B)(i) such employee is directed by the employee's employer to perform rescue activities in the course of carrying out the employee's job duties; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment; or

"(C)(i) such employee—

"(I) is employed in a workplace that requires such employee to carry out duties that are directly related to a workplace operation where the likelihood of life-threatening accidents is foreseeable, such as a workplace operation where employees are located in confined spaces or trenches, handle hazardous waste, respond to emergency situations, perform excavations, or perform construction over water;

"(II) has not been designated or assigned to perform or assist in rescue operations; and

"(III) voluntarily elects to rescue such an individual; and

(ii) the employer has failed to instruct employees not designated or assigned to perform or assist in rescue operations—

(I) of the arrangements for rescue;

(II) not to attempt rescue; and

(III) of the hazards of attempting rescue without adequate training or equipment.

"(2) For purposes of this subsection, the term 'imminent harm' means the existence of any condition or practice that could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS AND NATIONAL PARKS

Mr. BUMPERS. Mr. President, I would like to announce that a hearing has been scheduled before the Subcommittee on Public Lands, National Parks and Forests.

The hearing will take place on Wednesday, March 23, 1994, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills pending before the subcommittee:

S. 1270, to establish the Cache La Poudre River National Water Heritage Area in the State of Colorado;

S. 1324, to authorize the Secretary of the Interior to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, and for other purposes;

S. 1402, to convey a certain parcel of public land to the county of Twin Falls, ID, for use as a landfill, and for other purposes;

S. 1703, to expand the boundaries of the Piscataway National Park, and for other purposes; and

H.R. 194, to withdraw and reserve certain public lands and minerals within the State of Colorado for military uses, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, anyone wishing to submit a written statement is welcome to do so by sending two copies to the Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC 20510.

For further information regarding the hearing, please contact Dionne Thompson of the subcommittee staff at (202) 224-5925.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH, CONSERVATION, FORESTRY, AND GENERAL LEGISLATION

Mr. BUMPERS. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Agricultural Research, Conservation, Forestry, and General Legislation will hold a hearing on ecosystem management. The hearing will be held on Thursday, April 14, 1994 at 3 p.m. in SR-332. Senator TOM DASCHLE will preside.

For further information, please contact Maureen McBrien at 224-2321.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee for authority to meet on Friday, March 11, at 10 a.m., in SD-342 Dirksen, for a hearing on the subject: Harmful nonindigenous species in the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COMMENTING ON THE SECRETARY OF STATE'S VISIT TO CHINA

• Mr. D'AMATO. Mr. President, I rise today to discuss the Secretary of State's upcoming visit to China.

I am shocked that the Secretary will visit Beijing for the purpose of presenting the administration's case for China to improve its human rights practices, and not visit with Chinese dissidents. What could he be thinking?

What better message could the United States send than for the Secretary to meet with Chinese dissidents? If, as the press reports state, the administration is fearful of endangering other dissidents, this kowtowing to the Chinese will only encourage them to hold firm.

When the United States was trying to persuade the Soviet Union to improve its human rights practices, we made every attempt to communicate and meet with Soviet dissidents to show the Soviets that we were not forgetting about these unfortunate victims of the Soviet system. Why should our human rights agenda be any different with the Chinese?

Mr. President, it is bad enough for the administration to go back on its campaign pledge and grant MFN to China, as it did last year, but for it to pull this latest move is adding insult to injury. This is shameful and a sellout of these innocent victims of the harsh, tyrannical system that operates in China. The administration and the State Department should be ashamed of itself. Mr. Secretary, meet with Chinese dissidents and show our support for their plight.•

POLAND'S GREAT EXPERIMENT

• Mr. LIEBERMAN. Mr. President, I would like to take a moment to salute the great Polish experiment that is currently taking place. Unlike other former Communist countries, Poland has taken the path of economic shock therapy. Poland's leaders, including President Lech Walesa, adopted sweeping market reforms to create a Western economy as quickly as possible, even though they knew that the policy would entail hardship and political risk.

The experiment is paying off. The Polish economy, which grew at a rate of 5 percent last year, is the fastest growing economy in Europe. Germany, France, and Britain have all been outdistanced by Poland.

Some have argued that the elections last September were a major setback to reform since the former Communist Party and its ally won the largest block of votes. These results, however, were misleading. Because the initial non-Communist Polish governments were plagued by too many parties, the electoral laws were changed to give the leading parties, bonus seats. As a result, the two leading ex-Communist parties, the Democratic Left Alliance and the Polish Peasants' Party, got 66 percent of the seats in the Sejm, the parliament, although they won only 36 percent of the vote. Yet even the former Communists, who benefited from a protest vote against the hardships of economic reforms, do not appear to want to roll back the economic and political reforms of the previous governments.

How can we help Poland continue its courageous experiment? First, we can encourage lower tariffs for Polish goods in Western Europe, its largest market. The European Community still maintains trade barriers against agricultural, steel, and textile products. Poland should be allowed to sell freely in Western Europe, which must not be allowed to be a rich man's club.

The United States can also do its part. Poland has been asking to become a full-fledged member of the North Atlantic Treaty Organization [NATO]. Poland is still afraid of the rebirth of an Imperial Russia, particularly after the electoral success of the Russian extremist, Vladimir Zhirinovsky. The West should be sensitive to Poland's fears. Whether it was czars or commissars, Poland has often been a victim of its more powerful neighbor. Given Poland's history and Russia's unstable present, Poland has the right to belong to NATO. This would discourage Russian nationalists from trying to reimpose their will in all of Central Europe.

Mr. President, Poland's great experiment is the key to success for the entire former Soviet bloc. If Poland can show that economic reforms can work, other former Communist countries, including Russia, will follow its example. As Poland continues to lead the way, the least the West can do is to provide military security and an even economic playing field. Poland helped to break the back of Communist governments in 1989. We have to help it bury the remains of the Communist economic system in 1994.•

AMENDMENT NO. 1489

• Mr. COHEN. Mr. President, yesterday I offered amendment No. 1489. I ask that a detailed article by article analysis and legislative history of the amendment be printed in the RECORD.

The material follows:

S. 1869, COUNTERINTELLIGENCE IMPROVEMENT ACT OF 1994 SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 contains the title of the Act, "The Counterintelligence Improvements Act of 1994."

SECTION 2

Section 2 adds a new title VIII to the National Security Act of 1947 (50 U.S.C. 401 et seq.) to govern access to Top Secret classified information.

Section 801 establishes the requirements for eligibility to access Top Secret information.

Subsection (a) specifies that the President and Vice President, Members of Congress, Justices of the Supreme Court and judges of other federal courts established pursuant to Article III of the Constitution are eligible, by virtue of their elected and appointed positions, for access to particularly sensitive classified information needed for the performance of their governmental functions without regard to other provisions of this title. This means that the incumbents of such positions are not required to meet the security requirements of other sections of the bill (e.g. submit to background investigations or reinvestigations) applicable to government employees.

Subsection (b) provides that with respect to government employees, access to Top Secret information shall be limited to employees who have been granted access pursuant to this title, who are citizens of the United States, who require routine access to such information in the performance of official governmental functions, and who have been determined to be trustworthy based upon a background investigation and other reinvestigations undertaken pursuant to section 802, below, and have otherwise satisfied the requirements of that section.

Subsection (c) provides that the President may by regulation permit access to Top Secret information by persons other than those listed in subsections (a) and (b). The Congress intends that such regulations cover access to Top Secret information by government employees who are not citizens of the United States or who do not require routine access to such information for the performance of official functions. It is also contemplated that there will be limited circumstances where it will be in the best interest of the United States to share such information with persons who are not government employees (including contractors). Such persons may, indeed, include foreign nationals in rare circumstances. The Congress expects the President to make appropriate allowances for such access in the regulations required by section 802.

Section 802 requires the President to issue, within 180 days of enactment of this title, regulations binding upon all elements of the Executive branch. Such regulations are required, at a minimum, to establish certain requirements enumerated in this section.

Subsection (A) sets forth the minimum requirements to be met as a condition of access to Top Secret information, to include the requirements for initial and periodic background investigations, requirements to consent to the Government's access to certain types of personal records, and requirements to report certain types of information to the Government.

Subsection (A)(1) provides that no employee of the United States Government shall be given access to Top Secret information unless such person has been the subject of a background investigation and has provided consent to the investigative agency responsible for conducting the investigation permitting access to certain types of records during the period of access and for five years thereafter. Such records include financial records covered by the Right to Financial Privacy Act of 1978; consumer credit reports covered by the Consumer Credit Protection Act; and records maintained by commercial entities within the United States pertaining to travel by the subject outside the United States. (Access by government investigative agencies to this category of records does not appear to be restricted under existing law, however, private commercial concerns may be reluctant to provide such information without the consent of the consumer.)

The three provisos at the end of the subsection (A)(1) place general limitations on the authority of the investigating agency to request or disseminate such information.

Proviso (i) states that an authorized investigative agency may not request information pursuant to this section for any purpose other than making a security clearance determination. Thus, this subsection does not provide authority to request information concerning any person who is not being contemplated for access to Top Secret information or who has such access presently or within the last five years.

Proviso (ii) states that where the individual concerned no longer has access to Top Secret information, no information may be requested by an authorized investigative agency unless such agency has reasonable grounds to believe, based upon specific and articulable facts available to it, that such persons may pose a threat to the continued security of the information to which he or she had previously had access. This means that information could not be requested concerning any person who had left government service, or who remained in government service after access had been terminated, unless the investigative agency had reasonable grounds to believe such person may pose a security concern. The Congress believes that where persons who no longer have access to highly classified information are concerned, there should be a specific basis to justify Government inquiries into their personal records.

Proviso (iii) prohibits any authorized investigative agency which obtains information pursuant to this section from disseminating it to any other department, agency, or entity for any purpose other than making a security clearance determination, or for a law enforcement or foreign counterintelligence purpose. Inasmuch as such information may be highly personal, its dissemination is justified only by the most compelling needs.

Subsection (A)(2) also requires persons being given access to particularly sensitive classified information to agree, as a condition of such access, to report, in accordance with applicable regulations, any travel to foreign countries during the period of access which has not been authorized as part of the subject's official duties. The Congress recognizes there will be cases, due to geographical location of the U.S. employee concerned, where foreign travel for personal reasons could be a routine, perhaps even daily, occurrence. By providing that reports of such travel be made in accordance with applicable regulations is intended to provide flexibility to accommodate such situations.

Subsection (A)(3) requires that persons being given access to particularly sensitive classified information also report to the Federal Bureau of Investigation or to appropriate investigative authorities of the employing department, agency, or entity, any unauthorized contacts with persons known to be foreign nationals or persons representing foreign nationals, where an effort to acquire U.S. classified information is made or is apparent. For this latter purpose, unauthorized contacts do not include contacts made within the context of an authorized diplomatic relationship. In other words, where the employee is authorized to cultivate a diplomatic relationship, and in the course of such relationship, a foreign diplomat poses a question within the scope of such relationship, the answer to which would require classified information to be revealed, such an inquiry would not be required to be reported to investigative agencies. If, on the other hand, the foreign diplomat attempted to solicit classified information outside the scope of an authorized relationship, or attempted to recruit the U.S. diplomat to collect information in the future, such approach would be reportable under this section.

The final paragraph of subsection (A) provides that a failure by the subject to grant consent as required by this subsection, or make the reports required by this subsection, constitute ground for denial or termination of access to Top Secret information. The Congress does not intend that such failure will automatically result in such denial or termination, but rather that the department, agency, or entity concerned will evaluate all relevant information related to such failure and determine whether such action is appropriate.

Subsection (B) deals with requirements for reinvestigations of persons granted access to Top Secret information. Subsection (B)(1) provides that such persons will be subject to additional background investigations no less frequently than every 5 years. Although any failure to satisfy this requirement that is not solely attributable to the subject of the investigation shall not result in a loss or denial of access. The Congress recognizes that there may be practical reasons why reinvestigations are not accomplished within the five-year time frame. Where these are not solely attributable to subject, they should not result in any unfavorable action regarding his continued access. Subsection (B)(2) provides that such persons are subject to investigation at any time to ascertain whether they continue to meet the requirements for access. Thus, should an authorized investigative agency receive information at any time which may suggest such person may no longer meet the security requirements for access, an investigation may be undertaken.

Subsection (C) requires that the regulations address the matter of access to Top Secret information by persons other than the officials lists in section 801(A) above, or government employees eligible for access to such information as provided in section 801(B). The subsection provides that the President or other officials designated by the President for this purpose, may authorize access to such information by such persons only where such access is essential to protect or further the national security interests of the United States.

Subsection (D) requires that the President designate a single office within the Executive branch to monitor the implementation and operation of this title within the Executive branch, and provide an annual report to the President and appropriate congressional committees describing the operation of this title and recommending any needed improvements.

The bill requires that a copy of the implementing regulations required by this section be provided to the two intelligence committees 30 days prior to their effective date.

Section 803 provides authority for the President, or officials designated by the President for this purpose, to waive the provisions of this title and the regulations implementing this title for individual cases involving U.S. citizens or persons admitted to the United States for permanent residence, when essential to protect or further the national security interests of the United

States, provided all such waivers are made a matter of record, reported to the oversight office established pursuant to section 802, and are available for review by the intelligence committees.

The Congress recognizes there will be extraordinary circumstances when the president (or other senior officials) could be justified in waiving the investigative requirements or the consent requirements for particular persons as a condition of their receiving access to particularly sensitive classified information. The Congress believes, however, that such waiver authority ought to be limited to specific individuals who are either citizens of the United States or persons who are admitted to the United States for permanent residence. Such waiver authority is not granted to permit the exemption of entire classes of persons, or the employees of a particular department or agency, or to provide access for particular purposes (e.g., diplomatic exchanges). Should the President wish to exempt classes of persons or entire departments or agencies from the requirements of this title, or provide for access by foreign nationals under limited circumstances, such exemptions should be made in the regulations issued pursuant to section 802, which are reported to the intelligence committees, rather than made subject to individual waivers pursuant to section 803.

Section 804 contains the definitions of terms used in this title.

Section (a) defines the term "national security" as referring to the national defense and foreign relations of the United States.

Subsection (b) defines the term "information classified in the interest of national security" or "classified information" as meaning any information originated by or on behalf of the United States Government, the unauthorized disclosure of which would cause damage to the national security, and which has been marked and is controlled pursuant to Executive Order 12356, dated April 2, 1982, or successor orders, or the Atomic Energy Act of 1954.

Subsection (c) defines the term "Top Secret information" as information classified in the interest of national security, the unauthorized disclosure of which would cause exceptionally grave damage to the national security.

Subsection (d) defines the term "employee" for purposes of this title as including any persons who receives a salary or compensation of any kind from the United States Government, is a contractor or unpaid consultant of the United States Government, or otherwise acts for or on behalf of the United States Government, but does not include the President or Vice President, Members of Congress, Justices of the Supreme Court or judges of federal courts established pursuant to Article III of the Constitution.

Subsection (e) defines the term "authorized investigative agency" means an agency authorized by law or regulation to conduct investigations of persons who are proposed for access to Top Secret information to ascertain whether such persons satisfy the criteria for obtaining and retaining a security clearance. Such agencies would include the Federal Bureau of Investigation, the Defense Investigative Service, and other departments and agencies who are authorized to conduct such investigations.

Section 805 provides that this title shall take effect 180 days from its enactment. This period is necessary in order to allow time for the President to issue the implementing regulations required by section 802 prior to the effective date of this title.

SECTION 3

Section 3 of the bill adds a new title IX to the National Security Act of 1947 (50 U.S.C. 401 et seq.) to provide special requirements for the protection of cryptographic information. Persons with access to such information necessarily have the capability of inflicting grave damage upon the national security by enabling unauthorized persons to read or understand an unlimited number of U.S. communications at all levels of classification. In view of the peculiar sensitivity of such information, the Congress believes that special security measures should be imposed on persons who have access to this information.

It is the intent of the Congress, however, that only those Executive branch employees or contractors who have extensive involvement with, or in-depth knowledge of, classified cryptographic information need to be covered by the proposed title. This would include persons who develop U.S. codes or ciphers, persons who build or install devices or equipment which contain such codes or ciphers, and persons who are employed in locations where large volumes of classified information are processed by such devices or equipment, such as communications centers. It is not intended that persons who have access to cryptographic devices or equipment designed for personal use or office use should be covered by this title.

Section 901 establishes minimum uniform security requirements for Executive branch employees who are granted access to classified cryptographic information or routine, recurring access to any space in which classified cryptographic key is produced or processed, or is assigned responsibilities as a custodian of classified cryptographic key. The President may provide latitude in the regulations implementing this title for departments and agencies to impose additional, more stringent security measures upon such persons where circumstances may warrant.

Two basic requirements are imposed upon persons covered by the title. Subsection (a)(1)(A) requires that they meet the security requirements established by section 802 of the Act, as persons with access to particularly sensitive information. Thus, persons covered by this title would also be subject to initial background investigations, reinvestigations not less than every five years, and unscheduled investigations as appropriate, to ensure they continue to meet the standards for access to classified cryptographic information, regardless of the level of security clearance such persons may otherwise have. They would also be required to provide their consent to the authorized governmental investigative authorities having access to the categories of records set forth in section 802.

Subsection (a)(1)(B) requires that persons covered by this title also be subject to periodic polygraph examinations conducted by appropriate governmental authorities, limited in scope to questions of a counterintelligence nature, during the period of their access to classified cryptographic information. This provision does not require such polygraph examinations for all such persons, but it does make such persons, regardless of the department or agency where they may be employed, subject to such examinations on an unscheduled basis while such access is maintained. In accordance with the implementing regulations required by section 902, it is anticipated that departments and agencies with employees or contractors covered by this title would establish or acquire a sufficient capability to conduct such examinations to maintain a credible deterrent to persons with access to such information.

The Congress also reemphasizes that this section provides for minimum standards. It is not the intent of the provision to restrict the use of the polygraph at the Central Intelligence Agency and National Security Agency, where polygraph examinations are routinely required of all employees and are not limited to questions of a counterintelligence nature.

Subsection 901(a)(2) provides that any refusal to submit to a counterintelligence-scope polygraph examination shall constitute grounds to remove such person from access to classified cryptographic information. It is not intended, however, that such person be subjected to any additional personnel or administrative action, including any adverse action on his or her security clearance, as a result of such refusal.

Moreover, subsection 901(a)(2) goes on to provide that no person shall be removed from access to classified cryptographic information or spaces based solely upon the interpretation of the machine results of a polygraph examination, which measure physiological responses, unless the head of the department or agency concerned determines, after further investigation, that the risk to the national security under the circumstances is so potentially grave that access cannot safely be permitted.

The Congress recognizes that a polygraph examination in essence measures certain physiological responses produced by answers to questions posed to the subject. Such responses might reflect deception on the part of the subject, but they might also reflect other, wholly innocent stimuli, both mental and physical. Indeed, while expert opinion varies in terms of how often the interpretation of polygraph results can be relied upon to show lying or deception, the Congress is aware of no expert who contends that interpretation of polygraph results provides an infallible indication of lying or deception. Accordingly, the Congress believes that an interpretation of polygraph results should not be the sole basis for denial of access to classified cryptographic information or spaces. It intends that where the results of such examinations do indicate lying or deception to key counterintelligence questions, that these discrepancies be resolved, where possible, through interviews with the subject and such further investigation as may be warranted. If such further investigation does not provide an independent basis for removal from access, such access should be granted or maintained unless the head of the department or agency concerned determines, in view of all the circumstances involved and the potentially grave risk to the national security, that access should not be permitted.

Subsection 901(b) sets forth the definitions of the terms used in this section.

Subsection (b)(1) defines the term "classified cryptographic information" as any information classified pursuant to law or Executive order which concerns the details of (A) the nature, preparation, or use of any code, cipher, or cryptographic system of the United States; or (B) the design, construction, use, maintenance, or repair of any cryptographic equipment. The proviso to this definition specifically excludes information concerning the use of cryptographic systems or equipment required for personal or office use.

This term is thus intended to cover classified information which reveals or contains detailed information concerning U.S. codes and cryptographic equipment, to include information concerning the nature and development of such codes or equipment, and the design, construction, use, maintenance or repair of such equipment. ("Cryptographic equipment" is defined in subsection (b)(4) as any device, apparatus, or appliance used by the United States for authenticating communications, or disguising or concealing communications or their meaning.) The definition of "classified cryptographic information" is not intended, however, to cover persons who use cryptographic equipment that has been developed for personal or office use, such as a secure telephone, where such person is not also exposed to detailed information concerning the design, construction, use, maintenance or repair of such equipment. The term is intended to cover individuals, however, who require access to detailed information concerning the use of encoding equipment for other than personal or office use. For example, persons employed at government communications centers which process large volumes of classified information would be persons who fall within this definition.

Subsection b(2) defines the term "custodian of classified crytographic key" as meaning positions that require access to classified cryptologic key beyond that required to use or operate cryptographic equipment for personal or office use, future editions of such key, or such key used for multiple cryptographic devices. The term "classified cryptographic key", as defined in subsection (b)(3), refers to the information, which may take several forms, needed to set up and periodically change the operations of cryptographic equipment or devices to enable them to communicate in a secure manner.

Similar to the definition of "classified cryptographic information," it is not the intent of the Congress to cover by this definition persons who are custodians of, or otherwise have access to, "classified cryptographic key" for personal or office use. Thus, persons who have access to such key in order to operate a secure telephone located in a single office are not covered by this definition. On the other hand, it is intended that persons who have access to such key in order to operate multiple cryptographic devices or who operate cryptographic devices which are used to process large volumes of classified information originating in multiple locations, such as government communications centers, would be covered by this definition.

Subsection (b)(5) defines the term "employee" to mean any person who receives a salary or compensation of any kind from a department or agency of the Executive branch, or is a contractor or unpaid consultant of such department or agency.

Subsection (b)(6) makes clear that the term "head of a department or agency" refers to the highest official who exercises supervisory control of the employee concerned, and does not include any intermediate supervisory officials who may otherwise qualify as heads of agencies within departments. For example, the Secretary of Defense would constitute the "head of the department" for all employees of the Department of Defense, and not the secretary of a military department or the director of a Defense agency.

Subsection (b)(7) defines the phrase "questions of a counterintelligence nature" as meaning questions specified to the subject of a polygraph examination in advance limited solely to ascertain whether such person is engaged in, or planning, espionage against the United States or knows persons who are so engaged. It is not intended that this definition encompass any question relating to the life-style of the subject, such as his or her sexual orientation, prior or present use of drugs or alcohol, etc. The sole thrust of such questions must be to ascertain whether the subject is acting on behalf of a foreign government, is involved in planning such activities, or knows others who are so engaged.

Section 902 of the bill requires the President to issue regulations to implement this title within 180 days of its enactment, and to provide copies of such regulations to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.

SECTION 4

Section 4 of the bill would amend section 1104 of the Right to Financial Privacy Act of 1978 by adding a new subsection (d) to this section. The purpose of the amendment is to permit a person who is being considered for access to Top Secret information, as that term is defined in section 2 of the bill, to provide his or her consent to authorized investigative agencies of the U.S. Government obtaining access to his or her financial records, as defined by the Right to Financial Privacy Act, as a condition of receiving and maintaining access to such information.

This provision is required because subsection 1104(a) limits the period a person may provide consent to a Government authority having access to his or her financial records to ninety days.

This section is also necessary to supplement and provide legal effect to subsection 803 [as added by section 2 of the bill] which requires that all persons who are granted access to Top Secret information provide their consent for authorized investigative agencies to be able to obtain access to their financial records pursuant to the Right to Financial Privacy Act of 1978.

The new subsection (d)(1) provides that notwithstanding the provisions of subsection 1104(a) (which limits the period a person may consent to access by government authority to his or her financial records to 90 days), a "customer", as defined in section 1101(5) of the Right to Financial Privacy Act of 1978, who is the subject of a personnel security investigation conducted by an authorized investigative agency of the U.S. Government as a condition of being granted access or maintaining access to Top Secret information, as defined by section 803(b) of the National Security Act of 1947, may authorize nonrevocable disclosure of all financial records maintained by financial institutions for the period of the customer's access to such information and for up to five years after such access to such information has been terminated, by such investigative agency, for an authorized security purpose.

Subsection (d)(2) provides that the consent given under subsection (1) must be contained in a signed and dated statement which identifies the financial records which are authorized to be disclosed. Such statement may also authorize the disclosure of financial records of accounts opened during the period covered by the consent agreement which are not identifiable at the time the account is opened. It is anticipated that such accounts would be covered by a general statement, identifying by category the types of accounts for which access is authorized, e.g. bank accounts, credit card accounts, etc. At the time of periodic reinvestigations of the subject, the investigating agency authorized to conduct the investigation concerned may request the subject to identify any accounts which had been opened since the date the consent agreement was signed as part of the investigative process.

In addition, subsection (d)(2) requires the investigating agency concerned to provide a copy of the consent agreement to any financial institution from which disclosure is sought, together with the certification required pursuant to section 1103((b) of the Right to Financial Privacy Act of 1978, that the Government authority concerned has complied with the applicable provisions of the Act. In the circumstances contemplated, such certification would encompass the following elements: (1) that the customer of the financial institution is the subject of a background investigation required by law for access to Top Secret information pursuant to this title; (2) that the Government authority concerned is the authorized investigating agency responsible for such investigation; (3) that the request is being made during the period in which the customer has authorized access pursuant to the consent agreement provided the financial institution; and (4) that, if the accounts were not specifically identified by the consent agreement, that the financial records being sought are, in fact, records covered by such consent agreement.

Subsection (d)(3) makes clear that the right of the customer, established pursuant to subsection 1104(c) of this section, pertains to any disclosures made pursuant to subsection (d). This means that the right of the customer to obtain a copy of the record required to be made by the financial institution of any disclosure to a Government authority, (unless the Government authority has obtained a court order pursuant to section 1109 of the Act), is preserved in the circumstances contemplated by subsection (d).

Subsection (d)(4) requires an annual report to the two intelligence committees by the office established pursuant to section 802(D) of the National Security Act of 1947 [as added by section 2 of the bill] to monitor the implementation of these policies, which fully informs the committees concerning all requests for financial records made pursuant to this section. It is contemplated that such reports shall, at a minimum, identify the investigative agencies making such requests, provide the number of requests each such agency has made during the reporting period, and describe by appropriate category the uses made of such information.

SECTION 5

Section 5 amends chapter 37 of title 18, United States Code, to add a new section, creating a new criminal offense for the possession of espionage devices where the intent to use such devices to violate the espionage statutes can be shown.

It is the intent of Congress to permit the Government to prosecute the mere possession of espionage devices where intent to commit espionage can be shown, without having to prove that information relating to the national defense had, in fact, been transmitted to a foreign government, and without having to prove a conspiracy to commit espionage involving a second person and an overt act in furtherance of the conspiracy by either of the two parties, as required by existing law.

Subsection (a) adds a new section 799a at the end of chapter 37 of title 18, United States Code, which provides that any person who knowingly maintains possession of any electronic, mechanical, or other device or equipment, the design and capability of which renders it primarily useful for the purpose of surreptitiously collecting or communicating information, with the intent to utilize such device or equipment to undertake actions which would violate sections 793, 794, 794a [as added by section 6, below] or 798 of title 18, or section 783(b) of title 50, United States Code, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

SECTION 6

Section 6 also amends chapter 37 of title 18, United States Code, to create a new criminal offense for any person who knowingly sells or transfers for any valuable consideration to a person whom he knows or has reason to believe to be an agent or representative of a foreign government, any classified document or material that such person knows to be marked or designated as "Top Secret," or which such person knows to have had such marking or designation removed. Subsection (b) also provides that in any prosecution under this section, whether or not the document or material has been properly marked or designated pursuant to applicable law or Executive order is not an element of the offense. This subsection specifically provides, however, that it shall be a defense to any prosecution under this section that the information or document in question had been officially released to the public by an authorized representative of the United States Government prior to the sale or transfer in question.

SECTION 7

Section 7 amends title 93 of title 18, United States Code, relating to the responsibilities of public officers and employees, to provide that any officer or employee of the United States, or person acting for or on behalf of the United States, who becomes possessed of "Top Secret" documents or materials, who knowingly removes such documents or materials without authority and retains them at an unauthorized location, shall be fined not more than $1,000, or imprisoned for not more than one year, or both.

SECTION 8

Section 8 amends chapter 211 of title 18 of the United States Code by adding a new section 3239 to establish jurisdiction in certain U.S. federal courts to try cases involving violations of the espionage laws where the alleged misconduct takes place outside the United States.

Specifically, the U.S. District Court for the District of Columbia and the U.S. District Court for the Eastern District of Virginia are granted jurisdiction over any offense involving a violation of the U.S. statutes enumerated in the section which were begun or committed upon the high seas or elsewhere out of the jurisdiction of any particular state or district.

SECTION 9

Section 9 amends section 3681 of title 18, United States Code, to provide for expansion of the forfeiture provision to certain espionage offenses that are not enumerated in the existing law. These include violations of 18 U.S.C. 793 (gathering defense information with the intent to damage the United States); 18 U.S.C. 798 (disclosure of communications intelligence); 50 U.S.C. 783(b) (communication of classified information by a government employee to a foreign government); and the new criminal offenses which are created by this Act (18 U.S.C. 799a possession of espionage devices, added by section 5, and 18 U.S.C. 794a the sale or transfer of "Top Secret" documents added by section 6).

The amendment to section 3681 also covers crimes of espionage that may be prosecuted under the Uniform Code of Military Justice, (Chapter 47 of Title 10, United States Code) or convictions in foreign courts which, if they occurred in the United States, would constitute offenses under the provisions of the United States Code enumerated above.

SECTION 10

Section 10 amends 5 U.S.C. 8312 to provide that an individual may be denied an annuity or retired pay by the United States, to which he or she may otherwise have been entitled, if he or she is convicted in a foreign country of offenses involving espionage against the United States for which such annuity or retired pay could have been denied had such offenses occurred within the United States.

A new subsection (d) is added to section 8312 which provides that for purposes of section 8312 an offense is established if the Attorney General certifies to the agency employing or formerly employing the person concerned that—

(1) the individual has been convicted by an impartial court of appropriate jurisdiction within a foreign country in circumstances that would violate the provisions of law enumerated in subsections (b) and (c) of section 8312, had such conduct occurred within the United States, and that such conviction was not being appealed or that final action had been taken on such appeal within the foreign country concerned;

(2) that such conviction was obtained in accordance with procedures that afforded the defendant due process rights comparable to those provided by the U.S. Constitution, and such conviction was based upon evidence that would have been admissible in U.S. courts; and

(3) that such conviction occurred after the effective date of subsection (d).

The proviso to subsection (d) also provides that any such certification made by the Attorney General is subject to review by the United States Court of Claims based upon the application of the person concerned, or his or her attorney, alleging that the conditions certified by the Attorney General have not been satisfied in this particular case. If the court determines, after appropriate review, that the conditions established by the statute have not been met, it shall order the annuity or retirement benefit restored and shall order any payments which may have been withheld or denied to be paid.

SECTION 11

Section 11 would amend the Consumer Credit Protection Act by inserting "(a)" before the existing paragraph of section 608 (15 U.S.C. 1681f.) and by adding four new subsections.

Subsection (b) would provide that, notwithstanding the provisions of section 604 of the Act of this Title, a consumer reporting agency shall furnish a consumer report to the FBI when presented with a request for a consumer report made pursuant to this subsection by the FBI provided that the FBI Director, or the Director's designee, certifies in writing to the consumer reporting agency that such records are sought in connection with an authorized foreign counterintelligence investigation and that there are specific and articulable facts giving reason to believe the person to whom the requested consumer report relates is an agent of a foreign power as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

It is the intent of Congress that, if the Director delegates his function under subsections (b) and (c) to a designee, he will delegate it no further down the FBI chain of command than the level of Deputy Assistant Director. The Congress also recognizes that the Director may delegate to the head or acting head of an FBI field office the authority to make the required certification in exigent circumstances where time is of the essence, provided that the Director is notified as soon as possible for the circumstances involved.

The Congress also accepts the FBI's assurance that it will not under any circumstances rely upon the substantive financial information from consumer reports obtained under this section without verifying such information with the institution concerned. As reflected in other provisions of the Consumer Credit Protection Act, Congress has long been concerned that credit reports may be inaccurate. The FBI has advised that to rely solely upon such information as the basis for further investigative inquiry without verifying its accuracy would constitute poor investigative practice. The Congress recognizes it could lead to unjustified intrusions upon the privacy of innocent Americans. The best evidence would be contained in the records of the financial institutions located through the use of consumer credit reports. The Congress expects that in its internal regulations implementing this provision the FBI will permit use of unverified credit bureau ratings or financial information only to locate actual financial transaction records on record with financial or commercial entities.

Subsection (c) would provide that, notwithstanding the provisions of section 604 of the Act, a consumer reporting agency shall furnish identifying information respecting any consumer, limited to name, address, former addresses, places of employment, or former places of employment, to a representative of the FBI when presented with a written request signed by the FBI Director, or the Director's designee, stating that the information is necessary to the conduct of an authorized foreign counterintelligence investigation."

Under current law (50 U.S.C. 1681f.) the FBI may obtain such identifying information upon request, but there is no requirement that a consumer reporting agency comply with the FBI's request and no limitation on disclosure of the request to the consumer. It is the intent of the Congress that any FBI request for information under this provision must meet the standards of applicable Attorney General's guidelines for obtaining identifying information. In addition, there should be reason to believe that the person has been in communication with a foreign power or an agent of a foreign power. The Congress understands and expects that the FBI would continue to request identifying information under the provision of existing law, but in such case the consumer reporting agency would not be compelled to comply with the FBI's request and would be permitted to disclose the request to the consumer. The Congress intends that the FBI should continue to compensate consumer credit reporting companies only for providing identifying information voluntarily as under existing law.

Subsection (d) would provide that no consumer reporting agency, or officer, employee, or agent of such institution, shall disclose to any person that the FBI has sought or obtained a consumer report or identifying information respecting any consumer under this section. Congress has enacted similar provisions to protect the security of foreign counterintelligence investigations in the Right to Financial Privacy Act and the Electronic Communications Privacy Act. The purpose is to prevent premature disclosure of a pending investigation and to enable the FBI, rather than the consumer reporting agency, to make whatever disclosures of the FBI's inquiries may be appropriate under existing Attorney General Guidelines. The language is not intended to preclude appropriate disclosure related to requests by relevant Congressional oversight committees.

Finally, subsection (e) would require that on an annual basis the FBI Director shall fully inform the House and Senate Intelligence Committees concerning the FBI's exercise of its authority under these provisions. As part of this report, the Congress intends that the FBI should inform the House or Senate Intelligence Committee of the facts and circumstances that are the basis for obtaining information concerning any domestic or group substantially composed of United States persons. It is not intended, however, that the report identify particular individuals whose consumer credit records were obtained pursuant to this section.

SECTION 12

Section 12 amends Chapter 204 of title 18, United States Code, to provide the Attorney General with discretionary authority to pay rewards for information leading to the arrest or conviction of espionage against the United States or leading to the prevention or frustration of such acts.

Subsection (a) renumbers the existing provisions of section 3071, which provides discretionary authority for the Attorney General to pay rewards for information leading to the arrest or conviction of persons for acts of terrorism against the United States, as subsection (a) of subsection 3071, and adds a new subsection (b) to this section.

The new subsection (b) provides that, with respect to acts of espionage involving or directed at United States information classified in the interests of national security, the Attorney General may reward any individual who furnishes information in either of three categories: (1) information leading to the arrest or conviction in any country of an individual or individuals for commission of an act of espionage against the United States; (2) information leading to the arrest or conviction of individuals in similar circumstances for conspiring to commit an act of espionage against the United States; and (3) information leading to the prevention or frustration of an act of espionage against the United States.

Subsection (b) of section 12 changes the maximum amount the Attorney General can pay as a reward for information provided under section 3071 from $500,000 to $1 million.

Subsection (c) amends the list of definitions in 18 U.S.C. 3077 to add definitions for two terms used in the amendments to section 3071. The term "act of espionage" is defined as an activity that is a violation of section 794, 794a [as added by section 6 of this Act], 798, or 799a [as added by section 5 of this Act] of title 18, or section 783 of title 50, United States Code. The term "United States information classified in the interest of national security" is defined as information owned or possessed by the United States Government concerning the national defense and foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure and that has been so designated.

SECTION 13

Sec. 13. To provide a court order process for physical searches undertaken for foreign intelligence purposes.

Sec. 13 amends the Foreign Intelligence Surveillance Act of 1978 to add a new Title IV establishing statutory procedures for the approval and conduct of physical searches within the United States for foreign intelligence purposes. To the extent that the provisions of this title are the same as the provisions for electronic surveillance under FISA, the following section-by-section analysis restates in full the applicable FISA legislative history.

AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN INTELLIGENCE PURPOSES

Section 401(a) authorizes submission of applications to the Foreign Intelligence Surveillance Court for an order approving a physical search in the United States, for the purpose of collecting foreign intelligence information, of the property, information or material of a foreign power as defined in section 101(a) (1), (2), and (3) of the Foreign Intelligence Surveillance Act (FISA), or the premises, property, information or material of an agent of a foreign power or a foreign power as defined in section 101(a) (4), (5), and (6) of FISA. Applications may be submitted only if the President has, by prior written authorization, empowered the Attorney General to approve the submission. This section does not require the President to authorize each specific application. He may authorize the Attorney General generally to seek applications under this title or upon such terms and conditions as the President wishes, so long as the terms and conditions are consistent with this title.

The reference to Presidential authorization does not mean that the President has independent, or "inherent," authority to authorize physical search in the United States for the purpose of collecting foreign intelligence in any way contrary to the provisions of this title. As stated in section 406(a), the procedures of this bill are the exclusive means by which physical search, as defined in section 409(b), may be conducted in the United States for the purpose of collecting foreign intelligence.

Subsection (a) also authorizes a judge to whom an application is made to grant an order for physical search in the United States, for the purpose of collecting foreign intelligence information, of the specified premises, property, information or material, "notwithstanding any other law." The "notwithstanding any other law" language is intended to make clear that, notwithstanding the Vienna Convention on Diplomatic Relations, the activities authorized by this bill may be conducted. The "notwithstanding any other law" wording also deals with the contention that 28 U.S.C. 1251, which grants the Supreme Court exclusive original jurisdiction over all actions against ambassadors of foreign states, would prevent a lower court from approving a physical search directed at a foreign ambassador.

It is noted, however, that the applications and orders authorized by this subsection do not apply to physical search of the premises of an "official" foreign power, as defined in section 101(a) (1), (2), or (3) of FISA. The Congress has determined that the balance between security and civil liberties does not require prior judicial involvement in physical search of premises of this category of targets. The physical search of premises of an "official" foreign power without a court order may be conducted only pursuant to regulations issued by the Attorney General, as provided in section 406(b). The physical search of premises of an "official" foreign power without a court order may include the search of property, information, or material that is located on those premises and is owned, used, or possessed by, or in transit from, that foreign power. However, the Congress does not intend that searches of premises of "official" foreign powers without court orders include searches of property "in transit to" such a foreign power that may be located on those premises, but has not yet come into full possession or use by that foreign power. For example, sealed packages delivered to an "official" foreign power from a person other than an officer or employee of that foreign power may not be searched without a court order, even if they are located on the premises of an "official" foreign power. In that circumstance, the court order is required because of the privacy interest of the person who is transmitting the package which has not yet been opened by the intended recipient.

Section 401(b) provides that the Foreign Intelligence Surveillance Court, as defined in section 409(e), shall have jurisdiction to hear applications for and grant orders approving physical search for the purpose of obtaining foreign intelligence anywhere within the United States under the procedures set forth in this Act. No judge shall hear the same application which has been denied previously by another judge. Subsection (b) also provides that, if any judge denies an application for an order authorizing a physical search under this Act, such judge shall provide immediately for the record a written statement of each reason for his decision. On motion of the United States, the record shall be transmitted, under seal, to the Court of Review, as defined in section 409(f). As under FISA, this provision is intended to make clear that if the Government desires to pursue an application after a denial, it must seek review in the special court of review; it cannot apply to another judge of the Foreign Intelligence Surveillance Court. Obviously, where one judge has asked for additional information before approving an application, and that judge is unavailable when the Government comes forward with such additional information, the Government may seek approval from another judge. It would, however, have to inform the second judge about the first application.

The Congress intends that, as under FISA, the judges of the Foreign Intelligence Surveillance Court should have an opportunity to examine, when appropriate, the applications, orders, and statements of reasons for decisions in other cases.

Subsection (c) provides that the Court of Review shall have jurisdiction to review the denial of any application made under this title. If such court determines that the application was properly denied, the Court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

Subsection (d) provides that judicial proceedings under this title shall be concluded as expeditiously as possible. The record of proceedings under this title, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence. The Congress intends that such measures shall be the same as those established pursuant to FISA and thus shall include such document, physical, personnel, or communications security measures as are necessary to protect information concerning proceedings under this title from unauthorized disclosure. As under FISA, such measures may also include the use of secure premises provided by the executive branch to hear an application and the employment of executive branch personnel to provide clerical and administrative assistance.

APPLICATION FOR AN ORDER

Section 402(a) specifies what information must be included in the application for a court order. Applications must be made by a Federal officer in writing under oath or affirmation. If the officer making the application is unable to verify the accuracy of the information or representations upon which the application is based, the application should include affidavits by other officers who are able to provide such personal verification. Thus, for example, if the applicant was an attorney in the Department of Justice who had not personally gathered the information contained in the application, it would be necessary that the application also contain an affidavit by an officer personally attesting to the status and reliability of any informants or other covert sources of information. By this means the source of all information contained in the application and its accuracy will have been sworn to by a named official of the U.S. Government and a chain of responsibility established for judicial review.

Each application must be approved by the Attorney General, who may grant such approval if he finds that the appropriate procedures have been followed. The Attorney General's written approval must indicate his belief that the facts and circumstances relied upon for the application would justify a judicial finding of probable cause to believe that the target is a foreign power or an agent of a foreign power, that the premises or property to be searched contains foreign intelligence information, and that the premises or property to be searched is owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power as well as his belief that all other statutory criteria have been met.

Paragraph (1) of subsection (a) requires that the application include the identity, if know, or a description of the target of the search. If the Government knows the identity of the target of the search, it is required to identify him. The target may be an individual or an entity.

The word "target" is nowhere defined in this title, although it is a key term because the standards to be applied differ depending on whom or what is targeted. The Congress intends that the target of a physical search is the individual or entity about whom or from whom information is sought. In most cases this would be the individual or entity who owns, uses, or possesses the premises or property to be searched. In some cases, however, it would be the individual or entity to or from whom property is in transit. See section 402(a)(4)(C).

Generally, under this title, targeting foreign powers may be accomplished on a less strict basis than targeting of agents of foreign powers. An individual, of course, cannot be a foreign power, only an agent of a foreign power. Therefore, if the search is to be directed at an individual about whom information is sought, that individual is the target and must be shown to be an "agent of a foreign power." Where two or three individuals are associated with one another, it might be argued that they are an "association" or an "entity," which, if the proper showing is made, could be considered a "foreign power." (This would especially be true if the individuals engaged in "international terrorism" and thereby might be a group engaged in international terrorism which is a defined "foreign power.") This does not mean, however, that property of each of these individuals can then be individually searched merely upon a showing that together they are a "foreign power." Rather, to search the property of each individual would require a showing that each was an "agent of a foreign power," with its higher standard.

Often, however, associations or entities will act in a "corporate" capacity, as distinguished from the acts of an individual in the association or entity. For example, corporations own or lease property, enter into contracts, and otherwise act as an entity distinct from the individuals therein. The fact that an individual officer or employee, acting in his official capacity, may sign the deed, lease, or contract on behalf of the corporation does not vitiate the fact that it is the corporation rather than the individual who is acting. Thus, it is possible to target a "foreign power" in such circumstances. In addition, it will be possible under this title to target a "foreign power" in certain rare cases, where the facility targeted, while owned, used, or possessed by the entity, is in fact dedicated to the use of one particular member of the entity, for instance, where each officer is assigned his own office. However, in order to justify the target as a "foreign power" rather than as an "agent of a foreign power," the information sought must be concerning the entity, not the individual.

The judge in considering the application, wherever the Government claims the target is a "foreign power," and especially where U.S. persons are officers or employees of the "foreign power," must scrutinize the description of the information sought, and the property or premises to be searched, see section 402(a)(3), infra, to determine whether the target is really the "foreign power" rather than an "agent of a foreign power." The judge must also closely scrutinize the minimization procedures to assure that where the target is a "foreign power," the individual U.S. persons who may be members or employees of the power are properly protected.

Paragraph (2) requires that the application contain evidence of the authority to make this application. This would consist of the Presidential authorization to the Attorney General and the Attorney General's approval of the particular application.

Paragraph (3) requires that the application identify the Federal officer making the application; that is, the name of the person who actually presents the application to the judge. In addition, paragraph (3) requires that the application contain a detailed description of the premises or property to be searched and of the information, material, or property to be seized, reproduced, or altered. The description should be as specific as possible and should detail what type of premises or property are likely to be searched and what types of information, material, or property are likely to be seized, reproduced, or altered. Such specifics are necessary if the judge is meaningfully to assess the sufficiency and appropriateness of the minimization procedures.

Paragraph (4) requires a statement of the facts and circumstances justifying the applicant's belief that the target of the physical search is a foreign power or an agent of a foreign power, that the premises or property to be searched contains foreign intelligence information, and that the premises or property to be searched is owned, used, processed by, or is transit to or from a foreign power or an agent of a foreign power.

Paragraph (5) requires a statement of the proposed minimization procedures.

The statement of procedures required under this paragraph should be full and complete and normally subject to close judicial review. It is the intention of the Congress that minimization procedures be as uniform as possible for similar physical searches. The application of uniform procedures to identical searches will result in a more consistent implementation of the procedures, will result in improved capability to assure compliance with the procedures, and ultimately means a higher level of protection for the rights of U.S. persons.

Paragraph (6) requires the application to contain a statement of the manner in which the physical search is to be conducted. The statement should be as detailed and specific as possible in light of the need for the judge in his order to specify the manner in which the physical search is to be conducted. For instance, where physical entry will be required, the application should so state indicating generally the circumstances involved.

Paragraph (7) requires a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, premises, or property specified in the application, and the action taken on each previous application.

Paragraph (8) requires a statement of the facts concerning any search that did not require a warrant due to exigent circumstances, as described in section 406(b), which involves any of the persons, premises, or property specified in the application. Pursuant to section 406(b), the court will already have received a full report from the Attorney General on any such search, including a description of the exigent circumstances.

Paragraph (9) requires that the application contain a statement that the purpose of the physical search is to obtain foreign intelligence information. This statement should be sufficiently detailed so as to state clearly what sorts of information the Government seeks. A simple designation of which subdefinition of "foreign intelligence information" is involved will not suffice. There must be an explanation of the determination approved by the Attorney General that the information sought is in fact foreign intelligence information. The requirement that this judgment be explained is to ensure that cases are considered carefully and to avoid statements that consist largely of boilerplate language. The Congress does not intend that the explanations be vague generalizations or standardized assertions. The applicant must similarly explain that the purpose of the physical search is to obtain the described foreign intelligence information. This requirement is designed to prevent physical searches of one target when the true purpose of the search is to gather information about another individual for other than foreign intelligence purposes. It is also designed to make explicit that the sole purpose of such physical search is to secure "foreign intelligence information," as defined, and not to obtain some other type of information. The applicant must similarly explain why the information cannot be obtained through less intrusive techniques, see section 403(a)(1)(C). This requirement is particularly important in those cases when U.S. citizens or resident aliens are the target of the physical search.

Section 402(b) provides that the judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 403. Such additional proffers would, of course, be made part of the record and would be subject to the security safeguards applied to the application and order.

ISSUANCE OF AN ORDER

Section 403(a) specifies the findings the judge must make before he grants an order approving physical search under this title. While the issuance of an order is mandatory if the judge finds that all the requirements of this section are met, the judge has the discretionary power to modify the order sought, such as with regard to the period of authorization or the minimization procedures to be followed. Modifications in the minimization procedures should take into account the impact of inconsistent procedures on successful implementation.

Paragraph (1) of this subsection requires the judge to find that the President has authorized the Attorney General to approve such applications.

Paragraph (2) requires the judge to find that the application has been made by a Federal officer and that the Attorney General has approved the application being submitted.

Paragraph (3) requires a finding that there is "probable cause" to believe that the target of the physical search is a foreign power or an agent of a foreign power, that the premises or property to be searched are owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power, and that physical search of such premises or property can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means.

In determining whether "probable cause" exist under this section, the court should keep in mind that this standard is not the ordinary "probable cause" that a crime is being committed, applicable to searches and seizures for law enforcement purposes. Where a U.S. person is believed to be an "agent of a foreign power," for example, there must be "probable cause" to believe that he is engaged in certain activities, but the criminality of these activities need not always be demonstrated to the same degree. The key words—"involve or may involve"—indicate that the ordinary criminal probable cause standard does not apply with respect to the showing of criminality. For example, the activity identified by the Government may not yet involve the criminality, but if a reasonable person would believe that such activity is likely to lead to illegal activities, this would suffice. It is not intended that the Government show probable cause as to each and every element of the crime likely to be committed.

The determination by the court as to probable cause whether the person is engaging in certain activities or, for example, whether an entity is directed and controlled by a foreign government or governments, should include consideration of the same aspects of the reliability of the Government's information as is made in the ordinary criminal context—for example, the reliability of any informant, the circumstances of the informant's knowledge, the age of the information relied upon. On the other hand, all of the same strictures with respect to these matters which have developed in the criminal context may not be appropriate in the foreign intelligence context. That is, in the criminal context certain "rules" have developed or may develop for judging reliability of information. See, for example, SPINELLI v. UNITED STATES, 393 U.S. 410 (1969). It is not the intention of Congress that these "rules" necessarily be applied to consideration of probable cause under this title. Rather it is the intent of Congress that in judging the reliability of the information presented by the Government, the court look to the totality of the information and consider its reliability on a case-by-case basis.

In addition, in order to find "probable cause" to believe the subject of the surveillance is an "agent of a foreign power, as defined in section 101(b) of FISA, the judge must, of course, find that each and every element of that status exists. For example, if a U.S. citizen or resident alien is alleged to be acting on behalf of a foreign entity, the judge must first find probable cause to believe that the entity is a "foreign power" as defined in section 101(a) of FISA. There must also be probable cause to believe the person is acting for or on behalf of that foreign power and probable cause to believe that the efforts undertaken by the person on behalf of the foreign power constitute sabotage, international terrorism, or clandestine intelligence activities.

Similar findings of probable cause are required for each element necessary to establish that a U.S. citizen is conspiring with or aiding and abetting someone engaged in sabotage, international terrorism, or clandestine intelligence activities.

The proviso in paragraph (3)(A) states that no U.S. person may be considered a foreign power or an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States. This provision is intended to reinforce the intent of the Congress that lawful political activities should never be the sole basis for a finding of probable cause to believe that a U.S. person is a foreign power or an agent of a foreign power. For example, the advocacy of violence falling short of incitement is protected by the first amendment, under the Supreme Court's decision in BRANDENBURG v. OHIO, 395 U.S. 444 (1969). Therefore, the pure advocacy of the commission of terrorist acts would not, in and of itself, be sufficient to establish probable cause that an individual or group is preparing for the commission of such acts. However, one cannot cloak himself in first amendment immunity by advocacy where he is engaged in clandestine intelligence activities, terrorism, or sabotage.

Paragraph (3) (B) and (C) require the judge to find probable cause to believe that the premises or property to be searched are owned, used, possessed, by or in transit to or from a foreign power or an agent of a foreign power and that physical search of such premises or property can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means.

Paragraph (4) requires the judge to find that the procedures described in the application to minimize the acquisition and retention, and prohibit dissemination, of certain information relating to U.S. persons fit the definition of minimization procedures in this title. The Congress contemplates that the court would give these procedures most careful consideration. If it is not of the opinion that they will be effective, the procedures should be modified.

Paragraph (5) requires that the judge find that the application contains the statements required by section 402. If the statements do not conform to the requirements of section 402, they can and must be rejected by the court.

Subsection (b) specifies what the order approving the physical search must contain. Paragraph (1) requires that it must specify the Federal officer or officers authorized to conduct the physical search and the identity, if known, or a description of the target of the physical search. It must also specify the premises or property to be searched and the information, material or property to be seized, altered, or reproduced, as well as the type of foreign intelligence information sought to be acquired. The order must include a statement of the manner in which the search is to be conducted and, whenever more than one physical search is authorized under the order, the authorized scope of each search and what minimization procedures shall apply to the information acquired by each search. These requirements are designed in light of the Fourth Amendment's requirements that warrants describe with particularity and specificity the person, place, and objects to be searched and seized.

Paragraph (2) of subsection (b) details what the court directs in the order. The order shall direct that minimization procedures will be followed. The order may also direct that a landlord, custodian, or other specified person furnish information, facilities or assistance necessary to accomplish the search successfully and in secrecy and with a minimum of interference to the services provided by such person to the target of the search. If this is done, the court shall direct that the person rendering the assistance maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain. The order presented to the person rendering assistance need not be the entire order approved by the judge under this title. Rather only that portion of the order described in section 403(b)(2) (B)-(C), signed by the judge need be given to the specified person. This portion of the order should specify the person directed to give assistance, the nature of the assistance required, and the period of time during which such assistance is authorized.

Paragraph (2)(C) requires that the order direct that the physical search be undertaken within 30 days of the date of the order, or, if the physical search is of the property, information or material of a foreign power as defined in section 101(a) (1), (2), or (3) of FISA, that such search be undertaken within one year of the order. The comparable periods in FISA are 90 days for most targets and one year for "official" foreign powers.

Paragraph (2)(D) requires that the order direct that the federal officer conducting the physical search promptly report to the court the circumstances and results of the physical search. This report may be made to a judge other than the judge who granted the order approving the search.

Subsection 403(c) provides that at any time after a physical search has been carried out, the judge to whom the return has been made may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated. This provision is not intended to require that the judge assess such compliance, nor is it intended to limit such assessments to any particular intervals. However, it is useful to spell out the judge's authority explicitly so that there will be no doubt when a judge may review the manner in which information about U.S. persons is being handled.

Subsection 403(d) provides that applications made and orders granted under this title shall be retained for a period of at least ten years from the date of the application.

This is identical to the FISA requirements, and the purpose is to assure accountability.

Subsection 403 (e) and (f) establish a special notice procedure for those rare cases where a physical search of the residence of a United States person is conducted under this title. This provision reflects the court opinions which describe the search of the home as being at the "core" of the fourth amendment. In PAYTON v. NEW YORK, 445 U.S. 573 (1980), the Supreme Court declared:

"The Fourth Amendment protects the individual's privacy in a variety of settings. In none is the zone of privacy more clearly defined than when bounded by the unambiguous physical dimensions of an individual's home—a zone that finds its roots in clear and specific constitutional terms: 'The right of the people to be secure in their . . . houses . . . shall not be violated.' That language unequivocally establishes the proposition that '[a]t the very core [of the Fourth Amendment] stands the right of a man to retreat into his own home and there be free from unreasonable governmental intrusion.''' Id. at 589-90 (quoting SILVERMAN v. UNITED STATES, 365 U.S. 505, 511 (1961)).

Special protection for homes is also consistent with other legislation which imposes criminal penalties for searches of private dwellings. (See 18 U.S.C. 2236).

Subsection (e) provides that not more than 60 days after a physical search of the residence of a United States person authorized by this title, or such a search in the "exigent circumstances" described in section 406(b), has been conducted, the Attorney General shall provide the United States person with an inventory which shall include (1) the existence or not of a court order authorizing the physical search and the date of the order; (2) the date of the physical search and an identification of the premises or property searched; and

(3) a list of any information, material, or property seized, altered, or reproduced. Subsection (f) provides that on an ex parte showing of good cause by the Attorney General to a judge of the Foreign Intelligence Surveillance Court the provision of the inventory required by subsection (e) may be postponed for a period not to exceed 90 days. At the end of such period the provision of the inventory may, upon a similar showing, be postponed indefinitely. The denial of a request for such postponement may be reviewed as provided in section 401.

The Congress anticipates that searches of the residence of U.S. persons under this title will be infrequent. The "good cause" which may be grounds for postponement of notice is intended to include national security and practical considerations. Notice may harm national security by, for example, exposing an important ongoing espionage or international terrorism investigation. An illustration of practical grounds for postponement of notice would be a situation where the target was a permanent resident alien who returned after the search to his country of origin. It should be noted than the procedures for use of information under section 404, below, also require notice to any target against whom information acquired by a physical search under this title is to be used in legal proceedings.

USE OF INFORMATION

Section 404 places additional constraints on Government use of information obtained from physical search under this title and establishes detailed procedures under which information may be received in evidence, suppressed, or discovered. With respect to the use of information in legal proceedings, notice should be given to the aggrieved person as soon as possible, so as to allow for the disposition of any motions concerning evidence derived from physical search. In addition, the Attorney General should at all times be able to assess whether and to what extent the use of information made available by the Government to a State or local authority will be used.

Subsection (a) requires that information concerning U.S. persons acquired from physical search pursuant to this title may be used and disclosed by Federal officers and employees, without the consent of the U.S. person, only in accordance with the minimization procedures defined in section 409(c). This provision ensures that the use of such information is carefully restricted to actual foreign intelligence or law enforcement purposes. No information (whether or not it concerns a U.S. person) acquired from a physical search pursuant to this title may be used or disclosed except for lawful purposes. This is to ensure that information concerning foreign visitors and other non-U.S. persons, the use of which is not restricted to foreign intelligence or law enforcement purposes, is not used for illegal purposes.

There is no specific restriction in this title regarding to whom Federal officers may disclose information concerning U.S. persons acquired pursuant to this title although specific minimization procedures might require specific restrictions in particular cases. First, the Congress believes that dissemination should be permitted to State and local law enforcement officials. If Federal agents conducting a physical search authorized under this title were to acquire information relating to a violation of State criminal law, such as homicide, the agents could hardly be expected to conceal such information from the appropriate local officials. There will be an appropriate weighing of criminal law enforcement needs against possible harm to national security from the disclosure. Second, the Congress can conceive of situations where disclosure should be made outside of Government channels. For example, Federal agents may learn of a terrorist plot to kidnap a business executive. Certainly in such cases they should be permitted to disclose such information to the executive and his company in order to provide for the executive's security.

Finally, the Congress believes that foreign intelligence information relating to crimes, espionage activities, or the acts and intentions of foreign powers may, in some circumstances, be appropriately disseminated to cooperating intelligence services of other nations. So long as all the procedures of this title are followed by the Federal officers, including minimization and the limitations on dissemination, this cooperative relationship should not be terminated by a blanket prohibition on dissemination to foreign intelligence services. The Congress wishes to stress, however, that any such dissemination be reviewed carefully to ensure that there is a sufficient reason why disclosure of information to foreign intelligence services is in the interests of the United States.

Disclosure, in compelling circumstances, to local officials for the purpose of enforcing the criminal law, to the targets of clandestine intelligence activity or planned violence, and to foreign intelligence services under the circumstances described above are generally the only exceptions to the rule that dissemination should be limited to Federal officials.

Subsection (b) requires that any disclosure of information for law enforcement purposes must be accompanied by a statement that such evidence, or any information derived therefrom, may be used in a criminal proceeding only with the advance authorization of the Attorney General. This provision is designed to eliminate circumstances in which a local prosecutor has no knowledge that evidence was obtained through a foreign intelligence search. In granting approval of the use of evidence the Attorney General would alert the prosecutor to the search and he, in turn, could alert the court in accordance with subsection (c) or (d).

Subsections (c) through (i) set forth the procedures under which information acquired by means of physical search under this title may be received in evidence or otherwise used or disclosed in any trial, hearing or other Federal or State proceeding. Although the primary purpose of physical search conducted pursuant to this title is not likely to be the gathering of criminal evidence, it is contemplated that such evidence will be acquired and these subsections establish the procedural mechanisms by which such information may be used in formal proceedings. Notice should be given to the aggrieved person as soon as possible, so as to allow for the disposition of any motions concerning evidence derived from physical search under this title.

At the outset the Congress recognizes that nothing in these subsections abrogates the rights afforded a criminal defendant under BRADY v. MARYLAND, 373 U.S. 83 (1963), and the Jencks Act, 18 United States Code, Section 3500 ET SEQ. These legal principles inhere in any such proceedings and are wholly consistent with the procedures detailed here. Furthermore, nothing contained in this section is intended to alter the traditional principle that the Government cannot use material at trial against a criminal defendant, and then withhold from him such material at trial. UNITED STATES v. ANDOLSCHEK, 142 F. 2d 503 (2nd. Cir. 1944).

Subsection (c) states that whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the United States shall, prior to the trial, hearing, or other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information. This provision applies to information acquired from a physical search under this title or any fruits thereof.

Subsection (d) places the same requirements upon the States and their political subdivisions, and also requires notice to the Attorney General. The Attorney General should at all times be able to assess whether and to what extent the use of information made available by the Government to a State or local authority may be used.

Subsection (e) provides a separate statutory vehicle by which an aggrieved person against whom evidence derived or obtained from a physical search under this title is to be or has been introduced or otherwise used or disclosed in any trial, hearing or proceeding may move to suppress the information acquired by physical search or evidence derived therefrom. The grounds for such motion would be that (1) the information was unlawfully acquired, or (2) the search was not made in conformity with the order of authorization or approval. A motion under this subsection must be made before the trial, hearing, or proceeding unless there was no opportunity to make such a motion or the movant was not aware of the grounds for the motion. It should be noted that the term "aggrieved person," as defined in section 409(d) does not include those who are mentioned in documents obtained or copied in a physical search.

Subsection (f) states in detail the procedure the court shall follow when it receives a notification under subsection (c) or (d) or a suppression motion is fined under subsection (e). This procedure applies, for example, whenever an individual makes a motion pursuant to subsection (d) or any other statute or rule of the United States to discover, obtain or suppress evidence or information obtained or derived from physical search conducted pursuant to this title (for example, Rule 12 of the Federal Rules of Criminal Procedure). Although a number of different procedures might be used to attack the legality of the search, it is this procedure "notwithstanding any other law" that must be used to resolve the question. The procedures set out in subsection (f) apply whatever the underlying rule or statute referred to in the motion. This is necessary to prevent the carefully drawn procedures in subsection (f) from being bypassed by the inventive litigant using a new statute, rule or judicial construction.

The special procedures in subsection (f) cannot be invoked until they are triggered by a Government affidavit that disclosure of an adversary hearing would harm the national security of the United States. If no such assertion is made, it is envisioned that mandatory disclosure of the application and order, and discretionary disclosure of other surveillance materials, would be available to the defendant. When the procedure is so triggered, however, the Government must make available to the court a copy of the court order and accompanying application upon which the physical search was based.

The court must then conduct an ex parte, in camera inspection of these materials as well as any other documents relating to the search which the Government may be ordered to provide, to determine whether the physical search of the aggrieved person was lawfully authorized and conducted. The subsection further provides that in making such a determination, the court may order disclosed to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the physical search only where such disclosure is necessary to make an accurate determination of the legality of the physical search.

The procedures set forth in subsection (f) are intended to strike a reasonable balance between an entirely in camera proceeding which might adversely affect the defendant's ability to defend himself, and mandatory disclosure, which might occasionally result in the revelation of sensitive foreign intelligence information. The decision whether it is necessary to order disclosure to a person is for the Court to make after reviewing the underlying documentation and determining its volume, scope, and complexity. Note the discussion of these matters in UNITED STATES v. BUTENKO, SUPRA. There, the Court of Appeals, faced with the difficult problem of determining what standard to follow in balancing national security interests with the right to a fair trial, stated with respect to electronic surveillance:

"The distinguished district court judge reviewed in camera the records of the wiretaps at issue here before holding the surveillance to be legal. . . . Since the question confronting the district court as to the second set of interceptions was the legality of the taps, not the existence of tainted evidence, it was within his discretion to grant or to deny Ivanov's request for disclosure and a hearing. The exercise of this discretion is to be guided by an evaluation of the complexity of the factors to be considered by the court and by the likelihood that adversary presentation would substantially promote a more accurate decision." (494 F. 2d at 607.)

Thus, in some cases, the Court will likely be able to determine the legality of the search without any disclosure to the defendant. In other cases, however, the question may be more complex because of, for example, indications of possible misrepresentation of fact, vague identification of the persons to be targeted or search records which include a significant amount of non-foreign intelligence information, calling into question compliance with the minimization standards contained in the order. In such cases, it is contemplated that the court will likely decide to order disclosure to the defendant, in whole or in part, since such disclosure "is necessary to make an accurate determination of the legality of the physical search."

Cases may arise, of course, where the Court believes that disclosure is necessary to make an accurate determination of legality, but the Government argues that to do so, even given the Court's broad discretionary power to excise certain sensitive portions, would damage the national security. In such situations the Government must choose—either disclose the material or forgo the use of the search-based evidence. Indeed, if the Government objects to the disclosure, thus preventing a proper adjudication of legality, the prosecution would probably have to be dismissed.

Subsection (g) states that if the United States district court pursuant to subsection (f) determines that the physical search was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the physical search of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the physical search was lawfully authorized and conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

The general phrase "in accordance with the requirements of law" has been chosen to deal with the problem of what procedures are to be followed in those cases where the trial court determines that the surveillance was unlawfully authorized or conducted. The evidence obtained would not, of course, be admissible during the trial. But beyond this, in the case of an illegal surveillance, the Government is constitutionally mandated to surrender to the defendant all the records of the surveillance in its possession in order for the defendant to make an intelligent motion on the question of taint. The Supreme Court in ALDERMAN v. UNITED STATES, 394 U.S. 165 (1968) held that, once a defendant claiming evidence against him was the fruit of unconstitutional electronic surveillance has established the illegality of such surveillance (and his "standing" to object), he must be given confidential materials in the Government's files to assist him in establishing the existence of "taint." The Court rejected the Government's contention that the trial court could be permitted to screen the files in camera and give the defendant only material which was "arguably relevant" to his claim, saying such screening would be sufficiently subject to error to interfere with the effectiveness of adversary litigation of the question of "taint." The Supreme Court refused to reconsider the ALDERMAN rule and, in fact reasserted its validity in its KEITH decision. (UNITED STATES v. ALDERMAN, supra, at 393.)

When the court determines that the surveillance was lawfully authorized and conducted, it would, of course, deny any motion to suppress. In addition, once a judicial determination is made that the surveillance was lawful, a motion for discovery of evidence must be denied unless disclosure or discovery is required by due process.

Subsection (h) states that orders granting motions or requests under subsection (g), decisions under this section that a physical search was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders or other materials relating to the physical search shall be final orders and binding upon all courts of the United States and the several States except a United States court of appeals and the Supreme Court. It is intended that all orders regarding legality and disclosure shall be final and binding only where the rulings are against the Government.

Subsection (i) states that the provisions of this section regarding the use or disclosure of information obtained or derived from a search shall apply to information obtained or derived from a search conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes. As discussed with respect to section 406(b), below, a search may be conducted without a court order to obtain foreign intelligence information in exigent circumstances. This subsection makes clear that the use or disclosure of information obtained or derived from such a search must be governed by the provisions of this section.

OVERSIGHT

Section 405(a) provides that on a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence concerning all physical searches conducted pursuant to this title, and all other searches, except those reported under section 108 of FISA relating to electronic surveillance, conducted in the United States for foreign intelligence purposes. The reference to "all other searches" is intended to include those searches which would require a judicial warrant for law enforcement purposes absent exigent circumstances. Also included are any other searches which may not fall within the definitions of "physical search" and "electronic surveillance" under this Act, but which may be conducted in the United States to collect foreign intelligence information.

In addition, on an annual basis the Attorney General shall provide to those committees a report setting forth with respect to the preceding calendar year (a) the total number of applications made for orders approving physical searches under this title;

and (b) the total number of such orders either granted, modified, or denied. The comparable provision of FISA requires a public report to the Administrative Office of the United States Courts. The reports concerning physical searches are to be submitted to the committees, and may be classified, because the Justice Department has advised that the numbers may be so few as to reveal sensitive information concerning U.S. foreign counterintelligence activities.

Subsection (b) of section 405 provides that whenever a search is conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes, a full report of such search, including a description of the exigent circumstances, shall be maintained by the Attorney General. Each such report shall be transmitted to the Foreign Intelligence Surveillance Court promptly after the search is conducted.

The term "exigent circumstances" means circumstances in which it is impossible, for practical reasons, to apply for a court order authorizing the search before the opportunity to conduct the search would be lost due to the delay. As discussed below with respect to section 406(b), such searches may be conducted only pursuant to regulations issued by the Attorney General and reported to the intelligence committees. The exigent circumstances that may justify a search without a court order must relate solely to the time required to apply for a court order. Whenever the circumstances allow time to apply for a court order, such an order must be obtained. If a search is approved without a court order due to exigent circumstances and then is postponed, the process of application for a court order must begin at once and every reasonable effort must be made to apply for an order. If the opportunity for the search reappears before the application is submitted, the search may be conducted only if that opportunity is so limited in duration and so unlikely to recur that further delay to obtain the court order would preclude the search.

An example is the search of a package entrusted to a courier in an espionage network. The courier may receive the package without warning and be instructed to deliver it with a tight deadline. If the courier is a U.S. intelligence source, the package may be accessible to Federal officers for a brief time, and Federal officers may have no advance knowledge that the courier will receive the package. If all the conditions that would justify a court order are met, the search may be approved. If the courier is unable to make the package available at the expected time and the search is postponed with the possibility of a later opportunity, the process of application for an order must begin as soon as possible so that every reasonable effort is made to obtain a court order prior to the next opportunity for a search. If more than one search is contemplated, the application process should also begin as soon as possible and every reasonable effort must be made to obtain a court order prior to the next search or searches.

AUTHORITY FOR INTELLIGENCE SEARCHES

Section 406(a) provides that the procedures contained in this title shall be the exclusive means by which a physical search, as defined in this title, may be conducted in the United States for foreign intelligence purposes, and an order issued under this title authorizing a physical search shall constitute a search warrant authorized by law for purposes of any law.

The intent of the "exclusive means" provision is the same as the comparable FISA provision, as reflected in the statement of managers accompanying the Conference Report on FISA. The establishment by this title of exclusive means by which the President may conduct physical searches within the United States to collect foreign intelligence information does not foreclose a different decision by the Supreme Court. The intent is to apply the standard set forth in Justice Jackson's concurring opinion in the Steel Seizure Case: "When a President takes measures incompatible with the express or implied will of Congress, his power is at the lowest ebb, for then he can rely only upon his own Constitutional power minus any Constitutional power of Congress over the matter." YOUNGSTOWN SHEET & TUBE CO. v. SAWYER, 343 U.S. 579, 673 (1952).

Subsection (a) of section 406 also provides that an order issued under this title authorizing a physical search shall constitute a search warrant authorized by law for purposes of any other law. For example, a federal statute makes it a crime for a federal law enforcement officer to search a private dwelling without a judicial warrant, except incident to an arrest or with the consent of the occupant. 18 United States Code, Section 2236. While a Justice Department opinion has concluded that this statute does not bar "properly authorized warrantless physical searches for national security purposes," the opinion states that "the issue is not free from doubt." See S. Rept. 98-660, p. 18. This provision resolves that issue by making clear that a court order under this title meets the statutory warrant requirement for dwelling searches. Similar federal statutes prohibit the opening of mail in United States postal channels without a judicial warrant. See 18 United States Code, Sections 1701–1702, 1703(b) and 39 United States Code, Section 3623(d). This title is not intended to modify or supersede those federal statutes which authorize FBI access without a warrant to financial or telephone records or similar information in foreign counterintelligence investigations.

Subsection (b) of section 406 provides that searches conducted in the United States to collect foreign intelligence information, other than physical searches as defined in this title and electronic surveillance as defined in FISA, and physical searches conducted in the United States without a court order to collect foreign intelligence information, may be conducted only pursuant to regulations issued by the Attorney General. This provision is intended to apply primarily to two types of activity—first, searches conducted in exigent circumstances without a warrant which, absent exigent circumstances, would require a warrant for law enforcement purposes; and second, physical searches of the premises of "official" foreign powers which do not come within the jurisdiction of the Court under section 401(a) of this title. This provision also would apply to any other searches which may not fall within the definitions of "physical search" and "electronic surveillance" in this Act, but which may be conducted in the United States to collect foreign intelligence information.

The regulations issued by the Attorney General for these activities, and any changes to those regulations, are to be provided to the intelligence committees at least 14 days prior to taking effect. Any regulations issued by the Attorney General regarding such activities which were in effect as of January 1, 1994, shall be deemed to be regulations required by this subsection.

PENALTIES

Section 407(a)(1) makes it a criminal offense for officers or employees of the United States to intentionally engage in physical search within the United States under color of law for the purpose of obtaining foreign intelligence information except as authorized by statute. Section 407(a)(2) makes it a criminal offense for officers or employees of the United States to intentionally disclose or use information obtained under color of law by physical search, knowing or having reason to know that the information was obtained through physical search not authorized by statute and conducted in the United States for the purpose of obtaining foreign intelligence information. Section 407(b) provides an affirmative defense to a law enforcement or investigative officer who engages in such an activity for law enforcement purposes in the course of his official duties, and the physical search was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction. The penalty is a fine of not more than $10,000 or imprisonment for not more than five years, or both. Section 407(d) makes clear that there is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States when the offense was committed.

One of the important purposes of this title is to afford security to intelligence personnel so that if they act in accordance with the statute, they will be insulated from liability; it is not to afford them immunity when they intentionally violate the law. The word "intentionally" was carefully chosen. It is intended to reflect the most strict standard for criminal culpability. The Government would have to prove beyond a reasonable doubt both that the conduct engaged in was in fact a violation, and that it was engaged in with a conscious objective or desire to commit a violation.

CIVIL LIABILITY

Section 408 imposes civil liability for violations of section 407, and authorizes an "aggrieved person," as defined in section 409(d), to recover actual damages, punitive damages, and reasonable attorney's fees and other investigative and litigation costs reasonably incurred. Since the civil cause of action only arises in connection with a violation of the criminal provision, the statutory defense does not have to be restated. Although included in the definition of "aggrieved person," foreign powers and non-U.S. persons who act in the United States as officers or employees of foreign powers or as members of international terrorist groups would be prohibited from bringing actions under section 407. Other foreign visitors, including those covered by section 101(b)(1)(B) of the definition of "agent of a foreign power," would have a cause of action under this provision. Those barred from the civil remedy will be primarily those persons who are themselves immune from criminal or civil liability because of their diplomatic status.

DEFINITIONS

Section 409(a) provides that the terms "foreign power," "agent of a foreign power," "international terrorism," "sabotage," "foreign intelligence information," "Attorney General," "United States person," "United States," "person," and "State" shall have the same meaning as in Section 101 of the

Foreign Intelligence Surveillance Act of 1978 (FISA). The legislative history of these FISA definitions is applied to physical search below. Because many of the substantive aspects of this title derive from the FISA definitions of particular terms, this subsection is critical to understanding this title as a whole.

FOREIGN POWER

The definition of "foreign power" in section 101(a) of FISA reads as follows:

(a) "Foreign power" means—

(1) a foreign government or any component thereof, whether or not recognized by the United States;

(2) a faction of a foreign nation or nations, not substantially composed of United States persons;

(3) an entity that is openly acknowledged by a foreign government or governments to be directed and controlled by such foreign government or governments;

(4) a group engaged in international terrorism or activities in preparation therefor;

(5) a foreign-based political organization, not substantially composed of United States persons; or

(6) an entity that is directed and controlled by a foreign government or governments.

"Foreign power" is defined in section 101(a) of FISA in six separate ways. These definitions are crucial because physical searches may only be targeted against foreign powers or agents of foreign powers.

It is expected that certain of the defined "foreign powers" will be found in the United States and targeted directly; others are not likely to be found in the United States but are included in the definition more to enable certain persons who are their agents, and who may be in the United States, to be targeted as "agents of a foreign power," as defined. As will appear below, the six categories may well overlap, and an entity may well be found to a "foreign power" under more than one category. This is not improper. These categories are intended to be all-encompassing, and clear lines cannot always be drawn between different descriptions of the types of entities which justify targeting physical search. The six categories are:

(1) "A foreign government or any component thereof, whether or not recognized by the United States." This category would include foreign embassies and consulates and similar "official" foreign government establishments that are located in the United States.

(2) "A faction of a foreign nation or nations, not substantially composed of United States persons." This category is intended to include factions of a foreign nation or nations which are in a contest for power over, or control of the territory of, a foreign nation or nations. An example of such a faction might be the PLO, the Eritrean Liberation Front, or similar organizations. Specifically excluded from this category is any faction of a foreign nation or nations which is substantially composed of permanent resident aliens or citizens of the United States. The word "substantially" means a significant proportion, but it may be less than a majority.

(3) "An entity, which is openly acknowledged by a foreign government or governments to be directed and controlled by such foreign government or governments." This category is specifically delineated in order to treat entities of this type in the same manner as the government they serve by including them within those "official" foreign powers whose premises may be subject to a physical search without a court order. Only entities "openly acknowledged" by a foreign government to be both directed and controlled by it are subject to this provision.

Those entities which are clearly arms of a government or governments meet this definition. This category would include, for example, a legitimate commercial establishment which is directed and controlled by a foreign government. Such a legitimate commercial establishment might be a foreign government's airline, even though it was incorporated in the United States. Also included in this definition would be international organizations of states such as the Organization of Petroleum Exporting Countries or the Organization for African Unity. Where such organizations are involved, it is not necessary to show that one or two countries control the organization. Rather, it is sufficient to show that the organization is made up of governmental entities which collectively direct and control the organization.

It is recognized that this type of foreign power includes corporations or organizations present in the United States which may have many United States citizens as employees or even officers. Nevertheless, this fact does not detract from the fact that the organization acts as an arm of a foreign government or governments and as such may engage in activities directly affecting our national interests or security. In such circumstances a physical search targeted against such an entity should focus on the premises, property, information, or material of the organization, not of its employees or members who are United States citizens. A search of the premises, property, information, or material of an individual employee could be justified only by obtaining a separate court order for the individual target.

A law firm, public relations firm, or other legitimate concern that merely represents a foreign government or its interests does not mean it is an entity in this category. The question whether a group, commercial enterprise, or organization comes within the scope of this definition is one for the court to answer on the basis of a probable cause standard.

(4) "A group engaged in international terrorism or activities in preparation therefor." The term "international terrorism" is a defined term, see below, and includes within it a criminal standard. A group under this category must be engaged in "international terrorism," as defined, or be in preparation therefor. Such groups would include Black September, the Red Army Faction, the Red Brigades, and the Japanese Red Army. It would not include groups engaged in terrorism of a purely domestic nature. The citizenship of the terrorist group or its members while relevant to the determination of whether it is a "foreign power," is not determinative. It is not required that the group be "foreign-based," because in the world of international terrorism a group often does not have a particular "base," or if it does, it may be impossible to determine. Perhaps more importantly, where its base is located is often irrelevant to the foreign intelligence interest or concern with respect to the group. There have been domestically based international terrorist groups, which have engaged in acts overseas which have resulted in deaths. The group must be engaged in criminal terrorist activities, which are international in scope or manner of execution. See the discussion of "international terrorism," below.

Generally, such groups will not be targeted in the United States as "foreign powers," if only because such a group is not likely to maintain an official presence here. Rather, members of the group may be in the United States either singly or in bunches, and they will be targeted as "agents of a foreign power," to wit, agents of a group engaged in international terrorism.

(5) "A foreign-based political organization, not substantially composed of United States persons." This category would include foreign political parties. In some countries, both totalitarian and parliamentary, ruling parties effectively control the government. Thus, information concerning the activities and intentions of these parties can directly relate to the activities and intentions of their government. Moreover, the intentions and positions of minority parties can also be of great importance to this nation, because, although minorities, they may affect the course of their government or they may come to power, in which case it would be important to have prior knowledge of their positions and intentions. Finally, this category is not limited to political parties; there are other foreign political organizations which exercise or have potential political power in a foreign country or internationally. Because it can be important to this nation to have intelligence concerning any organization which exercises or has potential political power in a foreign country or internationally targeting such organizations can be proper. On the other hand, where a political organization is domestically based or is substantially composed of U.S. persons and does not otherwise fall within the other definitions of "foreign power" or "agent of a foreign power," the gathering of political information concerning that organization by physical search—even though desired or even important to this Government—is improper and raises grave First Amendment questions. This definition clearly does not include organizations comprised of Americans of Greek, Irish, Jewish, Chinese, or other extractions who have joined together out of interest or concern for the country of their ethnic origin.

(6) An entity, which is directed and controlled by a foreign government or "governments." This category is similar to category (3) above, except that the entity need not be openly acknowledged to be directed and controlled by a foreign government or governments. Such an entity must be acting as an arm of the government with respect to activities that are of foreign intelligence or counterintelligence significance. An example would be an entity which appears to be a legitimate commercial establishment, but which is being utilized by a foreign government as a cover for espionage activities. The concerns set forth with respect to openly controlled entities apply to this category as well. There is the added danger that targeting of a covertly controlled entity, substantially composed of U.S. persons, would potentially offer a means for evading the requirements for targeting of individual U.S. persons. Therefore, it is important to emphasize that the judge must find probable cause the entity is both "directed" and "controlled" by a foreign government or governments. Merely following the directions of a foreign government which wants a group to lobby or speak out publicly on behalf of the government's interests, is not in itself sufficient to place the group in this category. While direction and control are separate elements to be established, the same evidence can demonstrate both.

Again, a law firm, public relations firm, etc. that merely represents a foreign government or its interests does not mean it is an entity in this category. The entity which sees its own interests as parallel to those of a foreign government and acts accordingly is not by this directed and controlled by that government. It is only when the foreign government or its agents influence the entity to the extent that the entity yields its independent judgments that an entity become directed and controlled by a foreign government. In particular cases, obviously, it may be difficult to discern the actual direction and control, and, of course, circumstantial evidence may suffice in establishing probable cause, but no entity which purports to be a U.S. person should be considered directed and controlled by a foreign government solely on the basis that its activities are consistent with the desires of a foreign government.

"AGENT OF A FOREIGN POWER"

The term "agent of a foreign power" is defined in section 101(b) of FISA as follows:

(b) "Agent of a foreign power" means—

(1) any person other than a United States person, who—

(A) acts in the United States as an officer or employee of a foreign power, or as a member of a foreign power as defined in subsection (a)(4);

(B) acts for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States contrary to the interests of the United States, when the circumstances of such person's presence in the United States indicate that such person may engage in such activities, or when such person knowingly aids or abets any person in the conduct of such activities or knowingly conspires with any person to engage in such activities; or

(2) any person who—

(A) knowingly engages in clandestine intelligence gathering activities for or on behalf of a foreign power, which activities involve or may involve a violation of the criminal statutes of the United States;

(B) pursuant to the direction of an intelligence service or network of a foreign power, knowingly engages in any other clandestine intelligence activities for or on behalf of such foreign power, which activities involve or are about to involve a violation of the criminal statutes of the United States;

(C) knowingly engages in sabotage or international terrorism, or activities that are in preparation therefor, for or on behalf of a foreign power; or

(D) knowingly aids or abets any person in the conduct of activities described in subparagraph (A), (B), or (C) or knowingly conspires with any person to engage in activities described in subparagraph (A), (B), or (C).

(1) Non-Resident Aliens in the United States.—There are two separate categories of the definition of "agent of a foreign power" in section 101(b) of FISA. The first cannot be applied to United States citizens and permanent resident aliens; it is, therefore, limited to aliens in the United States who are tourists, visiting businessmen, exchange visitors, foreign seamen, diplomatic and consular personnel, illegal aliens, etc.

Most of the persons in this category are protected by the fourth amendment when they are in the United States. By requiring a judicial warrant on the basis of statutory criteria, such persons' fourth amendment protections would be increased from their status under current operating procedures of the executive branch. On the other hand, the protections afforded such persons are not as great as those afforded United States persons. The standard for targeting nonresident aliens does not have a criminal standard; and there is no requirement to minimize the acquisition, retention, and dissemination of information with respect to such persons. The Congress is convinced that the protections afforded nonresident aliens in this title fully satisfy the Constitution.

The basic test under the fourth amendment is that a search be reasonable. Reasonableness itself is determined by weighing the Government's legitimate need for the information sought against the invasion of privacy the search entails.

The findings of probable cause required to be made by the judge as to nonresident aliens directly relate to the likelihood of obtaining foreign intelligence from physical search of their premises, property, information, or material. Such information must by definition directly and substantially relate to important foreign policy or national security concerns, and the Attorney General must find that the purpose of the search is to obtain such information.

As to the "equal protection" question, the Congress notes that the Supreme Court has held that where there are compelling considerations of national security, alienage distinctions are constitutional. See e.g., HAMPTON v. MOW SUN WONG, 426 U.S. 88, 116 (1976). Those distinctions must, however, be reasonable in light of the demonstrated need and not be overly broad. With respect to those non-resident aliens who fit within the two categories of agents of foreign powers in section 101(b)(1) of FISA, that need was demonstrated during the congressional consideration of FISA. It should be noted that, in light of the particular requirements for physical search as compared to electronic surveillance, there are fewer procedural differences between U.S. persons and non-resident aliens under this title than under FISA.

Subsection (b)(1)(A) includes in its definition of "agent of a foreign power" those persons, who are not U.S. persons, who act in the United States as officers or employees of a foreign power, or as members of a foreign power as defined in subsection (a)(4), i.e., groups engaged in international terrorist activities or activities in preparation therefor.

Non-resident aliens who act in the United States as officers or employees of a foreign power are likely sources of foreign intelligence or counterintelligence information. The definition excludes persons who serve as officers or employers of a foreign power in their home country, but do not act in that capacity in the United States. The reference to employees of a foreign power is meant to include those persons who have a normal employee-employer relationship. It is not intended to encompass such foreign visitors as professors, lecturers, exchange students, performer or athletes, even if they are receiving remuneration or expenses from their home government in such capacity.

Groups engaged in international terrorism would not likely have "officers" or "employees." A member of an international terrorist group will most likely not identify himself as such upon entering the United States, as would an officer or employee of a foreign power. In the latter instance, a copy of the person's visa application will usually suffice to show that he is acting in the United States as an officer or employee of a foreign power. However, in the case of a member of an international terrorist group, the government will most likely have to rely on more circumstantial evidence, such as concealment of one's true identity or affiliation with the group, or other facts and circumstances indicating that such person is in the United States for the purpose of furthering terrorist activities. The term "member" means an active, knowing member of the group or organization which is engaged in international terrorism or activities in preparation therefor. It does not include mere sympathizers, fellow-travelers, or persons who may have merely attended members of the group. On the other hand, if a person has received terrorist training from such a group, this would be substantial evidence that he was a member of the group.

Subsection (b)(1)(B) defines an "agent of a foreign power" as a person who is not a U.S. person and who acts for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States contrary to the interests of the United States, when the circumstances of such person's presence in the United States indicate that such person may engage in such activities in the United States, or when such person knowingly aids or abets any person in the conduct of such activities or knowingly conspires with any person to engage in such activities.

This provision reflects two concerns. The first is the counterintelligence interest in certain foreign visitors as to whom it could be shown with a high degree of probability that they would engage in clandestine intelligence activities, but before sufficient information can be established showing that they are so engaged. As a practical matter, less intrusive techniques may not enable the Government to obtain sufficient information about persons visiting the United States for only a limited time and who do not have a history of activities in the United States to show that they are indeed engaged in clandestine intelligence activities. A second concern, however, is that this non-criminal standard should not be used as a basis for targeting foreign visitors from any nation, but should be limited to foreign visitors acting on behalf of certain foreign powers as to which it could be shown systematically engaged in clandestine intelligence activities threatening the security of the United States.

In light of these two legitimate concerns, this provision does not require a showing that the individual foreign visitor is himself currently engaged in clandestine intelligence activities, but rather that the circumstances of his presence here indicate that he may engage in such activities which are contrary to this nation's interests. In addition, it must be shown that he is acting for or on behalf of a foreign power which engages in clandestine intelligence activities in the United States which are contrary to the interests of the United States. It is intended that the Government show that the foreign power has demonstrated some pattern or practice of engaging in clandestine intelligence activities in the United States contrary to the interests of the United States.

The phrase, "acts for or on behalf of a foreign power," is here intended to require the Government to show a nexus between the individual and the foreign power that suggests that the person is likely to do the bidding of a foreign power. For example, visitors from totalitarian countries present in the United States under the auspices, sponsorship, or direction of their government would satisfy this standard.

The term "interests" refers to important concerns or long-term goals of the United States, including interests embodied in law. It might be said that any country which engages in clandestine intelligence activities in the U.S. ipso facto acts contrary to this Nation's interests. This is clearly not intended here.

Once the requisite facts with regard to the foreign power are established, the question is whether the circumstances of the person's presence in the United States indicate that the person may engage in clandestine intelligence activities for that foreign power contrary to the interests of the United States. The answer to this question will vary according to what is known about the intelligence operations of the particular foreign power. Among the factors that might be taken into account are whether the foreign visitor engages in activities with respect to which there is evidence that other visitors who engage in similar activities are officers, agents, or acting on behalf of the intelligence service of that foreign power. If the Government can show from experience that a particular foreign power uses a certain class of visitors to this country for carrying out secret intelligence assignments, this too would indicate that a visitor in this class may engage in clandestine intelligence activities.

The standard "may engage in such activities" means that a physical search can be conducted to anticipate clandestine intelligence activities by such persons, rather than waiting until after they have taken place. The additional standards for aiding or abetting, and conspiracy, require probable cause that the foreign visitor is knowingly assisting persons who are already engaged in clandestine intelligence activities. The "knowingly" requirements are the same as in the aiding or abetting and conspiracy standards for U.S. persons, discussed regarding subsection (b)(2)(A) and (B) below.

This provision does not treat nationals of certain countries differently from others solely on the basis of their nationality. Instead, targeting of the nationals of other countries depends on the activities of the governments of those countries and whether the individual is acting on behalf of the foreign government. There must also be probable cause to believe that the physical search of the premises or property of the individual can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means.

The term "clandestine intelligence activities" is intended to have the same meaning as in subsection (b)(2)(A) and (B), discussed below.

(2) "ANY PERSON"—The second part of the FISA definition of "agent of a foreign power" requires that whenever a United States person is to be the target of a physical search there must be a showing that his activities at least may involve a violation of law. As a matter of principle, no United States citizen in the United States should be targeted for a physical search by his government absent some showing that he at least may violate the laws of our society. A citizen in the United States should be able to know that his government cannot invade his privacy with the most intrusive techniques if he conducts himself lawfully.

On the other hand, the physical searches under this title are not primarily for the purpose of gathering evidence of a crime. They are to obtain foreign intelligence information, which when it concerns United States persons must be necessary to important national concerns. Combating espionage and covert actions of other nations in this country is an extremely important national concern. Prosecution is one way, but only one way and not always the best way, to combat such activities. "Doubling" an agent or feeding him false or useless information are other ways. Monitoring him to discover other spies, their tradecraft and equipment can be vitally useful. Prosecution, while disabling one known agent, may only mean that the foreign power replaces him with one whom it may take years to find or who may never be found.

(A) CLANDESTINE INTELLIGENCE GATHERING

Paragraph (2)(A) allows physical search of property of any person who is knowingly engaged in clandestine intelligence gathering activities, which activities involve or may involve a violation of the criminal statutes of the United States.

The first aspect of this definition is that the person is engaging in such acts "knowingly." This does not mean that he must know, or that the Government must show that he knows, that he may be violating a Federal criminal law. It does mean that he must known that he is engaging in clandestine intelligence gathering activities and that he knows that he is doing so on behalf of a foreign power. It is often difficult to prove what a person knows and what he does not know. The Congress intends that circumstantial evidence should be sufficient to show the requisite knowledge. If, for example, a person is transmitting classified defense secrets to the military attaché of a foreign embassy, this should be sufficient to show that he knows he is acting for or on behalf of a foreign power. Similarly, if a person has received training in or equipment for espionage, for example a microdot camera or disguised radio device, this too should be sufficient to show that he knows what he is doing. While this, and the other provisions under paragraph (2), are not intended to reach one who in fact is ignorant as to the nature of what he is doing, the knowing requirement is not intended to force the Government to disprove his ignorance when a person engaged in such activities would reasonably suspect that he was acting for or on behalf of a foreign power.

Next, the person must be "engaged" in the proscribed activities. Unlike the standard for foreign visitors, the fact that he "may engage" in these activities some time in the future is not sufficient. For example, if evidence shows that a person has recently engaged in the activities, this would normally suffice to show probable cause that he is "engaged" in such activities now.

On the other hand, evidence that a person engaged in the proscribed activities six months or longer ago might well, depending on the circumstances and other evidence, be sufficient to show probable cause that he is still engaged in the activities. For instance, evidence that a U.S. person was for years a spy for a power currently hostile to the United States, but who has dropped out of sight for a few years, would probably be sufficient to show "probable cause" that he was, having now reappeared, continuing to engage in the clandestine intelligence activities.

Probably the most critical term in this provision is "clandestine intelligence gathering activities." It is anticipated that most clandestine intelligence gathering activities will constitute a violation of the various criminal laws aimed at espionage, either directly or by failure to register, see e.g., 18 U.S. Sections 792–799, 951; 42 U.S.C. Sections 2272–2278b; and 50 U.S.C. Section 855. The term "clandestine intelligence gathering activities" is intended to have the same meaning as the word espionage in normal parlance, rather than as a legal term denoting a particular offense. The term also includes those activities directly supportive of espionage such as maintaining a "safehouse," servicing "letter drops," running an "accommodation address," laundering funds, recruiting new agents, infiltrating or exfiltrating agents under cover, creating false documents for an agent's "cover," or utilizing a radio to receive or transmit instructions or information by "burst transmission." "Clandestine intelligence gathering activities" are intended to be activities which no reasonable person would engage in without knowing that society would not condone it. As the words indicate, the activities must be "clandestine," that is, efforts have been taken to conceal the activities.

This does not necessarily mean that the information gathered by the agent must itself be secret or nonpublic, although that would usually be the case. It is possible that a spy may be tasked to obtain information which is technically available to the public, but which a foreign power would not like it known that it was seeking. If a spy, for instance, used false identification or a ruse to obtain the information and then delivered the information by means of a microdot hidden in a magazine left at a "dead drop," both the means by which he gathered and the means by which he transmitted the information would be "clandestine," even though the information itself might not be secret. It can be proper for the government to monitor such a person, even if the information he is collecting at that moment is not secret, because his activities identify him as a spy. On the one hand, having done his job successfully he may be given a new assignment to collect secret information. On the other hand, by monitoring his contacts in this enterprise, the Government can learn valuable information concerning the tactics, capabilities, and personnel of the foreign intelligence service.

Obviously, gathering classified defense information, information about intelligence sources and methods, and classified diplomatic information qualifies as clandestine intelligence gathering activities if it is done in a clandestine manner. In addition, the Congress is aware that foreign powers also target their intelligence apparatus against American technology and trade secrets, economic developments, political information, and even personal information for purposes of blackmail or coercion. The gathering of any such information may be within the term "clandestine intelligence gathering activities."

As noted above, "clandestine intelligence gathering activities" are intended to be conduct of the nature associated with spies and espionage in its generic sense, but the term is supposed to be flexible with respect to what is being gathered because the intelligence priorities and requirements differ between nations over time, and this title is intended to allow physical search in counterintelligence investigations of different foreign powers' intelligence activities well into the future.

It is possible, although unlikely, that certain groups of Americans might indeed come close to using espionage techniques for otherwise lawful purposes. Thus, the provisions require as a separate element of proof that the person be engaged in clandestine intelligence gathering activities "for or on behalf of a foreign power." This means that the Government will have to show probable cause to believe that the person is not only engaged in clandestine intelligence gathering activities, but also that those activities are for or on behalf of a foreign power. Thus, if all that can be shown is that a person is stealing defense secrets and using a "dead drop" to pass them on, the Government will have to show more, that is, probable cause to believe that he is doing this for a foreign power.

Similarly, the fact that a person gathers information and transmits it for a foreign power by itself does not satisfy the standard of this definition. Americans for personal or commercial reasons may legitimately gather information for foreign powers, as indeed registered lobbyists often do, but their activity, if legitimate, does not utilize the tradecraft of espionage. (The Congress does not intend that "clandestine intelligence gathering activities" must necessarily include the use of espionage tradecraft, but its use is significant.) Thus, there seems little likelihood that a person would be engaged in clandestine intelligence gathering activities for or on behalf of a foreign power and not in fact be engaged in reprehensible conduct of substantial concern to this Nation's security.

As an added safeguard, however, the Government must also show that there is probable cause to believe that the person is engaged in activities that at least may violate the Federal criminal law. As noted above, it is expected that most persons under this definition would be likely to violate laws directed against espionage. In addition, there are other laws which might be violated, for example, 18 U.S.C. section 2514 which proscribes interstate transportation of stolen property; and 50 U.S.C. section 2021-2032, the Export Administration Act.

The words "may involve" as used in this subparagraph are not intended to encompass individuals whose activities clearly do not violate Federal law. They are intended to encompass individuals engaged in clandestine gathering activities which may, as an integral part of those activities, involve a violation of Federal law. They cover the situation where the Government cannot establish probable cause that the foreign agent's activities involve a specific criminal act, but where there are sufficient specific and articulable facts to indicate that a crime may be involved.

This "may involve" standard is necessary in order to permit the Government to investigate adequately in cases such as those where Federal agents have witnessed "meets" or "drops" between a foreign intelligence officer and a citizen who might have access to highly classified or similarly sensitive information; information is being passed, but the Federal agents have been unable to determine precisely what information is being transmitted. Such a lack of knowledge would of course disable the Government from establishing that a crime was involved or what specific crime was being committed. Nevertheless, the circumstances might be such as to indicate that the activity may involve a crime. The crime involved might be one of several violations depending, for example, upon the nature of the information being gathered.

In applying this standard, the judge is expected to take all known relevant circumstances into account—for example, who the person is, where he is employed, whether he has access to classified or other sensitive information, the nature of the clandestine meetings or other clandestine activity, the method of transmission, and whether there are any other likely innocent explanations for the behavior. It is intended, moreover, that the circumstances must not merely be suspicious, but must be of such a nature as to lead a reasonable man to conclude that there is probable cause to believe the activity may involve a Federal criminal violation.

The term "may involve" not only requires less information regarding the crime involved, but also permits a physical search at some point prior to the time when a crime sought to be prevented, as for example, the transfer of classified documents, actually occurs. There need not be a current or imminent violation if there is probable cause that criminal acts may be committed. However, upon an assertion by the Government that an informant has claimed that someone has been instructed by a foreign power to go into "deep cover" for several years before actually commencing espionage activities, such facts would not necessarily be encompassed by the phrase "may involve." A physical search cannot be justified unless there is probable cause to believe that the person is engaged in such activities, even though the relationship of those activities to a specific violation of law may be more uncertain or likely to occur in the future.

It should be made perfectly clear that a physical search would not be authorized under this, or any other definition of agent of a foreign power, against an American reporter merely because he gathers information for publication in a newspaper, even if the information was classified by the Government. Nor would it be authorized against a Government employee or former employee who reveals secrets to a reporter or in a book for the purpose of informing the American people. The definition would not authorize searches of the property of ethnic Americans who lawfully gather political information and perhaps even lawfully share it with the foreign government of their national origin. It obviously would not apply to lawful activities to lobby, influence, or inform Members of Congress or the administration to take certain positions with respect to foreign or domestic concerns. Nor would it apply to lawful gathering of information preparatory to such lawful activities.

In the case of an organization whose leaders are engaged in clandestine intelligence gathering activities, such activity cannot be attributed to every member of the group. There must be probable cause that a particular member is himself engaged in such activity before a search of his property may be authorized under this subparagraph.

In short, for a person to be an agent of a foreign power under this definition he must be knowingly engaged in clandestine intelligence gathering activities, like espionage, for or on behalf of a foreign power, and those activities must be such that they at least "may involve" a violation of Federal criminal law.

A particularly difficult problem may arise where a person is "turned" or "doubled;" that is, having started as an agent for a foreign power, he is persuaded instead to work for this Government. The standard under this paragraph requires that a person knowingly engage in activities for or on behalf of a foreign power. If the person is in fact working for this Government and not for the foreign power, this standard is obviously not met and his property could not be searched under this paragraph. Often, however, there may be substantial doubt whether he is acting under this Government's control or under the control of a foreign power. It may well be unclear which side is deceiving which. The Congress recognizes that the fact that a supposedly "doubled" agent indeed does carry out his assignments and instructions from this Government does not mean that he has stopped carrying out his assignments and instructions from the foreign power contrary to this Government's interest. It is the intent of Congress that, until such time as the "doubled" agent is trusted enough to seek his consent to a search, his property may be subject to an unconsented search on the basis of his acting for or on behalf of a foreign power.

(B) "OTHER CLANDESTINE INTELLIGENCE ACTIVITIES"

Paragraph (2)(B) defines agent of a foreign power as a person who pursuant to the direction of an intelligence service or network of a foreign power, knowingly engages in any other clandestine intelligence activities for or on behalf of such foreign power, which activities involve or are about to involve a violation of the criminal statutes of the United States.

The term "any other clandestine intelligence activities" is intended to refer to covert actions by intelligence services of foreign powers. Not only do foreign powers engage in spying in the United States to obtain information, they also engage in activities which are intended to harm the Nation's security by affecting the course of our Government, the course of public opinion, or the activities of individuals. Such activities may include political action (recruiting, bribery or influencing of public officials to act in favor of the foreign power), disguised propaganda (including the planting of false or misleading articles or stories), and harassment, intimidation, or even assassination of individuals who oppose the foreign power. Such activity can undermine our democratic institutions as well as directly threaten the peace and safety of our citizens.

On the other hand, there may often be a narrow line between covert action and lawful activities undertaken by Americans in the exercise of their first amendment rights. Because of this, a stricter standard has been created—stricter than that applicable to "clandestine intelligence gathering activities"—which must be satisfied before a person may be targeted as an agent of a foreign power under this definition.

First, the person must be shown to be acting "pursuant to the direction of an intelligence service or network of a foreign power." No such showing is required for any of the other definitions of agent of a foreign power. Americans may well communicate with non-intelligence personnel from the government of a country about which they have an interest to gain information or engage in efforts on behalf of that country, but this is not covert action and it is not intended to be covered by this definition.

Second, the activities engaged in must presently involve or be about to involve a violation of Federal criminal law. Again, this is a higher standard than is found in the other definitions, where the activities "may" involve a violation of law. In this area where there is a close line between protected First Amendment activity and the activity giving rise to a search, it is most important that where a search does occur the activity be such that it involves or is about to involve a violation of a Federal criminal statute.

There are a number of crimes that might be involved in covert actions, for example, bribery of public officials, campaign law violations, foreign agent registration requirements, denial of civil rights, et cetera. It is important to note, however, that the fact of a criminal violation does not establish or even necessarily suggest, that a person is engaged in "any other clandestine intelligence activity." Americans through ignorance or inadvertence may well technically violate campaign law requirements or foreign agent registration requirements, and such violations do not even justify electronic surveillance for law enforcement purposes, see 18 U.S.C. section 2516. Under this definition it is necessary to show separately from the criminal violation that the facts support a probable cause to believe that the person is, pursuant to the direction of an intelligence service or network of a foreign power, knowingly engaged in any other clandestine intelligence activities for or on behalf of such foreign power.

The intent of this provision is to enable search of the property of those hard-core agents who are writing as to what they are doing and who are intentionally carrying out the bidding of a foreign power's intelligence service to engage in covert action in the United States.

(C) SABOTAGE OR TERRORISM

Paragraph (2)(C) allows physical search of the property of any person, including a U.S. person, who knowingly engages in sabotage or international terrorism, or activities which are in preparation therefor, for or on behalf of a foreign power. The terms "sabotage" and "international terrorism" are defined separately and require a showing of criminal activity. Again, in no event is mere sympathy for, identity of interest with, or vocal support for the goals of a foreign group, even a foreign-based terrorist group, sufficient to justify surveillance under this subparagraph.

[The "preparation" standard does not mean preparation for a specific violent act, but for activities that involve violent acts. It may reasonably be interpreted to cover providing the personnel, training, funding or other means for the commission of acts of international terrorism. It also permits physical search at some point before the dangers sought to be prevented actually occur.]

The term "activities which are in preparation" for sabotage or international terrorism is intended to encompass activities supportive of acts of serious violence—for example, purchase or surreptitious importation into the United States of explosives, planning for assassinations or financing or training for such activities. Of course, other activities supportive of terrorist acts could in other circumstances likewise satisfy this standard. The circumstances must be such as would lead a reasonable man to conclude that there is probable cause to believe the person is knowingly engaged in activities which are in preparation for sabotage or terrorism.

The term "preparation" does not require evidence of preparation for one specific terrorist act, because the definition of "international terrorism" speaks of "activities that involve violent acts" and means a range of acts, not just a single act. Here, the term, "preparation" acquires its meaning in the context of the special definition of "international terrorism," which could reasonably be interpreted to cover, for example, providing the personnel, training, funding, or other means for the commission of acts of terrorism, rather than one particular bombing. The "preparation" provision permits physical search at some point before the danger sought to be prevented—for example, a kidnaping, bombing, or hijacking—actually occurs. This standard is in no way intended to dilute the requirement of knowledge, or the requisite connection with a "foreign power" as defined in FISA.

It is clearly not the intent to permit physical search solely on the basis of information that someone might commit acts of international terrorism or sabotage in the distant future. There must be a showing that the person is currently engaged in activities which are in preparation for the commission of such acts.

The "preparation" standard would allow physical search where the Government cannot establish probable cause that an individual has already knowingly engaged in sabotage or terrorism, but where there are specific and articulable facts to indicate that the individual's activities are in preparation for sabotage or international terrorism. The judge is expected to take all the known circumstances into account. The circumstances must be such as would lead a reasonable man to conclude that there is probable cause to believe the person is knowingly engaged in activities which are in preparation for sabotage or terrorism.

It should be noted that the "preparation" standard only need apply where there is insufficient evidence to show that the person is in fact a terrorist. Where the Government can show that the person is a known international terrorist, like the notorious "Carlos," or that the person has been engaging in international terrorism for or on behalf of a group engaged in international terrorism, there is no need to show that the person is in the act of preparing for further terrorist acts. One might wonder why the Government would not immediately arrest such persons. In some cases they may not have violated U.S. law, even though they may have murdered hundreds of persons abroad. In other cases it may be more fruitful in terms of combating international terrorism to monitor the activities of such persons in the United States to identify otherwise unknown terrorists here, their international support structure, and the location of their weapons or explosives. If a person who has engaged in international terrorism visits the United States or resides in the United States, the Government would be able to conduct a search to determine his activities, whether or not there is evidence to show he is presently planning some particular violent act.

Finally, any person targeted for search under this paragraph must be shown to have a knowing connection with the "foreign power" for whom he is working. In the case of international terrorism, it is anticipated that in most cases this connection will be shown to exist with a group engaged in international terrorism. The case may arise where a U.S. person is acting for or on behalf of such a group that is substantially composed of U.S. persons. In such a case, the judge must examine the circumstances carefully to determine whether the organization is "a group engaged in international terrorism," as defined, and not a purely domestic group engaged in domestic terrorism.

(D) AIDING, ABETTING AND CONSPIRACY

Paragraph 2(D) allows physical search of the property of any person, including a U.S. person, who knowingly aids or abets any person in the conduct of activities described in subparagraphs (2)(A)-(C) above, or knowingly conspires with any person to engage in such activities. The knowledge requirement is applicable to both the status of the person being aided by the proposed target of the search and the nature of the activity being promoted. This standard requires the Government to establish probable cause that the prospective target knows both that the person with whom he is conspiring or whom he is aiding or abetting is engaged in the described activities as an agent of a foreign power and that his own conduct is assisting or furthering such activities. The innocent dupe who unwittingly aids a foreign intelligence officer cannot be targeted under this provision. In the case of a person alleged to be knowingly aiding or abetting those engaged in international terrorism on behalf of a foreign power, such a person might be assisting a group engaged in both lawful political activity and unlawful terrorist acts. In such a case, it would be necessary to establish probable cause that the individual was aware of the terrorist activities undertaken by the group and was knowingly furthering them, and not merely that he was aware of and furthering the group's lawful activity.

An illustration of the "knowing" requirement is provided by the case of Dr. Martin Luther King, Jr. Dr. King was subjected to electronic surveillance on "national security grounds" when he continued to associate with two advisors whom the Government had apprised him were suspected of being American Communist Party members and by implication, agents of a foreign power. Dr. King's mere continued association and consultation with those advisers, despite the Government's warnings, would clearly not have been a sufficient basis under this title to target Dr. King's property for physical search.

Indeed, even if there had been probable cause to believe that the advisers alleged to be Communists were engaged in criminal clandestine intelligence activity for a foreign power within the meaning of this section, and even if there were probable cause to believe Dr. King was aware they were acting for a foreign power, it would also have been necessary under this title to establish probable cause that Dr. King was knowingly engaged in furthering his advisers' criminal clandestine intelligence activities. Absent one or more of these required showings, Dr. King could not have been found to be one who knowingly aids or abets a foreign agent.

As was noted above, however, the "knowing" requirement can be satisfied by circumstantial evidence, and there is no requirement for the Government to disprove lack of knowledge where the circumstances were such that a reasonable man would know what he was doing.

INTERNATIONAL TERRORISM

The term "international terrorism" is defined in section 101(c) of FISA as follows:

(c) "International terrorism" means activities that—

(1) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or any State;

(2) appear to be intended—

(A) to intimidate or coerce a civilian population;

(B) to influence the policy of a government by intimidation or coercion; or

(C) to affect the conduct of a government by assassination or kidnaping; and

(3) occur totally outside the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the location in which their perpetrators operate or seek asylum.

Subsection 101(c) of FISA defines the term "international terrorism" by requiring three separate aspects of activities to be shown. The first aspect describes the nature of the acts involved in the activity: the activities must involve "violent acts or acts dangerous to human life" which are a violation of either State or Federal law, or which, if committed in the United States, would violate either State or Federal law. The violent acts covered by the definition mean both violence to persons and grave or serious violence to property.

The Congress intends that the property of terrorists and saboteurs acting for foreign powers should be subject to search under this title when they are in the United States, even if the target of their violent acts has been within a foreign country and therefore outside actual Federal or State jurisdiction. This departure from a strict criminal standard is justified by the international responsibility of governments to prevent their territory from being used as a base for launching terrorist attacks against other countries as well as to aid in the apprehension of those who commit such crimes of violence. We demand that other countries live up to this responsibility and it is important that in our legislation we demonstrate a will to do so ourselves.

The second aspect of this definition relates to the purpose to which the activities are directed. The purpose of the terrorist activities must be either intimidation of the civilian population, the intimidation of national leaders in order to force a significant change in government policy, or the affecting of government conduct by assassination or kidnaping. Examples of activities which in and of themselves would meet these requirements would be: the detonation of bombs in a metropolitan area, the kidnaping of a high-ranking government official, the hijacking of an airplane in a deliberate and articulated effort to force the government to release a certain class of prisoners or to suspend aid to a particular country, the deliberate assassination of persons to strike fear into others to deter them from exercising their rights or the destruction of vital governmental facilities. Of course other violent acts might also satisfy these requirements if the requisite purpose is demonstrated.

The third aspect of this definition relates to the requirement that the activities be international or foreign in scope. The terrorist activities must occur totally outside the United States or otherwise be international in character. Thus, if a member of the Baader-Meinhof Group or the Japanese Red Army, who has engaged in terrorist acts abroad, comes to the United States, he or she may be immediately placed under surveillance. If the activities have not occurred totally outside the United States, then it must be shown that the activities transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to coerce or intimidate, or the location in which their perpetrators operate or seek asylum. Remembering that this is a definition of "international terrorism," there must be a substantial international character with respect to these considerations. The fact that an airplane is hijacked while flying over Canada between Alaska and Chicago does not itself make the activity international terrorism. A domestic terrorist group which explodes a bomb in the international arrivals area of a U.S. airport, does not by this alone become engaged in international terrorism. However, if a domestic group kidnaps foreign officials in the United States or abroad to affect the conduct of that foreign government this would be international terrorism. Finally, if a domestic terrorist group receives direction or substantial support from a foreign government or a foreign terrorist group, its terrorist activities made possible by that support or conducted in response to that direction could be international terrorism. It is important, however, to recognize that this substantial support or direction must already have been established before a search could be authorized. This definition does not allow search of the property of Americans merely to determine if they are receiving foreign support or direction. Moreover, support is not intended to include moral or vocal support. It must be material, technical, training, or other substantive support, and the support must be of the activities involving terrorist acts, not just general support to a group which may engage in both terrorist activities as well as other lawful activities. Direction means direction and does not mean suggestions.

Activities parallel to or consistent with the desires of a foreign power do not by themselves satisfy the requirement that the foreign power is directing the group. Finally, the fact that particular members of a domestic group engage in international terrorism does not mean that all members of that group are similarly engaged.

SABOTAGE

The term "sabotage" is defined in section 101(d) of FISA as follows:

(d) "Sabotage" means activities that involve a violation of chapter 105 of title 18, United States Code, or that would involve such a violation if committed against the United States.

Subsection (d) defines sabotage as activities which involve crimes under chapter 105 of title 18, United States Code, if conducted against the United States. By its terms, chapter 105 makes criminal only acts of sabotage against U.S. Government facilities. The definition of sabotage in this title is expanded to include similar acts when committed against a State or another nation's facilities and materials relating to defense. Thus, sabotage directed against state and local police facilities and equipment, or against the defense facilities of foreign nations, would constitute sabotage under this definition. Of course, a physical search under this title could be undertaken only if such sabotage was knowingly conducted for or on behalf of a "foreign power" as defined and the information sought constituted foreign intelligence information as defined. Where persons have knowingly engaged in sabotage of State or foreign facilities for or on behalf of a foreign power, the property of such persons should be subject to physical search in this country for foreign intelligence purposes even in the absence of probable cause to believe that they will engage in sabotage against Federal facilities.

FOREIGN INTELLIGENCE INFORMATION

The primary thrust of this bill is to protect Americans both from improper activities by our intelligence agencies as well as from hostile acts by foreign powers and their agents. Any information which relates to these general security and foreign relations concerns can help protect Americans and their interests from hostile activities of foreign powers. Where this information does not concern U.S. persons, the countervailing privacy considerations militating against seeking such information through physical search are outweighed by the need for the information. Therefore, the definition of foreign intelligence information includes any information relating to these broad security or foreign relations concerns, so long as the information does not concern U.S. persons. Where U.S. persons are involved, the definition is much stricter; it requires that the information be "necessary" to these security or foreign relations concerns.

Where the term "necessary" is used, the Congress intends to require more than a showing that the information would be useful or convenient. The Congress intends to require a showing that the information is both important and required. The use of this standard is intended to mandate that a significant need be demonstrated by those seeking the search. For example, it is often contended that a counterintelligence officer or intelligence analyst, if not the policymaker himself, must have every possible bit of information about a subject because it might provide an important piece of the larger picture. In that sense, any information related to the specified purposes might be called "necessary" but such a reading is clearly not intended.

Subparagraph (e)(1)(A) of the FISA definition defines foreign intelligence information as information which relates to, and if concerning a U.S. person, is necessary to, the ability of the United States to protect against actual or potential attack or other grave hostile acts of foreign power or its agents. This category is intended to encompass information which relates to foreign military capabilities and intentions, as well as acts of force or aggression which would have serious adverse consequences to the national security of the United States. The term "hostile acts" must be read in the context of the subparagraph which is keyed to actual or potential attack. Thus, only grave types of hostile acts would be envisioned as falling within this provision.

Subparagraph (e)(1)(B) of the FISA definition includes information which relates to, and if concerning a U.S. person, is necessary to, the ability of the United States to protect itself against sabotage or terrorism by a foreign power or foreign target. It is anticipated that the type of information described in this subparagraph will be the type sought when a physical search is targeted against the type of foreign power defined in section 101(a)(4) of FISA, or against the type of foreign agent defined in section 101(b)(2)(C) of FISA.

Subparagraph (e)(1)(C) of the FISA definition includes information which relates to, and if concerning a U.S. person, is necessary to, the ability of the United States to protect against the clandestine intelligence activities by an intelligence service or network of a foreign power or by a foreign agent. This subparagraph encompasses classic counterintelligence information.

This subsection is not intended to encompass information sought about political activity by U.S. citizens allegedly necessary to determine the nature and extent of any possible involvement in those activities by the intelligence services of foreign powers. Such a dragnet approach to counterintelligence has been the basis for improper investigations of citizens prior to the enactment of FISA and is not intended to be a permissible avenue of "foreign intelligence" collection under this subparagraph. Nor does this subparagraph include efforts to prevent "newsleaks" or to prevent publication of such leaked information in the American press, unless there is reason to believe that such leaking or publication is itself being done by an agent of a foreign intelligence service to harm the national security.

Information about a U.S. person's private affairs is not intended to be included in the meaning of "foreign intelligence information" unless it may relate to his activities on behalf of a foreign power. For example, the Government should not seek purely personal information about a U.S. citizen or permanent resident alien, who is a suspected spy, merely to learn something that would be "compromising." This restriction might not be applicable to agents of foreign powers as defined in section 101(b)(1) of FISA, because compromising information about their private lives may itself be foreign intelligence information.

It should be noted that under paragraph (e)(1) of the FISA definition there is no requirement that the attack, grave hostile act, sabotage, terrorism, or clandestine intelligence activities be directed against the United States in order for information to constitute "foreign intelligence information," as defined. Obviously, armed attacks and similar grave hostile acts against any nation in this interdependent world more often than not directly affect the security and foreign relations of all countries. War in the Mid East or in the Horn of Africa, for example, inevitably involves this nation's security and foreign relations. Sabotage and international terrorism also, even if confined to one foreign country, may indeed affect the interests and security of the United States. The kidnaping of a high official of an allied nation can affect the course of government and security of that nation, thereby affecting this nation's security and foreign relations. Finally, clandestine intelligence activities of one nation directed against another can easily affect this nation. This occurred in West Germany where Soviet spies in the German Defense Ministry compromised NATO secrets, which included American secrets. It can also occur when other nations engage in clandestine intelligence activities against one another in the United States.

Finally, the term "foreign intelligence information," especially as defined in subparagraphs (e)(1)(B) and (e)(1)(C) of FISA, can include evidence of certain crimes relating to sabotage, international terrorism, or clandestine intelligence activities. With respect to information concerning U.S. persons, foreign intelligence information includes information necessary to protect against clandestine intelligence activities of foreign powers or their agents. Information about a spy's espionage activities obviously is within this definition, and it is most likely at the same time evidence of criminal activities. How this information may be used "to protect" against clandestine intelligence activities is not prescribed by the definition of foreign intelligence information, although, of course, how it is used may be affected by minimization procedures, see section 410(c) of this title, infra. And no information acquired pursuant to this title could be used for other than lawful purposes, see section 404(a) of this title. Obviously, use of "foreign intelligence information" as evidence in a criminal trial is one way the Government can lawfully protect against clandestine intelligence activities, sabotage, and international terrorism. This title, explicitly recognizes that information which is evidence of crimes involving clandestine intelligence activities, sabotage, and international terrorism can be sought, retained, and used pursuant to this title.

Paragraph (e)(2) of the FISA definition includes information which relates to, and if concerning a U.S. person, is necessary to, (A) the national defense or the security of the Nation or (B) the conduct of the foreign affairs of the United States. This also requires that the information sought involve information with respect to foreign powers or territories, and would therefore not include information about the views or planned statements or activities of Members of Congress, executive branch officials, or private citizens concerning the foreign affairs or national defense of the United States. The information must pertain to a foreign power or foreign territory; and thus it cannot simply be information about a citizen of a foreign country who is visiting the United States unless the information would contribute to meeting intelligence requirements with respect to a foreign power or territory. With these limitations, the Congress believes that the adoption of a "relates to" standard would not authorize improper treatment. In this regard, the Congress fully intends that the vigorous exercise of its oversight authority will provide another valuable check.

ATTORNEY GENERAL

Subsection 101(g) of FISA defines "Attorney General" to mean the Attorney General of the United States (or Acting Attorney General) or the Deputy Attorney General. The Deputy Attorney General is appropriate because, as the second-ranking official in the Justice Department, he would most often be the Acting Attorney General in the Attorney General's absence.

UNITED STATES PERSON

The definition of "United States person" in section 101(i) of FISA reads as follows:

(i) "United States person" means a citizen of the United States, an alien lawfully admitted for permanent residence (as defined in section 101(a)(20) of the Immigration and Nationality Act), an unincorporated association a substantial number of members of which are citizens of the United States or aliens lawfully admitted for permanent residence, or a corporation which is incorporated in the United States, but does not include a corporation or an association which is a foreign power, as defined in subsection (a)(1), (2), or (3).

This title is designed to afford primary protection to "United States persons." Thus, minimization is only required with respect to information concerning U.S. persons; the definition of "foreign intelligence information" is much broader where non-U.S. persons are involved; and the definition of "agent of a foreign power" is broader for non-U.S. persons. Associations or corporations which would otherwise be United States persons are excluded from the definition if they are also within the first three subdefinitions of "foreign power," see section 101(a)(1)-(3) of FISA, no matter what their membership or place of incorporation.

The definition treats as "United States persons" groups allegedly engaged in international terrorism, see section 101(a)(4) of FISA, and entities allegedly covertly controlled and directed by a foreign government or governments, see section 101(a)(6) of FISA, if they are substantially composed of U.S. citizens or permanent resident aliens or incorporated in the United States, and foreign-based political organizations if they are incorporated in the United States. This does NOT in any way prohibit searches targeted against such associations or corporations if they meet the definition of "foreign power." Where the definition of "foreign intelligence information" applies to information concerning such entities, the information must be "necessary" to the national security or foreign relations concerns. This is critical where the target of a search is "an entity directed and controlled by a foreign government or governments," see section 101(a)(6) of FISA. Such an entity may be entirely composed of U.S. citizens; it may also be engaged in totally lawful and proper activities. There may be a legitimate need for a search targeted at such an entity where it is directed and controlled by a foreign government or governments, but this non-criminal standard can only be supported so long as such entities, which are either incorporated in the United States or substantially composed of U.S. citizens or permanent resident aliens, are treated as United States persons. The added scrutiny that results from a determination that the information is "necessary" is the minimum which can justify such a broad targeting standard with respect to an entity composed of Americans or incorporated in the United States.

In addition, information concerning entities which are incorporated in the U.S. or which are substantially composed of Americans is subject to minimization even if the entities also might be foreign powers, as defined in section 101(a)(4)-(6) FISA. Where a judge has approved the targeting of such an entity and the information sought is necessary, it is not expected that much minimization would be required as to the entity. For instance, if a group of Americans is a group engaged in international terrorism, it is expected that almost all information about the group would be "necessary" to the United States to protect against international terrorism. However, a domestic political group might be found by a judge to be covertly directed and controlled by a foreign government, and information concerning that direction and control might be found necessary to protect the United States against clandestine intelligence activities. But that entity might also engage in legitimate political activities not relating to the foreign government's direction and control. In such a circumstance, minimization is both appropriate and important.

The special protections afforded U.S. persons are not appropriate where an association or corporation is a "foreign power" as defined in section 101(a)(1)-(3) of FISA. The entities covered by these subdefinitions are not subject to much doubt. They are all "official" foreign powers more likely than not flying a foreign flag outside their door. Thus, there is little opportunity for error or abuse by intelligence agencies.

The term "unincorporated association" in the definition of "United States person" is meant to include any group, entity, or organization which is not incorporated under the laws of the United States or of any State. The term "members" here, as opposed to its use in section 101(b)(1)(A) of FISA, is not intended, of course, to be limited to formal, card-carrying members. For instance, an unincorporated commercial establishment's employees would be members under this definition. The Congress intends the reference to "a substantial number of members" to be equivalent to the term "substantially composed of" used in parts (2) and (5) of the FISA definition of "foreign power." In both contexts the words "substantial" or "substantially" require that there be a significant proportion, but less than a majority. The judge is expected to take all the known circumstances into account in determining whether an association is a "United States person."

UNITED STATES

The term "United States" is defined as follows in section 101(j) of FISA:

(j) "United States," when used in a geographic sense, means all areas under the territorial sovereignty of the United States and the Trust Territory of the Pacific Islands.

As defined, the United States includes all areas under the territorial sovereignty of the

United States whether incorporated or not, e.g., Puerto Rico, Guam, the Virgin Islands, and American Samoa. The Trust Territory of the Pacific Islands is not, at this time, under the territorial sovereignty of the United States. It is, however, included in the term "United States" for the purposes of this title, so long as it is under the trusteeship of the United States. At such time as all or part of the Trust Territory enters into as Commonwealth relationship with the United States, it is intended that any such part be considered under the territorial sovereignty of the United States. If the trusteeship is ended with parts or all of those islands becoming independent, this title would not apply to those parts.

The term "territorial sovereignty" in the definition does not include U.S. embassies, consulates, military or other U.S. flag vessels outside the United States, etc.; it does include land in the United States occupied by foreign embassies, consulates, missions, etc. Despite the fact that foreign missions are sometimes referred to as being "extraterritorial," all national maintain territorial sovereignty over foreign missions and may expel, as persona non grata, persons therein and condemn the property by right of eminent domain. Military bases and areas under military occupation abroad (e.g., the United States sector in West Berlin) are not under the territorial sovereignty of the United States.

In this title terms such as "foreign-based" and "foreign territory" refer to places outside the "United States," as defined here.

PERSON

The term person is defined in section 101(m) of FISA to mean any individual, including any officer or employee of the Federal Government, or any group, entity, association corporation, or foreign power. "Person" is defined in the broadest sense possible. It is intended to make explicit that entities can be persons, where the term "person" is used. For example, while it is expected that most entities would be targeted under the "foreign power" standard (which cannot be applied to individuals), it is possible that entities could be targeted under certain of the "agent of a foreign power" standards, see section 101(b)(2)(A)-(D) of FISA. Where it is intended that only natural persons are referred to, the term "individual" U.S. person or "individual" person is used.

STATE

The term "State" is defined in section 101(o) of FISA to mean any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, and any territory or possession of the United States.

PHYSICAL SEARCH

Section 409(b) of this title defines "physical search" to mean any physical intrusion into premises or property (including examination of the interior of property by technical means) or any seizure, reproduction or alteration of information, material or property, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, but does not include "electronic surveillance" as defined in subsection 101(f) of FISA. The definition expressly includes "altering" property so as to ensure that the court is informed and approves of any planned physical alteration of property incidental to a search, e.g., the replacement of a lock so as to conceal the fact of the search.

This definition is meant to be broadly inclusive, because the effect of including a particular means of search is not to prohibit it but to subject it to the statutory procedures. It is not means, however, to require a court order in any case where a search warrant would not be required in an ordinary criminal context. The provision that "a warrant would be required for law enforcement purposes" does not mean that a court must previously have required a warrant for the particular type of search carried out under this title. The techniques involved may not have come before a court for determination as to whether a warrant is required. Nevertheless, the search activity is intended to be covered if a warrant would be required for law enforcement purposes, as determined on the basis of an assessment of the similarity with other activities which the courts have ruled upon, and the reasonableness of the expectation of privacy that a U.S. person would have with respect to such activity.

In response to questions during the deliberations on FISA, the Department of Justice opined that foreign governments—and in some circumstances their diplomatic agents have no fourth amendment rights under the Constitution. By letter of April 19, 1978, from John Harmon, Assistant Attorney General, Office of Legal Counsel, to Chairman Boland of the House Intelligence Committee, the Department of Justice opined that foreign states and their official agents, to the extent that they are not subject to our laws, are not protected by the fourth amendment. Whether the Department of Justice is correct in its opinion, on an issue which has never been addressed by any court, the coverage of the definition of "physical search" is not intended—by the use of the words "a warrant would be required for law enforcement purposes"—to exclude searches merely because they are targeted against an entity or person not entitled to protection under the fourth amendment. Rather, the phrase is intended to exclude only those search activities which would not require a warrant even if a U.S. person were the target. The Congress expects that, if an agency wishes to use a new technique in the United States affecting private information, material or property without consent, it will seek a ruling from the Attorney General as to whether the technique requires a court order. The intelligence committees should be advised of such rulings.

Law enforcement officials may, if they wish, continue to obtain an ordinary search warrant if the facts and circumstances justify it.

MINIMIZATION PROCEDURES

The minimization procedures of this title provide vital safeguards because they regulate the acquisition, retention, and dissemination of information about U.S. persons, including persons who are not the authorized targets of a physical search. For example, a document written by an entirely innocent American may be seized in a search targeted for someone else. Or an American may be the sender or recipient of property that is searched because it is in transit to or from an agent of a foreign power or a foreign power. The procedures also protect Americans who are referred to in documents or other information seized or reproduced in a physical search.

Section 409(C) of this title defines "minimization procedures," with respect to physical search, in three paragraphs that are similar to the definitions of this term in section 101(h) of FISA.

Paragraph (c)(1) defines "minimization procedures" as specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purposes and techniques of the particular physical search, to minimize the acquisition and retention, and prohibit the dissemination, of nonpublicly available information concerning unconsenting United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information.

The definition begins by stating that the minimization procedures must be specific procedures. This is intended to demonstrate that the definition is not itself a statement of the minimization procedures but rather a general statement of principle which will be given content by the specific procedures which will govern the actual searches. It is also intended to suggest that the actual procedures be as specific as practicable in light of the search technique and its purposes.

The definition that states that the procedures must be "reasonably designed in light of the purposes and technique of the particular physical search." It is recognized that minimization procedures may have to differ depending on the search technique. For instance, minimization with respect to searches of packages entrusted to couriers would not be comparable to searches involving entry of residential premises.

The definition of minimization speaks in terms of minimizing acquisition and retention and prohibiting dissemination.

The Congress recognizes that in some cases it may not be possible or reasonable to avoid acquiring irrelevant information in a physical search. It is recognized that given the nature of intelligence gathering minimizing acquisition should not be as strict as for law enforcement searches. By minimizing retention the Congress intends that information acquired, which is not necessary for obtaining, producing, or disseminating foreign intelligence information, be destroyed where feasible and appropriate, as with copies of photographed or reproduced documents. In certain cases destruction might take place almost immediately, while in other cases the information might be retained for a reason in order to determine whether it did indeed relate to one of the approved purposes. Procedures governing minimization—particularly how long information should be retained and how it should be destroyed once it is deemed irrelevant—are normally approved by the court and subject to judicial supervision.

The Congress recognizes that it may not be feasible to cut and paste documents or other materials where some information is relevant and some is not. Therefore, minimizing retention can also include other measures designed to limit retention of such irrelevant material to an essentially non-usable form.

The standard for dissemination is higher than for acquisition and retention, but the prohibition on dissemination should be designed to be consistent with the need of the United States to obtain, produce, and disseminate until that determination was made (or would only be disseminated to those who could determine its usefulness). Even with respect to information needed for an approved purpose, dissemination should be restricted to those officials with a need for such information. And, again, the judge, in approving the minimization procedures, could require specific restrictions on the retrieval of such information.

There are a number of means and techniques which the minimization procedures may require to achieve the purpose set out in the definition. These may include, where appropriate, but are not limited to:

(A) destruction of unnecessary information acquired;

(B) provision with respect to what may be filed and on what basis, what may be retrieved and on what basis, and what may be disseminated, to whom and on what basis;

(C) provision for the deletion of the identity of United States persons where not necessary to assess the importance or understand the information;

(D) provision relating to the proper authority in particular cases to approve the retention or dissemination of the identity of United States persons;

(E) provision relating to internal review of the minimization process; and

(F) provision relating to adequate accounting information concerning United States person used or disseminated.

Minimization, however, is not required with respect to all information which may be acquired by physical search. First, publicly available information need not be minimized. By publicly available, the Congress means information which in fact is generally available to the public. Such information can include generally published information or information in the public record which is generally available to the public, e.g., statements of incorporation on file in state offices. Also included would be trade names such as a Xerox copier, a Boeing 747, etc. Second, where a person has consented to waive minimization with respect to the acquisition, retention, or dissemination of information about him through physical search, no minimization is required. The Congress intends that this consent be explicit and informed. A general authorization to obtain information about him, such as may be made by a person seeking Government employment, is not sufficient. As here used, consent to waive minimization must be specific with respect to the acquisition, retention, and dissemination of information concerning the person acquired by physical search. There is not, however, any requirement that the person know the time, manner, purpose, or target of any particular search. It is expected that this allowance will be used rarely and then with respect to high ranking Government officials. Obviously, a refusal to consent should not in any sense be held against a person.

Finally, only information concerning a United States person need be minimized. This includes both documents written by a United States person as well as documents which he has not prepared but which mention him. The Supreme Court has held that persons have no constitutionally protected right of privacy with respect to what others say about them. See ALDERMAN v. UNITED STATES, 394 U.S. 195 (1968). Nevertheless, the Executive Branch in its own procedures has demonstrated that it can minimize retention and prohibit dissemination of such information consistent with legitimate foreign intelligence needs. Recognizing the less substantial privacy interest in such information, however, the "reasonably designed" procedures may take account of the differences between information in which persons have a constitutionally protected interest and that in which they do not. Therefore, more flexibility in the procedures may be afforded with respect to information concerning U.S. persons obtained from documents written by others. Of course, information concerning U.S. persons may come in other circumstances where their privacy is invaded; in such situations the person whose property is searched has had his privacy interests invaded and minimization procedures are required.

Because minimization is only required with respect to information concerning U.S. persons, where materials seized or reproduced are encoded or otherwise not processed, so that the contents are unknown, there is no requirement to minimize the acquisition and retention, or to prohibit the dissemination, of such materials until their contents are known. Nevertheless, the minimization procedures can be structured to apply to other agencies of Government, so that if any agency different from the searching agency decodes or processes the materials, it could be required to minimize the retention and dissemination of information therein concerning U.S. persons.

It is recognized that writers of documents are unlikely to state that they are or are not U.S. persons. Intelligence officers and analysts therefore must use their judgment as to when the procedures apply. While not suggesting that the procedures require the following, as a general rule, persons in the United States might be presumed to be U.S. persons unless there is some reason to believe otherwise. The Congress does not intend or expect, however, that intelligence officers will destroy possibly meaningful information merely because there is a question whether a person is a U.S. person.

The definition states that minimization procedures must minimize acquisition and retention, and prohibit dissemination, of information subject to minimization "consistent with the need of the United States to obtain produce, and disseminate foreign intelligence information."

"Foreign intelligence information" is, of course, a defined term, with respect to U.S. persons, it must be "necessary" to the listed security and foreign relations purposes. However, the definition of "minimization procedures" does not state that only "foreign intelligence information" can be acquired, retained, or disseminated. The Congress recognizes full well that bits and pieces of information, which taken together could not possibly be considered "necessary," may together or over time take on significance and become "necessary." Nothing in this definition is intended to forbid the retention or even limited dissemination of such bits and pieces before their full significance becomes apparent.

An example would be where the Government conducts a surreptitious entry to photograph papers and effects of a known spy, who is a U.S. person. It is "necessary" to identify anyone working with him in his network, feeding him his information, or to whom he reports. Therefore, it is necessary to acquire, retain and disseminate information concerning all his contacts and acquaintances and movements. Among his contacts and acquaintances, however, there are likely to be a large number of innocent persons. Yet, information concerning these persons must be retained at least until it is determined that they are not involved in the clandestine intelligence activities and may have to be disseminated in order to determine their innocence. Where after a reasonable period of time, which may in fact be an extended period of time, there is no reason to believe such persons are involved in the clandestine intelligence activities, there should be some effort, for example, either to destroy the information concerning such persons, or seal the file so that it is not normally available, or to make the file not retrievable by the name of the innocent person. It is recognized that the failure to gather further incriminating information concerning the contacts or acquaintances of the spy does not necessarily mean they are in fact innocent—instead, they may merely be very sophisticated and well-versed in their espionage tradecraft. Therefore, for an extended period it may be necessary to have information concerning such acquaintances, for an investigation of another spy may indicate the same acquaintance, which may justify more intensive scrutiny of him, which then may result in breaking his cover. (It bears repeating that physical search could not be targeted against such acquaintances until it could be shown that they were in fact agents of foreign powers, as defined.)

It is disconcerting to some that mere association with an alleged spy may be enough to cast suspicion on a person such that his innocence must be established. It seems contradictory to one of our basic tenets that a person is presumed innocent in the eyes of the law until proven guilty. However, in intelligence as in law enforcement, leads must be followed. Especially in counterintelligence cases where often trained professional foreign intelligence personnel are involved, a lead which initially ends in a "dry hole" can hardly be considered a dead issue, although it may be temporarily shelved to divert limited resources to other leads. Therefore, this Congress intends that a significant degree of latitude be given in counterintelligence and counterterrorism cases with respect to the retention of information and the dissemination of information between and among counterintelligence components of the Government.

On the other hand, given this degree of latitude the Congress believes it imperative that with respect to information concerning U.S. persons which is retained as necessary for counterintelligence or counterterrorism purposes, rigorous and strict controls be placed on the retrieval of such identifiable information and its dissemination or use for purposes other than counterintelligence of counterterrorism.

In this regard, it is important to note two points governing dissemination. First, the procedures should recognize that use within an agency may be subject to minimization. Many agencies have widely disparate functions themselves, or are subordinate elements of departments which have functions totally unrelated to intelligence. It is the intent of the Congress that use within an agency is potentially subject to minimization. While restrictions on use within an agency need not necessarily be the same as the restrictions on interagency dissemination, it is clear that some controls on interagency use are appropriate.

Second, some might consider that any derogatory information concerning a person holding a security clearance or concerning a person who in the future might be considered for a security clearance would be information disseminable as being for "counterintelligence" purposes. This is not intended. The latitude the Congress intends to afford counterintelligence components with respect to retention and dissemination between them of information for counterintelligence and counterterrorism purposes is not designed or intended to allow the same latitude for general personnel security purposes.

Where the purpose of a search is not counterintelligence or counterterrorism, there is not the same compelling need for latitude in the retention of information concerning U.S. persons.

One of the results of minimizing retention and dissemination under this title is that some information will be destroyed, retained in a non-identifiable manner, or sealed in a manner to prevent dissemination. Although there may be cases in which information acquired from a physical search for foreign intelligence purposes will be used as evidence of a crime, these cases are expected to be relatively few in number, unlike searches in criminal investigations the very purpose of which is to obtain evidence of criminal activity. In light of the relatively few cases in which information acquired under this title may be used as evidence, the better practice is to allow the destruction of information that is not foreign intelligence information or evidence of criminal activity. This course will safeguard the privacy of individuals more effectively, insuring that irrelevant information will not be filed. The Congress believes that existing criminal statutes relating to obstruction of justice will deter any efforts to tamper with evidence acquired under this chapter. Such destruction should occur, of course, only pursuant to the minimization procedures.

Destruction insures that the information cannot be used to "taint" a civil or criminal proceeding; accordingly, there is no requirement to index information which is destroyed or otherwise not used or disseminated.

The definition of minimization procedures states that the Attorney General shall adopt appropriate procedures. In most cases, of course, these procedures will be reviewed and approved, modified, or disapproved by the judge approving the physical search. In those cases where no warrant is required, no judge will review the procedures, and it is important that it is the Attorney General, as the chief law enforcement officer, who ultimately approves them. It is expected that the procedures adopted by the Attorney General will have been thoroughly coordinated with the affected agencies in the executive branch.

On the basis of the experience under FISA, the Congress recognizes that administrative need for minimization procedures to be as uniform as possible. This does not mean, however, that judges should not fully scrutinize proposed minimization procedures just because the same procedures have been approved by another judge in another case. Not only might the earlier judge have overlooked something, but also it is critical to determine at least that factors militating in favor of uniformity are not outweighed by other considerations. For instance, the Congress expects that minimization procedures for searches of the property of individuals would be more strict than those for searches of the property of foreign powers. If the judge believes a modification is called for, he should require it. If the Government finds the change unacceptable, it may, of course, appeal the decision to the special Court of Review.

Paragraph (2) of the definition requires that all minimization procedures contain a requirement that any information which is not foreign intelligence information as defined in section 101(e)(1) of FISA not be disseminated in a manner which identifies an individual United States person, without his consent, unless the identity is necessary to understand such foreign intelligence information or assess its importance. The purpose of this special dissemination standard is to protect United States persons from dissemination of information which identifies them in those areas where the Government's need for their identity is least established. The adjectival use of the name of a United States person entity, such as the brand name of a product, is not restricted by this provision because such information is publicly available.

Two exceptions are allowed to the prohibition on dissemination in paragraph (2). The first allows dissemination where a U.S. person's identity is "necessary to understand" foreign intelligence information. The person's identity must be needed to make the information fully intelligible. If the information can be understood without identifying the U.S. person, it should be disseminated that way. However, sometimes it might be difficult or impossible to make sense out of the information without a U.S. person's identity. The second exception allows dissemination where a U.S. person's identity is necessary to "assess [the] importance" of foreign intelligence information. The word "importance" means important in terms of the interests set out in the definition of foreign intelligence information. "Necessary" does not mean that the identity must be essential to understand the information or assess its importance. The word necessary requires that a knowledgeable intelligence analyst make a determination that the identity will contribute in a meaningful way to the ability of the recipient of the information to understand the information or assess its importance.

Paragraph (3) of the definition allows retention and dissemination information which is evidence of a crime which has been, or is being, or is about to be committed and that is to be retained or disseminated for law enforcement purposes. As noted above, see section 101(e) of FISA, evidence of certain crimes like espionage would itself constitute "foreign intelligence information," as defined, because it is necessary to protect against clandestine intelligence activities by foreign powers or their agents. Similarly, much information concerning international terrorism would likewise constitute evidence of crimes and also be "foreign intelligence information," as defined. This paragraph does not relate to information, even though it constitutes evidence of a crime, which is also needed by the United States in order to obtain, produce or disseminate foreign intelligence information. Rather, this paragraph applies to evidence of crimes which otherwise would have to be minimized because it was not needed to obtain, produce, or disseminate foreign intelligence information. For example, in the course of a search evidence of a serious crime totally unrelated to intelligence matters might be incidentally acquired. Such evidence should not be required to be destroyed. Where the information is not foreign intelligence information, however, retention and dissemination of such evidence is allowed only for law enforcement purposes. Such purposes include arrest, prosecution, and other law enforcement measures taken for the purpose of preventing the crime. Thus, this paragraph is not a loophole by which the Government can generally keep and disseminate derogatory information about individuals which may be a technical violation of law, where there is no intent actually to enforce the criminal law. On the other hand, where the evidence also constitutes "foreign intelligence information," as defined, this paragraph does not apply, and the information may be disseminated and used for purposes other than enforcing the criminal law.

AGGRIEVED PERSON

Section 409(d) of this title defines "aggrieved person" to mean a person whose premises, property, information, or material is the target of physical search or any other person whose premises, property, information, or material was subject to physical search. As defined, the term is intended to be coextensive, but no broader than, those persons who have standing to raise claims under the Fourth Amendment with respect to physical search.

FOREIGN INTELLIGENCE SURVEILLANCE COURT

Section 409(e) of this title defines "Foreign Intelligence Surveillance Court" to mean the court established by section 103(a) of FISA, which provides that the Chief Justice of the United States shall publicly designate seven district court judges from seven of the United States judicial circuits who shall constitute a court which shall have jurisdiction to hear applications for and grant orders approving electronic surveillance anywhere within the United States under the procedures set forth in this Act. Pursuant to section 103(d) of FISA, each judge designated under this section shall so serve for a maximum of seven years and shall not be eligible for redesignation, except that the first judges designated under subsection (a) were to be designated for terms of from one to seven years so that one term expired each year. As a result, there has been a regular annual rotation of at least one new judge onto the Foreign Intelligence Surveillance Court since 1979.

The legislative history of FISA established the intent of Congress that the court shall sit continuously in the District of Columbia, that the designated judges shall serve by rotation determined by the Chief Justice, that they may be assigned to other judicial duties in the District of Columbia which are not inconsistent with their duties under this Act, and that more than one judge shall be available at all times to perform the duties required by this Act. The Chief Justice is expected to consult with the chief of judges of the judicial circuits in making designations of judges under section 103 of FISA.

The FISA legislative history also stated that staffing of the court with at least one judge from each circuit would provide geographical diversity, and bringing the chief judges into the selection process would promote ideological balance. Requiring the special court to sit continuously in the District of Columbia would facilitate necessary security procedures and, by ensuring that at least one judge is always available, would ensure speedy access to it by the Attorney General when timeliness is essential for intelligence purposes. It was anticipated that only one or two judges would be in Washington, on a rotating basis, at any given time. Such a procedure would minimize judge shopping and would make it unlikely that an application for an order for the same target would be heard by the same judge who granted the earlier order for that target.

COURT OF REVIEW

Section 409(f) defines "Court of Review" to mean the court established by section 103(b) of FISA, which provides that the Chief Justice shall publicly designate three judges, one of whom shall be publicly designated as the presiding judge, from the United States district courts or courts of appeals who together shall comprise a court of review which shall have jurisdiction to review the denial of any application made under this Act. Pursuant to section 103(d) of FISA, judges designated under subsection (b) shall so serve for a maximum of seven years and shall not be eligible for redesignation. The judges first designated under subsection (b) were to be designated for terms of three, five, and seven years.

The FISA legislative history stated that the Chief Justice is expected to consult with the chief judges of the judicial circuits in making these designations. There is no requirement that the special court of review sit continuously as it is anticipated that the exercise of its functions will be rare.

EFFECTIVE DATE

Section 410 of this title states that the provisions of this title shall become effective 90 days after the date of enactment of this title, except that any physical search approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this title, if that search is conducted within 180 days following the date of enactment of this title pursuant to regulations issued by the Attorney general, which are in the possession of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives prior to the date of enactment.

This provision allows some flexibility in the timing of implementation of the statutory physical search procedures. The Congress intends that the Attorney General shall begin making applications for orders under this title and the court may grant such orders as soon as practicable after the effective date of this title. Prior to the first application, U.S. intelligence officers may conduct physical searches under the Executive branch procedures previously in effect. The Congress intends that after the Attorney General makes the first application to the court under this title, no subsequent physical search which requires a court order under this title shall be approved by the Attorney General without a court order. Searches approved by the Attorney General prior to that date, but not yet conducted, may be carried out so long as they occur within 180 days of enactment.•

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, REGARDING EDUCATIONAL TRAVEL

• **Mr. BRYAN.** Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee received notification under rule 35 for Stuart Feldman, a member of the staff of Senator ORRIN G. HATCH, to participate in a program in Tokyo, Japan, sponsored by the Japan Center for International Exchange, from March 27 to April 2, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Feldman in this program.

The select committee received notification under rule 35 for Kenneth Nelson, a member of the staff of Congressman OBEY, to participate in a program in Japan, sponsored by the Japan Center for International Exchange, from March 27 to April 2, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Mr. Nelson in this program.

The select committee received notification under rule 35 for Dr. Weiss, a member of the staff of Senator GLENN, to participate in a program in Japan, sponsored by the Japan Atomic Industrial Forum, Inc., from February 12–19, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Dr. Weiss in this program.

The select committee received notification under rule 35 for Laura Hudson, a member of the staff of Senator JOHNSTON, to participate in a program in China, sponsored by the Chinese People's Institute of Foreign Affairs from March 26 to April 10, 1994.

The committee determined that no Federal statute or Senate rule would prohibit participation by Ms. Hudson in this program.•

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

NATIONAL COMPETITIVENESS ACT

The PRESIDING OFFICER. The clerk will report the pending bill.

The assistant legislative clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs at the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate continued with the consideration of the bill.

CLOTURE MOTION

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion, previously filed by the majority leader.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Modified Committee Substitute to S. 4, the National Competitiveness Act of 1993.

Carol Moseley-Braun, John Glenn, Harlan Mathews, Wendell Ford, James J. Exon, Jay Rockefeller, Don Riegle, George Mitchell, Tom Daschle, Byron L. Dorgan, Barbara Boxer, Patrick Leahy, Fritz Hollings, Jeff Bingaman, Paul Simon, J. Lieberman, John F. Kerry.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate now return to morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNIZING OUTSTANDING SERVICE OF THE ARCHITECT OF THE CAPITOL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 188, a resolution submitted earlier today by Senators MOYNIHAN and WARNER to recognize the outstanding service of the Architect of the Capitol for the restoration of the Statue of Freedom; that the resolution and preamble be agreed to; that the motion to reconsider be laid on the table; and that any statements thereon appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 188) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 188

Whereas the Statue of Freedom Triumphant in Peace and War has stood atop the tholos of the United States Capitol Dome since December 2, 1863;

Whereas the Statue of Freedom has served since its installation as an object of great national pride and inspiration;

Whereas the Statue, modeled by the American sculptor Thomas Crawford in Rome, and cast by Clark Mills in Northeast Washington, D.C., using bronze made of zinc, Lake Superior copper, and tin purchased in New York, was found after inspection in 1988 to be suffering from rust and corrosion and to be in need of repair;

Whereas the plan developed by the Architect of the Capitol for carrying out the necessary repairs required great skill and expertise in historical restoration techniques as well as extraordinary feats of engineering for the removal and replacement of the Statue; and

Whereas Members of Congress, residents of Washington, D.C., and visitors watched with awe and appreciation as the Architect's plan unfolded, accomplishing the removal, restoration, and replacement of the Statue atop the Dome in time for the 200th anniversary of the laying of the cornerstone of the Capitol: Now, therefore, be it

Resolved, That the Architect of the Capitol, the Honorable George M. White, is recognized and commended for outstanding service to the Capitol and to the Nation for successfully restoring the original grandeur of the Statue of Freedom.

SEC. 2. The Secretary shall transmit a copy of this resolution to the Architect of the Capitol, the Honorable George M. White.

Mr. MOYNIHAN. Mr. President, I rise to submit a resolution recognizing and commending the Architect of the Capitol, the Honorable George M. White, for the restoration of the Statue of Freedom Triumphant in Peace and War in time for the 200th anniversary of the laying of the cornerstone of the Capitol. Since its installation atop the tholos of the U.S. Capitol dome on December 2, 1863, the Statue of Freedom has served as an object of great national pride and inspiration. Modeled by the American sculptor Thomas Crawford in Rome, and cast by Clark Mills in Northeast Washington, DC, using bronze made of zinc, Lake Superior copper, and tin purchased in New York, the statue was found in 1988 to be suffering from rust and corrosion and to be in need of repair. With considerable daring and devotion to duty, the Architect of the Capitol personally went to inspect the statue in situ, 270 feet above the ground. What he found there required him to act quickly to save the statue.

The plan he developed for carrying out the necessary repairs required great skill and expertise in historical restoration techniques as well as extraordinary feats of engineering for the removal and replacement of the statue. Those up at dawn on May 9, 1993 watched in awe and admiration as the giant Skycrane helicopter removed the statue and laid it down before the east front. As the restoration work progressed over the summer, we were offered a splendid opportunity to see the statue close-up. But nothing could match the experience of watching the noble statue rise again on that lovely October day to her rightful place atop the dome. Nothing could be a more fitting cap to a celebration of the 200th anniversary of laying the cornerstone of the Capitol than the replacement of the Statue of Freedom atop its peak.

Mr. President, this is a resolution to recognize and commend the Architect of the Capitol, the Honorable George M. White, for the outstanding service he rendered to the Capitol and to the Nation by successfully restoring the grandeur of the Statue of Freedom atop the Capitol dome in time for that celebration, October 23, 1993.

COMMEMORATING THE 200TH ANNIVERSARY OF BOWDOIN COLLEGE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 189, a resolution commemorating the 200th anniversary of Bowdoin College, submitted earlier today by myself and Senator COHEN; that the resolution be agreed to; that the preamble be agreed to; that the motion to reconsider laid upon the table; and that a statement by myself and by Senator COHEN be placed in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 189) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 189

Whereas Bowdoin College was established in 1794 by the General Court of the Commonwealth of Massachusetts as the first college in the District of Maine;

Whereas, since 1802, Bowdoin College has educated students from Maine, the rest of the Nation, and many foreign countries on the principle that: "literary institutions are founded and endowed for the common good and not for the private advantage of those who resort to them for education";

Whereas alumni of Bowdoin College have included 1 President of the United States, 16 Members of the Senate, 42 Members of the House of Representatives, 2 Supreme Court Justices, and many other public officials;

Whereas other distinguished alumni of Bowdoin College have included authors Nathaniel Hawthorne and Henry Wadsworth Longfellow, Civil War hero and the Governor of Maine Joshua Chamberlain, Arctic explorer Admiral Robert E. Peary, and Olympic gold medalist Joan Benoit Samuelson; and

Whereas Bowdoin College is consistently named one of the Nation's most outstanding liberal arts colleges: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the contributions made by Bowdoin College to the State of Maine and the Nation over the past 200 years;

(2) extends heartiest congratulations to the students, alumni, faculty, staff, and administrators of this great institution of higher learning on the occasion of its bicentennial anniversary; and

(3) offers best wishes for the continued success of Bowdoin College in the future.

Mr. MITCHELL. Mr. President, I rise today to offer a sense-of-the-Senate resolution commemorating the bicentennial of Bowdoin College. I am pleased to join my colleague from Maine and fellow alumnus of the college, Senator COHEN, in honoring the students, faculty, staff and alumni of this esteemed institution of higher learning.

From its founding in 1794 as the first college in the territory that would later become the State of Maine, to its present status as one of the finest liberal arts colleges in the United States, Bowdoin College has had an important role in educating the young people of Maine and the rest of the Nation. Bowdoin College first began classes in 1802 with one building and eight students. The college now educates approximately 1,430 students from across the national and several foreign countries on a campus that houses more than 50 buildings.

In his 1802 convocation speech at the opening of the college, Bowdoin's first president, the Reverend Joseph McKeen, stated that "literary institutions are founded and endowed for the common good and not for the private advantage of those who resort to them for education." I am proud that the college remains committed to that philosophy today, as indicated by the large number of Bowdoin alumni who choose careers in public service, medicine, and teaching.

Bowdoin's alumni have contributed to the advancement of the Nation in a number of areas. Distinguished alumni of the college include President Franklin Pierce, an 1824 graduate of the college, 1853 graduate Melville Weston Fuller, who served as Chief Justice of the U.S. Supreme Court, literary greats Nathaniel Hawthorne and Henry Wadsworth Longfellow, both 1825 graduates, and Civil War hero and Governor of Maine, Joshua Chamberlain, who left his teaching position at the college to join the Union Army and who was instrumental in the Union victory at Gettysburg.

For 200 years, Bowdoin College has been a valuable asset to both the State of Maine and the Nation. I congratulate the college on its many years of service to the country, and I wish it continued success in the future.

I simply want to add that it is a matter of great honor and personal pride for me to be submitting this resolution. I am a graduate of Bowdoin College, in Brunswick, ME, and I will forever be indebted to that institution for the opportunities that it gave me.

I was a young man, 16 years old, when I graduated from high school, had no means to go on to college, and the administration of this great and historic institution took me in, helped me get through, and I will forever be grateful.

So it is a great honor for me to have this resolution adopted.

Mr. COHEN. Mr. President, I rise today to join my colleague from Maine in paying tribute to one of our Nation's finest institutions of higher learning, not to mention my and Senator MITCHELL's alma mater: Bowdoin College.

Bowdoin College was established in 1794, the first college in what was then the District of Maine, some 26 years before Maine attained statehood. Since 1802, it has been educating students from Maine, the Nation, and around the world on a principle known as the common good. This year marks the bicentennial of Bowdoin and the school has been honoring throughout the year its many famous alumni. I wish to take a moment to describe what Bowdoin has meant to me and to the people of Maine.

Several years ago a national survey was taken of college students. Three-fourths of those surveyed revealed that their principal reason for pursuing a college education was to achieve financial success rather than to develop a philosophy of life. I find that extremely disturbing. While I recognize the desire or need to acquire financial security, the aim of an education must always remain moral and not material. A society that measures a person's value by the size of a bank account or possessions is a society that ultimately will decline and fall.

But Bowdoin College is a place where self-interest and mindless greed have never found a home. It is an institution where developing a philosophy of life is the foundation, where the broad spectrum of liberal arts is used to define and shape future generations.

I recall my first days as a student at Bowdoin, when I was uncertain of what my future held and only vaguely aware of Bowdoin's history and reputation. On registration day, I was given a booklet containing the words of the seventh president of the college, William DeWitt Hyde. The pamphlet contained "The Offer of the College," which reads in part:

> To be at home in all lands and all ages . . .
> To carry the keys of the world's library in your pocket . . .
> To make hosts of friends . . . who are to be leaders in all walks of life;
> To lose yourself in generous enthusiasms and cooperate with others for common ends . . .
> This is the offer of the College for the best four years of your life.

I did not know exactly what those words meant in my first days as a Bowdoin student, but over the years their meaning has become clear.

Bowdoin College is a place where young men and women learn to translate thoughts into action, so that as adults they can dedicate themselves to serving the common interest. And Bowdoin students find myriad ways to do so, whether as President of the United States—Franklin Pierce of the class of 1824—or in some way not quite so noticeable.

Bowdoin College is about exploring uncharted territories. Adm. Robert E. Peary of the class of 1877 interpreted that one way when he became the first man to reach the North Pole; Dr. Cornelius Rhoads of the class of 1920 another as he performed his pioneering research on cancer.

Bowdoin College is about testing oneself against the best, and discovering the limits of human performance. Joan Benoit Samuelson of the class of 1979 did when she won the gold medal in the first women's Olympic marathon in 1984.

Bowdoin College is about transforming wisdom into fairness, as Supreme Court Justices Melville Weston Fuller of the class of 1853 and Harold H. Burton of the class of 1909 did.

Bowdoin College is about the beauty and power of language, as displayed by Nathaniel Hawthorne and Henry Wadsworth Longfellow, both members of the class of 1825.

Bowdoin College is about standing up for the freedoms that America was founded upon, as Joshua Lawrence Chamberlain of the class of 1852 did when leading his troops to victory in the Civil War and later as the Governor of Maine.

Shortly before his death, Robert F. Kennedy said,

> Few will have the greatness to bend history itself, but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of a generation . . . each time a person stands up for an ideal, or acts to improve the lot of others, or strikes out against an injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring, those ripples build a current that can sweep down the mightiest wall of oppression and resistance.

Bowdoin College is committed to sending forth more than its share of ripples and together they have built a tidal wave for a better society. May it continue to do so ad infinitum.

I congratulate the students, faculty, staff, administrators, and my fellow alumni on this occasion of the bicentennial of Bowdoin College.

FOOD STAMP IMPROVEMENTS ACT OF 1994

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1926, a bill relating to food stamps for Indians, introduced earlier today by Senators PRESSLER and LEAHY; that the bill be deemed read three times, passed, and the motion to reconsider laid upon the table; that statements by Senators PRESSLER and LEAHY and a Leahy-Inouye colloquy appear in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I am pleased to rise in support of the Food Stamp Improvements Act of 1994 introduced by Senator PRESSLER. This legislation culminates months of work by Senator PRESSLER, the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Indian Affairs.

This legislation has two principal components. Title I of the bill addresses some aspects of the administration of the Food Stamp Program on Indian reservations. Title II addresses a problem regarding the definition of eligible retail food stores in the Food Stamp Program.

As Members of this body are well aware, many households living on reservations are among the poorest in the Nation. Unemployment on some reservations exceeds 50 percent. Many reservations also include large remote areas with little access to paved roads, telephones, or mail service. These factors can make it difficult for some households to participate in the Food Stamp Program.

Low-income households on reservations have the choice of participating in the Food Stamp Program or receiving Government commodities under the Food Distribution Program in Indian reservations. Reports and testimony we have received show that many native American households believe that they can obtain more nutritious and appealing foods with food stamps. They continue to receive commodities instead of food stamps because of administrative barriers in the Food Stamp Program.

With these concerns in mind, we inserted two provisions in the 1990 farm bill to help households on reservations. Before these provisions could be implemented, we became aware that some State food stamp administrators had concerns about these provisions. Congress delayed the implementation of the 1990 amendments and sought to learn more about the problems facing households and food stamp administrators on reservations.

A joint hearing of the Senate Committee on Indian Affairs and the Senate Committee on Agriculture, Nutrition, and Forestry in May last year sought some answers to these problems. After examining the great volume of information we received and consulting closely with members of the Agriculture Committee and several Senators from States with large reservations, we believe we have arrived at a good compromise.

This legislation modifies each of the 1990 provisions to ease burdens on State administrators without sacrificing the protections for households on reservations that Congress sought to achieve in 1990.

With regard to monthly reporting, this legislation would prohibit any State which does not currently require monthly reporting on reservations from doing so at any time in the future. In other words, States that have already ended monthly reporting would continue to be bound by the 1990 legislation. States that still routinely require households on reservations to complete monthly reports could continue to do so subject to all current safeguards and a few new ones.

All monthly reporting households on reservations would be entitled to 2-year certification periods unless USDA approved a specific State request to provide shorter certification periods for some class of households. In deciding whether to grant requested waivers, USDA should consider both the reasons the State desires to implement a shorter certification period and the burden that households on the particular reservation would face in going through the recertification process more often.

Households that have difficulty getting complete monthly reports into the State agency under current deadlines would receive relief. The State could not take any action against a household for failing to submit a complete monthly report form until after the end of the month following the month the report was first due.

Households would receive notices, as they do under current law, when the State received no report, or an incomplete report, by the State's normal reporting deadline. But instead of suspending the household's food stamps, this notice would merely advise the household what it needed to do to comply and that further delays could result in a suspension of benefits.

Household food stamps could only be suspended for failure to report if the household failed to submit a complete report by the end of the month following the month the report was due. The purpose of this grace period is to provide ample opportunity to resolve misunderstandings and ensure that households do not suffer when their reports are lost in the mail, when they unintentionally submit incomplete reports, or when households have difficulty getting to a location where they can mail their reports.

Nothing in this legislation, of course, would prevent States from taking action based on eligibility factors contained in monthly report forms when they arrive. The grace period is only to prevent interruptions in benefits for administrative, as opposed to substantive, reasons. It also should be noted that the household can have its benefits suspended if it refuses to supplement an incomplete report form by the end of the grace period. Households that do not submit reports by the end of the grace period would have their benefits suspended. Households submitting complete monthly reports by the end of the month following the grace period would have their benefits reinstated as long as they remain eligible for the program.

Additionally, this legislation anticipates regulations from the Department of Agriculture which will ensure that a State will not be adversely affected in regard to its quality control efforts related to those households whose monthly reports are not submitted until a month after the report is due. It would be unfair to States for them to be penalized regarding this special continuation of benefit provision. I intend to work closely with the Department on these regulations to make sure the rules are designed in a manner that is fair to States and to make sure States are able to document any issues that may arise due to this policy.

Of course, States would continue to be bound by existing statutory and regulatory protections, including those for the elderly and disabled and those with physical or mental handicaps or limited literacy in English.

On the question of staggered issuance, we replaced the blanket requirement that all issuances be staggered on reservations for 1 month with a more flexible system. States would only be required to stagger on reservations if requested to do so by a tribe, and could not be required to stagger issuances over more than 15 days. A State could decide to stagger issuances on its own for the entire month. Existing requirements concerning mail issuances would be continued.

Finally, title I provides for an extensive study of the feasibility of having tribes administer the Food Stamp Program on their own reservations. A limited option for tribal administration was included in the Food Stamp Act of 1977, but some tribes have complained that it is not workable. The program has changed in many ways over the last 17 years. We are open to considering changes in the rules on tribal administration of the program but feel the need of information on a range of significant issues before deciding on the most appropriate course of action. The deadline for this report ensures that Congress will have ample time to develop implementing legislation to be included in the 1995 farm bill.

Title II of this bill would revise the Food Stamp Act's definition of retail food store and establish a definition for staple foods as requested by USDA.

The changes in title II are contained in a bill passed by the other body and are supported by the administration. The Senate version adds additional antifraud provisions.

The title II changes help maintain access to a wide variety of nutritious foods to food stamp recipients by continuing the participation of certain retail food stores. The administration has recommended the changes necessary to allow the continued participation of the retail concerns.

Mr. PRESSLER. Mr. President, I am pleased to offer today legislation that will resolve several long-standing problems involving the Food Stamp Program. I want to thank my colleague, Senator LEAHY, chairman of the Committee on Agriculture, Nutrition, and Forestry for cosponsoring this legislation. I also want to thank Senators LEAHY, LUGAR, INOUYE, and MCCAIN for their assistance in bringing this bill to the floor.

The first issue is the method and timetable for issuing food stamp benefits on Indian reservations. Both administrators of the Food Stamp Program and recipients living on reservations have questioned whether existing food stamp rules provide the most accessible and efficient means of providing food stamp benefits to reservation residents. In the 1990 farm bill, legislation was passed which attempted to resolve these concerns. Because of the legislation's administrative complexity, at my urging Congress has twice postponed its implementation pending agreement on a better alternative.

After a joint committee hearing and many hours of dedicated review and discussion, I am pleased the Senate Committees on Agriculture, Nutrition, and Forestry, and Indian Affairs, food stamp administrators, and native American representatives have reached a compromise on new legislation.

This legislation allows States using a monthly reporting method to track household changes to continue to use this system for reservation households, but only if more flexible compliance requirements are instituted. States will be required to provide uninterrupted and full monthly benefits to households as long as recipients submit complete reports within a month of the due date. Further, monthly reporting households on Indian reservations will generally be required to come in to food stamp offices for in-person interviews only once every 2 years, thus reducing the need to find expensive transportation to these offices.

The bill provides another option for food stamp issuance, should a tribe so choose. If a tribe requests a State to stagger issuance of benefits—that is, send them out over multiple days each month, rather than all on the same day—State administrators must do so upon request and stagger the benefits over at least 15 days.

Finally, my legislation requires the General Accounting Office to study the feasibility of having interested tribal governments administer the Food Stamp Program for recipients living on reservation lands. I am pleased we are reviewing this issue.

Title II of my legislation, similar to H.R. 3436 which passed the other body, changes the definition of retail stores to ensure continued participation by certain retail food stores. The new language will also enable the Department of Agriculture to remove from participation party stores and certain other types of stores that are not true food concerns. Title II also contains provisions designed to strengthen the U.S. Department of Agriculture's ability to combat fraud in the Food Stamp Program.

Mr. President, I would like to thank the staff of both committees—in particular, Eric Eberhand and Rob Taylor of Senator MCCAIN's staff, Patricia Zell and Patricia Trudell Gordon of Senator INOUYE's staff on the Committee on Indian Affairs; Ed Barron and Doug O'Brien of Senator LEAHY's staff and Stacy Hoffhaus of Senator LUGAR's staff on the Committee on Agriculture, Nutrition, and Forestry. I would also extend my special thanks to Julie Osnes, president of the State Food Stamp Directors Association and a 15-year veteran as the Food Stamp Program Director in my home State of South Dakota, and C. Larry Goolsby from the American Public Welfare Association.

Mr. President, I understand this has been cleared on both sides of the aisle, and therefore, urge its immediate adoption. It is my hope the House of Representatives will act expeditiously on this legislation and send it to the President for signature immediately.

Mr. INOUYE. Mr. President, I rise to ask if the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry, Senator LEAHY, would yield for some questions regarding the Food Stamp Program Improvements Act of 1994?

Mr. LEAHY. I would be pleased to yield to my good friend, the chairman of the Committee on Indian Affairs, for any questions he may have on this legislation. Our two committees have worked together to bring this legislation to the full Senate and I appreciate Chairman INOUYE's assistance in shaping a compromise which is acceptable to both committees.

Mr. INOUYE. I thank the chairman of the Committee on Agriculture, Nutrition, and Forestry. I also appreciate the excellent working relationship which has been established between our two committees and the willingness of the Senator from Vermont to work with the members of the Committee on Indian Affairs on issues of concern to Indian tribal governments.

With regard to the legislation which is now before us, I would like to direct Chairman LEAHY's attention to the language in what will become the new section 6(c)(1)(C)(iv) of the Food Stamp Act. This new provision of the act will require a State to use a 2-year period for certification of food stamp recipients residing on reservations if the State requires monthly reporting for those households. This provision also authorizes the Secretary of Agriculture to allow for a shorter certification period if a State demonstrates just cause to the Secretary. It is my understanding that the intent of the Committee on Agriculture is that the Secretary would only exercise his discretion to allow a shorter period after he has consulted with the appropriate tribal government and when extraordinary circumstances exist. Such circumstances would include widespread fraud, a substantial change in circumstances on a reservation which results in wide fluctuations in income for large numbers of food stamp recipients or similar changes which require more frequent certification to protect the financial integrity of the Food Stamp Program and to maintain the lowest practicable error rates. I ask the chairman of the Agriculture Committee if my understanding is correct?

Mr. LEAHY. The Senator is correct. This provision only applies in the situation where a State is requiring monthly reports from food stamp recipients. With monthly reporting, frequent certification should not be necessary and adequate safeguards should be in place to ensure the financial integrity of the Food Stamp Program. Certification can be a time consuming and burdensome process and should not be required where adequate safeguards are in place in the form of monthly reporting. We would expect the Secretary to very carefully scrutinize any request to shorten the certification period and to determine that a shorter period is both necessary and that it will correct a specific problem which cannot be solved through monthly reporting. I would add that the committee expects the Department of Agriculture to provide adequate assurance in regulations that the provisions relating to monthly reporting will not adversely affect the quality control error rates of the States as it relates to this provision. And of course, nothing in this bill should be construed as limiting a State's ability to reclaim overissued benefits or issue additional benefits for under issuances as determined by a monthly report. I would like to add that in reference to the term "report" in this legislation, the term means a complete report. Is this also the understanding of the distinguished Chairman?

Mr. INOUYE. I thank the chairman. Yes, that is my understanding of this legislation. I have another question as it relates to the provisions in this legislation which require the General Accounting Office to conduct a study of the feasibility and desirability of providing Indian tribal governments with the authority to administer the Food Stamp Program on the reservations. As the Senator from Vermont knows, the Food Stamp Program is one of the very few Federal programs which Indian tribal governments do not directly administer. It has been Federal policy for the last 20 years to encourage Indian tribal governments to enter into contracts to assume the administration of most Federal programs. Indeed, current food stamp law permits the Secretary to contract with an Indian tribal government to administer the program in certain circumstances. Some representatives of Indian tribal governments have questioned the need for the study provided for in this legislation and whether the Senate will actually consider this issue further after the study is completed. Such skepticism is certainly understandable in light of the history of prior studies of Federal/tribal relations. It is my understanding that the Committee on Agriculture fully expects that this study will provide the information necessary for a thorough analysis of the barriers to administration of the Food Stamp Program by tribal governments and suggest appropriate ways to remove those barriers. Is my understanding correct?

Mr. LEAHY. The Senator is correct. Under current law, an Indian tribal government must show that a State has failed to properly administer the program before the Secretary can enter into a contract with a tribal government. Apparently this has never been done. Even if it had been done, we question the soundness of a policy which requires an Indian tribal government to prove that a State has failed at something before the tribal government has an opportunity to administer the program. However, we do believe some caution is required in this situation. We lack reliable information on the administrative costs involved. We need to carefully assess the issue of how penalties for excessive error rates would apply. We need to consider the criteria, if any, which the Secretary should use to determine capability to administer the program. These are a few of the issues which the Committee on Agriculture would like to examine. However, I want to assure the chairman of the Committee on Indian Affairs that the Committee on Agriculture fully intends to examine this issue as part of the 1995 farm bill and to do so mindful of Federal policies of self-determination and self-governance by Indian Affairs as we consider this issue and any legislation which may arise to address it.

Mr. INOUYE. Again, I thank the chairman. My final question relates to whether the chairman of the Committee on Agriculture would be willing to join with me to request that the Office of Technology Assessment also examine the barriers to administration of the Food Stamp Program by Indian trial governments? Having an additional perspective should be helpful to both of our committees.

Mr. LEAHY. I thank my friend for that suggestion. I would be pleased to join the chairman of Committee on Indian Affairs in making such a request to the Office of Technology Assessment.

Mr. INOUYE. I thank my friend and I look forward to continuing our work together to address these issues which are of such great concern to Indian tribal governments and the citizens they serve.

Mr. MCCONNELL. Mr. President, around 213,000 retail stores nationwide are authorized to redeem food stamp coupons issued under the Food Stamp Program, a program which hands out over $20 billion in Federal benefits to 26 million Americans a year. Mr. President, those numbers are staggering, and demonstrate the enormity of our Nation's largest food assistance program. I have spoken on this floor in the past about concerns with the fraud and trafficking abuses that occur within this program, and it is with these interests in mind that I rise today to address certain provisions of the Food Stamp Program Improvements Act of 1994.

I want to thank my colleagues in both the House and Senate, including Senators PRESSLER and LEAHY and Congressmen ROBERTS and STENHOLM, for including a key provision from my bill, the Food Stamp Anti-Fraud Act, that addresses the use of information provided to USDA by retail food stores. Currently, the Department of Agriculture is hampered by restrictions in law that do not allow them to fully investigate suspected fraud and trafficking abuses in the Food Stamp Program. Section 203 of the Food Stamp Program Improvements Act will improve the ability of USDA to pursue suspected cases of abuse by expanding the use of information provided by retailers to federal and state law enforcement agencies. This provision will go far in enhancing our government's ability to weed out fraudulent activities by retail stores in the Food Stamp Program.

The Food Stamp Program Improvements Act also changes the definition of a retail food store and requires the Department to periodically provide information to the stores on eligibility criteria. Mr. President, the management of the retail food stores participating in the program is a critical element in the Department's overall efforts to fight fraud and maintain the integrity of the Food Stamp Program.

I asked my colleagues to include in this bill a request that the Secretary monitor and report back to Congress on the impact that these changes have on the Food Stamp Program, and I appreciate their agreement to include this provision. By asking the Department to inform us of the stores coming on or leaving the program, and by asking the Department to monitor and assess the adequacy of the information they are providing to both field staff and retail stores, it is my hope that we will be able to evaluate the ramifications that the changes brought about by this bill have on the Food Stamp Program.

Previous audits by USDA's Office of Inspector General indicate that ineligible stores participate in the program on a widespread basis, that the Food and Nutrition Service provided conflicting information to stores on eligibility criteria, and that stores often erred in their eligibility determinations. We have attempted to address some of these concerns through the Food Stamp Program Improvements Act, and it is my sincere hope that these directives will tighten up the oversight of retail food stores. I look forward to continuing to work with my colleagues on efforts to reduce the fraud in our nation's largest food assistance program.

So the bill (S. 1926) was deemed read three times and passed, as follows.

S. 1926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Stamp Program Improvements Act of 1994".

TITLE I—REPORTING AND STAGGERED ISSUANCE FOR HOUSEHOLDS ON RESERVATIONS

SEC. 101. BUDGETING AND MONTHLY REPORTING ON RESERVATIONS.

(a) IN GENERAL.—Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively; and

(2) by adding at the end the following new subparagraph:

"(C) A State agency may require periodic reporting on a monthly basis by households residing on a reservation only if—

"(i) the State agency reinstates benefits, without requiring a new application, for any household residing on a reservation that submits a report not later than 1 month after the end of the month in which benefits would otherwise be provided;

"(ii) the State agency does not delay, reduce, suspend, or terminate the allotment of a household that submits a report not later than 1 month after the end of the month in which the report is due;

"(iii) on the date of enactment of this subparagraph, the State agency requires households residing on a reservation to file periodic reports on a monthly basis; and

"(iv) the certification period for households residing on a reservation that are required to file periodic reports on a monthly basis is 2 years, unless the State demonstrates just cause to the Secretary for a shorter certification period.".

(b) CONFORMING AMENDMENTS.—

(1) The second sentence of section 3(c) of such Act (7 U.S.C. 2012(c)) is amended by striking "For" and inserting "Except as provided in section 6(c)(1)(C), for".

(2) Section 5(f)(2)(C) of such Act (7 U.S.C. 2014(f)(2)(C)) is amended by striking "clauses (i), (ii), (iii), and (iv)" and inserting "clauses (i), (ii), and (iii)".

SEC. 102. STAGGERED ISSUANCES ON RESERVATIONS.

Section 7(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(h)(1)) is amended by striking the second sentence and inserting the following new sentence: "Upon the request of the tribal organization that exercises governmental jurisdiction over the reservation, the State agency shall stagger the issuance of benefits for eligible households located on reservations for at least 15 days of a month.".

SEC. 103. GAO STUDY AND REPORT ON ADMINISTRATION OF FOOD STAMP PROGRAM BY TRIBAL ORGANIZATIONS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of the feasibility and desirability of—

(1) increasing the opportunity for a tribal organization of an Indian tribe to administer the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) in connection with members of the tribe by—

(A) modifying the requirements established under sections 3(n)(2) and 11(d) of such Act (7 U.S.C. 2012(n)(2) and 2020(d));

(B) modifying or eliminating the cost-sharing requirements established for the tribal organization under section 16(a) of such Act (7 U.S.C. 2025); and

(C) taking such other actions as the Comptroller General considers appropriate; and

(2) permitting the tribal organization to establish reasonable and appropriate requirements with respect to issuance, reporting, and certification requirements under the food stamp program for members of the tribe.

(b) REPORT.—Not later than December 1, 1994, the Comptroller General shall report the results of the study required under subsection (a) to the Committee on Agriculture, and the Subcommittee on Native American Affairs of the Committee on Natural Resources, of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Indian Affairs, of the Senate, so that the results of the study may be considered by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate during the reauthorization of the food stamp program during 1995.

SEC. 104. CONFORMING AMENDMENTS.

(a) Section 908 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 2015 note) is repealed.

(b) Section 6(c)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(4)) is amended by striking "Any" and inserting "Except as provided in paragraph (1)(C), any".

TITLE II—ACCESS TO RETAIL FOOD STORES BY FOOD STAMP HOUSEHOLDS

SEC. 201. FOOD STAMP ACT DEFINITIONS.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended—

(1) in subsection (k)—

(A) by striking "means (1) an establishment" and all that follows through "spices, (2) an establishment" and inserting the following: "means—

"(1) an establishment or house-to-house trade route that sells food for home preparation and consumption and—

"(A) offers for sale, on a continuous basis, a variety of foods in each of the 4 categories of staple foods specified in subsection (u)(1), including perishable foods in at least 2 of the categories; or

"(B) has over 50 percent of the total sales of the establishment or route in staple foods, as determined by visual inspection, sales records, purchase records, counting of stockkeeping units, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry;

"(2) an establishment";

(B) by striking "section, (3) a store" and inserting the following: "section;

"(3) a store"; and

(C) by striking "section, and (4) any private" and inserting the following: "section; and

"(4) any private"; and

(2) by adding at the end the following new subsection:

"(u)(1) Except as provided in paragraph (2), 'staple foods' means foods (as defined in subsection (g)) in the following categories:

"(A) Meat, poultry, or fish.

"(B) Bread or cereals.

"(C) Vegetables or fruits.

"(D) Dairy products.

"(2) 'Staple foods' do not include accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices.".

SEC. 202. PERIODIC NOTICE.

Paragraph (2) of section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(2)) is amended to read as follows:

"(2) The Secretary shall issue regulations providing for—

"(A) the periodic reauthorization of retail food stores and wholesale food concerns; and

"(B) periodic notice to participating retail food stores and wholesale food concerns of the definitions of 'retail food store', 'staple foods', 'eligible foods', and 'perishable foods'.".

SEC. 203. USE AND DISCLOSURE OF INFORMATION PROVIDED BY RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the second sentence, by inserting after "disclosed to and used by" the following: "Federal law enforcement and investigative agencies and law enforcement and investigative agencies of a State government for the purposes of administering or enforcing this Act or any other Federal or State law and the regulations issued under this Act or such law, and";

(2) by inserting after the second sentence the following new sentence: "Any person who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by Federal law (including a regulation) any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both."; and

(3) in the last sentence, by striking "Such purposes shall not exclude" and inserting the following: "The regulations shall establish the criteria to be used by the Secretary to determine whether the information is needed. The regulations shall not prohibit".

SEC. 204. DEMONSTRATION PROJECTS TESTING ACTIVITIES DIRECTED AT TRAFFICKING IN COUPONS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following new subsection:

"(l) The Secretary shall use up to $4,000,000 of the funds provided in advance in appropriations Acts for projects authorized by this section to conduct demonstration projects in which State or local food stamp agencies test innovative ideas for working with State or local law enforcement agencies to investigate and prosecute coupon trafficking.".

SEC. 205. CONTINUING ELIGIBILITY.

An establishment or house-to-house trade route that is otherwise authorized to accept and redeem coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) on the day before the date of enactment of this Act shall be considered to meet the definition of "retail food store" in section 3(k) of such Act (7 U.S.C. 2012(k)) (as amended by section 201) until the earlier of—

(1) the periodic reauthorization of the establishment or route; or

(2) such time as the eligibility of the establishment or route for continued participation in the food stamp program is evaluated for any reason.

SEC. 206. REPORT ON IMPACT ON RETAIL FOOD STORES.

Not later than 18 months after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the impact of the amendments made by sections 201 and 202 on the involvement of retail food stores in the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including a description of—

(1) the numbers and types of stores that were newly authorized to participate in the food stamp program after implementation of the amendments;

(2) the numbers and types of stores that were withdrawn from the food stamp program after implementation of the amendments;

(3) the procedures used by the Secretary, and the adequacy of the procedures used, to determine the eligibility of stores to participate in the food stamp program and to authorize and reauthorize the stores to participate in the food stamp program;

(4) the adequacy of the guidance provided by the Secretary to retail food stores concerning—

(A) the definitions of 'retail food store', 'staple foods', 'eligible foods', and 'perishable foods' for purposes of the food stamp program; and

(B) eligibility criteria for stores to participate in the food stamp program; and

(5) an assessment of whether the amendment to the definition of "retail food store" under section 3(k) of such Act (as amended by section 201(1)) has had an adverse effect on the integrity of the food stamp program.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, I ask unanimous consent that Senator BOND be recognized for 3 minutes; that upon the conclusion of his remarks, Senator BYRD be recognized to address the Senate, and that upon the conclusion of Senator BYRD's remarks the Senate stand in recess as ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. I thank the Chair.

Mr. President, I express my appreciation to the distinguished majority leader and to our distinguished President pro tempore. I will not be long.

WHITEWATER

Mr. BOND. Mr. President, I heard the majority leader raise a number of questions just a few moments ago, and I thought it might be appropriate for the record just to respond.

First, he commented on the lack of policies of the Republicans. Granted, we do not have a President to set forth policies, but many of us in this body are working very hard on our side and in cooperation with our colleagues on the other side of the aisle on health care, on a wide range of issues. We do have health care plans. He asked if we had an economic plan. I believe the economy is benefiting now from the economic plans put in place in the 1980's and the early 1990's by Presidents Reagan and Bush. The long-term structural adjustments are leading to the economic recoveries we have now.

Mr. President, with respect to the issue of Whitewater, I was delighted to hear the majority leader say that there will be congressional hearings. I was concerned that he suggested the questions which are being raised are being raised now only for political purposes.

I just want to call the attention of my colleagues to the fact that there was a special investigation set up that was focusing on activities in Arkansas, and then on the tragic death of a top White House aide. But until we had a banking hearing last week in which I and a number of my colleagues asked questions, we had not raised the issue of what has now become a major concern.

In that committee meeting in banking, I asked Mr. Altman how the White House was notified of the referral. Mr. Altman said:

> They were not notified by the RTC, to the best of my knowledge.

I replied:

> Nobody in your agency to your knowledge advised the White House staff that this was going to be a major, this could be a major source of concern?

Mr. Altman replied:

> Not to my knowledge.

My question was followed by further inquiries by Senators D'AMATO, DOMENICI, and GRAMM. As a result of that, more and more information came out about White House meetings involving the general counsel to the Treasury and the counsel to the White House.

Since that time, 10 subpoenas have been issued. The White House counsel has resigned. I believe that we have attempted, in raising these questions, to exercise our responsibility of congressional oversight. I believe we can continue and we should continue to do so without granting immunity, without taking any steps that would interfere with the internal criminal investigations.

I believe we can do that, and I urge that we be permitted to go ahead with a full-scale inquiry so that we can raise the cloud that has descended over this town and this administration.

The special counsel will seek to find out whether there are criminal matters which should be pursued. But we in Congress have a much broader responsibility to see if the ethical standards of the high officials in the executive branch have been observed, and to determine whether there has been a full and accurate accounting; and whether we in Congress and the American people ought to know more about the responses of the executive branch to the investigation.

This to me is a vitally important matter of ongoing congressional oversight. I hope that we will be able to move forward sooner rather than later to pursue that responsibility.

Mr. President, I thank the Chair.

I thank the distinguished President pro tempore.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. BYRD].

THE "VICTIM" OF A HAPPY CONSPIRACY

Mr. BYRD. Mr. President, for many Americans, Washington is a nucleus of Byzantine plots and national political legerdemain, of scenarios hatched in smoke-filled rooms and of sinister conspiracies nightmared to life behind closed doors.

Be that as it may, yesterday, I found myself the subject of a conspiracy, of whispered intrigues, and of hidden agenda that reached to the very spires of power in the United States Senate—a conspiracy so intricate that its tentacles reached out to embrace some of my closest friends and even some of the most loyal members of my own staff.

So I stand here to say that I am shocked—shocked. Yes, Mr. President, shocked, that such conspiring could have taken place under my very nose and involve so many high-placed personages without my ever catching a whiff of that conspiracy before the fact. It is indeed a serious matter.

However, I add, Mr. President, that seldom have I been so touched and moved by any such conspiracy in my life, and I sincerely thank all of those who planned yesterday's special luncheon honoring me for 35 years of continuous service in the United States Senate, and all of those who joined in honoring me.

It was 35 years ago, Mr. President, that the first two Alaska Senators were sworn in on the same date as was I, in January 1959. And in that year, Hawaii's first two Senators' terms began on August 21, 1959. So, it was in commemoration of those great events, the swearing in of those four Senators from those two States that yesterday's luncheon was held. And Senators INOUYE and STEVENS, especially, were kind enough to include me in the honors. To Senator DOLE, Senator MITCHELL, Senator HATFIELD, Senator ROCKEFELLER, Vice President GORE, and so many others—I assure all involved, Mr. President, that I was sincerely and genuinely moved by the events of yesterday, and that I shall never forget the graciousness and the thoughtfulness of which I was the beneficiary at Thursday's celebration.

Nor shall I ever forget the sly fashion in which the Secretary of the Senate, Walter J. Stewart lured me into their net—telling me in my office, as I was eating a bologna sandwich, that a British delegation from those beautiful isles adjoining the English channel and the North Sea were upstairs and would be happy to visit with me, and that they wanted to hear me discourse on the United States Constitution and the British Constitution.

Thus, armed with the United States Constitution, I left my office to share what I thought would be a half hour with our British partners, and our British cousins, I might add. When I entered the luncheon room, the Mansfield Room, and everybody stood up and applauded, I thought the applause was for our phantom British visitors, who, I thought, were entering the room behind me. So real had Joe Stewart's act been, and so taken in was I, that, at the applause, I looked around to welcome our guests.

Senator INOUYE and Senator STEVENS hosted the luncheon, and I deeply appreciate the efforts that Senator INOUYE and STEVENS exerted in planning and executing this beautiful affair. It was a delightful event, a very delectable and enjoyable luncheon on yesterday.

I especially thank Senator DOLE and Senator MITCHELL for their roles in honoring me. I have stood in both of their shoes, and I know the difficulty of the task of being either the minority leader or the majority leader. I shall long remember both leaders being present and their eloquent words in my behalf.

I thank Senator ROCKEFELLER, my distinguished colleague from West Virginia, and Senator HATFIELD, my colleague and distinguished ranking member on the Appropriations Committee. Again and again, my responsibilities throw me together with these exemplary gentlemen—and I intend that word "gentlemen" in all of its most laudatory and classic connotations—and I treasure the associations that I have enjoyed with these two Senators in our work together here in the Senate and in our friendships, one with the other.

Mr. President, I make no pretense of nonchalance or detachment with regard to the United States Senate, or to my privilege of serving in this institution.

In the season of mankind's tenure here on Earth, and in the brief centuries of the recorded history of that tenure, perhaps into the hands of no other institution—the Senate of Republican Rome included—into the hands of no other institution has so much power and trust been delivered than has been delivered into the hands of the United States Senate. No, not the Roman Senate, although that, too, was a unique Senate—one of the two greatest Senates in all history—and not the British House of Commons, not the French Chamber of Deputies, not the Russian Imperial Duma, not the German Bundestag, not the Japanese Diet. The United States Senate is, as far as I am concerned, sui generis among all legislative bodies.

Out of all of the millions upon millions of men and women who have been and are privileged to call themselves Americans, only 1,815 men and women, cumulatively, have been chosen to bear the title "United States Senator." As surely as I stand here in living flesh and blood, I discern in the creation of the Senate and in the bestowal of the title "United States Senator," the hand of Destiny—a Destiny that promises for this great Nation an incomparable role in human history; a Destiny that purposes for this Senate a paramount role in charting our ship of state through the shoals and rapids of a sometimes capricious and purpose-destroying course of events.

For those reasons, if none other, I am a proud advocate of the constitutional prerogatives of the United States Senate against all those who might, in their sometimes invincible ignorance, reduce the Senate to a pitiful creation, far less than the giants of the Constitutional Convention envisioned this Senate to be.

If all else fails, Mr. President, let the United States Senate rise to her full stature and do battle. If all else fails, let the United States Senate gird herself with the majesty of the intellects of Madison and Washington and Franklin and Hamilton, and those others on whose shoulders this Republic rests. If all else fails, let the United States Senate play the unfettered role embodied for her in the Constitution, and the promise of America, the purpose of America, and the dream of America will not be lost.

That, Mr. President, is my faith in History's and Destiny's having called the United States Senate into being.

And that, Mr. President, is, in part, my interpretation of my own humble participation as one among equals in welding the powers, duties, and servanthood that the Constitution bestows on all of us who are set aside by our fellow citizens to be called "United States Senator."

Therefore, Mr. President, I have discerned, and I continue to discern—and I have done through my 35 years in the Senate—my being a Senator more in terms of duty and responsibility—patriotic responsibility—in behalf of the people of the United States and the citizens of West Virginia than in any misbegotten sense of pride or haughtiness of position.

But, yesterday, I experienced again, as I have experienced so many times over roughly three-and-one-half decades, the incomparable friendship and comradeship that we share as Senators. I shall carry into eternity my gratitude for the quality of the association and mutual affection that is ours uniquely here in the United States Senate.

I yield the floor.

ORDERS FOR TUESDAY, MARCH 15, 1994

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. Tuesday, March 15; that following the prayer, the Journal of proceedings be approved to date and the time for the two leaders reserved for their use later in the day; that the Senate then resume consideration of S. 4, with the time until 10 a.m. equally controlled between Senator HOLLINGS and Senator DANFORTH, or their designees; that on Tuesday, the Senate stand in recess from 12:30 p.m. to 2:30 p.m. in order to accommodate the respective party conferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MARCH 15, 1994, AT 9 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9 a.m., Tuesday, March 15.

Thereupon, the Senate, at 5:39 p.m., recessed until Tuesday, March 15, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 11, 1994:

DEPARTMENT OF DEFENSE

CLARK G. FIESTER, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE, VICE G. KIM WINCUP, RESIGNED.

NATIONAL COUNCIL ON DISABILITY

KATE PEW WOLTERS, OF MICHIGAN, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1995, VICE ALVIS KENT WALDREP, JR., TERM EXPIRED.

IN THE ARMY

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C. SECTIONS 593(A) AND 3385:

ARMY PROMOTION LIST

To be colonel

WILLIAM M. CASEY, [redacted]
THOMAS G. EGAN, [redacted]
BRUCE R. JONES [redacted]
DONALD E. KOZACEK, [redacted]
RAMON P. LOPEZ [redacted]
WILFREDO MARTINEZ-RODRIGUEZ, [redacted]
TONEY L. SANDERS, JR. [redacted]

CHAPLAIN CORPS

To be colonel

DAVID R. CHANCE, [redacted]
DONALD W. HILL, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

JAMES A. BARRINEAU, JR. [redacted]
CRAIG T. CENESKIE [redacted]
PHILIP A. CHOULES [redacted]
ROBERT C. CLOUSE, JR. [redacted]
STEPHEN M. DONNELLY [redacted]
FREDERICK J. EMEHISER [redacted]
JOEL D. C. HART [redacted]
FLOYD T. RICHARDSON, JR. [redacted]
JOEL S. ROSTBERG [redacted]
STUART M. SEATON, JR. [redacted]
STEPHEN A. STOHLA [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

JACKIE E. COOKE, [redacted]
KENNETH E. SPIELOVOGEL [redacted]
ROYCE R. THOMAS, [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

BENJAMIN F. LUCAS II [redacted]

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE:

CHAPLAIN

To be colonel

CHRIST ANDERSON, [redacted]
RAYMOND BRADLEY, [redacted]
WINFIELD BUZBY [redacted]
CHARLES D. CAMP [redacted]
KENNETH CARPENTER, [redacted]
JAMES S. COOPER [redacted]
GLENN FASANELLA, [redacted]
BILLY W. FOWLER, [redacted]
DONALD HANCHETT, [redacted]
RICHARD HARTSELL, [redacted]
ROBERT HUTCHERSON, [redacted]
HERBERT KITCHENS [redacted]
WILLIAM MORRISON, [redacted]
HAROLD D. ROLLER, [redacted]
CARL V. THOMPSON, [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C. SECTIONS 593(A) AND 3385:

ARMY PROMOTION LIST

To be colonel

STEPHEN L. ELDER [redacted]
BOBBY G. GRIFFEY [redacted]
ALFRED T. TAYLOR, JR. [redacted]

MEDICAL CORPS

To be colonel

EDWARD W. ZEFF [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

PAUL A. AKERS [redacted]
DAN A. BERKEBILE, [redacted]
STANLEY E. BOTTS, [redacted]
PATRICK H. BURKE, [redacted]
HUBERT D. CAPPS [redacted]
MICHAEL R. DANIEL, [redacted]
WILLIE D. DAVENPORT [redacted]
QUINTON T. DIXON, JR. [redacted]
WILLIAM H. DODGEN, [redacted]
LESTER D. EISNER [redacted]
WILLIAM C. HARBOUR, [redacted]
JOHN C. HOLLAND, [redacted]
HARRY R. JENSEN [redacted]
CAROL A. JOHNSON, [redacted]
EUGENE H. LORGE, [redacted]
STEPHEN D. SCOTT [redacted]
KARL P. SMULLIGAN, [redacted]
NANCY J. WETHERILL [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be lieutenant colonel

JOHN H. GLADDEN, [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

DONALD R. JOHNSON, [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, U.S.C. SECTIONS 593(A) AND 3385:

ARMY PROMOTION LIST

To be colonel

JOHN C. ATKINSON, [redacted]
BRADLEY S. DUPEE, [redacted]
DALLAS W. FANNING, [redacted]
DENNIS D. HEINTZ, [redacted]
RICHARD W. HUSKES, [redacted]
DENNIS J. LORD, [redacted]
CRAIG L. LOWMAN, [redacted]
DAVID L. PERLMAN, [redacted]
RICHARD L. THROCKMORTON, [redacted]
ROBERT A. WILLIAMS, [redacted]

MEDICAL CORPS

To be colonel

THOMAS C. JEFFERSON [redacted]

MEDICAL SERVICE CORPS

To be colonel

ROYCE D. JONES, [redacted]

ARMY NURSE CORPS

To be colonel

ELIZABETH A. ROBB [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

PHILIP A. BADDOUR, JR. [redacted]
JOHN E. DORSEY, [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

JOHN P. AUBIN, [redacted]
FREDDIE L. BARNARD [redacted]
WILLIAM M. BROWN, [redacted]
DENNIS L. CELLETTI [redacted]
PHILIP M. DEHENNIS [redacted]
KEVIN G. ELLSWORTH, [redacted]
DAVID R. ERDMANN, [redacted]
KENNETH H. ERWIN, [redacted]
PATRICK D. FLANAGAN, [redacted]
JOHN T. FURLOW, [redacted]
CHARLES L. GABLE, [redacted]
RONALD M. GAY, [redacted]
DENNIS R. GILPATRICK [redacted]
MICHAEL J. GRIFFIN [redacted]
RALPH R. GRIFFIN [redacted]
DONALD R. HARMON, [redacted]
WILLIAM A. HIPSLEY [redacted]
THOMAS F. HOPKINS, [redacted]
JAMES G. HUNT, [redacted]
THOMAS C. HUNT, [redacted]
THOMAS C. LAWING, [redacted]
JOHN T. MACKEY, [redacted]
RUSSELL A. MOORE, [redacted]
JIMMY R. MORGAN, [redacted]
MADONNA M. NUCE, [redacted]
PATRICK M. O'HARA, [redacted]
HARRY D. OWEN, JR. [redacted]
DARREN G. OWENS, [redacted]
JOHN M. PRICKETT [redacted]
RONALD J. RANDAZZO, [redacted]
CHARLES R. SEITZ [redacted]
LAWRENCE J. SLAVICEK, [redacted]
STEVEN A. SMITH, [redacted]

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTION 593(A) AND 3370:

CHAPLAIN CORPS

To be colonel

JOSEPH B. FLATT, JR. [redacted]
RONALD S. GAUSS, [redacted]
EDWIN N. GRIFFIN [redacted]
LARRY P. HENDERSON, [redacted]
ELISHA C. HURLEY, [redacted]
JOHN P. KOHL, [redacted]
PAUL E. LUTHMAN, [redacted]
MICHAEL F. WEST, [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, U.S.C., SECTION 593(A) AND 3366:

CHAPLAIN CORPS

To be lieutenant colonel

HUMBERTO J. ACOSTA, [redacted]
JOHN F. ANDREWS, [redacted]
HUBERT R. BAKER, [redacted]
JOHN D. BAKER, [redacted]
ARTHUR D. BEACHAM, [redacted]
LEOPOLD BILODEAU, [redacted]
ROBERT O. BROOKE, [redacted]
DAVID W. BROOKS, [redacted]
JERVIS O. BURNS [redacted]
RUSSELL N. BURR [redacted]
THOMAS R. BUTLER, [redacted]
WILLIAM CARMICHAEL, [redacted]
TONY M. CLEAVER, [redacted]
WESLEY D. COLLIER, [redacted]
DAVID M. COUCHMAN, [redacted]
GARY L. DANIELSEN, [redacted]
JOHN R. DAVIS, [redacted]
THOMAS FIALKOWSKI, [redacted]
THOMAS A. FOH, [redacted]
STANLEY GARTHWAIT, [redacted]
RAYMOND L. GONIA, [redacted]
ROBERT H. GRESH, [redacted]
MARVIN L. HARRIS, [redacted]
JAMES W. HOLIDAY, [redacted]
THOMAS R. HUDAK, [redacted]
WALTER HUTCHISON, [redacted]
JACK L. KROUGH, [redacted]
LEONARD G. LEE, [redacted]
MARK W. LENNEVILLE, [redacted]
CURTIS L. LESTER, [redacted]
FRANK T. MARSHALL, [redacted]
GARY P. MAUCK, [redacted]
CHARLES MCDOWELL, [redacted]
RICHARD MCLAUGHLIN, [redacted]
THOMAS MUSSELMAN, [redacted]
ALLEN R. NABORS, [redacted]
GEORGE E. PACKARD, [redacted]
THOMAS L. PALKE, [redacted]
SHELBY R. PEARCY, [redacted]
WILLIAM R. POMEROY, [redacted]
THADDEUS POSEY, [redacted]
PAUL R. RANDALL, [redacted]
MARVIN T. REYNOLDS, [redacted]
RICHARD ROCKWELL, [redacted]
GARY F. ROTHWELL, [redacted]
ALLEN E. RUSSELL, [redacted]
NOLAN M. SAAREM, [redacted]
JAMES E. SAMS, [redacted]
WILLIAM SCHLADEBECK, [redacted]
DAVID M. SHAFER, [redacted]
TOMMY W. SMITH, [redacted]
TIMOTHY L. STEEVES, [redacted]
MARK C. STENBECK, [redacted]
MITCHELL STRANGE, [redacted]
JOHN E. THAMES, [redacted]
STEPHEN THOMASON, [redacted]
TOBE W. THOMPSON, [redacted]
JOHN S. VIRKLER, [redacted]
AVERT O. WADE, [redacted]
JOHN A. WELCH, [redacted]
FRANK WITTOUCK [redacted]
JEREMIAH F. WORMAN, [redacted]
RICHARD M. WRIGHT, [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE:

STEPHEN G. ABEL, [redacted]
DAVID L. ABRAHAMSON, [redacted]
JOSEPH W. ADAMCZYK, [redacted]
RONALD A. ADKINS, [redacted]
HENRY S. ALCOTT, [redacted]
KEITH B. ALEXANDER, [redacted]
CHARLES W. ALSUP, [redacted]
MICHAEL T. ANDERSON, [redacted]
MARY G. ANDREWS, [redacted]
ROGER I. ANGLIN, [redacted]
ALBERT E. ARNOLD, [redacted]
ROBERT W. ASH, [redacted]
HENRY J. ATWOOD, [redacted]
RICHARD R. BABBITT, [redacted]
RICHARD O. BAILER, [redacted]
ROBERT M. BAILEY, [redacted]
THOMAS L. BAILEY, [redacted]
GEORGE F. BARBER, [redacted]
SAMUEL J. BARLOTTA, [redacted]
LEE R. BARNES, JR. [redacted]
DAVID W. BARNO, [redacted]
JOHN R. BATSTE, [redacted]
RANDY R. BECKMAN, [redacted]
MATTHEW J. BELFORD, [redacted]
WILLIAM H. BELL, [redacted]
MICHAEL D. BELLINO, [redacted]

DAVID J. BENJAMIN, [redacted]
SCOTT M. BERGERON, [redacted]
WILLIAM R. BETSON, [redacted]
ROBERT K. BILLINGS, [redacted]
EDWARD D. BISHOP, [redacted]
GARY G. BISHOP, [redacted]
TEDDY D. BITNER, [redacted]
WILLIAM M. BLACK, [redacted]
JOSEPH M. BLANCO, [redacted]
JOHN A. BONIN, [redacted]
RANDALL D. BOOKOUT, [redacted]
GUY M. BOURN, [redacted]
ROBERT L. BOYLSTON, [redacted]
THOMAS M. BRADY, [redacted]
JONATHAN W. BRAKE, [redacted]
JOSEPH J. BRAND, [redacted]
JAMES L. BRAZEALE, [redacted]
LISLE K. BROOK, [redacted]
ROY A. BROOKS, [redacted]
HERBERT G. BROWN, [redacted]
ROBERT P. BROWN, [redacted]
RALPH M. BRUNER, [redacted]
MARK A. BRZOZOWSKI, [redacted]
PETER J. BUCHA, [redacted]
RONALD L. BURGESS, [redacted]
GORDON J. BURKE, [redacted]
ROBERT W. BURKARDT, [redacted]
BILLY J. BURSE, [redacted]
JEFFREY E. BURTON, [redacted]
MICHAEL A. BURTON, [redacted]
PAUL J. BURTON, [redacted]
JACK H. CAGE, [redacted]
KEVIN T. CAMPBELL, [redacted]
PHILIP L. CAMPBELL, [redacted]
RAYMOND P. CANTON, [redacted]
THOMAS M. CARLIN, [redacted]
GARY C. CARLSON, [redacted]
KATHRYN G. CARLSON, [redacted]
WALDEMAR E. CARMONA, [redacted]
THOMAS T. CASH, [redacted]
RANDALL G. CATTS, [redacted]
DANIEL S. CHALLIS, [redacted]
EDWIN CHAMBERLAIN, [redacted]
ROGER J. CHANNING, [redacted]
JOSEPH W. CHESLEY, [redacted]
PETER W. CHIARELLI, [redacted]
JONATHAN H. COFER, [redacted]
DOUGLAS R. COFFEY, [redacted]
BRUCE R. CONOVER, [redacted]
SCOTT W. CONRAD, [redacted]
JAMES D. COOMLER, [redacted]
WINTHROP H. COOPER, [redacted]
JOHN F. CORBETT, [redacted]
DAVID M. COWAN, [redacted]
CHARLES W. COX, [redacted]
JAMES C. CRINEAN, [redacted]
JAMES W. CRITZ, [redacted]
RICHARD D. CROSBY, [redacted]
ROBERT T. DAIL, [redacted]
STEPHEN C. DALY, [redacted]
JESSE M. DANIELSON, [redacted]
STEPHEN A. DANNER, [redacted]
LAWRENCE E. DAVIS, [redacted]
MARION T. DAVIS, [redacted]
WILLIAM J. DAVIS, [redacted]
GEORGE L. DEASON, [redacted]
ROBERT L. DECKER, [redacted]
RICHARD R. DEMERS, [redacted]
MARTIN E. DEMPSEY, [redacted]
ROLLAND A. DESSERT, [redacted]
JOHN P. DIAS, [redacted]
JEFFREY B. DIENNO, [redacted]
ROBERT G. DINSICK, [redacted]
ANTHONY C. DIRIENZO, [redacted]
RAYMOND A. DOMASKIN, [redacted]
JEFFERY L. DONALD, [redacted]
JOHN V. DONOVAN, [redacted]
BARBARA DOORNINK, [redacted]
CHARLES H. DOVE, [redacted]
PAUL N. DUNN, [redacted]
DENNIS DUPLANTIER, [redacted]
ROBERT A. DURINGER, [redacted]
JEANETTE K. EDMUNDS, [redacted]
DAVID J. EGGLE, [redacted]
KARL W. EIKENBERRY, [redacted]
FRANKLIN E. ELKINS, [redacted]
STEVEN A. EMISON, [redacted]
JOHN J. ERB II, [redacted]
DEAN R. ERTWINE, [redacted]
JOHNNY S. EVERETTE, [redacted]
DAVID A. FAGAN, [redacted]
DANIEL R. FAKE, [redacted]
ANDREW J. FALLON, [redacted]
STEPHEN C. FEE, [redacted]
WILLIAM J. FENNELL, [redacted]
OTIS B. FERGUSON, [redacted]
CHARLES W. FLETCHER, [redacted]
ALBERT M. FLEUMER, [redacted]
STEVEN W. FLOHR, [redacted]
HAYWARD S. FLORER, [redacted]
CHRISTOP FORNECKER, [redacted]
ROBERT D. FOX, [redacted]
ARCHIE M. FRANKS, [redacted]
DOUGLAS A. FRAZE, [redacted]
MICHAEL E. FREEMAN, [redacted]
ROBERT J. FULCHER, [redacted]
CLYDE R. GALLES, [redacted]
ALBERT B. GARCIA, [redacted]
JEREMIAH GARRETSON, [redacted]
RUSSELL K. GARRETT, [redacted]
MARK H. GERNER, [redacted]
GUILLERMO GIANDONI, [redacted]
JAMES P. GIBBONS, [redacted]
CRAIG H. GLASSNER, [redacted]
THOMAS R. GOEDKOOP, [redacted]
CHARLES R. GOLLA, [redacted]
EDWIN S. GOODALE, [redacted]
JOHN D. GORRELL, [redacted]
ROBERT J. GRAEBENER, [redacted]
DWIGHT GRAY, [redacted]
RICHARD A. GRIMES, [redacted]
MYRON J. GRISWOLD, [redacted]
CHARLES J. GUTA, [redacted]
RICK GUTWALD, [redacted]
DAVID B. HALL, [redacted]
ALBERT J. HAMILTON, [redacted]
MICHAEL L. HAMMACK, [redacted]
ALAN R. HAMMOND, [redacted]
FRANK R. HANCOCK, [redacted]
JOSEPH M. HANRATTY, [redacted]
JAMES R. HARDIN, [redacted]
DENNIS E. HARDY, [redacted]
GLENN M. HARNED, [redacted]
DAVID L. HARTMAN, [redacted]
JULIAN B. HARWANKO, [redacted]
WILLIAM J. HATCH, [redacted]
STEVEN R. HAWKINS, [redacted]
RONALD L. HAWTHORNE, [redacted]
SHAROLYN I. HAYES, [redacted]
GORDO HEARNSBERGER, [redacted]
JERRY M. HENDERSON, [redacted]
PAUL H. HERBERT, [redacted]
JAMES L. HICKEY, [redacted]
SAMUEL W. HIGDON, [redacted]
CHRISTOPHER L. HILL, [redacted]
THOMAS M. HILL, [redacted]
ROBERT A. HOBBS, [redacted]
THOMAS J. HODGINI, [redacted]
EDWARD E. HOFFER, [redacted]
HUGH F. HOFFMAN, [redacted]
JOHN W. HOFFMAN, [redacted]
JAMES F. HOLCOMB, [redacted]
JOHN W. HOLLY, [redacted]
DON R. HOPKINS, [redacted]
HENRY C. HOSTETTER, [redacted]
JAMES R. HOUGNON, [redacted]
JOSEPH E. HUBER, [redacted]
CLARENCE T. HUNTER, [redacted]
MELVIN E. HUNTER, [redacted]
TYRANNY A. HUNTER, [redacted]
DAVID H. HUNTOON, [redacted]
LARRY F. ICENOGLE, [redacted]
RANDALL R. INOUYE, [redacted]
JONATHAN JACOBSEN, [redacted]
MARTHA G. JAMES, [redacted]
HAL M. JOHNSON, [redacted]
JEROME JOHNSON, [redacted]
JOHN F. JOHNSON, [redacted]
KARL W. JOHNSON, [redacted]
KENNETH F. JOHNSON, [redacted]
LONNIE L. JOHNSON, [redacted]
NOBLE T. JOHNSON, [redacted]
GEORGE T. JONES, [redacted]
PHILIP M. JONES, [redacted]
KEITH M. JOSEPH, [redacted]
GERALD W. JOYCE, [redacted]
PETER N. KAFKALAS, [redacted]
JOHN P. KALE, [redacted]
ROBERT P. KANE, [redacted]
MICHAEL KARPINSKY, [redacted]
CHARLES R. KAYLOR, [redacted]
JOHN D. KENNEDY, [redacted]
JOHN M. KENNEY, [redacted]
ROBERT F. KENNEY, [redacted]
JOHN A. KIDDER, [redacted]
DARRYL W. KILGORE, [redacted]
MARSHA L. KILLAM, [redacted]
JOHN F. KIMMONS, [redacted]
HENRY L. KINNISON, [redacted]
MICHAEL A. KIRBY, [redacted]
ALPHONSO W. KNIGHT, [redacted]
WILLIAM S. KNIGHTLY, [redacted]
JAMES S. KORTZ, [redacted]
KURT L. KRATZ, [redacted]
MICHAEL F. KREJCI, [redacted]
MYRON P. KRYSCHTAL, [redacted]
ROBERT KUBISZEWSKI, [redacted]
HOWARD F. KUENNING, [redacted]
STEPHEN J. KUFFNER, [redacted]
ROBERT A. KUTH, [redacted]
ILONA W. KWIECIEN, [redacted]
BRUCE R. LAFERRIERE, [redacted]
DANIEL F. LALLY, [redacted]
KENNETH A. LAPLANTE, [redacted]
TELFORD W. LAREW, [redacted]
SCOTT R. LARSON, [redacted]
RICHARD W. LASZOK, [redacted]
JOHN C. LATIMER, [redacted]
JON S. LAURICH, [redacted]
JAY E. LAWSON, [redacted]
RICHARD D. LEE, [redacted]
RICHARD B. LEIBERT, [redacted]
RAYMOND J. LEISNER, [redacted]
STANLEY C. LEJA, [redacted]
THOMAS J. LENEY, [redacted]
BYRON R. LESTER, [redacted]
JOHN P. LEWIS, [redacted]
WILLIAM H. LIXEY, [redacted]
CHARLES D. LOWMAN, [redacted]
CHARLES A. LUCIA, [redacted]
MICHAEL L. LUSTIG, [redacted]
THOMAS, MACKIEWICZ, [redacted]
GLENN A. MACKINNON, [redacted]
STEPHEN C. MAIN, [redacted]
JESUS A. MANGUAL, [redacted]
WILLIAM J. MARTINEZ, [redacted]
STEPHEN B. MASSEY, [redacted]
JAMES P. MAULT, [redacted]
ARTHUR G. MAXWELL, [redacted]
ROBERT L. MAYES, [redacted]
MICHAEL MAZZUCCHI, [redacted]
WILLIAM D. MCCUNE, [redacted]
CHARLES J. MCKENZIE, [redacted]
DANNY R. MCKNIGHT, [redacted]
WILLIAM MCMANAWAY, [redacted]
DEE A. MCWILLIAMS, [redacted]
GLENN M. MELTON, [redacted]
EDMOND K. MELVILLE, [redacted]
CONRAD V. MEYER, [redacted]
KENT D. MILLER, [redacted]
SCOTT F. MILLER, [redacted]
THOMAS G. MILLER, [redacted]
WESLEY C. MILLER, [redacted]
JOHN M. MITCHELL, [redacted]
ROBERT W. MIXON, [redacted]
BILL R. MOORE, [redacted]
GORDON K. MOORE, [redacted]
DONALD R. MORAN, [redacted]
PHILIP S. MORRIS, [redacted]
GREGORY V. MORTON, [redacted]
JOHN B. MOSELEY, [redacted]
KLAUS M. MULLINEX, [redacted]
MICHAEL T. MULVENON, [redacted]
GEORGE J. MURATI, [redacted]
JAMES T. MURATSUCHI, [redacted]
EDWARD G. MURDOCK, [redacted]
STEVEN H. MYER, [redacted]
SCOTT E. NAHRWOLD, [redacted]
GEORGE R. NELSON, [redacted]
DONALD D. NEWLIN, [redacted]
CLYDE M. NEWMAN, [redacted]
DAVID N. NICHOLSON, [redacted]
RICHARD NICKERSON, [redacted]
PATRICIA L. NILO, [redacted]
JERRY J. NOVOSAD, [redacted]
RAYMOND T. ODIERNO, [redacted]
ERIC T. OLSON, [redacted]
DAVID R. OSLIN, [redacted]
VIRGIL L. PACKETT, [redacted]
JOSEPH P. PADDOCK, [redacted]
DONALD D. PARKER, [redacted]
JAMES W. PARKER, [redacted]
BRUCE M. PARKINS, [redacted]
JAMES S. PATTERSON, [redacted]
THOMAS J. PAWLOWSKI, [redacted]
GRAIG H. PEARSON, [redacted]
MICHAEL A. PEARSON, [redacted]
JOHN R. PENMAN, [redacted]
JESSE M. PEREZ, [redacted]
ELBERT N. PERKINS, [redacted]
DANIEL PETERJOHN, [redacted]
JOSEPH F. PETERSON, [redacted]
DAVID H. PETRAEUS, [redacted]
WILLIAM R. PHILLIPS, [redacted]
JAMES H. PILLSBURY, [redacted]
LALIT K. PIPLANI, [redacted]
RICHARD L. PITTS, [redacted]
GREGORY F. POTTS, [redacted]
WILLIAM W. POWELL, [redacted]
JAMES E. PRESCOTT, [redacted]
RICHARD P. PRICE, [redacted]
WILLIAM C. PUDDY, [redacted]
MARILYN QUAGLIOTTI, [redacted]
JOHN C. RACE, [redacted]
LESLIE L. RATLIFF, [redacted]
MARSHALL C. REED, [redacted]
WILLIAM A. REESE, [redacted]
THOMAS W. RESAU, [redacted]
MAYNARD S. RHOADES, [redacted]
RICHARD RICCARDELLI, [redacted]
DONALD R. RIEDEL, [redacted]
DON T. RILEY, [redacted]
JAMES P. RINDLER, [redacted]
LEON H. RIOS, [redacted]
TOMMY H. ROBERSON, [redacted]
MICHAEL D. ROCHELLE, [redacted]
WILLIAM RODAKOWSKI, [redacted]
RAYMOND L. RODON, [redacted]
JOSE A. RODRIGUEZ, [redacted]
STEVEN L. ROOP, [redacted]
DALE E. ROTH, [redacted]
MURRY J. RUPERT, [redacted]
OWEN D. RYAN I, [redacted]
RICHARD M. SACKETT, [redacted]
TIMOTHY L. SANFORD, [redacted]
HARRY J. SAWYER, [redacted]
DONALD F. SCHENK, [redacted]
STEVEN P. SCHOOK, [redacted]
JEFFREY SCHREPPLE, [redacted]
GLEN L. SCOTT, [redacted]
JACK O. SHAFER, [redacted]
MICHAEL D. SHAW, [redacted]
STEPHEN D. SHERRILL, [redacted]
ROBERT L. SHIRRON, [redacted]
JAMES D. SHULSE, [redacted]
TIMOTHY J. SIELSKI, [redacted]
JAMES H. SILCOX, [redacted]
GRANT M. SMITH, [redacted]
MICHAEL L. SMITH, [redacted]
ROBERT E. SMITH, [redacted]
ROBERT L. SMITH, [redacted]
WILLIAM T. SMITH, [redacted]
STEPHEN M. SPEAKES, [redacted]
EDGAR E. STANTON, [redacted]
PHILIP R. STERBLING, [redacted]
BILLY W. STEVENS, [redacted]

THOMAS F., STEWART [redacted]
JAMES R. STORDAHL [redacted]
TEDDY A. STOUT [redacted]
SHAND H. STRINGHAM [redacted]
THOMAS W. SUITT [redacted]
FREDERIC SUNDSTROM [redacted]
LEONARD G. SWARTZ, [redacted]
ANTONIO M. TAGUBA, [redacted]
EDMUND S. TAKEYA [redacted]
JAMES P. TATUM [redacted]
JOE G. TAYLOR, JR. [redacted]
LOUIS E. TAYLOR [redacted]
HARVEY A. TESTON [redacted]
MICHAEL R. THOMPSON [redacted]
JAMES D. THURMAN [redacted]
DONALD R. TINDALL, [redacted]
STEVEN A. TOLLE [redacted]
DENNIS P. TREECE [redacted]
RICHARD J. TREHEARNE [redacted]
WILLIAM A. TUCKER [redacted]
BURTON W. TULKKI, [redacted]
WALTER VANDERBEEK [redacted]
DAVID B. VAUGHAN, [redacted]
WILLIAM S. VOGEL [redacted]
LONNIE D. VONA, [redacted]
THOMAS G. WALLER, [redacted]
CHARLES C. WARE [redacted]
JOHN D. WARREN, [redacted]
JOHN S. WARREN, [redacted]
JAMES M. WASHINGTON [redacted]
GEORGE S. WEBB [redacted]
WILLIAM L. WEBB [redacted]
WILLIAM G. WEBSTER [redacted]
DONALD G. WEIR, [redacted]
JOHN C. WELCH, [redacted]
MARK S. WENTLENT [redacted]
JERRY WIEDEWITSCH [redacted]
PHILIP L. WILKERSON [redacted]
BARRY E. WILLEY [redacted]
JAMES M. WILLEY [redacted]
BENNIE E. WILLIAMS [redacted]
EDWARD W. WILLIAMS [redacted]
JAMES R. WILSON [redacted]
TOD J. WILSON, [redacted]
WILLIAM E. WOLF [redacted]
ALFRED WOODBRIDGE [redacted]
DONALD D. WOOLFOLK, [redacted]
BARRY E. WRIGHT [redacted]
RALPH F. WRIGHT [redacted]
HOWARD W. YELLEN, [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED LIEUTENANT COLONELS OF THE U.S. MARINE CORPS FOR PROMOTION TO THE PERMANENT GRADE OF COLONEL UNDER THE PROVISIONS OF SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be colonel

CLIFFORD M. ACREE, [redacted]
MARK W. ADAMS, [redacted]
NANCY P. ANDERSON, [redacted]
STEVEN D. ANDERSON, [redacted]
LARRY B. BARNES, [redacted]
RICHARD G. BARR, [redacted]
RICHARD M. BARRY, [redacted]
MARK E. BENNETT, [redacted]
ANTHONY D. BLICE, [redacted]
MARK J. BROUSSEAU, [redacted]
DAVID S. BURGESS, [redacted]
CESARE CARDI, [redacted]
MICHAEL E. CARROLL, [redacted]
EZEQUIEL CAVAZOS, JR., [redacted]
ROBERT L. CLICK, [redacted]
TONY L. CORWIN, [redacted]
MARK A. COSTA, [redacted]
LYN L. CRESWELL, [redacted]
JACK C. CUDDY, [redacted]
EDDIE A. DANIELS, III, [redacted]
ALPHONSE G. DAVIS, [redacted]
ROBERT C. DICKERSON, JR., [redacted]
THOMAS E. DILLARD, JR., [redacted]
PATRICK E. DONAHUE, [redacted]
DAVID G. DOTTERRER, [redacted]
TERRENCE P. DUGAN, [redacted]
NEIL S. FOX, II, [redacted]
RONALD F. FRANKS, [redacted]
DAVID D. FULTON, [redacted]
TIMOTHY F. GHORMLEY, [redacted]
BOBBY L. GRICE, [redacted]
MARGARET N. GUERRERO, [redacted]
STEPHEN D. HANSON, [redacted]
DOUGLAS O. HENDRICKS, [redacted]
ROBERT J. HERKENHAM, [redacted]
LEONARDO G. HERNANDEZ, [redacted]
KENNETH W. HILL, [redacted]
JAMES E. HULL, [redacted]
JAMES V. HUSTON, [redacted]
PETER A. JAMES, [redacted]
JOHN A. KEENAN, [redacted]
JOHN B. KISER, [redacted]
KEVIN E. LEFFLER, [redacted]
WALTER E. LEHNER, [redacted]
MICHAEL R. LEHNERT, [redacted]
DAVID M. LUMSDEN, [redacted]
GARY W. MILLER, [redacted]
GEORGE E. MONARCH, III, [redacted]
JOHN T. MOORE, [redacted]
THOMAS L. MOORE, [redacted]
RICHARD F. NATONSKI, [redacted]
PAUL W. OTOOLE, JR., [redacted]
DAVID J. RASH, [redacted]
DOUGLAS C. REDLICH, [redacted]
THERON D. ROGERS, [redacted]
DANIEL R. ROSE, [redacted]
NOLAN D. SCHMIDT, [redacted]
ROBERT W. SEMMLER, [redacted]
WILLIAM X. SPENCER, [redacted]
LAWRENCE D. STAAK, [redacted]
JOSEPH J. STREITZ, [redacted]
MARK E. SWANSTROM, [redacted]
MICHAEL J. SWORDS, [redacted]
JOHN M. TASKA, [redacted]
JOHN C. TRELEASE, [redacted]
LAWRENCE E. TROFFER, JR., [redacted]
STUART W. WAGNER, [redacted]
MICHAEL B. WARLICK, [redacted]
ALBERT A. WASHINGTON, [redacted]
JOHN H. WATSON, [redacted]
WAYNE E. WICKMAN, [redacted]
GLENN R. WILLIAMS, [redacted]
JOHN D. WOODS, [redacted]
DAVID H. YOUNG, [redacted]

IN THE MARINE CORPS

THE FOLLOWING-NAMED CAPTAINS OF THE U.S. MARINE CORPS FOR PROMOTION TO THE PERMANENT GRADE OF MAJOR UNDER THE PROVISIONS OF SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be major

RONNIE L. PATRICK, [redacted]
ELDON W. BINGHAM, [redacted]
RONALD S. MCCLAIN, [redacted]
WILLIAM D. HETTINGER, [redacted]
DOUGLAS O. FEGENBUSH, JR., [redacted]
BRYAN J. SMITH, [redacted]
STEVEN M. LESHER, [redacted]
DAVID C. MYERS, [redacted]
GEORGE P. SANDLIN, [redacted]
JOHN D. SCHNEIDER, [redacted]
JOSEPH A. SCUTELLARO, [redacted]
ROMEO NELSON, [redacted]
DALE F. WILLEY, [redacted]
PETER A. GROGAN, [redacted]
DAVID W. BANKS, [redacted]
KURT M. CONRAD, [redacted]
FRANKLIN D. BAKER, [redacted]
MURRAY T. GUPTILL, JR., [redacted]
PATRICK M. HAINES, [redacted]
GUY D. MEDOR, [redacted]
DAVID G. VRANCIC, [redacted]
DAVID J. KESTNER, [redacted]
WADE C. HALL, [redacted]
JAMES T. KUHN, [redacted]
KENNETH D. ENZOR, [redacted]
THEODORE J. FERRELL, [redacted]
JOHN R. EWERS, JR., [redacted]
LOUIS J. PULEO, [redacted]
LEE B. RAGLAND, [redacted]
DAVID M. BLAUL, [redacted]
GREGORY L. HAUCK, [redacted]
WILLIAM R. WALSH, [redacted]
DEAN M. SCHUBERT, [redacted]
ROBERT B. MACTOUGH, JR., [redacted]
MICHAEL J. LAMBIASE, [redacted]
CRAIG G. HARDCASTLE, [redacted]
WILLIAM A. JOHNSON, [redacted]
ROBERT Q. BRUGGEMAN, [redacted]
JOHN R. INGRAM, [redacted]
GERALD F. BURKE, [redacted]
GERALD L. SMITH, [redacted]
JAMES W. MCKELLAR, [redacted]
DAVID L. CLOSE, [redacted]
JOHN D. REYES, [redacted]
CHARLES D. OHERN II, [redacted]
STEPHEN D. MARCHIORO, [redacted]
JOHN M. BURT, [redacted]
PHILIP A. CAIN, [redacted]
CHARLES B. PEABODY, [redacted]
DAVID E. SMITH, [redacted]
STEVEN J. HERTIG, [redacted]
GEORGE WONG, [redacted]
TIMOTHY J. DEVIN, [redacted]
ROBERT D. JENSEN, [redacted]
EDWARD YARNELL, [redacted]
JOSEPH H. WHEELER III, [redacted]
HERMINIO TORRES, JR., [redacted]
CHRISTOPHER S. OWENS, [redacted]
MATTHEW P. SCHWOB, [redacted]
THOMAS B. GIBBS, [redacted]
PAUL K. SCHREIBER, [redacted]
TERESA J. AMBERG, [redacted]
JOHN E. STONE, [redacted]
CHESTER A. ARNOLD, [redacted]
ROBERT T. HATHAWAY, JR., [redacted]
GEORGE B. BABB, JR., [redacted]
WILLIAM F. GRESHAM, [redacted]
JAMES P. VANETTEN, JR., [redacted]
JOSE A. HERNANDEZ, JR., [redacted]
TOMMY L. HESTER, [redacted]
ROBERT G. LANG, [redacted]
MARGARET A. KUHN, [redacted]
PATRICK T. RILEY, [redacted]
MICHAEL J. MATRONI, [redacted]
RONALD J. COLYER, [redacted]
HOWARD W. FELDMEIER, JR., [redacted]
PAUL J. STENGER, [redacted]
JAMES P. ROSENTHAL, [redacted]
TIMOTHY R. DALLY, [redacted]
ROBERT G. CAHILL, [redacted]
STEVEN M. HOLTZHOUSER, [redacted]
LAWRENCE A. PLATT, JR., [redacted]
MARC L. HOHLE, [redacted]
CAROL W. MACDONALD, [redacted]
CHARLES R. FRAWLEY, [redacted]
FREDERICK S. MCHENRY, [redacted]
JAMES H. SORG, JR., [redacted]
JOHN L. GODBY, [redacted]
AARON E. ALDRIDGE, [redacted]
RICHARD M. PARSONS, [redacted]
KENNETH SMITH, [redacted]
DAVID R. LANCE, [redacted]
SCOTT J. KOSTER, [redacted]
RODNEY S. NOLAN, [redacted]
MICHAEL J. MASON, [redacted]
MICHAEL O. SPARR, [redacted]
GROVER C. LEWIS III, [redacted]
PATRICK J. MCLAIN, [redacted]
JEFFREY D. WILSON, [redacted]
WALTER J. LACON, JR., [redacted]
WILLIAM C. TURNER, [redacted]
JENNIFER L. LOUISOT, [redacted]
PATRICK J. MOCK, [redacted]
MICHAEL J. PRIMEAU, [redacted]
MICHAEL D. FORD, [redacted]
JAMES M. DOCHERTY, [redacted]
ERIC D. BARTCH, [redacted]
PETER D. MORNEAU, [redacted]
JOSEPH JUDGE, [redacted]
ALEJANDRO, GIERBER, [redacted]
ROBERT A. PUTZ, JR., [redacted]
PAT D. PINKSTON, [redacted]
CAREY L. BRICKELL, [redacted]
LARRY J. RECTOR, [redacted]
SAMUEL L. JORDAN, [redacted]
THOMAS D. RICHEY, [redacted]
BRIAN E. DANIELSON, [redacted]
JAMES J. BUCKLEY, [redacted]
JAMES B. HOYNES, [redacted]
DAVID R. LEPPELMEIER, [redacted]
CHRISTOPHER T. CRAIG, [redacted]
WILLIAM L. KROELINGER, JR., [redacted]
JEFFREY M. PETERSON, [redacted]
ANTHONY J. CACCIATORE, [redacted]
WILLIAM J. COOPER, [redacted]
RUSSELL M. RIVERS, [redacted]
ANTHONY ARDOVINO, [redacted]
THOMAS M. GASKILL, [redacted]
BRADLEY J. SILLMAN, [redacted]
WILLIAM P. MIZERAK, [redacted]
BART W. CLARK, [redacted]
SCOTT A. DALKE, [redacted]
THOMAS L. ENTERLINE, [redacted]
STUART C. HARRIS, [redacted]
JOHN R. BUCHER, [redacted]
CYNTHIA M. ATKINS, [redacted]
MICHAEL S. HAAS, [redacted]
THOMAS E. RODABAUGH, [redacted]
MICHAEL L. MILLIGAN, [redacted]
JULIAN V. DEES, [redacted]
FRANK R. RYMAN, JR., [redacted]
JAMES M. CAIN, [redacted]
DOMINGO K. SALAZAR, [redacted]
MARCUS R. SMITH, [redacted]
EDWARD O. GRIFFITHS, [redacted]
GUY A. YEAGER, [redacted]
RICHARD W. THELIN, [redacted]
KIRK T. BARLEY, [redacted]
ROBERT L. DIXON, JR., [redacted]
THOMAS C. SIEBENTHAL, [redacted]
HANS J. MILLER, [redacted]
TED A. PARKS, [redacted]
PATRICK S. PENN, [redacted]
ROYAL P. MORTENSON, [redacted]
JOHN W. BULLARD, JR., [redacted]
CARL E. HASELDEN, JR., [redacted]
ANDREW W. HOVANEC, [redacted]
VICTOR F. BALASI, [redacted]
ERIC B. YONKEE, [redacted]
KIRK P. SKINNER, [redacted]
TODD D. STEPHAN, [redacted]
GEORGE A. LEMBRICK, [redacted]
RICHARD S. PARKER, JR., [redacted]
JORGE L. BARRERA, [redacted]
GREGORY T. MASCK, [redacted]
STEVEN D. MIEIR, [redacted]
WILLIAM D. DELANO, [redacted]
MICHAEL R. RICHARDS, [redacted]
JORGE ASCUNCE, [redacted]
GEORGE R. KNISLEY, [redacted]
DARRELL F. RECTOR, JR., [redacted]
GARY M. DENNING, [redacted]
KEVIN T. MCCUTCHEON, [redacted]
CHESTER E. JOLLEY, [redacted]
DAVID BLASKO, [redacted]
DANIEL F. FOLEY, [redacted]
DONALD L. BARKER, [redacted]
NATHANIEL HARLEY, JR., [redacted]
STEPHEN M. MIRANDA, [redacted]
CHRISTOPHER E. HOLZWORTH, [redacted]
GREGORY P. WOODS, [redacted]
RICHARD O. SPROUT, [redacted]
DOUGLAS A. MARCY, [redacted]
ROBERT M. STEININGER, [redacted]
MICHAEL V. MALONE, [redacted]
ROBERT S. HELLMAN, [redacted]
STEPHEN P. FINN, [redacted]
MATTHEW G. OCHS, [redacted]
TIMOTHY C. BRENNEMAN, [redacted]
TROY S. CAUDILL, [redacted]
GEORGE L. YOUNG, III, [redacted]
LARRY FULWILER, [redacted]
ROBERT E. CLAY, [redacted]
JOHN W. SIMMONS, [redacted]
MICHAEL A. WESCHE, [redacted]
RONALD WATSON, JR., [redacted]

VAUGHN P. FOX, [redacted]
DOUGLAS A. GETHERS, [redacted]
KEVIN M. MACDOUGALL, [redacted]
JONATHAN P. HULL, [redacted]
KEVIN G. REED, [redacted]
JOHN D. LLOYD, [redacted]
STEPHEN L. BAKER, [redacted]
WILLIAM GILLESPIE, [redacted]
CLIFTON BOURDA, [redacted]
CLYDE FRAZIER, JR., [redacted]
BRETT A. MILLER, [redacted]
DOUGLAS E. KEELER, [redacted]
EDDIE S. RAY, [redacted]
ROBERT B. GORSKI, [redacted]
THOMAS R. OCONNELL, [redacted]
ROBERT F. HEDELUND, [redacted]
BRUCE A. WHITE, [redacted]
PAUL C. SOUTHWORTH, III, [redacted]
CLAYTON E. SMITH, [redacted]
BEN D. HANCOCK, [redacted]
JEFFREY D. VOLD, [redacted]
MARK R. KALMBACH, [redacted]
MALCOLM B. LEMAY, [redacted]
WILLIAM K. LIETZAU, [redacted]
MICHAEL G. WHITECOTTON, [redacted]
DANIEL C. HAHNE, [redacted]
KENT A. GALVIN, [redacted]
BRIAN D. BEAUDREAULT, [redacted]
JOSEPH N. EMBLER, [redacted]
STEVEN M. ZOTTI, [redacted]
JOHN F. BUFORD, [redacted]
SANDRA J. JELLISON, [redacted]
FRANK L. TAPIA, JR., [redacted]
JOHN W. GUTHRIE, [redacted]
ROBERT M. CRAWFORD, [redacted]
MICHAEL J. POPOVICH, [redacted]
ELIZABETH K. TESTER, [redacted]
THOMAS P. DALY, JR., [redacted]
STEVEN L. SUDDRETH, [redacted]
ROBERT K. FRICKE, [redacted]
DANIEL E. CULBERT, [redacted]
JOHN F. OLEARY, [redacted]
JUSTIN B. ORABONA, [redacted]
ALBERT K. DIXON, III, [redacted]
JOHN RUPP, [redacted]
HERMAN S. CLARDY, III, [redacted]
MICHAEL F. CAMPBELL, [redacted]
VAL T. FRANKLIN, [redacted]
BRYAN V. RIEGEL, [redacted]
JOEL YOURKOWSKI, [redacted]
MICHAEL A. ROCCO, [redacted]
JEFFERY A. BOWDEN, [redacted]
ROBERT O. SINCLAIR, [redacted]
RICHARD W. SCHIEKE, JR., [redacted]
KEVIN D. TAYLOR, [redacted]
MICHAEL W. OPPLIGER, [redacted]
MICHAEL H. BEALL, [redacted]
GREGORY E. HAUSER, [redacted]
JAMES E. REILLY, III, [redacted]
PAUL K. RUPP, [redacted]
JAMES S. BEATON, [redacted]
PAUL J. WARHOLA, [redacted]
JAMES D. HOOKS, [redacted]
RICHARD K. DAVIDSON, [redacted]
RICHARD L. SIMCOCK, II, [redacted]
JEFFREY S. WEIS, [redacted]
JOHN A. DELCOLLIANO, [redacted]
LAURA J. SAMPSEL, [redacted]
RICHARD P. FLATAU, JR., [redacted]
ROBERT SHAYNE, [redacted]
ROBERT W. MARSHALL, [redacted]
THOMAS J. CONNALLY, [redacted]
CRAIG S. BOWERS, [redacted]
SEAN M. FREEMAN, [redacted]
CHARLES E. BRIDGEMAN, [redacted]
DAVID H. WILKINSON, [redacted]
JOSEPH A. MAUNEY, JR., [redacted]
DARRELL L. THACKER, JR., [redacted]
KEVIN L. SMITH, [redacted]
JOSEPH G. SMITH, [redacted]
JON L. FEINBERG, [redacted]
CURTIS S. AMES, [redacted]
OWEN M. DEVEREUX, [redacted]
FREDERICK P. THORNTON, JR., [redacted]
ANDREW H. SCHLAEPFER, [redacted]
THOMAS J. ANDERSON [redacted]
ROBERT E. PINDER, [redacted]
KEITH W. DANEL, [redacted]
DALE E. HOUCK, [redacted]
GEORGE S. WHITBECK, [redacted]
GEOFFERY W. STOKES, [redacted]
MICHAEL J. FOLEY, [redacted]
JOHN H. OHEY, [redacted]
RICHARD C. MCMONAGLE, [redacted]
GEORGE H. BRISTOL, [redacted]
MICHAEL A. OHALLORAN, [redacted]
FRANK H. MINER, III, [redacted]
PETER T. NICHOLSON, [redacted]
ROBERT H. BUSICK, [redacted]
DOUGLAS J. WADSWORTH, JR., [redacted]
JAMES D. TURLIP, [redacted]
GARETH F. BRANDL, [redacted]
DENNIS R. DICKENSON, [redacted]
CHRISTOPHER G. SULLIVAN, [redacted]
GLENN P. WELLS, [redacted]
GARY A. STRASMANN, [redacted]
JAY D. WALKER, [redacted]
LEWIS A. CRAPAROTTA, [redacted]
BRIAN S. FLETCHER, [redacted]
KEVIN L. FOLEY, [redacted]
ALBERT DIAZ, [redacted]
ANTHONY J. SANCHEZ, [redacted]
MARCUS G. MANNELLA, [redacted]
TIMOTHY W. FITZGERALD, [redacted]
JOHN H. FEAIRHELLER, JR., [redacted]
RODNEY H. TAPLIN, [redacted]
NICHOLAS B. KLAUS, [redacted]
JOHN M. SCANLAN, [redacted]
THOMAS C. ABEL, [redacted]
RAYMOND S. LASHIER, [redacted]
MARK J. CRAIG, [redacted]
HAGEN W. FRANK, [redacted]
TIMOTHY A. HERNDON, [redacted]
CAROLINE A. SIMKINS, [redacted]
ROBERT M. MCGUINESS, [redacted]
THOMAS J. KEATING, [redacted]
JAMES A. EVANS, [redacted]
DALE R. DAVIS, [redacted]
ANTHONY R. MCNEILL, [redacted]
KIRK W. HYMES, [redacted]
CRAIG S. MCDONALD, [redacted]
JAMES A. CAMERON, [redacted]
MARK A. MCDONALD, [redacted]
PHILIP D. GENTILE, [redacted]
MATTHEW E. GREEN, [redacted]
JAMES B. MILLER, [redacted]
DALE D. BERG, [redacted]
MARK W. ERB, [redacted]
ROGER D. MITCHELL, [redacted]
WILLIAM N. DICKERSON, [redacted]
STEVEN B. OCKERMAN, [redacted]
DONALD S. SMITH, [redacted]
JOSEPH R. BERNARD, JR., [redacted]
WILLIAM J. FLANNERY, [redacted]
GARY K. WORTHAM, [redacted]
JON L. ROSS, [redacted]
THOMAS T. BECK, [redacted]
PAUL B. DUNAHOE, [redacted]
DAVID A. SOBYRA, [redacted]
ALLAN M. COLLIER, [redacted]
EDWARD A. LOGUE, [redacted]
ROBERT A. DOSS, JR., [redacted]
JEFFREY A. SMITH, [redacted]
MICHAEL J. LYNCH, [redacted]
JEFFREY R. WHITE, [redacted]
IRIC B. BRESSLER, [redacted]
DEAN T. SINIFF, [redacted]
SAUL HERNANDEZ, [redacted]
THOMAS A. REABE, [redacted]
ANDREW F. JENSEN III, [redacted]
WILLIAM G. WALDRON, [redacted]
JOHN P. MONAHAN, JR., [redacted]
MARK D. FRANKLIN, [redacted]
SCOTT C. MYKLEBY, [redacted]
ROY L. TRUJILLO, [redacted]
ROBERT A. JACOBS, [redacted]
CHRISTOPHER J. STGEORGE, [redacted]
FRANCIS J. BLANKEMEYER, JR., [redacted]
STEVEN R. CUSUMANO, [redacted]
ROBERT S. ABBOTT, [redacted]
RICHARD M. SELLECK, [redacted]
MICHAEL J. OEHL, [redacted]
DAVID S. GRANTHAM, [redacted]
DAVID W. SMITH, [redacted]
DANIEL J. KRALL, [redacted]
ROSS A. ADELMAN, [redacted]
MICHAEL R. MELILLO, [redacted]
FREDERIC J. GREENWOOD, [redacted]
FRANK FREE III, [redacted]
MARK E. WAKEMAN, [redacted]
JOHN D. SIPES, JR., [redacted]
JEDDY M. RUIZ, [redacted]
THOMAS INNOCENTI III, [redacted]
WILLIAM A. CZARNIAWSKI, [redacted]
JAMES R. EDWARDS, [redacted]
LEROY L. BLAHNA, [redacted]
JOHN F. MCELROY, [redacted]
MICHAEL P. HULL, [redacted]
MARK H. BRYANT, [redacted]
DAVID M. HAGOPIAN, [redacted]
PAUL M. GUERRA, [redacted]
THOMAS J. OLEARY, [redacted]
ROBERT M. WINT, [redacted]
JOSEPH R. GOULET, [redacted]
RICHARD A. SCHOTT, [redacted]
JEFFREY A. SOKOLY, [redacted]
EDGAR V. HOWELL III, [redacted]
CHRISTOPHER M. CLAYTON, [redacted]
MICHAEL J. RAIMONDO, [redacted]
HENRY B. MATHEWS II, [redacted]
DARREN L. HARGIS, [redacted]
LEIGHTON R. QUICK, [redacted]
MARK E. PETERS, [redacted]
ROBERT D. GATTUSO, [redacted]
LAWRENCE D. PUTNAM, [redacted]
ANDREW M. HOFLEY II, [redacted]
GARY S. GRAHAM, [redacted]
WILLIAM P. MCLAUGHLIN, [redacted]
JESSE E. WRICE, JR., [redacted]
PHILLIP J. SKALNIAK, JR., [redacted]
LARRY S. STEWART, JR., [redacted]
KENNETH W. FANCHER, [redacted]
LANCE D. DEFFENBAUGH, [redacted]
JOHN T. MURRAY, [redacted]
VINCENT M. FIAMMETTA, [redacted]
BENJAMIN R. BRADEN, [redacted]
PATRICK S. GOETZ, [redacted]
BRADLEY P. PANGLE, [redacted]
VINCENT A. COGLIANESE, [redacted]
MICHAEL D. RESNICK, [redacted]
DAVID A. EZYK, [redacted]
DAVID R. MCKINLEY, [redacted]
MARY L. HOCHSTETLER, [redacted]
GARY S. BARTHEL, [redacted]
TIMOTHY J. EVANS, [redacted]
ANDREW C. MACLACHLAN, [redacted]
PATRICK J. UETZ, JR., [redacted]
MARK J. GRIFFITH, [redacted]
ROBERT L. SARTOR, [redacted]
MARK B. KANE, [redacted]
STEVEN M. GROZINSKI, [redacted]
JOHN J. KENNEY, [redacted]
ROGER L. POLLARD, [redacted]
FRANCIS L. KELLEY, [redacted]
ENRIQUE E. CRUZ, [redacted]
DWIGHT H. SULLIVAN, [redacted]
DAVID B. HALL, [redacted]
GREGG W. BRINEGAR, [redacted]
THOMAS N. GOBEN, [redacted]
CHRISTOPHER S. HADINGER, [redacted]
TONY L. WUNDERLICH, [redacted]
DONALD R. SWINGLER, [redacted]
DANIEL J. MCGEE, [redacted]
HECTOR J. DUENEZ, [redacted]
KENNETH M. BROWN, [redacted]
JOHN J. BROADMEADOW, [redacted]
THOMAS A. DRECHSLER, [redacted]
JOSEPH M. HARRISON, [redacted]
DAVID R. HARTMAN, [redacted]
DAVID A. GANDY, [redacted]
JOEL E. PAULSEN, [redacted]
THOMAS J. NEIS, [redacted]
JOSE G. CRISTY, II, [redacted]
DARIN D. JOHNSON, [redacted]
JON C. CUNNINGHAM, [redacted]
STEVE B. RODRIQUES, [redacted]
ROBERT W. SPRAGUE, JR., [redacted]
RICHARD G. HAMMOND, [redacted]
DAVID A. NELSON, [redacted]
ROBERT D. ERWIN, [redacted]
ROBERT J. MLNARIK, [redacted]
STEPHEN J. KELLY, [redacted]
ROBERT E. DAVIS, [redacted]
WILLIAM J. WAINWRIGHT, [redacted]
BRUCE A. HAINES, [redacted]
ERIC R. WHITE, [redacted]
FRANK H. SIMONDS, JR., [redacted]
MARK J. CRAVENS, [redacted]
JOSEPH P. SAMPSON, [redacted]
STEVEN C. GULOTTA, [redacted]
PATRICK J. OROURKE, [redacted]
RONALD B. RADICH, [redacted]
CLARENCE E. SEXTON, JR., [redacted]
MICHAEL E. LOUDY, [redacted]
MICHAEL E. LOOS, [redacted]
BEN K. WIGAND, [redacted]
MICHAEL J. GOLLWITZER, [redacted]
JOHN J. YUHAS, JR., [redacted]
LAWRENCE J. PLEIS III, [redacted]
SCOTT B. JACK, [redacted]
DALE M. ATKINSON, [redacted]
BOBBY H. HUNT, [redacted]
WAYNE S. MANDAK, [redacted]
MICHAEL R. KING, [redacted]
DAMIEN X. LOTT, [redacted]
CRAIG D. JENSEN, [redacted]
FREDERICK M. PADILLA, [redacted]
JOSEPH D. APODACA, [redacted]
DONALD J. LILES, [redacted]
KENT D. MORISON, [redacted]
LEONARD L. ETCHO, JR., [redacted]
TERRY M. FLANNERY, [redacted]
MATTHEW P. BRACKMANN, [redacted]
RODDY STATEN, [redacted]
GREGORY M. SATTERFIELD, [redacted]
ROBERT S. REYBURN, [redacted]
DAVID A. RABABY, [redacted]
JACK CEISLA, [redacted]
MARK L. WARD, [redacted]
SAMUEL O. LEWIS, JR., [redacted]
ROBERT D. DEFORGE, [redacted]
SHAWN P. TATUM, [redacted]
CULLEN L. DAVIDSON III, [redacted]
CRAIG S. EDMONDS, [redacted]
MICHAEL F. BELCHER, [redacted]
DAVID G. GRAN, [redacted]
JOHN D. QUIGLEY, JR., [redacted]
DENNIS M. GREENE, [redacted]
CECIL R. BEAIRD, JR., [redacted]
CARL E. MUNDY III, [redacted]
WILLIAM R. FEARN IV, [redacted]
RICHARD M. LATTIMER, JR., [redacted]
RICHARD T. STAPLES, [redacted]
DANIEL W. MCGUIRE, [redacted]
JEFFREY S. SPEIGHTS, [redacted]
RAYMOND F. LHEUREUX, [redacted]
DAVID L. NICHOLSON, [redacted]
CHRISTOPHER F. AJINGA, [redacted]
MARK D. VANKAN, [redacted]
FRANZ J. GAYL, [redacted]
PHILLIP R. SHORT, [redacted]
PAUL K. AUGUSTINE, [redacted]
THOMAS W. WHIELDON JR., [redacted]
KATHLEEN M. MURNEY, [redacted]
MARK P. EVERMAN, [redacted]
FLOYD J. USRY JR., [redacted]
MICHAEL C. JORDAN, [redacted]
TIMOTHY J. OTT, [redacted]
ROBERT R. DANKO, [redacted]
RICHARD B. PREBLE, [redacted]
LANCE M. BRYANT, [redacted]
JAMES B. SWEENY III, [redacted]
MICHAEL S. CAMSTRA, [redacted]
CARY D. VENDEN, [redacted]
ROBIN G. GENTRY, [redacted]
WILLIAM D. REAVIS, [redacted]

ELLEN M. JAKOVICH, [redacted]
WAYNE J. HALLEM, [redacted]
DUANE B. PERRY, [redacted]
WILLIAM D. KIDWELL, [redacted]
JEFFERY L. EMERY, [redacted]
MICHAEL S. MCGUIRE, [redacted]
ROBERT E. PAIR JR., [redacted]
CYNTHIA J. VALENTIN, [redacted]
JOHN L. MAYER, [redacted]
TODD R. FEY, [redacted]
FRED J. MCGUIRE, [redacted]
PETER M. RAMEY, [redacted]
STEVE RALPH, [redacted]
CHARLES R. SONTAG, [redacted]
TRACY R. HAGUE, [redacted]
JON K. ALDRIDGE, [redacted]
ROBERT L. KILROY, [redacted]
ROBERT F. CASTELLVI, [redacted]

IN THE NAVY

THE FOLLOWING-NAMED COMMANDERS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF CAPTAIN, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICERS

To be captain

RONALD LEE ALSBROOKS
CHRISTOPHER CONLAN AMES
THOMAS JAY ANDERSON
DAVID JOSEPH ANTANITUS
DAVID PAUL AUSTIN
MICHAEL GEORGE BAMFORD
JOSEPH EUGENE BELINSKI
STEPHEN ERIC BENSON
JOHN ANDREW BORCHARDT
ROBERT LEE BRANDHUBER
RICHARD ERAL BROOKS
ANNETTE ELISE BROWN
CHALKER WHITNER BROWN III
THOMAS JOSEPH BROWN, JR.
DAVID ROSS BRYANT
JANSEN WOOLDRIDGE BUCKNER
STEPHEN JOHN BURICH III
STEVEN JOHN BUSCH
WILLARD CLINTON BUTLER, JR.
LARRIE GENE CABLE
MICHAEL ALAN CALHOUN
JAMES BYRON CAPBELL
JAMES RANDALL CANNON
JOSEPH J. CAPALBO
LELIA VITTETOW CARNEVALE
WILLIAM FREDERICK J. CARICO
THEODORE MONTAGUE CARSON, JR.
GARY THOMAS CARTER
BRUCE WESLEY CAVEY
GARY MICHAEL CERNEY
RONALD LEE CHAPMAN
LOUIS DEAK CHILDRESS
KENNETH ELBERT CLEMENTS
THOMAS KEITH COLE
BARRY MICHAEL COSTELLO
JOHN JOSEPH COYNE
WILLIAM DOUGLAS CROWDER
KATHLEEN MARIE CUMMINGS
HUGH CUNNINGHAM DAWSON
PAUL THOMAS DEBIEN
JOHN MICHAEL DENKLER
JAMES FRANK DEPPE
THOMAS MELVIN DEYKE
GREGORY ALLEN DIFFERDING
THOMAS EDWARD DIGAN
THOMAS CLIFFORD DION
RAYMOND PATRICK DONAHUE, JR.
KIRKLAND HOGUE DONALD
STEPHEN DOUGLAS DOYLE
ROBERT PATRICK DUNN
DOUGLAS KENT DUPOUY
WILLIAM FULLERTON ECKERT, JR.
ALLEN ARVO EFRAIMSON
WILLIAM EDWARD ELLIOTT, JR.
STEVEN MARK ENDACOTT
LEO FRANCIS ENWRIGHT, JR.
VICTOR RAYMOND FIEBIG
JOHN EUGENE FINK
STEVEN FRANKLIN FIRKS
THOMAS RICHARD FORD
JOHN BERNARD FRANK, JR.
WAYNE KENNETH FREY
JAMES THOMAS FRY
MARCHIA LIMPER FULHAM
KATHY ANN GALINGER
ARTHUR WAYNE GALLO
JAN CODY GAUDIO
JUDY HEIMAN GAZE
JOSEPH JAMES GEORGE, JR.
STEPHEN DOUGLAS GILMORE
TRACEE DEBORAH GLASS
JAMES BASIL GODWIN III
GARY JAMES GRAUPMANN
DAVID HERBERT GRUNDIES
ROBERT CLETUS HAAS
THOMAS LEE HAGEN
CHARLES SAMUEL HAMILTON II
ANDREW TRAVIS HAMMOND
ALAN MELVIN HARMS
WARD LEE HARRIS, JR.
HERBERT RALPH HAUSE
PAUL THOMAS HAUSER
LAWRENCE WILLIAM HAYNER
CLARENCE DONALD HAYS, JR.
CHESTER ETHANE HELMS
HARRIET DENISE HENDERSON
RANDALL HAMES HESS
JOHN JOSEPH HIGBEE
STEPHEN JONATHAN HIMES
SHARON LEE HODGE
JUDITH ANN HOLDEN
STANLEY JAMES HOLLOWAY
VERNON CHARLES HUBER
DENIS EMIL HUELLE
ELLEN JEAN HURLEY
PAUL JOSEPH JACKSON
KOLIN MARC JAN
STEPHEN CHARLES JASPER
ROBERT DONALD JENKINS III
CARLTON BOYD JEWETT
STEVEN KENNETH JOHNSON
ROBERT EDUARD JOHNSTON
CHARLIE ANTHONY JONES, JR.
HOUSTON KEITH JONES
ROBERT BINGHAM JONES
BRADLEY JAY KAPLAN
ROBERT FUREY KERNAN
RONALD EDWARD KEYS
MARK DOUGLAS KIKTA
MICHAEL ROGERS KING
GARY ANTHONY KOHLER
JOSEPH KRENZEL
STEVEN CHARLES KUKRAL
ROBERT ALAN KUSUDA
MICHAEL JOHN LANDERS
THOMAS PATRICK LANE
JOHN JEFFREY LANGER
CONRAD AARON LANGLEY, JR.
KEVIN BERNARD LEAHY
JOHN RICHARD LEENHOUTS
WALTER FRANK LEOFFLER, JR.
RICHARD CROAKE LEWIS III
KENNETH MICHAEL LINN
ROBERT DOUGLAS LITTLEFIELD
RODNEY MARVIN LOCKE
SAMUEL JONES LOCKLEAR III
GAVIN DOUGLAS LOWDER
JOSEPH MAGUIRE
JAMES ANTHONY MALLORY
CHRISTOPHER BRUCE MARTIN
JENNY LOU MARTINEZ
PETER ANTHONY MASCIANGELO
WILLIAM ROBERT MASON
ROBERT CLYDE MASSEY
MICHAEL LEE MAURER
PERRY DAVID MAXWELL
RICHARD KAY MAYNE
ROBERT EMMETT MCCABE III
HOWARD OWENS MCDANIEL
PATRICIA ANN MCFADDEN
WILLIAM LEE MCKEE
GEORGE FRANKLIN MCKNIGHT
CHARLTON J. MCNESS
JOHN CARL MEYER
TIMOTHY ALBERT MEYERS
JOACHIM THOMAS MIHALICK
CHARLES ANTHONY MILETICH
JAMES JOHN MILLER
MICHAEL HAROLD MILLER
CHRISTOPHER MICHAEL MOE
ROBERT THOMAS MOELLER
MATTHEW GORDON MOFFIT
WILLIAM DENNIS MOLLOY, JR.
JAMES KEVIN MORAN
MARY PIERCE MOSIER
DONALD DANIEL MOSSER
PAMELA MICHELE MULVEHILL
LARRY JOHN MUNNS
WILLIAM EUGENE MUNSEE
WILLIAM FRANCIS MURPHY III
JAMES KEITH NANCE
CHARLES THEODORE NASH
KEITH CARLTON NAUMANN
CHARLES WILLIAM NESBY
PAUL EMILE NORMAND
JEFFREY MICHAEL OBRIEN
JOHN EDWARD ODEGAARD
CRAIG WENDAL PATTEN
CARMINE LINCOLN PETRICCIONE
JOHN EDWARD PIC, JR.
CARL ROBERT PIERSON
GLENN JAMES PITTMAN
RUSSELL FREDERICK PLAPPERT
PHILLIP MARK POLEFRONE
JAMES ROSWELL POPLAR III
JACK DUANE PUNCHES, JR.
LEO JOSEPH QUILICI II
BRIAN JOHN RABE
ANN ELISABETH RONDEAU
NEIL EUGENE RONDORF
BRUCE FREDERICK RUSSELL
HENRY JAMES SANFORD
LESLIE JACOB SCHAFFNER, JR.
BRIAN GERALD SCHIRES
LARRY HERMAN SCHMIDT
JACOB LAWRENCE SHUFORD
DANIEL CHARLES SIMONDS
RICHARD WESLEY SLUYS
CARL MELVIN SMEIGH, JR.
SHAWN MATTHEW SMITH
VINSON ELMER SMITH
STEPHEN MICHAEL SOULES
MARC THOMAS STANLEY
TIMOTHY BENTON STARK
WILLIAM CARRINGT STETTINIUS
JOHN THMAS STING
HUGH GOODMAN STORY, JR.
PAUL CHRISTIAN STRIFFLER
JOHN DICKSON STUFFLEBEEM
ROBERT ELMER STUMPF
CLAUDE DEAN SWAIM
FRANK SWEIGART
ROBERT JOSEPH TAYLOR
THOMAS WILLIAM THIESSE
WAYNE ALLEN THORNTON
TERRY LEE TIPPIN
DONALD JAMES TOMASOSKI
HARTWELL THOMAS TROTTER, JR.
PATRICK JOSEPH TWOMEY
DOUGLAS ALLEN UNDESSER
RAYMOND JAMES VALENCIA
CRAIG EUGENE VANCE
SCOTT WALLACE VANCE
THOMAS NEAL VAUGHN
ROBERT DALE VINT
EDWARD CARSON WALLER
WILLIAM ALOYSIUS WALSH
MICHAEL JOHN WINSLOW
ALLEN BLAINE WORLEY
JOHN WILLIAM YAEGER
RAYMOND RITCH YEATS
HARRY EMANUEL YEISER III
RAND GORDON YERIGAN
ROBERT ERNEST YOUNG
GRANT GORDON ZIEBELL
DAVID ALEXANDER ZUSI

ENGINEERING DUTY OFFICERS

To be captain

CLIFFORD GERALD BARNES JR.
CHARLES WESLEY J. CHESTERMAN
ANTHONY JAMES CHRISTIAN
JAMES FORDHAM DEUCHER
DAVIS RUDOLPH GAMBLE JR.
GARY EDWARD GROH
THOMAS ALAN GROTE
DAVID SAMUEL HERBEIN
ROBERT JAMES HOGAN II
EDWARD BENJAMIN MORGAN
KEVIN GEORGE OBRIEN
THOMAS FRANCIS OLSON
RONALD LEON POLKOWSKY
DOUGLAS HARRIS RAU
DANA WELLS ROWLAND
LLOYD MERRIL SAWYER JR.
PAUL EDWARD SULLIVAN
DAVID JOE VOGEL

AEROSPACE ENGINEERING DUTY OFFICERS (ENGINEERING)

To be captain

JOHN ROBERT BRAMER
FARRELL WAYNE CORLEY
MICHAEL JOHN DOUGHERTY
ROBERT JACK HEIFNER
ROY LESTER HIXSON III
CHARLES HERBERT JOHNSTON JR.
LARRY VERNON JUDGE
JOHN FRANCIS KINZER
MARTIN STANLEY KOSIEK
WINSTON ELLIOTT SCOTT
MICHAEL JAMES WITTE

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE)

To be captain

JERRY FLOYD DERRICK
DENNIS HARRY GENOVESE
MARGUERITE ELIZABETH MCNIEL
RONALD EARL WAGNER

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be captain

JUDITH ANNE GALLINA
WILLIAM GRAVELL
EDWARD DAVID HEUER
REED WILLIS JEROME
JEROME P. REPAN

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be captain

ROBERT LEO BANFORD
ARMAND LOUIS BAPTISTA JR.
CHARLES C. COOK III
DENNIS NED DUBOIS
JAMES RUSSELL FITZSIMONDS
GAIL HARRIS
STEPHEN CHARLES JAYJOCK
DAVID ALAN JOHNSON
WALTER REECE JOHNSON JR.
ARTHUR JONES III
DAVID JOSEPH MARESH
STEVEN DONALD MONSON
FREDRICK ROCKER
RICHARD MILOS RUZICKA
THOMAS NEWTON SAMPSON II
CARL OTIS SCHUSTER
JOSEPH DAVID STEWART

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be captain

GEORGE WILLIAM FARRAR
CRAIG ROBERT QUIGLEY

SPECIAL DUTY OFFICER (OCEANOGRAPHY)

To be captain

CYNTHIA PAUL DILLON
MICHAEL RICHARD HACUNDA
BERNARDINO JOSE JARAMILLO
DENNIS GLENN LARSEN
LARRY LEE WARRENFELTZ

LIMITED DUTY OFFICERS (LINE)

To be captain

IVON G. BOYCOURT JR.
GEOFFREY J. CALABRESE
RAYMOND BERNARD FONE
SIDNEY B. FREEGARD JR.
PATRICK K. JUSTET
WILLIAM J. STEWART

HOUSE OF REPRESENTATIVES—*Friday, March 11, 1994*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

As the Sun shines down from high and gives light and warmth to the open spaces and the darkest corner, so may Your grace touch every person with that same light and warmth. Illuminate our hearts so we can see more clearly our faults and, provided with the freedom of forgiveness, we will grow and mature to be people of integrity and see others with compassion and mercy. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mrs. UNSOELD. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mrs. UNSOELD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 225, nays 148, not voting 60, as follows:

[Roll No. 53]

YEAS—225

Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Blackwell
Bonior
Borski
Boucher
Brewster
Browder
Bryant
Callahan
Cantwell
Cardin
Carr
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Durbin
Edwards (CA)
Engel
English
Eshoo
Evans
Everett
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frost
Furse
Gejdenson
Geren
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Green
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Hyde
Inglis
Inslee
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Klink
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCollum
McCurdy
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Murtha
Myers
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torricelli
Traficant
Tucker
Unsoeld
Valentine
Velázquez
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NAYS—148

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Calvert
Camp
Canady
Castle
Clay
Clinger
Coble
Collins (GA)
Cox
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Ewing
Fawell
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Gunderson
Hancock
Hansen
Hastert
Hefley
Hobson
Hoekstra
Hoke
Horn
Huffington
Hunter
Hutchinson
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Klug
Knollenberg
Kolbe
Kreidler
Kyl
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Machtley
McCandless
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Murphy
Nussle
Oxley
Packard
Paxon
Petri
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Torkildsen
Upton
Vento
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—60

Abercrombie
Andrews (TX)
Barton
Bentley
Bishop
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Buyer
Byrne
Chapman
Collins (IL)
Crane
Dixon
Dooley
Edwards (TX)
Fields (TX)
Fish
Ford (TN)
Frank (MA)
Gallo
Gephardt
Gibbons
Greenwood
Gutierrez
Hastings
Hayes
Herger
Jefferson
Kopetski
Lewis (CA)
Lightfoot
Maloney
Manzullo
McCloskey
McCrery
McDermott
McMillan
Meehan
Miller (CA)
Moorhead
Moran
Morella
Natcher
Neal (NC)
Orton
Owens
Pelosi
Porter
Reynolds
Rostenkowski
Shaw
Slattery
Solomon
Thomas (WY)
Torres
Towns
Washington
Whitten

□ 1023

Mr. PAXON changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. BROWN of Florida. Mr. Speaker, I missed the vote on approving the Journal because I was at the White House for President Clinton's announcement about the Western Hemispheric Conference in Miami. Had I been here I would have voted "yea" on rollcall 53.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. MONTGOMERY). Will the gentlewoman from Pennsylvania [Ms. MARGOLIES-MEZVINSKY] come forward and lead the House in the Pledge of Allegiance?

Ms. MARGOLIES-MEZVINSKY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 282. An act to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama.

S.J. Res. 150. Joint resolution to designate the week of May 2 through May 8, 1994, as "Public Service Recognition Week."

S.J. Res. 151. Joint resolution designating the week of April 10 through 16, 1994, as "Primary Immune Deficiency Awareness Week."

S.J. Res. 162. Joint resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

S.J. Res. 163. Joint resolution to proclaim March 20, 1994, as "National Agriculture Day."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that he will take five 1-minutes on each side.

FIRESAFE CIGARETTES?

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. MOAKLEY. Mr. Speaker, I rise today to call your attention to the Justice Department's investigation into the possibility of an agreement amongst cigarette manufacturers to suppress product research and development on firesafe cigarettes. I commend the Justice Department for investigating whether the cigarette companies have had a gentlemen's agreement not to put these cigarettes into the marketplace.

For 15 years I have been pushing for legislation calling for cigarettes that are less likely to cause fires. My previous bills have laid the groundwork for H.R. 3885, which requires the Consumer Product Safety Commission to promulgate fire safety standards in 1 year and requires cigarette manufacturers to comply within another year. We cannot afford further delays.

Since I started working on this issue more than 20,000 people have been killed by cigarette-related fires and thousands more have been seriously injured. Many of the victims are innocent children. How does a mother tell a young boy he has to go through life seriously disfigured because the guy in the apartment next door fell asleep with a burning cigarette in his hand.

Fires caused by carelessly discarded cigarettes can be prevented. The cigarette manufacturers are able to produce such cigarettes. In fact, there are five of these cigarettes already in the marketplace. More White Lights 120's. More 120's, Virginia Slims Superslims 100s, Capri Lights 100s, and Eve Lights 120s, are proven to reduce fires. Each company has a firesafe cigarette and they have a moral and legal obligation to make all cigarettes firesafe.

We cannot afford further delays in calling for all cigarettes to be firesafe. For every year that passes more than 1,200 people die and thousands more are maimed or permanently disfigured. My legislation will require that the cigarette manufacturers sell firesafe cigarettes. Please join me in protecting our Nation's children from these insidious fires.

I submit the Washington Post article for the RECORD:

FIRE-SAFE CIGARETTES?

(By Michael J. Sniffen)

The Justice Department is investigating whether tobacco companies illegally agreed not to produce or sell cigarettes that are less likely to start fires.

Justice Department spokeswoman Gina Talamona said this week that, "the antitrust division is conducting an investigation into the possibility of agreement among cigarette companies to suppress product research and development regarding fire-safe cigarettes."

Vic Han, a spokesman for Philip Morris Cos., said there has been "absolutely no suppression" of such products.

Talamona said the department has issued civil investigative demands, which are the equivalent of subpoenas in the division's civil antitrust investigations. But she would not say what companies had received them or discuss details of the investigation.

Andrew McGuire of the Trauma Foundation in San Francisco, which lobbies for fire-safe cigarettes, said the investigation appears to have begun about four months ago.

McGuire said fire-safe cigarettes are feasible but that tobacco companies have resisted marketing them because "they don't want the fallout of product liability lawsuits over burn deaths and burn injuries caused by their current cigarettes."

Peggy Carter of Reynolds Tobacco in Winston-Salem, N.C., said the company acknowledged existence of the Justice Department investigation in a footnote to a recent stock filing with the Securities and Exchange Commission. She said SEC rules prevented her from commenting further.

In New York, Han said, "I can confirm that Philip Morris USA has received a civil investigative demand from the antitrust division . . . in an investigation of possible joint activity among United States manufacturers in the production and sale of cigarettes including possible joint activities to limit new product development, specifically in the area of reduced ignition propensity cigarettes."

There were 1,220 deaths, 3,358 injuries and $400 million in property damage from 44,000 cigarette-ignited fires in 1990, the most recent year with complete data, according to the Center for Fire Research of the government's National Institute of Standards and Technology.

A campaign to persuade the tobacco companies to produce fire-safe cigarettes was begun in 1978 by McGuire's Trauma Foundation, which seeks to prevent injuries and injury-related deaths. The trauma organization, which is supported by foundation grants and funds from the federal Centers for Disease Control and Prevention, is located in San Francisco General Hospital.

"There's no doubt the industry has known for a long time how to make fire-safe cigarettes and hasn't done it," said Northeastern University law professor Richard Daynard of the Tobacco Projects Liability Project, "because if a really safe cigarette is available that would open the companies to lawsuits over the ones that aren't safe."

Asked to comment on the government's investigation and the longstanding charges of suppression, Walker Merryman of the Tobacco Institute, an industry group, said, "Anything having to do with litigation is something we never comment on."

A CLEAR CHOICE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, as we debate the budget today on the House floor, I urge my colleagues to ask the question: Which budget alternative meets the needs of the middle-class family?

The Republican alternative has middle-class tax relief. The Democrat budget continues the President's higher taxes and spending of the future generations of the middle class' own money.

The Republican alternative includes spending for anticrime measures. The Democrat alternative does not.

The Republican budget pays for real health care reform. The majority budget does not.

The Republican budget includes welfare reform. The President still does not even have a welfare reform plan.

The Republican budget cuts spending first, by slashing spending $152 billion more than the Democrat budget alternative.

Mr. Speaker, the choice is clear. If you want middle-class tax relief, anticrime measures, health care reform, welfare reform, and real deficit reduction, you will support the Republican budget. If you want the status quo, you will vote for the Clinton budget.

PUT YOUR MONEY WHERE YOUR MOUTH IS: SUPPORT BALANCED BUDGET ACT

(Ms. MARGOLIES-MEZVINSKY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I rise today to propose a resolution that will force this body to put its money where its mouth is.

Odds are we will soon vote on the balanced budget amendment. And odds are it will pass, as we all know that it failed in the other body and our votes on it this year will therefore be irrelevant.

It is odd that a gimmick like the balanced budget amendment will be able to garner enough votes for final passage, but a real step towards reducing our deficit like the Penny-Kasich amendment, which would have cut spending $90 billion over the next 5 years, failed.

By debating the balanced budget amendment, and by supporting it knowing that our votes are meaningless, we deceive the American people into thinking that we are actually doing something about the deficit when the sad truth is we are not.

Today I introduce the Real Balanced Budget Act, or the put your money where your mouth is act. It will force us to actually balance the budget 2 years in a row before we can talk about any constitutional amendment. It will ensure that we make substantive cuts and not just great-sounding, but empty, speeches.

Support the Real Balanced Budget Act. Put your money where your mouth is.

□ 1030

ALL BLUSTER, NO CHANGE

(Mr. SAM JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAM JOHNSON of Texas. Mr. Speaker, when Bill Clinton ran for President, he promised the American people change and less spending. Looking at his budget proposal, the more the President talks about change, the more things stay the same. The President's status quo budget keeps higher taxes, cuts little, and, worse yet, health care, welfare, and crime are not even on the budget.

Mr. Speaker, the Republican alternative to the budget is a serious effort to enact real change. It reinvents government to save the taxpayers billions of dollars. It gives tax relief to middle class families, and it provides the funding for welfare reform, health care reform, and anticrime initiatives.

Mr. Speaker, it is time the President stops talking and starts acting. His budget is all bluster and no change.

ANOTHER AGENCY OUT OF CONTROL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, let us see if something makes sense:

The CIA and the FBI said 3 years ago, "Alridge Ames looks a little suspicious. He paid over a half million dollars in cash for his home in Virginia."

So, Mr. Speaker, they called him in, and Aldridge Ames said, "Hey, I got this ton of cash from my father-in-law in Colombia."

They said, "Wow. That explains it all. Thank you. Now we know where you got your money from."

My colleagues, Colombia is not exactly the Cocoa Puff capital of the world, and I think we have a CIA that was waiting to see Aldridge Ames light up cigars with hundred dollars bills or maybe see Boris Yeltsin do some half gainers in his swimming pool.

The truth of the matter is, Congress, we have got Barney Fife loose at the CIA. I do not buy that old shooting by the madman about a year and a half ago, and I think it is time for a little oversight on another agency out of control.

Mr. Speaker, we might start with the IRS, but I think we better look at the "central ignorance agency." It is starting to add up.

AN OPEN PROCESS

(Mr. LINDER asked and was given permission to address the House for 1 minute.)

Mr. LINDER. Mr. Speaker, the American people have learned one thing about the Clinton administration: You have to verify every thing the White House says, because it is not always the whole truth.

We learned from the President's first budget that his rhetoric aside, he was still a tax-and-spend liberal.

We learned from his health care plan that there was a whole lot more Government than the public was ready to accept, despite the President's pronouncements.

And we now are learning that when it comes to Whitewater, the legislative branch should have a role in deciding if there were any improprieties.

An open process is not a luxury with the Clinton administration. It is a necessity. That is why, Mr. Speaker, we need to have hearings on the Madison Guaranty Savings and Loan. The Congress should probe into the details of the Whitewater Co.

If the American people have learned one thing about the Clinton White House, it is this: We need to see for ourselves what the story really is.

COLORADO NATIONAL GUARD SETS THE PACE FOR THE REST OF THE COUNTRY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I come to the well to brag. I come to the well to brag as a Coloradan because we are all so proud of the Colorado National Guard.

Mr. Speaker, maybe some of my colleagues have seen what they have been doing. They setup a M*A*S*H type operation in down town Denver and have been delivering medical services to all sorts of homeless people who have not been near any kind of medical service in years. It is a very touching and moving operation. But I think for American taxpayers it is also wonderful to see this kind of operation going on at home, on the home shores for Americans, and I hope that National Guards across the country are challenged by this and do the same kind of outreach in many of our American cities where these terrible crises have been allowed to grow and grow and grow with no one answering back.

Mr. Speaker, I say to the Colorado National Guard, "You have really set the pace for the rest of the country, and we all thank you."

MORE MISSION THAN CENTS

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, in the mayhem to move the budget resolution, the Budget Committee has recommended a major reduction in the Coast Guard acquisition, construction and improvements account. With less than 24 hours to review the 227-page report, many of us nearly missed this damaging cut. A full $100 million below the President's request, this recommendation is penny-wise and pound-foolish. The Federal Government is already straining and failing to control illegal immigration—we all know that we must maintain adequate capability at our maritime borders.

Additionally, the Coast Guard is an organization that we have given more missions than cents—as in dollars and cents. Its duty list is vast, growing, and very costly to fulfill. By failing to provide adequate funding for fiscal year 1995, we doom the Coast Guard to an endless game of catch-up, we risk abandoning Americans to needless danger on the high seas, and we send a steady green light signal to high seas smugglers and drug runners rather than the flashing blue lights of Coast Guard enforcement.

Mr. Speaker, we must correct the budget.

DETROIT WELCOMES PRESIDENT CLINTON'S JOBS SUMMIT

(Miss COLLINS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, some members of the media are proclaiming that next week's jobs summit in Detroit for the leaders of the world's industrial nations is useless or irrelevant. These pronouncements are beyond belief.

I applaud President Clinton for selecting Detroit for the summit, a city whose manufacturing jobs have plummeted from 400,000 to 100,000, a city that has been battered by governmental neglect, unfair imports, and trickle down economics that never trickled down.

How can they say that a meeting called to discuss job creation is irrelevant? Tell that to the father who worked in the auto factory for 20 years and saw his job disappear. Tell that to the African-American who lined up with thousands of others for Post Office jobs that do not even exist yet.

It is easy for a safely ensconced, inside-the-Beltway journalist or a comfortable Ivy League academic who never saw a day of unemployment in his life to say that the President's jobs summit is useless.

Our doors are open in Detroit to the President and to world leaders as they join together to bring jobs to regions like mine, where unemployment last year averaged 13 percent and where among minorities today it is stuck at almost 20 percent.

We will show you firsthand how the lack of a job can tear apart a family and rip through communities like a tornado when you come to Detroit next week.

IT IS TIME FOR CONGRESS TO INVESTIGATE WHITEWATERGATE

(Mr. HORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, it looks like we are beginning to have a real problem here.

For months, we have been reading stories surrounding the strange saga of a failed savings and loan in Arkansas.

We have been prepared with reports alleging financial shenanigans, questionable campaign financing, document shredding, stonewalling and obstruction of justice. The President's personal attorney has committed suicide.

The White House counsel has resigned under fire and 10 White House aides have been subpoenaed to testify before a Federal grand jury. This reads as if it is an unbelievable novel, and the Democratic congressional leadership has steadfastly refused to convene any kind of an investigation.

Mr. Speaker, there is a lot of smoke here. And the Congress has constitutional obligation to determine if there is a fire. Let us allow the appropriate committees to conduct an honest investigation. And let us lay this Whitewatergate matter to rest one way or another and get to work on the business of the country.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The Chair will entertain one more 1 minute on each side of the aisle.

UNIVERSITY OF TEXAS AT ARLINGTON'S MOVIN' MAVS

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, last year I was extremely honored to announce on the House floor that the University of Texas at Arlington wheelchair basketball champions captured their third consecutive national championship. They were the first wheelchair basketball team to visit the White House.

Well, they've done it again, and, in their own hometown. On March 9, the Movin' Mavs captured their fourth consecutive national championship at the NCAA final four wheelchair basketball tournament held at the University of Texas at Arlington.

I am very proud of this extraordinary team. The individual battle that each team member waged to overcome disability and become a champion is truly inspiring.

My congratulations go to the 1994 UTA Movin' Mavs wheelchair basketball team: James Anthony Hayes, coach; Lee Castillo, assistant coach; Henry Torres, assistant coach; Juan Pulido, manager; Raquel Delgado, trainer; Richard Ellis, statistician; Bobby Holcomb, Don Bradley Michael, Chhalyl Mak, Phung Tran, Dennis Harrison, Jason C. Van Beek, Ciprian Falcon, Rusty Belknap, Javier Gonzalez, Jr., Cezar Olivas, and Hans Ostergaard.

□ 1040

IN SUPPORT OF THE KASICH REPUBLICAN BUDGET ALTERNATIVE

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the Kasich budget resolution—it moves this Nation in the right direction, and for the most part, is consistent with the pressing need for our Nation to regain its prominence in the global economy.

And in this respect, I would commend to my colleagues attention a series of articles in the New York Times this week on "Staying Afloat in the 1990's." It is an excellent analysis of the fears and frustrations facing the American middle class. They are the stories of young college graduates who cannot find jobs, let alone good ones, and of hard-working Americans who see their jobs evaporating, next week or next year. These people rightfully see themselves falling, ever more rapidly, from the middle class. We must take action to reverse these trends.

The Kasich budget moves to get our fiscal house in order so that this generation of Americans and the next can confidently look toward a future of good jobs at good pay, and a rightful place in a growing and economically secure middle class.

No, I don't agree with every detail of this budget. For example, I strongly oppose the $500 tax credit per child, for those with $200,000 per year incomes. If a deduction is included at all, there should be an income cap to target the deductions for middle-income families. But this can be taken up in the tax bill and appropriately targeted.

I also do not agree that cuts and adjusted means testing of higher income seniors and Medicare should be defined today. This needs much more work, and a much more thorough examination. Moreover, it should only be done, if at all, in the context of health are reform that preserves Medicare, and expands coverage for prescription drugs and extended care.

Nevertheless, the Kasich budget has great merit. It puts into concrete responsible spending and tax policies, and an economic blueprint for the country.

Our deficit and profligate spending ways are undermining our economy, both short-term and long-term. In other words, as I have repeated time after time over recent years like a mantra: We need to save and invest in America.

Mr. Speaker, I think the Kasich budget focuses in on that course. What we need to do is have a budget that forces us to save and invest in America. The Kasich budget moves us onto that course.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Pursuant to House Resolution 384 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 218.

□ 1043

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for further consideration of the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, with Mr. SERRANO in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, March 10, 1994, the amendment offered by the gentleman from New York [Mr. SOLOMON] had been disposed of.

It is now in order to consider amendment numbered 3 printed in the House Report 103–429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. MFUME

Mr. MFUME. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. MFUME:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $1,340,000,000,000.
Fiscal year 1996: $1,410,766,000,000.
Fiscal year 1997: $1,478,765,000,000.
Fiscal year 1998: $1,555,924,000,000.
Fiscal year 1999: $1,629,943,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1995: $0.
Fiscal year 1996: $0.
Fiscal year 1997: $0.
Fiscal year 1998: $0.
Fiscal year 1999: $0.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,300,000,000.
Fiscal year 1996: $106,300,000,000.
Fiscal year 1997: $111,900,000,000.
Fiscal year 1998: $117,800,000,000.
Fiscal year 1999: $123,700,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,528,939,000,000.
Fiscal year 1996: $1,615,016,000,000.
Fiscal year 1997: $1,697,530,000,000.
Fiscal year 1998: $1,775,163,000,000.
Fiscal year 1999: $1,870,310,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,513,508,000,000.
Fiscal year 1996: $1,587,596,000,000.
Fiscal year 1997: $1,671,560,000,000.
Fiscal year 1998: $1,741,837,000,000.
Fiscal year 1999: $1,830,136,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $173,508,000,000.
Fiscal year 1996: $176,830,000,000.
Fiscal year 1997: $192,795,000,000.
Fiscal year 1998: $185,913,000,000.
Fiscal year 1999: $200,193,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,968,300,000,000.
Fiscal year 1996: $5,293,800,000,000.
Fiscal year 1997: $5,640,100,000,000.
Fiscal year 1998: $5,996,200,000,000.
Fiscal year 1999: $6,367,300,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,700,000,000.

(B) New primary loan guarantee commitments, $199,700,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $32,100,000,000.

(B) New primary loan guarantee commitments, $174,400,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $33,800,000,000.

(B) New primary loan guarantee commitments, $164,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $35,700,000,000.

(B) New primary loan guarantee commitments, $164,100,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $37,800,000,000.

(B) New primary loan guarantee commitments, $163,500,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $246,501,000,000.

(B) Outlays, $261,488,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $237,831,000,000.

(B) Outlays, $249,512,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $222,445,000,000.

(B) Outlays, $234,674,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $205,495,000,000.

(B) Outlays, $220,881,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $200,617,000,000.

(B) Outlays, $209,813,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $17,885,000,000.

(B) Outlays, $18,227,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $18,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $16,886,000,000.

(B) Outlays, $19,031,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,917,000,000.

(B) Outlays, $20,177,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $18,593,000,000.

(B) Outlays, $21,111,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $18,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $20,055,000,000.

(B) Outlays, $22,602,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $16,500,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $17,406,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $18,446,000,000.

(B) Outlays, $18,122,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $19,014,000,000.

(B) Outlays, $18,771,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $18,913,000,000.

(B) Outlays, $18,862,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $20,008,000,000.

(B) Outlays, $19,954,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $5,923,000,000.

(B) Outlays, $5,086,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $5,375,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $6,189,000,000.

(B) Outlays, $5,590,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,411,000,000.

(B) Outlays, $5,560,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $6,179,000,000.

(B) Outlays, $5,540,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $21,187,000,000.

(B) Outlays, $21,508,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $22,194,000,000.

(B) Outlays, $22,838,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $23,518,000,000.

(B) Outlays, $24,171,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $23,666,000,000.

(B) Outlays, $24,297,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $24,676,000,000.

(B) Outlays, $25,354,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $13,249,000,000.

(B) Outlays, $11,942,000,000.

(C) New direct loan obligations, $10,100,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $14,224,000,000.

(B) Outlays, $12,482,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $14,878,000,000.

(B) Outlays, $13,018,000,000.

(C) New direct loan obligations, $9,700,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,269,000,000.

(B) Outlays, $13,543,000,000.

(C) New direct loan obligations, $9,800,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,918,000,000.

(B) Outlays, $14,208,000,000.

(C) New direct loan obligations, $9,400,000,000.

(D) New primary loan guarantee commitments, $7,400,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $9,655,000,000.

(B) Outlays, −$7,501,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $6,485,000,000.

(B) Outlays, −$11,394,000,000.

(C) New direct loan obligations, $3,000,000,000.

(D) New primary loan guarantee commitments, $103,200,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $6,134,000,000.

(B) Outlays, −$3,104,000,000.

(C) New direct loan obligations, $3,100,000,000.

(D) New primary loan guarantee commitments, $95,400,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $6,994,000,000.

(B) Outlays, −$2,296,000,000.

(C) New direct loan obligations, $3,200,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $6,760,000,000.

(B) Outlays, −$1,842,000,000.

(C) New direct loan obligations, $3,400,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $42,012,000,000.

(B) Outlays, $38,914,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $42,988,000,000.

(B) Outlays, $41,205,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $46,125,000,000.

(B) Outlays, $43,572,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $47,587,000,000.

(B) Outlays, $45,206,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $49,500,000,000.

(B) Outlays, $47,833,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $9,633,000,000.

(B) Outlays, $9,799,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $10,110,000,000.

(B) Outlays, $10,240,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $10,669,000,000.

(B) Outlays, $10,829,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,071,000,000.

(B) Outlays, $11,243,000,000

(C) New direct loan obligations, $2,200,000,000

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,717,000,000.

(B) Outlays, $11,927,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $3,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $58,889,000,000.

(B) Outlays, $54,649,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $60,533,000,000.

(B) Outlays, $55,221,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $63,420,000,000.

(B) Outlays, $58,207,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $65,707,000,000.

(B) Outlays, $60,716,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $69,021,000,000.

(B) Outlays, $63,694,000,000.

(C) New direct loan obligations, $16,800,000,000.

(D) New primary loan guarantee commitments, $11,200,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New budget authority, $124,514,000,000.

(B) Outlays, $123,683,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $138,119,000,000.

(B) Outlays, $137,190,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $153,012,000,000.

(B) Outlays, $152,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $169,005,000,000.

(B) Outlays, $167,945,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $186,894,000,000.

(B) Outlays, $185,792,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $162,436,000,000.

(B) Outlays, $160,479,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $18,485,000,000.

(B) Outlays, $178,214,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $198,513,000,000.

(B) Outlays, $196,095,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $218,778,000,000.

(B) Outlays, $215,142,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $242,231,000,000.

(B) Outlays, $239,037,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $224,080,000,000.

(B) Outlays, $221,469,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $242,554,000,000.

(B) Outlays, $231,580,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $264,372,000,000.

(B) Outlays, $245,753,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $286,560,000,000.

(B) Outlays, $256,627,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $301,889,000,000.

(B) Outlays, $270,183,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $339,202,000,000.

(B) Outlays, $337,349,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $355,535,000,000.

(B) Outlays, $355,206,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $374,638,000,000.

(B) Outlays, $373,097,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $393,364,000,000.

(B) Outlays, $391,774,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $413,059,000,000.

(B) Outlays, $411,228,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $34,756,000,000.

(B) Outlays, $37,288,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $35,584,000,000.

(B) Outlays, $37,050,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $36,755,000,000.

(B) Outlays, $39,803,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $37,592,000,000.

(B) Outlays, $40,868,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $39,713,000,000.

(B) Outlays, $43,233,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $17,926,000,000.

(B) Outlays, $17,999,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $20,820,000,000.

(B) Outlays, $19,085,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $22,086,000,000.

(B) Outlays, $20,919,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $23,421,000,000.

(B) Outlays, $22,551,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $22,775,000,000.

(B) Outlays, $22,104,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $13,087,000,000.

(B) Outlays, $13,231,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $13,813,000,000.

(B) Outlays, $14,129,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0

Fiscal year 1997:

(A) New budget authority, $14,559,000,000.

(B) Outlays, $14,708,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $15,079,000,000.

(B) Outlays, $15,233,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $15,915,000,000.

(B) Outlays, $16,094,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $213,668,000,000.

(B) Outlays, $213,666,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $230,021,000,000.

(B) Outlays, $230,021,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $241,215,000,000.

(B) Outlays, $241,215,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $252,050,000,000.

(B) Outlays, $252,050,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $263,900,000,000.

(B) Outlays, $263,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $0.

(B) Outlays, $0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$42,898,000,000.

(B) Outlays, −$42,898,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$37,512,000,000.

(B) Outlays, −$37,512,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$37,933,000,000.

(B) Outlays, −$37,933,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$39,474,000,000.

(B) Outlays, −$39,474,000,000.0.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$40,518,000,000.

(B) Outlays, −$40,518,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

The CHAIRMAN. Pursuant to the rule, the gentleman from Maryland [Mr. MFUME] will be recognized for 30 minutes, and a Member opposed, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes.

Mr. KASICH. Mr. Chairman, let me say that I am not in opposition. I will just be recognized for 30 minutes.

The CHAIRMAN. Without objection, the gentleman from Ohio [Mr. KASICH] may control the time.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today, as we conclude this debate on the budget, in support of the alternative budget offered by the Congressional Black Caucus. I urge my colleagues to consider it and to support it.

Let me begin the debate by reemphasizing two very important points, the first of which is that the alternative budget of the Congressional Black Caucus stays within the established discretionary caps. Second, the deficit in the Congressional Black Caucus budget is $1.6 billion less than the deficit proposed by the Committee on the Budget and $2.6 billion less than the one put forth by President Clinton. So then in addition to being fiscally responsible, our budget aggressively addresses many of the problems facing our Nation today.

Mr. Chairman, we have a number of Members who want to speak and we have a limited amount of time. I am going to reserve my own remarks at this point in order that we might recognize some of the other Members.

First, Mr. Chairman, I yield 2 minutes to our representative on the Committee on the Budget, the distinguished gentleman from Pennsylvania [Mr. BLACKWELL].

Mr. BLACKWELL. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget.

This budget, entitled, "A Budget to Rescue America," underscores the urgency that confronts this Nation. This budget puts the priorities of America in proper order—it emphasizes jobs, putting people to work.

Mr. Chairman, policies of the past have left a trail of misery, stretching from the hills of West Virginia to the high-technology valleys of California. This trail of misery has left millions out of work or underemployed.

Many of these millions have been without a full-time, reasonably paying job for an extended period of time. The Congressional Black Caucus alternative budget addresses this pressing problem.

By investing at least $2 billion more in job training and job creation than any other budget before us, the CBC alternative comes closest to meeting the mandate of the 1978 Full Employment and Balanced Growth Act.

This is a budget that rejects the view of the Federal Reserve Board that we must have unemployment to hold down inflation, and it embraces the pledge of the President of a lifetime of learning and earning for all.

This is a budget that ignores the debate over who can spend less, cut more, and get tougher, and recognizes that the best cure for America is to encourage growth, expand the economy, and create jobs.

This is a budget that understands that the earned income tax credit doesn't mean a thing to a person who is out of work. This budget gets tough on jobs, and if we do that, there will be less need to get tough on crime.

Unlike the proposed substitute budgets, this budget retains the Summer Jobs Program, includes a permanent extension of the targeted jobs tax credit, and continues dislocated workers assistance.

The CBC alternative continues adult and youth job training programs, increases the School-to-Work Program and one-stop career centers, maintains the Job Corps, and funds the Empowerment Zone Program.

But, the CBC alternative goes beyond job training and job creation. This budget holds the line on such vital programs as public housing assistance, elderly housing, critical education programs, and AIDS research.

We continue the Low-Income Home Energy Assistance Program and Head Start, and we fund many aspects of the CBC crime bill, thus providing for Federal Government intervention in the effort to make our communities safe.

Most importantly, Mr. Chairman, the CBC alternative stays within discretionary spending caps, and provides additional money for deficit reduction.

Mr. Chairman, yesterday the Defense budget was defended. At the same time, domestic programs are under attack. We are fighting over limited resources. We should be fighting to increase our resources.

We can increase resources by investing in human needs. The CBC alternative budget does that. If we hope to achieve real growth and prosperity for anyone, we must ensure that such growth and prosperity are benefits for everyone.

Mr. KASICH. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. SANTORUM].

Mr. SANTORUM. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Kasich budget, and I do so to talk about one particular area of that budget, and that is the welfare reform proposal contained in it which saves $20 billion but which, much more importantly, does something real and substantial to help people who are in poverty get out of poverty. It gives people hope and opportunity, and it really focuses on putting incentives in the system and changing it from a system that is a permanent handout to a system that is a temporary hand-up.

□ 1050

The system as it is right now, if you look, is a system that is a long-term dependency system. The source of this chart is the cochairman of the President's task force on welfare reform, David Elwood.

Sixty-five percent of the people on welfare today will be on welfare for 8 or more years. That is not what the welfare system was created to do. It keeps people poor. If you are on welfare, you are poor. What we need to do is get people off of welfare into the mainstream of life, and that is exactly what the Kasich budget, what the welfare reform proposal contained in the Kasich budget does.

This is not a get-tough-on-welfare-recipients. This is give an opportunity to welfare recipients to get off welfare, to get back into the mainstream of economic life from our society.

There is another major problem with the welfare system. We talked about it yesterday in great detail. And that is the dramatic growth of the SSI program. Listen, there are a lot of people on SSI that need it. This is a needed program for many millions of disabled Americans who need some help to get through life. But this program is becoming so mismanaged and so blown out of control that it is actually doing a disservice to the people who need the help.

This is a program that has grown 30 percent over the last 3 years. We have gone from spending $16 billion on this program to spending over $23 billion a year on this program, because we have many millions more of non-citizens and children and drug addicts, which I talked about yesterday, who are getting on this program, who are sucking this money in, and are simply not the folks that we intended to help when we crafted this program. And it is an entitlement, so we simply just keep paying the money out, year after year after year, and no one in this chamber has done anything to try to reform this system. The Kasich budget does it.

Now, there are many Members on the other side of the aisle who say well, this is not the time to do welfare reform. This is not the time. We have to wait for the President's proposal. He has to come forward and do what he promised during the campaign, which was end welfare as we know it.

Well, we have been waiting 15 months to end welfare as we know it in this current administration, and still we have seen no bill introduced in Congress. But the other day, the President did send to some of us his outline of ending welfare as we know it. And I want to take the opportunity to go over this proposal and contrast it with what we are proposing in the welfare reform bill that we have in the Kasich budget.

The President proposes $15 billion, not in savings, in the welfare bill. We have $20 billion of savings in our bill. He proposes $15 billion in new spending on welfare. And how does he spend this money?

Well, here is $2 billion to bring more two-parent families into the Aid to Families with Dependent Children Program. Another entitlement. Here is $3 billion more for education and training. That is above the $6 billion we already spend in the program. And here is $8.4 billion on new day-care money. A total of $13.5 billion in new spending.

Wait a minute here, there is some money for the work program. You know, the thing we were supposed to do to end welfare as we know it. Yes; $820 million. The sum of $14 in new spending on extending welfare as we know it, $1 in ending welfare as we know it.

Is this a joke? I mean, is this serious? I mean, this is supposed to be ending welfare as we know it.

By the way, there are no offsets to pay for any of this. This is just adding more money to the entitlement programs.

Let us get serious about welfare reform. Let us get serious about helping people, not just keeping people poor forever and ever. The Kasich budget is the opportunity to do that. It is an opportunity to say that we are concerned about the taxpayer who is funding this system.

The American people are generous. They want to help their fellow man. But they do not want to throw money into a system that is keeping people poor, is keeping them from hope and opportunity, and is trapping them in a system that simply does not work anymore.

Mr. Chairman, the chance is today. The Kasich budget has the reforms that are necessary to change America. Please support the Kasich budget.

Mr. MFUME. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, my colleagues, if you really want to understand what deficit reduction is all about, then what you should do is take a look at the amount of money that we are spending to keep people in jail, which reaches $40 billion. Think about the cost of crime and violence. Think about the cost of AIDS and tuberculosis. Think about the cost of having kids dropping out of school, untrained and unemployed. And think about the lost competition, the lost productivity as a result of these Americans not being able to fulfill their potential. And take a look as to where the labor market is going to be in the next 10 years.

I tell you, my colleagues, if you want to reduce the deficit, if you want to make this great Republic as responsible in providing the leadership that she can, if you want us to go into the next century being certain that we will be the leaders in trade, then you will have to make the proper investments today.

Mr. Chairman, you cannot really think you are balancing our Nation's budget by not providing for the health care that our families need, by not providing for those educations, and by making certain that every one of our youngsters that are born today will find it just as easy to get into college as this society has made it to get into jail; to be able to invest the same amount of moneys, if not more, in our teachers and in our schools and in our job training as some of these politically motivated bills would provide moneys just for more cops, more wardens, and more jails.

What the Congressional Black Caucus is saying is that yes, we come in and reduce the deficit in dollars and cents now, but more important than the dollars and cents is where we make that investment for America. And we make that investment in Americans that have been deprived of the opportunity of life, liberty, and that great pursuit of happiness.

Mr. KASICH. Mr. Chairman, I yield 3½ minutes to the very distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Kasich budget and in opposition to the Mfume budget. Mr. Chairman, I do so for a number of reasons, not the least of which is the way the two budgets, the two proposed budgets, treat defense spending.

Mr. Chairman, in 1990, then Secretary Richard Cheney came before the Committee on Armed Services, and he said the world is changing. The threat that our country faces is changing. We need less defense today than we needed yesterday, and we will need less tomorrow than we need today. He proposed that we reduce defense spending by some $60 billion.

Mr. Chairman, we have started on that route where he said we were going to reduce defense, but do it right this time, he said, for the first time in history.

And then there was an election and we got a new President, and the $60 billion reduction grew for a time to $127 billion over the same period, and I understand and this year it has grown under the President's proposal to $140 billion over the same relative period of time. This year's installment in the President's budget is $14 billion in cuts.

Mr. Chairman, this amendment would add $9 billion in budget outlay to that $14 billion, which in my opinion heads us exactly in the wrong direction.

I brought this chart to try to help clarify my position, and that is that this chart shows since 1939 how our defense dollars have been spent. The red line represents defense spending, national security spending. The blue line represents other domestic spending.

As you can see, during various conflicts, the amount, the level of spending, has gone up and down. But in a general sense, today we are about back where we were in terms of percentage of GNP as to where we were before World War II. And we all know that we have got to know that that is a very, very dangerous situation.

We use today these defense dollars for a number of purposes. We use it for peacekeeping, as we have been doing in Somalia. And as the majority leader pointed out yesterday, if we get some kind of an agreement in Bosnia, our forces will be called on to be peacekeepers there presumably. And if we get an agreement, he said, in the Middle East, we will be called on to do peacekeeping there.

We do conflicts, like the one recently completed in the Middle East in Desert Shield and Desert Storm, and we have to be ready to do that. And Korea is an issue that we certainly cannot forget about. We use these dollars for humanitarian aid, both in the United States and abroad.

□ 1100

Under the Clinton proposal, we are discontinuing a number of programs, including the AFX, we are going to stop producing the F-16. We are going to stop producing the multirole fighter. We are going to stop our airlift, space lift projects. We are going to discontinue the SH60-B helicopter, and SH60-H helicopter, and we are buying no more armor in the foreseeable future.

Compared to 1985, our ship procurement is down 80 percent. Aircraft procurement is down 86 percent. Armor is down 100 percent. And strategic missiles are down 90 percent. We had a hollow force in the 1970's. We cannot have in this world today a repeat of the hollow force that we had in the 1970's.

Mr. MFUME. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, I rise today in support of the Congressional Black Caucus budget. There is a question that I am consistently asked. That is, how do we change our equations as it relates to the amount of money we spend for what many in this Nation call social programming.

Social programming, to many, is that investment, the moneys that we give in entitlement programs for the support of welfare, the support of health care, the support of our jails.

The Congressional Black Caucus budget treats this item differently. I think all of us in America need to change our attitude as it relates to what we call social. It is time for us to start thinking about investments. That is the reason in the Congressional Black Caucus budget, Members will find $628 million made available for the President's Community Financial Bank Institution Development Program.

It is important for us to understand that many of the cities in this Nation could become very productive communities, if, in fact, we learned how to invest in them, as we do in most instances when there are opportunities for us not only to rebuild but to build the small job sector, to be able to build small businesses, to turn around those stores, those blocks of commercial strips that have been ignored for the most part for the last 25 or 30 years.

The Congressional Black Caucus budget understands that if we are really going to rebuild America, it is not the money that we put into jails that contributes to a burgeoning criminal justice enterprise, but rather, it is the money that we put into the communities, communities that we feel are opportunities, fields of opportunities that have long been ignored, opportunities that are available not only for the banking community, for corporate America, and for all who would come into those communities and begin to make those investments.

If we turn those communities around, they become places where franchises will be able to open up. They become places where banks will be able to bring new branches. They become places where young people who now stand idly by on street corners will have opportunities for jobs. If we give them jobs, we do not have to build the jails.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from California [Mr. HERGER], a member of the Committee on the Budget.

Mr. HERGER. Mr. Chairman, although I support the Kasich alternative rather than the alternative offered by the gentleman from Maryland, I want to commend the the gentleman from Maryland for drafting a budget which not only reflects their priorities but which also shows how they would pay for them.

That is exactly what the Republican Kasich alternative does as well. Unfortunately, that is not what the President did in his budget, and that is not what we find in the committee's resolution.

The Republican alternative includes welfare reform. It includes a tough anticrime bill. It includes reasonable health care reforms. It includes incentives to generate job-creating economic growth. It also eliminates one-third of last year's tax increase and returns the money to families through a $500 per child tax credit.

The Republican alternative does all this, pays for it, and yet results in an additional $152 billion more in deficit reduction during the next 5 years than the President's budget.

The budget crafted by the Democratic majority does not stand up in comparison with either our alternative or the alternative offered by the gentleman from Maryland because it does not contain funding for many items the President has said are his priorities.

For example, the President has said he is committed to health care reform, but it is not in his budget. The President has said he is for welfare reform, but he has not budgeted for it. In the 1992 campaign, the President said he favored a middle-class tax cut, but the only one available this year is contained in the Republican Kasich budget.

I urge my colleagues to support the Kasich alternative.

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the chairman of the CBC.

I am very pleased to join with the members of the CBC and other Members of the House in supporting the budget that best represents the way in which the resources of this country ought to be spent. We are in a range of deficit neutrality on the various plans. They are all very close.

The question then is, within that range, how best do we spend the money?

The Congressional Black Caucus budget comes closer than any other to dealing with the most significant problems America faces today. We are still in a period of cultural lag. We are still in a period in which we are focused on an external danger, even though it has greatly diminished.

That is an understandable cultural lag. From at least 1940 until almost 1990, for a period of about 50 years, this country was, in fact, threatened by outside forces that had no respect for basic human values and sufficient power to destroy our way of life. There is no question. First the Nazis and then the Communists.

Therefore, for 50 years, the single greatest focus of American policy at the national level was national defense. One need not agree with everything done in the name of national defense at that point to have denied that.

Now, however, we are in a qualitatively different world. Yes, there are nations in this world that do not share our values, that do not act responsibly. But there is a qualitative difference. None of them individually, all of them together do not have the kind of power that existed in the coalition under Hitler or the coalition under Stalin and his successors.

The survival of the United States as a free and open society is no longer at risk from outside. But our budgetary allocation does not reflect that. Our major problems are today at home: the loss of millions of young people to a life that brings pain to them and loss and danger to others, environmental problems, inadequate health for people, older people who continue to face their retirement years in deprivation, people with illness who cannot get adequate treatment.

We have, in every other budget, and I must say this is true of the Budget Committee's budget as well, I voted for it and if it is the best we can do, I will vote for it again. But every other budget except the CBC budget continues to reflect that mistaken cultural view that says our survival is at risk from outside and to meet that nonexistent threat to our survival from outside diminishes the resources available to deal with the problems of poverty, of poor education, of inadequate health, of the loneliness of age, of environmental disaster.

The Black Caucus budget will not solve all of those problems, but it comes closer than any other to putting our resources where they are most needed.

Mr. HERGER. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. QUINN].

Mr. QUINN. Mr. Chairman, I rise today in strong support of the Kasich substitute. Although the President has proposed a sound budget and we are discussing an important option though from CBC. The Kasich substitute goes further to cut wasteful spending and to reduce the deficit while also providing the overburdened middle class with an income tax cut.

My constituents want a fiscally responsible agenda which includes a comprehensive anticrime strategy, along with welfare reform and health care reform plans—the Kasich substitute delivers.

My constituents want an often promised and long-awaited middle-class tax cut. A $500 per child tax credit for parents which amounts to a $60 million per district tax credit for families—the Kasich substitute delivers.

My constituents want cuts in wasteful and unnecessary Government spending, a 50-percent cut in House mailing privileges, and a 25-percent cut in the congressional budget—the Kasich substitute delivers.

My constituents want lower deficits in each of the next 5 years totaling about $278 billion over the same 5-year period in net deficit reductions—over $152 billion more than that promised by the administration—the Kasich substitute delivers.

My constituents want the elimination of wasteful pork-barrel programs such as the federally subsidized honey program and the Alaska Power Administration—the Kasich substitute delivers.

Mr. Chairman, I support the only plan which offers a clear agenda to fight crime, reforms our health care system, and reforms our welfare system without spending a single additional Federal dollar. I strongly urge my colleagues to support the Kasich substitute—the budget that delivers for the American people.

☐ 1110

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget. This is the most moderate budget we have ever submitted.

However, we do take small steps in the right direction. We take steps in the direction of providing more funds for education and more funds for jobs, job training and retraining, and we also take steps to deal with the construction of schools and a few other badly needed facilities.

It is important to note, Mr. Chairman, that people who talk about welfare reform should understand that the welfare reform problem is easily solved by providing for more education and more job opportunities. We cannot solve the problem of the subsidies, we cannot deal with the welfare kings, the people who were given $11.5 billion by the Department of Agriculture in the last 5 years. Yes, taxpayers, listen, $11.5 billion in loan forgiveness is forgiven to the millionaire farmers of the West and the Midwest over the last 5 years. That welfare reform we cannot deal with. We will have to deal with it some other way. But we can deal with the welfare reform of mothers with children who need help. If they are given jobs, job opportunities and job training opportunities, we can solve that problem.

The Congressional Black Caucus budget is a budget which emphasizes more money for jobs, job training, and more money for education. This is an alternative which carries America in the right direction. We do not need billions of dollars more for defense, we need billions of dollars in order to rebuild our infrastructure and to deal with the human engineering problems that we have to deal with, the problems of job opportunities and education.

This is the best budget that does that. This is the alternative that American taxpayers can support and know that there is a minimum of waste here. No more money for welfare kings in this budget, no more $11.5 billion in giveaways in this budget. We will stop the welfare.

If we stop the welfare kings we are sure we can solve the problem of welfare in our cities by providing more jobs and more education for the people who are on welfare.

This is a budget for all of the people.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, a little common sense in our Federal budget process might really go a long way. I know our constituents back home would approve.

For the last 2 days we have been debating the nonbinding budget resolution. It is a blueprint though for our spending for the next year. After all of the rhetoric and the smoke has cleared, the majority party will pass their budget. I guess the spending buck and the deficit buck stops there.

Under the majority plan, the deficit will go down. That is good news. But the bad news is that we are still going to have a daily deficit of a half a billion dollars. I guess we only go broke a little slower.

Common sense would tell us that we have not done enough. We would be critical of the average American family in Bloomington, IL if they handled their budget this way. And we have an alternative.

I encourage my colleagues to consider the Kasich budget. We save more money, $152 billion. We put money in there for welfare reform, for health care reform, for immigration reform.

It is just so simple, just common sense. It is time that we addressed the need to cut spending. Do it now and bring our budget in balance.

The Kasich budget has enough pain in it for all of us. But it is good. It is on the right track. Let us do it now. It is common sense.

Mr. MFUME. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in support of the Congressional Black Caucus budget.

Mr. HERGER. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I appreciate the gentleman yielding the time. I know the gentleman from Illinois [Mr. EWING] wanted to enter into a colloquy.

Mr. EWING. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Illinois.

Mr. EWING. Mr. Chairman, I understand under the budget of the gentleman from Ohio [Mr. KASICH], the Republican initiative, that he assumes that there is going to be a 50-percent reduction in the special tax preference for ethanol, is that correct?

Mr. KASICH. The gentleman from Illinois is correct.

Mr. EWING. Is the gentleman aware that there are those of us who believe this provision, if enacted, would in fact increase spending on farm commodity programs rather than reduce spending that the gentleman sought in his budget?

Mr. KASICH. I have been made aware of that fact, that that is the opinion of the gentleman and others like him.

Mr. EWING. Is it now the gentleman's intent to eliminate the provision in conference on the budget resolution?

Mr. KASICH. The gentleman is again correct. I intend to support the gentleman's efforts and those of other Members who believe this preference is essential and will remove the policy from the assumption on this initiative.

Mr. EWING. I thank the gentleman from Ohio for his assistance.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. PACKARD].

Mr. PACKARD. Mr. Chairman, I rise in opposition to the alternative presented to the House by the Congressional Black Caucus.

We have heard a lot about families in this debate. Clearly, the families in this country are the strength of this country.

If we are truly concerned about easing the burden on our families, we should defeat the budget offered by the Congressional Black Caucus, and pass the Kasich alternative.

Here are the broad strokes of the Kasich budget: First, it reexamines the role of the Federal Government; second, it includes full funding for welfare reform, a downpayment on health care reform and funding for improved crime control; and third, the Kasich budget actually accomplishes what the President promised last year, and then never delivered: deficit reduction, and a tax break for families.

You do not have to serve in Congress to know that you do not reduce Government spending by giving the Federal Government more money to spend.

To truly reinvent government you must examine the role of government and decide definitely what it should and should not do.

The Kasich budget accomplishes this: It eliminates the Interstate Commerce Commission, a Behemoth bureaucracy that has outlived its usefulness; repeals the Davis-Bacon requirements reducing the outlays by making Federal contracting more competitive; and privatizes air traffic control operations.

I find it interesting and a sign of the intellectual strength of our party that the Kasich budget incorporates some of the best Republican proposals to deal with this country's toughest issues.

Finally, the Kasich alternative provides families with a $500-per-child tax credit for middle-income families. This will ultimately scale back the heavy tax burden President Clinton placed on families last year.

All of this can be accomplished while still reducing our enormous Federal deficit. Kasich's budget cuts the deficit by $162 billion next year, and approximately $310 billion over 5 years.

The Republican alternative, presented by Mr. KASICH and the Republican members of the Budget Committee, is a win-win proposition.

Win-win means less spending by the Federal Government, and lower taxes for the families of America.

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I rise today in support of the alternative budget offered by the Congressional Black Caucus. Over the years the CBC alternative budget has been characterized as a tax-and-spend budget.

Mr. Chairman, this time, those who have opposed us in the past, can now step up to the plate and support this budget. Why? Because this budget first, stays within established discretionary caps; second, spends $1.8 billion less than the House Budget Committee; and third, commits $2.6 billion more to deficit reduction than the President's budget.

Mr. Chairman, this is the only budget being considered that finally and most importantly, is designed to rescue America.

The American people have made it very clear: What they want is an investment in jobs, an investment in infrastructure, and an investment in children. This budget does just that. It includes a $98 million increase in spending to the Community Development Block Grant Program, it establishes community development banks to help spur economic investment and opportunities in areas that so desperately need them. This budget contains a $500 million increase in Community Development Block Programs targeted specifically to meet economic conversion planning needs.

Mr. Chairman, this budget speaks of our commitment to the future of this country, our children. It says to our children, we care. We provide for additional funding for training programs and after school recreational programs. When are we going to learn? Supporting our families is more than just providing a $500 tax break per child. We must have a comprehensive strategy to save our families and, indeed, entire communities.

This budget funds many of the excellent proposals contained in the CBC alternative crime bill, to combat the ongoing violence found in far too many cities and towns throughout this country. This budget, Mr. Chairman, keeps our commitment to international responsibilities, and builds on expanded burden sharing with our allies, in meeting the challenge of global security. This budget takes advantage of the new geopolitical realities, the increases in requests for global peacekeeping activity, and new modifications to projected drawdowns on this account.

Mr. Chairman, the time has come for us to make the American people a priority. Let us pass a budget that invests in our future, our children's future and rescues America. I ask my colleagues on both sides of the aisle, to vote for the CBC alternative budget.

□ 1120

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, one of the most fraudulent budget practices of Congress is being exposed today.

In the Kasich budget, Republicans adopted legislation introduced by Representative COX and me, to eliminate the so-called current services budget baseline. Later, the committee incorporated a similar provision into its budget.

That is progress. For the first time, Congress has admitted that baseline budgeting is deceptive and should go.

We all know the game. Under the present system, Congress builds an automatic increase into each Government spending program every year by adding the rate on inflation, population growth and various technical factors.

Any time a spending increase does not reach the new baseline, it is called a cut by the politicians in Washington.

As Lee Iacocca said recently, "If we did that in business, they would lock us up."

Congress uses this accounting deception to claim it is cutting a specific program while actually increasing spending. It is time for the deception to end and to run the Federal Government like a business.

Mr. Chairman, today's action is a positive first step. I thank the 122 cosponsors of my bill, from both sides of the aisle, for their support. Now, let us get rid of baseline budgeting once and for all.

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 3 minutes to the distinguished gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise today in strong support of the alternative budget offered by Congressman MFUME on behalf of the Congressional Black Caucus, in coalition with the congressional progressive caucus.

Mr. Chairman, this alternative budget is not about outlays. Instead, Mr. MFUME and his colleagues are presenting us with a blueprint for the safest and wisest investment in this country today—an investment in our people.

First, this budget allows an additional $2 billion in funds for job training and job creation. We must make this additional investment and make it now. We have been losing the moderate- and high-paying jobs that once allowed many workers in this country to lift themselves and their families up to a better life. Many are being replaced by low-wage, low-benefit, no-future employment.

This alternative budget provides additional resources to give our people the skills and training they need to contribute to, and benefit from the economy of the future.

Second, the Congressional Black Caucus' substitute allows additional investments in the education of our children. It would raise the number of disadvantaged students served by compensatory education programs, fund improvements in elementary and secondary schools facilities, and raise the maximum Pell grant awards for low-income college students.

Mr. Chairman, our children are our future. More dollars for education means a brighter tomorrow for the Nation.

Last, the alternative budget makes an investment in the health of our Nation. It provides an additional $1.4 billion for health care in the next fiscal year. By adding these resources now, we recover a healthier and more productive work force and Nation tomorrow.

Mr. Chairman, it is time that we redirect billions of dollars wasted on arms, and invest in job training, in education, and in health care. I urge strong support for this progressive, enlightened budget proposal.

Mr. HERGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. STUMP].

Mr. STUMP. Mr. Chairman, I rise in support of the Kasich budget and in opposition to the Clinton budget.

Mr. Chairman, I rise in strong opposition to the budget resolution before us today. In large respect, it replicates the administration's budget for veterans. It is the first real Clinton budget for veterans and there are no two ways about it. It is an outrage and travesty for veterans and the VA.

The Budget Committee has not improved on the President's request. Both the President's and the Democrat's budget plans are dead wrong. Their implication, of course, is that veterans are better served by cutting back on spending for veterans' programs. It hasn't happened in the past and don't expect it in the future.

I know my colleagues want to know if we are doing as much as we can for veterans. We are not. This budget is short in nearly every category. It is severely lacking in resources necessary to make the VA health care system competitive with the private sector under the Clinton Health Security Act.

It undermines all claims to maintaining a separate independent system which could credibly be expected to compete for veteran patients.

The almost cavalier attitude toward making any significant progress on the claims processing backlog invites future litigation for denial of due process.

On the medical care side, it's a blueprint for health care decline. The budget doesn't keep pace with costs. It claims a $500 million increase in health care funding, yet VA's own conservative estimate of what it needs to produce a current services level is $611 million.

The budget claims that VA can compete and survive in national health reform, yet this budget expects VA to treat 27,000 more veterans with 3,680 fewer employees and less than current services dollars.

Instead of demonstrating a commitment to upgrading VA health care, this budget shamelessly holds eight ambulatory care projects hostage to passage of the Clinton Health Security Act.

If we are going to keep faith with veterans, the programs serving veterans require increases. I am not satisfied with a system where veterans must wait months to see a doctor, can't get an answer on a phone call, or are unable to begin rehabilitation for service-connected disability.

Our veterans deserve better.

I am disappointed that this budget overlooks every item, except research, that the Veterans

Affairs Committee identified on a bipartisan basis as shortcomings of this budget.

This budget rejects the Veterans' Affairs Committee's bipartisan request for additions that would move us toward restoring current services and toward correcting the critical backlog in medical equipment that now stands at nearly $1 billion.

On the benefit side, this budget rejects bipartisan proposals to maintain services that would otherwise fall victim to further erosion. VA programs already face an administrative nightmare by any standard or definition. We cannot allow this situation to slip further.

In striking contrast to the needs which VA faces in fiscal year 1995 and beyond, the administration requested a level of funding substantially below what is needed to maintain current services to veterans. At the same time, the Veterans Health Administration will be required to absorb an unprecedented reduction in total employment as part of a governmentwide employee reduction.

The combination of employee reductions and diminished medical care funding will require VA to cut services or delay provision of services at the very time efforts should be made to expand services and improve their quality.

The Veterans' Committee knows full well that at many facilities the lack of a primary care mechanism results in unacceptable waiting lines for veterans.

This budget rejects the Committee on Veterans' Affairs recommendation, as a high priority, the addition of funding toward fuller development of a primary care capacity within VA facilities.

This budget would simply maintain a situation that requires veterans to wait—to wait for examination, to wait for treatment, and to wait for appointments to specialty clinics.

The Committee on Veterans' Affairs identified the longstanding budgetary failure to address adequately the physical condition of VA facilities. As a result of this deficiency, VA health care facilities need to replace aging medical equipment and carry out basic maintenance and repair that presently go unmet.

For fiscal 1995, this budget provides no money to meet the needed replacement medical equipment backlog of more than $700 million, or the unmet repair and maintenance work estimated at nearly $930 million. The veteran service organizations identify funding to eliminate the medical backlog as one of VA's most critical needs and point to the repair backlog as endangering patient safety and quality of care as well as leading to the unseemly public opinion of VA facilities.

The VA has long led the way in post traumatic stress disorder treatment and research, and specialized PTSD treatment teams are located at VA facilities throughout the country. The number of veterans suffering from PTSD is difficult to determine, but, in fiscal 1992, studies indicate PTSD was the fifth most frequent primary diagnosis in VA hospitals.

A comprehensive study of the effectiveness of VA's special PTSD outpatient programs found that veterans treated in these programs demonstrated significant improvements in symptoms, legal difficulties, rate of employment, and outward violence.

The Veterans' Affairs Committee highlighted the need to modestly expand these programs with an additional $2 million and 50 additional employees to help establish an additional 30 access points for these programs. The budget gives this area no priority and provides no additional funding.

The administration's request for major construction funding, like the medical care budget, falls dramatically below prior year levels and altogether fails to address the broad system needs. In seeking only $115 million in new budget authority for fiscal 1995, the administration is requesting $262 million less than was appropriated last year and $465 million less than in fiscal year 1991.

This dramatically diminished commitment to construction does not appear to be a one-time phenomenon, with outyear budgets averaging only $175 million annually.

Though it is clear that uncertainty surrounding national health care reform adds complexity to construction planning, the need that prompted the Congress last year to call for giving greater priority in the construction planning process for ambulatory care and nursing home care have not changed. The Committee on Veterans' Affairs, therefore, believes that the Department's request to the Office of Management and Budget of $377 million in major construction for fiscal year 1995 is a far sounder target, though still inadequate, than the $115 million proposed to Congress in this document.

The Veterans Benefits Administration faces a serious administrative crisis of a growing backlog of claims and a steady delay in the timely processing of veterans' claims.

In fiscal year 1993 some 4,357 employees were provided for VBA adjudication activity and 3.4 million claims actions were received and completed, leaving a backlog of 531,078 claims. The pending backlog is projected to increase in fiscal year 1994 to approximately 700,000 claims, and in fiscal year 1995, to nearly 900,000 claims.

At the end of fiscal year 1993, the average elapsed time between receipt and completion of an original compensation claim was 189 days, compared to VA's goal of 106 days. The average elapsed time is expected to increase to 235 days in fiscal year 1995.

Statistics demonstrate that the backlog of claims is fast becoming unmanageable and that timeliness of claims has slipped significantly. Moreover, the quality of work has deteriorated. The Committee on Veterans' Affairs believes that unless a significant number of additional employees are provided and drastic action is taken to modify existing procedures, the entire process will only fall further behind.

This budget produces no sign of future improvement in this serious situation. The budget leaves service-connected claims by veterans to the whimsy of chance. By choice the budget requests a Veterans Benefits Administration decrease of 622 employees. Yet VA officials say they are being overwhelmed by claims.

Nationally, the VA benefit claims backlog was 377,000 4 years ago, but by the end of September it could reach 870,000.

How can a 622 employee reduction in the Veterans Benefits Administration be justified in light of the worsening trend away from the Department's timeliness goals on compensation and pension? From fiscal 1994 to fiscal 1995, timeliness would slip from 226 average days for completing a claim to 235 days, when the goal is 106 days. This budget will only serve to let this situation slip out of control.

For the Board of Veterans Appeals, the veterans wait to get a decision can be more than 2 years. But VA officials report that the processing time could be 2,500 days by the end of fiscal 1995. That's nearly 7 years.

This budget does nothing to address this situation, other than to maintain the current structure, leading to delays that would be measured in years rather than days. The Veterans' Affairs Committee saw fit to add $4 million and 50 additional employees to work this backlog down, but this budget rejects any feasible approach to this problem.

Mr. Chairman, we must begin to process claims for benefits on a more timely basis. It takes far too much time to process compensation, pension, and education claims.

Under the Vocational Rehabilitation and Counseling Program, VA provides rehabilitation and counseling services for eligible veterans, service members and their dependents. VR&C's primary mission is to provide all services and assistance necessary to enable service-connected disabled veterans to achieve maximum independence in daily living and, to the maximum extent, to become employable and to obtain and maintain suitable employment.

VR&C continues to experience a significant increase in applications for benefits and vocational counseling. The increase is in part due to the downsizing of the military.

Despite the fact that VR&C staff have been unable to keep pace with the rapidly growing workload, this budget would contemplate a reduction of 19 field staff to handle a projected increase of 3,700 cases in fiscal year 1995. With workload target and timeliness standards currently failing, how does fewer staff achieve the rehabilitation goals of this program for service-connected service members?

The President recommends and this budget accepts a reduced funding level for the Veterans Service Program. The present staff in this program operates through VA's 58 regional offices and satellite facilities. VA's estimate of 11.1 million public assistance contacts in fiscal year 1994 has already been exceeded in barely 6 months.

Data from traffic studies of VA's 800-service lines indicate that the average blocked call rate, in fiscal 1993, was an astounding 62 percent. These studies reveal that because of inadequate staffing of telephone service a significant number of veterans seeking information and assistance are not receiving the service to which they are entitled.

The uncertain economic times and the continued downsizing of the armed services continues to generate increased requests for information and assistance. Additionally, issues which receive wide press coverage, such as reports of radiation testing during the 1940's, 1950's, and 1960's and concerns related to possible illnesses related to service in the Persian Gulf, result in increased telephone calls. Without adequate staffing and budget resources in fiscal year 1995, the VA staff cannot meet the assistance needs of veterans and their dependents.

In the National Cemetery System, VA received the remains of over 70,000 veterans in the last fiscal year. In fiscal year 1995, VA estimates 73,000 interments. With available funding in fiscal year 1994, the backlog of essential operating equipment to keep pace with timely burial will increase to $6.7 million and VA projects an additional $2.7 million in equipment will be due for replacement in 1995. This budget provides inadequate funding to reduce the backlog of replacement equipment. With funding of $1.6 million. The Committee on Veterans' Affairs recommended the addition of $7.8 million to meet this obvious need.

Mr. Chairman, this Nation has no greater obligation than to care for its veterans. Over the years, Congress has made commitments to veterans that a grateful Nation supports. This resolution backs out of those commitments and fails to meet our obligations. I urge my colleagues to vote against this bill.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Gentlemen of the House, I rise in total opposition to the Black Caucus budget resolution and in total support of the Kasich resolution. I also rise in opposition to the Budget Committee resolution and tell you that through experiences I have had within the last 60 days in my district I had the opportunity to hold town meetings throughout all of my six counties.

The one common thread of complaint that I heard was that the people of Alabama and the people of America are sick and tired of the Government growing at the pace it is growing. They are tired of the Federal Government telling us what time of day we are going to get up, tired of all of these new programs that tell us how much money we are going to earn, how much we are going to keep. They are tired of big government, and the message they gave to me was, yes, do something about health care; yes, do something about crime.

But the strongest message was do something about the growth of that Government; stop this wasteful spending; stop these new programs. That is precisely what the Kasich bill does. It starts us on the road toward these reductions in diametric opposition to what the Mfume bill does and the budget resolution does, because he is growing big Government.

In addition to that, the Black Caucus budget reduces the national defense to the point that we might not even have enough money for one platoon, $175 billion less than the Budget Committee requested.

So what Kasich does is give us as much money as we can possibly afford to ensure we have a strong national defense, cuts back on the size of Government, and works toward what all of us are going back and telling our people in our respective districts: We are sick and tired of Government, too, being so large, and we seriously want to do something about this deficit and this growing debt of the American Government.

The only way we have to do that today is to vote down the Black Caucus budget and to vote for the Kasich substitute.

Mr. MFUME. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in point of fact, if I might, the Congressional Black Caucus' budget deficit, as proposed in the bill, is $1.8 billion less than the deficit proposed by the Committee on the Budget and $2.6 billion less than the one put forth by the administration.

Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. WATT].

Mr. WATT. Mr. Chairman, I rise in support of the Black Caucus budget.

Mr. Chairman, I rise in support of the CBC's budget resolution. As a member of the Subcommittee on Housing and Urban Development, I want to speak specifically about this budget's effect on community growth.

Last year, we made some tough choices in order to cut the Federal deficit and redirect our resources to invest in our people. And while we are starting to see the positive effects of these choices in the cities and towns in my district, the scars of the recent recession are still fresh there as well. Now is the time to redouble our efforts to ensure that all of our citizens gain from the recent recovery, including the people in the inner cities who suffered so greatly under the policies of the 1980's.

The CBC budget recognizes the magnitude of the need for investment in our communities. It increases funding for community and regional development by about $530 million over the President's request. It provides increased funds for the Community Development Block Grant Program. And it adds $750 million for the Neighborhood Infrastructure Improvement and Inner City Jobs Creation Act, which funds job creation for people in poor communities who are out of work or lack basic skills.

The CBC budget is a fiscally responsible approach to investing in our people and our communities. I urge my colleagues to join with me in supporting it.

□ 1130

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Congressional Black Caucus budget and urge my colleagues to support this sound economic alternative.

As a member of the Committee on Foreign Affairs, I recommended changes in our international funding priorities, which are reflected in this budget alternative.

In view of the shifting political landscape around the globe, it makes good economic sense to reassess the allocation of our foreign aid dollars to be sure we are using our resources as effectively as possible.

Newly emerging democracies should be encouraged as we move toward the establishment of formal bilateral relationships.

The United States has been generous in our support of the New Independent States of the former Soviet Union. Unfortunately, funds for this purpose have been diverted from developing country accounts.

I want to point out that the cold war took its costliest toll on the continent of Africa when the United States supported former dictatorships at the expense of the African people. I believe that restitution is necessary to begin to bring an end to the suffering now caused by civil wars and resulting ethnic tensions.

As Americans and advocates of freedom, let us support the emerging democracies on the continent of Africa with the same enthusiasm and commitment of resources with which we have endowed the new European democracies. With the release of Nelson Mandela and the imminent elections in South Africa, the United States has a historic opportunity to bring freedom to an era where oppression has long been the status quo.

Our budget proposes restoration of an earmark for the Development Fund for Africa at $1.2 billion. We support the creation of a Southern Africa Enterprise Fund at $100 million, similar to those in Eastern Europe. In addition, we call for the restoration of cuts in Public Law 480, title 2—the food and work program—and title 3—direct food assistance—by $158 million.

Other objectives of our budget include improved United States financial participation in U.N. peacekeeping activities, pursuing equitable trade relations with Africa and the Caribbean and monitoring the impact of special trade agreements within the hemisphere, as well as with Asia, Latin America, and Europe.

Mr. Chairman, I recognize that we have pressing domestic problems—problems crying out a solution.

Some critics of foreign aid say that we should not spend a penny overseas until our domestic affairs are in order. The reality is that in today's interdependent world, there is a strong link between our ability to succeed at home and our ability to build international relationships.

I urge my colleagues to help us build a better country and a better world by supporting the Congressional Black Caucus alternative budget.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. HORN].

Mr. HORN. I thank the gentleman for yielding this time to me.

Mr. Chairman, some in this Chamber know I have major concerns about how we approach the budget. My own solution would be to convene a special session of the Congress to have us, without the Committee on Rules' intervention, vote these issues up or down by majority vote. Our hands are tied in terms of constructive proposals simply because we are faced with four choices which contain a hodgepodge of recommendations, often more ideological than rational.

I favor most of what my colleagues have put in on the Republican side. But there has been one major error, and I want to address my remarks solely to that. That is the repeal of the Davis-Bacon Act.

I can think of nothing that would undercut the working people of this country more than the repeal of the Davis-Bacon Act.

Mr. Chairman, James Davis was the Secretary of Labor under three Republican Presidents: Harding, Coolidge, and Hoover. In 1931, as a Republican Senator from Pennsylvania, he joined with Robert Bacon, a Republican Member of the House from New York, and together they authored and led through Congress, President Hoover's request for this historic legislation, which has been on the books for over six decades.

What the Davis-Bacon Act provides is that construction, alteration, and repair, which is funded with Federal money shall meet the prevailing wages in the locality of the projects for similar crafts and skills on comparable construction work.

Why did they do this? Because in the midst of the Depression, when millions of our citizens were out of work and there was great misery, often fly-by-night contractors would come with pickup untrained labor and bid on contracts with low-wage workers and thus undercut the workers and contractors in a local labor market.

That Davis-Bacon law is on the books and should remain on the books, for good reason. The contractors in a locality who bid on these projects with workers who are paid the prevailing wage—the carpenters, the electricians, the operating engineers, the laborers, the plumbers, and many others in their important crafts—generally continue to live in that community. We should not do anything to undercut what our neighbors, the construction working people of America, have achieved, both men and women, in terms of the prevailing wage.

Only three Presidents have created exceptions to this law. Those were shortlived—in a few weeks in the case of Franklin D. Roosevelt and Richard M. Nixon, a longer period but limited to the areas in the three States affected by the hurricanes which struck parts of Florida, Louisiana, and Hawaii in the fall of 1992. This Congress should not create any exceptions to the Davis-Bacon Act. I include as part of my remarks. "The Purpose of the Act" as described by William G. Whittaker, Specialist, Economics Division, Congressional Research Service of the Library of Congress:

PURPOSE OF THE ACT

In the late 1920s, the Federal Government undertook a major program of public building which, as the Nation moved into the depression after 1929, had important implications for the areas where the work was to be performed. Such contracts were normally awarded to the lowest bidder. Certain itinerant contractors, through the employment of non-union workers from low-wage parts of the country, were able (or were believed to be able) to underbid local contractors for such projects. Thus, the employment impact of public construction on localities was reduced, distressing both local contractors and their workers.

The Davis-Bacon Act was fashioned to protect "fair" local contractors and workers, residing in and employed in local markets, from "unfair" competition by low-wage (often itinerant) contractors. Further, it was intended to help assure quality of construction, to help stabilize the local economy and industry, and to make the Federal Government, indirectly through its power as a consumer, a model for private sector employers in the area of labor standards.

When drafting the Davis-Bacon Act, Congress was not searching for the cheapest labor for Federal construction work. Instead, it was concerned with preserving "fair" labor standards and the stability of local markets. Some may argue, however, that there is no essential conflict between the purposes of the original enactment and securing a bargain for the public agency consumer. Employment of skilled labor at a "fair" wage (which Congress has determined to be the locally prevailing wage for the craft), may result in economy in the long term: better work, more quickly performed, and less costly to maintain.

CONSISTENT CONGRESSIONAL SUPPORT

Since 1931, Congress has consistently broadened and strengthened Davis-Bacon. In 1934, it added the Copeland "anti-kickback" provisions to insure compliance with the prevailing wage requirements of Davis-Bacon. In 1935, Congress reduced the dollar volume threshold for triggering the Act from the original $5,000 to $2,000—to prevent fragmentation of contracts in order to circumvent the statute. In the 1950s, Congress began to add Davis-Bacon provisions to various program statutes in which, while the Federal Government might not be the direct contractor, Federal funding would make the work possible.

[From William G. Whittaker, "The Davis-Bacon Act: Action During the 103rd Congress," page CRS-2]

Mr. MFUME. Mr. Chairman, for purposes of debate only, I yield 2 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding this time to me, and I thank the caucus for doing a wonderful job once again.

This is the budget with vision. We either believe in equality and justice for all or we do not. This is the budget that gives a hand up to people.

Let me talk about what a lot of perceptions about this budget are that are wrong. A lot of people have the perception that the Black Caucus budget is about handouts, it is about training for no jobs that are there, and so on. Let me answer what this budget has in it.

It has some very, very good job creation, better than anything else. They increase science and space. And they put extra money in for creating jobs in things like high-definition television and many other places that are the jobs of the future.

In energy, they increase energy. And guess what they do? They transfer money from nuclear fission to alternative fuels for creating new kinds of automobiles and so forth.

We have heard all sorts of people talk on this floor, talking about, If you vote for this budget, we won't be able to afford but one platoon in the military. Oh, yeah? Does one platoon cost $260 billion, then you get all the rest of it for the additional $10 billion that the Black Caucus passed?

Now that does not pass the giggle test. But that is what it is.

If you really believe that—and it is very sad that we do not have truth-in-advertising that we have for selling toothpaste in the same thing for selling the budget—but if you listen to people saying, "If you vote for this, defense is over, America will be overrun," they only cut $10 billion out of $270 billion. That is one-twenty seventh or 16.8. It barely shows up.

Now let me tell you something: I have been ahead of burden sharing for ever and ever and ever. The gentleman from California [Mr. DELLUMS] has shown all sorts of money overseas. You can save this money by burden sharing.

Yesterday on the floor I read 12 different tractor programs in research and development. No one stood up to defend any of them. I said you could take all of those out. I went on about how you consolidate the chaplains' schools and the engineering schools and all sorts of things. You can do all sorts of things which save money.

□ 1140

But let us stop just saying, "If you vote for this, you will decimate defense," because that will not happen at all. This is talking about base closings overseas where it is most expensive to do it. Leave the bases at home. Train at home. Be flexible at home. And do things like the Colorado National Guard is doing now, serving the homeless at home. That is what this budget is about.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. GEKAS].

(Mr. GEKAS asked and was given permission to revise and extend his remarks.)

Mr. GEKAS. Mr. Chairman, I thank the gentleman from California [Mr. HERGER] for yielding this time to me, but I say to the gentleman from California who just yielded that he may be disappointed in yielding to me because I am inclined to support the Black Caucus budget because the Black Caucus budget is the only one that has a forward look about it on the funding for

NIH, the National Institutes of Health. Why do I say that?

Mr. Chairman, I would ask the gentleman from Maryland [Mr. MFUME] to pay close attention to what I am saying because I may engage him in a dialog on this.

If my understanding is correct, Mr. Chairman, the budget that is presented by the Black Caucus maintains the President's proposals for funding for NIH but then allows a flexibility therein to do expansion of that budget for some inflationary or other purposes.

Is that correct?

Mr. MFUME. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Maryland.

Mr. MFUME. Mr. Chairman, the gentleman is correct in that assumption.

Mr. GEKAS. Mr. Chairman, on that basis I am going to try to persuade myself to back the Black Caucus budget on that point alone. Every other budget that has been presented cuts back either actually, or potentially, or in the future on the funding for NIH.

What are we doing? In a day and an hour when we are arguing about health care and about funding for our health care needs in this country, Mr. Chairman, we are cutting back on something that adds to the preventative care mode of our health care system and which can cut costs in the future. On that basis alone I am persuading myself to support the Black Caucus budget.

Another point that has to be made here, Mr. Chairman:

In cutting back on research, in rationing the power of Dr. Varmas who is the head of the NIH, rationing his power, forcing him to ration the allocations to researchists, we are rationing future cures for our Nation and its citizens, and it seems to me that, if the gentleman from Kentucky [Mr. NATCHER] were here with me, he would be helping me with my argument here because we are being penny-wise and pound-foolish.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GEKAS] has expired.

Mr. GEKAS. Mr. Chairman, could I ask for an extra minute?

Mr. HERGER. Mr. Chairman, I will not be able to yield an extra minute to the gentleman from Pennsylvania.

Mr. GEKAS. Now I am more than ever persuaded to vote for the Black Caucus budget.

Mr. Chairman, would the gentleman from Maryland [Mr. MFUME] yield?

Mr. MFUME. Mr. Chairman, I can yield 30 seconds to the gentleman who is undergoing transformation.

Mr. GEKAS. Mr. Chairman, I say to the gentleman from Maryland, "No, you are because you recognize the importance of NIH, and that's important."

What I intend to do is to pursue a policy that we have begun to expand the virtues of NIH. The Medical Research Caucus of the Congress has had 25 separate sessions on why we should be supporting increases in NIH for the purpose of health care reform in our country.

Mr. HERGER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Arizona [Mr. KOLBE], a member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, I thank the gentleman from California [Mr. HERGER] for yielding this time to me.

Mr. Chairman, I rise today, not in support of the amendment, the substitute offered by the gentleman from Maryland [Mr. MFUME], but to say that it is an intellectually honest one and it is a good faith effort. It is one that clearly deserves to be debated because of the effort that it makes here today. But the primary reason that I would oppose it is because of the cuts it makes in the budget.

Mr. Chairman, despite what the gentlewoman from Colorado [Mrs. SCHROEDER] said, the $175 billion additional cut below the baseline of the Clinton plan, and that is on top of the cuts that the Clinton plan would make, would be devastating to national defense.

Well, is there an alternative to the Clinton budget? Yes, there is. There is one that will be debated next, and it is that plan that is offered by the Republicans on the Committee on the Budget led by the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, there are four points that I would make about this alternative:

First, it has $150 billion deeper cuts than the Clinton budget does in actual spending; second, it changes the way that government does business, by returning a lot of the responsibilities of government to where it should be, to local and to State governments, and we do that through block grants of programs that will enable us to have the same services, but provided by the States without the overhead of the Federal and State governments for each of the separate programs; and third, it fully and honestly accounts for the actual costs of programs in health care, the welfare reform, and the crime initiative, all of which are strikingly absent from the Clinton plan; and of course last, it has a $500 per child tax credit.

A lot of groups have supported this in large measure, Mr. Chairman, because of the tax credit that is in there for children and for American families. Let me just read to my colleagues a few of the organizations:

Citizens Against Government Waste.
Concerned Women for America.
The Association of Concerned Taxpayers.
The Family Research Council.
The National Taxpayers Union.
Americans for Tax Reform.
The Associated Builders and Contractors.
The Financial Executives Institute.
The Small Business Survival Committee.
The Eagle Forum.
The Institute for Research on the Economics of Taxation.

Mr. Chairman, these are groups which have looked at this tax credit and understand the reasons for it.

Mr. Chairman, the bottom line is this:

Do we have a budget to give Washington more of our money for paper and paper clips, or should we leave the money with our constituents and their families? I think it should be the latter.

Mr. MFUME. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Florida [Ms. BROWN].

Ms. BROWN of Florida. Mr. Chairman, today we are considering a number of budget substitutes. The CBC budget builds on the foundation of economic growth we have seen over the last year. Yet of all the measures we are considering today, only the CBC budget makes the necessary investments to continue that trend, and to give our children the chance to grow up in safe neighborhoods, be educated in world class schools, and to create the type of high-skilled, high-paid jobs that will give them a chance at a bright future.

How can we doom the hope of these children? My distinguished colleague from Ohio wants to give a $500 tax credit for families, which sounds like a wonderful idea.

But then he turns around, hits kids, elderly, the poor, and unrepresented right between the eyes.

My dear colleague, and some of his friends on the other side of the aisle, propose to take away money from schools, over $15.5 billion from education alone. He hits the elderly and poor by cutting $10 billion from Medicare. Then he hits the poor again, by eliminating the entire legal services program.

The CBC budget cuts the deficit but maintains compassion. I urge my colleagues to look closely at the CBC alternative budget—and support its passage.

Mr. HERGER. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Connecticut [Mr. SHAYS], a member of our committee.

The CHAIRMAN. The gentleman from Connecticut [Mr. SHAYS] is recognized for 3 minutes.

Mr. SHAYS. Mr. Chairman, I thank the gentleman from California [Mr. HERGER] for yielding this time to me.

Mr. Chairman, the Congressional Black Caucus spends slightly less than the President's budget and should be congratulated for that. It represents a reallocation of resources and, in many cases, a reallocation that I agree with, but it still, in my judgment, does not represent change.

Mr. Chairman, we have 12-year-olds who are having babies. We have 14-year-olds who are selling drugs. We have 16-year-olds who are killing each other. We have 18-year-olds who cannot even read the diplomas that they have supposedly earned. I believe this is the legacy of the welfare state, and I believe that, if we do more of the same, we will see the continuation of what I have just described.

Mr. Chairman, the reason I support the budget being offered by the gentleman from Ohio [Mr. KASICH] is primarily because it reduces the budget deficits by over $150 billion in the next 5 years, and we need to do that. But in addition it represents true change. There is welfare reform, substantive welfare reform. There is immigration reform which is so necessary. There is health care reform in this package. There is reform of government operations, the consolidation of programs, the elimination of others. There is regulatory reform in the Kasich Republican plan. There is even a component of crime control. There is job creation and economic growth in the Kasich Republican plan. There is also a family tax credit that says, "If you have a child, you will get $500 from the Federal Government if your income is less than $200,000. If you have two children, you will get a thousand dollars. If you have three children, you will get $1,500."

Mr. Chairman, this represents a sincere effort on the part of the Republicans to recognize the pledge of the administration now in office to have a focus on the middle class and the families.

What troubles me the most, however, is the fact that when this plan of the President passed last year we were told by the Speaker and others, and I am reading from the document to get the votes necessary to pass this plan last year; the Speaker said:

> We must do more. We must cut more spending, and we will. We must reallocate our priorities, and we will. We must continue the process of deficit reduction, and we will.

□ 1150

The bottom line is that the President has not and his people have not. They have done the exact opposite. They have not cut spending more, they have not reallocated priorities, and they have not continued the process of deficit reduction.

I believe that in the years to come the Congressional Black Caucus and the Republicans will recognize that we have much in common because the problems they want to address need to be addressed, and the way the Republicans want to address them is the way to help solve the problems they are concerned about.

We need welfare reform. We need to reform this Government. We simply cannot ignore the deficits. The national debt will go up to $1.6 trillion in the next 5 years. If it goes up $1.6 trillion in the next 5 years, we will not be able to solve our problems.

Mr. MFUME. Mr. Chairman, I realize that we have come to the end of this debate, and, quite frankly, I want to offer my thanks to the gentleman from Connecticut [Mr. SHAYS], the gentleman from Ohio [Mr. KASICH], and the gentleman from California [Mr. HERGER] for their efforts to put forth an honest, frank, and sincere debate on the budget to guide our Nation.

Mr. Chairman, I wish to yield the remainder of our time to the distinguished gentleman from California [Mr. DELLUMS], who is the chairman of the Committee on Armed Services, to close debate, and I take this opportunity to say that it was he, along with other senior members of our caucus, who began this notion of an alternative budget out of their sincere desire to bring about change and a vision of leadership for our Nation.

Mr. Chairman, I am happy to yield the balance of our time to the gentleman from California [Mr. DELLUMS] to close debate.

The CHAIRMAN. The gentleman from California [Mr. DELLUMS] is recognized for 6 minutes to close debate.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for his generosity in yielding this time to me.

Mr. Chairman, let me at the outset of my remarks make three points.

First, it is always with a great sense of pride that I rise in support of the efforts on behalf of the Congressional Black Caucus to change the priorities of this country. Second, I rise to say to all the Members here that it has always been my belief that the most important function that we have in carrying out our responsibilities is to develop a national budget for this country.

Third, let me suggest to my distinguished colleagues on the other side of the aisle and assert aggressively without fear of contradiction that the Congressional Black Caucus is about change and has always been about change as we have always stood on the cutting edge of change in the 23-plus years that this gentleman has served in the U.S. Congress.

Mr. Chairman, I have often said that if I were to travel to a country and could only read one document in order to understand the most about that nation, I would read its budget. I would read that document because a nation's budget is the expression of its national priorities, its aspirations, its vision of its place in the world and its obligation to its citizens.

As we join today in the debate on those priorities, I urge my colleagues to keep in mind this important goal of our budget process, and to understand the obvious: Money spent in one category of the budget is unavailable for other national purposes—whether within a budget line, in another budget line, or simply left in the economy through deficit reduction. This is true of the national defense line of the budget as well as of any other portion.

I rise today as a member of the House who represents a district that has been in the forefront of communities arguing that we have a precious and obvious opportunity at this moment in history to turn dramatically to a course of rebuilding our Nation from the resources that we no longer have to spend on what was characterized as the cold war. I do not rise as chairman of the House Armed Services Committee, or speak on behalf of that committee—a committee which must have its debate on how forces will be molded within the framework of the budget resolution target.

However, as a member and now chairman of that committee, this member has had a profound opportunity to focus closely on the defense budget and on the relation of that budget to our national needs.

There are those who will argue today and the Budget Committee heard many voices arguing that defense has borne more than its share of deficit reduction, that the President has already cut defense drastically, and that further cuts would produce a hollow force and endanger national security. In particular, some cite the Defense Department's Bottom-Up Review force structure as a minimum level for national security, and any cuts below the President's budget are alleged to endanger the Nation's ability to support that force level.

In the view of this gentleman, these arguments are all built on faulty premises.

As to defense already having absorbed its fair share of budget cuts, the question is not how much defense has been cut but rather whether we still have more of a budget and force structure than we need to keep the country safe, meet our national security needs and our foreign policy obligations and interests. With the end of the cold war and the demise of the Soviet military as a global threat, the need for defense forces went down dramatically.

Moreover, defense is the only major budget function of which it can be said that objective circumstances have produced a decline in mission. In this time where additional domestic investment and social programs are urgently needed, every penny of unnecessary defense spending must be eliminated and transferred to more productive uses. In addition, we must remember that securing our economy is one of the four cornerstones of our national security policy—a failure properly to size our defense budget imperils that policy goal.

There is good reason to believe that defense could be cut further than it has been already. At the end of the current build-down, U.S. defense spending will still equate to 80 percent of the average purchasing power devoted to defense during the cold war, excluding periods where we were actually engaged in military hostilities. Needless to say, there is no threat on the horizon any where near 80 percent as large as that posed by the nuclear-armed Red Army, much less that army and its alliance structure. In fact, the United States military is now larger than that of Russia. Under current plans, the United States will vastly out-spend all of its plausible military antagonists put together. By themselves, our European allies and Japan will spend more than Russia and China.

The Clinton administration, far from cutting too deeply, is actually providing robustly for defense. It plans increases in key elements of military capability. By the end of the decade, the United States plans to have more early-arriving ground combat capability for regional conflicts than it did at the time of Desert Storm, and an order of magnitude more capability for delivering precision-guided munitions from the air. Just since last year at this time, President Clinton has added over $24 billion to its 5 year defense plan.

The Clinton defense program is only about 6 percent lower in real program terms than that of the previous administration, and it was common knowledge that the Cheney Pentagon was planning further cuts in defense for a second Bush administration. Our current military is the best trained and most ready in history. Compared to other post-cold war draw-downs, this one has been shallower and less steep. By reducing force structure and placing a priority on readiness, all indications are that a return to the hollow force of the 1970's can be avoided. In fact, current projections show per-unit readiness spending remaining at the high levels reached in the Reagan years.

Finally, the Bottom-Up Review, as Defense Secretary Perry acknowledged before the Armed Services Committee, is incomplete in some important respects and must be considered to be an evolving document. The force structure levels it recommended it were developed without consideration of major operational changes, further reductions in nuclear forces, or realignments in roles and missions. It pretty much asked what elements of the current force—as built and operated during the cold war—should be retained if we as a nation wish to build toward a capability to conduct offensive armored warfare in two major regional contingencies at once—without participation by our military allies.

This is a substantially more stringent force planning criterion than was established by the Bush administration. New investment—especially in the area of strategic mobility and other supporting forces—will be required to achieve such a war-fighting capability; we do not have it today.

The Bottom-Up Review also programs additional naval forces for overseas presence—requirements that operational changes might obviate. To keep the Bottom-Up Review force modern will require additional investment after the turn of the century, and so either defense budget increases, further force cuts, or an increased reliance on National Guard and Reserve Forces will be required at that time.

The wisdom of building up to meet such a planning criterion is open to question—especially since both Gen. Colin Powell and Defense Secretary Perry have suggested that fighting two wars at once is unlikely in the extreme. Planning to fight two wars at once without our NATO allies is questionable in view of the American public's desire for more multilateralism and burden-sharing in national security. In the case of the Korean contingency, economic growth in the South and isolation and adversity in the North suggest that the South will increasingly be able to take up a greater share of the burden of its own defense.

Thus, in brief, our defense effort dominates the world military scene and the Clinton administration plans a ready and robust military force that does not take full advantage of the end of the cold war, that appears to be in excess of our national needs, and that will require either more spending or further force structure cuts in the future. For the longer term, the Congress needs to investigate alternative approaches to defense planning. Since fiscal year 1995 is still a year of substantial force reductions in the administration's plan, major force structure decisions will affect late years. At the same time, there remains an urgent need for spending on defense conversion and reinvestment, including base closure and realignment funds, to help communities, individuals, and industries adjust to the decline in defense spending and to become economically productive.

For fiscal year 1995, the administration has increased operations and maintenance spending by 13.5 percent per active-duty service member, which may be more than is needed. While the administration has cut procurement substantially, several programs are being continued for industrial base purposes that could be advanced in other, more economical ways. Thus neither the administration's 5-year plan nor its fiscal year 1995 budget should be taken as a floor for defense spending. At a minimum, defense should not be exempted from the normal nips and tucks that are part of the budget process.

Within the CBC budget alternative before you is a national security budget that can meet our legitimate national security goals, pay for our participation in multilateral peacekeeping operations, pay for the base closure and realignment procedures as well as fund urgent base cleanup. It is a budget that achieve the substantial savings in the military budget that can be realized from the advent of the post-cold war era—while neither imperiling our industrial base or too hastily reducing our force structure.

It would leave a robust force, well equipped for the challenges of the twenty-first century—being able to respond with our allies to significant security challenges; improving our national economy and protecting our technology developments; equipping our forces to participate in the types of military actions that seem most likely in the future; and bringing about the types of arms control, human rights and promotion of democracy initiatives that will stabilize the world and its regional environments, thereby reducing the prospect of the armed violence that we all seek to avoid.

It is the best option on the table, in this gentleman's humble view, to meet our national security goals. It is the only option on the table that also sets forth a domestic investment agenda that speaks appropriately to the challenges—and I would assert the priorities—that we face in this time of urgent domestic crisis. And this is not a parochial document, because it seeks to meet the needs of all Americans throughout all communities.

The Reverend Martin Luther King, Jr., once issued a prophetic statement about the Vietnam war's effect on our national priorities. He said that the bombs we were then dropping on Vietnam were exploding in the ghettos and the barrios of America.

That statement's relevance to today's debate should be obvious to us all. Throughout the cold war we spent hundreds of billions of dollars to prepare bombs to meet what our Nation perceived as a global challenge. Those bombs, like the ones Dr. King saw dropped in Vietnam, have exploded throughout the cities of America. They have wreaked devastation and have created hopelessness in many communities.

The CBC alternative budget that you have before you would dedicate the resources necessary to begin the rebuilding from that devastation, to rekindle the hope that nurtures the dreams of our children. In doing so, we can build a better and a stronger United States.

Mr. DIXON. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget amendment. The passage of a budget resolution represents the best efforts of the Nation's elected leaders to reach some consensus on National priorities for the coming fiscal year. The priorities reflected in the CBC alternative focus on meeting the needs of our most vulnerable citizens, while investing in the Nation's technology and infrastructure.

While the economy is strengthening, and consumer and business confidence increase, we cannot lose sight of those Americans who continue to be left behind—families and individuals who have little confidence in the future, and little reason to believe, that, as the economy strengthens, they will somehow share the benefits.

The Congressional Black Caucus budget recognizes that Federal programs intended to improve the lives and living conditions of Americans, and enhance opportunities for all citizens to share in economic revival, are vital investments in the future of the Nation. If this country does not act to stem poverty, unemployment, illiteracy, and homelessness, or address the lack of affordable health care, we will face a larger price tag to alleviate them in the future.

The increases in the CBC budget in education acknowledge the severe situation facing our Nation's schools, and the need for additional Federal involvement to improve the quality of elementary and secondary school facilities. The $530 million increase in community and regional development represents a recognition of the dire circumstances of the Nation's urban and rural communities.

Notwithstanding my support for the priorities incorporated in the CBC budget document, I do have reservations about the size of defense reductions contained in the proposal. There have been enormous changes around the globe in recent years. The reevaluation of our strategic interests and defense needs continue. We must continue to scrutinize how best to use our limited resources to meet our future defense needs, but we must also take care to ensure our military readiness in the face of continued uncertainty around the world. In the coming year, the House will have the opportunity to debate many of the goals prioritized in the CBC budget alternative, as we consider reforms in health care, welfare, employment and training programs, and proposals to curb violent crime. I strongly endorse the Mfume budget amendment as a valuable instrument in illustrating how these objectives can be accomplished.

Mr. STOKES. Mr. Chairman, I rise in strong support of the Congressional Black Caucus [CBC] alternative budget for fiscal year 1995, a budget to rescue America. I want to take this opportunity to commend my colleague, Congressman MFUME, chairman of the Congressional Black Caucus, for his leadership in crafting this alternate budget, and bringing the CBC alternative budget to the floor as an amendment to House Concurrent Resolution 218, the budget resolution for fiscal year 1995. The CBC alternate budget is a thoughtful and serious plan designed to meet the pressing domestic needs of our Nation, while keeping very close to the overall deficit reduction numbers contained in the President's proposal, and the Budget Committee's resolution.

The CBC budget calls for substantially lower defense spending levels in fiscal year 1995 than the committee resolution; $16.5 billion less in budget authority, and $9.0 billion less in outlays. Over a 5-year period, the CBC budget recommends cuts in defense spending of $175.1 billion in budget authority, and $125.3 billion in outlays below the levels contained in the Budget Committee resolution. Our alternative budget uses these savings to fund desperately needed increases in funding for vital domestic programs, such as education, job training, health, and crime prevention.

The Defense spending levels called for in the CBC budget are directly in keeping with U.S. Military requirements for the post-cold war world, and are adequate to meet any projected threat from a regional power. In addition, we recognize that an expanded policy of burden-sharing by our allies will help reduce our Nation's defense funding needs. The CBC budget assumes that savings from personnel reductions resulting from Military downsizing will be directed to job training, severance pay, and pension benefits for individuals separated from the Military or civilian service. We also assume that $3 billion of the savings will be designated for plant restructuring, job training and income support for communities with military-dependent economies.

Mr. Chairman, the CBC alternate budget uses a portion of the savings realized from reduced defense spending to fund education and training programs to increase employment, especially for health care related jobs. These savings will also help raise the maximum Pell Grant award from $2,300 to $2,500, and expand chapter 1 compensatory services to 75 percent of eligible children. Additional savings from defense will be used to improve transportation and veterans programs, and expand income security programs.

I am especially pleased that the CBC alternative budget calls for a redirection of savings to increases in health programs, specifically towards programs which serve the minority community. Reform of our Nation's health care delivery system is of utmost importance to African-Americans and other minorities who, despite the tremendous medical advances in this country, have not benefited fully or equitably from these gains. This crisis in health for African-Americans has been well documented in recent years, and is a driving force behind the movement toward national health care reform. The CBC budget for health programs will provide assistance to minority health providers until a comprehensive, universal health care reform package can be enacted, and implemented.

Crime prevention is an issue of primary concern to nearly every American, and the Congressional Black Caucus is alarmed by the crime epidemic in our country. We seek to address this urgent National issue through increased funding of crime prevention programs, funded from savings from the defense budget, and new taxes on the three most immediate threats to the health of African-Americans; assault weapons, handguns and ammunition. The tragedy of drive-by shootings, and the escalation of handgun violence in domestic disputes, are placing a tremendous strain on our health care system, especially since a large proportion of the emergency medical care necessitated by these incidents is provided to individuals with inadequate or no health insurance.

Mr. Chairman, the Congressional Black Caucus budget has been crafted to meet the true needs of the American people, while adhering to the goal of deficit reduction established in President Clinton's 5-year deficit reduction plan enacted last year. The CBC budget is a comprehensive, intelligent and compassionate answer to the competing interests of increased domestic investment and significant deficit reduction. I strongly urge all my colleagues to support this plan, and to vote in favor of the Mfume amendment to the budget resolution for fiscal year 1995.

Mr. OWENS. Mr. Chairman, since the Clinton administration began, there have been two disaster relief appropriations: $6 billion for Midwest flood disaster relief and $8 billion for far west earthquake disaster relief. In the last year of the Bush administration, billions were appropriated for Southern hurricane disaster relief. The Congressional Black Caucus [CBC] substitute offered today represents the key components of an education and employment disaster relief program for long neglected, inner-city disaster areas. A "jobquake" has wrecked our cities for the past 12 years. This is a disaster which deserves fair and equal treatment. A population far greater than the combined populations in the three disaster areas I have mentioned is victimized by public policies which are discriminatory and shortsighted.

Consistent with our position in the CBC budget of 1994, we again insist that "an overwhelming campaign for the improvement of education in all American schools is needed." Emergency Federal funding for education is needed to help alleviate the disaster which has resulted from combined Federal, State, and local budget cuts that have all but wrecked many urban school systems. Twelve years of draining resources from our cities to build defense plants and bankrupt shopping malls financed by the savings and loan swindle have created an employment disaster which is documented by the inner-city census tract statistics on long-term joblessness.

We owe inner-cities their fair share of disaster relief. The funding of education and job training programs represents the simplest and most effective vehicle for the delivery of disaster relief to these neighborhoods in turmoil.

At the heart of the education and employment disaster relief program is an increase of $1 billion for training and employment programs for jobs in the health care sector. Even before the passage of health care reform legislation, there is already a shortage of jobs in many allied health professions such as child care workers, medical record clerks, practical nurses, physician's assistants, and medical technicians. Most of these occupations require 2 years of training; a few require only 1-year of training. Instead of transferring funds for youth training programs out of the cities to dislocated defense workers who have enjoyed full employment for at least 10 of the last 15 years, we propose that the funding for youth training programs be increased on the condition that only 1-year training programs be funded.

Adult training programs also should be increased in order to cover the cost of 1-year and 2-year programs focused on health care-related jobs. Employment is guaranteed at the end of the training cycle for participants in health care training programs. Welfare recipients faced with the 2-year ultimatum may greatly benefit from job training in this category where wages are high enough to provide significant incentives and long-term employment.

Other programs included in this 1995 CBC budget which were not in the 1994 budget are: First, an Education Infrastructure Act to provide emergency funds for the repair and renovation of schools, asbestos, and lead poisoning abatement, and other needs; second, a family learning center program for libraries to guarantee access for the poor to the information superhighways; third, opportunity to learn incentive grants are proposed to encourage selected local education agencies to match their proposals for curriculum content improvements and increased testing with concrete proposals for improvements in the education delivery systems; and fourth, a school-based building construction training program to expand the model already developed by the Youth Build experimental programs.

The CBC substitute represents the best possible reordering of Federal budget priorities. Moreover, the substitute includes deficit levels over a 5-year period which are slightly less than those in the committee resolution.

This substitute is not a radical proposition. It has only $9 billion less in defense outlays than the committee resolution for fiscal year 1995. In cutting defense, while we envision personnel reductions, we also commit $3 billion to plant restructuring, retooling, job training, and income support for communities with military-dependent economies. To help pay for this, we insist on our allies finally stepping up to the plate and carrying their fair share of the burden of global security.

We must ask ourselves whether we want a budget which reflects the needs of the people, or a budget which reflects the desires of high-priced military contractors and high-paid lobbyists of large corporations. I think that the voters answered that question loud and clear in the 1992 election, and we have a duty to live up to their expectations.

Mrs. COLLINS of Illinois. Mr. Chairman, I, like many of my colleagues, am very pleased that the President has submitted a budget that pays more than lipservice to the needs of Americans, both poor and not so poor. I applaud his efforts but I must say that the plan that has been reported to the floor of this body has fallen short of the needs of my constituents who have been ignored by past administrations for so long. For that reason, I rise in support of the Congressional Black Caucus alternative budget.

The CBC budget increases funding in several important areas such as community development. By providing $650 million for community development banks, banks like Chicago's South Shore Bank and programs like the Women's Sell Employment Project may have more opportunity to show the world that people can provide for themselves if given the opportunity through good lending programs. These initiatives provide self-starting low-income citizens the ability to get capital to start businesses that will create for them a way out of poverty. I can think of no better way to invest in the future of America but to tap the potential that is dormant today among the poor in our communities.

The CBC budget puts a premium on education and training. It provides $1.9 billion more in fiscal year 1995 budget authority and $19 billion more in budget authority over 5 years than the committee resolution for education, training, and social services programs. In addition it specifically raises the Pell Grant maximum awards from $2,300 to $2,500. This change brings this program a little closer to the reality of college costs in 1994 which, as any of you with children can appreciate, have grown dramatically. The importance of this program cannot be overstated. Pell grants are a major way that we ensure that the hope of a better life exists for children growing up poor in America.

This budget also provides more funding for substance abuse prevention and treatment. By getting at some of these root problems, we can really fight crime more cost effectively than by building more prisons which house rather than rehabilitate. The residents of my district know that we must find funds in any budget we approve to tackle this very difficult problem. In some areas of the Seventh Congressional District, they see the constant late night traffic on their streets and the strangers who visit frequently. Every recognized authority on the subject has pointed to the need for more treatment and the targeting of our resources toward hard to reach and at-risk populations along with increased law enforcement. The CBC alternative provides for both.

Additional funds for transportation, community development block grants and other infrastructure-building programs will shore up our physical communities while they provide needed jobs to fan the flames of the economic recovery which has only just began to burn.

Mr. Chairman, I am pleased that the Congressional Black Caucus have offered this alternative. At some point we must focus on the social and economic disasters that our cities and communities are coming to resemble. If not today, what? I urge my colleagues to support this reasoned and principled alternative budget proposal.

Ms. PELOSI. Mr. Chairman, I rise in support of the Congressional Black Caucus substitute budget resolution and commend Chairman MFUME and the Congressional Black Caucus for their leadership and vision in presenting this alternative.

Essentially this alternative budget proposes to accelerate savings from defense accounts and accelerate investments in education, training, health, and social services. This alternative is about investing in people and our future. The substitute assumes greater funding for job training and job creation—it responds to the goals of both welfare reform and crime prevention. It offers hope to the young people of America's cities.

Expansion of the Jobs Corps is an example of building on what we know works best. For 30 years, this program has helped disadvantaged young people turn their lives around. As you all know, job training programs are expensive, however, these programs are far less expensive than housing unskilled young people in prisons after they turn to crime. This budget offers us the opportunity to prevent crime and give hope to American youth.

Our Federal budget is a statement of our national values. This alternative budget resolution represents the best of the American dream. I urge my colleagues to support the Mfume substitute.

Mr. CLAY. Mr. Chairman, today we have a great opportunity to redirect our Nation's spending priorities and enact a Federal budget that not only continues the course of economic recovery but realizes new horizons on the path to longlasting prosperity. This budget alternative will put our Nation back to work, house our homeless, feed the hungry and expand health care services.

The Congressional Black Caucus alternative budget is designed to restore the spirit of human kindness that has too long been lacking in national policy. Mr. Chairman, a nation is only as strong as its weakest citizens; the Congressional Black Caucus alternative budget is foremost about meeting the special needs of the poor, the elderly and the disenfranchised.

During the decade of the 1980's the Federal budget was designed by those promoting the trickle down theory and their programs failed to serve the basic needs of American people. A sea change in Washington began last year and no one in this body can afford to ignore the cries for change which have been voiced by people in every community across this Nation. Mr. Chairman, it is time for real leaders to step forward and advocate progressive alternatives. The Congressional Black Caucus budget would reorient our national programs to solve the devastating problems we can no longer afford to tolerate. The only way to revitalize our Nation and rebuild our communities is from the bottom up. As long as we fail to realistically address the root causes of poverty, racism and sexism, this Nation will not grow or prosper.

Mr. Chairman, the Congressional Black Caucus alternative budget addresses the real needs of our Nation and nurtures lasting economic growth and vitality. I urge my colleagues to support this bold agenda for change.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland [Mr. MFUME].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HERGER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 81, noes 326, not voting 31, as follows:

[Roll No. 54]

AYES—81

Andrews (ME)
Barrett (WI)
Becerra
Bishop
Blackwell
Bonior
Brown (CA)
Brown (FL)
Clay
Clayton
Clyburn
Collins (MI)
Conyers
Coyne
de Lugo (VI)
Dellums
Dixon
Edwards (CA)
Ehlers
Engel
Evans
Faleomavaega (AS)
Farr
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Furse
Gekas
Green
Hamburg
Hilliard
Hinchey
Jacobs
Jefferson
Johnson, E. B.
Kennedy
Lewis (GA)
Maloney
Markey
McDermott
McKinney
Meek
Menendez
Mfume
Mineta
Mink
Nadler
Norton (DC)
Olver
Owens
Pastor
Payne (NJ)
Rangel
Richardson
Romero-Barcelo (PR)
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Scott
Serrano
Shays
Stark
Stokes
Thompson
Torres
Tucker
Underwood (GU)
Velazquez
Vento
Washington
Waters
Watt
Wheat
Woolsey
Wynn
Yates

NOES—326

Ackerman
Allard
Andrews (NJ)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Bartlett
Bateman
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Browder
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clement
Clinger
Coble
Coleman
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Emerson
English
Eshoo
Everett
Ewing
Fawell
Fazio
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gejdenson
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Mann
Manton
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McNulty
Meyers
Mica
Michel
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Murtha
Myers
Neal (MA)
Nussle
Oberstar
Obey
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schumer
Sensenbrenner
Sharp
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Torricelli
Traficant
Unsoeld
Upton
Valentine
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waxman
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—31

Abercrombie
Andrews (TX)
Barton
Brooks
Collins (IL)
Cox
Crane
Dooley
Fields (TX)
Ford (TN)
Gallo
Gephardt
Gibbons
Gutierrez
Hastings
Hayes
Kopetski
Lewis (CA)
Lightfoot
McMillan
Meehan
Miller (CA)
Natcher
Neal (NC)
Orton
Pelosi
Reynolds
Rostenkowski
Shaw
Slattery
Towns

□ 1219

The Clerk announced the following pairs:

On this vote:

Mr. Abercrombie for, with Mr. Dooley against.

Mrs. Collins of Illinois for, with Mr. Orton against.

Mr. Meehan for, with Mr. Slattery against.

Mr. HEFNER changed his vote from "aye" to "no."

Messrs. BARRETT of Wisconsin, CONYERS, and MARKEY changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore (Mr. TORRICELLI) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the amendment of the House to the amendment of the Senate with amendments. The message also announced that the Senate insists upon its amendments to the amendment of the House to the amendment of the Senate to the bill (H.R. 3345) "An Act to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes" and requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLENN, Mr. PRYOR, Mr. SASSER, Mr. ROTH, and Mr. STEVENS, to be the conferees on the part of the Senate.

The SPEAKER pro tempore. The Committee will resume its sitting.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1995

The Committee resumed its sitting.

□ 1221

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 103-429.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KASICH

Mr. KASICH. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KASICH:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1995.

The Congress determines and declares that this resolution is the concurrent resolution on the budget for fiscal year 1995, including the appropriate budgetary levels for fiscal years 1996, 1997, 1998, and 1999, as required by section 301 of the Congressional Budget Act of 1974.

SEC. 2. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1995: $971,300,000,000.
Fiscal year 1996: $1,010,000,000,000.
Fiscal year 1997: $1,057,500,000,000.
Fiscal year 1998: $1,106,000,000,000.
Fiscal year 1999: $1,150,800,000,000.

and the amounts by which the aggregate levels of Federal revenues should be decreased are as follows:

Fiscal year 1995: $6,706,000,000.
Fiscal year 1996: $21,012,000,000.
Fiscal year 1997: $22,489,000,000.
Fiscal year 1998: $29,972,000,000.
Fiscal year 1999: $39,154,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1995: $100,270,000,000.
Fiscal year 1996: $106,324,000,000.
Fiscal year 1997: $111,933,000,000.
Fiscal year 1998: $117,830,000,000.
Fiscal year 1999: $123,669,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1995: $1,194,600,000,000.
Fiscal year 1996: $1,236,700,000,000.
Fiscal year 1997: $1,298,300,000,000.
Fiscal year 1998: $1,372,200,000,000.
Fiscal year 1999: $1,440,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1995: $1,204,600,000,000.
Fiscal year 1996: $1,229,600,000,000.
Fiscal year 1997: $1,290,800,000,000.
Fiscal year 1998: $1,106,000,000,000.
Fiscal year 1999: $1,150,800,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1995: $233,300,000,000.
Fiscal year 1996: $219,600,000,000.
Fiscal year 1997: $233,300,000,000.
Fiscal year 1998: $244,000,000,000.
Fiscal year 1999: $272,100,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1995: $4,963,100,000,000.

Fiscal year 1996: $5,269,100,000,000.

Fiscal year 1997: $5,593,900,000,000.

Fiscal year 1998: $5,971,400,000,000.

Fiscal year 1999: $6,292,000,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1994, October 1, 1995, October 1, 1996, October 1, 1997, and October 1, 1998, are as follows:

Fiscal year 1995:

(A) New direct loan obligations, $26,000,000,000.

(B) New primary loan guarantee commitments, $196,500,000,000.

Fiscal year 1996:

(A) New direct loan obligations, $30,400,000,000.

(B) New primary loan guarantee commitments, $170,300,000,000.

Fiscal year 1997:

(A) New direct loan obligations, $31,900,000,000.

(B) New primary loan guarantee commitments, $160,600,000,000.

Fiscal year 1998:

(A) New direct loan obligations, $33,700,000,000.

(B) New primary loan guarantee commitments, $159,800,000,000.

Fiscal year 1999:

(A) New direct loan obligations, $35,900,000,000.

(B) New primary loan guarantee commitments, $160,800,000,000.

SEC. 3. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1995 through 1999 for each major functional category are:

(1) National Defense (050):

Fiscal year 1995:

(A) New budget authority, $269,700,000,000.

(B) Outlays, $275,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $266,800,000,000.

(B) Outlays, $270,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $265,800,000,000.

(B) Outlays, $269,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $275,200,000,000.

(B) Outlays, $272,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $284,200,000,000.

(B) Outlays, $275,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1995:

(A) New budget authority, $15,800,000,000.

(B) Outlays, $16,800,000,000.

(C) New direct loan obligations, $2,900,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $12,900,000,000.

(B) Outlays, $15,200,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $12,800,000,000.

(B) Outlays, $14,600,000,000.

(C) New direct loan obligations, $2,600,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,700,000,000.

(B) Outlays, $14,300,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,500,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $13,100,000,000.

(B) Outlays, $14,100,000,000.

(C) New direct loan obligations, $2,400,000,000.

(D) New primary loan guarantee commitments, $17,000,000,000.

(E) New secondary loan guarantee commitments, $0.

(3) General Science, Space, and Technology (250):

Fiscal year 1995:

(A) New budget authority, $16,800,000,000.

(B) Outlays, $17,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,300,000,000.

(B) Outlays, $17,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,700,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $18,200,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $18,600,000,000.

(B) Outlays, $18,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1995:

(A) New budget authority, $4,500,000,000.

(B) Outlays, $3,600,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $2,900,000,000.

(B) Outlays, $2,500,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $2,300,000,000.

(B) Outlays, $1,500,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $2,500,000,000.

(B) Outlays, $1,000,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $1,400,000,000.

(B) Outlays, $300,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1995:

(A) New budget authority, $17,200,000,000.

(B) Outlays, $19,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $16,700,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $17,400,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,100,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1995:

(A) New budget authority, $11,900,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $9,900,000,000.

(D) New primary loan guarantee commitments, $6,300,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $9,900,000,000.

(C) New direct loan obligations, $8,400,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,400,000,000.

(B) Outlays, $10,100,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $10,400,000,000.

(C) New direct loan obligations, $8,500,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $11,900,000,000.

(B) Outlays, $10,700,000,000.

(C) New direct loan obligations, $8,800,000,000.

(D) New primary loan guarantee commitments, $4,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(7) Commerce and Housing Credit (370):

Fiscal year 1995:

(A) New budget authority, $5,100,000,000.

(B) Outlays, −$11,100,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $117,900,000,000.

(E) New secondary loan guarantee commitments, $130,000,000,000.

Fiscal year 1996:

(A) New budget authority, $2,400,000,000.

(B) Outlays, −$13,000,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $103,200,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1997:

(A) New budget authority, $1,600,000,000.

(B) Outlays, −$6,500,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $95,900,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1998:

(A) New budget authority, $1,200,000,000.

(B) Outlays, −$6,600,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $96,600,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

Fiscal year 1999:

(A) New budget authority, $1,100,000,000.

(B) Outlays, −$5,800,000,000.

(C) New direct loan obligations, $2,800,000,000.

(D) New primary loan guarantee commitments, $99,500,000,000.

(E) New secondary loan guarantee commitments, $110,000,000,000.

(8) Transportation (400):

Fiscal year 1995:

(A) New budget authority, $29,500,000,000.

(B) Outlays, $33,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $29,700,000,000.

(B) Outlays, $33,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $31,900,000,000.

(B) Outlays, $33,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $32,800,000,000.

(B) Outlays, $34,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $33,800,000,000.

(B) Outlays, $35,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(9) Community and Regional Development (450):

Fiscal year 1995:

(A) New budget authority, $5,600,000,000.

(B) Outlays, $11,500,000,000.

(C) New direct loan obligations, $2,200,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $5,700,000,000.

(B) Outlays, $8,400,000,000.

(C) New direct loan obligations, $2,100,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $5,900,000,000.

(B) Outlays, $6,500,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $6,100,000,000.

(B) Outlays, $6,200,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $6,300,000,000.

(B) Outlays, $6,200,000,000.

(C) New direct loan obligations, $2,000,000,000.

(D) New primary loan guarantee commitments, $2,800,000,000.

(E) New secondary loan guarantee commitments, $0.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1995:

(A) New budget authority, $48,000,000,000.

(B) Outlays, $50,300,000,000.

(C) New direct loan obligations, $5,500,000,000.

(D) New primary loan guarantee commitments, $19,200,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $47,800,000,000.

(B) Outlays, $46,800,000,000.

(C) New direct loan obligations, $11,500,000,000.

(D) New primary loan guarantee commitments, $14,400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $48,600,000,000.

(B) Outlays, $47,400,000,000.

(C) New direct loan obligations, $13,200,000,000.

(D) New primary loan guarantee commitments, $13,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $49,900,000,000.

(B) Outlays, $48,800,000,000.

(C) New direct loan obligations, $15,100,000,000.

(D) New primary loan guarantee commitments, $12,700,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $51,000,000,000.

(B) Outlays, $49,900,000,000.

(C) New direct loan obligations, $16,900,000,000.

(D) New primary loan guarantee commitments, $11,600,000,000.

(E) New secondary loan guarantee commitments, $0.

(11) Health (550):

Fiscal year 1995:

(A) New-budget authority, $122,000,000,000.

(B) Outlays, $121,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $130,800,000,000.

(B) Outlays, $130,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $143,800,000,000.

(B) Outlays, $142,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $400,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $158,500,000,000.

(B) Outlays, $157,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $175,400,000,000.

(B) Outlays, $174,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(12) Medicare (570):

Fiscal year 1995:

(A) New budget authority, $156,600,000,000.

(B) Outlays, $155,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $172,400,000,000.

(B) Outlays, $170,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $189,900,000,000.

(B) Outlays, $187,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $208,100,000,000.

(B) Outlays, $205,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $230,200,000,000.

(B) Outlays, $227,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(13) Income Security (600):

Fiscal year 1995:

(A) New budget authority, $214,800,000,000.

(B) Outlays, $220,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $224,000,000,000.

(B) Outlays, $223,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $238,400,000,000.

(B) Outlays, $238,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $255,400,000,000.

(B) Outlays, $249,400,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $260,100,000,000.

(B) Outlays, $264,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(14) Social Security (650):

Fiscal year 1995:

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $6,200,000,000.

(B) Outlays, $6,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $8,200,000,000.

(B) Outlays, $8,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $8,900,000,000.

(B) Outlays, $8,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $9,700,000,000.

(B) Outlays, $9,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(15) Veterans Benefits and Services (700):

Fiscal year 1995:

(A) New budget authority, $36,700,000,000.

(B) Outlays, $36,800,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $32,900,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $37,200,000,000.

(B) Outlays, $35,800,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $27,400,000,000.

(E) New secondary loan guarantee commitments, $0

Fiscal year 1997:

(A) New budget authority, $38,100,000,000.

(B) Outlays, $37,900,000,000.

(C) New direct loan obligations, $1,300,000,000.

(D) New primary loan guarantee commitments, $25,800,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $39,100,000,000.

(B) Outlays, $38,800,000,000.

(C) New direct loan obligations, $1,400,000,000.

(D) New primary loan guarantee commitments, $25,600,000,000.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $40,500,000,000.

(B) Outlays, $40,300,000,000.

(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $25,300,000,000.

(E) New secondary loan guarantee commitments, $0.

(16) Administration of Justice (750):

Fiscal year 1995:

(A) New budget authority, $16,300,000,000.

(B) Outlays, $16,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $17,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $16,900,000,000.

(B) Outlays, $16,700,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $17,800,000,000.

(B) Outlays, $17,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $17,000,000,000.

(B) Outlays, $18,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(17) General Government (800):

Fiscal year 1995:

(A) New budget authority, $11,000,000,000.

(B) Outlays, $12,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $11,200,000,000.

(B) Outlays, $12,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $11,600,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $12,100,000,000.

(B) Outlays, $11,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $12,600,000,000.

(B) Outlays, $11,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(18) Net Interest (900):

Fiscal year 1995:

(A) New budget authority, $246,200,000,000.

(B) Outlays, $246,200,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, $264,100,000,000.

(B) Outlays, $264,100,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, $276,600,000,000.

(B) Outlays, $276,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, $289,000,000,000.

(B) Outlays, $289,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$303,300,000,000.

(B) Outlays, −$303,300,000,000.

(C) New direct loan obligations, $0

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(19) Allowances (920):

Fiscal year 1995:

(A) New budget authority, $3,000,000,000.

(B) Outlays, $2,600,000,000.

(C) New direct loan obligations, $0

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$6,900,000,000.

(B) Outlays, −$5,800,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$8,700,000,000.

(B) Outlays, −$8,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$10,700,000,000.

(B) Outlays, −$10,600,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, −$12,500,000,000.

(B) Outlays, −$12,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

(20) Undistributed Offsetting Receipts (950):

Fiscal year 1995:

(A) New budget authority, −$36,800,000,000.

(B) Outlays, −$36,800,000,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1996:

(A) New budget authority, −$32,500,000,000.

(B) Outlays, −$32,500,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1997:

(A) New budget authority, −$31,900,000,000.

(B) Outlays, −$31,900,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1998:

(A) New budget authority, −$33,300,000,000.

(B) Outlays, −$33,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

Fiscal year 1999:

(A) New budget authority, $34,300,000,000.

(B) Outlays, $34,300,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.

SEC. 4. RECONCILIATION.

(a) Not later than May 16, 1994, the House committees named in subsections (b) through (p) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the House Committee on the Budget shall report to the House a reconciliation bill or resolution carrying out all such recommendations without any substantive revision.

(b) Committee on Agriculture shall report changes in law within its jurisdiction that provide direct spending, sufficient to increase outlays as follows: $637,000,000 in fiscal year 1995, and to reduce outlays as follows: $7,682,000,000 in fiscal year 1996, $5,884,000,000 in fiscal year 1997, $4,733,000,000 in fiscal year 1998, and $1,759,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $3,042,000,000 in fiscal year 1995, $3,780,000,000 in fiscal year 1996, $4,777,000,000 in fiscal year 1997, $5,367,000,000 in fiscal year 1998, and $5,933,000,000 in fiscal year 1999.

(c) Committee on Armed Services shall report changes in law within its jurisdiction that provide program changes, sufficient to result in a reduction in outlays as follows: $17,000,000 in fiscal year 1995, $27,000,000 in fiscal year 1996, $32,000,000 in fiscal year 1997, $33,000,000 in fiscal year 1998, and $34,000,000 in fiscal year 1999.

(d) Committee on Banking, Finance and Urban Affairs shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $510,000,000 in fiscal year 1995, $297,000,000 in fiscal year 1996, $613,000,000 in fiscal year 1997, $814,000,000 in fiscal year 1998, and $1,022,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $2,332,000,000 in fiscal year 1995, $2,170,000,000 in fiscal year 1996, $2,777,000 in fiscal year 1997, $3,062,000,000 in fiscal year 1998, and $3,263,000 in fiscal year 1999.

(e) Committee on Education and Labor shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $1,339,000,000 in fiscal year 1995, $9,230,000,000 in fiscal year 1996, $7,517,000,000 in fiscal year 1997, $6,383,000,000 in fiscal year 1998, and $3,409,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $951,000,000 in fiscal year 1995, $3,024,000,000 in fiscal year 1996, $3,541,000,000 in fiscal year 1997, $3,695,000,000 in fiscal year 1998, and $3,808,000,000 in fiscal year 1999.

(f) Committee on Energy and Commerce shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $2,685,000,000 in fiscal year 1995, $7,056,000,000 in fiscal year 1996, $7,538,000,000 in fiscal year 1997, $9,319,000,000 in fiscal year 1998, and $11,482,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $107,000,000 in fiscal year 1995, $227,000,000 in fiscal year 1996, $340,000,000 in fiscal year 1997, $316,000,000 in fiscal year 1998, and $354,000,000 in fiscal year 1999.

(g) Committee on Foreign Affairs shall report changes in law within its jurisdiction, program changes, sufficient to result in a reduction of outlays as follows: $602,000,000 in fiscal year 1995, $1,319,000,000 in fiscal year 1996, $1,579,000,000 in fiscal year 1997, $1,712,000,000 in fiscal year 1998, and $1,824,000,000 in fiscal year 1999.

(h) Committee on Government Operations shall report changes in law within its jurisdiction that provide program changes, sufficient to result in a reduction of outlays as follows: $704,000,000 in fiscal year 1995, $2,092,000,000 in fiscal year 1996, $2,802,000,000 in fiscal year 1997, $3,258,000,000 in fiscal year 1998, and $3,406,000,000 in fiscal year 1999.

(i) Committee on House Administration shall report program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $0 in fiscal year 1995, $0 in fiscal year 1996, $52,000,000 in fiscal year 1997, $84,000,000 in fiscal year 1998, and $94,000,000 in fiscal year 1999.

(j) Committee on Judiciary shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $0 in fiscal year 1995, $0 in fiscal year 1996, $56,000,000 in fiscal year 1997, $58,000,000 in fiscal year 1998, and $60,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $94,000,000 in fiscal year 1995, $419,000,000 in fiscal year 1996, $577,000,000 in fiscal year 1997, $675,000,000 in fiscal year 1998, and $503,000,000 in fiscal year 1999.

(k) Committee on Merchant Marine and Fisheries shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $103,000,000 in fiscal year 1995, $103,000,000 in fiscal year 1996, $103,000,000 in fiscal year 1997, $103,000,000 in fiscal year 1998, and $103,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $3,000,000 in fiscal year 1995, $108,000,000 in fiscal year 1996, $112,000,000 in fiscal year 1997, $114,000,000 in fiscal year 1998, and $114,000,000 in fiscal year 1999.

(l) Committee on Natural Resources shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $233,000,000 in fiscal year 1995, $2,433,000,000 in fiscal year 1996, $1,177,000,000 in fiscal year 1997, $1,190,000,000 in fiscal year 1998, and $1,196,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $1,089,000,000 in fiscal year 1995, $1,505,000,000 in fiscal year 1996, $1,810,000,000 in fiscal year 1997, $2,125,000,000 in fiscal year 1998, and $2,440,000 in fiscal year 1999.

(m) Committee on Post Office and Civil Service shall report changes in law within its jurisdiction that provide direct spending, sufficient to reduce outlays as follows: $0 in fiscal year 1995, $2,050,000,000 in fiscal year 1996, $3,100,000,000 in fiscal year 1997, $3,150,000,000 in fiscal year 1998, and $3,250,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $1,751,000,000 in fiscal year 1995, $3,578,000,000 in fiscal year 1996, $5,353,000 in fiscal year 1997, $7,198,000,000 in fiscal year 1998, and $8,753,000,000 in fiscal year 1999.

(n) Committee on Public Works and Transportation shall report changes in law within its jurisdiction that provide direct spending, sufficient to increase outlays as follows: $2,251,000,000 in fiscal year 1995, $2,490,000,000 in fiscal year 1996, $2,782,000,000 in fiscal year 1997, $3,079,000,000 in fiscal year 1998, and $3,388,000,000 in fiscal year 1999, and program changes in laws within its jurisdiction, sufficient to result in a reduction of outlays as follows: $6,660,000,000 in fiscal year 1995, $7,686,000,000 in fiscal year 1996, $8,749,000,000 in fiscal year 1997, $9,742,000,000 in fiscal year 1998, and $10,638,000,000 in fiscal year 1999.

(o) Committee on Small Business shall report changes in law within its jurisdiction that provide program changes, sufficient to result in a reduction of outlays as follows: $114,000,000 in fiscal year 1995, $182,000,000 in fiscal year 1996, $214,000,000 in fiscal year 1997, $238,000,000 in fiscal year 1998, and $251,000,000 in fiscal year 1999.

(p) Committee on Veterans' Affairs shall report changes in law within its jurisdiction that provide program changes, sufficient to result in a reduction of outlays as follows: $0 in fiscal year 1995, $0 in fiscal year 1996, $0 in fiscal year 1997, $0 in fiscal year 1998, and $327,000,000 in fiscal year 1999.

(q)(1) Committee on Ways and Means shall report changes in law within its jurisdiction that provide sufficient to reduce outlays as follows: $5,219,000,000 in fiscal year 1995, $15,451,000,000 in fiscal year 1996, $15,190,000,000 in fiscal year 1997, $15,258,000,000 in fiscal year 1998, and $14,818,000,000 in fiscal year 1999.

(2) Committee on Ways and Means shall report changes in law within its jurisdiction sufficient to reduce revenues as follows: $6,706,000,000 in fiscal year 1995, $21,012,000,000 in fiscal year 1996, $22,489,000,000 in fiscal year 1997, $29,972,000,000 in fiscal year 1998, and $39,154,000,000 in fiscal year 1999.

SEC. 5. SENSE OF COMMITTEE ON THE BUDGET ON SCORING HEALTH REFORM.

It is the sense of the Committee on the Budget that all financial transactions associated with the President's health reform legislation or similar health reform legislation relying on mandated payments to a Government entity be treated as part of the Federal budget, including premium payments by individuals and employees to health alliances (which should be treated as receipts) and payments by health alliances to providers (which should be treated as outlays), for all purposes under the Congressional Budget Act of 1974.

SEC. 6. SENSE OF THE CONGRESS REGARDING RESERVE FUNDS FOR EMERGENCIES.

It is the sense of Congress that—

(1) the emergency designation under section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 has repeatedly been invoked to circumvent the discretionary spending limits for other than emergency purposes;

(2) amounts for emergencies should be set aside within a reserve fund and subject to the discretionary spending limit;

(3) the reserve fund shall total 1 percent of annual domestic discretionary budget authority; and

(4) emergency funding requirements in excess of amounts held in the reserve fund should be offset by a reduction in appropriations.

SEC. 7. SENSE OF THE CONGRESS REGARDING UNFUNDED MANDATES.

(a) It is the sense of Congress that legislation and appropriate House and Senate rules amendments should be adopted that—

(1) requires the Congressional Budget Office to estimate the cost of unfunded Federal mandates in all legislation before such legislation is considered by a full committee or by the full House or Senate;

(2) prohibits consideration in the House or Senate of legislation creating or expanding a Federal mandate that increases the net cost to State and local governments of complying with all Federal mandates (subject to a waiver by a three-fifths majority);

(3) charges the Office of Information and Regulatory Affairs in the Office of Management and Budget with monitoring all unfunded Federal mandates and identifying those mandates that should be repealed; and

(4) codifies the recommendations of the National Performance Review for broad agency waiver authority and bottom-up grant consolidation.

SEC. 8. SENSE OF THE CONGRESS REGARDING REGULATORY BUDGETING.

(a) Findings.—The Congress finds that the cost of compliance with Federal regulations—

(1) constitutes a real, albeit an invisible, tax on America's private and public sectors;

(2) will cost the American private sector over $600,000,000,000 in 1995; and

(3) will exceed 9 percent of the Nation's Gross Domestic Product and annually cost the average household between $6,565 and $8,869.

(b) Sense of Congress.—It is the sense of the Congress that the Federal Government should adopt a regulatory budget that encompasses the economic impact of Federal regulations on the national economy. The ultimate goal of the regulatory budget should be to limit the cost of private and public compliance with Federal regulations to a fixed percentage of the Nation's Gross Domestic Product.

SEC. 9. SENSE OF THE CONGRESS REGARDING BASELINES.

(a) Findings.—The Congress finds that—

(1) the baseline budget shows the likely course of Federal revenues and spending if policies remain unchanged;

(2) baseline budgeting has given rise to the practice of calculating policy changes from inflated spending levels; and

(3) the baseline concept has been misused to portray policies that would simply slow down the increase in spending as spending reductions.

(b) Sense of Congress.—It is the sense of the Congress that—

(1) the President should submit a budget that compares proposed spending levels for the budget year with the current year; and

(2) the starting point for deliberations on a budget resolution should be the current year.

SEC. 10. ADJUSTMENT OF PAY-AS-YOU-GO SCORECARD.

It is the sense of the Congress that upon enactment of a reconciliation bill pursuant to section 4, the Director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 by an amount equal to the net change in the deficit achieved through the enactment in that Act of direct spending and receipts legislation for that year.

The CHAIRMAN. Under the rule, the gentleman from Ohio [Mr. Kasich] will be recognized for 30 minutes, and the gentleman from Minnesota [Mr. Sabo] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. Kasich].

Mr. KASICH. Mr. Chairman, I yield myself such time as I may consume, and I yield to the gentlewoman from New Jersey [Mrs. Roukema].

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the budget offered by the gentleman from Ohio [Mr. Kasich].

The Kasich budget resolution moves this Nation in the right direction, and for the most part, is consistent with the pressing need for our Nation to regain its prominence in the global economy.

I would commend to my colleagues, attention a series of articles in the New York Times this week on "Staying Afloat in the 1990's." It is an excellent analysis of the fears and frustrations facing the American middle class, and I would ask that these articles be included in the Record as part of my statement. They are the stories of young college graduates who cannot find jobs, let alone good ones, and of hard-working Americans who see their jobs evaporating, next week or next year. These people rightfully see themselves falling, ever more rapidly, from the middle class. We must take action to reverse these trends.

The Kasich budget moves to get our fiscal house in order so that this generation of Americans and the next can confidently look forward to a future of good jobs at good pay, and a rightful place in a growing and economically secure middle class.

No, I don't agree with every detail of this budget. For example, I strongly oppose the $500 tax credit per child, for those with $200,000 per year incomes. If a deduction is included at all, there should be an income cap to target the deductions for middle-income families. But this can be taken up in the tax bill and appropriately targeted.

I also do not agree that cuts and adjusted means testing of higher income seniors and Medicare should be defined today. This needs much more work, and a much more thorough examination. Moreover, it should only be done, if at all, in the context of health care reform that preserves Medicare, and expands coverage for prescription drugs and extended care.

Nevertheless, the Kasich budget has great merit. It puts into concrete responsible spending and tax policies, and an economic blueprint for the country.

Our deficit and profligate spending ways are undermining our economy, both short-term and long-term. In other words, as I have repeated time after time over recent years like a mantra: We need to save and invest in America.

SAVE AND INVEST IN AMERICA

Saving and investing in America is all about improving our economy and international competitiveness, enabling Americans to get quality jobs, and continued deficit reduction.

The fact is the Kasich substitute incorporates many of the very ideas I have so vigorously supported, including full deductibility for IRA's, a neutral cost recovery system, and an extension of the R&D tax credit. It is measures like these that will encourage U.S. business to invest in new plants and equipment to become more competitive in the ongoing global economic wars.

DEFICIT REDUCTION/TRUTH-IN-BUDGETING

The Republican budget package provides real deficit reduction. The Kasich substitute would reduce the deficit by roughly $310 billion over 5 years. I am also pleased that this plan, unlike the President's budget, incorporates the cost of reforming our Nation's health care system, welfare reform, and crime control. Admittedly, these subjects are complex and the estimates we include are subject to close reviews legislatively. But it remains that if we are to be intellectually honest about our spending priorities, we must have truth in budgeting, and at least acknowledge some cost of these efforts now. The American public has told Congress that these important issues are their top priority. Now it is the Congress' job to give these issues top priority in the budget.

Every Member of this body supports health care reform, although we may disagree as to how our Nation's health care system should be reformed. However, it is irresponsible for the Sabo substitute amendment to ignore the substantial budgetary impact of health care reform. If Congress is really serious about enacted comprehensive health care reform, we should be building the necessary funding into the fiscal year 1995 budget right now. Once again, only the Republican substitute amendments budget for health care reform.

HEALTH CARE REFORM

The Republican budget resolution, in stark contrast to that offered by the majority, includes funding for health care reform, notably comprehensive health insurance reform, and the provisions of H.R. 3080, the Affordable Health Care Now Act of 1993.

I am a cosponsor of this legislation, introduced by Republican leader BOB MICHEL. The Michel bill represents a solid first step toward comprehensive health care reform. Foremost, H.R. 3080 would enact comprehensive health insurance reform, restricting insurance companies' ability to deny coverage for preexisting conditions; ability to deny coverage for preexisting conditions; requiring insurers to enroll applicants regardless of health status; and limiting premium increases through community rating.

In addition, the Michel bill includes comprehensive medical malpractice reform; an expanded use of small employer health insurance purchasing pools; administrative simplification; and and expansion of Medicaid to cover more low-income individuals. Each of these provisions, which enjoy broad support, is funded in this budget.

Moreover, the health care funding provisions in this budget addresses the most glaring problems of our system, and can improve the lives and health care of millions of Americans, without radical restructuring of our health care system, vast increases in spending and taxes, and decimation of our Medicare Program.

WELFARE REFORM

The Kasich substitute also includes funding for the comprehensive welfare reform provisions offered by House Republicans.

The funding contained for the welfare reform provisions in this bill reaffirm our fundamental belief that we must enact reform based on individual responsibility. Furthermore, welfare reform must restore our public assistance system to its original purpose: A temporary safety net for those in need—not a permanent way of life or web of dependency.

Foremost, our legislation would limit welfare benefits to 2 years—after that time, welfare recipients would have to work for their check. Furthermore, our bill would require welfare recipients to enroll in job training and education programs designed to get them off welfare; allow States to eliminate separate AFDC benefits for families with parents under age 18; require under-age children to be attending school regularly; and finally, eliminate welfare benefits for illegal aliens and other noncitizens.

This budget also includes funding for the bipartisan Roukema amendment, which would require women, as a condition of receiving a welfare check from the government, to have their children vaccinated and up to date on their immunizations, and greatly restricts the ability of States to increase AFDC benefits for additional children born to mothers already on welfare.

This budget tells mothers already on welfare that if they decide to have another child, the Federal Government will not subsidize that choice. Or as one supporter put it: Welfare families must be faced with the same tough choices every working American makes—can we afford another child, and how will we make our budget meet these choices?

Finally, this budget resolution makes a down payment on what must be the most crucial element of welfare reform, effective child support enforcement. Too many parents fail to pay court-ordered child support, neglecting their legal and financial obligation to their children. Failure to pay timely support ultimately pushes families into our welfare system, and the taxpayer picks up the tab for these deadbeat dads and sometimes moms. By improving our child support system, we can take action as welfare prevention.

I have introduced a comprehensive child support enforcement reform bill (H.R. 1600) which largely tracks the recommendations of the U.S. Commission on Interstate Child Support Enforcement. The funding in this budget for welfare reform incorporates some of these provisions, including increased paternity establishment initiatives; a national W–4 reporting form for child support obligors; and increased access to the national computer networks for locating and dunning deadbeat parents.

More must be done in this critical, welfare prevention, effort. But this budget resolution takes solid first steps toward the comprehensive reform of our child support enforcement system which must be central to the welfare reform debate.

CRIME CONTROL

Finally, this budget provides funding for one of the most critical issues facing Americans today: crime control.

Our crime situation is out of control, and in need of urgent action. Citizens are not safe in their homes, and children can not walk to school or play in the yard without fear of mounting crime and violence.

Clearly, we must act now to control crime, and close the revolving door of justice that puts criminals back on the streets. Our laws must act to punish the criminal, and safeguard law-abiding citizens. We must take back our streets.

This budget does exactly that, fully funding the comprehensive Republican anticrime bill. This budget resolution includes $2 billion for more cops on the beat, and $3 billion for Federal-State partnerships for building new prisons.

If we are to be serious about three strikes and you're out sentencing reforms—which the public demands of us—we must make good on the commitment to providing more police to enforce the laws, and more prisons to house violent criminals. This budget does that.

If we are to do more than just talk about crime, we must adopt this budget today, providing the funding, then enact the comprehensive anticrime bill which Democratic leaders have refused to allow on the floor of the House.

CONCLUSION

In closing, Mr. Chairman, the Republican budget resolution represents the much needed policy reforms and budgetary thinking that will start us down the road toward genuine deficit reduction and economic growth. We owe it to the American people to take these important steps to regain our national economic footing. We must get our fiscal house in order so that this generation of Americans and the next can confidently look toward a future of good jobs at good pay and a rightful place in a growing and economically secure middle class.

Support the Kasich amendment.

[From the New York Times, Mar. 10, 1994]

LOW PAY AND CLOSED DOORS GREET YOUNG IN JOB MARKET

(By Tamar Lewin)

KANSAS CITY, MO.—Andrew Flenoy has ironed his white shirt until there are sharp creases down the sleeves. His hands are folded in his lap, his back is ramrod straight, and his feet jiggle nervously as he begins his fifth job interview in as many weeks—this one at Sprint, the long-distance telephone company that is Kansas City's largest employer.

Mr. Flenoy, 21, comes across as nervous and sweetly sincere as he tells the interviewer how much he wants the $17,274-a-year job selling long-distance service.

Mr. Flenoy, a high school graduate who completed a year-and-a-half training course at a business trade school, is scrambling for a foothold in a work world that has turned inside out. Even in an economy that has created three million new jobs in the last three years, career positions—the old-fashioned jobs offering benefits, vacation, and room for advancement—are increasingly hard to come by.

HARD REALITY

For millions of people across the country, young and old, economists' predictions of the late 1980's have now hardened into the reality of daily life. While there are still plenty of good jobs for computer engineers, nurses and others whose skills fit the changing economy, other workers have had to reconcile themselves to a job market that has little use for them.

The recovery started almost three years ago in this heartland metropolis of 1.6 million people. In its demographic makeup and economic indicators, Kansas City closely mirrors the national average—and these days, it is a perfect exemplar of the profound changes that have transformed the American workplace for young workers like Mr. Flenoy, including these:

Once reliable employers like T.W.A. and Sears have dumped workers, and executives with master's degrees remain as vulnerable to layoffs as productionline assemblers. The unskilled castoffs of shrinking industries, used to earning $20 an hour, are finding that the new labor market offers them no more than $6. Many now work two or three jobs, without matching their former salary or benefits.

Temporary jobs are at their highest levels ever. There are 24.4 million part-time and temporary workers, representing 22 percent of employed Americans. In Overland Park, Kan., a well-off suburb of Kansas City, one branch office of Manpower Inc., a large temporary employment agency, filled out 4,500 W-2 forms in 1993 for employees who had worked anywhere from a day to a full year—30 percent more than the previous year.

For some skilled workers, the increasing flexibility of the work world is a boon, allowing them to change jobs at will, work when and how much they want, and earn more as employers compete for them. This group includes not only the computer engineers and other bastions of the changing economy, but also electricians and other blue-collar workers whose skills remain in demand.

With the layoffs of so many men whose paychecks once kept the family afloat, women are not merely bolstering household incomes—their salaries have become essential to maintaining a tenuous grasp on a middle-class life style. And even though women streamed into the work force during the 1980's, the median household income in Kansas City was $31,637 in 1980 but had slipped to $31,613 by 1990.

While the public's perceptions of the national economy may have improved in recent months, Americans' insecurity about their own jobs is substantial and widespread, according to The New York Times Poll. Two-fifths of the work force voiced worry that during the next two years they might be laid off or forced to take pay cuts. And in the last two years, 24 percent said that in the last two years they have personally experienced layoffs, pay cuts or reductions in hours, according to the poll, taken in mid-February.

For economists and workers alike, the big question is whether the recovery will eventually spur the creation of plenty of good new jobs. Some experts say that is bound to happen, now that the explosive growth of temporary jobs has flattened.

But others say the American work force has undergone such basic structural changes that many high-paying jobs—from factory foremen to office supervisors and professionals—are gone for good.

THEIR MARKET—AMID A RECOVERY, MORE LAYOFFS

Whatever the future, the "downsizings" and "rightsizings" that began in the recession are continuing, as the largest companies here, as elsewhere, keep pruning payrolls in 100- and 1,000-worker sweeps.

Last year, Sears Roebuck here closed a distribution center, leaving more than a thousand people jobless. Other companies have also shrunk their work forces, including Marion Merrell Dow, a pharmaceutical company; Allied Signal Inc., which makes nuclear bomb parts here; Hallmark Cards, renowned around town as a benevolent employer; Colgate-Palmolive and A.T.&T.

Even a young, growing company like Sprint, with 9,000 local workers and 50,400 nationwide, had a round of layoffs in August cutting 1,000 workers nationwide, 120 of them in Kansas City. Overall, the telecommunications industry laid off 60,000 workers in the country last year.

Certainly some businesses are adding full-time, well-paying jobs with good benefits. Twentieth Century Services Inc., a mutual fund company here, has seen its work force grow from fewer than 300 eight years ago, to 1,900 now, and there are plans to add 300 to 400 this year.

Transamerica Life Insurance and Annuity Company of Los Angeles is moving 500 jobs here, and hundreds of small businesses are picking up abandoned workers and keeping the unemployment rate down to 5.4 percent last year, below the national average of 6.8 percent. And at least one employer, Ford, is adding people to its 4,000-worker plant to make the new Contour and Mercury Mystique, the successors to the Ford Tempo and Mercury Topaz.

But new jobs are not coming on stream the way they did after previous recessions. Frank Lenk, the senior economist at the Mid-America Regional Council here, calculates that in the three years since the last recession ended, the Kansas City region has gained about 20,000 jobs—compared with 93,000 jobs created after the previous downturn in the early 1980's.

THEIR JOBS—$6 AN HOUR, 7 DAYS A WEEK

To their bitter disappointment, Mr. Flenoy and most other young workers are finding that "McJobs"—jobs that pay $6 an hour or less, and offer little in the way of a career path—are about the only openings around.

"It just seems really difficult for my generation," said Mr. Flenoy, the oldest of six children in a rural Arkansas family.

Data from the Bureau of Labor Statistics confirm that impression: in the last decade, the average wage has fallen 5 percent, adjusted for inflation. And median full-time weekly earnings for those aged 20 to 24, expressed in 1982 dollars, dropped to $199 in 1993, from $215 in 1989.

While some young people with specialized skills—those with training in fields like nursing—have employers clamoring for their services, most others have a string of disappointments to recount.

Some are mailing dozens of résumés a month, and getting nothing but form-letter rejections. Others wonder why, with more education than their parents, they still cannot find work anywhere near as stable or well-paying as their parents have.

Reese Isbell is one of the lucky ones: He found work he liked just a month after graduating from the University of Missouri-Kansas City in 1992.

But these days, even lucky young people are likely to land in part-time jobs, if not internships or temporary assignments.

"I had an internship my last semester of college, working 20 hours a week in the public affairs office at Planned Parenthood, and I really liked it," said Mr. Isbell, who was a sociology major. "My father couldn't believe I would have any trouble getting a job when I graduated. He thought there would be all kinds of people recruiting me. But there weren't. I went to a temporary agency, and got a data entry job, but I hated it so much that I quit after two days."

So, Mr. Isbell leapt at the chance for a paid job at Planned Parenthood—still 20 hours a week, but now earning $8 an hour. To make ends meet, he also took a $7-an-hour weekend job as an admitting clerk at a hospital, a position he has kept even as the Planned Parenthood job expanded to 30 hours, and soon, to full time.

"I'm working seven days a week but I know I'm really lucky, and it wouldn't have happened without the internship," Mr. Isbell said. "My father is a computer programmer, which used to be a shoe-in, but a couple years ago he lost his job and was out there pounding the pavement at the age of 40."

THEIR PROSPECTS—WHEN COLLEGE IS NOT ENOUGH

"Reality Bites," the current movie hit about twentysomethings, reflected young workers' profound uneasiness about their job prospects. The heroine graduates as valedictorian of her college class, then is promptly dismissed from a television job where she had been warned that she could be replaced by an unpaid intern. Her boyfriend has been dismissed from 12 jobs, and she says, is "on the inside track to Nowheresville, U.S.A."

Her mother urges her to get a job at a burger place. Her best friend tries to recruit her to work at the Gap—and is offended when she says she is not interested. And when she applies for media jobs, she is rejected as overqualified at one, underqualified at the next.

"It all sounded very familiar," said Dan Wulf, a graduate of Wesleyan University in Connecticut who came to Kansas City a year and a half ago to set up a summer program for children. He now works as a secretary at the University of Kansas Medical Center during the week, and at Kinko's copy center from 2 P.M. to 11 P.M. on weekends. On Sunday mornings, he teaches Hebrew school.

He and Mr. Isbell have both concluded that to get more challenging jobs—and avoid seven-day workweeks—they will have to go to graduate school.

"We're getting more college graduates than we are college-level jobs," said Dan

Hecker of the labor statistics bureau. "About 20 percent of the college graduates end up in non-college-level jobs."

The number of college graduates working as street vendors or door-to-door salespeople grew from 57,000 in 1983 to 75,000 in 1990, the last year the statistics were compiled, according to the bureau. In the same period, the number of truck or bus drivers with college degrees grew from 99,000 to 166,000.

FROM CARHOP TO PARALEGAL

For those without college degrees, the struggle for a good job is even tougher: Renda Rush married at 17 and had her first child the following year. She began working as a carhop at Sonic Drive-In two years later and stayed there—with breaks for the birth of two more children—until the end of 1992.

What started me thinking was seeing a lot of high school girls, home for the summer, working at Sonic," said Ms. Rush, now 26. "Then in the fall, they'd go on to college, or whatever, and I'd still be there. And I finally thought, they're moving on and I've been here five years, I've got kids, and I'll be left behind forever if I don't do something about it."

Ms. Rush went back to school, choosing a two-year paralegal training program at Penn Valley Community College. And she is on her way to a career: She started as a receptionist at a personal-injury lawyer's office, but is now doing paralegal work too.

Ms. Rush, who earned $4.85 an hour at Sonic, earns $7 an hour, with the understanding that her pay will rise when she gets her degree later this year.

THEIR FALLBACK—A GENERATION OF TEMPS

In the recession, many employers, here and elsewhere, tried to keep their costs low by increasing their use of part-timers and temporaries, who work only during busy periods and usually get no benefits.

According to data from the Bureau of Labor Statistics, employment with temporary agencies accounted for 15 percent of the new jobs created last year and 26 percent the year before—compared with less than 3 percent of the new jobs created in 1989.

In dozens of interviews with young workers in Kansas City, temping seemed to be an almost universal experience: Mr. Wulf had a weeklong job in a real estate office through a temporary agency; Mr. Isbell had his data-entry job, and Mr. Flenoy did a market-research project surveying theater-goers.

And for some young people it becomes a way of life. For a year and half now, Cabrenna Clark, 24, has been working for Kelly Services, a temporary employment agency, earning about $6 an hour, plus some overtime. But every six months, she sends out a round of resumes for the business jobs she covets.

"I work every day, and there always seems to be another assignment when one ends," said Ms. Clark, who has completed a year and a half of college and plans to return later this year. "I've had a couple places call me back as a temp. But it seems like right now, people are more interested in working with temps than hiring for permanent jobs."

Ms. Clark said her parents, both civil servants—her mother working for the state, her father for the Federal Government—tell her she is wasting her time working as a temp.

"I don't think they understand how hard the job market is," she said. "If you're in Kansas City, and you're not in medicine or telecommunications or the military, you can just forget it. Temping is what I can do right now."

For Mr. Flenoy, what started as a temporary job has become more permanent than he ever intended. He was hired as a temporary dishwasher at Myron Green, a Kansas City company that runs cafeterias and catering in offices and schools. After 90 days, he was offered a permanent dishwashing job, for 5.50 an hour, then was quickly promoted to cafeteria line server ($5.75), grill cook ($6.00) and catering manager ($6.25).

Mr. Flenoy, the first in the family to go beyond a high school education, has come tantalizingly close to several good permanent jobs in the last two months. He was almost hired as a secretary-administrator for a church, and was one of the two final candidates for a corporate data-entry job.

But the Sprint job was the one he coveted, both because it paid more than the others, and because the company offers a generous benefit plan including tuition reimbursement that Mr. Flenoy hoped to use to further his education.

At the interview at Sprint, Mr. Flenoy began to relax as the recruiter, Mary Reiter, worked through her list of printed questions, asking him to talk about a time he tried hard and failed, a time he was too persistent, how he knows if he has done a good job. Ms. Reiter smiled encouragingly as Mr. Flenoy told about making a special effort to arrange a beautiful food tray; and thinking he had done a spectacular job—until he heard the customers' reactions.

"Normally in interviews when they ask questions, I'm completely blank, but this time it just flowed along," Mr. Flenoy said after the interview.

But a good interview was not enough: on Sprint's multiple-choice telemarketing aptitude exam, Mr. Flenoy scored too low to win another interview. So for the time being, he must stay at the food-service job.

"I'll do it as long as I have to," Mr. Flenoy said one recent morning, as he took a break from arranging a taco-bar luncheon. "But I really want some kind of business job. My resolution for 1994 is that if nothing comes along, I'll relocate and start from scratch somewhere else.".

Mr. Flenoy said he knew from the time he was in high school that he wanted to leave Marianna, Ark., where his only job prospect seemed to be packing cotton or farming. He always wanted a career in business. After a semester at a community college, he moved to Kansas City, where he had relatives, and attended Wright Business School in the mornings, while working in the evenings.

Now he is tired of the burgundy and black uniform he must wear, and of the sense that he works every day from 6 A.M. to 2 P.M. just to earn enough money so that he can come back and work some more the next day.

But he does not tell his family how disheartened he is. He does not want to discourage his younger siblings.

"I'm trying my best to be very, very positive for them," he said.

[From the New York Times, March 11, 1994]

FAMILY STRUGGLES TO MAKE DO AFTER FALL FROM MIDDLE CLASS

(By Dirk Johnson)

KANSAS CITY, MO.—With two cars in the garage and a swing set in the backyard, Craig Miller and his family fell easily into the suburban rhythms of Johnson County.

He was a sheet-metal worker for T.W.A. His middle-class status was stamped on the pay stub: $15.65 an hour. And the shopping mall clerks didn't care if the paying customer wore steel-toe boots or tasseled loafers.

But the airline was troubled, and it laid Mr. Miller off in the summer of 1992. When he began to search for another job, he quickly learned the market value of a blue-collar worker with a strong back and a good work ethic but few special skills: about $5 an hour.

Mr. Miller, a 37-year-old father of four, now works behind the counter in a McDonald's hustling orders for Quarter Pounders and chicken fajitas and deferring to teen-age customers with "Yes, sir" and "Thank you, ma'am."

Mr. Miller also drives a school bus. And on the side he has started a small business, changing furnace filters. He printed up cards for the venture, "Sani-Max," but there has not been much demand for his service.

For the last eight years his wife, Susan, 34, has worked part time as a stock clerk at Toys R Us at night, when her husband can watch the children. She recently got a raise and now makes $5.95 an hour.

In most ways, the nation's economy seems to be racing ahead, evident here in the spiffy shops of Country Club Plaza and the big new crop of $200,000 houses sprouting in the corn fields on the outskirts of town.

NEW JOBS, BUT NOT ENOUGH

Throughout the country, some two million new jobs were created last year. But for people like Craig and Susan Miller, who lack college degrees as well as coveted skills, the statistics on an increasing number of jobs offer little comfort.

"Sure, we've got four of them," Mr. Miller said, managing a chuckle. "So what? So you can work like a dog for $5 an hour."

In nearly three years since the 1990-91 recession, employers nationwide have taken on three million workers, but that is less than half as many as they hired after the 1981-82 recession. And many of the new jobs are part time or temporary.

At the same time, the number of manufacturing jobs has fallen 8.3 percent from 1989 through February 1994. Tens of thousands of jobs have moved abroad; advances in technology have taken others.

As the Millers gaze into the future from their brick-and-frame house in Overland Park, Kan., they see an employment landscape shaped like a barbell. At one end are bankers and lawyers and accountants exulting in the high-flying stock market; at the other end are countermen at fast-food franchises and clerks at big discount stores struggling to pay the bills. The solid, working-class middle ground, where the Millers once stood, has meanwhile grown narrow—and slippery.

Counting all their part-time jobs, the Millers will make about $18,000 this year, less than half what Mr. Miller earned as a union sheet-metal worker. They have found the fall difficult to fathom, and even harder to accept. They could probably qualify for food stamps but refuse to consider applying. "We're middle-class people," Mr. Miller said. "It's just that we have a lower-class income."

THE DAILY ROUTINE

The work day starts in darkness. Mr. Miller, an Army veteran, crawls out of bed about 6 A.M., careful not to wake his youngest child, 3-year-old Amanda, who shares her parent's bedroom. By 7 A.M. he is behind the wheel of a school bus, stopping and going along tree-lined suburban streets of Overland Park. He will do it again in the late afternoon. The daily pay is $35, no benefits.

After completing the morning bus route, he stops back at his house to change into his blue McDonald's uniform with his "Craig" name-plate pinned onto it. His restaurant job starts at 9:30 A.M., in a strip mall on Highway 69.

The pay in a fast-food restaurant is low, but the work is relentless. customers are often lined up six deep. Mr. Miller, a man who once fixed dents in the fuselages of jets and felt pride in his craft whenever a plane soared overhead, darts between the counter and the food pickup shelf, back and forth, a hundred times a day, careful not to misfill an order.

In the slower moments, he comes around the counter, dips a mop in a bucket and drags it across the floor. With the customers, he always tries to wear a polite smile, but he doesn't always meet their eyes.

"I still have some pride, you know," he said. "But what am I going to do? I think the needs of my children are a little more important than my ego."

When he took the job, Mr. Miller expected to be the oldest worker at McDonald's. He was surprised to find several people past 30.

Still wearing the McDonald's uniform, he climbs back in the school bus at 2:30 P.M. for the afternoon run. About 5, he arrives home.

Dinner is served right away, often pasta with ground turkey. The Millers never buy beef anymore.

Just before 6, Mrs. Miller leaves for her job, six hours of bending and lifting to stock the shelves with toys. It will be midnight by the time she returns home. She also works one day a week at the same McDonald's as her husband.

BATTLE WITH BILLS

Every time the telephone rings, the Millers instinctively fear that a bill collector is calling. They are $3,000 behind in medical bills. Mrs. Miller's part-time job provides health benefits, with the company paying 80 percent of medical bills and the employee 20 percent. But with four children, even paying just 20 percent adds up. And one child recently had surgery.

When a bill collector got huffy on the phone the other day, Mrs. Miller told him wearily, "Oh, get in line."

The couple buy one newspaper a week, for the food coupons, and only one light burns in the house at a time. When a child forgets to flip off the switch, Mrs. Miller chides gently: "Have you got stock in the electric company? Well, neither do I."

Not so long ago, such worries would have seemed absurd. The Millers were saving so they could exchange their rented house for one of their own. At backyard barbecues and church picnics they moved comfortably in a social circle that included college graduates, people who wore suits to work and were therefore deemed "professional" but who often earned no more than the Millers.

When a child in school boasted of a parent who was a doctor or a lawyer, 7-year-old Peter Miller was known to reply, "My daddy can fix planes so they can fly high in the sky."

A quarter century ago, Mr. Miller remembers feeling the same kind of pride in his own blue-collar father. But the rules and rewards were simple then: if a man wasn't afraid to sweat, he could succeed.

Mr. Miller had watched his father make good on the bargain, factory worker who provided a two-story house, a decent savings account and summer vacations to the California redwoods and Yellowstone National Park.

I MISS IT A LOT

That was the kind of life that Mr. Miller had always planned for his own family. But now there doesn't seem to be much point in even talking about it.

"Oh, yeah, I miss it a lot," he said, referring to the old job, and perhaps to the old rules.

He clings to the hope that the fortunes of T.W.A. will improve and that the company will then re-call him and others who were laid off.

One recent evening, Mr. Miller pulled out some old work tools, grasping them in hands that are now much smoother, and explained the purpose of each.

On the floor next to the sofa was a two-year-old airline magazine, with a cover article titled, "How to make good landings." On the wall, an art print carried a quote from Isaiah: "We grope for the wall like the blind."

Mr. Miller doesn't care to talk much about McDonald's. He sat in the living room with a visitor for two hours one evening, never taking off the jacket that covered his McDonald's shirt. Finally, for a brief moment, he unsnapped the buttons to reveal the uniform.

"There, you see it," he said, with a blush of embarrassment and perhaps a glint of rage. Then he closed the jacket again.

SAD STORIES ABOUND

Now and then, Mr. Miller checks with some of his old buddies from the T.W.A. hangar, men who used to talk about rushing yardage and batting averages on coffee breaks. Now they share rumors about the latest threatened corporate "downsizing."

One of the men, Joe Tomczuk, could not find a job that paid more than $6 an hour. He moved back home with his parents, at age 39, and wondered if he should abandon the hope of ever getting married and starting a family.

"Women are just like me; they want security," Mr. Tomczuk said. "What are they going to see in me?"

Another former colleague is now a janitor in a school. Others seem to have disappeared.

In the months after T.W.A. laid off several hundred workers like Mr. Miller, some marriages collapsed. Alcohol took a toll. And union officials say perhaps a dozen men peered into the bleakness of the future and committed suicide.

Mr. Miller said some friends had encouraged him to move to a city where good blue collar jobs were more plentiful. But where was that? Even at this father's old factory, in Muscatine, Iowa, a ketchup plant, technology was phasing out workers.

KEEPING UP FOR THE CHILDREN

But moving is simply not an option. The Millers' eldest child, 11-year-old Jeremiah, has several learning disabilities but has been making significant progress, which his parents credit to the top-notch teachers at the affluent Blue Valley School District. The couple will not consider risking Jeremiah's future in a mediocre school; nor are they willing to put him through the emotional strain of starting over in strange surroundings even if the schools were superior.

"We try not to tell the kids too much," Mr. Miller said. "This belongs on our shoulders, not theirs."

But some things are difficult to avoid. Not long ago, Jeremiah asked if he could take his friends to a restaurant for his birthday, a custom with many children at his school.

"We'll have to talk about that," Mr. Miller told the boy.

Mrs. Miller glanced toward the children and shook her head.

"I hope they choose their careers carefully," she said later. "Everything is geared to the college people anymore. If your job isn't sitting in front of a computer, watch out."

Mrs. Miller said she and her husband should have seen the writing on the wall. But when times were good, they seemed like they would last forever. Now she has scant hope that those days will ever return.

"For people like us," she said, "I'm afraid the good times are gone for good."

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the distinguished Republican leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, my finest compliments to the distinguished gentleman from Ohio [Mr. KASICH] and all the members on our side on the Committee on the Budget. Last year they acquitted themselves in fine fashion, coming up with facts and figures and a very credible budget. The same applies for their work product this year. That is why I rise in strong support of the budget offered by the gentleman from Ohio [Mr. KASICH], which we in the Republican leadership adopted as our official position. Once again, they provided us with a credible and complete budget proposal.

Let me give the Members the three major reasons why I support this budget. First, it is a complete one. The Democratic leadership budget makes some adjustments to the discretionary portion of the budget, but that is only one-third of the budget controlled by the appropriation process.

What about health care reform and welfare reform? The Democratic leadership tells us we will be dealing with them this year sometime. How come they are not in the budget? Not even Sherlock Holmes, Lieutenant Colombo, or the entire cast of "L.A. Law" could find a single clue in the Democratic leadership budget as to how these initiatives will be financed.

The Kasich budget, on the other hand, reflects the priorities and initiatives that we Republicans seek to further this year, and details exactly how those initiatives would be financed.

Are the Members looking for specific health care, welfare reform, and crime control proposals? They will find them in the Kasich budget.

What about reforming foreign aid or a family tax credit? They will find them in the Kasich budget.

Do they seek specific information on which lower priority programs must be reduced? They will find it in the Kasich budget.

The second major reason for supporting the Kasich budget is this: It is the only budget alternative that contains a more realistic level of defense funding. The Democratic defense figures are not sufficient to fund even their own defense program, as determined by their own Defense Department's recent Bottom-Up Review. If they will not take their own program seriously enough to fund it, then what are the rest of us supposed to be thinking?

Furthermore, the Democratic budget figures do not support a full military pay raise, as we do.

Finally, the Kasich budget provides approximately $150 billion more in deficit reduction over the next 5 years, when the Kasich budget is adopted and implemented. A real budget with real savings, is that not a refreshing idea? Compare it with a Democratic leadership budget that has as many holes in it as the New York Mets' infield.

The Kasich budget is a reality. The Democratic budget is only virtual reality. I would urge my colleagues to vote for the only real budget in town, as exemplified and reflected by the good work and handicraft of the gentleman from Ohio [Mr. KASICH] and his colleagues on the Republican side of the Committee on the Budget.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Chairman, I rise in strong opposition to the Kasich substitute. This substitute is bad medicine for our health care programs. It cuts Medicare, it cuts biomedical research, it cuts immunizations, it cuts substance abuse treatment, it cuts women's health initiatives.

The substitute is designed, I want the Members to understand, to embarrass the President of the United States by enacting in this budget the Michel alternative to the health care proposal that the President has submitted to us. It would do that by putting in this bill the so-called Michel substitute, even though the bill has never been referred to the Committee on the Budget and has not yet been reported out of the committees that have jurisdiction.

However, this substitute does more than try to trick us into a health care proposal that does not provide universal coverage. The substitute would shift an additional $30 billion in out-of-pocket costs onto Medicare beneficiaries over the next 5 years. It would cut Medicare payments to teaching hospitals by $13.5 billion over the next 5 years.

The Kasich substitute would propose almost $30 billion in new out-of-pocket costs on Medicare beneficiaries, and would do this by imposing coinsurance requirements for home health care and clinical lab services. It is true that some of the proposals in Medicare cuts are also in the President's bill, but look at the context. The President's bill would use some of those savings for pharmaceutical drug coverage for the elderly, for some home health care services for them as well. That is what they would get in exchange for these proposals under the President's health care reform, but in exchange for these higher cost-sharing requirements, what do Medicare beneficiaries get under the Kasich substitute? Nothing, except for higher out-of-pocket costs if they do get sick and happen to need home health care or laboratory services.

Finally, Mr. Chairman, the Kasich substitute would reduce the Medicare indirect teaching adjustments from 7.7 to 3 percent, taking $13.5 billion away from teaching hospitals bearing the responsibility for caring for the uninsured.

Make no mistake, Mr. Chairman, a vote for this substitute is a vote against the President, a vote against the elderly, a vote against teaching hospitals, and a vote against universal coverage for health care for our people.

I urge a "no" vote on the Kasich substitute.

□ 1230

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Chairman, the very distinguished gentleman who just spoke represents the 29th District of California, and I would like him to know that under the Kasich budget his district would get $31.1 million worth of family tax relief.

The Kasich substitute, Mr. Chairman, represents more than sound budgeting. It represents sound social policy as well.

It is high time that Congress understands that the Federal budget must be thought of in terms of people's priorities because we are spending the people's money.

A distinguishing feature between the Democrat budget and the Republican budget is simply the Republican budget says "We the people," and the Democrat budget says "We the government."

These priorities which have shaped the Kasich substitute include health care reform, welfare reform, tough and sensible crime control, incentives for job creation. It is all in there. And it is capped off with the most important proposal to emerge from the 103d Congress, a $500-per-child tax credit that begins the process of restoring a profamily prochild tax code.

Imagine doing something explicitly for the family of America. What do they think they are, a special interest? Well, indeed they are our most important special interest, shielded and strengthened by public policy. Instead, the average American family has been a cash cow harnessed to pull the Federal gravy train.

The Kasich substitute represents a radical reversal of all of that. For the last 14 months the Congress' message to the taxpayer has been, "More for Washington, less for you."

Last year's budget blared it with higher taxes and more spending: "More for Washington, less for you."

The reconciliation bill of 1993 repeated it, and the defeat of the Penny-Kasich package of spending cuts last November locked in "More for Washington, less for you."

The same message sums up the budget fashioned last week by the House Budget Committee. It is just more for official Washington to spend, to borrow, to allocate, to redistribute, and less for the workers, the savers, the investors, the mothers and fathers of America.

We want to turn that around. We want to put families first. We want to put them at the head of the line, ahead of the bureaucrats and the grantees, the contractors, the planners, the regulators, and do not forget the consultants.

Putting families first means first and foremost letting them keep more of what they earn. It means recognizing that the people that do the most important work in this country are not Congressmen, they are mothers and fathers raising kids.

I concede the good intentions of those who really believe that the best way to help families is to expand Government services and to pay for those services by billing other families. But we have spent decades now trying to ameliorate symptoms of the decline of the family, teenage pregnancy, drug abuse, welfare dependency, to educational failure. We not only have not accomplished much in those years, but we have weakened the families even more by heavier tax burdens and more and more Government intrusion.

We have spent decades and uncounted billions trying to make Government assistance a substitute for strong family life, and it has not worked. The Kasich substitute points us in a more promising direction, letting families control more of their own resources and making more of their own decisions.

Trust the people. That is the key now, and over that long run to restoring the family as the force that holds people together, holds neighborhoods together, instills values, curbs violence, promotes health, and helps young people learn and prepares them for productive work.

We the people, not we the Government.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I am concerned about the veterans' funding under the Kasich amendment. We have examined it very closely. It seems that the bottom line for veterans' health care for 1995 under the Kasich amendment is that health care will lose $475 million.

The gentleman from Ohio [Mr. KASICH], on page 17 of the Republican substitute or of his amendment give us $110 million. That is great. That is for health care, for helping process claims. But back on page 24 under the 1994 investments that were put in our legislation for veterans' health care in 1994, he eliminates that, which is around $585 million. If you subtract the $110 million he gave us on page 17 from the $585 million he takes away on page 24, the veterans come up short $475 million.

Am I right or wrong? I just need an answer.

Mr. SABO. The gentleman is correct. My number is $472 million. It is either $472 million or $475 million, but the gentleman is essentially correct, and I thank him for asking me the question.

Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I thank the gentleman for yielding me the time.

I say to the gentleman who just spoke, I do not know whether he is aware that in the State of Illinois families that were eligible for earned income tax credits this year, which he and every Member of his party voted against in last year's reconciliation bill, numbered 599,300. That is a tax cut for working families with children already in effect, and he and every Member of his party, including the gentleman from Ohio [Mr. KASICH], voted against it.

In my own State of West Virginia, 105,000 working West Virginians now are getting a tax cut as a result of the budget package that was passed and has already been implemented, and while they dangle a $500 tax credit for children in front of people, let the RECORD show who voted against the tax relief for children of working families in the last bill.

I might add in Ohio alone, over 500,000 working families are getting a tax cut right now, working Ohioans, which the gentleman from Ohio [Mr. KASICH] voted against.

So I think it is important to recognize that this $500 tax credit, which incidentally really does not apply to those under $15,000 a year, so the sons and daughters of 50 of those in the lowest tax bracket will now be paying in years to come to the sons and daughters who enjoyed a tax bracket, those up to $200,000 a year. That is real reform.

Then of course they do not talk about the Medicare cuts, pitting grandparents against grandchildren to pay for this.

This is a tough budget, the House budget, the Democratic budget for West Virginians, make no mistake about it. The Appalachian Regional Commission is cut.

I do not enjoy the prospect of that. There are Medicare cuts in there, agriculture offices will close, Federal employees are already being laid off, programs eliminated, frozen or cut. But in West Virginia we like the facts.

So when we hear the facts, so-called, coming from this side, let us remember the words of the gentleman from Ohio [Mr. KASICH] last year in August:

> Come next year, we are going to find out whether we have higher deficits, we are going to find out whether we have a slower economy, we are going to find out what is going to happen to interest rates, and it is our bet that this is a job-killer.

Here are the facts, ladies and gentlemen: Deficits are down, record deficit reduction in just 1 year with the passage of that bill. Unemployment is up. So much for the job-killer. It was a job-gainer. And finally, when looking at the facts, economic growth is at a record peak, 3.2 percent in 1 year, which exceeds 4 years of the previous years.

These are the folks who just a few moments ago told you to vote for this as a job-killer. Take that into consideration when voting.

The House budget is the one that continues the progress that we are on. The Kasich budget is from the same folks who voted unanimously against the package that put us back on track.

Mr. KASICH. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I want the people of the Second District of West Virginia to know that there are 113,085 children that the gentleman from West Virginia [Mr. WISE], does not feel ought to get the tax credit to the tune of over $56 million.

I would say to the gentleman, just keep banking on raising people's taxes and raising Federal spending and defending the pork-barrel politics of the leaders of your State, and you will find yourself with a slower economy.

□ 1240

In addition to the arguments that have been made here, Medicare and Medicaid, under the Kasich substitute, Medicare increases by $87 billion; Medicare increases by $87 billion under our plan. Medicaid is $63 billion.

The Clinton plan, of course, makes $130 billion worth of Medicare cuts.

So I would warn my friends to be very careful of that, and furthermore, the Veterans' Administration gets funded at the same level under the Republican plan as under the Democrat plan. We get more for veterans and less for bureaucracy. We have the numbers for the gentleman from West Virginia to show you the raw numbers.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I rise in support of the Kasich budget.

It supports economic growth, it cuts the deficit $150 billion more than President Clinton's and provides real tax relief for the American family.

During the last 40 years, the Federal income tax burden for a family of four has increased by 250 percent as a share of family income. Today, most American families pay more in Federal taxes than they pay for food, clothing, transportation, insurance and recreation combined. That's tragic.

A recent poll reveals Americans favor family tax relief 3 to 1, even if it means cuts in entitlements.

The Kasich budget provides a $500 per child family tax credit—for three children that would be $1,500 more in purchasing power. Ninety percent of this relief goes to families making less than $75,000 a year.

The family is the first and best Department of Education;

The first and best Department of Health and Human Services;

The first and best Department of Housing;

And the first and best Department of Energy and Transportation.

There is no instrument of economic growth, savings, and job training as effective as the middle class family.

It is the repository of values.

It is the sustainer of society.

And our Government has chiseled away at its foundation for 40 years.

The question that confronts us is this: Is our faith in the big brother of big Government, or is our faith in the moms and dads of America?

The mantra of the Beltway is: The Government giveth and the Government taketh away. Blessed be the hand of big Government.

The Kasich budget says, "No more." It strikes a blow for the most neglected special interest in America—the family.

For once, let us forget party loyalty and party discipline.

For once, let us forget the marching orders and let us do right for the family.

Let us return over $20 billion per year to the families of 50 million American children.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, today we are debating the Republican alternative to the budget resolution, and we are being more or less sidetracked on an issue with respect to tax credits.

It is important to remember that the Democratic bill that passed last August provided the largest tax break to ordinary working families in this decade, so do not be fooled by the talk about the tax credit that is contained in the Republican alternative. What we must remember is what they are doing to the budget. The so-called appeal to family is entirely decimated in the Republican alternative. It is bad for the children, it is bad for the families, it destroys the underpinning of educational and job training support that we have had as a tradition and as a policy in programs that have been enacted in the past by the Congress.

The Kasich substitute decimates the investment policy and priorities of the Clinton administration. The Kasich substitute cuts $1.9 billion from the committee resolution in the area of education, training, and social services which over a 5-year period will amount to $53 billion. It cuts $1.1 billion from our investment in Head Start. Everybody says they are for Head Start. His substitute cuts this program and reduces the investment in our young people. It completely exacerbates support for child care programs by consolidating them and not providing the kind of focus and priority which is needed. It consolidates all the hunger and nutrition programs that have been the real bulwark of our support for poor people, and food stamps, school lunches and school breakfast programs; it cuts about 5 percent of that funding for schoolchildren supported by impact aid. It completely wipes out this program and eliminates it in 5 years.

Do not be fooled by the Kasich substitute.

Mr. KASICH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

In the explanation just given by the gentlewoman from Hawaii, you have heard precisely, precisely the difference between the two budgets you have before you today.

The gentlewoman from Hawaii just told you about all of the Government programs that the Kasich budget would cut. She is absolutely right. Programs would be cut. People would be helped.

That is the big difference. We are attempting to help people, real working families people, middle-class people; 134,000 kids in the gentlewoman's district would be eligible for this tax credit, $67.1 million of family tax relief would go to her district in Hawaii under the Kasich budget.

That is the big difference here.

They want to talk about all of the good Government programs that they want the money to go to, bigger and bigger Government, more and more bureaucrats doing things supposedly to help America.

We want to talk about helping America by giving people tax relief, by giving people the ability to help themselves. That is the big difference here.

There is a major difference between these two approaches: More and more big Government on behalf of the Democrat budget; the Kasich budget, the Republican budget, talks about helping people for real, helping families for real.

And how do we do that? Not just with the tax relief. We help them because we put in health care reform. We help them because we put in welfare reform. We have crime reform in here.

Families are being devastated on the streets of America. Mothers cannot walk across the parking lots at shopping centers because they fear the crime going on in this country. We fund the crime bill in our bill.

And the bottom line is we also protect the kids better in the future, because we put $150 billion more in deficit cuts in the Kasich budget than are in the Democrat big-Government budget.

We do what is necessary to help middle-class families for real. People are helped by the Kasich budget. People are undermined by more and more big Government and by the refusal to deal with reform in the Democrat budget.

Vote for Kasich.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I rise in support of the Kasich substitute. I think it is a sound and responsible piece of legislation.

Last year, we had a clear choice of visions for the Government's role in our society. Republicans, ably led by JOHN KASICH, offered a budget proposal to achieve greater deficit reduction entirely through spending cuts. This plan was unfortunately defeated on a party-line vote. President Clinton and his Democrat allies in Congress, instead, shepherded through Congress the largest tax increase in U.S. history, with few—if any—spending cuts.

Once again this year, we have a clear set of choices. The Republican members of the Budget Committee have drafted a proposal to reduce the budget deficit by $150 billion through specific reductions in Government spending, provide necessary funding for defense, reform our welfare and health care systems, enact a tough anticrime package, provide families with a $500-per-child tax credit, and index capital gains for inflation.

The Kasich budget also provides for real reform of the Government by contracting out for services which could be more efficiently provided by the private sector, combining programs into block grants to enable States and localities to determine how best to provide the actual services, and ending duplication of Government services. The Kasich budget calls for real change and real deficit reduction. I commend the Republican Members and staff of the Budget Committee for their hard work, and urge Members to vote for the Kasich alternative.

☐ 1250

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Texas [Mr. DELAY].

Mr. DELAY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I think everyone should be aware that the gentleman from the Third District of Oregon, who just spoke, ought to be aware that the Republican budget provides $56.9 million of family tax relief for 113,746 children in his district. That is what we are talking about.

You know, as I moved around the floor the last couple of days, I talked to one Member in particular of this House about the family tax relief. His response to me was very clear about the big difference here. He says, "We can't afford to give families, to give families tax relief," as if he owned the money.

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. KASICH. I thank the gentleman for yielding to me.

Also, at the same time, giving families tax relief, we are also providing for growth in Head Start. I ask the gentleman, is that correct?

Mr. DELAY. Absolutely. And that is an excellent point. The point I am trying to make is: "Give the families tax money"? What we are talking about is allowing them to keep the money to raise their families. This is a big distinction here. The gentleman from California [Mr. DELLUMS] in his excellent presentation in support of the Congressional Black Caucus budget, made a very poignant argument when he said, "If you want to build a nation, you go read the budget of that nation." That is what we are being presented with here.

Mr. Chairman, I have the utmost respect for the Black Caucus because they are being true to the American people about their vision of America and what kind of Government they would have. I do not agree with it, but at least they are being honest about it.

We are being honest about it also with the Kasich budget. We are showing you what we would do if the Republicans were in charge of this House and in charge of the Senate. It would be a much different America, it would be a much different Government.

The Sabo budget is showing politics and business as usual; more Government, keep the Government's money so that they do not have to give it to families in tax relief.

If you are serious about reforming health care and paying for it without passing on more debt to our children, vote for Kasich and oppose Sabo. If you are serious about overhauling the welfare system and paying for it without passing on more debt to our children, vote for Kasich and oppose Sabo.

If you are serious about locking up criminals and making our streets safe and paying for it without passing on more debt to our children, vote for Kasich and oppose Sabo.

If you are really serious about ensuring our national security with a strong defense and paying for it without passing on more debt to our children, vote for Kasich and oppose Sabo.

If you are really serious about tax relief to families, allowing families to keep their own money with a $500-per-child tax relief credit and paying for it without passing on more debt to our children, vote for Kasich but oppose Sabo.

Mr. SABO. I yield 2 minutes to my colleague, the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding this time to me and for the superb job that he has done in crafting this serious, solid budget resolution.

In response to the three previous speakers on the other side, I would say that if they are serious about tax relief for families, they would have voted last year for the reconciliation bill, the earned income tax credit. In the State of Arkansas, that would have benefited 202,800 families; State of Pennsylvania, 510,100 families; State of Texas, 1,441,000 families would have benefited from the earned income tax credit, which they voted against in the reconciliation bill.

Most of those same families will not get the tax credit proposed in the Kasich bill because it is not refundable.

I want to address myself to what I consider a very serious, what I consider a dangerous-to-safety proposal in the Kasich budget plan: to totally privatize the Air Traffic Control Corporation. As they claim, it will reduce the budget deficit. But it will do so by taking air traffic control expenses out of the budget while not making a full offsetting reduction in taxes. The proposal would increase user fee costs by 65 percent, some $2.5 billion per year. Airlines would still have to pay a 6-percent ticket tax to support the rump FAA.

In addition, airlines would also have to pay new fees to cover the costs of the Air Traffic Control Corporation. We have done a careful analysis of this in my subcommittee, and we estimate these fees to be the equivalent of an additional 10.5-percent tax. Take a close look, airlines and air travelers, passenger payments would be the equivalent of a tax of 16.5 percent compared to today's 10-percent airline ticket tax.

These are costs that would be borne directly by the traveling public in the form of higher airline ticket prices. They will be paying twice.

What this means, very simply, is this little feat of budgetary legerdemain and its cousin, the administration's corporate privatizing scheme, will sock the airline industry and air travelers at a time when that industry has lost $11 billion over the past years. This proposal is bad safety policy and worse budget policy.

Mr. KASICH. I yield 2 minutes to the very distinguished gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. I thank the gentleman for yielding this time to me.

Mr. KASICH. Mr. Chairman, will the gentleman yield briefly?

Mr. GRAMS. I yield to the gentleman from Ohio.

Mr. KASICH. I thank the gentleman for yielding.

I do not know where the gentleman from Minnesota [Mr. OBERSTAR] quotes his numbers from. He must be reading his own budget or something. But we do not raise the ticket tax. In fact, we lower the ticket tax. They have a higher ticket tax.

Second, our proposal does not impact on safety. Our proposal is designed to privatize the air traffic control of this, and if the gentleman read the Washington Post last Friday, he would see what a terrible shape we are in with respect to the technology.

Mr. GRAMS. I thank the gentleman for his comment.

Mr. Chairman, everyone should be aware that for the previous speaker's district, Mr. OBERSTAR's 8th District of Minnesota, the Republican budget provides $61.4 million of family tax relief for 122,815 children.

Mr. Chairman, in a few minutes, every Member of this House will have to make a fundamental decision between supporting bigger Government or stronger families. The vote on the Kasich substitute will tell the American people whose side you're on.

I believe families are the most basic and effective form of Government. Families are the first Department of Education, Health and Human Services, Housing, and Transportation. Whatever Government can do for children, strong families can do better.

But Government interference has made it more difficult for families to make it on their own. Higher taxes, overregulation, and Federal mandates have resulted in poorer families. And who has benefitted most from the improverishment of the American family? Big government and the Bureaucrats who live off it. The Democrats talk about their tax credit, but not their record tax increase. By giving families a $500-per-child tax credit and using specific cuts in Federal spending to pay for it, the Kasich substitute offers us an opportunity to right these wrongs. It takes power away from those who run the Government and returns it to those who pay for the Government. It finally gives a voice to those families who have worked hard, paid their taxes, and watched Government grow at their expense for so many years.

Yet, some in this body complain that the family tax credit is unfair—that low- and middle-income Americans lose out. They're wrong.

Fully 75 percent of the tax relief in this package goes to those making less than $60,000 a year. And those are the folks who are getting squeezed—the ones who are not rich enough to hire tax lawyers—who are not poor enough to get Government benefits. The middle class.

The Kasich substitute is not simply a Republican budget—it's an American budget—an American family budget. It's the budget Clinton promised the American people in 1992, the one he could have—and should have—introduced this year, and the one his political advisers will tell him to propose next year.

But now, my colleagues, it is time to find out whose side you are on?

Make the right choice—choose American families. Vote for the Kasich substitute. American families will be voting on your performance in November.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. I thank the gentleman for yielding this time to me.

The proposal before us has been promoted as family-friendly and fiscally responsible. Let us focus on just one provision that puts the lie to those claims.

This proposal would charge market rates for the power supplied by three of the Federal Government's power marketing administrations. Republicans estimate that charging these rates would increase revenues by $1.2 billion a year beginning in 1996. Sounds great.

The problem is that $1.2 billion in electric rate increases, not a penny to the Federal Government because you do not change the term of the repayment. You will raise the electric rates. But the money will rest with those utilities, those power marketing administrations.

Beyond that, there would be a net loss to the Treasury. We have electric rates of 25 to 60 percent across 13 Western States, which would trigger a series of business collapses, job losses, and all to make the deficit look better on paper; for millions of ratepayers, workers, and small business owners in the States of California, Colorado, Nevada, Arizona, Utah, Wyoming, North Dakota, South Dakota, Idaho, Oregon, Washington, and Arkansas.

□ 1300

Mr. Chairman, I say, if your Representative comes from one of those States, if you live in one of those States, there is nothing family friendly about this proposal because your electric bill is going to go up more than the tiny amount of tax relief that's being falsely promised to you in this bill.

Mr. Chairman, this is not family friendly. It is antibusiness. It is antiworker. It is antifamily. And it is not even fiscally responsible because it will not reduce the deficit except on paper or provide revenues to the Federal Government except on paper by one penny.

Vote "no."

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. Chairman, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I just want to make the point that what we do with power marketing is decide that the whole rest of the country should not be subsidizing the operation of these units out in some parts of the West.

Mr. HUNTER. Mr. Chairman, I thank the gentleman from Ohio [Mr. KASICH] for yielding this time to me, and I would just want to let my friend, the gentleman from Oregon [Mr. DEFAZIO], know that 114,544 children would be eligible for the tax credit under the Kasich budget, and I know he will have some energetic conversations with the families of some of those kids.

Mr. DEFAZIO. Eligible to pay more bills——

Mr. HUNTER. Mr. Chairman, I did not yield to the gentleman from Oregon.

My colleagues, a lot of people have driven around this country, literally millions of them, with bumper strips that say, "I support our troops." Well, the American people support our troops rhetorically. They have given them moral support. They send their young men and women to serve in the Armed Forces. But only this House, this Congress, can support our troops with the defense budget.

Mr. Chairman, the Democrat budget hollows America's defenses, and it threatens to return us to the days of the 1970's when 50 percent of our aircraft were not fully mission capable, when we had a thousand petty officers a month getting out of the Navy because they could not make it any longer, when we had large numbers of our young men and women on food stamps, and let me commend to everyone the McCain report entitled, "Going Hollow," because I think it prints the pathway that the Democrat program and the Democrat budget is following. We are hollowing our forces with the Democrat budget in terms of readiness, in terms of modernization.

And for those who say we are at peace, Mr. Chairman, let me just remind my Democrat friends that we have now carried on an airlift in Bosnia longer than the Berlin airlift. We have now flown more sorties over Iraq since Desert Storm than during Desert Storm. Keeping the peace is expensive.

I would say to all of my friends, all of my colleagues on both sides of the aisle, "Support our troops. Support your freedom. Support the Kasich budget."

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington [Mr. KREIDLER].

Mr. KREIDLER. Mr. Chairman, the Kasich substitute is like a hot fudge sundae—rich, tempting, and full of empty calories. It is wrapped in an awful pretty package, but there is nothing but trouble inside.

Sure, I would like to give every family $500 per child—who wouldn't? But what those who support Mr. KASICH's proposal don't tell you is that his bill raises electric bills more than that in the Northwest.

Yesterday, on the Solomon substitute, we had an intellectually honest opportunity to level with the American people—to show them the true shape of a balanced budget.

Well, we failed. And here they go again, playing the same old shell game.

I say to parents in the Pacific Northwest—the tax credit is just an illusion. What we need—and what will truly help your family budget—is a steady reduction in the Federal deficit so interest rates stay low and we keep creating new jobs.

I am going to pass up this hot fudge sundae. I urge my colleagues to do the same and vote no.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, let the last speaker, the gentlemen from California [Mr. HUNTER], know that in his State 2,146,900 families are eligible for the earned income tax credit which his side voted against last year.

Mr. Chairman, the Kasich priorities are clear. This budget lives in a time warp. It adds more to deficit reduction at a time when the deficit is being dramatically reduced. It adds more to defense at a time when the cold war is over and the United States is the only military power in the world. And what and where does it cut? It cuts increases that were modest indeed, that fund domestic programs that have been on a starvation diet: Head Start, educational reform, dislocated worker training, compensatory education, infrastructure, mass transit, and many others.

But, Mr. Chairman, the gentleman from Ohio [Mr. KASICH] missed one. There is no cut in private contractors while career civil servants are facing layoffs. We could actually find modest raises for our career people if we cut personnel services for private contractors.

How are we going to reinvent government by laying off some people and denying the rest raises? From the private sector we have borrowed the notion of buyouts, if we can just get them passed and to conference. But there, Mr. Chairman, I say to my colleagues: "You do buyouts so that you can give regular increases for those who remain to make your business more efficient."

We should be cutting private contracting no matter what we do with the savings. It is wrong to cut the workers we can see while giving a free ride to the shadow government.

We cannot strip the country down any further, in its domestic programs, Mr. Chairman. They are close to the bones. That is why we made modest investments on the domestic side last year.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. ARMEY], the conference chairman of the House Republicans.

Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I just want to make the point that we give a larger cost-of-living increase to Federal employees than the administration does, so if my colleagues are worried about that, they should vote for us.

Second, of course we do reduce private consultants in our overhead reduction, and I appreciate the gentleman having yielded to me.

Mr. ARMEY. Mr. Chairman, I think everybody should be aware that for the previous speaker's district, the city of Washington, DC, in the Republican budget we provide $41.8 million of family tax relief which covers 83,637 children.

Mr. Chairman, I would like to congratulate the gentleman from Ohio [Mr. KASICH] and the other Republicans on the Committee on the Budget for assembling the best budget I have seen in my 9 years in Washington.

This Kasich budget is much more than a budget. It is the Republican agenda. It is a blueprint that illustrates how Republicans will govern when we are the majority.

Our initiative expands individual freedom and economic opportunity, while limiting the size and reach of the Federal Government. Reducing the Washington bureaucracy allows us to cut taxes for American families, offer incentives for growth in the private sector of the economy, and reduce the deficit $150 billion more than the Democrat budget.

In our proposal, we provide families with a tax credit of $500 per child, leaving more income and discretion in the hands of ordinary people and less in the hands of politicians and bureaucrats. We encourage saving and investment, which will lead to more jobs and higher take home pay. Republicans believe in the ability of the American people to create the jobs of tomorrow and reject the notion that higher living standards come from a bloated public sector.

In our welfare bill, which we pay for in our budget, work and families are rewarded—ending the perverse incentives in the current welfare system. Our health reform bill, which we pay for, protects the sovereignty of the health consumer. We leave health care decisions to ordinary Americans and their doctors, not to a national health board. In our budget, Republicans put more police on the beat, require tough sentencing for violent criminals, and build more prisons, and we pay for it.

More income for families, less for Washington. More investment and jobs in the private sector of the economy. Reinventing and reducing Government. Welfare and health reform. A tough crime bill. And greater deficit reduction.

This is our Republican agenda for freedom. I urge my colleagues to support the Kasich amendment and, Mr. Chairman, let me just add that it has been amazing to me to watch, after the American people have made it so very clear to us that they want cuts in spending and reductions in taxes, to hear all the bleeding, and moaning, and groaning, that has come from the other side of the aisle in light of the only honest effort to cut spending and reinvent Government. The fact that they have only been able to reply by citing their adoption of the Republican idea to give families the earned income tax credit shows us once again that it is much better to go with the original than those who copy us.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my hard working, dedicated colleague, the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentleman from Minnesota [Mr. SABO] for yielding this time to me.

Mr. Chairman, I rise in opposition to the Kasich budget, but I do so with compliments to my friend and colleague, the gentleman from Ohio [Mr. KASICH], for his diligence in putting together a responsible alternative. JOHN KASICH has been one of those Republicans who has on many occasions been willing to reach across the aisle and work with Democrats for a real solution to our deficit problem. Last fall he was willing to step forward and engage in a process that led to the development of a plan to cut spending by $90 billion over 5 years.

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Bipartisan support was registered for that effort, and I was proud to stand with the gentleman from Ohio [Mr. KASICH] in making that fight for fiscal responsibility. Our differences today are not because of any fundamental disagreement about the need for bipartisanship to solve this budget problem once and for all, and it is not because I believe that this budget as presented by the gentleman from Ohio is an irresponsible budget. The difference simply stems from the focus of this budget alternative, and in my judgment it does not focus enough on deficit reduction.

It does include 150 billion dollars' worth of deficit reductions over 5 years, but we have a much larger problem than that will solve. It falls short because of a $60 billion add-back for the Pentagon which we cannot afford and should not adopt. It falls short because it promises over $100 billion of tax cuts for American families, which may sound good but does not represent responsible tax policy in the face of a $200 billion deficit.

Mr. Chairman, we need deficit reduction first. This budget alternative does not focus enough on that important goal, and it is for that reason that I must oppose the plan.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, this time we have a new mantra as we get the March of the Siamese Children on the other side. Each one is programmed to say his little piece when he comes in. This year it is about the tax cuts.

That is probably because they want to forget last year's mantra. Last year they were all programmed to come up and tell us how many jobs we would each lose in our districts if we voted for the budget. In fact, that prediction has turned out to be totally and completely wrong, so that all the Republican Members who marched up very carefully and recited what they were told to recite about job loss would like us to forget the unremittingly inaccurate predictions they made about last year's budget.

We now have in this budget confirmation that one of the great stage plays of all time will take place here shortly when many of the Members on the other side vote for the balanced budget constitutional amendment, because that, I believe, calls for the budget to be balanced by 2001.

Here is the budget presented officially by the Republican Party. Five years from now they call for a deficit of $172.2 billion. There deficit 5 years from now will be up from the deficit this year, but then they would have us believe next week that right after they present us a budget in which in 1999 their deficit will be $172.2 billion, up from what it was this coming year, they are going to balance the budget in 2 years and abolish that altogether.

So let us think when we evaluate their rhetoric about the predictions last year of the gentleman from Texas, who told us the budget bill would be a job cutter or the gentleman from Ohio, who said it would put the economy into the gutter. These are people who spent all last year walking around with signs saying that the world is going to end Tuesday. It is now Wednesday afternoon and the sun is shining, and they are a little distressed.

I say to the Members, remember when you hear their mantra how inaccurate last year's was, and remember when you hear them talk about the balance budget, by their own admission, 2 years before their balanced budget is to take effect, they will not even be close to the goal they are going to profess so piously next week to be supporting.

Mr. KASICH. Mr. Chairman, I yield myself 3½ minutes.

Mr. Chairman, let me say that last year we were given a challenge by the President. The President said, "If you don't like our tax-and-spend bill"—and, by the way, the only reason you have any earned income tax credit in your bill is to try to offset the tax increases on working poor people in this country—"give us your specifics." And, of course, we did, and we did better than you did in terms of reducing the deficit.

Let me say to my friends on the other side of the aisle that I think this debate is perfect, because if my friends in the Democrat Party think that higher taxes, more Government spending, more regulation, and that putting the power of Washington bureaucrats over the power of the American family is the way to go, I will tell them that they are wrong and we will be back on this floor again. And I would suggest to my colleagues, "Don't count your chickens before they hatch in terms of investing in Government as the answer for our country."

This year we did much better. The President delivered a wonderful speech up here in which he talked about welfare reform and health care and a crime bill. Then he sent us the budget, and did he have welfare reform on it? Of course not. Did he give us a crime bill? Of course not. He withdrew his health care bill because the health care bill sends the deficit through the roof. But the President promised us all the way back in the Democrat debates that the middle income Americans would get tax relief, and that any economic program would give hardworking American families some tax fairness.

I say to the Members. You didn't give us the crime bill and you didn't give us the welfare bill and you didn't give us the health bill, and you haven't given us the middle income tax relief, so we decided we needed to keep the promises that they made. In the Republican bill we do have health care, with a down payment, beginning to solve the problem, not by turning health care over to the Federal Government but by using the private sector.

We have a welfare reform bill that I trust the Members will believe the American people will support which gives training and imposes some discipline. And, of course, we also have more money in our crime bill for more prisons and more police on the street, and lo and behold, not only growth incentives, all of which are paid for, but we have delivered on the middle income tax cut the President has been promising.

Imitation is the highest form of flattery, and I think this President will come in with tax relief for middle income families because middle income families want him to keep his word, and they believe that as the Government of the United States begins to be downsized, when we finally accept the principle that Washington is not as important as the heartland across this country, they believe that Americans should share in the benefits of reducing the Government.

The bottom line on this proposal is simple. We have included all these programs, including trying to help the besieged American family, and in the course of doing it we have cut deficits by $150 billion more than the Clinton plan. And I say to my colleagues who say they do not think the American family ought to get any of their money back because our deficit cuts are not deep enough, that they cannot vote for the Clinton plan because our budget is $150 billion more in greater deficit reduction, 5 out of 5 years better.

Mr. Chairman, the bottom line is that we should support the Republican proposal that says we should have less for Washington and more for the American family, and that is what the American people want.

Mr. SABO. Mr. Chairman, I yield 3½ minutes to the distinguished majority leader, the gentleman from Missouri [Mr. GEPHARDT].

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Mr. GEPHARDT. Mr. Chairman, I rise today in strong opposition to the Kasich substitute to the House budget resolution. I believe it would be a painful step backward—at a time when we must keep moving forward.

One year ago, in this very Chamber, when we passed President Clinton's first budget, we voted for fiscal responsibility—for fiscal sanity.

We said we had to start making the tough choices—reining in the runaway spending and borrowing, the lop-sided policies that favored the rich over middle-class America—policies that had been a proud Republican legacy.

We said it was time for the wealthiest handful of Americans to pay their fair share—instead of soaking up huge tax cuts while hard-working American families watched their paychecks grow smaller and smaller.

We said it was time for basic fairness—fairness to the families that sent us here in the first place.

Fairness to the families who know that, for all the Republican rhetoric about "big government" and "tax and spend," Democrats have been fighting for them for decades. And for a dozen years of Reagan and Bush, it was clearly an uphill battle.

Today, we can choose to continue down that path of fairness and fiscal responsibility. A path that has brought more new jobs, and higher economic growth, than in all the Bush years. A path that has brought a lower deficit, and lower interest rates—lower than we have seen in years. A path that has brought more new homes, more family investment, and more consumer confidence, than we've seen in a long, long time.

We can keep traveling down this path. Or we can vote for the Kasich substitute. We can vote for Congressman KASICH's slap-dash package of cuts in crucial programs, and deep tax cuts for the wealthiest Americans.

I believe that would be a grave mistake—and we would pay the price for decades.

We would pay the price for significantly reducing biomedical research, child immunizations, drug treatment, and AIDS funding.

We would pay the price for gouging a whopping $45 million out of Medicare.

We would pay the price for deep cuts in medical care for veterans—and the outright elimination of legal aid for those too poor to hire their own lawyer.

And for all these catastrophic cuts, you would think that Congressman KASICH would at least propose some measure of tax fairness, tax relief, for American families.

But in fact, his tax proposals are regressive, unfair, and downright dangerous to our working people.

He wants a capital gains tax cut for the wealthy. He wants big tax breaks for big business.

His highly trumpeted child tax credit would go to many of the richest Americans, and would not even apply to the families who need it most—those earning less than $16,000 a year.

So let us make it clear that we have had enough of the rusted Reaganomics that hurt us so badly in the 1980's.

Let us make it clear that, now that we have a budget that works for America's middle-class families, we are not going to turn back the hands of time.

And let us reject the Kasich substitute budget—before it has a chance to wreck our economy, and our society, and be unfair to the hard working middle income American families.

Mr. KASICH. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Georgia [Mr. GINGRICH], the Republican whip.

The CHAIRMAN. The gentleman from Georgia [Mr. GINGRICH] is recognized for 4 minutes.

Mr. GINGRICH. Mr. Chairman, I thank my good friend from Ohio for allowing me this opportunity. Let me say that it is a delight to follow the very distinguished gentleman from Missouri [Mr. GEPHARDT], who is such an eloquent advocate of his side.

We have one difference of opinion I think about the direction of the country, and another difference of potentially fact about where our tax benefits go. So I just want to make very clear to everybody, first of all, I am very, very grateful to all allowed to serve with JOHN KASICH and the team he has put together on the Committee on the Budget, because these Members, as the Washington Post, hardly a Republican bastion, has said, they have produced a budget that adds up. You may not agree with their direction, and certainly Members who are too liberal to vote for this, Members who believe in big Government, Members who want to sustain the welfare state, will not want to vote for the Kasich budget, because it represents a basic change in where America is going. And I respect that.

That is a difference of opinion about America's future. And those who believe that the welfare state has worked in Washington DC, that the murders we see every night are just a random accident, that the President was wrong when he came during the State of the Union and said beginning 30 years ago families began to decline, a date which is in fact the Great Society, according to President Clinton's own words in the State of the Union.

Those who think President Clinton was wrong to say we must strengthen families, I can appreciate that in order to protect the welfare state they are going to vote no on the Kasich budget.

But I want to make two points of fact. The $500 per family tax credit for children is, in fact, going to help working American families. This chart shows it clearly. Ninety percent of the money will go to families under $75,000. Ninety percent. That is the families where people get up every morning and go to work, often both the husband and the wife, and sometimes it is a single head of household, and they go to work. And the taxes that over the years the Democrats have raised again and again and again leave them with tragically less money than they would have had under Harry Truman.

What we do in this Republican budget, for the first time, is begin to give families the money to take care of their children, for a very profound difference of opinion.

Our good friends who wanted to maintain the welfare state believe that bureaucrats love your children more than parents. They believe that bureaucrats are smarter about raising children than parents. They want to take the money out of that family, transfer it through Washington, and hire a bureaucrat to reach into that family, so the bureaucrat can do what the parents cannot, because the parents do not have the money. If you are a family of three children, that is $1,500 in your pocket, to help you raise your child, to help you save for college, to help you buy clothing. Fifteen hundred dollars may not be much if you are very, very wealthy. But it is a lot if you are a working family or if you are a single mother trying to raise those three children.

Second, we do not have a capital gains tax cut in the traditional sense. We do one thing. We index capital investments against inflation. We say to you if you buy a family farm, over the next 30 years you should not be cheated by your Government with inflation. If you save, you should not be cheated by your Government with inflation. If you have a little investment or you start a small business, and you happen to have that business grow for 10, 15, or 20 years, you should not be cheated by your Government through inflation.

Now, the Democrats I understand may favor inflation. The Democrats may want to in fact push that family farm into a higher tax bracket. They may want to push that small business into a higher tax bracket. We think it is only fair to people willing to save to let them keep the money, instead of having the Government take it away.

But what it comes down to is something very simple: We believe that Government is too big and it spends too much. We believe that Washington has too much of your money, and when you realize that over the next 5 years it will have over $9 trillion to spend, we think cutting the deficit deeper, which the Kasich budget does, we think cutting taxes for families, which the Kasich budget does, we believe that returning power back home by having an unfunded mandate provision, to send power back to the counties, cities, and States, which the Kasich budget does, we think these are the right steps, because we think America is healthier when Americans get to keep their own money.

Our good friends in the Democrat leadership who believe in the welfare state, who believe that this whole structure of public housing and public relief and all these things which are destroying the country work, let me just say to you, you cannot maintain this civilization with 12-year-olds having babies, with 15-year-olds killing each other, with 17-year-olds dying of AIDS, and 18-year-olds getting diplomas they cannot read.

The Kasich budget begins to move us away from that system. The Kasich budget begins to return money back to families so they can raise their children in a decent environment and have a chance to do something about their education and give them a better future.

The Democratic leadership will presently ask you to vote for more of the same tired welfare state spending, and I just ask you, look at the murder in Washington in that high school, look at what is happening in this Nation's Capital, look at the death and devastation the welfare state has wrought, and vote for a change. Vote to help families. Vote for the Kasich budget.

Mr. SABO. Mr. Chairman, I yield the balance of my time to the distinguished Speaker of the House, the gentleman from Washington [Mr. FOLEY].

□ 1330

Mr. FOLEY. Mr. Chairman, we are at the end of this debate and virtually at the end of this bill. I would say this has been a good debate, a useful debate, and I think, largely, a helpful one. But we now have to make the choice between a number of alternative budgets.

The immediate choice is to decide whether to pass the Kasich budget. I want to salute the gentleman from Ohio. I think he is one of our talented and able Members, and I think he has made a positive contribution to this debate, both with this substitute and with his own exceptional efforts.

But I cannot agree with him, nor with the distinguished Republican whip, that this is the wiser course for us to take, or that the Sabo budget represents an endorsement of some mythical welfare state.

It is not a welfare state that provides for basic nutrition for nursing mothers in WIC; or provides for educational benefits for our children in school; or deals with the problems of our senior citizens in Medicare; or provides student loan opportunities for students to prepare for their responsibilities in work and citizenship. None of these things that this Sabo bill provides, and the Kasich bill cuts would, I think, raise any serious question among the American people. The Sabo budget is a sound, responsible, effective budget, and it is a budget that is reducing the deficit.

I do not want to go over what has been mentioned before, but last year we heard terrible predictions of what would happen if the Democratic leadership budget was adopted. We had Members on the other side saying that we would have a recession, that the country would see huge increases in unemployment levels, and the collapse of the economy.

Instead, we have an economy that the Chairman of the Federal Reserve described recently as underlyingly more healthy and promising than at any time in the last two or three decades—two or three decades.

And we have an economy which is producing lower interest rates, providing greater investment levels, and greater employment levels than in many, many years.

I am not going to go into the specifics of the Kasich amendment. I think we have talked about that already.

But it does strike me as exceedingly strange, if we are interested in helping children, as the gentleman from Georgia keeps saying, and we are interested in being fair to the American people, that this amendment provides tax credits for people who earn $200,000 a year and more, and denies them to families who earn under $16,000. If that represents fairness to American families to my colleagues on the other side, then I am perplexed.

We have a chance to continue to build on last year's great and important budget decision, a decision which is reducing our deficit and building a healthy and strong economy, which is providing the jobs, investment, and growth that we want for the immediate future and beyond.

We can take great pride, every Member of this House who voted for the Democratic budget last year. We can, indeed, welcome the opportunity that our friends on the other side offered us, to stand up and say, this year, "We were right last year; you were wrong last year."

We can be right again this year by voting for the Sabo budget and against the Kasich budget.

Mr. MANZULLO. Mr. Chairman, I rise today in strong support of the Kasich budget substitute amendment. My Republican colleagues on the Budget Committee have crafted a budget proposal that contains over 250 real spending cuts and real reforms in how the Federal Government works. These recommendations would reduce the deficit by $152 billion more than the Democrat resolution.

In contrast to the Democrat budget, which continues the trend of high taxes, high spending, and high deficits, the Republican budget alternative offers a real choice to the American people.

The Democrat budget fails to address the issues of family tax relief, welfare reform, crime reform, health care reform, and job creation incentives. The Kasich budget includes provisions dealing with all these issues, and still achieves more deficit reduction than the Democrat budget.

The Kasich budget plan provides a $500 tax credit for each child in a family earning less than $200,000 a year. The 16th Congressional District of Illinois contains 138,310 children. That means that the 16th District would receive $69,155,000 in tax relief. Nationally, 86 percent of the tax credit would go to families with a gross annual income below $75,000 per year. For the taxpayers in the 16th District, and across the Nation, this is well-deserved break.

In 1992, while running for President, then-Governor Bill Clinton supported a middle-class tax cut. But as President, Bill Clinton reneged on that promise. His excuse was that faced with an unexpectedly high budget deficit, we simply could not afford it. Well, by his administration's own updated numbers, the budget deficit has shrunk to $176 billion. The excuse of a high deficit is no longer valid.

Lawmakers who oppose tax cuts paid for by spending reductions usually rely on taxpayers' ignorance of who actually gains from such spending. Federal programs primarily benefit small and powerful interest groups at the expense of all taxpayers. But the Kasich budget reverses this trend. It benefits millions of American families at the expense of a few Washington interest groups by cutting many unneeded Federal programs.

The Kasich plan also includes the House Republican welfare reform proposal which stresses work instead of welfare, and seeks to put people on payrolls instead of public assistance rolls. It combats crime by including $2 billion for additional local police officers and $3 billion to fund Federal-State partnerships for new prisons. The Kasich budget also fully funds the Affordable Health Care Now Act, which expands access to health coverage while containing costs and assures that medical decisions remain in the hands of patients and doctors, not government bureaucrats.

But it also includes job creation and economic growth incentives. The Republican budget makes changes in the Tax Code to boost economic growth by encouraging higher levels of saving, investing, and risk taking. Specifically, it indexes capital gains, establishes a deduction for capital losses on the sale of a primary residence, makes IRA's fully deductible, allows expensing of business equipment, and extends the research and development tax credit.

I don't agree with every spending cut in the Kasich plan, but that should not detract from the overall goal of this well-drafted budget alternative that addresses the needs of what the American people have been saying over the last year—cut spending first and make government more responsive to its owners: the taxpayers.

Mr. PORTMAN. Mr. Chairman, the question before us today is quite simple—should we keep more money in the hands of Americans back home or should we have them send it to Washington so that Congress can decide how to spend it?

The Kasich alternative to the President's budget for fiscal year 1995 reverses the trend that we have seen since World War II, in which a growing percentage of family income gets taxed and spent by the Government.

Mr. KASICH's budget goes well beyond not raising taxes. It changes the way the Government does business. It offers reforms to control spending now and in the long run. It not only brings down the Federal deficit by $310 billion over the next 5 years—$152 billion more than the President's budget would—it provides mechanisms to help ensure that spending not only goes down now, but stays down in the future.

It recognizes that the financial and regulatory burdens placed on small businesses by government have been creating disincentives for employers to create jobs. The Kasich budget offers creative changes to encourage savings and investment.

Unwilling to merely maintain the status quo in such areas as welfare, crime, and health care, Mr. KASICH includes in his amendment creative new approaches to each of these critical national issues.

Unwilling to just keep business as usual in such areas as job training and counseling, the Kasich budget takes 80 separate Federal Government job training programs—each with their own bureaucracies—and consolidates them into seven block grants. These grants would then be given to States, whose Governors and legislatures know how best to utilize these funds. In addition, by eliminating program overlap and by better targeting our resources in this way, we're able to save close to $2 billion and use it to bring down the deficit.

Thus, we have the opportunity today to say "no" to the status quo and "no" to the proposition that Washington's answer to our problems is more government. We also have the opportunity today to say "yes" to reforming government, "yes" to changing the way we do business, and "yes" to making real progress at bringing the Federal budget and deficit under control. We also can go home to our constituents and tell them that the Government's answer to our Nation's ills is less government and more reliance on the individual citizen and the private sector.

Let's answer the question posed to us today by voting for the Kasich budget alternative.

Mr. SENSENBRENNER. Mr. Chairman, House Budget Committee Republicans have a budget that encompasses four major issues facing our country: health care reform, crime, welfare reform, and deficit reduction. It also contains tax relief for American families suffering from successive tax increases over the past several years. I am proud to associate myself with this visionary budget. I hope that one day soon a budget similar to the Kasich GOP budget will be the last to pass under the King of the Hill procedure employed by the Democrats again this year to ensure passage of their lackluster budget resolution.

By including full funding for the Affordable Health Care Now Act, the Republican welfare reform proposal, and a down payment on the Crime Control Act, this budget responds directly to these crucial issues. The President's budget includes funds for only one-half of the new police officers he has promised. The President fails to include funds for welfare reform altogether. On health care, the President excludes from the budget at least $1.4 trillion in health care spending he has proposed over the next 5 years, including in excess of $100 billion in payroll taxes that will devastate job providers.

President Clinton promised tax relief to families in 1992, reversed his position and hit Americans with a tax hike. Profamily rhetoric served the President well on the campaign trail. However, Republicans deliver in this budget by providing a $500 per child tax credit to families earning less than $200,000 a year. Sadly, while the President aggressively sought to fulfill pledges to abortion rights and gay advocacy groups upon inauguration, the tax relief promise to American families went out the window. A vote for this budget will remind American families that some elected officials still view the family as the most important component of our society.

Finally, the GOP budget cuts the budget deficit by $278 billion over 5 years, $152.6 billion more than the Clinton-Democrat budget. The priorities in the GOP budget as proposed by the Budget Committee Republicans reflect a philosophy of limited government, fiscal responsibility, and the virtue of the American family. I stand in the strongest support of this bold proposal.

Mr. SMITH of Oregon. Mr. Chairman, I rise in support of the Republican budget resolution offered by Mr. KASICH and in opposition to the Budget Committee's Clinton budget.

Once again, I believe the Members have an opportunity to demonstrate who is committed to curbing Congress' appetite to spend and who is not. The Democrat alternative furthers the Clinton administration's philosophy of creating more government, more spending, and higher taxes. On the other hand, the Republican budget takes bold steps, many of which will affect my constituents, to reduce the size of government and annual deficits. But it does so fairly, honestly, and specifically.

The Republican budget shaves the deficit by $162 billion next year alone, and outsaves the Democratic budget by more than $152 billion over the next 5 years. And it does so while covering the costs for market-based health care reform, the Republican welfare reform plan, and a $500 per child tax deduction for middle-income families.

Although I am supporting the Kasich substitute because it is the only choice that is fiscally responsible, I strongly oppose the provision to increase revenue from the Power Marketing Administrations [PMA's]. While I am not opposed to sharing the sacrifice, this proposal to increase PMA revenues by $4.8 billion over 5 years does not meet the definition of shared sacrifice. My PMA customers, who are served by the Bonneville Power Administration [BPA], have already weathered severe rate impacts as a result of droughts and the Endangered Species Act. This is hardly the time to increase burden on ratepayers and Northwest businesses, such as our aluminum companies, who depend on BPA power for survival. As the ranking member of the subcommittee that has jurisdiction over the PMA's, I can assure my constituents I will continue to fight for reasonable and competitive power rates. It is important to remember the budget resolution is only a blueprint, and it is the authorizing committees who have the final say. You can be certain I would delete such a proposal at the authorizing level.

I want to congratulate Mr. KASICH for his outstanding work in crafting a credible Republican alternative. While not perfect, it is a big step in the right direction.

Mr. GUNDERSON. Mr. Chairman, I rise today in support of the Republican Budget Committee alternative. I commend my colleague, JOHN KASICH, for his hard work in formulating a comprehensive alternative to the resolution reported by the Budget Committee. In developing this budget, Mr. KASICH went to authorizing committees seeking advice. He sought a plan we could stand behind, instead of resorting to a "this is what you get" approach. As a Republican leader on the Education and Labor Committee for work force issues, I sat down with JOHN KASICH to discuss my recommendations to consolidate overlapping and redundant job training programs. I was extremely pleased that many of my ideas were included in this alternative budget. As Republicans, we may not like all, or even most, of the individual cuts. But I can say that we were consulted. This budget's merit is the result of many innovative and creative Republican ideas which, if enacted, will save the taxpayers billions.

I support many of the concepts in the Republican alternative. While President Clinton promised a tax cut for middle-class families, many of my constituents called to let me know that they are still waiting. This budget does just that—it contains a $500 per child tax credit, delivering on the President's campaign promise. This is one small step we can take to help families. Furthermore, there is no comparison between the levels of deficit reduction achieved between the Democratic and Republican Budget Committee proposals. The Republican proposal goes $15 billion further in deficit reduction than the Democratic proposal in fiscal year 1995 alone. Our Republican budget pays for welfare, health care, and crime initiatives. And national defense is funded at a much more responsible level.

To be quite honest, Mr. Chairman, I disagree with specific cuts and increased spending in each of the alternatives before us today. None of the proposals is perfect. But to say that I would vote against all of them is not responsible governing. So, when I looked at each, I decided that the Republican Kasich alternative is much closer to my expectations for any plan which guides our Government's spending for the next year. The Republican plan pays—instead of looking the other way—for the President's ambitious domestic agenda. It has more deficit reduction, more incentives for working families, and lays a reasonable groundwork for reform.

But I do have concerns with the Kasich plan. My primary concern is that this budget cuts $9.4 billion next year in education, training, employment, and social services while increasing defense spending by $6.4 billion. Although I believe that the Democratic proposal brings defense spending to a point where national security could very well be jeopardized, it is just as wrong to cut job training and social services to a point where we are jeopardizing the future of our work force and its ability to compete in a global, high-tech economy. Times have changed. We can certainly do better in allocating limited Federal resources.

Mr. Chairman, the Democratic Budget Committee proposal, which essentially is a rubber stamp of President Clinton's budget request, does not go far to reduce the deficit. The Kasich/Republican plan does not eliminate the deficit, either. Since, once again, a balanced budget amendment has been effectively killed for yet another Congress, I am supporting the Kasich resolution today because it moves the debate about deficit reduction in the right direction. By continuing to hammer away at this issue, I hope future budget debates can focus on less partisanship and more genuine concern for fiscal responsibility and cooperation.

Mr. Chairman, I urge my colleagues to support the Kasich substitute.

Mr. ALLARD. Mr. Chairman, I enter in the RECORD the language of two amendments that my Republican colleagues on the Budget Committee approved for inclusion in the Kasich alternative. The amendments deal with health care reform and should have been printed in the report to accompany House Concurrent Resolution 218.

The first amendment makes clear the Republican view that all Government-mandated health care reform should be on-budget. The second expresses the Republican view that health alliances and similar governmental entities should be prohibited from borrowing through the Treasury.

BUDGETARY TREATMENT OF HEALTH CARE REFORM

For purposes of budget scorekeeping by the Office of Management and Budget and the Congressional Budget Office, any proposed change in law concerning health care reform shall be properly reflected in the Federal budget.

Any obligation, payroll tax, assessment, premium or fee required of an employer or of any other individual and which is to be paid to a particular entity established pursuant to Federal law shall be treated as a Federal receipt. Any related expenditure made by any such entity required pursuant to Federal law shall be treated as a Federal outlay.

This provision is particularly important in light of the administration's failure to include the true cost of its health care reform plan in the fiscal year 1995 budget submission by OMB. The administration's health care reform plan would constitute the largest tax increase and largest expansion of entitlement spending in U.S. history.

ALLIANCES OR OTHER GOVERNMENT HEALTH ENTITY BORROWING PROHIBITED

No health alliance or other government health entity shall be granted the authority to engage in public borrowing through the Department of the Treasury.

Ms. SCHENK. Mr. Chairman I agree with my colleagues on the other side of the aisle that we need to further cut Federal spending. I agree that we need to continue to reduce our Nation's deficit. But, there is a right way and a wrong way to reduce spending and the Kasich substitute is the wrong way to accomplish this goal.

Last year I helped craft and voted for a package of spending cuts along with Mr. KASICH and Mr. PENNY. While I did not like everything in Penny-Kasich, I was willing to make tough choices for the sake of deficit reduction. Next week, we will have the opportunity to vote on a balanced budget amendment and I will vote for this amendment because I believe it is time for this Government to live within its means.

The debate here is not only about how much money the Government should spend, it is also about how we should reorder our national priorities. And while I agree that we need to reduce the deficit, I don't agree that we should do it by cutting funding for AIDS research or funding for research for breast and ovarian cancer or funding for student loans. I don't agree that we should cut in half funding for fusion research which offers hope for an endless supply of clean energy. This is exactly what the Kasich substitute would do.

The Kasich substitute is not about cutting spending—it is a policy statement that, if enacted, would turn our country in the wrong direction. There is a difference between making tough choices and making irresponsible choices. The Kasich substitute makes irresponsible and unacceptable decisions about how we should allocate scarce resources and for this reason it should be defeated.

Mr. KASICH has been a leader in the fight to reduce the deficit. I have worked with him in the past and I look forward to working with him in the future as we attempt to eliminate wasteful spending. But on this substitute and with these choices, I cannot support his effort.

Mr. BONILLA. Mr. Chairman, I have the honor and privilege of serving the people of the 23d District of Texas. I ask my colleagues to remember that all of us were sent here to represent the people. Each and every one of us has a responsibility to support a budget which serves to increase the individual freedom of our employer, the American citizen; and vote against any budget alternative which seeks to turn citizens into subjects by expanding the size and power of the Federal Government.

Out in the Davis Mountains, deep in west Texas, is the McDonald Observatory. It has one of the world's most powerful telescopes, capable of viewing distant galaxies. My colleagues, we do not need that great telescope to look into the hearts and minds of the American people, we only need to open our eyes and ears.

I have carefully reviewed the various budget alternatives before us and am very disappointed and discouraged to report that most fail to serve the needs of the American people. These proposals are just the latest jumble of high taxes and deficit spending that Washington has concocted. My colleagues, the American people have had enough of these business-as-usual budgets. If you can't hear your constituents' voices, come to Texas. Come to Laredo, come to Odessa, come to Del Rio, come to Alpine—the common sense will be deafening. The jig is up. Government must once again serve the people.

My colleagues, if you are willing to listen to the American people there is a bright spot. Mr. KASICH has offered a commonsense substitute. Voting for this substitute will be an important step in restoring the people's trust in their Government. The commonsense budget includes fully funded comprehensive reform of the welfare and health care systems. The commonsense budget provides a needed $500 per child tax credit for working Americans. The commonsense budget insures that our military forces are adequately funded. The commonsense budget reduces deficit spending by more than $152 billion.

My colleagues, let's use common sense when spending the people's dollars and cents. Remember, it's their money, not ours. All of us have promised to serve the American people. It is time for this Congress to keep its word. Vote for the commonsense budget and restore to the American people their income and freedom.

Mr. DORNAN of California. Mr. Chairman, I rise today in strong opposition to the President's business as usual budget and in strong support of both the Republican alternatives.

Mr. Chairman, there is no doubt that the economy is improving. How much this has to do with the President's policies and how much it has to do with the business cycle is another matter. Indeed, polls show that a majority of Americans, 64 percent, do not credit Bill Clinton's policies with the economy's resurgence. They seem to agree with one well-known economist who said the economy would have improved, "if voters had elected Bugs Bunny." That seems to be the prevailing attitude in the financial community as well. No one seriously believes that the President's budget, which did not go into effect until October, is responsible for what happened all last year. Positive trends were already well in place, but that may not last long.

Take the employment picture, which, though improving slightly, is still very shaky. The economy is simply not creating the types of jobs that will propel the economy strongly forward. In the past few months we have seen many large companies, GTE, Westinghouse, and others, announce huge layoffs. And statistics show that many of the high-wage jobs lost during the recession are being replaced with jobs of a lower-wage, higher-turnover variety, a trend that has been a boon for the temporary employment industry.

One of the reasons temporary workers are so attractive is that they are not subject to many of the rules and regulations full-time workers are. And if the Clinton administration is successful in enacting its labor agenda—which includes a higher minimum wage indexed to inflation—and I noticed where the head of the House, Speaker TOM FOLEY's task force on homelessness, recently called for a minimum hourly wage of $6 or more, a ban on striker replacements, increases in pension plan premiums, and new OSHA regulations—they will succeed only in exacerbating the unstable employment situation. The result would be even more temps, more overtime, more mechanization, and fewer jobs.

There is also the need to consider the higher tax bills facing upper-income Americans this year. Remember, President Clinton raised the top marginal rate on income to 39.6 percent and made it retroactive to January 1 of last year. So many Americans will be faced with a big tax bill come April 15. And even though they can take 3 years to pay it off, it will still have a restraining effect.

Furthermore, the new, higher withholding rates have gone into effect, which will reduce take-home pay and is likely to result in less borrowing, less investment, less spending, and less saving. And if that is not enough to make tax season rougher than usual, many Americans will find that refinancing their house has cut the amount they can deduct for mortgage interest—by far the largest deduction most people take—making their tax bill even higher.

So I would warn my colleagues on the other side of the aisle to put away the "Happy Days Are Here Again" sheet music. There is still a long way to go before we can assess the effects of Clintonomics.

Let me return to the specific budgets we have been presented with today, starting with the President's plan.

By the administration's own admission, the Clinton defense proposal is underfunded by at least $20 billion. This would require defense spending to fall from $292.4 billion in fiscal 1993 to $258.1 billion in fiscal 1999. Realistically speaking, how can we possibly project American power and protect American interests on an isolationist budget? The post-cold war world, as we discover almost every day, is still a very dangerous place. I know that is said an awful lot, but it is true. The geopolitical map of the world may have changed, but man hasn't. As Plato said, "only the dead have seen the end of war." So we must still maintain readiness, while planning for a shift in defense requirements.

Further weakening our defense posture is the fact that, under Clinton, critical funding is being siphoned away from core defense needs to noncore missions such as defense conversion and environmental research. We don't have a dime to waste on this type of liberal nonsense.

You know, we on this side of the aisle have taken to calling the Clinton budget the MIA budget, because there is so much that is missing from it. For example, the budget leaves out $100 billion in mandatory premiums paid by businesses and individuals as well as the benefits paid out from those receipts. Welfare reform, which is estimated to cost some $7 billion a year, is also missing. Neither does Clinton offer any clue as to how he is going to pay for implementation of the GATT accord, the Superfund, or his crime package. For these initiatives alone he will need to come up with $34 billion.

And what do we get for all this flimflammery? More deficit spending, to the tune of $370 billion over 5 years, and higher deficits. That's right. Higher deficits. According to the President's own numbers, the budget deficit will increase from $176 billion in 1995 to $201 billion in 1999. And another $1.7 trillion will be added to the national debt.

I am proud to say, however, that two Republicans, Mr. KASICH and Mr. SOLOMON, have offered alternatives that are light years ahead of the Clinton plan.

The Solomon plan does something that Clinton promised to do during the campaign, but hasn't come close to achieving—a balanced budget in 5 years. It does so with a package of 500 spending cuts totaling over $600 billion. It does not reduce Social Security, cut veteran's benefits, or raise taxes. It does lower the spending caps to ensure that the bulk of the savings achieved will be used to balance the budget, while including funding for such important initiatives as the Republican welfare reform proposal, the Republican crime proposal, and the Republican health care reform bill.

The other Republican plan, the Kasich plan, provides not only more deficit reduction than the Clinton plan, but also provides job creation incentives, family tax relief, and Government reform, while also including health, crime, and welfare reform bills. Among its best features is a $500 per child tax credit, which would keep $63 million from leaving my district. This would help countless other working families throughout America. It also indexes capital gains to inflation, something I have strongly advocated for years. Further, it would provide for immediate expensing of business equipment. And it would do all this and still achieve $153 billion more in deficit reduction than the Clinton-Democrat plan.

In sum, the Clinton administration came in promising change, but it is the Republicans who are offering real change. I therefore, urge all my colleagues to oppose the President's plan and support the Republican alternative of your choice.

Mr. CLINGER. Mr. Chairman, this afternoon we must decide whether to stay the course or set out in a new direction.

The budget before us today was prepared by the Clinton administration and rubber stamped by the Budget Committee. It follows the basic directions laid out last year in the 5-year plan devised by President Clinton.

I had serious reservations about that plan when it was discussed in this room a year ago, and today I am absolutely convinced that it is taking us in the wrong direction.

Granted, objecting to any initiative is easy if one fails to put forth some alternative proposal. Indeed, I would not waste your time, Mr. Chairman, or that of my constituents by suggesting that the President is wrong unless I held a superior plan in my hand—the Kasich budget.

Why is the Kasich plan better? I'll give you five reasons.

First, the Kasich alternative would refrain from spending $152 billion over the next 5 years that would otherwise be borrowed and spent under the Clinton plan. That is fiscal discipline and it results in lower interest costs in the short term and less accumulated debt over the long term.

Second, the Kasich alternative calls for the adoption of specific, tangible reforms in the decision-making process here in Washington. A cost-benefit analysis would be performed before we ask private citizens and the business community to comply with any new bureaucratic rules and regulations.

Of particular interest to me is the section reviewing the need to relieve State and local governments from the burden of unfunded federal mandates. County commissioners from all over the country met here in Washington earlier this week to discuss this matter and I am delighted that their concerns have been recognized.

Third, the Kasich alternative makes a good faith effort to fix our ailing health care system and reform Federal welfare programs. And, unlike the Clinton health care plan and yet-to-be released welfare reform proposal, the Kasich plan locks in savings provided by these reforms for deficit reduction.

Fourth, the Kasich alternative provides a more realistic Defense budget that will allow the United States to pursue a sound post-cold war national security policy. The Clinton administration has conceded their proposed Defense spending levels are insufficient to adequately fund their Defense program outlined in the Bottom-Up Review. The Kasich plan restores and reprioritizes Defense spending in an effort to preserve our military capability and clearly define the United States role in the world.

Finally, the Kasich plan also recognizes the contributions and sacrifices our veterans have made in protecting the peace, liberty and interests in our country. I strongly support and applauds the Kasich plan for increasing veterans medical care by $110 million, restoring the Clinton administration's $52 million cut in medical and prosthetic research, and adding 50 FTE's to the Board of Veterans Appeals to help reduce the 2-year backlog.

The Kasich alternative is a voluminous, multifaceted document, but I believe that these five elements alone would put us on a fundamentally different course than that advocated by the President.

For those of my colleagues who favor this new direction but are concerned about the fate of a particular program, I would ask you to resist the temptation to reject the entire plan on the basis of a single line item. It would be difficult to find two people, much less a majority, who could agree on where every penny goes in a budget of $1.5 trillion.

Indeed, in my capacity as a Pennsylvanian and as the ranking member of the Aviation Subcommittee, I have concerns about elements of the Kasich alternative.

The consolidation of all economic development programs into a single block grant program troubles me greatly. Before I was elected to the House of Representatives I served as general counsel in the Economic Development Administration, and since being elected I have worked hard to see that EDA effectively leverages non-Federal money to help communities develop the infrastructure that is needed to retain and attract new industry.

As the ranking member on the Aviation Subcommittee, I take issue with the Kasich proposal to privatize the air traffic control functions of the Federal Aviation Administration. It is, I believe, premature to make such a recommendation because the FAA is studying this proposal and will make its recommendations to the Congress next month. The Public Works and Transportation Committee will then carefully review these recommendations.

In conclusion, Mr. Speaker, the Kasich plan is the better plan and I urge my colleagues to support it.

Mr. FRANKS of New Jersey. Mr. Chairman, today the House is once again presented with a clear choice: between yet another, business-as-usual budget from the White House or a budget from this House that cuts taxes, makes real spending cuts, and proposes major new reforms in welfare and crime. If you want real change, the Kasich budget is the one to support.

In New Jersey, our new Governor, Christie Whitman, has asked for and received a 5-percent reduction in the State income tax. At the same time, the Governor is committed to reducing government costs by submitting all State programs to a strict priority ordering. Governor Whitman is determined to give the citizens of her State better government for less money. Here in this Congress, we should make the same kind of commitment and we can, by passing the Kasich budget.

The White House still doesn't get it. They talk about serious spending restraints, but they continue to increase funding for all nonmilitary discretionary programs. The Kasich budget does it better—real cuts in both taxes and spending and even better deficit reduction.

Mr. Chairman, the Kasich budget offers the American people what we in New Jersey know to be true. Government should pursue its central mission—that of serving the people's needs, instead of the needs of bureaucrats and their special interest groups. The Kasich budget demonstrates that the American people can get better Government at less cost, and also get to keep more of their own money which will help our economy grow.

Mr. Chairman, I urge support for the Kasich budget.

Mr. KNOLLENBERG. Mr. Chairman, I would like to explain a few things for those people across the Nation who are watching this debate.

We will hear a lot of numbers being batted back and forth in this Chamber today. We will hear terms like baselines, out years, budget authority, allocations, sequesters, and CBO scoring.

But don't be fooled. We're not talking about quantum physics here. This debate is really about power—the power of government versus the power of the American people.

On the one hand, we have the Democrats' budget. It relies on the same tired formula they have peddled for years: more social spending; more careless defense cuts; more big deficits. Equally as interesting is what's not in their budget: no health care reform; no welfare reform; and no tough crime bill.

Taken together, this visionless document is the very essence of status quo. It continues to feed the same failed Government policies with the personal and financial freedom of America's middle-class families.

In stark contrast, we Republicans have offered an alternative called putting families first. This comprehensive package provides tax relief for families, incentives for job creation, greater deficit reduction, and funding for welfare reform, health care reform and a tough, comprehensive crime bill—all paid for with meaningful spending cuts.

In short, the Republican alternative is a blueprint for the future, that invests in people not government.

So as the debate carries on, ask yourself one question: Do I still have faith in Government to take my money and look out for my best interests? If you do, great—support the Democrats' budget. However, if you don't—if you think that Government is too big and that America's families need more freedom to look after their own best interests—support the Republican alternative.

The choice is simple, and I believe the answer is obvious.

The CHAIRMAN. All time has expired. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. KASICH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 165, noes 243, not voting 30, as follows:

[Roll No. 55]

AYES—165

Allard
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barrett (NE)
Bartlett
Bateman
Bereuter
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Crapo
Cunningham
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Houghton
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Myers
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tauzin
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—243

Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Bentley
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Faleomavaega (AS)
Farr
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Gordon
Green
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Horn
Hoyer
Huffington
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meek
Menendez
Mfume
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Romero-Barcelo (PR)
Ros-Lehtinen
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—30

Abercrombie
Andrews (TX)
Barton
Brooks
Collins (IL)
Cox
Crane
Dooley
Fields (TX)
Ford (TN)
Gallo
Gibbons
Gutierrez
Hastings
Hayes
Kopetski
Lewis (CA)
Lightfoot
Lloyd
McMillan
Meehan
Miller (CA)
Natcher
Orton
Pelosi
Reynolds
Rostenkowski
Shaw
Slattery
Towns

□ 1353

The Clerk announced the following pairs:

On this vote:

Mr. Barton for, with Mr. Abercrombie against.

Mr. Fields of Texas for, Mr. Collins of Illinois against.

Mr. Gallo for, Mr. Dooley against.

Mr. Lewis of California for, Mr. Meehan against.

Mr. Lightfoot for, Mr. Orton against.

Mr. McMillan for, Mr. Slattery against.

Mr. FORD of Michigan changed his vote from "aye" to "no."

Mr. WALSH changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

FINAL PERIOD OF GENERAL DEBATE

The CHAIRMAN. Pursuant to the rule, it is now in order for a final period of debate.

The gentleman from Minnesota [Mr. SABO] will be recognized for 5 minutes, and the gentleman from Ohio [Mr. KASICH] will be recognized for 5 minutes.

Mr. FAZIO. Mr. Chairman, the House will vote today to continue the unprecedented and successful economic growth and deficit reduction initiatives that the Congress and President Clinton began last year.

We enter into this debate with an economy that is improving in all sectors. Because of the aggressive and realistic deficit reduction package enacted last year by this Democratic Congress and the Democratic administration, nationwide unemployment is now down to 6.5 percent, job creation is up by 1.9 million private sector jobs, inflation is in check, and the economic outlook is the best we have witnessed in decades.

We achieved these goals through a combination of steady deficit reduction and targeted investments. The budget resolution continues these efforts by bringing down the 1995 deficit to $175.3 billion, the lowest level in 5 years, and more than $100 billion below the projections made last year. At the same time, the budget provides for increased investment into critical areas such as education and training, research and development, the transportation infrastructure, and crime control initiatives.

Mr. Chairman, I want to continue these positive trends. As you know, my own State of California is still lagging behind the rest of the country. We have been hard hit by defense cuts, by natural disasters and by a persistent recession. For this reason, I want our national economy to continue to improve so that my State of California will also have a chance to benefit more from the positive results of President Clinton's national economic program.

This means adopting the Sabo budget resolution today. This means continuing the effective economic growth plan we passed last year. This means continuing our tough deficit reduction plan and holding down interest rates.

I urge my colleagues to support the Sabo budget resolution and keep our economy moving forward.

Mr. REED. Mr. Chairman, I rise in strong support of House Concurrent Resolution 218, the fiscal year 1995 budget resolution drafted by Mr. SABO and his colleagues.

House Concurrent Resolution 218 follows the steady path of deficit reduction and general economic recovery initiated by the President's deficit reduction plan.

This budget resolution reflects both the realities and the priorities of last year's $500 billion deficit reduction package.

There is deficit reduction—the deficit will drop from $255 billion in fiscal year 1993 to $175 billion in fiscal year 1995. Indeed, the budget deficit will drop from 4.9 percent of the gross domestic product to 2.5 percent of the GDP in fiscal year 1995. House Concurrent Resolution 218 cuts $102 billion from domestic discretionary spending, terminates over 100 programs, and cuts 200 other programs. Moreover, for the first time in 26 years, total discretionary spending will actually decline with passage of this budget resolution. It is important to note that these cuts are a direct result of last year's enactment of the President's deficit reduction package which many of my colleagues from the other side of the aisle said would wreak havoc on the economy.

The budget resolution targets $13.6 billion to a number of investment priorities. Job training would be boosted by $497 million. Spending to stop crime and put more police on the street would be increased by $2.5 billion. Head Start would receive $700 million, and efforts to reform our schools would be augmented with $595 million in new resources.

This budget resolution is not all things to all people. It is the best budget resolution that we will vote on today. In addition, there will be plenty of opportunities during the appropriations process to cut Federal spending.

While last year's deficit reduction package and this budget resolution will help continue the current national economic recovery, I believe that we need to do more to bring jobs to regions of this country that have not fully emerged from the recession, like Rhode Island. In light of this disparity, I urge my colleagues to consider job creating legislation or a regional economic development plan.

Mr. POMEROY. Mr. Chairman, I am very pleased to support the Budget Committee's resolution today. However, I want to alert you to one outstanding issue contained in the budget resolution. In this resolution, the House Budget Committee adopted a new baseline for our crop insurance system—effectively combining mandatory spending from the crop insurance program with ad hoc discretionary spending from the disaster assistance program. North Dakotans are very familiar with both these programs. North Dakota's producers rank first in participation in the crop insurance system for most crops based on acres enrolled. North Dakota has also unfortunately become all too familiar with disaster assistance, with a severe drought in 1988 and most recently the 500-year flood of 1993. The House acted in historic fashion today, combining these funds to strengthen the crop insurance system in a historic tradeoff for disaster assistance that is harder to get.

I want to caution my colleagues that I believe the House Budget Committee did not go far enough and as a result, while the shift in the baseline is historic, the funds available may not be enough to accomplish our objective of increased individual risk management rather than annual disaster appropriations bills.

Before we enter negotiations with our colleagues in the other body, I encourage Members to remember that we cannot accomplish our goal of eliminating off-budget, ad hoc spending without the necessary investment to improve the Federal crop insurance system.

Mr. BALLENGER. Mr. Chairman, the arrival of the President's budget on Capitol Hill signals the beginning of the annual budget process in Congress. It is a long process, taking the remainder of the year to complete and requires the passage of many bills and resolutions. The budget resolution and the alternatives debated today define a broad guideline on how much the Government will take in through taxes and other receipts and also spend on Federal programs. The President's signature is not required on the budget resolution, and the final product does not carry the force of law.

I am opposed to the spending plan crafted by President Clinton and the House Democrats on the Budget Committee. The President and the Democratic leadership have made promises to reform the welfare system, provide tax relief, cut spending, reform the health care system, and stop crime. Yet, the budget for fiscal year 1995 shows that once again, these promises that the American people deserve have not been fulfilled. For instance, the Democratic budget glosses over anticrime legislation and only calls for funding 50,000 police officers, not the 100,000 the President promised. In contrast the Republican budget initiative fully funds a Comprehensive Crime Control Act and adds $2 billion for new police and $3 billion for Federal-State partnerships to build new prisons. The Democratic budget also fails to fund welfare and health care reform proposals. Finally, on the issue of deficit reduction, the Republican plan cuts the deficit to about $162 billion next year, and includes about $15 billion more in deficit reduction than the Democratic plan. Over 5 years, the Republican plan achieves $152.6 billion more in deficit reduction than the Democrats.

On the other hand, the plan drafted by the Republicans addresses many of the major problems that my constituents in North Carolina are discussing. It establishes real priorities and pays for them. The Republican budget initiative provides family tax relief, reforms the welfare system, regains control of our streets and neighborhoods through anticrime measures, provides incentives for job creations, reforms the health care system, and reduces the deficit. Even more importantly, this plan is paid for through 200 real spending cuts and genuine reform. It lowers spending, taxes, and the deficit. Under the Republican plan, the deficit will be reduced approximately $310 billion over 5 years. In my considered opinion, it is a strong, well-thought-out plan and deserves support.

In particular, one of the major highlights is the $500-per-child tax credit. This tax credit will partially offset the burdensome taxes imposed by President Clinton and the Democratic leadership last August. Under the Republican plan, a $500-per-child tax credit will be available to families earning less than $200,000 a year. Seventy-four percent of this credit will go to families earning less than $60,000 a year. Roughly, $59 million a year in family tax relief will be available or about $80 more every month for a family of four for groceries or savings. The Heritage Foundation, a

Washington, DC, think tank, estimates that in the 10th Congressional District there are roughly 116,159 children eligible for the tax credit. The $500 tax credit would return about $58 million to my district. And again, because of spending cuts in the bill, these tax credits will not affect the deficit.

Finally, I would like to say a word about a sincere proposal put forth by my good friends Representatives FAWELL and SOLOMON. Since I was elected to serve in Congress in 1986, I have worked to reduce deficit spending and balance the budget. The Fawell-Solomon plan is a package of 500 spending cuts that would reduce the deficit by $600 billion. It is the only budget plan that does balance the budget. Given that the House plans to debate a balanced budget amendment to the Constitution next week, it seemed hypocritical to me to not support an effort that achieves this goal. As with other bills considered and debated by Congress, this legislation includes some cuts that I consider painful and do not support, for example it eliminates the tobacco subsidy for tobacco farmers. But, I considered a vote for this budget resolution a vote for balancing the budget, not a vote for specific policy changes. In fact, as noted above, the budget resolution does not have the force of law and there is legislative language in the plan that states that the appropriate committees must make the specific spending reductions.

Mr. HUGHES. Mr. Chairman, I rise in support of House Concurrent Resolution 218, the fiscal 1995 budget resolution. I wish to commend Chairman SABO and his colleagues on the Budget Committee for their outstanding work in developing this measure and bringing it to the floor.

This resolution continues the progress we started last year with the adoption of the 5-year budget agreement initiated by President Clinton. That plan provided for some $496 billion in deficit reduction over 5 years, more than half of which comes from hard cuts in every category of Federal spending.

That budget agreement has been enormously successful to date. Indeed, the budget deficit was $300 billion when President Bush left office in 1992. It was $180 billion at the end of 1993. While that is still a lot of red ink, clearly we are heading in the right direction.

The budget resolution we are considering today continues us along the deficit reduction glidepath. It conforms to the spending caps for discretionary spending which were established under last year's budget agreement. In so doing, it actually reduces discretionary spending for the first time since 1969.

For those who believe, as I do, that the best way to balance the budget is to cut spending, this is certainly welcome news. Indeed, under this resolution, the deficit will fall to $175 billion in fiscal 1995. That is some $115 billion less than the deficit was just 3 years ago.

Just as importantly, it achieves these targets without increasing taxes, and without forcing any single industries or sectors of the economy to bear a disproportionate burden of the spending cuts.

While I am generally satisfied with the framework of this budget agreement. I really believe we should be doing even more in the way of spending cuts. I intend to continue my efforts this year, just as I have always done in the past, to identify and vote against those spending programs which we don't need or can't afford.

For example, I intend to vote once again to terminate funding for the $30 billion space station, which we just can't afford. I also intend to support across-the-board cuts where necessary, and to vote against any appropriations bills which come before the House where spending levels cannot be justified.

In other words, I view this budget resolution as only a starting point for deficit reduction—one which we can and will improve on through the adoption of additional spending cuts this year.

I also intend to oppose the substitute amendments which have been proposed by Representatives FRANK, MFUME, KASICH, and SOLOMON. While I appreciate their efforts, and agree with some aspects of their proposals, none of these substitutes represents sound budget or tax policy at this time.

Both the Frank and Mfume amendments would cut defense spending below the level requested by President Clinton. While I support the effort to reorder our military priorities in the post-cold war era, we must maintain an acceptable level of military preparedness. I place great weight in the President's determination, as Commander in Chief, that these proposals go too far in cutting defense spending at this time, and could put our national security at some risk.

The Kasich amendment would add some $6.4 billion in defense spending, which is too much. At the same time, it could threaten the very fragile economic recovery we are experiencing by draining some $119 billion in tax revenues from the Treasury.

The last time we enacted a tax cut of that magnitude in 1981—which I voted against—the budget deficit quadrupled almost overnight. We don't need to repeat that same mistake again.

Similarly, I believe the Solomon amendment would increase the deficit significantly over the long run.

That is because much of the savings proposed under this amendment would come from Medicare. That is the same source of savings which President Clinton has proposed to tap to pay for much of his national health care reform program.

As my colleagues know, health care spending is the single fastest growing part of the Federal budget. If we are really serious about deficit reduction, then we have to start by getting health care costs under control.

The Solomon substitute would make it difficult, if not impossible, to get the health care reform effort off the ground, by earmarking these savings for deficit reduction instead of health care reform. Indeed, it would lock us into a fiscal straightjacket, where long-term health care spending—and the Federal deficit—will continue to skyrocket, in exchange for some limited, short-term deficit reduction.

I believe we need to continue to scrutinize the Federal budget very carefully, and to identify additional areas to cut. We also need to examine ways to control the rising costs of Medicare and other entitlement programs.

However, we have to do so in a manner which makes sense, and which will not do more harm than good over the long run. I believe the committee resolution is fair and balanced. It offers a reasoned combination of spending cuts for the most part, and contains a viable enforcement mechanism. I urge my colleagues to support the resolution.

Mr. SKAGGS. Mr. Chairman, as we debate the budget resolution for fiscal year 1995, I can't help but recall a similar debate that took place in this Chamber less than a year ago. At that time, much like today, a lot of predictions were being made about the effects of the deficit reduction bill. There were those who said then that the bill was "a recipe for economic and fiscal disaster"—Mr. CRANE, CONGRESSIONAL RECORD March 18, 1993. Some said "it will raise your taxes, increase the deficit, and kill over 1 million jobs"—Mr. HEFLEY, CONGRESSIONAL RECORD August 4, 1993. Still others claimed that the package simply "would not lower the deficit"—Mr. HERGER, CONGRESSIONAL RECORD August 4, 1993. The "gloom and doom" predictions of economic devastation went on and on.

There's one difference in the debate this year, however. The effects of last year's deficit reduction bill are no longer a matter of speculation. The naysayers have been proven wrong.

Because of the bill we approved last year, the Federal budget deficit is finally moving in the right direction. The expected deficit next year—fiscal year 1995—is $126 billion less than President Bush predicted it would be under his policies. That's a 40-percent reduction. And the size of the deficit compared to the overall economy has been cut nearly in half, to the lowest percentage since 1979.

The economy and financial markets have reacted favorably to the actions we took last year. Interest rates are at the lowest levels in 20 years, and these lower rates have helped many families buy their first home and enable millions more to refinance their mortgages and save hundreds of dollars each month. Inflation also remains low, and consumer confidence and spending is up. And the best news is that more new jobs have been created in the past year than in the previous 4 years combined.

And what about all those new taxes that were going to crush jobs and hurt millions of hard working Americans? The reality is that income taxes were raised on only 1.2 percent of the wealthiest Americans.

The gas tax you heard so much about—the one that was supposed to drain your bank account and drive businesses into bandruptcy—hasn't even caused a blip in the economy. In fact, gas prices are actually lower now than they were before this tax was imposed.

Not only have taxes not gone up for most Americans, they've gone down for the small businesses and start-up companies who've taken advantage of the job-creating tax incentives in our budget bill.

Taxes have also gone down for millions of working Americans under the earned income tax credit. This credit makes sure that parents who work full time make enough money to put their families above the poverty line—an important first step toward welfare reform.

The bill we passed last year has also laid the groundwork for long-term economic growth. Federal Reserve Chairman Alan Greenspan recently said:

> The underlying, long-term economic outlook in this country is improving quite

> measurable and, indeed, I don't recall as good an underlying base for the long-term outlook that we have today in the last two or three decades.

The best outlook in 20 or 30 years. That's a far cry from what the naysayers were predicting last year.

We achieved this progress by establishing in law a 5-year program to cut spending by $255 billion, cut entitlements, eliminate entire programs, and reduce the Government work force. We put tight caps on what can be spent on the operations of the Government. The result is that Federal spending in 1995 on everything other than entitlements and interest will be held below 1994 levels, with no adjustment for inflation.

Now we can and we must do more, especially on entitlement spending. This year's budget resolution continues the program of serious deficit reduction and fiscal restraint that started last year. It will end 100 Federal programs and reduce more than 200 others. It will bring the 1995 deficit down to $175.3 billion, the lowest level in 5 years. It contains no new taxes and still fully funds the President's anticrime initiative.

The decisions we made last year are working. The economy is recovering. Jobs are being created. The deficit is going down. Interest rates are staying down. We're in the best economic shape in two or three decades. We're building a strong foundation for long-term growth.

The right vote today is to continue this progress by voting "yes" on the budget resolution.

Mr. FRANKS of Connecticut. Mr. Chairman, today the House of Representatives will consider five directions that the budget of our Federal Government can take in the next 5 years. The Clinton budget and the four other substitutes that are before us today each have their own positive and negative aspects. While deliberating over these five plans, I kept certain concerns of my constituents in mind. I knew that in a State with tax rates among the highest in the country, families in my district would be looking for a break from the tax burden. I knew that these same families do not want to leave a massive budget deficit to their children. I knew that people in my district, especially those in Waterbury, want relief from the terror of violent and random crime. Finally, I knew that the supposed economic recovery that President Clinton tries to create through words every day has not reached my State. It is my feeling that the Kasich substitute best addresses these concerns.

Let me speak a little about each budget alternative. First, the Democrat budget supported by President Clinton is a continuation of the flawed budget act that I voted against last year. That is, it is a budget that focuses on tax increases enacted to fund new spending programs. Despite the claims that the Clinton administration is cutting spending to lower the deficit, this Democrat budget actually increases total spending by $36 billion. Most of the spending cuts are again coming from the defense budget and the hardware that Connecticut workers have built with years of acquired expertise. While some Members of Congress feel that the military and political threats to America are gone, I feel that President Clinton and the Democrats are being too unwary in their analysis of the world situation. The American military was the major obstacle to the extension of Soviet power and influence during the cold war. We should not disassemble it so casually. At some point in the future, the United States may have to be involved in conflict again. Let's make sure that we have the best equipment possible to minimize the number of American casualties.

I was astonished to see that President Clinton did not include his health care reform bill in the budget. Considering that health care reform is supposed to be a major focus of this administration, I can only guess that President Clinton is trying to hide the monster that he and his wife created. We all know now that the Clinton health care plan would be the largest expansion of Federal entitlements in history, along with the largest tax increase in history. I will not vote for a budget that does not contain a credible and complete health care reform package.

The Frank substitute only differs from the Democrat budget in that it reduces the defense budget by an additional $2.4 billion for 1995 and by $25 billion over 5 years. I recognize that, year after year, some Members think that national defense is a convenient place to cut spending, but I disagree with this view. The Frank substitute is just providing another source of funding for President Clinton's new spending programs, still included in this version of the budget.

The Congressional Black Caucus has also offered a substitute budget that attempts to deal with the problems of the Nation, especially those of the urban poor. While I recognize these problems, I see that the Congressional Black Caucus is promoting the same big-Government approach that has failed for the past 30 years. How much more money are we going to waste before we realize that the Federal Government cannot solve problems of the urban poor with costly programs enacted in Washington?

The Solomon budget on the surface seems to be a budget worthy of support. It balances the budget in 5 years with a wide range of spending cuts. However, upon closer examination, I see that the Solomon budget contains too many egregious spending cuts. I have been a relentless supporter of the space station as the next step in our space program, and I have supported the *Seawolf* submarine and the C–130H aircraft as key elements of our national security for this decade. A balanced budget amendment and a Presidential line-item veto would allow Congress and the President to make the most reasonable spending cuts from the budget.

In contrast to all of these budget options, the Kasich substitute is formed around the concerns that I hear from my constituents. It reduces the deficit by $310 billion over 5 years—over $150 billion more than the Democrat budget—with a variety of real spending cuts. And at the same time, it includes policies that will enhance economic growth through business incentives and more money for families to keep at tax time.

The Kasich substitute includes a welfare reform proposal which stresses work instead of handouts and seeks to put people on payrolls rather than public assistance rolls. States and local governments will have greater flexibility to shape aid to families with dependent children and other programs. I am especially heartened to note that this budget addresses issues that I have been stressing during this Congress: illegitimacy and parental responsibility. Finally, the welfare reform proposal takes the savings from these changes and gives it back to the taxpayer—over $18 billion over 5 years. No more will welfare be a income redistribution program perpetuating poverty.

In addition to welfare reform, the Kasich substitute tackles the modern crime problem head on with a comprehensive law enforcement and criminal punishment program. The measure includes $2 billion over 5 years for local police officers and $3 billion for Federal and State partnerships for new prisons. These are crime-fighting initiatives that Republicans have been advocating for years. President Clinton says that he is open to proposals that get tough on crime. This budget contains those proposals.

The Kasich substitute fully funds the Affordable Health Care Now Act—The health care alternative that expands access to health coverage, contains cost, and most importantly, assures that medical decisions are made with patients and doctors, not Government bureaucrats. President Clinton does not care about this plan, but it is the only health care plan included in the budgets offered today.

Many of my constituents have been asking me what Congress has been doing to improve the job situation. Those Clinton-backed defense cuts and increased taxes have not encouraged job growth in my district. Changes in the tax code under President Clinton have instead taken money away from working people. The Kasich substitute encourages higher levels of saving, investing, and risk-taking as a better way to improve the economy. One incentive in this budget, fully deductible IRA accounts, will allow Americans to save for their retirement while providing money for business investment.

Perhaps the most exciting aspect of the Kasich substitute is the tax changes for families with dependent children. Families earning less than $200,000 per household would be eligible for a $500-per-child tax credit. Ninety percent of this tax break would go to families with incomes below $75,000 per year. At a time in which more of our Nation's leaders are acknowledging the importance of strong families, this tax credit is welcome news

As I did last year during budget debate, let me repeat President Clinton's campaign promise of a middle-class tax cut. Candidate Clinton said that he would offer middle-class families $60 billion in tax cuts over 4 years in the form of a $300 tax cut per couple or a $300-per-child tax credit. Well, here's my vote for a $500-per-child tax credit. I am still waiting for President Clinton's. While President Clinton once had a vision for the future, the Kasich budget is the only budget substitute that outlines one.

Mr. COSTELLO. Mr. Chairman, I rise today to voice my support for the budget resolution as passed by the House Budget Committee. As a member of the committee who spent many hours drafting this legislation, I know this is a good budget. This budget keeps discretionary spending under the caps established last year. For the first time since 1969, discretionary spending will actually fall under this budget. This committee was able to come up with $3.1 billion in additional cuts beyond the President's proposal, and even with these cuts I believe this budget is effective in carrying out the important initiatives set forth by the President, including crime control and prevention and criminal justice reforms, more funding for Head Start, health research, and job training, and infrastructure improvements.

The four substitute budgets being offered today contain some proposals with merit; however, it is my feeling these proposals have not received appropriate scrutiny through the committee process. For instance, two of these substitutes recommend the privatization of the Federal air traffic control and safety system. While this idea and others may be worthwhile, I find it difficult to support such broad reform measures without time for careful examination.

Additionally, I have not seen CBO's estimates of the Solomon substitute. And, while I share the goals of the Congressional Black Caucus to increase resources for housing, health care, and education, I am reluctant to impose any inequitable taxes on law-abiding citizens of this country. I also agree with the President's recommendation that defense cannot be cut any further. The Frank substitute which proposes a $2.4 billion cut to defense could unnecessarily jeopardize our national security.

The Kasich substitute reverses the change in priorities that Congress enacted in last year's budget and that the President has tried to further in his administration. This substitute proposes entitlement cuts of $95.6 billion over 5 years. I agree that entitlement spending must be controlled if we are to balance our Nation's budget, but we cannot expect senior citizens on Medicare alone to restore our Nation's fiscal health.

The Kasich substitute cuts domestic spending by an additional $282.4 billion over the next five years compared to the committee resolution. The effects to the 12th District of Illinois could be disastrous. The following domestic cuts will have a direct and substantial impact on southern and southwestern Illinois:

A 25-percent cut in energy development programs will end research and development of clean coal technologies. Future funding for the Clean Coal Technology Program is totally eliminated.

The reduction in highway and mass transit grants will make the St. Clair County extension of MetroLink impossible. Eliminating mass transit operating subsidies will impose a huge local tax burden and effectively shutdown MetroLink.

The elimination of campus-based student assistance programs such as work-study and Perkins loans will limit the educational opportunities of thousands of students enrolled at Southern Illinois University at Carbondale.

The elimination of the entire impact aid program could easily bankrupt Mascoutah school district and other school districts impacted by a Federal presence.

The repeal of the Davis-Bacon Act will put local laborers out of work.

While a $500 per child tax credit may be appealing at first thought, I cannot believe this is responsible fiscal policy. Exploding budget deficits were brought under control by last year's deficit reduction legislation, but future deficits are still projected to be over $160 billion per year. It is not realistic with this fiscal outlook to expect a massive tax cut. The 1981 Reagan income tax cut helped drive deficits out of control; this mistake should not be repeated at a time when our Federal budget deficit is headed down as the result of the Clinton plan.

Mr. Speaker, the committee-passed budget resolution is sound fiscal policy that cuts our Federal budget deficit and builds on changes in our national priorities. We must pass this budget to see the initiatives—such as crime control and job training—a chance to work. As a result of the enactment of the deficit reduction bill from last year, the deficit as a percentage of the economy is projected to drop from 4.9 percent in fiscal year 1992 down to 2.5 percent in fiscal year 1995—the lowest since 1979. This budget will help maintain these projections. I urge a vote in favor of the budget resolution and against the substitutes.

Mr. BARCA of Wisconsin. Mr. Chairman, I rise today in support of the budget resolution as reported by the House Budget Committee.

This budget is an important step in further reducing the Federal deficit. In fact, the budget will reduce the deficit an additional $53 billion from the fiscal year 1994 budget. This represents a 23-percent reduction of the deficit in one fiscal year.

Much more remains to be done to cut unnecessary spending, and I look forward to working with my colleagues from both sides of the aisle, as the appropriations process continues, to find other areas to trim federal spending.

Mr. Chairman, I want to mention one other item. That is the importance of enacting a plan to bring health care costs under control, because under the current system the Federal deficit will rise in the out years due to uncontrolled health care spending. And so I also look forward to addressing the issue of health care costs with my colleagues and enacting meaningful reform.

Mr. COLEMAN. Mr. Chairman, I rise today in support of House Concurrent Resolution 218, the fiscal year 1995 budget resolution, as passed by the Budget Committee. Last year the President offered and the Congress passed the largest deficit reduction package in the history of the United States. Today we have the opportunity to pass the second step in President Clinton's economic plan.

Mr. Chairman, many will rise today in opposition to the committee version. They will deny the great strides the economy is making under President Clinton's guidance. My home State of Texas has been a beneficiary of President Clinton's economic policy, as evident by the over 139,000 new jobs created in Texas last year.

Others will tout their budget alternatives as being more profamily and ask what the administration has done for the family. To them, I will say this: The Clinton plan provided a real profamily tax break by expanding the earned income tax credit for moderate-income families. This enabled those who need their money most, the working parents, to keep their money in their pocketbooks and out of the Government coffers. In Texas, over 1.4 million people are now eligible for the tax credit. Over 48,000 families in my congressional district are eligible to receive this tax credit.

In light of the passage of the North American Free-Trade Agreement and its expected impact on the Southwest border region, I am encouraged by the Budget Committee's inclusion of the full amount of President Clinton's priority investment of $300 million to enhance infrastructure and environmental protection in this region. I applaud the Committee's commitment to border infrastructure projects in the area of water and wastewater for colonias, initiation of the Commission for Environmental Cooperation, Border Environmental Cooperation Commission, and the North American Development Bank, surface transportation projects and health care projects.

This budget continues the fiscal restraint mandated in last year's 5-year deficit reduction package. It is a fair and reasonable measure and shows that we are serious about our resolve to reduce the deficit without diminishing our ability to fulfill our responsibilities to the American people. I urge my colleagues to reject all substitutes and to vote for the committee version.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Chairman, the gentleman from Ohio, [Mr. KASICH] and I have an agreement that we will yield this time back. But the leadership first wishes to make an announcement.

Mr. KASICH. Mr. Chairman, if the gentleman will yield, in an effort for everybody to catch their planes, we are not going to do the last 5 minutes or whatever it is. But there will be a recorded vote, so nobody should leave until we do that. But there will be no more talking. How about a cheer for that.

Mr. SABO. Mr. Chairman, I yield to the gentleman from Missouri [Mr. GEPHARDT] the majority leader, to make an announcement.

(Mr. GEPHARDT asked and was given permission to speak out of order.)

LEGISLATIVE PROGRAM

Mr. GEPHARDT. Mr. Chairman, I would like to take this moment to inform Members that there will not be further debate; we will go right to a vote on the budget. But following that vote there will be 4 minutes of debate before a vote to instruct on going to conference on the employee Federal buyout bill. So there will be an additional vote after the vote on the budget, but it will come very quickly.

Mr. KASICH. Mr. Chairman, I yield back my time.

Mr. SABO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. MOAKLEY] having assumed the chair, Mr. SERRANO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 218) setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999, pursuant to House Resolution 384, he reported the concurrent resolution back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. KASICH. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 223, noes 175, not voting 35, as follows:

[Roll No. 56]

AYES—223

Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Glickman
Gordon
Green
Hall (OH)
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Hughes
Hutto
Inslee
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Maloney
Manton
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Menendez
Mfume
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickle
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slaughter
Smith (IA)
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOES—175

Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Bateman
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cox
Crapo
Cunningham
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Lazio
Leach
Levy
Lewis (FL)
Linder
Livingston
Machtley
Mann
Manzullo
Margolies-Mezvinsky
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
Meyers
Mica
Molinari
Moorhead
Morella
Myers
Nussle
Oxley
Packard
Paxon
Penny
Petri
Pickett
Pombo
Porter
Portman
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—35

Abercrombie
Andrews (TX)
Ballenger
Barton
Brooks
Collins (IL)
Crane
Dooley
Fields (TX)
Ford (TN)
Gallo
Gibbons
Gonzalez
Gutierrez
Hastings
Hayes
Kopetski
Lewis (CA)
Lightfoot
Lloyd
McMillan
Meehan
Meek
Michel
Miller (CA)
Miller (FL)
Natcher
Orton
Pelosi
Reynolds
Rostenkowski
Shaw
Slattery
Smith (MI)
Towns

☐ 1414

The Clerk announced the following pairs:

On this vote:

Mr. Rostenkowski for, with Mr. Crane against.

Mr. Abercrombie for, with Mr. Ballenger against.

Mr. Brooks for, with Mr. Barton, against.

Mrs. Collins of Illinois for, with Mr. Fields of Texas against.

Mr. Dooley for, with Mr. Gallo against.

Mrs. Lloyd for, with Mr. Lightfoot against.

Mr. Meehan for, with Mr. McMillan against.

Mr. Orton for, with Mr. Miller of Florida against.

Mr. Slattery for, with Mr. Shaw against.

Mr. PETERSON of Minnesota changed his vote from "no" to "aye."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material in the RECORD on House Concurrent Resolution 218.

The Speaker pro tempore (Mr. MOAKLEY). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3345, FEDERAL WORKFORCE RESTRUCTURING ACT OF 1994

Mr. CLAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3345), to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes, with Senate amendments to the House amendment to the Senate amendment thereto, to disagree to the Senate amendments to the House amendment, and to agree to the conference requested by the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. CASTLE

Mr. CASTLE. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. CASTLE moves that the Managers on the part of the House, at the Conference on the disagreeing votes of the two Houses on the bill (H.R. 3345), be instructed to agree to the amendment of the Senate numbered one, the Gramm amendment creating the Violent Crime Reduction Trust Fund and providing a conforming reduction in the discretionary spending limits.

The SPEAKER pro tempore. The gentleman from Delaware [Mr. CASTLE] will be recognized for 30 minutes, and the gentleman from Missouri [Mr. CLAY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Speaker, I yield myself such time as I may consume, and I will be very brief.

Mr. Speaker, I believe this is an important message that we need to understand. I would like to repeat the language of the motion to instruct conferees where, in part, we say, "Be instructed to agree to the amendment of the Senate, numbered one, the Gramm amendment, creating the Violent Crime Reduction Trust Fund and providing a conforming reduction in the discretionary spending limits."

This amendment just passed in the other body this morning by a 90-to-1 margin. If we do not pass this motion to instruct conferees, the savings generated by the buyout provisions in the buyout program could be spent virtually on anything.

Since the House has failed to pass the crime bill, this is necessary. If we are serious about addressing the crime problem and funding the crime bill, we simply must do this.

Please note, as was stated in the motion itself, that discretionary spending caps will be reduced by the same amount. It is very simple. It will take this money and put it into the Violent Crime Reduction Trust Fund. I think we are all virtually in agreement that that should be funded and this is the best mechanism by which to do that.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the motion to instruct conferees. When this body initially passed H.R. 3345, we also adopted an amendment offered by Mr. PENNY, Mr. BURTON, and Mr. SOLOMON that reduces overall Federal employment by 252,000 positions. This provision will reduce overall Federal expenditures by at least $22 billion. It is now being proposed that before we even enact those savings we commit to spending them. In effect, we are being asked to create a budgetary straightjacket in order to fund a trust fund to support a legislative initiative that has never been approved or even considered by this body. In effect, we are being asked to write a new definition of fiscal irresponsibility.

As passed by the House, H.R. 3345 does not spend one dime of the savings created by the reduction of the Federal work force. Decisions will be made as to whether those savings should be committed to deficit reduction, to fighting crime, to improving education, and/or to protecting the national defense. Those decisions will be made when the Congress adopts this year's budget resolution and will be refined later in the appropriations bills and future budget resolutions.

Mr. Speaker, this dispute over the allocation of the savings is jeopardizing our ability to ensure that the Government work force is reduced in the most humane and cost-effective manner possible, without unnecessarily firing Federal employees. Failure to enact this legislation will force involuntary separations at a greater cost to the taxpayers. The dispute over how to spend the savings will inevitably delay and perhaps prevent enactment of the legislation. I urge that the motion to instruct conferees be defeated.

Mr. Speaker, I reserve the balance of my time.

Mr. CASTLE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. McCOLLUM].

Mr. McCOLLUM. I thank the gentleman for yielding.

Mr. Speaker, I want to respond to the gentleman on the other side of the aisle with respect to the point that we have not addressed the crime issue over here, have not created a trust fund, and so forth. The point is the time to get this thing reserved is now in the budget process. We will not have the money reserved for when we do need it and do pass out our bill in a couple of weeks, if we do not have a protective device through this budget process. So I think the vote on the motion to instruct is very meaningful, very important, very straightforward.

□ 1420

Mr. Speaker, we are going to have the funds necessary to deal with the war on crime when we do get around to finishing our part in the next couple of weeks. We need to vote for the motion to instruct offered by the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Speaker, I yield back the balance of my time.

Mr. CLAY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MOAKLEY). The question is on the motion to instruct offered by the gentleman from Delaware [Mr. CASTLE].

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. CASTLE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 231, noes 150, not voting 52, as follows:

[Roll No. 57]

AYES—231

Allard
Andrews (NJ)
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Barca
Barcia
Barrett (NE)
Bartlett
Bateman
Bentley
Bereuter
Berman
Bevill
Bilbray
Bishop
Bliley
Blute
Boehlert
Bonilla
Brewster
Browder
Bryant
Bunning
Burton
Buyer
Calvert
Camp
Canady
Cantwell
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Cooper
Costello
Cox
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Emerson
Engel
English
Everett
Ewing
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goodling
Goss
Grams
Grandy
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kaptur
Kasich
Kennelly
Kim
King
Klein
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lancaster
LaRocco
Lazio
Leach
Lehman
Levin
Levy
Lewis (FL)
Linder
Livingston
Lowey
Machtley
Maloney
Manzullo
McCandless
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
Meyers
Mica
Michel
Molinari
Mollohan
Montgomery
Moorhead
Neal (NC)
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce (OH)
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schenk
Schiff
Schumer
Sensenbrenner
Shepherd
Shuster
Skeen
Skelton
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Spence
Spratt
Stearns
Stenholm
Stump
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Thomas (CA)
Thomas (WY)
Torkildsen
Torricelli
Traficant
Valentine
Vucanovich
Walker
Walsh
Waxman
Weldon
Whitten
Wilson
Wise
Wyden
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—150

Ackerman
Andrews (ME)
Applegate
Bacchus (FL)
Baesler
Barlow
Barrett (WI)
Becerra
Beilenson
Blackwell
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Byrne
Cardin
Carr
Clay
Clayton
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Coppersmith
Coyne
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Ehlers
Eshoo
Evans
Farr
Fawell
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Frank (MA)
Gephardt
Gilman
Gonzalez
Gordon
Hall (OH)
Hamburg
Hamilton
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Hoyer
Inslee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kennedy
Kildee
Kleczka
Klink
Kreidler
Lantos
Laughlin
Lewis (GA)
Long
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McKinney
Meek
Menendez
Mfume
Mineta
Minge
Mink
Moakley

Moran
Morella
Murphy
Myers
Nadler
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pastor
Payne (NJ)
Penny
Pickett
Price (NC)
Rangel
Richardson
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Sharp
Shays
Slaughter
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Tucker
Unsoeld
Upton
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Wheat
Williams
Wolf
Woolsey
Wynn
Yates

NOT VOTING—52

Abercrombie
Andrews (TX)
Ballenger
Barton
Bilirakis
Boehner
Brooks
Callahan
Collins (IL)
Crane
Derrick
Dooley
Fields (TX)
Ford (TN)
Gallo
Gibbons
Green
Gutierrez
Hastings
Hayes
Johnson (GA)
Kingston
Kopetski
LaFalce
Lewis (CA)
Lightfoot
Lipinski
Lloyd
McMillan
McNulty
Meehan
Miller (CA)
Miller (FL)
Murtha
Natcher
Orton
Owens
Pelosi
Quillen
Reynolds
Rose
Rostenkowski
Rowland
Shaw
Sisisky
Skaggs
Slattery
Solomon
Sundquist
Taylor (NC)
Towns
Watt

□ 1440

The Clerk announced the following pair:

Mr. Bilirakis for, with Mr. Meehan against.

Messrs. FAWELL, MARKEY, and HOAGLAND changed their vote from "aye" to "no."

Messrs. BEVILL, BROWDER, POMEROY, and BISHOP changed their vote from "no" to "aye."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Without objection the Chair appoints the following conferees:

From the Committee on Post Office and Civil Service for consideration of the Senate amendments to the House amendment, and modifications committed to conference: Mr. CLAY, Mr. McCLOSKEY, Ms. NORTON, Mr. MYERS of Indiana, and Mrs. MORELLA.

From the Committee on the Judiciary, for consideration of Senate amendment numbered 1 and modifications committed to conference: Messrs. BROOKS, SCHUMER, and SENSENBRENNER.

From the Committee on Government Operations, for consideration of Senate amendment numbered 1 and modifications committed to conference: Messrs. CONYERS, TOWNS, and CLINGER.

From the Committee on Rules, for consideration of Senate amendment numbered 1 and modifications committed to conference: Messrs. DERRICK, BEILENSON, and SOLOMON.

There was no objection.

PERSONAL EXPLANATION

Mr. BALLENGER. Mr. Speaker, unfortunately I missed rollcall vote 56, final passage of the budget resolution for fiscal year 1994. I am opposed to the House Democratic budget plan and was "paired no" on this vote. I also missed roll call vote 57 instructing conferees on H.R. 3345 on the Gramm amendment creating the violent crime reduction trust fund. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. ORTON. Mr. Speaker, during rollcall No. 57 on H.R. 3345, I was unavoidably detained. Had I been present, I would have voted "no."

LEGISLATIVE PROGRAM

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, for purposes of ascertaining the legislative program, I yield to my good friend, the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, obviously votes are finished for today. There will be no votes on Monday, March 14. On Tuesday, March 15, the House will meet at 10:30 a.m. for Morning Hour. The House will then meet at noon for three bills on suspension, H.R. 2815, Farmington Wild and Scenic Rivers Act; S. 375, Rio Grande Designation Act of 1994; and H.R. 1933, The King Holiday and Service Act of 1994.

Recorded votes on these suspensions will be postponed until Wednesday, March 16.

On Wednesday, the House will meet at 10. However, I would say to Members, there will not be a vote until after 11. It could be right at 11 or right after 11. If there is a vote on the Journal, it will be rolled or postponed until after 11. There could be a vote on a rule at about that time on the balanced budget amendment, House Joint Resolution 103.

The other matters that could be brought up on Thursday, and possibly Friday, are S. 636, a motion to go to conference on the Freedom of Access to Clinic Entrances Act, and H.R. 6, the elementary and secondary education amendments of 1993.

Mr. YATES. Mr. Speaker, if the gentleman will yield, I wonder whether the majority leader could postpone the votes on Wednesday until later than 11, because we will be coming back from Chicago. We have a primary on Tuesday. The votes will not come in until 8. There are no planes that we can take.

In the past, the majority leader has set votes for 4 or 5 o'clock in deference to the problems of those who had primaries. I wonder whether we could do that in this instance?

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield further, our problem is it is not possible to roll the vote on the rule on the balanced budget amendment. It may be that no one will call for a vote on the balanced budget amendment rule, but we have to have a rule in place before we can proceed with the debate.

Mr. GINGRICH. Mr. Speaker, reclaiming my time, if I might comment from our side, and this is obviously not a guarantee to Members, but my understanding is that no one at the present time sees a vital need that would be served by getting a vote on the rule. We would certainly on a bipartisan basis try to avoid any vote that early. I would say this to my friend from Chicago [Mr. YATES], although Members' rights are protected and we cannot guarantee that a member will not ask for a vote.

Mr. YATES. Mr. Speaker, I thank the gentleman for that assurance. I understand the dilemma of the majority leader. I hope no vote is called for.

Mr. GINGRICH. Mr. Speaker, I wish to make one comment and ask one question about Friday. I do want to note for our colleagues that I believe on Wednesday, and I appreciate very much the cooperation that the gentleman from Texas and the gentleman from Oregon have given us in trying to arrange the schedule so everything can work right, but I think we will have the first of the Oxford debates that have been commented on.

I mention that because I think in terms of establishing for the country what the House does and how it operates, that this will be a useful thing. It is not formally on the schedule, but I do think it is a good thing for us to be trying to do.

I did not know if the majority leader wanted to comment on that before I ask about the Friday schedule.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield further, in a moment I will ask unanimous consent to establish the procedure that we will use in those debates. But his will be the first of such debates. There will be two to follow, at least. We hope they will continue after that. It will be a 90-minute debate under Oxford style rules, and the debaters will be on C-SPAN during that debate period. It is a first for the House, and I think it will be a very positive experience.

Mr. GINGRICH. Mr. Speaker, I understand that while I was out of the room trying to get something arranged here on the floor, it was agreed there would be no staff on the floor at all for either side. So this will be a genuine test of whether or not Members can in fact function in a staffless environment. Some of our colleagues may watch just to see how rusty we are at doing this purely on our own.

Mr. GEPHARDT. We feel it is much more likely to be a success in this body than in the other body.

Mr. GINGRICH. Mr. Speaker, without in any way commenting on the other body, which would be so inappropriate under our rules, let me say my one question is, there is some talk we might possibly not have votes on Friday. I did not know if the majority knew what the status of Friday was.

Mr. GEPHARDT. Mr. Speaker, if the gentleman will yield, it is our hope there will be no votes on Friday. We will try to make that call as early in the week as we can so Members can plan.

ADHERING TO FORMAT AND SEQUENCE FOR STRUCTURED DEBATES IN RECOGNITION OF MEMBERS BY THE SPEAKER

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that, in conferring recognition for structured debates on certain Wednesdays pursuant to the previous order of the House of February 11, 1994, the Speaker may adhere to a format and sequence mutually established by the majority leader and the minority leader of their designees and depicted in a memorandum at the Speaker's desk and at each manager's table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT TO TUESDAY, MARCH 15, 1994

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Tuesday, March 15, 1994.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, MARCH 16, 1994

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, March 15, it adjourn to meet at 10 a.m. on Wednesday, March 16, 1994.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CERTAIN BUSINESS IN ORDER AND PROVIDING GUIDELINES FOR CONSIDERATION OF BALANCED BUDGET AMENDMENT ON WEDNESDAY NEXT

Mr. STENHOLM. Mr. Speaker, I ask unanimous consent that business in order pursuant to clause 3 of rule XXVII (27) on Monday, March 14, 1994, be dispensed with, and that it be in order on Wednesday, March 16 for Representatives STENHOLM or his designee to call up House Resolution 331 for consideration under the same terms as if discharged from the Committee on Rules pursuant to clause 3 of rule XXVII.

Further, I ask unanimous consent that the period of general debate provided for in House Resolution 331 be reduced to 6 hours, to be equally divided and controlled by Representative BROOKS of Texas, Representative FISH of New York, and Representative STENHOLM of Texas, or their designees.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. SMITH of Oregon. Mr. Speaker, reserving the right to object, and I shall not object, but I do so merely to clarify the order of business on Wednesday and Thursday with the gentleman from Texas [Mr. STENHOLM].

Mr. Speaker, I understand that when the House meets next Wednesday at 10 o'clock, the first order of business will be the discussion of the rule on the balanced budget amendment to the Constitution for 1 hour. Following that, assuming passage of the rule, there will then be 6 hours of debate, as described in the unanimous-consent request by the gentleman from Texas.

Following general debate on Wednesday evening, there will be a 1-hour debate on the Kyl substitute, followed by a vote on the Kyl substitute. On Thursday, in a continuation of the balanced budget amendment debate, I assume at 10 o'clock Thursday morning the House will consider the Barton substitute for 1 hour, the Wise-Price-Pomeroy substitute for 1 hour, and, finally, the Stenholm-Smith balanced budget amendment offering for 1 hour, followed by a motion to recommit, and then a vote on final passage.

□ 1450

Does the gentleman from Texas understand that this is correct, or does he have suggestions for this amendment?

Mr. Speaker, I yield to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, that is exactly the understanding of what we agreed to. And in answer to the request of the gentleman from Illinois regarding the rule vote, it is not the intention of anyone on this side of the aisle to ask for a vote on the rule. I believe it has been expressed the same way from the gentleman's side of the aisle, and the schedule he has outlined is the procedure we will be following.

Mr. SMITH of Oregon. Mr. Speaker, that is correct. We have no plans to ask for a vote on the rule between the two of us. No one that I know will ask for a vote on the rule.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 56) to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from Massachusetts [Mr. MARKEY] who is the chief sponsor of this resolution to explain the resolution.

Mr. MARKEY. Mr. Speaker, I rise in support of Senate Joint Resolution 56, to designate the week of April 11, 1994, as "National Public Safety Telecommunicators Week." I am pleased to announce today that 224 of my colleagues join me in support of this resolution to recognize the thousands of public safety officers and employees whose job it is to coordinate, dispatch, and facilitate the execution of law enforcement and emergency response activities in all of our districts.

Each day, Americans place over one million calls to 911 services. That one million is multiplied two to three fold in instances of emergency. The natural disasters that swept the United States this past year, from the floods in the Midwest, to the brush fires and the earthquake in California, to the blizzards that flailed the northeast, commanded the conscientious efforts of the public safety workers more than ever. In order for emergency services to respond promptly, public safety telecommunicators swiftly and efficiently direct appropriate law enforcement, medical rescue, and firefighting teams where they are needed. The daily regimen of these public safety officers is filled with life-or-death situations to which they must respond calmly, confidently, and with utmost precision. And though untold numbers of Americans owe their lives to their heroic efforts, public safety telecommunicators are rarely in the limelight. Rather, these dedicated individuals work behind the scenes, with little public recognition of the tremendous value of their service.

National Public Safety Telecommunicators Week not only heightens public awareness of the life-saving communications services provided by public safety telecommunicators, but also recognizes the leadership of the Association of Public Safety Communications Officers [APCO] in ensuring the continued quality of these services. With a national membership of 9,000 public safety telecommunicators, APCO is a unified voice for the public safety community in advising Federal, State and local government agencies on ways to improve emergency response systems. The Subcommittee on Telecommunications and Finance, which I chair, has benefited from APCO's input on a number of important issues, ranging from spectrum allocation to telephone privacy to the information superhighway legislation currently going through committee. I look forward to APCO's continued input in these, and other important matters in the future.

Moreover, as we advance further into the information age, emerging communications technologies will increase tremendously the lifesaving capabilities of public safety telecommunicators. The emergency telecommunications systems of the future will incorporate new technologies such as digital mapping, solar powered cellular public rescue phones, and E-911 which will permit dispatchers to respond to emergency calls with greater speed and precision. Judging by their past performance, APCO and public safety telecommunicators will be on the cutting edge in employing these new technologies and services to save lives.

Mr. Speaker, I urge my colleagues to join me in expressing our enduring appreciation and gratitude to those men and women whose efforts have long gone above and beyond the call of duty.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, as an original cosponsor of House Joint Resolution 138, the House counterpart to Senate Joint Resolution 56, and as a Member of the congressional fire services caucus, it is my pleasure to rise in support of this legislation to designate the week beginning April 12, 1994, as National Public Safety Telecommunicators Week.

Public safety telecommunicators are the driving force behind our Nation's emergency rescue services. They are the men and women who dispatch our police forces, our ambulances, our firefighters. Although they are not as visible as the men and women who arrive at the scene of emergencies, they are just as important.

We depend upon public safety telecommunicators to notify emergency personnel promptly, clear, and calmly. We depend upon them to keep our spouses and our children calm and assured in an emergency. We depend upon them for guidance and support in our most frantic moments.

Mr. Speaker, some of us have been lucky enough not to have had to dial 911 in the middle of a fire, a robbery, or a medical emergency. But for the millions of Americans who have faced such an emergency, public safety telecommunicators have been there—ready and willing to help. It is, indeed, fitting that we take time to recognize their invaluable contribution to our daily lives, and I am very pleased to support the designation of the week beginning April 12, 1994, as National Public Safety Telecommunicators Week.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I thank the gentlewoman from Maryland [Mrs. MORELLA] for her eloquent words.

Mr. Speaker, I rise today in support of Senate Joint Resolution 56 to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week." I thank my colleague and friend, the gentleman from Massachusetts, [Mr. MARKEY], for his initiative in presenting this resolution for our consideration.

This resolution commemorates the more than one-half million men and women across the country who are engaged in the operation of emergency response systems for Federal, State, and local governments. These dedicated men and women are responsible for saving lives and property during times of crisis with their countless efforts in assisting the citizens of our Nation by dispatching to respond to emergencies, local fires, police, and safety personnel.

It is important to note that many of our telecommunicators provide calls for assistance relating to other important matters, such as forestry and conservation operations, highway safety and maintenance activities, and other pertinent governmental functions.

Accordingly, I strongly support this joint resolution in recognition of the outstanding services provided by our safety telecommunicators throughout our Nation and local communities.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 56

Whereas over one-half million dedicated men and women are engaged in the operation of emergency response systems for Federal, State, and local governmental entities throughout the United States.

Whereas these individuals are responsible for responding to the telephone calls of the general public for police, fire and emergency medical assistance and for dispatching such assistance to help save the lives and property of our citizens;

Whereas such calls include not only police, fire and emergency medical service calls but those governmental communications related to forestry and conservation operations, highway safety and maintenance activities, and all of the other operations which modern governmental agencies must conduct; and

Whereas America's public safety telecommunications daily serve the public in countless ways without due recognition by the beneficiaries of their services: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning April 12, 1993, is hereby designated as "National Public Safety Telecommunicators Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. WYNN

Mr. WYNN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYNN: Page 2, line 3, strike "April 12, 1993," and insert "April 11, 1994,"

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Maryland [Mr. WYNN].

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

AMENDMENT TO THE TITLE OFFERED BY MR. WYNN

Mr. WYNN. Mr. Speaker, I offer an amendment to the title.

The clerk read as follows:

Amendment to the title offered by Mr. WYNN:

In the title, strike "April 12, 1993," and insert "April 11, 1994,"

The amendment to the title was agreed to.

A motion to reconsider was laid on the table.

CLASSICAL MUSIC MONTH

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 239) to authorize the President to proclaim September 1994 as Classical Music Month, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from Illinois [Mr. YATES], who is the chief sponsor of House Joint Resolution 239.

Mr. YATES. Mr. Speaker, I think this is an important resolution. The people of our country love classical music. In designating the month of November 1994 as a month in which classical music is recognized for the greatest that it has, I think the House does honor to itself as well.

I want to thank the gentleman from Maryland for bringing the joint resolution up and for seeing that it is passed.

Mr. Speaker, classical music warms our hearts, makes us think, and lifts our spirits. It appeals to people of all ages in every part of the country and I think it is important to set aside some time, as we do with this resolution, to salute the musicians, the recording companies, the schools of music, the orchestras, and the various musical groups that perform this music as well as the people of this country that support and enjoy classical music.

Classical music, which we celebrate and honor with the passage of House Joint Resolution 239, is a source of tremendous pleasure to millions of Americans. I am delighted to have had the opportunity to introduce this resolution authorizing the President to proclaim the month of September as Classical Music Month and I look forward to the events that will take place all across the country during September.

I am most grateful to my 249 colleagues who joined me in this effort and I extend my personal thanks to Chairman CLAY and his committee for bringing the bill to the floor today.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I merely wish to add my support to the gentleman's resolution.

I urge my colleagues to fully support the measure.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 239

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating September 1993 as "Classical Music Month" and calling upon the people of the United States to observe such a month with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNITION OF PARENTS DAY

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the resolution (H. Res. 236) to declare that July 28, 1994, be recognized as Parents Day, and ask for its immediate consideration.

□ 1500

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Is there objection to the request of the gentleman from Maryland?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but would simply like to inform the House the minority has no objection to the legislation now being considered.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I thank my colleague, the gentleman from New York [Mr. GILMAN] for yielding to me.

Normally I would not read a resolution. This is very short, but I think it is very, very important. I would like to read it for my colleagues.

Mr. Speaker, this is "To declare that July 28, 1994, be recognized as Parents Day.

Whereas the values of sacrificial love and integrity are fundamental in developing the moral character essential to maintaining a strong nation;

Whereas parents by their example of sacrificial love and the transmission of moral and cultural values play a crucial and determinant role in the development of youth;

Whereas time has demonstrated that the traditional American family is the most stable and secure environment in which parents can successfully rear future generations;

Whereas the current breakdown of the traditional American family is a major factor contributing to the rise of crime, teen pregnancy, educational failure, substance abuse, and suicide among our Nation's youth;

Whereas it is in the interest of society and government to adopt policies, that help families stay together by strengthening and sustaining fathers and mothers in fulfilling their parental roles: Now, therefore, be it

Resolved, That on Parents Day, July 28, 1994, all private citizens, organizations and governmental and legislative bodies at the local, State and Federal level are encouraged to recognize this day through proclamations, activities and educational efforts in the furtherance of recognizing, uplifting and supporting the role of parents in the rearing of their children.

Mr. Speaker, this proposal was brought to my attention by the National Parent's Day Coalition, and it is a bipartisan, multiracial organization consisting of ministers and lay people from across this country who are very concerned about the deterioration of the moral fiber of this country and the deterioration of the family.

Among those who are cochairmen is a former colleague of ours, the Honorable Walter Fauntroy, who represented the District of Columbia in the Congress, and he is now a pastor here in Washington; Dr. Robert G. Grant, who is a national cochairman; Dr. D. James Kennedy, also a great theologian; Dr. Joseph Lowery; Dr. Cecil Murray; and a former colleague of ours, the Honorable Bob Wilson.

Mr. Speaker, I just want to commend them and all the other people who have been active in this organization for their efforts to try to bring to the attention of the American people and governmental units across this country the importance of preserving and furthering the values we all hold so dear that made this country what it is today.

Above the lectern it says, "In God We Trust." Sometimes I wonder if that is sometimes still our theme, because of the way our country is headed.

This National Parent's Day coalition is going to try to put moral values and religious principles back into the families, to perpetuate the way the family is, to let the country know how important the family is, and to give parents a pat on the back for the hard work they have put forth in raising children in a very difficult period in our country's history.

With that, Mr. Speaker, I just want to thank my colleague for yielding, and thank my colleague on the other side of the aisle for his support on this resolution, as well.

Mr. Speaker, I include for the RECORD this letter urging cosponsorship of National Parent's Day:

NATIONAL PARENT'S DAY COALITION,
Tantallon, MD, October 21, 1993.

Hon. PHIL CRANE,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN CRANE: I am writing you on behalf of the Co-Chairmen of the National Parent's Day Coalition who join with me in urging you to cosponsor H. Res. 236, a resolution introduced by Rep. Dan Burton to proclaim July 28, 1994 as Parent's Day (copy enclosed). In addition to myself, the other Co-Chairmen of our coalition are Dr. Cecil Murray, Pastor of the First AME Church of Los Angeles, Dr. D. James Kennedy, Pastor of Coral Ridge Ministries, Dr. Joseph Lowery, President of the SCLC, and former representatives Bob Wilson (R-CA) and Walter Fauntroy (D-DC). We are a bipartisan, multiracial and interfaith coalition with members in all 50 states.

As we build toward implementing many activities and events to coincide with Parent's Day, we will be sure to prominently mention your name as a key cosponsor of this resolution. Your support and leadership in this endeavor will be greatly appreciated by our many supporters in your district.

Already, more than 42 Democrats and Republicans have agreed to cosponsor H. Res. 236 (see enclosed list). We hope you will join with your colleagues in adding your name to this important resolution.

I understand that a number of your constituents have already written to you in support of this. In the near future, one of our coalition's volunteer coordinators will contact your office to follow up on the above request. We look forward to your joining with us in support of this endeavor to recognize and support parents.

Thanking you in advance for your thoughtful consideration of the above and wishing you God's richest blessings,

I remain,

ROBERT G. GRANT, Ph.D.,
National Co-Chairman.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I rise in strong support of this resolution. I commend the gentleman from Indiana [Mr. BURTON] for bringing this measure to the floor.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 236

Whereas the values of sacrificial love and integrity are fundamental in developing the moral character essential to maintaining a strong Nation;

Whereas parents by their example of sacrificial love and the transmission of moral and cultural values play a crucial and determinant role in the development of youth;

Whereas time has demonstrated that the traditional American family is the most stable and secure environment in which parents can successfully rear future generations;

Whereas the current breakdown of the traditional American family is a major factor contributing to the rise of crime, teen pregnancy, educational failure, substance abuse, and suicide among our Nation's youth; and

Whereas it is in the interest of society and government to adopt policies, that help families stay together by strengthening and sustaining fathers and mothers in fulfilling their parental roles: Now, therefore, be it

Resolved, That on Parents Day, July 28, 1994, all private citizens, organizations and governmental and legislative bodies at the local, State and Federal level are encouraged to recognize this day through proclamations, activities and educational efforts in the furtherance of recognizing, uplifting and supporting the role of parents in the rearing of their children.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GREEK INDEPENDENCE DAY

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate joint resolution (S.J. Res. 162) designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but I would just simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I am pleased to be able to rise to speak on the occasion of this commemorative which marks a day of tremendous historical significance for Americans and all who revere the blessings which a democratic way of life have afforded us. On March 25, Greece will celebrate the 173d anniversary of its declaration of independence from foreign domination. We revere and honor the contribution that Greek civilization has made to the democratic tradition.

The cause of Greek independence and the adherence of the Greek nation to the path of democracy and true respect for the will of the people to determine their political course has always been dear to the hearts of democrats—and I say that word with a small d—everywhere. We remember that the great romantic poet Lord Byron gave his life for this cause during the tumultuous revolt of the Greeks against their Ottoman overlords. The cause of democracy in Greece continues to be a matter of interest and concern for us here today.

In particular, we in America are gratified by Greece's role as a close American ally, the contribution that the Greek-American community makes to this country—and we only have to look around this Chamber to see our Members of Greek heritage with whom I know we are all proud to serve—and Greece's role in Europe, where it now holds the important position as the President of the European Union.

I hope that all Members of this House will join me in sponsoring the resolution of the gentleman from Florida [Mr. BILIRAKIS], House Joint Resolution 310, which commemorates Greek Independence Day, and I applaud that gentleman for his efforts in this cause.

Mr. BILIRAKIS. Mr. Speaker, as the principal sponsor of the House companion measure to this bill, I would like to express my deep gratitude particularly to Chairman SAWYER of the Census and Population Subcommittee for bringing this measure to the floor in such an expeditious manner.

I would also like to thank JOHN MYERS, ranking Republican on that subcommittee, and Chairman CLAY of the Post Office and Civil Service Committee in this regard.

March 25 is a very special day to Greek-Americans and those who practice the Greek Orthodox faith—as well as freedom-loving people everywhere, really. This year, it marks both the 173d anniversary of the independence of Greece and its role as the wellspring of democracy.

Mr. Speaker, it is a magnificent thing to see so many people the world over turning to democratic movements in the wake of fallen or overthrown dictatorships and tyrannies. The practice of democratic government, first seen in Athens in 510 B.C., is being sought out and implemented around the world, expanding the frontier of freedom farther and farther every day.

Those democratic movements owe a great debt of gratitude to the ancient Greeks such as Aristotle and Polybius, who were democracy's pioneers, as do we here in this Nation. I am never more proud of my own Greek heritage—or of being an American—than on days such as this one.

As those ancient Greeks forged the very notion of democracy, placing the ultimate power to govern in the hands of the people themselves, the spirit of March 25, Greek Independence Day, lives on in its defense. Over the course of history, many of the free world's people have given their lives in that defense.

I thank all of the colleagues here today for passing this legislation in commemoration of the democratic heritage that all of us share and which is shared by the United States and Greece.

Mr. GILMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 162

Whereas the ancient Greeks developed the concept of democracy, in which the supreme power to govern was vested in the people;

Whereas the Founding Fathers of the United States drew heavily upon the political experience and philosophy of ancient Greece in forming the representative democracy of the United States;

Whereas these and other ideals have forged a close bond both between the United States and Greece and between their peoples;

Whereas March 25, 1994, marks the 173rd anniversary of the beginning of the revolution that freed Greek people from the Ottoman Empire and enabled the reestablishment of democracy in Greece; and

Whereas it is proper and desirable to celebrate that anniversary with the Greek people and to reaffirm the democratic principles from which the United States and Greece were born: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 25, 1994, is designated as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL AGRICULTURE DAY

Mr. WYNN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate joint resolution (S.J. Res. 163) to proclaim March 20, 1994, as "National Agriculture Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I do not object, but

I would simply like to inform the House the minority has no objection to the legislation being considered.

Mr. DE LA GARZA. Mr. Speaker, I am pleased to join in support of the passage of Senate Joint Resolution 163, to proclaim March 20, 1994 as National Agriculture Day.

National Agriculture Day has been observed annually for the past 21 years. It is quite simply a day set aside for our Nation to commemorate the many and important contributions of American agriculture to our Nation's economy and our individual lives.

How important is American agriculture today?

American agriculture is the economic foundation of not only rural America, but urban America. It is the source of the food that all of us rely on each and every day for sustenance and the fiber that clothes our bodies. American agriculture is the starting point for our Nation's enormous food and fiber sector which accounts for 16 percent of our Nation's GNP and 23 million jobs.

American agriculture is the steward of the lion's share of our Nation's privately held soil and water resources, a responsibility that our Nation's farmers and ranchers take very seriously because sustainable use of resources is absolutely necessary to their future.

American agriculture is the world's most efficient and diverse producer of food, enabling American consumers to be the best-fed people in the history of the world for the least amount of disposable income, and through its exports contributing to a more favorable balance of trade for our Nation.

Mr. Speaker, the designation of March 20 as National Agriculture Day will—at least in a small way—increase the public's awareness of the role of American agriculture, our Nation's largest industry.

This resolution allows our Nation to collectively say thank you to all the men and women involved in American agriculture. I appreciate the support and cooperation of the Committee on Post Office and Civil Service and Chairman Clay in bringing up the resolution, and the gentleman from Maryland [Mr. WYNN] for managing the bill today.

I also want to say thank you to all of my colleagues here in the House who joined as cosponsors of House Joint Resolution 317, making it possible for us to consider the Senate companion today. Finally, I would like to acknowledge the assistance of Debbie Smith of the House Agriculture Committee staff who was instrumental in shepherding this resolution through the necessary legislative process.

Mr. Speaker, I urge adoption of Senate Joint Resolution 163.

Mr. GILMAN. Mr. Speaker, I am pleased to withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 163

Whereas agriculture is the Nation's largest and most basic industry, and its associated production, processing, and marketing segments together provide more jobs than any other single industry;

Whereas the United States agricultural sector serves all Americans by providing food, fiber, and other basic necessities of life;

Whereas the performance of the agricultural economy is vital to maintaining the strength of our national economy, the standard of living of our citizens, and our presence in the world trade markets;

Whereas the Nation's heritage of family-owned, family-operated farms and ranches has been the core of the American agricultural system and continues to be the best means for assuring the protection of our natural resources and the production of an adequate and affordable supply of food and fiber for future generations of Americans;

Whereas the American agricultural system provides American consumers with a stable supply of the highest quality food and fiber for the lowest cost per capita in the world;

Whereas American agriculture continually seeks to maintain and improve the high level of product quality and safety expected by the consumer;

Whereas the public should be aware of the contributions of all people—men and women—who are a part of American agriculture and its contributions to American life, health, and prosperity;

Whereas women play a vital role in maintaining the family farm system, both as sole operators and as working partners, and are also attaining important leadership roles throughout the American agricultural system;

Whereas farm workers are an indispensable part of the agricultural system as witnessed by their hard work and dedication;

Whereas scientists and researchers play an integral part in the agricultural system in their search for better and more efficient ways to produce and process safe and nutritious agricultural products;

Whereas farmers and food processors are responding to the desire of health-conscious American consumers by developing more health-oriented food products;

Whereas distributors play an important role in transporting agricultural products to retailers who in turn make the products available to the consumer;

Whereas our youth—the future of our Nation—have become involved through various organizations in increasing their understanding and our understanding of the importance of agriculture in today's society;

Whereas it is important that all Americans should understand the role that agriculture plays in their lives and well-being, whether they live in urban or rural areas; and

Whereas since 1973, the first day of spring has been celebrated as National Agriculture Day by farmers and ranchers, commodity and farm organizations, cooperatives and agribusiness organizations, nonprofit and community organizations, other persons involved in the agricultural system, and Federal, State, and local governments: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 20, 1994, is proclaimed "National Agriculture Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities during the week of March 14 through March 20.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WYNN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the various resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

APPOINTMENT AS MEMBER OF THE CONGRESSIONAL AWARD BOARD

The SPEAKER pro tempore. Laid before the House the following communication from the Honorable ROBERT H. MICHEL, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, March 11, 1994.

Hon. THOMAS FOLEY,
Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to Section 4 of the Congressional Award Act (2 U.S.C. 803), I hereby appoint Mr. Thomas D. Campbell of Alexandria, Virginia to serve as a member of the Congressional Award Board.

Sincerely,
ROBERT H. MICHEL,
Republican Leader.

GOALS 2000: EDUCATE AMERICA ACT

The SPEAKER pro tempore. Without objection, the Chair appoints the following additional conferees on H.R. 1804:

As additional conferees from the Committee on Energy and Commerce, for consideration of title XII of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, WAXMAN, SYNAR, MOORHEAD, and BLILEY.

As additional conferees from the Committee on Foreign Affairs, for consideration of section 921 of the Senate amendment, and modifications committed to conference: Messrs. HAMILTON, BERMAN, LANTOS, GILMAN, and Ms. SNOWE.

Further, and without objection, the Chair will insert into the CONGRESSIONAL RECORD a correction in the previous appointment of conferees on H.R. 1804 on February 23, 1994:

From the Committee on Education and Labor, for consideration of the House amendment (except title II) to the Senate amendment, and the Senate amendment (except sections 901–14), and modifications committed to conference: Messrs. FORD of Michigan, KILDEE, MILLER of California, SAWYER, and OWENS, Mrs. UNSOELD, Mr. REED and Mr. ROEMER, Mrs. MINK of Hawaii, Messrs. ENGEL, BECERRA, and GENE GREEN of Texas, Ms. WOOLSEY, Ms. ENGLISH of Arizona, Messrs. STRICKLAND, PAYNE of New Jersey, ROMERO-BARCELÓ, GOODLING, GUNDERSON, MCKEON, and PETRI, Ms. MOLINARI, Mr.

CUNNINGHAM, Mr. MILLER of Florida, Mrs. ROUKEMA, and Mr. BOEHNER.

From the Committee on Education and Labor, for consideration of title II of the House amendment to the Senate amendment, and sections 901–14 of the Senate amendment, and modifications committed to conference: Messrs. FORD of Michigan, OWENS, PAYNE of New Jersey, SCOTT, SAWYER, GOODLING, BALLENGER, BARRETT of Nebraska, and FAWELL.

There was no objection.

NISSAN VAN OWNERS LOSE OUT

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, Nissan Motor Corp. in the United States recently announced a buy-back of their flawed 1987–1990 C-22 minivans and, the settlement of a 1-day California class action lawsuit which provides every van owner with a $500 coupon.

What was not clear in the announcement nor in newspaper reports of the buy-back, was the fact that the van owners waive their right for further actions against Nissan if—if they accept the $500 couple offer. Before March 22, 1994, van owners must notify the California superior court of their intention to be excluded from the California lawsuit.

Nissan's buy-back literature states the company "is undertaking this unprecedented program because we are concerned about your satisfaction." What crocodile tears. It has taken 6 years and 156 van fires to force this vehicle off the road.

The van owners are the victims in this sordid affair. Potentially they lose their rights as well as their money while the California attorneys made $1.5 million on the lawsuit. This is not justice.

□ 1510

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

DR. JOHN B. COLEMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. EDDIE BERNICE JOHNSON] is recognized for 5 minutes.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, the State of Texas suffered a great loss over the weekend with the passing of Dr. John B. Coleman, a great friend and mentor to scores of Democratic politicians.

As Democrats throughout Texas all know, Dr. Coleman was more than a great physician and successful entrepreneur. He was the kind of friend, community servant, and philanthropist that made Texas extremely proud to call him a native son.

On behalf of my colleagues from Texas, I am deeply honored to share with this body the memory of a man who contributed so very much to Democratic politics, and principles. His quiet leadership, and his political activism without regard for personal gain, will ensure that his memory will live forever in the minds and hearts of every freedom loving Texan.

Dr. Coleman was a man of great conscience, whose legacy will long be felt even beyond the borders of Texas. Dr. Coleman lived daily what he preached. His relentless support of black American and other minority candidates, and his devotion to the minority community, while choosing to stay out of the limelight of politics, will leave a void that will be difficult to fill.

My Democratic colleagues would remind me that Dr. Coleman's support was not limited to black American politicians. Ask any of the previous mayors of the city of Houston, or the governor of Texas. He constantly sought out candidates whose moral fiber comported with his own strict standards, whether they were black American or not. In short, he put his money where his mouth was.

When Dr. Coleman finished medical school and returned to his native Houston in 1962, most hospitals would not allow him to practice. Nor could he eat at the local diners, or play golf with other doctors at the local country clubs. A man of impressive patience and enduring character, he thereafter devoted his life to chipping away at the prohibitions against black patronage of hotels, theaters, and other businesses.

Dr. Coleman epitomized independence and self-sufficiency, and encouraged other black Americans to practice the same. His black-owned radio station has been one of the most influential voices of the black community.

In education, Dr. Coleman was an impassioned and devoted leader. He was one of the first black Americans to be appointed by a Texas Governor to the board of regents of the prestigious Texas A&M University. He also served with pride on board of regents of Texas Southern University, and chairman of the board of the United Negro College Fund.

For black Americans everywhere, John B. Coleman leaves behind a legacy of pride and inspiration.

For the State of Texas, Dr. Coleman was the embodiment of good politics, and good citizenship. As a number of Texas legislators have said, "he didn't look at the outcome of a political race for himself, but what was good for the community."

I sincerely believe that the State of Texas is a better place to live because of the life-long community efforts of Dr. John B. Coleman.

JAPANESE TRADE PRACTICES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland, Mrs. BENTLEY] is recognized for 5 minutes.

Mrs. BENTLEY. Mr. Speaker, in some instances it seems very appropriate—and most enjoyable, I admit, to say, I told you so. After almost 10 years of coming to this floor week after week hammering on the unfair trading practices of Japan, it is very gratifying to have so much evidence being presented by this Government that I was neither crying wolf, nor "Jap bashing."

The recently completed joint study by the Japanese Ministry of International Trade and Industry [MITI] and the United States Commerce Department on auto imports by Japan documents my many contentions that United States automotive manufacturers face a host of non-tariff trade barriers when trying to sell into the Japanese market.

Even though Japan boasts that it has anti-trust laws, it has not stopped the Japanese automobile industry not only from producing cars, but also controlling the sales and distribution of the products. Since the Nissan or Toyota-owned auto distributor is not going to sell and service his competitors' cars, then a U.S. distributor must set up new sales rooms and dealerships. In Japan, because of the shortage and expenses of land—especially in the urban areas where the markets are—the additional start-up costs are prohibitive for United States entry into the market.

Now, if a United States car is ordered directly from this country or, in order to secure a right hand drive—as is the custom in Japan—is ordered from Ford in England, the minute it comes off the ship, the Japanese demand that it be disassembled to check its safety. To the contrary, the United States allows the Japanese to self certify the safety of their cars, so that they roll straight from the ship into the distributors' hands into the hands of the American buyer.

How sweet it is for the Japanese. How tough it is for the U.S. producer! And, how unfair! As if moving the car through the Japanese bureaucracy and having a service center, possibly, as far as 30 miles away were not enough of a deterrent to purchasing an American car, there are even other restrictions—some visited equally upon Japanese cars, such as certifying that one has a permanent parking space—which makes the purchase of a car in Japan a hassle without adding to the problem by buying a foreign automobile.

The argument by militant free traders that it is the U.S. industry's fault, because "it has never produced right-hand drive automobiles" displays a shocking ignorance of Ford's prominence in the right-hand-drive English market. But, facing all of the nontariff barriers in Japan, what difference does the steering position make?

I congratulate the President and his Trade Representative, Mr. Kantor, on their tough stance with the Japanese. It's about time. In 1971, there was a $1.3 billion deficit—yearly. By 1991, it has grown to $43 billion in 1993, $54 billion by November. Realize, that this figure represents the loss of real U.S. wealth that will never be recovered.

What does this mean to each constituent in our district? The economic rule of thumb is that each billion of trade deficit represents a loss of 20,000 jobs. The Japanese trade deficit added to the deficits with all other foreign nations—we have a surplus with very few nations—has created the current jobs situation about which, Robert Reich, Secretary of Labor, states:

> In 1993—despite the recovery—both the extent of long-term unemployment and the average length of a period of joblessness hit their third-highest annual levels since the end of World War II.
>
> Fewer than one-quarter of unemployed job losers in 1993 expected to be called back to their old jobs after a layoff. For the rest, their jobs were gone for good—the highest proportion of permanent job loss since 1967, *when statistics were first collected*—emphasis mine.

Professor Reich is a noted free trader so it is a puzzle to me that he seemingly does not connect this frightening employment situation with the equally frightening, growing trade deficit.

I hope the President's position on the current Japanese debate is evidence that someone in the White House is studying cause and effect.

□ 1520

TRIBUTE TO JOHN BRADY COLEMAN

The SPEAKER pro tempore (Mr. Johnson of South Dakota). Under the Speaker's announced policy of February 11, 1994, the gentleman from Texas [Mr. Washington] is recognized for 5 minutes.

Mr. WASHINGTON. Mr. Speaker, I join my distinguished colleague from Texas in noting and pointing out the fact that Texas lost a very distinguished person in the death of John Brady Coleman.

He was a wonderful man. He was the kind of person who held out his hand to all people. He was the kind of person who was a civic and community leader, and he devoted his life not only to the practice of medicine but he devoted his life to the education of young people.

I truly believe that education is one of the most important things that we can do for our society and that we can do for our people. It should be noted that truancy and the lack of an education leads to more problems in our society.

Crime and all of the incidents and the flowing results from crime are largely caused, I think, from the lack of an educational system that delivers for our people. It should be noted that truancy is the largest single predictor of criminal behavior.

It should be noted that Dr. Coleman was aware of that fact, and in addition to being on the boards of regents of Texas A&M University system, and Texas Southern University and Huston-Tillotson University in Austin, TX, at different times, he was also the leading, driving force for the United Negro College Fund in Texas. He took the UNC up from the dark ages where they went from hand to hand and from house to house raising small amounts of money to a telethon that raised annually more than $1 million that helped young people that go to 41 member schools that are located throughout this Nation and predominantly in the Southern part of this Nation.

John Brady Coleman was a wonderful man. He had a wonderful wife, Gloria Coleman, and they had three wonderful children, John B. Coleman, Jr., Kathleen Coleman, and Garnet Coleman, each of whom in their own right are making positive contributions to the Houston community. I dare say that they will be for many years.

When I attended Dr. Coleman's wake, it was held at one of the largest churches in Houston. Yet it was overflowing to capacity, which meant that people were listening outside in the cold on the loudspeaker to hear the many wonderful things that were being said in praise of Dr. Coleman and his life.

He lived a full life, 64 years of helping, touching many, many people, from promoting small groups, fledgling entertainment groups that were trying to get started in the music business, through a series of clubs and promotions that he had, to touching young people, to helping people get started with business.

He was not afraid to loan his money to people who could not get a loan at a bank. He touched the lives of many, many people, many of whom even his family will never know for sure, because Dr. Coleman was the kind of giant and the kind of man who never forgot from whence he came.

We will miss him, we will miss his legacy, and we will miss his life.

I think it is appropriate to pause at this time in the House of Representatives of the United States to pay diligence, homage, and honor to John B. Coleman for the life that he lived, a life well spent.

BURMA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Rohrabacher] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, we are witnessing a historic realignment between nations and peoples. Old empires are withering away, and new centers of prosperity are emerging. These extraordinary changes will not, however, result in a future of increased freedom for everyone.

Burma is one of the places left behind as the world moves toward new potential for freedom and democracy. While prosperous cities like Bangkok, Singapore, Hong Kong, Seoul, Taipei, and so many others in Asia distinguish themselves as thriving market and cultural centers, Rangoon lingers in stagnation and oppression.

Burma is a police state, a place where everyone's life is controlled by a heavy-handed clique of military officers and unelected officials.

The gap, between Burma and its ASEAN neighbors is being widened by rapid advances in technology and the emergence of a global market. Each year free societies take steps toward solving problems like pollution, disease, and hunger, while unfree societies like Burma slide backward. We can see this same gap in Vietnam, Cuba, North Korea, and other corrupt dictatorships.

While it is not incumbent on us to spill American blood or expend our resources to combat every tyrant, for there will always be another tyrant, it is incumbent on us to support those who are fighting for democracy, human rights, rule of law, and, in short, the values and ideas at the heart of the American experience.

Mr. Speaker, I want to acknowledge one of our colleagues who recently took it upon himself to reach out to the oppressed people of Burma. Bill Richardson went to Rangoon and stood tall for human rights and democracy. His presence was evident to the people of Burma that they are not forgotten. He clearly sent the message that we are on the side of the oppressed, not the oppressor. Bill met with Nobel Laureate Aung San Suu Kyi, and underscored America's support for her courageous vigil for freedom in Burma.

Congressman Richardson's message gives hope to people isolated from the world both in Rangoon and in ramshackle refugee camps deep in the jungle. The hill tribe people of Burma, who have fought the Burmese regime, are humble and innocent people. They have been subjected to forced relocations, starvation, inadequate shelter, poor medical care, disease, and constant threat of military attack.

Karens, Mon, Pa-O, Kachin, Wa, Kareni, Chin, Shan, and couragous ethnic Burmese are members of the Democratic Alliance of Burma, standing together they have managed to keep Burma's vicious regime from its goal of total control.

Since the open elections of 1990, which the democratic forces won, but were denied their electoral victory by raw military power, the Burmese junta slowly killed, jailed, or exiled the entire leadership of the democracy movement, just as they have attacked and isolated the hill tribes of Burma.

But this has caused the Burmese regime to be a pariah among the nations of the world. So recently the regime has been trying a new approach: A few democratic leaders have been released and there has been an aggressive public relations program in Washington. Rangoon has, in fact, limited its military offensives against the hill peoples. All this to calm the voices of condemnation overseas, but not to loosen its grip on power at home.

Mr. Speaker, the democratic resistance in Burma is reeling. They are being pressured to give up their legitimate and democratic demands. Both China and Thailand have economic interests in seeing a settlement signed, and therefore they have exerted pressure on the ethnic groups to come to some kind of accommodation.

Our generous friends in Thailand, yearning for peace on their borders and friendly ties with their neighbors, have grown tired of having so many refugees inside their borders. Who can blame the Thais for wanting to settle the conflicts on its borders. But consequently, lacking any serious outside support, there are few other alternatives for those who would have democratic government in Burma rather than seeking accommodation with the ruling clique.

Unfortunately, the United States has not been the positive force in Burma that it should have been. U.S. businesses are lining up to invest despite human rights abuses and dictatorship. Some in our Government have urged cooperation and constructive engagement with the Burmese regime, nudging them toward reform and respect for human rights.

It is obvious that those who hold power illegitimately have most of the leverage in the negotiations now going on in that troubled land. Our American embassy in Rangoon should let it be known that there are certain basic principles which must be part of any solution for Burma's troubles.

Any agreement should include, at a minimum, the release of Aung San Suu Kyi, the removal of Burmese troops from the territories of the ethnic tribes, respect for human rights, and guarantees for the protection of hilltribe culture and their way of life. In the case of the Kareni, we should respect their desire for independence, perhaps as part of a confederation.

Should the fighting end, I will be looking forward to reading reports of how the Burmese regime has shifted its enormous military away from slaughtering innocent hill tribesmen, and refocusing it on eradicating narcotics trafficking in Burma.

As the Clinton administration reviews our policy toward Burma it should not ignore democracy and human rights. Someone who is a forceful negotiator and strong advocate of human rights should represent us in Rangoon as Ambassador.

Mr. Speaker, Burma is a country of over 40 million people. It is rich in minerals and has great economic potential. The Burmese people are as talented and capable as any in the world. Aside from potential beneficial economic ties and the narcotics issue, we presently have few interests in Burma. Nevertheless, it is necessary for us to pay attention to the Burmas of the world. Part of our global concerns should include the tens of millions of people in places like Afghanistan, Sudan, Tajikistan, and Burma. Places where people are struggling for their lives and their freedom against the forces of tyranny. Without our attention and concern, these forgotten corners of the world quickly turn into places where the law of blood and force rules exclusively. Because of our convictions and our powerful position in the world, we owe it to our forefathers and mothers, whose love of liberty made the United States what it is to express solidarity with the struggle of the oppressed, and to condemn the tormentors of those who long for freedom and a better life.

Mr. Speaker, these are people who have, facing great odds, risk of the death of their family and themselves, have stood against this dictatorship. I would leave one message to the people of Burma—and I commend my fellow congressman. BILL RICHARDSON of New Mexico, he speaks for us and he spoke for us when he talked in Rangoon when he spoke about democracy. The people of Burma are not forgotten. I hope they hold firm to their struggle for human rights and democracy.

WELFARE REFORM; THE GENDER ISSUE

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Under the Speaker's announced policy of February 11, 1994, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 60 minutes as the designee of the majority leader.

Mrs. MINK of Hawaii. I thank the Speaker for allotting me this time and I thank the majority leader.

The matter I would like to introduce tonight in a series of special orders that I hope to take, by engaging my fellow colleagues in the House to join me, is a discussion of the whole welfare reform issue. Welfare reform has become a topic that has been linked with health care reform. It is linked to budget deficit considerations, and it has risen to prominence in terms of the Clinton administration's priorities.

Therefore, I believe it is incumbent upon us as Members of this House to put this issue in proper perspective. So much of what has been said and what we have seen in the press and elsewhere is extremely negative criticism of people, who though no fault of their own, have come to difficult circumstances and have, therefore, had to ask for Government assistance.

If the subject matter were simply to be dropped at that point, perhaps it would not be necessary to take special orders to discuss this issue with greater compassion and clarity.

But the point that I wish to make in this hour that I have taken is that the brunt of our criticism, the brunt of our attack, the brunt of the burden of this debate is being heaped upon women in this society. It is grossly unfair to put this kind of criticism on the people of our society who are already in a highly difficult situation.

We all know the statistics as women: Women have the greatest difficulty in finding jobs that pay decent wages; they have the greatest difficulty in finding jobs that have even the slightest amount of upward mobility. We speak about being locked into a job situation that barely pays enough to stay above the poverty line let alone to survive and provide for a family of two or three children.

The statistics are there. The comparisons in terms of wages earned by women at the lowest end of the work force prove this time and time again, that despite all progress which we have made in terms of gender equity in this society, that there are still monumental problems with respect to women being able to earn a decent living and to be paid according to their talent and ability.

We only need to look at the statistics to bear this out. Women are still at the level of 60 cents to 70 cents on the dollar, based upon equal educational background and equal experience when it comes to men holding the same position.

Talk about the glass ceiling, the glass ceiling is often discussed for the higher levels, "Why don't we have more judges, more people heading corporations, more people in the professions?" The glass ceiling that we need to be concerned about is the one that keeps women in our society at the lowest level of earning, at the most menial jobs, the jobs which have the least potential of being able to lift them up to the ability to sustain their families.

It is under these circumstances that we are now debating this whole welfare reform issue.

Most of these families are on public assistance because they have nowhere else to go. I cannot believe that this great Nation is going to forget its history of compassion and concern for those in our society who are unfortunate, who have come to unfortunate circumstances, and abandon them with such harsh rules as 2 years and you're out. It sounds something like "three strikes and you are in a lifetime prison situation." I cannot believe this Nation is going to move forward to place those kinds of harsh consequences upon these families.

The most important point that the country needs to know when we are talking about people on family assistance is that the vast majority of persons on family assistance are children. We are talking about some 10 million children, perhaps, who are on AFDC rolls. If we adopt a policy that says that the single parent can receive assistance only for 2 years, what is to happen to these children? What is to happen to the support mechanism for these children?

I believe that we need to look at some of these harsh recommendations for the stark reality that they will present to America.

All of us join with our concerns about the homeless: What do we do about the people on our streets who have no home, about families that are living in vacant lots or in car bodies or are pitching a tent on the mountain or on the seashore because they do not have the wherewithal to pay the rent and to take care of their families?

What will happen if we adopt a 2 years and you're out rule is that there will obviously be more families who will be forced to take to the streets and to fill our homeless shelters and to depend upon the private charitable organizations of the country.

One of the reasons I believe the welfare reform debate is heating up is because of the expenses that have been mounting under one of the entitlement programs called Medicaid, because poor families have a program which entitles them to receive health care when they need it. And of course in discussing the health care reform issue, one of the major areas that people are concerned about is the mounting cost, not only of Medicare but also of the Medicaid population.

So, in order to come to grips with this rising cost of entitlements, we need to do, they say, something about the welfare aspects. And it is true. So I believe that one of the fundamental responsibilities that this Congress has is to come forward with a health care reform package that will make it possible to offer, finally, universal health care coverage for everyone in America regardless of their status, their economic ability, their family situation, or whatever.

□ 1540

So that will take us one tremendous step in the direction of helping to take care of some of the problems.

I have heard many families on public assistance saying that they have to, in order to make sure that their children's health care needs are met, that there is no other way for them to provide for this health coverage, and so they maintain themselves with all the restrictions on welfare in order to protect their children. So, if we enact the health care reform proposals that are before us and assure the country of universal coverage, the part of the problem with reference to those on public assistance will be met.

The AFDC program is a program that costs about $11.8 billion in Federal benefits. Basically AFDC is a matching program where the States come up with roughly about 50 percent of the costs, and the Federal Government comes up with 50. It is not a federalized program in the sense that there is a minimum established for child assistance throughout the country. There is a wide disparity. It depends upon the decisions at the local level.

So, Mr. Speaker, it is very much a program that depends upon what the States feel they want to contribute to the support of a family.

In my own State the support figures that go back to January 1991 indicate that the support, maximum support, grant is $695. By contrast, Mr. Speaker, we have States like Alabama at $124, we have Mississippi at $120, we have California at $694. We have Alaska at $891, Arizona at $293. The States vary tremendously in the amount of money that is provided to each of these families.

I have long felt that one of the solutions is to perhaps put all of this under the Federal Government and to provide a uniform support basis for the children all across America rather than to leave it dependent upon where they happen to live, and this might provide some substantial support for children throughout the country.

There are today, according to the latest Census Bureau memorandum which I just received the other day dated March 3, in America 36.9 million Americans living below poverty, and this is a 1992 statistic. This figure has increased since 1991. At that time it was 35.7 million. In 1989 it was 31.5 million.

So, Mr. Speaker, this is a very high number of persons living in poverty. It is the highest number since 1962 according to the Census Bureau.

Fifty-four percent of the mothers between 18 and 44 years of age in 1992 who had born a child in that year were working. Fifty-four percent of the women. In 1982 it was 44 percent. In 1976 it was 31 percent. More women are in the work place today contributing to the commerce of this country, finding employment, providing for their families and, in many cases, at the lowest wages that that community offers. It is difficult for the families, and if something should happen to disrupt those families, divorce, death, separation or whatever, many of them have no other recourse than to seek assistance under the AFDC program.

There have been societal changes, too, in the last 10 or 15 years. Twenty percent of the preschoolers whose mothers worked in 1992 have fathers at home as the primary care giver, and this is up from 15 percent of the preschoolers being cared for by their fathers in 1988. The statistics in 1992 show 16 percent are cared for by their grandparents and 8 percent by other relatives. Thirty-one percent of recent mothers who had a child in 1992 had high school educations—excuse me—31 percent had less than a high school education as compared to 72 percent that had graduate degrees, and so we see a changing situation among the working mothers. In 1993, Mr. Speaker, the Census Bureau advises that 80 percent of Americans 25 years and older completed high school. That is a remarkable number of people.

So, Mr. Speaker, we are succeeding despite all the naysayers in our society. Most Americans are continuing high school and finishing high school. They still have difficulty finding a job.

We have millions of people that are unemployed. It is not only the welfare recipient who has no job or cannot find one. There are millions of other Americans who have, because of downsizing of industry or whatever, lost their jobs despite having good education, good experience. They are unable to find work. Yet we find the policymakers who are talking about welfare reform stressing the fact that the solution to AFDC is job training, job search and, ultimately, a job.

Mr. Speaker, I wish that it were that easy. I believe that the vast majority of single parents, women who are on welfare, would be eager to take a job to support their families, if they could be assured that the income they earned would be sufficient to support their families and that they would have the health care support that went along with that job. And to prove that, that this is not a new idea, it is important to know the history of where we are in the whole discussion of aid to dependent children.

Aid to dependent children was established by Social Security in 1935 as a cash grant program to help families that were having difficulties, whose fathers were absent and not at home. The program provided at that time cash, welfare payments, for needy children who did not have a mother or a father at home, or who was incapacitated, had disease or was unemployed. So, it has always been a child oriented program, a program designed to help families with dependent children. That is exactly what AFDC is.

The myth out there in talking about welfare is this myth that there are all these adults out there, five million perhaps, who are receiving government assistance and not doing their best in terms of going out to locate a job, and that, of course, is not the situation at all

In order to try to develop a new direction and a new structure for the

AFDC program, Mr. Speaker, in 1988 the Congress, in its wisdom, enacted Public Law 100–485, which is the Family Support Act, 1988. It revised the whole idea of AFDC by putting in education and training requirements. As of October 1, 1990, States were required to have job opportunities and basic skills programs. For short, we call it the jobs program. The new program is designed to help needy families with children avoid long-term welfare dependency.

□ 1550

The Jobs Program replaced the Job Incentive Program that was referred to as WIN, and other demonstration programs that had been supported by previous administrations.

The Jobs Program was required to have an educational component. The States were required to enroll those individuals receiving AFDC, provided the youngest child was at least 3 years of age, to have some sort of an educational program. They were automatically included in Medicaid, and under the Family Support Act, it required the States to guarantee child care if it was decided that child care was necessary for the individual's employment or participation in education and training activities.

So the major components of the administration's policies or recommendations for welfare reform changes are already part of what the Congress included in the Family Support Act of 1988. First, is that the States should have a job training and education component, and, second, in order to take advantage of the job training and education component child care was necessary. The State was required to provide that child care.

Under the Federal law, AFDC mothers were required to assign their child support rights to the State and to cooperate with welfare officers in establishing the paternity of the child and in obtaining support payments from the father.

That is already law. Yet we hear this proposal coming from all quarters as though it was a new discovery. It is already part of the Family Support Act of 1988, that by receiving AFDC, you assign to the State government the responsibility to locate the father, to establish paternity, and to try to receive support payments.

If the State is successful in receiving these support payments, those support payments are assigned to the State in order to help meet its contributions or matching rates under the welfare program.

So that is an ingredient that is already with us under the Family Support Act. One might ask, well, what is wrong with the Jobs Program? Why did it not work and can we not make it work?

I believe that we could. The problems arise because of the lack of funding. The Congress has not given enough money. The States have not been able to provide enough resources and assets to make it work.

So my suggestion to this Congress is to take a hard look at the Jobs Program and to see what ways we might improve it and make the ultimate result, which was already stated in the enactment of that bill, to try to reduce the number of persons on welfare by enabling them to find a job.

That is not a very easy thing to do. You can do all the job training, and we have heard so much criticism about the 100-plus job training programs that exist now in the law for this, that, or the other kind of person in our society and what the administration is arguing, that we should consolidate all these training programs to better assure their success.

The difficulty with job training is that we do not necessarily target the training to a job availability. As a consequence, the job training expenses are forfeited, and the person still has no job there that can provide the income and the self-sustaining ability for that family.

So we have to be careful when we are talking about some sort of miracle work, such as training and education, as though it could immediately result in a job opportunity that can transfer to a family that has been on public assistance. It is very difficult. It needs counseling, it needs matching, it needs job searching, it needs a considerable amount of resources, far more than we are now willing to put into the AFDC Program or any Jobs Program.

I am fully in support of the notion that we have to do more to help these families, and I embrace all of the suggestions that have been made thus far, that we should provide more money for education and training, counseling, and go out there to look for jobs that these families could fill.

But the difficulty is it is not that simple, and it is a very costly enterprise. My guess would be that while we spend about $11 billion for AFDC currently as cash benefit payments to these families, if we embark on a full-scale education, training, job search, job location program, it will certainly cost at least that much more for it to be successful.

Now, the proposals almost confess that they may not succeed. And the may-not-succeed part of the proposals suggest that if a job cannot be found, that it will be the responsibility of the Government to look for a community service job in the private sector, in the nonprofit sector. And I think that is fine. It is already part of the law. It is part of the family support assistance law. It is a provision called community work experience.

Let me read you a short synopsis of the community work experience part of the law.

The purpose of the CWE Program is to provide experience and training for individuals not otherwise able to obtain employment. CWE programs must be designed to improve the employability of participants through actual work experience and training, and to enable individuals employed under CWE programs to move them into regular employment. CWE programs must be limited to projects which serve a useful public purpose in fields such as health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, day care. A State electing to operate a CWE Program must ensure that the maximum number of hours that any individual may be required to work under a CWE Program is no greater than the number of hours derived by dividing the total AFDC benefit by the minimum wage.

So, what we have done in the 1988 statute under community work experience is to make people work for the AFDC benefit that they receive. So that is already part of the law. But now we are moving ahead, with education, training and trying to get them a job. If they do not have a job the plan is to put them into a community service job supported either by the local government, the State government, the Federal Government, or a local entity, with a guarantee of at least minimum wage.

The problem with that solution is that it is not going to bring that family out of poverty. Minimum wage is likely to produce about an $11,000 or $12,000 income for that individual, hardly enough to support a family, unless the Government has already assured them housing assistance, and has assured them child care.

That is another element which the Family Support Act of 1988 also took cognizance of. You cannot have employment and training and all of that which leads to the work ethic, unless you have child care provisions for young children who are not of school age and, for those of school age, some after school program that will enable that child to be protected and safe and not on the streets being tempted or otherwise subjected to abuse and violence by the elements on the street.

Child care is already at about a $1 billion level in terms of Federal support to AFDC families in job training under the JOBS Program. There is a transitional day-care program for 1 year for AFDC families that are moving off welfare, and another $300 million program for at-risk families. So we are already providing support in the child care area.

If we move to a policy which says everybody must find something in terms of work, either in the public or the private sector, because after 2 years there will be no more assistance, then there will be this great issue of what happens to child care for the remainder of the time.

□ 1600

Is this going to continue to be a Government responsibility? If it is, that is going to add another considerable amount of money for child care.

The discussion of welfare reform is not a simple one. I have attempted to get answers from the Congressional Research Service for many of the questions that are asked of me constantly. I know that the search for information is only just the beginning. Let me give you a few of the bits of information that CRS has provided me, based upon questions which I posed to them recently.

The No. 1 point on welfare reform is to remember that when we are talking about welfare, we are talking about 10 million children. This is data dated November 1993: 9.6 million children are in the program; 5.4 million adults, 700,000 of them from two-parent families.

The two-parent families were added recently, called the AFDC Unemployed Parent Program, where two-parent families are entitled to the AFDC if, because of unemployment, they are now in a difficult circumstance. Prior to that amendment, AFDC was reserved only to the single-parent situation.

The CRS says that their data indicate that 43 percent of mothers who first receive AFDC before age 24 were short-term cyclers who used the program for a total of fewer than 24 months, that 32 percent were longer-term cyclers who used it for a total of 25 to 54 months. And then about 24 percent used it for longer periods.

Increasingly, the data, which are being provided me by various research organizations, suggest that any concerted effort that the government may make at the local, State or Federal level to help individuals find jobs will ultimately be successful, if there are jobs to be found, because these families are eager to work.

If you look at their cycle of in-and-out of AFDC, the kinds of jobs they took, hoping that it would lead to a better circumstance for their family, it clearly suggests that for at least two-thirds of these families on welfare, a job for them is a better way to go. They are anxious to do whatever they can to make that so.

Would that we could make America to be a mirror image of ourselves. Would that we could make America into a completely homogeneous all-alike society, everybody having equal potential to earn, to work, to be successful. But that is not the condition of any civilized society. There are always in our midst people who are less fortunate than we are, less able to be productive and find themselves in difficult circumstances.

I think that it has been the tradition of this Nation to not turn our backs against these individuals but to find ways in which we could help them be better off and provide better circumstances for their family, and I believe that no matter what the debate may be on this issue of welfare, that the vast majority of Americans would support such a policy still today.

The CRS tells us that of the current 5 million families who are on AFDC, it is estimated that 2.275 million or 44.5 percent have been enrolled in AFDC continuously for about 2 years. So we are talking about half of the persons on welfare who are already within that 2-year limit. And we know perfectly well that if we have an augmented job policy, job search, counseling and great efforts to find jobs, that that percentage would easily fall. So that is a note that offers me, at least, great optimism for the future.

In fiscal year 1991, CRS says that the States, in their reports, indicated that 337,000 persons left AFDC because of earnings. So that statistic would suggest, that a large body of individuals on welfare are working and are in and out of the welfare situation.

In a sample month of fiscal year 1992, according to the U.S. Department of Health and Human Services, approximately 274,000 AFDC parents in the JOBS Program that I just described were attending high school, were getting a GED certificate, or were engaged in higher education or engaged in some vocational training.

The budget, as I recall, the budget figures in debate on the budget resolution suggested there are about 500,000 families that currently benefit from the JOBS Program. So it is a program which I hope will be augmented with greater financial support in keeping with this current insistence that these individuals get training which, hopefully, will lead to a job.

AFDC recipients are also going to college. Of the number who are going to college and receiving Pell Grants, Pell Grants are for those coming from low-income families, according to the statistics provided me by the CRS for the school year 1991–92, there were 448,643 students receiving Pell Grants going to college and who were on AFDC. That is another indication of tremendous drive and commitment to improve themselves and to improve their family conditions.

The basic AFDC program is a matching one, as I indicated. There are no restrictions in terms of whether the States must make specific allotments for numbers of children. But all the data that I have seen indicate that the average number of children on AFDC is two, that that is the typical family size. So we are not facing a situation, as some have suggested, that people go on welfare to have children because that can lead to additional sums of money.

In fact, the additional sum that most States pay for additional children while you are on welfare is minuscule, sometimes as low as $60 or $70 a month.

The great issue out there that needs to be juxtaposed to this whole question of whether job training and education for the welfare recipient is going to lead to a job, is that we have to recognize, because of the recent recession, job losses, plant closings, defense closings, corporate downsizing, that there is an average of 9 million jobless workers out there in our society looking for work whose unemployment compensation benefits perhaps have already expired. And they are still unable to find a job. That is the fact of America today upon which we are trying to shove more people into the job market, where the jobs for which they qualify are absent. So the success of the program that is being suggested here is almost totally dependent upon whether we can match the training and education to a job that is available in the community.

We cannot talk about trying to move these people around to a job that may exist in Texas, when the family is living in New York or in Boston. That is unrealistic. We have to talk about fashioning training programs for jobs that actually exist in the communities in which these families live, and we have to bear in mind that it is not simply a minimum wage job. We are talking about women here who deserve better. Millions of women across the country already hold down the jobs of the least pay in our society.

□ 1610

That is a condition that is intolerable. Therefore, when we talk about gender equity and economic equity and employment equity, we have to bear in mind that our society has not yet solved that problem, so the very people that we are dealing with in this dimension of welfare reform are the very women that we are going to victimize again with low pay, unless we are careful and open up job training, job opportunities, educational opportunities that will lead them into job situations which will afford them a greater opportunity to earn more money.

In 1992, an estimated 9 million single parents cared for children below the ages of 18. In fiscal year 1991, about 416,000 infants were born into AFDC units.

One other statistic which I think is very instructive in trying to picture this situation, the Congress has consistently insisted that we fully fund the WIC Program. WIC, the program for women, infants and children, is a feeding program to help mothers across the country.

One could infer that most of the mothers and infants and children in the WIC Program are AFDC, or fall in the poverty category, but the statistics given me by CRS indicate that only 29 percent of the infants under WIC are AFDC, just 29 percent, which indicates the scope of real poverty in America where some 70 percent of infants and children and mothers qualify for WIC.

It suggests to us that we have an endemic problem of poverty in our country, and that really, when we are talking about welfare reform, we ought to be talking about poverty, what are we going to do about poverty, the conditions of poverty in our society. Truly, that is the direction we ought to be going.

So many of us, in debating the budget, debating economic recovery, have argued that the one course that we have not taken in any of our programs and deliberations is a dynamic jobs program, opening up the possibility of job creation through the injection of Federal funds into various kinds of programs. We have failed to do that. We tried to do an economic stimulus package in the early months of the Clinton administration, and it failed. I believe it is still important for the Congress to consider that.

If we did that, we could provide jobs for the millions of people who are unemployed; we could provide job opportunities for those on welfare, where it would be a meaningful opportunity for their families.

This whole issue is one that I am sure is going to raise a lot of discussion and debate in the ensuing months. I hope to engage this House on some of the issues, knock down some of the myths about this program, and to try to deal with it in a meaningful way.

One of the first things we have to do is get rid of this idea that we have to put these constraints on these families, that they cannot earn anything or they will lose their opportunity to receive any Government support. That is idiocy. On the one hand, we are saying, "You must go to work," but if you do, you will lose the support that is so necessary to keep the family together. So we have to find some way to enable a family to try to do better, to try to improve their condition, and not punish them in the process.

I have heard suggestions, and I believe there is a bill which also says that if you are below 18 years of age, no welfare assistance. It seems to me that that, again, is punitive. There are not very many welfare recipients in this category, and I cannot imagine any teenager becoming pregnant to have a child merely so that there can be some financial assistance under the welfare program.

Mr. Speaker, I hope that in the course of the debates we can discuss the real issue facing America that has faced us for many generations, and that is what can we do about poverty. When I first came to the Congress in 1965, under the Johnson administration, we inaugurated a war against poverty. Many of those programs have been retained.

Head Start, for instance, has become a word that almost everybody in our society understands. It has brought great benefits to the children of this country. It is here to stay, hopefully, and it is going to be fully funded one day, and it is for the children that come from the impoverished communities all across this country. It is going to make America better, because the children will have a better opportunity in their future.

I am hoping that the war against poverty that we started in 1965 has not been lost, is not falling upon deaf ears, but as we begin the debate on welfare reform, that we turn it into a meaningful discussion about poverty in America and what this country needs to do to eradicate it, rather than to punish the poor.

FELP LOAN DEFAULT EXEMPTION EXTENSION BILL

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Under a previous order of the House, the gentleman from Virginia [Mr. SCOTT] is recognized for 5 minutes.

Mr. SCOTT. Mr. Speaker, today I am introducing a bill to extend the exemption granted to historically black colleges and universities, tribally controlled community colleges, and Navajo colleges from the Federal Family Education Loan Program default trigger cutoff. This bill provides that the exemption granted to these institutions be extended from July 1, 1994, to July 1, 1998, so that these institutions, and the students they serve, may continue to be eligible to receive Federal student loans through the life of the current Higher Education Act reauthorization.

On July 1 of this year, as many as one-third of the historically black colleges, and additional numbers of native American colleges may be eliminated from the Federal loan program if we do not act to ensure that their students may continue to receive education loans. These schools were granted an exemption by Congress in 1990 from the default trigger because these institutions disproportionately educate students of lower socioeconomic backgrounds, and because elimination from the student loan program would almost certainly result in the closing of many of these schools. If some of these institutions are forced to shut their doors, thousands of needy students will find their options to attain a college degree limited, if not blocked altogether.

These institutions are not, however, seeking an exemption from the responsibility to help students to successfully manage their loans. Together with several higher education organizations, these institutions are engaging in a collaborative self-help program, including financial aid management workshops and individualized default management plans, to help reduce default rates among their students.

These schools, however, cannot carry the entire burden of raising generations of students out of poverty.

Along with other Members of Congress, I am working toward developing new, fairer criteria for exclusion from the Federal loan program. Until these new criteria may be implemented, however, we must ensure that students at these institutions can continue to be eligible for Federal student loans. Mr. Speaker, avenues to higher education must remain open for students of all backgrounds. I ask that those Members who share my concern will support this legislation.

□ 1620

THE FEDERAL RESERVE

The SPEAKER pro tempore (Mr. JOHNSON of South Dakota). Under the Speaker's announced policy of February 11, 1994, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes, as the majority leader's designee.

Mr. GONZALEZ. Mr. Speaker, for more than a year, certainly much more than that before I became chairman of the Banking Committee, I have been urging the Federal Reserve to fully disclose to the American public, that is to the Congress and the American public, what is behind its decisions on monetary policy. I think though that I will repeat for the benefit of my colleagues, so many of whom have expressed surprise when I have explained exactly what the Federal Reserve Board is. It is not a Government agency. It is a private corporation. And the stock in that corporation is owned by the private commercial banking system. The Federal Reserve is a federally chartered corporation whose stock is owned by the member banks. The board of directors of this corporation are appointed by the President, confirmed by the Senate. But unlike any other public official, there are no provisions for recalling any board member in case their policies run counter to those of the elected Government.

There are 12 regional banks in the country which again shows how petrified this system has become. The 12 were designated regionally in 1913, long before the tremendous center of gravity or whatever you want to call it of commercial and financial activity had gone across the Mississippi. So, therefore, today we should have long ago recognized the need to have additional Federal Reserve Board banks. California, for instance, alone has an economy and financial transactions that are equal or in excess of the country of France. So the backwardness is not just in the lack of the accountability, because of the awesome power that has been grasped and usurped actually, but actually Congress abdicated in every sense of the word, but nevertheless usurped this awesome power that no other country, no other country gives its central bank.

So with that, let me go into some explicit events, my colleagues.

What are behind these decisions that are described by this fancy phrase, "a monetary policy?" Well these are no small matters because these are decisions that have the profoundest of impacts on interest rates, employment, unemployment, inflation, and the international value of our currency, all of which are subject matters which I have been addressing in the 32 years that I have been here by the use of this great privilege which now is called special orders, but which really is under the general aegis of the long established parliamentary procedures in some respects derived from the mother parliament and in other unique American provisos that are reflected in the first rules such as Jefferson's Manual governing proceedings, and what it really is is general leave by a Member to address the House, and then about some two and a half or three decades ago it was formalized, and then given a procedure that has been called special order time.

The truth of the matter is that a member of a body such as this one has only one or two basic powers. One is the vote, and the other is his voice. So that less than 120 days after I was sworn in 32½ years ago, a little bit around 32½ years ago in the House, I began to use what is called special orders. The only thing is that some of the older Members were aghast because I would actually take the floor and make the speech or the statement which I felt was in keeping with the intention of the Congress when it set up this procedure. But, in that day and time and until much later, a Member could submit a statement in writing without speaking it and it would be printed in the RECORD as though he uttered it. I did not think that was right and so I have been speaking out since then and there has not been a year of service in these 32½ years when I have not addressed this House under this general grant of leave under unanimous consent to address the House. And the reason is that it is the only opportunity, and this is the reason this privilege was instituted, that a member in a numerous body which in regular debate be very limited to expand on a subject matter related to the legislative business, and I ask any of my colleagues who want to, or have somebody evaluate and scrutinize every address I have made since 1961 or 1962 and see if I have ever strayed from that. I never have attempted to take this privileged forum for a political stump, and this is where the trouble has come with respect to all of this ado about so-called special orders since the inception of television coverage of these proceedings or part of the proceedings of the day.

But I think to be faithful and actually deserve the privilege, one must stick to the intended purpose that the House had in enacting the rules and providing the procedures for this privilege, and that I have done.

In a democracy, it is absolutely necessary that we have accountability. As I said yesterday, all through written history of mankind, any individual or group of individuals who for whatever reason have power of any kind and no accountability, will find themselves corrupted and working against the best interests of the greatest number, and of course antithetical to the Democratic process.

Accountability is the linch pin since colonial times as well as majority rule in our system of government, as I say and repeat, since the very beginning, even before nationhood in the colonial times in each one of the colonial State legislatures. So therefore the Federal Reserve having this awesome power, it can decide in its secret open market committee whether or not a businessman will be able to live by having a line of credit that will not make him a servant and working for a bank by charging usurious interest and having to pay usurious extortionate rates of interest that would not allow him to survive as a businessman unless he in effect becomes a slave of the lender.

So that it becomes paramount that we have the information, and the reason why these decisions are being made in secret, so that the people through their elected representatives and agents will be able to establish the justification and the wisdom or folly of such policies.

☐ 1630

The Federal Reserve though lives by different rules. Rather than providing the public with a complete account of what goes on at its decisionmaking body, the so-called Fed Open Market Committee I referred to awhile ago, the Federal Reserve has chosen to continue releasing an inconclusive summary of its action, but this only after our exposure just last year after having the celebrated and historic, and it is the first time that the Banking Committee on either side ever had the full panoply of Governors of the Fed and presidents of the banks before it, and it was then that the chairman of the Federal Reserve, even though he was not invited to both hearings, we had him alone in the first one, he insisted on coming to the second one because he has rigorous control over the presidents of these 12 regional banks, and he wanted to be there.

But, by golly, he slipped and he was caught fibbing and attempting to deceive the U.S. House of Representatives Committee on Banking, Finance and Urban Affairs, and that in my book is unforgivable. The Federal Reserve, as I say, still attempts to shield itself from complete accountability and that, of course, is unacceptable.

In response to my call for a greater accountability, the Federal Reserve nudged a bit last Wednesday, took a step in the right direction by releasing edited transcripts of its FOMC meetings for the last half of 1988. I plan to continue to insist that the Fed release all past, present, and future transcripts. Without this the Congress, the media, and the public will never understand the monetary policy that is supposed to be affecting this country and whether it is in the best interests of the greatest number or just inures as it has through these recent years to the benefit of the banking fraternity.

In other words, I predict that either we move, as Alexander Hamilton said at the time he was waging the effort for the adoption of the Constitution, and the issue, I believe, is still the same, and he said,

> It seems to have been reserved to the people of this country by their conduct and example to decide the important questions, whether societies of men are really capable or not of establishing good Government from their reflection and choice or whether they are forever destined to depend for their political constitutions upon accident and force.

And I ask my colleagues to tell me which has been happening in the last two or three decades in our great country. But I have always said that there is a tremendous countervailing of great forces.

In fact, if you study the laws that govern the physical universe you have some very basic verities, and you will find that nature always seeks balance. If you induce a positive charge on one end of a needle, immediately there is a negative charge on the other end balancing.

And people such as our great society and the people who constitute it entrust to our hands as their agents this great stewardship and assume that we have some participation in the formulation of these policies that are so vital in their well-being. Instead, we see the parable for voting that Thomas Jefferson said at the inception of our nationhood, because this is what we in other words fancily call monetary policy really means allocation of credit, who gets what, who is going to have the power to determine that, and from the very beginning of our nationhood that was the key issue as I said yesterday.

And, of course, the First Continental Congress, the Second Continental Congress, which incidentally they thought so little of such executive things as the Presidency or that they called then the chief magistrate, that they did not bother to have that kind of office. They had the Congress, the First Congress, the Second Continental Congress, then the Confederation, Articles of Confederation. But they had to have a banker, or a fiscal agent.

What did the bankers in Philadelphia do? They said, "Oh, sure, we'll lend your body the money but you've got to pay this kind of interest," and Thomas Jefferson said, "Not on your life, for that would mean that the bankers," and those are the words he used, "would rule the land and it would be like a standing army of occupation, and soon we Americans would be homeless and rootless."

What is it we are facing today like never before since the Depression, if it is not that, any why? For the very same reasons expressed in those statements by the great man, Thomas Jefferson, and so what did they do? They said, "Mr. Banker, we'll borrow. But we are not going to pay more than 6 percent." And what did the bankers do? They took it. Of course they were.

Here in the 20th century, where the United States up until 1914 had been a debtor nation, and was the reason why two world wars were won by those that we call our allies, because we were the only creditor nation in World War I and World War II, but as of 1985 we became a debtor nation again. And the system that gave the greatest boost of power, of control, to the Federal Reserve was not in 1913, or 1923 when the FOMC was created but in 1979 when Paul Volcker, the Chairman of the Fed, decided that he would use these forced measures to do what, control inflation.

But now, my colleagues, go out to your districts, go to the grocery stores, talk to your constituents, ask them if they are paying less or more for groceries than they were 10 years ago, 15 years ago. Ask them if they were paying less for lights, gas, water, utilities than they were 10 years ago. Ask them if they are paying less now than they were 10 years ago for rent or a mortgage and they will tell you, "Well, don't you know where we are? We are paying more, and in the meanwhile our paychecks," because the average paycheck of the average wage earner in the United States for the past consecutive 3 years has lost $80 a month in net payroll value. But as of 3 years ago, and I brought that out in previous orders, over 70 percent of our families in America after the month had no disposable income.

And all you have to do is go talk to the average little folk and particularly in districts such as mine where we have an abundance of marginally employed, right below the low middle class.

So where is inflation control? Oh, an economist said business inflation has been controlled. But we are talking about bread and butter. We are talking about the absolute necessities that a family must have today to live: shelter, food, clothing, and you are paying more now than before. Rents keep going up; they are not going down. Ask anybody where in the District of Columbia; they will tell you how much they have been going up. And as I said before on the other key items that are the cost of living.

☐ 1640

Naturally, the Irish have a saying, "It is easy to sleep on another man's wound." First, we are privileged in being the trustees selected by our constituents to represent them as true and faithful agents. But above all, our pay, our rate of pay puts us in a pretty good bracket, nationally speaking. So, to those of us who are well fed, well clothed, who can go home and sleep in a comfortable bed, warm bed, have a good meal, it is not easy to go across town and see those who do not have enough to eat or the head of the household who at the end of the month, "I just can't make this paycheck stretch in order to get that pair of shoes for the child or the dress for the wife." That is what I meant by the awesome statistic that over 70 percent of our families having on disposable income.

The Federal Reserve Board is the one who dictates what those conditions shall be, like Mr. Volcker, ending in the 1970's and 1980's with such things as the so-called prime interest rate as high as 20 and 21 percent. Now, that wrecked thousands, tens of thousands of businessmen.

I reported all of that, if anybody wants to look up the records of the proceedings of the U.S. House of Representatives through those years. So I plan to continue to insist on accountability because without this there is no way we bring about accountability.

Now, the Federal Reserve, through its member banks, who depend on it when it examines them, uses them to lobby, come up here and tell my colleagues, "Hey, I hope you won't let this guy GONZALEZ cause us to lose our independence."

I have had several reports. I know that that has always happened. I am not shocked at that.

But I will say this, my colleagues: When the day comes—and it is coming—and the patient loses his or her patience, woe to this land in the social disruptions and the belated accountability that, I hope I am wrong and will not come in an undesirable way. But the handwriting is already on the wall. We have already had clear indications that the social contract that is at the base of our form of democracy has been disturbed and endangered.

Now, an inspection of these transcripts that we have been able to get reveals very interesting aspects of the FOMC works. I think it should be a major concern of everybody to know how the most powerful committee in the United States determines how much we will pay for the goods and services we buy and whether we will have jobs or employment or, more importantly, whether your share, your share of stock in our Government, which is that dollar note you have in your pocket—and that is a Federal Reserve note, I will point out to you, and you have to pay interest for the Federal Reserve to print that $1 note, believe it or not.

But the value of that, known as our currency, just within less than 10 years, two-thirds of the value of that dollar has been lost; two-thirds of that value lost in comparison to the Japanese yen and the German deutsche mark.

Now, how long can that continue before the value of our currency is debauched? Or—and here is where the Fed comes in because it is our central bank, it is the monetary center—where is it in reporting this loss of value? Why is it you are paying more for all that you have to buy, including the necessities of life? That is why.

But it is hard to translate one to the other no matter how hard one wants to explain it. But that is it.

But if we reach the point where our currency is debauched and if anybody thinks that cannot happen, I want to disabuse you of that, my colleagues, disabuse you of that smug feeling or thought, for it can. In my opinion, and I hope again I am wrong, the danger is clear and very present that it could.

Now, what happens if the dollar is replaced as so-called international reserve currency unit? I have been raising this question for 5 years. Nobody wants to listen, in or out of Congress, in or out of the committee, in or out of our places of power.

I have discussed it with the chairman of the Fed, who says the same thing as a couple of three big international bankers, "Oh, that can't happen, at least not in the immediate future, unless there is some day when there is great instability in the United States."

Well, that is fine, but then I ask them, Why can't it happen next year? You know, all it takes would be 5, no more than 5, of the so-called Group of 7 countries to just merge their currencies and nationalize a unit. They have already that in the ecu, the European currency unit. The European currency unit is right now worth a little better than $1.30, right now. And all the quotations that are made in the trade in Europe are made in ecus, not dollars. Here is what it means, in view of the fact that we are the most privileged nation in history, which used to get the French leader DeGaulle very angry. He called it the "arrogant American privilege." We are the only people who have ever been able to pay our debts in our currency. But if that supplanted, it means that this huge debt structure we have now at all levels—governmental; corporate; and private, you and I—would have to be paid in somebody else's currency. And then, my colleagues, that means that we will go back to colonial times and the old mercantile system where we were the slaves of the controllers in the mother country. And we are back, much more than anybody wants to admit who knows the facts.

Mr. Speaker, the second point I want to make about the transcripts concerns the Federal Reserve's foreign policy program—yes, I said "foreign policy program" because the Fed is issuing loans to foreign countries without congressional approval. My colleagues, you probably thought it was your duty to debate and vote on loans to foreign countries, but the minutes reveal how the Fed members debate and authorize billions of dollars' worth of loans without any congressional action or authorization. The least the Fed can do is send us minutes of these debates. Unfortunately, the monks at the money temple have edited out many of the crucial terms of the loan package. Do you trust them to handle these loans without fully describing the terms of the loans to foreign countries?

Included in the November 1, 1988, FOMC transcripts that the Fed has released, is a discussion of loans to Mexico in 1988 following their hotly contested July 1988 election. In August 1988, the Federal Reserve granted a $700 million loan to Mexico. We do not as yet have any full accounting from the Federal Reserve about the discussions that led up to this loan.

In the November 1, 1988, FOMC transcript, Chairman Greenspan, his FOMC colleagues, and staff discuss a new special system swap arrangement for $1.25 billion on which various amounts would be drawn. The term "SWAP" refers to the Federal Reserve's Reciprocal Currency Arrangements, which is an integrally authorized fund that the Fed can use for a number of purposes including intervening in foreign currency markets and making loans to Mexico. In the past, the Fed has appropriated itself over $30 billion for its SWAP lines of credit.

My colleagues, did you believe that you would be consulted before the debate and vote on appropriations for foreign loans? If so, you had better read the 1988 FOMC minutes. I remind you that the Federal Reserve has fought any effort to change the law which prevents the General Accounting Office from examining any of the Fed's activities that involve foreign exchange activity or the loans discussed in these FOMC transcripts. Is that the way we should be overseeing the spending of taxpayers' money? Of course not.

As background for the political conditions in Mexico at the time the Federal Reserve granted Mexico a $700 million loan and was discussing the $1¼ billion line of credit for Mexico, I quote from a September 2, 1988, Los Angeles Times article:

> A chaotic scene unparalleled in Mexico's political history erupted in Congress on Thursday as President Miguel de la Madrid delivered his final "State of the Nation" address amid repeated shouts of "Fraud!" and an opposition walkout.
>
> De la Madrid was interrupted more than 10 times by protesters from both the left and the right, who charge that the government committed widespread fraud in the July 6 election in which ruling-party candidate Carlos Salinas de Gortari was officially declared the winner.

The government election commission declared a bare-majority victory of 50.3 percent for Carlos Salinas de Gortari, candidate of the PRI, as the ruling party is known. Although his nearest rival, Cuauhtemoc Cardenas, candidate of a coalition of leftist parties, won 31 percent of the vote according to official figures, there was still doubt about Salinas' margin of victory and, among some Mexicans, about whether he won at all.

In the middle of this political turmoil comes the Federal Reserve with its $700 million loan—it even discussed a much larger line of credit. Should the taxpayers have a timely record of what the Fed was doing? Should we be told why they chose to support the ruling party at this time?

Now we know, over 5 years later, what the FOMC members were saying at their November 1, 1988, meeting. Former Fed Gov. Martha Seger said:

> The day this bridge loan was announced in the newspaper, I happened to have breakfast with a Congressman from the House Banking Committee and he said, 'What in the world is the Federal Reserve doing in that? Why would they be involved with the Bridge loan?'

Next I quote from former Cleveland Federal Reserve Bank President Lee Hoskins:

> The concern is that we would be subject to being viewed as perhaps circumventing Congress by working more closely with administrations down the road on this kind of activity. In that sense, I don't think it's appropriate to continue those kinds of relationships because I think it risks the political independence of this body to some extent. That's my longer term concern. As for the shorter ones, I'll wait until I see what you are going to put in your telegram.

The transcript shows that Chairman Greenspan did not answer President Hoskins. Instead, Chairman Greenspan asked if there were any further questions and then said, "If not, let's move on to the domestic desk."

Chairman Greenspan, I have some further questions and I regret that they have to come more than 5 years after the fact. Even more important than this specific loan, is the question of why the Federal Reserve can engage in this kind of activity—loaning American tax dollars to foreign countries—without complete oversight from the Congress.

The third point I want to make about the transcripts is the revelation from the December 13, 1988, transcript that FOMC members knew they were changing monetary policies and following the advice of Chairman Greenspan, neglected to inform the Banking Committees of the Congress which have oversight jurisdiction. I quote from the December 1, 1988, transcripts:

> Chicago Federal Reserve Bank President Silas Keehn: * * * The only question I would have is how do we explain it in the markets what we are doing. I have in mind your February Humphrey-Hawkins testimony. Are we doing something different that you're going to have to explain in your testimony?
>
> Chairman Greenspan: What we are doing is what we've been doing, whether we defined it or not, for at least as long as I've been here. I don't know what difference we have to explain.
>
> President Keehn: Well, I would think in your testimony the aggregate discussion tends to be on the heavy side in terms of ranges on performance relative to the ranges, etc.
>
> Chairman Greenspan: Not in that sense.
>
> President Keehn: I think what we're talking about is a quite different procedure with which I agree. I think we may have a responsibility to explain both to the Congress as well as to the markets that we are doing something a little bit different here.
>
> Chairman Greenspan: On the other hand, we've stayed within our [monetary] target ranges which we have defined to the Congress—right in the middle—and it's likely that we don't have anything to explain.

This discussion clearly shows that Chairman Greenspan prefers to withhold information from the Congress even during the Humphrey-Hawkins law which require a report on past performance and future plans for monetary policy. We deserve a full explanation of why this was not done and why there is such a predilection to be secretive.

The fourth point I want to make about the transcripts is that they clearly reveal that Federal Reserve staff members play a major role in the FOMC meetings and their comments constitute a significant part of the transcripts. In many cases they are explaining policy decisions that many FOMC members then ratify. The expertise of the staff is important, but if they are determining our Nation's monetary policies there is all the more reason for a complete record of what each of them is saying at FOMC meetings and what, if any, relevant questions the members of the FOMC are asking before they ratify policies.

It was not until after the House Banking Committee's October 19, 1993, hearing on Federal Reserve accountability that I obtained Federal Reserve Chairman Alan Greenspan's admission that the Federal Reserve had transcripts of FOMC meetings dating back to 1976. At the hearing, 16 Federal Reserve witnesses, including members of the Board of Governors and Federal Reserve Bank presidents, carried out their plan to stonewall and mislead the Congress about the existence of this inventory of transcripts. I have issued a complete report of this sorry episode entitled, "The Federal Reserve's 17-Year Secret."

On October 26, 1993, Chairman Greenspan admitted a letter to me that the Fed had 17 years' worth of FOMC meetings transcripts on file. Rather than complying with my requests for these transcripts, Chairman Greenspan wrote to me on November 17, 1993, that the FOMC had decided to release transcripts of the FOMC meetings with a 5-year delay and that they would begin issuing the 1988 transcripts in early 1994 and then release the remainder of their 17 years of transcripts over several years.

There is no valid reason for making the public wait 5 years to obtain accountability for the actions of the Federal Reserve and even less justification for pretending that editing can only be done at a snail's pace. That again is arrogant disdain for public accountability.

After my long experience with the Federal Reserve, including its performance before my committee on October 19, 1993, I do not wish to turn over the editing of these transcripts to their staff without fixed rules approved by the Congress. I am not sure what was left out of the transcripts. They say that "All information deleted [. . .] is exempt from disclosure under applicable provisions of the Freedom of Information Act." There is no way to tell if these deletions were proper. That is one reason I have insisted that the Banking Committee receive all the transcripts immediately.

I am still waiting for the Fed to tell me whether it plans to release complete transcripts of future FOMC meetings. The Fed is upholding the stonewallng tradition to protect its turf, and the immense political power it has built up over the years, by using bankers to lobby the Congress.

But I will say this to the panjandrums of power, Mr. Greenspan, and to you, my colleagues, and the privileged orders of our country: If we do not, the day will come when the people in full knowledge will rise in wrath and indignation and chase all of these moneylenders that have sold out their inheritance from this temple of democracy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCNULTY (at the request of Mr. GEPHARDT), for today after 2 p.m.

Mr. MEEHAN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. LIGHTFOOT (at the request of Mr. MICHEL), for today, on account of personal reasons.

Mr. FIELDS of Texas (at the request of Mr. MICHEL), for today, on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. ROHRABACHER) to revise and extend her remarks and include extraneous material:)

Mrs. BENTLEY, for 5 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Ms. EDDIE BERNICE JOHNSON of Texas, for 5 minutes, today.

Mr. WASHINGTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MENENDEZ, on House Concurrent Resolution 218, in the Committee of the Whole today.

(The following Members (at the request of Mr. ROHRABACHER) and to include extraneous matter:)

Mrs. ROUKEMA.
Mr. SOLOMON in two instances.
Ms. ROS-LEHTINEN.
Mr. QUINN.
Mr. GEKAS.
Mr. SANTORUM.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ROSE.
Mr. COPPERSMITH.
Mr. SCOTT.
Mr. JOHNSON of Georgia.
Mr. TRAFICANT.
Mr. SANDERS.
Mr. MENENDEZ in seven instances.
Ms. SLAUGHTER.
Mr. FAZIO.
Mr. BROWN of California.
Ms. BROWN of Florida.
Ms. ESHOO.
Mr. FALEOMAVAEGA.
Mr. LEVIN.
Mrs. KENNELLY.
Mr. BROWN of California.

SENATE BILL AND JOINT RESOLUTIONS REFERRED

A bill and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 282. An act to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama; to the Committee on Energy and Natural Resources.

S.J. Res. 150. Joint resolution to designate the week of May 2 through May 8, 1994, as "Public Service Recognition Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 151. Joint resolution designating the week of April 10 through 16, 1994, as "Primary Immune Deficiency Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 162. Joint resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; to the Committee on Post Office and Civil Service.

S.J. Res. 163. Joint resolution to proclaim March 20, 1994, as "National Agriculture Day"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Tuesday, March 15, 1994, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2753. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Australia (Transmittal No. 11-94), pursuant to 22 U.S.C. 2796a(a); to the Committee on Foreign Affairs.

2754. A letter from the Director, Defense Security Assistance Agency, transmitting the quarterly reports in accordance with sections 36(a) and 26(b) of the Arms Export Control Act, the March 24, 1979, report by the Committee on Foreign Affairs, and the seventh report by the Committee on Government Operations for the first quarter of fiscal year 1994, October 1, 1993, through December 31, 1993, pursuant to 22 U.S.C. 2776(a); to the Committee on Foreign Affairs.

2755. A letter from the Chairman, Consumer Product Safety Commission, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(e); to the Committee on Government Operations.

2756. A letter from the Secretary, Department of Commerce, transmitting the annual report on the effect of process patent amendments on domestic industries, pursuant to 35 U.S.C. 271 note; to the Committee on the Judiciary.

2757. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled "Maritime Administration Authorization Act for fiscal year 1995," pursuant to 31 U.S.C. 1110; jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

2758. A letter from the Secretary of Energy, transmitting a supplemental comprehensive report on the Tidd pressurized fluidized bed combustion [PFBC] project sponsored by the Ohio Power Co., pursuant to Public Law 99-190; jointly, to the Committees on Appropriations, Science, Space, and Technology, and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROWLAND (for himself, Mr. MONTGOMERY, Mr. STUMP, and Mr. SMITH of New Jersey):

H.R. 4013. A bill to amend title 38, United States Code, to provide the Secretary of Veterans Affairs with necessary flexibility in staffing the Veterans Health Administration, to authorize the Secretary to establish pilot programs for health care delivery, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BARLOW:

H.R. 4014. A bill to amend the Flood Control Act of 1968 to prohibit the imposition of certain fees for use of developed recreation sites and facilities; jointly, to the Committees on Public Works and Transportation and Natural Resources.

By Mr. BEILENSON (for himself, Mr. BERMAN, Mr. BECERRA, Mr. FILNER, Ms. ROYBAL-ALLARD, Mr. FARR, Ms. SCHENK, Mr. DELLUMS, Mr. DIXON, Mr. PASTOR, and Ms. VELÁZQUEZ):

H.R. 4015. A bill to provide for enhanced enforcement of the immigration laws; to the Committee on the Judiciary.

By Mr. CRANE:

H.R. 4016. A bill to suspend temporarily the duty on octadecyl isocyanate; to the Committee on Ways and Means.

By Mr. EDWARDS of California:

H.R. 4017. A bill to amend title 28, United States Code, to prevent racially discriminatory capital sentencing; to the Committee on the Judiciary.

H.R. 4018. A bill to revise habeas corpus proceedings; to the Committee on the Judiciary.

By Mr. HINCHEY:

H.R. 4019. A bill to amend the Internal Revenue Code of 1986 to permit certain severance payments to be included in income over a 4-year period; to the Committee on Ways and Means.

By Mr. HOEKSTRA:

H.R. 4020. A bill to suspend temporarily the duty on ACM; to the Committee on Ways and Means.

H.R. 4021. A bill to suspend temporarily the duty on amitraz; to the Committee on Ways and Means.

By Mrs. KENNELLY (for herself, Ms. DELAURO, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mr. SHAYS, and Mr. FRANKS of Connecticut):

H.R. 4022. A bill to suspend temporarily the duty on the personal effects of participants in, and certain other individuals associated with, the 1995 Special Olympics World Games; to the Committee on Ways and Means.

By Mr. PORTMAN (for himself and Mr. SMITH of New Jersey):

H.R. 4023. A bill to extend until June 30, 1995, the temporary suspension of duties on self-folding telescopic shaft collapsible umbrellas; to the Committee on Ways and Means.

By Mr. SANDERS (for himself, Mr. DELLUMS, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. PELOSI, Mr. PETERSON of Minnesota, Ms. VELÁZQUEZ, Mr. BEILENSON, Mr. OWENS, Mr. HOCHBRUECKNER, Mr. SCOTT, Mr. PASTOR, and Mr. MCHALE):

H.R. 4024. A bill to establish a national program of trained community health advisors to assist the States in attaining the Healthy People 2000 objectives; to the Committee on Energy and Commerce.

By Mr. SCOTT (for himself, Mr. OWENS, Mr. CLAY, Mr. PAYNE of New Jersey, Mr. JEFFERSON, Mr. DELLUMS, Mr. WATT, Mr. WILLIAMS, Mr. KILDEE, Mr. SISISKY, Mr. CLYBURN, Mr. MFUME, Mr. REYNOLDS, Mr. HOBSON, Mr. WHEAT, Mr. PARKER, Mr. FORD of Tennessee, Mr. FROST, Mr. NEAL of North Carolina, Mr. THORNTON, Mr. RANGEL, Ms. BROWN of Florida, Mr. STOKES, Mr. BAESLER, Mr. LEWIS of Georgia, Mr. DIXON, Mrs. MEEK of Florida, Ms. WATERS, Mrs. CLAYTON, Mr. HILLIARD, Ms. MCKINNEY, Ms. NORTON, Mr. FLAKE, Mr. WYNN, Mr. MILLER of California, Mr. THOMPSON, Mr. RAHALL, Mr. RICHARDSON, Mr. FORD of Michigan, and Mr. PICKLE):

H.R. 4025. A bill to amend the Higher Education Act of 1965 to extend the cohort default rate exemption for historically Black colleges, tribally controlled community colleges, and Navajo community colleges; to the Committee on Education and Labor.

By Mr. DIXON:

H.R. 4026. A bill to amend the Small Business Act to authorize appropriations for deferred participation loans to small business concerns detrimentally affected by defense reductions, and for other purposes; to the Committee on Small Business.

By Mr. DREIER (for himself, Mr. EVANS, Mr. CALVERT, Mr. COX, Mr. BAKER of California, Mr. DORNAN, Mr. ROHRABACHER, Mr. MOORHEAD, and Mr. MCKEON):

H.R. 4027. A bill to amend the Internal Revenue Code of 1986 to allow penalty-free withdrawals from certain retirement plans for the repair or replacement of certain property damaged in a Presidentially declared disaster; to the Committee on Ways and Means.

By Mr. HOAGLAND (for himself, Mr. PORTER, Mr. BREWSTER, and Mr. THOMAS of California):

H.R. 4028. A bill to empower the Department of Health and Human Services to issue advisory opinions on whether certain arrangements for the delivery of health care services and supplies are in compliance with statutes and rules establishing acceptable health care billing and payment practices and with statutes and rules defining health care fraud and abuse; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WISE (for himself, Mr. PRICE of North Carolina, Mr. POMEROY, Ms. FURSE, Ms. BYRNE, and Ms. ESHOO):

H.J. Res. 336. Joint resolution proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government; to the Committee on the Judiciary.

By Mr. ROSE:

H. Con. Res. 222. Concurrent resolution authorizing the placement of a bust of Raoul Wallenberg in the Capitol; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

310. By the SPEAKER: Memorial of the Senate of the State of California, relative to the closure of the Old Mint; to the Committee on Banking, Finance and Urban Affairs.

311. Also, memorial of the Senate of the State of California, relative to disabled veterans; to the Committee on Government Operations.

312. Also, memorial of the General Assembly of the State of New Jersey, relative to the adoption of Senate Joint Resolution 41, a balanced budget amendment to the U.S. Constitution; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. HOCHBRUECKNER introduced a bill (H.R. 4029) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Aliento*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 40: Mr. DELLUMS, Miss COLLINS of Michigan, Mr. OWENS, Mr. FLAKE, Mrs. COLLINS of Illinois, Mr. ABERCROMBIE, Mr. JEFFERSON, Mr. STOKES, Mr. WHEAT, Mr. TOWNS, Mr. HILLIARD, and Mr. LANTOS.

H.R. 56: Mr. HALL of Texas and Mr. TAYLOR of Mississippi.

H.R. 291: Mr. INSLEE and Mr. RAVENEL.

H.R. 439: Mr. CAMP and Mr. COOPER.

H.R. 642: Mr. MCINNIS.

H.R. 657: Mr. FRANKS of New Jersey.

H.R. 688: Mr. HOKE.

H.R. 794: Mr. SMITH of Oregon, Mrs. KENNELLY, and Mr. REED.

H.R. 1048: Mr. VALENTINE and Ms. SHEPHERD.

H.R. 1080: Mr. HOKE.

H.R. 1164: Mr. BILBRAY and Mr. MATSUI.

H.R. 1234: Mr. SUNDQUIST.

H.R. 1314: Ms. SHEPHERD.

H.R. 1457: Mrs. BYRNE.

H.R. 1500: Mr. KREIDLER.

H.R. 1517: Mr. OWENS.

H.R. 1627: Mr. JACOBS.

H.R. 1677: Mr. HINCHEY and Ms. WATERS.

H.R. 1712: Mr. CASTLE and Mr. ARCHER.

H.R. 1897: Mr. YOUNG of Florida.

H.R. 1910: Mr. MORAN, Mr. HUTCHINSON, and Mr. BACHUS of Alabama.

H.R. 1961: Mr. GENE GREEN of Texas and Ms. MOLINARI.

H.R. 2147: Ms. VELAZQUEZ and Mr. TORRICELLI.

H.R. 2326: Mr. CARR, Ms. NORTON, Mr. SAXTON, Mr. DUNCAN, Mr. KLEIN, Mr. CLEMENT, Mr. SWIFT, and Mr. TUCKER.

H.R. 2588: Mr. DELLUMS.

H.R. 2623: Mr. BISHOP, Mr. DICKS, and Ms. LONG.

H.R. 2767: Mr. PARKER.

H.R. 2886: Mr. HEFLEY, Mr. COYNE, Mr. ANDREWS of New Jersey, Mr. DELAY, Mr. STUMP, Mr. CUNNINGHAM, Mr. COX, Mr. BARRETT of Nebraska, Mr. SCHAEFER, Mrs. MEYERS of Kansas, and Mr. BEREUTER.

H.R. 3105: Mr. CASTLE.

H.R. 3227: Mr. GORDON, Mr. GINGRICH, Mr. DARDEN, Mr. BLILEY, Mr. NEAL of North Carolina, Mr. BACCHUS of Florida, Mr. WILSON, Mr. BARLOW, Mr. QUILLEN, and Mr. CALLAHAN.

H.R. 3228: Mrs. THURMAN.

H.R. 3247: Mr. WISE, Mr. KASICH, Mr. NADLER, Mr. FRANK of Massachusetts, Mr. PETERSON of Minnesota, Mrs. MORELLA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FOGLIETTA, Mr. JOHNSTON of Florida, Mr. APPLEGATE, Ms. ROYBAL-ALLARD, and Ms. FURSE.

H.R. 3251: Mr. DOOLITTLE, Mr. DORNAN, Mr. HUTTO, Mr. GOODLATTE, Mr. MANN, Mr. DELAY, Mr. KIM, and Mr. SOLOMON.

H.R. 3272: Mr. DIAZ-BALART and Mrs. MEEK of Florida.

H.R. 3328: Mr. BACHUS of Alabama.

H.R. 3392: Mr. HERGER and Mr. LEWIS of Florida.

H.R. 3458: Mr. DORNAN, Mr. BOEHNER, and Mr. SCHIFF.

H.R. 3472: Mr. BILIRAKIS.

H.R. 3513: Mr. KILDEE.

H.R. 3523: Mr. FISH, Mr. HOKE, Mr. TALENT, Mr. CALVERT, and Mr. HERGER.

H.R. 3622: Mr. PACKARD.

H.R. 3656: Mr. RANGEL, Mr. ABERCROMBIE, Mr. FOGLIETTA, and Mr. BAKER of California.

H.R. 3705: Mr. DUNCAN, Mr. GORDON, Mr. NEAL of North Carolina, and Mr. CLEMENT.

H.R. 3790: Mr. PARKER.

H.R. 3814: Mr. FOWLER, Mr. BAKER of Louisiana, Mr. UPTON, Mr. CASTLE, and Mr. ARCHER.

H.R. 3912: Mr. Gene Green of Texas.

H.R. 3951: Mr. Clyburn and Mr. Santorum.

H.R. 3958: Mr. Allard.

H.R. 3969: Mr. Smith of Texas, Mr. Tauzin, Mr. Hutchinson, Mr. Barrett of Nebraska, Ms. Lambert, Mr. Dickey, Mr. Bateman, Mr. Hancock, Mr. Castle, and Mr. Walker.

H.R. 3982: Mr. Fields of Texas.

H.R. 3986: Mr. Gunderson, Mr. Gilman, Mr. Kyl, Mr. McMillan, and Mr. Goss.

H.J. Res. 276: Mr. Machtley, Mr. Quillen, Ms. Pelosi, Mr. Brown of Ohio, Mr. Wolf, Mr. Markey, Mr. Hochbrueckner, Mr. Mann, Mr. Cramer, Mr. Hoyer, Mr. Kasich, Mr. Dellums, Mr. Faleomavaega, Mr. Wilson, and Mr. Volkmer.

H.J. Res. 303: Mr. Torricelli, Mr. Applegate, Mr. Gilman, Mr. Bateman, and Mr. Torres.

H.J. Res. 310: Mr. Roemer, Mr. Smith of New Jersey, Ms. Kaptur, Mr. Spence, Mr. Greenwood, Mr. Murphy, Mr. Packard, Mr. Carr, Mr. Costello, Mr. Callahan, and Mr. Reed.

H.J. Res. 317: Mr. Gingrich, Mr. Thomas of Wyoming, Mr. Ballenger, Mr. Sanders, Mr. Markey, Ms. Norton, Mr. Castle, Mr. Murtha, Mr. Hinchey, Ms. Brown of Florida, Mr. Murphy, Mr. Smith of Iowa, Mr. Kildee, Mr. Hoyer, Mr. Goodlatte, Mr. Livingston, Mr. Manton, Mr. Klein, Mr. Vento, Mr. Meehan, Mr. Washington, Mr. Carr, Mr. Skelton, Mr. Inhofe, Mr. Matsui, Ms. Roybal-Allard, and Ms. Long.

H. Con. Res. 35: Mr. Gutierrez, Mr. LaRocco, Mr. Coppersmith, and Mr. Underwood.

H. Con. Res. 126: Mrs. Fowler.

H. Con. Res. 141: Mr. Gingrich.

H. Con. Res. 156: Mr. Sarpalius.

H. Con. Res. 177: Mr. Manzullo, Mr. Owens, Ms. Roybal-Allard, Mr. Pallone, Mr. Frost, Mr. Deutsch, Mr. Faleomavaega, and Mr. Grams.

H. Con. Res. 210: Mr. Kennedy, Mr. Ackerman, Mr. Engel, Mr. Shays, Mr. Machtley, and Mr. Diaz-Balart.

H. Res. 238: Mr. Smith of Texas.

H. Res. 363: Mr. Boehner, Mr. Gekas, Mr. DeLay, and Mr. Hancock.

H. Res. 372: Mr. Kreidler, Mr. Slattery, Mr. Towns, Mr. Foglietta, and Mr. Castle.

H. Res. 377: Mr. Miller of Florida.

PETITIONS, ETC.

Under clause 1 of rule XXII.

78. The SPEAKER presented a petition of the city of Schenectady, NY, relative to the enactment of comprehensive mandate relief legislation; which was referred to the Committee on Government Operations.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 10 by Mr. McCOLLUM on House Resolution 295: John A. Boehner.

Petition 11 by Mr. RAMSTAD on House Resolution 247: Don Young, George W. Gekas, Michael D. Crapo, Robert K. Dornan, Terry Everett, Helen Delich Bentley, John A. Boehner, Tom Lewis, Sam Johnson, and Randy "Duke" Cunningham.

Petition 13 by Mr. SMITH of New Jersey on House Resolution 281: Thomas E. Petri, Austin J. Murphy, Stephen E. Buyer, Helen Delich Bentley, George J. Hochbrueckner, Michael Bilirakis, Nick J. Rahall, Terry Everett, Charles Wilson, J. Ray Rowland, Martin R. Hoke, C.W. Bill Young, Peter Blute, Lincoln Diaz-Balart, W. J. (Billy) Tauzin, Alfred A. McCandless, Nick Smith, John A. Boehner, George W. Gekas, Tom DeLay, Harris W. Fawell, Michael N. Castle, Steve Gunderson, Romano L. Mazzoli, and Bill Emerson.

EXTENSIONS OF REMARKS

RETHINKING UNITED STATES POLICY ON CHINA

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. FALEOMAVAEGA. Mr. Speaker, as spring approaches, attention is rapidly focussing on what has become an annual rite of Congress: whether the United States should revoke China's most-favored-nation tariff status.

As we prepare for this year's exercise on China policy, I recommend to the attention of Members the following article in the San Francisco Chronicle by Stanley Lubman, an attorney and teacher specializing in international law. Mr. Lubman makes a number of observations in his article that warrant consideration.

First, and most importantly, Mr. Lubman correctly states that United States policy-makers should concentrate on defining and maintaining a coherent long-term policy toward China that supports broadbased Chinese reforms.

Second, Mr. Lubman notes the annual threat of MFN revocation based upon short-term results is a "clumsy and dangerous foreign policy instrument." As he points out, an end to MFN treatment would severley undermine China's economic growth and stability—thereby jeopardizing the very economic and societal conditions in China that best promote progress for political reform and protection of human rights.

Last, the argument that China's MFN, status should not be revoked because it will adversely affect United States jobs and exports, although well-intentioned, is short-sighted and oversimplifies the matter. Moreover, As Mr. Lubman notes, balancing human rights against jobs while debating MFN policy leaves the U.S. policy-makers open to charges of sacrificing morality for greed.

Mr. Speaker, in the upcoming months as we review these issues, I would urge our colleagues to adopt a long-term policy perspective toward China that supports economic progress and concommitant political reform. A China policy that is excessively preoccupied with short-term results may only undercut achievement of those vital goals. Again, I recommend highly to the attention of our colleagues the excellent article by Mr. Lubman.

[From the San Francisco Chronicle, Feb. 14, 1994]

LONG-TERM CHINA POLICY SHOULD BE U.S. GOAL

(By Stanley Lubman)

As U.S. policy makers re-examine our relationship with China, it is important that they get right the reasons for change.

Since 1989, the United States has sought to pressure the Chinese government to make progress in ending human rights abuses by using the threat of ending so-called most-favored nation ("MFN") treatment. An end to MFN would mean raising tariffs on Chinese exports to the United States.

In recent weeks, the Clinton administration has emphasized "reengagement" with China. Last week, Representative Robert Matsui, D-Sacramento, urged that the two issues of tariff treatment and human rights be decoupled because of the impact on jobs in California if MFN treatment is ended: Chinese exports would decline and China would buy less from the United States.

While Matsui is correct in arguing in favor of continuing MFN status for China, the theme of jobs versus human rights is short-sighted. Instead, policy should change because of U.S. hopes for China's prospects over the long run. Moreover, it is important to anticipate economic and political uncertainties that may lie ahead in China.

Clearly, the treatment of millions of Chinese, especially dissidents and prisoners, by the security apparatus and prison system, cruelly violates widely-held standards of decency and governmental conduct. And the injection of human rights idealism into U.S. China policy disregards differences between Chinese and Western cultural traditions, concepts of law and political ideals. It judges Chinese practice by our ideals, regardless of how far short we ourselves may fall from them in practice.

The threat to end MFN treatment is a clumsy and dangerous foreign policy instrument, whether the focus is human rights or economic. China's remarkable economic reforms have "dramatically" improved the lives of most Chinese, according to U.S. Ambassador Stapleton Roy. And cultural openness to the West has grown considerably.

An end to MFN treatment would cripple Chinese export industries and deal a terrific blow to economic growth and reform. It would create economic hardship for millions of Chinese and for Hong Kong. Economic distress also could lead to unrest and another political crackdown.

If the United States wants political reform, it should promote Chinese economic reform. Economic growth does not necessarily nourish individual rights and the rule of law, but at least it creates the economic conditions in which progress toward political change might be possible.

Reconsideration of the MFN issue to avoid injuring U.S. exports to China oversimplifies these issues and also invites moralizers to argue that the issue is one of greed against morality.

U.S. policy should anticipate that Chinese economic development will be uneven. In the next months, for example, a hard landing by the Chinese economy is very possible. The rate of growth is so high that some Chinese leaders tried to slow down investment last summer, but had to surrender by autumn because too many provincial leaders are committed to unrestrained local investments.

Inflation is 20 percent yearly by official figures and more by unofficial reckoning. The World Bank has warned the Chinese leadership that it must slow economic growth or risk major inflation. Because the power of the central government is decaying, it has difficulty controlling local investment and collecting tax revenues.

Administration policy should focus on defining and maintaining long-term U.S. interest in Chinese reform, despite the possibility that real economic and political problems may appear in the short run. Realism would make the change in policy seem less opportunistic, both at home and in Beijing, where the Chinese leadership is wont to emphasize America's need of the China trade.

By taking the trouble to educate the American public about its China policy, the administration can help prevent U.S. perceptions from swinging yet again from excessively high expectations to exaggerated disappointment. But in the meantime, policy makers must get their reasons for change right.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's Saint Patrick's Day Dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

Irishwoman of the Year, Anne Gillespie Cleary, is another Irish-born honoree. Anne's husband Tommie was a renowned violinist and a member of the Green Shades Showband. In their years together, Anne and Tommie were deeply involved in Irish-American affairs. Today, Anne continues her activism, opening her home to Irish immigrants, and Irish students during their vacations or studies in America, as well as to members of travelling Irish football teams. Anne also generously gives of her time to "Project Children," for which the children of Northern Ireland who have shared her warmth are truly grateful.

The influence of the strong Irish-American community in Jersey City, and in New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I'm proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

TRIBUTE TO ITALIAN TRIBUNE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. LEVIN. Mr. Speaker, as the Italian Tribune marks its 85th anniversary, I rise today to recognize the important role that this newspaper has played in the lives of Italian-Americans in Michigan.

The Italian Tribune has covered events and achievements in the Italian community since 1909, and continues to serve as a vital link among Italian communities today. As the newspaper has evolved over the years to serve a changing readership, two things have remained constant: The paper has stayed in the hands of the family who founded it 85 years ago, and that family is still committed to helping Italian-Americans maintain their heritage.

Ed and Marlene Baker run today's Italian Tribune from a modern facility in Warren, MI, and their weekly edition reaches about 350,000 Americans of Italian descent in Michigan. The Italian Tribune is the only Italian-American newspaper in Michigan, and the second-largest in the Nation. It is unique among ethnic publications because it combines articles in Italian and English—seven of its pages are written in English, and five in Italian.

Originally christened El Tribuno del Popolo, the Italian Tribune was founded by Mr. Baker's grandfather, Vincent Giuliano. Mr. Giuliano came to the United States at the age of 21, and followed the family of his future wife, Maria, to Chicago. There, he began his Italian paper to help his fellow workers from Italy better deal with the problems they faced in America.

Based only on his marvelous reputation, leaders of the growing Italian community in Michigan asked Mr. Giuliano to come to Michigan. Mr. Giuliano steered the paper's editorial and business affairs through the difficult years of the Depression. Throughout those dark days, he kept the doors of the paper open out of concern for the welfare of his employees. In the early days of the paper, Maria Giuliano was the principal writer, turning out news stories and also informing new immigrants about citizenship and learning English. The Italian Tribune reported on the Italian community under the direction of the Giulianos until 1962, when Mr. Giuliano passed away, and his grandson, Ed Baker, took over the paper.

The Bakers have run the Italian Tribune as a family ever since. As with his grandparents, Mr. Baker oversees finances and his wife, Marlene, covers the news and keeps up with Italian organizations in Michigan. Their daughter, Marilyn Kammer, is managing editor of the paper. The Italian Tribune is still successfully serving an Italian community that may be further removed than past generations from its cultural heritage. The longevity of the Italian Tribune is a testament to the ongoing commitment of the Giuliano and Baker families to maintaining that heritage. Mr. Speaker, I salute the Italian Tribune and the people behind it as they celebrate 85 years as the voice of Italian-Americans in Michigan. I wish them as much and more success for the next 85 years.

INTRODUCTION OF DUTY SUSPENSION FOR 1995 SPECIAL OLYMPICS WORLD GAMES

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mrs. KENNELLY. Mr. Speaker, Connecticut is honored to host the 1995 Special Olympics World Games. These world games are expected to be the largest sports event in the world to be held in 1995 and the largest sporting event ever to be held in Connecticut. The world games bring together adults and children with mental retardation to compete in international sporting competition. For 9 days in July, our small State will grow in size and spirit as the world joins us in witnessing the courage and achievement of thousands of Special Olympians from around the globe. Over 6,000 athletes from 125 countries will participate in events from aquatics to volleyball. In addition to athletic competition, these games will also feature entertainment and educational and cultural events.

Today I introduce legislation to temporarily suspend the duty on personal effects, equipment, and materials for educational and cultural programs for participants, their families, and coaches of the 1995 Special Olympics World Games.

Under current law, some of these items are subject to a Temporary Importation Bond requirement. This legislation would eliminate the need for this requirement and thus facilitate the entry into the United States of the thousands of athletes, family members, and coaches.

Connecticut is committed to make these the best games in history for the athletes, families, spectators, volunteers, and supporters. The Special Olympics truly exemplify the strength of human spirit and the joy and pride of accomplishment. I look forward to the 1995 Special Olympics World Games to be held July 1–9, 1995, in New Haven, CT.

TRIBUTE TO DR. ROBERT KRAFTOWITZ

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. SANTORUM. Mr. Speaker, among the many heroes who responded immediately with help after the recent Los Angeles earthquake, one of my constituents deserves special recognition.

Dr. Robert Kraftowitz, director of HealthAmerica's West Mifflin, PA office, was in Los Angeles preparing to attend a continuing medical education conference when the quake hit. Dr. Kraftowitz's family, friends, and colleagues were all apprehensive about his whereabouts. Happily, he was able to contact his wife promptly and assure her that he was fine.

When his wife mentioned that she had seen reports on television about the Granada Hills Hospital in Northridge and its efforts to treat earthquake victims, Dr. Kraftowitz decided that he should help. Since his conference was not scheduled to begin until the next day, he drove to Granada Hills Hospital and volunteered his services. He spent the rest of the day in the hospital's emergency room, treating dozens of injured persons and offering much-needed support to an extremely weary staff.

Those who know Dr. Kraftowitz were not surprised by his decision, for they know the commitment, caring, and dedication he brings to his medical service every day. I know many Californians will long remember his selfless, courageous assistance to earthquake victims. It is my privilege to commend him and his example of heroism to my colleagues in the Congress and to the Nation. Dr. Kraftowitz, thank you for showing all of us what it means to offer ourselves unhesitantly in caring response to human need.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's St. Patrick's Day dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

One of the committee's special awards goes to a favorite son of Jersey City, Bobby Hurley. Bobby's achievements are well known to all of us. Born and raised in Jersey City, Bobby developed into an outstanding student athlete at Our Lady of Mercy Elementary School, and St. Anthony High School, where he led his basketball team to city, county, and State championships. In 1989, St. Anthony High School was ranked as the No. 1 high school team in the Nation, and Bobby was recognized as an All-American. Taking those skills with him to prestigious Duke University, Bobby was a 4-year varsity starter, and was named Outstanding Scholar Athlete in his junior year. Bobby's four trips to the NCAA tournament, and his leadership in helping Duke capture two consecutive national championships came as no surprise to those who knew him best in his home town. Every heart in the city swelled with pride when he was drafted by the Sacramento Kings and became their starting point guard. All of Jersey City wishes him well, and will be there to cheer him on in his professional career.

I'm proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

SAN BERNARDINO LIBRARY LITERACY PROGRAM HONORED

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. BROWN of California. Mr. Speaker, I rise today to commemorate the Fifth Annual Literacy Speaker's Forum sponsored by the San Bernardino City Library literary staff.

The city of San Bernardino Library Literacy Program has developed a curriculum which provides services to adults, children, and youth. The program collaborates with schools and other educational institutions to provide parents and their children with learning and reading skills, such as theatrical literacy for those interested in the performing arts. The literacy program has established partnerships in the workplace to educate those wishing to obtain new skills or promotion and has inaugurated a GED and English as a second language component.

Under the administration of S'Ann Freeman, Ed.D and the direction of Robert Ewing, city librarian, these programs have grown from 25 students and 14 volunteer tutors in September 1988, to over 5,000 of each in 1994, and have trained over 2,000 volunteer tutors and recruited over 2,000 students since August 1989.

For 1994 the literacy staff has chosen the theme "Literacy: The Key to Changing Lives," and is inviting those who have dedicated their own lives to public service for their communities, their States, and their Nation as special guest participants. These public figures are those who have demonstrated the belief that an informed citizenry reads, makes wise decisions, and votes. The public leaders are readers themselves and are excellent examples of the blessing of education and, indeed, of basic literacy.

Mr. Speaker, I ask my colleagues to join me today in commemorating the San Bernardino City Library literacy staff and the Fifth Annual Literacy Speakers' Forum.

CONGRESS SALUTES LOUIS J. LEONE, JR., RETIRED OFFICER, PUBLIC SERVANT

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. SOLOMON. Mr. Speaker, America is the greatest and freest country on Earth because it produced men like Louis J. Leone, Jr.

My definition of a great man is one who gives generously of himself to his country or to his community. Louis Leone has done both.

After a distinguished career in the U.S. Army, Mr. Leone was elected mayor of the village of Greenwich, where his family had settled the year before.

He was highly decorated during his years of military service, receiving such awards as the Legion of Merit, five Meritorious Service Medals, the Bronze Star, the Air Medal, and the Army Commendation Medal. He proudly wore the Combat Infantryman's Badge, and the jungle warfare expert's patch. He was also a senior parachutist, with over 45 jumps. His 24 years of service included two tours of Vietnam. He also served in South Korea, Okinawa, and Iran. His training included Defense Information School, the Public Affairs Advance Course, and numerous infantry courses. He retired with the rank of lieutenant colonel in 1984 as a public relations officer for the U.S. Military Academy at West Point, NY.

But Louis Leone's record of service was not completed. He decided to put his military service, his B.A. in history, and his master's degree in public administration to good use.

Besides serving as mayor of Greenwich since 1984, he has been a member of VFW Post 7291, the American Legion, Elks Lodge 2223, the Retired Officers Association, the Association of the U.S. Army, the National Society of Fund Raising Executives and the Alpha Chi National Honor Society.

Louis Leone has contributed to our national defense, he has served his community, and he has been an advocate of our Nation's veterans. Any of those activities alone would have made him, in my opinion, a great American.

Mr. Speaker, a dinner will be held in his honor on March 19. I ask you and all Members to join me in our own salute to that great American, Louis J. Leone, Jr., of Greenwich, NY.

REPUBLICAN BUDGET INITIATIVE

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. GEKAS. Mr. Speaker, I support the Republican budget initiative for fiscal year 1995, and I intend to vote for it. However, I do disagree with the budget priorities contained in both the majority and minority budget plans regarding fiscal year 1995 funding for the National Institutes of Health [NIH]. Neither plan provides the necessary funding to insure essential health research efforts. House Concurrent Resolution 218, the majority plan, provides $238 million less than the President's proposal. Its 2.5-percent increase over the fiscal year 1994 level is less than the rate of inflation. Meanwhile, the minority plan freezes NIH funding for fiscal year 1995 at fiscal year 1994 levels. Both will cause peer reviewed health research projects to be reduced from funding 25 percent of available opportunities to only 15 percent of all projects deemed worthy of exploration. This appears to be a false economy in light of out of control health care costs and the potential savings that health research at the NIH can contribute to health reform efforts.

Health care reform is a top priority for the American people, but our budget priorities do not reflect this concern when we reduce health research efforts. NIH health research is enabling individuals to receive more effective treatment and to return to the workplace and productive lives. Health care costs are increased by physicians practicing defensive medicine because of the lack of medical malpractice reform not because of health research.

I understand the hard budget choices faced by my colleagues on both sides of the aisle, but the NIH is one of our jewels and an institution that achieves world recognition for excellence. Additional cuts at the NIH send a bad message. Is this how we reward excellence? For the last several years I have heard testimony from biomedical research scientists during 25 different presentations before the Biomedical Research Caucus. They have told us that we are on the threshold of tremendous discoveries in the war against human disease, but they need the resources to conduct health research at the NIH. We have for the first time a world renowned scientist and Nobel laureate, Dr. Harold Varmus, as Director of the NIH and our general in this battle against disease. We are asking Dr. Varmus to win the battle against diseases such as cancer, AIDS, and Alzheimer's, without adequate funding. We are asking Dr. Varmus to lead this fight without equipment, something no general could ever do in battle. The equipment budget for scientists to work at the molecular level at the NIH is practically nonexistent at a mere $9 million of an $11 billion budget. Where will Dr. Varmus get the new recruits to fight disease with the training budget frozen? We are telling our young people that we do not want their talents and training in this effort. Do not sign up to make the American people healthy because we have no funds for your efforts.

Our budget priorities in reducing funding for the NIH are not in keeping with the priorities of the American people, who want health research and who said in recent national polls that they will pay for it.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's St. Patrick's Day Dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

The 1994 Irish Policeman of the Year is Jersey City native, Officer Harold Tullock. Harold has been recognized many times for his outstanding service to the force, winning valor awards from the Jersey City Police Department, the Fraternal Order of Police, and the Police Officer's Benevolent Association, a Departmental Commendation for Bravery, the Lt. Stan Pryzgoki Memorial Award, and the James E. Simpkins Award from the Jersey City NAACP. The committee has recognized Harold this year for his bravery in responding to a fire at 24 Paerson Street in December 1993. Upon his arrival at the scene, Officer Tullock found the building engulfed in flames, with two children trapped inside. Climbing to the roof on a fire department ladder, Harold met a fireman with two children atop the building. After taking the first child to safety, Harold returned for the second, a 9-year-old girl. While descending, the child panicked and began screaming and struggling fiercely, causing the ladder to fall back from the building. Pushing the ladder back toward the building to prevent it from falling on top of them, Officer Tullock cradled the girl and turned his body to protect her from the fall. When they crashed to the ground, the girl was unharmed, but Harold had sustained injuries to his hand, back, groin, abdomen, and heel, as well as cuts and gashes from landing in broken glass and freezing water. After long and arduous therapy, Officer Tullock recovered, and more miraculously, returned to active duty on January 31, 1993. In recognition of that heroic act, he is honored as the Irish Policeman of the Year.

The influence of the strong Irish-American community in Jersey City, and in New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

I am proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

RECOGNITION OF DOUGLASS SPEAKERS' ELOQUENCE

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Ms. SLAUGHTER. Mr. Speaker, last month, in recognition of Black History Month, students in my district participated in the national Frederick Douglass Oratorical Competition. The contest is designed to help educate young people about the life of Frederick Douglass, who is described by many as the "father of the civil rights movement." Born into slavery, Douglass escaped in 1838 and spent the rest of his life championing emancipation, the end to Jim Crow laws and segregation, and the right to vote for both blacks and women. In my district of Rochester, NY, he published the North Star, a weekly abolitionist newspaper, and founded a Rochester station of the underground railroad. He was also a major contributor to the first women's rights convention in Seneca Falls in 1848.

In Rochester, the contest has been an annual event for many years, under the able leadership of Dr. Juanita Pitts. Students participating in this contest each choose the words of Frederick Douglass that mean the most to them, and perform these speeches with a true depth of feeling. I would like to share with you excerpts from a few of the students' speeches for this year, because the words these youngsters have chosen are as true today as when Douglass first spoke them.

Deepa Premnath, a fifth grader at school #58, won first prize in the Rochester competition with these thoughts on education:

> Without education, a person lives within the narrow, dark and grimy walls of ignorance, a prisoner without hope. Education, therefore, means emancipation. It means light and liberty. It means the uplifting of the soul into the glorious light of truth, the light by which all can be made free. To deny education to any people is one of the greatest crimes against nature. Each person has a right to liberty, education, and to an equal chance with all others in the common race of life and in the pursuit of happiness.

Jason Friday, a sixth grader at school #30, won first prize in the Rochester contest for middle schools, with Douglass' words about freedom of speech:

> Our rulers are the agents of the people, and it is no evidence of a factious disposition that a man presumes to condemn a public measure if, in his judgment, that measure is opposed to public good.

Chandra Wilson, a senior at Greece Athena High School, placed second in the national competition. Chandra chose one of Douglass' speeches on women's suffrage:

> [W]e are free to say that in respect to political rights we hold women to be entitled to all that we claim for men . . . All that distinguishes man as an intelligent and accountable being is equally true of woman; and if that government only is just which is governed by the free consent of the governed, then there is no reason in the world to deny to women the exercise of the elective franchise or a hand in the making and administering of the laws of the land. Our doctrine is that Right is of no sex. We therefore bid the women engaged in this movement our humble Godspeed.

Arthur Bryant, Jr., a sixth grader at school #39, won the elementary division of the national competition. He chose Douglass' remembrance of the day of the Emancipation Proclamation:

> You want to know what the colored people think—I will tell you how joyfully they received the Proclamation of Abraham Lincoln, in Boston on the first of January. We were not all colored, either, but we all seemed to be about of one color that day . . . I never saw such enthusiasm before. Men, women, young, and old were up. Hats and bonnets were in the air and we gave three cheers for Abraham Lincoln and three cheers for almost everybody else . . . There was shouting and singing . . . I never saw such enthusiasm, such joy.

Finally, Marie Adjivon tied for first place in the Rochester contest and placed first in the national competition on the high school level. She is a senior at East High School, and she gave a very interesting speech concerning Douglass' thoughts on Abraham Lincoln:

> Few great public men have ever been the victims of fiercer denunciation than Abraham Lincoln was during his administration . . . He was assailed by the men who were for peace at any price; he was assailed by those who were for a more vigorous prosecution of the war; he was assailed for not making the war an abolition war; and he was most bitterly assailed for making the war an abolition war . . . He calmly and bravely heard the voice of doubt and fear all around him; but he had an oath in heaven, and there was not power enough on the earth to make this honest man evade or violate that sacred oath.

Mr. Speaker, these students have demonstrated an understanding of, and appreciation for, the ideals which form the foundation of our Nation—democracy, freedom, equality, and opportunity. I am proud that the words of Frederick Douglass live on in their hearts as I hope they live on in ours.

ARMY CORPS OF ENGINEERS FEDERAL FINANCING BANK

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MORAN. Mr. Speaker, I rise today to introduce legislation to give the Army Corps of Engineers the authority to borrow from the Federal Financing Bank in order to finance capital improvements to the Washington Aqueduct. I want to thank my good friend and colleague, Senator JOHN WARNER, for introducing this important legislation in the Senate and Representative ELEANOR HOLMES NORTON for signing on as an original cosponsor in the House.

Many of you may recall that from December 8 to 11 of last year, 1 million water users in Virginia, the District of Columbia, and Maryland were ordered by the Environmental Protection Agency to boil their tap water before drinking it. More than a simple inconvenience, the water alert shook resident's faith in what they believed to be a safe, clean drinking water supply.

Although subsequent investigations revealed that dangerous bacteria, chryptosporidium, was not present in the water, it was revealed that workers at the Washington Aqueduct had failed to respond to increasing levels of turbidity in the water supply. For many residents, questions about the cleanliness of the water supply remained well after the EPA rescinded its boil-water alert.

In response to these concerns, the Corps of Engineers, which has operated the Washington Aqueduct since 1853, has been working closely with the EPA, the Council of Governments, and local government officials to identify ways to ensure the integrity of our water supply. One issue of particular concern to all the affected parties is the need to undertake capital improvements to the Washington Aqueduct. While the Corps of Engineers has identified almost $100 million in capital improvements that are either currently required, or may be needed in the next 5 years, they have not yet been undertaken because of the corps' inability to borrow money necessary to begin the improvements.

Unlike most private utilities across the country, the corps does not have the authority to borrow money in order to finance improvements to the infrastructure of the water system. Without such authority, the corps will be forced to require its customers to pay the costs of the capital improvements up front, in the form of costly water bills.

Mr. Speaker, this situation is unacceptable. Water users should not be faced with a choice between exorbitant water bills or a questionable water supply. There is no question that with some of the piping for the Aqueduct dating back to its construction in 1853, these repairs are an absolute necessity.

Allowing the corps to borrow from the Federal Financing Bank ensures that needed capital improvements can occur, while allowing customers to pay for the improvements over the life of the project, rather than up front. The corps will follow the lead of many other Federal agencies which regularly borrow from the Federal Financing Bank to help finance programs involving construction projects.

Without necessary improvements to the Washington Aqueduct, the region's water supply may once against be put at risk.

I urge my colleagues to support this legislation and ensure that these improvements occur in a timely fashion and that our water supply is protected.

DRUG EDUCATION AND INTERDICTION WORKS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. SOLOMON. Mr. Speaker, no one can deny the progress we made in the war against drugs during the Reagan-Bush years. Overall usage of illicit drugs dropped dramatically between the years of 1980 and 1992. Cocaine use in children between the ages of 12 to 17 went from approximately 225,000 users in 1988 to 55,000 users in 1992. This progress was due in large part to the direction taken by these administrations in the area of education and interdiction. It was their serious commitment to reducing the supply of illegal drugs coming into the United States and educating the American public about the dangers of illegal drug use that reduced the demand for illegal drugs.

Sadly enough, this same progress cannot be claimed by the Clinton administration as they literally slash and burn those Federal programs involved in putting an end to this deadly trade. As we can all remember, one of the first moves President Clinton made when he came to the White House was to virtually dismantle the Office of National Drug Control Policy [ONDCP] by reducing its staff by 80 percent. Consequently, with policies such as this, we have seen an increase in drug usage among our Nation's youths and a corresponding increase in the public fear of crime.

However, even with the facts staring him in the face, President Clinton is determined to cut much-needed staff in such important interdiction agencies as the DEA, FBI, INS, ATF, IRS, and the Coast Guard. The President claims the cuts will save taxpayers more money, but cuts of this magnitude will not be beneficial. In addition, the President would like to reduce over 100 U.S. attorneys' drug prosecution positions. How will the judicial system prosecute drug dealers? President Clinton claims he is increasing funding for international drug efforts, but what he fails to mention is that his fiscal year 1995 budget request is close to $100 million less than the fiscal year 1993 request under President Bush.

We need action, not political rhetoric and as the old saying goes, "an ounce of prevention is worth a pound of cure."

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's St. Patrick's Day dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

Patrick Joseph Lacy, the 1994 Irish Firefighter of the Year, is no stranger to service to his country, as well as the city. He is a Navy veteran, has dedicated 15 years to the city as a firefighter, and has served as an officer of the Firemen's Federal Credit Union and the Firefighters Emerald Society. Patrick is a true Jersey City native, a graduate of St. Michael's Grammar and High School, he went on to earn his bachelor of science degree from Jersey City State College. His service to the city as a firefighter is a continuation of a lifelong involvement with the community.

The influence of the strong Irish-American community in Jersey City, and New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

I am proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

TRIBUTE TO CHARLIE BRADSHAW

HON. DON JOHNSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. JOHNSON of Georgia. Mr. Speaker, I rise today to pay tribute to a good friend and long-time public servant from my home, Franklin County. Charlie Bradshaw recently retired as mayor of Franklin Springs, GA, after serving that small city for 27 years. He will be honored at the 18th annual Northeast Georgia Appreciation Dinner at Emmanuel College March 28.

As mayor of a small town—Franklin Springs has a population today of less than 800 people—Charlie Bradshaw has done much more than simply preside over council meetings and prepare an annual budget. When lightning knocked out power in the city and killed the water pump that moves the city's water supply, it was often Charlie who left his warm, dry home and ventured out to restart the pump. When the city expanded its city hall—known locally as the Town Hut—it was Charlie who painted the walls in the new council meetingroom. And when the city built sidewalks from Emmanuel College to the new shopping center, it was Charlie who was out there every day, watching and helping with every step of the construction.

When he first took office in 1965, Mr. Speaker, the city of Franklin Springs had no citywide water and sewer system. Today it does, thanks to the persistence and efforts of the mayor. When Charlie took office in 1965, the city had a number of unpaved streets and no organized plans for paving the unpaved and improving and expanding the network of streets. Today, all the streets are paved and many have been added and improved, thanks to the persistence and efforts of the mayor.

During his tenure as mayor, the city also built a city hall and fire department building. Charlie was instrumental in the organization of the Franklin County Industrial Authority, through which the county and five cities have worked to attract a number of employers and hundreds of jobs to the county. He is currently serving his second term as president of the Royston-Franklin Springs Chamber of Commerce. He has been chairman of the Emmanuel College Board of Education and was a member of the board of the Georgia Mountain Regional Development Authority.

Charlie Bradshaw is a true public servant. He has given much to his city, and his city has benefited greatly. I wish him well in his retirement. The city will miss his leadership, experience, and devotion.

TRIBUTE TO THE CITY OF PALO ALTO, CA

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor the vibrant city of Palo Alto, CA, on the occasion of its centennial celebration. A giant redwood tree is the symbol of Palo Alto's 100th birthday. It is a fitting reminder of the city's rich history, towering accomplishments, and solid future.

Palo Alto combines the beauty, charm, and friendliness of small town America with educational, industrial, and cultural assets rivaling those of any large city. Its people share a strong commitment to improving their community—a commitment reflected in one of the most successful public school systems in the country. As the birthplace of Silicon Valley, the entrepreneurial spirit is alive and well in Palo Alto, where numerous new technologies and companies are launched every year. In addition, Palo Alto's concern for the environment has made it a leader in recycling, while its people's appreciation for cultural diversity has made the city a warm, exciting place to live and work.

This centennial year many events and projects are taking place to honor Palo Alto's past and help shape its future. Concerts, events with sister cities in other nations, classroom and theater presentations, environmental inventories, a centennial calendar, and a spectacular birthday party are among the many events planned for 1994. The Centennial Endowment Fund, a generous permanent gift from the people of Palo Alto, will contribute to local nonprofit organizations working in areas such as health, housing, the arts, and the environment for many years to come.

Mr. Speaker, this is a community justifiably proud of its heritage. I am privileged to represent a community, which day in and day out, speaks of the best of America. I ask my colleagues to join me in saluting Palo Alto, CA, a remarkable city celebrating 100 years of excellence.

BLIND WORKERS' WAGE EQUITY ACT

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. TRAFICANT. Mr. Speaker, this week I introduced H.R. 3966, the Blind Workers' Wage Equity Act, to ensure blind workers receive a decent, livable wage.

Mr. Speaker, the Wagner-O'Day Act of 1938, amended as the Javitz-Wagner-O'Day [JWOD] Act in 1971, provides blind and severely handicapped Americans with the opportunity to earn a living by manufacturing products in factories known as sheltered workshops. Through this landmark legislation, these workshops are privileged to noncompetitive contracts with the Federal Government so long as 75 percent of their direct labor is performed by blind or severely handicapped workers. In 1993, the General Services Administration, Defense Logistics Agency and other Federal agencies purchased $215 million in products from the workshops. In addition, the Federal Government further assists the workshops by locking in prices for the products, providing direct subsidies for construction, staffing, and equipment, and exempting them from income taxes. The products, which include mops, pens, pencils, helmet liners, paper pads, soap products, mattresses, and brooms, are manufactured in workshops part of either the National Industries for the Blind [NIB] or the National Industries for the Severely Handicapped [NISH] system.

I laud the nature of the JWDO program, which has given members of our society a chance to stay off the public dole and be productive members of our society. I also laud the efforts of the Committee for Purchase From People Who are Blind or Severely Disabled, which is entrusted to secure contracts and fair market prices for both the NIB and the NISH workshops. What I am concerned with, however, is the exploitation of blind workers by many of the IB workshops. Approximately 40 percent of the 5,000 blind workers employed in the workshops are paid less than minimum wage. Disturbingly, Federal legislation enables them to do so legally.

Section 14(c) of the Fair Labor Standards Act of 1938 [FLSA] allows employers to pay workers subminimum wages if their earning or productive capacity is impaired by age, physical or mental deficiency, or injury. This provision was originally meant to expand employment opportunities for workers who would otherwise be perceived as unemployable. Before the FLSA, employers who did not want to risk hiring a nonproductive worker at a minimum wage would exclude the handicapped from the selection process. To address this problem, the FLSA calls for the Secretary of Labor to issue special certificates allowing the employer to circumvent minimum wage laws. Although section 14(c), coupled with the Americans with Disabilities Act of 1990, has undoubtedly accomplished its goal of including the handicapped in the workplace, abuse of the provision is prevalent.

Time and time again blind workers have proven to be as productive as their sighted coworkers. There is simply no excuse to pay blind employees less for equal work. According to the NIB, major corporations and small businesses have begun to hire blind people in large numbers because they now recognize that they are an untapped resource. Alberto Torres, a blind darkroom technical for the Bronx Hospital Municipal Center emergency room, is a prime example. After assembling mops for many years at one of the workshops, Mr. Torres got his chance to demonstrate his skills in the competitive market. He now develops x ray film, preparing the developing solutions, cleaning processing machines, and maintaining the stocks of supplies. Even more remarkably, he transfers to several different subway trains during his daily 2-hour commute to his workplace.

Mr. Speaker, today quality employees like Mr. Torres are denied minimum wage, and they are denied it for one reason—the workshops are legally permitted to do it. Employers decide the prevailing wage for a job, then pay the blind worker a mere percentage of that wage. Consequently, many blind workers are paid $2.75 or less per hour, $1.50 less than their signed counterparts because, management claims, they are not as productive. But when we examine the keys to what makes a worker productive and, more importantly, who holds these keys, it is easy to see why blind workers can be less productive. If the workshop managers move the worker from job to job, deny proper training and/or continually raise the piece rate, how can the worker, sighted or not, be productive? In effect, these tactics stunt the development of the blind worker and lead to the rationalization of paying him or her subminimum wage.

To erase the embarrassing mark on America's labor rights record, H.R. 3966 will clarify that blind or visually impaired individuals are not to be covered by special certificates for employment under section 14(c). The measure specifically prohibits the Secretary of Labor from issuing a certificate by reason of an individual's impaired vision or blindness. To preclude any confusion, the term "impaired vision" and "blindness" are clearly spelled out in the bill.

Be assured that H.R. 3966 is not a sweeping piece of legislation. Fewer than 80 workshops and 2,000 blind workers will be affected by the measure. Private industry, who not only have a solid record hiring and paying their blind employees but are actively seeking to do so, will not be affected. The many NIB workshops that already pay their workers minimum wage or higher will neither be affected. Only those workshops which have denied a fair, decent wage to its workers and, please remember, rely upon the largess of the American taxpayer to survive, will need to make adjustments.

Mr. Speaker, I ask my colleagues to support H.R. 3966, the Blind Workers' Wage Equity Act. It is imperative that we protect the rights and dignity of deserving workers.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's St. Patrick's Day dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

Peter Brennan is recognized as the 1994 Irishman of the Year. The proud father of one daughter, Nicole, is the owner of Brennan's, a pub which gives the local patrons a taste of Ireland by recreating the warm feeling of those familiar community gathering spots of the Old Country. Peter's involvement in Irish-American issues is extensive. Not only is he a member of the parade and dinner committee, but Brennan's is a sponsor of Project Children, which gives Irish children a respite from the war-torn streets of Northern Ireland by bringing them into American homes for the summer. I have had the pleasure of meeting these children, and I can assure you that they deeply appreciate the efforts of caring Irish-Americans like Peter. His commitment to his community goes well beyond these efforts. As a sponsor of the local Neighborhood Watch Program, and of local little league teams, Peter's selection as Irishman of the Year is well-founded.

The influence of the strong Irish-American community in Jersey City, and in New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

I am proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

A VICTORY FOR LABOR IN VERMONT

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. SANDERS. Mr. Speaker, at a time when working people all over the country are seeing a decline in their standard of living, when multinational corporations are using the threat of moving to Mexico to force concessions from workers and communities, when corporate downsizing, with massive layoffs of workers despite decades of service, is the order of the day, and when unions are under fierce attack everywhere, it's gratifying to see an example of workers successfully organizing and fighting back.

I'm proud to tell my colleagues that this example comes from my own State of Vermont, where the workers of the Fellows Corp. in Springfield, organized by the United Electrical Workers Union, have just successfully won a new contract after a long and difficult strike.

The UE members at fellows, by organizing and fighting back, have shown how working people can successfully resist the attacks of corporate big money. I congratulate them for their victory.

I'm pleased to submit for the RECORD a letter which I recently wrote to the workers at Fellows.

HOUSE OF REPRESENTATIVES,
Washington, DC, February 10, 1994.

UE LOCAL 218,
Seavers Brook Road,
Springfield, VT.

DEAR MEMBERS OF UE LOCAL 218: I wish to extend my heartfelt congratulations to all of the members of United Electrical Workers Union Local 218 on your successful strike to obtain a fair contract at Fellows Corporation. For seven weeks you have braved the bitter cold, maintained a spirited around the clock picket line, and have prevailed against great odds. For this we all owe you a debt of gratitude.

You, like workers across our country, faced an employer who was determined to force severe cutbacks in your wages, health benefits, and pension. You should stand proud today knowing that by fighting back against an attempt to undermine your standard of living, you have won a very significant victory, not only for yourselves, but for all Vermonters.

All over America workers are being laid off and wages and benefits are being cut. Too often, workers have no choice but to accept this lowering of their standard of living. You have shown that when working people stand together, when their cause is just, they can prevail against the greed which is so widespread in corporate America.

If working people in America are going to turn around the trend toward lower wages and lower benefits, they are going to have to organize and fight back like you have.

Once again congratulations to you on your tremendous effort. I look forward to working with you in the future.

In solidarity,

BERNARD SANDERS,
Member of Congress.

HIRAM GOMEZ' 15 YEARS OF SERVICE

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Ms. ROS-LEHTINEN. Mr. Speaker, it is with great pleasure that I recognize Mr. Hiram Gomez' dedication and service to the city of Miami. Mr. Gomez is the public relations specialist for the neighborhood enhancement team in Little Havana for the city of Miami.

Mr. Gomez graduated from Havana's Manuel Márquez Sterling School of Journalism in 1958 and in 1979 received a bachelor of arts degree from Biscayne College in Miami. In 1961, he parachuted on the Bay of Pigs as a member of the Brigade 2506, and was captured and sentenced by Castro's regime to 30 years in prison. He was released 2 years later in the Kennedy-Castro prisoner of war trade.

In addition to Mr. Gomez' demonstrated patriotism in fighting for the liberation of Cuba, his leadership ability has enabled him to make numerous contributions to our community. Mr. Gomez founded and established the Embrace Our Elderly Program which was coordinated with the adult senior centers throughout the city of Miami, providing year round recreational and social events to the seniors of our community.

Mr. Gomez has also been very involved with the youth of our community and has established various events, among them the annual Bilingual Private School Association Sports Festival, the Spring Into Fitness Festival, and the City of Miami Amateur Baseball Association.

Mr. Gomez' dedication and commitment to his work with the seniors and youth of our community is truly exemplary of a public servant's responsibility and loyalty to his profession and citizenry.

For those reasons, I pay tribute to Mr. Gomez. South Florida is surely fortunate to have him as a member of our community.

TRIBUTE TO BOB ERNST

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. QUINN. Mr. Speaker, it is with a great sense of honor and deep respect that I rise today to commend Mr. Robert Ernst for having been a distinguished American citizen. His untimely passing last November was a tragedy for us all.

Bob Ernst dedicated his life to the children of western New York. As a native of my hometown, Hamburg, NY, Bob worked part time for the department of recreation for 15 years. Bob also coached and managed youth hockey teams in the town of Hamburg for 19 years.

In addition to coaching, Bob was the founder of the Hamburg Municipal Hockey League, and served as president of that organization for 6 years. From there, Bob moved on to be president of the Western New York Hockey Assocation, where he stayed for an additional 5 years.

Robert Ernst dedicated his life to making the lives of young people better. He provided children with positive outlets where they could excel, and helped inspire them to achieve. In his capacity as coach, Bob contributed to the development of hundreds of children by helping convey to them the importance of motivation and effort. Furthermore, he gave children an opportunity to succeed at something, which is an opportunity too few children receive nowadays.

This man's dedicated community service should be commended by us all, and looked to as a model for living our own lives.

Robert Ernst is survived by his loving wife of 29 years, Carol, by his five children, Robert, Joseph, Mary, Cheryl, and Colleen, and by his four grandchildren. Bob's parents, Wilber and Mildred Ernst, his family, and all Americans should be very proud of the achievements of Bob Ernst.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's St. Patrick's Day Dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

Grand Marshal Eamon "Ed" Nally was born in Balla, County Mayo, Ireland, 1 of 11 brothers and sisters. Ed's first trip to America, in 1959 at the age of 19, took 9 days at sea due to stormy weather. In 1960, Ed's luck changed for the better, when he met his future bride, Stephanie Geraghty of Moicullen, County Galway, in Jersey City. The parents of seven children, and grandparents of one, Ed and Stephanie recently celebrated their 30th year together. Ed's involvement with Irish-American organizations has been longstanding. He played Gaelic football for the Elizabeth Gaels at the famous Gaelic Park in the Bronx, and in an Irish handball league on the courts in Lincoln Park. His children, equally proud of their heritage, have studied and won numerous awards for their Irish dancing, and even taken up Gaelic football. Ed has served Jersey City as a city employee since 1972. His renown as an ornamental plasterer has led him to restoration work in many of Jersey City's brownstones, former Governor Kean's office at Drew University, and even on the dome at City Hall.

The influence of the strong Irish-American community in Jersey City, and in New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

I am proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

IN TRIBUTE TO DR. GEORGE LEIPSNER

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mrs. ROUKEMA. Mr. Speaker, there is no stronger thread in the moral fabric of our Nation's proud history than the contribution of the family doctor. For generations, the family doctor has risen above and beyond the call of duty to make a difference in the lives of others. I pause today to pay tribute to one such individual, Dr. George Leipsner of Paramus, NJ.

Dr. George Leipsner began practicing medicine shortly after earning his degree at the University of Bologna, Italy in 1966. He has served the families of Maywood, NJ and the surrounding communities in his private practice for the last 23 years.

In 1984, George Leipsner was appointed as associate director of the Department of Family Practice at the Hackensack Medical Center. In 1990, he was appointed director of the department where he continues to serve. He is also a clinical assistant professor in the Department of Family Medicine at the University of Medicine and Dentistry/Robert Wood Johnson Medical School/New Jersey Medical School.

Dr. Leipsner is president of the Bergen County Chapter of the New Jersey Academy of Family Physicians and a delegate to the American Academy of Family Physicians for the New Jersey Academy of Family Physicians. He also is a past president of the New Jersey Academy of Family Physicians.

Despite his demanding professional schedule, Dr. Leipsner has also found time to serve his community. He is presently physician to the Maywood Fire Department and has served as Maywood Police physician for many years. Previously, he also served as physician for the Maywood School District and first aid squad.

Additionally, Dr. Leipsner is a member of the Maywood Change of Commerce, immediate past president of the Jewish Community Center of Paramus, past chancellor commander of the Knights of Pythias, a member of the Masons in New York and a sponsor of the Maywood Boys Club sports program.

Mr. Speaker, success comes in many ways. But it is sweetest when it comes with the approval, the applause, the rewards freely given by one's peers. And that is why it is fitting that Dr. George Leipsner's fellow physicians honored him as the 1993 New Jersey Family Doctor of the Year. I ask my colleagues in the House to join with them and me in congratulating Dr. George Leipsner on a distinguished career. May he have many more years of success.

MARY'S WINDOWS

HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. ROSE. Mr. Speaker, having been involved for some time with the House information highway I noted the recent comments of Mary McGrory in the Washington Post under the headline, "I Don't Do Windows."

Mary McGrory opened a window for me and enhanced my vision as I look at the future of software. She brings in the human dimension, the creative aspect that is too often forgotten when technological "progress" is made.

Bill Gates of Microsoft should address his programmers to Mary McGrory's concerns. Perhaps he can devise software that will truly serve the unique needs of journalists like Mary. He could call the new software "Mary's Windows."

I challenge Microsoft, and other software artists, to tailor their products for journalistic needs.

[From the Washington Post, Mar. 6, 1994]

I DON'T DO WINDOWS

(By Mary McGrory)

I am a vagrant on the Information Superhighway, a loiterer with an attitude. I have had, however, an okay relationship with a word processor called Rayedit. It understands that all I want to do is write 750 words three times a week. Now Ray and I are being forced apart, and I have been introduced to a flashy contraption that wants to run my life.

I don't even know its name. Sometimes it's "Windows" and sometimes "Roadrunner." It is very complicated, but I guess that complication spells progress in the computer world, where change, and particularly difficult change, gets you a big score and big orders. If the instructions are more baffling than your income tax form or the Clinton health care plan, and they cause the same sinking feeling as your high school geometry midyear exam, then you are a success, apparently, in your lane on the superhighway.

We had a five-hour training class in "Windows" the other day. We were introduced to a mouse, yes, that's high-tech whimsy, a little object with a wire out of the top for a tail; you move it around on a pad and click it, sometimes twice. These presses must be very rapid, says the "quick reference card" or "Windows will interpret the action as Choosing rather than Opening."

It was all downhill from there, I learned how to "maximize" my paintbrush and to play solitaire, I'm not sure why, but this is a full-service software which, for all I know, fixes parking tickets. Not a word was said about signing on, writing a story and signing off; that's where "Roadrunner" comes in. Anyway, I was shown how to press "dictionary" and save myself three steps to the Webster's and to avoid going to the library—excuse me, the News Research Center—for a chat with Marylou and the gang.

It was a lot of data, and if we didn't appreciate it, it's because we learned a long time ago that the first step in writing is to clear your mind—forget about the cleaner and the icy sidewalk and keeping your word to a child and finding fresh raspberries and making your way to Virginia. you have to sweep it clean, not easy when you're involved with "cascading windows."

In the middle of all this—"Roadrunner" instructors warning us about weird placement of quotation marks, signing on twice and choosing "baskets"—we are being moved by the editors of this newspaper to another floor. We stumble over cartons. We leaf through old files. It took me an afternoon to do just A and B: "Abortion" isn't over, nor is "adoption," and you can't throw away "Barry, Marion," because our former mayor, whose vicissitudes and romances fill folders, may run again.

Ray came without a mouse. He thought it was okay for me to press the keys without an emissary. He didn't mind my going to the library. He never thought my time was all that valuable, and there was no ominous chat about "floppy disks." Ray knows he is getting through, and he's testy. When I press "get," he growls, "No such story."

That's when I go and find Diane. She is a red-headed angel, masquerading as a systems manager. She loves computers but does not hold it against me that I do not. "Think of it as a friend," she counsels. When Ray acts up, she comes over and gives it a look of questioning concern, the kind a mother directs at a child who is writing on the wall with a crayon. No glares, no curses. She gently taps a key or two, and Ray straightens up.

Diane believes in amazing grace. She thinks she can teach me "Roadrunner."

While the new machine is teaching me to wind down my human contacts, I have a new office that also discourages them. It is at the end of a short hall and has no windows, unless, of course, you count the "Windows" in the computer. It has the feel of Dien Bien Phu—or a punishment cell. I know my sins. I broke publicly with a Toshiba in the Bush press room in Budapest. It refused to take copy from a heretic, stopped sending after one paragraph. I just called up Olwen in dictation and read my story to her, a practice I continued through the 1992 campaign.

I have also, when being interviewed by aspiring journalists, said foolish things: Latin helps you understand English and poetry acquaints you with the art of distillation, which used to be a concern for newspapers. From now on, I'm advocating computer manuals and subscriptions to Popular Mechanics. Forget composition, concentrate on transmission.

So if the signal from my cave at the end of the road gets as faint as Dien Bien Phu and one fine day there's another name at the top of this space, you'll know what happened. I've lost too many arguments with a mouse and I have gradually lost touch with the human race.

TRIBUTE TO DONALD WAYNE FRY

HON. SAM COPPERSMITH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. COPPERSMITH. Mr. Speaker, I rise today to honor the memory of Donald Wayne Fry, the former director of the Phoenix district office of the International Trade Administration of the U.S. Department of Commerce, who died on March 3, 1994, at the age of 71.

Mr. Fry, a native of Nevada, IA, came to Arizona in 1950. He joined the Commerce Department as a trade specialist, and in 1962 became the director of the Phoenix office. For 32 years, he led the agency and helped guide countless Arizona businesses through a period of exciting and sustained growth in my State.

Throughout his career, Mr. Fry was a leader, both in and out of the office. He served as a founding member of Arizona Women in International Trade, as a member of the board of directors of the World Affairs Council of Arizona, as a member of the Western International Trade Group, the Sister Cities Commission, and as a coordinator of the U.S. Federal Savings Bond Campaign.

Mr. Fry's work did not go unnoticed during his life. In 1970, the Arizona World Trade Association named him "Man of the Year," and the U.S. Commerce Department honored him the Department's Silver Medal.

Most of all, Arizonans will remember Don Fry as a friend to countless entrepreneurs. He took a personal interest in the companies with which he worked. He understood that small companies are not just a collection of balance sheets, but also a collection of hopes. Throughout his life, he worked diligently to make those hopes realities. I salute Don Fry for his service to people throughout a life well lived.

FFELP LOAN DEFAULT EXEMPTION EXTENSION BILL

HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. SCOTT. Mr. Speaker, one of the most important tasks of the 103d Congress will be to consider education reform initiatives that will help to bring our Nation's standards and quality of education up to par with our major foreign competitors. While we consider reforms that will be necessary for our students to compete on a global level, we must not forget that our economic fate as a nation is closely linked to the availability of a quality education for all students, including those lower-income and minority students who have not enjoyed equal access to higher and postsecondary education.

In July of 1994, some of the institutions that have historically led the way to provide lower-income and minority students with opportunities to attain a college degree may be in danger of losing their eligibility for the Federal Family Educational Loan Program [FFELP]. Almost one-third of the historically black colleges and universities [HBCU's], and many of the tribally controlled community colleges and Navajo community colleges may be eliminated from this program by the Department of Education because their cohort default rates exceed the 25-percent cutoff.

The elimination of these institutions from the FFELP would have devastating effects on efforts to increase minority participation in higher education. Economically deprived students at HBCU's, for example, are increasingly relying on FFELP loans, as the HBCU loan volume has more than doubled in recent years. FFELP funds are therefore a vital source of support for many minority students. Despite this, less than 3 percent of the $13.5 billion in FFELP loans go to HBCU students.

In the 1990 Omnibus Budget Reconciliation, Congress granted an exemption through July 1, 1994, to HBCU's, tribally controlled community colleges, and Navajo community colleges from the default cutoff, largely because these institutions have opened their doors to poor and working-class students. Currently, the exempted institutions are working on measures to insure that their students can successfully meet loan obligations. Through a collaboration of higher education organizations and minority-serving institutions, these schools are implementing a self-help program designed to reduce student default rates, including financial aid workshops and default management plans.

These schools, however, cannot guarantee adequate financial assistance for their students without our help. Many of us in Congress are working on developing fairer criteria to determine exclusion from title IV programs that will more accurately predict loan mismanagement, abuse, and fraud. Until then, however, we must insure that these institutions, and the students they serve, can continue to receive the Federal student loans that are vital to their survival.

Mr. Speaker, I believe that access to higher education must remain open for all students. I ask that those Members who share my concern will join me to extend until July 1, 1998, the FFELP default exemption for HBCU's, tribally controlled community colleges, and Navajo community colleges. The American Council on Education, the United Negro College Fund, the National Association for Equal Opportunity in Higher Education, and many other educational organizations all support the extension of the default exemption deadline. In addition, the Secretary of Education has expressed his support for an extension of the default cutoff for the currently exempted institutions. It is now the responsibility of Congress to continue the policy that we have adopted, and continue to make student loans available where they are needed most.

Mr. Speaker, I am including for the CONGRESSIONAL RECORD the letters from Secretary Riley, The American Council on Education, and the United Negro College Fund.

U.S. DEPARTMENT OF EDUCATION,
Washington DC, February 24, 1994.

Hon. WILLIAM D. FORD,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, DC.

DEAR BILL: The Honorable Robert C. Scott has corresponded with me regarding his support for an extension of the exemption for Historically Black Colleges and Universities from the statutory provision that makes a school with high default rates ineligible to participate in the Federal Family Education Loan (FFEL) Program. Congressman Scott asked me to correspond with you directly on this issue.

Congress originally granted this exemption for historically black colleges and universities, tribally controlled community colleges, and Navajo community colleges because of the unique role these institutions play in promoting minority student access to postsecondary education. I believe legislation authorizing an extension through July 1, 1997 would be appropriate. I will support such legislation and am committed to working with these institutions in their efforts to lower their default rates, to ensure that they are all in full compliance by the end of the extension period. President Clinton, in signing Executive Order 12876 on November 1, 1993 (copy enclosed), has reaffirmed his support for the historically black colleges and universities.

Please let me know if I can be of further assistance.

Yours sincerely,

RICHARD W. RILEY,
Secretary of Education.

Enclosure.

PRESIDENTIAL DOCUMENTS

Executive Order 12876 of November 1, 1993. Historically Black Colleges and Universities.

By the authority vested in me as President by the Constitution and the laws of the United States of America, in order to advance the development of human potential, to strengthen the capacity of historically Black colleges and universities to provide quality education, and to increase opportunities to participate in and benefit from Federal programs, it is hereby ordered as follows:

Section 1. There shall be established in the Department of Education the President's Board of Advisors on Historically Black Colleges and Universities ("Board of Advisors" or "Board"), a Presidential advisory committee. The Board of Advisors shall issue an annual report to the President on participation by historically Black colleges and universities in federally sponsored programs. The Board of Advisors will also provide advice to the Secretary of Education ("Secretary") and in the annual report to the President on how to increase the private sector role in strengthening historically Black colleges and universities, with particular emphasis on enhancing institutional infrastructure and facilitating planning, development, and the use of new technologies to ensure the goal of long-term viability and enhancement of these institutions. Notwithstanding the provisions of any other Executive order, the responsibilities of the President under the Federal Advisory Committee Act, as amended (5 U.S.C. App. 2), which is applicable to the Board of Advisors, shall be performed by the Secretary, in accordance with the guidelines and procedures established by the Administrator of General Services.

Sec. 2. The members of the Board of Advisors shall be appointed by the President. The Board shall include representatives of historically Black colleges and universities, other institutions of higher education, business and financial institutions, private foundations, and secondary education.

Sec. 3. The White House Initiative on Historically Black Colleges and Universities, housed in the Department of Education, shall: (1) provide the staff, resources, and assistance for the Board of Advisors; (2) assist the Secretary in the role of liaison between the executive branch and historically Black colleges and universities; and (3) serve the Secretary in carrying out his responsibilities under this order.

Sec. 4. To carry out the purposes of this order, each executive department and each agency designated by the Secretary shall, consistent with applicable law, enter into appropriate grants, contracts, or cooperative agreements with historically Black colleges and universities. The head of each agency subject to this order shall establish an annual goal for the amount of funds to be awarded in grants, contracts, or cooperative agreements to historically Black colleges and universities. Consistent with the funds available to the agency, the goal shall be an amount above the actual amount of such awards from the previous fiscal year and shall represent a substantial effort to increase the amounts available to historically Black colleges and universities for grants, contracts, or cooperative agreements. In order to facilitate the attainment of the goals established by this section, the head of each agency subject to this order shall provide technical assistance and information to historically Black colleges and universities regarding the program activities of the agency and the preparation of applications or proposals for grants, contracts, or cooperative agreements.

Sec. 5. Each executive department and designated agency shall appoint a senior official, who is a full-time officer of the Federal Government and who is responsible for management or program administration, to report directly to the department or agency head or designated agency representative on department or agency activity under this order and to serve as liaison to the Board and White House Initiative. To the extent permitted by law and regulation, each executive department and designated agency shall provide appropriate information requested by the Board and the White House Initiative staff pursuant to this order.

Sec. 6. Each executive department and designated agency shall develop an annual plan for, and shall document, the agency's effort to increase the ability of historically Black colleges and universities to participate in federally sponsored programs. These plans shall describe the measurable objectives for proposed agency actions to fulfill this order and shall be submitted at such time and in such form as the Secretary shall designate. In consultation with participating agencies, the Secretary shall review these plans and develop, with the advice of the Board of Advisers, and integrated Annual Federal Plan for Assistance to Historically Black Colleges and Universities for consideration by the President. The Secretary shall ensure that each president of a historically Black college or university is given the opportunity to comment on the proposed Annual Federal Plan prior to consideration by the President. Each participating agency shall submit to the Secretary and the Director of the Office of Management and Budget, an Annual Performance Report that shall measure each agency's performance against the objectives set forth in its annual plan. The Director of the Office of Management and Budget shall be responsible for overseeing compliance with the Annual Federal Plan.

Sec. 7. Each year the Board of Advisors shall report to the President on the progress achieved in enhancing the role and capabilities of historically Black colleges and universities, including findings and recommendations on the Annual Performance Reports, described in Section 6, submitted by the participating agencies. The Secretary shall disseminate the annual report to appropriate members of the executive branch and make every effort to ensure that findings of the Board of Advisors are taken into account in the policies and actions of every executive agency.

Sec. 8. The Department of Education, along with other Federal departments or agencies, shall work to encourage the private sector to assist historically Black colleges and universities through increased use of such devices and activities as: (1) private sector matching funds to support increased endowments; (2) private sector task forces for institutions in need of assistance; and (3) private sector expertise to facilitate the development of more effective ways to manage finances, improve information management, strengthen facilities, and improve course offerings. These steps will be taken with the goals of enhancing the career prospects of graduates of historically Black colleges and universities and increasing the number of such graduates with degrees in science and technology.

Sec. 9. In all its recommendations, the Board of Advisors shall emphasize ways to support the long-term development plans of each historically Black collage and university. The Board of Advisors shall recommend alternative sources of faculty talent, particularly in the fields of science and technology, including faculty exchanges and referrals from other institutions of higher education, private sector retirees, Federal employees and retirees, and emeritus faculty members at other institutions of higher education.

Sec. 10. The Board of Advisors, through the White House Initiative, shall provide advice on how historically Black college and universities can achieve greater financial security. To the maximum extent possible, the Board of Advisors shall consider how such institutions can enlist the resources and experience of the private sector to achieve such security.

Sec. 11. The Director of the Office of Personnel Management, in consultation with the Secretary and the Secretary of Labor, shall develop a program to improve recruitment and participation of graduates and undergraduate students of historically Black colleges and universities in part-time, summer and permanent positions in the Federal Government.

Sec. 12. Administration: (a) Members of the Board of Advisors shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service, (5 U.S.C. 5701–5707).

(b) The Board of Advisors and the White House Initiative shall obtain funding for their activities from the Department of Education.

(c) The Department of Education shall provide such administrative services for the Board as may be required.

Sec. 13. Executive Order No. 12677 of April 28, 1989, is hereby revoked.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *November 1, 1993.*

AMERICAN COUNCIL ON EDUCATION,
Washington, DC, November 16, 1993.

DEAR REPRESENTATIVE: I am writing you about a matter of great importance to the higher education community.

Since 1990, the federal government has excluded schools with high default rates from participation in the Federal Family Education Loan Program. However, because of their unique history and missions, Historically Black Colleges and Universities and tribally controlled and Navajo and community colleges have been exempt from the default trigger. This exemption expires on July 1, 1994.

The expiration of the exemption will have a devastating impact on these schools and the students they serve. According to a recent study by the General Accounting Office (GAO), 33 of the nation's 105 Historically Black Colleges will lose their eligibility to participate in the Federal Family Student Loan Program when the exemption expires. Tribally controlled community colleges will suffer a similar loss of eligible institutions.

The importance of Historically Black Colleges and Universities and Tribally controlled community colleges can not be overstated. Historically Black Colleges and Universities account for 28 percent of the enrollment of African American students in higher education. Three-fourths of the members of the Congressional Black Caucus are graduates of these schools. Most of the students who attend Historically Black Colleges and Universities and Tribally controlled colleges need federal student aid to do so. Efforts to increase the enrollment of minorities in higher education will suffer grievous harm if any of these institutions are unable to offer financial aid because they fail to meet default thresholds.

To ensure that these institutions continue to provide economic opportunity for the individuals who attend them, we believe it is vitally important that the exemption from the default trigger be extended. And, since colleges are currently accepting admissions and financial aid applications from students for the 1994–1995 academic year, we believe it is essential that this exemption be extended as soon as possible.

To address this issue we recommend that in both Section 428(j)(3)(B) and 435(a)(2)(C) of the Higher Education Act, you strike "Until July 1, 1994, this" and insert in lieu thereof "This".

We were disappointed that the Higher Education Technical Amendments currently pending before the Congress did not address this provision. Given the urgency of this issue and the importance of strong and vital Historically Black Colleges and Universities and tribally controlled and Navajo Community Colleges, we ask that you make this amendment as soon as possible.

Thank you for your consideration and prompt efforts to address this problem.

Sincerely,

ROBERT H. ATWELL,
President.

UNITED NEGRO COLLEGE FUND, INC.,
Washington, DC, March 8, 1994.

Hon. ROBERT C. "BOBBY" SCOTT,
Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN SCOTT: I am writing to commend you for your leadership in introducing legislation to extend the current law exemption—for the Historically Black Colleges and Universities (HBCUs)—from the student loan default rate "triggers" in section 435(a)(2)(C) of the Higher Education Act.

The 41 member Presidents of the United Negro College Fund (UNCF) and the HBCU community appreciate your interest in and support of HBCUs. Your lead co-sponsorship of this amendment—which is so critical to the survival of our institutions—would allow the 33 HBCUs most threatened with exclusion from the Title IV, Student Assistance programs time to implement programs and to reduce student loan defaults. As you know, the General Accounting Office (GAO) indicated in its August 1993 Report (GAO/HRD-93-117FS) that ". . . 33 of the 105 HBCUs could become ineligible for continued participation in the FFEL program when their exemption ends on July 1, 1994."

The extension being sought by the HBCU community, and the Tribally-controlled Indian Community Colleges, would extend the exemption through the expiration of the Higher Education Act Amendments of 1992 (September 30, 1998). This additional time would permit "at-risk" UNCF institutions to implement an HBCU community-wide strategy, which is being undertaken with the full support of Secretary Riley and the White House Initiative on Historically Black Colleges and Universities. That strategy has three critical parts: (1) a peer counseling element which will match student aid administrators and business officers/fiscal affairs personnel from institutions with low default rates with their peers from high default rate schools in order to identify and ameliorate problems in aid administration and default management; (2) continuing consultation and advice—the first of which was sponsored by UNCF, NAFEO, OAPBC and the HBCU-ETS Collaboration of the Educational Testing Service. This information dissemination and expert consultation seminar was held on July 29–30, 1993 and was attended by aid administrators and business officers from 102 HBCUs. That process will continue at the upcoming NAFEO Annual Conference on Blacks In Higher Education (March 23–27, 1994); and (3) development and dissemination of a model HBCU Manual on Student Aid/Default Management by the HBCU-ETS Collaboration.

In order to ensure that all of your colleagues fully understand the issues confronting HBCUs, I thought some additional information might be helpful. While UNCF presidents recognize the important budgetary and public policy reasons which dictate our efforts to reduce student loan defaults, the systemic nature of the loan default problem faced by HBCUs also must be understood. Further, the reality of student loan defaults in real dollar terms (as opposed to cohort default rate terms) must also be grasped if the national objective is to reduce the exposure of federal resources to student default.

First, HBCUs and other "outreach" institutions provide postsecondary access and choice to many students who demonstrate academic potential, but may not have outstanding GPAs or ACT/SAT scores. Many of these students succeed at our institutions—with academic reinforcement and counseling and supportive faculty advisors—but some do not. Given the fact that they must pay college costs with extensive borrowing (the average UNCF student borrows $9,900 over a four-year college career and $2,625 in the freshman year), many students leave college in debt and without the credentials to secure a job to repay their loans. UNCF member institutions could solve their default problems by refusing to admit academically weaker students, and we would deny educational opportunity to a future Leontyne Price, Ralph Wiley or Joycelyn Elders. When Congress fails to appropriate sufficient funding for the Federal Pell Grant program, it forces UNCF member institutions to make loans an essential part of a student's aid package or deny them access to college—and a chance at the American Dream.

Second, although some of our member institutions have high default rates, e.g., Philander Smith College—26.3% in FY 1991, their dollars in default are low ($100,890), especially when compared to the dollars in repayment—$401,003. Moreover, only 30 Philander-Smith students failed to enter repayment on time. The GAO report makes the point clearly—"Of the total dollar amount of FFELs made to students each year, the percentage that goes to HBCU students is small, even though HBCU loan volume more than doubled in recent years. In fiscal year 1991, the total dollar volume of FFELs was $13.5 billion. Loans to students attending HBCUs totaled $372 million-less than 2.8 percent of the FFELs made to postsecondary students that year. . . . In fiscal year 1987, loans to HBCU students represented 1.7 percent of the total loans to postsecondary students."

I want to thank you for your tireless efforts on behalf of the HBCU community in working to secure the default exemption extension. Please do not hesitate to contact me or Christa Beverly, UNCF's Director of Government Affairs, at any time should you need our assistance.

Sincerely,

WILLIAM H. GRAY III,
President and CEO.

RECOGNIZING THE HONOREES OF THE JERSEY CITY 1994 ST. PATRICK'S DAY PARADE AND DINNER

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 11, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the outstanding individuals being honored by the Jersey City, NJ, 1994 St. Patrick's Day Parade and Dinner Committee. This year's parade will be held on March 13, with the participation of some very distinguished members of the community serving as parade chaplain and grand marshal. During tonight's S. Patrick's Day dinner, the committee will be honoring its Irishman and Irishwoman of the Year, its outstanding Irish policeman and Irish firefighter, and presenting various special awards of appreciation.

The parade chaplain, Rev. Michael Desmond, was born and raised in Plainfield, NJ, by parents of Irish birth. Father Desmond attended both Seton Hall University in South Orange, NJ, and undertook his theological study at the Immaculate Conception Seminary.

Ordained in 1971, Father Desmond served with distinction in Westfield and North Arlington, before becoming the pastor of Jersey City's own St. John the Baptist Church in 1988. Father Desmond is active in several archdiocesan, civic, and fraternal organizations, and serves as the dean of the Jersey City North Parishes.

The influence of the strong Irish-American community in Jersey City, and in New Jersey as a whole, has been felt by all of us. St. Patrick's Day has become more than just an Irish holiday, and is now enjoyed by all Americans, who become Irish for a day. The wide celebration of St. Patrick's Day is a far cry from the days when Irish-Americans were struggling for acceptance in this country. It is a testament to their determination and achievements that so many Irish-Americans are today pillars of their communities, and that for at least 1 day each year, everyone has a little bit of Irish in their souls.

I am proud to have the opportunity to recognize the committee's honorees before the House, and I ask my colleagues to join me in thanking them for their service to the community, and commending them for achievements.

HOUSE OF REPRESENTATIVES—*Tuesday, March 15, 1994*

The House met at 10:30 a.m.

MORNING BUSINESS

The SPEAKER. Pursuant to the order of the House of Friday, February 11, 1994, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Georgia [Mr. GINGRICH] for 5 minutes.

THE POLITICS OF SELF-DESTRUCTION AND SELF-DECEPTION

The SPEAKER. Under the Speaker's announced policy of February 11, 1994, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, I am going to talk this morning about the politics of self-destruction and the politics of self-deception. I am citing, as my text, two articles in this morning's Washington Post, because today's Washington Post has two stories that will help Americans understand the bizarre and destructive world of Washington.

On page 1, President Clinton is quoted in a Boston speech attacking the Republican Party for what he calls the politics of personal destruction, and quotes the President as saying that the Republicans have no proposals, no solutions, and are unwilling to cooperate. He goes on apparently to say no, no, no, eight times as a sign of Republican intransigence.

Let me suggest if I might, Mr. President, that the speech in Boston is an exercise in the politics of self-destruction, and the politics of self-deception. Let me take those two independently.

It was not Republicans who delivered subpoenas to the White House and to the Treasury. That was an independent counsel. It is not the Republicans who raised the question about Mr. Hubbell's law firm. That was the partners of the Rose law firm themselves. It is not Republicans who talk about Small Business Administration fraud. That is Judge David Hale in Little Rock. It is not Republicans who have raised question after question. That has been the New York Times, the Washington Post, the national networks, the Wall Street Journal.

It is, in fact, very self-destructive for the President to continue to deny the reality of his problems, and as late as today there is apparently confusion now about whether they invested $69,000 or $13,000, and there is apparently confusion about whether they paid all of their taxes or owe as much as $16,000 in back Federal taxes.

Now, it is self-destructive for President Clinton to avoid the reality that this is a mess, not a mess made by any Republican. We did not create the Whitewater Corp. We did not run the Madison Guaranty Savings & Loan. We are not partners in the Rose law firm. And we have not been involved in having improper conversations in the executive branch.

There is a second part of this, which is the politics of self-deception. I have to say, as somebody who cooperated totally in helping pass NAFTA on a bipartisan basis, I find it very sad and very, very lacking in fairness and in truthfulness for the President to pound the table and yell no, no, no as though it was the Republican position. The President personally hosted Senator DOLE and five other Republican Senators recently to talk about health care. They had dinner together talking about health care on a bipartisan basis. The President knows full well, from personal meetings, we have offered to help on welfare reform, where the House Republicans have a welfare reform bill and the Democrats have not even submitted one.

The President knows that we have offered to help pass a crime bill, because I have been in personal meetings with him and have offered to provide Republican votes to pass a strong crime bill with a three-strikes-and-you-are-out provision that locks up violent criminals.

The President knows that what he said in Boston last night did not communicate fairly and accurately to the American people what in fact has been going on as Republicans have offered again and again to be bipartisan.

But on page 4 of the Post today, my good friend, the majority leader, is quoted as saying they are going to have to pass a health bill in the House with only Democratic votes. Now, the President claims there is no Republican plan. In fact, there is a Chafee plan, which has been talked about a great deal.

There is a Nickles-Stearns plan, which has been talked about. Senator GRAMM has a plan. But the plan which has the most supporters is the Michel-Lott plan.

Let me report to the House how ironic this is. H.R. 3080, the Michel-Lott bill, has 141 cosponsors. The bill introduced by the majority leader, which is the President's plan, has 103 cosponsors. So not only do Republicans have a plan, Republicans have a plan which has more cosponsors in the House than the Democratic Presidential plan.

My only point is this: Mr. President, it is self-destructive to circle the wagons around the White House and avoid getting to the heart of this stuff and getting Whitewater behind us, and it is self-deceptive to believe that the only pure person seeking to be bipartisan is yourself.

On behalf of the Republicans in the House, I want to say that on welfare, on crime, on illegal aliens, on the issue of national defense, on foreign policy, and on health, we are prepared today to meet with the Democratic leadership, and we are prepared to work with the President, and any other assertion on his part is disingenuous.

THE BALANCED-BUDGET AMENDMENT

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Wyoming [Mr. THOMAS] is recognized during morning business for 5 minutes.

Mr. THOMAS of Wyoming. Mr. Speaker, I want to take my time this morning and take advantage of this opportunity to talk about the balanced budget, and more specifically the balanced-budget amendment.

This week, the House will be considering a balanced-budget amendment. This is an issue, it seems to me, of utmost importance to the country and to the future, and I am glad that we are having the debate.

I think the basic principle is we cannot continue to expect things to change as we do the same things over and over again. We have been through this year after year after year expecting different results by continuing to do the same things. Obviously that principle does not work.

I hope Americans will watch this debate closely, because it clearly defines two different philosophies of Government, two different philosophies about the operation of the Federal Government.

Frankly, as we come upon an election time, that is what elections really ought to be. There ought to be a great debate about choices, general choices

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

of how we proceed, what we expect, what our expectations are.

Do we want more Government? Do we want less? Do we want more Federal Government? Do we want less? Do we want more taxes? Or would we like less? Are there appropriate roles for the Federal Government to expand? Could we transfer more and more of that to local government? These are basic debates that ought to be carried on and carried into the election so that we have candidates that have a philosophy.

Obviously voters will never know of all the kinds of issues that Members of Congress or other elected officials will deal with, but they should know the philosophy against which they measure those issues, and that is what this great debate is about.

Opponents of the balanced-budget amendment will come back this year with the usual, I think, trite, wornout statements of opposition to doing something about the balancing of the budget. They will have scare tactics, half-truths, and twisted logic. But the American people will not be fooled by that.

The Chicken Little arguments that the world will end and the sky will come crashing in, or watered-down substitutes, will not serve a purpose.

What will we hear? First of all, we will hear the defenders of the status quo who will tell us the amendment is not needed. Wait a minute; wait a minute. How many times have we balanced the budget in the last 55 years? I think about three or four. It has been 25 years since we have had a balanced budget, 25, so we say, "Oh, it is not needed, all we need is the political will to balance."

They will say that the deficit is down this year, and it is. I am pleased for that. Why is it down? It is down because we had the largest tax increase in the history of the Congress. It is down because we have a continuation of the 1991–92 economic growth, and that is good. It has increased revenue.

Look where it is projected over the next several years, back up, $1 trillion added to the debt. Not needed?

Give me a break. Of course it is needed. We have to have the political will to do something about the process.

In my view, we need a balanced budget amendment. We need a line-item veto. Those are things that we need very, very clearly.

We will hear the notion that it is a gimmick, the balanced budget is a gimmick, that it does not work. Let me tell you I can certify it works from my State of Wyoming. We have a balanced-budget amendment in the constitution. We have to balance the budget. You either raise taxes to get more revenue, or you cut the budget to make it fit. Those are the appropriate decisions you have to make. That is the kind of cost-benefit ratio that each of us ought to consider and taxpayers ought to have a chance to consider.

□ 1040

Defenders of the status quo will say, "Oh, we will need draconian, crippling changes in the budget," and, "We just can't stand doing that." The fact is that it does not insist that it be done over the next 3 years or 5 years, I suppose even 10 years; the important part is that we are on a course of a balanced budget with the constitutional discipline.

So, we can take some time, and it will take some time. It will not be as difficult as we think, however. If you ever take a look, go back home in your own town or county and try to decode all the Federal spending that takes place there and ask yourselves with each one, "How is my life impacted by that? Is my life going to end if we do not do that one," there are plenty of places to cut. Remember, this budget that we are talking about, the President has talked about a lot of tough cuts; but there are no cuts, just transfers from one program to another. This budget is $30 billion more than last year. There are no cuts. So we need to remember that.

The status quo-ers will tell us that economic devastation would follow; of course that is not true. We have to make a decision as to what the role of the Federal Government is, whether or not the people in this country can take their money and spend it as they choose—that is, the bureaucrats—or if the American public can take it themselves and make a better decision. This is one of the most important basic philosophical decisions we will have this year, certainly, or any year, because it has to do not with the numbers in a budget, it has to do with how do you get the Government's role out of your life, how do we deal with the increases in entitlements, those kinds of things, as opposed to solving problems by putting effort into certain sectors, more investment for jobs so people can own their own home, so people can pay for their children's education, have a retirement program of quality, secure employment which is created in the private sector.

So these are broad issues, issues that I think should be addressed in a balanced budget discussion. I hope they are. I hope we are not fooled by all the ideas that it will not work. In fact, it will work.

CLINTON'S WHITE-HOT WHITEWATER

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Texas [Mr. SMITH] is recognized during morning business for 5 minutes.

Mr. SMITH of Texas. Mr. Speaker, the White House has taken Whitewater from white lies to whitewash to white knuckles. Now Webster Hubbell, the No. 3 person at the Department of Justice, has left. He follows the White House Counsel Bernard Nussbaum. As yet another shoe falls, it is hard to believe that this case doesn't have more legs than a centipede.

This most recent revelation raises more questions to the ever-lengthening list. By all accounts, Hubbell had a major role in running the Justice Department. Even before he was officially in place, he seemed to be the White House's chief contact and coordinator at Justice. He played a role in the firing of all 50 U.S. attorneys.

These are the same firings that have hindered investigations into alleged wrongdoings here in the House of Representatives.

Everywhere these actions are raising more questions, everywhere they are front-page news. For instance, today, USA Today's top story reads, "Clinton's Friend Quits Justice Job."

The Washington Times says, "Hubbell Resigns Post, Cites Distractions. His Rose law firm dealings remains under investigation."

The Washington Post today, "Hubbell Resigns at Justice in Rose Law Firm Dispute. Accused of Overbilling Clients, Improper Expenses." In the New York Times:

> Senior Official Quits Justice Post as Pressure Rises. Ethics Are Questioned. Webster Hubbell, an old friend, leaves to spare the Clinton's further embarrassment.

Everywhere these issues are important—except in this institution. The problem seems to be that it is the wrong party calling for hearings and the wrong party being investigated. So scandal after scandal tiptoe past this sleeping watchdog. There was a House bank scandal. Then a House post office scandal. Then there was a new administration which immediately began adding to the list.

They started off with a scandal in the White House travel office. They have added the questionable handling of the suicide of a top White House aide. They have still left large numbers of their appointed posts unfilled. And we find large numbers of the appointees that are in place lack basic security clearances. Then of course, there is Whitewater. And the seemingly endless number of issues that it is spawning.

Mr. Speaker, I would like to take just a moment to read to you from an article by the gentleman from Iowa, Representative JIM LEACH, the ranking Republican on the Committee on Banking, Finance and Urban Affairs:

> In a nutshell, Whitewater is about the arrogance of power—political conflicts of interest that are self-evidently unseemly. It all began in the late 1970s when an S&L owner named James McDougal formed a 50–50 real estate venture with a young politician, the then-attorney general of Arkansas, Bill Clinton. In this venture called Whitewater, the S&L owner and S&L subsidiaries provided

virtually all, perhaps all, the money; the governor-in-the-making provided his name.

Over the years, the company received infusions of cash from the S&L as well as from a small business investment corporation that diverted, allegedly at the governor's request, federally guaranteed funds from a program designed for socially and economically disadvantaged people to the governor's partners and thence, in part, to Whitewater.

Some of these funds were used to pay off personal and campaign liabilities of the governor; some to purchase a tract of land from a company to which the state had just given a significant tax break. Whitewater records have apparently been largely lost. A review of the numerous land transactions, however, raises questions of what happened to the money that came into the company and a review of the president's tax records raises questions about tax deductions that were taken and taxes that were not paid.

It is no surprise that Special Counsel Robert Fiske, Jr. initiated March 4 a series of subpoenas reaching into the White House. What these subpoenas indicate is the movement of an investigation from possible illegal acts committed by a president prior to taking office to possible illegal actions committed in office. Obstruction of justice is now clearly at issue.

There are simply too many questions with too few answers.

The point of all this is that there is a disjunction in this administration between public policy and private ethics. Americans abhor privilege; hypocrisy gnaws at the American soul; it leaves a dispiriting residue of resentment.

Can, for instance, a president credibly rail against Michael Milken values if he has himself benefited from Milkenesque dealmaking?

Can a president credibly ask the people to pay taxes, let alone raise them, if he refuses to pay his own fair share?

Can a president credibly espouse open government if he applies a hide-and-seek standard to his own actions?

Can a president ask others to play by the rules—i.e., obey the law—if he doesn't play by them himself?

Can a president credibly advance an ethic of national service if his own model is one of self-service?

Can a president credibly advocate campaign reform if his own campaign has been sullied by illegal contributions from an S&L, which, with its failure, had the effect of causing deferred federal financing of a gubernatorial election?

Can a president credibly lead an ethical society if he doesn't set an ethical standard?

Despite all these questions, Congress has slept serenely in a shroud of secrecy. The same people who thought Whitewater not worthy of an independent counsel also cannot be troubled to hold even one hearing.

OFF AND RUNNING: A HEALTH RACE WITHOUT A WINNING HORSE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentleman from Florida [Mr. GOSS] is recognized during morning business for 5 minutes.

Mr. GOSS. Mr. Speaker, the great health care derby of 1994 is officially underway. This week the Ways and Means Subcommittee on Health will begin formal consideration of the so-called Stark bill, which media handicappers list as an unexpected early leader in the race to health reform. The frontrunner is not the much-ballyhooed one-time favorite known as Clinton health. But a no-name, dark horse bill which appeared from nowhere and is now judged to lead the pack.

□ 1050

In fact, Mr. Speaker, so new to the field is the proposal being offered by the gentleman from California [Mr. STARK] that Members who are considering the bill are not even sure how much it is going to cost unless they read the New York Times this morning, and I am not even sure the New York Times has the answer. I certainly do not. Most of the rest of us have not had a chance to see this bill, an opportunity to read the language. Is this the right way to start what is going to be the most consequential domestic policy debated in our time?

Mr. Speaker, health care reform involves nearly $1 out of every $7 spent in our economy, as we all know and comprehensive reform will literally affect each and every American in their daily lives. We ought to know what are doing. Yet despite more than year of planning, control of the Presidency, and a lock on both Houses of Congress—the Democratic Party is in such disarray over health reform that it has begun the legislative process by trotting out a completely new dark horse that we do not know anything about after reading the betting sheets on the Clinton plan recently, maybe this dark-horse strategy does make some sense, and I want to quote here now from an article taken this weekend by Donald Lambro out of one of the Washington papers on the 14th, and I quote:

> The Washington Post's Jodie Allen asks: "Does anyone seriously believe this will work? Are the president and his wife, who declined to entrust the education of their child to their local government, really willing to let it take over the major role in deciding their health care options? Are you?"

Mr. Speaker, I think the answer is clear. The Clinton thoroughbred has turned out to be a loser, and Americans by and large are rejecting it the more they know about it. Those who know a thing or two about health policy are running from the Clinton plan faster than the White House can crank out its press releases and spin-controlled media events, which go on as we speak, with prominent committee chairman suggesting that employer mandates, global budgets, and mandatory alliances are all but dead—there really is not much left of the President's bill to ride. It is time to put the fantastical wishes and bloated reality of the Clinton plan out of their misery once and for all. But rather then depend on another unknown, Government-dominated bill like that proposed by our colleague, the gentleman from California [Mr. STARK], it is time for the Congress to make the wise bet on reform ideas that have proven reliable and worthy of support in the past. For instance, we all know the value of simple insurance reforms that would end preexisting condition exclusions and give Americans access to group-rated insurance guaranteed to be renewable and portable between jobs.

That is something we need, and we want, and we all know it. Let us attack costs and increase the accountability of those in the system by reforming our malpractice laws and cracking down on fraud and abuse in a meaningful way, not in the light touch that the Clinton plan put on it, and let us give individuals the power and incentive to seek out quality and preventive care by adopting medical savings accounts and taking advantage of individual deductions for health insurance costs. We can do this today—without all the posturing and rhetoric that has bogged down the reform process so far. Bills adopting these commonsense reforms have gained consensus support in both Houses and most even passed the Democratic Senate in the last Congress. It makes sense. These reforms would bring immediate relief to the majority of people who are without adequate coverage and who are waiting for us to act.

I do not think we should stake our future on a unknown, dark horse now when we have no better choices. We cannot afford to get so caught up in the politics of this issue that we end up losing the race for real and lasting reforms in order to bring home a winner, we need a health bill that builds on what works—and that has a broad-base of support, and we need those things.

Mr. Speaker, I urge my colleagues to look again at H.R. 3080 and also at H.R. 3955, two bills which responsibly address the obvious problems with our system with carefully measured solutions. They provide workable answers for the cost crisis dominating our system—and they make access to affordable insurance possible without huge new taxes or bureaucracies. Those are good things. Let us get this race for reform off to a good start, and I think we want to start with a horse that we know is going to finish, not one we do not know about.

A lot has been said recently in the rhetoric about Whitewater, that Republicans are not doing their share. Well, let me tell my colleagues that two of the best bills out there, the Rowland-Bilirakis bill and the Cooper-Grandy bill that have been much discussed, and the Michel-Lott bill, all have significant Republican participation, so it is not fair, and it is not true to say that the Republicans are not positive contributors to the process of health care reform.

WHITEWATER

The SPEAKER pro tempore (Mr. JOHNSON of Georgia). Under the Speaker's announced policy of February 11, 1994, the gentleman from Ohio [Mr. BOEHNER] is recognized during morning business for 5 minutes.

Mr. BOEHNER. Mr. Speaker and my colleagues, yesterday the President of the United States said at a Democratic fund raiser in Boston—he decided to use the occasion to attack the Republican Party, and he attacked the Republican Party as the party of no—no to this and no to that—and he began to blame the Republican Party for his problems with regard to Whitewater.

Well, Mr. Speaker, with regard to the party of no, if he is calling the Republican Party the party of no because we are saying no to his health care reform that would socialize medicine, case rationing and put Government in charge of the Nation's health care, he is right. And if he is calling us the party of no because we do not want watered-down welfare reform that will not end welfare as we know it, that will do nothing more than expand the welfare state, he is right. And if he is saying that we are the party of no on the budget that called for higher taxes on American families, he is right. And if he is calling us the party of no on real crime reform; the bill that he supported last year would weaken the penalties against drug dealers, he is right, and it would have been legislative malpractice for Republicans to put aside our principles only to work with the party in power at the White House. But in each of these cases the Republican Party has met their duty as the opposition's party and have supported alternatives, real alternatives, to his programs.

In health care, Mr. Speaker, the Michel bill, supported by over 140 House Republicans is a bill that has more cosponsors with regard to health care than any other health care bill that has been entered. With regard to welfare reform, Mr. Speaker, the House Republican proposal was put together and introduced last September. The only comprehensive welfare reform bill to be put into the hopper in this session of Congress, it will promote work over dependency. It will take incentives that break up American families out of the current system. And with regard to the budget, Mr. Speaker, we have had a real budget alternative, not only last year, but again last week, for this year, and this year's version of the House Republican budget would give every American family a $500 tax credit per child to help foster the families in America. It would also bring real reform of Government so that we can begin to meet the dream of all of us, a smaller, less costly, more effective Federal Government. And with regard to crime we have a real crime bill here in the House, one that will put more cops on the streets, one that would build more prisons, one that would add tougher penalties and one that would put more money in to rehabilitate those prisoners that have a chance for rehabilitation.

Mr. Speaker, we stood together with the President last year for his toughest legislative victory, and that was over NAFTA. We put our partisan differences aside, and we stood toe and toe with the President to move NAFTA through this House. But it seems that the White House's strategy is emerging with regard to Whitewater, and that is just to blame Republicans.

Republicans were not involved in making Whitewater happen. Bill and Hillary Clinton, and their friends in Little Rock, caused Whitewater to occur. The media have been after this for over 2 years, and it is the media that is driving this.

Why? Because it has become clear to the media that the White House is not being forthcoming in delivering the facts to the American people. Neither was the Clinton campaign in 1992 when this issue first surfaced, and if, in fact, Mr. and Mrs. Clinton in 1992 would have put the facts forward, this issue may not still be here today.

But Congress has the responsibility in our Constitution, as elected by the people of this country, to provide oversight, oversight over Government, and Congress has a role in looking at this issue and bringing before the American people the facts.

Yes, there is a special prosecutor. We ought to allow him to do his job. The Congress also has another responsibility, and that is to also bring those facts before the American people. Mr. Fiske is looking at criminal activity. I think the American people want the Congress of the United States to hold the President to a higher standard than nothing more than criminal culpability. The President has a responsibility to stand above that, to be the moral authority of Government in our country. That is the role that Congress ought to be doing, is holding the President responsible for his conduct and activity, and we have a rightful role.

But more so, Mr. Speaker, let me say this:

The President himself and Mrs. Clinton should not have to endure this, nor should they require the American people to endure this. They could come forward today and lay the facts out on the table so that we in this country and our system of government are not jeopardized because we are going to allow the media and a special prosecutor to lay all of this out.

Put the facts before the American people, and end the sad day in our history.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 a.m.) the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 noon.

PRAYER

Rabbi Aron Lieberman, Synagogue of Inverrary Chabad, Lauderhill, FL, offered the following prayer:

Our Father in Heaven, we beseech You to bless the Members of this august body, who represent the people of the United States of America. We ask also for Your blessings for our President Bill Clinton, and for the members of his cabinet. We pray that you guide this body in its task to protect and defend the welfare of the citizens of this great United States of America.

It is particularly fitting that we stand before you, Almighty God, on this the day when Members of the United States Congress and Senate join with representatives of the Lubavitch movement nationwide and here in Washington to celebrate the 92d birthday of the revered leader of the world Lubavitch movement, Rabbi Menachem Mendel Schneerson. The Lubavitch Rebbe has been an inspiration to many hundreds of thousands of people world-wide. Included among them Presidents, Members of Congress, international leaders, and heads of state, who have sought and received his advice and blessings.

The Rebbe now needs our prayers as he has suffered recently a second stroke and is in critical condition. Dear God, we pray that You allow all of us to join the many others in extending our prayers for a complete and speedy recovery to the Lubavitch Rebbe, Menachem Mendel Schneerson. It is in this spirit that we supplicate you, O God, to grant every Member of this Congress, good health, happiness, peace of mind and tranquility, and they be given the wisdom, understanding, and sensitivity to fulfill the important tasks bestowed upon them by the citizens of this great country.

Together, let us all answer this prayer with a resounding amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair recognizes the gentleman from Maryland [Mr.

BARTLETT] to lead the House in the Pledge of Allegiance.

Mr. BARTLETT of Maryland led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 1926. An act to amend the Food Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the food stamp program, and for other purposes.

WELCOME, RABBI ARON LIEBERMAN

(Mr. DEUTSCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEUTSCH. Mr. Speaker, I want to formally welcome Rabbi Aron Lieberman, of the Synagogue Inverrary Chabad, Lauderhill, FL, in my district, who joins us today both to offer the prayer at the start of the session but also to be here with the members of the Lubavitch movement from throughout the world celebrating both the rabbi's 92d birthday as well as education for all the children, not just in this country but throughout the world.

CONGRATULATIONS TO THE LADY MOUNTAINEERS OF MOUNT ST. MARY'S COLLEGE

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, I rise today to congratulate the Lady Mountaineers of Mount Saint Mary's College in beautiful Frederick County, MD, on their first ever appearance in the NCAA Division 1 Women's Basketball Tournament.

Since moving to division 1, 5 years ago, the Lady Mountaineers have compiled an impressive record with five straight regular season NEC championships. They have continued a tradition of excellence that has resulted in winning seasons in 18 of the last 20 years. Their hard work and determination paid off this year in an impressive 78 to 67 win over Saint Francis College to give them the NEC tournament championship. The Lady Mountaineers were led by Susie Rowlyk who scored 26 points and was named tournament MVP as well as NEC player of the year.

Mr. Speaker, in addition to the Lady Mountaineers excellence on the basketball court, these young women have proven a commitment to learning in the classroom by compiling a composite GPA that would place them on the dean's list.

Mr. Speaker, I would like to wish the Lady Mountaineers the best of luck in the tournament game against the Hawkeyes of Iowa, and congratulate them on a job well done.

LET US GET BACK TO HEALTH CARE REFORM

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the Republicans went off for a conference and studied to try to come up with a proposal for health care. After going to their camp for the weekend, they came away and they had nothing. There was nothing they could agree on as a health care reform package. And so I think what they decided to do at that point was go and come up with a new strategy, and that was to divert America's attention from health care and engage in "pillory Hillary." So that is what we have seen over and over again and over again.

When you think about it, imagine what would have happened if the Clintons had made money on this real estate deal.

Here is an example where we have a special prosecutor investigating it, you have a deal where they lost money, you have all sorts of other groups investigating it, and in the private sector as a private attorney dealing with many other things.

What in the world is going on here? I think this country has to get health care back in focus and we have to get moving on this issue, and let us stop all the distractions and pretending like every night's news show is an extension of "Geraldo."

LET US KEEP ECONOMIC GROWTH ON TRACK

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, the news just out this morning of slower than anticipated productivity and higher than expected inflation demonstrates that we need to do something to ensure that we keep economic growth on track.

Last December 15 we saw the completion of the Uruguay round of the General Agreement on Tariffs and Trade, and most everyone has acknowledged that the economic growth that we have seen in this country has been led through exports.

That is why it is imperative that this Congress move ahead as expeditiously as possible to pass the Uruguay round of the General Agreement on Tariffs and Trade so that we can ensure a higher level of productivity and a lower rate of inflation and a higher standard of living for people here in the United States of America and throughout the world.

NO ONE IS ABOVE THE LAW

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, no one, not the President and not members of his family or staff, should be above the law. After the distressing Ames revelations and reports of mishandled documents in executive offices, Americans now learn that White House staff—some high-ranking—have neglected to obtain security clearances. Since this fact became public, we have been unable to get straightforward answers about the damage that may have been done, about the numbers of staff involved, about the risks that were taken with sensitive information. Questions are understandably being raised about why this routine, but vital clearance procedure is being circumvented at the White House. So far, we are told that staff just has not made the time to submit to the rules. This excuse begs two serious questions:

First, are the rules no longer important in this administration?

Or, second, what do these people have to hide? Americans deserve to know.

YES, YES, YES

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, Yes, yes, yes, yes, yes, yes, yes, yes.

That is the Republican response to the President's tirade yesterday. Republicans want to work with the President to help this country. We want strong anticrime legislation. It is the liberal Democrats who say no. We want welfare reform. Again, the Democrats say no.

We want workable health care reform. The Democrats say no. We want a middle-class tax cut. The Democrats, no. We want hearings on Whitewater. The Democrats say no.

We want to pass the balanced budget amendment. Once again it is the Democrats who say no way.

Mr. Speaker, the President is way off base, and he knows it.

Republicans say yes, yes, yes. The Democrats say no, no, no.

NATIONAL ANGLER'S LICENSE

(Mr. ZIMMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ZIMMER. Mr. Speaker, I have just introduced legislation instructing the Director of the U.S. Fish and Wildlife Service to study the feasibility of a national angler's license.

Currently, anglers who fish along State borders must purchase more than one license to enjoy a day on the water. Vacationing fishermen often cannot afford to buy a license for every State in which they would like to fish.

A constituent of mine named Arnold Ropeik has suggested a common sense solution to this problem, a national angler's license. National license holders would be able to pay one fee to fish anywhere in the United States. Proceeds would be allocated so that no State would lose revenue.

The goal of my legislation is to make fishing as accessible as possible to both veteran anglers and new fishermen. This will result in more conservation funding, more private sector revenues from travel and tourism and more Americans enjoying the pleasures of fishing throughout this beautiful Nation.

□ 1210

DR. MARTIN LUTHER KING HOLIDAY COMMISSION

(Mr. HILLIARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILLIARD. Mr. Speaker, many years ago, in the very early 1960's, when I was a student at Morehouse College in Atlanta, GA, I met a man who was a preacher from Montgomery, AL, Dr. Martin Luther King.

This man changed my life and the lives of millions of Americans who before "his dream" were treated as second-class citizens. After I met him, I enlisted in the movement and became one of Dr. King's foot soldiers in the war for racial equality. I was personally harassed by those who were against changes. It is hard for many of my colleagues to remember just how evil it was during the days of racial segregation before Dr. King helped change things, but, believe me, times were hard, cruel, and difficult. Because of my race, Mr. Speaker, none of Alabama's white public colleges would admit me as a student. We were cleverly denied the right to vote. Anyone would say, "If you travel after dark in many cities in Alabama," and I would say in the rural South, "as a black man, you took your life in your own hands," and, as many of my colleagues know, I am the first African-American since Reconstruction to be elected to the U.S. Congress by the people of Alabama.

It is not accidental that I am here. It is because we fought the struggle. Times have changed. We have not reached the promised land. Without the continued presence, involvement and funding of the King Holiday Commission, Mr. Speaker, we would never reach our full potential of building both unity and understanding between the races.

Mr. Speaker, the past is history, but history must be treated as knowledge and in its proper perspective so that mistakes of the past will be known so that hopefully they will be prevented and corrected. The Martin Luther King Holiday Commission helps us to remember. Hopefully it will help us to correct and prevent mistakes of the past.

THE AMERICAN PEOPLE DESERVE SOME ANSWERS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, members of the Clinton administration and high officials in the Democratic National Committee all insist that there is no scandal. I beg to differ. The scandal is that 80 percent, 80 percent of the State chartered S&L's in Arkansas, failed. Could it be that there were some good old boys, regulators, who were asleep at the switch? I do not know the answer, but I do know that the American people deserve the answers, and I do know that the Arkansas State government did not pay a dime to bail out those institutions. Taxpayers from across the country from States like my own, from Wisconsin, did. The incredible mismanagement of Madison Guarantee cost the American taxpayers alone in that one S&L $60 million.

Why, Mr. Speaker, if there is nothing to hide is there such a resistance to congressional hearings? The American people have legitimate questions about this administration, Mr. Speaker, and it is time that we got some straight answers for a change. Let us go on with the hearings. Let us clear the air so we can get on with our Nation's business. We have got a lot of issues to address, and we have got to be addressing those.

President Nixon was not above the law. President Clinton cannot be above the law either. No American can be above the law.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, March 16, 1994.

KING HOLIDAY AND SERVICE ACT OF 1994

Mr. SAWYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1933) to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr., as amended.

The Clerk read as follows:

H.R. 1933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "King Holiday and Service Act of 1994".

SEC. 2. MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION.

The Act entitled "An Act to establish a commission to assist in the first observance of the Federal legal holiday honoring Martin Luther King, Jr.", approved August 27, 1984 (36 U.S.C. 169j and following) is amended—

(1) in section 3(1) by inserting "(including service opportunities)" after "activities";

(2) in section 4(a) by striking "and" at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting "; and", and by adding at the end the following:

"(7) the Chief Executive Officer of the Corporation for National and Community Service, appointed under section 193 of the National and Community Service Act of 1990 (42 U.S.C. 12651c).";

(3) in section 6(a) by striking "maximum rate of pay payable for grade GS–18 of the General Schedule under section 5332" and inserting "rate of pay for level IV of the Executive Schedule under section 5315";

(4) by amending section 7 to read as follows:

"SEC. 7. There are authorized to be appropriated to carry out this Act—

"(1) $300,000 for fiscal year 1995;

"(2) $350,000 for fiscal year 1996;

"(2) $400,000 for fiscal year 1997;

"(2) $450,000 for fiscal year 1998; and

"(2) $500,000 for fiscal year 1999.";

(5) in section 8 by inserting after "under this Act" the following: "or under the National and Community Service Act of 1990"; and

(6) in section 9 by striking "April 20, 1994" and inserting "September 30, 1999".

SEC. 3. MARTIN LUTHER KING, JR., SERVICE DAY.

(a) ADDITIONAL CORPORATION ACTIVITY TO SUPPORT NATIONAL SERVICE.—Section 198 of the National and Community Service Act of 1990 (42 U.S.C. 12653) is amended by adding at the end the following new subsection:

"(s) MARTIN LUTHER KING, JR., SERVICE DAY.—

"(1) ASSISTANCE.—The Corporation may make grants to eligible entities described in paragraph (2) to pay for the Federal share of the cost of planning and carrying out service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr. Such service opportunities shall consist of activities reflecting the life and teachings of Martin Luther King, Jr., such as cooperation and understanding among racial and ethnic groups, nonviolent conflict resolution, equal economic and educational opportunities, and social justice.

"(2) ELIGIBLE ENTITIES.—Any entity otherwise eligible for assistance under the national services laws shall be eligible to receive a grant under this subsection.

"(3) CONSULTATION.—In making grants under this subsection, the Corporation shall consult with the Martin Luther King, Jr. Federal Holiday Commission established under section 2 of Public Law 98–399 (36 U.S.C. 169j–1).

"(4) FEDERAL SHARE.—Grants provided under this subsection to an eligible entity to support the planning and carrying out of a service opportunity in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr., together with all other Federal funds used to plan or carry out the service opportunity, may not exceed 30 percent of the cost of planning and carrying out the service opportunity.

"(5) CALCULATION OF ENTITY CONTRIBUTIONS.—In determining the non-Federal share of the costs of planning and carrying out a service opportunity supported by a grant under this subsection, the Corporation shall consider in-kind contributions (including facilities, equipment, and services) made to plan or carry out the service opportunity.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) REFERENCE TO REPEALED SECTION.—Section 101(a)(3) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 788) is amended by striking "through 136" and inserting "through 135".

(2) INCORRECT REFERENCE TO ACT.—Section 203(a)(3) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 891) is amended by striking "Act of 1993" and inserting "Act of 1990".

(3) DESCRIPTION OF NATIONAL SERVICE PARTICIPANTS.—Section 137(c) of the National and Community Service Act of 1990 (42 U.S.C. 12591(c)), as added by section 101(b) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 809), is amended by striking "subsection (a)(5)(A)" and inserting "subsection (a)(5)".

(4) EDUCATIONAL AWARD ELIGIBILITY REQUIREMENTS.—Section 146(a) of the National and Community Service Act of 1990 (42 U.S.C. 12602(a)), as added by section 102(a) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 818), is amended by striking the second paragraph (3).

(5) CIVILIAN COMMUNITY CORPS.—

(A) USE OF INCORRECT TERM.—Section 155(e) of the National and Community Service Act of 1990 (42 U.S.C. 12615(e)), as redesignated by section 104(b)(3) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 840), is amended by striking "CORPS" and inserting "CAMPS".

(B) REFERENCE TO SECTION.—Subsection (C)(2)(C)(i) of section 159 of the National and Community Service Act of 1990 (42 U.S.C. 12619), as amended by section 104(e)(2)(E)(ii) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 847), is amended by striking "section section 162(a)(2)" and inserting "section 162(a)(2)".

(C) CROSS REFERENCE.—Section 162(a)(1)(B)(ii) of the National and Community Service Act of 1990 (42 U.S.C. 12622(a)(1)(B)(ii)), as redesignated by section 104(b)(3) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 840), is amended by striking "section 4462 of the National Defense Authorization Act for Fiscal Year 1993" and inserting "section 1143a of title 10, United States Code".

(6) PUNCTUATION.—Section 198(q)(1) of the National and Community Service Act of 1990 (42 U.S.C. 12653(q)(1)), as added by section 104(c) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 840), is amended by striking "1995" and inserting "1995,".

(7) REDESIGNATED PARAGRAPH.—Subsection (b)(6) of section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953), as redesignated by section 323(b)(3) of the National and Community Service Act of 1993 (Public Law 103–82; 107 Stat. 900), is amended by striking "(6)" and inserting "(5)".

(8) SUBPARAGRAPH INDENTATION.—Subsection (c)(1)(F) of section 103 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953), as amended by section 323(c)(1)(D) of the National and Community Service Trust Act of 1993 (Public Law 103–82; 107 Stat. 900), is amended by moving the left margin two ems to the left.

(9) CORRECT EXECUTION OF AMENDMENT.—Section 224 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5024) is amended by striking "volunteer projects for older Americans" and inserting "National Senior Volunteer Corps projects".

(10) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on the date of the enactment of this Act.

(B) RETROACTIVE EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) shall take effect as of October 1, 1993.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio [Mr. SAWYER] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring the King Holiday and Service Act before the House. I want to commend the bill's chief sponsor, my good friend from Georgia, Congressman JOHN LEWIS, for his dedication to keeping Dr. King's dream alive.

I also want to recognize the work of Congressman RALPH REGULA, who is the Vice Chairman of the Martin Luther King, Jr. Federal Holiday Commission, and to thank him for his guidance and assistance.

Finally, Mr. Speaker, I want to thank Congressman BILL CLAY, chairman of the Committee on Post Office and Civil Service, and Congressman BILL FORD, chairman of the Committee on Education and Labor, for their efforts in getting this measure to the floor today.

H.R. 1933 would extend the life of the Martin Luther King, Jr. Federal Holiday Commission and authorize an annual appropriation for its operation. It also broadens the Commission's legislative mandate to make the promotion of community service opportunities an explicit part of the Commission's purpose.

As a member of the Commission since 1989, I have firsthand knowledge of its worthwhile activities. I believe that all Americans will benefit enormously if the Commission's work continues.

Thanks to the tireless efforts of the Commission, all 50 States recognized Dr. King's birthday with a paid holiday this year. Despite that work, however, many continue to perceive the King holiday as a holiday for black Americans alone.

Only 18 percent of private sector employers observe the occasion. Dr. King did not represent one segment of our population. He worked to ensure equality of opportunity for all Americans. Clearly, more work is needed to ensure that this holiday is truly inclusive and meaningful, as it was intended to be.

The Commission devotes considerable time and resources to promoting racial harmony and understanding through the holiday, at a time when our Nation is becoming more diverse. Equally important, with its limited resources, the Commission uses the holiday to focus attention on community involvement, and efforts to combat violence, crime, drugs, and illiteracy, as well as the importance of voter registration and urban economic development.

While the Commission sponsors activities throughout the year, it is the Federal holiday that casts the necessary light on the continued importance of Dr. King's legacy to so many facets of our lives today. I believe that the Commission is a modest investment for the Federal Government to make in bridging the often wide gap between people of different races and cultures that threatens both social and economic progress in our country.

Dr. King left our Nation, and the world, a legacy that is priceless. Surely, passage of H.R. 1933 is not too high a price to pay to hold on to that dream.

Mr. Speaker, H.R. 1933 has 3 major provisions.

First, the bill extends the life of the Commission for 5 years, through fiscal year 1999. We all agree that the Commission has accomplished a great deal since its inception. However, there is still a lot of work ahead if we want the King holiday to be a point from which we can educate all Americans about Dr. King's philosophy and contributions to our progress as a Nation. Extending the life of the Commission will allow it to accomplish that important goal.

Second, the bill authorizes $300,000 for fiscal year 1995; and increases that amount by a modest $50,000 each year through fiscal year 1999.

Third, H.R. 1933 authorizes the Corporation for National and Community Service to make grants for planning and carrying out community service opportunities in conjunction with the King holiday. The bill limits the Federal share of any such grants to 30 percent of the funds used to plan and carry out those activities.

I know that some of my colleagues are concerned that the extension of the King Commission represents a personal benefit to Mrs. King and her family. While I understand that concern, I think it is wrong and unfounded.

Dr. King's legacy transcends his family. Neither Mrs. King nor any of her children are employees of the Commission. Their service on the Commission is borne out of a commitment to their country and its future well-being.

The work of the King Commission provides us with an opportunity to renew our commitment to Dr. King's dream. Americans of all races and ethnic backgrounds are entitled to share in the challenge of economic recovery and social healing.

Mr. Speaker, I urge my colleagues to support this important legislation.

□ 1220

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Ohio [Mr. REGULA].

Mr. REGULA. Mr. Speaker, I rise today as the Vice Chairman of the Martin Luther King, Jr. Federal Holiday Commission. It has been my real privilege to serve with many fine and dedicated individuals on this Commission and especially with my friend Coretta Scott King.

One of the reasons that I support the King Holiday is that Dr. King was largely responsible for leading our society through the upheavals we faced in the 1960's with the doctrine of nonviolence as his banner. We are affirming that nonviolence is the honorable way to promote change in our society.

I support the extension of this Commission because this is an unusual Federal holiday; this holiday is more than a day off. We honor Dr. King by setting aside this day to serve other people—to work on behalf of people who are less fortunate than ourselves.

Thus, the legislation to reauthorize the King Holiday is designed to transform the observance of Dr. King's birthday into a national day of service. It is not enough to write laws that punish people for criminal behavior. It is not enough to prohibit certain actions and to criticize people for hurting others. We must act positively—help people find ways to work within the community, to support each other and to keep busy helping others.

Mr. Speaker, I might add that historically the King Commission has worked on the education program, and now the focus has shifted to one of community service to encourage young people in the communities around the United States to work with each other and to work with the institutions to improve the quality of life, and that is the real way in which we will solve many of the problems of our urban society. According to Martin Luther King, Jr.:

> Peace is not merely the absence of some negative force, it is the presence of a positive force. True peace is not merely the absence of tension, but it is the presence of justice and brotherhood.

Those are certainly words we should all live by. While we are engaged in a national debate on crime and safety—I hope that we can consider the value of encouraging positive forces and activities in our communities.

Mr. Speaker, I urge all the Members to join me in voting to reauthorize the King Holiday Commission and to continue its great work under the leadership of Coretta Scott King that has been accomplished thus far and that will take place likewise in the future.

Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. SAWYER. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Alabama [Mr. HILLIARD], whose 1-minute speech preceded this debate.

Mr. HILLIARD. Mr. Speaker, Martin Luther King was truly an American. He was a loyal American. He took the difficult side. He took the dark side and brought light to it. He enlightened all of America on the evils. He enlightened all of America on the worst part of our system. But he also moved to correct the evil, to shed not only light but to bring those evils to the forefront and to terminate them and eradicate them from our society. During his lifetime he was only partially successful in doing this. It is up to the rest of us to continue his good work. To reauthorize this act means that we reaffirm what he had started. It means that we wish to continue what he has done. It means that we wish to continue to strengthen democracy. His legacy proves to us that it was needed. To remember him is to improve on that legacy. As we look at our society, all those things that are good and all those things that we wish to preserve, we often think of our heroes and what they have done to improve the past.

Mr. Speaker, this is one hero whose legacy we must preserve. We must preserve what he started. We must continue to improve on it. And we do that when we reauthorize the act that set his date as a national holiday. It is not a day just to remember him but is a day to be joyful that a man of his caliber came along and set the record straight and changed America.

It was his desire to do good. It ought to be our desire to continue goodness.

Mr. PETRI. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 1933. While I by no means question the past important and successful work of the Commission, I feel its work is complete. We cannot and should not authorize the use of taxpayers' funds for the continuation of a commission that has done its job. All 50 States, the District of Columbia and the Federal Government now commemorate Dr. King's birthday and his legacy with a paid holiday. President's Day, Independence Day, Memorial Day, Veterans' Day, and other public holidays, all of which serve as equally important reminders of our national heritage, do not have a holiday commission. There is no precedent for a commission of this type, much less the appropriation of Federal funds for its operation. No other Federal holiday has ever had anything similar.

Mr. Speaker, H.R. 1933 completely changes the original legislative purpose of the Martin Luther King, Jr. Holiday Commission, which was charged only with assisting in the first observance of the Federal legal holiday honoring Dr. King and his legacy. It was to sunset in 2 years and was not to receive any Federal funds. It was only after the second extension in 1989 that the Commission began receiving Federal dollars.

H.R. 1933 would permit the Commission to become involved in a number of activities which are totally unrelated to its original mandate.

Mr. Speaker, the Commission's justification in requesting an extension is that it believes there is a need to continue promoting Dr. King's ideals of community service, racial harmony and economic opportunity. While I in no way question the importance of these activities, they are not related to the original legislative mandate of the Commission. Many Members of Congress supported establishing the Commission because it was not to become a permanent structure and was to be funded only by private donations.

Those who support H.R. 1933 to extend the life of the Commission and its appropriations contend that the Commission would be in a position to encourage and sponsor more activities aimed at combating violence, crime, drugs and illiteracy as well as promoting voter registration and urban economic development.

I feel that our Federal, State and local governments, along with hundreds of private and professional organizations, presently have outreach programs similar to those programs and activities which the Martin Luther King Jr. Holiday Commission is now seeking to undertake.

Mr. Speaker, rather than declaring victory and closing down, the Martin Luther King Jr. Holiday Commission is searching out new programs and activities to justify its existence.

Martin Luther King, Jr. has a special honored place in our history and the heart of the Nation. All 50 States, the District of Columbia, the Federal Government, and many foreign countries now celebrate and honor Dr. King's legacy and ideals of nonviolence and social change. The Commission has successfully completed its congressional mandate. It is time we terminate the Commission.

Mr. Speaker, I reserve the balance of my time.

□ 1230

Mr. SAWYER. Mr. Speaker, I am pleased to yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I rise in support of H.R. 1933, which will, among other things, extend the life of the Martin Luther King, Jr. Federal Holiday Commission to September 30, 1999. The Congress must not be silent on this extension.

H.R. 1933, through its provisions, will bring focus and understanding on the life and the teachings of Dr. King. In doing so, it seeks to ensure the continuity and universal acceptance of one day of commemoration. That day commemorates one man who, more than any other, symbolizes the sometimes painful and frequently painfully slow embodiment of Judeo-Christian racial justice in 20th Century American society.

There are many—many of all races—who feel that the freedoms dreamed and sought by the Reverend King are as significant to every American as were the freedoms sought by the American Revolution. The strength and acceptance of those freedoms—the freedoms that accompany equality—will grow with each generation, unless we allow them to atrophy. If we do allow our commitment to those freedoms to diminish, we as a nation become equally diminished. The objectives sought by H.R. 1933 are those that will pass to our children the common hope, shared by all Americans, in the emergence of a society of harmony, equality, and peace.

Mr. Speaker, I hope that it will be the pleasure of each and every one of my colleagues to join me in passing this bill.

Mr. SAWYER. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I rise in support of the continuation of the Martin Luther King, Jr. Holiday Commission. There are those who would say this commission is no longer necessary because we now celebrate the King holiday nationwide.

But, one needs only listen to the daily news, and read the headlines to know that we need this commission, now more than ever.

Our young people are dying in great numbers on the streets, in their classrooms, and in their homes, from violent acts, Mr. Speaker. That is a fact. And the most frightening thing about that fact is—our children are killing each other.

The King Holiday Commission is dedicated to teaching the tenants of nonviolence, and the value of community service to our young people. Children who are taught to respect the sanctity of life and to serve their fellow human beings, do not commit acts of random violence.

There was a time when the entire community accepted responsibility for teaching the young, that is no longer the case.

We also have to acknowledge that there are many children who come from dysfunctional families, families that do not offer them the kind of support they need to become productive citizens.

We should not abandon these young people, Mr. Speaker. We should empower them with the tools they need to grow up safe, well and happy.

We need to teach them to hold high the banner of nonviolence. The King Holiday Commission will ensure that we make the teaching of nonviolence a national priority. It will reinforce the words of Dr. King, who said:

> Non-violence is a powerful and just weapon. It is a weapon unique in history, which cuts without wounding and ennobles the man who wields it. It is a sword that heals.

Let us empower our young people to save their own lives. Let us empower them with the tools of nonviolence and community service. Mr. Speaker, we have at our disposal the Martin Luther King Holiday Commission, an organization that is ready, willing and able to carry out this mission.

Let us give them the financial resources they need to be successful. I can think of no better investment than the lives of our children.

Mr. SAWYER. Mr. Speaker, it is my privilege to yield such time as he may consume to the gentleman from Georgia [Mr. LEWIS], the chief sponsor of the measure before us.

Mr. LEWIS of Georgia. Mr. Speaker, I wish to thank my good friend and colleague, the gentleman from Ohio [Mr. SAWYER], for yielding. The gentleman from Ohio is more than a cosponsor, but a wholehearted sponsor and supporter of this piece of legislation.

Mr. Speaker, today I rise in support of a very important piece of legislation which I have introduced in the House and which Senator HARRIS WOFFORD has introduced in the Senate, the King Holiday and Service Act of 1993.

In 1963, Dr. King said that, "violence is the voice of the unheard." These are still important words today.

I ask my colleagues, how can we ask our children to call upon their inner strength if we do not teach them to recognize the value of their own souls? How will our children resolve conflicts if the greatest strength they know is a gun or a knife in their hand? How will we justify our negligence if we do not make an active effort to pass the teachings of Dr. King on to our children?

We must use every resource to show our children that they can work together and that together they can achieve a common good, a higher good.

The Martin Luther King, Jr., Federal Holiday Commission has made important inroads. When the Commission began its work, only 17 States celebrated the King holiday. Now, Dr. King's birthday is celebrated in all 50 States, the District of Columbia, and more than 100 nations.

When the Commission began its work, many of the children now involved in Commission activities spent their free time in the streets. Now, the Commission has enlisted over 27,000 youth in "Youth Against Violence Symposiums." The Commission has recruited 4 million young people to sign a pledge committing themselves to a life of nonviolence. And the Commission has brought together 1,000 youth leaders at youth assemblies that address major social problems such as drug abuse and illiteracy.

I believe we can do more. We must.

Today, some 100,000 students take guns to school every day. Another 160,000 stay home out of fear of violence at school. We are still a society divided by race and class. Our cities and our schools have become centers of crime and violence. They have become places of despair.

Dr. King's method was love. His weapon was truth. And his goal was the "Beloved Community"—a community based on justice, a community at peace.

Dr. King could speak and the masses understood from his words that they were somebody. He was a spokesman not only for one race, but for human beings of every kind.

□ 1240

We no longer hear his voice, but we still hear his words. We can no longer take part in his actions, but we can take actions of our own. We must not allow the King holiday to become a day of nothing in particular—a day of shopping, a day of recreating. We must make the holiday a day of action, for ourselves and for our children.

One of the most important things I tell young people today is that you must believe in the possibility for positive change. I have always had a firm belief in the idea that people of good will can work together and bring about positive change. But, change takes effort. Change takes organization.

The Martin Luther King, Jr. Federal Holiday Commission is a tremendous and important source of this effort.

It is a tremendous and important source of organization for the cause of peace, for the cause of nonviolence, for the cause of building a sense of family, a sense of community. I believe we can make a little sacrifice; we can afford a little effort to make the lives of our children better today and tomorrow. We can afford a little effort to involve our children in nonviolent activity and esteem-building activities such as a community service.

We must allow the important work of the Martin Luther King, Jr. Federal Holiday Commission to continue. I believe with the King Holiday Commission, we will witness in our country in the days to come a nonviolent revolution, a revolution of values, a revolution of ideas that we will create a sense of community. We will create a sense of family. We will create America's house.

Mr. PETRI. Mr. Speaker, I yield 3 minutes to my colleague on the Committee on Education and Labor, the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Speaker, I rise in strong support of H.R. 1933, the King Holiday Service Act of 1994. Ten years after the Martin Luther King, Jr., Federal Holiday Commission was established to institutionalize the holiday marking the birth of Dr. King and to encourage appropriate activities celebrating his life, all 50 States officially observe the King holiday. However, few private employers observe the holiday and many people continue to perceive the King holiday as an event for African-Americans alone.

Clearly, more must be done to ensure that this holiday is as meaningful and inclusive as it is intended to be. One way in which the Commission continues to work toward this objective is advancing community service opportunities which promote nonviolence, racial cooperation and understanding, and social justice. H.R. 1933 authorizes the Corporation for National and Community Service to make grants for service activities which promote Dr. King's timeless ideals of community service and racial harmony, and are a fitting tribute to his life. In his own words delivered in a June 1961 commencement address entitled "The American Dream" Dr. King said:

> * * * We have made of this world a neighborhood; now * * * we must make of it a brotherhood * * * we must all learn to live together as brothers or we will perish together as fools. We must come to see that no individual can live alone * * * we must all live together; we must all be concerned about one another.

I would like to add that I am particularly proud of the Martin Luther King Commission in my district in Brooklyn. As our diverse Nation continues to struggle with acts of racism and violence, the Commission in Brooklyn sponsors activities to promote Dr. King's teachings. This Commission recognizes the achievements of talented and thoughtful young people who, through creative essays and artwork, reflect on Dr. King's life. It is only if every successive generation of youth fully embrace Dr. King's ideals that we will achieve his dream of a nation that will "rise up and live out the true meaning of its creed—that all men are created equal," a nation where people are judged "by the content of their character, not by the color of their skin."

Mr. PETRI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAWYER. Mr. Speaker, I yield myself such time as I may consume.

I pause only to thank the gentleman from Wisconsin for raising the kinds of questions which he has raised in so thoughtful a manner. They are the kinds of questions that ought to be raised by any measure of this kind as it comes before us.

Mr. PAYNE of New Jersey. Mr. Speaker, I am pleased to rise in strong support of the bill to extend the life of the Martin Luther King, Jr. Federal Holiday Commission to September 30, 1999.

Although it has been over two decades since Dr. King was laid to rest, his spirit is very much with us today. His challenge to people of all races to embrace justice, equality and nonviolence is more relevant today then ever.

Our society still has a long way to go in overcoming obstacles and achieving the racial harmony envisioned by Dr. King.

When we have a school principal in Alabama telling a child her birth was a mistake because her parents are of different races, we have really not come very far in heeding Dr. King's message of tolerance and acceptance.

I feel privileged to have known Dr. King personally. About a week before his untimely death, Dr. King visited New Jersey to mobilize support for a cause that was important to him—the Poor People's Campaign. I spent some time with him that day as he spoke to students at a local high school and to a congregation at a local church.

I am proud that in my hometown of Newark we have now dedicated the Martin Luther King, Jr. Federal Building in honor of this great leader.

It is important that we as a nation keep Dr. King's dream alive. The bill we are considering today accomplished that goal in a number of ways. In addition to allowing the Commission to continue its work in addressing violence, crime, drug abuse and illiteracy, the measure also allows the Corporation on National and Community Service to make grants available to help with planning national service programs held in conjunction with the Martin Luther King, Jr. holiday.

I urge my colleagues to join me in voting for this extension to allow the Martin Luther King, Jr. Federal Holiday Commission to continue its important work.

Mr. STOKES. Mr. Speaker, I rise today in strong support of H.R. 1933, to extend the authorization for the Martin Luther King, Jr., Federal Holiday Commission. I want to commend my colleagues, Representative JOHN LEWIS and Representative TOM SAWYER for bringing this bill to the floor today.

The Martin Luther King, Jr., Holiday Commission was established in 1984 to encourage appropriate celebrations and events relating to the observance of the Federal holiday in honor of Dr. King. The Commission has been extended twice previously and its current authorization is set to expire on April 20, 1994. It is imperative that we act quickly to extend the authorization for the Commission through September 30, 1999, to continue promotion of Dr. King's ideals of racial harmony, economic opportunity for all, and process through nonviolent social change.

Mr. Chairman, this year all 50 States recognized Dr. King's birthday with a paid holiday. However, many Americans continue to perceive the King holiday solely as an African-American holiday, without relevance or meaning for other Americans. As a result, unfortunately, only 18 percent of private employers grant their employees a paid holiday in observance of the King birthday holiday. This is a tragedy and a manifest dishonor to the memory of a man who devoted his life to inclusion and opportunity for all. As a nation, we can do better to celebrate Dr. King's legacy.

H.R. 1933 extends the life of the Martin Luther King, Jr., Federal Holiday Commission for an additional 5 years, and authorizes appropriations for the Commission's work. With the limited resources provided to the Commission, it uses the holiday as a focal point for promoting activities aimed at community service; for combating violence, crime, drugs, and illiteracy; and for encouraging voter registration and urban economic development. We need to extend the life of the Commission to enable it to further develop programs to enhance the celebration of Dr. King's birthday, and spread his message of freedom, equality, and the dignity of man to every American.

Mr. Chairman, at a time in our Nation when the public is crying out for solutions to a rising tide of social problems, these timeless truths professed by Dr. King are more relevant than ever. Every one of us should be very proud of the legacy of service to one's fellow man left by Dr. King. Our National Government needs to actively promote these ideals to our young people, and to people all over the world. Extending the life of the King Federal Holiday Commission will greatly enhance the ability of the Federal Government to promote these ideals. I strongly urge all my colleagues to vote in favor of H.R. 1933.

Mr. QUINN. Mr. Speaker, I rise in strong support of H.R. 1933, the King Holiday and Service Act of 1933. I have been a cosponsor of this legislation since April 29, 1993, when it was introduced my colleague, Representative JOHN LEWIS of Georgia. H.R. 1933 would extend the life of the King Commission and make the King holiday a "national service day to promote community service." The King holiday would allow all Americans to open their hearts and offer their skills to improve the quality of life for themselves and others through community service and interracial harmony. It would seek to challenge every American to take voluntary actions to wipe out some of our pressing social problems.

This holiday is special in the history of our Nation in that it challenges every person to make a difference in someone's life. It encourages all of us to face the future with strength and an understanding to work for a better Nation and a better world. I am proud to be a cosponsor of H.R. 1933 and I sincerely believe in the Commission's goals to promote equality and human dignity for all people.

GENERAL LEAVE

Mr. SAWYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the bill, H.R. 1933, as amended.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SAWYER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SAWYER] that the House suspend the rules and pass the bill, H.R. 1933, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr."

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY CERTAIN COMMITTEES IN SECOND SESSION OF 103D CONGRESS

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103–433) on the resolution (H. Res. 369) providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 2d session of the 103d Congress, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING AMOUNTS FOR EXPENSES OF INVESTIGATIONS AND STUDIES BY CERTAIN COMMITTEES FROM APRIL 1, 1994, THROUGH MAY 31, 1994

Mr. FROST, from the Committee on House Administration, submitted a privileged report (Rept. No. 103–434) on the resolution (H. Res. 387) providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House from April 1, 1994, through May 31, 1994, which was referred to the House Calendar and ordered to be printed.

RIO GRANDE DESIGNATION ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 375) to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes, as amended.

The Clerk read as follows:

S. 375

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Rio Grande Designation Act of 1994".

SEC. 2. DESIGNATION OF SCENIC RIVER.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following new paragraph:

"( ) RIO GRANDE, NEW MEXICO.—The main stem from the southern boundary of the segment of the Rio Grande designated pursuant to paragraph (4), downstream approximately 12 miles to the west section line of Section 15, Township 23 North, Range 10 East, to be administered by the Secretary of the Interior as a scenic river.".

SEC. 3. DESIGNATION OF STUDY RIVER.

(a) STUDY.—Section 5(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1276(a)) is amended by adding at the end of the following new paragraph:

"( ) RIO GRANDE, NEW MEXICO.—The segment from the west section line of Section 15, Township 23 North, Range 10 East, downstream approximately 8 miles to the southern line of the northwest quarter of Section 34, Township 23 North, Range 9 East.".

(b) STUDY REQUIREMENTS.—Section 5(b) of such Act (16 U.S.C. 1276(b)) is amended by adding at the end the following new paragraph:

"( ) The study of the Rio Grande in New Mexico shall be completed and the report submitted not later than 3 years after the date of enactment of this paragraph.".

SEC. 4. RIO GRANDE CITIZENS ADVISORY BOARD.

As soon as practicable after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the Bureau of Land Management, shall take appropriate steps to obtain the views of the residents of the village of Pilar and of those persons who are the owners of property adjoining the river segments described in sections 2 and 3 concerning implementation of this Act, and to assure that those views will be considered in connection with preparation of a comprehensive management plan for the segment designated by section 2 and the study required by section 3.

SEC. 5. WITHDRAWAL OF ORILLA VERDE RECREATION AREA.

(a) IN GENERAL.—Subject to valid existing rights, the lands described in subsection (b) are withdrawn from—

(1) all forms of entry, appropriation, or disposal under the public land laws;

(2) location, entry, and patent under the mining laws; and

(3) disposition under all laws pertaining to mineral and geothermal leasing.

(b) LANDS.—

(1) DESCRIPTION.—The lands referred to in subsection (a) comprise an area known as the "Orilla Verde Recreation Area", including—

(A) approximately 1,349 acres which were conveyed to the United States by the State of New Mexico on July 23, 1980, April 20, 1990, and July 17, 1990; and

(B) an additional 4,339 acres of public lands, all as generally depicted on the map entitled "Orilla Verde Recreation Area, New Mexico", and dated February, 1994.

(2) PUBLIC ACCESS.—The map referred to in paragraph (1) shall be on file and available for public inspection in the appropriate offices of the Bureau of Land Management.

SEC. 6. COMPLETION OF PREHISTORIC TRACKWAYS STUDY.

The Secretary of the Interior is authorized to contract with the Smithsonian Institution for the completion of the prehistoric trackways study required under section 303 of the Act entitled "An Act to conduct certain studies in the State of New Mexico", approved November 15, 1990 (Public Law 101–578).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the legislation now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 375 deals with two segments of the Rio Grande River, in northern New Mexico. it is similar to a companion bill introduced by our colleague, the gentleman from New Mexico [Mr. RICHARDSON].

The Rio Grande is the fifth-longest river in North America and one of the great rivers of the Southwestern United States. It rises in southwestern Colorado and continues for more than 1,800 miles through Colorado, New Mexico, and Texas before reaching the Gulf of Mexico. From El Paso to Brownsville, it marks our Nation's boundary with Mexico.

A segment of the Rio Grande immediately south of the Colorado-New Mexico boundary was included in the National Wild and Scenic Rivers System when that system was first established by enactment of the Wild and Scenic Rivers Act.

The two Rio Grande River segments covered by this bill are immediately downstream from that already-designated segment and are in a part of New Mexico increasingly popular for recreational uses, including river rafting.;

Under the bill, one segment of 12 miles would be added to the National Wild and Scenic Rivers System, to be managed as a scenic river under the Wild and Scenic Rivers Act. Another segment, covering an additional 8 miles, would be required to be studied for possible future designation, with a report on the results of the study required to be submitted within 3 years after enactment.

Both segments are bordered by extensive tracts of public lands managed by the Bureau of Land Management [BLM], which will be responsible for managing the designated segment and for conducting the study. The designated segment is becoming increasingly popular for recreation, which of course would continue after designation but which BLM would manage to emphasize protection of the biological and other resources of the area.

The bill would also withdraw the public lands in an area known as the 5,600-acre Orilla Verde Recreation Area from disposal under the public land laws, from mineral entry under the mining laws, and from operation of the mineral and geothermal leasing laws, and would also authorize the Secretary of the Interior to contract with the Smithsonian Institution for completion of a study of prehistoric track ways required under section 303 of Public Law 101-578.

In amending this bill, Mr. Speaker, the committee dropped the Senate's provision for a new advisory body consisting only of a village representative and a specified number of local landowners. Instead, we have substituted a requirement that the BLM Act to obtain local views and to give those views appropriate consideration in connection with the development of the management plan for the designated segment and in connection with the study of the other segment. We understand that BLM may well do this through establishment of a task force or working group, including the parties that would have been included on the statutory body provided for in the original Senate bill.

We believe that instead of requiring the establishment of another permanent statutory body, it is better in this case to give more flexibility to the BLM on ways to assure that the villagers and landowners be actively involved in future decisions about these areas.

The committee also increased the acreage of the adjacent public lands withdrawn from mineral entry and mineral geothermal leading, as suggested by the administration, to reflect the current total area BLM wants to manage for recreational uses.

Mr. Speaker, I want to commend the gentleman from New Mexico [Mr. RICHARDSON] for his hard work and leadership on this matter. With his help, the committee has been able to further improve the bill, and I urge its approval by the House.

□ 1250

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 375 which, among other things, would designate a segment of the upper Rio Grande River in New Mexico as an addition to the Wild and Scenic Rivers System.

This legislation, which was introduced by Senator BINGAMAN and has already passed the other body, has been explained in detail by Chairman VENTO. Its major provisions would add a 12-mile segment of the Rio Grande to the Wild and Scenic Rivers System and authorize an additional 8-mile segment be studied for possible future designation.

Although this bill was amended in the House Natural Resources Committee, I understand it is still supported by the two New Mexico Senators, not to mention Mr. RICHARDSON, who has worked hard on this issue in the Natural Resources Committee.

I urge my colleagues to support S. 375.

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON] the principal sponsor of this legislation.

Mr. RICHARDSON. Mr. Speaker, I want to thank both the gentleman from Utah [Mr. HANSEN] and the gentleman from Minnesota [Mr. VENTO] for their very generous remarks. This is an important bill for New Mexico.

Mr. Speaker, I am pleased to have the opportunity today to support S. 375, the Senate version of legislation I introduced (H.R. 1471) to grant wild and scenic river designation to a 12-mile segment of the Rio Grande in my district in New Mexico and study another 8 miles for possible inclusion in the future. I would like to thank Chairman MILLER, Chairman VENTO, and the Natural Resources Committee staff for their cooperation in moving this legislation through the committee and to the House floor today. I would also like to commend Senator JEFF BINGAMAN for introducing the Senate version of my legislation, which is the bill we are now considering.

In bringing this bill to the House floor today, my staff has worked with those of Senator BINGAMAN, the staff of the Committee on Natural Resources, the Bureau of Land Management, private landowners in the area near the affected segment and local river protection groups such as Amigos Bravos in crafting a final product that will confer protection on the river and recognize the unique character of this beautiful river.

The Rio Grande was one of the first rivers protected under the Wild and Scenic Rivers Act when it became law in 1968. S. 375 would confer this designation on an additional stretch of river downstream from the Taos Junction Bridge to the Village of Rinconada and require a study of the next 8 downstream miles for future designation. I hope that we can pass legislation to address these additional miles soon as well.

As a westerner, I have a special understanding of the importance of water to the daily lives of my constituents. In New Mexico, water really is life, and the Rio Grande is truly connected to all of our lives. The segment we will designate today is an especially beautiful stretch of river with multiple scenic views and a history of relatively undisturbed natural beauty. In recent years, however, the same qualities that make this river so valuable are threatening the future health of the river.

This bill will provide protection of this river segment from any federally built, permitted or licensed dam or other water resource project which would have a direct and adverse effect on the river. But designation will also signal that while we value the many wonderful uses of the river, we must realize that protection and preservation of this natural resource should be our ultimate goal. The prestigious national river protection group American Rivers named the Rio Grande the most endangered river in America in 1993. While S. 375 would only affect a small portion of this great American treasure, it will ensure that future generations can enjoy the beauty that is the natural heritage of New Mexico without the deleterious effects of development or overuse. Future generations deserve no less.

I am pleased to recommend this bill to my colleagues in the House today, and I look forward to its enactment into law in the near future.

Mr. Speaker, I would like to again commend the gentleman from Minnesota [Mr. VENTO] and the gentleman from California, as well as the gentleman from Utah [Mr. HANSEN] and many others who have been active in important environmental legislation in the Committee on Natural Resources.

Mr. HANSEN. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend the gentleman from New Mexico [Mr. RICHARDSON]. These riverine systems are very important for watershed protection. The recognition of this as being a very endangered river is a positive step forward. There is much more to be done. There is more study provided. There is more action by this Congress necessary to protect these great riverine systems. This bill is a positive step, and I urge support for it.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 375, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

FARMINGTON WILD AND SCENIC RIVER ACT

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2815) to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System, as amended.

The Clerk read as follows:

H.R. 2815

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Farmington Wild and Scenic River Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) Public Law 99-590 authorized the study of 2 segments of the West Branch of the Farmington River, including an 11-mile headwater segment in Massachusetts and the uppermost 14-mile segment in Connecticut, for potential inclusion in the National Wild and Scenic Rivers System, and created the Farmington River Study Committee, consisting of representatives from the 2 States, the towns bordering the 2 segments, and other river interests, to advise the Secretary of the Interior in conducting the study and concerning management alternatives should the river be included in the National Wild and Scenic Rivers System;

(2) the study determined that both segments of the river are eligible for inclusion in the National Wild and Scenic Rivers System based upon their free-flowing condition and outstanding fisheries, recreation, wildlife, and historic values;

(3) the towns that directly abut the Connecticut segment (Hartland, Barkhamsted, New Hartford, and Canton), as well as the Town of Colebrook, which abuts the segment's major tributary have demonstrated their desire for national wild and scenic river designation through town meeting actions endorsing designations; in addition, the 4 abutting towns have demonstrated their commitment to protect the river through the adoption of "river protection overlay districts," which establish a uniform setback for new structures, new septic systems, sand and gravel extraction, and vegetation removal along the entire length of the Connecticut segment;

(4) during the study, the Farmington River Study Committee and the National Park Service prepared a comprehensive management plan for the Connecticut segment (the "Upper Farmington River Management Plan", dated April 29, 1993) which establishes objectives, standards, and action programs that will ensure long-term protection of the river's outstanding values and compatible management of its land and water resources, without Federal management of affected lands not owned by the United States;

(5) the Farmington River Study Committee voted unanimously on April 29, 1993, to adopt the Upper Farmington River Management Plan and to recommend that Congress include the Connecticut segment in the National Wild and Scenic Rivers System in accordance with the spirit and provisions of the Upper Farmington River Management Plan, and to recommend that, in the absence of town votes supporting designation, no action be taken regarding wild and scenic river designation of the Massachusetts segment; and

(6) the Colebrook Dam and Goodwin Dam hydroelectric projects are located outside the river segment designated by section 3, and the study of the Farmington River pursuant to Public Law 99-590 determined that continuation of existing operations of these projects as presently configured, together with associated transmission lines and other existing project works, is not incompatible with the designation made by section 3 and will not unresaonably diminish the scenic, recreational, and fish and wildlife values of the segment designated by such section as of the date of enactment of this Act; therefore, section 7(a) of the Wild and Scenic Rivers Act will not preclude the Federal Energy Regulatory Commission from licensing or relicensing (or exempting from licensing) the continued operations of such projects as presently configured or with changes in configuration that the Secretary determines would be consistent with the Wild and Scenic Rivers Act and the Plan.

SEC. 3. DESIGNATION.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding the following new paragraph at the end thereof:

"( ) FARMINGTON RIVER, CONNECTICUT.—The 14-mile segment of the West Branch and mainstem extending from immediately below the Goodwin Dam and Hydro-electric Project in Hartland, Connecticut, to the downstream end of the New Hartford-Canton, Connecticut, town line (hereinafter in this paragraph referred to as the 'segment'), as a recreational river, to be administered by the Secretary of the Interior through cooperative agreements between the Secretary of the Interior and the State of Connecticut and its relevant political subdivisions, namely the Towns of Colebrook, Hartland, Barkhamsted, New Hartford, and Canton and the Hartford Metropolitan District Commission, pursuant to section 10(e) of this Act. The segment shall be managed in accordance with the Upper Farmington River Management Plan, dated April 29, 1993, and such amendments thereto as the Secretary of the Interior determines are consistent with this Act. Such plan shall be deemed to satisfy the requirement for a comprehensive management plan pursuant to section 3(d) of this Act.".

SEC. 4. MANAGEMENT.

(a) COMMITTEE.—The Director shall appoint a person to represent the Secretary on the Farmington River Coordinating Committee provided for in the Plan.

(b) FEDERAL ROLE.—(1) The Director shall represent the Secretary in the implementation of the Plan and the provisions of this Act with respect to the segment designated by section 3, including ongoing review of the consistency of the Plan with the Wild and Scenic Rivers Act and the review of proposed federally assisted water resources projects which could have a direct and adverse effect on the values for which the segment was established, as authorized under section 7(a) of the Wild and Scenic Rivers Act.

(2) In order to provide for the long-term protection, preservation, and enhancement of the river segment designated by section 3, the Secretary, pursuant to section 10(e) of the Wild and Scenic Rivers Act, shall offer to enter into cooperative agreements with the State of Connecticut and its relevant political subdivisions identified in the amendment made by such section 3 and, pursuant to section 11(b)(1) of such Act, shall make a similar offer to the Farmington River Watershed Association. The Secretary, pursuant to such section 11(b)(1), also may enter into cooperative agreements with other parties who may be represented on the Committee. All cooperative agreements provided for in this Act shall be consistent with the Plan, and may include provisions for financial or other assistance from the United States to facilitate the long-term protection, conservation, and enhancement of the segment designated by such section 3 and the implementation of the Plan.

(3) The Secretary may provide technical assistance, staff support, and funding to assist in the implementation of the Plan.

(4) Implementation of this Act through cooperative agreements as described in paragraph (2) of this subsection shall not constitute National Park Service administration of the segment designated by section 3 for purposes of section 10(c) of the Wild and Scenic Rivers Act, and shall not cause such segment to be considered as being a unit of the National Park System.

(c) WATER RESOURCES PROJECTS.—(1) In determining whether a proposed water resources project would have a direct and adverse effect on the values for which the segment designated by section 3 was included in the National Wild and Scenic Rivers System, the Director shall specifically consider the extent to which the project is consistent with the Plan.

(2) For purposes of implementation of section 7 of the Wild and Scenic Rivers Act, the Plan, including the detailed analysis of instream flow needs incorporated therein and such additional analysis as may be incorporated in the future, shall serve as the primary source of information regarding the flows needed to maintain instream resources and the potential compatibility between resource protection and possible water supply withdrawals.

(d) LAND MANAGEMENT.—The zoning ordinances duly adopted by the towns of Hartland, Barkhamsted, New Hartford, and Canton, Connecticut, including the "river protection overlay districts" in effect on the date of enactment of this Act, shall be deemed to satisfy the standards and requirements of section 6(c) of the Wild and Scenic Rivers Act. For the purpose of section 6(c), such towns shall be deemed "villages" and the provisions of that section, which prohibit Federal acquisition of lands by condemnation, shall apply to the segment designated by section 3.

SEC. 5. DEFINITIONS.

For the purposes of this Act:

(1) The term "Committee" means the Farmington River Coordinating Committee referred to in section 4.

(2) The term "Director" means the Director of the National Park Service.

(3) The term "Plan" means the comprehensive management plan for the Connecticut segment of the Farmington River prepared by the Farmington River Study Committee and the National Park Service, which is known as the "Upper Farmington River Management Plan" and dated April 29, 1993.

(4) The term "Secretary" means the Secretary of the Interior.

SEC. 6. FUNDING AUTHORIZATION.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, including the amendment to the Wild and Scenic Rivers Act made by section 3.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Utah [Mr. HANSEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2815, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2815 is a bill introduced by Representative JOHNSON of Connecticut and cosponsored by the entire delegation from that State, including our colleague on the Natural Resources Committee, Mr. GEJDENSON.

It deals with a segment of the Farmington River, in Connecticut required by earlier legislation to be studied for possible inclusion in the National Wild and Scenic Rivers System.

The study determined that the segment is indeed eligible and suitable for designation as a component of that System.

The bill would provide such a designation, and would lay the foundation for appropriate management through cooperative agreements between the National Park Service, the State of Connecticut, relevant local governments, and the other parties who have participated in the study and in developing a comprehensive management plan for the affected area.

The Natural Resources Committee amended the bill to make it more closely conform with the Wild and Scenic Rivers Act and with the normal provisions that have been included in other similar bills, but the version before the House retains the most important provisions of the bill as introduced.

Like the original bill, the reported version provides for management through cooperative agreements between the Secretary, the State of Connecticut, and the relevant local governments, in accordance with the existing plan developed by the Farmington River Study Committee.

Also like the original bill, the reported bill recognizes that existing local zoning ordinances meet the requirements of the Wild and Scenic Rivers Act, so that the Wild and Scenic Rivers Act's prohibition on Federal use of condemnation will apply.

While the bill would not prevent the Federal Government from acquiring land in the area from willing sellers, implementation of the bill will not require any such acquisitions or Federal management of any lands that are not owned by the United States.

Instead, the bill provides the basis for cooperation between the National Park Service, State and local officials, and Connecticut citizens groups interested in sound management of the designated segment of the Farmington River.

I want to thank Congresswoman JOHNSON for her leadership on this matter. She has worked hard in cooperation with the committee and the administration to make it possible for us to bring to the floor a sound bill that will provide appropriate protection for outstanding resource values associated with the Farmington River. It is a bill that deserves the approval of the House, and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. HANSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2815 which was introduced by the gentlewoman from Connecticut [Mrs. JOHNSON] who is a hard working member of the Committee on Ways and Means.

This legislation, which has been fully explained by the Chairman, the gentleman from Minnesota [Mr. VENTO], would add a 14-mile segment of the Farmington River to the National Wild and Scenic Rivers System. It is the result of many years of negotiations between Representative JOHNSON and the many diverse river users in her district.

Although I believed the original bill had stronger provisions protecting the rights or private landowners and the autonomy of local governments than the version reported by the Natural Resources Committee, I continue to supprot this legislation.

I urge my colleagues to support H.R. 2815.

□ 1300

Mr. Speaker, I yield 7 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in support of the bill. It gives me a great deal of pleasure to strongly endorse this bill to designate a 14-mile segment of the Farmington River in my district as part of the National Wild and Scenic Rivers System. This designation has the support of my Connecticut colleagues in this chamber and the other body, as well as the enthusiastic support of the people in the river towns.

Mr. Speaker, let me begin my remarks by thanking the large number of unselfish citizens who have made this 10-year journey to designation possible. Starting with the Chairman and Mr. HANSEN and their able staffs, I must say that they have been nothing but gracious and professional in working with me on this unique designation, and my staff and constituents. I thank you.

This effort could not have been successful without the steadfast commitment and hands-on involvement of Nathan Frohling and his predecessor, Suzi Wilkins, and the board and members of the Farmington River Watershed Association [FRWA] based in Simsbury, CT. Suzi is now at American Rivers here in Washington, and her colleagues at that organization also have helped move the process along.

I also am pleased to recognize the efforts of the metropolitan district commission [MDC] in helping us reach this agreement. Without their willingness to acknowledge my constituents' concerns, this bill would not be before us today.

The 17 members of the Farmington River Advisory Committee also deserve our gratitude for the tremendous number of volunteer hours they have invested in this project. Representing the five towns along the river, as well as the Governor's office, the State department of environmental protection, the MDC, and the FRWA, these men and women held a number of public meetings and open workshop to share information about the importance of designation and led their respective communities to the unanimous decision to press this bill forward. This legislation is the culmination of their efforts and bears not only their fingerprints, but also their blood, sweat, and tears.

Finally, Mr. Speaker, I must single out Mr. Phil Huffman of the National Park Service's regional office in Boston for his tireless support over the years. Phil successfully quarterbacked this effort, keeping everyone at the negotiating table, and injecting a level of professionalism that is both refreshing and appreciated by all. The entire Park Service team, Phil Huffman, Drew Parkin, and John Haubert, have been trusted allies in this endeavor and, on behalf of my Farmington Valley constituents, I thank them for their efforts.

Mr. Speaker, this is a proud moment for the people of the Farmington River towns. In an area of the country that is not well known for its wide open spaces, we nonetheless have some natural wonders that deserve consideration under the Wild and Scenic Rivers Act. Thus, I am pleased that the committee has seen fit to endorse this innovative approach to protecting a relatively urban river for future generations to enjoy.

Private lands rivers like the Farmington present a special challenge to Federal legislators because most riparian landowners in my district already consider themselves stewards of the West Branch and are not willing to turn over control to a far-away bureaucracy. Consequently, this legislation relies on a detailed management plan written by local folks, and clarifies that Federal land acquisition and day-to-day Federal management are not part of the bill. With this bill, the Congress also makes clear that there are ways to craft wild and scenic legislation that addresses the concerns of private landowners in relatively populated areas.

Another unique aspect of this bill is its power-sharing arrangement between

the local and Federal governments. Because we are a region with a strong tradition of town meeting governance, we have not been able to benefit from Federal programs that require a relinquishing of local authority. In this bill, we have created a new model that should enable us to participate more fully in federally supported land and river preservation programs.

Local land management programs, adopted as town ordinances, have put in place a preservation plan that, coupled with the comprehensive management plan, meets Federal wild and scenic standards. By resting designation on the enforcement of those local laws implementing the river management plan, we have created a Federal/State partnership that achieves wild and scenic goals in harmony with New England tradition.

For these reasons, this legislation is important to all of the Northeast, as there are other rivers in my part of the country that may need the same attention given to the Farmington. In the absence of changes in statutory language, the Wild and Scenic Rivers Act should, under the committee's able stewardship, continue to acknowledge the necessity of flexibility, as it has succeeded in doing here today.

Mr. Speaker, I am pleased and proud to endorse the committee's work on my bill and urge its passage.

Mr. Speaker, I include for the RECORD materials pertinent to this legislation, as follows:

STATE OF CONNECTICUT, DEPARTMENT OF ENVIRONMENTAL PROTECTION,
Hartford, CT, November 12, 1993.

Hon. NANCY L. JOHNSON,
Cannon House Office Building,
Washington, DC.

DEAR NANCY: Enclosed are copies of recent testimony by the Connecticut Department of Environmental Protection on rivers issues currently before Congress.

We are supporting S. 1332 and H.R. 2815 concerning designation of the Farmington River into the National Wild and Scenic River System.

We also have a high level of interest in SB 589 and HR 1348 establishing a Quinebaug-Shetucket Heritage Corridor.

I would appreciate your assistance in helping to make these worthwhile proposals to reality. My staff and I are available to answer any questions you may have. I can be reached at (203) 566-2110.

Thank you.

Sincerely yours,
TIMOTHY R.E. KEENEY,
Commissioner.

STATE OF CONNECTICUT, DEPARTMENT OF ENVIRONMENTAL PROTECTION,
Hartford, CT, October 26, 1993.

Hon. BRUCE VENTO,
Chairman, Subcommittee on National Parks, Forests, and Public Lands, Rayburn House Office Building, Washington, DC.

DEAR REPRESENTATIVE VENTO: Thank you for the opportunity to offer strong support for HR 2815, The Farmington Wild and Scenic River Act. Governor Weicker, the members of the Connecticut General Assembly and the Connecticut Department of Environmental Protection all support designation of the 14 miles of the Farmington River immediately below the Goodwin Dam as part of the National Wild and Scenic River System. The Farmington River is a unique resource in Connecticut, providing some of the finest fish and wildlife habitats and recreational opportunities in the state, while meeting needs for water supply and waste assimilation.

The Connecticut Segment of the Farmington has been found by the Farmington River Study Committee to be eligible for designation based on the presense of outstanding fisheries, recreation, wildlife, and historic resources. The Study Committee has also found that segment to be suitable for designation based on strong state and local support for designation and the adoption of an appropriate management plan.

The development of the management plan was a key factor in gaining state support for designation. I have had the pleasure of representing the Governor of Connecticut on the Farmington River Study Committee since its inception. In carrying out this responsibility, one of my jobs has been to consider how designation would fit with out ongoing efforts to manage water and related natural resources and ensure the public health and safety of Conecticut's residents. Current state resource management and protection activities include water allocation and diversion permitting, water supply, water quality of fish and wildlife and recreation management programs.

I am convinced that the "Upper Farmington River Management Plan" developed by the Study Committee effectively balances the broader state management responsibilities for protecting public health and safety with the need for river protection. A number of elements of the plan are significant to the state, and are described below. The plan:

(1) establishes a 100 foot area on either side of the river as the focus of local land use protection efforts for the river and the immediate riparian corridor. The four towns which border the study segment have adopted river protection districts through local zoning to ensure the appropriate management of private lands.

(2) provides for maintenance and enhancement of the values which qualify the river for national designation, including water quality, recreational use opportunities, fish and wildlife, historic resources and scenic values.

(3) allows for consideration of future water supply withdrawals of up to 7.3 billion gallons per year, while maintaining the character of the river and its wild and scenic values.

(4) requires a number of state statutory changes to assure the highest level of water quality protection.

(5) establishes a Farmington River Coordinating Committee (FRCC) to coordinate implementation of the plan.

(6) requires notification of the National Park Service and the FRCC of any actions requiring a state permit, and allows NPS intervention in uses, withdrawals or other actions within or affecting the segment which require state or federal permits, funding or approvals.

The use of a comprehensive instream flow study in the planning process has allowed the analysis of varying river flows to determine the water resource management regimes needed to protect and enhance the river. A significant provision of the plan, based on this analysis, is the ability to consider future use for public water supply if it can be shown that such use is not detrimental to the wild and scenic values. This provision allows us to fulfill our responsibility to provide pure and adequate supplies of drinking water to state residents should it become necessary in the future.

It is my belief that implementation of the plan will enhance our ability to protect the river's wild and scenic values by allowing more public input into federal and state resource management programs. I fully support designation of the Upper Farmington into the National Wild and Scenic Rivers System, and implementation of the Upper Farmington River Management into the National Wild and Scenic Rivers System, and implementation of the Upper Farmington River Management Plan as the cornerstone for such designation.

It is the intent of the State of Connecticut to work with the Federal Government, the communities in the region, local interest groups and the strong base of local support to ensure effective management of the Upper Farmington once it is designated. Thank you again for the opportunity to present this statement of support for HR 2815.

Sincerely yours,
ROBERT MOORE,
Deputy Commissioner.

[From the Hartford (CT) Courant, Feb. 25, 1994]

BILL WOULD PROTECT RIVER'S BEAUTY, WILDLIFE AND RECREATION

(Nancy L. Johnson and Norman Rogers, Jr.)

Images of spectacular beauty, diverse wildlife and recreational bounty come to mind when the Farmington River is mentioned. But the Farmington is under increasing pressure for exploitation precisely because of its rare quality.

A bill before Congress would designate the upper 14 miles of the Farmington River as a national "Wild & Scenic River." If enacted, this would be Connecticut's first Wild & Scenic designation and its single greatest river-protection achievement. Wild & Scenic designation provides the highest level of protection a river can receive in the United States. It is the strongest authority for protecting rivers from harmful diversions and discharges that threaten their quality.

Designation would prohibit any water-related project licensed, permitted or funded by the federal government that would be adverse to the river. It would establish strict standards for withdrawing or diverting water—standards that exceed current state law.

In addition to the strong federal protection, a Farmington River management plan, completed last April, establishes a high standard of protection for the river and is the cornerstone for designation.

Together, Wild & Scenic designation and the management plan will safeguard the river's beauty, fish, wildlife, ecological health and recreational uses.

An unprecedented level of local control was built into the proposed designation. Special measures are included that prohibit any federal land condemnation or management. Private lands will remain private; their regulation will remain a local responsibility.

The Farmington River Management Plan embodies an unprecedented level of cooperation among diverse river interests, such as Farmington Valley towns, the Farmington River Watershed Association and other river-advocacy groups, the state, riverfront property owners, the Metropolitan District Commission, the National Park Service and river recreationists.

The goal most passionately sought by Farmington Valley towns is the protection that Wild & Scenic designation provides against a harmful diversion of water from the river. Although not an absolute ban, designation will prevent all diversions that the people of the Farmington Valley are worried about—those that would adversely affect the river. Under designation, any proposed diversion that would weaken the protection and integrity of the river would be considered adverse and prohibited.

An independently conducted study was performed to determine the flows needed to protect the river's natural, recreational and scenic characteristics. It found that at peak flows, such as those that cause spring flooding, there is more water than is needed to protect these characteristics. In extreme high-flow conditions, water could theoretically be stored to help augment river flows later and, if sufficient, provide for some withdrawal.

However, Wild & Scenic designation is by no means a permit, encouragement or invitation for withdrawal. To the contrary, designation and the management plan establish strict conditions and standards that guarantee protection of the river if a limited diversion is ever proposed. These standards will protect fish habitat, canoeing and kayaking, tubing, fishing and water quality.

Although a diversion is theoretically compatible with strong river protection, the burden of proof would be on the applicant to demonstrate compatibility between an actual diversion proposal and the river-protection standards established in the management plan.

With Wild & Scenic designation, the river's characteristics must remain as they are—or be enhanced—before any diversion could proceed. Without Wild & Scenic designation, there are no such guarantees.

The Wild & Scenic Study has been conducted through an open public process, and there is extensive public support for designation. In addition to public forums, workshops, open study-committee meetings, thousands of volunteer hours have been dedicated toward achieving designation.

The Wild & Scenic Study Committee, which includes representatives of Hartland, Colebrook, Barkhamsted, New Hartford, Canton, the Farmington River Watershed Association, the Department of Environmental Protection. Gov. Lowell P. Weicker, Jr. and the Metropolitan District Commission, gave its unanimous support. Several committee leaders also contributed to this article: Nathan Frohling, director of the watershed association; state Sen. James T. Fleming, R-Simsbury; Robert Moore, deputy commissioner of DEP, Anthony Gallichio, chairman of the MDC, and Philip Huffman, study manager for the National Park Service.

Other local groups, such as the Farmington River Anglers Association and the Farmington River Club, have participated actively and endorsed designation. Many other organizations have also endorsed designation, including American Rivers, the National Audubon Society and the Sierra Club.

The greatest achievement, however, is that residents of the Farmington Valley have dared to make a difference and acted to protect something they love.

Mr. GEJDENSON. Mr. Speaker, I rise today in strong support of H.R. 2815, the Farmington Wild and Scenic River Act. I am an original cosponsor of the bill, which is supported by the entire Connecticut congressional delegation. This legislation strikes a balance between many interests, and will allow us to protect some of the most magnificent river segments in my State.

The segment of the Farmington that this bill will protect includes a spectacular gorge, know as Satan's Kingdom, which is renowned for its white water and is extremely popular with many river users. The river also provides habitat for Atlantic salmon, which the Fish and Wildlife Service is studying for designation as a threatened species. Numerous historic structures can be found on the river's banks as well.

Residents in several towns along the Farmington River have been working for wild and scenic designation for about 6 years. Many varied interests and river users have been involved in developing plans for the region. The National Park Service has studied the area and concluded that it has significant resources worthy of protection. The Farmington River Study Committee produced a management plan last spring which was unanimously approved by its members. This bill is the result of a consensus process.

Mr. Speaker, by passing this bill we will be able to protect valuable natural resources, which provide habitat to numerous species, and many historic sites. In addition, wild and scenic designation will ensure that various river users will be able to enjoy it for years to come. I urge my colleagues to support this important measure.

Mrs. KENNELLY. Mr. Speaker, we are considering today a bill to protect one of Connecticut's most treasured resources—the Farmington River. This bill, sponsored by my good friend Mrs. JOHNSON and supported by all of us in the Connecticut delegation, would protect 14 miles of the west branch of the Farmington River by including it in the National Wild and Scenic Rivers System.

A wild and scenic designation is the only protection that can permanently guarantee that no federally licensed or funded water project be allowed to harm the river. It would protect the waterway's fisheries, wildlife, and recreational potential, and contribute significantly to our enjoyment of the river.

Today's legislation will not only protect the Farmington River, but has the potential to help rivers nationwide. The bill contains important language to promote local autonomy and self-determination, which will help local governments settle the sometimes difficult issues which arise during consideration of preservation status.

This local stewardship approach states that the Federal Government cannot pursue land acquisition or management, ensuring that local authorities will retain significant influence. This can be particularly important when rivers abut private property. It is an important distinction which should contribute to greater preservation efforts.

This legislation is the result of cooperation among many different parties—Governor Weicker, the Connecticut Department of Environmental Protection, the Metropolitan District Commission, the Farmington River Watershed Association, and local municipal authorities. Many people have worked together on this project—this bill is testimony to their efforts and to the merits of their project.

Mr. Speaker, I appreciate the work of Chairman VENTO and his subcommittee for moving this important legislation forward. I would also like to commend my colleague Mrs. JOHNSON for her hard work and encourage this Chamber to quickly pass this bill.

Mr. HANSEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I urge support for this measure.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FIELDS of Louisiana). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2815, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

THE RETIREMENT OF THE HONORABLE HAMILTON FISH, JR., MEMBER OF CONGRESS

Mr. GILMAN. Mr. Speaker, it is with deep regret that I rise to inform our colleagues of the unanticipated announcement by our colleague, the gentleman from New York, Representative HAMILTON FISH, JR., of his intention to retire at the end of this Congress. This is an irreparable loss for our region, our State, and for the Congress.

HAM FISH has been an inspiration to all of us and to the American people. His 26 years of dedicated service in this chamber is a benchmark of public service that will not soon be duplicated. His outstanding leadership, his intellect, his dedication and his sterling character will be greatly missed.

Since his first election to Congress in 1968, HAM FISH impressed this Chamber and the entire Nation with his selfless devotion to public service. His brilliant legal mind was demonstrated in the spotlight of the Watergate crisis when, as a junior member of the House Judiciary Committee, we had the benefit of his dedication to upholding constitutional law and his insistence on integrity.

Having since risen to the position of ranking Republican on the Judiciary Committee, HAM FISH led the fight to strengthen our civil rights laws and the judicial process. His crusade on behalf of a realistic and equitable immigration law is one of the many ways he was of immeasurable service to our Nation. He always maintained close contact with his own constituency and the people of the Hudson Valley always knew he could be counted on as a leading spokesperson for the interests of our region.

HAM FISH brought to this chamber a long family tradition of public service.

His father, his grandfather, and his great-grandfather blazed a path in this Chamber which would have been difficult for any individual to follow. HAM did so in a manner which would have made his forbearers and all Americans proud.

I extend best wishes for good health and happiness to HAM, to his wife Mary Ann, and his entire family. I assure them that he will be sorely missed in the Congress and by the many Americans who looked up to his particular brand of Public Service leadership and devoted Americanism.

□ 1312

COMMUNICATION FROM ACTING DIRECTOR, NONLEGISLATIVE AND FINANCIAL SERVICES, U.S. HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore (Mr. FIELDS of Louisiana) laid before the House the following communication from the Acting Director, Non-Legislative and Financial Services, U.S. House of Representatives:

WASHINGTON, DC, MARCH 9, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you formally pursuant to Rule L (50) of the Rules of the House that the Office of Finance has been served with a subpoena issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel to the House, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

RANDALL B. MEDLOCK,
Acting Director.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. BAESLER). Under the Speaker's announced policy of February 11, 1994, and under previous orders of the House, the following Members are recognized for 5 minutes each.

SHINING STARS IN EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GOSS] is recognized for 5 minutes.

Mr. GOSS. Mr. Speaker, this Congress is in the midst of a serious debate about education reform, and much is being said about where our schools are lacking. But as we focus on giving our communities, school boards, parents and teachers the tools to improve the education of our children, we must be careful not to focus solely on the bad news and overlook the success stories. Even the best-intentioned and most far-reaching education reform would serve no real purpose if it were not for the people involved in making learning a reality. Today I rise to salute the teachers, thousands of caring and giving individuals who face up to the tremendous challenges and distractions and go on opening the doors of knowledge for children every day. Specifically, I would like to applaud two award-winning teachers from my district. Georgia Brown is a science teacher at J. Colin English Elementary School in North Fort Myers and Janet McGregor is a math teacher at Deep Creek Elementary School in Port Charlotte. They visited me in Washington while attending a program for the 1993 presidential awards for excellence in science and mathematics teaching. These national awards confer much-deserved recognition and appreciation on some of this Nation's most outstanding teachers. Ms. Brown and Ms. McGregor bring innovation, caring, and boundless enthusiasm into their classrooms, where they serve as important role models to their children. They also stand as shining stars of example in our communities. In addition to highlighting specific efforts of certain individuals, the prestigious Presidential Award Program works to underscore the benefits and rewards of teaching, encouraging other qualified individuals to join the education field. Teachers across this country are not only educating our children—but helping to secure a promising future for our country. They deserve our gratitude and support. Mr. Speaker, I am honored to commend Ms. Brown and Ms. McGregor to your attention and to recognize them as outstanding teachers.

OUR NATION'S BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine [Mr. ANDREWS] is recognized for 60 minutes, as the majority leader's designee.

Mr. ANDREWS of Maine. Mr. Speaker, last week this body engaged in a debate over our Nation's budget, and we had a vigorous debate over a variety of proposals, and we finally passed out a budget for this country.

This week, beginning tomorrow, we are going to debate whether or not we should have a constitutional amendment to our budget, that is, a constitutional amendment to balance our Federal budget. Once again, we will be engaged in the debate and discussion about priorities and about how we can and should restructure our Government in order to have fiscal responsibility and fiscal sanity in this country.

I would like to take a few moments in between these two debates and try to gain a little perspective on where we are and where we are going.

You know, back at home in Maine, I have had a variety of people in the business community ask me, "Well, Congressman, why cannot the Government act a bit more like a business? Why can it not be more focused and disciplined? Why can it not do more and function more like we in the business world have to function?"

I thought a lot about that, and I just want everyone to think a minute about what it would be like today to take over a business that used to be very profitable, but because of bad mismanagement is now failing. Your job is to turn that business around. What do you do?

Well, I suggest that there are two basic things you are going to do at the very least. No. 1, you are going to look at the budget of your company, and you are going to ask yourself how much of the expenditures that we are engaged in have nothing to do with the success of our company. And as difficult and as painful as it may be, if you are going to succeed as a company, you are going to make the difficult and painful cuts necessary to keep that business afloat.

But the second thing you are going to do, which is probably, in my view, just as important as the first, is you are going to have a business plan. You are going to set some goals, what you want that company doing, where you want it to be. You are going to create a strategy to reach those goals, and then you are going to make investments to put that strategy to work. You may need a new wing to your plant. You may need some new equipment, perhaps some new computer technology. You may need to train or retrain some of your work force. You may need to hire people with different skill levels.

But whatever it is, whatever it takes, you make an investment that will make your strategy reach the goal that you have set for your company.

It may set you back in the short run. You may have to borrow capital to make those investments in the short run. But you measure the wisdom of those investments and the capacity of those investments to get you where you want to go to reach your goals. You look long term, and in the long term, you seek to bring your company back to life, producing the goods and services that you want it to produce and to reach that level of profit that you seek to reach.

Now, why, ladies and gentlemen, can we not in Washington look at our budget in much the same way? Why can we not have a budget like most budgets in most households of this country, like the budgets of all solvent businesses in this country, that divides itself and divides our spending into two fundamentally different categories—capital investment on the one hand and operating expenses on the other hand—so that we take a look at where we want this country to go, what are the tools and strategies that we need to get our country there, and develop a long-range strategy, an investment strategy that puts this country to work?

Now, what does that mean? Well, I had the pleasure this morning of meeting with citizens from my State, members of the Maine Municipal Association, who came in. There were city and town managers, mayors, city and town councilors, and others who day in and day out have to struggle with municipal budgets and an economy that is in a recession, people who are facing great difficulties, and they came to ask for some help.

They were saying that, "If we are going to have to meet some of the responsibilities that you are asking us to meet, some of the responsibilities, and we think some of the goals are very laudable, very good, clean water, for example, sewage systems that work, infrastructure, roads and bridges and rail systems that serve our community and build our economy."

□ 1320

We think these are good things, but we need help. We need investment. We need the opportunity to take these things and put them into operation without breaking the backs of the property taxpayers of our community and the small businesses of our community that are having a very difficult time making ends meet.

I thought about the two debates, last week's debate over the budget on the one hand and the balanced budget amendment that we will be debating tomorrow on the other hand. I took a look at some of the alternatives to the budget passed on this floor last week, specifically the one that was sponsored by, promoted by the gentleman from Ohio [Mr. KASICH], for whom I have the greatest respect, and I saw in some of the very programs and investments that are so critical to these Maine communities, and I saw proposals for cuts.

The Community Development Block Grant Program, for example, that takes Federal dollars and helps to meet critical needs in local communities without breaking the backs of property taxpayers was proposed to be cut. I looked at important loan and grant programs, revolving fund programs to help the cause of clean water in these communities, and developing sewer systems and infrastructure that works. I saw those proposed to be cut.

I have to ask myself the question: What ultimately is going to get this budget under control? What ultimately is the key to our success as a country when it comes to our fiscal problems? The answer is: Our economy, the creation of jobs and jobs growth, investment, and productivity; that is the key.

So, we have a proposal before us that seeks to undermine and cut the very economic foundation that communities across this country need in order to be successful, investments that are needed to produce goods and services efficiently, investments that are needed to take products from plants and get them to the marketplace efficiently, investments that communities are seeking so that they can provide that kind of economic assistance while not breaking the backs of our property taxpayers.

And I look at a budget that includes as cuts those very investments, and I ask: Why? What is wrong with this picture?

Well, I frankly think, ladies and gentlemen, that what is wrong with this picture is that we have developed in this country a vision that is simply too narrow. In the business world, we look at investments too often and look at the returns that will be provided in the next quarterly profit sheets. In Government, in politics, in Washington, D.C., too often we look at these issues and these questions and these resolutions and we see them only in terms of the next election.

We have got to change. We have got to change in the private sector; we have got to change in the public sector. We have to begin to look at our investments long term, not just in terms of what the next quarterly reports are going to show us but in terms of what is the long-term strength of these communities and the corporations, what that is going to be with the long-term ramifications for our communities and our neighborhoods and our working families.

The same is true here. We should not be immune from that test. Members of Congress have got to take a look at these votes and see not just what the ramifications are in the next election cycle but what the ramifications are for the next generation of Americans, whether or not we are going to take the tough stands today to generate a return of economic strength and growth tomorrow.

We have got to look ahead. But we have got to have the tools to put the proposals before us in that prism. Judge these proposals on the basis of whether or not, A, we can afford them in terms of operating expenses day to day; B, whether or not long-term investments are going to generate economic strength and growth for tomorrow.

Ladies and gentlemen, the budget structure that we have today makes no distinction between capital investment on the one hand and operating expenses on the other. That is wrong, it is shortsighted, and it needs to change.

Mr. Speaker, I testified before the group of Members of the House and Senate who worked over the last several months to reorganize Congress, to restructure Congress, to reform Congress. And I proposed, as one of my major proposals, that we change all that by dividing our budget into those two categories and that when it comes to the first category of capital investment, that we engage in a national debate about what critical investments we need to make today in order to increase productivity, increase private investment, increase economic growth and job creation, and focus our debate on that.

Pass a capital budget geared to that, and then measure the success of that capital budget on the degree to which this country moves forward and meets those economic goals.

You know, I am a member of the Democratic Party, I am a proud member of the Democratic Party, but I like to make reference to a Republican President of a few years ago who understood this notion, Dwight D. Eisenhower.

Eisenhower looked across this country and he gave a vision of a National Highway System, and he said, "You know, it may take a few decades for us to get there, but I envision a national highway system that will not only create jobs in the creation and building of that National Highway System, but will create thousands and thousands of jobs once it is built by making our transportation system in this country that much more efficient."

Well, it took a vision, it took some investments, and it took capital, but we put thousands and thousands of people to work, and we have in fact built, 35 years later, that Interstate Highway System that is doing the job it was set out to do. It took some vision, it took some investments, and we are now reaping the returns on that investment.

You know, when I look around the planet and I see those nations that we are competing against in the new, emerging global economic competition of the future, I see nations that are making enormous investments in this kind of capital investment that we are talking about here this afternoon, investments in roads and bridges, in first-class rail systems, first-class ports, first-class communications systems, telecommunications systems, the kinds of investments that they are seeing as critical to their nations' success in new, emerging competition of the future.

President Clinton has laid out some challenges for this Congress in a very similar fashion. Vice President GORE has talked a lot about the superhighway of telecommunications. I was very pleased that President Clinton came into Maine and talked about the need to give our commercial shipbuilders the chance to compete internationally and to join with us in Congress in making an investment of dollars to assist those shipbuilders to do that job with shipyard modernization, developing new technologies, providing low-cost loans for those who want to buy American-made ships in the commercial market.

This makes sense, ladies and gentlemen. There is a $356 billion commercial market out there in this next decade that independent analysts are telling us is going to be there—for those nations who are prepared to seize that opportunity, that is. If we are going to seize that opportunity, we need to make the investments. Those are examples of investments that we are making.

But tomorrow we are going to have a debate over a balanced budget amendment that makes no distinction between those two categories of spending, that assumes that operating expenses are exactly the same as capital investments and that we are going to establish a constitutional amendment that will say that we must balance our budget at a certain period of time, period. All things look the same, all budget categories are the same. It makes no difference if it is capital investment or an operating expense, we balance that budget.

☐ 1330

Well, thank goodness, while my specific recommendation did not find itself in the final report of my colleagues' recommendations for a form of this Congress, it has made its way into this debate, and tomorrow this Congress is going to have the opportunity to make a distinction between these two types of spending and establish a constitutional amendment that says that, yes, we must, and we will, balance the operating side of our budget, that like any family, like any solvent business, we can only spend what we take in in any given year when it comes to our operating expenses. But it recognizes, novel in this debate, a thing called capital investment and the need for a capital investment strategy, and it establishes, as part of this process, a capital budget within the Federal budget in which we will make decisions and take a look at the long range implications for investments that we make today on our economy tomorrow.

As my colleagues know, even the cuts in those fundamental ingredients to make economic growth that were proposed last week in the Kasich alternative, even those cuts in the things that the communities in my State care so much about in terms of giving them economic strength, even those cuts were not enough to balance this budget, that at a point in time those budget numbers go up, and we are going to have to take a look once again at what additional cuts are going to have to be made in order to balance the budget.

Mr. Speaker, I say to my colleagues, "Ladies and gentlemen, if you agree that the key to solving our deficit problem is economic growth and strength, then you must agree that we need a strategy to build on that economic growth and strength, and that includes critical investments that will help our economies grow: roads, bridges, rail systems, communication systems, ports, the basic building blocks of strong economic growth, the investments that generate a return on investment for our workers, for our families, for our companies."

My colleagues do not need to be rocket scientists or political pundits to understand how this works. Go back to that same business that we started out with trying to save, and think about the fact that we may want to make some additional investments, perhaps build a new plant. Where is it going to be? Well, in one area we have got an area that has a first class rail system. We have got a first class airport. We have got a water and sewer system that is state-of-the-art. We have got workers who are trained, who, first of all, know how to read and write, and, second, are trained with the basic skills that one needs to be a success. And we have a vocational school and a university system nearby willing to work with us and make sure that our additional needs are met. My colleagues, that is community A.

Community B has long believed that what we need to do is save our budgets by cutting, and cutting and cutting, and so we may not have the best roads, but we will have what we got. We may not have a decent rail system, we may not have decent ports, we may not have those basic building blocks that someone in Washington was once on the floor of the House talking about. But we are trying to keep our tax rate low, and of course we are not getting much help from the Federal Government, so we do the best we can.

Well, I say to my colleagues, "If you're that businessperson seeking where you're going to make that investment, where is it going to be; community A or community B? I would suggest, if you want the best return on your dollar, it's going to be community A."

As my colleagues know, very often on the floor of this House we have these pitched, ideological battles waging day after day, sometimes hour after hour. One side thinks that Government is inherently incapable, inherently incompetent, and the best thing we can do in this Chamber is to eliminate and reduce Government to the greatest degree possible. "Get out of the way," they say, "of the private sector."

And then we have another group who believes that the private sector, the business sector, cannot be trusted, that if we do not watch their every move, they are going to create dangerous work places, they are going to rip off the consumer, they are going to engage in scandals like the S&L scandal, they are going to pollute our air and water and laugh all the way to the bank, and we have got to watch their every step.

Now we have different variations of those debates, but very often we can see one of those two polarities emerging in those debates. It is time for this community to turn a corner. We cannot afford those old, tired ideological debates of the past.

The fact is, my colleagues, that wealth is generated in this country by the private sector, and, unless the private sector is strong and growing, I do not care what we want Government to do. It is not going to be able to do it because we are not going to have the resources to do it. The private sector generates wealth and growth, and we have to understand that and respect that.

But at the same time, if the private sector wants to be successful, it is going to need a vital public sector that is working and working well to get those products to market, to provide employees that are willing and ready to do the job, to provide for an environment that is clean and healthy and the kind of environment that we want to bring up our families in. The public sector and the private sector need to be working together, not pitted against one another in a senseless, ideological debate, but working together to meet the goals of this country, and that is a vital, strong, and growing economy.

We need to look ahead, beyond this next election cycle, beyond the next quarterly reports for profits for a company. We have got a look at the next generation. We have got to look at the payback and investments that we make today, tomorrow.

Perhaps this is the most critical in the area of defense. As we all know, we are reducing defense spending in this country. It is reasonable and a sensible thing to do given the change in our world, given the elimination of the cold war threat of the former Soviet Union. It is a different world with different challenges requiring a different strategy and different investments, but along the way we find ourselves confronted with the very difficult, sometimes very bitter, reality that the defense plants are going to cut down their work force, other defense plants are going to close, and defense facilities across this country are going to be shaken down, and some are going to close completely. Never in this area of debate, and nowhere in this debate, is investment more important or planning ahead more important than when it comes to those communities that are suffering the loss of defense jobs, defense facilities, and private employers building weapons.

We have a vital industrial base in place out there that has been highly successful in building things that we needed during the cold war. They won the cold war for us, and we have first class military facilities all across this country that were built, and were supplied and were maintained by people who wanted to see this country succeed and meet the challenge of the cold war.

Now that the challenge has changed, and now that we are turning a page in our history, and closing down plants and closing down defense facilities, we owe it to those communities, to those workers, to those families who were there when we needed them in the cold war, to be there when they need us in this post-cold-war era, who offer this country enormous industrial strength, and assets, first class facilities, highly trained work forces, ready to go to work to rebuild the economic foundation of this country. And what they need is a nation that is forward looking enough, bold enough, visionary enough, and courageous enough to make the investments in those plants, in those facilities, in those communities, that will allow them to be successful in the post-cold-war era.

Yes, that is going to take investment. Yes, that is going to take capital. And, yes, we may not see the return on the capital between now and the next election, or perhaps the one after that.

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But what we are going to see is an economy that is building up from the ground, a Government willing and able to make investments in those industrial assets that are so critical for our success, and we are going to see communities beginning to thrive, building the products and producing the services that we need in the post-cold-war era just as they produced the weapons and services we needed in the cold war era. But we cannot do it if we continue this old ideological debate, if we continue to tolerate budget schemes that are way out of step with most businesses and households in this country, that do not give us the chance to look ahead and make those decisions.

Mr. Speaker, we have an enormous opportunity at this time, this week, to turn that corner, to change that budget debate, and to look ahead. I urge my colleagues and I urge everyone across America to rethink the balanced budget amendment, reject the balanced budget amendment that makes no distinction between capital investment on the one hand and operating expenses on the other, and to adopt the Wise amendment on this floor tomorrow. The gentleman from West Virginia [Mr. WISE] has taken what I just described and has put it in the form of an amendment for all to see, and he will be arguing tomorrow on the floor before this Congress and before this Nation, along with me and others who support this idea that we need to balance our operating side, because there is no question about it, we cannot take in any more than we spend in any year, but we need to distinguish between an operating budget on the one hand and a capital investment budget on the other hand and establish a capital investment strategy for this Nation that looks ahead, that recognizes that the true strength of this country lies in our work force, in our communities, in our neighborhoods, and recognizes finally that successfully dealing with this budget crisis, and finally bringing fiscal sanity to this town and this institution is going to depend first and foremost on economic strength and economic growth. That is going to take vision, and that is going to take investment.

Mr. Speaker, it is going to be an interesting debate tomorrow. I encourage my colleagues to engage in it fully, to consider this amendment, and perhaps starting tomorrow, we can turn this Nation around and get away from the silly debates, with those polarities that get us nowhere, and start talking about the working public and private, business and government, the American people, Democrats, Republicans, and Independents, so we can begin to rebuild this Nation's economic strength and give our children the future they deserve.

FEDERAL RESERVE OFFICIALS MISLEAD PUBLIC, FALL SHORT ON ACCOUNTABILITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I have known for a long time that the Federal Reserve is not telling the American public the whole story about what it is doing. Records recently made available show how Federal Reserve officials have misled the public about their assessment of a possible recession that they knew might emerge from their own tight money policies. The situation I will describe is similar to 1994 because Federal Reserve officials publicly were warning about inflation while failing to fully report the threat of recession that Fed officials had discussed. The records now available for part of 1988 give a much better idea of what happened than the official public statements of the day.

The Fed keeps its true intentions from public view by releasing a totally unsatisfactory summary of what happens at its Federal Open Market Committee [FOMC] meetings where it decides on the Nation's monetary policy. A comparison of the summary of a 1988 FOMC meeting with the actual transcript shows disparities in what really went on and what was spoon-fed to an unwitting public when the Fed knew its policies might cause a recession. Do we still have that kind of misleading public posture by the Fed? Undoubtedly.

This lack of disclosure should come as no surprise. The public relies on officials who have been given the power to run large bureaucracies in a democratic government to act as their agents and to make decisions that promote their general interests. These officials may have other objectives, such as maintaining and promoting the power of their bureaucracy. In other words, Government officials who have been given the power to run large bureaucracies and who do not have to personally stand for election can and often do have other objectives than the public interest. Making the public interest these officials' first priority is known in the social sciences as the agency problem.

The same problem occurs in private businesses where managers of corporations may have different objectives than the stockholders who own the corporation. For example, the managers may want to enhance their salaries rather than maximize the profits of the corporation.

One way to remedy the agency problem is to require full and accurate accountability. Officials of Government bureaucracies must be accountable to the public. This means complete and accurate records of each individual performance of our Government officials.

Unfortunately, the Federal Reserve has regressed to less accountability in 1976. The FOMC stopped releasing detailed minutes because it was trying to evade Freedom of Information Act requests. It falsely announced that it kept no detailed records of these meetings until last October when I was able to uncover the fact that the Fed has in its possession, 17 years of FOMC transcripts.

As a substitute, the Federal Reserve began publishing and still publishes a summary of its meetings 5 or 6 weeks after they occur. The summary does not attribute any statements to individual FOMC members, only final votes which rarely reveal dissents. The summary is a mostly boilerplate recounting of economic conditions that could be obtained from many financial reports in the media. The critical need for individual accountability is lost.

Last Wednesday the Federal Reserve began releasing the FOMC transcripts I have persuaded them to release. However, they only issued transcripts for the last half of 1988. I checked one of these summaries to see if it was an accurate reflection of the transcripts. Not surprising, it was not.

At the December 13–14, 1988 FOMC meeting, the transcript clearly shows that Chairman Greenspan and the FOMC perceived signs of a forthcoming recession. After they were presented with a staff summary about the economy, Chairman Greenspan told the FOMC members:

> Having listened to all of this, certain things seem to be coming forth fairly clearly. One starts off with the quite credible concerns of Governors Kelley and LaWare about the dangers of a recession.

Then the transcript reveals that member after member of the FOMC pleaded for tightening and even raising interest rates except for Governor Martha Seger who dissented. Many of these members are still on the FOMC. Here is what Governor LaWare said:

> Let me just suggest that instead of ringing the gong, that in connection with this move we might just "jingle" the bell—that's a seasonal [Christmas] pun!—and perhaps not move the discount rate a full half point but rather move it a quarter point.

As history shows, they got their wish. The Federal funds rate rose to nearly 10 percent and their tightening was followed by a recession and by a recovery that the FOMC members also slowed to a crawl.

The inflation rate, which was officially 3.06 percent annual rate in December 1988, was overstated because of problems in the index known to the members of the FOMC. Nevertheless, the Fed decided to slay the chimerical dragon: The money supply fell to negative growth in February 1989, a product of the tighter Federal Reserve policy.

Buried in the six pages of summary later issued by the Federal Reserve and printed in the April 1989 Monthly Bulletin is the bland mention that some members cautioned that the risk of a recession stemming from substantial tightening of policy should not be overlooked. The tone of the summary can be summarized by the following quote:

> Many expressed the concern that continued expansion at a relatively rapid pace raised the risk that inflation would intensify, given already high rates of capacity utilization in many industries and tight labor markets in many parts of the country.

Every American family knows what has happened. Unemployment rates went above 7 percent and are still high. There are continuing huge layoffs where workers leave good jobs and transfer to low-paying and part-time jobs.

It is time to have reasonable accountability from the Federal Reserve. I want complete transcripts and a record of what they are doing right now so the American public will know how each individual Fed official supports the current policy of raising interest rates to stop an inflation that no one can see.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous matter:)

Mr. GOSS, for 5 minutes, today, and March 16 and 17.

Mr. KINGSTON, for 5 minutes, on March 17.

(The following Member (at the request of Mr. ANDREWS of Maine) to revise and extend his remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GOSS) and to include extraneous matter:)

Mr. EHLERS.
Mr. BURTON of Indiana.
Mr. PETRI.
Mr. GILMAN in two instances.
Mr. ROHRABACHER.
Mr. LEWIS of California.

(The following Members (at the request of Mr. ANDREWS of Maine) and to include extraneous matter:)

Mr. STOKES.
Mr. HOYER.
Mr. SKELTON in two instances.
Mr. ORTIZ.
Mr. KANJORSKI.
Mr. REED.
Mr. SCHUMER in two instances.

(The following Members (at the request of Mr. GONZALEZ) to include extraneous matter:)

Ms. ESHOO.
Mrs. KENNELLY.
Mrs. MALONEY in two instances.
Mr. MILLER of California.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 51 minutes p.m.) under its previous order, the House adjourned until Wednesday, March 16, 1994, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2759. A letter from the Department of Defense, transmitting notification that the report pursuant to section 376 of the fiscal year 1994 Defense Authorization Act will be submitted on or about April 30, 1994; to the Committee on Armed Services.

2760. A letter from the Chairman, National Credit Union Administration, transmitting the 1993 annual report of the National Credit Union Administration, pursuant to 12 U.S.C. 1752a(d); to the Committee on Banking, Finance and Urban Affairs.

2761. A letter from the Secretary, Department of Health and Human Services, transmitting the annual report regarding the types of projects and activities funded under the Drug Abuse Prevention Program for runaway and homeless youth, pursuant to 42 U.S.C. 11822; to the Committee on Education and Labor.

2762. A letter from the Secretary of Health and Human Services, transmitting a compilation and analysis of State activities in implementing the fifth year of the Child Abuse and Neglect Prevention Challenge Grant Program, pursuant to 42 U.S.C. 5116a(1), 5116g; to the Committee on Education and Labor.

2763. A letter from the Secretary of Health and Human Services, transmitting a report on progress made in implementing the nursing facility staffing requirements, pursuant to 42 U.S.C. 1396r note; to the Committee on Energy and Commerce.

2764. A letter from the Secretary of Health and Human Services, transmitting a report on the prospective drug utilization review demonstration projects, pursuant to Public Law 101–508, section 4401(c)(1)(D) (104 Stat. 1388–159); to the Committee on Energy and Commerce.

2765. A letter from the Secretary of Health and Human Services, transmitting a report entitled "Progress Through Partnerships: Office of Minority Health's Report to Congress," pursuant to Public Law 101–527, section 2 (104 Stat. 2313); to the Committee on Energy and Commerce.

2766. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2767. A letter from the Comptroller General of the United States, transmitting a report entitled "Addressing the Deficit: Budgetary Implications of Selected GAO Work"; to the Committee on Government Operations.

2768. A letter from the Chairman, National Transportation Safety Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1993, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2769. A letter from the Solicitor, U.S. Commission on Civil Rights, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1993, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2770. A letter from the Director, Federal Bureau of Prisons, transmitting the Federal Bureau of Prisons' annual report on functional literacy requirement for all individuals in Federal correctional institutions, pursuant to Public Law 101–647, section 2904 (104 Stat. 4914); to the Committee on the Judiciary.

2771. A letter from the Secretary, Naval Sea Cadet Corps, transmitting the annual audit report of the corps for the year ended December 31, 1993, pursuant to 36 U.S.C. 1101(39), 1103; to the Committee on the Judiciary.

2772. A letter from the Deputy Administrator, General Services Administration, transmitting an informational copy of the report of building project survey for Springfield, IL, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

2773. A letter from the Secretary of Energy, transmitting the annual determination regarding the viability of the domestic uranium mining and milling industries for calendar years 1983 through 1992, pursuant to 42 U.S.C. 2210b(a); jointly, to the Committees on Natural Resources and Energy and Commerce.

2774. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation entitled "Coast Guard Authorization Act of 1994," pursuant to 31 U.S.C. 1110; jointly, to the Committees on Merchant Marine and Fisheries, the Judiciary, Public Works and Transportation, Ways and Means, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on House Administration. House Resolution 369. Resolution providing amounts from the contingent fund of the House for the expenses of investigations and studies by certain committees of the House in the 2d session of the 103d Congress; with an amendment (Rept. 103–433). Referred to the House Calendar.

Mr. FROST: Committee on House Administration. House Resolution 387. Resolution providing amounts from the contingent fund of the House for continuing expenses of investigations and studies by certain committees of the House from April 1, 1994, through May 31, 1994. (Rept. 103–434). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHUMER:

H.R. 4030. A bill to assist victims of crime; jointly, to the Committees on the Judiciary and Energy and Commerce.

H.R. 4031. A bill to provide for the prosecution as adults of juveniles 13 years old or older for certain crimes of violence; to the Committee on the Judiciary.

H.R. 4032. A bill to provide the penalty of death for certain crimes; to the Committee on the Judiciary.

H.R. 4033. A bill to assist in the prevention of crime by initiating a comprehensive community justice program; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, Banking, Finance and Urban Affairs, and Government Operations.

By Mr. MILLER of California (for himself, Mr. VENTO, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. HINCHEY, Mr. GEJDENSON, Mr. DE LUGO, Mr. LEHMAN, Mr. FALEOMAVAEGA, Ms. SHEPHERD, Ms. MCKINNEY, and Mr. JOHNSON of South Dakota):

H.R. 4034. A bill to amend the Urban Park and Recreation Recovery Act of 1978 to authorize grants for the expansion of recreation opportunities for at risk youth in urban areas with a high prevalence of crime, and for other purposes; to the Committee on Natural Resources.

By Mr. EDWARDS of California (for himself and Mr. SCHUMER):

H.R. 4035. A bill to establish constitutional procedures for the imposition of the death penalty; to the Committee on the Judiciary.

By Mr. KING (for himself and Mr. LEVY):

H.R. 4036. A bill to authorize the Secretary of Housing and Urban Development to make organizations controlled by individuals who promote prejudice or bias based on race, religion, or ethnicity ineligible for assistance under programs administered by the Secretary, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RAHALL (for himself, Mr. MINETA, Mr. SHUSTER, and Mr. PETRI) all by request:

H.R. 4037. A bill to amend title 23, United States Code, to provide for designation of the National Highway System, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ZIMMER:

H.R. 4038. A bill to direct the Director of the U.S. Fish and Wildlife Service to conduct a study of the feasibility of establishing a national angler's license; to the Committee on Merchant Marine and Fisheries.

By Mr. PETRI:

H.J. Res. 337. Joint resolution to designate the month of September 1994 as "National Sewing Month"; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 786: Mr. HUTCHINSON.
H.R. 916: Ms. VELÁZQUEZ.
H.R. 1012: Mr. REYNOLDS and Mr. HUTTO.
H.R. 1497: Ms. VELÁZQUEZ.
H.R. 2448: Mr. LEWIS of Georgia.
H.R. 2599: Mr. ROBERTS.
H.R. 2721: Mr. BORSKI, Mr. PETERSON of Minnesota, Mr. DICKS, and Mr. KREIDLER.
H.R. 3205: Mrs. THURMAN.
H.R. 3333: Mr. TALENT.
H.R. 3508: Mr. SABO.
H.R. 3527: Ms. SLAUGHTER and Ms. VELÁZQUEZ.
H.R. 3660: Mr. NEAL of North Carolina, Mr. DUNCAN, Mr. VOLKMER, and Mr. CALVERT.
H.R. 3663: Mrs. SCHROEDER and Mr. KENNEDY.
H.R. 3685: Mr. GINGRICH.
H.R. 3725: Mr. ZELIFF, Mr. CRANE, Mr. HANCOCK, Mr. BOEHNER, Mr. BAKER of Louisiana, Mr. ROYCE, Mr. GINGRICH, and Mr. ROHRABACHER.
H.R. 3771: Mr. ACKERMAN.
H.R. 3866: Mr. HINCHEY, Mr. MOAKLEY, Mr. OWENS, Mrs. UNSOELD, Mr. MATSUI, Ms. VELÁZQUEZ, Mr. HOLDEN, Ms. SNOWE, Mr. CONYERS, Mr. PENNY, and Mr. BORSKI.
H.R. 3900: Mr. EVANS, Mr. KILDEE, Mr. MURTHA, and Mr. UPTON.
H.R. 3940: Mr. RAMSTAD.
H.R. 3981: Mr. POMEROY and Ms. SHEPHERD.
H.R. 3990: Mr. ACKERMAN, Mr. RANGEL, and Ms. VELÁZQUEZ.
H.R. 4013: Mr. BISHOP and Mr. KREIDLER.
H.R. 4015: Mr. INSLEE.
H.J. Res. 61: Mr. ISTOOK.
H.J. Res. 209: Mr. FRANKS of Connecticut.
H.J. Res. 302: Ms. MARGOLIES-MEZVINSKY, Mr. PALLONE, Mr. SHAYS, Mrs. MEYERS of Kansas, Mr. LEVY, Mr. HORN, Mr. TUCKER, and Mr. KILDEE.
H.J. Res. 326: Mr. DELLUMS, Mr. RANGEL, and Ms. EDDIE BERNICE JOHNSON of Texas.
H. Con. Res. 199: Mr. LEVIN, Ms. SCHENK, Mr. COX, Mr. KENNEDY, Mr. STOKES, Mrs. ROUKEMA, and Mr. BERMAN.
H. Res. 362: Mr. WILSON.
H. Res. 377: Mr. DREIER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

79. The SPEAKER presented a petition of the city of Clearwater, FL, relative to unfunded mandates upon local governments, which was referred to the Committee on Government Operations.

SENATE—*Tuesday, March 15, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado.

The PRESIDING OFFICER. Today's prayer will be offered by the guest chaplain, Rabbi Kenneth I. Segel of Temple Beth Israel, Phoenix, AZ.

PRAYER

Rabbi Kenneth I. Segel, Temple Beth Israel, Phoenix, AZ, offered the following prayer:

Let us pray:

Eternal God, we ask Your blessing upon the United States of America and the U.S. Senate. Bless our Senators with vision and idealism, courage, and sensitivity. May they help create a nation worthy of our admiration—a nation reflecting justice and excellence and compassion.

May our Senators be challenged to cut through life's superficialities, its conventional insincerities. Out of sheer dreams may they be pointed to pressing purpose.

Fill our elected officials with the pride that keeps them from self-limitation. Purge them from the pride which leads to self-exaltation.

Spark, O God, their creativity and sense of responsibility. Through their integrity and devotion may they banish pettiness, cynicism, and divisiveness and create harmony and better understanding.

Inspire our U.S. Senators to promote a renewal of hope. Hope that will lead us to strive for human relations nourished by mutual concern and care. Hope that will see fear and suspicion yield to confidence and trust. Hope that will witness prejudice yield to tolerance. Hope which is necessary for our self-respect and for the fulfillment of our worthy common aspirations. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 15, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BEN NIGHTHORSE CAMPBELL, a Senator from the State of Colorado, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. CAMPBELL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order the leadership time is reserved.

NATIONAL COMPETITIVENESS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhanced the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Brown amendment No. 1493, to institute a cost share requirement for single businesses applying for funding under the Advanced Technology Program of the National Institute of Standards and Technology.

(2) Brown amendment No. 1496, to amend rule 11 of the Federal Rules of Civil Procedure.

The ACTING PRESIDENT pro tempore. The time until 10 a.m. is equally divided and controlled by the Senator from South Carolina [Mr. HOLLINGS] and the Senator from Missouri [Mr. DANFORTH] or their designees.

Who yields time?

Senator HOLLINGS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina [Mr. HOLLINGS] is recognized.

Mr. HOLLINGS. Mr. President, the concept of this measure, S. 4, commenced a good 10 years ago.

We have report after report from all the technology groups that you could possibly imagine who studied the need, and urged that the U.S. Government play a more affirmative role in promoting the development of technology.

These groups include the MIT commission from Cambridge, MA, called the Commission on Industrial Productivity; the Council on Competitiveness; and the Critical Technology Subcouncil.

Again and again these groups have reiterated that failure to confront this particular challenge what would result in the loss of some 2 million jobs in the nineties.

As a result, this Senator and others, the distinguished Senator from West Virginia, the Senator from Montana, and many others on the Committee of Commerce, started with the approach of trying to develop technology in the Department of Commerce.

In the trade bill in 1988, and the Finance Committee asked each of the committees to report their contribution to our competitiveness in international trade and, more particularly, what each committee might have under its own discipline, for instance, technology under the Department of Commerce.

So, we had a report and an amendment that was reported out unanimously in 1988 by the Committee of Commerce. It was included in the Finance Committee's work. We had then, on the floor, an amendment by our distinguished colleague from Ohio aimed at reorganizing the Department of Commerce with a different approach than what we in the Commerce Committee, had invisaged.

My point here is we discussed it, we deliberated over it, we not only reported it out unanimously from the Committee of Commerce, but more particularly we debated this particular issue in 1988. That approach at that time was tabled, and the Department of Commerce was found to be the lead agency. And that was written into the 1988 law. The 1988 law included the technology extension activities, the Clearinghouse on State and local initiatives, the regional centers for the Tansfer of manufacturing technology and, of course, the Advanced Technology Program.

So, the Department of Commerce was designated as the lead agency. And we had another authorization in 1990.

In 1990, the committee reported out again, unanimously, the authorization for the National Institute of Standards and Technology, which included a 26-percent increase in the advanced technology program. It still was a modest sum of money.

It was at that time then that the Bush administration finally picked up on the initiative and they moved to get America competitive in the field of technology.

That bill was held up on the floor for a year by my former colleague, Senator Kasten of Wisconsin, who was trying to get, at that time, a product liability measure up for debate, and it was not until December 1991 that we actually passed the NIST bill. It was held up for a solid year. But in December 1991, it passed. The House passed it then in February 1992, and on February 14, 1992, President Bush signed into law the authorization that we are now under and is presently law.

I guess somehow it has been missed in this entire debate over the last solid week, that this is an ongoing program; that it was well conceived.

John Young of Hewlett-Packard; George Fisher, then of Motorola; and other business leaders, say:

> U.S. public policy does not adequately support American leadership in critical technologies.
>
> Other nations already spend more nondefense R&D as a percent of GDP than the United States, and they are steadily increasing these levels. The United States needs to increase support for R&D and focus more resources on nondefense R&D that is commercially relevant.

Well, commercial relevance is the concern of the Commerce Department. I emphasize this because time and again in the debate last week, the question was asked: Do we really want the Department of Commerce in this?

We decided, you see, over 5 years ago that Commerce was the appropriate lead agency. And it has been recommended by the best of the best of minds in the fields of technology and industry.

The report says:

> The most effective programs are those that encourage sharing of the cost and results of precompetitive research and that stimulate private-sector proprietary R&D and commercialization.

And, of course, that is exactly the course we followed. Specifically, we emphasized cost sharing, so you would not have picking winners and losers by the Government; but rather the industry itself, under this particular bill, must launch the initiative; industry must make the application; industry must come up with at least 50 percent of the funding. Indeed, experience has shown that industry puts up nearly 70 percent of the money.

And, at that time, on the counsel of the distinguished Senator from Missouri, we put in the matter of peer review, and we selected the National Academy of Engineers. So we have the merit selection; we have the requirement that industry initiate the activity. Industry brings in the money, then the projects get merit selection and peer review by the National Academy of Engineers; very deliberately done.

But they found, again and again:

> Make technological leadership a central theme in the administration's public communications effort and highlight it in the President's annual State of the Union address, budget submissions and other messages on national priority.

So we also took in this particular bill the admonition of the Council on Competitiveness to make technological leadership a focus of the administration's public communications effort.

We also provide for the information superhighway. None of this is political pork or political plum, or winners and losers, but rather all initiated by the industry itself.

And that is why, Mr. President, every industry that is connected to technology and technological development has endorsed this bill. I have been in search of even one industry group that is opposed to it. We have not found a business group that is opposed to it.

When the question was asked, should we put these technology programs in the Commerce Department, we debate it and reported out unanimously two or three times, debated on the floor and passed the Senate, passed it out again.

So there is no new philosophy here. It is a steady philosophy, an intentional philosophy, an intention of the folks trying to play catchup ball for the United States of America in this global competition.

I yield the floor and reserve the remainder of my time.

Mr. PRESSLER addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from South Dakota is recognized.

Mr. PRESSLER. Mr. President, this is a historic debate in the sense that we are struggling in the Senate of the United States as to which direction to go in terms of research and development and technology in our society. We are debating about a $2 billion to $3 billion authorization here over a period of the next 2 years. But, more importantly, we are wrestling with the question: How much should the Government contribute to research? Should the Government give subsidies and grants and low-interest loans to selected high-technology companies across the country?

It has been a good debate. I salute the Senator from South Carolina for his leadership. I know he has his point of view. I salute our ranking Member from Missouri, who has reservations about this measure.

We are going to have a cloture vote at 10 o'clock, and I would guess that most Republicans will vote against cloture and most Democrats will vote for cloture. So there is a division by party here or by political philosophy, with some Members seeing Government's role as limited will vote not to proceed with the question, and those who believe in a more active Government role in terms of funding and participation will vote for it.

Now, over my years in this body, I have observed that those activities in our free enterprise system that receive direct Government grants tend to atrophy and tend to not to do as well as those other industries that have to compete and change with the times.

Indeed, we are sending people over to Russia as part of our aid program to teach them how to privatize industries, how to implement more free enterprise, how to get them to get the Government out of people's lives. There has been a change since the fall of communism. But it seems that in the United States we are moving more and more toward what we call socialism. The Clinton health-care plan, if adopted as originally proposed, would socialize about 10 or 12 percent of our total economy.

But here today, again, we are not talking about socialism, but we are talking about the Government, under the Secretary of Commerce, giving out money and grants to selected high-technology companies, and many of which would be in the Silicon Valley of California, and Government would be picking the winners and losers. This has not worked well in many other countries.

For example, let us take the drug industry. The drug industry has been under much attack in the United States, and I have been part of that. I have been a cosponsor of some of Senator PRYOR's bills in the Special Committee on Aging. Our motivation is a concern that there has been some price gouging, some unfairness.

On the positive side, most of the new pain-killing drugs that have been developed in the last 10 years have been developed in the United States or in for-profit laboratories. Nearly all the new drugs and the marvelous new procedures that have been developed have been created in a for-profit situation, with stockholders investments. Investors realize it is going to take 8 to 10 years to develop the drug and to get it through the FDA and to market it and to advertise it, and then there will be a financial reward at the end. So that ugly word to some—profit —has meant a lot of comfort to a lot of medical patients.

Europe has not produced new drugs at the same rate. They have produced a few, granted. Japan, with all of its research, has produced a lot of "me-too" drugs, but they have not produced very many new, innovative drugs.

So I would say to you, if you are interested in finding a cure for AIDS, if you are interested in finding a cure for cancer, if you are interested in finding a cure for heart disease, the evidence is that it will probably come from a for-profit laboratory where people have invested their money and their resources, picked a target and have gone forward.

For some reason, we believe that that is not true with the type of scientific and technological research we are talking about here today. The Government is embarking down a road of giving grants and loans to certain companies that the Government thinks are the best bets.

I would cite another example. Those agricultural commodities that have received the most direct payments are in the worst shape in terms of overall agricultural competition. And those agricultural products that have not received direct cash payments, such as cattle, pork, soybeans, are in the healthiest state. They have had their tough times and their ups and downs, but they have proved to be the most profitable for farmers and ranchers in the last few years.

There is also the issue of international competition. I know my colleague from Missouri has one example, where the Japanese Government picked a winner in Japan and it turned out to be a loser. I would like to ask my colleague from Missouri to share any information he has about this. Can the Government pick winners and losers better than the free enterprise system?

Mr. DANFORTH. Mr. President, let me thank my friend from South Dakota for getting right to the heart of the question that is before the Senate. The question really is do we believe that the Government has the special wisdom to lead the way—in advanced technology, especially? That is the heart of this legislation. It says right in the committee report that, "We believe we are moving into a new era of competitiveness and the Department of Commerce is to be a leader in this movement."

It is my position that the Department of Commerce is not well equipped to do that, and market forces work better than Government in guiding our economy.

I think the Senator is absolutely right. The leading example of a total failure is the decision of the Japanese Government, through MITI, which some hold out as an example of the way other countries and our country should operate. But MITI picked the wrong technology for getting into high-definition television. They were just absolutely wrong. The government said here is the way we should go. And it turned out to be the wrong way. So the Japanese Government not only wasted a lot of money, the Japanese Government marched that particular sector in exactly the wrong direction.

Murray Weidenbaum, who is the former Chairman of the Council of Economic Advisers and a professor of economics at the Washington University in St. Louis, has other examples. He said at one point MITI attempted to get Sony out of the electronics market. He said MITI tried to keep Honda and Mazda out of the automobile business at one point because it underestimated the growth of Japan's automobile export market.

Another example—I do not know whether people would call it a success or not, it certainly has been very injurious to a major industry in the United States—is aerospace. Airbus industry has never made a profit as of 1990 or 1991, I cannot remember which. But there was a major study of Airbus. As of that time the European governments had spent $26 billion propping up Airbus through, among other things, research and development grants, the same kinds of things we are talking about here. Is it a successful product? It certainly is successful insofar as it has captured about a third of the commercial aircraft industry. But it is not successful as a business enterprise because Airbus has always lost money.

One of the things that happens when the Government makes these decisions and the Government puts its dollars behind those decisions and people get employed in these businesses that are backed by Government, it is very, very hard for Governments to ever pull the plug. That I think is the situation with Airbus in Europe.

I think the Senator has made a very good point.

Mr. PRESSLER. I thank my friend and I thank him for his leadership on this issue.

I would add another aspect to this whole debate that troubles me somewhat. Whenever our Secretary of Commerce has the ability to give money out in grants or low interest loans to companies, the specter of who is influencing the Government always arises. Last year we had a campaign reform bill on this floor. I thought it was a good campaign reform bill. I voted for it, although I was only one of seven on my side of the aisle who did, because I had an amendment in it that would eliminate political action committees. When campaign reform came up in the other body, the majority party in the other body tailored their bill so that it fits perfectly the people who are receiving PAC money and does not cut any campaign spending. It simply accommodates the practices that exist currently. Their bill has been called campaign reform and it is not campaign reform at all, it is incumbents protection reform—if anything.

But when I look at the bill that is before us, it means the Secretary of Commerce is going to be selecting companies and handing them grants of taxpayers' money. Those companies will have political action committees, or will form them—many of these are in the computer and electronics industry where many have not yet formed PAC's. But they will form PAC's, they will raise money for candidates, they will be giving money. They will be asked to give money to the National Democratic Party, to the National Republican Party, and there will be newspaper articles written. You can say you heard it first on the Senate floor today. There will be many articles written saying how could Congress have set up such a conflict of interest? Because the very companies that are getting these grants will be asked for—and shaken down for—campaign contributions to the respective parties and candidates. You will be reading about this in 3 or 4 years if this bill passes.

So it is yet another area where there is a conflict of interest. I wish there was a way to say none of the companies that receive these handouts from the Secretary of Commerce could make political contributions, but that would be a violation of free speech, I am told. I was going to offer an amendment to that effect.

So I am concerned about that aspect. When taxpayers' money is handed out to selected companies, the average taxpaying citizen always has those questions.

I view this debate as far more than the $2 billion we are talking about for the first period of time. I view this as a fundamental question about which direction we are going in terms of Government involvement in our research. I would be one who would be much more attuned to some form of a tax incentive system, perhaps, or some other incentive system. But for the Government to give out subsidies, it makes me very uncomfortable.

I predict this bill may well become law. In 2 or 3 years we may regret this step because it will dry up private money for research. Government bureaucrats will make decisions regarding what type of research should be done rather than the marketplace. It is a fundamental debate as to which direction our country is going, not only in scientific research but in other areas.

Mr. President, I shall vote against the cloture motion.

The ACTING PRESIDENT pro tempore. The Senator from South Carolina [Mr. HOLLINGS].

Mr. HOLLINGS. Mr. President, before yielding to another distinguished colleague, let me emphasize here, just in an editorial years back by Business Week:

> The critics will chorus that government shouldn't interfere with the marketplace. An industrial policy, they argue, puts government in the position of picking winners and losers. An industrial policy costs billions of dollars. An industrial policy smacks of central planning, the critics charge, citing the catastrophic failure of the Soviet command economy.
>
> A coherent, knowledge-based growth policy can avoid the pitfalls the critics worry about. First, policies must be designed in such a way that no particular industries are favored. Parceling out research dollars via a scientific peer-review process and requiring business to make matching investments in some cases should protect the process from being hijacked by political interests. Shifting federal dollars out of other existing programs, such as military R&D spending, is one way to hold down costs. No, America doesn't want a Ministry of International Trade & Industry or a Gosplan. But even in

> the former Soviet Union, the diversion of good ideas to the defense industry produced some unparalleled high-tech accomplishments, just as in the U.S., the diversion of talent and resources to the defense sector brought new advances. It's clear that when government sets out to achieve something, the returns can be high. In the post-cold-war world of ideas, industry and government can be partners for growth.

That is the present law. Just exactly as they say:

> No particular industries are favored. They must be designed.

We got it not for the semiconductor industry or Sematech, not for NASA and aerospace, not for Chrysler and alone for automobiles. This is for all of technology.

Then second it said:

> Parceling out research dollars via scientific peer review process * * *

That is exactly what we have in the law today.

> and in some cases should protect the process from being hijacked. Then shifting Federal dollars out of other existing programs such as military R&D * * *

That is exactly what we are doing. We brought over the Director of DARPA, Arati Prabhakar, who oversaw the transfer of some 85 programs in some 31 States, shifted from the Department of Defense to the Department of Commerce, and that process is what is ongoing. Yet they act as though these programs are something just being started. Nonsense. They have been on course for 5 years. They were the focus of very deliberate study. They are merit based and peer reviewed.

I yield to the Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut [Mr. LIEBERMAN] is recognized.

Mr. LIEBERMAN. I thank the Chair and I thank my distinguished friend and colleague from South Carolina.

Mr. President, in this body, which has been called the greatest deliberative legislative body in the world, we sometimes end up, I suppose, by our deliberations, in a place that at least puzzles this Senator. I turn around and I scratch my head and say, "How did we end up here?"

I have that feeling this morning, which is to say: How did we end up divided essentially by party on this measure which has been and should be totally bipartisan? How did we end up at a point where we are in the midst of a filibuster, unfortunately, on partisan lines on a program that is not partisan and most critically of all is not seen as partisan by the thousands of workers in Connecticut who have been laid off who are looking forward to retraining programs but, more important, are looking forward to jobs that will only be created by programs supported by the kind of governmental partnerships created in this bill.

I am puzzled and, in that sense, I am disappointed, and I hope in some way we can get back to a strong bipartisan ground of support for the creation of new high-technology jobs that so many thousands, hundreds of thousands of people in our country are going to need if they are going to get back to work.

S. 4 did not spring miraculously out of nowhere. It is the progeny of a long history of American Government efforts—bipartisan efforts—to support economic growth. As has been stated repeatedly in this debate, probably the best example is American agriculture policy going back more than 100 years in which the Government has intervened much more aggressively than S. 4 suggests the Government involve itself in manufacturing technology. Those governmental programs of our private sector agriculture have created the most successful productive agricultural sector in the history of the world, certainly in the world right now.

But in a more limited timeframe, S. 4 is the offspring of a bipartisan policy of governmental support for research and development that has been bipartisan since the end of the Second World War and its most notable success has been the growth and dominance of the American aerospace industry in the world.

So I am troubled and I am puzzled again about how we ended up in such a partisan dispute on this bill.

Let me go to more recent history. During the administration of President Bush, debate did break out about industrial policy, about taking some of these basic principles—bipartisan principles—of Government entering into partnership to support the growth of new businesses that would create new jobs. As has been pointed out here, both the Bush and Reagan administrations backed significant increases in research programs that were very important in creating new jobs. But there was also an understandable ideological concern about intrusions into the marketplace.

The Bush administration, particularly, enunciated a series of ground rules for when and how it was appropriate for Government to play a role in R&D. They never, in my opinion, by all the documents, had any doubt about whether or not the Government should play a role in research and development.

I quote, Mr. President, from the 1993 final budget submitted by the Bush administration in the section "Enhancing Research and Development."

> The Federal Government has a long history of funding research and development with the goal of spurring innovation. It is widely acknowledged that research and development investments lead to new knowledge and innovation, which in turn leads to economic growth. There is also strong analytical evidence that research and development is an important contributor to productivity growth.

And it goes on and it goes on and it goes on.

Mr. President, what is most significant, as I look back at the Bush administration, is that that administration, speaking particularly through Dr. Bromley, who was the science adviser, enunciated a series of ground rules for when and how the Government should play a role in R&D without getting into this business of winners and losers. There were clear ground rules:

One, while the Government should support technology development, its support should occur at what the Bush administration called the early precompetitive stage, before it gets commercial, before it gets into the marketplace, so the Government was not intervening to help one marketplace competitor against another, which would be picking winners and losers.

Second, the Bush administration said that it wanted technology investment decisions to be led by industry, not by Government. And it wanted all investment decisions to be peer reviewed to help ensure quality programs were selected.

Third, the Bush administration wanted to make sure that the investments Government made in research and development made sense; that they were not just economic dead ends in the mind of some Government bureaucrat.

So the Bush administration required that every Government dollar in research and development in these programs had to be matched by an industry dollar; industry had to be ready to absorb an equal and, in fact, a primary, a first risk, 50–50, on these new investments.

In my opinion, Mr. President, those are strong ground rules, those are sound ground rules and they were supported by Congress. But please note that each and every one of these ground rules is for governmental involvement in stimulating research and development, and the growth of high-technology jobs that was enunciated by the Bush administration is reflected, is fundamental to S. 4, this bill that is now the victim of a filibuster. That is why I say I do not know how we ended up in this partisan division on this bill, which is the logical continuum from years of bipartisan support.

Mr. President, the Bush administration spoke on behalf of these kinds of programs, not just in the principles that I have described, but they put their money where their mouth was.

In the final Bush administration budget, two of the programs that are supported in S. 4 were recommended for substantial increases. The Advanced Technology Program recommended fiscal year budget 1992 of $35,900,000; recommended increase, almost twice, to $67,880,000 recommended by the Bush administration. Manufacturing technology centers and outreach, 1992 budget, $10,300,000. The final Bush administration budget, $18,187,000, almost a doubling of the recommendation.

So there has been long bipartisan support for the basic elements contained in this bill. These manufacturing technology extension center programs were begun under President Reagan. They are based on a longstanding and successful effort in agriculture that dates back to the 19th century. The Manufacturing Extension Center Program is, in many ways, a traditional small business program similar to the programs that both parties have supported for years for small businesses.

The Advanced Technology Program was also started under President Reagan. Again, this is a major part of S. 4 that we are trying to support here.

The business community strongly supports this program. This program is led by the private sector, not by Government. It is designed to build a bridge between basic research and technology development. It is comparable to many of the R&D programs both parties have supported in many fields for many years.

Finally, this bill creates a pilot program called the Civilian Technology Investment Program, but this again did not spring out of nowhere. This program builds on an old bipartisan idea. It is based on, and would be administered by, the Small Business Administration's Small Business Investment Company Program, which dates back to the 1950's and has strong bipartisan support.

Mr. President, I am not just puzzled and troubled, disappointed by this partisan division, but I am pained by it because I know how much the thousands of workers in Connecticut, laid off by Electric Boat, Pratt & Whitney, Aetna, and a host of other big companies that have downsized in this recession, good people, hard-working people, skilled people, want to go back to work, whose families need them to go back to work, who know that their jobs ultimately will have to come from the private sector, and who will be benefited by the kinds of governmental programs, precompetitive of the private sector, that are part of this bill.

So, Mr. President, I hope that as we approach this cloture vote and, if it does not succeed in achieving cloture, the one that follows it, our friends and colleagues on the other side of the aisle will step back, look at the bipartisan history and presence of this whole concept of S. 4, and once again find a way to join with us on this side of the aisle to create a bipartisan future that will not intervene in the marketplace but will help the market create the jobs that our constituents so desperately need.

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HOLLINGS. How much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes and 58 seconds.

Mr. HOLLINGS. I yield to the distinguished Senator from Arkansas.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas [Mr. PRYOR] is recognized.

Mr. PRYOR. Mr. President, I will try to be brief because we have only a few minutes.

Mr. President, I do not quite know or understand what has happened to this piece of legislation. This is one of those mystery events that takes place every once in a while in the legislative process. This legislation came to the floor, from this Senator's impression, at least having broad-based support from both sides of the aisle. Something happened. I do not know exactly what, as I said. But here we have the National Association of Manufacturers writing a letter to all Members of this body talking about the necessity of S. 4.

Mr. President, I ask unanimous consent to place this letter in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, March 9, 1994.

Hon. DAVID H. PRYOR,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRYOR: The National Association of Manufacturers (NAM) supports S. 4, the National Competitiveness Act, and urges you to vote for its passage. This legislation will markedly enhance the ability of U.S. manufacturing firms to access and adopt modern manufacturing technologies and techniques. It does so by improving the coordination of existing, yet unconnected, institutions at the federal, state and local levels. The industrial extension network provided for by S. 4 would be a resource that companies of all sizes and sectors could use to help modernize their manufacturing operations. The result will be a stronger manufacturing base and a stronger U.S. economy.

The National Competitiveness Act also builds on existing legislation, championed by then-Senator Gore and signed into law by President Bush, that boosts research and development efforts in the area of high-performance computing and networking. High-performance computing will be a key generic technology underpinning our 21st century information infrastructure.

The agenda for improving U.S. competitiveness does not end with passage of the National Competitiveness Act, but we believe enactment of S. 4 will be a significant step in the right direction. Again, we urge your support for this legislation.

Sincerely,

PAUL R. HUARD,
Senior Vice President.

Mr. PRYOR. Mr. President, also a letter from the Advanced Technology Coalition talking about the importance of job creation and moving from a defense-based economy into the private sector, and what we can do and what we must do as a country.

Also, the Council on Competitiveness supports S. 4 in a letter dated March 7. This is not something that came in last year or in January. This is a very recent indication of this particular Council on Competitiveness and their support for S. 4 now before the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD, in addition to those three letters in support of S. 4, a letter from the National Coalition for Advanced Manufacturing, once again a strong vote in support of S. 4 in its present form.

Also, the American Association of Engineering Societies. I think that we need to read a paragraph from it.

> There is no question that investment in technology fosters productivity, economic growth and creation of high quality jobs. We support S. 4 because it represents a balanced effort—

I repeat that, Mr. President—

> a balanced effort to strengthen the U.S. civilian technology enterprise that forms the core of our global industrial competitiveness.

Mr. President, I hope our colleagues will reflect, look back, use a little common sense and some wisdom, and put aside some of the rhetoric that has been used in this Chamber for the last few days. I hope we will vote for cloture so that we can have a vote on this legislation. It has strong support; it merits support; and it justifies the support of this body. I hope our colleagues will support cloture.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ADVANCED TECHNOLOGY COALITION,
Washington, DC, February 9, 1994.

Hon. BOB DOLE,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S.4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S.4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S.4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE–USA.
Semiconductor Equipment and Materials International (SEMI).
Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southeast Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

COUNCIL ON COMPETITIVENESS,
Washington, DC, March 7, 1994.

Hon. DAVID PRYOR,
U.S. Senate, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As a leading bi-partisan private-sector voice on U.S. competitiveness, the Council is dedicated to helping make America more competitive in the global marketplace and more prosperous at home. We believe that S. 4, through its support for civilian technology and manufacturing, is an important step towards these ends. The Council is on record as supporting several programs, in particular.

Significantly expand the Advanced Technology Program (ATP). S. 4 increases funding for ATP to $567 million in FY 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

Support development and diffusion of technology, especially to small and medium-sized manufacturers. S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing federal and state extension programs into an integrated Manufacturing Extension Partnership (MEP) to help small and medium-sized manufacturers in all geographic regions adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

Stimulate investment in high performance computing and communications applications. S. 4 authorizes over $350 million in FY 1995 and FY 1996 for a coordinated interagency program to support research, technology development and pilot projects for computing applications in health care, education and manufacturing. These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

We commend our continued support for these initiatives and urge you to play a leadership role in their implementation through timely passage of S. 4.

Sincerely,

PAUL ALLAIRE,
Council Chairman.

THE NATIONAL COALITION
FOR ADVANCED MANUFACTURING,
Washington, DC, February 8, 1994.

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S. 4, I remain,

LEO REDDY,
President.

Washington, DC, March 3, 1994.

Re: National Competitiveness Act (S.4).

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: On behalf of the Engineers' Public Policy Council of the American Association of Engineering Societies (AAES), I am writing to express our strong support for passage of the National Competitiveness Act (S.4).

AAES is a multidisciplinary organization dedicated to coordinating the collective efforts of over 800,000 members represented by 28 engineering societies to advance the knowledge, understanding and practice of engineering.

There is no question that investment in technology fosters productivity, economic growth and the creation of high quality jobs. We support S.4 because it represents a balanced effort to strengthen the U.S. civilian technology enterprise that forms the core of our global industrial competitiveness. S.4 seeks to leverage the efforts of industry by increasing authorized funding levels for the Department of Commerce Advanced Technology Program which supports the development of industry-led, pre-competitive technologies on a competitively-awarded, cost-shared basis. The legislation would also bolster federal and state industrial extension programs across the country that provide technical expertise and help small and medium-sized companies adopt modern manufacturing technology.

S.4 was approved by the Senate Commerce Committee in May, and the bill was modified to meet the concerns of industry and other parties. The legislation has the strong backing of the Clinton Administration and thousands of U.S. manufacturers. The House counterpart to S.4 (H.R. 820) passed on May 19.

We believe a vote for S.4 is a vote to help make U.S. industry more competitive. And if the bill is debated on its merits, we believe it will receive strong bipartisan support. Attached is a copy of the testimony we presented to the Senate Commerce Committee in March.

Thank you for considering our views on the importance of this legislation to the engineering community.

Sincerely,

M. JACK OHANIAN,
AAES, Chairman.

Mr. PRYOR. Mr. President, I yield the floor.

Mr. DANFORTH. Mr. President, how much time is remaining?

The ACTING PRESIDENT pro tempore. The Senator from Missouri has 13 minutes 57 seconds.

Mr. DANFORTH. Mr. President, if the Chair would notify me when 10 minutes have expired, I would appreciate it.

Mr. President, let me attempt to answer some of the questions asked by various Senators but especially by the Senator from Connecticut.

There is no doubt that research is very good, and there is no doubt that technology is very good; that they do promise great things for the future of this country, and that they are the pride and joy of this country.

That really is not the issue. The issue is what is to be the role of Government? To what extent should we in

Government get ourselves entangled in the process of research and development decisionmaking which otherwise would take place in the private marketplace?

I would like to make about three points with respect to this legislation.

The first has to do with overall cost. It is a little bit of apples and oranges, I suppose, in that there are brand new programs which are created in this bill. But in the areas covered, in the general thematic areas covered in this legislation, this bill represents a very dramatic increase in dollars.

I do not think there is any doubt about that. This is not just ratcheting up or building on something that has been going on in the past. This really is an increase in dollars. In 1993, $389 million were appropriated for these programs—389. In 1994, the figure has grown to 526—$526 million, and this bill would authorize $1.37 billion for 1995, and $1.478 billion for 1996.

That is, I submit, not something that is just more of the same. But it is a fundamental change in the Government's willingness to involve itself in what would otherwise be private sector research and development.

Now, I would like to discuss two programs that I think are the heart of the problem with this legislation. The first is the so-called Advanced Technology Program.

The Advanced Technology Program began in 1990. In fiscal year 1989, nothing was spent on the Advanced Technology Program. It began in 1990 as a $10 million program. In 1991, it grew to almost $37 million. In 1992, it grew to $49.5 million; in 1993, to almost $68 million. This year, it has grown to $200 million, and in this authorization for the Advanced Technology Program, we would authorize $475 million for 1995 and $575 million for 1996. In other words, this is a program which started from nowhere and we would take it up for 1996 to a $575 million authorization.

This is a program which provides direct grants to selected businesses doing research and development. That is the whole point of the grant. It is selective grants to those businesses that are chosen, that are selected, picked out as being beneficiaries of the program.

Are we in a position, even if we think that this is a good idea—I do not happen to think it is—but even if we think that it is a good idea, is this the time for such a major increase in the amount of funding of this program?

This is a GAO report that was made to the ranking minority member of the Committee on Science, Space, and Technology in the House of Representatives, Congressman WALKER, last September. I want to say this is last September. It is now 6 months later. We have checked with the General Accounting Office and asked them if they still stand by this. My understanding is that they do. But let me just read one sentence from this report.

> However, the small number of completed projects and other factors impede a program of valuation of ATP.

So the General Accounting Office says as of September we are not in a position to make a value judgment quite yet on whether this program works, and we would carry it in this legislation from $200 million to $575 million over a 2-year period of time.

This program, the ATP present program, in fact is unlike other ways in which Federal Government has spent money for research. I have a document which is entitled "The Advanced Technology Program, an Engine for Enhancing U.S. Economic Growth," and it is my understanding that this is a publication of the Commerce Department. I just want to read a paragraph from the document.

> Historically, the Federal Government has focused R&D funding on support of, one, basic research, primarily at universities via NSF, NIH, and mission agencies, and two, technology development to meet specific requirements of the mission agencies such as DOE, NAFTA and DOD.

Then it goes on and says:

> In contrast, the ATP is open to proposals from industry in all areas of technology.

In other words, this is not basic research money—maybe universities—and it is not research for the purpose of a product that the Government needs. This is getting involved in the development or potential development. It is down the road, somewhere between basic and actually producing the product in the private sector. It is a different kind of research, a different kind of involvement by the Federal Government in business.

The second program that I would like to call the attention of the Senate to is the Venture Capital Program. This would have a $50 million authorization for each of the 2 years of this authorization bill for a grand total of $100 million. But I would like to call the Senate's attention to the committee report which is on everybody's desk, and especially to the bottom of page 20 and the top of page 21 of the book because what the committee report says is what we allow venture capital companies to do is to borrow money with the Federal Government guaranteeing the loan.

So this is not just a $100 million program. According to the committee report, and I really suggest people read it:

> Therefore, CBO estimates that the $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million of loan guarantees for risky projects.

That is the point of doing this program, $300 million in the first year, $300 million in the second year, a total of $600 million in loan guarantees with the Federal Government getting in the business of venture capital—venture capital companies coming to the Commerce Department and the Small Business Administration getting licensed if they meet the right standards, and then getting loan guarantees or grants or stock being bought by the Federal Government.

I think venture capital is very important. But I question whether we want to make venture capital decisions here in Washington, either in the Commerce Department or the Small Business Administration.

Mr. President, I would simply conclude by saying this really is new. This is new in the total amount. It is new in concept. It is new in the Federal Government's willingness to get involved in applying its wisdom to what would otherwise be private sector decisions with respect to research and development for product development. I think it is a mistake. If the Senate wants to do it, it is my opinion it should do it with its eyes open after sufficient debate.

Mr. HOLLINGS. Mr. President, do I have any time remaining?

The PRESIDING OFFICER (Mr. DORGAN). The Senator has 52 seconds.

Mr. DANFORTH. I yield the Senator 1½ minutes of my time.

Mr. HOLLINGS. I appreciate the courtesy of the distinguished Senator.

How can it be new, Mr. President? In 1980, we instituted the Competitiveness Policy Council. They were appointments by the Congress and President Bush. President Bush appointed Erich Bloch, the distinguished fellow who had been President Reagan's National Science Foundation Director, and he was head of the Critical Technology Subcouncil. I read from there just one section.

> The Government should reorient its own R&D spending from purely military to civilian and dual use R&D. At the height of the cold war, almost two-thirds of all Government R&D went for narrow military purposes. The ratio has already declined to less than 60 percent, and should fall to 50 percent in the coming years as major defense systems are delayed or canceled. The reductions in development and testing budgets, a range of perhaps $4 billion to $8 billion, should be applied to civilian and dual use R&D. Defense research and exploratory development should be kept strong. But the new R&D budgets should also emphasize generic technologies including new materials, biotechnology, computers, especially manufacturing processes.

And continuing:

> Expanding the Advanced Technology Program in the Department of Commerce to an annual program level of about $750 million.

We do not have $750 million for any of these entities. Yet, we go in NIST from $226 million to $320 million. That is the old Bureau of Standards. We go from the extension centers, from $30 million to $70 million. We go from the Advanced Technology Program, which this minute is $199 million, to $475 million. They say take the R&D from DARPA and defense, and put it over in Commerce. They recommended that we fund it at $4 billion to $8 billion, and we are under $1 billion.

I thank the distinguished Senator.

Mr. DANFORTH. Mr. President, again, reading from the Commerce Department's publication, this one called the National Institute of Standards and Technology and Investment in U.S. Economic Growth, one of the paragraphs is:

> The cross-hatch bars on the following figure show the administration's planned ATP budget from FY 1994 through FY 1997. The planned short increases will enable a substantially higher Federal investment in technology with strong commercial application as called for by the Clinton Administration's economic plan. The economic plan as described in the February 1993 document entitled "The Vision of Change for America and Technology for America's Economic Growth, a Direction to Build Economic Strength", proposes a substantial expansion of the ATP program over the next 4 years.

Also, President Bush took the position in 1992 that he would veto what was then called the National Competitiveness Act of 1992.

But, it makes it sound like it is a big partisan thing, Republicans and Democrats. I do think it is a difference in economic philosophy. I do think it is a basic difference in policy dealing with the degree to which the Federal Government should involve itself in research and development activities in the private sector.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the hour of 10 a.m. having arrived, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Modified Committee Substitute to S. 4, the National Competitiveness Act of 1993.
>
> Fritz Hollings, Jay Rockefeller, Tom Harkin, Wendell Ford, George Mitchell, Dan Inouye, Richard H. Bryan, Don Riegle, Paul Wellstone, Paul Simon, Barbara Boxer, Tom Daschle, Harry Reid, J.J. Exon, Paul Sarbanes, Russell D. Feingold, Pat Leahy.

Mr. HOLLINGS. Mr. President, the leadership has asked me to put in a quorum call for 5 minutes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is: Is it the sense of the Senate that the debate on the committee substitute for S. 4, the National Competitiveness Act, shall be brought to a close?

The yeas and the nays are required. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 58 Leg.]

YEAS—56

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Wellstone
Wofford

NAYS—42

Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Gregg
Hatch
Helms
Hutchison
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Stevens
Thurmond
Wallop
Warner

NOT VOTING—2

Boren
Hatfield

The PRESIDING OFFICER. On this vote, the yeas are 56, the nays 42; three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Thank you very much.

PRIVILEGES OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that David Corvette, who is a fellow in my office, be permitted privileges of the floor while I speak for the next 10 or 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

(The remarks of Mr. WELLSTONE pertaining to the introduction of S. 1928 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Who seeks recognition?

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota [Mr. CONRAD].

WHEAT IMPORTS FROM CANADA

Mr. CONRAD. Mr. President, I rise today to talk about an issue that has been of concern to the occupant of the Chair and other Senators who represent the great heartland of the country, the places which produce the vast majority of the wheat and the barley for the people of this country and also for export around the world.

We have been faced with an absolute tidal flood of grain coming in from Canada. We have been faced with that tidal flood, not because the Canadians are more efficient, not because they are more productive, but because of defects in the Canadian Free-Trade Agreement.

As the Chair knows so well, the numbers really are striking. This first chart shows what has happened with total wheat imports from Canada. If you go back before the Canadian Free-Trade Agreement was passed, you can see that there was virtually nothing coming in from Canada, virtually no product coming across our border. The reason for that was very simple: The United States is a major producer of wheat, we are an efficient producer of wheat, so there was no reason for large volumes of grain to be coming in from Canada.

That changed dramatically with the passage of the Canadian Free-Trade Agreement. As you can see, wheat products have been coming in at a greater and greater rate, so that in the 1992–93 marketing year, we saw a really alarming increase, a five-fold increase over what we saw coming into this country in the 5 years preceding the passage of the Canadian Free-Trade Agreement. That is the outlook for total wheat imports.

This next chart shows what has happened in Durum. For those who are listening and perhaps are not familiar with various wheat products, Durum is the kind of wheat that produces pasta—pasta, which is very popular all over the country, indeed, all over the world. Many people perhaps are not aware that some 82 percent of the durum produced in this country comes from our State—the State of the occupant of the chair and my State, the State of North Dakota. We are very proud of that: a high quality product, an outstanding product, produced largely in our home State of North Dakota.

Again, if we go back and look at the pattern, we see that there was no durum coming into this country from Canada before the passage of the Canadian Free-Trade Agreement in 1987.

But look what has happened since that time: A dramatic increase year after year as a flood of Canadian durum has come into this country, displacing the durum produced in our country, taking markets away from our producers, and depressing U.S. prices. Again, this is happening not because the Canadians are more efficient, not because they are more productive, but because of serious defects in the Canadian Free-Trade Agreement.

I want to now talk about what those defects are. We can very easily see the central problem that we are having, because just last week we received the results of an audit that was conducted to examine whether or not Canada is selling below their acquisition price into our market. That becomes a very, very critical question because of the terms of the Canadian Free-Trade Agreement.

Mr. President, as you know so well, the language in the agreement is explicit and clear. It says:

> Neither party, including any public entity that it establishes or maintains, shall sell agricultural goods for export to the territory of the other party at a price below the acquisition price of the goods plus any storage, handling, or other costs incurred by it with respect to those goods.

That language is about as clear as it can be. It would seem very obvious to anyone that neither party can sell into the other's market at a price below the acquisition price of the goods. But that is not what has happened.

And the reason the language does not lead to the result to which it would appear to lead is because our Trade Representative at the time, Mr. Clayton Yeutter, negotiated a secret side deal in which he told our friends to the North—

> Full acquisition price doesn't really mean that. Instead, we will create a new definition, we will leave out certain things: We won't count the transportation payment that you make; we won't count the final payment you make to your farmers; we won't count that as part of the total acquisition price.

This leads to a very odd result. This next chart shows what would happen if you had the plain language of the agreement in force. It shows the true acquisition cost for Canadian durum in 1993-94 is about $4.98 a bushel. That includes a transportation subsidy that Canada has of some 45 cents a bushel; and it counts the final payment that is made to Canadian farmers by the Canadian Wheat Board of $2.21 a bushel. But under the terms of the agreement that was entered into by Mr. Yeutter, those first two things do not even count. They are not part of the calculation of the acquisition price. They do not count as part of the true acquisition cost for the Canadians.

So instead, what we have for true acquisition price under the terms of the treaty, as negotiated by Mr. Yeutter, is this red line that only counts the initial payment to Canadian producers. Sales below the line are those which would be considered dumping at below cost. That is only $2.32 a bushel this year, Mr. President.

People who are watching may be confused at this point and say, "This is hard to understand. We have a treaty that says Canadians cannot dump below their true acquisition price into the United States market; we have a chart that shows very clearly their true acquisition cost is nearly $5 a bushel. Yet, under the terms of the agreement as negotiated by Mr. Yeutter what counts is only a price of $2.32 a bushel. How can that be?"

That is a question we have been asking ourselves, those of us who are on the front lines of this economic war that is occurring, this economic battle in which this flood tide of Canadian grain is coming into our country.

We are stuck with an unfair result. We are stuck with a result that gives these kinds of absurd outcomes, Mr. President. And now we have an audit covering the period from January 1989 through July 1992, and that audit of 105 sales shows that 3 were below the red line. Only 3 of the 105, according to the secret side deal negotiated by Mr. Yeutter, would constitute dumping below cost into our market—only 3 of the 105. But look at the absurdity of this, Mr. President and colleagues.

There were 3 of the 105 below what would be the $2.32 price today—the Yeutter definition of acquisition price, but the rest of the sales average only 58 cents above what would be a $2.32 price today. That would be somewhere in this range here—well below the true acquisition cost of the Canadian Government.

In other words, it is very clear that our competitors are dumping huge amounts of grain into this market, below their true acquisition cost. That constitutes unfair trade. No one who is a free trader would say that anyone should be able to dump below-cost goods into a competitor's marketplace. That is recognized by everyone as unfair trade. And that is precisely what this audit reveals.

Our neighbors to the north say, "Well, this audit proves that we are doing it the right way. This audit proves that we dumped below acquisition cost in only 3 occasions out of 105."

Mr. President, that assumes that you accept the definition of "acquisition cost" that was negotiated by Mr. Yeutter, a definition that clearly is far below the true acquisition cost for the Canadian Wheat Board and the Canadian Government. And the result is our farmers are competing not against Canadian farmers but against the Canadian Government because the Government controls the Wheat Board and the Wheat board can set its own acquisition price. Our farmers are put in a position that is untenable, that is unacceptable; that must be changed.

Mr. President, how can we get a different result when our Trade Representative went up and negotiated away the plain language of the agreement? How can we recover from a situation in which our Trade Representative, again, in a secret side deal, sold out the American producer? Because Mr. Clayton Yeutter took the plain language of the agreement, and, in a secret side deal, told the Canadians, "This does not mean what it says. We are not going to really look at the full acquisition cost. We are only going to look at part of it. We are going to forget about your transportation subsidy; we are going to forget about your final payment"—the combination of which equals more than half the value of the product—"we are just going to forget about that in terms of a true acquisition cost."

What do we do to recover? Mr. President, we have found that in the 1940's the United States imposed section 22 restrictions on wheat imports from Canada. That is 50 years ago. Many of us have been arguing that we ought to take action now to impose an emergency section 22 against our Canadian neighbors to make them come to the table to resolve this problem. An emergency section 22 simply means that you could put limits on what is coming into this country; we could place limits on unfair imports from Canada.

Mr. President, as you so well know, we have had difficulty convincing the administration to take that action. We have now discovered the administration does not have to file a new section 22 action. We do not need a new action. We have an action that was approved 50 years ago. However, in 1974, when there were virtually no imports of wheat and wheat products, the ITC recommended that the section 22 restriction on wheat and wheat products be suspended for 1 year—for 1 year. Unfortunately, the President instead suspended that section 22 action indefinitely—and it has been suspended for 20 years now.

But now, Mr. President, the facts have changed. Wheat is flooding into our market and interfering with our farm programs. What we ought to do is unsuspend that section 22 action and impose this limitation on our neighbors to the north so that we can get them to come to the table to fix what is clearly an egregious mistake in the so-called Canadian Free-Trade Agreement.

Mr. President, unsuspending an existing section 22 would have many advantages. It would have significant advantages with respect to the new rules under the GATT agreement. It would have significant advantages because the restrictions that are in place in that existing section 22 that has been suspended are more stringent than any we are likely to get under a new Section 22 action.

Mr. President, I am making these remarks today because a number of us, including the occupant of the chair—the Senator from North Dakota—and I, will be meeting tomorrow with representatives of the administration with respect to the administration's response to our call to take immediate action.

Mr. President, we believe we have found a new door for the administration to open, to walk through, and to take our trading partners with them. We can go back to the section 22 that is in place but that has been suspended; we can unsuspend it, and we can put enormous pressure on our friends to the north so that they are willing to renegotiate an agreement that is clearly unfair.

I hope the administration is listening. I hope our friends to the north are listening. There simply must be a resolution of this problem before we can open discussions about how we coordinate our farm policies, so that we are not engaged in this beggar-thy-neighbor policy in which they cut price; we cut price; and we all wind up with less money.

That is the path we are on today. We should not stay on that path. We should get off it. We should get off it in a cooperative and collegial way that would be in the best interests of both countries. We cannot do that until we have resolved this difficulty.

Mr. President, I am hopeful we are able to achieve that kind of breakthrough in the coming days.

I thank the Chair and I yield the floor.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER (Mrs. MURRAY). The Chair recognizes the Senator from West Virginia [Mr. ROCKEFELLER].

Mr. ROCKEFELLER. I thank the Presiding Officer.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. ROCKEFELLER. Madam President, I am hopeful that there has been enough time for reflection and further thought on the pending bill—S. 4, the National Competitiveness Act—to break the impasse that stalled us last week. This body debated this legislation for over 4 days. Some of it was on the bill, as it should have been. I wish more of it had been on the legislation itself, so that we could determine what if any further steps we need to take to improve the bill and pass it.

As we begin again to discuss this legislation, let us review what we are being asked to consider:

S. 4, the National Competitiveness Act, is legislation designed to equip our Nation to meet the challenges of our global economy that demand a great deal from our industries, our workers, and our Government. This is a bill that builds on a tradition—one might even say a routine—of our Government to work directly with industry in doing what is necessary to stay ahead economically. For many decades, we have invested in research, in technology, and in related activities to ensure that we are producing, manufacturing, and putting our people to work. That tradition includes funding partnerships and extension efforts in agriculture, medicine, energy, defense, and aerospace.

With this bill, we are proposing how and where to build on the American tradition of working with industry to improve America's manufacturing base, create new jobs, and retain existing jobs. It is precisely why this country's small, medium, and large businesses and industry support this legislation.

They recognize that our Government has a unique and essential role in making sure that the private sector is involved in developing new technologies, turning them into commercial products, exporting and selling those products, and putting people to work in jobs that pay good wages, raise families, and are part and parcel of the American dream.

If anyone is prone to saying "keep Government out," it is American business and industry. But Madam President, they are saying the exact opposite. They are urging us to pass this legislation because they recognize the place for Government in making America prosperous and competitive—a role that industry asserts, admits, and continues to remind us every day that they can't fill on their own.

That is the point of S. 4, the bill before us. With years of thought and effort, those of us who put this package together carefully pieced together the existing programs and crafted some modest new programs that we believe will reap short-term and long-term dividends—dividends called jobs and growth. In fact, as the chairman has said for a week, the main purpose of this legislation is, in fact, to continue and sustain programs that have been in existence for years.

Programs like the Manufacturing Technology Centers that are modelled directly after what we have done for decades to help the farmers of this country. We need the same kind of network to extend basic technical assistance to this country's small- and medium-sized manufacturers.

Another criticism that doesn't belong in this bill is the charge about "industrial policy."

Now, I might say that if any of my colleagues believe that we are engaging in sinister "industrial policy" every time this body or the U.S. Government does something to promote jobs, competitiveness, and prosperity, then let's all 'fess up—we are guilty.

But if we are really honest about what all of us in this body has in common, it is a commitment to economic growth, jobs, and sustaining the American dream. That is precisely the basis for the broad and deep support for the research and development—the R&D—tax credit that we discussed at length last week.

It is the basis of support for our energy labs involved in cutting-edge research and that many Members of this body fight for year in and year out. It is why so many Senators have invested so much effort in what we call "defense conversion" so that we make use of the facilities and the people involved in our national defense to play a role in reviving our own economy.

This bill is about common sense economic and jobs policy. If that is someone's way of saying industrial policy, so be it.

But the way I see it, almost no one in this body is adverse to Government promoting, helping, and investing in what keeps our industries on top and our people employed. Some might say the R&D tax credit is enough. Others might say even more money should be poured into energy research or agricultural subsidies. The point of S. 4 is to complement all of the other ways we invest in economic growth and strength, and to fill some serious voids that threaten our ability to compete where technology is what's at stake.

In fact, this legislation—S. 4—is about as far as you can get from targeting a specific industry, technology, or region. It is designed to fill, again, the role that the private sector cannot fill and doesn't want to. The programs in this legislation are essentially generic tools to invest in technologies that industry chooses and picks; to distribute information about the latest technologies to small- and medium-sized businesses that can't otherwise get their hands on key lessons and ideas; and to give technical assistance to companies that are trying to learn how to lower costs, improve quality, and speed new products to the marketplace. I have listened to the debate over the last 5 days and I am very concerned that this discussion has degenerated into a partisan debate. We need to remember that one of our major responsibilities as elected officials is to assure that there are jobs for the current generation of Americans and their children and grandchildren. This bill speaks specifically to that long-range goal.

Madam President, I truly believe that there is support for this program on the Republican side of the aisle. Further this is not a new concept. To illustrate my point I would like to read from a letter from Dean Thomas Murrin of Duquesne University in Pittsburgh. As many of you remember, Dean Murrin was the Deputy Secretary of the U.S. Department of Commerce under President George Bush. In addition to his positions in the Federal Government and universities, he has been elected to the prestigious National Academy of Engineering which has 1,700 members. There are over 1 million engineers in the United States—this election to the academy is clearly a great honor.

Dean Murrin wrote to me:

> DEAR SENATOR ROCKEFELLER: I want to indicate my support for Senate 4 which is currently under debate in the Senate. This legislation will create the National Competitiveness Act of 1994 to assist in identifying, developing, acquiring and deploying assistance to finance needed Industrial Technology.
>
> You may know that I have some strong positive biases on such initiatives as I was one of the few senior people in the previous Administration who vigorously supported a national effort to provide technical assistance and financial support to manufacturing industries and to encourage technology based enterprise to start—such as Commerce's ATP and Manufacturing Center Programs.
>
> Overall, our United States urgently needs to develop an effective National Technology Strategy. Locally, I believe Senate 4 is a promising approach that will promote the economic growth needs of our Southwestern Pennsylvania region.
>
> Accordingly, I urge you to pass Senate 4.

This letter is from the former Republican Deputy Secretary of Commerce.

Further, I believe that there is extensive support for this bill outside of the Beltway. We need to listen to constituents in the business community.

Friday morning, I also received a letter from the National Coalition for Advanced Manufacturing [NACFAM]. NACFAM is the leading industrial group working to modernize the manufacturing base in this country. It is a nonpartisan, industry-led coalition. Its members include 65 corporations—including Johnson & Johnson, Merck & Co, Allen Bradley; 175 manufacturing technology centers—including Center for Materials Production at Carnegie Mellon in Pittsburgh, Center for Technology Transfer at University of Maine, and in my home State, the West Virginia University-Industrial Extension—and 27 national trade and technical associations—representing over 80,000 companies and thousands of technical education institutions. NACFAM was the leading organization working with Senator BINGAMAN to develop the Technology Reinvestment Program. As you all know this program is part of the bipartisan effort to convert our defense industrial base into commercial production. The executive director, Leo Reddy, writes:

> DEAR SENATOR ROCKEFELLER: On behalf of the National Coalition for Advanced Manufacturing (NACFAM), I want to reaffirm our strong support for the Senate version of the National Competitiveness Act, S. 4.
>
> We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S. 4 would also help to expand the pool of high skill, high wage jobs for the American workforce.
>
> NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.
>
> These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.
>
> NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).
>
> Thanking you in advance for your kind consideration of S. 4.

Several Senators seem to believe that this is some new Government program in industrial policy. In fact the Federal Government has been involved with industry to improve competitiveness for many years. Prior to the collapse of the Berlin Wall, competitiveness was defined using the military paradigm. Today the word implies manufacturing for consumer goods. This bill is part of a overall strategy to move from defense-based manufacturing to consumer-oriented products.

This is not a new program. As an example, I point to a successful Defense Department program which serves as model for this program. The ManTech (Manufacturing Technology) and its predecessor, the Manufacturing Testing and Technology programs, were initiated 20 years ago to help U.S. industry develop and implement new manufacturing processes. Some examples:

A company in Woburn, MA has developed a process to produce silicon carbide—a material which is important for defense applications in the SDI program but now has commercial applications.

A company in Rochester, NY developed a new type of glass which reduces the number of lenses in sophisticated optical systems which are used in military periscopes and riflescopes. This material is now being applied to low-cost endoscopes which are used in minimally invasive surgery. These medical procedures reduce the cost of gall bladder removals and reduce the trauma to the patient. Goals which we all support.

A consortium led by Boeing (Washington) and Sikorsky (Missouri) has developed a state of the art manufacturing system for airframes. The objective is to significantly reduce processing time. Potential cost savings on one DOD project, the Comanche helicopter, is $63.6 million. This represents exactly the same type of project that this bill supports.

Clearly the Department of Defense has been able to manage these programs. I am equally convinced that the Department of Commerce and Small Business Administration will be able to manage the programs embodied in this bill.

It is interesting that the DOD program has no requirement that the industry provide any of the finding. In S. 4, we require that industry put up at least 50 percent of the funding.

Madam President, I am absolutely convinced that if everyone in this body took a deep breath, and then would take a fresh look at this legislation, it would win over the vast majority of this body's support. It would be criminal to abandon the work that is already well underway with American industry to get on top of the technologies that define what kind of country we will be for the next decade. The losers would not be the authors of this bill, although it would hurt, let me tell you. The losers would be the thousands of businesses that stand to gain from the help and investment that this bill calls for. The even greater losers would be American workers and their families whose livelihoods depend on the public-private partnerships envisioned in this legislation.

I ask my colleagues to take a fresh look at S. 4. Help us break this impasse. Help us determine what we can do to find a consensus on this legislation. It would be needlessly destructive to abandon this basic, common sense part—and it is only one piece—of what we know we have to do to be competitive and promote jobs for all Americans.

This bill deserves support inside of these walls that is as broad, as deep, and as intense as it has outside in the private sector and among people who are trying to get our attention. The reason is that this bill charts very basic steps that we need to continue taking to make it in a global economy—and I promise you, we will rue the day we get complacent about the challenges we clearly face to stay ahead in technology, manufacturing, and jobs.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Madam President, while awaiting our colleague on the other side of the aisle, we have been talking about the various antecedents to this bill—other Government-industry partnerships in recent history. On that score, I would cite President

Bush's National Science Board, which reported some 2 years ago. I ask unanimous consent that the entire report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD as follows:

THE COMPETITIVE STRENGTH OF U.S. INDUSTRIAL SCIENCE AND TECHNOLOGY: STRATEGIC ISSUES

[From the National Science Board, Committee on Industrial Support for R&D, August 1992]

The U.S. industrial R&D system is in trouble not only because the recent growth of R&D expenditures is lagging that of foreign competitors, but also because—in the view of many knowledgeable observers—the distribution and allocation of those expenditures is not optimal.

Both Federal and corporate policies need to be improved if the Nation is to meet international competitive challenges.

There are significant gaps in U.S. industrial R&D strength (e.g., in engineering research); further, a new threat is emerging to the country's traditional sources of strength—pioneering discoveries and inventions.

In short, the United States is spending too little, not allocating it well, and not utilizing it effectively.

FINDINGS

The Committee's principal findings follow.

1. The real rate of growth in U.S. industrial R&D spending has declined since the late 1970s and early 1980s. In addition, the Nation's position has deteriorated relative to that of its major international competitors whose investment in nondefense R&D has been growing at a faster pace than U.S. nondefense R&D since the mid-1980s.

Domestic industrial R&D expenditures slowed from an average annual growth rate of 7.5 percent (constant dollars) during 1980–85 to only 0.4 percent during 1985–91. The federally supported portion of these expenditures dropped from a growth rate of 8.1 percent to −1.7 percent over these two periods; industry's own support dropped from 7.3 percent to 1.3 percent. Almost all major R&D-performing industries contributed to this reduced growth rate.

Since 1985, U.S. growth in both total and nondefense R&D expenditures has been less than that of many of its major industrial competitors.

The United States now trails Japan and (West) Germany, its strongest competitors, in nondefense R&D spending as a percentage of gross domestic product (GDP).

2. The allocation of U.S. R&D expenditures is not optimal.

The balance between defense and nondefense expenditures is disadvantageous compared to that of foreign competitors.

International data for defense and nondefense components of total R&D expenditures (not industrial alone) as a percentage of GDP can be compared. Using six countries—Japan, (West) Germany, France, the United Kingdom, Italy, and Sweden—as a benchmark, the United States in 1989 spent almost as much as they did on total R&D, but 25 percent less on nondefense R&D.

This imbalance has been deteriorating: the fraction of U.S. R&D expenditures on nondefense decreased slightly (from 74 to 71 percent) during the 1980s, while that of the competitor group increased (from 90 to 92 percent). Thus, during the 1980s, these six competitors moved from being 22 percent ahead of the United States in nondefense R&D expenditures to being 34 percent ahead. This increase has been driven largely by Japan's huge growth in nondefense R&D spending; today, Japan spends about 3 percent of its GDP on nondefense R&D, compared to 1.9 percent for the United States.

Too little is spent on process-oriented R&D.

Several studies have found that U.S. industrial R&D is weighted much more heavily toward product technology rather than process technology. U.S. firms also allocate a disproportionately small share of their R&D budgets to the search for new and/or improved processes compared to their Japanese counterparts.

Inadequate effort is devoted to fundamental engineering research.

The rapid conversion of ideas into products and processes requires command of an ever-expanding engineering knowledge base. Yet there is an insufficiently broad and deep fundamental engineering research base on which to build.

There is insufficient emphasis on emerging and precompetitive technologies.

In the Industrial Research Institute survey, industry's "relutance to invest in new enabling technologies because the R&D may be too expensive, long-term, multi-industry, and interdisciplinary" received the largest number of first place rankings as a factor adversely affecting U.S. industry's ability to compete in global markets for high-technology products under the major category of technology management practices.

The United States faces an emerging risk of losing its traditional strength in pioneering discoveries and inventions.

Most pioneering advances of the past that have created the basis for new industries have originated in either the corporate laboratories of private firms or in research universities. Both of these institutions are under severe stress today.

U.S. expenditures are not as effective as they should be in producing needed results.

The U.S. competitive position in important, technologically based industries is deteriorating.

The once strong across-the-board U.S. position of a decade ago has deteriorated substantially. U.S. industry has already lost its leadership in several technologies that are critical to industrial performance, and is weak or losing competitive strength in others.

The U.S. time horizon has become too short, and the Nation's business decisions tend not to be based on strategic technological considerations.

In large corporations, effort is shifting away from central laboratories toward division-level effort with greater emphasis on risk minimization to meet the needs of today's customers; emphasis is also shifting away from new markets toward existing markets.

U.S. R&D is not translated into beneficial economic and social results quickly enough.

Many companies trail their foreign rivals in the commercialization of new technology. In many U.S. industries, development of new products proceeds at a much slower pace than in other countries.

4. The current information based on industrial science and technology is inadequate it has gaps, is questionable in parts, and does not provide enough detail to meet the needs of policymakers.

RECOMMENDATIONS

The Committee's findings lead to significant apprehension about the present trajectory of U.S. industrial R&D and to the conclusion that stronger Federal leadership is needed in setting the course for U.S. technological competitiveness. Implementation of a national technology policy, including establishment of a rationale and guidelines for Federal action should receive the highest priority. The start of such a policy was set forth 2 years ago by the President's Office of Science and Technology Policy, but more forceful action is needed by the President and Congress before there is further erosion in the U.S. technological position.

The Committee's recommendations focus on areas where NSF or other agencies of the Federal Government may be able to contribute to strengthening U.S. industrial competitiveness. The recommendations include policy and programmatic directions. They fall short of what is ultimately needed, however. The current course of U.S. industrial R&D demands creative policies, programs, and initiatives beyond those devised and examined by the Committee. Committee recommendations are listed below:

1. Stimulate the resumption of more rapid growth of industrial R&D to match that of foreign competitors.

Adopt Federal fiscal and monetary policies that encourage strategic investment in both tangible and intangible assets for R&D.

Encourage changes in Federal regulations and in the regulatory process to promote and facilitate technological innovation.

Establish a permanent R&D tax credit.

Put a permanent moratorium on Treasury Regulation 1.861–8 which can create a tax benefit for U.S. corporations with foreign sales that move some of their R&D to a foreign country.

2. Encourage a reallocation of R&D expenditures toward—

NONDEFENSE R&D

Establish new programs to stimulate the redirection of resources from defense to nondefense R&D.

Increase support for NSF strategic science and engineering research, particularly for activities that attract industrial cosupport. These activities include engineering research centers, science and technology centers, cooperative multi-user facilities, consortia, and individual investigator projects with coparticipation by industry.

Expand programs that directly support technology transfer activities in Federal laboratories.

PROCESS R&D

Expand and strengthen the Manufacturing Technology Centers Program and the State Technology Extension Program of the National Institute of Standards and Technology (NIST).

Encourage substantial NSF involvement in the emerging Federal Coordination Council for Science, Education, and Technology (FCCSET) Presidential initiative in manufacturing.

ENGINEERING RESEARCH

Encourage and assist in the expansion of Federal support of fundamental engineering research.

Expand and strengthen NSF's Engineering Research Center Program.

EMERGING AND PRECOMPETITIVE TECHNOLOGIES

Activate a U.S. technology policy that favors Federal R&D investment in generic precompetitive and emerging technologies important to industry.

Encourage and assist in the expansion of Federal support of fundamental scientific and engineering research that contributes to

> emerging and precompetitive technologies, including the FCCSET initiatives in biotechnology, advanced materials and processing, and high-performance computing and communications.
>
> Expand the effectiveness, scope, and outreach of NSF's Science and Technology Centers, Industry/University Cooperative Research Centers, and other industry-related programs, and couple these programs even more closely with future industry needs.
>
> Further expand NIST's Advanced Technology Program.
>
> PIONEERING DISCOVERIES AND INVENTIONS
>
> Create more programmatic opportunities that encourage interaction of scientists and engineers in academic and industry to explore joint research interests with the potential for pioneering discoveries and inventions.
>
> Support traditional and nontraditional education programs that motivate creativity, innovation, and entrepreneurship.
>
> 3. Improve the speed and effectiveness of moving R&D results from lab to market.
>
> Explore the feasibility of NSF supporting joint science, engineering, and management education programs that focus on the integration of technology and management for leadership of both high-tech and traditional industries.
>
> Encourage NSF activities that lead to faster dissemination of knowledge and research results among researchers in academia, industry, and other sectors.

Mr. HOLLINGS. Madam President, quoting from that record:

> The committee's findings lead to significant apprehension about the present trajectory of U.S. industrial R&D and the conclusion that stronger Federal leadership is needed in setting the course for U.S. technological competitiveness. Implementation of a national technology policy, including establishment of a rationale and guidelines for Federal action, should receive the highest priority. The start of such a policy was set forth 2 years ago by the President's Office of Science and Technology Policy, but more forceful action is needed by the President and Congress before there is further erosion in the U.S. technological position.

We put in the President's Office of Science and Technology Policy 2 years before that, in 1990 and again in 1992. But the report still calls for more forceful action. I quote further from the report:

> The balance between defense and nondefense expenditures is disadvantageous compared to that of foreign competitors. International data for defense and nondefense components of total R&D expenditures, not industrial alone, as a percentage of GDP can be compared using six countries, Japan, Germany, France, the United Kingdom, Italy, and Sweden as a bench mark. The United States in 1989 spent almost as much as they did on total R&D but 25 percent less on nondefense R&D.

Then in another section the particular report, states:

> There is insufficient emphasis on emerging and precompetitive technologies. The Industrial Research Institute surveyed industry reluctance to invest in new enabling technologies, because the R&D may be too expensive long term, multi-industry and interdisciplinary, received the largest number of first-place rankings as a factor adversely affecting U.S. industry's ability to compete in the global market for high-technology products under the major category of technology management practices.
>
> The United States faces an emerging risk of losing its traditional strength in pioneering discoveries and inventions. Most pioneering advantages of the past that created a basis for new industries have originated either in the corporate laboratories of private firms or in research universities. Both of these institutions are under severe stress today.

That is exactly what S. 4 is intended to address, and that is the reason why, some 6 years ago, we upgraded the old Bureau of Standards into the high-technology National Institute of Standards and Technology, at the same time launching the Advanced Technology Program.

So, I was aghast here last Monday, a week ago, when we started debate on the bill and I outlined its provisions.

Someone said, "You ought to talk more on the bill." I said, "I have been trying." Of course, Monday, most of our colleagues were not here. But we went over the different components of the bill.

We heard from the Senator from Wyoming, who said, "It is not industrial policy, it is political policy." That is Senator WALLOP, and you will see that in the RECORD.

You begin with resentment in some quarters that these programs are under the Department of Commerce. Then, going all the way back to a news article of April of last year in the San Francisco Chronicle to the effect that the National Chairman of the Democratic Party said, "Look, California is the be-all end-all of Presidential politics and we are going to have Secretary Brown channel conversion and retraining funds to that state."

S. 4 does not have any retraining funds in it. It is totally industry initiated and totally peer reviewed and based on merit selection.

But when you talk about industrial policy, there is no question that for 132 years Government has been heavily involved in agriculture. It began with the Land Grant College Act in 1862. So for 132 years, we have had an industrial policy for agribusiness.

For 79 years, Government has been in aerospace and aeronautics, with all of the spinoffs into the private commercial aircraft industry, which we all, both sides of the aisle, support. I certainly support it very strongly.

I will never forget in 1955, President Eisenhower, when we put import quotas on oil. That was industrial policy for the energy industry. Then, later in the 1970's with OPEC, we came in with the moneys for gasohol, for fusion research, oil shale, solar energy and so on. So for 40 years, we have had industrial policy in energy.

For 15 years, we have had industrial policy, it might be said, for automobiles with the Chrysler bailout.

For the past 6 years, industrial policy for all of technology, with the resolution of the National Bureau of Standards into the National Institute of Standards and Technology and the Advanced Technology Program.

So, you cannot come now and say, "Wait a minute. This is a new departure, a new philosophy, an industrial policy that we have not discussed."

This is industrial policy consonant with all the other policies in aircraft and energy and agriculture and automobiles and much more.

And now to say of S. 4, "Wait a minute; we have not discussed it"; this is simply not so. We passed it out of the committee, we passed it over on the House side, we passed it out of the committee unanimously again and again. Not partisanly done, but bolstered by President Bush's Competitiveness Policy Council in 1991, with the eminent Erich Bloch.

Mr. Bloch was the director of the National Science Foundation, at the appointment of President Reagan, and at the appointment of President Bush headed up this Competitiveness Policy Council. Therein they did talk of amounts and said we were so far behind that we ought to have a program of anywhere from $4 to $8 billion, specifically referring to the Advanced Technology Program that has already been in the Department of Commerce, the report said funding should be $750 million. We only have $457 million for next year in this and for the following year, $575 million.

So we have not even gotten up to the levels that President Bush and his eminent council recommended.

There was no idea of politicizing these programs or this bill, but obviously you can see from the vote that it has been politicized. This is a filibuster on a bill that our colleagues on the other side previously supported, a bill that they strongly recommended.

We had, 2 years ago, the distinguished Senate Republican task force on defense conversion. We had a Democratic task force. Both of them agreed.

But let us go to the words of the 12 distinguished Senators of the Republican task force, including my distinguished ranking member. I quote:

> The task force endorses two programs. The National Institute of Standards and Technology is important to the effort to promote technology transfer to allow defense industries to convert to civilian activities. These programs are the Manufacturing Technology Program and the Advanced Technology Program.

When a problem arose here last year with respect to Airbus, the distinguished Senator responded with the introduction on February 24 last year of S. 419. I will read from that particular measure, from page 3, section 7:

> Given current and expected reductions in defense spending and increased competitive pressures in the commercial aircraft market, it is critical for the Federal Government to coordinate its aeronautics and related programs and redirect these resources to assist

the U.S. commercial aircraft industry to meet the competitive challenge from Airbus industry.

Then it says in section 8:

The Federal Government has played an active role in research and development of aeronautical technology since the National Advisory Committee on Aeronautics [NACA] was created in 1915.

That is exactly the purpose and exactly the reference that we would give when they incorrectly say that industrial policy represents some new departure or new philosophy. So, my colleagues, do not let us get bogged down on this industrial policy rhubarb. Here it is; we have been in industrial policy since 1915, according to the Senator from Missouri.

Then going further, I read again on the next page—I ask unanimous consent that the entire bill, S. 419 of the 103d Congress, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 419

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Aeronautical Technology Consortium Act of 1993".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) a strong commercial aircraft industry is critical to the health of the United States economy: aircraft production in the United States affects nearly 80 percent of the economy, and for every additional dollar of shipments of aircraft, output of the economy increases by an estimated $2.30;

(2) a strong commercial aircraft industry is critical to the national security of the United States because of the synergies between commercial and military aeronautical technologies and the need for a strong advanced technology industrial base;

(3) the National Critical Technologies Panel has identified aeronautics as one of twenty-two categories of technologies critical to the national economic prosperity and to national security;

(4) while the United States has traditionally dominated the world commercial aircraft market, the United States aircraft industry is facing two critical challenges: significant cutbacks in defense procurement and related military spending, and the growing competitive strength of the European aircraft consortium, Airbus Industrie;

(5) Airbus Industrie, a consortium of four European aircraft manufacturing companies that have received almost $26,000,000,000 in government subsidies over two decades, has developed a family of competitive aircraft models and has captured one-fourth of the world market for large civil aircraft;

(6) in 1992, the United States signed an agreement with the European Community that permits the European governments to continue to subsidize up to 33 per centum of the development costs of new large civil aircraft;

(7) given current and expected reductions in defense spending and increased competitive pressures in the commercial aircraft market, it is critical for the Federal Government to coordinate its aeronautics and related programs and redirect these resources to assist the United States commercial aircraft industry to meet the competitive challenge from Airbus Industrie;

(8) the Federal Government has played an active role in research and development of aeronautical technologies since the National Advisory Committee on Aeronautics (NACA) was created in 1915;

(9) in recent years, however, Federal Government support for aerospace research and development has focused overwhelmingly on military and space technologies;

(10) Federal programs relating to aeronautics research and development today are spread among a number of different agencies and departments, including the Departments of Defense, Transportation, and Commerce, as well as the National Aeronautics and Space Administration and the National Science Foundation;

(11) Federal financial assistance to the semiconductor industry consortium known as Sematech has been successful in improving the competitiveness of the United States semiconductor industry;

(12) the Federal Government should use Sematech as a model in developing a program to provide financial assistance to an industry-led consortium of United States commercial aircraft manufacturing companies; and

(13) such a government-industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies, as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft.

(b) PURPOSE.—The purpose of this Act is to strengthen and assist the United States commercial aircraft industry by—

(1) providing for an interagency aeronautical technology program to coordinate and expand Federal research and development programs relating to aeronautical technologies and related manufacturing technologies; and

(2) assisting the United States commercial aircraft industry in developing an Aeronautical Technology Consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(1) The term "Director" means the Director of the Office of Science and Technology Policy.

(2) The term "eligible firm" means a company or other business entity that, as determined by the Secretary of Commerce—

(A) conducts a significant level of its research, development, engineering, and manufacturing activities in the United States; and

(B) either—

(i) is a United States-owned company; or

(ii) is a company incorporated in the United States and has a parent company which is incorporated in a country the government of which—

(I) affords United States-owned companies opportunities, comparable to those afforded any other company, to participate in research and development consortia to which the government of that country provides funding directly or provides funding indirectly through international organizations or agreements; and

(II) affords adequate and effective protection for the intellectual property rights of United States-owned companies.

Such term includes a consortium of such companies or other business entities, as determined by the Secretary of Commerce.

(3) The term "Federal laboratory" has the meaning given such term in section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)).

(4) The term "joint venture" has the meaning given such term in section 28(j)(1) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(j)(1)).

(5) The term "large civil aircraft" means all aircraft that are designed for passenger or cargo transportation and have one hundred or more passenger seats or its equivalent in cargo configuration.

(6) The term "manufacturing technology" means techniques and processes designed to improve manufacturing quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, energy efficiency, waste minimization, design for recyclability or parts reuse, shop floor management, inventory management, worker training, and communications with customers and suppliers, as well as manufacturing equipment and software.

(7) The term "United States-owned company" means a company or other business entity the majority ownership or control of which is by United States citizens.

SEC. 4. AERONAUTICAL TECHNOLOGY PROGRAM.

(a) ESTABLISHMENT.—The President shall establish an Aeronautical Technology Program (hereafter in this Act referred to as the "Program"), which shall—

(1) provide for interagency coordination of Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(2) provide a mechanism for private industry comment and guidance regarding the cost-effectiveness and commercial practicability of existing and proposed Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(3) promote, to the maximum extent practicable, the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes;

(4) coordinate and expand existing Federal research and development programs relating to—

(A) subsonic aeronautics, and

(B) supersonic aeronautics,

with particular focus on government-industry cooperative programs to develop large civil aircraft beyond the financial means of any single company;

(5) assist the United States commercial aircraft industry in developing an Aeronautical Technology Consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft; and

(6) establish other goals and priorities for Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(b) NATIONAL AERONAUTICS STRATEGY.—

(1) IN GENERAL.—The President, acting through the Coordinating Committee established in subsection (c), shall develop a National Aeronautics Strategy (hereafter in this Act referred to as the "Strategy") to

implement the Program. The Strategy shall contain specific recommendations for a five-year national effort, to be submitted to the Congress within six months after the date of enactment of this Act.

(2) CONTENTS OF STRATEGY.—The Strategy shall—

(A) establish the specific goals and priorities for the Program for the fiscal year in which the Strategy is submitted and the succeeding four fiscal years;

(B) set forth the role of each Federal agency and department in implementing the Program;

(C) describe the levels of Federal funding for each agency and specific research, development, and commercialization activities required to achieve such goals and priorities;

(D) take into account the recommendations of the Advisory Committee established in section 6; and

(E) consider and use, as appropriate, reports and studies conducted by Federal agencies and departments, the National Research Council, or other entities.

(3) FEDERAL AGENCIES AND DEPARTMENTS TO BE ADDRESSED.—The Strategy shall address, where appropriate, the relevant programs and activities of—

(A) the Department of Defense, particularly the Department of the Air Force, the Department of the Navy, and the Defense Advanced Research Projects Agency;

(B) the Department of Commerce, particularly the National Institute of Standards and Technology;

(C) the Department of Transportation, particularly the Federal Aviation Administration;

(D) the National Aeronautics and Space Administration;

(E) the National Science Foundation;

(F) the Federal laboratories; and

(G) such other agencies and departments as the President or the Coordinating Committee considers appropriate.

(c) COORDINATING COMMITTEE.—

(1) AUTHORITY; COMPOSITION.—The Program shall be administered by an Aeronautical Technology Coordinating Committee (hereafter in this Act referred to as the "Coordinating Committee") composed of the following officials:

(A) The Director, who shall be chairperson.

(B) The Secretary of Defense.

(C) The Secretary of Commerce.

(D) The Secretary of Transportation.

(E) The Administrator of the National Aeronautics and Space Administration.

(F) The Director of the National Science Foundation.

(2) FUNCTIONS.—The Coordinating Committee shall—

(A) serve as the lead entity responsible for implementation of the Program;

(B) coordinate all Federal research and development programs relating to aeronautical technologies and related manufacturing technologies;

(C) consult regularly with and seek recommendations from the Advisory Committee established by section 6;

(D) consult with academic, State, industry, and other appropriate groups conducting research on and using aeronautical technologies; and

(E) submit to the Congress an annual report, along with the President's annual budget request, describing the implementation of the Program.

SEC. 5. AERONAUTICAL TECHNOLOGY CONSORTIUM.

(a) IN GENERAL.—Under the Program, the Coordinating Committee shall provide assistance to an Aeronautical Technology Consortium (hereafter in this Act referred to as the "Consortium"), which shall consist of all eligible firms that—

(1) are engaged in research, development, testing, demonstration, or production of aeronautical technology applicable to the production of large civil aircraft;

(2) are selected by the Coordinating Committee, through the Director, on the basis of the criteria specified under subsection (d); and

(3) are necessary to enable the Consortium to achieve its purpose as described under subsection (b).

(b) PURPOSE.—The purpose of the Consortium is to conduct industry-led joint ventures relating to—

(1) manufacturing technologies applicable to the production of large civil aircraft;

(2) the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft;

(3) subsonic aeronautical technologies applicable to the development and production of large civil aircraft; and

(4) supersonic aeronautical technologies applicable to the development and production of large civil aircraft.

(c) ASSISTANCE TO BE PROVIDED.—In providing assistance to the Consortium, the Coordinating Committee, acting through the Director, shall—

(1) provide financial and other assistance to the United States commercial aircraft industry in the formation of the Consortium;

(2) support the Consortium, and such subordinate joint ventures as the Consortium may establish, by making available equipment, facilities, and personnel;

(3) aid the Consortium, and such subordinate joint ventures as the Consortium may establish, by means of grants, cooperative agreements, contracts, and provision of organizational and technical advice;

(4) enter into contracts and cooperative agreements in support of the Consortium with independent research organizations, institutions of higher education, and agencies of State and local governments;

(5) involve the Federal laboratories in the Consortium, where appropriate, using among other authorities the cooperative research and development agreements provided for under section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a); and

(6) carry out, in a manner consistent with this section, such other cooperative research activities with the Consortium and joint ventures as may be authorized by law or assigned to the Coordinating Committee by the President.

(d) SELECTION OF CONSORTIUM PARTICIPANTS.—The criteria for selection of industry participants in the Consortium, as referred to in subsection (a)(2), are as follows:

(1) The extent of present participation of the eligible firm in Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(2) The extent of present commercial activity of the eligible firm relating to the development and production of large civil aircraft, engines, advanced materials, avionics, and other related components.

(3) The extent of present commercial activity of the eligible firm relating to aeronautical technologies developed for national security purposes that may have commercial applications for large civil aircraft.

(4) The technical excellence of the eligible firm.

(5) The extent of financial commitment of the eligible firm to the Consortium.

(6) Such other criteria that the Director prescribes.

(e) CHARTER; OPERATING PLAN.—The Consortium shall have—

(1) a charter, agreed to by all industry participants in the Consortium, that meets requirements established by the Coordinating Committee; and

(2) an annual operating plan that is developed in consultation with the Coordinating Committee and the Advisory Committee established in section 6.

(f) FINANCIAL COMMITMENT OF INDUSTRY PARTICIPANTS.—

(1) IN GENERAL.—The Director shall ensure that, to the maximum extent the Director determines to be practicable, the total amount of the funds provided by the Federal Government to the Consortium does not exceed the total amount provided by the industry participants in the Consortium.

(2) AUTHORITY TO EXCEED 50 PER CENTUM FEDERAL FUNDING.—Nothing in this subsection shall be construed to prohibit the Federal Government from providing greater than 50 per centum of the funds for any individual joint venture, project, or program where the Director determines such funding to be consistent with the goals of the Program.

(3) CONSIDERATION OF IN-KIND CONTRIBUTIONS.—The Director shall prescribe regulations to provide for consideration of in-kind contributions by industry participants in the Consortium and joint ventures for the purpose of determining the share of the funds that have been or are being provided by such participants.

(g) MERIT REVIEW.—No contract or other award for a research project may be made under this section until the research project in question has been subject to a merit review, and, in the opinion of the reviewers appointed by the Director, has been shown to have scientific and technical merit.

(h) OVERSIGHT OF CONSORTIUM ACTIVITIES.—The Coordinating Committee, acting through the Director, shall take such actions as are necessary and appropriate to ensure that the Consortium's activities help to achieve the purposes of this act, including—

(1) prescribing regulations for the purpose of this section;

(2) establishing procedures for the use by the Coordinating Committee of funds authorized to a particular Federal agency or department that is participating in the Consortium;

(3) establishing procedures regarding financial reporting and auditing to ensure that contracts and other awards are used for the purposes specified in this section and are in accordance with sound accounting practices;

(4) monitoring how technologies developed through the Consortium are used, and reporting to the Congress on the extent of any overseas transfer of those technologies;

(5) assuring that the recommendations of the Advisory Committee established in section 6 are considered routinely in carrying out the responsibilities of the Coordinating Committee under this Act; and

(6) providing for the expeditious and timely transfer of technology developed and owned by the Consortium to the participants in the Consortium.

(i) EXPORT OF AERONAUTICAL TECHNOLOGY.—Any export of materials, equipment, and technology developed by the Consortium in whole or in part with financial assistance provided under this section shall be subject to the Export Administration Act of

1979 (50 U.S.C. App. 2401 et seq.) and shall not be subject to the Arms Export Control Act.

(j) Freedom of Information Act.—Section 552 of title 5, United States Code, shall not apply to the following information obtained by the Federal Government on a confidential basis in connection with the activities of any industry participant in the Consortium:

(1) information on the business operation of any industry participant in the Consortium; and

(2) intellectual property, trade secrets, and technical data possessed by any industry participant in the Consortium.

(k) Intellectual Property.—

(1) Disclosure limitations.—Notwithstanding any other provision of law, intellectual property, trade secrets, and technical data owned and developed by the Consortium or any industry participant in the Consortium may not be disclosed by any officer or employee of the Federal Government except in accordance with a written agreement between the owner or developer and the Director.

(2) Title to and licensing of inventions and patents.—Title to any invention or patent arising from assistance provided under this section shall vest in a company or companies incorporated in the United States. The Federal Government may reserve a nonexclusive, nontransferable, irrevocable paid-up license, to have practiced for or on behalf of the Federal Government, in connection with any such invention or patent, but shall not, in the exercise of such license, publicly disclose proprietary information related to the license. Title to any such invention or patent shall not be transferred or passed, except to a company incorporated in the United States, until the expiration of the first patent obtained in connection with such invention. For purposes of this paragraph, the term "invention or patent" means an invention patentable under title 35, United States Code, or any patent on such an invention.

(3) Licensing to companies.—Nothing in this subsection shall be construed to prohibit the licensing, to any company, of intellectual property rights arising from assistance provided under this section.

SEC. 6. AERONAUTICAL TECHNOLOGY ADVISORY COMMITTEE.

(a) Establishment.—There is established an Aeronautical Technology Advisory Committee (hereafter in this Act referred to as the "Advisory Committee").

(b) Functions.—The Advisory Committee shall advise the Coordinating Committee and the Consortium on—

(1) the Strategy and other appropriate goals and priorities for the Program, and how best to achieve those goals;

(2) the operating plan of the Consortium;

(3) the annual progress of the Program and the Consortium in meeting the requirements of section 4(a) and, in the first five years, the Strategy;

(4) organizational and programmatic reforms which would improve the effectiveness of Federal research and development programs relating to aeronautical technologies and related manufacturing technologies in promoting the competitiveness of the United States commercial aircraft industry;

(5) mechanisms for private industry comment and guidance regarding the cost-effectiveness and commercial practicability of existing and proposed Federal research and development programs relating to aeronautical technologies and related manufacturing technologies; and

(6) policies and mechanisms to promote the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes; and

(7) other goals and priorities for Federal research and development programs relating to aeronautical technologies and related manufacturing technologies.

(c) Membership.—The Advisory Committee shall be composed of twelve members, who shall be appointed by the President from among individuals who, because of their experience and accomplishments in the field of aeronautics and related technological and scientific fields, are exceptionally qualified to analyze and recommend policy relating to aeronautical technology research and development. Membership of the Advisory Committee shall be composed of representatives of—

(1) large civil aircraft manufacturing companies;

(2) aircraft engine manufacturing companies;

(3) advanced materials companies;

(4) avionics and other systems companies;

(5) other subcontractor firms engaged in aeronautical technology research, development, and production; and

(6) Federal laboratories, universities, and independent research institutes.

(d) Terms of Membership.—Each member of the Advisory Committee shall be appointed for a term of three years, except that of the members first appointed, four shall be appointed for a term of one year, four shall be appointed for a term of two years, and four shall be appointed for a term of three years, as designated by the President at the time of the appointment. A member of the Advisory Committee may serve after the expiration of the member's term until a successor has taken office.

(e) Chairperson.—The President shall appoint one member of the Advisory Committee to serve as chairperson.

(f) Quorum.—Seven members of the Advisory Committee shall constitute a quorum.

(g) Meetings.—The Advisory Committee shall meet at least quarterly at the call of the chairperson or one-third of its members, and at the call of the Coordinating Committee.

(h) Compensation and Expenses.—

(1) No compensation for members.—Each member of the Advisory Committee shall serve without compensation.

(2) Travel expenses authorized.—While away from their homes or regular places of business in performance of the duties of the Advisory Committee, members of the Advisory Committee shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

(i) Federal Advisory Committee Act.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Advisory Committee.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Office of Science and Technology Policy, to carry out the provisions of this Act, such sums as may be necessary for the fiscal years 1994 and 1995.

Mr. HOLLINGS. Madam President, I read on page 4, section 11:

> Federal financial assistance to the semiconductor industry consortium, known as Sematech, has been successful in improving the competitiveness of the U.S. semiconductor industry.

Not just agriculture, not just energy, not just automobiles, not just aerospace, but what about semiconductors?—$10 billion, they are talking about. We have not even gotten to a billion. They want to talk about amounts in this particular bill, and we have not gotten to a billion for the manufacturing extension centers and Advanced Technology Program; less than a billion right now.

Likewise, don't accuse us of burning holes in our pockets with money. I note in S. 419 that it calls for spending of "such sums as is necessary." That is mighty elastic. Boy, would that not be a wonderful thing, to simply authorize "such sums as necessary" in this particular bill?

Then I read down section 13:

> Such a Government industry consortium should focus its efforts on research, development, and commercialization of new aeronautical technologies and related manufacturing technologies, as well as the transfer and conversion of aeronautical technologies developed for national security purposes to commercial applications for large civil aircraft.

At one time in the debate last week, they said they asked the President of Boeing if he had ever gotten anything out of the defense research in aircraft. Here the distinguished Senator cites it in his bill. He did not have to ask that question of the head of Boeing at a hearing. Rather, he cites it with approval here:

> The conversion of aeronautical technologies developed for national security or defense purposes to commercial applications for large civil aircraft.

Then, again, moving along quickly now:

> The purpose of this act is to strengthen and assist the U.S. commercial aircraft industry by providing for an Interagency Aeronautical Technology Program to coordinate and expand Federal research and development programs relating to aeronautical technologies and related manufacturing * * *.

You are getting into the business part of it; not just research, but manufacturing technologies—

> (2) assisting the U.S. commercial aircraft industry in developing an aeronautical technology consortium for the purpose of providing Federal assistance to industry-led joint ventures established for research, development, and commercialization of aeronautical technologies and related manufacturing technologies applicable to large civil aircraft.

Then, under section 3 of definitions, the term "Director" means the Director of the Office of Science and Technology Policy. Madam President, listen closely here on point 2:

> The term "eligible firm" means a company or business entity as determined by the Secretary of Commerce.

That is where they started off in saying something new was started in S. 4 because now, do you really want the Secretary of Commerce determining eligibility? Yet look at the bill, S. 419, authored by the distinguished Senator last year; it says "as determined by the Secretary of Commerce," that is section 3, subsection 2, on page 5.

It is wrong to claim the National Institute of Standards and Technology is a new departure, that it is industrial policy, that it is a matter we had not discussed. It has not only been passed twice, it is not only referred to in the Republican task force on defense conversion, but the distinguished Senator says, in this particular act, on page 7, and I read section 4:

> The term "joint venture" has a meaning given such term in section 28(j)(1) of the National Institute of Standards and Technology Act, 15 United States Code 278-A and J-1.

So it is cited with approval here, with the 1988 act and the 1992 act; again, in this particular one, the authorization of the National Institute of Standards and Technology Act. On the next page, under section 4:

> The President shall establish an aeronautical technology program which shall, under subsection 3, promote to the maximum extent practical the transfer and conversion to commercial applications of aeronautical technologies developed for national security purposes.

Madam President, I do not know how you can spell it out more explicitly and then come now and say, "Wait a minute; this is a new departure."

For example, again, on page 10:

"The strategy shall address, where appropriate, the relative programs of the Department of Commerce," it says under subsection B.

> The programs and activities of the Department of Commerce, particularly the National Institute of Standards and Technology of the program, to be administered by the aeronautical technology coordinating committee.

It goes on to further say:

> The act shall be composed of, A, the Director; B, the Secretary of Defense; C, the Secretary of Commerce—

Again, it is in here.

Now they are asking the question, and I cannot give you a better answer than my distinguished colleague has given in his own preparation here, if you are trying to get defense conversion, you are trying to convert it from defense to civilian, how do you turn it into a civilian entity? Do you put it in the Department of the Interior? Do you put it in the Indian Affairs Committee? Do you put it in the Budget Bureau or wherever else you want to put it? It would have to go to the Department of Commerce. Everyone acknowledges that.

I do not want to read further. The entire act is there. But it goes to, finally, on page 21, the Technology Advisory Committee:

> * * * organizational and programmatic reforms which would improve the effectiveness of Federal research and development programs relating to aeronautical technologies relating to manufacturing technologies in promoting the competitiveness of the U.S. commercial aircraft industry.

That is not defense; that is the commercial aircraft industry. And finally, they are authorized to be appropriated "such sums as is necessary."

Reading in the earlier part of the bill—we patented this after Sematech, reading the final paragraph—"such sum as is necessary," it is logical to conclude Sematech took $10 billion and, heavens above, the aircraft industry is just as important, perhaps larger or otherwise, than the semiconductor industry. And so I do not know how much. All I do know is President Bush's Science Board came out and said look, you ought to have a program of $4 to $8 billion—and we have less than a billion—on the Advanced Technology Program. It cites the specific figure—this is 2 years ago—of $750 million, and we only have for next year $425 million and for the following year $525 million. So we are within bounds on the amount.

There is some discussion that this is a runaway program. Not at all, Madam President, when you bring over some five programs from DARPA, as we all have been working on—the Armed Services Committee with Senator BINGAMAN, the Competitiveness Council on both sides, the task force on defense conversion on both sides. We have all been working in lockstep, moving right along in a unanimous way.

Now they come with "industrial policy." Now they come with, "Wait a minute; the amount is just outrageous."

It is 10 times less than what has been recommended by President Bush and others who have been looking at this, because as you take it from the $40 billion—$40 billion over there in defense for all the instrumentalities of weaponry—and move it over to the instrumentalities of commerce and business and civilian use, I hope we could get up to—I do not want to fly under any false colors—we could get up to $8 billion.

We have to stay within the budget. I serve on the Budget Committee, so when this bill was referred to the Office of Management and Budget, they actually cut it back, I say to the Senator, and that is why we had a substitute in the very early stage when we presented the bill. We were authorized by the Committee of Commerce to put in the subject with lesser amounts than what the committee had reported last year because we have to stay within the reduced budget as enunciated here by the Office of Management and Budget.

I yield the floor.

AMENDMENT NO. 1521 TO AMENDMENT NO. 1493

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Madam President, I rise to send an amendment to my amendment No. 1493 to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 1521 to amendment No. 1493.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In lieu of the language proposed to be inserted, insert the following:
>
> Strike line 19 on page 49, through line 21 on page 51 and insert the following:
>
> (B) strike paragraph (1)(B)(ii) and replace with: "participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";
>
> (C) in paragraph (2)—
>
> (i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and subject to the last sentence of this subsection, other transactions"; and
>
> (D) by adding after paragraph (4) the following:
>
> "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";
>
> (3) in subsection (d)(3) by striking $2,000,000; and inserting in lieu thereof "$3,000,000."
>
> (4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".
>
> (b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278N(D)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties, receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."
>
> (2) The amendments made by sections 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

Mr. BROWN. Madam President, this amendment is in response to the observations of the distinguished chairman when this measure was originally brought up. The chairman's suggestions have been incorporated into this amendment. We have checked with the Commerce Department and included their recommendations.

I would like to publicly thank the chairman for his very helpful efforts. Frankly, his suggestions are ones that will not only improve the amendment but make it clear that I think the purpose of the amendment can be accomplished with less paperwork and less wasted accounting techniques than the original version.

The impact of the amendment, as amended, is simply this: It would make it clear that joint ventures have to have at least 50 percent of the operation coming from the investors themselves, from the venture itself, so that the Government is not in a position of putting out more than half the money.

I see that as a very valuable effort because I think it is the No. 1 way of assuring this money is well spent, and that is to be sure somebody else comes up with their own funds. So the matching nature of this amendment I think will be helpful.

In addition, this amendment does put back into law a cap of $3 million over 3 years. In other words, there is a cap of how much these ventures can receive.

Both measures I think will improve the quality of the endeavors that take place under this bill.

Mr. HOLLINGS. Madam President, it is an excellent initiative by the distinguished Senator from Colorado. We have worked it out, staffs on both sides, the Department and otherwise. We go along with great approval, and if the Senator urges adoption, we will join him.

Mr. BROWN. I thank the Senator for his help.

Mr. HOLLINGS. I thank the Senator.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to amendment No. 1521.

The amendment (No. 1521) was agreed to.

Mr. BROWN. Madam President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment to the amendment?

The question now is on agreeing to amendment No. 1493, as amended.

The amendment (No. 1493), as amended, was agreed to.

Mr. BROWN. Madam President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER (Mr. BREAUX). Without objection, it is so ordered.

GUN-FREE SCHOOLS

Mr. DORGAN. Mr. President, in January of this year, before the Senate resumed its session, I spent some time here in Washington, DC, sitting in the court system, watching the superior court, watching cases, watching judges, and watching defendants. I also visited some inner city schools, and visited some welfare offices here in the District of Columbia. The reason I did that is that those of us who come from rural areas understand rural America, and we must live in a city in order to serve in the U.S. Senate. So we are in both places. But although we live here and work here during the week, often we do not know very much about what is happening in the city; especially in the Nation's Capital.

One of the high schools I visited was just blocks from this building—Eastern High, a wonderful school with a principal for whom I have great respect. I visited the school and sat in the classrooms, talked to teachers, talked to students, asked students about their lives, many of whom come from low-income housing projects and, I am sure, have a fairly difficult life.

Last week, at Eastern High School, there was a shooting inside the school down in the cafeteria where I had visited. Apparently, one young man bumped another young man, and because of that bumping, a pistol was pulled and, I believe, four shots were fired, and the young man was sent to the hospital in critical condition.

This is not in a combat zone, this is in a school just blocks from the Capitol, a school where there is substantial discipline and the principal is acknowledged as one of the great principals in this city. And because I visited that school personally not many weeks ago, I understood the newspaper account when they talked about the value of that principal and what he was trying to do in that school. Yet, despite all of that, even in that school, there was a shooting on school property during the school day.

The reason I mention that, Mr. President, is we recently passed in the Senate a bill called Goals 2000, which was an educational measure, which is now going to conference. I offered, an amendment to that legislation called "Guns-Free Schools." The purpose of my amendment—which is an amendment offered also on the House side by Congressman MILLER from California and Congressman DURBIN from Illinois—is to say that we ought to, by policy, decide that every school district in this country should have a policy, and the policy should be: You shall not bring a gun to school.

It sounds pretty simple. The fact is that too many guns are being brought to school. One would think that the streets are unsafe. If you read the paper and watch the news, you understand that in some parts of our major cities, streets are unsafe. But you would not expect to send your kids to school and have a kid shot on school property during the school day. We ought to make sure that everybody in this country understands—students and school administrators—that you do not bring a gun to school. If you do, you are going to be expelled for a year, period.

I offered, with Senator FEINSTEIN from California and several others, this amendment, which was adopted by the Senate and is now part of Goals 2000. It does have a caveat that while we want a national policy that says if you bring a gun to school, you are expelled for a year; we will allow local school authorities to apply an exception where an exception might be warranted under unusual circumstances. As someone raised on the floor, there was a concern about someone having somebody else slip a gun into their backpack, or a hunting rifle being brought to school. We want the school authority to be able to make an exception. But by and large, we want a policy in States across the country that school districts must have in policy a proviso that, if you bring a gun to school, you are going to be expelled for a year.

The reason I took the floor to mention this today is because that was attached to Goals 2000, which is now going to be in conference. I would like the conferees to leave that in the bill as it comes back to the Senate. If you need any more evidence, pick up last week's paper and look at the school closest to this Capitol, Eastern High School, and see that in the middle of the day, in the middle of the school, a kid pulls a gun and shoots another kid. We have a problem, and we ought to address it.

Every child who goes to school in this country ought to understand that you do not, under any circumstances, bring a gun to school. Period.

I walked into that school, Eastern High School, which is a good school and has been a model with a great principal. Do you know what you do when you go through the school? You walk through a metal detector, in fact a couple of metal detectors. Then you see security guards. This school was prepared.

In my hometown of 300 people, with a high school class of nine when I graduated and it is about that size now, there are no metal detectors. We have a different set of circumstances in small towns.

Here you go through a metal detector and are watched by security guards.

So on I went through those metal detectors. The principal, whose name is Ralph Neal, is a well-respected principal. He showed me through the school. I was impressed. He has a tough job. It is made much tougher when kids are able to bring guns into school and one kid bumps another one and it ends with one getting shot on school property during the school day.

We can send a message all across this country, it seems to me, in an appropriate way in Goals 2000 by retaining the amendment Senator FEINSTEIN and I, as well as others, added that every school district must have a policy, if a student brings a gun to the school they are expelled for a year.

That, in my judgment, will advance the interest of making sure we are not bringing the violence from the streets to the schools, or countenance violence moving from the streets to the schools. The school ought to be one place where young boys and girls spend their day safe.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator yields the floor.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded for call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Chair will observe that, under the previous order, the Senate was supposed to recess at the hour of 12:30.

Mr. LEAHY. Mr. President, I ask unanimous consent to be recognized as if in morning business for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. I thank the Chair.

(The remarks of Mr. LEAHY pertaining to the introduction of S. 1930 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE. Madam President, is leaders' time reserved?

The PRESIDING OFFICER. Leaders' time has been reserved.

TRYING TIMES AT THE WHITE HOUSE

Mr. DOLE. Madam President, as evidenced by remarks President Clinton made about Republicans last night, these must be very trying times at the White House. Several of the closest friends of the President and First Lady have already been forced to leave the administration, and others are facing subpoenas related to the Whitewater affair.

So perhaps the frustration coming out of the White House is understandable. I can just say as an aside, I happened to be chairman of the Republican Party during Watergate, and I know the frustrations inside the White House when things start to happen.

But that does not mean White House attacks on Republicans have a shred of truth to them. Partisan finger pointing does not do anything to answer the questions the American people are asking or change the fact that blame for the Whitewater mess rests solely with the White House. As far as I know, no Republicans have done anything. If we have, then we ought to be held accountable for it.

Despite the President's comments last evening that the Republican Party is just "an opposition party that stands up and says no, no, no"—I do not know how many no's he had. He had a whole lot of them—he has had our help on issue after issue. Republicans delivered the winning margin on the North American Free-Trade Agreement, the defeat of which would have been seen as a stinging defeat for the White House.

Senate Republicans and Democrats put aside partisan differences to pass the toughest anticrime bill ever last year, a bill now bogged down by Democrat gridlock in the House. Republicans worked with the President to pass the Russian reconstruction package. We helped strengthen his hand in Somalia and Bosnia. We have supported his efforts to open Japanese markets to American products, and we moved quickly to help him fill key Government posts.

When it comes to health care reform, I know I speak for my Republican colleagues in saying we are ready to work with the President and work with the Democrat majority to improve our Nation's health care system. That is why Republicans have introduced comprehensive alternative reform plans. That is why Republicans recently held a 2-day retreat devoted exclusively to health care. That is why Republicans on the Senate Finance Committee will spend this weekend with our Democrat counterparts to discuss health care reform. That is why this Senator hopes we can ultimately arrive at a bipartisan approach that wins 80 or 85 votes in the Senate. The American people are looking for a second opinion on health care reform, and Republicans are determined to be a part of the solution.

During the 1992 Presidential campaign, then Governor Clinton said, and I quote, "I understand how to work with people and get the best out of people in the legislative process."

Of course, in Arkansas there were not many Republicans to work with in the State legislature, 1 or 2 State Senators and 8 or 9 House members out of 100. So maybe when there are not any around, they are easy to work with.

I am not certain playing the blame game is the best way to "get the best out of" Republicans. But despite his remarks last night, we will continue to help him where we can. As the loyal opposition, our role is clear. When President Clinton moves America in the right direction, then Republicans will and should support him. But when we believe the President is taking America down the wrong road, then it is our duty to try and change his direction or, if that fails, then, yes, it is our duty to apply the brakes to bad legislation.

Let me say to the White House, it has been a long, cold winter here in Washington, and maybe the weather has made everyone a little cranky. But it finally looks like spring is here. So take a few minutes to relax. Go outside. Take a walk. Enjoy the Sun. Remember that the election is over and you won. There is no need to make every day a battle between Democrats and Republicans. We are all here to do the people's business, and the sooner you get the Whitewater facts out, the sooner we have congressional inquiries, the sooner you can put it behind you, and the sooner we can get on with the people's business. And we are prepared to do that. We are ready to do that on a bipartisan basis on almost any issue that I can think of that may be coming up in the U.S. Senate in the next few weeks.

We have our differences. We have always had differences—Democratic differences, and Republican differences depending on the administration. That is the way the process works. But we are the loyal opposition. And the President is right. He will have our support, which he had on NAFTA, which he had on Russian aid, and on other things that I elicited earlier on.

I yield the floor.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:30 p.m.

Thereupon, at 12:43 p.m., the Senate recessed until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. KOHL).

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Brown amendment No. 1496 be withdrawn and the 2:30 p.m. cloture vote be vitiated; that it now be in order for Senator HOLLINGS, in behalf of himself and Senator DANFORTH, to modify the committee substitute to S. 4 with language which would reduce the substitute to a 2-year authorization level of $1.9 billion; that Senator DANFORTH then be recognized to offer an amendment to delete the venture capital provision of the committee substitute to S. 4; that there be a limitation of 90 minutes for debate on the amendment, with no amendments in order thereto or to the language proposed to be stricken, with the time equally divided and controlled in the usual form; that when the time is used or yielded back, the Danforth amendment be laid aside, with no other amendments in order, that there then be 60 minutes remaining for debate on the bill and committee substitute, inclusive, with the time equally divided and controlled between Senators HOLLINGS and DANFORTH or their designees; that at 9 a.m. on Wednesday, March 16, the Senate then proceed to S. 1458, the Kassebaum general aviation liability bill, under the provisions of a previous unanimous consent agreement; that when the time is used or yielded back, S. 1458 be temporarily laid aside and the Senate then resume consideration of S. 4; that upon resuming consideration of that bill and without intervening action or debate, the Senate proceed to vote on the Danforth amendment relating to the venture capital provision; that upon disposition of the Danforth amendment, the committee substitute, as amended, be agreed to and S. 4 be read a third time; that the Commerce Committee then be discharged from further consideration of H.R. 820, the House companion, and that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and the text of S. 4, as amended, be inserted in lieu thereof; that the bill be advanced to third reading, and without intervening action or debate, the Senate vote on final passage of H.R. 820; that upon disposition of H.R. 820, the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees; that upon disposition of H.R. 820, and without intervening action or debate, the Senate resume consideration of S. 1458 and then proceed to vote on final passage of S. 1458, the general aviation liability bill.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I thank my colleagues.

Let me now say that, as a consequence of this agreement, there will be no further rollcall votes today. The Senate will debate an amendment by Senator DANFORTH to delete the provisions of the pending bill relating to venture capital. It will then complete debate on the bill itself. That will be the action today.

At 9 a.m. tomorrow, the Senate will take up S. 1458, the Kassebaum general aviation liability bill. Under the agreement governing that bill, there is 1 hour for debate equally divided. When that time is either used or yielded back, that will be laid aside, and the Senate will then vote first on the Danforth amendment to delete the venture capital provision from S. 4 and then upon final passage of S. 4 itself, and then upon S. 1458, the general aviation liability bill.

Under this provision, the vote on the first of those three votes will occur some time between 9 a.m. and 10 a.m. It is not a certainty that the vote will occur at 10 a.m. because the time, the 1 hour, may not be used. So Senators should be aware that three votes will occur tomorrow morning commencing at some time prior to or at 10 a.m.

Mr. President, I thank all of my colleagues for their cooperation to permit us to go forward. This involves a very large number of Senators and a very large number of issues, and I appreciate their cooperation.

I am pleased now to yield to the Republican leader.

Mr. DOLE. Mr. President, I understand, following disposition of these matters, we move to the park concessions bill.

Mr. MITCHELL. Mr. President, I have not yet had an opportunity to discuss the schedule request with the Republican leader. I would like to do so. I made no decision in that regard. I want to discuss that with him later in the day.

NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Without objection, amendment No. 1496 is withdrawn.

Mrs. MURRAY. Mr. President, I rise in strong support of S. 4, the National Competitiveness Act.

In the Pacific Northwest I have met with many workers in industries as diverse as timber, commercial fisheries, agriculture, aerospace manufacturing, and computer technology. These workers have one overriding concern—job security. Timber harvests have declined. Many salmon stocks have been decimated. Workers in natural resource industries are being advised to look elsewhere for employment. On the shop floor of the giant aerospace manufacturing plants in my State, workers talk about jobs moving abroad.

These concerns reach our children, who are dropping out of school in record numbers. They no longer feel there is a reason to continue their education.

During the next several months Congress will be considering fundamental changes in Federal unemployment policy. I wholeheartedly agree with the administration's assessment that the current premise for our unemployment system has outlived its purpose. Generally, workers are no longer laid off only during periodic cycles. The Washington State Employment Security Department estimates that about three-quarters of laid off workers will not be rehired. These unemployed workers must be trained in skills necessary for reemployment in good jobs to replace the ones they lose.

Opponents of this scoff at a national policy to stimulate job creation. I believe they just don't get it. This country is competing in a global economy. Countries that actively develop and create the new technologies will have winning companies in the international marketplace. In order to succeed, the United States must create jobs.

The Department of Commerce estimates that by the year 2000, annual worldwide sales in products based on 12 key emerging technologies may total $1 trillion. According to the Department of Commerce, American companies could capture about one-third of those sales.

So, how are we doing? The Department's report card, comparing the United States with Japan, shows us losing badly in the following areas: advanced materials, biotechnology, digital imaging technology, and superconductors. Other areas where we are merely losing to Japan include advanced semiconductor devices, high-density data storage, high-performance computing, medical devices and diagnostics, optoelectronics and sensor technology. It will take a concerted effort to turn this situation around.

There are ways to reverse the United States' overall decline in advanced technology. The National Competitiveness Act calls upon the Department of Commerce through the National Institute of Standards and Technology [NIST], to create manufacturing technology centers. These centers assist States, local governments, and private business organizations in training workers in the use of modern and advanced manufacturing technologies and the creation of high-performance manufacturing. These centers work.

NIST oversees the Washington Manufacturing Extension Center, in Everett, WA. The center's initial goal is to provide technical assistance and resources to approximately 2,000 local defense-dependent, small manufacturers in the area. An owner of a small aerospace company was quoted in a local newspaper recently saying his 23-person company does not have the time, energy, or background to do the research, planning, and marketing to keep his company moving ahead. He said his business needs the center's technical help to do much of the footwork, the phone work, and the digging if it is to succeed.

The American Electronics Association is one of the founders of the Everett manufacturing extension center. The partnership also includes the Washington Department of Community Development, Washington State University's Cooperative Extension and a matching $3.1 million, 2-year grant by NIST. This center does not pick specific winners and losers. The center's immediate goal is to focus on 2,000 small- and medium-sized private, defense-related contractors in the area. Eventually, the center wants to expand its mission to food processing and forest-product firms. Technology centers, such as the Everett center, will promote manufacturing activity on local and region levels.

The National Competitiveness Act also authorizes the Advanced Technology Program. Under this program, the Department of Commerce works with industrial groups to develop large-scale, industrial consortia, similar to the Semiconductor Manufacturing Technology Institute. As a leader in aerospace manufacturing, Washington State appreciates the leading role that the Federal Government plays in stimulating industry. Our international trading partners also understand the important role of Government support.

The National Competitiveness Act should be a wake-up call for our country. It serves as the foundation of a new activism by our Government in job creation for our people. We cannot afford to wait any longer for this type of initiative.

Mr. RIEGLE. Mr. President, I rise in support of S. 4, the National Competitiveness Act. I am proud to be an original cosponsor of this legislation. This bill reauthorizes and expands a number of important technology programs, such as the Advanced Technology Program and the manufacturing extension partnership.

We need to invest in advanced technology, especially in the development of new technologies that are emerging as the industries of the future. Millions of valuable new jobs can come from these vital sectors if we wake-up and prevent their loss to aggressive foreign competitors.

The provisions contained in this bill are especially important to reinvigorating our manufacturing base.

Manufacturing is the heart of our economy; it keeps the lifeblood of the economy flowing. Manufacturing is the key to maintaining middle-class jobs that are the backbone of our Nation—jobs that pay middle-class incomes with health care protection and pension benefits. These are the jobs we are losing. The number of manufacturing jobs, after growing on a fairly steady basis since the end of World War II, peaked in 1979. Since then, we have lost almost 3 million manufacturing jobs. In 1990, only 18 percent of the U.S. work force was in manufacturing. In Japan, 24.1 percent work in manufacturing; in Germany the number is 31.5 percent.

This loss of jobs has resulted in a decline in earnings for working Americans. In 1989, the number of jobs in retail trade surpassed those in manufacturing. In retail trade, the average weekly gross earning is about $200. In manufacturing, it is about $470. The average real weekly earnings for production or nonsupervisory workers peaked in 1972. By 1991, it had dropped by almost 20 percent, reaching the lowest level since the 1950's.

The result of this trend in wages is frightening. After declining steadily since World War II, we are now seeing a dramatic increase in the proportion of full-time workers working for wages that put them below the poverty line. According to the Census Bureau, in 1990, 14.4 million. American workers with full-time jobs—18 percent of all full time workers—made less than $12,195.

To reverse this trend, we must increase manufacturing productivity. We need to increase the value-added of American production. Better products, produced more quickly and at lower cost is way of adding higher value. That mean it's not just the number of cars per hour we produce that's important—it's also how well those cars are made. To move to this higher value-added production requires increasing the skills and knowledge of our workers. It also requires providing them with the best equipment and infrastructure possible. In essence, it means a shift to a strategy of creating high-skill, high-wage jobs rather than competing with low skill, low-wage production.

The creation of high-skill, high-wage jobs must be the central goal that drives our economic strategy for the future. High wage jobs increase the standard of living and increase investment, which in turn generates a new round of economic growth and even more jobs. This is the cycle of growth we need to restart. By addressing the critical areas of technology and manufacturing, this bill, the National Competitiveness Act, is an important step toward our economic renewal.

Parts of this bill dealing with technology financing issues are of particular interest to the Banking Committee, which I chair. I was an original cosponsor of Senator ROCKEFELLER's legislation which was the basis for this provision. I believe that the technology financing pilot program in this bill is an important step. This program will help fill the technology financing gap between basic research and the commercialization of a new product—a gap pointed out by the Reagan administration in the early 1980's.

The pilot program created in this legislation is based on the successful Small Business Investment Corporations [SBICs]. Under his program, business will decide—not government—as some have claimed. Whereas the SBICs focus on small business, often in the retail sector, this pilot program focuses on investments in critical technologies—investments that are vital for our future economic prosperity.

Mr. President, there are those on the other side of the aisle who have called this bill industrial policy. I wish it was. I think we need to have an industrial policy. We need a new Team America approach where all of us—business, labor, government, and private individuals acknowledge the problem and work together to ensure a strong economic future.

We need strategies to strengthen the auto industry, the aerospace industry, the chemical industry, computers and software, pharmaceuticals, electrical components and equipment, machine tools, telecommunications. These are the industries that are critical for us. They provide hundreds of thousands—in the end, millions—of jobs in our economy.

At some point, I hope the Senate will debate and pass a comprehensive industrial policy. This bill is not that—it is simply a technology policy. In fact, this bill is a continuation of a bi-partisan technology policy crafted over the past decade. It is ironic that we now see a Republican challenge toward programs that were supported by previous Republican administrations and by Republicans in the Senate in previous years.

I hope that we can move forward with these important programs and pass this legislation quickly.

Mr. BAUCUS. Mr. President, I rise today to support S. 4, the National Competitiveness Act of 1994.

GOVERNMENT/INDUSTRY PARTNERSHIPS

Not long ago, American manufactured products dominated world markets. Our goods were synonymous with quality and technological leadership. But over the past few decades we grew complacent. Others improved upon our ideas and our products. By the middle of the 1980's, our basic industries had clearly slipped into decline. Goods from Germany and Japan replaced American products here at home and around the world.

Since then, our industries have done a great deal to raise their productivity and the quality of their products. We in Government have worked hard to reduce the budget deficit and thus give American firms a larger and cheaper pool of capital. But we can, and we must, do more to strengthen our manufacturing base.

The President's report on the economy finds that for every billion dollars in increased manufacturing sales, we create more than 69,000 high skill, high wage jobs. And conversely, of course, when we let manufacturing decline, we let jobs and international leadership slip away. So while we have made progress in the past 10 years, we cannot take our situation for granted. We must continue to look into the future; to support the basic research that will let our industries operate most efficiently and develop the best products.

A SUCCESSFUL PARTNERSHIP

When Government and industry work in partnership, we succeed. One clear example is the case of semiconductors. In the early 1980's, collusion and dumping by Japanese semiconductor companies threatened to drive the United States out of the semiconductor market entirely. We recognized the problem, and took action by working with American industry to create Sematech in 1987.

Sematech is a phenomenal success. Last week the chip industry reported that the American share of the world semiconductor market rose to 43 percent. For the first time since 1985, we have taken the largest share of the world market. This turnaround in the market equates to $3.4 billion more in yearly sales and the preservation of 16,500 American jobs. Because of this recovery, the American chip industry is now building three new semiconductor plants costing about $1 billion each. They will create 12,000 to 15,000 thousand new jobs.

THE NATIONAL COMPETITIVENESS ACT

The National Competitiveness Act takes some of the lessons we have learned in our experience with Sematech and our observation of successful foreign industries and applies them on a wider scale.

Of particular importance, are provisions that will make it easier for small companies to utilize the most advanced and commercially viable technology. One of the most important is the establishment of numerous manufacturing technology centers to disseminate knowledge and ideas. The information made available may not always constitute a ground-breaking innovation. But small companies simply do not have the resources to seek out the incremental advances that together make a product more durable, easier to operate, and easier to sell.

Today, Japan operates nearly a hundred manufacturing technology centers, which allow small companies with limited manpower to get the maximum benefit from technological advances. Here in the United States we have a grand total of seven. Montana has none, but my State understands how important they can be for our economic development.

Montana State University, for example, is trying to make up for the present lack of Federal commitment with a University Technical Assistance Program, which provides onsite engineering expertise to local firms, helping them with everything from design to production. The MSU Entrepreneurship Center directs many other programs to help small business. The Agricultural Extension Service, which is something of a model for this Act's manufacturing technology centers, serves local farmers. Montana's economy benefits immensely from these programs, but we will do even better with the help this bill will provide.

The National Competitiveness Act also extends some of our most successful Federal research and development efforts. It builds on the Advanced Technology Program, to work with companies developing the most promising new technologies and assist with basic research. And it will help to build the information superhighway. And it will do all of this without adding a cent to the deficit.

GREEN BUILDINGS

Finally, I would like to call the Senate's attention to a provision in this bill which I think is critical. That is the establishment of a Federal environmentally sensitive construction program, more commonly known as green buildings.

The use of ecologically sensitive construction procedures, materials, and practices obviously has good environmental effects. But it also has important economic effects. Recent studies point to natural agricultural and wood products as promising sources of environmentally sensitive construction materials. In Montana, that means we can add value to our agricultural and timber products and develop innovative ways to use them.

The bill creates a competitive process for its demonstration of environmental technologies. And I am proud to say that Montana State University is poised to compete in this process, with its proposal for a green building at the Advanced Technology Park in Bozeman.

In Montana, we have some of the most wide-ranging temperatures—the widest ranges of temperature anywhere in the continental United States. This variation calls for the most energy efficient technologies available. Furthermore, Bozeman's abundant sunshine makes expanded use of solar technologies logical.

Montana, in my completely objective and unbiased view, provides the ideal climate in which to demonstrate the virtues of environmentally sensitive construction and materials. But wherever we test these technologies, be it Bozeman or Boston, the environment and the economy stand to benefit.

ENVIRONMENTAL TECHNOLOGY

The green buildings provision brings me to a larger point. The National Competitiveness Act is a very good bill. It will help our country. But no bill is enough in itself. As we embark upon this new path to revitalize our manufacturing base, I think it is essential that we consider the environment.

In the past, new industrial development often came with an environmental cost. The factories we built in the 1950's brought jobs and growth; but they also brought pollution, and left our generation with a huge burden of avoidable health spending and cleanup costs. In the past two decades, we have spent $1 trillion on environmental cleanup. We must not leave such a bill to the generation that will follow us.

The new technologies which this bill will help develop must be environmental technologies; technologies that reduce or reverse the impact on the Earth while still boosting economic growth. The only way we can do that is to consider the environment from the very beginning design stages until the end of the live-cycle.

S. 978, a bill I have introduced and which the Environment and Public Works Committee should send to the floor this year, uses the same precompetitive approach as the National Competitiveness Act. However, it focuses entirely on environmental technologies. It also makes sure the new technologies developed by S. 4 consider the environment. It is a partner and a complement to this bill.

The President has recently sent me a letter in support of S. 978, which I now ask unanimous consent to include in the RECORD. It may not be out of place here to mention that when I visited Japan last summer, MITI's vice minister for international affairs told me he thought it was precisely the kind of effort America needs to remain a technological leader.

CONCLUSION

With the end of the cold war, America and the world have entered a new era. Like the pioneers who set out for California 150 years ago, we have scaled a mountain range, and emerged to find a new world on the other side.

In the past decades we faced a challenge to our national security. Today we face an economic challenge; the challenge of living and leading in a highly competitive global economy. S. 4 will help our country meet this challenge by making sure that American technology is the best and the cleanest in the world. This is a good bill, it is critical to our future, and I urge the Senate to move quickly to pass it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, DC, March 4, 1994.

Hon. MAX BAUCUS,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Over the past months, the Administration has worked with the Committee on Environment and Public Works on S. 978, the National Environmental Technology Act of 1993, which you introduced to promote development and use of "green" technologies. I am pleased that we have been able to work together with you and your colleagues to refine the legislation, and understand that you hope to take this revised version of the bill to the Senate floor soon. I support your proposed substitute as a legislative framework for the Environmental Protection Agency's contribution to the Administration's overall strategy for promoting environmental technologies. I look forward to working with you and other Members of Congress through the remainder of the legislative process to come to agreement on environmental technologies legislation that can be quickly enacted and implemented.

The development and deployment of environmental technologies are an essential part of the Administration's commitment to creating jobs and strengthening the economy while restoring and protecting the environment. I want to thank you and the other cosponsors of S. 978 for your leadership in this area. Working together, I believe we can achieve our common environmental and economic goals.

Sincerely,

BILL CLINTON.

Mr. BURNS. Mr. President, I rise today to support this amendment offered by the distinguished chairman of the Senate Commerce, Science, and Transportation Committee to S. 4, the National Competitiveness Act. Passage of this amendment allows this body to pass this important piece of legislation.

This amendment is cosponsored by Senators DANFORTH, ROCKEFELLER, and myself.

The National Competitiveness Act is legislation I have cosponsored since it was introduced on the first day of this Congress, January 21, 1993. This bill is one of the top five priorities for Senate Democrats and I am the only Republican cosponsor. My support for this measure has not been overlooked by my colleagues on this side of the aisle.

I worked closely with the distinguished chairman of the Senate Commerce, Science, and Transportation Committee, Senator HOLLINGS, to improve this bill as it moved through the committee. Senator HOLLINGS indicated a willingness to work with all the members of the Commerce Committee both Democrats and Republicans on this bill. In fact, there were no Republicans on the Senate Commerce Committee who opposed the bill when it passed the committee.

I am supporting this amendment because it cuts the authorization level in this bill by over $900 million over 2 years. From $2.8 to $1.9 billion for fiscal years 1995 and 1996.

By agreeing to do this we can save this important legislation that moves Montana and our Nation forward in the high-technology world in which we live and compete with other nations.

I think it is vital for our Nation to be the world's leader in advanced technologies such as information, computers, electronics, and new materials. This bill helps us accomplish that goal. It contains provisions for research and development companies, universities and tribal colleges in my State. It has a provision for needed research on so-called green buildings for environmental-sensitive construction technologies to be developed.

For these reasons and many more I want the National Competitiveness Act to pass the Senate. But I want to expand on an area I have been working on since joining the Senate just 5 years ago.

With S. 4, the National Competitiveness Act, we are taking two critically important steps in creating an advanced, state-of-the-art national information infrastructure which will substantially improve our economic and social welfare over the remainder of this decade and on into the next century.

If, after reading or watching stories about the so-called information superhighway over the last few months, the public is confused about the Government's role in promoting a ubiquitous, state-of-the-art, feature-rich, high-speed national telecommunications network, one should not be surprised. I have included in this bill a number of answers to the Government's role in the national information infrastructure.

With the assistance of Chairman HOLLINGS, I was able to substantially modify title VI of S. 4 when it passed the Commerce Committee. This bill limits the role of the Government to three areas in building the national information infrastructure:

First, funding basic research and development for high-speed networks:

Second, funding leading-edge applications in education, digital libraries, health care, manufacturing, and Government information; and

Third, implementing interconnection standards and interoperability protocols to ensure a seamless, ubiquitous network of networks.

I also included the addition of a NASA education program, funding for training and access to network capabilities, digital libraries and Government information applications, and other changes.

But most importantly and significantly, the new title VI contains language I requested which states unequivocally a new policy that the Government cannot expend funds to build, own, or operate networks in competition with those networks available in the commercial, private sector. This has been a serious concern to all segments of the telecommunications and information industries. This bill directly and specifically addresses those concerns with a clear delineation and demarcation of the respective roles of the Government and private sectors in the building of America's national information infrastructure.

Let me just conclude by strongly suggesting that we now move forward with the next critical step in developing a national information infrastructure—the creation of a rational, procompetitive, proinvestment national telecommunications and information policy.

I believe that there is a consensus developing that Government has become a problem and obstacle in completing a national information infrastructure due to the morass of regulatory and legal restrictions and barriers that segment and balkanize the information and telecommunications industries into protective enclaves created for the old world order in which we had one monopoly telephone company and three broadcast networks. That system is under tremendous pressure and it's time to change our national telecommunications policy in a comprehensive, holistic way.

I want to say to this body and our Nation that passage of this bill with this amendment offered by Senator HOLLINGS is vital to our Nation's schools, hospitals, libraries, and small companies to hook up to a national information infrastructure. It is also vital to my small businesses in Montana and small business throughout the United States.

I urge my fellow colleagues on both sides of the aisle to vote for this amendment. This amendment is a way to stop the bickering and to move this bill forward.

I want to salute my good friend Senator DANFORTH, the ranking member of the Commerce Committee, for his excellent debate and good faith effort to resolve his differences with his colleagues on the other side of the aisle.

If this competitiveness measure does not pass the Senate, my State loses, our Nation loses, this body loses, we all lose.

MODIFICATION TO COMMITTEE MODIFICATION

(Purpose: To modify the committee modification)

Mr. HOLLINGS. Mr. President, I think the first order of business is the modification which I send to the desk on behalf of the distinguished Senator from Missouri, our ranking member, and myself, and ask the clerk to report.

The PRESIDING OFFICER. Under the previous order, the amendment is so modified.

So the modification was agreed to, as follows:

At the end of the Committee Modification, add the following new section:

SEC. . OVERALL AUTHORIZATION LIMIT.

Notwithstanding any other provision of this act, the total amount authorized to be appropriated under this act shall not exceed $1,900,000,000.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, there will now be 90 minutes of debate.

Mr. HOLLINGS. On the Danforth amendment, I yield 1 second to me.

I want to thank Senator DANFORTH and the majority leader and the minority leader and friend, the Senator from West Virginia over here, the chairman of our subcommittee, and the ranking member, Senator BURNS, over on the other side for their getting together here and working this out.

I yield the floor so he can present that amendment.

AMENDMENT NO. 1522

(Purpose: To strike section 306)

Mr. DANFORTH. Mr. President, I send an amendment to the desk and ask it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Missouri [Mr. DANFORTH] proposes an amendment numbered 1522.
>
> On page 58, line 19, of the committee modified substitute, through page 68, line 24, strike everything.
>
> Amend the last section of the committee modified substitute by striking "$1,900,000,000" and inserting in lieu thereof "$1,800,000,000".

Mr. DANFORTH. Mr. President, I note the presence of the Senator from West Virginia on the floor, and I know that the Senator from West Virginia will have to be out of the Chamber for part of the afternoon and he would like to speak in opposition to this amendment.

Mr. ROCKEFELLER. My dear friend, the distinguished Senator from Missouri, is correct, but it is the Senator's amendment to strike. I think in spite of his generosity it will be better for him to go ahead.

Mr. DANFORTH. All right.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Missouri.

Mr. DANFORTH. Mr. President, let me say that when the Senator from West Virginia is ready to speak, if he would let me know, I will be happy to accommodate him.

Mr. President, we have reached an agreement with respect to the bill itself to reduce the authorization to $1.9 billion over a 2-year period of time. The exact splitting up of how that will be done would be worked out presumably in conference. But this does represent a very major step forward, and it has required working together and accommodation of a large number of Senators, as the majority leader has pointed out, and I for one am glad that we have reached this point, because now I think we are ready to go forward on a main issue which should be brought to the attention of the Senate, and it is the venture capital provision.

That is the substance of the amendment that has been sent to the desk. If this amendment is agreed to, the effect of that would be to delete the venture capital provision in this legislation and to reduce the total amount of the authorization from $1.9 billion to $1.8 billion over the 2-year period of time.

It is important to realize that this venture capital provision is one that appears in the bill as an authorization of $50 million for each of 2 years. How that would be worked out with the change in the overall figure remains to be seen. But just for analysis purposes, looking at this as a $50 million program in each of 2 years, Senators may say, "Well, $50 million a year, what is that? I mean, by Washington terms, that does not appear to be much."

However, I would call the Senate's attention to pages 20 and 21 of the committee report that is on every Senator's desk. Because this committee report, on pages 20 and 21, points out the fact that the loan guarantee feature in this venture capital provision would allow the Government to guarantee loans up to $300 million a year or a total of $600 million.

So this is a major loan guarantee program for very high-risk businesses—$600 million, if we kept it at the $100 million figure, $600 million of loan guarantees.

I would suggest to the Senate that these are loan guarantees for the kinds of business opportunities that venture capitalists get into; namely, high risk. And in all the literature put out by the Department of Commerce in general support of the provisions of S. 4, it is clear that it is the high-risk ventures that are the ventures that are to be favored under this legislation.

So the Senate should understand that this is not $100 million, it is a potential of $600 million in loan guarantees for high-risk business ventures. And high-risk ventures are ventures that can go sour.

I would simply ask Members of the Senate, when these business ventures go sour and we have voted to create a program to finance them with loan guarantees, what then is the explanation that we make to our constituents?

Reading from page 47 of the committee report, the committee report says:

> In order to encourage the formulation and growth of civilian technology investment companies pursuant to this section, the Secretary is authorized, when funds are previously made available in appropriations Acts, to—
>
> (A) purchase or guarantee the timely payment of up to 100 percent of the principle and interest as scheduled on, debentures issued by such companies, on such terms and conditions as the Secretary

That is the Secretary of Commerce.

> deems appropriate pursuant to regulations issued under subsection (e); and;
>
> (B) purchase nonparticipating or participating, nonvoting preferred securities and issue trust certificates representing ownership of all or part of such preferred securities.

So, Mr. President, we had an amendment that was offered by Senator BROWN today on the ATP program saying that there had to be at least 50 percent participation of the businesses that wanted the R&D grants. This is to say that 100 percent of the debentures with no limitations, 100 percent of the debentures issued can be guaranteed as to principle payments and interest payments, and that 100 percent of nonvoting stock can be bought out of the taxpayers' funds. This is supposed to be venture capital, risk capital, venture capitalists.

And under the provisions of this legislation, venture capitalists would come to Washington and be licensed by the Federal Government—licensed by a committee created by the Department of Commerce and the Small Business Administration, a committee of five individuals to license venture capital operations. But where is the venture and where is the capital? There is no requirement that the capital be provided by the venture capitalists. Maybe some of it would be; maybe some of it would not be. One-hundred percent of the indebtedness can be guaranteed by the Federal Government. One-hundred percent of the indebtedness of a venture capital operation can be guaranteed by the Federal Government. That is the program.

You talk about the Government getting into the world of business, this is the Government taking the private sector for totally off the hook. "You do not have to assume any venture capital, venture capitalist. Come to us and we will buy up to 100 percent of your debentures and we will guarantee them 100 percent. We will buy up to 100 percent of nonvoting securities. We will guarantee the payment of dividends." Where is the venture? Where is the capitalism? It is the same as the Government making grants and taking risks and making investments in the private sector.

There are people out there who are venture capitalists and if the Government does not want to buy 100 percent of the venture capitalist's operation—say, it takes 50 percent, 75 percent, whatever. What it is saying is some venture capitalists apply to the Department of Commerce licensure, they go away empty-handed. Other venture capitalists come here and say we would like to apply for our license, and they get a license. They are officially sanctioned venture capitalists and they are venture capitalists under this scheme who would not be officially sanctioned at all.

Talk about picking winners and losers. We are picking winning venture capitalists and losing venture capitalists.

And then we get down to the particular programs that they are venturing their capital on. We are saying that there are some business enterprises that are going to receive the Federal subsidy and there are some business enterprises that are not going to receive the Federal subsidy. Ultimately, this committee of five individuals—three appointed by the Secretary of Commerce and two by the Administrator of the Small Business Administration—is going to make the judgments as to what business enterprises get the subsidies and what business enterprises do not.

I call that industrial policy. I call that very heavy Government involvement in what should be marketplace decisions.

Mr. President, turning to the provisions of the bill, and this is section 306 of the bill which we would delete, I would like to call the attention of the Senate to various relevant positions.

Before I do that, I see the Senator from West Virginia, and I would yield the floor. My understanding is that the time that he claims would come out of those who oppose the amendment.

Mr. ROCKEFELLER. The Senator is correct.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia [Mr. ROCKEFELLER] is recognized.

Mr. ROCKEFELLER. Mr. President, what the Senator from Missouri has just done is very gracious. He knows I have a 4 o'clock appointment that I have to keep, and he is allowing me to speak. I want to say to those who might be watching and listening to this debate that it is an extremely important debate and that I will be back, hopefully, at about 5:15. I hope this debate is still going on so I can continue, because I strongly believe in this amendment.

Mr. President, I want to respond to some of the issues that the distinguished Senator from Missouri has already raised, and speak in anticipation to other points. We are talking about a venture capital financing initiative. The opposition seems to have a concern about putting the Government in the business of assisting in the financing of particular ventures. They have chosen a pilot program, which is what is in S. 4—a pilot program—that lasts 2 years and then stops unless continued, and is called Civilian Technologies Investment Program. They have chosen this to make their point.

Critical technologies are about the 25 most important aspects of advanced manufacturing—lasers, optic fibers, ceramics, composites, computer chips, et cetera—that if we do not have and are not manufacturing in the 21st century, we are going nowhere economically as a country.

Opponents have questioned whether the Federal Government ever plays a role in financing, or should. They have argued that the Government does not have the ability or the skills to play a role in financing. They argue the Government is destined to lose money.

Mr. President, let me just point out some of the implications of that argument. If we concluded that that Civilian Technologies Investment Program is an inappropriate use of Federal resources, then we had better also conclude that a whole host of financing programs the Government guarantees—subsidies and tax credits—are also an inappropriate use of Federal funds.

We come here to a very critical, basic decision. As one of the authors of this initiative, it is—and I say again—a pilot project. We are not unleashing some gigantic series of aircraft carrier. This is a 2-year pilot project. That is all it is. Let me elaborate on what we are proposing.

The Civilian Technologies Investment Program was modeled after the Small Business Administration's SBIC, the Small Business Investment Company Program, which has been very successful. It was created in 1958. I have no choice but to use the acronym for that program. SBIC is what we call the SBA program because it is well known to people. SBIC has a reputation for bringing high-risk products and services to the market—and that is what this is all about—at a relatively low risk and at a relatively low cost to the Government or the economy.

SBIC finance projects have been proven, they have spurred innovations, advances in technologies, product development and, Mr. President, that translates into what the only thing S. 4 is about, which is economic growth, new job opportunities, and more competitiveness for our country.

The SBIC Program was reauthorized and restructured under the leadership of President George Bush and the SBA Administrator at that time, Patricia Saiki. That leads me to this bill, S. 4, and its provisions that the Senator from Missouri and I are now debating.

We followed the leadership of President Bush on this and designed the Civilian Technologies Program after his model. Contrary to the suggestions made, or that might be made by the opposition, SBIC's are not run, and the critical technology investment companies will not be run, by the Federal Government. They will be run by private-sector venture capitalists, not Government bureaucrats. May I say that again? They will be run by private-sector venture capitalists, not Government bureaucrats. Additionally, the Government will not be writing checks to these companies. We will be providing only a guarantee.

I want to stop at this moment because the distinguished Senator from Missouri made a point, and if I were listening to that and did not have the bill in front of me, it would be of concern to me because he indicated and, in fact, read the other day the following:

> Therefore, CBO estimates that the $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million in loans.

And then he stopped. So I would have to assume that Senators and their staffs who were watching this debate would assume, "Good grief, we are about to spend $300 million." That is not correct.

The sentence preceding the sentence that the Senator from Missouri read, reads as follows:

> The bill would require that the subsidy rate for the loan program not exceed 15 percent.

The point I am making is that there is no way that the Government will spend more than $50 million. It will not happen. There is no way that the default rate will exceed 15 percent. It cannot happen. And Senator HOLLINGS, as chairman of the Appropriations Subcommittee, will be sitting and watching that very, very closely.

Mr. President, there was also a point raised with regard to the budget of the program. I want to point out that the SBIC Program was involved with the early financing of a few companies that I believe my colleagues just may have heard about. One is called Apple. It makes computers. Another is called Nike. I believe it makes sneakers. And the other is called Federal Express, and they do a lot of things very quickly.

I want to point out that these programs were financed by SBIC, and we can pay the entire Government cost, going all the way back to 1958, based just upon those three companies and what they have done alone in terms of yields to the Federal Treasury.

I would like to point out that the tax revenues, again, generated by just three companies have more than paid for the entirety of the SBIC Programs since its inception in 1958.

Second, Mr. President, let me point out some other areas of financing where the Government plays a role:

SBA Guaranteed Loan Program; Community Development Corporations; Certified Development Corporation; section 503/504 loans. We are in this business already. Export-Import Bank loan guarantees.

The Senator from Missouri is going to produce a letter from some venture capitalists later in this debate which will say these companies do not want to see this happen. They are very much like the companies in the Export-Import Bank who are receiving money and do not want to see more competition.

This plan in S. 4 is aimed at medium- and small-size industries, of which there are many in Missouri, West Virginia, South Carolina and other places.

But let me go on. The Export-Import Loan Guarantee Program, guarantees for export revolving lines of credit—guaranteed loans by the Government, Mr. President. We are doing it. We have been doing it. It works. We are there already. This is nothing new.

Beyond these examples there is a whole level of programs where the Government assists in creating a financing market. For example, Government-sponsored enterprises: Fannie Mae; Freddie Mac; Sallie Mae. Tax subsidies, Mortgage revenue bonds; industrial development bonds; general obligation bonds; low-income housing tax credit.

Mr. President, I ask unanimous consent that this particular piece of paper I am holding be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Guaranteed Lending Programs (partial list): Small Business Lending Companies; Small Business Investment Companies; Minority Small Business Investment Companies; Small Business innovation Research; Small Business Guaranteed Loans; Export Revolving Lines of Credit; Economic Development Administration Revolving Loan Funds; Export Import Bank Loan Guarantees; Overseas Private Investment Corporation; S.B.A. Sec. 503/504 Fixed Asset Loans; Rural Development Administration Loans; Federal Home Loan Banks; Community Development Corporations; Microloan Program; Multi-Family Housing Program; Section 108 Loan Guarantees.

Government Sponsored Enterprises: Fannie Mae; Freddie Mac; Sallie Mae.

Tax Subsidies (Partial List): Mortgage Revenue Bonds; Industrial Development Bonds; General Obligation Bonds; Low Income Housing Tax Credit.

Mr. ROCKEFELLER. There are numerous programs where the Government assists in creating a financing market. We are doing it. For example, is the opposition to this initiative suggesting—and I would think they would have to be to be consistent philosophically—that we reevaluate Fannie Mae; that we reevaluate Freddie Mac or Sallie Mae?

To take it a step further, Mr. President, we use the Tax Code to promote financing all the time, and we know that a tax benefit has the exact same economic effect as a direct subsidy—not even a loan in this case, but a direct subsidy. We use that for certain purposes. The Government has been doing it in many areas.

For example, if we follow the logic of the opposition, we might have to eliminate mortgage revenue bonds, municipal bonds, industrial development bonds, and the low-income housing tax credit. If we are not going to be for one, and we are going to be consistent in philosophy, then we should not be doing all these others we have been doing all these years.

Furthermore, unlike any other program, under this program, the Government can "share in the up side." Not very elegant language, I would agree, but it means that if the CTIP, which is this program we are debating, does well, the Government can benefit, bringing dollars into the Treasury and reducing the Federal deficit.

So, Mr. President, unless the opposition is suggesting that we eliminate all programs that I have just listed and take the Government completely out of the role of financing and creating markets for small business in housing and economic development, we ought to get on with this longstanding, bipartisan approach and support this section of S. 4.

I do not know of any other program than the one we are suggesting here where we can get more "bang for the buck". For every $1 that the public sector contributes to this, we are leveraging $6 of private money. I think that is a good deal. The SBIC has gone on since 1958, and they have had a default rate of only 4 percent. So then, you might say, why do we put it at 15 percent? And here comes about my final point, and again I thank the Senator from Missouri. We are talking about venture capital in critical technology.

Mr. President, I would like to tell you that this country is full of entrepreneurs and entrepreneurial financing sources which is simply where we make funds available for smart ideas, particularly ones involving critical technologies like ceramics, optic fibers, composites, and all of the things the Presiding Officer knows very well.

But we are now discussing more high-risk efforts than the SBIC funds. The SBIC has experience with technology, but they have not had that much experience with high technology, and certainly none with critical technology types of programs. So that is the reason, even though the SBIC default rate is only 4 percent, we chose to be more conservative.

My final point is simply this. The venture capital market has more or less closed down except for the larger level, and when it comes to high-risk, critical technologies, it really is not there.

If Thomas Edison wanted to invent the light bulb these days, Mr. President, he would have to bring in Shea Stadium in his arms with all the lights on to convince venture capital that the light bulb is an idea which might be useful. It has just changed. The venture capital market has dried up in the last several years because of the general economic condition, because people are more cautious and more conservative.

So I would in a sense almost challenge the Senator from Missouri, my good friend, Senator DANFORTH, to come up with any other program of the Government that gives you the same bang for the buck and at the same time takes on what this Senator considers to be the single most important manufacturing effort this country has to undertake. When the year 2000 arrives, we are not only doing best basic and applied research, but we are commercializing and taking to market the critical technologies that will make us an economic force in the future.

Mr. President, I yield the floor, once again thanking my friend from the State of Missouri for his very clear and obvious courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, one thing that should be emphasized is the fact that this has been worked out with the Small Business Administration. I cannot overemphasize that, because I happen to have a particularly high regard for Erskine Bowles, the Administrator of the Small Business Administration.

My particular association with it is that we handled the appropriations last year. The SBA, as is emphasized now by the distinguished Senator from West Virginia, has really been running out of money. Everybody knows what the banks have been doing for the past couple of years.

And in that light, we ran out of money for the loans, and we put in, in April of last year, another extension, an emergency provision for $750 million in small business loans.

Now, that was not directed to technology. That could go to restaurants; it could go to clothing stores, or whatever else. But I want you to know that this Senator does have a slight feel for the idea of responsibility, not just a pilot program to be given to the Secretary of Commerce burning a hole in his pocket.

The pilot program shall be operated under the direction of the Department of Commerce Small Business Administration Venture Capital Licensing Committee, and that committee shall consist of three Department of Commerce designees appointed by the Secretary, one of whom shall be the Under Secretary for Technology.

Now, we really started off on the right foot there. I am sure the Senator from Missouri will agree. That is Ms. Good, Under Secretary Good, in charge of technology. She headed up the entire technological and research effort for Allied. She was President Reagan's appointee as Chairman of the Board of Directors of the National Science Foundation Board back about 10 years ago—thoroughly experienced, thoroughly reliable. So she serves as the Chairman of it.

Two of the Secretary's appointments shall be technology experts, at least one of whom shall also be a finance and investment expert.

So we have the credibility further enhanced with that particular requirement. And then, of course, two Small Business Administration designees appointed by the Administrator of the Small Business Administration, who shall be finance and investment experts.

Now, that cannot be overemphasized, because the Senator from Arkansas [Mr. BUMPERS] the chairman of the committee, and the ranking member, the Senator from South Dakota [Mr. PRESSLER] on our committee, had immediate misgivings: Wait a minute; what are we doing here? We have the SBIC. We have the loans; let us not start another one.

However, with the need here on technology, with the particular emphasis that is the intent of S. 4 to emphasize technological loans, then we wanted to at least institute this as a pilot program.

You say why? You have heard from two venture capitalists already with differing views. But I try my best to listen and learn.

One thing just impresses this Senator who is outside the realm of venture capitalism, and I quote from Alan Wolfe in his book on "Improving United States Trade Policy" back some 6 years ago. He served as the Special Trade Representative's Assistant to the Ambassador during the seventies. He has credibility on both sides of the aisle and with experts in the field of trade all over the country. I quote from page 563.

> In 1990, a Wall Street analyst commented to a group of U.S. semiconductor executives that "The goal of people investing in stocks is to make money. That is what capital is all about. It is not a charity. I cannot tell my brokers, gee, I am sorry about your client but investing in the semiconductor industry is good for the country." While this individual was stating a truth so obvious that it verges on the banal, he was touching on a fundamental dilemma confronting U.S. industry today. In light of the investment sentiment expressed above, how is a company to maintain the level of investment needed to remain competitive over the long run, particularly if there is no prospect of a short run payoff or if foreign competition has destroyed the prospect of earning a return on the investment? A few U.S. firms, family-owned and managed companies like Motorola and Corning, and some very large firms like IBM and GE, have on occasion proven capable of undertaking long-range strategic investment on a regular basis, and in some cases meeting foreign below-cost price offensives head-on for a sustained period. Moreover, however, a company's internal investors, the executives who allocate capital, have no choice but to invest in areas that are likely to produce a high return on investment over the short run. They know they are accountable to lenders and shareholders who can simply redirect their investments elsewhere if the firm persists in simply committing to areas where returns are low or negative or are perceived to be forthcoming only in the distant future.

Then there is a note to this particular section:

> "The New York Times noted on February 6, 1987 that U.S. venture capital investment, which had been an important source of capital for U.S. high-technology industries, was shifting away from high tech to areas where greater returns were anticipated, such as leverage buyouts of existing companies, pizza shops, athletic apparel concerns,

and on down as he lists them there.

That gives you a feel for the problem that S. 4 with this particular provision is trying to address. Specifically, again President Bush's Competitiveness Policy Council, I quote from it:

> Entrepreneurs and small companies with exciting new technologies often have trouble obtaining the financing needed to commercialize products and grow their business, and frequently end up licensing their technology to more patient and deep-pocketed foreign companies.

I remember well the vice president of GE came into my office some years back. We had a competition back in the 1970's for low-cost housing on military bases. They had won the competition out at Vandenberg. You could build at that particular time a house with three bedrooms, a bath and a half, a dining room-kitchen combination, for $17,500. But it had all the new things. It did not have copper gutters. They were reinforced with fiber, Owens-Corning fiber, and the likes of that. It had a special kind of roof with a 20-year guarantee.

They had won the competition. But then going around trying to sell the production of it with all the zoning laws and regulations, they just gave up and sold it to the Japanese, and went over and started building the houses in Saudi Arabia. The GE vice president had his big briefcases. We were good friends. He said, "I am just going over to the Saudis. We finally got it off, and the Japanese have picked it up."

So there is the problem, particularly for small companies. These are the kinds of things that we are confronting in S. 4.

And we go to the track record of the small business-licensed investment corporations.

> Since 1958, the SBA-licensed SBIC's have invested more than $9.7 billion in small businesses. Two features are central: Most of the money is privately raised, and venture capitalist—not Government—officials decide which small business to invest in.

We will benefit from the objectivity and expertise of the Under Secretary, Mary Lowe Good. She is not a partisan Democrat. She will not be giving out moneys to California and grants willy-nilly. She is very conscientious about her own credibility and she is going to be the chairman of it. Other experts are involved from the SBA, and Mr. Bowles will be watching it, and again on a merit basis, a peer-review basis. You are going to have the Senator from Arkansas on our Appropriations Subcommittee, Senator BUMPERS, the chairman of the SBA Committee here on the Senate side, and this particular Senator. We do not want to start a boondoggle. We are going to watch this because I am selfish about this. If this initial program were subject to abuse and politicization, then the entire program would fall, the program that is just getting started.

So I am just as concerned as the Senator from Missouri or anybody else that this must not turn into pork barrel, we must not throw money away. The multiplying effect is absolutely critical. That is the key in all of these SBA loans.

So we are not giving out $600 million or $300 million. It is only a $50 million pilot project that generates that $300 million in one year we hope, and $300 million in the second year we hope, or $600 million. But if we get to the $600 million, it would be a success story. That is the whole thrust of this particular provision by the Senator from West Virginia.

I yield the floor. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri, Senator DANFORTH.

Mr. DANFORTH. Mr. President, as indicated by the Senator from West Virginia, I have a letter from the National Venture Capital Association signed by Allen Neece, their legislative counsel. Mr. Neece says for the National Venture Capital Association:

> This letter is to confirm that the National Venture Capital Association is adamantly opposed to the venture capital provision contained in section 306 of S. 4.

I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> NATIONAL VENTURE
> CAPITAL ASSOCIATION,
> *Washington, DC, March 15, 1994.*
>
> Hon. JOHN C. DANFORTH,
> *Russell Senate Office Building, Washington, DC.*
>
> DEAR SENATOR DANFORTH: This letter is to confirm that the National Venture Capital Association (NVCA) is adamantly opposed to the venture capital provision contained in Section 306 of S. 4. As the President-Elect of NVCA, Patricia Cloherty, stated in a letter dated last Friday, March 11, to all of your colleagues, the creation of still another government backed venture capital program is out of order. Not only is it redundant of an almost identical program authorized two years ago, but because of its emphasis on so-called "critical technologies," it smacks of a government directed industrial investment policy. Similar attempts have been made in the past going way back to the Eisenhower Administration and all have ended in abject failure.
>
> Section 306 is a no more enlightened program than its predecessors; and we, therefore, recommend that this section be struck, or failing that resolution, that Sectors vote "nay" on final passage.
>
> Sincerely,
> ALLEN NEECE,
> *Legislative Counsel.*

Mr. DANFORTH. Mr. President, I also have a letter from William Sahlman, who is professor of business administration at Harvard Business School. I would like to read just a couple of excerpts from the memorandum to me from Professor Sahlman:

> Recently, a number of legislative initiatives have been launched that would have the government play an active role in the creation of venture capital firms. The underlying rationale is simple: There is, according to the sponsors, a shortage of risk capital in the United States, particularly capital aimed at early-stage ventures.

As evidence, people point to the decline in professional venture capital commitments in the most recent 8 years.

I, personally, believe no such shortage exists. I have yet to see a good idea and team not get funding, and I have seen many bad ideas (and/or bad teams) get funding.

I should also note that all attempts by the Government to direct investment have enriched the wrong people—lawyers, accountants, and promoters. The record for State initiatives in venture capital is disastrous. Loan guarantees are like heroin: They give promoters the upside, leaving the taxpayer holding the bag if the investment doesn't work out—not my idea of a sensible policy.

I ask unanimous consent that the entire memorandum from Professor Sahlman be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

To: Senator Danforth.

From: William A. Sahlman, professor of Business Administration, Harvard Business School.

Subject: Government sponsorship of venture capital.

Date: March 15, 1994.

Recently, a number of legislative initiatives have been launched that would have the government play an active role in the creation of venture capital firms. The underlying rationale is simple: there is, according to the sponsors, a shortage of risk capital in the United States, particularly capital aimed at early-stage ventures. As evidence, people point to the decline in professional venture capital commitments in the most recent eight years.

I personally believe no such shortage exists. I have yet to see a good idea and team not get funding, and I have seen many bad ideas (and/or bad teams) get funding. The level of professional investment in early-stage ventures in the past few years is a result of the fact that returns to venture capital investing were meager during this period, approaching 0% per year. It wasn't a productive place to put capital to work. One reason returns were low was that there were too many companies being funded in each industry, which resulted in competitive mayhem and poor fundamental results.

In the most recent period (1991 to the present), a significant increase in early-stage investing has taken place. Why? The fact that investors exited the business in the late 80s and early 90s created an attractive opportunity to invest. Lo and behold, venture capital investors came back with a passion. In this regard, to the degree that government policy creates artificial inducements to invest, it will ultimately result in poor returns and exit from the business.

I should also note that all attempts by the government to direct investment have enriched the wrong people—lawyers, accountants and promoters. The record for state initiatives in venture capital is disastrous. Loan guarantees are like heroin: they give promoters the upside, leaving the taxpayer holding the bag if the investment doesn't work out—not my idea of a sensible policy.

I do believe that government policy has a big impact on the high potential entrepreneurial sector. Right now, the trend seems to be to move in the direction of a European social system, which makes it costly and risky to employ people. We are rapidly building a system that penalizes firms that exceed fifty employees. We are trying to destroy Sub-S companies that are successful.

I have appended an editorial I recently wrote on government policy. I hope this is useful. This letter represents my ideas, not necessarily those of my employer.

Mr. DANFORTH. Mr. President, turning to the loan guarantee provision in this legislation, I will read from the committee report, and the Senator from Missouri did not write the committee report. Let me just read the relevant portion from it:

> The bill would require that the subsidy rate for the loan program not exceed 15 percent. Therefore, CBO estimates that $50 million authorized for this program in 1995 would permit the Government to make or guarantee about $300 million in loans.

In other words, $50 million is 15 percent of $300 million, and according to the way CBO scores this, a $50 million authorization permits $300 million in loans. And it follows, as day and night, that $50 million a year for 2 years, or a total of $100 million in authorization, would yield $600 million in loans. That is the exposure under this legislation. It is not $50 million or $100 million; it is $300 million, or $600 million in loans. To whom? I intend to pursue that in just a minute.

Mr. President, reading from some excerpts and commenting on them from the section which my amendment would strike from the bill, this provision in the legislation provides that a pilot program, as it is called, shall be operated under the direction of the Department of Commerce-Small Business Administration Venture Capital Licensing Committee. That is the name of the new organization that is created—the Department of Commerce Small Business Administration Venture Capital Licensing Committee. It is referred to throughout the rest of the bill as the licensing committee.

Then it says that the membership consists of three people appointed by the Secretary, and they include, as the chairman pointed out, the Under Secretary for Technology, and also two people appointed by the Small Business Administrator, and an investment expert is supposed to be included in that list from both Commerce and SBA.

In other words, here is a committee of five people that is the licensing committee for venture capital operators. We say, well, please do not worry about this licensing committee, because we absolutely promise you that these are smart people. We do not have dummies here in Washington. We do not have fools here in Washington. We have geniuses. And we guarantee that the people who are going to do the licensing of these venture capital operations are smart. So that is good news.

Then it goes on to say that the licensing committee may license pursuant to joint regulations. So, obviously, we are going to have regulations, and they are on the next page. But we have to have regulations. How do we operate Government without regulations? And how can we operate our licensure system for venture capitalists unless we have regulations, joint regulations, by the Commerce Department and the Small Business Administration for how we are going to go about the business of licensing venture capitalists?

"Activities of licensees. Each civilian technology investment company"—these are the venture capitalists who are the beneficiaries of the largess of the taxpayers—"company licensed under this section may provide venture capital and loans to eligible technology firms * * *"

"Eligible" is defined, incidentally, in this section.

"* * * and eligible joint ventures in such manner and under such terms as the licensee may fix in accordance with"—hold onto your hats—"joint regulations."

Then it says that the type of financing to be provided "shall be determined by the licensing committee." "Each civilian technology investment company shall have authority to borrow money and to issue its debentures." These are the joint venture operators.

So if you are licensed, if you are a civilian technology investment company, a venture capital operator, then you have the authority to issue debentures, promissory notes, securities and other obligations under such general conditions and subject to such limitations and regulations as prescribed in the joint regulations. This is called a partnership. This is what we call a Government-business partnership. We have the licensing committee —smart people—and we have regulations on how it functions. We issue the licenses and tell them how they can finance themselves.

The licensing committee is authorized to the extent the funds are made available to the Department of Commerce in appropriations acts to transfer such funds as may be necessary to the Small Business Administration to purchase or guarantee the timely payment of all principal, interest, and dividends, as scheduled on debentures or participating, nonvoting preferred securities issued by such companies.

I repeat. The licensing committee has the authority to purchase or guarantee the timely payment of—please note the following word—all principal, interest, and dividends as scheduled on debentures or participating, nonvoting preferred securities issued by such companies.

The Small Business Administration is also authorized in accordance with sections 321 and 322 of the Small Business Investment Act of 1958 in regulations promulgated thereunder to issue and guarantee such trust certificates as are necessary and appropriate to provide funding for qualified civilian technology investment companies, that is an open-ended authority to loan or guarantee the loans for up to 100 percent of debentures to be issued.

Now, the licensing committee shall require that any civilian technology investment company licensed and assisted under this section shall—and there are several requirements:

3. Demonstrate to the licensing committee credible procedures for ensuring that investments are made in critical technology projects for which eligible technology firms cannot obtain necessary financing solely through commercial capital markets.

The Harvard professor says that if they are good ideas they can get funded. This says if you cannot get funded, if you go into the marketplace and you cannot get funded in the marketplace, then that is a condition precedent to getting funded under this operation.

I think that means that if you have an idea which cannot hack it—you have an idea out there, nobody likes it, you try to peddle it, you try to get money, you try to get capital, you cannot hack it, you cannot make it, the private sector does not want it, what do you do next?

Well, it turns out that that is good news not bad news. It is good news that nobody likes your idea. Come to uncle. We like bad ideas. If you have got a bad idea out there, we will fund it. In fact, if it is a good idea we will not fund it. That is how I read that section.

Mr. President, I simply point out the fact that if we are going to get in the business of trying to fund those good ideas in research and development, I do not think that it should be something that is done by Government. I think that is what the private sector is for.

The Harvard professor, whose memorandum I just submitted for the RECORD, believes that there is not a shortage of venture capital money. Some say that there was a decline. There was a decline—there is no doubt about it—for a couple of years in the few years in the late eighties and early nineties, and people have speculated why that is. Some people believe that it is because in the mid 1980's there was a excess of venture capital funds. Some believe it has to do with the termination of the capital gains differential. I am not going to get into that speculation or that debate. But I do believe that the current state of affairs is that there is not a shortage of venture capital from the private sector.

But even if there were, even if there were a shortage, that would seem to me to be a marketplace matter, not something that we pontificated on here in Washington. The availability of capital—the money is out there in the marketplace in a capitalist system. That is how the marketplace functions. If there are good ideas, there is capital to fund good ideas. If the ideas are not any good, then capital will not subsidize those ideas.

We are saying in this program we are going to have a licensing scheme, we are going to have exposure for up to $600 million of Government loans or loan guarantees for ideas that by definition cannot make it in the marketplace. It seems to me, Mr. President, that this is a direction in which we should not go.

The PRESIDING OFFICER (Mr. MATHEWS). Who yields time?

Mr. HOLLINGS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from South Carolina has 16 minutes and 20 seconds.

Mr. HOLLINGS. And the other side?

The PRESIDING OFFICER. The Senator from Missouri has 17 minutes and 51 seconds.

Mr. HOLLINGS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. HOLLINGS. Mr. President, I yield to the distinguished Senator from Montana.

Mr. BURNS. I thank the Senator very much.

Mr. DANFORTH. I was hoping to have the opportunity to yield to the Senator.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Mr. President, the Senator from Missouri makes a very valid point when we start talking about financing new ideas. That part of this particular piece of legislation is designed for small businesses. And I can probably cite as many situations on new ideas, new technologies, and new products that have been designed, drafted and thought about and really put together on America's farms.

One of them I think would be in the eastern part of North Dakota, by a good friend of mine, and the idea was an excellent. It had to do with clean air into diesel engines, how we filter that air. He just did not have enough money to put that idea into a situation of research and development. So when presented to another entity that did have the money, the idea was no longer his.

So what we are talking about here is not the Government in competition with other venture capitalists, because there is a specific part of this bill that prevents that from happening. We are talking about a situation that is designed sort of like the Small Business Investment Company Program which was created way back in 1958 in response to a lack of financing for small entrepreneurial businesses there. This was just a rifle shot that would probably help facilitate that idea and to get it off the ground. The SBIC programs were responsible for getting, in the early stages of companies like Apple, Nike, Federal Express, and those kind of companies, a new idea, a new industry to allow it to flourish.

With the tax situation as it now is because we continue to tax and tax and tax, for small business, Mr. President, it is pretty hard to amass capital and to take that capital and to promote an idea and to get it into the marketing place. If we are going to take, we have to also, maybe, reinvest—maybe reinvest with the small idea that grows up to be great ideas.

I can tell you my own kind of a situation in Montana. I can remember when I had this silly idea about the radio business and television business and trying to get started. But I had some options. I was cut off from a couple of my options to prevent me from going into business, because the people who owned the competitive business also owned the vehicle with which my business had to travel. But I had another option or two, and I took advantage of those options and went on from there to be able to provide for me and my family as I thought I should, and do what I enjoy doing and, of course, that was in the farm broadcast business. I still look back on those days, wishing I was back in it.

Nonetheless, it is the time when, if we are not going to allow that businessman to amass money, we are going to tax it, we are going to have to help him in other ways.

A young man coming out of college, full of hope, believing in this country, the fairness of this country, is going to find out that if his idea is a good one, he is going to have a pretty darn hard time hanging on to it and trying to develop it at the same time so that he can improve his lot in life.

So unlike any other program under the CTIC Program, the Government can share in the upside of the commerce of this country. In other words, if the CTIC does well, the Government can benefit, bringing dollars to the Treasury and also reducing a little bit of our deficit. It has to be handled in a proper way.

So I would support this part of the bill and would not like to see it weakened any more at a time when new ideas and new technologies are abounding and should be allowed to flow.

Mr. President, I remind my colleagues that venture capitalists participating in a program can supplement their own private investment capital with this funding. They could be commingled, giving more market power to whoever wants to invest.

So I oppose stripping this from this piece of legislation and I will vote to do so.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. How much time does this side have remaining?

The PRESIDING OFFICER. The Senator from South Carolina has 9 minutes and 26 seconds.

Mr. HOLLINGS. I yield myself such time as is necessary.

Mr. President, I am trying to determine who belongs to the Venture Capital Association. We are now in the sixth day of debate, and we finally have located someone who opposes a feature of this particular bill; whereas, we have on hand all of industry, all of technology, all of education, all in strong support.

They support it because not only does it aim at developing our technology, it would also move forward here with the Small Business Administration, the SBIC, and others.

The argument is made by my distinguished colleague, the ranking member on our committee, that the letter from the Venture Capital Association is an argument against SBA, period, the Small Business Administration. I am confident they do not like that. I am confident they do not like the SBIC. They do not like any part of it. Because, yes, their interest is to grab all the capital that comes to them and they manage it.

But we have found that the private market is the wrong place to leave these things because we would not have any of these businesses. Think back over the long list of speeches in support of SBA and SBIC in this body in the last 2 years.

The SBIC Program creates business and business ownership opportunities. The SBIC financing has contributed to the creation of thousands of new companies between 1959 and 1991. The SBIC has financed 70,000 small business concerns in approximately 100,000 financing transactions, disbursing approximately $9.7 billion, of which $4.6 billion was private capital and $3.1 billion was funded by SBA through debentures preferred stock. It is a generator. It creates jobs.

These SBIC finances have created jobs in a broad spectrum of small businesses, from ice cream companies to computer companies. And there have been some 570,000 jobs in the direct financing of the SBIC.

Now what we are trying to do is get over to the technology part. It says that more than one-half billion dollars of direct taxes have been paid by the SBIC's to the Federal Government. And the partnership and corporate SBIC's are paid in excess of $800 million in dividends for the owners. I could go down, on and on.

We have a real winner here.

But what comes? The Venture Capital Association. And I have been on the budget end of this thing since we organized the Budget Committee back in 1974. I have never seen a letter from the Venture Capital Association saying, "Please, Senator, pay your bill, because you have the sharp elbows of Government out there financing your deficits and debts, taking out from the market the venture capital, another $300 billion this year."

I am not talking about a little, measly $50 million pilot program. But we were getting up to $400 billion deficits. And we have been running deficits again. Of course, they said the deficit was going down to $176 billion next year. But then, add on another $100 billion that we are using from the Social Security fund, the Highway fund, the Airport and Airways fund, the Federal Finance Bank fund, the Medicare fund, and others, and you still are up around $275 billion.

Sharp elbows of Government kicking away at venture capital? I have never seen that crowd write this Senator, working on the Budget Committee, that we are taking away billions. We are taking away a little mealy-mouthed $50 million in a pilot program, studied well, conceived well, a well-audited, well-directed program. That is part of this. That is the whole point.

We do need for the IBM's, the GE's, and the Motorola's to get into technology. They can get governments to move, as we have just done with the cellular radio. We have not been able to do anything with Japan. But Motorola is powerful enough on just that one thing, cellular radios, to move the Government of Japan. In the morning paper, it is moving.

But the small businesses that generate the jobs in this country, that really create the opportunity, these are real success stories that should not be foregone in the adoption here now of S. 4. It is fundamental. It is just a pilot program. It is well guarded against any kind of abuses. We will be watching that.

It phases out in just a 2-year pilot here. So that would be the only authorization, just for 2 years, to see how this can work.

It is really the best part of this entire bill, in our opinion, and should not be stricken from the bill here because of the opposition of this single group, the Venture Capital Association.

Heavens above, I would like to see the board of directors of that crowd. I want to know if it includes executives of small business. But all the businesses, the National Manufacturing Association, right on down the list, endorse this bill with this particular provision.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY addressed the Chair.

Mr. DANFORTH. Mr. President, I yield such time as he requires to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I rise in support of the effort to strike this provision from the bill. I do so because I think it is in the interest of the American taxpayer and because it will reduce the budget deficit if we eliminate this section of the bill.

We can have a legitimate debate over what the Government can and cannot do well. Running a venture capital operation is, however, something I am fairly sure that the Government cannot do well.

Before the Government steps into the marketplace, I think we have to think there is some problem that the private sector cannot, on its own, solve. There should be some market failure that we need to address.

My question is: What is the problem? What is the market failure here?

Before we go forward with this program, ask yourself just a couple of questions: Would you put your own personal money in a Government-run venture capital program? Would you risk your pension funds on the ability of a technology licensing committee to find the right technologies?

Would you risk your child's education bonds on the ability of bureaucrats to outperform markets?

If you would not, then you should not be voting for this program. You should not be wagering taxpayer money on an ill-advised effort at industrial policy.

The goal of this program is "to stimulate and expand the flow of private capital to private companies." And the means of doing that is a 100 percent guarantee of principal and interest —100 percent.

Let us be a little more serious about this. Profits stimulate and expand the flow of private capital. A growing economy and low interest rates stimulate the flow of private capital. The dreams and genius of entrepreneurs stimulate the flow of private capital. Government bureaucrats reading business plans and interviewing would-be Bill Gateses will not stimulate or expand the flow of private capital. Given a choice, I will stake my faith in markets and not in bureaucrats.

I simply do not believe that we should be attempting to direct the flow of venture capital. Who is to make the decision on which technologies, let alone which entrepreneurs, to back—Government bureaucrats receiving applications? There are thousands of venture capitalists around the Nation attempting to find the next Microsoft. They are all over. They are looking, they are interviewing companies, they are interviewing this guy in his garage, they are interviewing that guy in this State or that State. They are trying to find the guy where, if they invest in him, they will get the payoff. There are millions of investors out there, and they are not limiting themselves to any given set of technologies or industries. They are guided by one thing: The profit motive, the best incentive yet we have found at job creation.

Do we really think that Government is going to do a better job of finding the next breakthrough industry or the next breakthrough product or the next breakthrough idea than all these millions out there looking to find it so that they can make a lot of money?

Mr. President, venture capital is risk-based capital. What does that mean? It assumes that out of every 10 investments, 7 or 8 will go bad. That is why it is risky. Seven or eight will go bad; two might make it.

My prediction is under this program such a number—two or three—might be a tremendous success. But what about the seven or eight that fail? The taxpayer is on the hook.

We are not going to eliminate the risk in the market. We should not even try. What we are going to do is squander $50 million in loan guarantees that could go to guarantee about $300 million in loans. I think that that is too much. If we have these funds to spare, instead of putting them in some bureaucracy to be loaned out to whomever can get to the bureaucrats, I say we ought to reduce the budget deficit. It is as simple as that.

With that said, Mr. President, I want to say I think I have an idea where this program came from. Not the individual but an idea of the mindset that generated this program. It came from, I think, well-meaning people. It came from individuals with the highest motives. It came from people who want to see America compete. It came from people who believed that we should have every possible advantage in the worldwide competitive marketplace. It came from people who are patriotic and who want America to win.

But, Mr. President, what is the reality after this provision passes, after it was written by those with the highest motives? Then it is turned over to the lobbyists, to all the people who will flood the department with various proposals. It will, of course, under the provisions of the law, be judged on the highest meritorious basis, according to X, Y, and Z criteria, designed by the following subcommittees of the Technology Review Committee and advising it pursuant to the seven sets of regulations that each one will have to comply with.

The lobbyists, or those who have lobbyists, will have an advantage because they will know how the system works. And the result is going to be, I guarantee, if this passes: I think my New Jersey venture capitalists are better than the venture capitalists of any other State, and I am going to be knocking down the door of that technology committee saying, give my New Jersey venture capitalists the money for this great program.

Mr. President, every other Senator is going to be doing that. And to think that this is going to be an allocation based solely—solely—on the technological criteria, I think, is to live somewhere other than Washington, DC.

Even during the course of this debate, I had a Senator come up to me and say, "This is an important bill. My State does very well under it."

I said, "How do you know your State does very well under it?"

The answer was because that Senator's particular State is well enough placed, well enough represented, effectively enough represented that that Senator believed that an administration, a bureaucracy, could not help but see the importance of that State politically.

So, Mr. President, I believe that this program should be rejected. Research and development is enormously important. Venture capital is a big industry in this country. But there is no shortage of venture capital. Venture capital funds increase when the economy is good and they decrease when the economy is bad.

In 1991, there was about $1.2 billion in venture capital in America invested that year. We were in the middle of a deep recession. In 1993, the recession ended; we were coming back out, robust growth. What venture capital was available? About $2.5 billion. This is no mystery. When the economy is well, there is more venture capital, and when the economy is poor, there is less venture capital.

Then, of course, if we are looking for precedents, we will hear Senators talk about, "Well, if we had only done this and only done that," as if there is some advantage for us trying to be like another country.

My point is, why can we not just be America? Venture capital in America is a unique phenomenon. They do not have it in Germany. The big banks control it. They do not have it in Japan. The cartels and the financial institutions and the Government control it. Why can we not just allow the venture capital community of America to do what is does so well, which is to find a new idea and fund it as opposed to the idea of a Government bureaucracy in competition?

Sometimes it is good to argue from some analogy, and many Senators have stood and argued the importance of this kind of thing because other countries have had it. Primarily they point to Japan, although Russia—no, it is not that bad. Japan.

Well, indeed, a couple years ago we had the big debate over HDTV. Remember that debate, Mr. President? HDTV. Why was not the United States Government subsidizing the development of HDTV that was going to be taken over by the Japanese. The Japanese had the Government in there subsidizing it and they had the technology of the future and they were going to take over the whole television industry because of this technology with Government support and Government leadership.

Well, I wish I had the videotape of the press conference just a short while ago where the Japanese Government essentially admitted that the United States private sector wiped them out, wiped out the subsidized consortium. There was the Japanese Government admitting failure, announcing the end of the subsidies, and admitting that they were lobbied by the firms that received them and that they were caving into those firms. You want to see a picture of this endeavor; if it were written into law, I simply ask you to get the videotape of the Japanese Government officials admitting failure in the HDTV.

So, Mr. President, I urge support of the amendment to strike this provision from the bill. I think that the venture capital industry in the United States is the most robust and creative. Government bureaucrats should not be in competition. The result is going to be a politically biased allocation that is not going to produce winners. We ought to save the money and reduce the budget deficit by the equivalent amount.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield such time as necessary to the distinguished Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair, and I thank my friend and colleague from South Carolina.

I am proud to rise and support him in opposition to this amendment which would strike from S. 4 this Civilian Technology Investment Program. I wish to respond in part to the comments made by my friend, the Senator from New Jersey, because I think there is a fundamental difference of understanding about what we are trying to do here and the way in which it is done.

In my opinion, this section of this bill, the Civilian Technology Investment Program, a new program, responds to a clear need in our economy today, and it does it in a manner that is tried and true, widely accepted, not controlled by Government bureaucrats but led and driven by the marketplace. So I have a fundamentally different perception of what this program is all about than my friend, the Senator from New Jersey.

Let me deal first with the problem. I cite and quote John Hodgeman, president of the Massachusetts Technology Development Corp., speaking a year ago, a little more, February 16, 1993.

> There is a chronic capital gap with respect to early technology companies.

John Carruthers, director of research at the Intel Corp., speaking on behalf of the American Electronics Association, composed of companies that have been critical in bringing America back to economic strength and creating new jobs, said:

> Since the mid-1980's, our Nation has failed to produce a new generation of technology companies for a variety of reasons. Chief among them has been the alarming and growing inability of American entrepreneurs to obtain seed and venture funding.

That is the problem. The money is not out there to help the genius, the entrepreneur, with the bright idea in an area of critical technology, that is, a technology that we know is going to be critical to economic growth and job creation around the globe. The money has not been out there.

Now there are a lot of reasons people give for that. For instance, some say it is——

The PRESIDING OFFICER. If the Senator will suspend, all time of the Senator from South Carolina has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that I yield time on the bill itself—I think under the unanimous-consent agreement we have 60 minutes, 30 minutes to a side—if there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. I again thank the Chair and thank the Senator from South Carolina.

There are some who will say that this problem of a lack of availability of funding results from the fact that individuals are putting more money today into mutual funds. Those assets have increased dramatically. And they are displacing banks and venture capital as major sources of investment capital, and that creates a problem, which is mutual funds have shorter time horizons. They have to show a quick return, and as a result, they invest primarily in publicly traded securities instead of taking that chance that at an early stage of development will produce the very successful critical technology company of the future.

So that is the problem, and it is a problem that we have seen over the years. We have suffered from it. Some of the great American universities and research laboratories have been and remain the best in the world. And this is a litany that has been said over and over on this floor, which I will repeat briefly, and it is a perception that is generally shared.

Too often, in the past—happening less today—the great idea of American laboratories and research facilities has been converted into a commercial product in another country, particularly in Asia—Japan, Taiwan—because they have taken the funds and invested them at that early stage of development in trying to take the bright idea and convert it to a commercial success. And we also cite here the VCR, the fax machine. Those are very powerful examples of exactly what we are talking about and why we have said repeatedly on this floor anytime technology comes along that can lead to the fax machine or the VCR, we want it commercialized in America, and we want it built by Americans.

That is what this section of this bill attempts to make happen, to find those bright ideas at an early stage before they are ready to take off and make sure that there is enough venture capital out there which the market has not provided to bring them along.

So in that sense—and I think it is important to say this—this section of this bill actually responds to a market failure. Because of the short-term incentives in the system, short-term profits, because of the somewhat higher risk involved, there is a market failure. There is not enough capital being put into those bright ideas to convert them to the commercial products that will create the thousands of jobs to reemploy Americans who have lost their jobs in this recession.

It is that market failure that this section of this bill attempts to—I hesitate to say cure but at least make better, to lighten the consequences of that failure. It adopts an idea, a program that has worked in countless ways, put into effect: loan guarantees—have the power of the Federal Government stand behind guarantees; the issuance of some kind of paper to raise money to put out there in an area that is normally limited by statute that this Congress has deemed to be important to the well-being of our country and our future; small business lending companies limited to small business, the same as small business investment companies. It is the SBIC's, the small business investment companies, that this program is most clearly directly patterned after.

It has been said before, and I will say it again in one sentence, it is the SBIC's that presented the capital that made it possible for Nike, Apple Computer, and Federal Express to be born and to grow. And I know the occupant of the chair knows the benefits of at least one of those great companies through Federal Express. Minority small business investment companies, there we use this guarantee power to encourage the movement of capital toward minority small businesses limited by statute, small business innovation research, export revolving loans.

Even Fannie Mae, Freddie Mac, Sallie Mae, those are all governmental institutions that guarantee the flow of money to programs that we consider socially, societally, and economically productive, housing or student loans, whatever it happens to be in the particular case.

So we have the need, which is the absence of capital. We then adopt this tried and true system of meeting that need. But what I want to stress now is that S. 4 does it in a way, in this section of this bill brought out of the Commerce Committee, that is not governmentally controlled and governmentally operated.

The kinds of fears expressed here about politicians going to the Federal Government to make a case to put pressure on to give money to this particular company in their home State to increase the funding for it, the Government, under this program as proposed in this bill, does not have the capacity to do that.

Basically this $50 million program leverages on private capital put out by private venture capital firms that are licensed, but only because they have shown their qualifications, and that they have committed their operations to achieve the program objectives which are to support critical technologies that will create the jobs of the future.

In other words, you have some venture capitalists who come together. The first thing they have to do is put up some money of their own. That is a response to the market. That is why this program is market driven. The Government does not get involved until these private venture capitalists say, "We are going to put some money on the table." It is at that point, after the Government determines the qualifications commitment to the program objectives to create these new critical technologies and commercialize them, that the Government can agree to give the guarantee authority to this venture capital firm to expand the money it has to put into critical technologies. Fifty million dollars, as has been said over and over again, multiplies into $300 million because of the economics and accounting systems of the Federal Government, the so-called default rate.

What I want to stress here, Mr. President, is that you create this venture capital firm called the Civilian Technology Investment Co. It has to have private capital at risk to participate in the program. Never does a private company that has an idea for a new technology that it wants to commercialize come to Federal Government, to any Federal bureaucrat, or to their Senator or Congressman to say, "Help me get this Federal bureaucrat to give me money." The entrepreneur, the genius with the bright idea that will become tomorrow's fax machine or VCR goes to this Civilian Technology Investment Co., a private venture capital firm. They never come to the Government. And that private venture capital investment firm which we have licensed, which has put its private capital at risk, makes the decision as to whether to invest in this company.

Here is the Federal Government over here licensing the venture capital firm willing to extend our guarantee. Here is the entrepreneur and the genius with the bright idea. That person only comes to the private venture capital firm to make the market-based decision as to whether that is a good program to put money into.

So I think we have the need, we have a tried and true mechanism, and we have a structure here built on the SBIC model that is market driven, that is not Government-controlled. CTIP's, as they are called, are designed to fill an early funding gap. CTIP'S are flexible.

Again, the only funding by the Government is through a guarantee. Venture capitalists participating in the program can supplement their own private investment capital with Government financing. That is not a direct investment. The private sector must put up part of the funding and share the risk, and unlike any other program under this critical technologies investment program the Government can share in the upshot. In other words, if the CTIP does well, the Government can benefit bringing some dollars into the Treasury, and in that sense reducing the deficit.

I think this is a superb program. Just as the other parts of this underlying bill, S. 4 do, it responds to this gnawing problem that we have in our society today, our country today, and we certainly have it in the State of Connecticut. A national recovery recurring by the economic statistics—and you can fool a lot of Americans out there as to whether they feel there is an economic recovery. They do not. They have lost their jobs in the recession; downsizing; able, qualified, hardworking people. We are setting up programs to retrain them. The question is always asked, and it is the right question: "Retraining for what?" If there is no job there, the retraining is not going to mean anything.

It is through these measured investments of this kind of Civilian Technology Investment Program that we answer the question, "Retraining for what?" Retraining for the jobs that will be created by the breakthrough, high-tech, critical technology businesses that will be allowed to grow as a result of this program.

It has been an interesting and a substantive and a thoughtful debate. I am glad it is made in the context of an understanding that the underlying bill will go forward.

I appreciate very much the sense of accommodation between the chairman of the committee, Senator HOLLINGS, who has been such an extraordinary leader in this effort, and to our friend and colleague from Missouri, Senator DANFORTH, whose support now will make the underlying bill possible.

So I rise to support the Civilian Technology Investment Program, hoping that the amendment of the Senator from Missouri will be defeated, but thanking him nonetheless for enabling and joining with us in making sure that the underlying program will go forward. I thank the Chair. I yield the floor.

Mr. HOLLINGS. Mr. President, the bill itself—on my time—let me thank the distinguished Senator from Connecticut. He has chaired the economic leadership group within the U.S. Senate over the past several years. He has been a wonderful adviser and has motivated this particular piece of legislation; the overall thrust to get America back into technology development, and the commercialization of our technology. I want to thank him. It is a wonderful contribution. We appreciate his leadership on this score.

How much time do I have on the bill?

The PRESIDING OFFICER. The Senator from South Carolina has 16 minutes and 8 seconds remaining.

Mr. HOLLINGS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Missouri has 4 minutes and 45 seconds remaining on the amendment, and then the full time on the bill.

Mr. DANFORTH. Mr. President, first, I would like to express my appreciation to both Senator BURNS and Senator BRADLEY because I think what they have done is to create a sense of bipartisanship and focus on the issue before us. Clearly, we were pretty well divided on a party basis. But Senator BURNS, supporting the chairman, and Senator BRADLEY, supporting me, in this amendment has created a sense of bipartisanship on the issue that is now before us.

I think one of the points that was made by Senator BRADLEY deserves special attention; that is, the way the marketplace works is that people invest in good ideas, and if the ideas do not turn out to be good, they withdraw their investment. That is the efficient way of the market's operation. Bad ideas are not pursued. Good ideas are.

That is one of the problems that is created when the Federal Government gets into the venture capital business because, while true venture capitalists have real money at risk, they are going to lose something if they lose out. Those of us who are in Government are not really investing our own money. We are investing the taxpayers' money, or what is worse, we are investing borrowed money. We do not sense any personal risk. That is the difference between the Government participating in the economy, and the private sector participating in the economy.

Now we are told that on a pilot project basis the Government should participate in the business of venture capitalism. To what extent? "Well, we really have not worked out the numbers yet because that will await conference." But in the bill that came to the floor of the Senate, it was $100 million for this venture capital program.

Now the Congressional Budget Office in its analysis, and its computation for a loan guarantee program, says that an authorization is the same as 15 percent of a loan program.

So in other words, when CBO computes the exposure of the government in loans, the authorization equals 15 percent of the total amount of exposure in the loan. In other words, we now have, in this legislation, the potential of $600 million of exposure in loans and loan guarantees. That is what we are talking about—whether we are going to get that heavily into this venture capital.

As I say, a true venture capitalist with real money at risk pulls the plug on bad ideas. That is not the nature of government. One of the things that a lot of people say about government is that we do not terminate programs. We do not tend to terminate programs. We tend, in government, not to want to admit mistakes. People in the bureaucracy do not want to admit mistakes, and we in Congress do not want to admit mistakes. Our tendency is to throw good money after bad. It is the opposite of how a venture capitalist functions. So it is more likely that what we will do is to pick losers, because the winners will be privately funded, and because one of the conditions of receiving money under this program is that you cannot get it in the private sector. So we are more likely to fund losers than the private sector, and then once we have funded them, we are less likely to cut our losses. That is the way government works.

So my contention is that government is not a good venture capitalist; government is a bad venture capitalist. Senator BRADLEY says, well, we can save money—he said $100 million; I say $600 million—from the Federal deficit. That is right, in assuming what the appropriations would be; but that is correct, the deficits involved here. But what is involved also is just a bad idea. This is not the way to fund research, to provide funds, nor to provide loan guarantees for people who cannot get money in the private sector, when we do not tend to pull the plug on bad ideas, but tend to send good money following after bad money. I think that is a very important point. It is a point that is not new to Senator BRADLEY, and it is not new to me.

There was a piece by Alvin H. Meltzer in the Wall Street Journal last May. The title is "Why Governments Make Bad Venture Capitalists." I would like to read just a portion of that:

> The U.S. could learn from the experience of other countries. In Korea and much of Latin America, governments have acted as venture capitalists, often subsidizing loans to favored firms and burying their losses in the banking system. Professor Elwyn Young has compared the Singapore Government's policy of managing investment with the free market policy of Hong Kong. His analysis shows that government direction is inefficient. Singapore invests much more but does not get more growth.

Why? In general, is government less efficient? One reason is that products and companies do not leap from the drawing board with "winner" or "loser" stamped on their blueprints. Someone has to decide to make additional investments in companies that appear to have good prospects, thereby putting more money at risk, or to shut down companies that no longer appear promising. Government is more likely to delay closing the failures and more likely to pump in additional money to try to cover mistakes or misjudgments.

That is what Alvin Meltzer, a professor at Carnegie Mellon University, has written about the Government as venture capitalists. I believe, Mr. President, that that follows as the night to day.

Senator LIEBERMAN says there has been a failure in the market system. I doubt that. I doubt that we in the Senate are in a position to say that there has been a failure in the market. I think what happened—this is my understanding, and I do not pretend to be an economist or business person. My understanding is that in the midsixties, there was really a glut of venture capital money. It was the thing to do. As people have written, there was a lot of money chasing too few good ideas. And venture capital became less profitable, less good of an investment and, therefore, the amount of the investment went down. Now it is going back up again. I think that is the way the market system works.

If we in the Senate do not believe the market system works sufficiently, then this is exactly the kind of program we would like. Let us substitute for the market. Let us substitute for the capitalist system. Let us become capitalists, venture capitalists, by creating a licensing committee—three members appointed by the Secretary of Commerce and two by the Small Business Administration—and that licensing committee receives applications pursuant to regulations established by the departments of government. The applications come in and the licensing committee says, "Yes, we will license you," or "No, we will not," depending on what you intend to spend your money on. Then the licensing company decides how to finance the applicants if they are licensed. That can be by loans and loan guarantees, with tremendous exposure.

It is certainly not the free market system, Mr. President. It is something else. It is a statement that we really do not believe the market system works. We really do not believe that the free market system works. We want to do something else. We want to try something else. Government to the rescue. Licensing of venture capitalists. Licensing companies established in the Department of Commerce and the Small Business Administration. Licensing and financing, and the purchase of stock and venture capitalists, and loans and loan guarantees, loans that can be guaranteed to 100 percent.

I do not see any limitation in the legislation. I do not see any requirement that the entrepreneur has to come up with 50 percent of his money. My reading of it is that there is no such requirement. That was in the advanced technology program we were debating this morning. That was the Brown amendment that applied to the advanced technology program. This, as I read it, can be 100 percent.

In fact, in the committee report, it says just that. Here is the committee report, page 47:

> The Secretary is authorized, when funds are previously made available in appropriations, to purchase or guarantee the timely payment of up to 100 percent of principal and interest as scheduled on debentures issued by such companies, and (b) purchase nonparticipating or participating nonvoting preferred securities and issued trust certificates representing ownership of all or part of such preferred security.

All or part of such preferred security. I do not see any requirement that private money be put at stake, and I also do not see any requirement that this be small businesses that are the beneficiaries.

I think big businesses can. Maybe I will be corrected on that. Maybe I have not read it correctly. I am sure that is the reason the SBA is part of it, to try at least to weight it to small businesses. But I do not see any requirement that it could be small businesses. I think it could be big businesses. I think they can have very little risk themselves, the so-called venture capitalists. I think it is just putting money into some people's pockets, to put money into someone else's pockets, on the theory that is how to support research and development; that is how to do it.

Someone around here has that kind of genius, and we say: Well, we are going to have a committee of five people, but please do not worry. The American people should not worry. They should understand that these are really bright people. We are going to have five really smart people. And there are smart people here in Washington. So there is a failure in the marketplace because people in the marketplace do not know what they are doing. People in the marketplace really do not know what they are doing. So there is a failure of the marketplace, we have been told today, but help is on the way. Smart people in a licensing committee are going to find venture capitalists to license. And then they are going to finance them, and the money will be available to people who cannot get money in the marketplace.

I reserve the remainder of my time.

Mr. HOLLINGS. Again, please, Mr. President, what is the time remaining on either side?

The PRESIDING OFFICER. The time remaining to the Senator from South Carolina is 16 minutes and 9 seconds, and the Senator from Missouri has 26 minutes and 48 seconds.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Senator from Montana [Mr. BURNS], be added as a cosponsor of our modification reducing the amount authorized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, quite quickly, we had a report card at the end of the year entitled "Learning to Change, Opportunities to Improve the Performance of Smaller Manufacturers." This report card was issued by the National Academy of Engineering, the Committee to Assess Barriers and Opportunities to Improve Manufacturing at Small- and Medium-Sized Companies, at the end of last year.

I ask unanimous consent the entire report be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LEARNING TO CHANGE—OPPORTUNITIES TO IMPROVE THE PERFORMANCE OF SMALLER MANUFACTURERS

(Issued by the Committee To Assess Barriers and Opportunities To Improve Manufacturing at Small and Medium-Sized Companies of the Manufacturing Studies Board, Commission on Engineering and Technical Systems National Research Council)

PROBLEMS AND CHALLENGES FOR SMALLER MANUFACTURING COMPANIES

Smaller companies confront major problems in responding to increased global competition. These problems encompass a broad range of issues, only some of which relate directly to technology. Inadequate resources—people, money, expertise, information—and insufficient time are reasons that many smaller firms are not improving their manufacturing performance. The idiosyncracies that come from the genesis of entrepreneurial companies are also contributing factors in their resistance to change and slow adoption of more advanced technologies and new organizational structures.

Five fundamental barriers to manufacturing performance improvement in smaller firms were identified and discussed during the workshops hosted by the committee. The barriers are well corroborated in the extensive literature about conditions in smaller companies. The means for helping firms adequately deal with the problems include a combination of approaches undertaken by MTCs, various state assistance programs, and several private sector service providers. A comprehensive response to most of the barriers will require a combination of the approaches discussed.

Barrier 1: Disproportionate Impact of Regulation

The regulatory environment creates a disproportionate burden for smaller firms. National, state, and local initiatives and decisions concerning trade, the environment, employment, work place safety, health care, and liability have a direct impact on the competitiveness of manufacturing companies. Despite efforts to lessen the impact of regulatory actions on small businesses, the amount of time and effort required to comply with complex regulations has become a disproportionate hardship for smaller organizations. One result is that the economic impact of regulatory compliance is much greater as a percentage of capital investment than it is for larger businesses.

Opportunities for improving the ability of smaller manufacturers to cope with regulatory actions include: Improved dialogue between regulators and smaller manufacturers; one means for improving dialogue between regulators and smaller businesses would be to provide assistance in identifying and filing appropriate forms and documents required by regulatory agencies; timely information to manufacturers about new or modified regulations; and reorientation of the strategies of regulatory agencies towards "compliance assistance" rather than "adversarial and punitive."

Barrier 2: Lack of Awareness

Smaller manufacturers are often unfamiliar with changing technology, production techniques, and business management practices. The staff and senior managers of smaller manufacturing companies must devote most of their time and energies to managing the day-to-day operations of the firm. As a consequence those companies are less likely to be aware of the best manufacturing practices, innovative application of new technologies, and fresh approaches to improved production efficiency. With less relevant experience and expertise, their expectations for successfully selecting and effectively assimilating new technology are not high, and so they are less likely to risk investment in new ways of doing things or in major changes to the management structure and relationships within the business.

Opportunities for increasing the awareness of manufacturers to new technologies and best manufacturing practices include providing: National benchmarking data for smaller firms, and illustrative cases of best manufacturing practices; greater access to video tape libraries that illustrate technologies and implementation problems; local and regional forums and workshops; low-cost seminars and formal courses on selection, adoption, and management of specific technologies; and expanded mechanisms to provide access to equipment for "try before you buy."

Barrier 3: Isolation

Smaller manufacturers are generally isolated and have too few opportunities for interaction with other companies in similar situations. Interaction with other firms is essential to continuous improvement. These associations seem to be most productive when they occur among companies of similar size and with larger organizations that might be role models for smaller firms. The chance for suppliers to interact with major customers, to benefit from membership in a supplier improvement program or keiretsu-like confederation of companies, can significantly increase the chances for smaller firms to improve their performance.

Opportunities for increasing the interaction and exchange of information with other manufacturers in like circumstances include: Workshops, meetings, site visits, focus groups, forums, and roundtable discussions; television and video programs to expose manufacturers to specific problems and the solutions adopted by other firms; construction and operation of networks of companies with similar interests and needs to share costs; encouraging professional and trade associations to be more active in determining needs and developing appropriate programs for their membership; and electronic networks that provide bulletin boards for direct exchange of information and sharing of approaches to common problems.

Barrier 4: Where to Seek Advice

It is difficult for owners and managers of smaller companies to find high-quality, unbiased information, advice, and assistance. When companies need help with technical problems, when they want to replace production or design equipment, or when they want to upgrade the skills and talents of their work force, they are often at a loss for sources of assistance. Searching for help in the public sector often reveals a confusing uncoordinated array of services—universities, economic development groups, technical schools, government agencies—"competing" for clients. Inappropriate choices can waste precious resources and time, a waste that smaller firms cannot afford.

Opportunities for helping smaller manufacturers acquire necessary information and unbiased advice include: Databases of consultants with relevant references and qualifications, toll-free numbers to provide firms with a single contact for assistance, and electronic bulletin boards to notify service providers of opportunities in the manufacturing community; field engineers that provide small companies a strategic perspective on how they compare to competitors and what changes they need to make to remain competitive in the long term; and interpreters and catalysts to communicate the needs of smaller manufacturers to vendors, suppliers, academic institutions, federal laboratories, and government agencies.

Barrier 5: Scarcity of Capital

Operating capital and investment funds for modernization are difficult for small- and medium-sized manufacturing firms to obtain. The financial community does not readily understand manufacturing and often perceives loans for new equipment as unattractively high risks. Smaller firms are unlikely to have the capabilities needed to put together proposals for funds in the format familiar to lending officers. The consolidation of banks, with some exceptions, has removed much of the decision making from the communities where many loan officers have traditionally relied on the "known character" of management and owners of the companies in lieu of collateral.

Opportunities for improving access to capital and understanding the requirements of the financial community include: Local and regional forums and workshops for bankers, regulators, and others who work with manufacturers; assistance developing justification for capital improvements in the format and language understood by the financial community; and creation of mutual loan guarantee networks among peer companies.

SOURCES OF ASSISTANCE

Fortunately, the efforts of many assistance organizations, educational institutions, and businesses have demonstrated ways to help companies successfully contend with most of these obstacles. With some regional variation, assistance is available in both the private and public sectors.

The private sector offers a number of resources that manufacturers can buy to solve problems, to modernize their production operations, and to upgrade the skills of their workers. Among these are consultants, suppliers of technology, trade associations and professional societies, and other miscellaneous service providers. The backgrounds and expertise of many consultants are, however, primarily founded on principles relevant to larger corporations; they often fail to appreciate subtle but important differences in smaller organizations. And though many suppliers will provide fairly substantial "proposal engineering" services while competing for a sale, fewer are able to follow through with sustained support and service after a sale to a relatively small customer. There are no precise data available on the number of smaller companies buying private sector assistance.

Numerous initiatives have been undertaken at the federal, regional, state, and local levels to help manufacturers and business in general. For the most part, these initiatives have become overlapping uncoordinated programs, and the effectiveness of many programs has yet to be systematically evaluated or demonstrated. The programs typically operate on fragile financial underpinnings and often compete for funds to support assistance efforts. The availability of public assistance, which is usually dependent on funding by state and local government, tends to vary with the perceived contribution of smaller manufacturing firms to the well-being of the local economy, and the best state programs are unable to help more than a few hundred firms per year.

Until 1989, the federal role in providing assistance to small manufacturers was primarily through the Small Business Administration and various defense programs. Beginning in 1989, however, the National Institute of Standards and Technology (NIST) has funded the Manufacturing Technology Centers (MTCs), seven of which are now operating. The MTC program is the primary federal activity in industrial extension providing matching grants for creating centers to enhance "productivity and technological performance in U.S. manufacturing through the transfer of manufacturing technology and techniques * * *" (U.S. Congress, 1988).

EFFECTIVENESS OF MANUFACTURING TECHNOLOGY CENTERS

To understand the challenges facing smaller manufacturers and to determine the nature and effectiveness of MTC activities, the committee held eight workshops throughout the United States, six of them at MTCs. The conclusions of the committee concerning the effectiveness of the organizations are based on workshop discussions with smaller manufacturers and company representatives who had some experience working with the Manufacturing Technology Centers, as well as conversations with MTC staff and other service providers.

A majority of the committee has concluded that the MTCs are well placed to provide many of the services needed to improve the performance of smaller manufacturers. However, the committee found that the legislative "sunset provisions," which eliminate NIST funding after six years, and the present metrics (cash flow, number of clients, length of engagements, attendance at manufacturing meetings) tend to adversely dominate the missions, attitudes, and behaviors of the MTCs that have been operational for two or more years. While there is an extensive range of services that can be offered by MTCs, the typical long-term strategies to fill the funding gap and comply with performance measures place increasing emphasis on fee-for-service activities.

Many of the needs and opportunities identified by the manufacturers attending the workshops were not project-oriented kinds of assistance but were, instead, concerned with improving access to information and building stronger networks among companies, suppliers, technology developers, regulators, and financiers. These "soft" services were noted repeatedly as some of the most useful and important contributions that could be made by the MTCs as neutral parties. Such services, however, are not easily converted into fees, and their contribution to the accomplishment of the MTC mission is difficult to measure. All of the MTCs provide these kinds of "soft" services to a greater or lesser degree, but they should receive more emphasis despite the lack of clear metrics on which to judge their value. The committee can foresee a situation emerging in which MTCs fail to provide services that would be most useful and effective to smaller firms because the fee income is insufficient, while at the same time competing more with the private sector service providers for the business of larger firms.

Each of the MTCs continues to learn how best to serve its customer base and is flexible enough to adapt. The local infrastructure and industrial economy determine to a great degree the characteristics of the MTC organization and its chosen position in the spectrum of support needed by manufacturers in its region. This drives each MTC to develop a unique combination of services targeted at local industrial conditions, and subsequently each evolves a relatively unique relationship with other providers of services and assistance. They are learning how to serve as a hub of information and facilitator of cooperation in their local industrial communities, and how to amalgamate a range of programs into a core set of useful services. Each MTC, therefore, can be viewed as an experiment or prototype in how to integrate federal efforts in manufacturing assistance with existing private and public assistance resources to meet the demands of very diverse local manufacturing communities.

CONCLUSIONS

The investigations and deliberations of the committee have led to the development of opposing sets of conclusions concerning the appropriateness of a federally funded national system of manufacturing assistance. The majority opinion and recommendations are presented followed by the minority opinion.

MAJORITY OPINION

Based on the committee's discussions with smaller manufacturers and with staff at the MTCs and other industrial assistance programs, a majority of the committee has concluded that a national industrial assistance system is justified. The committee majority has concluded that barriers to manufacturing performance improvement in smaller firms and the opportunities to overcome those barriers, as described by manufacturers in the committee's workshops, define roles for public sector assistance programs.

The majority assessment of the current MTCs is that the MTCs are well-placed to address many of the challenges confronting smaller manufacturers. Within the fragmented network of assistance sources, the MTCs have begun to carve a niche that, at least within their geographic regions, has brought some degree of order to the community and has raised the awareness of smaller companies that useful help is available. The MTCs are still experimenting with different mechanisms for marketing, ensuring responsiveness to the local customer base, working with other sources of assistance, and building the intercompany networks and information resources that many smaller firms need. This process of experimentation and learning should be encouraged and the lessons broadly disseminated. This is the only way to increase effectiveness in a necessarily diverse environment and to keep expectations realistic as the MTC program is expanded and other initiatives begin in the context of a national manufacturing assistance system.

COMMITTEE TO ASSESS BARRIERS AND OPPORTUNITIES TO IMPROVE MANUFACTURING AT SMALL AND MEDIUM-SIZED COMPANIES

Gary Markovits, Chairman, President, Gary Markovits & Associates, Inc., Wappingers Falls, New York.

Winston J. Brill, President, Winston J. Brill & Associates, Madison, Wisconsin.

Jay P. Cooper, Director (Retired), Materiel Policy and Socio-Economic Business Program, Northrop Corporation, Hawthorne, California.

Irwin Feller, Director, Graduate School of Public Policy and Administration and Professor of Economics, Pennsylvania State University, University Park.

Barbara M. Fossum, Associate Director, Manufacturing Systems Center, University of Texas, Austin.

Sara P. Garretson, Director, NYC Industrial Technical Assistance Corporation, New York, New York.

Harold G. Hall, President, Hall Industries, Inc., Pittsburgh, Pennsylvania.

Bruce E. Hamilton, Vice President, Operations, United Electric Controls, Company, Watertown, Massachusetts.

Anne L. Heald, Executive Director, Center for Learning and Competitiveness, School of Public Affairs, University of Maryland, College Park.

Dundar F. Kocaoglu, Professor and Director, Engineering Management Program, Portland State University, Oregon.

Joe H. Mize, Regents Professor, School of Industrial Engineering and Management, Oklahoma State University, Stillwater.

R. David Nelson, Vice President, Purchasing, Honda of America Manufacturing, Inc., Marysville, Ohio.

Robert A. Pritzker, President and CEO, The Marmon Group, Inc., Chicago, Illinois.

Paul D. Rimington, President, Diemasters, Manufacturing, Inc., Elmhurst, Illinois.

William B. Rouse, Chief Executive Officer, Search Technology, Inc., Norcross, Georgia.

William E. Ruxton, Vice President, National Tooling & Machining Association, Fort Washington, Maryland.

Charles F. Sabel, Ford International Professor of Social Science, Massachusetts Institute of Technology, Cambridge, Massachusetts.

Philip P. Shapira, Assistant Professor, School of Public Policy, Georgia Institute of Technology, Atlanta, Georgia.

John B. Woodard, President, Institute of Advanced Manufacturing Sciences, Inc., Cincinnati, Ohio.

Staff:

Thomas C. Mahoney, Director, Manufacturing Studies Board.

Joseph A. Heim, Senior Program Officer and Study Director.

Lucy V. Fusco, Staff Assistant.

Mr. HOLLINGS. Mr. President, we had such outstanding individuals as Irwin Feller of the Pennsylvania State University, Graduate School of Public Policy and Administration and professor of economics; Bruce Hamilton from United Electric Controls Co., Watertown, MA; Robert Pritzker, president and CEO, The Marmon Group; William Ruxton, vice president, National Tooling & Machining Association; Charles Sabel, Ford International, professor of social science of MIT; Philip Shapira, assistant professor, School of Public Policy at Georgia Tech; and John Woodard, president of the Institute of Advanced Manufacturing, amongst others.

What happens is, and I quote just a few sentences here from the report itself:

> Smaller companies confront major problems in responding to increased global competition.

There are five reasons, they said. First:

> The regulatory environment creates a disproportionate burden for smaller firms.

Second:

> Smaller manufacturers are often unfamiliar with changing technology, production techniques, and business management practices.

Third:

> Smaller manufacturers are generally isolated and have too few opportunities for interaction with other companies in similar situations.

Fourth:

> It is difficult for owners and managers of smaller companies to find high-quality, unbiased information, advice, and assistance. When companies need help with technical problems, when they want to replace production or design equipment, or when they want to upgrade the skills and talents of their work force, they are often at a loss for sources of assistance. Searching for help in the public sector often reveals a confusing, uncoordinated array of services—universities, economic development groups, technical schools, government agencies—"competing" for clients. Inappropriate choices can waste precious resources and time, a waste that smaller firms cannot afford;

And fifth:

> Operating capital and investment funds for modernization are difficult for small and medium-sized manufacturing firms to obtain. The financial community does not readily understand manufacturing and often perceives loans for new equipment as unattractively high risks. Smaller firms are unlikely to have the capabilities needed to put together proposals for funds in the format familiar to lending officers. The consolidation of banks, with some exceptions, has removed much of the decisionmaking from the communities where many loan officers have traditionally relied on the "known character" of management and owners of the companies in lieu of collateral.

That is something that we are having a debate about with respect to interstate banking and otherwise with these mergers.

This particular study group of the National Academy of Engineering held eight workshops throughout the United States, and as a result, the bottom line is, and I quote:

> * * * a national industrial assistance system is justified.

These are some of the smart people, if we want to talk about smart people, who studied this.

Additionally, rather than fail in the marketplace, Mr. President, in the limited time I have left, let me include in the RECORD these particular enclosures of endorsement of S. 4, which include, of course, the small business provision and otherwise.

I ask unanimous consent to have that printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADVANCED TECHNOLOGY COALITION,
February 9, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Advanced Technology Coalition, we want to express our strong support for the Senate version of the National Competitiveness Act, S. 4.

We believe that the bill deserves bipartisan support. We ask that you vote for the bill when it reaches the floor in the very near future. Its passage is essential to strengthening the ability of our companies and members to compete in the international marketplace; in short, S. 4 means jobs and will contribute to our nation's long-term economic health.

Combined, the Advanced Technology Coalition represents 5 million U.S. workers, 3,500 electronics firms, 329,000 engineers, and 13,500 companies in the manufacturing sector. The Coalition is a diverse group of high-tech companies, traditional manufacturing industries, labor, professional societies, universities and research consortia that have a common goal of ensuring America's industrial and technological leadership.

The members of the Advanced Technology Coalition have invested an enormous amount of time working with both the House and the Senate in developing and refining the National Competitiveness Act. The Coalition believes that its views have been heard by Congress and reflected in the bill.

In short, we believe that S. 4 will promote American competitiveness and enhance the ability of the private sector to create jobs in this country. We hope that you will play a leadership role in ensuring its passage. We would be happy to sit down with you or your staff to discuss the bill in greater detail.

Sincerely,

American Electronics Association (AEA).
National Association of Manufacturers (NAM).
The Modernization Forum.
Microelectronics and Computer Technology Corporation (MCC).
Honeywell, Inc.
National Society of Professional Engineers.
Business Executives for National Security.
IEEE–USA.
Semiconductor Equipment and Materials International (SEMI).
Institute for Interconnecting and Packaging Electronics Circuits (IPC).
Wilson and Wilson.
American Society for Training and Development.
Catapult Communications Corporation.
Dover Technologies.
Texas Instruments, Inc.
Columbia University.
Motorola.
Intel Corporation.
Cray Research.
Electron Transfer Technologies.
Electronic Data Systems (EDS).
American Society for Engineering Education.
U.S. West, Incorporated.
Electronic Industries Association.
Tera Computer Company.
Southwest Manufacturing Technology Center.
Convex Computer Corporation.
Association for Manufacturing Technology.
Semiconductor Research Corporation.
American Society of Engineering Societies.
AT&T.
Hoya Micro Mask, Inc.

THE NATIONAL COALITION FOR
ADVANCED MANUFACTURING,
February 8, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the National Coalition for Advanced Manufacturing [NACFAM], I want to express our strong support for the Senate version of the National Competitiveness Act, S.4.

We believe that the bill deserves bipartisan support and ask that you join many of your colleagues in supporting the bill when it reaches the floor. Its passage will enhance the ability of U.S. manufacturing companies to compete in the international marketplace. S.4 would also help to expand the pool of high skill, high wage jobs for the American workforce.

NACFAM especially supports the manufacturing provisions of the bill (Title II) which, among other things, will develop a national system of manufacturing extension centers and technical services. This system will improve the ability of the nation's 360,000 small- and medium-sized manufacturers to modernize through the adoption of advanced manufacturing technology and related processes critical to increasing their productivity, product quality, and competitiveness.

These small- and medium-sized manufacturers are the backbone of our domestic industrial base. Manufacturing establishments with fewer than 500 employees represent 98% of the nation's total, employ two-thirds of the manufacturing workforce, and produce nearly half of the nation's value added in manufacturing.

NACFAM, a non-partisan, non-profit, industry-led coalition, has worked as a catalyst for public-private cooperation in modernizing America's industrial base for over 5 years. NACFAM's rapidly growing membership includes 65 corporations, 175 manufacturing technology centers (making NACFAM the largest association of such centers) and 27 national trade and technical associations (representing between them over 80,000 companies and thousands of technical education institutions).

Thanking you in advance for your kind consideration of S.4, I remain,

LEO REDDY,
President.

COUNCIL ON COMPETITIVENESS,
March 7, 1994.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, DC.

DEAR SENATOR HOLLINGS: On behalf of the Council on Competitiveness—a coalition of chief executives from U.S. industry, higher education and labor—I would like to express my support for S. 4, the National Competitiveness Act.

As a leading bi-partisan private-sector voice on U.S. competitiveness, the Council is dedicated to helping make America more competitive in the global marketplace and more prosperous at home. We believe that S. 4, through its support for civilian technology and manufacturing, is an important step towards these ends. The Council is on record as supporting several programs, in particular:

Significantly expand the Advanced Technology Program (ATP). S. 4 increases funding for ATP to $567 million in FY 1996 and requires that the Department of Commerce develop a long-term plan for the program. These provisions will promote increased private-sector investment in critical enabling technologies and allow ATP to have a more strategic impact on U.S. industrial competitiveness.

Support development and diffusion of technology, especially to small and medium-sized manufacturers. S. 4 directs the Department of Commerce to work with industry to develop new generic advanced manufacturing technologies and consolidates existing NIST quality programs into a NIST National Quality Laboratory. It also combines existing federal and state extension programs into an integrated Manufacturing Extension Partnership (MEP) to help small and medium-sized manufacturers in all geographic regions adopt modern manufacturing technologies and create high performance workplaces. These initiatives will enhance U.S. industry's ability to develop and manufacture competitive products and promote long-term economic growth.

Stimulate investment in high performance computing and communications applications. S. 4 authorizes over $350 million in FY 1995 and FY 1996 for a coordinated interagency program to support research, technology development and pilot projects for computing applications in health care, education and manufacturing. These applications will help translate the potential of a 21st century information infrastructure into tangible economic and social benefits for the American people.

We commend your continued support for these initiatives and urge you to play a leadership role in their implementation through timely passage of S. 4.

Sincerely,

PAUL ALLAIRE,
Council Chairman, Chairman and CEO, Xerox Corporation.

COMPUTER SYSTEMS POLICY PROJECT,
February 23, 1994.

Hon. ERNEST F. HOLLINGS,
Chairman, Senate Committee on Commerce, Science, and Transportation, Russell Senate Office Building, Washington, DC.

DEAR CHAIRMAN HOLLINGS: I am writing on behalf of the Computer Systems Policy Project (CSPP) in support of your efforts to enact legislation to establish an information applications technology component of the High Performance Computing Act, Title VI of S. 4.

CSPP strongly believes that the research framework established by Title VI of S. 4 will complement efforts by the private sector to develop applications for an enhanced national information infrastructure (NII). Title VI authorizes funds for precommercial research that will stimulate the development by the private sector of new applications in education, health care, access to government information and services, and digital libraries. These applications have the potential to create new products, services, and jobs and to improve the quality of life for all Americans by bringing the benefits of the information age to everyone.

The United States is currently the world leader in computing and communications technologies. An enhanced national information infrastructure will not only help us maintain that lead, but will put our information technology advantage to work for all Americans. CSPP believes that initiatives such as those authorized by Title VI of S. 4 will contribute significantly to successful and rapid evolution of the NII.

Sincerely,

LEWIS E. PLATT,
Chairman and CEO, Hewlett-Packard Company, Chairman, CSPP Working Group on Information Infrastructure.

BUSINESS EXECUTIVES FOR
NATIONAL SECURITY, INC.,
March 4, 1994.

Hon. WILLIAM S. COHEN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR COHEN: My organization, Business Executives for National Security

(BENS), has worked for many years, as you have, to help promote American competitiveness and revitalize the American industrial base.

We have made much progress in promoting these goals, and we now have an opportunity to solidify these advances through S. 4, the National Competitiveness Act of 1993. Programs such as the Advanced Technology Program, manufacturing extension centers, and the newly proposed foreign technology monitoring office will all make important contributions to future economic strength of American industry.

While these programs enhance competitiveness, BENS also recognizes that these initiatives are critical to America's military security. The ATP and other programs are critical to the future success of the DoD's efforts to create an integrated industrial base to supply future military systems. These programs also play an important role in our efforts to promote defense conversion and to create the new military technologies of the future. Finally, the foreign technology monitoring office can serve as an early warning system of potential industrial weaknesses that might cause dangerous vulnerabilities in future conflicts.

When S. 4 comes to the Senate floor next week, we urge you to support these initiatives which are so critical to America's economic and military security. If we can provide you with any additional information, please do not hesitate to contact me. I look forward to working together.

Sincerely,

TYRUS W. COBB,
President.

AMERICAN INDUSTRIAL
EXTENSION ALLIANCE,
February 14, 1994

DEAR SENATOR HOLLINGS, The Senate will soon be considering Senate File 4, a bill that will directly impact the ability of American industry to compete in world markets. This important bill contains a section on manufacturing extension that is designed to provide the United States with an effective system of assisting industry in modernizing technical, management and processing systems. There is preponderance of evidence that our industries lag in utilizing modern equipment and systems, and this federal effort will bring cohesion to the disparate systems now in existence.

The members of the American Industrial Extension Alliance are firmly behind efforts to strengthen this countries technical assistance programs and bring this needed service to all the states. The alliance members represent most of the industrial extension programs that now exist, but we are well aware of the size of the problem is beyond the capabilities of these few programs. We support the position of the National Coalition for Advanced Manufacturing and the expanding Manufacturing Extension partnership at NIST.

Your support in strengthening American manufacturing firms by the passage of Senate File 4 will be appreciated.

Sincerely,

DAVID H. SWANSON,
President.

AMERICAN SOCIETY FOR TRAINING
AND DEVELOPMENT,
February 4, 1994.

Re S.4, The National Competitiveness Act of 1993.

Member,
U.S. Senate,
Washington, DC.

DEAR SENATOR: The American Society for Training and Development (ASTD), on behalf of more than 55,000 corporate-based human resources development specialists, urges your support for S.4, the "National Competitiveness Act of 1993," when it is considered on the floor in the coming days.

The "National Competitiveness Act of 1993" establishes key underpinnings of a national technology policy based on outreach to the private sector, the targeting of assistance to small and medium-size companies, and the integration of worker training with technology assistance.

ASTD specifically supports provisions to create Manufacturing Outreach Centers and expand the activities of the existing Manufacturing Technology Centers. Enactment of these provisions will help companies gain increased access to manufacturing assistance, implement the best manufacturing technology and processes at least cost, and train workers in maximum utilization of technology and productions systems.

ASTD is the world's largest association dedicated to advancing workforce training in conjunction with technological progress and the creation of high performance workplaces. We look forward to swift passage of this important initiative during the 2nd session of the 103rd Congress as a critical step to improve U.S. competitiveness.

Sincerely,

CURTIS E. PLOTT,
President and CEO.

THE AMERICAN SOCIETY OF
MECHANICAL ENGINEERS,
Washington, DC, February 7, 1994.

Hon. BOB DOLE,
Hart Building,
Washington, DC.

DEAR SENATOR DOLE: On behalf of the Technology Policy Group of the American Society of Mechanical Engineers (ASME), I urge you to support S. 4, the "National Competitiveness Act of 1993," which is scheduled to be brought to the Senate floor this week.

This important legislation will provide the underpinning for a realistic national technology policy. It includes provisions that support the development and use of manufacturing technologies which are essential for continued U.S. gains in productivity and industrial competitiveness. The bill also calls for industry participation in the development of advanced manufacturing program strategies through the use of an advisory committee to assure that the infrastructure and new knowledge gained from the program will be effectively utilized by U.S. manufacturers.

ASME has accorded competitiveness a high priority in our 1994 public policy agenda. This letter is written on behalf of the Technology Policy Group, a group of ASME members with expertise in the field of competitiveness, and reflects it views, rather than an official position of ASME.

Again, I urge your support of this legislation to further the nation's industrial competitiveness.

Sincerely,

JOHN PARKER,
Vice President, Government Relations.

UNITED STATES ACTIVITIES,
March 4, 1994.

U.S. Senate,
Washington, DC.

DEAR SENATOR: On behalf of the 240,000 members of the Institute of Electrical and Electronics Engineers, United States Activities, I am writing to express our strong support for passage of S. 4, the National Competitiveness Act.

The programs and provisions contained in S. 4 are bi-partisan, and industry endorsed. The bill expands civilian technology initiatives like the Advanced Technology Program, started under the Bush Administration, that have the support of the business community because they are industry-led, cost-shared, and merit-based.

In supporting passage of S. 4, we join a multitude of electronics firms, manufacturing companies, and professional societies that believe its provisions will help make U.S. industry more competitive.

Thank you for considering our views on this important piece of legislation.

Sincerely,

CHARLES ALEXANDER,
Vice President, Professional Activities, and Chairman, United States Activities Board.

HONEYWELL INC.,
Minneapolis, MN, February 7, 1994.

Hon. ROBERT DOLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR DOLE: S. 4, The National Competitiveness Act of 1994, will be coming to the Senate floor for a vote at any time. As you know from our previous correspondence on this legislation, Honeywell very strongly supports the bill. We again urge you to vote for its passage as reported out of the Senate Commerce Committee.

Honeywell has been actively supporting the development and passage of this legislation for over two years. We have welcomed the leadership which the Congress has demonstrated on measures to support US technology and manufacturing competitiveness, and have been gratified that the Administration and the Congress have been able to cooperate effectively in the past year on this effort. These efforts by Congress and the Administration have also gained a strong consensus of support within the technology and manufacturing community.

Passage of the National Competitiveness Act represents a vital and strategic investment by the US government in our national competitiveness. As a high technology manufacturing company, Honeywell has had direct and positive experiences with the existing Commerce Department programs, such as the Advanced Technology Program, which S. 4 seeks to strengthen. We also see value in those measures in the bill which will be of benefit to our small and medium-sized customers and suppliers, such as Title II, which provides for a Manufacturing Extension Program, among other initiatives.

We sincerely hope the Senate will recognize and appreciate the interests and strong support for the Competitiveness Act which have been expressed by companies such as Honeywell throughout this deliberative process, and will act decisively to approve S. 4.

If you would like further information concerning Honeywell's views on specific elements of the legislation, please do not hesitate to contact Susan Rochford, Director, International and Technology Affairs, in our Washington Office (202) 872-0495.

Thank you for your kind consideration of our views.

Sincerely,

CARL L. VIGNALI.

OPTOELECTRONICS INDUSTRY
DEVELOPMENT ASSOCIATION,
March 7, 1994.
Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, DC.

DEAR SENATOR HOLLINGS: I am writing to express the support of the Optoelectronics Industry Development Association (OIDA) for S. 4 the National Competitiveness Act. OIDA was formed in 1991 to improve American competitiveness in optoelectronics, which includes fiber optic communications systems, flat panel computer displays, optical storage (e.g. CDs), and laser printers and scanners. These are key enabling technologies for the nation's information infrastructure and are critical technologies for the nation's defense.

OIDA has conducted a major study of the technology needs of the optoelectronics industry for the coming decade, and many of the programs authorized by S. 4, support the highest priorities of the industry. In particular:

The Advanced Technology Program in the National Institute of Standards and Technology (NIST) is an effective mechanism for supporting industry-driven optoelectronics research and development and is already having a significant impact.

NIST intramural research supports key measurement technologies that the optoelectronics industry needs.

The Information Technology Applications Research Program can help to expand the use of optoelectronics in hospitals, schools, factories, libraries, and other organizations. This will expand the markets for optoelectronics and will stimulate greater private sector investment.

We believe that this legislation is important for the competitiveness of the U.S. optoelectronics industry—and the nation—and support its passage. If you would like additional information, please do not hesitate to call either me at the above number or OIDA President Arpad Bergh at (201) 829-4938.

Sincerely,

DAVID W. CHENEY,
Executive Director.

Mr. HOLLINGS. Mr. President, addressing these on February 9, the Advanced Technology Coalition endorsed S. 4. Smart people, using the expression of our distinguished colleague, not failures in the marketplace:

The American Electronics Association, successes in the marketplace; the National Association of Manufacturers; the Modernization Forum; Microelectronics and Computer Technology Corp.; Honeywell; National Society of Professional Engineers; Business Executives for National Security—going down—Texas Instruments; Columbia University; Motorola; Intel; Cray Research; Electron Transfer Technologies; American Society for Engineering Education; Southeast Manufacturing Technology Center; Convex; Semiconductor Research; American Society of Engineering Societies; AT&T—all smart people. Smart people these are and successes, not failures in the marketplace—the National Coalition for Advanced Manufacturing—all smart people—the Council on Competitiveness—all smart people; not failures, but all successes. The chairman of that group is Paul Allaire, the chairman and CEO of Xerox; the Computer Systems Policy Project, Lewis E. Platt, chairman and CEO of Hewlett Packard—a smart individual, not a failure; a success in the marketplace.

We go on down the list. The Business Executives for National Security, Tyrus W. Cobb, president, dated March 4; the AIEA, the American Industrial Extension Alliance, David H. Swanson, Ph.D., president—not dumb, a smart fellow, a smart fellow here; ASTD, the American Society for Training and Development, Curtis E. Plott, president and CEO—not dumb, a smart fellow; a success in the marketplace.

All of these, successes in the marketplace, have endorsed S. 4.

The American Society of Mechanical Engineers, John Parker, vice president; the United States Activities of the Institute of Electrical and Electronics Engineers, the IEEE, Charles Alexander, Dr. Charles Alexander, chairman of the United States Activities Boards; next, the Honeywell Corp., Carl L. Vignali, the senior vice president in charge of operations.

We go right on down the list. The Optoelectronics Industry Development Association, David W. Cheney, executive director; the chairman being William Braun of Motorola. The president is Arpad Bergh. The treasurer is Roland Haitz of Hewlett Packard.

I cannot get a more distinguished group than all of these particular endorsements, which we have now entered in the RECORD.

So it is not politicians. It is the market force operating through the industry itself; it is the market force operating through the peer review and the merit selection and the actual individuals that we have in charge.

I do not know of a better, more well-considered success story than as a result here of the report card that we have just gotten from the National Academy of Engineers.

I reserve the remainder of my time.

The PRESIDING OFFICER. Let the Chair correct himself. The Chair was in error in stating the time of the Senator from Missouri. It is 20 minutes, rather than 27 minutes.

Who yields time?

Mr. DANFORTH. Mr. President, I do not know of any other speakers on my side. I do want to speak briefly if for no other reason than to give people the opportunity to call in if they do want to speak. If I hear from nobody, I intend to propose that we might consider yielding back the remainder of our time, but not quite yet. I would like to make just one comment.

Mr. President, I think that it would be no surprise to many people in the Senate for me to say that this last week has not exactly been my favorite week in the Senate. But, Senator HOLLINGS and I have had a very good relationship over the years and we have much work to do in the 7 months between now and when the Senate adjourns. We have telecommunications legislation, which I think is as important as any legislation that will be before the Senate. I think it is as important as the health care legislation. We are working on it and will continue to do so.

And so the difficulties of last week are really behind us and I am glad we could work out an arrangement by which we bring this matter to a conclusion on the floor of the Senate.

I think, though, for all the difficulty of the last week, it served a very useful purpose, because I think what it has done is to heighten the recognition in the Senate that there really is a serious issue out there, and it is an issue that I for sure have tended to bury on my list of priorities and I think maybe other Senators have as well. And the issue does have to do with how the Government relates to research and development. How do we feel about it? Do we believe that the Government should be directly involved, and, if so, how?

Most of us think that, with respect to basic research, the Government should be directly involved, and it is; in NIH, for example. Most of us believe that when Government has a direct result that it needs—for example, national defense—the Government is going to be involved and that it should be involved.

What we are talking about here is somewhere in between basic research and buying things for the needs of the Federal Government. We are talking about the business sector, the private sector of our economy, and how it functions and how products are developed and how products are manufactured and how products are brought into the marketplace. And that really is the issue.

Some people believe that there is a very definite role for the Government to play in subsidizing research and development, in subsidizing it directly, in subsidizing it through venture capital operations; that the Government really should be doing more; that the marketplace has failed; that somehow the private sector is underinvesting. Other people feel that the Government really is not the answer, that the Government is not going to do it well.

It is not just a matter of wasting money; that the Government is going to tend to invest in those things that do not make it in the marketplace. That is the justification for the program in the first place. And the Government is going to tend to continue investing in failed ideas in the future because of the propensity of those of us in Government not to give up on things as somebody with real money at stake would give up. So it is a very real issue and I think it is going to be a recurring issue about the role of Government in financing research and development.

I happen to be the ranking member of the Trade Subcommittee of the Finance Committee. International trade has been an interest of mine ever since 1978. I was the chairman of the Trade Subcommittee when our party was in the majority. I was very active in every trade bill that has come before the Senate since the Trade Act of 1979. I have followed the negotiations that went on in Geneva and the agreement that has been initialed.

What really hit me and what elevated this whole matter in my own mind was the change in the subsidies code which was pushed by this administration to provide that henceforth governmental subsidies for research and development would no longer be subject to countervailing duties up to a certain amount. I thought that that was and do believe that that was a major loophole in the subsidy code.

I am concerned that Airbus is to be the model for the future, internationally and with this legislation here at home. So I do see a connection between S. 4 and what was done with respect to the negotiations of the GATT agreement. I think it is bad policy. I think it is a bad approach.

I think that we are going to lose out if this is the way that other countries are going to operate. And I think if this is the way our country is going to operate, it may be necessary, in order to meet foreign subsidies, but that it is a real departure from the market system. When we depart from the market system, I think it is to the detriment of our economy and to the ultimate detriment of our people. That has been what this whole debate has been about.

I think the debate, particularly this afternoon, has been a good one. I am very, very pleased especially that Senator BRADLEY and Senator LIEBERMAN participated in it in their characteristically very well-informed and articulate ways, because I think that they brought to the floor of the Senate, both Democrats in that case, two different views of the relationship between Government and the private sector in the doing of research.

I hope that it is a matter that will continue to be debated, not only here on the floor of the Senate but in the media and by the American people.

So, while it has been a very difficult 6 or 7 days—there is no question about that at all—I think that it served a useful purpose.

The PRESIDING OFFICER (Mrs. FEINSTEIN). Who yields time?

Mr. HOLLINGS addressed the Chair.

The Senator from South Carolina.

Mr. HOLLINGS. Madam President, there is a fundamental difference between the distinguished Senator and myself about relief for that marketplace.

I could almost go back to the founding days—"We the People * * *, in Order to form a more perfect Union." In part those efforts were directed against abuses of the marketplace. We found long since that if we allowed the marketplace to operate as it sees fit, we would have child labor. So we passed laws against child labor.

This Government did it. Politicians did it. In a totally unfettered marketplace, we found out that big business would constitute all kinds of monopolies, so we passed our Robinson-Patman and the Sherman Antitrust Act against monopolies. We found the marketplace would not pay a decent, living wage—there is no question about it. So we continually, Republican and Democrat, look at it and say, instead of that marketplace just determining it, we invade that marketplace as a matter of public policy by creating a minimum wage.

We go into health care, where the majority of the money—it is in the billions that we are talking about—is a Government program now, right this minute, with Medicare and Medicaid and medical research and all the other attendant parts of it. It has been well conceived. The trouble is just that the marketplace is gobbling us alive with the 11- to 12-percent increase in the cost each year, way over and above any kind of inflation. Marketplace is the problem for this Congress, right now, when we are talking about health care reform.

We have the matter of safety. We legislated requirements for safe machinery and a safe working place under OSHA. We intervened to protect the environment. We did not depend on the marketplace to protect the environment. Heavens above, we would all be dead and gone the way they would pollute. We intervened in the marketplace with plant closing notice, parental leave, and many, many other things.

At the beginning of our Republic, when we were largely a rural, agricultural nation, the British said, "You go ahead as a fledgling colony, you have freedom, you produce what you can best and we in contrast will produce what we can best, and trade along those lines, no tariffs, no barriers."

Alexander Hamilton responded in his "Report on Manufactures." He said, in effect, "Bug off; we are not going to remain your colony." And the very first substantive bill that passed the first Congress on July 4, 1789, invaded the marketplace with tariffs. And with those tariffs of 50 percent on 30 different articles: iron, textiles, going down the list, we started building up our productive capacity. We did not leave it to the marketplace. In fact, we did not leave the rural market alone. We came in with agricultural subsidies way back in 1862, 132 years ago.

So we started with land-grant colleges, then continued to the enormously successful Agriculture Research and Extension Services; these are the models for the current bill. That is exactly what we have sought to accomplish for manufacturing, for technology, for the commercialization of our technology. And we did this some 6 years ago, in 1988. And it is working. We have gotten our report card in the form of glowing endorsements from all the technological industries and the leaders of America's industry, coming forth saying this is not a runaway grab bag. If it were anything akin to that, the Chamber of Commerce and other business groups would be in here opposing it.

So the debate on the marketplace has been going on for many, many years. We found out we have to come in, not only on agriculture, not only on the aerospace industry, not only on the energy industry, not only on the semiconductor industry—because we put in multimillion dollar, billion dollar programs along these lines, that have worked—but we have come along now with technology. We are saying, look at our competition in the global economy, the global competition. We are really behind the curve. We have to get out there in front and start playing catchup ball in a studied, deliberate, peer-reviewed, industry-initiated manner. That is what S. 4 does and it does a wonderful thing to this marketplace. It generates all these jobs, the backbone of manufacture that has gone from 32 percent down to 16 percent, half of our GDP. And we claim to be the only remaining superpower in the world? Come on.

We have this country, its national security, its foreign policy, can be compared to a three-legged stool. We have the one leg consisting of the values of our country, which are very strong. The second leg consists of military prowess and power. But the third leg—the leg of economic strength—has been fractured. All the reports say so and they have been saying so for 15 years around this country. So we finally started moving on a trade bill and now this technology bill.

S. 4 moves in the right direction. I implore our colleagues, look at it as you have before. You have systematically done it. You have had hearings on it. You unanimously passed it out of the Commerce Committee back 2 years ago; passed it unanimously through this body in a bipartisan way. We did not wait. I do appreciate the two Senators referred to getting back to bipartisanship again. But there has been bipartisanship throughout. It was bipartisan again last year when we reported it.

So here it is. There has been some differences with the other side of the aisle, but we have moved on. I do say to the Senator from Missouri, it is a pleasure to work with him. The differences we have had are past. We will be working together constructively and cooperatively on S. 1822, the Communications Act of 1994. We will have a good relationship. It is for his good, my good, the good of the Senate and the country that we do that, and I am glad to do it.

But let us not talk of S. 4 as a new venture or new departure. We debated 26 amendments on everything from aircraft and pesticides and paperwork. But we did not get to the heart of this bill.

Now we are getting, finally, to our debate on one particular issue. I was glad for that debate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLINGS. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I apologize to the Chair. I am a little bit out of sense of what my rights are, or lack of rights are, or what I should do. I would like to say a couple of things, but my time I am sure is gone.

The PRESIDING OFFICER. The Senator from Missouri controls the time for the Senator from West Virginia, and there is 12 minutes and 31 seconds remaining.

Mr. HOLLINGS. We are out of time.

Mr. DANFORTH. How much time does my colleague want, 5 minutes?

Mr. ROCKEFELLER. If Senator DANFORTH will give me 5 minutes, I will take it.

Mr. DANFORTH. I yield 5 minutes to the Senator from West Virginia.

Mr. ROCKEFELLER. I do not want people to be swayed by his personal generosity in terms of their votes, Madam President. But it is just a very generous thing.

Dr. John Carruthers, the head of Intel, testifying on behalf of the American Electronics Association, said:

> The early and mid-1980's were the age of startup, a period when investments in high technology flourished. * * *

But then he said:

> But for more than 5 years now, our Nation has failed to produce a new generation of such companies. The reasons for this precipitous decline are many, but chief among them has been the alarming and growing inability of American entrepreneurs to obtain seed and venture funding.

The Civilian Technology Investment Program, which the Senator from Missouri wants to strike from this bill, which I hope will fail, is based upon the SBA's small investment program. It was created in 1958. It has worked. This program, if we are to defeat the amendment of the Senator from Missouri, would give us, for every $1 of Federal money put in, $6 of private sector money. We cannot under any conditions spend more than $50 million, if that is the final amount that is in the bill. Private venture capitalists have focused up to this point on what is called mezzanine financing, which is second stage—not startup, that the Intel focused on—types of money. Exactly what this program is designed to fill is that early funding when people have a good idea, small, medium businesses, but they cannot get the venture capital. Which is a fact. They cannot do it these days. That is what this bill is for and this section of the bill.

The bill is flexible. The private sector must put up part of the money and share the risk. Under the Civilian Technology Investment Program the Government can share in the up side—which means they can get some money, and they will—and that can help to reduce the deficit.

It seems to me one of the most obvious things that is good that needs to happen to our country, Madam President. I do not consider it controversial. I grew up in a Republican family that was not unknown for business entrepreneurship. I cannot imagine my great grandfather saying, "Gee, this is a terrible idea." I think he would have thought this is a good idea.

It seems to me American business is saying this is a good idea. They are saying that unanimously, with the exception of one group which represents more or less high-level venture capital people who do not have to worry about startup money.

So I hope either the motion to table the amendment of the Senator from Missouri will succeed or, if it is an up-or-down vote, that the amendment of the Senator from Missouri will not succeed.

I thank the Chair and I thank the Senator from Missouri. Of course, I thank the chairman, Senator HOLLINGS, from South Carolina.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Madam President, the committee report—and I am now speaking about the underlying bill—speaks of "an era of strong international economic competition."

Then on page 3 of the committee report it concludes that "the Department of Commerce has a leadership role to play in this new era."

This whole debate is about whether or not we really believe the Department of Commerce has a leadership role to play in this new era. It is the judgment of this Senator that if we are relying on the Department of Commerce to lead us into a new era, we are going to be led in exactly the opposite direction.

Madam President, seeing no other Senator who wishes to speak, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has either been yielded back or expired.

Mr. HOLLINGS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. HOLLINGS. Madam President, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak therein for not to exceed 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO JENNIFER KNOX

Mr. FAIRCLOTH. Madam President, one of our colleagues in the Senate received a great and deserved honor this week, an honor I am certain is more special to him than the warehouse of plaques he had been given, or even the hundreds of letters of support he will receive this week.

Senator JESSE and Dot HELMS' granddaughter, Jennifer Knox, played this week in the NCAA II South Atlantic Regional Tournament. Jennifer, a 5-feet 9-inch sophomore guard and daughter of Charles and Jane Helms Knox, joined the Wingate College Bulldogs as they hosted the regional tournament.

A former standout player at Hale High in Raleigh, NC, Jennifer worked long and hard with her teammates for this opportunity. They lost only 1 game of 27, and ended the season ranked ninth in the Nation. Unfortunately, the Bulldogs narrowly lost the champion game in overtime last Saturday night.

I know JESSE had said many times that his father, the police chief of Monroe, NC, used to tell him, "God doesn't require you to win, son, he only requires that you do your best." I am sure Jennifer had heard those same words, and that they served her well last Saturday night.

Madam President, much is said in this body about education and family values. Many in the Senate are full of ideas about how the Federal Government and the taxpayer can strengthen both. I challenge them to find a government program more effective than the solid family guidance and moral leadership provided by my senior colleague from North Carolina. His four children and seven grandchildren are models of family values.

Like any granddaughter of a U.S. Senator, Jennifer Knox hears a lot about her grandfather. But on the court, it is all business. She says that the news about him go out, but it was "never a big deal" with her teammates. In the Senate sometimes we forget that there are things more important to people than politics, like basketball.

Jennifer's success, however, demonstrates that she is blessed with the same strength of character and conviction that has characterized her grandfather's 21 years of service in the Senate.

I am sure Jennifer is as proud of her grandfather JESSE as he is of her. She should be. Jennifer is an excellent example of what can be accomplished when someone follows his prescription for personal success. Faith in God, hard work, and self reliance—that simple and time tested recipe produces winners like Jennifer Knox.

Madam President, I have with me an article from the Charlotte Observer concerning Jennifer Knox and Wingate College's bid for the NCAA II National Championship. I ask that the article be printed in its entirety in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Charlotte (NC) Observer, Mar. 11, 1994]

WINGATE'S KNOX NOT JUST HELMS' GRANDDAUGHTER

(By Steve Lyttle)

WINGATE.—Jennifer Knox's grandfather attended Wingate more than 50 years ago, and he didn't play basketball.

But his papers are stored across the street from the college in a house bearing his name—the Jesse Helms Center.

Now Knox is making her mark at the college in her own way.

She and her teammates on the Wingate women's basketball team are hosts tonight and Saturday for the NCAA Division II South Atlantic Regional tournament.

The champion, to be crowned after an 8 p.m. game Saturday, advances to the NCAA Elite Eight, set for March 23-26.

Wingate, 26-1 and ranked seventh nationally, plays at 8 tonight in Cuddy Arena against South Atlantic Conference foe Presbyterian (22-7), which lost both regular season games to Wingate.

In the 6 p.m. opener, Norfolk State (25-3) faces USC-Spartanburg (27-3).

Knox is a 5-9 sophomore reserve guard for the Bulldogs, who are playing in NCAA Division II for the first season.

She was a standout player at Hale High, a private school in Raleigh, and has played well in stints at Wingate.

Along the way, news of her favorite grandfather leaked out. Sen. Jesse Helms, R-N.C., is known nationally for his conservative stands.

"Only Sherry Winn (a fellow sophomore guard on the team) knew about my grandfather when I came here as a freshman," Knox said.

"News got out about him in a hurry, though, but it never was a big deal with my teammates."

Knox said she has not heard about her famous grandfather from opponents or fans either—until last week, perhaps.

"I'm still not sure, but when we were warming up last weekend in the conference tournament, someone said, 'Hey, Helms',", she said. "I'm still not sure if that's what they said."

Knox said teammates and fellow Wingate students sometimes ask for her opinion to help settle a political debate.

"I guess they figure I'll have an opinion," she said, smiling.

A busy schedule in the U.S. Senate has prevented Helms from seeing his granddaughter play, but the two spent time together last fall when Helms visited Wingate to help open the Jesse Helms Center.

The center—a museum of government papers and Helms' memorabilia—is across the street from the Wingate campus.

A private foundation not connected to the school runs the center, but Helms already has brought Jeanne Kirkpatrick, former U.S. ambassador to the United Nations, to the campus. He said other notable political figures will visit Wingate soon, as part of the Helms Center program.

Knox said she visited the Wingate campus in 1986, when the Helms family arrived to work out details for the center.

"I really liked Wingate, and when coach (Johnny) Jacumin contacted me in my senior year, I remembered the place," Knox said. "I'm glad I came."

The move from a small private high school to a high-powered college program required an adjustment last year, she said.

"In high school, it was, 'Give the ball to Jennifer and hope she scores'" Knox said. "This year, I've been more comfortable."

Knox said she and her teammates are excited about their achievement.

"We're five wins away from a national championship," she said. "It's amazing, almost unbelievable."

SOCIAL SECURITY ADMINISTRATION INDEPENDENT ACT

Mr. SIMPSON. Madam President, on March 2, the Senate approved by voice vote legislation, S. 1560, which would establish the Social Security Administration as an independent agency. Although I did not object to the passage of this legislation, I do wish to make my views known. I have listened carefully to the advocates of this proposal and I share their strong commitment to preserving the integrity and the efficiency of the Social Security Administration. But I am not convinced that this legislation would do anything to accomplish these important goals.

However well-intentioned this bill may be, I am disappointed that it fails to address those aspects of Social Security that the American people seem to care about the most. Whenever I visit senior citizen centers or hold "town meetings" in Wyoming, issues relating to Social Security are always raised by my constituents.

The concerns they express cover a wide range of issues: the annual cost of living adjustment, the long-term solvency of the Social Security trust fund, the so-called "notch baby" issue, the Social Security payroll tax, the investment of surplus Social Security revenues, the taxation of Social Security benefits, the "earnings test" that limits benefits for seniors who work in their retirement, spousal and dependent benefits and the list goes on and on. People speak with great clarity and power on all of these issues—because they care about them. And, yet, no one has ever come to me and said: "SIMPSON, we need to 'restructure' the Social Security bureaucracy." I do not recall having ever heard that from a constituent.

So I think it is curious that—of all the issues that may arise in a serious discussion of Social Security—this issue is one that is hardly even mentioned by the American people. I know that some of the "special interest groups" have indicated their support, but the people themselves have not spoken with any great energy or enthusiasm on this matter. The reason is simply that this bill does not accomplish anything of great significance.

I think we should acknowledge very clearly that S. 1560 does nothing to address the long-term fiscal problems of Social Security. Nor does it change in any way the status or treatment of the Social Security trust funds. Nor does it prevent future Congresses from enacting changes in Social Security.

I make these observations simply because some of the rhetoric and debate accompanying this proposal might lead the casual observer to believe that the Senate may have acted in some extraordinary way to forever protect Social Security from certain unknown evil forces. That would surely be an overly dramatic description of what was done, so I think it is important to set the record straight in that respect.

While it is clear that this bill is nothing more than a symbolic gesture, it would be a serious mistake to assume that there is no harm in pretending to do something magnificent for the American people. As much as I understand the great desire to "do something"—indeed, to just "do anything"—I did not agree with a proposal that would so seriously disrupt and complicate the range of services that are presently available to our Nations' elderly.

It is not my intention to be an alarmist, but I do want to call attention to the serious concerns that were expressed to me 2 years ago by Dr. Louis Sullivan who served so ably as Secretary of Health and Human Services in the Bush administration. I visited personally with Dr. Sullivan at that time and we discussed the implications of isolating Social Security from other Federal programs that serve the elderly. Under existing law, the Department of Health and Human Services—also administers such vital programs as Medicare, Medicaid, the Low-Income Home Energy Assistance Program [LIHEAP], and a number of other services that fall under the Older Americans Act.

Because the department is involved in the coordination and delivery of all of these services, seniors have ready access to information on any of them simply by calling or visiting their local Social Security office. This convenience should not be taken for granted or casually discarded. Yet that is exactly what this legislation would do.

With the passage of this bill, the existing network of information will be disrupted and replaced by a statutory requirement that orders the Commissioner of Social Security and the Secretary of Health and Human Services to "consult with each other" to assure that information about Medicare and Medicaid is available to the public. The bill does not specify how this will happen, nor does it provide any mechanism for achieving this coordination. Instead, it removes the structure that has coordinated these services for so long—and then hands down a mandate from on high that basically says, "coordination shall continue, regardless of what we have just done." In my view, that is a most remarkable display of wishful thinking and naivete.

Another truly fascinating thing about this debate is the manner in which the buzz word "independence" has been thrown around. I have heard some magnificent claims about what a glorious thing an independent Social Security Administration would be, but I have not yet heard one specific example of how independence, as defined by this bill, would benefit our Nation's seniors. I have just commented on the inconveniences that will result and it is clear that they are, indeed, very real. But the advantages, if there are any, have nothing to do with strengthening the Social Security system. This is a matter of highest concern, not only to today's retirees, but to future retirees as well. Millions of young Americans, who may be—and should be—concerned about the long-term solvency of the trust fund, are not going to find anything in this bill that addresses their concerns. I seriously doubt that this so-called independence will be of much comfort to them in the year 2030 when there will be only two people paying into the system for every one person receiving benefits.

Now this latter point is surely an issue that deserves our most thoughtful attention. But it is too difficult to address and not very PC, so we will just ignore it and pretend instead to do something great for seniors by giving them an independent—or an isolated—Social Security System. This is a phony and useless gift that I believe we should have rejected.

THE ARAB BOYCOTT

Mr. BROWN. Madam President, the State of Israel continues to be an outpost of freedom and the only true democracy in the Middle East. We have long recognized the importance of our partnership with Israel, which is based on a shared moral, political, and cultural heritage, as well as longstanding economic and security ties. At a time when Israel has made dramatic concessions at the bargaining table, it is tragic that there is a focused effort to effect a crippling boycott of American businesses that attempt to trade with Israel.

Nations participating in the Arab boycott routinely attempt to coerce United States firms to join in the secondary or tertiary boycott of Israel. Letters sent by these nations to U.S. firms request compliance with the boycott or solicit information concerning boycott compliance. The Department of Commerce has documented 8,660 Arab boycott requests for U.S. companies in 1993. Clearly, United States companies should not be punished for engaging in trade with Israel, one of our closest allies.

The Anti-Economic Discrimination Act of 1994, added as an amendment to the State Department authorization bill on January 28, 1994, would prohibit the sale of defense articles and defense services to countries that participate in the secondary and tertiary boycott of Israel. It is my hope that this amendment will help to protect American businesses doing business with Israel.

The American Jewish Committee recently ran a powerful ad in the New York Times on January 31, 1994 urging Arab leaders to end the boycott of Israel. The importance of this action should not go unnoticed. Raising public awareness of this practice is a crucial step in ending the boycott. I commend the American Jewish Committee for their efforts and ask that the New York Times advertisement be reprinted in the RECORD following my remarks.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 31, 1994]

THE ARAB BOYCOTT SHOULD BE LIKE THE BERLIN WALL—HISTORY

The Arab boycott is a weapon of economic warfare against Israel. It has been used for decades to block trade with the Jewish State and to punish companies in the United States and throughout the world who seek to do business with Israel. An end to the boycott is the first step on the road to the economic cooperation needed to secure long-term peace for Israelis, for Palestinians, indeed for all the people of the Middle East.

President Clinton has said that "the time has come to end the Arab boycott of Israel, a relic of past animosity that simply has no place in the architecture of peaceful relations we are all working to build in the Middle East."

As the peace process moves forward, we call on Arab leaders—who will be reviewing their policy on the boycott—to heed the President's words by relegating the boycott, like the Berlin Wall, to the dustbin of history.

RUSSIA'S SECRET NERVE GAS

Mr. MOYNIHAN. Madam President, on March 11, good news was heard from Moscow. All charges were dropped against a courageous Russian scientist, Dr. Vil Mirzayanov who, 2 years ago in a Moscow News article, revealed to the world that the Soviet Union had secretly developed a powerful binary nerve gas. For this, Dr. Mirzayanov was jailed twice, and placed on trial.

David Wise, who brought this case to my attention, is a noted and respected author who has written extensively about the dangers of excessive secrecy and about the operations of intelligence agencies. Mr. Wise spoke at great length with Dr. Mirzayanov in Moscow last November. Upon his return he contacted me. I was proud to add my voice to that of the many scientific and human rights organizations that have worked to free Dr. Mirzayanov. In particular, I would like to commend the efforts of two individuals, Gale M. Colby and Irene Goldman.

As Mr. Wise points out, although Dr. Mirzayanov no longer faces criminal charges, important questions remain about Russia's intentions in the field of nerve gas production. This case is particularly disturbing because agreement was reached on the chemical weapons convention in Geneva less than 2 weeks before Dr. Mirzayanov published his article.

In his article, David Wise wrote that it was a moral realization that gave Dr. Mirzayanov the courage to speak out. We can do no less. I trust that these questions will continue to be carefully pursued by our Government and the Senate as ratification of the chemical weapons convention is considered.

Madam President, at this time I ask that David Wise's article from the March 12, 1994, New York Times be placed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 12, 1994]

NOVICHOK ON TRIAL

(By David Wise)

WASHINGTON.—Yesterday in Moscow, Russia's chief prosecutor dropped all charges against Vil Mirzayanov, a chemist who was jailed for revealing that the Soviets had secretly developed a binary nerve gas, code-named Novichok, that is 8 to 10 times as powerful as anything in America's arsenal.

For speaking out, Mr. Mirzayanov was imprisoned twice and put on trial for supposedly disclosing state secrets. His vindication, due in large part to Western pressure, is a promising event, but it leaves unaddressed the larger issues of Russia's intentions in the field of chemical warfare.

He was first arrested on Oct. 22, 1992, by the successor to the K.G.B.'s internal security arm, for describing the development of Novichok in an article in The Moscow News. Although he was released after 11 days, Mr. Mirzayanov had been dismissed and he and his wife and their two young children had to subsist on small grants from human rights organizations. When his closed trial began in January, he was jailed again for refusing to participate in what he regarded as an unconstitutional procedure. The Constitution bars the prosecution of anyone for violating secret laws—precisely the charge against Mr. Mirzayanov.

Every country has a right to protect its military secrets. But at the time of Mr. Mirzayanov's arrest, chemical weapons were not on the list of "state secrets," presumably because the Government did not want to advertise that it had them. The Prime Minister, Viktor S. Chernomyrdin, remedied this oversight last March when he added chemical weapons to the list, retroactively.

In November, I spent more than 10 hours with Mr. Mirzayanov, a mild-mannered, gray-haired man who turned 59 this week. It was clear from our conversations that his case, a throwback to Soviet-style justice, involved much more than human rights issues. Mr. Mirzayanov lifted the curtain on a matter of great strategic importance: The lives of millions of people are at risk.

Nerve gases, first developed by the Nazis during World War II, are horrifying. A tiny drop on the skin, or inhaled, brings death within a minute or two. The gases—a misnomer since they are actually liquids delivered in a fine mist—inhibit the enzymes that control the nerve receptors in the brain. Victims, as one American expert explained, "forget to breath."

In September 1992, the Geneva chemical weapons convention was drafted. It has been signed by 156 countries, including the United States and Russia, although neither has ratified it. The convention outlaws the development, production and stockpiling of chemical weapons. The signatories agreed to list the chemical weapons they possess and to destroy them.

Until Mr. Mirzayanov spoke out, no one knew that the Soviets had developed Novichok (which translates as "newcomer"). Referring to the Mirzayanov trial, Ambassador Thomas Pickering said in Moscow that it seemed strange to us * * * that someone could either be prosecuted or persecuted for telling the truth about an activity which is contrary to a treaty obligation of a foreign government."

Mr. Mirzayanov told me that the Russian stockpile of chemical weapons, some 60,000 tons, "would be enough to kill tens of millions." Since Novichok was not developed in large quantities, he said, the Russians may have only enough of it to kill several hundred thousand people. Although this would be ample to wipe out a medium-sized city, he said, there would be hidden costs as well: "mutations in the next generation or future generations."

He is also concerned about another Soviet-developed nerve gas that the Russians call Agent 33. As with Novichok, he doubts that the Russians intend to disclose its existence or its formula, despite the Geneva convention.

Near the end of our talks, I asked Mr. Mirzayanov why he had decided to go public and risk prison. "It occurred to me that I was engaged in a criminal enterprise," he said. That moral realization, he added, gave him the courage to speak out. The U.S. can do no less; it should continue to press Moscow to disclose and destroy its nerve gas arsenal.

REMEMBERING A GREAT LOUISVILLIAN CIVIC LEADER

Mr. McCONNELL. Madam President, I rise today with great sadness to honor a departed friend. Laramie [Larry] Leatherman, of Louisville, KY, passed away at the young age of 61 yesterday.

I have known Larry for many years, and Louisville will suffer because of this loss. He had long been involved in the Louisville community and was currently serving as the chairman of the Louisville Area Chamber of Commerce. Larry, along with other hardworking Louisvillians, was instrumental in forming the comprehensive plan for downtown Louisville.

I ask my colleagues to join me in remembering this outstanding Kentuckian. Those of us who knew Larry will miss his sense of humor, intellect, and dedication to helping his community. Madam President, I ask that a statement I gave honoring Larry Leatherman in September 1992, be included in the RECORD at this point. In addition, I ask that an article from the March 15, 1994, Courier Journal be inserted into the RECORD following my statement.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

TRIBUTE TO LARAMIE L. LEATHERMAN—SMALL TOWN VALUES PAY BIG DIVIDENDS

Madam President, I rise today and ask my colleagues to join me in paying tribute to a great Louisvillian. Laramie (Larry) Leatherman has risen from a humble rural background to become chairman of the executive committee of one of Kentucky's most prestigious law firms, Greenbaum, Doll & McDonald.

Born and raised on a farm in East-Central Illinois, Mr. Leatherman is no stranger to hard work. At an early age he was driving a team of horses to cultivate a crop of corn, as well as raising cattle and butchering hogs. Despite enjoying his early life he knew that he would eventually want to get off of the farm. Through the guidance of his parents he learned that the way out was through education. Mr. Leatherman excelled in the classroom graduating high school at age 16 and the University of Kentucky College of Law by age 21.

Fresh from law school, Mr. Leatherman came to Washington, D.C. to be a clerk for a U.S. Tax Court judge. He stayed in this position for almost 3 years and believes that the job gave him ideal training for his position as a tax attorney at Greenbaum, Doll & McDonald. He has been with the Louisville firm for 33 years, the past 6 in his current capacity as chairman of the executive committee.

In addition to being an accomplished tax lawyer, Mr. Leatherman is praised by his friends and colleagues as one with a great deal of common sense. He is a master at explaining the complicated and making it understandable. He is able to quickly understand complex concepts and then effectively pass on his knowledge to others.

Outside the law, Mr. Leatherman is active in other activities as well. He is a trustee and vice president of the Gheens Foundation Inc., vice president of Kentucky Educational Foundation Inc., and vice chairman of Louisville Central Area. He gives freely of his time and expertise to these organizations contributing greatly to their successes.

Madam President, I ask my colleagues to join me in recognizing this fine Louisvillian whose life is an example of how hard work and dedication pay off with great reward.

LOUISVILLE CIVIC LEADER LARRY LEATHERMAN, 61, DIES OF HEART ATTACK

(By Sheldon Shafer)

Attorney Laramie "Larry" Leatherman, chairman of the Louisville Area Chamber of Commerce and one of Louisville's busiest civic leaders, died yesterday at Alliant Medical Pavillion. He was 61 and died of a heart attack, his law firm said.

Leatherman was chairman of the executive committee of Greenebaum, Doll & McDonald, one of Kentucky's largest law firms. In the late 1980s, as chairman of Louisville Central Area he was a prime mover in the creation of a comprehensive plan for downtown Louisville. He also was active in promoting education—he is credited with coming up with the idea for the Gheens Professional Development Academy, a teacher-training institute in Louisville. He was a trustee and vice president of the Gheens Foundation, and had been treasurer.

His death came as a shock to Mayor Jerry Abramson, who said Leatherman was one of 18 partners in Greenebaum, Doll & McDonald when Abramson joined the firm about 20 years ago. Leatherman worked closely with Abramson on numerous chamber activities and economic-development and downtown projects and committees.

Leatherman's death "is a tremendous loss to this community and to me personally," the mayor said, "he contributed greatly to our economic growth."

Abramson said Leatherman was a firm believer in the need to unify local government and the community. He and Jefferson County Judge-Executive Dave Armstrong had met with Leatherman on Friday to discuss a planned study of local government.

Leatherman "never talked about the East End or the West End; he truly believed in the community and that we could grow only as a consolidated community, with a common goal and common leadership," Abramson said.

Armstrong noted that Leatherman was serving as a co-chairman of the county's Cornerstone 2020 project, which includes the drafting of a new county land-use plan.

"This is a real blow," Armstrong said of Leatherman's death. "He was a close friend. . . . If you think of all the contributions he made, filling his shoes will not be easy for any individuals or the community."

Chamber of Commerce and downtown development officials said Leatherman had a critical leadership role in downtown projects now under way.

"As much as anybody else, he is responsible for the Louisville Downtown Development Plan," said Errol Frailey, president of Louisville Central Area. The plan, put together four or five years ago, triggered such projects as the expansion of Commonwealth Convention Center and development of a Main Street cultural district.

"He wanted to make sure this was not just a plan that sat on the shelf," Downtown Development Corp, director Barry Alberts said of the cultural district. "He made us stick with it."

Alderman Paul Bather said: "He was a hard worker. Even though he achieved financial success and some power, he was still just one of the guys, and very approachable. He had a great sense of humor, but at the same time, he did not mind cussing you out, if you deserved it."

P. Richard Anderson Jr., partner in charge of the Louisville office of Greenebaum, Doll & McDonald, said Leatherman was one of the firm's earliest partners, joining about 35 years ago. "His loss will leave a tremendous void, for the community and the firm," Anderson said. "His leadership will be missed terribly."

Leatherman, who specialized in tax law, was born in Martinsville, Ill. He graduated from Eastern Illinois State University in 1950 and the University of Kentucky Law School in 1953. He was a UK Fellow and past president of the UK Law Alumni Association.

In addition to his other community work, he was a director of the Downtown Develop-

> ment Corp., a member of the executive committee of Bellarmine College, and director and secretary of the Center for Leadership in School Reform.
>
> He was past director of the Louisville-Jefferson County Regional Airport Authority. He was a commissioner of the Louisville and Jefferson County Convention & Visitors Bureau and served on many chamber committees. He was a member of Calvin Presbyterian Church and an Army veteran.
>
> He was a member of the Louisville, Kentucky and American bar associations; and of Harmony Landing Country Club, Pendennis Club and Jefferson Club.
>
> He is survived by his wife, Portia; two sons, Jeffrey and Todd Leatherman; a daughter, Coutney Leatherman; and three grandchildren.
>
> Funeral arrangements were incomplete last night at Pearson's.

NOMINATION OF ISRAEL BROOKS, JR., FOR SOUTH CAROLINA'S U.S. MARSHAL

Mr. HOLLINGS. Madam President, it was with great confidence and pride that I recommended to the President that he nominate Israel Brooks to the post of U.S. marshal for South Carolina. Mr. Brooks is one of the finest, most accomplished, most respected law enforcement officers in the modern history of my State.

Israel Brooks is a 48-year-old native of Newberry, SC. He graduated from the University of South Carolina in 1976, and has been with the South Carolina Highway Patrol since 1967. He began as a patrolman in Beaufort County, and later served as an instructor at the South Carolina Criminal Justice Academy. Since 1990, he has held the rank of major, with responsibility for administration of the entire South Carolina Highway Patrol. Prior to entering law enforcement, Mr. Brooks spent 4 years in the U.S. Marine Corps, rising to the rank of sergeant and platoon leader.

Madam President, I know of no law enforcement professional in South Carolina who is more superbly qualified for this job than Israel Brooks. I was enormously pleased that the Senate saw fit to confirm him by a unanimous vote last Thursday.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Madam President, anyone even remotely familiar with the U.S. Constitution knows that no President can spend a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that "Reagan ran up the Federal debt" or that "Bush ran it up," bear in mind that it was, and is, the constitutional duty of Congress to control Federal spending. Congress has failed miserably in that task for about 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,548,393,027,513.76 as of the close of business yesterday, Monday, March 14. Averaged out, every man, woman, and child in America owes a share of this massive debt, and that per capita share is $17,446,11.

HOMICIDES BY GUNSHOT IN NEW YORK CITY

Mr. MOYNIHAN. Madam President, as I have done each week this session, I rise to report on the terrible toll taken by gun violence in New York City. I regret to inform the Senate that 30 persons were killed by gunshot this past week in New York City, bringing the total this year to 219.

HON. HERMAN M. HOLLOWAY, SR.

Mr. BIDEN. Madam President, Martin Luther King once called to our Nation to "forever realize that the time is always ripe to do right."

I rise today to honor a man who answered that call, a true leader who served as a public official in my State for more than 30 years, and who will always serve, to all who knew him and to those who will learn of him, as a model of character, principle, and dedication to doing right.

The Honorable Herman M. Holloway, Sr., died yesterday at the age of 72; his death was a great public loss for all Delawareans, and a great personal loss for those of us who were lucky enough to know him as a friend.

But I do not want to speak today about what we have lost, but of what we gained by the life of Herman Holloway, a noble life, a life truly well lived.

Herman M. Holloway, Sr., was born in Wilmington, DE, on February 2, 1922; he attended Howard High School, in the days when it was the only high school in the State open to black students; the second-rate text books came from the waste baskets of the white schools, but the first-rate teachers and role models came, it seemed, from the hand of God.

Young Herman Holloway was also blessed with a father, of whom he spoke often throughout his life, who taught his son to believe in himself, and in his capacity to achieve, despite the obstacles that lay before him.

In his youth, Herman Holloway was known as "knockout" for his skill as a boxer, and as "kool" for his ball-handling skills as a basketball guard.

He was, in fact, captain of the Howard basketball team, and also a well-regarded scholastic football player.

After a year at Hampton Institute in Virginia—which he financed by working in a school office and jobs running a bar and grill, coordinating activities for the Boy Scouts, and as a city police officer—Herman Holloway took up politics, one of the two routes he saw for black Americans of his time to pursue successful careers.

The other was the ministry, and I have no doubt, had Herman Holloway chosen the pulpit over politics, that I would still be speaking today in celebration and in gratitude for his contributions to my State.

In November 1963, a day after President John Kennedy was assassinated, Herman Holloway was elected to serve in the Delaware State House of Representatives.

He immediately felt the burden, at a time when many lawmakers did not even try to hide their racism, of being, in his words—which are invariably the best words—

> The one black individual who had the responsibility of relating to the members of the general assembly the wants, needs and desires of black citizens.

The next year, in 1964, Herman Holloway was elected to the State senate, the first and only African-American to serve in that body.

I do not know when it happened exactly, but it didn't take too long, for Herman M. Holloway, Sr., to become known as, simply, the Senator, and he has been so known ever since.

Through 30 years of service, the Senator remained, with probably just one peer in Louis Redding, Delaware's great champion in the fight against discrimination.

Despite the boxing nickname of his youth, the Senator did not resort always to the knockout punch; he also showed why he was called kool.

Intelligence, thoughtfulness, careful study and brilliant oratory—these were the most frequently unleashed weapons in the Senator's arsenal.

He never wavered in his belief that the power of conviction, the power of having right on your side, is the greatest force of all.

He fought for fair housing, beginning in his first legislative term in 1963, when his fellow Democrats in the House were, to say the least, reluctant to deal with the issue.

They needed his support on another piece of legislation, so to try to pressure them, when their bill came to a vote, he stood, this freshman member with the burden of a State's entire black population on his shoulders, and answered in his resonant, dignified voice, "present."

As the former president of our State NAACP Chapter, Littleton Mitchell, said of Herman Holloway, "He had the guts."

While arguing for that fair housing law back in 1963, the Senator spoke, as he so often would, to the conscience of his fellow legislators and his fellow citizens.

Again, his own words provide the best illustration:

> Only a few years ago Delaware was a closed society in which privilege and pleasure were

> on one side while fear and darkness were on the other in regard to racial and social justice.
>
> Today there are still pockets of resistance in Delaware, but they are being reduced by constant effort and steady application of good will and education.

For 30 years, Senator Holloway's constant effort and steady application of good will and education helped lead Delaware out of the darkness of segregation and discrimination.

His powerful voice seemed to rise from his heart, for he cared deeply and sincerely for the people of our State, especially those who most desperately needed a voice for their needs and concerns—African-Americans, children, the elderly, families living in poverty, the disabled, the sick—all of those who had to struggle for a chance to reach toward the promise of their lives.

Senator Holloway gave them one of the most eloquent voices ever heard in Delaware. His legislative accomplishments are far too numerous to list, but—from that fair housing fight that he did finally win, to enactment of the Martin Luther King Holiday, to increasing black voter participation—from better social services for the poor, to increased educational opportunities for disabled children, to heightened sensitivity to the needs of the elderly—the record stands as a living legacy of a quiet, patient warrior for right.

The Senator was a leader by the level of his dedication and the effectiveness of his efforts, but above all, he was a leader by the example of his character. He was, in the best and most meaningful sense, a truly distinguished gentleman.

In a lifetime of making history—serving during the most troubled time of racial tension, becoming the first African-American both to serve in the State senate and to be elected to a leadership position within that body, for all his history-making roles, Herman Holloway always kept his vision on the future, his eye on the prize.

He was a trailblazer whose main purpose was not his own journey, but to clear a path for those who would walk with him and for those who would follow him.

More personally, Madam President, I, like many in my State, will always cherish Herman Holloway's friendship as one of the greatest blessings I have known.

As friends and admirers, we join in extending our sympathies to the Senator's wife, Ethel, and to their five children, and the grandchildren and great-grandchildren whom the Senator cherished so deeply.

We extend our sympathies to his brother and three sisters, with gratitude to the entire family for sharing Senator Holloway with us so generously.

Abraham Lincoln was recalled in a poem as a mighty tree, which when it falls, "leaves a lonesome place against the sky."

The lonesome place left by Senator Herman Holloway's death will never be filled, but the strength of his life's roots and the worth of the seeds of understanding and compassion he sowed in all of us, will sustain us, and lead us to the best part of ourselves and to the best in each other—always.

REDSKIN CHARLES MANN

Mr. DURENBERGER. Madam President, when I picked up the sports section of today's Washington Post I was greeted with the sad news that Washington Redskins defensive end Charles Mann had been released after 12 years in the National Football League. My regret lies not so much in the fact that we will no longer be afforded the opportunity to watch him on the playing field, but that the Washington, DC community has lost a true spiritual and community leader.

My purpose in taking the floor today is not to recount Charles' many athletic achievements, but to talk about Charles Mann the individual. It is easy for us to narrowly define a person by what we read in the newspaper and see on television, but it is what those people give of themselves which defines the true content of their character.

While growing up in California, Charles always had a sense he had a lot to give, but did not know which avenue his life would take. Although he did not know a lot about the Lord, he did have a deep interest in God. This youthful curiosity was nurtured by both his mother and grandmother, who had a deep influence on Charles as he was growing up. Although he was blessed with this solid foundation, Charles knew there had to be more.

When Charles was drafted by the Redskins, he joined a small covenant group which consists of players who share a love for Christ and their fellow man. Charles is an evangelist at heart and has made a commitment that children should know Christ at an early age. His involvement in the March of Dimes and Special Olympics are but two examples of his commitment as a servant leader.

Madam President, Charles Mann will be playing football somewhere next season and the organization which is lucky enough to sign him will obtain more than a fine football player. They will also reap the benefits of an association with an outstanding human being, whose character is anchored by a personal faith and a commitment to others. It has been a true blessing to know him. He will be deeply missed in the Washington community.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REEMPLOYMENT ACT OF 1994—MESSAGE FROM THE PRESIDENT—PM 98

The PRESIDING OFFICER laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation; which was referred to the Committee on Finance:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and prompt enactment the "Reemployment Act of 1994". Also transmitted is a section-by-section analysis. This legislation is vital to help Americans find new jobs and build sustainable careers.

Our current set of programs was designed to meet the different needs of an earlier economy. People looking for help today confront a confusing, overlapping, and duplicative tangle of programs, services, and rules. Job seekers—whether unemployed or looking for better jobs—have a difficult time getting the information they need: What benefits and services are available to them? Where can they get good quality training? What do they need to know to find and hold good jobs and to build sustainable careers?

The underlying problem is the lack of a coherent employment and training system. Instead, we have many disconnected, category-based programs—each with distinct eligibility requirements, operating cycles, and program standards. We need a true system of lifelong learning—not the current hodgepodge of programs, some of which work, and some of which don't. The legislation I am transmitting today is an important first step in building this system.

We need to build a reemployment system because our current unemployment system no longer delivers what many American workers need. In the past, when a worker lost a job, he or she often returned to that job as soon as the business cycle picked up again and the company was ready to rehire. The unemployment system was designed to tide workers over during temporary dry spells. Today, when a worker loses a job, that job often is gone forever.

Our economy has generated new jobs. In 1993 alone, 1.7 million new private sector jobs were created—more than in the previous 4 years combined. While the jobs exist, the pathways to them aren't always clear.

The Reemployment Act of 1994 strives to fix this. It is based on evidence of what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful choices. Programs that work provide job search assistance to help dislocated workers become reemployed rapidly, feature skill training connected to real job opportunities, and offer support services to make long-term training practical for those who need it.

The Act reflects six key principles:

First is universal access and program consolidation. The current patchwork of dislocated worker programs is categorical, inefficient, and confusing. The Reemployment Act of 1994 will consolidate six separate programs into an integrated service system that focuses on what workers need to get their next job, not the reason why they lost their last job.

Second is high-quality reemployment services. Most dislocated workers want and need only information and some basic help in assessing their skills and planning and conducting their job search. These services are relatively simple and inexpensive, and they have been shown to pay off handsomely in reducing jobless spells.

Third is high-quality labor market information, which must be a key component of any reemployment effort. The labor market information component of the Reemployment Act of 1994 will knit together various job data systems and show the way to new jobs through expanding access to good data on where jobs are and what skills they require.

Fourth is one-stop service. At a recent conference that I attended on "What Is Working" in reemployment efforts, a common experience of workers was the difficulty of getting good information on available services. Instead of forcing customers to waste their time and try their patience going from office to office, the new system will require States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first, new, or better job, and to streamline access to a wide range of job training and employment programs.

The fifth principle of the legislation is effective retraining for those workers who need it to get a new job. Some workers need retraining. The Reemployment Act of 1994 will also provide workers financial support when they need it to let them complete meaningful retraining programs.

Sixth is accountability. The Reemployment Act of 1994 aims to restructure the incentives facing service providers to begin focusing on workers as customers. Providers who deliver high-quality services for the customer and achieve positive outcomes will prosper in the new system. Those who fail to do so will see their funding dry up.

The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs. This is a responsible proposal that is fully offset over the next 5 years.

I urge the Congress to give this legislation prompt and favorable consideration so that Americans will have available a new, comprehensive reemployment system that works for everyone.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 15, 1994.*

MESSAGES FROM THE HOUSE

At 2:44 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 239. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month"; and

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 218. Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1995, 1996, 1997, 1998, and 1999.

The message further announced that the House has passed the following joint resolutions; each without amendment:

S.J. Res. 162. Joint resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy"; and

S.J. Res. 163. Joint resolution to proclaim March 20, 1994, as "National Agriculture Day."

The message also announced that the House disagreed to the amendments of the Senate to the bill [H.R. 3345] to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. CLAY, Mr. MYERS of Indiana, Mr. MCCLOSKEY, Mrs. MORELLA, Ms. NORTON, Mr. BROOKS, Mr. SENSENBRENNER, Mr. SCHUMER, Mr. CONYERS, Mr. CLINGER, Mr. TOWNS, Mr. DERRICK, Mr. SOLOMON, and Mr. BEILENSON, as managers of the conference on the part of the House.

The message further announced that the Speaker makes a correction in the previous appointment of conferees in the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill [H.R. 1804] entitled "An Act to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes":

From the Committee on Education and Labor, for consideration of the House amendment—except title II—to the Senate amendment, and the Senate amendment, except sections 901-914, and modifications committed to conference: Mr. FORD of Michigan, Mr. KILDEE, Mr. MILLER of California, Mr. SAWYER, Mr. OWENS, Mrs. UNSOELD, Mr. REED, Mr. ROEMER, Mrs. MINK, Mr. ENGEL, Mr. BECERRA, Mr. GENE GREEN of Texas, Ms. WOOLSEY, Ms. ENGLISH of Arizona, Mr. STRICKLAND, Mr. PAYNE of New Jersey, Mr. ROMERO-BARCELÓ, Mr. GOODLING, Mr. GUNDERSON, Mr. MCKEON, Mr. PETRI, Ms. MOLINARI, Mr. CUNNINGHAM, Mr. MILLER of Florida, Mrs. ROUKEMA, and Mr. BOEHNER.

From the Committee on Education and Labor, for consideration of title II of the House amendment to the Senate amendment, and sections 901-914 of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. OWENS, Mr. PAYNE of New Jersey, Mr. SCOTT, Mr. SAWYER, Mr. GOODLING, Mr. BALLENGER, Mr. BARRETT of Nebraska, and Mr. FAWELL.

Ordered that the Speaker names the following additional conferees in the conference on H.R. 1804:

As additional conferees from the Committee on Energy and Commerce, for consideration of title XII of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. WAXMAN, Mr. SYNAR, Mr. MOORHEAD, and Mr. BLILEY.

As additional conferees from the Committee on Foreign Affairs, for consideration of section 921 of the Senate amendment, and modifications committed to conference: Mr. HAMILTON, Mr. BERMAN, Mr. LANTOS, Mr. GILMAN, and Ms. SNOWE.

The message further announced that the minority leader appoints Mr. Thomas D. Campbell of Alexandria, VA, from private life to serve as a member of the Congressional Award Board on the part of the House.

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 239. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 1527. A bill to provide for fair trade in financial services (Rept. No. 103–235).

By Mr. ROCKEFELLER, from the Committee on Veterans Affairs, with an amendment in the nature of a substitute:

S. 1226. A bill to amend title 38, United States Code, to provide for the organization and administration of the Readjustment Counseling Service, to improve eligibility for readjustment counseling and related counseling, and for other purposes (Rept. No. 103–236).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2325. A communication from the Comptroller of the Department of Defense, transmitting, pursuant to law, a report of a violation of the Antideficiency Act; to the Committee on Appropriations.

EC–2326. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to revised obligations for facilitating weapons destruction and nonproliferation in the former Soviet Union; to the Committee on Armed Services.

EC–2327. A communication from the Secretary of Defense, transmitting, pursuant to law, the Department's fiscal year 1994 report on proposed obligations for facilitating weapons destruction and nonproliferation in the former Soviet Union; to the Committee on Armed Services.

EC–2328. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report for the National Security Education Program for fiscal year 1993; to the Committee on Armed Services.

EC–2329. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics and Environment), transmitting, pursuant to law, a notice of the discovery of a rocket projectile at Aberdeen Proving Ground, Maryland; to the Committee on Armed Services.

EC–2330. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report of the Reserve Forces Policy Board for fiscal year 1993; to the Committee on Armed Services.

EC–2331. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, an Executive Order amending the Rules for Courts-Martial, the Military Rules of Evidence and accompanying analysis; to the Committee on Armed Services.

EC–2332. A communication from the Chairman of the National Credit Union Administration, transmitting, pursuant to law, the annual report for calendar year 1993; to the Committee on Banking, Housing, and Urban Affairs.

EC–2333. A communication from the Acting Chairperson of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report for fiscal year 1993; to the Committee on Banking, Housing, and Urban Affairs.

EC–2334. A communication from the Secretary of the Treasury, transmitting, a draft of proposed legislation entitled "Regulatory Consolidation Act of 1994"; to the Committee on Banking, Housing, and Urban Affairs.

EC–2335. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the NASA Contract Adjustment Board for calendar year 1993; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WELLSTONE (for himself, Mr. Hatfield, Mr. Jeffords, and Mr. Metzenbaum):

S. 1928. A bill to require the availability of adequate waste emplacement capacity for the future licensing of construction and operation of nuclear utilization facilities, and for other purposes; to the Committee on Environment and Public Works.

By Mr. KERRY (for himself and Mr. Kennedy):

S. 1929. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the vessels *Shamrock V* and *Endeavour*; to the Committee on Commerce, Science, and Transportation.

By Mr. LEAHY (for himself and Mr. Conrad):

S. 1930. A bill to amend the Consolidated Farm and Rural Development Act to improve the administration of claims and obligations of the Farmers Home Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LUGAR (for himself and Mr. Coats):

S. 1931. A bill to provide duty-free privileges to participants in, and other individuals associated with, the 1994 World Rowing Championships; to the Committee on Finance.

By Mr. LIEBERMAN:

S. 1932. A bill to establish demonstration projects to expand innovations in State administration of the aid to families with dependent children program under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

By Mr. McCAIN:

S. 1933. A bill to repeal the Medicare and Medicaid Coverage Data Bank, and for other purposes; to the Committee on Finance.

By Mr. SHELBY:

S.J. Res. 170. Joint resolution to authorize the President to proclaim September 1994 as "Classical Music Month;" to the Committee on the Judiciary.

By Mr. HELMS (for himself, Mr. Hatch, Mr. Thurmond, Mr. Bond, Mr. Grassley, Mr. Pressler, Mr. Baucus, and Mr. Faircloth):

S.J. Res. 171. Joint resolution to designate March 20 through March 26, 1994, as "Small Family Farm Week;" to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 172. Joint resolution designating May 30, 1994, through June 6, 1994, as a "Time for the National Observance of the Fiftieth Anniversary of World War II;" to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO (for himself, Mr. Mack, Mr. Riegle, Mr. Sasser, Mr. Roth, Mr. Helms, Mr. Bond, Mr. Bennett, Mr. Faircloth, Mr. Shelby, Mr. Gregg, and Mr. Kerry):

S. Res. 190. A resolution expressing the sense of the Senate that the President should work to achieve a clearly defined and enforceable agreement with allies of the United States which establishes a multilateral export control regime to stem the proliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTION

By Mr. WELLSTONE (for himself, Mr. Hatfield, Mr. Jeffords, and Mr. Metzenbaum):

S. 1928. A bill to require the availability of adequate waste emplacement capacity for the future licensing of construction and operations of nuclear utilization facilities, and for other purposes; to the Committee on Environment and Public Works.

SECOND GENERATION NUCLEAR WASTE ACT

Mr. WELLSTONE. Mr. President, today I rise to address a subject that has received too little attention here. I am talking about nuclear waste. Since the Senate's last major action on this issue, 7 years have passed, extremely little progress has been made, and more questions have been raised than resolved.

Today, I propose a two-pronged approach to dealing with this problem. The first part deals with our current nuclear waste crisis, and to help resolve that issue I am sending a letter to the President with 12 Senators signatures asking him to convene an independent review commission on nuclear waste programs and policies. The second part tries to keep us from ending up embroiled in another nuclear waste crisis, and to that end I will introduce and send to the desk in a few minutes, with three other cosponsors, the "Second Generation Nuclear Waste Act."

The nuclear waste issue is coming to a boil throughout our country. We all know about—and hear every day about—the Department of Energy's difficulties in figuring out what to do with our high-level nuclear wastes. The New York Times Magazine of two Sundays ago, which I have right here, is telling it like it is. This problem will not go away, and burying it beneath a mountain in Nevada will not make it go away.

This is a fine piece written by Kai Erikson. "Nuclear waste buried now in haste will still be deadly in 12001 A.D." I recommend this article to my colleagues.

Another high-level nuclear waste issue is the question of an interim storage facility—a monitored retrievable storage facility MRS. The congressional view of that program was made all too clear when we essentially killed Federal funding for it last year.

But there are many, many other facets to the nuclear waste crisis besides high-level waste. There is also so-called low-level waste, which was addressed in legislation in 1982, but States have failed to open any new low-level dump sites. Part of the problem there is that what we are calling low-level often is about as dangerous as the high-level.

We also have military facilities run by the Department of Energy that have been making headlines for years for their high contamination levels. To clean up these sites, DOE has just come to Congress to ask for $6.3 billion—one-third of DOE's budget request for fiscal year 1995. The variety of nuclear waste problems at military facilities is mind-boggling, including transuranic waste, both high- and low-level waste, and liquid wastes.

And that is just the problems that we have here now. How about the nuclear wastes that we import rather than allow them to be reprocessed abroad? Right now they seem to be ending up, at least temporarily, at the Savannah River site in South Carolina. Where will future imported wastes go? And how about wastes from future nuclear powerplants here in the United States? Do we even have a plan about how we are going to deal with these problems? How about a fallback plan in case Yucca Mountain proves to be an unacceptable site for deep geologic disposal?

Congress often does not act unless it absolutely has to. A crisis is sometimes necessary to move us into action. Well, that crisis—a national crisis—has arrived. Pieces of the crisis are manifesting themselves around the country—in Ward Valley, CA, Hanford, WA, and both the waste isolation pilot plant and the Mescalero Apache Reservation in New Mexico.

My own State of Minnesota now finds itself at the forefront of this complex issue. The legislature is currently trying to make a critical and difficult decision, whether to allow dry-cask storage of high-level nuclear waste on the site of the Prairie Island nuclear plant. People are confused by the advertisements and varying claims the different sides make about the permanency and safety of such a waste dump, and about alternatives to nuclear power electricity generation. And the Federal Government is not helping the State of Minnesota, or any of our States, make a decision. Just 2 weeks ago today, the director of DOE's Office of Civilian Radioactive Waste Management told the Senate Energy and Natural Resources Committee that if Minnesota allows dry-casks at Prairie Island, he cannot guarantee that the waste will ever leave. I asked him: 20 years, 60 years, 80 years—how long will it be there? And Minnesotans are all too aware that if Yucca Mountain fails to meet the need as a permanent repository, there is no Federal policy for what to do then.

Today I want to take a step toward breaking the current gridlock. There have been many calls for independent reviews of DOE's Nuclear Waste Program in the past, but today, along with 11 other Senators, I want to go much further. It is obvious from the litany of nuclear waste problems I have mentioned that this issue is significantly bigger than the finances and management of the Yucca Mountain project. We need to step back and see where we are and to decide whether, given our investment in our current course, we ought to do anything differently.

We need an independent, comprehensive review of our nuclear waste policies and programs. We need a credible, public commission to take stock of where we are and to make recommendations about where we ought to be headed. If such a commission finds that we are doing everything right, then the program is served by giving it that seal of public approval that it so desperately needs. If the commission finds problems and makes recommendations for change, then those recommendations and findings will help inform the public as it takes part in this debate.

In this letter, which I am sending to the President today, Senators JEFFORDS, BOXER, LEAHY, METZENBAUM, FEINSTEIN, REID, KENNEDY, KOHL, BRYAN, FEINGOLD, and JOHN KERRY join me in asking the administration to set up such a commission. There has never been such a comprehensive, public review of our nuclear waste policies and programs, and at least this one dozen Senators think that such a review is long overdue. Representative WYDEN and many of our House colleagues have also sent a similar letter.

I ask unanimous consent that our letter to the President be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 15, 1994.

The PRESIDENT,
The White House,
Washington, DC.

DEAR PRESIDENT CLINTON: The problem of nuclear waste management has been a burden on our national energy and environmental policies for decades. We urge you to appoint a Presidential Commission to perform an independent review of our nation's needs, policies, and programs with respect to this persistent and troubling subject.

The nuclear waste issue is coming to a boil throughout our country. Nuclear power plants are running out of existing storage capacity for spent fuel rods, states are repeatedly failing in their efforts to site "low-level" waste dumps, public opposition grows against the siting of a Monitored Retrievable Storage (MRS) facility for spent nuclear fuel, and the clean-up of the Department of Energy's (DOE) facilities is posing a monumental task in dealing with a wide range of nuclear wastes, including transuranic, spent fuel, "high-level" and liquid wastes. In addition, nuclear utilities around the country believe that in 1998, DOE will be obligated to take title to the spent nuclear fuel currently stored at nuclear power plants around the nation. Each of these aspects of the nuclear waste problem brings additional costs to ratepayers and taxpayers.

Meanwhile, the only site being considered as a possible location for a permanent spent fuel repository is Yucca Mountain, Nevada. As the nuclear waste problem grows, the pressure will continue to build to elevate Yucca Mountain from potential site to construction site. Nevertheless, the project is currently behind schedule and fraught with technical and political uncertainties.

Nuclear waste in this country has historically been addressed not based on its hazardous nature or length of life, but by other, non-scientific delineations, such as the source of waste. Thus, our nuclear waste programs deal with waste issues in a piecemeal fashion, not in the integrated and presumably safer and more cost-effective manner that would be preferable.

This difficulty in addressing our nuclear waste dilemma is cast against a background of continued waste generation. In fact, Congress regularly appropriates money to fund research and development for a second generation of commercial reactors. Somehow, there is a disconnect in our policies regarding the generation and disposal of nuclear waste.

An independent review by a Presidential Commission would clearly be appropriate and useful in discovering and rectifying that disconnect. There has never been a comprehensive, public review of our nuclear waste programs across the wide range of technical, managerial, and policy issues that make this problem so complex. The review we envision would consider all nuclear wastes, including "high-level" wastes, transuranic wastes, and "low-level" wastes.

We feel that such a review would enjoy greater credibility if it were conducted by a truly independent body operating in full public view. Accordingly, we urge the creation of a Presidential Commission that would:

1. Be independent from DOE;
2. Include members of communities affected by nuclear waste, representatives of tribal and state governments, facility workers, and representatives from concerned environmental, consumer, and taxpayer organizations;
3. Make information readily available to the public;
4. Engage in an extensive public hearing process including consideration of and response to all public comments;
5. Open all meetings to the public; and
6. Issue a comprehensive report including evaluations of current programs and recommendations for change.

Your decision to step back and take a broad, comprehensive look at our nation's health care system speaks volumes about your willingness and ability to address very complex and important problems created during previous administrations. We look forward to hearing from you with respect to our recommendations and appreciate your consideration of this issue of national concern.

Sincerely,

Paul Wellstone, Barbara Boxer, James M. Jeffords, Patrick J. Leahy, Howard M.

Metzenbaum, John F. Kerry, Edward M. Kennedy, Richard H. Bryan, Dianne Feinstein, Harry Reid, Herb Kohl, Russell D. Feingold.

Mr. WELLSTONE. Now let us look to the future. If this Commission comes back with recommendations that lead to the resolution of the current waste crisis, how do we avoid falling into another one?

Today on behalf of Senators HATFIELD, JEFFORDS, METZENBAUM, and myself, I introduce a bill that should have been the first law Congress passed upon entering the atomic age. It is nothing short of common sense.

The bill I introduce today simply requires that we build no more nuclear powerplants until we have someplace to permanently store the waste they will generate. That's all there is to this piece of legislation.

There is nothing radical about this idea. It is not a partisan idea—just look at the list of cosponsors: Two Democrats and two Republicans. All this bill does is put the nuclear cart back behind the horse, where it belongs.

It is true that no utility has yet stepped forward to site a new nuclear powerplant, and that is exactly why now is the time to pass this law. Once utilities make a huge investment in siting, licensing, and building new plants, the pressure upon Congress to provide a waste-disposal option for them becomes immense. Unfortunately, if Congress acts under such pressure, it might not come up with the best resolution. Let's ensure that for future plants, we deal with the waste issue in a deliberate way, free from pressure applied by utilities with vested interests.

I want to make this point crystal clear: This bill would not impact any existing plants. It would apply only to plants that would be licensed after the date of enactment. It would, therefore, not apply to renewal of existing licenses.

Here is the current commercial high-level nuclear waste situation in a nutshell: We have DOE, by congressional mandate, putting all of its eggs in the Yucca Mountain basket. Even when Yucca Mountain in on-line—if ever—it will be able to hold only the waste that has been and will be generated by our current generation of reactors.

Where will the waste from a new generation of reactors be disposed of? This bill requires that we answer this question before that second generation is born.

There is a common belief that no utility is likely to step forward with plans to build another nuclear powerplant anytime soon. While there may be some truth in this, do my colleagues know that two standardized advanced reactor designs will finish Nuclear Regulation Commission staff review within only a few months?

Do my colleagues know that after that there is only a 1½-year period before the designs are certified and ready to be built?

Do my colleagues know that DOE is offering to pay up to $58 million toward siting and licensing expenses and up to $100 million toward design work for second-generation reactors?

This bill does not judge the "deep geologic repository" approach that the DOE is currently pursuing. Nor does it make any mention of the monitored retrievable storage facility that the nuclear waste negotiator is working to site.

It only says that we ought to always have enough permanent storage capacity to take care of the waste that will be generated by any new nuclear power plant. It is not enough to have a plan for adequate storage. It is not enough to have begun construction on a storage facility. It is not enough to have finished building but not yet licensed a storage facility. The permanent storage facility must be sited, built, and licensed for operation before any new plant can be licensed under this piece of legislation.

Mr. President, it is written that way because of the huge difference between the planning and building of a nuclear waste facility, on the one hand, and its actually accepting waste on the other. With a politically charged issue like nuclear waste, it is wise to make absolutely certain that there is water in the pool before jumping in, rather than just turning on the spigot, taking a deep breath, and diving.

I will circulate a "Dear Colleague" letter with this bill attached asking for other Senators to become cosponsors. I urge Senators to do so. I think this piece of legislation, which I will send to the desk, is long overdue and I believe it represents just plain, good common sense.

Mr. President, let me just conclude by saying that I really do believe that Kai Erikson did a real service for the country in the piece he wrote Sunday 2 weeks ago.

For all too long, the nuclear waste problem has been sort of put in parentheses or put into brackets or swept under the rug. I commend Secretary O'Leary and the Department of Energy for trying to deal with this very difficult issue. But I have to say, Mr. President, one more time, that Yucca Mountain is not a certainty. There have been years of delay. The people in Nevada have raised important questions, and my State of Minnesota and many other States are going to be faced with an absolutely impossible position unless we have some kind of independent public commission that studies this issue, that has credibility and can build the political and public support in this country for the kind of decisions we have to make. I sent the bill to the desk on second-generation nuclear waste because I believe that it is absolutely unconscionable for us to even think about building any more nuclear power plants until we know for certain what we are going to do with the waste.

That is the two-pronged approach I take today on the floor of the Senate. I hope we will get a positive response from the letter I and 11 Senate colleagues have sent to the President. I will ask other Senators to cosponsor the bill I introduced on second-generation nuclear facilities, and I hope that we will begin to address this question because I think it has the potential to be an absolutely huge disaster for this Nation. We just cannot hide from it any longer. We have to get serious about what we are going to do with this nuclear waste. I believe that now is the time.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1928

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Second Generation Nuclear Waste Act".

SEC. 2. PERMIT AND LICENSING REQUIREMENTS.

Section 185 of the Atomic Energy Act of 1954 (42 U.S.C. 2235) is amended by adding at the end the following new subsection:

"(c)(1) Notwithstanding any other law, no construction permit or combined construction and operating license shall be issued for a utilization facility used for the generation of electricity for commercial sale until such time as—

"(A) there is a facility licensed by the Federal Government for the permanent emplacement of spent nuclear fuel and high-level radioactive waste from the utilization facility; and

"(B) there is an adequate volume of capacity within the emplacement facility to accept all of the spent nuclear fuel and high-level radioactive waste that will be generated by the utilization facility during the reasonably foreseeable operational lifetime of the utilization facility.

"(2) At no time shall the total volume of spent fuel and high-level radioactive waste generated, or reasonably expected to be generated, by all utilization facilities used for the generation of electricity for commercial sale receiving construction permits or combined licenses after the date of enactment of this subsection, exceed the total volume of capacity available in facilities licensed by the Federal Government for the permanent emplacement of spent nuclear fuel and high-level radioactive waste."

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1929. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of the vessels *Shamrock V* and *Endeavor;* to the Committee on Commerce, Science, and Transportation.

JONES ACT WAIVER

Mr. KERRY. Mr. President, I am pleased to join my colleague, the distinguished senior Senator from Massachusetts, in introducing a bill to allow the vessels *Shamrock V* and *Endeavor* to be employed in coastwise trade of the United States. These boats have a small passenger capacity, normally 8 to 12 passengers on overnight trips and up to 30 passengers on day trips, and their owners intend to operate a charter business based out of Boston Harbor. The purpose of this bill is to waive those sections of the Jones Act which prohibit foreign-made vessels from operating in coastwise trade. The waiver is necessary because, under the law, a vessel is considered built in the United States if all major components of its hull and superstructure are fabricated in the United States, and the vessel is assembled entirely in the United States. Both of these boats were originally foreign built in the 1930's, but since the mid-1980's they have been owned and operated by American citizens, repaired in American shipyards, and maintained with American products. The owners bought the boats due to their historical significance. These vessels are the only two remaining boats of a class of enormous sailing yachts built in the 1930's to compete for the America's Cup and, as such, are a very significant part of American maritime and yachting history. To better showcase these historic vessels the owners now want to start a charter boat operation based out of Boston offering voyages of various durations to various destinations.

After reviewing the facts in the cases of both the *Shamrock V* and the *Endeavor*, I find that these waivers do not compromise our national readiness in times of national emergency, which is the fundamental purpose of the Jones Act requirement. While I generally support the provisions of the Jones Act, I believe the specific facts of this case warrant a waiver to permit both the *Shamrock V* and the *Endeavor* to engage in coastwise trade. I hope and trust the Senate will agree and will speedily approve the bill being introduced today. Mr. President, I ask unanimous consent that the full text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), the Act of June 19, 1886 (46 U.S.C. App. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for each of—

(1) the vessel *Shamrock V* (United States official number 900936); and

(2) the vessel *Endeavor* (United States official number 947869).

By Mr. LEAHY (for himself and Mr. CONRAD):

S. 1930. A bill to amend the Consolidated Farm and Rural Development Act to improve the administration of claims and obligations of the Farmers Home Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARMERS HOME ADMINISTRATION IMPROVEMENT ACT OF 1994

Mr. LEAHY. Mr. President, the Washington Post ran a front page story recently about millions of dollars in delinquent debts owed by several wealthy farm loan borrowers to the Department of Agriculture's Farmers Home Administration.

Delinquencies on large loans made by Farmers Home more than a decade ago are unpaid not because of the debtors' inability to pay—many of them are millionaires—but because they apparently feel no obligation to repay the loans made to them in good faith by the taxpayers.

It is time to clean up the mess.

The farmers who milked FmHA instead of cows will be forced to part with their profits and pay back the American taxpayers.

Payback time has come.

These poorly underwritten loans should not have been made in the first place. The problem at hand now is doing everything that is possible and lawful to collect from the well-heeled deadbeats who unjustly give real farmers a bad name, and who by avoiding their legitimate debts insult the thousands of small, limited resource farmers who play fair and pay regularly.

It is time to stop communicating, negotiating, threatening, deliberating—it is time to send the private bar after the public scofflaws.

It can be done. A threat will not do it. A real good lawsuit will.

I cannot explain why somebody who has the means to repay a loan does not. It is unconscionable. I do not know how the people identified in the Washington Post story can live with themselves. This is an insult to the thousands of farmers who wait for years for modest FmHA loans.

American taxpayers should not have to live with the delinquent debts of millionaires who thought they took our loans for a song—the time has come to pay the piper.

I do not cast blame on Justice Department attorneys for not fully prosecuting these cases. They are excellent attorneys who have many demands placed on them and simply do not have time nor resources. They are up against some high-powered legal gunslingers, paid for by the same sophisticated scofflaws who claim they cannot afford to pay back the Federal farm loans.

In addition to the horror stories we read about in the Post, there are currently pending over 4,000 foreclosures on bad debts from loans made by Farmers Home.

Over $4.2 billion is involved in these delinquent debts. We need to act vigorously to recoup as much of the taxpayers' money as possible.

The Farmers Home Administration is often the only credit source available to beginning or limited resource farmers to obtain operating loans for their farms.

In times of disaster Farmers Home provides essential financial assistance to farmers, the majority of whom have small, modest operations.

The millionaires in the Post story are exceptions to the typical borrower who is a bona fide farmer. Unlike bona fide farmers, these wealthy deadbeats are abusing the corrective legislation to ensure that such abuses do not occur again.

It is clearly time to toughen the law and accelerate efforts to clear up this huge backload of delinquent debt.

The bill I am introducing today would allow Agriculture Secretary Espy, who has requested this legislation, to hire private attorneys to work at collecting on this debt.

This would result in recouping up to one third of the $4.2 billion the taxpayers loaned out. Using private attorneys would not cost any additional public money; part of the debt collected could be used to reimburse the private attorneys.

I am sick and tired of reading about part-time farmers living in $800,000 houses, developing golf courses, and running big nonfarm businesses when they owe Farmers Home millions of dollars. I am sick and tired of frivolous, time consuming legal defenses that have no merit.

The FmHA was created to assist farmers who are nothing like the "farmers" in the Post story. They live along rocky hillsides, not oceanside vistas. They drive tractors—often very old ones—and do not collect vintage airplanes. They do not have expensive lawyers on retainer, but hire them only when absolutely necessary. And they milk Holstein and Jersey cows—not Federal farm credit programs.

In the interest of these real farmers and all American taxpayers, we need to act decisively now to serve and protect the taxpayer by protecting the integrity of the Farmers Home Administration.

By Mr. LUGAR (for himself and Mr. COATS):

S. 1931. A bill to provide duty-free privileges to participants in, and other individuals associated with, the 1994 World Rowing Championships; to the Committee on Finance.

WORLD ROWING CHAMPIONSHIPS

Mr. LUGAR. Mr. President, this September over 1,000 athletes from more than 40 countries will travel to Indianapolis to compete in the World Rowing Championships. This year marks the first time that this championship has been held in the United States, and I am naturally quite pleased that the men and women who compete in the championships' 23 events will honor my State's capital with their presence.

Indianapolis is the home of USRowing, the national governing body for this sport. The Eagle Creek Reservoir in Indianapolis is the only internationally sanctioned rowing course in the United States. Hoosiers are looking forward to hosting this premier sporting event, which will take place September 11-18.

Equipment for the championship events ranges from 10-inch-wide, 30-foot, single-person sculls to eight-person shells as long as 62 feet. Because of the equipment's length and delicacy, it poses shipping challenges and will enter the United States separately from the competing athletes.

Partly for this reason, in order to ease the Customs clearance process for the athletes, the World Rowing Championships has requested a Customs waiver, providing duty-free entry privileges for participants and other individuals associated with the 1994 championships. Such a waiver will greatly simplify athletes' entry and streamline the transportation process for their equipment. Such waivers have often been granted for sporting events such as this, where sporting equipment is in the United States only on a temporary basis. I rise today to introduce legislation granting the waiver for participants in the 1994 World Rowing Championships.

Congressman JACOBS has introduced a similar measure in the House of Representatives, and I am honored to introduce this legislation in support of a prestigious championship event which is, for the first time, coming to America. I hope my colleagues will support this bill.

By Mr. LIEBERMAN:

S. 1932. A bill to establish demonstration projects to expand innovations in State administration of the Aid to Families With Dependent Children Program under title IV of the Social Security Act, and for other purposes; to the Committee on Finance.

WELFARE REFORM THROUGH STATE INNOVATION ACT

Mr. LIEBERMAN. Mr. President, today I am introducing the Welfare Reform Through State Innovation Act of 1994. The welfare system is in crisis. The United States has one of the most expensive welfare systems in the world. But last year 20 percent of America's children were poor—a higher percentage than any other industrialized country.

There is a consensus that we need to do something different from what we have done for the past 25 years to move poor children out of poverty and despair. The primary welfare program—aid to families with dependent children [AFDC]—is viewed by those participating in it and those paying for it as a failure. And there is some consensus about the objectives of reform—Americans agree that welfare should strengthen, not weaken, the benefits of work and family. But little consensus exists on how best to achieve our goals, and the welfare reform debate is increasingly polarized.

As a legislator and law enforcer, I have worked on welfare issues for nearly 25 years. Over the past year, I have tried to pull together the best welfare reform idea. In the process, I have talked to those studying the system, those working in the system, and those dependent on the system. I am particularly appreciative of the counsel of Audrey Rowe, Connecticut's commissioner of social services. Most of all, I have benefited from my discussions with people who have been on welfare, and who have been willing to talk candidly with me about their experiences and their ideas.

The bill I am introducing today is designed to move the debate forward and respond to the concerns of all who are justifiably disappointed with welfare as we know it. It is designed to supplement the administration's pending legislation that will make wholesale national changes in the welfare system. My bill embraces certain national reforms about which there is broad agreement, and gives States the responsibility and the opportunity to test innovative solutions to this complicated crisis. Making the States central players in our reform strategy is good policy and enlisting their involvement will help us pass a welfare reform bill this year.

The focus of a reformed welfare system must be to move people back into the work force. The administration is preparing welfare reform legislation that will, among other things, impose a national 2-year limit on welfare benefits, followed by a requirement to work in private sector, or if necessary, public service jobs. I commend and support this effort.

My bill will work in concert with the President's proposal to ensure we achieve meaningful reform. It provides the flexibility, resources, and guidance States need to implement innovative solutions not ready for application at the national level. It makes States full partners in our efforts to put people back to work, strengthen families, reduce teenage pregnancies, and reinvent the welfare bureaucracy.

I believe States must take center stage in order for us to fully meet the objectives of reform. Let me review those objectives.

First, we need to change the many perverse incentives in the current system that discourage work and weaken families. Today's welfare system demands little of people on welfare. It impedes, rather than empowers, those who seek to help themselves. It provides direct rewards for behaviors—including teenage childbearing—that contribute to the cycle of poverty. In multiple ways, it undermines our fundamental American values of work, family, and responsibility.

Let me give you some specific examples. Under current AFDC rules:

If an AFDC mother goes back to work, her income increases only minimally—often not enough to cover child care—and she loses her Medicaid benefits. She is likely to be economically worse off if she returns to the work force; so she stays on welfare;

If she or her children save money for education, the family becomes ineligible for welfare because they have too much money in the bank. Their inability to save without losing AFDC helps trap her children in the cycle of poverty;

Getting married reduces or eliminates a mother's benefits; and

If a mother identifies the father of her child and works with authorities to secure child support payments, she receives only a limited portion of the benefit, $50 per month. She therefore has limited incentives to seek child support. The result is that few children of poor mothers see any portion of their father's earnings.

There are reasons for each of these rules. They seek to target benefits toward our most needy citizens. But the lines they draw to keep the undeserving out inadvertently discourage those in the system from leaving it. For welfare mothers, it is more often than not a rational economic decision to stay single and stay on welfare. That result is absurd. Welfare reform must reverse these incentives.

Second, welfare reform must also seek to address some of the causes of poverty that bring people onto the system in the first place. The recent growth in the number of people on welfare is alarming. Between 1979 and 1989, about 7 million children were in the AFDC Program at any given time. But between 1989 and 1993, the number of children receiving AFDC increased by about 30 percent to 9.3 million children. Today 14 million people—5 million families—receive AFDC assistance.

And the numbers alone don't tell the worst part of the story. An increasing percentage of those entering the system are never-married mothers at greatest risk of long-term welfare dependency. Between 1983 and 1992, families headed by unwed mothers accounted for about four-fifths of the growth in people on welfare, and at least 40 percent of never-married mothers receiving AFDC remain in the system for 10 years or more.

Never-married teen parents are particularly likely to fall into long-term welfare dependency. More than one-half of welfare spending goes to women who first gave birth as teens. As William Raspberry noted in a recent Washington Post column aptly entitled "Out of Wedlock, Out of Luck," children born to parents who had their first child out-of-wedlock before they finished high school and reached the age of 20 are almost guaranteed a life of poverty. In other words, they and their parents are almost guaranteed a life on welfare. Citing William A. Galston's analyses, Raspberry notes that a startling 79 percent of children in this category lived in poverty in 1992. In contrast, only 8 percent of children whose parents had achieved all three milestones—marriage, graduation, and the 20th birthday—before having their first child were living in poverty.

These numbers make it clear that we must make preventing teenage pregnancy a central part of our welfare reform strategy. If we do not, more and more children and their unwed teenage mothers will be condemned to lives of poverty and hopelessness.

Reducing teenage, out-of-wedlock childbearing will not be easy. As Senator DANIEL PATRICK MOYNIHAN points out, the illegitimacy rate in 1970 was about 10 percent. Since that time it has continued its steady, linear rise and has now reached an alarming 30 percent.

The potential effect of welfare itself on illegitimacy has taken center stage in the welfare reform debate. David Ellwood, economist and Department of Health and Human Services official, has found little evidence that welfare contributes to the increase in illegitimacy. In his book, "Poor Support," he points to several other concurrent social changes that are likely contributors to the increase—the growing percentage of women in the work force, the drop in earnings and rise in unemployment among young men, and changes in attitudes toward marriage.

Others interpret the data differently. Most notably, Charles Murray believes that welfare is the primary cause of the increase in illegitimate births. In a catalytic Wall Street Journal article published October 29, 1993, Murray argues that welfare has reduced the economic penalty associated with out-of-wedlock childbearing and, in turn, has reduced the social stigma associated with it. He concludes that the removal of both of these disincentives has led to more out-of-wedlock births. Based on this conclusion, Murray recommends the dramatic step of ending welfare altogether. Murray recognizes that his approach may put this generation of children at risk and advocates, among other things, Government investment in new facilities to care for these children.

The stigma of illegitimacy was not just an accident of social history; it was a societal attempt to protect children. The stigma is largely gone. Raspberry's article cites polling results indicating that 70 percent of Americans aged 18 to 34 believe that people having children out of wedlock do not deserve any moral reproach. But the decision to bear a child has profound moral and practical content. We must infuse our children with a clear understanding of the consequences of teenage childbearing.

Few would argue that a national campaign to discourage unmarried teenagers from having children is not a good thing to do. The question for those of us working on welfare reform is this: Can we supplement that campaign with changes in welfare policy that also discourage out-of-wedlock births?

Some might say no, believing that there is little correlation between welfare and out-of-wedlock births. The empirical evidence is generally viewed as inconclusive. Some controlled studies have demonstrated a positive association between welfare payments and out-of-wedlock births, and my own conversations with teenage mothers bear this out.

However, imposing nationwide changes in welfare payments to reduce teenage parenthood is not yet appropriate, given the lack of conclusive evidence, and the impact of those changes on the people on welfare. But it is important to test these ideas at the State level, in a way that poses little risk, yet possesses the potential for very positive results. Our goal for this aspect of welfare reform should be to reduce the number of children born into poverty, while providing greater assistance and opportunities for children who are born poor.

We must pursue several paths to reform:

Improving the economic outlook for young men and women by enhancing their education and job opportunities. That increases their hope for success and therefore the "opportunity costs" associated with early childbearing;

Requiring young people on welfare to stay in school and/or work, and to live at home, to reduce the advantages of welfare; and

Strengthening child support enforcement, and holding parents of young men financially accountable for their sons' children, to increase the teenagers' disincentives to father children.

As we try to discourage out-of-wedlock births, we must not forget the children who are born, despite the disincentives. That involves a redirection of welfare support from the parents of poor children to the children themselves.

A portion of the welfare population—perhaps a small but significant portion—is unlikely to respond to stronger inducements and penalties. In a recent Los Angeles Times article, Adela de la Torre, and economist at California State University at Long Beach, writes that the children of such parents "become victims of trickle down welfare programs—if we deem the parent unfit for welfare support, the child, too, loses." De la Torre rejects the notion that building stronger parental inducements into the welfare system will change the behavior of all parents and calls instead for a more child-centered social service agenda that recognizes and serves the needs of children in a more direct, comprehensive, and integrated fashion. She makes an important point.

Similarly, Thomas Corbett of the University of Wisconsin asks in a spring 1993, Focus article whether it is "compassionate to throw a little bit of welfare into troubled families and do little else to aid the children?" The answer is, of course, relative. AFDC reflects our best intentions toward these children, but it often fails them. Whether cash payments to unresponsive parents is the most compassionate approach, Corbett concludes, "depends partly on how many children are involved and whether we can design and finance the technologies required to assist them." It is incumbent on us, as part of welfare reform, to explore the alternatives to a largely parent-based system, and find the answers to his question. One way to do this is to enable States to reduce and convert part or all of AFDC payments to block grants and combine the grants with other funds available under this bill to care for children, strengthen families, and implement other reforms.

Taken together, these reforms, I believe, would begin to address the underlying problems that Ellwood and Murray have highlighted.

Changing the welfare system to move people back into the work force and to better serve the needs of children will require changing the way the welfare bureaucracy does business. Many welfare offices don't know how many children they have in foster care. Many still operate out of cardboard files and lose people in the shuffle of paper. Offices often suffer from interagency rivalry and bureaucratic bickering. It is tragic when a child suffers needlessly because the system fails under the weight of its own inefficiency.

This need not happen. Some innovative States and municipalities have tried to make their welfare systems more efficient and service oriented. At a hearing I held last December, Carmen Nazario, the secretary of Health and Human Services in Delaware, testified that her State has brought public and private social services together in a single location and is now developing a computer network to link programs.

David Truax from the Maryland Department of Human Resources described a second approach to improving services. Maryland now provides each participant with a debit card that has AFDC, Food Stamps, and General Assistance benefits on it. Electronic benefit cards have several advantages: They preclude the trading of food stamps for drugs; they introduce people to the banking system; they make it easier for them to budget their money since they don't have to cash one single check; and, they reduce their vulnerability to crime.

Further, offices should encourage and empower, not discourage and demean, those they serve. It can be done. America Works, a private organization that trains people on welfare for work and places them in jobs, provides proof. During my visit to their Hartford, CT office I found that clients felt they were getting the help they needed to succeed, and were motivated and optimistic. I asked one young woman who had just completed her training if she expected to be placed successfully in a job. She responded with enthusiasm, "absolutely." This spirit does not typically pervade traditional welfare offices.

Most important, welfare offices should be held accountable for results. They need to make the shift from writing checks to moving people on welfare into jobs. To promote this change, we should seek to establish competition among agencies and greater choice for people on welfare. We should encourage public agencies to contract with effective private sector companies and to better reward those public employees who successfully help people become self-sufficient.

These welfare reform goals are a tall order, and we cannot, and should not, expect far-reaching reform to happen overnight. In fact, several factors will temper our pace.

First, cost. Changing the disincentives for work in the current system, providing recipients with the tools they need to return to the work force, strengthening the family and increasing efforts to prevent teen pregnancy—these reforms will cost money.

In a recent article in The New Republic, Paul Offner of the Senate Finance Committee staff advises us to learn an important lesson from the 1988 Family Support Act: Overly ambitious and underfunded reform efforts are doomed to failure. They do little to change the expectations of those working in the system or those using it.

Second, uncertainty. We have few proven reforms, and those that have been tested, such as the model education and training programs launched in California and Florida, have delivered only marginal results to date. Absent better information, we would be wise to heed the advice of Proverbs: "It is not good to have zeal without knowledge." Changes in welfare are consequential. They affect people's lives, children's lives.

How then should we proceed?

First, we should implement on a national level reforms about whose effects we are most certain. For example, the Federal Government should take the lead in making work pay. Congress has already taken an important step in this direction by increasing the earned income tax credit. And I hope and expect that this Congress will pass a health care reform bill that ensures all individuals have health insurance, regardless of their economic status, so that health care worries will no longer provide a disincentive for leaving welfare.

We must also make returning to work the primary focus of the welfare system. President Clinton's pending legislation establishing a 2-year time limit followed by work will be central to this effort. To avoid the dangers of underfunding, the administration appears to be considering targeting its program to younger, new entrants, those most at risk for welfare dependency. This approach makes sense. And I fully support the administration's effort.

The Federal Government must also take the lead in improving child support enforcement. As a starting point, it should fully implement the recommendations of the U.S. Commission on Interstate Child Support. Senator BILL BRADLEY, a member of the Commission, has introduced S. 689, the Interstate Child Support Enforcement Act, to implement the Commission's recommendations. My Connecticut colleague, Congresswoman KENNELLY, also a Commission member, has introduced a similar bill, H.R. 1961, in the House. I am cosponsoring Senator BRADLEY's bill, which will, among other things: Mandate hospital-based paternity acknowledgment programs; require employers to submit W–4 forms for all new employees to State child support enforcement agencies; and provide States the authority they need to assert jurisdiction over nonresident parents. The era of deadbeat dads should end.

Further, the Federal Government should take the lead on improving our understanding of the causes of and solutions to welfare dependency. Senator MOYNIHAN advocates, and I support, a national effort to develop and track indicators or correlates of poverty, welfare participation, and the performance of welfare programs. That kind of baseline information is essential if we are to measure the benefits of reforms.

And while we are studying the problem, we should aggressively test new solutions. That is the part of the puzzle my bill targets. States should be the testing ground for those proposals that are promising but unproven, or that involve some human or financial risk. States have both the willingness and the ability to test multifaceted, targeted solutions to the problem. They understand the unique needs of their citizens and are best able to creatively bring together public and private resources to affect change.

States are willing and eager to play this role. In testimony before the Senate Finance Committee's Subcommittee on Social Security and Family Policy, the American Public Welfare Association and other State organizations indicated their strong desire to pursue innovative strategies. My own State of Connecticut has developed a comprehensive reform proposal, and I believe the Federal Government should assist in implementing it. While States can already pursue their own welfare reform initiatives through a Federal waiver process, certain waiver conditions, particularly the requirement for budget neutrality, limit their ability to move forward.

My bill will provide States with the resources, technical support and flexibility necessary to organize and test the additional solutions we need. The bill authorizes the Department of Health and Human Services to spend $500 million over 3 years to support a series of specific demonstration projects set forth in the bill as well as other, State-initiated reforms. These State demonstrations will be reviewed and approved by the Department's Secretary. At the end of the 3 years of demonstration projects, the Secretary will recommend to Congress which are ready to be imposed nationally. My proposal requires States to obtain independent evaluations of these projects, but allows for flexibility in how such evaluations are conducted so as not to hinder program design. Some of the demonstration projects in the bill are already underway in one or two States, but have not yet been fully evaluated. The added resources and flexibility will allow more States to test a broader range of ideas.

Specifically, the bill supports the following reforms:

Title I includes initiatives to move people on welfare into the work force. Two pilot programs focus on teenage parents. The first allows States to condition AFDC benefits for single parents under 20 years of age on: First, attending school, participating in job training or holding a job; and second, living at home. The second allows States to include young AFDC clients in the Jobs Corps—a successful, residential antipoverty program for youths 16 to 22 years of age.

Title I also permits States to require 30 days of State-assisted job search or, where appropriate, substance abuse treatment, during the usual lag time between application for and receipt of benefits. Other provisions in this title assist people on welfare in accumulating assets to invest in education or to start a small business.

Title II supports State demonstrations that strengthen families and break the cycle of welfare dependency. States could establish a more child-centered welfare program through conversion of all or part of AFDC and JOBS funds into a block grant. Under this pilot program, States could apply the block grant funds, supplemented by additional funds made available under the act, to: Establish residential homes for teenage mothers and their children which include enhanced social and employment services; improve child care; speed adoption; made available residential schooling for children enrolled at the request of their parents; and provide other services to needy children. No State program under this title could move forward unless the Secretary of the Department of Health and Human Services found that the program fully protected the well-being of affected children. State welfare administrators I spoke with were interested in the block grant approach because they felt it could provide the flexibility and resources they need to tackle real program reforms.

Another section of title II allows States to discourage people on welfare from having additional children. States could eliminate the payment increase for additional children while increasing the financial reward for work. The title also allows States to liberalize eligibility rules for two-parent families to encourage marriage. It also supports States seeking to strengthen child support collection by raising the amount of child support people on welfare can keep without reducing their benefits, by holding parents accountable for the child support obligations of their sons who are minors, and through other means proposed by the State. Finally, title II supports innovative State teenage pregnancy prevention programs.

Title III seeks to diversify and improve the performance of welfare services and change the culture of welfare offices. The title supports State pilots to provide incentives to private sector, for-profit and nonprofit groups to place people on welfare in private sector jobs. Companies would keep a portion of welfare savings as payment for successful job placements. Title III also supports State pilots to improve the performance of welfare office employees through, for example, providing direct bonuses to employees and judging their performance based on the clients' progress toward self-sufficiency.

Finally, title IV authorities offsetting expenditure reductions to ensure the bill is budget neutral. In other words, the bill pays for itself. Specifically, it eliminates the three-entity rule. Currently, an individual farmer can qualify for up to $125,000 per year in certain Government subsidies. If he forms two other business entities with two other individuals, say, a friend and a sister, each of these entities can qualify for another $125,000 per year. So the individual farmer can receive up to $250,000 in subsidies per year—$125,000 for his first business entity, and half of $125,000 for each of his second and third entities. My bill says, "enough is enough," and caps the amount of agricultural subsidies any one person gets from the Federal Government at $125,000. A preliminary Congressional Budget Office estimate indicates this change will save $675 million over 5 years—money that is better spent on the truly needy.

Americans continue to show concern for the poor, and particularly poor children. A recent poll commissioned by the Children's Defense Fund and others found that 64 percent of Americans believe we should spend more on poor children. But the same poll found that 55 percent think we spend too much on welfare, and 68 percent think we should not increase payments to parents for any additional children they have while on welfare.

Our current approach to helping the poor is clearly not working. The goal of welfare reform is to transform the status quo into a system that promotes work, family, and responsibility, and protects children from a life of poverty. This bill, with the administration's proposal, will begin to allow us to do just that.

Mr. President, I ask unanimous consent that the full text of the bill and a short summary of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1932

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Welfare Reform Through State Innovation Act".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.
Sec. 4. General provisions relating to demonstration projects.
Sec. 5. Authorization of appropriations.

TITLE I—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE

Sec. 101. Demonstration projects which condition AFDC benefits for certain individuals on school attendance or job training, limit the time period for receipt of such benefits, and require teenage parents to live at home.
Sec. 102. Pilot Job Corps program for recipients of aid to families with dependent children.
Sec. 103. Demonstration projects requiring up-front 30-day assisted job search, or substance abuse treatment before receiving AFDC benefits.
Sec. 104. Disregard of education and employment training savings for AFDC eligibility.
Sec. 105. Incentives and assistance in starting a small business.
Sec. 106. Increased emphasis in JOBS program on moving people into the work force.
Sec. 107. Additional demonstration projects to move AFDC recipients into the work force.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

Sec. 201. Demonstration projects to establish child centered programs through conversion of certain AFDC and JOBS payments into block grants.
Sec. 202. Demonstration projects providing no additional benefits with respect to children born while a family is receiving AFDC and allowing increases in the earned income disregard.
Sec. 203. Demonstration projects providing incentives to marry.
Sec. 204. Demonstration projects reducing AFDC benefits if school attendance is irregular or preventive health care for dependent children is not obtained.
Sec. 205. Demonstration projects to increase child support collection.
Sec. 206. Demonstration projects to develop community-based programs for teenage pregnancy prevention and family planning.
Sec. 207. Additional demonstration projects to strengthen families and break the cycle of welfare dependency.

TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE THE PERFORMANCE OF WELFARE SERVICES

Sec. 301. Demonstration projects for providing placement of AFDC recipients in private sector jobs.
Sec. 302. Demonstration projects providing performance-based incentives for State public welfare providers.

TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS

Sec. 401. Offsetting expenditure reductions.

SEC. 2. PURPOSE.

It is the purpose of this Act to implement the demonstration projects established under this Act as part of a comprehensive national program which would—

(1) terminate aid to families with dependent children after 2 years; and

(2) make employment available to such families where necessary.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) AID TO FAMILIES WITH DEPENDENT CHILDREN.—The term "aid to families with dependent children" has the meaning given to such term by section 406(b) of the Social Security Act (42 U.S.C. 606(b)).

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 4. GENERAL PROVISIONS RELATING TO DEMONSTRATION PROJECTS.

(a) APPLICATIONS.—

(1) IN GENERAL.—Each State desiring to conduct a demonstration project under this

Act shall prepare and submit to the Secretary an application in such manner and containing such information as the Secretary may require. The Secretary shall actively encourage States to submit such applications.

(2) Approval.—The Secretary shall consider all applications received from States desiring to conduct demonstration projects under this Act and shall approve such applications in a number of States to be determined by the Secretary, taking into account the overall funding levels available under section 5.

(b) Duration.—A demonstration project under this Act shall be conducted for not more than 3 years plus an additional time period of up to 12 months for final evaluation and reporting. The Secretary may terminate a project if the Secretary determines that the State conducting the project is not in substantial compliance with the terms of the application approved by the Secretary under this Act.

(c) Evaluation Plan.—

(1) In general.—Each State conducting a demonstration project under this Act shall submit an evaluation plan (meeting the standards developed by the Secretary under paragraph (2)) to the Secretary not later than 90 days after the State is notified of the Secretary's approval for such project. A State shall not receive any Federal funds for the operation of the demonstration project or be granted any waivers of the Social Security Act necessary for operation of the demonstration project until the Secretary approves such evaluation plan.

(2) Standards.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall develop standards for the evaluation plan required under paragraph (1) which shall include the requirement that an independent expert entity provide an evaluation of each demonstration project to be included in the State's annual and final reports to the Secretary under subsection (d)(1).

(d) Reports.—

(1) State.—A State that conducts a demonstration project under this Act shall prepare and submit to the Secretary annual and final reports in accordance with the State's evaluation plan under subsection (c)(1) for such demonstration project.

(2) Secretary.—The Secretary shall prepare and submit to Congress annual reports concerning each demonstration project under this Act.

(e) Legislative Proposal.—Within 6 months after the date that the Secretary has received the last final report due under subsection (d)(1), the Secretary shall submit proposed legislation to Congress which would nationally implement (taking into account factors important in determining implementation of a demonstration project on a national scale, including population density and poverty) those demonstration projects—

(1) which are established under this Act; and

(2) for which the Secretary has made a determination of effectiveness in breaking the cycle of welfare dependency, unemployment, and poverty after evaluation of the final report for such project.

(f) Provisions Subject To Waiver.—The Secretary may waive such requirements of title IV of the Social Security Act (42 U.S.C. 601 et seq.) as the Secretary determines to be necessary to carry out the purposes of the demonstration projects established under this Act.

(g) Expenditures Otherwise Included Under the State Plan.—The costs of a demonstration project under this Act which would not otherwise be included as expenditures under the applicable State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall to the extent and for the period prescribed by the Secretary, be regarded as expenditures under the applicable State plan under such title, or for administration of such State plan or plans, as may be appropriate.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated $150,000,000 for each of fiscal years 1995 and 1996, and $200,000,000 for fiscal year 1997 to carry out the provisions of sections 101, 103, 105(b), 105(c), 105(d), 107, 201, 202, 203, 204, 205, 206, 207, 301, and 302.

(b) Allocation of Funds.—Of the amount appropriated pursuant to subsection (a), the Secretary shall obligate—

(1) 75 percent of such amount to—

(A) offset any increase in the amount of the Federal share resulting from any demonstration project established under a section described in subsection (a) (other than demonstration projects established under sections 107 and 207 of this Act); and

(B) to the extent such amount remains after any such offset—

(i) increase the otherwise applicable Federal share rate under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) for such demonstration projects; and

(ii) increase the amount of a State's block grant under the demonstration project under section 201 of this Act; and

(2) 25 percent of such amount to—

(A) offset any increase in the amount of the Federal share resulting from any demonstration project established under sections 107 and 207 of this Act; and

(B) to the extent such amount remains after any such offset increase the otherwise applicable Federal share rate under a State plan under title IV of the Social Security Act (42 U.S.C. 601 et seq.) for such demonstration projects.

(c) Reservation of Certain Amounts Until Final Report Submitted.—The Secretary shall reserve 10 percent of any amounts obligated to a State for a demonstration project under subsection (b), and shall not pay such reserved amounts until such State has submitted a final report on such demonstration project.

TITLE I—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE

SEC. 101. DEMONSTRATION PROJECTS WHICH CONDITION AFDC BENEFITS FOR CERTAIN INDIVIDUALS ON SCHOOL ATTENDANCE OR JOB TRAINING, LIMIT THE TIME PERIOD FOR RECEIPT OF SUCH BENEFITS, AND REQUIRE TEENAGE PARENTS TO LIVE AT HOME.

(a) Establishment.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) Project Described.—

(1) In general.—Except as provided in paragraph (2), each State conducting a demonstration project under this section shall provide that—

(A) a family described in paragraph (3) shall not receive aid to families with dependent children—

(i) unless the individual described in paragraph (3)(A) is, for a minimum of 35 hours a week—

(I) attending school,

(II) studying for a general equivalency diploma, or

(III) participating in a job, job training, or job placement program; and

(ii) except in the case of a situation described in clause (i) through (v) of section 402(a)(43)(B) of the Social Security Act (42 U.S.C. 602(a)(43)(B))—

(I) such individual is residing in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home, or residing in a foster home, maternity home, or other adult-supervised supportive living arrangement, and

(II) such aid (where possible) shall be provided to the individual's parent, legal guardian, or other adult relative on behalf of such individual and the individual's dependent child; and

(B) such family shall be entitled to receive such aid for a time period determined appropriate by the State which shall, at a minimum, permit such individual to complete the activities described in subparagraph (A)(i).

(2) Limitation.—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) the State has made adequate child care available to such family;

(B) the State has paid all tuition and fees applicable to the activities described in paragraph (1)(A); and

(C) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

(3) Family described.—A family described in this paragraph is a family which—

(A) includes a parent under 20 years of age;

(B) includes at least 1 dependent child of such parent; and

(C) does not include a child under 6 months of age.

SEC. 102. PILOT JOB CORPS PROGRAM FOR RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN.

Section 433 of the Job Training Partnership Act (29 U.S.C. 1703) is amended by adding at the end the following new subsection:

"(f)(1) The Secretary may enter into appropriate agreements with agencies as described in section 427(a)(1) for the development of pilot projects to provide services at Job Corps centers to eligible individuals—

"(A) who are eligible youth described in section 423;

"(B) whose families receive aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(C) who are mothers of children who have not reached the age of compulsory school attendance in the State in which the children reside.

"(2) A Job Corps center serving the eligible individuals shall—

"(A) provide child care at or near the Job Corps center for the individuals;

"(B) provide the activities described in section 428 for the individuals; and

"(C) provide for the individuals, and require that each such individual participate in, activities through a parents as teachers program that—

"(i) establishes and operates parent education programs, including programs of developmental screening of the children of the eligible individuals;

"(ii) provides group meetings and home visits for the family of each such individual by parent educators who have had supervised experience in the care and education of children and have had training; and

"(iii) provides periodic screening, by such parent educators, of the educational, hearing, and visual development of the children of such individuals.

"(3) The Secretary shall prescribe specific standards and procedures under section 424 for the screening and selection of applicants to participate in pilot projects carried out under this subsection. In addition to the agencies described in the second sentence of such section, such standards and procedures may be implemented through arrangements with welfare agencies.

"(4) As used in this subsection:

"(A) The term 'developmental screening' means the process of measuring the progress of children to determine if there are problems or potential problems or advanced abilities in the areas of understanding and use of language, perception through sight, perception through hearing, motor development and hand-eye coordination, health, and physical development.

"(B) The term 'parent education' includes parent support activities, the provision of resource materials on child development and parent-child learning activities, private and group educational guidance, individual and group learning experiences for the eligible individual and child, and other activities that enable the eligible individual to improve learning in the home.".

SEC. 103. DEMONSTRATION PROJECTS REQUIRING UP-FRONT 30-DAY ASSISTED JOB SEARCH, OR SUBSTANCE ABUSE TREATMENT BEFORE RECEIVING AFDC BENEFITS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Except as provided in paragraph (2), each State conducting a demonstration project under this section shall require a parent or other relative of a dependent child to undergo 30 days of assisted job search or substance abuse treatment (or both) before the family may receive aid to families with dependent children as part of the application process for the receipt of such aid.

(2) LIMITATION.—A State conducting a demonstration project under this section shall not apply the provisions of paragraph (1) to a family unless—

(A) all of the dependent children in the family are over 6 months of age;

(B) the State has made adequate child care available to such family;

(C) the State has paid all fees applicable to the activities described in paragraph (1); and

(D) such application does not endanger the welfare and safety of a dependent child who is a member of such family.

SEC. 104. DISREGARD OF EDUCATION AND EMPLOYMENT TRAINING SAVINGS FOR AFDC ELIGIBILITY.

(a) DISREGARD AS RESOURCE.—Subparagraph (B) of section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)) is amended—

(1) by striking "or" before "(iv)", and

(2) by inserting ", or (v) except in the case of the family's initial determination of eligibility for aid to families with dependent children, any amount up to $10,000 in a qualified education and employment account (as defined in section 406(i)(1))" before "; and".

(b) DISREGARD AS INCOME.—

(1) IN GENERAL.—Subparagraph (A) of section 402(a)(8) of such Act (42 U.S.C. 602(a)(8)) is amended—

(A) by striking "and" at the end of clause (vii), and

(B) by inserting after clause (viii) the following new clause:

"(ix) shall disregard any qualified distributions (as defined in section 406(i)(2)) made from any qualified education and employment account (as defined in section 406(i)(1)) while the family is receiving aid to families with dependent children; and".

(2) NONRECURRING LUMP SUM EXEMPT FROM LUMP SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: "; and that this paragraph shall not apply to earned and unearned income received in a month on a nonrecurring basis to the extent that such income is placed in a qualified education and employment account (as defined in section 406(i)(1)) the total amount which, after such placement, does not exceed $10,000.".

(c) QUALIFIED EDUCATION AND EMPLOYMENT ACCOUNTS.—Section 406 of such Act (42 U.S.C. 606) is amended by adding at the end the following:

"(i)(1) The term 'qualified education and employment account' means a mechanism established by the State (such as escrow accounts or education savings bonds) that allows savings from the earned income of a dependent child or parent of such child in a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distributions' means distributions from a qualified education and employment account for expenses directly related to the attendance at an eligible postsecondary or secondary institution or directly related to improving the employability (as determined by the State) of a member of a family receiving aid to families with dependent children.

"(3) The term 'eligible postsecondary or secondary institution' means a postsecondary or secondary institution determined to be eligible by the State under guidelines established by the Secretary.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for calendar quarters beginning on or after January 1, 1995.

SEC. 105. INCENTIVES AND ASSISTANCE IN STARTING A SMALL BUSINESS.

(a) AUTHORITY FOR STATES TO PERMIT CERTAIN SELF-EMPLOYMENT PROGRAM PARTICIPANTS A ONE-TIME ELECTION TO PURCHASE CAPITAL EQUIPMENT FOR A SMALL BUSINESS IN LIEU OF DEPRECIATION; REPAYMENTS BY SUCH PERSONS OF THE PRINCIPAL PORTION OF SMALL BUSINESS LOANS TREATED AS BUSINESS EXPENSES FOR PURPOSES OF AFDC.—

(1) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)) is amended—

(A) in subparagraph (B)(ii)(II), by striking "and" after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following new subparagraph:

"(C) provide that, in determining the earned income of a family any of the members of which owns a small business and is a participant in a self-employment program offered by a State in accordance with section 482(d)(1)(B)(ii), the State may—

"(i)(I) during the 1-year period beginning on the date the family makes an election under this clause, treat as an offset against the gross receipts of the business the sum of the capital expenditures for the business by any member of the family during such 1-year period; and

"(II) allow each such family eligible for aid under this part not more than 1 election under this clause; and

"(ii) treat as an offset against the gross receipts of the business—

"(I) the amounts paid by any member of the family as repayment of the principal portion of a loan made for the business; and

"(II) cash retained by the business for future use by the business; and".

(2) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 167 of the Internal Revenue Code of 1986 (relating to depreciation), as amended by section 13261(b) of the Omnibus Budget Reconciliation Act of 1993, is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) CERTAIN PROPERTY OF AFDC RECIPIENTS NOT DEPRECIABLE.—No depreciation deduction shall be allowed under this section (and no depreciation or amortization deduction shall be allowed under any other provision of this subtitle) with respect to the portion of the adjusted basis of any property which is attributable to expenditures treated as an offset against gross receipts under section 402(a)(8)(C)(i) of the Social Security Act.".

(3) EFFECTIVE DATE.—

(A) SOCIAL SECURITY ACT AMENDMENTS.—The amendments made by paragraph (1) shall apply to payments made under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) on or after January 1, 1995.

(B) INTERNAL REVENUE CODE AMENDMENT.—The amendments made by paragraph (2) shall apply to property placed in service on or after January 1, 1995.

(b) DEMONSTRATION PROJECTS ESTABLISHING PUBLIC-PRIVATE PARTNERSHIPS FOR TECHNICAL ASSISTANCE TO SELF-EMPLOYED AFDC RECIPIENTS.—

(1) IN GENERAL.—The Secretary shall provide for demonstration projects to be conducted in States with applications approved under this Act under which one or more partnerships are developed between State agencies and community businesses or educational institutions to provide assistance to eligible participants.

(2) ELIGIBLE PARTICIPANTS.—For purposes of this subsection, the term "eligible participants" means—

(A) individuals who are receiving aid to families with dependent children; and

(B) individuals who cease to be eligible to receive such aid who have been participating in a demonstration project conducted by a State under this subsection.

(3) PERMISSIBLE EXPENDITURES.—Funds from any demonstration project conducted under this subsection may be used to pay the costs associated with developing and implementing a process through which businesses or educational institutions would work with the State agency to provide assistance to eligible participants seeking to start or operate small businesses, including—

(A) mentoring;

(B) training for eligible participants in administering a business;

(C) technical assistance in preparing business plans; and

(D) technical assistance in the process of applying for business loans, marketing services, and other activities related to conducting such small businesses.

(c) DEMONSTRATION PROJECTS FOR TRAINING AFDC RECIPIENTS AS SELF-EMPLOYED PROVIDERS OF CHILD CARE SERVICES.—

(1) IN GENERAL.—The Secretary shall provide for demonstration projects to be conducted in States with applications approved under this Act under which one or more partnerships are developed between State agencies and community businesses or educational institutions to provide assistance to eligible participants in the establishment and operation of child care centers in the home or in the community which would provide child care services.

(2) ELIGIBLE PARTICIPANTS.—For purposes of this subsection, the term "eligible participants" means—

(A) individuals who are receiving aid to families with dependent children; and

(B) individuals who cease to be eligible to receive such aid who have been participating in a demonstration project conducted by a State under this subsection.

(3) PERMISSIBLE EXPENDITURES.—Funds from any demonstration project conducted under this subsection may be used to pay the costs associated with developing and implementing a process through which businesses or educational institutions would work with the State agency to provide assistance to train eligible participants to provide licensed child care services, including—

(A) mentoring;

(B) training in the provision of child care services;

(C) training for eligible participants in administering a business;

(D) training in early childhood education;

(E) technical assistance in preparing business plans;

(F) technical assistance in the process of applying for loans, marketing services, qualifying for Federal and State programs, and other activities related to the provision of child care services; and

(G) technical assistance in obtaining a license and complying with Federal, State, and local regulations regarding the provision of child care.

(d) DEMONSTRATION PROJECT TO PROMOTE OWNERSHIP OF FAMILY-OWNED BUSINESSES BY AFDC RECIPIENTS.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—Each State conducting a demonstration project under this subsection shall develop a program under which the State shall—

(A) encourage incentives for families receiving aid to families with dependent children to work together as managers and employees in family-owned businesses;

(B) develop State and private partnerships for making or guaranteeing small business loans, including seed money, available to such families;

(C) provide such families with technical training in small business management, accounting, and bookkeeping;

(D) regularly evaluate the status of the recipients of assistance under the project; and

(E) continue a transitional period of benefits under title IV and title XIX of the Social Security Act for recipients of assistance under the project until such time as the State determines such family is self-sufficient.

For purposes of this paragraph, a family-owned business may include other relatives of the family receiving aid to families with dependent children regardless if such relatives are also receiving aid to families with dependent children.

SEC. 106. INCREASED EMPHASIS IN JOBS PROGRAM ON MOVING PEOPLE INTO THE WORK FORCE.

Section 481(a) of the Social Security Act (42 U.S.C. 681(a)) is amended by adding at the end the following new sentence: "It is further the purpose of this part to encourage individuals receiving education and training to enter the permanent work force by developing programs through which such individuals enter the work force and then receive post-employment education and training.".

SEC. 107. ADDITIONAL DEMONSTRATION PROJECTS TO MOVE AFDC RECIPIENTS INTO THE WORK FORCE.

(a) ESTABLISHMENT.—The Secretary shall provide for additional demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a program or programs to better move recipients of aid to families with dependent children into the work force.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

SEC. 201. DEMONSTRATION PROJECTS TO ESTABLISH CHILD CENTERED PROGRAMS THROUGH CONVERSION OF CERTAIN AFDC AND JOBS PAYMENTS INTO BLOCK GRANTS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall elect to receive payments under paragraph (2) in lieu of—

(A) all payments to which the State would otherwise be entitled to under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(B) any portion of the payment described in subparagraph (A) to which the State would otherwise be entitled under such section for benefits (identified by the State) under part A or part F of such title for populations (identified by the State) who receive such benefits.

(2) PAYMENT.—The Secretary shall make payment under this paragraph for each year of the project in an amount equal to—

(A) during fiscal year 1995—

(i) 100 percent of the total amount to which the State was entitled under section 403 of the Social Security Act (42 U.S.C. 603) for aid to families with dependent children under part A of title IV of such Act or the job opportunities and basic skills training program under part F of such title; or

(ii) the amount to which the State was entitled to under such section for those benefits and populations identified by the State in paragraph (1)(B),

for fiscal year 1994 plus the product of such amount and the percentage increase in the consumer price index for all urban consumers (U.S. city average) during fiscal year 1995; and

(B) during each subsequent fiscal year, the amount determined under this paragraph in the previous fiscal year plus the product of such amount and the percentage increase in such consumer price index during such previous fiscal year.

(3) DESCRIPTION OF ACTIVITIES.—

(A) IN GENERAL.—Each State which is paid under paragraph (2) shall expend the amount received under such paragraph and the amount, if any, made available to such State under section 5(b)(1)(B)(ii) for one or more of the following purposes:

(i)(I) Establish residential programs for teenage mothers with dependent children where education, job training, community service, or other employment is provided.

(II) Support the pilot project described in section 433(f) of the Jobs Training Partnership Act, as added by section 102 of this Act, to provide such services to teenage mothers with dependent children.

(ii) Establish programs to promote, expedite, and ensure adoption of children, particularly neglected or abused children.

(iii) Expand child care assistance for the children of needy working parents (as determined by the State).

(iv) Establish residential schooling with appropriate support services for children from needy families (as determined by the State) enrolled at the request of the parents of such children.

(v) Establish other services which will be provided directly to children from needy families (as determined by the State).

(vi) Implement other reforms consistent with this Act.

(4) COMMUNITY-BASED ACTIVITIES.—The Secretary shall ensure that each State receiving a grant under this section—

(A) takes adequate steps to assure the well-being of the children affected by the State's receipt of the grant; and

(B) to the fullest extent possible, utilizes the grant under this section to support community-based services in communities affected by the State's receipt of the grant.

SEC. 202. DEMONSTRATION PROJECTS PROVIDING NO ADDITIONAL BENEFITS WITH RESPECT TO CHILDREN BORN WHILE A FAMILY IS RECEIVING AFDC AND ALLOWING INCREASES IN THE EARNED INCOME DISREGARD.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—If a child is born to a family after the date on which such family begins receiving aid to families with dependent children, a State conducting a demonstration project under this section—

(1) shall not take such child into account in determining the need of such family for such aid; and

(2) shall increase the amounts disregarded from earned income under section 402(a)(8)(A) of such Act (42 U.S.C. 602(a)(8)(A)).

SEC. 203. DEMONSTRATION PROJECTS PROVIDING INCENTIVES TO MARRY.

(a) AID TO TWO-PARENT FAMILIES.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—

(A) IN GENERAL.—Each State conducting a demonstration project under this subsection shall not apply the requirements described in subparagraph (B) to a parent of a dependent child who is married to the natural parent of such child.

(B) REQUIREMENTS WAIVED.—The requirements described in this subparagraph are:

(i) The work history requirement described in section 407(b)(1)(A)(iii) of such Act (42 U.S.C. 607(b)(1)(A)(iii)).

(ii) The 100-hour rule under section 233.100(a)(1)(i) of title 45, Code of Federal Regulations.

(b) INCREASE IN STEPPARENT EARNED INCOME DISREGARD.—

(1) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in paragraph (2) in States with applications approved under this Act.

(2) PROJECT DESCRIBED.—For purposes of making determinations for any month under section 402(a)(7) of the Social Security Act (42 U.S.C. 602(a)(7)), each State conducting a demonstration project under this subsection shall modify the income disregards provided in subparagraphs (A) through (D) of section 402(a)(31) of such Act (42 U.S.C. 602(a)(31)) in order to decrease the amount of income determined under such section with respect to a dependent child's stepparent.

SEC. 204. DEMONSTRATION PROJECTS REDUCING AFDC BENEFITS IF SCHOOL ATTENDANCE IS IRREGULAR OR PREVENTIVE HEALTH CARE FOR DEPENDENT CHILDREN IS NOT OBTAINED.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—

(1) IN GENERAL.—Each State conducting a demonstration project under this section shall reduce the amount of aid to families with dependent children received by a family if the State agency determines that one or both (at the State's option) of the following conditions exist:

(A) A member of such family is attending school or participating in a course of vocational or technical training and such family member is absent from such school or training with no excuse for more than a number of days per month determined appropriate by the State.

(B) A member of such family is a child under the age of 6 who has not received appropriate immunizations (as determined by the State).

(2) LIMITATION.—Each State conducting a demonstration project under this section shall establish procedures which ensure that no reduction in aid to families with dependent children under paragraph (1) will endanger the welfare and safety of any dependent child.

SEC. 205. DEMONSTRATION PROJECTS TO INCREASE CHILD SUPPORT COLLECTION.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall increase the State's child support collection efforts through one or more of the following methods:

(1) Enhanced child support enforcement and collection, including holding a parent accountable for supporting any children of the parent's minor children.

(2) Applying section 402(a)(8)(vi) of the Social Security Act (42 U.S.C. 602(a)(8)(vi)) by substituting an amount greater than $50 (to be determined by the State) for "$50" each place such dollar amount appears.

(3) Any other method that the State deems appropriate.

SEC. 206. DEMONSTRATION PROJECTS TO DEVELOP COMMUNITY-BASED PROGRAMS FOR TEENAGE PREGNANCY PREVENTION AND FAMILY PLANNING

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a community-based program for teenage pregnancy prevention and family planning.

SEC. 207. ADDITIONAL DEMONSTRATION PROJECTS TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY.

(a) ESTABLISHMENT.—The Secretary shall provide for additional demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall develop a program or programs to strengthen families and break the cycle of welfare dependency.

TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE THE PERFORMANCE OF WELFARE SERVICES

SEC. 301. DEMONSTRATION PROJECTS FOR PROVIDING PLACEMENT OF AFDC RECIPIENTS IN PRIVATE SECTOR JOBS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects described in subsection (b) in States with applications approved under this Act.

(b) PROJECT DESCRIBED.—Each State conducting a demonstration project under this section shall—

(1) contract with private for-profit and nonprofit groups to provide any individual receiving aid to families with dependent children with training, support services, and placement in a private sector job which permits such individual to cease receiving aid to families with dependent children; and

(2) upon employment of such individual, pay such groups a negotiated portion of the total amount that such individual's family would have received over the course of the year in which such individual began such employment in the form of aid to families with dependent children.

SEC. 302. DEMONSTRATION PROJECTS PROVIDING PERFORMANCE-BASED INCENTIVES FOR STATE PUBLIC WELFARE PROVIDERS.

(a) ESTABLISHMENT.—The Secretary shall provide for demonstration projects to establish performance-based incentives for State public welfare providers in States with applications described in subsection (b)(1) which are approved under this Act.

(b) APPLICATIONS.—

(1) APPLICATION DESCRIBED.—An application described under this paragraph is an application which—

(A) identifies the State offices or administrative units which will participate in the demonstration project;

(B) describes indicators of employee or program performance based on outcome measures for—

(i) training and education;

(ii) job search and placement assistance;

(iii) child support collection;

(iv) teen pregnancy prevention programs; and

(v) any other program objective that the State finds appropriate;

(C) describes budgetary incentives for program performance, including direct financial incentives for employees where appropriate;

(D) describes a process for developing, in cooperation with employees of participating offices or units, a job evaluation system based on performance measures; and

(E) describes the way in which State public welfare providers, private providers, welfare clients, and members of the community have been or shall be involved in the planning and implementation of a performance based welfare delivery system.

(2) TECHNICAL ASSISTANCE.—The Secretary shall provide a State desiring to submit an application for a demonstration project under this section with technical assistance in preparing an application described under paragraph (1).

TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS

SEC. 401. OFFSETTING EXPENDITURE REDUCTIONS.

(a) IN GENERAL.—Subparagraph (C) of section 1001(5) of the Food Security Act of 1985 (7 U.S.C. 1308(5)(C)) is amended to read as follows:

"(C) In the case of corporations and other entities included in subparagraph (B) and partnerships, the Secretary shall attribute payments to natural persons in proportion to their ownership interests in an entity and in any other entity, or partnership, that owns or controls the entity, or partnership, receiving the payments.".

(b) REMOVAL OF 3-ENTITY RULE.—Section 1001A(a)(1) of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)(1)) is amended—

(1) in the first sentence—

(A) by striking "substantial beneficial interests in more than two entities" and inserting "a substantial beneficial interest in any other entity"; and

(B) by striking "receive such payments as separate persons" and inserting "receives the payments as a separate person"; and

(2) by striking the second sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1994.

SUMMARY OF THE WELFARE REFORM THROUGH STATE INNOVATION ACT

Sections 1-4: Purpose of bill and general provisions relating to state pilot projects.

Sec. 2. States that the purpose of the bill is to implement the demonstration projects established in the bill as part of a comprehensive national program which would terminate aid to families with dependent children after 2 years, and would make employment available to such families where necessary to ensure their employment (i.e. this bill complements, and is not an alternative to, Administration's).

Sec. 4. Sets forth general provisions relating to demonstration projects. Authorizes $150 million/yr for two years and $200 million in the third year to support pilots, and requires states to have HHS-approved evaluation plans before receiving funds. A portion of these funds (25%) would support innovative pilot programs not specified in the bill but proposed by states.

TITLE I.—INITIATIVES TO MOVE WELFARE RECIPIENTS INTO THE WORK FORCE

Sec. 101. Supports State pilots to condition AFDC benefits for single parents under 20 years of age with at least one dependent child and no children under 6 months of age on attending school or participating in a job or job training program for a minimum of 35 hours per week and on living at home. States would also impose a time limit (not specified) on benefits, and make child care available during training and work activities. Since the program would be expensive, it targets those at greatest risk of long-term welfare dependency—teenage mothers.

Sec. 102. Authorizes the Secretary of HHS to establish a pilot program with the Jobs Corps (a successful, residential anti-poverty program for youths 16–22 years of age) targeting teenage mothers on AFDC with below school-age children. The pilot would include a Parents-as-Teachers type program designed to teach parents how to help prepare their children for school and learning.

Sec. 103. Supports state pilots to require 30 days of assisted job search or, where appropriate, substance abuse treatment immediately following application for AFDC, coinciding with the usual lag time between application for and receipt of benefits. Applicants would have to complete the assigned activities before receiving AFDC payments.

Sec. 104. A national change to permit states to allow AFDC families to save money (up to $10,000) for education and training or starting a small business.

Sec. 105. Expands on legislation introduced in 1993 with Senator Dodd.

A national change to permit states to help recipients start a small business by allowing participants a one-time election to fully deduct capital equipment purchases in one year;

Supports state pilots to establish public-private partnerships to provide technical assistance to self-employed AFDC recipients;

Supports state pilots to train AFDC recipients as self-employed providers of child care services; and

Supports state pilot projects to promote ownership of extended family-owned businesses by AFDC recipients. Would provide incentives and assistance for families receiving aid to families with dependent children to work together as managers and employees in extended family-owned businesses.

Sec. 106. Amends JOBS provisions to emphasize efforts to move people into the work force over training and education.

TITLE II—INITIATIVES TO STRENGTHEN FAMILIES AND BREAK THE CYCLE OF WELFARE DEPENDENCY

Sec. 201. Supports state pilots to establish child centered programs through conversion of AFDC and JOBS payments into block grants, plus funds available under other sections of this bill. States could apply portions of funds to: (1) establish residential homes for teenage mothers with children, including supporting the pilot described in section 107; (2) expand programs to expedite and improve adoption of children; (3) expand child care assistance for needy children of working families; (4) establish supportive residential schools for children enrolled at the request of their parents; (5) provide other services directly to needy children; and (6) fund other programs that are consistent with the purposes of the Act. The Secretary of DHHS, in reviewing the application, must ensure that the State's program will protect the well-being of affected children.

Sec. 202. Supports state pilots to discourage welfare recipients from having additional children while on welfare and increase the financial reward for work. Recipients who had a second child would not get additional benefits but would be allowed to keep a higher portion of job earnings.

Sec. 203. Supports state pilots to improve incentives to get married. States would disregard to a greater extent the second parent's earnings and work patterns in determining benefits.

Sec. 204. Supports state pilots to reduce AFDC benefits if school attendance of mother or child is irregular or preventive health care for the dependent children is not attained.

Sec. 205. Supports demonstration projects to increase child support collection, including: increasing the child support disregard, from $50 to a higher level decided by the state; and, holding parents accountable for the child support obligations of their minor children.

Sec. 206. Supports state demonstrations of innovative teenage pregnancy prevention programs.

TITLE III—INITIATIVES TO DIVERSIFY AND IMPROVE PERFORMANCE OF WELFARE SERVICES

Sec. 301. Supports state pilots to provide incentives to private sector, for-profit and non-profit groups to place welfare recipients in private sector jobs. Companies would keep a portion of welfare savings as payment for successful job placements.

Sec. 302. Supports state pilots to implement performance-based management systems for public welfare providers.

TITLE IV—OFFSETTING EXPENDITURE REDUCTIONS

Sec. 401. Eliminates the "three-entity" rule, reducing the amount of certain Federal subsidies individual farmers can receive from $250,000 to $125,000 per year.

By Mr. McCAIN:

S. 1933. A bill to repeal the Medicare and Medicaid coverage data bank, and for other purposes; to the Committee on Finance.

REPEAL OF MEDICARE/MEDICAID DATA BANK

Mr. McCAIN. Mr. President, I am pleased to introduce a bill that would eliminate a large and unjustified administrative burden imposed on employers by an ill-considered piece of legislation passed last year. It would repeal a law that is extremely expensive, burdensome, punitive, and in my view, entirely unnecessary.

Specifically, the bill would repeal section 13581 of OBRA 1993, which established the Medicare and Medicaid data bank. This remarkably intrusive law requires every employer who offers health care coverage to provide substantial and often difficult-to-obtain information on current and past employees and their dependents, including names, social security numbers, health care plans and period of coverage. This information would have to be provided on each employee's W–2 form beginning this year. Employers that do not satisfy this considerable reporting obligation are subject to substantial penalties, possibly up to $1,000 per violation.

According to the law that created the requirement, the purpose of the Medicare and Medicaid data bank is to assist in "the identification of, and the collection from, third parties responsible for the reimbursement of" costs under Medicare and Medicaid. Thus, its purported objective is to ensure reimbursement of costs to Medicare or Medicaid when a third party is the primary payor. This is a legitimate objective. However, if the objective of the data bank is to preserve Medicare and Medicaid funds, why is it necessary to mandate information on all employees, the vast majority of whom have no direct association with either the Medicare or Medicaid Program.

While employers have to report on over 140 million individuals, HCFA has estimated that only about 5 percent of the work force is potentially affected by Medicare or Medicaid's coordination of benefits and secondary payor provisions. Private sector groups, such as those included in the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank, believe that only 2 percent of employees would be subject to these provisions. This would mean that 98 percent of the required data are irrelevant to the stated objective of the data bank law. At the very least, the law is unduly broad and needs to be seriously reconsidered.

I would add that the law applies only to employers that provide health insurance coverage to their employees. It is unconscionable that we are adding costs and penalties to those who have been most diligent in providing health coverage to their employees. The last thing that the Federal Government should do is impose disincentives to employee health care coverage. These are precisely the employers who we should be rewarding.

We must not underestimate how burdensome the reporting requirement of this law is. The information required is often not maintained on a routine basis by employers for any business reason and will be expensive to obtain. For example, businesses typically do not maintain the names and Social Security numbers of the dependents of employees. Moreover, due to the vague statutory language and the lack of HCFA guidance, it is not clear exactly what information must be provided. For instance, employers do not know how far back they must go in reporting on former employees.

What makes the reporting requirement particularly egregious is that HCFA is already obtaining this information in a much more efficient manner than that required under OBRA 1993. The data bank duplicates other legislative and administrative efforts to ensure that Medicare and Medicaid are reimbursed by primary payors. For example, OBRA 1989 provides for HCFA to periodically match Medicare beneficiary data with Internal Revenue Service employment information. Also, HCFA directly asks beneficiaries about primary payor coverage. To the extent that the data bank duplicates these efforts, any potential savings will not be realized. It is clearly preferable to require HCFA to use the information it already has than to require the private sector to provide duplicative information.

In addition to these administrative problems imposed on employers, no funds have been appropriated by Congress to implement the data bank and no administrative regulations have been drafted by HCFA. Still, employers are being required to provide the data with a threat of substantial penalties for failing to do so. Once again, the Federal Government is imposing substantial financial burdens on the private sector without fully accepting its share of the burden to implement a program. Mr. President, we should expect the worst case scenario to occur: employers will provide the required information at substantial administrative burden and there will be no data bank in which to make use of it.

I do not want this bill to be construed, in any way, as opposition to HCFA obtaining the information it needs to administer the Medicare and Medicaid programs efficiently, and obtaining reimbursement from third party payors when appropriate. To assure that HCFA has the information it needs, the bill would also require the Secretary of HHS to conduct a study and report to Congress on how to achieve the purported objectives of the data bank in the most cost-effective manner possible.

The Secretary's study would have to take into consideration the administrative costs and burden on the private sector and the Government of processing and providing the necessary information versus the benefits and savings that such reporting requirements would produce. It must also consider current HCFA reporting requirements and the ability of entities to obtain the required information.

Too often, Congress considers only the cost savings to the Federal Government of legislation while ignoring costs to other parties. The Medicare and Medicaid data bank is a case in point. Congress required information on millions of employees to save the Federal Government money. Yet, it will cost employers more money to comply than the Government saves. Congress must stop passing laws that impose large, unjustified administrative burdens on other entities.

I was initially planning to introduce this bill as an amendment to S. 4, the Competitiveness Act, due to the adverse effect of the reporting requirement on businesses. However, I have decided instead to introduce it as a free-standing bill to allow the Labor and Human Resources Committee or the Finance Committee an opportunity to consider it. I reserve the right to raise it as an amendment at a later time if it is not being addressed adequately and in a very timely manner to avoid further unnecessary costs to employers.

In summary, the reporting requirement for the Medicare and Medicaid data bank is duplicative, burdensome, ineffective, and unnecessary. In addition, it penalizes employers who provide health care benefits to their workers—exactly the opposite of the goal we should be pursuing. The data bank should be repealed and a more cost-effective approach should be found to ensure that Medicare and Medicaid are appropriately reimbursed by primary payors.

Mr. President, I request unanimous consent that the text of this bill be included in the RECORD, as well as a statement by the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank and several representative letters from employers and employer groups.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1933

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF MEDICARE AND MEDICAID COVERAGE DATA BANK.

(a) REPEAL.—

(1) IN GENERAL.—Section 13581 of the Omnibus Budget Reconciliation Act of 1993 is hereby repealed.

(2) APPLICATION OF THE SOCIAL SECURITY ACT.—The Social Security Act shall be applied and administered as if section 13581 of the Omnibus Budget Reconciliation Act of 1993 (and the amendments made by such section) had not been enacted.

(b) STUDY AND REPORT.—

(1) STUDY.—The Secretary of Health and Human Services (hereafter in this subsection referred to as the "Secretary") shall conduct a study on how to achieve the objectives of the data bank described in section 1144 of the Social Security Act (as in effect on the day before the date of the enactment of this Act) in the most cost-effective manner, taking into account—

(A) the administrative burden of such data bank on private sector entities and governments,

(B) the possible duplicative reporting requirements of the Health Care Financing Administration in effect on such date of enactment, and

(C) the legal ability of such entities and governments to acquire the required information.

(2) REPORT.—The Secretary shall report to the Congress on the results of the study described in paragraph (1) by not later than 180 days after the enactment of this Act.

COALITION ON EMPLOYER HEALTH
COVERAGE REPORTING AND THE
MEDICARE/MEDICAID DATA BANK,
March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Russell SOB, Washington, DC.

DEAR SENATOR MCCAIN: I have been informed that you may offer an amendment to S. 4, the National Competitiveness Act of 1994, to repeal the employer reporting requirement associated with the Health Care Financing Administration's Medicare and Medicaid Data Bank. I am writing to urge you to offer the amendment and to urge all your colleagues in the Senate to support it.

Enclosed is a copy of the written statement submitted by 28 members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank for inclusion in the record of the Senate Finance Committee's February 23, 1994 hearing on the President's fiscal year 1995 budget. The written statement urges the Committee to help ensure that implementation of the data bank is excluded from the 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information.

The Coalition is a broad-based, ad hoc group of more than 70 associations, organizations and individual companies reflecting a cross-section of the employer community. It was formed to work with Congress and the Administration to identify an alternative means to address the secondary payer enforcement and compliance needs of the Health Care Financing Administration (HCFA) that does not impose such a disproportionate financial and administrative burden on employers.

On behalf of the Coalition, I would like to thank you for your efforts and again urge you to offer the amendment to repeal the employer reporting requirement. You have our strong support for this effort.

Sincerely,

ANTHONY J. KNETTEL,
Director, Health Policy, The ERISA Industry Committee, Coalition Coordinator.

COALITION ON EMPLOYER HEALTH
COVERAGE REPORTING AND THE
MEDICARE /MEDICAID DATA BANK,
March 9, 1994.

WAYNE HOSIER,
Committee on Finance, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. HOSIER: Enclosed please find five copies of a written statement, submitted jointly by the undersigned associations, organizations and companies, for the record of the Finance Committee's February 23, 1994 hearing on the President's fiscal year 1995 budget. Per your request, we are also submitting a copy of the written statement on computer disk in both Wordperfect (document databank.wpf) and ASCII (document databank.asc) format.

Each of the associations, organizations and companies jointly submitting this statement is a participating member in the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank.

Submitted by

Aetna Life & Casualty.
American Express Co.
American Restaurant Group Inc.
American Telephone & Telegraph Co.
American Trucking Associations.
Associated Builders & Contractors.
Atlantic Richfield Co.
Bell Atlantic—NSI.
Chevron Corp.
Employers Council on Flexible Compensation.
The ERISA Industry Committee.
Food Marketing Institute.
William M. Mercer, Incorporated.
Motorola Inc.

National Association of Manufacturers.
National Association of Wholesalers.
National Employee Benefits Institute.
National Retail Federation.
NYNEX Corp.
PPG Industries.
Profit Sharing Council of America.
Ralston Purina Co.
Small Business Council of America.
Society of Professional Benefit Administrators.
U.S. Chamber of Commerce.
United Technologies Corp.
Washington Business Group on Health.
Zeneca Inc.

[From members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank, Feb. 23, 1994]

THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1995—COMMITTEE ON FINANCE, U.S. SENATE

Members of the Coalition on Employer Health Coverage Reporting and the Medicare/Medicaid Data Bank submit to the Committee on Finance, U.S. Senate, the following written testimony regarding the implementation and operation of the data bank as proposed by the President's fiscal year 1995 federal budget. Specifically, Coalition members urge the Committee to ensure that the implementation and operation of HCFA's Medicare and Medicaid Data Bank be excluded from the fiscal year 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information.

The Coalition is a broad-based, ad hoc group of associations, organizations and individual companies reflecting a cross-section of the employer community. The Coalition was formed to work with Congress and the Administration to identify an alternative means to address the secondary payer enforcement and compliance needs of the Health Care Financing Administration (HCFA) that does not impose a disproportionate financial and administrative burden on employers.

BACKGROUND

Beginning with calendar year 1994, an employer that "has, or contributes to, a group health plan, with respect to which at least 1 employee of such employer is an electing individual," must annually report to a new HCFA Medicare and Medicaid Data Bank information relating to the health insurance coverage status of covered employees, their dependents, and other covered electing individuals. An "electing individual" is "an individual associated or formerly associated with the employer in a business relationship who elects coverage under the employer's group health plan."

The reporting requirement was created by §13581 of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66). This provision adds a new §1144 at the end of Part A of title XI of the Social Security Act (see 42 U.S.C. 1301 et seq.). The information supplied to the data bank is intended to be used to help prevent mistaken payments to physicians and hospitals by Medicare and Medicaid.

The budget the President recently submitted to Congress requested a supplemental amount of $15 million for fiscal year 1994 to implement the data bank, as well as budget authority for the ongoing administration of the data bank in fiscal year 1995 and subsequent years.

ANALYSIS

The Coalition's analysis suggests that, so long as the Medicare and Medicaid Data Bank is based on the current employer reporting requirement, it will neither successfully address HCFA's concerns regarding mistaken primary payments nor justify the financial and administrative burdens imposed on employers.

1. Employer compliance

In many cases it will be impossible for employers to fully comply with current law. Employers cannot easily obtain from employees any missing information that must be reported. For example, employees' responses are frequently unreliable and are time-consuming and expensive to verify. Further, employers' ability to request documentation to verify certain information to be reported, such as dependents' social security numbers, is limited by privacy laws.

Obtaining information about dependents, in particular, will be difficult, time consuming, expensive, and in many cases impossible—especially for employers with high work force turnover. The statute is sufficiently broad that employers appear to be required to report such information about retirees and their spouses, employees' separated/divorced spouses and noncustodial dependent children who are still covered under the employer's health plan, franchisees, participants in Taft-Hartley plans, and many other persons who may fit the definition of "electing individuals" under the statute—all of whom are either geographically dispersed and difficult to locate, or otherwise pose significant administrative problems for employers trying to obtain accurate information.

As a result, employers are at risk to be assessed significant penalties for failure to report information that they do not routinely possess and which they may not be able to obtain from any other source.

2. Administrative and financial burden on employers

The administrative and financial burden imposed on employers by full compliance with the law is enormous. A significant portion of the information to be reported to the data bank is not currently maintained by employers for any business purpose. Nor is all of the required information routinely maintained by insurers. In many cases, it will have to be compiled manually, at tremendous cost. In the aggregate, employers will have to expend hundreds of millions of dollars annually to comply.

The only persons who have all the information HCFA needs are Medicare and Medicaid enrollees themselves. HCFA claims it is too difficult for the government to obtain this information directly from enrollees; instead, HCFA wants to burden employers and their insurers. HCFA is relying on a false premise, however. The information will be far more difficult and expensive for employers to obtain that it is for HCFA to obtain, in part because employers are required to obtain it from tens of millions of additional persons who are neither Medicare nor Medicaid enrollees.

3. Utility of the data collected:

The rationale for the reporting requirement to allow HCFA to march the health coverage information received against other government records in an effort to identify employer plans that should be paying "primary" and thus prevent mistaken reimbursements for health care services by Medicare and Medicaid. However, employer reporting is an extremely inefficient means to obtain the information HCFA is seeking.

Employers will have to report coverage information for more than 140 million individuals. But only a minute amount of the information employers will report will be relevant to the data bank's purpose because, according to a preliminary General Accounting Office report, only about 2 percent of employees and their dependents are Medicare and Medicaid beneficiaries subject to secondary payer rules. In many industries with a young work force, such as food service and hospitality, the percentage may be even less.

Even where the data reported by employers is relevant, it will still not be sufficient in many cases to enable HCFA to identify or prevent mistaken payments. Moreover, by the time the information is reported to HCFA, processed by the data bank, and incorporated into claims payment systems it will often be a year old or more, further limiting its usefulness.

4. Availability of other sources of data:

HCFA should already receive, when claims are filed, much of the information that is part of the employer reporting requirement. For example, under Medicare the UB-92 and other claims forms require secondary payer information to be reported. In fact, HCFA has not been successful at enforcing this claims-based reporting requirement or fully incorporating the information it does receive into its systems. HCFA has also been unable to take full advantage of additional information it receives from other sources, such as beneficiaries themselves and the Medicare Secondary Payer data match. It makes far more sense to ensure HCFA makes better use of the information that it currently receives than to overwhelm it with data generated by the new employer reporting requirement.

5. Effective date and guidance

Not only has the federal government imposed an unclear and unworkable reporting requirement on employers, it also has compounded the problem with an unrealistic effective date. Due to several vague provisions in the statutory language, as well as the complete lack of any timely guidance from HCFA, many employers either are unaware that they have an obligation to report this data or cannot determine with any certainty what their obligation is.

It is already too late to provide the guidance employers need to prepare to collect and report data on employees' health coverage status for calendar year 1994. Employers would need to learn about and understand their obligation, train staff, rewrite payroll computer programs, modify health plan open season election forms, and otherwise prepare to report such information before they can successfully comply with the law. Despite employers' good-faith efforts, there is likely to be widespread noncompliance for calender year 1994 and for an indeterminable period following the eventual publication of guidance.

CONCLUSION

The employer reporting requirement effectively forces employers to perform HCFA's program administration, enforcement and compliance responsibilities in a very inefficient manner. Further, even if the reporting requirement itself were feasible—which it emphatically is not—employers who spend (in the aggregate) hundreds of millions of dollars annually attempting to comply with the law in good faith will find their effort and expense squandered since the date received by HCFA will be incomplete, incompatible, or unusable due to the impossibly short effective date and the complete lack of any timely guidance.

Coalition members urge the Committee to ensure that the implementation and operation of HCFA's Medicare and Medicaid Data Bank be excluded from the fiscal year 1995 budget until the current employer reporting requirement is replaced with a more efficient and cost-effective source of health coverage information. We hope to work with you and others in Congress and the Administration to find an alternative means to address HCFA's secondary payer enforcement and compliance needs that does not impose such disproportionate financial and administrative burdens on employers. In particular, we urge that the multiple sources of data and data collection vehicles already available to HCFA be adequately funded and implemented rather than imposing this massive new reporting burden on employers.

NATIONAL FEDERATION OF
INDEPENDENT BUSINESS,
Washington, DC, March 15, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I am writing to support your efforts to repeal the Medicare and Medicaid data bank reporting requirement. This requirement will be a new paperwork nightmare for America's small business men and women who are creating the majority of our country's new jobs.

The burdensome provision requires all employers to provide the names, addresses, tax identification numbers, types of coverage, and enrollment dates for all individuals (including dependents and part-time workers) participating in any employer-sponsored health insurance plan to the Health Care Financing Administration (HCFA). Employers are at risk of being assessed significant penalties for failure to report information that they do not routinely possess.

In order to solve a small problem, the government is requiring far-reaching reporting, resulting in needless paperwork for employers and the government. The General Accounting Office has reviewed the data bank proposal determining it was an expensive and inefficient way to address the problem of coordination of benefits with Medicare.

What is a problem of communication between a patient, the health care provider, Medicare, and insurance companies is "solved" by placing a tremendous burden on small business. Business is not part of the problem, but under the Medicare data bank they must bear the expense of the solution.

Currently, HCFA receives through other sources much of the information this requirement would mandate. We believe HCFA should better manage the information it already has before creating new burdens on business.

Thank you for your efforts against excessive paperwork burdens on small business. We look forward to working with you.

Sincerely,

JOHN J. MOTLEY,
Vice President,
Federal Government Relations.

EMPLOYEE ASSISTANCE PROGRAM
AND BEHAVIORAL HEALTH MANAGED CARE SERVICE,
Tempe, AZ, February 22, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: I am the Vice President, Administration at CONTACT which employs 75 employees in the Phoenix area. I am writing you today to urge you to repeal the Medicare/Medicial Data Bank provisions enacted as part of OBRA 93.

As you may know, the Data Bank law requires employers to submit extensive information on their employees and the employees' spouses and dependents. Like Section 89, which Congress hastily enacted and then repealed, the burdens imposed by the Data Bank law far outweigh any possible benefit that could be produced.

The Data Bank provisions were enacted without the benefit of proper analysis or the input of the employers and human resource professionals who have to comply with the law and were slipped into OBRA 1993 just before the bill was passed.

The information to be requested from the employee is overly broad. Under the new law, an employee is defined as any individual associated or formerly associated with the employer in a business relationship. Therefore, employers have to submit information, not just on employees but on independent contractors and former employees such as retires and COBRA recipients. Gathering the detailed information required is nearly impossible. Should an employer take all the steps necessary to collect the data about employees, spouses, and dependents, they risk completely alienating their workforce or even violating the Privacy Act.

Now, employers are faced with a huge reporting requirement with penalties of up to $10,000 for each employee or dependent whose information is not submitted. In addition, Congress has not appropriated any funding for the Data Bank to be set up. As a result, employers are being asked to spend tens of thousands of dollars to gather and submit information to a Data Bank that does not even exist, or face enormous fines and penalties.

Enactment of this Data Bank would be overly burdensome and costly for both the government and employers. I urge you to enact legislation to repeal the Data Bank law.

Sincerely,

ANGELA WILLIAMS,
Vice President,
Administration.

NATIONAL EMPLOYEE
BENEFITS INSTITUTE,
Washington, DC, March 14, 1994.

Re Medicare and Medicaid data bank.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: The National Employee Benefits Institute (NEBI) supports legislation you propose to introduce to repeal the employer health coverage reporting requirement associated with the Medicare & Medicaid Data Bank ("Data Bank"). NEBI also supports provisions in the proposed legislation to require the Health Care Financing Administration (HCFA) to conduct a study of alternative methods to collecting this information.

As you know, the Medicare & Medicaid Data Bank was enacted under OBRA '93 (P.L. 103-66) to assist HCFA to identify mistaken reimbursements for health care services paid by Medicare and Medicaid. NEBI supports legislation to repeal the employer reporting requirement for the following reasons:

(1) Inefficient Collection Method. The employer reporting requirement is not the most efficient method of collecting the intended information because only a small percentage of employees are Medicare and Medicaid beneficiaries. Therefore, only a small amount of the information will fulfill HCFA's objectives. Employers and HCFA will spend unnecessary resources and time on processing the information to identify very little useful data. Alternative methods should be explored to collect this information more efficiently.

(2) Administrative Burden. The employer reporting requirement imposes significant administrative and financial costs on employers. Employers have to install costly new programs to track the required information and to submit the reports to HCFA.

(3) Employer Compliance. This information is difficult to collect due to high employee turnover, incomplete employee responses, and locating geographically diverse employee dependents and other "electing individuals" for whom the employer has to report. Therefore, even with good faith efforts, employers may not be able to fully comply with the requirement.

(4) Lack of Funding. OBRA '93 did not provide funding for the Data Bank. A funding request was defeated earlier this year under the supplemental funding bill for the FY1994 budget and a new proposal under the Administration's FY1995 federal budget is still under consideration. Without funding, HCFA will not be able to effectively process nor enforce the reporting requirement.

(5) Limited Guidance. HCFA has not yet issued guidance for employers to use to comply with the requirement. HCFA has indicated it may release limited guidance in the form of a press release or some other publication. This underscores the belief that HCFA is not prepared to utilize the data effectively.

NEBI is an organization composed of Fortune 1,000-sized companies which monitors, evaluates and comments upon pending legislation and regulations affecting employee benefits. NEBI provides Congress and the federal agencies with facts and information, positions and alternatives so that Congress and regulatory agencies understand the impact of proposed legislation and regulations on employers and the employee benefit programs maintained by employers.

NEBI urges you to introduce your legislation to repeal the reporting requirement. NEBI supports the efforts of you and your Senate colleagues to identify a more effective and less costly method to collect this information.

Please feel free to contact NEBI Legislative Assistant, Laura Tomarchio, at (202) 872-8080, with any questions.

Sincerely,

JOSEPH SEMO,
Director.

ERISA INDUSTRY COMMITTEE,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: We understand that you may offer an amendment to S. 4, the National Competitiveness Act of 1994, to repeal the requirement that employers report certain health coverage information to the Health Care Financing Administration (HCFA) for use by the Medicare and Medicaid Data Bank. The members of the ERISA Industry Committee (ERIC) urge you to offer the amendment and urge your colleagues in the Senate to support it.

ERIC is a non-profit employer association committed to the advancement of the employee retirement, health and welfare benefit plans of America's major employers. ERIC represents the employee benefits interests of more than 125 of the nation's largest employers. As sponsors of health, disability, pension, savings, life insurance, and other welfare benefit plans directly covering approximately 25 million plan participants and beneficiaries, ERIC's members provide coverage to about 10 percent of the U.S. population.

Beginning January 1, 1994, employers must report employees' and dependents' health insurance coverage status, social security numbers, and related information to HCFA's data bank. This reporting requirement was created by last year's budget reconciliation law (OBRA '93, P.L. 103-66). ERIC's analysis has concluded that the employer reporting requirement neither successfully addresses HCFA's concerns regarding the prevention of mistaken primary payments nor justifies the burdens it imposes on employers.

First, it will be impossible for employers (small and large) to fully comply with the requirement to report information regarding health coverage to the data bank because employers do not possess all the information to be reported and are prohibited by other laws from requesting documentation from employees to verify the accuracy of some of the information they must collect from employees.

Second, even if full compliance were possible, the financial and administrative burden imposed on employers by full compliance with the current data bank reporting requirement is enormous—far exceeding any actual savings to be realized by HCFA. These hundreds of millions of dollars in annual employer compliance costs would be far better spent on benefits for employees and dependents.

Third, the manner in which employers are required to collect data for HCFA is incredibly inefficient and impracticable—less than 5 percent of the information reported by employers will be relevant to Medicare and Medicaid. Even this data won't prevent most mistaken Medicare/Medicaid payments.

Fourth, the government has been unable to make use of the relevant information that it currently receives from other sources. It would be more efficient to help HCFA manage the information that will not be effectively utilized.

Fifth, the unrealistic effective date for the reporting requirement (January 1, 1994), together with the complete lack of any timely guidance from HCFA, compounds the unclear and unworkable reporting burden imposed on employers.

ERIC hopes to work with you and others in Congress and the Administration to find alternative means to address HCFA's secondary payer enforcement and compliance needs that does not impose such disproportionate financial and administrative burdens on employers. In particular, we urge that the multiple sources of data and data collection vehicles already available to HCFA be adequately funded and implemented rather than imposing this massive new reporting burden on employers.

Thank you for your efforts to repeal the employer reporting requirement. You have our strong support for this effort.

Sincerely,

MARK J. UGORETZ,
President.

WASHINGTON BUSINESS GROUP
ON HEALTH,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR MCCAIN: On behalf of the Washington Business Group on Health (WBGH), I would like to express our support of your efforts to repeal the Medicare and Medicaid Health Coverage Data Bank, authorized by the Omnibus Budget Reconciliation Act of 1993, and its attendant reporting requirements imposed on employers. The WBGH is a nonprofit organization of 200 of the nation's largest employers, representing all sectors of American industry, and is devoted exclusively to health policy and related worksite issues. WBGH members provide health care benefits to more than 30 million employees, retirees, and dependents.

We have been concerned about the design and implementation of the Data Bank and the mandate for employers to report certain health coverage information about employees, their dependents, and "other eligible employees" in the absence of any regulations or other guidance. Although we support efforts to ease the administration of the Medicare and Medicaid programs, we firmly believe that the Data Bank will not provide meaningful assistance to HCFA. We also know that it will impose tremendous costs on employers, with little of value being produced.

We appreciate your recognition of the serious problems the Data Bank and its reporting requirements pose for employers. We hope that your colleagues will joint you in supporting repeal of the Data Bank as designed under OBRA 93.

Sincerely,

KELLY L. TRAW, J.D.,
Manager.

THE ASSOCIATED GENERAL
CONTRACTORS OF AMERICA,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate, Washington, DC.

DEAR SENATOR MCCAIN: The Associated General Contractors of America (AGC), representing 33,000 firms, including 8,000 of America's leading general contractors, supports your efforts to repeal the employer reporting requirement included in Section 13851 of the Omnibus Budget Reconciliation Act of 1993 (OBRA '93) establishing a Medicare/Medicaid Coverage Data Bank to be housed in the Health Care Financing Administration (HCFA) at the Department of Health and Human Services.

I understand that you may offer an amendment repealing the reporting requirement and replacing it with a requirement that HCFA conduct a study to identify a better source of information for the data bank. AGC would support such an amendment.

The current employer requirement in our estimation will not solve HCFA's secondary payer enforcement problems while at the same time imposing enormous new annual compliance problems on construction industry employers who must comply with a host of existing burdensome paperwork requirements.

Again, we support your amendment and urge you to offer it as soon as possible.

Sincerely,

STEPHEN E. SANDHERR,
Executive Director,
Congressional Relations.

FOOD MARKETING INSTITUTE,
Washington, DC, March 14, 1994.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MCCAIN: We strongly support your effort to repeal the employer health coverage reporting requirement to the Health Care Financing Administration (HCFA) associated with the Medicare and Medicaid Data Bank. The requirement is unduly burdensome to business and will not serve its intended purpose of recouping the estimated billion dollars owning to the government by employers to finance Medicare as Secondary Payer rules (MSP).

The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education, industry relations and public affairs on behalf of its 1,500 members—food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $190 billion—more than half of all grocery store sales in the United States. FMI's retail memberships is composed of large multi-store chains, small regional firms and independent supermarkets.

Less than two percent of all employees and dependents are subject to the Medicare as secondary payer provision. Thus, 98 percent of the data collected will be irrelevant to the problem being addressed. This unnecessary overkill would be disastrous and indicates how poorly thought out this measure is.

Much of the data required to be reported is not routinely maintained by employers. Food retailers employ many part-timers and have a high employee turnover rate. It is virtually impossible to gather the required information for thousands of current and former employees and dependents.

Even if it were possible for employers to comply in spite of privacy of information concerns and the lack of available data, the information gathered will be useless. HCFA acknowledges that it simply does not have the resources—human or financial—or even a data bank system in place—to begin to handle the data required to be collected.

On behalf of our nation's food distributors, we strongly support the repeal of this ill-conceived requirement.

Sincerely,

TIM HAMMONDS,
President.

HEALTH COVERAGE REPORTING REQUIREMENTS

Under existing law Medicare is generally the secondary payer (MSP) when an individual is covered by employer provided group health insurance. The Health Care Financing Administration (HCFA) believes that noncompliance with these rules costs the U.S. Treasury close to a billion dollars a year in Medicare overpayments.

The Omnibus Budget Reconciliation Act of 1993 includes a new provision establishing a data bank to identify employers responsible for health benefits provided to employees and their dependents by Medicare or Medicaid. This new law went into effect on January 1st of this year, with the first report to be filed on Feb. 28, 1995. As part of the data bank program, all employers will have to submit a new form (H-2) that identifies for the prior year:

Name and social security number of each employee and former employee electing coverage under the employer's health plan.

Name and social security number of each covered dependent.

Type of coverage (single/family).

Name/Address/identifying number of the plan.

The period during the year the coverage was in effect.

This creates huge new burdens for employers because much of this information is not currently collected. Amazingly, this data collection and paperwork nightmare will produce little of value for HCFA. For the following reasons, these reporting requirements should be repealed:

ENORMOUS BURDEN

Much of the information to be reported to the data bank (especially the names and social security numbers of dependents) is not maintained on a routine basis by employers. There is no business reason to do so. New programs to collect this data will depend on employee cooperation and will certainly be effected by privacy concerns. Food retailers employ many part-timers (more than half of store employees) and have high employee turnover rates. Their ability to gather the required data for hundreds, even thousands of current and former employees and dependents is problematic. Also, many food distributors' employees are in multiemployer health plans and do not receive information from the plan about the type of coverage elected.

PAPERWORK OVERKILL

Less than two percent of all employees and dependents are subject to the medicare as secondary payer provision. Thus, 98 percent of the data collected will be irrelevant to the problem being addressed. This is incredible even for a government program. Even for the covered two percent, HCFA will be receiving huge amounts of data to find a small number of violations—and still won't be able to identify those violators without significant further investigation.

INFORMATION OVERLOAD

The magnitude of the data that will be generated by these reports is so huge that HCFA will be overwhelmed with the information. HCFA acknowledges that it simply does not have the resources—human or financial—or the systems in place to begin to handle the data that will be collected. The agency is asking for increased funding to handle the data. Reporting this information to HCFA will be a futile and wasteful exercise.

EMPLOYERS MUST COMPLY WITHOUT INSTRUCTIONS

Despite the fact that employers are already required to comply with the law, no guidance has been issued yet on how to comply. Employers will be penalized for failing to report information that they do not routinely possess and which they may not be able to obtain from any other source. The Department of Labor may assess civil penalties of up to $1,000 for each violation of the new reporting requirements. A violation is per participant or beneficiary, not per group of employees as a whole. Employers would also be subject to the same penalties as those for failure to file W-2's—generally $50/violation, or $1,000/violation with no limit, if the violation is willful.

HEALTH CARE REFORM IS COMING

Health care reform legislation is likely to mean fundamental changes in employer plans. What is the point of initiating the extremely costly new systems necessary to comply with these new requirements when the whole program could be moot in short order.

For all these reasons, these new reporting requirements must be repealed.

By Mr. DOLE:

S.J. Res. 172. A joint resolution designating May 30, 1994, through June 6, 1994, as a "Time for the National Observance of the Fiftieth Anniversary of World War II"; to the Committee on the Judiciary.

THE 50TH ANNIVERSARY OF WORLD WAR II

Mr. DOLE. Mr. President, I rise today to introduce a joint resolution to designate the week of May 30, through June 7, 1994, for the National Observance of the 50th Anniversary of World War II.

1944 was a turning point in the war that was a turning point in America's history and in world history. It is fitting that Americans remember that year, and that we remember the soldiers who fought and died in places like Anzio, Bastogne, and the Phillipine Sea.

Of course, June 6 will also mark the 50th anniversary of D-day—the greatest amphibious operation in military history. Led by Kansas native Dwight Eisenhower, allied forces landed on the beaches of Normandy, marking the beginning of the end of the war in Europe.

We should also remember the words of Franklin Roosevelt, who told Americans, "We are all in (this war)—all the way. Every single man, woman, and child is a partner in the most tremendous undertaking of our * * * history."

And here at home, that partnership could be seen as American agriculture and industry worked together to form the greatest war machine the world had ever seen. Ships, aircraft, tanks and vehicles were manufactured at an unprecedented rate, while American farmers produced enough food to feed the world.

The ingenuity, creativity, and patriotism demonstrated by the American people not only contributed to victory, but after the war, also transformed the United States into an unmatched industrial giant.

Mr. President, by commemorating the 50th anniversary of World War II, we will not only be remembering the past, we will also be looking to the future, reminding all Americans that we must always be prepared, so that we may always be free.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 172

Whereas the brave men and women of the United States of America made tremendous sacrifices during World War II to save the world from tyranny and aggression;

Whereas the winds of freedom and democracy sweeping the globe today spring from the principles for which over four hundred thousand Americans gave their lives in World War II;

Whereas World War II and the events that led up to that war must be understood in order that we may better understand our own times, and more fully appreciate the reasons why eternal vigilance against any form of tyranny is so important;

Whereas the World War II era, as reflected in its family life, industry, and entertainment, was a unique period in American history and epitomized our Nation's philosophy of hard work, courage, and tenacity in the face of adversity;

Whereas, between 1991 and 1995, over nine million American veterans of World War II will be holding reunions and conferences and otherwise commemorating the fiftieth anniversary of various events relating to World War II; and

Whereas June 4, 1994, marks the anniversary of the Battle of Midway, and June 6, 1994, marks the anniversary of D-Day: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 30, 1994, through June 6, 1994, is designated as a "Time for the National Observance of the Fiftieth Anniversary of World War II", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe that period with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 21

At the request of Mrs. FEINSTEIN, the names of the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 21, a bill to designate certain lands in the California Desert as wilderness, to establish Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes.

S. 1149

At the request of Mr. DOMENICI, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 1149, a bill to establish in the Department of the Interior the Office of Indian Women and Families, and for other purposes.

S. 1231

At the request of Mr. MOYNIHAN, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 1231, a bill to provide for simplified collection of employment taxes on domestic services, and for other purposes.

S. 1275

At the request of Mr. RIEGLE, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1275, a bill to facilitate the establishment of community development financial institutions.

S. 1329

At the request of Mr. D'AMATO, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 1329, a bill to provide for an investigation of the whereabouts of the

United States citizens and others who have been missing from Cyprus since 1974.

S. 1458

At the request of Mrs. KASSEBAUM, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1458, a bill to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

S. 1614

At the request of Mr. LEAHY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1614, a bill to amend the Child Nutrition Act of 1966 and the National Lunch Act to promote healthy eating habits for children and to extend certain authorities contained in such Acts through fiscal year 1998, and for other purposes.

S. 1806

At the request of Mr. NICKLES, the name of the Senator from Kentucky [Mr. MCCONNELL] was added as a cosponsor of S. 1806, a bill to rescind the fee required for the use of public recreation areas at lakes and reservoirs under the jurisdiction of the Army Corps of Engineers, and for other purposes.

1860

At the request of Mr. DODD, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Washington [Mr. GORTON], the Senator from Maine [Mr. COHEN], the Senator from Vermont [Mr. LEAHY], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 1860, a bill to authorize the minting of coins to commemorate the 1995 Special Olympics World Games.

S. 1915

At the request of Mr. SHELBY, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1915, a bill to require certain Federal agencies to protect the rights of private property owners.

SENATE JOINT RESOLUTION 123

At the request of Mr. SHELBY, the names of the Senator from Minnesota [Mr. DURENBERGER], the Senator from Mississippi [Mr. LOTT], the Senator from Oklahoma [Mr. BOREN], the Senator from Montana [Mr. BAUCUS], the Senator from Indiana [Mr. COATS], the Senator from Mississippi [Mr. COCHRAN], the Senator from Colorado [Mr. BROWN], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 123, a joint resolution to designate the week beginning November 6, 1994, as "National Elevator and Escalator Safety Awareness Week."

SENATE JOINT RESOLUTION 151

At the request of Mr. LIEBERMAN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of Senate Joint Resolution 151, a joint resolution designating the week of April 10 through 16, 1994 as "Primary Immune Deficiency Awareness Week."

SENATE JOINT RESOLUTION 165

At the request of Mr. COCHRAN, the names of the Senator from Tennessee [Mr. MATHEWS] and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 165, a joint resolution to designate the month of September 1994 as "National Sewing Month."

SENATE CONCURRENT RESOLUTION 27

At the request of Mr. LEAHY, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Concurrent Resolution 27, a bill to express the sense of Congress that funding should be provided to begin a phase-in toward full funding of the special supplemental food program for women, infants, and children [WIC] and of Head Start programs and to expand the Job Corps program, and for other purposes.

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. GRAMM, the names of the Senator from Missouri [Mr. DANFORTH] and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution expressing the sense of the Congress that a postage stamp should be issued to honor the 100th anniversary of the Jewish War Veterans of the United States of America.

SENATE CONCURRENT RESOLUTION 61

At the request of Mr. WOFFORD, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of Senate Concurrent Resolution 61, a concurrent resolution expressing the sense of the Congress in support of the President's actions to reduce the trade imbalance with Japan.

SENATE RESOLUTION 190—RELATING TO AN ANTIPROLIFERATION REGIME

Mr. D'AMATO (for himself, Mr. MACK, Mr. RIEGLE, Mr. SASSER, Mr. ROTH, Mr. HELMS, Mr. BOND, Mr. BENNETT, Mr. FAIRCLOTH, Mr. SHELBY, Mr. GREGG, and Mr. KERRY) submitted the following resolution:

S. RES. 190

Whereas the United States and its allies have agreed that as of March 31, 1994, the Coordinating Committee (hereafter referred to as "CoCom"), the multilateral body that controlled strategic exports to the former Soviet Union and other Communist States, will cease to exist;

Whereas no successor has yet been established to replace the CoCom;

Whereas threats to United States security are posed by rogue regimes that support terrorism as a matter of national policy;

Whereas a critical element of the United States proposal for a successor to CoCom is that supplier nations agree on a list of militarily critical products and technologies that would be denied to a handful of rogue regimes;

Whereas some allies of the United States oppose this principle and instead propose that such controls be left to "national discretion", effectively replacing multilateral export controls with a loose collection of unilateral export control policies which would be adverse for United States security and economic interests;

Whereas multilateral controls are needed to thwart efforts of Iran, Iraq, North Korea, Libya, and other rogue regimes, to acquire arms and sensitive dual-use goods and technologies that could contribute to their efforts to build weapons of mass destruction; and

Whereas the United States would be forced to make the difficult choice of choosing between unilateral export controls under the Export Administration Act of 1979, which would put American companies at a competitive disadvantage worldwide, or allowing exports that could seriously harm the national security interests of the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should work to achieve a clearly defined and enforceable agreement with allies of the United States which establishes a multilateral export control system for the proliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States; and

(2) the President should persuade allies of the United States to promote mutual security interests by preventing rogue regimes from obtaining militarily critical products and technologies.

Mr. D'AMATO. Mr. President, today I rise to introduce a sense-of-the-Senate resolution with Senators MACK, RIEGLE, SASSER, ROTH, HELMS, BOND, BENNETT, FAIRCLOTH, SHELBY, GREGG, and KERRY. The resolution expresses how extremely important it is that the President work with our allies in order to achieve a clearly defined and enforceable agreement which establishes a multilateral export control system for the antiproliferation of products and technologies to rogue regimes that would jeopardize the national security of the United States.

On March 31, 1994, a mere 2 weeks from now, COCOM, the multilateral body that controlled strategic exports to the former Soviet bloc will cease to exist. On several occasions, I have expressed my concerns to the President on the absolute necessity of having a successor regime in place in order to deal with the new post-cold-war threats to our national security. Specifically, a multilateral export control organization is essential to deal with the threats posed by countries that support proliferation and terrorism.

Today, three other multilateral control organizations exist. While they address proliferation of nuclear weapons, chemical and biological weapons and missile technology, they do not have the teeth of the COCOM organization which should and must be a part of the new multilateral proliferation organization. A regime without the COCOM characteristics of target destinations, veto power, or prenotification falls far short of achieving an enforceable multilateral, antiproliferation, export control organization.

Enforceable and effective multilateral controls are essential to thwart efforts of Iran, Iraq, North Korea, Libya, and other rogue regimes from acquiring arms and sensitive dual-use goods and technologies that could contribute to their efforts to build weapons of mass destruction.

Last December 16, 1993, I wrote to the President expressing my deep concerns about the end of COCOM on March 31, 1994, and the dangers of a world with no clear international multilateral export control regime. I stated to him that "I think that we have reached a critical moment for our Nation's ability to conduct an international regime to deal with threats of proliferation and terrorism in the 1990's." On January 10, 1994, I, along with Senators MACK, RIEGLE, and SASSER, again wrote to the President on the same issue. After endless delays, I received a response from President Clinton which did not answer the tough questions but stated that he would have the State Department respond to me in detail. I am still waiting for this response.

While the President committed to continue to pursue an "effective multilateral regime that includes prior information exchange among members when needed to ensure that sensitive goods can be prevented from reaching dangerous destinations," I remain immediately concerned about the specific progress that has or has not been made in achieving commitments from our allies to establish an effective international multilateral control regime by March 31, 1994.

The President should persuade allies of the United States to promote mutual security interests by preventing rogue regimes from obtaining militarily critical products and technologies. Without such an agreement, the President risks the national security interests of the United States and subjects the U.S. export community to inevitable unilateral export controls putting them at a competitive disadvantage worldwide.

The administration must not repeat the mistakes of its recent past in allowing other nations to decide what is best for the United States. If we allow this to happen again we will place our Nation and our people at risk.

Mr. RIEGLE. Mr. President, I rise today in support of a sense-of-the-Senate resolution urging the United States to pursue a policy that would attempt to achieve multilateral cooperation on stemming the flow of militarily critical products and technology to rogue regimes. Such a policy is important to promoting the security interests of the United States and our allies.

For over 40 years we cooperated with our allies under the auspices of COCOM, the Coordinating Committee on Multilateral Controls, in controlling exports of certain strategic items and technology to the former Soviet Union and other Communist countries. For over 40 years this cooperation worked well in slowing down the acquisition by our adversaries of dual use goods and technologies that could have helped them militarily.

But times have changed, and COCOM will cease to exist on March 31. However, this does not mean that cooperation with our allies on expert controls must cease. We have an opportunity to use the experience of our past cooperation to focus on the threat of the future—the proliferation of militarily critical items to rogue regimes in volatile areas such as Southeast Asia and the Middle East. The United States has realized these threats for many years, but we alone cannot stem the proliferation of these items.

I do not want this country to stand by, only to find out when it's too late, that exports from COCOM countries have helped North Korea, Iran, Iraq, Libya, and other rogue regimes to develop the capacity to make chemical, biological, and nuclear weapons and the means to deliver them. It is in the interest of this country, as well as our allies, to prevent such regimes from obtaining military critical products and technologies. We and our allies should use the goodwill and experience of our past cooperation to prevent future proliferation problems.

It is critical that the United States work to achieve a clearly defined and enforceable agreement with our allies that establishes a multilateral export control system preventing the export of militarily critical products and technologies to rogue regimes that would jeopardize our security and that of our allies as well.

AMENDMENTS SUBMITTED

NATIONAL COMPETITIVENESS ACT

SIMON AMENDMENT NO. 1498

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes; as follows:

At the end of the bill, insert the following new title:

TITLE —PRIVACY PROTECTION COMMISSION

SECTION ___01. SHORT TITLE.

This title may be cited as the "Privacy Protection Act of 1994".

SEC. ___02. FINDINGS AND PURPOSE.

The Congress finds that—

(1) we live in an age of ever-increasing dependence on electronic data storage, communications, and usage;

(2) vast quantities of data are stored electronically and may be instantly transferred electronically from 1 party to another for business or for other purposes;

(3) the nature of such data allows for the increasing possibility that an individual's privacy rights may be violated;

(4) the technology is growing so rapidly that broader societal consequences may not have been reviewed or studied nor is it clear how the use of such technology will affect existing data systems and their use; and

(5) a United States Privacy Protection Commission should be established to—

(A) ensure that privacy rights of United States citizens in regard to electronic data and fair information practices and principles are not abused or violated;

(B) provide advisory guidance to the public and private sector on matters related to electronic data storage, communication, and usage;

(C) provide the public with a central agency for information and guidance on privacy protections and fair information practices and principles;

(D) oversee Federal agencies' implementation of section 552a of title 5, United States Code; and

(E) promote and encourage the adoption of fair information practices and principles in the public and private sector, which should include—

(i) the principle of openness, which provides that the existence of recordkeeping systems and databanks containing information about individuals be publicly known, along with a description of main purpose and uses of the data;

(ii) the principle of individual participation, which provides that each individual should have the right to see any data about him or herself and to correct any data that is not timely, accurate, or complete;

(iii) the principle of data quality, which provides that personal data should be relevant to the purposes for which they are to be used, and data should be timely, accurate, and complete;

(iv) the principle of collection limitation, which provides that there should be limits to the collection of personal data, that data should be collected by lawful and fair means, and that data should be collected, where appropriate, with the knowledge and consent of the subject;

(v) the principle of use limitation, which provides that there are limits to the use of personal data and that data should be used only for purposes specified at the time of collection;

(vi) the principle of disclosure limitation, which provides that personal data should not be communicated externally without the consent of the data subject or other legal authority;

(vii) the principle of security, which provides that personal data should be protected by reasonable security safeguards against such risks as loss, unauthorized access, destruction, use, modification, or disclosure; and

(viii) the principle of accountability, which provides that recordkeepers should be accountable for complying with fair information practices and principles.

SEC. ___03. ESTABLISHMENT OF PRIVACY PROTECTION COMMISSION.

There is established the Privacy Protection Commission (referred to in this title as the "Commission").

SEC. ___04. PRIVACY PROTECTION COMMISSION.

(a) Membership.—(1) The Commission shall be composed of 3 members who shall be appointed by the President, by and with the advice and consent of the Senate, from among members of the public at large who are qualified for service on the Commission by their knowledge and expertise in—

(A) civil rights and liberties;

(B) law;

(C) social sciences;

(D) computer technology;

(E) business; or

(F) State and local government.

(2) Not more than 2 members of the Commission shall be members of the same political party.

(3) The President shall designate 1 of the members as Chairperson of the Commission.

(b) Meetings.—The Chairperson shall preside at all meetings of the Commission, but the Chairperson may designate another member as an acting Chairperson who may preside in the absence of the Chairperson. A quorum for the transaction of business shall consist of at least 2 members present, except that 1 member may conduct hearings and take testimony if authorized by the Commission. Each member of the Commission, including the Chairperson, shall have equal responsibility and authority in all decisions and actions of the Commission, and shall have full access to all information relating to performance of the duties or responsibilities of the Commission, and shall have 1 vote. Action of the Commission shall be determined by a majority vote of the members. The Chairperson or acting Chairperson shall see to the faithful execution of the policies and decisions of the Commission and shall report thereon to the Commission from time to time or as the Commission may direct.

(c) Terms.—(1) A member of the Commission shall serve for a term of 7 years, except that of members first appointed to the Commission—

(A) the member designated as Chairperson by the President shall be appointed for a term of 7 years;

(B) 1 member shall be appointed for a term of 5 years;

(C) 1 member shall be appointed for a term of 3 years; and

(D) all such terms shall begin on—

(i) January 1, next following the date of the enactment of this title; or

(ii) such date as designated by the President.

(2) A member may continue to serve until a successor is confirmed.

(3) Members shall be eligible for reappointment for a single additional term.

(d) Vacancies.—(1) Vacancies in the membership of the Commission shall be filled in the same manner in which the original appointment was made.

(2) If there are two or more Commission members in office, vacancies in the membership of the Commission shall not impair the power of the Commission to execute functions and powers of the Commission.

(e) Compensation and Restriction on Other Employment.—(1) The members of the Commission may not engage in any other employment during their tenure as members of the Commission.

(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

"Members of Privacy Protection Commission (5).".

(f) Requests and Recommendations.—(1) Whenever the Commission submits a budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that request to Congress.

(2) Whenever the Commission submits a legislative recommendation, testimony, or comment on legislation to the President or Office of Management and Budget, it shall concurrently transmit a copy of such recommendation, testimony, or comment to the Congress. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendation, testimony, or comment on legislation, to any officer or agency of the United States for approval, comment, or review, prior to the submission of such recommendation, testimony, or comment to the Congress.

(g) Seal.—The Commission shall have an official seal which shall be judicially noted.

SEC. ___05. PERSONNEL OF THE COMMISSION.

(a) Executive Director and General Counsel.—The Commission shall appoint an Executive Director and a General Counsel who shall perform such duties as the Commission determines necessary and appropriate. Such appointment may be made without regard to the provisions of title 5, United States Code. The Executive Director and the General Counsel shall be compensated at a rate not in excess of the rate payable for a position under level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) Limitation on Employees.—The Commission is authorized to appoint and fix the compensation of not more than 25 officers and employees (or the full-time equivalent), and to prescribe their functions and duties.

(c) Consultants.—The Commission may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(d) Detail of Government Employees.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

SEC. ___06. FUNCTIONS OF THE COMMISSION.

(a) In General.—The Commission shall—

(1) provide leadership and coordination to the efforts of all Federal departments and agencies to enforce all Federal statutes, Executive orders, regulations, and policies that involve privacy or data protection;

(2) maximize effort, promote efficiency, and eliminate conflict, competition, duplication, and inconsistency among the operations, functions, and jurisdictions of Federal departments and agencies responsible for privacy or data protection, data protection rights and standards, and fair information practices and principles;

(3) develop model standards, guidelines, regulations, policies, and routine uses for and by Federal, State, and local agencies in implementing the provisions of section 552a of title 5, United States Code;

(4) publish on a regular basis a guide to sections 552 and 552a of title 5, United States Code, and other laws relating to data protection, for use by record subjects;

(5) publish a compilation of agency system of records notices, including an index and other finding aids;

(6) not later than December 1, 1996, make recommendations to Congress regarding any possible amendments to section 552a of title 5, United States Code, and for improving the coordination between such section and section 552 of such title;

(7) provide active leadership, guidance, education, and appropriate assistance to private sector businesses, organizations, groups, institutions, and individuals regarding privacy, data protection rights and standards, and fair information practices and principles;

(8) develop model privacy, data protection, and fair information practices, principles, standards, guidelines, policies, and routine uses for use by State and local governments and by the private sector; and

(9) upon written request, provide appropriate assistance in implementing privacy, data protection, and fair information practices, principles, standards, guidelines, policies, or routine uses of privacy and data protection, and fair information.

(b) Discretionary Functions.—The Commission may—

(1) issue advisory opinions relating to section 552a of title 5, United States Code, or privacy and data protection practices, principles, standards, guidelines, policies, or routine uses of data at the request of a Federal agency, a data integrity Commission of an agency or business, a court, the Congress, a business, or an individual;

(2) investigate compliance with section 552a of title 5, United States Code, and report on violations of such section to the appropriate agency, the President, the Attorney General, and the Congress;

(3) file comments with the Office of Management and Budget and with the appropriate agency on each proposal to—

(A) amend section 552a of title 5, United States Code, or a regulation promulgated under such section;

(B) create or modify a system of records; or

(C) establish or alter routine uses of such a system;

(4) request an agency to stay—

(A) the establishment or revision of a system of records;

(B) a routine use;

(C) an exemption; or

(D) any other regulation promulgated under section 552a of title 5, United States Code;

(5) review Federal, State, and local laws, Executive orders, regulations, directives, and judicial decisions and report on the extent to which they are consistent with privacy and data protection rights, and fair information practices and principles;

(6) at the request of a Federal, State, or local government agency, a private business, or an individual, provide assistance on matters relating to privacy or data protection;

(7) comment on the implications for privacy or data protection of proposed Federal,

State, or local statutes, regulations, or procedures;

(8) propose legislation on privacy or data protection;

(9) accept and investigate complaints about violation of privacy or data protection rights, and fair information practices and principles;

(10) participate in each formal or informal Federal administrative proceeding or process when, in the judgment of the Commission, the action being considered would have a material effect on privacy or data protection, either as a result of direct Government action or as the result of direct Government regulation of others;

(11) petition a Federal agency to take action on a matter affecting privacy or data protection;

(12) conduct, assist, or support research, studies, and investigations on the collection, maintenance, use, or dissemination of personal information, the implications for privacy or data protection of computer, communications, and other technologies, and any other matter relating to privacy or data protection;

(13) assist in the development or implementation of policies designed to provide for the protection of personal information maintained by private sector recordkeepers;

(14) assist United States companies doing business abroad to respond to foreign privacy or data protection laws and agencies;

(15) assist in the coordination of the United States privacy and data protection policies with the privacy and data protection policies of foreign countries; and

(16) cooperate and consult with privacy or data protection commissions, boards, or agencies of foreign governments.

SEC. ___07. CONFIDENTIALITY OF INFORMATION.

(a) IN GENERAL.—Each department, agency, and instrumentality of the executive branch of the Government, including each independent agency, shall furnish to the Commission upon request made by the Chairperson, such data, reports, and other information as the Commission determines necessary to carry out its functions under this title.

(b) CONFIDENTIALITY.—In carrying out its functions and exercising its powers under this title, the Commission may accept from any Federal agency or other person, any identifiable personal data if such data is necessary to carry out such powers and functions. In any case in which the Commission accepts any such information, it shall provide all appropriate safeguards to ensure that the confidentiality of such information is maintained and that under completion of the specific purpose for which such information is required, the information is destroyed or returned to the agency or person from which it was obtained.

SEC. ___08. POWERS OF THE COMMISSION.

(a) IN GENERAL.—The Commission may, in carrying out its functions under this title—

(1) conduct inspections;

(2) sit and act at such times and places as it determines necessary;

(3) hold hearings;

(4) take testimony;

(5) require by subpoena the attendance of witnesses and the production of books, records, papers, correspondence, documents, film, and electronic information;

(6) administer oaths; and

(7) make appropriate and necessary expenditures.

(b) SUBPOENAS.—(1) Subpoenas shall be issued only upon an affirmative vote of a majority of all members of the Commission. Subpoenas shall be issued under the signature of the Chairperson or any member of the Commission designated by the Chairperson. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) In the case of a disobedience to a subpoena issued under this title, the Commission may invoke the aid of any district court of the United States in requiring compliance with such subpoena. Any district court of the United States within the jurisdiction where such person is found or transacts business may, in the case of contumacy or refusal to obey a subpoena issued by the Commission, issue an order requiring such person to appear and testify, to produce such books, records, papers, correspondence, documents, films, and electronic information. Any failure to obey the order of the court shall be punished by the court as a contempt of such court.

(c) APPEARANCES.—Appearances by the Commission in judicial and administrative proceedings shall be in its own name.

(d) DELEGATION.—The Commission may delegate any of its functions to such officers and employees of the Commission as the Commission may designate and may authorize such successive redelegations of such functions as it may determine desirable.

(e) ADMINISTRATIVE POWERS.—To carry out this title, the Commission may—

(1) enter into contracts or other arrangements with any State or local government, any agency or department of the United States, or with any individual, firm, association, or corporation; and

(2) establish advisory committees in accordance with the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. ___09. REPORTS AND INFORMATION.

In an annual report to the President and Congress, the Commission shall report on its activities in carrying out the provisions of this title. The Commission shall undertake whatever efforts it may determine to be necessary or appropriate to inform and educate the public of data protection, privacy, and fair information rights and responsibilities.

SEC. ___10. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

HATCH AMENDMENT NO. 1499

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 54, line 24, strike "and".

On page 55, line 6, strike the period and insert "; and".

On page 55, between lines 6 and 7, insert the following:

"(D) the degree to which Federal programs and policies are impeding technology innovation in the United States, how the policies compel industries to relocate overseas, and recommendations on what steps the Federal Government can take to maintain the global competitiveness of the United States.

GREGG AMENDMENT NO. 1500

(Ordered to lie on the table.)

Mr. GREGG submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 59, line 10, after the period, insert the following: "There has been a critical failure to achieve commercial benefits from much of the basic research that is performed by universities, government laboratories, and other nonprofit organizations.".

On page 59, line 19, after the period, insert the following: "There is a critical need for a program to bridge the funding gap from basic research funded by the Federal Government or nonprofit organizations to the stage at which private companies and venture capitalists are willing to risk their own funds on the refinements necessary to bring technology to the market.".

On page 60, line 17, insert ", nonprofit research institutions," after "capital to eligible technology firms".

On page 60, line 17, before the "—", insert the following: "with each other and with nonprofit research institutions".

On page 64, line 18, before the semicolon, insert the following: ", including the development and early stage commercialization of basic research conducted with Federal financing or through other nonprofit sources".

On page 64, line 23, strike "and".

On page 65, line 5, strike the period and insert "; and".

On page 65, between lines 5 and 6, insert the following:

(5) have senior personnel who—

(A) have substantial experience in technology commercialization, line responsibility in technology-based businesses, and product development;

(B) are able to provide management support during the development process;

(C) have close access to recognized academic technology research, technology businesses, and entities with financial and investment capabilities;

(D) are able to provide grant support and oversight at State and local levels; and

(E) in cases involving technology transfer, have substantial experience in facilitating technology transfer from nonprofit institutions, Federal laboratories, and Federal agencies to high technology companies.

BROWN AMENDMENT NO. 1501

(Ordered to lie on the table.)

Mr. BROWN proposed an amendment to the bill S. 4, supra; as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,800,000,000.

BURNS AMENDMENT NO. 1502

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

At the end of the committee substitute as modified, insert the following new section:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,930,000,000.

HATCH AMENDMENT NO. 1503

(Ordered to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

At the appropriate place, add the following new subsection:

(f) ANNUAL REPORT OF REGULATORY COSTS.—

(1) PREPARATION.—The Director of the Office of Management and Budget shall prepare an annual report on the cost of Federal regulations, as described in paragraph (2).

(2) CONTENTS.—The report on the cost of Federal regulations required by paragraph (1) shall include the following:

(A) a detailed estimate of the direct costs that are incurred by individuals, consumers, businesses and other private-sector entities, and State and local governments in complying with regulations that are imposed by each Department or agency of the Federal Government, broken out by major program.

(B) A detailed estimate of the effects of Federal regulations on the economy, including—

(i) business startups;

(ii) employment, including job creation, compensation, and employment of foreign nationals by United States firms;

(iii) international trade and competitiveness of United States goods;

(iv) research and development;

(v) State and local governments, including effects on State and local taxation, State and local spending priorities, and levels of Federal reimbursement for direct and indirect State and local regulatory compliance costs; and

(vi) direct Federal spending on enforcement of regulations.

(C) An analysis of the cumulative loss to the Gross Domestic Product caused by Federal regulations, beginning with the calendar year 1977, or earlier, if practicable, an of the projected loss to the Gross Domestic Product caused by Federal regulations for the ten years following the year in which each report is submitted;

(D) An estimate of the inflationary impact on consumers caused by Federal regulation, including a discussion of the additional cost paid by the average consumer for automobiles, food, utilities, housing, and major appliances; and

(E) A discussion of the economic benefits to consumers and the Gross Domestic Product of Federal regulations.

(3) REPORT TO BE PUBLISHED. The report on the cost of Federal regulations required by paragraph (1) shall be published and made available to the public at a reasonable cost, and shall be submitted to the Congress in conjunction with the annual submission of the proposed Budget for the Federal Government and to each Member of Congress and to each Federal Department and agency.

On page 10, line 10, delete "(f)" and insert in lieu thereof "(g)".

GRAMM AMENDMENTS NOS. 1504–1505

(Ordered to lie on the table.)

Mr. GRAMM submitted two amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1504

At the appropriate place, insert the following:

SEC. . REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full time equivalent positions in all agencies shall not exceed—

(1) 2,084,600 during fiscal year 1994;

(2) 2,043,300 during fiscal year 1995;

(3) 2,003,300 during fiscal year 1996;

(4) 1,963,300 during fiscal year 1997; and

(5) 1,922,300 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—Any provision of this section may be waived upon—

(1) a determination by the President of the existence of war or a national security requirement; or

(2) the enactment of a joint resolution upon an affirmative vote of three-fifths of the Members of each House of the Congress duly chosen and sworn.

SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT.—

§ . Violent crime reduction trust fund

"There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceeding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,243,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY ON THE STATUS OF THE ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.

AMENDMENT NO. 1505

At the appropriate place, insert the following:

SEC. . REDUCTION OF FEDERAL FULL-TIME EQUIVALENT POSITIONS.

(a) DEFINITION.—For purposes of this section, the term "agency" means an Executive agency as defined under section 105 of title 5, United States Code, but does not include the General Accounting Office.

(b) LIMITATIONS ON FULL-TIME EQUIVALENT POSITIONS.—The President, through the Office of Management and Budget (in consultation with the Office of Personnel Management), shall ensure that the total number of full-time equivalent positions in all agencies shall not exceed—

(1) 2,095,182 during fiscal year 1994;

(2) 2,044,100 during fiscal year 1995;

(3) 2,003,846 during fiscal year 1996;

(4) 1,963,593 during fiscal year 1997; and

(5) 1,923,339 during fiscal year 1998.

(c) MONITORING AND NOTIFICATION.—The Office of Management and Budget, after consultation with the Office of Personnel Management, shall—

(1) continuously monitor all agencies and make a determination on the first date of each quarter of each applicable fiscal year of whether the requirements under subsection (b) are met; and

(2) notify the President and the Congress on the first date of each quarter of each applicable fiscal year of any determination that any requirement of subsection (b) is not met.

(d) COMPLIANCE.—If at any time during a fiscal year, the Office of Management and Budget notifies the President and the Congress that any requirement under subsection (b) is not met, no agency may hire any employee for any position in such agency until the Office of Management and Budget notifies the President and the Congress that the total number of full-time equivalent positions for all agencies equals or is less than the applicable number required under subsection (b).

(e) WAIVER.—Any provision of this section may be waived upon—

(1) a determination by the President of the existence of war or a national security requirement; or

(2) the enactment of a joint resolution upon an affirmative vote of three-fifths of the Members of each House of the Congress duly chosen and sworn.

SEC. . CREATION OF VIOLENT CRIME REDUCTION TRUST FUND.

(a) ESTABLISHMENT OF THE ACCOUNT.—

§ . Violent crime reduction trust fund

"There is established a separate account in the Treasury, known as the 'Violent Crime Reduction Trust Fund', into which shall be deposited deficit reduction (as defined in subsection (b) of this section) achieved by the preceding section.

"(b) On the first day of the following fiscal years (or as soon thereafter as possible for fiscal year 1994), the following amounts shall be transferred from the general fund to the Violent Crime Reduction Trust Fund—

"(1) for fiscal year 1994, $720,000,000;

"(2) for fiscal year 1995, $2,423,000,000;

"(3) for fiscal year 1996, $4,267,000,000;

"(4) for fiscal year 1997, $6,313,000,000; and

"(5) for fiscal year 1998, $8,545,000,000.

"(c) Notwithstanding any other provision of law—

"(1) the amounts in the Violent Crime Reduction Trust Fund may be appropriated exclusively for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993;

"(2) the amounts in the Violent Crime Reduction Trust Fund and appropriations under paragraph (1) of this section shall be excluded from, and shall not be taken into account for purposes of, any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985; and

"(3) for purposes of this subsection, 'appropriations under paragraph (1)' mean amounts of budget authority not to exceed the balances of the Violent Crime Reduction Trust Fund and amounts of outlays that flow from budget authority actually appropriated.".

(b) LISTING OF THE VIOLENT CRIME REDUCTION TRUST FUND AMONG GOVERNMENT TRUST FUNDS.—Section 1321(a) of title 31, United States Code, is amended by inserting at the end thereof the following new paragraph:

"(91) Violent Crime Reduction Trust Fund.".

(c) REQUIREMENT FOR THE PRESIDENT TO REPORT ANNUALLY OF THE STATUS OF THE ACCOUNTS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof:

"(29) information about the Violent Crime Reduction Trust Fund, including a separate statement of amounts in that Trust Fund.

"(30) an analysis displaying by agency proposed reductions in full-time equivalent positions compared to the current year's level in order to comply with section 1352 of the Violent Crime Control and Law Enforcement Act of 1993.".

SEC. . CONFORMING REDUCTION IN DISCRETIONARY SPENDING LIMITS.

The Director of the Office of Management and Budget shall, upon enactment of this Act, reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1994 through 1998 as follows:

(1) for fiscal year 1994, for the discretionary category: $720,000,000 in new budget authority and $314,000,000 in outlays;

(2) for fiscal year 1995, for the discretionary category: $2,423,000,000 in new budget authority and $2,330,000,000 in outlays;

(3) for fiscal year 1996, for the discretionary category: $4,267,000,000 in new budget authority and $4,184,000,000 in outlays;

(4) for fiscal year 1997, for the discretionary category: $6,313,000,000 in new budget authority and $6,221,000,000 in outlays; and

(5) for fiscal year 1998, for the discretionary category: $8,545,000,000 in new budget authority and $8,443,000,000 in outlays.".

HELMS AMENDMENTS NOS. 1506–1510

(Ordered to lie on the table.)

Mr. HELMS submitted five amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT No. 1506

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,700,000,000.

AMENDMENT No. 1507

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,300,000,000.

AMENDMENT No. 1508

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $2,000,000,000.

AMENDMENT No. 1509

At the end, insert the following new section:

SEC. . APPORTIONMENT OF GRANTS.

Notwithstanding any other provision of law, the aggregate amount of grants awarded to any State during a fiscal year, including public and private entities within the State, shall not exceed 12 percent of the total amount of grants made available under this Act during that fiscal year.

AMENDMENT No. 1510

At the end of the committee substitute as modified, insert the following new section.

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any provision of law, including any provision of this Act, the total amount of appropriations authorized by this Act shall not exceed $1,800,000,000.

WOFFORD (AND OTHERS) AMENDMENT NO. 1511

(Ordered to lie on the table.)

Mr. WOFFORD (for himself, Mr. KERRY, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to the bill S. 4, supra; as follows:

At the appropriate place in the bill insert the following new title:

TITLE —WORKERS TECHNOLOGY SKILL DEVELOPMENT

SEC. ___01. SHORT TITLE.

This title may be cited as the "Workers Technology Skill Development Act".

SEC. ___02. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations that lead in the rapid development, commercialization, and application of new and advanced technologies, and in the high-quality, competitively priced production of goods and services, will lead in economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done well in rapidly making the transition from achievement in its research laboratories to high-quality, competitively priced production of goods and services. This lag and the unprecedented competitive challenge that the United States has faced from abroad have contributed to a drop in real wages and living standards.

(3) Companies that are successfully competitive in the rapid development, commercialization, application, and implementation of advanced technologies, and in the successful delivery of goods and services, recognize that worker participation and labor-management cooperation in the deployment, application, and implementation of advanced workplace technologies make an important contribution to high-quality, competitively priced production of goods and services and in maintaining and improving real wages for workers.

(4) The Federal Government has an important role in encouraging and augmenting private sector efforts relating to the development, application, manufacture, and deployment of new and advanced technologies. The role should be to—

(A) work with private companies, States, worker organizations, nonprofit organizations, and institutions of higher education to ensure the development, application, production, and implementation of new and advanced technologies to promote the improvement of workers' skills, wages, job security, and working conditions, and a healthy environment;

(B) encourage worker and worker organization participation in the development, commercialization, evaluation, selection, application, and implementation of new and advanced technologies in the workplace; and

(C) promote the use and integration of new and advanced technologies in the workplace that enhance workers' skills.

(5) In working with the private sector to promote the technological leadership and economic growth of the United States, the Federal Government has a responsibility to ensure that Federal technology programs help the United States to remain competitive and to maintain and improve living standards and to create and retain secure jobs in economically stable communities.

SEC. ___03. PURPOSES.

The purposes of this title are to—

(1) improve the ability of workers and worker organizations to recognize, develop, assess, and improve strategies for successfully integrating workers and worker organizations into the process of evaluating, selecting, and implementing advanced workplace technologies, and advanced workplace practices in a manner that creates and maintains stable well-paying jobs for workers; and

(2) assist workers and worker organizations in developing the expertise necessary for effective participation with employers in the development of strategies and programs for the successful evaluation, selection, and implementation of advanced workplace technologies and advanced workplace practices through the provision of a range of education, training, and related services.

SEC. ___04. DEFINITIONS.

As used in this title:

(1) ADVANCED WORKPLACE PRACTICES.—The term "advanced workplace practices" means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relationships between suppliers and customers, widely diffused decisionmaking and work teams, and effective integration of production technology, worker skills and training, and workplace organization, and such other characteristics as determined appropriate by the Secretary of Labor, in consultation with the Secretary of Commerce.

(2) ADVANCED WORKPLACE TECHNOLOGIES.—The term "advanced workplace technologies" includes—

(A) numerically controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving the manufacturing and industrial production of goods and commercial services, which advance the state-of-the-art; or

(B) novel industrial and commercial techniques and processes not previously generally available that improve quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, inventory management, upgraded worker skills, communications with customers and suppliers, and promotion of sustainable economic growth.

(3) DEPARTMENT.—The term "Department" means the Department of Labor.

(4) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means a tax-exempt organization, as described in paragraph (3), (4), or (5) of section 501(c) of the Internal Revenue Code of 1986.

(5) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(6) WORKER ORGANIZATION.—The term "worker organization" means a labor organization within the meaning of section 501(c)(5) of the Internal Revenue Code of 1986.

SEC. ___05. GRANTS.

(a) IN GENERAL.—The Secretary of Labor, after consultation with the Secretary of Commerce, shall, to the extent appropriations are available, award grants to eligible entities to carry out the purposes described in section ___03.

(b) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

(1) be a nonprofit organization, or a partnership consortium of such institutions or organizations;

(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including a description of the activities that the entity will carry out using amounts received under the grant; and

(3) agree to make available (directly or through donations from public or private entities) non-Federal contributions toward the costs of the activities to be conducted with grant funds, in an amount equal to the amount required under subsection (d).

(c) USE OF AMOUNTS.—An entity shall use amounts received under a grant awarded under this section to carry out the purposes described in section ___03 through activities such as—

(1) the dissemination of information to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers regarding successful practices relating to the effective deployment of advanced workplace technologies, and advanced workplace practices;

(2) the provision of technical assistance to workers, worker organizations, employers, State economic development agencies, State industrial extension programs, Advanced Technology Centers, and National Manufacturing Technology Centers to identify advanced workplace practices and strategies that enhance the effective evaluation, selection, and implementation of advanced workplace technologies;

(3) the researching and identification of new and advanced workplace technologies, and advanced workplace practices that promote the improvement of workers' skills, wages, working conditions, and job security, that research the link between advanced workplace practices and long-term corporate performance, and that are consistent with the needs of local communities and the need for a healthy environment; and

(4) the development and dissemination of training programs and materials relating to the services provided pursuant to paragraphs (1) through (3).

(d) TERMS OF GRANTS AND NON-FEDERAL SHARES.—

(1) TERMS.—Grants awarded under this section shall be for a term not to exceed 6 years.

(2) NON-FEDERAL SHARE.—Amounts required to be contributed by an entity under subsection (b)(3) shall equal—

(A) an amount equal to 15 percent of the amount provided under the grant in the first year for which the grant is awarded;

(B) an amount equal to 20 percent of the amount provided under the grant in the second year for which the grant is awarded;

(C) an amount equal to 33 percent of the amount provided under the grant in the third year for which the grant is awarded;

(D) an amount equal to 40 percent of the amount provided under the grant in the fourth year for which the grant is awarded; and

(E) an amount equal to 50 percent of the amount provided under the grant in the fifth and sixth years for which the grant is awarded.

(e) EVALUATION.—The Department shall develop mechanisms for evaluating the effectiveness of the use of a grant awarded under this section in carrying out the purposes under section ___03 and, not later than 2 years after the date of enactment of this Act, and every 2 years thereafter, prepare and submit a report to Congress concerning such evaluation.

SEC. ___06. IDENTIFICATION AND DISSEMINATION OF BEST PRACTICES.

(a) IN GENERAL.—

(1) INFORMATION.—The Secretary, in cooperation and after consultation with the Secretary of Commerce, shall assist workers, worker organizations, and employers in successfully adopting advanced workplace technologies, and advanced workplace practices by identifying, collecting, and disseminating information on best workplace practices and workplace assessment tools, including—

(A) methods, techniques, and successful models of labor-management cooperation and of worker and worker organization participation in the development, evaluation, selection, and implementation of new and advanced workplace technologies, and advanced workplace practices;

(B) methods, techniques, and successful models for the design and implementation of new and advanced workplace practices;

(C) methods, techniques, and successful models for the design and implementation of advanced forms of work organization; and

(D) methods, techniques, and successful models for the assessment of worker skills and training needs relating to the effective development, evaluation, selection, and implementation of advanced workplace technologies, and advanced workplace practices.

(2) CONTENTS.—Such information on best workplace practices shall include—

(A) summaries and analyses of best practice cases;

(B) criteria for assessment of current workplace practices; and

(C) information on the best available education and training materials and services relating to the development, implementation, and operation of systems utilizing new and advanced workplace technologies, and advanced workplace practices.

(b) DISTRIBUTION.—The information and materials developed under this section shall be distributed through an appropriate entity designated by the Secretary of Commerce to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Center, to other technology training entities, and directly to others as determined appropriate by the Secretary of Labor and the Secretary of Commerce.

SEC. ___07. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the fiscal years 1995 through 1997.

(b) AVAILABILITY.—Amounts appropriated under subsection (a) shall remain available until expended.

DANFORTH AMENDMENTS NOS. 1512–1514

(Ordered to lie on the table.)

Mr. DANFORTH submitted three amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1512

On page 90, line 8, of the Committee modified substitute, strike "$475,000,000" and insert "$200,000,000," and on page 90, line 9, strike "$575,000,000" and insert "$200,000,000."

AMENDMENT NO. 1513

On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

AMENDMENT NO. 1514

(1) On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

(2) On page 90, line 8, of the Committee modified substitute, strike "$475,000,000" and insert "$200,000,000,"

(3) On page 90, line 9, strike "$575,000,000" and insert "$200,000,000."

BURNS AMENDMENT NO. 1515

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

On page 88, line 5, strike "$11,300,000" and insert "$8,000,000".

On page 88, line 9, strike "$14,000,000" and insert "$8,800,000".

On page 89, line 3, strike "$320,000,000" and insert "$230,000,000".

On page 89, line 4, strike "$350,000,000" and insert "$255,000,000".

On page 89, line 6, strike "$1,000,000" and insert "$500,000".

On page 89, line 9, strike "$8,113,000" and insert "$4,000,000".

On page 89, line 12, strike "$5,000,000" and insert "$2,500,000".

On page 89, line 18, strike "$110,392,000" and insert "$80,000,000".

On page 89, line 19, strike "$112,000,000" and insert "$88,800,000".

On page 90, line 5, strike "$70,000,000" and insert "$40,000,000".

On page 90, line 6, strike "$100,000,000" and insert "$44,400,000".

On page 90, line 8, strike "$475,000,000" and insert "$220,000,000".

On page 90, line 9, strike "$575,000,000" and insert "$308,000,000".

On page 90, line 11, strike "$10,000,000" and insert "$7,000,000".

On page 90, line 12, strike "$10,000,000" and insert "$7,700,000".

On page 91, line 23, strike "$3,000,000" and insert "$2,000,000".

On page 92, line 17, strike "$2,000,000" and insert "$1,000,000".

On page 92, line 18, strike "$3,000,000" and insert "$1,500,000".

On page 92, line 20, strike "$2,000,000" and insert "$1,000,000".

On page 92, line 21, strike "$4,000,000" and insert "$2,000,000".

On page 92, line 23, strike "$10,000,000" and insert "$5,000,000".

On page 92, line 24, strike "$12,000,000" and insert "$6,000,000".

On page 93, line 7, strike "$50,000,000" and insert "$40,000,000".

On page 93, line 15, strike "$75,000,000" and insert "$65,000,000".

DANFORTH AMENDMENTS NO. 1516–1519

(Ordered to lie on the table.)

Mr. DANFORTH submitted four amendments intended to be proposed by him to the bill S. 4, supra; as follows:

AMENDMENT NO. 1516

At the end of the amendment, add the following new section:

SEC. . TECHNOLOGY FINANCING PILOT PROGRAM.

Notwithstanding any other provision of this Act, section 306 of this Act is null and void and shall have no effect.

AMENDMENT NO. 1517

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

(a) Notwithstanding section 502(C)(1)(B), no more than $200,000,000 may be authorized to be appropriated for the Advanced Technology Program for each of fiscal years 1995 and 1996.

(b) Notwithstanding any other provision of this Act, section 306 is null and void and shall have no effect.

AMENDMENT NO. 1518

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding section 502(C)(1)(B), no more than $200,000,000 may be authorized to be appropriated for the Advanced Technology Program for each of fiscal years 1995 and 1996.

AMENDMENT NO. 1519

In lieu of the matter proposed to be inserted, insert the following:

SEC. . SPENDING AUTHORIZATION.

Notwithstanding any other provision of this Act, section 306 is null and void and shall have no effect.

BROWN AMENDMENT NO. 1520

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bill S. 4, supra; as follows:

In lieu of the language proposed to be inserted, insert the following:

Strike line 19 on page 49, through line 21 on page 51 and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with:

participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2)—

(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following: "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking $2,000,000; and inserting in lieu thereof "$3,000,000."

(4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."

(2) The amendments made by sections 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

BROWN AMENDMENT NO. 1521

Mr. BROWN proposed an amendment to the bill S. 4, supra; as follows:

In lieu of the language proposal to be inserted, insert the following:

Strike line 19 on page 49, through line 21 on page 51 and insert the following:

"(B) strike paragraph (1)(B)(ii) and replace with: Participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2)—(i) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following: "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking $2,000,000; and inserting in lieu thereof "$3,000,000."

(4) by adding at the end of the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code."

(2) The amendments made by section 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

DANFORTH (AND OTHERS) AMENDMENT NO. 1522

Mr. DANFORTH (for himself and Mr. BURNS) proposed an amendment to the bill S. 4, supra; as follows:

(1) On page 58, line 19, of the Committee modified substitute, through page 68, line 24, strike everything.

(2) Amend the last section of the Committee modified substitute by striking "$1,900,000,000" and inserting in lieu thereof "$1,800,000,000".

NOTICE OF CANCELLATION OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES' SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I regretfully announce for the public the postponement of a hearing scheduled before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources to receive testimony on water quality and quantity problems and opportunities facing the lower Colorado River area.

The hearing had been scheduled to take place Tuesday, April 26, 1994, beginning at 2:30 p.m. in room 366 of the Dirksen Senate Office Building, Washington, DC.

The hearing will be rescheduled for June 1994.

For further information, please contact Dana Sebren Cooper, counsel for the subcommittee at (202) 224-4531, or Leslie Palmer at (202) 224-6836.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, March 15, 1994, at 2:30 p.m., in open session to receive testimony on the defense authorization request for fiscal year 1995 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, March 15, beginning at 10 a.m. to conduct a hearing on S. 1664, the Anti-Money Laundering Act of 1994.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m. to hear testimony on the subject of the health care subsidies and premiums.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, March 15, at 2 p.m. to conduct a closed briefing on the administration's peacekeeping policy review.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MITCHELL. Mr. President, I ask unanimous consent on behalf of the Government Affairs Committee for Authority to meet on Tuesday, March 15, at 2 p.m. for a hearing on the subject: harmful nonindigenous species in the United States in SD-342 Dirksen.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, March 15, 1994, at 10:15 a.m. to hold a hearing; S. 687, the Product Liability Fairness Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources' Subcommittee on Children, Family, Drugs and Alcoholism be authorized to meet for a hearing on LIHEAP and community services block grant reauthorization, during the session of the Senate on March 15, 1994, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on S. 1781, Black Lung Benefits Restoration Act, during the session of the Senate on March 15, 1994, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MILITARY READINESS AND DEFENSE INFRASTRUCTURE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Military Readiness and Defense Infrastructure of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Tuesday, March 15, 1994, in open session, to receive testimony on military readiness in review of the defense authorization request for fiscal year 1995 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE NATIONAL ELECTIONS IN EL SALVADOR

• Mr. LEAHY. Mr. President, this Sunday, March 20, the people of El Salvador will go to the polls to cast their votes in a historic election. This is the first election since the end of over a decade of civil war, and it is the first real test of whether democracy is taking root in that country.

There have been past elections in El Salvador which former United States administrations certified as free and fair. But anyone who was there or who was honest about the situation in that country knew that tens of thousands of people, and possibly hundreds of thousands, did not vote because they were either too afraid or did not believe their vote would matter. I have photographs, taken by a Vermonter at the last election, of Salvadoran soldiers armed with machineguns standing next to ballot boxes. These were the same government security forces who committed the majority of human rights atrocities during the 1980's. Over 70,000 people died, so many of them civilians.

These elections are unique because for the first time the FMLN, who fought the government to a stalemate, will be fielding a slate of candidates. This by itself is remarkable, and both President Cristiani and the FMLN deserve enormous credit for this achievement.

During the months leading up to the election, there have been many problems. Most disturbing has been the resurgence in violence. While some of these murders appear to have been the result of common crime, others look suspiciously like political assassinations. A U.N. commission to investigate these crimes will not issue its report until later this summer.

Last summer it was apparent that the Salvadoran Government was not doing its part to support the registration process. Very few people were being registered, and many were being turned away for lack of a birth certificate or other identification. The Congress responded by withholding aid, and the U.S. Agency for International Development and the United Nations have worked hard since then to deal with the problems that were preventing people from registering. I am told that if everyone who has registered goes to the polls, over 90 percent of the eligible voters will vote in this election—by far the largest turnout in history. This would be a tremendous accomplishment. As I told President Cristiani when I was in El Salvador last December, I believe it is imperative that anyone who has registered to vote and can prove his or her identity should be permitted to vote whether or not they have received a voter card. I understand this is also the position of the United States Embassy and the United Nations, as well as the Presidential candidates.

Despite these hopeful signs, there remains in El Salvador enormous distrust. Violence, intimidation, and fraud have been a fact of life for decades. Some people still believe the government will rig the election, or that the army will intimidate voters in areas sympathetic to the FMLN. Let us hope that these fears are a holdover from the past rather than a reflection of the present, and that the election will be free and fair.

It will take years for the people of El Salvador to put the war behind them. Much of the poverty and injustice that was the basis for that conflict remains. But a free and fair election is absolutely vital for peace to develop there. It will also bear enormously in our future relationship with that country. Like thousands of Vermonters and people throughout this hemisphere, I will be watching the elections in El Salvador closely. It is imperative that the administration make unequivocally clear that fraud will not be tolerated. I urge the administration and the United Nations to make every effort to ensure that adequate monitors are in place to guarantee the integrity of the vote counting process.•

FUNDRAISING GALA FOR THE ANWAR SADAT CHAIR FOR POPULATION, DEVELOPMENT, AND PEACE

• Ms. MIKULSKI. Mr. President, I want to bring to the attention of the Senate the upcoming fundraising gala for the Anwar Sadat Chair for Population, Development, and Peace. The dinner will be held on April 28, 1994, at the Grove Worldwide Lodge in Pennsylvania.

In honor of President Sadat, a chair is to be established at the University of Maryland at College Park. The world-renowned scholars selected to fill the chair will continue Sadat's mission by developing research and educational programs, and by providing recommendations for peaceful solutions in the Middle East and other troubled regions.

The leaders of this gala—Dr. J. Ramsey Farah, president of Pediatric and Adolescent Medicine, P.A.; Dr. Wilbur Renfrew McElroy, CEO of Action Products, Inc.; and Gerry Evans of Rifkin, Evans, Silver & Rozner—should be commended for their efforts to honor President Sadat. Former Secretary of State, Dr. Henry Kissinger, and Dr. Jehan Sadat, senior fellow at the University of Maryland are expected to be among those honored at the dinner.

I hope the Senate will join me in wishing the very best of success to the organizers of this event. May the scholars selected to fill the new chair at the University of Maryland continue to promote President Sadat's vision throughout the world with their knowledge and expertise.•

Mr. HOLLINGS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, was leaders' time reserved?

The PRESIDING OFFICER. Yes, leaders' time was reserved and any Senator can speak for up to 10 minutes.

Mr. DOLE. I thank the Chair.

(The remarks of Mr. DOLE pertaining to the introduction of S.J. Res. 172 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

MFN FOR CHINA

Mr. DOLE. Madam President, Secretary of State Christopher has just returned from Asia. The first thing he needs to do is get a handle on what the United States is agreeing to in the United Nations—once again it appears that lowest-common-denominator U.N. politics are leading the United States down the wrong foreign policy road. The Secretary ought to tell U.N. Ambassador Albright that she has the leverage to negotiate a resolution on the Middle East that does not call Jerusalem part of the occupied territories. That has been U.S. policy, and that has been endorsed by the Senate in 1990. If she cannot do it, the United States should veto the resolution.

The Asia trip did not go well. The Secretary met with his Russian counterpart in Valdivostok, after the Russians inserted themselves into the Middle East peace process. It does not look like the latest Russian foreign policy muscle flexing will do anything to put the peace process back on track.

But if the Russia stop was a problem, the China stop was worse. Secretary Christopher was, in columnists Jim Hoagland's words, "Battered in Beijing." I am not sure why the Secretary went to China, or why he went at this time. Whatever the reason, the results are clear: U.S. foreign policy credibility has taken another body blow.

This administration made detailed progress on human rights a condition for the granting of MFN to China. At the same time, this administration claims expanding American exports is a pillar of their foreign policy. The Chinese completely rebuffed Secretary Christopher on every human rights issue he raised—and they detained many dissidents on the eve of his visit. Clearly, this visit makes the administration's decision on MFN more difficult.

No doubt about it, granting MFN to China is in the American interest. And the administration has created its own box by laying out detailed conditions which were never likely to be met through public blandishments. Now, however, we have the worst of all worlds. China will hardly be inclined to work with the United States on halting North Korea's nuclear program, or on slowing exports of military equipment and technology. The human rights situation got much worse because of the Secretary's visit. What sounded good in a political campaign becomes a little more complicated when American jobs are at stake.

The administration is faced with a dilemma: Grant MFN and confirm that bullying the administration works, or deny MFN out of embarrassment and lose billions of dollars of U.S. exports and tens of thousands of U.S. jobs.

There is another way: Remove China's MFN status from the annual political theater, and use other nontrade means, to express our displeasure over the pace and scope of democratization. America cannot afford a trade policy that opens Vietnam and shuts down China.

I ask unanimous consent that Jim Hoagland's article from today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 15, 1994]

BATTERED IN BEIJING

(By Jim Hoagland)

Say this for Warren Christopher's bungled diplomatic foray into China: It makes his handling of Bosnia look brilliant by comparison.

The end of winter brings out the worst in the Clinton administration's penchant for launching the low-key Christopher at a high-profile diplomatic problem as a substitute for adopting a clear, effective policy.

Almost a year ago Christopher went off to whip the Europeans into shape on Bosnia, only to come home in visible retreat. But at least the Europeans were equally responsible for that policy mess.

On China, the secretary of state, the president and their aides have produced a policy disaster all on their own.

By the time Christopher left Beijing yesterday, he had made a bad situation worse with a visit that should never have been made. The odds now are that the Clinton administration will come out with the worst of all worlds on China—trying to compensate for political errors through economic pressure.

Over the past six months Washington has given the crumbling Communist dictatorship new political legitimacy by seeking a "dialogue" on human rights. Now that Christopher has been kicked in the teeth, President Clinton may be forced to maintain his credibility by canceling the most favored nation trading status that is helping make China more of a capitalist nation.

He would have been better off the other way around: maintaining normal trading status with China while withholding the political approval Clinton conveyed by welcoming China's president for a bilateral meeting last November in Seattle and by the other high-level contacts the administration has pursued.

Astonishingly, in the wake of Beijing's deliberate humiliation of Christopher, Undersecretary of Defense Frank G. Wisner met with Chinese officials in Beijing yesterday to discuss a future meeting between the two nations' defense ministers and other subjects.

Could my outrage be misplaced? Is the Wisner mission a tip-off that the past week of arrests and harassment of dissidents and soft words by Christopher was a staged presentation of Chinese toughness, masking a secret deal to be unveiled in time to justify Clinton's granting MFN in late May?

Let us hope so.

Otherwise one must conclude that the Chinese believe that no matter what they do they already have in the bag renewal of the trading rights that will net them a projected $24 billion trade surplus with America this year.

Beijing could easily have drawn the conclusion that Clinton would not dare buck "the business lobby" from a speech given to the Hong Kong Chamber of Commerce on March 3 by Undersecretary of Commerce Jeffrey Garten, who emphasized the importance of China and Indonesia to Clinton's "national export strategy" and to American investors.

Asked by reporters how his speech fit with the president's emphasis on human rights and Christopher's upcoming visit to China. Garten replied that he did not deal with human rights. (To which Jonathan Mirsky of the Times of London responded: "Come on. Even Oscar Schindler did a little human rights.")

Christopher's performance may well have confirmed for the Chinese that bullying this administration works. Speaking before unhappy U.S. businessmen in Beijing, the secretary softened the administration's stand on what the Chinese must do to get MFN renewed. Before the Chinese beat up on him, Washington sought substantial progress in human rights. Now Christopher seeks only "limited progress."

That downgrading of the U.S. goal—under the twin pressure of the Leninists who run the Chinese government and U.S. businessmen reaping handsome profits in a low-wage economy—does the dissidents of China a disservice. And it obscures what "human rights" means in the context of China today.

A petition signed by Xu Liangying, a 74-year-old historian who translated Albert Einstein's collected works into Chinese, and six other prominent intellectuals stated the dissidents' one basic demand: to be able to say in public they want a democratic China in which the Communist Party has to compete for power at the ballot box rather than monopolize it through the barrel of a gun.

Prime Minister Li Peng's army murdered hundreds of students rather than let them say those dangerous words in June 1989. A score of people who would have said those words to a senior U.S. official were arrested just before or during Christopher's visit, with little visible outrage by the secretary.

China is a reality that has to be acknowledged. Trade in nonmilitary goods, on a normal basis, in a constructive way to do that. But Clinton has saddled himself with the choice of revoking MFN or cynically claiming that his policies have produced significant change in China when that is not the case.

Better to do what no government, including Bill Clinton's, has ever done. That is to admit it has botched its China policy and needs to start fresh. Grant MFN, suspend high-level political contacts and have Clinton again meet with pro-democracy Chinese students and publicly support Tibet.

That would at least gain Clinton something that Christopher's visit did not produce: Respect from the tough-minded rulers of China.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar No. 743, 745, 748, 751, 752, 753, 754, 755, 756, and 757.

I further ask unanimous consent that the nominees be confirmed, en bloc; that any statements appear in the RECORD as if read; that, upon confirmation, the motions to reconsider be laid upon the table, en bloc; that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, considered and confirmed, en bloc, are as follows:

DEPARTMENT OF DEFENSE

Robert B. Pirie, Jr., of Maryland, to be an Assistant Secretary of the Navy.

Deborah P. Christie, of Virginia, to be an Assistant Secretary of the Navy.

Edwin Dorn, of Texas, to be Under Secretary of Defense for Personnel and Readiness. (New Positions)

IN THE MARINE CORPS

The following named officer to be placed on the retired list under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Duane A. Wills, [redacted] USMC

IN THE NAVY

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Robert J. Kelly, U.S. Navy, [redacted]

The following-named rear admirals (lower half) of the Reserve of the U.S. Navy for permanent promotion to the grade of rear admiral as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

To be unrestricted line officer

To be rear admiral

Rear Adm. (lk) Ronald Rhys Morgan, [redacted] U.S. Naval Reserve

Rear Adm. (lh) Kenneth William Pettigrew, [redacted] U.S. Naval Reserve

The following-named rear admirals (lower half) in the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

UNRESTRICTED LINE OFFICER

To be rear admiral

Rear Adm. (lh) Joseph John Dantone, Jr., [redacted] U.S. Navy

Rear Adm. (lh) Robert Philip Hickey, [redacted] U.S. Navy

Rear Adm. (lh) Jay Lynn, Johnson [redacted] U.S. Navy

Rear Adm. (lh) John Allen Lockard, [redacted] U.S. Navy

Rear Adm. (lh) Joseph Scott Walker, [redacted] U.S. Navy

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Rear Adm. Edwin R. Kohn, Jr., U.S. Navy, [redacted]

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Anthony A. Less, U.S. Navy, [redacted]

The following named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Rear Adm. John H. Fetterman, Jr., U.S. Navy, [redacted]

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE TO BE RETURNED TO CALENDAR—S. 4

Mr. MITCHELL. I ask unanimous consent that upon disposition of H.R. 820, S. 4 be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. MITCHELL. Madam President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Wednesday, March 16; that following the prayer, the Journal of the proceedings be approved to date, and the time for the two leaders be reserved for their use later in the day; that the Senate then proceed to the consideration of S. 1458, as provided for under the provisions of a previous unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL WEDNESDAY, MARCH 16, 1994, AT 9 A.M.

Mr. MITCHELL. Madam President, if there is no further business to come before the Senate today, and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 6:03 p.m., recessed until Wednesday, March 16, 1994, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate March 15, 1994:

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR REAPPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTIONS 601 AND 5033:

To be chief of naval operations

to be admiral

ADM. JEREMY M. BOORDA, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. FRANK B. KELSO II, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. LEIGHTON W. SMITH, JR., U.S. NAVY, [redacted]

CONFIRMATIONS

Executive nominations confirmed by the Senate March 15, 1994:

DEPARTMENT OF DEFENSE

ROBERT B. PIRIE, JR., OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

DEBORAH P. CHRISTIE, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE NAVY.

EDWIN DORN, OF TEXAS, TO BE UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

MARINE CORPS

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. DUANE A. WILLS [redacted], USMC

NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be admiral

ADM. ROBERT J. KELLY, U.S. NAVY [redacted]

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) RONALD RHYS MORGAN, [redacted] U.S. NAVAL RESERVE

REAR ADM. (LH) KENNETH WILLIAM PETTIGREW, [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICER

To be rear admiral

REAR ADM. (LH) JOSEPH JOHN DANTONE, JR. [redacted] U.S. NAVY

REAR ADM. (LH) ROBERT PHILIP HICKEY [redacted] U.S. NAVY

REAR ADM. (LH) JAY LYNN JOHNSON, [redacted] U.S. NAVY

REAR ADM. (LH) JOHN ALLEN LOCKARD, [redacted] U.S. NAVY

REAR ADM. (LH) JOSEPH SCOTT WALKER, [redacted] U.S. NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

REAR ADM. EDWIN R. KOHN, JR., U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. ANTHONY A. LESS, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

REAR ADM. JOHN H. FETTERMAN, JR., U.S. NAVY, [redacted]

EXTENSIONS OF REMARKS

URBAN RECREATION AND AT RISK YOUTH ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. MILLER of California. Mr. Speaker, the issue of crime, and especially juvenile crime, has understandably angered and outraged our Nation. Today, perhaps 60 percent of violent crimes are committed by young people between the ages of 10 and 20 years old. For millions of these young people, the only social network and family structure they know are the urban gangs that deal drugs, foster crime, and slaughter each other in our Nation's streets.

Elsewhere on Capitol Hill this week, committees are preparing massive anticrime legislation. They, for the most part, are addressing the aftermath of crime.

Today, however, I am introducing the Urban Recreation and At Risk Youth Act to provide young people with constructive, supportive alternatives to street life and gangs.

In 1978, under the leadership of the late Rep. Phil Burton, The Urban Park and Recreation Recovery Program was authorized. It offers matching grants to cities to rehabilitate and repair parks, rec centers, playing fields and other facilities. When UPARR has been funded it has been enormously successful—hundreds of parks, rec centers, pools and other facilities that otherwise would have been unable to meet the needs of their neighborhoods or simply closed their doors have been at work in their communities.

But UPARR is much more than bricks and mortar money. It also provides matching grants to cities, and through the mayors' offices to a wide range of nonprofit and government organizations for innovative programs targeted to youth at-risk. These programs are usually, but not always recreation oriented. They may be run by cities, schools or nonprofit entities like the Boys and Girls Clubs and the Police Athletic League. What they all have in common is that they bring at-risk youth in contact with caring adult mentors who will teach them the kind of personal skills and job skills they need to stay out of the gangs and in school.

At a hearing before the Committee on Natural Resources last week, I was deeply moved by the stories of our witnesses. People like Gil Walker, executive director of the National Association of Midnight Basketball Leagues, Carolyn McKenzie of Soccer in the Streets and Sgt. Frank Weirick of the Columbus, OH, Police Department told of the dramatic impact their work has had on life in urban neighborhoods when we in Congress provide them even modest means of support.

In its 15 years, more than 500 cities across America have benefited from UPARR. Neighborhoods in big cities like New York, Chicago and Los Angeles, but also small and medium sized cities like Huntsville, AL and Oxnard, CA and Shreveport, LA, New Britain, CT and Pontiac, MI have been grant recipients.

Since 1979, $192 million of the $725 million authorized for UPARR has been obligated. But despite a record of success and a huge backlog of applications, nothing at all was spent on UPARR from 1985 to 1990. And we haven't been doing much better since then, with only $5 million being appropriated this year. These meager amounts mean that program grants must remain small and on a one-time only basis, vastly limiting the effectiveness of the program.

This bill I am introducing today builds on the proven record of success of the Urban Parks and Recreation Recovery Act by expanding its focus to target urban neighborhoods with high crime rates, allowing innovative program grants to continue beyond the first year and making other needed refinements in UPARR.

As the chairman of the Select Committee on Children, Youth and Families, I held several hearings on the subject of youth crime and violence. And what we see over and over is that most of these young people have no opportunities for constructive activity in their neighborhoods and their cities.

Nowhere is the need for accessible and well-maintained parks, open space and recreation centers greater than in urban neighborhoods. No where are there fewer of those parks and facilities, and no where are the ones that do exist in worse shape, than in urban neighborhoods.

Public park and recreation facilities and services do more than just give young people something to do and a place to go. They are magnets that draw those young people into contact with adults who are mentors and programs that teach them important lessons in discipline, self-respect and respect for others, personal responsibility and teamwork, as well as job skills and other practical tools for living.

Accessible, well-maintained neighborhood parks are focal points of community pride and a place for youth to learn. Deteriorating parks are breeding grounds for crime and youth gangs and a visible symbol that nobody cares.

Expanding and rehabilitating urban recreational sites is not a new idea, and the idea of investing in parks and recreation centers to held lead young people away from crime and violence is still a very good one.

This Congress can make a significant contribution to the preventive and rehabilitative programs in our cities by revitalizing Phil Burton's idea. This is not about coddling criminals; it is about cost effectively giving our young people an alternative to gangs, to crime, and to jail. These programs work: the police say so, the experts say so, and the kids say so.

TRIBUTE TO DR. STEVEN GOLD

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, one of the pleasures of serving in this legislative body is the opportunity we occasionally get to publicly acknowledge the accomplishments of remarkable individuals.

I rise today to recognize one such individual, Dr. Steven Gold, on the occasion of this admittance to the New York State Bar. Dr. Gold graduated summa cum laude from Yeshiva University, and went on to become licensed to practice medicine and surgery after attending New York University Medical School. He is an extraordinarily talented individual who has distinguished himself through his outstanding educational accomplishments. He has also been an important part of the community for years, and it is with pride that I salute him on this special occasion.

THE 20TH ANNIVERSARY OF OOIDA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SKELTON. On December 15, 1993, my constituent, the Owner-Operator Independent Drivers Association, Inc., known as OOIDA, celebrated its 20th anniversary. OOIDA is the largest trade association representing the interests of the Nation's 350,000 independent owner-operator and small business truckers. From its headquarters in Grain Valley, MO, OOIDA serves its more than 29,000 members in a variety of areas—from representing their interests before the U.S. Department of Transportation, the Interstate Commerce Commission, the U.S. Congress, and other Federal agencies, to monitoring transportation activities at the State level, to combining the purchasing power of its members to provide low-cost insurance coverages to assisting in licensing and permitting. Over the 20 years of its history, OOIDA has grown from a fledging organization of frustrated, yet dedicated and hard-working, truck drivers, to a well-recognized national vote for owner-operators. I urge my colleagues to join me in recognizing the commemoration of OOIDA's 20 year anniversary.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

TRIBUTE TO THE REDLANDS, CA, ARMY NATIONAL GUARD

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of the men of the California Army National Guard and specifically the work of the National Guard unit in Redlands for its tremendous efforts on behalf of emergency relief in Los Angeles County.

In the last 2 years, the soldiers from the Redlands unit have been activated six times to respond to State emergencies. Without fail, these men and their families display a consistently remarkable level of dedication and commitment to service. This should come as no surprise, however, as the city of Redlands and the Redlands National Guard unit have answered the call to service since the First World War, and including World War II, Korea, Vietnam, and Operations Desert Shield/Desert Storm, and other State emergencies.

To say the least, the Redlands Army National Guard unit provides the city of Redlands and the State of California with an invaluable service during critical times of need. In the words of Sgt. Alexander Valero, "The men of Delta Company are your friends and neighbors next door and are our finest sons and brothers."

Mr. Speaker, I ask that you join me and our colleagues in congratulating the men and families of Delta Company, 4th Battalion, 160th Infantry for their outstanding support of the people of California and the United States. Their dedication and commitment to public safety and responsiveness in times of great need is remarkable. In its many years of devoted service, the Redlands unit of the California Army National Guard has touched the lives of many people in our community and it is only fitting that the House recognize all of these fine individuals today.

NATIONAL ARTS CLUB RECEIVES WLIW AWARD

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the work of the National Arts Club and its recent receipt of WLIW's Award for Excellence in Education.

The club has been a haven for painters, sculptors, writers, and musicians since the late 1800's. Among its very first achievements was the decision to offer full membership for women at the onset, reflecting their accomplishment in the arts. The list of members and trustees reads like a Who's Who in the art world: Henry Frick, William Evans, Benjamin Altman, Jules Bache, Henry Walters, J. Pierpont Morgan, Frederic Remington, and Robert Henri.

The National Arts Club's most notable strides have been in the area of promulgating education. Each year the club hosts the Annual Student Art Exhibit which solicits work from 25 area colleges. It also sponsors Creative Writing: Children, Authors & Teachers, which places more than 30 authors each year into the New York City school system to teach creative writing. The NAC Music Committee recently instituted a scholarship program, the Tilden Prize, which is awarded for a different musical instrument each year.

In the field of theater and the dramatic arts, the club presents the Kesselring Prize, funded by author Joseph Kesselring upon his death. The $10,000 award goes to a playwright who has not yet received national recognition. There are other awards too numerous to mention in the fields of film, dance, photography, and design.

As well as its scholarship work and residences, the National Arts Club operates four galleries that are open to the general public.

I would ask my colleagues to join me in recognizing the outstanding contributions which the National Arts Club makes on a daily basis to enhance the quality of life for all Americans.

COMBATING RACISM AND INTOLERANCE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. HOYER. Mr. Speaker, last Thursday, March 10, 13-year-old Zlata Filipovic of Sarajevo testified before the Commission on Security and Cooperation in Europe. Poised and sincere, she described for us in straightforward, simple terms the horrors of a war that has stolen her childhood and threatened her future. She told us of the peaceful community of multiethnic Sarajevo, and commented sadly that their faith in love for one another had proved naive in the face of aggression. She told us that before the war, no one thought in terms of Moslem, Croat, or Serb—they were Bosnians, Sarajevans, one and all. She said most of her friends still saw themselves that way. But for some, she explained, for those children who had lost their parents or their siblings, the labels mattered now.

For the sake of Zlata and her friends, for my children, for all children, I long for a world in which national or ethnic identity is a source of pride but not aggression, a source of belonging but not of exclusion. I long for a world that favors compassion and understanding over malice and ignorance. How many more children will be taught to hate before we, who control their destiny, cry out "enough."

Earlier this month, the United Nations Commission on Human Rights passed a resolution to combat racism, xenophobia, anti-Semitism, racial discrimination, and other forms of prejudice. As the international president of B'nai B'rith has pointed out, this resolution sends the international community a clear message that the United Nations condemns hate of any kind. I support this resolution, and agree that its message is vital—not just for multilateral institutions and diplomats, but for all of us. Let us each resolve to fight discrimination now, to fight it as though we were the current targets, so that our children will never be tomorrow's victims.

SALUTE TO HOSPITALIZED VETERANS

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. KANJORSKI. Mr. Speaker, today I pay tribute to the hospitalized veterans at the VA Medical Center in Wilkes-Barre, PA.

At a ceremony held last month, Lawrence F. Kelly, a Vietnam veteran from Hazelton, PA, read this poem that he wrote in honor of those who served their country.

I would like to take this opportunity to insert this poem in the CONGRESSIONAL RECORD so that my colleagues also have the opportunity to read these poignant words.

OUR VETS

There are none so very lonely,
As those who share so much.
They keep their memories only,
To forget what they can't touch.

They all hold on to something,
Be it sight or even sound.
Could be only one thing,
They're all so tightly bound.

Their comrades, no their brothers,
My God, their sisters too,
Share one thing that no others,
Can ever share with you.

Their minds are etched with pictures,
Of fallen friend and foe.
Those damned eternal fixtures,
Never letting go.

Though war has no conscience,
The people who fought them do.
They don't need the nonsense,
That man has put them through.

They fought for all our freedom,
And love of country too.
Let's show them that we need them,
They live with this for you.

A SPECIAL SALUTE TO RABBI BRUCE ABRAMS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. STOKES. Mr. Speaker, I am pleased to rise today to salute an outstanding resident of my congressional district, Rabbi Bruce Abrams. On Friday, March 18, 1994, the congregation of Temple Ner Tamid, which is located in Euclid, OH, will honor Rabbi Abrams for 13 years of service to the temple. I take special pride in joining friends, family, and community leaders in this special tribute to Rabbi Abrams. I want to share with my colleagues and the Nation some important information concerning this extraordinary individual.

Mr. Speaker, Rabbi Abrams was ordained at Hebrew Union College in Cincinnati. His first pulpit was in Skokie, Il. It is interesting to note that he served there during the turbulent years of the Nazi march through Skokie. Rabbi Abrams came to Temple Ner Tamid during the late summer of 1981. As he celebrates his Bar Mitzvah year of service, Rabbi Abrams can reflect upon an impressive list of accomplishments.

When Rabbi Abrams began serving the Ner Tamid congregation, the membership was approximately 110 families. Today the congregation membership has risen to over 300 families. In addition, the religious school has quadrupled in size and is now operating at two sites, with the recent historic opening of a Cleveland Heights branch facility.

Throughout his career, Rabbi Abrams has demonstrated his commitment to Jewish survival, and to peace and social justice. He has also maintained a strong devotion to meeting the needs of the disadvantaged.

Due to Rabbi Abrams' efforts, Temple Ner Tamid has been the past recipient of the Mayor's Award for Volunteerism for its work with Project Hunger. For 12 years, the temple has worked closely with Saint Aloysius Catholic Church. The joint work of the two congregations has served the needs of over 100,000 hungry people. In addition, Temple Ner Tamid has a hot meals program with Morningstar Baptist Church, as well as a hunger program within the Euclid community. Temple Ner Tamid is also the first Temple in Cleveland to host an Alcoholic's Anonymous group. The temple also conducts an active adult education program.

Mr. Speaker, I read with interest an article which appeared early this week in the Plain Dealer newspaper. In the article entitled, "Euclid Rabbi Crosses the Boundaries of Faith," it is noted that, at the invitation of Imam Clyde Rahman, Rabbi Abrams joined Moslem worshipers at Masjid Bilal at the close of Ramadan to pray for peace and reconciliation. It is believed to be the first time that a rabbi has said prayers in an Islamic place of worship at the close of the holy month of fasting. It is indeed this type of leadership, commitment to peace, and compassion for humanity that has earned Rabbi Abrams the respect and admiration of the Cleveland community.

Along with his temple duties, Rabbi Abrams plays an integral role in a number of interfaith clergy and community organizations throughout the greater Cleveland area. He is a member of the East Side Interfaith Ministry, the Interfaith Clergy Association of Cleveland, the Cleveland Board of Rabbis, and the Union of American Hebrew Congregations Social Action Committee. His memberships also include the Greater Cleveland Growth Association, the Anti-Defamation League Black/Jewish Relations Committee, the City Club of Cleveland, AIDS Housing Council, and Project Learn.

Rabbi Abrams is married to Sarah Littlefield Abrams, who serves as president of Townsend Learning Centers of Chagrin Falls, OH. The Abrams reside in Cleveland Heights where they are the proud parents of two children, Jessica and David.

Mr. Speaker, I am proud to salute Rabbi Abrams. I join the Temple Ner Tamid Congregation and others in expressing our appreciation for his tireless efforts on behalf of our community and the Nation. I extend my best regards on the celebration of his anniversary, and wish him much continued success.

NATIONAL SEWING MONTH

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. PETRI. Mr. Speaker, I am introducing legislation to designate the month of September as "National Sewing Month."

National Sewing Month was previously designated by the Congress each year from 1984 to 1988 to increase interest in home sewing.

It is estimated that over 30 million Americans sew at home. Many of these individuals have used their acquired sewing skills to enter fashion design, retail merchandising, interior design, patternmaking, and textiles.

The great majority of these careers had their beginning in seventh or eighth grade home economics classes where the enjoyment and pride associated with sewing was first encountered. For generations, the fundamentals of home sewing have also been learned in the context of the family.

The sewing industry employs thousands of individuals in the manufacture, wholesale, retail, and service sectors. The industry generates over $3.5 billion in sales annually and each year invests millions of dollars in plants and machinery.

This September will mark a continuation of a industrywide effort to revitalize the sewing spirit in America, as the American Home Sewing Association conducts an extensive nationwide promotion of National Sewing Month.

A wide variety of civic organizations will be invited to participate, including home economics teachers, county extension agents, 4-H clubs, the Girl Scouts, American Sewing Guild chapters, Future Home Makers of America, and many others.

Mr. Speaker, I invite my colleagues to join me in this effort to cosponsor this joint resolution designating September as "National Sewing Month."

THE 75TH ANNIVERSARY OF THE AMERICAN LEGION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. GILMAN. Mr. Speaker, as many of our colleagues are well aware, our American Legion is celebrating its 75th anniversary this month.

In the wake of the horror of World War I, the need was recognized for an organization which could effectively represent the interests of the American veterans who had sacrificed so much through those years of terror. World War I raised the curtain on a new type of warfare, so horrible and inhumane in its nature that mankind had to deal with problems in a post-war world without precedent.

The need for adequate health care for the wounded, the need to assist the crippled, and the need to counsel those who were witness to the carnage required an organization that could articulate these challenges and translate them into positive action.

In addition, our Nation was burdened in those post-war years with a crisis of spirit. Many Americans questioned the need to fight to preserve democracy in the first place, while many questioned the future of our way of life.

The American Legion rapidly became one of the most respected organizations in our Nation because they rapidly answered these challenges: reminding our Government and our citizenry of the debt we owed to those who sacrificed on the battlefield while also keeping alive the ideals for which we fought.

Much had been accomplished by the predecessor of the American Legion, the Grand Army of the Republic [GAR]. That organization of Civil War veterans brought about the first veterans hospitals in our Nation's history, as well as the first pension plans for veterans and assistance programs for widows and orphans.

The GAR, however, after surviving the carnage of our Civil War, did not anticipate that we would ever go to war again. Accordingly, the organization had no provisions to admit veterans of subsequent conflicts.

Accordingly, the American Legion, founded in the wake of World War I, was able to build upon the foundation laid by the GAR.

In each of our subsequent conflicts—World War II, the Korean war, the Vietnam war, the Persian Gulf war—the American Legion was on hand, as an effective champion of our armed services while hostilities were in progress and as the premier spokesperson for veterans rights when the guns were stilled.

Today, as we celebrate 75 years of progress, we salute the American Legion for a job well done, and look forward to working with this, the largest veteran's organization in the world.

In many ways, the American Legion helped formulate the strong proveterans stance which I have taken since becoming a Member of Congress over 20 years ago. Our American Legion posts throughout our 20th Congressional District of New York and throughout the Nation have been of great support and assistance as we have worked hard to maintain pension benefits for our veterans, to expand our system of excellent Veterans Administration hospitals, to provide health care and education for those who gave so much on the battlefield, to care for the dependents of those who gave their lives in our Nation's services, to advocate a full study of the effects of agent orange and the substances which impacted the health of our veterans, the long-sought creation and elevation of the Department of Veterans Affairs to a Cabinet level post—the fifth anniversary of which we celebrated earlier this year—and the many other legislative initiatives in which so many of our colleagues joined in supporting. The American Legion was behind us on each and every one of them.

Mr. Speaker, many of our colleagues in the Congress throughout the past 75 years have been members of the American Legion. The first was one of the primary founders of the Legion, the late Hamilton Fish, Sr., of New York. Colonel Fish, a genuine hero of World War I, helped cofound the Legion in 1919. Later that same year, he was elected to Congress in a special election and served continually until 1945. Throughout his lengthy career in Congress, he was a consistent advocate of the needs of our veterans and of the patriotism which made our Nation strong. It is fitting that the VA hospital in Castle Point, NY, was named in his memory, and it is fitting that we remember former Congressman Fish today.

Mr. Speaker, throughout the next few weeks and months, American Legion posts throughout our Nation will be commemorating this 75th anniversary with appropriate festivities. I urge our colleagues to join in wishing the American Legion a happy birthday, and thanking our Legionnaires for all they have done to make our Nation a better one for our veterans and for all of us.

CONGRATULATIONS MINNIE COHEN

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. ROHRABACHER. Mr. Speaker, I am pleased to inform my colleagues that I have the honor to represent Mrs. Minnie Cohen who is today celebrating her 108th birthday.

Mrs. Cohen was born in New York City on this day in 1886. Her mother was an immigrant from Rumania and her father emigrated from Paris, France.

Mrs. Cohen is the oldest of nine children. She has 5 children, 14 grandchildren and 21 great grandchildren.

I have been informed by the Social Security Administration Santa Ana, CA branch manager, Mrs. Wanda Waldman, that Mrs. Cohen is the oldest person in the United States receiving Social Security benefits.

An event with many of Mrs. Cohen's friends and family members including her oldest daughter, Mrs. Dorothy Schneiderman, who is visiting from New York, will be held at Mrs. Cohen's convalescent home in Huntington Beach, CA today to celebrate her 108th birthday and to note the fact that she is the oldest Social Security recipient in the United States.

Many happy returns Mrs. Cohen.

BROOKLYN IRISH-AMERICAN PARADE

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, I rise today to recognize the Brooklyn Irish-American Parade Committee on the occasion of its 19th annual parade.

The Irish-American community in Brooklyn is one of the oldest and most active groups in the borough. The annual parade highlights the cultural, educational, and historical accomplishments of the Irish community and fosters an appreciation of Irish heritage. It is a festive event that is among the most important traditions in Brooklyn.

The parade takes place on the historic site of the Battle of Brooklyn, in which many Irish freedom fighters gave their lives during the American Revolution.

This year's parade honors the memory of John F. Carroll from County Galway, a founding member of the Brooklyn Irish-American Parade Committee, a son of Erin who made significant contributions to the educational, civic, cultural, and religious life of the citizens of Brooklyn and New York City. The theme of this year's parade is the "Ongoing Struggle for Irish Independence." It commemorates the 75th anniversary of Ireland's Declaration of Independence.

I would like to thank the parade committee for organizing this truly outstanding event.

TRIBUTE TO DAVID CURRY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SKELTON. Mr. Speaker, I take this opportunity to recognize an outstanding Missourian, David Curry, who was recently honored by the Children's Therapy Center in Sedalia, MO.

A member of the Children's Therapy Center board of directors since 1967, Curry received the center's Lifetime Achievement Award, its highest honor. Curry's family benefited from the center's services when their youngest son was born deaf.

Since becoming a member of the board, Curry has served as vice president and president. He was president for 4 years of the Casa Grande and Palms independent living board. In addition, Curry has been a member of the cooperative workshop board.

I urge my colleagues to join me in congratulating David Curry for his honor and wish him the best regards in the years to follow.

TRIBUTE TO PAUL WOODRUFF

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding public service of my good friend Paul Woodruff. Paul is retiring from the California State Assembly this year after 6 years of distinguished leadership on behalf of the people of San Bernardino and Riverside Counties in southern California.

Paul Woodruff attended local schools and graduated from California State University at San Bernardino. Over the years, Paul has been an active member of a number of civic and community-based organizations giving freely his time and energy to many worthy causes. He has also served as an elected or appointed member of the Republican Central Committee of San Bernardino County since 1978 and has been a member of the California State Republican Central Committee since 1982. Paul also worked as the chairman of the incorporation effort in Yucaipa in 1987. Prior to winning the Republican primary for the State Assembly in 1988, Paul worked as an administrative aide and advisor to Assemblyman Bill Leonard.

Recognizing his many talents, Paul's colleagues promoted him to serve as the Republican Assembly caucus chairman, as well as the secretary and elections chairman. Presently, he serves on the prestigious Assembly Ways and Means Committee, the Governmental Organization Committee, the Assembly Committee on Health, and the Higher Education Committee.

Needless to say, the many residents of the 65th assembly district will miss Paul's fine work and effective representation. Beyond serving as a legislator, Paul has provided support and genuine friendship to the many people of Big Bear Lake, Big Bear City, Running Springs, Forest Falls, Twentynine Palms, Yucca Valley, Joshua Tree, Cabazon, Banning, Beaumont, Calimesa, Yucaipa, Hemet, San Jacinto, Moreno Valley, and the city of Riverside.

Mr. Speaker, I ask that you join me, our colleagues, and Paul's many friends in wishing him the very best in his retirement. In his many years of devoted service, Paul Woodruff has touched the lives of many people in our State and it is only fitting that the House recognize him today.

SAINT CECILIA CHOIR HONORED ON OCCASION OF 90TH ANNIVERSARY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues an important event which will take place on April 10 in Long Island City, NY.

That date marks the 90th anniversary of the Saint Cecilia Choir of St. Stanislaus Kostka Church. Since 1904, the Saint Cecilia Choir has been touching the hearts and souls of all who attend St. Stanislaus Kostka Church. Their beautiful rendition of the music liturgy for high mass every Sunday from September to June will never be forgotten by those fortunate enough to have heard it.

Fortunately, the Saint Cecilia Choir brings its gifts to hundreds of thousands of other listeners by performing at numerous religious and secular functions throughout the city of New York. Over the years, these special events have included participating in the services at St. Parick's Cathedral which precede the start of the annual Pulaski Day parade; performing for the 1979 visit of Pope John Paul II to Shea Stadium in Queens; numerous radio and television appearances; a command performance in 1991 for President and Mrs. Lech Walesa during their visit to the United States; three appearances at the Polish Consulate in New York City; the release of four record albums; and much, much more.

Through their efforts, the Saint Cecilia Choir has done a great deal to preserve and promote its Polish-American heritage through song. The choir is comprised of nearly 50 active members who give so much of their free time for this noble purpose.

Because of their tremendous success over the past 90 years, I hope that my colleagues will join me in congratulating the Saint Cecilia Choir on the occasion of their wonderful anniversary, and wishing them another 190 years of service to their community.

TRIBUTE TO BOYS AND GIRLS CLUB OF COACHELLA VALLEY, CA

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. BURTON of Indiana. Mr. Speaker, I rise today to pay tribute to the Boys and Girls Club of Coachella Valley, CA.

On a recent trip to the area, I was able to witness the activities of the Boys and Girls Club of Coachella Valley firsthand. The impact this and other boys and girls clubs have on the lives of our youth is impressive and encouraging.

The Boys and Girls Club of Coachella Valley provides a wide spectrum of interesting and fun activities designed to get kids off the streets and into a stable environment. The activities are organized in a manner which is interesting enough to keep the kids coming back. Aside from athletic and artistic activities, the club provides programs which help the kids with their school work, assist in obtaining collegiate financial assistance, provide computer training, and teach basic useful culinary skills.

The impact the Boys and Girls Club of Coachella Valley has had on the youth in its community has afforded it the opportunity to participate in a youth rehabilitation program. This program permits youths charged with misdemeanors to attend the constructive programs and activities at the club, instead of serving time in a prison where they learn more violent criminal behavior. This rehabilitation program has been funded entirely through private donations. When the entire community gets behind a project, there is no limit to what can be accomplished.

Mr. Speaker, in a time when most Americans are concerned and/or affected by violent crime, the Boys and Girls Club of Coachella Valley has taken the initiative to promote the family values often missing in today's youth. By doing this, the club has become a beacon, a shining example of what can be done if there is dedication and desire to do so.

TRIBUTE TO ALAN JOHN MACDONALD

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Alan John MacDonald of Troop 11 in Coventry, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Alan built and installed flower boxes for the residents of the General Hospital, State of Rhode Island.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Alan John MacDonald. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of who now serve in the House.

It is my sincere belief that Alan John MacDonald will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

RECOGNIZING THE ACADEMIC ACHIEVEMENTS OF PRESTON HOPSON III

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. EHLERS. Mr. Speaker, I would like to take this opportunity to recognize the efforts and achievements of an outstanding young man from my hometown of Grand Rapids. Preston Hopson III is a senior at City High School and has been selected as a regional recipient of the AAU/Mars Milky Way High School All-American Award. For his dedication and effort, Preston will receive a $10,000 scholarship to attend the college or university of his choice.

Receiving this honor was no easy task. Preston was chosen as just 1 of 8 regional recipients from a field of over 10,000 high school students nominated nationwide based on exceptional achievements in scholastics, athletics, and community service.

Those achievements are many and a prime example of what our young people can achieve if given the resources and encouragement. I would like to give you just a sampling of Preston's many honors. He is ranked first in his class, he is a National Merit Scholarship Commended Scholar, a U.S. Achievement Academy Scholar, a Presidential Scholar, and a semifinalist in the National Achievement Program for Outstanding Negro Students. He has been named Student of the Year in three subjects and is also learning how government works by serving as president of the student council and chairperson of the executive board.

On the field of competition, Preston is equally impressive. He is a member of the varsity swim team and has been named captain-elect for the upcoming tennis season. Outside of school, Preston is equally committed to getting the most out of life, despite a very challenging schedule. He has worked as an intern in Senator REIGLE's regional office and also gained experience through work with a local law firm. He has also committed time to help feed disadvantaged citizens in the community.

Preston's commitment to excellence and responsibility is a model all young people could follow. It is a pleasure to take this time and honor a young man who is a first-rate citizen and a fine representative of our area.

CORPUS CHRISTI HOUSING AUTHORITY HONORED

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. ORTIZ. Mr. Speaker, and colleagues, I rise to pay tribute to some very talented heroes in our society today, Mr. Ken Chastain and the Corpus Christi Housing Authority.

The Corpus Christi Housing Authority was honored by the Community Action Network with the 1993 Certificate of Merit for Documentary of the Year at the Waldorf-Astoria Hotel in New York City. To give perspective to the quality of the competition, the Corpus Christi Housing Authority's documentary beat out one produced by Oliver Stone. Walter Cronkite presented the award on behalf of the Community Action Network, declaring that the Corpus Christi Housing Authority was a wonderful example that could be emulated by communities throughout the United States.

Mr. Speaker, the Corpus Christi Housing Authority has labored mightily to combat crime and drugs in a section of town known as the Northside. That labor was the focus of Mr. Chastain's documentary. The documentary took the theory that negative images perpetuate negative stereotypes, and stood it on its head. The documentary, "Challenge and Change in the Northside," featured the hope of the people who live there. It focused on the law-abiding people in the neighborhoods and the realities they face each day.

One of the citizens featured in the film, Thea Hicks, described the allure of drugs, gangs, and associated illegal activities. She said that people with no resources who need money for the daily expenses of life are very easy prey for the money that drugs and associated activities can bring. Describing the temptation of the money for her neighbors, she said, "They eventually turn to drugs. CP&L [Central Power and Light] doesn't care how they get their money."

In order to assist people in joining the work force, the authority has instituted day care services for children whose parents are faced with the decision of leaving their children unattended and finding work to pay the bills. Day care services for the unemployed erase a terrible anxiety that many people have with leaving their children to find work.

The authority has also initiated karate classes for the young people in the area. By making these athletic opportunities available to the area children, the housing authority is giving these young people an alternative to life on the streets, or in gangs. Athletics will surely not turn the tide of crime, violence, or poverty in any community, but I am pleased that the housing authority is using all the available weapons in their arsenal to combat the cycle of poverty and violence.

Lastly, and perhaps most importantly, the housing authority has established voter registration drives and community financing for area programs. The voter registration drive has gauged the political interest of the community and helped to teach them that they are indeed responsible for their own destiny. By instituting community financing, the authority is teaching current occupants about the responsibility of living and working in our society—all of which reinforces the notion that self-determination is the essence of liberty.

Arturo Gutierrez, the former chairman of the board of the housing authority, says that most of the resident programs are now sponsored by residents rather than sponsored by the authority. The ultimate goal, of course, is to promote home ownership and to make unemployed citizens contributing members of our society.

Mr. Speaker, I am proud of the efforts of the Corpus Christi Housing Authority as they attempt to bring fiscal and personal responsibility into the realm of local and Federal housing policy. I believe that housing authorities all over the country would be well served to pattern their own programs after the one in Corpus Christi.

TRIBUTE TO THE HONOREES OF THE 30TH ANNUAL SHOWCASE SUNNYVALE

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Ms. ESHOO. Mr. Speaker, I rise today to salute the exceptional businesses, organizations, and individuals who are being honored at the 30th Annual Showcase Sunnyvale for their invaluable contributions to the city of Sunnyvale, CA. Showcase Sunnyvale is a unique gala evening which celebrates the diverse and talented people who live in this outstanding community, and I salute the Sunnyvale Chamber of Commerce for its commitment in sponsoring this remarkable event.

The following awards are being presented to those who have made a positive difference in Sunnyvale this past year: The Chamber of Commerce Volunteer of the Year Award is being given to Julie Jaroshenko; the Chamber Small Business of the Year Award is going to Capsco Sales, Inc.; the Realtor of the Year Award is being presented to Jon Buurma of Top Realty; the Leadership Vision in Business Award is being given to Lockheed Missiles and Space Company/Sunnyvale Town Center; the Outstanding Efforts in Defense Conversion Award is going to Trimble Navigation Limited; the Outstanding Media Support Award is being presented to KICU–TV Action 36/Mix 106.5 KEZR; the HOPE Client of the Year Award is being given to Darlene Lynch; the Community Services Outstanding Volunteers of the Year Award is going to Ann Marie and Charles Nussbaum; and the Leadership Sunnyvale Alumnus of the Year Award is being presented to Donna Brown, class of 1992.

Additional awards are being given to: Leadership Sunnyvale for Exceptional Service to the Community; Advanced Micro Devices for Corporate Community Support; Ann McCarty for Sunnyvale School District Teacher of the Year; Alison Broaddus, Leanne Deschamps, and Dorothy Mansfield are being named Fremont Union High School District Outstanding Teachers; Advanced Micro Devices/Sunnyvale School District and Hewlett-Packard Co./Fremont Union High School District are being singled out as Exemplary Partners in Education; County Supervisor Dianne McKenna and Matt Bailey of NOVA/PIC Youth Employment Service are being honored for Distinguished Service to the Region; 2d Lt. Fred Taylor is being named Onizuka Air Force Base Officer of the Year while SSgt. Michael Massey is being honored as Onizuka Air Force Base Enlisted Member of the Year; and finally the City of Sunnyvale Public Works and Parks and Recreation Departments are being given the Exemplary Community Partners Award.

Mr. Speaker, I am exceedingly proud to represent a district where business and community leaders continue to make significant contributions together on behalf of the Sunnyvale community. By doing this, they indeed strengthen our Nation. I ask my colleagues to join me today in honoring these citizens for their untiring and notable efforts in making Sunnyvale an exceptional place in which to live and do business.

TRIBUTE TO WALTER WARD

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 1994

Mr. SCHUMER. Mr. Speaker, I rise today to honor Walter Ward for his 25 years of service as a New York City councilman. The value of individuals who have given their undying energy and commitment to the community cannot be understated. Walter Ward is such an individual. There is no denying that Walter has truly been an asset to the Queens community. His tireless efforts as a community leader will continue to serve as an example to all who care about the future of the communities that comprise the Borough of Queens. It is my great pleasure to bring him to the attention of my colleagues today.

Walter Ward will be greatly missed on the city council. Since his election in 1968, Walter has distinguished himself in his representation of constituents from all walks of life. His efforts on behalf of the handicapped, senior citizens, students, tenants, landlords, and consumers were an inspiration to all. He fought for increased funding of schools and libraries and was a leader in the campaign against crime. In deep appreciation of his efforts to win freedom for Soviet Jews, the councilman was honored with an award by Yakov Ariev and the greater New York Conference on Soviet Jewry.

In his 25 years of service, Walter Ward represented his constituents with pride. He will be remembered as an influential member of the city council who produced and endured.

SENATE—*Wednesday, March 16, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable DIANNE FEINSTEIN, a Senator from the State of California.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

*Beware that thou forget not the Lord thy God * * * Lest when thou hast eaten and art full, and hast built goodly houses, and dwelt therein; And when thy herds and thy flocks multiply, and thy silver and thy gold is multiplied * * * thine heart be lifted up, and thou forget the Lord thy God * * * And thou say in thine heart, My power and the might of mine hand hath gotten me this wealth * * *.*—Deuteronomy 8:11–14; 17–18.

Lord God of Abraham, Isaac, and Israel, may we hear these sober warnings from Moses lest this Nation fail to fulfill its God-destined role. Heighten our gratitude for the blessings so lavishly bestowed upon us. Deepen our humility in recognition of the resources so uncommonly plentiful in our land. Broaden our sense of justice. Lengthen the outreach of our love to all who suffer, the homeless and the hungry, the persecuted and the oppressed. Sensitize us to the hurt and pain of all peoples, at home and abroad. Make us advocates of the voiceless, the weak, the poor, the elderly, the neglected.

We pray in the matchless name of Him who, in love, gave His life for all peoples. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 16, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DIANNE FEINSTEIN, a Senator from the State of California, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. FEINSTEIN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

GENERAL AVIATION REVITALIZATION ACT OF 1994

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1458, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1458) to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

The Senate proceeded to consider the bill.

The ACTING PRESIDENT pro tempore. There will be 60 minutes of debate, with the time to be equally divided between Senators KASSEBAUM and METZENBAUM.

Who yields time?

Mrs. KASSEBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mrs. KASSEBAUM. Madam President, I first wish to express appreciation to some of my colleagues who have been involved in this discussion on general aviation product liability for some time. Certainly, there are many, and I do not want to leave anyone off the list, but just to express appreciation to a few.

One is certainly the Republican leader and the Senator from Kansas [Mr. DOLE]. But, also, I express appreciation to a number of Senators who, for a number of years, have spoken to this issue with great compassion and great concern about it. They are Senators MCCAIN, GORTON, DANFORTH, HATCH, MURKOWSKI, PRESSLER, INOUYE, GLENN, ROCKEFELLER, and others who have cared a great deal about this issue. But one in particular is a former colleague and pilot extraordinaire, Jake Garn. It was his wish that we would pass this before he retired from the Senate. Now this will come to fruition, and I hope brighten his flying days.

There were a number of questions asked about this issue, and I wish to respond to just a few. One of them is why is this important? General aviation is the backbone of our aviation industry. Approximately 80 percent of all airplanes in the United States are general aviation planes, and more than 5,000 airports and communities they serve rely exclusively on general aviation for air transportation.

General aviation aircraft are the small airplanes that are used by flight training schools, by local flying clubs, by agricultural pilots, and by recreational pilots. In most cases, these users cannot afford the substantial price increases that have occurred since the middle 1980's, largely due to the effects of the product liability costs.

The National Transportation Safety Board investigates all general aviation accidents. Some have asked why we can be so sure that there are precautions that are being taken that will ensure safety in the industry, and by providing now an 18-year statute of repose are we disregarding safety precautions?

I just would like to go through that a minute, because if the NTSB determines that the accident was caused by design or manufacturing defects, the NTSB will make an emergency recommendation to the FAA, the Federal Aviation Authority, that an airworthiness directive must be issued. An airworthiness directive requires that a plane be modified to make it safe before it can be flown.

If a manufacturer discovers a possible problem with any of its planes it is required by law to send out a service bulletin to owners, explaining what the problem is and how it should be remedied. In addition, that information is sent to the FAA, which will determine whether or not to issue an airworthiness directive.

By way of background, a service bulletin is sent by the manufacturer to the owner and it states what should voluntarily be done to make the plane safe. An airworthiness directive is sent by the FAA to the owner, and it states what must be done to make the plane safe. Planes which do not charge per flight are required to undergo an annual inspection. Maintenance must be done by a FAA-certified mechanic, and then it must be inspected by an FAA-certified inspector. Planes which sell tickets must be inspected after every 100 hours of use.

Madam President, this is just to show that there is a precaution every step of the way in the manufacture and maintenance of the plane. If there is a manufacturing defect, manufacturers should be held responsible; if not, we should be able to resolve this in a way that will put the light plane industry back on its feet.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

I also express appreciation to the chairman of the Commerce Committee, the Senator from South Carolina [Mr. HOLLINGS]. While he has not supported this legislation, he has, as well as the Senator from Kentucky [Mr. FORD] been responsible for helping us at least report it out of the Commerce Committee, and I am appreciative of that.

I also say to Senator METZENBAUM of Ohio that I appreciated his efforts in helping us work out some language that, while he does not support it, has made it agreeable on both sides and helped us reach this point after almost 10 years of discussion, and I am very appreciative.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. GORTON. Madam President, will the Senator yield?

Mrs. KASSEBAUM. I am happy to yield a few minutes to the Senator from Washington.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

Mr. GORTON. Madam President, before the morning is out, this proposal, S. 1458, will have been adopted by the Senate by a vote which this Senator suspects will be overwhelming. It will be a first and dramatic step toward reforming the product liability laws of the United States.

The specific subject of this legislation offers perhaps the most dramatic single illustration of the adverse impact of product liability litigation on a particular and important American business and set of manufacturing entities, any of which are covered by product liability legislation. The general aviation industry in the United States has effectively been destroyed over the course of the last two decades by product liability litigation.

In the case of the Beech Aircraft Co., which kept a tally for 3 or 4 years of litigation involving its products, it found itself involved in 203 lawsuits, in every one of which the National Transportation Safety Board found that the cause of the accident was something other than a design or manufacturing error. But the average of those 203 cases cost that company over a half a million dollars to defend.

This crushing burden has driven at least one major general aviation manufacturer out of the piston aircraft business entirely and has literally decimated the business of others. It is to the good of no one. It has cost jobs. It has cost American competitiveness. It has cost those who wish to purchase new aircraft the degree of choice which they have had in the past.

Finally, after more than 10 years of effort, the Senate of the United States is about to do something to restore that industry in a manner which is fair, not only to the manufacturers and to their employees, not only to the pilots who will fly these new aircraft, but to the entire population of the United States.

The distinguished junior Senator from Kansas has a high degree of hope that this bill will then pass the House of Representatives and become law. It will, if it becomes law, become a striking testament to the ability of the Congress of United States to do something finally for American manufacturing and American competitiveness.

But its passage will be a tribute most particularly to the persistence of my friend and colleague, the junior Senator from Kansas [Mrs. KASSEBAUM] who has had this as a cause which has motivated and driven her for longer than this Senator has been a Member of the U.S. Senate. That persistence, that drive, that devotion to her cause is about to be rewarded, and I think the Nation will owe a great debt of gratitude to the junior Senator from Kansas when S. 1458 becomes the law of the land.

The ACTING PRESIDENT pro tempore. Who yields time?

Mrs. KASSEBAUM. Madam President, I yield 5 minutes, or whatever time he would like, to the Senator from Arizona.

The ACTING PRESIDENT pro tempore. The Senator from Arizona is recognized.

Mr. MCCAIN. Thank you, Madam President.

I would also like to begin by adding my words of praise to the Senator from Kansas [Mrs. KASSEBAUM] who has fought this issue for 10 years. Time after time, she has attempted to get a vote on this issue. It was clear to all of us that, if we could have gotten it for a vote on the floor of the Senate, it would have been overwhelmingly supported, as it will a short time from now.

I remind my colleagues that we still have a major hurdle to overcome in the form of getting this legislation up for a vote in the other body. I am told that there are 255 cosponsors of legislation which is almost exactly the same as this in the other body. So we have reason to have some confidence, but at the same time we must see it through and hopefully that will happen in the next few weeks.

I do not think there is any doubt that without the tenacity and hard work of Senator KASSEBAUM, we would not be where we are today. I want to thank her not only on behalf of her colleagues here in the Senate, but for providing the opportunity for thousands of young men and women who will, as a result of this legislation, be able to find jobs in the industry, thousands of young men and women throughout the Nation who will have the opportunity again to learn to fly at reasonable costs, because the cost of general aviation has literally gone out of sight in the past 15 to 20 years as a result of product liability costs; and, frankly, for the ability to restore jobs.

I would like to thank Mrs. KASSEBAUM for restoring an industry to the United States of America which generally overwhelmingly had fled overseas. All of these will be very beneficial and nearly immediate results of the passage of this legislation.

As we know, an estimated 100,000 jobs have been lost. While demand for these products remains high, most production has moved overseas to foreign competitors.

Madam President, I think it is well to review that 93 percent of all light aircraft accidents are pilot error, 99 percent of aircraft accidents have nothing to do with manufacturing defects, and less than one-half of 1 percent of the accidents are related to manufacturers' design or poor repairs. In every case, plaintiff's attorney claimed that a crash was the fault of the manufacturer.

Beech Aircraft analyzed more than 200 crashes that had occurred in the mid-1980's. In every case, Federal investigators blamed weather, faulty maintenance, and air-control errors. In not a single case was Beech's design or manufacturing identified as the cause of the crash—however, suits cost Beech an average of $550,000 apiece.

From 1978 to 1992, American general aviation manufacturers spent as much to defend product liability suits as they had spent for the prior 30 years in developing new aircraft.

Some have suggested that product liability laws are the reason for general aviation's improving safety record. I do not believe that is an adequate representation of the facts. The facts are aircraft operations and pilot training are federally regulated, and pilot training practices and standards have been continually improved for over 40 years; many general aviation airports were paved and lighted for the first time; many airports have added instrument approach procedures; and a record proportion of active pilots hold instrument ratings. Because of these factors, I believe general aviation attained a record low number of accidents in 1993.

I would just like to also pay tribute in this process to the President's National Airline Commission to Ensure a Strong Competitive Airline Industry, which played, I believe, a key and vital role in bringing greater visibility to this issue.

As we all know, this Commission strongly recommended this kind of legislation. They believed that it was a principal way to revitalize our ailing aviation industry and create jobs immediately. This 26-member, bipartisan Commission consisted of appointees of the President and leadership of the House and Senate. They made a number of recommendations. The chairman, Gov. Gerald Baliles, told me that no other recommendation received stronger support from the Commission than the emphatic unanimous decision to reform aviation product liability.

This recommendation was supported by numerous labor groups, most notably by the International Association of Machinists.

However, this legislation is strongly supported by the aircraft manufacturers, and they will back their words with actions.

Madam President, I think we are at a watershed point here in the future of general aviation in America. I believe that we can look forward with some optimism to the restoration of 100,000 jobs, recapturing the market for general aviation, which has been taken overseas, and to a more fair and level playing field for those Americans who need to bring suit in case of product liability.

Again, I thank the Senator from Kansas [Mrs. KASSEBAUM] for her long dedicated effort on what now appears to be the dawning of a new day for general aviation.

I yield back the remainder of my time.

Mrs. KASSEBAUM. Madam President, I would just like to express my appreciation to the Senator from Arizona [Mr. MCCAIN] who has been stalwart in his efforts on this issue. It has meant a great deal to him. He has been a distinguished pilot and he knows very well how important this is to aviation in general and to certainly pilots in particular. I am very appreciative.

Madam President, I could talk further, but I do not want to use up more time because I know there are others who wish to speak.

I suggest the absence of a quorum, and ask unanimous consent that the time be equally divided against both sides.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mrs. KASSEBAUM. Madam President, I yield the Senator from South Dakota 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from South Dakota is recognized for 3 minutes.

Mr. PRESSLER. Madam President, I rise today in strong support of Senator KASSEBAUM's general aviation reform bill, as modified. Senator KASSEBAUM has long been a champion of this necessary liability reform and I commend her for her tenacious efforts.

I believe this will be the first piece of tort reform legislation to pass the Senate since I was elected to serve in this body in 1979, even though this issue has been debated for many years. I want to congratulate Senator KASSEBAUM. It has been a long fight.

Yesterday, in the Judiciary Committee, we held a hearing on the general issue of product liability reform. This is a very tricky issue. We must protect the ability of the little guy to be able to hire a law firm on a contingency basis and sue the big guy, otherwise the little guy will not have a chance. At the same time, we must ensure that all of our products and services are not being priced out of the market.

The point is, under this piece of legislation the little guy can still sue when it is appropriate. We must always protect the right of people to receive justice under our legal system. On the other hand, I believe things have gone too far in one direction. Today, products and goods have become prohibitively expensive as a result of the high cost of liability insurance.

Today, we are building only a very limited number of general aviation aircraft in this country because of our product liability rules and laws. As a result, our foreign competitors are reaping the benefits.

For example, recently I rode from Denver, CO, to Rapid City, SD, in a plane produced in Brazil called the Brasilia. The owners told me they can buy smaller aircraft such as the Brasilia at a less costly price abroad than similar aircraft could be purchased from our own manufacturers here in the United States. We can no longer ignore the liability laws that are forcing our general aviation industry into extinction.

As ranking member of the Senate Aviation Subcommittee, I am well aware of the important role the general aviation industry plays in our Nation's air transportation system. General aviation aircraft allows smaller cities and rural areas across the Nation to receive needed air service. For example, in rural States like South Dakota, many of us rely on general aviation aircraft to travel from one city or town to another. In short, our general aviation industry enables more isolated areas to be linked to the rest of the world.

Despite the continuing demand for general aviation aircraft, a once prosperous domestic industry has experienced a dramatic decline in production since 1978 when 17,000 piston-engine aircraft were produced. Last year, only 555 of these aircraft were manufactured. Why?

This drastic decrease in production is due largely to our laws which allow the doctrine of strict liability to be applied in product liability cases. Current product liability law allows manufacturers to be held liable for defective design or manufacture decades after the aircraft is produced. Given the fact that the average piston-engine airplane is over 28 years old and that one-third of the fleet is over 33 years old, manufacturers continue to be susceptible to a lawsuit for an inordinate amount of time.

This long tail of current liability law allows manufacturers to be sued for defective design or manufacture decades after the aircraft was built. Such liability exposure has imposed prohibitively high insurance and legal costs, regardless of fault. As a result, general aviation companies have stopped making all but a few twin engine and virtually no single engine aircraft.

The problem of legal liability cannot be solved by simply discontinuing production of light aircraft. In my judgment, legislation to bring under control the legal burden on aviation manufacturers must be enacted. We have the opportunity to approve such legislation today.

As the primary sponsor of the legislation explained, this is a modified bill. It would limit the liability of general aviation manufacturers to 18 years from the date of manufacture, except on those parts of the plane that are replaced. In addition, provisions have been incorporated that would provide exemptions to the statute's application under certain limited conditions, such as failure by the manufacturer to be forthright with the FAA during the certification process. I believe even with the exemptions, the overall goal of this liability reform initiative is reached. That is, to give those negligently injured by an airplane manufacturer legal recourse commensurate with a level more appropriate to the industry.

This issue, quite simply, is about jobs. In fact, Russ Meyer, President of Cessna Aircraft, testified before the Senate Aviation Subcommittee on October 27, 1993, that his company will immediately restart production of piston-engine aircraft should this legislation become law. Furthermore, he stated that "within 5 years, more than 25,000 jobs would be created at no cost to the Government." In addition, the International Association of Machinists strongly supports this legislation.

Some believe that we should wait for the Clinton administration's promised review of tort reform before acting on this initiative. I disagree. In fact, the President's own Airline Commission strongly supports general aviation liability reform. In response to the administration's proposal to study the issue, the Commission stated in a November 2, 1993 letter to Department of Transportation Secretary Federico Peña, the following:

> It is clear that this once competitive sector of our manufacturing industry cannot be revived unless this step is taken. This is one of the most important jobs and international

> competitiveness issues in our report. It is a limited and targeted response to a demonstrated problem.

The Commission added, "This time is right, right now."

I urge my colleagues to take this opportunity to breathe new life into a once strong, vibrant industry. This is an industry that has lost 100,000 jobs in little over a decade and whose product, while produced in the thousands by foreign competitors, has ceased to be made in the country which is the birthplace of flight and the stronghold of the international aviation industry.

I urge my colleagues to support the bill.

The ACTING PRESIDENT pro tempore. Who yields time?

Mrs. KASSEBAUM. Madam President, I suggest the absence of a quorum, the time to be equally divided.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PRESSLER. Madam President, I ask unanimous consent to proceed as if in morning business until any Senator arrives who wishes to speak on the general aviation liability reform bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SUBSIDIZED RESEARCH

Mr. PRESSLER. Madam President, before the Senate decides to pass S. 4, let's take a look at what Europe and Japan have undertaken in the area of subsidizing so-called critical technologies.

The European Community has undertaken an ambitious program to fund precompetitive research, a mission very similar to the Advanced Technology Program in the National Institute of Standards and Technology. Over $7 billion is being spent on the three EC consortia—RACE, ESPRIT, and JESSI. RACE supports research in broadband technologies; ESPRIT focuses on information technology and JESSI funds semiconductor research. Have these consortia been a resounding success? No. In fact, a review of the programs by a group of European industrialists recommended that all three efforts should be scrapped. Like most government-supported programs, however, all are still in existence.

The criticisms of these EC-subsidized programs are that they favor specific technologies, and more importantly, that they are run by government bureaucrats for big companies. The assumption inherent in all of this is that government bureaucrats and large companies can make better decisions about what is a critical technology than the marketplace can.

There are other examples of European subsidies that flopped. Notable among these is the British Government's attempt to subsidize telecommunications. John Browning, formerly with the Economist magazine wrote:

> Until British Telecom was privatized in 1984, its budget was continually raided by ministers looking for cash to pay for their favorite social programs. Investment in digital switches lagged—though since privatization, British Telecom has regained a lot of ground. Meanwhile, managerial and technical problems plagued the development of the British digital switch, called System X. So far, System X has won only one export order, to a Caribbean island.

European aviation subsidies have irritated the United States for years, as the ranking member of the Commerce Committee, Senator DANFORTH, has outlined. But it did not start with Airbus. The first effort at European aviation subsidy was the Concorde. But let us also look at the return European taxpayers have received on their investment. Neither aviation subsidy has turned into a moneymaker for the European Community.

Let us also examine the example of Japan's so-called fifth generation computer project. The Japanese spent a half-billion dollars on the so-called fifth generation computer, and they are currently following this failure with the real world computing project at a projected cost of another half-billion dollars. The fifth generation computer was declared dead by Japan's MITI and the Japanese offered to give away the software developed by the project. But they still continue with the new real world computing project, which once again will attempt to create a computer that thinks using artificial intelligence, and is massively paralleled. There are those who believe this new effort may not succeed, either, and it is generally believed that United States technology is ahead of the Japanese in both fields.

Technology subsidies for critical technologies are supported by the administration. Of course the industries in these critical technologies like this idea, since no one thinks they are as important to the competitiveness of the United States than those receiving the benefits of these Federal dollars. Has Sematech been a success? I think we need to revisit whether, indeed, this has been the case. Sematech has lost a significant number of its members in the past year, and there are many skeptics. Are semiconductors, flat panel displays, artificial intelligence and other critical technologies more important than those sectors of our economy that are not considered critical technologies and yet are world leaders? I think not. Yet, this is the philosophy we are being asked to accept as the underlying premise of S. 4.

We are being asked to approve a bill that dramatically expands funding for the Advanced Technology Program. This program targets funding to critical technologies. Many of the recipients of ATP grants to date have been large industries fully capable of funding their own research and development. The presumption is that the government and big industries are fully capable of determining what the marketplace demands. This sounds suspiciously similar to the failed policies our European colleagues have implemented. Why should the U.S. Government make the same mistakes as our European colleagues? Why do we think we will have better results?

One program which has had success is the German Fraunhofer Institutes, which are similar to the manufacturing extension partnerships authorized under S. 4. These institutes establish partnerships with the government, universities and businesses. The research is conducted primarily by universities, and is not targeted to specific critical technologies. Many of the businesses benefiting from the Fraunhofer Institutes are not semiconductor, electronic or other high technology industries. Many of them are traditional machinery and metalworking industries. They tend to be small to medium-sized businesses.

I have no doubt that the manufacturing extension partnerships, under which the State Technology Extension Program is funded, would benefit my state. We have an existing model that demonstrates that this concept can work in the German Fraunhofer Institutes, and the little funding my State universities—the South Dakota School of Mines and Technology, South Dakota State University, and the University of South Dakota—have received has benefited several businesses looking for technical assistance to get a product developed for market.

If this bill merely increased funding for the manufacturing extension partnerships, I would not object to it. But the majority of the funds in this bill are targeted to the Advanced Technology Program, and the authorization in S. 4 as it came to the floor is $668 million over 2 years. Remember that this program only had an appropriation of $10 million in 1990. The ATP program has not demonstrated the track record to justify such a dramatic increase in funds, and I am pleased the authorization level has been reduced significantly. It is patterned after several programs that have failed in other countries, and I cannot foresee that we will have any more success than the European Community with this flawed model.

GENERAL AVIATION REVITALIZATION ACT OF 1994

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Ohio. The Senator controls 27 minutes.

Mr. METZENBAUM. Madam President, although I still have fundamental problems with the bill offered by the Senator from Kansas, we have indeed reached an agreement—in the form of a modification to the original bill, S. 1458—that addresses some of the concerns with the statute of repose bill.

For example, I and many of my colleagues feel that the arbitrary cut off of 15 years in Senator KASSEBAUM's original bill is too short. This modified bill would extend the statute of repose to 18 years. In my view, that is still inadequate because the average age of general aviation aircraft is 26 years.

In addition, I believe that many dangerous, possibly unintended, consequences could result from a flat immunity from liability in all cases. As the bill of the Senator from Kansas was drafted, the statute of repose provision would provide an incentive for aircraft or parts manufacturers to misrepresent to the FAA or conceal or withhold from the FAA critical information about known defects.

Because there would be complete immunity from private suits after the statutory period, if a manufacturer learned of a defect or other problem, it could simply sit on the information and hope that an accident does not occur within the timeframe.

Frankly, in my view, that is not enough. It is not enough that if a manufacturer were to engage in such unscrupulous conduct, it would be subject to regulatory penalties. History shows that while regulatory penalties help, they are quite inadequate as far as deterring fraudulent conduct. Private actions are necessary to create truly strong incentives for manufacturers to be forthcoming about safety information.

We are talking about the lives of individuals. When you have airplane crashes, people lose their lives. Regulatory agencies simply lack the resources to ferret out all cases of concealed fraud.

If private suits are barred, manufacturers would be tempted to conceal information concerning defects in the hope that such defects would not manifest themselves within the statutory period and regulatory agencies usually would have no way of independently uncovering concealed information.

It is unfair to allow manufacturers of general aviation aircraft or parts to escape liability for a defect if that manufacturer had knowledge or information of the defect that caused the accident in advance, yet failed to come forward with the information. I do not believe we should grant total immunity to manufacturers for such highly egregious conduct, regardless of the age of the aircraft.

I do not think we should leave victims uncompensated and insulate manufacturers where the manufacturer engaged in any kind of intentional or truly outrageous fraudulent conduct. The only real form of protection that consumers currently have against dangerous aircraft is the ability to file a lawsuit against the manufacturer. The threat of a product liability suit plays a crucial role in deterring manufacturers from marketing defective aircraft. Take away this protection for consumers and there will be little incentive for manufacturers to think about protecting consumers instead of protecting their balance sheets.

Now, the modified bill that I have worked out with the distinguished Senator from Kansas does not completely address this concern, but I am frank to say that we have worked cooperatively and she has made a very strong effort, as have I, to bring about the result that we have before us today. That result addresses the problem in part by creating a limited exception to the statute of repose in some cases in which the manufacturer knowingly misrepresented to the Government, or concealed or withheld from the Government, information concerning the performance, maintenance, or operation of an aircraft.

This exception contains certain procedural and substantive hurdles that will be difficult for victims to overcome in many, if not most, cases.

So this modified bill is a compromise on the issue of fraud. The modified bill also partially addresses a concern that innocent victims who, unlike pilots, know nothing about the age or condition of the aircraft they happen to fly in should not be deprived of just compensation for damages suffered as a result of defective aircraft. Unfortunately, the bill only addresses this concern with respect to one limited category of passengers: Passengers who must be airlifted to receive treatment for a medical or other emergency.

In my view, this is not enough. All passengers who have no basis to know or evaluate the condition of the aircraft they ride in—those who cannot be presumed to make an informed decision on whether an aircraft is safe to fly, or who have no choice but to travel on a particular aircraft—these passengers should not be deprived of their legal rights.

Another concern I had with the original bill was that it ignored innocent victims on the ground who are injured or killed when a defective aircraft crashes, when the plane drops out of the sky, an innocent victim is on the ground, not a party to any action at all, and suddenly that individual is very seriously injured or loses his or her life.

What if a plane crashes into a school or a residential area? Innocent bystanders should not be left uncompensated when they are injured or killed by defective aircraft that just fall out of the sky.

This modified bill remedies that inequity and preserves the legal rights of innocent bystanders.

So this modified bill fills in some of the gaps concerning unintended and unfair consequences that would result from Senator KASSEBAUM's original bill.

This modified bill still is far from being an ideal piece of legislation in my view, but it would be an improvement on the original Kassebaum bill. I appreciate the Senator from Kansas' responsiveness to my concerns and her willingness to make a few modifications to her legislation.

But all things considered, I believe it to be bad legislation and hope the House will see fit to make needed changes.

As a matter of fact, I pose a question to the Chair. Has a rollcall been ordered in connection with passage of this measure?

The ACTING PRESIDENT pro tempore. The yeas and nays have not been ordered.

Mr. METZENBAUM. It is my understanding that the Senator from Kansas intends to ask for a rollcall.

Mrs. KASSEBAUM. Madam President, the Senator from Ohio is correct. Perhaps now is the time to ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Under those circumstances, Madam President, I am going to vote for it, not because I think it is the right bill, but because I think it is just as well to pass it, I assume unanimously, in this body, send it over to the House where they can give it more attention and look at it more fully than we have on the floor of the Senate.

I still do not believe it to be good legislation. I do indeed hope that the House will see fit to provide the necessary protection for those who might be adversely affected by the impact of this legislation. But notwithstanding that, by reason of the understanding and cooperation of the Senator from Kansas, I will not stand in the way of its passage and will vote for it with tongue in cheek and with the strong hope that the House will do that which the Senate should have done.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. METZENBAUM. Madam President, how much time does the Senator from Ohio have left?

The ACTING PRESIDENT pro tempore. Eighteen minutes 16 seconds.

Mr. METZENBAUM. And the Senator from Kansas?

The ACTING PRESIDENT pro tempore. Seven minutes 30 seconds.

Mr. METZENBAUM. I yield 10 minutes to the Senator from North Dakota.

The ACTING PRESIDENT pro tempore. I have recognized Mrs. KASSEBAUM, the Senator from Kansas. Could you perhaps withhold for a moment?

The Senator from Kansas.

Mrs. KASSEBAUM. I will be happy to yield. I was going to yield time to the Senator from Texas [Mrs. HUTCHISON] but she is happy to wait. We will proceed.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. METZENBAUM. Madam President, it is my understanding that the Senator from North Dakota does not intend to address himself to the issues of this bill. So I suggest that the Senator from Kansas proceed, and we will conclude our remarks on the bill, and then the Senator from North Dakota could proceed.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mrs. KASSEBAUM. I yield 3 minutes to the Senator from Texas [Mrs. HUTCHISON], but also to add that Mrs. HUTCHISON, while being the junior Senator from Texas now, was once a very important member of the National Transportation Safety Board and knows well the issues affecting aviation and the importance of safety.

The ACTING PRESIDENT pro tempore. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Madam President. I thank the Senator from Ohio and the Senator from North Dakota, and most especially I thank the Senator from Kansas for working very hard for this important legislation.

Indeed, I do understand this industry, and I do understand how very important it is to America that we have a strong general aviation manufacturing base. In fact, the average piston engine aircraft made in America is over 28 years old, and one-third of our fleet is 33 years old. Yet, U.S. airplane manufacturers still face exorbitant design and manufacture product liability costs for these planes. So these manufacturers are, in effect, being penalized for having a durable product.

Madam President, I would like to add my support to the General Aviation Revitalization Act offered by my distinguished colleague from Kansas, Senator KASSEBAUM. This bill has 50 cosponsors, and I am proud to be one of them.

The concept of this legislation is quite simple: rescue the U.S. general aviation industry from the escalating product liability costs—which are killing what used to be one of the most thriving industries in America.

The average piston-engine aircraft is over 28 years old and one-third of the fleet is over 33 years old. Yet U.S. airplane manufacturers still face exorbitant design and manufacture product liability costs for these planes. In effect, these manufacturers have been penalized for the durability of their product.

A brief review of the statistical history of this industry is startling. In 1978, 6,000 American workers were involved in the manufacture of 18,000 general aviation airplanes. In 1992, the industry manufactured only 900 general aviation aircraft and employed only 1,000 workers. Over this same period of time, thousands of jobs in aircraft sales and service have been lost.

What happened? The application of strict liability doctrine in product liability cases arising out of aircraft accidents. The cost of legal claims and defense for light aircraft airframe and component manufacturers went from about $24 million in the 1970's to over $200 million during the 1980's—a sevenfold increase. This cost is directly reflected in the price of the product; Beech Aircraft estimates that the costs of litigation added $70,000 to the cost of each new aircraft. That is more than the market will bear, and the three largest manufacturers of piston-engine aircraft virtually have abandoned that line of business.

That is hard on the general aviation manufacturers and their employees, but it is also a disaster for the U.S. balance of trade. In 1978, the light aircraft industry ran a trade surplus of $340 million. In 1981, the industry experienced a balance of trade deficit of $200 million, in 1992 this industry's trade deficit is $800 million. American-made general aviation aircraft are of the highest quality in the world and the most in-demand, but our manufacturers cannot afford to stay in this business to satisfy this demand at home or abroad. So, foreign competitors now have the business.

By enacting the 15 year statute of repose contained in Senator KASSEBAUM's bill, we level the playing field for U.S. manufacturers of light airplanes versus their foreign competition—without changing the product liability laws related to the rules of evidence, punitive damages, standards of care, or comparative fault.

Let me say, however, that I strongly support pending product liability legislation that does address these issues, and I look forward to debating that measure on the floor of the Senate at another time in the very near future. I have talked to leaders of major American corporations which do business all over the world—and they say litigation costs are many times higher for the American operations than their foreign operations—and this is one more incentive for them to move jobs overseas. Senator KASSEBAUM's bill gives me and the many other supporters of broad product liability reform in the Senate much hope for restoring rationality to free-wheeling product liability litigation.

Senator KASSEBAUM's bill will create thousands of new high-paying private sector jobs in general aviation, the kind of jobs for which the members of our armed services who are transitioning out of active duty are highly qualified. These jobs do not come with a Federal price tag, and they do not require the involvement of a Federal agency. They are generated by giving this important industry only what it needs—relief from litigation.

In its recent report, the National Commission to Ensure a Strong Competitive Airline Industry strongly supported this measure, and called it an important jobs and international competitiveness issue. Senator KASSEBAUM's amendment also has the support of labor and every aviation consumer group. I join my colleagues, the aviation industry, its workers, and consumers in calling for passage of this important measure—and I commend my colleague for working very hard to keep this bill alive and pushing for its passage. It has been a struggle and she has done a commendable job.

Thank you, Madam President.

Madam President, let me reiterate that in 1978, 6,000 American workers were involved in the manufacture of 18,000 general aviation airplanes. In 1992, however, Madam President, this industry only made 900 general aviation aircraft and employed only 1,000 workers. What happened? The strict liability doctrine in product liability cases that can go on for years and years and years has crippled this very important industry for America. In fact, Beech Aircraft estimates that the cost of litigation has added $700,000 to the cost of each new aircraft. This bill will help that situation.

We have seen the U.S. balance of trade from 1978, when the light aircraft industry ran a trade surplus of $340 million for our country, to 1981 when the industry experienced a balance of trade deficit of $200 million, and in 1992, Madam President, this industry's trade deficit was $800 million.

By enacting this 15-year statute of repose that Senator KASSEBAUM has put forward, we are going to level the playing field between U.S. manufacturers of light aircraft planes versus our foreign competition. Senator KASSEBAUM's bill will create thousands of new private sector jobs, not with Government programs, not with taxpayer dollars, but by relief from litigation.

Madam President, I have talked to several leaders of companies that do worldwide business. They tell me that litigation is so much more a problem in America than anywhere else they do business. It is an issue we are going to have to address in all industries. But today we are going to be able to take one very small step toward helping the general aviation manufacturing business, and I hope it is a step that we can take toward really reforming all of the product liability laws for the future of our country.

I want to commend the Senator from Kansas for working very hard in keeping this bill alive.

I yield the floor, Madam President.

Thank you very much.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. METZENBAUM. Madam President, I yield the remainder of time the Senator from Ohio has but not to go beyond 10 o'clock, it being my understanding that there is a general agreement that there will be a vote at 10 o'clock. In fact, I ask unanimous consent that the vote be ordered at 10 o'clock.

The ACTING PRESIDENT pro tempore. Is there objection?

Mrs. KASSEBAUM. Madam President, reserving the right to object, I will not, but just to clarify, we have 7 more minutes on this side. I have a few more minutes that I would like to use, and there are others who would like to speak or said they would like to speak. How will this interact with supposedly a vote at 10?

The ACTING PRESIDENT pro tempore. The Senator still has 4 minutes of her time, if she wishes to use those minutes.

Mrs. KASSEBAUM. If we go back to morning business time, will we have time past 10 o'clock? That is my question.

Mr. METZENBAUM. Madam President, I withdraw my request and would like to suggest that the Senator from Kansas go forward and use her 4 minutes, and then we yield the remainder of the time to Senator DORGAN, who wishes to speak on another subject.

The ACTING PRESIDENT pro tempore. Is there objection?

Mrs. KASSEBAUM. I thank the Senator from Ohio, Madam President.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Kansas.

Mrs. KASSEBAUM. Madam President, I would like to make a few additional comments, one being in response to the Senator from Ohio [Mr. METZENBAUM] saying he hopes that when this comes to the House of Representatives more attention could be focused on the general aviation product liability bill and ways that perhaps it could be further amended.

I would just like to suggest that the 15-year statute of repose which was introduced last fall represented only about 20 percent of the general aviation product liability legislation that I originally introduced in 1986.

We have already compromised and moved along. We have gone through a number of changes, and I have been very appreciative of Senator METZENBAUM's efforts to help work out some compromises. But we had numerous hearings in the Commerce Committee, and it has been reported out three times over the years. It has also been reported out of the Judiciary Committee.

So it is my hope that this latest compromise will be the last and that the bill will pass in the House of Representatives. I have great confidence that it will since there are 275 cosponsors now over in the House of Representatives. If further modifications are made, we will remove all the teeth that we have believed were important to revitalize the general aviation industry.

I also want to express my particular appreciation to Ed Bolen of my staff; Guy Clough, Tiger Joyce, and Alan Maness with the Commerce Committee; Chris Paul and Brad Belt with Senator MCCAIN; Gene Kimmelman with Senator METZENBAUM, Brett Francis with Senator HATCH; and Greg Schacke with Senator DOLE.

I yield the floor, and I yield my remaining time to the Senator from Montana.

Mr. BURNS. I thank my friend from Kansas.

Madam President, I rise today to voice my support for one of the most important issues facing our aviation industry, product liability reform. The general aviation community in the United States is struggling, and for years Washington has ignored the needs of this vital link in our Nation's transportation infrastructure.

Just over a decade ago, U.S. manufacturers were the world leaders in general aviation—selling an average of 13,000 light airplanes per year. Today, annual sales have decreased to barely 500, and tens of thousands of workers have lost their jobs. This decline is the result of laws which hold manufacturers liable for planes that were built years, even decades ago.

Even though the industry's safety record has improved steadily for four decades and all aircraft must meet the certification standards of the Federal Aviation Administration, product liability costs for airplane builders have soared in recent years—jumping from $24 million in 1977 to $210 million in less than a decade.

Today, the typical domestic plane manufacturer faces product liability costs that are 20 to 50 times higher than its foreign competitors. This additional cost demands that the manufacturers increase their prices, and consequently, manufacturers lose market shares to foreign competition and lay off American workers. This is a competitiveness issue and a jobs issue.

I support Senator KASSEBAUM in her efforts to revitalize the all-but-dead general aviation industry in the United States, and I am an original cosponsor of her legislation to amend the Federal Aviation Act of 1958 to impose an 18-year statute of repose to block product liability suits in cases involving most existing general aviation aircraft. Such suits would be prohibited if an accident occurred more than 18 years after the aircraft was manufactured.

United States airplane manufacturers should not be held responsible, indefinitely, for products that are operated, repaired, serviced, and modified by others. The absence of reform in this area is just another glaring example of who is running the show in Washington: lawyers. They, and the frivolous lawsuits that have made them rich, are hurting people like you and me. I want changes in these laws that are good for those of us who have to travel across long distances to conduct our business. The aviation industry needs our help, and I am pleased to see the time has come for these important changes.

Madam President, I want to congratulate the Senator from Kansas, who has been on this issue ever since I came to the U.S. Senate. She is a great champion of it. When you look at where our aircraft manufacturing industry has gone in the last 10 years, it does not take a rocket scientist to figure out that we have a problem and this is one of the problem areas.

Domestic plane manufacturers face product liability costs that are 20 to 50 times higher than our foreign competitors'. If you want to call this bill, S. 4, that we have been talking about, a competitiveness issue, this really is. The additional cost demands that manufacturers increase their prices, and consequently, manufacturers lose market shares to foreign competition and lay off American workers; this is really a competitiveness and jobs issue.

I want to remind the American people how important this is. We can draw two conclusions about not only airplane liability and manufacturers' liability, but also the quality of work of the American worker, because we have lost some awfully good friends to foreign aircraft in the last 2 years—and I mean close friends. One is a very close friend to the Senator from Kansas. So this is how important this issue really is when you boil it down to: Can we make airplanes, and do we have the ability to market those airplanes in a world that is very competitive?

I thank the Chair, and I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DORGAN. Madam President, it is my understanding that the Senator from Ohio had indicated to the Chair, previous to recognizing the Senator from Kansas, that I was allowed to speak as in morning business.

The ACTING PRESIDENT pro tempore. The Senator is recognized.

THE BALANCE OF TRADE

Mr. DORGAN. Madam President, I would like to follow up on something that was said briefly with respect to the amendment we were discussing. Somebody talked about the balance of trade. I decided to take the floor today to say a good word about the Clinton administration. I suppose they could use a good word these days, because most of the floor time on issues affecting this administration is taken up with negative comments.

Let me, for a moment, talk about something this administration is doing that is new and fresh and exciting, something that should have been done a long time ago, which is starting to deal with our vexing and troublesome trade deficit. This administration has stood up and said: We are not going to put up with this. We want trade policies that resolve the unfair trade circumstances that exist between us and some of our trading partners. We must resolve this burgeoning trade deficit.

I want to speak about that for a couple of minutes and about why I am excited about what the Clinton administration is doing.

First, let me say the G–7 meeting in Detroit this week, in which the leaders of the industrial countries get together to talk about jobs, ought to be a time in which the industrialized countries should understand that we may well be witnessing an apparent economic recovery without jobs. I have said before that that is like having a meal without food.

Why do we not have jobs or at least the kind of jobs we would expect in economic recovery? Because we have seen a great shift of resources and production in the last couple of decades in which our major producers, the large manufacturing corporations, decided they want to continue to sell in the U.S. market, but they want to produce elsewhere. They want to sell in our industrial countries, but they want to produce where they can pay $1 hour for wages and no benefits.

That is a mismatch, a disconnect in the apparatus between production and consumption. Inevitably, it leads to shrinkage of our economy, to a loss of jobs here. We had part of this discussion on NAFTA, but that is only a small part of it.

I would like the leaders of the G–7 countries to understand that at some point in the longer term there is a responsibility to produce where your market access is; where you decide you are going to sell, you must have a responsibility to produce. Otherwise, we are not going to long remain the industrial countries of the world.

Let me talk briefly about our U.S. trade policy. We have a new Trade Ambassador, Mickey Kantor. We have had some differences on trade issues, I might say, but he is doing what should have been done for the last 20 years as a Trade Ambassador. Also, President Clinton, in support of the Trade Ambassador, and this administration has said we are not going to put up with unfair trade anymore. We are going to take action against trading partners who are racking up very large trade surpluses with us, or having us incur large trade deficits with them, often as a result of unfair trade. We are going to do something about it.

Well, that is a refreshing change in U.S. policy. The major problems we face are bilateral trade deficits of enormous proportions with both Japan and China. There are other problems, of course. One of the more significant problems for those of us in grain country is the problem with Canadian grain exports, which we are trying to address.

Let me speak a minute about the bilateral problems we have with Japan and China—a $59 billion trade deficit with Japan; a $24 billion trade deficit with China. That is an $84 billion aggregate trade deficit with Japan and China, which is two-thirds of our total trade deficit with just two countries.

What does that mean? When you have a $59 billion trade deficit with Japan, it means we are buying $59 billion more from them than we are selling to them. It means instead of jobs being here, they are there. It means instead of profits vesting here, it is profits vesting there; new investment there rather than here. The huge deficits weaken our country.

Should we always have a zero trade balance? No, not at all. Should we allow this to happen? Let me refer to this chart. This represents the trade deficits going back to 1960 with Japan. Take a look at it. You can see all along the line through the administrations—Kennedy, Johnson, Johnson, Nixon, Ford, Carter, Reagan—the trade deficit gets worse and worse and worse. Throughout all of these trade deficits, we have new 5-year plans. The new 5-year plan in Japan is: Yes, we are sorry, we will open our markets and let more American goods into Japan.

The fact is that it has not happened. We went back and took a look at what the administrations were saying through a 30-year period, and at each one of these deficit levels, people were talking about their great determination to change trade policy, but that is all. Our mistaken trade policies are going to ruin our country, wreck our economy.

Yet nothing was done, except the public lamenting about the circumstance. There was no real change in public policy.

For 30 years, we had a parade of administrations concerned about trade policy with Japan. In fact, as this chart shows, the problem has gotten much worse rather than better. We have the same circumstance with China, except in the more recent years. Exploding trade deficit, but no decisive action by the United States.

The Clinton administration says let us take some action. President Clinton announced he will revive our use of the so-called Super 301 law. Super 301 provides that if a country is guilty of unfair trade practices and exhibits enormous trade surplus with us, then we should take some action.

Lord, you would think that President Clinton, in that decision, had taken a wrecking ball to our economy. All the institutional thinkers, the muscle-bound thinkers of trade, wring their hands and almost cut their throats over this. They say: This is just awful. The administration is going to start a trade war. These people are not thinking. This is irresponsible, they say.

It is not irresponsible. It is the first sober thought on trade for a long, long time in which people in this country in charge of trade policy see what is hurting our country. We should not be victims of unfair trade, and we should not find closed markets to our goods, and we should not have these kinds of trade deficits with countries like Japan.

(Mr. CAMPBELL assumed the chair.)

Mr. METZENBAUM. Mr. President, will the Senator yield?

Mr. DORGAN. I am happy to yield to the Senator from Ohio.

Mr. METZENBAUM. I would just inquire. Though there was not a formalized agreement we vote at 10 a.m., there was a full understanding.

I was very pleased to yield my time to the Senator from North Dakota.

Could the Senator from North Dakota summarize promptly so we could proceed on to the vote?

Mr. DORGAN. I am happy to.

Mr. METZENBAUM. I thank the Senator.

Mr. DORGAN. Mr. President, let me finally say that the trade problem we have with Japan, China, and other countries is a merchandise trade balance that, on this chart, is a frightening picture in red. But the trade disaster in our overall trade that you see scored on this chart is offset, at least with respect to some good news in the agricultural sector of trade, which is shown in green. Agriculture records a net trade surplus for the United States.

We have serious problems with Canada, which I have discussed on the floor before and which I will discuss again. We have serious problems in other areas, as well. But I just wanted to come to the floor to say, at a time when the White House is under siege, criticized by virtually everyone, we ought to take a look at some of these policies that are fresh, new, and exciting and that represent economic policies this country has needed for a long, long time.

The trade policy pursued by the President and the Trade Ambassador with respect to Japan and others is not a policy designed to hurt our country.

It is designed to help our country. It is not designed to confront Japan in an unfair way. It is designed to say to Japan and others that we expect from you reciprocal trade; we expect from you fair trade. When we have that kind of trade relationship with you, we will be satisfied. Until we have that kind of trade relationship with you, it drains jobs and economic strength from our country in an unfair way, and we will not be satisfied.

That is the message. Those of us who support this kind of change in trade policy should continue to support this administration vocally and as strongly as possible until we straighten out a problem that has languished now for three decades.

I again say to this President and to this Trade Ambassador, "Good job, and many of us in Congress support you and want to work with you as we pursue these trade goals."

Mr. President, I wish to speak about the need for an aggressive U.S. trade policy, especially in the area of agricultural trade. Also, I want to urge an appointment in the administration to help make our agricultural trade policy more aggressive.

First of all, I want to recognize the long-needed and refreshing change in course that our U.S. Trade Representative Mickey Kantor is trying to chart for U.S. trade policy. In his first year in office, Mr. Kantor has demonstrated he is willing to fight for American producers and workers. He appears to be a trade ambassador who puts American interests ahead of "free trade" chants; who puts opportunities for American businesses and farmers first; and who puts jobs for American workers first.

Our trade policies have been sorely in need of leaders like President Clinton and Mr. Kantor for a long time, and I want to give him a vote of confidence.

Mr. Kantor is fighting to correct a worsening trade problem that is bleeding U.S. economic strength by the buckets. That problem is our spiraling bilateral trade deficits with two big economic powers—Japan and China.

BILATERAL TRADE DEFICITS BLEED U.S. ECONOMY

Our 1993 merchandize trade deficit with Japan was $59 billion; with China, $24 billion. The total of those two deficits, $84 billion, represents two-thirds of the entire U.S. trade deficit with the world—$125 billion. Our imbalance with just two nations is most of the problem.

Why are these trade deficits a problem? Why does it matter?

It matters because large trade deficits are scorecards marking the strangulation of our economy. Here is why.

A trade deficit means we in the United States are importing more than we are exporting. When U.S. dollars are spent on imports, the profits go to foreign companies in other nations. There, the dollars go to the producers and workers of those nations.

When we import more than we export, it means more U.S. dollars go to produce food, or cars, or computer chips, or other products in other nations, and fewer are used to buy what we produce in the United States. That means less production in America, less work, and fewer jobs.

Trade deficits represent a withering of U.S. productive capacity. They mean we are exporting our production to other nations—exporting the very base of our economy, our jobs, our wealth.

That is why we cannot afford the $59 billion trade deficit we just recorded with Japan for 1993. That $59 billion was $59 billion fewer dollars in sales our own producers did not make in 1993.

The trade deficit was $59 billion more dollars that Japan got to either invest in new production at home, or to invest in production in the United States and other nations, and then pull the profits back to Japan. Inasmuch as this occurs, the United States serves as an economic colony.

UNITED STATES-JAPAN TRADE: WHAT WENT AWRY?

What has brought our trade relationship with Japan so far astray that we would record a $59 billion deficit in 1 year? What went awry?

The problem did not arrive full-blown in 1994. It has a history.

In 1965, nearly 30 years ago, we began recording trade deficits with Japan. Japan rebuilt its economy after World War II, using economic policies directed at high production and exports, but freezing out virtually all imports not needed for its own factories. After some years those policies started to take their toll in United States-Japan trade, and in 1965 we saw the balance tip against the United States: a $359 million deficit.

It was a great concern at the time. A recent Los Angeles Times article quotes then—Commerce Secretary John Connor: "We are determined to uphold the principles of equity and reciprocity—positively or negatively—whichever is called for." Our Government leaders were talking tough.

President Nixon was alarmed, too, when the deficit with Japan climbed to $4.1 billion in 1972. So alarmed that he said our disputes on trade access and so forth could "tear the fabric of our alliance."

We have watched a 30-year parade of Presidents and administration official disturbed about our unequal trade relationship with Japan. Leaders wrung their hands about the problem, and even talked tough at times, but didn't make serious changes in the way we buy Japan's products while Japan blocks ours from its market.

The merchandise trade deficit was $1.1 billion in the final year of the Johnson administration. It was $4.1 billion at the end of President Nixon's first term, and $5.5 billion when President Ford left the White House. It was $10.1 billion in the last year of the Carter administration.

By the 1980's, the disparity between an accessible United States market, on the one hand, and a trade sanctuary in Japan on the other, had become economically intolerable. President Reagan responded to Japan's violation of a trade agreement on semiconductors, and he imposed some sanctions. But, the deficit in President Reagan's last year had climbed to $52 billion. It's worth noting that this deficit shot past $50 billion despite the efforts by the U.S. Federal Reserve Board to cut the exchange value to the dollar, a means of boosting U.S. exports and discouraging imports.

For the past 5 years our trade negotiators have been negotiating with Japan, and the United States has been recording $40–50 billion deficits each year. And, for 1993, the trade deficit with Japan was $59.3 billion.

THE SOLUTION: "RECIPROCAL TRADE," NOT "FREE TRADE"

The United States has drifted into a deeper and deeper deficit with Japan because our trade negotiators have not understood the meaning of "reciprocal." In the trade arena, it simply means that we will treat other nations as they treat us. Period.

Let me give you an example of our failure to demand reciprocity. In 1988 our trade negotiators secured a trade agreement with Japan on beef. U.S. negotiators and our meat exporters celebrated the great victory. You would have thought they won the Olympic gold medal for trade negotiations.

In the beef agreement, Japan agreed, basically, to discontinue requirements for import licenses on beef, and to about 75 percent of the product value to 50 percent. A 50 percent tariff and we thought we had pulled off a coup.

Certainly, we are now exporting more beef to Japan than we did before 1988. That is wonderful for our ranchers and our meat processors, and I certainly support the progress we achieved.

However, the point is this: we settled for grossly unequal trade.

Fortunately, Mr. Kantor seems to know the meaning of the word "reciprocal." For example, our Trade Representative will renew our use of the so-called "Super 301" procedures to deal with nations that do not open their markets to our products as we open our market to them. He has been criticized from some quarters for being too narrow in fighting for American interests. In fact, it is his job to represent the industries and businesses and farmers of America, and I applaud him.

After nearly 5 years of fighting with administration officials to correct the very unfair trade agreement with Canada concerning Canadian grain exports, we from grain-producing States finally found in Mr. Kantor someone who is willing to stand up for American farmers. He and Secretary of Agriculture Mike Espy are working to correct the problem, and are trying to gain the support of the rest of the administration in their efforts.

So, as a Senator from an agricultural State, I have to say that Mr. Kantor's record so far has been encouraging.

AN ADVOCATE FOR FARMERS AT USTR

I did, however, send our Trade Ambassador a letter this week asking that he appoint an advocate for American farmers and ranchers to a very high position in his office. Eighteen other Members of Congress signed this letter with me, asking that Mr. Kantor find an adviser who is very knowledgeable in agriculture, and who will stand up for our farm producers in the trade arena.

I made this request because of the great importance of agricultural trade to the economic success of family farmers and our rural communities, but also to the success of our entire national trade performance.

Unlike our unfortunate performance in trade across many economic sectors, agricultural trade has been a consistent success, recording a huge trade surplus each year. For example, while the United States recorded an overall merchandise trade deficit of $126 billion for 1993, this Nation will enjoy an $18 billion surplus in trade of farm and ranch products.

If you look at the chart I brought here today, you can see that since the 1970's the United States has drifted from a near-balance of trade with the world to a staggering deficit. Meanwhile, our agriculture exports total about $42 billion annually, scoring a positive balance of about $18 billion annually in that sector.

The United States remains very competitive in the agricultural trade sector, and we must build on that strength. That is why I have called for a trade tiger at USTR to speak for farmers.

We will face many critical junctures in agriculture trade in the years ahead. Here are a few examples of immediate concern:

We are trying to resolve some extremely difficult trade conflicts with Canada on trade of wheat, barley, sugar, dairy products, potatoes, peanuts and other products. The results of negotiations will be critical to thousands of American farmers.

We will submit our tariff schedules to the proposed new World Trade Organization later this month, and the way those tariffs are constructed will affect U.S. farmers for generations.

We have begun the implementation of the North American Free Trade Agreement, and it will be the responsibility of USTR to represent American farmers, to ensure they can, in fact, pursue the trade opportunities in Mexico and Canada that the trade agreement allows.

The U.S. Department of Agriculture will send a trade delegation in 2 weeks to China, Thailand, Indonesia and Singapore, to seek new trade opportunities and to reduce barriers to those Far East markets.

In all these cases, and in dozens more, we, as a Nation, must assume an attitude about trade that is better for our economic interests. We have to believe that we deserve reciprocity—that we deserve to be treated as well as we treat others. And, then we must solidly reflect that belief in our foreign trade dealings. It appears President Clinton and Mr. Kantor are trying to move toward a policy of trade reciprocity, and I hope the Members of this body will support them.

In the area of agricultural trade, however, I have asked for a special help for Mr. Kantor to pursue a more aggressive trade policy. I want to see a top-level official at USTR who understands agriculture and can weigh in with authority on behalf of American farm producers. I hope that others in this body will also join me in my request to Ambassador Kantor.

Mr. President, I yield the floor.

NATIONAL COMPETITIVENESS ACT

The PRESIDING OFFICER. If all time is yielded back, under the previous order, S. 1458 is temporarily laid aside, and the Senate will resume consideration of S. 4, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 4) to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology programs of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhanced the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Danforth amendment No. 1522, to strike section 306, technology financing pilot program.

Ms. MOSELEY-BRAUN. Mr. President, I rise today as an original cosponsor of the National Competitiveness Act, legislation designed to create jobs, revitalize our manufacturing base, and ensure American competitiveness in the global economy.

I support this legislation because it makes necessary changes in the Federal Government's research and development priorities to meet the new challenges facing the United States in the post-cold war era.

The U.S. Federal Government devoted other two-thirds of its R&D budget to military endeavors throughout the cold war.

However, the cold war is over and our future national security does not rest solely on our military strength.

Instead, it is increasingly dependent on our ability to compete in the emerging global economy.

The Federal Government must, therefore, begin to redirect some of its limited resources to civilian research and development.

Currently, however, both the U.S. Federal Government and the U.S. manufacturing industry are failing to invest enough in civilian research and development—particularly in advanced manufacturing technology.

Although the U.S. manufacturing industry has consistently generated about one-fifth of our Nation's gross national product, a study conducted by the Industrial Research Institute found that it invests only 3.1 percent of its total sales on research and development, and only one quarter of that amount on new or improved manufacturing processes or equipment.

In short, this study concluded that the U.S. manufacturing industry has not done as well as it should in manufacturing new products based on technological innovations.

Mr. President, the Clinton administration has developed a technology policy that would begin to redirect part of the Federal R&D budget to civilian research and technology, by making small yet important investments in areas where returns on private investments are too distant or uncertain for private firms to bear.

In its report, "Technology for America's Economic Growth, a New Direction To Build Economic Strength," the Clinton administration states that, while the private sector must take the lead in the development, application, and manufacture of new technologies, the Federal Government must:

Increase its commitment to fundamental science, the foundation upon which all technical progress is built; forge closer working partnerships among industry, Federal and State governments, workers, and universities; and coordinate federally supported science and technology investments across the Federal Government.

The National Competitiveness Act, which is the cornerstone of President Clinton's technology policy takes a modest and much needed step in reallocating our post-cold war Federal R&D budget to help small and medium-sized manufacturing companies with technical advice and product development.

Under this legislation, the National Institute of Standards and Technology at the Department of Commerce would pay 50 percent of each joint Government project selected by industry representatives and conducted by small and medium-sized manufacturing companies—which represent approximately 98 percent of our Nation's manufacturing firms.

These important investments would help American manufacturing companies improve product quality, modernize manufacturing processes, and facilitate the rapid commericalization of products based on new scientific discoveries.

More specifically, these investments would help the National Institute of Standards and Technology establish additional active cooperative R&D agreements like the one it has nurtured with the American Dental Association in Chicago, IL, since 1928.

Under this agreement, the Institute and the American Dental Association have joined together to study the performance of dental equipment and supplies which represented $1.4 billion of U.S. exports in 1990.

This very successful cooperative agreement has led to the development of composite resins for aesthetic tooth restorations, 50 dental material and equipment specifications, and the water-turbine handpiece that was later refined to today's air-driven handpiece.

Mr. President, the National Competitiveness Act would also establish a new manufacturing infrastructure program. This program would include:

An advanced technology development program to support industry-led efforts to develop and improve advanced computer-controlled manufacturing systems; and

A manufacturing extension partnership to offer outreach and technical assistance to small- and medium-sized manufacturing companies.

Finally, this legislation would create a coordinated, interagency program to help meet President Clinton's important goal of linking every school, library, hospital, and office in the United States to the National information infrastructure, also known as the information superhighway.

Mr. President, I would like to conclude my remarks by urging my colleagues to support the National Competitiveness Act which will help our Nation compete in the emerging global economy.

Mr. BURNS. Mr. President, I rise on passage of S. 4, the National Competitiveness Act.

The National Competitiveness Act is legislation I have cosponsored since it was introduced on the first day of this Congress, January 21, 1993. This bill is one of the top five priorities for Senate Democrats and I am the only Republican cosponsor. My support for this measure has not been overlooked by my colleagues on this side of the aisle.

I worked closely with the distinguished chairman of the Senate Commerce, Science, and Transportation Committee, Senator HOLLINGS, to improve this bill as it moved through the committee. Senator HOLLINGS indicated a willingness to work with all the members of the Commerce Committee—both Democrats and Republicans on this bill.

I also worked with Republicans on this side of the aisle to cut the authorization level in this bill by over $900 million over 2 years from the $2.8 billion in the committee passed version. In order to get enough Republican support for Senate passage the concerns about the spending levels had to be addressed.

Because Democrats and Republicans came together in a bipartisan fashion we have saved this important legislation that moves Montana and our Nation forward in the high-technology world in which we live and compete with other nations.

I think it is vital for our Nation to be the world's leader in advanced technologies such as information, computers, electronics, and new materials. This bill helps us accomplish that goal. It contains provisions for research and development companies, universities and tribal colleges in my State. It has a provision for needed research on so-called green buildings for environmental sensitive construction technologies to be developed.

For these reasons and many more I am pleased the National Competitiveness Act passed the Senate. But I want to expand on an area I have been working on since joining the Senate just 5 years ago.

With S. 4, the National Competitiveness Act, we are taking two critically important steps in creating an advanced, state-of-the-art national information infrastructure which will substantially improve our economic and social welfare over the remainder of this decade and on into the next century.

If, after reading or watching stories about the so-called information superhighway over the last few months, the public is confused about the Government's role in promoting a ubiquitous, state-of-the-art, feature-rich, high-speed national telecommunications network, one should not be surprised. I included in this bill a number of answers to the Government's role in the national information infrastructure.

With the assistance of Chairman HOLLINGS, I was able to substantially modify title VI of S. 4 when it passed the Commerce Committee. This bill limits the role of the Government to three areas in building the national information infrastructure:

First, funding basic research and development for high speed networks;

Second, funding leading-edge applications in education, digital libraries, health care, manufacturing, and government information; and

Third, implementing interconnection standards and interoperability protocols to ensure a seamless, ubiquitous network of networks.

I also included the addition of a NASA kindergarten through 12th grade education program, funding for training and access to network capabilities, digital libraries, and government information applications, and other changes.

But most importantly and significantly, the new title VI contains language I requested which states unequivocally a new policy that the Government cannot expend funds to build, own, or operate networks in competition with those networks available in the commercial, private sector. This has been a serious concern to all segments of the telecommunications and information industries. This bill directly and specifically addresses those concerns with a clear delineation and demarcation of the respective roles of the Government and private sectors in the building of America's national information infrastructure.

I think we must now move forward with the next critical step in developing a national information infrastructure—the creation of a rational, procompetitive, proinvestment national telecommunications and information policy.

I believe that there is a consensus developing that Government has become a problem and obstacle in completing a national information infrastructure due to the morass of regulatory and legal restrictions and barriers that segment and balkanize the information and telecommunications industries into protective enclaves created for the old world order in which we had one monopoly telephone company and three broadcast networks. That system is under tremendous pressure and it is time to change our national telecommunications policy in a comprehensive, wholistic way.

I want to say to this body and our Nation passage of this bill is vital to Montana and our Nation's schools, hospitals, libraries, and small companies to hook up to a national information infrastructure. It is also vital to my small businesses in Montana and small business throughout the United States ability to do research and development in the high-technology area.

I want to salute my good friend Senator DANFORTH, the ranking member of the Commerce Committee, for his excellent debate and good faith effort to resolve his differences on this bill with his colleagues on the other side of the aisle. Thanks to his tenacity this bill has been improved a great deal on the Senate floor and is at an authorization level more in line with our need to carefully watch how the Federal Government spends taxpayers' hard-earned dollars.

Passage of this high-technology competitiveness legislation makes my State, our Nation, and this body all winners.

Mr. DURENBERGER. Mr. President, since the beginning of the 103rd Congress last year, S. 4 has been portrayed as a major effort that would improve the competitiveness of U.S. industries.

A PR campaign was designed to make it difficult to oppose allegedly noncontroversial legislation to help our industries compete.

It is evident to me that S. 4 as amended falls short of the mark. It is not a bill that would give the private sector the tools it needs to improve its competitiveness. Instead, it promotes greater Government involvement in the marketplace at a time when we are attempting to lower regulatory burdens on the private sector and to achieve improvements in our economy that would foster a better climate for business expansion.

S. 4 gets right to the heart of the issue of Government involvement in the private sector. While I support more cooperation between the Government and the private sector, I question this kind of direct intervention in the private sector. In my judgment, individual companies can best decide how and when to dedicate resources to research and development needs to respond to increasing competitive pressures in the global marketplace. The Government just does not have the same ability to know where research subsidies should be channeled and the result is usually a serious distortion in the marketplace.

The Republican substitute of regulatory reforms is a far better way to improve the competitive position of U.S. industries. The Republican substitute would substantially reduce Government regulation which seriously impacts the competitiveness of U.S. industries. These reforms can greatly curb administrative costs of companies which must comply with these regulations, thereby creating savings which can be used far more effectively on research and development needs.

Mr. President, one title of the Republican substitute incorporates bill language I will shortly introduce that would permit the export of medical devices to any country which can certify the safety of the product. This would eliminate the current need to obtain the costly and lengthy FDA approval process for a product that may never be used in the United States. The U.S. medical device industry is the most competitive in the world. We should not allow the FDA to block exports of products that can save lives abroad and are deemed safe by other countries.

I would urge my colleagues to support the Republican substitute.

Mr. President, I reluctantly oppose S. 4 because there are companies and interests in my State which support these new subsidies. However, I cannot support the direction this bill takes us toward increased Government involvement.

The relationship of this bill and the subsidies agreement we just agreed to at the GATT is also a central issue to this debate. I would like to salute the effective work of Senator DANFORTH on this issue. He correctly points out how this legislation is a product of a failed strategy to curb Government subsidies at the GATT. At some point a strategy to eliminate Government subsidies turned into one which permits (or greenlights) far more subsidies than appear to be warranted. Senator DANFORTH rightly questions an agreement that would appear to justify a subsidy war.

S. 4 seems to be the first shot in the subsidy war. It will certainly spur our trading partners to increase their own subsidies. Are we then prepared to up the ante? Senator DANFORTH had intended to offer an amendment, which I have cosponsored, that would have placed this whole issue in perspective. While the amendment was not offered, Senator DANFORTH did discuss the issue during the debate. He made the point that we can either ignore the expected new subsidies of our trading partners and lose important markets for U.S. products as a result—or we can engage in a war of subsidies—which we have started with this bill—and which we can hardly afford—or win.

The Danforth amendment would have sought the renegotiation of the subsidy agreement at the GATT in an attempt to restrict the use of Government subsidies. The other option called for the administration to submit a proposal that would ensure that foreign subsidies will be matched.

In my judgment, S. 4 is contrary to the GATT subsidies agreement. While the administration will say that it sought to protect current U.S. research subsidies in the negotiations, and that our trading partners agreed, I'm not sure our trading partners were prepared for this kind of early significant expansion of our subsidies. Obviously they are hard at work crafting their own new subsidies, thus containing the battle we will have started by passing S. 4—the battle Senator DANFORTH so wisely warns us to oppose.

Mr. President, I urge my colleagues to support the Republican substitute and to oppose S. 4 as reported by the Commerce Committee.

SMALL MANUFACTURERS' RENEWAL AND TRAINING PROGRAM

Mr. CONRAD. Mr. President, today I would like to discuss the Small Manufacturers' Renewal and Training [SMaRT] Program, which is incorporated in section 221(f) of the floor manager's substitute amendment. This program is based on legislation that I introduced earlier this year. I want to thank the distinguished chairman, Senator HOLLINGS, for working with me on this proposal.

Senator HOLLINGS has long been a leader in the area of technology transfer. Moreover, we now have a President who advocates the development of a coherent technology policy to enhance America's economic competitiveness. I am proud to be a cosponsor of the legislation that is now before the Senate. Senator HOLLINGS' National Competitiveness Act will strengthen American manufacturing.

A key element of the competitiveness strategy is the Manufacturing Extension Partnership at the National Institute of Standards and Technology. This partnership will bring information and technical assistance on the best manufacturing processes and technologies directly to small manufacturers.

SMART PROGRAM

The SMaRT Program will be an experimental pilot program of internships for senior and graduate engineering students to work with small manufacturing companies. The goal of the SMaRT program is to expose small manufacturers to modern manufacturing technologies through personal contact with young scientists and engineers. Undergraduate and graduate science students cannot be experts in all aspects of modern manufacturing technology, but they will have access to the technical resources of their colleges and universities and the manufacturing outreach center.

The SMaRT program will give young engineers and scientists experience in working in small companies where they will develop many of the skills necessary to become successful entrepreneurs. Many of these young people will then seek careers with small entrepreneurial companies. Over the long-term, this legislation will produce a larger community of entrepreneurs with technological expertise.

The SMaRT program will also build stronger ties between the scientists and engineers in our colleges and universities and the small manufacturing sector. Companies will benefit by increased exposure to new technological ideas.

The SMaRT Program has a number of purposes, but the primary purpose is to encourage and assist small manufacturing companies to adopt modern engineering practices. Engineering internships provide a cost-effective way to promote the person-to-person interactions that make the process of technology adoption work.

The SMaRT Program will also provide interns with unique educational opportunities and ease their transition to the work place. The long-term goal of this program is to promote the development of a community of technological entrepreneurs in a revitalized small manufacturing sector.

The SMaRT Program will be administered by the National Science Foundation in cooperation with the National Institute of Standards and Technology. The NSF and NIST will have great flexibility in carrying out this program. The Senate expects that NSF and NIST will build on the cooperative relationship established through the Technology Reinvestment Project of the Advanced Research Projects Agency.

Using funds appropriated to NSF for the SMaRT Program, NSF and NIST will make grants to local partnerships between engineering colleges and manufacturing extension centers, called SMaRT partnerships, which will use those grant funds to sponsor engineering students to work with small manufacturers. NSF and NIST are directed to establish eligibility requirements for such partnerships.

NSF and NIST are also directed to develop requirements for grant proposals and for activities undertaken by SMaRT partnerships with those funds. Among those activities, each SMaRT partnership should undertake outreach activities to recruit and identify eligible small manufacturers and engineering students; should facilitate the placement of engineering students as interns with host companies; should provide technical orientation, training, and technical support to interns before and during their internships; and should report on these activities to NSF and NIST. Proposals should clearly specify how these and other required activities will be carried out.

In sponsoring an engineering student to work as an intern, a SMaRT partnership may use funds provided under the SMaRT Program to subsidize the wages of the intern. This subsidy, the Federal share of wages, may not exceed the Federal minimum wage. The host company must match this by providing its share of the intern's wage, which may not be less than the Federal minimum wage. At most, the Federal Government will provide 50 percent of the intern's wages, in which case the intern will earn no less than twice the Federal minimum wage, which is a competitive wage for such employment. This provides an incentive for companies to host interns and gives them a stake in those interns. The Senate expects that after hosting several interns, a company will see the benefits of having interns and be willing to pay their full wages without subsidy. For this reason, this section imposes a limit that the total Federal subsidy for all interns at any one company may not exceed 2 years wages at the Federal minimum wage.

The Senate believes that engineering students working as interns under the SMaRT Program should receive basic benefits including health insurance. The simplest approach is for colleges to maintain the student status and health coverage of interns, perhaps by designating the internship as an independent study course.

The SMaRT Program has much in common with the cooperative education tradition. Students enrolled in cooperative education programs alternate periods of study with periods of work for private companies. This serves to enhance the education of those students and to smooth the transition from college to work. The SMaRT Program is not meant to compete with cooperative education but to serve a complementary purpose. Its primary emphasis is on meeting the immediate technological needs of the small manufacturers.

The SMaRT Program has the flexibility to be compatible with cooperative education programs. Internships under the SMaRT Program could form a part of the work experience of cooperative education students. The Senate encourages those submitting proposals under this program to develop programs that integrate internships under the SMaRT Program into their cooperative education programs, recognizing that these proposals must not compromise the purposes of the SMaRT Program.

The SMaRT Program meets the needs for technological renewal in the small manufacturing sector of the U.S. economy, and will serve regions of greatest economic need. Those include regions of slow or negative economic growth, regions where the manufacturing sector is weak or constitutes a disproportionately small portion of the overall economy, and regions of outmigration that reflect limited economic opportunities.

Companies are eligible to host interns under the SMaRT Program only for manufacturing operations in the United States. Only small manufacturers—those with 500 or fewer employees—may host interns under the SMaRT Program. Especially in rural regions, many manufacturers are very small, having 100 or fewer employees. SMaRT partnerships are directed to give special attention to recruiting and assisting these very small manufacturers.

The SMaRT Program will complement the activities of the manufacturing extension partnership at NIST that provide technological assistance to small manufacturing companies. Because these companies often have great technological needs, the Senate believes that only the most experienced students, normally seniors and graduate students, should be eligible. This experience is especially important to very small companies.

As an experimental pilot program, the SMaRT Program requires a well thought-out reporting system to provide the information necessary to evaluate and learn from its experiences. But reporting requirements should not impose major burdens on those participating in the SMaRT Program. NIST and NSF should take care to develop reporting requirements that produce useful information on whether the activities undertaken by SMaRT partnerships meet the purposes of the SMaRT Program. To collect this information, SMaRT partnerships should require brief reports from the intern and the host company for each internship. NSF and NIST should examine the reports they receive to evaluate what factors lead to greatest success in meeting the objectives of the SMaRT Program.

Many groups of individuals are under-represented in the engineering professions, including women, blacks, Hispanics, and native Americans. The Senate urges NSF and NIST to develop criteria for encouraging the participation of students from under-represented groups as interns in the SMaRT Program.

TECHNOLOGY AND COMPETITIVENESS

Our international competitors have had technology policies in place for years, and it shows. In technology after technology, commanding U.S. leads have evaporated and, in too many cases, we are now playing catch-up.

With a basic research engine that is the envy of the world, there is no excuse for the United States to fall behind in critical commercial technologies. We have been very effective at expanding frontiers of human knowledge and understanding, but have often failed to move technological innovations to the market.

We need to take steps to build on our strong foundation of basic research by developing low-cost mechanisms to transfer modern and advanced technology to the private sector. This is the key to President's Clinton's technology program and the key to increasing economic growth in America.

AMERICAN INDUSTRY

Large companies like IBM and General Motors have been shrinking and splitting apart. Once the mainstay of the American economy, they are losing jobs and investing less in research and development. Small companies must take up the slack.

However, small companies face particularly difficult obstacles in adopting modern technology. Many small firms simply cannot afford to have full time engineers and scientists on staff. As a consequence, many small firms have a difficult time selecting and adopting modern technology to stay competitive. Even high technology companies often lack the expertise in efficient manufacturing processes that is essential to commercial success.

That need not be the case. In Fargo, ND, Gary Zespy runs a small manufacturing company. Last year, he wanted to improve his quality control systems. Fortunately, Gary could turn to the Institute for Business and Industrial Development at North Dakota State University, which helped him develop a quality control system.

Gary Zespy is lucky because his factory is near a manufacturing outreach center at North Dakota State University. Manufacturing outreach programs including the SMaRT internship program can bring that luck to other firms—breaking the barriers of time and information.

By placing interns directly with small companies, the SMaRT Program helps overcome this knowledge barrier and multiplies the ability of manufacturing outreach centers to do their job.

RURAL AREAS

The SMaRT Program provides a way to help keep young scientists and engineers in rural areas by creating opportunities for them to demonstrate their value to local, small manufacturers. It will contribute to the long-term economic revitalization of these areas by combatting head-on the problem of rural outmigration.

The SMaRT Program is based on successful experiences in a pilot program at Iowa State University. Cooperative education requires a major commitment from an employer to hire a student—or, more often, two students who alternate in and out of a single position—for 2 or 3 years. This requirement poses a significant cost obstacle for many small companies.

A pilot program at the Iowa State University Extension Service's Center for Industrial Research and Service is helping to eliminate that obstacle. This program has placed a handful of engineering students each summer with small manufacturing companies across the State of Iowa. One student helped a small manufacturer design a new, more efficient popcorn machine. The president of another company described working with another student as "a win-win situation for both of us." Demand for interns has far outstripped the budget of this small program.

I am pleased that my legislation has been incorporated into the National Competitiveness Act, and that it will help bring small manufacturers together with engineering students to improve the technological performance of the manufacturing sector of the U.S. economy.

TITLE II

Mr. KERRY. Mr. President, I would like to ask the distinguished chairman of the Commerce, Science, and Transportation Committee to draw his attention to one aspect of S. 4 in order to emphasize its importance to the purposes of this bill and to clarify its interpretation.

Mr. HOLLINGS. I would be happy to discuss the provision with the Senator from Massachusetts.

Mr. KERRY. One of the functions of the manufacturing extension centers is to increase the efficiency of our manufacturing industries through the use of environmentally sound manufacturing. It would accomplish this by informing manufacturers about the techniques and technologies that would reduce their waste and increase their energy efficiency, and it would help them adopt these techniques and technologies.

Both the Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers will provide source reduction and energy conservation assessments to interested manufacturers. The clearinghouse will have information on manufacturing processes that minimize waste and negative environmental impact.

Mr. HOLLINGS. I agree with the Senator.

Mr. KERRY. These functions will increase competitiveness because environmentally friendly manufacturing techniques are, in many cases, also more efficient. Our companies will increase their international competitiveness by adopting these techniques.

In addition, this legislation will increase the market for environmental technology which is a high growth, $200 billion a year industry.

Mr. HOLLINGS. The Senator makes a good point.

Mr. KERRY. Extension agents from the Regional Centers for the Transfer of Manufacturing Technology and the Manufacturing Outreach Centers will be trained in disseminating information on modern manufacturing technologies, including those for source reduction. In order to train extension workers about environmentally sound techniques and technologies, the Commerce Department will cooperate with other appropriate agencies. Furthermore, the Regional Centers for the Transfer of Manufacturing Technology and the appropriate Manufacturing Outreach Centers should include at least one person from each center who specializes in collecting and disseminating information concerning environmentally sound techniques and technologies.

Mr. HOLLINGS. I agree with the Senator's interpretation.

Mr. KERRY. I thank the distinguished chairman for that clarification.

FASTENER INDUSTRY AMENDMENTS

Mr. SIMON. Mr. Chairman, Senator BURNS has proposed three fastener industry-related amendments to S. 4. The first amendment addresses "minor nonconformance"; the second addresses steel testing requirements; and the third deals with the issue of "commingling." These two amendments were included in the House-passed version of this bill. These two amendments are fairly noncontroversial, and I strongly support their inclusion in S. 4.

Mr. HOLLINGS. My colleague from Illinois is correct on this point. Those two amendments are included in both the House and the Senate versions of the bill, and I would not expect that they would be controversial in conference.

Mr. SIMON. I thank the chairman. These amendments are very important to the fastener industry in my State and across the Nation.

Mr. WALLOP. Mr. President, for the purpose of establishing the intent of Congress with respect to S. 4, I would like to direct two questions to the chairman of the Committee on Commerce, Science, and Transportation, Mr. HOLLINGS.

First, am I not correct that the provisions of section 207(a) of the High Performance Computing Act of 1991, Public Law 102-194—which is redesignated section 209(a) by title VI of S. 4—will continue to apply to the entire High Performance Computing Act as amended by title VI of S. 4?

Mr. HOLLINGS. Yes, the Senator is correct.

Mr. WALLOP. Second, am I not correct that the reference to law enforcement in section 203(f)(1)(F) of the High Performance Computing Act of 1991, as amended by title VI of S. 4, does not create any new mission authority, and it only directs the Department to engage in activities pursuant to its existing mission authority.

Mr. HOLLINGS. Yes, the Senator is correct.

Mr. WALLOP. I thank the chairman of the committee, Mr. HOLLINGS.

Mr. HATCH. Mr. President, section 306 of the National Competitiveness Act establishes at the Commerce Department's Technology Administration a new Office of Technology Monitoring and Competitiveness Assessment. The purpose of this new office is to collect, evaluate, assess, and disseminate information on a range of activities designed to help the United States improve its competitive position with respect to our foreign trading partners.

May I ask the distinguished chairman of the Committee on Commerce, Science, and Transportation a question about the mission of this new office?

Mr. HOLLINGS. I would be glad to respond to the Senator.

Mr. HATCH. I thank the distinguished chairman. Would the chairman agree that the responsibilities of the new office would include analysis of the degree to which foreign programs and policies may provide a climate which is more attractive to technology innovation than those in the United States? In addition, would the chairman not agree that it would be useful for the office to obtain data on how foreign countries may attract U.S. industries to relocate overseas?

Mr. HOLLINGS. I thank the Senator from Utah for his remarks. One mission of the new Office of Technology Monitoring and Competitiveness Assessment is to assess the extent to which there are barriers to global competitiveness, and certainly actions by foreign governments to attract companies to relocate overseas are a tremendous barrier which the new office should examine.

Mr. HATCH. I thank the chairman for his assurances. Increasingly, American industry is seeking to move overseas to find a climate which may be more favorable to producing the goods and services which traditionally have been America's hallmark.

One example which readily comes to mind is the medical device industry, a strong, viable industry which is one of the United States most competitive in the international marketplace. It is comprised of a range of manufacturers, small to large, many of whom are located in Utah and all of whom are contributing to a positive trade balance in devices. This is something of which the United States can be proud. I hope the new office can look at this.

Mr. HOLLINGS. I appreciate the comments of the distinguished Senator, and do agree that this is something they should look at.

Mr. LAUTENBERG. I would like to express my concern over the deletion of certain provisions from S. 4, the National Competitiveness Act of 1993. The stricken sections of the House-passed version of this bill would have provided for the establishment at the National Institute of Standards and Technology [NIST] of prototypes for advanced computer-integrated manufacturing systems and electronic networks linking manufacturing systems. In addition to these programs, I would like to have seen the inclusion of prototypes for clean manufacturing systems. The United States, and New Jersey in particular, is at the forefront of promoting green technology programs that could someday be exported throughout the world.

Federal support for clean manufacturing, as was included in S. 4's counterpart in the House, will significantly advance research initiatives at our universities, who are working in partnership with industry and Government. I hope that when this bill goes to conference, the relevant sections of H.R. 840 addressing advanced manufacturing technology programs will be retained.

Mr. HOLLINGS. I thank the Senator for his interest in the development of technology that would contribute significantly to our long-term economic growth and employment. I will be discussing this matter with my colleagues in the conference.

Mr. LEAHY. The Senator from South Carolina and I have discussed the FBI's digital telephone proposal when it surfaced in 1992. We both recognize that the digital telephony proposal is controversial. Am I correct that nothing in this bill promotes or has anything to do with that digital telephony proposal?

Mr. HOLLINGS. That is correct.

Mr. LEAHY. The administration recently announced that it is moving forward with its Clipper Chip or Key Escrow Encryption Program. Am I correct that nothing in this bill promotes or has anything to do with that Key Escrow Encryption Program?

Mr. HOLLINGS. That is correct.

Mr. KOHL. Mr. President, I will be voting for the Danforth amendment to eliminate funding for the Civilian Technology Investment Program. I fully agree that we need to see more investment in small high-technology firms. In the past, many of these firms have been denied access to risk capital for critical technology development projects, especially during their early stages of development.

However, I am concerned about proceeding too rapidly in creating programs which involve Government financing for these high-risk ventures. The Civilian Technology Investment Program may well be a useful idea, and I certainly support SBA's Small Business Investment Company Program upon which this new venture capital program is based. However, I believe we should give the market and existing initiatives a chance before we embark on this expensive and risky partnership, or in some cases competition, with the private sector.

This program was crafted in response to a problem that emerged because of the recession of the last few years. When the economy is sour, venture capital for the most risky of ventures dries up. But as we move out of what has been a difficult economic time, there is and there will be more venture capital available across the private sector.

In addition, Congress only last year passed major new tax incentives that should go far to revitalize the flagging venture capital market. Primarily because of the work of my friend Senator BUMPERS, last year's budget bill contained tax breaks that would encourage capital to move into risky, startup businesses. The new law allows a taxpayer who holds certain types of stock in small businesses to exclude 50 percent of any taxable gain on the stock. In addition, any individual or C corporation can elect not to recognize gain on the sale of publicly traded securities if the proceeds from such sale are rolled over into stock or a partnership interest in a small business investment company.

These provisions were designed to—and should—push more private money toward investments in small, startup companies. I prefer to see what effect these incentives have on the availability of venture capital before we resort to allowing the Federal Government to throw public money into the venture capital pool.

Finally, Mr. President, although I support the overall goals of S. 4, the National Competitiveness Act, I am compelled to vote for the Danforth amendment on the grounds that it places some check on the overall spending levels in this bill. I voted against tabling the Brown amendment last week which would have reduced the amount authorized in this bill from $2.8 billion to $1.5 billion. The Danforth amendment would bring the amount authorized in the bill down to $1.8 billion. The best thing we can do to help small firms looking for venture capital is to ensure that we have a robust economy. And the best way to do that is to reduce the deficit. This amendment helps us move one step closer to that goal.

Mr. McCAIN. Mr. President, I strongly oppose the bill before the Senate. This bill is nothing more than the Senate's attempt to micromanage industrial policy by passing out pork to select industries. This is bad policy and it is not in the best interest of our Nation.

Why are we creating this new layer of Government involvement with industry? Private enterprise, not Government, is best able to respond to the marketplace and conduct the research and development from which new products will emerge.

The purpose of this bill, S. 4, is expressed in its long title:

> A bill to promote the industrial competitiveness and economic growth of the United States by strengthening and expanding the civilian technology program of the Department of Commerce, amending the Stevenson-Wydler Technology Innovation Act of 1980 to enhance the development and nationwide deployment of manufacturing technologies, and authorizing appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

Mr. President, instead of doing all that the bill's title says, wouldn't it be easier and more effective to encourage competitiveness, promote research and development, and spur economic growth by lowering the capital gains tax, and remove other impediments to creativity and investment?

Wouldn't such an across-the-board incentive allow American industry as a whole?

The answer is "yes."

So why does the bill before us authorize a $2.8 billion grant program that will favor only certain companies and universities that are grant recipients? The answer is pork.

The National Competitiveness Act is said to be designed to encourage the growth of the information superhighway. Well, if we pass this bill, the only thing the highway will carry is pork.

The country indeed needs policy that will encourage manufacturing growth and the development and deployment of advanced technology. Those are noble goals. But I do not believe they will be accomplished by passing out the taxpayers' money.

The committee report notes:

> Of the approximately 360,000 smaller American manufacturers those who employ 500 or fewer workers) most have not advanced in adoption of modern manufacturing technology and methods from where they were a generation ago. Only 6 in 10 of them employ advanced technology, compared with 9 out of 10 plants with more than 500 employees. . . . Clearly, if we are to reshape American's manufacturing outlook, we must recognize that it is these smaller companies which most need the efficiency and flexibility in-

herent in modern advanced manufacturing. And then having recognized the challenge, we must meet it.

I agree 100 percent. It appears we don't disagree with the problem or the goals. We disagree with the remedy.

I do not believe that creating 100 manufacturing extension centers funded by the Government will solve the problem. That money could be put to much better use by private industry itself. I have full faith and confidence that the spirit of inventiveness that has characterized generations of Americans could be fostered without 100 extension centers.

Mr. President, this bill uses impressive and high-sounding terms such as technology grants, extension centers, and manufacturing advisory committees. The fact of the matter is all those terms are just a synonym for pork.

If we are serious about encouraging industrial development, we may have the tools to accomplish that goal. But this bill does not do that. It creates a new gravy train with the Secretary of Commerce in the engine car to deliver pork to select industries.

Mr. President, we can't buy competitiveness. We have tried to buy our way out of every domestic problem we have faced. We have failed miserably in almost every area. It appears that competitiveness and industrial research and development have become the newest frontier for the failed impresarios of the money game.

Unfortunately, this bill does little more than start the pork train on its way, and I have no choice but to oppose its passage.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that it be in order to request the yeas and nays en bloc on the Danforth amendment and the final passage of H.R. 820 with one show of hands serving as a sufficient second.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Now I ask for the yeas and nays en bloc.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. We are checking with the leadership. Do they want a quorum call for a few minutes?

Mr. METZENBAUM. I do not want a delay.

I ask for the regular order to proceed to the vote.

MEASURE PLACED ON THE CALENDAR

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the House Concurrent Budget Resolution (H. Con. Res. 218), be referred to the Budget Committee and that the resolution be immediately discharged from the committee and placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NATIONAL COMPETITIVENESS ACT

The Senate continued with the consideration of the bill.

Mr. METZENBAUM. Regular order.

Mr. HOLLINGS. On behalf of the leaders on both sides, I suggest the absence of a quorum for a few minutes.

Mr. METZENBAUM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. METZENBAUM. I acceded to the 10 o'clock vote with the understanding that I had a commitment to which I would be late, but I was willing to go along with that. I believe that we ought to proceed to the vote.

Go ahead.

The PRESIDING OFFICER. Does the Senator withhold the suggestion for the absence of a quorum?

Mr. HOLLINGS. I withhold.

Mr. METZENBAUM. Mr. President, regular order.

VOTE ON AMENDMENT NO. 1522

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment No. 1522 of the Senator from Missouri [Mr. DANFORTH].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 44, nays 55, as follows:

[Rollcall Vote No. 59 Leg.]

YEAS—44

Bennett
Bond
Bradley
Brown
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Gorton
Gramm
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kassebaum
Kempthorne
Kohl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Thurmond
Wallop
Warner

NAYS—55

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Stevens
Wellstone
Wofford

NOT VOTING—1

Boren

So the amendment (No. 1522) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will come to order.

Under the previous order, the committee substitute, as amended, is agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will read S. 4 for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Commerce Committee is discharged from further consideration of H.R. 820, and the Senate will proceed to its immediate consideration.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 820) to amend the Stevenson-Wydler Technology Innovation Act of 1980.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause of H.R. 820 is stricken and the text of S. 4, as amended, is inserted in lieu thereof.

The clerk will read H.R. 820 for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of H.R. 820, as amended. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. BOREN] would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 60 Leg.]

YEAS—59

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Cohen
Conrad
Daschle
DeConcini
Dodd
Dorgan
Exon
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry

Kohl
Lautenberg
Leahy
Levin
Lieberman
Mathews
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Riegle
Robb
Rockefeller
Sarbanes
Sasser
Shelby
Simon
Stevens
Wellstone
Wofford

NAYS—40

Bennett
Bond
Bradley
Brown
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
Danforth
Dole
Domenici
Durenberger
Faircloth
Feingold
Gorton
Gramm
Grassley
Gregg
Hatch
Helms
Hutchison
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Simpson
Smith
Specter
Thurmond
Wallop
Warner

NOT VOTING—1

Boren

The bill (H.R. 820), as amended, was passed.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROCKEFELLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House on the disagreeing votes of the two Houses on H.R. 820, and the Chair is authorized to appoint conferees.

Thereupon, the Presiding Officer (Mr. CAMPBELL) appointed Mr. HOLLINGS, Mr. ROCKEFELLER, and Mr. DANFORTH conferees on the part of the Senate.

The PRESIDING OFFICER. Under the order of March 15, 1994, S. 4 is returned to the calendar.

GENERAL AVIATION REVITALIZATION ACT OF 1994

The PRESIDING OFFICER. Under the previous order, upon disposition of H.R. 820, the Senate resumes consideration of S. 1458, which the clerk will report.

The legislative clerk read as follows:

> A bill (S. 1458) to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

The Senate continued with the consideration of the bill.

Mr. DANFORTH. Mr. President, I am pleased to support S. 1458, the General Aviation Revitalization Act of 1993. This legislation will help to lift the weight of product liability lawsuits that has almost crushed our light aircraft manufacturing industry. I commend Senator KASSEBAUM for her leadership on this issue, which culminates with today's vote on this legislation.

The general aviation industry has experienced a dramatic decline in production since 1978. In that year, the industry produced 18,000 aircraft, of which 17,000 were piston-engine aircraft. Last year, the industry manufactured only 900 aircraft, including only 555 piston-engine aircraft. According to the General Aviation Manufacturers Association [GAMA], a major reason for the dramatic decline in the light aircraft industry is the application of the doctrine of strict liability in product liability cases arising out of aircraft accidents. GAMA statistics indicate that claim and defense costs for light aircraft airframe and component manufacturers have risen from $24 million in 1976 to $210 million in 1986. The three largest manufacturers of piston-engine aircraft are virtually out of that line of business. By 1986, Cessna, which has been the largest manufacturer of piston-engine models, had dropped completely out of that business. Last year, Beech manufactured only 18 percent of the piston aircraft they made in 1978, and Piper's production of piston aircraft has dropped to 2 percent of the 1978 level. Piper has been in bankruptcy since 1991.

Beech compiled statistics on all product liability litigation it defended between 1983 and 1986. During that time, Beech was named in 203 suits. The National Transportation Safety Board determined that a factor other than design or manufacturing error was the cause in each accident. Nevertheless, the average cost of each lawsuit, including defense costs and verdicts, was $530,000. Beech estimated that the costs of litigation added $70,000 to the price of each new aircraft.

The industry's decline has led to severe job losses and a balance of trade deficit. According to Russell Meyer, president of Cessna, this decline has led to the loss of 100,000 jobs. Moreover, in 1978, the light aircraft industry ran a balance of trade surplus of $340 million. In 1981, the industry experienced a balance of trade deficit of $200 million. That was the first deficit ever in the history of the industry. Last year, the balance of trade deficit reached $800 million.

Current product liability law allows manufacturers to be held liable for defective design or manufacture decades after the aircraft is manufactured. The average piston-engine aircraft is over 27 years old and one-third of the fleet is over 32 years old and manufacturers continue to be held liable for the design and manufacture of these aircraft. This "long tail" of liability will destroy what little remains of the light aircraft industry unless the problem is addressed immediately.

Unlike many problems, this one has a consensus solution—enactment of legislation limiting the liability of general aviation manufacturers. This legislation enjoys such strong support because it will create jobs.

The International Association of Machinists strongly supports this legislation. Russell Meyer has said that his company will restart production of piston-engine aircraft if this legislation is enacted and, "within 5 years, more than 25,000 jobs would be created at no cost to the Government." In addition to light aircraft manufacturers, the Aircraft Owners and Pilots Association, representing those who purchase and use general aviation, support this initiative. Thus, this legislation is supported by manufacturers, labor, and the primary organization representing the users and consumers of general aviation.

The members of President Clinton's Airline Commission unanimously supported enactment of a 15-year statute of repose in their August 19 report to the President and the Congress. The report states:

> The enactment of legislation limiting the liability of general aviation manufacturers to 15 years from the date of manufacture would help regenerate a once-healthy industry and help create thousands of jobs.

The Commission reiterated its staunch support for this legislation in a November 2 letter to Transportation Secretary Federico Peña. The letter was commenting on a staff draft prepared by bureaucrats at the Department of Transportation that called for more study of the statute of repose issue. It started:

> On the issue of a statute of repose, it is clear that this once competitive sector of our manufacturing industry cannot be revived unless this step is taken. This is a limited and targeted response to a demonstrated problem.

The Commission went on to say, "The time is right, right now."

Mr. President, I agree with the Commission. The time to act is now. Passage of this legislation will restore fairness to product liability cases involving general aviation aircraft, and it will revitalize an important industry while creating tens of thousands of new jobs. I urge my colleagues to support S. 1458.

Mr. CHAFEE. Mr. President, I applaud my colleague from Kansas for her tenacity, perseverance, and great patience in bringing once again the issue of general aviation liability reform before this body.

By granting an 18-year statute of repose, the Kassebaum legislation addresses one of the most important factors that have brought about the decline of the general aviation industry: increased product liability exposure, and its staggering cost to aircraft manufacturers.

General aviation manufacturers are spending a huge amount of time and resources on defending lawsuits instead of developing or perfecting products and manufacturing technology. That burden is having an extremely detrimental effect on the health of the general aviation industry in this country. Sales of domestic aircraft have dropped sharply since the late 1970's.

Cessna, Piper, and Beech aircraft among others have cut back production dramatically. Listen to this: In 1979, U.S. companies turned out 17,000 general aviation aircraft; in 1992, our companies made 400. The loss in this particular manufacturing sector has in turn had a ripple effect on the overall economy, with an estimated 100,000 jobs lost in general aviation manufacturing and those industries who supply general aviation parts and service. And U.S. manufacturers, who used to produce more than 95 percent of the world's general aviation aircraft, no longer have that leadership. The world leaders now are France, Germany, and Italy.

Let me share one example with my colleagues. I have a letter here from Cessna. Cessna is a subsidiary of Textron, which is headquartered in my State of Rhode Island and which is an important employer there. Cessna has quit the business of piston aircraft completely, even though those sales were going quite well for them. Indeed, between 1965 and 1982, Cessna sold 6,500 piston aircraft annually, and was investing $20 to $25 million in research and development annually—15,000 men and women were employed by Cessna back then.

But in 1986, with just 3,000 employees, they quit the piston aircraft business altogether. Why? Because of the phenomenal liability costs. Coincidentally, these costs amounted to $20 to $25 million each year—the same amount previously spent on R&D.

If the Kassebaum legislation is enacted into law, the president of Cessna, Russ Meyer, said publicly last fall that Cessna will restart production as soon as possible. And the entire general aviation industry predicts that if this legislation is enacted into law, employment in that industry will increase by 25,000 within 5 years. What a boost that would be in these difficult economic times.

Last August, the President's National Commission to Ensure a Strong Competitive Airline Industry came out with 61 recommendations. The single policy recommendation that the Commission believed would create the most jobs was to establish a statute of repose for the general aviation industry. No wonder the International Association of Machinists joins in support of this bill.

Now I want to reiterate a point made previously in debate on this bill about public safety: As my colleague from Kansas has so ably pointed out, this issue is not—I repeat not—a question of whether or not consumers are protected when they buy this aircraft. There are strict regulations placed on the general aviation industry for their manufacturing processes. Stringent Federal guidelines ensure that planes are built according to exacting criteria, and Federal approval and certification is required along the way. We have ensured that passengers in these aircraft are not placed in danger because of shoddy design or manufacturing, or any shortcuts taken by the manufacturer.

Indeed, I might point out that the bill is supported by virtually every aviation consumer organization.

When accidents do happen, virtually all—99 percent—occur not due to a manufacturing or design defect, but to other causes. Yet the liability costs for general aviation have skyrocketed.

I would argue strongly to my colleagues that a great part of our role in Congress is to protect the public's welfare and encourage economic development. The current liability system for general aviation adds nothing to public welfare, and enormously harms economic development.

If we do not adopt this measure, we will continue to see a decline in the general aviation industry—and equally important, a decline in U.S. jobs and trade. Are we ready to see the United States not only lose global leadership in this industry but to allow the general aviation industry to disappear altogether in this country?

In one stroke, we can improve substantially the situation—and therefore the fate—of this important industry. For Congress not to act is madness. I for one am not ready to see this industry, with all its technology and jobs, disappear from the face of this country.

I urge the adoption of this very simple but wise measure, and again extend my compliments to the Senator from Kansas.

Mr. DOLE. Mr. President, I rise in support of my distinguished Kansas colleague, NANCY KASSEBAUM, as an original cosponsor of this important legislation that is designed to revitalize the general aviation industry. Since the 99th Congress, we have been attempting to obtain some form of relief that addresses a serious problem confronting this important national industry.

Mr. President, the general aviation industry has paid the price in recent years because of the dramatic increased costs associated with product liability. This legislation is a commonsense approach. It makes no sense for the general aviation industry to be penalized by these outrageous increases since they have occurred during a period where the safety record of general aviation has greatly improved.

In Kansas, especially in Wichita, where Beech, Cessna, and Learjet companies manufacture aircraft, the effect of congressional inaction has been dramatic. In 1992, a total of 899 general aviation aircraft were delivered—representing a decline of 6.7 percent from 1991. Of those aircraft deliveries, the world export market also showed a 5-percent decline. Contrast that to 17,000 general aviation aircraft sold in 1979. Although 1993 aircraft delivery figures edged up slightly, it is clear to me that the industry is not experiencing new and robust health in the current environment.

Liability payments by manufacturers, on the other hand, rose from $24 million in 1979 to approximately $240 million in 1990. U.S. airplane manufacturing employment has declined since 1980 by 46 percent—from 40,000 workers to approximately 21,500 today.

The result is lost jobs, lost aircraft sales, and lost export markets. In addition, these losses also create adverse affects on other industries that rely on a healthy aircraft manufacturing market.

Mr. President, this approach, the creation of an 18 year statute of repose on civil actions brought against aircraft manufacturers or producers of general aviation parts is different from our previous efforts and represents a reasonable, sensible and fair solution for all concerned. This legislation is supported by manufacturers, consumers and labor. It was recommended by the President's Commission to Ensure a Strong Competitive Airline Industry. In fact, Cessna Aircraft Co. in Wichita has made no secret of the fact that it will immediately hire workers to begin production of piston-powered aircraft as soon as this legislation is passed.

In fact, Mr. President, this approach will create thousands of high wage jobs immediately simply by bringing common sense to the product liability laws affecting general aviation. Not one Federal dollar is needed to get this result. And most importantly, this is not a blank check for relief Mr. President.

I want to congratulate Senator KASSEBAUM on her efforts to bring this important issue to the floor for a vote today. Enactment of this legislation is long overdue, and her efforts have been tireless and commendable.

Mr. DURENBERGER. Mr. President, I rise today in strong support of S. 1458, the General Aviation Revitalization Act of 1993.

Under this bill, as amended, no civil action can be brought for damages arising out of a general aviation accident if the accident occurred more than 18 years after the aircraft was delivered to its first purchaser. In the case of component parts, no civil action may be brought more than 18 years after the date of the replacement or addition.

I am told that most planes by that time have had several owners, at least three major overhauls and on average accumulated 6,000 hours of flying time.

I became a cosponsor of S. 1458 because I believe that unreasonable product liability costs associated with the domestic manufacturing of general aviation aircraft have been the single most important factor contributing to the decline in U.S. production of light airplanes. From 1978 to 1992, American general aviation manufacturers spent as much to defend product liability suits as they had spent to develop new aircraft from 1945 to 1978. As a result, American production of private airplanes declined from 17,000 in 1979 to less than 1,700 in 1989. Over 100,000 industry and related jobs were lost during that same period.

S. 1458 has the strong support of both manufacturers and organized labor. The International Association of Machinists and Aerospace Workers, the Aircraft Owners and Pilots Association, the Aircraft Electronics Association, the General Aviation Manufacturers Association, the Minnesota Department of Transportation, and Minnesota manufacturer Honeywell, Inc. have all written to me in support of the General Aviation Revitalization Act.

I urge my colleagues to join me in voting for this important measure.

Mr. LEVIN. Mr. President, my vote for this narrowly targeted and industry-specific legislation should not be construed to indicate my general view on issues dealing with Federal involvement in product liability issues.

There is already significant Federal involvement in aviation. The Federal Aviation Administration, governed by laws passed by Congress, has detailed regulatory oversight over general aviation. The FAA must certify each aircraft design before manufacture. Each individual plane must be certified before it is allowed to fly. And, each general aviation plane not in commercial use must pass an annual FAA certification.

The Federal involvement also goes beyond the machinery; the FAA regulates air routes and regulates and certifies the pilots. Thus this industry is in many ways unique, which is appropriate, in its degree of Federal involvement in regulation and certification.

I also want to commend Senator KASSEBAUM for her effort on behalf of this legislation and on her willingness to consider modifications to it. She is a model of tenacity, patience, and fairness.

Mr. DODD. Mr. President, I rise today in strong support of the General Aviation Revitalization Act. This legislation, which I am cosponsoring, should improve the American general aviation industry for manufacturers, employees, and consumers.

The American general aviation industry, which produces small planes designed for private use, has suffered a dramatic downturn in recent years. Deliveries of this type of aircraft dropped from nearly 18,000 in 1978 to less than 900 last year. Because of this decline, more than 100,000 jobs have been lost in manufacturing, sales, service, and related industries.

Much of the problem stems from laws which hold manufacturers liable for planes that were built decades ago. This open-ended liability has driven up the cost of insurance and made it increasingly expensive for American manufacturers. Not surprisingly, foreign manufacturers who are not constrained by these product liability laws have captured a growing share of the market.

This legislation should help restore the competitive balance and provide new opportunities for American workers. Generally, the bill provides that no civil action for damages arising out of a general aviation accident may be brought against the aircraft manufacturer if the accident occurs more than 18 years after delivery of the aircraft to the first purchaser. It also provides a similar, 18-year statute of repose for manufacturers of general aviation component parts.

In the past, I have opposed various measures that Senator KASSEBAUM has introduced on this subject. In my view, those efforts struck the balance too much toward manufacturers. But this most recent version, which has been modified after bipartisan negotiations, is a narrow measure that protects the interests of consumers and employees as well as manufacturers. Indeed, a wide range of constituents in my home State of Connecticut—machinists, airline pilots, and employers—have urged me to support this bill.

In closing, Mr. President, I urge my colleagues to vote in favor of this vital piece of legislation. I commend Senator KASSEBAUM for her hard work on this measure, and I look forward to the opportunity it presents for a revitalized general aviation industry.

The PRESIDING OFFICER. Under the previous order, the question now occurs on final passage of the bill. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senate from Oklahoma [Mr. BOREN] is necessarily absent.

I further announce that if present and voting, the Senator from Oklahoma [Mr. BOREN] would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 91, nays 8, as follows:

[Rollcall Vote No. 61 Leg.]

YEAS—91

Akaka
Baucus
Bennett
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Simpson
Smith
Stevens
Thurmond
Wallop
Warner

NAYS—8

Biden
Bradley
Heflin
Shelby
Simon
Specter
Wellstone
Wofford

NOT VOTING—1

Boren

So the bill (S. 1458) was passed, as follows:

S. 1458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "General Aviation Revitalization Act of 1994".

SEC. 2. TIME LIMITATION ON CIVIL ACTIONS AGAINST AIRCRAFT MANUFACTURERS.

Title XI of the Federal Aviation Act of 1958 (49 U.S.C. App. 1510–1518) is amended by adding at the end the following new section:

"SEC. 1119. TIME LIMITATION ON CIVIL ACTIONS AGAINST AIRCRAFT MANUFACTURERS.

"(a) IN GENERAL.—Except as provided in subsection (b) of this section, no civil action for damages for death or injury to persons or damage to property arising out of an accident involving a general aviation aircraft may be brought against the manufacturer of the aircraft or the manufacturer of any component, system, subassembly, or other part of the aircraft, if the accident occurred—

"(1) more than 18 years after—

"(A) the date of delivery of the aircraft to its first purchaser or lessee, if delivered directly from the manufacturer; or

"(B) the date of first delivery of the aircraft to a person engaged in the business of selling or leasing such aircraft; or

"(2) with respect to any component, system, subassembly, or other part which replaced another product originally in, or which was added to, the aircraft, and which is alleged to have caused the claimant's damages, more than 18 years after the date of the replacement or addition.

"(b) EXCEPTIONS.—Subsection (a) of this section does not apply—

"(1) if the claimant pleads with specificity the facts necessary to prove, and proves by clear and convincing evidence that the manufacturer with respect to certification or obligations with respect to continuing airworthiness of an aircraft or aircraft component knowingly misrepresented to the FAA, or concealed or withheld from the FAA, required information that is material and relevant to the performance or the maintenance or operation of such aircraft or component that is causally related to the harm which the claimant allegedly suffered;

"(2) if the person for whose injury or death the claim is being made is a passenger for purposes of receiving treatment for a medical or other emergency; or

"(3) if the person for whose injury or death the claim is being made was not aboard the aircraft at the time of the accident.

"(c) GENERAL AVIATION AIRCRAFT DEFINED.—For the purposes of this section, the term 'general aviation aircraft' means any aircraft for which a type certificate or an airworthiness certificate has been issued by the Administrator, which, at the time such certificate was originally issued, had a maximum seating capacity of fewer than 20 passengers, and which was not, at the time of the accident, engaged in scheduled passenger carrying operations as defined under regulations issued under this Act.

"(d) RELATIONSHIP TO OTHER LAWS.—This section supersedes any Federal or State law to the extent that such law permits a civil action described in subsection (a) to be brought after the applicable deadline for such civil action established by subsection (a).".

SEC. 3. CONFORMING AMENDMENT.

The table of contents contained in the first section of the Federal Aviation Act of 1958 is amended by adding at the end of the matter relating to title XI of such Act the following:

"Sec. 1119. Time Limitation on Civil Actions Against Aircraft Manufacturers.
"(a) In general.
"(b) Exceptions.
"(c) General aviation aircraft defined.
"(d) Relationship to other laws.".

Mr. SPECTER. Mr. President, when I voted in the rollcall, the tally was 91 in favor of Senator KASSEBAUM'S bill and 6 opposed with one additional Senator voting no after I did, so I cast this protest vote knowing that the bill would be overwhelmingly approved by the Senate. I did so with substantial reservations because of a strong Pennsylvania constituent interest on general aviation aircraft and a boyhood of growing up in Wichita, KS, where Steerman, Cessna, and Beechcraft were very prominent companies.

I voted against the 18-year statute of repose because of a fundamental view that the courts should be open and my abiding confidence in the jury system notwithstanding its lapses on excessive verdicts which can be dealt with in other ways. Simply stated, I believe that an injured person should not be barred from court by a statute of repose where the airplane is represented by its manufacturer to have a useful life in excess of 18 years and the statistics show such planes are operated for a much longer period of time.

In casting this vote, I am mindful of the arguments in favor of the bill that the number of planes produced by the industry has declined from 18,000 annually to just over 900 in the last 20 years with over 100,000 jobs having been lost. While there is significant disagreement, many industry experts attribute much of that decline to cost increases including defense and liability exposure for aircraft manufactured long ago.

In disagreeing with all 43 of my Republican colleagues and 48 Democrat Senators, I do so having just completed extensive research on keeping the courts open in preparation for an argument in the Supreme Court of the United States involving the Philadelphia Naval Shipyard. My extensive review of the cases has convinced me, more than ever, the courts should exercise judicial review in cases like the Philadelphia Navy Yard and courts should not be closed to injured parties by a statute of repose. While the statute of repose closes the courts in a somewhat different fashion from rejecting judicial review, there are substantial similarities.

From my own litigation experience in the product liability area, I believe that juries will give appropriate deference to defendants where liability allegations are made on general aviation aircraft more than 18 years old. If manufacturers represent that a given product will last only a specific length of time, then I would agree to limiting their liability through a statute of repose to that timeframe.

Statistics represent that the average general aviation aircraft is in service 25.6 years so it is obvious that some planes are in service for a much longer period of time, and there is evidence that planes can and do fly for more than 18 years with latent design defects.

But beyond my own personal concerns about flying in many general aviation planes, I think that public policy is best served by deciding these close questions in favor of safety over profits.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business, during which time Senators may be recognized to speak for up to 10 minutes each; that the period for morning business extend until 12:30 p.m. today, and that at 12:30 p.m., the Senate proceed to the consideration of Calendar Order No. 259, S. 1275, a bill to facilitate the establishment of community development financial institutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORKERS' COMPENSATION

Mr. THURMOND. Mr. President, I rise today because this body stands on the threshold of what promises to be a historic debate concerning health care. While it is generally recognized that our health care system is in need of reform, we are nevertheless a long way from consensus as to what to do. The public will be watching Congress closely; therefore, we must make sure that whatever changes occur in our health care system are for the better. Our constituents expect a lot.

In that regard, Mr. President, I want to take a few minutes to focus this body on one critical aspect of health care: Workers' compensation. As a member of the Committee on Labor and Human Resources, this topic will be of prime importance to me and, I hope, to many of you as health care reform proceeds.

Workers' compensation was created over 80 years ago and is the result of a commonsense compact between business and labor. If a worker is injured on the job, all of his or her medical expenses are covered, and disability payments, in lieu of paychecks, are made until the worker returns to the job. In return, the injured worker agrees not to sue his or her employer to receive compensation for the injury. Thus, both business and labor have the certainty that an injured worker will not suffer financially and, equally important, will be given medical care. The goal of workers' compensation is simple: Get an injured worker back to work and normalcy as soon as possible.

Mr. President, workers' compensation has always been a State-managed system, and various States have operated their systems differently. Private insurance companies provide converge in many States, while other States operate their own workers' compensation funds. While the financial condition of workers' compensation programs has varied and continues to vary widely, States have always had the freedom and flexibility to experiment with new ideas and approaches to improve the system. In the last few years, several States, such as California and Florida, have reformed their workers' compensation programs. Currently, dozens of workers compensation legislative proposals are pending in various State legislatures.

Of all the various health care proposals now under consideration, only the President's plan addresses workers' compensation. The remaining proposals—be they Democratic, Republican, or both—do not address workers' compensation and, therefore, leave the present system unaffected. While I understand the President's desire to include as many of our health care delivery systems under the umbrella of reform, I am hesitant to support the inclusion of this traditionally State-controlled system in any Federal legislation. If workers' compensation is included, however, there are several key principles against which any proposal must be judged.

First, workers' compensation must remain a State, rather than a Federal, system. In that regard, various State reforms should not be disturbed. Second, insurers or employers who foot the bill for medical care should continue to have significant decisionmaking authority. Third, experience rating—which encourages a safe workplace—should be maintained; and lastly, workers' compensation, as the exclusive remedy for an injury, must be preserved.6

While there are many things we should not change, let me add how health care reform could improve workers compensation. Simply put, health care reform must help end the massive cost shifting onto workers' compensation that currently occurs. This could be accomplished by legislatively prohibiting workers' compensation programs from being charged more for medical services than other programs. Combined with new access to all types of benefits and delivery systems, this cost-shifting prohibition could be of significant benefit to workers' compensation programs in every State.

Mr. President, workers' compensation has been the subject of great attention not only by those who administer workers compensation programs, but also by numerous business and insurance groups who are greatly concerned that health reform causes no harm to this program. In that regard, I would like unanimous consent to include, after my remarks, statements by the International Association of Industrial Accident Boards and Commissions, the National Association of Manufacturers, the U.S. Chamber of Commerce, the National Federation of Independent Business, and the Alliance of American Insurers, which address workers compensation.

Mr. President, as the debate over health care proceeds, I urge my colleagues to be mindful of workers' compensation and to judge any proposal to change this program by the principles I have just outlined. Any changes to workers' compensation at the Federal level must not harm this vital program.

I ask unanimous consent that material pertaining to this subject be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERNATIONAL ASSOCIATION OF INDUSTRIAL ACCIDENT BOARDS AND COMMISSIONS—RESOLUTION REGARDING NATIONAL HEALTH CARE REFORM

Whereas the President of the United States is committed to providing every American access to quality health care; and

Whereas the Administration has proposed to integrate workers' compensation medical coverage into the health care package provided to Americans; and

Whereas the International Association of Industrial Accident Boards and Commissions (IAIABC) is an organization of workers' compensation Administrators and Commissioners; and

Whereas the primary interest of the IAIABC is to improve the effectiveness and efficiency of workers' compensation systems; and

Whereas state workers' compensation laws already provide universal health care for occupational injuries and diseases for all workers covered by workers' compensation laws; and

Whereas many states are already involved in health care reform efforts to assure quality health care for injured workers at a fair and reasonable cost to employers; and

Whereas state managed care initiatives and other medical cost containment reforms directed toward improving quality care at a reasonable cost should not be preempted by any of the current federal health care proposals; and

Whereas due to the long pay out pattern of existing workers' compensation medical liability, under the Administration's health care reform proposal a dual payment system would be created resulting in extreme confusion, indeterminable liabilities and administrative inefficiencies: Therefore be it

Resolved, That the IAIABC opposes integration or merger of workers' compensation medical care and financing into a national health care system at this time. The IAIABC believes that the proposed system would reduce safety incentives, delay return to work, increase costs and destroy the many innovative existing state programs as well as those presently being put in place, without proof that integration or merger would improve the quality of care to injured workers and control or reduce costs to employers while safeguarding the many beneficial elements of the existing workers' compensation system; and be it further

Resolved, That the IAIABC continues to support all sincere and legitimate efforts to improve the workers' compensation systems. The IAIABC supports creation of a task force or commission, which includes state Administrators and Commissioners, to study the feasibility and appropriateness of coordinating workers' compensation with a restructured health care system. Such task force or commission should not be charged to mandate a federal system, preempt state laws or preserve the existing state programs but, rather should be a reasoned effort to improve the systems, lower the costs and assure quality health care and indemnity benefits to injured workers.

Adopted by the Executive Committee of the IAIABC this 15th day of November, 1993, Pittsburgh, Pennsylvania.

STATEMENT BY THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS ON WORKERS' COMPENSATION AND NATIONAL HEALTH CARE

Title X of the Administration's Health Security Act requires each health plan to provide enrollees, or arrange for the provision of, workers' compensation services—defined as medical benefits, rehabilitation, long-term care, and other services commonly used for treatment of work-related injuries and illnesses. This concept has come to be known as a coordination between workers' compensation and national health care, as opposed to a full merger approach which would entail actually separating the medical component of workers' compensation from the disability (or wage loss component and transferring it to a new national health system. Under the coordinated approach the current workers' compensation medical and disability would be maintained, but insurers would contract with approved health plans for the treatment of workers' compensation medical claims.

Many in the Administration seem to favor the idea of separating the medical portion of workers' compensation from the disability component. Under this kind of proposal, medical would become part of the new national health care structure and disability would remain under the purview of existing workers' compensation carriers. Indeed, Title X contains a provision to create a Commission on Integration of Health Benefits to study the feasibility and appropriateness of transferring financial responsibility for all medical benefits, including workers' compensation and automobile insurance, to the health plans. In anticipation of such a proposal, NFIB recently polled its members on this concept (Mandate 501, June 1993). The following question was posed: "Should the Medical Portion of Workers' Compensation be Moved Into a New Standard Health Plan?" Appropriate background information was provided to the membership, including pro and con arguments. The results were 19 percent voting in the affirmative, 63 percent voting in the negative, with 18 percent undecided.

Considering the fact that workers' compensation is mandatory for most employers and that the costs for this insurance are rising faster than general health insurance, one might think that employers would opt for any kind of change that offered some hope of reducing costs. Indeed, the Administration has put forth its proposed merger of health insurance and workers' compensation medical as a cost containment measure. Clearly, NFIB members did not view it as such. Since workers' compensation medical expenditures are less than 2 percent of all health care expenditures, it is hard to conceive of the merger approach as a major cost containment mechanism. Under either the merger approach or the coordinated approach, any cost savings are likely to occur as a result of getting workers' compensation medical claimants into a managed care environment. This can be achieved without dismembering the current workers' compensation program. A recent study by the Workers Compensation Research Institute (WCRI) of Cambridge, Massachusetts on the cost implications of the coordinated approach under Title X presents some disturbing findings. The WCRI report concluded that:

"On balance, the Clinton plan is likely to increase costs for workers' compensation—the effects of features that increase costs are likely to outweigh effects of features that reduce them. The possible exception is the corporate alliances which could provide a vehicle for large employers to counter some of the cost-increasing incentives created by the Clinton plan."

The WCRI study identified seven components of Title X which could be cost-drivers with respect to workers' compensation—driving costs either up or down. Among those factors which would tend to increase costs:

Mixing fee-for-service and capitated payment would create an incentive to shift costs from general health care to workers' compensation.

Disconnecting responsibility for managing medical treatment from the responsibility for paying indemnity benefits may increase these wage-loss payments.

Allowing employees to choose specialized workers' compensation providers may offer incentives for doctor shopping and excessive service provision by providers, as well as delay return to work efforts.

WCRI identified other components of the Clinton plan that would create incentive to promote cost savings. These include:

Medical fee schedule, depending on the level that the rates are set, could drive costs down.

Managed care treatment of workers' compensation medical claims could lead to lower medical costs and possibly lower indemnity costs.

The development of promised medical treatment protocols for work-related injuries and illnesses could lead to lower costs, depending on the enforcement mechanisms in place.

Selective contracting with the most cost-effective health care plans by corporate alliances could offset the effects of the fee-for-service/capitation mix and the medical-indemnity disconnect, but only for large corporations.

The Administration has repeatedly touted Title X as a way of bringing down the costs of workers' compensation, and has argued that business should support the adoption of the Health Care Security Act, in part, because of this promised cost savings. The WCRI findings gives us great cause for concern over the Administration's claims.

There are also several technical problems in merging workers' compensation and health insurance. These revolve around the difference between health and comp in such areas as experience rating, scope of coverage, extent of coverage, benefit levels, cost sharing, and so forth. In addition, splitting the system into two parts means that employers/insurers would essentially lose control over the disability case management aspect of workers' comp. Eliminating the rehabilitation and return to work supervision of employees could seriously inhibit the ability to control costs on the disability side. Administration officials have come to recognize that these problems are significant and are beginning to give serious thought to how they might be resolved.

Since most employers are required to carry workers' compensation, they have some understanding of the program, and they understand that workers' compensation reform is absolutely essential. It will be difficult, however, to convince them that a merger of the health and comp systems represents the road to reform if the technical problems outlined above cannot be resolved.

NFIB appreciates efforts by the Administration and others to mitigate the workers' compensation burden on small business. In testimony delivered before the House Small Business Committee in September of last year, NFIB stated its belief however, that a full integration policy, untested in the United States, is unworkable and may not effectively slow down cost increases. In that same testimony, we noted that a "coordination" policy, that allows cost-saving managed care programs to be applied to workers' comp cases would be far preferable and, we believed, more palatable to both employers and insurers. Now, however, considering the findings of the Workers Compensation Research Institute with respect to the workers' compensation cost impacts of Title X of the Clinton legislation, NFIB believes that it is time to simply drop Title X altogether from the Health Security Act. No other health plan before the Congress deals with the workers' compensation issue. We believe it is time to get on with the business of fashioning a health care reform bill. Once we have some idea of what the health care reform will look like, then we can determine how workers' compensation may, or may not, fit into a new national health care plan.

[From the NAM Board of Directors, Naples, FL, Feb. 5, 1994]

NAM RESOLUTION ON HEALTH CARE REFORM AS IT RELATES TO WORKERS' COMPENSATION

The members of the National Association of Manufacturers (NAM) have previously expressed concern with the rising costs of health care and the high numbers of uninsured Americans. We are also concerned about the cost impact that changes to the health care system would have on the workers' compensation system. After careful study of the President's reform proposal as it affects workers' compensation (Title X), we have come to the conclusion that this complex issue deserves separate attention from that of the health care system.

Title X would jeopardize successful workers' compensation reform efforts at the state level, particularly as they relate to cost control mechanisms. The proposal would, among other things, eliminate employer choice of provider and diminish employer input and control of case management. Of greatest concern is the Federal Commission called for in Title X which apparently is intended to federalize the entire workers' compensation system. The members of the NAM believe that any federalization of these programs would be a serious error. At the state level, the benefits can best be tailored to fit local socio-economic conditions and such situations as may arise as the result of the introduction of new industries and technologies. Therefore, workers' compensation should continue to be regulated and administered by the states without intervention by the federal government.

For the reasons listed above, the workers' compensation provisions of Title X should be removed from the Administration's Health Security Act. If a Federal health care reform plan is enacted, specific statutory language must be included to prohibit cost-shifting to workers' compensation.

BACKGROUND

Outlined below in greater detail are our concerns.

Choice of physician: The value of allowing the free selection of physician is debatable. We have seen no evidence to support that this is preferable in workers' compensation cases. Most employees do not have the training, knowledge or information necessary to make these decisions, particularly in instances requiring specialists and rehabilitation. The proposal allowing states to certify specialists available to injured workers outside their basic Alliance Health Plan would facilitate doctor shopping and create additional disputes over medical treatment. Currently, roughly half the states are split between employee and employer choice of physician. Under Title X, the employer would have no control and in some cases no input in that decision.

We believe that there is value to employer input into the choice of physician and that the employee is better served if he/she makes this decision with the advice of the employer. If the system allows the employee to switch doctors, this is likely to result in the unnecessary lengthening of the disability period and/or the impairment rating, which will increase costs.

The bill as substantially written reduces the ability of the employer to control treatment. This, coupled with the free choice of physician by the employee, could result in treatment by inappropriate provider or providers lacking appropriate training for the injury involved. In any case, it does nothing to enhance or maintain the quality of treatment available to the injured workers.

Case management: Case management is critical to the successful treatment of serious injuries. To speed recovery and allow a timely return to work for injured workers, the case manager needs a thorough understanding of the specific jobs and workplace. This is most effectively accomplished by employer or carrier case managers. Case managers working for the alliances or AHP's (as structured under the Health Security Act) will be subject to internal financial pressures which are not conducive to the goal of high-quality, cost-effective care aimed at a prompt return to productivity. Additionally, dual case managers create further opportunity for additional strife within the system.

Cost Shifting: We are fearful that there are incentives in this bill for employees to shift cases to workers' compensation in order to receive first dollar coverage. While Title X does contain language calling for the development of treatment protocols and fee schedules to address all medical services, until these are fully operational, health plans may still employ differential pricing to the detriment of workers' compensation.

Proposed Workers' Compensation Commission: The NAM questions whether federal commissions produce value commensurate with their costs. In this case, we do not feel the commission should be charged with completing a study for further integration of the workers' compensation system into the general health care program before the reform program goes into effect. If the commission is required, it should not issue any recommendation until it has had time to evaluate the effectiveness of the reforms. In addition, we are concerned that the commission may expand its scope into issues concerning coverage and benefits, areas which fall under the jurisdiction of the states. The NAM believes these issues should remain with the states.

[U.S. Chamber of Commerce position on workers' compensation legislation]

STATEMENT ON WORKERS' COMPENSATION AND HEALTH CARE REFORM

As the country reviews proposals that will fundamentally alter the U.S. health care system and its impact on the states' workers' compensation systems, the U.S. Chamber of Commerce seeks to play a constructive role in helping to form a national consensus on this issue. Accordingly, the Chamber offers the following guidelines as a basis upon which we will assess the viability of any plan. There are two underlying principles, recognized in the first three guidelines below, that are central to the policy of the Chamber. First, we remain steadfastly opposed to the federalization of state workers' compensation systems. Second, the medical component of workers' compensation must be able to effectively benefit from any medical cost saving mechanisms instituted under a reformed health care system.

Workers' compensation must remain within the exclusive domain of state laws. A reform effort should not operate to expand any existing federal mandates or create any new ones, or to otherwise affect benefit levels established by the states.

Direct and total integration of the medical component of workers' compensation into nonoccupational health care reform is unacceptable. An employer's current ability to engage in overall disability management to ensure maximum rehabilitation in the earliest time frame with an eye toward controlling indemnity costs is essential to a workable, cost-effective workers compensation system. The Chamber will strongly and actively oppose any provision aimed at total integration.

The health care portion of workers' compensation must be allowed to take advantage of any medical cost savings that national health care reform would produce. Non-discrimination in the pricing of medical care between occupational and non-occupational injuries or diseases should be established. Health care reform should not leave workers compensation more vulnerable to cost shifting.

The current safety incentives, including experience rating based on both medical and indemnity costs, should be maintained. Employers with good safety programs should continue to benefit from their efforts and should not be required to subsidize unsafe employers.

The current development and implementation of managed care and effective cost containment in workers' compensation should be permitted to continue.

The exclusive remedy principle of workers' compensation should be retained. This principle embodies the practice of employees giving up their right to sue the employer for a work-related injury or illness in exchange for reasonable and necessary medical care and cash benefits replacing a portion of lost income on a no-fault basis. Relaxing or eliminating this practice would needlessly expose employers to expensive and damaging tort litigation and would undermine support for no-fault benefits for workers.

The ability of employers to select medical care providers, where such ability exists under state workers compensation jurisdictions, should be preserved.

Employers' right to direct return-to-work efforts, including rehabilitation and associated medical care, should be allowed to continue. Sole control by providers is unacceptable.

The determination of work-relatedness and other medical-legal issues should continue to be governed by state workers' compensation statutes.

The right to self-insure in accordance with state workers' compensation laws should be preserved. Self-insurance permits employers to elect to bear their own risk if they are financially qualified to guarantee delivery of required benefits.

The role of federal workers' compensation programs (e.g., Longshore Act, Federal Employees Compensation Act, Black Lung program, etc.) within a reformed system must be considered. The effect of allowing any of these programs to opt out of the reformed system should be explored.

Workers' compensation premiums should remain fully tax deductible and benefit payments should remain excludable.

The current paperwork requirements should not be increased.

State law should continue to govern the definition of coverage (and obligation to cover). Specifically, coverage should be based on date of injury, not date of medical service.

Any reform effort should not impede states' efforts to effectively deal with fraud.

[From the Alliance of American Insurers, Washington, DC]

ALLIANCE OF AMERICAN INSURERS POSITION PAPER—WORKERS COMPENSATION AND TITLE X OF THE HEALTH SECURITY ACT

The Alliance of American Insurers is committed to achieving medical cost containment within the state-based workers compensation system. We are equally committed to opposing any plan that would sacrifice the high quality medical care and rehabilitation which victims of occupational accidents now receive through workers compensation programs.

A key workers compensation element which must be preserved in any reformed system is the ability of the employer and insurer to manage recovery from disabling work-related injuries. Effective medical treatment can reduce disability, but disability management speeds the worker's return to employment and often can reduce the amount of medical care which must be provided. The Alliance believes that any workers compensation reform proposal should embody the following principles:

1. Workers compensation providers should be allowed access to all health care delivery systems in use;
2. Unfair discrimination resulting in cost shifting should be eliminated;
3. States should continue to regulate workers compensation;
4. Insurers/employers who are responsible for medical care and disability payments should have substantial control over decisions related to that care;
5. Experience rating should be maintained; and,
6. The exclusive remedy doctrine should be preserved.

Title X of the Health Security Act clearly would undermine the first, second, third, and fourth principles listed above. Title X also would create an unworkable system of regulation and administration, including health alliances engaged in price-setting (fee schedules), and unnamed state agencies controlling access to expert workers compensation medical care. Furthermore, if the medical care component of workers compensation were to be merged into the proposed health insurance system (and this is virtually a preordained result flowing from Subtitle C), the fifth goal would be lost and the sixth would be at risk.

The Clinton Administration's "coordinated" approach to workers compensation outlined in Title X is flawed because it would require, rather than allow, medical treatment for occupational injuries to be delivered through the employee's health insurance plan, leaving employers with no meaningful input into the choice of medical provider. Title X would shift case management of an injury away from the employer/insurer—who has expertise in the management and treatment of occupational injuries—to the health insurance plan, where expertise would have to be developed. The requirement that each health plan provide a workers compensation case manager simply duplicates services presently provided by the payers for that care and moves this management function to the health plan, which bears no financial risk for medical care or disability.

In addition, Title X arguably would prevent the employer and the state workers compensation agency from questioning whether appropriate medical treatment is being received by an injured employee. This would establish a prohibition that presently does not exist even in states where the employee has the right to initial selection of a physician.

Shifting medical management of an occupational injury from the employer/insurer to the health insurance plan is likely to increase the length of disability (lost productivity) and drive up disability costs. The parties paying for disability, who have a financial stake in an employee's swift return to work, would be restricted in directing treatment toward that optimal outcome. In contrast, a health plan, its providers, and its case manager would have no financial incentive to speed recovery and return to work. This would work to the detriment of both workers and employers.

Unfortunately, Title X's pre-emption of state workers compensation laws dealing with medical treatment would wipe out much of the improvement already achieved in several states through reform. This is especially true with respect to the application of managed care to occupational injury and disease.

Title X also would create a commission appointed from within the Departments of Labor and Health and Human Services to "study the feasibility and appropriateness of transferring financial responsibility for all medical benefits (including those currently covered under workers compensation) to health plans." From statements made by Administration officials, it is clear that this commission is expected to recommend total integration of the workers compensation health benefits financing system into the national health insurance system. Such integration would seriously and adversely affect employer safety incentives by moving workers compensation from an experienced-rated to a community-rated system. The public at large would then have to bear the cost of an employer's unsafe workplace.

This would be a giant step in the wrong direction. Integration would create the wrong financial incentives for health plans to provide the intense and special treatment intended to quickly return an injured employee to work. Also, integration would likely erode the exclusive remedy doctrine, thus flooding the courts with litigation, increasing delivery costs to employers and delaying payment of compensation to injured workers.

Overall, Title X would impose an entirely new, unworkable operating structure on state workers compensation systems. Title X also would increase workers compensation costs. In addition, Title X fails to address many state-specific workers compensation problems. For all of the reasons cited above, the Alliance of American Insurers and our 214 member companies believe that Title X would be bad public policy for both employers and American workers.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. GRAHAM). The Senator from Connecticut is recognized.

UNIVERSITY OF CONNECTICUT NCAA BASKETBALL

Mr. LIEBERMAN. Mr. President, it has been a tough winter of 1994 in the State of Connecticut. The weather has been brutal, too much snow, too much cold. The economy continues not to show as much strength and recovery as we would like, with too many people still out of work.

Mr. President, in the midst of this very difficult winter of 1994, the good Lord has sent the people of Connecticut reason for hope and something to cheer, and I speak of the UCONN Huskies basketball teams. The University of Connecticut women's basketball team is ranked No. 3 in the Nation, and the men's team is ranked No. 4. In the minds and hearts of the people of Connecticut, Mr. President, as you can imagine, these teams are No. 1.

They turned in exemplary performances during the regular season and are now poised to begin pursuing national championships in their respective NCAA tournaments. The women's team begins playing Brown tonight in Storrs, CT. The men's team plays tomorrow at the Nassau Coliseum against Rider.

So the late winter blues have been replaced in Connecticut by the blue-and-white colors of Huskymania. The UCONN men's team compiled a 27–4 winning record, and the women's team went 27–2. Without a doubt—and I will not require the Presiding Officer to nod or show approval of the statement I am about to make—in my mind, the State of Connecticut has the best one-two basketball combination of any State in the country.

The men's team, in fact, began the season unranked. Yet, they rose quickly, attaining a position of No. 2 in the country at one point. Longstanding records fell in the wake of this powerful team as the regular season drew to a close: They won 16 Big East games. Our great forward Donyell Marshall captured the single-season Big East scoring mark. And the Huskies won the conference by three games, more than any previous Big East champion.

The Huskies also swept the major Big East awards. Coach Jim Calhoun, who is an inspiration as a leader, was voted Big East Coach of the Year and is in serious contention for National Coach of the Year, and he should win it. Doron Sheffer was named Rookie of the Year. All-American Donyell Marshall took home awards for Player of the Year and Defensive Player of the Year and is currently in contention for the Wooden Award and Naismith Award, which goes to the top male player in college basketball. He was also selected for the First Team by the U.S. Basketball Writers Association and, this morning, the Associated Press First Team All-American Team.

The UCONN women's basketball team was ranked No. 3 in the final women's top AP poll.

Led by coach Jeno Auriemma and Big East player of the year, Rebecca Lobo, the champion Huskies parlayed a record of 27 and 2 with no losses, no losses at home, and a No. 1 seed in the east region and in the NCAA tournament.

For the sixth year in a row, the Connecticut women's team earned a birth in the championship tournament, and riding a crest of 18 consecutive victories, they are favorites to bring home a national championship.

Mr. President, these two teams, as so often happened with sports teams, united Connecticut like few events in recent history in our "land of steady habits." Watching the Huskies has become a steady habit we hope we never break.

I wanted today to rise on the floor of the Senate as these two teams begin their participation in the NCAA tournament, hoping that they will both bring home national championships, but regardless of the outcome saying to each and every member of this team and coaches: Thanks for the season you have given us, congratulations on the skills and grace and accomplishment that you have shown, and thanks to those loyal fans of the Huskies who cheered them along every step of the way.

Mr. President, I conclude by simply echoing in this great Chamber the words that now rise mysteriously but thunderously from the State of Connecticut and its 3.4 million citizens, "Go, UCONN Huskies."

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I congratulate the junior Senator from Connecticut.

They finally found out that about basketball all these years, but somehow the last weekend a team from the State of Kentucky beat the No. 1 team in the Nation, won the southern conference and is the No. 3 seed in the NCAA tournament. The University of Louisville with Danny Crump won the Metro Conference. In western Kentucky, one small school down in far west Kentucky will be in the Gang of 64.

So I just want to congratulate the Senator from Connecticut and say that we hope that he goes far but not quite as far as he wants, and I think the cap will probably look better at the gymnasium than it would on the Senate floor?

Mr. LIEBERMAN. Mr. President, I thank the Senator from Kentucky for his kind words. We say to him we look forward to seeing him in Kentucky at the final four in Charlotte.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

NORTH KOREA

Mr. McCAIN. Mr. President, we learn today that once again North Korea has violated its international obligations as signatories to the Non-Proliferation Treaty by refusing to allow IAEA inspectors access to critical parts of its plutonium producing facilities. IAEA inspectors left North Korea yesterday after all attempts to complete their mission were denied. The administration's policy of heaping concession upon concession in the feckless hope that our generosity would beget North Korean good faith in meeting its international responsibilities has failed yet again, and failed miserably.

At what point will this administration accept that appeasement of North Korea is a losing proposition? We have canceled joint military operations with our South Korean allies in the face of a massive buildup of North Korean forces along the 38th parallel. Again and again, we have responded to the abundant evidence of Pyongyang's bad faith by holding out the prospect of improved economic and diplomatic relations. The United States has responded to every broken promise, every lie, every threat with the groundless optimism that tomorrow will be a better day. Tomorrow, this lawless, bellicose regime will come to its senses and abide by its international obligations.

What has this shameful failure to confront squarely an immediate threat to our vital national interests earned us? Nothing but the reckless endangerment of 37,000 American servicemen and women who are stationed in Korea.

Nearly 2 months ago, the American commander in Korea, General Luck, requested the immediate deployment of Patriot missile batteries to defend his troops against a North Korean attack. They have yet to be delivered. Why? Perhaps, the administration views even this reasonable precaution to be too provocative a response to North Korean threats.

The administration's policy can be fairly summarized as "walk softly and carry a bundle of carrots." Thus far, it has given North Korea a full year to conduct its nuclear program without interruption. The administration has given Pyongyang every encouragement that it can continue its buildup indefinitely.

What is at the core of this reckless policy? I believe it is an utter failure of nerve; a failure to confront a difficult problem today in the hope that it will simply go away in time. But it will not go away, and the problem we will inevitably confront in the near future will be more intractable and far more dangerous than it is today.

Now is the time to talk quietly but very firmly to Russia and China. The administration has repeatedly assured the Congress that China has cooperated with our efforts to persuade Pyongyang to abandon its nuclear ambitions. But there is not a scintilla of evidence that they have done so. With every North Korean provocation, including yesterday's, Beijing has stated its opposition to sanctions.

We need not issue public threats to China, but we should impress upon them that a nuclear North Korea is not in their interests either. We need not negotiate with China in the press nor rely on public rhetoric to make perfectly clear our insistence on their help.

Quietly, but with unshakable resolve, we should make clear to China's leaders and Russia's that the resolution of this problem is the United States' No. 1 priority. Without their cooperation, the problem will be much harder to resolve, but the United States will resolve it by whatever means necessary. Without their cooperation, it is exceedingly difficult to see under what circumstances the United States could continue to constructively engage China and Russia.

Let me stress again, this is not a message that the United States should send to Beijing and Moscow through the good offices of the New York Times or the Washington Post. We have already seen how China responds to public threats issued by the United States Government which China judges, with good cause, to be made for the purposes of public and congressional consumption but which are, like so much of this administration's foreign policy, unconnected to any serious intention to act.

Sadly, we have yet to convince even our allies—those allies most threatened by North Korea's nuclear program, South Korean and Japan—that the United States will react with firm resolve to counter the threat from the north. Consequently, even they are reluctant to take the difficult but necessary steps to begin to impress upon Pyongyang that President Clinton was serious when he said he would not tolerate North Korea's possession of nuclear weapons.

The administration still lingers in a seemingly perpetual state of denial that North Korea could respond to our lack of resolve with aggressive hostility. Even today, the Washington Post quotes an administration official's optimism that "it's still possible to salvage the situation by overcoming North Korea's concerns about the inspection." Nonsense.

It is time for North Korea to overcome our concerns or live with the consequences, consequences that will hasten the collapse of that despicable regime, consequences which include but are not limited to the absolute economic isolation of North Korea.

After close, quiet, determined, and successful consultations with China, Russia, South Korea, and Japan, the United States should go to the U.N. Security Council to seek a complete economic embargo of North Korea. Remittances from Koreans living in Japan should stop immediately. The United States should announce that it intends to return tactical nuclear weapons to the Korean peninsula unless North Korea permits all inspections of its nuclear facilities, including two nuclear waste sites, as required under the terms of the Non-Proliferation Treaty.

The United States should begin making all the force improvements necessary to enhance our conventional and rapid deployment capabilities in South Korea. Our forces should be fully ready to repel aggression irrespective of whether North Korea's bellicosity is real or contrived to intimidate this easily intimidated administration. Joint military exercises are a necessary determinant of our readiness, and we should begin planning the resumption of Operation Team Spirit today. Finally, we should make unambiguously clear to Pyongyang that any use of weapons of mass destruction against South Korea will be met with greater retaliation in kind.

Mr. President, the world is an exceedingly difficult and dangerous place. The Clinton administration has avoided facing up to that grim reality in almost every instance where it has been evident. By their negligence they helped to make the world even more dangerous and the United States markedly less secure than it was before they took office. God help us all if the administration does not take immediate steps to reverse its image abroad as vacillating and insecure. let them start in Korea.

As I have in the past when I have addressed the Senate on this subject, I would like to close by paraphrasing Churchill. Let it not be said one day that in a definitive crisis in the post-cold-war world, the United States faced a choice between appeasement and the prospect of war; we chose appeasement first and got war later.

Mr. President, I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I thank the Chair.

(The remarks of Mr. ROTH pertaining to the introduction of S. 1934 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

SAFETY REGULATIONS IN PASSENGER VEHICLES

Mrs. FEINSTEIN. Mr. President, I would like to speak on an incident last week that raises serious questions about national passenger safety standards for motor vehicles.

CRASH INCIDENTS

On March 9, a 1981 Toyota pickup truck carrying 20 people overturned. Twelve people were killed. Eight people were injured.

Of the four people wedged into the cab of the pickup, only the driver survived. Nine of the 16 passengers in the bed of the pickup, which was covered by a camper shell, were killed.

Among the seven men and five women who died was a pregnant woman.

The 16 people crammed into the back of this pickup were not required under California law to wear seatbelts because the pickup truck was covered by a camper shell.

In October 1993, a 16-year-old was killed in the Daly City area when a half-ton pickup truck with 10 other young people overturned.

In July 1993, seven young passengers in the bed of a pickup were killed when an alleged drunk driver lost control of his car in Commerce and struck the pickup truck. The victims in the pickup, six males and a female ranging in age from 14 to 20, were returning to the San Gabriel Valley from an outing to the beach. There were only two survivors.

That same month, a teenager died in a traffic accident after a pickup truck rolled over three times, throwing him from the truck bed onto a road in Santa Ynez. The two passengers in the vehicle, both of whom were wearing seat belts, survived the accident.

In June 1993, two teenagers were killed as a pickup carrying teenagers from a graduation ceremony crashed in Oxnard.

In September 1991, two teenage boys were killed and two others injured when a pickup overturned on a curve on Moreno Boulevard in Lakeside.

STATE STATISTICS

According to California Highway Patrol statewide statistics, 144 people who were riding without restraints in truck cargo areas were killed in accidents between 1989 and 1992. Another 3,600 were injured in that period.

STATE LAWS

On January 1, 1993, a new law took effect that allowed police, sheriff's and California Highway Patrol officers to pull over motorists for not wearing seatbelts in passenger cars. The first offense brings a $22 fine. The second brings a $55 fine.

California has required motorists to wear seatbelts since 1986. The only real change that occurred in 1993 is that motorists can be pulled over and ticketed simply for not wearing their seatbelts. Previously, officers had to have another reason for stopping a car.

At this point, California law only required that children under the age of 12 be accompanied by an adult when riding in the back of a pickup truck. Ironically, more restrictive laws applied to animals—as a result, animals must be restrained when in the back of a pickup according to a law passed in 1987.

Beginning on January 1, 1994, the California law was expanded. CHP officers began citing motorists and passengers who ride in the beds of pickup trucks without seatbelts. Passengers may only legally ride in the backs of these trucks if they are strapped in by a lap belt attached to a seatbelt bolted into the bed.

But, yet another tragedy has shown that the California laws are inadequate. Twelve people died last week when the pickup truck careened off the road—and no California or Federal law prevented the 20 people from cramming into the vehicle. A loophole in the California law means that anyone who rides in a pickup with a camper shell is exempted under the law.

FEDERAL STANDARDS

The issue of seatbelt safety is not new to the Federal Government. As of September 1, 1989, all new passenger cars produced for sale in the United States are required to be equipped with restraints—either seatbelts or airbags. According to the Department of Transportation, about 4,575 lives were saved in 1989 as a result of the seatbelt use.

Yet, there remains a great deal of leeway in minimum safety standards adopted by States.

I believe it's time to set a minimum national standard of safety for passenger vehicles—cars, pickup trucks, minivans, vans, and the increasingly popular jeeps.

According to a report received from the American Automobile Manufacturers Association, truck sales represent one of the fastest growing segments of the American automobile industry. From 1992 to 1993, there was a 16-percent increase in truck sales in the United States.

Such minimum national standards could prevent anyone riding in the back of a pickup truck without a seatbelt. Such standards could apply the same safety regulations to passenger vehicles and to minivans and jeeps that are now so popular.

National standards could prevent loopholes like the one in California where simply because the pickup had a camper shell, the laws did not apply.

Once minimum national standards are set, I believe the Federal Government should withhold Federal transportation funds from States that do not impose these standards within a reasonable period of time.

Never again should the people of this country witness the tragedy and destruction when 12 people die in a single car accident.

TRIBUTE TO JOHN LINDAHL

Mr. MATHEWS. Mr. President, I rise today to pay tribute to John Lindahl, who was honored recently as the recipient of the 1994 International Commerce Award, presented by sister cities of Nashville. Mr. Lindahl is the chairman and chief executive officer of State Industries, Inc., of Ashland City, TN.

Mr. Lindahl's company, founded by his father, began manufacturing coal and wood burning heating and cooking stoves in 1946. Two years later, the company began manufacturing water heaters. Today, it is the world's largest water heater manufacturer with more than 1,800 employees.

State Industries has been an integral part of the foundation of Tennessee's manufacturing base for nearly 50 years. Under Mr. Lindahl's stewardship, and through his foresight and vision, State Industries has prospered and flourished.

From its humble beginnings, State Industries' commitment to quality and excellence in manufacturing coupled with its dedication in keeping the needs and concerns of its customers first, has set a high standard which has contributed to its success.

Mr. Lindahl can take great pride in his outstanding career as an enterprising and skillful entrepreneur, whose company has contributed much to the community, the region, and our Nation.

Today, State Industries is a key player in manufacturing in the world marketplace, due in no small measure to Mr. Lindahl's leadership and commitment to growth and excellence. He is to be commended for his achievements and congratulated on receiving this well deserved award.

OUTRAGEOUS EXAMPLE OF BUREAUCRATIC ABUSE

Mr. D'AMATO. Mr. President, I rise to call attention to one of the most outrageous examples of bureaucratic abuse I have seen during my time in the Senate.

The big brother in this instance is the Federal Communications Commission. The manner in which this agency has dealt with one of my constituents, Infinity Broadcasting Corporation, is simply unacceptable. It is a situation that everyone who respects our first amendment freedoms and due process in administrative proceedings must be concerned about.

Infinity Broadcasting Corp. is a publicly traded New York company, and is the country's largest company whose business is owning and operating radio stations. They have been in the business for 20 years. Upon completion of pending acquisitions, they will own 25 radio stations in 13 major markets, including stations in every one of the top 10 markets. There are many diverse formats on these stations, including rock, country, oldies, all talk, and all sports.

This sorry situation that I bring to the Senate's attention involves a recent attempt by Infinity to purchase a Los Angeles radio station.

According to news reports, the Commission held up that sale because it did not like the content—the content—of one of Infinity's programs. It apparently did not matter to the FCC that the program in question would not even air on the station Infinity wanted to purchase.

The FCC clearly does not like this program. It is the "Howard Stern Show." The program is not everyone's cup of tea. I have been on it. I like Howard. He is a friend. But I know some people get offended by some of the things he says on it. That is OK. That is their right. This is the United States of America, and if they do not like it, they can turn it off or turn the dial. They can even boycott it. They can boycott the sponsors who put it on. That is their right.

I am not here to debate the merits of Howard Stern. If you like him, you like him; if you do not, you do not.

But what I do know is if the Federal Communications Commission or any citizen in America thinks that what Howard Stern or anyone else says on the air is indecent, they can file a complaint. There are procedures for adjudicating these complaints. And that is the way it should be. If Howard Stern or Infinity or anyone else breaks the law, they should be punished.

That is not what has happened here, though. And that is what bothers me greatly.

What happened here was, because the Federal Communications Commission did not like this particular show, the Commission took revenge on Infinity, the entire corporation—a publicly traded company with thousands of shareholders—by holding up the sale of the Los Angeles station to Infinity.

A sale like this usually requires a 60-day turnaround at the Commission. This one has taken 271 days so far, and still has not been resolved.

In fact, one Commissioner this past New Year's Eve, Commissioner James Quello, told the New York Times that the Infinity KRTH acquisition would be delayed indefinitely because he claimed the Commission disapproved of Mr. Stern. As it turned out, the New York Times never checked with the other two Commissioners who, the following week, repudiated the story and said that Commissioner Quello did not speak for them.

But the harm had already been done. As this one Commissioner must have known, the Infinity stock price had dropped $200 million, about 1 percent of its value, over 3 trading days, and Infinity was forced to pay millions more in penalties for the delay in completing the purchase of the Los Angeles radio station.

If a member of the Federal Communications Commission feels the content of a show is indecent, there are steps, there are procedures that can and should be taken. That is OK. Those ways protect the basic first amendment principles and the due process rights contained in the Communications Act and the FCC's own internal proceedings.

Maybe this case got a lot of publicity because it involved a controversial entertainer. But precisely because it did involve controversy, the constitutional concerns become even more real. After all, often the law is not made in cases involving the most perfect of parties. The Constitution was written to protect all the different voices in the marketplace of ideas.

The way I read the first amendment, a dislike or disagreement with content is clearly not sufficient to punish Infinity in its other unrelated business dealings. But here the Commission did just that.

The Infinity case highlights an impermissible joining of two FCC proceedings that, as I understand it, are supposed to be kept separate—the sale of a broadcast license and the issuance of notice of apparent liability, which is the Commission process for adjudicating indecency complaints. That this improper joining occurred over the enforcement of the indecency standard is particularly troubling.

The FCC needs to be particularly careful in this area, in light of the due process principles and the first amendment concerns articulated by two unanimous DC Court of Appeals decisions.

In both decisions, the court struck down the foundations of the FCC's enforcement scheme, which should tell it something. While four notices have been issued against Infinity, it is my understanding that Commission issuance of such a notice of apparent liability, along with a proposed fine to a broadcaster, does not constitute any determination that there has been a violation of the indecency standard. The Commission has found Infinity violated the indecency standard only once, and it issued a $6,000 fine for that one broadcast, 4 years ago. The other cases are still pending at the FCC.

Infinity has not yet been able to challenge the $6,000 fine in court, which it has told the FCC it intends to do. In each case, Infinity has denied any violation.

It is these nonfinal notices of apparent liability that the FCC is using for proposing unprecedented fines, now totaling over $1 million. According to news reports, and this gets to the heart of what is wrong, the Commission has also used these same nonfinal notices as its basis for delaying Infinity's purchase of new radio stations.

This appears to be in direct contravention of section 504(c) of the Communications Act, which provides basic due process guarantees to each licensee. Section 504(c) states:

> In any case where the Commission issues a notice of apparent liability looking towards the imposition of a forfeiture under this chapter, that shall not be used in any other proceeding before the Commission to the prejudice of the person to whom such notice was issued, unless, 1, the forfeiture has been paid or, 2, a court of competent jurisdiction has ordered payment of such forfeiture and such payment has become final.

The Commission has violated this procedure.

There is no final court order on the indecency cases. Yet the Commission is using these cases as a basis for delaying the acquisition of another station. This is one of the most blatant examples of the abuse of regulatory power, arrogance, and, yes, regulatory lawlessness, that I can remember.

Deliberately delaying a decision on an acquisition because of a nonfinal notice of apparent liability is in direct violation of section 504(c) of the Federal Communications Act, which was passed by Congress specifically to ensure this due process rights of licensees are protected. Should an FCC Commissioner be allowed to make his decision above the law, how can we demand licensees follow the law, if the FCC does not adhere to the law?

The Federal Communications Commission has an obligation to comply with the direction of the Federal courts, and abide by the requirements of the Communications Act and the first amendment. It is that simple.

If one or more Commissioners believes an indecency standard has been violated, there are administrative procedures for adjudicating such complaints. But they may not use their personal reactions or incomplete enforcement proceedings to penalize program content or to impede or delay a company from doing business and acquiring new broadcast properties. Yet that appears to be precisely what has happened here.

This is a particularly worrisome form of administrative browbeating. If it can be done to Infinity because of one show it can be done to any other company tomorrow, based on the content of a different program with which the commission does not agree.

Maybe tomorrow it is Rush Limbaugh, or G. Gordon Liddy, or maybe Jerry Brown or Lynn Samuels or even some of my colleagues who offer commentaries. Who knows who it will be?

I do not like some of the things I hear on the radio but that does not matter because, you see, this is the United States of America. People have a right to make their opinions known.

So where do these people at the Federal Communications Commission get off doing this? I find myself agreeing with a newspaper I do not often agree with. As the Washington Post stated in a recent editorial re the Infinity case:

> The Infinity-Stern case points up a dangerous aspect of government using its licensing and regulatory powers on a part of the press to try to force changes in editorial content.

Censorship is arbitrary and Congress should start thinking hard about getting Government out of it.

I ask unanimous consent this editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. D'AMATO. That is exactly right. It will be a sad thing if the Congress of the United States has to get involved in setting straight something that is so basic.

Mr. President, Commissioner Quello has seen fit to impose his standards of conduct in an area where it is totally inapplicable. I hope the other Commissioners would not give way to this kind of blackmail. Because that is exactly what it is. No one, whether we agree with him or not in terms of how he presents himself editorially, should be subjected to the kind of situation we have here in this case. So it is by way of my taking to the floor, I hope we would send a warning to the Commission that we are looking, that we are concerned, and that they have abused power in the most arbitrary of ways. That is not their right.

Indeed, they violate the very protections that they should be providing for all. Free speech should not be abridged because one man does not like the commentaries or the programming that he sees.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Jan. 15, 1994]

THE HOWARD STERN CASE

Federal Communications Commissioner Andrew Barrett and a source close to Commissioner Ervin Duggan have told Post staff writer Paul Farhi that no, there has never been any agreement to delay or block the purchase of three radio stations by Howard Stern's employer, Infinity Broadcasting Corp. That's good—because there has never been any justification for doing so. In fact there is no justification for what the FCC has done to Infinity already—which has been to hit the company with more than $1.2 million in fines for alleged violations by Mr. Stern of FCC strictures on "language that describes in terms patently offensive as measured by community standards . . . sexual or excretory activities or organs." As Nicholas Lemann wrote on the opposite page Thursday, the whole Infinity-Stern case points up a dangerous aspect of government using its licensing and regulatory powers on a part of the press to try to force changes in editorial content.

What the commission has been doing—and the possibility that it could still move to wreck a $170 million purchase because of what Howard Stern says on the air—is censorship. Though access to the broadcast airwaves is limited and therefore has been treated as a matter for close government regulation, the enormous growth in available television channels for programming, as well the proliferation of radio stations, makes an even stronger case against the old programming requirements that the FCC made up in the name of "fairness" and "diversity" in program content.

Mr. Stern's program can hardly be described as everyone's idea of acceptable entertainment to put it mildly—but the same could be said about many other talk shows that are readily available on the air at any time of day. Censorship is arbitrary, and Congress should start thinking hard about getting government out of it.

Commissioner Duggan has said that "the idea that we are just sitting on" Infinity's applications to buy stations "is just not accurate. It's premature to say we are blocking the purchases." It shouldn't even be premature. The FCC should make it dead wrong.

NORTHERN STATE UNIVERSITY BASKETBALL

Mr. PRESSLER. Mr. President, my colleague from Connecticut, Senator LIEBERMAN, earlier this morning signaled the start of March madness—the annual NCAA countdown to the final four. I wish good luck to all my colleagues with teams in the tournament. However, I would like to point out that there is great basketball outside the NCAA. In my home State of South Dakota, I am proud to boast of the NAIA Division II women's basketball national champion team.

Congratulations to the Northern State University women's and men's basketball teams. Last night, both teams played in the NAIA Division II National Championship. The women's team triumphed over Western Oregon 48 to 45. This was the Lady Wolves third trip to the finals in 3 years and their second national title. Northern State's Paula Stolsmark of Pierpont, SC was named tournament MVP. The Lady Wolves boast the longest winning streak in the Nation with 32 wins to their credit.

The Northern men play in the championship game for the second year in a row. After a valiant rally, tying the game in the final minutes and sending the game into overtime after being down by 18 points in the second half, the men fell 98–95 to Eureka College of Illinois. Eureka's coach, Dave Darnall, will retire after 20 years with a national championship. I understand the Eureka team had a secret weapon—a message from President Ronald Reagan, an alumnus of Eureka College, who not only told them "to win one for the Gipper" but also offered his services in the game as "a healthy, feisty, and very mature right guard."

Before the championship game last night, my friend Senator SIMON and I made a little wager on the outcome. So in tribute to the national champion Eureka College Red Devils and in payment of my bet with Senator SIMON, I will now read the Eureka school song:

EUREKA COLLEGE ALMA MATER

'Neath the elms upon the campus, glorious to view, stands Eureka Alma mater, faithful, tried and true.

Lift the Chorus, speed it onward, Ne'er our voices fail! Praise to thee, O fair Eureka, praise to thee, all hail!

Three Northern State players were honored with berths on the NAIA all-American team: Julie Jensen of Langford, SD, Eric Kline of Aberdeen, SD, and Kevin Burckhard of Lakota, ND.

Lady Wolves Coach Curt Fredrickson deserves much credit for leading his team to a superb 32–1 season and three visits to the national championship game in 3 years. Curt was honored as NAIA Coach of the Year in 1992. Assisting Curt is Neil Chalmers. Bob Olson, coach of the Wolves, also has done an outstanding job with his team. He is assisted by Tim Miles, Brad Christenson, and Mike Hultz. I look forward to following the teams during next year's season. I know the NAIA has not heard the last of the Northern State University Wolves and Lady Wolves.

I also commend Northern State University president Dr. John Hutchinson, director of athletics, Dr. James Kretchman, as well as the entire staff and student body for supporting and encouraging excellence in both academics and men's and women's athletic programs.

In tribute to the national champion Lady Wolves and Northern State University, I now will read the Northern State University fight song:

Up, Northern Wolves! Up, Northern Wolves!
We are for you every day.
Our hearts are true! Smile down on you!
As we go cheering, cheering on our way.
Oh watch that sign! Come, hit that line!
Move along and lose no time.
We're on our way: Hip, Hip, Hooray!
We're cheering for you today!

I ask unanimous consent to place in the RECORD articles on these championship basketball games from the Aberdeen American News. I also ask unanimous consent that the team rosters of the Northern State University women's and men's basketball teams appear in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Aberdeen (SD) American News, Mar. 16, 1994]

STOLSMARK SPARKS WOMEN

(By Matt Schmidt)

MONMOUTH, OR.—The last time the Northern State women's basketball team had one senior it won the NAIA Division II national championship.

That happened again Tuesday as Paula Stolsmark sank four foul shots in the final 14 seconds to lift NSU to a 48–45 win over Western Oregon State for the school's second national title in three years.

Stolsmark, the tournament's most valuable player, stole the ball from WSOC's Julie Miller and sank a layup to tie the game at 42 with one minute and 24 seconds left.

Julie Jensen, who had a game-high 19 points, sank two foul shots with 51.8 seconds left to give NSU a 44–42 lead. Western Oregon State's Lorrie Emery missed and NSU rebounded. Stolsmark was fouled with 13.9 seconds left. She hit both shots to give Northern a 46–42 lead.

Emery then sank a three-point shot with just over four seconds left to make it a one-point game, 46–45. NSU inbounded the ball to Stolsmark who tucked the ball away and stood in the corner.

Miller fouled Stolsmark and after an NSU time-out, Stolsmark hit two foul shots with 1.1 seconds on the clock to clinch the win. Miller's three-point heave at the buzzer was short and to the right.

"It was a tough, physical game and I think we responded well to the pressure and shot our free throws," said Jensen. "It was good we practiced those a lot earlier today.

"If I got the shot and it looked like it would be a good one, I shot it with a lot of confidence," continued Jensen. "I thought about shooting free throws in practice. I was 2-of-6 yesterday, and today I shot them like I usually do."

Jensen made all seven of her free throw opportunities.

Stolsmark sank her last four after missing her first two.

"Neil (Chalmers, a NSU student assistant coach) and I were talking on the way back today (from practice) about what it would be to be the person at the line in the last 10 seconds of the game," said Stolsmark. "Neil said 'If you make the first one, the second one will be a lot easier but if you miss the first one, you'd be kicking yourself.'

"I told him leaving the huddle I was going to make them and I did," continued Stolsmark about the free throws with 13.9 seconds left. "Then I wanted the ball when we inbounded it. I just tucked it away and waited to get fouled."

Stolsmark did, and sank two more foul shots. But the key might have been her steal and layup.

"Like I always play, I went for it all," said Stolsmark. "Coach (Curt Fredrickson) didn't say anything about picking anybody up and I just decided to go for it. I wanted to go out with a bang.

"I think she was going to try to go by me and reverse pivot," she said. "I just got lucky enough to get a piece of the ball when I stuck my hand out."

"There couldn't have been a better person to win the most valuable player award than Paula," said Fredrickson. "She had a great career for us and has been a great example for our basketball program.

"You have to gamble a bit in games like this," continued Fredrickson. "We wanted to pack it in and make the Emery's and (Molly) Duggan work hard for their shots. I thought Nancy King's defensive job on Duggan was outstanding. Nancy didn't score a basket the whole game but worked Duggan hard. She did the defensive job we needed to win."

Western Oregon State's Pam Emery won the hustle award. THe first-team all-tournament selections were: Stolsmark, Panhandle State's Vernetra Allen, Concordia's Livija Medne, Mount Mercy's Peg Loecke, and WOSC's Lorrie Emery. The second team selections were: Jensen, Evangel's Katarzyna Dydek, Shawnee State's Jenni Wessel, Wilmington's Jenny Asbury and WOSC's Molly Duggan.

[From the Aberdeen (SD) American News, Mar. 16, 1994]

NSU MEN LOSE IN OVERTIME

(By Eileen Briesch)

NAMPA, ID.—So close.

Northern State came within one shot of another overtime period, one more chance to try to overtake Eureka College for a national title.

But when Chad Boekelheide's bomb bounced off the front of the rim, the Wolves' dream of an NAIA Division II championship died as Eureka won a 98–95 overtime thriller Tuesday night.

As Eureka fans mobbed their team and coach Dave Darnall, who will retire after this game, Kevin Burckhard of Northern State gathered the Boekelheide twins in his arms like a protective father trying to shield the boys from the pain.

Coach Bob Olson's tears welled up from the emotional upheaval at the loss. "We've got a gutsy bunch of kids. It's been like that all year," he said, holding the runner-up trophy, the second straight such trophy the Wolves have received. "I can't say enough about our kids."

The Wolves battled back from a 19-point deficit early in the first half and pulled within 14 at halftime. They kept chipping away and chipping away, using pesky defense to turn back the Red Devils' seemingly unstoppable shooters.

"We just kept believing in each other. We've been doing that all year," said Eric Kline, one of two Northern State players named to the all-tournament team. Senior forward Kevin Burckhard also received all-tourney honors.

And then it came down to Kline, whose shooting had been off earlier. The 6-foot-1 junior from Aberdeen knocked down the three-pointer with 11 seconds left to tie the game at 87.

"I was hoping to get one of those shots. I like to be in that kind of place," said Kline. "And Buck (a Boekelheide twin) made a good pass to me."

Eureka could not get a shot to fall in the last seven seconds and the overtime was necessary.

That gave the Wolves new life. "In overtime I thought we were going to win," said Olson. "We got a good lead but they hit the big three, a huge three. We came down and executed well but couldn't get anything."

That three-pointer was made by tourney Most Valuable Player Chris Peterson. Peterson, who had a game-high 36 points, then knocked down four straight free throws to seal the victory.

"I just blocked out everything. I acted like it was practice and blocked out the fans," said Peterson, a championship cap perched on his head. "I don't think any of us are tired. we're going strictly on adrenalin out there."

Peterson said the five senior starters had hoped to give their retiring coach the championship as a going away present. "Coach had a great career. With our five senior starters, it was the one thing we wanted him to have," he said.

"But that Northern State, they're one heck of a team. they hit some big threes and played good defense against us. It's too bad somebody had to lose this game."

Kline was philosophical about the loss. "We got here last year and fell short and then it happened again this year," he said. "We played hard, we did our best, and that's life. We have to move on."

[From the Aberdeen (SD) American News, Mar. 16, 1994]

Kline, Burckhard on All-America

(By Elleen Briesch)

NAMPA, ID.—Northern State players Eric Kline and Kevin Burckhard were named to the first team NAIA All-America team Tuesday.

Kline, a 6-foot-1 junior, averaged 27.7 points per game during the season and 27.5 points per game in the NAIA Division II men's basketball tournament.

Burckhard, a 6-foot-7 senior from Lakota, N.D., averaged 17.4 points and 10.2 rebounds during the season for the Wolves, but really made a difference in the tourney. In the national championship tournament, he averaged 21.5 points and 14.7 rebounds. He ranked second in rebounding in the tourney.

Also named to the first team were Chris Eaton of Eureka, (Ill.) College; Rafid Kiti, Oregon Tech; Matt Stuart, Caldwell; Mark Davidson, Trinity; Raymond Alley, Husson; Craig Douma, Northwestern (Iowa); Derek Foster, Lewis & Clark; and Sean Walker, Tarleton State.

Joe Divis of Black Hills State earned third-team honors while Stacy Koolstra of Sioux Falls College received honorable mention.

[From the Aberdeen (SD) American News, Mar. 16, 1994]

Stolsmark Earns Women's MVP Honor

(By Matt Schmidt)

MONMOUTH, OR.—After taking second place at the 1993 NAIA Division II national tournament and second as teammates at Langford High School, Paula Stolsmark and Julie Jensen walked away as champions.

Stolsmark, a Northern State senior from Pierpont, was the tournament's most valuable player as the Wolves picked up a 48–45 win over Western Oregon State Tuesday night.

The win gives the Wolves their second national title in three years.

The two were teammates at Langford High School and were the State B runners-up there during Stolsmark's senior year, 1990.

"I thought about that before we played tonight," said Jensen. "We've been second a lot of times and I didn't want to be second again. I wanted to finish first.

"We seemed to be stuck at second in high school," continued Jensen, who had a game-high 19 points in the championship.

Jensen was happy to see her long-time teammate walk away from the basketball court with a championship.

"I'm just so happy for Paula," said Jensen. "This is the best way for her to go out and get the MVP. I couldn't be any happier for her."

Stolsmark finished the tournament with 12 steals.

"I can't think of any better way to go out with a better group of friends," she said. "I don't think we would have been happy taking second. I tell you what, I couldn't be happier than I am right now."

And it came down to a pair of former Langford High School players to clinch a national championship for NSU.

[From the Aberdeen (SD) American News, Mar. 15, 1994]

Wolves' Jensen Is All-America Choice

(By Matt Schmidt)

MONMOUTH, OR.—For the second straight season, Northern State's Julie Jensen is a first-team selection on the NAIA Division II All-America team.

Jensen, a 5-foot-11 junior forward from Langford, was one of three returning selections on the 10-member first team announced Monday. The NAIA Division II men's All-America team will be released today.

Nine of the 10 players listed on the first team are members of teams in the NAIA Division II national tournament.

Jensen was the lone Northern State representative on the All-America selections for first team, second team or honorable mention.

The rest of the first team is: Jenny Asbury, Wilmington, Del.; Kayarzyna Dydek, Evangel, Mo.; Lorrie Emery, Western Oregon State; Kathy Gibson, Lewis & Clark, Ore.; Janet Gribnitz, University of Dallas; Rhonda Lelnius, Mary, N.D.; Livija Medne, Concordia, Wis.; Amy Ochsner, Hastings, Neb.; and Jenni Wessel, Shawnee State, Ohio.

Second team selections are: Tamir Anderson, Peru State, Neb.; Kaelie Butler, Tarleton State, Texas; Nicole Clerver, Findlay, Ohio; Tamara Kindrick, Georgetown, Kent.; Jennifer McClure, Whitman, Wash.; Peg Loecke, Mount Mercy, Iowa; Rhonda Morgan, Dakota Wesleyan; Sharon Rines, St. Joseph's, Maine; Leslie Wade, Marion, Ind.; and Nicole Whitney, Southern Oregon State.

NORTHERN STATE UNIVERSITY WOLVES MEN'S BASKETBALL ROSTER

Wh.	Name	Pos.	Ht.	Yr.	Hometown
00	Destin Coles	G	6–0	FR	Valley City, ND.
3	Brian Groff	G	5–10	SO	Clara City, MN.
5	Paul Sather	C	6–7	SR	Princeton, MN.
10	Jared Vergeldt	F	6–5	FR	Aberdeen, SD.
12	Brad Neugebauer	F	6–5	FR	Parkston, SD.
13	Corey Stephens	F	6–4	SO	Burlington, IA.
14	Scott Boekelheide	G	6–0	JR	Northville, SD.
15	Kevin Costain	C	6–10	FR	Baltic, SD.
20	Chad Boekelheide	G	5–11	FR	Northville, SD.
22	Jamie Liudahl	G	5–9	FR	Pierre, SD.
24	Lance Luitjens	G	6–2	SO	Custer, SD.
30	Ryan Johnson	F	6–2	FR	Pierre, SD.
32	Chad McGough	F	6–5	SO	Miller, SD.
34	Matt Clooten	F	6–7	SO	Beulah, ND.
40	Nate Streed	F	6–5	SR	Chaska, MN.
42	Eric Kline	G	6–1	JR	Aberdeen, SD.
44	Mark Sipple	C	6–8	JR	Shoreview, MN.
50	Jeremy Vliem	F	6–8	FR	Lodge Pole, SD.
52	Kevin Burckhard	F	6–7	SR	Lakota, ND.
54	Al Hansen	C	6–8	JR	Prior Lake, MN.
	Jerrod Becker	C	6–7	FR	Omaha, NE.
	Troy Kurth	G	6–2	FR	Langford, SD.

Head coach—Bob Olson.
Assistant coach—Tim Miles, Brad Christenson & Mike Hultz.

NORTHERN STATE UNIVERSITY WOLVES WOMEN'S BASKETBALL ROSTER

Wh.	Name	Pos.	Ht.	Yr.	Hometown
10	Renae Osthus	G	5–3	JR	DeSmet, SD.
12	Roberta Sparling	G	5–6	FR	Athol, SD.
14	Wanda Radel	G	5–6	SO	Parkston, SD.
20	Melissa Schott	G	5–9	FR	St. Charles, MN.
22	Sara Struzyk	F	5–10	FR	Holdingford, MN.
24	Rachel Dick	G/F	5–9	FR	Marion, SD.
30	Chris Swanhorst	F	6–0	FR	Mellette, SD.
33	Paula Stolsmark	G	5–8	SR	Pierpont, SD.
34	Jenny Seesz	G	5–9	JR	Montevideo, MN.
40	Sara Brooks	F	5–10	FR	Chamberlain, SD.
41	Toni Schmidt	G	5–10	FR	Miller, SD.
42	Julie Jensen	F	5–11	JR	Langford, SD.
43	Barb Johnson	F	5–9	JR	Mound City, SD.
50	Rachelle Lesnar	F	5–11	FR	Roslyn, SD.
52	Nancy King	F/C	6–0	JR	Blunt, SD.
53	Stephanie Franzen	F	5–11	JR	Langford, SD.
54	Amie Kiehn	C	6–6	SO	Chamberlain, SD.
55	Shari Carney	C	6–1	FR	Hayti, SD.

Head coach—Curt Fredrickson.
Assistant coach—Neil Chambers.

Northern State University Coaches

BOB OLSON

Bob Olson's journey to the NSU head job seemed destined by location and circumstances. An Aberdeen native, Olson attended Northern State and played collegiate basketball for Coach Wachs. Olson earned a bachelor's degree from Northern in 1977 and moved to Mayville State University where he served as an assistant coach to Pierre duCharme, Olson's high school basketball coach.

A job in the NSU Admissions Office brought Olson back to Aberdeen, the men's basketball program, and Coach Wachs. Olson assisted Wachs with the Wolves' basketball squad while earning a master's degree from Northern in 1980. Next, Olson spent two years at Aberdeen Roncalli High School and coached the boys' basketball team to a 27–13 record and a conference title. Olson moved across town to the NSU campus in 1983 and coached the women's basketball team for two seasons. He established a 44–10 record, won a district title, and was named NAIA District 12 Coach of the Year.

When Coach Bob Wachs retired after more than 30 years and more than 500 wins, Olson was selected as NSU's 15th basketball coach.

After three transition seasons, Northern State basketball began a return to the forefront of District 12. The 1988–89 squad played in the district championship game and the following season, Northern again returned to the district finals but this time the Wolves won the championship crown and advanced to the NAIA National Basketball Tournament in Kansas City, Mo. Olson was named the District 12 Coach of the Year.

In 1990–91, NSU won repeated as district champions and returned to the national tournament. This time, the Wolves advanced to the round of sixteen before losing by one point to Taylor University. Olson was named Coach of the Year by the district, the conference and NAIA Area III.

In 1991–92, the Wolves' season ended with a semi-final loss to Dakota State. Last season, NSU reeled off 18 consecutive wins to begin the season and claimed the NSIC title. Olson was named the conference Coach of the Year. The Wolves claimed the district crown with victories over Sioux Falls College and Black Hills State and Olson was named the district coach of the year for the third time.

The Wolves won their first three games in the national tourney in Nampa, Idaho. In a hard-fought championship game against Williamette College, NSU lost for just the second time all season. Olson was named the NAIA II Coach of the Year by the Basketball Times.

Bob and his wife, Cheri, are the parents of one girl, Stephie.

CURT FREDRICKSON

Curt Fredrickson and the Northern State University women's basketball program are combining forces for the 15th time and there is one thing they have never done—finish the season with a losing record.

An Aberdeen native, he attended Northern State where he was an NAIA All-American in baseball and honorable mention All-American in football. After graduating in 1974, he taught at Canton High School. He returned to Northern in 1976 to work on a master's degree. Fredrickson finished in 1977 and was named the women's basketball coach that fall.

The Wolves have played in three national tournaments winning the national title in 1991–92, finishing second last season and claiming third in 1980–81. During Fredrickson's tenure, NSU has collected two district basketball championships, and two first-place and four second-place finishes in the Northern Sun Intercollegiate Conference. The Wolves finished the 1980s with eight 20-win seasons. The other two years, NSU recorded 19 victories.

Fredrickson spent two years in private business before returning to Northern State University in 1985. In 1987–88, the Wolves were a record-setting 28–3, won their first-ever conference title, and finished second in the district.

NSU went 20–8 in a rebuilding season in 1988–89 and followed that up with 24–7 and 25–6 seasons. The 1991–92 team won a national championship and established a new school record for most wins in a season with its 30–4 mark. Despite a loss to Northern Montana in the district championship game, NSU advanced to the national tourney in Monmouth, Ore., with an at-large berth.

With four returning starters, Northern State set out to defend its national crown in 1992–93. A fourth consecutive loss to Northern Montana in the district finals robbed the Wolves of a district crown but NSU received another at-large berth to nationals. The Skylights and Wolves met up in the championship game with Northern Montana continuing to defeat the Wolves. The second-place finish marked the second time in two seasons that NSU advanced to the title game at nationals.

Last season, Fredrickson was the NAIA's sixth winningest active women's basketball coach in winning percentage. He wins 81 percent of his basketball games. He also was ranked ninth nationally in number of career wins with more than 300.

Fredrickson has been named the NAIA II National Coach of the Year in 1992 and has received additional coach of the year honors from the South Dakota Press Association, Royal Order of the Gyps, and NAIA District 12 three times. In 1992 he was inducted into the NSU Athletic Hall of Fame.

Curt's family includes his wife, Vicki, daughter Lindsey and two boys, Cole and Blair.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

Mr. KOHL. I thank the Chair.

TELEPHONE PRIVACY

Mr. KOHL. Mr. President, I rise today to praise an action taken by the FCC. Its order on Caller ID, which requires per call blocking, will ensure that consumers nationwide retain at least a moderate amount of telephone privacy.

In 1989, the Subcommittee on Technology and the Law opened the book on a new issue: Caller ID and its varying consequences. And while we thought the development of this new technology could lead to real benefits, some of us were aware that, if left unregulated, Caller ID had the potential to invade our privacy. Back then, we were among the lonely few. But 5 years of persistence has brought our view today to the majority. And last week's FCC action brings us closer to the final chapter of this story.

This ruling was crucial because unregulated Caller ID would invade our privacy and reduce our rights. People should be able, for example, to call a crisis hotline, a business, or even the IRS to ask for help without having their numbers displayed. Forcing people to display their numbers every time they make a call, in my view, is really undesirable.

Fortunately, there is a simple way to realize the benefits of Caller ID while avoiding its potential problems: Simply let consumers decide when they want to reveal their phone numbers and when they do not. The technology gives us this choice. Per call blocking allows anyone to press a few digits on the phone and block the display of their number. And with this option, people can display their numbers when calling friends and family, but they can keep their phone number confidential whenever they want.

Recognizing that blocking was necessary to ensure privacy with Caller ID, I introduced the Telephone Privacy Act in 1989 and again this year with Senator BROWN. Although we have yet to turn our legislation into law, our bill has nevertheless provided the spark for State legislatures and Governments to act.

Indeed, over the last few years, most States have come around to our position; 37 States now require companies offering Caller ID to offer free per call or per line blocking. And last week, as I mentioned, the FCC ruled that telephone companies should provide Caller ID blocking for interstate calls.

The FCC has also made it clear that companies providing 800-number and 900-number service cannot reuse or sell callers' telephone numbers to third parties unless callers give their consent. This was also a key component of the Telephone Privacy Act.

As a result, the FCC ruling helps protect the privacy of callers nationwide. It moves Caller ID technology toward a uniform Federal standard rather than a patchwork of inconsistent State laws. It basically does by regulation what we have tried to do by legislation. The FCC action does not cover calls made within individual States but almost every State has looked at Caller ID by now and has proposed blocking. We are glad to share the credit with State legislators and Federal regulators.

Though this ruling has many positive implications, there are still serious questions about the legality of Caller ID. Most experts and some State courts have concluded that Caller ID is an illegal trap and trace device.

So we still need to ensure the legality of Caller ID, and I will work to have that done this year.

In sum, Mr. President, the FCC action helps us expand use of Caller ID nationwide while protecting the privacy rights of individuals. We still need to clarify Caller ID's legality under Federal wiretap laws, and we still need to encourage every State to approve Caller ID only with blocking. But the FCC's recent action is an important step forward, and it does deserve our applause.

Mr. President, before I conclude, I wish to mention the work of a brilliant young lawyer on my staff who was instrumental in bringing this issue to Congress and, by implication, in protecting the privacy of every American. His name is Keenan Peck, and his life was tragically taken away from us in 1990, just before our first scheduled hearing on Caller ID.

Mr. President, all of us who knew Keenan miss his intelligence, his warm sense of humor, his dedication to civil rights and civil liberties. But we know now more than ever that his legacy will live on.

Thank you, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair advises the Senator that the Senate is currently in morning business.

CHINA HUMAN RIGHTS POLICY

Mr. BAUCUS. Mr. President, after Secretary of State Christopher's visit to China, it is appropriate to review our relations with China. The President's Executive order on most favored nation tariff status for China expires in just over 2 months. Today I will discuss the situation we face today, the further actions we hope to see from China, and our options for next year if we are able to renew MFN.

STATUS OF EXECUTIVE ORDER CONDITIONS

The Executive order has seven conditions. On the first two, emigration rights and prison labor, China must comply fully. On the other five—the Universal Declaration on Human Rights; political prisoners; Red Cross access to prisons; protecting the religious and cultural heritage of Tibet; and radio jamming—China must make overall, significant progress.

On the first of the full compliance conditions, China allows substantially free emigration. On prison labor, Treasury Secretary Bentsen signed a new agreement in Beijing in February. Any MFN action on this issue will have to be based on failure to comply with the more recent agreement, and it is too early to tell.

On the overall, significant progress conditions, the record is mixed. China has done little on the civil and political sections of the Universal Declaration of Human Rights. But the declaration also includes rights to a basic standard of living, to seek employment, and to travel within one's country, on which there has been great progress. The Chinese press has become much freer to report on social problems like crime, industrial accidents, hijacking, and corruption.

China has also released some prominent political prisoners and given us our requested accounting of 235 priority cases. China has held talks with the Red Cross and has made some progress.

On Tibet, China is restoring some historic Tibetan temples and monuments, and permitting some monasteries to reopen. Based on the wording of the order, and without minimizing in any way the grave human rights abuses in Tibet, I would say China is meeting this condition. Finally, I see little progress on radio jamming.

FURTHER ACTION REQUIRED FROM CHINA

As the Secretary of State said in Beijing, and Ambassador Kantor repeated yesterday, our differences have narrowed. We may not be there yet. But China has room to act, within the framework of its own laws and existing international obligations, on our concerns.

In the next 2 months, I hope to see China take some of the following steps:

Grant medical parole for political prisoners with serious health problems;

Clear up all problem cases of emigration, and allow Chinese exiles like union organizer Han Dongfang to go home;

Make progress toward agreement with the International Red Cross to give the IRC access to Chinese prisons;

Fully enforce our agreement prohibiting export of goods produced with slave labor; and

End the jamming of foreign radio broadcasts.

CONSEQUENCES OF REVOKING MFN

If China does nothing, it will be hard to avoid revoking MFN. If that happens, everyone will suffer. Among the consequences we would see would be:

The loss of 200,000 jobs in the U.S. as China retaliates against our exports, and worse losses in the years ahead.

The loss of 75,000 jobs in Hong Kong and millions of jobs in China, the vast majority of them wholly innocent workers.

The permanent discrediting of pro-American factions in China, as the succession to Deng Xiaoping begins.

China actively opposing our foreign policy efforts not only in North Korea, but in the Middle East, Iraq and elsewhere.

China's trade relationship with Taiwan crippled, and our guarantee against a political crisis in the region gravely weakened. No doubt other problems would arise as well.

POLICY FOR 1995 AND AFTERWARD

None of this is inevitable. If China takes the actions I cited earlier, we should be able to renew MFN status.

But if we are able to do that, we should think hard about our goals in human rights and the means we use to achieve them.

The MFN conditions may not have been fruitless. But they have not won the basic improvement in human rights we all hope to see in China. They have proven no more effective, and far more dangerous, than the other means at our disposal. Thus, if we can renew MFN status in June, we should not impose conditions again. Instead, we should find other ways to promote human rights. The following are some options, and I am sure we have more.

First, diplomacy. We should continue the exchanges begun by Assistant Secretary of State Shattuck. We should press for attention to human rights in China at the United Nations; seek more support from Europe and Asia; condition high-level diplomatic exchanges on human rights; and meet with officials of Taiwan, Tibetan leaders in exile and Chinese dissidents.

Second, a permanent mechanism like a Bilateral Human Rights Commission to discuss human rights issues and cases.

Third, conditioning support for multilateral loans to China on human rights.

Fourth, tougher enforcement of our agreement on prison labor products. We should impose trade sanctions on goods suspected of forced-labor origin if China will not comply.

Fifth, making the private sector a more active force for change. U.S. business can take voluntary measures to promote human rights, and save lives by promoting workplace safety and pollution prevention, in the regions where they operate.

Finally, finding less confrontational methods. We need not limit ourselves to threats and pressure. Other approaches can get results too. They can include legal exchanges to promote rule of law; health and safety programs for industrial workplaces, mines and farms; expansion of the Peace Corps; religious, cultural and educational exchanges, and so on.

CONCLUSION

Mr. President, our experience this year shows that MFN conditions are not an effective long-term policy. We are committed this spring, and before the Executive order expires, we must push hard for more from China. But if we can renew MFN this spring, we should learn our lesson and find a new approach.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The PRESIDING OFFICER. Under the previous order the clerk will now report Calendar No. 259.

The legislative clerk read as follows:

A bill (S. 1275) to facilitate the establishment of community development financial institutions.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—COMMUNITY DEVELOPMENT AND CONSUMER PROTECTION

Subtitle A—Community Development Banking and Financial Institutions Act

Sec. 101. Short title.
Sec. 102. Findings and purposes.
Sec. 103. Definitions.
Sec. 104. Establishment of national fund for community development banking.
Sec. 105. Applications for assistance.
Sec. 106. Community partnerships.
Sec. 107. Selection of institutions.
Sec. 108. Assistance provided by the Fund.
Sec. 109. Community development training.

Sec. 110. Encouragement of private entities.
Sec. 111. Clearinghouse function.
Sec. 112. Recordkeeping, reports, and audits.
Sec. 113. Investment of receipts and proceeds.
Sec. 114. Inspector General.
Sec. 115. Capitalization assistance to enhance liquidity.
Sec. 116. Community development revolving loan fund for credit unions.
Sec. 117. Study of community development credit unions.
Sec. 118. Regulations.
Sec. 119. Authorization of appropriations.

Subtitle B—Home Ownership and Equity Protection

Sec. 151. Consumer protections for high cost mortgages.
Sec. 152. Civil liability.
Sec. 153. Regulations; effective date.

TITLE II—SMALL BUSINESS CAPITAL FORMATION

Subtitle A—Small Business Loan Securitization

Sec. 201. Short title.
Sec. 202. Small business related security.
Sec. 203. Applicability of margin requirements.
Sec. 204. Borrowing in the course of business.
Sec. 205. Small business related securities as collateral.
Sec. 206. Investment by depository institutions.
Sec. 207. Preemption of State law.
Sec. 208. Insured depository institution capital requirements for transfers of small business loans.
Sec. 209. Transactions in small business related securities by employee benefit plans.
Sec. 210. Taxation of small business loan investment conduits.

Subtitle B—Small Business Capital Enhancement

Sec. 251. Findings and purposes.
Sec. 252. Definitions.
Sec. 253. Approving States for participation.
Sec. 254. Participation agreements.
Sec. 255. Terms of participation agreements.
Sec. 256. Reports.
Sec. 257. Reimbursement by the Secretary.
Sec. 258. Reimbursement to the Secretary.
Sec. 259. Regulations.
Sec. 260. Authorization of appropriations.

TITLE III—PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

Sec. 301. Incorporated definitions.
Sec. 302. Administrative consideration of burden with new regulations.
Sec. 303. Streamlining of regulatory requirements.
Sec. 304. Elimination of duplicative filings.
Sec. 305. Coordinated and unified examinations.
Sec. 306. Eighteen-month examination rule for certain small institutions.
Sec. 307. Call report simplification.
Sec. 308. Repeal of publication requirements.
Sec. 309. Regulatory appeals process.
Sec. 310. Electronic filing of currency transaction reports.
Sec. 311. Bank Secrecy Act publication requirements.
Sec. 312. Exemption of business loans from Real Estate Settlement Procedures Act requirements.
Sec. 313. Flexibility in choosing boards of directors.
Sec. 314. Holding company audit requirements.
Sec. 315. State regulation of real estate appraisals.
Sec. 316. Acceleration of effective date for interaffiliate transactions.
Sec. 317. Collateralization of public deposits.
Sec. 318. Elimination of stock valuation provision.
Sec. 319. Expedited procedures for forming a bank holding company.
Sec. 320. Exemption of certain holding company formations from registration under the Securities Act of 1933.
Sec. 321. Reduction of post-approval waiting period for bank holding company acquisitions.
Sec. 322. Reduction of post-approval waiting period for bank mergers.
Sec. 323. Bankers' banks.
Sec. 324. Bank Service Corporation Act amendment.
Sec. 325. Merger transaction reports.
Sec. 326. Credit card accounts receivable sales.
Sec. 327. Limiting potential liability on foreign accounts.
Sec. 328. Amendments to outdated dividend provisions.
Sec. 329. Elimination of duplicative disclosures for home equity loans.
Sec. 330. Report on capital standards and their impact on the economy.
Sec. 331. Studies on the impact of the payment of interest on reserves.
Sec. 332. Study and report on streamlined lending process for consumer benefit.
Sec. 333. Repeal of outdated charter requirement for national banks.

TITLE I—COMMUNITY DEVELOPMENT AND CONSUMER PROTECTION

Subtitle A—Community Development Banking and Financial Institutions Act

SEC. 101. SHORT TITLE.

This subtitle may be cited as the "Community Development Banking and Financial Institutions Act of 1993".

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) many of the Nation's urban, rural, and Native American communities face critical social and economic problems arising in part from the lack of economic growth, people living in poverty, and the lack of employment and other opportunities;

(2) the restoration and maintenance of the economies of these communities will require coordinated development strategies, intensive supportive services, and increased access to equity investments and loans for development activities, including investment in businesses, housing, commercial real estate, human development, and other activities that promote the long-term economic and social viability of the community; and

(3) community development financial institutions have proven their ability to identify and respond to community needs for equity investments, loans, and development services.

(b) PURPOSE.—The purpose of this subtitle is to create a Community Development Financial Institutions Fund that will promote economic revitalization and community development through a program of investment in and assistance to community development financial institutions, including enhancing the liquidity of community development financial institutions.

SEC. 103. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act, and also includes the National Credit Union Administration Board with respect to insured credit unions.

(2) AFFILIATE.—The term "affiliate" has the same meaning as in section 2(k) of the Bank Holding Company Act of 1956.

(3) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term "community development financial institution" means a person (other than an individual) that—

(i) has a primary mission of promoting community development;

(ii) serves an investment area or targeted population;

(iii) directly, through an affiliate, or through a community partnership, provides development services and equity investments or loans;

(iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and

(v) is not an agency or instrumentality of the United States, or of any State or political subdivision of a State.

(B) QUALIFICATION OF AFFILIATES.—A subsidiary may only qualify as a community development financial institution if its parent company and the subsidiaries thereof (on a consolidated basis) also qualify as community development financial institutions.

(4) COMMUNITY PARTNER.—The term "community partner" means a person (other than an individual) that provides loans, equity investments, or development services, including a depository institution holding company, an insured depository institution, an insured credit union, a nonprofit organization, a State or local government agency, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958.

(5) COMMUNITY PARTNERSHIP.—The term "community partnership" means an agreement between a community development financial institution and a community partner to provide development services and loans or equity investments to an investment area or targeted population.

(6) DEPOSITORY INSTITUTION HOLDING COMPANY.—The term "depository institution holding company" has the same meaning as in section 3 of the Federal Deposit Insurance Act.

(7) DEVELOPMENT SERVICES.—The term "development services" means activities that promote community development and are integral to lending or investment activities, including—

(A) business planning;

(B) financial and credit counseling; and

(C) marketing and management assistance.

(8) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term "insured community development financial institution" means any community development financial institution that is an insured depository institution or an insured credit union.

(9) INSURED CREDIT UNION.—The term "insured credit union" has the same meaning as in section 101(7) of the Federal Credit Union Act.

(10) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act.

(11) INVESTMENT AREA.—The term "investment area" means a geographic area that—

(A)(i) meets objective criteria of economic distress developed by the Community Development Financial Institutions Fund, which may include the percentage of low-income families or the extent of poverty, the rate of unemployment or underemployment, lag in population growth, and extent of blight and disinvestment; and

(ii) has significant unmet needs for loans or equity investments;

(B) is located in an empowerment zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986; or

(C) is located on an Indian reservation, as defined in section 3(d) of the Indian Financing Act of 1974 or section 4(10) of the Indian Child Welfare Act of 1978.

(12) LOW-INCOME.—The term "low-income" means having an income, adjusted for family size, of not more than—

(A) for metropolitan areas, 80 percent of the area median income; and

(B) for nonmetropolitan areas, the greater of—

(i) 80 percent of the area median income; and

(ii) 80 percent of the statewide nonmetropolitan area median income.

(13) PARENT COMPANY.—The term "parent company" means any company that directly or indirectly controls another company.

(14) SUBSIDIARY.—The term "subsidiary" has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that a community development financial institution that is a corporation shall not be considered to be a subsidiary of any insured depository institution or depository institution holding company that controls less than 25 percent of the voting shares of the corporation.

(15) TARGETED POPULATION.—The term "targeted population" means low-income persons or persons who otherwise lack adequate access to loans or equity investments.

SEC. 104. ESTABLISHMENT OF NATIONAL FUND FOR COMMUNITY DEVELOPMENT BANKING.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established a corporation to be known as the Community Development Financial Institutions Fund (hereafter in this subtitle referred to as the "Fund") that shall have the duties and responsibilities specified by this subtitle. The Fund shall have succession until dissolved. The offices of the Fund shall be in Washington, D.C. The Fund shall not be affiliated with or be within any other agency or department of the Federal Government.

(2) WHOLLY OWNED GOVERNMENT CORPORATION.—The Fund shall be a wholly owned Government corporation in the executive branch and shall be treated in all respects as an agency of the United States, except as otherwise provided in this subtitle.

(b) MANAGEMENT OF FUND.—

(1) APPOINTMENT OF ADMINISTRATOR AND DEPUTY ADMINISTRATOR.—The management of the Fund shall be vested in an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall not engage in any other business or employment during service as the Administrator. The President may appoint a Deputy Administrator by and with the advice and consent of the Senate. The Deputy Administrator shall serve as the acting Administrator of the Fund during the absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator.

(2) CHIEF FINANCIAL OFFICER.—The Administrator shall appoint a chief financial officer who shall oversee the financial management activities of the Fund.

(3) OTHER OFFICERS.—The Administrator may appoint such other officers and employees of the Fund as the Administrator determines to be necessary or appropriate.

(c) GENERAL POWERS.—In carrying out the functions of the Fund, the Administrator—

(1) shall have all necessary and proper authority to carry out this subtitle;

(2) shall have the power to adopt, alter, and use a corporate seal for the Fund, which shall be judicially noticed;

(3) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which business of the Fund may be conducted and such rules and regulations as may be necessary or appropriate to implement this subtitle;

(4) may enter into, perform, and enforce such agreements, contracts, and transactions as may be deemed necessary or appropriate to the conduct of activities authorized under this subtitle;

(5) may determine the character of and necessity for expenditures of the Fund and the manner in which they shall be incurred, allowed, and paid;

(6) may utilize or employ the services of personnel of any agency or instrumentality of the United States with the consent of the agency or instrumentality concerned on a reimbursable or nonreimbursable basis; and

(7) may execute all instruments necessary or appropriate in the exercise of any of the functions of the Fund under this subtitle and may delegate to the officers of the Fund such of the powers and responsibilities of the Administrator as the Administrator deems necessary or appropriate for the administration of the Fund.

(d) ADVISORY BOARD.—

(1) ESTABLISHMENT.—The Administrator shall establish an advisory board to be known as the Community Development Advisory Board (hereafter in this subtitle referred to as the "Board") in accordance with the provisions of the Federal Advisory Committee Act.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The Board shall consist of 5 private citizens who, collectively—

(i) represent community groups whose constituencies include targeted populations or residents of investment areas;

(ii) represent local or regional government interests;

(iii) have expertise in the operations and activities of insured depository institutions; and

(iv) have expertise in community development and lending.

(B) REPRESENTATION.—Each of the categories described in clauses (i) through (iv) of subparagraph (A) shall be represented by not less than 1 member of the Board.

(3) BOARD FUNCTION.—It shall be the function of the Board to advise the Administrator on the policies of the Fund. The Board shall not advise the Administrator on the granting or denial of any particular application.

(4) TERMS OF MEMBERS.—

(A) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(B) VACANCIES.—Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the previous member was appointed shall be appointed for the remainder of such term. Members may continue to serve following the expiration of their terms until a successor is appointed and qualified.

(5) CHAIRPERSON.—The Administrator shall appoint a chairperson from among the members of the Board.

(6) MEETINGS.—The Board shall meet at least annually and at such other times as requested by the Administrator or the chairperson. A majority of the members of the Board shall constitute a quorum.

(7) REIMBURSEMENT FOR EXPENSES.—The members of the Board may receive reimbursement for travel, per diem, and other necessary expenses incurred in the performance of their duties, in accordance with the Federal Advisory Committee Act.

(8) COSTS AND EXPENSES.—The Fund shall provide to the Board all necessary staff and facilities.

(e) CONFORMING AMENDMENTS.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (B) through (M) as subparagraphs (C) through (N), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) the Community Development Financial Institutions Fund;".

(f) GOVERNMENT CORPORATION CONTROL ACT EXEMPTION.—Section 9107(b) of title 31, United States Code, shall not apply to deposits of the Fund made pursuant to section 108.

(g) LIMITATION OF FUND AND FEDERAL LIABILITY.—The liability of the Fund and the United States Government arising out of any investment in a community development financial institution in accordance with this subtitle shall be limited to the amount of the investment. The Fund shall be exempt from any assessments and other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, Territory, or the District of Columbia.

(h) PROHIBITION ON ISSUANCE OF SECURITIES.—The Fund may not issue stock, bonds, debentures, notes, or other securities.

(i) COMPENSATION.—Title 5, United States Code, is amended—

(1) in section 5314, by adding at the end the following:

"Administrator of the Community Development Financial Institutions Fund."; and

(2) in section 5315, by adding at the end the following:

"Deputy Administrator of the Community Development Financial Institutions Fund.".

(j) ASSISTED INSTITUTIONS NOT UNITED STATES INSTRUMENTALITIES.—A community development financial institution or other organization that receives assistance pursuant to this subtitle shall not be deemed to be an agency, department, or instrumentality of the United States.

SEC. 105. APPLICATIONS FOR ASSISTANCE.

(a) FORM AND PROCEDURES.—An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

(b) MINIMUM REQUIREMENTS.—Except as provided in sections 106 and 115, the Fund shall require an application—

(1) to establish that the applicant is, or will be, a community development financial institution;

(2) to include a comprehensive strategic plan for the organization that contains—

(A) a business plan of not less than 5 years in duration that demonstrates that the applicant will be properly managed and will have the capacity to operate a community development financial institution that will not be dependent upon assistance from the Fund for continued viability;

(B) an analysis of the needs of the investment area or targeted population and a strategy for how the applicant will attempt to meet those needs;

(C) a plan to coordinate use of assistance from the Fund with existing Federal, State, and local assistance programs, and private sector financial services;

(D) an explanation of how the proposed activities of the applicant are consistent with existing economic, community, and housing development plans adopted by or applicable to an investment area; and

(E) a description of how the applicant will coordinate with community organizations and financial institutions which will provide equity investments, loans, secondary markets, or other services to investment areas or targeted populations;

(3) to include a detailed description of the applicant's plans and likely sources of funds to match the amount of assistance requested from the Fund;

(4) in the case of an applicant that has previously received assistance under this subtitle, to demonstrate that the applicant—

(A) has substantially met its performance goals and otherwise carried out its responsibilities under this subtitle and the assistance agreement; and

(B) will expand its operations into a new investment area or to serve a new targeted population, offer more services, or increase the volume of its business;

(5) in the case of an applicant with a prior history of serving investment areas or targeted populations, to demonstrate that the applicant—

(A) has a record of success in serving investment areas or targeted populations;

(B) will expand its operations into a new investment area or to serve a new targeted population, offer more services, or increase the volume of its current business; and

(6) to include such other information as the Fund deems appropriate.

(c) PREAPPLICATION OUTREACH PROGRAM.—The Fund may operate an outreach program to identify and provide information to potential applicants.

SEC. 106. COMMUNITY PARTNERSHIPS.

(a) APPLICATION.—An application for assistance may be filed jointly by a community development financial institution and a community partner to carry out a community partnership.

(b) APPLICATION REQUIREMENTS.—The Fund shall require a community partnership application—

(1) to meet the minimum requirements established for community development financial institutions under section 105(b), except that the criteria specified in paragraphs (1) and (2)(A) of section 105(b) shall not apply to the community partner;

(2) to describe how each coapplicant will participate in carrying out the community partnership and how the partnership will enhance activities serving the investment area or targeted population; and

(3) to demonstrate that the community partnership activities are consistent with the strategic plan submitted by the community development financial institution coapplicant.

(c) SELECTION CRITERIA.—The Fund shall consider a community partnership application based on the selection criteria set out in section 107.

(d) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—Assistance provided upon approval of an application under this section shall be distributed only to the community development financial institution coapplicant, and shall not be used to fund any activities carried out directly by the community partner or an affiliate thereof.

(e) OTHER REQUIREMENTS AND LIMITATIONS.—All other requirements and limitations imposed by this subtitle on a community development financial institution assisted under this subtitle shall apply (in the manner that the Fund determines to be appropriate) to assistance provided to carry out community partnerships. The Fund may establish additional guidelines and restrictions on the use of Federal funds to carry out community partnerships.

SEC. 107. SELECTION OF INSTITUTIONS.

(a) SELECTION CRITERIA.—Except as provided in section 115, the Fund shall, in its sole discretion, select applicants for assistance based on—

(1) the likelihood of success of the applicant in meeting the goals of its comprehensive strategic plan;

(2) the experience and background of the proposed management team;

(3) the extent of need for equity investments, loans, and development services within the investment areas or targeted populations;

(4) the extent of economic distress within the investment areas or the extent of need within the targeted populations, as those factors are measured by objective criteria;

(5) the extent to which the applicant will concentrate its activities on serving its investment areas or targeted populations;

(6) the amount of firm commitments to meet or exceed the matching requirements and the likely success of the plan for raising the balance of the match;

(7) the extent to which the proposed activities will expand economic opportunities within the investment areas or the targeted populations;

(8) whether the applicant is, or will become, an insured depository institution or an insured credit union;

(9) whether the applicant is, or will be, located—

(A) in an empowerment zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986; or

(B) on an Indian reservation, as defined in section 3(d) of the Indian Financing Act of 1974 or section 4(10) of the Indian Child Welfare Act of 1978;

(10) the extent to which the applicant will increase its resources through coordination with other institutions or participation in a secondary market;

(11) in the case of an applicant with a prior history of serving investment areas or targeted populations, the extent of success in serving them; and

(12) other factors (such as the extent to which the applicant has strong ties to the community that it will serve) deemed to be appropriate by the Fund.

(b) GEOGRAPHIC DIVERSITY.—The Fund shall assist a geographically diverse group of applicants, including an appropriate mix of applicants from urban, rural, and Native American communities.

SEC. 108. ASSISTANCE PROVIDED BY THE FUND.

(a) FORMS OF ASSISTANCE.—

(1) IN GENERAL.—The Fund may provide—

(A) financial assistance through equity investments, deposits, credit union shares, loans, and grants; and

(B) technical assistance—

(i) directly;

(ii) through grants; or

(iii) by contracting with organizations that possess expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subtitle.

(2) EQUITY INVESTMENTS.—The Fund shall not own more than 50 percent of the equity of a community development financial institution and may not control the operations of such institution. The Fund may hold only transferable, nonvoting equity investments. Such equity investments may provide for convertibility to voting stock upon transfer by the Fund.

(3) DEPOSITS.—Deposits made pursuant to this section in an insured community development financial institution shall not be subject to any requirement for collateral or security.

(4) LIMITATIONS ON OBLIGATIONS.—Direct loan obligations may be incurred by the Fund only to the extent that appropriations of budget authority to cover their costs, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) USES OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Financial assistance made available under this subtitle may be used by assisted institutions to serve investment areas or targeted populations by developing or supporting—

(A) commercial facilities that promote revitalization, community stability, or job creation or retention;

(B) businesses that—

(i) provide jobs for low-income people or are owned by low-income people; or

(ii) enhance the availability of products and services to low-income people;

(C) community facilities;

(D) the provision of basic financial services;

(E) housing that is principally affordable to low-income people, except that assistance used to facilitate homeownership opportunities shall only be used for activities and lending products that serve low-income people and are not offered by other lenders in the area; and

(F) other businesses and activities deemed appropriate by the Fund.

(2) LIMITATIONS.—No assistance made available under this subtitle may be expended by a community development financial institution (or an organization receiving assistance under section 115) to pay any person to influence or attempt to influence any agency, elected official, officer, or employee of a State or local government in connection with the making, award, extension, continuation, renewal, amendment, or modification of any State or local government contract, grant, loan, or cooperative agreement (as such terms are defined in section 1352 of title 31, United States Code).

(c) USES OF TECHNICAL ASSISTANCE.—Technical assistance may be used for activities that enhance the capacity of a community development financial institution, such as training of management and other personnel and development of programs and investment or loan products.

(d) AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—The Fund may provide not more than $5,000,000 of assistance, in the aggregate, during any 3-year period to any 1 community development financial institution and its affiliates.

(2) EXCEPTION.—Notwithstanding the limitations in paragraph (1), in the case of an existing community development financial institution that proposes to serve an investment area or targeted population outside of any State and outside of any metropolitan area presently served by the institution, the Fund may provide not more than $7,500,000 of assistance to a community development financial institution, in the aggregate, during any 3-year period, of which not less than $2,500,000 shall be used to establish affiliates to serve the new investment area or targeted population.

(3) TIMING OF ASSISTANCE.—Assistance may be provided as described in paragraphs (1) and (2) in a lump sum or over a period of time, as determined by the Fund.

(e) MATCHING REQUIREMENTS.—Assistance other than technical assistance shall be matched with funds from sources other than the Federal Government on the basis of not less than 1 dollar for each dollar provided by the Fund. Such matching funds shall be at least comparable in form and value to the assistance provided by the Fund. The Fund may reduce by up to 50 percent the matching requirements for applicants with severe constraints on available sources of matching funds, except that in any fiscal year, not more than 25 percent of funds disbursed by the Fund may have a reduced match. The Fund shall provide no assistance (other than technical assistance) until a community development financial institution has secured firm commitments for the matching funds required.

(f) TERMS AND CONDITIONS.—

(1) SOUNDNESS OF UNREGULATED INSTITUTIONS.—The Fund shall—

(A) ensure, to the maximum extent practicable, that each community development financial institution (other than an insured community development financial institution or depository institution holding company) assisted under this subtitle is financially and managerially sound and maintains appropriate internal controls; and

(B) require such institution to submit, not less than once during each 18-month period, a statement of financial condition audited by an independent certified public accountant as part of the report required by section 112(a)(4).

(2) CONSULTATION WITH THE APPROPRIATE BANKING REGULATOR.—Prior to providing assistance to an insured community development financial institution, the Fund shall consult with the appropriate Federal banking agency.

(3) ASSISTANCE AGREEMENT.—

(A) IN GENERAL.—Before providing any assistance under this subtitle, the Fund and each community development financial institution to be assisted shall enter into an agreement that requires the institution to comply with performance goals and abide by other terms and conditions pertinent to assistance received under this subtitle.

(B) PERFORMANCE GOALS.—Performance goals shall be negotiated between the Fund and each community development financial institution receiving assistance based upon the strategic plan submitted pursuant to section 105(b)(2). Such goals may be modified with the consent of the parties, or as provided in subparagraph (C). Performance goals for insured community development financial institutions shall be determined in consultation with the appropriate Federal banking agency.

(C) SANCTIONS.—The agreement shall provide that, in the event of fraud, mismanagement, noncompliance with this subtitle, or noncompliance with the terms of the agreement, the Fund, in its discretion, may—

(i) revoke approval of the application;

(ii) terminate or reduce future assistance;

(iii) require repayment of assistance;

(iv) require changes to the performance goals imposed pursuant to subparagraph (B);

(v) bar an applicant from reapplying for assistance from the Fund;

(vi) require changes to the strategic plan submitted pursuant to section 105(b)(2); and

(vii) take such other actions as the Fund deems appropriate.

(D) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—In the case of an insured community development financial institution, the Fund shall notify the appropriate Federal banking agency not less than 15 days before imposing sanctions pursuant to this paragraph and shall not impose such sanctions if the agency disapproves, with an explanation in writing, during that 15-day period.

(g) AUTHORITY TO SELL EQUITY INVESTMENTS AND LOANS.—The Fund may, at any time, sell its equity investments and loans, but the Fund shall retain the power to enforce limitations on assistance entered into in accordance with the requirements of this subtitle until the performance goals related to the investment or loan have been met.

(h) NO AUTHORITY TO LIMIT SUPERVISION AND REGULATION.—Nothing in this subtitle shall affect any authority of the appropriate Federal banking agency to supervise and regulate any institution or company.

SEC. 109. COMMUNITY DEVELOPMENT TRAINING.

(a) IN GENERAL.—The Fund may operate a training program to increase the capacity and expertise of community development financial institutions and other members of the financial services industry to undertake community development activities (hereafter in this subtitle referred to as the "training program").

(b) PROGRAM ACTIVITIES.—The training program shall provide educational programs to assist community development financial institutions and other members of the financial services industry in developing lending and investment products, underwriting and servicing loans, managing equity investments, and implementing development services targeted to areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

(c) PARTICIPATION.—The training program shall be made available to community development financial institutions and other members of the financial services industry that serve or seek to serve areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

(d) CONTRACTING.—The Fund may offer the training described in this section directly or through a contract with other organizations. The Fund may contract to provide the training with organizations that possess special expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subtitle.

(e) FEES.—The Fund, as it deems appropriate, may charge fees for participation in training services to offset the cost of providing the services.

SEC. 110. ENCOURAGEMENT OF PRIVATE ENTITIES.

The Fund may facilitate the organization of corporations in which the Federal Government has no ownership interest that will complement the activities of the Fund in carrying out the purpose of this subtitle. The purpose of any such entity shall be to assist community development financial institutions in a manner that is complementary to the activities of the Fund under this subtitle. Any such entity shall be managed exclusively by persons not employed by the Federal Government or any agency or instrumentality thereof.

SEC. 111. CLEARINGHOUSE FUNCTION.

(a) ESTABLISHMENT.—The Fund may establish and maintain an information clearinghouse in coordination with other Federal departments or agencies and community development financial institutions to—

(1) collect, compile, and analyze information pertinent to community development financial institutions that will assist in creating, developing, expanding, and preserving these institutions; and

(2) provide information on financial, technical, and management assistance, data on the activities of community development financial institutions, regulations, and other information that may promote the purposes of this subtitle.

(b) COSTS.—The cost of maintaining the clearinghouse shall be shared equally by the Fund and each department or agency involved in maintaining the clearinghouse.

SEC. 112. RECORDKEEPING, REPORTS, AND AUDITS.

(a) RECORDKEEPING.—

(1) IN GENERAL.—A community development financial institution receiving assistance from the Fund shall keep such records, for such periods as may be prescribed, as may be necessary to disclose the manner in which any assistance under this subtitle is used and to demonstrate compliance with the requirements of this subtitle.

(2) ACCESS TO RECORDS.—The Fund shall have access on demand, for the purpose of determining compliance with this subtitle, to any records of a community development financial institution that receives assistance from the Fund.

(3) REVIEW.—Not less than annually, the Fund shall review the progress of each assisted community development financial institution in carrying out its strategic plan, meeting its performance goals, and satisfying the terms and conditions of its assistance agreement.

(4) REPORTING.—

(A) ANNUAL REPORTS.—The Fund shall require each community development financial institution receiving assistance under this subtitle to submit an annual report to the Fund on its activities, its financial condition, and its success in meeting performance goals, in satisfying the terms and conditions of its assistance agreement, and in complying with other requirements of this subtitle in such form and manner as the Fund shall specify.

(B) AVAILABILITY OF REPORTS.—The Fund, after deleting or redacting any material, as appropriate to protect privacy or proprietary interests, shall make such reports available for public inspection.

(b) ANNUAL REPORT BY THE FUND.—The Fund shall conduct an annual evaluation of the activities carried out by the Fund and the community development financial institutions assisted pursuant to this subtitle, and shall submit a report of its findings to the President and the Congress not later than 120 days after the end of each fiscal year of the Fund. The report shall include financial statements audited in accordance with subsection (d).

(c) STUDIES.—

(1) OPTIONAL STUDIES.—The Fund may conduct such studies as the Fund determines necessary to further the purpose of this subtitle and to facilitate investment in distressed communities. The findings of any studies conducted pursuant to this paragraph shall be included in the report required by subsection (b).

(2) INVESTMENT, GOVERNANCE, AND ROLE OF FUND.—Thirty months after the appointment and qualification of the Administrator, the Comptroller General shall submit to the President and the Congress a study evaluating the structure, governance, and performance of the Fund.

(d) EXAMINATION AND AUDIT.—The financial statements of the Fund shall be audited in accordance with section 9105 of title 31, United States Code, except that audits required by section 9105(a) of such title shall be performed annually.

SEC. 113. INVESTMENT OF RECEIPTS AND PROCEEDS.

(a) Establishment of Account.—Any dividends on equity investments and proceeds from the disposition of investments, deposits, or credit union shares that are received by the Fund as a result of assistance provided pursuant to section 108, and any fees received pursuant to section 109(e) shall be deposited and accredited to an account of the Fund in the United States Treasury (hereafter in this section referred to as "the account") established to carry out the purpose of this subtitle.

(b) Investments.—Upon request of the Administrator, the Secretary of the Treasury shall invest amounts deposited in the account in public debt securities with maturities suitable to the needs of the Fund, as determined by the Administrator, and bearing interest at rates determined by the Secretary of the Treasury, comparable to current market yields on outstanding marketable obligations of the United States of similar maturities.

(c) Availability.—Amounts deposited into the account and interest earned on such amounts pursuant to this section shall be available to the Fund until expended.

SEC. 114. INSPECTOR GENERAL.

(a) Establishment.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App. 11) is amended—

(1) in paragraph (1), by inserting "; the Administrator of the Community Development Financial Institutions Fund;" before "and the chief"; and

(2) in paragraph (2), by inserting "the Community Development Financial Institutions Fund," after "the Agency for International Development,".

(b) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary for the operation of the Office of Inspector General established by the amendments made by subsection (a).

SEC. 115. CAPITALIZATION ASSISTANCE TO ENHANCE LIQUIDITY.

(a) Assistance.—

(1) In general.—The Fund may provide assistance for the purpose of providing capital to organizations that will purchase loans or otherwise enhance the liquidity of community development financial institutions if—

(A) the primary purpose of such organizations is to promote community development; and

(B) any assistance received is matched with funds—

(i) from sources other than the Federal Government;

(ii) on the basis of not less than $1 for each dollar provided by the Fund; and

(iii) that are comparable in form and value to the assistance provided by the Fund.

(2) Limitation on other assistance.—An organization that receives assistance under this section may not receive other financial or technical assistance under this subtitle.

(b) Selection.—The selection of organizations to receive assistance under this section shall be at the discretion of the Fund and in accordance with criteria established by the Fund. In establishing such criteria, the Fund shall take into account the criteria contained in sections 105(b) and 107, as appropriate.

(c) Amount of Assistance.—The Fund may provide a total of not more than $5,000,000 of assistance to an organization under this section during any 3-year period. Assistance may be provided in a lump sum or over a period of time, as determined by the Fund.

(d) Audit and Report Requirements.—

(1) In general.—Organizations that receive assistance from the Fund in accordance with this section shall—

(A) submit to the Fund not less than once in every 18-month period, financial statements audited by an independent certified public accountant;

(B) submit an annual report on its activities; and

(C) keep such records as may be necessary to disclose the manner in which any assistance under this section is used.

(2) Access.—The Fund shall have access on demand, for the purposes of determining compliance with this section, to any records of such organizations.

(e) Limitations on Liability.—

(1) Liability of fund.—The liability of the Fund and the United States Government arising out of the provision of assistance to any organization in accordance with this section shall be limited to the amount of such assistance. The Fund shall be exempt from any assessments and any other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, territory, or the District of Columbia.

(2) Liability of government.—This section does not oblige the Federal Government, either directly or indirectly, to provide any funds to any organization assisted pursuant to this section, or to honor, reimburse, or otherwise guarantee any obligation or liability of such an organization. This section shall not be construed to imply that any such organization or any obligations or securities of any such organization are backed by the full faith and credit of the United States.

(f) Use of Proceeds.—Any proceeds from the sale of loans to an organization assisted under this section shall be used by the seller for community development purposes.

SEC. 116. COMMUNITY DEVELOPMENT REVOLVING LOAN FUND FOR CREDIT UNIONS.

(a) Repeal.—Section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by striking subsection (k).

(b) Revolving Loan Fund.—The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended by inserting after section 129 the following new section:

"SEC. 130. COMMUNITY DEVELOPMENT REVOLVING LOAN FUND FOR CREDIT UNIONS.

"(a) In General.—The Board may exercise the authority granted to it by the Community Development Credit Union Revolving Loan Fund Transfer Act, including any additional appropriation made or earnings accrued, subject only to this section and to regulations prescribed by the Board.

"(b) Investment.—The Board may invest any idle Fund moneys in United States Treasury securities. Any interest accrued on such securities shall become a part of the Fund.

"(c) Loans.—The Board may require that any loans made from the Fund be matched by increased shares in the borrower credit union.

"(d) Interest.—Interest earned by the Fund may be allocated by the Board for technical assistance to community development credit unions, subject to an appropriations Act.

"(e) Definition.—As used in this section, the term 'Fund' means the Community Development Credit Union Revolving Loan Fund.".

SEC. 117. STUDY OF COMMUNITY DEVELOPMENT CREDIT UNIONS.

(a) In General.—The National Credit Union Administration Board, in consultation with representatives of the credit union industry, shall conduct a study of community development credit activities by credit unions. In conducting the study, the Board shall consider—

(1) the role of such institutions in providing credit and related financial services to inner city and rural areas;

(2) the failure rate of such institutions in the past;

(3) the desirability of establishing a special examination force for community development credit unions and mentor programs;

(4) the desirability of establishing a clearinghouse for the recirculation of startup equipment and furniture for community development credit unions; and

(5) appropriate startup and permanent financing programs for such credit unions.

(b) Report.—Not later than October 1, 1994, the National Credit Union Administration Board shall issue a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the study conducted under subsection (a) and the regulatory and legislative changes that may be necessary to ensure that community development activity by credit unions becomes and remains viable and productive.

SEC. 118. REGULATIONS.

Not later than 180 days after the appointment and qualification of the Administrator, the Fund shall issue such regulations as may be necessary to carry out this subtitle.

SEC. 119. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—To carry out this subtitle, there are authorized to be appropriated to the Fund, to remain available until expended—

(1) $60,000,000 for fiscal year 1994;

(2) $104,000,000 for fiscal year 1995;

(3) $107,000,000 for fiscal year 1996; and

(4) $111,000,000 for fiscal year 1997.

(b) Administrative Expenses.—Of amounts authorized to be appropriated to the Fund—

(1) not more than $5,500,000 may be used by the Fund in each fiscal year to pay the administrative costs and expenses of the Fund; and

(2) not more than $50,000 may be used by the Fund in each fiscal year to provide for administrative costs and expenses described in section 104(d)(8).

(c) Community Development Credit Union Revolving Loan Fund.—There are authorized to be appropriated for the purposes of the Community Development Credit Union Revolving Loan Fund—

(1) $2,000,000 for fiscal year 1994;

(2) $1,000,000 for fiscal year 1995;

(3) $1,000,000 for fiscal year 1996; and

(4) $1,000,000 for fiscal year 1997.

(d) Capitalization Assistance.—Not more than 5 percent of the amounts authorized to be appropriated under subsection (a) may be used as provided in section 115.

(e) Budgetary Treatment.—Amounts authorized to be appropriated under this section shall be subject to discretionary spending caps, as provided in section 601 of the Congressional Budget Act of 1974, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

Subtitle B—Home Ownership and Equity Protection

SEC. 151. CONSUMER PROTECTIONS FOR HIGH COST MORTGAGES.

(a) DEFINITION.—Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following new subsection:

"(aa)(1) The term 'high cost mortgage' means a consumer credit transaction, other than a residential mortgage transaction or a transaction under an open end credit plan, that is secured by a consumer's principal dwelling, if—

"(A) the annual percentage rate at consummation of the transaction will exceed by more than 10 percentage points the rate of interest on Treasury securities having comparable periods of maturity on the fifteenth day of the month immediately preceding the month in which the loan is consummated; or

"(B) the total points and fees payable by the consumer at or before closing will exceed the greater of—

"(i) 8 percent of the total loan amount; or

"(ii) $400.

"(2) The amount specified in paragraph (1)(B)(ii) shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index, as reported on June 1 of the year preceding such adjustment.

"(3) For purposes of paragraph (1)(B), points and fees shall include—

"(A) all items included in the finance charge except interest and the time-price differential;

"(B) all compensation paid to mortgage brokers;

"(C) all direct and indirect compensation received by the creditor in connection with credit insurance; and

"(D) each of the charges listed in section 106(e) (except an escrow for future payment of taxes), unless—

"(i) the charge is reasonable;

"(ii) the creditor receives no direct or indirect compensation; and

"(iii) the charge is paid to a third party unaffiliated with the creditor.".

(b) MATERIAL DISCLOSURES.—Section 103(u) of the Truth in Lending Act (15 U.S.C. 1602(u)) is amended—

(1) by striking "and the due dates" and inserting ", the due dates"; and

(2) by inserting before the period ", and the disclosures for high cost mortgages required by section 129(a)".

(c) DEFINITION OF CREDITOR CLARIFIED.—Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by adding at the end the following: "Any person who originates 2 or more high cost mortgages in any 12-month period or any person who originates 1 or more high cost mortgages through a mortgage broker shall be considered to be a creditor for purposes of this title.".

(d) DISCLOSURES REQUIRED AND CERTAIN TERMS PROHIBITED.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by inserting after section 128 the following new section:

"SEC. 129. REQUIREMENTS FOR HIGH COST MORTGAGES.

"(a) DISCLOSURES.—

"(1) SPECIFIC DISCLOSURES.—In addition to other disclosures required under this title, for each high cost mortgage, the creditor shall provide the following disclosures in conspicuous type size:

"(A) 'You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application.'

"(B) 'If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan.'.

"(2) ANNUAL PERCENTAGE RATE.—In addition to the disclosures required under paragraph (1), the creditor shall disclose—

"(A) the annual percentage rate of the loan and the amount of the regular monthly payment; or

"(B) in the case of a variable rate loan, the annual percentage rate of the loan, a statement that the interest rate and monthly payment may increase, and the amount of the maximum possible monthly payment.

"(b) TIME OF DISCLOSURES.—

"(1) IN GENERAL.—The disclosures required by this section shall be given not less than 3 business days prior to consummation of the transaction.

"(2) NEW DISCLOSURES REQUIRED.—After providing the disclosures required by this section, a creditor may not change the terms of the loan if such changes make the disclosures inaccurate, unless new disclosures are provided that meet the requirements of this section.

"(3) MODIFICATIONS.—The Board may, if it finds that such action is necessary to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of rights created under this subsection, to the extent and under the circumstances set forth in those regulations.

"(c) NO PREPAYMENT PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (4), a high cost mortgage may not contain terms under which a consumer must pay a prepayment penalty for paying all or part of the principal of the loan prior to the date on which such principal is due. If the date of maturity of the high cost mortgage is accelerated for any reason, and the consumer is entitled to a rebate of interest, computation of the rebate amount shall comply with paragraph (2). No high cost mortgage shall provide for a default interest rate that is higher than the interest rate provided by the note for the loan prior to default.

"(2) REBATE COMPUTATION.—For purposes of this subsection, any method of computing rebates of interest that is less favorable to the consumer than the actuarial method (as defined in section 933 of the Housing and Community Development Act of 1992) using simple interest is a prepayment penalty.

"(3) CERTAIN OTHER FEES PROHIBITED.—An agreement to refinance a high cost mortgage by the same creditor or an affiliate of the creditor may not require the consumer to pay points, discount fees, or prepaid finance charges on the portion of the loan refinanced.

"(4) EXCEPTION.—A high cost mortgage may include terms under which a consumer is required to pay not more than 1 month's interest as a penalty if the consumer prepays the principal of the loan within 90 days of origination.

"(d) NO BALLOON PAYMENTS.—A high cost mortgage may not include terms under which the aggregate amount of the regular periodic payments would not fully amortize the outstanding principal balance.

"(e) NO NEGATIVE AMORTIZATION.—A high cost mortgage may not include terms under which the outstanding principal balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of interest due.

"(f) NO PREPAID PAYMENTS.—A high cost mortgage may not include terms under which more than 2 periodic payments required under the loan are consolidated and paid in advance from the loan proceeds provided to the consumer.

"(g) CONSEQUENCE OF FAILURE TO COMPLY.—Any high cost mortgage loan that contains a provision prohibited by this section shall be deemed a failure to deliver the material disclosures required under this title, for the purpose of section 125.

"(h) DEFINITION.—For purposes of this section, the term 'affiliate' has the same meaning as in section 2(k) of the Bank Holding Company Act of 1956.

"(i) DISCRETIONARY REGULATORY AUTHORITY OF BOARD.—

"(1) EXEMPTIONS.—The Board may, by regulation or order, exempt specific mortgage products or categories of mortgages from any or all of the prohibitions specified in subsections (c) through (f), if the Board finds that the exemption—

"(A) is in the interest of the borrowing public; and

"(B) will apply only to products that maintain and strengthen home ownership and equity protection.

"(2) PROHIBITIONS.—The Board, by regulation or order, shall prohibit any specific acts or practices in connection with high cost mortgages that the Board finds to be unfair, deceptive, or designed to evade the provisions of this section.".

(e) CONFORMING AMENDMENTS.—

(1) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking the item relating to section 129 and inserting the following:

"129. Requirements for high cost mortgages.".

(2) TRUTH IN LENDING ACT.—Section 105(a) of the Truth in Lending Act (15 U.S.C. 1604(a)) is amended in the second sentence, by striking "These" and inserting "Except in the case of a high cost mortgage, as defined in section 103(aa), these".

SEC. 152. CIVIL LIABILITY.

(a) DAMAGES.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended—

(1) by striking "and" at the end of paragraph (2)(B);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) in the case of a failure to comply with any requirement under section 129, an amount equal to the sum of all finance charges and fees paid by the consumer, unless the creditor demonstrates that the failure to comply is not material.".

(b) STATE ATTORNEY GENERAL ENFORCEMENT.—Section 130(e) of the Truth in Lending Act (15 U.S.C. 1640(e)) is amended by adding at the end the following: "An action to enforce a violation of section 129 may also be brought by the appropriate State attorney general in any appropriate United States district court, or any other court of competent jurisdiction, not later than 3 years after the date on which the violation occurs. The State attorney general shall provide prior written notice of any such civil action to the Federal agency responsible for enforcement under section 108 and shall provide the agency with a copy of the complaint. If prior notice is not feasible, the State attorney general shall provide notice to such agency immediately upon instituting the action. The Federal agency may—

"(1) intervene in the action;

"(2) upon intervening—

"(A) remove the action to the appropriate United States district court, if it was not originally brought there; and

"(B) be heard on all matters arising in the action; and

"(3) file a petition for appeal.".

(c) ASSIGNEE LIABILITY.—Section 131 of the Truth in Lending Act (15 U.S.C. 1641) is amended by adding at the end the following new subsection:

"(d) HIGH COST MORTGAGES.—

"(1) IN GENERAL.—In addition to any other liability imposed under this title, any person who purchases or is otherwise assigned a high cost mortgage shall be subject to all claims and defenses with respect to the mortgage that the consumer could assert against the creditor of the mortgage.

"(2) DAMAGES.—Relief provided as a result of liability imposed under paragraph (1) shall be limited to the sum of—

"(A) the amount of all remaining indebtedness; and

"(B) the total amount paid by the consumer in connection with the transaction.

"(3) NOTICE.—Any person who sells or otherwise assigns a high cost mortgage shall include a prominent notice of the potential liability under this subsection as determined by the Board.".

SEC. 153. REGULATIONS; EFFECTIVE DATE.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall issue such regulations as may be necessary to carry out this subtitle.

(b) EFFECTIVE DATE.—This subtitle, and the amendments made by this subtitle, shall apply to every high cost mortgage (as defined in section 103(aa) of the Truth in Lending Act, as added by section 151(a) of this Act) consummated on or after the date which is 60 days after the promulgation of final regulations under subsection (a).

TITLE II—SMALL BUSINESS CAPITAL FORMATION

Subtitle A—Small Business Loan Securitization

SEC. 201. SHORT TITLE.

This subtitle may be cited as the "Small Business Loan Securitization and Secondary Market Enhancement Act of 1993".

SEC. 202. SMALL BUSINESS RELATED SECURITY.

(a) DEFINITION.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraph:

"(53)(A) The term 'small business related security' means a security that is rated in 1 of the 4 highest rating categories by at least 1 nationally recognized statistical rating organization, and either—

"(i) represents an interest in 1 or more promissory notes evidencing the indebtedness of a small business concern and originated by an insured depository institution, insured credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or a finance company; or

"(ii) is secured by an interest in 1 or more promissory notes (with or without recourse to the issuer) and provides for payments of principal in relation to payments, or reasonable projections of payments, on notes described in clause (i).

"(B) For purposes of this paragraph—

"(i) an 'interest in a promissory note' includes ownership rights, certificates of interest or participation in such notes, and rights designed to assure servicing of such notes, or the receipt or timely receipt of amounts payable under such notes;

"(ii) the term 'small business concern' has the same meaning as in section 3 of the Small Business Act;

"(iii) the term 'insured depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

"(iv) the term 'insured credit union' has the same meaning as in section 101 of the Federal Credit Union Act.".

(b) TECHNICAL AMENDMENT.—Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by redesignating paragraph (51) defining the term "foreign financial regulatory authority" as paragraph (52) and inserting such paragraph after paragraph (51), defining the term "penny stocks".

SEC. 203. APPLICABILITY OF MARGIN REQUIREMENTS.

Section 7(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(g)) is amended by inserting "or a small business related security" after "mortgage related security".

SEC. 204. BORROWING IN THE COURSE OF BUSINESS.

Section 8(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended in the last sentence by inserting "or a small business related security" after "mortgage related security".

SEC. 205. SMALL BUSINESS RELATED SECURITIES AS COLLATERAL.

Clause (ii) of section 11(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78k(d)(1)) is amended by inserting "or any small business related security" after "mortgage related security".

SEC. 206. INVESTMENT BY DEPOSITORY INSTITUTIONS.

(a) HOME OWNERS' LOAN ACT AMENDMENT.—Section 5(c)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(1)) is amended by adding at the end the following new subparagraph:

"(S) SMALL BUSINESS RELATED SECURITIES.—Investments in small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), subject to such regulations as the Director may prescribe, including regulations concerning the minimum size of the issue (at the time of the initial distribution), the minimum aggregate sales price, or both.".

(b) CREDIT UNIONS.—Section 107(15) of the Federal Credit Union Act (12 U.S.C. 1757(15)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by inserting "or" at the end; and

(3) by adding at the end the following new subparagraph:

"(C) are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), subject to such regulations as the Board may prescribe, including regulations prescribing the minimum size of the issue (at the time of the initial distribution), the minimum aggregate sales price, or both;".

(c) NATIONAL BANKING ASSOCIATIONS.—Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the last sentence in the first full paragraph of paragraph Seventh, by striking "or (B) are mortgage related securities" and inserting the following: "(B) are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934); or (C) are mortgage related securities".

SEC. 207. PREEMPTION OF STATE LAW.

(a) IN GENERAL.—Section 106(a)(1) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r-1(a)(1)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), or".

(b) OBLIGATIONS OF THE UNITED STATES.—Section 106(a)(2) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r-1(a)(2)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), or".

(c) PREEMPTION OF STATE LAWS.—Section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r-1(c)) is amended—

(1) in the first sentence, by striking "or that" and inserting ", that"; and

(2) by inserting ", or that are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934)" before "shall be exempt".

(d) IMPLEMENTATION.—Section 106 of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r-1) is amended by adding at the end the following new subsection:

"(d) IMPLEMENTATION.—

"(1) LIMITATION.—The provisions of subsections (a) and (b) concerning small business related securities shall not apply with respect to a particular person, trust, corporation, partnership, association, business trust, or business entity or class thereof in any State that, prior to the expiration of 7 years after the date of enactment of this subsection, enacts a statute that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such small business related securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided in this section. The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior to such enactment, and shall not require the sale or other disposition of any small business related securities acquired prior to the date of such enactment.

"(2) STATE REGISTRATION OR QUALIFICATION REQUIREMENTS.—Any State may, not later than 7 years after the date of enactment of this subsection, enact a statute that specifically refers to this section and requires registration or qualification of any small business related securities on terms that differ from those applicable to any obligation issued by the United States.".

SEC. 208. INSURED DEPOSITORY INSTITUTION CAPITAL REQUIREMENTS FOR TRANSFERS OF SMALL BUSINESS LOANS.

(a) ACCOUNTING PRINCIPLES.—The accounting principles applicable to the transfer of a small business loan with recourse contained in reports or statements required to be filed with Federal banking agencies by a qualified insured depository institution shall be consistent with generally accepted accounting principles.

(b) CAPITAL AND RESERVE REQUIREMENTS.—With respect to the transfer of a small business loan with recourse that is a sale under generally accepted accounting principles, each qualified insured depository institution shall—

(1) establish and maintain a reserve equal to an amount sufficient to meet the reasonable estimated liability of the institution under the recourse arrangement; and

(2) include, for purposes of applicable capital standards and other capital measures, only the amount of the retained recourse in the risk-weighted assets of the institution.

(c) QUALIFIED INSTITUTIONS CRITERIA.—An insured depository institution is a qualified insured depository institution for purposes of this section if, without regard to the accounting principles or capital requirements referred to in subsections (a) and (b), the institution is—

(1) well capitalized; or

(2) with the approval, by regulation or order, of the appropriate Federal banking agency, adequately capitalized.

(d) AGGREGATE AMOUNT OF RECOURSE.—The total outstanding amount of recourse retained by a qualified insured depository institution with respect to transfers of small business loans under subsections (a) and (b) shall not exceed—

(1) 15 percent of the risk-based capital of the institution; or

(2) such greater amount, as established by the appropriate Federal banking agency by regulation or order.

(e) INSTITUTIONS THAT CEASE TO BE QUALIFIED OR EXCEED AGGREGATE LIMITS.—If an insured depository institution ceases to be a qualified insured depository institution or exceeds the limits under subsection (d), this section shall remain applicable to any transfers of small business loans that occurred during the time that the institution was qualified and did not exceed such limit.

(f) PROMPT CORRECTIVE ACTION NOT AFFECTED.—The capital of an insured depository institution shall be computed without regard to this section in determining whether the institution is adequately capitalized, under capitalized, significantly undercapitalized, or critically undercapitalized under section 38 of the Federal Deposit Insurance Act.

(g) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act each appropriate Federal banking agency shall promulgate final regulations implementing this section.

(h) ALTERNATIVE SYSTEM PERMITTED.—

(1) IN GENERAL.—At the discretion of the appropriate Federal banking agency, this section shall not apply if the regulations of the agency provide that the aggregate amount of capital and reserves required with respect to the transfer of small business loans with recourse does not exceed the aggregate amount of capital and reserves that would be required under subsection (b).

(2) EXISTING TRANSACTIONS NOT AFFECTED.—Notwithstanding paragraph (1), this section shall remain in effect with respect to transfers of small business loans with recourse by qualified insured depository institutions occurring before the effective date of regulations referred to in paragraph (1).

(i) DEFINITIONS.—For purposes of this section—

(1) the term "adequately capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act;

(2) the term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(3) the term "capital standards" has the same meaning as in section 38(c) of the Federal Deposit Insurance Act;

(4) the term "Federal banking agencies" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(5) the term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(6) the term "other capital measures" has the meaning as in section 38(c) of the Federal Deposit Insurance Act;

(7) the term "recourse" has the meaning given to such term under generally accepted accounting principles;

(8) the term "small business" means a business that meets the criteria for a small business concern established by the Small Business Administration under section 3(a) of the Small Business Act; and

(9) the term "well capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act.

SEC. 209. TRANSACTIONS IN SMALL BUSINESS RELATED SECURITIES BY EMPLOYEE BENEFIT PLANS.

(a) PROHIBITED TRANSACTION EXEMPTION.—The Secretary of Labor, in consultation with the Secretary of the Treasury, shall exempt transactions involving small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934 (as added by section 202 of this Act)), either unconditionally or on stated terms and conditions, from the restrictions of sections 406 and 407 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1106, 1107) and the taxes imposed under section 4975 of the Internal Revenue Code of 1986 (26 U.S.C. 4975).

(b) CONDITIONS.—In providing for the exemption required under subsection (a), the Secretary of Labor shall consider—

(1) the importance of facilitating transactions in small business related securities; and

(2) the necessity of imposing any term or condition to protect the rights and interests of participants and beneficiaries of employee benefit plans affected by the exemption.

(c) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor shall promulgate final regulations to carry out subsection (a).

SEC. 210. TAXATION OF SMALL BUSINESS LOAN INVESTMENT CONDUITS.

(a) TAXATION SIMILAR TO REMIC.—The Secretary of the Treasury shall promulgate regulations providing for the taxation of a small business loan investment conduit and the holder of an interest therein similar to the taxation of a real estate mortgage investment conduit and the holder of interests therein under the Internal Revenue Code of 1986.

(b) ADJUSTMENT TO REMIC PROVISIONS.—In promulgating regulations under subsection (a), the Secretary of the Treasury shall make any necessary adjustments to the real estate mortgage investment conduit provisions to take into consideration—

(1) the purpose of facilitating the securitization of small business loans through the use of small business loan investment conduits and the development of a secondary market in small business loans;

(2) differences in the nature of qualifying mortgages in a real estate mortgage investment conduit and small business loans and obligations; and

(3) differences in the practices of participants in the securitization of real estate mortgages in a real estate mortgage investment conduit and the securitization of other assets.

(c) SMALL BUSINESS LOAN INVESTMENT CONDUIT DEFINED.—For purposes of this section, the term "small business loan investment conduit" means any entity substantially all of the assets of which consist of any obligation (including any participation or certificate of beneficial ownership therein)—

(1) of a business that meets the criteria for a small business concern established under section 3(a) of the Small Business Act; and

(2) that was originated by an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), credit union, insurance company, or similar institution or a finance company which is supervised and examined by an appropriate Federal or State authority.

Subtitle B—Small Business Capital Enhancement

SEC. 251. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) small business concerns are a vital part of the economy, accounting for the majority of new jobs, new products, and new services created in the United States;

(2) adequate access to debt capital is a critical component for small business development, productivity, expansion, and success in the United States;

(3) commercial banks are the most important suppliers of debt capital to small business concerns in the United States;

(4) commercial banks and other depository institutions have various incentives to minimize their risk in financing small business concerns;

(5) as a result of such incentives, many small business concerns with economically sound financing needs are unable to obtain access to needed debt capital;

(6) the small business capital access programs implemented by certain States are a flexible and efficient tool to assist financial institutions in providing access to needed debt capital for many small business concerns in a manner consistent with safety and soundness regulations;

(7) a small business capital access program would complement other programs which assist small business concerns in obtaining access to capital; and

(8) Federal policy can stimulate and accelerate efforts by States to implement small business capital access programs by providing an incentive to States, while leaving the administration of such programs to each participating State.

(b) PURPOSES.—By encouraging States to implement administratively efficient capital access programs that encourage commercial banks and other depository institutions to provide access to debt capital for a broad portfolio of small business concerns, and thereby promote a more efficient and effective debt market, the purposes of this subtitle are—

(1) to promote economic opportunity and growth;

(2) to create jobs;

(3) to promote economic efficiency;

(4) to enhance productivity; and

(5) to spur innovation.

SEC. 252. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Secretary" means the Secretary of Housing and Urban Development;

(2) the term "appropriate Federal banking agency"—

(A) has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act;

(3) the term "early loan" means a loan enrolled at a time when the aggregate covered amount of loans previously enrolled under the Program by a particular participating financial institution is less than $5,000,000;

(4) the term "enrolled loan" means a loan made by a participating financial institution that is enrolled by a participating State in accordance with this subtitle;

(5) the term "financial institution" means any federally chartered or State-chartered commercial bank, savings association, savings bank, or credit union;

(6) the term "participating financial institution" means any financial institution that has entered into a participation agreement with a participating State in accordance with section 254;

(7) the term "participating State" means any State that has been approved for participation in the Program in accordance with section 253;

(8) the term "passive real estate ownership" means ownership of real estate for the purpose of deriving income from speculation, trade, or rental, except that such term shall not include—

(A) the ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate (other than the business of passive ownership of real estate); or

(B) the ownership of real estate for the purpose of construction or renovation, until the completion of the construction or renovation phase;

(9) the term "Program" means the Small Business Capital Enhancement Program established under this subtitle;

(10) the term "reserve fund" means a fund, established by a participating State, earmarked for a particular participating financial institution, for the purposes of—

(A) depositing all required premium charges paid by the participating financial institution and by each borrower receiving a loan under the Program from a participating financial institution;

(B) depositing contributions made by the participating State; and

(C) covering losses on enrolled loans by disbursing accumulated funds; and

(11) the term "State" means the States of the United States and the District of Columbia.

SEC. 253. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for reimbursement by the Secretary pursuant to section 257.

(b) APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department or agency of the State has been designated to implement the Program;

(2) all legal actions necessary to enable such designated department or agency to implement the Program have been accomplished;

(3) funds in the amount of at least $1 for every 2 people residing in the State (as of the last decennial census for which data have been released) are available and have been legally committed to contributions by the State to reserve funds, with such funds being available without time limit and without requiring additional legal action, except that such requirements shall not be construed to limit the authority of the State to take action at a later time that results in the termination of its obligation to enroll loans and make contributions to reserve funds;

(4) the State has prescribed a form of participation agreement to be entered into between it and each participating financial institution that is consistent with the requirements and purposes of this subtitle; and

(5) the State and the Secretary have executed a reimbursement agreement that conforms to the requirements of this subtitle.

(c) EXISTING STATE PROGRAMS.—

(1) IN GENERAL.—A State that is not a participating State, but that has its own capital access program providing portfolio insurance for business loans (based on a separate loss reserve fund for each financial institution), may apply at any time to the Secretary to be approved to be a participating State. The Secretary shall approve such State to be a participating State, and to be eligible for reimbursements by the Secretary pursuant to section 257, if the State—

(A) satisfies the requirements of subsections (a) and (b); and

(B) certifies that each affected financial institution has satisfied the requirements of section 254.

(2) APPLICABLE TERMS OF PARTICIPATION.—

(A) STATUS OF INSTITUTIONS.—If a State is approved for participation under paragraph (1), each financial institution with a participation agreement in effect with the participating State shall immediately be considered a participating financial institution. Reimbursements may be made under section 237 in connection with all contributions made to the reserve fund by the State in connection with lending that occurs on or after the date on which the Secretary approves the State for participation.

(B) EFFECTIVE DATE OF PARTICIPATION.—If an amended participation agreement that conforms with section 255 is required in order to secure participation approval by the Secretary, contributions subject to reimbursement under section 257 shall include only those contributions made to a reserve fund with respect to loans enrolled on or after the date that an amended participation agreement between the participating State and the participating financial institution becomes effective.

(C) USE OF ACCUMULATED RESERVE FUNDS.—A State that is approved for participation in accordance with this subsection may continue to implement the program utilizing the reserve funds accumulated under the State program.

(d) PRIOR APPROPRIATIONS REQUIREMENT.—The Secretary shall not approve a State for participation in the Program until at least $50,000,000 has been appropriated to the Secretary (subject to an appropriations Act), without fiscal year limitation, for the purpose of making reimbursements pursuant to section 257.

(e) AMENDMENTS TO AGREEMENTS.—If a State that has been approved to be a participating State wishes to amend its form of participation agreement and continue to be a participating State, such State shall submit such amendment for review by the Secretary in accordance with subsection (b)(4). Any such amendment shall become effective only after it has been approved by the Secretary.

SEC. 254. PARTICIPATION AGREEMENTS.

(a) IN GENERAL.—A participating State may enter into a participation agreement with any financial institution determined by the participating State, after consultation with the appropriate Federal banking agency, to have sufficient commercial lending experience and financial and managerial capacity to participate in the Program. The determination by the State shall not be reviewable by the Secretary.

(b) PARTICIPATING FINANCIAL INSTITUTIONS.—Upon entering into the participation agreement with the participating State, the financial institution shall become a participating financial institution eligible to enroll loans under the Program.

SEC. 255. TERMS OF PARTICIPATION AGREEMENTS.

(a) IN GENERAL.—The participation agreement to be entered into by a participating State and a participating financial institution shall include all provisions required by this section, and shall not include any provisions inconsistent with the provisions of this section.

(b) ESTABLISHMENT OF SEPARATE RESERVE FUNDS.—A separate reserve fund shall be established by the participating State for each participating financial institution. All funds credited to a reserve fund shall be subject to the control of the participating State. Notwithstanding the preceding sentence, the participating State may allow a participating financial institution to treat the premium charges paid by the institution and the borrower into the reserve fund, and interest earned thereon, as assets of the institution for accounting purposes. Each reserve fund shall be an administrative account for the purposes of—

(1) receiving all required premium charges to be paid by the borrower and participating financial institution and contributions by the participating State; and

(2) disbursing funds, either to cover losses sustained by the participating financial institution in connection with loans made under the Program, or as contemplated by subsections (d) and (r).

(c) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the participating financial institution in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(d) EARNED INCOME AND INTEREST.—Interest or income earned on the funds credited to a reserve fund shall be deemed to be part of the reserve fund, except that a participating State may, as further specified in the participation agreement—

(1) provide authority for the participating State to withdraw some or all of such interest or income earned; and

(2) allow the participating financial institution, upon its withdrawal from the Program, to withdraw interest or income earned that is deemed to be attributable to the premium charges paid by the institution and the borrower and that remains in the reserve fund, if such withdrawal does not expose the participating State to any greater risk of loss than the risk of loss in the absence of such withdrawal.

(e) LOAN TERMS AND CONDITIONS.—

(1) IN GENERAL.—A loan to be filed for enrollment under the Program may be made with such interest rate, fees, and other terms and conditions as agreed upon by the participating financial institution and the borrower, consistent with applicable law.

(2) LINES OF CREDIT.—If a loan to be filed for enrollment is in the form of a line of credit, the amount of the loan shall be considered to be the maximum amount that can be drawn by the borrower against the line of credit.

(f) ENROLLMENT PROCESS.—

(1) FILING.—

(A) IN GENERAL.—A participating financial institution shall file each loan made under the Program for enrollment by completing and submitting to the participating State a form prescribed by the participating State.

(B) FORM.—The form referred to in subparagraph (A) shall include a representation by the participating financial institution that it has complied with the participation agreement in enrolling the loan with the State.

(C) PREMIUM CHARGES.—Accompanying the completed form shall be the nonrefundable premium charges paid by the borrower and the participating financial institution, or evidence that such premium charges have been deposited into the deposit account containing the reserve fund, if applicable.

(D) SUBMISSION.—The participation agreement shall require that the items required by this subsection shall be submitted to the participating State by the participating financial institutions not later than 10 calendar days after a loan is made.

(2) ENROLLMENT BY STATE.—Upon receipt by the participating State of the filing submitted in accordance with paragraph (1), the participating State shall promptly enroll the loan and make a matching contribution to the reserve fund in accordance with subsection (j), unless the information submitted indicates that the participating financial institution has not complied with the participation agreement in enrolling the loan.

(g) COVERAGE AMOUNT.—In filing a loan for enrollment under the Program, the participating financial institution may specify an amount to be covered under the Program that is less than the full amount of the loan.

(h) PREMIUM CHARGES.—

(1) MINIMUM AND MAXIMUM AMOUNTS.—The premium charges payable to the reserve fund by the borrower and the participating financial institution shall be prescribed by the participating financial institution, within minimum and maximum limits set forth in the participation agreement. The participation agreement shall establish minimum and maximum limits whereby the sum of the premium charges paid in connection with a loan by the borrower and the participating financial institution is not less than 3 percent nor more than 7 percent of the amount of the loan covered under the Program.

(2) ALLOCATION OF PREMIUM CHARGES.—The participation agreement shall specify terms for allocating premium charges between the borrower and the participating financial institution. However, if the participating financial institution is required to pay any of the premium charges, the participation agreement shall authorize the participating financial institution to recover from the borrower the cost of the payment of the participating financial institution, in any manner on which the participating financial institution and the borrower agree.

(i) RESTRICTIONS.—

(1) ACTIONS PROHIBITED.—Except as provided in subsection (h) and paragraph (2) of this subsection, the participating State may not—

(A) impose any restrictions or requirements, relating to the interest rate, fees, collateral, or other business terms and conditions of the loan; or

(B) condition enrollment of a loan in the Program on the review by the State of the risk or creditworthiness of a loan.

(2) EFFECT ON OTHER LAW.—Nothing in this subtitle shall affect the applicability of any other law to the conduct by a participating financial institution of its business.

(j) STATE CONTRIBUTIONS.—In enrolling a loan under the Program, the participating State shall contribute to the reserve fund an amount, as provided for in the participation agreement, which shall not be less than the sum of the amount of premium charges paid by the borrower and the participating financial institution.

(k) ELEMENTS OF CLAIMS.—

(1) FILING.—If a participating financial institution charges off all or part of an enrolled loan, such participating financial institution may file a claim for reimbursement with the participating State by submitting a form that—

(A) includes the representation by the participating financial institution that it is filing the claim in accordance with the terms of the applicable participation agreement; and

(B) contains such other information as may be required by the participating State.

(2) TIMING.—Any claim filed under paragraph (1) shall be filed contemporaneously with the action of the participating financial institution to charge off all or part of an enrolled loan. The participating financial institution shall determine when and how much to charge off on an enrolled loan, in a manner consistent with its usual method for making such determinations on business loans that are not enrolled loans under this subtitle.

(l) ELEMENTS OF CLAIMS.—A claim filed by a participating financial institution may include the amount of principal charged off, not to exceed the covered amount of the loan. Such claim may also include accrued interest and out-of-pocket expenses, if and to the extent provided for under the participation agreement.

(m) PAYMENT OF CLAIMS.—

(1) IN GENERAL.—Except as provided in subsection (n) and paragraph (2) of this subsection, upon receipt of a claim filed in accordance with this section and the participation agreement, the participating State shall promptly pay to the participating financial institution, from funds in the reserve fund, the full amount of the claim as submitted.

(2) INSUFFICIENT RESERVE FUNDS.—If there are insufficient funds in the reserve fund to cover the entire amount of a claim of a participating financial institution, the participating State shall pay to the participating financial institution an amount equal to the current balance in the reserve fund. If the enrolled loan for which the claim has been filed—

(A) is not an early loan, such payment shall be deemed fully to satisfy the claim, and the participating financial institution shall have no other or further right to receive any amount from the reserve fund with respect to such claim; or

(B) is an early loan, such payment shall not be deemed fully to satisfy the claim of the participating financial institution, and at such time as the remaining balance of the claim does not exceed 75 percent of the balance in the reserve fund, the participating State shall, upon the request of the participating financial institution, pay any remaining amount of the claim.

(n) DENIAL OF CLAIMS.—A participating State may deny a claim if a representation or warranty made by the participating financial institution to the participating State at the time that the loan was filed for enrollment or at the time that the claim was submitted was known by the participating financial institution to be false.

(o) SUBSEQUENT RECOVERY OF CLAIM AMOUNT.—If, subsequent to payment of a claim by the participating State, a participating financial institution recovers from a borrower any amount for which payment of the claim was made, the participating financial institution shall promptly pay to the participating State for deposit into the reserve fund the amount recovered, less any expenses incurred by the institution in collection of such amount.

(p) PARTICIPATION AGREEMENT TERMS.—

(1) IN GENERAL.—In connection with the filing of a loan for enrollment in the Program, the participation agreement—

(A) shall require the participating financial institution to obtain an assurance from each borrower that—

(i) the proceeds of the loan will be used for a business purpose;

(ii) the loan will not be used to finance passive real estate ownership; and

(iii) the borrower is not—

(I) an executive officer, director, or principal shareholder of the participating financial institution;

(II) a member of the immediate family of an executive officer, director, or principal shareholder of the participating financial institution; or

(III) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(B) shall require the participating financial institution to provide assurances to the participating State that the loan has not been made in order to place under the protection of the Program prior debt that is not covered under the Program and that is or was owed by the borrower to the participating financial institution or to an affiliate of the participating financial institution;

(C) may provide that if—

(i) a participating financial institution makes a loan to a borrower that is a refinancing of a loan previously made to the borrower by the participating financial institution or an affiliate of the participating financial institution;

(ii) such prior loan was not enrolled in the Program; and

(iii) additional or new financing is extended by the participating financial institution as part of the refinancing,

the participating financial institution may file the loan for enrollment, with the amount to be covered under the Program not to exceed the amount of any additional or new financing; and

(D) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this subtitle.

(2) DEFINITIONS.—For purposes of this subsection, the terms "executive officer", "director", "principal shareholder", "immediate family", and "related interest" refer to the same relationship to a participating financial institution as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(q) TERMINATION CLAUSE.—In each participation agreement, the participating State shall reserve for itself the ability to terminate its obligation to enroll loans under the Program. Any such termination shall be prospective only, and shall not apply to amounts of loans enrolled under the Program prior to such termination.

(r) ALLOWABLE WITHDRAWALS FROM FUND.—

(1) WITHDRAWALS BASED ON OUTSTANDING BALANCE.—The participation agreement may provide that, if, for any consecutive period of not less than 24 months, the aggregate outstanding balance of all enrolled loans for a participating financial institution is continually less than the outstanding balance in the reserve fund for that participating financial institution, the participating State, in its discretion, may withdraw an amount from the reserve fund to bring the balance in the reserve fund down to the outstanding balance of all such enrolled loans.

(2) WITHDRAWALS BASED ON PREMIUM CHARGES REMAINING IN FUND.—Upon its with-

drawal from the Program, a participating financial institution may withdraw from the reserve fund an amount that is equivalent to the premium charges paid into the fund by the institution and the borrower that remain in the reserve fund, if such withdrawal would not expose the participating State to a greater risk of loss than the risk of loss in the absence of such withdrawal.

SEC. 256. REPORTS.

(a) RESERVE FUNDS REPORT.—On or before the last day of each calendar quarter, a participating State shall submit to the Secretary a report of contributions to reserve funds made by the participating State during the previous calendar quarter. If the participating State has made contributions to one or more reserve funds during the previous quarter, the report shall—

(1) indicate the total amount of such contributions;

(2) indicate the amount of contributions which is subject to reimbursement, which shall be equal to the total amount of contributions, unless one of the limitations contained in section 257 is applicable;

(3) if one of the limitations in section 257 is applicable, provide documentation of the applicability of such limitation for each loan for which the limitation applies; and

(4) include a certification by the participating State that—

(A) the information provided in accordance with paragraphs (1), (2), and (3) is accurate;

(B) funds in an amount meeting the minimum requirements of section 253(b)(3) continue to be available and legally committed to contributions by the State to reserve funds, less any amount that has been contributed by the State to reserve funds subsequent to the State being approved for participation in the Program;

(C) there has been no unapproved amendment to any participation agreement or the form of participation agreements; and

(D) the participating State is otherwise implementing the Program in accordance with this subtitle and regulations issued pursuant to section 259.

(b) ANNUAL DATA.—Not later than March 31 of each year, each participating State shall submit to the Secretary annual data indicating the number of borrowers financed under the Program, the total amount of covered loans, and breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers financed.

(c) FORM.—The reports and data filed pursuant to subsections (a) and (b) shall be in such form as the Secretary may require.

SEC. 257. REIMBURSEMENT BY THE SECRETARY.

(a) REIMBURSEMENTS.—Not later than 30 calendar days after receiving a report filed in compliance with section 256, the Secretary shall reimburse the participating State in an amount equal to 50 percent of the amount of contributions by the participating State to the reserve funds that are subject to reimbursement by the Secretary pursuant to section 256 and this section. The Secretary shall reimburse participating States, as it receives reports pursuant to section 256(a), until available funds are expended.

(b) SIZE OF ASSISTED BORROWER.—The Secretary shall not provide any reimbursement to a participating State with respect to an enrolled loan made to a borrower that has 500 or more employees at the time that the loan is enrolled in the Program.

(c) THREE-YEAR MAXIMUM.—The amount of reimbursement to be provided by the Secretary to a participating State over any 3-year period in connection with loans made to any single borrower or any group of borrowers among which a common enterprise exists shall not exceed $75,000. For purposes of this subsection, "common enterprise" shall have the same meaning as in part 32 of title 12 of the Code of Federal Regulations, or any successor to that part.

(d) LOANS TOTALING LESS THAN $2,000,000.—In connection with a loan in which the covered amount of the loan plus the covered amount of all previous loans enrolled by a participating financial institution does not exceed $2,000,000, the amount of reimbursement by the Secretary to the participating State shall not exceed the lesser of—

(1) 75 percent of the sum of the premium charges paid to the reserve fund by the borrower and the participating financial institution; or

(2) 5.25 percent of the covered amount of the loan.

(e) LOANS TOTALING MORE THAN $2,000,000.—In connection with a loan in which the sum of the covered amounts of all previous loans enrolled by the participating financial institution in the Program equals or exceeds $2,000,000, the amount of reimbursement to be provided by the Secretary to the participating State shall not exceed the lesser of—

(1) 50 percent of the sum of the premium charges paid by the borrower and the participating financial institution; or

(2) 3.5 percent of the covered amount of the loan.

(f) OTHER AMOUNTS.—In connection with the enrollment of a loan that will cause the aggregate covered amount of all enrolled loans to exceed $2,000,000, the amount of reimbursement by the Secretary to the participating State shall be determined—

(1) by applying subsection (d) to the portion of the loan, which when added to the aggregate covered amount of all previously enrolled loans equals $2,000,000; and

(2) by applying subsection (e) to the balance of the loan.

SEC. 258. REIMBURSEMENT TO THE SECRETARY.

(a) IN GENERAL.—If a participating State withdraws funds from a reserve fund pursuant to terms of the participation agreement permitted by subsection (d) or (r) of section 255, such participating State shall, not later than 15 calendar days after such withdrawal, submit to the Secretary an amount computed by multiplying the amount withdrawn by the appropriate factor, as determined under subsection (b).

(b) FACTOR.—The appropriate factor shall be obtained by dividing the total amount of contributions that have been made by the participating State to all reserve funds which were subject to reimbursement—

(1) by 2; and

(2) by the total amount of contributions made by the participating State to all reserve funds, including if applicable, contributions that have been made by the State prior to becoming a participating State if the State continued its own capital access program in accordance with section 253(b).

(c) USE OF REIMBURSEMENTS.—The Secretary may use funds reimbursed pursuant to this section to make reimbursements under section 257.

SEC. 259. REGULATIONS.

The Secretary shall promulgate appropriate regulations to implement this subtitle.

SEC. 260. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are authorized to be appropriated to the Secretary $50,000,000 to carry out this subtitle.

(b) BUDGETARY TREATMENT.—The amount authorized to be appropriated under subsection (a) shall be subject to discretionary spending caps, as provided in section 601 of the Congressional Budget Act of 1974, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

TITLE III—PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

SEC. 301. INCORPORATED DEFINITIONS.

Unless otherwise specifically provided in this title, for purposes of this title—

(1) the terms "appropriate Federal banking agency", "Federal banking agencies", and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act; and

(2) the term "insured credit union" has the same meaning as in section 101 of the Federal Credit Union Act.

SEC. 302. ADMINISTRATIVE CONSIDERATION OF BURDEN WITH NEW REGULATIONS.

In determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, each Federal banking agency shall consider, consistent with the principles of safety and soundness and the public interest—

(1) any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions; and

(2) the benefits of such regulations.

SEC. 303. STREAMLINING OF REGULATORY REQUIREMENTS.

(a) REVIEW OF REGULATIONS; REGULATORY UNIFORMITY.—During the 2-year period beginning on the date of enactment of this Act, each Federal banking agency shall, consistent with principles of safety and soundness and the public interest—

(1) conduct a review of the regulations and written policies of that agency—

(A) to streamline those regulations and policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability; and

(B) to remove inconsistencies and outmoded and duplicative requirements; and

(2) work jointly with the other Federal banking agencies to make uniform all regulations and guidelines implementing common statutory or supervisory policies.

(b) REPORT TO CONGRESS.—The Federal banking agencies shall submit a joint report to the Congress annually for 2 years following the date of enactment of this Act detailing the progress of the agencies in carrying out the requirements of subsection (a).

SEC. 304. ELIMINATION OF DUPLICATIVE FILINGS.

The Federal banking agencies shall work jointly—

(1) to eliminate, to the extent practicable, duplicative or otherwise unnecessary requests for information in connection with applications or notices to the agencies; and

(2) to harmonize, to the extent practicable, any inconsistent publication and public notice requirements.

SEC. 305. COORDINATED AND UNIFIED EXAMINATIONS.

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended by adding at the end the following new paragraph:

"(6) COORDINATED EXAMINATIONS.—To minimize the disruptive effects of examinations on the operations of insured depository institutions—

"(A) each appropriate Federal banking agency shall, to the extent practicable and consistent with safety and soundness principles and the public interest—

"(i) coordinate examinations to be conducted by that agency at an insured depository institution and its affiliates;

"(ii) coordinate with the other appropriate Federal banking agencies in the conduct of such examinations; and

"(iii) work to coordinate the conduct of all examinations made pursuant to this subsection with the appropriate State bank supervisor; and

"(B) not later than 2 years after the date of enactment of the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993, the Federal banking agencies shall jointly establish and implement a system for determining which one of the Federal banking agencies shall conduct a unified examination of each insured depository institution and its affiliates, as required by this subsection, on behalf of all Federal banking agencies.".

SEC. 306. EIGHTEEN-MONTH EXAMINATION RULE FOR CERTAIN SMALL INSTITUTIONS.

Section 10(d)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)(4)) is amended—

(1) in subparagraph (A), by striking "$100,000,000" and inserting "$250,000,000";

(2) in subparagraph (C), by striking "and" at the end;

(3) by redesignating subparagraph (D) as subparagraph (E); and

(4) by inserting after subparagraph (C) the following new subparagraph:

"(D) the insured institution is not currently subject to a formal enforcement proceeding or order by the Corporation or the appropriate Federal banking agency; and".

SEC. 307. CALL REPORT SIMPLIFICATION.

(a) Modernization of Call Report Filing and Disclosure System.—In order to reduce the administrative requirements pertaining to bank reports of condition, savings association financial reports, and bank holding company consolidated and parent-only financial statements, and to improve the timeliness of such reports and statements, the Federal banking agencies shall—

(1) work jointly to develop a system under which—

(A) insured depository institutions and their affiliates may file such reports and statements electronically; and

(B) the Federal banking agencies may make such reports and statements available to the public electronically; and

(2) not later than 1 year after the date of enactment of this Act, report to the Congress and make recommendations for legislation that would enhance efficiency for filers and users of such reports and statements.

(b) Uniform Reports and Simplification of Instructions.—The Federal banking agencies shall, consistent with the principles of safety and soundness, work jointly—

(1) to adopt a single form for the filing of core information required to be submitted under Federal law to all such agencies in the reports and statements referred to in subsection (a); and

(2) to simplify instructions accompanying such reports and statements and to provide an index to the instructions that is adequate to meet the needs of both filers and users.

(c) Review of Call Report Schedule.—Each Federal banking agency shall—

(1) review the information required by schedules supplementing the core information referred to in subsection (b); and

(2) eliminate requirements that are not warranted for reasons of safety and soundness or other public purposes.

SEC. 308. REPEAL OF PUBLICATION REQUIREMENTS.

(a) Revised Statutes.—Section 5211 of the Revised Statutes (12 U.S.C. 161) is amended—

(1) in the fifth sentence of subsection (a), by striking "; and the statement of resources" and all that follows through "as may be required by the Comptroller"; and

(2) in subsection (c), by striking the fourth sentence.

(b) FDIA.—Section 7(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(1)) is amended by striking the fourth sentence.

(c) Federal Reserve Act.—Section 9 of the Federal Reserve Act (12 U.S.C. 324) is amended in the last sentence of the sixth undesignated paragraph, by striking "and shall be published" and all that follows through the end of the sentence and inserting a period.

SEC. 309. REGULATORY APPEALS PROCESS.

(a) In General.—Not later than 180 days after the date of enactment of this Act, each appropriate Federal banking agency and the National Credit Union Administration Board shall establish an independent intra-agency appellate process. The process shall be available to review material supervisory determinations made at insured depository institutions or at insured credit unions that the agency supervises.

(b) Review Process.—In establishing the independent appellate process under subsection (a), each agency shall ensure—

(1) that any appeal of a material supervisory determination by an insured depository institution or credit union is heard and decided expeditiously; and

(2) that appropriate safeguards exist for protecting the appellant from retaliation by agency examiners.

(c) Comment Period.—Not later than 90 days after the date of enactment of this Act, each appropriate Federal banking agency and the National Credit Union Administration shall provide public notice and opportunity for comment on proposed guidelines for the establishment of an appellate process under this section.

(d) Definitions.—For purposes of this section—

(1) the term "material supervisory determinations" includes determinations relating to—

(A) examination ratings;

(B) the adequacy of loan loss reserve provisions; and

(C) loan classifications on loans that are significant to the institution; and

(2) the term "independent appellate process" means a review by an agency official who does not directly or indirectly report to the agency official who made the material supervisory determination under review.

(e) Effect on Other Authority.—Nothing in this section shall affect the authority of an appropriate Federal banking agency or the National Credit Union Association Board to take enforcement or supervisory action against an institution.

SEC. 310. ELECTRONIC FILING OF CURRENCY TRANSACTION REPORTS.

Section 123 of the Bank Secrecy Act (12 U.S.C. 1953) is amended by adding at the end the following new subsection:

"(c) Acceptance of Automated Records.—The Secretary shall permit an uninsured bank or financial institution to retain or maintain records referred to in subsection (a) in electronic or automated form, subject to terms and conditions established by the Secretary.".

SEC. 311. BANK SECRECY ACT PUBLICATION REQUIREMENTS.

Chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

"SEC. 5329. STAFF COMMENTARIES.

"The Secretary shall—

"(1) publish all written rulings interpreting this chapter; and

"(2) annually issue a staff commentary on the regulations issued under this chapter.".

SEC. 312. EXEMPTION OF BUSINESS LOANS FROM REAL ESTATE SETTLEMENT PROCEDURES ACT REQUIREMENTS.

The Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) is amended by inserting after section 6 the following new section:

"SEC. 7. EXEMPTED TRANSACTIONS.

"This Act does not apply to credit transactions involving extensions of credit—

"(1) primarily for business, commercial, or agricultural purposes; or

"(2) to government or governmental agencies or instrumentalities.".

SEC. 313. FLEXIBILITY IN CHOOSING BOARDS OF DIRECTORS.

Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended in the first sentence, by striking "two thirds" and inserting "a majority".

SEC. 314. HOLDING COMPANY AUDIT REQUIREMENTS.

Section 36(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(i)) is amended by striking paragraph (2) and inserting the following:

"(2) the institution—

"(A) has total assets, as of the beginning of such fiscal year, of less than $5,000,000,000;

"(B) has—

"(i) total assets, as of the beginning of such fiscal year, of more than $5,000,000,000 and less than $9,000,000,000; and

"(ii) a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency; or

"(C) has—

"(i) total assets, as of the beginning of such fiscal year, of more than $9,000,000,000; and

"(ii) a CAMEL composite rating of 1 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency.

Notwithstanding paragraph (2)(C), in the case of an insured depository institution that the Corporation determines to be a large institution, the audit committee of the holding company of such an institution shall not include any large customers of the institution.".

SEC. 315. STATE REGULATION OF REAL ESTATE APPRAISALS.

Section 1122 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3351) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(2) by inserting after subsection (a) the following new subsection:

"(b) Reciprocity.—The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States."; and

(3) in subsection (a)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C);

(B) by striking "A State" and inserting the following:

"(1) IN GENERAL.—A State"; and

(C) by adding at the end the following new paragraph:

"(2) FEES FOR TEMPORARY PRACTICE.—A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.".

SEC. 316. ACCELERATION OF EFFECTIVE DATE FOR INTERAFFILIATE TRANSACTIONS.

(a) HOME OWNERS' LOAN ACT AMENDMENT.—Section 11(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1468(a)(2)) is amended by adding at the end the following new subparagraph:

"(C) TRANSITION RULE FOR WELL CAPITALIZED SAVINGS ASSOCIATIONS.—

"(i) IN GENERAL.—A savings association that is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act), as determined without including goodwill in calculating core capital, shall be treated as a bank for purposes of section 23A(d)(1) and section 23B of the Federal Reserve Act.

"(ii) LIABILITY OF COMMONLY CONTROLLED DEPOSITORY INSTITUTIONS.—Any savings association that engages under clause (i) in a transaction that would not otherwise be permissible under this subsection, and any affiliated insured bank that is commonly controlled (as defined in section 5(e)(9) of the Federal Deposit Insurance Act), shall be subject to subsection (e) of section 5 of the Federal Deposit Insurance Act as if paragraph (6) of that subsection did not apply.".

(b) REPEAL PROVISION.—Effective on January 1, 1995, subparagraph (C) of section 11(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1468(a)(2)) (as added by subsection (a) of this section) is repealed.

SEC. 317. COLLATERALIZATION OF PUBLIC DEPOSITS.

Section 13(e) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking "No agreement" and inserting the following:

"(1) IN GENERAL.—No agreement"; and

(3) by adding at the end the following new paragraph:

"(2) PUBLIC DEPOSITS.—An agreement to provide for the lawful collateralization of deposits of a Federal, State, or local governmental entity or of any depositor referred to in section 11(a)(2) shall not be deemed to be invalid pursuant to paragraph (1)(B) solely because of changes in the collateral made in accordance with such agreement.".

SEC. 318. ELIMINATION OF STOCK VALUATION PROVISION.

(a) IN GENERAL.—Section 39(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1831p-1(b)(1), as added by section 132(a) of the Federal Deposit Insurance Corporation Improvements Act of 1991) is amended—

(1) in subparagraph (A), by adding "and" at the end; and

(2) by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be construed to have the same effective date as section 39 of the Federal Deposit Insurance Act, as provided in section 132(c) of the Federal Deposit Insurance Corporation Improvements Act of 1991.

SEC. 319. EXPEDITED PROCEDURES FOR FORMING A BANK HOLDING COMPANY.

Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended—

(1) in the second sentence, by striking "or (B)" and inserting "(B)"; and

(2) in the second sentence, by inserting before the period the following: "; or (C) with 30 days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchanges its shares of the bank for shares of a newly formed bank holding company and receives, after the reorganization, substantially the same proportional share interest in the holding company as it held in the bank (except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law) if, immediately following the acquisition, (i) the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company; (ii) the bank is adequately capitalized (as defined in section 38 of the Federal Deposit Insurance Act); and (iii) the holding company does not engage in any activities other than those of banking or managing and controlling banks".

SEC. 320. EXEMPTION OF CERTAIN HOLDING COMPANY FORMATIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933.

Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end the following new paragraph:

"(7) transactions involving offers or sales of equity securities, in connection with the acquisition of a bank by a company under section 3(a) of the Bank Holding Company Act of 1956, if—

"(A) the acquisition occurs solely as part of a reorganization in which a person or group of persons exchanges its shares of a bank for shares of a newly formed bank holding company with no significant assets other than securities of the bank and the existing subsidiaries of the bank;

"(B) the shareholders receive, after that reorganization, substantially the same proportional share interests in the bank holding company as they held in the bank, except for changes in shareholders' interests resulting from lawful elimination of fractional interests and the exercise of dissenting shareholders' rights under State or Federal law;

"(C) the rights and interests of security holders in the bank holding company are substantially the same as those in the bank prior to the transaction, other than as may be required by law; and

"(D) the bank holding company has substantially the same assets and liabilities as the bank had prior to the transaction.".

SEC. 321. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK HOLDING COMPANY ACQUISITIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting before the period at the end of the fourth sentence the following: "or, if the Board has not received any adverse comment from the Attorney General of the United States relating to competitive factors, such shorter period of time as may be prescribed by the Board with the concurrence of the Attorney General, but in no event less than 15 calendar days after the date of approval".

SEC. 322. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK MERGERS.

Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by inserting before the period at the end of the last sentence the following: "or, if the agency has not received any adverse comment from the Attorney General of the United States relating to competitive factors, such shorter period of time as may be prescribed by the agency with the concurrence of the Attorney General, but in no event less than 15 calendar days after the date of approval".

SEC. 323. BANKERS' BANKS.

(a) OWNERSHIP BY BANKERS' BANKS.—

(1) Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the eleventh sentence—

(A) by inserting "or depository institution holding companies (as defined in section 3 of the Federal Deposit Insurance Act)" after "(except to the extent directors' qualifying shares are required by law) by depository institutions"; and

(B) by striking "employees" and inserting "employees (also referred to as a 'bankers' bank')".

(2) Section 5169(b)(1) of the Revised Statutes (12 U.S.C. 27(b)(1)) is amended—

(A) by inserting "or depository institution holding companies" after "(except to the extent directors' qualifying shares are required by law) by other depository institutions"; and

(B) by striking "employees" and inserting "employees (also referred to as a 'bankers' bank')".

(b) OWNERSHIP BY SAVINGS ASSOCIATIONS.—Section 5(c)(4) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended by adding at the end the following new subparagraph:

"(E) BANKERS' BANKS.—A Federal savings association may purchase for its own account shares of stock of a bankers' bank, described in Paragraph Seventh of section 5136 of the Revised Statutes or in section 5169(b) of the Revised Statutes, on the same terms and conditions as a national bank may purchase such shares.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) BANK HOLDING COMPANY ACT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by striking the second sentence.

(2) MANAGEMENT INTERLOCKS ACT.—Section 202(3)(D) of the Depository Institution Management Interlocks Act (12 U.S.C. 3201(3)(D)) is amended by striking "the voting securities" and all that follows through the end of the subparagraph and inserting "and is a bankers' bank, described in Paragraph Seventh of section 5136 of the Revised Statutes; or".

SEC. 324. BANK SERVICE CORPORATION ACT AMENDMENT.

Section 5 of the Bank Service Corporation Act (12 U.S.C. 1865) is amended—

(1) in subsection (a), by striking "the prior approval of" and inserting "prior notice, as determined by"; and

(2) in subsection (c), by inserting "or whether to approve or disapprove any notice" after "approval".

SEC. 325. MERGER TRANSACTION REPORTS.

Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended—

(1) in paragraph (4)—

(A) in the first sentence—

(i) by striking "General and the other two" and inserting "General, who shall promptly notify the other"; and

(ii) by inserting before the period "of any such proposed transaction that raises a significant competitiveness issue"; and

(B) in the second sentence, by striking "and the other two banking agencies"; and

(2) in paragraph (6), by striking "and the other two banking agencies".

SEC. 326. CREDIT CARD ACCOUNTS RECEIVABLE SALES.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended by adding at the end the following new paragraphs:

"(14) SELLING CREDIT CARD ACCOUNTS RECEIVABLE.—

"(A) NOTIFICATION REQUIRED.—An undercapitalized insured depository institution (as defined in section 38) shall notify the Corporation in writing before entering into an agreement to sell credit card accounts receivable.

"(B) WAIVER BY CORPORATION.—The Corporation may at any time, in its sole discretion and upon such terms as it may prescribe, waive its right to repudiate an agreement to sell credit card accounts receivable if the Corporation—

"(i) determines that the waiver is in the best interests of the deposit insurance fund; and

"(ii) provides a written waiver to the selling institution.

"(C) EFFECT OF WAIVER ON SUCCESSORS.—

"(i) IN GENERAL.—If, under subparagraph (B), the Corporation has waived its right to repudiate an agreement to sell credit card accounts receivable—

"(I) any provision of the agreement that restricts solicitation of a credit card customer of the selling institution, or the use of a credit card customer list of the institution, shall bind any receiver or conservator of the institution; and

"(II) the Corporation shall require any acquirer of the selling institution, or of substantially all of the selling institution's assets or liabilities, to agree to be bound by a provision described in subclause (I) as if the acquirer were the selling institution.

"(ii) EXCEPTION.—Clause (i)(II) does not—

"(I) restrict the acquirer's authority to offer any product or service to any person identified without using a list of the selling institution's customers in violation of the agreement;

"(II) require the acquirer to restrict any preexisting relationship between the acquirer and a customer; or

"(III) apply to any transaction in which the acquirer acquires only insured deposits.

"(D) WAIVER NOT ACTIONABLE.—The Corporation shall not, in any capacity, be liable to any person for damages resulting from the waiver of or failure to waive the Corporation's right under this section to repudiate any contract or lease, including an agreement to sell credit card accounts receivable. No court shall issue any order affecting any such waiver or failure to waive.

"(E) OTHER AUTHORITY NOT AFFECTED.—This paragraph does not limit any other authority of the Corporation to waive the Corporation's right to repudiate an agreement or lease under this section.

"(15) CERTAIN CREDIT CARD CUSTOMER LISTS PROTECTED.—

"(A) IN GENERAL.—If any insured depository institution sells credit card accounts receivable under an agreement negotiated at arm's length that provides for the sale of the institution's credit card customer list, the Corporation shall prohibit any party to a transaction with respect to the institution under this section or section 13 from using the list except as permitted under the agreement.

"(B) FRAUDULENT TRANSACTIONS EXCLUDED.—Subparagraph (A) does not limit the Corporation's authority to repudiate any agreement entered into with the intent to hinder, delay, or defraud the institution, the institution's creditors, or the Corporation.".

SEC. 327. LIMITING POTENTIAL LIABILITY ON FOREIGN ACCOUNTS.

(a) AMENDMENT TO THE FEDERAL RESERVE ACT.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 25B the following new section:

"SEC. 25C. POTENTIAL LIABILITY ON FOREIGN ACCOUNTS.

"A member bank shall not be required to repay any deposit made at a foreign branch of the bank if the branch cannot repay the deposit due to—

"(1) an act of war, insurrection or civil strife; or

"(2) an action by a foreign government or instrumentality (whether de jure or de facto) in the country in which the branch is located,

unless the member bank has expressly agreed in writing to repay the deposit under those circumstances. The Board may prescribe such regulations as it deems necessary to implement this section.".

(b) CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—

(1) IN GENERAL.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following new subsection:

"(q) SOVEREIGN RISK.—Section 25C of the Federal Reserve Act shall apply to every nonmember insured bank in the same manner and to the same extent as if the nonmember insured bank were a member bank.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended to read as follows:

"(A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State, unless—

"(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and would be payable at, an office located in any State; and

"(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and".

(c) EXISTING CLAIMS NOT AFFECTED—Section 25C of the Federal Reserve Act (as added by subsection (a)) shall not be applied retroactively and shall not be construed to affect or apply to any claim or cause of action addressed by that section arising from events or circumstances that occurred before the date of enactment of this Act.

SEC. 328. AMENDMENTS TO OUTDATED DIVIDEND PROVISIONS.

(a) WITHDRAWAL OF CAPITAL.—Section 5204 of the Revised Statutes (12 U.S.C. 56) is amended—

(1) in the second sentence, by striking "net profits then on hand, deducting therefrom its losses and bad debts" and inserting "undivided profits, subject to other applicable provisions of law"; and

(2) by striking the third sentence.

(b) DECLARATION OF DIVIDENDS.—Section 5199 of the Revised Statutes (12 U.S.C. 60) is amended—

(1) in the first sentence, by striking "net profits of the association" and inserting "undivided profits of the association, subject to the limitations in subsection (b),";

(2) by striking "net profits" each subsequent place such term appears and inserting "net income"; and

(3) by striking subsection (c).

SEC. 329. ELIMINATION OF DUPLICATIVE DISCLOSURES FOR HOME EQUITY LOANS.

Section 4(a) of the Real Estate Settlement Procedures Act (12 U.S.C. 2603(a)) is amended by adding at the end the following: "In the case of a federally related mortgage loan secured by a subordinate lien on residential property, disclosures made under section 127A(a) of the Truth in Lending Act may be used in lieu of the disclosures required under this section if—

"(1) the disclosures made pursuant to such section 127A(a) contain all of the information that is required under this section; and

"(2) the information is disclosed in a manner that is no less conspicuous than is required under this section.".

SEC. 330. REPORT ON CAPITAL STANDARDS AND THEIR IMPACT ON THE ECONOMY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury, after consultation with the Federal banking agencies, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of the implementation of risk-based capital standards on—

(1) the safety and soundness of insured depository institutions; and

(2) the availability of credit, particularly to consumers and small business concerns.

(b) RECOMMENDATIONS.—The report required by subsection (a) shall contain any recommendations that the Secretary of the Treasury considers relevant.

SEC. 331. STUDIES ON THE IMPACT OF THE PAYMENT OF INTEREST ON RESERVES.

(a) FEDERAL RESERVE STUDY.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, in consultation with the Federal Deposit Insurance Corporation, shall conduct a study and report to Congress on—

(1) the necessity, for monetary policy purposes, of continuing to require insured depository institutions to maintain sterile reserves;

(2) the appropriateness of paying a market rate of interest to insured depository institutions on sterile reserves or, in the alternative, providing for payment of such interest into the appropriate deposit insurance fund;

(3) the monetary impact that the failure to pay interest on sterile reserves has had on insured depository institutions, including an estimate of the total dollar amount of interest and the potential income lost by insured depository institutions; and

(4) the impact that the failure to pay interest on sterile reserves has had on the ability of the banking industry to compete with nonbanking providers of financial services and with foreign banks.

(b) BUDGETARY IMPACT STUDY.—Not later than 180 days after the date of enactment of this Act, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the Senate and the House of Representatives, shall jointly conduct a study and report to the Congress on the budgetary impact of—

(1) paying a market rate of interest to insured depository institutions on sterile reserves; and

(2) paying such interest into the respective deposit insurance funds.

SEC. 332. STUDY AND REPORT ON STREAMLINED LENDING PROCESS FOR CONSUMER BENEFIT.

(a) STUDY.—During the 12-month period beginning on the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Secretary of Housing and Urban Development shall conduct a study of ways to improve the home mortgage, small business, and consumer lending processes, consistent with the principles of safety and soundness, so as to—

(1) reduce consumer burdens, inconvenience, cost, and delay; and

(2) minimize cost and burdens on insured depository institutions, credit unions, and other lenders.

(b) COMMENTS.—In conducting the study under subsection (a), comments shall be solicited from consumer groups, insured depository institutions, other lenders, and any other interested parties.

(c) REPORT.—Not later than 12 months after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Secretary of Housing and Urban Development shall submit a joint report to the Congress indicating any legislative changes necessary to improve the home mortgage, small business, and consumer lending processes and including a summary of comments received pursuant to subsection (b).

SEC. 333. REPEAL OF OUTDATED CHARTER REQUIREMENT FOR NATIONAL BANKS.

Section 5170 of the Revised Statutes (12 U.S.C. 28) is repealed.

Amend the title so as read: "A bill to facilitate the establishment of community development financial institutions, to provide consumer protections for high cost mortgages, to encourage investment in and lending to small businesses, to improve the regulation of depository institutions, and for other purposes.".

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. Mr. President, under the standing order we are now moving to S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1995.

I will shortly begin a description of that bill. At the end of my remarks I will ask unanimous consent to have a letter from Treasury Secretary Bentsen and other supplementary materials printed in the RECORD.

This is an important day for the country, that we have a chance to bring this bill to the Senate floor. I thank the majority leader for allowing us this spot in the schedule, to be able to present it to the Senate and move it through, I hope, quite expeditiously so we can get into conference and get this into law before this year is over.

The bill we have before the Senate now incorporates a number of provisions that are designed to foster community development, such as we have just heard; to also, importantly, encourage lending to small business, because we know that is such an important engine of growth in this country, and of job creation. And also to target and eliminate unnecessary paperwork and redundancy within our financial system. Also in order to deal with some specific problems, to put in place some consumer protections that are also needed to prevent some abuses we have uncovered that we think need to be dealt with directly.

As I have said, the committee worked together in a bipartisan fashion to craft this bill. We have also worked closely with the Clinton administration, and I thank them for their cooperation. I think this teamwork effort is reflected in the overwhelming bipartisan support that this bill received in the Banking, Housing, and Urban Affairs Committee. We reported this bill out favorably by a vote of 18 to 1. I repeat that, by a vote of 18 to 1. I am very proud of the strength of the bipartisan support it achieved.

I particularly commend Senator D'AMATO, the ranking Republican, for his leadership and input in developing this legislation. We have worked together on a vast number of issues in the committee. That is the approach we take. We have done that here. We have crafted a bill we both strongly support and I thank him for his leadership, and his staff as well.

Let me now briefly describe the provisions of the bill. Let me start with community development.

The first title of the bill addresses the issue of community development and consumer protection. It is aimed at revitalizing distressed communities by helping to enlarge and strengthen the capacity of local community development institutions and to improve the access of capital into these institutions. It will create the community development financial institutions fund. That fund will promote revitalization of our distressed communities by providing financial and technical assistance to new and to existing community development financial institutions.

The fund will be directed by an administrator appointed by the President and confirmed by the Senate. A 5-member advisory board will consist of representatives of community groups, local and regional governments, community development organizations, and the banking industry itself.

The bill authorizes $382 million over 4 years to carry out this program. The money can be used for small business, commercial, and community facilities, basic financial services where they do now not exist or are very expensive and out of the reach of many people, and also low-income housing, if that is not provided by other area housing lenders.

Banks and other financial institutions and Government entities will be able to play a very important role in this initiative. Together with community development financial institutions, existing commercial banks and others will be able to submit joint applications for assistance called community partnerships. Federal funds, however, may only go to the community development financial institution itself.

A community development subsidiary owned by banks or by thrifts or both may qualify, provided that no one company owns more than 25 percent of its voting shares.

So we facilitate a partnership arrangement with the existing financial system, to the extent they want to participate in this way, but it reaches out to those community entities like the one that brought into being the South Shore Bank in Chicago and others, to enable an additional level of infusion of financial activity and capital down to the grassroots where it is so badly needed.

I might just say, I believe strongly in the free enterprise system. I have seen it work any number of times. But in order for it to work you have to be able to take a good idea and a good team of people and to be able to get access to capital so you can actually put your idea to work.

If the credit facilities are such that you are strangled before you ever start because you cannot establish a normal financial relationship, particularly with a startup entity, very often, particularly in depressed areas, inner-city urban areas, and even rural areas, you have ideas that could take hold and create new economic activity and job creation, but they never happen because of the absence of credit facilities and the absence of financing.

We want to change that. We want to take and infuse more capital into areas where capital has been missing.

Another part of this bill that I will describe in a minute has to do with the securitization of small business loans. That is aimed at exactly the same problem because we feel—and Senator D'AMATO has led this particular effort—but if we can find a way to take and make more small business loans, securitize those loans, and sell them off in a secondary market, we can hook up a source of investment capital and bring that in to underserved areas and to give the free enterprise and the capitalistic system a chance to work because people will be able to have the money they need to actually put good ideas to work. So this is something that is very important. It goes right to the center of validating our entire economic system.

Title I, as I mentioned, also includes a provision amending the Truth in Lending Act to provide new consumer protections for certain second mortgages that have carried with them exceptionally high fees or interest rates. The bill defines these second mortgages that fall into that category as "high-cost mortgages."

On February 17 of this year, we had a hearing in the Banking Committee, and witnesses then testified that homeowners in low-income minority communities have been deliberately targeted for abusive lending practices. Our legislation requires lenders to make a separate disclosure when they are offering high-cost mortgages that contain annual interest rates, monthly payments and a warning that the borrower could lose his or her home.

What this deals with is what is called reverse redlining where some unscrupulous lenders were going into areas, offering second mortgages at rates as high as 17 percent, or higher, knowing full well that the person taking that loan could never pay it back and, in due course, would have to default on the loan and enable them, the lender, to take that property in foreclosure and make a huge profit.

We do not want the system operating that way. So this is an effort to try to, in a balanced fashion, deal with that abuse with respect to high-cost second mortgages.

So the disclosure would have to be provided at least 3 days before the settlement, creating an additional cooling-off period so that consumers have an opportunity to see what is involved here and not get swept up in a high-pressure sales pitch and, the next thing they know, be locked into a financial arrangement that will devastate them and literally take their home right out from under them.

The bill generally prevents lenders from including certain terms that have caused problems, such as prepayment penalties, in these high-cost mortgages. The Federal Reserve has given authority to exempt loans from these provisions, however, if, in their view, it is in the interest of the borrowing public.

Finally, the bill transfers liability in connection with high-cost mortgages from the originator to any subsequent purchaser of the loan. This provision is essential to make the market police itself.

Next, let me move to the small business section which is contained in title II. The small business capital formation section contains two provisions designed to ensure that small businesses will have access to the credit that they need to come into existence, grow, and create jobs.

First, title II includes S. 384. That is a bill introduced by Senator D'AMATO to facilitate the securitization of small business loans. Back in 1984, Congress enacted legislation to promote the securitization of home mortgages. Most observers now believe that securitization of residential mortgages has served over the intervening years to increase the supply of capital to home buyers, ensuring a continuous supply of that capital and also bringing down the cost. It is a more efficient market and is a way for capital to get to that kind of investment form. And so people wanting to have home mortgages have greatly benefited in the process.

Senator D'AMATO, and other Senators, introduced a bill intended to develop a secondary market for small business loans similar to that for these residential mortgages. This provision, with modifications, is now incorporated in the bill.

Under this legislation, financial institutions can originate loans to small businesses and then sell them to an entity that would issue securities to investors. The bill makes changes to Federal securities laws that parallel the 1984 statute. These would allow issuers sufficient time to pool and sell securities and to file a single registration statement with the SEC.

The bill also changes bank capital requirements for small business loans to "without recourse." That is, where the bank remains liable for a portion of any losses on the loan.

The committee worked with the Federal bank regulators and the Treasury Department to develop an approach that will facilitate securitization of small business loans while maintaining bank safety and soundness.

In fashioning this legislation, the committee was mindful that banks are losing market share in the area of small business lending, and that is not helping anyone. A Government-sponsored enterprise to securitize small business loans could lead to a standardization of product and that could further move business out of the banking industry.

The legislation approved by the Banking Committee does not create such a Government-sponsored enterprise. Instead, it removes a number of regulatory impediments to the development of a secondary market by the private sector. While standards may converge as the market develops, the committee has not sanctioned—I emphasize, has not sanctioned—any Government-sponsored uniformity in small business lending. We realize how crucial bank financing is to small and startup businesses, and we want commercial banks to continue to be players in this market. This is designed to help them do exactly that.

Title II also includes S. 478. That is a measure providing Federal assistance for State capital access programs. Fourteen States have adopted capital access programs. These programs encourage banks to make loans to small- and medium-size businesses that they might not otherwise make. Lenders may choose to participate in a program. For each loan enrolled in a program, the bank and the borrower contribute to a loan reserve fund. The State then matches the contribution of the bank and the borrower. The loan loss reserve fund protects the lender against loss on the loan. Participating lenders assume the risk of loss on their loans if the losses exceed the total contribution to the reserve funds.

Unlike a guarantee program, the Government is not exposed to the risk of the entire loan. The bill authorizes $50 million in Federal funds to match State contributions to capital access programs. This will help States that already have such programs and encourage other States to adopt such programs. The Federal role would be limited to certifying State programs for participation, receiving reports and matching State contributions.

Finally, title III of this bill contains a number of directives to the bank regulatory agencies to require them to improve the way they carry out their functions. Our goal is to harmonize and to simplify the regulatory mandates that are now imposed by multiple bank regulatory agencies.

Under this bill, for example, within 2 years, examinations will be coordinated and each institution and its affiliates will receive a unified exam conducted by just one regulator.

Now we have a situation where as many as four regulators are in the act. I have been told stories of individual institutions where you have three different regulators all on site at the same time, all doing different kinds of examinations according to different standards. It is costly, it is time consuming, it is confusing, it is burdensome and it is time to change it, and we change it in this respect in this bill.

We think that that is going to eliminate the cost to banks of these duplicative exams. Each agency has to establish a regulatory appeals process. Also within 2 years, the Federal banking agencies must conduct a top-to-bottom review of regulations, removing inconsistent, outmoded and duplicative mandates. New regulations will not be issued without the scrutiny of the administrative burden that they may create, and this is particularly a problem for smaller institutions who just do not have the margins to carry a lot of burdensome regulatory requirements that, in the end, are not needed.

The current system of four different agencies adopting four different guidelines on the same subject will come to an end. I happen to think we also ought to consolidate those agencies into a single entity. We are doing that on a separate track, coming down that track with a proposal within the committee. That would be a major institutional advance with respect to consolidation. But until we achieve that goal, and even with whatever final form we get there, it is very important this administrative simplification and streamlining take place.

The bill also contains numerous amendments to existing laws that will reduce the paperwork and unnecessary regulatory burden with which banks must now cope. For example, institutions with assets of less than $100 million are currently exempt from the requirement of annual inspection and instead may be examined on an 18-month cycle. Title III raises that threshold from $100 million to $250 million. Call reports no longer need to be published in local newspapers. Loans that are made for commercial, agriculture, and governmental purposes are exempted from the forms required under the Real Estate Settlement Practices Act.

In addition, title III calls for study of risk-based capital standards, sterile reserves, and burden in the consumer loan process. A number of these provisions are drawn from Senate bills 265 and 1124 introduced by Senators SHELBY, MACK, D'AMATO, DOLE, BRYAN, SASSER, and others.

It is fair to say that virtually all the members of the committee have had input into these provisions. The package has, as I said earlier, the full support of the Clinton administration. Secretary of the Treasury Bentsen applauded the regulatory reform provisions of the bill as a very reasonable and sensible approach and one that does not go overboard. As he noted, the aim of these provisions is to remove outmoded and outdated and sometimes excessive restrictions on our financial system.

The measures in the bill reflect a thorough review and balancing to eliminate unnecessary restrictions while at the same time maintaining effective supervision—most importantly, the safety and soundness of the banking system, protection of the bank insurance fund, and appropriate consumer protections.

Any actions that hinder effective bank regulation or undermine bank safety and soundness may save the banks some money today but at the risk of causing potentially severe losses to the insurance fund tomorrow, and we draw that line very clearly, and we do not want to cross that line.

This bill is a major step toward eliminating the duplicative and inconsistent regulation that increases costs for consumers and undermines support for essential regulation in this area.

Again, I wish to thank all the members of the committee for their cooperation, particularly my ranking member, Senator D'AMATO, for their very solid bipartisan cooperation in drafting and reporting out this legislation.

I will shortly yield to my colleague from New York. After he has spoken, I will seek recognition for the purpose of describing and moving the adoption of a managers' amendment. The managers' amendment contains a number of improvements to the bill agreed to by Senator D'AMATO and myself as well as other Senators.

Mr. President, I yield the floor at this point.

The PRESIDING OFFICER. Who seeks recognition?

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from New York [Mr. D'AMATO].

Mr. D'AMATO. Mr. President, I am going to open with a short statement as it relates to this bill, and then I am going to speak to another subject that literally has come to my attention just this morning but obviously concerns banking, banking institutions, regulatory authorities, and the appropriateness of the conduct of the Treasury Department and maybe others as it relates to the responsibility of these independent agencies.

Mr. President, I rise today in support of S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act.

Throughout our country there are communities in decline because of a lack of capital and credit. In hearings before the Banking Committee last year, we heard testimony that community development banks can provide a powerful tool to reestablish neighborhoods and turn decay into prosperity by providing a combination of loans, seed capital, and technical assistance.

Rural farm communities can also benefit from community development financial institutions through the provisions of farm loans and development capital.

Title I of this legislation is designed to assist in the establishment and funding of community development financial institutions. It establishes a community development financial institutions fund that will make grants, loans, and technical assistance to local financial institutions. These local institutions can be insured banks, savings and loans, low-income credit unions, or other community lending organizations. However, in all cases, the institution must have, as its primary mission, the promotion of community development.

Assistance given by the fund, other than technical assistance, must be matched by non-Federal dollars. Generally, except for certain hardship instances, the matching requirement will require $1 of non-Federal funds for each $1 of Federal assistance.

This matching requirement is an extremely important safeguard. It ensures that the private sector or local Government agency is willing to risk its own resources on the viability of the institution selected for Federal funding. The matching requirement provides a second opinion as to the need for and likely success of the institution's planned use of the Federal assistance. The matching requirement should go a long way toward eliminating some of the waste associated with prior efforts to revitalize our distressed communities.

Under the bill as reported, a traditional bank or savings association may become a partner with a community development financial institution, or it may hold up to a 25 percent interest in such an institution. However, a traditional bank or savings association may not apply directly or have a wholly owned subsidiary that qualifies for this program. However, a traditional bank or thrift association may control up to 25 percent of the voting shares of a community development financial institution that qualifies for assistance under this act.

Title I of the bill also contains provisions relating to mortgage lending practices that in certain circumstances have lead to consumer abuses. The Banking Committee held hearings on the reverse redlining problem—unscrupulous lenders who were targeting the poorest consumers for high interest rate home equity loans. We heard from witnesses who were tricked into taking high interest rate loans, often with large up front fees. Many of these consumers were elderly people who were facing the loss of their homes due to these high cost mortgages.

Last year, Senator RIEGLE and I introduced the Home Ownership and Equity Protection Act of 1993, to deal with this problem. That bill has largely been incorporated into this legislation as subtitle B of title I.

Subtitle B provides additional consumer protection for nonpurchase money mortgage loans that either has an interest rate of 10 points or more above comparable Treasury rates, or that involves the payment of up front fees of 8 percent or more.

Before the consumer goes to settlement on a mortgage that meets either of these tests, the lender must make certain disclosures, including the fact that the borrower may lose his or her home. These disclosures must come at least 3 days before settlement.

One important feature of the bill provides that if a loan is sold, the consumer may raise the same legal defenses against the buyer of the loan that he or she could have raised against the original lender. Hopefully, this will force the secondary market to refuse to deal with unscrupulous lenders who engage in fraudulent practices, or who do not make the required disclosures.

Subtitle B also provides the Federal Reserve Board with some flexibility to make exceptions from the prohibitions in the bill. However, exceptions may only be made if the Fed finds that it is in the interest of the borrowing public and will only apply to products that strengthen home ownership and equity protection.

The Federal Reserve Board is required to prohibit any act or practice in connection with these mortgages that the Board finds to be unfair, deceptive, or designed to evade the act. I expect that the Board will use this authority to restrict or prohibit lending practices associated with these loans that have led to abuses in the marketplace.

Subtitle A of title II of this legislation contains the Small Business Loan Securitization and Secondary Market Enhancement Act of 1994. I introduced this bill (S. 384) last year with strong bipartisan support from my colleagues who recognize the importance of facilitating the flow of credit to our Nation's small businesses.

Over the past several months, Chairman RIEGLE and I have worked together along with the administration and the bank regulators to improve this legislation. As a result, the small business loan securitization bill has the support of the administration, the bank regulators, and the banking and securities industries.

While small businesses have been starved for credit, there is no credit crunch for home buyers. This is because we have a strong secondary market in residential mortgages that facilitates the flow of credit from the capital markets to those who want to finance a home.

In 1984, Congress removed regulatory impediments to selling securities backed by pools of residential mortgages by enacting the Secondary Mortgage Market Enhancement Act [SMMEA].

The Small Business Loan Securitization and Secondary Market Enhancement Act of 1994 extends the 1984 law to small business loans and encourages capital market investment in securities backed by small business loans. Title II simply removes unnecessary legal barriers in the securities, banking, pension and tax laws to facilitate the sale of securities backed by small business loans.

The development of a secondary market in small business loans will help bankers, small business borrowers, and investors alike.

Banks will be able to originate more small business loans without having to raise additional capital because the loans will be sold to investors rather than kept on the bank's books.

Small businesses will gain access to the capital markets—making more credit available at lower prices.

Institutional and individual investors will be able to fund small businesses by purchasing investment grade securities backed by small business loans.

I want to stress that this legislation does not create a new Federal agency to guarantee these securities and does not put the taxpayers on the hook for potential losses on these securities. Instead, these securities will be sold by the private sector and will be backed by the pools of small business loans and other credit enhancements provided by the issuer of the securities.

Subtitle B of title II also encourages small business lending by providing for Federal funds to be devoted to State capital access programs. These capital access programs give banks flexibility to make riskier—but prudent—loans to small businesses. The program provides for a reserve fund, consisting of payments made by the borrower, the lender and the State, to protect the bank against losses on the loan. To help States that already have capital enhancement programs in place and to encourage other States to develop these programs, the bill provides that States will be reimbursed for 50 percent of their payment.

I am particularly pleased to have been able to ensure that a highly successful program in New York City, the Small Business Reserve Fund, will also be entitled to participate in this program. It is my understanding that the Small Business Reserve Fund has helped disburse at least 56 loans for a total of $2.9 million since its inception in January 1993. I expect that S. 1275 will go a long way toward enabling the Small Business Reserve Fund, and other similar programs, to greatly increase their loan disbursements.

Title III of this legislation incorporates provisions from a number of bills that had been introduced concerning the regulatory burden currently placed on our insured financial institutions, as well as recommendations made by the Federal banking agencies and the Federal financial institutions examination committee's study on regulatory burden. These changes should significantly lower the costs of doing business for financial institutions while maintaining the safety and soundness of our regulatory system. The costs saved by this title should result in increased lending by our insured institutions, especially for the consumer and small business sectors of our economy.

Mr. President, in summary, this bill contains many important provisions that will provide meaningful assistance to disadvantaged urban and rural communities, small businesses, and consumers. The other body has already acted on a companion bill, and I hope that we can pass this measure out of the Senate and proceed to a conference as soon as possible. This legislation is important to our country and to our economy. It should not be delayed.

Mr. President, I think this is a good bill. There may be certain aspects of the bill that Members may not be entirely pleased with, but I say to those of my colleagues on the Republican side who are concerned that this is more Federal spending, that they will lose these dollars, that they will not be administered well as it relates to community development facilities, there has been an attempt to deal with that by requiring a local match, dollar for dollar, so that there will be accountability and, hopefully, with proper supervision we can create opportunity for growth in communities that do not ordinarily get an opportunity for capital when it is so badly needed, capital that is the engine of economic growth in this country, capital that should be made available to minority communities and the small business community that is often difficult, if not impossible, to get.

Second, I think probably that area of the bill which gives deep concern to me is the fact that we do not have adequate markets for capital to the small business community and, therefore, by the securitization of small business loans, we will make available capital to small businesses throughout America that heretofore has not been made available. Without spending one penny of taxpayers' dollars, we really have the opportunity to leverage the amount of money that banks are putting out now to small businesses by six to seven times, at no risk to the Federal Treasury, by permitting securitization. We did that back in 1984 with home mortgages, and to date people can get mortgages because of the securitization.

We are doing the same thing here. We will provide an opportunity for the marketplace to work and to create dollars that otherwise would not flow.

If anyone goes in, and, yes, if it is empirical or anecdotal information, you will find that small business loans are difficult, if not impossible, to get today. If you want to get jobs and the creation of jobs for people, I would suggest to you let us give the fuel to the engine of economic growth, and that fuel is capital that is now being denied and not available because banks are just simply not going to do it because of the cost and time, et cetera. Let them be able to securitize that, pool these loans, sell them on the secondary market, and I think you will see a tremendous increase in jobs in this country next year, absolutely, just through this technique. So I commend it to my colleagues.

Let me say I wish to thank Senator RIEGLE in using his position to craft together a bill that I think really makes a lot of sense, and this was a bipartisan effort. I commend the Senator for helping us to achieve this, and also Senators SHELBY, MACK, and others who have encouraged important paperwork reduction to get the monkey off the backs of business, in this case the banks, that are being impeded by unnecessary regulations.

Mr. BRADLEY. Mr. President, barely a year has passed since I rose on this floor to introduce my urban community-building initiative, eight bills designed to give creative people in communities at the heart of the turmoil the tools to rebuild strong, supportive communities. We sought to give children a safe and nurturing environment, to help communities repair themselves, to help individuals find and get to jobs, to help poor people develop assets for the future, and to restore strong financial institutions that help communities save their own money, invest, borrow, and grow.

A year later, we are beginning to see communities pull together around their applications to become empowerment zones and enterprise communities, through which we will invest $1 billion for six of the innovative programs I proposed. One of the programs to give children a better chance in life, Community Schools, passed the Senate in the crime bill and is progressing through the House. And today we are finally passing legislation to bring basic financial institutions back to impoverished cities and rural areas, along the lines of the Community Capital Partnership Act that I introduced a year ago.

Most of us take basic financial institutions for granted. We have savings and checking accounts, our bank lends our money to businesses in our communities, and we borrow ourselves when it comes time to buy a home or we have an inspiration to start a new business. But in most American cities, the only financial institution they know is the check-cashing cubicle, which charges up to 5 percent just to cash a government check, and takes the money back out of the community. People who want to save have nowhere to go and businesses have no access to capital. Within the 165 squares miles that make up the areas most affected by the disorders in Los Angeles in 1992, there are 19 bank branches, as compared to 135 check cashing establishments.

People who want to borrow have even fewer opportunities. They can buy a car or furniture on time, or on a rent-to-own plan, but if they want to borrow to get ahead by starting a small service business or a store, they are out of luck.

The McNeil-Lehrer Newshour recently interviewed some ambitious entrepreneurs in rural Arkansas, one of them a woman named Jesse Pearl Jackson, who owns a beauty salon. She needed a loan for new equipment, and when she went to a bank, she says the loan officer—

> laughed me clean out the door. She said, "You want money for what?" She said, "You don't walk in here and ask me for an application for a loan. That's not the way you do it." I said, "Well, if you'll tell me what to do, then I'll come back, and I'll do it right the next time." She was laughing so hard and making fun of me so bad I never went back.

There is money to be made here, for any bank willing to take entrepreneurs like Ms. Jackson seriously, but large financial institutions without roots in the community are unlikely to see those opportunities.

But there are islands of hope for people who want to save and invest in troubled communities. Last year, I visited La Casa de Don Pedro, which operates a credit union in a very poor section of Newark. La Casa is a multipurpose community organization that just happens to have a credit union. While I was there, a stream of members poured into the small building which houses the credit union, day care center, and other programs, depositing $20, $50, and $100 at a time. I did not see any banks in the vicinity of La Casa. If it were not for the credit union, many of the community's residents would have no place to deposit their money, secure small loans, or take advantage of other services we often take for granted.

Community credit unions and banks may start small, but they don't have to stay small. Over the last 20 years, Shorebank of Chicago has shown the world that a financial institution that is committed to community development can lead a community back from the brink of economic and social decline. Since 1973, it has made $340 million in development financing, mainly for the purchase or rehabilitation of housing units in Chicago's South Shore neighborhood. Through its various subsidiaries and affiliates, it has been an active force in the revitalization of the South Shore. Shorebank has used a subsidiary, City Lands Corp., to make high-risk loans for housing development. It has used a nonprofit affiliate, the Neighborhood Institute, to help disadvantaged residents achieve their GED's, start up small businesses, and train for jobs available in the community. It has used its depository institution, South Shore Bank, to make loans to people seeking to renovate apartment buildings and establish small businesses that generate jobs in the community.

Full-fledged banks like Shorebank are the best known of the community development financial institutions, but we cannot expect that every community will grow an institution as large and well-capitalized as Shorebank and do so over night. At my urging, this legislation not only addresses banks, but also community development credit unions, revolving loan funds, microloan funds, and community development corporations. All these emerging institutions would be eligible for assistance under this bill, and I am pleased and I salute the chairman, Senator RIEGLE, for his agreement to increase funding for a revolving loan fund for Community Development Credit Unions, giving them immediate access to capital so they can grow.

One of the best examples of a community-building institution that is not a bank, but has nonetheless responded to the need for capital and savings, is New Community Corp. in Newark, NJ. New Community Corp. was formed in the wake of the Newark riots of 1967. Over the last 25 years, it and its subsidiaries have developed over 2,500 housing units, 25,000 square feet of office space, and an $11 million extended care facility. New Community has also built a $15 million shopping center, which contains Central Newark's only major grocery store built since 1967.

New Community's founder, Msgr. William Linder, testified last year before Congress:

> I have seen bank branch after bank branch close because the bank did not find serving our community profitable. There was always the same trend. Managers were frequently changed, service became poor, the facility was always dirty. Frankly, no one in authority cared about our community.

But instead of giving up hope, Monsignor Linder and others started a credit union. He now presides over a credit union with about $1.7 million in assets that provides basic banking services to community residents. Last year, New Community's credit union made 165 loans, mainly to poor residents of Newark's Central Ward. Basic banking services like check cashing, consumer loans, and savings accounts are taken for granted by a lot of people, but in places like the central ward of Newark they have become scarce and prized resources. Like Shorebank, New Community, in its own way, has recreated opportunities for its community.

This bill does not, and should not, seek to create organizations that will be perpetually dependent on government for support. Instead, it seeks to reach in at a point of leverage in capital-starved communities and get them started. It does not set development strategies for either the institutions or the communities they serve. Instead, it lets those involved in the struggle for economic recovery find their own path.

I am pleased that there has been such widespread support for the idea of expanding community financial institutions, even though it is a relatively new idea to many people. I still hear some wariness, though, about this investment from people who argue that poor people do not save and that distressed communities do not have the resources to support economic development.

The evidence contradicts this cynical view. In Paterson, NJ, last year, I visited one of the few banks that had not left that city. I struck up a conversation with a customer, who volunteered that she was depositing $100. Surprised, I asked her how much she generally saved in a week. She told me that she and her husband had five children and earned $20,000 last year, below the poverty line. But even on this income, they saved $3,000 that year, for health emergencies, for college, or to give their children a chance at a better life. Their experience tells me that saving for the future is a fundamental value of our country, not limited to the middle class, and that if we all had access to the institutions that make capitalism work, we could all be a part of vital, self-sufficient communities.

Mr. RIEGLE. Mr. President, I appreciate the statement of the Senator from New Jersey [Mr. BRADLEY] for his interest and leadership in this area. We have made very good progress, but with the help of a number of Senators on a bipartisan basis, and particularly my ranking minority member, Senator D'AMATO. I will have more to say about that shortly.

I acknowledge and thank Senator BRADLEY for his important contribution in this area.

PRIVILEGE OF THE FLOOR—S. 1275

Mr. BRADLEY. Mr. President, I ask unanimous consent that privilege of the floor be granted to the following member of the chairman of the Banking Committee's staff: Kay Bondehagen, during the pendency of S. 1275.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHITEWATER AND MADISON

Mr. D'AMATO. Mr. President, there has been a lot said, and I think a lot more to be learned, on the situation of Whitewater and Madison. I look today and find out something that I suspected may have been taking place, and that suspicion today is given greater fuel by the article that I read today in the New York Times, March 16, 1994, by Stephen Labaton. I am going to read part of it, just part of it:

> Clinton administration officials last year rejected a recommendation by a senior regulator to open a Treasury Department investigation into the failed savings and loan association owned by President Clinton's former partner in the Whitewater venture, Government and Congressional offices said today.
>
> The request to open a broad investigation of the savings institution was made by Brian McCormally, the top enforcement official for the Midwest Division of the Office of Thrift Supervision, which is part of the Treasury Department.

The article goes on—I am not going to read it verbatim—to say:

> The two agencies have overlapping jurisdictions—

That is, the RTC, and the OTS, have overlapping jurisdiction.

> and often conduct separate investigations into failed savings associations. But the Thrift Supervision Office has a larger staff and greater enforcement powers and has handled many of the most significant investigations of savings associations and their lawyers and accountants.
>
> Government officials and Congressional aides said the request was turned down last fall by Mr. McCormally's supervisors in Washington, Carolyn Lieberman, acting counsel to the thrift supervision office, and Jonathan Flechter, acting director of the office. They report to senior political appointees at the Treasury Department, and rarely make major decisions without high-level consultations.
>
> William E. Fulwider, the spokesman for the Office of Thrift Supervision, declined to discuss the case or to say whether its officials had consulted the Treasury Department.
>
> As enforcement director for the Midwestern region of the Office of Thrift Supervision, Mr. McCormally oversees enforcement efforts against savings associations in 23 states, including Arkansas. He is best known as the Federal regulator who supervised the inquiry into Neil Bush, a son of former President George Bush, who settled charges of conflict of interest over his role in the Silverado Banking, savings and Loan Association in Denver.
>
> Officials said Mr. McCormally asked his superiors in Washington last fall for permission to look into the collapse of Madison. It is unclear whether he made the request before or after the meetings between Treasury and White House officials concerning the Resolution Trust Corporation's inquiry.
>
> The Office of Thrift Supervision regulates the savings industry, and the trust corporation handles savings institutions that have been seized and bailed out by the Government. The thrift supervision office, created in 1989, also has many records from its predecessor agency, the Federal Home Loan Bank Board, and officials said it had many of Madison's files from the 1980's.

Mr. President, I asked this question yesterday during what was supposed to be a talk show. But it was like putting—in the old gladiator days—people in the midst of an arena. It was an arena setting. I was one of the participants.

Today, in America, the people have a right to take their opinions and make them known.

If George Bush were President, and the matter as it relates to Madison Guarantee concerned him, the same situation, and he were here, would the Congress of the United States say that it was not important to hold hearings? We held hearings on the House side as it relates to George Bush's son, Neil. The Banking Committee chairman, Mr. GONZALEZ, had no problems. And, yes, there were Federal investigations undertaken.

None of us suggest that we just go forth willy-nilly with hearings without giving the special counsel the opportunity to interview those witnesses first, as we suggested with him. And we said that with something that important to him we would not grant immunity to witnesses, that we would do it in the manner in which it would be less detrimental to his case.

But the facts have dribbled out, and are dribbling out. Most recently we have these alarming allegations in the New York Times. Mr. Fiechter was before our committee. I guess it would have taken a great act of courage on his part to indicate about this because he knew that we were concerned. We did not ask him the precise question as to whether or not he ever consulted with people as it related to the Treasury Department. But he could have raised it as it related to the White House.

But this situation obviously cries out. We now have one of the independent regulators that came in and had meetings which were, at the very least, inappropriate. I am talking about the RTC. Then when we find out that the OTS, and the same enforcement official who handled President Bush's son's matter, was not permitted to go forward. I suggest to you that Congress has an absolute total responsibility to find out why. That is not the province of the special prosecutor; his mandate relates to criminal prosecutions. Our role is to see whether or not there is an abuse of power.

When we have this kind of information coming forward—and let us understand, these people are not going to come forward on their own. They need the protection of the Congress and Congressional hearings. Those people, otherwise, would rightfully feel that they would suffer the wrath of those in high positions.

The so-called claims of paralysis that may or may not be taking place in Government—will be self-induced. You cannot say we cannot go forward, because people are asking questions when they have a legitimate reason, and want answers to these questions. I say to those who say, "Why are you asking these questions?" Because it is our responsibility to do so. Ours is not to paralyze. Ours is not to bring someone down, but it is to get the facts.

I want to tell you something. An abuse of power in this country is serious. And if there are those in high political positions, whether they be in the Treasury or the White House or any other place, or attempting to stifle the truth and abusing power in that manner, is serious. The American people have a right to know. That does not fall under the prerogatives of the special counsel. We cannot delegate those away. They are our prerogatives.

No amount of name calling is going to stop this Senator from going forth and asking for the facts. That is what we are asking for: a hearing to get the facts.

I would hope that our Senate leaders could agree on the format to do this in a constructive way so that the business of the people can go forward. This Senator has not attempted to obstruct it. I have made brief appearances on this floor. If you were to count all of the time that I have taken and all of my appearances, it does not amount to very much over the months.

If I had not made these requests for the statutorily required RTC Oversight Board hearing, and had the chairman of the Banking Committee, Senator RIEGLE, not agreed as he did, we may have never learned of the initial meeting and the subsequent meetings that took place that were, at the very least, inappropriate.

Now, when we hear some of the same Treasury people who went to those meetings about the RTC, to give a so-called heads up to the administration, to the White House, may be among the same people who denied and stopped the OTS from going forward and looking into this matter, I would say to you that there is no other course than to have congressional hearings. We should hold hearings in an orderly way and in a proper manner; and, that by denying these hearings it leads people to believe that there is something far greater and more significant. Maybe it leads people to say, "What are you hiding, and why are you hiding?"

That is the inescapable conclusion that, I believe more and more American people will come to. It is one that I have begun to come to. It is not one that I initially started out with. I simply wanted some facts and information, but I could not get those facts and information.

Finally, we got it in the most terse forms, and only, again, because Senator RIEGLE and his staff called up and said, "My gosh, why don't you give it to us?" Eight Senators sent a letter asking to find out when the statute of limitations runs. "Are you going to basically use the same procedures that have been used in other cases to protect whatever the Government's claim may or may not be?"

We were stonewalled—stonewalled.

Then of course came the days when I came down to the floor and presented the calendar, and talked about the statute running out. We got at least an extension of that statute of limitations through the efforts of Senator METZENBAUM, myself and the rest of my colleagues.

These are the questions that people have a right to have answered. We should not be met by this barrage, attack, claims that "you are trying to hurt the administration, trying to take them down, trying to damage some program, whether it is their health program or another one." That is not the case. That is absolutely not the case. But that is the cry, and that cry is a false canard.

Let me suggest that you go back to the Watergate days and look at the testimony of John Dean. John Dean said that the administration, while they talked about cooperation, said they would attack those in the Congress as it relates to their conduct of the hearings, saying that these are politically inspired. There is beginning to be a parallel here: Shredding of documents, missing documents, the manner in which papers are taken out of Mr. Foster's office after his death, in the manner in which the Park Police and FBI were not permitted to do their jobs, the concealment in such a manner of these basic facts, raises questions. It seems to me that the very people who cry that we are attempting to obstruct them from pursuing their program, are as a result of either their own actions or the actions of those close to them, creating the situations that lead people to say, "Why are you doing this?" All we want are the facts.

I want to know why, if what this article alleges is accurate, it was that Mr. McCormally was refused permission, and who it was that made that decision. Did they consult with Treasury? Which officials in Treasury? Was it Mr. Altman? Did Mr. Altman advise others as it relates to this? Did he speak to the White House? Did the counsel, Joan Hanson, who, three times before, went to the White House? And when counsel to the Treasury Department undertakes that kind of mission, there is no excuse. That is a person steeped in the law. Was she consulted on this? Did she go to the White House and speak to others about this? These are questions that flow from just a cursory review of this article.

Mr. President, I ask unanimous consent that the full article be printed in the RECORD in its entirety.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 16, 1994]

TREASURY OFFICIAL URGED 2D INQUIRY—REGULATOR'S REQUEST FOR LOOK AT FAILED S&L IS SAID TO HAVE BEEN REJECTED

(By Stephen Labaton)

WASHINGTON, March 15.—Clinton Administration officials last year rejected a recommendation by a senior regulator to open a Treasury Department investigation into the failed savings and loan association owned by President Clinton's former partner in the Whitewater venture, Government and Congressional officials said today.

The requests to open a broad investigation of the savings institution was made by Brian McCormally, the top enforcement official for the Midwestern division of the Office of Thrift Supervision, which is part of the Treasury Department.

At the time another Federal agency, the Resolution Trust Corporation, had already been investigating the institution, the Madison Guaranty Savings and Loan Association.

The two agencies have overlapping jurisdictions and often conduct separate investigations into failed savings associations. But the thrift supervision office has a larger staff and greater enforcement powers, and has handled many of the most significant investigations of savings associations and their lawyers and accounts.

NEW QUESTIONS LIKELY

The decision to reject the request for an investigation by the thrift supervision office is likely to raise new questions in Congressional hearings scheduled for next week about whether officials in Washington tried to narrow potentially embarrassing inquiries into Madison. Before if failed, Madison had been owned by James B. McDougal, the Clintons' business partner in the Whitewater Development Company, a 200-acre real estate venture along the White River in northern Arkansas.

Government officials and Congressional aides said the request was turned down last fall by Mr. McCormally's supervisors in Washington, Carolyn Lieberman, acting counsel to the thrift supervision office, and Jonathan Fiechter, acting director of the office. They report to senior political appointees at the Treasury Department, and rarely make major decisions without high-level consultations.

William E. Fulwider, the spokesman for the Office of Thrift Supervision, declined to discuss the case or to say whether its officials had consulted the Treasury Department.

Michelle Smith, a spokeswoman for the department, said: "There was no involvement by Treasury. Treasury would only be involved on policy matters, not specific cases."

WHITE HOUSE CONTACTS

In the last three weeks the White House has found itself engulfed in controversy as it struggled to defend meetings between Treasury and White House officials seeking to discuss the Resolution Trust Corporation's investigation into Madison.

Those contacts are now being examined by an independent counsel, Robert B. Fiske Jr., who is trying to determine whether the trust corporation's investigation was improperly impeded by Administration officials. Ultimately, the trust corporation decided last fall to refer questions about Madison to the Justice Department to investigate for possible criminal violations.

Mr. Fiske has also been examining whether Madison improperly funneled money into Whitewater or into Mr. Clinton's re-election campaign in 1984, when he was Governor of Arkansas.

As enforcement director for the Midwestern region of the Office of Thrift Supervision, Mr. McCormally oversees enforcement efforts against savings associations in 23 states, including Arkansas. He is best known as the Federal regulator who supervised the inquiry into Neil Bush, a son of former President George Bush, who settled charges of conflict of interest over his role in the Silverado Banking, Savings and Loan Association in Denver.

Reached in Chicago today, Mr. McCormally said he could not comment about the Madison matter.

QUESTIONS RAISED IN 1992

Officials said that Republican appointees in the Treasury Department initially instructed Mr. McCormally to look into the Madison case after news reports about the savings institution appeared in the 1992 Presidential campaign. But the officials said it was not until last year, after the Clinton Administration had taken office, that Mr. McCormally believed he had enough information to warrant a request to open a formal investigation.

Officials said Mr. McCormally asked his superiors in Washington last fall for permission to look into the collapse of Madison. It is unclear whether he made the request before or after the meetings between Treasury and White House officials concerning the Resolution Trust Corporation's inquiry.

The Office of Thrift Supervision regulates the savings industry, and the trust corporation handles savings institutions that have been seized and bailed out by the Government. The thrift supervision office, created in 1989, also has many records from its predecessor agency, the Federal Home Loan Bank Board, and officials said it had many of Madison's files from the 1980's.

The House Banking Committee is scheduled to hold a hearing next week that is supposed to be a semiannual review of the trust corporation, but Republicans are hoping it will wind up as a showcase for problems in the Madison case.

Republicans on the committee have asked regulators at the trust corporation and the thrift supervision office for files about their handling of the Madison case. But the chairman of the committee, Representative Henry B. Gonzalez, recently wrote to the heads of the two agencies ordering them not to comply with the Republican request.

Mr. D'AMATO. I will not say any more with respect to this today, because we have this important bill on the floor. I want to go forward with the bill. I commend the staff on both sides, the majority staff, as well as the chairman of the Banking Committee, for bringing us so far as it relates to this particular legislation, which I hope we can even pass today. I do not know of any big controversial matters or reasons we should not act on this bill.

If Members have amendments, please come down and submit them to us so that we can act on them accordingly and do the business of the people.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Let me make a comment or two. First of all, I appreciate the strength of the feeling of the Senator from New York on all of the issues he has addressed here today. I want to say that I appreciate the fact that notwithstanding his concern about the issue he has just talked about and made reference to with respect to the article in the New York Times today, he feels that we should move ahead with this legislation.

We have worked this out on a bipartisan basis, and it has a number of elements which I have described—all important, all timely. I appreciate the fact that he is prepared to move that forward, and also the parts of it that represent the thinking he has contributed in terms of small business loan securitization, among other things.

With respect to the other issues the Senator raises, in rereading the story in today's New York Times, I fully would imagine that Robert Fiske, whom I have met with and whom the Senator has met with, will pursue any questions that arise which fall within the scope of his efforts.

I do not purport to speak for him, but his charter certainly is drawn in such a way.

Mr. D'AMATO. Mr. President, if my colleague will yield for an observation—and I do not want to debate my colleague on this—but there is a very fine distinction between the role of Congress as it relates to the abuse of power, which may not constitute a criminal act per se, but is absolutely unreasonable, unwarranted, and should not be done.

The people have a right to know that. While Mr. Fiske will be looking to see if there was criminal wrongdoing or perhaps questionable actions relating to fraud on the civil side, et cetera, it is Congress' responsibility to see to it that we do not have the kind of interference and meddling which really gets into the abuse of power. There is that fine line.

That, I think, is our prerogative. That is not something that can wait indefinitely; a reasonable period of time, if he wants to speak to Mr. McCormally, fine. If he wants to subpoena him, fine. But we have a right to know, and the public has a right to know sooner, rather than much later. That is the only point I make.

Mr. RIEGLE. Mr. President, let me address that, as well. As you know, we had the hearing, now a couple of weeks ago, when the Treasury officials were in. What I have done since that time is kept the committee record open. I have kept it open precisely so that any other questions that should be asked and answered, which fall within the scope of our oversight, can be done. I have prepared a series of questions myself to be sent to the Treasury Department, to fill out the facts and the information I think we need to have as it relates to questions that arose.

Because that committee record is open as of this moment, I think that any people to whom the questions would be addressed are under an obligation to respond accurately and fully, and I expect that they will do so.

I think any question that you wish to raise on these points can properly be submitted to them, and I will keep the record open in order to get those responses. I think that falls within the scope of the way our procedure works and how we get answers to questions that arise. So, in any event, I think that also is an avenue that is available at this moment that I suggest to the Senator.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. RIEGLE. Mr. President, in a moment, after I have completed giving a summary of it, a managers' amendment will be coming, in my behalf and on behalf of Senator D'AMATO, representing both sides of the committee. This managers' amendment contains a number of improvements and refinements and additions to the bill as it has been laid down. All of these provisions have been agreed to by Senator D'AMATO and by me.

I want to briefly describe the most important of those changes. Before I do, I ask unanimous consent that a longer summary of the managers' amendment be printed in the RECORD now along with the text of the amendment.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MANAGERS' AMENDMENT

AMENDMENTS TO TITLE I—COMMUNITY DEVELOPMENT AND CONSUMER PROTECTION

Subtitle A: Community Development Banking and Financial Institutions Act—

Permits a State agency to apply for assistance if there are no existing community development financial institutions in the State or other entities that have the capacity.

Requires an assisted organization to keep records on gender, race, etc. of persons served by the organization.

Allows CDFIs to use Federal funds to meet matching requirements in limited circumstances. The Administrator of the Fund could reduce the match by 50 percent, or permit funds provided under certain Federal grant programs to be used to meet part of the match requirement, in certain hardship cases. Further, rural institutions with less than $100,000 in assets may receive up to $25,000 without a non-Federal match. No more than 25 percent of the total funds awarded by the Fund may be matched under these discretionary standards.

Requires the Fund to consult with tribal governments when evaluating a CDFI serving an Indian reservation, requires a CDFI serving a reservation to coordinate community development efforts with tribal governments, and mandates a study on barriers to private lending on Indian reservations.

Makes several technical corrections to S. 1275 as reported by the Banking Committee.

Subtitle B: Home Ownership and Equity Protection (Consumer Protection for High Cost Mortgages)—

Exempts "reverse mortgages" from Subtitle B and provides more appropriate disclosures for such mortgages. "Reverse Mortgages" are mortgages where funds are advanced but the principal and interest are not payable until the premises are sold, the consumer moves, or the consumer dies.

TITLE II—SMALL BUSINESS CAPITAL FORMATION

Subtitle A: Small Business Loan Securitization—

Changes tax language to "sense of the Senate" that small business loan investment conduits should be taxed like real estate conduits.

Allows equipment leases by small businesses, as well as loans to small businesses, to be securitized.

Subtitle B: Small Business Capital Enhancement

Permits a political subdivision of a State, as well as a State, to establish an eligible Capital Access Program, if it has a population in excess of the population of the least populated State, or if the Secretary of HUD determines has the capacity to participate in the program.

Grandfathers eligibility of certain State Capital Access Programs. Provides that if a State statute, enacted prior to the date of enactment of this title, authorized a participating financial institution to count contributions and interest earned thereon as assets of the institution, the institution may continue to do so.

TITLE III—PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

Modifies the audit requirement in section 36(i) of the FDI Act so that well-capitalized, well-managed institutions with CAMEL ratings of 1 or 2 and assets over $9 billion may meet audit committee requirements if comparable functions are provided at the holding company level and, at the same time, no large bank customers sit on the holding company audit committee.

Clarifies joint regulatory authority to implement any regulations on limited bank liability for foreign branch deposits.

Streamlines broadcast disclosures for radio advertising of consumer leasing.

Repeals duplicative lending limit for loans collateralized by securities.

Extends for 5 years interlocks that were grandfathered under the Depository Institution Management Interlocks Act.

Clarifies that well-capitalized institutions need not register as deposit brokers.

Requires the regulatory authorities to take into account the size and activities of financial institutions and not to cause undue reporting burdens in connection with revisions of the risk-based capital standards.

Eliminates the statutory provision requiring specific board of directors approval before a mortgage or home equity line of credit is made by a financial institution to an officer of that institution. The overall borrowing caps contained in the insider lending statutory provisions and regulations would still apply to these extensions of credit.

Modifies the civil liability provisions of the Truth in Savings law to eliminate statutory damages but not to eliminate actual damages for advertising mistakes.

Amends the Truth in Savings law to expand its scope to include business accounts for unincorporated nonbusinesses.

Modifies the Expedited Funds Availability Act to give the Federal Reserve Board greater flexibility to extend the check hold period for local checks if there are "significantly increased check losses" due to the funds availability requirement under the permanent schedule now in law.

Modifies the requirements of Section 132 of FDICIA to give regulatory agencies more discretion on asset quality, earnings and market valuation standards and to allow the agencies to issue guidelines instead of regulations.

Modifies the contemporaneous recordkeeping of Section 13 of the Federal Deposit Insurance Act of deposits by public entities at failed banks.

Clarifies that bankers' banks can provide correspondent banking services to their members.

Mr. RIEGLE. Mr. President, I will do this quickly, and I want everybody to be on notice as to these modifications.

First, the managers' amendment makes a few changes to the community development bank provisions of title I. Under the managers' amendment, a State agency may apply for assistance as a community development financial institution if there is no existing community development financial institution in the State, and no entity within the State that has the capacity to become a community development financial institution.

As a general rule, the bill requires institutions receiving assistance to match those funds with private capital. The managers' amendment allows institutions to use other forms of Federal assistance to meet the matching requirements in limited circumstances.

The managers' amendment also requires an institution receiving assistance to keep data on the individuals utilizing the services of the assisted institution. This will ensure that low-income residents of the investment areas are adequately served. The amendment requires the new fund to consult with native American tribal governments when evaluating a CDFI serving an Indian reservation, requires a CDFI serving a reservation to coordinate community development efforts with tribal governments, and mandates a study of barriers to lending on Indian reservations.

In subtitle B of title I, the provision strengthening consumer protections for high cost mortgages, the Managers' Amendment exempts so-called reverse mortgages from the bill's definition. Reverse mortgages are arrangements whereby homeowners receive payments over time, with a balloon repayment due at the end. These are sometimes used by elderly homeowners, who make ends meet in their later years by tapping into the equity they have built up in their homes. Recognizing that these transactions serve a legitimate purpose for older Americans, the managers' amendment provides more appropriate, special disclosures for reverse mortgages.

Title II of S. 1275 contains two provisions designed to make it easier for small businesses to raise and borrow capital. The first, small business loan securitization, includes a section providing that entities that pool and securitize small business loans be taxed in the same way as conduits that securitize residential mortgages. To comply with constitutional requirements on the origin of tax bills, the managers' amendment changes the bill's language to sense-of-the-Senate language. The managers' amendment also permits equipment leases to be included in pools with small business loans.

Subtitle B of title II provides Federal assistance to State small business lending programs. The managers' amendment allows a political subdivision of a State, as well as a State, to establish an eligible capital access program. This will allow New York City, Akron, OH, and Milwaukee, WI, all of which have capital access programs, to apply for Federal matching funds. The managers' amendment also grandfathers certain existing State capital access programs that do not exactly conform to the requirements of the bill, such that they remain eligible to participate.

Finally, title III of the bill contains more than 20 provisions designed to reduce the paperwork required of banks and thrifts and to improve the regulation of those institutions. The managers' amendment contains more than a dozen additional provisions in this area. These include: Requiring bank regulators to consider the size and activities of financial institutions, and to tailor reporting burdens accordingly; repealing a duplicative, inconsistent lending limit for loans collateralized by securities; clarifying that well-capitalized institutions need not register with the FDIC as deposit brokers; allowing well-capitalized, well-managed institutions with assets of over $9 billion to meet statutory audit committee requirements at the holding company level in certain circumstances; streamlining disclosure requirements for radio advertising of consumer leasing; and eliminating statutory damages from the civil liability provisions of the Truth in Savings Act related to advertisements.

As I say, the provisions of this managers' amendment, which are supported both by me and by Senator D'AMATO, will improve each title of the bill.

I do not know if my colleague has any comment he wants to make on that at this point.

Mr. D'AMATO. I have none.

AMENDMENT NO. 1523

(Purpose: To make a series of technical and other amendments)

Mr. RIEGLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1523.

Mr. RIEGLE. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. RIEGLE. I ask unanimous consent, then, that the managers' amendment be adopted at this point.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

So the amendment (No. 1523) was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I may be allowed to speak as if in morning business for about 10 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Alaska is recognized for 10 minutes as if in morning business.

Mr. MURKOWSKI. Mr. President, I thank the Chair and my colleagues.

WHITEWATER

Mr. MURKOWSKI. Mr. President, on March 9, the majority leader stated that those Republicans, like myself, who want Congress to conduct hearings into the Whitewater matter, are engaging only "in partisan politics at its worst," and that such hearings risk "fatal damage" to the special counsel's ongoing investigation. Our leader then said that we have an important oversight responsibility but we must defer that responsibility at the request of the special counsel. The leader invoked the name and arguments of the less than illustrious Lawrence Walsh, former special prosecutor of the Iran-Contra investigation, as authority for Congress to defer hearings pending the outcome of the special counsel's investigation.

Mr. President, I certainly admire our majority leader. I think he is doing an extraordinary job as he has always done, but I do not at all admire Lawrence Walsh. It is obvious that Mr. Walsh would want to blame Congress for his dismal record. He cost the taxpayers over $35 million over a period of 6 years and came up with almost nothing. I for one pray that Mr. Fiske will not be another Lawrence Walsh. If he becomes one, then we will look foolish by standing idly by at the behest of another branch of Government, watching the taxpayers' money being wasted.

No, Mr. President, I am not going to rely on the weak authority of Lawrence Walsh. Instead, I look to recent history, as well as the Watergate experience, to guide my argument that Congress can and should engage in appropriate oversight at the same time a special counsel does his work.

Mr. President, if we can go back to 1973 and 1974, we recall Senator Sam Ervin and Senator Howard Baker. They led their committee through months of hearings into a myriad of complex issues that have become known today as Watergate. The committee took testimony from those who were also targets of special counsels Archibald Cox and later Leon Jaworski, who became special counsel after the President fired Mr. Cox. But unlike the recent, ill-fated work of Mr. Walsh, the special counsel in Watergate succeeded in convicting numerous officials for substantive offenses. This was accomplished even though Congress was deeply involved in both Senate and House oversight and impeachment hearings.

More recently, Mr. President, in 1992, Congress conducted investigations into the Banco Nationale, BNL bank scandal. The Senate Select Committee on Intelligence, which I was a member of for 8 years and was ranking member, worked for months to learn whether the CIA misjudged Justice Department prosecutors or withheld important information in the prosecution of the BNL bank official in Atlanta. During the same period, the House Banking Committee, under Chairman GONZALEZ was unrelenting in its zeal to hold hearings on BNL and became particularly excited over this issue during the height of the Presidential campaign. In fact, excitement was so high that a special counsel was appointed by Attorney General Barr to look into many of the same issues we were investigating in the Committee on Intelligence. We did not stop our inquiry though, Mr. President, after Judge Lacey was appointed special counsel. We simply did our thing and he did his thing. I do not recall our majority leader objecting to this simultaneous activity during the 1992 Presidential campaign.

Mr. President, if Republicans are being accused of politicking because we are asking for Whitewater oversight investigations, then our friends on the other side of the aisle must be inclined to blush a little bit when they look into the mirror of history. Who called for those silly and costly hearings to look into the so-called October surprise? I know of few Republicans who wanted to look into that nonsense. But at a time, you will recall, when George Bush was riding high in public opinion polls following the victory against Iraq, and there was an unrelenting drumbeat of demand for congressional hearings into whether Ronald Reagan's campaign urged the Iranians to delay the release of American hostages until after the 1980 election. This drumbeat for hearings came 11 or 12 years after the alleged incident and it was so unrelenting that the Foreign Relations Committee eventually agreed to spend hundreds of thousands of dollars on worthless hearings. There was no "October surprise." Nor was there any political surprise in all this thrashing around, because there was only one motivation to hold hearings, to tweak the Republicans.

Can Congress engage in oversight during an investigation by a special counsel? Of course we can. We are certainly able to set our agenda, establish our timetable for hearings, determine issues relating to immunity for witnesses, decide when to subpoena documents, and control all the other facets involved in oversight hearings. We can do all this by conferring with special counsel. We can accommodate legitimate concerns of witnesses and others. We do not have to get tangled in the operations of a grand jury. As I saw firsthand when I was vice chairman of the Intelligence Committee, a special counsel and an aggressive oversight committee can do their work simultaneous by being considerate of the special needs of each other. We did in the BNL investigation, even when a criminal prosecution was pending in Atlanta.

What we must not do is abdicate our constitutional responsibilities. This is a Government of three equal branches. Mr. Fiske and Attorney General Reno work for the executive branch. We serve in the legislative branch. Mr. Fiske should not dictate my actions, nor those of the Democrats in this body. I seriously doubt whether the majority leader or any Senate Democrat would defer investigating a serious matter if a special counsel in a Republican administration asked them to do so.

So let us not all be so pious. Let us understand that history shows that we can do our work at the same time special counsels do theirs. Sam Ervin, Howard Baker, and Leon Jaworski did. Senator BOREN and I did along with Judge Lacey. I have every confidence that Senator D'AMATO, Senator RIEGLE, and Mr. Fiske can do the same thing.

I do not rely on Lawrence Walsh to support a contrary view. He is looking for excuses for his failures. We are looking for answers to Whitewater.

Finally, Mr. President, as a final thought, I am becoming somewhat troubled by the rather ugly nature of the discussion of the Whitewater matter.

Those of us who want to know the facts about Whitewater and the failed savings and loan are accused of engaging in politics at its worst.

Those of us who do not want Congress to abdicate its legitimate role in oversight are being accused of threatening the work of the special counsel. We are even told that the special counsel dictates the timing of our work, not us.

But, what disturbs me even more are the personal attacks by the chairman of the Democratic Party, David Wilhelm, against three Members of the Senate: Senator D'AMATO, who is here on the floor, Senator GRAMM of Texas, and Senator DOLE, the Republican leader. Mr. Wilhelm asserted that none of these Senators should ask questions about Whitewater because he implied that they have engaged in some unethical behavior.

Senator D'AMATO has called Wilhelm's comments despicable, and indeed they are. Senator DOLE told Wilhelm to file an ethics complaint if he has evidence of misconduct. That is an appropriate comment, of course, he will not do it, because he does not have such evidence.

In statesmen-like responses, both Majority Leader MITCHELL and Speaker TOM FOLEY have been critical of Wilhelm's statements, and they have distanced themselves from those gratuitous attacks by the head of the Democratic Party.

But, Mr. President, it is astounding to me that the head of the Democratic Party has attempted to intimidate Members of the Senate. I can only assume Mr. Wilhelm seeks to silence the three Senators, otherwise why would he have made such a vicious attack? Or, was he merely attempting to deflect attention away from the White House by using whatever tactic he could or whatever is handy?

I am afraid such attempts at intimidation will not work. None of the Senators Mr. Wilhelm attacked will be silenced. In fact, as Senator D'AMATO wrote to Mr. Wilhelm: "You can be sure that I will now redouble my efforts to get to the bottom of this Whitewater-Madison scandal."

Let us also not forget how we all learned about the meetings between RTC officials and the White House: We did not learn about them from the White House. We did not learn about the meetings from the general counsel of the Treasury Department. We did not learn about them from the press. We did not learn about these meetings from Mr. Wilhelm. We did not learn about them from the Justice Department. No, we learned about them through the efforts of Senator D'AMATO and Senator RIEGLE and the Banking Committee hearings, as we should.

The fact that at least three meetings took place between the regulators and White House staff ultimately led the President finally to request a special counsel. In fact, he had no other choice. These meetings simply could not be explained without embarrassment.

No, Mr. President, the proof of the value of oversight is the discovery of the meetings at the White House. Senator D'AMATO's persistence should be commended. Instead, his character is attacked by the head of the Democratic Party.

Mr. Wilhelm, save your attacks. They will not work. Whitewater will not go away until all facts are known. You can try to intimidate those who have dared learn the truth, but ultimately the American public will demand to know. That is how democracy works, Mr. Wilhelm.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. D'AMATO. Mr. President, I was unaware of the fact that my friend and colleague, Senator MURKOWSKI from Alaska, was going to make these remarks, and I must thank him.

I think he has articulated my position. I think it should be the position of all Members, Democrats, and Republicans, that no Member should be attacked, he or she personally should not be attacked, on a personal basis because they may make a request that any of us agree or disagree with.

We can oppose, whether it is my request or anybody else's, but if we are going to begin to engage or countenance or support this kind of vicious, ugly smear, that is beneath us, certainly beneath the dignity of this Senate.

I am not generally described as a shrinking violet, but I have to tell you that I think that kind of a political smear goes back to the days of the dirty tricks, and this smearing will not keep me quiet. I will persist.

I am not the issue. The issue is whether my request for hearings has any validity.

It is not the messenger who should be attacked. If the message is not one which people agree with; fine, take it up. But if we are going to get into the business of going after the messenger, or going after, in this case, a Senator who feels it is his obligation—in spite of the fact that we become lightning rods, I understand the realities of political combat. I understand fair play and I understand rough-and-tumble play.

But I just suggest to those who would attempt to move into that, that we do the process a great disservice. Whether you agree with what my request is or disagree, there are ways to make known your opposition and to articulate all of our positions without getting into the personal attacks.

So I thank my friend who, again, early on—when there were very few others who saw the merit and now are attempting to just get the facts—loaned himself in his efforts personally to coming down to the floor and support bringing out and gaining access to the facts and the information.

So, again, I thank my friend from Alaska.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. RIEGLE. Mr. President, if I may have, we have two amendments to send to the desk. I am going to send them one after the other. I am going to send them en bloc, and I am going to ask unanimous consent that they be adopted on that basis.

Let me just make a brief description of each. They have both been cleared with my ranking member, Senator D'AMATO.

AMENDMENT NO. 1524

(Purpose: To make amendments relating to consumer protections for certain mortgage loans)

Mr. RIEGLE. The first amendment I am going to send to the desk contains a number of improvements to subtitle B of title I of the bill, the Home Ownership and Equity Protection Act.

Significant concerns have been expressed about this legislation by other Senators and the lending industry. To address these concerns, Senator D'AMATO and I have prepared this comprehensive amendment. I will briefly describe the most important of those changes.

I ask unanimous consent that a summary of the amendment be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF RIEGLE-D'AMATO AMENDMENT TO TITLE I, SUBTITLE B, THE HOME OWNERSHIP AND EQUITY PROTECTION ACT

Revises the entire subtitle to eliminate the term "High Cost Mortgage."

Treats credit insurance consistently with other sections of the Truth in Lending Act.

Permits balloon payment structures on mortgages covered by the legislation, provided the loan is at least 5 years in length.

Allows lenders to charge points and fees on refinancing, but directs Federal Reserve to address abuses in this area.

Allows lenders to charge prepayment penalties on loans covered by the legislation for 1 year.

Insulates assignees from liability if the loan documents do not indicate such potential liability.

Mr. RIEGLE. Mr. President, many have objected to the stigma attached to the loans covered by the legislation. In response to those concerns, this amendment revises the entire subtitle to eliminate the term "high cost mortgage."

Likewise, some Senators have expressed concerns that the prohibitions in the bill reported by the committee were overly broad and would capture credit transactions that were not unfair. Our amendment tailors these prohibitions to focus on the truly problematic issues. Rather than prohibiting balloon payment loans, for instance, the amendment prohibits balloons only on short term loans—those less than 5 years in length—that most often trap unwitting borrowers. These changes, combined with the regulatory authority provided to the Federal Reserve to waive the prohibitions on mortgages that are in the interest of the borrower, should ensure that this legislation productively addresses the problem of reverse redlining without restricting traditional credit flows.

The provisions of this amendment, which are supported by both me and by Senator D'AMATO, will improve the Home Ownership and Equity Protection Act. I will now yield to Senator D'AMATO if he cares to comment on the amendment, and then ask unanimous consent that the amendment be adopted.

I send that amendment to the desk and ask that it be held until I send the second amendment, and then I will ask that they be adopted en bloc.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1524.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 78, line 23, strike "The term 'high cost mortgage' means" and insert "A mortgage referred to in this subsection means".

On page 78, line 25, insert ", a reverse mortgage transaction," before "or a".

On page 79, line 22, insert "and" after the semicolon.

On page 79, strike lines 23 through 25.

On page 80, line 1, strike "(D)" and insert "(C)".

On page 80, line 14, strike "for high cost mortgages".

On page 80, line 19, strike "high cost mortgages" and insert "mortgages referred to in subsection (aa)".

On page 80, beginning on line 20, strike "high cost" and insert "such".

On page 81, line 3, strike "**HIGH COST**" and insert "**CERTAIN**".

On page 81, line 7, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 82, line 22, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 83, beginning on line 1, strike "the high cost mortgage" and insert "a mortgage referred to in section 103(aa)".

On page 79, line 25, strike "and"

On page 80, line 8, strike "." and insert "; and

(E) such other changes as the Board determines to be appropriate."

On page 83, line 5, strike "high cost" and insert "such".

On page 83, strike lines 14 through 19.

On page 83, line 20, strike "(4) EXCEPTION.—A high cost mortgage" and insert "(3) EXCEPTION.—A mortgage referred to in section 103(aa)".

On page 83, line 24, strike "90 days" and insert "1 year".

On page 84, line 1, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa) having a term of less than 5 years".

On page 84, beginning on line 5, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 84, line 10, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 84, line 16, strike "high cost mortgage loan" and insert "mortgage".

On page 85, strike lines 11 through 15, and insert the following:

"(2) PROHIBITIONS.—The Board, by regulation or order, shall prohibit acts or practices in connection with—

"(A) mortgage loans that the Board finds to be unfair, deceptive, or designed to evade the provisions of this section; and

"(B) refinancing of mortgage loans that the Board finds to be associated with abusive lending practices, or that are otherwise not in the interest of the borrower.".

On page 85, strike the item immediately following line 20, and insert the following:

"129. Requirements for certain mortgages.".

On page 85, beginning on line 24, strike "high cost mortgage, as defined" and insert "mortgage referred to".

Beginning on page 87, line 14, strike all through page 88, line 6, and insert the following:

"(d) RIGHTS UPON ASSIGNMENT OF CERTAIN MORTGAGES.—

"(1) IN GENERAL.—Any person who purchases or is otherwise assigned a mortgage referred to in section 103(aa) shall be subject to all claims and defenses with respect to that mortgage that the consumer could assert against the creditor of the mortgage, unless the purchaser or assignee demonstrates, by a preponderance of the evidence, that a reasonable person exercising ordinary due diligence, could not determine, based on the loan documentation required by this title, that the mortgage was in fact a mortgage referred to in section 103(aa). The preceding sentence does not affect a consumer's rights under sections 125, 130, or any other provision of this title.

"(2) LIMITATION ON DAMAGES.—Notwithstanding any other provision of law, relief provided as a result of any action made permissible by paragraph (1) may not exceed—

"(A) with respect to actions based upon a violation of this title, the amount specified in section 130; and

"(B) with respect to all other causes of action, the sum of—

"(i) the amount of all remaining indebtedness; and

"(ii) the total amount paid by the consumer in connection with the transaction.

"(3) OFFSET.—The amount of damages that may be awarded under paragraph (2)(B) shall be reduced by the amount of any damages awarded under paragraph (2)(A).

"(4) NOTICE.—Any person who sells or otherwise assigns a mortgage referred to in section 103(aa) shall include a prominent notice of the potential liability under this subsection as determined by the Board.".

On page 88, line 13, strike "high cost".

On page 88, line 14, strike "(as defined" and insert "referred to".

On page 88, line 15, strike "Act, as" and insert "Act (as".

AMENDMENT NO. 1525

(Purpose: To promote free trade in financial services)

Mr. RIEGLE. Mr. President, the second amendment that I am now proposing is the Fair Trade in Financial Services Act of 1994, which was recently reported by the Banking Committee.

Fair trade in financial services legislation has passed the Senate three times before. The amendment we are considering this morning was introduced on October 7, 1993, on a bipartisan basis by a majority of the members of the Banking Committee. It is designed to give U.S. negotiators new leverage to obtain the same equality of competitive opportunity for U.S. financial firms operating in foreign markets that we extend to foreign firms in our markets. On October 26, 1993, the committee held a hearing at which S. 1527 received united administration support, as well as support from the financial services industry. And on February 10, 1994, the committee reported out this legislation by a vote of 17 to 2.

The act builds on provisions of the 1988 Omnibus Trade and Competitiveness Act that require the Treasury Department to identify countries that deny U.S. financial firms de facto national treatment, meaning equality of competitive opportunity and effective market access. If negotiations to obtain national treatment fail to succeed, the act allows but does not require the Secretary of the Treasury, the U.S. negotiator on trade in financial services, to publish in the Federal Register a determination that a given country discriminates against U.S. financial institutions.

Following any such publication, the Treasury Secretary may, after consultation with the U.S. Trade Representative and the Secretaries of State and Commerce, recommend to the appropriate Federal financial services regulator that it deny applications filed by banking or securities firms from the discriminatory country. Such denials would only affect opportunities for future expansion in the U.S. market and would not force foreign financial firms to shrink their existing operations. The bill is designed to give U.S. negotiators new leverage to open foreign financial markets, not close our own.

President Clinton in February announced the principles that would guide trade policy in his administration. One such principle he said:

> * * * will say to our trade partners that we value their business, but none of us should expect something for nothing. We will continue to welcome foreign production and services into our markets, but insist that our products and services be able to enter theirs on equal terms.

That is precisely the guiding principle on which the Fair Trade in Financial Services Act is based.

The role of the United States in an increasingly global economy magnifies the importance of making sure that U.S. financial firms are not discriminated against in their operations abroad. This is important not only for the financial institutions themselves, but also for U.S. exporters in general. Deputy U.S. Trade Representative Rufus Yerxa, at the committee's October 26, 1993, hearing on S. 1527 stated:

> * * * it's been demonstrated by all of the studies we've done about our trade relationships in the world, that there is a clear relationship between exports and finance and investment. That is, where we've been able to obtain greater access to investment markets and to the markets for finance and financial services, we have also expanded our trade. These are all part of a seamless web in international business * * *. Removal of trade and investment barriers without removal of barriers to U.S. banks and securities firms will limit the ability of all U.S. companies to compete in the world market.

At a time when it is crucial for American industry to export in order to reverse the massive current account deficits that have accrued in the last decade, our Government must ensure industry is not impeded by foreign market barriers to our financial services firms.

On January 26, 1994, Senator D'AMATO and I received a joint letter from Secretary Bentsen and Ambassador Kantor urging "swift enactment of the Fair Trade in Financial Services Act" because it is "an essential component of our strategy" to open foreign financial markets to U.S. institutions. This legislation is critical to the success of U.S. negotiators in both the ongoing negotiations under the auspices of the General Agreement on Tariffs and Trade [GATT], as well as the stalled United States-Japan Framework for a New Economic Partnership discussions.

Under GATT, financial services are included within the General Agreement on Trade in Services [GATS], which establishes a multilateral framework of principles and rules for trade in financial services. However, the commitments made by many countries to open their markets to U.S. financial institutions under that framework were less than the United States had hoped for. The United States, therefore, has taken a most-favored-nation [MFN] exemption for banking and other financial services including insurance, but will suspend it for 6 months after the GATT Agreement goes into effect.

Until that time, negotiations will continue within the GATS framework.

In their January 26 letter, Ambassador Kantor and Secretary Bentsen explained why the passage of the Fair Trade in Financial Services Act is needed to help complete a successful GATT agreement on financial services. In that letter they stated:

> We agreed on a framework for trade in financial services but did not obtain the full commitments on market access we had sought. However, the financial services agreement provides for continuing negotiations within the GATT context to seek improved commitments. In the event we are not able to achieve sufficient progress in these negotiations, this legislation [Fair Trade in Financial Services] will help ensure that we will have incentives to encourage other countries to liberalize in the future. The success of this effort will provide increased competitive opportunities for U.S. financial services and enhance their ability to facilitate U.S. exports.

I urge my colleagues to heed the administration's plea for swift enactment of this legislation. I also ask unanimous consent that a copy of the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, January 26, 1994.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to urge swift enactment of the Fair Trade in Financial Services legislation. The Administration supports the objectives of the legislation as introduced and will continue to work closely with Congress to complete the final details. We believe that the original intent of S. 1527 and HR 3248 provides an effective foundation for legislation.

The passage of this important legislation is a priority matter for the Administration, and an essential component of our strategy to continue multilateral negotiations to open foreign financial markets to U.S. financial institutions.

The Administration is very pleased with the results of the recently completed Uruguay Round of multilateral negotiations conducted under the auspices of the General Agreement on Tariffs and Trade (GATT). The lowering of trade barriers achieved there will help ensure a continued and equitable expansion of world in the years ahead.

In financial services the outcome was more modest. We agreed on a framework for trade in financial services but did not obtain the full commitments on market access that we had sought. However, the financial services agreement provides for continuing negotiations within the GATT context to seek improved commitments. In the event that we are not to achieve sufficient progress in these negotiations, this legislation will help ensure that we will have incentives to encourage other countries to liberalize in the future.

The success of this effort will provide increased competitive opportunities for U.S. financial services and enhance their ability to facilitate U.S. exports.

This Administration has clearly stated its objective to open foreign financial markets. Fair Trade in Financial Services legislation will complement our multilateral, bilateral and regional efforts to gain access to foreign markets on the basis of national treatment and equality of competitive opportunity. The proposal would give the authority to act to the Treasury Department, after appropriate interagency consultation and subject to the specific direction of the President.

It is our view that enactment of the Fair Trade in Financial Services legislation is needed at the earliest possible time to safeguard the progress we achieved in the Uruguay Round and to support additional market opening talks, both within the GATT framework and on a bilateral basis.

Thank you for your attention to this matter which is so important to America's financial firms. We look forward to working with you to achieve early enactment of this critical legislation.

Sincerely,

LLOYD BENTSEN,
Secretary of the Treasury.
MICHAEL KANTOR,
U.S. Trade Representative.

I send that amendment to the desk as well.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1525.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. RIEGLE. I ask unanimous consent that the two amendments be adopted en bloc.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me say I strongly, strongly support this amendment because I believe it is absolutely essential for our financial institutions to have the ability to compete fairly abroad, and this legislation accomplishes exactly that. It says to those governments who are practicing policies of excluding or keeping our financial services industry from doing their work abroad, from truly being able to compete freely, that they, too, will find we will restrict those who are here from expanding. It is fair play, and that is the essence of free trade. Free trade that goes one way and there is no fairness to it does not make sense.

I have been given to understand that one of my colleagues, a Republican on the Banking Committee, objects to the inclusion of this amendment. So on his behalf I will ask the distinguished manager of the bill and my colleague, the chairman of the Banking Committee, if he will withhold that amendment. I will say this. I ask that the member be given an opportunity to come down and take whatever position he wants to on this amendment—if he wants to amend the amendment, if he wants to oppose the amendment—whatever he wants to do. I think we should give him a fair opportunity. If he does not come down within a reasonable time, I will no longer, then, carry that objection. If someone has objection to this, to our going forward, come forth and state why, let us get it out and let us do whatever has to be done.

At this time I ask my colleague if he would withhold. I have every intention of supporting it as strongly as I possibly can.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I thank the Senator from New York. I will, then, on the basis of his request to separate the two amendments, leave the second of the two at the desk and not ask we act on it at this time. I think that is a reasonable request. I think the colleague's rights should be protected and properly are being protected by Senator D'AMATO, and I respect that.

I also appreciate the fact the Senator is prepared to move ahead on this once we have had an opportunity for somebody to come down and present their objection directly.

Let me now revise my request. I ask unanimous consent that the first amendment I sent to the desk now be incorporated into the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 1524) was agreed to.

Mr. RIEGLE. We are at a point, then, where we will leave the second amendment there for now. I must say we are very much of a mind. We want to move this bill through and finish it as early as possible today. So I hope if anybody has any amendments they want to offer, any comments they want to make, they will come to the floor at this time and do so, so we can expedite the completion of the bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan.

Mr. RIEGLE. Mr. President, I have another amendment ready to offer now, and this is probably a suitable time to do it.

The PRESIDING OFFICER. The Chair would advise the Senator from Michigan the amendment now pending before the Senate is amendment No. 1525.

Mr. RIEGLE. I ask unanimous consent that amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1526

(Purpose: To make amendments relating to the Comptroller of the Currency)

Mr. RIEGLE. Mr. President, I send an amendment to the desk together with Senator D'AMATO, to ensure that the Office of the Comptroller of the Currency [OCC] has much the same independent authority as the Office of Thrift Supervision [OTS]. The amendment only provides the OCC with the same authority already given to the OTS.

Specifically, the amendment: Authorizes the OCC to follow the same procedures as the OTS in reporting to Congress; clarifies that the Comptroller of the Currency has the same independent authority as the Director of the OTS over agency staff and functions; gives the OCC the same independent litigating authority as the OTS.

The OTS currently has each of the above authorities. A number of independent agencies have considerably more authority. The administration in its bank regulatory consolidation proposal also provides independent authority to the new agency that would conduct Federal bank and thrift regulation.

I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1526.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III of the bill, insert the following:

SEC. . INCLUSION OF COMPTROLLER OF THE CURRENCY; CLARIFICATION OF REVISED STATUTES.

(a) PUBLIC LAW 93-425.—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by inserting "the Comptroller of the Currency," after "Federal Deposit Insurance Corporation,".

(b) REVISED STATUTES.—

(1) SECTION 5240.—The third paragraph of section 5240 of the Revised Statutes (12 U.S.C. 482) is amended by inserting "or section 301(f)(1) of title 31, United States Code," after "provisions of this section".

(2) SECTION 324.—Section 324 of the Revised Statutes (12 U.S.C. 1) is amended by adding at the end the following: "The Comptroller of the Currency shall have the same authority over matters within the jurisdiction of the Comptroller as the Director of the Office of Thrift Supervision has over matters within the Director's jurisdiction under section 3(b)(3) of the Home Owners' Loan Act.".

(3) SECTION 5239.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by inserting at the end the following new subsection:

"(d) AUTHORITY.—The Comptroller of the Currency may act in the Comptroller's own name and through the Comptroller's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Comptroller of the Currency is a party.".

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I commend Senator RIEGLE, because it really was the Senator and his staff who developed this initiative as it relates to this amendment.

I do not care whether it is a Republican administration or Democratic administration, these independent agencies should be truly independent. Consequently, this amendment addresses exactly the kinds of situations that we are concerned about, that if there is a course of action that should be pursued as it relates to undertaking a lawsuit, it gives the independent regulator the ability to do that without going to Justice. It also gives the independent agency the ability to come in and give testimony before us that is not censored.

What is the sense of having testimony that has to be approved, which seeks changes, if the regulator has to submit that first to the executive branch to get their sign-off on it? Then we in the Congress do not get the true feelings of the people who are out there in the field, out there on the battle line.

So what the Senator has done with this amendment is removed that barrier. It will give us in the Congress and our committees the ability to get that information directly, uncensored, in the right way so we can make the proper determinations.

I would have gone even further to grant the banking agencies—all of the banking agencies, including the Federal Reserve Board and the FDIC—independence from Justice Department control. I also would have removed the OMB from interfering with OCC rulemaking authority. However, in the spirit of compromise, I agreed to this more limited amendment suggested by Senator RIEGLE.

So I applaud his efforts. I am pleased to join in sponsoring this amendment. I urge its adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1526) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote and move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Michigan.

Mr. RIEGLE. We are ready to move forward on the bill, so again I invite Members who want to be heard on this matter or have amendments or points to make to come to the floor now so we can try to conclude action as early today as possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FEINGOLD). Without objection, it is so ordered.

Mr. DODD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment 1525.

Mr. DODD. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside for the purpose of considering another amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1527

(Purpose: To authorize the minting of coins to commemorate the 1995 Special Olympics World Games)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] proposes an amendment numbered 1527.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 160, between lines 6 and 7, insert the following:

SEC. 334. COMMEMORATION OF 1995 SPECIAL OLYMPIC WORLD GAMES.

(a) COIN SPECIFICATIONS.—

(1) ONE DOLLAR SILVER COINS.—

(A) ISSUANCE.—The Secretary of the Treasury (hereafter in this section referred to as the "Secretary") shall issue not more than 800,000 $1 coins, which shall weigh 26.73 grams, have a diameter of 1.500 inches, and shall contain 90 percent silver and 10 percent copper.

(B) DESIGN.—The design of the coins issued under this section shall be emblematic of the 1995 Special Olympics World Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1995", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(2) LEGAL TENDER.—The coins issued under this section shall be legal tender as provided in section 5103 of title 31, United States Code.

(3) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this section shall be considered to be numismatic items.

(b) SOURCES OF BULLION.—The Secretary shall obtain silver for the coins minted under this section only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

(c) SELECTION OF DESIGN.—The design for the coins authorized by this section shall be selected by the Secretary after consultation with the 1995 Special Olympics World Games Organizing Committee, Inc. and the Commission of Fine Arts. As required by section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Coin Advisory Committee.

(d) Issuance of the Coins.—

(1) Quality of coins.—The coins authorized under this section may be issued in uncirculated and proof qualities.

(2) Mint facility.—Not more than 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this section.

(3) Commencement of issuance.—The coins authorized under this section shall be available for issue not later than January 15, 1995.

(4) Sunset provision.—No coins shall be minted under this section after December 31, 1995.

(e) Sale of the Coins.—

(1) Sale price.—The coins issued under this section shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in paragraph (4) with respect to such coins, and the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(2) Bulk sales.—The Secretary shall make bulk sales at a reasonable discount.

(3) Prepaid orders.—The Secretary shall accept prepaid orders for the coins authorized under this section prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(4) Surcharge required.—All sales shall include a surcharge of $10 per coin.

(f) General Waiver of Procurement Regulations.—No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this section. Nothing in this subsection shall relieve any person entering into a contract under the authority of this section from complying with any law relating to equal employment opportunity.

(g) Distribution of Surcharges.—The total surcharges collected by the Secretary from the sale of the coins issued under this section shall be promptly paid by the Secretary to the 1995 Special Olympics World Games Organizing Committee, Inc. Such amounts shall be used to—

(1) provide a world class sporting event for athletes with mental retardation;

(2) demonstrate to a global audience the extraordinary talents, dedication, and courage of persons with mental retardation; and

(3) underwrite the cost of staging and promoting the 1995 Special Olympics World Games.

(h) Audits.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the 1995 Special Olympics World Games Organizing Committee, Inc. as may be related to the expenditure of amounts paid under subsection (g).

(i) Financial Assurances.—

(1) No net cost to the government.—The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this section shall result in no net cost to the United States Government.

(2) Adequate security for payment required.—No coin shall be issued under this section unless the Secretary has received—

(A) full payment therefore;

(B) security satisfactory to the Secretary to indemnify the United States for full payment; or

(C) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

Mr. DODD. Mr. President, I rise to offer S. 1860, the 1995 Special Olympics World Games Commemorative Coin Act, as an amendment to S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993.

I introduced this legislation in February with strong bipartisan support. This bill now has 50 cosponsors. This bill authorizes the minting of 800,000 limited-edition $1 silver coins, at no net cost to the Federal Government. The funds will be used to stage a world-class sporting event in Connecticut for these very special athletes.

Through the years, Special Olympics has become one of the largest and most successful sports and volunteer organizations in the world. Today, there are nearly $1 million Special Olympic athletes worldwide and nearly 450,000 in the United States alone.

In addition to more than 6,500 participating athletes, it is estimated that the 1995 Special Olympics world games will attract a half-million spectators, 45,000 volunteers, and more than 1,500 representatives from national and international media.

An event of this magnitude requires considerable planning, organization, and financial resources. This no net cost bill would raise up to $8 million to help underwrite the cost of staging the 1995 Special Olympics World Games.

Twenty-five years ago, Eunice Kennedy Shriver founded Special Olympics with the premise that bringing people together—those with and without mental retardation—will break down existing barriers and result in acceptance, understanding, and new relationships.

Mr. President, the people of Connecticut are already gearing up for the celebration of the 1995 games. Each of the towns and cities from around the State is being paired with a specific participating country, and these communities will be opening their hearts and homes to these visitors. Athletes and their families will spend several days relaxing, adjusting, and soaking in the hospitality of the host cities prior to the start of the games.

More than 6,500 athletes from every corner of the globe and every State in the Union will then travel to New Haven, CT, to compete for the love of sport and the thrill of participation. This is one event in which winning is not everything. These sometimes forgotten athletes are given the chance to show us all what true sportsmanship is all about.

I would like to thank the chairman of the Banking Committee, Mr. Riegle, and also Mr. D'Amato for moving this piece of legislation so quickly.

Finally, I would like to take this opportunity to express my gratitude to Sargent and Eunice Shriver, our former colleague, Gov. Lowell Weicker, and the entire World Games organizing committee for their commitment to Special Olympics and the success of the 1995 Special Olympics World Games.

I urge my colleagues to support this important legislation and honor the tremendous spirit of the Special Olympics.

I appreciate the support of the distinguished Senator from New York and the distinguished Senator from Michigan, and I urge approval of the amendment.

Mr. RIEGLE. Mr. President, I am pleased to support S. 1860, the 1995 Special Olympics World Games Commemorative Coin Act, as an amendment to S. 1275.

S. 1860, introduced by Senator Dodd, authorizes the minting of a $1 coin to commemorate the 1995 Special Olympics World Games. I strongly support the minting of this coin which will augment the fundraising efforts for the international event which will be hosted by the State of Connecticut.

The surcharges collected from the sale shall be used to provide a world class sporting event for athletes with mental retardation; to demonstrate to a global audience the extraordinary talents, dedication, and courage of persons with mental retardation; and underwrite the cost of staging and promoting the 1995 Special Olympics World Games.

The World Games will bring together special athletes from around the world for 9 days of international sport competition. Mentally retarded adults and children will compete in the Olympic Games with the assistance of coaches, parents, friends and countless volunteers.

This international event will, no doubt, touch a record number of people. In a world where hopes are often dashed by crises of the day, special olympians inspire us with their spiritual and physical strength and their moral value. They are, in fact, everyday profiles in courage.

More than 6,500 special olympic athletes from over 130 countries will bring spectators together for 9 days. The Special Olympics bring out the best in all involved. I firmly believe that the Special Olympics World Games commemorative coin would be a wonderful remembrance of the experience. I consider this a unique and thrilling event and believe it warrants a commemorative coin. I support the efforts of the 1995 Special Olympics World Games organizing committee and all those who have worked so long and hard to prepare for this spectacular event and can think of no better way to do this than to wholeheartedly support this amendment at this time.

Mr. D'AMATO. Mr. President, I rise today to add my support for adding the

1995 Special Olympics World Games Commemorative Coin Act, as an amendment to this bill.

I, along with most of the world, watched in awe the Winter Olympics. Each of the athletes had a personal story of how they overcame obstacles like injuries, economic problems, losses of loved ones, and so many of the athletes from the former Communist countries saw such changes in the political makeup of their nations that they were forced to leave their training areas and coaches to continue their dream of competing in the Olympics.

However, not one of those athletes has overcome as many obstacles as those competing in the Special Olympics. Everyone of us has seen the look of determination and pride in the eyes of a special olympian as they cross the finish line, whether it be in first place or last place. Many of these youngsters and adults have been told their whole lives that they couldn't compete or play, but the Special Olympics allow them not only to participate, but they are able to shine. July 1995 in New Haven, CT, will be the time and place for these exceptional athletes to show the world what they got. For the athletes, families, coaches, and thousands of volunteers, these Olympics will be an experience of a lifetime.

I am proud to have been an original cosponsor of this coin bill. The legislation calls for the minting of 800,000 silver dollar coins. The coins will be minted at no net cost to the Government.

I would like to commend my colleague on the Banking Committee, Senator DODD, on not only introducing this bill, but his hard work on gathering 50 cosponsors so quickly. I also would like to thank my colleague, the esteemed chairman of the Banking Committee, Senator RIEGLE, for agreeing to allow this bill to be incorporated into the manager's amendment. Most of all, I commend Sargent and Eunice Shriver and my former colleague, Gov. Lowell Weicker, for their dedication to ensure the success for the Special Olympics World Games. The Special Olympics World Games would not be able to happen without their immeasurable and constant support.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. RIEGLE. Mr. President, I am going to ask that we defer momentarily as this is being checked out on a generic basis on the Republican side. We should have an answer on that momentarily, and assuming that is affirmative, then I will urge adoption of the amendment.

So at this point, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I have received notification that the amendment has been cleared on both sides, and so I urge adoption of the amendment.

The PRESIDING OFFICER. Is there any further debate on the amendment. If not, the question is on agreeing to the amendment.

The amendment (No. 1527) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. DODD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. I thank the Chair. I thank the Senator from Connecticut.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I want to thank and commend Chairman RIEGLE and our ranking member, Senator D'AMATO, for pulling together S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993.

I support this measure, along with the managers' amendment, as a significant piece of bipartisan legislation that addresses a number of issues that are really key to the committee, issues of community development banking, small business capital formation, bank paperwork reduction, and regulatory relief. These are areas of tremendous importance to me personally, and to the people in my State. While in some cases I do not believe the bill goes far enough, it does reflect the legislative process, which requires bipartisan cooperation and compromise.

I will highlight a couple of particular aspects of the legislation which I support. Subtitle A, the Community Development Banking and Financial Institutions Act, is a significant improvement over the President's initial proposal on community development banking. The subtitle recognizes the important contributions that financial institutions can provide to distressed communities by allowing banks and other entities to form "community partnerships" with Community Development Financial Institutions, or CDFI's. Funding under the act is limited to the partner that qualifies as a CDFI. Banks, however, will receive credit under the Community Reinvestment Act for participating in the partnership.

Moreover, a consortium of banks or bank holding companies may own a CDFI so long as no single parent owns 25 percent or more of the voting shares of the subsidiary. CRA credit will be available for bank participation.

Mr. President, that is something that I have worked on for some time. A number of smaller bankers in my State have said, "We want to perform our responsibilities under the Community Reinvestment Act, but we are so small that we would like to join and pool our efforts with others, so we can have a greater impact." This, in effect, would permit them to do so.

I emphasize that including traditional financial institutions in the community development banking proposal is critical, because it will provide the expertise of banks to CDFI's and help make available mainstream conventional banking practices to distressed and financially underserved communities.

I also highlight an amendment that I cosponsored in the committee with my colleagues, Senators DOMENICI, KERRY, and MOSELEY-BRAUN, which has been included in the managers' amendment. This amendment would allow up to 5 percent of amounts appropriated to CDFI's to be provided to organizations for the purpose of the wholesale purchase of loans from CDFI's or to otherwise provide liquidity to CDFI's. Basically, this will help to provide additional capital to CDFI's and should help to greatly expand the availability of credit through CDFI's to financially distressed or underserved communities.

Next, I strongly support subtitle B, the Home Ownership and Equity Protection Act, of title I. This is a revised version of S. 924, a bill Senator D'AMATO and I introduced. This legislation addresses concerns where some high-rate lenders have used mortgages for high-cost loans for home improvements or credit consolidation to take advantage of unsophisticated, low-income, and very often elderly homeowners. That measure in this bill protects borrowers through a combination of increased disclosure to consumers, a new 3-day waiting period, and substantive prohibitions against loan terms that have been particularly troublesome. In addition, the managers' amendment makes several improvements to this subtitle to ensure that legitimate businesses will not be adversely affected.

Title II of the bill addresses small business capital formation by allowing the private sector to develop a secondary market for small business loans. That is something that Senator D'AMATO has long been a champion of. These are important provisions that are designed to help make credit available to small businesses to create jobs. Small business, as we know, is the backbone of our Nation's economy, and it is high time we took steps to ensure the availability of credit to these institutions.

Title III of the bill provides a number of provisions designed to reduce paperwork and regulatory burdens on financial institutions. While I do not believe the bill as reported by the committee goes far enough, the managers' amendment adds significantly to bank regulatory relief. I urge my colleagues to endorse these provisions and also to support other regulatory relief amendments which may be offered to the bill. If we are going to get credit out, as we must, to the underserved areas of this country, regulatory relief is a vitally important part of the reform process.

This title is designed to reduce regulatory and paperwork burdens on financial institutions through measures for agencies to review and streamline rules and regulations, coordinate examinations, modernize reporting, and establish a regulatory appeals process. The title also contains a number of provisions to improve existing regulations by repealing outmoded, duplicative, and unnecessary statutory requirements. It also requires studies of the impact of risk-based capital standards and the payment of interest on sterile reserves.

I want to highlight one amendment of mine that was included—and, again, I thank the managers—in their amendment. This amendment provides additional flexibility of bankers' banks to provide correspondence services, and it increases the lending limit for loans secured by securities from 10 percent of capital to 15 percent of capital. This will allow the bankers' banks to grow. In my State and other States which serve many of the small institutions, it will make them much more effective providers of credit in their community, and it will improve the service and the credit they provide.

I am most grateful to Senator D'AMATO and his staff for the help and insertions into the managers' amendment. I also note my thanks to the chairman and ranking member for all their hard work on this legislation. I urge my colleagues to support S. 1275. Since we have not seen too many people opposing S. 1275, I assume that the chairman and the ranking member have been extremely persuasive. I add my support for their strong statements in behalf of the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KOHL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KOHL. Mr. President, I rise today to express my strong support for S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act. Let me begin by commending the managers of the bill—Chairman RIEGLE and Senator D'AMATO—for their work on this important measure. They have crafted a comprehensive, balanced, and effective piece of legislation that will help communities and businesses help themselves.

Let me tell you why I support this legislation. First, the community development fund created by this bill will help community banks and credit unions provide credit to the businesses that build and sustain communities. As a former businessman, I know well that communities are built on jobs. Jobs that are provided by community based businesses. And the community development fund will help traditional lenders and financial institutions provide job creating credit where it is most needed.

Furthermore, this legislation will achieve that goal by utilizing existing community banks, credit unions and other financial institutions, rather than creating massive new Federal bureaucracies. In my own State, Mr. President, most of our bankers are community bankers. They live in the communities where their banks are located, they know their neighbors, and they know the businessmen and businesswomen who invest in their communities. In Wisconsin, bankers invest in their communities not only because it makes good business sense, but also because they are a part of the community. So I commend the managers for recognizing what we in Wisconsin know well: that community bankers are part of the solution, and not part of the problem.

But this bill does more. This legislation also recognizes the need to ensure an adequate flow of credit to job creating small businesses. The provisions on securitization of small business loans represent an important first step toward that goal. As we all know, small businesses create most of the new jobs in this country, and this provision will provide much needed assistance to the very people who lay the foundation for successful community development.

Finally, this bill will help traditional lenders free up additional resources by providing relief from unnecessary and wasteful regulations. While we all agree that fair credit, safety and soundness and other legitimate concerns need to be addressed, it is clearly apparent that unnecessary regulatory burdens make it difficult for financial institutions to focus their efforts on their primary activity which is lending money to creditworthy consumers and businesses. The regulatory relief measures in this legislation represent an important first step toward reducing the burden that affects not only bankers, but the communities that they are attempting to serve.

So, once again I commend the managers of the bill for their efforts, and I urge the swift adoption of this bill. I yield the floor.

Mr. MITCHELL. Mr. President, I would like to commend you and the Banking Committee on the bill you have brought to the floor today. This legislation will provide a much needed economic boost to depressed rural and urban communities by providing assistance to new and existing community development financial institutions [CDFI's].

I would like to ask the chairman to clarify an issue for me. Four organizations in Maine—the Androscoggin Valley Council of Governments, the Eastern Maine Development Corporation, the Kennebec Valley Council of Governments and the Northern Maine Development Commission intend to form a consortium with a statewide banking interest to create a CDFI pending passage of this legislation. Each of these organizations is an Economic Development District designated by the Economic Development Administration.

These organizations represent areas that cover nearly 80 percent of Maine's territory and 60 percent of its population. These are areas that exceed national and Maine average unemployment rates and poverty levels, and consequently fall far behind in per capita income. The organizations I have mentioned monitor the state of the economy in their geographic areas, and correspondingly, develop new initiatives and modify existing programs that address the needs of their local citizens.

Mr. President, it is my understanding that this legislation would preclude agencies or instrumentalities of Federal, State, or local government from being CDFI's. I am concerned that because three of the four organizations I have mentioned carry out functions which give them status as agencies of Government and they might be precluded from participating in this initiative. Could the chairman clarify how these types of institutions can participate in this program?

Mr. RIEGLE. I would be pleased to clarify for my colleague the roles that State, local, regional or quasi-governmental agencies can play in this initiative. While governmental entities may not apply directly for assistance as CDFI's, they may participate in several other ways.

First, a governmental entity—or a bank—can submit a joint application for assistance with a CDFI called a community partnership. A community partnership is an agreement between a CDFI and a community partner to provide development services and loans or equity investments to an investment area or a targeted population. An agreement will specify the functions that the CDFI and the community partner will each perform to achieve the partnership's goals. For example, a CDFI and a local government could agree to rehabilitate several apartment buildings for low-income families. The CDFI could provide renovation and mortgage financing, while the city could acquire the property, make site improvements, or offer afterschool programs for children who are residents. A community partnership is intended to marry the resources of a CDFI with government and other community organizations.

Second, a governmental entity could invest in a CDFI or provide grants to assist in meeting Federal matching requirements. In the scenario you have described involving the organizations that operate in Maine, these entities could create a new CDFI by investing, making grants, and providing expertise and technical assistance. Assuming this CDFI meets the requirements set forth in S. 1275 and the banking interest does not own more than 25 percent of the CDFI's stock, it would be eligible to apply for fund assistance. By providing matching funds or serving as an investor, a governmental entity could play a key role in setting the priorities of the CDFI. For example, a State industrial development authority could provide funds to match a Federal equity investment. In exchange for the matching funds, the CDFI could agree to operate a microenterprise lending program to serve unemployed residents of a rural county that has lost jobs due to plant closing.

Mr. MITCHELL. Mr. President, in addition to their designation as Economic Development Districts, the four organizations I have mentioned carry out many other important functions as regional planning commissions and councils of government. These multiple roles are necessary to effectively serve the needs of rural areas. Thus, these organizations have developed a wealth of expertise in serving the needs of rural communities and bring resources that individual small towns typically do not possess. Can the distinguished chairman clarify the manner in which the expertise and resources these organizations can be tapped in establishing a CDFI?

Mr. RIEGLE. I thank my distinguished colleague for raising this important question. In fact, in my home State of Michigan, officials in Wayne County are working to establish a CDFI. As in Wayne County, governmental entities can assist in establishing a CDFI by providing planning, financial, and technical assistance, but most importantly—by providing leadership and getting other organizations and private investors on board in supporting a local CDFI.

The purpose of this legislation is to create a national network of independent, market-oriented institutions that have the ability to respond quickly and efficiently to market opportunities in distressed communities. Governmental entities, while very effective in promoting community development in many circumstances, generally speaking, they are not flexible enough to respond to quickly changing economic forces.

CDFI's are a new hybrid-type of organization that have been found to be highly effective in restoring market forces in distressed communities. They combine the market orientation of for-profits with the commitment to distressed communities typical of government and nonprofits. CDFI's are not intended to supplant the activities of government—they will complement them. In communities that already have CDFI's, these organizations work effectively in partnership with government. They are another tool to help localities eradicate poverty.

Mr. MITCHELL. I appreciate the support of the chairman in clarifying the intent of this legislation. I look forward to the passage of this bill.

CDFI MATCHING REQUIREMENTS

Mr. WELLSTONE. I would like to commend the chairman of the Banking Committee for his leadership in developing this important legislation. As a cosponsor of S. 1275, I am extremely pleased the chairman has been able to bring it to the floor, and I look forward to voting in favor of its passage.

I would like to thank the chairman—for myself and on behalf of our colleagues Senators LEAHY, DASCHLE, PRYOR, WOFFORD, and FORD—for his willingness to include in the manager's amendment a provision that will help ensure rural applicants to the Community Development Financial Institutions [CDFI] Fund have an equal chance to participate in the program. I would like to thank, as well, the ranking minority member of the Banking Committee, Senator D'AMATO, for his cooperation in arriving at acceptable language.

As the chairman knows, the new provision will allow rural applicants to the CDFI fund who face severe constraints on raising private matching funds to utilize funds from two Department of Agriculture rural economic development programs for a portion of their match. The programs are USDA's Intermediary Relending Program and the Rural Business Enterprise Program. The money from these programs would be considered as non-Federal for this purpose.

As the chairman also knows from the letter our colleagues and I sent, our intention was to overcome any inadvertent bias in the CDFI program that might have put rural applicants at a disadvantage, despite the regional diversity directive contained in the bill. I am gratified he has agreed to make that adjustment.

This exception to the matching requirements should provide flexibility for applicants who are working in rural communities with very limited resources.I would suggest that when regulations are drafted to implement the provision of the legislation concerning matching requirements, particular attention be paid to the criteria used to determine whether an applicant is severely constrained, and therefore eligible to make use of the reduced match. I look forward to having the opportunity to comment on such draft regulations. it was my intention and that of the other signatories of the letter urging this provision, that factors such as the following would be taken into account when considering rural applicants—the relative availability of matching funds from private sector sources; the relative economic distress of the community to be served; and whether the applicant would target investment to a particularly disadvantaged population or a community that is losing population.

Could the chairman indicate whether he shares my understanding of the manner in which the matching requirements will operate given the changes in the manager's amendment? I would also ask the chairman whether he agrees that the criteria I suggest for determining whether applicants are severely constrained in raising matching funds are reasonable?

Mr. RIEGLE. I would like to thank my distinguished colleague from Minnesota for his kind remarks's I would also like to explain what the matching requirements of the Community Development Financial Institutions [CDFI] Fund are and why they are important. The intent of this initiative is to establish a national network of market-responsive institutions that are specifically dedicated to community development. There are many existing institutions that have grown up from the urban and rural grassroots and been successful in promoting revitalization. One of the greatest impediments to the expansion of existing or creation of new CDFI's is the availability of investment capital. The CDFI fund is created for the purpose of providing patient capital to enable CDFI's to grow. however, it is equally important, if these institutions are to be responsive to the market, that private and other local funds be leveraged and invested in CDFI's. Thus, the fund requires CDFI's to come up with a local match from non-Federal sources.

Generally speaking, CDFI's must provide one dollar in matching funds for each dollar of fund assistance. The fund has some discretion to adjust the match if it finds that some types of institutions have a greater capacity to leverage Federal dollars. The fund also has the discretion to lower the match for some institutions that face severe constraints on available sources of matching funds. The fund may reduce the match for up to 25 percent of the funds available in any fiscal year in two ways: One, it can reduce the match by up to 50 percent; or two, it can allow funds from the Community Development Block Grant Program, the Intermediary Relending Program, and the Rural Business Enterprise Program to be used for up to 60 percent of the match.

I appreciate Senator WELLSTONE's remarks concerning the factors that the Fund should take into consideration in determining what constitutes severe constraints. I believe his suggestions are reasonable and appropriate. I urge the fund administrator to consider these factors and others that address the constraints experienced by our nation's poorest communities. I appreciate and am sympathetic to Senator WELLSTONE's concerns about rural communities. I believe Senator WELLSTONE's amendment will help many people located in both distressed rural and urban communities by recognizing the disparities that often exist in attracting capital.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LIEBERMAN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMAN RIGHTS IN COLOMBIA

Mr. FEINGOLD. Mr. President, I rise to address a serious situation which exists with a key Latin American ally of the United States. I am speaking of Colombia. Colombia is widely recognized as one of the most stable democracies in the hemisphere. It has a traditional civilian and democratically elected government. Colombia is the largest recipient of United States aid in the hemisphere and a critical element in our drug strategy. Colombia is also a country close to the hearts of many people from Wisconsin. My own Dane County has a Colombian sister city, Apartado. Madison, WI is the home of a leading Colombian human rights organization, the Colombian Support Network. I am indebted to these fine Americans for their tireless efforts to uphold the principles of human dignity which should be the foundation of every country including Colombia and the United States.

I know my Senate colleagues understand the troubles which President Gaviria has faced in the last 4 years in his struggles with drug cartels and guerrilla forces. The Colombian people are a spirited and courageous people with a passion for their beliefs. Whether or not their struggles are channeled for good depends on whether their government sustains an environment for legitimate social processes. As allies, I believe that Colombia and the United States need to be truthful with each other—even when the truth maybe difficult to face.

The truth is that there is an increasing intensity of violence that pervades all parts of Colombian society. Human rights violations are widespread; government forces as well as leftist guerrillas and drug lords are guilty of the most heinous acts of murder, kidnapping, and other forms of terror. In spite of many significant reforms under President Gaviria, I'm sorry to say that there appears to be more promises than progress. I believe that Colombian violence is not only a concern for Colombians but for all their regional neighbors. It would be foolish and shortsighted for the United States to overlook such dangers in our own hemisphere. The health and well-being of Colombia is a national interest to the United States.

Although Colombia has been a stable democracy, I too often hear Colombians describe their society in oligarchic terms. That worries me because history teaches that the forces of democracy are not kind to oligarchies and that the resulting struggle is often violent. A Colombian sociologist recently likened the violence in his country to jungle vegetation that grows on weakened social structures. By that metaphor, their structure must be weak indeed because the violence in Colombia is staggering.

Their rate of violent deaths, as documented by any number of international organizations, is among the highest in the world—and growing. In 1992, there were 28,000 murders including over 100 massacres in which four or more people were killed. The 1993 statistics have reached 30,000. The portion of these murders that is best known is related to narcotrafficking. The Medellin cartel of the late Pablo Escobar was notorious for its violent practices. Experts consider the remaining Cali cartel to be more sophisticated but let us not kid ourselves about the willingness of criminals, no matter how sophisticated, to shed blood for their greed.

I know my colleagues are aware of President Gaviria's struggle against narcotrafficking, and with the substantial and—I might add—increasing aid of the United States. As we consider the administration's budget proposals for an additional $80 million of foreign aid to fight drugs, I believe we must also look at President Gaviria's other struggle—the one with leftist guerrillas throughout Colombia. Early in his administration, President Gaviria made significant gestures of reconciliation to these guerrilla forces. Negotiations reached a high point in June 1991 but then the situation deteriorated as guerrilla violence increased. By November 1992, things were so bad that a frustrated President Gaviria seemed to abandon his efforts to achieve broad negotiated settlements. He declared virtual war against the terrorists, murderers, and kidnappers, against that handful of deranged fanatics who have not read in the newspapers the sorry story of the end of communist totalitarianism. Colombian defense spending in 1993 was more than twice their 1990 level. Many outside experts, including the GAO, have warned that today we are unable to prevent Colombia's use of our antinarcotics foreign aid in their war with the guerrillas. Why are such distinctions important, many will ask? There are two reasons. In the first place, we have very limited resources and competing priorities; the administration has placed its Colombian drug strategy high on the list because of Colombia's close relationship to our drug problems at home. We must make every dollar count toward that goal.

I have a second concern as well. Much of Colombian violence is committed by drug lords and guerrillas but as much can be attributed directly or indirectly to the government itself and its escalating war with the guerrillas. I have here, Mr. President, Amnesty International's latest study of this political violence. In their view:

> Although the Colombian government may not itself have instituted policies which have resulted in systematic human rights violations, it is clearly bound by national and international law to ensure the armed forces act within the law. The government's failure to take decisive action to bring those responsible for widespread abuses to justice and to demonstrate that further human rights violations will not be tolerated is more than a tragic omission; it fuels the cycle of violence.

Those are tough words. Let me speak briefly to some of the facts behind the words. To begin with there are several groups who have been associated with this violence: the Colombian military itself, their National Police, and paramilitary groups who receive some levels of clandestine government support but who operate outside of their authority. Let me make myself clear; when I speak of the Colombian military, I am not saying that the President or the Minister of Defense are directly behind this violence. These are abuses committed by individual members of these organizations. My point is that the government has created a climate which—to restate it in Amnesty's words—a climate which fuels the cycle of violence.

One example occurred in the past year in the course of an army counterguerrilla operation. Last November, the government announced that an army battalion commander had been discharged because of reports that his troops had massacred 13 people. It turns out, this officer—a commander who ought to set an example for his troops—had been implicated in another massacre in 1988 in which 21 plantation workers died. In that case a warrant was issued for his arrest but he was never arrested or brought to trial. His punishment was a promotion. Maybe he did set an example after all. This kind of impunity undermines authority and encourages overzealous behavior in operations which are ripe for human rights abuses. According to Amnesty International, impunity is a phenomenon which continues today unabated.

Mr. President, it is worth understanding why counter-guerrilla operations are so ripe for abuses. The nature of guerrilla warfare makes it hard to tell the good guys from the bad guys. In too many cases government forces just stop trying to identify those noncombatants—the innocents protected around the world by international law. As the saying goes, they "fight the guerrillas by removing the water from the fish." We all know what that means. In Colombia it is common for the army or paramilitary units to enter a rural village and give all the villagers three simple choices; help fight guerrillas, leave the village or face torture and death. As a result many of Colombia's cities face swelling ranks of peasant refugees who are traumatized and destitute.

Ironically, the expansive Colombian military justice system effectively precludes civil jurisdiction in such cases. The Colombian constitution even contains a doctrine of due obedience that protects those operating under orders. We also remember the doctrine of due obedience. It is in some ways reminiscent of Nuremberg.

Let me conclude, Mr. President, by turning my attention to the plight of those peasant refugees of the guerrilla war and others among the poorest of Colombia's urban population. Again the Colombian Government has created a climate which fuels the cycle of violence. Many Colombian cities have death squads who, to use their own words, "eliminate and eradicate, by whatever means, all those elements not fit to live in society such as bandits, pickpockets, and drug addicts." That was a motto of a more selective death squad. Others have included prostitutes, homosexuals, vagrants, street children, and even trash collectors. According to Amnesty International, most of what some Colombians call "social cleansing of disposable people" appear to be carried out by police agents many of whom are contracted by local traders seeking to protect their economic interests.

Amnesty has provided a gripping example. In June of 1992, the Colombian State Council, their highest judiciary body, ruled that two police agents had killed an individual and ordered the Ministry of Defense to pay damages to each of his parents. The Ministry of Defense rejected the ruling and in their statement said, "at no time was evidence presented that the police force or the public administration were at fault, hence there is no case for the payment of any compensation by the nation." So far, so good. But they went on to add that there was no case "particularly for an individual who was neither useful nor productive, either to society or to his family, but who was a vagrant whose presence nobody in the town wanted."

Mr. President, I believe this level of disdain for the dignity and worth of the least of our brethren undermines the significant progress which Colombia has made on paper. In the words of Amnesty International, "the failure to ensure respect for human rights and the rule of law cannot be compensated for by the introduction of numerous largely ineffectual measures ostensibly designed to safeguard human rights, but which in reality have mainly served to protect the government's national and international image."

Frankly, Mr. President, I believe those of us concerned with social problems at home can learn much from the Colombian experience. But I must point out that the biggest distinction which presently separates our two countries is our respect here for the rule of law. Colombia has spent 37 of its past 44 years under some form of a state of emergency during which time constitutional guarantees have been side-stepped. President Gaviria has had his country under these conditions since 1992. The Human Rights Commission of the Organization of American States has called upon President Gaviria to reserve these states of emergency for only the most serious matters and to use routine measures to deal future internal disturbances—as yet to no avail.

Mr. President, I close in search of ways in which we can help the government and the people of Colombia. I would like to see the administration exert every effort to encourage a cease fire on the parts of the guerrillas and of the government and to return to negotiations. I would also challenge the administration and the Colombian Government to seek innovative and practical solutions to the "end-use monitoring" problem in order to ensure both countries that our military aid provided for fighting drugs is only used for that purpose. With a cease fire in place, we could also be more confident that our aid provided for fighting drugs is only used for that purpose. And finally, I urge the administration to insure that all contacts with members of the Colombian Government reflect the highest respect for the rule of law and human dignity.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask unanimous consent to proceed as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESTORATION OF BYRNE FORMULA GRANTS

Mr. GORTON. Mr. President, Edward Byrne was a young New York City policeman killed in action by drug lords in the 1980's. His heroism inspired the greatest crime fighting tool against drug traffickers that State and local law enforcement have ever known: the Edward Byrne Memorial State and Local Law Enforcement Assistance Program. Since the program was created in 1988, the Byrne granters have provided State and local law enforcement agencies across the country a fighting chance against well-organized, sophisticated, and violent illegal drug operation rings.

You would think that in his tough talk on crime, the President would have remembered this heroic officer whose name has done more to take dope pushers off our streets than has any other. But the President has proposed that we eliminate funding for the Byrne grants. At a time when our families and neighborhoods need effective law enforcement more than ever, we can't afford to forget this successful program.

Let me tell you what the Byrne grants have meant to my State of Washington.

In Yakima, the Lower Valley Narcotics Task Force, called the Law Enforcement Against Drugs or LEAD Task Force, was established by a $350,000 Edward Byrne grant. Most of the annual grant financed the wages of a nine-detective operation coordinated by Washington State Patrol officers. Basic equipment from notepads to chairs was borrowed or donated to the outfit. The LEAD task force received a $100,000 cut last year and subsequently lost two detective positions.

Despite this minimum amount of support, the LEAD task force has arrested 191 people, seized 23,152 grams of cocaine, 108.8 grams of heroin, 99,670 grams of marijuana, 1,500 marijuana plants, 208.9 grams of LSD, 175 grams of methamphetamines, and over 100 weapons. More than half of those arrested were upper level distributors of narcotics. In 1992, the task force, working with the Yakima County sheriff's office, conducted a drug trafficking investigation that resulted in 17 arrests and convictions.

The Spokane Regional Drug Task Force dismantled a cocaine distribution ring in 1992 which had been responsible for smuggling over 40 kilograms in the Spokane area. The task force arrested 10 people, seized $75,000 in cash, 11 vehicles, a lake cabin, and over $700,000 of assets in Hawaii. Another cooperative investigation with the FBI seized 5,358 marijuana plants worth approximately $10 million and resulted in the arrests of another 10 individuals.

The Thurston County Task Force arrested a multikilogram cocaine dealer who was eventually sentenced to 25 years in jail; $1 million in assets was seized.

The Tri-City Metro Drug Task Force conducted 454 cases in 1992 resulting in 231 arrests.

In 1993, the Mason County West Sound Narcotics Enforcement Team conducted an undercover operation focusing on youth gangs called Operation Rock-and-Roll. Fifty people were arrested and gang participation in the areas was reduced significantly.

The Tacoma Narcotics Task Force was responsible for busting a major methamphetamine distribution network in 1993 seizing more than 100 pounds of ice.

This represents only a small fraction of the impact that these task forces have had on stopping the flow of drugs from distributors to our school grounds. From Grays Harbor County to Okanogan County and from Whitman County to Bellingham, these multijurisdictional task forces are the primary source of drug interdiction in Washington State. Considering the millions in assets seized annually and the prevention of drug abuse, the Byrne grant program in Washington State is among the wisest investments of Federal taxpayer money.

Amazingly, most of these task forces operate on Federal contributions of less than $200,000 a year.

Designed to provide State and local flexibility and control over law enforcement strategies, Byrne money is distributed directly to all States on a population-based formula. I would like to submit for the RECORD a summary of amounts each State received in fiscal year 1994. States or localities must match up to 25 percent of the cost of a program and no more than 10 percent of the formula grant to the State can be used for administrative purposes. From there, nearly two-thirds passes through to local law enforcement and on to the front lines where the money can be used for 20 different law enforcement activities including demand reduction education programs; multijurisdictional task forces that integrate Federal, State, and local drug law enforcement agencies and prosecutors; programs designed to target clandestine drug labs; community and neighborhood crime prevention programs; and white-collar crime and organized crime.

As drug dealers adapt to new law enforcement tactics, these funds are a primary source for innovation and experimentation to keep the bad guys on the run.

Of all the activities permitted under the Byrne grants, the multijurisdictional task forces are among the most cost effective and productive in the fight against crime. In my State of Washington, a total of 21 multijurisdictional task forces, the drug prosecution assistance program, and several community policing programs were funded with Byrne grants totalling $8.2 million in fiscal year 1993. More than half of that amount was dedicated toward multijurisdictional task forces with the Washington State Patrol playing an important role as coordinator and supervisor of many of the teams. In fiscal year 1994, the total State allocation was decreased by 14 percent. An additional 10 percent is currently being withheld due to the State's noncompliance with HIV reporting requirements provided in section 1804 of the Crime Control Act of 1990.

Despite these cutbacks, uncommon cooperation among State and local law enforcement has made Washington State's task forces renowned for their efficiency and effectiveness.

Since it received $500 million in fiscal year 1992, the Byrne program received dramatic decreases to $423 million in fiscal year 1993 and $358 million in fiscal year 1994. While States and localities were adjusting to this substantial cutback in Federal law enforcement assistance, no one was prepared for the administration's dismaying recommendation this year to eliminate the Byrne grants altogether.

After all, this was the President who promised to add 100,000 new cops on our streets. This President was a former Governor who said he understood the effectiveness of the Byrne grant to States, cities, and towns. Unfortunately, law enforcement officials across the country are shaking their heads in disbelief as they hear about page 97 of the fiscal year 1995 budget summary for the Department of Justice which reads:

> The elimination of the Byrne formula grants is requested in order to support expansion of Juvenile Justice Program crime prevention activities and provide some of the funding necessary for the Department to maintain its primary Federal law enforcement responsibilities. Further, the administration believes that the many new State and local assistance programs provisions, offered by the pending Crime Control and Law Enforcement Act, will more than offset the loss of the Byrne Program formula grants. These new State and local programs, authorized in the crime bill, will include grants for community policing, criminal history records upgrades, boot camps, drug courts for youthful and nonviolent offenders, and drug treatment in prisons and jails.

In other words, the administration is saying again "don't worry, you're covered."

The last time we heard that, the President tried to sell a health care package that was equally difficult to understand as an actual improvement. Law enforcement has a right to be skeptical.

First, few would argue with the need for more juvenile justice assistance programs. Our children face enormous challenges and increasingly are becoming both victims and assailants in violent crime. In Washington State, violent crimes by youths have doubled in the last decade despite a 3 percent decrease in the overall youth population.

To think that eliminating the main defense against drug trafficking will not erode our efforts on behalf of children is absurd. Juvenile justice programs and narcotics task forces are part of the same effort and cannot be traded off against each other.

Second, it is not clear what the administration means by "funding necessary for the Department to maintain its primary Federal law enforcement responsibilities." That could mean anything from ethics briefings for the White House to salaries and expenses of a special prosecutor. Since much of the Byrne money goes to multijurisdictional task forces that include Federal law enforcement and pursue interstate drug traffickers, it is hard to believe that these are not considered primary Federal law enforcement responsibilities.

Third, law enforcement personnel cannot reasonably rely on the administration's belief that the pending Crime Control and Law Enforcement Act will more than offset the loss of the Byrne Program formula grants. Considering the fact that there is a $16 billion difference between the Senate-passed crime bill, and the House bill currently in the House Judiciary Committee, few can know what, if anything, will emerge from a Senate-House conference comparable to the Byrne grants. In any case, the administration displays a complete lack of appreciation for the role of the multijurisdictional task forces when it suggests that boot camps, drug courts for youthful and nonviolent offenders, and drug treatment in prisons and jails can replace their effectiveness. The Byrne grants fund programs with proven success. We cannot trade one for the other.

Fourth, the administration seems to neglect the substantial sum, nearly $2 billion according to some estimates, that these multijurisdictional task forces generate in seized assets.

Finally, the President's enthusiasm over hiring 50,000 new officers perplexes many of those in and outside of law enforcement. In doing so, he suggests that eliminating experienced narcotics officers who are primarily responsible for drug interdiction before the drugs get to the cities, can somehow be justified by hiring rookie cops in the big cities for a period of 3 years. What makes for a great photo opportunity with big city mayors is simply a horrible policy. It exemplifies an administration run by a campaign mentality, instead of the public interest.

Mr. President, we desperately need new police officers in our cities, but not at the expense of law enforcement in rural areas. In taking from rural task forces to pay for new city police, the President is blatantly suggesting we rob Peter to pay Paul when both are obviously needed.

Perhaps the reason for the administration's hostility to the Byrne grants is simpler. According to an article in the February 28, 1994, issue of the Legal Times:

> Reno has long complained about the amount of Justice Department dollars over which the department has little control. Reno aides say she believes the money is often doled out in an ad hoc manner, without the benefit of a well-coordinated national strategy. "Our view is that it makes sense to target these dollars where they are needed most rather than through a formula program," says Justice Department spokeswoman Julie Anbender.

If the Federal Government had a history of wiser spending habits than State governments, this argument would be persuasive. Instead, it simply sounds like a turf war for control over taxpayer dollars that most Americans would like to see spent at the State or local rather than the Federal level. Governors and local law enforcement are usually more qualified to determine where dollars are needed most than a Federal bureaucracy.

I urge my colleagues to listen to those on the front line. Last December, I met with representatives of the Washington State Association of Sheriffs and Chiefs of Police to discuss law enforcement needs in Washington State. I highly recommend to my colleagues a similar meeting if they want to know the truth about the impact of eliminating the Byrne grants. According to the Washington State Patrol, loss of the Byrne grants would be devastating. An impact analysis claims that:

> Interjurisdictional cooperation would be greatly impaired;
>
> Loss of BJA funding would cause approximately 80 percent of the multijurisdictional task forces to disband. The effectiveness of the remaining 20 percent would be greatly reduced;
>
> Rural areas would suffer the most because they do not have funds to replace lost federal dollars; and
>
> Drug control strategy is adversely impacted if task forces fold. Traffickers will move into areas where there is a lower law enforcement presence.

In the real world, the loss of the Byrne Grant Program is disturbing to many and frightening to those in the field. Imagine yourself as a narcotics smuggler. You hear through your contacts that the DEA office is closing due to budget cutbacks. Good news. You notice that the FBI is reassigning agents away from your area due to a hiring freeze. Good news. You see that fewer State patrols are doing drug investigation because of cuts in the State budget. Good news. You read that the local police force lost a vote in the city council to hire additional narcotics officers. Good news. Finally, you hear on the radio that the President has recommended elimination of those pestering task forces that have been trailing you. You win. There is no effective effort to stop your poisonous trade. The future looks good.

Mr. President, there is an awful lot of good news these days for drug dealers. And that is bad news for our children, our neighbors, our schools, and our Nation. Drugs shatter young lives and they strip them of the American dream. In the coming days, I and thousands of police officers across the country will be reminding the President and the Congress about Officer Edward Byrne.

We will try our best beginning with the budget resolution to ensure adequate funding for the task forces which we cannot afford to sacrifice. I urge my colleagues to join me in this effort all the way through the appropriations process. The Edward Byrne Task Forces are claiming substantial victories in the war against drugs. The drug lords would like us to surrender, but our children's future demands that we keep fighting until we have won.

Mr. President, I ask unanimous consent that the tables to which I referred earlier be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

[Dollars in millions]

Formula grant program allocation of funds	Fiscal year 1994 State allocation	Percentage to be passed through to local jurisdictions
Alabama	$5,827,000	50.95
Alaska	1,595,000	21.97
Arizona	5,465,000	61.04
Arkansas	3,756,000	54.87
California	37,704,000	63.15
Colorado	5,033,000	58.82
Connecticut	4,808,000	36.96
D.C.	1,597,000	100.00
Delaware	1,717,000	26.87
Florida	16,980,000	61.56
Georgia	8,946,000	53.39
Hawaii	2,278,000	46.45
Idaho	2,167,000	52.41
Illinois	14,765,000	64.51
Indiana	7,647,000	56.78
Iowa	4,248,000	40.79
Kansas	3,904,000	47.49
Kentucky	5,373,000	32.30
Louisiana	6,007,000	51.92
Maine	2,368,000	41.59
Maryland	6,748,000	44.47
Massachusetts	8,048,000	36.64
Michigan	12,149,000	53.10
Minnesota	6,237,000	70.29
Mississippi	4,012,000	52.52
Missouri	7,088,000	58.22
Montana	1,878,000	58.56
Nebraska	2,810,000	60.36
Nevada	2,477,000	62.01
New Hampshire	2,220,000	51.46
New Jersey	10,184,000	57.67
New Mexico	2,780,000	42.23
New York	22,502,000	63.29
North Carolina	9,055,000	41.36
North Dakota	1,653,000	56.16
Ohio	14,032,000	64.42
Oklahoma	4,725,000	45.41
Oregon	4,445,000	46.98
Pennsylvania	15,216,000	64.83
Rhode Island	2,093,000	41.76
South Carolina	5,192,000	42.53
South Dakota	1,743,000	47.16
Tennessee	6,886,000	48.78
Texas	21,950,000	65.60
Utah	3,057,000	49.76
Vermont	1,575,000	25.11
Virginia	8,500,000	30.04
Washington	7,020,000	60.25
West Virginia	3,056,000	47.93
Wisconsin	6,866,000	61.98
Wyoming	1,451,000	54.95
Puerto Rico	6,095,000	0.00
Virgin Islands	1,016,000	0.00
Guam	1,054.000	0.00
American Samoa/Northern Mariana Islands	1,002,000	0.00
Total	358,000,000	

[1] American Samoa (67%)–$671,340, Northern Mariana Islands (33%)–$330,660.

Note.—State population figures are based on Bureau of Census estimates as of July 1, 1992. Territory population figures are based on Bureau of Census 1990 Census as of April 1, 1990.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHEWS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHEWS. Mr. President, I ask unanimous consent that I be allowed to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAGNIFICENT

Mr. MATHEWS. Mr. President, I rise this afternoon to say one word in celebrating the life and mourning the passing of Frank C. Gorrell, one of Tennessee's most eminent statesmen and celebrated citizens. That word is—magnificent.

I cannot say magnificent as Frank Gorrell did, and he said it often, every time anyone asked how he was or how things were going. But I do not need to imitate his thundering good cheer and contagious conviction. The halls of the Tennessee legislature will always echo with his voice and his trademark reply—magnificent.

Frank died March 12. That is a simple fact, as are the bare facts of all our lives. And, as is always the case, the facts do not capture the quality of his service to Tennessee and the caliber of commitment that he brought to every task.

He was a gifted attorney and senior partner in one of the South's most prominent law firms. He served as Lieutenant Governor of Tennessee for 5 years and a State senator for 9. He once said that he left public office because people were starting to call him a politician. Any of us would be honored to be called a politician if we could be compared to Frank Gorrell.

Even when Frank left public office, he never left public service. He remained an earnest advocate for public interests and was confidant to Tennessee's highest State leaders, including Gov. Ned McWherter, Vice President AL GORE, and Senator JIM SASSER.

I knew him in all those roles, but I knew him best as my friend. He was a bear-sized man who was as large as life in every way. Above all, he had a competitor's heart. He loved the contest, and he loved to win. The bigger the battle the better he liked it, and Frank brought on some of the biggest battles in the history of Tennessee's legislature. But after the fight was done, he was ready to embrace his adversary and carry on for the good of Tennessee.

Tennessee is diminished by his death. The support and sympathy of all Tennesseans go out to his wife Candy, his sons Frank III and Rick, and each member of his family.

The man who succeeded Frank, Tennessee's current Lieutenant Governor, John Wilder, summarized Frank's life best. He said, "The tragedy of life is not death but a failure to live, and Frank lived until he died to the fullest."

That he surely did. Magnificent, Frank. We will all miss you.

Mr. President, I yield the floor.

Seeing no one seeking recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Mathews). Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

AMENDMENT NO. 1528

(Purpose: To authorize a study of the effects on small business concerns in the forest products industry of designating the northern spotted owl as a threatened species)

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Would the Senator seek consent to set aside the pending amendment?

Mr. PACKWOOD. I ask unanimous consent to set aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. Packwood] proposes an amendment numbered 1528.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . STUDY OF EFFECT OF THE NORTHERN SPOTTED OWL ON SMALL BUSINESS CONCERNS.

(a) Definitions.—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Small Business Administration; and

(2) the term "small business concerns" has the same meaning as in section 3 of the Small Business Act.

(b) Findings.—The Congress finds that—

(1) a critical and worsening timber supply shortage exists within the social and economic area that generally corresponds to the range of the Northern spotted owl, including Western Oregon, Western Washington, and Northern California, as a consequence of various actions by the Federal Government aimed at stabilizing and recovering the Northern spotted owl as well as other species thought to be associated with old-growth forests; and

(2) numerous small business concerns rely for their livelihood on the adequate harvest of timber from Federal and non-Federal lands within the range of the Northern spotted owl and related species.

(c) Business Study.—The Administrator shall conduct a study that analyzes—

(1) the nature and extent of economic losses to small business concerns in the forest products industry that have occurred subsequent to the designation of the Northern spotted owl as a threatened species pursuant to section 4 of the Endangered Species Act of 1973, or that are reasonably likely to occur in the future as a result of present trends;

(2) the ability of small business concerns to recoup the fair market value of equipment and other property employed in the harvest and processing of timber prior to the listing of the Northern spotted owl as a threatened species; and

(3) the ability of small business concerns in the affected area to offer alternative products or services for which there is a ready or likely suitable market.

(d) Report.—

(1) In general.—Not later than 6 months after the date of enactment of this section, the Administrator shall submit a report of the results of the study conducted under subsection (c) to the President and to the relevant committees of the Senate and the House of Representatives.

(2) Options.—The report shall include options for Congress and the President for compensating small business concerns for economic losses and for promoting business transition and diversification.

(3) Consultation.—In preparing the report, the Administrator shall consult with small business concerns in the forest products industry, and shall solicit comments from the public.

Mr. PACKWOOD. Mr. President, this is a simple amendment and it calls for a study. It does not call for expenditure of any money other than what the study may cost.

It is an amendment to require the Small Business Administration to conduct a study of the effects of the northern spotted owl on small business concerns.

Numerous small business concerns rely for their livelihood on the adequate harvest of timber from Federal and private lands in the range of the northern spotted owl. This amendment will require the Small Business Administration to analyze the ability of small business concerns to recoup the fair market value of equipment used in the harvest and processing of timber prior to the listing of the northern spotted owl.

The Small Business Administration will also analyze the ability of small business concerns to offer alternative products or services for which there is a ready or likely suitable market.

Not later than 6 months after the enactment of this amendment, the Small Business Administration must submit a report of its findings.

Mr. President, the market for used sawmill and logging equipment has become saturated since the spotted owl was listed as a threatened species.

This equipment is selling for a fraction, a very small fraction of its fair market value at the time the spotted owl was listed as a threatened species.

The Clinton administration proposes an economic and community assistance program that will provide modest assistance through the Rural Development Administration and Economic Development Administration. I support that.

But, Mr. President, I am afraid that barely scratches the surface. That is why I am calling on my colleagues to support the amendment which directs the Small Business Administration to fully analyze the need for assistance and the adequacy of current and proposed Federal programs.

It is my hunch that the Small Business Administration will find an enormous gap between what is needed and what may become available for the future.

Let me use a couple examples if I might, Mr. President.

Sawmills. You hardly think in terms of used equipment as a sawmill, but a used sawmill will sell now for about 5 percent of its former market value. There is no timber. A sawmill is of no use if there is no timber. The best you can do is scrap it and hopefully use the equipment that is in it at some other mill that may have access to timber someplace else in the country.

Or you are an independent contracting log truck driver. You own your own truck—and this is very common. You own usually one truck. You repair it yourself; you work 8, 10, 12 hours a day hauling logs under contract. The log truck is not good for anything else. You do not use it to haul asphalt. You do not use it to deliver bread. You use it to haul logs.

When the Federal Government, because of the Endangered Species Act and the spotted owl, stops the harvest of logs, you, through no fault of your own, have lost in essence all of the value of your truck.

So all I am asking with this amendment is that the Small Business Administration do a study of these effects. I am not asking that money be appropriated. I am not asking that the Federal Government buy the trucks or buy the mills. I am simply asking that we have a study so that we might know the effect in, and they are usually rural areas—small town areas, might know the effect of these Federal actions on these small businesses.

I thank the Chair. I hope that the amendment would be adopted.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Senator GORTON be added as a cosponsor of the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

TITLE I, SUBTITLE B

Mr. D'AMATO. Our amendment includes language directing the Federal Reserve Board to prohibit acts or practices in connection with mortgage lending that it finds to be associated with abusive lending practices or otherwise not in the interest of the borrower. I believe it would be helpful if we took this time to elaborate on this provision and how we intend it to be applied by the Federal Reserve.

Mr. RIEGLE. Certainly. I am extremely concerned about evidence that I have received indicating that lenders are repeatedly refinancing home equity loans, rolling the borrower from one loan into another. In the process, the lender extracts points and fees on each new loan while extending little in the way of new money.

I am including for the RECORD a case that I have received from the National Consumer Law Center as an example. In this instance, an elderly Massachusetts couple wound up refinancing their loan 8 times in 39 months. Each refinancing included a prepayment penalty of 6 months interest as well as other fees. They finally repaid the loan through yet another refinancing with a different lender. By the end of the process, they had received a total of $48,630. For use of that amount, they paid $85,410.

In the version of subtitle B of title I of S. 1275 reported by the Banking Committee, we attempted to address this problem by preventing lenders who refinanced loans covered by the legislation from charging points or fees on any portion of the loan refinanced. The lender could only charge points on new money originated.

This approach is problematic, however, as it eliminates the incentive for a lender to refinance even when the terms of the new loan are clearly more advantageous to the borrower. Even worse, it seemingly encourages refinancings that enlarge the outstanding balance in order to generate fee income.

Given these problems, we have removed this restriction from the legislation and replaced it with a directive to the Federal Reserve Board. The directive instructs the Board to prohibit "acts or practices with regard to refinancings of mortgages that the Board finds to be associated with abusive lending practices."

To illustrate such practices, I have included for the RECORD a flyer that was sent to the elderly Massachusetts couple to whom I have already referred. As I mentioned, this couple refinanced their loan eight times in 39 months, incurring prepayment penalties and fees each time. The flyer shows how the lender encouraged these transactions. In bold type, the solicitation offers to the borrower a "$5,000 guaranteed increase to your loan." What the borrower receives, however, is not a $5,000 increase, but a new loan that generates $5,000 in new money. At the same time, the transaction generates prepayment penalties on the old loan, as well as origination fees on the new loan.

The directive also instructs the Board to prohibit practices associated with refinancing that are "otherwise not in the interest of the borrower." As you are aware, we gave considerable thought to preventing the charging of points and fees on any refinancing that is not in the interest of the borrower in this legislation. We abandoned this language for fear that a vague standard in this area would lead to endless litigation. I would expect, however, that the Board could identify standards that could be applied. Clearly, there are refinancings that are undoubtedly in the interest of the borrower. When a 15-percent mortgage is replaced with a 10-percent mortgage of similar term with no points and fees, the borrower is certainly better off.

At the same time, however, there are also refinancings that clearly are not in the interest of the borrower. Lenders who convince borrowers to pay substantial prepayment penalties and origination fees in order to obtain new loans on substantially similar terms and without significant new money originated are simply rolling the borrower to generate fee income.

These sorts of practices must be stopped. We have attempted to draw bright lines in this legislation in order to minimize any impact on the rest of the mortgage market. In areas that did not lend themselves to clear statutory tests, we instead have relied on the Board to address abusive lending practices. There should be no mistake about our intentions, however. These abusive lending practices are going on, and we want them stopped. I expect that the Board will act as we have and stop unscrupulous lenders from strip mining the equity out of borrowers' homes.

Mr. D'AMATO. I have one other question. The bill provides for civil penalties for failure to comply with any requirement under section 129 of truth in lending. Would a violation of a Federal Reserve Board regulation promulgated under section 129 constitute a violation for which civil liability may be found?

Mr. RIEGLE. Absolutely, it is well established that a violation of a regulation promulgated under a statutory provision is a violation of a requirement under that provision.

Mr. D'AMATO. I thank the chairman for his explanation. I agree with his analysis.

Mr. RIEGLE. I ask unanimous consent that flyers and a case study of the Massachusetts couple to which I previously referred be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CASE STUDY—MR. AND MRS. H

Mr. H is 77 years old and Mrs. H is 70. They have lived in their home in Mattapan, Massachusetts for 25 years. In September 1986, the H's entered into the first in a series of seven high interest rate mortgage loans with Financial Enterprises Corporation. The H's were referred to FEC by a loan broker because they sought to consolidate their car loan and a credit card bill. At the time, they owned their $140,000 home free and clear of liens.

The September 1986 mortgage was at an initial rate of 16.5% and was purportedly for the amount of $20,650. Of the $20,650 proceeds of the loan, $800 was paid to Bernard Shuster as an attorney fee and $700 was paid to the loan broker. Bernard Shuster was president and chief operating officer of the company. The loan note contained a penalty of six months interest in the event of prepayment during the loan term.

Almost immediately after the loan was made and at all times during the course of dealing between the H's and FEC, FEC sent the H's monthly notices informing them they were eligible for guaranteed new loans for additional small amounts of cash. The notices did not inform the H's that the new loans would require a prepayment of their prior loan with a resulting prepayment penalty. Copies of some of the advertisements are attached.

In response to the advertisements the H's went to FEC for the following series of refinancings:

a. On December 31, 1986, the H's obtained additional cash in the amount of $1,553.21. In addition, the principal paid in the new loan included a prepayment penalty of six months interest and an attorney fee of $500 paid to Bernard Shuster for a total new obligation of $23,000 at 16.5% interest.

b. The H's went to FEC for refinancing on February 5, 1987 and obtained additional cash in the amount of $10,091.62. In addition, the new loan included a prepayment penalty of six months interest and an attorney fee of $250 payable to Bernard Shuster for a total new obligation of $33,700 at 16.5% interest.

c. The H's went to FEC for refinancing on September 1, 1987 and obtained additional cash in the amount of $5,083.68. In addition, the new loan included a prepayment penalty of six months interest and an attorney fee of $500 payable to Bernard Shuster for a total new obligation of $39,400 at 16.5% interest.

d. The H's went to FEC for refinancing on September 9, 1988 and obtained additional cash in the amount of $4,382.48. The new loan included a prepayment penalty of six months interest and an attorney fee of $500 payable to Bernard Shuster for a total new obligation of $45,000. At the time of this transaction, the initial interest rate for the loan increased to 17% even though prevailing interest rates had decreased.

e. The H's went to FEC for refinancing on March 16, 1989 and obtained additional cash in the amount of $3,296.45. The new loan included a prepayment penalty of six months interest and an attorney fee of $500 payable to Bernard Shuster for a total new obligation of $50,000. At the time of this transaction, the initial interest rate for the loan increased to 18.5% even though prevailing interest rates had decreased.

f. The H's final loan with FEC for refinancing was made on June 26, 1989. They obtained additional cash in the amount of $5,072.53. The new loan included a prepayment penalty of six months interest and an attorney fee of $850 payable to Bernard Shuster and a $125 fee for document preparation for a total new obligation of 57,800 at 18.5% interest.

Copies of the loan disclosures for each transaction are attached. Between each refinancing the H's made all payments due on the loans as scheduled. Nevertheless, due to prepayment penalties invoked by FEC, at the time of each and every refinancing, the principal claimed due on the prior loan was actually greater than the principal loaned by FEC to the H's in that prior loan. For example, even though the H's made 12 payments on the September 1, 1987 loan before refinancing on September 9, 1988, FEC claimed that the balance owed on the prior loan had increased from an initial balance of $39,400 to $40,117.52, presumably because of prepayment penalties. FEC repaid itself that amount in the refinancing of September 9, 1988.

By bifurcating the loan transaction into seven transactions, FEC not only benefitted by invocation of hidden prepayment penalties which consecutively ratcheted up the principal of each loan, but also, FEC principal Bernard Shuster collected $3,900 in attorney fees for work performed which would not have been due in a single transaction.

Sometime after June 26, 1989, FEC gave the H's name to a loan broker without their authorization. The broker called the H's out of the blue and offered to arrange a loan for them at a lower rate than their loan with FEC. In November, 1989, that loan broker arranged a mortgage loan for the H's with a third party lender. FEC, after invoking additional prepayment penalties, was paid at least $64,800 from the proceeds of that loan.

Over a thirty-nine month period, FEC advanced the H's no more than $48,629.97. Over that same period, FEC was repaid at least $85,410.14. (By way of comparison that payback on a 39 month loan of that size would have an effective APR of 38%.) Each and every transaction between the H's and FEC was fully secured by a mortgage taken by FEC on the H's residence. The H's residence had a fair market value in excess of $140,000. By June 26, 1989, FEC held seven open mortgages. (Retention of open but paid mortgages has long been used in the industry to scare off companies willing to provide alternate financing at lower rates. See *Bookhart* v. *Mid-Penn Consumer Discount Co.*, 559 F. Supp. 208 (E.D. Pa 1983)). None of the abusive loan terms in the series of transactions can be justified by market forces, because full security based on the value of the H's residence meant that FEC could obtain repayment by foreclosure if the H's couldn't pay. (FEC, has in fact, commenced approximately 250 foreclosures in Massachusetts and has threatened many more.)

Although the series of transactions started out with relatively modest payments of $310.54, the final transaction involved payments of more than $1,000, an amount which exceeded 60% of the H's fixed income. Although the H's made payments for several years on the last in the series of transactions, (because Mr. H returned to manual labor), payments could not be made after Mr. H became too disabled to work. The third party lender which paid off FEC is now foreclosing.

[Flyer No. 1]

YOU QUALIFY FOR A $5,000 GUARANTEED INCREASE IN YOUR LOAN

DEAR VALUED CUSTOMER: Now that the Fall is approaching, we are pleased to offer you a guaranteed addition to your present loan—to use in any way you see fit.

This is the ideal time to make those final improvements to your home before the winter arrives. You may need to upgrade your heating system, obtain a new roof, new siding, insulation or replacement windows.

Or . . . perhaps you would like to purchase a car, consolidate your outstanding debts or pay for the coming year's tuition costs . . . We will increase your present loan for any worthwhile reason.

This exceptional offer is valid only to you for 60 days upon receipt of this letter. If you would like to take advantage of this offer please call Steve Burns at our toll free number 1-800-538-6900.

If you satisfy some basic conditions, we can have the money in your hands in days.

Sincerely,

STEVE BURNS,
Financial Enterprises.

[Flyer No. 2]

YOU QUALIFY FOR A $7,500 GUARANTEED INCREASE IN YOUR LOAN

DEAR VALUED CUSTOMER: Now that the Spring is approaching, we are pleased to offer you a guaranteed addition to your present loan—to use any way you see fit.

This is an excellent opportunity to get additional cash that can make your life better . . . major home improvements, remodeling, vacation or almost any personal or business reason where extra cash can help. And best of all, you can receive additional funds in three business days!!!

Or . . . perhaps you would like to purchase a car, consolidate your outstanding debts or pay for the coming year's tuition costs. We will increase your present loan for any worthwhile reason.

This exceptional offer is valid only to you for 60 days upon receipt of this letter. If you would like to take advantage of this offer please call Steve Burns on our toll-free number, 1-800-538-6900.

If you satisfy some basic conditions, we can have the money in your hands in days.

Sincerely,

STEVE BURNS,
Financial Enterprises Corp.

Mr. WOFFORD. Mr. President, I support the Community Development Banking and Financial Institutions Act. I believe it will spur lending in underserved areas and I believe it will help the private sector to create jobs.

The manager's amendment to S. 1275 includes an amendment, the Rural Capital Formation Amendment, that I and Senator LEAHY have proposed. The purpose of this amendment is to make sure that the benefits of this legislation are felt in our rural communities. It will specifically give new and small rural community development banks more flexibility in meeting the matching requirements.

I thank the committee chairman, the distinguished Senator from Michigan, and the ranking member, the distinguished Senator from New York for their assistance and cooperation.

Mr. RIEGLE. Mr. President, I thank the distinguished Senator from Pennsylvania for his support and his attention to the capital needs of our Nation's rural communities. I am pleased to have worked with Senator WOFFORD and Senator LEAHY in making this improvement to the legislation.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, I ask unanimous consent that I may be able to proceed as in morning business for 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD. Mr. President, I am not going to object. My amendment is pending.

I ask unanimous consent to add Senator HATFIELD as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. I have no objection to the Senator speaking.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

(The remarks of Mr. DODD pertaining to the introduction of S. 1939 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DODD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I withdraw the amendment that I have previously offered.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 1528) was withdrawn.

AMENDMENT NO. 1529

(Purpose: To authorize a study of the effects on small business concerns in the forest products industry of designating the northern spotted owl as a threatened species)

Mr. PACKWOOD. Mr. President, I send to the desk another amendment that may have the wrong number on it. I think it has the same number as the other amendment.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. PACKWOOD] proposes an amendment numbered 1529.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . STUDY OF EFFECT OF THE NORTHERN SPOTTED OWL ON SMALL BUSINESS CONCERNS.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Small Business Administration; and

(2) the term "small business concerns" has the same meaning as in section 3 of the Small Business Act.

(c) BUSINESS STUDY.—The Administrator, in consultation with the Secretary of the Interior, shall conduct a study that analyzes—

(1) the nature and extent of economic losses to small business concerns in the forest products industry that have occurred as a result of the designation of the Northern spotted owl as a threatened species pursuant to section 4 of the Endangered Species Act of 1973, or that are reasonably likely to occur in the future;

(2) the ability of small business concerns to recoup the fair market value of equipment and other property employed in the harvest and processing of timber prior to the listing of the Northern spotted owl as a threatened species; and

(3) the ability of small business concerns in the affected area to offer alternative products or services for which there is a ready or likely suitable market.

(d) REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this section, the Administrator and the Secretary of the Interior shall submit a report of the results of the study conducted under subsection (c) to the President and to the relevant committees of the Senate and the House of Representatives.

(2) OPTIONS.—The report shall include options for Congress and the President for compensating small business concerns for economic losses and for promoting business transition and diversification.

(3) CONSULTATION.—In preparing the report, the Administrator and the Secretary of the Interior shall consult with small business concerns in the forest products industry, and shall solicit comments from the public.

Mr. PACKWOOD. Mr. President, there is a slight change. I am indebted to both Senator BAUCUS and Senator CHAFEE and their staffs for calling this to my attention. We made a slight change in the bill. The findings have been stricken out, and the findings, of course, are not critical to the bill. Then we have added the words, after "Administrator," referring to the Small Business Administrator, in various places, "in consultation with the Secretary of the Interior."

And on page 2 of the bill, line 25, the wording has been changed from "* * * forest products industry that have occurred subsequent to the designation"—that has been changed to "* * * forest products industry that has occurred as a result of the designation."

And those are the only changes in the bill, other than other references to the Secretary of the Interior acting in conjunction with the Small Business Administrator.

I am delighted Senator BAUCUS and Senator CHAFEE called this to my attention.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1523, AS MODIFIED

Mr. RIEGLE. Mr. President, I want to send an amendment to the desk that will address an earlier amendment, amendment No. 1523, which was previously agreed to.

I now want to send an amendment to the desk that will modify amendment No. 1523.

I might just say, by way of explanation, this is to conform to the changes that Senator SHELBY and Senator MACK have sought and that we have worked out on a bipartisan basis within the committee.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The modification is as follows:

On page 20 of the Riegle amendment, No. 1523, strike out lines 11 and 12 and insert between lines 17 and 18 the following:

(3) The appropriate Federal banking agency may require an institution with total assets in excess of $9,000,000,000 to comply with this section notwithstanding the exception provided by this subsection, if it determines that such exemption will create a significant risk to the affected deposit insurance fund if applied to that institution.".

On page 25 of the Riegle amendment, No. 1523, strike lines 8–14 and insert the following:

SEC. 337. INSIDER LENDING.

(a) LOANS TO EXECUTIVE OFFICERS BY MEMBER BANKS.—Section 22(g)(2) of the Federal Reserve Act (12 U.S.C. 375a(g)(2)) is amended by striking "With the specific prior approval of its board of directors, a member" and inserting "A member".

(b) EXTENSIONS OF CREDIT TO EXECUTIVE OFFICERS, DIRECTORS, AND PRINCIPAL SHAREHOLDERS OF MEMBER BANKS.—Section 22(h)(8) of the Federal Reserve Act (12 U.S.C. 375b(h)(8)) is amended—

(1) by striking "MEMBER BANK.—For" and inserting the following: "MEMBER BANK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for"; and

(2) by adding at the end the following:

"(B) EXCEPTION.—The Board shall have the authority by regulation to suspend the applicability of any or all of this subsection, except for the provisions of paragraph (2), with respect to any individual who is a director or an executive officer of a subsidiary of the company that controls the member bank, if the Board finds that such individual does not actually participate in major policymaking functions of the member bank.".

On page 132 of the committee substitute strike lines 21 and 22 and insert the following:

"(2) in subparagraph (C), by striking "and its composite condition was found to be outstanding;" and inserting "and its composite condition—

"(i) was found to be outstanding; or

"(ii) in the case of an insured depository institution that has total assets of less than $175,000,000, was found to be outstanding or good;".

Mr. RIEGLE. Mr. President, I urge the adoption of the amendment, as modified.

The PRESIDING OFFICER. The Chair would rule that it is implicit within the consent. The Chair would rule that that action has taken place; that the modification has been agreed to.

Mr. RIEGLE. All right. So that now we have perfected the underlying amendment with the change just sent to the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. RIEGLE. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1530

(Purpose: To improve reporting requirements on monetary instruments and transactions)

Mr. RIEGLE. Mr. President, I now rise on behalf of Senator BRYAN and Senator BOND to ask unanimous consent that the Anti-Money Laundering Act be included as an amendment to this bill. The language is modeled after S. 1664. I now send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. BRYAN, for himself, Mr. BOND, Mr. RIEGLE, and Mr. D'AMATO proposes an amendment numbered 1530.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. RIEGLE. Mr. President, I urge the adoption of the amendment.

Mr. BOND. Mr. President, I rise today in support of this amendment to add S. 1664, the Anti-Money Laundering Act of 1993, to S. 1275. This amendment will reduce the number of currency transaction reports which banks have to file under the Bank Secrecy Act. Senator BRYAN, Chairman RIEGLE, and I introduced S. 1664 on November 17, 1993.

I believe that this bill, added to S. 1275, the Community Development, Credit Enhancement and Regulatory Improvement Act of 1993, will help relieve bank regulatory burden, improve compliance under the Bank Secrecy Act, and better money laundering deterrence efforts.

Action must be taken to relieve the banking industry of the burden of unreasonable regulatory requirements it now faces. The bank regulators currently require all kinds of burdensome compliance reports, activities and documents that cost significant amounts of time and resources. Consequently, banks, are generating too many reports and other paperwork of questionable value, instead of making loans.

In particular, to help combat money laundering, banks have to file a Currency Transaction Report [CTR] for all currency transactions over $10,000. The American Bankers Association estimates that it cost banks almost $130 million to file 9.2 million CTR's with the Internal Revenue Service in 1992. The utility to the Government of this massive number of reports has yet to be proven.

This amendment will help to reduce drastically the number of useless CTR's which are filed with the Government, thus reducing, in part, bank regulatory burden. The Anti-Money Laundering Act of 1993 would create mandatory exemptions for transactions between depository institutions, transactions with any U.S. Government or agency, and transactions with any business or category of business where CTR's have little or no value for law enforcement purposes. In addition, Treasury would have the discretion to exempt transactions between a depository institution and its qualified business customers who most frequently engage in transactions which are subject to reporting requirements under the Bank Secrecy At.

I am well aware of the serious problem this situation has created for the banking industry and have been in consultation with my colleagues on the Senate Banking Committee to find solutions. Bank regulatory reform is one of my highest priorities. I also consider it a key to economic growth.

A companion bill, H.R. 3235, has already been acted on in the House. I ask my colleagues for their support on this bipartisan measure to relieve bank regulatory burden.

Mr. BRYAN. Mr. President, I want to acknowledge with respect to the pending amendment the work of several of my colleagues who have made this amendment possible.

I ask unanimous consent that the chairman of the committee, Senator RIEGLE; the ranking member, Senator D'AMATO; and my senior colleague, Senator REID, be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. Mr. President, I appreciate that.

STATEMENT ON THE ANTI-MONEY LAUNDERING ACT OF 1994

Mr. President, Senator BOND, Senator RIEGLE, Senator D'AMATO, and I are offering an amendment to S. 1275, the Community Development Credit Enhancement, and Regulatory Act of 1993 which will greatly improve our efforts to combat money laundering.

This amendment will reduce the number of currency transaction reports banks are required to file, while making the process more effective at identifying suspicious customer transactions.

This amendment is based on the text of S. 1664 and a House companion bill (H.R. 3235) introduced by Congressman GONZALEZ.

I want to commend Congressman GONZALEZ for his leadership in this area.

Yesterday, the Senate Banking, Housing, and Urban Affairs Committee held a hearing on this antimoney laundering legislation.

The testimony gave compelling evidence as to why this measure is necessary.

The Department of Treasury, General Accounting Office and various industry groups testified in favor of the legislation. The Bank Secrecy Act is widely viewed as an important part of the Federal Government's efforts against money laundering, particularly as it relates to the drug trade.

In theory, Federal investigators use currency transaction reports [CTR's] to identify large cash transactions which are the results of illegal activity.

While Federal antimoney laundering enforcement has had some successes, there are serious problems with the current system. One of the major problems investigators face is the sheer volume of CTR's filed—10 million annually—more than they could ever hope to have the resources to investigate fully.

A study conducted on behalf of the Independent Bankers Association of America [IBAA] found that community bank employees spent over 2 million hours each year complying with the Bank Secrecy Act.

The study calculated the compliance costs at nearly $60 million.

The excessive number of reports filed, many of which clearly have no bearing on Federal money laundering enforcement, place a great strain on both Federal investigators and the business which must file the CTR's.

Filing CTR's consumes many hours of valuable employee time and requires substantial investments in equipment and tracking systems.

Generally, financial institutions and other businesses subject to the Bank Secrecy Act willingly absorb the expense of filing CTR's as part of the cost of doing business, and part of their responsibility in controlling money laundering.

There is, however, a limit to the burden that these private businesses can be expected to bear.

In addition, the Federal Government has a responsibility to ensure that the efforts of the businesses filing CTR's are not wasted, and that the requirements of the Bank Secrecy Act produce useful information which can lead to tangible results in money laundering enforcement.

The amendment we are introducing today will both increase the effectiveness of the Bank Secrecy Act and reduce its burden on private businesses.

Our amendment establishes a system of exemptions under which transactions that are clearly of no interest for law enforcement purposes, such as transactions between banks, or between a bank and a Government agency, do not trigger CTR's.

It also provides institutions the option of developing a list of regular business customers who, with the approval of the Treasury Department, would also be exempt from CTR's.

The amendment requires the Secretary to implement rule changes which will reduce the volume of CTR's filed by depository institutions by at least 30 percent, a goal which we believe could be easily met by careful implementation of the new system of exemptions.

In addition to reducing the overall volume of unnecessary CTR's, the amendment closes a number of loopholes which launderers are using to get around the current detection system.

Mr. President, the Bank Secrecy Act has a laudable goal: to fight money laundering.

Unfortunately, the current regulations for reporting cash transactions are a bureaucratic maze, creating confusion and inefficiency in both financial institutions and law enforcement agencies.

The reforms we are proposing in this measure will go a long way to both reducing unnecessary paperwork while, at the same time, expanding the effectiveness of our Federal money laundering enforcement efforts.

Mr. President, this amendment accomplishes two purposes which we all can support. It deals with strengthening provisions in the antimoney-laundering statutes to require that some areas which are currently exempted and have provided loopholes—which has been difficult for the law enforcement community—are added to the law; and the testimony from the Treasury Department and others expressing their support of those strengthening provisions to eliminate existing loopholes.

In addition, Mr. President, also it addresses a concern with respect to the preparation of the currency transaction report. Under the current law with respect to financial institutions, currency transactions which exceed $10,000 generate under the law what is called a CTR, or currency transaction report.

This enables law enforcement to monitor certain types of activity and to thereby ferret out money laundering. Unfortunately, this effort has been hampered because the generation of these CTR's has simply overwhelmed the ability of the law enforcement community to effectively monitor. Currently, some 10 million currency transaction reports are generated each year.

The testimony is that about 40 percent of those reports deal with regular, well-established businesses that in no way address the concern that the bill in its original form, enacted some years ago, was designed to address. Nevertheless, there are many people that are required to generate these CTR's that contribute to this overwhelming volume.

This amendment mandates the reduction in the volume of currency transaction reports by 30 percent within a period of 6 months after the law goes into effect. So that provides areas which are standard exemptions, all fully approved and supported by Treasury, and a category of discretionary exemptions, the effect of which enhances the law enforcement community to monitor those transactions, which may raise questions of possible illegal activity, and also to lighten the burden on the financial community which currently estimates the cost of preparing each one of these reports to be about $3 to $4 a copy.

As I have indicated previously, this currently results in some 10 million of these reports going into a data processing center in Detroit. That is simply beyond the ability of the law enforcement community to effectively and adequately monitor.

I want to acknowledge again the support of the distinguished chairman of this committee, who appears as a cosponsor, and the distinguished ranking member, who also appears as a cosponsor, Senator DODD, who was an original primary cosponsor with me.

I am pleased that this amendment has been cleared on both sides of the aisle and will be adopted.

I yield the floor.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1530) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. With no amendments or speakers present who want to continue this debate at this time, I will now ask unanimous consent to speak as if in morning business on a different subject for a period not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPREHENSIVE HEALTH CARE REFORM

Mr. RIEGLE. Mr. President, I have on regular occasion come to the floor to present stories of individuals and families in Michigan who are facing a health care crisis of one kind or another to illustrate how serious the problems are in this area that face people and why we need comprehensive health care reform.

Today, I want to share the story of Ralph and Lennell Tucker who live in Detroit, MI. In March last year, the family was forced to drop their private health care coverage policy because the monthly premium increased by 50 percent. It went from $530 a month to over $800 a month for family coverage.

Now, Ralph Tucker is 50 years old and a former employee of the Mercury Paint Co. in Detroit. In 1991, he was diagnosed with kidney failure and was forced to leave his job because of his disability. He did not qualify for retirement benefits so he did not receive retiree health coverage. The Tuckers were covered under Ralph's health policy while he was working. When he left the job, they maintained the policy by paying the premiums themselves at the cost of which I noted, $530 a month, which is a heck of a large bill to have to pay each month.

When a person leaves a job that offers health insurance, Federal law now requires the health insurance company to offer the employee the same insurance rates that the business paid, but only for a limited period of time. When that period ended last year, the insurance company raised the rates they charged the Tuckers to the $800 figure for each month. Now, that is half of their entire monthly income, and so as everyone would understand, the Tuckers just were not able to afford to spend half their income to maintain that health insurance coverage, and so they had to discontinue their coverage.

Now, Ralph does receive Social Security disability benefits and Medicare coverage because of his kidney condition. Unfortunately, the Medicare benefit does not cover the entire cost of his dialysis treatments, nor does it cover the cost of prescription drugs.

Ralph's wife, Lennell, is 48 years old and also suffers from disabling conditions that prevent her from working. In 1985, she was working in a nursing home as a nurse's assistant when she suffered a stroke. Her employer did not offer health insurance, but then she was covered under her husband's policy. Lennell tried to go back to work, but her condition only worsened. In addition to having a stroke, she suffers from hypertension and rheumatoid arthritis and needs medication to control her conditions.

Lennell and Frank have a 16-year-old son named Ricardo. He is dependent upon his parents for support. Ricardo is healthy but his parents do worry that if anything were to happen to him, they would not be able to pay for his care. So in this case the mother and the son do not have any health insurance coverage at all, and Ralph is forced to rely on his Medicare coverage, which obviously does not do the job.

The Tucker family is trying to do the best they can to cover their medical and other costs of living, but it is extremely difficult to survive on the small Social Security check that Ralph receives each month. The family's total monthly income is $1,625. Because they no longer have prescription drug coverage to help with the cost of their medicines, the Tuckers often ration their medications to try to make them last longer. If they took the full dosages that their doctors want them to take, their medications alone would cost $800 to $1,000 a month, more than half their income.

So you can see in this situation, if they tried to continue their health insurance coverage at $800 a month, pay the $800 a month in addition for the medicines they need, that is their entire monthly income without putting one piece of bread on the table, paying any utility bills, buying any clothes, or any of the necessities of life we all face.

For a few months, they struggled to try to pay as much as $500 a month for medications they needed as a family. But in addition to drug costs, each month the Tuckers have a balance of $300 they must pay to the dialysis facility in order to get the treatment Ralph needs just to stay alive. Because they could not afford to continue to spend a total of $800 a month, or half their income, on both medication and the kidney dialysis, they have had to, again, cut their medication use and now they are spending $575 a month on just medicines alone, or fully 35 percent of their income.

Lennell delays going to her physician because of the cost of the visits and tries to manage her high blood pressure by monitoring it at home. She regularly asks her physician to send her medication samples because she cannot afford to properly fill the prescriptions she needs.

I say, Mr. President, the Tuckers and all Americans deserve the security of guaranteed, affordable health care coverage that will meet their basic health needs. Both Ralph and Lennell were hard workers and were forced to leave their jobs because of devastating, and now chronic, medical problems. They do not want these medical problems, but life brings these things our way and that has happened to them and countless other millions across the country.

Because our current health care system does not guarantee everyone health care coverage at a price they can afford, this family is suffering each day without the proper care and treatment that they need. It is not right in America today, not for the Tuckers or anybody else, to be in that situation.

We need health care reform to make sure no family has to forgo and be without the medical treatment they need because they are either too sick to be able to work in order to earn the income to pay the bill, or because they do not have any other means to get the insurance or the medicines they need to try to maintain their health as best they can.

So we very much need national health care reform. I am proud that the President has taken the lead on this issue, to take the issue to the country and to try to force change into place, change that is clearly needed for families like this. This story could be any family story depending upon the circumstances that might strike a given family.

I am confident that we can work this problem through if we decide it is important enough for the people of America. They want us to do it. They are asking us to do it. It is one of the reasons they elected a new President a year ago—to put us into a position to be able to have major health care reform to provide affordable health care coverage to our people, and with it, the medicines people need to maintain their health and well-being.

Mr. President, I yield the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, let me inquire of the Chair. Is the amendment earlier offered by Senator PACKWOOD at the desk?

The PRESIDING OFFICER. Senator PACKWOOD's amendment is the pending question.

Mr. RIEGLE. I am prepared to support that amendment, and we are prepared to move that amendment at this time. So I ask that we do so. I ask the Chair to put the question.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Oregon.

The amendment (No. 1529) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Mr. President, I rise today in strong support of subtitle B of the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993. Subtitle B creates the Small Business Capital Enhancement Program which I had the privilege of coauthoring with the chairman of the Banking Committee, Senator RIEGLE, Senator STEVENS, and Senator DODD. Mr. President, this provision is designed to bridge the credit gap and make bank financing more readily available to the countless number of small businesses and entrepreneurs presently unable to secure financing with conventional lending institutions.

Mr. President, this program represents a new and innovative market-based approach to small business lending. It will enable banks to extend credit to firms which have previously been unable to obtain commercial financing. It will do so with a minimum of regulatory oversight and without sacrificing safety, soundness, or conventional credit analysis. It will focus on small loans from a diverse assortment of companies. And, the program will accomplish all this with a negligible amount of Government resources and with no hidden governmental liability.

Mr. President, smaller and newer businesses, by definition, provide a greater degree of risk for financial institutions than do large businesses. Banks routinely assess and cover against different degrees of risk in a variety of ways—by charging fees, increasing interest rates, or through portfolio diversification. This, in combination with recent concerns over safety and soundness stemming from bank and savings and loan failures, and the devaluation of collateral due to the economic recession has resulted in small businesses finding themselves either unable to secure financing at any cost, or priced out of the market by high interest rates, short terms, and excessive demands for collateral.

Alternative sources of funding such as public markets, venture capital firms, or institutional investors provide little relief to the small business. New securities or initial public offerings [IPO's], particularly for smaller and riskier issues, have had and will continue to have difficulty attracting investors. On the other hand, venture capital firms remain focused on high-tech companies that offer prospects of relatively higher and faster returns on investment. This is complicated by the fact that venture capital—whether equity or debt—has been falling off significantly in recent years. Finally, institutional investors such as insurance companies or pension funds can provide financing to smaller firms, but because of complex capital and fiduciary obligations have never focused on developing the systems for evaluating credit risks or growth potential of individual smaller enterprises. Thus, the relative unavailability of both long term debt and equity capital has left many small businesses in a so-called credit gap—the unavailability of financing at any cost, or at costs or terms beyond a small firm's ability to service.

Mr. President, small firms are realizing that previously bankable loans, or loans which were considered on the margin are less and less likely to be approved by commercial financial institutions. This is particularly alarming in light of recent surveys which show that commercial banks have been and remain the most important supplier of debt capital and financial services to the small business sector in the United States.

Since small firms remain the primary creator of new jobs and new innovations in the United States, and since small firms remain the primary place for employee training, this credit gap has profound implications over time for the economy, productivity growth, employment, personal income, and eventually our standard of living.

The U.S. Small Business Administration addresses part of this problem through the 7(a) loan guarantee program by providing guarantees of up to 90 percent of loans made to qualified small businesses by private lenders. While the loan-by-loan guarantee approach is generally regarded as very successful, and has proven to be an invaluable tool for lenders and borrowers alike, it is also clear that it has not filled the credit gap created by events of the past decade. The Small Business Capital Access Program is intended to augment, not replace, the SBA 7(A) guarantee program or any other loan program administered by the Government.

The Small Business Capital Enhancement Program is based on a portfolio insurance concept rather than the traditional loan-by-loan guarantee process. In other words, as opposed to current programs where government provides a guarantee for each individual loan, this program provides a reserve or guarantee on a portfolio of loans. This will enable banks to evaluate risk on a pooled or shared basis and apply an actuarial approach to small business credit analysis. The result will be banks making far more small business loans with far fewer Federal dollars.

In 1986, the State of Michigan, under the leadership of former Governor Blanchard, implemented a similar program which has provided loans to over 2300 loans, for a total of more than $116 million in financing, and has resulted in a leverage ratio—that is total government obligation to total lending—of more than 23:1.

Here's how the program works:

For each bank participating in the program, a special reserve fund would be established to cover future losses from a portfolio of loans which the bank makes under the program. The reserve fund would be owned and controlled by State government, but earmarked in each participant bank's name. Thus each bank participating in the program would have its own separate earmarked loss reserve.

Payments would be made into a bank's earmarked reserve each time the bank makes a loan under the program. The borrower would make a premium payment of between 1½ to 3½ percent of the loan amount and the financial institution would match the payment. The State government would then match that payment. To make this program less onerous on the states, the Federal Government will reimburse the states for half of their contribution. So under this four part matching system, a bank could have anywhere from a 6 percent to a 14 percent loan loss reserve on the portfolio.

If a bank makes a portfolio of loans under the program, it might have a reserve equal to, for example, 10 percent of the total amount of that portfolio. In such a situation, the bank could sustain a loss rate of up to 10 percent on that portfolio and still be completely covered against loss. This gives the bank the ability to absorb a higher loss rate—perhaps 5, 6 or 7 percent—than it could tolerate on its conventional loans—usually 1 or 2 percent. Since this arrangement offers the bank a higher degree of coverage against loss than normally available, the institution may be able to offer more favorable interest rates and terms to small businesses.

The bank, however, must still be prudent in making loans under this program since it is completely at risk for any losses that exceed the coverage provided by the reserve. Because of this incentive for prudence, there will be little need for strict regulatory supervision. The bank would decide whether or not and under what terms and conditions to make a loan.

The limited need for regulatory oversight is a critical component in the implementation of this program. Unlike other Government loan programs which require strict oversight due to the Government's large hidden liability which is inherent in any guarantee program, the Capital Enhancement Program has a limited Government liability—at most, 3½ percent of a loan or a portfolio of loans. This compares to traditional guaranteed lending programs where the Government's exposure is as high as 85% of the loan amount.

Also worth noting is the program's built-in bias for small business loans. Because this concept is based on insuring a portfolio of loans as opposed to one loan, there is a structural incentive to build a large portfolio of diverse and smaller loans.

Thus, through this arrangement of shared risk, the Small Business Capital Enhancemenet Program would encourage banks that have been cutting back on commercial lending to extend credit to those small firms most affected by the credit crunch.

Mr. President, this program has strong state support. Small Business Capital Enhancement Programs have already been established in Arkansas, Indiana, Connecticut, Colorado, Delaware, Massachusetts, Minnesota, New Hampshire, Oklahoma, Oregon, Utah, Vermont, and West Virginia.

Mr. President, the continuing lack of credit for small businesses is strangling our economy and further impeding economic recovery. Credit is the fuel of economic growth. Without credit, businesses cannot grow; without business growth, jobs can not be created; and without job creation this economy will never fully recover. It's as simple as that. The Small Business Capital Enhancement Program will significantly expand lending to small businesses which will, in turn, create jobs and help put us on the road to economic growth.

AMENDMENT NO. 1531

Mr. RIEGLE. Mr. President, I rise to offer an amendment on behalf of Senator METZENBAUM and myself. The amendment will insure that negative information regarding checks in a consumer credit report includes the date, original payees, and amounts of those checks.

This amendment has been agreed to by Senator D'AMATO.

I send the amendment to the desk, and after it is read I will ask for its adoption.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE] for himself and Mr. METZENBAUM proposes an amendment numbered 1531.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

SEC. . Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding after paragraph (3) the following:

"(4) The dates, original payees, and amounts of any checks upon which is based any negative information about the consumer included in the file at the same time of the disclosure."

Mr. RIEGLE. Mr. President, I ask that the amendment be agreed to.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment

The amendment (No. 1531) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1532

Mr. RIEGLE. Mr. President, I now send to the desk an amendment on behalf of Senators BAUCUS and WALLOP and ask it be incorporated into the bill.

This amendment changes the CDFI selection criteria to require the fund to take into consideration communities that have experienced a sudden and significant loss of employment since the 1990 census or experienced a major dislocation in its primary employment base.

I ask unanimous consent that the amendment that is now pending be set aside so that we can take up consideration of the Baucus-Wallop amendment, which I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. BAUCUS, for himself and Mr. WALLOP, proposes an amendment numbered 1532.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 56, line 24, strike "or";

On page 57, line 4, after ";" insert "or"; and

On page 57, between lines 4 and 5, insert:

"(c) in a community that has experienced a sudden and significant loss in total employment since the 1990 census or a major dislocation in its primary employment base.".

Mr. RIEGLE. Mr. President, I ask that the amendment be agreed to.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1532) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, let me say for the benefit of colleagues, we have made great progress on this bill today. We have resolved almost every outstanding issue. There are a few issues we anticipate dealing with and resolving tomorrow, and then I believe we shall be able to finish the bill.

MORNING BUSINESS

Mr. RIEGLE. Mr. President, I now ask unanimous consent there be a period for morning business with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

A TRIBUTE TO JUDGE MYRON WAHLS

Mr. LEVIN. Mr. President, on Sunday, March 20, 1994, Orchestra Hall in Detroit, MI will resonate with the sounds of three jazz greats, Lionel Hampton, Dorothy Donegan, and Joe Williams. This special concert was organized as a tribute to Michigan Court of Appeals Judge Myron "Mike" Wahls, a truly fine jazz pianist in his own right.

Mike Wahls is special, admired for his hard work on the bench and in the community. He is being honored for that devotion to the law and his community, and for his courage, determination, and good humor in the face of adversity. Mike is waging a battle against a serious illness, but he is not spending a lot of time feeling sorry for himself. He goes about his business and lives his life with grace and dignity, and is a true role model and inspiration for others in how to live with strength, and dignity, and fulfillment.

Mike Wahls has a wonderful family, a multitude of admiring friends and supportive peers. I am proud to join them all in paying tribute to him. And on Sunday, when he goes on stage at the end of the concert to jam with Hampton, Donegan, and Williams, Orchestra Hall will reverberate with the sounds of joyous music, and the audience will be smiling and laughing with Mike Wahls.

TRIBUTE TO EDDIE McGLOIN

Mr. LEVIN. Mr. President, on March 18, 1994, five of Hamtramck, MI's finest athletes from past years will be inducted into the Hamtramck Sports Hall of Fame. At the same time, one of them, Eddie McGloin, will be awarded the E.M. Conklin Humanitarian Award. This award is given to a Hamtramck High School alumnus who has demonstrated excellence in leadership, guidance, and administrative skills.

Eddie McGloin is winning this award because of a long involvement in athletics and a broad career in education, government work, and political activism.

Eddie earned varsity letters in track, cross country, and boxing at Hamtramck High and was also a Golden Gloves boxer and a college boxing champion. He boxed when he was in the Air Force and even enjoyed a brief professional career.

He was a counselor in the Detroit Public School System and worked in employee relations with the U.S. Post Office in Michigan and Illinois. He also worked for the Housing and Urban Development department in Detroit and Buffalo. He received a Superior Accomplishment Award from the Postmaster-General and a Citizen Achievement Award from WWJ.

Eddie worked for two of Michigan's finest public figures, G. Mennen Williams and Phil Hart, and I am proud to say he also worked in my campaigns as a most valuable volunteer.

Mr. President, I am happy to see such a fine person, and I must add, a good friend, honored in such a special way by his alma mater and his community.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,549,059,128,033.88 as of the close of business on Tuesday, March 15. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $17,448.67.

By the way, Mr. President, I began these daily reports on the Federal debt about 25 months ago, on February 21, 1992. Every day since, the CONGRESSIONAL RECORD has carried what we call the "boxscore" identifying the Federal debt down to the penny.

On February 21, 1992, the exact Federal debt stood at $3,982,449,525,016.30. As I mentioned a few moments ago, the exact Federal debt, down to the penny, as of yesterday, March 15, stood at $4,549,059,128,033.88.

If there is anyone who wants to figure out how much the Federal debt has increased during the past 25 months, I will save you the time: It has increased by $566,609,603,071.58.

And the Senate has just rejected a proposed constitutional amendment that would have required a balanced Federal budget.

COMMENDING MARTIN BUSER, BIG LAKE, AK

Mr. MURKOWSKI. Mr. President. I rise today to commend Martin Buser of Big Lake, AK for winning the Iditarod Trail Sled Dog Race for the second time in 3 years.

In winning the gold of the Iditarod in record time, Martin Buser takes his place with other historic Alaskan athletes, including Tommy Moe, the recent gold-medal winner for America in the Olympic men's downhill.

The Iditarod Trail Sled Dog Race is without any doubt the most difficult challenge any athlete could undertake. The trail, winding for more than 1,000 miles through North America's most rugged wilderness from Anchorage to Nome, crosses mountains, forests, muskegs, and open savannahs. Hazards to both humans and dogs include not only the physical challenge of the race, but more exotic experiences, such as avoiding charging moose and angry grizzlies.

Buser crossed the finish line in Nome, on the shores of the ice-covered Bering Sea, at 10:02 p.m. yesterday. His win sets a new record for the race of 10 days, 13 hours, and 2 minutes, more than 2½ hours faster than the old record set last year by another Alaskan, Jeff King of Denali Park.

The Iditarod is an annual testimony to the strength and stamina possible to both humans and dogs, and to the peerless spirit of competition and good sportsmanship. It celebrates a unique partnership of determination, cooperation and conditioning between each racer and his or her dogs.

The Iditarod Trail was first marked as a dog team postal carrier route in 1910. The race was started as an annual event in 1967, to commemorate a lifesaving relay race with time in 1925, when mushers along the trail cooperated to deliver critically needed diptheria serum in time to save the residents of Nome from an epidemic. I am proud to have played a hand in helping the founders of the race, Joe Redington and Dorothy Page, obtain financing for that first race.

THE HOWARD STERN CASE

Mr. D'AMATO. Mr. President, I rise to call attention to one of the most outrageous examples of bureaucratic abuses I have seen during my time in the Senate. The Big Brother in this instance is the Federal Communications Commission [FCC]. The manner in which this agency has dealt with one of my constituents, Infinity Broadcasting Corp., is simply unacceptable. It is a situation that everyone who respects our first amendment freedoms and due process in administrative proceedings must be concerned about.

Infinity Broadcasting Corp., is a publicly traded New York company that is the country's largest company whose business is owning and operating radio stations. They have been in business for 20 years. Upon completion of pending acquisitions, they will own 25 radio stations in 13 major markets, including stations in every one of the top 10 markets. There are many diverse formats on their stations, including rock, country, oldies, all-talk, and all-sports.

This sorry situation that I bring to the Senate's attention involves a recent attempt by Infinity to purchase a Los Angeles radio station. According to news reports, the Commission held up that sale because it did not like the content—the content—of one of Infinity's programs. It apparently did not matter to the FCC that the program in question would not even air on the station Infinity wanted to purchase.

Now, the FCC clearly does not like this program—"The Howard Stern Show." The program is not everyone's cup of tea. I have been on it. I like Howard. But I know some people get offended by some of the things he says on it. That is OK. This is the United States of America. If they do not like it, they can turn it off or turn the dial.

I am not here to debate the merits of Howard Stern. If you like him, you like him. If you do not, you do not. What I do know is that if the Federal Communications Commission, or any citizen in America, thinks that what Stern or anyone else says on the air is indecent, they can file a complaint. There are procedures for adjudicating those complaints. That is the way it should be. If Howard Stern, or Infinity, or anyone else, breaks the law, they should be punished.

That is not what happened here though. And that is what bothers me greatly. What happened here was that because the Federal Communications Commission did not like this particular show, the Commission took revenge on Infinity, a publicly traded company with thousands of shareholders, by holding up the sale of the Los Angeles station to Infinity. A sale like this usually requires 60 days' turn-around at the Commission. This one has taken 271 days so far, and still has not been resolved.

In fact, one Commissioner this past New Year's Eve day, Commissioner James H. Quello, told the New York Times that Infinity's KRTH acquisition would be "delayed indefinitely" because, he claimed, the Commission disapproved of Mr. Stern. As it turned out, the New York Times never checked with the other two Commissioners, who the following week repudiated the story and said that Commissioner Quello did not speak for them. But the harm had already been done—as this one Commissioner must have known. Infinity's stock price had dropped $200 million—about 1 percent of its value over 3 trading days—and Infinity was forced to pay millions more in penalties for the delay to complete the purchase of the Los Angeles radio station.

Now if a member of the Federal Communications Commission feels the content of a show is indecent there are steps that can be taken. That is OK. Those ways protect basic first amendment principles and the due process rights contained in the Communications Act and the FCC's own internal proceedings. Maybe this case got a lot of publicity because it involved a controversial entertainer. But precisely because it did involve controversy, the constitutional concerns become even more real. After all, often the law is not made in cases involving the most perfect of parties. The constitution was written to protect all the different voices in the "marketplace of ideas". The way I read the first amendment, dislike or disagreement with content is clearly not sufficient to punish Infinity in its other, unrelated business dealings.

But here the Commission did just that. The Infinity case highlights an impermissible joining of two FCC proceedings that, as I understand it, are supposed to be kept separate—the sale of a broadcast license and the issuance of notices of apparent liability [NAL's], which is the Commission process for adjudicating indecency complaints. That this improper joining occurred over the enforcement of the indecency standard is particularly troubling. The FCC needs to be particularly careful in this area in light of the due process principles and first amendment concerns articulated by two unanimous D.C. Court of Appeals decisions. In both decisions, the court struck down the foundations of the FCC's enforcement schemes, which should tell it something.

While four notices have been issued against Infinity, it is my understanding that Commission issuance of such a notice of apparent liability along with a proposed fine to a broadcaster does not constitute any determination that there has been a violation of the indecency standard. The Commission has found Infinity violated the indecency standard only once, and it issued a $6,000 fine for that one broadcast 4 years ago. The other cases are still pending at the FCC. Infinity has not yet been able to challenge the $6,000 fine in court, which it has told the FCC it intends to do. In each case, Infinity has denied any violation.

It is these nonfinal notices of apparent liability that the FCC is using for proposing unprecedented fines now totaling over $1 million. And according to news reports—and this gets to the heart of what is wrong—the Commission has also used these same nonfinal notices as its basis for delaying Infinity's purchase of new radio stations. This appears to be in direct contravention of section 504(c) of the Communications Act, which provides basic due process guarantees to each licensee.

Section 504(c) states:

> In any case where the Commission issues a notice of apparent liability looking toward the imposition of a forfeiture under this chapter, that shall not be used, in any other proceeding before the Commission, to the prejudice of the person to whom such notice was issued, unless (i) the forfeiture has been paid, or (ii) a court of competent jurisdiction has ordered payment of such forfeiture, and such order has become final.

Here there is no final court order on the indecency cases, yet the FCC is using these cases as a basis for delaying the acquisition of another station. This is one of the most blatant examples of abuse of regulatory power, arrogance and—yes—regulatory lawlessness that I can remember. Deliberately delaying a decision on an acquisition because of nonfinal notices of apparent liability is in direct violation of section 504(c) of the Federal Communications Act, which was passed by Congress specifically to ensure that due process rights of licenses are protected. Should an FCC Commissioner be above the law? How can we demand licensees follow the law if the FCC does not?

The Federal Communications Commission has an obligation to comply with the direction of a Federal court and abide by the requirements of the Communications Act and the first amendment. It's that simple. If one or more Commissioners believe an indecency standard has been violated, there are administrative procedures for adjudicating such complaints. But they may not use their personal reactions—or incomplete enforcement proceedings—to penalize program content, or impede or delay a company from doing business and acquiring new broadcast property. Yet that appears to be precisely what happened here.

This is a particularly worrisome form of administrative browbeating. If it can be done to Infinity because of one show, it can be done to any company tomorrow based on the content of a different program with which the Commission does not agree. Maybe tomorrow it is Rush Limbaugh or G. Gordon Liddy. Or maybe Jerry Brown or Lynn Samuels or even some of my colleagues who offer commentaries. Who knows whom it will be? I do not like some of the things I hear on the radio. But that does not matter, because this is the United States.

So where do these guys at the Federal Communications Commission get off doing this? I find myself agreeing with a newspaper I do not often agree with. As the Washington Post stated in a recent editorial:

> [The Infinity] case points up a dangerous aspect of government using its licensing and regulatory powers on a part of the press to try to force changes in editorial content. . . . Censorship is arbitrary, and Congress should start thinking hard about getting government out of it.

I ask unanimous consent that this editorial be placed in the RECORD at the conclusion of my remarks.

That is exactly right. It would be a sad thing if the Congress of the United States has to get involved in setting straight something that should be so basic.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 15, 1994]

THE HOWARD STERN CASE

Federal Communications commissioner Andrew Barrett and a source close to Commissioner Ervin Duggan have told Post staff writer Paul Farhi that no, there has never been any agreement to delay or block the purchase of three radio stations by Howard Stern's employer, Infinity Broadcasting Corp. That's good—because there has never been any justification for doing so. In fact there is no justification for what the FCC has done to Infinity already—which has been to hit the company with more than $1.2 million in fines for alleged violations by Mr. Stern of FCC strictures on "language that describes in terms patently offensive as measured by community standards . . . sexual or excretory activities or organs." As Nicholas Lemann wrote on the opposite page Thursday, the whole Infinity-Stern case points up a dangerous aspect of government using its licensing and regulatory powers on a part of the press to try to force changes in editorial content.

What the commission has been doing—and the possibility that it could still move to wreck a $170 million purchase because of what Howard Stern says on the air—is censorship. Though access to the broadcast airwaves is limited and therefore has been treated as a matter for close government regulation, the enormous growth in available television channels for programming, as well the proliferation of radio stations, makes an even stronger case against the old programming requirements that the FCC made up in the name of "fairness" and "diversity" in program content.

Mr. Stern's program can hardly be described as everyone's idea of acceptable entertainment—to put it mildly—but the same could be said about many other talk shows that are readily available on the air at any time of day. Censorship is arbitrary, and Congress should start thinking hard about getting government out of it.

Commissioner Duggan has said that "the idea that we are just sitting on" Infinity's applications to buy stations "is just not accurate. It's premature to say we are blocking the purchases." It shouldn't even be premature. The FCC should make it dead wrong.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:59 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1933. An act to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr.

H.R. 2815. An act to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System.

The message also announced that the House has passed the following bill and joint resolution, each with amendment, in which it requests the concurrence of the Senate:

S. 375. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Rio Grande in New Mexico as a component of the National Wild and Scenic Rivers System, and for other purposes.

S.J. Res. 56. Joint Resolution to designate the week beginning April 12, 1993, as "National Public Safety Telecommunicators Week."

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2884) to establish a national framework for the development of school-to-work opportunities systems in all States, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. FORD of Michigan, Mr. KILDEE, Mr. WILLIAMS, Mr. GOODLING, and Mr. GUNDERSON as the managers of the conference on the part of the House.

The message also announced that the House insists upon its amendments to the bill (S. 1284) to amend the Development Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority areas activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes, disagree to by the Senate, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. DINGELL, Mr. WAXMAN, Mr. BROWN of Ohio, Mr. MOORHEAD, and Mr. BLILEY as the managers of the conference on the part of the House.

MEASURES REFERRED

The following measures were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1933. An act to authorize appropriations for the Martin Luther King, Jr. Federal Holiday Commission, to extend such Commission, and to support the planning and performance of national service opportunities in conjunction with the Federal legal holiday honoring the birthday of Martin Luther King, Jr.; to the Committee on the Judiciary.

H.R. 2815. An act to designate a portion of the Farmington River in Connecticut as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following measure was ordered placed on the calendar:

H. Con. Res. 218. Concurrent Resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2336. A communication from the Transition Manager of the U.S. Enrichment Corporation, transmitting, pursuant to law, the report for the period July 1, 1993 to September 30, 1993; to the Committee on Energy and Natural Resources.

EC-2337. A communication from the Deputy Associate Director for Compliance of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-2338. A communication from the Deputy Associate Director for Compliance of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-2339. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the viability assessment of the domestic uranium mining and milling industry for calendar year 1992; to the Committee on Energy and Natural Resources.

EC-2340. A communication from the Secretary of Energy, transmitting, a draft of proposed legislation entitled "Nuclear Waste Disposal Funding Act"; to the Committee on Energy and Natural Resources.

EC-2341. A communication from the Secretary of the Interior, transmitting, pursuant to law, the report on compensatory royalty agreements for oil and gas involving unleased Government lands during fiscal year 1993; to the Committee on Energy and Natural Resources.

EC-2342. A communication from the Chairperson of the Northeast Interstate Low-Level Radioactive Waste Commission, transmitting, pursuant to law, the report for the period July 1, 1992 through June 30, 1993; to the Committee on Energy and Natural Resources.

EC-2343. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report on progress on Superfund implementation in fiscal year 1993; to the Committee on Environment and Public Works.

EC-2344. A communication from the Chairman of the Advisory Committee on Reactor Safeguards, Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the Safety Research Program; to the Committee on Environment and Public Works.

EC-2345. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the NRC fee policy review; to the Committee on Environment and Public Works.

EC-2346. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the prospective drug utilization review demonstration projects; to the Committee on Finance.

EC-2347. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the evaluation of the Municipal Health Services Program demonstration; to the Committee on Finance.

EC-2348. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on a study of payments for ambulance services under Medicare; to the Committee on Finance.

EC-2349. A communication from the Manager of Operations of the Czech and Slovak American Enterprise Fund, transmitting, pursuant to law, the annual report for fiscal year 1993; to the Committee on Foreign Relations.

EC-2350. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential determination relative to the Government of Eritrea; to the Committee on Foreign Relations.

EC-2351. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM—403. A resolution adopted by the House of Legislature of the Commonwealth of Puerto Rico relative to the U.S. Navy in Vieques; to the Committee on Energy and Natural Resources.

POM—404. A resolution adopted by the Legislature of the Virgin Islands relative to Pollyberg Gardens; to the Committee on Energy and Natural Resources.

POM—405. A resolution adopted by the Legislature of the Virgin Islands relative to George Simmonds Terrace; to the Committee on Energy and Natural Resources.

POM—406. A resolution adopted by the Legislature of the State of Louisiana; to the Committee on Environment and Public Works.

"A CONCURRENT RESOLUTION

"Whereas, Congress enacted the Oil Pollution Act of 1990 in order to prevent shipping accidents and to ensure that there would be adequate money immediately available to respond to oil pollution discharges, especially those discharges occurring in the ocean; and

"Whereas, the Act increased from $36,000,000 to $150,000,000 the amount of financial responsibility that must be demonstrated by offshore exploration and production facilities; and

"Whereas, the definition of "offshore" in the Act covers facilities in, on, or under the navigable waters of the United States; and

"Whereas, the Louisiana Legislature is concerned that this definition may be interpreted to apply to all marinas, port authorities, utility companies, gas stations, trucking companies, railroads, pipelines, farms, and airports in almost every area of Louisiana; and

"Whereas, the potential effect on the Louisiana economy could be severe because it is unlikely that any but the largest companies will be able to demonstrate the $150,000,000 of financial responsibility required under the Act; and

"Whereas, the broad coverage of the Act is well beyond the historical purview of the Minerals Management Service, United States Department of the Interior, which enforces the Act; and

"Whereas, the Louisiana Legislature agrees with the requirements of the Act to the extent that they relate to large companies conducting offshore activities on the outer continental shelf, but does not agree that the same financial responsibility requirements should apply to small companies that are only indirectly related to offshore activities: Therefore be it

"*Resolved*, That the Legislature of Louisiana urges the United States Congress to amend the Oil Pollution Act of 1990 to the extent that the financial responsibility requirements of persons involved in oil operations more closely reflect the relative risks of those operations: Be it further

"*Resolved*, That in particular, facilities on the outer continental shelf should be the only facilities subject to the kind of high financial responsibility requirements now contained in the Act: Be it further

"*Resolved*, That a copy of this Resolution be transmitted to the honorable Al Gore, Vice President of the United States and President of the United States Senate; the Honorable Thomas S. Foley, Speaker of the United States House of Representatives; and the Louisiana Congressional Delegation."

POM-407. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Finance.

"A CONCURRENT MEMORIAL

"Whereas, small businesses are extremely vulnerable in times of economic difficulty; and

"Whereas, self-employed individuals may be willing to forgo medical insurance coverage for themselves and their dependents as a cost-saving measure; and

"Whereas, medical insurance for individuals is typically extremely expensive, further reducing its availability; and

"Whereas, the current twenty-five per cent federal income tax deduction for medical insurance costs of self-employed individuals (section 162(1) of the Internal Revenue Code) will terminate December 31, 1991.

"Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the Congress of the United States enact legislation extending a full deduction of medical insurance costs of self-employed individuals in computing federal income tax.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and each Member of the Arizona Congressional Delegation."

POM-408. A resolution adopted by the Council of the City of St. Marys, Ohio relative to unfunded Federal mandates; to the Committee on Governmental Affairs.

POM-409. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on the Judiciary.

"LEGISLATIVE RESOLUTION 319

"Whereas, the United States remains the destination for millions of immigrants attracted by the freedoms of liberty, equality, and expression; and

"Whereas, while the right of expression is a principal freedom protected by the United States Constitution, very narrowly drawn limitations on expression in specific instances have long been recognized as legitimate means of maintaining public safety and decency; and

"Whereas, certain actions, while relating to an individual's right to freedom of expression, nevertheless raise issues concerning public order; and

"Whereas, the flag of the United States is a recognized national symbol: Now, therefore, be it

"*Resolved by the Members of the Ninety-Third Legislature of Nebraska, second session:*

"1. That the Legislature encourages the Congress of the United States to consider an amendment to the United States Constitution, to be ratified by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

"2. That the Clerk of the Legislature transmit a copy of this resolution to the Speaker of the House of Representatives and the President pro tempore of the Senate of the United States, to all members of the Nebraska delegation to the Congress of the United States, and to the President of the United States."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ROTH:

S. 1934. A bill to amend the Immigration and Nationality Act to facilitate the apprehension, detention, and deportation of criminal aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. LAUTENBERG (for himself, Mr. WELLSTONE, and Mr. FEINGOLD):

S. 1935. A bill to prohibit lobbyists and their clients from providing to legislative branch officials certain gifts, meals, entertainment, reimbursements, or loans and to place limits on and require disclosure by lobbyists of certain expenditures; to the Committee on Governmental Affairs.

By Mr. McCAIN (for himself and Mr. INOUYE):

S. 1936. A bill to provide for the integrated management of Indian resources, and for other purposes; to the Committee on Indian Affairs.

By Mr. DODD:

S. 1937. A bill to amend the Community Services Block Grant Act to establish a new Community Initiative Program to carry out economic development activities in economically distressed communities, to make other amendments to the Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1938. A bill to amend the Low-Income Home Energy Assistance Act of 1981 to authorize appropriations for fiscal years 1996 through 1999, remove impediments to the exercise of States discretion to shape their programs and to concentrate their resources on those with the greatest home energy needs, and for other purposes; to the Committee on Labor and Human Resources.

S. 1939. A bill to authorize the establishment of a free-trade area in the Western Hemisphere; to the Committee on Finance.

By Mr. BRADLEY:

S. 1940. A bill to amend the Congressional Budget Act of 1974 to require that the allocations of budget authority and budget outlays made by the Committee on Appropriations of each House be agreed to by joint resolution and to permit amendments that reduce appropriations to also reduce the relevant allocation and the discretionary spending limits; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have 30 days to report or be discharged.

By Mr. BUMPERS (for himself, Mr. SIMON, Mr. CONRAD, Mr. LAUTENBERG, Mr. FEINGOLD, and Mr. LEAHY):

S. 1941. A bill to terminate the Milstar II Communications Satellite Program; to the Committee on Armed Services.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. D'AMATO:

S. Con. Res. 62. A concurrent resolution expressing the sense of the Congress that the President should not have granted diplomatic recognition to the former Yugoslav Republic of Macedonia; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1934. A bill to amend the Immigration and Nationality Act to facilitate the apprehension, detention, and deportation of criminal aliens, and for other purposes; to the Committee on the Judiciary.

CRIMINAL ALIEN CONTROL ACT OF 1994

Mr. ROTH. Mr. President, I rise today to introduce the Criminal Alien Control Act of 1994. This comprehensive legislation addresses the staggering problem of criminal aliens in this country.

There is no doubt that our immigration system has many problems. I hope that this year we will consider comprehensive reforms of the entire immigration system including reforming our abused and overrun asylum process. But, we cannot reform our immigration system without addressing the problem of criminal aliens.

Criminal aliens encompass two areas of great concern to the American people: crime and the control of our borders. Criminal aliens occupy the dangerous intersection of those two problems. I hope that we can all agree that those who came to this country and commit serious crimes have no place here. We do not need to import criminals.

As ranking minority member of the Permanent Subcommittee on Investigations, I recently conducted an investigation and held 2 days of hearings regarding the problem of criminal aliens and the governmental response to that problem. I am grateful to Senator NUNN, our chairman, for his support and assistance in the investigation.

Our investigation found that criminal aliens are a serious threat to our public safety that is costing our criminal justice system hundreds of millions of dollars.

Criminal aliens now account for an all time high of 25 percent of the Federal prison population. The subcommittee staff estimates that there are a total of 450,000 criminal aliens in all parts of our criminal justice system.

Not only is the problem enormous but it is growing rapidly.

As this chart here shows, it represents the fastest growing segment of the Federal prison population. I will just point out that in 1988, we had a little less than 11,000; by 1993, 5 years later, we have 22,626, a tremendous growth rate; unbelievable.

As I said, aliens are the fastest growing segment of the Federal population. It is this growth, on top of the already staggering numbers, that arouses our great concern.

Although our investigation found that the Immigration and Naturalization Service is not adequately responding to the criminal alien problem, the INS does not deserve all the blame. Congress deserves blame for our criminal alien deportation laws, created piecemeal, that set out an irrational, lengthy, and complex process. This next chart shows just how confusing and complicated the current process is.

I will remind you that the proposed health reform structure is just as complicated. It is no wonder that we are not deporting criminals as rapidly as we should be.

Problems with the INS, however, are many. For example, the INS is unable to even identify most of the criminal aliens who clog our State and local jails before these criminals are released back onto our streets.

Many criminal aliens that are identified are released on bond while the lengthy deportation process is pending. It should be a surprise to no one that many skip bond and never show up for their hearings. According to INS figures, in 1992, there were nearly 11,000 aliens convicted of aggravated felonies, the most serious crimes, who failed to show up for their deportation hearings.

Ironically, the INS does routinely provide criminal aliens with work permits legally allowing them to get jobs while their appeals are pending. One INS deportation officer told my staff that he spends only about 5 percent of his time looking for criminal aliens, because he must spend most of his time processing work permits for criminal aliens.

As for actual deportation, the final step in the process, even when final deportation orders are issued for criminal aliens they are often not actually deported. The INS has reported that there are over 27,000 aliens, including many criminal aliens, who have been ordered deported yet remain at large.

One frustrated INS official told us that only the stupid and honest actually get deported.

Finally, even when the system works and a criminal alien is deported, reentry into the United States is so easy that it makes the whole process appear to be a giant exercise in futility. PSI obtained long lists of criminal aliens who have repeatedly been deported and reentered this country.

As many of us know, certain State and local governments have been highly critical of what they see as the Federal Government's inability to effectively police our Nation's borders. Yet, some of these same jurisdictions have passed laws and adopted official policies prohibiting their local police departments from cooperating with Federal immigration officials. I think that is hypocritical. I offered an amendment to the crime bill that was adopted 93–6 that would cut crime bill funding to entities that adopt such policies of noncooperation. A similar provision is included in this legislation.

My legislation addresses the serious problem of criminal aliens by simplifying, streamlining, and strengthening the deportation process for criminal aliens.

My legislation simplifies existing law by eliminating the confusing array of crimes for which criminal aliens are deportable. Under my legislation, any alien who commits any felony is deportable—period. My legislation streamlines the deportation process for criminal aliens by, among other things, requiring aliens who are not permanent residents and who wish to appeal deportation orders, to do so from their home countries, after they have been deported. My legislation further streamlines the process by allowing, for the first time, State and Federal judges to order the deportation of criminal aliens. Once an alien has been convicted beyond a reasonable doubt of having committed a felony, having had the benefit of all due process that is required in our criminal justice system, there is no reason why the sentencing judge should not also be permitted to enter an order of deportration at the time of sentencing. My legislation also restricts the defenses currently used by criminal aliens to delay or avoid deportation and strengthens the existing law by enhancing penalties for reentry after deportation and failure to depart after being ordered deported.

Through this comprehensive legislative package, I believe we can make inroads against the growing and serious problem of criminal aliens in this country.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Criminal Alien Control Act of 1994".

SEC. 2. TABLE OF CONTENTS.

The following is the table of contents for this Act:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—DEPORTATION OF CRIMINAL ALIENS

Sec. 101. Equal immigration treatment to all alien felons.
Sec. 102. Deportation procedures for certain criminal aliens who are not permanent residents.
Sec. 103. Judicial deportation.
Sec. 104. Uncontested deportations.
Sec. 105. Restricting defenses to deportation for certain criminal aliens.
Sec. 106. Extraterritorial appeals by criminal aliens.
Sec. 107. Enhanced penalties for failure to depart, or reentry, after final order of deportation.
Sec. 108. Restriction on asylum for criminal aliens.
Sec. 109. Federal incarceration.
Sec. 110. Miscellaneous and technical changes.

TITLE II—LOCAL COOPERATION WITH FEDERAL OFFICIALS AND PROCEDURES

Sec. 201. Funding based on cooperation.
Sec. 202. Production of criminal records.

TITLE III—MISCELLANEOUS

Sec. 301. Detention of undocumented criminal aliens at military installations to be closed.
Sec. 302. Authorizing registration of aliens on criminal probation or criminal parole.
Sec. 303. Admissible evidence before a special inquiry officer.

TITLE I—DEPORTATION OF CRIMINAL ALIENS

SEC. 101. EQUAL IMMIGRATION TREATMENT TO ALL ALIEN FELONS.

(a) FELONIES.—(1) Sections 101(f) (8 U.S.C. 1101(f)); 106(a) (8 U.S.C. 1105a(a)); 208(d) (8 U.S.C. 1158(d)); 212(a)(6)(B) (8 U.S.C. 1182(a)(6)(B)); 236(e)(i) (8 U.S.C. 1226(e)(i)); 241(a)(2)(A) (8 U.S.C. 1251(a)(2)(A)); 242(a) (8 U.S.C. 1252(a)); 252A(d) (8 U.S.C. 1252A(d)); 242B(c) (8 U.S.C. 1252B(c)); 243(h) (8 U.S.C. 1253(h)); 244(e) (8 U.S.C. 1254(e)); and 277 (8 U.S.C. 1327) are amended by striking "aggravated felony" and "an aggravated felony" each time they appear and inserting in lieu thereof "felony" or "a felony", respectively.

(2) Section 101(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)) is amended by adding at the end the following new paragraph:

"(47) The term 'felony' means any offense under Federal or State law that is punishable by death or imprisonment for more than 1 year.".

(b) PRECLUSION OF JUDICIAL REVIEW.—Section 106(c) of the Immigration and Nationality Act (8 U.S.C. 1105a(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end the following:

"(2) An order of deportation or of exclusion shall not be reviewed by any court of the United States if the grounds for such order is the commission of a felony by the alien, except that the Attorney General may defer deportation or exclusion of the alien pending judicial review if the Attorney General determines that to do otherwise would cause hardship to the alien.".

SEC. 102. DEPORTATION PROCEDURES FOR CERTAIN CRIMINAL ALIENS WHO ARE NOT PERMANENT RESIDENTS.

(a) TECHNICAL AMENDMENTS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended—

(1) in subsection (a)—

(A) by striking "(a) IN GENERAL.—" and inserting the following:

"(b) DEPORTATION OF PERMANENT RESIDENT ALIENS.—

"(1) IN GENERAL.—"; and

(B) by inserting in the first sentence "permanent resident" after "correctional facilities for";

(2) in subsection (b)—

(A) by striking "(b) IMPLEMENTATION.—" and inserting "(2) IMPLEMENTATION.—"; and

(B) by striking "respect to an" and inserting "respect to a permanent resident";

(3) by striking subsection (c);

(4) in subsection (d)—

(A) by striking "(d) EXPEDITED PROCEEDINGS.—(1)" and inserting "(3) EXPEDITED PROCEEDINGS.—(A)";

(B) by inserting "permanent resident" after "in the case of any"; and

(C) by striking "(2)" and inserting "(B)";

(5) in subsection (e)—

(A) by striking "(e) REVIEW.—(1)" and inserting "(4) REVIEW.—(A)";

(B) by striking the second sentence; and

(C) by striking "(2)" and inserting "(B)";

(6) by inserting after the section heading the following new subsection:

"(a) PRESUMPTION OF DEPORTABILITY.—An alien convicted of a felony shall be conclusively presumed to be deportable from the United States."; and

(7) by amending the heading to read as follows:

"EXPEDITED DEPORTATION OF ALIENS CONVICTED OF COMMITTING FELONIES".

(b) ELIMINATION OF ADMINISTRATIVE HEARING FOR CERTAIN CRIMINAL ALIENS.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a) is amended by adding at the end the following new subsection:

"(c) DEPORTATION OF ALIENS WHO ARE NOT PERMANENT RESIDENTS.—

"(1) Notwithstanding section 242, and subject to paragraph (5), the Attorney General may issue a final order of deportation against any alien described in paragraph (2) whom the Attorney General determines to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of a felony).

"(2) An alien is described in this paragraph if the alien—

"(A) was not lawfully admitted for permanent residence at the time that proceedings under this section commenced, or

"(B) had permanent resident status on a conditional basis (as described in section 216) at the time that proceedings under this section commenced.

"(3) The Attorney General may delegate the authority in this section to the Commissioner or to any District Director of the Service.

"(4) No alien described in this section shall be eligible for—

"(A) any relief from deportation that the Attorney General may grant in his discretion, or

"(B) relief under section 243(h).

"(5) The Attorney General may not execute any order described in paragraph (1) until 14 calendar days have passed from the date that such order was issued, in order that the alien has an opportunity to apply for judicial review under section 106.".

(c) LIMITED JUDICIAL REVIEW.—Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended—

(1) in the first sentence of subsection (a), by inserting "or pursuant to section 242A" after "under section 242(b)";

(2) in subsection (a)(1) and subsection (a)(3), by inserting "(including an alien described in section 242A)" after "felony"; and

(3) by adding at the end the following new subsection:

"(d) Notwithstanding subsection (c), a petition for review or for habeas corpus on behalf of an alien described in section 242A(c) may only challenge whether the alien is in fact an alien described in such section, and no court shall have jurisdiction to review any other issue.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens against whom deportation proceedings are initiated after the date of enactment of this Act.

SEC. 103. JUDICIAL DEPORTATION.

(a) JUDICIAL DEPORTATION.—Section 242A of the Immigration and Nationality Act (8 U.S.C. 1252a), as amended by section 102, is further amended by inserting at the end the following new subsection:

"(d) JUDICIAL DEPORTATION.—

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, a United States district court or a State court shall have jurisdiction to enter a judicial order of deportation at the time of sentencing against an alien whose criminal conviction causes such alien to be deportable under section 241(a)(2)(A)(iii) (relating to conviction of a felony).

"(2) PROCEDURE.—(A) The United States Attorney or, in the case of a proceeding before a State court, the State's attorney general, shall provide notice of intent to request judicial deportation promptly after the entry in the record of an adjudication of guilt or guilty plea. Such notice shall be provided to the court, to the alien, to the alien's counsel of record, and to the Commissioner.

"(B) Notwithstanding section 242B—

"(i) in the case of a proceeding before a United States court, the United States Attorney, with the concurrence of the Commissioner, or

"(ii) in the case of a proceeding before a State court, the State's attorney general,

shall, at least 20 days before the date set for sentencing, file a charge containing factual allegations regarding the alienage of the defendant and satisfaction by the defendant of the definition of felony.

"(C) If the court determines that the defendant has presented substantial evidence to establish prima facie eligibility for relief from deportation under section 212(c), the court shall request the Attorney General to provide the court with a recommendation and report regarding the alien's eligibility for relief under such section. The court shall either grant or deny the relief sought.

"(D)(i) The alien shall have a reasonable opportunity to examine the evidence against him or her, to present evidence on his or her own behalf, and to cross-examine witnesses presented by the Government.

"(ii) The court, for the purposes of determining whether to enter an order described in paragraph (1), shall only consider evidence that would be admissible in proceedings conducted pursuant to section 242(b).

"(3) NOTICE, APPEAL, AND EXECUTION OF JUDICIAL ORDER OF DEPORTATION.—(A)(i) A judicial order of deportation or denial of such order may be appealed by either party to the court of appeals for the circuit in which the United States district court is located or to the appropriate State court of appeals, as the case may be.

"(ii) Except as provided in clause (iii), such appeal shall be considered consistent with the requirements described in section 106.

"(iii) Upon execution by the defendant of a valid waiver of the right to appeal the conviction on which the order of deportation is based, the expiration of the period described in section 106(a)(1), or the final dismissal of an appeal from such conviction, the order of deportation shall become final and shall be executed at the end of the prison term in accordance with the term of the order.

"(B) As soon as is practicable after entry of a judicial order of deportation by a United States court, the Attorney General shall provide the defendant with written notice of the order of deportation, which shall designate the defendant's country of choice for deportation and any alternate country pursuant to section 243(a).

"(C) As soon as is practicable after entry of a judicial order of deportation by a State court, the State court shall notify the Attorney General of the order. Upon the termination of imprisonment of the alien, the State shall remand the alien to the custody of the Attorney General. The Attorney General shall effect the deportation of the alien in the manner prescribed in this Act with respect to final orders of deportation.

"(4) DENIAL OF JUDICIAL ORDER.—Denial of a request for a judicial order of deportation shall not preclude the Attorney General from initiating deportation proceedings pursuant to section 242 upon the same ground of deportability or upon any other ground of deportability provided under section 241(a). Any denial of a judicial order of deportation shall include a statement in writing stating the reasons for the denial.

"(5) DEFINITION.—For purposes of this subsection, the term 'State' refers to any of the several States and the District of Columbia.".

(b) TECHNICAL AND CONFORMING CHANGES.—The ninth sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 242A(d), the".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all aliens whose adjudication of guilt or guilty plea is entered in the record after the date of enactment of this Act.

SEC. 104. UNCONTESTED DEPORTATIONS.

Section 242B of the Immigration and Nationality Act (8 U.S.C. 1252b) is amended—

(1) in subsection (a)(1), by adding at the end the following new subparagraph:

"(G) The right of an alien deportable under section 241(a)(2) to execute a deportation affidavit pursuant to subsection (f) in lieu of deportation proceedings.";

(2) by redesignating subsection (f) as subsection (g); and

(3) by inserting after subsection (e) the following:

"(f) DEPORTATION AFFIDAVIT.—In lieu of a determination of deportability in a proceeding before a special inquiry officer, an alien may elect to admit deportability under section 241(a)(2) through the execution of an affidavit witnessed by such an officer and a notary public. A special inquiry officer shall make a determination of deportability under this subsection based solely on the affidavit and, if he finds the alien deportable, shall issue an order of deportation with respect to that alien.".

SEC. 105. RESTRICTING DEFENSES TO DEPORTATION FOR CERTAIN CRIMINAL ALIENS.

(a) DEFENSES BASED ON SEVEN YEARS OF PERMANENT RESIDENCE.—Section 212(c) of the Immigration and Nationality Act (8 U.S.C. 1182(c)) is amended—

(1) in the third sentence, by striking "has served for such felony or felonies" and all that follows through the period and inserting "has been sentenced for such felony or felonies to a term of imprisonment of at least 5 years, if the time for appealing such conviction or sentence has expired and the sentence has become final;"; and

(2) by adding at the end the following new sentence: "For purposes of calculating the period of seven consecutive years under this subsection, any period of imprisonment of the alien by Federal, State, or local authorities shall be excluded but shall not be considered to have broken the continuity of the period.".

(b) DEFENSES BASED ON WITHHOLDING OF DEPORTATION.—Section 243(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1253(h)(2)) is amended—

(1) by striking "or" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; or"; and

(3) by striking the final sentence and inserting the following new subparagraph:

"(E) the alien has been convicted of an felony."; and

SEC. 106. EXTRATERRITORIAL APPEALS BY CRIMINAL ALIENS.

Section 106 of the Immigration and Nationality Act (8 U.S.C. 1105a) is amended by adding at the end the following new subsection:

"(d)(1) In the case of any alien found to be deportable under section 242(a)(2), the Attorney General may not defer deportation of the alien and shall, after issuance of the deportation order, take the alien into custody until the alien is deported.

"(2) Any court of the United States shall have jurisdiction to review an order of deportation issued under paragraph (1) in any case where the petitioner for review is outside the United States. Any alien for whom an order of deportation has been vacated under this paragraph shall be issued a valid visa and admitted to the United States to the status held by the alien before deportation.".

SEC. 107. ENHANCED PENALTIES FOR FAILURE TO DEPART, OR REENTRY, AFTER FINAL ORDER OF DEPORTATION.

(a) FAILURE TO DEPART.—Section 242(e) of the Immigration and Nationality Act (8 U.S.C. 1252(e)) is amended—

(1) by striking out "paragraph (2), (3), or (4) of" the first time it appears, and

(2) by striking out "shall be imprisoned not more than ten years" and inserting in lieu thereof "shall be imprisoned not more than two years, or shall be imprisoned not more than ten years if the alien is a member of any of the classes described in paragraph (2), (3), or (4) of section 241(a).".

(b) REENTRY.—Section 276(b) of the Immigration and Nationality Act (8 U.S.C. 1326(b)) is amended to read as follows:

"(b) Notwithstanding subsection (a), in the case of any alien described in such subsection whose deportation was subsequent to a conviction for commission of two or more misdemeanors or a felony, such alien shall be fined under title 18, United States Code, imprisoned not more than 15 years, or both.".

(c) COLLATERAL ATTACKS ON UNDERLYING DEPORTATION ORDER.—Section 276 of the Immigration and Nationality Act (8 U.S.C. 1326) is amended by adding at the end the following new subsection:

"(c) In any criminal proceeding under this section, no alien may challenge the validity of the deportation order described in subsection (a) (1) or subsection (b).".

SEC. 108. RESTRICTION ON ASYLUM FOR CRIMINAL ALIENS.

(a) IN GENERAL.—Section 208 of the Immigration and Nationality Act (8 U.S.C. 1158) is amended by adding at the end the following new subsections:

"(e) Notwithstanding subsection (a), an alien may only be granted asylum under this section if the alien claims asylum within 15 days of the alien's entry into the United States, unless the alien establishes by clear and convincing evidence that since the date of entry into the United States circumstances have changed in the alien's country of nationality (or, in the case of a person having no nationality, the country in which such alien last habitually resided) such that, if the alien returned to the country, it is more likely than not that the alien would be arrested or incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership in a particular social group, or political opinion.

"(f) An alien is not eligible for asylum under this section if the Attorney General determines that—

"(1) the alien ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion;

"(2) the alien, having been convicted by a final judgment of a particularly serious crime, constitutes a danger to the community of the United States;

"(3) there are serious reasons for believing that the alien has committed a serious nonpolitical crime outside the United States prior to the arrival of the alien in the United States;

"(4) there are reasonable grounds for regarding the alien as a danger to the security of the United States; or

"(5) a country willing to accept the alien has been identified (other than the country described in subsection (e)) to which the alien can be deported or returned and the alien does not establish that it is more likely than not that the alien would be arrested or incarcerated or the alien's life would be threatened in such country on account of race, religion, nationality, membership in a particular social group, or political opinion.

For purposes of paragraph (2), an alien who has been convicted of a felony shall be considered to have committed a particularly serious crime. The Attorney General shall prescribe regulations that specify additional crimes that will be considered to be a crime described in paragraph (2) or (3).".

(b) CONFORMING AMENDMENT.—Section 208(a) of such Act (8 U.S.C. 1158(a)) is amended by inserting ", except as provided in subsection (f)," after "asylum, and".

SEC. 109. FEDERAL INCARCERATION.

Section 242 of the Immigration and Nationality Act (8 U.S.C. 1252) is amended by adding at the end the following new subsection:

"(j)(1) The Attorney General shall take into the custody of the Federal Government, and shall incarcerate for a determinate sentence of imprisonment, an undocumented criminal alien if—

"(A) the chief State official exercising authority with respect to the incarceration of the undocumented criminal alien submits a written request to the Attorney General; and

"(B) the undocumented criminal alien is sentenced to a determinate term of imprisonment.

"(2) Undocumented criminal aliens taken into the custody of the Attorney General under paragraph (1) may be deported under subsection (h)(2)(A).

"(3) For purposes of this subsection, the term 'undocumented criminal alien' means an alien who—

"(A) has been convicted of a felony and sentenced to a term of imprisonment, and

"(B)(i) entered the United States without inspection or at any time or place other than as designated by the Attorney General, or

"(ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State.".

SEC. 110. MISCELLANEOUS AND TECHNICAL CHANGES.

(a) FORM OF DEPORTATION HEARINGS.—The second sentence of section 242(b) of the Immigration and Nationality Act (8 U.S.C. 1252(b)) is amended by inserting after the second sentence the following new sentence: "Nothing in the preceding sentence precludes the Attorney General from authorizing proceedings by electronic or telephonic media (with or without the consent of the alien) or, where waived or agreed to by the parties, in the absence of the alien.".

(b) CONSTRUCTION OF EXPEDITED DEPORTATION REQUIREMENTS.—No amendment made by this Act and nothing in section 242(i) of the Immigration and Nationality Act (8 U.S.C. 1252(i)), shall be construed to create any right or benefit, substantive or procedural, which is legally enforceable by any party against the United States, its agencies, its officers, or any other person.

TITLE II—LOCAL COOPERATION WITH FEDERAL OFFICIALS AND PROCEDURES

SEC. 201. FUNDING BASED ON COOPERATION.

(a) STATE AND LOCAL COOPERATION.—Notwithstanding any law, ordinance or regulation of any State or subdivision thereof to the contrary, officials of any State or local government or agency, upon the request of any duly authorized official of the United States Immigration and Naturalization Service, shall provide information regarding the identification, location, arrest, prosecution, detention, and deportation of an alien or aliens who are not lawfully present in the United States.

(b) REPORT.—Not later than 6 months after the date of enactment of this Act, the Attorney General and the Commissioner of Immigration and Naturalization shall jointly report to the Congress and the President on the extent to which State and local governments are not cooperating with the Immigration and Naturalization Service. This report shall identify any State or local governments that have adopted laws, policies or practices of noncooperation with the United States Immigration and Naturalization Service, the specific nature of those laws, policies or practices, and their impact on the enforcement of the immigration laws.

(c) FUNDING BASED ON COOPERATION.—No State or local government or agency which has been identified in the Attorney General's report required by the preceding paragraph, which has a policy or practice of refusing to cooperate with the Immigration and Naturalization Service regarding the identification, location, arrest, prosecution, detention, or deportation of aliens who are not lawfully present in the United States, shall be eligible for any Federal funds from appropriations made pursuant to a provision of the Violent Crime Control and Law Enforcement Act of 1993 or of an amendment made by authorizing appropriations, as long as such policy or practice remains in effect.

SEC. 202. PRODUCTION OF CRIMINAL RECORDS.

Section 503(a)(11) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3753(a)) is amended by inserting "or any political subdivision thereof" after "State" the second, third, and fourth occurrence thereof.

TITLE III—MISCELLANEOUS

SEC. 301. DETENTION OF UNDOCUMENTED CRIMINAL ALIENS AT MILITARY INSTALLATIONS TO BE CLOSED.

(a) IN GENERAL.—(1) Notwithstanding any other provision of law, the Secretary of Defense shall make available to the Attorney General for the purpose referred to in paragraph (2) any military installation of the Department of Defense that—

(A) is approved for closure under a base closure law; and

(B) is jointly determined by the Secretary and the Attorney General to be an appropriate facility for the detention of undocumented aliens.

(2) The Attorney General shall use facilities made available to the Attorney General under this paragraph for the detention of undocumented criminal aliens.

(b) DEFINITIONS.—In this section:

(1) The term "approved for closure under a base closure law", in the case of a military installation, means any installation whose closure under a base closure law is recommended by the President and not disapproved by Congress in accordance with the provisions of such law.

(2) The term "base closure law" means the following:

(A) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 102-510; 10 U.S.C. 2687 note).

(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

(3) The term "undocumented criminal alien" means an alien who—

(A) has been convicted of a felony and sentenced to a term of imprisonment, and

(B)(i) entered the United States without inspection or at any time or place other than as designated by the Attorney General, or

(ii) was the subject of exclusion or deportation proceedings at the time he or she was taken into custody by the State.

SEC. 302. AUTHORIZING REGISTRATION OF ALIENS ON CRIMINAL PROBATION OR CRIMINAL PAROLE.

Section 263(a) of the Immigration and Nationality Act (8 U.S.C. 1303(a)) is amended by striking "and (5)" and inserting "(5) aliens who are or have been on criminal probation or criminal parole within the United States, and (6)".

SEC. 303. ADMISSIBLE EVIDENCE BEFORE A SPECIAL INQUIRY OFFICER.

In any proceeding under the Immigration and Nationality Act before a special inquiry officer, such documents and records as are described in section 3.41 of title 8, Code of Federal Regulations, as in effect on the date of enactment of this Act, may be admissible as evidence of a criminal conviction.

CRIMINAL ALIEN CONTROL ACT OF 1994—SECTION-BY-SECTION ANALYSIS

Sec. 1. Short Title

The Act may be cited as the Criminal Alien Control Act of 1994

TITLE I—DEPORTATION OF CRIMINAL ALIENS

Sec. 101. Equal Immigration Treatment to All Alien Felons

Under section 101 any alien who is convicted of any felony at any time while in the U.S. would be deportable. Under current law only aliens convicted of certain types of felonies, as specified by a complex and confusing array of statutes, are deportable. Whole classes of aliens who are convicted of felonies are not deportable.

Under current law only aliens who are convicted of crimes of moral turpitude (which include murder, manslaughter, rape and sodomy) within five years after entry into the U.S. and resulting in imprisonment for one year, or aliens convicted of two unrelated crimes of moral turpitude at any time after entry into the U.S. regardless of length of incarceration, or aliens who commit certain narcotics and weapons offenses (so-called "aggravated felonies"), as defined by law, are deportable.

Sec. 102. Deportation Procedures of Certain Criminal Aliens Who Are Not Permanent Residents

Section 102 lays out streamlined procedures for the deportation of criminal aliens who are not permanent residents. Under current law only aggravated felons are conclusively presumed to be deportable. Section 102 extends the presumption to all criminal aliens who are not permanent residents. This section eliminates the administrative hearing process for criminal aliens who are not permanent resident aliens. Such criminal aliens will have the right to a single habeas corpus appeal limited to a determination of whether the alien is in fact an alien and is in fact a convicted felon.

Sec. 103. Judicial Deportation

Section 103 gives the United States district courts and state courts the authority to enter a judicial order of deportation at the time of sentencing against an alien convicted of a felony. The denial of such a judicial order does not preclude the initiation of deportation proceedings for the alien in question.

District courts currently have the authority to order the deportation of a criminal alien as a condition of supervised release. See, 18 U.S.C. 3583(d), *United States* versus *Chukwura*, 5 F.3d 1420 (11th Cir. 1993). Section 103 makes it clear that district courts also have the authority to order the deportation of a criminal alien in all sentencing situations, not solely in connection with a sentence of supervised release. State courts currently have no authority regarding deportation. State courts have, in many instances, however, been given the ability to exercise federal authority.

Sec. 104. Uncontested Deportations

Under section 104 a criminal alien who has chosen not to contest his deportation can be deported via the execution of an affidavit in lieu of deportation proceedings. Currently, uncontested deportations are carried out before an immigration judge in the setting of a formal immigration hearing. In addition to being costly and time consuming, such hearings are mere pro forma exercises when they involve uncontested deportations.

Sec. 105. Restricting Defenses to Deportation for Certain Criminal Aliens

Section 105 restricts two defenses often used by criminal aliens to contest their deportations. The first defense is commonly referred to as 212(c) relief. Under section 212(c) of the Immigration and Nationality Act a criminal alien who has been a permanent resident in the U.S. for seven years and has not served over 5 years for a felony offense may be granted relief from deportation. Section 105 would exclude from section 212(c) those felons who are sentenced to 5 years regardless of time actually served.

The second defense, known as "withholding of deportation", allows an immigration judge to withhold the deportation of an alien, including a criminal alien, if it is established that the alien would be in danger if he were returned to his country of origin. Section 105 would prohibit this defense from being invoked by an alien convicted of a felony.

Sec. 106. Extraterritorial Appeals by Criminal Aliens

Section 106 requires that all criminal aliens ordered deported be taken into custody until deportation. The section also requires that a criminal alien be deported even if he appeals his deportation. The criminal alien is, however, given the right to appeal his deportation from his country of origin. If the criminal alien wins his appeal, this section makes it clear that the alien is to be issued a visa to return to the U.S.

This section will ensure that those criminal aliens who have been ordered deported will not escape deportation by appealing their deportation. Currently, criminal aliens who appeal their deportation either remain incarcerated at taxpayer expense or, more frequently, are released on bond. Criminal aliens who have been released pending their appeal are commonly given work authorization by the INS. It is unfair to reward a criminal alien simply because he has appealed his order of deportation. Such a policy sends the wrong signal and invites abuse of the immigration appeal process.

Sec. 107 Enhanced Penalties for Re-Entry or Failure to Deport

Section 107 enhances the penalties for aliens who return to the U.S. after being deported and for those who fail to depart after having been ordered deported. Under current law, aggravated felons who re-enter after deportation can serve 15 years while nonaggravated felons can serve only 5 years for the same offense. This section makes the penalty 15 years for all deported criminal aliens who re-enter after deportation. Section 107 prohibits collateral attacks on the underlying deportation order during reentry prosecutions. Section 107 also expands the penalty for failure to depart to all classes of aliens. Current law only covers certain classes of aliens.

Sec. 108 Restriction on Asylum for Criminal Aliens

Section 108 will prohibit asylum claims for criminal aliens who have not formally claimed asylum within 15 days of entering the United States, unless the criminal alien can establish by clear and convincing evidence changed circumstances in the criminal aliens country of nationality accounting for why the alien failed to comply with this section. This section also absolutely prohibits asylum claims for certain criminal aliens such as those who have committed serious crimes and pose a threat to the public.

Sec. 109 Federal Incarceration

Section 109 requires the Federal government to take into custody and incarcerate any undocumented criminal alien. Under this section, an undocumented criminal alien is any alien who: is convicted of a felony and sentenced to a term of imprisonment; entered the U.S. without inspection; or was the subject of exclusion or deportation proceedings at the time he was taken into custody. Under current law an undocumented criminal alien, who is not an aggravated felon, can be, and often is released pending deportation as long as the criminal alien was inspected while entering the U.S. Many of these individuals do not appear for their deportation hearings.

Section 109 restores the original intent of Congress to require the incarceration of most criminal aliens pending their deportation. Congressional intent was thwarted by the adoption of a so-called "technical amendment" to the Immigration Act of 1990 which allows for the release of a large number of criminal aliens pending their deportation.

Sec. 110. Miscellaneous and Technical Changes

TITLE II—LOCAL COOPERATION WITH FEDERAL OFFICIALS AND PROCEDURES

Sec. 201. Funding Based on Cooperation

Section 201 would deny funding to be authorized under the Violent Crime Control and Law Enforcement Act of 1993 (the Crime Bill) to government entities that adopt policies of refusing to cooperate with Federal immigration officials. An entity would be denied funding if the Attorney General certifies that the entity has a policy of not cooperating with Federal immigration officials. The Attorney General can order a resumption of funding if the government entity changes its policy.

Sec. 202. Production of Criminal Records

Section 202 mandates that any political subdivision of a state provide certified criminal record to the INS in connection with a deportation proceeding against a criminal alien at no cost to the INS. Current law only requires states themselves to provide such records at no cost. Some local governments maintain the right to charge a fee for the records. Section 202 corrects this problem and ensures that the intent of the current law is carried out.

TITLE III—MISCELLANEOUS

Sec. 301. Detention of Undocumented Aliens at Military Installations to be Closed

Section 301 would allow any military installation approved for closure under a base closure law to be used for the detention of undocumented aliens.

Sec. 302. Identification of Criminal Aliens on Probation and Parole

Requires that state and local law enforcement inform INS of criminal aliens within their jurisdiction that are on probation and parole. Current law requires that this be done with only incarcerated criminal aliens.

Sec. 303. Admissible Evidence Before a Special Inquiry Officer

Codifies a federal regulation that allows the use of certain forms of documents and record and regard to the deportation of a criminal alien. For example, allows for the use of an official arrest record transmitted electronically.

By Mr. McCAIN (for himself and Mr. INOUYE):

S. 1936. A bill to provide for the integrated management of Indian resources, and for other purposes; to the Committee on Indian Affairs.

INDIAN INTEGRATED RESOURCES MANAGEMENT PLANNING ACT

• Mr. McCAIN. Mr. President, I introduce the Indian Integrated Resource Management Planning Act to authorize the Secretary of the Interior to establish and carry out a program to assist tribes in developing and implementing integrated resource management plans. I am pleased that Senator INOUYE has joined me as a cosponsor. We are introducing this bill in order to stimulate discussion about this subject. Accordingly, we welcome all comments and suggestions for improving the bill.

This legislation provides that upon request of an Indian tribe, the Secretary of the Interior shall transfer to the tribe all natural resource data, including maps and other information held by the Secretary that relates to lands under the authority of the Indian tribe. The bill also establishes a process for plan development, and requires an Indian tribal government to submit its plan to the Secretary for approval.

The process for plan development includes a determination of the need for the plan; identification of short- and long-term goals; identification of the geographic area to be included in the plan; identification of available and needed data; identification of the natural resources expertise needed to prepare the plan; a determination of the time required for data collection; a determination of the affected parties, including landowners, lessees, and residents; public comment; identification and consideration of alternative plans; an estimation of the cost of plan development; a list of resources to be included in the plan; a list of resource management goals and objectives; and compliance with applicable Federal and tribal laws.

An approved plan shall govern all activities of the Indian tribe and the Secretary with regard to matters included in the plan. The bill also provides that the Secretary, consistent with the trust responsibility, shall provide for the management of Indian natural resources in a manner that is consistent with an approved integrated resource management plan. The bill authorizes the Secretary to enter into a grant, contract, or cooperative agreement with each Indian tribe under the Indian Self-Determination and Education Assistance Act to provide financial assistance to the tribe for the development of an integrated resource management plan.

This bill provides direction to the Secretary for the fulfillment of the United States' responsibility for the Indian natural resources that are held in trust for Indian tribes and individuals. It would ensure that the management of natural resources on Indian lands in conducted in a manner that is consistent with tribal culture and values, applicable Federal laws, and the Federal trust responsibility. The IRMPA would also promote and enhance tribal self-governance through tribal control of natural resources and comanagement by Indian tribes and the Secretary.

A few tribes have already developed and implemented integrated resource management plans to manage natural resources on their lands. Pursuant to the American Indian Agricultural Resource Management Act, which was enacted last year, a tribe may develop and implement a plan to govern the management of Indian rangelands and farmlands. The National Indian Forest Resource Management Act, which was enacted in 1991, contains similar provisions. The bill I am introducing today will incorporate existing individual resource management plans into an overall program called an integrated resource management plan.

At the urging of the tribes, the Bureau of Indian Affairs established procedures in 1988 to develop integrated resource management plans for each Indian reservation. Under these procedures, the Secretary of the Interior has developed and completed substantial resource inventory information, such as maps, surveys, and data necessary for the development of tribal integrated resource management plans over the past several years. The BIA, however, has lacked the funds and the staff to assist tribes in developing and implementing integrated resource management plans for each reservation. Since 1988, the BIA has completed nine integrated resource management plans for Indian reservations.

Out of frustration, some tribes have used tribal and private funds to develop and complete resource inventory information in order to develop and implement an integrated resource management plan. For example, the Hoopa Valley Tribe asked World Wildlife Fund to assist in developing an integrated resource management plan for the reservation to fully integrate fish and wildlife conservation into the tribe's logging and timber management program. The integration of these programs will lead to the development of a sustainable economy that makes use of the tribe's natural resources while safeguarding those resources that have important ecological and cultural values.

The Confederated Tribes of the Warm Springs Reservation of Oregon also had to seek funding elsewhere because the Secretary was not providing the data necessary to develop an integrated resource management plan. The tribe used its own funds to develop an integrated resource management plan. The plan at Warm Springs provides for the long-term management of all resources for sustainable economic and employment opportunities for present and future tribal members, and for the preservation of cultural values. Mr. President, I believe it is consistent with the trust responsibility to require the Secretary to manage Indian natural resources for the benefit of the tribes. We have appropriated and the Secretary has expended considerable sums of money over the years to develop data and information on Indian natural resources. This information should be readily available to those tribes which are ready to develop an IRMP. The bill I am introducing today would make the information the Secretary has acquired directly available to the tribal governments for the development of IRMP's.

Finally, I would like to note that this legislation is consistent with and will serve to advance the policies of self-determination and self-governance. The development of an IRMP necessarily involves the very kind of community participation and decision-making which is the cornerstone of self-governance. This legislation will ensure that the Secretary has the authority necessary to more fully implement the policies of self-determination and self-governance at such times as the respective tribes are ready to proceed.

I ask unanimous consent that the full text of the Indian Integrated Resources Management Planning Act and a section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1936

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Integrated Resources Management Planning Act".

SEC. 2. DEFINITIONS.

As used in this Act:

(1) INDIAN LAND.—The term "Indian land" means all land that is—

(A) held in trust by the United States for the benefit of an Indian tribe or an individual Indian; or

(B) owned by an Indian or Indian tribe and is subject to restrictions against alienation.

(2) INDIAN NATURAL RESOURCES.—The term "Indian natural resources" includes forests, ranges, wildlife, water, fisheries, soils, minerals, oil, gas, coal, agriculture, recreation, archaeological resources, historical resources, cultural resources, traditional resources, socioeconomic resources, and threatened and endangered species.

(3) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native Village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(4) INTEGRATED RESOURCE MANAGEMENT PLAN.—The term "integrated resource management plan" means a plan developed by an Indian tribe and approved by the Secretary pursuant to section 4—

(A) to assess available natural resources;

(B) to identify management objectives that integrate—

(i) quality of life;

(ii) production goals;

(iii) preservation goals; and

(iv) landscape descriptions of the natural resources; and

(C) that encompasses tribal codes and specific natural resource management plans in effect on the date of enactment of this Act.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 3. FINDINGS; PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) it is the policy of the United States to promote tribal self-determination and self-governance;

(2) the United States holds most Indian natural resources in trust for the benefit of Indian tribes and individuals;

(3) it is consistent with the Federal trust responsibility and the policies of self-determination and self-governance to promote increased tribal involvement in the management and use of Indian land and natural resources; and

(4) Indian tribes have among their principal policy objectives, the management of their natural resources in a manner that is consistent with the cultural, social, and economic needs and values of the tribes.

(b) Purpose.—It is the purpose of this Act—

(1) to authorize the Secretary to assist Indian tribes in the development and implementation of integrated resource management plans;

(2) to ensure that the management of natural resources on Indian land is conducted in a manner that is consistent with tribal culture and values, applicable Federal laws, and the Federal trust responsibility; and

(3) to promote and enhance tribal self-determination and self-governance by ensuring tribal control of natural resources and co-management by Indian tribes and the Secretary.

SEC. 4. INDIAN NATURAL RESOURCE MANAGEMENT PLAN.

(a) In General.—The Secretary shall establish and carry out a program to assist Indian tribes to develop and implement integrated natural resource management plans.

(b) Assistance.—

(1) In general.—Upon the request of an Indian tribe, the Secretary shall provide assistance under this subsection, including the transfer to the tribe of all natural resources data, including maps and other information held by the Secretary that relates to land under the authority of the Indian tribe.

(2) Grants; contracts.—Upon the request of an Indian tribe, the Secretary shall enter into a grant, contract, or cooperative agreement with each Indian tribe under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) to provide financial assistance to the Indian tribe for the development of an integrated resource management plan.

(c) Development.—The process for plan development shall include provisions for—

(1) a determination of the need for the plan;

(2) identification of short- and long-term goals;

(3) identification of the geographic area to be included in the plan;

(4) identification of available and needed data;

(5) identification of the natural resources expertise needed to prepare the plan;

(6) a determination of the time required for data collection;

(7) a determination of the affected parties, including landowners, lessees, and residents;

(8) public comment;

(9) identification and consideration of alternative plans;

(10) an estimation of the cost of plan development;

(11) a list of resources to be included in the plan;

(12) a list of resource management goals and objectives; and

(13) compliance with applicable Federal and tribal laws.

(d) Approval by Secretary.—

(1) Submission.—Upon completion of a plan, an Indian tribe shall submit the plan to the Secretary for approval.

(2) Approval.—Not later than 6 months after receipt of a plan, the Secretary shall approve or disapprove the plan. If the Secretary neither approves nor disapproves the plan, such inaction shall be deemed to be an approval of the plan.

(3) Disapproval.—If the Secretary disapproves a plan, the Secretary shall state the reasons for such disapproval and shall provide recommendations and technical assistance for plan revisions.

(e) Force and Effect.—An approved plan shall govern all activities of the Indian tribe and the Secretary with regard to matters included in the plan. The plan shall take effect on the date of approval.

(f) Amendments.—

(1) In general.—An Indian tribe may amend the plan at any time consistent with this section.

(2) Public comment.—Proposed amendments shall be made available for public review and comment.

(3) Approval.—Upon approval by the Indian tribe, proposed amendments shall be submitted to the Secretary for approval in accordance with subsection (d).

SEC. 5. MANAGEMENT.

Consistent with the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.), the Secretary shall provide for the management of Indian natural resources in a manner that is consistent with the approved integrated resource management plans.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as are necessary to carry out this Act.

Section-by-Section Summary Analysis of the Indian Integrated Resource Management Planning Act of 1994

SECTION 1.—SHORT TITLE

Section 1 provides that the short title of the Act shall be the "Indian Integrated Resources Management Planning Act."

SECTION 2.—DEFINITIONS

Section 2 sets out the definitions used in the Act, including: Indian Land, Indian Natural Resources, Indian Tribe, Integrated Resource Management Plan, and Secretary.

SECTION 3.—FINDINGS AND PURPOSE

Section 3 sets out the findings of the Congress and sets out the purposes of the Act.

Subsection (a) of this section states the findings of the Congress including: the policy of the United States is to promote tribal self-determination and self-governance; the United States holds most Indian natural resources in trust for the benefit of Indian tribes and individuals; it is consistent with the Federal trust responsibility and the policies of self-determination and self-governance to promote increased tribal involvement in the management and use of Indian land and natural resources; and among Indian tribes' policy objectives are the management of their natural resources in a manner that is consistent with the cultural, social, and economic needs and values of the tribes.

Subsection (b) of this section states that the purposes of this Act are to authorize the Secretary to assist Indian tribal organizations in developing and implementing integrated resource management plans; to ensure that the management of natural resources on Indian land is conducted in a manner that is consistent with tribal culture and values, applicable Federal laws, and the Federal trust responsibility; and to promote and enhance tribal self-determination and self-governance through tribal control of natural resources and co-management by Indian tribes and the Secretary.

SECTION 4.—INDIAN NATURAL RESOURCE MANAGEMENT PLAN

Section 4 of this bill provides that the Secretary shall establish and carry out a program to assist Indian tribes to develop and implement integrated natural resource management plans.

Subsection (b)(1) of this section provides that upon request of an Indian tribal organization, the Secretary shall provide all natural resources data, including maps and other information held by the Secretary that relates to land under the authority of the Indian tribe.

Subsection (b)(2) of this section provides that the Secretary shall enter into a grant, contract, or cooperative agreement with each Indian tribe under the Indian Self-Determination and Education Assistance Act to provide financial assistance to the tribe in developing an integrated resource management plan.

Subsection (c) of this section provides that the process for plan development shall include the provisions set out in subsection (c)(1) through (c)(13) of this section.

Subsection (d)(1) of this section states that an Indian tribal organization shall submit a plan to the Secretary for approval; (2) the Secretary shall approve or disapprove the plan not later than 6 months after receipt of the plan and if the Secretary neither approves nor disapproves the plan, such inaction shall be deemed to be an approval of the plan; (3) if the Secretary disapproves the plan, the Secretary shall state the reasons for such disapproval and shall provide recommendations and technical assistance for plan revisions.

Subsection (e) of this section provides that an approved plan shall govern all activities of the Indian tribe and the Secretary with regard to matters included in the plan. The plan shall be in effect on the date of approval.

Subsection (f) of this section sets out the process that an Indian tribe shall follow to amend the plan.

SECTION 5.—MANAGEMENT

Section 5 provides that the Secretary, consistent with the trust responsibility, shall provide for the management of Indian natural resources in a manner that is also consistent with an approved integrated resource management plan.

SECTION 6.

Section 6 authorizes to be appropriated such sums as are necessary to carry out this Act.●

By Mr. DODD:

S. 1937. A bill to amend the Community Services Block Grant Act to establish a new Community Initiative Program to carry out economic development activities in economically distressed communities, to make other amendments to the Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1938. A bill to amend the Low-Income Home Energy Assistance Act of 1981 to authorize appropriations for fiscal years 1996 through 1999, remove impediments to the exercise of States discretion to shape their programs and to concentrate their resources on those with the greatest home energy needs, and for other purposes; to the Committee on Labor and Human Resources.

FAMILY ASSISTANCE LEGISLATION

Mr. DODD. Mr. President, I rise today to introduce on behalf of the Clinton administration reauthorization bills for two programs that are critically important to millions of Americans: The Low-Income Home Energy Assistance Program and the community services block grant. These may not be glamour programs that receive major publicity, but for the families who receive help through them, they can literally be lifesavers.

Together with the Head Start amendments already introduced, these bills will be folded into the Human Services Act reauthorization, which the Senate will consider later in the session. The programs authorized through the Human Services Act share a common orientation of working within the community to address the needs of individuals and families seeking to move toward self-sufficiency.

For millions of families all across this Nation, the Low-Income Home Energy Assistance Program, commonly known as LIHEAP, is the difference between going cold and staying warm, the difference between being overwhelmed by hard times and hanging on, the difference between skimping on the food budget to pay the utilities and just getting by.

LIHEAP provides millions of families with the little extra help they need to make it through the winter. Many LIHEAP families have elderly members. Some recipients are disabled. Many families are raising small children. Whatever their composition, households receiving energy assistance all need warm shelter from the cold and basics like electricity.

This point was forcefully driven home during a hearing I chaired of the Subcommittee on Children, Family, Drugs and Alcoholism on Tuesday. During that hearing, Mrs. Letitia Fletcher of Philadelphia laid out in highly personal, emotional terms how important LIHEAP is to millions of Americans. Tears streaming down her face, she described having to quit her job to care for her ill husband. Unable to afford fuel oil, they heated with a kerosene heater until doctors advised her that the fumes would worsen her husband's condition.

Fortunately, Mrs. Fletcher found out about LIHEAP, and she and her husband were able to pay for fuel oil to heat their home. Although her husband recently passed away, Mrs. Fletcher is convinced that LIHEAP extended his life. She now works in her neighborhood to make sure others in need know about LIHEAP.

Fortunately, Mrs. Fletcher found help, but millions more who are eligible go without assistance because the program is under-funded. LIHEAP reaches less than a quarter of the eligible population and nearly a million fewer than it did in 1981. Funding for the program has declined from $2.1 billion in 1985 to $1.4 billion today. As funding has declined, heat interruptions have been on the increase, with more than one million families going without this basic necessity at some point in the winter of 1990-9191.

Given these statistics and my own conversations with LIHEAP clients in Connecticut, I must admit I was disappointed that the administration's budget proposed cutting LIHEAP's already inadequate funding in half. I plan to work with my colleagues during the budget and appropriations processes to restore as much funding as possible for LIHEAP.

At the same time, I am eager to discuss steps we might take to make the program more effective. The reauthorization bill I am today introducing on behalf of the Clinton administration contains a number of changes to the program intended to give States more flexibility and to encourage the targeting of households with high energy burdens.

I am also introducing the administration's bill to reauthorize the community services block grant. The community services block grant provides core funding to our Nation's network of community action agencies. These are social services groups with deep roots in communities in every part of the United States. By Federal law, the boards of these agencies are comprised of one-third elected officials, one-third business and civic leaders and one-third low-income residents of communities served by the agencies.

This unique partnership provides one of the secrets of community action agencies' success, for it empowers low-income communities by giving them say over their own affairs. When community members reach out to the community action agency, the hand they grasp is that of a neighbor.

Two of the witnesses at Tuesday's hearing, Catherine Riley of Minnesota and Jamie Enochs of Kansas, talked about how important community action agencies had been in their lives. They described how the agencies provide comprehensive services intended to help clients reach self-sufficiency, rather than just providing a check like a welfare agency.

This ability to see families' needs comprehensively—to weave the seamless garment of services—is a hallmark of community action agencies. They provide an impressively wide array of social services, from literacy programs to job training, from Meals on Wheels to homeless shelters, from child care to substance abuse education.

The community services block grant is money well spent because community action agencies use it to leverage funds from the private sector and from State and local governments. Federal block grant money actually constitutes only a small portion of community action agencies' budget, but it is an indispensable portion.

Over the years, a number of small discretionary programs have been authorized through the community services block grant. These programs have funded everything from rural housing improvements to antihunger efforts. The administration's bill proposes to eliminate most of these discretionary programs, replacing one—the Community Economic Development Program—with a new Community Initiative Program.

I plan to carefully examine this proposal in the weeks ahead. While I am sensitive to and support the goal of streamlining Federal programs, I am also aware that these small programs have served important purposes. We must be sure these purposes will still be met before we eliminate the funding sources dedicated to them.

The low-income Home Energy Assistance Program and the community services block grant both rest on the fundamental premise that a little help from the community may be all it takes for families to survive tough times. I look forward to working with my colleagues on the Labor Committee and in the Senate as a whole to reauthorize these valuable programs in the weeks ahead. I ask unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1937

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—That this Act may be cited as the "Community Services Block Grant Amendments of 1994".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Community Services Block Grant Act (42 U.S.C. 9901 et seq.).

SEC. 2. ESTABLISHMENT OF COMMUNITY INITIATIVE PROGRAM.

(a) COMMUNITY INITIATIVE PROGRAM.—Section 681 (42 U.S.C. 9910) is amended to read as follows:

"COMMUNITY INITIATIVE PROGRAM

"SEC. 681. (a) GRANTS.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary is authorized to make grants to local, private, nonprofit community development corporations, or to enter into contracts or cooperative agreements with such community development corporations, to plan for and carry out economic development activities in economically distressed communities.

"(B) ECONOMIC DEVELOPMENT ACTIVITIES.—Economic development activities under this section shall be designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities and by providing support services that are designed to enhance the ability of low-income individuals and families to successfully avail themselves of such opportunities. In addition to any other activities consistent with the purposes of this section, such activities may include the development of facilities through means such as the establishment of partnerships with Head Start agencies, agencies or organizations providing child care or otherwise engaged in the field of child care or child development, and agencies or organizations serving children, youth and families.

"(2) CONSULTATION.—The Secretary shall exercise the authority provided under paragraph (1) in consultation with other relevant Federal officials.

"(b) GOVERNING BOARDS.—Each community development corporation receiving funds under this section shall be governed by a board that shall consist of residents of the community and business and civic leaders.

"(c) ANNUAL STATEMENT.—The Secretary shall annually publish a statement of the types of projects or activities for which funding under this section will be a priority, such as projects or activities designed to strengthen or enhance activities funded by other Federal programs.

"(d) GEOGRAPHIC DISTRIBUTION.—In providing assistance or entering into other arrangements under this section, the Secretary shall take into consideration the geographic distribution of funds among States and the relative proportion of funding among rural and urban areas.

"(e) RESERVATION.—Of the amounts made available to carry out this section, the Secretary may reserve not to exceed 1 percent for each fiscal year to make grants to private nonprofit organizations or to enter into contracts with private nonprofit or for profit organizations to provide technical assistance to aid community development corporations in developing or implementing projects funded under this section and to evaluate projects funded under this section.".

(b) REPEAL.—Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) STATE ALLOCATIONS.—Section 674(a) (42 U.S.C. 9903(a)) is amended—

(A) in paragraph (1), by striking "which remains after" and all that follows through "allot to each State;" and inserting "which remains after the Secretary makes the apportionment required in subsection (b)(1), allot to each State"; and

(B) in paragraph (2)(A), by striking "which remains after" and all that follows through "exceeds" and inserting "which remains after the Secretary makes the apportionment required in subsection (b)(1), exceeds".

(2) ANNUAL REPORT.—Section 682(c) (42 U.S.C. 9911(c)) is amended by striking "section 681(d)" and inserting "section 672(b)".

(3) LIMITATION.—Section 680(a) (42 U.S.C. 9909(a)) is amended by striking "section 681(c)" and inserting "section 681".

SEC. 3. AUTHORIZATIONS OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Subsection (b) of section 672 (42 U.S.C. 9901(b)) is amended to read as follows:

"(b) There are authorized to be appropriated $434,622,000 for fiscal year 1995, and such sums as may be necessary for each of fiscal years 1996 through 1998, to carry out the provisions of this subtitle.".

(b) REPEALS.—

(1) COMMUNITY FOOD AND NUTRITION.—Section 681A (42 U.S.C. 9910a) is repealed.

(2) DEMONSTRATION PARTNERSHIP AGREEMENTS.—Section 408 of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9910b) is repealed.

SEC. 4. ALLOTMENTS.

(a) SECTION HEADING.—Section 674 (42 U.S.C. 9903) is amended in the section heading to read as follows:

"ALLOTMENTS".

(b) SET-ASIDES.—Section 674 (42 U.S.C. 9903) is amended—

(1) by redesignating subsections (a), (b), and (c) as subsections (e), (f), and (g), respectively; and

(2) by inserting before subsection (e) (as so redesignated), the following new subsections:

"(a) With respect to amounts appropriated under section 672(b), the Secretary shall make allotments in accordance with subsections (b) through (g).

"(b) Of the amounts appropriated pursuant to section 672(b) for fiscal year 1995 and each of the following 4 fiscal years, the Secretary shall reserve $35,000,000 for each such fiscal year for carrying out section 681.

"(c) Of the amounts appropriated pursuant to section 672(b), the Secretary may reserve not to exceed one-half of 1 percent of the amount remaining after the application of subsection (b) for each of the fiscal years 1995 and 1996, and up to 1 percent of such amount for fiscal year 1997 and each fiscal year thereafter, for training, technical assistance, planning, and evaluation activities related to programs or projects carried out under this Act. Such activities may be carried out by the Secretary directly or through grants, contracts, or cooperative agreements.

"(d) Of the amounts appropriated pursuant to section 672(b), the Secretary may reserve not to exceed 2½ percent of the amount remaining after the application of subsection (b) for fiscal year 1995, up to 4 percent of such amount for fiscal year 1996, up to 5 percent of such amount for fiscal year 1997, and up to 6 percent of such amount for fiscal year 1998, for grants, contracts, or cooperative agreements to address needs or problems of the poor which are identified by the Secretary as priorities in the effort to alleviate the causes of poverty.".

SEC. 5. APPLICATIONS AND REQUIREMENTS.

(a) ASSURED ACTIVITIES.—Section 675(c)(1)(B) (42 U.S.C. 9904(c)(1)(B)) is amended by inserting "the homeless, migrants, and" before "the elderly poor".

(b) STATE RESPONSIBILITIES.—Section 675(c)(2)(B) (42 U.S.C. 9904(c)(2)(B)) is amended to read as follows:

"(B) if less than 100 percent of the allotment is expended under subparagraph (A), provide assurances that with respect to the remainder of the allotment a reasonable amount shall be used for—

"(i) monitoring the activities of eligible entities and providing training and technical assistance to those entities in need of such assistance;

"(ii) coordinating State-operated programs and services targeted to low-income children and families with services provided by eligible entities funded under this Act; and

"(iii) considering the distribution of funds under this Act within the State to determine if such funds have been targeted to the areas of highest need and, thereafter, not more than the greater of $55,000 or 5 percent of its allotment under section 674 for administrative expenses at the State level;".

(c) TRIPARTITE BOARD.—Section 675(c)(3) (42 U.S.C. 9904(c)(3)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by striking the comma after "provide assurances that" and inserting "(A)"; and

(3) by inserting before the semicolon at the end thereof ", and (B) in the case of a public organization receiving funds under this subtitle, such organization either establish—

"(i) a board of which at least one-third of the members are persons chosen in accordance with democratic selection procedures adequate to assure that they are representative of the poor in the area served; or

"(ii) another mechanism specified by the State to assure citizen participation in the planning, administration, and evaluation of projects for which such organization has been funded;".

(d) COMMUNITY ACTION AGENCY PLAN.—Section 675(c) (42 U.S.C. 9904(c)) is amended—

(1) in paragraph (11)(B) by striking "and" at the end thereof;

(2) in paragraph (12) by striking the period and inserting "; and"; and

(3) by inserting after paragraph (12) the following new paragraph:

"(13) secure from each eligible entity as a condition to its receipt of funding under this Act a community action plan (which shall be available to the Secretary for inspection) that includes—

"(A) a community needs assessment (including food needs);

"(B) a description of the service delivery system targeted to low-income individuals and families in the service area;

"(C) a description of how linkages will be developed to fill identified gaps in services through information, referral, case management, and followup consultations;

"(D) a description of how funding under this Act will be coordinated with other public and private resources; and

"(E) a description of outcome measures to be used to monitor success in promoting self-sufficiency, family stability, and community revitalization.".

SEC. 6. EFFECTIVE DATE.

The amendments made by this Act shall become effective with respect to fiscal years beginning on or after October 1, 1994.

S. 1938

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "Low-Income Home Energy Assistance Amendments of 1994".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

SEC. 2. STATEMENT OF PURPOSE.

Subsection (a) of section 2602 (42 U.S.C.8621(a)) is amended to read as follows:

"(a) In order to assist low-income households, particularly those that pay a high proportion of household income for home energy, both in meeting their immediate home energy needs, and in attaining the capacity to meet such needs independently in the future, the Secretary of Health and Human Services is authorized to make grants to States for programs and activities consistent with the provisions of this title.".

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNTS AUTHORIZED.—

(1) IN GENERAL.—Section 2602(b) (42 U.S.C. 8621(b)) is amended by striking "this title" and all that follows through the end of the first sentence and inserting "this title, such sums as may be necessary for each of fiscal years 1995 through 1999.".

(2) INCENTIVE PROGRAM FOR LEVERAGING NON-FEDERAL SOURCES.—Subsection (d) of section 2602 (42 U.S.C. 8621(d)) is amended to read as follows:

"(d)(1) There are authorized to be appropriated to carry out section 2607A, $50,000,000 for each of the fiscal years 1995 and 1996, $60,000,000 for fiscal year 1997, $70,000,000 for fiscal year 1998, and $80,000,000 for fiscal year 1999, except that if the amount appropriated pursuant to subsection (b) does not exceed the amount specified in paragraph (2) for a fiscal year, the amount authorized to be appropriated to carry out section 2607A for such fiscal year shall be $50,000,000.

"(2) For purposes of paragraph (1), the amount specified is—

"(A) for fiscal year 1997, the amount appropriated pursuant to subsection (b) for fiscal year 1996;

"(B) for fiscal year 1998, the amount so appropriated for fiscal year 1997; and

"(C) for fiscal year 1999, the amount so appropriated for fiscal year 1998,

or, if greater, the amount so appropriated for fiscal year 1995.".

(b) PERIOD FOR WHICH APPROPRIATION IS MADE; REPEAL OF PROGRAM YEAR.—Section 2602 (42 U.S.C. 8621) is amended—

(1) by repealing subsection (c);

(2) by redesignating subsection (d) as subsection (c); and

(3) in the second sentence of subsection (b), to read as follows: "Amounts appropriated pursuant to this subsection or subsection (c) for a fiscal year shall be available for carrying out this title in the following fiscal year.".

SEC. 4. EMERGENCY FUNDS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2602 (42 U.S.C. 8621) as amended by section 3, is further amended by adding at the end thereof the following new subsection:

"(d) There are authorized to be appropriated in any fiscal year for payments under this title, in addition to amounts appropriated for distribution to all the States in accordance with section 2604 (other than subsection (g)), such sums as may be necessary to meet the additional home energy assistance needs of one or more States arising from a natural disaster or other emergency. Funds appropriated pursuant to this subsection are hereby designated to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985, except that such funds shall be made available only after the submission to Congress of a formal budget request by the President (for all or a part of the appropriation pursuant to this subsection) that includes a designation of the amount requested as an emergency requirement as defined in such Act.".

(b) ALLOTMENT OF EMERGENCY FUNDS.—Section 2604 (42 U.S.C. 8623) is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding subsections (a) through (f), the Secretary may allot amounts appropriated pursuant to section 2602(d) to one or more than one State. In determining to which State or States additional funds may be allotted, the Secretary shall take into account the extent to which a State was affected by the emergency or disaster, the availability to an affected State of other resources under this or any other program, and such other factors as the Secretary determines relevant.".

SEC. 5. AUTHORIZED USES OF FUNDS.

Paragraph (1) of section 2605(b) (42 U.S.C. 8624(b)(1)) is amended to read as follows:

"(1) use the funds available under this title to—

"(A) conduct outreach activities and provide assistance to low income households, particularly those that pay a high proportion of household income for home energy;

"(B) intervene in energy crisis situations, and, to the extent determined appropriate by the State, to encourage and enable households to attain, to the maximum extent feasible, home energy self-sufficiency;

"(C) provide low-cost residential weatherization and other cost-effective residential repairs or improvements related to energy use;

"(D) provide energy conservation education; and

"(E) plan, develop, and administer the State's program under this title including leveraging programs,

and the State agrees not to use such funds for any purposes other than those specified in this title;".

SEC. 6. TARGETING OF ASSISTANCE TO HOUSEHOLDS WITH HIGH HOME ENERGY BURDENS.

(a) HOUSEHOLD INCOME.—Section 2605(b)(2)(B) (42 U.S.C. 8624(b)(2)(B)) is amended by striking the matter following clause (ii) and inserting the following:

"except that a State may not exclude a household from eligibility in a fiscal year solely on the basis of household income if such income is less than 110 percent of the poverty level for such State, but the State may give priority to those households with the highest home energy costs or needs in relation to household income;".

(b) OUTREACH ACTIVITIES.—Section 2605(b)(3) (42 U.S.C. 8624(b)(3)) is amended by striking "are made aware" and inserting "and households with high home energy burdens, are made aware".

(c) ASSISTANCE LEVELS.—Section 2605(b)(5) (42 U.S.C. 8624(b)(5)) is amended by inserting "or needs" after "highest energy costs".

(d) STATE PLAN.—Section 2605(c)(1) (42 U.S.C. 8624(c)(1)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (H), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) describes any steps that will be taken (in addition to those necessary to carry out the assurance contained in paragraph (5) of subsection (b)) to target assistance to households with high home energy burdens;".

SEC. 7. REMOVAL OF CONSTRAINT ON SECRETARIAL PROGRAM GUIDANCE.

Section 2605(b) (42 U.S.C. 8624(b)) is amended by striking the first flush sentence immediately following paragraph (14).

SEC. 8. CLARIFICATION OF AUDIT REQUIREMENT.

Section 2605 (42 U.S.C. 8624) is amended—

(1) in subsection (b)(10), by striking "and provide that" and all that follows and inserting "and provide that the State will comply with the provisions of chapter 75 of title 31, United States Code (commonly known as the 'Single Audit Act');"; and

(2) in subsection (e), by striking "at least every two years" and all that follows and inserting "in accordance with chapter 75 of title 31, United States Code.".

SEC. 9. USE OF DEPARTMENT OF ENERGY WEATHERIZATION RULES TO ACHIEVE PROGRAM CONSISTENCY.

Section 2605(c)(1)(D) (42 U.S.C. 8624(c)(1)(D)) is amended by inserting before the semicolon at the end thereof the following: ", including any steps the State will take to address the weatherization and energy-related home repair needs of households that have disproportionately high home energy costs or needs in relation to household income, and describes the rules promulgated by the Department of Energy for administration of its Low Income Weatherization Assistance Program which the State, to the extent permitted by the Secretary to increase consistency between federally assisted programs, will follow regarding the use of funds provided under this title by the State for such weatherization and energy-related home repairs and improvements".

SEC. 10. MATTERS TO BE DESCRIBED IN ANNUAL APPLICATION.

Section 2605(c)(1) (42 U.S.C. 8624(c)(1)) is amended—

(1) in subparagraph (F) (as so redesignated by section 6(d) of this Act)—

(A) by striking "and (13)" and inserting "(13), and (15)"; and

(B) by striking "and" at the end thereof; and

(2) by inserting after subparagraph (F) (as so redesignated by section 6(d) of this Act), the following new subparagraph:

"(G) states, with respect to the 12-month period specified by the Secretary, the number and income levels of households assisted with funds provided under this title, and the number of households so assisted with—

"(i) a member who had attained 60 years of age;

"(ii) a member who was disabled; and

"(iii) one or more young children; and".

SEC. 11. REPORT OF FUNDS AVAILABLE FOR OBLIGATION.

Section 2607(a) (42 U.S.C. 8628(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each State shall notify the Secretary, not later than 2 months prior to the close of a fiscal year, of the amount (if any) of its allotment for such year that will not be obligated in such year, and, if such State elects to submit a request described in subsection (b)(2), such State shall submit such request at the same time. The Secretary shall make no payment under paragraph (1) to a State for a fiscal year unless the State has complied with this paragraph with respect to the prior fiscal year.".

SEC. 12. MISCELLANEOUS AND TECHNICAL AMENDMENTS.

(a) IN GENERAL.—

(1) TREATMENT OF HOUSEHOLDS.—Section 2605(b)(7) (42 U.S.C. 8624(b)(7) is amended—

(A) in subparagraph (B), by adding "and" at the end thereof;

(B) in subparagraph (C), to read as follows:

"(C) assure that the home energy supplier will not treat households receiving assistance under this title less favorably than other households to which it supplies home energy, and will comply with all provisions under or pursuant to State law prohibiting adverse or discriminatory treatment of such households;"; and

(C) by striking subparagraph (D).

(2) INCENTIVE PROGRAM.—Section 2607A(e) (42 U.S.C. 8626a(e)) is amended by striking "July 31, of each year" and inserting "2 months after the close of the fiscal year during which the State provided leveraged resources to eligible households, as described in subsection (b)".

(b) TECHNICAL AMENDMENTS.—

(1) Section 2602(b) (42 U.S.C. 8621(b)) is amended—

(A) by inserting "(other than section 2607A)" after "to carry out the provisions of this title"; and

(B) by striking the second period at the end thereof.

(2) Section 2603(2) (42 U.S.C. 8622(2)) is amended—

(A) by striking "the" in paragraph (2) and inserting "The"; and

(B) by striking the semicolon at the end thereof and inserting a period.

(3) The sentence that immediately precedes paragraph (15) of section 2605(b) (42

U.S.C. 8624(b)) is transferred so as to appear as a flush sentence immediately after paragraph (15).

(4) Section 2605(b)(3) (42 U.S.C. 8624(b)(3)) is amended by striking "handicapped" and inserting "disabled".

(5) Section 2607A(c)(2) (42 U.S.C. 8626a(c)(2)) is amended by striking ".0008 percent" and inserting "0.08 percent".

(6) Section 2610(a) (42 U.S.C. 8629(a)) is amended—

(A) in paragraph (2), by striking the semicolon after "used" and inserting a semicolon after "title"; and

(B) in paragraph (5)—

(i) by striking "handicapped" and inserting "disabled"; and

(ii) by inserting before the semicolon at the end thereof "or include young children".

SEC. 13. EFFECTIVE DATE.

The amendments and repeals made by this Act shall become effective on October 1, 1994.

By Mr. DODD:

S. 1939. A bill to authorize the establishment of a free-trade area in the Western Hemisphere; to the Committee on Finance.

WESTERN HEMISPHERE FREE-TRADE AREA ACT OF 1994

Mr. DODD. Mr. President, I rise today to introduce the Western Hemisphere Free-Trade Area Act of 1994. This bill would give the President the authority to negotiate an inclusive free-trade agreement with our neighbors throughout the Americas by the end of 1999.

A hemisphere-wide free-trade agreement is the logical next step for us to pursue after passage of the North American Free-Trade Agreement last year. When history books are eventually written about the coming together of the United States and its neighbors in the late 20th century, I hope the ratification of last year's trade agreement with Mexico and Canada will not be the last chapter, but the first.

This legislation provides an outline for the remaining chapters of what could prove to be an amazing story. Rather than pursuing a piece-meal, country-by-country approach to free trade in the Americas, this legislation supports a comprehensive, unified strategy. It says that the United States, Canada, Mexico, and all interested nations in Latin America and the Caribbean should sit down at a table together and hammer out an agreement.

WORLD'S LARGEST MARKET

Such a free-trade area would comprise the largest single market in the world. It would include nearly three-quarters of a billion people and have a gross domestic product of more than $7.3 trillion.

The time is right for this process of integration to begin. Later this year, the United States will host a hemispheric summit that will bring together leaders from throughout the Americas. If we act now with leadership and vision, the Western Hemisphere will enter the 21st century strengthened by democracy, warmed by friendship, and linked by free trade. The nations of the hemisphere may finally be able to move beyond a history of separation and suspicion and embark on a new future.

HOPES FOR POST-COLD-WAR WORLD

I firmly believe we must move in this direction, for it is in Latin America and the Caribbean that the hopes of a post-cold-war world organized around the principles of democracy, human rights, and unfettered trade are most within reach. There are more democratically elected governments in the Western Hemisphere now than at any time since the Spaniards first set foot here more than five centuries ago. Free market reforms have swept the region.

A hemisphere-wide free-trade agreement is the best tool we have to cement the recent democratic and economic reforms in Latin America and encourage more of the same. It is the best tool we have to strengthen the democracies of the region and prevent civil strife. It is the best tool we have to expand markets thirsty for U.S. products.

Our position in such a market would strengthen our hand in trade negotiations with the Europeans and the Japanese. It would give us more leverage in opening up markets around the world. It would position our economy for success in the coming century.

ALREADY A MAJOR MARKET

Latin America and the Caribbean already provide a major market for United States exports. Between 1991 and 1992, U.S. exports to the region grew by $12.4 billion, from $63.4 to $75.8 billion. That was a 19.5-percent increase in just 1 year. U.S. exports to the rest of the world increased by only 4 percent during that time. We now enjoy a $7 billion trade surplus with our neighbors in the Americas.

The region is now the United States third largest trading partner, surpassed only by Canada and Western Europe. We have paid a great deal of attention in recent weeks to our trade relationship with Japan, and justifiably so because it is so central to our economy. But we should keep in mind that we now trade more with Latin America and the Caribbean than we do with Japan.

I know that opponents of such a proposal will make the same arguments they made against the North American Free-Trade Agreement. They will say that a Western Hemisphere free-trade agreement would open our shores to cheap imports from Latin America and put American industry at a disadvantage.

But the truth is that the United States has little to lose from such an agreement. Latin America's tariffs on United States goods are now significantly higher than our tariffs on their products. In fact, two major exports from the region—coffee and crude oil—already enter the United States duty free.

We have much to gain by seeking the same kind of access for our exports, and the best way to meet that goal is through a broad-based trade agreement.

UNIFYING THE PATCHWORK

Such a pact would replace the patchwork of bilateral and multilateral trade zones—many of them overlapping—that now cover much of our hemisphere. The most prominent of these agreements, of course, is the North American Free-Trade Agreement linking the United States, Mexico, and Canada. But there are others as well:

The 13 English-speaking nations of the Caribbean have formed the Caribbean Common Market.

The Central American countries have free-trade agreements with Mexico and Venezuela.

The Andean Pact of Bolivia, Colombia, Ecuador, Peru, and Venezuela will soon eliminate all internal trade barriers.

The Mercosur countries of Argentina, Brazil, Paraguay, and Uruguay plan to complete a southern cone common market by 1995.

These subregional trade agreements illustrate the trend toward free markets and freer trade in the Americas, and they should be applauded. But they also illustrate something else: The need to bring everyone under the umbrella of a hemisphere-wide agreement.

If we pursue this course one country at a time or one small group at a time, early joiners may seek to close the door on others out of fear that expansion would dilute their benefits. Countries initially passed over in favor of their neighbors may question why they were spurned. Bruised feelings could mushroom into economic and political disputes.

THE NEED FOR A NEW VISION

My legislation seeks to head off such a scenario by inviting everyone to hammer out an agreement together. The bill calls for the creation of a new multilateral agency within the Organization of American States with the charge of negotiating and implementing a free-trade agreement for the Americas.

Others are thinking along the same lines. Peter Hakim, president of Inter-American Dialogue, described the need for such an organization in an editorial that appeared in the Christian Science Monitor last month.

Mr. President, further, I point out that by establishing such an agreement hemisphere-wide, we would be able to set some minimum standards of democracy, human rights, and free markets.

As I mentioned a moment ago, we have recently seen an unprecedented flowering of democracy in this hemisphere. Less than 2 years ago, we celebrated the 500th anniversary of the encounter of the cultures of Europe and the indigenous cultures of the Americas that existed at the time. More democracies are in place today than at any point in the 500-year modern history of the Americas.

I believe that we should try and cement those gains. We can do that, in my view, by establishing basic principles. If you wish to be a member of the family of free-trade countries in this hemisphere, then you must adopt democratic and human rights policies and free-market principles. If you are a member of the trade organization or this family, then you must solidify those particular gains.

Mr. President, I will submit this legislation shortly, and I would invite my colleagues to examine the bill, which I think offers a sound approach. I think picking one country over another because of some short-term political gains that may be made or considerations beyond the ones involving free trade could cause some problems for us in this hemisphere. I think we have achieved a great success with the North American Free-Trade Agreement—we now ought to expand that to include these other countries.

Chile in particular has a strong interest in beginning this process. Argentina and other nations such as Uruguay and Paraguay have also expressed their desire to accelerate the economic integration of the hemisphere.

So I would invite my colleagues to look at this legislation and to offer some suggestions. I think the sooner we set up a framework and a structure for inviting other nations to join the family of free-trading nations in this hemisphere, the better off we will be.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTLINE OF WESTERN HEMISPHERE FREE-TRADE AGREEMENT ACT

Section 1—Short title identifying the Act as the Western Hemisphere Free-Trade Area Act of 1994.

Title I sets forth the policy, purposes and objectives on establishing a free trade area for the Western Hemisphere and sets 1999 as the target for the entry into force of such an area.

Title II provides negotiating authority to the President to conclude an agreement to establish a free trade agreement for the entire hemisphere based upon the principles and obligations set forth in NAFTA.

Title II also sets forth six requirements that must be met in order for a country to be eligible to participate in the free trade arrangement.

Title III sets forth procedures for Congressional consideration of the implementing legislation, including the extension of fast track procedures to Congressional consideration.

Title IV calls for the establishment of a hemisphere-wide trade organization within the OAS system to serve as the focal point for the negotiation and implementation of the free trade agreement.

Title V provides standing authority for appropriations beginning in FY 1995 to defray the expenses associated with implementing this Act.

[From the Christian Science Monitor, Jan. 27, 1994]

HEMISPHERIC SUMMIT: WHAT COUNTS IS THE FOLLOW-THROUGH

(By Peter Hakim)

On his way to Punta del Este, Uruguay, for the 1967 summit meeting of Western Hemisphere leaders, President Lyndon Johnson was struck by anxiety. It was one o'clock in the morning, probably somewhere above the Amazon, when he called Organization of American States [OAS] Ambassador Sol Linowitz, the chief summit organizer, to his side and asked him what they were going there for. Now that the Clinton administration is assembling the first hemispheric summit (to be held later this year in the United States) since Punta del Este, it needs answers to Mr. Johnson's question.

The difficulty will not be in defining the agenda for the meeting or in gaining agreement on it from Latin American and Caribbean governments. There are four obvious agenda items:

The first is the future of regional trading arrangements, specifically how to move beyond the North American Free-Trade Agreement and other subregional trade pacts toward a hemispheric free-trade system. Most attention will inevitably focus on whether, when, and how the US and its North American partners will open NAFTA to other members. Interestingly, the main item on the 1967 summit agenda was Latin American economic integration; the change is that the US and Canada are now part of the process.

The second theme is the continuing struggle to consolidate democratic practice in the Americas. Despite Latin America's impressive turn toward democracy, few of its countries can yet boast vigorous democratic institutions that represent the interests and protect the rights of all citizens and that subordinate armies to civilian authority. It will certainly be more productive to discuss these issues now than it was in 1967, when half the Latin American leaders at the summit were dictators.

Third, poverty and inequality have to be on the agenda, not only because they are morally offensive but also because social injustice threatens the region's prospects for economic growth and stable democracy. The uprising in southern Mexico and violent protests in Argentina are recent warnings.

Finally, the summit should explore how the U.S. and Latin American nations can work together more effectively on such shared problems as environmental deterioration, drug trafficking, refugees, and the spread of conventional and nuclear weapons.

Formulating the agenda will be relatively easy. The more difficult task will be to decide what the administration wants the summit to accomplish. Will Washington be satisfied to reconfirm that the U.S. and Latin America now share a common agenda and a consistent set of goals? Or will it also want to set in motion some concrete initiatives to accomplish those goals? Does President Clinton want to fortify friendships or pave the way for partnerships?

The summit will pay dividends in either case; in fact, it already has. By announcing it immediately after NAFTA's approval, Washington has sent a reassuring message to Latin America: that U.S. interests in the region are not confined to Mexico but extend throughout Latin America.

Preparations for the meeting will force U.S. policymaking officials to devote some thought to longer-range issues in U.S.-Latin America relations and consult about those issues with Latin American governments and U.S. nongovernmental organizations. Mr. Clinton and his senior advisers should gain both a better understanding of the region and the chance to engage its leaders. All this will leave U.S. relations with the region better off.

The administration, however, could aim for a more ambitious outcome. That would require the participants to focus not only on issues but also on institutions.

Three institutions might be given particular importance at the summit. The OAS needs a stronger capacity to help safeguard and advance democratic practice and human rights in the hemisphere; that, in turn, will demand a stronger commitment to the OAS by the U.S. and other governments, as well as needed internal reforms. The Inter-American Development Bank needs increased resources and greater organizational agility to tackle more effectively the poverty and inequality in Latin America. And a new multilateral mechanism is needed to guide and coordinate progress toward a hemispheric free-trade system. Despite the importance that every country of the Americas now gives to trade and economic integration, no organization currently has the mandate and expertise to exercise leadership on these issues.

The summit's significance will be mostly determined by what happens later—whether the participating countries put into practice and remain committed to the agreements reached. According to Ambassador Linowitz, "The Punta del Este communique included a 23-page action program, which did not produce a great deal of action."

By Mr. BRADLEY:

S. 1940. A bill to amend the Congressional Budget Act of 1974 to require that the allocations of budget authority and budget outlays made by the Committee on Appropriations of each House be agreed to by joint resolution and to permit amendments that reduce appropriations to also reduce the relevant allocation and the discretionary spending limits; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee have 30 days to report or be discharged.

SPENDING REDUCTION AND BUDGET CONTROL ACT OF 1994

• Mr. BRADLEY. Mr. President, people wonder why Congress is so able to spend so much money despite its loud declarations for deficit reduction.

Part of the answer is in the rules Congress plays by when it spends money.

In theory, Congress passes a budget and then writes spending bills that reflect that budget. In practice, Congress passes a budget and then makes it very difficult to cut specific programs.

Here's how it works: After Congress approves the budget, the appropriations committees are allowed to determine discretionary spending within the budget resolution targets.

The Appropriations Committee distributes spending authority to its 13 subcommittees. Tens of billions of dollars are given to the subcommittees, based on the sketchiest guidelines. The rest of Congress never knows how this was done or how their constituents' money can be spent until they've been handed the results.

We need to return this power to the voters by allowing all of their representatives to determine how to distribute the money within the budget targets and subcommittee jurisdictions. That means nothing more than requiring a vote by each House that would specify which subcommittees get which amount of money.

Unfortunately, this step alone doesn't solve the problem. When the appropriations bills come to the floor, there are different complex rules but the same problem: The rules greatly limit your ability to cut spending.

Here's how it works when you try to cut spending from appropriations bills: If your amendment to cut spending passes, the category that money came from remains intact, and the money you saved can be spent somewhere else in that category.

It you want to avoid the trap I just described, you also have to get approval to cut the category. And categories are very important in Congress—we have rules that say you need 60, not 50, votes to reduce these privileged entities.

But there's more. Even if the House and Senate agree on similar spending and category cuts, the conference committee that comes up with the final bill is completely free to reinsert whatever funding might have been cut.

This really happens. It happened last year to a spending cut amendment I offered. After the Senate agreed to cut $22 million from something called the High Temperature Gas Reactor, the conference committee scaled the reduction down to $10 million. Half a loaf, but still $10 million in deficit reduction, right? Wrong. The Energy and Water Appropriations bill which funded the HTGR actually increased in size after conference, gaining an extra $20 million out of thin air.

Let me make an analogy between cutting spending under the present system and basketball. Imagine you make a free throw—cut a specific program—but it doesn't count unless you go back to the three-point line and make the shot again—cut the category. Then, if you manage to make both shots, you have to go back to the half-court line and sink a shot from there—keep cuts in conference report—in order to get credit for a single free throw, or a single deficit reduction amendment.

Mr. President, if we created this maze, we can straighten it out. We have to turn the process around so that it's as easy to cut spending in the future as it is to protect spending now. That means a new system.

First, the House and Senate would have overall common spending targets by appropriations subcommittees; second, any amendment could specify a program cut and a cut in the overall allocation, and be passed by majority vote; and third, the conference committee could not report a bill that spent more than either the House or Senate version.

Americans are right when they think that we are truly inspired when it comes to spending; we need to bring the same zeal to cutting spending.

And last, we need to apply that same zeal to tax and spending entitlements. It's clear that I think we need real reform on the discretionary side of the budget, but it's also clear that Congress needs to take on the uncontrolled spending in tax loopholes and spending entitlements. Even as I pursue the proposals I've just outlined, I will fight for control of health care entitlements as a part of health care reform, and will look for new ways to curb the excesses in the Tax Code that I have long fought as wasteful and budget busting.

I ask unanimous consent that a description of the bill and its purpose, and the text of the legislation be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1940

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Spending Reduction and Budget Control Act of 1994."

SEC. 2. JOINT RESOLUTION ALLOCATING APPROPRIATED SPENDING.

(a) COMMITTEE ON APPROPRIATIONS RESOLUTION.—Section 302(b) of the Congressional Budget Act of 1974 is amended to read as follows:

"(b) COMMITTEE SUBALLOCATIONS.—

"(1) COMMITTEES ON APPROPRIATIONS.—(A) As soon as practical after a concurrent resolution on the budget is agreed to, the Committee on Appropriations of each House shall, after consulting with Committee on Appropriations of the other House, report to its House an original joint resolution on appropriations allocations (referred to in the paragraph as the 'joint resolution') that contains the following:

"(i) A subdivision among its subcommittees of the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution.

"(ii) A subdivision of the amount with respect to each such subcommittee between controllable amounts and all other amounts.

The joint resolution shall be placed on the calendar pending disposition of such joint resolution in accordance with this subsection.

"(B)(i) Except as provided in clause (ii), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of joint resolutions reported under this paragraph and conference reports thereon.

"(ii)(I) Debate in the Senate on any joint resolution reported under this paragraph, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

"(II) The Committee on Appropriations shall manage the joint resolution.

"(C) The allocations of the Committees on Appropriations shall not take effect until the joint resolution is enacted into law.

"(2) OTHER COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to every committee of the House and Senate (other than the Committees on Appropriations) to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made—

"(A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction; and

"(B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this paragraph.".

(b) POINT OF ORDER.—Section 302(c) of the Congressional Budget Act of 1974 is amended by striking "such committee makes the allocation or subdivisions required by" and inserting "such committee makes the allocation or subdivisions in accordance with".

(c) ALTERATION OF ALLOCATIONS.—Section 302(e) of the Congressional Budget Act of 1974 is amended to read as follows:

"(e) ALTERATION OF ALLOCATIONS.—

"(1) Any alteration of allocations made under paragraph (1) of subsection (b) proposed by the Committee on Appropriations of either House shall be subject to approval as required by such paragraph.

"(2) At any time after a committee reports the allocations required to be made under subsection (b)(2), such committee may report to its House an alteration of such allocations. Any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.".

SEC. 3. AMENDMENTS TO APPROPRIATIONS BILL.

Section 302 of the Congressional Budget Act of 1974 is amended by—

(1) redesignating subsection (g) as subsection (h); and

(2) inserting after subsection (f) the following:

"(g) AMENDMENTS TO APPROPRIATIONS ACT REDUCING ALLOCATIONS.—

"(1) FLOOR AMENDMENTS.—Notwithstanding any other provision of this Act, an amendment to an appropriations bill shall be in order if—

"(A) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill; or

"(B) such amendment reduces an amount of budget authority provided in the bill and reduces the relevant subcommittee allocation made pursuant to subsection (b)(1) and the discretionary spending limits under section 601(a)(2) for the fiscal year covered by the bill and the 4 succeeding fiscal years.

"(2) CONFERENCE REPORTS.—(A) It shall not be in order to consider a conference report on an appropriations bill that contains a provision reducing subcommittee allocations and discretionary spending included in both the bill as passed by the Senate and the House of Representatives if such provision provides reductions in such allocations and spending that are less than those provided in the bill as passed by the Senate or the House of Representatives.

"(B) It shall not be in order in the Senate or the House of Representatives to consider a conference report on an appropriations bill that does not include a reduction in subcommittee allocations and discretionary spending in compliance with subparagraph (A) contained in the bill as passed by the Senate and the House of Representatives.".

SEC. 4. SECTION 602(b) ALLOCATIONS.

Section 602(b)(1) of the Congressional Budget Act of 1974 is amended to read as follows:

(1) SUBALLOCATIONS BY APPROPRIATIONS COMMITTEES.—The Committee on Appropriations of each House shall make allocations under subsection (a)(1)(A) or (a)(2) in accordance with section 302(b)(1).".

SPENDING REDUCTION AND BUDGET CONTROL ACT OF 1994—BILL SUMMARY

The legislation introduced today increases the likelihood of deficit reduction and the accountability of the budget process. The bill gives legislators new tools to address spending priorities and deficit reduction.

STEP 1: FIX THE ALLOCATION PROCESS

Problem: A central decision in the Appropriations process is the distribution of available spending authority (BA and outlays) among the thirteen subcommittees. While the Budget Resolution may fix the total spending ceiling, the "functional categories" provide little guidance for these "302/602 (B)" allocations. As a result, the Appropriations Committee make fundamental decisions about spending priorities that are not subject to the approval by the entire Senate. Additionally, the House and Senate figures often differ.

Solution: The Congress would be required to consider and approve spending targets for each appropriations subcommittee. This would be done by a Joint Resolution which would: Originate and be managed within the Appropriations Committees; have privileged status and supersede other pending business; limit debate (Reconciliation-type rules—20 hour debate), tight germaneness rules for amendments); specify allocations by Subcommittee; meet appropriate overall Budget cap; be passed by both Houses in final form prior to the approval of any Appropriations Bill by either House.

Subcommittees allocations can be modified in subsequent Appropriations Bills: downward by a majority vote; upward by a three-fifths vote, as is the case today.

STEP 2: AMENDMENTS TO APPROPRIATIONS BILLS SHOULD BE ABLE TO PRODUCE BUDGET SAVINGS WITH A MAJORITY VOTE

Problem: A valid criticism to any amendment to cut Appropriations is that such amendments are unlikely to result in deficit savings. If a legislator succeeds in cutting an account, the funds saved remain available under the Subcommittee's 302(b)/602(b) allocation to be spent on other items. If the appropriations cut amendment contains reductions in the 302(b)/602(b) allocation, then it is subject to a "supermajority" (i.e., three-fifths vote) point of order. Finally, even if both Houses pass similar cuts or if both Houses come in below the 302(b)/602(b) allocation figures, there is no explicit constraint on Conference to maintain deficit reduction.

Solution: Senators and Representatives would be allowed to offer appropriations cut amendments in one of three forms:

(i) Cut the program account, but retain current law subcommittee allocation and discretionary cap figures;

(ii) Cut the program account and drop subcommittee allocation and discretionary cap figures accordingly for current year;

(iii) Cut the program account and drop subcommittee allocation figure for current year and discretionary cap figure for current year and for an additional four years.

Any amendment offered in one of the above forms would not be subject to a three-fifths vote point of order.

STEP 3: FOCUS THE CONFERENCE COMMITTEES ON DEFICIT REDUCTION

Problem: Even if each House adopted reduced spending proposals, there's no guarantee that the conference committee will reduce spending. In fact, our experience is that the conference committee can drop cut proposals and even report a bill which increases spending higher than that reported by either House.

Solution: Conference would not be able to adopt a final 302(b)/602(b) allocation figure higher than the highest of the House or Senate figures; if two Houses agree on different budget cuts on the same appropriations bill, Conference would be required to pass savings equal to the lesser of the two packages of budget cuts.•

By Mr. BUMPERS (for himself, Mr. SIMON, Mr. CONRAD, Mr. LAUTENBERG, Mr. FEINGOLD, and Mr. LEAHY):

S. 1941. A bill to terminate the Milstar II Communications Satellite Program; to the Committee on Armed Services.

MILSTAR II TERMINATION ACT

• Mr. BUMPERS. Mr. President, I introduce legislation to terminate the Milstar program on behalf of Senators SIMON, CONRAD, LAUTENBERG, FEINGOLD, LEAHY, and myself.

This bill would terminate the prohibitively expensive Milstar satellite program, a program that the New York Times recently called the Pentagon's Pterodactyl. Doing so will save the taxpayers about $800 million in fiscal year 1995 and as much as $10 to $12 billion through fiscal year 2002. Because this money will be borrowed, the total savings, including the cost of interest would be some $25 billion over the next 35 years.

Milstar was designed to allow American military forces to endure a protracted nuclear conflict of 6 months or more. Today, it is difficult to believe that the United States ever planned to fight and win a nuclear war lasting months. Nevertheless, Milstar was designed to ensure that our surviving leaders could transmit targets and missile launch orders to our remaining nuclear forces, even if the rest of American society had been obliterated.

The first Milstar satellite—now designated Milstar I—has just been launched, 7 years late, after an expenditure of about $9 billion. A second Milstar I satellite will be launched in 1995. The money for these two satellites has already been obligated. What is now at issue is whether the Pentagon will spend another $10 billion or so for a modified system designated Milstar II.

With the end of the cold war, Congress directed that the Milstar program be restructured to save money and to better support regional conflicts. The main action taken was to cut the overall number of satellites—from 11 to 6—and to add a medium data rate communications capability to the third and subsequent satellites. Milstar II is better than the original concept. But one cannot turn a sow's ear into a silk purse.

Mr. President, the Pentagon plans on spending at least $10 billion from fiscal year 1994 to fiscal year 2002 to design, build, launch and operate four redesigned Milstar II satellites and their ground terminals. Yet they will be obsolescent by about 2006, when the Pentagon will be ready to launch a cheaper, more capable, follow-on system.

There is no question that America's Armed Forces require the best communications systems possible. But, despite its huge cost, Milstar II will not meet that need. Instead, it provides many capabilities that are meaningless in the post-cold war environment. It will provide some useful capabilities, but there are better and cheaper alternatives. And it does not address many of the Pentagon's most serious communications shortfalls.

Milstar was designed to function in a severe nuclear environment; in the presence of interference from sophisticated jammers; in the absence of ground stations; and in the face of direct antisatellite attacks. With the end of the cold war, that threat is minimal.

Milstar II will provide only low data rate [LDR] and medium data rate [MDR] channels. Encrypted LDR is good for passing short covert messages such as launch missiles. According to the Rand Corp., the requirement of LDR communications has been declining in recent years. MDR is used to transmit phone calls and fax-type materials. Milstar II will provide only a fraction of the Pentagon's MDR needs, and many other military and commercial satellites provide similar service more efficiently and cheaply. It does nothing to improve DOD's rapidly expanding need for high data rate [HDR] satellite communications channels. HDR is needed to rapidly transmit large data bases and high resolution imagery, both critical to timely wartime intelligence. Thus, even after Milstar is fully deployed in about 2002, U.S. forces will have to rely on alternative satellites to fulfill most of their communications needs in a major regional conflict.

Secretary of Defense Perry has said that Milstar should be judged by its antijamming capability. In that regard, the existing satellites of the Pentagon's Defense Satellite Communications System [DSCS] have an antijamming capability, and they provide high data rate channels not provided by Milstar. And, like Milstar, DSCS satellites are hardened against the effects of nuclear explosions.

Recently, the officer formerly in charge of the Air Force budget for space systems said that Milstar is "the clearest example of a cold war system whose contributions to military conflicts like Desert Storm * * * would be negligible." Terminating the program will allow our Defense dollars to be spent on programs that truly support the readiness and capabilities of our fighting forces.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TERMINATION OF MILSTAR II COMMUNICATIONS SATELLITE PROGRAM.

(a) TERMINATION OF PROGRAM.—The Secretary of Defense shall terminate the Milstar II Communications Satellite program.

(b) PAYMENT OF TERMINATION COSTS.—Funds available on or after the date of the enactment of this Act for obligation for the Milstar II Communications Satellite program may be obligated for that program only for payment of the costs associated with the termination of that program.•

ADDITIONAL COSPONSORS

S. 340

At the request of Mr. HEFLIN, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 340, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the application of the act with respect to alternate uses of new animal drugs and new drugs intended for human use, and for other purposes.

S. 1669

At the request of Mrs. HUTCHISON, the names of the Senator from Wyoming [Mr. WALLOP] and the Senator from Wisconsin [Mr. KOHL] were added as cosponsors of S. 1669, a bill to amend the Internal Revenue Code of 1986 to allow homemakers to get a full IRA deduction.

S. 1715

At the request of Mrs. HUTCHISON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1715, a bill to provide for the equitable disposition of distributions that are held by a bank or other intermediary as to which the beneficial owners are unknown or whose addresses are unknown, and for other purposes.

S. 1805

At the request of Mr. WARNER, the names of the Senator from Hawaii [Mr. INOUYE] and the Senator from Utah [Mr. BENNETT] were added as cosponsors of S. 1805, a bill to amend title 10, United States Code, to eliminate the disparity between the periods of delay provided for civilian and military retiree cost-of-living adjustments in the Omnibus Budget Reconciliation Act of 1993.

S. 1825

At the request of Mr. BUMPERS, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1825, a bill to authorize collection of certain State and local taxes with respect to the sale, delivery, and use of tangible personal property.

S. 1852

At the request of Mr. KENNEDY, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Maryland [Mr. SARBANES], the Senator from Massachusetts [Mr. KERRY], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 1852, a bill to amend the Head Start Act to extend authorizations of appropriations for programs under that act, to strengthen provisions designed to provide quality assurance and improvement, to provide for orderly and appropriate expansion of such programs, and for other purposes.

S. 1860

At the request of Mr. DODD, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1860, a bill to authorize the minting of coins to commemorate the 1995 Special Olympics World Games.

S. 1869

At the request of Mr. COHEN, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Delaware [Mr. ROTH], and the Senator from Idaho [Mr. KEMPTHORNE] were added as cosponsors of S. 1869, a bill to amend the National Security Act of 1947 to improve counterintelligence measures through enhanced security for classified information, and for other purposes.

S. 1906

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1906, a bill to provide that service connection for disabilities arising from exposure to ionizing radiation or dioxin may be established by direct evidence.

SENATE JOINT RESOLUTION 172

At the request of Mr. DOLE, the names of the Senator from Missouri [Mr. BOND], the Senator from Mississippi [Mr. COCHRAN], the Senator from New Mexico [Mr. DOMENICI], the Senator from Alabama [Mr. HEFLIN], the Senator from North Carolina [Mr. HELMS], the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. JEFFORDS], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Joint Resolution 172, a joint resolution designating May 30, 1994, through June 6, 1994, as a "Time for the National Observance of the Fiftieth Anniversary of World War II."

SENATE CONCURRENT RESOLUTION 34

At the request of Mr. BRADLEY, the names of the Senator from Washington [Mr. GORTON], the Senator from Wisconsin [Mr. KOHL], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Concurrent Resolution 34, a concurrent resolution expressing the sense of the Senate regarding the accounting standards proposed by the Financial Accounting Standards Board.

SENATE CONCURRENT RESOLUTION 62—RELATIVE TO THE REPUBLIC OF MACEDONIA

Mr. D'AMATO submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 62

Whereas the United States has strong and enduring political, strategic and economic ties with the Hellenic Republic of Greece;

Whereas Greece has been a wartime ally of the United States during every major conflict in this century;

Whereas the Former Yugoslav Republic of Macedonia is of no political, strategic or economic importance to U.S. interests in the region;

Whereas historical and archaeological evidence demonstrates that the ancient Macedonians were Greek;

Whereas Macedonia is a Greek name that has designated the northern area of Greece for over 2,000 years;

Whereas in 1944, the United States opposed the changing of the name of the Skopje region of Yugoslavia by Marshall Tito from Vardar Banovina to Macedonia as part of his campaign to gain control of the Greek province of Macedonia and the major port city of Salonika;

Whereas the regime in Skopje has persisted in inflaming tensions between it and Greece through a sustained propaganda campaign and the continued use of an ancient Greek symbol, the Star of Vergina, in its flag;

Whereas the Skopje regime has refused to amend paragraph 49 of its constitution, a reference to the 1944 declaration by the then communist regime calling for the "unification" of neighboring territories in Greece and Bulgaria with the "Macedonian Republic", and the Preamble and paragraph 3 which imply expansionist and irredentist policies;

Whereas Greece has no claim on the territory of the Former Yugoslav Republic of Macedonia and has repeatedly reaffirmed the inviolability of all borders in the area of the 2 countries; and

Whereas it is in the best interest of the United States to support its longtime and strategic ally Greece and oppose any expansionist or irredentist policies in order to promote peace and stability in the area: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President should not have extended diplomatic recognition to the Skopje regime that insists on using the Greek name of Macedonia; and

(2) the President should reconsider this decision and withdraw diplomatic recognition and any consideration of financial assistance until such time as the Skopje regime renounces its use of the name Macedonia, removes objectionable language in the Preamble and paragraph 3 and 49 of its constitution, removes symbols which imply territorial expansion such as the Star of Vergina in its flag, ceases propaganda against Greece and adheres fully to Conference on Security and Cooperation in Europe norms and principles.

Mr. D'AMATO. Mr. President, I rise today to submit a concurrent resolution asking the President to rescind American diplomatic recognition of the Former Yugoslav Republic of Macedonia [FYROM].

In a effort to gain control of the Greek Province of Macedonia, Marshall Tito, in 1944, changed the name of the Skopje region of Yugoslavia from Vandar Banovina to Macedonia. The regime in Skopje has persisted in increasing tensions between it and Greece. The propaganda campaign against Greece from Skopje continues today.

It is in the best interest of the United States to promote stability in the Balkans. By diplomatically recognizing FYROM, we will possibly jeopardize our relationship with Greece, and perhaps even threaten the peace in the Balkans.

As you well know, Greece, our wartime and NATO ally, is an important strategic, political, and economic partner of the United States. Greece is also our main ally in the region and is crucial in promoting peace, democracy, stability, and economic progress in the Balkans.

President Clinton's actions are in direct contradiction to his October 1992 campaign pledge to not recognize FYROM. Assurances from President Gligorov as to the several disputes with Greece are certainly not enough to allow for United States recognition. Before establishing diplomatic relations with FYROM, the Clinton administration should follow the following conditions: FYROM must remove the word "Macedonia" from its name; remove the objectionable constitutional language in articles 3 and 49 of its constitution with respect to expansionist and irredentist policies; remove the objectional symbols implying territorial expansion, such as the star of Vergina on its flag; cease its propaganda campaign against Greece; and adhere fully to CSCE norms and principles. The United States should withhold all financial and/or other aid until these actions are taken.

Mr. President, to put it simply, the President should not have granted diplomatic recognition to the Former Yugoslav Republic of Macedonia until the above conditions were met, and he should reconsider his decision and withdraw this recognition.

AMENDMENTS SUBMITTED

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

RIEGLE (AND D'AMATO) AMENDMENTS NOS. 1523–1526

Mr. RIEGLE (for himself and Mr. D'AMATO) proposed four amendments to the bill (S. 1275) to facilitate the establishment of community development financial institutions; as follows:

AMENDMENT NO. 1523

On page 41, line 18, insert "a quasi-governmental entity," after "agency,".

On page 44, line 4, strike "and" and insert "or".

On page 44, strike line 17, and insert "any class of the voting shares of such corporation, and does not otherwise control in any manner the election of a majority of the directors of the corporation.".

On page 52, beginning on line 13, strike "State, and local" and insert "State, local, and tribal government".

On page 54, between lines 2 and 3, insert the following:

(c) EXCEPTION.—

(1) IN GENERAL.—Notwithstanding subsection (b)(1), in the case of a State in which there is no existing community development financial institution in operation on the date of enactment of this Act, an applicant may be an agency or instrumentality of a State government if—

(A) such an entity has a primary mission of promoting community development;

(B) any assistance received is used to establish a community development financial institution;

(C) there is no nongovernment entity within the State that possesses the capacity to become a community development financial institution;

(D) no other agency or instrumentality of the same State has received assistance; and

(E) assistance received will not reduce the amount of State funds that otherwise would be appropriated to such an entity.

(2) MAJORITY OWNERSHIP.—An agency or instrumentality eligible to apply pursuant to paragraph (1) may own a majority of the voting stock of a community development financial institution if it demonstrates that there is a lack of nonpublic sources of capital available to establish a community development financial institution.

(3) AMOUNT OF ASSISTANCE.—No State agency or instrumentality and a community development financial institution, a majority of the shares of which are owned by such an agency or instrumentality pursuant to this subsection, may cumulatively receive assistance exceeding the amount set forth under section 108(d)(1).

On page 54, line 3, strike "(c)" and insert "(d)".

On page 59, line 17, strike "offered" and insert "provided".

On page 61, line 1, before the first comma insert "and its affiliates".

On page 61, strike lines 9 through 22, and insert the following:

(e) MATCHING REQUIREMENTS.—

(1) IN GENERAL.—Assistance other than technical assistance shall be matched with funds from sources other than the Federal Government on the basis of not less than one dollar for each dollar provided by the Fund. Such matching funds shall be at least comparable in form and value to assistance provided by the Fund. The Fund shall provide no assistance (other than technical assistance) until a community development financial institution has secured firm commitments for the matching funds required.

(2) EXCEPTION.—In the case of an applicant with severe constraints on available sources of matching funds, the Fund may permit an applicant to comply with the matching requirements of paragraph (1) by—

(A) reducing such matching requirement by 50 percent;

(B) permitting such applicant to satisfy not more than 60 percent of the matching requirement through use of assistance made available pursuant to—

(i) section 106 of the Housing and Community Development Act of 1974;

(ii) section 623(c)(1) of the Community Economic Development Act of 1981; or

(iii) section 310B(c) of the Consolidated Farm and Rural Development Act; or

(C) permitting an applicant to provide matching funds in a form to be determined at the discretion of the Fund if such applicant—

(i) has total assets of less than $100,000;

(ii) serves nonmetropolitan areas; and

(iii) is not requesting more than $25,000 in assistance.

(3) LIMITATION.—Not more than 25 percent of the total funds disbursed in any fiscal year by the Fund may be matched as authorized under paragraph (2).

(4) CONSTRUCTION OF "FEDERAL FUNDS".—For purposes of this subsection, notwithstanding section 105(a)(9) of the Housing and Community Development Act of 1974, funds provided pursuant to such Act shall be considered to be Federal funds, except as provided in paragraph (2)(B).

On page 64, between lines 16 and 17, insert the following:

(E) NATIVE AMERICAN INSTITUTIONS.—In the case of a community development financial institution which serves an investment area described in paragraph (11)(C) of section 103, or an Indian tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act, the Fund shall consult with the applicable tribal government in evaluating the institution's compliance with the performance goals established pursuant to subparagraph (B).

On page 67, between lines 23 and 24, insert the following:

(2) USER PROFILE INFORMATION.—The Fund shall require each community development financial institution receiving assistance under this subtitle to compile and maintain data on the gender, race, ethnicity, national origin, and other pertinent information concerning individuals that utilize the services of the assisted institution to ensure that targeted populations and low-income residents of investment areas are adequately served.

On page 67, line 24, strike "(2)" and insert "(3)".

On page 68, line 4, strike "(3)" and insert "(4)".

On page 68, line 10, strike "(4)" and insert "(5)".

On page 69, between lines 16 and 17, insert the following:

(2) NATIVE AMERICAN LENDING STUDY.—

(A) STUDY.—The Fund shall conduct a study on lending and investment practices on Indian reservations and other land held in trust by the United States Government. Such study shall—

(i) identify barriers to private financing on such lands; and

(ii) identify the impact of such barriers on access to capital and credit for Native American populations.

(B) CONSULTATION WITH PRIVATE SECTOR.—In conducting the study under subparagraph (A), the Fund shall consult with tribal governments, private citizens, and organizations that possess expertise in lending and community development issues confronted by Native American populations.

(C) REPORT.—Not later than 18 months after the date of enactment of this Act, the Fund shall submit a report to the President and the Congress that—

(i) contains the findings of the study conducted under subparagraph (A);

(ii) recommends any necessary statutory and regulatory changes to existing Federal programs; and

(iii) makes policy recommendations for community development financial institutions, insured depository institutions, secondary market institutions, and other private sector capital institutions to better serve such populations.

On page 69, line 17, strike "(2)" and insert "(3)".

Beginning on page 75, line 23, strike all through page 77, line 2.

On page 77, line 3, strike "118" and insert "117".

On page 77, line 8, strike "119" and insert "118".

Beginning with page 78, line 24, strike all through page 79, line 2, and insert the following: "consumer credit transaction that is secured by the consumer's principal dwelling, other than a residential mortgage transaction, a reverse mortgage transaction, or a transaction under an open end credit plan, if—".

On page 80, line 12, strike the comma.

On page 88, between lines 6 and 7, insert the following new section:

SEC. 153. REVERSE MORTGAGE DISCLOSURE.

(a) DEFINITION OF REVERSE MORTGAGE.—Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following new subsection:

"(bb) The term 'reverse mortgage transaction' means a nonrecourse transaction in which a mortgage, deed of trust, or equivalent consensual security interest is created against the consumer's principal dwelling—

"(1) securing one or more advances; and

"(2) with respect to which the payment of any principal, interest, and shared appreciation is due and payable (other than in the case of default) only after—

"(A) the transfer of the dwelling;

"(B) the consumer ceases to occupy the dwelling as a principal dwelling; or

"(C) the death of the consumer.".

(b) DISCLOSURE.—Chapter 2 of title I of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following new section:

"SEC. 138. REVERSE MORTGAGES.

"(a) IN GENERAL.—In addition to the disclosures required under this title, for each reverse mortgage, the creditor shall, not less than 3 days prior to consummation of the transaction, disclose to the consumer in conspicuous type a good faith estimate of the projected total cost of the mortgage to the consumer expressed as a table of annual interest rates. Each annual interest rate shall be based on a projected total future loan balance under a projected appreciation rate for the dwelling and a term for the mortgage. The disclosure shall include—

"(1) statements of the annual interest rates for not less than 3 projected appreciation rates and not less than 3 loan periods, as determined by the Board, including—

"(A) a short-term reverse mortgage;

"(B) a term equaling the actuarial life expectancy of the consumer; and

"(C) such longer term as the Board deems appropriate; and

"(2) a statement that the consumer is not obligated to complete the reverse mortgage transaction merely because the consumer has received the disclosure required under this section or has signed a loan application.

"(b) PROJECTED TOTAL COST.—In determining the projected total cost of the mortgage to be disclosed to the consumer under subsection (a), the creditor shall take into account—

"(1) any shared appreciation that the lender will, by contract, be entitled to receive;

"(2) all costs and charges to the consumer, including the costs of any associated annuity that the consumer elects or is required to purchase as part of the reverse mortgage transaction;

"(3) all payments to and for the benefit of the consumer, including, in the case in which an associated annuity is purchased (whether or not required by the lender as a condition of making the reverse mortgage), the annuity payments received by the consumer and financed from the proceeds of the loan, instead of the proceeds used to finance the annuity; and

"(4) any limitation on the liability of the consumer under reverse mortgage transactions (such as nonrecourse limits and equity conservation agreements).".

(c) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 137 the following:

"138. Reverse mortgages.".

On page 88, strike line 7 and insert the following:

SEC. 154. REGULATIONS; EFFECTIVE DATE.

On page 89, line 2, strike "(a) DEFINITION.—".

On page 89, line 10, strike "evidencing the indebtedness" and insert "or leases of personal property evidencing the obligation".

On page 89, line 15, insert "or leasing company" after "company".

On page 89, line 18, insert "or leases of personal property" after "notes".

On page 89, line 19, insert "or lessee" after "issuer".

On page 89, line 21, insert "or leases" after "notes".

On page 89, line 24, insert "or a lease of personal property" after "note".

On page 89, line 26, insert "or leases" after "notes".

On page 90, line 1, insert "or leases" after "notes".

On page 90, line 3, insert "or leases" after "notes".

On page 90, strike lines 13 through 18.

On page 95, line 17, strike "**LOANS**" and insert "**OBLIGATIONS**".

On page 95, line 20, insert "or a lease of personal property" before "with".

On page 95, line 25, insert "or lease of personal property" after "loan".

On page 96, line 23, insert "and leases of personal property" after "loans".

On page 97, line 11, insert "or leases of personal property" after "loans".

On page 98, line 6, insert "and leases of personal property" before "with".

On page 98, line 12, insert "and leases of personal property" after "loans".

Beginning with page 100, line 20, strike all through page 102, line 9, and insert the following:

SEC. 210. SENSE OF THE SENATE ON TAXATION OF SMALL BUSINESS LOAN INVESTMENT CONDUITS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the taxation of a small business loan investment conduit and the holder of an interest therein should be similar to the taxation of a real estate mortgage investment conduit and the holder of an interest therein under the Internal Revenue Code of 1986, taking into account—

(1) the purpose of facilitating the securitization of small business loans and leases or personal property through the use of small business loan investment conduits and the development of a secondary market in small business loans and leases of personal property;

(2) differences in the nature of qualifying mortgages in a real estate mortgage investment conduit and small business loans and leases of personal property; and

(3) differences in the practices of participants in the securitization of real estate mortgages in a real estate mortgage investment conduit and the securitization of other assets.

(b) SMALL BUSINESS LOAN INVESTMENT CONDUIT DEFINED.—For purposes of this section, the term "small business loan investment conduit" means any entity substantially all of the assets of which consist of an interest in one or more promissory notes as leases of personal property evidencing the obligation (including any participation or certificate of beneficial ownership therein)—

(1) of a business that meets the criteria of a small business concern established under section 3(a) of the Small Business Act; and

(2) that was originated by an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or a finance company or leasing company.

On page 106, strike lines 22 and 23, and insert the following:

(11) the term 'State' means—

(A) a State of the United States;

(B) the District of Columbia;

(C) any political subdivision of a State of the United States, which subdivision has a population in excess of the population of the least populated State of the United States; and

(D) any other political subdivision of a State of the United States that the Secretary determines has the capacity to participate in the program.

On page 111, lines 12 and 13, strike "subject to the control" and insert "the exclusive property".

On page 111, beginning on line 13, strike "Notwithstanding" and all that follows through the period on line 18.

On page 112, strike lines 15 and 16 and insert "tion agreement, provide authority for the participating State".

On page 112, line 18, strike "; and" and insert a period.

Beginning with page 112, line 19, strike all that follows through page 113, line 2.

On page 122, lines 13 and 14, strike "(1) WITHDRAWALS BASED ON OUTSTANDING BALANCE.—".

Beginning with page 122, line 24, strike all through page 123, line 8.

On page 123, between lines 8 and 9, insert the following:

(s) GRANDFATHERED PROVISION.—

(1) SPECIAL TREATMENT OF PREMIUM CHARGES.—Notwithstanding subsection (b) or (d), the participation agreement, if explicitly authorized by a statute enacted by the State before the date of enactment of this Act, may allow a participating financial institution to treat the premium charges paid by the participating financial institution and the borrower into the reserve fund, and interest or income earned on funds in the reserve fund that are deemed to be attributable to such premium charges, as assets of the participating financial institution for accounting purposes, subject to withdrawal by the participating financial institution only—

(A) for the payment of claims approved by the participating State in accordance with this section; and

(B) upon the participating financial institution's withdrawal from authority to make new loans under the Program.

(2) PAYMENT OF POST-WITHDRAWAL CLAIMS.—After any withdrawal of assets from the reserve fund pursuant to paragraph (1)(B), any future claims filed by the participating financial institution on loans remaining in its capital access program portfolio shall only be paid from funds remaining in the reserve fund to the extent that, in the aggregate, such claims exceed the sum of the amount of such withdrawn assets, and interest on that amount, imputed at the same rate as income would have accrued had the amount not been withdrawn.

(3) CONDITIONS FOR TERMINATING SPECIAL AUTHORITY.—If the Secretary determines that the inclusion in a participation agreement of the provisions authorized by this subsection is resulting in the enrollment of loans under the Program that are likely to have been made without assistance provided under this subtitle, the Secretary may notify the participating State that henceforth, the Secretary will only make reimbursements to the State under section 257 with respect to a loan if the participation agreement between the participating State and each participating financial institution has been amended to conform with this section, without exercise of the special authority granted by this subsection.

Beginning with page 139, line 21, strike all through page 140, line 10, and insert the following:

"(C)(i) has total assets, as of the beginning of such fiscal year, of more than $9,000,000,000;

"(ii) has a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency; and

"(iii) is well capitalized, as defined in section 38, and well managed.

Notwithstanding paragraph (2)(C), in the case of an insured depository institution that the Corporation determines to be a large institution, the audit committee of the holding company of such an institution shall not include any large customers of the institution.".

On page 143, line 11, strike "of" and insert "such agreement was not executed contemporaneously with the acquisition of the collateral or with any".

On page 143, strike lines 14 through 20, and insert the following:

(a) IN GENERAL.—Section 39(b) of the Federal Deposit Insurance Act (12 U.S.C. 1831p–1(b)), as added by section 132(a) of the Federal Deposit Insurance Corporation Improvements Act of 1991) is amended to read as follows:

"(b) ASSET QUALITY, EARNINGS, AND STOCK VALUATION STANDARDS.—Each appropriate Federal banking agency shall, for all insured depository institutions and depository institution holding companies, prescribe standards relating to asset quality, earnings, and stock valuation that the agency determines to be appropriate.".

(b) ESTABLISHING STANDARDS IN GUIDELINES.—Section 39(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831p–1(d)) is amended—

(1) in the subsection heading, by striking "BY REGULATION"; and

(2) in paragraph (1)—

(A) in the first sentence, by inserting "or guideline" before the period; and

(B) in the second sentence, by inserting "or guidelines" after "Such regulations".

On page 143, line 21, strike "(b)" and insert "(c)".

On page 143, line 22, strike "section (a)" and insert "sections (a) and (b)".

On page 147, strike lines 15 through 17 and insert the following:

(B) by striking "services for other depository institutions and their officers, directors and employees" and inserting the following: "services to or for other depository institutions and the officers, directors, and employees of such institutions, and in providing correspondent banking services at the request of other depository institutions (also referred to as a 'banker's bank')".

On page 148, strike lines 1 through 3 and insert the following:

(B) by striking "services for other depository institutions and their officers, directors and employees" and inserting the following: "services to or for other depository institutions and the officers, directors, and employees of such institutions, and in providing correspondent banking services at the request of other depository institutions (also referred to as a 'banker's bank')".

On page 149, between lines 2 and 3, insert the following:

(d) LENDING LIMIT FOR LOANS SECURED BY SECURITIES.—Section 11(m) of the Federal Reserve Act (12 U.S.C. 248(m)) is amended by striking "10 percentum" each place such term appears and inserting "15 percent".

On page 154, strike line 6, and insert the following: "and the Comptroller of the Currency may jointly prescribe such regulations as they deem necessary to im-".

On page 160, between lines 6 and 7, insert the following:

SEC. 334. EXEMPTION FOR BUSINESS ACCOUNTS.

Section 274(1) of the Truth in Savings Act (12 U.S.C. 4313(1)) is amended to read as follows:

"(1) ACCOUNT.—The term 'account' means any account intended for use by and generally used by consumers primarily for personal, family, or household purposes that is offered by a depository institution into which a consumer deposits funds, including demand accounts, time accounts, negotiable order of withdrawal accounts, and share draft accounts.".

SEC. 335. BOARD DISCRETION REGARDING CHECK-RELATED FRAUD.

Section 604(e) of the Expedited Funds Availability Act (12 U.S.C. 4003(e)) is amended by adding at the end the following new paragraph:

"(4) PREVENTION OF CHECK-RELATED LOSSES.—

"(A) IN GENERAL.—The Board may, by regulation or order, extend the 1-business-day period specified in section 603(b)(1), regarding availability of funds deposited by local checks, to 2 business days if the Board determines that—

"(i) there is a pattern of significant increases in check-related losses at depository institutions attributable to the provisions of this title; and

"(ii) such action is necessary to diminish the volume of such check-related losses.

"(B) LIMITATION ON OTHER AUTHORITY.—The authority of the Board under paragraph (1) shall not apply to the applicability of section 603(b)(1) or the time period specified therein.".

SEC. 336. CIVIL LIABILITY UNDER TRUTH IN SAVINGS.

Section 271(a)(2)(A) of the Truth in Savings Act (12 U.S.C. 4310(a)(2)(A)) is amended by inserting "(other than an action based on a violation of section 263)" after "individual action".

SEC. 337. ELIMINATION OF PRIOR APPROVAL REQUIREMENT FOR CERTAIN LOANS UNDER THE FEDERAL RESERVE ACT.

Section 22(g)(2) of the Federal Reserve Act (12 U.S.C. 375a(2)) is amended by striking "With the specific prior approval of its board of directors, a member" and inserting "A member".

SEC. 338. REVISIONS OF STANDARDS.

Section 305(b)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1828 note) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) take into account the size and activities of the institutions and do not cause undue reporting burdens.".

SEC. 339. ALTERNATIVE RULES FOR RADIO ADVERTISING OF CONSUMER LEASES.

Section 184 of the Truth in Lending Act (15 U.S.C. 1667c) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) RADIO ADVERTISEMENTS.—

"(1) IN GENERAL.—An advertisement by radio broadcast to aid, promote, or assist, directly or indirectly, any consumer lease shall be deemed to be in compliance with the requirements of subsection (a) if such advertisement clearly and conspicuously—

"(A) states the information required by paragraphs (1) and (2) of subsection (a);

"(B) states the number, amounts, due dates, or periods of scheduled payments, and the total of such payments under the lease; and

"(C) includes—

"(i) a referral to—

"(I) a toll-free telephone number established in accordance with paragraph (2) that may be used by consumers to obtain the information required under subsection (a); or

"(II) a written advertisement that—

"(aa) appears in a publication in general circulation in the community served by the radio station on which such advertisement is broadcast during the period beginning 3 days before any such broadcast and ending 10 days after such broadcast; and

"(bb) includes the information required to be disclosed under subsection (a); and

"(ii) the name and dates of any publication referred to in clause (i)(II); and

"(D) includes any other information which the Board determines necessary to carry out this chapter.

"(2) ESTABLISHMENT OF TOLL-FREE NUMBER.—

"(A) IN GENERAL.—In the case of a radio broadcast advertisement described in paragraph (1) that includes a referral to a toll-free telephone number, the lessor who offers the consumer lease shall—

"(i) establish such a toll-free telephone number not later than the date on which the advertisement including the referral is broadcast;

"(ii) maintain such telephone number for not less than 10 days, beginning on the date of any such broadcast; and

"(iii) provide the information required under subsection (a) with respect to the lease to any person who calls such number.

"(B) FORM OF INFORMATION.—The information required to be provided under subparagraph (A)(iii) shall be provided orally or, if requested by the consumer, in written form.

"(3) NO EFFECT ON OTHER LAW.—Nothing in this subsection shall affect the requirements of Federal law as such requirements apply to advertisement by any other medium.".

SEC. 340. DEPOSIT BROKER REGISTRATION.

Section 29(g)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(g)(3)) is amended—

(1) by inserting "that is not well capitalized" after "includes any insured depository institution";

(2) by striking "of any insured depository" and inserting "of such";

(3) by striking "(with respect to such deposits)"; and

(4) by striking "having the same type of charter".

SEC. 341. EXTENSION OF MANAGEMENT INTERLOCKS GRANDFATHER CLAUSE.

Subsections (a) and (b) of section 206 of the Depository Institution Management Interlocks Act (12 U.S.C. 3205) are each amended by striking "15 years" and inserting "20 years".

Amend the table of contents accordingly.

AMENDMENT NO. 1524

On page 78, line 23, strike "The term 'high cost mortgage' means" and insert "A mortgage referred to in this subsection means".

On page 78, line 25, insert ", a reverse mortgage transaction," before "or a".

On page 79, line 22, insert "and" after the semicolon.

On page 79, strike lines 23 through 25.

On page 80, line 1, strike "(D) and insert "(C)".

On page 80, line 14, strike "for high cost mortgages".

On page 80, line 19, strike "high cost mortgages" and insert "mortgages referred to in subsection (aa)".

On page 80, beginning on line 20, strike "high cost" and insert "such".

On page 81, line 3, strike "**HIGH COST**" and insert "**CERTAIN**".

On page 81, line 7, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 82, line 22, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 83, beginning on line 1, strike "the high cost mortgage" and insert "a mortgage referred to in section 103(aa)".

On page 79, line 25, strike "and"

On page 80 line 8, strike "." and insert "; and (E) such other changes as the Board determines to be appropriate."

On page 83, line 5, strike "high cost" and insert "such".

On page 83, strike lines 14 through 19.

On page 83, line 20, strike "(4) EXCEPTION.—A high cost mortgage" and insert "(3) EXCEPTION.—A mortgage referred to in section 103(aa)".

On page 83, line 24, strike "90 days" and insert "1 year".

On page 84, line 1, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa) having a term of less than 5 years".

On page 84, beginning on line 5, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 84, line 10, strike "high cost mortgage" and insert "mortgage referred to in section 103(aa)".

On page 84, line 16, strike "high cost mortgage loan" and insert "mortgage".

On page 85, strike lines 11 through 15, and insert the following:

"(2) PROHIBITIONS.—The Board, by regulation or order, shall prohibit acts or practices in connection with—

"(A) mortgage loans that the Board finds to be unfair, deceptive, or designed to evade the provisions of this section; and

"(B) refinancing of mortgage loans that the Board finds to be associated with abusive lending practices, or that are otherwise not in the interest of the borrower.".

On page 85, strike the item immediately following line 20, and insert the following:

"129. Requirements for certain mortgages.".

On page 85, beginning on line 24, strike "high cost mortgage, as defined" and insert "mortgage referred to".

Beginning on page 87, line 14, strike all through page 88, line 6, and insert the following:

"(d) RIGHTS UPON ASSIGNMENT OF CERTAIN MORTGAGES—

"(1) IN GENERAL.—Any person who purchases or is otherwise assigned a mortgage referred to in section 103(aa) shall be subject to all claims and defenses with respect to that mortgage that the consumer could assert against the creditor of the mortgage, unless the purchaser or assignee demonstrates, by a preponderance of the evidence, that a reasonable person exercising ordinary due diligence, could not determine, based on the loan documentation required by this title, that the mortgage was in fact a mortgage referred to in section 103(aa). The preceding sentence does not affect a consumer's rights under sections 125, 130, or any other provision of this title.

"(2) LIMITATION ON DAMAGES.—Notwithstanding any other provision of law, relief provided as a result of any action made permissible by paragraph (1) may not exceed—

"(A) with respect to actions based upon a violation of this title, the amount specified in section 130; and

"(B) with respect to all other causes of action, the sum of—

"(i) the amount of all remaining indebtedness; and

"(ii) the total amount paid by the consumer in connection with the transaction.

"(3) OFFSET.—The amount of damages that may be awarded under paragraph (2)(B) shall be reduced by the amount of any damages awarded under paragraph (2)(A).

"(4) NOTICE.—Any person who sells or otherwise assigns a mortgage referred to in section 103(aa) shall include a prominent notice of the potential liability under this subsection as determined by the Board.".

On page 88, line 13, strike "high cost".

On page 88, line 14, strike "(as defined" and insert "referred to".

On page 88, line 15, strike "Act, as" and insert "Act (as".

AMENDMENT NO. 1525

On page 160, between lines 6 and 7, insert the following new title:

TITLE IV—FAIR TRADE IN FINANCIAL SERVICES

SEC. 401. SHORT TITLE.

This title may be cited as the "Fair Trade in Financial Services Act of 1994".

SEC. 402. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR BANKING ORGANIZATIONS.

The International Banking Act of 1978 (12 U.S.C. 3101 et seq.) is amended by adding at the end the following new section:

"SEC. 18. NATIONAL TREATMENT.

"(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States banking organizations that operate or seek to operate in those countries.

"(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES BANKS OR BANK HOLDING COMPANIES.—The Secretary shall identify the extent to which foreign countries deny national treatment to United States banking organizations—

"(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

"(2) based on more recent information that the Secretary deems appropriate.

"(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—

"(1) IN GENERAL.—The Secretary shall determine whether the denial of national treatment to United States banking organizations by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

"(2) FACTORS TO BE CONSIDERED.—In determining whether and to what extent a foreign country denies national treatment to United States banking organizations, and in determining the effect of any such denial on such banking organizations, the Secretary shall consider appropriate factors, including—

"(A) the size of the foreign country's markets for the financial services involved, and the extent to which United States banking organizations operate or seek to operate in those markets;

"(B) the extent to which United States banking organizations may participate in developing regulations, guidelines, or other policies regarding new products, services, and markets in the foreign country;

"(C) the extent to which the foreign country issues written regulations, guidelines, or other policies applicable to United States banking organizations operating or seeking to operate in the foreign country that are—

"(i) prescribed after adequate notice and opportunity for comment;

"(ii) readily available to the public; and

"(iii) prescribed in accordance with objective standards that effectively prevent arbitrary and capricious determinations;

"(D) the extent to which United States banking organizations may offer foreign exchange services in the foreign country; and

"(E) the effects of the regulatory policies of the foreign country on—

"(i) the lending policies of the central bank of that country;

"(ii) capital requirements applicable in that country;

"(iii) the regulation of deposit interest rates by that country;

"(iv) restrictions on the operation and establishment of branches in that country; and

"(v) restrictions on access to automated teller machine networks in that country.

"(d) PUBLICATION OF DETERMINATION.—

"(1) IN GENERAL.—If the Secretary determines under subsection (c) that the denial of national treatment to United States banking organizations by a foreign country has a significant adverse effect on such organizations, the Secretary—

"(A) may, after initiating negotiations in accordance with subsection (g), and after consultation in accordance with subsection (i), publish that determination in the Federal Register;

"(B) shall, not less frequently than annually, in consultation with any department or agency that the Secretary deems appropriate, review each such determination to determine whether it should be rescinded; and

"(C) shall inform State bank supervisors of the publication of that determination.

"(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragraph (1) shall not apply to a foreign country to the extent that a determination under that paragraph with respect to the foreign country would permit action to be taken under this section that would be inconsistent with a bilateral or multilateral agreement that governs financial services that—

"(A) the President entered into with that country; and

"(B) the Senate and the House of Representatives approved;

before the date of enactment of this section.

"(e) SANCTIONS.—

"(1) ACTION BY SECRETARY OF TREASURY.—

"(A) IN GENERAL.—The Secretary may, after consultation in accordance with subsection (i), recommend to the appropriate Federal banking agency that such agency deny or suspend consideration of a request for authorization filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the Secretary determines that—

"(i) such action would assist the United States in negotiations to eliminate discrimination against United States banking organizations;

"(ii) negotiations undertaken pursuant to subsection (g) are not likely to result in an agreement that eliminates the denial of national treatment; or

"(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (g).

"(B) EXERCISE OF AUTHORITY.—The authority of subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

"(C) COMPLIANCE EXCEPTIONS.—The appropriate Federal banking agency shall comply with the recommendation of the Secretary made under subparagraph (A), unless the agency determines, in writing, and transmits such determination to the Secretary and to the Congress, that such recommendation—

"(i) would likely result in a serious impairment to the safe and sound operation of the United States banking system; or

"(ii) would compromise the ability of a Federal banking agency to resolve a failing or failed financial institution because a foreign banking institution otherwise barred by an action under subparagraph (A) represents the only bona fide reasonable offer available to the Federal banking agency.

"(2) NO AFFECT ON CERTAIN AGREEMENTS.—The exercise of authority under this subsection does not affect any obligation of the United States to pursue dispute resolution procedures pursuant to any international agreement governing financial services, approved by the House of Representatives and the Senate, with respect to a dispute arising out of any obligation under that agreement.

"(f) EXEMPTIONS FROM SANCTIONS.—

"(1) IN GENERAL.—Subsection (e) does not apply to the subsidiaries in the United States of a person of a foreign country if the Secretary determines that the banking laws and regulations of the foreign country, as actually applied, meet or exceed—

"(A) the standards for treatment of subsidiaries of United States banking organizations contained in the Second Banking Directive, and in any amendment to the Second Banking Directive, if the Secretary determines that such amendment—

"(i) does not restrict any operation, activity, or authority to expand any operation or activity, permitted under those standards, of any subsidiary in the foreign country of any such bank or bank holding company; or

"(ii) is in accordance with national treatment of subsidiaries of such banking organizations; or

"(B) any set of standards that, taken as a whole, is no less favorable to United States banking organizations than the standards referred to in subparagraph (A).

"(2) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under this subsection, the Secretary shall consider, with respect to a bank, foreign bank, branch, agency, commercial lending company, or other affiliated entity that is a person of a foreign country and that is operating in the United States—

"(A) the extent to which the foreign country is progressing toward according national treatment to United States banking organizations; and

"(B) whether the foreign country permits United States banking organizations to expand their activities in that country, even if that country determined that the United States did not accord national treatment to the banking organizations of that country.

"(g) NEGOTIATIONS.—

"(1) IN GENERAL.—The Secretary—

"(A) shall initiate negotiations with any foreign country with respect to which a determination made under subsection (c)(1) is in effect; and

"(B) may initiate negotiations with any foreign country which denies national treatment to United States banking organizations to ensure that the foreign country accords national treatment to such organizations.

"(2) EXCEPTIONS.—Paragraph (1) does not require the Secretary to initiate negotiations with a foreign country if the Secretary—

"(A) determines that the negotiations—

"(i) would be so unlikely to result in progress toward according national treatment to United States banking organizations as to be a waste of effort; or

"(ii) would impair the economic interests of the United States; and

"(B) gives written notice of that determination to the chairperson and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

"(h) REPORT.—

"(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the Secretary shall submit to the Congress a report that—

"(A) specifies the foreign countries identified under subsection (b);

"(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

"(C) if the Secretary has not made or has rescinded such a determination with respect to the foreign country, provides the reasons therefor;

"(D) describes the results of any negotiations conducted under subsection (g)(1) with the foreign country; and

"(E) discusses the effectiveness of this section in achieving the purpose of this section.

"(2) SUBMISSION OF REPORT.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

"(i) CONSULTATION.—Consultation in accordance with this subsection means consultation with the Secretary of State, the Secretary of Commerce, the United States Trade Representative, and the appropriate Federal banking agency.

"(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency'—

"(A) in the case of a noninsured State bank or branch and a representative office of a foreign bank, means the Board of Governors of the Federal Reserve System; and

"(B) in any other case, has the same meaning as in section 3 of the Federal Deposit Insurance Act.

"(2) BANKING ORGANIZATION.—The term 'banking organization' means—

"(A) a depository institution, as defined in section 3 of the Federal Deposit Insurance Act, including a branch or subsidiary thereof;

"(B) a bank holding company, as defined in section 2 of the Bank Holding Company Act of 1956;

"(C) any company required to file information pursuant to section 4(f)(6) of the Bank Holding Company Act of 1956;

"(D) a savings and loan holding company, as defined in section 10(a)(1)(D) of the Home Owners' Loan Act; and

"(E) any nonbank financial entity, the primary purpose of which is to provide credit or financing, regardless of whether such entity accepts deposits.

"(3) NATIONAL TREATMENT.—A foreign country accords 'national treatment' to United States banking organizations if it offers them the same competitive opportunities (including effective market access) as are available to its domestic banking organizations in like circumstances.

"(4) PERSON OF A FOREIGN COUNTRY.—The term 'person of a foreign country' means—

"(A) a person organized under the laws of the foreign country;

"(B) a person that has its principal place of business in the foreign country;

"(C) an individual who is—

"(i) a citizen of the foreign country, or

"(ii) domiciled in the foreign country; and

"(D) a person that is directly or indirectly controlled by a person or persons described in subparagraph (A) or (B), or by an individual or individuals described in subparagraph (C).

"(5) REQUEST FOR AUTHORIZATION.—The term 'request for authorization'—

"(A) means an application, registration, notice, or other request to commence a financial service or establish a financial services office that is required under title LXII of the Revised Statutes, the International Banking Act of 1978, the Federal Reserve Act, the Home Owners' Loan Act, or the Bank Holding Company Act of 1956; and

"(B) does not include any such request by a company described in section 2(h)(2) of the Bank Holding Company Act of 1956.

"(6) Second banking directive.—The term 'Second Banking Directive' means the Second Council Directive of December 15, 1989, on the Coordination of Laws, Regulations, and Administrative Provisions Relating to the Taking Up and Pursuit of the Business of Credit Institutions and Amending Directive 77/780/EEC (89/646/EEC).

"(7) Secretary.—The term 'Secretary' means the Secretary of the Treasury.".

SEC. 403. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR SECURITIES ORGANIZATIONS.

(a) Purpose.—The purpose of this section is to encourage foreign countries to accord national treatment to United States securities organizations that operate or seek to operate in those countries.

(b) Identifying Countries That Deny National Treatment to United States Securities Organizations.—The Secretary shall identify whether and to what extent foreign countries deny national treatment to United States securities organizations—

(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

(2) based upon more recent information that the Secretary deems appropriate.

(c) Determining Whether Denial of National Treatment Has Significant Adverse Effect.—The Secretary shall determine whether the denial of national treatment to United States securities organizations by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

(d) Publication of Determination.—

(1) In general.—If the Secretary determines under subsection (c) that the denial of national treatment to United States securities organizations by a foreign country has a significant adverse effect on such organizations, the Secretary—

(A) may, after initiating negotiations in accordance with subsection (f), and after consultation in accordance with subsection (h), publish that determination in the Federal Register; and

(B) shall, not less frequently than annually, in consultation with any department or agency that the Secretary deems appropriate, review each such determination to determine whether it should be rescinded.

(2) Exception for countries that are parties to certain agreements governing financial services.—Paragraph (1) shall not apply to a foreign country to the extent that a determination under that paragraph with respect to the foreign country would permit action to be taken under this section that would be inconsistent with a bilateral or multilateral agreement that governs financial services that the President entered into with that country and the Senate and the House of Representatives approved before the date of enactment of this section.

(e) Sanctions.—

(1) Action by secretary of treasury.—

(A) In general.—The Secretary may, after consultation in accordance with subsection (h), recommend to the Commission that the Commission deny or suspend consideration of a request for authorization filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the Secretary determines that—

(i) such action would assist the United States in negotiations to eliminate discrimination against United States securities organizations;

(ii) negotiations undertaken pursuant to subsection (f) are not likely to result in an agreement that eliminates the denial of national treatment; or

(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (f).

(B) Exercise of authority.—The authority of subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

(C) Commission action.—The Commission shall deny or suspend consideration of a request for authorization in accordance with the recommendation of the Secretary made under subparagraph (A), unless such recommendation would likely result in a serious adverse impact on—

(i) the maintenance of fair and orderly securities markets; or

(ii) the protection of investors.

(D) Authority upon denial of authorization.—

(i) In general.—In connection with the denial of a request for authorization under subparagraph (A), the Commission may order—

(I) disposition of any controlling interest referred to in subsection (i)(9)(B)(i);

(II) closure of any office referred to in subsection (i)(9)(B)(ii); or

(III) termination of any advisory relationship referred to in subparagraphs (C) and (D) of subsection (i)(9).

(ii) Penalty for noncompliance.—The Commission may revoke the underlying registration under Federal securities laws of any person who fails to comply with an order issued under clause (i).

(2) Notice required to file requests for authorization.—

(A) In general.—If a determination is published under subsection (d)(1) with respect to a foreign country, no person of that foreign country may file a request for authorization unless such person files notice of such request simultaneously with the Commission and the Secretary, not less than 90 days in advance of the action that is the subject of the request, in such form and containing such information as the Commission may prescribe by rule.

(B) Notifying secretary.—The Commission shall promptly notify the Secretary of any notice received under subparagraph (A).

(C) Extending 90-day period.—The Commission may, by order, extend for an additional 180 days the period during which the Commission may consider a notice received under subparagraph (A).

(3) Standards for exercise of discretion.—In exercising any discretion under this subsection, the Secretary shall consider, with respect to a securities organization that is controlled, directly or indirectly, by a person of a foreign country—

(A) the extent to which the foreign country is progressing toward according national treatment to United States securities organizations; and

(B) whether the foreign country permits United States securities organizations to expand their activities in that country, even if that country determined that the United States did not accord national treatment to securities organizations of that country.

(f) Negotiations.—

(1) In general.—The Secretary—

(A) shall initiate negotiations with any foreign country with respect to which a determination under subsection (c)(1) is in effect; and

(B) may initiate negotiations with any foreign country which denies national treatment to United States securities organizations to ensure that the foreign country accords national treatment to such organizations.

(2) Exceptions.—Paragraph (1) does not require the Secretary to initiate negotiations with a foreign country if the Secretary—

(A) determines that the negotiations—

(i) would be so unlikely to result in progress toward according national treatment to United States securities organizations as to be a waste of effort; or

(ii) would impair the economic interests of the United States; and

(B) gives written notice of that determination to the chairperson and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and of the Committee of Energy and Commerce of the House of Representatives.

(g) Report.—

(1) Contents of report.—Not later than December 1, 1994, and biennially thereafter, the Secretary shall submit to the Congress a report that—

(A) specifies the foreign countries identified under subsection (b);

(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(C) if the Secretary has not made, or has rescinded, a determination under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(D) describes the results of any negotiations conducted under subsection (f)(1) with the foreign country; and

(E) discusses the effectiveness of this section in achieving the purpose of this section.

(2) Submission of report.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

(h) Consultation.—Consultation in accordance with this subsection means consultation with the Secretary of State, the Secretary of Commerce, the United States Trade Representative, and the Commission.

(i) Definitions.—For purposes of this section, the following definitions shall apply:

(1) Broker.—The term "broker" has the same meaning as in section 3(a)(4) of the Securities Exchange Act of 1934.

(2) Commission.—The term "Commission" means the Securities and Exchange Commission.

(3) Control.—The terms "directly or indirectly controlled by" and "controlled, directly or indirectly" shall have the meanings given to such terms in rules or regulations issued by the Secretary of the Treasury, not later than 6 months after the date of enactment of this Act, after consultation with the Commission.

(4) Dealer.—The term "dealer" has the same meaning as in section 3(a)(5) of the Securities Exchange Act of 1934.

(5) Investment adviser.—The term "investment adviser" has the same meaning as in section 202(a)(11) of the Investment Advisers Act of 1940.

(6) Investment company.—The term "investment company" has the same meaning as in section 3 of the Investment Company Act of 1940.

(7) National treatment.—A foreign country accords "national treatment" to United States securities organizations if it offers them the same competitive opportunities (including effective market access) as are available to its domestic securities organizations in like circumstances.

(8) Person of a foreign country.—The term "person of a foreign country" means—

(A) a person organized under the laws of the foreign country;

(B) a person that has its principal place of business in the foreign country;

(C) an individual who is—

(i) a citizen of the foreign country; or

(ii) domiciled in the foreign country;

(D) a person that is directly or indirectly controlled by one or more persons described in subparagraph (A), (B), or (C); and

(E) an investment company, an investment adviser of which is a person described in any of subparagraphs (A) through (D).

(9) REQUEST FOR AUTHORIZATION.—The term "request for authorization" means—

(A) an application to register under section 15(b), 15B, or 15C of the Securities Exchange Act of 1934, or section 203(c) of the Investment Advisers Act of 1940, including an application to succeed to the business of a registered entity;

(B) an amendment to a registration statement referred to in subparagraph (A) that reflects—

(i) the acquisition of control of the registered entity; or

(ii) the addition of a United States office by the registered entity;

(C) a registration statement filed by an investment company under section 8(b) of the Investment Company Act of 1940, if a person of a foreign country will serve as an investment adviser to the investment company; and

(D) an amendment to an investment company registration statement filed under section 8(b) of the Investment Company Act of 1940 that reflects the retention of a person of a foreign country as an investment adviser.

(10) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(11) SECURITIES ORGANIZATION.—The term "securities organization" means a broker, a dealer, an investment company, or an investment adviser.

SEC. 404. FINANCIAL INTERDEPENDENCE STUDY.

Subtitle G of title III of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5351 et seq.) is amended by adding at the end the following new section:

"SEC. 3605. FINANCIAL INTERDEPENDENCE STUDY.

"(a) INVESTIGATION REQUIRED.—The Secretary, in consultation and coordination with the Securities and Exchange Commission, the Federal banking agencies, and any other appropriate Federal department or agency designated by the Secretary, shall conduct an investigation to determine—

"(1) the extent of the interdependence of the financial services sectors of the United States and foreign countries—

"(A) whose financial services institutions provide financial services in the United States; or

"(B) whose persons have substantial ownership interests in United States financial services institutions; and

"(2) the economic, strategic, and other consequences of that interdependence for the United States.

"(b) REPORT.—

"(1) REPORT REQUIRED.—Not later than 3 years after the date of enactment of this section, the Secretary shall submit a report on the results of the investigation under subsection (a) to the President, the Congress, the Securities and Exchange Commission, the Federal banking agencies, and any other appropriate Federal agency or department, as designated by the Secretary.

"(2) CONTENTS OF REPORT.—The report required under paragraph (1) shall—

"(A) describe the activities and estimate the scope of financial services activities conducted by United States financial services institutions in foreign markets (differentiated according to major foreign markets);

"(B) describe the activities and estimate the scope of financial services activities conducted by foreign financial services institutions in the United States (differentiated according to the most significant home countries or groups of home countries);

"(C) estimate the number of jobs created in the United States by financial services activities conducted by foreign financial services institutions and the number of jobs created in foreign countries by financial service activities conducted by United States financial services institutions;

"(D) estimate the additional jobs and revenues (both foreign and domestic) that would be created by the activities of United States financial services institutions in foreign countries if those countries offered such institutions the same competitive opportunities (including effective market access) as are available to the domestic financial services institutions of those countries;

"(E) describe the extent to which foreign financial services institutions discriminate against United States persons in procurement, employment, the provision of credit or other financial services, or otherwise;

"(F) describe the extent to which foreign financial services institutions and other persons from foreign countries purchase or otherwise facilitate the marketing from the United States of government and private debt instruments and private equity instruments;

"(G) describe how the interdependence of the financial services sectors of the United States and foreign countries affects the autonomy and effectiveness of United States monetary policy;

"(H) describe the extent to which United States companies rely on financing by or through foreign financial services institutions and the consequences of such reliance (including disclosure of proprietary information) for the industrial competitiveness and national security of the United States;

"(I) describe the extent to which foreign financial services institutions, in purchasing high technology products such as computers and telecommunications equipment, favor manufacturers from their home countries over United States manufacturers; and

"(J) contain other appropriate information relating to the results of the investigation required by subsection (a).

"(c) DEFINITIONS.—For purposes of this section the following definitions shall apply:

"(1) DEPOSITORY INSTITUTION AND DEPOSITORY INSTITUTION HOLDING COMPANY.—The terms 'depository institution' and 'depository institution holding company' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

"(2) FEDERAL BANKING AGENCIES.—The term 'Federal banking agencies' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

"(3) FINANCIAL SERVICES INSTITUTION.—The term 'financial services institution' means—

"(A) a broker, dealer, underwriter, clearing agency, transfer agent, or information processor with respect to securities, including government and municipal securities;

"(B) an investment company, investment manager, investment adviser, indenture trustee, or any depository institution, insurance company, or other organization operating as a fiduciary, trustee, underwriter, or other financial services provider;

"(C) any depository institution or depository institution holding company; and

"(D) any other entity providing financial services.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.".

SEC. 405. CONFORMING AMENDMENTS.

(a) REPORTS ON FOREIGN TREATMENT OF UNITED STATES FINANCIAL INSTITUTIONS.—Section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5352) is amended—

(1) in the first sentence, by inserting "with updates on significant developments every 2 years following submission of the 1994 report," before "the Secretary of the Treasury"; and

(2) by adding at the end the following: "For purposes of this section, a foreign country denies national treatment to United States entities unless the foreign country offers such entities the same competitive opportunities (including effective market access) as are available to the domestic entities of the foreign country.".

(b) NEGOTIATIONS TO PROMOTE FAIR TRADE IN FINANCIAL SERVICES.—Section 3603(a)(1) of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5353(a)(1)) is amended by inserting "effective" before "access".

(c) PRIMARY DEALERS IN GOVERNMENT DEBT INSTRUMENTS.—Section 3502(b)(1) of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5342(b)(1)) is amended—

(1) by striking "does not accord to" and inserting "does not offer"; and

(2) by striking "as such country accords to" and inserting "(including effective market access) as are available to".

(d) CONFORMING AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—

(1) SECTION 15.—Section 15(b)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(1)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(2) SECTION 15B.—Section 15B(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–4(a)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(3) SECTION 15C.—Section 15C(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(e) CONFORMING AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a–8) is amended by adding at the end the following new subsection:

"(g) The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(f) CONFORMING AMENDMENT TO THE INVESTMENT ADVISERS ACT OF 1940.—Section 203(c)(2) of the Investment Advisers Act of 1940 (15 U.S.C. (c)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

Amend the table of contents accordingly.

AMENDMENT NO. 1526

At the appropriate place in title III of the bill, insert the following:

SEC. . INCLUSION OF COMPTROLLER OF THE CURRENCY; CLARIFICATION OF REVISED STATUTES.

(a) PUBLIC LAW 93-425.—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by inserting "the Comptroller of the Currency," after "Federal Deposit Insurance Corporation,".

(b) REVISED STATUTES.—

(1) SECTION 5240.—The third paragraph of section 5240 of the Revised Statutes (12 U.S.C. 482) is amended by inserting "or section 301(f)(1) of title 31, United States Code," after "provisions of this section".

(2) SECTION 324.—Section 324 of the Revised Statutes (12 U.S.C. 1) is amended by adding at the end the following: "The Comptroller of the Currency shall have the same authority over matters within the jurisdiction of the Comptroller as the Director of the Office of Thrift Supervision has over matters within the Director's jurisdiction under section 3(b)(3) of the Home Owners' Loan Act.".

(3) SECTION 5239.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by inserting at the end the following new subsection:

"(d) AUTHORITY.—The Comptroller of the Currency may act in the Comptroller's own name and through the Comptroller's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Comptroller of the Currency is a party.".

DODD (AND DECONCINI) AMENDMENT NO. 1527

Mr. DODD (for himself and Mr. DECONCINI) proposed an amendment to the bill S. 1275, supra; as follows:

On page 160, between lines 6 and 7, insert the following:

SEC. 334. COMMEMORATION OF 1995 SPECIAL OLYMPIC WORLD GAMES.

(a) COIN SPECIFICATIONS.—

(1) ONE DOLLAR SILVER COINS.—

(A) ISSUANCE.—The Secretary of the Treasury (hereafter in this section referred to as the "Secretary") shall issue not more than 800,000 $1 coins, which shall weigh 26.73 grams, have a diameter of 1.500 inches, and shall contain 90 percent silver and 10 percent copper.

(B) DESIGN.—The design of the coins issued under this section shall be emblematic of the 1995 Special Olympics World Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1995", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(2) LEGAL TENDER.—The coins issued under this section shall be legal tender as provided in section 5103 of title 31, United States Code.

(3) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this section shall be considered to be numismatic items.

(b) SOURCES OF BULLION.—The Secretary shall obtain silver for the coins minted under this section only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

(c) SELECTION OF DESIGN.—The design for the coins authorized by this section shall be selected by the Secretary after consultation with the 1995 Special Olympics World Games Organizing Committee, Inc. and the Commission of Fine Arts. As required by section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Coin Advisory Committee.

(d) ISSUANCE OF THE COINS.—

(1) QUALITY OF COINS.—The coins authorized under this section may be issued in uncirculated and proof qualities.

(2) MINT FACILITY.—Not more than 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this section.

(3) COMMENCEMENT OF ISSUANCE.—The coins authorized under this section shall be available for issue not later than January 15, 1995.

(4) SUNSET PROVISION.—No coins shall be minted under this section after December 31, 1995.

(e) SALE OF THE COINS.—

(1) SALE PRICE.—The coins issued under this section shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in paragraph (4) with respect to such coins, and the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(2) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount.

(3) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins authorized under this section prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(4) SURCHARGE REQUIRED.—All sales shall include a surcharge of $10 per coin.

(f) GENERAL WAIVER OF PROCUREMENT REGULATIONS.—No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this section. Nothing in this subsection shall relieve any person entering into a contract under the authority of this section from complying with any law relating to equal employment opportunity.

(g) DISTRIBUTION OF SURCHARGES.—The total surcharges collected by the Secretary from the sale of the coins issued under this section shall be promptly paid by the Secretary to the 1995 Special Olympics World Games Organizing Committee, Inc. Such amounts shall be used to—

(1) provide a world class sporting event for athletes with mental retardation;

(2) demonstrate to a global audience the extraordinary talents, dedication, and courage of persons with mental retardation; and

(3) underwrite the cost of staging and promoting the 1995 Special Olympics World Games.

(h) AUDITS.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the 1995 Special Olympics World Games Organizing Committee, Inc. as may be related to the expenditure of amounts paid under subsection (g).

(i) FINANCIAL ASSURANCES.—

(1) NO NET COST TO THE GOVERNMENT.—The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this section shall result in no net cost to the United States Government.

(2) ADEQUATE SECURITY FOR PAYMENT REQUIRED.—No coin shall be issued under this section unless the Secretary has received—

(A) full payment therefore;

(B) security satisfactory to the Secretary to indemnify the United States for full payment; or

(C) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

PACKWOOD (AND OTHERS) AMENDMENT NO. 1528

Mr. PACKWOOD (for himself, Mr. GORTON, and Mr. HATFIELD) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . STUDY OF EFFECT OF THE NORTHERN SPOTTED OWL ON SMALL BUSINESS CONCERNS.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Small Business Administration; and

(2) the term "small business concerns" has the same meaning as in section 3 of the Small Business Act.

(b) FINDINGS.—The Congress finds that—

(1) a critical and worsening timber supply shortage exists within the social and economic area that generally corresponds to the range of the Northern spotted owl, including Western Oregon, Western Washington, and Northern California, as a consequence of various actions by the Federal Government aimed at stabilizing and recovering the Northern spotted owl as well as other species thought to be associated with old-growth forests; and

(2) numerous small business concerns rely for their livelihood on the adequate harvest of timber from Federal and non-Federal lands within the range of the Northern spotted owl and related species.

(c) BUSINESS STUDY.—The Administrator shall conduct a study that analyzes—

(1) the nature and extent of economic losses to small business concerns in the forest products industry that have occurred subsequent to the designation of the Northern spotted owl as a threatened species pursuant to section 4 of the Endangered Species Act of 1973, or that are reasonably likely to occur in the future as a result of present trends;

(2) the ability of small business concerns to recoup the fair market value of equipment and other property employed in the harvest and processing of timber prior to the listing of the Northern spotted owl as a threatened species; and

(3) the ability of small business concerns in the affected area to offer alternative products or services for which there is a ready or likely suitable market.

(d) REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this section, the Administrator shall submit a report of the results of the study conducted under subsection (c) to the President and to the relevant committees of the Senate and the House of Representatives.

(2) OPTIONS.—The report shall include options for Congress and the President for compensating small business concerns for economic losses and for promoting business transition and diversification.

(3) CONSULTATION.—In preparing the report, the Administrator shall consult with small business concerns in the forest products industry, and shall solicit comments from the public.

PACKWOOD (AND OTHERS) AMENDMENT NO. 1529

Mr. PACKWOOD (for himself, Mr. GORTON, and Mr. HATFIELD) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . STUDY OF EFFECT OF THE NORTHERN SPOTTED OWL ON SMALL BUSINESS CONCERNS.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Small Business Administration; and

(2) the term "small business concerns" has the same meaning as in section 3 of the Small Business Act.

(c) BUSINESS STUDY.—The Administrator, in consultation with the Secretary of the Interior shall conduct a study that analyzes—

(1) the nature and extent of economic losses to small business concerns in the forest products industry that have occurred as a result of the designation of the Northern spotted owl as a threatened species pursuant to section 4 of the Endangered Species Act of 1973, or that are reasonably likely to occur in the future.

(2) the ability of small business concerns to recoup the fair market value of equipment and other property employed in the harvest and processing of timber prior to the listing of the Northern spotted owl as a threatened species; and

(3) the ability of small business concerns in the affected area to offer alternative products or services for which there is a ready or likely suitable market.

(d) REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this section, the Administrator and the Secretary of the Interior shall submit a report of the results of the study conducted under subsection (c) to the President and to the relevant committees of the Senate and the House of Representatives.

(2) OPTIONS.—The report shall include options for Congress and the President for compensating small business concerns for economic losses and for promoting business transition and diversification.

(3) CONSULTATION.—In preparing the report, the Administrator and the Secretary of the Interior shall consult with small business concerns in the forest products industry, and shall solicit comments from the public.

BRYAN (AND OTHERS) AMENDMENT NO. 1530

Mr. RIEGLE (for Mr. BRYAN for himself, Mr. BOND, Mr. RIEGLE, Mr. D'AMATO, and Mr. REID) proposed an amendment to the bill S. 1275, supra; as follows:

On page 160, between lines 6 and 7, insert the following new title:

TITLE IV—MONEY LAUNDERING

SEC. 401. SHORT TITLE.

This title may be cited as the "Money Laundering Suppression Act of 1994".

SEC. 402. REFORM OF CTR EXEMPTION REQUIREMENTS TO REDUCE NUMBER AND SIZE OF REPORTS CONSISTENT WITH EFFECTIVE LAW ENFORCEMENT.

(a) IN GENERAL.—Section 5313 of title 31, United States Code, is amended by adding at the end the following new subsections:

"(d) MANDATORY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury shall exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) (and regulations prescribed under such subsection) with respect to transactions between the depository institution and the following categories of entities:

"(A) Another depository institution.

"(B) A department or agency of the United States, any State, or any political subdivision of any State, including any entity established under the laws of the United States, any State, or any political subdivision of any State, or under an interstate compact between 2 or more States, which exercises governmental authority on behalf of the United States, the State, or the political subdivision.

"(C) Any business or category of business the reports on which have little or no value for law enforcement purposes.

"(2) NOTICE OF EXEMPTION.—The Secretary of the Treasury shall publish in the Federal Register at such times as the Secretary determines to be appropriate (but not less frequently than once during each year) a list of all the entities whose transactions with a depository institution are exempt under this subsection from the reporting requirements of subsection (a) (and regulations prescribed under such subsection).

"(e) DISCRETIONARY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury may exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) (and regulations prescribed under such subsection) with respect to transactions between the depository institution and a qualified business customer of the institution on the basis of information submitted to the Secretary by the institution in accordance with procedures which the Secretary shall establish.

"(2) QUALIFIED BUSINESS CUSTOMER DEFINED.—For purposes of this subsection, the term 'qualified business customer' means a business which—

"(A) maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act) at the depository institution;

"(B) frequently engages in transactions with the depository institution which are subject to the reporting requirements of subsection (a) (and regulations prescribed under such subsection); and

"(C) meets criteria which the Secretary determines are sufficient to ensure that the purposes of this subchapter are carried out without requiring a report with respect to such transactions.

"(3) CRITERIA FOR EXEMPTION.—The Secretary of the Treasury shall establish, by regulation, the criteria for granting and maintaining an exemption under paragraph (1).

"(4) GUIDELINES.—

"(A) IN GENERAL.—The Secretary of the Treasury shall establish guidelines for depository institutions to follow in selecting customers for an exemption under this subsection.

"(B) CONTENTS.—The guidelines may include a description of the types of businesses or an itemization of specific businesses for which no exemption will be granted under this subsection to any depository institution.

"(5) ANNUAL REVIEW.—The Secretary of the Treasury shall prescribe regulations requiring each depository institution to—

"(A) review, at least once during each year, the qualified business customers of such institution with respect to whom an exemption has been granted under this subsection; and

"(B) upon the completion of such review, resubmit information about such customers, with such modifications as the institution determines to be appropriate, to the Secretary for the Secretary's approval.

"(6) 2-YEAR PHASE-IN PROVISION.—During the 2-year period beginning on the date of enactment of the Money Laundering Suppression Act of 1994, this subsection shall be applied by the Secretary on the basis of such criteria as the Secretary determines to be appropriate to achieve an orderly implementation of the requirements of this subsection.

"(f) PROVISIONS APPLICABLE TO MANDATORY AND DISCRETIONARY EXEMPTIONS.—

"(1) LIMITATION ON LIABILITY OF DEPOSITORY INSTITUTIONS.—No depository institution shall be subject to any penalty which may be imposed under this subchapter for the failure of the institution to file a report with respect to a transaction with a customer for whom an exemption has been granted under subsection (d) or (e), unless the institution—

"(A) knowingly files false or incomplete information to the Secretary with respect to the transaction or the customer engaging in the transaction; or

"(B) has reason to believe at the time the exemption is granted or the transaction is entered into that the customer or the transaction does not meet the criteria established for granting such exemption.

"(2) COORDINATION WITH OTHER PROVISIONS.—Any exemption granted by the Secretary of the Treasury under section 5318(a) in accordance with this section, and any transaction which is subject to such exemption, shall be subject to any other provision of law applicable to such exemption, including—

"(A) the authority of the Secretary, under section 5318(a)(5), to revoke such exemption at any time; and

"(B) any requirement to report, or any authority to require a report on, any possible violation of any law or regulation or any suspected criminal activity.

"(g) DEPOSITORY INSTITUTION DEFINED.—For purposes of this section, the term 'depository institution' has the meaning given to such term in section 19(b)(1)(A) of the Federal Reserve Act.".

(b) REPORT REDUCTION GOAL; REPORTS.—

(1) IN GENERAL.—In implementing the amendment made by subsection (a), the Secretary of the Treasury shall seek to reduce, within a reasonable period of time, the number of reports required to be filed in the aggregate by depository institutions pursuant to section 5313(a) of title 31, United States Code, by not less than 30 percent of the number filed during the year preceding the date of enactment of this Act.

(2) INTERIM REPORT.—The Secretary of the Treasury shall submit a report to the Congress not later than the end of the 180-day period beginning on the date of enactment of this Act on the progress made by the Secretary in implementing the amendment made by subsection (a).

(3) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress after the end of each of the first 5 calendar years which begin after the date of enactment of this Act on the extent to which the Secretary has reduced the overall number of currency transaction reports required to be filed with the Secretary pursuant to section 5313(a) of title 31, United States Code, consistently with the purposes of such section and effective law enforcement.

(c) STREAMLINED CURRENCY TRANSACTION REPORTS.—The Secretary of the Treasury shall take such action as may be appropriate to redesign the format of reports required to be filed by any financial institution (as defined in section 5312(a)(2) of title 31, United States Code) under section 5313(a) of title 31, United States Code, to eliminate the need to report information which has little or no value for law enforcement purposes and reduce the time and effort required to prepare such report for filing by any such financial institution under such section.

SEC. 403. SINGLE DESIGNEE FOR REPORTING OF SUSPICIOUS TRANSACTIONS.

(a) IN GENERAL.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) SINGLE DESIGNEE FOR REPORTING SUSPICIOUS TRANSACTIONS.—

"(A) IN GENERAL.—In requiring reports under paragraph (1) of suspicious transactions, the Secretary of the Treasury shall designate, to the extent practicable and appropriate, a single officer or agency of the United States to whom such reports shall be made.

"(B) DUTY OF DESIGNEE.—The officer or agency of the United States designated by the Secretary of the Treasury pursuant to subparagraph (A) shall refer any report of a suspicious transaction to the appropriate law enforcement or supervisory agency.

"(C) COORDINATION WITH OTHER REPORTING REQUIREMENTS.—Subparagraph (A) shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any provision of law other than this subsection.

"(D) REPORTS.—

"(i) REPORTS REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress at the times required under clause (ii) on the number of suspicious transactions reported to the officer or agency designated under subparagraph (A) during the period covered by the report and the disposition of such reports.

"(ii) TIME FOR SUBMITTING REPORTS.—The first report required under clause (i) shall be filed before the end of the 1-year period beginning on the date of enactment of the Money Laundering Suppression Act of 1994, and each subsequent report shall be filed, not later than 90 days after the end of each of the 5 calendar years which begin after such date of enactment.".

(b) DESIGNATION REQUIRED TO BE MADE EXPEDITIOUSLY.—The initial designation of an officer or agency of the United States pursuant to the amendment made by subsection (a) shall be made before the end of the 180-day period beginning on the date of enactment of this Act.

SEC. 404. IMPROVEMENT OF IDENTIFICATION OF MONEY LAUNDERING SCHEMES.

(a) ENHANCED TRAINING, EXAMINATIONS, AND REFERRALS BY BANKING AGENCIES.—Before the end of the 6-month period beginning on the date of enactment of this Act, each appropriate Federal banking agency shall, in consultation with the Secretary of the Treasury and other appropriate law enforcement agencies—

(1) review and enhance training and examination procedures to improve the identification of money laundering schemes involving depository institutions; and

(2) review and enhance procedures for referring cases to any other appropriate law enforcement agency.

(b) IMPROVED REPORTING OF CRIMINAL SCHEMES BY LAW ENFORCEMENT AGENCIES.—The Secretary of the Treasury and each appropriate law enforcement agency shall, on a regular basis, provide information regarding money laundering schemes and activities involving depository institutions to each appropriate Federal banking agency to enhance the agency's ability to examine for and identify money laundering.

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Federal banking agencies shall jointly submit a report to the Congress on the progress made in carrying out subsection (a) and the usefulness of information received pursuant to subsection (b).

(d) DEFINITIONS.—The terms "appropriate Federal banking agency" and "Federal banking agencies" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 405. NEGOTIABLE INSTRUMENTS DRAWN ON FOREIGN BANKS SUBJECT TO RECORDKEEPING AND REPORTING REQUIREMENTS.

Section 5312(a)(3) of title 31, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) as the Secretary of the Treasury shall provide by regulation for purposes of section 5316, checks, drafts, notes, money orders, and other similar instruments which are drawn on or by a foreign financial institution and are not in bearer form.".

SEC. 406. IMPOSITION OF CIVIL MONEY PENALTIES BY APPROPRIATE FEDERAL BANKING AGENCIES.

Section 5321 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(e) DELEGATION OF ASSESSMENT AUTHORITY TO BANKING AGENCIES.—

"(1) IN GENERAL.—The Secretary of the Treasury shall delegate, in accordance with section 5318(a)(1), and subject to such terms and conditions as the Secretary may impose in accordance with paragraph (3), any authority of the Secretary to assess a civil money penalty under this section on depository institutions to the appropriate Federal banking agencies.

"(2) AUTHORITY OF AGENCIES.—Subject to any term or condition imposed by the Secretary of the Treasury under paragraph (3), the provisions of this section shall apply to an appropriate Federal banking agency to which is delegated any authority of the Secretary under this section in the same manner such provisions apply to the Secretary.

"(3) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—The Secretary of the Treasury shall prescribe by regulation the terms and conditions which shall apply to any delegation under paragraph (1).

"(B) MAXIMUM DOLLAR AMOUNT.—The terms and conditions authorized under subparagraph (A) may include, in the Secretary's sole discretion, a limitation on the amount of any civil penalty which may be assessed by an appropriate Federal banking agency pursuant to a delegation under paragraph (1).

"(4) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution' and 'Federal banking agencies' have the same meanings as in section 3 of the Federal Deposit Insurance Act.".

SEC. 407. UNIFORM STATE LICENSING AND REGULATION OF CHECK CASHING, CURRENCY EXCHANGE, AND MONEY TRANSMITTING BUSINESSES.

(a) UNIFORM LAWS AND ENFORCEMENT.—For purposes of preventing money laundering and protecting the payment system from fraud and abuse, it is the sense of the Congress that the several States should—

(1) establish uniform laws for licensing and regulating businesses which—

(A) provide check cashing, currency exchange, or money transmitting or remittance services, or issue or redeem money orders, travelers' checks, and other similar instruments; and

(B) are not depository institutions (as defined in section 19(b)(1)(A) of the Federal Reserve Act); and

(2) provide sufficient resources to the appropriate State agency to enforce such laws and regulations prescribed pursuant to such laws.

(b) MODEL STATUTE.—It is the sense of the Congress that the several States should develop, through the auspices of the National Conference of Commissioners on Uniform State Laws, the American Law Institute, or such other forum as the States may determine to be appropriate, a model statute to carry out the goals described in subsection (a) which would include the following:

(1) LICENSING REQUIREMENTS.—A requirement that any business described in subsection (a)(1) be licensed and regulated by an appropriate State agency in order to engage in any such activity within the State.

(2) LICENSING STANDARDS.—A requirement that—

(A) in order for any business described in subsection (a)(1) to be licensed in the State, the appropriate State agency shall review and approve—

(i) the business record and the capital adequacy of the business seeking the license; and

(ii) the competence, experience, integrity, and financial ability of any individual who—

(I) is a director, officer, or supervisory employee of such business; or

(II) owns or controls such business; and

(B) any record, on the part of any business seeking the license or any person referred to in subparagraph (A)(ii), of—

(i) any criminal activity;

(ii) any fraud or other act of personal dishonesty;

(iii) any act, omission, or practice which constitutes a breach of a fiduciary duty; or

(iv) any suspension or removal, by any agency or department of the United States or any State, from participation in the conduct of any federally or State licensed or regulated business;

may be grounds for the denial of any such license by the appropriate State agency.

(3) PROCEDURES TO ENSURE COMPLIANCE WITH FEDERAL CASH TRANSACTION REPORTING REQUIREMENTS.—A civil or criminal penalty for operating any business referred to in paragraph (1) without establishing and complying with appropriate procedures to ensure compliance with subchapter II of chapter 53 of title 31, United States Code (relating to records and reports on monetary instruments transactions).

(4) CRIMINAL PENALTIES FOR OPERATION OF BUSINESS WITHOUT A LICENSE.—A criminal penalty for operating any business referred to in paragraph (1) without a license within the State after the end of an appropriate transition period beginning on the date of enactment of such model statute by the State.

(c) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study of—

(1) the progress made by the several States in developing and enacting a model statute which—

(A) meets the requirements of subsection (b); and

(B) furthers the goals of—

(i) preventing money laundering by businesses which are required to be licensed under any such model statute; and

(ii) protecting the payment system, including the receipt, payment, collection, and clearing of checks, from fraud and abuse by such businesses; and

(2) the adequacy of—

(A) the activity of the several States in enforcing the requirements of such statute; and

(B) the resources made available to the appropriate State agencies for such enforcement activity.

(d) REPORT REQUIRED.—Before the end of the 3-year period beginning on the date of enactment of this Act and by the end of each of the first two 1-year periods beginning after the end of such 3-year period, the Secretary of the Treasury shall submit a report to the Congress containing the findings and recommendations of the Secretary in connection with the study under subsection (c), together with such recommendations for legislative and administrative action as the Secretary may determine to be appropriate.

(e) RECOMMENDATIONS IN CASES OF INADEQUATE REGULATION AND ENFORCEMENT BY STATES.—If the Secretary of the Treasury determines that any State has been unable—

(1) to enact a statute which meets the requirements described in subsection (b);

(2) to undertake adequate activity to enforce such statute; or

(3) to make adequate resources available to the appropriate State agency for such enforcement activity;

the report submitted pursuant to subsection (d) shall contain recommendations designed to facilitate enactment and enforcement of such a statute.

(f) FEDERAL FUNDING STUDY.—

(1) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study to identify possible available sources of Federal funding to cover costs to the States to implement this section.

(2) REPORT.—The Secretary of the Treasury shall submit a report to the Congress on the study conducted pursuant to paragraph (1) before the end of the 18-month period beginning on the date of enactment of this Act.

SEC. 408. REGISTRATION OF MONEY TRANSMITTING BUSINESSES TO PROMOTE EFFECTIVE LAW ENFORCEMENT.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds the following:

(A) Money transmitting businesses are subject to the recordkeeping and reporting requirements of subchapter II of chapter 53 of title 31, United States Code.

(B) Money transmitting businesses are largely unregulated businesses and are frequently used in sophisticated schemes to—

(i) transfer large amounts of money which are the proceeds of unlawful enterprises; and

(ii) evade the requirements of subchapter II of chapter 53 of title 31, United States Code, the Internal Revenue Code of 1986, and other laws of the United States.

(C) Information on the identity of money transmitting businesses and the names of the persons who own or control, or are officers or employees of, a money transmitting business would have a high degree of usefulness in criminal, tax, or regulatory investigations and proceedings.

(2) PURPOSE.—It is the purpose of this section to establish a registration requirement for businesses engaged in providing check cashing, currency exchange, or money transmitting or remittance services, or issuing or redeeming money orders, travelers' checks, and other similar instruments to assist the Secretary of the Treasury, the Attorney General, and other supervisory and law enforcement agencies to effectively enforce the criminal, tax, and regulatory laws and prevent such money transmitting businesses from engaging in illegal activities.

(b) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 5329. Registration of money transmitting businesses

"(a) REGISTRATION WITH SECRETARY OF THE TREASURY REQUIRED.—

"(1) IN GENERAL.—Any person who owns or controls a money transmitting business which is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act) shall register the business (whether or not the business is licensed as a money transmitting business in any State) with the Secretary of the Treasury before the end of the 180-day period beginning on the later of—

"(A) the date of enactment of this section; or

"(B) the date the business is established.

"(2) FORM AND MANNER OF REGISTRATION.—Subject to the requirements of subsection (b), the Secretary of the Treasury shall prescribe, in regulations, the form and manner for registering a money transmitting business pursuant to paragraph (1).

"(3) BUSINESSES REMAIN SUBJECT TO STATE LAW.—This section shall not be construed as superseding any requirement of State law relating to money transmitting businesses operating in such State.

"(4) FALSE AND INCOMPLETE INFORMATION.—The filing of false or materially incomplete information in connection with the registration of a money transmitting business shall be considered as a failure to comply with the requirements of this subsection.

"(b) CONTENTS OF REGISTRATION.—The registration of a money transmitting business under subsection (a) shall include the following information:

"(1) The name and location of the business.

"(2) The name and address of each person who—

"(A) owns or controls the business;

"(B) is a director or officer of the business; or

"(C) otherwise participates in the conduct of the affairs of the business.

"(3) The name and address of any depository institution at which the business maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act).

"(4) An estimate of the volume of business to be reported annually.

"(5) Such other information as the Secretary of the Treasury may require.

"(c) AGENTS OF MONEY TRANSMITTING BUSINESSES.—

"(1) MAINTENANCE OF LISTS OF AGENTS OF MONEY TRANSMITTING BUSINESSES.—Pursuant to regulations which the Secretary of the Treasury shall prescribe, each money transmitting business shall—

"(A) maintain a list containing the names and addresses of all persons authorized to act as an agent for such business in connection with activities described in subsection (d)(1)(A) and such other information about such agents as the Secretary may require; and

"(B) make the list and other information available on request to any appropriate law enforcement agency.

"(2) TREATMENT OF AGENT AS MONEY TRANSMITTING BUSINESS.—The Secretary of the Treasury shall prescribe regulations establishing, on the basis of such criteria as the Secretary determines to be appropriate, a threshold point for treating an agent of a money transmitting business as a money transmitting business for purposes of this section.

"(d) DEFINITIONS.—For purposes of this section—

"(1) MONEY TRANSMITTING BUSINESS.—The term 'money transmitting business' means any business other than the United States Postal Service which—

"(A) provides check cashing, currency exchange, or money transmitting or remittance services, or issues or redeems money orders, travelers' checks, and other similar instruments;

"(B) is required to file reports under section 5313; and

"(C) is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act).

"(2) MONEY TRANSMITTING SERVICE.—The term 'money transmitting service' includes accepting currency or funds denominated in the currency of any country and transmitting the currency or funds, or the value of the currency or funds, by any means through a financial agency or institution, a Federal reserve bank or other facility of the Board of Governors of the Federal Reserve System, or an electronic funds transfer network.

"(e) CIVIL PENALTY FOR FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS.—

"(1) IN GENERAL.—Any person who fails to comply with the money transmitting business registration requirements under subsection (a) or regulations prescribed under such subsection shall be liable to the United States for a civil penalty of $5,000 for each such violation.

"(2) CONTINUING VIOLATION.—Each day a violation described in paragraph (1) continues shall constitute a separate violation for purposes of such paragraph.

"(3) ASSESSMENTS.—Any penalty imposed under this subsection shall be assessed and collected by the Secretary of the Treasury in the manner provided in section 5321 and any such assessment shall be subject to the provisions of such section.".

(c) CRIMINAL PENALTY FOR FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS.—Section 1960(b)(1) of title 18, United States Code, is amended to read as follows:

"(1) the term 'illegal money transmitting business' means a money transmitting business which affects interstate or foreign commerce in any manner or degree and—

"(A) is intentionally operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law; or

"(B) fails to comply with the money transmitting business registration requirements under section 5329 of title 31, United States Code, or regulations prescribed under such section;".

(d) CIVIL FORFEITURE.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "or of section 1956 or 1957 of this title," and inserting ", of section 1956, 1957, or 1960 of this title,".

(e) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5328 the following new item:

"5329. Registration of money transmitting businesses.".

SEC. 409. CRIMINAL AND CIVIL PENALTY FOR STRUCTURING DOMESTIC AND INTERNATIONAL TRANSACTIONS.

(a) CRIMINAL PENALTY.—Section 5324 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(c) CRIMINAL PENALTY.—

"(1) IN GENERAL.—Whoever violates this section shall be fined in accordance with title 18, United States Code, imprisoned for not more than 5 years, or both.

"(2) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates this section while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.".

(b) AMENDMENT RELATING TO CIVIL PENALTY.—Section 5321(a)(4)(A) of title 31, United States Code, is amended by striking "willfully".

(c) TECHNICAL AND CONFORMING AMENDMENT.—Subsections (a) and (b) of section 5322 of title 31, United States Code, are amended by inserting "or 5324" after "section 5315" each place such term appears.

SEC. 410. GAO STUDY OF CASHIERS' CHECKS.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to determine—

(1) the extent to which the practice of issuing of cashiers' checks by financial institutions is vulnerable to money laundering schemes;

(2) the extent to which additional recordkeeping requirements should be imposed on financial institutions which issue cashiers' checks; and

(3) such other factors relating to the use and regulation of cashiers' checks as the Comptroller General determines to be appropriate.

(b) REPORT REQUIRED.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions in connection with the study conducted pursuant to subsection (a); and

(2) such recommendations for legislative and administrative action as the Comptroller General may determine to be appropriate.

RIEGLE (AND METZENBAUM) AMENDMENT NO. 1531

Mr. RIEGLE (for himself and Mr. METZENBAUM) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place insert:

SEC. . Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding after paragraph (3) the following:

"(4) The dates, original payees, and amounts of any checks upon which is based any "negative information about the consumer included in the file at the time of the disclosure."

BAUCUS AND WALLOP AMENDMENT NO. 1532

Mr. RIEGLE (for Mr. BAUCUS for himself and Mr. WALLOP) proposed an amendment to the bill S. 1275, supra; as follows:

On page 56, line 24, strike "or";

On page 57, line 4, after ";" insert "or"; and

On page 57, between lines 4 and 5 insert:

"(c) in a community that has experienced a sudden and significant loss in total employment since the 1990 census or a major dislocation in its primary employment base."

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will be holding a hearing on Wednesday, March 23, 1994, beginning at 9:30 a.m., in 485 Russell Senate Office Building on S. 1021, the Native American Free Exercise of Religion Act.

Those wishing additional information should contact the Committee on Indian Affairs at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, March 16, 1994 at 9:30 a.m., in SR-332, on effect on dairy trade of the self help proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet jointly with the Committee on Governmental Affairs on Wednesday, March 16, 1994 at 2 p.m., in open session, to receive testimony on S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 10 a.m., March 16, 1994, to receive testimony on the domestic and international implications of energy demand growth in China and the developing countries of the Pacific rim.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today at 10 a.m. to hear testimony on the subject of the Uruguay round, and to hear and consider the nominations of W. Booth Gardner to be a Deputy U.S. Trade Representative and Lynn Bragg to be a member of the International Trade Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Wednesday, March 16, 1994, at 2 p.m., for a joint hearing with the Armed Services Committee on the legislation: S. 1587, the Federal Acquisition Streamlining Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, March 16, 1994, to hold a hearing on the nomination of Jamie Gorelick, to be Deputy Attorney General.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the Reemployment Act of 1994, during the session of the Senate on March 16, 1994, at 2:30 pm.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the current status of chapter I, during the session of the Senate on March 16, 1994, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL FINANCE AND MONETARY POLICY

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on International Finance and Monetary Policy of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, March 16, beginning at 10 a.m., to conduct a hearing on Alaskan crude oil.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION AND SUBCOMMITTEE ON PUBLIC LANDS, NATIONAL PARKS AND FORESTS

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Production and the Subcommittee on Public Lands, National Parks and Forests of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 2:30 p.m., March 16, 1994, to receive testimony on H.R. 1137, the Old Faithful Protection Act of 1993.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LITHUANIAN INDEPENDENCE DAY

• Mr. RIEGLE. Mr. President, I rise today to commemorate the 76th anniversary of Lithuania's declaration of independence, celebrated on February 16, 1994. Once again we are reminded of the difficulties the Lithuanian people have faced throughout their history, and the resilience with which they have confronted them. Their fortitude is even more pronounced now as they struggle to rebuild their country following Soviet occupation. I am proud to celebrate this day with the people of Lithuania and the Lithuanian-American community, and I offer my continued support as they face the numerous and formidable challenges of the future.

On February 16, 1918, the Lithuanian National Council first declared its independence from Czarist Russia, ending 300 years of foreign domination. Their new-found liberty lasted only until 1940, however, when Stalinist Russian troops invaded and annexed Lithuania, along with neighboring Latvia and Estonia. The Lithuanian people suffered under a brutal Soviet regime, yet they never gave up hope for freedom, independence, and self-determination. Lithuanians once again declared independence from the Soviet Union on March 11, 1990.

Lithuanian Independence Day is important not only as a remembrance of the many years Lithuania has spend under oppressive foreign rule, but also as an acknowledgement of the obstacles of Lithuania's continued autonomy. Freedom never came easily for the Lithuanian people—the Soviet Union at first refused to recognize the independence claim and in January 1991, 14 Lithuanians were killed and more than 500 injured by Soviet troops while defending the radio and TV tower in Vilnius. Even after the total collapse of the Soviet Union and the establishment of Lithuania as an independent nation, Lithuanians continue to face a precarious situation militarily, economically, and environmentally.

Clearly one of the most serious problems in Lithuania today is the shortage of energy. Lithuania is heavily dependent on Russian oil and natural gas, yet the Russian gas company GASPROM has repeatedly threatened to shut off the supply unless Lithuania pays off a $30 million debt. The only domestic source of energy is an aging nuclear powerplant in Ignalina which has undergone several emergency shutdowns in recent years due to its outdated and inadequate safety systems. The state of this powerplant highlights the danger of a new catastrophe that would compound the environmental damage already inflicted on Lithuania by 50 years of Soviet occupation.

Lithuania is plagued by economic and military problems as well. The transition to a free market economy has created numerous problems for the Lithuanian economy—inflation remains extremely high; there is a shortage of raw materials; and industrial production has fallen sharply in recent years. Finally, although all Russian troops have been removed from Lithuanian soil, thousands still remain in Latvia and Estonia. We must continue to monitor the removal of troops from the Baltics to ensure that Russia honors its commitment to complete its withdrawal by August 31, 1994.

The struggle of the Lithuanian people is far from over. The international community must continue to support Lithuania and its Baltic neighbors as they strive to build free societies, stable democracies, and market economies. As we celebrate with the people of Lithuania and the Lithuanian-American community here in the United States, let us recognize the challenges they face, and renew our commitment to support the Baltic nations in the future.•

ORDERS FOR TOMORROW

Mr. RIEGLE. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Thursday, March 17, that following the prayer, the Journal of proceedings be approved to date and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 10 minutes each, with the first 20 minutes of morning business under the control of the majority leader or his designee; with Senators KOHL and KERREY recognized for up to 10 minutes each; with Senator SHELBY recognized for up to 20 minutes; that at 10 a.m., the Senate then resume consideration of S. 1275, the community development bank bill; that upon resuming the bill, Senator GRAMM be recognized to offer an amendment to amendment No. 1525, with the Gramm amendment relating to sunsetting.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL THURSDAY, MARCH 17, 1994 AT 9 A.M.

Mr. RIEGLE. Mr. President, if there is no further business to come before the Senate today, and if no other Senator is seeking recognition, I ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 6:34 p.m., recessed until 9 a.m., Thursday, March 17, 1994.

NOMINATIONS

Executive nominations received by the Senate March 16, 1994:

DEPARTMENT OF DEFENSE

WILLIAM T. COLEMAN III, OF MICHIGAN, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF THE ARMY, VICE WILLIAM JAMES HAYNES II, RESIGNED.

SARA E. LISTER, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE ROBERT S. SILBERMAN, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE CLASS STATED, AND ALSO FOR THE OTHER APPOINTMENT INDICATED HEREWITH:

FOR APPOINTMENT AS A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, AND A CONSULAR OFFICER AND A SECRETARY IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

KELLY CHRISTIAN KAMMERER, OF THE DISTRICT OF COLUMBIA

FOR APPOINTMENT AS A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR:

DEPARTMENT OF STATE

DOUGLAS B. ARCHARD, OF VERMONT

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

JAMES EDMOND ROBERTSON, OF MARYLAND

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

CAROL ANN DENNISON, OF PENNSYLVANIA
DAVID T. NEWELL, OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF AGRICULTURE

HASSAN F. AHMED, OF VIRGINIA
BERNADETTE BORRIS, OF NEW JERSEY
ASIF J. CHAUDHRY, OF WASHINGTON
ROBERT K. HOFF, OF TEXAS
JON K. JENNI, OF CALIFORNIA
JEFFREY W. JONES, OF WASHINGTON
KEVIN N. SMITH, OF ILLINOIS
BRUCE J. ZANIN, OF VIRGINIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

LARRY EDWARD ANDRE, JR., OF TEXAS
EDWARD P. BIRSNER, OF NEW JERSEY
ANN-CATHERINE BLANK, OF HAWAII
DIANA F. BROWN, OF MICHIGAN
DOUGLAS PAUL CLIMAN, OF CALIFORNIA
NANCY J. COOPER, OF NEW YORK
RHONDA L. FERGUSON-AUGUSTUS, OF NEW YORK
BRADLEY ALAN FREDEN, OF TEXAS
GREGORY WRIGHT FRENZEL, OF NEW JERSEY
DAVID E. JABERG, OF VIRGINIA
ERIC ANTHONY JONES, OF MICHIGAN
EILEEN H. KANE, OF NEW YORK
STEVEN CHRISTOPHER KOUTSIS, OF MASSACHUSETTS
STEPHANIE A. KRONENBURG, OF TEXAS
SUZANNE ILENE LAWRENCE, OF ARIZONA
MATTHEW FRANKLIN LEVEY, OF CONNECTICUT
KATHLEEN LOUISE LIST, OF CALIFORNIA
THOMAS AQUINAS MARTEN, OF VIRGINIA
KATHERINE ANNE MUNCHMEYER, OF TEXAS
DARIUS NASSIRY, OF CALIFORNIA
ERIC GEORGE NELSON, OF TEXAS
LOIS ARLENE PRICE, OF OREGON
ERIC JAMES RUETER, OF CALIFORNIA
RICHARD SCOTT SACKS, OF NEW HAMPSHIRE
JOLEEN ANN SCHWEITZER, OF VIRGINIA
DAVID WILLIAM SECKLER, OF CALIFORNIA
PALEMA LEORA SPRATLEN, OF CALIFORNIA
JENNIFER OWEN UNDERWOOD, OF VIRGINIA
JAMES L. WAYMAN, OF INDIANA
LAWRENCE C. YONTZ, OF OHIO

DEPARTMENT OF AGRICULTURE

CLAY M. HAMILTON, OF TEXAS

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE AND COMMERCE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ROGER KENT ALMOND, OF VIRGINIA
KATHLEEN L. ARCHIBALD, OF VIRGINIA
GEOFFREY M. BARRY, OF VIRGINIA
ROBERT STEPHEN BEECHCROFT, OF CALIFORNIA
CARRIE D. BENJAMIN, OF VIRGINIA
J. ANDREW BENNETT, OF VIRGINIA
RUTH G. BRANTLEY, OF THE DISTRICT OF COLUMBIA
SUZANNE L. BROWN, OF VIRGINIA
KATHERINE ANN BRUCKER, OF CALIFORNIA
MATHEW J. BURROWS, OF THE DISTRICT OF COLUMBIA
ANN E. BUTLER, OF VIRGINIA
JEFFREY M. CANOSE, OF VIRGINIA
CRAIG B. CHELLIS, OF VIRGINIA
PORTER P. CONERLY, OF VIRGINIA
SUSAN THERESA CONNOLLY, OF VIRGINIA
MICHAEL S. DIXON, OF IOWA
DAVID C. DODGE, OF VIRGINIA
LESTER. S. DUFFIN, OF VIRGINIA
KAREN A. EGGERMAN, OF CALIFORNIA
LAURA L. ELLIS, OF VIRGINIA
MELVIN LEON GAMBLE, OF VIRGINIA
CARL R. GOLDEN, JR., OF VIRGINIA
ROBERT D. HALL, OF VIRGINIA
KATHLEEN M. HAMANN, OF MINNESOTA
ANDREW M. HAMILTON, OF VIRGINIA
JEFFREY J. HAWKINS, JR., OF CALIFORNIA
GEORGE HAZELRIGG, OF VIRGINIA
JAMES J. HENDRY, OF VIRGINIA
CARMEN M. HERNANDEZ, OF PUERTO RICO
ROBYN A. HOOKER, OF VIRGINIA
PHILIP WINSTON KAPLAN, OF FLORIDA
JAMES R. KNEIP, OF MARYLAND
LEO E. KONZ, OF VIRGINIA
EVAN A. KOPP, OF CALIFORNIA
DALE G. KREISHER, OF OHIO
KIMBERLY CONSTANCE KRHOUNEK, OF NEBRASKA
DANIEL JOSEPH KRITENBRINK, OF VIRGINIA
TIMOTHY P. LATTIMER, OF CALIFORNIA
JESSICA SUE LEVINE, OF MASSACHUSETTS
ALEXIS LUDWIG, OF CALIFORNIA
NICHOLAS JORDAN MANRING, OF WASHINGTON
J. STEPHEN MARTIN, OF THE DISTRICT OF COLUMBIA
JOHN G. MERNA, OF VIRGINIA
BRIAN L. MIHURA, OF VIRGINIA
CHRISTOPHER M. MOODY, OF NEW MEXICO
MARGARET ANNE MOORE, OF VIRGINIA
ANN MORNING, OF NEW YORK
MARK BRENDAN O'CONNOR, OF FLORIDA
ALLAN E. PAPP, OF VIRGINIA
STUART E. PATT, OF CALIFORNIA
BERNICE S. PRESENSKY, OF VIRGINIA
DAVID MEIER SAUER, OF VIRGINIA
JUNE VERONICA SHULTZ, OF VIRGINIA
ERIC L. SKOOG, OF ARIZONA
ANTON KURT SMITH, OF ALASKA
SEAN B. STEIN, OF UTAH
ELIZABETH CHARLES SUVARI, OF RHODE ISLAND
LAURA V. SWARTZ, OF COLORADO
ANGELINE M. THERIAULT, OF VIRGINIA
COURTNEY L. TURNER, OF VIRGINIA
PRIVATH UM, OF VIRGINIA
PEGGY JEANNE WALKER, OF VIRGINIA
RHONDA J. WATSON, OF MARYLAND
STEPHANIE TURCO WILLIAMS, OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF DEFENSE

RUDY DELEON, OF CALIFORNIA, TO BE UNDER SECRETARY OF THE AIR FORCE, VICE ANNE NEWMAN FOREMAN, RESIGNED.

HOUSE OF REPRESENTATIVES—*Wednesday, March 16, 1994*

The House met at 10 a.m.

Rev. Samuel C. Tolbert, Jr., Greater Saint Mary Baptist Church, Lake Charles, LA, offered the following prayer:

God of love and light, we pause to acknowledge Thee before engaging into dialog that will cause this institution of legislation to venture toward impacting human destiny.

Enlighten the eyes of our minds that we do not sleep when we should be awake. May we as a nation of democracy remain aware of our function to the families within our borders and beyond.

We pray for forgiveness and direction. We give You us, that we may be expedient in promoting peace on the streets of America and across the face of the Earth.

Our prayer is that You will give us restoration where there is deterioration, peace where there is war, wisdom where there is foolishness.

God bless America.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DARDEN. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DARDEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this vote are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Georgia [Mr. DARDEN] come forward and lead the House in the Pledge of Allegiance?

Mr. DARDEN led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOME TO THE REVEREND SAMUEL C. TOLBERT, JR.

(Mr. FIELDS of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FIELDS of Louisiana. Mr. Speaker, today I am very happy to welcome the Reverend Samuel C. Tolbert, Jr., pastor of the Greater Saint Mary Baptist Church of Lake Charles, LA. Reverend Tolbert is vice president of the Louisiana Home and Foreign Mission Baptist Convention and vice president of the Southwest Louisiana Baptist Association.

Reverend Tolbert serves as a distinguished member of the city council of Lake Charles and the board of directors of the Southwest Housing Foundation. He is heavily involved in community and religious oriented activities throughout the State of Louisiana. Reverend Tolbert is a great American and therefore it is befitting that he offer the opening prayer before the U.S. House of Representatives. He and his lovely wife Maltilda are the proud parents of two beautiful daughters.

Mr. Speaker, please join me in welcoming our guest chaplain, the Reverend Samuel C. Tolbert.

DO WE HAVE THE WILL?

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, last week by nearly a 5-to-1 margin the House voted against the only specific plan for a balanced budget within the next 5 years—without touching Social Security and without raising taxes. Only 73 of us were willing to bite the bullet and vote for a list of more than 500 specific cuts totaling $600 billion in savings. Still opponents of a balanced budget amendment argue passionately that a balanced budget measure is unnecessary because all we need to do is find the courage to make tough choices.

If the 342–73 vote on the Solomon balanced budget amendment last week proved anything, it proved that such courage does not exist in this House. Clearly it is time for a balanced budget constitutional amendment; we will not eliminate our staggering and ever-growing national debt without it. I do not like having to amend the Constitution—but I like bankrupting the Nation even less. If you are in doubt, ask your children and grandchildren how they feel about it.

LETHAL INJECTION FOR HEALTH CARE REFORM

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, over the past few months the health insurance industry has spent millions of dollars to convince the American public that we should be worried about efforts to reform health care.

These slick Madison Avenue advertisements were brought to you courtesy of the Health Insurance Industry of America, a trade association for commercial health insurance companies.

These companies have an obvious financial stake in the outcome of health care reform.

What may not be obvious is the fact that the health insurance industry has bankrolled a $14 million ad campaign to kill health reform with your insurance premium money.

These are the same companies that do not want to stop excluding treatment for pre-existing conditions, do not want to give up lifetime limits on benefits, and do not want to stop their skyrocketing premiums.

And now you know why the HIAA has decided that rather than spending their money and your premiums on providing care for those who need it, they would spend millions of dollars to put ads on television to convince the American public that the current system of providing health care insurance is OK.

Well, there are millions of uninsured and underinsured Americans who can tell you that the health care system is not OK.

There is no doubt that health reform can be a confusing and complicated issue, without the help of an industry that stands to gain from killing it.

We will be watching and monitoring the money spent by the HIAA on ad campaigns to kill health care reform. So keep in mind who is paying for the slick advertising—it just might be your very own health insurance premiums giving real health care reform a lethal injection.

PARALLEL BETWEEN ABORTION CLINIC ACCESS BILL AND DICTATORSHIPS SEEN

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I sincerely apologize in advance for any hardship or inconven-

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ience to Members as a result of the numerous recorded votes I intend to ask for on Thursday should the House consider sending the abortion clinic access bill to conference.

The gross unfairness and injustice of H.R. 796 demands your immediate and careful attention. I implore you to more fully appreciate and analyze the consequences of certain language contained in the bill.

I truly believe that the harsh, mean-spirited punishments prescribed by the bill for acts of nonviolent civil disobedience—the staple of the civil rights movement—parallel those sweeping, draconian edicts used to quell dissent in dictatorships.

Just getting in the way peacefully, or just attempting to get in the way—will result in first 1, then if you do it again, 3 years in jail, and massive fines and punitive damages.

Li Peng and Vladimir Zhirinovsky would absolutely love this bill.

But do not just take my word for it.

Here's all that is required under H.R. 796 to turn a peaceful, nonviolent protestor into a Federal felon:

> Whoever—by physical obstruction . . . interferes with any person, or attempts to do so, because that person or any other class of persons is obtaining or providing reproductive health services . . . shall be punished . . . (1) in the case of a first offense, be fined [up to $100,000] or imprisoned not more than 1 year, or both and; (2) in the case of a second or subsequent offense after a prior conviction . . . be fined [up to $250,000] or imprisoned not more than 3 years, or both.

Under the facade of getting tough on those few fanatics who bomb abortion mills or use violence—actions that I absolutely detest and agree need stiff penalties—my substitute last November got tough on violent protestors—the House is poised to stack the deck against peaceful pro-life activists so as to make them prey—an easy mark—for ruinous criminal prosecution and civil suits.

Congress should reject this legislation. It is time to go back to the drawing board—and draft a statute that makes violence against abortion providers and pro-lifers a Federal crime.

SUPPORT THE REAL BALANCED BUDGET ACT

(Ms. MARGOLIES-MEZVINSKY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I rise today to propose a resolution that will force this body to put its money where its mouth is.

Odds are we will soon vote on the balanced budget amendment. And it may pass; as we all know that it failed in the other body and our votes on it this year will therefore be irrelevant.

It is odd that a gimmick like the balanced budget amendment may be able to garner enough votes for final passage, but a real step toward reducing our deficit like the Penny-Kasich amendment, which would have cut spending $90 billion over the next 5 years, failed.

By debating the balanced budget amendment, and by supporting it knowing that our votes are meaningless, we deceive the American people into thinking that we are actually doing something about the deficit when the sad truth is we are not.

Today I introduce the real balanced budget act, or the put your money where your mouth is act. It will force us to actually balance the budget 2 years in a row before we can talk about any constitutional amendment. It will ensure that we make substantive cuts and not just great-sounding, but empty, speeches.

Because it is not your money you need to put where your mouth is. It is the money of the American people and, more importantly, the money of our children and our grandchildren.

Support the real balanced budget act. Put your money where your mouth is.

PRESIDENT CLINTON: WRONG ON TWO COUNTS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, President Clinton made a remarkable outburst at a dinner in Boston the other night. He said that Republicans would rather take off after the First Family than come up with a health care plan of their own.

The President was wrong on two counts.

First, Republicans don't have to take off after President and Mrs. Clinton. From the looks of things, they are doing a pretty good job of drawing negative attention to themselves without our help.

Second, Republicans do have a health care plan. Our bill was introduced in the 102d Congress. Months before Mr. Clinton was elected President. And long before his bill was drafted.

In case the President has not seen it, I will give a brief description: Unlike the Clinton plan, it includes no new taxes. No employer mandates. No new Government bureaucrats. No all-powerful, regional health care alliances. And most importantly, and unlike the Clinton plan it preserves the right of doctor choice for every American family.

Mr. Speaker, the President does a disservice to his own party and the Nation by blaming his many troubles on the Republican Party. If he wants to regain his lost credibility and save his Presidency, he is going to have to come back to reality.

□ 1010

BASELESS AND ABSURD CHARGES

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, I rise today to ask 81 Republicans to apologize to Mrs. Clinton.

Some have charged that Mrs. Clinton unethically sought to profit from her investment in Value Partners, a limited partnership investment fund. The charge is absurd. In fact, on February 10, Stephen Potts, the Director of the Office of Government Ethics, and a Bush appointee, responded to an inquiry from several Republican Members. Potts flatly stated that there was no basis for investigating the First Lady's investment under any applicable Federal ethics laws.

In spite of that response, 1 month later, 81 House Republicans sent the Office of Government Ethics a letter asking for an investigation—a bald-faced effort to keep a nonissue alive.

Mr. Speaker. The facts on this matter are clear:

First, Mrs. Clinton has never had any input, control, or review of investment decisions made by Value Partners.

Second, Mrs. Clinton has not spoken to the investment manager, William Smith, since the summer of 1992 and did not discuss stocks with him at that time.

Third, in July of 1993, the Value Partners investment was placed in the Clinton's blind trust.

Mr. Speaker, due to the administration's policies, the economy is growing, jobs are being created and the deficit is shrinking. The Republicans cannot attack the Clintons on substance so, instead, they are hitting Mrs. Clinton with baseless and absurd charges.

THE FASCINATING WHITEWATER DEBATES

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, I find this whole Whitewater debate and discussion fascinating. Last evening on public television there was a panel that addressed itself to the question of whether or not Mrs. Clinton, in her role as a public official, was accountable to the President and indeed accountable to the people of this country.

The defenders said, "No, she is really simply opening up a new process for presidential spouses." That is unbelievable. Anyone who is in a policymaking position has to be accountable. Those opposing an open information flow in Whitewater argue there is no allegation of wrongdoing.

That argument is also hard to believe. There are, valid or not, at least

10 or 12 questions that need to be answered ranging from taxes to shredding to RTC stonewalling. Only an open process seeking answers will lay this question to rest.

Mr. Speaker, in a democracy it must be based on credibility; a free society requires openness. Whitewater in this House must meet a code of ethical openness.

ECONOMY IMPROVES AS MIDDLE CLASS GROWS MORE SECURE

(Mr. DERRICK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERRICK. Mr. Speaker, as the economy continues to improve, Republican protests over the administration's budget policies grow more shrill, and less credible. They fear that an improving economy makes their doomsday predictions seem foolish.

They hope to cloud the air with negative rhetoric and obscure the emerging truth: The administration's policies have put the country on the right track. The economy is improving. The middle class is growing more secure.

Nonetheless, during last week's budget debate we once again heard them proclaim that our country—especially the middle class—is teetering on the brink.

Republicans posture themselves as true friends of the middle class. Last week that posture included a $500 per child tax credit for middle-class families.

It is interesting that for Republicans, middle class included families making $200,000 a year. Over 99 percent of Americans do not earn that much money. Last year's budget package increased income taxes only for families making more than $180,000 yearly. It makes you wonder just who Republicans are protecting from the Democrats.

CHILDHOOD IMMUNIZATION

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, today we are going to debate the balanced-budget amendment, and discuss how we go about getting our fiscal house in order by the year 2001.

Let us not go back to the future yet—let us deal today with a problem in the here and now—the appalling state of our Nation's child immunization rate. This is not some abstract fiscal concept—this is literally a matter of life and death we are playing with here.

This morning, the Centers for Disease Control [CDC] released a devastating report showing yet again that our immunization rate among young children is declining—markedly in our urban and inner-city areas.

Once more, we see that either through ignorance or apathy, too many parents are failing to get their children the immunizations they need in the first two years of life.

CDC stressed the life-saving importance of these vaccines, and stressed what I have been saying all along: When it comes time for children to start elementary school, we require immunization, and parents find a way of getting their children their shots. But it is even more important that these children get the necessary vaccines before they start school—in the first two years of life.

I call explicitly on the Children's Defense Fund, the Department of Health and Human Services, the Public Health Service and the American Academy of Pediatricians to endorse and push for passage of my legislation, the Child Immunization Incentive Act.

My bill would require parents on AFDC, to certify that their child is immunized as a condition of receiving their welfare check. Like we do with elementary school, we must tell parents that if these children aren't immunized, there's no welfare check.

It is a national disgrace, that in this country, with the best medical care on the planet, that our child immunization rates rank down with Third World nations, and that children are still dying every year from preventable illnesses!

I ask my colleagues to cosponsor my bill and reverse these appalling trends, take action, and pass the Roukema Childhood Immunization Incentive Act.

MFN FOR CHINA? NOT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, our trade deficit with China is now over $25 billion, the second biggest deficit we have. Year after year, Congress debates, then grants most-favored-nation trade status to China.

Now, here is what China does every year for this distinction: They violate human rights and shoot down their own students; they have dumped products in our market illegally; they deny American products from being sold in China; they sell tanks and missiles to terrorist nations who would like to destroy America.

Ladies and gentlemen, what do we do to these butchers on Tiananmen Square? We reward them.

Beam me up.

Their average wage is 17 cents an hour. This is not free trade, Congress; this is slave trade, and we are losing, we are losing.

OUR GOAL SHOULD BE PEACE IN THE MIDDLE EAST WITHOUT PHONY U.N. RESOLUTIONS INTERFERING IN THE PROCESS

(Mr. HORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, the United Nations is at it again. In the United Nations there is a resolution coming to strongly condemn the massacre of Palestinians in Hebron by one crazed soul. That might be understandable. Although, one might ask: When did the United Nations last condemn any massacre of Israelis? And that massacre would generally have been sponsored by a foreign government. It would not have been the actions of one man. In fact, when did the United Nations last condemn a massacre by an individual?

But what is really disturbing is that Mr. Arafat has told the American Secretary of State that he will not go back to the peace table unless Jerusalem is mentioned in the resolution. That is utter nonsense. Mr. Arafat is simply trying to change the already agreed upon process to serve his own ends.

President Clinton should instruct his Ambassador to the United Nations to veto any United Nations resolution which mentions Jerusalem and interferes with the debate that should properly occur at the peace table.

Let the parties make peace at the bargaining table without phony resolutions from the United Nations intruding on the process.

HIAA SPENDS $14 MILLION TO KILL CLINTON HEALTH PLAN

(Mr. WISE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, I believe this chart shows a lot; you see that the Health Insurance Association of America has spent now at least $14 million in TV ads to kill the Clinton health plan, to kill guaranteed private insurance for all Americans. This injection is hurting.

But here is the ad that they do not run:

Harry and Louise sitting there talking, saying, "Gosh, Harry, why do you think they are spending $14 million to convince the American people, to tell them not to support the Clinton health plan?

"Gosh, Louise, I don't know. For instance, did you know that we may well be in one of the ranks of the uninsured, that there are 50 million-some people a year who lose health insurance?

"Gosh, Harry, what about preexisting illness? You know, the doctor said you might have a problem, and if you shift jobs, you could be one of the 80-million plus that will not be able to get insurance when you do that.

"That sounds pretty bad to me, Louise. But, Louise, what about our policy? Have you checked to see if there is a lifetime cap? Seventy-five percent of insurance policies by this Association do have lifetime caps. How about the bureaucracy argument? Have you ever tried to argue with a rock?"

The fact of the matter is insurance bureaucracy is as bad as anything, and so is this injection.

□ 1020

TRIBUTE TO VIRGINIA CLINTON KELLEY

(Mr. DICKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKEY. Mr. Speaker, this time is dedicated to the memory of one of my constituents, Virginia Clinton Kelley. She was born Virginia Cassidy on June 6, 1923, in Bodcaw, AR, a small community about 12 miles from Hope. She died of cancer on January 6, 1994.

Virginia graduated from Hope High School in 1941 and went on to nursing school in Shreveport, LA, where she met and married William Jefferson Blythe III. Their son, William Jefferson Blythe IV, who is now our President, was born on August 19, 1946, a few months after his father died in an automobile accident.

Virginia obtained her certification as a nurse anesthetist at Charity Hospital in New Orleans. She then married Roger Clinton. Their family moved to Hot Springs, AR, in the early fifties where her second son, Roger, was born July 25, 1956. She worked as a nurse in Hot Springs until her retirement in 1981.

Virginia is survived by her husband, a very fine man by the name of Richard Kelley, of Hot Springs, and her two sons, Bill and Roger Clinton, and one grandchild, Chelsea Clinton.

The best quote was given by Melissa Gassaway, editor of the local Hot Springs paper, after her death: "Change was a constant in Virginia Kelley's life, yet she refused to be transformed by events large and small, catastrophic or euphoric, into someone she was not." Melissa has also said that Virginia was the "best ambassador that Hot Springs has ever had."

At her funeral she was described as an American original; she was and she stayed that way. She never let anything discourage her and she was brave at all times, even in death. To me she was a friend who accepted me even though we were of different parties, and she gave me encouragement. We will miss her.

FIRST OXFORD STYLE DEBATE

(Mr. CARDIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARDIN. Mr. Speaker, I take the well to inform my colleagues of a very special event that will take place on the floor of the House of Representatives this evening. Mr. Speaker, tonight, instead of special orders, the House of Representatives will be holding its first Oxford style debate. I want to congratulate the Democrat and Republican leadership for their persistence in bringing us to this moment and developing this debate format. The joint leadership has sought ways of elevating the value and effectiveness of debate in the House of Representatives. Together tonight we institute a reform that all of us hope will improve the quality of debate in this legislative Chamber.

Mr. Speaker, most appropriately the topic for tonight's debate will be health care reform, and I urge my colleagues on both sides of the aisle to come here this evening, listen to the debate as we initiate the Oxford style debate on the floor of the House.

THE UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SERVICES

(Mr. DUNCAN asked and was given permission to address the House for 1 minute.)

Mr. DUNCAN. Mr. Speaker, over and over again we see proof of this fact: If you want to do something in the most expensive and most wasteful way possible, turn it over to the Federal Government.

The Washington Post yesterday published a column attempting to justify the unbelievable expense of the Uniformed Services University of the Health Services.

According to the article, the 4-year cost for each graduate of this Federal medical school is over $463,000 per student.

This is almost four times the cost of student stipends, tuition, and fees under the Health Professions Scholarship Program, another Federal handout that is too expensive in and of itself.

Who would attempt to justify such an exorbitant and ridiculous expense?

Well, a professor at this medical school, of course.

This is more proof of something I have said many times before: The main beneficiaries of all these wonderful-sounding Federal programs are the bureaucrats who work for them.

I am pleased that the administration has recommended closing this school. This is another Federal boondoggle that the taxpayers simply cannot afford.

BALANCED BUDGET AMENDMENT

(Mr. GRAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRAMS. Mr. Speaker, no matter how hard Congress tries to ignore it, this country is going broke. The national debt is so huge, it has become incomprehensible, almost an irrelevancy. The ability of future generations of Americans to prosper is being handcuffed by the pathetically selfish actions of this distinguished body, which seems to care more about appeasing voters than having the courage to tell Americans that they cannot always get what they want.

This week, sounding like a broken record, President Clinton accused the Republicans of being obstructionist. So passionate, yet so phony.

Whose proposal would have balanced the budget in 6 years? The Republican alternative. Who killed it? Clinton and the Democrat leadership.

Whose proposal would have cut $90 billion in questionable spending? The Penny/Kasich package. Who killed it? Clinton and the Democrat leadership.

Whose balanced budget amendment would impose spending and taxing restraint Congress cannot muster? The Republican plan proposed by the gentleman from Texas [Mr. BARTON] and the gentleman from Arizona [Mr. KYL]. Who is trying to kill it? Clinton and the Democrat leadership.

Mr. Speaker, to President Clinton I simply say: Stop the lies, stop the lies, stop the lies, stop the lies, stop the lies.

TURNING WHITEWATER INTO BACKWATER

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, as each day goes by, another shoe falls in the Whitewater story. In fact Whitewater seems to have more shoes than a centipede.

Now, according to the President, Mr. Speaker, Whitewater is the Republicans' fault. Amazing. We made no investment. We did not become land speculators. We did not claim any losses on our tax returns. But somehow Whitewater is our fault.

It used to be that the buck stopped at the President's desk, but, when it comes to Whitewater, we cannot find where the buck started or stopped. Regretfully Congress is picking up on the President's bad habits. It seems the buck does not stop here either.

Despite questions that grow daily, Mr. Speaker, Congress cannot hold one hearing on even one aspect of this suspicious story. In Congress our Democrat leaders are trying to turn Whitewater into backwater. As Whitewater becomes white hot though, the Democrats are trying to white it out.

INTRODUCTION OF THE SENIOR CITIZEN HOUSING SAFETY ACT

(Mr. BLUTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUTE. Mr. Speaker, senior citizens in America are now living in fear. Not just because of crime on the streets, but because of crime in their own homes—public senior housing.

When this House changed Federal law to allow young drug and alcohol abusers into senior housing facilities, we brought terror into the everyday lives of elderly Americans across the country who deserve to live out their retirements in peace.

Not only are our parents and grandparents subjected to loud music and all-night parties, they are being shaken down for loans, harassed, robbed, assaulted, and raped. Police who have never had to respond to a call at a senior housing building in 10 years now find themselves there on a regular basis.

We need to change this law which allows former drug and alcohol abusers to be defined as disabled and given priority for senior housing.

I have introduced a bill, the Senior Citizen Housing Safety Act which would keep people with current or past problems with substance abuse out of public housing where elderly people reside.

We should provide treatment for drug and alcohol abusers and give them housing in appropriate facilities. We should not penalize older Americans who have worked hard, served this country, and paid taxes all their lives by making them live with this type of abuse.

☐ 1030

THE JOURNAL

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DERRICK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 144, not voting 43, as follows:

[Roll No. 58]

YEAS—246

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Bacchus (FL)
Baesler
Barca
Barcia
Barlow
Bateman
Becerra
Beilenson
Berman
Bevill
Bilbray
Bishop
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clayton
Clement
Clyburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
English
Eshoo
Everett
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Harman
Hayes
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Holden
Houghton
Hoyer
Hughes
Hutto
Hyde
Inglis
Inslee
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kingston
Kleczka
Klein
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Livingston
Lloyd
Long
Lowey
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCrery
McCurdy
McDermott
McHale
McInnis
McNulty
Meek
Menendez
Mfume
Miller (CA)
Mineta
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Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pombo
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Rose
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schumer
Scott
Serrano
Sharp
Shepherd
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Smith (IA)
Smith (NJ)
Spence
Spratt
Stark
Stenholm
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Tanner
Tauzin
Tejeda
Thomas (WY)
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Wilson
Wise
Woolsey
Wyden
Wynn

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Allard
Armey
Bachus (AL)
Baker (CA)
Ballenger
Barrett (NE)
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bunning
Burton
Buyer
Calvert
Camp
Canady
Castle
Clay
Clinger
Coble
Cox
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Emerson
Fawell
Fields (TX)
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gilchrest
Goodlatte
Goodling
Goss
Grams
Grandy
Gunderson
Hancock
Hansen
Hastert
Hefley
Herger
Hobson
Hoekstra
Hoke
Horn
Hunter
Hutchinson
Inhofe
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Kim
King
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Machtley
Manzullo
McCandless
McCollum
McDade
McHugh
McKeon
McMillan
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Murphy
Nussle
Oxley
Packard
Paxon
Petri
Portman
Pryce (OH)
Quillen
Ramstad
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Santorum
Saxton
Schaefer
Schiff
Schroeder
Sensenbrenner
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (OR)
Smith (TX)
Snowe
Solomon
Stearns
Stump
Sundquist
Talent
Taylor (MS)
Thomas (CA)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
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Young (FL)
Zeliff
Zimmer

NOT VOTING—43

Archer
Baker (LA)
Barrett (WI)
Bonilla
Brown (CA)
Callahan
Costello
Crane
Dixon
Dornan
Engel
Evans
Ewing
Farr
Fish
Ford (MI)
Ford (TN)
Gallo
Gibbons
Gingrich
Green
Gutierrez
Hastings
Huffington
Jefferson
Klink
Lipinski
McKinney
Meehan
Michel
Natcher
Payne (NJ)
Porter
Quinn
Reynolds
Ridge
Rostenkowski
Rush
Taylor (NC)
Washington
Whitten
Williams
Yates

☐ 1100

Mr. TAYLOR of Mississippi and Mr. BACHUS of Alabama changed their vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

APPOINTMENT OF CONFEREES ON S. 1284, DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT AMENDMENTS OF 1993

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1284) to amend the Development Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from California?

Mr. MOORHEAD. Mr. Speaker, reserving the right to object, I shall not object, but I take this reservation for the purpose of asking the gentleman from California [Mr. WAXMAN] to explain his reasons for this request.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD. I am happy to yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, we have made this request so that the House and Senate can go into conference on the Developmental Disabilities Assistance Act and Bill of Rights Amendments. There are differences in the two versions, and this request is to take the bill up and go to conference, with conferees appointed from both sides of the aisle.

Mr. MOORHEAD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none, and without objection, appoints the following conferees: Messrs. DINGELL, WAXMAN, BROWN of Ohio, MOORHEAD, and BLILEY.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2884, SCHOOL-TO-WORK OPPORTUNITIES ACT OF 1993

Mr. KILDEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2884) to establish a national framework for the development of School-to-Work Opportunities systems in all States, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER, pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. GOODLING. Mr. Speaker, reserving the right to object, and I shall not object, I reserve the right to say we have no objection to the request.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and without objection, appoints the following conferees: Messrs. KILDEE, WILLIAMS, GOODLING, and GUNDERSON.

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 103, BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. STENHOLM. Mr. Speaker, pursuant to the order of the House of March 11, 1994, I call up the resolution (H. Res. 331) providing for the consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 331

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the United States Government and for greater accountability in the enactment of tax legislation, all points of order against the joint resolution and against its consideration are hereby waived, and the first reading of the joint resolution shall be dispensed with. After general debate, which shall be confined to the joint resolution and which shall not exceed nine hours, to be equally divided and controlled among Representative Brooks of Texas, Representative Fish of New York, and Representative Stenholm of Texas, or their designees, the joint resolution shall be considered for amendment under the five-minute rule. No amendment to the joint resolution shall be in order in the House or the Committee of the Whole except for the following amendments, which shall be considered only in the following order:

(a) An amendment in the nature of a substitute by Representative Kyl of Arizona;

(b) An amendment in the nature of a substitute by Representative Barton of Texas;

(c) An amendment in the nature of a substitute by Representative Brooks of Texas;

(d) An amendment in the nature of a substitute by any Member, which shall be the text of any comparable joint resolution as passed by the Senate;

(e) An amendment in the nature of a substitute by Representative Stenholm of Texas;

Each amendment may be offered only by the named proponent or a designee, shall be in order notwithstanding the adoption of a previous amendment in the nature of a substitute, shall be considered as read only if printed in the Congressional Record at least three legislative days prior to its consideration, shall be debatable for not to exceed one-hour to be equally divided and controlled by the proponent and a member opposed thereto, and shall not be subject to an amendment in the House or in the Committee of the Whole. If more than one amendment in the nature of a substitute is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House. At the conclusion of the consideration of the joint resolution to the House with such amendment as may have been finally adopted. The previous question shall be considered to be ordered on the joint resolution and such amendment thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

SEC. 2. If on any day the Committee rises and reports that it has come to no resolution on the joint resolution, the House shall, on the next legislative day immediately following House approval of the Journal, resolve itself into the Committee of the Whole on the State of the Union for the further consideration of the joint resolution.

SEC. 3. If a comparable joint resolution has been passed by the Senate, it shall be in order at any time after completion of House consideration of H.J. Res. 103 for Representative Stenholm or his designee to move for immediate consideration in the House of one such Senate Joint Resolution. Such joint resolution shall be debatable for no longer than one hour to be equally divided and controlled by a proponent and an opponent. The previous question shall be considered as having been ordered on the joint resolution to final passage without intervening motion except: (1) a motion that the House strike all after the resolving clause and insert in lieu thereof the provisions of H.J. Res. 103, as passed by the House, if offered only by Representative Stenholm of Texas or a designee, which motion shall not be separately debatable and against which motion all points of order are waived; and (2) one motion to recommit, with or without instructions.

SEC. 4. Consideration, in accordance with the provisions of this resolution, of the joint resolution and any comparable joint resolution passed by the Senate shall be a matter of highest privilege in the House and shall take precedence over any other motion, business, or order of the House, and the House shall proceed with such consideration to final passage, without the intervention of any other motion, order, or business, except a motion to adjourn, or as otherwise provided for in this resolution.

The SPEAKER pro tempore. The gentleman from Texas [Mr. STENHOLM] is recognized for 1 hour.

Mr. STENHOLM. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the distinguished gentleman from Massachusetts [Mr. MOAKLEY], the chairman of the Committee on Rules, and 15 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. Speaker, I ask unanimous consent that both the gentleman from Massachusetts [Mr. MOAKLEY] and the gentleman from New York [Mr. SOLOMON] be granted authority to control the time yielded to them.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 331, the rule which 218 Members of this body discharged on February 24, allows for a full debate of the major alternative proposals for a balanced-budget amendment to the U.S. Constitution. By unanimous consent, that rule has been amended to reduce the general debate time from 9 hours to 6 hours, with the time equally divided and controlled by Representative BROOKS of Texas, Representative FISH of New York, and Representative STENHOLM of Texas, or their designees.

It will be in order to consider of the following four amendments in the nature of substitutes, in king-of-the-hill fashion:

a. A substitute offered by Mr. KYL, or his designee. Debatable for 1 hour.

b. A substitute offered by Representative BARTON, or his designee. Debatable for 1 hour.

c. A substitute offered by Mr. WISE, who is the designee of Mr. BROOKS, chairman of the Judiciary Committee. Debatable for 1 hour.

d. A substitute offered by Mr. STENHOLM, principal sponsor of H.J. Res. 103. Debatable for 1 hour.

Of course, passage of any amendment in the nature of a substitute can be accomplished with a simple majority vote. Final passage of the constitutional amendment, however, requires a two-thirds vote.

A motion to recommit, with or without instructions, is permitted.

Once begun, consideration of House Joint Resolution 103 is a matter of the highest privilege and must be completed without the intervention of any other motion, order, or business.

In drafting this rule, the supporters of House Joint Resolution 103, the Stenholm-Smith amendment, have guaranteed adequate time for a full and complete debate on all of the leading approaches to a balanced-budget constitutional amendment. In fact, we guaranteed the right to consideration of one amendment, the Wise substitute, which had not been drafted, or even conceived, at the time the rule was introduced. We feel that Members of both parties and all ideologies will have an opportunity to clearly and publicly express their positions on the various constitutional amendment options.

This rule is fair, it is complete, and it already has been supported by the 218 Members who signed the discharge petition. I urge all of my colleagues to support House Resolution 331.

Mr. Speaker, I reserve the balance of my time.

□ 1110

Mr. MOAKLEY. Mr. Speaker, I thank the gentleman from Texas for yielding me time, and I yield myself such time as I may consume.

Although Mr. STENHOLM has worked hard to discharge this rule from the committee I chair, he has been at all times honorable and candid and I appreciate the way he has handled the situation.

Mr. Speaker, this is the way the House is supposed to work; this is a majority rule institution. The purpose of the discharge rule, the purpose of all the rules and traditions of the House, is to guarantee that a determined majority will prevail.

If a majority of the House wishes to consider this constitutional amendment, they can and they will.

But, Mr. Speaker, I cannot support this particular rule. The division of time is unfair, the restriction on amendments is ill-considered and other elements of the rule are unjustified.

Look at the amendments. This is the same rule as was discharged last Congress. It makes in order four substitutes to be offered by the same four Members or their designees as in the last Congress and in the same order as before: Mr. KYL, Mr. BARTON, Mr. BROOKS, and then Mr. STENHOLM.

Mr. Speaker, there are more than 100 new Members. Why do they not get a shot? We should not make available only the same four slots until we at least ask whether the freshmen or other Members have some new ideas. Representative MARGOLIES-MEZVINSKY wants to offer an amendment; this rule denies her the opportunity. Are there others? We can not be sure. So I say this restrictive rule is ill-considered.

And frankly, Mr. Speaker, I am surprised that Members on the other side of the aisle will support this rule, essentially in lock step. Consider the motion to recommit. The four substitutes are the only amendments that may be offered.

The restriction on amendments applies both in the Committee of the Whole and in the House. Members of the minority support a rule limiting the instructions available on the motion to recommit—that comes as a real surprise to me. There are some tricks here even I never considered. I think I will just have to file this one away.

But I am a realist. The gentleman from Texas filed a discharge petition, got his 218 signatures the very same day—in fact 2 hours quicker than his last Olympic record time—and here we are. This rule will pass. Members are eager to move on to debate the constitutional amendment, not the rule.

Mr. Speaker, I do not support a constitutional amendment to require a balanced budget. A balanced budget is not always the right thing to do. Even the proponents admit as much. The spending cuts and burdensome tax hikes necessary to reach a balanced budget this year would cripple even this growing economy.

No one seriously calls for a balanced budget this year. If we agree it would be dangerous to balance the budget today, balancing the budget may also be dangerous tomorrow and it ought not to be required by the Constitution.

Proponents of the constitutional amendment say that States and local governments, businesses, and families must all balance their budgets. Why should not the Federal Government also balance its budget?

Many States have a balanced budget constitutional amendment. But even those States borrow from the public. I challenge you to name a single State that has never issued bonds of any sort. You cannot do it. They all borrow. And the best businesses borrow to expand and modernize. Decent families borrow to buy a house or a car or to pay for their kids' education.

The point is there is nothing wrong with borrowing if it is for good purposes.

But the Federal Government borrows too much. Notice it is the size of the deficit we should object to, not the mere fact that we borrow at all. We have grown accustomed to a deficit that is much too large.

Deficits this size drag down economic growth, lower our standard of living, weaken our competitive position, and constrain our ability to answer our domestic and international needs.

But if the size of the deficit is the problem, there can be no substitute for real deficit reduction. No mandate established in the Constitution, no pretty new procedure set forth in the law of the land, can do the work of real changes in our spending habits and our tax policies.

The best face proponents put on the constitutional amendment is to say it will fortify our will to do the right thing. The right thing, of course, is deficit reduction of the sort we passed—barely—last year.

It was not easy, but we passed the largest real deficit reduction package in history and the economy is showing signs of strength because of it—without any constitutional amendment in place. If more is needed, we can do it again, without the help of a constitutional amendment.

And if you thought it was hard to vote for deficit reduction on the order of $500 billion over 5 years, think about what is needed to get to a balanced budget. The choices are stark: attack Social Security, hike taxes significantly, or slash discretionary programs.

Using the Solomon budget as a model, that means: eliminating crop price supports, throwing off hundreds of thousands of disabled children from the SSI program, eliminating financial assistance to local governments to help them comply with Clean Water standards, substantially raising Government fees, and selling off Government assets at fire sale prices.

In the abstract a balanced budget for all times sounds good. In practice, right now, it is not something I can vote for so how can I, in good conscience, make it a constitutional requirement?

Norm Ornstein recently wrote an article asking why contemporary conservatives so often turn to constitutional amendments to state their policy preferences. He doubts the wisdom of a balanced budget constitutional amendment, arguing:

> There are many conditions, short of all-out war or deep depression, when balancing the budget would be foolish and self-destructive. Prohibition should have taught the bitter lesson that one should not constitutionalize a policy preference.

In my view, Mr. Speaker, setting fiscal policy is a normal political decision to be made each year.

So we come full circle to the issue of majority rule in the House of Representatives. I began by stating that I am an enthusiastic advocate for the principle of majority rule: If a majority of this House wishes to debate a balanced budget constitutional amendment, we can and will. And if a majority in this House believes the deficit is too high, we can and we should reduce it. But if a majority in the House disagree, the Constitution should not insist upon a contrary policy, should not bar the majority from considering the budget that constrains or stimulates fiscal policy as lawmakers and citizens of the day see fit.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume. I thank my good friend, the gentleman from Texas [Mr. STENHOLM], for yielding the committee chairman and myself some of his time.

Mr. Speaker, I rise in support of this rule and in support of the balanced budget constitutional amendment.

First, we need to be clear about the nature of the problem. The debt we are dumping on our children and grandchildren is increasing every day. As we debate here, the debt is increasing at $433,000 per minute, or stated another way, more than $7,000 per second. And those numbers would be worse if we were not including the surplus in the Social Security trust funds as an offset, which we never should do.

Mr. Speaker, the problem is not going away. Even by the projections of the House Budget Committee, we will add hundreds of billions of dollars to the debt every year, and the amount we are adding to the debt each year is projected to increase in fiscal year 1997 and the years following.

Mr. Speaker, some of the other side of this issue have charged that the balanced budget constitutional amendment is somehow a gimmick, and Congress can handle the problem at any time by acting responsibly to control its big spending ways.

Well, Mr. Speaker, last week, during the consideration of the budget resolution, I gave this House an opportunity to vote for a responsible budget plan which would have led to a balanced budget in 5 years. It provided for tough spending cuts, and it included language saying that if Congress did not like the specific spending modifications proposed, it could always substitute others.

Did it pass? Not on your life. What this tells me is this; if we are ever going to control runaway spending around here, it is going to take something more than we have had to this point. We are actually going to have to amend the U.S. Constitution to make it more difficult to overspend.

Mr. Speaker, amending the Constitution is a serious step which should never be taken lightly. But over the years we have tried a number of different legislative solutions and none of them have worked.

Thomas Jefferson was right when he expressed regret that the Constitution did not include a restriction on borrowing. And Mr. Speaker, if Thomas Jefferson could only see us now, like a bunch of drunken sailors on a never-ending spending spree.

Mr. Speaker, other opponents of this proposal have argued that if will somehow put Congress in a straitjacket, and Congress will not be able to respond properly in case of emergency. This is not true. The constitutional amendment proposed by the gentleman from Texas [Mr. STENHOLM] allows flexibility.

The first section provides, and I quote:

> Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide a law for a specific excess of outlays over receipts by a rollcall vote.

If an emergency arises, Congress will be able to respond by a three-fifths rollcall vote. The proposed amendment strikes a fair balance between prohibiting deficits on the one hand, and allowing needed flexibility on the other hand.

Mr. Speaker, with regard to the procedure we will be following to consider the proposed constitutional amendment, the rule discharged from the Rules Committee was modified by a unanimous consent on the floor last Friday.

As modified, the rule will allow for a total of 6 hours of general debate. Representative BROOKS of Texas, Representative FISH of New York, and Representative STENHOLM of Texas, will each control 2 hours of general debate.

Then there will be an hour of debate on the Kyl substitute followed by a vote on that substitute. The other substitute would then be put over until Thursday.

On Thursday, the House will consider the Barton substitute for 1 hour followed by a vote, the Wise-Price-Pomeroy substitute for 1 hour followed by a vote, and finally the Stenholm balanced budget amendment for 1 hour followed by a vote.

The last one to receive a majority vote would be reported back to the House. There would be a motion to recommit followed by a vote on passage.

Mr. Speaker, this rule allows a fair procedure to consider a range of alternative solutions to the problem of runaway deficits.

If we are concerned about the future of this Nation, we should support this rule and ultimately the Stenholm balanced budget constitutional amendment.

□ 1120

Mr. STENHOLM. Mr. Speaker, I yield myself 1½ minutes in order to respond to the chairman of the Committee on Rules' opening statement.

First off, I appreciate the kind things that the chairman has said about me, and I reciprocate. In all of my time before the Committee on Rules I have never been treated in what I consider to be an unfair manner. I have been denied my wishes from time to time, but in all instances in which we have been denied our wishes, the chairman has acted in a very gentlemanly manner.

Sometimes he is, I am sure, denied his own wishes in the process of the House, and in that spirit we certainly can continue to function in this House.

I would say, though, that regarding other amendments that could or should or would have been offered today, I would hope that all would realize that the amendments that we make in order today have been worked on since 1983. The Committee on the Judiciary has held hearings. All of the amendments that have been made in order have been subject at least at one time or another to a hearing of the appropriate committee.

That is why we choose to allow them, as we did 2 years ago. We believe they have met the test. We filed the rule on January 25; anyone who had an amendment, who wanted an amendment to be considered prior to the discharge, would have received a full hearing from Mr. SMITH and myself and the other sponsors of the legislation.

We believe that amending the Constitution is a very serious endeavor and should be handled in that way, and we believe the rule that we have proposed today treats the Constitution with that amount of respect.

I know there are other ideas now, and we welcome new ideas regarding how we deal with the problem before us. I assure you those who feel like that they have been denied that right today, that is not our intention. Had we known about them, we would have certainly listened and heard them.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Pennsylvania [Ms. MARGOLIES-MEZVINSKY].

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I thank the committee chairman for yielding this time to me.

Mr. Speaker, I rise today to ask that when the time comes to vote on the previous question, I hope that you will join with me to defeat this, so that the rule might be amended so that I may offer my amendment. This amendment would require that we balance the budget for 2 consecutive years prior to consideration of an amendment to the Constitution.

Mr. SOLOMON. Mr. Speaker, I was trying to listen attentively to the request of the gentlewoman from Pennsylvania. Mr. Speaker, that is a rules change, I believe, and I do not know that we received any letter from the gentlewoman in the Committee on Rules, and I do not think it would be germane to a rule because it is changing the House rule that does not deal with a constitutional amendment.

I would like to discuss that on the side, perhaps, and find out where that stands.

Mr. Speaker, the gentleman from Oregon [Mr. SMITH] is one of the Members of whom we are most proud in this body, and he has chosen to retire at an early age. He has been a great leader on this balanced budget issue over all his career, and we are going to miss him.

Mr. Speaker, I yield 2½ minutes to the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. I thank the gentleman for yielding this time to me and for his kind words.

Mr. Speaker, I rise in support of the rule and passage of the Stenholm-Smith balanced budget amendment to the Constitution.

Three weeks ago, with the help of 216 of our colleagues, we were successful in discharging this rule in 6 hours and 45 minutes, the second fastest discharge in congressional history. Given this fact, words are not needed to describe the enthusiasm Members have for a Constitutional amendment to require a balanced Federal budget.

The rule before us provides for the full and fair consideration of several versions of the balanced budget amendment. The consideration of the Kyl substitute, the Barton substitute, the Wise substitute, and the Stenholm-Smith amendment will provide the Members'with a chance to express their views on the different approaches that can be taken to force Congress to balance the budget.

The Kyl and Barton substitutes, which have strong spending-limitation and tax-limitation provisions, are attractive alternatives that I intend to support in addition to the amendment I will be offering with Mr. STENHOLM. I am confident that upon careful scrutiny, it will be clear that the Wise substitute is not only unsuitable for the Constitution, but also for those seeking political cover to avoid the American people's intolerance with continued opposition to the balanced budget amendment. I am confident that the American people will see this amendment for what it is—a shill for those who oppose the balanced budget amendment and fear the consequences.

Mr. Speaker, in 1990 the House rejected the balanced budget amendment by seven votes and the Federal debt was $3.1 trillion. In 1992, the House rejected the balanced budget amendment by nine votes and the Federal debt was $4 trillion. Now, despite the passage of two more statutory deficit reduction packages, the Federal debt is expected to reach $4.6 trillion by the end of fiscal year 1994.

Enough is enough. The time has come to force Congress to change its habits, and this can only be accomplished with a Constitutional mandate. This rule provides us the opportunity to make an institutional change that will force results.

Mr. Speaker, I urge the Members to support the rule.

□ 1130

Mr. STENHOLM. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. BROWDER], one of our hardest-working proponents of the balanced budget amendment. He has done yeoman's work on behalf of getting us to this point.

Mr. BROWDER. Mr. Speaker, I rise in support of this rule and in strong support of a balanced budget amendment. Opponents of the balanced budget amendment are telling us this is gimmickry. That we should not try to amend the Constitution to force fiscal responsibility on the Federal Government.

We will not amend the Constitution with this vote. The Senate still must vote again. The States must vote to ratify it. The vote today will further a national debate on the role of the Federal Government, the role of Federal fiscal policy, and our responsibility to future generations.

Mr. Speaker, defeat of this rule would stop that debate. That would be a shame for our Nation that is demanding action by this House and for our future.

This House and this Nation need this debate. Support the rule.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Sanibel, FL [Mr. GOSS], a very valued member of the Committee on Rules who has been a strong supporter of the balanced budget amendment since he first came here.

Mr. GOSS. Mr. Speaker, I commend the bipartisan teamwork of the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] on this. Obviously it is their extra efforts and special wisdom that has got this crucial debate to the House floor. Today's discussion is a direct result of the first successful discharge petition under the new rules of sunshine, the effort of the gentleman from Oklahoma [Mr. INHOFE] that has also paid off, and I think deliberate democracy exists today, and I think this institution is better off because of it.

The bottom line is though that we have not done our jobs. In fact, there has been a deficit in the Federal Government's accounts for 56 of the last 64 years, including every year of the last quarter century. These deficits have generated a national debt of $4 trillion, now on the way to $6 trillion under the so-called deficit reduction plan of the Clinton administration. It is no wonder that 7 out of 10 Americans support a balanced budget amendment. They are tired of the Washington version of Scarlett O'Hara's famous theme line when confronted with trouble:

"I won't think about that today; I'll think about it tomorrow."

Tomorrow, of course, never arrives. That was fiction; this is fact. Only one-fifth of the House Members summoned the courage to vote for a specific balanced budget plan last week, a plan that did not raise taxes or touch Social Security, a plan offered by my friend and colleague, the gentleman from New York [Mr. SOLOMON] of the Committee on Rules. Many of my colleagues say a constitutional amendment is not necessary to balance the budget—but 80 percent of Americans will discover that their Member avoided the responsibility when given a chance last week to vote for a specific plan to cut spending. If we pass a constitutional balanced budget amendment with teeth, we impose a non-waivable, not-repealable mandate that the budget be brought into line. But we will still have to do the hard work. Responsible government is not easy, and that means casting the votes to cut the spending.

Mr. Speaker, I want to see this supported, and I want to respond to the gentleman from Massachusetts [Mr. MOAKLEY] who I admire and respect greatly. He has likened this matter to the Volstead Act, that we are inebriated on red ink here. We are indeed inebriated on red ink here, and we need to change our ways, and I wish we could do it without a constitutional amendment. I would be delighted if we could get this done without a constitutional amendment, but the history of last week and previous years here suggest we cannot. I do not like constitutional amendments, but I do not like bankrupting the United States of America at all, and that is a worse option, and I believe that is the option in front of us.

Going further, the chairman has said that we should not have a policy question like this available, put into the Constitution, and I agree with him generally. But I would suggest that balancing the budget is not a policy option. I suspect that most Americans would feel that balancing the budget is a requirement of responsible public service. I am the first to say that the options of cutting spending, raising taxes, providing for emergency situations such as war, pestilence and plague ought to be provided for in a good balanced budget amendment, but I think that most Americans are at the point where they agree that the Nation is sufficiently imperiled and worthy of a constitutional amendment.

Mr. SOLOMON. Mr. Speaker, I am going to yield back my time with a brief statement just to say that the House majority has worked its will. That is what brought this rule to the floor, and that is why we should support the passage of the rule.

Again, Mr. Speaker, I am not happy with the king-of-the-hill provision. Other people are not happy with certain provisions. But the fact is the House was allowed to work its will. More than 218 Members did sign the discharge petition. That is why it is here.

Mr. Speaker, that is why we should vote for this rule and against any other procedural motion that might be brought before us this morning.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, something must really be going on at the Committee on Rules when they give me 10 minutes. My God, they might even have said that I could delegate some of that time to my friends.

But with that in mind, Mr. Speaker, I cosponsored the balanced budget amendment. I did so because there are so many supporters who believe very seriously that that is exactly what our Nation needs.

I personally do not believe so and will vote against this balanced budget amendment for the following reasons:

Now I do not know if that makes any sense to my colleagues, but see if this might make any sense:

The Constitution empowers the Congress of the United States to govern and manage the people's Republic. Today the Congress of the United States wants to give back that empowerment so that the Constitution might govern whether they have failed.

Think about that.

This in my opinion is the ultimate cop-out, the ultimate surrender, the ultimate concession, the ultimate PTB—pass the buck—ploy, my colleagues.

□ 1140

This is no insult or denegration to the gentleman from Texas [Mr. STENHOLM], the gentleman from Oregon [Mr. SMITH], or any one of my friends on the other side of the aisle. Their reasons are noble. They believe they are right, and so help me God, the Constitution is not going to straighten out America. It is the Congress of the United States, and the Congress of the United States cannot turn it back to the Constitution out of despair and political fear to maintain its own particular standing. There is already enough deceit and smoke and mirrors with this budget process, I say to the Members, and let me say this today: If Congress would pass a balanced-budget amendment to the Constitution, the Congress of the United States would have to use the Hubbell telescope just to read the small print that will be coming out of OMB, I believe it will be that bad.

But let us think for a minute. It is not the Constitution; it is the trade laws that kill our jobs. It is not the Constitution; it is foreign aid. We borrow money, then we give it away.

It is not the Constitution; it is overregulation of our industry and small business that kills them and makes them unprofitable and kills our exports. It is not the Constitution; it is the EPA. It is not the Constitution; it is OSHA. It is not the Constitution; it is the Internal Revenue Service. It is not the Constitution; it is the tax laws of America. I say to the Congress it is a tax law that rewards dependency, penalizes achievement, kills investment, kills our exports, gives carte blanche to our imports, with most-favored-nation treaty status to China that sells missiles and weapons and tanks to our outlaw terrorist enemies. Beam me up, folks.

Congress should not change the Constitution. Congress should change the tax laws and the laws in America that are destroying our country.

There is one thing, and I say to the Members this might be my opinion, but I do not think it is the Constitution; I think it is the politicians, the politicians that now want to use the Constitution 10 years from now as a scapegoat for what Congress is afraid to do now.

I may not have the best voting record around here on this so-called balanced budget business, but I will be damned if I am going to vote to continue to cut back in America and close American bases while we leave those bases open overseas.

So, yes, there has to be some philosophy here as to how we are going to come together, but the bottom line is we have the Tax Code that kills our country, helps everybody else, and now they are going to change the Constitution. I think the American people have a little bit more sense than that.

I say to the gentleman from Texas [Mr. STENHOLM], that is not his purpose, and I know that. I do not want him to be offended by my remarks. I, in fact, signed that discharge petition because of my tremendous respect for the gentleman, and I think somewhere down the line I am going to come forward and vote for the things he is doing, because they are right. But I do not think we should tamper with the Constitution to do it.

Mr. STENHOLM. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Speaker, I thank the gentleman for yielding this time to me.

I primarily wanted to speak in support of this rule and thank the gentleman from Texas [Mr. STENHOLM] and my colleague, the gentleman from Oregon [Mr. SMITH], for working with us to craft a rule which will enable this body to vote on four separate proposals. The first one to be voted on is the Kyl amendment. It is a balanced budget amendment that achieves the objective by limiting Federal spending, and it also contains the line-item veto.

I also plan to support the Barton-Tauzin amendment and the Stenholm-Smith amendment.

Again, Mr. Speaker, I urge my colleagues to support this rule because it provides meaningful debate time on this important subject. It provides a meaningful vote on four different kinds of proposals to achieve the objective in different ways.

For those who say this is a meaningless exercise because the Senate after all defeated a balanced budget amendment, I say this exercise today, because of the way the rule was crafted, allows us an opportunity to consider good ideas as to how to achieve this objective so that, even if it does not happen this year, we will be better informed and be prepared to vote on a constitutional balanced budget amendment next year.

Mr. Speaker, I support the rule, and I thank the gentleman from Texas and the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself the balance of my time in order to close the debate on the rule.

First, let me acknowledge the closing statement of my colleague, the gentleman from Ohio [Mr. TRAFICANT] in which he urged opposition because of his belief that the Constitution should not be amended for this purpose. I respect that reason by any Member for opposing this amendment today.

Mr. Speaker, over the past month since the Senate began consideration of our companion resolution authored by Senator SIMON, a great deal has been said about balanced budget constitutional amendments. We've witnessed historical dissertations, ideological abstractions, political conversions, irrational predictions, and every now and then, even a few humorous convulsions.

After all of this, if I could rub the magic genie's bottle and have my wishes for the next 2 days' deliberations come true, you might assume that I would wish for a magical victory for House Joint Resolution 103. In truth, what I hope for, above all, is that the level of this debate rise to the standard deserved whenever Congress considers amending our most precious national document, the U.S. Constitution.

I would wish that as a nation we would look seriously at the hard work we have before us in protecting our children's future.

I would wish that we could, for once, go beyond the political demagoguery about certain sacred issues which push us farther and farther down the path of fiscal irresponsibility.

I would wish that intellectual honesty, moral integrity, and personal responsibility would guide the words each of us speak to such a degree that political expediency and alarmist exaggerations were shamed into hiding.

Because when these 2 days are over, regardless of the final outcome of these votes, we will find ourselves still facing the cancer of debt which is destroying the fiscal flesh and bones of our country. Regardless of whether you vote "yea" or "nay" on House Joint Resolution 103, each individual Member must be willing to say, "This is what I did today to make our country a better place." BOB WISE will go home to tell Robert and Alexandra "This is how I protected your futures today" in just the same way I will be thinking about Chris and Cary and Courtney—and hopefully some unnamed grandchildren down the path. JOE BARTON will be picturing Brad, Allison, and Kristin, just as JOE KENNEDY will be cherishing his hopes for Joseph III and Matthew.

But for those children's sakes, for the thousands of high school students that are touring the Capitol this very week during their spring breaks, for the millions of children across the country, I appeal to both sides, let us deliberate this issue straightforwardly and honestly. Especially to the freshman Members I would say, please evaluate this issue on its merits, not on its internal or external politics. There is no such thing as an easy vote on a constitutional amendment. If you believe that a constitutional amendment to balance the budget is a mistake, then by all means vote "no." If you think we need only a constitutional nudge rather than a constitutional mandate, then vote for the Wise amendment. If your 15 months in Congress have led you to believe, as my 15 years have led me to believe, that nothing short of a strong, enforceable amendment will protect our children's future, then vote for the Stenholm-Smith amendment. But don't let anyone talk you into believing this vote is meaningless.

I come here prepared to work hard these next 2 days and my hope is that the hard work will pay off with 290 votes on final passage. But come Friday, I'll have the same gameplan whether my amendment wins or loses. Regardless of how many votes there are, I'll be working hard for the rest of the year to chip away at our monstrous deficit. Next week I'll be working with JOE KENNEDY to develop the heart of the Concord Coalition's zero-deficit plan. This spring I'll be working with MIKE PARKER and BILL ORTON to push for some of those budget process reforms we had wanted to get included in the budget resolution. All summer I'll be working with TIM PENNY to dig out that appropriations pork which oinks its way into the process every year.

My wish is that even those who vote against the constitutional amendment—in fact, especially those who vote against a constitutional amendment—are ready to say, "This is what I did this Congress, this year, this day, to take the debt off of my children's shoulders."

Let the work begin.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 387, nays 22, not voting 24, as follows:

[Roll No. 59]

YEAS—387

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Cox
Coyne
Cramer
Crapo
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Markey
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murphy
Myers
Nadler
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Pomeroy
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Rahall
Ramstad
Ravenel
Reed
Regula
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Roybal-Allard
Royce
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Tucker
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—22

Beilenson
Bonior
Clay
Dellums
Fazio
Ford (MI)
Gephardt
Hinchey
Klink
Kopetski
Margolies-Mezvinsky
Moakley
Owens
Pickett
Rangel
Stark
Stokes
Studds
Torres
Unsoeld
Washington
Wheat

NOT VOTING—24

Chapman
Crane
Cunningham
Dixon
Evans
Farr
Gallo
Grandy
Green
Gutierrez
Hastings
Hilliard
Huffington
Johnson (CT)
Meehan
Murtha
Natcher
Porter
Quinn
Reynolds
Ridge
Rostenkowski
Rush
Yates

□ 1212

Mr. FAZIO and Mr. GEPHARDT changed their vote from "aye" to "no."

Messrs. BUYER, KLUG, LEWIS of California, ZIMMER, and McCRERY changed their vote from "no" to "aye."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOAKLEY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on House Resolution 331, the resolution just considered and agreed to.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Pursuant to House Resolution 331, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, House Joint Resolution 103.

□ 1214

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, with Mr. SKAGGS in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. Pursuant to the rule, the joint resolution is considered as having been read the first time.

Pursuant to the order of the House of Friday, March 11, 1994, the gentleman from Texas [Mr. BROOKS] will be recognized for 2 hours; the gentleman from California [Mr. GALLEGLY] will be recognized for 2 hours; and the gentleman from Texas [Mr. STENHOLM] will be recognized for 2 hours.

The gentleman from West Virginia [Mr. WISE] is designated by the gentleman from Texas [Mr. BROOKS] to control his 2 hours.

The Chair recognizes the gentleman from West Virginia [Mr. WISE].

Mr. WISE. I yield myself such time as I may consume.

Mr. Chairman, today begins 6 hours of general debate on this subject. I appreciate the gentleman from Texas [Mr. BROOKS] designating me to control his time.

Mr. Chairman, I stand here as a supporter of an alternative amendment, and in so doing that, opposing the so-called Stenholm amendment.

Before I do that, I do want to thank the gentleman from Texas [Mr. STENHOLM], who at every step along the way has structured a fair debate. He has made sure that every point of view has a chance to be heard, and I think that during the next 2 days the country will have the opportunity to fully explore this issue.

I am delighted to be here, to have a chance to participate in this, because in much of my discussion I will be talking about the so-called Wise-Price-Pomeroy-Furse amendment that we offer as an alternative to the so-called Stenholm amendment.

Mr. Chairman, this debate is going to be very helpful for a lot of reasons. First of all, it will cause us all to be focusing on deficit reduction efforts, those efforts that have been made, as well as those that need to be made. We will hear a lot of discussion on that.

Mr. Chairman, I am very excited about this, because this debate is going to be the first opportunity I have really had in probably 10 years to talk about capital budgeting. It will be the longest-running debate we have had on this subject.

Regardless of the outcome today and tomorrow, I think that this debate is going to propel capital budgeting, that is, making basic decisions about investments for our country and how we invest our country's dollars for long-term economic return, I think it is going to put capital budgeting on the agenda and will be something revisited a great deal. Therefore, if for no other reason, I thank the gentleman from Texas [Mr. STENHOLM] for convening us here today to promote that.

This debate is going to be about how we can help our economy grow, because while there will be some who argue that deficit reduction in and of itself is a worthwhile goal, and certainly deficit reduction is important, deficit reduction without economic growth is a hollow victory. So a balanced budget amendment, if you are going to lock something into the Constitution, you have to remember that one of the goals has to be economic growth as well.

Mr. Chairman, basically the amendment that the gentleman from North Carolina [Mr. PRICE], and the gentleman from North Dakota [Mr. POMEROY], the gentlewoman from Oregon [Ms. FURSE], and myself will be offering will be significantly different from others that will be considered here over the next many hours.

First, Mr. Chairman, it will take Social Security off-budget. What that means is that Social Security, which is, in my opinion, a self-generated fund, people pay into it and they draw from it, Social Security will finally receive that protection that most of the people in this Chamber, at some time, have stood up in a senior citizen meeting and said, "We want it to happen, we want Social Security off-budget. I'm going to go to Congress and I'm going to fight for it."

By golly, if you are going to write a constitutional amendment dealing with balancing the budget, you had better protect Social Security. We will be talking more about that, I am sure, as the day goes on.

Mr. Chairman, the second provision of our amendment is that it has something that no other amendment has. That is a provision that says that capital budgets will be permitted in the context of the balanced budget amendment. We must balance our operating income, our day-to-day expenses. A capital budget does not have to be scored and accounted for in the same way.

What is a capital budget? We define it in our amendment as something that produces long-term economic growth. The first reaction, obviously, is that applies basically to physical infrastructure: roads, bridges, water systems, sewer systems.

Others would extend it further than that. Does it apply to Federal buildings, for instance, that GSA builds? Does it apply to grants that are made by the National Science Foundation for equipment that is involved in research? Does it apply to R&D, research and development?

Rather than trying to write a tight definition and accommodate everybody in a constitutional amendment, for instance, the gentleman from Pennsylvania [Mr. CLINGER] and I have a bill in, 1182, that defines capital budgeting in terms of only physical infrastructure, but takes many pages to do so. We leave it to the Congress to implement this, but with the proviso there must be long-term economic return to justify it.

□ 1220

So two significant differences already, Social Security off-budget and capital budgeting as part of our budget policy.

The third significant difference, whereas most of the other amendments that will be considered, if fact, I think all of them would require three-fifths of the body, 60 percent to vote to waive the deficit spending prohibitions in any given year, we permit only two reasons to waive those, and that would be by a majority vote, only two reasons, war or military conflict No. 1, and No. 2, recession as defined as two-quarters of negative economic growth.

So we feel that in many ways we take off the board some of the excuses that could be used to relax this amendment. Our amendment takes place in the year 2001, as I believe does the Stenholm amendment, and is fairly close to the other amendments.

I want to make some general observations about balanced budget amendments. Incidentally, I want to get it out in the open right now that I am well balanced on this issue. I have been against the Stenholm amendment in years past; I have been for the Stenholm amendment in years past. Now I am offering an alternative to the Stenholm amendment. So I think I have seen this one from every side, and constantly sought to reconcile the needs of deficit reduction and economic growth with what we put into the Constitution.

My first observation is this: That the easiest vote that a Member can cast on the floor over the next couple of days is to vote for a balanced budget amendment. That is an easy vote. It makes everybody feel good. They can clap, and they can cheer, and we can go home, and you can put out a press release on it.

The toughest vote, and that is the one that comes right after, is how do we implement the darn thing, how do we actually make it happen. Let me say as I get into this debate in no way as I challenge people to talk about how they would implement it, how they would take that tough vote, I want to acknowledge particularly the gentleman from Texas is one who not only fights for his balanced budget amendment, but also fights to implement it, and has been supportive of legislation in the past that would direct how it would be implemented, so I just wanted to call that to Members' attention. Putting a goal into the Constitution is one activity. That is the easy one. The hard one then comes of how do we implement it, and what are the cuts that you are willing to make, and what are the taxes you are willing to raise, what are the programs you are willing to reduce, and how is it that you are going to bring about growth.

I want to make another observation. Many people say well, it is time to pass this budget, a balanced budget amendment so that we can make the Federal Government operate just like a family does. And I am prepared to do that. I think the family budget and the Federal budget have some similarities.

But in doing that, I want to first point out that no family that I know, at least in the circles that Sandy and I run in, operates on a balanced budget in the way that the Federal Government technically is required to. I do not know about other Members, but we have a mortgage. We cannot afford to pay for our cars up front. We have to go borrow money to do that. We have to borrow money for our children's education. We think that is something that we get a long-term return on. So it is, that each of us as a family member in our budgets, separate very clearly out the dollar that is spent going to the fast food store, or standing in line at the grocery store for in effect a dollar that is spent 1 day with no direct return beyond that, versus a dollar that is spent for long-term gain, a house, an education, an automobile, whatever.

Once again, think of businesses. Businesses separate out very closely and carefully what it is that is true investment and what it is that is consumption. Wages are consumption. That is operating income. But a machine tool company that invests in a new piece of equipment that it thinks will help increase its productivity knows that is a capital investment with a long-term return. In the Federal budget we need to be doing the same with a capital budget. That mile of four-lane highway that the Federal Government puts 80 percent of their funds in to build, that is a capital investment that most people would acknowledge has a return for many, many years. That telecommunications structure, that bridge, that airport that the FAA is involved with, that water and sewer system, particularly if it links up to an industrial park that creates jobs, those are all clear capital expenditures.

But yet, under our present budget system, and under the amendments that would be considered here too, it would not be considered as a capital investment, and indeed a balanced budget amendment of the nature that others have written and will be debating today would actually I think discourage that type of investment. So if we want to bring the Federal budget in line with the family budget and the business budget, then indeed I think we need to be looking seriously at capital budgeting.

At this point we are going to be discussing it in much more detail.

Mr. INHOFE. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Oklahoma.

Mr. INHOFE. Mr. Chairman, I thank the gentleman for yielding. I would only make the point that he draws a very close analogy between the family budget and the Federal budget. Like many of us, he does the same as I do. But when we borrow money to buy a car, and we borrow money to buy a home, does the gentleman pay it back?

Mr. WISE. I always pay it back, and I have in my income-debt service when we budget that, we know how much we owe each month and so, therefore, we write it in there. Under my proposal of capital budgeting, that amendment called debt service would be included in operating income. We are not moving these items off the budget so that they are never paid for. We are moving this debt service, what it costs each year to build them, we are including that, but we are permitting the cost of the asset to be spread out over the useful life of that asset.

Mr. INHOFE. I would suggest to the gentleman I am talking about what we have been doing, not what we are planning to do, and the difference is when government borrows the money, it does not and historically has to pay it back. It still will owe it in future generations.

Mr. HOYER. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, first of all, the gentleman knows where I am coming from as a cosponsor of the Stenholm amendment. But I do not want to misrepresent to the American people that the U.S. Government is currently paying its debt, period. We have always paid our debt.

The problem is it is growing very rapidly, and we continue to charge. But it would be incorrect to represent that we are not paying our debt. In fact, we are paying our debt, as the gentleman knows, to the tune of about $300 billion this year.

Mr. INHOFE. But if the gentleman will yield further, it is not incorrect to say that our debt is greater each month that goes by, and that is not what we could get by with in our family budget.

Mr. WISE. Reclaiming my time, the gentleman from Maryland [Mr. HOYER] is absolutely correct. It is true that the debt and the debt service is growing. However, the Federal Government has been paying it. The problem is that it is squeezing more and more on that budget, and it does rule out those programs and operations that perhaps the gentleman might want to be involved in, and I might want to be involved in. That is why deficit reduction is important.

At the same time, in the name of deficit reduction, I do not want to be squeezing out those investments that bring us back a greater economic return that helps our economy to grow, and indeed helps our budget process as well. That is why I think it is very clear if we are going to put into the Constitution of the United States of America a provision that we must have a balanced budget, that we have to have in it the kind of fiscal policy that encourages investment, not discourages.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I ask unanimous consent that my 2 hours be divided equally for purposes of control, 1 hour to myself and 1 hour to the gentleman from Oregon [Mr. SMITH].

The CHAIRMAN pro tempore (Mr. FINGERHUT). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first may I say I appreciate the spirit in which this debate has begun. I think the gentleman from West Virginia [Mr. WISE] has properly made the point regarding capital budgeting, an issue that we now will have the opportunity to focus on and discuss, and I would say at any time any Member wishes to interrupt me in my opening statement, I would be glad to yield to them so that we can get seriously into the debate of the question before us, both the constitutional amendment and some of the other rhetoric that we will hear from time to time about what we are in fact discussing today.

Mr. Chairman, I did not come to the point of proposing an amendment to the Constitution lightly. I share the view that we should be extremely judicious in proposing changes to the Constitution. However, I have been convinced that an amendment limiting the ability of Congresses and Presidents to borrow money is a necessary and appropriate addition to the Constitution. I believe that our sustained deficits are the result of a fundamental change in the operation of our Government and that limiting our ability to borrow money represents that type of timeless principle that should be enforced in the Constitution. I believe that the balanced budget amendment meets these tests of principle and timelessness.

There has been a fundamental change in the understanding of the role and responsibilities of the Federal Government under the Constitution since it was first adopted. As Dr. William Niskanen noted in testimony before the House Budget Committee in 1992, the Constitution grants to Congress relatively few powers that involve the potential for significant expenditures. The Framers clearly believed that this would serve as a check on the size of Government.

The fiscal Constitution limiting the activities of the Federal Government, combined with the unwritten moral imperative to balance the budget, made an explicit limitation on the ability of the Government to borrow money redundant.

The revolution in Constitutional and economic policy that came with the New Deal effectively eliminated these checks on Federal expenditures. Without the checks provided by a strict interpretation of the enumerated powers, Congress created numerous programs that have placed tremendous pressure on the Federal budget and brought us to where we are today. The Framers of the Constitution could not have foreseen these circumstances, since they believed that they had explicitly limited the scope of the Federal Government.

Today, a constitutional amendment restricting the ability of the Government to borrow money is an appropriate response to this dramatic change in the public perception of the appropriate role of Government.

The threat of economic and political harm from continued deficit spending is the type of governmental abuse appropriately proscribed by the Constitution. This point was made by Thomas Jefferson, who said:

> The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government.

Even Prof. Laurence Tribe of Harvard, a leading opponent of the amendment, told the Senate Budget Committee in 1992 that "The Jeffersonian notion that today's populace should not be able to burden future generations with excessive debt, does seem to be the kind of fundamental value that is worthy of enshrinement in the Constitution. In a sense, it represents a structural protection for the rights of our children and grandchildren."

House Joint Resolution 103 is based on exactly the same principle as the rest of the Constitution: It would protect the fundamental rights of the people by restraining the Federal Government from abusing its powers.

One of the main purposes of the Constitution was to put certain rights and powers beyond the reach of the tyranny of the majority.

Senator BYRD recently made an eloquent statement on behalf of this principle, stating that:

> There have come times when the protection of a minority is highly beneficial to a nation. Many of the great causes in the history of the world were at first only supported by a minority. And it has been shown time and time again that the minority can be right. So this is one of the things that's so important to the liberties of the people.

This amendment is very much within that spirit. Requiring a higher threshold of support for deficit spending will protect the rights of future generations who are not represented in our political system but will bear the burden of our decisions today. The fundamental premise of the amendment can be summed up by a single sentence: The ability to borrow money from future generations is a power of such magnitude that should not be left to the judgments of transient majorities.

George Will, one of the many former opponents of the balanced budget amendment who are now supporting it, wrote in November of last year:

> A system that selectively enhances the leverage of intense minorities is not inherently violative of the morality of democracy. And morally dubious things should be difficult to do. Given the tendency of our democracy to impose taxation without representation—deficit spending, which saddles the unborn with debts, amounts to that—it is proper to empower a minority to inhibit abuses by the majority.

Those who focus on the difficulty of achieving a three-fifths majority to deficit spend are missing the point of this amendment. They are still stuck in the status quo, still focused on what's necessary to run a deficit. Those who raise concerns about how the BBA would "undermine majority rule" imply that imposing debts on future generations is just another ordinary policy decision like every other one that is appropriately left to simple majority. The possibility of a three-fifths debt limit vote is a deterrent. Facing it is so undesirable that Congress and the President generally would do anything to avoid it—even balance the budget.

This amendment does not represent the end of majority rule. A minority would have leverage in exactly one instance: When the majority abdicates its responsibility to produce a balanced budget. In that case, a 60-percent supermajority would have to go on record to approve a deficit. The amendment does not affect the ability of a majority to spend on programs it deems important and to set budget priorities as it sees fit.

Some legitimate questions have been raised about how this amendment will be enforced. We have answered these concerns completely in previous debate on the amendment, and will do so in this debates as well.

House Joint Resolution 103 is self-enforcing through the three-fifths majority required in Section 1 to authorize outlays in excess of receipts and through the requirement in section 2 for a three-fifths vote to raise the limit on the debt held by the public. No matter what accounting techniques are used to depict a balanced budget, and regardless of any "rosy scenario" economic assumptions, smoke and mirrors, or honest estimating mistakes, if actual outlays exceed actual receipts, the Treasury ultimately would need to borrow in order to meet the Government's obligations. This would require three-fifths votes in both the Senate and House to raise the debt limit.

The threat of a "train wreck" on the debt limit provides a powerful incentive for truth-in-budgeting, because Congress and the President could not escape the consequences of policies that increased the debt.

The courts will have an extremely limited role in enforcing this amendment if both Congress and the President abdicate their responsibilities. Assuming that Congress does not address this issue in implementing legislation, which is extremely unlikely, the courts would be limited to finding individual acts of Congress unconstitutional and to restraining the executive from some action that would violate the amendment. The separation of powers doctrine and a long line of judicial precedents make it clear that courts would leave the policy decisions on how to comply with the amendment to the political branches.

Members of Congress and the President do take seriously our vow to uphold the Constitution. Once the principle that we should not be able to burden future generations with excessive debt is enshrined in the Constitution, it will be clear whether or not Congress and the President have met their obligation established by this amendment. The public will hold accountable any official who ignores this constitutional mandate. This accountability will provide the ultimate enforcement of the amendment.

Mr. Chairman, we need something to force us to do what we know is necessary. I wish I did not have to stand here and say that, but I believe in my heart that it is the truth.

I urge support of House Joint Resolution 103.

□ 1230

Mr. Chairman, I reserve the balance of my time.

Mr. GALLEGLY. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. FISH], who has served this House honorably for 26 years, and who much to the regret of almost everyone in this House, yesterday announced his retirement.

This gentleman has been a tremendous help to me, in the time that I have served in Congress, as our ranking member of the Committee on the Judiciary. He is a true gentleman and a friend of the entire Nation.

Mr. FISH. Mr. Chairman, I thank my colleague, the gentleman from California, for his generous remarks.

Mr. Chairman, on three prior occasions—in 1982, 1990, and 1992—supporters of a balanced budget amendment in this body mustered lopsided majorities but fell short of the two-thirds affirmative vote the Constitution requires. This week, as we revisit a critically important issue, I look forward to my fourth opportunity to vote for the balanced budget constitutional amendment—recognizing with regret that the need for constitutional change is greater than ever.

The $1.1 trillion Federal debt at the end of fiscal year 1982 will reach approximately $4.7 trillion by the end of fiscal year 1994—a fourfold increase since we first debated the balanced budget amendment on this floor. Our failure to act more expeditiously has greatly exacerbated the heavy burden our enormous national debt imposes on our children and grandchildren. When we shirk our responsibility to pay our own bills, we unfairly transfer the costs of our self-indulgence to our descendants.

Decisions to amend the Constitution must not be made lightly. If a legislative remedy exists, that obviously is preferable to a change in our fundamental charter. Some have argued over the many years of this debate that we should utilize the legislative process to balance the budget before resorting to a constitutional amendment. We have tried that repeatedly. Legislation has not worked.

The national debt has continued to climb in spite of the 1974 Budget Act, the 1985 Gramm-Rudman-Hollings Act, the 1990 Budget Reconciliation Act, and the 1993 Budget Reconciliation Act. Congress waived the constraints of the Budget Act hundreds of times. The experience with Gramm-Rudman-Hollings provided strong evidence that Congress encounters virtually insurmountable pressures to circumvent deficit ceilings when those ceilings lack constitutional status.

In the fall of 1990, Congress completed an arduous effort to come to grips with the deficit, cutting approximately $500 billion over 5 years, only to see the deficit rise in the next fiscal year. Last summer, Congress enacted legislation the administration argued would reduce the deficit by a similar amount—roughly half a trillion dollars—during the 1994–98 period. Even taking such claimed savings into account, OMB estimates the national debt will reach $5.953 trillion by the end of fiscal year 1998, more than five times the level of just 16 years earlier, and an increase of $1.277 trillion during the 4 fiscal years beginning this October. Although the Congressional Budget Office anticipates relatively flat deficits in the $166 to $182 billion range during fiscal years 1995 through 1998, steep increases thereafter are projected even with the steps Congress has taken to date to address the decifit.

A balanced budget amendment is essential to overcome the current free spending habit of the Congress. It is far easier for an individual legislator to vote for spending increases than it is to support a balanced budget. Those who advocate spending for particular programs are in a stronger position to influence Congress than those who seek to restrain the growth of spending.

A new or expanded program may have a major impact on a particular constituent group. The advocates of spending possess a focused interest that facilitates action—in contrast to the more diffuse public interest in resisting specific increases in expenditures. It is for this very reason that I support—as a needed enforcement mechanism—a line-item veto tailored specifically to this amendment.

The problem, of course, is that projects may add little to the deficit—when viewed in isolation—but have a major impact when viewed collectively. The balanced budget constitutional amendment, by making it more difficult to engage in deficit spending, encourages Members of Congress to view the overall consequences of particular spending decisions. The proposal is to require a three-fifths vote of each House, of its total membership, before outlays may exceed receipts.

An amendment making it more difficult for Congress to disregard balanced budget principles is an appropriate addition to our Constitution. The Framers accepted the concept of a balanced budget and could not have foreseen late 20th century America's excessive reliance on deficit spending. The balanced budget constitutional amendment is an expression of our Nation's recognition that Government should spend within its means—a value our constitutional Founders shared.

Economic matters clearly fall within the Constitution's purview. The treatment of interstate commerce, taxation, and property rights provide examples of a constitutional design that gives substantial attention to economics. The argument that our Constitution must maintain neutrality on economic issues disregards the reality of a Constitution that incorporates economic rules. An expression of preference for adherence to balanced-budget principles would have sounded superfluous two centuries ago—but is far from superfluous today.

A constitutional amendment protects future generations, those who will bear the burden of an increased public debt but who cannot participate in decisions to increase that debt. The requirement of a three-fifths vote of the total membership of each House to increase the public debt represents a recognition of the impact of debt increases on generations unrepresented today in our political institutions. Laws increasing the public debt should reflect a broader consensus of our society than ordinary legislation.

The constitutional amendment that I am prepared to support will help rather than hinder our national capacity to maintain essential programs for older Americans. By bringing the rapidly increasing national debt—and mushrooming interest payments—under control, we relieve pressures to curtail Social Security and Medicare benefits. We also provide protection against the erosion of benefits that can accompany a future inflationary cycle.

The balanced budget constitutional amendment should require a three-fifths vote of the total membership to increase taxes. Such provision is appropriate to discourage reliance on tax increases alone to bring the budget into balance.

The United States undoubtedly will confront situations justifying departures from the norms that underlie this constitutional amendment. The proposed amendment does not bar deficit spending, public debt increases, or new taxes, but rather incorporates special voting requirements in order to do so. In a national emergency or period of economic dislocation, the proposal should contemplate that Congress will vote to take the appropriate action—whether that involves engaging in deficit spending, raising the debt ceiling, or altering the tax burden. The important point is that decisions to deviate from economic norms will be made—in the national interest—with greater care and thoughtfulness.

The understandable reluctance to amend the Constitution, if legislation will solve a problem, must now give way, in my view, to a recognition that legislation has not prevented astronomical increases in the national debt.

I call upon those who have been skeptical about such an amendment in the past to join with me now in supporting constitutional change. We simply cannot afford to lose more ground in our effort to bring Government spending under control.

□ 1240

Mr. PRICE of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

First, Mr. Chairman, I want to join my colleague from California in paying tribute to our friend, the gentleman from New York [Mr. FISH] in saluting him for his years of distinguished service and saying how much we will miss him around here. I also welcome his contribution to this debate.

Mr. Chairman, as we begin general debate, it is critical that we remind ourselves of some of the basics. What is the purpose of deficit reduction, after all, and of budget policy in general? We need, of course, to reduce the deficit. Equally important, we need to redirect spending into investments in areas that will pay off for our country in the future. Reduce spending, and redirect spending.

Now, the budget deficit that we are running frustrate both goals and, in devising a remedy, we have got to take care that we address them both in a credible way.

The Federal budget deficit squeezes out private and public investment, and it does so directly and indirectly. It not only soaks up our Nation's savings, but it also forces trade-offs between popular consumption expenditures and long-term investments as we write the Federal budget each year. The Stenholm version of the balanced budget amendment, I fear, could make that situation worse, given the political appeal of entitlements. We all can attest to that.

So we need to ask ourselves: Is there a way to devise a balanced budget amendment that, while it would result in reduced spending, would also encourage and enhance investment? The answer, I believe, is the alternative amendment which Mr. WISE, I, and other members have developed.

Now, our amendment, like the Stenholm amendment, would require that the Federal budget be balanced by the year 2001. Like Mr. STENHOLM, we would require the President to submit a balanced budget for each fiscal year, and we provide for waivers when a declaration of war is in effect or when there is an imminent or serious military threat to national security or in cases of severe economic downtown.

But there are key differences between our amendments. We place the Social Security surplus off budget, thus ending a loophole that would hide the true magnitude of the Federal deficit. Our proposal would help insure the integrity of the Social Security trust fund as opposed to using the near-term surplus to make the deficit appear smaller than it actually is.

As we move to pass a constitutional amendment requiring a balanced Federal budget, we have got to make certain that Social Security is not jeopardized because politicians clamoring for a balanced budget amendment are unwilling to make the tough decisions required to actually achieve balance. We cannot hide behind that short-term Social Security surplus.

The Wise-Price-Pomeroy-Furse amendment also provides for distinguishing between the operating costs of Government and key capital investments. Most States that have a balanced budget amendment provide for the financing of key capital investments, like roads, schools, and sewer systems. States provide this exemption for a very good reason: They know that these investments have a long-term benefit to the residents and the economy of the State. And it is foolish not to make these investments.

Like families who take out a mortgage to finance a home, capital budgeting permits a Government to finance investments providing long-term economic returns.

In our amendment we also require the Federal Government, like a family or like a State, to pay back those investments over time. This is a sensible provision, and it is also much stronger than the capital budgeting provision in the Reid proposal in the Senate which allowed for the financing of investment but did not credibly provide for annual principal and interest payments to be included in the operating budget.

Our amendment, unlike the Stenholm proposal and other proposals, preserves the principles of majority rule. It is incomprehensible to me that requiring a three-fifths' majority to increase taxes or to raise the debt ceiling could be viewed as sound budget policy. We all know this stipulation would increase the ability of a small minority of Members to hold policies hostage, to extract political favors for themselves.

As Al Hunt of the Wall Street Journal has agreed, "This minority rule has the effect of decreasing accountability, increasing the influence of special interests, and creating a general chaos that serves neither the politicians nor the people well."

This rings true, does it not, for any of us who have endured in this Chamber the posturing that too often has accompanied our debt ceiling votes?

I agree that we must set high standards for any breach of a balanced budget, but we can do it in a way that does not create the problems foreseen by Mr. Hunt and does not violate the principles of majority rule.

□ 1250

Under the Wise-Price-Pomeroy-Furse proposal, the requirement could only be breached in time of war, a threat to national security, or an economic recession. These waivers would not be automatic. Congress would have to pass and the President agree to these waivers, preserving accountability. Unlike the proposal of the gentleman from Texas [Mr. STENHOLM], in times where these emergency conditions did not apply, no waiver would be possible, by three-fifths vote or otherwise.

So, these waiver requirements are more stringent than those contained in other proposals.

The Reid amendment in the Senate allowed for an automatic exemption in time of economic recession or war. Furthermore, the Reid amendment provided, like the Stenholm amendment, a waiver from the requirement of a balanced budget anytime three-fifths of the Congress agreed. Our amendment removes this supermajority loophole, allowing no exemption whatsoever except under carefully defined circumstances.

In closing, I know that today we will hear a lot about the Wise-Price-Pomeroy-Furse amendment providing political cover for Members.

Our opponents are already saying that to the press. Well, I just want to say very clearly that the only people who are getting political cover from any of the balanced budget amendments are those who tend to go AWOL when it actually comes time to cut spending and reduce the deficit. Let me be perfectly candid, and I think this is an astounding figure:

Of the 262 cosponsors of the Stenholm amendment, fully 207 were not there when it counted on August 5. They were a.w.o.l. when the time came to actually reduce the deficit, to put an ambitious 5-year deficit reduction plan in place.

Now some of these Members had earlier voted for a weaker alternative offered by the gentleman from Ohio [Mr. KASICH] which would have reduced the deficit by $70 billion less, but on that earlier vote, Mr. Chairman, 65 of the cosponsors of the balanced budget amendment voted against both the Democratic and the Republican plans.

We are making progress on the deficit, but no thanks to these Members. Remember, it was just a year ago that the 1995 deficit was projected at over $300 billion. The projection now is something like $170 billion. Not good enough, but more progress than we've seen in a long time. The way to achieve that kind of progress is to make the tough votes, the kind of votes we had last summer. The only people who need political cover from a balanced budget amendment are those who are not willing to make those votes, those who, when it came time to break gridlock and to make the difficult decisions, were not to be found.

So, Mr. Chairman, in closing I urge my colleagues to support the Wise-

Price-Pomeroy-Furse amendment. It builds in a constructive way on the work of the gentleman from Texas [Mr. STENHOLM]. We know that he has labored for many years with great dedication on this issue. We have learned from him. We track his language in several areas. But we also correct what we honestly believe to be deficiencies in his approach: In dealing with Social Security, in discouraging long-term investment, and in permitting violations of majority rule. These are, we believe, serious problems. We believe we have corrected them while retaining the basic constitutional discipline to put and keep our fiscal house in order.

Mr. Chairman, I look forward to this debate as an opportunity to explore these issues, and I urge a vote in favor of the Wise-Price-Pomeroy-Furse amendment as the best mechanism before us for successfully combining these crucial dual goals of deficit reduction and responsible investment.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as the principal Republican sponsor of House Joint Resolution 103, I rise in support of a Constitution amendment to require a balanced Federal budget.

When I came to Congress in 1983, I was concerned that deficit spending was hampering economic growth, burdening our children with mountains of debt, and limiting our potential to provide an opportunity for prosperity and the American dream to everyone.

So I joined my friend and our former colleague Senator LARRY CRAIG—who is now leading the charge in the Senate—in taking on the balanced budget amendment, which the respected Barber Conable had advocated for many years.

A few years later we were joined by CHARLIE STENHOLM. In offering the amendment before us today, CHARLIE and I are joined by OLYMPIA SNOWE, JIM INHOFE, L.F. PAYNE, and JOE KENNEDY. Together we have constructed, along with Senator ORRIN HATCH and Senator PAUL SIMON, a broad, bipartisan, bicameral coalition in support of this amendment. I am proud of that effort, whatever the outcome of tomorrow's vote.

Mr. Chairman, in 1983, I was shocked and angered that Congress had allowed the accumulation of a $1 trillion debt. Today, with the debt rapidly approaching $5 trillion—I am that much angrier. I am particularly angered by the cavalier attitude Congress has displayed in assuming it has the right to burden future generations with massive debt.

This country, and this Congress, are not supposed to be about the game of chasing down pork, grabbing what we can, and damning our children with our irresponsibility. We are not operating in a vacuum—our actions have consequences.

Many of my colleagues have joined in mocking Congress' appetite to spend, and we've even been able to pass a few laws requiring Congress to curb spending. Since 1982, we've passed five balanced budget statutes. But each time we were faced with the choice of cutting spending to meet statutory deficit targets or waiving the statute—Congress waived and spent and waived and spent.

We didn't learn from Gramm-Rudman, we didn't learn from the 1990 budget summit, and we certainly haven't learned from the Clinton plan—Congress simply cannot balance the budget by chipping away at discretionary spending and raising taxes. In fiscal year 1994, discretionary spending will comprise only 37 percent of the Federal budget. By 1999, it will make up barely 30 percent of the budget, at which time mandatory spending will engulf 70 percent of the budget.

In addition, the Congressional Budget Office estimates the annual deficit will rise to nearly $300 billion by 2002. Clearly, even with the passage of the Clinton tax plan hailed by many of my Democratic colleagues, deficits can only be controlled if the runaway growth of mandatory spending is addressed. Only a balanced budget amendment will force Congress to find the political will to make the comprehensive spending reforms necessary to balance the Federal budget.

Today, the need for a balanced budget amendment is as great as it has ever been. During this debate, many of our opponents will argue that the deficit is declining to a manageable level and that there is no need to change the Constitution. Well, if the deficit was projected to remain at a manageable level, I might agree. However, as this chart illustrates, the sea of red ink, which may be suffering from a temporary drought, will continue to overflow near the turn of the century under current trends.

Yet, we will hear the same tired criticisms of our amendment. We will hear that it would end the Social Security system as we know it, that it is unenforceable and would give the courts too much authority, that it would strait jacket our ability to make economic policy, that it would force dramatic and immediate reductions in Government programs and services, and that we don't need the amendment because we can make the tough choices on our own.

These numerous, misleading, and often conflicting arguments basically boil down to two points: First, the amendment won't work, or second, it would be so draconian it would be worse than deficit spending itself. Mr. Chairman, I fail to see how something that won't work can be draconian. That contradiction aside, the opponents are wrong on both counts.

Opponents know it would work, and that is why they oppose it. Prior to the Senate debate last month, the White House invited several special interests, including those who represent agriculture, to come in and discuss the perils of the balanced budget amendment. The agricultural groups were informed by the White House staff that if the balanced budget amendment were to pass, funding for their programs would be slashed to the bone.

However, in a November 5, 1993, letter to Speaker FOLEY in which President Clinton outlined his opposition to the balanced budget amendment, he said, and I quote:

> We must reject the temptation to use any budget gimmicks to hide from the specific choices that are needed for long-term economic renewal.

Well, which is it—an ineffective gimmick or a draconian machete?

In the midst of these conflicting criticisms, we do know there is at least one Presidential adviser who acknowledges the need for the balanced budget amendment—refer to chart with Gergen article. I just wish Mr. Gergen was not helplessly outnumbered.

The balanced budget amendment will not cause the sky to fall, and it will work. Our amendment would not be effective until fiscal year 2001 or 2 years after ratification, whichever is later. It would be fundamentally dishonest to suggest that it would be impossible for Congress to responsibly reach a balanced budget over the next 7 years.

But make no mistake about it: balancing the budget will require discipline, and it will require tough choices. Without the amendment, these choices will never be made. The rejection of the bipartisan Penny-Kasich and Kerrey-Brown proposal emphasize this discouraging reality.

Above all, the balanced budget amendment will change the psychology of how we do business. The typical big spending, pork-barrel way will be reformed. Unlike the way we operate today, the bill will come due. Gone will be the time-honored practice of grappling for every scrap of pork you can find. The new measure of effectiveness will be how much you can save, not how much you can spend.

Mr. Chairman, when the dust settles, there will be two clearly defined sides in this debate—there will be the side of special interests, the status quo, and the irresponsible, pork barrel spending that got us into this mess. Or there will be the side of our children, our grandchildren, and the generations to follow them, to whom we have already left a $4.5 trillion debt.

If you support the balanced budget amendment, you will be in good company. Not only is the amendment supported by a bipartisan majority of both the House and Senate, polls have consistently indicated that over 70 percent of the American people support a balanced budget amendment.

Mr. Chairman, I wish there were another way to compel Congress to balance the Federal budget. Sadly, there is not. Only a constitutional mandate will provide the courage to attack our chronic institutional spending problem. I urge my colleagues to support the Stenholm-Smith balanced budget amendment to the Constitution.

□ 1300

Mr. Chairman, I reserve the balance of my time.

Mr. GALLEGLY. Mr. Chairman, I ask unanimous consent to yield 30 minutes of the time allocated to me to be controlled by the gentleman from Oregon [Mr. SMITH].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SMITH of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. INHOFE], who has been one of the cofounders and inspirational leaders of the balanced budget amendment, not only in his own State but across the Nation.

Mr. INHOFE. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, we are going to be talking about a lot of things that will be redundant. I want to cover five things that I don't think others will be covering.

First of all, this body, whether we like it or not, is going to have to start listening to the American people, and the American people on this subject have very clearly demonstrated what their feelings are.

I have a Penn-Shore poll that was scientifically conducted of over 1,000 adult Americans that comes to this conclusion. I would like to have all my fellow Members who are going to be making a decision as to how they are going to vote on this listen to this. It asks the question: How likely would you be to support a candidate for Congress who supports a balanced budget constitutional amendment? The results were 72 to 13. And when adjusted for those with no comments, 82 percent of the people in America who understand clearly what a balanced budget amendment is said they would be more likely to support Members of Congress who support a budget-balancing amendment.

There are a lot of people who do not believe that. I can remember a very fine young woman who served in this Chamber from the Second District of Missouri, Ms. Horn, who campaigned on a balanced budget, but who changed her mind during the time she was in this environment and she decided to vote against it in 1992.

Ms. Horn is not with us anymore, and that contributed to her defeat. That is going to happen to several other Members.

I would like to suggest that there is a lot of discussion about senior citizens. I think I have attended as many or perhaps more town hall meetings on an annual basis than most Members of Congress, and a lot of senior Members come to these meetings. When I tell them about the real issue, they say they are supportive of a balanced budget amendment.

This is a publication of the Senior Coalition that came out where they talk about the three steps to save Social Security: pay-as-you-go, independent agency, and the third step, which they actually have listened as No. 1, is a balanced budget amendment to the Constitution. The point is this: Currently 40 percent of all the income tax that is paid in this country is paid to service the debt that we have created so far, I realize there will not be enough money left over if we do not take fiscal steps.

The third thing I want to mention is a misconception, and that is that only Republicans or conservatives are concerned about a balanced budget amendment. Let us keep in mind that the Senate author of Senate Joint Resolution 41 is Senator PAUL SIMON, who is certainly not a conservative Democrat. He is a moderate-to-liberal Democrat, and he has carried the charge over in the Senate. Certainly on our side, the gentleman from Texas [Mr. STENHOLM] is not a Republican; he is a Democrat. Many individuals who are liberals realize that the only way we are going to have revenues to spend on the great needs that we have is to discipline ourselves fiscally. In fact, I suggest those Members who are liberals looking for an excuse to vote for this should go back and read an article by a Tokyo economist in the publication entitled "The International Economy." The name of that is "America's Budget Deficits, They Redistribute Income to the Rich."

The fourth point I want to bring out is this: Let us not just talk about the wisdom of the American people. Let us look at people who do this for a living, people who are the leading economists in this country. I have a list here of the 250 leading economists in this country. There is one from a university in every single State that is represented here in the U.S. Congress, and they come to the conclusion that the only way we are going to be able to balance the budget is to discipline ourselves fiscally through a constitutional amendment, because we have demonstrated over the past 40 years that we are incapable of doing it without that.

□ 1310

The last point I want to make is one that is the moral issue. You know, the gentleman from Texas [Mr. STENHOLM] quoted Thomas Jefferson a few minutes ago. But he did not go quite far enough, because I want to give another quote that Thomas Jefferson made. If you remember, Mr. Chairman, in your history lessons, Thomas Jefferson was not in the United States during the Constitutional Convention. When he came back to the United States and he looked at the product that came out, he said:

> If I could add one amendment to the Constitution, it would be to prohibit the Federal Government from borrowing money. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.

Finally, Mr. Chairman, let me introduce, since you would like to know these two individuals, the one on the left is Glade Inhofe, and the one on the right is Maggie.

Mr. Chairman, studies show that somewhere between 45 and 70 percent of the lifetime income of my two grandchildren and all others who are born at this time will be used to service the national debt. This is not a fiscal issue we are dealing with today. This is clearly a moral issue.

Mr. WISE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Oregon [Ms. FURSE], a cosponsor of the Wise-Price-Pomeroy-Furse substitute.

Ms. FURSE. Mr. Chairman, I rise today in support of the Wise-Price-Pomeroy-Furse constitutional amendment to balance the budget.

As a new Member of Congress, I came to Washington determined to help get the Nation's fiscal house in order. But after a little more than a year, I am not convinced that with the current state of politics, we have either the will or the courage necessary to accomplish this goal. Yet, Mr. Chairman, we must accomplish this goal. Nothing less than the economic security of our children and our country is at stake.

I believe that one of the very prominent reasons that we in the freshman class came to this Congress was to do something about reducing the deficit. And we have made some progress. As a result of the deficit reduction agreement I supported this fall and the 1995 budget resolution I voted for last week, the deficit is at its lowest level in years.

But I am increasingly frustrated by the unwillingness of many Members of Congress to cut unnecessary spending and make the choices needed to balance the budget. Some of those who refuse to cut this unnecessary spending are outspoken deficit hawks. They talk regularly about cutting deficits, but when they are given real opportunities, they often turn aside.

Last week there was an amendment before this House to keep the Defense Department budget from growing by $2.5 billion. That was additional to the budget we agreed on. I was stunned when that amendment did not pass. In this day and age, there was no justification for any increase in that budget. In my view, $262 billion was enough.

Now, Mr. Chairman, I sometimes believe that if our foremothers had been involved in writing the Constitution, we might have had a balanced budget in it, because women are so often involved with trying to keep their families living within their budgets.

So for those reasons, the reasons I have stated, I have concluded that we must amend the Constitution to require a balanced budget, and I am very reluctant to tamper with this most sacred document. But it seems that we have no other choice.

My plan, however, will make some critical differences with the amendment offered by the gentleman from Texas [Mr. STENHOLM]. First, the Stenholm amendment does not take the Social Security trust fund off the budget and away from deficit calculations. If his amendment were to pass, senior citizens in Oregon alone would lose about $1,000 each year. My amendment would protect that most vulnerable group of citizens, these senior citizens, and it is a more honest measure of the deficit.

I would like to put it this way. It is not really right or particularly honest to take Social Security out of the budget because it masks the fact—because there is a surplus in the Social Security budget, it masks the fact that the deficit is in fact larger than we like to calculate.

In other words, if you take Social Security out, as we do in our amendment, we are much tougher and much more fiscally responsible, while we still protect the benefits of millions of older Americans who earned those benefits through their own hard work.

There is another important distinction in the Wise-Price-Pomeroy-Furse amendment, and that is, I believe more and more as I work in this body, that the Government needs to operate more like a business.

Now, businesses routinely borrow money if it is for a long-term investment, something that will give something back, that will increase future profits. I quite frankly do not know of any business, whether it is Intel Corp., the largest employer in my district, or my own small vineyard that I operate with my husband, that does not believe in investing, in investing some money in something that will return in long-term benefit. When you buy a house, when you send your children to college, you do so because you think that is an investment, that is something that I will get something back from in a long-term way, that there will be a real economic benefit.

The Stenholm amendment precludes the Government from borrowing funds for capital, and it renders it nearly impossible to make cost-effective investments. Our amendment even ensures that the Federal Government uses sound business practices by establishing a capital budget, requiring that long-term investments be paid for over their useful life.

I would like to quote right now from the New York Times an editorial where, in fact, they opposed a balanced budget amendment, but they said, "No rational business or government would balance a budget this way." They are talking about taking capital investment out. "Businesses borrow to invest. Even States required to balance their operating budgets borrow for capital investment."

It seems sensible to me if we are looking for change, we should look first at successful models. I looked to my own constitution, the Oregon Constitution, which was written, I should add in 1859. It includes an exception for capital expenses. Our amendment would allow Congress under a majority vote to temporarily waive the balanced budget requirement in the event of only two things: war and a recession of two terms, two quarters.

Under these and only these two circumstances, could the Federal Government run a deficit, and in this regard, I believe that our amendment is even tougher than the gentleman from Texas, Mr. STENHOLM'S.

Ultimately, the amendment will force the Congress to make the choices necessary to balance the budget. States and local governments have done this for years. In other words, the Wise-Price-Pomeroy-Furse amendment will force Congress to do what it is elected to do. It will put our economic house in order and provide the Nation with a secure economic environment for decades to come.

Mr. Chairman, I urge the adoption of the Wise-Price-Pomeroy-Furse amendment.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentlewoman from Oregon [Ms. FURSE], who has been instrumental in crafting this. I would note for Members that you should have hand delivered to your office the latest copy of the amendment that we will be offering tomorrow. Additionally, we will be asking that there be printed in the RECORD for tomorrow as well a copy of our balanced budget amendment. Third, we should have copies here at some point on the table that Members can pick up. So I would urge Members to scrutinize this carefully.

Mr. Chairman, I include a copy of our amendment for the RECORD.

AMENDMENT TO H.J. RES. 103 OFFERED BY MR. WISE OF WEST VIRGINIA

Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the State for ratification:

"ARTICLE

"SECTION 1. Total outlays of the operating funds of the United States for any fiscal year shall not exceed total receipts to those funds for that fiscal year.

"SECTION 2. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law. If real economic growth has been or will be negative for two consecutive quarters, Congress may by law, passed by a majority of the whole number of each House of Congress, waive this article for the current and next fiscal year.

"SECTION 3. Not later than the first Monday in February in each calendar year, the President shall transmit to the Congress a proposed budget for the United States Government for the fiscal year beginning in that calendar year in which total outlays of the operating funds of the United States for that fiscal year shall not exceed total receipts to those funds for that fiscal year.

"SECTION 4. Total receipts of the operating funds shall exclude those derived from net borrowing. Total outlays of the operating funds of the United States shall exclude those for repayment of debt principal and for capital investments that provide long-term economic returns but shall include annual principal and interest payments for borrowing on capital investments. The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays for purposes of this article.

"SECTION 5. Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 6. This section and section 5 of this article shall take effect upon ratification. All other sections of this article shall take effect beginning with fiscal year 2001 or the second fiscal year beginning after its ratification, whichever is later.".

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Mr. STENHOLM. I yield 5 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Chairman, I rise today to support an amendment to the Constitution to require a balanced budget. Quite simply, I believe that our obligation to future generations—to our children and grandchildren—requires this action of us today.

Year after year people stand here and claim that this amendment is not required. I know, I used to be one of them. It is true that this amendment will not in and of itself create a balanced budget—any more than the Constitution of the former Soviet Union, which guaranteed its citizens freedom of religion, created that right for any Soviet citizen.

The bottom line is that it will take the collective will of this House and the other body, joined with that of the President to accomplish a balanced budget. It will take the collective will of the American people to abide by the decisions necessary to accomplish a balanced budget. It will take our collective backbones to make what will be a statement of national policy a reality.

But with that policy clearly ennunciated in our Constitution—I believe our backbones will find a stronger pillar from which to support the heavy lifting that will be required to accomplish this goal.

There is no question that we have taken significant action under the leadership of President Clinton to reverse the dramatic increasing deficits the country suffered under Presidents Reagan and Bush. I supported that effort and am proud of the results—a stronger economy, increasing jobs, lower interest rates and controlled inflation.

But the bottom line is that in 1993 gross interest payments alone consumed 57 percent of all personal income taxes and these payments were five times higher than all of the money we spent on education, job training and employment programs combined. And though we have reversed the growth in our annual deficits—they still continue—as does the tax burden they place upon your children and my grandchild.

Thomas Jefferson said: "I place economy among the first and most important of Republic virtues, and public debt as the greatest of dangers to be feared."

Jefferson, along with our founders like Madison and Hamilton, agreed that the rights of the minority must be protected against the tyranny of the majority. Our system of government is replete with protections for the minority of the present.

Why Jefferson saw public debt as the greatest danger to be feared was because he realized that future generations were even more vulnerable to abuse than the minorities of the present—because they were disenfranchised. As silent sufferers, unable to join the debate of today, they would be uniquely vulnerable to the ability of the majorities of the present to commit and spend their resources of the future. We've done that, we need to stop it.

As someone who suffered under a system of Government that enforced taxation without representation, Jefferson saw public debt as the ultimate intergenerational expression of that tyranny and one which should be avoided and rejected.

I support the Wise amendment's provisions on capital budgeting. I will also vote in support of the amendment by Mr. STENHOLM of Texas.

I do that because I agree with the gentleman from West Virginia that it is fair to ask future generations to pay for assets that they too will enjoy. An aircraft carrier will protect my granddaughter's freedom tomorrow as well as it does my own today, and therefore it is fair that she pay for a portion of that security. What is not fair is that we spend today her earnings of tomorrow; that we undermine the discretion that she and her generation deserve in their future to apply their future to apply their future to apply their resources as they see fit, not simply to pay our debts and transfer their money to us in our older years. That my colleagues, is the immoral, irresponsible, undisciplined evil of which Jefferson spoke.

Simply put, it is not fair that she be taxed tomorrow for what we enjoy today.

I do not agree with those who hold that capital budgeting is a loophole through which we gut the goal of a balanced budget. The Congress shall establish in law what capital budgeting will be.

And I believe that we can draw that definition narrowly enough to ensure that only physical assets with a lifetime greater than 10 or more years shall be included in such a definition.

Mr. Chairman, more than 2 to 1 Americans feel deficit reduction is more important than short term spending to boost the economy. And the General Accounting Office said it best in their 1992 report on the budget. They said: "Inaction is not a sustainable policy."

We need to act. And in acting, we will give the greatest gift to our children and grandchildren that we could ever give—the security of knowing that they have the ability and the resources to face whatever problems they may confront in their own time. What a wonderful gift for them to know that when they need to turn to the wealth of America in time of need they will not find it has been robbed and pillaged by their parents and grandparents. We owe them no less.

Support the balanced budget amendment to our Constitution.

We need this amendment, Mr. Chairman. I hope it passes.

I want to congratulate both the gentleman from Texas [Mr. STENHOLM] for his leadership and the gentleman from West Virginia [Mr. WISE] and his cosponsors for their leadership. Both of them are saying we need to bring discipline to the fiscal structure.

I do not agree with a lot of my colleagues with whom I am going to vote. I believe that we need to have programs at the Federal level. I support the taxes to pay for those. But the ultimate discipline in a democracy for spending is having to raise the revenues to pay for that spending. If Members will not vote for the taxes, then they ought not to vote for the spending. I am one of those who is prepared to do both, if I believe that those expenditures are in the best interest of this country, and, yes, of my grandchild.

We need to have the courage to exercise the discipline of saying that we will pay for that which we want to buy. Very frankly, we did not do that in the 1980's, as has been mentioned, from less than $1 trillion to now $4.7 trillion, an almost 500-percent increase.

We need to say "enough." Let us pass this amendment. Let us send the message of fiscal responsibility.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maine [Ms. SNOWE], a lovely lady legislator who has been an outstanding spokesperson for the balanced budget amendment and a leader in the House of Representatives.

Mr. Chairman, will the gentlewoman yield?

Ms. SNOWE. I yield to the gentleman from Oregon.

Mr. SMITH of Oregon. Mr. Chairman, I wanted to at least address the Social Security thing which is already getting out of hand, the rumor that somehow Social Security is going to be destroyed. The facts are that we are already camouflaging, masking the budget.

For instance, the deficit is supposed to be $223 billion this year. The Federal funds deficit is $336 billion. That is $113 billion more than the stated debt and that includes Social Security surpluses, as well as 149 other surpluses. The idea that balancing the budget actually saves Social Security and, if this House of Representatives wants to destroy Social Security, they can do so by vote, I am not going to do that. And I do not plan on it.

Ms. SNOWE. Mr. Chairman, I thank the gentleman for yielding time to me.

First of all, I want to say that I am very pleased to have been able to join with the gentleman from Oregon and the gentleman from Texas in working on this constitutional amendment to balance the budget. And I certainly want to express my appreciation for the leadership they have given on this very critical issue over the years.

Time and time again, Mr. Chairman, the voters of Maine and the rest of the country have sent Congress an unmistakable signal that they want the Congress to change the way in which it conducts its fiscal business as well as addressing the issues concerning the national budget. Nothing would better personify the fact that we have gotten the message of change from the voters than enacting a constitutional amendment to balance the budget.

This debate marks the seventh time since 1982 that we have had this debate in either Chamber of the Congress. Each time we have debated this issue, we have heard time and time again that all we need to balance the budget is the will to act or the courage. They have told us in debate after debate, vote after vote that we can balance the budget without a constitutional amendment. And, of course, we have never been able to achieve a balanced budget in all of that time. In fact, the lowest deficit level Congress has reached in this last decade was $150 billion in fiscal year 1987, under the Gramm-Rudman-Hollings Act. That is hardly perfection.

Even in the administration's own budget, it projects a deficit level of $176 billion in 1995. And if Members look at projections by the administration, the lowest deficit level for the rest of this decade is $173 billion.

Are we prepared to accept that as the norm, as the standard for the rest of this decade? In fact, in 1998, the deficit goes up to $187 billion. In the year 1999, the year 2000, it is over $200 billion. And we know that it will reach $365 billion, according to the Congressional Budget Office, by the year 2004.

So even by the administration's own estimate, it will be adding $1.7 trillion to the national debt, increasing the national debt by 38 percent. The administration and others may be upbeat about that level of deficit. Granted, it is better than what it has been before, but what we are saying, we are accepting the norm of the range of $200 billion deficits for the rest of this decade.

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The Congressional Budget Office, of course, offers a different point of view. According to the CBO, and I quote, "The deficit may have been brought under control temporarily, but it has not been tamed." The CBO also projects a $226 billion deficit by the year 2000, and as I said, $365 billion by the year 2004. Unless deficits are firmly brought under control, CBO predicts they will constrain the improvements in the standard of living that can be expected in the United States in the early 21st century.

It is interesting to note that yesterday President Clinton remarked at his job summit with a group of seven industrialized nations that the fact is that the United States must continue to bring down the deficit. It is interesting, because the budget that was passed by this body last week does nothing more on deficit reduction. The administration's estimated savings go for more spending and not for deficit reduction. There will be no other attempt to reduce the deficit in this Congress.

Mr. Chairman, that is explicitly accepting the status quo of earlier deficits and debt. It is really accepting the status quo on our economic circumstances and the acceptance of deficits in the $200 and $300 billion range.

People might think, What is the impact of the deficit in our daily lives? It is not an abstract impact. In fact, the Concord Coalition compiled an analysis of the deficit that suggests our productivity would have been much higher, and that the average American family today, instead of having an average yearly family income of $35,000, would have had an income of $50,000.

What better example of an injustice could there possibly be than those figures? How many children go out without an education because of that missing $15,000? How many couples or single parents cannot afford additional daily necessities of life, like child care, because they have seen their standard of living erode as a result of the deficit?

The most devastating and alarming impact the deficit has had on our economy is its effect on economic growth and job creation. The New York Federal Reserve Bank says that from 1979 to 1989, we lost 5 percent growth in the GNP and national income because of the deficit.

The CBO says that for every percentage that is lost on the GNP, we lose 650,000 jobs. That means as a result of our recurring deficits, we will lose approximately 3.75 million jobs. We can hardly afford that, given the current economic conditions in our country, given the fact that we are having a low job growth rate compared to historical levels of the past.

People know they are facing chronically high unemployment, that it is difficult to get a job. These deficits are doing just that. They are creating job losses in America.

What are we doing with the $200 billion interest payments? We cannot make the investments we need. That is how we can make the investments in health care, education, and worker retraining, is by reducing the deficit, eliminating the deficit, so we will have more investments for the future and not be paying 14 percent of our budget in interest payments.

The point is that now people feel comfortable that we have a $176 billion deficit level, so we do not have to worry about it anymore; we have already done our job. We have accepted the status quo.

That is why we need a constitutional amendment to balance the budget, because each and every year we will have to do what everybody else in America does, 48 States, American families, and American businesses. They confront the economic realities, even when their revenues are down and they have to make those choices.

What we have said here, what I am hearing, is that we passed the budget last year. Therefore, we do not have to do anything more on the deficit because the deficit has come down, so we are going to accept the standard of $200 billion deficits for the remainder of this decade.

Mr. Chairman, I would hope that we would not begin to think that budget deficits are an acceptable commodity for an American economy that is facing stiff competition from abroad and will continue to face that stiff competition. What I am pleased about in this debate is that, in fact, it is not Republicans and Democrats or liberals and conservatives. In fact, it is Republicans and Democrats and liberals and conservatives that are supporting this constitutional amendment to balance the budget.

Mr. Chairman, it is a debate between those who want to get rid of the scourge of deficits and debts, knowing what it is going to do to future generations, and those who do not. It is the difference between those who are concerned about our future economic standards and understand that every time we pass budgets with budget deficits in the $200 billion range, we are saying that we are willing to compromise the standards in this country and be second best, and compromise the economic opportunities that will build upon the American middle class, allow small businesses, like my businesses in Maine, to create jobs and to build upon the American dream.

I would also like to add to what the gentleman said about social security, the gentleman from Oregon [Mr. SMITH], because I think it is a very important issue here today. I cannot think of a better way to ensure the integrity of the Social Security trust fund than to require a constitutional amendment to balance the budget.

I would like to quote from Robert Myers, the former Deputy Commissioner of the Social Security Administration, and the executive director of the National Commission on Social Security Reform, just last month on the constitutional amendment to balance the budget, that

> * * * the most serious threat to Social Security is the Federal Government's fiscal irresponsibility. If we continue to run Federal deficits year after year, and if interest payments continue to rise at an alarming rate, we will face two dangerous possibilities. Either we will raid the trust funds to pay for our current profligacy, or we will print money, dishonestly inflating our way out of indebtedness. Both cases would devastate the real value of the Social Security trust funds.

Finally, I would say that this is a sincere bipartisan effort to address the real issues concerning budget deficits, and those who are willing to actually balance the budget and those who are not. For those who are opposed to the constitutional amendment to balance the budget, they are saying yes to the economic status quo, and they are saying yes to the range of $200 and $300 billion levels of budget deficits. I do not believe that that is the answer the American people want to hear.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the best way to preserve Social Security and keep it intact is to keep it off budget. That, indeed, is what I think I have heard at some point. A majority of my colleagues, in written statements, spoken statements, speeches to senior citizens, say that we have to preserve the integrity of Social Security. I suspect that if we look deep within our minds, that everyone in here at some point has promised to work to get Social Security to the status of an independent agency and off budget.

If we want it off budget, then we cannot pass a constitutional amendment that locks it forever in the budget. The gentleman from Texas [Mr. STENHOLM] and I were talking, and we may mix it up a little bit in the interest of debate in a few minutes, once we get through some of these speakers on Social Security. I think that could be informative, but there is a clear difference here. If we want to protect Social Security, then I think we have to support the so-called Wise-Price-Pomeroy-Furse amendment that takes it off budget and settles that question.

Mr. Chairman, I yield such time as he may consume to the gentleman from North Dakota [Mr. POMEROY], who has been very active in promoting and developing this amendment, on which we have spent many, many hours in developing and crafting the language.

Mr. POMEROY. Mr. Chairman, I came to this body prepared to cast very difficult votes to deal with the deficit, the terrible and deep deficit which faced this country's budget. I have cast those tough votes. Yet, we still have a deficit.

I have become convinced that in order to avoid the havoc that we face as we deal with this budgetary dilemma facing the country, we need to place a guarantee in the Constitution that there can never be such a period of irresponsibility when it comes to spending in this country as we saw in the 1980's, so that future generations will not have the dilemma that we face today.

Therefore, Mr. Chairman, I approach this debate differently than I might have in the past. For me it is not a matter of whether or not there should be a balanced budget amendment. I believe recent history in this Chamber shows that indeed, we must have a balanced budget amendment. The debate at this point is how do we best accomplish this objective, what is the most appropriate balanced budget requirement that we can place in the Constitution of this country.

I would commend in particular my colleague, the gentleman from Texas [Mr. STENHOLM], for his tireless efforts on the balanced budget amendment approach. I respect his views, but I believe that the alternative being advanced by myself, the gentleman from West Virginia [Mr. WISE], the gentleman from North Carolina [Mr. PRICE], and the gentlewoman from Oregon [Ms. FURSE], is a better approach to this problem. It is a tough amendment, but it has sufficient provisions to deal with the true emergency conditions which face this country.

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It also deals with legitimate budgetary needs in a more sophisticated fashion.

First let me speak briefly to the very limited exceptions, war and negative economic growth in two consecutive quarters. The posting of this type of economic condition would signal a country heading quickly not only into recession but heading into depression, and congressional action in those circumstances would clearly be imperative. Improvements to the earlier versions of the balanced budget amendment, I believe, are offered by exempting the Social Security trust fund. For me this is in part a simple matter of common sense. I practiced law in a small town. You learned from day one that the trust fund was something sacred, you did not confuse the trust funds which held representative clients' assets in with the general ledger accounts.

This country has several trust funds, I acknowledge that. But the Social Security trust fund is the preeminent source of the Social Security Program, the old age and retirement program administered by this country, and deserves, I believe, that special standing.

There are two more immediate policy consequences that flow from this as well. First of all, Social Security is to a degree actuarially priced. It means we are running tremendous surpluses now, but in the future, when the baby boom bulge in this country's population reaches retirement age and begins drawing on retirement, we are going to see this positive cash flow reversed, and there will be actually an outflow from this trust fund. It does not make sense, in my opinion, if we are going to get serious with the budget deficits of this country, to mask those deficits by rolling in the Social Security trust fund and letting its positive cash flow shield and mask and hide the deficit. The true deficit situations run on the rest of the budget.

Second, rolling it into the budget I believe places the Social Security Program at risk. Changes could be made to Social Security not to deal with long-term, future needs of the Social Security Program, but merely to deal with short-term budgetary needs of this country as it would struggle to meet the requirements of the balanced budget amendment. Social Security, in my opinion, is placed very much at risk if it is not set apart as our amendment seeks to do.

Another improvement in the version that we are offering provides for capital accounts for projects which offer long-term economic return. This approach on capital spending sees precedent both in the private sector and in State governments operating under balanced budget constraints.

I do not think there is an MBA in the country that would suggest to a business never ever consider debt as you evaluate expanding your business. Of course not. Plant construction, machinery purchase, all of these things are properly financed by long-term debt, but debt which is amortized over the future. That is not reckless spending. It is prudent in the private sector.

In the State governments operating under balanced budget constraints we commonly see capital spending approaches. My own State, North Dakota, a State where the balanced budget approach is held in highest regard by both political parties in the legislative session, they specifically fund a bricks and mortar account in the capital budget and amortize the payment over the bonds issued to fund those projects. It tracks, of course, with the useful life of the actual projects constructed.

It makes no sense as we look at a balanced budget approach for the country to reject the real life example seen in the private sector and seen in other spheres of government with balanced budget approaches.

This capital fund is an enhancement, an improvement, a better balanced budget idea that our amendment offers as opposed to the other versions.

In conclusion, let me suggest that this debate is not an exercise in budgetary machismo as to who has the biggest, baddest balanced budget amendment to offer for this country. This is an important debate where we recognize that future generations deserve the assurance of a balanced budget amendment to the Constitution of this country. And let us now get about the business of trying to craft, and carefully so, the requirement that gets that best accomplished.

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, I thank the gentleman very much for some of the remarks and points he has made. He has already sent a "Dear Colleague" letter on the relationship of States.

If I could just follow up for a second, a lot of Members in this Chamber say they want a balanced budget amendment because most of the States in the United States have similar provisions in their constitution, and just as North Dakota does, so does West Virginia. When the Governor went out of office. And the only way, incidentally, it got back was with some courageous steps and efforts to cut spending and raise taxes, both unpopular measures.

But notwithstanding that, the point is, is it not, that if we want a balanced budget amendment that mirrors what the States have done using their experience, that every State, including the ones that were surveyed, and I believe 50 States were surveyed by the General Accounting Office which had balanced budget requirements focused largely on the operating or general funds, every

State has some sort of capital investment program, whether it is a capital budget itself or indeed the ability to borrow and thus issue bonds, which in itself in servicing that debt is a capital budget? Is that not the case?

Mr. POMEROY. That was the finding of the General Accounting Office as they surveyed the State requirements.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, in the gentleman's research on the States and what they are doing regarding capital budget, did he look to see how many of those States might perhaps now be getting into financial difficulty because they have stretched the definition of capital accounting to the point that they now have problems paying for the capital side of the ledger?

Mr. POMEROY. The General Accounting Office report that I read, I say to the gentleman from Texas, did not detail that particular aspect of the question.

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. POMEROY. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, I know of what the gentleman speaks in the sense that many have expressed concern about the experience of New York City back in the early 1970's. I am not aware of any great problems arising out of capital expenditure in my own State. For instance, we have a debt ceiling that we cannot go above in the sense of how much we can bond, how much we can borrow, and I think the tightest control on that is the implementing legislation that must be passed.

The converse to what the gentleman from Texas is suggesting is not to have capital budgeting, is to count $1 of investment the same as we do $1 of consumption, and thus we are not able to develop and not able to grow, and indeed, we are not able to make those investments to develop our own economy.

If the gentleman would not mind yielding just a little bit further, let me make the point that, for instance, we have been restricted in our own growth with the Federal Government. Most people, I think, think it is time to be about the business of building infrastructure. But are people aware that we are spending, in relation to our GDP by percentage amount, by one-half of what we were spending only 25 years ago, and so what has happened is that capital investment, that which would help us grow, has been squeezed down as we see mounting consumption or operating income rise? That is once again reflecting the need for a capital budget similar to what it is my understanding just about every State has.

Mr. POMEROY. Language in the General Accounting Office report states, I believe, that a capital budget helps narrowly focus on infrastructure needs and the funding and establishment of those needs, and addresses it in a much better fashion than is presently the case.

Mr. WISE. The gentleman is also correct, because the language in our amendment says capital budget reflects those investments, capital investments which produce a long-term economic return. That language was specifically added to make sure to provide greater protection so that we would not be randomly adding any project we wanted.

I do not think wages and salaries are a capital investment. I do think concrete and infrastructure are.

I thank the gentleman.

Mr. POMEROY. The people I represent I think understand that you do not fund operating costs out of debt. That is what this country has done, and it is time for it to stop. The balanced budget amendment approach we seek would put a stop to it.

On the other hand, they do not want the Social Security Program placed in jeopardy as short-term, budget-driven decisions might erode the sanctity and ability of the Social Security Program to meet the retirement needs of this country moving forward.

□ 1350

They do not want this country to be unable to maintain a vital Interstate Highway System, to be able to make the essential capital expenditures that this great country must make, just like States make under their own balanced-budget requirements.

Mr. WISE. If the gentleman will yield further on that point, because as you point out as well, our language in the Wise-Price-Pomeroy-Furse substitute, what our language does is to track the language in many State constitutions by saying that that which you consider a capital investment, the debt service, what you pay to finance it each year, that is included as part of your operating income. So, please, do not make the mistake, as some have, of assuming that we just moved capital investments off budget.

In fact, that may have been the approach taken in the other body. This is far different from that, because we bring the debt service into the operating income in the manner that most States do.

Mr. POMEROY. I would only conclude by saying that is precisely correct. The Wise-Price-Pomeroy-Furse amendment is not a sham. It is not saying, "We do not want a balanced-budget amendment, but, wink, wink, we will vote for this one, great cover."

This is a better balanced-budget amendment. The debate is not about whether we ought to have a balanced-budget amendment, as far as I am concerned. I agree with those of you who for so long have contended that was an essential step needed by the country at this point in time.

How best do we do it? I believe the proposal we are offering does represent the best way to tackle this problem.

Mr. SMITH of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. KYL], an outstanding Member of Congress, and one who wants to move his position across the street or down the road. We wish him great luck. The gentleman will be offering an amendment which I support.

Mr. KYL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I, too, will support his amendment as I have willingly done in the past.

Mr. Chairman, the amendments the house is debating today are of critical importance to every American, but I think particularly to young Americans.

This year alone, interest on the national debt will amount to about $300 billion. That is $800 million a day just to pay the interest on the national debt. That is $800 million a day of hard-earned tax dollars that cannot be applied to education, health care, highway improvements, law enforcement, defense, or other good causes. The national debt is like a ticking time bomb set to explode on future generations.

Congress can either run and hide or stop the debt clock and defuse the time bomb before it wreaks havoc on our children and grandchildren.

A balanced-budget amendment to the Constitution will not solve the problem by itself, but it will establish the framework and impose the discipline absolutely necessary to ensure Congress does balance the budget.

Mr. Chairman, I just received a letter from a 15-year-old Scout from my district in Arizona, Nicky Vejvoda. Nicky's letter reads as follows:

PHOENIX, AZ.

DEAR SENATOR JON KYL: My name is Nicky Vejvoda, and I am a 15-year-old Scout. I am not very happy that our Government is spending more money than they bring in. At home I have a budget book that I keep track of all my money I bring in, and take. If I spend more than what I have, then I am in trouble. How am I going to pay off the debt when I grow up? Please vote "yes" on the Balanced Budget Amendment.

Sincerely

NICKY V.

Mr. Chairman, I invite my colleagues to join me in answering Nicky's letter and the plea of all young Americans to end the destructive practice of deficit spending by passing the Kyl substitute, the balanced-budget-spending-limitation amendment which we will be voting on later today.

This proposal, Mr. Chairman, has been endorsed by a variety of organizations and individuals.

Just today in the Washington Times, there is an editorial by Walter Williams, a respected economics professor at George Mason University and a nationally syndicated columnist. Here in part is what Dr. Williams said, and he talks about my proposed balanced budget amendment, and he says:

> It's Section 2 of Mr. Kyl's amendment that gives it piranha-like teeth and as such creates dim prospects for passage: "A fiscal year's expenditures shall not exceed 19 percent of that year's gross national product." The reasoning is that 19 percent of the GNP is the average federal revenues collected over the last 40 years, despite good or bad economic times or tax rate increases or decreases. The spending limitation mandate would eliminate congressional hot-dogging with our earnings. The bill gives Congress incentive to enact growth policies; that's the only way it'd get more money to spend.
>
> Mr. Kyl's proposal is the best thing going so far and would go a long way toward reining in congressional spending.

My proposal is endorsed by the Americans for Tax Reform, Citizens Against Government Waste, Citizens for a Sound Economy, Free the Eagle, National Association of Manufacturers, National Roofing Contractors Association, National Tax Limitation Committee, National Taxpayers Union, and many more. In fact, just today the Washington Times newspaper in its lead editorial endorsed my proposal, and that offered by my colleague, the gentleman from Texas [Mr. BARTON], and I quote in part from this editorial:

> Posturing over a balanced budget is one thing. Actually putting teeth into is something else again. The two toughest of the four under consideration are offered by Republican Reps. Jon Kyl and Joe Barton. Mr. Kyl's proposal is scheduled to come to a vote tonight.
>
> Mr. Kyl's resolution calls for more than just a balanced budget. He would go further, limiting federal spending to 19 percent of gross national product permanently. The Clinton team, trying to frighten the public from supporting a balanced budget amendment in the Senate, threatened huge tax increases, saying that only with them could the budget gap be killed. Mr. Kyl nixes that threat with his limit on spending.

Mr. Chairman, we will have an opportunity to vote on four substitutes beginning tonight and concluding tomorrow. I urge my colleagues to begin by voting yes on the Kyl substitute, the spending limitation which includes the line-item veto. Then I would urge tomorrow that they also vote "yes" on the Barton-Tauzin amendment and the Smith-Stenholm amendment. These are all three good approaches.

I would suggest that the best approach, as Walter Williams and several taxpayer groups have said is the spending limitation, because it not only assures that we achieve the balanced-budget requirement by limiting spending, which is the real problem—our problem is not we are not getting enough revenues, our problem is we are spending too much—but it also assures that we have the line-item veto to help enforce it.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. EWING], a great friend of the balanced budget amendment to the Constitution.

Mr. EWING. Mr. Chairman, it comes as no surprise to some of us that have not been around here too long that the national debt is a rock around our neck.

Now, poor judgment got us into that condition. That national debt has been growing since Harry Truman's time.

I take no great pride in the fact that under some Republican Presidents we have grown a lot on our national debt. But I also point out that at the same time we had Democratic-controlled Congresses.

We have in America separation of powers between the Congress and the administration. When the White House is controlled by one party and the Congress by another, we both have a dual responsibility to spend wisely.

It is obvious we have not been doing a very good job of that. Common sense would tell the responsible American business person that they have to balance their budget or they go out of business, or the responsible American family that if they fail to balance their budget, they will not have money for educating their children, recreation, health care, retirement, even providing a home.

These strangely are the very same things that this Congress wants to provide for our constituents. They are our responsibility of a conscientious government. So we had better put common sense into our spending and look at the American budget, if we want to provide Social Security retirement, health care for the less fortunate, education for our children, recreation, and even defense.

You know, I am very, very upset by the scare tactics used on senior citizens that are calling my office and saying, "If you vote for the balanced budget, they will cut Social Security." That is totally false. Nothing in any of these amendments would make us cut Social Security.

Ladies and gentleman, we have four choices. Three are all right. One is a fig leaf. Let us pass something that is meaningful for the American people.

Let us pass the balanced budget amendment that truly gets the job done.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume, and I will be glad to yield to the gentleman on my time if that is agreeable to the other gentleman. My question is very simple: I respect what you say about Social Security. But is it not the simplest way—if you know that it will not be cut—is it not the simplest way to take it off budget and remove that issue of concern once and for all?

Mr. EWING. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Illinois.

Mr. EWING. If we do not address the budgetary problems of this country as a whole, taking Social Security off budget will not do it.

□ 1400

We will not have the funds for Social Security in a few years; that is the point. And yet you tell people, senior citizens, that balancing the budget is going to destroy Social Security. In fact, not balancing the budget or taking it off budget will destroy Social Security.

Mr. WISE. Mr. Chairman, continuing to yield to the gentleman: What is the role, then, of Social Security? Why do you not just say we are going to give you the peace of mind, we are going to move it off budget? Unless you want to use Social Security—and I am not accusing the gentleman of planning to cut Social Security, please understand that—but I do understand that Social Security, under any administration, is used to mask the full size of the deficit.

It is used to mask the size of the deficit. Why not, then, move it off and let Social Security worry about Social Security's problems and worry about the operating income and the general Federal income on its own?

Mr. EWING. Because I think of our budget as a whole in this country and we have to look at it as a whole. When we start piecemealing it, that is when we get into trouble.

Mr. WISE. Does the gentleman from Texas [Mr. STENHOLM] want to get in on this?

Mr. STENHOLM. I would share the time that we might consume.

The CHAIRMAN pro tempore (Mr. MCNULTY). We are currently under the time of the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, I request that I use my time and I know the gentleman from Texas will give me some time later.

Mr. Chairman, I yield to the gentleman from Texas.

Mr. STENHOLM. I think it is important that we clarify this. I do not know of a single Member of this House who is proposing to cut Social Security. I do not believe there is anyone who is proposing to do that. I certainly am not, and I know the gentleman from West Virginia is not; neither is the gentleman from Illinois.

What some of us believe, though, is that unless we deal with the total fiscal problems of this country today—and I would like to put in another, a little different perspective—if we agree, and most of us do agree, that the private pension funds of this country are having some difficulties today in this unfunded liability status—and they do—then perhaps we have the same in the Social Security fund today.

It is very true that, by talking about the Social Security trust fund as it is today, with current recipients, there is surplus. But all of us know that unless changes are made in the out years, that we are going to run into some additional problems, we are going to run into some unfunded liabilities. There are two ways to address that:

One of them is what the gentleman from Texas [Mr. PICKLE] will have, if he does not already, and that is to increase the retirement age for Social Security, so that we tell the young, our sons and daughters entering the work force today, "You will not be able to retire at age 67 as under current law but you will have to retire at age 68 or perhaps at age 70, and prepare for it." And if we do that, there will be no problem for anyone.

The second thing—and this is where I object to the language of exclusion of Social Security—if we have the unfunded liability, and we do, if it is true that our current surplus is roughly $360 billion, which it is, if it is true that we will build another add-on of the surplus this year of about $67 billion, let us round it off to $420 billion, that is still only about a 13-month period of obligation of those funds.

Therefore, I would hope that, as we talk about whatever we need to do in the entitlements, in Social Security, that we refrain from using that to spend it for other purposes, but we think in terms of building the Social Security trust fund so that there will be a greater assurance of that money being there for our children and grandchildren.

I yield back and appreciate the gentleman from West Virginia yielding to me.

Mr. WISE. Mr. Chairman, I am beginning to run a deficit on my own time.

Could I give up my time and grab a few minutes from you later on?

The CHAIRMAN pro tempore. The gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. We are balancing our rhetoric, if not the budget, at this point.

Let me just say, in response, that the gentleman makes some good points. I want to point out that the Social Security system is in a separate fund; it has always enjoyed that reputation, that integrity with the American people. Indeed, when many years ago there was a first attempt at encouraging, if you will recall, when the Treasury was beginning to divert some funds coming in, on a bipartisan basis this House raced in, closed that loophole, paid the money back with interest, and said, "Never again." I think that reflected the sanctity of the Social Security system.

Yes, indeed, there are many other areas, but those are not funded. They come out of the general fund, VA, Federal retirees, the COLA's particularly. I do not know of any other program that is totally generated with its own revenues, including the cost-of-living adjustments that Social Security recipients receive.

Furthermore, as the gentleman has been one of the ones most aggressive in promoting honest budgeting and honest accounting, and yet he has to be as frustrated as many of us to know that our real deficit is significantly higher because the Social Security surplus that the gentleman refers to masks that. It just seems to me that you could have sound fiscal policy by moving it off.

Finally, there is one other point sometimes made, and that is the concern that other programs would be moved under the Social Security umbrella if it were off budget, such as veterans' programs or other beneficiary programs. The gentleman and I both know of the sanctity of the Social Security system. We would be hung at every town meeting and every Member in here would, justifiably, if that was attempted to be done. Both those that are retirees and beneficiaries of the Social Security system, as well as those who look forward to drawing from it, watch that program very carefully. They have some questions, particularly younger people, about whether it would be there for them, but, boy, they are watching that program.

So, I do not think it is very likely you are going to see that kind of monkeying. I just think you protect Social Security more by moving it off budget and then you can have the honest debate about the overall income balancing the real budget of the United States.

I appreciate the gentleman yielding.

Mr. STENHOLM. Briefly reclaiming my time, I say that is precisely what the argument should be. It should not be, as we have heard one or two previous speakers, suggesting that those of us who support our version are going to somehow gut the Social Security system. That is furthest from the truth.

And I say, if I hear anyone else saying it, which the gentleman from West Virginia is not, we intend to challenge those statements, because we can differ as to how we fiscally get to the point, but we cannot differ regarding the intent. There is no stronger supporter of the Social Security system in this body than this gentleman from Texas. I believe I share that with the gentleman from West Virginia.

Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. HUTTO].

First, let me say that we heard some rhetoric earlier about some tough votes and on May 23, 1985, there was the Leach-Slattery-McCain piece of legislation on the floor. It was defeated 56 to 372, and the gentleman from Florida was one of the 56. It was one of those tough votes we can look back on. If we had all voted as did the gentleman and as I did, we would not be here today discussing the Social Security trust fund or any other aspect of our budget.

Mr. HUTTO. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Stenholm balanced budget amendment, and I want to commend him on his work through the years. He has worked very, very hard to get our fiscal house in order to balance the budget. And this is the true balanced budget amendment, the Stenholm amendment, which our Nation needs to put our fiscal house in order.

The time has come to get our Government on the right track.

When I speak to my constituents about the deficit, I try to explain that the American people and Members of Congress want to reduce the deficit, but at the same time do not want a reduction in Government programs. We all know that something must give. While one can argue that Congress has the power to balance the budget right now, the political reality is that Congress needs an enforcement mechanism like the balanced budget amendment to hold our feet to the fire.

The Stenholm balanced budget amendment will provide the stick to see that the tough decisions are made to reduce our deficit. This is not an easy vote, but we must stand up now for the sake of our Nation's fiscal future.

I recently received a very touching letter from a 10-year-old constituent named Candy Magee from Pensacola who told me how much she wanted a balanced budget amendment, because she feared for the economic future of our Nation. Out of the mouths of babes—We must listen to our future. Much has been said about leaving this debt for future generations to bear.

My friends, the debt has already built to enormous proportions, more than $4 trillion, and we must correct this injustice. We simply cannot afford to mortgage the future of our young people.

Candy Magee says she thinks her debt to the Government at $17,500 this year is unfair. I agree. Can you imagine that? All of us, every man, woman, and child in the United States owes $17,500 just in interest on the national debt this year.

□ 1410

This constitutional amendment is necessary to get us out of the sea of red ink. The times demand it. We cannot continue to go on with business as usual. We must not think about special interests or what might happen when tougher votes follow. The American people sent us here to do what has to be done, and they deserve our devotion to duty.

So, Mr. Chairman, I urge my colleagues on both sides of the aisle to put aside the bickering over how to reduce the deficit and agree that we absolutely must balance our budget. So, vote for the Stenholm balanced budget amendment for this Nation's recovery.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Wyoming [Mr. THOMAS].

Mr. THOMAS of Wyoming. Mr. Chairman, let me begin by thanking the gentleman from Oregon [Mr. SMITH] and the gentleman from Texas [Mr. STENHOLM] for the very long and tireless efforts that they have put in on this issue, and I appreciate it much, and I hope everyone does.

The Federal Government has run deficits for 25 years straight; 55 of the last 63 years, deficits.

My colleagues say, "Well, we don't need to do much; we'll just fix it." That is not the evidence. That is not what we have done.

The national debt will grow to over $6 trillion by 1998, so the numbers speak for themselves. The national debt restricts economic growth and job creation, and it puts funding of every Federal program at risk. We need the discipline of a constitutional amendment.

Mr. Chairman, we have it in my State, a constitution amendment to balance the budget, and we balance the budget. We either cut back expenditures or we raise taxes, and it causes us, which is proper, to have a consideration of whether this expenditure is worth the taxes at cost-benefit ratio. That is what it is all about, and it forces that to happen.

Everyone here has said we need to do something, but I am a little concerned that we will have a wimpy amendment pass where people can say, yes, I voted for a balanced budget amendment, but the fact is it does not work. We had that a few years ago. We had it here in 1988, when they had the lowest—seventy-six had the lowest deficit, and then we found a way to go around it and say that is off budget so it does not count. It does count. It counts in the debt.

Mr. Chairman, this problem just will not go away. The longer we ignore the responsibility, the tougher it gets. The choice is simple. Either vote for Stenholm and begin to move forward or saddle our future generations with additional taxes.

It seems to me that budgets are more than a collection of numbers, that they are, in fact, a philosophical direction of where we want to go. Budgets decide whether indeed we want more government or whether we want less. If we want more government, we have to have more money, we have to have more taxes, or do what we have done in the past, and that is charge it. But our charge card is maxed out. And so budgets have something to do with philosophy.

I ask my colleagues, "Do you want more taxes or do you want less? Do you want more programs? Do you want less? Do you want to use the private sector? You want to use local government? You want more Federal Government programs?"

I certainly support the Stenholm amendment and the other two amendments that go with it, and I urge their support.

Mr. WISE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. BISHOP].

Mr. BISHOP. Mr. Chairman, Congress has a spending problem that threatens the economic foundation of our country. Our red-ink policies are mortgaging the future of our children and grandchildren.

In my home State of Georgia, we are required by law to have a balanced budget—and we do. We simply cannot spend more money than we collect—except for capital outlays which can be financed with bonds.

Georgia is one of the most fiscally sound States in the Nation today, largely due to the legal requirement of a balanced budget.

Yet, we are moving swiftly in Georgia to improve the quality of life for our people with quality programs for economic development, education, crime control, highway construction, tourism, health care, the environment, and agriculture.

We must have the same fiscal responsibility here in Washington as we do in Georgia.

That's why I signed the discharge petition to bring the balanced budget amendment to the floor today. That's why I support the Wise substitute to the balanced budget amendment that will force a balanced budget by the year 2001—except for instances of war and recession.

Most of all, Mr. Chairman, I strongly support the Wise substitute because it excludes the Social Security fund so as to protect our senior citizens. We need to protect the Social Security fund because its belongs to the people who helped build a strong America, who have worked hard and are now in the sunset of their lives. They deserve no less.

However, I will reluctantly support the Stenholm version of the balanced budget amendment as a less attractive option, because of the impact it could arguably have on senior citizens.

Yet, we all know that it's time for us to bite the bullet in favor of fiscal responsibility. It's time for a balanced budget. And to make that happen, it's time for a balanced budget amendment.

I, therefore, urge my colleagues to vote to lift us from the quicksand of deficit spending that is about to suck us under. Vote for the balanced budget amendment.

Mr. STENHOLM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WISE) having assumed the chair, Mr. MCNULTY, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, had come to no resolution thereon.

CONFERENCE REPORT ON H.R. 3345, FEDERAL WORKFORCE RESTRUCTURING ACT OF 1994

Mr. CLAY submitted the following conference report and statement on the bill (H.R. 3345) to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-435)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 3345), to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, and 4, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SEC. 6. MONITORING AND REPORT RELATING TO VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

No later than December 31st of each fiscal year, the Office of Personnel Management shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives a report which, with respect to the preceding fiscal year, shall include—

(1) the number of employees who received a voluntary separation incentive payment under section 3 during such preceding fiscal year;

(2) the agency from which each such employee separated;

(3) at the time of separation from service by each such employee—

(A) such employee's grade or pay level; and

(B) the geographic location of such employee's official duty station, by region, State, and city (or foreign nation, if applicable); and

(4)(A) the number of waivers made (in the repayment upon subsequent employment) by each agency or other authority under section 3 or the amendments made by section 8; and

(B) the title and the grade or pay level of the position filled by the employee to whom such waiver applied.

SEC. 7. DISLOCATION PAYMENTS FOR CERTAIN CONTRACTOR PERSONNEL.

(a) PAYMENT.—No later than October 31, 1994, the Director of the National Aeronautics and

Space Administration shall pay $5,000 to each full-time contractor employee who—

(1) was hired, under a contract relating to the Advanced Solid Rocket Motor Program, by—

(A) Lockheed Missiles and Space Company;

(B) Aerojet Corporation, Advanced Solid Rocket Motor Division; or

(C) Rust Corporation;

(2) was separated from employment in Yellow Creek, Mississippi, as a result of the termination of the Advanced Solid Rocket Motor Program; and

(3)(A) had been hired locally at Yellow Creek, Mississippi; or

(B) based on the separation referred to in paragraph (2), was eligible, but elected not, to be relocated.

(b) OFFSET.—No payment made under this section shall be offset against the severance costs of a contractor.

(c) SOURCE OF PAYMENTS.—Payments under this section shall be from funds appropriated under the subheading "SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS" under the heading "NATIONAL AERONAUTICS AND SPACE ADMINISTRATION" under title III of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124; 107 Stat. 1299).

(d) LIMITATION ON PAYMENTS.—The amount of total payments made under this section may not exceed $1,000,000.

And the Senate agree to the same.

From the Committee on Post Office and Civil Service for consideration of the Senate amendments to the House amendment, and modifications committed to conference:

WILLIAM CLAY,
FRANK MCCLOSKEY,
ELEANOR H. NORTON,
CONSTANCE MORELLA,

From the Committee on the Judiciary, for consideration of Senate amendment numbered 1 and modifications committed to conference:

JACK BROOKS,

From the Committee on Government Operations, for consideration of Senate amendment numbered 1 and modifications committed to conference:

JOHN CONYERS,
EDOLPHUS TOWNS,

From the Committee on Rules, for consideration of Senate amendment numbered 1 and modifications committed to conference:

BUTLER DERRICK,
ANTHONY C. BEILENSON,
Managers on the Part of the House.

JOHN GLENN,
DAVID PRYOR,
JIM SASSER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 3345) to provide temporary authority to Government agencies relating to voluntary separation incentive payments, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

SENATE AMENDMENT NUMBERED 1

Senate amendment numbered 1 to the House amendment proposed to insert a new section 6 and section 7 in the House amendment. The proposed section 6 would establish a "Violent Crime Reduction Trust Fund" as a separate account in the Treasury. For each of fiscal years 1994 through 1998, specific amounts would be deposited in the Fund representing the savings achieved by the Federal employee workforce reductions mandated under section 5 of the House amendment. The amounts in the Fund would be appropriated only for the purposes authorized in the Violent Crime Control and Law Enforcement Act of 1993 and would not be subject to any budget enforcement procedures under the Congressional Budget Act of 1974 or the Balanced Budget and Emergency Deficit Control Act of 1985.

The new section 7, proposed to be inserted by Senate amendment numbered 1, would require the Director of the Office of Management and Budget to reduce the discretionary spending limits set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by $720,000,000 in new budget authority and $314,000,000 in outlays in FY 1994; $2,423,000,000 in new budget authority and $2,330,000,000 in outlays in FY 1995; $4,267,000,000 in new budget authority and $4,184,000,000 in outlays in FY 1996; $6,313,000,000 in new budget authority and $6,221,000,000 in outlays in FY 1997; and $8,545,000,000 in new budget authority and $8,443,000,000 in outlays in FY 1998.

The conference agreement substitutes an entirely new text for the text of sections 6 and 7 as proposed to be inserted by Senate amendment numbered 1. In lieu of the matter contained in the proposed section 6 of the Senate amendment, the conference agreement substitutes a new section 6 which requires the Office of Personnel Management to submit a report, no later than December 31 of each fiscal year, to the Congress relating to the voluntary separation incentive payments authorized under section 3 of the Act. The annual report must include information on the number of employees who received a voluntary separation incentive payment under section 3 of the Act; the agency from which each such employee separated; the employee's grade or pay level at the time of separation; the geographic location of the employee's official duty station; the number of waivers granted in the case of reemployment by the Government; and the title and pay level of the position filled by the employee to whom such waiver applied.

In lieu of the matter contained in the proposed section 7 of the Senate amendment, the conference agreement substitutes a new section 7 which authorizes "dislocation pay" for NASA Advanced Solid Rocket Motor contractor employees hired locally by Lockheed Missiles and Space Company, Aerojet ASRM Division, and the Rust Corporation at Yellow Creek, Mississippi.

Two major science/space programs, the Super Collider and the Advanced Solid Rocket Motor Program (ASRM), were terminated by the Congress last year. While Congress provided Super Collider contractor employees with both relocation and dislocation assistance, ASRM employees were allowed only relocation assistance. This language would provide equity and consistency with respect to how these contractor employees are treated after program termination.

The new section 7 authorizes dislocation payments of $5,000 to each of approximately 175 individuals who were full-time ASRM contractor employees at Yellow Creek. Since the dislocation pay would be funded from existing appropriations for ASRM termination, the amendment has no budgetary impact.

SENATE AMENDMENTS NUMBERED 2, 3 AND 4

These are clerical amendments redesignating section numbers. The House recedes.

From the Committee on Post Office and Civil Service for consideration of the Senate amendments to the House amendment, and modifications committed to conference:

WILLIAM CLAY,
FRANK MCCLOSKEY,
ELEANOR H. NORTON,
CONSTANCE MORELLA,

From the Committee on the Judiciary, for consideration of Senate amendment numbered 1 and modifications committed to conference:

JACK BROOKS,

From the Committee on Government Operations, for consideration of Senate amendment numbered 1 and modifications committed to conference:

JOHN CONYERS,
EDOLPHUS TOWNS,

From the Committee on Rules, for consideration of Senate amendment numbered 1 and modifications committed to conference:

BUTLER DERRICK,
ANTHONY C. BEILENSON,
Managers on the Part of the House.

JOHN GLENN,
DAVID PRYOR,
JIM SASSER,
Managers on the Part of the Senate.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore (Mr. WISE). Pursuant to House Resolution 331, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution, House Joint Resolution 103.

☐ 1417

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, with Mr. SKAGGS in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, we were in general debate on House Joint Resolution 103.

The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Chairman, I come to the well of the House today somewhat reluctantly but in strong support of the approach of the gentleman from Texas [Mr. STENHOLM] to our monetary difficulties.

Since 1974, Mr. Chairman, the country, through the Congress, has weighed this Budget Act for deficit spending over 600 times. We, as history will conclude, collectively, both administrations, Democrat or Republican, and the Congress, whether it was Democratically controlled in the House or the Senate, both or one, have been unable, with the collective advice and consent of the citizens of this country, the voters of this country, to bring our financial house in order.

There are two factors about this debt that concern me. No. 1, it is relative. A $4 trillion debt to a $7 trillion economy is one thing. A $4 trillion debt to a $15 trillion economy is somewhat less severe.

□ 1420

Our economy needs to grow and our debt needs to stay the same or stable.

The second thing that bothers me most about this debt is that we have mortgaged our country. In 1979 to 1980, about 8.9 cents out of every revenue dollar went to pay interest on our national debt. Today we are paying 14.5, almost 15 cents of every revenue dollar as interest on the national debt. What we and others who have come before us and the people who return us here have done is mortgaged our home, our country, from an 8-percent rate in 1980 to an almost 15-percent rate today. That cannot continue. We now, even with the Budget Act that was passed last year, are headed toward a 15, 16, or 17-percent mortgage rate on our country.

It has been suggested that we cannot get to a balanced budget if we do just a yearly balanced budget by 2001. As the gentleman from Texas has suggested, we still have a $4 trillion debt, and that will go to $5 or perhaps $6 trillion by the year 2000. So we have a debt, no matter what we do here today. We just cannot continue raising the interest rate and continue to mortgage our country. That is why I think the time has come for us to collectively put everything on the table. I think we are going to have to do something about our debt and our deficit, and we are going to start today.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, 200 years ago, Thomas Jefferson wrote that if he could add just one amendment to the Constitution, it would be a prohibition against Congress borrowing money.

Such an amendment, he reasoned, would defend the American people from the tyranny of government by keeping the Federal Government within its constitutional bounds. If Jefferson thought taxation without representation was bad, he should see it with representation.

Unfortunately, Mr. Jefferson never got his amendment and the Government we have now is the culmination of his fears—a bloated and ineffective mass that stretches its constitutional authority to the limit.

How bad is it? This year, with the introduction of his budget, Bill Clinton claimed his administration's policies had solved the budget crisis.

His Director of OMB, Leon Panetta, stated that Republicans would have killed to be able to offer this budget.

And we have been exposed to Democrat after Democrat crowing about the strength of the economy and their success at cutting the deficit.

What were they all cheering about?

According to Clinton's budget, the deficit will fall to $175 billion next year. Then it will rise to $182 billion in 1997, $256 billion in 2001, and $365 billion in 2004.

In Washington, this is considered success.

Obviously, something stronger is needed.

Despite these awesome numbers, some groups still oppose the balanced budget amendment.

First, they fear a balanced budget amendment will tie the hands of Congress and force it to cut some programs in order to fund others.

In other words, they fear that Congress will have set priorities and stick with them.

That is not an argument against a balanced budget amendment. It's an argument for it.

If special interest groups object to the balanced budget amendment because it would restrict Congress' ability to spend and make the budget process less flexible let's pass it quickly.

Unrestricted, flexible spending is what created the deficit in the first place.

Second, there are those groups who question the effectiveness of a balanced budget amendment. They claim it is just a feel-good measure which will fail to reduce the deficit and will add lots of unnecessary detail to the Constitution.

Someone should get the opponents of the amendment together and let them know their arguments contradict each other.

Which is it? Will the balanced budget amendment will work or not?

The answer is the balanced budget amendment will establish the framework under which Congress will have to make its spending decisions.

Congress will still have to make the spending decisions, but it will be done without the open-ended funding option now available.

Mr. Chairman, this is the third time in the last 4 years the House will vote on a balanced budget amendment.

Four years ago opponents of the balanced budget amendment argued that Congress didn't need the amendment to balance our budget. We have the power right now, they argued, to deal with our deficit without amending the Constitution.

The House defeated the amendment by seven votes.

Since then, the Federal debt has grown by over $1 trillion.

Two years ago, opponents of the balanced budget amendment argued that the amendment would demean the Constitution, tie Congress' hands, and hurt the economy.

The House defeated the amendment by nine votes.

Since then, the Federal debt has grown by over $500 billion.

Mr. Chairman, let us end this deficit madness. Let us allow future generations of Americans to decide for themselves how they want to spend their money.

The balanced budget amendment is not the final answer to our fiscal problems, but it will provide a measure of discipline that doesn't exist now. For that reason, I applaud this effort and strongly support the balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Chairman, I rise in support of a balanced budget amendment to the Constitution, the amendment offered by the gentleman from Texas [Mr. STENHOLM], the gentleman from Oregon [Mr. SMITH], the gentleman from Arizona [Mr. KYL], or the gentleman from Texas [Mr. BARTON]—any of those or all of the above.

Mr. Chairman, I have 23 grandchildren and not 1 of them has lived a single day under a balanced Federal budget. That says something is wrong. That says it's time to change the way Congress does business.

A balanced budget amendment would force us to change: force us to make the hard choices we should have been making all along; it's the right thing to do.

Still, there are those today, squawking away like dime store parrots, who say we don't need a balanced budget amendment. Before you listen to their song, take a close look at who they are and why they're squawking.

Sure, the hogs on the bill—the Washington big spenders—say we do not need an amendment. They say we can balance the budget without it. Twenty-five years of red ink say they're wrong. The truth is that they don't want to quit spending.

Plenty of other folks around the country; folks riding high on the taxpayer gravy train, are squawking, saying we do not need a balanced budget amendment. The truth is that pigs feeding at the trough never like to be interrupted.

And then there are the so-called senior citizen advocates who are peddling fear to senior citizens by telling them a balanced budget amendment would threaten Social Security benefits. This is an outright lie—an outrageous lie.

The truth is that a balanced budget amendment would be the finest guarantee possible that the Federal Government will, in fact, be able to honor its commitments to our senior citizens when we get down the road 10, 20, or 30 years from now.

The largest threat to Social Security is and always has been deficit spending.

We need a balanced budget amendment to protect Social Security; to stop the gravy train; and to slow down the hogs on the hill.

But most of all, we need a balanced budget amendment for our children and our grandchildren. Don't mortgage our children's futures and don't bury our grandchildren's dreams under another 25 years of red ink and broken promises.

This amendment is change. This amendment is reform. This amendment is a bright neon promise to our children—our grandchildren—and to all future generations that Congress has finally gotten the message—it's the national debt stupid.

I urge my colleagues to ignore the squawking and vote for reform—for change—and for a balanced budget for our children.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LEVY].

Mr. LEVY. Mr. Chairman, with the Nation drowning in a sea of red ink, the debate in which we engage this afternoon may be the most important discussion that we have in this Congress. And I hope that the American people are watching, Mr. Speaker, because today we find out who has been sincere—and who has not—when they said that the Government spends too much.

This is the day in which we learn who thinks that, like every American family, the Government should stop borrowing to finance day-to-day operations except in extraordinary circumstances.

It's the day on which we learn who believes that the Federal Government ought to conduct itself like 90 percent of our States have to—by balancing their books every year and reducing spending levels so as not to exceed the moneys that are available.

Now, many people will come to the floor today to say that we don't need a balanced budget amendment.

It's OK, they say, to routinely spend more money than we have. And apparently, they do believe that.

We need a balanced budget amendment. It's the only way that we will reduce the deficit that Congress has created.

Think about it: If every person in America sent Washington a check for $17,000—if every family of four sent in $68,000 tomorrow—we'd still be in debt. And that is true because the men and women who have served in this Chamber—and in the Senate—haven't had the discipline to say "no" when asked to spend money that their country did not have.

Mr. Chairman, I want to address some comments to the senior citizens who have been told that a balanced budget amendment threatens the services and benefits that they receive from their Government.

In fact, my friends, your benefits are in jeopardy. But it is not what we talk about today that threatens you. It is the rising Federal debt. It is the interest payments we make on the debt—the hundreds of billions of dollars that we pay because we have borrowed so much—that threatens every Federal program. We have got to stop.

Let us bring an end to fiscal irresponsibility. Support the balanced budget amendment.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair wishes to remind the gentleman from New York [Mr. LEVY] that under the rules of the House he should address his comments to the Chair and not to an audience outside the Chamber.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume just to say this:

I would just say for the benefit of the previous two speakers that nobody disagrees that one of the best things we can do for all citizens, including senior citizens, is to reduce interest and to keep interest rates down, because reducing the deficit benefits everyone.

But I have to keep coming back and challenging them with this: I ask, why do we not just give senior citizens the ultimate guarantee, and that is take it off budget. We do deficit reduction and we take it off budget, which is exactly what the Wise-Pomeroy-Price-Furse-Byrne-Eshoo amendment does.

Mr. Chairman, I now yield such time as she may consume to the gentlewoman from Virginia [Mrs. BYRNE], who can speak knowledgeably on that subject.

☐ 1430

Mrs. BYRNE. Mr. Chairman, I rise in support of the Wise balanced budget amendment and in opposition to the Stenholm and other Republican amendments. As a former Member of the Virginia State Assembly Finance Committee, I helped balance seven consecutive State budgets. We did not do it because it was easy. We did not say to the voters that we had all the answers. We did it because Virginians demand that we keep our fiscal house in order and our Constitution says it.

Forty-nine out of fifty States balance their budgets. Millions of businesses and families every year balance their budgets. I do not think we even need to talk any more about whether the Federal Government should be made to do the same. Of course, it should.

The question is are we going to give the Federal Government the same tools that States, the private sector, and families use to balance their budgets?

If we vote for the Stenholm amendment, I believe the answer is no. These plans continue the same budgetary shell game that has been played for decades. The Federal Government holds the notion that there is no difference between the money they borrow to pay yearly expenses and the money they spend on long-term investment.

No business, no family in the country, budgets this way, certainly no State governments. Businesses borrow to build factories; families borrow to buy homes; and States borrow to build prisons and roads. They all make sure that their operating budgets are balanced, while their long-term expenses are amortized over the useful lives of their investment. They know the difference between investment and overspending, but the Federal Government has never caught on.

Today on the floor we have heard at least three references to Mr. Jefferson's abhorrence of debt. As a gentlewoman from Virginia, I can tell you as President Jefferson, he borrowed $15 million for the Louisiana Purchase and did so without congressional authorization, but that is another story.

The fact is that Mr. Jefferson, as President Jefferson, knew that for the expansion and the great necessity of this country, we had to make investment. We had to do it. There are those times when we should do it, and let us not confuse those times with our operating debt.

Including capital expenditures in the budget is an one-time, fits-all approach to budgeting that will create a constitutional tourniquet that will cripple our strong economy and cost jobs for this Nation. Even worse, the Stenholm and other Republican amendments continue the accounting trick that turns the Social Security trust fund into money that government uses to offset the debt and to mask that deficit.

But, Mr. Chairman, Social Security is not the government's money. Social Security belongs to the people who paid into the system. If you are truly serious about saying that this will not affect Social Security, then take it out of the picture. There is only one way to take Social Security out of the picture, and that is to vote for the Wise amendment.

The other plans that are available, let Government continue to use more false numbers and make more false promises. Their supporters claim they are doing just what other States do, but if we hold the Federal Government to the same standards as the States, let us give them the same rules. The only amendment that will allow Government to make investments in the future, while keeping accounting honest, is the Wise amendment, and I ask for its support.

Mr. WISE. If the gentlewoman will yield, I appreciate her statement very much, and particularly her history lesson. Is it not a bit ironic that there are some in this Chamber who would urge a balanced budget amendment, and yet they are from the area encompassed by the Louisiana Purchase. Had Jefferson carried out what they said he meant, they would be using a voting card in Paris in order to vote on behalf of their constituency.

Mrs. BYRNE. Reclaiming my time, I would say to the gentleman that I am sure that President Jefferson knew that he had an opportunity to make this country greater, and he took it. And when he looked at deficit spending in theory, I am sure he did not anticipate those kinds of capital expenditures when he did become President. So indeed it is an irony that those same people who would support not having a capital improvements budget, would also not be here if the Louisiana purchase were not made, if they followed Jefferson's prescription.

Mr. WISE. If the gentlewoman will yield further, it is true as well, and I thank the gentlewoman, that the only amendment on the floor during this debate and that will be voted on that has a capital budgeting provision and permits those kinds of expenditures that have a long term economic return is the Wise-Price-Pomeroy-Byrne-Eshoo-Furse substitute.

Mrs. BYRNE. Mr. Chairman, reclaiming my time, that is the only one that has a capital budget and the only one that absolutely guarantees that Social Security will not be a part of this discussion.

Mr. WISE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I wanted to congratulate the gentleman from West Virginia [Mr. WISE] and the Gang of 6 that have joined together in this effort to offer a constitutional amendment that I think really faces up to the problem that we have in this country of sustained long-term annual deficits, but does it in a way that I think is very realistic and fair in the traditional analogy that is always made to the budgets of our States and localities.

Amending the Constitution does not provide a major stumbling block for me personally. I think there is nothing inappropriate about having in the Federal Constitution language similar to what exists in many of our States on the question of annual deficits. Discipline might be actually advanced if we had such a provision.

But what I am concerned about is the constant analogy that we face that pretends that the budget that we have at the Federal level is similar to the kinds of budgets we have at the State and local level. In my view, that is just not the case.

So I have serious concerns about the Stenholm proposal, and I think the proposal that the gentleman from West Virginia [Mr. WISE] and the gentleman from North Carolina [Mr. PRICE], and others have put together, really does go to some of the essential differences that ought to be included in any amendment that we would adopt.

First of all, I think we all understand that many of our States have general or operating funds which are in balance, but which have large capital budgets which are accounted for in a totally different way.

We at the Federal level, of course, put them all into one pot. We have I think, an impossible task in the short run, certainly, if we are to take the concept of a balanced budget and apply it to our system. Because not one, and this is really the bottom line, of the States has a balanced budget requirement like the one that the Stenholm proposal would mandate for the Federal Government.

Forty-eight percent of all total spending in 1992 was of the general fund or operating fund type. That is, I think, a very different environment than what we face here. And I would hope that all of us who really believe that we have got to be more honest about the way we budget would begin by creating a concept of a capital or investment budget that is included in this proposal.

The reason I think this is the most intellectually honest one though is that we should not take the annual cost of paying that debt off budget. The Wise-Price budget amendment will make sure that we factor into our annual operating budget, should their amendment be adopted, the cost of servicing that debt, which should be considered every time we incur it, just as it is at the State level when legislators vote to put on the State ballot a bond act for any number of positive purposes.

In addition, I cannot support a super majority. A three-fifths vote, or any vote beyond a majority, it seems to me, strikes at the fundamental principles of majority rule.

My State of California annually ties itself in knots during the budget process because, I think like only five other States, it requires a two-thirds majority to pass a budget. In recent years, the Governor, a Republican, has been unable even to get most members of his Republican minority in the legislature to support his budget resolution.

Last year, that impasse was resolved more quickly because the public outcry over gridlock in Sacramento reached such a point that both parties concluded it would be appropriate once and for all to put aside the annual budget battle for the good of the order.

□ 1440

But whether it be for personal or political or policy reasons, too often a minority, for reasons perhaps even unrelated to the issue at hand, the passage of the annual budget, can tie the process of legislating, of governing, in fact, up into such a tight knot that nothing gets done. And while that may serve the interests of a few, in the long run it does nothing but undermine public trust in government.

If we were to take a step in the enactment of the Stenholm amendment to further complicate the process of passing the most important document anybody enacts in any given fiscal year, it seems to me we would be taking not only a step back toward gridlock but moving in the direction of further reducing public trust in the institutions that we serve in.

It seems to me, as well, that last but not least, we really do need to look at Social Security as a separate program. We understand that Social Security runs surpluses at times in order to cover the needs of the baby boom generation, perhaps, that is coming in the next century and burdening us at a time when taxpayers will have enough on their plate but to absorb a rapid increase in some sort of payroll tax.

So we adjust our income, our revenue from Social Security to fit the demographics of the time we are part of. This is not a trust fund in the traditional sense of a pension fund, but it is a revolving fund that has historically meant to seniors, in fact, all who hope to become seniors in our society, that we will, in fact, have money for them when they are eligible. It seems to me that we ought not to expose Social Security to the kind of cuts that would be perhaps required under a draconian imposition of the Stenholm constitutional amendment.

I think we are all aware that it is going to take time for us to get to a point where even any of these amendments could be adopted and implemented, because, in fact, while we are moving in the right direction, now with the lowest deficits since 1978 in real economic terms, with a 40-percent reduction over the deficit anticipated under the last administration for the next fiscal year, while we are moving in the right direction for deficit reduction, we are going to have to stay the course And we are going to have to avoid, frankly, spending on many things that would be preferable and desirable in our society. But we are not going to be able to get the ultimate point where any of these amendments could apply without continued discipline. So what I would suggest is that we pass the Wise-Price amendment, put in place a timeframe in which we could begin to live with it, and at the same time, stay the course on the economic policies that this administration has in place, plus enact the additional restraints on entitlements that we know are needed, particularly in the area of health care, which is driving almost all our outyear spending, and then begin to learn to live with a capital budget, with an investment budget that will more honestly account for the way in which we set priorities among the annual expenditures for the maintenance of government operations and the entitlements, the efforts to maintain income in the private sector that we are so heavily involved in as a society.

I want to congratulate those who have come together to put this package together. I think it meets the challenge that the amendment of the gentleman from Texas [Mr. STENHOLM] presents us in a more understandable and honest and realistic way. I do want to say, however, that the contribution of the gentleman from Texas [Mr. STENHOLM] is clear to us all.

Not only on this issue but on all related spending matters, his ability to galvanize the public and to speak to the conscience of his colleagues here in Congress has been most helpful. And while I think I come to a different point than he does on the solution to this problem, I want to congratulate him for advancing his cause and a cause that we are all caught up in and want to deal with. Regrettably, I think it will be seen soon in a variety of different ways. But I do want to conclude my remarks by particularly thanking those who have intellectually and honestly addressed the challenge and have brought us an amendment that I can strongly support, when it is voted on tomorrow.

Mr. Chairman, I rise in support of the Wise substitute to House Joint Resolution 103, the constitutional amendment to require a balanced Federal budget.

Amending the Constitution to provide incentives for fiscal restraint will give us the discipline we need if we are going to continue to reduce our overwhelming deficits. But we need to ensure that our budget process balances this critical discipline with the flexibility that will enable us to make fiscal policy adjustments. That is why I have serious concerns about the Stenholm proposal.

First, supporters of the Stenholm proposal like to cite the fact that it requires the Federal Government to balance its budget just like States have to. But we must be both honest and realistic when we look at how States actually do balance their budgets. To begin with, States' balanced budget requirements often do not apply to their total budgets. They only apply to their general or operating funds which, in 1992, only accounted for 48 percent of total State spending. And, in spite of requirements to balance their budgets, we must remember that States issue bonds, borrow money, carry funds over from year to year, and they have the ability to cut programs and services unilaterally. The bottomline is that not one State has a balanced budget requirement like the one that the Stenholm proposal mandates.

Second, the Stenholm proposal requires that total Federal outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the total membership of the House and senate vote for a specific deficit by a rollcall vote. This gives the minority—the other two-fifths—the ability to control the process of passing the budget.

I can well remember the California State budget crisis in the summer of 1992 when the State legislature and Governor were held hostage because a two-thirds majority was needed to approve budget changes made by the Governor. This created gridlock. By example alone, this represents the need for the majority, not two-thirds or two-fifths, to control the budget process and to change our spending priorities. But the Stenholm proposal would take us right back to where we were before—enmeshed in the gridlock that plagued this Government for over 10 years.

Third, we must realistically confront capital budgeting—the critical investments in essentials like our schools, our infrastructure, and our national security that provide long-term economic returns—something which the Stenholm proposal does not do. The Wise substitute, however, deals with capital spending honestly and effectively. It sets up a separate capital budget—just like States do—for these expenses, and it provides that these investments be paid for over their useful life.

Last—but by no means least—the Stehnolm proposal leaves the Social Security Program wide open for cuts. In these times of deficit reduction and spending cuts, Social Security is a most appealing target. But cuts in Social Security would deprive older and retired Americans of critical benefits that are rightly theirs—benefits that have been promised to them to help ensure their economic security in their golden years. By not exempting Social Security, the Stenholm alternative lays the groundwork for pulling the rug out from under older Americans at the time in their lives when they are most vulnerable. But the Wise option protects their interests by specifically exempting Social Security from balanced budget calculations.

I have always maintained that the budget must be balanced—that the large annual deficits we are carrying are undermining America's future. We cannot continue to perpetuate this burden on our future generations. But, if we are to meet this challenge, we must do so responsibly, honestly, and realistically.

For this reason, I support the Wise Price substitute to the balanced budget constitutional amendment. It will not permit a minority in Congress to overpower the majority for their own political or policy interests. It will enable us to continue to make the critical long-term investments that we need to ensure our continued economic health. And it will not balance the budget on the backs of older and retired Americans. I urge my colleagues on both sides of the aisle to support its passage.

Mr. SMITH of Oregon. Mr. Chairman, I yield myself 1 minute and 30 seconds.

Mr. Chairman, I just wanted to reflect for a moment, the first section of the Smith-Stenholm resolution states, section 1:

> Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless there are three-fifths majority of each House, House and Senate, which allows that to happen.

That sentence strikes fear into the big spenders in this Congress. That is the thing they cannot handle. And the reason it is very difficult is simply because we indeed have masked this budget over the years. Of $150 billion trust funds, there is $113 billion that is masked. This takes the mask off. We have to identify every receipt and every expenditure and, therefore, the mask comes off, not goes on.

Beyond that, this amendment will save Social Security. There is not one person that supports Smith-Stenholm that does not support Social Security, not one. And yet the threat here seems to be that we are going to eliminate Social Security. How ridiculous.

And one other point here, the capital budget idea is a giant loophole in this whole process. Congress will continue to spend money, calling it "capital expenditures." It is a way to duck the hard decisions that we are all trying to make and to bring this budget into balance. It is a method of getting out of the responsibility.

Mr. Chairman, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I am a firm believer that our States are the laboratories of democracy—49 States have a balanced budget requirement. This responsible fiscal policy has served the States extremely well. It is time to require the Federal Government to play by the same, sound financial rules that have proven to be so effective in our States.

And, I know first hand the value of a constitutional balanced budget amendment. As Governor of Delaware, I submitted and managed eight consecutive balanced budgets. During times of prosperity in the early 1980's, we were able to cut taxes three times and fund some much-needed social, children's, housing, and highway programs.

However, during a couple years of tough economic conditions, Democrats and Republicans came together—tightened our belts, cut spending—and, implemented a highly successful early retirement option for State employees to reduce the government payroll. Due to the fiscal discipline required under the balanced budget law, the State of Delaware maintained its excellent bond ratings on Wall Street and weathered the recession remarkably well.

As Governor of Arkansas, Bill Clinton knew the value of a balanced budget requirement. On February 17, 1979, he told the Arkansas Gazette,

> Arkansas was lucky that we can fall back on our constitution that doesn't allow us to spend more than we take in * * * I believe the government in Washington ought to be run on a balanced budget too, unless there is an economic emergency.

Unfortunately, President Bill Clinton has abandoned his support of a balanced budget amendment. In a letter to congressional leaders dated November 5, 1993, he expressed his, "firm opposition" to a balanced budget amendment—saying it would, "promote political gridlock and would endanger our economic recovery."

Mr. Chairman, I respectfully disagree. A balanced budget amendment has not promoted political gridlock or endangered economic recovery in our States. To the contrary—from my experience as Governor of Delaware, the need to enact and maintain a balanced budget brings the two parties together—working toward a common goal, and promotes sound fiscal decisions to sustain economic growth.

The bottom line is that since 1969, the Federal Government has spent more money than it takes in. Congress has proven it is unable to control its appetite to tax and spend. Make no mistake, simply enacting a balanced budget amendment will not balance the books. However, I believe it will impose the financial discipline needed to make the tough decisions on how to cut spending and restructure Government operations so we can stop charging billions and billions of dollars every year on some imaginary credit card—leaving our children and grandchildren to pay the bills.

I urge my colleagues to vote for the Stenholm, Smith, Kyl, and Barton balanced budget amendment substitutes.

Mr. WISE. Mr. Chairman, may I inquire of the Chair how much time is remaining on each side?

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] has 56 minutes remaining, the gentleman from Texas [Mr. STENHOLM] has 36 minutes remaining, the gentleman from Oregon [Mr. SMITH] has 45½ minutes remaining, and the gentleman from California [Mr. GALLEGLY] has 1 hour and 22 minutes remaining.

□ 1450

Mr. WISE. Mr. Chairman, I yield 4 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, Mark Twain used to say, "Everyone talks about the weather, but no one does anything about it." I would like to paraphrase that, and say, "Some of us talk about a balanced budget—and some of us do something about it."

In this case, we know who the talkers are. They are those of my colleagues—on both sides of the aisle—who are advancing the idea that amending the Constitution can balance the budget. With all due respect, this is simply not the case.

We know how to balance the budget. We know it is not easy, quick, or pleasant. It is done through painstaking scrutiny, not through broad-brushed rhetoric. It is done through tough-minded decisions, not through easy slogans. And above all, it is done honestly—by laying out the options, explaining the consequences, and debating the choices.

This Congress knows how to do it, and has made substantial progress in that direction. Last summer's reconciliation package is working, moving us toward the lowest Federal budget deficit in a decade. Yet many of my colleagues who are most dedicated to a balanced budget amendment passionately opposed that plan. And now, some say they opposed it because it did not do enough.

Mr. Chairman, how can a statement that we ought to do something—or even a statement that we be required to do something—take the place of actually doing something?

Of course, there is no guarantee that a balanced budget amendment will ensure fiscal responsibility. In fact, there is every reason for fear that, with an amendment, that goal will become more elusive.

Far from ensuring that a balanced budget must be passed, the amendment simply ensures that a budget supported by three-fifths of the House must be passed. Why? Why make it more difficult to enact a responsible budget? Why make it more difficult to kill unnecessary programs, to enact responsible reforms, to make unpopular choices?

As the Washington Post noted on Tuesday, a balanced budget amendment would allow 40 percent of the House or Senate to hold the entire process hostage. At what cost might that hostage's freedom be purchased?

Mr. Chairman, I believe that the balanced budget amendment is more than unnecessary. It could block our progress toward a responsible budget, and I urge my colleagues to oppose it.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. MONTGOMERY], another one of the courageous 56 who voted for the Leath-Slattery-Mackey amendment in 1985. Had that been in the majority, we would not have been here today.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman for yielding time to me. I rise in strong support of the balanced budget amendment, and I want to thank the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] for the work they have done on this balanced budget amendment.

Mr. Chairman, I rise in strong support of the balanced budget amendment and I want to commend congressman STENHOLM and congressman BOB SMITH for the work they have done to bring it before us.

Amending the Constitution is not an easy thing to do. It requires a two-thirds vote in both Houses and ratification by 38 States. It should only be done on issues of critical national importance. I think putting an end to deficit spending and forcing the Federal Government to live within its means is such an issue.

We spend $816 million each day on interest payments. In 1993 the Government paid $293 billion just to pay the interest on its debt. That is more than we spend today on defense and it is more than the entire Federal budget in 1974. This is a serious problem that will only grow worse if we don't act now to turn it around.

This balanced budget amendment represents the strongest and most binding incentive to force congress to address the issue. If we start now, congress will still have the flexibility to set budget priorities to protect social security and other vital programs.

But if we delay and allow the debt to continue to grow, no program will be safe from drastic cuts in the future. And as growing interest payments take more and more of the Federal budget, we will also be threatened by higher inflation and worsening conditions throughout the Nation's economy.

Mr. Chairman, we cannot afford to delay any longer, passing this balanced budget amendment is the right step to take today to start the process of restoring fiscal responsibility.

I urge my colleagues to vote yes on this resolution.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. SMITH of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. DEFAZIO].

The CHAIRMAN (Mr. SKAGGS). The gentleman from Oregon [Mr. DEFAZIO] is recognized for 3 minutes.

Mr. DEFAZIO. Mr. Chairman, I thank the gentlemen for yielding time to me.

Mr. Chairman, even if I believed the extraordinarily dire predictions of doom and gloom that I have heard from some of my colleagues who oppose the balanced budget amendment, I would still be in favor of it, because the choice before us is quite simple. We either balance the budget or we declare bankruptcy.

The current debt is $4.3 trillion. That is $17,495 per person. The youngest baby born this minute owes $17,495. The oldest retiree, over 100 years old, owes $17,495, a crushing burden of debt. We are adding to it daily. We are going to leave it as an inheritance for our next generation and the generations to come.

Mr. Chairman, $816 million a day in gross interest payments, they do not go to make any of the needed investments in education, infrastructure, or health care. They go to pay debt. Those payments are growing every single day. When I first came to Congress, I said I was opposed to the balanced budget amendment because it was a gimmick. Certainly, I said, our leaders in Congress and Washington realize the imperative of restraining our spending.

In my third budget cycle a number of years ago I came to the bitter reality that the temptation to borrow and spend is much more attractive than fiscal responsibility. Since I have been here, we bailed out the savings and loans to the tune then of $150 billion, off budget. It did not count. We still have to borrow the money. We still have to pay it back with interest, but it does not count. The California earthquake relief, just a month ago, we are going to borrow the money, over $11 billion. We are going to have to pay it back, but it was a dire emergency supplemental. It does not count.

Mr. Chairman, we added into the dire emergency supplemental $1.2 billion for the endless appetite at the Pentagon, and last week in the budget we increased the authorization for the Pentagon by $2.4 billion. We will never restrain the endless appetite for money at the Pentagon until we have a balanced budget amendment. Vote for this amendment, and set some hard guidelines.

Mr. SMITH of Oregon. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Oregon.

Mr. SMITH of Oregon. Mr. Chairman, the gentleman raised the point that I want to enunciate again, and that is simply by this Congress declaring an emergency, somehow we do not count it. We do not count the sham and the disguise of the trust funds, including the Social Security surplus. Is that what I heard the gentleman say?

Mr. DEFAZIO. That is correct. We spend the money, we borrow the money from the trust funds and elsewhere. Someone is going to have to repay it some time, but we just pretend that it does not count.

Mr. SMITH of Oregon. If the gentleman will continue to yield, should this amendment pass, all those funds would have to be identified exactly, would they not?

Mr. DEFAZIO. I believe Social Security would be more secure under this amendment. I worry about the day when Social Security will owe the entire debt of this Nation, which is coming in the near future, after the next century, and the temptation of a future Congress to say, "Why should we pay ourselves $350 billion or $400 billion interest out of the Social Security trust fund? Let us wipe it out and start all over with some new tax to support Social Security." Of course we will have to cut the benefits.

Mr. SMITH of Oregon. I thank the gentleman.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BAKER].

Mr. BAKER of California. Opponents of the balanced budget, including the old Democrat, President Clinton, claim it is a gimmick, that Congress already has the power to balance the budget. However, Congress has demonstrated it is incapable of balancing a Federal budget. Bill Buckley, former editor of National Review, said what we need in Congress is "Spenders Anonymous."

Look at this chart, and parents at home, you may not want your children to see this. The budget was last balanced in 1969. Since then, we have had six Presidents, 25 years, and every year since then we have spent more money than we have brought in. Every year we have enlarged the Federal debt burden on our children and grandchildren.

Mr. Chairman, debt levels have skyrocketed, thanks to our spendthrift Congress. David Gergen, editor-at-large at U.S. News and World Report, in 1992 wrote a letter saying, "We can no longer flinch from reality. We can no longer afford the illusion that we can borrow our way to prosperity," in an article for U.S. News and World Report entitled "Balance the Budget by Force."

□ 1500

Walk down the hall and tell that to the President, Mr. Gergen.

In 1993 Congress increased the national debt limit without my vote $225 billion, from $4.1 to $4.3 trillion. That means $17,000 for every man, woman, and child in this Nation.

Interest on the debt equals 57 percent of all of your income tax paid this year. The second largest item in the Federal budget is interest on the national debt, not the debt itself, for government we have already consumed.

The balanced budget spending limitation amendment offered by the gentleman from Arizona [Mr. KYL] attacks the root of the deficit problem: congressional spending. First it requires a balanced budget unless three-fifths of both Houses vote to increase the debt limit.

Second, it establishes Federal spending limits of 19 percent of GNP. I support the Kyl amendment.

I support the Barton amendment and I support the Stenholm amendment. You balance the budget; I will vote for it.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Chairman, I rise today in strong opposition to the balanced budget amendment.

Mr. Chairman, I too am concerned about the Federal budget deficit. We must make every effort to realign our national priorities and focus limited Federal dollars on our most pressing national needs.

The problem with the balanced budget amendment is that it makes no provision for social programs benefiting our most vulnerable population, as in previous budget reduction measures. Under this proposal it would likely be the sick, the poor, and our children who will sacrifice.

If this amendment is adopted, today's health care crisis will become tomorrow's public health disaster. Revenues earmarked for financing health care reform—Medicare and Medicaid cost reductions— would instead be directed towards deficit reduction. With this constitutional amendment, we will have no dollars for universal health coverage, too few funds for HIV research and treatment, inadequate support for community health centers, and scant attention to breast cancer research and other urgent health needs.

This amendment would also force us to turn our backs on our most precious resource—our children. Today, almost 15 million of our kids live in poverty. Many have no chance for a meaningful, quality education. More than 50 percent of eligible children are never reached by Head Start. Federal dollars for educating our children, which have dropped to a mere 2 percent of the budget, would drop further if the balanced budget is adopted.

The constitutional amendment would also mean cut-backs for critical anti-poverty measures, such as low-income housing assistance and urban revitalization. During the dark Reagan years the poor in our cities were relegated to the shadows. The Department of Housing and Urban Development, the primary vehicle for urban aid, saw its budget slashed by more than any other Federal agency. With a new administration and the strong leadership of Secretary Cisneros, our urban poor are again getting the attention and support they desperately need. Passage of this amendment would mean severe cutbacks for housing assistance and the community development funds critical to the revitalization of our city neighborhoods.

Mr. Chairman, we do need to make tough budget choices. We need to turn billions for weapons into medicine for the sick, computers for school children, and housing for the homeless. We must not balance our budget with further tears in the safety net. Vote "no" on the balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, I rise in strong support of the balanced budget amendment, and in opposition to the Wise substitute.

Everyone is talking about the need to make tough choices, but its clear to the American people that that is not happening. The system is broken, and the only people who will not admit it are Members of Congress. The balanced budget amendment is critical to fixing what is wrong with the system.

Those who think Congress will make tough choices to control spending without the amendment must have forgotten how this very Congress refused only a few weeks ago to terminate a $10 million program for native Hawaiians that even President Clinton said was unneeded and duplicative.

Last week, we adopted a budget resolution that increased the national debt from $4.6 trillion this year to $6.3 trillion in 1999, or nearly a 50 percent increase. This is even more debt piled onto the backs of future generations to finance current consumption. We are literally mortgaging the futures of not only our children, but also of our grandchildren.

Moreover, the $203 billion in net interest we're paying on the debt this year alone produces absoletly nothing of value for the American public. It does not put one more policeman on our streets, or repair one road or bridge.

Let us end this irresponsible practice by adopting the balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Chairman, today I rise in strong support of the Stenholm balanced budget constitutional amendment. I also intend to support the Kyl and Barton amendments. These are all serious proposals that would help Congress do what it refuses to do now—spend the taxpayers' money with intelligence and restraint. The Stenholm amendment would require a three-fifths vote to increase the official limit on our national debt. With such a tool in hand, I believe we in Congress could find the collective will to truly challenge the special interests and the entrenched House leadership with their business as usual mentality.

In response to the demand for real change, the Democratic leadership has produced a phony balanced budget amendment, one which exempts major elements of the budget and imposes no new requirements for approving a deficit or raising the debt. This empty alternative gives nothing to the American people; rather, it merely seeks to provide political cover to those who vote for it.

In my home State of New Jersey, where we have a requirement to enact a balanced budget each year, support for a Federal balanced budget amendment is overwhelming. The people I represent know it will take sacrifices if we are going to put the Nation on the road to fiscal responsibility. But it must be understood that the people are way ahead of their elected representatives in their willingness to try new ways to tame the deficit monster.

Mr. Chairman, sooner or later Congress will have to put its spending programs in priority order. With the $4 trillion national debt projected to grow by at least 50 percent over the next 5 years, it would be better for all of us to begin now. I urge my colleagues to support the Stenholm balanced budget amendment.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume. Since the gentleman described my amendment as phony, I want to respond, and I am sorry the gentleman would not yield, particularly when I was offering to put my time on the line. But since he would not yield, then I will go ahead and give the unexpurgated and uninterrupted version.

First of all, there is nothing phony about this. Members have to make a decision as to whether or not they think Social Security should be on budget or off budget. The gentleman has not been here in previous years, but many of our predecessors, both from your State and other States who have been here more than 2 years, have sworn, raised their hands and sworn an oath in town meetings that they thought Social Security was sacrosanct and should be off budget. So to the gentleman who just spoke, I would say that I think that there is an honest difference of opinion, but please, I would hope that no Member, Mr. Chairman, would characterize an amendment as phony. We can have honest differences of opinion, and that is valid, but not characterizations which so far have not come into this debate, and I hope they will not.

But I do want to address some subjects the gentleman brought up. One is capital budgeting. The gentleman is from New Jersey, and New Jersey being a State of the Union, and having determined that almost every State, at least 49 States of the Union have a form of capital budgeting, now I know the form in West Virginia, and I suspect it is similar in New Jersey in which you may borrow money for roads and bridges and infrastructure, and you have a fund, and you probably sell bonds. I am assuming that is what it is. I think it should be pointed out that what the Wise-Price-Pomeroy-Furse amendment seeks to do is to replicate that experience of the States. You say you want to have a balanced budget like every State does. We give you that opportunity.

□ 1510

Furthermore, I find it interesting, and I have heard others come from legislative backgrounds, is there some kind of blinders that happens when you get within the Beltway that you forget your State legislative experience? The 2 years that I had the privilege of serving in the West Virginia legislature I learned about the need for capital investment. I learned about the need for a balanced budget. But we did it within the context of being able to make the investments that were necessary for our State to build the infrastructure to promote our economic growth.

In the amendment, the Wise-Price-Pomeroy-Furse amendment, what we do is do exactly what many of the States do, and that is to take that stream of investment and to take that which is debt service, that which you either through depreciation or that which you pay for debt service, and to make that part of the operating income.

There is no free ride with capital investment. Make no mistake about it. But what you do is to account for it in the same way that a business does and that a State does and every municipality.

I would hope we can avoid those kinds of characterizations. Honest differences of opinion, yes, but phony, absolutely not, and we feel that if you are serious about wanting to be similar to what the States do and to have the same strictures that a State does then our amendment actually gets you closer, because I am not aware of any amendment, and I would be delighted to get into a discussion with the gentleman from Texas [Mr. STENHOLM] possibly at some point on this.

I am not aware of any State that has a structure similar to either the Stenholm amendment, the Kyl amendment, or the Barton amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I come from a small State, the State of Oregon. We have a capital budget. We also have a little problem, a $6 billion budget this year, and we are going to have to take $1 billion out of the budget, $1 billion.

We are in the face of crippling higher education, education in our State, beyond suspending the whole issue of a capital budget.

I only am suggesting that this is a way to spend more money which is not allowed.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

I will point out to the gentleman that he has more time if he is going to be exercising the other time.

My question simply would be this way: Does Oregon have some form of capital budgeting? And I believe that it does.

Mr. SMITH of Oregon. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Oregon.

Mr. SMITH of Oregon. Mr. Chairman, that is exactly my point. We do have a capital budget. It is the whole budget that is in jeopardy in our State. Higher education is in difficulty, many times because of our capital expenditures, which are stopped at the moment. They are gone.

So do not tell me that a capital budget is the epitome of success budgeting. It does not work that way.

Mr. WISE. Does Oregon also have a balanced-budget provision?

Mr. SMITH of Oregon. Absolutely.

Mr. WISE. And so somehow even with those structures in there something has slipped, which tells me a balanced-budget amendment in and of itself is no panacea.

Mr. SMITH of Oregon. I will be delighted to answer the gentleman's question.

Exactly, we have a balanced-budget amendment to the constitution, and we do spend for capital outside of it including bonding. The payment on the interest of the bonds has us in so much trouble we are going to have to strip $1 billion out of the budget of $6 billion.

Now, had we had a balanced-budget amendment that included capital expenditures, we would not be in this shape.

Mr. WISE. I appreciate the gentleman's remarks. I would say obviously you have to keep capital budgeting under control if you seek to control operating expenses. At the same time, though, I think we enter into an illusory world to think that a dollar of investment that can produce a greater return should be treated the same as a dollar of everyday consumption.

Now, I cannot speak to the experience in Oregon. But I can speak to the experience in West Virginia, and the experience I have had in my State legislative experience, which is that you have to be able to promote those policies that provide growth; the reality of the situation, Mr. Chairman, is that after all the charts, the red lines, and seas of red ink and all of that are done, the reality of the situation is you can pass umpteen balanced-budget amendments tomorrow. The fact is that until you take some hard steps, you will not begin to balance the budget.

You cannot tax your way out of this situation. You cannot cut your way out of this situation. You are going to have to do a mixture of both, but you are also going to have to have a strong element of growth, and growth will not be facilitated by saying that you will not recognize investment for long-term economic return. You will not recognize that and make provisions for it, encourage it, but instead you will stifle it even further than it already is in the Federal budgeting process.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Rhode Island [Mr. MACHTLEY].

Mr. MACHTLEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of the balanced-budget amendment.

It is a resolution that I have supported since I came to Congress. I have supported it because I believe it is the only way that we will get the debt away from our children.

American families in my home State of Rhode Island and across this Nation every year must make tough choices. They must live within their own budgets. Federal, State, and local taxes, high mortgage payments, car payments, tuition payments, medical bills, all of these are factors in everyone's life, but they must live within their budgets. The Federal Government must start doing that as well.

Even though we have tried, we have seen over the last 15 years our expenses going up and our revenues going down. In fact, during the last 12 months, spending has been up 4 percent, and revenues have only been up 0.2 percent.

Just 20 years ago, no Federal debt annually approximated $25 billion. Now we casually treat an annual debt of $300 billion as if that is acceptable.

It seems that if American families are going to have to have two people working just to make ends meet, we in the Federal Government have an obligation to our children to make sure we are not spending their heritage.

But here in Washington things work differently. For far too many years our Federal Government has assumed that somehow we can reap some huge source of money in the future to pay for our expenses today. Because we put people on the Moon and discovered cures for enormous and difficult diseases, we have assumed we could have it all.

Unfortunately, we cannot. We must live within our means.

Since the 1960's we piled up a deficit amounting to more than $4 trillion. Unlike American families who would have to face foreclosures, garnishments of wages, and other legal proceedings, the Federal Government merely passes it effortlessly to our future generations. That is the cruelest.

We have Gramm-Rudman, Gramm-Rudman 1 and 2, we have had amendments, we have had the 1990 Bush budget agreement, we have had the 1993 Clinton budget agreement, but nothing seems to work.

This is like when the patient goes to a physician and has a terrible case of cancer. When all else has failed and the physician says there must be a dramatic surgery, the patient has to make that choice.

The balanced-budget amendment may not be perfect, but clearly after 20 years of attempting to maintain a budget for future generations, something is needed.

Alexis de Tocqueville said in his writings and in his "Democracy in America,"

> The American republic will endure until the politicians find that they can bribe the people of the country with their own money.

We are getting very dangerously close to bribing the people of this country through entitlements and other spending programs with their own money. We must in fact balance the budget, and I think this is the appropriate method to do so.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I was not going to take part in this debate today, but as I was in my office and heard one of the speakers, I felt compelled to come here, because I have heard people say over and over again in the 10 years I have been in this House, particularly when they are back in their districts:

> You are sending me to Washington, and I am going there for one main purpose. I am going to balance the budget. I am going to help the people in the Congress. We are going to change things. We are going to do it differently, and we are going to balance the budget.

I have heard that enough times to say that if I had $5 for every time I have heard people say that, I could give that to the Government and balance the budget. That is fact.

People talk about it all the time. But the fact of the matter is we all come here with good intentions, and most of us do, but when we get here, the process proceeds as normal.

I suggest, therefore, in order to get this job done, we need to change the rules. We need to change the rules so we have to balance the budget like many of the States do and like families and like people all over our country in businesses do as well.

This chart is wonderful, and it demonstrates wonderfully exactly what we do around here. All of these red lines all the way back to when we had a balanced budget in 1969, and the year before that was 1960, and it is kind of incredible. We sit here and argue about whether or not we are going to balance the budget when, in fact, we have no choice. Someday the budget has to be balanced.

I would remind everybody that one of the previous speakers said all we need to do is have the intestinal fortitude to carry out this mission so important to our country and our children, that is, balancing the budget.

□ 1520

That is balancing the budget.

Then the other Member from the other side of the aisle pointed out that in 1990 we took a step toward balancing the budget and all the progress that has been made because of what we do in the Budget Reconciliation Act of 1993. Let me remind you of something: In 1990 the President's people, President Bush's people, and the leadership in the House and the Senate went out to Andrews Air Force Base and they met out there in a closed room, and they came back here and said:

> Well, we got a deal. We got a deal. We're going to increase taxes because we have to do something about this deficit.

Well, we projected then—CBO projected then—Congressional Budget Office projected then, it was not our projection, CBO projected that the budget deficit in 1995 would be $141 billion if we did not pass this tax increase. Well, the years went by and we got to 1993. The 1993 Budget Reconciliation Act, "We are going to raise taxes, we have got to do something about this deficit." So, in 1990 we raised taxes by $130 billion; in 1993 we raised taxes by $163 billion. Guess what CBO's projection for the budget deficit in 1995 is this year, not $141 billion, it is $170 billion.

So we have had two tax increases, and yet the spending continues to grow. And as I said in my opening statement, in order to get this under control, we need to do exactly what CHARLIE STENHOLM says, we need to vote for the balanced budget amendment and change the rules around here so we can get to where we need to be.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of House Joint Resolution 103, the balanced budget amendment. I support the basic concept of balanced budgets. My record is clear on that both in votes here in the House and in the Budget Committee.

The debate here today and in the other house last week on this issue has focused on several particular objections that people have to provisions of the balanced budget amendment. There are three, I think, that have come up regularly: First, that the amendment would create a supermajority; second, the provisions of waiver, just what and how the Congress could in fact waive the provisions of this amendment; then, third, whether or not this amendment would really be enforceable.

Now, I have to tell you that I can agree with many Members who have spoken, that these are perils. I agree there are risks. I agree perhaps there are refinements needed. There have been many attempts to resolve some of these issues here on the floor today. Mr. WISE here, and in the Senate, Mr. REID, attempted to do that. I would like to commend the gentleman from West Virginia [Mr. WISE] for the valiant attempt he is making. I agree with the capital budget concept, and I have a bill to do that. His bill would not create a super majority and would expand those areas for which waiver would be approved.

In fact, I and several of my colleagues on a bipartisan basis have worked, and worked very closely with Mr. STENHOLM, trying to identify some solutions to these particular three objections. I would like to refer you to and I will submit into the RECORD a side-by-side comparison of the Stenholm amendment, which is 103, and also House Joint Resolution 103, which is an amendment very similar to this one which I have filed which in fact differs only in three areas with the Stenholm amendment; that of supermajority, waiver, and enforcement.

Let me just indicate that on supermajority, while the Stenholm provision would require three-fifths' majority to either overspend beyond the budget or to increase the debt limit, House Joint Resolution 133 would not create a supermajority. The Stenholm provision on waiver would only provide for waiver in time of war. House Joint Resolution 133 would allow for a waiver for any purpose that Congress chooses to waive with a majority vote, but would have to do so by statute, which would then subject that statute to veto by the President and would then require a two-thirds' supermajority to override the veto.

This would bring the legislative and the executive branch together in actually balancing the budget and would avoid the need for supermajorities.

Finally, on enforcement, while the Stenholm provision would require future legislation to enforce, our provision would simply say that it must be repaid in the ensuing fiscal year or be subject to sequestration.

The document referred to follows:

ORTON AMENDMENT—HOUSE JOINT RESOLUTION 133

SECTION 1. Total outlays of the United States for any fiscal year shall not exceed total receipts to the United States for that fiscal year.

SEC. 2. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

SEC. 3. For any fiscal year in which actual outlays exceed actual receipts, the Congress shall provide by law for the repayment in the ensuing fiscal year of such excess outlays. If Congress fails to provide by law for repayment, within fifteen days after Congress adjourns to end a session, there shall be a sequestration of all outlays to eliminate a budget deficit.

SEC. 4. The provisions of this article may be waived for any fiscal year only if Congress so provides by law by a majority of the whole number of each House. Such waiver shall be subject to veto by the President.

SEC. 5. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

SEC. 6. This article shall take effect beginning with fiscal year 2000 or with the second fiscal year beginning after its ratification, whichever is later.

STENHOLM AMENDMENT—HOUSE JOINT RESOLUTION 103

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

SEC. 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by rollcall vote.

SEC. 3. (Same as Orton, Section 2.)

SEC. 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

SEC. 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House.

SEC. 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

SEC. 7. (Same as Orton, Section 5.)

SEC. 8. (Same as Orton, Section 6, except uses year 1999.)

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. COX].

Mr. COX. I thank the gentleman for yielding this time to me.

Why do we need a balanced budget amendment? I will suggest three reasons. First is rather straightforward: Spending is out of control.

The second is that taxes are out of control, driven by the insatiable appetite for more and more Federal spending.

The higher taxes are, themselves, the reason for economic stagnation, the lack of new job creation and less individual freedom.

The third is that it is the right thing to do and that laying off our obligation to pay for the spending that we occasion this year is the wrong thing to do.

Since 1969, Federal spending has increased on an annual basis more than 800 percent. Now, in 1969, it was a guns-and-butter year, and yet the entire Federal spending from 1969 through 1973, 5 years, is less than Bill Clinton's 1994 budget for 1 year.

Sixty percent of next year's deficit will consist of the new spending that Congress has added to 1993 levels. Spending is running out of control.

And yet the Clinton budget proposes additional spending of $1.475 trillion on top of the current levels for the years 1994 through 1998. Spending is out of control, and record tax increases are occasioned by this insatiable appetite for more and more spending.

We need not only a balanced budget amendment but we need a tax limitation amendment such as my colleague, the gentleman from Texas [Mr. BARTON], has proposed, and because spending is the problem, we need a spending limitation such as my colleague, the gentleman from Arizona [Mr. KYL] has proposed.

I mention finally that passing amendments like these would be the right thing to do. I point out that President Clinton's chief spokesman, David Gergen, wrote an editorial saying precisely this on June 1, 1992, in U.S. News & World Report. The headline, "Balancing the Budget by Force." Here is what David Gergen said in 1992, just 1 year before he went to work for Bill Clinton, who is now fighting a balanced budget amendment.

Mr. Gergen said:

> The time has come to recognize that the right thing to do is something we have long resisted, amend the Constitution so that Congress and the President are required to balance the budget.

Now it is David Gergen's White House that is long resisting a balanced budget amendment.

We in this body must do the right thing. We must bring spending under control, we must bring taxes under control. Today is the day we can do just that.

Mr. SMITH of Oregon. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BARTON] who himself has a substitute which includes a tax limitation and which I support.

Mr. BARTON of Texas. I thank the distinguished gentleman for yielding this time to me.

Mr. Chairman and Members of the House of Representatives, this is an historic debate. We should congratulate the balanced budget leaders, Mr. STENHOLM, Mr. SMITH, and others, Mr. TAUZIN, who helped on my amendment and Mr. KYL, for their efforts to bring this before the American people.

There are a number of balanced budget amendments that will be voted on this evening and tomorrow. They all have merit. I think that the case has probably been made about the need for some sort of balanced budget amendment, but I will add to the case very quickly.

As has been pointed out in the chart presented earlier, we have not had a balanced budget in this country at the Federal level since 1969, 25 years ago.

I would stipulate that if we do not pass an amendment to the Constitution requiring a balanced budget, we will never ever again in the history of this Nation have a balanced Federal budget. And if we never again balance the Federal budget, we are going to be in serious, serious financial difficulty in the very near future.

☐ 1530

The national debt is now $4.6 trillion. The good news is that it is not going up as rapidly as it has been. A year ago, Mr. Chairman, it was going up approximately a billion dollars a day. It is now going up at only half a billion dollars a day.

Having said that, the Clinton administration has dropped any pretense that their policies would get us to a balanced budget. The budget they submitted to this Congress in the 5-year budget plan shows the budget deficit at $176 billion this year and then going up each year thereafter.

The primary reason that the budget deficit has gone down is because interest rates have gone down, and, as interest rates have gone down, the Federal Treasury has refinanced the long-term public debt at short-term rates. At the end of this year the average outstanding maturity on Federal debt is going to be less than 3 years. As long as short-term interest rates stay low, Mr. Chairman, that is fine. But if short-term rates go back up and long-term rates stay as high as they are now or go higher also every increase of one point adds $46 billion in interest on the Federal debt that has to be paid in a given fiscal year. $46 billion would pay for two food stamp programs, or 1 year's spending on the entire Federal housing program.

Mr. Chairman, we simply cannot condone that kind of increase in spending just on interest on the national debt if interest rates go back up. We simply must amend the Constitution to require a balanced budget.

The question is today not whether we should balance the budget, but how should we balance the budget, Mr. Chairman. Myself and many others, the gentleman from Louisiana [Mr. TAUZIN] and 200 Members of the House, last year voted that we should do it by doing everything that the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] do, but in addition require a super majority vote to raise taxes, that is, a 60-percent vote to raise taxes. If our amendment had been part of the Constitution this year, we would not have passed the budget reconciliation bill that was passed by a two-vote margin in the House of Representatives. We would have passed the budget reconciliation bill; it just would not have had the tax increases in it. We would have forced the Congress to cut spending, not to allow taxes to increase.

Mr. Chairman, many, many States are adopting tax limitation amendments to their constitution. In those States that have a tax limitation requirement, a super majority tax limitation requirement, the average increase in taxes has been 2 percent less than in those States that do not. So, it is not impossible to raise taxes, but in States that have the super majority requirement for tax increases, Mr. Chairman, their tax rates have gone up an average of 2 percent less than those States that do not.

I say to my colleagues,

> When you look at the tax burden per taxpayer in those States that have a super majority requirement for tax limitation, the tax burden has actually gone down when adjusted for inflation by 2 percent in the period from 1980 to 1989. In those States that do not have the super majority requirement for tax limitation, the tax burden has gone up by 2 percent. So that is a 4 percent difference.

Now, Mr. Chairman, my colleagues may say, "What's 4 percent?" Well, 4 percent at the Federal level is an average of $20 billion a year in lower taxes, I repeat, $20 billion a year, $20 billion would pay for an entire year's spending on our agriculture programs.

Our problem in Washington is not insufficient taxes. In the time period between 1980 and 1989, Mr. Chairman, the average revenue to the Federal Government went up $55 billion a year. We doubled Federal spending between 1980 and 1990. The problem was, Mr. Chairmen, as revenues went up, spending went up even faster, and we have a number of charts that we are going to show in the debate tomorrow on my amendment that make that point very graphically.

The bottom line is:

We need to balance the Federal budget. There is no serious debate about that. At least there has not been so far this afternoon in the House of Representatives.

The question is how to amend the Constitution. We should build on the approach the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] are offering by going the additional step and requiring the 60-percent supermajority vote to raise taxes.

Tax limitation works.

Mr. WISE. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. FINGERHUT].

Mr. FINGERHUT. Mr. Chairman, I thank the gentleman from West Virginia [Mr. WISE] for yielding this time to me, and I would like to thank all of the sponsors of the various balanced budget amendment proposals here today for bringing this issue before the House and for enabling us to have this significant debate.

I intend to support a balanced budget amendment. Indeed I intend to support a number of different proposals in the hopes that at the end of the day we will have a balanced budget amendment pass this House of Representatives. I care about reducing the deficit. I have voted to do so repeatedly throughout the course of the legislative process over the last year and a half. The interest on the debt is killing us. It is stopping us from doing a whole variety of things that we need to do in this country, and we simply must get it under control.

But let me take just this moment to put in a word about Wise because I think that the proposal that the gentleman from West Virginia brings before us today deserves the serious consideration of this body.

When people ask me why I support a balanced budget, Mr. Chairman, I tell them that more than any another reason it is because I care about children. I do not want to run up bills today and have my children have to pay for them. But I also do not want to leave them a country that is impoverished of the basic infrastructure to enable them to build the kinds of economy, and jobs, and growth that they need. If we leave them crumbling roads and crumbling bridges because we squeeze out all of our infrastructure and investing to consume more and more of today's dollars on today's expenses, then we will have done our children an equal disservice. If we do not set aside the funds to build the schools and the recreational facilities that are necessary in this country, if we do not protect our environment, then it will mean little if we have left them with a balanced budget but require them to start from scratch to build the basic infrastructure necessary in this country.

The second word about Wise that I would like to add is this. As I have traveled throughout my district and talked to my constituents invariably the conversation about the balanced budget goes something like this:

"Why can't you balance the budget like we do in our home? Or, "why can't you balance the budget like we do in our business?" Or a city leader will say to me, "Why can't you balance the budget like we do in our city?" Or a State will say, "Why can't you balance the budget like we do in our State?"

My answer to them is that we have a chance to do that today, to balance the budget like we do in our homes, and our cities, and our businesses, and our States, and that is to balance our operating budget but set aside the necessary funds to invest in the future by separating capital expenses from operating expenses and insisting that we balance our operating budget, insisting so much that we put in the Constitution insistence that we set aside something for the future in our capital budgets.

I simply want to say, as I said at the beginning, that I thank all of the sponsors of these constitutional amendments. This is an important debate. I am going to support a number of the amendments that come before us today. But I particularly wanted to rise and let this body think through very carefully what the gentleman from West Virginia [Mr. WISE] has put before us. The concepts behind it are important. They are important to this debate about the Federal budget, and I urge support in addition to a general balanced budget amendment, the Wise amendment, today.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO. Mr. Chairman, I rise today in support of House Joint Resolution 103, the balanced budget constitutional amendment. My constituents back on Long Island agree with me that such a measure is necessary. In response to a questionnaire I sent to every household in my congressional district, 85 percent of the respondents said they support a constitutional amendment to balance the budget.

Some of my colleagues in this House argue that an amendment is not needed because we are on the right path, citing the declining deficit at least over the next 2 years. This misses the point. Even assuming that all the projected revenues appear and spending cuts occur as projected, the gross Federal debt increases by 35 percent to over $6 trillion in 1999. From 1995 to 1999, Federal outlays will increase by almost $340 billion, and the deficit is expected to begin rising in 1997 unless we take further action. The Congressional Budget Office projects that net interest on the debt alone will be over $200 billion for 1994. This is almost 80 percent of what we will spend on all domestic discretionary programs.

The path we are on imposes nothing less than a huge mortgage on our children. Thomas Jefferson said it well 200 years ago when he said, we must "consider ourselves unauthorized to saddle posterity with our debts and be bound to pay for them ourselves." Our inability to make the hard decisions necessarily lowers their standard of living.

Despite overwhelming demand from the American people, time and again, Congress has shown it does not have the internal discipline to balance the budget. Given Congress' dismal record, it is time for stronger medicine. Deficits have become ingrained and their perpetuation has become a structural pattern of behavior for Congress. Having tried everything else, I am convinced that a constitutional amendment is the only way to break this cycle of spending beyond our means.

In the 102d Congress, the House failed to pass a balanced budget amendment by just nine votes. This year, the Senate has acted first and with a disappointing result—four votes short. Some have argued that this result renders the House vote moot or even symbolic. I disagree. It is not moot, and as for reducing the House vote to symbolism, I would argue that House passage of this amendment will clearly show, for the record, our intent.

We must learn to live within our means, and not saddle our children and future generations with our debts.

To my very small daughters, Molly and Kelsey, 2 years old and 6 months old, this vote is cast for you and your future.

□ 1540

Mr. STENHOLM. Mr. Chairman, I yield 2½ minutes to the gentleman from Georgia [Mr. DEAL], an outstanding member of the freshman fiscal caucus.

Mr. DEAL. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of a constitutional amendment to balance the budget.

The United States of America is the demonstration project of modern civilization whose purpose is to prove that free people can govern themselves without the supervision of monarchs or dictators. Our pilot project has entered its third century, but is still an infant on the amortization table of history. Our success is not assured simply because we profess noble purposes and lofty ideals. Others have shared these dreams, yet they have failed.

The energy force of all governments is power—the power to take and the power to give. Democracies take in the form of taxes and give in the form of spending. Although taxes and spending are the opposite sides of the same coin, one would assume that the law of averages would dictate they would equally appear when the coin is tossed. For the last 25 years, however, the coin has always landed on the spend side, because Congress has the ability to load the coin and to spend more than it receives. In fact, we have done this for so long that some would elevate it to a religious requirement with the perverted admonition, "It is more blessed to give than to receive."

I believe this debate about a balanced budget amendment is really a debate about preserving our Republic. The greatest inherent danger in allowing free people to govern themselves is that the euphoria of liberty will produce an addition that denies the necessity of self discipline. Could we achieve the same result without this amendment by just saying no? Of course! But telling an addict to just say no will not work—and Congress is addicted to deficit spending. We have sold our own possessions and mortgaged our children's inheritance to support the habit. We have lost the ability to say no.

Anarchy is the twin brother of irresponsible democracy. The mystery of the American drama on the stage of history is—when will the twins swap places?

Mr. Chairman, I urge the adoption of this constitutional amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank my friend, the gentleman from Oregon, for yielding time to me. Let me say that I am going to miss the gentleman when he leaves this body, because he is a voice of reason, and we appreciate that.

Mr. Chairman, we have a historic opportunity before us today. We can start to make a lot of things right again by casting a vote for the balanced budget amendment. No family or household in America can spend more than it has, yet we allow the Federal Government to run huge budget deficits every year instead of forcing them to make tough decisions about Government spending. No father or mother can simply decide to ignore the bottom line and spend their hard-earned money recklessly or foolishly. Like almost everybody, American families and businesses are held accountable for the spending decisions they make. If they don't have the money, they don't spend the money. It is as simple as that.

Mr. Chairman, it is time we return to that notion of spending accountability. It is time for Congress to act like responsible Americans do all across this country and end the pattern of spending and borrowing this institution has tolerated for too long.

It is shameful that it has come to this—that the U.S. Congress has to pass binding legislation in order to balance its budget—but the balanced budget amendment we have before us today is the instrument we need. We need it to put Congress' feet to the fire. In the past, we have passed a multitude of budget laws—Gramm-Rudman-Hollings being the best example—that Congress was able to routinely waive or ignore. Today, we have an opportunity to cast a vote for legislation that, if passed, Congress would be unable to ignore. The balanced budget amendment will ensure that Congress must do what it has not done since man first landed on the moon 25 years ago: pass a balanced budget.

Mr. Chairman, we cannot afford to wait 1 minute longer. It took America over 200 years to accumulate our first trillion dollar national debt—that is one thousand billion—in national debt. The budgets for the last three fiscal years alone increased the national debt another trillion dollars. Interest payments on the debt are now the largest item in the budget; in fact, 57 cents of every dollar in personal income taxes is spent on servicing the national debt. In fiscal year 1993, the Federal Government spent more to service the debt—the product of decades of budget deficits—than what the U.S. Government collected in total revenues in 1976.

And our national debt is getting bigger by the hour. This time tomorrow, it will be nearly one-half billion dollars more than it is right now. Government spending is completely out of control. The Federal Government hasn't ended a fiscal year in surplus in almost a quarter-century and this profligate spending is expanding Government to gargantuan dimensions. For the first time in our Nation's history, there are more Americans working for Government than in manufacturing. Government employs more people in my neighbor state, Michigan, than the entire automobile industry.

Mr. Chairman, Government spending is a runaway train careening out of control. The full throttle of multibillion dollar budget deficits has powered an unprecedented growth in Federal spending, and entire generations of Americans stand to suffer as a result.

We must balance the budget now and attack the problem of the national debt before we further mortgage our children's quality of life. Congress can simply no longer live beyond its means, and the balanced budget amendment will force this institution to be responsible and accountable in their spending.

Do not let anybody tell you that it cannot be done either. If every American family can manage to balance their budget, then the Congress of the United States can do so as well. In fact, some of us already have. This past month, I joined Congressmen SOLOMON, FAWELL, and UPTON and others in drafting a budget that would eliminate the deficit within 5 years. These three, along with the entire balanced budget task force, deserve a great deal of credit for the leadership they have shown in cutting the deficit. Our budget, with almost 500 specific spending cuts slashing over $600 billion in Federal spending, managed to balance the budget without reducing Social Security, cutting earned veterans' benefits, gutting defense, or raising taxes.

These exceptions are important: The budget cannot and should not be balanced on the backs of seniors and Social Security recipients. Our budget cut the deficit without raiding the Social Security trust fund. We were successful: Our budget represented the largest and most specific deficit-cutting proposal ever considered by the House of Representatives, and the only one that ever actually resulted in a balanced budget.

The Solomon-Fawell-Upton budget is proof that balanced budgets are possible, and that all that is lacking is the political will and courage to restrain spending. The balanced budget amendment will give Congress that will because the American people demand it.

Just this month, a CNN/USA Today poll found that 66 percent of Americans support a constitutional amendment to balance the budget. This past December, a survey by the U.S. Chamber of Commerce showed that over 91 percent of businesses believed in the necessity of a balanced budget amendment. My constituents in Wisconsin want a balanced budget too; I have an annual questionnaire where people indicate to me their most pressing concerns. This year, as in years past, the single greatest worry to the people of my district is wasteful Government spending.

America needs the balanced budget amendment and Americans want Congress to pass it. Let us heed the wishes of the American people, and let us address the concerns of generations of future Americans. Today represents a historic opportunity to end a quarter-century of budget deficits, fire the first shot in the war against the national debt, and take the bold step of forcing Congress to act as fiscally responsible as every household in America. All with one vote. Cast that vote wisely—vote in favor of the balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I have heard it argued over and over again that it isn't necessary to have a balanced budget amendment to our U.S. Constitution. Opponents of the amendment argue: "Trust Congress" to balance the budget and protect the basic right of future generations not to be saddled with debt for which they had no part in creating—but for which they will have total responsibility for paying.

The argument that we don't need constitutional safeguards was made over 200 years ago against the first amendment to the Constitution, guaranteeing free speech. They said "Trust Congress" to not pass laws infringing on freedom of speech. But, wisely, the people of the original 13 States, in ratifying the Constitution, did not trust Congress to protect this basic right. In the ratification process of the Constitution it was agreed that a bill of rights, including the first 10 amendments to the U.S. Constitution, would be added to the Constitution.

Why, in light of the dismal and profligate decades-long record of congressional overspending should anyone now trust Congress to balance the Federal budget without a constitutional obligation to do so?

Congress has not balanced a budget for 24 years in a row and has run deficits in 56 of the last 64 years. This year, $300 billion will be incurred in order to service that debt.

When I came to Congress in 1985, the national debt was $1.4 trillion. During my 9 years in Congress I heard cumulative promises of trillions of dollars of deficit reductions in the form of all kinds of 5-year deficit-reduction agreements—the last two of which, in 1990 and 1993, were front-loaded with $414 billion in new taxes over 5 years.

And what did we get? Literally trillions of dollars of new debt. The national debt is now $4.4 trillion and growing. Worse, by 1999 even the administration admits there will be new debt of $1.9 trillion, for a 1999 national debt of $6.3 trillion. Worse, the OMB and CBO agree the deficit for 1999 will be over $200 billion and that—combined with estimated trust fund borrowing of $145 billion—gives us over $350 billion of new debt in the year 1999, with nothing but $350-billion-plus of new debt per year in the next century for as far as the eye can see.

And look what happened last week when Congressman SOLOMON's CBO-scored balanced budget was presented to this body—with $698 billion in cuts, producing an $8 billion surplus in 1999, with no cuts in Social Security or veterans' benefits. Yet there were only 73 Members of the House with enough courage to vote for the cuts required under the Solomon balanced budget resolution for fiscal years 1995 through 1999—56 Republicans and 17 Democrats. Ironically, some in news media are using that vote to argue against the constitutional amendment. But, obviously, that vote is the best argument for a constitutional amendment—it proved that Congress is incapable of balancing the budget without a constitutional amendment requiring them to do so.

So here we are, drowning in decades of red ink with no plans in this century or the next century to balance the budget. This body is like Nero fiddling while Rome burned.

If Congress cannot, under these circumstances, vote for a real balanced budget amendment to the U.S. Constitution, or, more accurately, to simply start the constitutional amendatory process to begin for ultimate approval by a sufficient number of State legislatures, it is painfully obvious that the leadership of Congress simply doesn't care about the basic rights of our Nation's children to be free from debilitating debt.

I urge my colleagues to support the Kyl, Barton, Stenholm balanced budget amendments.

□ 1550

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the lovely gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Mr. Chairman, I thank the gentleman for yielding time to me and for leading us in this battle.

Mr. Chairman, the time has come to pass a balanced budget amendment.

Opponents say that the Constitution should not be trifled with, and that because we as a body have failed, we should not pass the buck to the Constitution.

We also hear that economic policy should not be incorporated in the Constitution.

Such statements overlook the obvious and forget our heritage.

The Constitution is a contract between the Government and the governed. Like any contract, it has economic provisions.

The Constitution gives Congress the right to regulate foreign and interstate commerce—that is an economic provision.

The Constitution prohibited the Congress for levying direct taxes on the people. I might remind this body that this country's economy grew quickest when Congress only levied tariffs and this country's growth slowed only when Congress started to collect income taxes.

The Constitution permitted slavery, which was an economic provision that had to be repealed by a civil war.

History shows that the Constitution is an economic document.

We are debating this amendment because Congress will not balance the books.

For all the talk of hard choices, the Democrat leadership consistently muzzles any serious consideration of balancing the budget.

Last week during the budget debate, the Rules Committee disallowed discussion of blanket freeze budget proposals.

Why? Because they were fair and might pass. All budget proposals with hundreds of cuts are doomed to fail, because each cut represents a special project for a Member. Only an evenhanded freeze can pass—which is why the leadership precludes any vote on such an approach.

This resolution itself reaches the floor only by way of a discharge petition.

Hard choices are not being made, which is why over 30 States have called for a constitutional convention. If we cannot do our job, the buck will be passed to that convention.

The only way we can continue to provide Social Security for current and future recipients is to pass a balanced budget amendment.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from New Hampshire [Mr. SWETT].

Mr. SWETT. Mr. Chairman, I rise today in support of my colleague, the gentleman from Texas [Mr. STENHOLM], and the balanced budget amendment. I salute his determination and skill in bringing about this amendment, in bringing it to the floor of the House of Representatives, and extend my personal thanks for his leadership in this critical and crucial issue. I am proud to be cosponsor of the gentleman's amendment.

Today's action I find to be a little bit confusing, because we are debating among several different substitutes for a balanced budget amendment, and there is a great deal of angst and concern among those speaking about the differences between the two of them, whether or not we should have a balanced budget amendment to the U.S. Constitution. And what we really ought to realize is that no matter what happens today, no matter what vote is cast, we will not have any impact on the U.S. Constitution. The Senate has already destroyed that opportunity with the vote that they cast several days ago. So it seems to me our real issue here is not to debate what kind of a balanced budget amendment we need to have on the U.S. Constitution, but whether in fact we support the concept of balancing this Nation's budget.

Now that, I think, is a very elemental issue and ought not to have a whole lot of partisan or ideological disagreement involved with it. But it seems to have engendered that, and I am just trying to clarify and simplify the debate.

Every substitute that is on the floor ought to be supported. This is a golden opportunity for Democrats to support the idea of balancing this Nation's budget.

We are not going to implement an amendment to the Constitution. We are going to send a strong message back to our constituents, one that I think we are hearing from them, that we ought to get our fiscal house in order, and next term, next year, when we have an opportunity, we should work seriously to craft an amendment to the U.S. Constitution or to craft legislation that has to do with appropriating moneys that will effectively control the budget of this country and brings us to a point of responsible fiscal policy, balancing the budget, eliminating the deficit.

Democrats have this opportunity to make this statement today. We do not need to stand and let the other side of the aisle control this debate. That is why I think my colleague from Texas [Mr. STENHOLM], has done the responsible thing. That is why I think we ought to support every substitute on the floor today. That is why I think they ought to all pass unanimously. Because then the real educational debate begins, how is this going to be crafted. We know we want it.

Mr. Chairman, I ask for all of my colleagues to support all of the substitutes on the floor.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman from Oregon, and rise today in strong support of House Joint Resolution 103, the Stenholm-Smith balanced budget amendment.

Mr. Chairman, as I stand here, I am reminded of the James Taylor song, "That's Why I Am Here" because in fact this is one of the fundamental reasons that I was sent to Congress, to balance the budget.

Mr. Chairman, nearly 220 years ago the colonial subjects of King George III were energized, inspired, and finally incited to revolution by the slogan "No taxation without representation." It was the central, unifying theme of the Declaration of Independence. Taxation without representation was the straw, if you will, that broke the people's back. It was the single most inflammatory, unacceptable, and abhorrent characteristic of England's colonial domination and dominion over the fledgling colonies. Taxation without representation was the fundamental cause of the American Revolution.

And here we stand, fully two centuries later, having indulged for the past 25 years in the subtlest—and yet all the more insidious—kind of taxation without representation ever perpetrated. That is—a tax which we in this Congress and Congresses past have levied on our children, and our children's children—and perhaps their children too—without any representation at all.

They have no vote; they have no choice; They cannot speak; and who will speak for them?

The special interests who oppose this amendment—the guerilla warriors of intergenerational feuding and class warfare.

Who will speak for these children? Will it be the politicians who cynically continue to vote staggering deficits, deficits which are in effect nothing more than public financing of their own re-election campaigns—and which give them the ability to provide largesse and benefits to their special interest beneficiaries on the backs of future generations—those generations not represented.

That is, after all, what this debate is really all about. It is no less compelling, it is no less inflamming, it is no less true today than it was 220 years ago.

We cannot accept and will not tolerate for our children and grandchildren any form of taxation without representation.

□ 1600

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. RAVENEL].

Mr. RAVENEL. Mr. Chairman, Members have all heard about the straw that broke the camel's back. They just kept piling one straw on top of another straw, on top of another straw. And then, all of a sudden, the camel's back was broken.

Well, what dollar is going to be the dollar that breaks the back of the Federal Government?

If we do not get a handle on our deficit situation, let me tell Members what is going to happen. It happened on October 19, 1987, a lot of Members remember it, when all of a sudden for no apparent reason, the Dow just dropped out of bed and went on down and down and down. And when the bell rang, it was down 500 and 8 points. The next day, it went down 300 points more. And at 11:22, IBM, which at that time was the greatest common stock in the world, quit trading. The reason it quit trading was because there were no bettors.

Let me tell Members what can happen, if we do not pass this balanced budget amendment, and it is coming, folks, I am telling Members, it is coming, one of these Monday mornings when the Treasury goes in there to refinance the debt and raise $200 million or $300 million more dollars to cover those checks that they sent out on Friday, something is going to happen in this country or somewhere in the world. And the bond market is going to fall out of bed. And all those government checks, retirees' checks, pension checks, contractors' checks, all the checks will start flipping all over the country like a bunch of rubber checks. And it is going to be, "Kitty, bar the door" for the financial collapse will have occurred.

So I say to all my colleagues, for the sake of our country, for crying out loud, please, this day vote for this balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I rise in strong support of the Smith-Stenholm balanced budget amendment.

I also want to congratulate BOB SMITH, he has done yeoman's work on this issue over the years, and when he leaves this House in a few months, his constituents will miss him but this institution will miss him even more. This House needs more men like him.

Mr. Chairman, I have spoken out many times on this floor about out of control Federal spending. I have brought to this house the message that my constituents in east Tennessee keep giving me, and that is: stop putting all of this spending on our children and grandchildren and get Federal spending under control.

Yet, year after year, our deficits keep growing and our enormous debt continues to mount.

We hear speakers opposed to a balanced budget claiming that Social Security and Medicare will be cut if a balanced budget amendment is approved. This is totally ridiculous.

In fact, we can reduce our enormous debt without touching either of these programs.

I would like to share with my colleagues a letter to Senator PAUL SIMON from Robert J. Myers, a former 37-year employee with the Social Security Administration who served as Chief Actuary from 1947 to 1970, and as Deputy Commissioner from 1981 to 1982.

Mr. Myers states:

> In my opinion, the most serious threat to Social Security is the Federal Government's fiscal irresponsibility. . . .
>
> Regaining control of our fiscal affairs is the most important step that we can take to protect the soundness of the Social Security trust funds. I urge the Congress to make that goal a reality and to pass the balanced-budget amendment without delay.

I agree with Mr. Myers. Furthermore, most national polls show that 75 to 80 percent of the American people want us to balance the budget.

Almost every leading economist tells us our staggering national debt is holding us back economically and that we would be booming if we were not so far in the hole.

We are really hurting the poor and working people of this country with our fiscal irresponsibility.

Since the political will in this Congress will not let us balance the budget on our own, we must have a constitutional amendment that will force the majority here to make the tough decisions that must be made.

Most States across our Nation have balanced budget requirements in their constitutions. It makes sense, it is responsible, and it is what the American people want.

We are spending over $50,000 a second, every second of every day, Saturdays, Sundays, and holidays included. We will take in one trillion, four hundred billion this year alone at the Federal level. This is enough to operate a strong, active, vibrant, Federal Government without going deeper and deeper into debt. I urge passage of this amendment.

Mr. Chairman, I include for the RECORD the letter to which I referred.

Hon. PAUL SIMON,
U.S. Senate,
Washington, DC.

DEAR SENATOR SIMON: I am pleased to have this opportunity to express my support for the Balanced Budget Amendment.

For 37 years I worked for the Social Security Administration, serving as Chief Actuary in 1947–70, and as Deputy Commissioner in 1981–82. In 1982–83, I served as Executive Director of the National Commission on Social Security Reform. And I continue to do all that I can to assure that Social Security continues to fulfill its promises.

The Social Security trust funds are one of the great social successes of this century. The program is fully self-sustaining, and is currently running significant excesses of income over outgo. The trust funds will continue to help the elderly for generations to come—so long as the rest of the federal government acts with fiscal prudence. Unfortunately, that is a big "if."

In my opinion, the most serious threat to Social Security is the federal government's fiscal irresponsibility. If we continue to run federal deficits year after year, and if interest payments continue to rise at an alarming rate, we will face two dangerous possibilities. Either we will raid the trust funds to pay for our current profligacy, or we will print money, dishonestly inflating our way out of indebtedness. Both cases would devastate the value of the Social Security trust funds.

Regaining control of our fiscal affairs is the most important step that we can take to protect the soundness of the Social Security trust funds. I urge the Congress to make that goal a reality—and to pass the Balanced Budget Amendment without delay.

Sincerely,

ROBERT J. MYERS.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. INGLIS].

Mr. INGLIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in strong support of the Stenholm-Smith balanced budget amendment. I believe that the amendment is needed for two reasons:

First of all, we need it for the necessary discipline to cause this House to do what we cannot seem to do on our own in the ordinary budget process. We need the discipline of a constitutional requirement of balancing the Federal Government's budget. That is the first reason.

The second reason is that we need, frankly, to create a crisis by the passage of the balanced budget amendment. Make no mistake about it. As a member of the Committee on the Budget, I am well aware that passing the balanced budget amendment will create a crisis in our budgetary process, because it will mean that all of us will have to come to the table to figure out how to balance a budget that is terribly, terribly out of balance.

That will require, that crisis will create an environment where we will come together, I believe, just as this country has come together before with other crises, where we have been faced with an outside threat. We will forget Republican and Democrat differences. We will come together at a table where we can figure out together how to balance the budget and do what we all know we need to do.

Yesterday I was in Greer, SC, doing what I call a walking town meeting, which basically means picking out a street, walking down and finding out what America thinks. The interesting thing I found out yesterday in Greer is that on that street of ordinary Americans, everyone there is living currently under a balanced budget amendment in their homes. They cannot do what we do here, spending and spending and writing new checks. Because as Members know, in that neighborhood in Greer, SC, eventually the sheriff comes for those folks who do that sort of thing. But here in the Congress, we can get away with it forever and ever, continuing to run imbalanced budgets.

Actually, though, we cannot get away with it forever, because sooner or later we will have to pay the piper. I think that for my sake and for, I hope, the other Members here, what we have got to do is make sure that we do not expect our grandchildren to pay the piper. We have got to deal with it now. We have to pass the balanced budget amendment now, create the crisis, get everyone to the table and figure out how to balance this budget.

Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. SMITH of Oregon. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Oregon [Mr. SMITH] has 1 minute remaining.

Mr. SMITH of Oregon. Mr. Chairman, I ask unanimous consent to yield that 1 minute to the gentleman from California. [Mr. GALLEGLY].

The CHAIRMAN. Without objection, it will be added to the time of the gentleman from California [Mr. GALLEGLY].

There was no objection.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Chairman, I rise today in strong support of the Stenholm-Smith balanced budget amendment.

During my service in Congress, I have stressed the need for reform in Government. To me, there is no more significant reform Congress can take than to enact a balanced budget amendment to our Constitution.

As it currently stands, our national debt currently exceeds $4.3 trillion—that works out to $17,495 for every man, woman, and child in the United States.

In 1993, our gross interest payments equalled $293 billion. This is greater than the total outlays of the Federal Government in 1974. These interest payments consumed 57 percent of all personal income taxes.

More ominously, 43 percent of national income is being consumed by all levels of Government. We have almost reached the point where Government is taking half of what we generate in income. This trend must stop or our economy will no longer be able to generate the growth necessary to create new jobs and maintain our standard of living.

Failure to enact the Stenholm-Smith balanced budget amendment will make it impossible for the procedural changes necessary to control spending to be put in place.

Congress must restore some degree of sanity in our spending and demonstrate to the American people that we can get our own house in order. Deficit spending is not acceptable and Congress must kick its deficit spending habit.

Under the alternative, it would be possible to continue to run deficits as large or larger than our current deficits. Enacting a balanced budget amendment that allows us to continue burdening future generations with a rapidly increased debt will undermine public confidence in the Constitution and Congress—confidence that is already at an all-time low.

There has been a lot of talk about Social Security being harmed by enactment of a balanced budget amendment. The truth is the largest threats to Social Security are deficits and debt.

Ballooning interest payments on the national debt already are squeezing out other fiscal priorities. Spending more and more on interest eventually threatens all programs—even Social Security.

There is nothing in the alternative amendment that would prevent Congress from balancing the budget on paper by altering definitions to classify spending as capital investments or Social Security. It would be possible to evade the amendment by funding any number of programs by draining the Social Security trust fund.

Without the backdrop of enforcement of a requirement for three-fifth's vote to increase the debt limit, it will be easy to move items off-budget to evade the balanced budget requirement.

It is time for Congress to stop playing games and pass a true balanced budget amendment. Support the Stenholm-Smith amendment and help us to restore some fiscal sanity to the budget process.

□ 1610

Mr. Chairman, let us all remember, the debate today and tomorrow is not about how to balance the Federal budget. It is about whether we should begin to balance the Federal budget. That is a very important distinction that we are going to hear more and more about tonight and tomorrow, that this will not balance the budget. But like an alcoholic who wants to quit drinking, the first step in that process is the commitment, the decision and the commitment to stop. Then after that, it is day by day, the effort to stay off of that substance. That is the commitment that we are debating, that is the commitment that this Congress should make.

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in support of the amendment offered by my good friend from Arizona, JON KYL.

The opponents of a balanced budget amendment say that we don't need it, well, 24 straight unbalanced budgets says we do.

The opponents of a balanced budget amendment say that we don't need it, well, $200 billion deficits says we do.

The opponents of a balanced budget amendment say that we don't need it, well, a $4.5 trillion debt says we do.

The opponents of a balanced budget amendment say that we don't need it, well, a 73 to 342 vote against the Solomon-Fawell-Upton balanced budget last week says we do.

My constituents in southwestern Michigan not only say that they want Congress to balance the budget, but also they want, less Government spending and a Presidential line-item veto—that's exactly what we have in the Kyl spending limitation amendment.

The Kyl amendment is very similar to the Stenholm proposal—except that it places a specific spending limit on the Federal Government and gives the President a line-item veto.

Under the Kyl amendment, Federal spending would be limited to 19 percent of the gross domestic product, which is about the average level of tax dollars collected by the Federal Government over the last generation.

Let us give our constituents what they want: a balanced budget, a Federal spending limit, and a Presidential line-item veto.

I urge my colleagues to vote for the Kyl spending limitation amendment.

Mr. GALLEGLY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Mr. Chairman, I thank my colleague, the gentleman from California, for yielding time to me.

Mr. Chairman, the balanced budget amendments being offered by Representatives KYL, BARTON, STENHOLM, and SMITH deserve our support. The alternative being offered by Representatives WISE, PRICE, POMEROY, and FURSE is just a diversion. Political cover is no substitute for fiscal responsibility.

When you threaten the Washington power structure, you can expect a powerful response. This is what the authentic balanced budget amendments do.

Critics claim an amendment would "lock-in" Congress to draconian deficit reduction that would burden the economy. In the event of a recession, an amendment would supposedly have adverse effects—keeping taxes up when the economy needed just the opposite from the Government.

But, these amendments are not inflexible. They can be overridden with sufficient votes, and I am sure they would be with sufficient cause, such as a dramatic economic downturn or national emergency. Getting congressional support for spending has not been a problem. If it had been, we would not be debating this legislation today.

Is the amendment too draconian? Does it cut too deeply, too quickly?

There is a fundamental flaw in the critics' assertion that less Government spending equals less national spending. The money the Government does not spend will still be spent and invested. The only difference is, it will be spent and invested by those who earned it, and no doubt, more carefully and more productively than by the Government.

Will States suffer under a real balanced budget amendment? There probably will be less money from Washington—the whole idea being to cut Federal spending. However, State and local governments will see their tax base increase from more retained earnings of their citizens and from greater local investment.

The real complaint of critics is not that it hurts vulnerable groups, but that it hurts federally funded special interests claiming to represent these groups. This is the Washington status quo and it is little wonder they are frightened by the balanced budget amendment. In contrast to those who earn and invest, the only economic system special interests know is to receive payments from Washington.

Is a balanced budget amendment a substitute for tough choices, as critics say? On the contrary, it will only be a substitute for tough choices if it does not pass. If it passes, then the tough choices will have to be made, and no one will be held more accountable than those who supported this amendment.

Finally, what is the solution being proposed by those opposing the balanced budget amendment? Presumably we are to count on the economy to grow us out of the problem.

The question then becomes: What will improve the American economy faster: a government spending more than it takes in, or a private sector that gets to spend more of what it takes in? I believe the latter will, and I believe my colleagues who support the amendment, and the American people, who pay the bills, agree with me.

While I support a balanced budget amendment, I do not support every amendment that calls itself by this name; specifically, the amendment being offered by Representatives WISE, PRICE, POMEROY, and FURSE.

Rather than solving the root problem of the deficit—uncontrolled Federal spending—their amendment will seek to redefine it out of existence. They will do so by calling some spending capital investment. If this passes, the category of capital investment will grow hand-in-hand with Federal spending.

The only thing their amendment will do is to give Members who are afraid to tell taxpayers that they couldn't say "no," a flimsy excuse to hide behind.

I urge Members to oppose the amendment being offered by Representatives WISE, PRICE, POMEROY, and FURSE. This contrived sheep in wolf's clothing will do nothing to solve the problems arising from our irresponsible spending. Instead it will provide cover for it in every sense of the word.

Instead I urge my colleagues to support a true balanced budget amendment and vote for the versions being offered by Representatives KYL, BARTON, STENHOLM, and SMITH.

Mr. GALLEGLY. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

☐ 1620

Mr. TORKILDSEN. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today to support an amendment to the Constitution requiring a balanced budget.

This dramatic, historic step is necessary. We cannot continue down the path of never ending, ever increasing debt.

The buck must stop here, today, in this chamber, and with this amendment.

We all know of national polls that show overwhelming public support for this amendment, but perhaps that only reflects the frustration the American people feel about the inability of this institution to deal with many difficult problems.

The fears of the American people are reaffirmed every budget and appropriation cycle. Forty-nine States have balanced budget amendments to their State constitutions, and no one cries calamity in those 49 States. Yet some Members of this body act as if adding one here would bring the end of the world.

It is remarkable that the Federal Government has not posted a surplus since 1969. The Federal Government has in fact run a deficit for 56 of the last 64 years.

Only last week, this body debated and passed a measure that purported to take tough action on the deficit. However, that supposed tough action still increases the public debt by $1.2 trillion over the next 5 years, for a staggering total debt of $4.7 trillion. No wonder the American people have lost confidence in the way the decisions are made here and the decisions themselves.

Thomas Jefferson viewed the frugal management of money as "among the first and most important virtues, and public debt as the greatest danger to be feared."

Amending the Constitution is not an endeavor that I support lightly. But the Framers of the Constitution never envisioned that the Federal Government would violate the trust of the people my mortgaging away the future of not only their children, but also their grandchildren and great-grandchildren.

What is the result of doing nothing? The result, simply stated, would be economic disaster.

Even if interest rates remain steady, we as a country are rapidly approaching the day when interest on the debt will consume nearly all personal and corporate income tax receipts. And should interest rates rise, the results will be even worse. Moreover, huge Government borrowing to finance this deficit spending is thwarting investment in new enterprises and new jobs.

Not for the sake of political expediency—but for solid economic reasons—this amendment must pass.

Our obligation today is to put our Nation's fiscal house in order. The reason we need a constitutional amendment is that previous statutory efforts have failed, whether Gramm-Rudman-Hollings, zero based budgeting, or any other attempt during the past quarter century.

The serious step of amending the Constitution is warranted: The consequence of doing nothing is economic calamity. Let us do the right thing and pass the balanced budget amendment.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, I thank the gentleman for yielding me this time, and I compliment him for the work that he has done in this endeavor over the past over 10 years.

Mr. Chairman, I rise today in strong support of the Stenholm version of the balanced budget amendment.

Today, we in this body are considering exercising our most powerful legislative option—an amendment to the U.S. Constitution. Only 27 times in our history have we amended the Constitution. Our Founding Fathers made this procedure difficult. We should never act in haste or frivolity when tampering with our Constitution.

I could stand before you today and reel off the financial figures our Nation faces today—a debt in excess of $4 trillion, and deficit which, thanks to the diligent efforts of President Clinton, has been drastically lowered, but still comes in at the astounding figure of $180 billion. We have reached the point where our debt is discussed in figures which were beyond our imaginations just 50 years ago. My colleagues, the time to stop this debt spiral is long passed.

The Stenholm balanced budget amendment is strong medicine. It requires a balanced Federal budget by fiscal year 2001. It requires a super-majority of three-fifths of each body in order to operate a deficit. Unlike the various Republican substitutes, it recognizes that a realistic balanced budget will, in all likelihood, require a combination of deep cuts in Government services and increases in revenues. Unlike the leadership substitute, the Stenholm plan forces us to make the tough decisions that will be necessary to bring fiscal responsibility to our Federal Government.

Mr. Chairman, make no mistake. Passage of the Stenholm balanced budget amendment will mean pain. Our constituents will likely be shocked at the sacrifice that will be required in order to balance the budget. And Members of Congress will feel the pain of not being able to say yes to every spending request that comes down the pike.

There are no magic pills, no golden eggs which can cure our deficit problem. Our national debt is not a bad dream that we can simply wake up from to find things okay. It is a serious problem which requires a serious solution—something that had eluded this body, and other body, and every administration in power, over the last two decades. We will not make the tough decisions without the power of constitutional restraint.

Mr. Chairman, the pain we will have to face to balance our budget today does not compare to the pain that will be forced on my grandson, Carr Valentine, his generation, and future generations if we do not make the tough choices today. We are, I say to my colleagues, spending our children's inheritance. We are living high, and leaving them the bill. That practice must stop, and it should stop today.

I urge my colleagues to join me in support of the Stenholm balanced budget amendment.

Mr. Chairman, it is an irresponsible and immoral practice which must cease, and the only way to cease it, in my judgment, is to adopt the Stenholm balanced-budget amendment.

I urge my colleagues to join us in this crusade.

Mr. PRICE of North Carolina. Mr. Chairman, I yield 6 minutes to the gentleman from Maine [Mr. ANDREWS].

Mr. ANDREWS of Maine. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, we have an extraordinary opportunity before us today, and when we vote on these measures tomorrow.

We have a breath of fresh air that has entered into this debate, and that breath of fresh air is the Wise substitute that says that it is time that we stop rehashing the tired old balanced-budget-amendment debates year after year, session after session of Congress, and decide instead that we are going to fundamentally reform the budget process in this country, and we are going to start by telling the Federal Government in Washington that it has to start looking at its budget like every successful business in America looks at its budget and every successful household looks at their budget across the country, and that is simply to recognize the fact that there is a fundamental difference between capital investment for growth and economic productivity and strength on the one hand, and an operating budget to meet your day-to-day, week-to-week expenses on the other hand. That is exactly what the substitute that the gentleman from West Virginia [Mr. WISE] is presenting to us will do.

We have a chance, ladies and gentlemen, to look forward in this country. to recognize that the way we get this budget finally under control is through economic growth and strength, and that if we realize that investment, planning ahead, building a strong economic foundation is important, then we need a vehicle. We need a budget that will allow us to make those critical investment decisions.

You know, in my State of Maine, we have been suffering and continue to suffer from a recession, tremendous problems all over our State, with people who are out of work and unemployed and without hope, looking for an opportunity to turn their lives around, looking for a chance for a future and to build a future.

They turn to us to say, "What are you doing about it," particularly those who have been involved in the area of defense who have helped through their labor this Nation win the cold war and are now asking us in the post-cold-war era what are we, as a nation, going to do to help them.

Well, I will tell you something, ladies and gentlemen, we need them. We need that defense industrial base. We need that skilled work force. We need those communities and those neighborhoods to go to work, to rebuild the foundation of this country's economy.

But we are not going to have it if we continue to be locked into this Federal budget process that does not recognize the difference between investment for economic growth on the one hand and operating expenses on the other. If you took over a business today and you were asked to turn that business around that was failing because of bad mismanagement, you would probably do two basic things: First of all, you would look at what spending you are incurring that has no relationship to the productivity and success of your business, and as painful and as difficult as it may be, you are going to cut that spending. That would be obviously important.

□ 1630

But the second thing you are going to do, which is just as important as the first, is you have got a business plan. You are going to set goals for your company, have a strategy to reach those goals, and you are going to invest capital in that strategy so that you can realize those goals.

Ladies and gentlemen, why can we not as a nation, why can not the politicians in Washington, DC, do exactly the same thing? Let us set our goals on strong, robust economic growth; let us set a strategy that we rebuild our crumbling infrastructure, the foundation of this country's economic strength.

Put people to work rebuilding that foundation and then put people to work from the success that we will generate from that revived foundation. Then, ladies and gentlemen, we will get a return on investment in economic growth, increased revenues, increased numbers of people and families working, and we will turn this budget around in the correct way.

The Stenholm balanced budget amendment, ladies and gentlemen, is flawed, for a fundamental reason: It locks us into the status quo. It fails to make that critical distinction between investment looking ahead, planning and growing our economy, and operating budgets on the other hand. The way that we can—and this is the first time that I as a Member of Congress will have an opportunity on this floor of this House to vote for this basic budget reform—I am going to take advantage of that and I urge all of you to do the same thing.

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of Maine. I yield to the gentleman from West Virginia.

Mr. WISE. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman's remarks. He is absolutely correct. I suspect that, just like West Virginia, does the State of Maine have a capital budget program?

Mr. ANDREWS of Maine. Yes, it does.

Mr. WISE. Does it treat operating income in one way and capital investment another?

Mr. ANDREWS of Maine. Exactly right. We look at what our basic capital investment needs are, we establish a budget for that, and we invest. That is separate from the operating budget of our State. That is exactly right.

Mr. WISE. I thank the gentleman for making that point, because that is simply what we are trying to do in this amendment, to make the Federal policy much more in common with that of the States, which some people who have trooped down here in the well say they want to do.

Mr. ANDREWS of Maine. I appreciate the gentleman's leadership. I went to the Committee on Rules last year to try to bring up on the floor exactly what the gentleman from West Virginia is doing today.

Mr. WISE. The gentleman from Maine has been a leader in this effort, and I thank him for supporting us as aggressively as he has.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the balanced budget amendments put forth by Congressmen STENHOLM, SMITH, BARTON, and KYL and against the Wise substitute.

Listening to what has been said about the balanced budget amendment, I cannot help but be reminded of the "Chicken Little" fable.

Recall that Chicken Little was struck in the head by an acorn while walking though the woods one day. Believing that the sky was falling, Chicken Little ran to warn the King of the imminent danger. On his way to see the King, Chicken Little convinced other animals of the apparent tragedy, except one—the wolf—who saw through their foolishness and took advantage of their fears.

What does this all mean in the context of the balanced budget debate? It means we can imagine many of our fears into existence. "Courage," said Plato, "is knowing what to fear"—and we most certainly should not fear the balanced budget amendment.

Administration and Democratic leaders want us to believe the sky will fall if the BBA were to pass. They are using scare tactics—targeting various groups and segments of the population—seniors most notably—arguing that the amendment would wreak havoc, causing massive cuts if not outright repeal of programs.

They have convinced themselves and others that the amendment is a "sham," "horrendous," "harmful," and "terrible." The administration itself said, "We need to save the country from this disaster." But I ask: Are not $200 billion deficits, $4.5 trillion debt, and mortgaging our grandchildren's future the real disaster?

Americans are not buying this Chicken Little foolishness. That is why a vast majority of Americans when polled support the balanced budget amendment. These scare tactics are wrong. Ratification of the balanced budget amendment will not be a disaster—particularly for seniors.

There can be no denying that very hard choices will have to be made by all Americans if we are to balance the budget by the turn of the century. If the BBA is passed by Congress, it will take at least a couple of years before the amendment is ratified by 3/4ths of the States, as required.

According to the amendment language, Congress then would have 2 years before the amendment would take effect. Since the balanced budget amendment is not going to take effect until at least 1999, Congress effectively has 5 years to bring deficit spending under control.

Some of us have put forth spending cuts plans that would put the budget in balance or on a downward path by the turn of the century—without touching Social Security—Republican budget alternatives and Penny-Kasich to be specific. So it can be done.

More importantly, the real threat to Social Security is interest on the debt which is squeezing out other fiscal priorities. Spending more and more on interest eventually threatens all programs, even Social Security.

Because the numerous legislative opportunities to lock-in deficit reduction have led nowhere but up—in both deficit and debt terms, we are left to conclude that amending the Constitution is the only remaining hope to impose fiscal responsibility on this Nation.

Because a majority in Congress continues to buckle under special interest pressures—which is what is driving the opposition—we must pass a constitutional amendment.

Because the myriad of interest groups feeding at the public trough, are not persuaded by arguments on behalf of the public interest—we must pass a constitutional amendment.

The balanced budget amendment is not draconian. It allows for orderly transition to get us to balance. And it provides enforcement teeth.

It reestablishes a level playing field, forcing Congress to place higher priority on balancing the budget than spending and taxing.

It restores the Constitution's limited government concept.

The balanced budget amendment will help us achieve the objective all of us agree with. Let us not allow the wolf to see through our foolishness. Vote for the real balanced budget amendment. The sky will not fall.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, although it may not seem so now, this discussion surrounding the balanced budget amendment is truly one of the great debates of our time.

For over two decades, the Federal Government has suffered from severe fiscal hemorrhaging. We all know it, we can all see the inevitable consequences. The question we face is whether to finally apply a tourniquet, or continue using Band-Aids.

Like a tourniquet, the balanced budget amendment is an imperfect tool. It would be great if we could make the tough choices on our own, but we have proven over and over again that we cannot or will not.

We have not balanced the budget in 25 years, and there is no evidence we ever will without a balanced budget amendment.

We have three very thoughtful alternatives before us today.

The Stenholm-Smith amendment is the classic approach, both tough and enforceable. The Kyl amendment builds on the good work of Stenholm by providing important safeguards against a creeping welfare state. And the Barton amendment protects the American people by requiring a supermajority of Congress to raise their taxes.

Any one of these three would be a giant step on the road to fiscal sanity.

But let us not lose sight of the real issue here.

Congress has a spending problem. The entire country knows about it. The American people have tried time and time again to tell us. But many of us are not listening.

That is because we are in denial. Spending makes us feel good—it gives us a feeling of importance. And let us face it, it is easier to spend than to say "no" to the many groups who come through our doors with opened hands.

So we tell our critics, "Hey, it's okay, we've got our spending under control. Just give us a few more years, we'll balance the budget.

But we are not making the grade. The CBO numbers show it. The OMB numbers show it. The only question left is how far will we go before we hit bottom.

The real choice we face is this: Should Congress admit that it is powerless over its addiction? Should we cede our control to the higher authority of the Constitution?

I say yes. It is time we face our problem. We do not need to figure out today exactly how we are going to do it. We only need to make the commitment.

I implore my colleagues, let us pass a balanced budget amendment. Let us make that commitment. We are hurting the people we represent. We are ruining our childrens' future.

And in our heart of hearts, every one of us knows that it is the right thing to do.

So remember why we are here. Remember your responsibility to our children and grandchildren. Vote for a balanced budget amendment.

Mr. WISE. Before I yield to the gentleman from Pennsylvania [Mr. BORSKI], I just want to go on record: Ours is an alternative, and we are saying that we are prepared and want to craft a reasonable amendment to the Constitution of the United States.

But I do want to disassociate myself from the remarks of some who want to join the stop-me-before-I-kill-again club. The reality is, I do not think Members of Congress are powerless to do something about deficit spending or economic growth.

□ 1640

We think that our amendment, the Wise-Price-Pomeroy-Furse amendment, goes a long way toward putting responsible policy into the Constitution and yet still leaves up to Congress its basic authority.

Someone earlier today in a debate I was in talked about the need to inject spine into Members of Congress. This was another Member. My feeling is that the taxpayers do not look at us as needing to inject spine. They are quite capable of kicking us in the backside when they think the job is not being done, and they expect the job to be done.

So my message, Mr. Chairman, is that this is a very important debate. We have legitimate reasons why we think there should be language in the Constitution or those who do not think it should be in the Constitution, but I would just ask Members not to portray themselves as powerless in this.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. BORSKI].

Mr. BORSKI. Mr. Chairman, I wish to express my strong support for the Wise amendment. A forward-looking and realistic balanced budget proposal that will attack our true deficit problems while protecting important investments that have long-term economic benefits.

The Wise amendment will not only bring us a balanced budget but it will, for the first time, give this Nation the sensible and rational approach of long-term capital budgeting.

I support the Wise amendment because, unlike all the other proposed constitutional amendments, the Wise amendment will create a capital budget and protect senior citizens.

The Wise amendment will protect long-term economic growth and our Nation's senior citizens. Unlike the Stenholm amendment, the Wise amendment would take Social Security and veteran and disability programs off budget.

Under the Wise amendment, Social Security is protected. Under the Stenholm amendment, the average senior citizen in Pennsylvania could face an annual Social Security reduction of $1,136.

We should not attempt to balance our budget by squeezing those who can least afford it—our senior citizens and the disabled.

By exempting capital investments that have long-term economic benefits and Social Security from the balanced budget calculations, the Wise amendment will allow a true accounting of the operating budget.

It would allow us to make needed investments in our physical infrastructure—highways, airports, transit systems, wastewater treatment systems, ports and inland waterways.

These investments are absolutely critical to our Nation's economic growth and to our ability to compete effectively in the global economy.

The Wise amendment would allow needed infrastructure investments under the type of accounting procedures used by most State governments, by local governments, and by virtually all businesses in this Nation.

In contrast, the Stenholm amendment would continue to use our Nation's infrastructure trust funds, supported by dedicated taxes, to balance the budget.

By forcing cutbacks in capital investments, by limiting what we can invest in highways, transit, airports, ports, inland waterways and environmental infrastructure, the Stenholm amendment would ensure that America would not be competitive in the global economy.

Unlike the Stenholm amendment, the Wise amendment would not require super-majorities to allow deficit spending when it is absolutely necessary—in time of war, imminent security threat, or recession.

The Wise amendment would maintain the long tradition we have in this Nation of majority rule, not minority veto.

The Stenholm amendment would use the Social Security trust fund, the highway trust fund and the aviation trust fund to shield those very operating programs that should be reviewed annually to balance the budget.

For 20 years, our Nation's investment in the infrastructure has declined when compared to other spending. The result has been declining productivity and a decline in the American standard of living.

The Wise amendment would apply the same accounting principles of long-term capital investment to the Federal Government that a substantial majority of States use.

Most important, the Wise amendment would apply the same accounting principles to the Federal Government that virtually every American family uses.

Just as the American family does not include its mortgage balance and other total, long-term obligations in its annual accounting, the Federal Government should not be required to include infrastructure investments in its budget.

Just as the American family balances its yearly income and expenses, the Federal Government should balance its operating budget.

I urge passage of the Wise amendment as the only proposal before us that will lead to a true balance budget while protecting our senior citizens and maintaining our ability to invest for long-term economic growth.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I rise in support of all amendments, the Stenholm, the Kyl, the Barton, and the Wise amendments.

The message has been clear from working people and those who have worked all their lives and now are enjoying the fruits of their labor from all across this Nation, and that message is: "Stop spending more money than you take in. Cut spending. Treat the Federal budget the same way that we have to treat our home budgets."

Mr. Chairman, it is unfortunate that the majority of the Members of this body have not received that message and are not willing to face up to true responsibility, and that calls for a balanced budget amendment as being the only way.

Mr. Chairman, it kind of reminds me of holding a shotgun wedding. As my colleagues know, we know what our responsibilities are. We are just not willing to walk down the aisle unless we are forced to.

I regret that we have opponents of the balanced budget amendment who are using our senior citizens by implying that a balanced budget amendment threatens Social Security. A balanced budget amendment, I believe, is the only way that we can ensure not only Social Security but programs that we have—very worthwhile programs—are maintained and continued.

I am going to vote for the balanced budget amendment, only I wish we would face that responsibility without such because we could do it in much shorter time. But also I hope that this body will face up to the responsibility of looking at the tax codes and changing those tax codes. It will put in place incentives, incentives for business to invest and to create jobs, encourage investment, and I hope again we will go back and look at the tax codes to see how we can help the middle class, how we can put more money back into their pockets and their home budgets and help them, as they are the working force and the real cash flow of not only the country but of this Government.

Mr. Chairman, I urge all of my colleagues to support each and every one of these balanced budget amendments.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentlewoman from the District of Columbia [Ms. NORTON], one who has been a very aggressive Representative for capital budgeting and the need for investments.

Ms. NORTON. Mr. Chairman, I urge that we reject the balanced budget amendment and go no further than the amendment offered by the gentleman from West Virginia [Mr. WISE].

Mr. Chairman, there have been 10,938 amendments to the Constitution introduced since our founding as a nation. Only 27 of them have become amendments. Ten of these were added by the Founders, and only two-tenths of 1 percent, or 17, by those of us who have followed the Founders. One of these was a repealer. We see in this small number the wisdom of the Founders, the wisdom of our fellow Americans, and the understanding that we must not trivialize the greatest Constitution ever written by trying to get everyone's pet issue into it.

I speak, Mr. Chairman, as a constitutional lawyer with special respect for the Constitution. I respected it as a document even before I was in it, and I must note the irony that we are talking about putting the annual budget, as it were, in the Constitution when half the population isn't in the Constitution yet.

I oppose putting in the Constitution even those matters with which I agree. In the District of Columbia there was a referendum this past election approving a constitutional amendment to direct resources to domestic concerns following the end of the cold war. I interpreted that to mean that I could put in a piece of legislation, and I refused to put it in as a constitutional amendment.

I pulled out my Constitution before coming to the floor to look at its provisions. All that one has to do is look at the document to see how radical is the idea of a balanced budget amendment. There is almost nothing in the Constitution about finances or taxes. The most important is the 16th amendment generally giving us the ability to raise money through the income tax. It is a schoolboy's exercise to dictate annual, unforeseeable financial matters in the founding document of our country. It is unworthy of a sophisticated National Legislature.

The Wise amendment is surely as far as we can safely go, and its most important provision is a structural provision of the kind ready made for constitutions—its capital budget section.

Moreover, Mr. Chairman, this amendment comes at an ironic moment, when we have already reduced the deficit by $80 billion since the Clinton administration came to power.

□ 1650

Thus, we have already shown that we can do it. Yet here comes this constitutional amendment to do for us what we are resolutely showing, finally, we can do for ourselves. Moreover, even what we are doing in the next 5 years is already causing pain and is going to cause even greater pain.

Imagine the kind of pain we will get if we rush blindly toward a balanced budget. We have seen a preview of what we would get—in the California debacle of 1992. California needs a two-thirds vote to pass a budget. For months they went with IOU's to their employees. Can you imagine millions of Federal employees with IOU's of the same kind? This would be a self-inflicted wound.

Moreover, we would, in effect, pass many of the expenses of the Federal Government to the States and localities. Watch out, America. A balanced budget here means regressive taxation for you. One of the best kept secrets is that your taxes at the State and local government levels will go up because we have decided to balance our budget on your backs.

Moreover, this is a rigged amendment. As to revenue increases, there will be rollcall votes of the full membership of the House. For program cuts, we need only those present and voting.

In 2001 we would get a balanced budget at the expense of a wrecked economy. If we pass this amendment, we will soon see the first repealer since prohibition. Not every bright idea belongs in our Constitution, and this is a very bad one. I ask my colleagues to reject it.

Mr. GALLEGLY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I rise in support of a strong balanced budget amendment.

The House debate on the 1995 budget last week confirmed once again our need to halt Congress' terrible addiction to deficit spending. Unless we do, we will give our children, and our children's children, a future with little hope for economic prosperity.

The debate today carries with it significant ramifications. Amending the Constitution that has served this Republic well in so many ways for 205 years should not be taken lightly.

But a review of our spending patterns for the last 6½ decades provides powerful arguments in favor of this strong medicine. The Federal Government has run a deficit for 56 of the last 64 years. Our Nation is nearly $5 trillion dollars in debt. The interest we paid on the accumulated debt last year was almost $300 billion.

I should note that some special interest groups are using fear tactics to scare senior citizens on this issue. The balanced budget amendment does not mena our seniors need fear a reduction of Social Security or other benefits. In fact, our current policy of borrowing from the Social Security trust fund to finance our debt represents the greatest threat to the fund's solvency.

Mr. Chairman, our runaway spending represents a danger to the future prosperity of our Nation and to all Americans. A balanced budget amendment will require sacrifice, but without it we will never achieve fiscal sanity. I urge my colleagues to support the Kyl, Barton, and Stenholm amendments.

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, today I rise in support of the three real balanced budget amendments, the Stenholm-Smith, the Kyl, or the Barton balanced budget amendments.

It is time that we really address the problem. It is interesting for me as I listen to the debate that says we can solve the problem in other ways, rather than passing a balanced budget amendment. But being a freshman in Congress and watching what we have done over the last 2 years, the record that this Congress has accumulated over the last number of years, listen to the numbers. Today the country is in debt to the tune of approximately $16,000 per individual. In 1995, we will add another $700 in debt per individual, another $2,800 per family of four.

This Congress is not disciplined. It is like many of the ones that have come before it. We continue to spend more than we take in, and we can no longer continue that process.

The willingness of Congress to spend more than it takes in proves that we need the balanced budget amendment to the Constitution. Our ever-growing national debt is the legacy of shame that we are leaving to our children and our grandchildren. As a father of three, I cannot stand idly by and watch this Congress continue to threaten my children's future and the future of this country.

The balanced budget amendment is not a threat to the lifeblood and the health of this country over the next 5 to 7 years. The lack of having a balanced budget amendment is the threat to what this country and this economy will look like in 5 or 7 years.

The American people will no longer tolerate wasteful and unnecessary spending in Washington. A balanced budget amendment, sorry to say, provides the only mechanism to help Congress reduce the deficit now, rather than later. I rise in support of these three balanced budget amendments. We need to impose more needed discipline on Congress.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to respond to some of the Members who have spoken ahead of me. A balanced budget amendment in an of itself solves nothing. I spoke earlier about folks who want to get a spinal injection of some kind of courage. I would point out to the gentleman who just spoke, who wants to lament about Congress, when it enacted the budget package in August, which no one on his side of the aisle, including himself, voted for, Congress put into place a program which so far has defied every projection that was made from the other side of the aisle about job killing economy, putting us in the economic tubes, about all sorts of maladies, economic maladies that would happen.

Indeed, what we have seen is the highest amount of deficit reduction and the lowest deficit in 6 years, a deficit that this year is projected to be 40-percent lower than last year, and far lower than anyone projected; a deficit that is on track with what the President originally proposed, which is to have the deficit as a percentage of our budget reduced by one-half. And that is happening.

Now, I agree with all Members in this Chamber who say that is not satisfactory, that that is only part of the job. More must be done. But I think it is wrong to say that Congress has not done anything and is incapable of doing something.

Second, I do want to share with Members why it is that I am here in the well supporting an amendment to balance the budget. And I will be honest, I come here reluctantly, because from a lot of the debate this year and past years, I find myself wondering whether I really support an amendment to balance the budget, as I would like an amendment to require balance rhetoric. Because what I have heard today here is do not worry, senior citizens, Social Security will be on budget. You are not going to be affected. Do not worry. To those of you concerned about massive program cuts, there will not be cuts that affect you or hurt you. Do not worry. And no one mentions the T word: The reality of the situation is if any of these amendments pass, including the one I am sponsoring, there will have to be tough steps taken to get to a balanced budget in 7 years.

I have great respect for the gentleman from Texas [Mr. STENHOLM] who last year, after his amendment failed, went to work with the chairman of the Committee on the Budget, then Leon Panetta, and crafted, along with others a legislative approach that laid out how you would get a balanced budget. Basically it would have required cuts across the board, and I believe it was roughly $4 of cuts for every dollar of tax increases, but it would have gotten there.

I still remember the meeting of many of the ones who were in here today beating their breasts proudly about how much they support a balanced budget amendment when they saw the figures of what it would be under that legislation, how much you would have to cut from entitlements, for instance, in the out years. I still remember the priceless quote of someone who will remain nameless forever, but forever identified in my mind, of saying Leon, could we not just slip the years a few? Could we not just change it and make it effective in the out years, because these cuts in the first few years are too tough.

The reality of the situation, the chairman then looked at him and said, you just voted to put this in the Constitution. What did you think you were going to do?

I am here because I believe that you can craft a balanced budget amendment. I believe the Wise-Price-Pomeroy-Furse is a proper one. But once again, Mr. Chairman, this is not a powerless body, and we have to understand that by enacting this budget, it is a first step, a tough step, but the really tough votes come right after it, and that is how you actually implement it.

I will finally leave this challenge once again, which I have not had answered yet: If you believe that Social Security is not going to be affected, and I do not make the claims that some have made about great cuts in Social Security, if you believe it is not going to be affected, fine. Then let us make that clear to everybody and put everybody's mind at ease and take it off budget.

Second, if you believe this budget ought to be like the States from which we all come, then put capital budgeting in as your State has.

□ 1700

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. COX].

Mr. COX. Mr. Chairman, I thank the gentleman for yielding time to me.

We need a balanced budget amendment, because spending is running out of control. Take a look at this chart.

In 1969, 1970, 1971, 1972, and 1973, a 5-year period, the total Federal spending was $1.1 trillion. In 1994, Bill Clinton's budget for 1 year is far more than the 5 years from 1969 to 1973, the guns-and-butter years of Vietnam, the height of the Vietnam war.

Look at this number, 1994 through 1998, the Clinton budget, $8.1 trillion in spending compared to what George Bush and this Congress did, $6.6 trillion in spending over 4 years.

We are not cutting things. They are getting more and more and more expensive. And we are financing it, yes, with the largest tax increase in American history, because that is what happens when we spend this rapidly, but also, with increased borrowing from the Treasury, that gives us a national debt that is setting a record.

We are told that we should not have a balanced budget amendment. What we should have is a capital budget. A capital budget would let us achieve the appearance of a balanced budget by moving the goal posts. We would define away most of our spending and call it investment. And if spending is investment, then we get to borrow in order to pay for it. In short, a capital budget would provide the intellectual underpinnings for still more deficit spending.

Since 1969, the annual budget of the Government, the appropriations by Congress, has increased by 800 percent, 800 percent on an annual basis.

Sixty percent of next year's deficit will be represented by increases that this Congress has made to 1993 spending levels.

The Clinton budget calls for $1.475 trillion of additional spending on top of current levels.

Spending is the problem. If Members think that the status quo is acceptable, if they think this trend is acceptable, do nothing and vote against a balanced budget amendment. If Members think that the Congress does not spend enough under the status quo, vote for a capital budget.

Mr. WISE. Mr. Chairman, I yield 7 minutes to the gentleman from Minnesota [Mr. SABO], the distinguished chairman of our Committee on the Budget.

Mr. SABO. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, today we will begin to vote on a series of proposals to add a balanced budget amendment to the Constitution. I oppose putting this type of requirement in the Constitution and I would like to tell you why.

The Constitution did not create our budget problems and changing it will not solve them. Rather—solving our budget problems will require an exercise of political will which is not dependent on the Constitution and cannot be engendered by the Constitution. The Constitution is our most valuable governing document and it should not be altered without extreme care.

I believe there are three very fundamental problems with putting a balanced budget requirement in the U.S. Constitution. My first objection concerns the manner in which this addition would change the nature of our Constitution. The second involves the change in the balance of powers between the three branches of government which I believe would result from this type of constitutional requirement. And, my third objection relates to the change in the balance of power within the legislative branch under some of the proposals.

I. THE BALANCED BUDGET AMENDMENT IS FUNDAMENTALLY DIFFERENT FROM EXISTING CONSTITUTIONAL PROVISIONS

The Constitution is about fundamental rights and basic limits on the power of Government. The balanced budget amendment is essentially different from the other limits on Government powers found in the Constitution. The existing limits tend to be commands ordering some branch of government not to do something—for example, not to pass laws abridging freedom of speech. This proposal, however, seeks to command Congress and the President to do something very specific each year, namely to enact a package of spending and taxing legislation that balances the budget.

I believe it will either prove to be an unenforceable promise, or its enforcement will shift unprecedented budgetary powers to the courts and the President. Adding an unenforceable promise to the Constitution could undermine respect for the Constitution itself. On the other hand, making it enforceable creates a new set of problems, which brings us to my second objection.

II. ITS ENFORCEMENT WILL DRAMATICALLY ALTER THE BALANCE OF POWERS AMONG THE THREE BRANCHES OF GOVERNMENT

Enforcement of this type of amendment could require an exercise of unprecedented powers by the President and/or the Federal judiciary. One concern is that a President could assert broad powers to withhold spending or modify programs and benefits using the balanced budget amendment as justification. This could occur even if Congress, acting in good faith, had passed a balanced budget but the President did not believe it was balanced. This shift of power is in direct contradiction to the basic plan of the Constitution which assigns primary power over the purse to the people's elected representatives in Congress.

Second, I believe a balanced budget amendment could give rise to a flood of litigation. I realize that there are some proposals that try to include language limiting the power of the courts, but I am not sure that is possible in this type of situation. And, if the courts do have to enter this area, they could find themselves embroiled in matters of spending and taxes that have always been the province of elected branches of government. This is a profound change in our system of governance.

III. SEVERAL OF THE PROPOSALS WOULD RESULT IN A SIGNIFICANT CHANGE IN THE INTERNAL BALANCE OF POWER WITHIN THE LEGISLATIVE BRANCH OF GOVERNMENT

In three of the four proposals before us, the amendment would greatly increase the power of minority blocs within the House and Senate. This is because they require a super-majority to waive their various requirements. Consequently, in any year when Congress and the President are unable to completely eliminate a deficit, a minority of either Chamber would be able to block budget-related legislation. This is contrary to the basic constitutional principle of majority rule, and could lead to brinksmanship and gridlock.

The Constitution requires a super-majority vote in both the House and the Senate in just three situations: Approving a constitutional amendment, overriding a Presidential veto, and declaring the President unable to perform his duties. All three situations involve action by Congress without the President's participation. The requirement for a super-majority of both Houses and the President's signature is without precedent in the Constitution.

IV. CONCLUSION

In addition to the basic philosophical problem I have with amending the Constitution for this purpose, I have several practical concerns. In my judgment, two of these concerns are very important.

First, national governments have special roles to play, including economic stabilization and responding to emergencies at home and threats from abroad. All of these functions require some flexibility in budgeting. This is inconsistent with a rigid balanced budget requirement in the Constitution.

My second concern involves the way we finance Government debt. Interest costs are the only totally uncontrollable costs in our budget. This year they will account for 14 percent of our total spending. A requirement to balance the budget every year could create real pressures to finance all Government debt over the longest possible terms. This could have the effect of making Government much more costly than it already is.

I fear that we may do serious, although unintended, damage to our finances and to the institutions of democracy if we add this to our Constitution. In flirting with this amendment, we are indeed playing with fire.

□ 1710

Mr. GALLEGLY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the balanced budget constitutional amendment.

The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of Government.

We should consider ourselves unauthorized to saddle posterity with our debts, morally bound to pay them ourselves. Thomas Jefferson's words ring just as true today as they did 200 years ago. As the guardians of the people's treasury, we are already constitutionally bound to govern responsibly. We, as a body, have failed to do that.

Mr. Chairman, when I first came to Congress 16 years ago our Government carried a deficit of only $60 billion. Today, our deficit postures at $223 billion, scheduled to balloon again after 1997 if Congress continues down the same path.

Time after time, legislative solutions have been brought to this floor, debated and even passed, yet deficits continue to exist and the debt continues to compound.

A constitutional amendment would institute fundamental reform in the Government's fiscal practices. By constitutionally forcing Congress to make the tough decisions, we will have to devise a real solution.

Yes, a constitutional amendment does not in and of itself deal with the problem. But, it sets us on the right path. Balancing the budget will ultimately require specific provisions, not merely constitutional mandates. That is why last week along with a number of my colleagues, I brought a package of specific yet responsible budget cuts to the floor that would have balanced the budget over 5 years by cutting Government spending $698 billion. Those were the hard choices. The fact that this balanced budget package received only 75 votes vividly demonstrates why a constitutional amendment is necessary. Congress won't do it if it has a choice to vote no.

In conclusion, let me address the cries of many Members of Congress, seniors' organizations and even the President who claim that a balanced budget amendment would devastate seniors programs and massively increase taxes. First, the balanced budget we brought to this floor last week proved that the budget could be balanced without touching Social Security or earned veterans benefits; without slashing Medicare and without gutting defense.

It can be done and every senior in this country must realize that a present debt of over $4 trillion and yearly debt interest payments of over $200 billion are the real threat to the existence of all seniors programs. Contrary to its opponents, a balanced budget amendment would protect the sanctity of these programs, not result in massive funding cut backs.

Over 200 years ago, while we were still a British colony, professor Alexander Tytler wrote "A democracy cannot exist as a permanent form of Government. It can only exist until the voters discover they can vote themselves largesse from the public treasury. From that moment on, the majority always votes for the candidates promising the most benefits from the public treasury, with the result that a democracy always collapses over loose fiscal policy."

We can only pray that this is not the case. A vote for a real balanced budget amendment is a vote for the preservation of our democracy. Previous generations have sacrificed and struggled to assure that our democracy endured through the past 200 years. We owe it to them and to our grandchildren to continue this battle.

Vote for a real balanced budget amendment. Vote for the Kyl, the Barton and the Stenholm balanced budget amendments. The founding fathers and America's future fathers and mothers are demanding it.

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. I thank the gentleman for yielding time to me.

Mr. Chairman, I had not planned to debate this matter today, because of a hearing in the Committee on the Judiciary, until I heard the distinguished gentleman from South Carolina [Mr. RAVENEL] give his speech using the analogy of the straw that broke the camel's back. It was his speech that prompted my presence here.

When I return home to my district and visit with church groups, civic clubs, business meetings, meetings with working men and women who work hard for their money, I remind them that in my opinion, we in this country are now standing in the shadow of fiscal bankruptcy. I dislike disseminating seeds of fear, gloom and doom, but not unlike the gentleman from South Carolina, I believe we may well be in our final days, unless and until we address the consistent problem that plagues us daily, and I refer to the reckless, imprudent practice that appears to dictate the manner in which money is spent in this House.

Mr. Chairman, I dislike rushing to the Constitution each time the urge to do so strikes me, but given the obvious absence of discipline in this body, I believe a balanced budget amendment is a necessary prerequisite if we are in fact serious about resolving the deficit problem. Our constituents must balance their checkbooks. We should apply no less standard to ourselves, as we go about the business of spending our constituents' tax moneys. A move in the right direction to this end, Mr. Chairman, is a vote for the balanced budget amendment.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Colorado [Mr. SKAGGS], who has been very involved in this entire issue.

Mr. SKAGGS. I thank the gentleman for yielding time to me

Mr. Chairman, from time to time, under the duties and obligations the Constitution gives us, we revisit one of the abiding questions of this democracy, that is, whether the Constitution itself, a document conceived in another time and under fundamentally different circumstances, is still capable of doing the job it was intended to so.

The Federal deficit, which has more than quadrupled since 1980, continues to act as drag on the Nation's economy, compromising our efforts to deal with our fiscal problems and indenturing our children, and their children, for decades to come.

I'm deeply concerned—all of us are—about this problem. It has brought us to this point, where we consider exercising one of our most solemn powers, the power to amend the Constitution itself.

No attempt to amend the Constitution has succeeded in more than 20 years. The founders intended it to be a difficult process, so that it would also be a well-considered process. And rightly so. Put simply, we have to be absolutely certain, when we take the extraordinary step of an amendment to the Constitution, that the amendment would actually achieve its purpose. More than that, we need to be extraordinarily confident that any amendment not lead to unforeseen consequences that would make things even worse; confident that the remedy will really work.

While the intent of the Stenholm amendment deserves our praise, it fails this critical test in several respects.

Most troubling is that only a declaration of war, or a vote of three-fifths of the Members of the Senate and the House could suspend the provisions of the amendment. The requirement for a supermajority, particularly is a prescription for gridlock and failure. The whole point of balanced budget amendment is to prohibit deficit spending, but we all know that we're faced from time to time with situations that require extraordinary measures. During periods of recession, for example, it's the responsibility of the Federal Government to develop economic policy to counteract these inevitable downturns and to ease the harsher impacts of recession on the American people. In these situations, it's critical that we be able to act to help turn the economy around. But we have a bad enough record of achieving even simple majorities, much less three-fifths super-majorities, on matters like budgets and reconciliation packages. So I'm afraid that as a practical matter this amendment would act as a straitjacket in those times when action is needed most. We could well be stuck with a policy by default that would aggravate an economic downturn and turn some future recession into a depression.

This amendment contradicts our constitutional reliance on majority rule—which Madison rightly called the fundamental principle of free government. It's not difficult to imagine a worst case scenario. In the midst of a recession or some other national emergency, an attempt to raise the debt ceiling or raise additional revenue could be supported by strong majorities in both bodies, but be blocked by a minority of only 41 Senators, aligned by some particular regional interest or political ideology.

Imagine a situation in which a badly needed measure was blocked by the Senators of the 21 least populous States. Senators from States with fewer than 30 million people—less than 12 percent of the country—could effectively thwart the will of the remaining 88 percent. The amendment, in short, would give exaggerated power to small States, and would effectively give 41 Senators the power to hold the country hostage. Recent experience gives us plenty of evidence that there are those who are willing to do so.

We should also worry about enforcement. Were events to leave a budget in violation of the amendment, no enforcement mechanism exists to resolve the issue. Disputes would inevitably come before the Federal courts with their inherent power to enforce the Constitution. Here again we should foresee a result that is contrary to one of the fundamental purposes of the Constitution. We'd effectively give away one of our primary responsibilities as representatives of the people to a small group of unelected judges, who, for good reason, are not accountable to any constituency. Do we really want Federal judges making decisions about raising taxes or cutting spending?

In addition to these broader questions, this amendment also comes fraught with subtler, but no less troubling, problems of definition and workability.

We should ask ourselves, for example, if the provision, for deficit spending only after a declaration of war, makes sense. None of the national security crises we've encountered since World War II have involved an actual declaration of war. Given this recent experience, we ought to have the budget flexibility to deal with a future security crisis that stops short of declared war.

Then there's the question of estimates. The level of accuracy we've seen in revenue and spending estimates is rarely equal to the job of making budgets to which we must adhere, on penalty of judicial enforcement, during the course of a fiscal year. There are Members here who well remember 1981, when we started to dig this deficit hole in earnest. The first Reagan budget rosily forecast economic growth of 4.2 percent in the year ahead. The economy, apparently not in a mood to obey the President, proceeded to decline by 1.9 percent.

The relevant lesson is that when we make projections, often 18 months or more into the future, our actions are based on economic models that are not perfect. And a lot can happen in the space of only 18 months to overtake the best projections. Given the difficulty inherent in achieving a supermajority to allow us to act correctively, this amendment could well leave us stranded.

And, finally, we should remember to take into account the critical distinction between operating and capital expenditures, as this amendment does not. Balancing an operating budget makes sense, and States are statutorily required to do it. The more difficult issue is investment: something that all States, municipalities, and individuals do regularly when they build a bridge or buy a house. By effectively prohibiting borrowing for investment on the Federal level, we'd force a wholesale shift in investment responsibility to the States and localities. We regularly borrow from future revenues to invest in future well-being, but this amendment would blind us to the needs of the next year, much less the next decade.

Ultimately, the irony of this discussion is that it comes at a moment when, after a dozen years of profligate spending, we're finally moving in the right economic direction. Over the past year, Congress, led by the President, has finally achieved a level of fiscal discipline it hasn't seen in a long time. We've approved a hard freeze on discretionary spending. We've reduced the rate of increase in most entitlements, and actually cut some. We've joined the battle to find a way to lower health care costs. It would truly be a shame if, at this promising moment, we were to wave the rhetorical wand, pass this amendment, and allow ourselves to believe that we've won the battle, only awaiting State ratification of that amendment. Rather, there can be no letup in the hard work needed to produce sensible budgets over the next several years.

In the end, we should be mindful that when we amend the Constitution, history will judge our actions with an especially critical eye. The Constitution grants primary responsibility for the budget to Congress for a reason: The decisions we make ultimately reflect the needs and preferences of the people we represent. The progress we're finally making is proof of the ability of this body, at its best, to discharge its responsibilities. We must continue and strengthen the discipline recently shown here. That is the best way for us to honor both our fiscal responsibility and our obligation to preserve and protect the Constitution.

☐ 1720

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I rise in support of the Kyl substitute, House Joint Resolution 103.

Mr. Chairman, millions of American families abide by the simple rule that you don't spend what you don't have, but today we are being told that Congress somehow knows better. You can spend more than you have; you don't have to watch your wallet—especially if you're spending someone else's money.

In 1776, our country was founded. Providentially, that same year, a great book was published entitled "Wealth of Nations" by Adam Smith.

Adam Smith once wrote that "what is prudence in the conduct of every private family can scarce be folly in that of a great kingdom."

My colleagues: our national debt currently exceeds $4.3 trillion—that's $17,495 for every man, woman, and child in the United States. Under current policies, future generations are projected to face a lifetime net tax rate of 82 percent in order to pay the bills that we are leaving them.

In 1993, gross interest payments equaled $293 billion. This is greater than the total outlays of the entire Federal Government in 1974. Make no mistake, if we don't require some fiscal discipline we will, we are sowing our children's fiscal future to the wind.

Mr. Chairman, the Kyl substitute requires a balanced budget, limits Federal spending to 19 percent of GNP, and provides a real line-item veto for the President. This is simple commonsense approach to the debt and deficit. It encourages economic growth and responsible Federal expenditures. Maybe that's why the National Taxpayers Union, Citizens for Sound Economy, Citizens Against Government Waste, and Americans for Tax Reform have all endorsed the Kyl substitute.

I urge my colleagues to examine and vote for this proposal.

Mr. GALLEGLY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. BUYER].

Mr. BUYER. Mr. Chairman, during this time of year, as Hoosier and other American families are setting down to prepare their taxes, they wonder why Congress is incapable of balancing the country's budget. After all, common sense dictates that if they have to live within their own budgets, so should the Government.

Since 1969, Congress has failed to balance its spending with its revenues—and the solution has always been to increase taxes on hard-working families or to raise their burden of debt. Unfortunately, with more revenues, Congress has simply increased spending and neglected its fiscal duty. As history has proven, Congress cannot limit its spending practices and Government continues to grow.

As the Federal debt continues to rise out of control, above $4.3 trillion, it is obvious that America's long-term fiscal woes can only be solved with the enactment of a strong balanced budget constitutional amendment. Such an amendment would provide necessary protection to the American people from the continuing fiscal abuses of big government. The expansion of our Government and its intrusion into the daily lives of the American people has resulted in the frequent levying of more and more taxes to pay for Congress' inability to curtail Federal spending. After witnessing the budget resolution vote last week, this year is no exception to the disreputable policy of keeping hard-working Americans burdened with oppressive taxes.

The Stenholm-Smith balanced budget amendment imposes the fiscal responsibility that Congress has forgotten. The amendment compels Congress and the President with constitutional authority to only spend an amount not exceeding revenues. Deficit spending could only occur with the approval of a three-fifths majority vote of both the House and the Senate in time of national emergency and economic distress. Additionally, the amendment requires the reduction of existing Federal debt but does not sacrifice the security of our senior citizens or our national security.

Some opponents of the amendment have spread the myth that a balanced budget amendment would threaten the existence of Social Security and Medicare. The amendment would not force automatic across-the-board cuts in Social Security or any other program. Current statutory protection would not be changed or reduced. Social Security has a long history of special budgetary protection which will not be compromised because the trust fund would still be maintained as separate from general funds. It won't threaten the security of our senior citizens.

Critics also claim that a constitutional mandate is unnecessary, but they ignore the simple fact that all less substantial measures have failed—and failed miserably. Deficit spending must only be used for short-term national emergencies such as war or substantial economic decline. Deficits must be paid, and paid promptly. Over 200 years ago, Thomas Jefferson stated,

> The question of whether one generation has the right to bind another by the deficit it imposes is a question of such fundamental importance as to place it among the fundamental principles of the government. We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves * * *.

Congress has lost its political morality. Authors of the Constitution did not add fiscal constraints because they had such a strong moral sense that you do not saddle future generations with debt incurred by the present generation.

You do not pull out a credit card and use it to buy a television, clothes, car, and a vacation to Hawaii and then give the bill to your children and grandchildren. You only have to look into the face of a child to understand why we must pass a balanced budget amendment.

We now have the opportunity to take a giant step toward compelling Congress to fulfill its obligation to fiscal responsibility and limit the size of our expanding Government. I urge my fellow Members to not let this moment escape us. Protect our children and our children's children from the burden of debt. The balanced budget amendment will give freedom to our children, rather than shackles of debt.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, today, I rise in support of a balanced-budget amendment to the U.S. Constitution. For far too long, deficit reduction has been ignored by Congress, but we now have the opportunity to vote on several different amendments which will truly mandate that Congress balance its books.

The long-term health of the Nation demands a balanced-budget amendment. Congress has shown time and again that it is prepared to waive any inconvenient statutory spending limit that it has imposed upon itself.

Two decades of failed attempts to balance the Federal budget has resulted in nothing but gimmicks, deceptions, and ever-higher deficits. Just look at how well these past restraints have worked: The national debt currently exceeds $4.6 trillion. That means that every man, woman, and child in the United States owes over $17,000 because of the extravagant spending habits of this institution. Clearly, if we ever hope to balance the budget, Congress needs the additional weight of the Constitution bearing upon it.

Many skeptics claim that we can't balance the budget without decimating Social Security and other important Government programs. I am here today to tell you, the skeptics are simply wrong. Congressman PENNY and I have proven that, with our introduction of H.R. 3958, the Fiscal Responsibility of 1994.

This bill, which is a comprehensive set of specific budget cuts totalling $550 billion, will bring the Nation within striking distance of a balanced budget, without raising taxes and without decimating Social Security. So before reacting to the alarmists' claims about the draconian impact of a balanced-budget amendment, I recommend that my colleagues take a close look at the Fiscal Responsibility Act.

The Schaefer-Penny bill shows that the budget can be balanced. Congress, however, has to have the political fortitude to do it. Unfortunately, only an amendment to the Constitution will enforce that discipline. I encourage my colleagues to return some fiscal sanity to this institution by voting for a balanced-budget amendment.

Mr. STENHOLM. Mr. Chairman, I yield 3½ minutes to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS of Texas. Mr. Chairman, I rise in strong support of the Stenholm balanced-budget amendment.

I would like to specifically address four of the key arguments I have heard today used against this amendment.

First, the opponents say we have to have the ability to spend and to have deficits and recessions. They are basically referring to the philosophy of that economist, John Maynard Keynes. The problem is the opponents to the balanced-budget amendment forget the other half of what Mr. Keynes had to say.

□ 1730

And that is in good times we are supposed to not have a deficit, you are supposed to have a surplus in the budget. They want to have their cake and they want to be able to eat it too. They want to have deficits and recessions, but they do not want to have to make the choices necessary to have a balanced budget or surpluses in good times. You cannot have it both ways.

The second argument the opponents to a balanced budget amendment make today is that all we have to do is make tough decisions. Well, they have been saying that for 25 years. For a quarter of a century people have been coming down to this well and telling the people of America. "All we have to do is make tough decisions to balance the budget." It has not happened. That is the reality, not the theory.

Why has it not happened? I do not think it is because everybody in this body wants to have a deficit or to spend our children's money. I think it is a flaw in the process. If you are from an urban area, it is easy to vote to cut agricultural programs; if you are from a rural area, it is easy to cut mass transit in urban areas; if you are from the Southwest, it is easy to vote against Amtrak subsidies; if you are from the Northeast, it is easy to vote against the super collider and the space station in Texas. And then all of these people can go home and in good faith say, "I voted to reduce the deficit."

The reality is, and it has been reality for a quarter of a century, that the process is not working. It is time for us to recognize that and to change it.

The third argument that the opponents to the balanced budget amendment offer today is that it is a gimmick. I find that interesting because they say it is a gimmick on the one hand and yet it is going to devastate social security and other critical programs on the other. Once again they are trying to have it both ways.

But I think people can see through that.

People said another thing was a gimmick—the base closing process this Congress set up a few years ago. They said, "Don't change the process. Make policy choices." And yet year after year bases were kept open that should not have been kept open. That added to our deficit and hurt our national defense.

We changed that process on closing military bases, and it has worked. We closed bases in the districts of key and powerful congressional Members' districts that never would have been closed had we not changed the process.

The point is this: The best way to drive good policy is to change our process. And by changing the process, by building fiscal discipline into this fiscal process of Congress, we will have better decisions and we will not mortgage our grandchildren's future away.

Finally, Mr. Chairman, they say this should not be in the Constitution. I would agree, but we have been left with no other alternative.

I think what we are really talking about here today and why it is important enough to put in our Constitution is that we are talking about the property rights of our children and our grandchildren, and property rights are a key fundamental right in this country, built into the very heart and soul of our Constitution. It is not right for us to, year after year after year, take our children's and grandchildren's money, spend it today for the policies that we will enjoy that they will have to pay for.

I strongly urge support of the real balanced budget amendment today, the Stenholm balanced budget amendment proposal.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KYL].

Mr. KYL. I thank the gentleman for yielding this time to me.

So far today in this debate I have spoken in support of three of the amendments.

In about an hour or so, I guess I will be proposing the first of the amendments that we will be voting on, that we will be voting on tonight, my balanced budget amendment spending limits proposal.

I have been suggesting to our colleagues that we should be supporting three of the four amendments, the Kyl amendment, the Barton-Tauzin amendment, and the Stenholm-Smith amendment.

I would now like to talk just a little bit about the Wise and other amendments, which I think should be opposed. There are three basic loopholes in this bill which I think we should be very, very careful about. The first of these was just spoken about by the gentleman from Texas, the idea that during recession times or negative growth periods we would be able to override—not override, but automatically the provision would not apply.

According to my calculations, that would mean that we would have had unbalanced budgets for 17 of the last 38 years. Now, if that is true, Mr. Chairman, that means that almost half of the time we would not have a balanced budget. We are not talking here about an override, it is an automatic provision.

So, the first loophole would provide for about half of the time not having a balanced budget at all.

I am curious as to why it would be necessary to have this provision in the first place. I think we have gotten away from the idea of Keynesian economics, as the gentleman pointed out. It is unclear why this automatic provision would need to exempt us from the balanced budget requirement during periods of negative economic growth.

In any case, that is one of the loopholes.

The second loophole discussed here is the social security program. I will only say, with respect to that, that by statute we could define other things as falling within this exception. And therefore, I think that represents a second important loophole.

The third loophole, and this is really a big one, is the idea of capital budgeting. I understand our colleagues' concern about capital budgets with reference to the States. But I think that by not further defining this, they have really made it impossible. Let me get right into the language here. The idea of a capital budget is to protect investments with long-term economic return, to quote from the amendment directly.

But the Clinton budget this year specifically has an entire section entitled "Investing for Productivity and Prosperity," setting priorities under budget discipline. Among the items discussed in that section on investments are insuring that children start off healthy and are prepared to enter school and receive good parenting; specific programs including WIC, Head Start, child immunization. Among other items are: improving education, training disadvantages, and retraining workers, and a whole series of other things.

Mr. Chairman, these things are all important, but I think it points out the fact that under the rubric of investing for long-term economic gain, we could write just about anything we want to under the capital budget requirements and thereby create a third, very, very large loophole.

For these and other reasons, I would suggest to my colleagues that they oppose the Wise and others amendment and support the other three amendments when we have an opportunity to vote on them.

Mr. WISE. I yield myself 2 minutes to respond to the gentleman from Arizona. I am delighted, I guess, to be singled out.

But let me quickly respond. First, his first point on the recession waiver: The gentleman regrettably has not read fully the text of our amendment, because what it says is that you can waive the provisions of the balanced budget amendment in only two circumstances, and only two; one of which is in case of military conflict, the second in case of recession, defined as two quarters of negative growth. Then it requires a majority vote. There is no automatic waiver.

I might add, it is my impression reading the other amendments, certainly the Stenholm amendment and, I believe, the gentleman from Arizona's as well, that you can waive the provisions of the Balanced Budget Act at any time with 60 percent of the vote, a supermajority. We say you can waive it for only two circumstances.

In terms of the Keynesian economics—I never have pronounced that very well—in terms of Keynesian economics, the reality of the situation is that recession is when administrations, Republican and Democrat, recognize they need to do some increased spending to get the economy moving.

The Reagan administration did not use traditional public works programs, although a small bill did pass the House. It used defense spending, but used it in a very Keynesian way.

So, I would say that you do want the ability to respond to any recession.

Social Security: I issue my challenge again to the gentleman from Arizona, if you do not think Social Security is affected under your amendment, the Kyl amendment, or the Stenholm or the Barton, then take it off budget as we do and be honest with people and say we are going to guarantee that it is not going to be affected.

Nobody is going to lose additional programs.

Can you imagine the outcry that would happen?

Finally, in terms of capital budgeting, we are accused of not defining capital budgeting as being too rigorous in the Constitution; and yet if we try to define what capital budgeting is, we would be accused of being too detailed. I think it is much better left to a commission that reports back and Congress will write that definition. But I would point to the language in our amendment that says capital budget must apply only to long-term economic return.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to support the Stenholm and Wise balanced budget amendments.

It has become a cliche to say that there is no easy way to arrest our deficit problem. We've learned that reducing our borrowing levels is about making tough, unpopular choices. Passing last year's deficit reduction package—which has had dramatic effects—was a hard choice. Including the deficit reduction trust fund, which insured that all the net savings from the budget plan went to deficit reduction, was another hard choice. Voting for the imperfect yet necessary Penny-Kasich amendment, which would have made an additional $90 billion in spending cuts, was, for many of us, a very tough choice.

This debate confronts us again with imperfect options, and, again, I urge my colleagues to make the choice toward further deficit reduction.

There is nothing that focuses attention like a hangman's noose. Though the balanced budget amendment is not the perfect solution to our problem, it does focus our attention to the highest degree. Constitutional prohibitions against deficit spending will compel the Congress to make the hard choices, even when the debate focuses, as it inevitably must, on political untouchables like entitlements and subsidies.

Although I respect the work of Representatives KYL and BARTON on their constitutional amendments, I am worried about burdening the Constitution with the unprecedented economic measurements that their amendments include. The Kyl amendment would impose new constitutional-level requirements integrated with the calculation of gross national product and the scoring of "items of spending authority," while the Barton amendment requires the Constitution to govern the raising of revenues at a "rate faster than the rate of increase in national income." Amending the U.S. Constitution should be done with extreme care, and only in ways that minimize legal entanglements down the road. Going too far with injecting economic calculations into the Constitution is unprecedented and risks political crisis, as every such calculation is political in nature. We need a framework that forces us to make decisions, not one that makes too many of them for us.

Voters in my home state of California chose a balanced budget amendment to its constitution that excludes long term investments like bond issues for school, highway, and prison construction. No one doubts, however, that the California requirement dictates tough choices that have led to drastic cuts in spending to erase the State's deficit. We can and must do the same at the Federal level.

Even though it is unlikely that we will be able to send a balanced budget amendment to the States this year, I believe that consideration of these several options by this House is a positive step. We must work harder to make the hard choices to cut spending, and to design a mechanism to force us to do so if the political will cannot be found.

□ 1740

Mr. GALLEGLY. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I wanted to respond to both my colleague from West Virginia and my colleague from California.

The gentleman from West Virginia is correct that it is not technically automatic that in periods of negative economic growth the amendment would have no effect. Congress would have to waive that, but it could be done by majority vote. The practical effect, I think, is the same as has been demonstrated by our waiver of Gramm-Rudman, the Budget Act and other laws in the past.

With respect to the comment by our colleague from California that we need an amendment under which we can make decisions rather than provisions that make them for us, it seems to me that, while that may be true in the abstract, it has been demonstrated that Congress has not been able to make the decisions without the encouragement, shall we say, of a requirement that it do so, and that is why I think we have to set an upper limit, such as my proposal does, and then prioritize within that upper limit. If instead, as under the Wise amendment, we have terms such as investments with long-term economic return, we are going to get into defining that by statute as job training, education, Head Start, lots of other things which simply expand the loophole to the point that the constitutional provision does not mean anything in the first place.

So, that is why I think my proposal meets the test better and that we still should oppose the Wise amendment.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, in the past Congress passed provisions to set up firewalls between discretionary and entitlement spending in attempts to balance the budget. It did not work. Then we tried pay-as-you-go provisions. They did not work. Just last week we had a chance to approve a budget that would have balanced the budget in 5 years. We did not pass it. When are we going to face the reality that we need something more than empty promises, we need a balanced budget amendment to our Constitution.

Obviously, the current budget process has failed to bring the deficit under control. We can no longer tolerate the practice of freely granting exceptions to budget rules in order to accommodate funding demands. We must respond to the call to cease runaway spending and begin the kind of reform that the balanced budget amendment dictates.

Lawmakers know full well that chronic deficits threaten the Nation's long-term prosperity. Unfortunately some believe that their short-term interest lies in spending more and more on the demands of various special interests. Still others know that we can't keep demanding American families to spend more and more in higher taxes. Therefore deficit spending provides an easy way out. The balanced budget amendment forces lawmakers to do the right thing instead of the easy thing.

The Stenholm-Smith amendment injects much needed accountability into the appropriations process by establishing procedures that will force each and every Member of Congress to put his or her name on the line in order to initiate deficit spending.

Some may argue that we do not need to amend the Constitution. After all, they claim the Constitution did not get us in this problem, changing it certainly won't solve it. But we have tried to regulate ourselves with every type of House rule change that we could dream up. None of them have worked. Congress has shown time after time that it is unwilling and unable to balance the budget on its own accord.

Others may try to take accounts that fund pork projects for their district off-budget. We increase the deficit every time we spend money we do not have, regardless if it is accounted for in the budget or not.

For my colleagues who have an insatiable thirst for spending I say lets erase our deficit and in doing so, stop increasing the billions of dollars we are spending every year to finance the deficit. If we are to preserve our Nation's good credit, the ability to provide for the common defense, promote the general welfare, and save for our children and grandchildren the opportunities to enjoy the blessings that this great land has bestowed upon our generation, we need a balanced budget amendment added to our Constitution. I strongly urge my colleagues to vote for the Stenholm-Smith balanced budget amendment.

Mr. GALLEGLY. Mr. Chairman, I yield 5½ minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, it has been a long debate today on the balanced budget amendment in general. There has been some debate about the specific alternatives that are going to be considered later this evening and tomorrow. I have listened to the debate over the television in my office when I was not in committee, and I think there are several points that have not yet been totally highlighted.

First, when the Constitution was propounded in the late 1700's, Mr. Chairman, the Founding Fathers were very specific in what spending was allowed for. My recollection is that in the Constitution itself there are only 18 items that are specifically enumerated that money can be spent for. I say to my colleagues:

> If you look at the history of government at the Federal level, you see that for the first 150 to 175 years there were many, many items that the Federal Government spent no money for. Education would be an example of that. Public health would be an example of that. With the beginning of the New Deal in the 1930's, continuing on into the present era, the Federal Government began to expand its role. Well, one can argue that there may not have been a need for a constitutional amendment for the first 150 years because Congresses and Presidents were very specific in what hey were willing to spend Federal dollars for.

Mr. Chairman, as late as the 1950's, when the Interstate Highway Act was passed, it was labeled the Defense Highway Act because defense was something that was enumerated specifically in the Constitution that money could be spent for at the Federal level. Well, as we all know today, that enumeration, that limitation on what Federal dollars can be spent for, has been totally erased, and Federal dollars, for all intents and purposes, can be spent for anything. So, for that reason there is every reason to amend the Constitution to in some way try to limit Federal spending; in other words, to require a balanced budget.

□ 1750

Both the Stenholm-Smith amendment, the Kyl amendment, and the Barton-Tauzin amendment, all three of those, we attempt to do that in a very straightforward and serious way.

There are differences in the amendments. The Kyl amendment says there should be a spending limitation as a percentage of GNP. The gentleman from Arizona [Mr. KYL] supports that amendment because it is in effect in his home State of Arizona at the State level and has been effective in limiting spending at the State level.

I have chosen to say we should try to limit the ability to raise taxes by the requirement of a 60-percent vote to raise taxes. My amendment does not make it impossible to raise taxes. It allows that taxes could be raised no higher than the rate of growth in GNP the year before, and if you want to go higher than that, you have to have the 60 percent vote. We also require the 60 percent vote to increase the national debt ceiling.

These supermajority votes are required quite simply because the specific enumerations of what funds can be spent for at the Federal level have been broken down. We can spend money at the Federal level for anything. I can give you horror story after horror story about what that spending has occurred for.

In terms of tax limitations, as I said earlier this afternoon, tax limitations provisions in constitutions at the State levels work. On average those states that have some sort of super-majority requirement for tax limitations have a tax burden that is 2 percent less than States that do not have such a supermajority. In fact, in States that have no kind of limitation on tax increases, their tax burden as a percent of State GNP has gone up about 2 percent. That is a total of a 4-percent gap.

So in the debate tomorrow on the Barton-Tauzin amendment, I will bring that out in much more detail. Suffice it to say, we need to balance the Federal budget, we need to pass an amendment to the Constitution in order to mandate that, and I hope that we decide collectively that we need to do it by limiting taxes.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, as an original cosponsor of House Joint Resolution 103, I rise in very strong support for the constitutional amendment to balance the budget proposed by my colleague, the gentleman from the great State of Texas [Mr. STENHOLM], a true cost cutter.

I have had the opportunity since I have been a Member of Congress twice to vote on the balanced budget amendment. We lost the first time by seven votes in the U.S. House of Representatives. We lost the second time by nine votes. And I hope everyone, as these campaigns get hot this summer and if we fail by a few votes, which I hope we will not, will ask every candidate running for public office, where do you stand on the balanced budget amendment?

The U.S. Senate just voted on it recently. We lost by four votes there. So we are very, very close. And I assure the American people that the gentleman from Texas [Mr. STENHOLM] and myself, and other colleagues in the U.S. House of Representatives, are not going to let this issue die. We are going to keep it alive Congress after Congress until it becomes a reality.

Mr. Chairman, many Members will come to the floor to say that this amendment is not needed. Sure, we have done a pretty good job the last several years. We have brought down the budget deficits. We were running budget deficits as high as $400 billion. Now we are bringing them to the level of $200 billion. But $200 billion is still an awful lot of money, and it still does not do what we want done in this country, to revitalize this economy and bring about a strong economy where people have good jobs and better paying jobs. As long as we are being strangled by these budget deficits, it causes us great pain. We can do something about it by working together.

I know recently I have gotten hundreds of letters, thousands of letters since I have been here, from senior citizens and others, talking about the Social Security system and why we are borrowing against it and what that is doing for us for the future.

I get calls and letters from young people that want a future, and yet they feel like we are mortgaging our future, and we are doing just that.

Mr. Chairman, let us stand up and be counted. Every one of us knows that every Member of Congress has a different laundry list of where to cut costs. Unfortunately, all of our laundry lists are different. Therefore, we do not cut anything.

This is the time to stand up and be counted, and let us stand by the gentleman from Texas [Mr. STENHOLM], and this balanced budget amendment, and let us pass it this time.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to make a few comments as one of the authors of several of the different balanced budget amendments proposals. One of the things I get an opportunity to do in the First Congressional District of Georgia is speak to a lot of school groups. I often ask children in the fifth grade classes, how many of you are on an allowance? Most of them raise their hands.

I say what do you make, $2, $3 a week, and so forth. And I say look let me just pick on you. And I usually pick on one little boy or girl in the class, and I say if you make a dollar a week, how much do you spend? They say 75 cents, maybe 80 cents. If it is Christmas, I might spend the whole dollar.

Then I ask these 10-year-olds, how many of you ever spend more than you get for your allowance? They look at me, and I have completely lost them with that sentence. And I say if you make a dollar a week, do you ever spend a $1.05, $1.25, or $1.30? They say Mr. Congressman, we don't know what you are talking about. And I say, I just want to say, sadly, that is what has been going on in the U.S. Congress since 1969 when we had our last balanced budget. And I point out to them while there is a lot of partisan politics in Congress, this is not a problem that you can blame on the Republicans, the Democrats, the President, the other body. This is a problem that is a bipartisan problem, and we have to resolve it in a bipartisan fashion.

One of the interesting things that I learned as a new Member of Congress is that in 1980, the revenues of Congress were $517 billion. By 1990, the revenues were over $1 trillion. Yet during that same period of time, our expenditures outpaced revenues. So rather than freezing or slowing down the rate of new expenses, we allowed it to stay way out in front of the revenues. So we continued deficit spending. And now we have I think on February 9, a $4.5 trillion debt. Again, during that period of time you had Democrats and Republicans in charge of various bodies in the executive branch and so forth. So it is a bipartisan problem.

Let me say this: I served in the Georgia General Assembly for 8 years. We always balanced our budget. In my congressional district, or the one I represent, it is certainly not mine, there are 22 counties. Every one of them has a balanced budget. All the cities, and I have about 35 municipalities, every one of them has a balanced budget. We need to operate on the same constraints. Because if it is good enough for Hometown, U.S.A. it is certainly good enough for Washington, DC.

For further reading I would certainly recommend "The Coming Economic Earthquake" by Lloyd Burkett, or "Bankruptcy 1995" by Harry Figgie, because it will keep you up at night. This is a huge problem. We have got to get the debt under control and we have to start with the deficit in order to do that.

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, I want to take this opportunity to thank my colleagues, Mr. SMITH and Mr. STENHOLM and others who have had the courage and provide the leadership on this most important issue.

As the freshmen Republican coordinator of Stenholm-Smith balanced budget amendment, I want to thank every new Republican Member, all of whom support this amendment.

Balancing our national budget by enacting a constitutional amendment is the most critical issue to come before the 103d Congress.

As a new Member, I have been shocked and appalled at the reckless manner in which taxpayers' hard-earned dollars are spent here.

After only 1 year in these halls, I am convinced more than ever that we must pass a balanced budget amendment.

Every legislative attempt to curtail Federal spending has failed. If the people really knew how their money was being spent they would charge up the Capitol steps and drag out the guilty parties.

Unfortunately, the average citizen and taxpayer is so busy paying the bill, complying with Government regulations, and trying to keep afloat, they have not taken measures into their own hands.

But, I remind my colleagues, they have sent us here to make sense of the mess Congress has created. Do not believe those who attempt to scare people by saying that a balanced budget will hurt this or that special interest group.

This amendment will not hurt anyone today. This amendment will not hurt anyone tomorrow. What this amendment will do is secure the future financial stability of our country.

Here is a copy of our Constitution. It starts off by saying that the primary purpose of bringing our States together was to provide for the common defense.

Mr. Chairman, in the not too distant future we will be paying more for interest payments on the national debt than we pay for national security.

Because of the reckless spending here, because of the lack of fiscal constraint, we have no other course but to amend this rarely altered document.

Nearly every State operates under a balanced budget provision. Almost every city, local government and school board work under strict spending constraints.

There is no valid reason why our national Government should operate without reasonable limits on spending.

Quite frankly, my colleagues, the question before us goes right to the heart of whether or not a Republican form of government and democracy can survive.

Have we created a Congress that will vote such largess that it will eventually bankrupt our country? Have the beneficiary's of Government programs so outnumbered the taxpayers that there is no hope for the future? Will we spend this great Nation into oblivion?

Today we have one chance to change the course of our own history. I ask you to join me in support of the balanced budget amendment.

□ 1800

Mr. GALLEGLY. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. BACHUS].

Mr. BACHUS of Alabama. Mr. Chairman, as an original cosponsor of House Joint Resolution 103, I compliment the distinguished gentleman from Texas [Mr. STENHOLM] for his tireless efforts to bring our fiscal house in order by proposing this much-needed legislation.

Mr. Chairman, it is simply unconscionable that we would continue to heap debt on our children and grandchildren, billions of dollars each day. These children have no recourse. They have no voice in this debt. This child abuse must end.

As elected Representatives of the people, we should have the courage and the foresight to make the tough decisions other Americans make every day. Regrettably, Congress has chosen a different course, continuing to spend and spend and spend and spend without making the necessary cuts to bring the Nation's budget in balance.

Every day, families across this great Nation balance their household budgets, and every year 48 of our Governors balance their State budgets. They are following a simple, commonsense principle. We should not spend more money then we take in.

They do it for our children, their children. If this Congress had this same discipline, this discipline that the American people must demonstrate each day, we would not be debating this issue today. But it is this very lack of discipline on the part of this body in the past to exercise fiscal responsibility which brings me to the well today.

Mr. Chairman, deficit spending must stop. A balanced budget amendment to our Constitution will compel Congress to demonstrate fiscal responsibility for a change.

The American people want action now. As their Representatives, we must not miss this historic opportunity to act. I urge my colleagues to pass the balanced budget amendment.

Mr. GALLEGLY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the greatest threat to our Nation's long-term economic well-being is the rapidly increasing Federal debt, which has reached over $4 trillion. The interest payments on that debt now consume nearly 15 percent of the Federal budget. If we maintain the spending status quo, the interest on the national debt will become the largest Federal expenditure in the budget where interest payments will crowd out all other Federal programs including Medicare, Social Security, and other vital programs.

This is precisely why this House must vote in favor of the balanced budget amendment so we can eliminate this drain on our budget. A balanced budget amendment that will finally limit excessive Government spending is necessary to force Congress to begin to set spending priorities instead of just pushing the current debt on to future generations of Americans. As history demonstrates, statutory approaches just have not worked. The balanced budget amendment provides the necessary flexibility to deal with national emergencies. We must enact the balanced budget amendment to stop outrageous Federal spending patterns and, more importantly, to stop mortgaging our children's futures.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding time to me.

I simply want to add my words of support for the Stenholm version of the balanced budget amendment. During the next number of hours, we will debate several alternatives. I believe the Stenholm approach is the one that should be commended to this Congress and to the country.

Clearly, we need to change the rules here at the national level. Presently, there is no expectation that a budget should ever be balanced. That is one of the reasons that we seldom see presented to the Congress any proposals that seriously address the deficit issue.

We did, however, have one opportunity last week: a budget alternative presented by the gentleman from New York [Mr. SOLOMON] would have challenged us to cut upwards of $660 billion over the next 5 years in order to attain a balanced budget by the time this constitutional amendment, if passed, would take effect.

Sadly, far too few legislators chose to cast their votes in support of a real balanced budget initiative.

Nonetheless, today we are called upon to vote for a policy change and to place this basic budgeting principle right in the Constitution of our land.

It is my hope that in the future, if this amendment is adopted, that we will no longer debate whether we should balance the budget but, rather, how we ought to go about balancing the Nation's budget.

This is an amendment that has been around in various forms in the past. Every time we bring it to a vote we do better. It is my hope that this vote will be the charm that will secure the two-thirds necessary and that we will present to the country a new policy to govern our work here in Washington, a policy that says that balanced budgets are the order of the day, not the exception to the rule.

□ 1810

Mr. GALLEGLY. Mr. Chairman, I yield back the balance of my time.

Mr. WISE. Mr. Chairman, I would inquire of the Chair how much time I have remaining.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] has 7 minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank both the gentleman from California [Mr. GALLEGLY], the gentleman from Oregon [Mr. SMITH], who preceded him in yielding time, as well as, certainly, the gentleman from Texas [Mr. STENHOLM], who has permitted us a fair debate today, who structured this rule, brought it to the floor, and structured this debate. I think it has been a very important debate, and I think that we are going to probably see it even pick up in intensity as we move into the individual amendments, but to the gentleman from Texas [Mr. STENHOLM] particularly, I want to commend him for the way he has handled this and brought this matter to the floor.

Mr. Chairman, I rise in opposition to the so-called Stenholm amendment and in favor of the so-called Wise-Pomeroy-Price-Furse, and others who have cosponsored it, balanced budget amendment. We are going to say if you are going to put an amendment into the Constitution of the United States, it ought to have certain provisions.

There has been eloquent testimony here tonight about our children and our grandchildren and passing on debt. Certainly that is something we are all very, very cognizant of, the need to give them every opportunity to be unencumbered, or as unencumbered as possible. However, while we have been talking about wanting to avoid passing on debt, I think it is important as well to talk about passing on opportunity, passing on those opportunities for a full life that can only come because their parents and their grandparents made certain decisions, made certain investments, put this country on a path that it could grow on instead of contract.

Mr. Chairman, I would just like to say, in the likening of the family budget, or the comparison, actually, of the family budget and the Federal budget, I think it is important to note, how would you like going to talk to a family and saying, "You want a balanced budget, don't you?"

The family would say, "Of course we do. We sit down every month and we work out our costs. We have a budget. We know how much we can spend."

"Good. Do you know that you will have to pay for your house all in one payment, all in 1 year? You won't be able to get a mortgage for 20 to 30 years."

"Oh?"

"Do you know that the car, the $10,000 or $15,000 automobile that you need to get to and from work, to take the children to school, do you know that you are going to have to pay for that in 1 year, you are going to have to put cash down totally?"

"Oh?"

"Do you know that the education that you want to get for your child, to send that child to college so their income, according to most statistics, will probably be double to triple that of the child who does not finish high school, do you know that you are going to have to pay for all that tuition in 1 year, actually in probably one payment?"

They would say, "Oh?"

That is what you are asking the Federal budget to do if you do not have capital budgeting. I think most families would say, "We want responsible budgeting, but we also want the Federal Government to be able to invest in those things that are important."

Just as in families, we finance those long-term investments that are crucial to the growth and development of the family, so it is reasonable to expect the Federal Government to. What is not reasonable to expect the Federal Government to do is to run up so much debt, particularly in areas that do not produce long-term economic return.

What the so-called Wise-Price-Pomeroy-Furse amendment does is to say that the debt service will be part of the operating income, and so indeed it will come under the balanced budget provisions.

Most States, every State, to my knowledge, require a balanced budget, but also have capital investments. Everyone who stood on the floor tonight is from a State that has capital budgeting in some regard, and yet the Federal Government does not. Every business knows that it has to make investments, but chooses to spread the cost of that investment out over the life of the asset.

How would it go if a factory could not borrow for growth, but instead had to pay for that piece of vital equipment that increases productivity manyfold, and yet would have to pay for it up front? The reality is many factories could not.

I implore this body, as it is drafting a constitutional amendment, not to put the Federal budget into a fiscal straitjacket, but to recognize the important role of capital budgeting.

I think it is important to point out that our amendment, our alternative, is the only one that does two things, the only one that takes Social Security off budget. I have heard a lot of discussion tonight about, and happen to agree that most Members here, I do not know if any Member here would vote for cuts in Social Security. But if that is the case, then why the harm, why the bother in taking Social Security off budget, as many Members have said they thought ought to be done, and providing senior citizens that security of knowing that it is secure?

We are the only amendment that does that. We are the only amendment that provides for capital budgeting. Many colleagues have told me they like the idea of capital budgeting, perhaps it is something that ought to be done in legislation. My concern is that if any of the other amendments pass, we will not be able to do capital budgeting in subsequent legislation. Here is a chance now to put it into place, particularly in the Constitution of the United States.

Mr. Chairman, I would urge my colleagues that here, with the Wise-Price-Pomeroy-Furse amendment, the alternative amendment, that you have an opportunity to guarantee to senior citizens the security of Social Security by taking it off budget. You have an opportunity to stop passing on debt. We have exactly the same limitations, exactly the same effective date as the so-called Stenholm amendment and the other amendments, the year 2001.

Finally, you have the opportunity to pass on to your children something positive. You have the opportunity to pass on the recognition that investments in their future are going to be considered and given a priority status, and that will not be discouraged by the language in the Constitution or in other legislation that would preclude those types of investments. We want to encourage investing, we want to encourage those things that make us better, we do not want to discourage them.

Finally, going back to the family, the family knows well that you do not go and borrow money to drive through a fast food restaurant drive-through. That is silly. You want to make sure that part of the budget is balanced, but the family knows well the importance of long-term investments: their mortgage, their house, their car, their children's education.

We in the Federal Government can take that lesson to heart as well. I urge adoption of the Wise-Price-Pomeroy-Furse amendment so that you can protect Social Security by moving it off budget, provide for capital budgeting, and provide for those future opportunities for the children and grandchildren that have been the subject of all the discussion here tonight.

I thank the Chair and I thank the gentleman from Texas [Mr. STENHOLM].

The CHAIRMAN. The gentleman from Texas [Mr. STENHOLM] has 11 minutes remaining.

Mr. STENHOLM. Mr. Chairman, i yield myself such time as I may consume.

First, Mr. Chairman, I want thank all of the people who have worked so hard on this effort, from the balanced budget coalition of groups to our internal BBA whip organization, to all of our Members and their staffs that have worked so hard in corralling the votes to pass the balanced budget amendment this time.

Mr. Chairman, I cannot say enough about my colleague, the gentleman from Oregon [Mr. SMITH] and the work he has done on his side of the aisle; the gentleman from Virginia [Mr. PAYNE], the gentlewoman from Maine [Ms. SNOWE], the gentleman from Massachusetts [Mr. KENNEDY], the gentleman from Oklahoma [Mr. INHOFE], and I particularly want to commend my friend, the gentleman from West Virginia [Mr. WISE] for the job that he has done.

Second, Mr. Chariman, I want to commend the Members who have participated in the debate today, virtually all of whom have made that wish I made during the rules debate come true. It obviously has been a valuable debate conducted on a high plane, for the most part.

Third, I want to commend all the authors of the amendments being offered today for their sincere efforts and hard work: again, the gentleman from West Virginia [Mr. WISE], the gentleman from Texas [Mr. BARTON], the gentleman from Louisiana [Mr. TAUZIN], and the gentleman from Arizona [Mr. KYL], all of whom have contributed responsibly through the proposals that they are offering.

One of the most encouraging things to me is that while there is disagreement about the best amendment, there is a growing agreement that we need a constitutional amendment. In fact, I cannot help but observe that over these last 10 or 12 years, time and time again, we have passed statutes, time and time again we have made efforts to reduce the deficit; time and time again we have stood in the well at the mikes and said we are all in favor of balancing the budget, but when the tough ones come up, we always seem to be a little short, as my colleague, the gentleman from Tennessee, mentioned a moment ago.

Now it appears, at least listening to the debate today, that we now have well over two-thirds of this body, including, I believe, a majority for the first time on my side of the aisle, that believe we do need to amend the Constitution for purposes of bringing about a balanced budget.

□ 1820

Unfortunately, though, we have a difference again as to which one. We always manage to have that small difference that provides that reason for us not doing anything, and once again, that is what is happening to us.

Again, where we have honest differences, I can certainly go along with that.

I want to correct a few errors, though, and I believe there was a misstatement on the part of the gentleman from West Virginia [Mr. WISE] a moment ago when he said that his was the only amendment that provides for capital budgeting. That is not exactly true.

House Joint Resolution 103, our amendment, does not prevent the creation of separate operating and capital accounts. But the total budget must remain in balance. This is consistent with the recommendations of the GAO which stated the creation of explicit categories for Government, capital, and investment expenditures should not be viewed as a license to run deficits to finance those categories. The choice between spending for investment and spending for consumption should be seen as setting of priorities with an overall fiscal constraint, not as a reason for relaxing that constraint and permitting a larger deficit.

Similarly, the national performance review concluded that a capital budget is not a justification to relax current budget constraints. One of the reasons that I will oppose the Wise amendment, I think it has been good to raise this issue of capital budgeting, but I am not sure we are ready to put this version into the Constitution.

You know, a lot has been talked about while the States have capital budgets which allow them to finance large capital expenditures, they also have several mechanisms which regulate these budgets. These include referendum votes on bond issuances and strict bond quality ratings by private ratings services. Also, debts incurred for capital expenditures must be paid back systematically within the operating budget. Abuse of State capital budgets is limited by these votes and ratings.

These controls do not exist at the Federal level. Creating a Federal capital budget would invite moving spending items which clearly are not capital expenditures from the operating to the capital budget, and I will only list the President's budget that was submitted to us this year. I will list just a few: major Federal investments outlays, direct, national defense, $76.1 billion; nondefense, 19.1; grants to State and local governments, 31.2; conduct of research and development, national defense, 40.4 billion; nondefense, 28 billion.

There are so many different views that we could have, and that is something that needs to be spelled out, but certainly not enshrined in the Constitution.

We have heard speakers talking about the necessity of borrowing and using the Louisiana Purchase as an example. Well, I wish we would emulate the Louisiana Purchase. This was something that was bought and paid for within a relatively short period of time. And just interestingly, if we were buying the Louisiana Purchase today, that purchase of land which became part of 15 States, today it would cost us $225 billion. We would be able to pay it back within 10 years.

What are we getting for the $223 billion of deficit spending we have this year? Name one concrete investment being made for anyone regarding this year's capital budget, if that is what we want to call it, and we could, based on the President's submission of his own budget.

Finally, I would say the question of off-budget or on-budget, on Social Security, why I want and believe it must be kept on budget is because we are not just talking about current and short-term expected recipients of the Social Security trust fund. We have to be concerned about those who are looking forward to 20, 30, 40 years from today to be concerned about that same trust fund. Surely, it is not too much to ask of today's recipients to provide for an increasing of that trust fund so that their grandchildren might have something there for them also.

That is why we say it must be included, because we are not just talking about current recipients. We are talking about all future recipients, and again, I say there is no greater supporter of the Social Security trust fund or the Social Security system than CHARLIE STENHOLM, and I believe I speak for the other 434 Members of this body, both sides of the aisle.

I am glad that most of us today avoid the temptation of politicizing that issue. That is progress. I am glad that we are legitimately talking about a very legitimate issue, and that is capital budgeting and how that might fit.

Again, I commend the gentleman from West Virginia for making a very honest attempt at making this a very relevant issue. Perhaps someday in the future this will be the reason that we will find 290 votes to amend the Constitution of the United States. I do not think the time is now. I hope though that the time is now to amend our Constitution to provide one thing, and that is what we have hoped to do, not set our economy into a straitjacket.

I have had to bite my tongue many times today when my colleagues would stand up and say all of these horrible things we are doing. At any time the judgment of this body is that 60 percent of us shall say we shall borrow money for a very worthwhile purpose, we may do so under our amendment. We do not put it in a straitjacket. We just give that minority that has no vote today, our children and grandchildren, a little better say-so in what we need to be doing for them as well as for us today.

Mr. PACKARD. Mr. Chairman, today Congress will once again go through the perennial throes of the balanced budget amendment debate.

We brought the measure to the floor by way of discharge petition, made possible in part, by Mr. INHOFE's so-called sunshine amendment, that made public Member's names on discharge petitions. Forcefully dredged from an untimely death in committee, we can examine this fine proposal in the light of day.

We are told repeatedly by opponents of this the balanced budget amendment that it is a gimmick. If we would only make the tough spending choices, the opponents say, Congress could do without amending our Constitution, a document which contains the basic principles that have guided the success of this country for over 200 years.

I will give these opponents three reasons why we should overwhelmingly support this amendment which the American people overwhelmingly support: Gramm-Rudman-Hollings I, Gramm-Rudman-Hollings II, the budget agreement of 1990.

No matter what laws Congress passes that are supposed to prevent them from spending more money than they have, the big spenders in Congress will always find a way to circumvent them. Spending has increased despite these strict deficit spending measures that Congress has passed. These are the true gimmicks.

So, experience has told us that Congress makes gimmicks of laws passed to prevent deficit spending. What has experience taught us about Congress' political will to make tough spending decisions between conflicting interests? Experience has taught us that Congress is incapable of making these decisions collectively. Here is a prime example: This body was unable to pass the Penny-Kasich amendment. Was the Penny-Kasich amendment draconian or ultimately disruptive to the well-being of this country? Absolutely not. Penny-Kasich would have cut one cent from every Federal dollar spent over 5 years. Yet it failed. So much for political will. What about the Solomon amendment? Why couldn't this body find the political will to pass this? And this is only the most recent example.

Why shouldn't we include an amendment to our Constitution to balance our budget? Shouldn't our country build on prosperity, not on debt? Isn't this a basic guiding principle that will ensure our success in the future?

I urge my colleagues to reject the naysayers. Vote for the future prosperity of our children. Pass the balanced budget amendment.

Mr. KNOLLENBERG. Mr. Chairman, while much of the discussion here today has focused on the "balanced" in balanced budget amendment, the Kyle amendment adds a new and very important dimension to this debate: basic economics.

For the last 40 years, Federal tax revenue has remained at 19 percent of GDP year in and year out. If you think about it, this is a truly amazing fact. Immediately after World War II, the top marginal tax rate in America was 94 percent. Yet total revenues stayed at that 19 percent figure. Even when Ronald Reagan slashed marginal rates by 25 percent in 1981, revenues remained constant at that same 19 percent.

Besides making an almost airtight case for supply-side economics, this statistic illustrates an inherent equilibrium in our tax structure.

It shows exactly how much Government the American economy will bear.

However, the spending side of the picture is bleak. Since about 1955, Federal spending has departed from that 19 percent figure, and has grown steadily higher ever since. Today, spending equal 25 percent of our GDP. Mr. Chairman, it doesn't take a math professor to figure out that we simply cannot continue to spend more than we take in.

A balanced budget amendment brings sanity back to the level of Federal spending and frankly, it's a provision that every one of our constituents live by every day of their lives. Imagine, if you will, one of our constituents coming to the conclusion that he or she simply had too many expenses, and yet was unwilling to prioritize them. Continue to imagine, that this individual decided to spend without consideration to their income.

Mr. Chairman, we all know, as do the American people, that this person would soon find themselves with nothing, because they tried to do everything. This Government has tried to do everything—react to every concern—without setting priorities. Now, because of our bad judgment, we find ourselves on the verge of literally bankrupting our children. This is not the legacy I intend to leave to my family or my constituents.

The Kyle amendment goes beyond simple budget balancing. It also says that we must limit spending at a level our economy can support. It's just plain common sense.

So join with me. Inject some basic economic reality into the business of this body. Help set a wise and reasoned benchmark for governmental and economic performance. Vote for the Kyl amendment.

Mr. BEILENSON. Mr. Chairman, I rise in opposition to all four proposals for amending the Constitution to balance the Federal budget.

I share the feelings of frustration which have led many of our colleagues to conclude that amending our Constitution is our only hope for solving the Federal Government's persistent budget deficit problem. The enormous deficits the Government has run for the last decade and a half are, without a doubt, the leading policy and political failure of our generation. They are the root cause of the low rate of investment in this country, and they are a major factor in our inability to respond to our Nation's most pressing needs. They are also a large part of the reason why voters are angry at Congress and why so many feel that our political process just does not work.

But amending the Constitution to require a balanced budget is the wrong way to attempt to correct the imbalance between spending and revenues. The right way to do it is to enact well-thought-out spending cuts and revenue increases which reduce our annual deficits, but which do so gradually, in a way that avoids inflicting damage on a fragile economy. That is what the President and Congress did successfully last year, and it is what we should continue to do in the years ahead.

The proposals before us, however, would deter us from acting in such a responsible manner in the future. Because the amendment would not take effect until the year 2001, it would give the President and Congress an excuse to avoid acting now to make the spending cuts and raise the revenues that are needed to eliminate deficits.

Moreover, once the amendment took effect, Congress would undoubtedly go to great lengths to find a way around it. We did just that after we enacted the Gramm-Rudman-Hollings Act which promised a balanced budget by the end of the last decade: We used unrealistic economic assumptions to produce inflated estimates of revenues, we moved programs off-budget, and we delayed payments into future years—all in an attempt to circumvent deficit-reduction requirements that we did not have the political will to meet. Just as our inability to comply with Gramm-Rudman-Hollings in an honest way fueled public cynicism toward Congress, so too would our likely response to a requirement to balance the budget.

The reason that Congress would try to find ways around complying with a balanced budget requirement is the same reason we are not voting to balance the budget right now: There is insufficient political support for the deep programs cuts and large tax increases that would be required to bring spending and revenues into balance. We saw what happened last week when a plan to balance the budget over the next 5 years was presented to the House: It failed by a vote of 342 to 73. We may all want to balance the budget in the abstract, but we also realize that the draconian spending cuts required—if the budget is balanced through spending cuts alone—are not supported by most Americans.

In addition, a balanced Federal budget is not always the wisest economic policy. When the economy is emerging from recession, as it is now, balancing the budget could set back the recovery badly. That is another reason the proposal to balance the budget in 5 years commanded so little support: It posed too great a risk to the still-fledgling economic recovery.

The constitutional amendment proposed by Representative STENHOLM anticipates the possible need for deficit spending by allowing expenditures to exceed revenues if three-fifths of both Houses of Congress vote to approve deficit spending. That provision, however, is another troubling feature of this proposal because it would enable a minority of Members—whether partisan, regional, ideological, or otherwise—to control the outcome of a decision on this matter. By giving minorities in both chambers the power to demand concessions in return for their votes—and the power to veto, in effect, legislation supported by a majority of Members—this provision would make it extraordinarily difficult for Congress to govern. It would severely constrain Congress in its ability to respond effectively, and in a way supported by a majority of Americans, to the problems facing our Nation.

Mr. Chairman, for all of these reasons, the proposals before us to amend the Constitution to require a balanced budget should be rejected. Let us resolve, instead, to build on the work we began last year when we enacted legislation which will reduce deficits over the next 5 years by half a trillion dollars—legislation which has resulted in a deficit this year that is 40 percent lower than predicted just a year earlier. I urge my colleagues to vote "no" on all four versions of this legislation.

Mr. STOKES. Mr. Chairman, I rise today to express my strong opposition to House Joint Resolution 103, as introduced by Representative STENHOLM, a bill to amend the Constitution to require a balanced budget. The proposed constitutional amendment would prohibit outlays from exceeding receipts in any fiscal year, unless three-fifths of the Members of the House vote to do so. I believe that this proposed amendment poses a grave danger to our Nation's unique Democratic system of government, and could adversely affect the American economy and the viability of our Nation for many years.

One of the major problems presented by House Joint Resolution 103 is that enforcement of the law would be the responsibility of the Federal Judiciary, a clear violation of the doctrine of separation of powers. The Constitution, in article 1, section 8, specifically states that, "The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense (SIC) and general welfare of the United States * * *" enactment of House Joint Resolution 103 would amount to an abdication by the legislative branch of their sole responsibility, as the only Federal Government officials directly elected by the people, for raising revenue and directing spending. It is clear that our Founding Fathers never intended for the authority to make Federal Government spending decisions to be held by any other body than the Congress. Regardless of the severity of the current problem controlling the Federal deficit, and reducing the burgeoning debt, the Congress cannot abdicate its responsibility to the people.

The issue before us is a critical one, how best do we reduce the budget deficit, and begin to trim the Federal debt. For 12 years of Reagan-Bush economic policies, our Nation experienced rapidly increasing annual budget deficits, and a quadrupling of the Federal debt. In 1980, the national debt stood at approximately $1 trillion; in 1992, the debt had risen to a staggering $4 trillion. Despite all the political rhetoric emanating from the White House during the Reagan-Bush years endorsing a balanced budget amendment, neither President Reagan nor President Bush ever proposed a balanced budget to Congress. In fact, not only did Presidents Reagan and Bush propose spending plans which led to an explosion of the Federal debt, and increasing annual budget deficits, but Congress actually appropriated approximately $17 billion less than requested by Presidents Reagan and Bush during their 12 years in office.

Mr. Chairman, I urge all my colleagues not to take the easy way out, but to face up to each of our responsibilities as elected officials to make tough decisions and hard choices, and have the courage to stand behind them. I urge my colleagues to oppose simplistic solutions to the difficult issue of deficit reduction, and vote against House Joint Resolution 103.

Mr. COYNE. Mr. Chairman, I want to state today my strong opposition to any amendment to the U.S. Constitution that would seek to provide for a balanced budget.

Let me begin by reminding the House that Congress passed a budget plan last year which is moving the Nation toward a balanced budget in a dramatic fashion. The deficit for fiscal year 1995 is expected to be 40 percent below the deficit originally projected by fiscal year 1995.

The budget resolution passed by the house last year provides for a fiscal year 1995 deficit of $176 billion compared to the fiscal year 1994 deficit of $235 billion. Passage of national health care reform will help to lock in this positive deficit reduction trend by controlling fast growing Federal health care expenditures.

The 1993 economic plan and health care reform will help to provide a balanced budget. It will be done as a result of straightforward debate and tough votes. Members of Congress do not need to hide behind the U.S. Constitution to make the choices needed to balance the budget. The Congress must only face up to these issues and do the right thing.

My opposition to a balanced budget amendment is based on the basic fact that only Congress can take the tough votes required to balance the budget. An amendment to the U.S. Constitution is not needed and furthermore will not achieve the goal advanced by the supporters of this proposed amendment.

The simple truth behind all the rhetoric about a balanced budget amendment is that all this proposal would do is empower a minority in Congress to block any budget. The proposed balanced budget amendment would require a 60 percent vote rather than the current 50 percent vote to enact a budget that did not provide for a balanced budget. As a result, 41 percent of the Members of the House could hold a budget hostage until the majority capitulated to the minority's position.

If the supermajority provisions of a balanced budget amendment had been in effect last year, the 1993 economic plan would not have passed the Congress. The public statements of leaders in the minority made it clear that a balanced program of budget cuts and revenue increase was unacceptable. It is hard, in fact, to imagine the minority in the House accepting any budget plan that would have provided the dramatic 40-percent reduction in the deficit achieved by enactment of the 1993 economic plan. As a result, a balanced budget amendment with its supermajority loop hole would have likely made real deficit reduction not easier but more difficult last year.

I have consistently voted against balanced budget amendment proposals in the past because of my concerns that amending the U.S. Constitution is not the most effective or responsible way of making U.S. budget decisions. Previous efforts to enact a balanced budget amendment have represented an attempt to paper over what was essentially a political debate between the Congress and earlier administrations over U.S. fiscal policy.

In addition, balanced budget amendments typically delay any balanced budget requirements until far into the future when the responsibility of making the tough decisions would fall to a future Congress. Passing a balanced budget amendment is a classic case of wanting to have your cake and eat it too. Proponents would have Congress pass a balanced budget amendment but ensure that deficit spending could continue until the clock runs out sometime in the next century.

There is no question that the Federal deficit must be controlled. That is being done by the 1993 economic plan and deficit control efforts will be strengthened by enactment of health care reform. I strongly support a balanced budget, and I am willing to cast the votes necessary to cut the deficit.

The road to a balanced budget is not paved with amendments to the U.S. Constitution. The good intentions of a balanced budget amendment lead in a different direction—a purgatory of gridlock.

The road to a balanced budget is marked by tough votes on Federal spending and revenue. I urge the House to reject the allure of balanced budget amendments and work together instead to make the decisions required to reduce the deficit, enact health care reform, and build a stronger U.S. economy.

Mrs. MINK of Hawaii. Mr. Chairman, apropos to this week's debate on the balanced budget constitutional amendment, I am pleased to insert the following excerpt from a book entitled, "The Constitution of 1787: A Commentary," written by George Anastaplo, professor of law, Loyola University of Chicago, and published by the Johns Hopkins University Press, pages 186–187. The two long passages are from James L. Kilpatrick's Chicago Sun-Times column of April 3, 1986.

I have also suggested that it is difficult to believe that any balanced-budget amendment, however it should be proposed and ratified, would have its intended effect. All of the proposals that have been taken seriously include prudent provisions allowing Congress, by three-fifths or some other supermajority, to override any balanced-budget restriction. Even more serious, this general approach assumes that there exists a thing readily identifiable as a budget and that it is reasonably evident when it is balanced, or when expenditures are matched by receipts.

Is not the balanced-budget-amendment approach naive, depending much more upon incantations than is politically sound? Such approaches can be little more than rhetorical exercises, which can have the bad effects not only of cluttering up the Constitution but also of misleading people as to what a constitution can and cannot do. The best popular critique I have seen of a balanced-budget amendment is by a conservative columnist who had this to say about the matter:

"The Senate last week fell just one vote short of approving a constitutional amendment intended to compel a balanced federal budget. It would be pleasant to say good riddance to bad rubbish, but we have not heard the last of this folly.

"This was the proposed amendment: "Outlays of the United States for any fiscal year shall not exceed receipts to the United States for that year, unless three-fifths of the whole number of both houses of Congress shall provide for a specific excess of outlays over receipts."

"A second section would permit Congress to waive these restrictions in wartime. A third section would make the amendment effective in the second fiscal year after its ratification.

"[T]he best speech in the Senate against the proposed amendment . . . made four points: (1) The resolution lacks constitutional feel. (2) From a parliamentary standpoint it is plainly grotesque. (3) Its terms could easily be evaded. (4) It is unenforceable by any acceptable means.

"The amendment, [it was] said, "would wage war on the Constitution's majestic simplicity."

"Indeed it would. Constitutional amendments ought to address either the rights of the people or the structure of government."

The column ends with observations that apply to much more than the current controversy:

"A balanced federal budget ought not to be constitutionally mandated, whether by an amendment that originates in Congress or by an amendment that originates in a constitutional convention. It is a bad idea in either event.

"The way to get a balanced budget is to elect responsible men and women to Congress. It is a humiliating confession of irresponsibility that this amendment should ever have been considered."

If a balanced-budget amendment should work, we might then resort to an amendment absolutely forbidding crime in the streets and still another insuring that only the most virtuous should serve in public office. We could adapt to this latter amendment the provision in the 1776 Maryland Constitution that "a person of wisdom, experience, and virtue, shall be chosen Governor, on the second Monday of November, seventeen hundred and seventy-seven, and on the second Monday in every year forever thereafter, by the joint ballot of both Houses [of the General Assembly]."

Mr. STENHOLM. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Without objection, the joint resolution is considered as having been read.

There was no objection.

The text of the joint resolution is as follows:

H.J. RES. 103

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later."

The CHAIRMAN. No amendments to the joint resolution are in order except the amendments specified in House Resolution 331, which shall be considered in the order specified in the rule and which may be offered only by the named proponent or a designee, shall be in order notwithstanding the adoption of a previous amendment in the nature of a substitute, shall be considered as read only if printed in the CONGRESSIONAL RECORD at least 3 legislative days prior to consideration, shall be debatable for 1 hour, equally divided and controlled by the proponent and a Member opposed thereto, and shall not be subject to amendment.

The amendments made in order by the rule are:

First, an amendment in the nature of a substitute by the gentleman from Arizona [Mr. KYL];

Second, an amendment in the nature of a substitute by the gentleman from Texas [Mr. BARTON];

Third, an amendment in the nature of a substitute by the gentleman from Texas [Mr. BROOKS];

Fourth, an amendment in the nature of a substitute by the gentleman from Texas [Mr. STENHOLM].

If more than one amendment in the nature of a substitute is adopted, only the last to be adopted shall be considered as finally adopted and reported to the House.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. KYL

Mr. KYL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. KYL: Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE—

"SECTION 1. Except as provided in this article, outlays of the United States Government for any fiscal year may not exceed its receipts for that fiscal year.

"SECTION 2. Except as provided in this article, the outlays of the United States Government for a fiscal year may not exceed 19 percent of the Nation's gross national product for that fiscal year.

"SECTION 3. The Congress may, by law, provide for suspension of the effect of sections 1 or 2 of this article for any fiscal year for which three-fifths of the whole number of each House shall provide, by a rollcall vote, for a specific excess of outlays over receipts or over 19 percent of the Nation's gross national product.

"SECTION 4. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for the repayment of debt principal.

"SECTION 5. The President shall have power, when any Bill, including any vote, resolution, or order, which contains any item of spending authority, is presented to him pursuant to section 7 of Article I of this Constitution, to separately approve, reduce, or disapprove any spending provision, or part of any spending provision, contained therein.

"When the President exercises this power, he shall signify in writing such portions of the Bill he has approved and which portions he has reduced. These portions, to the extent not reduced, shall then become a law. The President shall return with his objections any disapproved or reduced portions of a Bill to the House in which the Bill originated. The Congress shall separately reconsider each such returned portion of the Bill in the manner prescribed for disapproved Bills in section 7 of Article I of this Constitution. Any portion of a Bill which shall not have been returned or approved by the President within 10 days (Sundays excepted) after it shall have been presented to him shall become a law, unless the Congress by their adjournment prevent its return, in which case it shall not become a law.

"SECTION 6. Items of spending authority are those portions of a Bill that appropriate money from the Treasury or that otherwise authorize or limit the withdrawal or obligation of money from the Treasury. Such items shall include, without being limited to, items of appropriations, spending authorizations, authority to borrow money on the credit of the United States or otherwise, dedications of revenues, entitlements, uses of assets, insurance, guarantees of borrowing, and any authority to incur obligations.

"SECTION 7. Sections 1, 2, 3, and 4 of this article shall apply to the third fiscal year beginning after its ratification and to subsequent fiscal years, but not to fiscal years beginning before October 1, 1999. Sections 5 and 6 of this article shall take effect upon ratification of this article."

The CHAIRMAN. Pursuant to the rule, the gentleman from Arizona [Mr. KYL] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Mr. WISE. Mr. Chairman, I am opposed to the Kyl amendment.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] will control the 30 minutes in opposition.

The Chair recognizes the gentleman from Arizona [Mr. KYL].

Mr. KYL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, according to Clinton administration figures, a total of $234.8 billion will be added to the debt by the end of this fiscal year. That means, in just the short hour allocated for today's debate on my amendment, nearly $27 million will be added to the national debt. In the time it takes to vote on the four different versions of the balanced budget amendment between now and tomorrow, over $1 billion will have been added to the national debt. By the end of the year, the total debt owed by each man, woman and child in this country will come to about $18,400 apiece—more than the average Arizonan makes in a year.

Mr. Chairman, the national debt is robbing our children and grandchildren of their financial security tomorrow, and it is robbing the American people of their economic security today. The interest on the national debt—interest alone—now amounts to over $800 million a day, about $300 billion per year. That is 10 times more than this year's education budget. It is about twice what we'll spend on Medicare. It is nearly eight times what we allocate for veterans programs. And if that weren't bad enough, interest payments will only continue to grow from year to year, crowding out all other programs for a share of scarce Federal dollars.

Mr. Chairman, every year that Congress fails to pass a balanced budget just adds to the debt burden being foisted upon future generations. Every year it becomes more and more difficult and painful for all of us to balance the budget. We must end the delay, and begin making the hard choices now.

The amendment I have at the desk—the balanced budget spending limitation amendment—is designed to end Congress' addiction to spending and borrowing, and gives the Nation a chance at a healthy economic future.

The free-standing version of my amendment, House Joint Resolution 61, has been cosponsored by more than 70 Members of the House. It has been endorsed by such taxpayer groups as Citizens Against Government Waste, Citizens for a Sound Economy, Americans for Tax Reform, and the National Tax Limitation Committee, not to mention the Institute for Research on the Economics of Taxation among others.

Like the other versions of balanced budget amendments that will be considered, the Kyl substitute requires a balanced Federal budget. It is unique, however, in two other respects—both substantively and in its objectives.

Substantively, it includes a Federal spending limit. It limits spending to 19 percent of gross national product, which is roughly the level of tax revenues the Government has collected for the last generation. Second, it provides the President with line-item veto authority.

With respect to objectives, the Kyl substitute is designed to promote both fiscal responsibility and economic growth.

Just before the House debated balanced budget amendments the last time, in 1992, the General Accounting Office released a report predicting that, based on current trends, Federal spending could grow to 42.4 percent of gross national product by the year 2020. That would be up from about 23 percent of GNP today. Slower economic growth will result, and combined with a growing debt burden, the next generation can expect no improvement in its standard of living.

My colleagues, let me repeat that: If Federal spending isn't limited, there will be no improvement in the standard of living for the next generation.

A report released the year before, by Stephen Moore of the Institute for Policy Innovation, came to similar conclusions about the proportion of GNP the Government will command if current trends are followed. The report concluded that:

> Meaningful, constitutional limits on the growth of spending are needed to bring the

size of government down to economically sustainable levels. One way to achieve this end would be to limit the percentage of GNP which the government can command from the private sector.

The idea of spending limits is not new. Nineteen States across the country have some form of spending limitation, in statute or in their constitutions. California, for example, adopted a constitutional limit in 1979, limiting yearly growth in appropriations to the percentage increase in population and inflation.

Tennessee adopted its constitutional limit in 1978, limiting the growth in appropriations to the growth in State personal income. Texas, also in 1978, adopted a constitutional limit, tying the growth in biennial appropriations to the rate of growth of personal State income.

The Kyl substitute is modeled after Arizona's spending limit, which I helped draft in 1974 with then-State senate majority leader Sandra Day O'Connor, now Associate Justice of the U.S. Supreme Court; State senator Ray Rottas, who went on to become State treasurer of Arizona; Clarence Duncan, a prominent Arizona attorney; and a handful of others. The spending limit, set at 7 percent of State personal income, was approved by an overwhelming 78 percent of the State's voters.

The idea of spending limits is not unique to the States either. The idea was endorsed in the Republican budget initiative which was considered in the House last week. As far back as 1979, the Humphrey-Hawkins Full Employment Act set a goal of limiting Federal outlays to a maximum of 20 percent of GNP (15 U.S.C. 1022a). The problem is, that was merely a goal, not a requirement, and Congress has routinely ignored it. Since the goal was set, revenues have remained relatively constant at about 19 percent of GNP, but spending soared to over 25 percent and now hovers at about 23 percent.

When I first came to Congress in January 1987 I introduced a spending limit balanced budget amendment. Adding a spending limitation to a balanced budget amendment, as the Kyl substitute proposes to do, achieves two things: First, it treats the cause of big deficits—excessive Government spending—and not just the symptoms of that problem—the high taxes and excessive borrowing. Our problem is not that Congress doesn't tax enough; it is that Congress spends too much.

Moreover, my approach recognizes that the only way Congress really can balance the budget is by limiting Federal spending to the level of revenues that the economy has historically been willing to bear.

Over the last 40 years—in good economic times and bad, despite tax increases and tax cuts, and under Presidents of both political parties—revenues to the Treasury have remained relatively constant at about 19 percent of gross national product [GNP].

That is because changes in the Tax Code change people's behavior. Lower taxes stimulate the economy, resulting in more taxable income and transactions, and more revenue to the Treasury. Higher taxes discourage work, production, investment, and savings, so revenues are always less than projected. Although tax cuts and tax rate increases may create temporary declines and surges in revenue, revenues always adjust at roughly the same percentage of GNP as people adjust their behavior to the new tax laws. So you just cannot reduce the deficit and balance the budget by raising taxes.

The point is, if revenue as a share of GNP remains relatively steady no matter what we do, the only way to really raise revenues is to grow the economy first. In other words, 19 percent of a larger GNP represents more revenue to the Treasury than 19 percent of a smaller GNP.

The balanced budget-spending limitation amendment thus attacks the cause of deficits head on—it limits spending. And, by linking spending to the size of the economy—GNP—it not only recognizes the reality that a growing economy produces more revenue, but also gives Congress an incentive to support policies that ensure the economy is indeed healthy and growing. Only a growing economy—measured by GNP—would increase the dollar amount that Congress is allowed to spend. So if Congress wants to spend more money it would have to support policies that promote economic opportunity and growth.

Mr. Chairman, there is one additional component to the Kyl substitute, and that is a real and meaningful line-item veto for the President. This is not just expedited rescission authority masquerading as a line-item veto. This is the real thing, and it will give the President a means of enforcing the balanced budget and spending limitation requirements should Congress, for some reason, fail. Forty-three Governors already have line-item veto authority, and the President should as well.

This is the only opportunity we'll have during this entire Congress to vote on a real line-item veto. For those who say they support it, here's the chance.

I urge my colleagues to support the Kyl substitute.

□ 1830

Mr. Chairman, I reserve the balance of my time.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to the Kyl amendment. I feel that the Wise-Price-Pomeroy-Furse alternative is far preferable. I guess the Kyl amendment in a lot of ways is really quite a package. It is one-stop shopping. You not only get the balanced budget amendment, you also get a line item veto in there as well. It is all wrapped up in one.

Regarding the line-item veto, a vast majority of this House has passed an enhanced rescission process that, in effect, is a modified line item veto, and sent it to the other body. It would be my hope, having supported that, that that legislation would be passed. But I also think there are great problems with the line-item veto which does greatly alter the balance of power. The enhanced rescission process guarantees a vote on any rescission, but the vote must be by a majority. The Kyl language would change that, of course, and would require a two-thirds vote to override a Presidential veto. That is quite a significant shift in power. But that is, I understand, not where the real nub of the difference lies, although it is a pretty significant one, between my position and the gentleman from Arizona's.

I have great concern with the 19-percent formula, or any formula, any percentage that is written into the Constitution of the United States. That is not because I am wild about spending more than 19 percent or perhaps less than 19 percent, it is just that arbitrary numbers can get you into trouble. It can get you into trouble, for instance, in a hypothetical situation, perhaps one that is not going to be so hypothetical.

The Congressional Budget Office recently recommended that the provisions of the Clinton health plan, even though it is people paying for private insurance, because they are paying through a health alliance, that those be considered as revenue for outlays and revenues for Federal budgeting purposes. You are simply paying, continuing to pay the health premium that you and I already pay as consumers. We are buying private insurance, but it is being scored as Federal revenue, or it could be.

As I read the Kyl language, anything that takes you above the 19 percent would require three-fifths to waive. So the body would have to come back by 60 percent even if you had the program entirely paid for—pay-as-you-go—by 60 percent, would have to approve that.

I finally disagree with the Kyl budget for reasons that come as no surprise to the gentleman from Arizona. We have been at each other all day on this. It does not adequately protect Social Security recipients. I take the gentleman at his word when he says he is not out to cut Social Security. But I fail to understand in his amendment and in others why you do not simply just put Social Security off budget, as so many people have recommended in the past.

Finally, of course, the Kyl amendment does not have capital budgeting in it, and that has been a subject of debate as well today.

My concern is that the Kyl amendment is much, perhaps more so, actually, than the other amendments that will be considered today because of its limitations, percentage limitation written into the Constitution, combined with an absence of capital budgeting, could do even more to discourage the kind of investment that I think most of us in this Chamber agree needs to be done, our infrastructure, for instance, roads, bridges, and whatnot.

□ 1840

I want to mention for just a moment that some say we are already investing in infrastructure, we are already investing a certain percentage; what is the problem? The problem is because of our present fiscal budgeting policies which would only be aggravated further. By passage or enactment of the Kyl amendment we are discouraging the kinds of investments that do need to be made.

I would point out that we are investing one-half today in relation to our total Federal spending of what we were doing only 25 and 30 years ago in infrastructure, those things that make us stronger. I would point out that Japan, with an economy 60 percent that of the United States, a population roughly about 60 percent that of the United States—Japan spends more in real dollars in infrastructure than the United States Government and related State governments do. We are falling behind in those areas that are so important that we catch up on, and so anything that discourages that kind of investment I have great concerns about.

Mr. Chairman, I fear that the Kyl amendment goes a long way toward further dampening the investment that needs to be made, and for that reason I oppose it and would ask my colleagues to do the same.

Mr. Chairman, I reserve the balance of my time.

Mr. KYL. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE], my friend and colleague.

Mr. KOLBE. Mr. Chairman, I rise in strong support of the Kyl substitute.

I support the substitute because it is uniquely designed to promote both fiscal responsibility and economic growth.

Well, how does it do that?

In addition to a balanced budget amendment, the Kyl substitute sets a spending limit at 19 percent of GNP, and that clearly is going to help encourage economic growth.

Well why 19 percent? Because Federal revenues have historically comprised about 19 percent of GNP ever since World War II.

The same cannot be said for spending, as my colleague pointed out a few moments ago. Between 1969, the last year the budget was balanced, and 1993, spending in inflation-adjusted terms grew 71 percent faster than revenues, and, yes, to the gentleman from West Virginia I would say he is right if health care is scored as Federal spending, and it has been by the Congressional Budget Office. It would require a 60 percent vote of Congress to exceed 19 percent of spending by the Federal Government.

Mr. Chairman, research shows that tax increases do not reduce the deficit. Rather they compound the problem. They only go to more spending, and that is why the spending gap is the key, because without it Congress could comply with the balanced budget amendment requirements through massive tax increases or allow Congress to balance the budget at any spending level—20 percent of GNP, 30 percent or more.

The Kyl substitute reflects an Arizona approach because it is modeled after Arizona's own spending limit now included in our State constitution which sets spending at 7 percent of State personal income. In 1978, an overwhelming 78 percent of Arizona voters approved the spending limitation amendment.

My good friend and colleague from Arizona was at the helm—this time at the State legislature—steering this fiscally responsible policy through public consideration. And I can truthfully say that the State spending limitation amendment has contributed to responsible budgeting in the State ever since.

As a side note, 19 States across the country have some form of spending limitation, in statute or in their constitutions.

Let me focus on the one other important component of the Kyl substitute, line-item veto authority for the President, which allows him to separately approve, reduce or disapprove any spending provision in a bill.

This is particularly noteworthy to my fellow colleagues from Arizona since there has been some disagreement among us who really stands for true reform and fiscal responsibility on the issue of the line-item veto.

True Presidential line-item veto authority coupled with the balanced budget amendment is the one-two punch this country needs to TKO fiscal responsibility.

Today's RECORD will make it strikingly clear who did—and did not—live up to their rhetoric. It will separate the taxers and spenders from those who are serious about deficit reduction and reforming Government.

I urge my colleagues to vote for the Kyl amendment if you really want to impose fiscal discipline upon the Federal Government.

Mr. KYL. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Chairman, I am convinced that for one and three-quarters century of our history to have a balanced budget amendment to the Constitution would have been folly; based on the last 25 years of "me generation" politics not to put a restraint on legislators, would be folly.

Of the four approaches under consideration today, what distinguishes the Kyl amendment is that it is the only one to couple balancing the budget with a restraint on spending. Frankly, a restraint on spending is more important than a balanced budget amendment. We can have a budget in balance at 30 or 40 percent of GDP and it would be a disaster. The budget could be slightly out of whack at 19 percent of GDP and the economy would be far better off.

A combination approach—a balanced budget amendment coupled with a restraint on spending, and a line-item veto—is the optimal approach. It is the best housing policy, the best small business program, the best young farmer initiative.

The effect on the economy of implementation of such restraints on Congress will be to cause banks to use their deposit base to make loans to individuals and businesses for growth instead of to buy Treasury bills for stability.

Here, I would stress that even with the reduction of interest rates over the last 5 years, rates are still at historically untenable levels in relation to inflation. Real interest rates can only be reduced if the cost of government is reduced.

Finally, although not precisely quantifiable, it is clear the fiscal deficit is directly linked to the trade deficit. We are unlikely to balance our trade until we balance our budget.

For the sake of jobs, for the sake of economic growth, for the sake of export promotion, I urge support for a balanced budget amendment, especially the immediate option before us. It is the best choice before the House today.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to ask a question of the gentleman from Arizona [Mr. KYL], and it is in genuine inquiry because I do not quite understand. There is a little confusion.

If the country is engaged in military conflict, does it require a three-fifths vote, in effect, to go to war and to spend over the 19 percent that would be in the amendment?

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, anytime the Congress would want to exceed the limitation provided for in this amendment it would have to do so with a 60-percent vote. We have not carved out specific exemptions; for example, declarations of war, because we felt that that language was anachronistic and would not adequately cover the kind of military situations we would be involved in in the future. So we felt the Congress would have the good judgment, if those eventualities ever arose, to vote with a 60-percent majority to exceed the limit.

Mr. WISE. Mr. Chairman, does the gentleman think, and I ask this once again because I am not trying to trap the gentleman, I am just interested in this concept, but does the gentleman think that can cause problems perhaps? I am wondering about, for instance, the Persian Gulf situation, and I forget what the vote on the floor was for the resolution, whether it was 60 percent or not. I can see a situation where it would be very difficult to summon the resources necessary to fight a war.

Mr. KYL. Let me say, first of all, in answer to the gentleman from West Virginia that I meant to comment earlier that I appreciate the spirit in which he has engaged in this debate from the beginning. He never questions other Members' motives, in fact assumes the good motives while simply indicating differences of opinion on how to achieve a goal, and I share that view, and I appreciate that spirit and also the spirit in which these questions are asked.

I think, with respect to a conflict such as the Persian Gulf war, two comments are in order.

First, the real time that is needed to spend the money that would perhaps exceed the limitation of any of these balanced budget proposals is in the buildup to a conflict. Once the conflict has started, I say to the gentleman, you're not worried about paying the bill. Congress will come back with appropriations to the Defense Department or in whatever way is necessary to pay that bill.

Ironically during the Persian Gulf war, Mr. Chairman, we were successful in getting all of our allies to pay the bill so the United States did not end up paying any of that bill, but, if we had to do so, if our allies had not come through as we negotiated, then in an after-the-fact fashion the Defense Department would have come to the Congress and said, "We won the war, here's the bill, and now you need to pay it," and I suspect at that point the Congress would have paid it either by staying within the 19-percent limitation or mustering the 60 percent to override it.

So I guess my key point here is that I do not think we need to worry about it right when the conflict is going on, necessarily mustering that 60 percent, because we are not going to stop in the middle of the battle simply because we could not get 60 percent of the Congress to continue to fund the Defense Department.

But in any event, Mr. Chairman, if it is serious enough, the 60 percent should be there.

Mr. WISE. Mr. Chairman, the gentleman makes a good point though which is the amount where you need to commit the money sometimes is in the buildup, but in the case of the Persian Gulf where, as the gentleman correctly notes, happily this country was reimbursed significantly by its allies, it was not sure in August and September where they would be.

Does the gentleman foresee, once again, a problem getting a 60 percent if it looks like the Defense Department is going to have to take us over 19 percent, as is the limit in the gentleman's amendment?

Mr. KYL. I think this is perhaps the most serious of the questions that get really all of our proposals, and that is if my colleagues feel, for example, that they have to spend what is being spent for all other matters in the budget, and they cannot meet defense requirements by staying within the budget limitation, can they muster the 60 percent?

□ 1850

That is, of course, a good question. We would have two options there. We either have to be persuaded that something else should give and we fund defense out of savings that we would achieve elsewhere, or we would have to muster the 60 percent. And I am not absolutely sure that we would be in sufficient consensus on that issue that we would be able to provide defense.

I think others might argue similarly with respect to education or some other need that they felt to be absolutely critical. We have the budget authority basically used up, yet they think it is absolutely critical, and it would require a 60-percent majority to exceed the limit.

I guess what I have to fall back on is the fact this is an intelligent body after all, and if, given the discipline of a spending limit and a balanced budget, we cannot prioritize adequately to stay within that, then we are clearly not doing what the people elected us to do and we could be replaced by someone who is. But I think that top line limit would have a proper effect and force us to prioritize within what is available for us to spend.

Mr. WISE. I thank the gentleman for clarifying.

Mr. KYL. Mr. Chairman, might I inquire as to the remaining time on both sides?

The CHAIRMAN pro tempore (Mr. DE LA GARZA). The gentleman from Arizona [Mr. KYL] has 18 minutes remaining, and the gentleman from West Virginia [Mr. WISE] has 20 minutes remaining.

Mr. KYL. Mr. Chairman, I yield 2 minutes to one of the coauthors of the Smith-Stenholm amendment, the gentleman from Oregon [Mr. SMITH].

Mr. SMITH of Oregon. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think this is a wise and reasoned amendment, that tackles the problem of deficit spending head on by restricting Federal spending to 19 percent of the gross domestic product.

In doing so, I think the gentleman's amendment recognizes that we have a deficit, not because the American people are undertaxed, but because the Congress overspends. So I believe this is reality.

The Kyl substitute would encourage Congress to pursue policies that enhance our potential for economic growth. For instance, if the economy grew by $100 billion, the potential Government spending would increase by $19 billion. The only runaway spending that could occur could increase if the economy expands. That is the point of it.

But I find it fascinating that we are entered into this debate of controlling spending, because I listen to the liberals who see in this the opportunity to curtail defense spending; and I see the conservatives are saying, well, this is an opportunity to curtail social spending. And in both cases, they may or may not be right. But in both cases, the object is met that somehow we have to control the appetite of Congress in spending the people's money.

So I am here to support the gentleman from Arizona [Mr. KYL]. I think it is a reasonable, decent amendment, and I urge Members to vote for it.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume, just to respond briefly to the gentleman from Oregon [Mr. SMITH]. There is a fundamental difference I think that is emerging in the Kyl amendment and those who advocate it and those who oppose it, and I think that is where is the role of government?

The Kyl amendment says that it would limit spending unless 60 percent waive the requirement. It would limit spending to 19 percent of GDP. That would be written in the Constitution.

The gentleman from Oregon [Mr. SMITH] makes the point that as the economy grows, then the Government could spend more. It is sort of an Amway sales commission approach. You do well and you get more commission. That assumes that everybody wants to spend more.

The problem is this: When the economy is growing, it is not necessarily when the Government needs to be more involved. The problem is that when the economy is contracting in recessionary times is when you want to do the Government spending. And while I do have difficulty pronouncing Keynesian economics, I would observe that most Presidents, from both Republican and Democrat Parties, while they may say they abhor Keynesian economics, in truth they employ it.

During the recession of 1982 and 1983, one of the things introduced into our economy was a rapid increase in defense spending. That provided a lot of jobs and goosed the economy and got it going.

In previous administrations, for instance following the depression, it was public works projects. I suspect in the future we are going to find that neither injection does much good, but we are going to have to work on investment incentives.

At any rate, when the economy is doing well is when you need the Government least. When the economy is doing worse is when you need the Government worse. I am afraid the Kyl amendment would restrict Government at a time when it has to respond.

Mr. SMITH of Oregon. Mr. Chairman, if the gentleman will yield, it is interesting, we come at this issue from opposite points of view. The Keynesian economic theory is exactly what you have identified, and that is simply that in a downturn, the idea is to pump money into the economy. That is what we have been following, that philosophy, since 1930. There is no question about that.

However, the Kyl amendment does not deny that you should not follow the Keynesian socialistic idea of managing the economy. It only demands that it be provided a 60-percent vote to do so. So it doesn't chop off the opportunity.

By the way, since the gentleman mentioned Keynes, it seems to me that Keynes is the problem we are trying to solve. Keynes and the economic theory of Keynes, which has been followed in this country, has brought us to a $4.5 trillion debt. That is what we are trying to solve with the balanced budget amendment.

Mr. WISE. Mr. Chairman, reclaiming my time, I guess my Keynes is Ronald Reagan, who managed to push tax cuts through and spending increases through, using what had heretofore been traditional Keynesian economics, to spur an economy, and for a while it caught. The only problem is, that is why we are here today on a balanced budget amendment, because the deficit went from $1 trillion to $4.5 trillion.

The gentleman and I probably will not agree on the analysis tonight, but my concern with the gentleman, and he stated the difference, the gentleman would require a 60-percent vote in order for Congress to act during a recession. The problem is too often you are not sure you are into a recession until the recession is already on you. You would make it very difficult to act in the early days before everyone fully appreciated it. By the time you finally get around to doing something about it, it may have been aggravated by the delay.

I do not understand what is wrong with a majority vote in order to do the kind of actions that are necessary, countercyclical actions, necessary to counteract a recession. That is a fundamental difference we have.

Mr. SMITH of Oregon. If the gentleman would yield for a short response, even in an economy that is expanding, which the Reagan economy had the longest increase in peaceful expansion of the economy in the history of the country, which as the gentleman may indicate resulted in deficits, then at that point I would want to restrict increases in spending at 60 percent as well. Because it is that kind of incentive, when the economy is expanding, that we create inflation, that we create the problems that we have with your contention that Social Security should be moved away from the budget, that we create all the problems of deficit.

So I will take the other side of Keynes to the point that we ought not be encouraging further debt in an expansionary mode.

Mr. WISE. I think we may be trying to find something to fight about. I think we are both saying the same thing. I am saying my concern over the Kyl amendment, by the 19-percent limitation written into the Constitution, at a time when you need the Government to respond most aggressively, and that means usually additional spending, unemployment compensation, job stimulation, whatever form it takes, at a time when you need it to respond most aggressively, the Kyl amendment would require a 60-percent vote. And that is an extremely difficult hurdle to overcome.

I would also like to ask this gentleman or perhaps the gentleman from Arizona [Mr. KYL], I was doing some checking on percentages of GDP that outlays were during times of conflicts. And I agree with the gentleman from Arizona that during World War II, 1943, when outlays were 44 percent, I do not think you would have had trouble with a 60-percent vote.

□ 1900

I am not saying that the gentleman would have.

I would note, though, that large amount of outlay in relation to GDP.

I would go to the Vietnam era, where I note that from 1966 on through the Vietnam era, I do not believe there is 1 year that outlays were less than 19 percent. In particular, in the later years of Vietnam, would it not have been difficult to get that 60 percent that the gentleman requires?

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, I have the pages from the Clinton budget which have the historical percent of GDP, and that tends to be within about one-half of 1 percent. It tends to be about one-half of 1 percent different from GNP.

But if the gentleman picked 1964, was that the first year?

Mr. WISE. I am not sure I went to 1964. I think I started with 1966.

Mr. KYL. Mr. Chairman, If the gentleman will continue to yield, 1964, according to this, was 18 percent; 1965 was 17.4; 1966 was 17.8; 1967 was 18.8, and 1968 was 18.1. The highest year was 1969 at 20.2, then back down to 19.6. In 1971, it was 17.8.

Just to go on for the next 4 years, it was 18-point something, then 17 and back up to 18, did not get back up to 19 percent again until 1979. By then the war was over. And right now, the last year for which statistics are available, 1990 on this sheet, 1990 was 18.8; 1991, 18.6; 1992, 18.4; 1993 is 18.3. Members can see how close they are. And the 1994 estimate is 18.8. So even with a 19-percent limitation, there is a fair amount of leeway in there for some spending to be expanded.

Mr. WISE. Mr. Chairman, I thank the gentleman for that.

I would just point out that there is some difficulties in times of conflict with the gentleman's amendment. In terms of the direct threat to the United States, World War II, I agree with the gentleman, absolutely, no problem getting a 16 percent. I think that in times such as Vietnam, I note for instance, in the Persian Gulf, the vote was 250 to 185, a 57-percent majority, which would seem to suggest in certain circumstances a majority can declare a war. But it is going to take 60 percent to pay for it.

Mr. KYL. Mr. Chairman, if the gentleman will continue to yield, I think what these statistics demonstrate is that even in times of war we do not have to exceed 19 percent of GNP. In every case, except 1 year, 1969, we spent less than 19 percent of GDP. And therefore, we would not have to worry about the 60 percent override, because we were at the 19 percent or below anyway.

Mr. WISE. Mr. Chairman, I thank the gentleman for that.

As I say, it can be this anomaly where we can declare a war in this body by 50 percent, but we can run into trouble paying for it if we have a 60-percent requirement.

Mr. Chairman, I reserve the balance of my time.

Mr. KYL. Mr. Chairman, I yield 2 minutes and 30 seconds to the gentlemen from California [Mr. COX].

Mr. COX. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I thank my colleague, the gentleman from Arizona [Mr. KYL] for bringing this very well-conceived and thoughtful amendment to our attention on the floor. I support it wholeheartedly.

It is known as the balanced budget and spending limitation amendment. That is 10 syllables. We better call the amendment of the gentleman from Arizona [Mr. KYL] the economic growth amendment, because it will encourage growth policies in the Congress. Only if GNP is growing does Congress get to indulge its appetite for more spending.

We have just heard here on the floor that Congress should take credit for recovering economies because it spends more when the economy is not doing as well. I would like Members to take a look at this chart. Take a look at what happened in 1969, the year that we were just talking about, forward all the way through 1989 to 1993 and then the projection for the Clinton budget for 1994 through 1998.

The spending has gone up regardless, in good times and in bad, in war and in peace, in boom and in bust.

I would defy Members to tell me where on this charts are the peaks and the valleys. It is a constant trend up.

The one thing that is clear is that Congress spends more money year in and year out, and it proves too much to say that the economy recovers because Congress spends more.

It is true that there is an instance here where the economy is recovering, several of them, and Congress is spending more. There are also instances where the economy heads into a downturn. We have had multiple recessions since 1969, and Congress was spending more.

The truth is that spending is the enemy, at least deficit spending is the enemy of economic growth. It is the engine of new taxes. It is the engine of interest on the debt, which now accounts for nearly 60 percent of all individual income taxes.

In fact, since 1969, the beginning of this chart, annual spending by the Federal Government has increased 800 percent. Sixty percent of next year's deficit is going to be made up of new spending that this Congress has added on over last year's levels. Congress always prefers complex era over simple truth. The simple truth is that we spend too much money. This chart shows that very clearly

Sixty percent of our income taxes owing to interest on the debt show that very clearly. Record-high tax increases soaking up our investment, crimping job creation and economic growth show that very clearly.

The Kyl amendment will see to it that we finally get a grip on spending in this Chamber and in the other body. I urge passage of the Kyl amendment.

Mr. KYL. Mr. Chairman, I yield myself 1 minute and 30 seconds.

Mr. Chairman, I want to correct what is perhaps a misunderstanding on statistics, which I read awhile ago. I was reading the percent of GNP received by the Federal Government. During the period of the Vietnam war, outlays, as a percent of GDP, starting in 1965 at 17.6 percent, were at roughly 17, 18, 19. They did get up to a high of 21 percent and then back down into the 19 percents, when the war ended, 19.3 and 19.2 percent in 1974.

So if there was a misunderstanding on that, I apologize.

Mr. WISE. Mr. Chairman, will the gentleman yield?

Mr. KYL. I yield to the gentleman from West Virginia.

Mr. WISE. Mr. Chairman, my only question would be, then, from the time of 1967, it appears to me, through 1974–75, at least it was always over 19, although in some cases not by very much.

Mr. KYL. Mr. Chairman, the gentleman is correct in that. And the real big increases, of course, have just come in the last several years, which I think makes the point that we have got to get the spending back down to 19 percent of the gross national product, which, as I said before, is the historical level of receipts to the Federal Treasury. That is the whole point of a spending limit balanced budget proposal and why I think this would be the best way to achieve our objective.

Mr. Chairman, might I now inquire as to the amount of time remaining on both sides.

The CHAIRMAN pro tempore (Mr. DE LA GARZA). The gentleman from Arizona [Mr. KYL] has 12 minutes remaining, and the gentleman from West Virginia [Mr. WISE] has 10 minutes remaining.

Mr. WISE. Mr. Chairman, I reserve the balance of my time.

Mr. KYL. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. GINGRICH], the distinguished whip.

Mr. GINGRICH. Mr. Chairman, I am delighted to have a chance to speak on behalf of the Kyl substitute, because I think that the gentleman from Arizona [Mr. KYL] is making a point here that is central to what kind of America we want to be.

It is an objective fact that the size of the government ultimately has to shape the size of the Tax Code. If we have a very large government, then we are going to take more money away from people. If government is too large, the space that is available for freedom shrinks.

If a person goes to work and in the course of a year they earn, say, $25,000, but their governments, local, State, and Federal, take $10,000 of those dollars away from them, their choices, their control over their life, their ability to do things is diminished dramatically.

One of the great reasons that we have a crisis in families is that as government has risen in size, as it has grown in expenditures, taxes on working Americans have gone up dramatically.

When people worked under President Truman, as average Americans, they paid virtually no income tax. I think the average was 2 percent for an average family with three children. Virtually no income tax.

The Social Security tax in that period was $52 a year for the entire year. Today we end up in a situation where we pay a lot of taxes. We pay a lot of Social Security taxes. And, by the way, when their employer matches the amount that they pay, that is money that they had to earn or they would not have hired them in the first place.

□ 1910

The truth is most Americans are paying twice as much in Social Security taxes and Medicare taxes as they think they are, because they are earning the money. In that setting, one is always paying a very high tax, and the amount of deduction one can take per child has dropped, and the result is that the ability of the average American family to spend on their own children, to spend on their own future, to spend on their own retirement, has gone down dramatically as the size of government has gone up.

The virtue of the Kyl substitute is that it creates a Federal spending limit. It says that the Federal Government should only be a certain size, 19 percent of the gross national product. It says that we in Washington are going to have to learn to set priorities, and we cannot have government grow any faster than the economy grows. It insists that the Congress learn not to take more money out of the pockets of the American people.

Mr. Chairman, the reason I believe this is a stronger constitutional amendment for a balanced budget than just a straight balanced budget amendment is that a straight balanced budget amendment says "Let us balance the budget at whatever size it gets to," so in theory we could have a balanced budget amendment at 70 percent of gross national product, but we balanced it because we raised taxes to 70 percent of gross national product, and 70 cents out of every dollar would be going to the Federal Government, and we would only be able to keep 30 cents of that dollar.

The virtue of the so-called Kyl amendment is that it says "No, we are not going to let the government keep growing; no, we are not going to let politicians continue to reach into your wallet; no, we are not going to have big tax increases to catch up with the current size of the welfare state."

Instead, the so-called Kyl amendment says that the Congress is going to have to set standards, the Congress is going to have to set priorities. We are going to have to protect your family budget by insisting that the Congress focus on controlling the spending of the Washington budget.

For that reason, Mr. Chairman, because I think it is a stronger budget, because I think that it limits the size of government, because I think it protects families better, and because it includes a line-item veto for the President, so that he or she can enforce this kind of spending discipline, I strongly urge a yes vote on the Kyl substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my concern over the so-called Kyl amendment going to the line-item veto is, as I understand it, and I would say to the gentleman from Arizona [Mr. KYL], I would be happy to be corrected, but my understanding is that it is not just a line-item veto concerning appropriation bills. I believe it reads, a line-item veto for a bill containing any item of spending authority, so I read that to mean authorizations as well. That may be the most sweeping line-item veto that I have seen.

Mr. Chairman, if that is a correct interpretation, I would just urge my colleagues to read it very, very carefully. That is a broad, broad delegation of authority.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Arizona.

Mr. KYL. Mr. Chairman, in response to the gentleman's question, I can just say this language is identical to the language offered by President Bush when he was President, when he asked for the line-item veto authority, and I think he used the same language from his predecessor, so we took the direct language from that Justice Department and inserted it into this bill.

Mr. WISE. I thank the gentleman for a clarification. It does apply to any spending authority, which is more than just a flat-out appropriation bill, and a line item within an appropriation bill.

Mr. KYL. If the gentleman will continue to yield, if I could further respond to the gentleman, the language specifically said:

> The President shall have the power when any bill, including any vote, resolution, or order which contains any item of spending authority, is presented to him pursuant to this section of the Constitution to separately approve, reduce, or disapprove any spending provision or any part of any spending provision contained therein.

Therefore, it simply refers to the spending provisions of any vote, resolution, or order, strictly spending.

Mr. WISE. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SARPALIUS].

Mr. SARPALIUS. Mr. Chairman, I rise in opposition to the so-called Kyl amendment. I find it very frustrating, Mr. Chairman, in the debate that I have been hearing on the different proposals, where the Republicans have a tendency to blame Democrats for all of the deficit spending. I might remind my colleagues that I can recall President Reagan campaigning for President under the understanding that if the American people elected him, that he would balance the budget in 4 years. In that period of time we have created a tremendous debt. From that time on, we have been trying to dig our way out.

Mr. Chairman, my concern on the line-item veto is I have a tremendous amount of respect for our forefathers when they developed our Constitution, and by setting out three branches of government, the executive branch, the legislative branch, and the judicial branch, and each one of them have certain powers over the other.

Mr. Chairman, my concern has always been on a line-item veto, when we give the President additional power over the legislative branch, today he has the authority to veto any legislation that we give him. Under this proposal, where they say that he has the right to veto any resolution or any legislation, they give him a tremendous amount of power. The President can then come to me as a Member of Congress and say, "Bill, I really need your help on this health care bill," or whatever piece of legislation they are concerned about, "and by the way, how does that Air Force base, how important is that base to you in your district, or something else that is important to your constituents? How important are the farm subsidies that we give to our producers," things that might be of importance to me?

I think it is not wise for this body to look at an amendment that would give that much power to the President. Naturally, a President wants that power, whether it be Democrat or Republican, but I think we have to look at what is in the best interests of this institution and this legislative branch of Government, that we should not disrupt that balance of powers between each branch of government.

Mr. Chairman, I strongly urge my colleagues to vote against the so-called Kyl amendment.

Mr. KYL. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the gentleman just made the point that we have gotten into debt, and ever since we have been trying to dig our way out. I would make this point to my colleagues, that when we are in the hole, the first thing we do is we stop digging. That is what a spending limit does. That is why we balance the budget by eliminating spending. We do not need to spend more than we get. That is the whole philosophy behind a balanced budget requirement that limits spending, we stop digging. Until we stop digging, we just keep going further in and deeper in debt. That is what we want to stop.

Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH], the ranking member of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, I want to, first of all, pay tribute to the gentleman from Arizona [Mr. KYL], who has worked long and hard on his balanced budget amendment, and I would also like to take a minute to pay a big compliment to the gentleman from Texas [Mr. STENHOLM], who has put all the effort into this for a number of years, including the efforts to discharge this bill onto the House floor, and to the gentleman from Oregon [Mr. SMITH], who has been very involved in this as well.

Mr. Chairman, I want to say a couple things about this bill, in light of the fact that we are struggling every day on the Committee on the Budget with trying to put budgets together that make sense.

The reason why the balanced budget amendment is necessary, Mr. Chairman, is because it will force the Members of Congress to have to sit down and become very creative and very imaginative, and also very pointed about what the role of the Federal Government ought to be, just the way when a family faces their budget, they have to sit down and they have to make choices and they have to be creative.

Mr. Chairman, this is not just a matter of cutting, it is a matter of creativity and innovation. It is also a matter of trying to define what the proper role of the government is.

The reason why I like the so-called Kyl amendment so much is because it limits the size and the scope of the Federal Government to a certain level, about 19 percent, which has been the historic revenues that have been generated by the Federal Government. However, under the so-called Stenholm balanced budget amendment, and also the Kyl amendment, the bottom line is it forces the Congress to come to grips with the fact that we just cannot keep taxing and spending and growing the size of government and ringing up more red ink.

□ 1920

Now, I am sure there are people who would stand and say, "Well, Mr. KYL, how would you get there? How would you do this specifically?"

What I would tell you is if the Kyl amendment would pass, we would immediately convene a meeting of the members of the Committee on the Budget, probably starting with the Republican members of the Committee on the Budget, and we would sit down, and we would define basically and fundamentally what our view is of the Federal Government, what activities it ought to be involved in, which activities can be run more effectively by the private sector, how is it that we can give States more authority and eliminate all the stupid rules and regulations that get in the way of being able to efficiently deliver services. It would force us for the first time in a long time to truly be creative and not to pass on more debt to future generations and not try to take responsibility for it up here on the Hill.

So if people say, "Well, how would you ever get there," what I can tell you is that you put the gentleman from Texas [Mr. STENHOLM], the gentleman from California [Mr COX], the gentleman from Arizona [Mr. KYL], and JOHN KASICH in a room with a balanced-budget amendment passing this House, and we will be creative and innovative enough to come up with a Government the American people would buy into, a Federal Government that would be limited in scope and that would be a Federal Government that would act only as a last resort when people could not act for themselves or the private sector could not solve problems.

Unfortunately today with the mentality that we have, if there is a problem, our first reaction, or too many people's first reaction is what can the Government do to solve it. What I think the reaction would be if we passed the Kyl balanced-budget amendment would be what can we do to solve this problem and restore creativity for Americans to work to solve problems on their own, and use Government as a last resort.

Mr. WISE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I rise obviously in opposition to the Kyl amendment.

A lot of points have been made already, but I want to quickly summarize some that have not.

First of all, I am concerned about the Kyl amendment, because with the limitation of 19 percent written into the Constitution of the United States with a 60-percent vote required to waive that provision, it makes it very difficult for the Government in times of emergency, exigency, urgency, whatever, to respond to sudden situations. I am also concerned, because as we discussed the role of Government in a recession, what we did not talk about but which we need to consider is that in a recession, an economy by definition is contracting. It is growing smaller, not bigger.

The Kyl amendment triggers its 19 percent to the GDP, the gross domestic product, so as the economy gets smaller, the Kyl amendment would say that you are going to have to cut resources that you would ordinarily use to fight that recession. You are going to have to cut them further, and at least, that is the way I read it, or you are going to have to get 60 percent.

Once again, unfortunately, not too many people are always prescient enough exactly to know when they are in a recession to respond, but they do know when they need to respond.

The war situation we have talked about. I am concerned. I believe the gentleman is very sincere in his belief that that would not be a problem, but I do not think you leave anything to doubt in a constitutional amendment, that can only be amended further by two-thirds.

So you have a situation where it is conceivably possible, and not that far remote, that a majority can vote to go to war, but you may not get the 60 percent necessary to pay for the war or the military conflict.

The line-item veto, I have great concerns about that. This is the big enchilada. It is all wrapped up as a twofer. You not only get the budget-balancing part of it, you get the line-item veto as well.

Probably no matter who supported it or introduced it, the language is very clear that it is a sweeping line-item veto and goes to any spending authorization, any spending provision, or any part of any spending provision contained therein. The President can already veto a bill, an authorization, or an appropriation bill. This permits him, as I read it, to go into any spending provision of any bill and pull it out, and I think that is a very dangerous precedent to start.

I will quote from Alan Greenspan, Chairman of the Federal Reserve:

> Any attempt to employ, for example, the gross national product as a measure to guide expenditure growth confronts the obvious problem that the GNP is continually undergoing redefinition with respect to inclusion and coverage.

He wrote or spoke of that in 1979 in a congressional hearing before the Subcommittee on Monopolies and Commerce, in March 1979. Interestingly enough, the GNP, of course, has now been redefined, as the gentleman from Arizona pointed out.

How does the constitutional 19 percent apply to that?

And finally, he writes something we should all be remembering here:

> Remember, a constitutional amendment must be as meaningful 50 years from now as today. Various statistical measures such as the gross national product or Consumer Price Index are not likely to live in perpetuity in their current form.

For all of these reasons, plus the fact that the Wise-Pomeroy-Price-Furse amendment has both capital budgeting and removes Social Security off budget, I would urge rejection of the Kyl amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. KYL. Mr. Chairman, I yield myself 4½ minutes, the remainder of my time.

Mr. Chairman, in order to close this debate on the Kyl amendment, let me first of all refer to some of the closing arguments made by the colleague, the gentleman from West Virginia, who, as I will say again, has certainly conducted a meaningful debate here. I think his first point was that in many cases 60 percent would be awfully hard to get in order to override the budget limitation, the spending limitation, in our balanced-budget amendment. That is, of course, absolutely true. That is why you have a 60-percent limit. It is not as hard as two-thirds, for example, to override a Presidential veto. That has been done before. One of the first things I did when I got here was to vote to override a veto of President Reagan. It can be done. Sixty percent is a little bit easier that that.

It ought to be hard. It ought to be limited to times of emergency. If you can get to 60 percent in that time, then, of course, it is appropriate.

I might add that if you do not have that kind of limitation, then what we are going to do is the same old things we have done year after year after year, in fact, week after week in this body, when we pass rules with a majority vote to waive the Budget Act, waive the Gramm-Rudman law, to waive all of the other restraints that are supposed to limit spending in this body but which we routinely waive because we can do so with a mere majority vote. That is why we add the other 10 percent in there, to give ourselves a little bit more of an opportunity to act responsibility in this body. So is 60 percent going to be hard sometimes in order to waive the spending limitation? You bet it is. I hope it is. That is why it is there.

The next point, in recession times, it might be hard to get 60 percent, and that would really be a tough thing, because government needs to spend more money in a recession. Well, two or three arguments: First of all, under the provision in the Wise amendment as I calculate it, almost half of the years would result in exceeding the budget limitation, and, well, not having a balanced-budget requirement under the Wise amendment. I think that it is obviously too weak.

What we do is to say that, again, Congress can, with a 60-percent majority, override this budget limitation, this spending limitation, and I think that it is interesting here that we have basically heard two arguments about the balanced budget.

The first argument is this, that we were elected to come back here and make the tough decisions, we do not need a straitjacket of a constitutional amendment to tell us what to do. "Don't you trust the Congress?" And then the next argument, of course, is, "Well now, wait a minute, it might be hard to get 60 percent, and we cannot trust the Congress to make that kind of tough choice, to make that kind of decision to override the limitation here and spend money on people when it needs to be spent like unemployment compensation and so on."

Well, Mr. Chairman, you cannot have it both ways. You know, I think we do need to trust the Congress to some extent. I do want to put a limitation on there and say control the growth of Government to the growth of the economy; control spending to revenues. If you do that, I trust the Congress to make those tough choices within what is permitted, and on occasion when it is called for, to exceed with a 60-percent majority the limitation that otherwise would be required.

Finally, the argument that the gross national product definition would be perhaps subjected to change, that, of course, is true. I think it is less subject to change than the definition of capital budget contained in the Wise amendment, a point that I made earlier.

I think we would simply have to rely on the legislative history in adopting such an amendment to make it clear that we mean the kind of gross national product calculation that has been in effect for all the years we have been quoting here in this debate today.

Besides which, of course, we have article V of the Constitution that permits amendment to the Constitution should the Congress get too carried away and try to do something that was not called for. I suspect that any of the four proposals before us could be fudged if Congress wanted to do so badly enough. But that is why we have this 60-percent pop-off valve, this 60-percent override in here.

I think that probably represents a pretty good compromise. Three of the proposals contain the 60-percent override provision, the Stenholm-Smith, the Kyl, and the Barton amendments, which all contain that. I think it is a good idea.

Mr. Chairman, in conclusion, this proposal, the Kyl amendment, is endorsed by Americans for Tax Reform, Citizens Against Government Waste, Citizens for a Sound Economy, Free the Eagle, National Association of Manufacturers, National Roofing Contractors Association, National Tax Limitation Committee, National Taxpayers Union, and others.

□ 1930

It was endorsed in the Washington Times lead editorial this morning; it was given favorable, very favorable treatment in articles by William F. Buckley and Walter Williams this morning in the Washington Times and in many other items.

This is an idea which has been tested in the States, it is an idea which works very well in my home State of Arizona, where I got the original idea. It is an idea that can be applied to the Federal budget. It has been applied in the Humphrey/Hawkins law, as I said, in the past. But it is time to adopt the spending limitation as a means to balance the budget. And for this reason I urge an "aye" vote on the Kyl substitute.

Mr. PACKARD. Mr. Chairman, I rise in support of the balanced budget-spending limitation amendment offered by Mr. KYL from Arizona.

Mr. KYL's amendment indexes Federal spending to gross national product [GNP]. For the past 40 years, revenues to the Treasury have averaged around 19 percent of GNP. By establishing 19 percent as a benchmark, the Kyl amendment attacks irresponsible congressional fiscal practices where it lives: Our problem is not lack of revenues, it is out-of-control spending.

Mr. KYL's amendment also includes a true line-item veto for the President, allowing him to separately approve, reduce, or disapprove any spending provision in a bill.

The last time the Federal budget was balanced was 1969. Since then, spending in inflation adjusted terms has grown 71 percent faster than revenues. Clearly, even though the liberal leadership of Congress resorts to the politics of class conflict, calling on the rich to "pay their fair share," higher taxes will do nothing to dig us out of the hole we are in. Spending is the problem, and spending will be brought under control if we pass the Kyl amendment.

Consider these statistics: The United States sinks deeper into debt to the tune of $20,000 each second. To pay the interest on this debt will cost $295 billion this year; this means 62 cents out of every income tax dollar you send to Washington goes to pay this debt. In the last 30 years, Congress has balanced the budget only once, and has raised taxes 56 times. Anyone who believes that profligate spending is not the problem, and lack of sufficient revenue is, must be a liberal Democrat with pet government programs to spend American's hard earned money on.

Spending is the problem. The Kyl amendment addresses this problem.

I urge my colleagues to support it.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Arizona [Mr. KYL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WISE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 179, noes 242, not voting 17, as follows:

[Roll No. 60]

AYES—179

Allard
Andrews (NJ)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clinger
Coble
Collins (GA)
Combest
Cooper
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hefley
Herger
Hoagland
Hobson
Hoekstra
Horn
Houghton
Huffington
Hunter
Hutchinson
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Machtley
Manzullo
McCandless
McCollum
McCrery
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Molinari
Moorhead
Nussle
Oxley
Packard
Pallone
Paxon
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Saxton
Schaefer
Schenk
Schiff
Sensenbrenner
Shays
Shepherd
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stump
Sundquist
Swett
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Zeliff
Zimmer

NOES—242

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coppersmith
Costello
Coyne
Cramer
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hayes
Hefner
Hilliard
Hinchey
Hochbrueckner
Hoke
Holden
Hoyer
Hughes
Hutto
Inslee
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Moran
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pickle
Pomeroy
Price (NC)
Rahall
Rangel
Reed
Richardson
Roemer
Romero-Barcelo (PR)
Rose
Roukema
Rowland
Roybal-Allard
Sabo
Sanders
Sangmeister
Sarpalius
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Sisisky
Skaggs
Skelton
Slattery
Slaughter
Spratt
Stark
Stenholm
Stokes
Strickland
Studds

Stupak
Swift
Synar
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Underwood (GU)
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Young (FL)

NOT VOTING—17

Dixon
Farr
Ford (MI)
Gallo
Grandy
Green
Hastings
Manton
Moakley
Natcher
Reynolds
Rostenkowski
Rush
Sawyer
Smith (IA)
Tucker
Yates

□ 1951

The Clerk announced the following pair:

On this vote:

Mr. Grandy for, with Mr. Green against.

Messrs. WYNN, BARCA of Wisconsin, VENTO, and ANDREWS of Texas changed their vote from "aye" to "no".

Messrs. BILIRAKIS, DELAY, and TAUZIN, and Ms. SCHENK changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. WISE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. DERRICK) having assumed the chair, Mr. SKAGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, had come to no resolution thereon.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 3345, FEDERAL WORKFORCE RESTRUCTURING ACT OF 1994

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 103-436) on the resolution (H. Res. 388) waiving points of order against the conference report to accompany the bill (H.R. 3345) to amend title 5, United States Code, to eliminate certain restrictions on employee training; to provide temporary authority to agencies relating to voluntary separation incentive payments; and for other purposes, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON TOMORROW

Mr. FROST. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 a.m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FOOD STAMP PROGRAM IMPROVEMENTS ACT OF 1994

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1926) to amend the Food Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the food stamp program, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. ROBERTS. Mr. Speaker, reserving the right to object, I do so to yield to the distinguished chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], to explain the Senate bill, the Food Stamp Program Improvements Act of 1994.

Mr. DE LA GARZA. Mr. Speaker, will the right honorable gentleman yield?

Mr. ROBERTS. Mr. Speaker, I am delighted to yield to my distinguished colleague, the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I will be most happy to edify the gentleman from Kansas on the contents of the legislation.

Mr. Speaker, this bill is basically the contents of H.R. 3436 that passed earlier in the session in this House, with some minor modifications by the Senate.

Mr. Speaker, S. 1926 amends the Food Stamp Act to address two important objectives. First, it incorporates the provisions of H.R. 3436, a bill passed by the House last November, to ensure that food stamp recipients continue to have adequate access to a variety of retail food stores to acquire nutritious foods, and to provide additional authority to the Secretary of Agriculture to enhance USDA's efforts at reducing fraud in the Food Stamp Program. Second, S. 1926 includes provisions added by the Senate to address monthly reporting and food stamp issuance concerns of food stamp recipients living on Indian reservations.

With respect to the first objective, this legislation will correct an unintended situation which threatens to eliminate the authorization for thousands of small retail stores to accept food stamps for food purchases.

In reauthorizing food stamp retailers, the Food and Nutrition Service has determined that a number of small retailer establishments no longer meet the technical definition of retail food store in the Food Stamp Act, even though many have participated in the program for years.

USDA has informed the Committee on Agriculture that these stores will have their authorization to participate in the Food Stamp Program withdrawn.

This action threatens to deny ready access by food stamp households to food stores, creating an acute problem in many rural areas and in inner cities where there are few supermarkets. The provisions of H.R. 3436, incorporated into S. 1926, will remedy this situation.

Currently, the Food Stamp Act requires that an eligible retail food store have over 50 percent of its food sales volume in staple foods.

S. 1926 will make a retail food store eligible to participate in the Food Stamp Program if it meets one or the other of the following conditions:

If the store has over 50 percent of its total sales volume—not simply its food sales volume—in staple foods, or; if the store offers, on a continuous basis, a variety of food in each of four categories of staple foods, and sells perishable foods in at least two of these categories of staple foods.

Either of these requirements will ensure that only those stores which sell a significant number of staple foods will be eligible to participate. The bill defines staple food categories as: (1) meat, poultry and fish; (2) bread or cereals; (3) vegetables or fruits; and (4) dairy products.

The bill does not change the current prohibition on the participation of certain types of stores, such as those that sell only accessory foods, including spices, candy, soft drinks, tea, or coffee; ice cream vendors; and doughnut shops.

S. 1926 requires that the Secretary of Agriculture prepare a report for the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry, within 18 months, on the impact on the Food Stamp Program of the change in the definition of retail food store.

The bill also amends the Food Stamp Act to strengthen the authority of the Secretary to maintain program integrity. It permits the use and disclosure of information provided by retail food stores and wholesale food concerns to law enforcement and investigative agencies investigating abuses of the Food Stamp Act or other Federal or State laws.

The bill imposes penalties on those who publish, divulge, or disclose any of the information obtained in such an investigation if not authorized by Federal law.

S. 1926 requires that the Secretary use up to $4 million for specific kinds of demonstration projects. This funding is provided only to help State or local food stamp agencies test new ideas for working with State or local law enforcement agencies to investigate and prosecute street food stamp trafficking. Trafficking in food stamps has always been prohibited by the Food Stamp Act.

S. 1926 addresses two concerns of food stamp recipients living on Indian reservations, those involving monthly reporting and staggered issuance of benefits. First, the bill prohibits a State food stamp agency from requiring monthly reporting of households on Indian reservations unless the agency:

Is requiring such monthly reports at the time of enactment of this legislation; grants a grace period of 1 month after the end of the month in which the monthly report is normally due during which time the State agency does not delay, reduce, suspend, or terminate benefits; reinstates benefits, without requiring a new application, to households that file a complete report during the month following the grace period; and certifies monthly reporting households for 2 years, unless there is an approved cause for a shorter period.

Second, these provisions affecting households living on Indian reservations require that, if a tribal organization requests, a State agency must stagger the issuance of food stamp benefits over at least 15 days a month.

Finally, S. 1926 requires the General Accounting Office to conduct a study on the feasibility and desirability of increasing the opportunity of Indian tribal organizations to administer the Food Stamp Program on Indian reservations by modifying or eliminating requirements that tribal organizations share in administrative costs, and permitting tribal organizations to establish different issuance, reporting, and certification requirements.

Staff at the Congressional Budget Office has advised us that this bill has only insignificant costs and savings, and is therefore budget neutral.

Last November, because of difficulty in finding a compromise on the issues affecting households on Indian reservations, legislation was enacted to suspend until March 15, 1994, the implementation of the several Food Stamp Act provisions affecting retail food stores and households living on Indian reservations. I urge the Secretary to take notice of the will of the Congress on these issues, the Senate having passed this bill on March 11, and the House passing it today. We are assured that the President will sign this important legislation. Therefore, I would not expect USDA to take action under current law during the time between March 15 and the day on which the President signs this bill. Further, neither the Department nor State agencies should be considered negligent for not taking such action.

This legislation will make very necessary and needed changes in the Food Stamp Program. After reviewing the language and its added provisions for Indian reservations, the members of the Committee on Agriculture are agreeable to accepting S. 1926. I urge its adoption.

Mr. ROBERTS. Mr. Speaker, I rise in support of S. 1926 as the chairman has described it. The minority, or at least this Member of the minority, supports the bill.

Mr. Speaker, I rise in support of S. 1926, a bill to ensure adequate access to retail food stores for food stamp participants; to change the requirements concerning monthly reporting and staggered issuance for families living on Indian reservations; to require a study by GAO as to the feasibility of tribal organizations to administer the Food Stamp Program on reservations; and, to maintain the integrity of the Food Stamp Program.

Title I of S. 1926 changes the requirements of the Food Stamp Act relating to the administration of the program for people living on Indian reservations. The secretary of the Kansas Department of Social and Rehabilitation Services has been urging action on the issue relating to monthly reporting and staggered issuance of food stamp benefits on Indian reservations. The secretary believes, as do most other States affected by these provisions, that unnecessary hardships for food stamp participants and unnecessary work for administrators will result without the changes incorporated in S. 1926. I am pleased that the differences concerning these provisions have been resolved and that State administrators support this bill.

Additionally, GAO is required to study the feasibility of allowing the tribal organization of an Indian tribe on a reservation to administer the Food Stamp Program. Currently the Food Stamp Act provides limited ability for such administration. The GAO study will explore this option and report to the Committee on Agriculture by December 1, 1994.

Title II of the bill under consideration today incorporates a bill passed by the House of Representatives last year, H.R. 3436, in which the definition of retail food stores that can accept food stamp coupons was changed. Additionally, other provisions are included to strengthen the enforcement of the provisions relating to retail food stores: to allow information provided by retail food stores to be shared with law enforcement officials; and, to require that the secretary spend up to $4 million on pilot projects designed to improve the investigation and prosecution of food stamp trafficking.

Several retail food stores in Kansas advised me of the need to change this definition in order to move away from only a sales based test and take into account the variety of staple foods sold in food stores. S. 1926 includes the amendments needed to make these changes.

I urge my colleagues to support this bill.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The clerk read the Senate bill, as follows:

S. 1926

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Stamp Program Improvements Act of 1994".

TITLE I—REPORTING AND STAGGERED ISSUANCE FOR HOUSEHOLDS ON RESERVATIONS

SEC. 101. BUDGETING AND MONTHLY REPORTING ON RESERVATIONS.

(a) IN GENERAL.—Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (ii); and

(B) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively; and

(2) by adding at the end the following new subparagraph:

"(C) A State agency may require periodic reporting on a monthly basis by households residing on a reservation only if—

"(i) the State agency reinstates benefits, without requiring a new application, for any household residing on a reservation that submits a report not later than 1 month after the end of the month in which benefits would otherwise be provided;

"(ii) the State agency does not delay, reduce, suspend, or terminate the allotment of a household that submits a report not later than 1 month after the end of the month in which the report is due;

"(iii) on the date of enactment of this subparagraph, the State agency requires households residing on a reservation to file periodic reports on a monthly basis; and

"(iv) the certification period for households residing on a reservation that are required to file periodic reports on a monthly basis is 2 years, unless the State demonstrates just cause to the Secretary for a shorter certification period.".

(b) CONFORMING AMENDMENTS.—

(1) The second sentence of section 3(c) of such Act (7 U.S.C. 2012(c)) is amended by striking "For" and inserting "Except as provided in section 6(c)(1)(C), for".

(2) Section 5(f)(2)(C) of such Act (7 U.S.C. 2014(f)(2)(C)) is amended by striking "clauses (i), (ii), (iii), and (iv)" and inserting "clauses (i), (ii), and (iii)".

SEC. 102. STAGGERED ISSUANCES ON RESERVATIONS.

Section 7(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(h)(1)) is amended by striking the second sentence and inserting the following new sentence: "Upon the request of the tribal organization that exercises governmental jurisdiction over the reservation, the State agency shall stagger the issuance of benefits for eligible households located on reservations for at least 15 days of a month.".

SEC. 103. GAO STUDY AND REPORT ON ADMINISTRATION OF FOOD STAMP PROGRAM BY TRIBAL ORGANIZATIONS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of the feasibility and desirability of—

(1) increasing the opportunity for a tribal organization of an Indian tribe to administer the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) in connection with members of the tribe by—

(A) modifying the requirements established under sections 3(n)(2) and 11(d) of such Act (7 U.S.C. 2012(n)(2) and 2020(d));

(B) modifying or eliminating the cost-sharing requirements established for the tribal organization under section 16(a) of such Act (7 U.S.C. 2025); and

(C) taking such other actions as the Comptroller General considers appropriate; and

(2) permitting the tribal organization to establish reasonable and appropriate requirements with respect to issuance, reporting, and certification requirements under the food stamp program for members of the tribe.

(b) REPORT.—Not later than December 1, 1994, the Comptroller General shall report the results of the study required under subsection (a) to the Committee on Agriculture, and the Subcommittee on Native American Affairs of the Committee on Natural Resources, of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Indian Affairs, of the Senate, so that the results of the study may be considered by the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate during the reauthorization of the food stamp program during 1995.

SEC. 104. CONFORMING AMENDMENTS.

(a) Section 908 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 7 U.S.C. 2015 note) is repealed.

(b) Section 6(c)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2105(c)(4) is amended by striking "Any" and inserting "Except as provided in paragraph (1)(C), any".

TITLE II—ACCESS TO RETAIL FOOD STORES BY FOOD STAMP HOUSEHOLDS

SEC. 201. FOOD STAMP ACT DEFINITIONS.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended—

(1) in subsection (k)—

(A) by striking "means (1) an establishment" and all that follows through "spices, (2) an establishment" and inserting the following: "means—

"(1) an establishment or house-to-house trade route that sells food for home preparation and consumption and—

"(A) offers for sale, on a continuous basis, a variety of foods in each of the 4 categories of staple foods specified in subsection (u)(1), including perishable foods in at least 2 of the categories; or

"(B) has over 50 percent of the total sales of the establishment or route in staple foods, as determined by visual inspection, sales records, purchase records, counting of stockkeeping units, or other inventory or accounting recordkeeping methods that are customary or reasonable in the retail food industry;

"(2) an establishment;

(B) by striking "section (3) a store" and inserting the following: "section;

"(3) a store"; and

(C) by striking "section, and (4) any private" and inserting the following: "section, and

"(4) any private"; and

(2) by adding at the end the following new subsection:

"(u)(1) Except as provided in paragraph (2), 'staple foods' means foods (as defined in subsection (g)) in the following categories:

"(A) Meat, poultry, or fish.

"(B) Bread or cereals.

"(C) Vegetables or fruits.

"(D) Dairy products.

"(2) 'Staple foods' do not include accessory food items, such as coffee, tea, cocoa, carbonated and uncarbonated drinks, candy, condiments, and spices."

SEC. 202. PERIODIC NOTICE.

Paragraph (2) of section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(2)) is amended to read as follows:

"(2) The Secretary shall issue regulations providing for—

"(A) the periodic reauthorization of retail food stores and wholesale food concerns; and

"(B) periodic notice to participating retail food stores and wholesale food concerns of the definitions of 'retail food store', 'staple foods', 'eligible foods', and 'perishable foods'.".

SEC. 203. USE AND DISCLOSURE OF INFORMATION PROVIDED BY RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(C)) is amended—

(1) in the second sentence, by inserting after "disclosed to and used by" the following: "Federal law enforcement and investigative agencies and law enforcement and investigative agencies of a State government for the purposes of administering or enforcing this Act or any other Federal or State law and the regulations issued under this Act or such law, and";

(2) by inserting after the second sentence the following new sentence: "Any person who publishes, divulges, discloses, or makes known in any manner or to any extent not authorized by Federal law (including a regulation) any information obtained under this subsection shall be fined not more than $1,000 or imprisoned not more than 1 year, or both."; and

(3) in the last sentence, by striking "Such purposes shall not exclude" and inserting the following: "The regulations shall establish the criteria to be used by the Secretary to determine whether the information is needed. The regulations shall not prohibit".

SEC. 204. DEMONSTRATION PROJECTS TESTING ACTIVITIES DIRECTED AT TRAFFICKING IN COUPONS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following new subsection:

"(l) The Secretary shall use up to $4,000,000 of the funds provided in advance in appropriations Acts for projects authorized by this section to conduct demonstration projects in which State or local food stamp agencies test innovative ideas for working with State or local law enforcement agencies to investigate and prosecute coupon trafficking.".

SEC. 205. CONTINUING ELIGIBILITY.

An establishment or house-to-house trade route that is otherwise authorized to accept and redeem coupons under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) on the day before the date of enactment of this Act shall be considered to meet the definition of "retail food store" in section 3(k) of such Act (7 U.S.C. 2012(k)) (as amended by section 201) until the earlier of—

(1) the periodic reauthorization of the establishment or route; or

(2) such time as the eligibility of the establishment or route for continued participation in the food stamp program is evaluated for any reason.

SEC. 206. REPORT ON IMPACT ON RETAIL FOOD STORES.

Not later than 18 months after the date of enactment of this Act, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the impact of the amendments made by sections 201 and 202 on the involvement of retail food stores in the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including a description of—

(1) the numbers and types of stores that were newly authorized to participate in the food stamp program after implementation of the amendments;

(2) the numbers and types of stores that were withdrawn from the food stamp program after implementation of the amendments;

(3) the procedures used by the Secretary, and the adequacy of the procedures used, to determine the eligibility of stores to participate in the food stamp program and to authorize and reauthorize the stores to participate in the food stamp program;

(4) the adequacy of the guidance provided by the Secretary to retail food stores concerning—

(A) the definitions of "retail food store", "staple foods", "eligible foods", and "perishable foods" for purposes of the food stamp program; and

(B) eligibility criteria for stores to participate in the food stamp program; and

(5) an assessment of whether the amendment to the definition of "retail food store" under section 3(k) of such Act (as amended by section 201(1))

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on S. 1926, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, March 15, 1994.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, March 15, 1994 at 2:42 p.m. and said to contain a special message from the President whereby he transmits the Reemployment Act of 1994.

With great respect, I am

Sincerely yours,
DONNALD K. ANDERSON,
Clerk, U.S. House of Representatives.

REEMPLOYMENT ACT OF 1994—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor, the Committee on Ways and Means, the Committee on the Judiciary, and the Committee on Veterans' Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and prompt enactment the "Reemployment Act of 1994". Also transmitted is a section-by-section analysis. This legislation is vital to help Americans find new jobs and build sustainable careers.

Our current set of programs was designed to meet the different needs of an earlier economy. People looking for help today confront a confusing, overlapping, and duplicative tangle of programs, services, and rules. Job seekers—whether unemployed or looking for better jobs—have a difficult time getting the information they need: What benefits and services are available to them? Where can they get good quality training? What do they need to know to find and hold good jobs and to build sustainable careers?

The underlying problem is the lack of a coherent employment and training system. Instead, we have many disconnected, category-based programs—each with distinct eligibility requirements, operating cycles, and program standards. We need a true system of lifelong learning—not the current hodgepodge of programs, some of which work, and some of which don't. The legislation I am transmitting today is an important first step in building this system.

We need to build a reemployment system because our current unemployment system no longer delivers what many American workers need. In the past, when a worker lost a job, he or she often returned to that job as soon as the business cycle picked up again and the company was ready to rehire. The unemployment system was designed to tide workers over during temporary dry spells. Today, when a worker loses a job, that job often is gone forever.

Our economy has generated new jobs. In 1993 alone, 1.7 million new private sector jobs were created—more than in the previous 4 years combined. While the jobs exist, the pathways to them aren't always clear.

The Reemployment Act of 1994 strives to fix this. It is based on evidence of what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful choices. Programs that work provide job search assistance to help dislocated workers become reemployed rapidly, feature skill training connected to real job opportunities, and offer support services to make long-term training practical for those who need it.

The Act reflects six key principles:

First is universal access and program consolidation. The current patchwork of dislocated worker programs is categorical, inefficient, and confusing. The Reemployment Act of 1994 will consolidate six separate programs into an integrated service system that focuses on what workers need to get their next job, not the reason why they lost their last job.

Second is high-quality reemployment services. Most dislocated workers want and need only information and some basic help in assessing their skills and planning and conducting their job search. These services are relatively simple and inexpensive, and they have been shown to pay off handsomely in reducing jobless spells.

Third is high-quality labor market information, which must be a key component of any reemployment effort. The labor market information component of the Reemployment Act of 1994 will knit together various job data systems and show the way to new jobs through expanding access to good data on where jobs are and what skills they require.

Fourth is one-stop service. At a recent conference that I attended on "What is Working" in reemployment efforts, a common experience of workers was the difficulty of getting good information on available services. Instead of forcing customers to waste their time and try their patience going from office to office, the system will require States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first, new, or better job, and to streamline access to a wide range of job training and employment programs.

The fifth principle of the legislation is effective retraining for those workers who need it to get a new job. Some workers need retraining. The Reemployment Act of 1994 will also provide workers financial support when they need it to let them complete meaningful retraining programs.

Sixth is accountability. The Reemployment Act of 1994 aims to restructure the incentives facing service providers to begin focusing on workers as customers. Providers who deliver high-quality services for the customer and achieve positive outcomes will prosper in the new system. Those who fail to do so will see their funding dry up.

The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs. This is a responsible proposal that is fully offset over the next 5 years.

I urge the Congress to give this legislation prompt and favorable consideration so that Americans will have available a new, comprehensive reemployment system that works for everyone.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 15, 1994.*

COMMUNICATION FROM THE SERGEANT AT ARMS

The SPEAKER pro tempore laid before the House the following communication from the Sergeant at Arms of the House of Representatives:

OFFICE OF THE SERGEANT AT ARMS,
HOUSE OF REPRESENTATIVES,
Washington, DC, March 15, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC

DEAR MR. SPEAKER: This is to formerly notify you pursuant to Rule L (50) of the Rules of the House that a subpoena issued by the Superior Court of the District of Columbia for information concerning a member of the United States Capitol Police.

After consultation with the General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

WERNER W. BRANDT,
Sergeant at Arms.

S. 1114 THREATENS ESSENTIAL COMPONENTS OF THE CLEAN WATER ACT

(Mr. ALLARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALLARD. Mr. Speaker, members of the Colorado State House of Representatives and State Senate recently informed me of their opposition of S. 1114, which will seriously hinder the flexibility of both the State and localities in Colorado and this Nation.

The Clean Water Act has made considerable progress in achieving its goal of restoring the biological integrity of the Nation's water. Seventy-five percent of the Nation's waters are in compliance with the standards now set by the EPA.

The legislative proposals in S. 1114 severely threaten the flexibility of the States to operate in an innovative manner in creating programs to meet and go beyond the Clean Water Act goals.

If S. 1114 passes, federally supervised zoning and land use programs would be put into effect. This is the last thing the States and localities of Colorado and this Nation need in helping clean up our water.

Colorado and other States continue to succeed at meeting the expectations of the EPA. But, they need the flexibility to adopt policies which are tailored to their needs.

That is why I'm sharing with you the following resolution.

HOUSE JOINT RESOLUTION 94-1015

Whereas, The United States Congress is considering measures to reauthorize the federal Clean Water Act in S. 1114; and

Whereas, The Clean Water Act has made considerable progress toward its stated goal to restore and maintain the chemical, physical, and biological integrity of the nation's water with approximately 75% of the nation's waters complying with applicable standards; and

Whereas, This success is based on the flexibility of the Clean Water Act to allow the states to create and administer innovative programs to meet the Clean Water Act goals; and

Whereas, Legislative proposals such as S. 1114 threaten state primacy and flexibility which are essential components of the Clean Water Act by substituting provisions which would amount to a federally supervised zoning and land use program; and

Whereas, Additional unfunded federal mandates to support this program without state primacy and flexibility is bad public policy; and

Whereas, The United States Senate Committee on Environment and Public Works is currently considering S. 1114, and the General Assembly wants the concerns of the state to be addressed during consideration of the measure; now, therefore, be it further

Resolved, That copies of this Resolution be sent to the President of the United States Senate, the Chairman and Ranking Minority Member of the Senate Environment and Public Works Committee, the Administrator of the Environmental Protection Agency, and the Colorado Congressional Delegation.

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SPECIAL ORDERS

The SPEAKER pro tempore (Mr. DERRICK). Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CONGRATULATIONS TO HAWAII'S NATIONAL TOURNAMENT QUALIFYING BASKETBALL TEAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today to congratulate four college basketball teams from Hawaii for qualifying for their respective national tournaments, which begin play this week.

Hawaii Pacific University and the University of Hawaii-Hilo both qualified for the National Association of Intercollegiate Athletics Tournament. Hawaii Pacific returns to the tournament as the defending national champion. Hawaii-Hilo gained one of the at-large invitations after having an outstanding season.

The University of Hawaii men's team is finally returning to the tournament after last appearing in 1972. But getting there wasn't easy. After beginning the season with several losses, the team qualified for the tournament by staging an exciting come from behind victory over arch-rival Brigham Young University to win the Western Athletic Conference Tournament Championship.

The women's team has been a contender in the Big West Conference for several years. In fact, in 1989 and 1990 they represented the Big West Conference in the NCAA Tournament. Despite continued success since their 1990 appearance, the team suffered bitter disappointments in 1992 and 1993 by being snubbed by the tournament selection committee in each of those years. Now, they finally have another chance to show their talents.

Even though Hawaii's geographic location and time zone differences make it difficult for the rest of the country to follow our basketball teams, this week the country will see four determined teams that fought their way to their respective tournaments.

Hawaii is proud of its teams' achievements. Again, congratulations to all the players, coaches, and their many supporters.

VOTES ON HEALTH CARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, as we know, the initial votes on health care reform took place yesterday in the Ways and Means Health Subcommittee.

In order to ensure that the markup process remains as open as possible, and that information on all votes in Committee is made available to the general public, it is my intention to place in the CONGRESSIONAL RECORD on a daily basis each and every committee rollcall vote, broken down by Members.

This will help to ensure that Members are fully accountable to their constituents for the way they vote in committee.

It is noteworthy from yesterday's votes that most Democrats on the subcommittee are voting in favor of a government-run health care system financed by job-killing employer mandates.

We think there are much more commonsense ways to reform our health care system that will not result in more bureaucracy, rationing, and job loss, and those commonsense approaches are included in H.R. 3080, the Affordable Health Care Now Act.

Mr. Speaker, I request permission to insert at this point in the RECORD the votes on health care reform which took place in committee on March 15 and 16, 1994:

The following recorded vote was taken on March 16, 1994 in the Subcommittee on Health of the Committee on Ways and Means during consideration of Chairman Stark's substitute proposal for H.R. 3600, the Health Security Act of 1994:

A motion by Mr. Kleczka to table an amendment by Mr. Andrews (TX), Mr. Cardin, and Mr. Levin to raise the tobacco tax to $2.00 per pack (estimated to raise a total of $12 billion annually) to finance: $8 billion in subsidies for businesses with 100 or fewer employees (specific subsidies to be determined at a later date by the full Committee on Ways and Means); $2.25 billion for a formula grant program for Academic Health Centers; $750 million to fund grants to local governments for lead abatement programs; and $1 billion to fund essential community provider programs as defined in the Stark substitute for H.R. 3600. Motion to table the amendment was adopted 6 to 5.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "nay."
Mr. McDermott, "yea."
Mr. Kleczka, "yea."
Mr. Lewis, "yea."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "nay."
Mr. Grandy, "yea by proxy."
Mr. McCrery, "yea by proxy."

The following recorded votes were taken on March 15, 1994 in the Subcommittee on Health of the Committee on Ways and Means during consideration of Chairman Stark's substitute proposal for H.R. 3600, the Health Security Act of 1994:

AMENDMENT NO. 1

An amendment by Mr. Grandy to strike the employer mandate and replace it with a provision to require employers to offer, but not pay for, insurance to their employees. It would also strike portions of the bill requiring individuals to pay for health coverage and portions requiring employers who currently pay for health coverage to do so for a 5-year period. Defeated 6 to 5.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "yea."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 2

An amendment by Mrs. Johnson (CT) to strike the requirement that employers who currently offer benefits packages more generous than the national benefits package contained in the bill continue to provide current levels of benefits for five years. Defeated 6 to 5.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "yea."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 3

An amendment by Mr. McCrery to permit individuals to fully deduct amounts they spend to purchase health insurance, offset by provisions that would limit the employer deduction and employee tax exclusion of health care premiums to the average cost of benefit plans in the geographic area. Defeated 6 to 5.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "yea."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 4

An amendment by Mr. Cardin to clarify that the employer responsibility is to contribute at least 80 percent of the cost of the premium for the least expensive plan offered to the employee which meets the minimum benefit standard, and provided that the least expensive plan offers a choice of doctors. Adopted 7 to 4.

DEMOCRATS

Mr. Stark, "yea."
Mr. Levin, "yea."
Mr. Cardin, "yea."
Mr. Andrews (TX), "yea."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "nay."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 5

An amendment by Mr. McCrery to permit individuals to fully deduct amounts they spend to purchase health insurance, offset by provisions that would means test the Part B Medicare premium and provide for 10 percent coinsurance on Medicare clinical laboratory services. Defeated 7 to 4.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."

Mr. Cardin, "nay."
Mr. Andrews (TX), "nay."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 6

An amendment by Mr. Kleczka to expand the employer mandate from requiring employers to pay for 80 percent of individual coverage to requiring them to pay for 80 percent of the cost of family coverage. Adopted 6 to 4.

DEMOCRATS

Mr. Stark, "yea."
Mr. Levin, "yea."
Mr. Cardin, "yea."
Mr. Andrews (TX), "not voting."
Mr. McDermott, "yea."
Mr. Kleczka, "yea."
Mr. Lewis, "yea."

REPUBLICANS

Mr. Thomas (CA), "nay."
Mrs. Johnson (CT), "nay."
Mr. Grandy, "nay."
Mr. McCrery, "nay."

AMENDMENT NO. 7

An amendment by Mr. Grandy to strike the provision requiring employers with any obligation to pay for early retiree health care coverage as of October 1, 1993 to pay at least 80 percent of the cost of covering such retirees under Medicare Part C. Defeated 6 to 5.

DEMOCRATS

Mr. Stark, "nay."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "yea by proxy."
Mr. McDermott, "nay."
Mr. Kleczka, "nay."
Mr. Lewis, "nay."

REPUBLICANS

Mr. Thomas (CA), "yea."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "yea."
Mr. McCrery, "yea."

AMENDMENT NO. 8

An amendment by Mr. McDermott to allow employers with more than 100 employees to offer Medicare Part C to their employees as one of the choices of insurance plans, offset by increasing the payroll tax provided in the bill from .8 percent to .96 percent. The effective date of the amendment would be January 1, 2001. Defeated 5 to 5.

DEMOCRATS

Mr. Stark, "yea."
Mr. Levin, "nay."
Mr. Cardin, "nay."
Mr. Andrews (TX), "not voting."
Mr. McDermott, "yea."
Mr. Kleczka, "yea."
Mr. Lewis, "yea."

REPUBLICANS

Mr. Thomas (CA), "nay."
Mrs. Johnson (CT), "yea."
Mr. Grandy, "nay."
Mr. McCrery, "nay."

OXFORD STYLE DEBATES

The SPEAKER pro tempore. The Chair desires to make the following statement on behalf of the Speaker:

The House is about to embark upon an unprecedented experiment wherein it will conduct a structured debate on a mutually agreed upon subject, wherein a Member recognized by the Chair and holding the floor as "moderator" will yield time to eight Members, four from the majority party and four from the minority party.

The primary purpose of this debate is to enhance the quality of the deliberative process of the House of Representatives, so as to enable all Members to be better informed and to subsequently participate in debates and decisions on major issues.

Under the previous orders of February 11 and March 11, 1994, the gentleman from Maryland [Mr. CARDIN] is recognized to moderate a structured debate in the format and sequence to be described by him, which has been mutually established by the majority and minority leaders.

The rules of the House with respect to decorum and proper forms of address to the Chair will apply during this debate. The moderator will yield time to the participants.

The Chair recognizes the gentleman from Maryland [Mr. CARDIN] for up to 2 hours.

HEALTH CARE DEBATE

Mr. CARDIN. Mr. Speaker, tonight, instead of special orders, this House of Representatives will be holding its first Oxford-style debate. Oxford-style debates give the American people an opportunity to hear details, fundamental discussions of important issues.

This debate will be the first of a series of debates scheduled for the House floor. The second debate is scheduled for April 20. The third debate, which is scheduled for May 11, will include bipartisan teams. After review of the first three debates, the House will decide whether or not to continue debates on the House floor.

Most appropriately, the first debate is on health care. I want to congratulate both the Democratic and Republican leadership for their persistence in bringing us to this moment.

In developing this debate format, the joint leadership has sought ways of elevating the value and effectiveness of debate in the House of Representatives. Together tonight, we institute a reform that all of us hope will improve the quality of debate in this legislative Chamber.

When referring to debates, the French moralist Joseph Joubert, known as Pensees, said:

> The aim of argument or discussion should not be victory but progress.

In that spirit, one can hope that tonight's debate will help us reconcile differences in the House and lead towards the enactment of health care reform. We will both better understand each other's position.

I want to thank those who have studied the congressional process and come forward with reform proposals and pushed for congressional reform for the Oxford-style debate, including Norman Ornstein of the American Enterprize Institute and Thomas Mann of the Brookings Institution. In addition, I would like to thank C–SPAN and National Public Radio for covering these debates so that the American people can watch and listen to this debate.

I would like to thank my counterpart from the Republican side, the gentleman from Pennsylvania [Mr. WALKER], for his help in bringing about these debates.

This debate will be in the Oxford-style format. An Oxford-style debate differs from the American-style two person debate, because it allows teams to speak in sequence, allowing different members of the team to focus on different issues. By expanding participation, we encourage a more comprehensive discussion of the subject.

Oxford-style debates encourage instant and continuous rebuttal from the participants. It is just as important for a team to question the other team as to expand its own arguments.

Each debate will last 90 minutes. The moderator will open the debate with an introduction of the topic and the members. After the introduction by the moderator, one member of each team will make a 3-minute opening statement, laying out the position of their team. A back and forth debate between the teams will follow the opening remarks with time and recognition controlled by the moderator.

During this time, the remaining six debaters will also be able to make brief statements. Also, each debater will have 5 minutes in which to question and later be questioned by a member of the other team. In addition, each debater will be subject to 5 minutes of interrogation from any member of the opposing team.

During the questioning and interrogation portions of the debate, questions will be limited to 30 seconds. I ask the debaters' cooperation on that point. And answers will be limited to no longer than 2 minutes.

After the back and forth debate between the teams, one member of each team will make a final point summarizing his team's position.

For the help of the debaters, we have cards that will give Members notice when there is certain time remaining, depending on how long the period involved. The cards will be held at the front.

We would ask Members to please strictly comply with the time limit.

We would hope that we will have as much back and forth as we can. The purpose of this debate is to be free flowing, but we do ask you also to please be courteous.

We had some guests today from England who participate in Oxford debate regularly, and they also give one more bit of instruction. And that is for the debaters to please have fun.

The topic for this debate tonight will be introduced in the form of a statement to be resolved. The position statement for the first debate, which will be argued in the affirmative by a four-member Democratic team and in the negative by a four-member Republican team, is, resolved, that the Clinton health care plan best represents the elements that should be included in health care reform.

The Democratic Members participating in the health care debate are Majority Leader RICHARD GEPHARDT, Chairman HENRY WAXMAN of the Energy and Commerce Subcommittee on Health and the Environment, Chairman PETE STARK, Ways and Means Subcommittee on Health, and Congresswoman ROSA DELAURO, a member of the Appropriations Committee.

The Republican Members participating in tonight's debate are Minority Whip NEWT GINGRICH, ranking Republican Member THOMAS BLILEY of the Energy and Commerce Subcommittee on Health and the Environment, ranking Republican Member WILLIAM THOMAS of the Ways and Means Subcommittee on Health, and Congresswoman NANCY JOHNSON, a member of the Ways and Means Subcommittee on Health.

At this point, I will yield time to debators in conformity to the time limits established by the agreed format that has been filed at the desk.

I yield to Mr. GEPHARDT for his opening statement.

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Mr. GEPHARDT. Mr. Speaker, I want to thank the Republican leadership for their help in bringing this debate about, and I want to thank all of my colleagues who have worked so hard to make this evening happen. I hope this is the first of many Oxford-style debates.

I want to start tonight by saying that this debate is not about charts, it is not about statistics, and it is not about graphs. It is not even about philosophy. It really is simply about people. It is about the elderly women in my district that I saw the other night whose husband died soon after he retired, leaving her without health insurance. She wound up with a very serious form of cancer, and now she needs an operation, and she has no idea how she is going to pay for it, because she does not yet qualify for Medicare.

It is about the truck driver who came to one of my town hall meetings and finally stood in frustration in the middle of the meeting and shook his hand at me and said:

> Congressman, I have to go to work, but you have to do something about health care costs. I cannot afford to pay for my family's policy, and I'm worried I'm going to lose it.

It is about small business people that we have all met who want to be able to give their people health insurance as part of their compensation, but they simply can't figure out how to afford to do it.

The truth is, in doing health care, as I hope we will later this year, we have to listen to these people. This is about them. It is not about lobbyists, it is not about organized groups, as legitimate as they may be, as legitimate as their views may be. When we go to work on health care tonight, in debating, and later in the year in working on it, we have to listen to these people.

I think we have the best health care system in the world. I have benefitted from it. My family has benefitted from it. However, it can be better. We have got to fix what is wrong and we have got to keep what is right. In my view, the Clinton plan represents the best elements that we have got to get in any health care plan we do.

First, we have got to make it affordable for every American. Second, we have to guarantee private health insurance for every American family. Third, we have to guarantee choice. People have got to go to the doctor they want, pick the plan they want. Finally, we have to protect the elderly and Medicare and the benefits of that program.

In my view, all of the Republican plans except one are deficient. We cannot toy around and tinker around and nibble around the edges, we have to have a plan that accepts and embodies the principles, the goals that I just talked about. The choice tonight is, are we going to do something or are we going to do nothing?

Finally, let me say this. Back in 1935, 1965, Republicans came together with Democrats to pass Social Security and to pass Medicare. We reach out our hand tonight to the Republicans to join with us in passing real national health care reform.

Mr. CARDIN. Mr. Speaker, I yield to the gentleman from Georgia [Mr. GINGRICH] for an opening statement.

Mr. GINGRICH. Mr. Speaker, let me say first that I appreciate very much this chance to be here, and I enjoyed immensely the opening by the Democratic majority leader, which was wonderful, about goals, and with which we agree. We all go home and we all have problems. My own daughter had a problem with a precondition and had to spend a year without coverage.

That is why the Michel bill and, to the best of my knowledge, every Republican bill, eliminates preconditions and says you are going to get coverage.

I have had relatives who have had problems losing jobs and not being able to have health insurance, and that is why the Republican bill and virtually every bill I know guarantees portability.

As my good friend knows, there is bill after bill after bill already introduced, attempting to solve the problems, but the resolution that my Democratic friends agreed to defend tonight was not about good goals, it was not about good anecdotes. It was the elements of the Clinton plan.

I am excited by this debate, first because it is good for the House, and second, because we finally get to talk about H.R. 3600, a bill, a piece of legislation, and we get to talk about the elements.

It is a little unfair, but I cannot quite resist. Let me cite what some Democrats have said about this plan, because we are talking about the Clinton plan.

I agree with my friend, the gentleman from Missouri [Mr. GEPHARDT]. I want to reach out in a bipartisan way to pass the bill. I praise the gentleman from Florida [Mr. BILIRAKIS] and the gentleman from Georgia [Mr. ROWLAND] for a bipartisan bill. I praise the gentleman from Iowa [Mr. GRANDY] and the gentleman from Tennessee [Mr. COOPER] for a bipartisan bill. They are starting in the right direction to reach out.

However, let me cite the Clinton plan, which is the goal of tonight's debate, and which the gentleman has agreed to defend.

One of our debate Members on the gentleman's side said, "The health alliance and the Clinton plan is a beautiful animal in fairyland, but unseen on Earth." One of your Members said, "I don't know of any Republican or Democrat who would support mandatory alliances like the President's. I have heard a thousand objections and virtually no support."

One of your Members said, "I kissed a frog, but it's still a frog," referring to the Clinton plan. I am not going to refer to the Clinton plan as a frog. That was a Democrat. We are not going to be nastily partisan on our side tonight.

One of the gentleman's Members defending the plan tonight said of the President's plan, "It is amazingly complex. It creates many new bureaucracies. It is confusing. It eliminates traditional fee-for-service medicine as we know it."

A Democrat in the Senate pointed out that, and I quote, "Literally hundreds of thousands of small business people in this country might have to close their doors under the President's proposal, and that is unacceptable."

Our focus tonight is to focus on the elements of the Clinton plan, which is the topic of this debate, elements which include a global budget by which politicians and bureaucrats will decide the health of all Americans and inevitably lead to rationing, elements which include a National Rationing Board appointed and controlled by politicians, with the power to decide what health care you can receive; elements which include government-controlled and designed health bureaucracies you may be required to join, which will control which doctor and which hospital you can go to.

Mr. CARDIN. Mr. Speaker, I yield to the gentleman from California [Mr. WAXMAN] for an opening statement.

Mr. WAXMAN. Mr. Speaker, this is a debate about one basic issue: Will all Americans have health care coverage? Right now they don't. Almost 39 million Americans are uninsured. Eight million of them are children. Think about that. In this, our rich country, 8 million children are without insurance coverge, and the fact of the matter is they are the children of working parents, because sadly, most Americans without insurance are working. They play by the rules, but they are still left out.

Being uninsured matters. Women who don't get mammograms die more often from breast cancer. People with diabetes who don't get home care end up in hospitals, and families without health insurance worry that they will go bankrupt if a child gets sick.

There is much that is good in our health care system, but there is much that is wrong and must be fixed. What we need to do is subject any health proposal, Democrat or Republican, to one simple test: Does it guarantee that all Americans will have health care coverage? That is real reform.

Mr. CARDIN. I recognize the gentleman from Virginia [Mr. BLILEY] for an opening statement.

Mr. BLILEY. Mr. Speaker, all of us complain about some parts of the health care system, but all of us, I think, would agree that Americans have the finest health care system in the world, and the best practitioners in the world. The Clinton plan would change all of that. We would have rationed care. The spending caps in this bill are more severe than they are in the United Kingdom or Canada. Specialists would be rationed by government bureaucrats to decide what promising students go on to study for a medical specialty. The elderly and the poor would be rationed under Medicare and Medicaid, $200 billion worth, and research would be rationed, because there would not be venture capital there to explore promising new areas of medical discovery.

Republicans have a better way to solve the plan. Republicans want choice, so that you can choose your doctor. Republicans want you to have your insurance when you transfer jobs or you lose your job. In short, we would fix what is wrong with the system, but we would keep what is good with the system, and that is where we differ from the Clinton plan, and that is why the Michel plan is the best plan.

Mr. CARDIN. The gentleman from California [Mr. WAXMAN] is recognized to question Mr. BLILEY.

Mr. WAXMAN. Mr. Speaker, I say to the gentleman from Virginia [Mr. BLILEY], you said you want to fix what is wrong with the American health care system, and one thing that is wrong is that we have 39 million Americans without insurance. I have looked at the Republican alternatives and they don't guarantee universal coverage. They don't guarantee every American a health insurance policy. How long, under your proposal, will be have to wait before every American is covered?

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Mr. BLILEY. The Michel plan is not under discussion, I would remind you tonight, HENRY. We are discussing the elements of the Clinton plan. And, yes, you will get the universal coverage by 1998.

Mr. WAXMAN. Under your proposal?

Mr. BLILEY. Under the President's proposal, you will get there, but you will still have 5 to 12, and please let me answer the question. I did not interrupt you when you asked the question. So do not interrupt me.

Mr. WAXMAN. Please answer the question, because I have some more to ask.

Mr. BLILEY. I am answering the question. And you are here to defend the President's plan and the elements that are in it, and you get to universal care in 1998.

Mr. WAXMAN. You are not answering my question. When will you say to the American people that they will know that they will be covered, and if you are not going to cover them, who are you going to leave out, and how long is it going to take? There are 39 million Americans, many of them may be watching tonight, and they would like to know, and I would like to know, when can they expect to be able to buy a health insurance policy they can afford?

Mr. BLILEY. They can buy health care policies that they can afford now under the Michel plan, and we would like to work with all people to improve it as we go to 1998, but the problem with your plan is that in order to achieve your coverage you destroy the system as we have it now. You will cost 900,000 to 3 million jobs.

Mr. WAXMAN. We have people who are working people. If their employers do not provide that benefit for them at their work where most people get their insurance—

Mr. BLILEY. Well, a lot of them will not be working after this bill becomes law, I can tell you that.

Mr. WAXMAN. Well, there are a lot of people working now.

My question to you is: Can you tell working people they will be able to afford a policy? Because most of them cannot, and if their employers do not help them pay for that policy like you and I have our employers——

Mr. BLILEY. Absolutely.

Mr. WAXMAN. Of the U.S. Government, pay for our policy, how can they expect to get coverage?

Mr. BLILEY. They will have a basic plan that will guarantee them coverage, that they will be able to buy. It will be affordable, and they will be able to take it with them if they leave their job or they lose their job.

Mr. WAXMAN. One of the problems is health insurance is not affordable. Health care costs are going up so rapidly.

President Clinton tries to tackle this issue by putting some limits on what insurance companies are going to charge people. You do not have that in your proposal.

How do you plan to hold down health care costs?

Mr. BLILEY. By reforming malpractice, which you do not even attempt to do. We would say before you go to court you must go to dispute resolution, and if you go to court after that, if you are not satisfied with the dispute resolution, you may go. But you go with the understanding that if you lose the case, you pay the defendant's court costs.

Mr. WAXMAN. Do you really believe that malpractice is the reason why we have health care costs that are so rapidly increasing that small businesses have to pay 30 percent more and, therefore, cannot afford to cover their employees? Would it be your solution to say that anybody hurt in a malpractice just should not be able to sue? Would that make health care affordable to all Americans?

Mr. BLILEY. No. We do not do that. We say, if you read the Michel bill, we reform ERISA to allow small groups to pull together to get the advantage that large groups have in purchasing health care. We do that. We do not say that malpractice is the only answer, but it certainly is a major factor in the costs of health care insurance today.

Mr. WAXMAN. The Michel plan does not spell out what benefits anyone will get.

The Clinton proposal does.

What I would like to know is, and I think others would like to know, what is it that you would like to drop from the Clinton plan? Would it be mammograms, prescription drugs? Do you think that those ought to be in? How about dental benefits for kids or catastrophic costs? Would all of those be in the benefit plan guaranteed to all Americans in any goals you would hope to achieve?

Mr. BLILEY. We believe that you should not have one size fits all. People should have choice, choice of their doctors. People should be assured of quality, and people should not have to put up with rationing which you destroy all three. You destroy quality, you destroy the choice, and you ration care.

Mr. WAXMAN. I disagree with all of those statements.

Mr. CARDIN. Mr. BLILEY is recognized to question Mr. WAXMAN.

Mr. BLILEY. How can you be here, HENRY, in support of this bill when you are quoted in the New York Times as saying the Clinton administration has relied too heavily on cuts in Medicare and Medicaid to finance changes in the rest of the health care system; it is going to be politically unacceptable, "and I do not think the financing proposal is realistic. I do not think they can make the cuts of that magnitude without doing harm to Medicare and Medicaid and the people those programs serve," and this bill that you are defending, it cuts $200 billion out of Medicare and Medicaid?

Mr. WAXMAN. As you well know, I am a strong supporter of the Medicare program. I would not want us to take any cuts that are not wise. But the fact of the matter is that the Clinton administration proposal would cut Medicare less than what some of the Republican proposals would do, and the Clinton proposal would take——

Mr. BLILEY. That is not the question. We are not talking about the proposals. We are talking about the Clinton——

Mr. WAXMAN. My answer to you is that we—the Clinton proposal would take the Medicare savings which they can legitimately accomplish, and give them back in benefits to elderly people through prescription drugs and home health care.

Mr. BLILEY. You are rationing care under this bill.

Mr. WAXMAN. You would take away benefits from the elderly.

Mr. BLILEY. Under this bill, you ration care. How do you propose to control the rate of growth in health care costs to no more than the CPI when none of our trading partners in the Western World are able to do that? In Canada and Great Britain, both are 3 or 4 percent above the CPI.

Mr. WAXMAN. Give me time for an answer.

Mr. BLILEY. I will give you time for an answer, but you took plenty of time before, so I am going to finish. Three or four percent above the CPI. And they ration care. How are you going to reach that goal without rationing care?

Mr. WAXMAN. I hope you will permit me to answer the question, because you are trying to scare people about rationing, and there is no rationing in the Clinton proposal.

Second, we are trying to legitimately hold down health care costs by telling the insurance companies to be able to hold down——

Mr. BLILEY. Please answer my question. How are you going to hold it down?

Mr. WAXMAN. I am trying to answer your question, if the gentleman would permit. I would like to answer your question if you would listen.

We will hold down health care costs by using market forces, by limiting what insurance companies can charge people. There is none of that in the Republican proposal at all.

The only way Republicans seem to hold down costs is asking people to pay more out of their pockets, and not everybody can afford to pay more out of their pockets, because they find health insurance unaffordable, and I do no think you have an answer to them in your proposal.

Mr. BLILEY. HENRY, you know better than that.

The Clinton plan rations care. It is the only way that you are going to be able to achieve those goals. When you run out of money just like in Canada, they go to close hospitals to all but emergency treatment. The elderly are going to have to wait for their hip transplants and their other routine procedures.

Mr. WAXMAN. I will tell you who is rationed now: the millions of people who have no insurance. The people who are rationed out of health care services are the 2 million who are added to the list of uninsured every month.

People have to be worried. If they have insurance now, they may lost it, and if they lose it, they are going to be thrown into the cold, because there is rationing against them.

The President proposes that everybody be covered. They get a choice of their doctor, their insurance plan.

Mr. BLILEY. Let me reclaim my time.

Mr. WAXMAN. And they get a basic benefit package. The Republicans promise none of that.

Mr. BLILEY. I would say to you that we had a plan. Senator Bentsen came up with a market reform in 1992. It passed the Senate on March 12 the first time and the second time on March 29. It was stripped out in conference.

Mr. WAXMAN. Is this a question or a statement?

Mr. BLILEY. You were in the conference. Why was it stripped out? Why did you strip it out if you were interested in people keeping their health insurance if they were out of a job? It was in this bill. We would have it now. Why did you strip it out?

Mr. WAXMAN. The gentleman does not understand fully what happened in that example, but the fact of the matter is——

Mr. BLILEY. Are you denying that it did not happen, that it was stripped out?

Mr. WAXMAN. I am denying a lot of things did not happen. We had a President named Reagan who did not even know there was a problem about people without coverage. We had a President named Bush who never came forward with any proposal. Now we have a President named Clinton who is taking the courageous stand of saying let us do something for the American people, not for the insurance companies, but for the people, and let us make sure working people get their insurance where they work. That is the way most people in this country get their coverage.

Mr. BLILEY. I do not think you meant to include Secretary Bensten as a tool of the insurance people.

Mr. CARDIN. I now yield to the gentleman from California [Mr. STARK] for his opening statement.

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Mr. STARK. I thank the gentleman.

I am pleased to be here tonight to explain the goals of the President's plan. What is America about? It is about being a family and taking care of each other in troubled times.

Our goals are: permanent health insurance for everyone, affordable, quality, and individual choice. Our plan builds on our country's history. We have social security, and it is the time, gentlemen, for health security. It builds on the Old and New Testaments. We are called upon to help the sick. On the day of judgment we will be judged for our service to the sick.

I ask any of you who contest the question: Who in our Nation would you leave uninsured, afraid, and unable to seek care in their hour of sickness? Who, might I ask, gentlemen, in our Nation would you deny the same quality and choice and level of care that you yourselves as Members of Congress enjoy today?

And since the big insurance companies and drug companies and for-profit hospitals have brought us to this present dismal state, why, why would you question the need for the Federal Government to demand fairness and price restraint so that health care can be affordable to every American?

I do not have to defend the question. The Republican Members must defend caring so little about their fellow citizens that none of their proposals and none of their bills provide universal coverage, choice, or affordability.

Mr. CARDIN. I now yield to the Republican team to question Mr. STARK.

Mr. THOMAS of California. I thank the moderator.

It seems to me that I think we can stipulate at this point in the debate that all of us share these laudable goals that have been repeated over and over again.

Mr. STARK. I don't intend to stipulate.

Mr. THOMAS of California. We are all for life, we are all for taking care of all Americans. That is not the——

Mr. STARK. Well, no——

Mr. THOMAS of California. Well, I would tell the gentleman the first thing out of his mouth was that he wants to talk about the goals of the Clinton plan. The debate is about the elements of the Clinton plan.

Mr. STARK. The principal elements.

Mr. THOMAS of California. And I would ask the gentleman: Today, rather than the Federal Government, States and the private sector, driven by the increased costs of health care, are the engines of change and health care reform. In our State, as you know, California has changed its malpractice law, changed the way insurance can be sold, created voluntary purchasing cooperatives to let the little guy voluntarily achieve the same buying power as large corporations. Our Republican plans build on these reforms. We keep them, and we expand them.

The Clinton plan, the plan that you are defending, would outlaw these kinds of changes taking place in the States and force them into a structure dictated by the non-elected national health board that would have the power, in addition to controlling that, of setting and enforcing a national budget for the entire U.S. health system.

Mr. STARK. That is not the question.

Mr. THOMAS of California. The question is: Do you believe that this key element, this non-elected board with vast powers——

Mr. STARK. What is the question? Would you repeat the question, please? I did get the question.

Mr. THOMAS of California. Well, I understand your confusion, since it is about an element of the Clinton health care plan. I understand your confusion.

The question is: The national health board, dictatorial, stopping all of the change that has been made in the States, controlling the prices, is it really the best choice for the American health system?

Mr. STARK. The best choice for the American health system are the goals of the President's health plan, which are to provide——

Mr. THOMAS of California. I would like to tell the gentleman we do not vote on goals, we vote on elements. What about this element of the President's plan, do you like it or not?

Mr. STARK. The gentleman is incorrect in stating the President's plan. But I would suggest to you——

Mr. THOMAS of California. Do you like the national health board in the President's plan, as you define it?

Mr. STARK. There is no—there are now several national health boards. There are those who recommend——

Mr. THOMAS of California. The board that is in H.R. 3600.

Mr. STARK. If I could finish my statement. There are now national health boards that provide quite well for advising Congress for what we need.

Mr. THOMAS of California. I would ask the gentleman, on page 92 of H.R. 3600, part V, "Role of the National Health Board," does he agree with the specific language in the President's plan?

Mr. STARK. No.

Mr. THOMAS of California. The scope and the breadth?

Mr. STARK. No.

Mr. THOMAS of California. No, you do not. Thank you.

Mrs. JOHNSON of Connecticut. Most doctors believe that women need to have a baseline mammogram at the age of 35 and should have one every year thereafter from the age of 40 on. Now, the document to which my colleague referred, the President's health plan, denies women coverage for mammograms until they reach age 50 and then provides every 2 years until age 65.

Many, many women in America enjoy much better insurance benefits than that. Does the gentleman who says that he supports the goals of the President's plan, which is choice and quality, support such a restrictive benefit plan?

Mr. STARK. Well, I, as a matter of fact—the benefit plan that I introduced today provided those goals, and the gentlewoman just voted against it.

Mrs. JOHNSON of Connecticut. My colleague, on pages 44 and 45——

Mr. STARK. At age 35. And the gentlewoman just voted against it this afternoon.

Mrs. JOHNSON of Connecticut. On pages 44 and 45 and on throughout, the President is very specific about denying benefits.

Mr. STARK. Why did the gentlewoman vote against it this afternoon? I am confused by her inquiry.

Mrs. JOHNSON of Connecticut. The question is——

Mr. STARK. The gentlewoman had a chance this afternoon to vote for that very same benefit, and she voted against it.

Mrs. JOHNSON of Connecticut. That is right, and you bet I did, for the very same reason the President is wrong. When you vote something in, you vote something out. I want a system that allows the private sector to choose exactly——

Mr. STARK. I thought you wanted mammograms. Let us stay on mammograms. You want mammograms, but you vote against it.

Mrs. JOHNSON of Connecticut. Now the people in America have that.

Mr. STARK. I am sorry?

Mrs. JOHNSON of Connecticut. The point is, if you vote mammograms in because of the money cost and the global budget, you have to say they can't have them early on when they need them.

Mr. STARK. Did you say you wanted mammograms or not? I am confused. You cannot have it both ways.

Mrs. JOHNSON of Connecticut. I want mammograms, and I want women to choose plans that give them all the mammograms they need.

Mr. STARK. You just voted against it this afternoon.

Mrs. JOHNSON of Connecticut. I want them to have all that they need.

Mr. STARK. You just voted against it.

Mrs. JOHNSON of Connecticut. I voted against Government having the power to define in or out, and you, sir, submitted a plan that will deny to America's women, men, and children innumerable health care services that they currently enjoy under their current insurance plan.

Mr. STARK. The question, if there was a question in that, I would——

Mr. CARDIN. Mr. STARK will have half a minute to respond.

Mr. STARK. I am just suggesting that the lady had a chance to vote for the mammograms that the Democrats provided this afternoon in markup. She voted against it. She cannot have it both ways.

Mr. CARDIN. The Chair now yields to Mr. THOMAS for an opening statement.

Mr. THOMAS of California. I thank the moderator.

It seems to me that it is evident tonight, based upon the initial opening statement of the gentleman from California, Mr. STARK, and his attempt to evade the questions, that either he has not read the resolve clause of this Oxford debate or he is very uncomfortable with the question that is supposed to be in front of us. I will repeat it:

Resolved that the Clinton health care plan best represents the elements that should be included in health care reform. Nowhere do we see goals; it is the elements of the President's plan. And I believe we have heard several responses tonight which indicate that they are far more comfortable talking about general ephemeral goals than they are about the elements of the President's plan.

Frankly, when the American people are going to be required to live under this plan, they are not going to be living under ephemeral goals, they are going to be living under a national health board that has the ability to set the prices for the entire health care delivery system of the United States. They are going to be told they can no longer have the insurance plan that they currently have. And at some point in this debate, I do hope we begin talking about the elements of the President's plan.

There has been waltzing outside these chambers for 6 months. I thought this would be an opportunity to engage on the elements of the President's plan and bring to the American people a better understanding so that they can make real choices. It is pretty obvious the opposition does not want to close on the elements of the President's plan.

Mr. CARDIN. I now yield to the Democratic team for questioning Mr. THOMAS.

Mr. STARK. I am reminded of "waltzing Matilda," and I would direct our first question, because it was again today that the gentleman, Mr. THOMAS, pontificated about helping medical teaching hospitals, to promote quality in health care. Last Friday you voted to cut $13.5 billion out of teaching hospitals in the next 5 years. Again, a question: Which way would you have it? Would you help quality medical care, or would you continue to cut the very heart of the medical education system and use it to spend on defense or some other item?

Mr. THOMAS of California. First of all, I would tell the gentleman he is totally mistaken. The vote on the health—the teaching hospitals, was on a tobacco tax. I did not speak on that bill. In fact, it was voted to be tabled.

Mr. STARK. The gentleman voted——

Mr. THOMAS of California. May I answer the question? If you will take a look at the Republican plans and most specifically the plan that I carry as a sponsor in this House, we not only engage the problem of making sure that these teaching hospitals are adequately financed but we create incentives so that we move toward strengthening primary care doctors rather than specialists. In addition to that, we turn to the tax code and we tell these people who are willing to go to rural areas, we give them a tax incentive of $1,000 a month to try to get these people out into the structure.

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Not only do our plans encourage and promote teaching hospitals, we nurture in a positive, incentive way——

Mr. STARK. Excuse me——

Mr. THOMAS of California. The direction that allows them to create a stronger base.

Mr. STARK. Cutting 13 billion out of teaching hospitals helps them. On the same day that the gentleman did that he voted to cut $45 billion out of Medicare. Did that help the seniors in their Medicare in the same way?

Mr. THOMAS of California. The gentleman, the gentleman is talking about, the Republican budget. Would you tell me how $45 billion in Medicare equates——

Mr. STARK. The President——

Mr. THOMAS of California. With the President's cut in Medicare in his plan? It is $124 billion over 5 years in the President's plan——

Mr. STARK. This was all——

Mr. THOMAS of California. And what does he do with those cuts? He turns around and gives millionaires taxpayers' money to pay for prescription drugs.

Mr. WAXMAN. I would like to ask the——

Mr. THOMAS of California. Does the gentleman think that's the appropriate way to deal with Medicare cuts?

Mr. STARK. We're asking a question.

Mr. WAXMAN. I read Mr. THOMAS' own bill on health care reform, and he would cut the Medicare program more than President Clinton, but he wouldn't use that for benefits for the elderly. He would give vouchers to low-income people, a worthy goal, but why do you take from seniors in this country to help poor people? That's hardly fair.

Mr. THOMAS of California. Why does the President take from seniors? He has repeated over and again the Medicare structure is full of waste——

Mr. WAXMAN. Does——

Mr. THOMAS of California. May I answer the question or not?

Mr. WAXMAN. If he did——

Mr. THOMAS of California. Can I answer the question?

The President cuts $124 billion from Medicare. He says he gets it from waste, fraud, and abuse, and what does he do with that money? He turns around and gives millionaires additional benefits——

Mr. WAXMAN. Are you willing——

Mr. THOMAS of California. Would the gentleman support, would the gentleman support means testing on Medicare?

Mr. WAXMAN. The gentleman wants to misrepresent the President's——

Mr. THOMAS of California. I'm not—how do I misrepresent the President's bill?

Mr. WAXMAN. Even if you were right, and you're not——

Mr. THOMAS of California. How did I misrepresent——

Mr. WAXMAN. To take the money——

Mr. THOMAS of California. The gentleman said I misrepresented the President's bill. It's $124 billion he's going to cut in Medicare?

Mr. WAXMAN. Gentleman answered the question? I don't blame you because I'd be embarrassed to answer that question.

Mr. THOMAS of California. You said I misrepresented the President's bill. Was it the $124 billion that the President is going to cut?

Mr. WAXMAN. Am I misrepresenting your——

Mr. THOMAS of California. Do you dispute——

Mr. WAXMAN. Obviously——

Mr. THOMAS of California. $24 billion——

Mr. WAXMAN. I actually dispute——

Mr. THOMAS of California. Billion that the President——

Mr. WAXMAN. That you say about the President, but you don't seem to be willing to dispute what I'm saying about your own legislation.

Mr. THOMAS of California. No. I am more than willing to share the reductions in Medicare squeezing out waste, fraud, and abuse just like the President does.

Ms. DELAURO. Mr. THOMAS, let me ask you. You support the plan, the Cooper plan, that you do not define——

Mr. THOMAS of California. Excuse me, Ms. DELAURO. I do not support the Cooper plan. I am not a cosponsor of the Cooper plan.

Ms. DELAURO. Well, let me ask you this then. There is no definition in any of the Republican plans of a comprehensive benefit package. The notion is that we will leave that decision to some national board, one in which a few minutes ago you said you don't like, but a national board will decide a comprehensive benefit package. You tell the American public to trust you and that you'll come up with a benefit package after the legislation is passed.

Mr. THOMAS of California. Yes. First of all, I have a choice of asking for you to ask the American people to trust you because under the President's plan Congress will log roll, pork barrel, play to lobbyists and create a national benefits plan.

Ms. DELAURO. Not true.

Mr. THOMAS of California. That is what the President——

Ms. DELAURO. Not true.

Mr. THOMAS of California. Congress doesn't create the benefit plan under the President's plan.

Ms. DELAURO. Do you ask——

Mr. THOMAS of California. The President's plan, the President's plan allows Congress to create the national benefits package. It is log rolling and pork barreling at its worst.

Ms. DELAURO. You ask the public to buy a pig in a poke, Mr. THOMAS.

Mr. CARDIN. Ms. DELAURO is recognized for a minute and a half. I yield a minute and a half.

Ms. DELAURO. Thank you. I am honored tonight to rise in support of the resolution that the Clinton plan best represents the elements that should be included in health care reform. It is the only plan before the Congress that assures that everyone is covered by private health insurance, every day, no matter what, and it's the only plan that attacks the core problem.

Insurance and medical costs are rising through the roof. Those costs rob working people of their wages and increases in wages and businesses of their competitiveness, and for many good people it has meant personal bankruptcy.

We're debating health care reform tonight because Bill Clinton had the courage to tackle the issue for more than a decade. The leaders of this country through two administrations did nothing while the insurance crisis worsened.

I come to this health care debate as a cancer survivor. I have seen the best in our health care system, and it saved my life. But I also saw the enormous costs. I don't begrudge the doctors and the doctors their fees, but imagine if my family had to face those tens of thousands of dollars of bills without insurance. What if I had been between jobs? What if I had worked for a small business that couldn't afford insurance?

The Clinton health care plan includes the essential elements of reform. Expanding the pool of the insured will control costs. Guaranteeing universal coverage ends cost shifting. Emphasizing preventive care lowers costs. Our experience teaches us that these methods will work, and we dare not falter before this challenge.

Mr. CARDIN. Yield to the Republican team to question Ms. DELAURO.

Mrs. JOHNSON of Connecticut. Ms. DELAURO, we would certainly agree that Connecticut's No. 1 problem is jobs. Do you know what percent of Connecticut's residents are uninsured at this time?

Ms. DELAURO. Connecticut has the highest rate of insured, lower than the national average which is about 15 percent.

Mrs. JOHNSON of Connecticut. No, it has 7.6 percent uninsured in Connecticut right now.

Do you know what percent Hawaii with an employer mandate has uninsured at this time?

Ms. DELAURO. Hawaii has been the—has come in below the average on what the national numbers are on employment, and, as a matter of fact, with regard to Hawaii——

Mrs. JOHNSON of Connecticut. The answer——

Ms. DELAURO. With regard to Hawaii, and you're a person, Mrs. JOHNSON, who believes that we ought to try what works.

Mrs. JOHNSON of Connecticut. That's right.

Ms. DELAURO. If you do take the example of Hawaii, they have seen their unemployment——

Mrs. JOHNSON of Connecticut. That's right. The uninsured rate, my colleague, is 8 percent. Connecticut's is 7.6 percent. For one-half of 1 percent why is it necessary to impose on the employers of Connecticut a mandate that you know will cost jobs in the short term and, worse yet, in the long term will slow the growth of jobs in a very——

Ms. DELAURO. Let's talk about small business, and I'm delighted that you talked about small business.

Mrs. JOHNSON of Connecticut. You bet. That's what——

Ms. DELAURO. I won't support a plan that doesn't have small business——

Mrs. JOHNSON of Connecticut. This will kill small business. Did you read the amount——

Ms. DELAURO. May I answer the question?

Mrs. JOHNSON of Connecticut. Yes, because I've got questions.

Ms. DELAURO. Let me tell you—if you allow me to tell you, I will do it.

Small businesses today have doubled the cost of health insurance since 1985. Smaller businesses today spend 35 percent more than the larger firms for health care.

Mrs. JOHNSON of Connecticut. Congresswoman——

Ms. DELAURO. Let me finish.

Mrs. JOHNSON of Connecticut. Congresswoman, don't you go home? When I go home——

Ms. DELAURO. I go home——

Mrs. JOHNSON of Connecticut. Small businesses tell me they are barely surviving, they don't have any margin, they're not able to provide 3.5 percent of payroll. How can you think——

Ms. DELAURO. You asked me a question——

Mrs. JOHNSON of Connecticut. That small business——

Ms. DELAURO. I'd like to answer it.

Mr. CARDIN. One moment. This has certainly been spirited back and forth through all the questioners, but I would like to ask that we would please allow the person to finish the question and at least give an answer before we follow it up.

Ms. DELAURO. I'd like to answer the question on small business because I believe it is a critical question. Let me address the issue.

Forty percent they pay in administrative costs in small businesses today. The current system is killing small businesses, and what we attempt to do with the Clinton plan is to allow small businesses to have the purchasing power to deal with the insurance companies to get lower costs and, secondly, what it does is it builds on the current system that we have in extending insurance in this country.

Mrs. JOHNSON of Connecticut. All kinds——

Ms. DELAURO. Extending——

Mrs. JOHNSON of Connecticut. If you had endorsed my bill 3 years ago, we could have given small business access to health care, health insurance——

Ms. DELAURO. Mrs. JOHNSON——

Mrs. JOHNSON of Connecticut. Would not have had——

Ms. DELAURO. Mrs. JOHNSON, you support a plan that would put a 34 percent tax on businesses who do more for their employees in terms of being good business people and try to provide more benefits. It would put a 34 percent tax on those businesses. You support that bill which would put most small businesses into a pool that would raise their rates sky high.

Mr. THOMAS of California. OK, Ms. DELAURO, under the Clinton health plan, under the Clinton health plan employers pay 80 percent of the costs——

Ms. DELAURO. Average——

Mr. THOMAS of California. Can I finish the question, please?

Ms. DELAURO. Yes.

Mr. THOMAS of California. They are forced to pay the 80-percent fee. The employees are supposed to pay the 20 percent. What happens if they don't under the President's plan?

Ms. DELAURO. What the Clinton plan says is that employers——

Mr. THOMAS of California. No——

Ms. DELAURO. Will pay the average, 80 percent of the average cost of the health care plan. Employees will pay the——

Mr. THOMAS of California. Twenty percent.

What happens if they don't?

Ms. DELAURO. That's right.

☐ 2050

Mr. THOMAS of California. What happens if they don't? What happens if they don't?

Ms. DELAURO. What will happen, if you will let me answer the question, there are several things. First of all, employers will be able to——

Mr. THOMAS of California. No, employees, if they don't pay the 20 percent, what happens under the Clinton bill? A simple question.

Ms. DELAURO. Well, if they are out of a job——

Mr. THOMAS of California. No, we are talking about employees. Not unemployed. The employers pay 80 percent. Employees, workers of the employer, pay 20 percent. What happens if they don't pay their 20 percent under the Clinton bill?

Ms. DELAURO. What is meant to happen is that the——

Mr. THOMAS of California. Not is what is meant to happen. What happens under the bill?

Ms. DELAURO. There are discounts to those who qualify for the discount.

Mr. THOMAS of California. The answer very clearly is everybody else pays, because there is no compulsion under the President's bill.

Ms. DELAURO. Everyone pays now. They pay for those businesses——

Mr. THOMAS of California. I appreciate your knowledge of the bill you are defending, because you don't know it.

Ms. DELAURO. I know the plan very well.

Mr. CARDIN. Ms. DELAURO is recognized to answer the question if she knows the answer. The time in this round has expired, but Ms. DELAURO may answer the question if she wishes to answer the question at this point, before she is recognized. There was a question asked and she did not have an opportunity to respond. At the end, the Republican team was using the time.

Mr. THOMAS of California. Excuse me, Mr. Moderator, that question was asked with 2½ minutes left. It was a simple question and it was asked with 2½ minutes left in the timeframe. If she was unable to answer it within that time, that is her problem, not ours.

Mr. CARDIN. There were interruptions back and forth.

Ms. DELAURO. Employees will be able to pay the cost of their plan because the premiums are going to be less than what they are today, and if they need assistance——

Mr. THOMAS of California. If she is going to answer the question, she needs to respond to the question that was asked, not how they are going to pay it. What happens if they don't pay it. The question is what happens if they don't pay it.

Mr. CARDIN. On the exchange back and forth, we are trying to give as much leeway as possible. Under the agreed rules, if time expires at the end of the 5 minutes and it is my judgment, the moderator's judgment, that there is need for time for a response, that I have the option of giving the respondent the extra 30 seconds. It will be uninterrupted at this point.

Ms. DELAURO. If the employees are unable to pay for their health insurance, if they qualify for a discount, they will be able to get a subsidy in order to be able to do it. That is what the Clinton plan says. In addition to which, as I said, what will happen is that the cost of premiums comes down. You may say it is wrong, but that is the way it is.

Mr. CARDIN. I now yield to Mrs. JOHNSON for a statement.

Mrs. JOHNSON of Connecticut. The majority leader opened this debate by talking about portability, about guaranteeing private insurance, choice, and security.

Four years ago, I talked with a young woman in front of a grocery store who had two beautiful children uninsured, and out of that experience I introduced insurance reform legislation, that if we had passed it 3 years ago, and not one of you cosponsored it, there would be no one today excluded for preexisting conditions, no one today the victim of job lock. And I also introduced—the Republicans introduced purchasing cooperatives, that would have lowered the cost of health insurance for all Americans. We expanded the infrastructure of health care. And we did something to control skyrocketing costs through administrative reform and the smart card that the President talks about. We have introduced all those ideas, and we are proud of it.

We want health care for all Americans that is affordable and high quality. We just don't want an employer mandate that costs jobs and slows the economy. He—we don't want global budgets and price setting that is going to result in rationing. We know that through the systems that we already have in place that the Government runs.

We don't want mandatory alliances that force every individual in America to give up the plan they have and go buy some other plan that the Government is giving them through their health alliances. We don't want to lose all those jobs in Connecticut and export them to other States, just because the Government decided that instead of purchasing nationally, we have to purchase state-by-state. So let's get back to the real issue, action on health care today.

Mr. CARDIN. The Democratic team may question Mrs. JOHNSON.

Ms. DELAURO. Mrs. JOHNSON, tell me: You don't want to have people forced into mandatory alliances, small businesses having mandates. Then explain to me how you can support a bill that would force small businesses into the highest risk pools, businesses of 100 or less, into a risk pool that would have the uninsured, Medicaid recipients, and small businesses, thereby causing small business premiums to continue to skyrocket, as they will, and how can you support a tax, a 34 percent tax on businesses?

Mrs. JOHNSON of Connecticut. As the Member of this House that introduced the first insurance reform bill, I know a good deal about pooling, and I can tell you that that pool is large enough so we can keep the low cost premiums of large pools, the low administrative costs and the low marketing costs.

If you look at the legislation that I personally promoted as the lead sponsor, you will see that we reduced the cost of insurance through providing a good, solid plan developed by the private sector on the basis of the kind of average plan that Americans have come to consensus about, that they want, not by a Government defining benefits in and out, not saying you, mammogram now, not later. You can have this and not that. But letting the public choose from plans, some of which provide mammograms and some of which don't, because if you are young you don't need mammograms. If you are older, you certainly do. I don't want the Government controlling that.

Mr. WAXMAN. You are letting insurance companies make choices for people, not people making choices for themselves. Let me ask you——

Mrs. JOHNSON of Connecticut. People have choices of what plan they buy. My reform legislation guarantees that choice in the public and private sector.

Mr. WAXMAN. I know you would like to give another speech. My question to you is with insurance reform, you can do some good, 200,000 people may get covered. But there are 39 million. Why not have shared responsibility of employers and employees? That is the way most people, 9 out of 10, have their coverage today. If we adopted your proposal, what assurance do you have that the uninsured will ever really get insurance if they can't afford it?

Mrs. JOHNSON of Connecticut. I will give you the insurance. The Republican side introduced the first bill that would have exploded the infrastructure to guarantee all 37 million of those uninsured access to our good community health systems, and, in addition, we lowered the cost of insurance so they could have their choice. We provided options choice so that everyone in America would have access to affordable care.

Mr. WAXMAN. Who would pay for that insurance? Individuals?

Mrs. JOHNSON of Connecticut. Individuals would pay for the insurance.

Mr. WAXMAN. If they can't afford it, they go without. If their bosses don't help them, they can't afford it.

Mrs. JOHNSON of Connecticut. Listen to this. In the community health center, they pay according to a sliding scale. For the insurance they would pay on their own, unless they were low income, and then they have vouchers to help subsidize the cost. So we provide universal access to affordable care for all Americans.

Read our stuff. Read our stuff. But we don't have health alliances that will export jobs from my State. We don't have mandates on small business that will retard the growth of the very good venture capital, little companies, that our future as a nation depends on. And we don't go to global budgets and price setting and state budgets.

Mr. GEPHARDT. Mrs. JOHNSON, why don't you want to do something about costs? Eighty percent of the American people are covered, have health insurance. Their problem is they are not going to be able to afford it. Nothing in your plan does anything to hold costs down, to give people affordability.

Mrs. JOHNSON of Connecticut. No, three things do. There are lots of things about holding costs down. First of all, the cost driver is the increased ability to diagnose and treat illness. We know a lot more about diagnosing. We can do a lot more tests and treatment. I want a solution that guarantees you will still get the diagnosis and treatment you want. I don't want arbitrary global budgets that will deny you treatments or care when you need it. I want to change the system so it makes better decisions, doesn't duplicate tests, doesn't provide inappropriate care, doesn't give you stuff you don't need just to make a profit, and that is what the Republican system does.

Mr. STARK. The gentlewoman's expertise is known far and wide in the medical area.

Mrs. JOHNSON of Connecticut. I earned it on my own.

Mr. STARK. How would the system improve on the system known as Medicare?

Mrs. JOHNSON of Connecticut. How would I improve Medicare? I would improve Medicare by allowing all Medicare patients in all States, not just 15, to have access to the Medicare Program that is a managed care program, and for the same premium gives you prescription drugs. But we haven't been willing in Congress to open up Medicare to the private sector, God forbid, even though seniors could get more care, prescription drugs, and more options.

Mr. WAXMAN. I find that very peculiar. Medicare people go in the private sector.

Mr. CARDIN. The time for this section has expired. The Republican team is now yielded time to question Mr. GEPHARDT.

□ 2100

Mr. GINGRICH. Let me say that I am delighted that finally we can now get to what I believe the Democratic side agreed to defend, which is the bill introduced by Mr. GEPHARDT for himself and a host of others in the title H.R. 3600 which I think was the topic of the debate, not what Mr. STARK decided to replace the bill with, because he did not like this one, not with what Mr. WAXMAN will later on replace the bill with, not the various versions that Ms. DELAURO decided to have but, rather, the bill you were supposed to be defending, H.R. 3600.

I want to go back to the topic of mammograms for a second, because my good friend, who is a very modern and wise person. knows that we are in the middle of a biological revolution. He knows that there is genetic research. He knows that there are many things going on.

Do you really think it makes sense, from page 40 to page 47, to write into law which tetanus shots, which inspections, which mammograms at which age, to have the Congress of the United States writing into law with the cumbersome, slow, politicized procedures we have, to lock into law these kinds of situations, and in the Clinton bill, which you are defending, to block mammograms for women who are, I believe, under 45.

Mr. GEPHARDT. I would rather have mammograms between 40 and 47 than not at all, which is most of your plans. You do not have any benefit package that is described. You do not. There is nothing in the Michel plan that you all endorse, there is absolutely no benefit package. You turn it over to the insurance board. I would rather have the Congress, the elected Representatives. make those kind of decisions.

Let me say this, if you want to have more mammograms, as Mr. STARK said earlier, we would be happy to have your support to work with us to get the mammograms for women at a much earlier age.

Mr. GINGRICH. Let me just say to my good friend, first of all, that what you just said about the Republican plan is not true, unless the only things that every count in life are mandated and required by a Federal bureaucracy. Our plan allows women and their doctors to choose. I realize that if you believe in only government and bureaucracy, our plans seems invisible.

But let me carry you back again to page 43 and 44 of the Clinton plan you are defending, which says you have got to be 50 years of age. Do you really believe in the plan that you are defending in this particular debate that that is a wise provision? Are you prepared to defend to every woman under 50 that her government by law, by law would block her from getting that mammogram?

Mr. GEPHARDT. Let me say again, Mr. GINGRICH, something is better than nothing. What you are offering the American people is nothing. You do not have a described benefit. You are buying pig in a poke if you buy the Republican plan.

At least with the Democratic plan, we have described benefits. And again, we welcome you to work with us. We need your help.

Mrs. JOHNSON of Connecticut. We gave them the right to choose it. And half the managed care plans provide mammogram reimbursement for women of all ages.

Mr. GEPHARDT. You say, yes, you can all have health insurance like you can have it today, if you can afford it, if you can continue it.

Mrs. JOHNSON of Connecticut. We make it affordable.

Mr. BLILEY. I would like you to comment on the letter I received from one of my constituents, Ed Gooding. He operates a small data processing company in Richmond, VA. He has 70 people on his payroll, and he is fortunate in that he had been doing well enough to be able to purchase health care for his people.

Can he continue on his way with the Clinton plan? No; his costs for health care will rise from $162,000 to $253,000 under the Clinton plan.

Where will he get that money?

As his letter points out, this means more of his money will come to Washington and will go out of the local economy. Couple that with the fact that "my employees will also end up with inferior coverage to what they have now."

Do you have a response for Mr. Gooding? How this plan of the President's is going to help him?

Mr. GEPHARDT. First, Mr. BLILEY, I think maybe you misdescribed the Clinton plan to your constituents, because if he really understood what is going on here, he would know that it is the Clinton plan that finally gets his colleagues in small business and other businesses to be involved in health care.

The reason his health care costs are going through the roof today is that he is trying to do the right thing, and that is to obtain insurance for his employees, while about 30 percent of employers simply are not doing it.

Mr. BLILEY. He has got to pay the $253,000. The difference between $162,000 and $253,000, that is his problem. He has already got the insurance. He loses his insurance and his people are going to get less, and he is going to pay more.

Mr. GEPHARDT. I think his problem today is that the plan we are operating under today, and what you would persist under your plan, simply leaves people who do not provide it out there to do it. They are getting by with something that others are not doing. Let us get everybody involved in health care. Everybody ought to be responsible, everybody, every employer and every employee.

Mr. CARDIN. I now yield to Mr. STARK to question Mr. THOMAS.

Mr. STARK. Thank you.

BILL, I know that you, too, are an expert, probably the Republican expert in the area of health care.

Mr. CARDIN. I have to interrupt. I want to make sure we go in the right order. It should now be up to the Democratic team to question Mr. GINGRICH. I do not want to let Mr. GINGRICH lose that opportunity.

Mr. GINGRICH. I was willing to allow the moderator to leap onto this.

Mr. THOMAS of California. I loved that flattery. I thought it was going to go somewhere.

Mr. GEPHARDT. We would have missed our opportunity.

Mr. GINGRICH. We now know that I am not the leading expert on health care on this panel. I feel the burden is lowered.

Mr. GEPHARDT. Mr. GINGRICH, you mentioned in your opening statement your daughter, who had to wait a year to get health insurance, and that is precisely the kind of problem that we think the Clinton plan solves.

The plan you support, the Republican plan, the Michel plan, would keep your daughter waiting 6 months, if she had a condition 3 months before she bought health insurance.

Further than that, if she got sick while she had health insurance, under the Michel plan that you support, her premiums could triple, quadruple.

Is that the kind of plan you support?

Mr. GINGRICH. Let me say to my good friend, first of all, there are several Republican plans that I have supported, and they have evolved over the last 2 years. They would guarantee that you would have portability, and they do guarantee that you would be protected against this kind of precondition.

But let me tell you, in the context of Ms. DELAURO'S earlier comment, which I respect a great deal, about the cancer that she had recovered from, why my daughter and I, my daughter is a small businesswoman who is afraid she would have to lay off some of her employees. She runs a small coffee company in Greensboro, if I can get a plug in for her. I will tell you why she and I both fear the Clinton plan.

In the process of creating these large bureaucratic alliances, our fear is that 10, 15 years from now, as is happening in Canada and Britain, you would not have the cures for cancer. We just saw a news report from Canada over Christmas where they closed the hospitals for 3 weeks, including the cancer therapies, including the AIDS therapies. And they said, if your child is 4 years old and has got a high temperature but is not vomiting, do not bring them in.

Now, we look ahead and we say, what price are you charging us for this ephemeral hope of universal coverage the way you do it?

Mr. GEPHARDT. We are not talking about the Canadian plan. We are talking about the Clinton plan, and what we are saying is that we get rid of preexisting conditions. The plan you support does not. It would not help your daugher. Our plan does.

Mr. GINGRICH. That is not true. We are not here to defend the Michel plan. We would be glad to have the debate, if you would like to choose that topic, to defense any of the Republican plans: Gramm, Nichols, Stearns, Michel, Thomas. There are a number of good Republican plans.

But let me come back to the comparison, because I think what you said, I would say to my good friend from Missouri, is just not right.

The Clinton plan and Mrs. Clinton's testimony guaranteed a lower rate of increase in budget than any Western country has ever gotten, a lower rate than Canada, a lower rate than Germany. And the only way, the only way you can get to that lower rate is, in fact, to ration health care.

And my fear is, and I have been told, by the way, by many medical hospitals, research hospitals, that now that they have read the Clinton plan, they are terrified of the Clinton plan because it will destroy medical research and lead to rationing of all sophisticated care.

Mr. WAXMAN. Mr. GINGRICH, you quoted a number of people this morning. I would like to cite back to you your statement to the press. You called the Clinton health care proposal socialism.

A lot of us remembered that being said about Medicare. We remember the Republicans saying that about Social Security. And now that President Clinton is trying to make sure that every American gets a private health care insurance policy, you call it socialism.

Do you really believe it is socialism?

Mr. GINGRICH. That is a very good question, Mr. WAXMAN. I will cite two sources. One of my sources is the book "Reinventing Government," by David Osborn, who was the Clinton's advisor, who said, flatly, the West German socialist model is the model, not Canada, West German socialism.

Second, I would say to my good friend, if you will turn to page 109 of the bill you are supposed to——

Mr. WAXMAN. You are quoting the page number from the Clinton bill. But then you want to disassociate yourself from the bill that all the Republicans are for.

Mr. CARDIN. Let Mr. GINGRICH have a chance to respond.

Mr. WAXMAN. Do you not think that is a scare tactic, referring to it as socialism?

Mr. GINGRICH. I certainly hope that Mr. WAXMAN's introductions are not taken out of our time.

If you look at page 109 of the bill you are supposedly defending, the Clinton plan, you will see a provision that allows a State government to take over all health care in a State. If you turn to page 110, you will see that it says at the top, "at the option of the State, the system may sign up everybody on Medicare."

At the option not of the citizens on Medicare, not at the option of the senior citizen, "at the option of the State."

□ 2110

Mr. GINGRICH. I would say to my friend——

Mr. WAXMAN. Do you think people on Medicare are on the Socialist health care plan?

Mr. GINGRICH. No. This allows the State of Louisiana——

Mr. WAXMAN. It is funded by taxes.

Mr. GINGRICH. If I might, let me go back and just repeat my statement. This allows the government of a single State, Louisiana, Arkansas, Maryland, Georgia, a single State, to decide to control all the health care in the State.

Mr. GEPHARDT. I thought Republicans were for a Federal system, and Federalism, and wanted States to help out.

Mr. GINGRICH. Republicans are certainly not for the Federal Government taking away your health control, giving it to a local Governor and State legislature to plan it the way they want to and then saying, "You have no choice, you must do what that State government wants." I think that is fairly close to socialism.

Mr. GEPHARDT. If the people in the State do not like it, they can get rid of the government.

Mr. CARDIN. I now yield to the gentleman from California [Mr. STARK] to question Mr. THOMAS. You don't have to go through all of that.

Mr. THOMAS of California. Where were we when we were interrupted?

Mr. STARK. I would ask, Mr. Speaker, for the very poorest and those for whom medical care is not available, who would you suggest is responsible in the final analysis, who should provide the safety net for the unemployed or the poor in this country?

Mr. THOMAS of California. I think without question that the ultimate provider and supporter of those who have no support would be the Government. The question, I think, is why——

Mr. STARK. I asked the question. I'm sorry, you can ask me——

Mr. THOMAS of California. I'm going to answer the question.

Mr. STARK. You just said it. Your answer is fine. You think it should be——

Mr. THOMAS of California. I would then like to say the question is when, how much, under what circumstances, who pays, and what are the consequences of all of those decisions.

Mr. STARK. Now answer your own. You said it quite well. You said it should be the Federal Government and the question is when. When do you think that should come into effect for the 37 million uninsured? Do you have a time in mind?

Mr. THOMAS of California. First of all, tell me, the universe is going to be the current 37 million?

Mr. STARK. Uninsured.

Mr. THOMAS of California. First of all, the 37 million——

Mr. STARK. Who are poor. I defined them earlier.

Mr. THOMAS of California. Please, please, please. The 37 million uninsured are those that you said Government should support.

Mr. STARK. And you agreed.

Mr. THOMAS of California. I think you need to look at that 37 million, and they are not the poorest of the poor.

Mr. STARK. I defined that and I just asked you when.

Mr. THOMAS of California. There are a majority of people who are earning above the poverty level.

Mr. STARK. Excuse me.

Mr. THOMAS of California. They are young people who did have insurance today——

Mr. STARK. The gentleman did not understand it.

Mr. THOMAS of California. I understood it. You did not ask it right, I think.

Mr. STARK. I said the poor and the uninsured who in no other way could get insurance, and I think you answered. You answered that.

Mr. THOMAS of California. No, that is the question. They can get insurance. It is not that they cannot get insurance.

Mr. STARK. When should that group get insurance who are poor, poor uninsured, unemployed, and who in the final analysis the Federal Government should support? I agree with you. At what point in time should we have that in place? By the end of this decade or when?

Mr. THOMAS of California. The first thing you do is examine those 37 million to find out who could afford it, but given the failure to change insurance laws in the country today on a uniform basis, they refuse to do it. Find out those who are more than willing to pay catastrophic insurance——

Mr. STARK. When should they be covered when we find that out, what time?

Mr. THOMAS of California. If we are talking about 12 or 15 million, which is really a high number to begin with——

Mr. STARK. I will stipulate to that.

Mr. THOMAS of California. Let us do it tomorrow. Let us take all of that money you are saving under the President's plan in cutting Medicare and pay for those people's coverage instead of giving millionaires prescription drug benefits, then,

Mr. STARK. What level of benefits—we are making progress. The gentleman has agreed, if I could identify it, the gentleman has agreed that there are a group, perhaps as many as 10 million, maybe not, that the Federal Government should finally——

Mr. THOMAS of California. I would say 7 to 9 million, if you are going to boil it down to the smallest group.

Mr. STARK. The Federal Government should provide it immediately.

Would the gentleman now like to say what level of benefits—should they receive benefits as generous as you and I receive from the Federal Government?

Mr. THOMAS of California. I think if the gentleman is going to argue——

Mr. STARK. I just asked the question.

Mr. THOMAS of California. Yes. Yes. They should.

Mr. STARK. We are making progress. We are making progress.

Mr. THOMAS of California. How is the gentleman going to pay for it?

Mr. STARK. For those for whom it is unavailable, the Government should do it immediately, if possible, with benefits about as generous as we have. Now, how would you suggest we all pay for that?

Mr. THOMAS of California. I suggest that we take a look at the way in which win money is currently spent today for those people who could otherwise afford their insurance but have Government subsidies for them. Let us begin with means testing Medicare, so that millionaires don't get prescription drugs. Let us not talk about providing long-term benefits for people who are more well-off than the average American. Let us take that money immediately and transfer it to the poorest of the poor, so that instead of a subsidy to millionaires, we do pay for the health care costs of the poor.

Mr. STARK. If that is not sufficient, then what?

Mr. THOMAS of California. It is sufficient. Let me tell you, it is more than sufficient. The President has identified the money, $124 billion to provide new benefits for the entire Medicare population. All we are doing is taking that money and directing it to the 7 or 9——

Mr. STARK. You don't disagree with that, then, is that correct?

Mr. THOMAS of California. If you promise me that that is what we will do tomorrow morning in the Health Care Subcommittee, we can lock that up right away.

Mr. STARK. The Federal Government——

Mr. THOMAS of California. Let us means test Medicare and give it to the people who really need the money. I am with you on that.

Mr. STARK. First you will have to agree to the Federal Government providing the care. If that is what the gentleman agreed to, there could be some progress.

Mr. THOMAS of California. What I agreed to was means testing Medicare, taking money away from people who are getting it now, who really don't deserve it, and giving it to the people who do, and I agree with the gentleman that those people need it. It is available. You folks simply refuse to do that.

Mr. STARK. Is the gentleman opposed to other forms of progressive taxation?

Mr. THOMAS of California. I didn't hear the gentleman.

Mr. STARK. Is the gentleman opposed to other forms of progressive taxation?

Mr. THOMAS of California. Other forms of oppressive——

Mr. STARK. Progressive.

Mr. THOMAS of California. Of course.

Mr. STARK. You were opposed to them?

Mr. THOMAS of California. I'm not opposed to them.

Mr. STARK. We could use other forms of progressive taxation to achieve these ends.

Mr. THOMAS of California. If the gentleman refuses to means test millionaires for getting prescription drug benefits. I guess you have to look to other sources. I would prefer looking there.

Mr. STARK. I thank the gentleman.

Mr. CARDIN. Mr. THOMAS, I now yield you the time to question the gentleman from California [Mr. STARK].

Mr. THOMAS of California. Mr. STARK, in today's Washington Post there was a full page ad, an open letter to President Clinton from 565 economists from all 50 States. They say, "Mr. President, price controls produce shortages, black markets, and reduced quality. Your plan," the Clinton Plan, the plan we are discussing tonight, sets the fees charged by doctors and hospitals, caps annual spending on health care, limits insurance premiums, and imposes price limitations on new and existing drugs. These controls will hurt people and they will damage the economy. We urge you to remove price controls in any form from your health care plan.

You have 2 minutes to tell me why these 565 economists from 50 States are wrong.

Mr. STARK. Mostly, I read through the list, they were mostly second-rate economists, and so I can understand, they wouldn't get their name in print any other way than to buy it.

Mr. THOMAS of California. Mr. STARK, I did not ask you to cite their credentials. I asked you to tell me why.

Mr. STARK. I saw the ad. I took the trouble to vet them out. They are not worth the paper that ad is printed on.

Mr. THOMAS of California. Are they wrong?

Mr. STARK. Of course they are wrong. They were put up to it by some right wing think tank.

Mr. THOMAS of California. Does the President's plan limit insurance premiums, yes or no?

Mr. STARK. That group was put up to that nonsense by some right wing think tank.

Mr. THOMAS of California. No. Does the President's plan limit insurance premiums?

Mr. STARK. Wait a minute. We are talking about that nutso group who put up——

Mr. THOMAS of California. Yes or no, yes or no.

Mr. STARK. They bought their own billboard because nobody else would pay any attention to them, and the gentleman got suckered into that.

Mr. THOMAS of California. The question is, does the President's plan limit insurance premiums, yes or no?

Mr. STARK. The President's plan would control costs through two methods, if the gentleman——

Mr. THOMAS of California. Does it limit insurance premiums?

Mr. STARK. The gentleman at the end of the table is reading it. I mean that the President limits coverage in two ways, controlling——

Mr. THOMAS. He does limit insurance premiums. He does. Why are they wrong?

Mr. STARK. The President limits fees for doctors and hospitals, and limits amounts paid as we do now under Medicare, as the gentleman well knows, for premiums for plans. It it a very good cost containment system, the same one the gentleman uses and helps me legislate with, over Medicare.

Mr. THOMAS of California. Does the President's plan impose price limitations on new and existing drugs?

Mr. STARK. I should certainly hope so, after the experience we have had with the ripoff of this AmGen Co., which is making unconscionable profits on people who need dialysis, unwilling to bargain with the United States, while we throw the taxpayers' money away at these unscrupulous profiteers in the drug industry. I should hope that the gentleman would have the wherewithal to want to protect the taxpayers——

Mr. THOMAS of California. The gentleman agrees with these second class economists.

Mr. STARK. The gentleman does not care about the taxpayer's money, it is obvious.

Mr. THOMAS of California. You found something to agree with the second class economists.

A key element of the Clinton plan is the herding of Americans into something called alliances. As you well know, the alliances are mandatory health plans, making illegal virtually all of the current health plans for Americans.

If this is necessary, and first of all I would ask you if you believe the mandatory alliances outlined by the President are necessary, then why should people be forced into these plans? Do you believe they are necessary?

Mr. STARK. The gentleman correctly states my position. I support alliances such as the CalPers plan in California, but not——

Mr. THOMAS of California. That is not the President's plan.

Mr. STARK. I do not find that it is necessary to mandate them, and I find that alliances, like managed care, grow quite well by themselves, thank you.

Mr. THOMAS of California. So you agree, then——

Mr. STARK. I would support making alliances and coops available to people to help them do what the President does. I don't think it is necessary to mandate them.

Mr. THOMAS of California. So you don't support the President's plan forcing all Americans into alliances?

Mr. STARK. I support the concept of collective buying and I support the concept of consumer empowerment. I don't think it is necessary to make it mandatory.

Mr. THOMAS of California. And you don't support the President's plan in that regard?

□ 2120

Mr. STARK. That is correct.

Mr. THOMAS of California. That key has controls, the structure which controls the flow of money, through which every American will be buying their health plans, you believe, is not a key element of the President's plan?

Mr. STARK. I believe the key element is what is missing in your plan, and that is that every American gets health insurance, and you do not do that.

Mr. THOMAS of California. In my plan——

Mr. STARK. I believe it should control costs, and you do not do that.

Mr. THOMAS of California. You are wrong; you are wrong.

Mr. STARK. I believe that we should control quality, and you do not do that.

Mr. THOMAS of California. You are wrong. I would love to take an hour on the floor discussing the Thomas-Chafee plan.

Mrs. JOHNSON of Connecticut. I would love to take an hour on the floor to explain your plan does nothing.

Mr. THOMAS of California. You are wrong.

Mr. STARK. Which is at least what it would take.

Mr. THOMAS of California. It seems to me that you would spend a little more time on the President's plan looking at the key elements like these compulsive, mandatory alliances which will force all Americans to give up their current insurance even if they are not part of the problem. But I am pleased to know the gentleman agrees with me.

Mr. STARK. I skipped right over the mandatory alliances and looked at his goal, which is to provide health care to every American at a price they can afford and at a date certain with a benefit level that we all understand, which no other plan does.

Mr. CARDIN. I now yield to the Republican team who may question the gentleman from California [Mr. WAXMAN].

At this point, it might be good for me just to ask both teams, if they would, the time belongs to the questioning team, but if we could allow a little bit less interruption when the questions are being given and the responses are being made, it may facilitate the debate.

The Republican team is recognized.

Mr. BLILEY. Thank you, Mr. Moderator.

Mr. WAXMAN, under the Clinton plan, every American who is currently insured will have to give up his or her health plan no matter how satisfied he or she may be with it. They will then have to go to this bureaucracy called an alliance and get their health insurance from the Government.

Why should most Americans have to give up what they have in order to provide coverage for those that are uninsured?

Mr. WAXMAN. The gentleman is absolutely incorrect about the circumstances for most Americans.

All Americans under Clinton's proposal will have choices, and one choice they will have is to stay in the plan they now have if it meets the minimum benefit package, but people will have choices, because they will have an opportunity to go to a number of different plans, and those choices are evaporating quickly for the insured as they are forced into managed care, which is maybe not where they would like to have themselves and their families receive medical care; and people who do not have insurance, I can assure you, have no choice at all.

Mr. BLILEY. If I have a plan with the Prudential Insurance Co. today under the Clinton plan, and I am satisfied with it, I would have to give that up and purchase a plan, one of the approved plans, from the alliance?

Mr. WAXMAN. If your plan——

Mr. BLILEY. Why should I have to do that?

Mr. WAXMAN. If your plan meets the specifications of the benefit package, and there are a lot of plans out there now that are really pretty skimpy, but if your plan meets that benefit, then you may choose that plan. I think it is your right to choose.

Mr. BLILEY. Let me——

Mr. WAXMAN. People do not get a choice today, and President Clinton will give them that choice.

Mr. GINGRICH. What you just said, let me say to my friend, and I notice what you just said, and it goes to the core, I think, of one of the major differences between our two sides.

That is not if the plan is the one I want, not if the plan is the one my family likes, not if the plan is the one our doctor and hospital and we have created, if the plan happens to meet what the bureaucrats have decided under the National Health Board is OK, so is it not true that if they do not meet that criteria, every American, even if they are satisfied, would have to give up their current plan if it does not meet the criteria of the bureaucrats.

Mr. WAXMAN. I am amazed how Republicans want to tell the American people to be afraid of something when they are so wrong about what the proposal would do.

The American people should understand that they will have a choice. They will have the insurance plan that they want. They will have more than one choice. The Republican idea——

Mr. THOMAS of California. No. Not that they want. No.

Mr. WAXMAN. The Republican idea—and it will be affordable, but the Republican idea is that they should have to pay more out of their pockets in order to receive insurance coverage; if they do not have it, they still will not have it. There is nothing you will do for them.

Mr. GINGRICH. Let me ask you, is it not true that in this bill, a State could establish by a vote of the State legislature a single-payer plan in which you would have no choices except those given you by the State legislature?

Mr. WAXMAN. The gentleman is absolutely incorrect. The single-payer plan——

Mr. GINGRICH. Have you read the plan?

Mr. WAXMAN. I tell you, you are incorrect. You may not want to hear it, but you are wrong. A single-payer plan is Medicare. Medicare will pay to see any doctor you choose. If you want to sign up in an HMO, you can do it. It is a single-payer plan if the State chooses.

Mr. GINGRICH. Wait a minute, page 108, if the State chooses, the State has chosen for you.

Mr. WAXMAN. By the vote of the State legislature, duly elected legislature and Governor, may decide they can have everybody enrolled in a plan, enrolled in a system, where they would then choose whatever doctor or plan they want.

Mr. GINGRICH. Let me suggest here, page 109, just so you know that I am not making this up: "State law provides for mechanisms to enforce the requirements of the system. The system is operated by the State or a designated agency of the State."

Mr. WAXMAN. Do not get bogged down in reading words and misinterpreting them.

Mr. GINGRICH. Let me finish.

Mr. WAXMAN. If you agree with my principles——

Mr. GINGRICH. Mr. Moderator——

Mr CARDIN. The time belongs to the Republican team.

Mr. GINGRICH. Let me finish. Page 110, "Mandatory enrollment of all regional alliance individuals." I am just pointing out to you the words, and here are not the words: "choice," "you control your own," "you have any kind of control." The words in here are your Governor and your State legislature can take over your health and your insurance and define for you; what if, by the way, they decide not to contract with the Mayo Clinic; what if they decide not to contract with the Cleveland Clinic; what if they decide that you only get to go in your State to your local hospital? Would that be possible?

Mr. WAXMAN. If the gentleman would permit me, let me clarify, there is a clear specification that all of the teaching hospitals and tertiary care centers will be a part of every plan. There are protections in there for needed community facilities to be in every plan.

The alliances, which the President has as his proposal as to how to accomplish his goals, let us accomplish his goals any way we want, and his goals are to let every American get coverage for an affordable health care plan, and they will have choices, not the insurance company choosing for them, but choices that they make for themselves and their families.

Mr. CARDIN. I now yield to the Democratic team to question the gentleman from Virginia [Mr. BLILEY].

Mr. GEPHARDT. Mr. BLILEY, you were talking before about the question of choice. You were talking also about costs, and I would simply like to ask why it is that none of the Republican plans, except perhaps the plan by the gentleman from California [Mr. THOMAS] and the gentlewoman from Connecticut [Mrs. JOHNSON], really tries to get everybody involved in health care, really makes an attempt. I do not agree entirely with the way they do it, but at least they have made an attempt. Why are you not for that?

Mr. BLILEY. Why are you refusing to debate the question which is today the Clinton Health Plan? Why are you wanting to talk about the Republican plan? The Clinton plan is—we will take some time later and discuss any plan you want, but tonight we are discussing the Clinton plan.

Why do you run away from it at every opportunity?

Mr. GEPHARDT. We are not at all running away from it. I am very proud of it. I am happy to talk about it. But I get to ask you a question, and my question is: We are talking about elements of plans that get the job done.

Mr. BLILEY. The elements of three plans.

Mr. GEPHARDT. Why are you not for a plan that gets everybody involved with their responsibility to have health care?

Mr. BLILEY. We are interested in getting everybody involved, but we do not believe that one size should fit all, that people should have the choice of who their doctors should be. We think people should not lose their insurance when they leave their job. They should be able to carry it with them.

We believe that they should not have their insurance denied for a preexisting condition, or if they get sick. We believe that we should have serious malpractice reform.

Mr. GEPHARDT. Mr. BLILEY, you are a sponsor of the Michel plan. The Michel plan does not take care of preexisting conditions. It limits them, but it does not get rid of them. If you get sick while you, under your insurance policy——

Mr. BLILEY. Well, I do not think, I say to the majority leader, I do not think any plan gets rid of a preexisting condition.

Mr. GEPHARDT. The Clinton plan does.

Mr. BLILEY. It does?

Mr. GEPHARDT. It does.

Mr. BLILEY. It cures people?

Mr. GEPHARDT. It does. It gets rid of it.

Mr. BLILEY. What is the cure for AIDS? Is it in here?

Mr. STARK. The gentleman is brighter than that. The gentleman is listening to the chorus behind him. You are being confused by these people throwing answers at you. You are brighter than that, Mr. BLILEY. No, sir, you know that a preexisting condition refers to an insurance term. The gentleman is hiding behind a corn pone vernacular that does not do him justice. He is a brilliant scholar, and I know that he knows that preexisting conditions refer to an insurance condition. Your plans do not eliminate preexisting conditions, and the President's plan does.

Now, do you believe that we should limit insurance companies from using preexisting conditions to deny insurance, and if so, why do not any of your plans do that?

Mr. BLILEY. The Michel plan does that. Read it.

Mr. STARK. No. It does not. It simply does not.

Mr. GEPHARDT. It does not. You can quadruple premiums if you get sick on the plan, while you are on the plan. Nothing in the Michel plan stops an insurance company from doing that. If there is one thing we need to do——

Mr. STARK. The man behind you said page 13——

Mr. BLILEY. Page 13, Mr. Majority Leader. Read it.

Ms. DELAURO. It furthermore allows you to charge more for older workers than for younger workers.

Mr. BLILEY. Do you have a question, Ms. DELAURO?

Ms. DELAURO. It furthermore charges more for older workers, older people, than younger people. I am just saying that you make statements about the Michel plan that are absolutely wrong. You do not know what bill you have signed on to.

□ 2130

Mr. BLILEY. Page 13, it says no limit on preexisting condition. You cannot deny insurance for a preexisting condition.

Mr. GEPHARDT. But it does not say they are prohibited from raising premiums on the people.

Mr. BLILEY. We do not believe in price controls, you are exactly right.

Mr. GEPHARDT. We believe that they should not be able to do it.

Mr. STARK. There is a case of a woman in my district who is 8 months pregnant, had her policy canceled, and the company said, "You may continue that policy for another month for $17,000." Is that what the Michel bill does? Is it not?

Mr. BLILEY. No, no. Now, wait a minute, let me answer. May I answer the question.

Ms. DELAURO. Under the Michel bill, as a cancer survivor I could not be covered.

Mr. BLILEY. Mr. Moderator, I ask for regular order, if you please. Mr. STARK asked me a question. Do I not have the right to answer before Ms. DELAURO interrupts? Thank you, Mr. Moderator.

It does limit how much premiums can increase. So the sky is not the limit.

Mr. STARK. But that is, in effect, not providing a limitation on preexisting conditions, is that not the case?

Mr. BLILEY. Repeat the question.

Mr. STARK. That does not limit preexisting conditions? That says you charge more for them, does it not?

Mr. BLILEY. But it doesn't—it says you cannot deny. It certainly does, it says you cannot deny insurance.

Mr. STARK. But charge more.

Mr. BLILEY. It says you cannot deny, and it limits how much you can increase the premium.

Ms. DELAURO. Mr. BLILEY, let me just quote the AMA to you, which says, "The Michel plan will lead to lower-quality care because people will have a financial incentive not to use preventive care," that it threatens the quality of care, and in fact what it does is puts the burden on that individual.

Mr. BLILEY. Well, what is your question?

Mr. CARDIN. The gentlewoman will have the time to repeat the question, and Mr. BLILEY will have 30 seconds to answer.

Ms. DELAURO. Do you agree with that? Mr. BLILEY, do you agree with putting in danger people's health care, which is what the AMA says the Michel plan will do?

Mr. CARDIN. Mr. BLILEY will have an opportunity.

Mr. BLILEY. That is why I am against the Clinton plan, because it rations care. It is the only way you can meet those caps. I believe your time has expired, and I am just using mine to respond to your question.

It does not allow the rate to go above the CPI. No country in the Western world is able to control prices to that extent.

Ms. DELAURO. Mr. BLILEY, that is not true.

Mr. CARDIN. I now yield to Mr. GEPHARDT to question Mr. GINGRICH.

Mr. GEPHARDT. Mr. GINGRICH, two of your colleagues who are debating here tonight are for a plan that I do not think you endorse, but it is a plan that at least tries to see that everybody gets covered. They have a family mandate to see that everybody is covered with insurance. I know there is a debate raging in your party, it probably was raging in Annapolis in your meeting with Members of the other body about health care about this issue.

Can you come out for and work with us for a plan that insures that everybody is guaranteed private health insurance?

Mr. GINGRICH. I would love to see the Clinton plan change so dramatically that we are talking about private health insurance and we are giving up the States that have single-payer and giving up the Government's mandatory allowances. But if you would be willing to back off from the Clinton plan and approach the issue of private insurance, I can assure you, just speaking for myself—and I can't speak for my good colleagues—but for myself I absolutely want to see that every American has coverage. I said in Annapolis I believe we should do everything we can to get coverage.

But I would make this point to my friend: When you say to us the only way—and by the way, you are the first Democrat I have heard who has admitted that there are Republican plans which get us to universal coverage, that there are Republican alternatives that do not have a national health board, do not have a mandatory Government bureaucratic alliance, do not require the Clinton multiple-page complexity but in fact get to universal coverage. I appreciate your recognition of the Republican contribution. We would be delighted to work in a bipartisan manner to try to write a genuine free-market bill with personal responsibility and with families having a real choice which sought to get every single American an opportunity to buy health insurance. I would be glad to start that tomorrow.

Mr. GEPHARDT. Mr. GINGRICH, we are making progress now.

Let us tease it——

Mr. GINGRICH. I am not sure that that is part of your debate program.

Mr. GEPHARDT. Let's go a little further because I think this gets to the heart of the matter. We are here tonight to talk about goals and elements of the plan that we think are very important. I know you want us to defend every word on every page of the bill. And that is fine, that is a great debate technique. But let us get down to what this is about. We care, and I know you care, about getting every American family to have guaranteed private insurance that cannot go away. We care about it, and I think you care about it. Two of your colleagues have had the courage to come forward with a plan that has unpopular features in it in order to get that done. And we have got what I am sure can be unpopular features, in order to get that done in our plan.

The truth is, if we are going to get this done, leaders like you in your party I think have to come out for plans like that so that we can begin this discussion to get down to brass tacks. Are you willing to do that?

Mr. GINGRICH. But I am so shaken when I see, as I did in the morning paper, your assertion that you would have to pass the plan with only Democratic votes. I am so disheartened when I see your side not willing to work with us on a bipartisan basis, that it is hard for me to respond to that the way I would like to.

But I can assure you that if you would really like to work together, I am prepared to say let us start with, I think, the plans that are already out here that I think are bipartisan.

I look at the Bilirakis/Rowland plan, I look at the Cooper/Grandy plan. I certainly look at the Thomas/Chafee plan. If you are willing to start with those plans as a beginning point, I think together we could be creative in finding a solution.

What I cannot do, I say to my friend, it is not just that these are little points; the American people have learned painfully that big, thick bills become even bigger and thicker regulations and they need to long jail terms. This is not always obvious to everybody in public life, but you are actually supposed to obey these laws. In that context, it is dangerous for the Congress to just pass lots and lots of regulations that even very well-informed lawyers may not fully understand and be able to obey.

Mr. GEPHARDT. Mr. GINGRICH, are you for compulsory auto insurance, do you think those are good laws?

Mr. GINGRICH. I think in the average State which has compulsory auto insurance, 40 percent of the people do not in fact have auto insurance. I think that is a fact. I think in the District of Columbia, which theoretically has compulsory auto insurance, 40 percent do not have auto insurance. We have to quit lying to ourselves about the power of Government to play King Canute and tell the waves to quit coming in, because the States that have had compulsory auto insurance, their insurance costs have gone up and the number of people who fail to get insurance has gone up.

Mr. GEPHARDT. Are you for the Medicare plan? Do you want to get rid of it, or do you think we ought to keep it?

Mr. GINGRICH. I think we should keep the Medicare program, and I think we should increase the opportunities for Americans under Medicare to get even better care with even a broader range of choice with less red tape and less bureaucracy, which is why I oppose going in the opposite direction and adding more red tape and more bureaucracy.

Mr. GEPHARDT. I think we are out of time.

Mr. CARDIN. The time has expired.

I now yield to Mr. GINGRICH, who will question Mr. GEPHARDT.

Mr. GINGRICH. Let me start, I guess, with what I find to be the most puzzling part of the whole experience. You and I in a couple of weeks will be going to Russia on a second trip to try to say to the Russians less bureaucracy, less centralization, less Government control, more marketplaces, more incentive, more entrepreneurship.

In that context, beyond the debating points, does it not worry you to be setting up a national health board—I do not have the exact number at my fingertips—with something like 17 new mandates in this bill? I could cite them if you doubt it. Does it not worry you that the design—and I sympathize with the goals and I know it is hard to come in as a brand-new Administration with all the paperwork and confusion to try to actually write a bill like this. But doesn't it worry you that the Clinton bill is in fact everything we are telling Boris Yeltsin to quit doing?

Mr. GEPHARDT. Mr. GINGRICH, I have said many times that what we have got to look at here are goals. There are certain things we have got to try to get done. What we need to talk about more honestly, I think, with one another is how it is best to do that. How can we get certain things to actually be accomplished?

Back in 1978 I agreed with Republicans and together we defeated Jimmy Carter's hospital cost containment. We said at the time that we ought to have competition. I led the effort with Republicans to defeat a Democratic President's plan because I thought it was not the right plan. What has happened in the last 15 years since we did that?

□ 2140

Prices have skyrocketed, competition hasn't been fair and equal, we haven't been on a level playing field, and now we come back to these questions, and I'm willing to criticize a stand that I took 15 years ago. I think I made a mistake. I think we have got to look at ways to do these things, and all I ask you to do—how do we get prices down? How do we actually get people involved in health care?

Mr. GINGRICH. I'll give you an answer.

There are a lot of ideas that are market oriented. The medical savings account, for example, lowers the cost by some 30 percent when tried by Forbes magazine and Golden Insurance Co. The Steel Case Co. in Michigan did a 5-

year effort in preventive care. They lowered their costs by 35 percent. There are many ways to have a free market with free people making free choices because I think the American people are pretty smart.

Mr. GEPHARDT. Mr. GINGRICH, we had a free market for these 15 years——

Mr. GINGRICH. We haven't had a free market——

Mr. GEPHARDT. We have had a free market. Your bill doesn't do anything, so——

Mr. GINGRICH. We certainly do. We move in exactly the direction of a fair market, but let me ask you a question about the plan you're supposedly defending tonight.

If you look at this plan, and particularly pages 25 and 109, 110 and 674, it spells out how senior citizens can be forced out of Medicare and be forced to buy this new alliance insurance even if it would be different in their State than it would be in the rest of the country. So, if you happen to be in one State, and the State government adopted this new system for that one State, you could be getting totally different care if you moved across the State line.

Do you really think we should adopt a bill which coerces senior citizens in a single State and gives them no choice about what would happen to them?

Mr. GEPHARDT. I just think your characterization of what the bill calls for is completely wrong. Medicare recipients gain under the Clinton plan. Medicare recipients today can choose the doctor they want, they can choose the plan they want. If a State decided to have an alliance, and they were going to choose through the alliance, they would have the same choices available they have today.

Mr. GINGRICH. That's completely inaccurate.

Mr. GEPHARDT. You use scare words like coercion. Nobody is coercing anybody to do anything, plus we're trying to help people have prescription drugs paid for by the plan, something that none of the Republican plans do.

We enhance Medicare. We increase the benefits of Medicare. We make Medicare better than it is today. What's wrong with that?

Mr. GINGRICH. What I'm saying to you is, if you read starting on page 109, a single State can design a system totally different than the State next to it and could say that you have much fewer choices as a senior citizen.

Mr. GEPHARDT. That's just not true. It's not true.

Mr. GINGRICH. I'm reading from the plan.

Mr. GEPHARDT. Well, you're reading it wrong.

Mr. GINGRICH. It says—I'm reading it wrong?

Mr. GEPHARDT. You're reading it wrong.

Mr. GINGRICH. It says operate a single payer system. It establishes how they set us, and it says again—let me read the key line, page 110. Quote. And notice whose option it is.

All right; I'm quoting now so I'm not reading it wrong:

> At the option of the State the system may provide for the enrollment of Medicare individuals residing in the State.

Mr. GEPHARDT. That's the same thing they have today. If you're in Medicare, and I know you hate the word government——

Mr. GINGRICH. Nobody can be forced by the Governor of Georgia to leave Medicare and join——

Mr. GEPHARDT. You're for government. You say you're for our Government. Medicare is a Government single payer system, and that's what it is, and people like it, and you're for it, and you say you're going to appeal it——

Mr. GINGRICH. I said the senior citizens of America, over 50 State governments, 50 State legislatures, particularly given, frankly, what we know about corruption in some States, why should we turn people over to those State governments?

Mr. CARDIN. The time expired.

I now yield to Ms. DELAURO to question Mrs. JOHNSON.

Ms. DELAURO. Congresswoman JOHNSON, you propose that we reform health care to reward, and I quote, wellness actions. It's what I think you call it. You want variable premiums that promote healthy behavior, and I'm quoting you. So, substance abuse, tobacco, overweight, underexercise, those are measurable things that, if we develop this approach sufficiently, we ought to be able to check on whether people are, in fact, doing what they say. To me this sounds like big government and, if you will, government at its worst, a real invasion of privacy that I don't see how any person can tolerate.

But I believe, and I just ask you, isn't it really the logical extension of a philosophy that blames people for their health care problems and does not blame industry for the problems that we have today?

Mrs. JOHNSON of Connecticut. I'm delighted to answer that question. In fact only a Democrat could possibly read that statement of mine and assume that I wanted government to set those premiums on that basis.

Absolutely I don't want government to set the premiums. I want the private sector to have the right to say if you're a nonsmoker, you pay less for health care. You bet I do. And that Steel Case example that he just gave where they cut health care costs by 35 percent; you know how they did it? They gave individual members, employees, the option to participate in wellness programs, and, if they did, they got not only direct bonuses, but they also got lower premiums.

Ms. DELAURO. I think——

Mrs. JOHNSON of Connecticut. That's——

Ms. DELAURO. I think your point on tobacco is good.

How would you deal——

Mrs. JOHNSON of Connecticut. My point on wellness was——

Ms. DELAURO. If I might, how would you deal with overweight and underexercise? How would you find, how would you find——

Mrs. JOHNSON of Connecticut. I—ROSA, the difference between you and me——

Ms. DELAURO. Look around this Chamber.

Mrs. JOHNSON of Connecticut. The difference between you and me is I wouldn't dictate it. I would allow companies to say, "You participate as Steel Case did. You participate in exercise class once a week, and you get lower rates before that"——

Ms. DELAURO. So we'll have an exercise police and an eating police to find out who is doing what and how——

Mrs. JOHNSON of Connecticut. No, that's not government doing it, ROSA. It plans on offering it and people taking up the options to voluntarily lower their health care costs through their own wellness actions.

Ms. DELAURO. But, as I say, it is a philosophy that says that people are to blame for the problems of health care——

Mrs. JOHNSON of Connecticut. Oh, no, it's a philosophy——

Ms. DELAURO. And not the industry today.

Mrs. JOHNSON of Connecticut. And people have power.

Now the reverse side is that you don't want people who are nonsmokers to pay lower premiums when they are willing not to smoke. You want them to carry the burden——

Ms. DELAURO. To talk about the people who are overweight and underexercised.

Mrs. JOHNSON of Connecticut. You want young people to pay higher premiums because what you're saying, this is an important element of the plan. You support community rating. I supported tests of community rating. Community rating says young people have to pay higher premiums so their parents can pay lower premiums. They have a tough enough time as it is, ROSA. Why don't you give them a break because——

Ms. DELAURO. Mrs. JOHNSON, every plan that you are on does—deals with—continues to have lifetime limitations, does not exclude preexisting conditions——

Mrs. JOHNSON of Connecticut. Absolutely.

Ms. DELAURO. Discriminates against older workers versus younger. There's even a plan that by occupation the premiums can be rated.

Mrs. JOHNSON of Connecticut. Congresswoman DELAURO, for the public's information, in the past we have allowed rates to vary according to about five factors, one of which has been a place of work which we now exclude, one of which has been medical risk which we now exclude, but we don't want rates to vary by age because otherwise young people have to get the cost shifted on to them of older people. They are carrying Medicare and Social Security already. Why should they carry their parents——

Ms. DELAURO. Mrs. JOHNSON, a primary element of the Clinton plan is to provide guaranteed private insurance to everyone——

Mrs. JOHNSON of Connecticut. You bet it is.

Ms. DELAURO. Private insurance to everyone where the insurance companies cannot discriminate against anyone based on age——

Mrs. JOHNSON of Connecticut. Right.

Ms. DELAURO. Gender, occupation, illness, or anything that they can come up with——

Mrs. JOHNSON of Connecticut. And it's typical——

Ms. DELAURO. To say no in terms of coverage.

Mrs. JOHNSON of Connecticut. In answer to your question do I support body rating, it's big government telling us that the private sector can say to people, "If you don't smoke, you can pay less; if you're younger, I'm not going to shift costs"——

Ms. DELAURO. Mrs. JOHNSON, anyone who would want to monitor people's eating habits and their exercise habits, have government doing it, is really going to talk about——

Mrs. JOHNSON of Connecticut. I'm saying rewards, incentives——

Ms. DELAURO. And in order to——

Mrs. JOHNSON of Connecticut. You bet——

Ms. DELAURO. And I would like to see who it's going to be when government has the eating police and the exercise police to monitor.

Mrs. JOHNSON of Connecticut. Typical Democrat, you can't imagine that anybody could do this without government. I'm not setting the rates for the private sector. I'm just saying you can't medically underwrite, you can't exclude people with preexisting conditions, you can't increase the rates more than a very modest amount from year to year, and you have to take anyone who wants to buy your plan for the very same premium. That's insurance——

Ms. DELAURO. Time is up.

Mrs. JOHNSON of Connecticut. And, by gum, if you had supported me then we could have solved those problems.

Mr. CARDIN. We are now going to switch. In case people did not recognize it, now we are going to have Mrs. JOHNSON question Ms. DELAURO.

Mrs. JOHNSON of Connecticut. Well, she asked me my first question, so that makes it real easy.

The President's plan recognizes that small businesses are going to have a tough time paying the premiums and offer subsidies. How does the gentlelady from Connecticut rationalize supporting a plan that will not offer subsidies to Connecticut's small businesses because there isn't any small business in Connecticut that has an average wage of $12,000 so we are cut out of the 3.5-percent premium subsidy category?

Ms. DELAURO. Well, as a matter of fact, in terms of Connecticut business people because——

Mrs. JOHNSON of Connecticut. Answer the specific question. Do you support small businesses not getting subsidies because the Federal plan isn't structured to recognize Connecticut's needs?

□ 2150

Ms. DELAURO. Mrs. JOHNSON, let me answer the question of small businesses. The issue is Connecticut in fact, and we have a good State that we both come from, that has a lot of our businesses today who do cover their workers.

Mrs. JOHNSON of Connecticut. All but 7.6 percent.

Ms. DELAURO. And they are terrific at that. Which means in fact that when you can provide an opportunity for those businesses, who in fact now are subsidizing those businesses that are not covering their employees, you are going to provide these businesses and these employers with an opportunity to see their rates lowered, their premiums lowered, and in fact save money.

Mrs. JOHNSON of Connecticut. We have been devastated by a recession. Our small businesses need subsidies if they are going to have to provide better benefits. The President's bill will check them out of the subsidy plan, and you support that bill.

Ms. DELAURO. Employers who already offer insurance, this is in the State of Connecticut, will pay $1.1 billion less in premium payments in the year 2000 than they would without comprehensive reform, $805 less per worker for 1.8 percent of payroll. I think I have answered your question.

Mrs. JOHNSON of Connecticut. Isn't it odd that study didn't use the Congressional Budget Office figures? It used some weird model no one is familiar with? If we use Congressional Budget Office figures, we don't save money. We cost money.

Ms. DELAURO. I would be happy to use Congressional Budget Office figures in reference to small businesses, which is very, very clear in saying in fact employers are going to see health costs go down, and in fact that employers might be able to provide increased wages and we will see even a creation of jobs. And you know and I know how important that is to the State of Connecticut.

Mrs. JOHNSON of Connecticut. And, of course, Congresswoman DELAURO, since small businesses in Connecticut will not be qualified for the subsidies, they will have to close, rather than expand. Let me just finish. You had quite long time.

Ms. DELAURO. You are supposed to be asking me a question. Let me answer.

Mrs. JOHNSON of Connecticut. Small businesses in Connecticut won't qualify for the subsidies in the President's plan. That is the subsidy structure that you support. And we won't qualify because our average wages are too high. But our profit margins are zero, because we are in such a recession.

Ms. DELAURO. I got a call about 2 days ago from Harry Pappas. And you can call Harry up. He runs a cleaning business in New Haven, CT. Harry received a package from the National Federation of Independent Businesses. The sole purpose of him giving me a call was to say ROSA, do not support the President's plan. They also sent him a worksheet. Wait a minute, let me finish.

Mrs. JOHNSON of Connecticut. It is my questioning time, and you are taking it from me. You are taking so long. Get to the point.

Ms. DELAURO. Harry filled out the sheet, and, lo and behold, he found out he was going to save 37 percent on his health care cost. He called me and said ROSA, support the Clinton health care plan.

Mrs. JOHNSON of Connecticut. A whole chain of small businesses from Connecticut testified before the Ways and Means Committee 3 days ago.

Ms. DELAURO. We are talking about different small businesses in Connecticut.

Mrs. JOHNSON of Connecticut. It would push his costs up extraordinarily and send five of his companies at risk out of business. When the President says small businesses can't afford this, that is why we have to subsidize them, and when Connecticut small businesses won't qualify for any of those subsidies because of the way the President structured them, don't you believe for a minute that our small businesses making zero profit are going to increase their insurance.

Mr. CARDIN. Let Mrs. JOHNSON please complete the question.

Mrs. JOHNSON of Connecticut. You support a bill with mandatory health alliances. Mandatory health alliances will force the purchasing of insurance to move on to a State-by-State business basis, individual-by-individual. This will cause Connecticut to lose clearly and quickly thousands of jobs, because we have thousands of people who are doing a very efficient job of purchasing insurance for millions of Americans in a very quick and efficient fashion.

How can you support a bill that not only will hemorrhage jobs out of Connecticut, but will increase the overall cost of the purchasing operation of insurance?

Ms. DELAURO. Let me talk about the whole issue of alliances, which has been referred to tonight over and over again.

Mrs. JOHNSON of Connecticut. I asked you about the job impact in Connecticut. That is my question, and you have 30 seconds additionally to answer it.

Mr. CARDIN. We are well beyond the 5-minutes of this section. Ms. DELAURO may respond.

Mrs. JOHNSON of Connecticut. The time is out. The question is jobs in Connecticut from the health alliances. They will be hemorrhaging.

Ms. DELAURO. You are wrong. You are absolutely wrong. I don't care what you call it. You can call it Rural Electrification, the Grange, Farmers' Coop, you can call it whatever you want. Let us focus in on what the purpose is of having a mechanism that says small businesses gather together so in fact they have a better purchasing power. You let the little guy have more buying power.

Mrs. JOHNSON of Connecticut. Jobs in Connecticut, the health alliance, but purchasing alliance, which I introduced 3 years ago.

Mr. CARDIN. Everybody can relax a little bit now. We have finished the portion of the debate in which teams or Members will question each other. We will now have the closing arguments. I would first yield to Mr. GINGRICH for the closing points.

Mr. GINGRICH. Let me thank our friend from Maryland for being the moderator tonight. I think this has been a useful experiment, and we will find out over the next day or two if our colleagues think it is useful to have eight of us down here doing this sort of thing.

I wanted to make three points. The first is I was on a college campus in Georgia. A woman got up, a student, who was a native American, and she said she had to speak out, that if every American understood how bad Government health care is on the Indian reservations, they would not tolerate the idea of extending Government medicine to everyone else.

It was a very moving and very powerful point, that here we are, not able to have public schools that work in the inner city, not able to provide safety to our children, not able to have Government that functions in all of its current duties, and we have a proposal in a massive bill to extend to every American a Government bureaucracy controlled from Washington, with decisions made by people appointed by politicians.

Second, I wanted to make the point that this is all real. This is not a debate at Oxford. This is not a set of nice resolutions or goals. I can agree to most of the goals my Democratic friends have. This bill would put into place some truly bizarre things.

If you take a look at the details, and I keep citing the bill because that is what becomes law. On page 120, it says that none of the board of directors, none, can be a health care provider, an individual who is an employee or member of a board of directors of a health care provider, a health plan, a pharmaceutical company, a supplier of medical equipment, a person who derives income from provision of health care, a member or employee of an association, law firm or other association. It goes down through for a page saying that if you know anything about health care, you can't serve on the boards.

Later they develop this brand new monstrosity called a National Council on Medical Education, totally appointed by the Secretary of Health and Human Services, who is of course appointed by the President. So they are all political appointments. This national council will be able to decide how many black doctors, how many Asian doctors, how many women doctors, how many Polynesian doctors.

This is a level of Government control that is just wrong. It is not what America is about. We want to work on a bipartisan basis for a bill that has the private sector, personal choice, personal responsibility, and a chance to create a better America, not a chance to turn America into a giant German Bureaucracy.

Mr. CARDIN. I now recognize Mr. GEPHARDT for a closing.

Mr. GEPHARDT. I want to start my closing with a story tonight. Twenty-one years ago, almost this month, my son was diagnosed with terminal cancer, and I remember talking to the doctors in the hall that night when he was diagnosed and thinking that we didn't have a chance. But in the months ahead, because of their work and their dedication and nurses and doctors in hospitals all over the country, we worked with him, and he prayed. And tonight he is alive. He graduated from college last May.

We were lucky. We had insurance. We were covered. There are so many people that were in the hospital with us who had kids with cancer who didn't have coverage, because they couldn't afford it.

I have thought many times if he had gotten cancer today, would we have been able to afford it? I was a young lawyer in St. Louis. I didn't make a lot. Could we afford it today? Would he have had coverage?

Would he have been able to get treatment under the preexisting conditions and rules that are in many policies today?

I am not sure he would. He called me the other night. He still has lots of problems from his cancer. He got a job after he graduated from college, and he was telling me he was afraid to go to the doctor to get these problems taken care of because there was a preexisting condition clause in his policy now. He has got to wait 6 months before he is covered.

□ 2200

We can do better than this. Back in the time of the Depression, the Democratic Party came forward and said, we have to have Social Security; people have to have a pension.

We came forward with, yes, a government program, and you called it socialism and a dictatorship.

But when the votes came here, you joined with us and a majority of Republicans voted for this program. The same thing happened in 1965. You are a great party, and you are good people. And you want this country to do well. You are better than this. You can do better than this.

Let us have plans like the Thomas and the Johnson plans. Let us talk about a compromise. Let us do this for the American people. We can do it. It is the right thing to do: Affordable health care, guaranteed private insurance that never goes away, choice, and protecting Medicare.

Let us join together and make it happen for the American people.

Mr. CARDIN. First, let me congratulate the eight participants who were willing to subject themselves to this debate. This is an experiment. It is the first of its kind on the floor of the House. Obviously, we are feeling our way in certain respects.

I want to thank all eight of you for your participation. There will be those who will speculate as to who won this debate.

I think in a very real sense the House of Representatives has won this debate, because this type of spirited debate can only improve the way in which we do the people's business here in the House of Representatives. I also think that the American people have won in this debate, for they have had an opportunity to witness different views on health care reform in a very democratic setting, and that can only help in raising the image of this body in the eyes of the public.

Last, I think the issue of health care reform has been advanced by this type of a debate in which the differences can be explained. And hopefully, we will be able to find a common ground for the enactment of health care reform.

So on behalf of all the Members of the House of Representatives, I would like to thank the eight participants for living up to the highest traditions of the Members of the House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GALLO (at the request of Mr. MICHEL), for today, on account of hip surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. LINDER) to revise and extend his remarks and include extraneous material:)

Mr. MICHEL, for 5 minutes each day, on today and March 17, 18, 21, 22, and 23.

(The following Members (at the request of Mr. TORRES) to revise and extend their remarks and include extraneous material:)

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LINDER) and to include extraneous matter:)

Mr. GILMAN.
Mr. CLINGER.
Mr. HORN in three instances.
Mr. SHUSTER.
Mr. DUNCAN.
Mr. GOODLING.
Mr. SHAW.
Mrs. JOHNSON of Connecticut.
Mr. BEREUTER.
Mr. GINGRICH.
Mr. GILLMOR.
Mr. COBLE.
Mr. QUINN.
Mr. SOLOMON.
Mr. TAYLOR of North Carolina.
Ms. ROS-LEHTINEN.
Mr. PACKARD in two instances.

(The following Members (at the request of Mr. TORRES) and to include extraneous matter:)

Ms. LONG.
Mr. WISE.
Mr. STOKES.
Mrs. MINK of Hawaii.
Mrs. BYRNE.
Mr. REED.
Mr. ROSE.
Mr. HOYER.
Ms. SLAUGHTER.
Mr. TOWNS in two instances.
Mr. CLAY.
Mr. HINCHEY.
Mr. VENTO.
Mr. KLECZKA.
Mr. HAMILTON.
Mr. MONTGOMERY.
Mr. ROSTENKOWSKI.
Mr. FRANK of Massachusetts.
Mr. BROWN of California.
Mr. SABO.
Mr. ACKERMAN.
Mr. WYDEN in two instances.
Mr. GEPHARDT.
Mr. STUDDS.
Mr. JOHNSON of Georgia.

ADJOURNMENT

Mr. CARDIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 2 minutes p.m.) under its previous order the House adjourned until Thursday, March 17, 1994, at 10 a.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1993 TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION,
Washington, DC, March 2, 1994.

Hon. THOMAS FOLEY,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In accordance with Section 4(a) of Public Law 85-804 (50 U.S.C. 1431-35), I am reporting to the United States Senate on all calendar year actions taken by the National Aeronautics and Space Administration (NASA) under authority of that Act which involve actual or potential cost to the United States in excess of $50,000. These actions include the granting of extraordinary contractual relief and the indemnification of certain contractors.

During calendar year 1993, the NASA Contract Adjustment Board did not meet to consider any cases and granted no requests for extraordinary contractual relief under Public Law 85-804.

With respect to contractor indemnification, NASA has previously provided for that contingency. Specifically, on January 19, 1983, the Administrator made a decision to provide indemnification to certain NASA Space Transportation System contractors for specified risks arising out of contract performance directly related to NASA space activities. The authority of that decision was extended from September 30, 1984, through September 30, 1989, and has been extended again through September 30, 1994. In addition, on July 11, 1990, the Administrator decided to provide indemnification to certain NASA contractors involved in providing commercial Expendable Launch Vehicle launch services for NASA spacecraft or for activities which are carried out by NASA on behalf of the United States. The authority of that decision extends through June 30, 1995. Copies of the Administrator's Memorandum Decisions Under Public Law 85-804 dated November 5, 1989, and July 11, 1990, are enclosed.

During calendar year 1993, one NASA prime contractor was indemnified under the Memorandum Decision dated November 5, 1989. No contractors were indemnified under the Memorandum Decision dated July 11, 1990. A summary description of the contract indemnified is also enclosed.

Sincerely,

DANIEL S. GOLDIN,
Administrator.

MEMORANDUM DECISION UNDER PUBLIC LAW 85-804

Authority for National Aeronautics and Space Administration Contracting Officers to indemnify certain NASA contractors and subcontractors involved in ASA space activities.

1. On July 4, 1982, the Space Transportation System (hereinafter STS) completed its design, development, test and evaluation phase and was declared an operational system of the United States for the transportation of payloads into the out of outer space for governmental and commercial purposes. Except for suspension of STS launches as a result of the Challenger accident, the STS has conducted and will continue to conduct launch, in orbit and landing activities on a repetitive basis and at a prudent frequency.

2. Scheduled STS operations have dictated a continuing examination of the risks in repetitive space activities of the STS and of the present availability of adequate insurance at reasonable premiums to manufacturers and operators of the system. While NASA's STS space activities are designed to be safe, there exists the low statistical probability that a malfunction of either hardware, software or operator error could occur resulting in an accident. This low probability of occurrence cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage NASA contractors could reasonably be expected to acquire and maintain, considering the availability, cost and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that certain NASA contractors, as further defined in paragraphs 4 and 5 below, be held harmless and indemnified against certain risks as specifically set forth herein. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA Contracting Officers are authorized to include in prime contracts, described in paragraphs 4 and 5 below, contract provisions for the indemnification of the contractors and their subcontractors at any tier, against claims or losses, as defined in paragraph 1A of E.O. 10789, as amended, arising out of contract performance directly related to NASA's space activities.

4. This authorization is limited to prime contracts which have an effective date before October 1, 1994, by or for NASA for:

a. provision of Space Transportation System and cargo flight elements or components thereof;

b. provision of Space Transportation System and cargo ground support equipment or components thereof;

c. provision of Space Transportation System and cargo ground control facilities and services for their operation; and

d. repair, modification, overhaul support and services and other support and services directly relating to the Space Transportation System, its cargo and other elements used in the NASA's space activities.

5. This authorization is further limited solely to claims or losses resulting from or arising out of the use or performance of the products or services described in paragraph 4 in NASA's space activities. For this purpose, the use or performance of such products or services in NASA's space activities begins

solely when such products or services are provided to the U.S. Government at a U.S. Government installation for or in connection with one or more Space Transportation System launches and are actually used or performed in NASA's space activities.

6. The risks for which indemnification is authorized are the risks arising under the contracts described in paragraphs 4 and 5 causing personal injury or death, or loss of or damage to property, or loss of use of property. These risks are considered unusually hazardous risks solely in the sense that if, in the unlikely event, the Space Transportation System, its cargo or other elements or services used in the NASA's space activities malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that a NASA prime contractor would reasonably be expected to purchase and maintain, considering the availability, cost, and terms and conditions of such insurance. In no other sense are the Space Transportation System, its cargo or other elements or services used in NASA's space activities unusually hazardous.

7. a. This authorization may be applied prospectively, without additional consideration, to existing prime contracts and subcontracts and in new prime contracts and subcontracts which otherwise meet the conditions of this memorandum.

b. Indemnification of prime contractors and subcontractors may be provided under this authorization only when the Government will receive the benefit of all cost savings, if any, to the prime contractor and its subcontractors at every tier.

8. All contract indemnification clauses and procedures shall comply with applicable provisions of Federal Acquisition Regulation (FAR) Subpart 50.4 as supplemented by NASA FAR Supplement (NFS) 18-50.4.

9. This authorization is given upon condition that each prime contractor is approved by me and that such contractor maintains financial protection of such type and in such amounts as may be determined by me in writing to be appropriate under the circumstances. Each prime contractor shall provide a statement of applicable financial protection through the cognizant Contracting Officer for my review and determination. In making this determination, I shall take into account such factors as the availability, cost and terms of private insurance, self-insurance and other proof of financial responsibility and workman's compensation insurance.

10. When indemnification provisions are included in a prime contract pursuant to the authority of this decision, the cognizant Contracting Officer shall immediately submit directly to the Contract Adjustment Board a report referencing this decision and containing the information required by NFS 18-50.403-70, Reporting and records requirements.

11. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurrence and extent of loss resulting from certain space activities which malfunction. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

12. I find that this action will facilitate the national defense. In the remote event that the Space Transportation System, its cargo or other elements or services used in NASA's space activities malfunctioned causing damage in excess of insurance maintained by contractors and subcontractors, the resulting excess liability could place the contractors' and subcontractors' continued existence in jeopardy, making those contractors and subcontractors unavailable to continue to support space activities and the Department of Defense. I note that for purposes of the Defense Production Act of 1950, the term "national defense" is defined as "programs for . . . space, and directly related activity." (50 U.S.C. App. 2152(d))

RICHARD H. TRULY,
Administrator.

JULY 11, 1990.

MEMORANDUM DECISION UNDER PUBLIC LAW 85-804

Authority for National Aeronautics and Space Administration contracting officers to indemnify certain NASA contractors and subcontractors involved in providing commercial Expendable Launch Vehicle (ELV) launch services for NASA spacecraft or for activities which are carried out by NASA on behalf of the United States.

1. Prior to the Challenger accident and consistent with national policy, NASA's phase-out of our Expendable Launch Vehicle (ELV) program was near completion and most missions were transitioned to the Shuttle for launch. Up until this time, NASA had total responsibility for the design, development, fabrication, test, and launch of both Government and commercial payloads on the Scout, Delta, and Atlas-Centaur launch vehicles. The President's National Space Policy of November 2, 1989, which reaffirmed the key tenants of earlier national policy statements, directed Federal Agencies to establish a Mixed Fleet Launch Policy utilizing the unique capabilities of the Space Shuttle and ELVs to support Government launch requirements. The policy also precluded NASA from maintaining an ELV adjunct to the Space Shuttle and directed NASA to procure requisite ELV launch services directly from the private sector or through the Department of Defense. In accordance with the Deputy Administrator's Decision Memorandum #22, dated January 27, 1989, NASA will acquire launch services whenever possible directly from commercial operators.

2. Increasing need of launch services with a high degree of mission success has dictated a continuing examination of the risks in repetitive launch activities and the present availability of adequate insurance at reasonable premiums to providers of commercial expendable launch services. While commercial launch activities are designed to be safe, there exists the low statistical probability that a malfunction of either hardware, software, or operator error could occur resulting in an accident. This low probability of occurrence cannot be totally removed. In the event that such a malfunction or operator error led to an accident, the potential liability arising from such an accident could be substantially in excess of the insurance coverage NASA contractors could reasonably be expected to acquire and maintain, considering the availability, cost, and potential terms and conditions of such insurance at the present time.

3. Pursuant to the authority of Public Law 85-804 and Executive Order 10789, as amended, and notwithstanding any other provisions of the contracts to which this determination may apply, I therefore authorize that certain NASA contractors, as further defined in paragraphs 4 and 5 below, be held harmless and indemnified against certain risks as specifically set forth herein. Accordingly, and subject to the limitations hereinafter stated, cognizant NASA contracting officers are authorized to include in prime contracts, described in paragraphs 4 and 5 below contract provisions for the indemnification of the contractors and their subcontractors at any tier, against claims or losses, as defined in paragraph 1A of Executive Order 10789, as amended, arising out of contract performance directly related to providing NASA commercial ELV launch services.

4. This authorization is limited to prime contracts which have an effective date before June 10, 1995, by or for NASA for provision of commercial ELV launch services.

5. This authorization is further limited solely to claims or losses resulting from or arising out of the use or performance of commercial launch services provided to NASA, where NASA, under its contract, maintains sufficient oversight and approval rights to assess and influence mission risk. For this purpose, the use or performance of such launch service activities begins only after such services are provided to the U.S. Government at a U.S. Government installation for or in connection with one or more ELV launches and are actually used to provide launch services for NASA or NASA-sponsored activities which are carried out by NASA on behalf of the United States. The use or performance referred to is limited to the explosion, detonation, combustion, or impact of a launch vehicle, its payloads, or a component thereof, whether or not the payload is separated from the launch vehicle.

6. The risks for which indemnification is authorized are the risks arising under the contracts described in paragraphs 4 and 5 which result in claims by third persons, including employees of the contractor, for death, personal injury, or loss of, damage to, or loss of use of property; loss of, damage to, or loss of use of property of the Government. These risks are considered unusually hazardous risks solely in the sense that if, in the unlikely event, the ELV, its cargo or other elements or services used in providing NASA launch services malfunctioned causing an accident, the potential liability could be in excess of the insurance coverage that a NASA prime contractor would reasonably be expected to purchase and maintain, considering the availability, cost, and terms and conditions of such insurance. In no other sense is the provision of commercial ELV launch services for NASA spacecraft unusually hazardous.

7. a. This authorization may be applied prospectively, without additional consideration, to existing prime contracts and subcontracts and in new prime contracts and subcontracts which otherwise meet the conditions of this memorandum.

b. Indemnification of prime contractors and subcontractors may be provided under this authorization only when the Government will receive the benefit of all cost savings, if any, to the prime contractor and its subcontractors at every tier.

8. All contract indemnification clauses and procedures shall comply with applicable provisions of Federal Acquisition Regulation (FAR) Subpart 50.4 as supplemented by NASA FAR Supplement (NFS) 18-50.4.

9. This authorization is given upon condition that each prime contractor maintains financial protection of such type and in such amounts as may be determined by me in writing to be appropriate under the circumstances. Each prime contractor shall provide a statement of applicable financial protection through the cognizant contracting officer for my review and determination. In making this determination, I shall take into account such factors as the availability,

cost and terms of private insurance, self-insurance and other proof of financial responsibility and workmen's compensation insurance.

10. When indemnification provisions are included in a prime contract pursuant to the authority of this decision, the cognizant contracting officer shall immediately submit directly to the Contract Adjustment Board a report referencing this decision and containing the information required by NFS 18-50.403-70, Reporting and records requirements.

11. The actual or potential cost, if any, of the actions hereby authorized is impossible to estimate since it is contingent upon the remote possibility of an occurrence and extent of loss resulting from commercial launch activities which malfunction. Such an event may never occur; however, should a major incident occur, millions of dollars of damage could result.

12. I find that this action will facilitate the national defense. In the remote event that commercial ELV launch service activities provided for NASA spacecraft cause damage in excess of insurance maintained by contractors and subcontractors, the resulting excess liability could place the contractors' and subcontractors' continued existence in jeopardy, making those contractors and subcontractors unavailable to continue to provide commercial ELV launch services. I note that for purposes of the Defense Production Act of 1950, the term "national defense" is defined as "programs for * * * space, and directly related activity." (50 U.S.C. App. 2152(d))

RICHARD H. TRULY,
Administrator.

CONTRACTORS INDEMNIFIED DURING CALENDAR YEAR 1993

Rockwell International Corporation, October 19, 1993. Affected NASA contract: NAS 9-18028.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2775. A communication from the President of the United States, transmitting amendments to the fiscal year 1995 budget that would implement savings from reform of the Federal procurement system, pursuant to 31 U.S.C. 1107 (H. Doc. No. 103-220); to the Committee on Appropriations and ordered to be printed.

2776. A communication from the President of the United States, transmitting amendments to the fiscal year 1995 budget that would implement savings from reduced rental payments paid by Federal agencies to the General Services Administration [GSA], pursuant to 31 U.S.C. 1107 (H. Doc. No. 103-221); to the Committee on Appropriations and ordered to be printed.

2777. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of March 1, 1994, pursuant to 2 U.S.C. 685(e); to the Committee on Appropriations and ordered to be printed.

2778. A letter from the Secretary, Department of Defense, transmitting the Department's Future Years Defense Program [FYDP] and associated procurement and RDT&E annexes for the fiscal year 1995 President's budget, pursuant to 10 U.S.C. 221(a); to the Committee on Armed Services.

2779. A letter from the Adjutant General, the Veterans of Foreign Wars of the United States, transmitting proceedings of the 94th National Convention of the Veterans of Foreign Wars of the United States, pursuant to 36 U.S.C. 118; 44 U.S.C. 1332; to the Committee on Armed Services and ordered to be printed.

2780. A letter from the Secretary of the Interior, transmitting the annual report on the Youth Conservation Corps program in the Department for fiscal year 1993, pursuant to 16 U.S.C. 1705; to the Committee on Education and Labor.

2781. A letter from the Secretary of Labor, transmitting the interim report: National Wage Record Database Design Project, pursuant to section 462(g) of the Job Training Partnership Act; to the Committee on Education and Labor.

2782. A communication from the President of the United States, transmitting a report on international agreements transmitted to Congress after the deadline for their submission, with reasons, pursuant to 1 U.S.C. 112b(b); to the Committee on Foreign Affairs.

2783. A letter from the Chairman, Board of Governors, Federal Reserve System, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1993, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2784. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report that during calendar year 1993, the NASA Contract Adjustment Board did not meet to consider any cases and granted no requests for extraordinary contractual relief under public law 85-804, pursuant to 50 U.S.C. 1431-35; to the Committee on Government Operations.

2785. A letter from the Chairman, National Endowment for the Humanities, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2786. A letter from the Executive Director, National Mediation Board, transmitting a report of activities under the Freedom of Information Act for calendar year 1993; pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2787. A letter from the Acting Assistant Secretary (Civil Works), Department of the Army, transmitting findings regarding construction of navigation improvements and associated port facilities at Los Angeles and Long Beach Harbors, CA; to the Committee on Public Works and Transportation.

2788. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled, "Low-Income Home Energy Assistance Amendments of 1994," pursuant to 31 U.S.C. 1110; jointly, to the Committees on Energy and Commerce and Education and Labor.

2789. A letter from the Secretary, Department of Defense, transmitting the annual report for the National Security Education Program, pursuant to 50 U.S.C. 1906; jointly, to the Permanent Select Committee on Intelligence and the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CLAY: Committee of conference. Conference report on H.R. 3345. A bill to amend title 5, United States Code, to eliminate certain restrictions on employee training; to provide temporary authority to agencies relating to voluntary separation incentive payments, and for other purposes (Rept. 103-435). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 388. A resolution waiving points of order against the conference report to accompany the bill (H.R. 3345) to amend title 5, United States Code, to eliminate certain restrictions on employee training; to provide temporary authority to agencies relating to voluntary separation incentive payments; and for other purposes (Rept. 103-436). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ACKERMAN:

H.R. 4039. A bill to amend the Truth in Lending Act to limit unauthorized use of credit cards by discouraging theft of credit cards that are mailed; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ROSTENKOWSKI (for himself (by request) and Mr. FORD of Michigan):

H.R. 4040. A bill to establish a comprehensive system of reemployment services, training, and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. BLILEY (for himself, Mr. ROHRABACHER, Mr. PAXON, and Mr. BALLENGER):

H.R. 4041. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to provide for the appointment of the ranking members of the Committee on the District of Columbia of the House of Representatives and the Subcommittee on General Services, Federalism, and the District of Columbia of the Committee on Governmental Affairs of the Senate to the National Capital Planning Commission; to the Committee on the District of Columbia.

By Mr. FARR (for himself, Mr. DELLUMS, Ms. SCHENK, Mr. PASTOR, Mr. TORRES, Mr. BECERRA, Mr. BERMAN, Mr. BEILENSON, Mr. FILNER, Ms. ROYBAL-ALLARD, and Mr. FAZIO):

H.R. 4042. A bill to require a report on the timeliness of processing applications for naturalization; to the Committee on the Judiciary.

By Mr. FIELDS of Louisiana:

H.R. 4043. A bill to direct the Secretary of the Interior and the Secretary of Energy to undertake initiatives to address certain needs in the Lower Mississippi Delta region, and for other purposes; jointly, to the Committees on Natural Resources, Education and Labor, Energy and Commerce, and Science, Space, and Technology.

By Mr. LANCASTER (for himself, Mr. ROSE, and Mrs. CLAYTON):

H.R. 4044. A bill to require the Secretary of Agriculture to issue regulations for the purchase and eradication of swine infected with or exposed to brucellosis; to the Committee on Agriculture.

By Mr. POMBO:

H.R. 4045. A bill to confer U.S. citizenship posthumously on Rudolph Salli; to the Committee on the Judiciary.

By Mrs. THURMAN:

H.R. 4046. A bill to amend subchapter II of chapter 73 of title 10, United States Code, to prevent cost-of-living increases in the survivor annuity contributions of uniformed services retirees from becoming effective before related cost-of-living increases in retired pay become payable; to the Committee on Armed Services.

By Mrs. THURMAN (for herself, Ms. Brown of Florida, Mr. Bacchus of Florida, Mr. Bilirakis, Mr. Canady, Mr. Deutsch, Mrs. Fowler, Mr. Gibbons, Mr. Goss, Mr. Hastings, Mr. Hutto, Mr. Johnston of Florida, Mr. Lewis of Florida, Mr. McCollum, Mr. Diaz-Balart, Mrs. Meek of Florida, Mr. Mica, Mr. Miller of Florida, Mr. Peterson of Florida, Ms. Ros-Lehtinen, Mr. Shaw, Mr. Stearns, and Mr. Young of Florida):

H.R. 4047. A bill to amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the Medicaid Program, and for other purposes; to the Committee on Energy and Commerce.

By Mr. VENTO (for himself, Mr. Foglietta, Mr. Frank of Massachusetts, Mr. Kopetski, Mrs. Schroeder, and Mr. Towns):

H.R. 4048. A bill to expedite the naturalization of aliens who served with special guerrilla units in Laos; to the Committee on the Judiciary.

By Mrs. VUCANOVICH (for herself and Mr. Bilbray):

H.R. 4049. A bill to establish within the Department of Energy a National Test and Demonstration Center of Excellence at the Nevada test site, and for other purposes; jointly, to the Committees on Armed Services, Science, Space, and Technology, and Energy and Commerce.

By Mr. FORD of Michigan (for himself, Mr. Williams, Mr. Gephardt, Mr. Rostenkowski, Mr. Clay, Mr. Martinez, Ms. DeLauro, Mr. Matsui, Mr. Ford of Tennessee, Mr. Gejdenson, Mr. McDermott, Mr. Miller of California, Mr. Johnston of Florida, Mrs. Kennelly, Mr. Hoyer, Mr. Kopetski, Mr. Lewis of Georgia, Mr. Levin, Mrs. Lowey, Mr. Penny, Mr. Bacchus of Florida, Mr. Sabo, Mr. Sawyer, Mrs. Schroeder, Mr. Scott, Mr. Wheat, Ms. Woolsey, Mr. Gene Green of Texas, Mr. Carr, Mr. Klink, Mr. Murphy, Mr. Serrano, and Mr. Richardson):

H.R. 4050. A bill to establish a comprehensive system of reemployment services, training, and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes; to the Committee on Education and Labor.

By Ms. WOOLSEY (for herself, Mr. Clyburn, Mr. Frank of Massachusetts, Mr. Scott, and Ms. Velazquez):

H.R. 4051. A bill to reform the child support system; to the Committee on Ways and Means.

By Mr. BACCHUS of Florida (for himself, Mr. Baker of Louisiana, Mr. McCollum, Mr. Lazio, Mr. Fazio, Mr. Johnston of Florida, Mr. Shaw, Mrs. Meek of Florida, Mr. Jefferson, Mr. Ravenel, Mrs. Fowler, Mr. Schumer, Mr. Flake, Mr. Johnson of South Dakota, Mr. Lewis of Florida, Mr. Miller of Florida, Mr. Klink, Ms. Brown of Florida, Mr. Bilirakis, Mr. Mica, Mr. Livingston, Mr. King, Mr. Stearns, Mr. Ackerman, Mr. Canady, Mr. Peterson of Florida, Mr. Levy, Mr. Coleman, Mr. Gallegly, Mr. Boehner, Mr. Hastings, Mr. Hutto, Mr. Peterson of Minnesota, Mr. Manzullo, Mr. Deutsch, Mrs. Thurman, Mr. Calvert, Mr. Goodling, Mr. Machtley, Mr. Fields of Louisiana, Mr. Goss, Mr. Young of Alaska, Mr. Crapo, Mr. Diaz-Balart, Ms. Ros-Lehtinen, Mr. Franks of New Jersey, Mr. Dooley, Mr. Cramer, Mr. Hayes, Mr. Quinn, Mr. McCrery, Mr. Spence, Mr. Young of Florida, Ms. Molinari, Mr. Tauzin, Mr. Bateman, Mr. Pombo, and Mr. Talent):

H.R. 4052. A bill to improve the National Flood Insurance Program; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BECERRA (for himself, Mr. Beilenson, Mr. Berman, Mr. Farr, Mr. Filner, Ms. Roybal-Allard, Mr. Torres, Mr. Dellums, Mr. Dixon, Mr. Serrano, Ms. Velazquez, and Mr. Pastor):

H.R. 4053. A bill to expand the scope of unfair immigration-related employment practices and protections under the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. BECERRA (for himself, Mr. Beilenson, Mr. Berman, Mr. Farr, Mr. Filner, Mr. Martinez, Ms. Roybal-Allard, Mr. Torres, Mr. Dellums, Mr. Fazio, Mr. Dixon, Mr. Serrano, Ms. Valazquez, Mr. Pastor, and Mr. Inslee):

H.R. 4054. A bill to provide for Federal incarceration of undocumented criminal aliens; to the Committee on the Judiciary.

By Mr. BURTON of Indiana:

H.R. 4055. A bill to combat crime; jointly, to the Committees on the Judiciary, Energy and Commerce, Foreign Affairs, Banking, Finance and Urban Affairs, and Armed Services.

By Mr. HOAGLAND (for himself, Mr. Kopetski, Mr. Brewster, Mr. Archer, Mr. Shaw, Mr. Portman, and Mr. Matsui):

H.R. 4056. A bill to amend the Internal Revenue Code of 1986 to reform the rules regarding subchapter S corporations; to the Committee on Ways and Means.

By Mr. SCHUMER (for himself, Mr. Crapo, Mr. Brewster, Mr. Inglis of South Carolina, Mr. Edwards of Texas, Mrs. Morella, Ms. Harman, and Mr. Hastert):

H.R. 4057. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to create a deficit reduction account and to reduce the discretionary spending limits, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. STUDDS:

H.R. 4058. A bill to amend title 46, United States Code, to improve the safety of towing vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR of North Carolina (for himself, Mr. Solomon, Mr. Crane, Mr. Cramer, Mr. Boehner, and Mr. Wilson):

H.R. 4059. A bill to amend the Immigration and Nationality Act to provide for the expedited deportation of criminal aliens, to expand the health-related causes for which aliens may be excluded, to prohibit certain Federal benefits to aliens who are not lawfully within the United States, and to provide that aliens applying for asylum shall be detained; jointly, to the Committees on the Judiciary, Government Operations, and Ways and Means.

By Mr. DORNAN (for himself, Mr. Stump, Mr. Bartlett of Maryland, Mr. Fields of Texas, Mr. King, Mr. McHugh, Mr. Lewis of Florida, Mr. Gekas, Mr. Stearns, Mr. Hyde, and Mr. Levy):

H.R. 4060. A bill to amend title 18, United States Code, to require the imposition of the death penalty for espionage that resulted in the identification by a foreign power of an individual acting as an agent of the United States and consequently in the death of that individual; to the Committee on the Judiciary.

By Mr. TRAFICANT:

H.R. 4061. A bill to provide for a pilot power plant designed to revitalize depressed communities by providing energy intensive industry with an effective opportunity to dispose of solid wastes and obtain inexpensive electricity and steam, and to provide a pilot role model for the development of a comprehensive national strategic energy intensive industry initiative; to the Committee on Energy and Commerce.

By Mr. WYDEN (for himself and Mr. Lewis of Georgia):

H.R. 4062. A bill to amend the U.S. Housing Act of 1937 to provide for referenda among residents of public housing developments to determine whether firearms shall be prohibited or limited in such developments, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and the Judiciary.

By Mr. WYDEN (for himself and Ms. Furse):

H.R. 4063. A bill to establish a special protection unit for the Bull Rull River and Little Sandy River watersheds in the Mt. Hood National Forest in the State of Oregon to maintain and protect the forest resources of the watersheds and the natural purity of the water resources of the watersheds through restrictions on timber activities in and human access into the unit; to the Committees on Natural Resources and Agriculture.

By Mr. PETE GEREN of Texas:

H.J. Res. 338. Joint resolution to designate October 1994 as "National Decorative Painting Month"; to the Committee on Post Office and Civil Service.

By Mr. MINGE:

H.J. Res. 339. Joint resolution proposing an amendment to the Constitution of the United States to limit the terms of Representatives and Senators, and to provide for a 4-year term for Representatives; to the Committee on the Judiciary.

By Mr. TAYLOR of North Carolina (for himself and Mr. Solomon):

H.J. Res. 340. Joint resolution proposing an amendment to the Constitution of the United States to provide that no person born to parents who are unlawfully in the United States at the time of the birth shall be a U.S. citizen on account of birth in the United States; to the Committee on the Judiciary.

By Ms. FURSE:

H. Con. Res. 223. Concurrent resolution expressing the sense of the Congress that any legislation that is enacted to provide for comprehensive national health care reform should provide for coverage of syringes for individuals who have been diagnosed with diabetes and who require the administration of insulin by syringe; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. RIDGE (for himself, Ms. SNOWE, Mr. CLINGER, Mr. SANTORUM, Mr. GREENWOOD, Mr. GALLO, Mr. CUNNINGHAM, Ms. SCHENK, and Mr. BORSKI):

H. Con. Res. 224. Concurrent resolution requesting the President to designate Victoria Van Meter as an honorary goodwill ambassador for the United States; to the Committee on Post Office and Civil Service.

By Mr. ROEMER (for himself, Mr. ZIMMER, Mr. DURBIN, Mr. RAMSTAD, Mr. HUGHES, and Mrs. ROUKEMA):

H. Res. 389. Resolution urging the Committee on Foreign Affairs to conduct a hearing to determine the foreign policy implications of the proposed joint United States-Russian space station; jointly, to the Committees on Foreign Affairs and Science, Space, and Technology.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. OXLEY.

H.R. 71: Mr. ROHRABACHER.

H.R. 122: Mr. FRANKS of New Jersey.

H.R. 167: Mr. CALVERT.

H.R. 349: Mr. KYL.

H.R. 425: Mr. HOKE.

H.R. 427: Mr. HOKE.

H.R. 439: Mr. PAXON.

H.R. 522: Mr. PARKER and Mr. DIXON.

H.R. 672: Mr. FLAKE and Mr. SOLOMON.

H.R. 769: Mr. OBERSTAR.

H.R. 967: Mr. GRANDY.

H.R. 1006: Mr. ANDREWS of Maine.

H.R. 1034: Mr. FILNER and Mr. TORRES.

H.R. 1080: Mr. TORKILDSEN.

H.R. 1156: Mr. BLUTE.

H.R. 1164: Mr. DEUTSCH.

H.R. 1191: Mr. SHAYS.

H.R. 1354: Mr. EVANS, Mr. NEAL of North Carolina, Ms. MCKINNEY, and Mr. ROMERO-BARCELÓ.

H.R. 1640: Mr. STUPAK.

H.R. 1671: Mr. KLEIN, Mr. LIGHTFOOT, Mr. MONTGOMERY, and Mr. KLINK.

H.R. 1718: Mr. BRYANT, Mr. DIXON, Mr. PAYNE of New Jersey, Mr. THOMPSON, and Mr. WATT.

H.R. 1897: Mr. ABERCROMBIE, Mr. OWENS, Mr. RANGEL, Ms. MOLINARI, Mr. PORTER, Mr. HOKE, Mr. SCHAEFER, Mr. NADLER, Mr. FISH, Mr. SENSENBRENNER, and Mr. YOUNG of Alaska.

H.R. 1900: Mr. DICKS.

H.R. 1968: Mr. YOUNG of Alaska.

H.R. 2062: Mr. SUNDQUIST.

H.R. 2119: Mr. GEJDENSON, Mr. MINETA, Mr. BEILENSON, Mr. FILNER, and Mr. BERMAN.

H.R. 2135: Mr. QUINN.

H.R. 2145: Mr. TORRICELLI, Mr. FISH, Mr. ANDREWS of New Jersey, Mr. FRANKS of New Jersey, and Mr. KLECZKA.

H.R. 2229: Mr. HAMBURG, Mr. BECERRA, Miss COLLINS of Michigan, Mr. SERRANO, Mr. EDWARDS of California, Mr. LAFALCE, and Mr. FARR.

H.R. 2292: Mr. BACHUS of Alabama.

H.R. 2365: Mr. WAXMAN, Mr. LEHMAN, Mr. BARRETT of Wisconsin, Ms. BYRNE, AND Ms. ESHOO.

H.R. 2460: Mr. BROWDER.

H.R. 2462: Mr. BUYER, Mr. ROEMER, and Mr. SANTORUM.

H.R. 2623: Mr. PARKER, Mr. EWING, and Mr. FISH.

H.R. 2626: Mr. BRYANT and Mr. ACKERMAN.

H.R. 2641: Mrs. UNSOELD, Mr. SKAGGS, and Mr. MINGE.

H.R. 2646: Mr. CRAPO and Mr. TORKILDSEN.

H.R. 2721: Ms. MCKINNEY, Ms. LOWEY, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. PENNY, and Mr. TORRES.

H.R. 2741: Mr. RANGEL.

H.R. 2838: Mr. SWETT and Mr. BONIOR.

H.R. 2882: Mr. CALVERT and Mr. GINGRICH.

H.R. 2927: Mr. DOOLEY and Mr. BARLOW.

H.R. 2971: Mr. STUMP.

H.R. 3100: Mr. MINETA and Ms. VELAZQUEZ.

H.R. 3122: Mrs. MORELLA and Mr. OXLEY.

H.R. 3171: Mr. RAVENEL.

H.R. 3182: Mrs. MEEK of Florida.

H.R. 3224: Mrs. MEYERS of Kansas.

H.R. 3293: Mr. FROST, Mr. GINGRICH, Mr. DEUTSCH, Mr. WILSON, Ms. LOWEY, and Mr. BONILLA.

H.R. 3328: Mr. RAHALL, Mr. ROYCE, and Mr. REED.

H.R. 3333: Mr. GRAMS.

H.R. 3365: Mr. CRAMER, Mr. PENNY, and Mr. SARPALIUS.

H.R. 3367: Mr. THOMAS of Wyoming, Mr. PACKARD, and Mr. SCHAEFER.

H.R. 3372: Mr. COBLE, Ms. MCKINNEY, Mrs. MALONEY, Mr. RANGEL, Mr. OBEY, Mr. BEREUTER, Mr. LEWIS of Georgia, Mr. MANN, Mr. STRICKLAND, Mr. TAYLOR of Mississippi, Mr. TORKILDSEN, Mr. DICKEY, Mr. GEKAS, Mr. SPENCE, Mr. BALLENGER, Mr. CUNNINGHAM, Ms. CANTWELL, Mr. HANSEN, Mr. KLEIN, Mr. MEEHAN, and Mr. OWENS.

H.R. 3392: Mr. DORNAN, Mr. BROWDER, Mrs. THURMAN, and Mr. DICKS.

H.R. 3399: Mr. FOGLIETTA.

H.R. 3404: Mr. INSLEE.

H.R. 3434: Mr. PENNY, Mr. ROMERO-BARCELÓ, Ms. SHEPHERD, AND Ms. SLAUGHTER.

H.R. 3455: Mr. GLICKMAN, Mr. CANADY, and Mr. HORN.

H.R. 3461: Mrs. MINK of Hawaii and Ms. MARGOLIES-MEZVINSKY.

H.R. 3462: Ms. MCKINNEY, Mrs. MINK of Hawaii, and Ms. MARGOLIES-MEZVINSKY.

H.R. 3463: Mrs. MINK of Hawaii and Ms. MARGOLIES-MEZVINSKY.

H.R. 3475: Mr. FAZIO, Mr. BARTLETT of Maryland, and Mr. TRAFICANT.

H.R. 3492: Mr. BATEMAN and Mr. TAYLOR of North Carolina.

H.R. 3513: Mr. COPPERSMITH.

H.R. 3523: Mr. ROHRABACHER.

H.R. 3569: Ms. NORTON.

H.R. 3577: Mr. FILNER.

H.R. 3614: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LIPINSKI, and Ms. VELÁZQUEZ.

H.R. 3622: Mrs. THURMAN.

H.R. 3635: Mr. HUNTER.

H.R. 3642: Mr. CANADY, Mr. FRANKS of New Jersey, Mr. HAMBURG, Mr. ORTON, Mr. SARPALIUS, Ms. SLAUGHTER, and Mr. TORRES.

H.R. 3656: Mr. BEILENSON, Mr. FROST, Mr. SHAYS, Mrs. UNSOELD, Mr. HOCHBRUECKNER, Mr. HORN, Mr. LEVY, Mr. MACHTLEY, and Mr. GLICKMAN.

H.R. 3663: Mr. LANTOS.

H.R. 3685: Mr. GOSS.

H.R. 3720: Ms. VELÁZQUEZ.

H.R. 3745: Mr. FROST, Mr. RANGEL, Mr. BONIOR, and Mr. BARLOW.

H.R. 3751: Mr. FOGLIETTA and Mr. EVANS.

H.R. 3762: Mr. BAKER of California.

H.R. 3785: Mrs. MALONEY, Mrs. MORELLA, Mr. SHAYS, and Mr. SMITH of New Jersey.

H.R. 3797: Mr. KIM and Mr. PENNY.

H.R. 3808: Mr. PICKLE.

H.R. 3830: Mr. DE LUGO, Mr. FALEOMAVAEGA, Mr. GONZALEZ, Mr. HYDE, Mr. JOHNSTON of Florida, Mr. KING, Mr. SANDERS, and Mr. STUPAK.

H.R. 3849: Mr. TORKILDSEN.

H.R. 3862: Mr. TAYLOR of Mississippi, Mr. QUILLEN, Mrs. VUCANOVICH, and Mr. PAXON.

H.R. 3866: Mr. KLECZKA, Mr. TRAFICANT, Mr. SOLOMON, Mr. NATCHER, Mr. TOWNS, Mr. COYNE, Mr. MCHALE, and Mr. CARR.

H.R. 3878: Mr. FILNER.

H.R. 3880: Mr. HUTCHINSON, Mr. BARCIA of Michigan, Mr. DOOLITTLE, Mr. KLINK, Mr. BATEMAN, Mr. ARCHER, Mr. TAYLOR of North Carolina, Mr. HUTTO, Mr. FISH, Mr. GRAMS, and Mr. HEFLEY.

H.R. 3883: Mr. ZELIFF and Ms. LOWEY.

H.R. 3886: Mr. FIELDS of Texas, Mr. WELDON, and Mr. LAUGHLIN.

H.R. 3901: Ms. LAMBERT, Mr. THOMPSON, Mr. PARKER, and Mr. FROST.

H.R. 3913: Mr. LEWIS of Florida, Mr. DORNAN, and Mr. CALLAHAN.

H.R. 3939: Mrs. UNSOELD, Mr. PARKER, and Mr. COBLE.

H.R. 3949: Mr. KLUG and Mr. BARTLETT of Maryland.

H.R. 3951: Mr. GOODLATTE, Mr. RAVENEL, Mrs. THURMAN, Mr. SMITH of Michigan, Mr. SKEEN, Mr. KNOLLENBERG, Mr. CARR, and Mr. EHLERS.

H.R. 3955: Mr. DARDEN and Mr. FIELDS of Texas.

H.R. 3969: Mr. THOMAS of Wyoming, Mr. ROGERS, Mr. GINGRICH, Mr. HOLDEN, Mr. COLLINS of Georgia, Mr. MONTGOMERY, Mr. WHITTEN, Mr. PICKETT, Mr. SUNDQUIST, Mr. ROWLAND, Mr. POMBO, Mr. PETE GEREN of Texas, and Mr. SARPALIUS.

H.R. 3986: Mr. GRAMS, Mr. CASTLE, Mr. SMITH of Michigan, Mr. GORDON, Mr. GLICKMAN, Mr. PORTMAN, Mr. BATEMAN, and Mr. KLUG.

H.R. 3999: Mr. DURBIN and Mr. PORTER.

H.R. 4008: Mr. SAXTON.

H.R. 4013: Mr. WILLIAMS.

H.J. Res. 22: Mr. CALVERT.

H.J. Res. 61: Mr. CALVERT.

H.J. Res. 103: Ms. ENGLISH of Arizona.

H.J. Res. 177: Mr. WAXMAN, Mr. SANDERS, Mr. WYNN, Mr. HASTINGS, Mr. FISH, Mr. HUTTO, Mr. FAZIO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KASICH, Mr. KENNEDY, Mrs. KENNELLY, Mr. LIPINSKI, Ms. ROYBAL-ALLARD, Mr. STOKES, Mr. FALEOMAVAEGA, Mr. WILSON, Mr. EVANS, Mr. MARTINEZ, Mr. MFUME, Mr. TEJEDA, Mr. FOGLIETTA, Mrs. SCHROEDER, Mr. HOCHBRUECKNER, Mr. GILMAN, Mr. DELLUMS, Ms. VELAZQUEZ, Mr. DEFAZIO, Mr. HYDE, Ms. SLAUGHTER, Mr. SHAYS, and Mr. FILNER.

H.J. Res. 253: Mr. HORN, Mr. BLUTE, Mr. BISHOP, Ms. MCKINNEY, Mr. BILIRAKIS, Mrs. UNSOELD, Mr. LIVINGSTON, Mr. YATES, Mr. MCCRERY, Mr. HYDE, and Mr. SHAYS.

H.J. Res. 266: Mr. FISH.

H.J. Res. 278: Mrs. THURMAN and Mr. ROMERO-BARCELÓ.

H.J. Res. 291: Mr. SARPALIUS, Mr. STENHOLM, Ms. MCKINNEY, Mr. DELLUMS, Mr. POMBO, Ms. BROWN of Florida, Ms. NORTON, Ms. WATERS, Mr. ROSE, Mr. SISISKY, Mr. ANDREWS of Maine, Mr. BERMAN, Mr. STUDDS, Mr. HAMBURG, Mr. DICKEY, Mr. FAZIO, Ms. WOOLSEY, Mr. MATSUI, Mr. BECERRA, Mr. FILNER, Mrs. KENNELLY, Mrs. JOHNSON of Connecticut, Ms. DELAURO, Mrs. MINK of Hawaii, Mr. RUSH, Mrs. COLLINS of Illinois, Mrs. MEYERS of Kansas, Mrs. BENTLEY, Mr. BARLOW, Mr. OLVER, Mr. STUPAK, Mr. WAXMAN, Mr. STRICKLAND, Mr. HASTINGS, Mr. CLAY, Mr. PALLONE, Ms. FURSE, Ms. VELAZQUEZ, Mr. TOWNS, Ms. LOWEY, Mr. FOGLIETTA, Mr.

HOLDEN, Mr. KLINK, Mr. MCHALE, Mr. CLYBURN, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GENE GREEN of Texas, Ms. SHEPHERD, Mr. SANDERS, Ms. CANTWELL, Mrs. UNSOELD, Mr. WISE, Mr. BARRETT of Wisconsin, Mr. OBEY, Mr. GOODLATTE, Mr. SABO, Mr. COBLE, Mr. SYNAR, and Mr. SLATTERY.

H.J. Res. 297: Mr. TOWNS and Mr. FAWELL.

H.J. Res. 302: Mr. PRICE of North Carolina.

H.J. Res. 305: Mr. GREENWOOD, Ms. BROWN of Florida, Mrs. UNSOELD, Mr. HEFNER, Mr. HUTTO, Mr. DE LUGO, Mr. SAXTON, Ms. MARGOLIES-MEZVINSKY, Mr. RICHARDSON, and Mr. FILNER.

H.J. Res. 309: Mr. CALLAHAN, Mr. MONTGOMERY, Mr. MCDERMOTT, Mr. CRAMER, Mr. WOLF, Mr. RANGEL, Mr. BACHUS of Alabama, Mr. BALLENGER, Mr. LIPINSKI, and Mr. EVERETT.

H.J. Res. 311: Mr. ACKERMAN, Mr. BACCHUS of Florida, Mr. BALLENGER, Mr. BATEMAN, Mr. BEILENSON, Mr. BILBRAY, Mr. BOEHLERT, Mr. CONYERS, Mr. DELLUMS, Mr. DINGELL, Mr. FOGLIETTA, Mrs. FOWLER, Mr. GEKAS, Mr. HALL of Ohio, Mr. HANSEN, Mr. HEFNER, Mr. HINCHEY, Mr. JACOBS, Mr. KLECZKA, Mr. KREIDLER, Mr. MCHUGH, Mrs. MALONEY, Ms. MARGOLIES-MEZVINSKY, Mrs. MEYERS of Kansas, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MONTGOMERY, Mrs. MORELLA, Mr. MURPHY, Mr. ROMERO-BARCELÓ, Mr. STUDDS, Mr. TOWNS, Ms. VELAZQUEZ, Mrs. VUCANOVICH, Mr. WHEAT, Mr. WILSON, Mr. WOLF, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. STEARNS, and Mr. HYDE.

H.J. Res. 317: Mr. NUSSLE, Mr. RAMSTAD, Mr. FIELDS of Louisiana, Mrs. MINK of Hawaii, Mr. NATCHER, Ms. SNOWE, Mr. TALENT, Mr. PICKLE, and Ms. FURSE.

H.J. Res. 322: Mr. PETE GEREN of Texas, Mr. COOPER, Mr. FROST, Mr. TORRICELLI, Mr. MENENDEZ, Mr. CALLAHAN, Mr. BROWDER, Mr. HILLIARD, Mr. ORTON, Mr. FILNER, Mr. BATEMAN, and Mr. MANN.

H.J. Res. 325: Mr. RANGEL, Mr. MINETA, Mr. HILLIARD, Mr. HYDE, Mr. LIVINGSTON, Mr. MCCLOSKEY, Mr. MCDERMOTT, Mr. KLEIN, Mr. MANTON, Mr. KLECZKA, Mr. MURTHA, Mr. NEAL of Massachusetts, Mrs. CLAYTON, and Mr. DEUTSCH.

H.J. Res. 332: Mr. DORNAN, Mr. HANSEN, Mr. CONYERS, Mr. RANGEL, Mr. ARCHER, Mr. YOUNG of Florida, Mr. SPENCE, Mr. LEWIS of Florida, Mr. BATEMAN, Mr. BILIRAKIS, Mr. SANGMEISTER, Mr. TORRES, Mr. BLILEY, Mr. MURTHA, Mr. COBLE, Mr. CALLAHAN, Mr. MANTON, Mr. CLINGER, Mr. SOLOMON, Mr. JACOBS, Mr. MINETA, Mr. KLEIN, Mr. STUMP, Mr. TORRICELLI, Mr. ROMERO-BARCELÓ, Mr. SMITH of Michigan, Mr. SARPALIUS, and Mr. KING.

H.J. Res. 333: Mr. RIDGE, Mr. MORAN, Ms. FURSE, Mr. HINCHEY, Mr. NADLER, Mr. BROWN of California, Mr. COSTELLO, and Mr. DE LUGO.

H.J. Res. 335: Mr. GEKAS, Mr. MURPHY, Mr. KENNEDY, Mr. WOLF, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.J. Res. 336: Mr. BORSKI.

H. Con. Res. 20: Mr. EMERSON.

H. Con. Res. 147: Mr. WILSON and Mr. ROMERO-BARCELÓ.

H. Con. Res. 166: Mr. PRICE of North Carolina.

H. Con. Res. 199: Mr. KNOLLENBERG, Mr. PAYNE of New Jersey, Mr. ANDREWS of Texas, Ms. MARGOLIES-MEZVINSKY, Mr. SARPALIUS, and Mr. ROMERO-BARCELÓ.

H. Res. 234: Mr. BURTON of Indiana, Mr. LAROCCO, Mr. EWING, Mr. SKAGGS, Mr. BARTON of Texas, Mr. ZIMMER, Mr. BORSKI, Mr. SWETT, Mr. KENNEDY, Mr. GRAMS, Mr. BARCA of Wisconsin, Mr. SHAYS, and Mr. BROWN of Ohio.

H. Res. 315: Mr. PARKER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

80. By the SPEAKER: Petition of the Legislature of Rockland County, NY, relative to memorializing the President to appoint a special envoy to Northern Ireland; to the Committee on Foreign Affairs.

81. Also, petition of the Common Council of the city of Buffalo, NY, relative to H.R. 2229; jointly, to the Committees on Foreign Affairs, Energy and Commerce, Post Office and Civil Service, and Ways and Means.

EXTENSIONS OF REMARKS

STANDING UP TO CHINA

HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. ROSE. Mr. Speaker, I am deeply disturbed by the humiliating fiasco evident in the Chinese rebuff of Secretary of State Warren Christopher on the human rights issue in recent days.

I now believe that with the calculated insult to our Secretary of State evident in the mass arrests of dissidents immediately prior to the visit and arrogant statements by the Chinese Government, we would have been better advised to cancel the visit and reaffirm our commitment to withholding most-favored-nation status. We should let Beijing know that we mean business.

Chinese persecution of the Buddhist faith in Tibet and the suppression of the culture and identity of the Tibetan people has now reached the point where the peaceful Tibetans are driven to consider taking up arms in a peoples' liberation resistance movement against their Chinese oppressors. When Afghan rebels arose against Communist invaders from the Soviet Union we provided rebels with Stinger missiles and other weapons. Perhaps we should do the same for the Tibetans if this gentle people find themselves forced to take up arms against Chinese Communist tyranny.

Beijing has not met the conditions for MFN enunciated by President Clinton. They believe that American business interests will be more influential at the White House level than human rights concerns. Taiwan and Hong Kong investors are also weighing in to protect Beijing.

Thirty-eight percent of China's total exports go to the United States. Last year we bought goods worth $31.5 billion from China while they purchased only $8.8 billion in American exports. America's trade deficit with China is second only to its deficit with Japan.

We are upset about Japan and have expressed ourselves with some effect. But we have heard very little about the trade deficit with China. China is growing rapidly in the realm of commerce while backsliding in its respect for human rights, religious freedom, and such matters as the use of prison labor and the brutal occupation of Tibet.

Mr. Speaker, the time has come for a review of our trade policy with China. The Chinese Government has shown that it will make pragmatic concessions only if we show firm resolve.

We should stop talking about sanctions and MFN if it is only empty rhetoric. President Clinton expressed himself in a forthright manner to the Chinese at Seattle. He should now take an equally firm stand with his own State Department which has waffled and wavered. Secretary Christopher's fiasco in Beijing caused national embarrassment. I cannot believe that the President will sustain a diplomatic policy that is more responsive to financial interests than human interests.

I am also concerned that if we wish to avert a bloody revolt of the Tibetan people against tyranny we have no time to lose. The film "Schindler's List" recalls how world indifference facilitated the murder of 6 million Jews. Now we have the spectacle of 6 million Tibetans facing national extinction and cultural and religious genocide.

In light of recent developments I do not see how our Government can go on honoring China as a most favored nation.

Mr. Speaker, I wish to insert in the RECORD a number of articles from the Washington Post and New York Times.

From the New York Times, Mar. 11, 1994]

DALAI LAMA REASSESSES EFFORT WITH CHINA

NEW DELHI, March 10.—The Dalai Lama warned today that pressures from Tibetans who are tiring of his efforts to negotiate with China for broader rights for Tibet may force him instead to seek international backing for an independent Tibet.

In a statement to mark the 35th anniversary of the 1959 uprising, the exiled spiritual leader said he was reassessing the basis of his approach to the Chinese Government. His plan envisions Tibet as gaining extensive autonomy within China, including the right for Tibetans to choose their own government, with the Chinese authorities retaining control of foreign relations and defense.

In New Delhi, a few hundred Tibetans, some hoisting banners calling for an independent Tibet, protested Chinese rule in their homeland. Among them were some student leaders who have been increasingly critical of the Dalai Lama, faulting his commitment to nonviolence in the struggle for Tibetan rights. Some militants have advocated a guerrilla war against Chinese rule.

[From the Washington Post, Mar. 15, 1994]

TRADING WITH CHINA

If the Clinton administration finds it politically impossible to cut off trade with China in the name of human rights, it should not make threats. Secretary of State Warren Christopher went to Beijing in the manner of a judge giving a defendant one last chance before finding him in contempt of court. Since the Chinese have remained adamant, he is now reduced to looking for silver linings, and finding examples of microscopic progress here and there, in anxious preparation for the backdown that now looks probable.

The Clinton administration has been saying for nearly a year that if there is no significant improvement in the practice of human rights in China by June, China will lose the trade benefit known as MFN—most favored nation—treatment for the goods it sells in this country. Under MFN, imports from China enter under the lowest tariff that any other country gets. Without it, tariffs would shoot up to levels that, for many kinds of goods would be prohibitive. American exporters to China have been drumming on the administration not to withdraw MFN, since the Chinese would certainly retaliate. But American trade with China is unusually lopsided. Last year China exported goods worth $31.5 billion to this country, while importing only $8.8 billion in American goods. This country's trade deficit with China is second only to its deficit with Japan. While the United States complains endlessly about the Japanese deficit, you have heard very little about the one with China.

All of this country's relations with China are colored by an odd but powerful emotion that you could call commercial romanticism. It's an attitude that's smitten with the grandeur of China as well as the size of its markets, and it leads to a willingness to do business on China's own peculiar terms. While that $8.8 billion a year in exports is substantial, it is much less than this country exports to, say, either South Korea or Taiwan. Oh, the romantics respond, but China is growing much faster. True. That makes the present moment a good one to clarify the rules for that growing trade. If the United States insists on open markets in Japan, how about China?

A less romantic argument for doing nothing points out that trade with the West promotes rapid economic growth, which in turn undercuts the Communist regime. That's true, but the old regime won't necessarily be replaced by anything like democracy in the Western sense. Trade is a conduit for ideas, but building influence is a slow process. In the aftermath of Mr. Christopher's trip, the United States needs to consider carefully exactly what it wants to accomplish in its trade with China. First of all, it needs to stop talking about sanctions if it does not intend to impose them.

[From the New York Times, Mar. 16, 1994]

STANDING UP TO CHINA

When dealing with China, it sometimes helps to see matters through Chinese eyes. As Beijing views it, a great power must always insist on being treated with due respect. To behave otherwise is to acknowledge inferiority and therefore to forfeit influence.

During Secretary of State Christopher's weekend visit to Beijing, Chinese leaders aggressively asserted what they see as the prerogatives of China. They deliberately humiliated America's highest-ranking diplomat by temporarily rounding up some of the country's most prominent dissidents, and by detaining several Western correspondents trying to report on the crackdown.

The purpose of the roundup was to prevent Mr. Christopher from hearing any independent views on the human rights issues he is required to evaluate before making a recommendation by June on renewing China's access to the most favorable American tariff schedules.

For the sake of a healthy U.S.-China relationship, Washington is now obliged to respond with equal firmness. To kowtow to Chinese bullying would be to repeat the mistakes of the Bush Administration, which squandered American influence by its consistent refusal to press human rights issues. That was what first provoked Congress to

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

force annual showdowns over linking continuation of China's trade privileges to progress on human rights.

The Clinton Administration needs instead to be forthright about its continued determination to insist on human rights progress. It especially needs to dispel China's impression that it can exploit differences between various policy makers in the Administration, Congress and the business community. Such miscalculation can only increase the likelihood of a rupture both sides would prefer to avoid.

China, despite its pose of cool indifference, desperately needs the $20 billion hard currency surplus it earns from its trade with the U.S. to carry on with its ambitious economic development plans. And U.S. business frankly wants to maintain access to one of the world's largest and fastest-growing economies. For their part, human rights advocates recognize that China's continued economic growth and openness contribute to domestic pressures for more responsive, less dictatorial government.

Even so, the Clinton Administration has a clear right under international law, and an obligation under U.S. law, to link China's trade status to minimum human rights goals. The Administration has demanded nothing unreasonable or demeaning, for the most part asking only compliance with international agreements to which China already subscribes. Washington seeks an end to the export of goods produced by slave labor, freer emigration for relatives of exiles and detainees, humane and lawful treatment of prisoners, and respect for the cultural traditions of Tibet. On most of these issues it has not set rigid benchmarks but is looking for "overall significant progress."

The Administration can use the remaining two and a half months provided by last year's executive order to give China the greatest possible incentive to demonstrate progress. But Mr. Clinton must make clear that if Beijing continues to try to blow past the whole issue with deliberate human rights provocations, it will be making a very big mistake.

ENDANGERED SPECIES: ORIGINAL GOLDEN ARCHES

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HORN. Mr. Speaker, this week, two national newspapers, the New York Times and USA Today, drew attention to a fight being waged between preservationists and corporate beancounters over the fate of a national icon, the oldest, original still-standing McDonald's restaurant.

That restaurant is located in Downey, CA, and community leaders have joined with the Los Angeles Conservancy and others committed to preserving historic southern California landmarks in the fight against corporate executives who ignore historic significance in their commitment to the bottom line. Downey residents, led by City Councilwoman Joyce Lawrence, have fought a good fight and have marshaled strong arguments for preserving this historic landmark.

USA Today, in a March 8 editorial, captured the reason why the people of Downey want to save the 41-year-old building: "McDonald's didn't invent the drive-in burger joint, but it can take a lot of credit. Nothing ever captured the on-the-run vigor of mid-50's America so completely as Speedee McDonald, the chain's first mascot, and the golden arches for which he stood."

The editorial concludes, "Is it justice that the Downey drive-in should fall victim to the same culture of impatience that gave it life? More likely, it's just compounding the error."

Unfortunately, the McDonald's officials who have been trying to close this historic site may have been aided in this unsentimental effort by the January Northridge earthquake, which caused mild damage. They argue, says B. Drummond Ayres, Jr., in his March 6 New York Times article, "Endangered Species: Original Golden Arches," that the restaurant, which has been closed since the earthquake, cannot be brought up to current McDonald's standards without destroying the structural details the preservationists want to save.

The preservationists are continuing their fight to save this spot, where, it is said, Ray Kroc, then a milkshake-machine salesman, was first impressed with the fast-food approach of the McDonald brothers which he turned into a worldwide phenomenon. The article and editorial about the fight follow.

[From the New York Times, Mar. 6, 1994]

ENDANGERED SPECIES: ORIGINAL GOLDEN ARCHES

(By B. Drummond Ayres, Jr.)

DOWNEY, CA, March 5.—Just about every town has a McDonald's. But Downey has the oldest, original still-standing McDonald's, built way back in 1953, the year Southern California gave birth to the fast-food chain that conquered the globe.

It is one totally awesome relic. There isn't a faux mansard roof shingle or earth-tone brick in sight. This is the eye-popping original, with the bright yellow parabolic arches piercing a raked roof, a gleaming facade of red and white tile, flashing neon trim, walk-up windows, lots of chrome, no inside seating.

Just looking at it brings back memories of sharing 15-cent burgers and 10-cent fries with a date, while the Dynatone mufflers rumble and Bill Haley and his Comets are rocking out of the little speaker in the dash.

Give me a quarter-pounder with . . .

Sorry. Closed, See you later, alligator.

The building was mildly damaged in the earthquake in January. A few cracks were found, and McDonald's shut it down. For good, the company says.

APPEAL TO CLINTON

But preservationists are fighting to save it with "McDemonstrations" and even an appeal to the nation's No. 1 junk-food consumer, President Clinton.

They say the issue here is much bigger than burgers and nostalgia. It is nothing less than the rescue of an architectural icon whose impact has been felt beyond Downey, a sunny middle-class suburb of workers in the aerospace and military industries that lies a 30-minute freeway ride south of downtown Los Angeles.

Architectual icon?

"Junk food can be history," said Christopher Nichols, a member of the Los Angeles Conservancy, a nonprofit group dedicated to preserving historic Southern California landmarks.

In the Angeleno mind-construct, that does not stop with saving old Spanish adobe.

Thus far, the McDonald's Corporation, which has phased out the golden arches for the mansard look, has refused to reconsider. It says the restaurant was cracked a little by the quake, is outdated and cannot be brought up to current McDonald's standards without destroying the very structural details the preservationists want to save.

"We have closed the restaurant and we will not reopen it," said Kevin Mazzu, McDonald's marketing manager for the Los Angeles region. "We plan to build a new restaurant elsewhere in the city in which we'll incorporate important parts of the old building, something we've done in other places."

Mr. Nichols said it would be architectural heresy to move a single nail of the 41-year-old structure in the heart of Downey, at the busy intersection of Florence Avenue and Lakewood Boulevard.

PIECE OF HISTORY

He noted that because the 1953 Downey McDonald's was the oldest surviving restaurant in the worldwide chain and, equally important, had never been moved or architecturally modified because of a quirk in its franchise arrangement with the parent corporation, the National Register of Historical Places had ruled that it could be placed on the register, providing the building's owner requested a listing.

That has yet to happen. Nor is it likely, since the parent corporation took over the franchise in 1990.

Mr. Nichols and other members of the Conservancy see the final disposition of the Downey McDonald's as a major test of a major corporation's sense of civic responsibility.

They argue that McDonald's should join, other big companies around the country that are beginning to preserve important, historic corporate memorabilia. They make the point that General Motors has put together an archive of its company papers and records, that Procter & Gamble has carefully preserved a collection of Hollywood makeup it acquired when it took over Max Factor and that Woolworth and First Citizens Bank of Raleigh, N.C., are helping to establish a museum in Greensboro, N.C., for the whites-only Woolworth lunch counter that was the stage for the 1960 civil rights sit-in.

PRESERVATION EXAMPLES

"McDonald's should take a lesson from those kinds of companies," said Pete Moruzzi, another member of the Conservancy, which has helped save the 1939 Spanish-style Union Station in downtown Los Angeles, the city's 1928 art deco Bullock department store on Wilshire Boulevard and many of its rambling, turn-of-the century bungalows.

Mr. Moruzzi, who has organized at least one McDemonstration in front of the restaurant, contends that the January earthquake did no significant damage to the structure, certainly not enough to merit its closing.

"They were just looking for an excuse to shut it," he said. "They've been talking about closing it for a long time, saying it's tired and outdated. They think they can make more money out of one of those new places. Worse, there isn't a law on the books that we can invoke to stop the destruction of the restaurant if it comes to that. All we can do is appeal to their sense of civic duty."

McDonald's answers that while it is a profit-driven enterprise—it will not release its books on the Downey McDonald's—it has a proven record of corporate civic responsibility.

Company officials point out that the corporation long ago set up a McDonald's museum in Des Plaines, Ill., in a reconstructed 1955 McDonald's.

STRIKING A BALANCE

As for Downey dispute, the officials say they have to balance preservation with economics. They profess to be unimpressed by a letter campaign and McDemonstrations and unconcerned that at least one preservationist has written the White House. "Your work to preserve this landmark is admirable," a Clinton aide wrote back.

Why not spruce up the old building and advertise it as one of the attractions of the town where the singer Karen Carpenter grew up, the surfing novelty song "Wipe Out!" was recorded and the Apollo moon capsule was built?

"It has no inside seating, no drive-through, things like that," Mr. Mazzu replied. "Without them, and putting them in would change things, we feel we can't offer our patrons the kind of service they've come to expect."

The Downey restaurant was the third in the initial batch of a dozen or so McDonald's outlets to go up, with each outlet built using the same set of plans. The first two restaurants were closed and replaced years ago, but the restaurant here, because of the way the franchise was worded, did not come under full corporate control until 1990.

THE WAY AMERICANS EAT

According to preservationists, it was at the Downey restaurant that Ray Kroc, a milkshake-machine salesman, became fascinated by the innovative fast-food assembly line created by two brothers named McDonald, an assembly line that eventually changed the way Americans eat. He was so impressed that he went into business with them and eventually bought them out.

The preservationists argue that another important reason the Downey restaurant should be saved is that the gaudy, exuberant design of the first McDonald's outlets set the style and tone for an architectural revolution in the 1950's and 1960's. As the preservationists see it, that revolution, for better or for worse, radically altered the previously mundane look of commercial America.

This was particularly true, they say, for the commercial highway strips and shopping centers that sprang up in the postwar years to service a nation suddenly having a torrid love affair with the automobile and suburban living.

"It was architecture that caught the spirit of a country coming off a great depression and a great war, and the Golden Arches were in the vangard," said Alan Hess, a prominent California architectural critic who has written extensively on roadside strips and McDonald's.

ROADSIDE CULTURE

"McDonald's was specifically conceived to be part of the new roadside culture," he continued. "The soaring, bright arches were meant to get a driver's attention. And they did, because besides being big and bright they also were bold, modern, forward-looking, high-tech, energetic, exuberant, optimistic—all the things we were back then."

Though the old Downey McDonald's is closed and the fight goes on to get it reopened, for those who can't wait, relief from a Big Mac attack is just down the road a bit, where stands one of those mansard McDonald's.

"I go there sometimes but it's just not the same," said Jerry Mull, a 47-year-old engineer who spent a good part of his youth hanging at the old place in his DelRay Club Coupe.

"The food tastes the same but it's not the same," he lamented. "It's not my kind of place. It's their kind of place.

[From USA Today, Mar. 8, 1994]

ARCH SUPPORT

McDonald's didn't invent the drive-in burger joint, but it can take a lot of credit. Nothing ever captured the on-the-run vigor of mid-'50s America so completely as Speedee McDonald, the chain's first mascot, and the golden arches for which he stood.

Alas, Speedee's heirs aren't softies. The company has made the woeful decision to tear down the oldest McDonald's still standing—a rake-roofed, yellow-arched, red-and-white tiled beauty in Downey, Calif. The building is too small for modern equipment, does not have indoor seating and—according to unconfirmed but believable reports—loses $50,000 a year.

That last item violates another McDonald's tradition—black ink. In 1955, total sales were less than $250,000. Ten years later, sales were $250,000 *per restaurant*, of which there were about 700. In 1993, sales were $23 billion in 13,900 outlets.

McDonald's is in it for the money, not the memories, and that's fair enough. Jettisoning the old was as much as part of the '50s as eye-catching drive-in architecture. And in its defense, McDonald's does indeed have some sense of historical obligation. It has reconstructed another old drive-in as a museum in Illinois, and parts of the Downey drive-in will be incorporated in a new, '50s-style restaurant in that city.

But reconstructing history isn't the same as preserving it. Nor as desirable.

Early drive-ins heralded a vast out-of-house migration, during which the nation issued itself a license to discard old and inefficient things. In that way, McDonald's oldest extant drive-in has genuine historical and cultural value.

Moreover, a memorial to fast food's roots fits best in southern California, where the drive-in phenomenon was embraced first and most enthusiastically. For these reasons, McDonald's should try again to preserve the Downey drive-in in its original, operating condition.

Is it justice that Downey drive-in should fall victim to the same culture of impatience that gave it life? More likely, it's just compounding the error.

TRIBUTE TO ISIDORE GOLD

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HINCHEY. Mr. Speaker, I would like to speak about a very fine constituent of mine who has recently celebrated another milestone in his life. Isidore Gold, a World War I veteran, reached the distinctive age of 100 years on March 4, 1994.

Born in Minsk, Russia, he emigrated to the United States at a young age and settled in Monticello, NY. A farmer by occupation, Gold enlisted with many other fine men when America entered the First World War. Following a period of basic training, Isidore Gold was shipped overseas, serving his Nation with honesty and distinction. As a member of Company C, 305th Infantry division of the U.S. Army, Gold repeatedly proved himself as a soldier. He fought nobly between June 21 and August 18, 1918, in the Baccarat and Vesle sectors, and between August 18 and November 1, 1918, in the Oise Aisne and Meuse Argonne offensives. As his enlistment record attests, Mr. Gold's service to this Nation was of the highest caliber and he was honorably discharged at Camp Upton, NY on May 9, 1919. Thank you, Mr. Gold, for serving your Nation and we wish you many continued years of happiness.

IN HONOR OF THE 100TH ANNIVERSARY OF THE TIMES CHRONICLE

HON. MARJORIE MARGOLIES-MEZVINSKY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Ms. MARGOLIES-MEZVINSKY. Mr. Speaker, I rise today to celebrate the 100th anniversary of the Times Chronicle, an award-winning weekly newspaper in Jenkintown, PA.

The Times Chronicle is a community newspaper in every sense: It has been honored by the area police department, as well as numerous other organizations, for community service; staff members are active in the Jenkintown Rotary and the Eastern Montgomery County Chamber of Commerce; and the Times Chronicle Newspapers scholarship contest has presented more than $60,000 in scholarship awards to deserving Montgomery County high school seniors. Of course, it provides its thousands of readers with information about the Nation as a whole, the great State of Pennsylvania, beautiful Montgomery County, and their own backyards.

Born from the merger of the Jenkintown Times—first published April 7, 1894—and the Jenkintown Chronicle—first published March 31, 1894—the Times Chronicle, then the Times-Chronicle, was first published on December 29, 1894. It has won numerous State and national awards, including four sweepstakes awards in the Keystone Press/PNPA Contest in 1959, 1971, 1975, and 1976, making it the most honored weekly newspaper in the State during those years. The Times Chronicle was honored nationally for its business coverage in 1991 by the Suburban Newspapers of America.

It is my honor and pleasure to recognize the fine efforts of president and publisher Arthur W. Howe IV, vice president and executive editor Fred D. Behringer, marketing director Elizabeth Hunt Wilson, managing editor Warren W. Patton, advertising manager Leslie Franklin Hamada, and the entire staff of the Montgomery Newspapers and the Times Chronicle for their wonderful work and continued success.

IT IS TIME TO RECOGNIZE THE SERVICE OF THE LAO-HMONG

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. VENTO. Mr. Speaker, today I, along with five of my colleagues am introducing legislation, the Hmong Veterans' Naturalization Act, which would modify certain naturalization requirements for Hmong veterans who served alongside United States Forces in the Vietnam war.

The Hmong Veterans' Naturalization Act recognizes the extreme sacrifice made by thousands of Hmong and other Laotian highland groups who served in special guerrilla units in the Vietnam war from 1960 to 1975. Recruited, trained, and funded by the CIA, these units included men, women, and children, some as young as 10 years old. Between 10,000 and 20,000 Hmong were killed in combat and over 100,000 had to flee to refugee camps to survive.

Time and again, they laid down their lives to save and protect Americans. The Hmong stood by the United States at a crucial time in our history; now we have an opportunity to repay that loyalty. While it is clear that the Hmong served bravely and sacrificed dearly in the Vietnam war, many of those who did survive and made it to the United States are separated from other family members and are having a difficult time adjusting to life here. Fortunately there is something we can do to speed up the process of family reunification and ease the adjustment of Hmong into U.S. society, at no cost to the Federal Government.

Few of those Hmong in the United States who served in the special units or their spouses, have been successful in passing the citizenship test. My bill makes the attainment of citizenship easier for those who served in the special guerrilla units by waiving the English language and residency tests. The greatest obstacle for the Hmong in becoming a citizen is passing the English test. Written characters for Hmong have only been introduced in recent years, and whatever chances most Hmong, who served, may have had to learn a written language were disrupted by the war.

This bill would also waive the residency requirement for those who served in order to speed up the process of family reunification. Current law permits aliens or noncitizen nationals who served honorably during World War I, World War II, the Korean conflict, and the Vietnam war to be naturalized regardless of age, period of residence or physical presence in the United States. There is a well-established precedent of modifying naturalization requirement for military service, recently reaffirmed by passage of the Filipino Scouts legislation in the immigration bill passed by Congress in 1990.

The Hmong served the United States for 16 years. They suffered a tremendous loss of life and homeland. This bill recognizes the Hmong people's brave sacrifice and service to the United States.

TRIBUTE TO J.T. WHITE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. CLAY. Mr. Speaker, often it is said that small business is the backbone of our great Nation. I would like to take this opportunity to pay tribute to an outstanding entrepreneur, the late J.T. White, and those who have carried on his dream. Over 30 years ago, J.T. White founded White Shopping Service in St. Louis. Today, his son, Henry White and wife, Hazel White, carry on the family business. I commend the White family for their contributions to the St. Louis community. The following article recently appeared in the Black History Month series of the St. Louis Small Business Monthly.

[From the St. Louis Small Business Monthly, Feb. 1994]

HENRY WHITE KEEPS HIS FATHER'S DREAM ALIVE AS OWNER OF WHITE SHOPPING SERVICE

As a child, Henry White helped his father live the American dream. White would spend his free time working in his father's uniform shop, White Shopping Service Inc., a shop his father started from scratch.

"I used to get on my bike and deliver uniforms to our customers," White said.

Today, White, now in his 40s, still makes deliveries—only now as company vice president. Just like his father, White is living the American dream as an entrepreneur.

After the death of his father, J.T. White, seven years ago, White stepped in to carry on his father's dream. With the help of his mother, Hazel White, president of the company, the family business continues to serve customers throughout the St. Louis area.

"My dad worked too hard to let someone else come in and take the business over," White said. "I knew this was his dream. I knew he didn't want to give it up."

The dream began over 30 years ago. As a tailor, J.T. White saw an opportunity to sell uniforms to local schools. At the time, no other clothing stores specialized in such uniforms. Thus, the business was born.

The business was run out of the White home from 1960–1965 and out of its current Natural Bridge location since 1965.

Taking over the family business was a tough decision for White. First, he had to come to grips with giving up his nine-year corporate job.

"When I took over the business, it was a little scary at first," White said. "My father was always the backbone of everything here."

Thanks to years of advice and guidance from his father, White was able to make the adjustment. Throughout his youth, White's father would always take the time to teach his son the facets of business, from merchandising to selling.

Said White, "Before he died, he would always say, 'When I'm not here, you know what to do. Just go ahead and do it.'"

What White has done in seven years is enhance his father's dream of being the best.

White Shopping Service Inc. offers every uniform imaginable. The company specializes in such uniforms as postal, nursing and security, just to name a few. The shop also carries uniform accessories—gloves, jackets, hats, etc.

The business foundation taught to him by his father helped White succeed. Customers trust a business that has been around for more than 30 years.

So what is the company's secret of longevity and success?

"The secret of success is plain, simple and easy," White said.

"It's about never giving up.

"A lot of people, when they get discouraged or lose a little money, want to get out. I will never give up. My dad worked too hard for this business."

White has no regrets about carrying on his father's dream. Out of five children, only White decided to carry on with the family business.

"I guess I was the chosen one," he said. "I see this as a big challenge—a challenge to make as much money working for myself as I would working for someone else.

"I know my dad's dream is fulfilled. He wanted someone in the family to carry it on. I think he would be satisfied."

THE NEPHROLOGY FOUNDATION OF BROOKLYN, NY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. TOWNS. Mr. Speaker, today I rise to commemorate the 10th anniversary of the Nephrology Foundation of Brooklyn's south unit, which took place on March 4, 1994.

The Nephrology Foundation of Brooklyn was established as a not-for-profit organization dedicated to providing the highest quality of hemodialysis patient care. In 1979, the foundation's north unit treated its first four patients. Since that humble beginning, the need for freestanding hemodialysis facilities in the borough has allowed the foundation to open its south unit and east unit office in order to better serve all of the communities of Brooklyn. This phenomenal growth is attributable to the caring service provided to those in need.

During its 15-year history, the foundation has provided life-sustaining dialysis care to almost 2,000 patients while supporting extensive research and educational activities at some of Brooklyn's most prestigious medical centers.

Through the leadership of a dedicated and concerned board of directors, Alfred P. Ingegno, Jr., president, the foundation has responded to the needs of the community. I am certain that they will continue that caring and concerned response in years to come.

REEMPLOYMENT ACT OF 1994

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. FORD of Michigan. Mr. Speaker, it is my pleasure today to introduce the Reemployment Act of 1994, the Clinton administration's comprehensive proposal to reform Federal assistance to dislocated workers, meaning those Americans who have been permanently laid off or are long-term unemployed.

I am joined by more than 30 of my colleagues, including 10 members of the Committee on Education and Labor, in introducing as a separate bill the retraining provisions in order to focus the attention of the House and our committee on that part of the administration's proposal.

It is gratifying to have a Labor Secretary, Robert Reich, come to the House and to my committee and articulate the challenges he sees before us and suggest what we need to do about them. Secretary Reich appeared before the committee this morning, presenting the administration's case for the Reemployment Act, a week after President Clinton unveiled it at a White House ceremony.

The President and the Secretary propose to consolidate a number of dislocated worker assistance initiatives and establish a single place—so-called career centers—where unemployed people can apply for unemployment benefits and receive information about jobs and job training. Under the bill, people caught between jobs could continue to receive unemployment benefits for 52 weeks, in addition to the standard 26 weeks of benefits, while undertaking training.

The bill would direct the Federal Government, in cooperation with State and local entities, to develop a national labor market information system containing data on the local economy, industries, and employers; available jobs and candidates; and consumer reports on education and training providers. The system would be available to Americans at the one-stop centers.

The bill would consolidate six programs that serve dislocated workers: the Economic Dislocation and Worker Assistance Act; title III of the Job Training Partnership Act, or EDWAA; the Trade Adjustment Assistance Program; separate assistance for workers affected by NAFTA; the Clean Air Act Employment Transition Program; defense diversification, and defense conversion.

We have a confusing system, and the Secretary has spent months figuring out how to improve the system. I look forward to working with the administration and with my colleagues to make appropriate adjustments and pass the bill.

The administration has budgeted $13 billion over 5 years to fund the bill, $11 billion in discretionary spending. An additional $2 billion would be spent on the income support provisions. The $1.5 billion proposed for fiscal 1995 is discretionary.

Mr. Speaker, the administration's plan follows earlier initiatives focused on developing a strong work force for today and tomorrow. The Committee on Education and Labor has approved or is considering the School-to-Work Opportunities Act and education reforms including Head Start reauthorization, Improving America's Schools Act, Goals 2000 Educate America Act, National and Community Service Act, and direct loans for college students.

It is encouraging to have a President who constantly summons us to do all we can to provide our children with the education and training they need to fulfill our hopes for them.

Mr. Speaker, I also want to inform my colleagues that I will be introducing a bill this week containing amendments to the plant closing bill, the Worker Adjustment and Retraining Notification Act, or WARN.

WARN requires most employers to tell workers 60 days in advance when they plan to close a plant, enabling them to find a new job—or get started on finding one—before they are dumped in the street. We were able to enact WARN after 14 years in 1988, when Ronald Reagan allowed it to become law without his signature. Naturally, to dissuade him from vetoing the bill, it had to have some unfortunate loopholes, and it also lacked an enforcement mechanism.

Senator METZENBAUM and I intend to report legislation that would close those loopholes and meet the original intention of the act: to ensure that workers have the best opportunity to avoid the pain of unemployment and remain contributing members of our society.

LONG BEACH SELECTED FOR JOB CORPS PROGRAM

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HORN. Mr. Speaker, I extend my appreciation to Secretary of Labor Robert Reich for his decision to select the city of Long Beach as one of the new sites for the expansion of the Job Corps Program. Long Beach was one of two sites selected in California and one of nine finalists nationwide.

The city of Long Beach, much like the rest of California, has suffered in recent years from a depressed economy, massive layoffs, and an increase in violent crime. The result has been high unemployment rates and hardship for young men and women attempting to enter the job market. This program will give them new opportunities—new hope. I appreciate the Department of Labor's commitment to addressing the needs of our region and our State.

The Job Corps Program operates under title IV, part B of the Job Training Partnership Act and is designated to serve primarily improverished and unemployed youth between the ages of 16 and 24. The Job Corps Program will be a tremendous help to the disadvantaged youth in Long Beach by preparing them for jobs, the military, and advanced educational opportunities.

As a result of actions taken by the 1991 Base Closure and Realignment Commission, there are two surplus naval properties available in the city of Long Beach. They are: the Savannah-Cabrillo Naval Housing and the Naval Hospital property. The city of Long Beach Reuse Committee has worked with the Navy for the past 2 years in order to determine the most beneficial reuse of the surplus land. The Job Corps Program will be part of a public benefit transfer located on 17 acres of the Savannah-Cabrillo naval housing property.

I commend the efforts of my Long Beach City Manager Jim Hankla, and Gerry Miller, director of the Long Beach Economic Development Bureau, for all of their tireless efforts to develop and coordinate the application. I also greatly appreciate the efforts of my colleagues in the California congressional delegation for pulling together to ensure that the concerns of our State will be addressed by this program.

TRIBUTE TO COL. DOUG CARTER, USAF, RETIRED

HON. LESLIE L. BYRNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mrs. BYRNE. Mr. Speaker, I had occasion recently to reexamine Doug Carter's biography. I never realized it before, but in one way or another, Doug has spent his entire adult life in, or working for, the military and its people.

Born and raised in Bluefield, VA, he earned his college degree at the Citadel, Charleston, SC. He graduated in 1951 as a distinguished military graduate. He then entered active duty with the U.S. Air Force as a regular officer and promptly found himself in the middle of a war.

Following graduation, he completed pilot training and was assigned to the 4th Fighter Wing in Korea. He flew 100 combat missions in the F–86 Sabre jet and was credited with 2½ MiG–15 kills.

For the next 15 years, Doug served in various tactical flying units, including a 3 year stint as an air officer commanding at the Air Force Academy. Upon completion of this tour his flying skills were once again called upon, and he was assigned to Southeast Asia [SEA] where he flew 227 combat missions in the F–4 Phantom jet. His duties in SEA included dropping some of the first laser-guided and electro-optical guided bombs ever used by the Air Force. At the time, he was the director of operations for Task Force Alpha and the famous 8th Tactical Fighter Wing. His next duty tour was at the Pentagon where, from 1971 to 1973, he worked in Air Force operations.

Colonel Carter is a graduate of the Air Command and Staff College and the Industrial College of the Armed Forces. He is a command pilot and has earned numerous awards including 2 Air Force Legions of Merit, 5 Distinguished Flying Crosses, and 14 Air Medals. During his active duty career. Colonel Carter was commander of five different Air Force tactical units.

Mr. Speaker, you would think that any career that includes 327 combat missions would be enough for anyone. It was not enough for Doug. After retiring from the Air Force, Doug assumed his current position as director of the Retired Officers Association's Officer Placement Service.

The Officer Placement Service, or TOPS as it is called, is a unique enterprise and requires a unique individual to run it. In essence, it is a job placement service for military officers from all of the seven uniformed services who are either retiring or being forced out as a result of the current force drawdown. The very heart of this operation is Col. Doug Carter. In his 14 years of service as director of TOPS, he has worked directly with active duty and retired officers and with civilian employers plus executive search firms in assisting officers to find civilian positions for a second career. His reputation in this area is legend. Annually, he addresses more than 100 different gatherings of officers worldwide, instructing them on how best to prepare themselves for the transition into the civilian working environment. Doug takes great pride in knowing he has helped more than 50,000 former, or retired, officers find second careers. His lectures are so well received that twice a year he speaks at the Pentagon with many of the military's top leaders in attendance.

Mr. Speaker, as a final thought, as I am sure you will agree, the word leadership is often applied to those who do not deserve it. In Colonel Carter's case, just the opposite is true. He has been a leader in peacetime but most importantly, he continues to be a leader to his fellow officers, active and retired, showing them how to cope with the challenges of a changing world. Doug has been a credit to his country, the Retired Officers Association, and to the entire retired community.

HONORING MS. HELEN HUTT ON THE OCCASION OF HER 65TH YEAR OF SERVING THE AMERICAN RED CROSS

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. GILLMOR. Mr. Speaker, Sunday, March 20, 1994 has been designated American Red Cross Day in Ottawa County, OH. This event coincides with the celebration of March as National Red Cross Month.

I rise today to give recognition to a special volunteer for the Ottawa County Red Cross. Ms. Helen Hutt of Port Clinton, OH is currently in her 65th year of volunteer service to the community. I wanted to take a moment and speak about the wonderful work of Helen and the American Red Cross.

Our Nation is blessed by the number of citizens who choose to devote their time to community service. The work is rarely glamorous, yet fulfills a vital need in many communities. The staff and volunteers of the American Red Cross are an integral part of our Nation's health care system. During times of crisis, they have performed brilliantly here in the United States as well as abroad.

Helen Hutt is one of the shining stars of this organization. She began volunteering with the Red Cross when she certified as a lifeguard in 1928. She was a water safety instructor, teaching as well as lifeguarding, at Lake Erie College for Women. During World War II, Helen served as part of the American Red Cross staff in the South Pacific. After the war, Ms. Hunt taught swimming lessons for the Red Cross at Port Clinton City beach for several years.

More recently, she has served the local office by coordinating Red Cross volunteers that assist patients and staff at H.B. Magruder Hospital. Her work involves recruiting unit volunteers and serving at Port Clinton bloodmobiles. In addition, she is an active member of the Ottawa District Office advisory board.

Mr. Speaker, we have often heard that America works because of the unselfish contributions of her citizens. I know that Ottawa County, OH is a much better place to live in because of the dedication and countless hours of service given over the years by Helen.

I ask my colleagues to join me in paying tribute to Helen Hutt's record of personal accomplishments and wishing her all the best in the years ahead.

ANNUAL PANEL IS AN EXAMPLE OF PUBLIC-PRIVATE COOPERATION

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Ms. SLAUGHTER. Mr. Speaker, I rise today to pay tribute to an organization in my hometown of Rochester, NY, which has long exemplified the spirit of cooperation between public and private sector law enforcement.

Our local chapter of the American Society for Industrial Security represents private security officers of all types. Each year, this group has hosted a panel discussion with a local judge, the county sheriff, the Rochester police chief, and the district attorney. The resulting dialog represents just the sort of citizen participation that many experts now hail as a key to our anticrime approach. The annual panel offers a valuable opportunity for wide-ranging discussions about the changing face of crime and violence, and about new approaches to helping ensure the safety and security of every citizen.

Tomorrow night, the society will again hold its annual dinner. The guest of honor will be U.S. District Court Judge Michael Talesca, and members of the law enforcement panel will once again share their views on curbing crime in Monroe County. The dinner will mark the ninth year in which this panel has convened.

I would like to offer my congratulations to Judge Talesca and this year's panelists, to Edwin F. Place, who initiated this annual event in 1985, and to the entire society. Their involvement and interest should serve as a model for private individuals across America.

TRIBUTE TO MYLES HOWARD & THE SONGMASTERS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. DUNCAN. Mr. Speaker, I want to take this opportunity to recognize one of the most versatile and multitalented groups in gospel music today, Myles Howard & The Songmasters, from Cleveland, TN.

Myles Howard is a name synonymous with southern gospel music, and one of the industry's most recognized veterans. Myles has been nominated as "Favorite Musician" by many nationally known gospel music organizations from across the country.

Janie Howard is also a major part of the group. Having sung gospel music almost all of her life, she has developed a wonderful voice and outstanding stage presence.

Curtis Broadway makes up a third part of the vocals, and is an impressive keyboard artist.

Myles Howard & The Songmasters have also been recognized and commended for their outstanding contributions to the gospel music industry by the Tennessee State House of Representatives.

It is with great pleasure that I share with my colleagues and other readers of the RECORD the accomplishments of this outstanding gospel music group, Myles Howard & The Songmasters, from Cleveland, TN.

REEMPLOYMENT ACT OF 1994

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. ROSTENKOWSKI. Mr. Speaker, today, I am pleased to introduce, at the request of the President, the Reemployment Act of 1994.

During the past few years, Washington's response to the permanent job losses of many American workers was inadequate. Piecemeal programs were created for some workers, but not others. Unemployment benefits were extended, but too few new jobs where created.

The President's reemployment bill emphasizes what an unemployed worker wants—a new job. If a worker needs more training, the bill will provide it, along with some additional income assistance. This will put American workers back to work sooner, and it will help place them in jobs required by new and emerging technologies.

I strongly support the President's efforts in this area, and I look forward to working with him on this vital bill.

ESSAY BY TRAVIS GRIFFITH

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. WISE. Mr. Speaker, I would like to submit the following essay written by Travis Griffith, a 17-year-old student from Charleston, WV. This essay made him the State winner in the Veterans of Foreign Wars and its Ladies Auxiliary Voice of Democracy scriptwriting contest. I share his thoughts on "My Commitment to America" with a sense of encouragement for our future leaders.

MY COMMITMENT TO AMERICA

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

When I experience the privilege of making this pledge, my heart beats more rapidly and a feeling of fullness comes inside me until I feel I might burst with pride. At that moment, I fully understand what it means to be an American and of the commitments that I must make to assure that the generations that follow me experience this same feeling.

Liberty and justice are small phrases with enormous implications. Each person has different values in political, cultural and religious beliefs. Our Constitution demands that our society respect each person's values.

To explain, being an American means having the right to say what you want to say, to do what you want to do and to be what you want to be. However, with the receipt of these rights, there is an implied responsibility to take those actions necessary to protect them.

The best way to fulfill this obligation is to make the commitment to study and learn more about ways to improve America's future. I recognize that the degree of commitment one is willing to make is totally discretionary. The effect of one's actions on the future is directly related to the responsibility one assumes. In our democracy, one's potential influence is unlimited.

First, I commit to vote. The number of citizens who fail to exercise their voting rights is tragic. Along with the right to vote, however, is the responsibility to research the candidates and vote for those who have service to the Country as their motivating force. One small voice may not be heard, but millions of small voices together can make a large roar.

Next, I commit to serve the community. I will stand up for those issues that I find important, whether it is the environment, city ordinances, taxes, the economy or even running for an elective office myself. The basic fabric that holds society together is that we care for each other's welfare. Today many people fail to accept this responsibility.

Another commitment is to join civic organizations. I firmly believe that without these organizations in our communities America would just not work. The government cannot do everything for us. In fact, our system is set up to keep government control out of our personal lives. Every word in the shape and substance of our Constitution decides that question between power and liberty. My commitment is my power, which guarantees my liberty and the liberty of others.

These ideas can best be summed up by quoting a great warrior who led the force that liberated Europe during World War II and subsequently became the 34th President—Dwight D. Eisenhower. "Freedom has its life in the hearts, the actions, the spirit of men and so it must be daily earned and refreshed—else like a flower cut from its life-giving roots, it will wither and die." My commitments must ensure that the flower of democracy does not wither and die.

LAKEWOOD: TOMORROW'S CITY TURNS 40

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HORN. Mr. Speaker, the city of Lakewood, CA, which I am honored to represent, has as its slogan, "Tomorrow's City Today," and its innovative spirit over the past four decades has demonstrated why that slogan is so apt.

Forty years ago last week, Lakewood residents voted overwhelmingly to incorporate the city, which is, in the words of Long Beach Press-Telegram reporter Sabrina Hockaday, a child of World War II. Ms. Hockaday, in her article, "Lakewood: Tomorrow's City Turns 40," and Bill Hillburg, in his piece, "Getting to Know the 'Dad' of Lakewood," both of which appeared in the March 7 Press-Telegram, provide background on the vision of Clark Joaquin Bonner, known as the "founder of Lakewood," and of a planned community which was built up following World War II to provide homes for the families of veterans and others coming to southern California to work in the burgeoning defense and aerospace industries.

Lakewood's city planners were visionaries. As Ms. Hockaday noted, "The city did things then that have become standard practices in developing tracts. Developers used underground wiring for street lights, put in landscaped parkways to separate residential streets from larger boulevards, built parks and schools next to each other and planned a massive shopping center to serve as the city's downtown."

The city remains a wonderful home for families and "retains its solidly middle-class, suburban lifestyle and its link to its past." It is also, I am proud to say, the home of my district office.

I would like at this time to insert the articles which tell of this great city and of the visionaries who laid the groundwork for what it is today. I would also like to include an article from the March 10 Press-Telegram, "A 40th Birthday Party for Lakewood," by Onell Soto, which notes the well-deserved career achievement award given to Howard Chambers, a Lakewood native who has served with distinction for the past 18 years as city administrator.

The article follows:

[From the Press-Telegram, Mar. 7, 1994]

LAKEWOOD: TOMORROW'S CITY TURNS 40

(By Sabrina Hockaday)

LAKEWOOD.—When Carl Rodgers and his wife, Joyce, moved to east Lakewood 35 years ago, they were like many of their neighbors—young, married with children, of modest means.

"It was the only place we could afford," said Rodgers, 62, now a retired construction worker, father of three and grandfather of seven.

Lakewood was also a place where most of its 71,000 residents bought their new, cookie-cutter tract homes with the help of the G.I. Bill and went to work for Cold War-era industries.

And once they landed in Lakewood, they stayed and raised their families.

But 40 years after the city's incorporation, Rodgers and his city are changing. The original settlers are getting older and moving out, and a new generation is moving in. This new group is a diverse bunch: older couples with smaller families and more money than the original settlers; they're more likely to be two-income households; and, most noticeably, they're more likely to be nonwhite. In fact, according to the 1990 census, more than one-quarter of the residents are ethnic minorities.

Despite the changes, the city proudly retains its solidly middle-class, suburban lifestyle and its link to its past.

The city was a child of the World War II. Hundreds of workers who flocked to work at Douglas Aircraft Co.'s defense plant found housing in north Lakewood. By 1949, three developers—Mark Taper, Ben Weingart and Louis Boyar—began to fill in their dream city.

The city's slogan "Tomorrow's City Today" was only a slight exaggeration. The city did things then that have become standard practices in developing tracts. Developers used underground wiring for street lights, put in landscaped parkways to separate residential streets from larger boulevards, built parks and schools next to each other and planned a massive shopping center to serve as the city's downtown.

In a 1951 issue, Time magazine reported 30,000 home buyers swamped the Lakewood Park housing project in one day.

Veterans using G.I. Bill loans could buy two- and three-bedroom homes with no money down and a $50-a-month mortgage.

By 1952, the unincorporated subdivision governed by the Los Angeles County Board of Supervisors was wrestling with its future. As a handful of residents pursued city status, Long Beach launched a plan to annex Lakewood, neighborhood by neighborhood, by holding a series of almost daily votes.

During a particularly bitter campaign, Lakewood Village residents voted by 79 votes to join Long Beach on Aug. 13, 1953.

Shortly after that setback, John Todd, who became Lakewood's first and only city attorney, temporarily fended off more annexation votes by getting residents to file petitions against the action.

On March 9, 1954, residents voted overwhelmingly to incorporate as the city of Lakewood. With an estimated population of 71,000 people in the 7-square-mile city, it became the 16th-largest city in the state. The city gained another 2.5 square miles in the '60s by annexing portions of eastern and northeastern Lakewood.

When people such as Rodgers first moved in, the median age was 25, and more than one-third of the city's residents were younger than 18. Then the city's residents, along with its tree-lined boulevards, began to mature.

The median age rose, and the number of children declined.

By 1990, the trend began to turn around. The median age still hovered around 33, but the number of children, particularly those younger than 4, had increased.

Real estate agent Bob Ferreira, who has sold homes in the 1,500-home tract south of Del Amo Boulevard and east of Palo Verde Avenue for 30 years, has noticed the regeneration. Up until two or three years ago, the territory where he has sold hundreds of homes was 25 percent original owners. Since then, original owners have died or moved, leaving about 15 percent, Ferreira said.

In fact, Rodgers said he is considering moving to Las Vegas, the West's new boom town, to join family members who have moved there. Besides, he said, the home he and his wife have enlarged to 2,000 square feet is getting a little large for them now that they are retired.

The people who are moving out of Lakewood are being replaced with baby boomers who either grew up in the city or heard about its suburban charms.

"So many come to my open houses and say they grew up three streets away," Ferreira said.

Beth, Haggstrom, her husband and their preschoolers didn't grow up in Lakewood, but they decided to settle here after visiting friends who lived in the city.

They love the parks, childrens' activities and community spirit. But she also likes the fact there are a lot of people on her block just like her, "a bunch of thirty-somethings with young children." City officials said they knew one day there would be turnover. They are pleased the city has remained suburban and that what attracts the new generation today is what attracted Rodgers nearly 40 years ago.

[From the Press-Telegram, Mar. 7, 1994]

GETTING TO KNOW THE 'DAD' OF LAKEWOOD

(By Bill Hillburg)

LAKEWOOD.—Your're about to turn 40, Lakewood. It's time you got up close and personal with your dad.

He's also your ancestor if you attend Long Beach City College, work at McDonnell Douglas Corp., fly out of Long Beach Airport, or live in Los Alamitos, Lakewood Country Club Estates, Lakewood Village or Mayfair.

He's Clark Joaquin Bonner, the "founder of Lakewood."

Unless you play golf at Lakewood Country Club, you probably never heard of Clark Joaquin Bonner. The only monument to his deeds is a small plaque near the club's first tee.

"Dad Bonner had vision," recalled his grandson, Clark J. Bonner II. "Even in the depths of the Depression, he knew that Southern California had unlimited potential for growth."

The first man with a vision for Lakewood was retired Union Army Gen. Edward Bouton. In the early 1890s, he tried to build Boutonville.

Instead of a town, Gen. Bouton got a lake. In 1895, Bouton's well driller hit an artesian gusher at what is now Lakewood Country Club. The general's town site became Bouton Lake, which today serves as a hazard for golfers.

Undaunted, Bouton went into the water business, supplying Long Beach and San Pedro.

THE CLARKS

The next visionaries were William A. and Joaquin Ross Clark. The Clark brothers had made millions off copper mines in Montana and Arizona. Wiilliam A. Clark, known as the Copper King was Montana's first U.S. senator.

The Clarks moved to Los Angeles in the early 1890s. In 1897, they built a sugar factory in what is now Los Alamitos.

In 1898, the Clarks bought 8,139 acres of rancho pasture land from the Bixby family for $405,000 and planted it with sugar beets. They also purchased Gen. Bouton's waterworks. They named their new enterprise the Montana Land Co.

By the late 1910s, Clark Joaquin Bonner, the Clark brothers' nephew, was running the Montana Land Co. More than 40 hands worked at his ranch headquarters on Arbor Road, near Woodruff Avenue. Clark Avenue, named for the Copper King, was the ranch's main road.

The Montana Land Co.'s Los Alamitos Sugar Factory was served by a road built in the 1910s by Bonner. His Los Alamitos Boulevard was the first paved thoroughfare in Orange County.

Workers' homes and businesses clustered around Bonner's brick sugar factory, forming the nucleus for what would become the city of Los Alamitos.

In the 1920s, the sugar market went sour because of foreign competition. Bonner closed the Los Alamitos Sugar Factory in 1926 and began making plans for new crops; homes and industry.

In 1930, Bonner filed plans with the county for Lakewood Country Club Estates. The place name he coined, "Lakewood," was a bit of a stretch. The only large trees on his ranch shaded his headquarters on Arbor Road. They stood several miles from Bouton Lake.

Bonner's plan for a private golf course surrounded by mansions was speculative, given the fact that the nation was in the Depression.

"Dad Bonner knew it was a risk," Clark Bonner II said. "But he also believed that the Depression would end some day and that California would boom."

LAKEWOOD TEES OFF

Play began at Lakewood Country Club in 1933. By 1937, a row of stately homes—equal to the mansions at Long Beach's Virginia Country Club—had been built along Lakewood Drive.

In 1933, Bonner again envisioned opportunity amid adversity. The March 10, 1933, earthquake had left Long Beach Junior College homeless. The school, founded in 1927, had been housed at Wilson High School, which was heavily damaged in the 6.3 quake.

John Lounsbury, LBJC's principal, met with Bonner and asked him for a donation. He gave the school 33 acres on Carson Street, between Faculty Avenue and Clark Avenue.

Classes at what would become Long Beach City College's Liberal Arts Campus began in 1935.

With the college taking shape, Bonner began a new housing development on land near the campus. In 1934, the first buyers moved into Lakewood Village.

Village homes were priced around $3,000. At Bonner's orders, no sidewalks were built in order to maintain a rural ambiance.

Given his family's wealth and fame, Clark Joaquin Bonner moved among the nation's wheelers and dealers. His friends included Army Gen. Henry "Hap" Arnold and engineer Donald Douglas.

In the early 1930s, Gen. Arnold convinced Bonner to donate land to the government for an Army Air Corps base that could be used to help defend the harbor area in case of war.

The Long Beach Army Air Corps Base, adjacent to Long Beach's small Municipal Airport, was training pilots long before war came to America on Dec. 7, 1941. Its presence also created an opportunity for Donald Douglas.

In early 1940, Bonner sold Douglas acreage at Carson Street and Lakewood Boulevard for an aircraft assembly plant.

DOUGLAS TAKES OFF

Douglas, who had founded his company in Santa Monica in 1922, opened the new plant in mid-1940: Its workers delivered their first C-47 transport plane to the Army on Dec. 23, 1941, just 16 days after the Japanese attacked Pearl Harbor.

To house Douglas' employees and other defense workers coming to the Southland, Bonner teamed in early 1941 with the development company of Walker and Lee to build Mayfair, a 1,100-home project north of Del Amo Boulevard.

Bonner's plans for more affordable tract housing were placed on hold during World War II, when material shortages halted most home construction.

When the war ended in 1945, Bonner began making plans to house the thousands of veterans who were heading home. Those plans were cut short in December 1947, when Clark Joaquin Bonner, still in his 50s, died of a cerebral hemorrhage.

"When Dad Bonner died, it was pretty much the end of the Montana Land Co.," Clark J. Bonner II said. "He was the one with the leadership, and his sons (both of whom went on to become successful businessmen) were too young to take over."

In 1949, Bonner's widow, Violet, sold the Montana Land Co.'s remaining 3,500 open acres to the Lakewood Park Corp. for $8 million. Lakewood Park Corp.'s principals—Louis Boyar, Mark Taper and Ben Weingart—also gained control of the Montana Land Co.'s water plant and Lakewood Country Club.

During the next five years, Lakewood Park Corp. built and sold 18,000 homes in what is now Lakewood and East Long Beach.

On Aug. 13, 1953, residents of Lakewood Village approved annexation to Long Beach by a 79-vote margin.

On March 9, 1954, voters in the rest of the community launched by Bonner voted to incorporate as the new city of Lakewood. The incorporation became official April 14, 1954.

On May 27, 1953, Clark Joaquin Bonner's friends and family gathered at Lakewood Country Club to dedicate a memorial to Lakewood's founder. A plaque, fashioned by Donald Douglas' aerospace fabricators, was unveiled by a young Clark J. Bonner II and his cousins.

Today, most traces of Lakewood's founder have disappeared. The Montana Land Co.'s ranch buildings on Arbor Road were razed in the 1950s. Only the ranch's tall eucalyptus trees remain to shade the Lakewood Water Department office.

The Los Alamitos Sugar Factory was torn down in 1960. Recently, even Bonner's lone memorial disappeared.

Several years ago, Clark J. Bonner II—who recently moved from Rossmoor to Marin County—searched in vain for his grandfather's plaque. He was informed that it had been put in storage and lost.

Through his efforts, a modest new marker lauding Clark Joaquin Bonner as the "founder of Lakewood" was dedicated in 1993.

[From the Press-Telegram, Mar. 10, 1994]

A 40TH BIRTHDAY PARTY FOR LAKEWOOD

(By Oneil R. Soto)

LAKEWOOD.—Forty years ago today, an editorial in the Press-Telegram questioned the wisdom of Lakewood's incorporation.

"Those who headed the incorporation drive now have much to prove," it said, warning of the likely bankruptcy of the instant city. "They must share equally the responsibility, as well as the success of the election."

Forty years ago, John S. Todd, a young attorney, helped fashion the idea of a city into reality.

In a packed ballroom on Lakewood's 40th anniversary Wednesday night, Todd, on behalf of Lakewood's pioneers, gave the paper an answer. "I accept that responsibility," he said.

The feeling in The Centre at Sycamore Plaza Wednesday night was a sort of homecoming, a kind of reunion for the scores of people who helped make Lakewood a thriving community.

"You see people you haven't seen for years," said Jackie Rynerson, who walked up and down subdivision tracts campaigning for incorporation.

Rynerson, who went on to serve on the City Council, thanked her husband for enabling her to take part in the incorporation drive.

"It took a man to babysit to let me become a streetwalker," she quipped.

The fact that there were so many of Lakewood's early residents still around, she said, was testament to the fact her long walks were worth it.

Lakewood native Howard Chambers was given a career achievement award for the 18 years he has served as city administrator.

"I'm a bit embarrassed to be on the same stage with some of the heroes who founded this town," he said.

Todd, the only city attorney Lakewood has ever had, looked back and said the city's progress has been beyond the expectations of those who helped form it.

"I don't think anyone realized the great success Lakewood would have," he said.

Todd was instrumental in creating the "Lakewood Plan" of contracting for municipal services—police, fire, libraries, and the like—which spurred the creation of more than 40 other cities in Los Angeles County.

"It all started right here," said Milt Farrell, former city manager. "Contract cities were the wave of the future."

HAROLD E. DOLEY, JR.—RECOGNIZED FOR HIS PIONEERING WORK

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. TOWNS. Mr. Speaker, I have the privilege of entering into the CONGRESSIONAL RECORD an article from MBE magazine which recognizes the pioneering work of Mr. Harold E. Doley, Jr., chairman of Doley Securities, Inc.

This year marks the 20th year that Mr. Doley has been a member of the New York Stock Exchange. I also note that he is the only African-American who now occupies such a position.

Mr. Doley's accomplishments deserve special recognition.

PORTFOLIO OF SUCCESS—HAROLD DOLEY, JR. USES "FAITH IN THE FUTURE" TO HELP BUILD SOUND BLACK OWNED INSTITUTIONS

[By Jeanie M. Barnett]

Fifteen minutes before the closing bell, the trading floor of the New York Stock Exchange resembles an oversized basketball court that's been rushed by thousands of crazed fans and weird aliens from outer space. The latter are the octagonal islands of computer monitors from which glow columns of numbers and abbreviations. The monitors are banked three-high, the ones overhead attached to mechanical arms, another bank at eye-level facing the swirl of people milling about in a flutter of papers, talking on telephones or punching on keyboards at still other computer consoles. Clerks in blue and green jackets rush about; others scribble notes or intently study the monitors—and wait.

On this October afternoon, the market will close at precisely 4 p.m., as it does five days a week, 52 weeks a year. In an average five minutes on the stock exchange, $100 million in securities will change hands. But during the last few minutes the pitch rises, as thousands of traders—mostly male, mostly white, their ties long since loosened—make split-second decisions on whether to sell or buy.

Harold Doley, Jr. watches the commotion from above, in the members' gallery, a second-floor open balcony flanking the trading floor.

Doley and his guest are the only ones on the member's side, along with an elderly Asian woman who is painting at an easel. She was commissioned, Doley explains, to capture the scenes of the Exchange's 200th anniversary.

Despite being himself one of 1,366 individuals to hold a seat on the New York Stock Exchange, Doley, the founder and chairman of Doley Securities, the second oldest black owned investment banking and brokerage firm in the nation, still speaks with a certain awe and fascination about the action taking place below.

"This," he says, nearly shouting above the din, "represents faith in the future." Doley measures his words with care, in an unmistakably Southern drawl. "Markets are people, made up of their thoughts, their goals, their aspirations."

Doley notes that this particular day also marks the sixth anniversary of the Crash of 1987. "That day showed the true fragility of this market, and markets around the world as a whole."

Directly opposite is the visitor's gallery, which, he points out, is sealed off by clear plexiglass—a result of the commotion that ensued after a visit in 1968 by members of the Yippies, a radical political organization, who threw handfuls of dollar bills over the railing and sent traders scrambling to pick them up.

Next, he points out a young African American woman on the floor, explaining that she is a reporter who stands in the crowd and listens to the transactions, then puts them on a computer pad and feeds the information directly on-line. "In a matter of seconds, that computer reads out all over the world. If you disrupt this market, you could affect the financial integrity of the world."

The bell clangs for the last 10 seconds of trading. Despite the day's officially being over, the noise level doesn't diminish. "They'll work up the paperwork for a while," Doley explains, "and check to see if orders they have left with the market makers, or specialists, were executed and at what level. You'll see the results of all this later tonight on the news.

"If there's one thing that's consistently part of the news every evening," he adds, "it's what happens in the stock market."

Harold Doley, Jr. first visited the New York Stock Exchange when he was 11. He was on a family vacation with his parents, and the Exchange was part of their sight-seeing.

Playing the stock market was a family tradition, started by Doley's maternal grandmother, whose investments allowed her to acquire substantial real estate holdings—enough that the small Texas town where she lived bore the family name. Doley's father, who ran a corner grocery store and later taught high school math, also invested in real estate.

Twenty years ago, when he was just 26, Harold Doley, Jr. purchased a seat on the New York Stock Exchange—becoming the first African American individual to do so. (Doley emphasizes the word individual, pointing out that two other black owned firms had preceded him to the floor—Daniels & Bell and First Harlem Securities. It was the late Travers Bell, founder of the nation's first black owned investment banking firm, who "sponsored" Doley in his seat purchase.)

Doley started buying stocks when he was 13, and by the time he enrolled at Xavier University to study accounting, Doley had built a sturdy portfolio. He started an investment club with schoolmates and before turning 21, he had made his first real estate purchase—an apartment building in downtown New Orleans.

After graduating from college, Doley was hired at Bache (now Prudential Securities), and went to New York to train as a broker. "When I first went to Wall Street in 1968, I couldn't believe the absence of blacks, even in menial positions." He secured accounts nobody else seemed to want: black insurance companies, black colleges, black churches, black banks.

After several years behind the desk, Doley wanted to be on the trading floor. Bache's management "told me I didn't have the right type of personality for the floor," he says. "They were later proved right, but I was mad."

His purchase of the seat was rather straightforward: he used his real estate assets and investments to do it. The seat cost him $90,000, in 1973 dollars. At the time, the "Big Board" was still being tabulated by hand. "The paperwork was so enormous that they had to start closing the exchange one day a week," Doley says, shaking his head incredulously. "Naturally, volume dropped precipitously and so did the price on a seat." He still chuckles when he mentions it.

Doley worked the floor as a "two-dollar broker"—one who deals with the overflow should a big firm have too many orders to execute. But he found that he in fact did not like being on the floor. In 1976, he started his own brokerage business.

Today, Doley Securities performs the same services as "bulge bracket" firms like Merrill Lynch, Goldman Sachs, J.P. Morgan and Bear, Stearns. In fact, Doley Securities, which is headquartered at Doley's commercial building in New Orleans, has an office in New York in the Bear, Stearns building on Park Avenue. The difference is one of scale: with 15 employees between the two offices, Doley Securities operates on a much smaller level.

"It is not my intention to grow Doley Securities to compete with the big firms," Doley says. "We are very selective about the opportunities we pursue."

As a broker/dealer, Doley buys and sells securities for institutional accounts, and works with some of the largest companies in America, as well as some of the smallest. One client is TIAA Cref, at $100 billion the largest pension fund in the U.S., which was started by Andrew Carnegie for university professors and employees. The firm also does corporate underwriting for clients including General Motors, Sears and Fannie Mae, the privately held, federal home mortgage corporation. The firm also works with federal agencies including the Resolution Trust Corporation and the Veterans Administration. In the international arena, Doley Securities works with the African Development Bank, a multilateral development institution.

At the other end of the spectrum are the small black owned insurance companies in the South that were Doley's first accounts, and which still represent the firm's core clients: companies like Protective Life Insurance Co. of Birmingham, Alabama, with $15 million in assets; and the New Orleans-based Majestic Life and Safety Life, the latter "which doesn't even have a million dollars in assets," he notes. "But even with such a small portfolio, they do very well.

"We can, and do, put stocks and bonds of our major corporate clients into minority financial institutions, historically black colleges and universities and insurance companies," Doley says. "We believe in these clients."

For example, if a company life GM wants to make a stock offering, Doley Securities will be part of a syndicate that underwrites it. As an underwriter, he takes the risk on the portion he's underwriting, meaning he has to buy what he doesn't sell. Doley may sell some of the securities—stocks or bonds—to a company like Protective Life. He could just as well call on a big state pension fund, like a lot of other brokers—and he often does. "But we also make the calls to black owned companies and give them the same opportunity [to purchase stocks and bonds] that big companies like Aetna and the state pension funds of New York and California have," says Doley.

Doley sees his firm as having played an integral role in the development and growth of black financial institutions. Some of the insurance companies he began selling to during his days at Bache "were primarily burial. Somebody would buy a burial policy of $1,000, which 20 years later they would have paid $1,000 for. It did have some economic value, but the life insurance business has evolved, and [black owned companies] have much more competitive premiums now. One of the reasons for this transition is the success they've had in their portfolios.

"Many of their portfolios have my signature on them," says Doley, who still handles the accounts himself, "and I'm very proud of it."

Minorities and women are relative latecomers to the world of high finance. Their entry followed the increasing number of black elected officials at the local and state levels in the late 1970s and early 1980s. Atlanta Mayor Maynard Jackson in the 1970s opened the door for black bankers on bond sales for the building of Atlanta's airport. And the late Chicago Mayor Harold Washington set the pace in municipal finance when he required the participation of minority firms in city bond issues. Today, a growing number of minority and women owned securities firms are serving as senior managers on offerings by governmental entities.

What sets Doley Securities apart from the others, observes Harold Doley, III, the firm's 25-year-old president and the older of Doley's two children, "is that my father started out 20 years ago on the corporate side. Most others start out on the public side."

Among the firm's early public sector clients was the Department of Transportation. In 1987, Doley was a co-manager on an initial public offering of Conrail, a beleaguered freight carrier which the U.S. government had taken over in the 1970s and then sought to privatize. It put up 59 million shares of common stock valued at about $1.6 billion, which at the time was the largest initial public offering in history. (The sale of Argentina's state owned oil company now holds that distinction.) Doley Securities was one of only six minority or women owned firms in the 148-firm underwriting syndicate.

While the public arena provides the most opportunity for minority owned firms, "it isn't our primary focus," says Doley. Corporate underwriting is. But unlike public finance, there are no mandates in the private sector that require minority involvement. And with few minorities in the boardrooms of the Fortune 500, the doors aren't exactly swinging wide open. Still, Doley names a number of progressive companies that are involving more minority owned firms in their pension fund management and stock offerings—and Doley is usually on the list. When Sears sold its insurance subsidiary Allstate earlier this year, for instance, Doley Securities was among the few minority underwriting firms on the offering. Currently, the firm is in the syndicate on Pacific Telesis' sale of its holdings in the cellular phone industry. It is the third largest initial public offering ever, says Doley.

Doley Securities is also expanding its global financings through its work with the African Development Bank (ADB). Doley had taken a brief respite from his business in 1982 to serve as the first director of the U.S. Department of Interior's Minerals Management Service (MMS), which at the time was the second-largest source of revenue to the federal government. MMS leases federal and Indian owned lands and the outer continental shelf for oil and gas exploration and collects the royalties.

After one year with the MMS, Doley was named U.S. executive director of the ADB. The position carries the rank of ambassador. He spent two years in Abidjan, Ivory Coast, where the bank is headquartered. The bank has financed such projects as railways, agriculture, schools and hospitals throughout the continent. During his tenure, he was actively involved in structuring lending packages between the ADB and international commercial banks, and worked with staff in formulating country-specific development strategies. In 1988, Doley Securities was an underwriter in $200 million of U.S. offerings by the ADB in the U.S. market. In the last two years, the firm has served as a manager for a $300 million Yankee bond offering, and was the sole placement agent on an issue of $100 million in Medium-Term Notes by the ADB. Overall, Doley Securities has served as managers in over $1 billion in ADB's Yankee bond offerings.

This past summer, Doley Securities added even more clout to its African pursuits when retired California Congressman Mervyn Dymally joined the firm. Dymally, who served as chairman of the Subcommittee on Africa for the House Foreign Affairs Committee, has traveled extensively throughout the continent and, since his retirement from public service, has been representing Mauritania and Namibia on some private sector fishing contracts. Dymally got involved with the firm after a chance meeting with Doley, III outside the United Nations building in New York. Dymally asked him why the firm wasn't doing more business in California, which has one of the largest pension funds in the world and has state laws that govern minority and women business participation.

"When you check the record, Doley Securities is very impressive," says Dymally, who maintains an office in Los Angeles and Washington, D.C. (Federal law prohibits him from lobbying the government for one year.)

"Africa is changing," observes Doley, who claims to have roots from East and West Africa to Ireland. (Doley, he notes, is a derivative of Doyle, which means black or dark foreigner in Gaelic.)

In Africa, "there are more opportunities, and more pitfalls." He envisions that the several small exchanges in a handful of countries (Ghana, Zimbabwe, Zambia, Senegal and Kenya), will one day be linked together through the Johannesburg exchange. He points out that South Africa has a developed banking system which is linked to the rest of the world, and a convertible currency—features many other countries on the continent lack. (During the days of apartheid, Doley was more enthusiastic about disinvestment in South Africa. In 1977, his firm did an analysis on platinum, of which South Africa and the then Soviet Union had the world's largest reserves. The report emphasized that South Africa was not a stable source for the strategic metal since the country was a political and socioeconomic "powderkeg.")

"Africa will have opportunities Eastern Europe won't," he predicts. "Africans are traders. They understand the concept of profit."

But both Dymally and Doley caution would-be entrepreneurs about catching the next plane out.

"You just can't expect to set up an outpost and make money," says Doley. "It takes a long-term commitment."

Adds Dymally: "Losses and expenses are high. Africa is not good for small businesses. It is good for corporations that have a checkbook open and can afford to wait."

Over the next four years, Doley plans to distance himself from the firm's day-to-day operations. "If my son wants to go from 15 to 2,000 employees, that'll be on him." Doley's not planning on retiring, though. He'll step up his consulting with various nations in Africa, and continue to handle the accounts he started his firm with. He'll also spend some time refurbishing the Madame C.J. Walker estate in Westchester County, north of New York City, which he recently purchased. Doley plans to restore the "Villa Lewaro" to its original luster when Walker, the black hair care entrepreneur and first black multimillionaire, resided there during the early part of this century.

"A businessman is a manager," he explains. "I'm not interested in continuing to be a manager, If anything, I'm an entrepreneur. Entrepreneurs create."

TRIBUTE TO JOSEPH BARIS III

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Joseph Baris III of Troop 13 in West Warwick, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Joseph organized, marked, and painted fire hydrants and identified telephones on the east side of Providence.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Joseph Baris III. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of whom now serve in the House.

It is my sincere belief that Joseph Baris III will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

TRIBUTE TO ST. MATTHIAS EPISCOPAL CHURCH

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. KLECZKA. Mr. Speaker, I rise today to pay tribute to the people and history of St.

Matthias Episcopal Church of Waukesha, Wi in recognition of its sesquicentennial anniversary.

Chartered in 1844, St. Matthias' cornerstone was laid in 1851, marking it as the oldest church in the city of Waukesha. The faithful who worshipped and served throughout this history did so on a foundation of faith and perseverance and from their ranks came three Episcopal Bishops, Kemper, Well and Jacobus; and two former Wisconsin Governors, Barstow and Dreyfus. Today, that foundation remains firm and strong as the parishioners of St. Matthias continue their tradition of action and service.

On this sesquicentennial anniversary of St. Matthias Episcopal Church, I am reminded of George Washington's circular to the States, dated June 8, 1783 in which he prays God "to dispose us all, to do justice, to love mercy, and to comport ourselves with that charity, humility and pacific temper of mind, which were the characteristics of the Divine Author of our blessed religion, and without an humble imitation of whose example in these things, we can never hope to be a happy nation."

I ask my colleagues to join me in congratulating the members of St. Matthias parish on their 150th anniversary. Their continued commitment to faithful action and service is a blessing to our whole Nation.

REEMPLOYMENT ACT OF 1994

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. GEPHARDT. Mr. Speaker, now that President Clinton and the Democrats in Congress have reversed a dozen years of rampant Republican spending and borrowing—now that the deficit is down, and job creation is up—we must ensure that America's workers have the skills to fill those jobs. One of America's greatest challenges in this decade is helping our working people—the best and most talented in the world—t0 change with the changing times.

That's why I am pleased to join with so many of my colleagues in introducing the Reemployment Act of 1994. It's a bill that recognizes that today's unemployment system just isn't meeting today's needs. And it's a bill that recognizes that in a fast-moving economy such as ours, our unemployment and our job training programs have to be an economic thoroughfare—not a dead end.

Today's unemployment system may tide people over, but it doesn't help them move forward—it doesn't help them gain the skills and tools they need to find new and better jobs.

At the same time, the very nature of unemployment itself is in transformation. Due to structural changes in the American work force, the number of workers who are permanently laid-off is growing. And relatively unskilled workers are having a hard time finding new jobs, losing their stake in an increasingly advanced, high-skilled economy,

We've got to reverse this dangerous slide. And we can't do that by simply mailing out more and more unemployment checks, and hoping that these workers stumble into new jobs. We've got to reach out, and help them build a better economic future. The President's Reemployment Act is an important way to start.

It will make our job training and unemployment system more focused and more effective. It will offer real, long-term training to those who have lost their jobs. It will reward those who find work quickly, and give special assistance to those who don't. I believe it will make an important difference to the workers of America. And I hope that in future years we can make these systems even more effective.

Of course, while we train our workers for the 21st century, we must also do more to create the high-wage, high-skill jobs they deserve and demand. But this bill is the first step. That's why I urge my colleagues to support it, and I urge all Americans to stand behind it.

TRIBUTE TO GENE BRADLEY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. GILMAN. Mr. Speaker, on Tuesday evening, March 15, Gene Bradley, the founder and chairman of the International Management and Development Institute, was to be honored at a special dinner to mark his retirement from active management of the organization he founded in 1970 as a "neutral forum" to bridge the gap between business and government in this vital area of international relations.

While those of us in the Congress who have been active in this field will miss the talents that Gene Bradley has brought to this endeavor, we are far from alone. The roster of world leaders lauding his efforts includes Ronald Reagan and Margaret Thatcher, as well as renowned economists such as Paul W. McCracken.

Mr. Speaker, I would like to share with my colleagues their letters to Mr. Bradley on the occasion of his retirement dinner and ask that they be included in the RECORD at this point.

RONALD REAGAN,
March 15, 1994.

Mr. GENE E. BRADLEY,
Honorary Chairman, International Management and Development Institute, Washington, DC.

DEAR GENE: Nancy and I want to send you our personal and sincere best wishes for a job well done!

Upon learning of your retirement, we thought back to your pioneering work at IMDI over the last twenty-four year, and how you had played an important role in building international understanding as well as expanding and strengthening world trade.

In the past, I had the distinct pleasure of addressing IMDI and I know how much the senior officials in my Administration valued their involvement in IMDI especially the Fowler-McCraken Commission.

We are confident that you will be most successful in your future endeavors as you apply that same sense of commitment, energy, and enthusiasm that was so aptly demonstrated in IMDI's success. You have our best wishes, in your new role, and as you continue to promote the spirit of international cooperation.

All the best wishes.

Sincerely,

RONALD REAGAN

MARGARET, THE LADY THATCHER,
HOUSE OF LORDS,
London, March 10, 1994.

MR. GENE BRADLEY: I am honored to join in the tribute to you for your achievement in founding and building IMDI. Its twin purposes of providing a forum to discuss matters between business and governments and to increase co-operation between the United States and Europe were important and timely.

Much has changed in industry and the services since you founded the IMDI 24 years ago. Indeed, the pace of change has never been faster: excellent management and strong leadership have therefore been key needs and I congratulate you on playing such a prominent part in providing them. I am sure you will take pleasure in your retirement by continuing to give advice to those who seek it!

MARGARET THATCHER.

THE UNIVERSITY OF MICHIGAN,
SCHOOL OF BUSINESS ADMINISTRATION,
Ann Arbor, MI, March 10, 1994.

Mr. GENE BRADLEY,
Washington, DC.

DEAR GENE: While it will not be possible for me to attend the dinner Tuesday evening, I do want you to know that Ruth and I will both be there very much in spirit.

IMDI has traversed a long road since that early conversation you and I had in Fontainebleau, now more than a quarter of a century ago. Yours has been one of those rare entrepreneurial performances where a gleam in the eye was brought to reality. That reality became an organization which brought the two sides of the Atlantic community closer together and to a closer understanding in each case of the other's problems and worries. The world economic scene is the better for this, and all of us are deeply indebted to you for your timeless, earnest, and effective labors.

Let me assure you that there is life after retirement, and I confidently predict that you will continue to be making constructive contributions to the international community.

Ruth joins me in extending to you our deep appreciation for what you have done, and our warmest good wishes for the contributions which are ahead.

Regards,

PAUL W. MCCRACKEN.

USAIR—BRITISH GOVERNMENT

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. CLINGER. Mr. Speaker, on Monday, March 14, 1994, Pennsylvania Governor Robert Casey addressed a letter to President Clinton, urging our Government to permit USAir to continue its code-sharing agreement with British Airways. The Governor also encouraged the President not to renounce our air services agreement with Great Britain.

USAir is one of Pennsylvania's largest employers and is the principal air carrier serving Pittsburgh and Philadelphia. Renouncing the code-sharing agreement would have dire economic consequences on the financial viability of USAir and would seriously threaten good-paying jobs of over 15,000 men and women who live and work in Pennsylvania.

I join with the Governor, urging the President not to cancel the code-sharing agreement and to continue negotiations with the British Government. At this point, I ask that the Governor's letter be reprinted in full.

COMMONWEALTH OF PENNSYLVANIA,
OFFICE OF THE GOVERNOR,
Harrisburg, PA, March 14, 1994
Hon. WILLIAM J. CLINTON,
President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: I am writing to encourage the U.S. Department of Transportation to act favorably upon USAir's renewal application for code sharing with British Airways. In addition, I urge your administration not to renounce the Bermuda II agreement.

The failure to renew code sharing could seriously jeopardize international service between Pennsylvania's two largest cities, Philadelphia and Pittsburgh, and London. These routes, which encourage international trade and investment in Pennsylvania, would not be viable without the code share passengers.

The prospective loss of code sharing, as provided for under the 1991 treaty, would be a blow to the vitality of the new Midfield Terminal at the Pittsburgh International Airport. Without the advantages of code sharing, there would be no incentive for British Airways to continue maintaining service to Pittsburgh.

USAir is the second largest private employer in southwestern Pennsylvania with more than 12,000 full- and part-time employees. Including the more than 2,300 employees in the Philadelphia region, USAir's total Pennsylvania work force is approximately 15,600. The airline has an annual economic impact in Pennsylvania of $10.9 billion.

The Pittsburgh International Airport is USAir Group's largest hub operation with more than 450 daily flights.

A decision to renounce the existing bilateral agreement between the United States and the United Kingdom would have a direct and negative economic impact on USAir and, consequently, on the Commonwealth. This could end the hope of any new service between the two countries, and might cause the discontinuance of current services provided by British Airways under terms of its agreement with USAir.

The immediate effect of renunciation of the Bermuda II agreement would be to jeopardize the jobs of more than 400 USAir employees operating British Airways flights under "wet lease" agreements.

The second and third stages of British Airways' planned investment in USAir could also be threatened by actions of the U.S. Department of Transportation.

I know that the federal government would not lightly consider the renunciation of an active trade agreement. Nevertheless, as the federal government reaches decisions on these matters, I can not stress enough the importance of the USAir-British Airways alliance to the future economic growth of the Pittsburgh region and all of Pennsylvania.

Thank you for your consideration of this important matter.

Sincerely,

ROBERT P. CASEY,
Governor.

DEFENSE POLICY AND SPENDING

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 16, 1994, into the CONGRESSIONAL RECORD:

DEFENSE POLICY AND SPENDING

Since the fall of the Berlin Wall the general consensus has been that military spending should decline. This has changed and we are at the start of the next debate about the future of defense policy and budgets. The debate has been focused by the completion of the Pentagon's Bottom-Up Review and by the President's statement in his State of the Union address that he was drawing the line against further cuts in defense beyond those already planned.

REDUCTIONS IN SPENDING AND FORCES

The end of the Cold War required that we adjust military forces and spending to the reduced threat. Defense spending has dropped considerably from the peak of the massive military buildup in the 1980s, about 23% since 1989 when adjusted for inflation. The cuts in spending have been matched by significant reductions in the size of the armed services. The military is approaching an overall reduction of 25% in size, with larger reductions in some areas, particularly nuclear weapons. This year, however, we will spend only 6% less (adjusted for inflation) than the Cold War average (1950–1989) on a force that is nearly 25% smaller in terms of numbers of soldiers and weapons than typical Cold War levels.

THE BOTTOM-UP REVIEW AND THE 1995 BUDGET

Last fall the DoD unveiled the Bottom-Up Review, its comprehensive attempt to identify the new threats to national security and the military forces necessary to meet them. The principal conclusion was that the U.S. needs to maintain the ability to fight and win, nearly simultaneously, two "major regional conflicts" (each comparable to the Gulf War). The Review determined that a force of 1.4 million active-duty personnel (currently between 1.7 and 1.6 million) would meet this requirement. The Army would be reduced from 14 active divisions to 10; the Air Force, from 16 fighter wings to 13; and the Navy, from 443 ships to 346.

The 1995 budget and five-year defense plan implement the Bottom-Up Review. The President plans to spend nearly $264 billion on defense in 1995 and $1.3 trillion over the next five years. Projected spending declines through 1997 but levels off in 1998 and 1999 as the base force is reached.

THE NEW DEBATE

The uncertainty of the current state of world politics makes any attempt to define the long term military needs of this country both difficult and controversial. We confront an unusual mix of hopeful and ominous developments. The emerging debate revolves around four broad issues and questions: 1) Requirements: What are the threats and necessary military forces to meet them? 2) Resources: Will our budgets provide enough resources to fully fund those forces? 3) Readiness: How can we best maintain forces that are ready to fight if necessary? 4) Reform: How can the Pentagon improve its methods of doing business? Congress will address these questions as it debates this year's defense budget.

REQUIREMENTS

The Bottom-Up Review has raised as many questions as it answered about the probable threats to our security and how to address them. Most controversial is the conclusion that the U.S. must maintain a force capable of fighting and winning two nearly simultaneous regional wars, without allied assistance. Both assumptions—two simultaneous wars and no allied support—are debatable. Critics argue that the planned force is excessive given the limited capabilities of potential enemies and the formidable capabilities of our allies. The U.S. and its allies (NATO members and Japan) currently account for about 70% of world military expenditures. We have the right to expect, and must insist on, reasonable contributions to world security from our allies.

RESOURCES

The administration argues that it has fully budgeted for its planned force structure, but that changes in inflation rates could change future funding needs. Some experts, however, dispute whether the armed forces will be fully budgeted in the last years of the five-year plan, even with low inflation. They argue that new procurement programs will begin to swell funding requirements beyond planned levels. One way to avoid funding shortages in future years is to cancel unnecessary defense programs. Advocates of this approach typically include such weapons as the Seawolf submarine, the CVN–76 aircraft carrier, and the F–22 fighter in that category.

READINESS

Readiness encompasses everything from weapons and training to pay and morale. The administration states that readiness is the highest priority in the defense budget. Critics argue that readiness has begun to deteriorate. All agree that, as far as weapons procurement, we have the best equipped armed forces today and for several years to come. Instead, those concerned about readiness cite what they see as emerging problems with maintenance backlogs, training schedules, and recruiting and retention trends. The main point of contention is whether the alleged signs of diminished readiness are real and indicative of long term problems or largely a product of the inevitable but temporary turbulence that accompanies rapid cuts and restructuring. Once the base force is reached and things settle down, we could discover that we have provided more than enough money for military readiness.

REFORM

The Clinton Pentagon is beginning a comprehensive reform of the Department's management and procurement practices. Reform is essential to our ability to maintain a strong and ready military with limited budgets. The major focus is on the military procurement process, where studies have shown that overhead expenses account for as much as 40% of procurement budgets (versus about 5 to 15% in the private sector). Several initiatives are in progress or under consideration. One is to have the services, where possible, jointly develop and build new weapons. Another is to maximize the use of commercial products. Too often regulations and unnecessary military specifications preclude purchase of off-the-shelf commercial products instead of specially produced military versions.

CONCLUSION

Everyone agrees that the new world, with all its problems, is a safer place for the U.S.

> than was the Cold War. The Soviet threat has greatly diminished, and no Third World challenge threatens to replace it. I believe, however, we must proceed with caution in cutting our military for several reasons: we still live in a dangerous, unsettled world; we have many calls on our military forces to help around the world; we do not yet have a consensus on the threats we face or a strategy to meet these threats; and it simply takes time to reorganize our military establishment. I would not argue there should be no future cuts in defense spending, only that we assess carefully where we are and what demands will be placed on our world leadership.

REPRESENTATIVE SHAW HONORS STARR CURTIS

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. SHAW. Mr. Speaker, the Children's Home Society in Miami, FL, recently recognized Starr Curtis, a volunteer with their organization. Ms. Curtis, a student at North Miami Beach Senior High School, has assisted with the arrangement and delivery of hundreds of "love packages" to abused and abandoned children living at the Children's Home Society. Along with fellow members of the National Honor Society at her school, Ms. Curtis began delivering "love packages" to children last Easter. They have continued to bring packages to children on Halloween and other special occasions.

Starr Curtis is an extraordinarily caring individual. Her endeavors on behalf of others are an inspiration to those around her. The Children's Home Society, North Miami Beach Senior High School, and the entire community are fortunate to have such an excellent leader and volunteer.

PROJECT HOMESTEAD

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. COBLE. Mr. Speaker, I recently had the privilege to meet with representatives of Project Homestead, a nonprofit group located in Greensboro, NC. Born in the African-American community 2 years ago, Project Homestead has been one of Greensboro's strongest and most effective voices on behalf of home ownership and self-sufficiency among low-income families.

On April 4, 1994, Project Homestead will dedicate the Simkins-Smith Center, a base of operations for its family service and housing programs. The center also will house a pictorial gallery on Greensboro's historic 185-year-old African-American community.

On that day, Project Homestead also will announce several major new programs, including ambitious plans for the creation of a new neighborhood where, for many years, crime and urban decay had created neighborhood blight and family pain. Project Homestead is demonstrating its commitment to family development with this exciting project.

North Carolina's senior Senator JESSE HELMS recently wrote to Project Homestead on the occasion of its receiving North Carolina's housing award for 1993. "Your contributions in improving the lives of those within your community are truly remarkable," Senator Helms wrote. "You are a testament to the hard work and dedication that made America great."

Of course, I would be remiss if I did not make mention of Project Homestead's inspirational founder, 34-year-old Elder Michael King. Reverend King's vision and leadership in this labor of love have put Project Homestead at the fore of organizations which work to help low-income families help themselves.

On behalf of the citizens of the Sixth District of North Carolina, we send our best wishes for great success to Project Homestead as it dedicates the Simkins-Smith Center. We are all excited as Project Homestead fosters enablement and new housing opportunities for homeless families, families in crisis, families with special housing needs, and families in search of the American dream of home ownership and self-sufficiency.

TRIBUTE TO BARBARA ANDERSON

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. BROWN of California. Mr. Speaker, I rise today to pay tribute to Barbara Anderson, in honor of her 19 years of dedicated service to the San Bernardino County Library. On March 31, Ms. Anderson will retire after a distinguished career in the field of library science.

During her tenure as county librarian, which began in 1974, great strides have been made toward improving library service to residents of San Bernardino County. Seven new branches have been built and others expanded. The library's branch expansion and development total 95,700 square feet of additional library space. The county library has led the area in computer automation of libraries. Recognition by the National Association of Counties came through seven NACO awards, the most recent being the establishment of state-of-the art archives program. Under Ms. Anderson's leadership, the county library has been involved in the California and national literacy campaign.

Ms. Anderson has served the San Bernardino County Library in her role as director as well as through her involvement in local and national library organizations. She serves as advisory board member to the California Youth Authority Libraries, and San Bernardino Valley College Library Technician Program, member and past Chair of the Inland Library System Administrative Council, past president of the California Society of Librarians, delegate to the first White House Conference on Information Services, and as an advisory board member of the University of Southern California School of Library and Information Services. In addition to this remarkable list of activities, she participates as a member of various State library network planning groups, representing the San Bernardino County Library system.

Her outstanding dedication extends not only to her profession, but also to the community. Ms. Anderson is on the board of directors for the YMCA of San Bernardino, a member of the NAACP and the National Council of Negro Women, a member and past president of the American Association of University Women, Riverside Branch, a past member of the board of directors for the Inland Empire Symphony and the Riverside Mental Health Association. Ms. Anderson also serves in many capacities at her church.

In recognition of her achievements and service, Ms. Anderson has been the recipient of the San Bernardino League of Women Voters Citizen of Achievement Award, Honoree of the Art and Culture Club of Lake Elsinore and Blacks in Government by the Riverside City College.

Mr. Speaker, I ask my colleagues to join me today in giving special recognition to Ms. Anderson on the occasion of her retirement.

ICJ JUDGE FINDS GENOCIDE IN BOSNIA-HERZEGOVINA, CALLS ON SECURITY COUNCIL TO RECONSIDER ARMS EMBARGO

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. HOYER. Mr. Speaker, I would like to draw my colleagues' attention to an opinion written by the distinguished jurist, Judge Lauterpacht, who has joined the International Court of Justice to hear the on-going case of Bosnia-Herzegovina versus Serbia and Montenegro. Thus far, the court has issued two preliminary orders that, regrettably, have done little more than restate the obligations of the Genocide Convention. The separate opinion of Judge Lauterpacht, however, is notable both for the clarity of its views and for its significance for policymakers.

In particular, Judge Lauterpacht draws the following conclusions:

> In the light of the material available to the Court in April 1993 and which has accumulated further since then, it is impossible to deny either the occurrence or the massive scale of these crimes. The evidence also indicates plainly that, in particular, the forced migration of civilians, more commonly known as 'ethnic cleansing', is, in truth, part of a deliberate campaign by the Serbs to eliminate Muslim control of, and presence in, substantial parts of Bosnia-Herzegovina. Such being the case, "it is difficult to regard the Serbian acts as other than acts of genocide in that they clearly fall within categories (a), (b) and (c) of the definition of genocide quoted above" [from the Genocide Convention], they are clearly directed against an ethnical or religious group as such, and they are intended to destroy that group, if not in whole certainly in part, to the extent necessary to ensure that that group no longer occupies the parts of Bosnia-Herzegovina coveted by the Serbs. "The Respondent [Serbia and Montenegro] stands behind the Bosnian Serbs and it must, therefore, be seen as an accomplice to, if not an actual participant in, this genocidal behavior."

The importance of these conclusions is more than academic. It relates directly to the request of Bosnia-Herzegovina to have the arms embargo lifted because it prevents Bosnia from exercising its right, under article 51 of the United Nations Charter, to self-defense. Moreover, Judge Lauterpacht suggests that the Security Council, when reconsidering the arms embargo in the future, should give specific consideration to the possibility that the arms embargo, by preserving a balance of weaponry that is favorable to the Serbs, may actually contribute to genocidal activity such as ethnic cleansing.

Mr. Speaker, we may be at a decisive juncture in this conflict that will make reconsideration of the arms embargo unnecessary. I would like nothing more. But experience suggests to me that this may not be the case. I have previously supported lifting the arms embargo for the simple reason that it wrongly denies Bosnia the right to self-defense that the U.N. Charter guarantees it. Judge Lauterpacht has presented yet another argument for the Security Council to renew its examination of the arms embargo against Bosnia-Herzegovina and, in my opinion, to lift it.

PROTECTING PORTLAND'S DRINKING WATER SUPPLY

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. WYDEN. Mr. Speaker, protecting the Bull Run watershed—the principal source of Portland's drinking water—is critical to preparing Oregon for the 21st century.

The Bull Run watershed now serves more than 20 water districts and 735,000 people in the Portland metropolitan area. By the year 2050, however, it will be the prime source of drinking water for over a million people. In future years, demand for this water, fueled by our population growth, can subject Oregonians to public health risks. Demand for Bull Run water is already starting to outstrip the supply.

Fortunately, our water is pure today. An independent scientific task force commissioner of public utilities, Mike Lindberg and I appointed in the mid-1980's said our water is chemically pretty close to rainfall. Our water is about as good as it gets.

Yet even the most modern water treatment system can break down. And when these systems fail, the results can be severe illness, even death, as was tragically demonstrated by what occurred in Milwaukee, WI, only last year.

With the additional demands from increased population, the day may not be far off when Portland has to begin using treated water from the Willamette or Columbia River to supply its residents—that is unless we take action now to ensure that the available sources of high quality drinking water are protected.

In addition, the independent scientific task force said that catastrophic fires in the Bull Run could have devastating impacts on our water. Logging activities can increase the risk of catastrophic forest fires. In fact, most of the fires in Bull Run since 1958 have been caused by logging activities.

Oregonians should not have to wait for disaster to occur before precautions are taken to reduce the risk. You do not play Russian roulette with water quality. You take bold action to make sure pure water is available for future generations.

There is another reason taxpayers should want to restrict logging in the Bull Run: If water quality becomes degraded by logging, the Federal Government will require the city to construct a new treatment/filtration system. The cost of these facilities, which Portland ratepayers would have to absorb, would be about $200 million.

Twice I have persuaded Congress that because of the quality of Portland's water, filtration was not required under the Safe Drinking Water Act. The prospect of continued logging in Bull Run would make it more likely that filtration would be required by Federal law.

For these reasons, I am introducing the Bull Run and Little Sandy Watershed Protection Act. I am joined in introducing this legislation by my friend and Portland colleague, Congresswoman ELIZABETH FURSE. This legislation is truly a collaborative effort not only involving the efforts of Representative FURSE and myself but also the leadership of Commissioner Lindberg, who oversees the Portland Water Bureau and has been at the forefront of the city's efforts to protect the Bull Run watershed.

Our legislation establishes the Bull Run watershed Protection Unit, a portion of the Mt. Hood National Forest that is permanently protected as a drinking water source. Timber activities would be limited in the Bull Run Protection Unit to the minimum necessary to construct additional water reservoirs or those that are the only effective method to protect water quality from catastrophic threat. New water quality standards are established to ensure that none of these activities has any long-term negative impact on water quality.

In addition to restricting logging, this legislation also restricts human access to the Bull Run and Little Sandy watersheds to persons performing activities to protect the forest and water resources. It also prohibits smoking and pesticide use, and restricts mining and geothermal activities and future hydroelectric development. The legislation also requires the Forest Service to develop a special fire management plan to address both human and naturally caused fires. Finally, the legislation provides mechanisms for monitoring compliance and enforcing the provisions of the act, including establishing a citizen advisory committee, imposing civil penalties, and allowing citizens to bring lawsuits against violators of the act.

I urge my colleagues to support this important public health and resource protection legislation.

TRIBUTE TO ESTELLE COOPER

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. ACKERMAN. Mr. Speaker, I rise today to join with the constituents of the Fifth Congressional District and the Queens Child Guidance Center in honoring Estelle Cooper, a most unique, dedicated, and giving individual.

After moving to the Borough of Queens in the early 1960's, Estelle quickly became a community activist. The area of community advocacy soon became her field of operation as she served as president of the boroughwide Queens Tenants Association. Estelle made political history in 1968 when she became the first woman from Queens to win a nomination to run for the New York State Senate. Her talents also extended into the private sector and she served as vice president of the United Buying Service.

Estelle has gone on to create a model of what we can call selfless community service. The Queens Red Cross, the Botanical Gardens, and Vision Services to the Blind represent a few of the groups who have benefited from her involvement. In addition, Estelle has developed a reputation of being an unofficial ombudsman for the community. All who know her are aware of her ability to help others.

Her professional life has not deprived her of a personal life. She and her husband Adrian have two children who have blessed them with three grandchildren.

Mr. Speaker, in an age where we look for heroes and people willing to take up the cause of a better society, I am most proud to ask my colleagues to join me in honoring Estelle Cooper.

TRAGEDIES OF CHILD ABUSE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. SOLOMON. Mr. Speaker, I rise to support raising awareness of the tragedies of child abuse. This problem remains a terrible scourge on our society and Congress must rise to the task and recognize it as such.

As a parent of three sons and two daughters, I understand the pressures and demands which raising children from infancy to adulthood places upon parents. We are called to raise our sons and daughters to be responsible members of society. To do that, it's proper that we use constructive criticism and appropriate discipline to help correct our children when they make mistakes and to encourage them to keep on the right path.

However, appropriate discipline is one thing; child abuse is something else. It outrages me to hear stories of parents who treat their children as lightning rods for their frustration and anger. This misconduct unconscionably harms the child and serves no good purpose. It never constructs life; it destructs it. For that reason, child abuse must be discouraged and, in appropriate cases, punished.

Recently, I received a recording of a song by Jessica Layton, a young lady from my congressional district in upstate New York. I must say that her special talent and the important message she conveyed moved me greatly. If only every parent could listen to her message the next time their nerves get a little frayed or their tempers get a little hot. I think you will agree that hearing Jessica's song would make them stop and think twice before they abused their children.

After listening to the song, I would encourage you to support House Joint Resolution 68, a joint resolution sponsored by our colleague

RON COLEMAN which would designate April 1994 as "National Child Abuse Prevention Month."

I'M JUST A LITTLE KID

(Music by Cici Hunt, lyrics by Wes Caswell, Cici Hunt, and Hayley Hunt)

You hurt me when you hit me.
I just don't understand.
Sometimes you say you love me
With hugs and kisses,
And then suddenly you're angry
What was it that I did?
I'm afraid, please don't hit me.
I'm just a little kid.

You hurt me when you hit me.
I really want to cry.
I hold my tears inside me,
And then I wonder why.
Don't you love me anymore?
What was it that I did?
I'm afraid, please don't hit me.
I'm just a little kid.

I know I make you angry,
But what do you expect.
I'm just a little kid,
And God's not finished with me yet.

So love me, don't hit me.
Tell me what you need.
Talk to me, I'll listen.
All I ask is, please,
Can't we find another way?
We'll be glad we did.
Love me, love me.
I'm just your little kid.
(Copyright 1992)

VICE PRESIDENT HONORS NEW YORK VA BENEFITS OFFICE

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. MONTGOMERY. Mr. Speaker, on March 11, Vice President AL GORE presented the first National Performance Review Hammer Award to the New York City regional benefits office of the Department of Veterans Affairs in recognition of its commitment to improved Government service.

I know my colleagues will join with me in congratulating and commending Joe Thompson and the staff of the New York City regional office for their initiative, dedication and hard work. They bring great credit to VA and to the Federal Government through their achievements, which can serve as a model for other offices both within VA and in other Government agencies.

What this office did was streamline, or reinvent, the procedure for adjudicating veterans' claims for benefits through a team concept approach. Instead of an assembly line process, whereby an individual performs a single task and passes the paperwork along, team members assume broader responsibilities and increased personal interest in each case. In other words, a veteran works with the same people from start to finish. This has several results: First, a veteran receives a timely decision of greater quality; second, there is improved customer—veteran—satisfaction; and third, employee morale and sense of mission is enhanced.

This innovative process, which is still being developed, is now being applied to approximately one-half of the claims filed by veterans through the New York VA regional benefits office. It should be noted that other VA offices have established pilot efforts to improve efficiency.

I would like to share with my colleagues the following Washington Post account of the award ceremony:

GORE PUTS THE HAMMER DOWN

(By Stephen Barr)

There have been some great moments in "reinventing government"—the forklift on the White House South Lawn loaded with documents wrapped in red tape, the vice president smashing a glass ashtray built to government specifications, the wheelbarrow full of redundant personnel regulations and the streamlined fish ladder.

Now, there's a hammer—Vice President Gore's award to honor successful reinventions across the government.

The first National Performance Review Hammer Award, presented by Gore on Friday, went to the Veterans Affairs New York City regional office for improving services to veterans.

"You've heard the old song, 'If I had a hammer,' " Gore began. "You also heard, as I have over the years, about the legendary $600 hammers that the government buys, and you may also have seen the hammer that I used to break the ashtry on the David Letterman show.

"We decided that the very first $6 Hammer Award should be presented to the New York Veterans Affairs regional office. Thanks for building a government that works better and costs less."

The crowd broke into applause as Gore handed the hammer to members of the New York staff, led by regional director Joseph Thompson, an Air Force veteran.

Gore told the crowd he would present other hammers this year as he begins a second tour of departments and agencies to celebrate reinvention success stories. He devoted his first stop Friday to the importance of customer service.

Taxpayers deserve service equal to or better than that provided by the best private companies, Gore said, noting that President Clinton last year issued an executive order directing agencies to set customer service standards.

The order also asked agencies to survey their customers to determine their satisfaction with existing services, to post service standards and measure results against them and to provide the means to address customer complaints.

Gore said the Internal Revenue Service, the U.S. Postal Service and the Social Security Administration have undertaken projects aimed at improving the products and services they provide citizens.

Referring to Clinton's executive order, Gore said, "In the past we have designed programs and systems to satisfy bosses, now the boss is telling us to design programs and systems that satisfy the customer. That is the critical difference."

Before presenting his award, Gore talked with Thompson, VA case manager Kelly Chicko and Leonard Davis, a Vietnam veteran who has received medical and education benefits from the VA.

The New York office, which administers benefits such as disability compensation, pensions, education and home loan guarantees, has revamped its claims processing. The 25 steps that once were spread among a dozen or more employes have been cut to eight. Teams now handle a veteran's case from beginning to end.

Davis said in the past he experienced "a lot of frustration" dealing with VA offices that could not answer his questions and could not tell him the status of his claims.

At the New York office, he said, "As soon as I called up, there was an immediate difference. . . . I've always dealt with the same person."

He added that "from my perspective . . . I had a very positive experience."

TRIBUTE TO NATHANIEL BENNETT

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. SABO. Mr. Speaker, I rise to recognize the efforts and achievements of an outstanding young man from my hometown of Minneapolis, MN. He is Nathaniel Bennett, a junior at South High School and the national winner of the Voice of Democracy broadcast scriptwriting contest. The contest, sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary, encourages the youth of America to explore patriotism and study the history of our Nation. For his keen insight and his ability to express his Commitment to America, Nathaniel will receive a $20,000 scholarship from the VFW.

Winning this award was no easy task. Nathaniel competed with more than 138,000 students from more than 2,800 schools across the Nation to win the top honor. This accomplishment is a prime example of what our young people can achieve if given the resources and encouragement. His parents, Scott Bennett and Margy S ein, should be proud. They should be applauded, and the VFW should be recognized for its continuing devotion to America's youth.

Nathaniel's commitment to excellence is a model to which all young people should aspire. It is a pleasure to take time to honor this young man who is a first-rate citizen and a fine representative of our State.

I would now like to share with you Nathaniel's winning entry.

MY COMMITMENT TO AMERICA

(By Nathaniel Bennett)

All of us can think of a commitment that we've made to someone else, in marriages, in families, and with friends. Commitment means people pledging themselves, often to each other. My commitment to America is no different. It involves America and I pledging ourselves to each other. For America's part, I have been welcomed by my family, my community, a government that is of, by and for the people, and by a society that has made this country great. To make the relationship between my nation and myself work, I must make my own commitment.

I have always felt a commitment to America, but only recently thought about what that commitment really is, I have pledged allegiance to the flag and to the republic for which it stands, but never fully understood the meaning of allegiance. I studied the Constitution, and discovered that it explains what the government can and cannot do, and gives the people certain rights, but nowhere in the Constitution does it mention a legal commitment. To understand my commitment to this country, I had to look deeper than the letter of the law. I had to look at the moral principles that America is based on, such as freedom of expression, toleration of differences, and belief in peaceful compromise. I had to realize that I, and every other American, must make a moral commitment to America.

As part of that commitment, it is important that I exercise my right to vote, my right to free speech, and my right to petition the government. Still, this is not enough. I must also contribute to society in my own, individual way. America is not only a political state, it is a society that was shaped by many people, in many ways.

Many of the greatest Americans were not involved in politics. If Mark Twain had been a career politician, we would not have his novel, *Tom Sawyer*, and we would not know how fun and profitable it can be to whitewash a fence. If Alexander Graham Bell had spent his life studying Constitutional law, we might still be communicating by Pony Express. If the father of the sky-scraper, Louis Sullivan, had been a Washington lobbyist, the world of architecture would be less interesting and a lot shorter. If Harriet Tubman had been a member of the Lincoln's cabinet, there would have been many slaves that never made it to freedom. The point is not that these people weren't making political statements. Of course their lives reflected their political opinions. The point is that they contributed to society in their own way.

Right now, I am experimenting with a few ways to express my commitment to America. I'm no Ansel Adams, whose pictures inspire awe of our nation's natural beauty, but I do take photographs of my surroundings that express my commitment to America. One of my pictures is of a building with a billboard displaying the message, "Support our troops in Operation Desert Storm." Below the billboard, on the building are the words, "Troops Out" in black spray-paint. When I took the photograph, I thought of it as merely an ironic urban scene, super-imposing two messages into one image, but now it seems to me it is an example of the American forum. The maker of the billboard, the maker of the graffiti, and I, the maker of the photograph, all considering America's direction.

I'm not on a par with Bob Dylan, the American troubadour, but I play the bass guitar and occasionally I write songs. One of them called "Indecision" describes an inner struggle. Two lines read, "I try to communicate. I do so with perseverence. But hypocrisy retaliates with its interference." The tunes and lyrics are simple, but the song reflects my occasional frustrations about life.

And what about this speech? I do not think the great American orator, Fredrick Douglas, will lose his place in history because of me, but I am using this speech to explore and explain my commitment to America. It made me think about how my photography and music reflect that commitment. Even now, as I recite, I gain more insight into who I am and what my commitment to America means.

I've discovered that I treasure the freedom of expression that allows me to contribute my music, my photography, and my opinions to American society. My whole generation and I experience this freedom because of many Americans before us; Americans who have given their ideas in political speeches, in songs, in stories, and in actions; Americans who have worked in factories and universities and grocery stores; Americans who have given their loyal services and even their lives, in the armed forces. In response to and in honor of those Americans, I contribute my ideas, my talents, and my life to America in order to make it better now and for generations to come. This is my commitment to America. It is the greatest commitment that I can make.

75TH ANNIVERSARY OF THE AMERICAN LEGION

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. QUINN. Mr. Speaker, this week marks the 75th anniversary of the American Legion and I rise today to salute its founders and all members of this distinguished organization.

As a member of the House Committee on Veterans' Affairs and through my work back in my district in western New York, I have been fortunate to see the American Legion in action.

The American Legion is our Nation's largest veterans association and has been tireless in its mission—to make certain our Nation's veterans' needs are adequately provided for; to ensure that our service men and women's sacrifices and contributions are recognized; and to preserve patriotism.

Besides working hard for their fellow veterans, I believe what distinguishes the Legion is its members' strong commitment and investment in our Nation through community service—particularly with our youth.

Post-sponsored teams such as American Legion Baseball provide many kids with activities that help them learn the value of teamwork and old-fashioned fun. Programs like American Legion Boys State and Boys Nation help our young people develop civic leadership and pride.

The Legion supports the American Legion Child Welfare Foundation which awards millions of dollars in grants to youth projects such as Big Brothers and Big Sisters, the Association of Birth Defect Children, and the Reyes Syndrome Foundation.

Educational assistance programs, scholarship and financial aid information help students continue with their education. The Legion often cohosts with schools, civic groups and parent groups to sponsor programs on drug abuse resistance, indoor and outdoor safety tips, and so on.

Mr. Speaker, I am proud to mark the 75th anniversary of the founding of the American Legion. It is one of many tributes the Legion so well deserves. It is certain their service through a variety of programs will continue to benefit our veterans, their families, and other citizens of this Nation.

TOWING SAFETY ACT

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. STUDDS. Mr. Speaker, today I am introducing the Towing Safety Act, legislation that will greatly improve the safety of our tug and barge industry. The need for this legislation has been highlighted by two very serious accidents involving tugs and barges in the past 6 months. On September 22, 1993, the tug *Mauvilla* pushing six barges struck the Big Bayou Canot Bridge near Mobile, AL, knocking the bridge's railroad track 41 inches out of alignment. AMTRAK's Sunset Limited train derailed because of the misaligned track and 47 people were killed. On January 7, 1994, the barge *Morris J. Berman*, adrift after its towline broke, struck a coral reef off the coast of San Juan, PR, and spilled 600,000 gallons of oil, fouling pristine beaches and killing a variety of fish and wildlife.

While these two are the most infamous recent tug and barge accidents, they are not isolated instances. On January 19, 1994, a barge struck a bridge over the Bayou Bouef, in Louisiana, knocking its railroad tracks 6 inches out of alignment. Fortunately, the bridge tender notified AMTRAK, and the Sunset Limited train—the same one that crashed in September killing 47 people—was stopped 10 minutes away from the damaged bridge. On February 10, 1994, the tug *Edwin Bisso* struck the ferry *St. John* on the Mississippi River near New Orleans, injuring 12 people. The Interstate 55 Memphis-Arkansas Bridge was closed for 6 hours on February 21, 1994, after a tow boat pushing 45 barges lost power and struck the bridge. On February 24, 1994, the tug *John J.D.* capsized and sank in the Ohio River near Ashland, KY. Fortunately, the tug's crew was rescued from the water. And just last Friday, the barge *New Jersey* struck the west side of the Interstate 76 bridge in Philadelphia, spilling a portion of its 715,000 gallon fuel-oil cargo. A steering malfunction on the tug is thought to have caused the accident.

All of these accidents have one thing in common, they involve uninspected towing vessels. These vessels are immune from inspection by the U.S. Coast Guard, a fact that makes them unique among all other sectors of the maritime industry.

According to the Coast Guard's own report of December 6, 1993, entitled "Review of Marine Safety Issues Related to Uninspected Towing Vessels," there were 12,971 marine casualties involving uninspected towing vessels between 1980 and 1991—1,080 accidents per year or an average of nearly 3 each and every day.

The Coast Guard's study found that 59 percent of these accidents were directly related to personnel errors and 16 percent were attributable to equipment failures. This is not a safety record to be proud of. The legislation I am introducing today will impose requirements for towing vessel inspection, and tighten those for equipment, manning, and licensing, so that we may reduce accidents and provide greater safety for commercial traffic on our waterways and for the public traveling in and over these waterways.

The Towing Safety Act would make all towing vessels that push or pull inspected barges, regardless of size or where they operate, subject to Coast Guard inspection. The Coast Guard, or its designee, would inspect towing vessels at least once every 2 years to ensure that they carry appropriate safety and navigational equipment and are in compliance with applicable marine safety laws. Under current law, only towing vessels over 300 gross tons that operate seaward of the Boundary Line—basically the shoreline—are inspected.

My bill creates a requirement that towing vessels carry: (1) radar; (2) electronic position-fixing equipment; (3) adequate communications equipment; (4) a sonic depth finder; (5) a compass or swing meter; (6) adequate towing equipment; and (7) up-to-date navigation charts and publications. The tug *Mauvilla* did not carry even this most basic navigation equipment. The Coast Guard is authorized to modify or add to this list of equipment if the needs of a particular area dictate.

The Towing Safety Act would require all towing vessels to be operated by licensed masters and mates and these officers would have to demonstrate their proficiency in operating the newly required equipment. In addition, license applicants will have to demonstrate their ship handling skills on a towing vessel or a towing vessel simulator. Under current law, an applicant for an uninspected towing vessel operator's license only has to pass a written test; an actual demonstration of ability to operate a vessel or its equipment is not required. To get a driver's license you have to demonstrate proficiency by actually driving a car; it only makes sense to require an operator of a towing vessel to demonstrate proficiency at driving a towboat. The bill also places a limit on the number of times an applicant can take a license exam.

The bill would increase the manning requirements of uninspected towing vessels in several ways. First, it requires everyone involved with the operation of a towing vessel to carry a merchant mariner's document. This requirement would allow the Coast Guard to remove a person who is incompetent or has a drug or alcohol problem from the industry by revoking his or her document. Second, the proposal would require towing vessel crews to consist of a minimum of 65 percent certified able seamen. To obtain this rating, a person must have worked in the towing industry for a minimum of 18 months. Third, all towing vessels, regardless of size, would be operated by a Coast Guard licensed master. Finally, towing vessels of 100 gross tons or more would have to carry from one to three licensed mates depending on the size of the vessel.

The Towing Safety Act is a comprehensive bill which addresses all aspects of towing safety, licensing, manning, equipment, and inspection. I look forward to working with the towing industry, the Coast Guard, and anyone else who shares my concern about the safety of our towing industry to achieve its enactment.

TRIBUTE TO DOUG BARNARD

HON. DON JOHNSON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. JOHNSON of Georgia. Mr. Speaker, I rise today to pay tribute to a former colleague of ours, Doug Barnard, and his lovely wife, Nopi, who passed away only weeks ago. Doug represented the 10th District of Georgia for 16 years. His record of service and dedication to the people of eastern and central Georgia has certainly set a high standard for me.

Doug Barnard served on the House Banking Committee and the Government Operations Committee, ultimately chairing the Commerce, Consumer and Monetary Affairs Subcommittee. From his position on these two committees, he was a pivotal player for over a decade in shaping banking policy. Doug was responsible for legislation to eliminate artificial caps on interest rates paid on consumer bank accounts and to pay interest on checking accounts. He rewrote legal standards for real estate appraisals that will protect financial institutions from future losses such as we witnessed in the savings and loan failures in the 1980's. And he introduced the first legislation to modernize the 1930's Glass-Steagall Act thereby enabling banks to offer a full range of services to their customers.

In 1982, Doug passed into law legislation for the minting of a 50-cent coin to mark the 250th anniversary of the birth of George Washington. This law represented the first time in modern history that profits from such a coin went to the Treasury rather than a private organization. The George Washington half dollar raised $80 million that were dedicated to deficit reduction. I tell you, there are a lot of people in Congress today who would jump at the opportunity to save $80 million.

Doug is not a man to rest on his laurels. In his final term in office, he worked tirelessly to authorize a series of coins commemorating the 1996 Atlanta Olympic Games. This money will help support our athletes in the Atlanta Games—an event I know will fill everyone in Georgia with pride.

But I don't want to leave you with the impression that Doug was only concerned with financial affairs. Under his chairmanship, his committee held hearings that led ultimately to increased safety regulations of all-terrain vehicles and limits on their sale to minors.

Mr. Speaker, in my opening paragraph I said that Doug represented the 10th District. I should have said that Doug and Nopi represented the 10th District.

The job of a congressional spouse is not an easy one, but it was one that Nopi carried off beautifully. In addition to raising children, paying bills, writing a regular column, and holding down a fulltime job at Augusta College, Nopi was often called on to stand in for Doug. I hear that some people preferred it that way. She gave speeches for him, attended receptions for him, and represented him at rallies. The 10th was truly blessed to have two representatives.

As a freshman trying to uphold the legacy of Doug Barnard's service to the 10th District, I have found his advice and counsel to be invaluable. On many occasions I have picked up the telephone and given him a call, or stopped by to see him when I was in his hometown of Augusta.

I am pleased to join his many friends and his family in celebrating his service and wishing him well in his life after Congress.

THE LAND OF OPPORTUNITY

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. TAYLOR of North Carolina. Mr. Speaker, I rise today to address a problem of great importance to the people of this Nation. Increasingly, the world perceives the United States as a community chest of Federal benefits available for the taking instead of a land where success is achieved through hard work and perseverance. The liberal Federal entitlement policies of the past several decades directly caused this unfortunate view of America, and this body alone holds the ability to correct the misconception. Our country continues to grow and improve because of the diversity of cultures brought to it by a constant flow of immigrants. If we shut our borders completely, American culture would stagnate and eventually deteriorate. Unregulated immigration, on the other hand, creates a burden that even the strongest economies cannot support. We, therefore, must rethink our immigration policies to ensure that the perception of America as the "Land of Opportunity" means the opportunity for success through hard work and personal responsibility. To that end, I am introducing the Immigration Reform Act of 1994 and its companion amendment to the Constitution.

These bills attack our immigration problem in four ways. First, the Immigration Reform Act lifts the incredible burden criminal aliens place on our State and Federal criminal justice systems. On the Federal level alone, over 27 percent of inmates in prison are classified as "non-citizens." To feed, shelter, and clothe these convicts, it costs the American taxpayer over half a billion dollars a year. An abundance of legislation already exists that would provide for expedited deportation hearings in these cases. The Immigration Reform Act, however, mandates that immediately upon conviction of a felony, a criminal alien must be deported as part of his or her sentence. Since no court decision explicitly requires an administrative deportation hearing, the due process requirements can be satisfied by affording the alien an opportunity during trial to present evidence and testimony that he or she should not be deported. Recently, the 11th Circuit Federal Court of Appeals supported this procedure in its decision in United States versus Chukwura. The court held that a criminal trial and subsequent sentencing procedures satisfy the due process requirements for deportment. In many cases, however, the alien may avoid punishment if returned to his or her country of origin. The Attorney General can, in that situation, defer the deportation. Moreover, in order to attack this problem on the State level, a State attorney general may petition the U.S. Attorney General to deport criminal aliens in his or her State prison system. By eliminating the burden caused by criminal aliens, we alleviate prison overcrowding and save the American taxpayers a considerable sum of money.

Second, we must discourage the mass exodus of people crossing our borders coming to live off the hard work of taxpaying citizens and legal immigrants. The Immigration Reform Act removes the incentives for aliens attempting to enter or remain in this country illegally by prohibiting them from receiving any type of direct Federal financial benefits. This legislation cuts off all unemployment benefits to aliens without a work permit. It stops all welfare payments and food stamps to illegal aliens. It prevents them from benefiting from the Social Security trust fund, and it limits federally funded emergency medical treatment to 30 days. Tighter border controls help, but until we eliminate the financial advantages of illegal immigration, the flood of people across our borders will continue unabated.

Third, we must implement more sensible regulations and procedures for those attempting to immigrate to our country. Currently, we provide for the exclusion of any immigrant infected with certain contagious diseases as determined by the Secretary of Health and Human Services; however, the Secretary may change this list at any time. This power provides the administration with a political tool rather than a means of protecting the American people from disease. The Immigration Reform Act prohibits all immigrants known to have gonorrhea, syphilis (infectious stage), infectious leprosy, HIV, and active tuberculosis from immigrating to the United States. Moreover, the current political asylum hearing process opens a wide door for anyone wishing to enter the country. Because they are allowed entrance while their hearings are pending, political asylum claimants are often in the country for years before their asylum hearings are held. This bill seals the door shut by requiring the INS to detain candidates until all hearings are complete, and it has been determined that they deserve political asylum.

Lastly, when the States ratified the 14th amendment on July 9, 1869, they failed to realize the long-term ramifications of extending citizenship to all persons born in the United States. Today, the lure of unrestricted citizenship and all the benefits that accompany it bring a deluge of illegal immigrants across the border to bear their children. Even if the border patrol returns the parents to their home country, they know their children will be supported for life through the American welfare system. This provision in the 14th amendment helped build America in the time of westward expansion and industrial growth. Now, however, it is more of a detriment than an advantage—especially in areas like southern California and Florida. My joint resolution, therefore, proposes that we change the 14th amendment to no longer extend citizenship to children born in the United States to illegal aliens. We are a nation of immigrants; therefore, the extension of citizenship to those persons born to legal immigrants in this country must be preserved. How can we justify granting the privileges of citizenship to those who choose to ignore our laws while piling restrictions and red tape on immigrants trying to become citizens through the proper channels? A constitutional amendment is not to be taken lightly, but in this situation, it provides the best solution to an expanding problem.

Finally, Mr. Speaker, until we completely restructure our perspective and our policies on immigration, the world will continue to view America as the land of the free ride and the home of the artful dodger. By enacting my immigration reform package, this Congress can effectively remove the incentives for illegal immigration, rid our streets and jails of criminal aliens, and protect our residents from harmful or fatal diseases. Moreover, this legislation accomplishes these goals without instituting xenophobic measures that would severely restrict or eliminate the legal immigration vitally necessary to the survival of this country and its unique culture. I sincerely hope that my colleagues possess the foresight to realize the importance of these proposals and take swift action to restore the proper perception of America as the "Land of Opportunity".

A BAD INVESTMENT? ONLY POLITICS? NO; WHITEWATER IS MUCH MORE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues the following editorial from the March 16, 1994, edition of the Omaha World-Herald.

[From the Omaha World-Herald, Mar. 16, 1994]

A BAD INVESTMENT? ONLY POLITICS? NO; WHITEWATER IS MUCH MORE

Hillary Rodham Clinton asks the public to believe that Whitewater is mostly about a bad investment that she and her husband made in the late 1970s. President Clinton contends the matter has been blown out of proportion by the press and by partisan Republicans.

But Americans can't afford to turn away from questions that Whitewater has raised. The questions go far beyond whether the Clintons made or lost money in their partnership with James and Susan McDougal. The Clintons' problem is the product of the apparently anything-goes ethical standards of a small Southern state capital—standards that were imposed on the executive branch of the federal government by the Clintons and the Arkansas associates and old friends they placed in positions of power.

The resignation Monday of Associate Attorney General Webster Hubbell creates a high-level vacancy in an executive department that had already suffered from Clinton's failure to make timely appointments. Hubbell was apparently a victim of allegations that followed him to Washington from Arkansas.

Hubbell, a former partner of Mrs. Clinton in the Rose Law Firm, said he is leaving the Justice Department to deal with accusations that he overbilled the Rose partners while a member of the firm. Rose lawyers are also upset with Hubbell because he ran up $500,000 in litigation costs for a brother-in-law who refused to pay.

Questions have also been raised about how Hubbell, as a Rose attorney, could have ethically represented the federal government's Resolution Trust Corp. in the failure of McDougal's Madison Guaranty Savings and Loan firm when Mrs. Clinton, also a Rose attorney, had previously been an attorney for Madison. Investigators are trying to learn whether Hubbell told the RTC, which is in charge of the government's S&L bailout, of the work that Rose had done for McDougal. They are trying to find out whether he told his client, the RTC, that members of his family had extensive dealings with Madison.

The administration handled Hubbell's exit with expressions of regret that bordered on dissembling. Clinton said he accepted the resignation with profound sadness. Attorney General Janet Reno praised Hubbell as a tireless crusader for justice. Hubbell said he came to the decision after a weekend of reflection about his obligations to his family. Others passed the word that the Clintons had not talked to him about resigning.P

But The New York Times reported that Mickey Kantor, the U.S. trade representative, "emerged as a broker in Hubbell's weekend discussions," holding conversations with Hubbell and with Thomas F. McClarty, the White House chief of staff. Finally Kantor told McClarty that Hubbell had decided to resign. McClarty told Clinton. Only then did the President telephone Hubbell.

The misguided spin attempt only made the administration appear more devious at a time when it badly needs credibility.

Another transplant from the Rose Law Firm, Vincent Foster, had been working on Whitewater documents the day he was found dead in a Washington-area park last July, an apparent suicide. The White House has yet to explain why Foster's boss, Bernard Nussbaum, sneaked the documents out of Foster's office before investigators were let in.

That's the same Bernard Nussbaum, an old friend of Mrs. Clinton, who was forced to resign this month for arranging Whitewater briefings at which White House staff members discussed information they weren't entitled to have. The information came from an RTC report indicating that the Clintons had benefited from the misuse of funds from Madison Guaranty. In effect, Nussbaum used the machinery of the federal government to help the Clintons deal with their legal problems.

Funds may have been channeled from Madison to Clinton's campaign treasury, the RTC investigators said. Questionable record-shredding may have taken place this year in Foster's former office in Little Rock and in the governor's mansion before the Clintons left for Washington.

David Hale, a former municipal judge who headed a Little Rock finance company, testified that he was twice pressured by Clinton, then governor, to channel a $300,000 Small Business Administration loan to a company controlled by Susan McDougal. Hale said the federally guaranteed loans he helped make to the friends of prominent politicians, including Clinton, made a mockery of the government's intent that the money be used to help black people who were trying to get started in business.

Documents suggest that Mrs. Clinton, as her husband's chief political adviser, sometimes crossed the line between professional and power broker when doing business with Arkansas officials who owed their jobs to her husband.

The possibility exists that the Clintons don't know about everything done by overprotective friends and associates to help the first family. But enough has come to light to suggest the existence of serious flaws in the moral compass that the Little Rock contingent carried with it to Washington. For the good of the country and the health of the government, the suspected flaws need to be examined, brought to light and corrected.

CUBA'S STRUGGLE FOR FREEDOM

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Ms. ROS-LEHTINEN. Mr. Speaker, on February 24, the Cuban people celebrated the 99th anniversary of the beginning of their war of independence.

For many years, Cuban patriots bravely fought against the Spanish colonists who denied them the freedom and rights inherent to all people.

The Cuban people today live under similar slave conditions, as they have been subjected for 34 years to one of the most cruel tyrannies the world has ever known.

Today, as yesterday, the Cuban people inside and outside the island continue to unrelentlessly fight for the restoration of a democratic government which protects human and civil rights, as Cuba's great patriot Jose Marti dreamed of.

I pay a tribute of respect and admiration to the Cuban people in their continuous struggle to liberate the island from the chains of repression that holds them hostage.

This week in Washington, many from my congressional district have come to show a vivid portrayal of the tragic dimensions of the human rights violations committed daily in Cuba.

I congratulate all who fight for Cuba's freedom.

TRIBUTE TO ROBERT LESLIE WHITT

HON. RICHARD H. BAKER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. BAKER of Louisiana. Mr. Speaker, I rise today to pay tribute to Robert Leslie Whitt for his life-long dedication and service to the county of Alexandria, LA. The city of Alexandria sets aside March 19 of this year as a day to honor Mr. Whitt for his 20 years of service as director of the Alexandria Zoo.

Mr. Whitt has been credited with establishing the Alexandria Zoo as one of 300 nationally accredited zoos in the country. Currently, he serves as the first and only director of the Alexandria Zoo, and has recently been recognized as one of 12 outstanding civil service workers in the State of Louisiana. He is the first Alexandria resident to receive this honor.

I commend Mr. Whitt for a job well done, and I sincerely admire his faithfulness and dedication to the Alexandria community and the State of Louisiana.

REEXAMINE USAIR—B.A. DEAL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. GINGRICH. Mr. Speaker, trade tensions have our economic policies and priorities focused on Japan. But in the rush to deal with closed markets in one country, we must not allow ourselves to be blindsided by a protectionist threat from another.

The culprit in this case is not Japan, our venerable Asian economic rival, but the United Kingdom, one of our closest and largest European trading partners.

In the days to come, our Government may be forced to make trade policy decisions related to the United Kingdom no less serious than those we face in regard to Japan. Moreover, the outcome could well affect the credibility and success of future U.S. efforts to open markets around the world.

The clock is winding down to the March 17 decision on renewal and possible expansion of the alliance between British Airways and USAir. Our Government granted conditional, provisional approval of that relationship a year ago, on the assumption that it would encourage the United Kingdom to conclude a long-sought agreement offering freer, more open competition in international aviation.

Despite the best efforts of the U.S. Government, negotiations on a new aviation trade agreement have yielded little substantive progress. Over the course of five formal negotiating rounds and numerous other informal contacts, the United Kingdom has rejected United States calls for more competition and reciprocal access to international markets—the principle at the heart of our trade policy.

Instead, the United Kingdom has pursued policies intended to keep United States airlines at a clear disadvantage in their ability to serve the United Kingdom and beyond as its major carrier, British Airways, pursues unfettered access to the United States through the alliance with USAir.

That imbalance is no longer tolerable—not just in view of the disappointing record of the United States-United Kingdom negotiations over the last year, but in view of the challenges Japan and other countries pose to the United States commitment to free and fair trade.

The threat from the United Kingdom in aviation is no different from the one posed by Japan in cellular telephones or auto parts. As we work to open markets around the world, in some cases country by country, our incremental efforts cannot and must not be considered in isolation, but as part of a broad, coherent international trade strategy.

In each case, we should be clear, consistent, and resolute—mindful that other countries are watching to see how we respond, and will tailor their own strategies accordingly.

That defines the high stakes in the current showdown with the United Kingdom.

The United Kingdom wants universal access to the United States, the largest, most lucrative aviation market in the world, while keeping its own carriers comfortably shielded from United States competition in their protected home market.

If we are going to demand more open markets in one country, we must do no less in another. Taking tough action against market barriers in Japan while settling for them in the United Kingdom sets a double standard that undermines our overall trade policy efforts in the global arena. We should move on both fronts to send a clear signal of United States intent to seize every opportunity to create a more open, competitive marketplace for world trade.

INTRODUCING THE SAFE PUBLIC HOUSING ACT OF 1994

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. WYDEN. Mr. Speaker, today I rise to introduce the Safe Public Housing Act of 1994. Across America over 3 million of our citizens live in public housing projects and most live in fear. In too many public housing communities, the children cannot go safely outside to play, and the residents can't sit on their stoops to visit. At bedtime, the doors are bolted and the beds placed strategically far from windows that might be shattered by stray bullets.

The fact is that the rate of violent crime and drug offenses is far higher in public housing than in other neighborhoods. In a Rand Corporation report, researchers found that public housing often had between 2 and 6 times as much violent crime as surrounding neighborhoods.

No American deserves to live in this state of siege. Like most Americans, the majority of public housing residents are law-abiding citizens. They want a safer community, and they deserve one. Several years ago, residents of Columbia Villa, a troubled public housing development in Portland, OR, approached my staff about what might be done to control gun violence in their community. Other public housing communities across the country have also wrestled with this problem, and this is why Congressman JOHN LEWIS and I have worked with public housing residents from across the country to fashion a new approach for increasing safety.

Our approach is straightforward: Empower residents to reduce gun violence in their communities. Give residents the power to take back control of their lives, and get out from under the scourge of gun violence and crime. Give residents the right to make their community gun-free, and keep non-resident criminals from terrorizing communities. Give residents the opportunity to secure the most basic civil right—safety in their community. Give the children in these communities the right to have a full life.

Under our proposal, residents could petition the housing authority to hold a referendum on banning and restricting guns. The housing authority would be required to hold a vote on either banning guns completely or requiring gun or gun owner registration. If the vote passes, then the gun ban will be triggered in the resident's lease after 30 days and a violation will cause the lease to be terminated.

After a vote for a gun ban or restriction provision, all non-residents will be banned from bringing firearms onto the premises of a public housing project. The penalty for a non-resident violation of the ban would be up to 5 years in prison or a fine of up to $5,000. Too often it is the nonresidents who prey on the residents and bring violence into the public housing communities.

Additionally, resources needed to enforce a gun ban—such as metal detectors and gun lockers—will be made an eligible expense under the Drug Elimination Program.

Some have inquired as to whether such a measure is constitutional. The evidence clearly indicates that it is. In Richmond, VA, and in Portland, ME, Federal and State courts have upheld gun bans imposed by the management. According to the American Law Division of the Congressional Research Service, since public housing developments receive substantial funding from the Federal Government and given the scope of the commerce clause to regulate items carried interstate, the Federal Government has a sufficient jurisdiction to regulate guns in public housing.

Even though gun bans in public housing are constitutional, without our proposed law a State or local government could pass a law overriding gun restrictions imposed in public housing. This has already been attempted in Virginia. This legislation would preempt such State and local laws.

Finally, we have been asked "What about residents who are trying to control their own destiny by keeping guns for their own safety?"

I believe this was best answered by a Lieutenant with the Portland police in my hometown. Lt. John Hren with the neighborhood response team at Iris Court in Portland, OR, said, "That's an issue the residents have to face when they choose to vote. The question is, do they want to give up their right to have that protection in exchange for the law that says anyone in the complex with a gun is subject to arrest." I urge my colleagues to support this bill and to give residents of public housing some choices on how to rid their communities of gun violence.

PARISHIONERS OF ST. MARY CHURCH CELEBRATE SESQUICENTENNIAL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. SHUSTER. Mr. Speaker, I rise today to join in the celebration of the sesquicentennial year of the founding of St. Mary Church in Hollidaysburg, PA. This wonderful event will be formally celebrated at a Mass of Thanksgiving on Saturday, March 19 at 5 p.m. The Most Reverend Bishop Joseph V. Adamec, D.D., S.J.L. will be the principal celebrant at this special Mass.

It's been 150 years since the parish was founded in 1844, and since that time, generations of parishioners have been born, lived, and passed on within the arms of the church.

A century and a half is a long time for any institution, but in the life of the church, it is only a brief moment. Brief as that moment has been, this parish has meant an enormous amount to thousands of people over the years. Since 1844, generations of children have learned the basic values and morals that enabled them to live full, productive lives at contribute to the extraordinary quality of life that we enjoy in Pennsylvania.

Mr. Speaker, I would ask that all of my colleagues in this chamber join me in expressing our congratulations to the parishioners of St. Mary Church and in wishing them all the best for the next 150 years.

IN APPRECIATION OF JEREMIAH WADSWORTH'S SERVICE TO THE PEOPLE OF CONNECTICUT AND THE U.S. DEPARTMENT OF AGRICULTURE'S AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mrs. JOHNSON of Connecticut. Mr. Speaker, it is with great pride and respect that I rise to pay tribute to Connecticut's recently retired District Director of the U.S. Department of Agriculture's Agricultural Stabilization and Conservation Service [USDA–ASCS], Mr. Jeremiah Wadsworth. Mr. Wadsworth's commitment to enhancing the knowledge of the farming community, combined with his involvement in the implementation of programs like the Federal Disaster Assistance Program deserve recognition.

Mr. Wadsworth first served as Connecticut's USDA–ASCS State executive director in Hartford from August 19, 1973 through August 20, 1977. He was then transferred to the USDA–ASCS Headquarters in Washington, DC, where he served in the Environmental Quality and Land Use Division from August 21, 1977, to October 29, 1983. On October 30, 1983, Mr. Wadsworth returned to his home State of Connecticut where he continued to serve until his retirement as USDA–ASCS District Director on February 24, 1994.

The former mayor of Farmington, CT and chairman of the Farmington Town Council from 1967 to 1973, Mr. Wadsworth is credited with having provided continual guidance to the Connecticut ASCS County Committee System, a local farmer-elected committee system with regional implementation responsibilities for Federal farm programs in Connecticut's eight counties. In addition, Wadsworth served on the FarmCity Week Committee, designed to bring greater agricultural awareness and knowledge to more urban, nonfarm communities. A graduate of the University of Connecticut's School of Agriculture, Wadsworth has been an active participant in numerous conservation organizations including the Connecticut Milk Producers Association, the Consolidated Milk Producers Association, Yankee Milk, Inc., Eastern Artificial Insemination Cooperative and the Hartford County Farm Bureau.

On March 16, Jeremiah Wadsworth will celebrate his retirement after 21 years of service with the USDA–ASCS. It is my wish as well as that of the many others who have had the good fortune of working with him, that he be honored for his commitment to Connecticut agriculture and to the future of the American farmer.

A FALSE WHITEWATER CLAIM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 16, 1994

Mr. FRANK of Massachusetts. Mr. Speaker, the willingness of both press and politicians to speak ill of others unfortunately far exceeds not only their willingness to defend those who are entitled to defense, but often their respect for basic accuracy. Too many people in both lines of work are unwilling to let the facts stand in the way of a good juicy accusation. One very conspicuous exception to this unfortunate tendency is Thomas Oliphant of the Boston Globe. In the Sunday, March 13 edition of the Boston Globe, he examines—and effectively refutes—the accusation that Deputy Treasury Secretary Roger Altman has been guilty of some grave misdeed. Mr. Altman is an able, dedicated, and honest person, whose work at the Treasury has been first rate, and he has functioned very effectively as a Deputy to Treasury Secretary Bentsen. Faced with a very difficult and unprecedented situation, he made a slight mistake a month ago by providing entirely innocuous information about RTC procedures to people in the White House. It was a mistake because he should have been able to anticipate how it would have been perceived, but it betrayed no trust, interfered with no investigation, and did no actual damage whatsoever.

Thomas Oliphant's column does a very good job of explaining exactly what Mr. Altman did and why there is no basis whatsoever for the hysterical attacks on him that are motivated by partisanship and/or a general journalistic blood lust. I ask that Mr. Oliphant's column be printed here, noting that I have had to make some deletions in that column because of the House rule which says that debates and records in the House may be intensely critical of any institution or people anywhere in the world with the exception of the United States Senate and its Members.

[From the Boston Globe, Mar. 13, 1994]

A FALSE WHITEWATER CLAIM

(By Thomas Oliphant)

The case on behalf of congressional Whitewater rafting rests on the claim that it was at a hearing on Feb. 24 that new, shocking, shattering information was revealed through the questions of senators who can be expected to do much more of the same if full-scale hearings were held.

The claim is as bogus as bogus gets.

The claim rests in large part on the attempted defamation of an honorable, honest man—Roger Altman, the deputy treasury secretary. It also rests on a deliberate distortion as well as lazy misreporting of his testimony that day. These are weak reeds for the scandal-mongers and frenzied feeders, as we shall shortly see.

The truth is that the Feb. 24 hearing of the Senate Banking Committee puts on display precisely what stinks about this mess. To wit:

Congressional manipulation of Whitewater for partisan purposes.

A chronic inability of the scandal-crazed press to handle and pursue information in a mature, thorough manner.

A set of facts that show precisely the opposite of what they have been purported to show.

The irony is that the truth about Feb. 24 and what it really means demonstrates not just why the professional probity of Robert Fiske's inquiry is where the public should look for both information and a just result; it also demonstrates the golden opportunity that wretched excess has presented the regrouping, full-disclosing Clinton White House.

The double irony is that just as issue-desperate Republican partisans are whining because they got what they wanted in the first place (an independent counsel), they are now in an exposed position to get what they say they want next (media questioning of the president, and especially Hillary Rodham Clinton, plus a hearing on the subject raised on Feb. 24). Somewhere, I suspect, someone in the White House is uttering a famous Clint Eastwood entreaty.

The standard, boilerplate and false media and Republican summary of Altman's testimony is that he revealed "secret contact" between senior White House officials and himself in his capacity as acting ahead of the S&L-cleansing Resolution Trust Corp. relating to the famous, failed Madison Guaranty S&L of Arkansas.

In fact and in ominous implication, this summary is false.

What happened is that in January Altman got pressure from Republicans to make sure that the statute of limitations on possible RTC civil claims arising from Madison's collapse was extended. At D'Amato's request, Altman explained to his staff how the RTC's procedures work for filing claims, not doing so, or extending the period for consideration of the issue. He was careful not to get into a specific discussion of Madison case information with the Republicans; in any event, he had none, and in fact never has.

Having given this procedural information to Republicans—for the cost of a phone call, reporters could also get it—Altman decided to make sure White House officials understood it also.

The result was the meeting on Feb. 2. Before attending it, Altman checked with the Treasury's ethics officer—a Bush administration appointee. The reason no red flag was dropped was the sensible one that since procedural, general information—as opposed to inside, specific information—was the subject, there was nothing even questionable, and much that was laudable, about Altman's intentions. Following the session, there were a couple of incidental contacts dealing with the same, generic, procedural facts.

That's it. From both Altman's testimony and a follow-up submission to the Banking Committee, as well as old-fashioned reporting, there are no other facts indicating anything else.

Perhaps one should expect partisans to try making hay out of sawdust. What is sad is to see the press so blatantly mischaracterize facts knowable since Feb. 24 under the competitive pressures of a feeding frenzy.

Fortunately, Fiske and the grand jury are collecting facts under oath. In a few weeks, those in politics and journalism who have defamed this guy will have some explaining to do.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, March 17, 1994, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 18

9:30 a.m.

Armed Services

Defense Technology, Acquisition, and Industrial Base Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense and the future years defense program, focusing on manufacturing technology programs of the Department of Defense and the Department of Commerce.

SR–222

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Ryan Clark Crocker, of Washington, to be Ambassador to the State of Kuwait, David M. Ransom, of the District of Columbia, to be Ambassador to the State of Bahrain, and Edward S. Walker Jr., of Maryland, to be Ambassador to the Arab Republic of Egypt.

SD–419

Labor and Human Resources

To resume hearings on S. 1513, authorizing funds for programs of the Elementary and Secondary Education Act of 1965, focusing on education programs for disadvantaged children and youth.

SD–430

10:30 a.m.

Judiciary

Technology and the Law Subcommittee

To hold joint hearings with the House Committee on the Judiciary's Subcommittee on Civil and Constitutional Rights to examine digital telephony and law enforcement access to advanced telecommunication technologies and services.

SD–226

MARCH 22

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Education.

SD–138

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings on assuring safe and adequate weapons for U.S. troops through operational testing.

SD–342

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on manpower and personnel programs.

SD–116

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for foreign assistance programs, focusing on the U.S. role in the multilateral development banks.

SD–106

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Commerce.

S–146, Capitol

Finance

Business meeting, to mark up S. 1231, to provide for simplified collection of employment taxes on domestic services.

SD–215

Labor and Human Resources

To hold hearings to examine aspects of reforming the Occupational Safety and Health Act.

SD–430

MARCH 23

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD–366

Indian Affairs

To hold hearings on S. 1021, to assure religious freedom to Native Americans.

SR–485

10:00 a.m.

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of the Attorney General.

SR–253

Foreign Relations

To hold hearings to examine United States policy toward Russia.

SD–419

Labor and Human Resources

To hold hearings on proposed legislation to authorize funds for the National Science Foundation.

SD–430

2:00 p.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Forest Service, Department of Agriculture.

SD–138

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 1270, to establish the Cache La Poudre River National Water Heritage Area in Colorado, S. 1324, to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, S. 1402, to convey a certain parcel of public land to the county of Twin Falls, Idaho, for use as a landfill, S. 1703, to expand the boundaries of the Piscataway National Park, and H.R. 194, to withdraw and reserve certain public lands and minerals within the State of Colorado for military uses.

SD-366

2:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on competition in the U.S. biotechnology industry.

SR-253

MARCH 24

9:00 a.m.

Office of Technology Assessment

Board meeting, to consider pending business.

EF-100, Capitol

9:30 a.m.

Appropriations

Labor, Health and Human Services, and Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Labor.

SD-138

Energy and Natural Resources

To hold hearings to examine the effect of the Administration's Superfund reauthorization proposals on the Department of Energy's Environmental Restoration and Waste Management Program.

SD-366

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the AMVETS, American Ex-Prisoners of War, Vietnam Veterans of America, Veterans of World War I, Association of the U.S. Army, The Retired Officers Association, and the Military Order of the Purple Heart.

345 Cannon Building

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for National Guard and Reserve programs, focusing on manpower and equipment requirements and the restructuring of brigades.

SD-116

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Emergency Management Agency.

SD-124

Governmental Affairs

Federal Services, Post Office, and Civil Service Subcommittee

To hold hearings to review the Annual Report of the Post Master General.

SD-342

2:00 p.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (AMTRAK).

SD-138

Armed Services

Military Readiness and Infrastructure Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense and the future years defense program, focusing on the operation and maintenance accounts and on the defense business operations fund.

SR-232A

2:30 p.m.

Veterans' Affairs

To hold hearings on pending veterans legislation.

SR-418

MARCH 25

10:00 a.m.

Appropriations

Treasury, Postal Service, General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of Management and Budget, and the Executive Office of the President.

SD-116

Indian Affairs

To hold hearings on headstart programs serving Native Americans.

SR-485

APRIL 11

2:00 p.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for Marketing and Inspection Services, Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service, all of the Department of Agriculture.

SD-138

APRIL 12

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on classified programs.

S-407, Capitol

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the National Oceanic and Atmospheric Administration, Department of Commerce.

S-146, Capitol

APRIL 13

9:30 a.m.

Indian Affairs

To hold hearings on the President's proposed budget request for fiscal year 1995 for the Bureau of Indian Affairs.

SR-485

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Energy, focusing on fossil energy and clean coal programs.

SD-116

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Coast Guard, Department of Transportation.

SD-138

Appropriations

Treasury, Postal Service, General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Postal Service.

SD-192

Veterans' Affairs

To hold oversight hearings on dangerous exposures in the Persian Gulf War.

SH-216

APRIL 14

9:30 a.m.

Energy and Natural Resources

To hold hearings on the operating and economic environment of the domestic natural gas and oil industry.

SD-366

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on health services and infrastructure.

SD-192

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Bureau of Investigation, and the Drug Enforcement Administration, both of the Department of Justice.

S-146, Capitol

3:00 p.m.

Agriculture, Nutrition, and Forestry

Agricultural Research, Conservation, Forestry and General Legislation Subcommittee

To hold hearings on issues relating to ecosystem management.

SR-332

APRIL 18

2:00 p.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for Science and Education, Agricultural Research Service, Cooperative State Research Service, Extension Service, and Alternative Agricultural Research and Commercialization, all of the Department of Agriculture.

SD-138

APRIL 19

9:30 a.m.

Rules and Administration

To resume hearings on S. 1824, to improve the operations of the legislative branch of the Federal Branch, focusing on Subtitle A, Parts I and II of Title III, relating to Congressional biennial budgeting and additional budget process changes.

SR-301

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on strategic programs.

SD-192

2:30 p.m.

Veterans' Affairs

To hold hearings to examine proposals to finance veterans health care reform.

SR-418

APRIL 20

9:30 a.m.

Indian Affairs

To hold oversight hearings on the regulation of Indian gaming.

SR–485

10:00 a.m.

Appropriations

Treasury, Postal Service, General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of the Treasury.

SD–116

APRIL 21

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on intelligence programs.

S–407, Capitol

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Housing and Urban Development.

SD–106

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Fish and Wildlife Service, Department of the Interior.

S–128, Capitol

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Securities and Exchange Commission, and the Federal Communications Commission.

S–146, Capitol

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Aviation Administration, Department of Transportation.

SD–138

APRIL 25

2:00 p.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for International Affairs and Commodity Programs, Natural Resources and Environment, Agricultural Stabilization and Conservation Service, Foreign Agriculture Service, Soil Conservation Service, and Federal Crop Insurance Corporation, all of the Department of Agriculture.

SD–138

APRIL 26

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on National Foreign Intelligence Programs (NFIP) and Tactical Intelligence and Related Activities (TIARA).

S–407, Capitol

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of Justice Programs, and the Immigration and Naturalization Service, both of the Department of Justice.

S–146, Capitol

APRIL 27

10:00 a.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Transit Administration, Department of Transportation, and the Washington Metro Transit Authority.

SD–138

APRIL 28

9:30 a.m.

Rules and Administration

To resume hearings on S. 1824, to improve the operations of the legislative branch of the Federal Branch, focusing on Subtitle A, Parts I and II of Title III, relating to Congressional biennial budgeting and additional budget process changes.

SR–301

10:00 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Environmental Protection Agency, and the Council on Environmental Quality.

SD–106

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Information Agency.

S–146, Capitol

2:30 p.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Bureau of Indian Affairs, Department of the Interior.

SD–116

MAY 3

9:30 a.m.

Energy and Natural Resources

To hold hearings on Boron-Neutron Cancer Therapy.

SD–366

10:00 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for Food and Consumer Services, Food and Nutrition Service, and Human Nutrition Information Service, all of the Department of Agriculture.

SD–138

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on defense conversion programs.

SD–192

MAY 5

10:00 a.m.

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Legal Services Corporation.

S–146, Capitol

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the National Transportation Safety Board, and the National Highway Traffic Safety Administration, Department of Transportation.

SD–138

MAY 10

10:00 a.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Commodity Futures Trading Commission, the Farm Credit Administration, and the Food and Drug Administration, Department of Health and Human Services.

SD–138

MAY 11

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the National Park Service, Department of the Interior.

S–128, Capitol

MAY 12

10:00 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Corporation for National and Community Service.

SD–106

MAY 17

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on the Pacific Rim, NATO, and peacekeeping programs.

SD–192

MAY 19

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense.

SD–192

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Veteran's Affairs, and the Selective Service System.

SD–106

MAY 20

9:00 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Departments of Veteran's Affairs and Housing and Urban Development, and independent agencies.

SD-138

MAY 25

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of the Interior.

S-128, Capitol

MAY 26

10:00 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the National Aeronautics and Space Administration.

SD-106

JUNE 8

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Energy.

S-128, Capitol

JULY 19

10:00 a.m.

Appropriations

Defense Subcommittee

Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense.

SD-192

POSTPONEMENTS

MARCH 22

9:30 a.m.

Indian Affairs

To hold oversight hearings on water and sanitation issues in rural Alaska.

SR-485

MARCH 23

2:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine science and technology policy issues.

SR-253

SENATE—*Thursday, March 17, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable HERB KOHL, a Senator from the State of Wisconsin.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Come unto me, all ye that labour and are heavy laden, and I will give you rest.—Matthew 11:28.

Gracious Father in Heaven, in a large family like the Senate many can be hurting and none of us know it. Powerful people have difficulty in exposing their vulnerability; powerless people are often ignored. Yet any of us may be hurting and in need of the encouragement of others. I think of the police officer whose mother is dying of cancer; of the food service person whose 19-year-old nephew was hit three times by a drive-by shooting and is in critical condition in the hospital; or the page who is lonesome for family and friends at home; or the staff person, struggling with finances or whose job is threatened.

Loving God, help us to be sensitive to those around us. Help us to treat each other as persons, not numbers. Help us to be willing to share our hurts and accept a caring response from others. And above all, mighty God, help us to hear our Lord's invitation, "Come unto me, all ye that labour and are heavy laden, and I will give you rest." Help us to appreciate Your availability and to respond to Your expression of loving care.

In His name who loved us and gave himself for us. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 17, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HERB KOHL, a Senator from the State of Wisconsin, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. KOHL thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not to exceed 10 minutes each. The first 20 minutes shall be under the control of the majority leader, or his designee.

Mr. REID addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent that the 20 minutes under the control of the majority leader be controlled by the Senator from Nevada.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH CARE COVERAGE IN AMERICA

Mr. REID. Mr. President, I yield myself 10 minutes.

The health plan that is now before Congress that has been given to us by the President of the United States builds on the current system. It is not a radical departure from what has been going on as it relates to how people will be cared for. It builds on a system of employer responsibility.

At present, there are 9 out of every 10 Americans who receive their health care coverage through their employers; that is, Mr. President, 90 percent of the people who have health insurance in America receive it as a result of their job. Only 10 percent of the health care coverage in America today is, in effect, private insurance, nonemployer driven.

Still, in spite of this fact, there are over 30 million Americans who work every day who have no insurance coverage for their health. In fact, 85 percent of uninsured Americans are in the working class. There is a false premise out in the public that those people who have no insurance are deadbeats, unwilling to work. In fact, that is not true. Eighty-five percent of the people who have no health insurance are people who work every day. These are people who need their coverage, should have their coverage.

Our present system is also a burden on those who cover their employees because they, in effect, are not competitive. I am sure, Mr. President, you had some of the same people visit you last week that visited me: People who represented retail merchants throughout America. One of the big problems they have is that the second largest employer in America employs some 600,000 people and provides insurance for only 10 percent of their employees; 90 percent of the employees have no insurance of this huge, huge employer. It is Wal-Mart, Mr. President.

There are some employees who work there that can get insurance through different methods, but basically, as we speak, I was told that 90 percent of the people who work at Wal-Mart have no insurance.

So those employers that provide insurance that are competing with that company are not able to compete because they are doing something that costs them a lot of money to provide for their employees. My point is that those who provide insurance for their employees really are going at it with some risk.

Those people who have no insurance are provided for in a very, very expensive way. I had visiting with me yesterday a gentleman who is a nurse. Prior to becoming a nurse, which was 3 years ago, he worked as a paramedic on an ambulance. He said there were numerous occasions—numerous, numerous occasions—in Nevada where a person could not afford a cab to be taken to the hospital or to a doctor, so they would call for an ambulance to be taken to the emergency room. At that time, the cost for the ambulance was $490-some-odd. Of course, the ambulance people never got paid and the person got the most expensive care available; that is, care in an emergency room at a hospital.

That is a tremendous burden on everyone—everyone. Anyone able to hear me today, that is a burden on them. Why? Because they have increased insurance premiums, higher hospital and doctor bills and, of course, higher taxes for indigent care.

We pay for those who have no insurance anyway. Therefore, what we are talking about with a system that is now before us is employer responsibility. Spread it out but make it fair.

On St. Patrick's Day, Mr. President, I think it is appropriate that we talk about a woman with an Irish name, by the name of Erin Dowell. I have talked about her on the floor on other occasions.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Approximately 5 weeks ago, she was in Washington, DC, testifying about the high cost of medical care. That was the first time I met this fine young woman from Reno, NV. But that was the beginning of a relationship I will never ever forget.

I have maintained, since that time, contact with Erin. She was here at a time when her disease—that is, some type of leukemia—was in remission. She was healthy, she was vibrant, she was able to testify. Just 10 days later, I saw her in Reno, NV, bedridden, totally different in appearance, ashen in color, covered with an electric blanket trying to stay warm, trying to be comfortable.

At that time I met her family for the first time. We were hopeful that she would get better.

See, the reason I am so concerned about Erin is that she has leukemia and can be cured. She has a perfect donor match, but because of the redtape with our present medical system, she was not able to have that transplant when she was in remission.

Now, of course, she is not in remission. She is very, very ill. She is not now, Mr. President, home at bed covered with that electric blanket, but she is now in a hospital in Reno.

I am sad to say that about 10 days ago she had a serious condition and she had to be rushed to the intensive care ward. She had problems with her heart. She is now out of intensive care but is very, very, very ill.

I have not been able to speak with her for a couple of weeks—she has been that sick—so I have spoken to her family.

I mention this because I am going to stay on Erin Dowell's case. I am doing it with her permission. She wants the American public to know about people who get lost in the present system.

Mr. President, she realizes, we realize, she could die before she gets her bone marrow transplant. She may never come out of this sick condition she is in now. She may never again go into remission so that she can have this transplant.

She was working. She had an accident, industrial accident. She went on industrial compensation. The day before she was to go back to work, she was diagnosed as having leukemia. She has no insurance, and she has been shuttled around like a bag of potatoes. The fact is she has never had the opportunity to be treated during the last time she was in remission. This is really a sad example of what goes on in our present health care system.

Mr. President, businesses like the small businesses where Erin worked, where she was hurt originally, want to insure their employees. Forty percent of them do not. Why? They cannot afford it. Why? Because they pay 35 percent more for the same insurance that a big business has. Their premiums increase 50 percent more than big business. Forty cents of every dollar spent on health care goes to administrative costs, 10 percent for fraud. Preexisting condition restrictions prevent many companies from purchasing insurance.

Let me give you an example, Mr. President. There is a little organization, a nonprofit organization in Las Vegas, NV called the Nevada Association of Latin Americans, a wonderful organization that has been in existence for 25 years. They help the underprivileged.

I ask unanimous consent that a letter to Mrs. Clinton from them be printed in the RECORD.

I also ask unanimous consent that a letter to them denying coverage be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NEVADA ASSOCIATION OF
LATIN AMERICANS, INC.,
Reno, NV, October 1, 1993.

HILLARY RODHAM CLINTON,
White House, Office of the First Lady, Washington, DC.

DEAR FIRST LADY: Thank you for the enormous work you are doing for the Health Care Reform. I know you received over 700,000 letters and my letter won't add anything new to the fund of knowledge you already have.

However, I want to share with you our experiences here with Insurance companies. As you are testifying on Capitol Hill, we are being rejected by an HMO Insurance Carrier because one of our staff members has diabetes and two are pregnant. We are a small non-profit, social service agency, with a staff of twenty-three, which serves primarily the economically disadvantaged Hispanics of Southern Nevada. Our agency has been in existence for 25 years. The only benefit our staff receives is Group Health Insurance. Most of our staff start at $4.50 an hour. We are not insurable as a group because of the pre-existing conditions of three staff members.

Please do whatever is in your power to fight for us. We need the security of Universal Coverage which the President spoke about at the Joint Congressional Session. As far as we are concerned, Health Care Reform is not a political issue—it is our life and the life of poor people we serve. Please do not allow the Congress to delay the passage of the Health Care Reform Bill. We cannot wait without health insurance.

I wish you all the success in this endeavor.

Sincerely,
AVI L. ALMEIDA, Ph.D.,
LASW, President and
Chief Executive Officer.

FHP HEALTH CARE,
Las Vegas, NV, September 29, 1993.

Re: Nevada Association of Latin Americans

SCOTT CARSON,
Southwest Benefits,
Las Vegas, NV.

DEAR SCOTT: Thank you for considering FHP for your above mentioned client. Unfortunately, we are not able to offer our services to this group at the present time due to health conditions which currently exist.

If you have any questions regarding this matter, please feel free to contact me.

We at FHP appreciate your patronage, and strive to provide you with quality service.

Sincerely,
SALLY NOITZ,
Account Executive.

Mr. REID. They say their staff starts at $4.50 an hour. The only benefit they got was group health insurance. Now they cannot get that. Why? Because two of their employees were pregnant and one had diabetes so they were denied coverage.

So there is no misunderstanding, recognize, Mr. President, that the denial of coverage does not apply only to institutions dealing with the needy and the poor like the Nevada Association of Latin Americans but also the so-called rich have trouble getting insurance.

I went to an ophthalmologist in Las Vegas, and as we were sitting talking after my examination, he said, "Harry, I hope you can do something about the health care system." He said, "I have 27 employees." This is an outstanding physician who has been in practice for many years, has a wonderful reputation. He said, "Harry, I have 27 employees. One of my employees got cancer and they are not going to rewrite my policy. I am having a tough time finding somebody who will cover my 27 employees."

So this is endemic. It is a problem with everybody in America today. We have to change the system. The present system is simply not working. We need to understand that small businesses will be better off by far if we have a fair employer responsibility program. And we have one contained in the President's bill. It creates an even playing field which allows small businesses to pool. It eliminates insurance practices that discriminate. It reduces the administrative burden.

Shared employer responsibility, under the plan that I am talking about, will allow those who currently want to provide coverage to do so. It is imperative that we insure working Americans so they can have insurance coverage. We must spread the responsibility evenly. That is what this legislation will do. Businesses that provide coverage are bearing a disproportionate share of the health care burden. Businesses that do provide coverage are subsidizing the care of those that do not.

Remember, Mr. President, working Americans without coverage will still get care—care that will be paid for by you and me and those businesses providing coverage for their employees. Under the present system, the companies that provide coverage pay for everybody else. The example: People calling an ambulance so they can go to an emergency room. I don't think that is the fair way to do it.

Let us allow those 60 percent of small businesses to have fairness. Let us allow the other 40 percent to be covered so that we have an even playing field. We cannot afford to maintain the status quo. We have three choices: The status quo, the system that we are talking about now, or we have the employee bear all the responsibility. The only one that is fair is shared responsibility; that is, the employer and the employee. I think it is time we put an end to the status quo by moving forward with this progressive, fair legislation.

Mr. President, I yield to the Senator from Washington the remaining time under my control.

Mrs. MURRAY. I thank my colleague from Nevada.

The ACTING PRESIDENT pro tempore. The Senator from Washington is recognized.

Mrs. MURRAY. Mr. President, I rise today to talk about a subject that has generated a great deal of debate in our discussion of health care reform: the so-called employer mandate. Some people prefer the term shared responsibility. Others talk about workplace benefits. If we spend time debating which term to use, we will never make real progress toward reform.

We will also miss a crucial point. Whatever term we choose, we are not talking about a new system, or something that has never been tried in this Nation. We are speaking about one of the cornerstones of our system today. That is right, the President's plan is built upon our present system, in which most of us with health care coverage get it through the workplace. It is as simple as that.

As we speak with employer mandates, I would also like to share with my colleagues what is going on in my State of Washington. While lobbyists in this Washington are arguing over alliances and mandates, we in the other Washington are doing health care reform.

After several years studying different ways to improve health care for the people of Washington, the Washington State Legislature in April 1993, passed landmark legislation to reform the health care system. The model for Washington State's plan was not an individual mandate, not single-payer, and not a tax-driven plan, but an employer mandate. This is the same model on which the Health Security Act, S. 1757, is based.

Like the President's plan, the Washington State Health Services Act will guarantee every citizen of the State a lifelong, comprehensive package of benefits, regardless of a person's employment or health status. There are no preexisting conditions and coverage can be ended only because of failure to pay.

The Washington State plan also has alliances—they are voluntary and we call them health insurance purchasing cooperatives—we have a choice of plans, we have cost containment, and we have discounts for small businesses. We have much of what is in the President's plan. The major difference is: as we speak, we in Washington State are implementing ours.

The Washington Health Services Act requires all Washington residents to be covered by a uniform benefits package from a certified health plan by no later than July 1, 1999. The act requires employers to pay at least half of the cost of an available certified health plan, and employees must be able to choose from one of three plans. Also, like the Clinton plan, you and your family will not lose health coverage if you change jobs, lose your job, or come down with a catastrophic illness.

Mandatory coverage is being implemented in phases over a 4-year period. By July 1, 1995, all employers with more than 500 employees must pay at least 50 percent of the lowest premium charged for an employee's coverage under an available certified health plan. By July 1, 1996, the employer must also pay at least half the cost of dependent care coverage for all dependents of the employee. Large employers may also contract directly with a certified health plan using combined employer and employee contributions. Employers with 100 or more employees come into the system by July 1, 1996 and small employers a year later.

We have provisions for covering part-time employees and migrant workers, and discounts for small businesses with fewer than 25 employees.

Naturally, these changes will not take place overnight. They are being implemented gradually, according to the schedule in the law. But they are being implemented.

I am especially proud of the employer's health purchasing co-op in Seattle. Discussions about creating the co-op predate enactment of the Washington Health Services Act, but the key features of the co-op closely track the requirements of the law. The co-op is working out final details for its formal establishment with the State Insurance Commissioner.

The co-op has 240 employer members. They include such diverse companies as Alaska Airlines, Airborne Express, Boise Cascade, Doubletree Hotels, Microsoft, Nordstrom's, the Port of Tacoma, REI, the Seattle Times, and Weyerhaeuser.

The co-op has an employee pool of about 600,000 individuals in the Puget Sound area. It is organized as an employer democracy: each employer has one vote. The co-op, acting as a kind of collective bargaining agent on behalf of its members, has contracted with three health plans for services. Each one had to provide guaranteed rates, a broad choice of providers with incentives to use managed care, and an emphasis on wellness and preventive care. Startup costs were about $450,000.

I believe the Puget Sound Employer's Health Purchasing Co-op offers a good example of what health care will look like under reform. It is certainly what it will look like in my State. I hope it is what it will look like throughout this country.

The 240 companies in the Puget Sound co-op are acting responsibly. They are not back here fighting against employer mandates. They are trying to improve health care for their employees, their families, and their communities. This is what health care reform is all about.

The idea of shared responsibility for health care is sound and it is fair. And, as I said earlier, it is not new. It is especially important for those who have remained on welfare to keep their Medicaid benefits. Under our reformed system, those individuals will be able to move into the work force without fear of losing their health coverage.

Last year, few believed the President and Congress would pass a budget that actually cuts the growth in the deficit. But we did it. This year, I will work just as hard to pass Federal health care reform legislation.

Mr. SHELBY addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Alabama [Mr. SHELBY].

SENATOR SHELBY'S CONCLUSIONS ON THE PERSIAN GULF SYNDROME

Mr. SHELBY. Mr. President, I am here today to issue a report following my investigation into the possible presence of chemical and biological weapons agents in the theater of operations during the Persian Gulf war. Additionally, I will discuss the possible connection between service in the Persian Gulf and the unexplained illness affecting thousands of veterans and their families.

When Iraqi forces, at the direction of Saddam Hussein, crossed into Kuwait on August 2, 1990, they set off a chain reaction of events that resulted in the assembling of the largest coalition of forces since the Second World War. Countries that had been on opposite sides of the cold war were now joined with the expressed goal of driving Saddam Hussein's troops out of Kuwait.

The United States led this effort with over 600,000 members of our armed services, including over 200,000 reservists.

At the time of the Iraqi invasion, there was a strong belief among the coalition forces that chemical and even biological agents would be used as weapons by Iraq.

Within a year after the highly successful Desert Storm operation, reports surfaced of a mystery illness affecting many veterans, primarily members of the National Guard and Reserve, who served in Saudi Arabia.

This group is experiencing symptoms commonplace to many known illnesses. However, in the case of the Gulf War veterans, we have not been able to diagnose the causes of the illnesses and the illnesses themselves have not responded to any known treatments.

I have seen firsthand the devastating, frustrating, and debilitating effects that this illness has had on many of these veterans. Citizens who were once healthy and able bodied can no longer hold jobs or participate as active members of society.

Little progress has been made even though Congress mandated the establishment of a Desert Shield-Desert Storm registry, and treatment centers were created for the Gulf war syndrome. Veterans, increasingly frustrated by the inability of the Department of Veterans Affairs to treat their illness, began to seek treatment outside of the Department of Defense and Department of Veterans Affairs medical community.

My involvement in this issue has spanned 2 years.

Early on, I met with a group of veterans after a town meeting that I held and pledged that I would do everything in my power to get them proper treatment and to find the causes of their ailments.

The anxiety and fear experienced by our ill veterans was intensified throughout this period by constant reports in foreign and domestic media about the presence of chemical weapons agents during the Gulf war.

I cannot imagine a greater fear than that experienced by someone who suffers from a mysterious illness and believes it may have been caused by exposure to chemical weapons.

As chairman of the Subcommittee on Force Requirements and Personnel of the Senate Armed Services Committee, I heard from afflicted veterans and saw first-hand the symptoms of these ailments.

Following this hearing, Dr. Charles Jackson of the Tuskegee Alabama Veterans Medical Center diagnosed a patient as suffering from Gulf war syndrome and chemical-biological warfare exposure. In response to this announcement and pressure from Congress, the Department of Veterans Affairs established a pilot program to test Persian Gulf veterans for possible exposure to chemical weapons agents.

As a result of these events, Senator SAM NUNN, chairman of the Committee on Armed Services, sent me, along with people on our staff and the people from DOD, to Europe and then to the Middle East to investigate the possible presence of chemical and biological weapon agents during Operation Desert Storm, as well as the possible connection between service in the Persian Gulf and the unexplained illness affecting thousands of veterans.

Mr. President, I went to Europe to determine the validity of the two then reported detections of chemical warfare agents by Czech soldiers. Instead, there were not only two, but five separate detections of chemical weapons agents in the Persian Gulf.

No one with whom I spoke could provide a solution to the mysterious illness; however, they could not rule out a possible link between the presence of chemical agents and the gulf war syndrome. Only the U.S. Department of Defense and the British Government have denied that chemical agents could have caused the illness.

In light of my involvement, I have come to five major conclusions which I would like to share with you today.

First, I have no doubt that chemical agents, accurately verified by the Czech chemical detection units, were present in the theater of operations during the Persian Gulf war.

Both Czech and French forces detected and verified the presence of nerve and mustard agents at low levels during Desert Storm.

Second, we may never be able to determine the origin of these chemical agents. While, I believe that we can rule out Iraqi Scud or Frog missiles, and Iraqi artillery, there still exists several possibilities. For example, the low-level chemical presence could have resulted from United States or coalition forces bombing Iraqi chemical weapons facilities or caches of Iraqi weapons on the Saudi border.

It is also feasible that a cloud of nerve agent, dissipating in intensity, could have traveled under the correct climate conditions. There is also the possibility of a training accident involving chemical agents among coalition forces. Finally, it is possible that the detections were the result of Saudi officials attempting to test the abilities of the Czechs whom they had engaged to assist in chemical detections.

Third, although a direct connection between the existence of low-levels of chemical agents in the theater of operations and the Persian Gulf syndrome cannot be established at this time, such a connection cannot and should not be discounted. Little information is available on exposure to low levels of chemical agents, but I believe that the work being done at Walter Reed Army Medical Center is on the right track in this area. We must give it our full support.

Fourth, the Department of Defense has proven reluctant to pursue or, in certain instances, to provide the information necessary to prove or disapprove allegations about the presence of chemical agents in the theater of operations. After my contact with our allies, we found that various chemical detections were reported to central command headquarters and were included in operational logs. Only then, and after traveling half-way around the world, did Department of Defense officials admit that they had been aware of these same instances.

While I have not yet determined the reason for this apparent aversion to full disclosure by DOD, the staff working on this issue from our committee has been constantly challenged by the Department's evasiveness, inconsistency, and reluctance to work toward a common goal here.

Finally, Mr. President, and I believe alarmingly, the Persian Gulf medical records of members of the 24th Naval Reserve Battalion are inexplicably missing from their files.

Mr. President, despite the Czech and French detections and numerous reports, the Department of Defense is still reluctant to admit that there were chemical weapons agents present in the Persian Gulf. I cannot understand why they have taken this stand since we fully expected to be confronted with chemical weapons when we went there.

I can only conclude, Mr. President, that when dealing with the Department of Defense on this issue, you have to ask the right question to receive the right answer. I do not believe they understand that we are only seeking the truth in a way to help our veterans. Therefore, I am going to continue to ask question after question until we find the right answer from DOD.

Mr. President, I ask unanimous consent that, following my remarks, first, a copy of my letter to SAM NUNN, chairman of the Committee on Armed Services, be printed in the RECORD; second, a copy of my interim report provided in December to Senators NUNN and THURMOND be printed in the RECORD; third, a copy of my report on my trip to the Middle East to continue the investigation into the Persian Gulf syndrome; and, fourth, my conclusions and recommendations in detail on the Persian Gulf syndrome be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 16, 1994.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am enclosing a full report of our investigation of the issues related to the possible presence of chemical and biological weapons agents in the theater of operations during Desert Storm and the possible connection between service in the Persian Gulf and the unexplained illness affecting thousands of veterans. This report includes:

Tab A: Interim report of European trip to investigate the Persian Gulf War Syndrome.

Tab B: Report of Middle East trip to continue the investigation into the Persian Gulf War Syndrome.

Tab C: Conclusions and Recommendations.

Tab D: Floor Statement regarding the our investigation of the Persian Gulf Syndrome on behalf of the Committee on Armed Services.

Iraq entered the conflict with a demonstrated chemical weapons capability—having used chemical weapons indiscriminately during the Iran-Iraq War, not only against the Iranians, but also against the Iraqi Kurds. Iraq was also suspected of developing a biological weapons capability, most likely antrax and botulism. As the coalition formed to fight Iraq's aggression, Suddam Hussein made inflammatory statements implying that he was willing to use these weapons to defeat the coalition by inflicting mass casualties.

With this knowledge and Saddam Hussein's threatening statements, the coalition forces strongly believed that Iraq would use chemical and biological weapons should there be a war. An array of defensive measures were adopted including an air campaign against all known chemical and biological weapons sites intended to disrupt Iraq's ability to use its chemical and biological weapons arsenal and signal to Iraqi military leaders that it would be in their interest to disobey any orders from Saddam Hussein to use chemical and biological weapons. Additionally, U.S. officials repeatedly made statements that the use of chemical and biological weapons would be taken very seriously.

While the threat of the use of chemical or biological weapons against the coalition forces was prevalent throughout the conflict, we received no indication from the Department of Defense that during or in the aftermath of the Persian Gulf conflict Iraqi forces used either chemical or biological warfare agents or that Coalition forces discovered any stocks of chemical or biological warfare agents.

Within a year after the highly successful Desert Storm operation, reports surfaced of a mystery illness affecting many veterans of the war. Symptoms included: joint pain, fatigue, headaches, decreased short-term memory, rashes, painful burning muscles, sleep disorders and diarrhea. While individually these manifestations are common to many illnesses, these particular series of ailments did not respond to any known treatments.

The National Defense Authorization Act for Fiscal Year 1992 required the establishment of a registry of all U.S. armed forces in the theater of operations during Operation Desert Storm who may have been exposed to fumes from burning oil well fires. Despite the establishment of this registry and the registry established by the Veterans' Affairs Committee of all participants in both Desert Shield and Desert Storm, little progress has been made on either the causes or the treatment of this mysterious illness. As a result, veterans have been seeking treatment outside of the Department of Defense and Department of Veterans Affairs medical community.

As the Chairman of the Subcommittee on Force Requirements and Personnel, I conducted a hearing on June 30, 1993, on military medical health care. I included a panel of Gulf War veterans consisting of Congressman Stephen Buyer of Indiana; Army Staff Sergeant Kerry Riegel; Petty Officer Sterling Sims, a member of the 24th Construction Battalion of the Naval Reserves; and Sergeant Willie Hicks, a member of the 644th Ordinance Company of the Alabama Army National Guard.

Just days before, a leading U.S. newspaper published a report that U.S. forces may have been exposed to chemical warfare agents during the Desert Storm. In testimony, both Petty Officer Sterling Sims and Sergeant Willie Hicks spoke in great detail about their possible exposure to chemical attacks.

On July 2, 1993, The Czech News Agency reported that Czechoslovakian military units detected chemical warfare agents, both nerve gas and mustard agent, in the Saudi theater of operations during the opening days of the air war against Iraq. G-series nerve gas was found by a Czech chemical detection unit attached to Saudi troops in the area of Hafar-Al-Batin on January 19, 1991. Mustard agent was found in a 20200 centimeter patch in the desert north of King Khalid Military City on January 24, 1991. A report of these detections was forwarded to the Department of Defense by the Czech government.

This announcement by the Czech News Agency led to a series of meetings with Department of Defense officials, including Undersecretary of Defense John Deutch. While Department of Defense officials maintained that they had no evidence of any chemical weapons attacks by Iraq during the Gulf War, the Department of Defense could not confirm or deny the presence of chemical warfare agents at low levels in the theater of operations.

It was in response to these events that you authorized my travel to the Czech Republic, the United Kingdom and France during the period of November 28 through December 5, 1993 and to Saudi Arabia, Syria, Egypt, Israel and Morocco from January 3 to January 15, 1994. I was accompanied by Dr. Edwin Dorn, then Assistant Secretary of Defense for Personnel and Readiness, on the first leg of this investigation. Major General Ronald Blanck, Commander of Walter Reed Army Medical Center, traveled with me on both legs of this journey.

In preparation for the trips, I, and members of my personal staff and the Committee on Armed Services staff received a briefing by Department of Defense officials. Upon our return, I tasked my personal staff and the SASC staff to meet again with Department of Defense officials in an attempt to answer questions and inconsistencies which arose as a result of information learned from these trips.

The following report provides details of my contacts with high-level representatives of the Coalition forces, several inescapable conclusions, and a floor statement addressing this issue.

Sincerely,

RICHARD SHELBY.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

Memorandum to Senator Nunn and Senator Thurmond.

From: Senator Shelby.

CC: Senator Coats.

Subject: Report on trip to investigate "Persian Gulf syndrome."

The following is a report on my trip to investigate issues related to the possible presence of chemical/biological weapons agents in the theater of operations during the Persian Gulf War, and any possible connection between service in the Persian Gulf War and the illness among U.S. veterans referred to as the Persian Gulf Syndrome. The trip included visits to Prague, Czech Republic; London, England; and Paris, France.

Members of the Codel included two members of my personal staff, who serve as S. Res. to the SASC (Terry Lynch and Tom Young) and four members of the SASC staff with responsibilities in the area of manpower, personnel and chemical/biological defense (Charles Abell, Monica Chavez, P.T. Henry, and Frank Norton).

Additionally, the Codel included representatives from DOD (Assistant Secretary of Defense (Personnel and Readiness) Ed Dorn, Major General Ron Blanck, Commander, Walter Reed Army Medical Center and Colonel John Speigel, military assistant to ASD Dorn).

Although the trip was productive, our investigation is incomplete. I believe a trip to the Middle East to meet with our coalition allies stationed in the areas in question is necessary to resolve key questions about the possible presence of chemical agents in the theater of operations and the possible causes of the Persian Gulf Syndrome.

The following is a summary of what the Codel learned during its trip.

RHEIN MAIN AIRPORT, WEST GERMANY

Enroute to Prague, the Codel had a layover in Frankfurt, West Germany during which the Codel met with the Deputy Chief of Staff for Operations (DCSOPS) and representatives from the Headquarters of the US Army Europe (USAREUR), and received a briefing on the military and civilian draw down in Europe. During the briefing, the USAREUR representatives provided their assessment of possible chemical weapons use/employment during the Persian Gulf War.

The USAREUR representatives offered the following information:

On January 19, 1991, a Czech chemical unit detected G-series nerve agents in two locations on January 19 in concentrations which were militarily insignificant. U.S. chemical reconnaissance troops were called in to verify the detection and were unable to detect any agent at either of the two locations.

On January 24, 1991, a Czech chemical unit detected mustard agent in a wet sand patch, measuring 2 meters by sixty centimeters, two kilometers north of King Khalid Military City (KKMC). (Note: Other sources would place this detection 10 kilometers north of KKMC.)

On January 17, 1991, the U.S. bombed a chemical weapons munitions storage site at An Nasiryah, located 200 kilometers from the Saudi-Iraq border. The U.S. does not believe this action was the cause of the January 19 detection of nerve agent by the Czech chemical unit.

The USAREUR representatives believe that the Saudis had an underground chemical training facility in the vicinity of the "wet spot," which could account for the small amounts of chemical agents detected.

The USAREUR representatives also believe that the chemicals detected may have been a part of an attempt on the part of the Saudis to test the capabilities of the Czech chemical units. The briefers did not offer any information on where the Saudis would have gotten the chemical weapons agents.

PRAGUE, CZECHOSLOVAKIA

While in Prague, the Codel met with members of the Czech chemical unit that served in the Persian Gulf: Colonel Kozak, Chief of the Chemical Troops; Lieutenant Colonel Smehlik, Senior Chemical officer in the Persian Gulf; Major Zilinsky and Captain Ferus, leaders of the Czech chemical units in the Persian Gulf during the operations.

The following is a summary of what was learned in the discussions with the members of the Czech chemical unit:

The Czechs initially had 169 members in their chemical detection unit that deployed to the Persian Gulf. That number subsequently increased to approximately 190. These forces included chemical, medical, and other support personnel. The Czech chemical unit was under contract to the Saudi government to provide chemical weapons/agent detection to the Saudi government during the Persian Gulf War.

On January 19, 1991, Czech chemical units, that were working with 4th and 20th Saudi brigades and were separated by approximately 20 kilometers, made three nearly simultaneous detections of a low concentration of G-series nerve agent in the air. The Czechs consider the three nearly simultaneous detections to be "one" event. The Czechs indicated that the detections took place in the late afternoon and that the event lasted approximately 40 minutes. The Czechs determined that, at ground level at the time of the event, the wind was blowing from the northwest. The Department of Defense had previously advised the Committee that the prevailing winds were blowing northeastward.

The Czechs took air samples from two of the three locations, and verified the contents of the air samples in their mobile laboratory to contain G-series nerve agent. The Czechs were not able to distinguish between sarin or soman. LTC Smehlik indicated, however, that they had excluded V-series agents. These air samples were sent back to then Czechoslovakia, and are no longer available, as they have been used up. An air sample from the third location was not taken for the purpose of verification because the Czech chemical unit was moving at the time of the alarm.

NOTE: In the U.S., G-series nerve agents Sarin and Tabun are considered to be non-persistent, evaporating at the same rate as water. VX, a persistent nerve agent, evaporates much more slowly, and spills of liquid VX can persist for a long time under average weather conditions.

Captain Ferus, a leader of one of the Czech chemical units, informed us that on January 24, 1991, he was summoned by Saudi officials to an area 10 kilometers north of KKMC. His unit was accompanied to the area by Saudi soldiers, where he was asked to check the area for chemical agents. His unit detected mustard agent in the sand. No sample was taken because the presence of mustard agent was confirmed on the spot using a portable laboratory kit.

LTC Smehlik informed the Codel that he had recently learned that there had been another detection of mustard agent in the air near the Engineer School in KKMC 2–3 days prior to the detection on January 24. LTC Smehlik indicated that an air sample was taken, verified by the mobile laboratory, and forwarded to Czechoslovakia. This sequence of events was confirmed for the Codel by the Czech warrant officer who reported the actual detection.

The Czechs believe both detections of mustard agent to have been at levels that presented no danger to the health and safety of the troops in the area, and were, therefore, militarily insignificant.

Colonel Kozak informed the group that Czech units did not have any chemical agents in the Persian Gulf and they did not use live agents during their training with the Saudis.

The chemical detection equipment used by the Czechs consisted of Czech and Russian equipment of 1970's and 1980's vintage, yet, according to the Czechs, has a much lower threshold level for detection of chemical agents than does U.S. chemical detection equipment. The equipment used by the Czechs includes the GSP–11, a chemical agent detector/alarm which provides continuous monitoring capability; the portable CHP–71, a chemical analyzer used as a backup for the GSP–11; a portable laboratory which uses a litmus paper detection method, as well as other wet chemical analysis; and a mobile laboratory. We were told by the Czechs that the U.S. had arranged to examine the above mentioned equipment and that the equipment would be shipped to Edgewood Arsenal for testing.

During the conduct of discussions with representatives of the Czech military, several events were mentioned which were anecdotal in nature and based on hearsay. There is no documentary evidence of these matters. Nonetheless, I believe they merit further consideration.

LTC Smehlik claimed that an air sample of the mustard agent detected in the air in KKMC prior to January 24, 1991, was given to a U.S. special forces member. In subsequent discussions with the Codel staff, Smehlik indicated that the individual in question could also have been an intelligence specialist.

LTC Smehlik also mentioned that he had heard the Egyptians had detected mustard agent in the air in the vicinity of KKMC. Representatives of the French military offered the same thoughts on Egyptian detections.

GREAT BRITAIN

The Codel met with Dr. Graham Pearson, Director General, Chemical and Biological Defence Establishment; Mr. Brian Pitts, Surgeon General's Office; Ms. Jill Ferguson; LTC John Esmonde-White, and Colonel Christopher Box.

There were approximately 42,000 British soldiers who served in the Persian Gulf War. The representatives of the British government the Codel met were not very helpful.

They do not believe that the Czech units detected the presence of any chemical weapons, nerve or mustard agents, in the Persian Gulf. They spent a considerable amount of effort attempting to find plausible means of discrediting the Czech reports.

The British government does not recognize the possibility of any connection between service in the Persian Gulf and any illness that cannot be explained by conventional medical diagnosis. The British have about 30 veterans from the Persian Gulf with medical problems. These medical conditions are not considered peculiar to their service in the Persian Gulf. British citizens have, however, set up a Persian Gulf Families Hot Line, located in Glouchester, England, that serves as a clearing house for those who believe they have illnesses related to their service in the Persian Gulf. I met with Mr. Raymond Donn, a solicitor from Manchester, England, who is in the process of filing a class action suit against the British government to obtain compensation for these veterans. Mr. Donn informed me that there could be as many as 500 sick British veterans.

The British government does not recognize Multiple Chemical Toxicity/Sensitivity as a valid concept. Additionally, the representatives with whom the Codel met believe the Persian Gulf Syndrome is the result of American veterans attempting to increase their medical and disability benefits. The Codel was advised that the United States did not have to invent a new environmental disease to explain the symptoms being experienced by American veterans.

PARIS, FRANCE

While in Paris, the Codel met with Lieutenant Colonel Gerrard Emile Ferrand, a French Army infantry officer who served in the Persian Gulf. The French had about 12,000 personnel in the Gulf.

Colonel Ferrand informed the Codel that the French had detected nerve and mustard agent at a Logistics Facility approximately 26 or 27 kilometers south of KKMC on the evening of January 24th or January 25th. He indicated that the wind at ground level had been from the north—from Iraq. French chemical alarms were activated at two locations approximately 100 meters apart. Colonel Ferrand, who arrived at the location about 30 minutes after the initial alarm, indicated that litmus badges on the protective suits worn by French troops registered the presence of mustard agent. They contacted a Czech chemical unit and asked it to conduct tests to verify presence of the chemical agents. The Czech chemical unit arrived about 2 hours later, confirmed the presence of a mustard agent and a nerve agent—either Soman or Tabun—and decontaminated the area.

Colonel Ferrand also noted that, about 2 or 3 days later the French chemical alarms were again activated in the same area. At this time, the wind had shifted and was from the south. The French were unable to determine what chemical agent was present. They again asked the Czech chemical units for assistance, but none responded.

Colonel Ferrand reported both these events to the French command located at Riyadh. Colonel Ferrand believes these reports were forwarded to CENTCOM headquarters.

Members of the Codel also met with representatives of the French military medical community including Major General Lauric, head of the French Military Medical Service. The French have no empirical evidence on which to base a connection between service in the Persian Gulf and any illness that cannot be explained by conventional diagnosis. The French veterans were all volunteers from the Rapid Reaction Corps and the French Foreign Legion. As such, these individuals had spent considerable time in Africa and other areas which would have exposed them to hostile environmental influences, and, perhaps, made them less susceptible to environmental factors in the Persian Gulf. The French are, however, monitoring the medical conditions of their veterans.

(NOTE: In discussions with the members of the Czech chemical defense unit, they did not mention any contact with the French concerning a detection of either or both nerve agent or mustard agent. The French had no knowledge of the Czech chemical agent detections.)

QUESTIONS THAT REMAIN TO BE ANSWERED

(1). Did any of the coalition allies serving in the Persian Gulf have chemical weapons in the theater of operations or conduct chemical weapons training using live agents or simulants?

(2). Did representatives of any of the coalition allies receive any air samples from the Czechs while in the Gulf? Specifically, did a US Special Forces soldier or Intelligence Community member receive an air sample from the Czech chemical defense unit?

(3). Did any member of the allied coalition receive reports, other than the report of the January 19 event, from any coalition partner of a detection of chemical agents including any reports of chemical agents at a level considered to be militarily insignificant and no threat to the safety or health of U.S. troops, or other coalition personnel?

(4). What were the true weather (wind) conditions during the period in question. There is a discrepancy regarding the reported wind directions during the time the various detections were made.

RECOMMENDATION

1. In order to complete the investigation of possible presence of chemical/biological agents in the Persian Gulf and the possible causes of the Persian Gulf Syndrome, it is necessary for me to visit with members of the allied coalition and meet with the appropriate representatives of their foreign and defense ministries. Coalition allies stationed in the area in question includes Morocco, Syria, Egypt, and Saudi Arabia. Additionally, it would be useful to meet with appropriate defense and intelligence community representatives from Israel regarding any in-

formation they might have about the possible use of chemical weapons. I believe it would be in the Committee's interest for me to travel to the Middle East for this purpose during the first two weeks of January 1994.

2. Prior to my travelling to the Middle East, the Department of Defense should provide maps to the Committee showing the locations of battalion-level and above units during the period from January 17, 1991, through February 1, 1991. Additionally, the Department of Defense should provide maps showing the dates, times, and locations of all bombings of chemical production or storage facilities and ammunition storage areas.

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, February 28, 1994.

Memorandum Senator Nunn and Senator Thurmond.
From: Senator Shelby.
CC: Senator Coats.
Subject: Report on trip to Middle East to continue the investigation into the Persian Gulf syndrome.

Upon the completion of my trip in December to Czechoslovakia, the United Kingdom and France to investigate issues related to the possible presence of chemical/biological weapons agents in the theater of operations during the Persian Gulf War, and any possible connection between service in the Persian Gulf War and the illness among U.S. veterans referred to as the Persian Gulf Syndrome, I informed you that I believed the investigation would not be complete without meeting with other coalition allies stationed in the theater of operations. On January 3–15, I travelled to Riyadh, King Khalid Military City, and Jubail, Saudi Arabia, Damascus, Syria; Cairo, Egypt; Tel Aviv and Jerusalem, Israel; and Rabat, Morocco to continue my investigation into this matter.

Members of the Codel included two members of my personal staff who serve as S. Res.' to the SASC (Terry Lynch and Tom Young), four members of the SASC staff with responsibilities in the areas of manpower, personnel and chemical/biological defense (Charles Abell, Monica Chavez, P.T. Henry and Frank Norton), and a representative from the Department of Defense (Major General Ron Blanck, Commander, Walter Reed Army Medical Center).

I believe the investigation of this issue has been productive and is complete, to the extent that the Congress can conclude the investigation. This report summarizes our meetings and discussions in the Middle East and North Africa with coalition allies on the possible presence of chemical agents in the theater of operations and the possible causes of the Persian Gulf Syndrome.

RIYADH AND JUBAIL, SAUDI ARABIA

On January 4–6, we visited Riyadh, King Khalid Military City (KKMC) and Jubail, Saudi Arabia and met with several high ranking members of the Saudi Arabian military, and civilian representatives of the firms located in the Jubail industrial region.

Riyadh

Major General Nazir Abd-Al Azziz al-Arfaj, Director of Military Intelligence and Security, advised the Codel that, on January 19 and 24, the dates when very low levels of nerve agent and mustard agent were detected and verified by the Czech chemical units, the Czechs reported this to the Saudi Arabian military. In the absence of any evidence of a delivery vehicle (missile, bomb, etc.), the Saudi's determined that these low levels did not pose a threat to the public health or to animals. He provided the following additional information:

To date, no Saudi military personnel or civilians have complained of illnesses that can be attributed to service in the theater of operations during the Persian Gulf War.

The Saudi Arabian government has no evidence of the use of biological agents during the Persian Gulf War, although the United Nations subsequently discovered evidence of research and development on biological agents.

On January 24, 1991, the French reported a possible chemical agent detection to the Saudis (the "wet spot" north of KKMC) who then contacted the Czech chemical defense unit. The Czechs detected and verified the presence of mustard agent on the ground. This incident was reported by the Saudis to CENTCOM Headquarters. U.S. personnel were sent to the area in question but were unable to detect a chemical agent.

Saudi intelligence had no information to offer regarding the possible source of the low-level chemicals.

When the wet spot was located (later determined by the Czech chemical defense unit to be mustard agent), the Saudi troops did not don chemical defense gear.

The Saudis do not believe the symptoms suffered by the U.S. soldiers are a result of exposure to chemical weapons. Major General Nazir Abd-al Azziz al-Arfaj indicated that the Saudis did not have chemical agents or simulants and did not know if the other Coalition forces had chemical agents in the theater. It is possible that the Egyptians and Syrians could have had chemical agents/weapons, but the Saudi military personnel do not have offensive chemical weapons in the area and did not conduct defensive chemical weapons training. He did, however, believe the reports of the Czech and French detections.

With regard to assistance from the Chinese, Major General Nazir Abd-Al Azziz al-Arfaj indicated that, while the Saudis have a relationship with the Chinese government because of the CSS–2 missiles, the Chinese Military had no liaison in the theater of operation during the Persian Gulf War.

General Mohammed Saleh al Hammad, Chief of Staff, Minister of Defense Education, had very little to offer regarding the subject of the Codel's inquiry. He expressed confidence in the reliability of the Czech and French detections. When asked about from where the nerve agent and mustard agent could have come, he stated that he had no idea. He speculated, however, that they could have come from either friendly or aggressor forces. He also speculated that perhaps the U.S. military brought it.

King Khalid Military City (KKMC)

On January 6, the Codel flew to King Khalid Military City, where mustard agent had been detected in two locations. The Codel met with Major General Al Alhami, Northern Area Commander, who commanded KKMC during the Persian Gulf War.

General Al Alhami indicated that, during the war, he received no evidence of any detections of chemical agents nor of any medical problems that could be viewed as "unusual." He indicated that, every time the Iraqis fired SCUDs, all troops donned MOPP chemical protective gear (MOPP gear includes a full body suit and mask with hood). Additionally, he had no recollection of the French reporting their detection of mustard agent to the KKMC Headquarters.

He has no knowledge of the Saudis, U.S. or Syrians, or any other Coalition forces, having chemical agents/weapons with their forces during the Persian Gulf War.

Jubail Industrial Center

Also on January 6, the Codel travelled to the Jubail Industrial Center to discuss the possibility of industrial chemical releases during the Persian Gulf War. The Codel met with Mr. Terry Velanzano of the Jubail Planning Group and a number of officials from the various civilian industrial concerns located at Jubail. Most of those with whom the Codel met were present at Jubail during the War.

The industrialists advised the Codel that there were no instances in which industrial chemicals were released either intentionally or unintentionally during the periods of time when coalition forces were located in the Jubail region. They specifically denied the intentional release of chemicals from pressurized systems in response to warnings of SCUD attacks.

The industrialists also advised the Codel that there were no and are no instances of medical ailments among the Jubail work force and their families that could be construed as "unusual" or in any way linked to chemical agents during the War.

DAMASCUS, SYRIA

In Damascus, the Codel met with Major General Mohmend Zughaybi, Chief of Medical Services, Ministry of Defense; General Yaff, Director, Shrian Hospital; Mr. Assan, Assistant Director; and Mr. Amur, Director, Department of Americas, Ministry of Foreign Affairs; and Dr. Nejdi Jazzar, Assistant Secretary for American Affairs, Ministry of Foreign Affairs.

The Chief of Medical Services initially emphasized that he had no knowledge of Syrian chemical agents, weapons, their capabilities or of a Syrian chemical defense program. However, toward the end of the meeting, he responded affirmatively that Syrian troops conducted chemical defense training, but do not use chemical agents/weapons or simulants in that training. He later told the Codel that Syrian chemical defense equipment was of Eastern European origin. He indicated that the Syrians did not conduct any chemical defense exercises training in the theater of operation using chemical agents or chemical simulants.

General Zughaybi indicated that Syrian troops were stationed near Hafir al Batin. He remarked that U.S. troops panicked when the chemical alarms went off. He also indicated that, when the Syrian troops responded to the chemical alarms, they only put on masks, not protective suits.

He advised the Codel that, to his knowledge, the Syrians were not aware of any coalition allies having chemical weapons in the theater of operation, and that, although other Arab countries have chemical weapons, he did not think Syria has chemical weapons.

General Zughaybi was not aware of the Egyptians or Saudis being informed of chemical agent detections, or whether they complained that they were not informed.

The diseases suffered by the Syrian military personnel who participated in the Persian Gulf War are similar to symptoms of illnesses that occur in peacetime.

General Zughaybi asked General Blanck whether the diagnosis was PTS (post traumatic stress), or psychological. General Blanck replied that he believed it was organic. Additionally, General Zughaybi added that he did not know about the long term effects of exposure to chemical agents—or rather, the occupance of symptoms long after exposure to low levels of chemical agents. He did add, however, that Syrian military personnel have different psychological mindset to the desert. The underlying inference to be drawn is that, in his opinion, the Persian Gulf Syndrome may in fact be psychological in origin.

CAIRO, EGYPT

On January 9, the Codel traveled to Cairo, Egypt. While in Cairo, the Codel received a country team briefing from U.S. Embassy personnel. Senator Shelby met with President Mubarak.

On January 10, the Codel met with Lieutenant General Salah Halaby, Chief of Staff, Egyptian Armed Forces, and his staff. General Halaby advised the Codel that Egypt had its own chemical defense unit, which was very good, but he had no recollection that they had detected any chemical agents during the Persian Gulf War.

General Halaby indicated that Egypt's chemical defense equipment is from Eastern Europe and from the West, and that their detection equipment is more sophisticated than the Czech equipment. The Egyptians use an American chemical agent alarm (the M-1) and a Russian chemical agent detector (the bulb and probe). The Egyptians also use chemical agent detection strips. He further indicated that the Egyptian chemical defense unit took air samples every day and night to check for changes.

He suggested that the chemicals detected were not chemical warfare agents, but industrial chemicals or substances used in the construction and structure of the A-10 aircraft. (An A-10 crashed near KKMC during the time frame when the KKMC detections were made). He did not believe the aircraft carried chemical weapons or chemical agents.

General Halaby and his staff commented that Egypt has no chemical weapons, only chemical defense equipment (protective gear). He said that, although Egyptian troops conduct chemical defense training, they do not use chemical stimulants in their training other than tear gas. General Halaby was not aware of the Syrians having had chemical agents/weapons in the theater. He was certain that no Iraqi aircraft or artillery (which could have been used to deliver chemical agents) had crossed the border.

He asked whether the illnesses suffered by the U.S. troops resulted from their exposure to depleted uranium.

The Egyptian troops were located approximately 6 miles north of the French troops in KKMC. At one point, General Halaby said they were not aware of the detection of chemical agent by the Czech chemical defense unit, but later in the interview, he acknowledged that they were aware of the detections but did not verify any chemical agents or equipment. General Halaby commented that he knew that chemical agent alarms could be tripped off by cigarette smoke. He suggested that the French and Czech detections could have been false alarms because the atmosphere was so full of petrochemical smoke.

President Mubarak

President Mubarak acknowledged that Egypt has some chemical weapons. He speculated that perhaps the chemical agents about which the Codel was concerned came from Iran. He then discussed with Senator Shelby general foreign policy issues related to U.S. relations with Egypt, the peace process between Israel and Syria, as well as Egypt's relations with Iraq prior to the Persian Gulf War.

JERUSALEM, ISRAEL

In Jerusalem, the Codel met with an intelligence officer of the Israeli Defense Force. He indicated that he was aware of chemical agents being used by Iraq during the Iran-Iraq War, and did not understand why they were not used in the Gulf War. He believed that it was very significant that no chemical weapons or delivery systems were found in theater following the war. He surmised that there had been no preparation for their use or they were withdrawn prior to D-Day.

The Israeli Officer indicated that he did not believe the Iraqis had a chemical weapons project underway but cautioned that they could restart one at any moment.

The Israeli Officer also noted that the symptoms of the Persian Gulf Illness did not fit any of the symptoms traditionally associated with exposure to chemical agents. He offered that, perhaps, the United States should focus some attention on biological agents. He was convinced that the Iraqis had a small biological weapons capability but indicated that no biological weapons or delivery systems had been found.

He indicated that the Israelis believed the Czech chemical units to be very proficient and that their equipment is very good. He noted, however, the prevalence of false alarms.

He suggested that we study the symptoms of those exposed to chemical agents during the Iran-Iraq War and that we discuss the Persian Gulf Syndrome with Iranian doctors.

Contrary to information provided to the Codel in other countries, the Israeli Officer indicated that all the Coalition forces, especially Egypt and Syria use chemical agent simulants in their training.

RABAT, MOROCCO

On January 13, the Codel traveled to Rabat, Morocco. In preparation for our meetings with Moroccan government officials, the U.S. Embassy conducted a country team briefing and informed us that during the Persian Gulf War, Morocco and Saudi Arabia had a bilateral agreement which placed Moroccan military personnel under the authority of the Saudi military. Morocco sent a motorized infantry unit from the Western Sahara to the vicinity a petrochemical facility north of Jubail about 50 kilometers from the Kuwait border.

In Rabat, the Codel met with Colonel Major Mohamed Beuboumaudi, Inspector, Military Health Services. He indicated that no Moroccan military personnel saw any chemical weapons or equipment. He mentioned that, on one occasion, his troops went to check the location in which an artillery shell exploded for chemical agent. There were no indications of any chemical agents present.

The Moroccan troops did not experience any illnesses symptomatic of exposure to chemical agents. Additionally, he pointed out that Moroccan troops were acclimated to service in the desert. The inference here being the possible psychological or environmental origin of the Persian Gulf Syndrome.

With regard to the origin of Moroccan military chemical defense equipment, he indicated that they used chemical detection badges and gas masks provided by the Saudi military. He noted that Morocco was a signatory of the Chemical Weapons Convention (CC).

In response to questions regarding the presence of chemical agents or weapons in the theater of operations, and knowledge as to whether coalition allies possessed chemical weapons or agents, Colonel Major Beudoumaudi provided negative responses. He indicated that he was not aware of Moroccan troops participating in chemical defense training with simulants during the Persian Gulf War.

The Codel also met with deputy minister of foreign affairs, who reiterated the comments made by Colonel Major Beudoumaudi regarding the Morocco military personnel's not being aware of the presence of chemical weapons/agent in the theater of operations and not having any knowledge of other coalition allies in possession of chemical weapons/agent in the theater of operation.

CONCLUSIONS AND RECOMMENDATIONS ON THE PERSIAN GULF SYNDROME

After numerous Congressional hearings, after many meetings with official of the Department of Defense and Department of Veterans officials and after two trips abroad I have come to the following conclusions regarding the possible presence of chemical/biological weapons agents in the theater of operations during the Persian Gulf War, and possible connection between service in the Persian Gulf War and the illness among U.S. veterans referred to as the Persian Gulf Syndrome.

1. Chemical agents were present in the theater of operations during the Persian Gulf War. These chemical agents were accurately verified by the Czech Chemical Units and reported to CENTCOM Headquarters.

On this vital issue I have no doubt. Czech and French forces detected both nerve gas and mustard agent at low levels during the early days of Desert Storm. In each instance these chemical agents were verified by Czech equipment. The Codel had the opportunity to view this equipment and received a demonstration. Department of Defense officials have informed us that the Czech detection equipment, which is more sensitive than U.S. equipment, is more than adequate and that Czech personnel are well trained.

2. The origin of these chemical agents cannot be determined.

Although I have also concluded that we may never be able to determine the origin of these chemical agents there are several plausible scenarios. I believe that we can rule out Iraqi Scud or Frog missiles. We can also rule out Iraqi artillery—the distance from the Iraqi border is too far. The presence of low-level chemical weapons agents could have resulted from U.S. or coalition forces bombing either Iraqi chemical weapons facilities or caches of Iraqi weapons on the Saudi border. Hafar-Al-Batin is approximately 100 miles from the Saudi/Iraqi border. A cloud of nerve agent, dissipating in intensity, could possibly have traveled under the correct climate conditions to Hafar-Al-Batin. There is also the possibility of an accident involving chemical agents among coalition forces. Finally, it has been offered that these detections, especially those in Hafar-Al-Batin and the detection of the mustard agent on the ground north of KKMC, were the result of Saudi Officials attempting to test the abilities of the Czechs who they had engaged to assist Saudi troops in chemical detections.

3. While a direct connection between the existence of low-levels of chemical agents in the theater of operations and the Persian Gulf Syndrome cannot be established based on the information available at this time, such a connection cannot and should not be discounted.

This is the most difficult issue that confronted my investigation. There is very little information available on studies of exposure to low-levels of chemical agents. I am confident that the work being accomplished under Major General Ronald Blanck, USA, Commander, Walter Reed Army Medical Center is on the right track. I urge the Department of Defense and the Department of Veterans Affairs to finalize a case definition for the Gulf War Syndrome. The Department of Defense and the Department of Veterans Affairs should initiate a serious project which focuses on the long term effects of exposure to low-levels of chemical agents. Additionally, the Department of Defense and the Department of Veterans Affairs must cut through bureaucratic red tape and seek all possible medical treatments for the Gulf War Syndrome.

4. The Department of Defense has proven reluctant to pursue or, in certain instances, to provide the information necessary to prove or disprove allegations about the presence of chemical agents in the theater of operations during the Persian Gulf War. The reason for this apparent aversion to "full disclosure" has not been determined. Staff working on this issue were constantly challenged by the Department's evasiveness, inconsistency, and reluctance to work together toward a common goal.

Several examples will illustrate this point:

During a briefing I attended on November 19, 1993, Dr. John Deutch, the Under Secretary of Defense for Acquisition, advised that, while the Department could neither confirm nor deny the Czech detections and verifications, the Department position was that categorically there were no chemical warfare agents present in the theater of operations.

Having been advised by the Department of Defense that it had no information to offer regarding the possible presence of chemical warfare agents in the theater of operations, I determined, with your concurrence, to travel to Europe and the Middle East to pursue this matter with our allies. Only after the Committee staff confronted the Department regarding specific events that I learned about during these travels, did the Department acknowledge that it had been aware of these same events.

Similarly, it was only after my contact with our allies revealed that they had, in fact, reported various chemical detections to the Central Command Headquarters, that the Department acknowledged evidence of this reporting in the operational logs.

On page 45 of the history of the 2nd Marine division in Operation Desert Shield and Desert Storm, which was published by Marine Corps' History and Museum Division, there is a detailed incident in which Marines of the 2nd Marine Division detected mustard agent. I am at a loss to explain how an official Marine Corps publication can document such an event and the Department of Defense could deny any evidence regarding chemical weapons agents in the theater of operations.

Persian Gulf medical records of members of the 24th Naval Reserve Battalion are missing from their files.

This passivity on the part of the Department when combined with rather obvious attempts to dissuade the Committee staff from the need for further investigation typifies the Department's attitude toward the Committee on this matter.

REPORT AND CONCLUSIONS ON THE PERSIAN GULF SYNDROME

(By Senator Richard C. Shelby)

When Iraqi forces, at the direction of Saddam Hussein, crossed into Kuwait on August 2, 1990, they set off a chain reaction of events that resulted in the assembling of the largest coalition of forces since the Second World War. Countries that had been on the opposite sides of the Cold War were now joined with the expressed goal of driving Saddam Hussein's troops out of Kuwait.

Soldiers, sailors, airmen and marines were sent to Saudi Arabia from all over the globe. The U.S. led the way with over 600,000 members of our armed services, including over 200,000 reservists. Troops were sent from Great Britain, France, Italy, Egypt, Syria, Morocco and many other nations. Czechoslovakia, at the behest of the Saudi Arabian government, provided chemical warfare agent detection units.

There was a strong belief among the coalition forces that chemical and even biological agents would be used as weapons by Iraq should the coalition forces invade Kuwait and Iraq. Iraq was known to posses G-series nerve and mustard agents and it was believed that they also possessed Anthrax and possibly other biological agents. After all, Saddam Hussein had freely and indiscriminately used chemical weapons, delivered in artillery shells and dropped as bombs, during his war with Iran, not only against Iranians, but also against Kurds.

When Desert Storm began on January 17, 1991, there was obvious concern among Coalition Forces about Saddam Hussein's reaction to allied air strikes. U.S. bombing was stealthy and effective, knocking out Iraqi communications in the first hours of the war and Saddam Hussein's nuclear and chemical warfare factories were targeted and destroyed. Additionally, B-52's bombed Iraqi positions along the Kuwaiti and Iraqi borders with Saudi Arabia.

Saddam Hussein responded by launching Scud missiles toward Saudi Arabia and Israel. Because there was always the possibility of an Iraqi launch of a Scud armed with a chemical warhead, gas masks and chemical protection suits were donned at the first sign of attack. These Scud attacks were met with moderate success by U.S. Patriot Missile batteries. With the exception of one missile which landed on a company of Pennsylvania reservists, the Scuds had more success as a weapon of terror than as a weapon of physical destruction.

On February 24, 1991, Coalition forces began the ground phase of the campaign as they charged into Iraq and Kuwait. Within 100 hours Kuwait was in the hands of the Coalition, and what was left of Saddam Hussein's forces was fleeing toward Baghdad. A great victory had been won. General Norman Schwartzkopf, Commander-in-Chief of U.S. Central Command; and General Colin Powell, Chairman of the Joint-Chiefs-of-Staff; were heroes and by the end of May 1991 the vast majority of U.S. troops were home.

However, by the summer of 1992, Gulf War veterans, primarily members of the National Guard and Reserves, were relating stories of a mystery illness affecting many who had served in Saudi Arabia. Symptoms included: joint pain, fatigue, headaches, decreased short-term memory, unexplained rashes, painful burning muscles, sleep disorders and diarrhea. While most of us have experienced similar symptoms at one time or another, these ailments were not responding to treatment.

In response to possible Gulf War-related illness, the Senate Armed Services Committee included a provision in the Department of Defense Authorization Act for Fiscal Year 1992 that established a registry for members of our armed forces who served in the Persian Gulf theater of operations and may have been exposed to fumes from burning oil wells. The smoke from oil well fires, deliberately set by Iraqi soldiers as they retreated from Kuwait, caused acute respiratory problems which could result in long-term health problems. However, none of these sick veterans were among those who had been exposed to smoke from oil well fires. To assist in the investigation of this issue a Desert Shield/Desert Storm registry was established in the Department of Veterans Affairs Authorization Bill for Fiscal Year 1993.

By January 1993, the veterans were becoming increasingly frustrated by the inability of the Veterans Department to treat their illnesses. I met with a group of Alabama veterans after a town meeting that I held in Bessemer and pledged that I would do everything in my power to get them proper treatment and to find the cause of their ailments.

In February 1993, I met with Secretary of Veterans Affairs Jesse Brown and received his pledge to assist these veterans. Following this meeting, the Department of Defense and the Department of Veterans Affairs announced that centers would be established for the treatment of what had become known as the Gulf War Syndrome. However, when little progress was made, veterans were prompted to seek treatment outside of the Department of Defense and Department of Veterans Affairs medical community.

As Chairman of the Subcommittee on Force Requirements and Personnel, I included a panel of Gulf War veterans consisting of Congressman Stephen Buyer of Indiana; Army Staff Sergeant Kerry Riegel; Petty Officer Sterling Sims, a member of the 24th Construction Battalion of the Navy Reserves; and Sergeant Willie Hicks, a member of the 644th Ordinance Company of the Alabama Army National Guard in my June 30, 1993 hearing on military medical health care.

Just days before the hearing, a leading U.S. newspaper reported that U.S. forces may have been exposed to chemical warfare agents during Desert Storm and testimony from both Petty Officer Sims and Sergeant Hicks confirmed the possibility of their exposure to chemical attacks while serving in the Persian Gulf War.

I believe the most dramatic event of the investigation occurred in the early morning hours of January 20, 1991, when an explosion went off in the sky above Jabail along the North East coast of Saudi Arabia alerting Seabees in the 24th Construction Battalion to donn their chemical defensive gear. After the all clear signal was given, a group of Seabees were hit with a burning mist that smelled of ammonia and caused their khaki colored t-shirts to turn purple.

On July 2, 1993, possibly responding to reports in American newspapers, the Czech News Agency reported that Czech military units had detected chemical warfare agents, both nerve gas and mustard agents in Saudi Arabia during the opening days of the air war against Iraq. Nerve Gas was detected by a Czechoslovakian unit attached to the Saudi troops in the area of Hafar-Al-Batin on January 19, 1991 and Mustard Agent was allegedly detected in a 20200 centimeter patch in the desert north of King Khalid Military City on January 24, 1991. A report of these detections was supposedly forwarded to the U.S. Department of Defense by the Czech government.

This announcement led to a series of meetings with Department of Defense officials, which continued throughout the fall of 1993 and included a meeting with Undersecretary of Defense John Deutch. Although a multitude of chemical alarms were sounded during Operation Desert Storm, the Department of Defense maintained that they had no evidence of any chemical weapons attacks by Iraq during the Gulf War and they could not confirm the detection of chemical warfare agents. While Department of Defense officials did not deny that the Czechs had detected chemical warfare agents at low levels, they could not or would not confirm the presence of chemical warfare agents in the theater of operations.

On October 27, 1993, Dr. Charles Jackson of the Tuskegee, Alabama Veterans Medical Center diagnosed a patient as suffering from Gulf War Syndrome and Chemical-Biological Warfare Exposure. In response to both this announcement and pressure from Congress, Secretary Brown announced, on November 1, 1993, that the Department of Veterans Affairs was establishing a pilot program in Birmingham, Alabama to test Persian Gulf veterans from Alabama and Georgia for exposure to chemical weapons agents, and on November 10, 1993, Secretary of Defense Les Aspin announced a blue-ribbon task force, headed by Dr. Josh Letterberg, to study the Gulf War Syndrome.

It was in response to these events that Sen. Sam Nunn, Chairman of the Committee on Armed Services, sent me to both Europe and the Middle East to investigate all issues related to the possible presence of chemical and biological weapon agents in the theater of operations during Operation Desert Storm and the possible connection between service in the Persian Gulf and the unexplained illness affecting thousands of veterans.

The initial stage of my investigation of these issues led me to Prague; London; and Paris. Dr. Edwin Dorn, then Assistant Secretary of Defense for Personnel and Readiness and Maj. Gen. Ronald Blanck, Commander of Walter Reed Army Medical Center, and members of both my personal staff and the Senate Armed Services Committee staff accompanied me.

Enroute to Prague, we met with the Deputy Chief of Staff for Operations (DCSOPS) and representatives from the Headquarters of the U.S. Army Europe (USAREUR) and were provided with their assessment of possible chemical weapons use and/or employment during the Persian Gulf War.

According to the representatives, on January 19, 1991, a Czech chemical unit detected G-series nerve agents in two locations in concentrations which were militarily insignificant. U.S. chemical reconnaissance troops were called in to verify the detection and were unable to detect any agent at either of the two locations. Also, on January 24, 1991, a Czech chemical unit detected mustard agent in a wet sand patch measuring two meters by 60 centimeters, two kilometers north of King Khalid Military City (KKMC). (Note: Other sources would place this detection 10 kilometers north of KKMC.) Additionally, on January 17, 1991, the U.S. bombed a chemical weapons munitions storage site at An Nasiryah, located 200 kilometers from the Saudi-Iraq border, but the U.S. does not believe this action was the cause of the January 19, detection of nerve agent by the Czech chemical detection unit.

The representatives from U.S. Army Europe continued by saying that they believed the Saudis had an underground chemical training facility in the vicinity of the "wet spot," which could account for the small amounts of chemical agents detected. Finally, they believed that the chemicals detected may have been part of an attempt by the Saudis to test the capabilities of the Czech chemical detection unit, but no information was offered on the part of the representatives on where the Saudis would have gotten the chemical weapons agents.

THE CZECH REPUBLIC

In Prague, I met with members of the Czech chemical detection unit that served in the Persian Gulf, including: Col. Kozak, Chief of the Chemical Troops; Lt. Col. Smehlik, Senior Chemical officer in the Persian Gulf; Maj. Zilinsky and Capt. Ferus, leaders of the Czech chemical detection units on the Persian Gulf during the operations.

Initially, the Czechs' chemical detection unit deployed to the Persian Gulf with 169 members, but increased to approximately 190 members and included chemical, medical and other support personnel. In addition, we were told that this unit was under contract to the Saudi government to provide chemical weapon and/or agent detection to the Saudi government during the Persian Gulf War.

Lt. Col. Smehlik informed us that on January 19, 1991, Czech chemical units, that were working approximately 20 kilometers apart with 4th and 20th Saudi brigades, made three nearly simultaneous detections of a low concentration of G-series nerve agent in the air. The Czechs condsider these detections to have resulted from one event that occurred in the late afternoon which lasted approximately 40 minutes. At ground level, at the time of the event, they said the wind was blowing from the northwest—a direct contrast to what Department of Defense officials said to the Senate Armed Services Committee earlier when they claimed that the prevailing winds were blowing from the northeast.

The Czechs took air samples from two of the three locations and verified that the samples contained G-series nerve agent. While they were not able to distinguish between sarin or soman, Lt. Col. Smehlik indicated that they had excluded the existence of V-series agents. These air samples were sent back to then Czechoslovakia, and are no longer available. An air sample from the third location was not taken for the purpose of verification because the Czech chemical detection unit was moving at the time of the alarm.

As discussions continued, Capt. Ferus, a leader of one of the Czech chemical units, informed us that on January 24, 1991, he was summoned by Saudi officials to an area 10 kilometers north of KKMC to test the area for chemical agents. Using a portable laboratory kit, he detected mustard agent in the sand—the on-site detection made the retention of samples unnecessary.

According to Lt. Col. Smehlik, another detection of mustard agent in the air near the Engineer School in KKMC had been made two to three days prior to the detection January 24. He indicated that an air sample was taken, verified by the mobile laboratory and forwarded to Czechoslovakia; this sequence of events was confirmed for the group by the Czech warrant officer who reported the actual detection. It is important to note that these detections had not been made public previously. In discussion with Czech officials, we were able to determine that until recently there had been no discussion between Czech units stationed with Saudi troops near Hafar-Al-Batin and those stationed in KKMC. The Czechs believe that both detections of mustard agent and nerve agent were at levels that presented no danger to the health and safety of the troops in the area, and were, therefore, militarily insignificant.

Although they were unable to provide any documentary evidence to support certain events, I believe that it is necessary to acknowledge that the Czechs claim that an air sample of the mustard agent detected in the air in KKMC prior to January 24, 1991, was given to a U.S. special forces member. In subsequent discussions with our group, Lt. Col. Smehlik indicated that the individual in question may have been an intelligence officer.

The Czech units did not have any chemical agents in the Persian Gulf, according to Col. Kozak, and did not use live agents during their training with the Saudis. Their chemical detection equipment, which we examined and watched as it was demonstrated, was 1970s and 1980s Czech and Russian. However, according to the Czechs, the equipment has much lower threshold for chemical detection than does U.S. chemical detection equipment. In addition, we were informed that the equipment would be shipped to Edgewood Arsenal for testing.

GREAT BRITAIN

While in London, we met with Dr. Graham Pearson, Director General of the Chemical & Biological Defense Establishment; Mr. Brian Pitts from the Surgeon General's Office; Ms. Jill Ferguson; Lt. Col. John Esmonde-White and Col. Christopher Box. We were informed that approximately 42,000 British soldiers served in the Persian Gulf War. Apart from this information, the representatives of the British government the group met were not very helpful.

Officials in the British government do not believe that the Czech units detected the presence of any chemical weapons, nerve or mustard agents in the Persian Gulf and they spent a considerable amount of effort attempting to find plausible means of discrediting the Czech reports.

In addition, the British government does not recognize the possible of any connection between service in the Persian Gulf and any illness that cannot be explained by conventional medical diagnosis. The British government has about 30 veterans from the Persian Gulf who have reported medical problems and does not consider these medical conditions peculiar to service in the Persian Gulf.

Furthermore, the British government does not recognize Multiple Chemical Toxicity/Sensitivity as a valid concept. The representatives with whom we met believe the Persian Gulf Syndrome is the result of American veterans attempting to increase their medical and disability benefits and we were advised that the United States did not have to invent a new environmental disease to explain the symptoms being experienced by American veterans.

Aside from the British government's lack of cooperation, or acknowledgement of these existing conditions, British citizens have set up a Persian Gulf Families Hot Line, located in Glouchester, England, that serves as a clearing house for those who believe they have illnesses related to their service in the Persian Gulf. I met with Mr. Raymond Donn, a solicitor from Manchester, England, who is in the process of filing a class action suit against the British government to obtain compensation for these veterans. He told me that there could be as many as 500 British veterans afflicted with the Gulf War Illness.

FRANCE

While in Paris, we met with Lt. Col. Gerrard Emile Ferrand, a French Army infantry officer who served in the Persian Gulf. He informed us that the French had detected nerve and mustard agent at a Logistics Facility approximately 26 or 27 kilometers south of KKMC on the evening of January 24 or January 25 and he indicated that the wind at ground level had been from the north (from Iraq). French chemical alarms were activated at two locations approximately 100 meters apart and Colonel Ferrand, who arrived at the location about 30 minutes after the initial alarm, indicated that litmus badges on the protective suits worn by French troops registered the presence of mustard agent. A Czech chemical detection unit was contacted to verify the presence of chemical agents, confirmed as both mustard agent and nerve agent—either Soman or Tabun, and the area was decontaminated.

Lt. Col. Ferrand also noted that approximately two or three days later, the French chemical alarms were again activated in the same area. This time, the wind had shifted and was from the south. Unable to determine what chemical agent was present, the French again asked the Czech chemical detection units for assistance, but none responded. Lt. Col. Ferrand reported both these events to the French command located at Riyadh and believes these reports were forwarded to CENTCOM headquarters.

It is interesting to note that the Czech chemical detection unit did not mention any contact with the French concerning a detection of either or both nerve agent or mustard agent during our discussions with them, and the French had no knowledge of previous Czech chemical agent detections.

Although the trip to Europe was productive, our investigation remained incomplete. It was necessary to travel to the Middle East to meet with our coalition allies stationed in the areas in question to resolve key questions about the presence of chemical agents in the theater of operations and the possible causes of the Persian Gulf Syndrome. Unanswered questions we set out to answer included the following:

Did any of the coalition allies serving in the Persian Gulf have chemical weapons in the theater of operations or conducted chemical weapons training using live agents or stimulants?

Did representatives of any of the coalition allies receive any air samples from the Czechs while in the Gulf?

Did a U.S. Special Forces soldier or Intelligence Community member receive an air sample from the Czech chemical defense unit?

Did any member of the allied coalition receive reports, other than the report of the January 19 event, from any coalition partner of a detection of chemical agents including any reports of chemical agents at a level considered to be militarily insignificant and no threat to the safety or health of U.S. troops or other coalition personnel?

SAUDI ARABIA

On January 3, 1994, I, accompanied again by Maj. Gen. Ronald Blanck, staff members from both my personal office and the Committee on Armed Services, left for the Middle East. Our first stop was in Saudi Arabia where we visited Riyadh, KKMC and Jubail and met with several high ranking members of the Saudi Arabian military and civilian representatives of the firms located in the Jubail industrial region.

According to the director of Military Intelligence and Security, on January 19 and 24, 1991, the Czechs chemical detection units detected and verified low levels of nerve agent and mustard agent and reported this to the Saudi Arabian military. In the absence of any evidence of a delivery vehicle (missile, bomb, etc.), the Saudi military determined that these low levels did not pose a threat to the public health or to animals. In addition, he substantiated this claim by explaining that to date, no Saudi military personnel or civilians have complained of illnesses that can be attributed to service in the theater of operations during the Persian Gulf War, and the Saudi Arabian government has no evidence of the use of biological agents, even though the United Nations subsequently discovered evidence of research and development on biological agents.

In addition, on January 24, 1991, the French reported the possible detection of chemical agents (the so-called "wet spot" north of KKMC) to the Saudis who did not don protective chemical defense gear, but contacted the Czech chemical detection unit. The Czechs detected and verified the presence of mustard agent on the ground and the incident was reported by the Saudis to CENTCOM Headquarters. U.S. personnel were sent to the area in question but were unable to detect a chemical agent.

Saudi intelligence had no information to offer regarding the possible source of the low-level chemical agents.

The Saudis do not believe the symptoms suffered by the U.S. veterans occurred as a result of exposure to chemical weapons, according to the head of Saudi military intelligence. He said that the Saudis did not have chemical agents or stimulants and was not aware if the other Coalition forces had chemical agents in the theater. He indicated that it is possible that the Egyptians and Syrians could have had chemical agents and/or weapons, but the Saudi military personnel did not have offensive chemical weapons in the area, not did they conduct defensive chemical weapons training. He did, however, believe the reports of the Czech and French detections.

We also met with Mohammed Saleh al Hammad, Chief of Staff and Minister of Defense Education. He had little to offer regarding the subject of our inquiry, but be expressed confidence in the reliability of the Czech and French detections. When asked about the origin of nerve and mustard agents, he said he did not know, but he speculated that they could have come from either friendly or aggressor forces. He also speculated that the U.S. military might have brought it.

On January 6, our group flew to KKMC, where mustard agent had been detected in two locations. The base commander, Major General Al Alhami, indicated that during the war he received no evidence of any detections of chemical agents nor of any medical problems that could be viewed as unusual. He indicated that every time the Iraqis fired SCUDs, all troops donned MOPP chemical protective gear (which includes a full body suit and mask with hood). Additionally, he had no recollection of the French reporting their detection of mustard agent to the KKMC Headquarters, nor any knowledge of the Saudis, U.S., Syrians or any other Coalition forces having chemical agents and/or weapons with their forces during the Persian Gulf War.

On January 6, we travelled to the Jubail Industrial Center to discuss the possibility of industrial chemical releases during the Persian Gulf War. Our group met with Mr. Terry Velanzano of the Jubail Planning Group and a number of officials from the various civilian industrial interests located at Jubail. Most of those with whom we met were present at Jubail during the War.

The industrialists advised us that there were no instances in which industrial chemicals were released either intentionally or unintentionally during the periods of time when coalition forces were located in the Jubail region. They specifically denied the intentional release of chemicals from pressurized systems in response to warnings of SCUD attacks.

In addition, they advised us that there have been no instances of medical ailments among the Jubail work force and their families that could be construed as unusual or in any way linked to chemical agents during the War.

SYRIA

Our group continued its investigation in Damascus, Syria where we met with a series of Syrian military and Foreign Ministry officials. While the Chief of Medical Services initially emphasized that he had no knowledge of Syrian chemical agents, weapons, or of a Syrian chemical defense program, near the end of the meeting, he admitted that Syrian troops conducted chemical defense training, but do not use chemical agents and/or weapons or stimulants in that training and did not conduct any chemical defense exercise training in the theater of operation using chemical agents or chemical stimulants. Later, he told us that Syrian chemical defense equipment was of Eastern European origin.

We were informed that Syrian troops were stationed near Hafir al Batin. He remarked that U.S. troops frequently panicked when the chemical alarms went off. He also indicated that when the Syrian troops responded to the chemical alarms they only put on masks, not protective suits. Furthermore, he advised the Codel that the Syrians were not aware of any coalition allies having chemical weapons in the theater of operation and that, although other Arab countries have chemical weapons, he did not think Syria has chemical weapons. According to him, the Syrians did not know whether the Egyptians or Saudis has been informed of chemical agent detections.

EGYPT

President Mubarak, with whom I met in Cairo, acknowledged that Egypt has some chemical weapons. During our discussion, he speculated that the chemical agents we were concerned about may have come from Iran. Additionally, we discussed foreign policy issues related to U.S. relations with Egypt, the peace process between Israel and Syria, as well as Egypt's relations with Iraq prior to the Persian Gulf War.

We also met with Lt. Gen. Salah Halaby, Chief of Staff for the Egyptian Armed Forces, and his staff. Gen. Halaby advised us that Egypt had its own chemical defense unit, which was very good, but he did not recall their having detected any chemical agents during the Persian Gulf War. When asked about the chemical detections that were made, he suggested that they were not chemical warfare agents, but industrial chemicals or substances used in the construction and structure of the A-10 aircraft. An A-10 crashed near KKMC at the approximate time of the KKMC detections; however, he did not believe the aircraft carried chemical weapons or chemical agents.

Lt. Gen. Halaby and his staff commented that Egypt has no chemical weapons, only chemical defense equipment (protective gear). He said although Egyptian troops conduct chemical defense training, they do not use chemical stimulants, with the exception of tear gas, in their training. Gen. Halaby was not aware of the Syrians having had chemical agents/weapons in the theater. He was certain that no Iraqi aircraft or artillery (which could have been used to deliver chemical agents) had crossed the border.

At one point, Lt. Gen. Halaby said they were not aware of the detection of chemical agents by the Czech chemical detection unit, but later in the interview, he acknowledged that they were aware of the detections but did not verify any chemical agents or equipment. Lt. Gen. Halaby commented that he knew that chemical agent alarms could be tripped off by cigarette smoke. He suggested that the French and Czech detections could have been false alarms because the atmosphere was so full of petrochemical smoke.

ISRAEL

In Jerusalem, we met with an intelligence officer of the Israeli Defense Force. He indicated that he was aware of chemical agents being used by Iraq during the Iran-Iraq War, and did not understand why they were not used in the Gulf War. In addition, he believed that it was very significant that no chemical weapons or delivery systems were found in the theater following the war and he surmised that there had been no preparation for their use or they were withdrawn prior to D-Day. The Israeli Officer indicated that he did not believe that Iraq had a chemical weapons project underway but cautioned that they could restart one at any moment.

He continued by saying that the Israelis believe the Czech chemical detection unit to be very proficient and that their equipment is very good. He noted, however, the prevalence of false alarms. In addition, he suggested that we study the symptoms of those exposed to chemical agents during the Iran-Iraq War and discuss the Persian Gulf Syndrome with Iranian doctors. Contrary to information provided to us in other countries, the Israeli Officer indicated that all the Coalition forces, especially Egypt and Syria, use chemical agent stimulants in their training.

MOROCCO

On January 13, we traveled to Rabat. In preparation for our meetings with Moroccan government officials, the U.S. Embassy conducted a country team briefing and informed us that during the Persian Gulf War, Morocco and Saudi Arabia had a bilateral agreement which placed Moroccan military personnel under the authority of the Saudi military. Morocco sent a motorized infantry unit from the Western Sahara to the vicinity a petrochemical facility north of Jubail about 50 kilometers from the Kuwait border.

In Rabat, we met with Colonel Major Mohammed Beuboumaudi, Inspector, Military Health Services. He indicated that no Moroccan military personnel saw any chemical weapons or equipment. He mentioned that, on one occasion, his troops went to check the location in which an artillery shell exploded for chemical agent. There were no indications of any chemical agents present.

The Moroccan troops did not experience any illnesses symptomatic of exposure to chemical agents. Additionally, he pointed out that Moroccan troops were acclimated to service in the desert. The inference here being the possible psychological or environmental origin of the Persian Gulf Syndrome.

In response to questions regarding the presence of chemical agents or weapons in the theater of operations and knowledge as to whether coalition allies possessed chemical weapons or agents, Col. Maj. Beudoumaudi provided negative responses. He indicated that he was not aware of Moroccan troops participating in chemical defense training with stimulants during the Persian Gulf War.

Finally, we met with the deputy minister of foreign affairs who reiterated the comments made by Col. Maj. Beudoumaudi regarding the Morocco military personnel's not being aware of the presence of chemical weapons and/or agents in the theater of operations and not having any knowledge of other coalition allies in possession of chemical weapons and/or agents in the theater of operation.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. REID). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. KASSEBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

The Senator from Kansas is recognized.

Mrs. KASSEBAUM. I thank the Chair.

(The remarks of Mrs. KASSEBAUM and Mr. KERREY pertaining to the introduction of S. 1943 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. KERREY. Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. Dorgan). The Senator from Nebraska yields the floor.

Who seeks recognition?

The Chair recognizes the Senator from Wisconsin, Mr. KOHL.

Mr. KOHL. I thank the Chair.

(The remarks of Mr. KOHL pertaining to the introduction of S. 1944 and S. 1947 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. Who seeks recognition?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. I thank the Chair.

(The remarks of Mr. EXON pertaining to the introduction of S. 1942 and S.J. Res. 173 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. EXON. Mr. President, I suggest absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent that I may speak for 5 minutes as if in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GUN-FREE SCHOOLS

Mr. DORGAN. Mr. President, today there is a conference going on between the House and the Senate on a bill called Goals 2000.

I rise today, on behalf of myself and Senator FEINSTEIN from California, to once again encourage in the strongest possible terms that the conference continue to keep in the conference report a provision that we passed here in the Senate that deals with gun-free schools.

Let me, if I might, offer the Senate a few clippings from the local newspaper. This is, of course, only from one city, Washington, DC.

The Washington Post, January 27, 1994: "School Shootings Break Out in D.C." I would go through the story but the headline says it: Shootings break out in our schools in the District of Columbia.

February 2, headline: "For Third Time in a Week in D.C., Shots Ring Out In or Near a School." The third time in a week in the District of Columbia, "shots ring out in or near a school."

Last week, March 10: "Student Shot in Eastern High School; 2 Students' Argument Started With a Bump in the Hallway, Police Say." This is not in the streets. This is in our schools.

Senator FEINSTEIN, myself and some others, offered a provision in Goals 2000 that is very simple and very direct. It says we want every school district in this country to have a policy and the policy should be simple: If you bring a gun to school, you are expelled for a year. Guns and schools do not mix. Guns have no place in schools.

When we send our children to school, we send them there to learn and we expect the school to be safe. Too often all across this country these days we are seeing gunfire in the hallways of our schools. Children cannot learn if they are not safe, and parents should not want to send their kids to school unless they have some measure of understanding that their kids are going to be safe.

Our legislation says every school district in America shall have a policy: If a kid brings a gun to school, he or she is expelled for a year. There is an escape clause. It allows the head of the school district to make an exception on a case-by-case basis. Let us say somebody for one reason or another a student brings a starter pistol to school in a backpack with no notion that this is a dangerous weapon and it was an accident that it was in the backpack in the first place. Should there be an exception? Yes. That is fine.

But, generally speaking, we ought to send a message all across this country in Goals 2000, the legislation that is now being dealt with in conference, that everyone in this country should understand if a kid brings a gun to school, that kid is going to be expelled for a year. We should not be reading headlines in the newspapers that talk about killings in our schools from gunfights in the hallways.

I went to Eastern High School about 2 months ago and spent some time with the principal. That is a wonderful school. I walked through the metal detector at the front door when I went in. They have metal detectors, security devices, security officers, and a terrific principal. Yet when kids get through that front door with guns and disagreements occur, in today's culture, unfortunately, it all too often ends in tragedy.

One thing, the least we can do, in my judgment, is to send a message all across this country we will not permit kids to bring guns to our schools and, as a matter of public policy, there will be immediate and certain sanctions that are tough, no-nonsense sanctions, for those kids that do. I want kids to understand that and I want parents to understand that.

I just finished talking with Senator KENNEDY a few minutes ago about this provision. I must compliment him because he is the lead conferee on the Senate side and at this point they have kept this provision in at conference. I understand there are some on the other side who would like to weaken it or take it out, and I would very much like to see this provision remain in Goals 2000 when the conference report comes back to us so it becomes the law of the land.

Mr. President, I yield the floor.

75TH ANNIVERSARY OF POWDER RIVER COUNTY

Mr. BURNS. Mr. President, I rise today to pay tribute to Powder River County, MT, which on this day, March 17, 1994, is celebrating its 75th year as a county in the State of Montana.

Powder River County is a land of astonishing terrain, and a people just as arduous. The Powder River is known for its mud, and gumbo, and the county for its lofty red-shale hills and beautiful valleys. Appropriately enough, Powder River County is also known for the rugged individualists that have been a part of it from the start. This robustness is in part, what enticed people to the Powder River country to begin with. They wanted to do their own thinking, have their own property, and manage things their own way. They found this in the Powder River, and it has accordingly, through its never-ending challenges, cultured the land and the people who chose the hard life of the Powder River.

The Powder River country's past is painted with prehistoric dinosaurs, American Indians, and a legend that boasts a Canadian-born Frenchman to be the first white man ever to see Montana since it is likely he saw only the corner of our State where Powder River is located. After 1900, came the homestead boom, and the sodbusters who forever transformed Montana, and set in motion the greatest land boom in our State's history. They came by rail to Montana in hopes of finding good land, a new start, and their own part of the "last great agricultural frontier." This homestead rush coincided with the United States entering into World War I, and a "Food will win the war!" appeal by President Woodrow Wilson was responded to by patriotic grain farmers adding a final boost to the great Montana boom, especially in southeastern Montana.

Inevitably, after the great land rush, the huge counties in eastern Montana changed. Originally, southeastern Montana was all one big county, Custer County, with Miles City as the county seat. This did not suit the people of the Powder River who had to travel vast distances to transact their legal business. So, the people of Powder River saw to it that they got a county of their own—Powder River County.

This came about principally through the efforts of Frank Kelsey, who in 1919 was elected as a representative to the Montana legislature, and introduced the bill creating Powder River County. With the influx of settlers into Montana, county-splitting was the trend, and on March 17, 1919, Powder River officially became a county. The first meeting of the county commissioners determined where the county seat should be, and with three men present to decide the issue, Broadus received two votes, and the town of Olive, only one.

As with the rest of Montana, Powder River County has had its ups and downs and prevailed. Montanans are as resilient as the land they live in, and this is evident when you look at Powder River County.

Mr. President, I appreciate the opportunity to commemorate Powder River County on its 75th birthday as a county in Montana. I wish them the best in the years ahead, and I yield the floor.

KEEPING GUNS OUT OF AMERICA'S SCHOOLS

Mrs. FEINSTEIN. Mr. President, I am pleased to join Senator DORGAN to speak once again about rising crime on school grounds throughout this country.

Senator DORGAN and I offered the "zero tolerance" amendment during the Goals 2000 discussion.

The amendment is simple: if a student carries a gun to school—which has increasingly become a common occurrence—he or she will be expelled.

The House-Senate conference committee that is meeting on the education bill has initially approved the amendment and it must be in the final bill that will be ratified by both houses.

Let me explain why this amendment is so important. In fact, I believe removing guns from schools is absolutely essential to achieving the national education goals embodied in Goals 2000.

Jennifer Chien, a 16-year-old student at University High School in Irvine, recently wrote an op-ed piece for the Los Angeles Times that I think summarizes the fear so prevalent on school campuses:

> Violence has even spread to our schools. Last year, there were thousands of incidents in the United States of students taking weapons to school. Kids. Not young adults or even adolescents, but children.
>
> School children should not have in their hands the means for slaying their classmates over simple disputes. In the past, a fistfight would have ended the quarrel; now a gun is the solution. Imagine what would happen if students shot each other every time there was a disagreement. No one would be left to attend class.

Jennifer is absolutely correct.

What kind of a nation is this when students must go to school in constant fear of being shot, stabbed or attacked?

What kind of a learning environment can there be when youngsters bring guns to school?

How can we expect students to learn when so many resources are spent on metal detectors and safety personnel?

The facts are clear:

One out of every five children regularly carries a firearm, knife, or a club to school.

One out of every eight teachers has been physically threatened in the classroom.

Fifty-nine percent of all children in 6th through 12th grade know where to get a handgun (According to Joyce Foundation survey last year.)

Between 1980 and 1990 there was a 79 percent increase in the number of young people committing murder with guns.

Juveniles arrested for murder and manslaughter increased 93 percent between 1982 and 1991?

According to a recently released study of by the California Department of Health Services, teenagers in 1992 were 10 to 15 times more likely to be murdered than their counterparts in the 1950's and 1960's.

STATISTICS ON GUNS IN SCHOOLS

According to the Department of Justice Office of Juvenile Justice Prevention, California school officials confiscated 8,539 weapons, including 789 guns, in a single year—July 1987 and June 1988.

While most confiscated firearms are handguns, schools throughout the State are experiencing an arms race, as students bring in more powerful weapons: A student in Garden Grove, CA, was found with a loaded Uzi 9mm in his duffel bag.

And, this problem is not limited to older students in high school:

Sixty percent of all students who carry guns to schools are in middle school, according to the Oakland Police Department.

A 7-year-old from Stockton Elementary School in San Francisco took his parent's loaded gun to school last November.

LOS ANGELES UNIFIED SCHOOL DISTRICT

In 1993, on campuses in Los Angeles, there were four shootings—two of them fatal:

In January, a 16-year-old was shot and killed after a gun in another student's backpack accidentally discharged at Fairfax High.

In February, a 17-year-old was shot and killed in a corridor at Reseda High.

On September 7, the first day of his school year, a 15-year-old was shot and seriously injured as he registered for classes at Dorsey High School.

In December, a 17-year-old student waiting for his mother to pick him up at Chatsworth High was shot and injured after he refused to give another teen-ager his backpack.

ZERO-TOLERANCE EXPULSION POLICIES

As a result of rising school violence, several school districts—including those in Los Angeles and San Diego—have adopted their own zero-tolerance expulsion policies for students caught with guns. Three hundred metal detectors are now in place at LA schools.

RESPONSIBILITY OF GOVERNMENT

I submit to this Senate that providing a gun-free learning environment for our students is not just a goal, it is a responsibility of all levels of government.

The mother of the student shot and killed at Reseda High School last year has filed a lawsuit against the school district for ignoring warnings about campus violence and failing to protect students.

Although I don't know the specifics of the case, I think this raises a central point to this discussion: schools should be safe places to learn and to set goals.

CONCLUSION

When will the mayhem end? When will safety and learning take a priority over guns?

The zero-tolerance amendment now part of Goals 2000 is reasonable and—indeed necessary—to stem the rising tide of violence. The amendment was drafted to even give local school boards the discretion to take extenuating circumstances into account.

Mandatory suspension is not the only approach to addressing the problem of guns in schools, and I applaud efforts in California and other States to focus on school violence through prevention and conflict resolution programs, links with community police efforts, and alternative school programs for repeat offenders.

But the fact is that, as stated by the Office of Juvenile Justice: "Students may be deterred from taking weapons to school if they know they face immediate expulsion."

The time has come to remove weapons from the schools of America.

MOVING TO THE ACCOUNTABLE HEALTH PLAN

Mr. DURENBERGER. Mr. President, I rise today to commend and bring to your attention a study done by the University of Minnesota and Hennepin County Medical Center. The report indicates that the elderly poor in Twin Cities Medicaid-HMO plans are as happy with their care and as healthy as those who are in fee-for-service plans. Yet the cost of their care is considerably less than that of fee-for-service plans.

It is critical for us to heed the implications of this study as we consider how to move forward with health care reform. It points us toward answers to two important questions: How do we contain costs and how do we expand access to the poor and uninsured?

HOW DO WE CONTAIN COSTS?

Much of the health reform debate has focused on the buyer side of the market. It is equally important to focus on the sellers or providers of care. Cost containment will only occur if there are changes in the way medicine is practiced and care is delivered. The key to making this change is the accountable health plan [AHP].

HMO's, like the ones in this study, are an integrated delivery system that bring efficiencies, economies of scale, managed utilization and capitated prepayment. The prepaid, capitated premium shifts the risk from a third party payer to the provider of care, who must manage the risk. HMO's have moved from the traditional indemnity insurance bill-paying model to a true merger of risk management and provision of care.

What, then, is an AHP? The AHP adds a public accountability feature to the integrated system and is oriented to health outcomes. Information on the impact of health care on patient health, functioning and well-being, and patient satisfaction are available for comparative purposes.

The HMO's in the Twin Cities are beginning the evolutionary process of becoming an AHP. The study in Minnesota found that the average per-person cost for Medicaid for those in HMO's was 27 percent less than those in the fee-for-service plans. There was no significant difference in health outcomes in spite of the fact that those in HMO's had fewer doctor visits, fewer visits to emergency rooms, and shorter hospital stays.

Furthermore, patients in the HMO's were as satisfied with their care as fee-for-service patients, with 92 percent of HMO patients self-reporting as very satisfied or satisfied, compared with a 94 percent rate for fee-for-service patients. By adding data on patient satisfaction, an accountability measure, HMO's will begin the process of changing to an outcome orientation, or an AHP.

HOW DO WE EXPAND ACCESS TO THE POOR AND UNINSURED?

I have been grappling with questions of how to expand access to care for the poor and uninsured, how to structure their integration into the health care system without creating a two-tiered system, and how to finance it. This study points us in a definite direction and the organizations like those in the study are the way we will get there.

The Hennepin County Medicaid experiment, which began in 1985, mainstreamed Medicaid individuals into HMO's whose doctors were expected to use the same standards in caring for the poor as they did for others. Including the elderly poor in HMO's with the non-poor and providing adequate reimbursement for the plan insured that this group of elderly poor patients received the same quality of care that the nonpoor received.

By adding an emphasis on quality of care and outcomes, these HMO's are continuing the process of becoming an AHP. Because of its public accountability and orientation toward outcomes, the AHP is the best advocate for the poor and low income.

Our objective in health care reform is to get the system to change so that people buy health services based on value. The AHP is what will make the difference, not only for the poor, but for everyone. What is happening in the Twin Cities for the elderly poor is an exciting example of how our system is beginning the process of moving toward AHP's and how it can work to benefit the poor.

We will not have either cost containment or universal access unless we have accountable health plans that compete and are accountable to the public on the basis of cost and quality. I would like to request that the report and the newspaper article about the report accompany this statement in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Annals of Internal Medicine, Mar. 15, 1994]

MOVING TO THE ACCOUNTABLE HEALTH PLAN

(From the University of Minnesota Schools of Medicine and Public Health and the Hennepin County Medical Center, Minneapolis, Minnesota. For current author addresses, see end of text)

(By Nicole Lurie, MD, MSPH; Jon Christianson, PhD; Michael Finch, PhD; and Ira Moscovice, PhD)

Purpose: To determine the effect on health and functional status outcomes of enrollment of noninstitutionalized elderly Medicaid recipients in prepaid plans compared with traditional fee-for-service Medicaid.

Design: A randomized controlled trial. Beneficiaries were randomly assigned to prepaid care in one of seven capitated health plans compared with fee-for-service care. Only the Medicaid portion of their care was capitated. Patients were followed for 1 year.

Setting: The Medicaid Demonstration Project in Hennepin County, Minnesota, which includes Minneapolis.

Patients: 800 Medicaid beneficiaries who were 65 years or older at the beginning of the evaluation. Beneficiaries were interviewed at baseline (time 1) and 1 year later (time 2). Ninety-six percent of beneficiaries were available for follow-up interviews at time 2.

Main Outcome Measures: General health status, physical functioning, mental health status, activities of daily living, instrumental activities of daily living, corrected visual acuity, and blood pressure and glycosylated hemoglobin measurements for hypertensive and diabetic persons, respectively.

Results: There were no differences between prepaid and fee-for-service groups in the number of deaths (20 compared with 24, $P > 0.2$), the proportion in fair or poor health (56.5% compared with 59.7%, $P > 0.2$), physical functioning, activities of daily living, visual acuity, or blood pressure or diabetic control. Patients in the prepaid group reported a trend toward better general health rating scores (10.2 compared with 9.8, $P = 0.06$) and well-being scores (10.0 compared with 9.7, $P = 0.07$) than patients in the fee-for-service group. The difference in the likelihood of a patient in the prepaid group having a physician visit relative to the fee-for-service group was −16.5% (adjusted odds ratio, 0.46; 95% CI, 0.29 to 0.74) and for an inpatient visit was −11.2% (adjusted odds ratio, 0.55; CI, 0.32 to 0.94).

Conclusions: There was no evidence of harmful effects of enrolling elderly Medicaid patients in prepaid plans, at least in the short run. Whether these findings also apply to settings in which health maintenance organizations are formed exclusively for Medicaid patients should be studied further.

The desirability of capitated health care has been intensely debated by purchasers of health care and policymakers alike, especially with respect to its suitability for public sector programs. Currently, 36 states offer capitated health plans to the poor, and enrolling Medicaid beneficiaries in capitated plans is gaining in popularity as a way to reduce state Medicaid expenditures (1). Quality of care and health outcomes under capitation in public programs have been little studied, but because early attempts to enroll Medicaid beneficiaries in prepaid care were plagued by inadequate access to care and fraud, critics have focused debate on these aspects of capitation (2).

Enrolling the elderly in prepaid plans raises a number of additional issues. In theory, health maintenance organizations may provide better continuity and coordination for care of chronic disease than the fee-for-service system (3). Yet, some authors have expressed concern that health maintenance organizations may be insensitive to special needs of the elderly because their highly structured care systems may be difficult for elderly patients to use, creating nonfinancial barriers to care (4). Under prepayment, physicians may respond to economic incentives to restrict services by seeing chronically ill patients less often (5). Incentives to limit treatment may be particularly powerful among high-cost enrollees such as the elderly.

Previous studies of the effects of capitation have focused on either nonelderly poor or elderly nonpoor persons. None has studied populations that are both elderly and poor, which may be at particular risk for underservice in prepaid plans. Further, they suffer either from incomplete follow-up of study patients or from the fact that patients were not randomly assigned to prepaid and fee-for-service groups, introducing the substantial threat of selection bias. We describe the experience of noninstitutionalized elderly Medicaid beneficiaries who were randomly assigned to prepaid compared with fee-for-service Medicaid care.

METHODS

The study was conducted as part of the Hennepin County Medicaid Demonstration Project, one of the Health Care Financing Administration-sponsored Medicaid Competition Demonstration sites. This site enrolled a broad range of Medicaid beneficiaries, including the elderly, and randomly assigned 35% of them to prepaid care. The remaining 65% continued to use fee-for-service providers participating in Medicaid. Once randomly assigned to the capitation group, beneficiaries were given an opportunity to choose among seven health plans. These included a closed-panel health maintenance organization, a county-sponsored network health maintenance organization that formed in response to the demonstration, and five independent practice association plans. The 8% of persons who did not voluntarily choose a plan were randomly assigned to one. Beneficiaries were required to remain in the plan for at least a year, unless they successfully appealed.

Because over 40% of the Twin Cities' population is enrolled in health maintenance organizations, it is likely that nearly all physicians caring for study patients had some patients in their practices for whom they were reimbursed on a capitation or reduced-fee basis, with risk-sharing through "withhold" arrangements in which part of their compensation was determined by their success in containing costs.

Almost the entire study sample was enrolled in both Medicare and Medicaid, and the Medicaid portion of care for the prepaid group was capitated as part of the demonstration. Under this capitation payment, Medicaid paid for the copayment and deductible portion of the Medicare, such as drugs, dental care, and physical, speech, and occupational therapy. These Medicaid costs were fixed at 95% of estimated fee-for-service costs, which constituted about half of total health care expenditures for this population. Plan participation was voluntary, but all plans participating in the demonstration chose to enroll elderly patients.

We identified from Medicaid tapes all 1496 noninstitutionalized, aged (≥65 years) Medicaid beneficiaries in Hennepin County, Minnesota, and randomly selected 400 beneficiaries for an experimental (prepaid) group and 400 beneficiaries for comparison group for evaluation. Sample members who identified themselves as hypertensive or diabetic at baseline were included in a predesigned substudy to assess physiologic outcomes. Sample sizes were chosen on an alpha of 0.05, a beta of 0.8, and estimates of the prevalence of hypertensive and diabetic persons in the population. The sample was designed to include enough hypertensive persons to detect a 10 mm Hg change in systolic and a 5 mm Hg change in diastolic blood pressure, enough diabetic persons to detect a 15% change in glycosylated hemoglobin, and a ±4 percentage point difference for dichotomous outcome variables for the entire study sample.

Overall, health status was assessed along the dimensions specified by the World Health Organization (6). Patients rated their health as excellent, good, fair, or poor. Physical functioning was assessed with the nine-item battery used in the RAND Health Insurance Experiment (7). Social functioning was measured using a modified five-item scale developed by Kane and colleagues (8). Role function was measured with a two-item scale, and general health perceptions were measured with a four-item general health scale, both from the RAND Health Insurance Experiment (7); Activities of Daily Living and Instrumental Activities of Daily Living were assessed with standard measures (9, 10). Other than the physical functioning, Activities of Daily Living and Instrumental Activities of Daily Living measures, which are scored in terms of numbers of limitations, measures were scored such that a high score indicated better health.

Three domains of mental health status were measured: well-being, anxiety, and depression. Well-being was measured using items from the RAND Health Insurance Experiment (7). Anxiety was measured with items from the Hopkins Symptom Checklist (11), and depression was measured with items from the Zung Depression Scale (12). In all cases, a higher score indicated better health. Because pilot testing indicated that beneficiaries found the long mental health scales to be too intrusive, we used the three items from each scale with the highest published factor loadings.

We selected three physiologic indicators of health status: blood pressure control for hypertensive persons, glycosylated hemoglobin in diabetic persons, and visual acuity for the entire elderly population. These were chosen because they have been shown to be sensitive to changes in access to care (13, 14). In the RAND Health Insurance Experiment, far visual acuity was better among low-income enrollees receiving free care (15), and we hypothesized that access to eye glasses or cataract surgery might differ among the fee-for-service and prepaid enrollees. Finally, we collected information regarding sociodemographic characteristics, access to care (usual source of care, delay and refusals of care, travel and waiting time), satisfaction with care (global satisfaction and satisfaction with provider and staff), and use of health services. Utilization data were available from client self-report at baseline and 1 year later and from the state Medicaid program and Part A Medicare claims for the demonstration year.

We used Medicare and Medicaid claims to measure inpatient use during the demonstration year. However, when we conducted an audit of medical records to validate a sample of the outpatient claims submitted to the state by the health plans, we found that they were incomplete, that there was substantial under- and over-reporting, and that he degree of accuracy varied by plan. Thus, in our analyses we use only self-reported outpatient use.

We interviewed sample members at baseline, which was the period between assignment to prepaid plans and 2 weeks after coverage started for experimental group patients. Control group interviews were conducted during a similar period. All patients were reinterviewed 1 year later, at which time we also interviewed proxy respondents when patients had died or were too ill to be interviewed. Methods for achieving high response rates are described, in part, by Bindman and colleagues (16).

Near and far visual acuity were measured for all patients using standard Snellen charts. Patients were instructed to use glasses if they routinely wore them.

After patients were interviewed for the evaluation, those who reported having hypertension or diabetes or both were visited by a physician or medical student. Standardized blood pressure measurements were obtained for all hypertensive persons; glycosylated hemoglobin levels were measured for all diabetic persons. These were repeated at the 1-year follow-up interview.

DATA ANALYSIS

We compared the distributions of variables between experimental and control populations for the baseline and follow-up periods using *t*-tests and chi-square techniques. In analyzing follow-up data, ordinary least-squares techniques were used to analyze continuous variables, whereas logistic regression was used for dichotomous variables. In all these analyses, the dependent variable was a health status measure at the follow-up interview. In addition, for health status measures that were continuous variables, we computed the difference between the value of the variable at baseline and follow-up and used the difference as the dependent variable. These results were similar to those in which the dependent variable was a health status measure at follow-up. For hospitalization and nursing home utilization data, we used tobit regression (17), a method for handling censored data (because of the large number of people with no admissions) as well as logistic regression. To minimize the loss of data, mean sample values were substituted for missing values of independent variables if the number of observations for which data on a specific variable were missing was less than 10%. Otherwise, the variable with missing data was not included in any analyses. In the regression models, we controlled for baseline values of sociodemographic characteristics, inpatient and outpatient use, general health status, physical function, activities of daily living, instrumental activities of daily living, social function insurance, and length of time in the plan. For the health status variables, the regression-adjusted results were similar in magnitude and direction to the unadjusted findings, and the results of analyses using the dependent value at follow-up did not differ from those using change scores as the dependent variable. Thus, we report only unadjusted data. Regression adjustment did alter the magnitude of the utilization differences, however. Thus, unadjusted and regression-adjusted scores are presented for these data. For the logistic regression analyses, we report both the odds of having a visit in the prepaid group compared with fee-for-service group as well as the difference in the likelihood of a patient in the prepaid group having a visit compared with a patient in the fee-for-service group.

Finally, we calculated the average annual expenditures per person. For the fee-for-service group, this was the total of actual Medicare and Medicaid payments for the sample divided by the total number of beneficiaries. For the prepaid group, this was the total of capitation payments and estimated reinsurance payments divided by the total number of beneficiaries plus the Medicare payments.

TABLE 1.—SAMPLE SIZES AT BASELINE AND FOLLOW-UP

Sample Size	Prepaid	Fee-for-Service
Total sample at baseline, *n*	400.0	400.0
Completed follow-up,* *n*	387.0	384.0
Refused	10.0	13.0
Moved out of state	3.0	3.0

TABLE 1.—SAMPLE SIZES AT BASELINE AND FOLLOW-UP—Continued

Sample Size	Prepaid	Fee-for-Service
Response rate at follow-up, %	96.9	96.0

*For sample members who had died, 24 elderly control and 20 elderly experimental interviews were completed by proxies. Proxy respondents also completed interviews for six elderly control group members and two elderly experimental group members who were too ill to complete the interview.

RESULTS

We obtained second interviews for 387 control and 384 experimental group patients 1 year after the baseline interview, yielding 96% and 97% completion rates, respectively. Reasons for loss to follow-up appear in Table 1. Prepaid and fee-for-service groups did not differ significantly in any sociodemographic characteristics, baseline utilization (Table 2), or baseline health status measures (Table 3). Patients were mostly female and white, and had, on average, three chronic conditions. Consistent with our expectations, the study sample reported significantly poorer health than did the overall Medicare population in the Twin Cities, based on survey data collected in 1989 (Wisner C. Personal communication). Sixty percent reported being in fair or poor health, in contrast to only 13% of the general Medicare population.

Use of services was lower in the prepaid group (Table 4). Based on logistic regression analyses, the difference in the likelihood of a patient in the prepaid group reporting an outpatient visit compared with a patient in the fee-for-service group was −16.6% (adjusted odds ratio, 0.44; CI, 0.29 to 0.74) and −21.2% for an emergency department visit (odds ratio, 0.40; CI, 0.25 to 0.63). Claims data indicated that, relative to the fee-for-service group, the difference in likelihood of hospitalization for the prepaid group was −11.2% (odds ratio, 0.55; CI, 0.32 to 0.94) and that considering all patients, length of stay for the prepaid group was 1.3 days shorter than for the fee-for-service group (CI, −0.06 to −7.78 days). The likelihood of being admitted to a nursing home did not change.

TABLE 2.—BASELINE CHARACTERISTICS OF PREPAID AND FEE-FOR-SERVICE SAMPLES

Baseline Characteristics	Prepaid (*n*=384)	Fee-for-Service (*n*=387)
Age (mean) *y*	76	76
Female, %	81	78
Married, %	9.8	11.9
Education (mean), *y*	9.6	9.7
White, %	80	81
Monthly income, $	381	400
Chronic health conditions (mean), *n*	2.9	3.2
Any physician visit in the past 3 months, %	80.6	78.5
Physician visits in the past 3 months (mean), *n*	3.3	3.4
Any hospital admissions in the past 12 months, %	23.6	26.1
Hospital admissions (mean) in the past 12 months, *n*	0.4	0.4
Any nursing home admissions in the past 12 months, %	3.6	6.2
Nursing home admissions in the past 12 months, *n*	0.04	0.06

Despite these differences in use, beneficiaries' reports of access to or satisfaction with care did not differ. For example, 92% of prepaid and 94% of fee-for-service patients were "very satisfied" or "satisfied" with their care ($P>0.2$). Eighty-six percent of each group reported having a usual source of care, and 16.5% of prepaid and 18.6% of fee-for-service patients reported "at least some" difficulty getting emergency care ($P>0.2$). The difference in average annual per-person expenditures made by Medicaid was $715 (CI, $103 to $1326), which was 27% lower for patients in the prepaid group. Medicare expenditures did not differ statistically between the two groups ($462; CI, −$1118 to $194).

Forty-four patients died during the 1-year follow-up period; 24 were in the fee-for-service group and 20 received capitated care ($P>0.2$). Table 3 compares health outcomes of the prepaid and fee-for-service groups at baseline and follow-up. Blood pressure and glycosylated hemoglobin for hypertensive and diabetic persons, respectively, were similar in both groups, as were self-rated health, physical functioning, mental health and Activities of Daily Living and Instrumental Activities of Daily Living dependencies for the entire study population. Patients in the fee-for-service group reported slightly worse general health than patients in the prepaid group at follow-up, and these differences remained statistically significant after regression adjustment (0.4 points; CI, 0.06 to 0.72 points).

DISCUSSION

The current health reform debate focuses on expanding access to care while maintaining quality and controlling costs. Capitation, managed care, and competition are seen by some as desired features of health care reform. This study is the first to report on use of service and quality of care from a randomized trial of capitated compared with fee-for-service Medicaid payment for elderly poor, a group at particular risk for adverse health outcomes as well as underservice. It reports on beneficiary outcomes aggregated across seven health plans of different types. States contemplating the use of capitation for elderly Medicaid beneficiaries, nearly all of whom are also Medicare beneficiaries, will only be able to capitate the Medicaid contribution for eligible patients. Thus, this demonstration represents a "real world" test of capitation for high-risk elderly Medicaid beneficiaries. Partially on the basis of this demonstration experience, health care for Medicaid recipients in Hennepin County is now being delivered via a capitation arrangement.

TABLE 3.—HEALTH STATUS AT BASELINE AND FOLLOW-UP FOR PREPAID AND FEE-FOR-SERVICE GROUP*

Variables	Unadjusted values				Adjusted prepaid-fee-for-service difference at time 2 (95% CI)
	Time 1		Time 2		
	Prepaid	Fee-for-service	Prepaid	Fee-for-service	
Physiologic measures (mean values):					
Systolic blood pressure (hypertensive patients), mm Hg	147.5	147.9	145.1	145.0	0.1 (−6.03 to 5.12)
Diastolic blood pressure (hypertensive patients), mm HG	79.1	76.9	75.5	76.9	−1.4 (−2.37 to 3.63)
Glycosylated hemoglobin (diabetic patients), %	9.2	9.7	9.4	9.5	−0.1 (−6.68 to 10.65)
Visual acuity:					
Near vision >20/200, %	45.4	41.6	46.2	51.7	−5.5 (−6.4 to 4.6)
Far vision >20/50, %	74.4	75.1	87.0	85.6	−1.4 (−1.47 to 1.33)
Perceived general health:					
Fair to poor health, %	61.6	62.5	56.5	59.7	−3.2 (−3.27 to −3.13)
General health index (mean) [range = 4 to 12]	9.9	9.8	10.2	9.8	0.4 (0.06 to 0.72)

TABLE 3.—HEALTH STATUS AT BASELINE AND FOLLOW-UP FOR PREPAID AND FEE-FOR-SERVICE GROUP *—Continued

Variables	Unadjusted values				Adjusted prepaid-fee-for-service difference at time 2 (95% CI)
	Time 1		Time 2		
	Prepaid	Fee-for-service	Prepaid	Fee-for-service	
Mental health status (mean) [range = 3 to 12]:					
Well-being	10.2	10.3	10.0	9.7	0.3 (−0.62 to 0.03)
Depression	8.4	8.5	8.2	8.2	0(−0.38 to 0.35)
Anxiety	9.8	9.8	9.3	9.3	0(−0.34 to 0.31)
Physical functioning index (mean) [range = 0 to 9]	5.7	5.4	5.7	5.7	0(−0.50 to 0.51)
LADL dependencies:					
Number of LADL dependencies (mean) [range = 0 to 8], n	1.8	2.0	2.3	2.6	−0.3(−0.23 to 0.47)
Dependent in, %					
Using telephone	2.9	2.3	5.4	5.4	
Taking medications	5.0	5.7	8.4	12.2	
Doing laundry	31.0	33.9	38.3	42.0	
Doing routine housework	36.8	39.4	41.0	44.8	
Cooking own meals	13.8	14.9	19.8	20.0	
Managing finances	14.4	12.7	17.4	20.5	
Shopping for groceries	40.2	46.6	56.0	51.9	
Traveling in community	37.2	39.8	44.6	45.8	
ADL dependencies:					
Number of ADL dependencies (mean) [range = 0 to 8], n	0.6	0.7	0.5	0.6	−0.12(−0.23 to 47)
Dependent in, %					
Eating	0.8	1.3	1.0	3.1	
Dressing	2.3	4.7	6.0	7.8	
Grooming	4.2	3.4	5.5	8.3	
Mobility	8.6	8.0	11.7	17.1	
Transferring	3.4	5.2	5.7	9.6	
Bathing	9.4	11.6	14.9	18.4	
Toileting	2.3	2.6	4.7	7.0	
Bowel and bladder control	25.8	29.2	27.8	30.6	

* All of the measures were for the entire study population, except for blood pressure and glycosylated hemoglobin. For hypertensive patients, n = 146 prepaid and 145 for fee-for-service patients. For diabetic patients, 41 were prepaid and 50 were for fee-for-service at baseline, ADL = activities of daily living; LADL = instrumental activities of daily living.

Although enrollees in the prepaid group used significantly less care, there was no evidence that they experienced poorer health during the study period, and beneficiary reports of access and satisfaction were comparable. Such findings are consistent with those of the National Medicare Competition Evaluation, in which Medicare enrollees in health maintenance organizations received equivalent or better quality care for selected conditions and had comparable health outcomes (18, 19-21) to those in fee-for-service Medicare. However, capitated and fee-for-service groups in those evaluations often differed in their characteristics, and follow-up data in some cases were incomplete. Studies of private employed groups that have addressed similar issues have generally not used a randomized design and therefore may suffer from selection bias because enrollees in prepaid plans may have differed in important ways from those who were cared for in the fee-for-service sector (22). The only randomized trial to date examined the experience with capitation in the RAND Health Insurance Experiment (23). This study found that the rate of hospital admissions for prepaid health plan enrollees were 40% lower than for fee-for-service patients. Two other studies from the same experiment (24, 25) reached differing conclusions regarding health outcomes. However, the health maintenance organization studied in the RAND Health Insurance Experiment was a staff model health maintenance organization with salaried physicians, which is not typical of most current prepaid plans.

Our results are also consistent with recent studies about outcomes of capitated care for poor, nonelderly populations. Carey and colleagues (26, 27) compared Medicaid enrollees receiving Aid to Families with Dependent Children (AFDC) in counties with capitated demonstration programs to AFDC populations in similar counties with traditional Medicaid fee-for-service care and found no difference in several aspects of process of care. Finally, Lurie and colleagues (28) found that health outcomes of chronically mentally ill Medicaid beneficiaries enrolled in capitated health plans did not differ statistically from those remaining under fee-for-service care.

TABLE 4.—USE OF HEALTH SERVICES FOLLOW-UP FOR PREPAID AND FEE-FOR-SERVICE ENROLLEES

Variable	Time 2 (Unadjusted Means)		Adjusted Prepaid-Fee-for-Service Difference (Odds Ratios) [95% CT]*
	Prepaid (n=335)	Fee-for-Service (n=336)	
Self-reported:			
Any physician visit in the past 3 months, %	67.9	72.8	16.5 (0.44) [0.29 to 0.74]
Physician visits in the past 3 months, n	2.3	2.3	−0.8† (−1.68 to 0.25)
Any emergency department visit in the past 3 months, %	14.8	16.3	21.2 (0.40) [0.25 to 0.63]
Emergency room visits in the past 3 months (mean), n	0.2	0.2	−0.19† (−0.31 to −0.04)
Claims reported:			
Any hospital admissions in the past 12 months, %	22.8	26.2	−11.2† (0.55) [0.32 to 0.94]
Hospital admissions in the past 12 months (mean), n	0.4	0.5	−0.6† (−1.15 to −0.01)
Hospital days in the past 12 months (mean), n	2.0	3.2	−5.5† [−10.32 to −0.19]
Any nursing home admissions in the past 12 months, %	0.1	0.1	4.03 [−0.09 to 1.86]
Nursing home admissions in the past 12 months, n	0.12	0.12	—
Nursing home days in the past 12 months (mean), n	6.6	8.5	—

* For logit analyses, we present both the difference in likelihood elasticity of a visit, calculated at the mean for a person in the prepaid group relative to fee-for-service and the odds ratio for a probability of a visit in the prepaid group relative to fee for service and 95% CIs. Tobit adjusted means were used for number of hospitalizations and nursing home admissions because of the proportion of patients with no visits. Tobit adjustment was not calculated for nursing home admissions because tobit regression is not robust enough for the limited number of nursing home admissions that occurred.

†< $P < 0.01$.

†< $P < 0.05$.

Although neither sample sizes nor our previous agreements with the health plans permit plans-specific analyses, it is important to consider the reasons that use may have been lower for the prepaid group. Switching Medicaid beneficiaries from fee-for-service to capitation Medicaid financing might reduce their use because of changes in the financial incentives faced by their physicians, the application of managed-care techniques to control service use, or disruption in the continuity of care for beneficiaries that reduced use until new care patterns were established. Fortunately, because most patients did not change doctors, we can exclude disruption as the cause of lower use. Most of the physicians serving beneficiaries in our sample continued to receive fee-for-service payments from plans, often with discounts on fees and risk-sharing through a "withhold pool." Because the county-sponsored health maintenance organization was formed in response to the demonstration, this was the first exposure to capitation for many physicians practicing there. All of the plans used managed-care techniques such as prior authorization for surgery or physical therapy, concurrent review during hospitalization, or restricted formularies. Thus, it seems most likely that the observed reductions in services are caused largely by these efforts.

Several study limitations should be noted. First, because patients were followed for only a year, we do not know if adverse effects would have become evident over a longer period. However, the demonstration continued after our evaluation ended, and 101 prepaid and 111 fee-for-service group enrollees died in the first 3 years of the demonstration ($P > 0.2$). Although this is a crude measure of outcome, it is consistent with our other findings. Second, because only the Medicaid portion of expenditures was capitated, we cannot be certain that the findings would be similar if Medicare payments had also been capitated. Third, we made many comparisons between the prepaid and fee-for-service groups. The relatively few significant differences observed between the groups may have occurred on the basis of chance alone. Because of the large numbers of comparisons made and the consistent findings, it seems unlikely that use of additional measures would have altered the general conclusions of the study. Also, blood pressure and glycosylated hemoglobin levels vary from hour to hour, so measurements made at baseline and 1 year later are liable to substantial sampling error. Fourth, our outpatient use measures are based on client self-report because claims data proved inaccurate. However, we know of no reason that there would be differential self-reporting between the two groups that would influence our comparisons of use. Finally, most patients were enrolled in plans that also cared for privately insured populations, and we doubt that they treated study patients differently than their other capitated enrollees. Other Medicaid programs may enroll patients in prepaid plans serving only Medicaid patients. The evidence on whether others would fare as well in such plans is inconclusive, but the specter of the California Medicaid scandals in the 1970s is a reminder that the enrollment of Medicaid beneficiaries in such settings should be carefully monitored.

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STUDY: ELDERLY POOR HAPPY WITH HMO'S—PLANS COST LESS THAN FEE-FOR-SERVICE DOCTORS

(By Gordon Slovut)

A University of Minnesota study indicates that the elderly in Twin Cities Medicaid-HMO plans are just as happy with their care as those whose doctors are paid on a fee-for-service basis.

The study found that the patients are just as healthy, and that the cost of providing care for them is considerably less.

The researchers randomly assigned 800 Medicare-covered poor people over age 65 in Hennepin County to (HMO) or fee-for-service doctors and followed them for a year.

"We find no significant differences in outcomes or satisfaction," said Dr. Nicole Lurie, a researcher for the University of Minnesota and Hennepin County Medical Center who headed the study.

The results are important as national health care reform appears to be moving the nation toward prepaid health plans such as HMOs, Lurie said.

She said the results are based on data collected from the enrollees, not from the HMOs.

She said that HMOs tended to underreport or overreport the services they provided and that different HMOs don't tabulate their data in the same ways, making HMO-to-HMO comparisons virtually impossible.

Lurie said that HMOs weren't even reliable on reporting how often a patient visited a doctor and that researchers therefore relied on patients to tell them how often they saw doctors. She said any recollection problems should have evened out, as the researchers had to rely on patients' memories on visits to both HMO and fee-for-service doctors.

The Star Tribune reported on Sunday that the Minnesota Department of Human Services shelved a study designed to see if the state saves money by sending Medicaid patients to HMOs rather than paying episodically for their care. Lurie, who was not involved in that study, said it will be virtually impossible to do such research adequately until the HMOs move into standardized reporting.

She said the elderly in the plan, who were examined for the study initially in the late 1980s, were covered by Medicare but also needed Medicaid because they did not have sufficient income to cover the gap between what Medicare pays and what doctors and hospitals charge.

Medicaid paid a flat fee (on top of what Medicare paid), based on the individual's age and physical condition, to HMOs—equal to about 95 percent of what that person would be expected to pay.

Fee-for-service doctors are paid on the basis of services they provide to their patients. So the greater the number of visits and tests a patient needs, the higher a doctor's income is.

Researchers also reviewed the patients' general health status, physical function, mental health status, activities of daily living, corrected vision, blood pressure if they had high blood pressure and blood sugar levels if they had diabetes.

They expected that corrected vision would indicate that patients received adequate eye testing and had eyeglasses prescribed for proper correction, and if cataracts, for example, had developed and been treated if necessary.

Blood pressure levels and whether diabetes was under control would indicate the relative effectiveness of therapy for two very common diseases in the elderly.

"The outcomes were comparable at a year, including the number of deaths [20 among HMO members, 24 among fee-for-service patients]," Lurie said. "We have looked at deaths three years out, and they are still comparable [101 among HMO patients, 111 among fee-for-service patients]."

She said that any long-term differences, such as whether preventive measures are more effective in the HMO or fee-for-service systems, probably wouldn't show up for 10 years. Medicaid covers preventive care in fee-for-service programs.

Lurie said it is important to note that in the Hennepin County Medicaid experiment, which began in 1985, the poor have been "mainstreamed" into HMOs such as Group Health and Medica, whose doctors would be expected to use the same standards in caring for the poor as they do for others. She said the results might be different for people if they were assigned to HMOs that serve only the poor.

Those assigned to HMOs were given a choice of seven, including Hennepin County's Metropolitan Health Plan, which provides prepaid care for county employees as well as poor people.

The study, in which Lurie collaborated with Jon Christianson, Michael Finch and Ira Moscovevic of the university, is the first to compare people who are both elderly and poor, Lurie said. Other research on prepaid plans has focused on the nonelderly poor or the elderly nonpoor, she said.

There were differences, however, in how HMO and fee-for-service patients were treated.

Those in HMOs had fewer doctor visits and fewer visits to hospital emergency rooms. They had shorter hospital stays—1.3 fewer days, on average. Nursing home use was the same.

In their report, which appears in today's issue of Annals of Internal Medicine, the journal of the American College of Physicians, the Minnesotans wrote that "92 percent of prepaid [HMO] and 94 percent of fee-for-service patients were 'very satisfied' or 'satisfied' with their care."

The average annual per-person cost for Medicaid for those in HMOs was 27 percent less than for those in the fee-for-service plan under which Medicaid paid doctors and others on the basis of visits, tests and treatment. That figure does not mean the total cost was 27 percent less; Medicare covered roughly the first 50 percent of the cost for all of the 800 in the trial.

The researchers' conclusion:

"Although enrollees in the prepaid group used significantly less care, there was no evidence that they experienced poorer health during the study period, and beneficiary reports of access and satisfaction were comparable."

They stopped short of saying that HMOs provided better care. The HMOs often promote themselves as providing superior care because they place more emphasis on prevention. Lurie said it might take years for such a difference to show up.

FRANK KELLY REMINDS US IT'S TIME AGAIN TO SAY "GIVE PEACE A CHANCE"

Mr. PELL. Mr. President, Frank Kelly, for many years a leader of the Center for the Study of Democratic Institutions, is one of the "wise men" of our age. His life has spanned most of the years in this century, and he has witnessed the many ways in which our world has been torn apart by violence, the countless millions who have become refugees, the abandonment of ethical principles, what he refers to as "the moral meltdown of our times."

For over a quarter of a century Frank Kelly has advocated the convening of "summit meetings for humanity." The first such meeting took place in Santa Barbara, CA, in July, 1993, sponsored by the Nuclear Age Peace Foundation of which he is senior vice president. A second meeting is scheduled for July 5–7 of this year.

Frank Kelly calls attention to a proposed "planetary code of ethics" drafted by the Parliament of the World's Religions, representing more than 100 religious organizations that assembled in Chicago in 1993. The leaders who attended included the Dalai Lama, other Buddhists, representatives of Christian denominations and many other faiths. In their concluding statement, they condemned "the social disarray of nations, the anarchy overtaking our communities, and the insane death of our children by violence," and stated that "A common set of core values is found in the teachings of the religions, and these form the basis of a global ethic."

Frank Kelly believes that we can reverse the moral meltdown of our age. That is an ideal worth remembering, and he will be remembered for it.

TRIBUTE TO RAYMOND F. McCASKEY

Ms. MOSELEY-BRAUN. Mr. President, I would like to honor a distinguished Illinoisan, Raymond F. McCaskey, who is the 1994 recipient of the Anti-Defamation League's Distinguished Community Service Award. Mr. McCaskey is the Blue Cross and Blue Shield of Illinois president and chief executive officer.

Ray joined Blue Cross in 1976 as an associate actuary, and rose through the ranks to vice president, chief financial officer, and president. He was named chief executive officer in 1993, overseeing the operations of Illinois' oldest and largest health insurer.

Ray McCaskey has a strong commitment to people, and to service. Blue Cross has nurtured many community projects and programs under his tenure. Every day, Blue Cross CareVans travel to Chicago's poorest neighborhoods helping in the battle against disease. Since the program began in 1989, CareVan nurses have administered nearly 100,000 immunizations.

Blue Cross is a corporate sponsor of Chicago Housing Authority's Midnight Basketball League, the Cabrini Green Summer Youth League and Cabrini Greens, the gardening program which has planted seeds of hope and pride at one of the city's largest public housing projects. Ray McCaskey also has continued the fight against illiteracy begun by his predecessor, S. Martin Hickman. Blue Cross is the major underwriter of Chicago United's Family Learning Center project to promote early childhood development and adult literacy.

Under Ray's leadership, Blue Cross has been a strong advocate of health care reform on the national and State levels. He serves on Illinois Governor Jim Edgar's Health Care Reform Task Force as one of two key committee chairmen. Ray also serves on the board of directors of the Mental Health Association in Illinois.

As head of one of the major employers in Illinois, Ray McCaskey has promoted equal employment opportunity and affirmative action. Blue Cross has a strong commitment to hiring and promoting minorities, women, veterans, and persons with disabilities. In numerous communications with Blue Cross employees, and most importantly by personal example, Ray has made clear that everyone must respect and appreciate individual differences.

In presenting its 1994 Distinguished Community Service Award to Ray McCaskey, the Anti-Defamation League said it is "proud to honor this distinguished American whose life and works embody our very highest ideals and aspirations."

I wish to convey my heartfelt congratulations to Ray as he receives this special honor.

NATIONAL AGRICULTURE DAY—MARCH 20, 1994

Mr. HOLLINGS. Mr. President, I rise today to recognize an important individual we often forget—the American farmer. Each time we walk into a grocery store, look through our cupboards or sit down with our family for dinner, we should remember the people who dedicate their lives to this often overlooked profession. As National Agriculture Day approaches, I want to take this time to remind the American public of the hardships our producers encountered last year, and to encourage America's farmers to face the coming season with hope.

Last year, thousands of farmers found themselves at the mercy of Mother Nature. Midwesterners faced endless days of unprecedented rainfall, while those in the Southeast suffered through one of the worst droughts of modern time. In my own State of South Carolina, more than 37,000 farmers suffered crop and livestock losses totaling more than $264 million. The drought of 1993 destroyed 95 percent of our corn crop, 40 percent of soybeans and cotton, and a quarter of the normal tobacco yield. As for livestock, more than 1.8 million turkeys and chickens, 3,100 hogs, and 860 head of cattle were lost. Thanks to the dedication of Secretary of Agriculture Mike Espy, we were able to work together to provide relief funds for South Carolina farmers, and many of them are recovering well and looking forward to a new year.

However, for many livestock producers in South Carolina, the effects of the drought are far from over. Last year, scorching temperatures destroyed almost the entire hay crop in our State, and farmers now are having to pay as much as four times the average market price for feed. To provide some relief, dairy farmer Tom Trantham and I have been working on Operation Haylift which will provide more than 4,000 bales of donated hay for needy farmers. I am hopeful that the free hay will be transported from Indiana to South Carolina in the next 2 weeks.

As we reflect on the troubled times of 1993, South Carolina farmers have much to offer, and much to look forward to as the first day of spring approaches. South Carolina remains a versatile farming State and leads our country in the production of several crops. For example, we rank 2d in the Nation for peach production, 2d in flue-cured tobacco, 3d in tomatoes, 8th in sweet potatoes, 10th in turkeys, and 15th in broilers. Certainly, such numbers are something for which all South Carolinians can be proud.

These figures give us hope that Mother Nature will be kind to America's farmers during 1994, and will provide them with a healthy, bountiful season. Mr. President, I thank our farmers for their hard work and dedication, and remind all Americans that every day is a good day to recognize the contributions of the American farmer.

BUDGET SCOREKEEPING REPORT

Mr. SASSER. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through March 11, 1994. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 287), show that current level spending is below the budget resolution by $4.4 billion in budget authority and $0.7 billion in outlays. Current level is $0.1 billion above the revenue floor in 1994 and below by $30.3 billion over the 5 years, 1994–98. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $312.1 billion, $0.7 billion below the maximum deficit amount for 1994 of $312.8 billion.

There has been no action that affects the current level of budget authority, outlays, or revenues since the last report, dated March 8, 1994.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, March 15, 1994.

Hon. JIM SASSER,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the 1994 budget and is current through March 11, 1994. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Concurrent Resolution on the Budget (H. Con. Res. 64). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated March 7, 1994, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,
JAMES L. BLUM
(For Robert D. Reischauer).

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1994, 103D CONGRESS, 2D SESSION, AS OF CLOSE OF BUSINESS MARCH 11, 1994

[In billions of dollars]

	Budget resolution (H. Con. Res. 64)[1]	Current level[2]	Current level over/under resolution
ON-BUDGET			
Budget authority	1,223.2	1,218.9	−4.4
Outlays	1,218.1	1,217.5	−0.7
Revenues:			
1994	905.3	905.4	0.1
1994–1998	5,153.1	5,122.8	−30.3
Maximum deficit amount	312.8	312.1	−0.7
Debt subject to limit	4,731.9	4,456.8	−275.1
OFF-BUDGET			
Social Security outlays:			
1994	274.8	274.8	(3)
1994–1998	1,486.5	1,486.5	(3)
Social Security revenues:			
1994	336.3	335.2	−1.1
1994–1998	1,872.0	1,871.4	−0.6

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50 million.

Note.—Detail may not add due to rounding.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 103D CONG., 2D SESS.—SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1994, AS OF CLOSE OF BUSINESS MAR. 11, 1994

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			905,429
Permanents and other spending legislation[1]	721,182	694,713	
Appropriation legislation	742,749	758,885	
Offsetting receipts	(237,226)	(237,226)	
Total previously enacted	1,226,705	1,216,372	905,429
ENACTED THIS SESSION			
Emergency supplemental appropriations, fiscal year 1994 (P.L. 103–211)	(2,286)	(248)	
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted[2]	(5,562)	1,326	
Total current level[3] [4]	1,218,857	1,217,451	905,429
Total budget resolution	1,223,249	1,218,149	905,349
Amount remaining:			
Under budget resolution	4,392	698	
Over budget resolution			80

[1] Includes budget committee estimate of $2.4 billion in outlay savings for FCC spectrum license fees.

[2] Includes changes to baseline estimates of appropriated mandatories due to enactment of Public Law 103–66.

[3] In accordance with the Budget Enforcement Act, the total does not include $13,608 million in budget authority and $8,896 million in outlays in emergency funding.

[4] At the request of committee staff, current level does not include scoring of section 601 of Public Law 102–391.

Notes.—Numbers in parentheses are negative. Detail may not add due to rounding.

HUMAN RIGHTS ABUSES IN NORTHERN IRELAND

Mr. FEINGOLD. Mr. President, I rise today—St. Patrick's Day—to call attention to human rights abuses in Northern Ireland. I became particularly aware of "the Troubles," as the conflict there is known, when I was a student at Oxford in the 1970's. The events in Northern Ireland greatly disturbed me then, as they do now, and I never fathomed how long these events would restrict the lives and freedoms of the people of Northern Ireland.

Over 20 years and over 3,000 lives later, the violence continues. We must vigorously condemn the heinous crimes, the murdering and the maiming, the terror, and the torture inflicted upon innocent civilians by both Loyalist and Republican paramilitary organizations. I condemn the recent mortar attacks on Heathrow Airport in London and threats of further attacks there and on Gatwick Airport. These terrorist acts are despicable and cannot be rewarded in any way. Yet, as Britain seeks to control and punish such acts of terror, it cannot abuse the rights of innocents.

So, today, I want to speak not about these patently offensive acts but against other insidious activites. Today, I want to speak about the human rights abuses and civil liberties violations committed by the British Government against Irish Catholics in Northern Ireland.

This is a difficult subject for Americans. Great Britain is a good friend and ally of the United States. But I strongly believe our special relationship with Britain cannot allow us to turn a blind eye to violations of fundamental, basic human rights, no matter where they occur. The offenses of which I speak were outlined by Amnesty International in its 1994 report on political killings in Northern Ireland, and in the State Department's 1993 Report on Human Rights Practices in the United Kingdom.

According to these reports, human rights abuses taking place in Northern Ireland include: searches and arrests without warrants; detention and interrogation of criminal suspects without access to legal representation; and the inference of guilt in criminal trials based solely on the silence of the accused.

There have also been allegations of mistreatment of criminal suspects, including physical and mental abuse, and the use of confessions obtained through these methods.

Mr. President, some of these practices are brought to light in the film "In the Name of the Father," which was, for the most part, an actual account of a casualty of "the Troubles." Although this film tells the story of one man, in truth it tells the story of many, for some of the practices dramatized in the film continue to this very day, as is indicated in the report of our State Department.

The wrongful arrest, conviction, and imprisonment of the Guildford Four was not an isolated incident. The Winchester 3 and the Birmingham 6 can tell you that much. Miscarriages of justice continue for the Irish Catholics of Northern Ireland and will do so until the British Government attempts to mend serious flaws in its legal system.

While I find these practices abhorrent, even more serious in my mind are allegations of collusion in political killings between members of the British Government's security forces and armed paramilitary groups such as the Ulster Defense Association and the Ulster Volunteer Force.

According to Amnesty International, "Allegations of collusion range from direct involvement of security force personnel in Loyalist death squads, complicity by authorities in such killings, to aiding and abetting such actions through the passing on of intelligence information." Amnesty International points out that the victims are "almost always members of the minority Catholic community and often targeted solely because of their religion."

It is, indeed, hard to believe that this kind of activity is perpetuated by a country whose political traditions inspired some of our legal and democratic processes and institutions. While no system is without its flaws, including our own, I believe that at the very least it is the responsibility of a government to investigate and prosecute the individuals involved in these kinds of activities.

The United Kingdom is a cherished friend to our Nation, but the United States must also be a friend to the people of Northern Ireland who suffer as a consequence of existing policies. Our strong ties to the people of Great Britain—Catholic and Protestant and all other religions alike—compel us to urge the British Government to pursue the course of justice in these matters. I am encouraged by recent improvements in the situation in Northern Ireland and the apparent willingness of all parties to work to achieve peace. This process can only be strengthened and expedited by the restoration of human rights to the people of Northern Ireland.

Mr. President, America's first settlers fled Britain to escape the discrimination and persecution they faced because of their religion. Four hundred years later, the Catholics of Northern Ireland live under the shadow of this history. On this day when we celebrate the Irish in all Americans, I urge the British Government to return to these people their rightful liberties for the sake of decency and for the sake of peace.

LEGISLATION TO TERMINATE THE MILSTAR PROGRAM

Mr. CONRAD. Mr. President, I am pleased to join Senator BUMPERS in introducing legislation to terminate the Milstar Satellite Program. This bill would result in an estimated savings of $3.9 billion over 5 years.

The Milstar satellite is, quite frankly, an anachronism. Some have called it a dinosaur of the cold war. It was designed in the 1980's as a super-secret program to provide secure communications during a nuclear exchange. The satellite is built to survive a 6-month nuclear war.

Is this the kind of capability that we need? Clearly, the answer is no. Milstar has features for which we have absolutely no use in a post-cold-war world. Our satellites do not need to be hardened from a nuclear blast, nor do they need to perform complex maneuvers to avoid antisatellite weapons. Yet, Milstar has these capabilities, as well as others that add weight to the satellite and cost to the program.

Top defense officials have told me that Milstar is no longer needed. The General Accounting Office [GAO] and the Rand Corp. have studied Milstar and raised very serious concerns about continuing the program. They conclude that we can both save money and put a more capable system in place by terminating Milstar. Frankly, I haven't found too many people who are supportive of Milstar. This is a perfect example of a system that we can afford to do without.

How costly is Milstar, Mr. President? It is expensive, even by Department of Defense standards. We have already spent over $10 billion on the program, and the Department of Defense projects we will spend over $10 billion more. Each satellite alone costs $1 billion to construct. In addition, Milstar is so heavy that it can only be launched by our most powerful rocket, the $400 million Titan IV-Centaur. The Titan IV, by the way, is our least reliable launch vehicle. One blew up during a launch at Vandenberg Air Force Base just last year.

For all this tremendous expenditure, we will get a satellite that does not even meet the current needs of our military forces. Milstar has a low data transmission capacity designed to carry messages from the national command authority to our nuclear commanders. Today, our military needs a satellite system that links up conventional battlefield commanders and handles very high amounts of data. Milstar can't adequately meet this requirement.

According to program assessment, a more modern and more capable satellite can be designed and launched for significantly less than Milstar. Despite this fact, the military plans to build both Milstar and a follow-on system. I believe we would be better served to cut Milstar right now. We are working under severe budget pressures and straining to provide the funding necessary to keep our military trained and ready. There is no need to allocate valuable resources to a program that we simply cannot afford or justify.

IRRESPONSIBLE CONGRESS? HERE IS TODAY'S BOXSCORE

Mr. HELMS. Mr. President, the Federal debt stood at $4,550,473,471,421.39 as of the close of business on Wednesday, March 16. Averaged out, every man, woman, and child in America owes a part of this massive debt, and that per capita share is $17,454.09.

HONORING GREGORY JAMES CARNEY

Mr. COATS. Mr. President, this week it was my pleasure to meet a remarkable young man from Indianapolis. Gregory James Carney came to Washington as part of the Boy Scouts of America's "Report to the Nation" program. Greg is a Cub Scout, a member of Pack 110, and was selected for this prestigious honor because of an act of exceptional heroism.

Last year, Greg was at his Indianapolis home with his sister when they encountered an intruder. As the intruder began to attack Greg, the young Scout fought back, striking the intruder and immobilizing him and thereby enabling Greg and his sister to escape. Mr. President, what makes this story most unusual is that Greg Carney was only 7 years old at the time.

For his bravery and coolheadedness, Greg earned Scouting's Medal of Merit. And for his defense of his sister and his home, I am pleased to commend Greg in the CONGRESSIONAL RECORD as a most courageous young man. He is a credit to Indiana and an example to young people throughout the Nation.

FIGHTING RACISM AT THE SOURCE

Mr. HATFIELD. Mr. President, for more than a year now, the world has watched the horror of ethnic cleansing continue daily in war-torn Bosnia. Despite the tragedy of these events, many in the United States have learned little about the consequences of racial and ethnic hatred. Indeed, we have seen hate crimes and bigotry persist in this country almost undaunted.

The remarks of Khalid Abdul Muhammad, a minister of Louis Farrakhan, at Howard University last month triggered an extended debate among columnists, editorial boards, and community leaders about free speech and racism. While it is easy to watch this battle be fought in the abstract on the printed page, we must also accept responsibility for fighting it in concrete terms. Spokespeople can fight this battle for us, but generals alone do not win wars.

None of us is a passive spectator in the war on racism and bigotry, we are all active participants. To borrow a military term, this is not a limited conflict, it is an expansive one which involves every person opposed to bigotry.

Martin Niemoller once wrote:

> First the Nazis came for the Communists and I didn't speak up because I wasn't a Communist. Then they came for the Jews and I didn't speak up because I wasn't a Jew. Then they came for the trade unionists and I didn't speak up because I wasn't a trade unionist. And when they came for the Catholics, I didn't speak up because I was a Protestant. Then they came for me. And by that time there was no one left to speak up for anyone.

Franklyn Jenifer, the president of Howard University, concurs. In a recent essay on this subject he asserted: "History has taught us that when people fail to speak out on issues of oppression, abuse, and hatred, they, in effect, acquiesce and condone these evils. Thus 'neutrality' becomes 'complicity'" which does not come without its consequences.

I ask unanimous consent that Mr. Jenifer's thoughtful essay be made a part of the RECORD following these remarks.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

DECRYING ANTI-SEMITISM

(By Franklyn G. Jenifer)

As we move toward a more global community, one barrier that remains is the legacy of prejudice and discrimination.

A great philosopher once said that the natural state of man is conflict. That conflict has been fueled by racism, xenophobia, chauvinism and ethnocentrism, as we see so poignantly today both at home and abroad.

Through the ages, many viliant efforts have been waged to ameliorate these destructive forces. In fact, my institution, Howard University, was created 127 years ago as a means to combat racism, and we remain committed to that noble fight today.

Recent events in this nation and on our campus have shown us that bias does not just come in one flavor. It is my belief and the overwhelming belief of others in the Howard community, that all forms of ethnic bias, especially antisemitism, violate the principles on which our institution was founded. Those of us who are committed to social justice do not have the luxury of responding to prejudice just when it is directed at our own group. We must respond to this issue wherever it emerges and whatever the cost.

One of the strengths of America is that it has always attracted people from diverse cultures and backgrounds. However, one cannot and should not step on another to promote one's own agenda. To get ahead on the back of someone else is not getting ahead. It is callous exploitation, pure and simple.

History has taught us that when people fail to speak out on issues of oppression, abuse and hatred they, in effect, acquiesce and condone these evils. Thus "neutrality" becomes "complicity." Moreover, we must recognize that a socio-political climate in which it is acceptable for any one group to be vilified is a climate in which all other groups are vulnerable as well.

At the same time, we must remember that the right of free speech is inviolate, no matter how outrageous or offensive the message. Howard University, and indeed all Americans, should uphold and protect the principle of freedom of speech and thought. The nation's universities must remain places where all views and perspectives can be aired, even those we find abhorrent. Though this right is sometimes abused, it is so critical in the history of our nation and the struggle of our people that it must be protected, especially when it is not popular to do so.

While upholding the First Amendment rights of those with outrageous or offensive views, we must recognize the responsibility to challenge these views. In doing so, we must be wary of providing the individuals who espouse them with more exposure than they would have had otherwise. It is a time-worn propaganda technique to say something outrageous just to be provocative. These individuals use the outrageous to bait us. We should not jump for the bait.

One of the most disturbing aspects of this phenomenon of outrageous speech is that a small number of students on our campuses tend to be cavalier and even nonchalant about the implications and impact of these provocative utterances. Perhaps, reflecting popular culture, they buy the idea that the more outrageous the statement the more entertaining it is.

Two of the primary missions of our academic institutions are to teach critical thinking and to teach humanistic values. The present controversies demonstrate how important it is for university administrators and faculty to recommit themselves to these missions—for the good of our institutions and for the future of our country.

James Chaney, Andrew Goodman and Michael Schwerner—an African American and two Jewish Americans—paid the ultimate sacrifice almost 30 years ago in the struggle against bigotry and oppression. In their memory and in the memory of all those other valiant foot soldiers in that struggle, we can do no less than to decry the seeds of antisemitism that some would plant on the nation's campuses.

CARING FOR THE VETERANS OF THE PERSIAN GULF WAR

Mr. NUNN. Mr. President, Operation Desert Storm/Desert Shield in the Persian Gulf ended over 3 years ago, but many of the military men and women who served in that conflict are still suffering from the consequences of their service.

One of the diseases that military doctors have successfully diagnosed in a small number of Persian Gulf veterans is a parasitic disease called leishmaniasis. This disease can be contracted through the bites of sand flies found in the desert of southwest Asia, and attacks the immune and nervous systems of its victims. In the January 31 edition of Army Times newspaper, author George Wilson had a column about the courageous struggle of Army Captain Marcus Nerone, who is battling leishmaniasis with the help of Army doctors at Walter Reed hospital. I ask unanimous consent that George Wilson's article be included in the RECORD at the conclusion of my remarks.

Unfortunately, leishmaniasis is not the only ailment affecting many of the men and women who served in the Persian Gulf conflict. Within a year after the end of the war, some veterans began suffering from a mystery illness, the symptoms of which include joint pain, fatigue, headaches, decreased short term memory, rashes, painful burning muscles, and sleep disorders. While individually these symptoms are common to many illnesses, so far doctors have been unable to identify the cause of what has been termed Persian Gulf syndrome.

Mr. President, we must do everything possible to properly diagnose and treat the Persian Gulf syndrome. We must not let what George Wilson calls "bureaucratic insensitivity" get in the way of providing the medical care that the veterans of the Persian Gulf conflict need and deserve.

The Force Requirements and Personnel Subcommittee of the Armed Services Committee under the capable leadership of its chairman Senator SHELBY has been very aggressive in investigating the possible causes of the Persian Gulf syndrome and in insuring that the Defense Department medical establishment gives this problem the highest priority. In the course of his investigation, Senator SHELBY has traveled to Europe and to the Middle East to meet with our coalition allies to look at their experience in diagnosing and treating the medical problems of their veterans, and to enlist their help in combating this illusive disease.

Mr. President, I want to assure the Members of the Senate—and the men and women who served in the Persian Gulf and their families—that the Armed Services Committee remains totally committed to insuring that the medical needs of all of those who served in the Persian Gulf conflict are met.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Army Times, Jan. 31, 1994]

CURING WHAT AILS HIM AND OTHER GULF WAR VETS

(By George C. Wilson)

High in the reaches of Walter Reed Army Medical Center, a brave and caring soldier is fighting for his life against an enemy that may have infiltrated the bodies of thousands of other veterans of Operation Desert Storm without their knowing it.

Army Capt. Marcus Nerone, a strapping 35-year-old who started his career in 1981 as a private first class and believes there is no more noble title than soldier, is infested with tiny parasites that were injected into his body when a sand fly on the Saudi Arabian desert bit him.

Nobody knows much about this parasitic disease called leishmaniasis. Doctors do know that anybody can get it if bitten by the sand flies found in Saudi Arabia, and that the poison ejected by the parasites can kill you by destroying your immune and nervous systems.

What doctors do not know is how many Desert Storm veterans have the disease, how to quickly detect the disease—which can take years to reveal itself—or how to kill the parasites and cure their victims.

Nerone fears that many service men and women who served in the Persian Gulf are battling against some of the same symptoms he had—inexplicable fatigue, stomach cramps, diarrhea, night sweats, sleeplessness, sores, numbness—without realizing the cause is progressive poisoning by tiny parasites.

He apparently got bitten by a fly while serving in the Saudi desert west of Jabal as an intelligence officer with the 197th Infantry Brigade out of Forth Benning, GA. The brigade, like so many other outfits, slept in foxholes and tents where they were constantly exposed to flies and rodents. Nerone does not remember getting bitten but said it could have happened almost any time or anywhere while he was in Saudi Arabia.

Back at Benning after the war, Nerone tried to ignore the fatigue and other symptoms and make good on his new job as commander of the headquarters infantry company at the base. But leishmaniasis—undetected by the hospital at Benning despite dozens of tests for cancer and other ailments—eventually overwhelmed him. Dr. William Yost at Benning consulted with Dr. Alan J. Magill, an infectious disease specialist at Walter Reed. Magill discovered the leishmaniasis after Nerone was admitted to Walter Reed.

When an Army friend urged me to join him in visiting Nerone at the hospital, I expected to see a sick, dispirited man lying in bed with tubes sticking out all over. Instead, I found a vigorous, 6-foot-4 soldier with a booming voice and laugh who considered himself a lucky man with an important mission—even though he knew full well that leishmaniasis might kill him.

"'How can you say you're lucky?' people ask me. Well, I'm getting great care. But for every guy like me, there could be hundreds out there—many no longer in the Army—just out there with no support. Sure, I want to get better. But if there's something I can do to help someone else, I'll do it."

Nerone has volunteered himself as a guinea pig to such an extent that the other day he asked a nurse, "When are they going to put the wheel in my room?" He has donated blood to the National Institutes of Health for study; consented to painful bone marrow extractions and, most risky, authorized the intravenous feeding of experimental chemicals into his veins for seven hours at a time.

Doctors believe he is the first person to be given the powerful toxin, amphotericin B, for leishmaniasis. The idea is to outpoison the parasites, killing them but not Nerone. The chemical leaves the patient feeling so terrible that the nickname for it is ampho-terrible.

"I already know of one NCO with the disease who is sitting home waiting to see if this works," said Nerone of the chemotherapy experiment. The empathetic captain—son of retired infantry Col. Si Nerone—said the Walter Reed environment has given him a new appreciation for life and made it impossible to feel sorry for himself.

"The other day I was downstairs getting an illegal cup of coffee when a woman with no legs wheeled in. It made me ask of myself, 'What are you complaining about?'"

Nerone said he has learned from his stay at Walter Reed how precious but transitory life is and that the military family is real, as evidenced by all the support he has received inside and outside the hospital.

As Nerone continued with his upbeat account of his struggle against an enemy he cannot see, I thought of all the Vietnam War veterans who had showed me their rashes and described other ailments they attributed to being exposed to Agent Orange. The vets told me how angry and dispirited they felt when Department of Veterans Affairs officials and doctors dismissed their complaints and accused them of being malingerers.

I wondered while at Nerone's bedside, and wonder still, whether military and political leaders will be as insensitive toward Persian Gulf diseases like leishmaniasis as they were toward Agent Orange. We do not need another long, disgraceful, hurtful bureaucratic tap dance like we had on Agent Orange.

I did not have to ask the Persian Gulf vet on the bed if he shared my fears about bureaucratic insensitivity, perhaps getting him in trouble with superiors since he is still on active duty. What Nerone is doing speaks louder than any words to his concern for other casualties of Desert Storm and to his commitment to help get them well. The bureaucrats, and the rest of us, can learn something from Capt. Marcus Nerone.

REENGINING OF AIR FORCE KC–135 TANKERS

Mr. GLENN. Mr. President, I rise today to comment on a subject that I have followed closely during my years of service with the Senate Armed Services Committee—the modernization of the KC–135 tanker fleet used by all of our services. Mr. President, the successes our American fighting men and women achieved during Operations Desert Shield and Desert Storm would not have been possible without the Air Force tanker fleet working around the clock in support of some of the most massive airlifts in this Nation's history. In that effort, it is important to note that 33 percent of the Desert Storm aerial refueling missions were flown by the Air Force Reserve.

Today, Mr. President, the Air Force, demonstrating their commitment to a total force doctrine, is in the process of transferring much of this vital aerial refueling mission to the Air Guard. I agree with this effort and would like to further support it by stressing that, while all of the active KC–135 units in the force structure are being reengined into the modern KC–135R configuration, the Reserve components still have over 140 aircraft in the older KC–135E configuration. With the continuing emphasis on the transfer of this mission to the Air Guard, it is imperative that we give the Reserve component the best equipment possible, both to increase their operational capability through greatly improved aircraft efficiency and by the avoidance of the additional maintenance challenges caused by the operation of different aircraft configurations.

Mr. President, the Air Force's own mobility master plan, issued last October by Gen. Ron Fogelman, commander of the Air Mobility Command, states the need for this continued modernization effort clearly. The plan points out that, while experts agree that the R-model KC–135 will continue to operate economically well into the next century, the E-model's economic service life is markedly different. The plan goes on to point out that the age of the engines on the E-models will likely make upkeep very expensive. Additionally, Mr. President, the plan also agrees with my contention that R-model conversion will promote the commonality necessary for efficient airlift operations.

Finally the mobility master plan notes that R-model conversion is needed for the KC-135 to meet FAA noise reduction requirements, and also to provide the service life extensions required to modernize the E-models so that they can keep pace with the remainder of the KC-135 fleet. Collaterally, I note that during October the Defense Department issued its strategic mobility study, which, while classified, also supports the conversion of E-model KC-135's to the R-model.

In closing, Mr. President, let me point out that not only do the engines for the R-model deliver 25 percent more thrust, but they do so while offering an 18-percent fuel savings. This equates to heavier takeoff capacities and improved off-load ability which allows three R-models to deliver the same amount of fuel as four E-models.

Getting more out of existing equipment is exactly what we need to be doing to conserve defense dollars, Mr. President, and that's exactly what we accomplish by carrying the KC-135 reengining program through to completion.

NUCLEAR NONPROLIFERATION IN SOUTH ASIA

Mr. PRESSLER. Mr. President, I have long been a strong advocate of nonproliferation policy.

In 1985, Congress enacted the Pressler amendment that prohibits aid to Pakistan unless the President can make a yearly certification that the country does not possess a nuclear explosive device. As many of my colleagues know, the sanctions in that law took effect when the President was unable to make the certification in 1990.

Recently, the Pressler amendment has been challenged both by the administration and some in Congress. This is both unfortunate and difficult to understand. The Pressler amendment is the only effective nonproliferation law we currently have on the books. Proliferation of nuclear weapons is the single greatest security threat facing the United States today. As part of the ongoing debate, I ask unanimous consent to submit, for the RECORD, a piece I wrote recently for the New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 5, 1994]

WE NEED AID LEVERAGE TO SLOW NUCLEAR RACE

TO THE EDITOR: I cannot agree with Representative Lee Hamilton's conclusions in "Bomb Scares" (Op-Ed, Feb. 22), concerning the Pressler Amendment.

Since 1985, Pakistan has been ineligible to purchase United States arms or receive most aid unless the President annually certifies that Pakistan does not possess a nuclear explosive device. In 1991, President Bush could not do so. As a result, for three years, some $600 million in annual American aid to Pakistan has been cut off.

Representative Hamilton and some in the Administration propose that Congress repeal the Pressler Amendment or authorize the president to waive it. The Administration has offered assurances that it would not allow arms sales to Pakistan while it possesses a nuclear device, but the presumption is that a waiver, once granted, would be exercised.

After extensive talks with leaders of Korea, India, Pakistan and the International Atomic Energy Agency, I am convinced we should keep the Pressler Amendment unchanged. President Clinton has stated that proliferation of weapons of mass destruction is the most critical national security issue facing the United States today. To repeal the Pressler Amendment would contradict the President's assessment.

Providing delivery resources to a country in South Asia we know possesses nuclear weapons would be disastrous. It would lead to an escalation of the nuclear arms race.

North Korea, other rogue states and countries on the threshold of acquiring nuclear weapons are looking closely to see whether or not we mean what we say. Backing away from the Pressler Amendment would suggest there is no penalty in the decision to go nuclear. In May 1979, President Carter imposed aid sanctions on Pakistan because of its nuclear program. Seven months later he removed those sanctions.

Pakistan assumed from our inconsistent policy that the United States was not serious on nuclear nonproliferation. It moved ahead with its program. Repeal the Pressler Amendment and other nations will follow.

Some specialists say that, but for the threat of United States aid termination, Egypt and other countries might now possess nuclear weapons.

Other members of Congress and I are prepared to fight efforts to overturn the Pressler Amendment. Congress should not weaken the toughest nuclear sanctions legislation ever enacted.

LARRY PRESSLER,
U.S. Senator from South Dakota.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CAMPBELL). Under the previous order, morning business is closed.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The PRESIDING OFFICER. Under the previous order the clerk will now report Calendar No. 259.

The legislative clerk read as follows:

A bill (S. 1275) to facilitate the establishment of community development financial institutions.

The Senate resumed consideration of the bill.

Pending:

Riegle-D'Amato amendment No. 1525, to provide for fair trade in financial services.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Colorado, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1525

Mr. RIEGLE. Mr. President, we are continuing now on the bill from the Banking Committee that we brought to the floor yesterday. Several of us had to be at Senate Budget Committee this morning for a sequence of votes beginning shortly after 10 a.m., which we have now completed. Other votes will occur later in the day in the Budget Committee. But that has required us to start a little later on the floor this morning than we otherwise had intended.

Pending before the Senate now is an amendment dealing with fair trade and financial services. This is an amendment that was a bill recently reported favorably out of the Senate Banking Committee. Our bill on fair trade and financial services now has passed the Senate three previous times. The amendment we are considering this morning was introduced on October 7 of last year on a bipartisan basis by a majority of the members of the Senate Banking Committee. It is designed to give U.S. negotiators new leverage to obtain the same quality of competitive opportunity for financial firms in the United States operating in foreign markets that we extend to foreign firms operating here in our own U.S. market.

On October 26 of last year, the committee held a hearing in which this bill I am now referring to, and which is now pending in amendment form, received united Clinton administration support, as well as support from the financial services industry. And then on February 10 of this year, the committee reported this bill out favorably by a vote of 17 to 2, which shows the strong bipartisan support that it enjoys.

The act builds on provisions of the 1988 Omnibus Trade and Competitiveness Act that require the Treasury Department to identify countries that deny U.S. financial firms de facto national treatment, meaning equality of competitive opportunity and effective market access. If negotiations to obtain national treatment fail to succeed, the act allows but does not require the Secretary of the Treasury, the U.S. negotiator on trade and financial services, to publish in the Federal Register a determination that a given country is discriminating against U.S. financial institutions.

Following any such publication the Treasury Secretary may, after consultation with the U.S. Trade Representative and the Secretaries of State and Commerce, recommend to the appropriate Federal financial services regulator that it deny applications filed by banking or securities firms from the discriminating country. Such denials would only affect opportunities for future expansion in the U.S. market and would not force foreign financial firms to have to actually shrink their existing operations here in the United States. So it would be a prohibition against future growth, but it would not shut down their existing operations.

So the bill, I think, is fair and balanced in that respect. It is designed to give our U.S. negotiators new leverage to force open foreign financial markets that are now closed to our firms when the firms from that very country have open access here in the United States.

President Clinton has spoken out on this issue forcefully, and I appreciate the fact that he has given new leadership to this question of fighting for fairness in the international markets with respect to those people from the United States who provide financial services.

On January 26 of this year, Senator D'AMATO and I received a joint letter from Secretary Bentsen and Trade Ambassador Kantor urging swift enactment of the Fair Trade and Financial Services Act because, they wrote, it is "an essential component of our strategy" to open foreign financial markets to U.S. institutions. The legislation is critical to the success of United States negotiators in both the ongoing negotiations under the auspices of the General Agreement on Tariffs and Trade, as well as the stalled United States-Japan Framework for New Economic Partnership discussions.

Under GATT, financial services are included within the General Agreement on Trade in Services, which establishes a multilateral framework of principles and rules for trade in financial services. However, the commitments made by many countries to open their markets to U.S. financial institutions under that framework were far less than the United States had hoped for. The United States has, therefore, taken the most-favored-nation trade exemption for banking and other financial services, including insurance, but will suspend it for 6 months after the GATT agreement goes into effect. Until that time, negotiations will continue within the GATS framework outlined above.

In their January 26 letter, Ambassador Kantor and Secretary Bentsen explained why the passage of the Fair Trade in Financial Services Act is needed to help complete a successful GATT agreement on financial services.

In that letter they stated, and I want to read one key paragraph:

> We agreed on a framework for trade in financial services but did not obtain the full commitments on market access we had sought. However, the financial services agreement provides for continuing negotiations within the GATT context to seek improved commitments. In the event we are not able to achieve sufficient progress in these negotiations, this legislation [Fair Trade in Financial Services] will help ensure that we will have incentives to encourage other countries to liberalize in the future. The success of this effort will provide increased competitive opportunities for U.S. financial services and enhance their ability to facilitate U.S. exports.

Of course, I should add that means U.S. jobs. We are talking here about strengthening the U.S. economy, broadening our own job base, being able to compete fairly in foreign markets where we are now being blocked out.

So I urge my colleagues to heed this strong call for swift enactment of this legislation now incorporated in the pending amendment.

Mr. President, I ask unanimous consent that the letter that I just quoted from be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIEGLE. Finally, the fair trade in financial services is absolutely critical to be accomplished at this time. We have been at this now for years. The negotiations that I have just cited illustrate the fact that we are not going to get the progress we need until we have this in place as a constructive lever to force open arbitrarily closed foreign markets.

So the time to do this is now. It is good for America. It is good for our economy. It will help our financial services sector as they fight for competitive equity in these foreign settings. And this is an opportunity for us to accomplish a piece of work that will well serve the American people.

EXHIBIT 1

DEPARTMENT OF THE TREASURY,
Washington, DC, January 26, 1994.

Hon. DONALD W. RIEGLE, JR.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to urge swift enactment of the Fair Trade in Financial Services legislation. The Administration supports the objectives of the legislation as introduced and will continue to work closely with Congress to complete the final details. We believe that the original intent of S. 1527 and HR 3248 provides an effective foundation for legislation.

The passage of this important legislation is a priority matter for the Administration, and an essential component of our strategy to continue multilateral negotiations to open foreign financial markets to U.S. financial institutions.

The Administration is very pleased with the results of the recently completed Uruguay Round of multilateral negotiations conducted under the auspices of the General Agreement on Tariffs and Trade (GATT). The lowering of trade barriers achieved there will help ensure a continued and equitable expansion of world trade and contribute to the prosperity of American industry and workers in the years ahead.

In financial services the outcome was more modest. We agreed on a framework for trade in financial services but did not obtain the full commitments on market access that we had sought. However, the financial services agreement provides for continuing negotiations within the GATT context to seek improved commitments. In the event that we are not able to achieve sufficient progress in these negotiations, this legislation will help ensure that we will have incentives to encourage other countries to liberalize in the future.

The success of this effort will provide increased competitive opportunities for U.S. financial services and enhance their ability to facilitate U.S. exports.

This Administration has clearly stated its objective to open foreign financial markets. Fair Trade in Financial Services legislation will complement our multilateral, bilateral and regional efforts to gain access to foreign markets on the basis of national treatment and equality of competitive opportunity. The proposal would give the authority to act to the Treasury Department, after appropriate interagency consultation and subject to the specific direction of the President.

It is our view that enactment of the Fair Trade in Financial Services legislation is needed at the earliest possible time to safeguard the progress we achieved in the Uruguay Round and to support additional market opening talks, both within the GATT framework and on a bilateral basis.

Thank you for your attention to this matter which is so important to America's financial firms. We look forward to working with you to achieve early enactment of this critical legislation.

Sincerely,

LLOYD BENTSEN,
Secretary of the Treasury.
MICHAEL KANTOR,
U.S. Trade Representative.

Mr. RIEGLE. Mr. President, I see no one else seeking recognition at this time. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SHELBY). Without objection, it is so ordered.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I send an amendment to the desk——

The PRESIDING OFFICER. The Chair will inform the Senator from Delaware that there is a pending amendment, the Riegle-D'Amato amendment.

Mr. ROTH. I ask unanimous consent that we lay aside that particular amendment.

The PRESIDING OFFICER. Is there any objection? Without objection, it is so ordered.

Mr. ROTH. I am sorry, I am sending this amendment as an amendment to the Riegle amendment.

Mr. KERRY. Mr. President, reserving the right to object, and I do not intend to necessarily.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. It is my understanding that under a unanimous consent agreement, the Senator from Texas was to bring an amendment; is that correct?

The PRESIDING OFFICER. That was the order.

Mr. KERRY. So now we would proceed to the amendment of the Senator from Delaware instead. I ask unanimous consent that I be permitted to proceed to an amendment following the Senator from Delaware.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KERRY. I thank the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

AMENDMENT NO. 1533 TO AMENDMENT NO. 1525

Mr. ROTH. Mr. President, I send an amendment in the second degree to the desk.

The PRESIDING OFFICER. The clerk will report the amendment by number.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 1533 to amendment No. 1525.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After section 403 of the Reigle amendment insert the following new section:

SEC. 404. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR INSURERS AND REINSURERS.

(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES INSURERS OR REINSURERS.—The President or the President's designee shall identify whether and to what extent foreign countries deny national treatment to United States insurers or reinsurers—

(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

(2) based on more recent information that the President deems appropriate.

(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—

(1) IN GENERAL.—The President shall determine whether the denial of national treatment to United States insurers or reinsurers by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

(2) FACTORS TO BE CONSIDERED.—In determining whether and to what extent a foreign country denies national treatment to United States insurers or reinsurers, and in determining the effect of any such denial on such insurers or reinsurers, the President shall consider appropriate factors, including—

(A) the size of the foreign country's markets for the financial services involved, and the extent to which United States insurers or reinsurers operate or seek to operate in those markets;

(B) the extent to which United States insurers or reinsurers may participate in developing regulations, guidelines, or other policies regarding new products, services, and markets in the foreign country;

(C) the extent to which the foreign country issues written regulations, guidelines, or other policies applicable to United States insurers or reinsurers operating or seeking to operate in the foreign country that are—

(i) prescribed after adequate notice and opportunity for comment;

(ii) readily available to the public; and

(iii) prescribed in accordance with objective standards that effectively prevent arbitrary and capricious determinations;

(D) the effects of the regulatory policies of the foreign country on—

(i) the licensing policies of the insurance regulator of that country;

(ii) capital requirements applicable in that country;

(iii) restrictions on acquisitions or joint ventures and operations thereof by insurers or reinsurers in that country; and

(iv) restrictions on the operation and establishment of branches in that country.

(d) PUBLICATION OF DETERMINATION.—

(1) IN GENERAL.—If the President determines under subsection (c) that the denial of national treatment to United States insurers or reinsurers by a foreign country has a significant adverse effect on such organizations, the President—

(A) may, after initiating negotiations in accordance with subsection (f) publish that determination in the Federal Register;

(B) shall, not less frequently than annually, in consultation with any department or agency that the President deems appropriate, review each such determination to determine whether it should be rescinded; and

(C) shall inform State insurance commissioners of the publication of that determination.

(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragrah (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement including any dispute resolution procedures contained in such agreement that governs financial services, including insurance, that—

(A) the President entered into with that country; and

(B) the Senate and the House of Representatives approved;

before the date of enactment of this section.

(e) SANCTIONS.—

(1) ACTIONS BY THE PRESIDENT.—

(A) IN GENERAL.—The President may recommend to the state insurance commissioners that they deny a foreign insurer's or reinsurer's request for authorization which is filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the President determines that—

(i) such action would assist the United States in negotiations to eliminate discrimination against United States insurers or reinsurers;

(ii) negotiations undertaken pursuant to subsection (f) are not likely to result in an agreement that eliminates the denial of national treatment; or

(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (f).

(B) EXERCISE OF AUTHORITY.—If the President delegates his authority under Sec. 4(b), the designee's authority under subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

(C) COMPLIANCE EXCEPTIONS.—If the state insurance commissioners do not act within 90 days on the President's recommendations in subsection (A), or if the President determines that the procedure outlined in subsection (A) is either inappropriate or impractical to achieve the purpose of this section, the President may take such action as he or she considers necessary and appropriate to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(2) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under subsection (e), the President shall consider, with respect to an insurer or reinsurer, branch, or other affiliated entity that is a person of a foreign country and is operating in the United States—

(A) the extent to which the foreign country is progressing toward according national treatment to United States insurers or reinsurers; and

(B) whether the foreign country permits United States insurers or reinsurers to expand their activities in that country, even if that country determined that the United States did not accord national treatment to the insurers or reinsurers of that country.

(f) NEGOTIATIONS.—

(1) IN GENERAL.—The President—

(A) shall initiate negotiations with any foreign country with respect to which a determination made under subsection (c)(1) is in effect; and

(B) may initiate negotiations with any foreign country which denies national treatment to United States insurers or reinsurers to ensure that the foreign country accords national treatment to such insurers or reinsurers.

(2) EXCEPTIONS.—Paragraphs (1) does not require the President to initiate negotiations with a foreign country if the President—

(A) determines that the negotiations—

(i) would be so unlikely to result in progress toward according national treatment to United States insurers and reinsurers as to be a waste of effort; or

(ii) would impair the economic interests of the United States; and

(B) gives written notice of that determination to the chairperson and the ranking minority member of the appropriate Senate and House committees.

(g) REPORT.—

(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the President shall submit to the Congress a report that—

(A) specifies the foreign countries identified under subsection (b);

(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(C) if the President has not made or has rescinded such a determination with respect to the foreign country, provides the reasons therefor;

(D) describes the results of any negotiations conducted under subsection (g)(1) with the foreign country; and

(E) discusses the effectiveness of this section in achieving the purpose of this section.

(2) Submission of report.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

(h) Definitions.—For purposes of this section, the following definitions shall apply:

(1) Insurer.—The term "insurer" means a party to a contract of insurance who assumes the risk and undertakes to indemnify the insured, or pay a certain sum on the happening of a specified contingency.

(2) National treatment.—A foreign country accords "national treatment" to United States insurers and reinsurers if it offers them the same competitive opportunities (including effective market access) as are available to its domestic insurers or reinsurers.

(3) Person of a foreign country.—The term "person of a foreign country" means—

(A) a person organized under the laws of the foreign country;

(B) a person that has its principal place of business in the foreign country;

(C) an individual who is—

(i) a citizen of the foreign country, or

(ii) domiciled in the foreign country; and

(D) a person that is directly or indirectly controlled by a person or persons described in subparagraph (A) or (B), or by an individual or individuals described in subparagraph (C).

(4) President.—The term "President" means the President of the United States or the President's designee.

(5) Reinsurer.—The term "reinsurer" means an insurer which contracts to indemnify a ceding insurer for all or part of a risk originally undertaken by the ceding insurer.

(6) Request for authorization.—The term "request for authorization" means—

(A) an application, registration, notice, or other request to commence engaging in the business of insurance in a state; or

(B) an application, registration, notice, or other request for renewal of authorization to engage in the business of insurance in a state.

Mr. ROTH. Mr. President, I rise to offer an amendment to the fair trade in financial services legislation to include one vital component of our financial services sector that is currently not covered under the legislation—insurance.

On two previous occasions the Senate has passed fair trade in financial services legislation and it is now being offered again to the bill now before us—S. 1275—by our distinguished chairman of the Banking Committee.

This important legislation would give the Secretary of the Treasury the authority to negotiate and, if necessary, recommend retaliation against countries which deny our banks and securities organizations access to foreign markets.

The Banking Committee has long believed that this kind of market access and market penetration is critical to these financial services companies' efforts to increase exports in this sector. The House has refused to accept this legislation and the Reagan and Bush administrations opposed it until just before the end of the Bush Presidency.

In contrast, this legislation is strongly endorsed by the Clinton administration.

This legislation has become a key element in the Uruguay round agreement to continue negotiations in financial services beyond the December 15, 1993 concluding date.

These negotiations, which are considered to be at the core of the attempt by the world's trading nations to bring for the first time services under GATT rules, include insurance as well as banking and securities. Unfortunately, S. 1527, as reported by the Banking Committee, does not cover insurance. My amendment would add this vital sector to the legislation. I believe it is critical that insurance be on an equal basis in these negotiations with the banking and securities.

I would like to elaborate briefly on some of the reasons why I am offering this amendment.

The first is that the continued Uruguay round negotiations include insurance but American negotiators' effort to obtain market opening concessions in insurance will not be viewed as credible unless the fair trade in financial services bill covers insurance as well as banking and securities. Lack of coverage for insurance will send the wrong message at the wrong time.

A second important reason for this amendment is that insurance was one of the few sectors involved in the failed framework talks with Japan and the absence of insurance in the fair trade in services bill will be taken as another bad signal that the American Government has given up on attempting to open the Japanese insurance market.

The Japanese insurance market is the second largest in the world after the United States, with a premium volume of $308 billion. After almost 50 years, the foreign share of the Japanese market is only 2.9 percent. This contrasts with foreign penetration in the United States which is almost 10 percent. The breakdown in the framework talks makes the inclusion of insurance in this legislation all the more critical.

A final point in support of this amendment is that the insurance industry is one of the most significant service industries in the world. Worldwide insurance premium income today is approximately $1.4 trillion. The insurance sector is critical to the U.S. economy and its expansion into other markets is essential to the growth of jobs and expansion here at home.

Mr. President, the insurance industry simply seeks equity with its sister financial services. The amendment I have offered mirrors the banking and securities provisions in S. 1527 with one major exception.

Unlike those provisions under which a federal regulator could take retaliatory action against a foreign bank or securities firm, since insurance is regulate at the State level, my amendment provides only that the President or his designee, which I assume would be the U.S. Trade Representative, may recommend to the State insurance commissioners that they deny a foreign insurers' request for authorization.

The State commissioners may ignore the request or respond to it. In either event, there is no attempt to affect in anyway the exclusive right of the State to regulate insurance.

Mr. President, this amendment is supported by the insurance companies which either are or desire to do business in foreign markets and the trade associations representing those companies. Included are the American International Group [AIG], the Chubb Co., the American Insurance Association representing over 250 large property and casualty insurers, the Council of Insurance Agents and Brokers, and the National Association of Insurance Brokers.

For all of the reasons mentioned above, it is absolutely critical that we include insurance as part of the fair trade in financial services legislation, and I urge the support of my colleagues for this amendment.

I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I ask unanimous consent that I be added as a cosponsor to the amendment of the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, I commend the Senator from Delaware. I think it is absolutely an excellent amendment. This is an important financial industry. It employs hundreds of thousands of people. It is important in the capital markets. It is important they be permitted to compete abroad, and I think that this will have an effect of sending a very clear message that we are serious about seeing to it that free trade is fair; that financial services, and certainly the insurance industry is one of those, is an area that we are not going to permit to be abused, abused by those who would compete freely in our marketplace and yet deny us the same access.

So I commend the Senator from Delaware for this thoughtful legislation.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I, too, want to join the Senator from New York in commending the Senator from Delaware for offering this amendment. I think this strengthens fair trade in financial services and should include insurance. We have a number of very fine American companies that should be able to compete abroad that are now being prevented from doing so by arbitrary barriers to their entry.

This is an important addition to our amendment and it is one I support. It now has been offered and at the desk as an amendment to our fair trade in financial services.

If no one wishes to speak on it, I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1533) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I have three other amendments, technical in nature, that have been cleared on both sides. I would like to just move through those at this time.

I ask unanimous consent to proceed to these three. I know Senator KERRY is locked in with his request to go next. These will only take 2 or 3 minutes. I would like to do that and still preserve his rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I am offering a technical amendment on behalf of Senator DODD, Senator NUNN, and Senator COVERDELL to a previously agreed to amendment No. 1527, offered yesterday by Senator DODD. This is technical in nature and has been cleared on both sides. Let me send it to the desk and ask it be reported.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, let me now ask unanimous consent that the amendment I have just sent to the desk also momentarily be set aside so that I might offer a replacement amendment for the moment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Now, we have been working on this fair trade and financial services issue. We had a disagreement with Senator GRAMM of Texas. That has now been resolved. We have a modification that we want to make to our package which will enable us to incorporate his suggestion and thereby be able to move this matter at this time.

So let me yield to Senator D'AMATO so that he might present it to the Senate.

AMENDMENT NO. 1534

Mr. D'AMATO. Mr. President, I send an amendment to the desk on behalf of Senator GRAMM from Texas and ask for its immediate consideration as an amendment to the fair trade provisions.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for Mr. GRAMM, proposes an amendment numbered 1534.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 5, line 17 of the amendment, strike all after "SERVICES." through page 6, line 2, and insert in lieu thereof the following: "—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved; before the date of enactment of this section.".

Beginning on page 16, line 23, strike all after "SERVICES." through page 17, line 7, and insert in lieu thereof the following: "—Paragraph (2) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved; before the date of this section.".

Mr. D'AMATO. Mr. President, this amendment deals with Canada, Mexico, and Israel. What the amendment says in essence is that notwithstanding our attempt to see to it that the financial interests of our country are protected as it relates to the financial services area, this amendment will preclude and does not include Canada, Israel, or Mexico, and that it does not in any way disrupt those treaties that we have with these countries; that since those treaties do have their own enforcement and bilateral agreements with us, we want to make it clear that this effort in no way affects Canada, Israel, or Mexico.

Mr. RIEGLE. Mr. President, I appreciate the effort that has been made on both sides to resolve this issue in a proper manner. It has now been done.

The amendment is at the desk and I now urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment is agreed to.

So the amendment (No. 1534) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1527, AS MODIFIED

Mr. RIEGLE. Mr. President, having settled the fair trade and financial services issue, let me now move back to the matter which I had proposed just before that, and let me restate my request.

I ask unanimous consent that amendment No. 1527 be modified with the language that I have now sent to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment will be so modified.

So the amendment (No. 1527), as modified, was agreed to, as follows:

Strikes SEC. 334. (d)(3) COMMENCEMENT OF ISSUANCE and SEC. 334. (d)(4) SUNSET PROVISION and replace with:

SEC. 334. (d)(3) PERIOD FOR ISSUANCE.—The Secretary shall issue coins minted under this Act during the period beginning on January 15, 1995, and ending on December 31, 1995.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1535 TO AMENDMENT NO. 1525

Mr. RIEGLE. Mr. President, on behalf of Senator MACK, on page 31, line 7 of amendment No. 1525, we wish to add the following as a new section, section 405, the heading of which is "Federal Reserve Report on the Foreign Bank Supervision Enhancement Act of 1991."

I will not read the remaining text, but instead send it to the desk and ask that it be stated at this time.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. MACK, proposes an amendment numbered 1535 to amendment No. 1525.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, line 7, of amendment No. 1525 add the following as a new Section 405:

SEC. 405. FEDERAL RESERVE REPORT ON THE FOREIGN BANK SUPERVISION ENHANCEMENT ACT OF 1991.

The Federal Reserve shall submit to the House and Senate Banking Committees within 60 days of enactment of this legislation a report on the Foreign Bank Supervision Enhancement Act of 1991 including:

(a) the number of applicants received and from what countries;

(b) the number of applications approved and from what countries;

(c) the amount of time taken on each application between receipt and approval or rejection of the application;

(d) other agencies involved in the approval process, how much time is taken by those agencies, and any problems encountered with these agencies;

(e) coordination of processing applications and length of time for processing between the regional bank's and the Federal Reserve Board's staffs;

(f) efforts to define consolidated home country supervision on an international basis, and;

(g) suggestions for streamlining the process.

Mr. RIEGLE. Mr. President, this has been cleared on both sides. I now urge its adoption.

The PRESIDING OFFICER. Is there further debate on this amendment? If not, without objection, the amendment is agreed to.

So the amendment (No. 1535) was agreed to.

Mr. RIEGLE. I thank the Chair. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1536

(Purpose: To make a clarifying amendment relating to the Comptroller of the Currency and the Office of Thrift Supervision)

Mr. RIEGLE. Mr. President, I now offer the remaining amendment and will be sending that to the desk. Its purpose is to make a clarifying amendment relating to the Comptroller of the Currency and the Office of Thrift Supervision.

I am going to send it to the desk now, and before it is reported by the clerk I will just add this commentary.

I am offering this amendment, together with Senator D'AMATO, to supplement a previously agreed-to amendment clarifying the authority of the OCC and the OTS and giving them equivalent authority.

This amendment clarifies that the autonomy of the Director of the OTS and the Comptroller of the Currency extends to agency rulemaking proceedings and enforcement actions, a very important point.

Mr. D'AMATO. Mr. President, I am pleased to join in this effort. I wish to commend Senator RIEGLE for this amendment. We need this legislation regardless of who is in the White House, Republican or Democrat. Independent agencies must be protected, their integrity to do the job as they see fit, and that is what this legislation does.

So I commend Senator RIEGLE.

Mr. RIEGLE. I thank the Senator from New York. I now urge adoption of that amendment.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside and the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1536.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III of the bill, insert the following:

SEC. . CLARIFICATION OF PROVISION RELATING TO ADMINISTRATIVE AUTONOMY.

Section 3(b)(3) of the Home Owners' Loan Act (12 U.S.C. 1462a) is amended by striking everything after "Director" and inserting in lieu thereof "(including agency rulemaking proceedings and enforcement actions) unless otherwise specifically provided by law.".

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

So the amendment (No. 1536) was agreed to.

Mr. RIEGLE. I thank the Chair. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, let me also say, if I may, if I can have the attention of the Senator from Texas, Mr. GRAMM, who is in the Chamber, I just want to indicate that I appreciate the cooperative effort with respect to resolving that last matter on fair trade and financial services. We just incorporated that amendment prior to the Senator's arrival in the Chamber.

But I appreciate the effort to work it out, and I think we have a package here that can help us a great deal with respect to opening up the game for American companies overseas.

I appreciate the cooperation of the Senator.

Mr. GRAMM. Mr. President, if the chairman will yield, I want to thank him for his cooperation. I think, basically, what I wanted to be sure of is in trying to open up markets for American financial companies that we did not in any way interfere with NAFTA. I think we have achieved that goal. I appreciate the chairman's help.

Mr. RIEGLE. I thank the Senator.

AMENDMENT NO. 1525

Let me now say to the Chair, I would like to move the adoption of amendment number 1525, which is the fair trade and financial services amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1525), as amended, was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. I thank everyone who has been involved in that. That is a very major hurdle, jump, and I think very much in the interest of our country.

Mr. President, I have now sent to the desk all technical amendments of which I am aware. So I know Senator KERRY has kindly deferred so that we could handle this matter prior to his bringing forward the issue that he now wants to present.

I thank him for his courtesy in doing so.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Massachusetts [Mr. KERRY].

Mr. KERRY. Mr. President, I thank the Chair, and I thank the distinguished manager of the bill. Also I thank the Senator from New York for his forbearance and for his counsel on this.

Mr. President, I am not yet about to send to the desk the amendment that I am contemplating in the hopes that a meeting that we have scheduled shortly with a couple of the principals dealing with this issue will bear fruit.

It is my hope that we will be able to reach some kind of accommodation. But I want to try to share with my colleagues a little bit of the background as to why I am considering an amendment at this moment, and what the stakes are for the Senate and for all of us as representatives of taxpayers.

The amendment that I am contemplating sending to the desk is an amendment with respect to flood insurance reform. As every Member knows, over the course of the last years we have seen increased amounts of damage being done by earthquakes, storms, flooding, hurricanes, and so forth.

In 1968, in recognition of the very large sums of money that the U.S. Government was paying on an annual basis to make up for bad choices people were making about where they would live, Congress created in 1968 the flood insurance program, the National Flood Insurance Program. This program was created with the view to trying to minimize the amount of damage that was being done to the flood plain areas and to homes in those areas.

Now we have reached a point where we are recognizing the number of studies that have been done—the Office of Technology Assessment, the National Academy of Sciences and others—and all of them have concluded, without any dissent, that we need to do a better job of mapping these hazards, of understanding the risks, and of making the flood insurance program sound. The fact is that we have only about a 19- or 20-percent compliance with this program of the millions of homes, some 11-plus million homes that are within what we call the flood plain. Only about 2.6 million actually carry flood insurance. They are all supposed to carry it. But enforcement has been nonexistent, and the result is that people let their flood insurance lapse. They do not pay into the fund.

Very recently, the fund borrowed $100 million from the Treasury. We have paid out something like $4 billion of disaster assistance in the last years for flood-related damages. Nevertheless, we continue to ensure people in a way that makes it easier for them, attractive for them, to go build in a place where we know a disaster is going to take place. The result is not just the cost in terms of the loss to the flood program itself, which is self-sustaining for the moment.

Within the flood plain zones there are enough people still paying in that they have been able to cover the damage. I am not asserting that that is not happening. But what is happening is we are exposing ourselves to larger and larger numbers of homes which are increasing the overall liability of the U.S. Government, and there are costs that are not up-front costs of the loss of a home.

For instance, the insurance fund may pay for the actual structure that was lost. But the community has to pay for the clean up. The community has to pay for all of the incidental costs of infrastructure, telephones, sewer, roads, and all of the other things that go with that development. The community has to pay for the time of its public officials that are caught up dealing with these problems as a consequence. Ultimately, the taxpayers, broadly speaking, are at risk and paying.

The $100 million that is currently paying the deficiency of flood insurance for people living in areas where we know that there is going to be a disaster is being paid by people from the central part of Oklahoma, from western Massachusetts, from Nebraska, and a whole bunch of States that do not benefit or have nothing to do with it.

I am not going to go into all of the details of this flood insurance program. But I do want to point out a couple of things that I hope my colleagues will take note of as we think about this debate.

First of all, I would like to share with my colleagues what the National Taxpayers Union says in supporting my amendment. They say that:

> The 250,000-member National Taxpayers Union strongly urges—

my colleagues—

> to support this amendment which would stop the fiscally irresponsible practice of subsidizing development on land prone to flooding. The National Flood Insurance Program is now $100 million in debt. This debt could increase since the bulk of the program's policies, roughly 80 percent, insure development in areas prone to expensive losses from erosion, flooding, and storms, the Nation's coasts. In just the past 4 years, the flood insurance program last paid more than three-quarters of a billion dollars in claims from just 4 coastal storms: Hurricanes Hugo, Andrew, Iniki, and the December 1992 northeaster that hit the mid-Atlantic. It is folly to continue to subsidize new development in areas that have been hit and will be hit by destructive storms. We strongly support the rights of property owners to develop their own land. There is no right, however, to taxpayer subsidies for private development.

So what we are talking about here is whether or not we ought to engage in a broad encouragement, incentive, if you will, a subsidy, for people to be able to build in areas that create disasters.

Let me share with my colleagues what James Witt, the Director of FEMA, says about this.

He says:

> I want to reiterate my strong support for the goals of Senate 1405. It furthers our goals—

skipping a couple of parts—

> our goals to strengthen mitigation in disaster-prone areas while enforcing compliance. Both the Northridge earthquake and the Midwest floods have reinforced our shared concern that mitigation is underutilized throughout the country. The State and community mitigation assistance program and the mitigation insurance benefits will lower the number of structures vulnerable to flooding and reduce expenditures from the fund. In addition, it enables victims to overcome personal hardships by supporting efforts to elevate or relocate out of harm's way.

Director Witt goes on to say:

> The increased lender compliance provisions will expand the number of structures protected by flood insurance. Fewer flood victims will turn to Government grants and low-interest loans for assistance through the insurance mechanism. They will pre-firm their own recovery.

Director Witt met with us the other day and reinforced a study called Managing Coastal Erosion. This is a study that was done by the National Academy of Sciences and the National Academy of Sciences says point blank:

> FEMA has not identified erosion hazards zones in implementing the National Flood Insurance Program. An accurate delineation of coastlines subject to erosion is essential to effective erosion and flood loss reduction and to an actuarially sound program.

Mr. President, the reason I read that about erosion is that erosion is the one hangup right now, the one fundamental hangup. There are a couple of smaller ones, in preventing us from proceeding forward to perform the flood insurance program. We have reached a fundamental agreement on how we deal with compliance, with getting more people to take part in this program. And we have established a structure which will invite people—will require people, not invite—to escrow money through the home purchase plans. Wherever the Federal Government or Federal insured institution is involved, that will require their compliance.

The second component is what I just talked about with Director Witt—that is, the issue of mitigation. Mitigation, Mr. President, is the means by which we prevent these disasters from happening in the first place. We have learned a great deal about our ability to mitigate. For instance, we are currently engaged in many programs around the coasts of America in beach replenishment. We are currently engaged in programs to build jetties, or breakwaters, or other forms of preventing erosion damage or storm damage. We are engaged in a whole new set of standards for home building that resists the storm damage. Indeed, we know that those structures that have been built according to the standards, called post-firm standards, have far less damage as a consequence than those built before those standards were put in place.

So we have agreement, I believe, on the fundamentals of approaching the two significant issues: How do we make the fund more solvent? How are we more fiscally responsible, and how do we deal with the question of mitigation? How do we encourage people to undertake efforts to reduce the amount of damage they may be exposed to? But we are finding people who are resisting the notion that we ought to broadly examine precisely what the National Academy of Sciences has told us we should understand. It is called erosion.

Erosion is taking place on a constant basis. We know how to measure it. We have highly accurate means of measuring it. In fact, 15 States have already undertaken efforts to measure it and have standards with respect to erosion. But we are learning that erosion is not factored into the overall costs attendant to the flood insurance program. So, in effect, we are, all of us, subsidizing the damages that occur when people go and build in a place that they know is going to erode.

Mr. President, it seems to me the smallest amount of common sense that the Federal Government should not be going out and insuring people at an unaffordable private sector cost. We should not be insuring people to build somewhere that is not going to be there in 30 years. What is the public policy that says we want to insure a home in a place that we know we are going to have to pay the damage and it is going to disappear in 30 years? In the private sector, you could not possibly afford that kind of insurance. You simply could not afford it.

If the insurer looked at the risk of a particular spit of land disappearing, they would say: You are crazy. Do not build your home there. We are not going to insure that. It is going to cost you $10,000 a year to insure that for the next 20 years for the cost of the home you are building.

We in the Federal Government are willing to insure them by creating a pool of people within the flood zone, and we are willing to come in and say that the Federal Government is going to stand behind all of this liability. So we expose ourselves to increasing amounts of risk. The amount of risk we are now exposed to in the Federal Government is $250 billion. The fund is $100 million out of money; that is where we are. It is fiscally irresponsible. That is why the National Taxpayers' Union is supporting this effort to create a fiscally sensible approach to this.

Let me share with my colleagues an example of precisely what this means. Here are some photographs of some homes on a beach. They are all up on pylons. You can see these homes sitting nicely on their pylons, and they all have flood insurance. It is a great place to live for a while, until what is indicated in this other photograph happens. This white home right here is now this white home here on this photograph. That is the erosion that has taken place as a consequence of storms. We should not be allowing people to build in this kind of situation, with Federal flood insurance supporting it.

My bill does not do anything to take their insurance away. For anybody who has a home, you are grandfathered in. We do not even raise your rate. We are not even saying you cannot build. We are simply asking people to map the erosion areas, so people can know, and the Federal emergency assistance people can know, whether or not we ought to be engaged in promoting people living in these conditions. This is the example of what happens afterwards: People living out in the water. These are homes that we are covering. This is the same picture of the earlier shot, a before and after. This home here with a white roof is "before"—this is an example of homes on the beach—and this is "after." Here is the home with the white roof, and here are the homes out here.

This is an example of a clear situation where you run into this happening. There are not a lot of places like this. It is not something we ought to be frightened of doing. We ought to understand what the National Academy of Sciences has said, and I will read it one more time.

The National Academy says:

> FEMA has not identified erosion hazard zones. An accurate delineation of coastlines subject to erosion is essential to effective erosion and flood loss reduction and to an actuarially sound program.

Let me share with colleagues from the Office of Technology Assessment study on "Preparing for Uncertain Climate." This is the history of the program, and this is what the Office of Technology Assessment is telling us today:

> Congress made Federal flood insurance available in 1968 through the creation of the Flood Insurance Program. It was enacted to limit increased flood control and disaster relief, meet expenditures, and to provide a prefunded mechanism to more fully indemnify victims of flood-related disasters. It was also intended to limit unwise development in flood plains, while at the same time providing affordable Federal insurance for structures located there.

So we had two purposes. We wanted to prevent people from locating there, and we wanted to provide affordable insurance to people who were stuck there.

> Between 1978 and 1992, 430,000 flood insurance claims were made, and total payments, including claims from Hurricanes Hugo, Andrew, Iniki, have been nearly $4 billion.

We have paid out $4 billion, and all we are asking for in this bill is the right to spend $25 million to map erosion, so we can have true risk assessment in managing this program. We are not restricting anybody; we are not telling anybody you cannot build. We have not even restricted people at this point by saying: You cannot get the insurance. We are just saying: Map it so that you know what the risk is.

Here is what Technology Assessment says to us:

> The National Flood Insurance Program has been only partially successful. It has reduced somewhat the need for taxpayer-funded disaster assistance and has been a factor motivating local government mitigation efforts. Homes built in compliance with their regulations are 70 percent less likely to be damaged than those built before it.

So here we are knowing that a home built by the standards afterward is 70 percent less likely to be damaged. Yet for some reason we are unwilling to make a measurement of where that risk may exist so we can get more homes 70 percent less likely to be damaged so we do not have to come back to the U.S. Senate and ask for billions of dollars of bailout in the future.

This is a very important statement that the Office of Technology Assessment found—

> The program has also contributed to coastal development and has been criticized frequently for not adequately fostering prudent land use in hazardous areas.

That was one of the original goals of this program.

Mr. President, every scientific agency and all scientists who were involved in the study of erosion or the study of coastal management have agreed. There is not a dissenter. They agreed that we ought to proceed forward and have some means of understanding what the risk is from erosion.

The Office of Technology Assessment has told us that. The National Research Council/National Academy of Science have told us that. The Federal interagency floodplain management task force has told us that. The Natural Hazards Research and Applications Information Center has told us that. FEMA, the Federal Emergency Management Agency, has told us that. The Association of State Floodplain Managers tells us that.

Here are the experts, working on a regular basis to implement this program, saying to Congress, folks, if you want to save the taxpayers' money, if you want to act responsibly, then you have to begin the process of understanding what erosion is doing. If you do not, there is no way we can tell what the risk is. We cannot even arrive at actuarial rates that you are telling us we ought to charge.

So, we have a question here as to whether or not we can allow this process adequately to begin.

Mr. President, we have been working over the months—this has been 3 years in the working—and on several other occasions. The committee has held off from attaching this particular effort in an effort to try to work out the differences between us. But it is our sense that unless we can get some capacity to begin the process of mapping erosion, we are at loggerheads. Then we are going to have to ask colleagues in the Senate to help us decide whether this is indeed something that we ought to do as prudent fiscal managers of the Nation's financing, whether or not we should allow more disasters like the ones in the photographs I have showed, homes in North Carolina that just drop off a cliff. You can tell it is going to happen. We have them in Nantucket, MA. It is going to happen. You can see the cliff disappearing on an annual basis.

The question is whether we ought to be encouraging people to live in these kinds of conditions at the expense of taxpayers who are already hard enough pressed and who do not get to live on the beach to boot.

We are not changing any of the existing policies. I want to emphasize that. There are no existing policy changes. We grandfather in all existing homes. Nobody's rate is going to go up, according to this. We are just asking people to make the assessment, report back to Congress, and tell us whether or not this is something we ought to have in the future.

I think it is being prudent, and I think it is what we ought to do.

There is a lot more I can say and may say about this. I ask unanimous consent that whatever remarks I make on this at subsequent times be considered as one speech, not as separate speeches.

The PRESIDING OFFICER [Mrs. FEINSTEIN). Without objection, it is so ordered.

Mr. KERRY. I thank the Chair.

Madam President, it is my hope to sit down with key colleagues on this and, hopefully, arrive at an agreement as to where we are going to proceed forward. This is an important measure.

We should not, I think, want to continue with a situation where we know that there is an enormous risk to the Federal Treasury. We are unwilling even to take the steps to try to measure it better. Every one of our weather agencies, whether it is NOAA or the National Weather Service, et cetera, are all telling us that over the course of the last 10 or 15 years we have lived through a very blessed period of reduced storms.

If you look at the 100-year norm, or the 50-year or 25-year norm, you will see very significant storms like the 1992 northeaster or Hurricane Hugo, et cetera, that hit us regularly. We have actually seen a diminishment of that.

But for all of us who lived through one of the toughest winters in modern history, I think we ought to be warned that there is something changing in weather cycles. We saw very tough storms last year as the weather maps indicate, and they are an indication of the difference. You can see, in the last 18 years, 1970 to 1987, very few storms, very few black lines here. But from 1957 to 1969, a period of 13 years, there was an enormous number of storms coming into the east coast and to Texas, and so forth.

The far greater likelihood is that we are going to witness not a storm of the century once a century but we are going to have five or six storms of the century each year just as we did in the last couple of years.

The point is no private insurance company would sit there engaged in this behavior. They could not afford to because they would be asked to hold reserves in order to cover the difference. But we are sitting here with $250 billion of exposed property with erosion playing away, and the fund $100 million in debt.

It seems prudent, therefore, that while not penalizing anyone who lives where they live—they are there today, they got there for a whole lot of reasons—we do not want to penalize people and change land values. We do not want to do any injury, but we do want to try to look down the future and be fiscally responsible for whatever potential disasters may come down the road.

The fact is where you have beach mitigation the prices of homes go up, the appraisals go up. Where you have good conservation measures, you, in fact, raise the property values of a community and you, therefore, raise the assessments to the community, and so forth.

This is not just good environmental policy or something. This is good, sound fiscal policy with respect to a fund that is exposed to enormous damage.

Madam President, it is my hope that we can reach agreement.

AMENDMENT NO. 1541

(Purpose: To strengthen the National Flood Insurance Program and to reduce risk to the national flood insurance fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, and for other purposes)

Mr. KERRY. Madam President, I am going to send this amendment to the desk at this point in time and ask that it be pending.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] (for himself and Mr. DASCHLE, Mrs. MURRAY, Ms. MOSELEY-BRAUN, Mr. KOHL, and Mr. METZENBAUM) proposes an amendment numbered 1541.

Mr. KERRY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KERRY. Madam President, so the RECORD is very clear, I want to make certain that there is no ambiguity and I do not want to misrepresent any facts here in the course of this process.

A number of Senators and I have sat with FEMA over the course of the last days, and we have asked some good questions of FEMA to try to narrow down differences between us.

There clearly is an ability of areas that are in the floodplain now to provide enough cash today to support the current rate of damage that is being done today in most of those areas.

The $100 million that the fund is underneath today comes primarily as a consequence of what has taken place in the Midwest. But because of the effective erosion over a long period of time, absent mitigation, you could look to a future where obviously some of that could change. I cannot tell you that absolutely. I can tell you it will change in many places. I cannot tell you where. I cannot tell you when. I cannot tell you how much. And yet we continue to have a program out there that, notwithstanding that lack of knowledge, encourages people or helps them and assists them to be able to make these choices.

No one can tell me, if the Federal Government is prepared to insure a home up to $185,000, that does not facilitate the community getting the bank involved, making the decision, and proceeding forward. Of course it does.

So it is my sense that we ought to try to guarantee that we at least understand it.

A good analogy is the following: if you are a smoker, smoking is taken into account by insurance companies. Now, if you are a smoker, you may smoke a pack a day, you may have just started last week, or something. Well, you are not going to drop dead tomorrow, probably, at least from smoking. But we all know that over a period of time the likelihood is greater that you will, and you will at some point, under certain odds, come up with some disease related to that smoking.

It is the same thing here. Erosion works over a period of time. Sure, you can have a home sitting there or a bunch of homes in an erosion zone that are OK today, and the fund may be OK today to support them within that context. But we are saying, if we do not adopt this, that we are unwilling to find out whether the fund is going to be OK in 5 years or 10 years. And more and more homes are coming under the fund and the exposure is getting greater and greater.

Just a kind of classic example of this process taking place is a cartoon that appeared in the National Review in February of this year. The sign says, "Welcome to Nevada," on the coastline.

See? * * * I told you if we hung onto this chicken ranch long enough, we'd be retiring to a nice spot on the ocean.

Now, that is an exaggeration, but I will tell you something: In places in my home State this is happening. I could take you tomorrow to a home that is now 20 yards from the cliff, when only a few years ago it was 50 yards from the cliff. That house is going to drop off the cliff. Everybody knows it.

And there are places in other parts of the country where that is also true. We should understand where those places are.

The National Academy of Sciences tells us, "Understand it." FEMA tells us we want to understand it. All of the responsible groups involved with this who make the studies tell us, "Understand it."

Madam President, I suggest we ought to understand it, or we cannot have a fiscally sound fund. It is hard to go back to people who live way, way from the coast and say, "Hey, you are paying for the privilege of these people to put their home there. You are paying for them to rebuild their roads every other year. You are paying for them to re-setup the sewers, to adjust all the damages. You are paying for them to move their homes, because we allowed them to get there in the first place."

And in a time when we are cutting education and cutting a lot of other plans, it is hard to explain to people why they ought to be paying for stupid development policies.

Now, if they are not stupid, the mapping will come back and tell us that. If they are not stupid, the mapping will come back and say, "Senator, you are a 'Chicken Little' crier. You are worried about something that is really a minimal problem. You should not be so worried about it. All of these scientists are wrong, and all of these academies and all of these groups we have set up to make a lifetime out of understanding this are somehow wrong. Let them do that."

But they will not, because the scientific underlying data is very clear as to what this process is doing, and it ought to be factored into a Federal program.

So, Madam President, my hope is that we are going to be able to get an agreement here. But I wanted to explain to colleagues what it is that is holding this up and why we are dealing with this now.

We have been at this for 3 years. We have known this fund is in jeopardy. We know there are serious problems with it; fifteen States have already mapped; fifteen States have already undertaken to put in place erosion policies. We have very strict ones in certain States; less so in others.

But the Federal disaster fund that is making it up to those States that do not participate or do not want to should not continue as some great gravy train from a Federal Government that has endless amounts of money to throw around for these kinds of things.

Director Witt has made it very clear: Mitigation makes a difference. If we can get people to participate in this program more, we will have more money in the flood insurance plan for mitigation grants, we will be able to do a better job of resisting, and ultimately we will not only be paying out less in the flood program itself, we will be paying out less in terms of the related disaster assistance and all the other losses that are caught up in it.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Madam President, I would say to my colleagues and my good friend from Massachusetts, I apologize for not having been here for the discussion. I was advised we were meeting in his office at noon to talk about the compromise, so we did not have a chance to hear all of the discussions that went on about the flood insurance program.

Let me say, and I believe I heard my friend from Massachusetts say, that we have been engaged in fruitful discussions about how we reform the flood insurance program, because the flood insurance program is vitally important in terms of those people who live and work in the flood-prone areas or the coastal areas which are subject to flooding and other devastation from water and wind.

I believe that there are three main problems:

No. 1, the fund does not have enough participants in it.

No. 2, because, when the fund was established in 1975, there was a grandfather clause to protect those structures which existed prior to the passage of the law in 1975. The premiums paid into the flood fund for those homes was not adequate to carry the risk that those homes incurred. Thus, the fund has been put into a difficult condition because of the structures in place prior to 1975.

The third problem is that there has not been enough focus on mitigation to assist communities and to assist home owners and owners of other structures to bring their structures up to standards which would resist the flood.

I have only in the last few months begun to work on this matter. I know our colleague from Massachusetts has taken a leadership role, for which I commend him.

We asked about a month ago for answers to some very difficult questions from the Federal Emergency Management Agency that is responsible for administering the fund. There is a great deal of confusion among ourselves, our staffs, and others as to what really is the significance of the condition of the flood insurance fund.

I understand that FEMA had complemented the answers last week. By the time I left to go back to Missouri on Friday, those answers were not available to us. I returned to Washington, DC, at 11 p.m. on Monday night and got a long list of answers. We started off at 9 o'clock the next morning meeting with the Director, James Lee Witt, in the office of the Senator from Massachusetts, and we made progress.

I really believe we are making progress towards meeting the needs that FEMA has identified. But we found that there were still major questions which had arisen as a result of their answers in the discussion.

At this point, we have—and I say "we" speaking primarily for my colleague from Florida, Mr. MACK, and myself, and with a number of other Senators who have been very much interested in it—suggested that we are getting closer to agreement. We found some of the problems with the flood insurance were actually not what we thought they were.

So we thought we were moving forward toward agreement. We had asked the Senator from Massachusetts not to offer this amendment because we believe we are close to achieving a workable compromise that could generate very significant support from at least the vast majority if not all Members of this body.

There are a number of comments which I overheard earlier in the discussions that I do not believe are accurate. Just let me set the stage so I can give my colleagues the framework in which we are operating.

The only problems, according to FEMA, that we have with the Flood Insurance Program are not, as has been suggested, the Midwest floods. It is the problem of the structures grandfathered in, called the pre-FIRM, prior to the 1975 enactment of the law. They are the ones that are causing the losses that are putting the fund in jeopardy. So we have proposed, and we are working towards a system, to use some of the funds from the flood to bring those structures up to flood standard so they will be less likely to be damaged. Any homes or structures that are damaged have to be repaired and brought up to code. In addition, we have urged there be a special loan fund for communities that want to take measures to protect against flooding because we think this can further reduce the loss to the fund and put it on an actuarially sound basis.

According to what I understand FEMA has said, those structures built after 1975, and on coastal areas after 1981, when tougher standards were enacted for coastal areas, have not been part of the problem. They are paying actuarially sound insurance premiums.

There is a question of cross-subsidization, because a home or a business or a structure right on the ocean front is much more apt to be damaged by waves and by erosion than, maybe, a store or home two or three or four blocks away. Thus, ocean-front structures are greater risks than those structures several blocks away. However, when you take the entire community, the rates paid by all of those structures in that community to the flood insurance fund are actuarially sufficient to cover the likely damage resulting to any or all of those structures in the floodplain.

So to the extent that there is cross-subsidization, it is cross-subsidization within the particular zone where different homes, maybe a block or two apart, or different structures, may have different levels of risk. There is not, as I understand the answers from FEMA, cross-subsidization from one section of the country to another.

What we need to do is come to agreement on a bill that will encourage more structure owners in the flood-prone areas to get insurance for their buildings, to provide assistance for mitigation in bringing up to flood-code standards those pre-FIRM structures now in place, and also to encourage communities to take flood protection or other protective measures to prevent against the dangers of erosion or flooding.

One of the proposals in the measure originally proposed by my friend from Massachusetts would set aside $25 million for mapping of erosion dangers. Some 13 or 15 States which are in danger of erosion have already undertaken erosion-mapping efforts. The flood insurance fund, because of the pre-FIRM structures, is now in significant difficulty, and they have had to take out a $100 million credit line to cover the damages because the pre-FIRM structures are not paying actuarially sound damages.

The problem comes with the fund in a deficit. I want to know and several of my colleagues want to know if there is going to be a benefit to the fund that would warrant the fund—and through the fund the people who are paying the flood insurance premiums—spending $25 million out of that fund for erosion mapping. I happen to think there are enough flood-prone structures that if we were going to dip into the fund, we ought to be using that money for mitigation efforts directly.

As you can see, I believe we are close to agreement on this. There are others, however, who say we ought to add a separate environmental purpose to the floodplain law so people who are paying flood insurance would be providing for non-insurance-related benefits. I do not believe, with the insurance fund in the precarious position which it is, that you can put further burdens on the premium payers, particularly those premium payers who have met the State and local codes and guidelines and who have structures that conform to the guidelines.

There are a number of ways we can work on this problem and I believe we can do that work in compromise, in good faith, off the floor. But I urge my colleagues, if this amendment is not withdrawn, and I do not know whether it will be withdrawn, to support a tabling motion to enable us to complete the work on the compromise and carry on the discussions that were to have begun 26 minutes ago.

I assure the Chair and my colleagues I look forward to continuing the work with the Senator from Massachusetts as we seek to solve the very real problems of making the flood insurance fund sound, getting more structures involved in the Flood Insurance Program, and ensuring that appropriate mitigation efforts are taken to reduce the damage of floods.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Florida.

Mr. MACK. Madam President, I think, rather than to address myself to the specifics and the issues within the bill, and I am really addressing my comments to the Senator from Massachusetts, there is the potential for an impasse to develop here. It was my hope we were going to work our way towards a compromise. There is disagreement on both sides as to whether people are acting in good faith or whether they are not.

I was under the impression we were going to meet at noon, the three principals—the Senator from Massachusetts, Senator BOND, and myself—to see if we could find a way to come together. I was under the impression the amendment would not be offered until after the three principals got together, in essence to try to find out whether there really was room to compromise or whether there was not.

I must say, from our perspective, this seemed like a preemptive strike, that the message was: I am going to move forward. The amendment offered is not the amendment on which we have been talking about compromise. It goes back to the position of denial of insurance and increasing premiums. And I must say to the Senator from Massachusetts, if that is the amendment he wants to go forward with, we are prepared to debate it, and debate it to the full extent necessary. I feel confident it will be defeated.

In our discussions, I think both of us have agreed the two areas we know must be dealt with are the issues of mitigation and increasing participation. So, I guess my question is, to the Senator from Massachusetts: Where does he want to go?

The PRESIDING OFFICER. Does the Senator yield?

Mr. MACK. Yes; I do.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. First, I thank both Senators for their efforts on this. I said in my opening comments I was anticipating a meeting. I said to the manager of the bill overall, the Senator from New York, I would possibly lay the amendment down with an understanding that I was not going to try to close it out, I was not going to fill any trees, I was not going to do anything—not even ask for the yeas and nays. I was simply going to put it at the desk so we reserved our rights, depending on where we proceeded.

Then I discussed some of the parameters of this bill in order to try to hopefully stimulate a good dialog here. The problem is that we have been dialoging this bill for 3 years.

I have held back from putting it on to one or two other bills on three or four occasions in markups in the Banking Committee. This is the last train this year. This is it for this opportunity problem. So I want to make sure where we are.

We met yesterday. Sure, we did. I do not want to go into great details now. I really think we ought to have the benefit of sitting down and trying to proceed forward, which is what we anticipated.

What we were presented with yesterday, as a consequence of the discussions, in my mind, did not represent where I thought we were moving in terms of the proximity the Senator from Florida just described. In fact, it stripped out whole portions of the bill that we have never talked about stripping out. So to me it was a step backwards from where we had been. As a consequence, I began to question really whether or not we are on the same track. I hope we are. I take the good faith of my friend from Florida who has worked closely on this and has consistently been available and tried to do it. I would like to see if we can get an agreement now and let us sit and talk.

Mr. MACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. Madam President, just a couple of responses and then I think we should.

As far as this being, in essence, the last legislative vehicle to attach this legislation to, I disagree with that. I think there is, in fact, interest on our part to see that a flood insurance bill can be passed and clearly addressing the areas I have mentioned.

Second, again I want to say every opportunity you hinted at that you wanted to get together, I have made myself available.

Mr. KERRY. Madam President, I think the——

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. MACK. Let me make a last point, then I will yield.

The PRESIDING OFFICER. Is the Senator yielding for a question or yielding the floor?

Mr. MACK. I have one last comment to make and then I will yield the floor.

The last comment is with respect to stripping out. We mentioned yesterday some of our concerns about the purposes clause in the legislation. So I do not think that should be a surprise that we came back with a suggestion that that was what we were intending to do. That was mentioned yesterday afternoon in the meeting in my office.

But, again, we could end up talking all day about whether people really are serious about compromising. Let us meet and see if we can move forward.

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Madam President, there is a difference, I think, with all due respect, from pointing out a concern about the way something is phrased versus stripping it out completely in a way that, in effect, takes out of the bill the very essence of the 1968 creation of this bill in the first place.

I would like to sit down with you. I think it would be good.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Madam President, is leader time reserved?

The PRESIDING OFFICER. Yes.

NATIONAL AGRICULTURE DAY

Mr. DOLE. Madam President, over 200 years ago, Thomas Jefferson wrote "Cultivators of the earth are the most valuable citizens."

Much has changed in America since Thomas Jefferson's day, but one thing that has not changed is the fact his words are still true—the members of America's agriculture community are some of the most valuable and important citizens of this country.

Today is National Agriculture Day—a day for honoring farmers and ranchers across the United States who dedicate their lives to food production. It is their devotion to the land that serves as a reminder of the spirit our forefathers instilled in each of us—the spirit of hard work and the perseverance to deal with the hand Mother Nature deals them.

America's first farmers worried about feeding their families. Today, American agriculture feeds the world. Biotechnology has allowed farmers to yield food products more efficiently, more safely, and at a lower cost.

Now that NAFTA has been negotiated and passed, and with completion of the GATT imminent, we are about to embark upon a new era for agriculture trade. These trade agreements will allow more efficient use of resources within our 50 States, and will also open up new markets to our highly competitive farm products. American agriculture products are in great demand around the world, and with the elimination of trade barriers our farmers will be filling those demands every day.

Madam President, let us also remember that Government has done much to make the farmer's task more difficult. No matter what the farmer or rancher grows or raises, they can count on having to deal with an abundant crop of Government redtape, regulations, and paperwork.

And the best way we can pay tribute to our agriculture community is to remember every day—and not just on one—the invaluable contributions they have made to the history of our country, and the difference they make in feeding our families and our world.

(Ms. MOSELEY-BRAUN assumed the chair.)

UNITED STATES POLICY ON RUSSIA

Mr. DOLE. Madam President, U.S. policy toward Russia is in disarray. The time of strategic partnership is over—if it ever began. President Yeltsin acts in increasingly erratic terms, the new parliament has freed antidemocratic coup-makers, the Russian military asserts itself throughout the territory of the former Soviet empire. The Russian foreign ministry is challenging American interests from Bosnia to the Middle East.

The administration's reaction can only be characterized as denial. President Clinton equates Russian neo-imperialism with the liberation of Panama and Grenada, while the State Department defends, excuses, and even welcomes Russian actions from Georgia to Tajikistan to the Balkans. Meanwhile, our assistance program serves to enrich American consultants but is virtually invisible in the former Soviet Union.

What we need is a fundamental reassessment of United States policy toward Russia. I hosted a breakfast meeting last week with outside experts, including two appointees from the Bush administration, a retired military officer who endorsed President Clinton, and an academic expert on Russia. There was unanimity that U.S. policy is headed in the wrong direction.

Two of my colleagues have made important contributions over the last 2 weeks in beginning this reassessment: Senator LUGAR before the American Spectator Dinner Club, and Senator McCAIN before the Center for Strategic and International Studies. These insightful speeches, one by a senior member of the Armed Services Committee and the other by a senior member of the Foreign Relations Committee deserve wide attention. They constructively criticize the flaws in the current United States approach to Russia, and suggest alternative courses that should form the basis of further debate.

Senator LUGAR rightly points out that the idea of a mature strategic partnership between Russia and the United States—as claimed in the communique at the January Moscow summit—is nonsense. The Russians are not partners but, as Senator LUGAR puts it, "tough rivals."

Senator McCAIN points out that United States policy has "squandered real opportunities for the United States to serve our own interests and advance our values, and to serve the interests of humanity in the bargain." On the reassertion of Russian imperialism, Senator McCAIN points out that the United States has "tolerated and at times excused" such actions, and that the "United States should also make clear to Russia that it will no longer dismiss Russian meddling in the affairs of its neighbors. We obviously cannot guarantee their sovereignty but we should not help finance its violation."

Both Senator LUGAR and Senator McCAIN argue for clear guidelines for NATO expansion—a policy which has widespread support in the Senate, as expressed in the approval of Senator McCONNELL'S amendment on the subject last month.

Mr. President, criticism of the administration's Russia policy is not partisan. President Carter's former National Security Adviser recently published an article which termed the administration's approach "flawed in its assumptions, focused on the wrong strategic goal, and dangerous in its likely geopolitical consequences." In fact, outside of Deputy Secretary Talbott, it is hard to find any expert that agrees with the administration's approach to Russia. The speeches of Senators LUGAR and McCAIN are a good place to start the much-needed policy review.

I ask unanimous consent that their speeches be printed in the RECORD at this point.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

[Remarks prepared for delivery to the American Spectator Washington Dinner Club, Four Seasons Hotel, Mar. 7, 1994]

THE RUSSIANS ARE TOUGH RIVALS, NOT PARTNERS

(By Senator Richard G. Lugar)

A STRATEGIC OR LIMITED PARTNERSHIP?

The communique at the Clinton-Yeltsin January summit meeting in Moscow claimed the achievement of a "mature strategic partnership based on equality, mutual advantage, and recognition of each other's national interests." The parties noted their eagerness to "move forward on the path of openness and mutual trust."

But this statement and the concept it represents is nonsense. A strategic partnership between Russia and the West does not exist because it is impossible to attach any realistic substance to it. This sort of rhetoric is bound to raise and then dash public expectations of Russian behavior, and it makes more likely an overreaction when Russia begins to act in ways that dismay us. By ignoring the plain truth about Russia, the Clinton Administration is not prepared for the policy consequences that flow from the truth.

A REDEFINITION OF RUSSIAN VITAL INTERESTS

The crisis last October in Moscow marked Russia's rejection of the principle of integration with the West as the underlying premise of Russia's security policies and the substitution of Russian vital interests as the underlying basis on which security decisions are made. The original strategy of integrating with the West was based on an assumption that the major threat to Russian security came from political and economic isolation and that salvation flowed from political and economic reforms and cooperation with the West.

A major tenet of that strategy, we assumed, was that Russia would develop normal, cooperative relations with the other Soviet successor states, based on mutual respect for territorial integrity. But all of this was undercut by unrealistic expectations regarding U.S. willingness to nurture Russia back to economic and political health and by the ethnic turmoil that engulfed her nearest neighbors, threatening perceived Russian security interests as well as Russian minorities.

By the fall of 1993, a Russian consensus developed around the notion that Russian security and her place in the international community could be entrusted only to herself. Consequently, Russian "vital interests" must become the guiding principle of security policies. This rejection of cooperation with the West in favor of "vital interests" has alarmed the Newly Independent States who fear that "vital interests" is a euphemism for renewed Russian imperialism. The shift has also raised fears in the United States that an expansionist-minded Russia may again threaten eastern Europe.

While none of the publicly-stated Russian goals with respect to the Newly Independent States and the "Near Abroad"—stability, protection of Russian minorities, defense of security interests—has seemed all that alarming to the State Department, they have, at minimum, called into question some of the basic assumptions behind the Clinton Administration's policies toward Russia.

REDEFINING AMERICAN "VITAL INTERESTS"

In the spring of 1993, Under Secretary of State Peter Tarnoff described a world of "medium-sized bad guys" who in many ways are more irresponsible and dangerous than the bad guys of the Cold War era. But the main theme of his remarks before the Overseas Writers Club was that the end of the Cold War has wrought dramatic changes, and that with the decline of the nuclear threat, economic interests are ascendant in U.S. foreign policy. The U.S. can no longer be counted on to take the lead in regional disputes unless it can discern clear national interests at stake.

Secretary of State Warren Christopher subsequently suggested that the U.S. would adopt a unilateral approach if necessary when vital interests were involved, while a multilateral approach would suffice for lesser U.S. interests. But "multilateralism" became something of a cover for U.S. retrenchment and the abandonment of leadership to the vagaries of international vents—as well as an excuse for diluting our definitions of what constitute "clear and vital national interests."

The Clinton Administration—after suggesting that it planned to pursue lifting the arms embargo on the Bosnian Muslims with NATO air support—gave up that plan with little struggle in the face of European opposition. The Administration instead accepted a weak alternative of protection safe havens for the Bosnian Muslims. But what was worse, there appeared to be an inclination to turn that policy mistake into a policy doctrine, a doctrine of diminished U.S. leadership cloaked in "multilateralism" at a time when security threats were increasing.

The Administration seemed to classify Western Europe as a vital interest while East-Central Europe and the Balkans were not. They appeared to be using a definition of vital interests that was a function of geography and nuclear weapons. Their rhetoric was about democracy and shared values, but their policies did not necessarily reflect this.

I said at the time that this narrower definition had to be challenged if other national leaders were to be persuaded to confront instability borne of a new power vacuum in Europe and if they were to be convinced that the risks of doing nothing in the face of policy evolutions in Moscow were great.

It has been the budget-driven cuts in our defense establishment, along with some ill-considered statements by Administration officials on a narrower definition of vital American national interests in the context of the debate over what to do about Bosnia, that has produced an as-yet unfocused discussion over U.S. willingness to define commitment in Europe in a manner commensurate with out security and economic interests.

FROM TARNOFF TO TALBOTT

Prior to Bosnia, NATO was a budget issue; then its efficacy as a vehicle for promoting or protecting Western interests arose. Now, its revitalization may be the key to sustaining any long-term American involvement, not just in NATO, but in Europe.

Central Europe is adrift security-wise in the aftermath of the breakup of the USSR as well as the slowed pace of democratic and economic reforms. Eastern European states seek more solid moorings in the West through NATO. Western Europe has been loosened from some of its traditional moorings, as the Maastricht Treaty has proven to be a less than reliable stimulus and compass by which to achieve greater integration.

The North Atlantic alliance has experienced a "relevance" crisis every bit as psychologically intense as the fits and starts encountered in trying to fashion a European security identity. That NATO is experiencing a "relevance" crisis at the same time as Europe is undergoing a security "identity" crisis should surprise no one. What is surprising is United States' reluctance to deal with the security crisis by updating and revitalizing NATO. In addition, the U.S. is groping for new post-Cold War strategies and polices under a new administration, even as signs reappear that Russia may, out of a sense of desperation, be moving in foreign policy directions not-so-strangely reminiscent of its more imperial predecessors.

CONTENDING APPROACHES TO POLICY TOWARD RUSSIA

There have been two prominent schools of thought in the U.S. regarding the appropriate policy approach toward Moscow.

To oversimplify, the first view, the Clinton Administration's view, holds that Russia is a partner of the U.S. and that Russia could and should be helpful in combating global terrorism, nuclear proliferation, and a force for regional and global stability.

The U.S. should therefore undertake policies designed to help the Russians, to bolster President Yeltsin, and the Russian democratic forces.

Unfortunately, strong emphasis on partnership with President Yeltsin and constant recognition of his political needs in Russia is perceived by Ukraine, other NIS, and European allies as giving short-shrift to their aspirations.

The second school of U.S. thought holds that Russian interests internationally are basically incompatible with those of the United States. Such being the case, little cooperation is expected and therefore a policy focusing on U.S. engagement with Russia is misguided.

This school of thought believes that Russian suppression of human rights continues; modernization of strategic weapons systems proceeds apace; export of conventional weaponry and perhaps material components of potential weapons of mass destruction is evident, and the payment of over $2 million to a Russian spy in the CIA exemplifies the state of play. American public figures then announce that all aid should be cut off for a while, at least, pending further observation of a potentially neo-imperialist rival.

A "NATIONAL INTEREST" SCHOOL OF THOUGHT

Neither of these approaches is satisfying because neither meets our national interests, nor do they foster the kind of Russia we want to see develop.

We are not partners with Russia. We are tough-minded rivals. Many Russians are suspicious of our assistance efforts precisely because they cannot see how such assistance benefits American national interests.

The period of democratic breakthroughs in Russia has come to an end, with the December election results undermining the momentum of and the support for those reformers who favored a steady movement toward the market, control of the money supply and thus less subsidies for military industry, the creation of democratic institutions and values, and a benign and cooperative foreign policy toward its neighbors and the West. Put differently, strong opposition to all of these worthy objectives of Western policy has been exposed in the December elections.

President Yeltsin is less and less master of the Russian political situation. He is increasingly a captive of his own "apparat" that exercises political authority in the name of the President while serving as a lightning rod for constant criticism by an increasingly assertive Duma.

In this situation of continuing political paralysis in Moscow, two things are happening: (1) policy is being made and implemented by the bureaucracies—the Ministry of Defense, the Ministry of Foreign Affairs, the "KGB"—each of which has its own agenda; and (2) regional leaderships are consolidating their autonomy, reducing the power and authority of the center over the provinces.

The continuing decline in the standard of living for most Russians has eroded the political base in the country necessary for a return to economic reforms and free-market policies and makes more likely the reversion to economic statism and central control of the economy. What is economically necessary in the country seems politically impossible. Rampant crime and corruption and growing lawlessness feed the nationalist and chauvinistic forces already gaining ground in the country and encourage public support for policies emphasizing order and economic stability.

There is a rapidly growing climate of opinion, common to all walks of life, that Russia threw away its empire needlessly, and should recover it while it still can. But another climate is clearly characterized by war weariness, aversion to sending Russian troops anywhere, and despair over military budgetary demands.

There is a growing anti-Western sentiment which is turning against Western values, epitomized by the prevailing spirit of "jungle capitalism," and Western institutions, with NATO, the European Union and various international lending institutions portrayed as enemies of the Russian people once again.

While the growing anti-Western feelings on the part of ordinary Russians have deep cultural roots, these feelings have been fed by the perception that the West never had any intentions of making good on its widely publicized promises of aid, and that, more generally, the underlying premise behind Western efforts to impart democracy and reform to Russia was to undermine the Russian state.

The domestic economic and political trends in Russia—the increasing nationalism, sometimes chauvinism—strengthen those voices that argue for a more assertive and aggressive Russian role in managing the affairs of its neighbors. Russian definitions of its own national interests have been and will continue to manifest themselves in ways that are troubling and potentially even dangerous to the U.S. and the West.

For American policymakers, painful policy dilemmas will become evident, tradeoffs will be posed, but, above all, choices will be required. Moscow will interfere in the affairs of the states of the former Soviet Union because it firmly believes that these subjects belong under the Russian umbrella rather than as independent entities, because it believes that the rights of Russian minorities outside Russia will be threatened if ongoing and future disputes are not tackled decisively by Russia, and because it believes that such instabilities and conflicts could spread to Russia itself.

PARTNERSHIP WITH ALLIES, NOT RIVALS

The U.S. has misapplied the concept of partnership with Russia in another area, and one vital to Western Europe—namely, the Partnership for Peace proposal.

Partnership for Peace takes the idea of a "partnership" with Russia to further extremes, as it invites Russia to become a NATO "partner." But this is not a sustainable premise, unless the West is willing to accept both the Russian definition of "partner" and their definition of "Russian geographic space."

For the Russians, participation in Partnership for Peace is a means of derailing NATO enlargement and revitalization of solidifying their interpretation of Russia's rights and interests in the "Near Abroad."

In many respects, Partnership for Peace epitomizes the Administration's ad hoc approach to European security problems. The whole effort appears to be driven by a desire to avoid something—namely, "line-drawing" or the reimposition of "blocs" in Europe.

The basic flaw in Partnership for Peace is its underlying premise—the avoidance of line-drawing. It is really an attempt to avoid choices and thus to avoid the establishment of clear policy objectives.

Precisely because American and European interests with respect to Central Europe and Russia are not necessarily synonymous, the attempt to utilize the Partnership for Peace as the primary multilateral alliance vehicle to accommodate conflicting policies both within and among key Western allies toward the East can be nothing more than a stopgap measure and will likely spin off more parochial variations over time.

By avoiding lines, we cloud rather than clarify the answer to the question as to whether the independence of East European states and the consolidation of the fragile democracies in the region constitute a vital American interest. The resulting policy vacuum is filled by others who are more than willing to provide a clear answer to that question by setting the limits on and timeframe for the Partnership for Peace process.

On November 25, Evgeny Primakov, the head of Russia's Foreign Intelligence Service, declared that any decision by NATO during its January summit to expand NATO eastward would be viewed as aggressive and require a fundamental reappraisal of Russia's defense concepts. Mr. Primakov has been more than willing to jump into a perceived policy vacuum and attempt to exploit it by issuing ultimatums. This is one of the costs of our having no well-defined strategy toward Europe.

In short, we run the risk of permitting the Russians to circumscribe the entire process. By making Russia the fulcrum of U.S. policy, the Administration risks ceding to Moscow a virtual veto over vital U.S. interests on issues like Bosnia, the future of NATO and Eastern Europe. If the most appropriate means for promoting stability and democracy in Eastern Europe is NATO expansion, then this should be undertaken, preferably with Russia's understanding, but if necessary, without it. While Russia's leaders should not be automatically excluded from European security arrangements, they cannot be given free rein to call the security shots for their neighbors and the West.

I am not adverse to line-drawing. I believe that expanded NATO membership should be a function of the alliance's own priorities. My objective would be to provide a clear perspective on criteria for eventual membership and to provide promptly a stable security framework in the region to consolidate democracy. There is much to be said for the idea of utilizing the North Atlantic Cooperation Council as a half-way house for candidate members, with the Alliance drawing up its own list of priorities and criteria for future membership which would lead to full membership under Article 5.

The criteria for membership should include, inter alia, the strategic importance of the candidate to NATO; commitment to democratic rule; respect for minority rights and renunciation of territorial claims; civilian control of the military; a willingness to participate in the full range of NATO operations; and geographical propinquity to NATO member nations.

But precisely because a large gap would remain between what an expanded NACC offers and full NATO membership under Article 5, it will take time for even the Visegrad countries to close this gap. These countries need a stable framework now. Therefore, I would favor the creation of the additional intermediate step of "associate membership" to bridge that gap and to provide a stable security framework in the interest of consolidating democracy.

Partnership for Peace may satisfy some East European needs for a closer association with NATO. It does not satisfy their need for a concrete perspective on eventual full membership. The intermediate step of associate membership superimposed on the Administration's proposal may fulfill that latter need and add to the process of Partnership for Peace the needed end goal. Establishment of the associate-membership intermediate step would in fact constitute a limited form of line-drawing, but I see no way of adequately addressing the growing security policy vacuum in Central Europe without express consideration of the criteria, modalities, and form of membership.

THE "NATIONAL INTEREST" LITMUS TEST

President Clinton might protest that his January NATO proposal was less the result of his own aversion to line drawing than a recognition of a stiff U.S. domestic opposition to the idea that NATO would guarantee the security of Poland, Hungary, or the Czech Republic. The President might argue further that if Ukraine sought NATO membership, the U.S. and NATO might face a hostile Russia very soon. If Ukraine was denied NATO membership, Russia might receive an ambiguous signal that could encourage any empire-restoration tendencies.

But Presidential choices are difficult and essential leadership is never easy. The President had a remarkable opportunity in January to stake our a credible plan for our security interests in Europe. He must seek another occasion, soon, to return to that agenda.

Even if Russia is a tough minded rival, the President is correct in arguing that simply cutting off aid could do harm to certain U.S. security interests embodied in some current U.S.-Russian activities.

For example, the Nun-Lugar Cooperative Nuclear Threat Reduction Act supports a number of ongoing activities which are resulting in the destruction of warheads and delivery vehicles aimed at the United States and originally designed to destroy our country. Thousands of tactical nuclear weapons have been collected and transferred to sites in Russia for destruction. U.S. money has accelerated the destruction of strategic nuclear systems covered by START Treaties yet to be implemented or ratified. The recent trilateral agreement signed in Moscow on the disposition of nuclear systems currently on Ukrainian soil was possible only because of such assistance.

Senator Nunn and I have also been pushing relentlessly for consummation of a revenue-sharing purchase agreement in which the United States has committed itself to buy all of the highly enriched uranium extracted from tactical or strategical warheads covered by the START Treaties and returned to Russia. The material would be blended down and purchased by the U.S. to meet its contract commitments to the commercial nuclear power industry, thereby reducing a major proliferation hazard.

For the next 20 years, a stream of income would go to Russia, Belarus, Ukraine, and Kazakhstan in proportion to the amount of highly enriched uranium extracted from nuclear systems on their soil at the time of the dissolution of the USSR. Such revenues would dwarf all of the Freedom Support Act or other so-called conventional aid programs which have been passed with great clamor but with diminishing political support.

The Russians and other Newly Independent States should move swiftly to complete multi-year energy deals which provide a stream of hard currency for them and a substantial energy supply for world markets.

Most of the so-called aid to Russia has been in the payment of American consultants. Much of the political and economic advice which they offered gave the Russians a glimpse of the way the world works.

When President George Bush mentioned $24 billion of multi-lateral aid to Russia in the Rose Garden, he probably should have added that very little assistance would occur beyond grain credits or various European tied-sale unless the Russians established a banking system and a commercial code that secured property rights, provided recourse to creditors in the collection of loans, commenced a bank checking system and other basic requirements for business relationships with the West and Japan.

Even in spite of Western concerns that the present Russian government is likely to continue to feed credits from the central bank into redundant state owned industries and thus feed inflation of 20 per cent per month and 1000 percent plus per year, this is a Russian choice. Our friendly advice to a tough rival is to stop throwing good money after bad, and adopt the commercial and legal standards compatible with enhanced private investment and an increasingly competitive position internationally. We advocate sale or closure of the large, non-productive state-owned industries which include an awesome array of munitions makers, elimination of weapons of mass destruction, and respect for the independence and territorial integrity of neighbors near and far.

President Clinton is not the first President to talk about partnership with Russia. The world prays instinctively for such a development in which the two great land-mass countries with awesome military authority find harmony in the preservation of peace and the increase of human freedom.

For the moment, however, we must perfect NATO, the GATT agreement, and other arrangements with military and economic allies who share our views. We should seek and participate in hard-headed arrangements with Russians in which mutual advantage is evident and spelled out. We should not hesitate to offer advice on building democratic institutions, human rights enlargement, and market economic arrangements which we believe may be helpful. We should not be surprised if our advice is rebuffed frequently, nor should we be shocked to find that we are heard on occasion.

Our relationship with the Russians is inevitably very important, so important that we can not afford to make mistakes because we are unrealistically hopeful, and so important that we must never lapse into inattention because we are too frequently disillusioned.

The plain truth is that the Russians are tough rivals. If we conduct a foreign policy based upon that truth and our national security interests, they may choose to seek a different relationship with us. And if they do, we should be prepared to explore with them the cooperative or mutual aspects of that relationship as well as to promote and defend U.S. interests when our positions diverge. Ultimately, this may come to constitute a far sounder basis for international stability and security than the more romantic but less realistic notion of partnership.

STATEMENT BY SENATOR JOHN McCAIN ON THE CSIS ROUNDTABLE, MARCH 3, 1994

No decade in this century began more auspiciously than the 1990s. That gross impediment to human liberty, the Berlin Wall, was breached by the stronger forces of human yearning. The central security problem of our time—the possible clash of East and West on the plains of Germany—was resolved by the dissolution of the Warsaw Pact and the reunification of Germany. The Soviet Union imploded and ceased its militant advocacy of an enslaving ideology.

The euphoria that accompanied those events anticipated the imminent arrival of a new world order of independent democracies engaged only in peaceful commercial competition with one another.

But the resurgence of ancient conflicts and hideous barbarism in the Balkans, the haunting familiarity of Vladimir Zhirinovsky's odious appeals to a perverted patriotism, the continued proliferation of weapons of mass destruction, and the waging of some forty wars across the globe have dimmed humanity's hopes for a more just and tranquil world.

The most significant restraint on Western optimism, of course, is the mounting evidence of Russian revanchism coupled with Moscow's apparent intention to limit economic reform to the exchange of one command economy for another. These distressing developments occur despite and, in part, because of the Clinton Administration's pursuit of a relationship with Russia which is characterized by an acute concern for Russian sensitivities. Their concern is employed in service to an ambitious and laudable end—strategic cooperation with a democratic Russia in building a more stable and less threatening world.

While our disappointments should not obscure the advances we have made, the time has come to reassess Administration policies which have abjured immediate opportunities to improve the security of the U.S. and our allies; tolerated and, at times, excused Russian attempts at imperial restoration; and inconsistently supported urgent, systemic economic reform in Russia.

We need not abandon our most cherished aspirations for the post Cold War World. But we should be more realistic in assessing the prospects for their realization in the near term. We should formulate a foreign policy with fewer illusions, and more attentiveness to the problems and opportunities that are before us today.

You are all familiar with and understand, probably better than I do, the events in Russia that have cast such a pall over the prospects for real political and economic reform there. The resolution of the October crisis achieved the defeat of Yeltsin's adversaries in Parliament at the cost of much greater presidential deference to Russian military interests.

The success of radical nationalists and communist reactionaries in the December parliamentary elections chilled most of the Government's remaining ardor for genuine privatization and other free market reforms. The departure from the Government of former Deputy Prime Minister Gaidar and former Finance Minister Fyodorov—with a parting shot to a Clinton Administration official for his perceived exacerbation of Russian disillusionment with "market romanticism"—signaled the formal return to a command economy.

The Duma's recent amnesty of Rutskoi, Kashbulatov and the other defeated December rebels along with the architects of the August 1991 coup indicates what seems to be almost a routine state of political crisis in Moscow that won't be diminished by Yeltsin's accommodation of fascists and reactionary forces in Parliament.

Of course, the recent arrest of Mr. and Mrs. Ames has reemphasized that American and Russian interests are not as rapidly and neatly converging as some had hoped. Although I am a little surprised by the Claude Raines reaction of feigned indignation at the discovery that Moscow would have the bad manners to steal secrets from its foremost Western benefactor.

None of these events, however, reveal anything that wasn't apparent before they occurred. Even when reformers were still welcome to the Kremlin, economic reform was considerably less than systemic. Gaidar and Fyodorov were committed monetarists who appreciated the dangers of hyperinflation. But the reforms they managed to implement were at best half measures which privatized state run industries by creating huge monopolies fed by government contracts and subsidies.

The Russian military's nostalgia for empire and its indulgence by the political leadership was quite evident well in advance of recent Kremlin references to spheres of influence and protecting Russian populations in the "near abroad." After initially supporting Georgian separatists, Russia then rescued the Georgian government earning the praise of President Clinton for their trouble. The price for Georgia, of course, was relinquishing a measure of sovereignty by joining the C.I.S.

Moscow has consistently assailed Ukrainian sovereignty with economic and military pressure most notably by denying Kiev energy resources and by refusing to relinquish the Black Sea fleet. Moscow's refusal to accept Ukraine's permanent separation from Russia, has been abetted by the Clinton Administration which has demonstrated a legitimate concern for Ukraine's nuclear status that is perceived as greatly exceeding our concern for Ukraine's independence.

Similar pressures and intrusions into the internal affairs of its neighbors have been felt from Belarus to Tajikistan. And the Russian military's traditional disregard for the territorial integrity of its neighbors is expressed to its current reluctance to vacate imperial outposts from Moldova to Estonia.

I am confident that Russia cannot sustain a reconstituted empire in the form of a Confederation any more than it could sustain the old Soviet empire. The costs are simply too ruinous to such a weak economy. But it seems clear that Moscow intends to try. And while the form which this imperial restoration takes may be less severe or cruel than the Stalin model, it should not be confused, as President Clinton has confused it, with U.S. interventions in Panama and Grenada. Aside from demonstrating a woeful misunderstanding of the Monroe Doctrine, this invidious comparison encourages the further subjugation of free peoples to misrule by a foreign power, not the liberation of nations from tyranny.

The President's nonsensical analogy is a good example of the excruciating deference the Administration routinely pays to Russian concerns, be those concerns delusional or real. It is a policy that has, in my opinion, squandered real opportunities for the U.S. to serve our own interests and advanced our values, and to serve the interests of humanity in the bargain. The fact that democratic values are no longer strictly anathema to Russia, and that U.S. and Russian interests converge more often than dreamed possible during the Cold War does not mean that our values and interests have become identical. They are not. Regrettably, our real relationship with Russia is still marked more by rivalry than cooperation. And it should be seen as thus by the U.S. Government.

What is urgently required of the Clinton Administration is an unmistakably clear statement of policy: the developing U.S.-Russia relationship depends foremost upon Russia's respect for internationally recognized borders; urgent and systemic economic reform; and the proliferation of the practices and institutions of a democratic society. The Administration must make equally clear our current estimation that Russia's performance in all three areas in varying degrees is not satisfactory. U.S. assistance should no longer be awarded to help calm Russian concerns, but should be conditioned on Russian progress in addressing ours.

Important U.S. interests are at stake in the political and economic transformation of Russia, and the U.S. should be prepared to help finance that transformation. We should also appreciate the human suffering caused by the unavoidable dislocations that accompany the transformation of a command economy to a free market economy. We can offer assistance to help alleviate that suffering but only if we are assured that the transformation is genuinely underway, and that the bulk of U.S. assistance is facilitating it.

Most hardships associated with economic reform in Russia are not the result of real free market reform, but of reforms that range from half hearted to fraudulent. Serious reform will cause some dislocation, but half hearted or false reform will cause greater discomfort without progress, and make real reform and prosperity more elusive.

We should no longer squander our resources on huge state supported industrial monopolies that are only enriching the same Russian elite that prospered under communism. Nor should we allow our money to be invested by Moscow in Western bank accounts instead of in the work and imagination of Russian entrepreneurs.

The U.S. should also make clear to Russia that it will no longer dismiss Russian meddling in the affairs of its neighbors. We obviously cannot guarantee their sovereignty, but we should not help finance its violation. Moreover, U.S. aid programs should show the former republics and captive nations of the Soviet empire as much generosity as we have shown Russia conditioned on the progress of economic and political reform in their countries.

Finally, we should no longer defer improvements in our own security arrangements on misbegotten or false fears of Russian encirclement. Why should the U.S. forgo opportunities to expand the frontiers of NATO ever farther from the plains of Germany even while Russia is busy coercing other nations into a confederacy under Moscow's control?

Giving the Czechs, Slovaks, Poles, Hungarians and others a date certain for NATO membership should they meet a specific set of political and economic conditions is sound security policy and morally right. NATO is and always was a defensive alliance. Russian fears of encirclement by a security guarantee to the Czech Republic are absurd. Prague's fears of finlandization or worse by a revanchist Russia are prudent.

I have yet to see that the Administration recognizes the contributions its policies have made to setbacks in Russia, and am alarmed by that. The Administration still celebrates that quality of its policies which has most damaged U.S. interests—its intentional vagueness.

Now, is a time for precise clarity. U.S. policy serves U.S. interests. Russia's transformation to an economically viable politically liberal and internationally responsible society is a U.S. interest. We will assist that transformation as long as it is a real prospect. Any deviation from the road to reform we will oppose.

We may reach a day when our loftiest aspirations for strategic cooperation with Moscow will be realized. But we are far from that day at present. And irrespective of whether we are to be partners or rivals with Moscow, our policy toward that nation should be premised only on that principle upon which all democracies prosper—enlightened self-interest. We have drifted away from that premise in recent months. I hope you will all join me in urging our swift return to it.

INSPECTIONS IN NORTH KOREA

Mr. DOLE. Madam President, the North Koreans had it their way once again. Inspectors from the International Atomic Energy Agency, known as IAEA, returned from a long-awaited inspection not having been allowed to conduct a full inspection of the seven declared sites. We are not even talking about the suspected sites which are also covered under the Nuclear Nonproliferation Treaty, and are the subject of great concern—but the seven declared sites.

Reportedly IAEA inspectors were not allowed to take samples at a North Korean facility suspected of being used to extract plutonium. In addition, the North Koreans broke a seal installed last year on the entrance to an area where plutonium could be produced. Yesterday, the IAEA announced that it was, and I quote, "Not in a position to verify that there had been no diversion of nuclear material at the facility," and would call an IAEA Board of Governors meeting for Monday, March 21.

In response, the administration has called off the bilateral meeting that was set for March 21. This is the right thing to do, but the administration should not stop there. It is high time for the administration to reassess its policy. For about a year now, the North Koreans have engaged us in a game of cat and mouse, and what have we gained?—a partial inspection of some sites. The whole point of the IAEA inspection regime is to try to determine compliance with the obligations of the Nonproliferation Treaty. Why bother with inspections if we cannot determine whether nuclear materials are being diverted?

Madam President, the North Koreans have demonstrated that they are only willing to comply with some of the terms of the Non-Proliferation Treaty. And, they want the international community not only to sanction their custom compliance, but to reward them for it. Let us not fool ourselves, over the past year the North Koreans may very well have been busy building nuclear weapons as their representatives were meeting with U.S. officials to discuss economic and political concessions.

Today's news reports indicate that the administration is reconsidering a decision to cancel Team Spirit exercises with South Korea. I hope so. The United States and South Korea should plan to conduct these exercises as soon as possible. Moreover, the United States should move forward with the deployment of Patriot missiles to South Korea—as requested by the United States military commander on the scene weeks ago. We should take other measures to strengthen deterrence in the Korean Peninsula. And we should think about the wisdom of creating confrontation with China at the very time we need their assistance on North Korea.

Madam President, the North Korean response to concessions is not compliance, but contempt. A new administration approach is long overdue.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATHEWS). Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Ms. MOSELEY-BRAUN. Mr. President, I would like to speak to the pending legislation in general and give just a few comments.

As you may know, I serve on the Banking Committee and have worked with the Senator from Michigan on the development of this legislation. So I wanted to just talk a little bit about what S. 1275, the Community Development, Credit Enhancement and Regulatory Improvement Act is about.

The bill before the Senate today is, at its heart, about a fundamental people issue, access to capital—about taking some important steps to ensure that our capital markets are better able to meet all of our capital needs.

When we talk about access to capital, we are really talking about one of the most fundamental issues facing any society: How money gets distributed and, therefore, about the quality of life for people in that society. Whether framed in terms of macro- or microeconomics, access to capital is inevitably an issue that gets people's attention.

The phrase "access to capital," however, is a technical and arcane one. What is this issue all about; how can we talk about it in a way that communicates—make sense—to all of the people who are affected?

I am reminded of the challenge that the men and women of the cloth face—and meet—as a regular part of their mission to communicate the lessons of the gospel across this land. A really good preacher can, on the one hand, spend a lifetime studying the intricacies and complications of a religious concept, and then reduce that concept to a simple message that even the most untutored can understand and employ in their daily lives. If you think about it, there are bumper stickers that effectively relay the essential message of some of the most esoteric concepts of theology. It seems to me that part of our mission—those of us participating in the public policy process and in Government—is to translate the complications of our issues in the way that gives the greatest number of people a single choir book out of which to sing—and puts them all on the same page.

And so, thinking about access to capital issues can start with a universal aphorism that everyone understands: It takes money to make money.

If we start with a notion that basic, it becomes easy to see the link, the causal connection, between these issues, and questions relating to job creation, housing development, environmental improvement, crime prevention, and even societal stability.

As you all know, the United States is blessed with the largest, most diverse, most innovative, and most dynamic capital markets in the world. However, it is unfortunately equally true that there are still many capital needs that are not being met.

The result of the lack of access to capital—the evidence of our failure to adequately address the capital needs of some communities, is all too apparent. In my home State of Illinois, as elsewhere, there are ample examples of what happens to people and neighborhoods when they cannot get credit. All you need to do is to walk through the neighborhoods. What you see are abandoned factories, closed stores, and boarded up housing. If you go early in the morning, you will see people waiting for buses and trains to commute to jobs outside of their neighborhoods. If you go later in the day, you will see as many people, and sometimes even more, standing on street corners with no jobs to go to. The crime and fear that grow out of this milieu are palpable. The despair and hopelessness that sets in is less so, but nonetheless real.

These people are all no different than you and I. Those that are working want what we all want—to be able to own their own home, to be able to buy a car, or clothes, or furniture, to be able to help their children pay for a college education. Those that are not working want a job—they did not choose to be unemployed. They want to work, they want to help themselves, to help their families, and to help their communities.

But the problem in large part is that their neighborhoods can't attract capital. When people from those communities try to get a loan, they are still all told that they do not qualify, that they do not have a good credit history, or any credit history at all—even though they have always worked hard to pay their bills. They are still all too often discouraged from applying for a loan at all.

Potential small business people find the situation even worse, particularly if they are members of minorities. I have a friend who owns a beauty salon on North Michigan Avenue in Chicago—one of the best areas in the city—and even though his credit record was impeccable, he could not get his bank to refinance his balloon loan. If a business person with his kind of proven success has trouble, think how much more trouble someone with less of a credit history has in trying to start a business in Lawndale or Austin in Chicago, or in any number of similar situations not just in urban communities, but in small towns and rural areas around this Nation.

The simple truth is that access to capital can make or break people, and can make or break neighborhoods and communities. The simple truth is that access to capital can help make the difference between a thriving, growing community with jobs for its residents, and a decaying, boarded up neighborhood that offers nothing but hopelessness and despair.

Of course, the problem is not just anecdotal. As a member of the Senate Banking Committee, I have seen plenty of statistical evidence, evidence that demonstrates conclusively that many communities, and particularly minority communities, are not able to obtain the loans and equity investments they so greatly need. According to the Federal Reserve Board's study of Home Mortgage Disclosure Act data, African-Americans are more than twice as likely as whites of the same income to be rejected for a mortgage loan, and Hispanic applicants are 1.4 times as likely to be rejected. The Federal Reserve Board of Boston found that, after controlling for all legitimate credit concerns, minority applicants were 60 percent more likely than white applicants to be rejected for a mortgage loan. And the General Accounting Office study found that the number of mortgage loans purchased by Fannie Mae and Freddie Mac per homeowner declines as the percentage of minorities in the neighborhood increases.

On the other hand, successful efforts to make capital available for community development do exist; they do work; and they can and have shown results. I am from Chicago, and I have seen what can happen when people and neighborhoods are able to obtain the credit they need. One of the banks from my own neighborhood, South Shore Bank, stands as a national example of what can be achieved. You can actually see the difference that this community-oriented bank has made in its neighborhood. All you have to do is to walk up and down the streets, and look at the homes and apartments, to know that this neighborhood—this inner city, largely minority neighborhood—is getting at least some part of its capital needs met.

We are therefore no longer at the stage of trying to decide whether there is a problem, or what that problem is. We know the answers to those questions. The question now is: what can be done to expand access to capital, and more specifically, what changes in federal policies are needed. S. 1275 begins the process of answering that question.

Fundamentally, what S. 1275 makes possible is an expanded public-private partnership. Only when government, foundations, people from the communities involved, and private financial institutions come together, talk together, and work together in a successful partnership, will it be possible to make capital available to every person who needs it.

Importantly, S. 1275 is not about giving people money. Rather, its goal is a simple one, but one that makes a great deal of sense—to make affordable loans and other investments available to people who all too often aren't being reached now, loans and investments that are profitable, loans and investments to people who can and repay those loans and who will provide a return on investments.

In short, Mr. President, this legislation suggests that the financial institutions can do well and do good simultaneously.

Some financial institutions, including many non-profit institutions, and a growing number of banks, savings and loans, and community-oriented credit unions, are finding ways to reach out to people. They believe, and are proving, that it is possible to make what are seemingly unconventional loans profitable. They know that it is possible to do good and to do well simultaneously. They know that financial institutions can make money by expanding credit opportunities to underserved communities. And that is what S. 1275 helps them to do.

Mr. President, S. 1275 includes a number of initiatives designed to further open our capital markets. One major subtitle of the bill, known as the Community Development Banking and Financial Institutions Act, authorizes $382 million to improve access to capital for neighborhoods across this country. The subtitle creates a public corporation—the Fund—to provide assistance to community development banks, minority-owned banks, community development credit unions, community development loan funds, microenterprise funds, and community development corporations operating in poor communities—institutions whose primary mission is community development. The board of the corporation would consist of the Secretaries of the Treasury, HUD, Commerce, and Agriculture, the SBA Administrator, and four Presidential appointees.

This subtitle of S. 1275 would permit community development financial institutions with federal deposit insurance to receive up to $5 million annually, subject to a dollar for dollar nonfederal matching requirement; an amendment I was able to add during the Banking Committee's consideration of the bill increases this limit to $7 million for community development banks that open in more than one city.

Institutions without Federal deposit insurance could receive up to $2 million.

The subtitle would allow funds it provides to be used by the financial institutions for loans to small businesses, to support construction of commercial and community facilities, and to help provide basic financial services in the communities.

Another major thrust of S. 1275 involves a phenomenon that has come to be known as reverse redlining. About a year ago, the Banking Committee held a hearing designed to focus attention on the primarily low-income borrowers who oftentimes lack access to mainstream financial institutions, but who own their own homes, and who are being victimized by scams in the home mortgage market. Specifically, the scams involve loans made at very high rates—we had testimony about mortgages being made with interest rates of 28 percent—and with very high fees, oftentimes tied to bogus home repair contractors. The real purpose of these loans seems to be to put people in the positions of borrowing more than they can afford to repay, and to foreclose on the home when they inevitably go into default on the loan.

S. 1275 will put an end to these scams. The bill includes provisions that increase disclosures to borrowers, enhance their rights to rescind an abusive contract, establish a cooling off period to ensure that borrowers aren't pushed into signing a contract, prohibit some particularly abusive loan terms, and that modify the holder in due course rules to shut off the flow of funds to lenders that would otherwise ignore the provisions of the bill.

The bill would not affect most mortgages, only high-cost mortgages, those with: interests rate that exceed the comparable maturity T-bill rate by more than 10 percentage points; points and fees that exceed 8 percent of the amount borrowed; or monthly payments that exceed 60 percent of the borrower's monthly income.

The bill's provisions are designed to ensure that communities that need access to capital get affordable access, and not just access at very high rates with numerous anti-consumer terms. That kind of access is no access at all; it is anti-consumer and anti-community development, and the bill recognizes that fact.

In addition to the community development banking and reverse redlining provisions, S. 1275 also acts to improve access to capital by removing regulatory barriers to the formation of a secondary market in small business loans. A secondary market may help increase the amount of lending banks can do to small businesses.

Finally, S. 1275 also attempts to further open our capital markets by making adjustments in our bank regulatory system, so that we regulate efficiently and intelligently, in a cost-effective way. Reducing unnecessary regulation can lower bank costs, and lower costs can mean more loans. Importantly, the committee was very careful to act in a way that fully protects the safety and soundness of the banking system and the Federal deposit insurance system, while giving banks some regulatory relief in this legislation.

Mr. President, S. 1275 is not a complete answer to the access to capital problem. No one bill could be, and there is clearly more that needs to be done. S. 1275 is, however, a good start. It is a pro-people, pro-community, pro-economic development bill. It will work and it will help. It deserves the support of the Senate, and I strongly urge its quick enactment.

Mr. MURKOWSKI. Mr. President, I rise today to offer a critique on the Community Reinvestment Act and to share with my fellow Senators some of the problems that are inherent with the existing Community Reinvestment Act; problems associated not with the intentions of those who participated in the debate on what was to be accomplished by the Community Reinvestment Act.

I would like to present to my colleagues an analysis from the point of view of a minority bank and the difficulties a minority bank has in compliance with the existing Community Redevelopment Act, or the CRA, as it is known. I think it puts a rather interesting perspective on a situation where indeed the intention of the legislation is to get out and ensure that minorities are represented in services from financial institutions—mortgage services, all commercial lending services, automobile financing, and all other needs, and not just minority groups, but low-income groups within those minorities.

But, first of all, it is interesting to reflect that, as we talk about banks and the financial institutions, savings and loans, and so forth, we think that is where all of the money is. But it is important to recognize that nonbank institutions are not regulated by the Community Reinvestment Act. And nonbank institutions now hold more than half of the financial assets held by all financial institutions in the United States.

(Ms. MOSELEY-BRAUN assumed the Chair.)

Mr. MURKOWSKI. Madam President, why do we allow the holder of the largest segment of the financial assets of this country to be exempt from the Community Reinvestment Act?

Obviously, the stock market, investment funds, and various other investment groups receive funds from these communities. However, unlike banks and saving and loan associations, they are free, with no restrictions, to invest their funds anywhere at home or abroad, because they are not regulated by the CRA.

I ask my colleagues on the Banking Committee, and my fellow Senators, is that equitable? Is that what we are trying to achieve here—to exempt over one-half of the concentration of capital, from Community Reinvestment Act legislation?

Let me get into the second point that is not equitable. I am presenting this from the point of view of a minority bank. I happen to have some knowledge of the banking business, as I was in commercial banking in Alaska for about 24 years.

Large banks are regulated by the same set of Community Reinvestment Act requirements as are the small community banks. Large banks have branch offices in many different communities, however. They receive deposits from these communities, sometimes nationwide, but they may not necessarily invest back into these communities proportionately. Rather, because of their size and their access to global markets, they are able to invest selectively in any part of the country or abroad that commands the highest return and the least risk. That is what investment is all about; you invest in the highest return with least risk.

But community banks, the small banks that serve in these minority communities, receive their funds from their respective local communities, from people doing business there, the people that work there.

But because their market is very limited—it is limited to that community—they inevitably invest back to these communities with which they are most familiar. They know their borrowers. They know their customers. Thus the community banks by their very nature really conform to the spirit of the CRA as opposed to the larger banks that are on the margins of some minority areas.

Unlike large banks, community banks cannot afford the enormous costs associated with compliance under the Community Reinvestment Act.

In a recent study of community banks, small banks in these minority areas have had to spend collectively over $1 billion annually to comply with the Community Reinvestment Act.

I again remind the Chair that the holder of over half the funds in the investment community is not required under the Community Reinvestment Act to meet any kind of criteria or oversight.

The cost of establishing the sophisticated CRA compliance program is really a burden on many of the smaller community banks. Let me tell you why. If community banks, first of all, have to pass on to their customers these costs, you know what is going to happen? The costs of their services are going to go up. Do you know where the customers are going to go? The customers are going to go to the larger banks that have branches in the surrounding areas, because those larger banks can better absorb the cost of CRA compliance. That simply makes sense.

Regardless of whether they absorb the costs themselves or pass on the costs to their customers, the existing Community Reinvestment Act puts the community banks, the little banks that are striving to serve minorities, at a tremendous competitive disadvantage to the large banks, and the large banks recognize that. That is just a reality.

Minority banks really are a very special type of community bank. There are not enough of them. But to have more of them, they have to have an inducement. They are largely owned and operated by minorities, but they face even more difficulties in complying with the Community Reinvestment Act than do the nonminority community banks.

Many minority banks have been criticized for not lending enough to other minorities. To some extent, however, that criticism is undeserving because of the fact that minorities prefer to bank with institutions that are owned and operated by the same ethnic group. This is factual. It may not be the way we would like to have it, but it is a reality.

This is particularly true with new immigrants who come to the United States because the minority banks provide bilingual services.

The Community Reinvestment Act compliance cost is more burdensome to minority banks than to large or nonminority community banks; namely, the existing CRA requires a minority bank to allocate resources, and I would venture to say inefficiently, as it is required to divert its resources to groups other than the group of the ethnic minority it is most proficient at serving.

There is an example of a bank in Los Angeles which has devoted a tremendous amount of resources to penetrate the Hispanic and African-American communities. This effort has been underway since approximately 1992. These efforts have included continuous advertising with local newspapers in different languages that reach out to all parts of the community, including the low- and the moderate-income neighborhoods, participating in community development and redevelopment programs, and frequently contacting representatives from community groups, local governments, and nonprofit developers to ascertain the credit needs of these communities and these minority groups. However, for this particular institution, they have described the effort as very, very discouraging.

By confining a minority bank's delineated communities to arbitrary geographical boundaries, its ability to serve its own ethnic minority is greatly diminished, as some of the ethnic minorities previously served by a minority bank may now fall outside its delineated community.

As we look at how we are required to live with the Community Reinvestment Act, we might consider some suggestions.

First of all, it might be equitable for the nonbank institution to be subject to the same set of Community Reinvestment Act requirements as the larger bank, as I have said. The nonbanking institutions control over half the available liquid assets out there, and they are not required to perform or report under the CRA.

The Community Reinvestment Act requirements should be different, perhaps, for large community banks. Large banks could be classified as based on total assets.

The Community Development Act rules and regulations for community banks should be tangible and easy to follow. In other words, let us give them regulations that are easy to understand. For instance, in the Community Reinvestment Act, community banks must allocate a specific percentage of their resources to promote banking relationships with residents and businesses in the low- and moderate-income neighborhoods.

The Community Reinvestment Act requirements for minority banks should recognize that minorities prefer to bank with institutions that are run by people of the same ethnic background as I have indicated, those that offer language proficiency and cultural comfort.

The Community Reinvestment Act should define delineated communities for the minority bank ethnically rather than geographically.

Why not? You say that is not what we are trying to achieve here?

But on the flip side of it, when you look at it from the standpoint of the minority bank that is trying to meet these obligations, they are providing a special service. Why not require minority banks to ascertain the credit needs of that minority, including the low- to moderate-income groups of that minority?

The Community Reinvestment Act should require a minority bank to allocate a specific percentage of its resources to promote banking relationships with the low- and moderate-income groups of that particular minority.

Finally, I think thought should be given to the idea of providing economic incentives to encourage more minorities to establish financial institutions to serve their own ethnic minorities.

Madam President, this brings me to the point of an amendment which I may offer. This amendment will be offered in the belief that the Community Reinvestment Act and accompanying regulations that minority banks must meet should satisfy the same conceptual Community Reinvestment Act standards as nonminority-owned banks.

But, Madam President, the amendment will recognize the difficulties that minority-owned banks have in attracting community business from other ethnic minorities while providing much-needed services to the minority group they share a common heritage with.

Under the amendment that I may offer, a minority-owned financial institution would be considered to satisfy the investment standards of the Community Reinvestment Act if at least a high percentage of its loans went to minority and low-income groups, whether or not the groups are located in the geographical community proximate to the financial institution.

I think this would facilitate the free flow of capital to minority groups that might otherwise have little opportunity to gain access to capital. It frees those minority-owned banks from having to spend resources in futile efforts to attract business from ethnic groups that appear to have little interest in doing business with the minority institution because there are other minority institutions for them to go to.

I look forward to the response of the members of the Banking Committee and their professional staff relative to the position that the Community Reinvestment Act has put minority bankers into. We must recognize that these dedicated institutions are trying to provide special service to minorities. Yet, for them the requirements of the Community Reinvestment Act appear inequitable, unfair, and impractical. They clearly need to be reexamined.

Furthermore, I want to reiterate that the nonbanking institutions, where the majority of our Nation's funds are—over half of the available capital, liquid capital, stock market, and others—are not subject to any of the criteria of the Community Reinvestment Act.

Indeed, that is unfortunate. It may be difficult to address, but nevertheless it should be pointed out.

I yield the floor.

Mr. D'AMATO. Madam President, I ask unanimous consent that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Madam President, let me first say that I know that Senator MURKOWSKI has raised this issue. We were very hopeful of being able to get some relief from some of the onerous and nonproductive aspects of CRA. I think that the principles of CRA are absolutely important. I think the Senator from Alaska and the President would agree with me that CRA has, as its very basic foundation, to see to it that there is adequate capital made available to those in the minority community in particular, providing credit to those who find themselves disenfranchised, or small business people. We were promised that the administration in their rules and regulations would address this. They have not.

Madam President, I know that the minority leader has an amendment that he wishes to put forth. Also, there are deep negotiations going on with respect to the flood insurance legislation. It has been 1½ or maybe 2 hours, that the parties, Senator BOND, Senator KERRY, and Senator MACK have been conducting negotiations on the flood insurance legislation.

It is for that purpose that I move to set aside that amendment so that we could at least begin to move forward on this bill, and give them an opportunity to, hopefully, work out an agreement. In the meantime, maybe we can get some of the business moving forward.

I believe that the Senator from Kansas would like to make a statement to let the majority leader know what he intends to offer.

At this time, I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

WHITEWATER-MADISON

Mr. DOLE. Madam President, I am not going to send the amendment to the desk, because I have already discussed it with the majority leader, and we do not surprise each other. That is how the leaders are able to work together.

But this amendment that I will offer at an appropriate time, unless there is some resolution of it, will address congressional hearings in the so-called Whitewater-Madison controversy.

I think it is important that we understand that we do have a responsibility in Congress for oversight on a whole host of things. If we do not want that responsibility, we could offer an amendment to repeal all the oversight obligations Congress has, because certainly we have one here. In fact, there are about five different Senate committees, and I do not know how many House committees, which have jurisdiction over matters that have been alleged in the so-called Whitewater-Madison controversy. It is my hope that we can, at the appropriate time, address this concern.

The American people, I believe, want the facts. I can speak not with any great authority, but I was the chairman of the Republican Party when Watergate started. I know how the White House viewed it as a little, third-rate burglary. You were not supposed to talk about it inside the White House. You were not supposed to say anything. You were not supposed to disagree with anybody. It was going to be a little story that was going to go away.

Well, the story did not go away and Watergate caused great harm, not only to a lot of people who were directly involved, but a lot of people who had no involvement suffered from it, and I think many across the country suffered from it.

I am not trying to make comparisons. I am just saying that I know what sort of a bunker mentality any White House will adopt if anybody says anything is going wrong or anybody suggests there ought to be hearings. But Congress is an institution itself and we do have some responsibility.

It seems to me that what I am suggesting in my resolution is not that radical. I am suggesting that I get together with Senator MITCHELL and that we structure, the two leaders structure, a forum and a way to have these hearings so we do not have four or five committees out here competing with one another.

I am not suggesting a select committee. I think there are ways we can do it without that. But I do think it is important, and I know that we have to do this—we do not have to do it, but I know there is a desire to do it so as to not interfere with the investigation of Robert Fiske, the special counsel.

But, having said that, he has his responsibility and we have our responsibility. I think our responsibility is probably greater than his, because we are the Congress of the United States.

I wanted to display some charts here, if I could, to indicate that Congress has not been reluctant over the past 12 years to have hearings.

The first chart I think would make that point. This happened between 1981 and 1992, when we had Republican Presidents. Republicans occupied the White House and the Democrats controlled the Congress. Maybe that is the reason that we had so many hearings during those times. There were really more than this. I think we have listed about 23.

We went into a lot of different things. As you can see from this list, a lot of people were involved and probably in nearly every case there should have been hearings. I am not suggesting there should not have been. But, in some cases there should not have been.

But there were a lot of congressional investigations from 1981, 1982, all the way through 1992. Some of those were even done when the Republicans controlled the Senate. When we were in the majority, we had our own investigations of a Republican administration.

Anybody who says, "Well, this is just a partisan issue," that was not the case. We started an investigation in Iran-Contra. And, from 1981 to 1986, we had three other investigations that were led by the GOP Senate, where we had a majority.

So I want to put to rest any thought that, "Well, it is just the Republicans out there calling for hearings; politics as usual."

At least we thought we were being responsible when we investigated some of these charges. And they were charges leveled by Democrats and by the media. We followed up on those charges. I think we carried out our responsibilities.

And I would say to those who say, "We can't do this now because we have a special counsel," we have had hearings and concurrent investigations. We had the EPA-Superfund and the Burford matter, Michael Deaver and Iran-Contra. We had independent counsels and the Congress working at the same time.

We can hide behind Mr. Fiske. Anybody who wants to hide behind Mr. Fiske and say it is politics and say Republicans are trying to hold up the country here, we did not do anything. Maybe we did in the past. We did not do anything in this. We did not create anything. We did not borrow any money. We did not build anything. We did not do anything.

I might say, if we had not had a congressional hearing in the Banking Committee and if the Senator from New York had not asked Mr. Altman the question about meetings, we would not know today how many secret meetings were held between Treasury officials and people in the White House.

I also want to make the point when we passed the RTC law, the Democratic Congress insisted that we make it independent. They did not want the Treasury dominating the RTC. They did not want any Treasury influence in the Resolution Trust Corporation. So they made it very clear.

I want to give you the facts on what happened in the legislation.

And that is why I think it is strange that Roger Altman, who I know is a close friend of Al Hunt, who writes these crazy pieces in the Wall Street Journal from time to time—they both are sort of elitists, so they understand each other; both liberals, so they understand each other.

But, he, in effect, has been the head of the RTC for the past 11 months. He is finally going to recuse himself and the general counsel, who has also been working at the RTC. Even though Congress put up this firewall, the Democratic Congress insisted there be a firewall between any Treasury activity and the RTC.

So, it just seems to me that there are a lot of reasons that Congress ought to get ready. We know we are not going to have a hearing this week or next week. Then there is the Easter recess for a couple weeks. But we ought to start putting it together now so when we come back from the Easter recess we would be in a position to start our hearings without interfering with Mr. Fiske.

In fact, our legislation clearly states there will be no grants of immunity, so you cannot make the argument, "Oh, we cannot do this, somebody might be granted immunity." We are not going to grant immunity. If they want to take the fifth amendment, they have that right. We are not going to grant it. At least that is what we suggest. If somebody has a different view, that is something else.

So I just say I think this is an important issue. Sooner or later, as Congressman LEE HAMILTON, a respected House Member, Democrat, chairman of the Foreign Relations Committee, said, there are going to be hearings. Sooner or later—I think the term is "inevitable," I think used by the chairman of the Ways and Means Committee, DAN ROSTENKOWSKI, who just won a big primary out in the Chicago area, a Democrat—sooner or later it is going to happen. The American people, in a Newsweek poll this week, by a margin of 52 to 40, said we ought to have public hearings. That is going to grow. It is not going to be 52–40; it is going to be 60–30 and then continue to go up just as Watergate did. It started off as a third-rate burglary and ended up as—everybody knows how it ended up.

But I want to go back to the independence between the RTC and Treasury. When it first submitted the thrift bailout legislation in 1989, the Bush administration specifically proposed that the oversight board, chaired by the Secretary of the Treasury, would maintain the power to intervene in any action or determination by the RTC. That is what the Bush administration proposed, which would include any legal action taken by the RTC in specific cases. The oversight board was intended to be the White House administration mechanism for controlling the RTC. There is no doubt about it. That is the way it was drafted.

The Democratic-controlled Congress changed the legislation by the time it was enacted in August 1989, to ensure that the RTC was free from interference from the administration oversight board with respect to case-specific matters involving individual failed thrifts, which obviously included lawsuits. I will put the rest of this information in, giving the citations and precisely what happened.

I ask unanimous consent that a document be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

1. When it first submitted the thrift bailout legislation in 1989, the Bush Administration specifically proposed that the Oversight Board, chaired by the Secretary of the Treasury, would maintain the power to intervene in any action or determination by the RTC—which would include any legal action taken by the RTC in specific cases. See S. 413, 101st Cong., pp. 141–42:

"(5) DUTIES.—The Oversight Board shall review and have overall responsibility over the work, progress, management and activities of the Resolution Trust Corporation and may disapprove, in its discretion, any and all regulations, policies, procedures, guidelines, statements, contracts, and other actions of the Resolution Trust Corporation * * *."

See also H.R. 1278, 101st Cong., pp. 141–42 (the House version of the Bush Administration bill, which was also introduced by request); and testimony of Treasury Secretary Brady, explaining the Administration's bill, at S. Hrg. 101-127, Pt. 2, pg. 23 ("An Oversight Board, consisting of the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the Attorney General, will monitor *all* RTC activities to ensure the most effective use of both private and public financial resources." (Emphasis added.) The Oversight Board was intended to be the White House and Administration mechanism for controlling the RTC.

2. But the Democrat-controlled Congress changed the legislation by the time it was enacted in August of 1989 to ensure that the RTC was free from interference from the Administration's Oversight Board with respect to case-specific matters involving individual failed thrifts—which would obviously include individual lawsuits. See 101st Cong., 1st Sess., Rep. 101-222, Conf. Rep. to accompany H.R. 1278, at pp. 194–96, Sec. 501(a), adding new section 21A(a) to the Federal Home Loan Bank Act:

"(6) OVERSIGHT BOARD DUTIES AND AUTHORITIES.—The Oversight Board shall have the following duties and authorities with respect to the [RTC]: * * *

"(C) To review all rules, regulations, principles, procedures, and guidelines that may be adopted or announced by the [RTC] * * * [However, the] provisions of this subparagraph shall not apply to * * * determinations or actions described in paragraph (8) of this subsection. * * *

"(8) LIMITATION ON AUTHORITY.—

"(A) IN GENERAL.—The [RTC] shall have the authority, without any prior review, approval, or disapproval by the Oversight Board, to make such determinations and take such actions as it deems appropriate with respect to case specific matters

"(i) involving individual case resolutions * * *."

See also id., pp. 409–10, "Joint Explanatory Statement of the Committee of Conference," which explains provisions in the Conference Report: "The Oversight Board will review and have overall responsibility for the RTC's activities. The Oversight Board will not, however, be involved in or responsible for case specific matters involving individual institutions * * * of the RTC."

Mr. DOLE. It was because of that this happened.

The oversight board will not, however, be involved and responsible for the case-specific matters involving individual investigations of the RTC.

So here we have it. It is supposed to be separate, supposed to be independent.

It is not independent. It has not been separate. It has been operated by Roger Altman and Jean Hanson, I think the general counsel. Its members have been wielding great influence and also visiting with White House individuals. We do not know who else they have been visiting with in the past 12 months. And it seems to me some of those questions have to be answered. If Congress is too reluctant—I want to put that first chart back up here—to now have investigations, I can go back and quote various of my colleagues on the other side who were so eager to have investigations when Republicans were in the White House, who now think it would be a travesty to do anything like that. I assume they can find some quotes on the other side.

I just suggest, if we cannot reach some agreement, then on every bill we are going to offer an amendment to have hearings. If it is tabled, if it is voted down, that is fine. That is the way the system works. But we are going to give our colleagues on both sides of the aisle—this is where, in polls, you ask the American people to express themselves about whether or not there should be congressional hearings.

We cannot continue—no one can continue to hide behind the special counsel, Mr. Fiske. As far as I know, Mr. Fiske has his responsibilities. As far as I know, we have ours. I said, when Mr. Fiske was appointed, there will be no second-guessing, no second-guessing of Mr. Fiske. I note the Senator from Arkansas on the floor. I watched him on Larry King the other night indicating I had said, "Oh, that is all we need is a special counsel."

Keep in mind, my Democratic colleagues did not want a special counsel. They did not want anything. "It is not necessary, not necessary." It was only after about nine Democratic Senators said it was necessary that it became necessary.

So we have to be a little consistent around this place. I know it is hard. But when they got enough pressure from Democrats, they could not say it was Democratic politics—it was Republican politics, but nine Democratic Senators said, "Wait a minute. We need a special counsel. We need to investigate this." I said when Mr. Fiske was appointed there would be no second-guessing of Mr. Fiske, and I have not second-guessed Mr. Fiske, even though the Wall Street Journal has, and other publications have second-guessed Mr. Fiske. But I have not second-guessed Mr. Fiske. The point may come. Depending on what happens, that may happen.

So we are not second-guessing Mr. Fiske. We are saying either Congress has some responsibility for oversight, and there are about five different committees involved here, or we do not have any responsibility for oversight. I know the Democrats have 56 votes and I know we have 44, so it does not take any rocket scientist—if it is politics, they will table our, I think, very reasonable amendment. I will not send it to the desk before I visit with the distinguished majority leader because I understand they may have a counterproposal which may be satisfactory.

But it is time Congress either vote up or down, we are going to have hearings or we are not going to have hearings. The Senator from Arkansas said, "Oh, they have made 29 speeches already this year on Whitewater." Is that not great, 29 speeches? We had 25 investigations, spent millions and millions of dollars when Republicans had the White House. I did not see anybody from Arkansas or anybody else saying, oh, we have to stop all this, we have to stop spending all this money. We even had one where they went after somebody who I think had gotten a wristwatch as a gift. They went after that person; thought it was improper and they should not have done it.

We have had all kinds of hearings. I assume we will have some more. Or, in the alternative, as I suggest, we ought to repeal all the oversight laws so Congress does not have any oversight responsibility. Either do one or the other. And I have an amendment drafted to do that, too. If Congress does not have any responsibility, let us just repeal all the oversight laws we have and say, "OK, we do not have any oversight responsibility. We will appoint special counsels for everything and Congress will just wait until something happens."

So it is not very complicated. Again, let me make certain people understand what the resolution says. It is not a mandate. Let me just read the first paragraph.

Sense of the Senate resolution: That the Democratic and Republican leadership of the Senate should promptly determine the method, form, and timetable for hearings on allegations concerning * * *

Then I list the different things that have been raised publicly in the past several months. I raise those. And I say:

> The body or bodies conducting such hearings should so specify authority for issuance of subpoenas to obtain testimony and documents if it is * * * appropriate to the pleadings referred to in paragraph 1. No witness called to testify at such hearing shall be granted immunity.

That has been one excuse, "Oh, we may grant it immunity." So here we are saying, OK, do not grant immunity under section 6002 or 6005, title 18, United States Code, over the objection of independent counsel, Robert B. Fiske, Jr.

I remember Mr. Walsh came up here when the Democrats controlled Congress and said, "Do not grant immunity in Iran-Contra," but they granted immunity anyway. Now they are trying to use that as an excuse. We are saying we will not grant immunity over the objection. We are meeting that objection.

I think, to the extent practical, such hearings should be structured and sequenced in such a manner as not to interfere with the ongoing investigation of independent counsel Robert B. Fiske, Jr.

I think that is a fairly reasonable approach. It is not something that says by a certain date we have a hearing. It is something that says the Republican leader and the Democratic leader shall sit down and try to figure out a structure so we do not have four or five committees trying to do four or five different things. I must say, for others who are always out there looking under the rock, I think I was the first Senator who called for hearings in the Iran-Contra matter. In fact, I wanted hearings in 1986. I wanted a special session of the Senate so we could start hearings in 1986.

So it seems to me it is time to fish or cut bait. We can look back over history. We can look at what happened during the Watergate years and how, at every turn, the White House would stonewall and say, "We are giving you all the information. You have it all. You have it all. You have it all." I do not know what the information is. I do not have any idea what the information is. But I think Congress does have some responsibilities.

So I hope, if we cannot agree to this resolution, we can agree to one that is very close to this resolution so we can go on with this bill, go on with the work of the Senate, go on with the work of the Congress, whether it is health care, welfare reform, crime, whatever it is.

And I think, just to conclude at this point, for those who would like to play the partisan game, Republicans did not tell Roger Altman to go to the White House and give them a heads-up. I cannot find any Republican who suggested that. We cannot find any Republican who shredded documents. We did not tell the Rose law firm to examine the billing practices of its former partner Webster Hubbell. We did not force Robert Fiske to subpoena 10 White House and Treasury officials. We did not ask Bernie Nussbaum to interfere with the Park Police investigation.

We have not been accused of muscling the Office of Thrift Supervision's Western Division to lay off Madison Guaranty, and we did not do anything with the U.S. attorney down in Little Rock. Of course, the Republicans, the last time I checked, do not control the New York Times or the Washington Post or the Los Angeles Times, or countless other newspapers, large and small, that have editorialized in support of congressional hearings.

The other Democrat I was referring to was CHARLIE STENHOLM. So we have Congressman LEE HAMILTON, Congressman DAN ROSTENKOWSKI, and Congressman STENHOLM, all well-known Democrats on the House side, saying that hearings are inevitable and that public disclosure is the best way to get this matter behind us.

I just want to make a final point, and then I will yield the floor. I am not sending the amendment to the desk at this time because I have not discussed it with Senator MITCHELL and I want to do so before I send the amendment to the desk.

I want everybody to know, this is not some Republican plot. It seems to me what the White House did is look at what happened in Watergate and tried to replicate it: Stonewall; do not tell anybody anything. That is what happened in the Nixon White House. They certainly made a lot of mistakes, a lot of missteps, and a lot of omissions.

We did not have a negotiated subpoena. That was the President's lawyer who negotiated subpoenas so the public would not know what was going on, as far as the documents were concerned.

I want to close by saying, there was never any reticence around here to have hearings from 1981 to 1992. Even as I said, when Republicans controlled the Senate, we had four investigations of our own administration.

So I hope we are not being viewed as some partisan group just because we are Republicans and there happens to be a Democrat in the White House. I know Mr. Fiske is a Republican. We did not name Mr. Fiske either. That was not a Republican effort. That was done by somebody—I do not know who suggested it, but the appointment was made by Janet Reno. I do not think she knew Mr. Fiske, but I know Mr. Nussbaum knew Mr. Fiske quite well.

So we are prepared to either vote on, after not much more debate, because I know my colleagues on the Banking Committee want to finish this bill and I know the majority leader does, I will be prepared—if we cannot reach some agreement—for another 10, 15 minutes debate, and then I will offer the amendment on behalf of myself, Senator D'AMATO, Senator COHEN, and Senator MURKOWSKI.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Madam President, I know my colleague from Arkansas is here and wants to make his comments. At this time, I serve notice that I will respond because I do have a comprehensive statement as it relates to this resolution and Whitewater in general.

Let us be clear, as far as I can see—and I would like somebody to tell me different—is the only thing different as it relates to the calling for hearings, structured hearings—is we have a Democrat in the White House as opposed to a Republican.

In good conscience, I would ask my colleagues, would they be making the same argument if the President were George Bush? I do not believe so. I do not believe so. But they have to answer to that.

I also note that the special counsel is a weapon of justice. Special counsel is not a shield for congressional inaction. I do not believe we can sit on our hands until the special counsel has completed his work. That may take years.

Now in the real world of politics, that is what some may want. Is this political? Of course it is. It is part of the political governmental process. Let us make no mistake about that.

I have indicated that I would speak for a very short period of time because I have a more comprehensive statement and some more observations to make. At this time, I will yield the floor.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader, the Senator from Maine.

Mr. MITCHELL. Madam President, I was advised a short time ago that the distinguished Republican leader was, once again, addressing the issue of Whitewater on the floor and I, therefore, feel constrained to reply. I did not hear all of the remarks and, therefore, cannot at this moment reply to all of them, but I would like to make a few points on the subject, which I have previously made, and some additional points.

First, everyone should understand that the Congress has an important oversight responsibility and the Congress will meet that responsibility. That is not in dispute. The only question is whether the Congress proceeds to engage in a political circus for the political benefit of our Republican colleagues or whether it conducts its oversight responsibilities in a serious manner and one which will not undermine the independent investigation of a special counsel who is now conducting what all concede to be a thorough, impartial investigation. That is the only issue.

Any implication that Congress is not meeting its oversight responsibility just because it does not rush into a political circus right now is wrong. The way to meet our responsibilities and to permit the special counsel to meet his responsibilities is to have congressional oversight conducted in a serious and responsible way, not in a political circus.

Madam President, let me review, if I might, the events which have led to this point.

In January of this year, at the request of our Republican colleagues, and others, a special counsel was named and given full investigative and prosecutorial power and given complete independence to look into the entire Whitewater matter. That counsel is a Republican, a lifelong Republican with vast experience in prosecution. When he was appointed, our colleague, Senator D'AMATO said:

> Bob Fiske is uniquely qualified for this position. He is a man of uncompromising integrity. He will unearth the truth for the American people. He is one of the most honorable and most skilled lawyers anywhere.

The words of our Republican colleague about the Republican who was appointed to conduct the investigation.

On his own initiative, the special counsel wrote to the chairman and ranking member of the Banking Committee and asked that no hearings be held, his concern being that such hearings would undermine his investigation. And in his letter, he said—and I quote,

> * * * that such a process could jeopardize our investigation in several respects, including the dangers of congressional immunity, the premature disclosure of the contents of documents or of witnesses' testimony to other witnesses on the same subject creating the risk of tailored testimony and of premature public disclosure of matters at the core of the criminal investigation.

That is the special counsel's request in writing on his own initiative; that special counsel who himself is a Republican, who has been praised for his integrity and independence by our Republican colleagues. And what they are requesting is that we not honor the special counsel's request; that we ignore the special counsel's request and now create a political circus solely for partisan political purposes.

I have heard references on this floor to public opinion polls. Well, as one public opinion poll over the last few days shows, the American people are not fooled: 12 percent of those polled believe that our Republican colleagues are doing this because they are serious about the matter; 78 percent—78 percent—of those polled believe that our Republican colleagues are doing it for political gain.

Make no mistake about it, this is pure partisan politics. That is what is going on here. This is an effort to embarrass the President, to make it more difficult to get the President's program passed.

Why all of the attention on Whitewater? Well, I think to find that out you have to go back to last summer.

Last summer, President Clinton presented the cornerstone of his program for change in America, an economic plan to revive the economy. And we debated that economic plan here in the Senate for weeks. And Republican after Republican Senator got up and spoke against the President's economic plan and said, "If you pass that economic plan, the deficit will go up, interest rates will go up, unemployment will go up, economic growth will go down."

We passed the economic plan. Not a single Republican Senator voted for it. Every single one of them voted against it. And what happened after we passed the economic plan? In the months since then, the opposite of what they predicted has happened. The deficit has come way down, interest rates are down, unemployment is down, and economic growth is up.

So they have nothing to talk about. The President's economic plan was passed over unanimous Republican opposition, and it is working. The economy is recovering. Economic growth is up. Job creation is up. More private-sector jobs were created in America in the first year of President Clinton's term than all of the previous 4 years put together. That is what matters to the American people.

And so what we are seeing now is the politics of diversion. Not having an economic plan of their own, seeing the President's economic plan succeed, seeing the economy come back, seeing Americans once again having hope and optimism and promise for the future, our colleagues have nothing to fall back on, and so they are seeking, no pun intended, a political liferaft in the Whitewater affair—something, just something, to get at the President.

Am I the only one who thinks this? Well, we have heard quotes here from other Democrats. Here is a quote from another Republican, Barry Goldwater, who served with great distinction in this Senate for many years and was the Republican candidate for President 30 years ago. I am advised that Barry Goldwater held a press conference in Phoenix to suggest that Republicans get off the President's back.

> I wish to urge my Republican friends in Washington and those Democrats who are participating to get off his back and let him be President.

Well, of course, if they do that, we might pass health care reform. We might pass welfare reform. We might pass a crime bill. We might pass a record that will be good for America and good for this President, and that might lead the President to be reelected. And, my gosh, that is the one thing our colleagues are concerned about—how to prevent the President from being reelected.

So, we cannot concentrate on the business at hand. No, no. We have to talk about Whitewater. We cannot talk about bills to promote economic growth and job creation; we have to talk about Whitewater, even though a special counsel, who is a Republican, has requested that we not hold hearings at this time.

Now, Madam President, let me address the subject of Iran-Contra, with which I have some familiarity. In the first place, when we met to discuss the Iran-Contra investigation, our Republican colleagues suggested that the investigation have a time limit of 2 weeks—2 weeks. That was their request for the whole investigation. We wanted to have a longer period of time to get the job done, and after weeks of negotiations we ended up on a time limit of several months.

Up to the Iran-Contra investigation, the problems inherent in a congressional investigation and a simultaneous independent criminal investigation by an appropriate prosecutorial authority were governed by the law laid down by the U.S. Supreme Court in 1972 in a case called Kastigar versus the United States. And in that case, the Supreme Court set a standard which a prosecutor would have to meet in order to successfully prosecute a person who had testified previously in a congressional investigation.

It was a tough but a reasonable standard. It was one that could have been met in many cases.

In the Iran-Contra matter, Oliver North testified before the congressional committee under immunity and was then indicted, tried, and convicted on three felony counts. He appealed those three convictions, and the U.S. Court of Appeals reversed the convictions in a decision rendered in 1990 which significantly changed the law from what it previously had been.

The standard enunciated by the court of appeals in the North case is far more detailed, far more strict and, in my judgment as a former prosecutor and a Federal judge, it is a standard which cannot be met. That is to say, the state of the law now effectively precludes both immunized testimony in a congressional investigation and a successful later prosecution.

I am not alone in reaching that conclusion. Judge Walsh, who was the special counsel in the Iran-Contra case, said, and I quote:

> I think the views of some of those in the congressional committees that there was a possibility of concurrent activity that the Congress could investigate on television and that the criminal prosecution could also go on was just proved to be wrong, and I think the lesson is very clear, as we spelled out in the report. Congress has control. It's a political decision as to which is more important, but it can't have both. If it wants to proceed with a joint committee or a special committee or have—to compel testimony by granting immunity, it has to realize that the odds

are very strong that it's going to kill any resulting criminal prosecution.

So, Madam President, it is clear that the current state of the law, which has been the law only since 1990, since the decision by the court of appeals in the North case, which the Supreme Court did not review and therefore which now stands as the applicable law, since then a new, different, and far more formidable hurdle has been established into law to prosecutions for immunized testimony.

Now, our colleagues say, after they initially wanted an investigation and hearings, in response to this they say, well, we will not ask to immunize witnesses.

I have two responses to that. The first is that as Special Counsel Fiske made clear in his letter, the request for no hearings goes beyond the question of immunized testimony.

He stated in his letter three separate independent bases for not requesting hearings. One of them was congressional immunity. A second was the premature disclosure of the contents of documents or of witnesses' testimony to other witnesses on the same subject creating the risk of tailored testimony. And a third was the premature public disclosure of matters at the core of the criminal investigation.

So, as the special counsel himself has made clear, there are reasons not to conduct hearings that would impair or undermine his investigation that go beyond immunized testimony.

A second reason is: If a matter is under criminal investigation and a congressional committee announces in advance that under no circumstances will it immunize testimony, it virtually assures that it will not get the testimony essential to full public disclosure, which we are told is the reason for doing so in the first place.

Of course, we know what our colleagues want. They want a parade of administration witnesses who will refuse to testify for these very reasons. In effect, they want a political circus to score political points as opposed to getting at the heart of this matter.

The heart of the matter is this: I do not think there is a single Member of this Senate who knows all of the facts on Whitewater. I do not know them. And I doubt very much that any of our other colleagues do. In order to get at the facts, in order to determine whether there has been any wrongdoing which should be subjected to punishment, we have set in motion an independent legal process with full power of subpoena, with full power of investigation and prosecution. A Republican, a skilled and experienced prosecutor, has been given that mandate. He is now doing it in a manner that seems universally agreed to, is thorough and in detail.

What we should do is to let him do his job, let him do his job in a way that will produce the full truth, and a full accounting of what occurred. And then let the chips fall where they may. If anybody has done anything wrong, they should be prosecuted and punished. And I am confident that the special counsel will see to that. If they have not done anything wrong, he should say that, and I am confident that he will say that.

The real question is whether we now for purely partisan, political purposes are going to take an action that will undermine or hinder the special counsel's investigation and make the likelihood of his getting the full truth and holding those responsible fully accountable less likely than would otherwise be the case.

That is the real issue. The real issue is are we trying to get at the truth and trying to hold accountable those who are responsible for any possible wrongdoing, or are we trying to score political points for purely partisan purposes? That is the question that we will have. And of course, I welcome the opportunity for the Senate to debate it and to vote on it.

Our colleague has indicated he has a resolution. We also have a resolution as he knows. We have discussed this before privately. We are trying to work it out to see if we can reach agreement on the resolution. I do not know whether that is possible. If we can, I think that will be desirable. If not, then we will have the competing resolutions, and we will debate them, and we will vote on them.

What I want to say is that we welcome that debate, we welcome that vote, we welcome it as often as our colleagues choose to make it the issue. I think there is a risk that the 78 percent will reach 88 percent. It is rare that the American people agree so overwhelmingly on a subject as they agree on this one.

I hope that we can reach an agreement to conduct congressional oversight in a serious and responsible way, in a way that will meet our constitutional responsibility, and also in a way that will not undermine the special counsel's investigation, because I believe the worst possible result would be for the Congress to conduct a political circus that would not get the full truth, and to have what we do undermine the special counsel so that he then could not get the full truth.

I remind my colleagues of this: We have heard a lot of talk about the Iran-Contra investigation. There was immunity granted there. And witnesses were compelled to testify, and even with that, we never got the full truth. An investigation that begins by announcing in advance that there will be no immunity granted to any witness under any circumstances guarantees that there will not be a full finding of what occurred and may result in the worst possible result—the worst possible result—neither inquiry succeeding, no one ever finding out what the real facts are, and no one held accountable for any potential wrongdoing.

There is a special counsel in place. He is a responsible person. I think that is one of the few things on which there is no dispute here. He is conducting a thorough and detailed investigation. That is another thing on which I believe there is no disagreement here. We should let him do his job. We should be prepared at the appropriate time, under appropriate circumstances, in a way that will not undermine his investigation to fully and fairly and responsibly meet our constitutional oversight duties. We are prepared to do so. We look forward to that.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. FEINGOLD). The Republican leader.

Mr. DOLE. Mr. President, I have listened to the majority leader very carefully. I understand the concern he has, and I think some of them are just concerns. But there are a lot of things you can find out without the need for testimony. You get documents. You get the cooperation of the regulators. You might not need any testimony. There might not be any reason to grant immunity to anybody. But a lot of things you can learn. We do not have any power to do anything.

Second, as far as I know, the Democrats still control this Congress. They would be in control of any hearings that took place. So I do not think there would have to be much concern. They are worried about somebody trying to embarrass the administration because they are in control in the Congress, and they control the committee.

Therein lies the problem. When you have one-party Government, you have the White House and the Congress controlled by one party.

If I should conclude that the majority leader is correct, then I could say that every one of these areas are politically inspired because we were trying to conspire a hearing—good politics. We have 20-some here that the Democrats had that were politically inspired because we had four when the Republicans controlled the Senate when we investigated one administration. So maybe those were politically inspired. We also have at least three hearings where we had independent counsel and Congress working at the same time.

Let us face it. There are a lot of polls out there. I do not know what the polls were during Watergate. I assume they were about the same. There are a lot of political charges: "Third-rate burglary."

I remember going to the White House one time mentioning Watergate, and I was not invited back for 30 days because the White House did not want to hear the word "Watergate," and said, "It is going to go away. It is not a big story; a third-rate burglary." Then inside the White House they started compounding the problem with stonewalling, not giving the information, no public disclosure, and that is precisely what is happening today.

But we can all—and I do not want to get in a contest with my friend, the majority leader. He can probably find quotes that I made. I have quotes that he made. I have quotes that Vice President GORE made. I have quotes Senator PRYOR made. I have got all kinds of quotes about, "We want to have hearings on this 'October surprise.'" In fact, the St. Louis Post Dispatch, I quote: "Gore Also Accused Bush of Breaking the Law." That was the night before the election.

So there are a lot of allegations out there. We do not know the facts. We may never know the facts. I am sorry to say we are going to have hearings. In fact, all my resolution says is that the two leaders ought to get together and figure out when to do that and what to cover so we will not have four or five different committees holding hearings.

Under rule XXVI, any three Republican members—in this case minority members—could ask for the committee chairman to call a meeting of that committee for that purpose, and then it would take a majority vote to have a hearing in that committee. But at least you could do that in each of the committees. I assume that may be done by some of the ranking Republicans. I do not know that to be the case.

But it seems to me that this is a serious matter. We do want to cooperate with Mr. Fiske who is a Republican. So was Lawrence Walsh, if that tells you anything. He has hung around here for 7 years and has spent between $50 million and $100 million of the taxpayers' money, and, as far as I know, did not do much of anything.

So that is not all Republicans—and I do not have any quarrel with Mr. Nussbaum. I said I will not second-guess Mr. Fiske—not Nussbaum—not second-guess Mr. Fiske. I do not know who appointed him, nor who knew him in the administration since Mr. Fiske and Mr. Nussbaum are very close friends. But in any event, he is the independent counsel. He has a big responsibility. And we should not try to interfere with it. But that does not mean we have to wait until he finishes everything before we can say anything. Because, if he says, well, as far as he knows, nothing serious happened—there were some things of this, and things of that, then the cry will be that there is no need for hearings, no need for congressional hearings, because the independent counsel has already taken everybody off of the hook. Maybe he will be correct. Maybe there will not be a need, if we have to sit around and wait and wait.

Look, we had hearings here before you could drop your hat on some of these other matters. On Iran-Contra itself, this Senator was asking for hearings in December of 1986. In fact, we were negotiating at the time with the then-minority leader, Senator BYRD, to see if we could not start something before the next Congress, and the Democrats took over the Senate, and the Democrats wanted their way for obvious reasons when they controlled the Senate. For obvious reasons, we did not get our way. We did not have the hearings until 1987.

So I think the record is fairly clear. I will put in the RECORD all the authority where Congress asks for oversight and has responsibilities. It is in the Constitution; it is in the power of the purse, in the power to organize the executive branch, the power to make all laws for carrying out executive execution. Article I enumerated the functions and the power of investigation, the power of impeachment and confirmation. Then we get to the principal statutory authority.

I ask unanimous consent that all that be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AUTHORITY FOR THE CONDUCT OF OVERSIGHT

(Prepared by the Congressional Research Service)

A. U.S. CONSTITUTION

The Constitution grants Congress extensive authority to oversee and investigate executive branch activities. The constitutional authority for Congress to conduct oversight stems from such explicit and implicit provisions as:

1. The power of the purse. The Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law." Each year the Committees on Appropriations of the House and Senate review the financial practices and needs of Federal agencies. The appropriations process allows the Congress to exercise extensive control over the activities of executive agencies. Congress can define the precise purposes for which money may be spent, adjust funding levels, and prohibit expenditures for certain purposes.

2. The power to organize the executive branch. Congress has the authority to create, abolish, reorganize, and fund Federal departments and agencies. It has the authority to assign or reassign functions to departments and agencies, and grant new forms of authority and staff to administrators. Congress, in short, exercises ultimate authority over executive branch organization and policy.

3. The power to make all laws for "carrying into Execution" Congress' Article I enumerated functions. Article I grants Congress a wide range of powers, such as the power to tax and coin money; regulate foreign and interstate commerce; declare war; provide for the creation and maintenance of armed forces; and establish a post office. Augmenting these specific powers is the so-called "elastic clause:" "To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Office thereof." Clearly, Congress has broad authority to regulate and oversee departmental activities.

4. The power of impeachment and confirmation. Impeachment offers Congress a powerful tool to investigate alleged executive and judicial misbehavior, and to eliminate such behavior through the conviction and removal from office of the offending individuals. The confirmation process involves not only the determination of a nominee's suitability for an executive or judicial position, but also provides information on the policies and programs the nominee intends to pursue.

5. The power of investigation. A traditional method of exercising the oversight function is through investigations into executive branch operations. Legislators need to know how effectively programs are working, how well agency officials are responding to committee directives, and the scope and intensity of public support for Government programs. The investigatory method helps to ensure a more responsible bureaucracy, while supplying Congress with information needed to formulate new legislation.

B. PRINCIPAL STATUTORY AUTHORITY

Five key laws assign oversight duties to committees. They are the Legislative Reorganization Act of 1946, the Intergovernmental Cooperation Act of 1968, the Legislative Reorganization Act of 1970, the Federal Advisory Committee Act of 1972, and the Congressional Budget and Impoundment Control Act of 1974.

1. The 1946 LRA

a. Required House and Senate committees to exercise "continuous watchfulness" of the administration of laws and programs under their jurisdiction.

b. Authorized for the first time, in history, permanent professional and clerical staff for committees.

c. Authorized and directed the Comptroller General to make administrative management analyses of each executive branch agency.

2. Intergovernmental Cooperation Act of 1968

1. Required that House and Senate committees having jurisdiction over grants-in-aid are to conduct studies of the programs under which grants-in-aid are made to determine whether (1) their purposes have been met; (2) their objectives could be carried on without further assistance; (3) they are adequate to meet needs; and (4) any changes in programs or procedures should be made.

3. The 1970 LRA

a. Revised and rephrased in more explicit language the oversight function of standing committees.

b. Required most House and Senate committees to issue biennial oversight reports.

c. Strengthened the program evaluation responsibilities of the General Accounting Office and the policy analysis role of the Congressional Research Service.

d. Recommended that House and Senate committees ascertain whether programs within their jurisdiction could be appropriated for annually.

e. Required most House and Senate committees to include in their committee reports on legislation five-year cost estimates for carrying out the proposed program.

f. Increased by two each the number of permanent professional and clerical staff available to House and Senate committees.

4. Federal Advisory Committee Act of 1972

a. Directed House and Senate committees to make a continuing review of the activities of each advisory committee under its jurisdiction to determine whether (1) such committee should be abolished or merged with any other advisory committee; (2) its responsibility should be revised; and (3) it performs a necessary function not already being performed. Advisory committee charters and reports can generally be obtained from the agency or government official being advised.

5. The 1974 Budget Act

a. Expanded House and Senate committee authority for oversight. Permitted committees to evaluate programs themselves "or by contract, or (to) require a Government agency to do so and furnish a report thereon to Congress."

b. Authorized GAO to establish an Office of Program Analysis to develop and recommend to the Congress methods for the review and evaluation of programs, and to assist committees in program evaluation through such means as "developing a statement of legislative objectives and goals and methods for assessing and reporting actual program performance."

c. Strengthened GAO's role in acquiring fiscal, budgetary, and program-related information.

d. Required any House or Senate legislative committee report on a public bill or resolution to include an analysis (prepared by the Congressional Budget Office) providing an estimate and comparison of costs which would be incurred in carrying out the bill during the next and following four fiscal years in which it would be effective.

C. RESPONSIBILITIES IN HOUSE AND SENATE RULES

1. House Rules

a. House rules grant the Committee on Government Operations a unique role in coordinating oversight activities. First, within 60 days after a new Congress convenes, the Committee is to issue a report to the House on the oversight plans of every committee and assist in coordinating oversight activities of the House. Second, the pertinent review findings and recommendations of the Committee on Government Operations are to be considered by the authorizing committees, if presented to them in a timely fashion. Finally, the authorizing committees are to indicate on the cover of their reports on public measures that they contain a summary of the findings when that is the case.

b. The Committee on Government Operations has the following additional oversight duties:

(1) review and study on a continuing basis, the operation of government activities at all levels to determine their economy and efficiency;

(2) receive and examine reports of the Comptroller General and submit recommendations thereon to the House;

(3) evaluate the effects of laws enacted to reorganize the legislative and executive branches of the government; and

(4) study intergovernmental relationships between the United States and states, municipalities, and international organizations of which the United States is a member (House Rule X).

c. House rules require other oversight efforts by standing committees.

(1) Each standing committee (except Appropriations and Budget) shall review and study on a continuing basis, the application, administration, and execution of all laws within its legislative jurisdiction (House Rule X).

(2) Committees have the authority to review the impact of tax expenditures on matters that fall within their jurisdiction (House Rule X).

(3) Each committee (except Appropriations and Budget) has a responsibility for research on alternative futures and forecasting (House Rule X).

(4) Eight committees have a special oversight authority, i.e., the right to conduct comprehensive reviews on specific subject areas that are within the legislative jurisdiction of other committees (House Rule X). Special oversight is akin to the broad oversight authority granted the Committee on Government Operations by the 1946 LRA, except that special oversight is generally limited to named subjects, such as the "problem of all types of small business."

(5) Committees are authorized to create oversight subcommittees or to require their subcommittees, if any, to conduct oversight in their jurisdictional areas (House Rule X).

(6) Committee reports on measures are to include oversight findings separately set out and clearly identified (House Rule XI). See example in Appendix C.

(7) Costs of stenographic services and transcripts for oversight hearings are to be paid from the House contingent fund rather than from committee budgets (House Rule XI).

(8) Any House committee report on a public bill or resolution shall contain a detailed analytical statement with respect to the inflationary impact such a bill might have on prices and costs in the national economy (House Rule XI).

2. Senate Rules

a. Each standing committee (except for Appropriations and Budget) shall review and study on a continuing basis, the applications administration, and execution of all laws within its legislative jurisdiction (LRA, 1970).

b. Senate Rule XXV grants "comprehensive policy oversight" responsibilities to several standing committees. This duty is akin to special oversight in the House. The Committee on Agriculture, Nutrition, and Forestry, for example, is authorized by Rule 25 to "study and review, on a comprehensive basis, matters relating to food, nutrition, and hunger, both in the United States and in foreign countries, and rural affairs, and report thereon from time to time."

c. Senate Rule XXVI requires all standing committees, except Appropriations, to prepare regulatory impact evaluations in their committee reports accompanying each public bill or joint resolution. The evaluations are to include:

(1) an estimate of the numbers of individuals and businesses to be affected;

(2) a determination of the regulation's economic impact and effect on personal privacy; and

(3) a determination of the amount of additional paperwork that will result.

d. The Committee on Governmental Affairs has the following additional oversight duties:

(1) review and study on a continuing basis the operation of governmental activities at all levels to determine their economy and efficiency;

(2) receive and examine reports of the Comptroller General and submit recommendations thereon to the Senate;

(3) evaluate the effects of laws enacted to reorganize the legislative and executive branches of the government; and

(4) study intergovernmental relationships between the United States and states, municipalities, and international organizations of which the United States is a member (Senate Rule XXV).

Mr. DOLE. I read in today's paper that the Government Operations Committee is going to have oversight hearings next week. Maybe counsel ought to go down there and say: Wait a minute, we do not need to do this. We will appoint a Republican lawyer, and we do not have to go through these oversight hearings. Maybe if we are not going to have oversight, we ought to repeal all these oversight laws in the books, some of which have been on the books as far back as 1946. Either we are going to have oversight or not. I think that is a judgment we can make later.

I repeat that Mr. Fiske has his job to do. But he must understand that we have a job to do, too—one that I think we are legally and constitutionally obligated to perform.

Mr. Fiske's job is prosecution. Our job is public disclosure. I think that the White House Treasury meetings are clearly a legitimate subject for congressional oversight. We would not have known about those today if not for the Republicans on the Banking Committee asking Mr. Altman, as sort of an aside, if he had any meetings. Then we learned he had more than one. What public purpose was served by allowing the Deputy Treasury Secretary and general counsel to brief White House officials? Was it ethical, and was preferential treatment given to their White House benefactors, so that the meetings compromised the independence of the RTC? These are judgments Congress has to make.

Keep in mind that when the RTC law was written, the Democratic Congress overturned what President Bush requested and made certain there was going to be a wall separating RTC and Treasury, so Treasury would have no case-specific power when it came to RTC investigations and dispositions in RTC. That was in 1989, as part of the bailout law making the RTC more independent from both the White House and Treasury. It was a Congress controlled by Democrats that created the RTC Oversight Board, chaired by the Secretary of Treasury, that was intervening in case-specific matters such as civil or criminal investigations into specific institutions. We do not know how many conversations Mr. Altman has had, or the general counsel, or who he had conversations with, whether it was somebody outside Washington. And Representative LEACH, on the House side, suggested that Washington officials may have gagged officials in the RTC's Kansas City regional office, and there was a story on that in yesterday's New York Times.

I do not know that that is a fact. But again, it is a proper area for oversight hearings.

I bet we would have had it back then. Hearings would be going on right now. We would not have waited this long back then—January, February and March—and we would not have special counsel. It was not because Republicans asked for special counsel that we had special counsel. Janet Reno told me in writing that we did not need a special counsel. After Democrats in the Senate and a number in the House said we better do something, they changed their minds. Now I think it is time that they change their minds again and do what we are legally and constitutionally obligated to do when it comes to congressional oversight. We may not be that far apart. We do not say anything. We do not say we have to start next week or next month. We say the leaders ought to get together.

We have at least four or five committees that probably could have some jurisdiction, if they chose to do it. It seems to me that that would not be what the majority or minority leaders, or Members on either side, would want.

I continue to make this point: If we are being partisan now, were the Democrats being partisan in all that is represented on this chart? Are we going to be judged by a double standard? We are partisan now, but they were statesmen then? We are nothing but petty politicians—Republicans trying to embarrass the President—when in every one of these cases, the Democratic Congress, which had control of both Houses, were acting in a statesmanlike manner because they wanted only the facts. No way did they want to embarrass the administration, whether it be the Reagan or Bush administrations.

That may be, but here are 20 examples. I have to believe that maybe in one of these cases, as pure as the Democrats are, there might have been a little politics involved. I do not know which one. Maybe it was regarding Ambassador Faith Whittlesey. Maybe it was Edwin Meese. Remember Ray Donovan? When he was cleared, he said, "Maybe I will get my reputation back." We had a great time with Ray Donovan and our colleagues on the other side.

The point is this: If we are all going to have a confession and say that it is all politics, we have made a lot of mistakes in the last 12 years. We could say, OK, if you confess to making all those, maybe we will say we are making a mistake. I think Congress has oversight now, as it did back then. I believe that, in most cases, we had the hearings because we should have had the hearings. I am not suggesting that in every case it was political, or that I think we ought to suggest automatically that this is politics. If that line does not work, then we have to hide behind Robert Fiske. If that does not work, then we say we will do it later.

There are a lot of polls out there, as the majority leader indicates. Some of the polls may say what he indicated, and I am sure they do if he said it. Other polls give different expressions. But I just think we ought to try to work this out, get it behind us, and have the hearings, and hope that nothing is wrong, and then move on to something else.

Mr. MITCHELL. Mr. President, I want to reiterate a couple of points, so there can be no misunderstanding. Congress does have an important oversight responsibility and is meeting that responsibility. There should be no implication, no misunderstanding about that.

I have asked each committee to provide me with a list of oversight hearings held in the 14 months since President Clinton took office. I have only gotten a report from one committee, but they have conducted 20 hearings. I am going to place all of those into the RECORD so that we do not get what I believe to be a misleading comparison, which suggests that there have been no oversight hearings since President Clinton took office, and there were all these other oversight hearings during the years when Presidents Bush and Reagan were in office.

That is the first point. The Congress is meeting its oversight responsibility. That is not the issue here.

Second, I submit to my colleagues, that list is not relevant to this debate, because the question is not whether there should be hearings in connection with congressional oversight. The question is whether there should be hearings when a special counsel has been named, and when that counsel has explicitly asked that there not be hearings.

Most of those cases did not involve cases where a special counsel had been named. So there was no request not to hold hearings and there was no competing consideration as exists in this case.

Third, my colleague made mention of Ray Donovan. I do not recall the details, but it is my recollection, not a certain one, that he was nominated for a Cabinet position and that he was nominated for a Cabinet position by a Republican President at a time when Republicans controlled the Senate and that, in the normal course of meeting its confirmation duty, the Senate committee, controlled by Republicans, held a hearing on a President's Cabinet nominee.

That is about as far removed from this, if my recollection is correct—I am speaking from memory and it has been a while, it has been a long time—but if my recollection is correct, that has nothing whatsoever to do with what is going on here. I never met Mr. Donovan, and I do not recall the circumstances of his case, whether he was fairly or unfairly treated.

But surely no one is suggesting that when a President sends a Cabinet nominee to Congress that no hearings should be held in the Senate. That is not the issue here. So let us be clear. There is no question that Congress has important oversight responsibility.

Second, there is no question that Congress must and will and is meeting its oversight responsibilities. Numerous hearings—I am certain it will be in the dozens if not the hundreds—have been held on oversight by the Democratic controlled Senate since President Clinton took office.

The real issue, the only issue, is where, as here, a special counsel had been named, that special counsel is conducting an independent legal investigation, and that special counsel requests that no congressional hearings be held because they might undermine his investigation, whether we should still then go forward and hold a hearing. That is the only issue. The rest of these matters are not relevant to answering that question.

I submit to my colleagues, in that circumstance, an independent legal investigation being conducted by a special counsel who is himself a Republican, named at the request of Republicans, praised by Republicans when he was appointed for his integrity and experience, and who is conducting what all agree to be a very thorough, aggressive and detailed investigation, then the question is, should we then hold hearings explicitly denying his request that hearings not be held. That is the question. All of the rest of this is really off the mark and not relevant to this discussion and debate.

Mr. President, as I said, I am getting a list of oversight hearings conducted by committees since President Clinton took office, and I suppose I could get a nice big chart made like this here and present it on the Senate floor. I reserve my right to do that. But at the very least I am going to submit that for the RECORD when I receive it.

I know my colleague from Arkansas has been waiting very patiently, and though he was present before I was in seeking recognition, he permitted me to go forward, so I will at this moment yield the floor to him.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I thank the Chair for recognizing me and I thank the distinguished majority leader for his very eloquent statements on the floor this afternoon.

Mr. President, this is a milestone day in the Senate, and I should say another milestone day because today we have heard the 33d speech by Republican colleagues on the other side of the aisle since January 1 relating to the Whitewater episode. On 33 occasions, our colleagues on the other side of the aisle have taken the floor of the U.S. Senate and either asked for congressional investigations or have in one way or another alluded to the Whitewater episode.

Mr. President, I am very glad that the majority leader a few moments ago stated for the RECORD that our former colleague in the U.S. Senate, the Honorable Barry Goldwater of Arizona, of course a Republican, a one-time standard bearer for the Republican Party in 1964, as a candidate for President, one whose credentials, I think, as a Republican are impeccable, Senator Goldwater yesterday called the press in Arizona to his home, I believe that is in Paradise Valley, AZ. I see my colleague from Arizona, Senator DECONCINI, who I think will elaborate on this particular and very unique meeting in Senator Goldwater's home where he called the press together.

Basically, the headline of the Associated Press article, Mr. President, stated this. This was yesterday. "Get Off President's Back."

Mr. President, I was very saddened to see that this very lengthy interview with Senator Goldwater, which was carried by the Associated Press, to the best of my knowledge, was not picked up by the Washington Post, it was not picked up by the New York Times, and it was not picked up by the Washington Times, to the very best of my knowledge. I stand to be corrected if that is not correct.

Senator Goldwater said, Mr. President:

"I want to urge my Republican friends in Washington, and those Democrats who are participating, to get off his back and let him be President," the 1964 Republican Presidential nominee told a news conference at his mountainside home above Phoenix.

Mr. President, I am going to read further from this Associated Press article of yesterday because the major media here, the print media at least, did not carry this story. It said in the story:

Republicans led the call for the appointment of a special prosecutor and have been demanding congressional hearings into the Clintons' investment in the Whitewater Development Corp. in Arkansas and its ties to a failed savings and loan. A Federal grand jury is looking into the matter in Little Rock, and 10 administration officials have been subpoenaed to testify in Washington.

Goldwater, who retired from the Senate in 1987, said he called the news conference because "it's something that has been kind of bugging me for the last week."

"The President needs our help more than he needs our stonewalling him all the time," Goldwater said. "My whole concern is that if there's not more to it than what we've heard, I want those people in Washington that are giving the President a bad time to get off his back."

"It's making it awful hard to be President," Goldwater said. "I don't think the country's too much in favor of what's going on. I think they'd like to have it stopped."

Further in quotes:

"So far I haven't seen anything that convinces me that it's all that big," he added.

Asked whether he had discussed his opinion with Clinton, Goldwater replied, "I didn't call the White House. I don't even have the number."

"I just think it's time to let the President be President and stop nitpicking on a thing called Whitewater or White River. They tell me it's a good fishing place. That's about the only thing good I've heard about it."

And a final quote, Mr. President. Senator Goldwater concluded his press conference by stating:

"In Watergate there was the matter of a President telling lies. That hasn't happened to my knowledge yet," he said. "I haven't heard of anything done since he's been in office that might be worthy of an investigation."

Mr. President, I ask unanimous consent that the Associated Press article be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Associated Press, Mar. 16, 1994]

GOLDWATER: GET OFF PRESIDENT'S BACK

(By Neil Bibler)

PARADISE VALLEY.—Washington should knock off the clamor over Whitewater and let President Clinton do the job he was elected to do, former Sen. Barry Goldwater said Wednesday.

"I want to urge my Republican friends in Washington, and those Democrats who are participating, to get off his back and let him be president," the 1964 Republican presidential nominee told a news conference at his mountainside home above Phoenix.

Republicans led the call for appointment of a special prosecutor and have been demanding congressional hearings into the Clintons' investment in the Whitewater Development Corp. in Arkansas and its ties to a failed savings and loan. A federal grand jury is looking into the matter in Little Rock, and 10 administration officials have been subpoenaed to testify in Washington.

Goldwater, who retired from the Senate in 1987, said he called the news conference because "it's something that has been kind of bugging me for the last week."

"The president needs our help more than he needs our stonewalling him all the time," Goldwater said. "My whole concern is that if there's not more to it than what we've heard, I want those people in Washington that are giving the president a bad time to get off his back.

"It's making it awful hard to be president," Goldwater said. "I don't think the country's too much in favor of what's going on. I think they'd like to have it stopped.

"So far I haven't seen anything that convinces me that it's all that big," he added.

Asked whether he had discussed his opinion with Clinton, Goldwater replied, "I didn't call the White House. I don't even have the number."

"I just think it's time to let the president be president and stop nitpicking on a thing called Whitewater or White River. They tell me it's a good fishing place. That's about the only thing good I've heard about it," he added.

Goldwater resisted questions comparing Whitewater with Watergate, the scandal that began with an apparently minor breakin but ultimately brought down President Nixon.

"In Watergate there was the matter of a president telling lies. That hasn't happened to my knowledge yet," he said. "I haven't heard of any thing (Clinton's) done since he's been in office that might be worthy of an investigation."

Asked whether the Whitewater affair was hampering Clinton's health care reform program, Goldwater said that "I think he's going to have a tough time getting his health care bill through. There will be some parts that will pass but not the whole thing."

* * * * *

On another subject, Goldwater said he wouldn't endorse Democratic U.S. Rep. Karan English a second time.

Goldwater broke with his party's candidate and endorsed English in the 1992 election in which she became the first person to hold the new 6th Congressional District seat.

Asked whether he's had second thoughts about endorsing her, Goldwater replied, "I sure as hell wouldn't do it again."

"She hasn't voted right," he added, declining to elaborate.

Mr. PRYOR. Mr. President, I would also like to state where a lot of this information apparently is coming from. I would like to state at least what is happening on one small front that I think we need to look at.

I would like for us to look at a tax-exempt organization—I repeat that—a tax-exempt organization which is known as Citizens United, and we would like to look at this organization for a moment this afternoon, Mr. President, to see what Citizens United is, why it has a tax-exempt status, what they are doing and the individual who runs Citizens United.

Let me tell you, Mr. President, who that individual is who runs Citizens United. His name is Floyd Brown. Let me repeat it. Floyd Brown. We are going to be hearing a lot about Mr. Brown in the coming weeks ahead because Mr. Brown operates a factory in this area, Mr. President. It is a unique factory. It is a sleaze factory. And this particular sleaze factory which has been given tax-exempt status, is a factory which today is pouring out venom, hate, lies, and poison. Here we have an article in the Arkansas Democrat Gazette, dated yesterday.

I ask unanimous consent that this particular article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Democrat-Gazette, Mar. 16, 1994]

CONSERVATIVE HANDS OUT VOLUMES ON WHITEWATER

(By Jane Fullerton)

WASHINGTON.—Do you need a copy of Bill and Hillary Clinton's income tax returns for the past decade?

Or perhaps you are looking for some obscure documents from land transactions involved in the Whitewater Development Corp. controversy.

Or maybe you simply want to review some of the bond activities of the Arkansas Development Finance Authority.

To get any of these documents, just call Floyd Brown.

He'll be happy to provide them at no cost, especially if you're a journalist or a Republican member of Congress.

Brown is the conservative activist best known for producing the infamous "Willie Horton ad" that generated controversy during the 1988 presidential campaign.

Now, Brown has turned his attention to Whitewater.

For months, Brown and his organization, Citizens United, have been funneling information and documents to reporters and Republican congressional aides researching the Whitewater affair.

His operatives have made several trips to Arkansas to unearth the financial and legal documents surrounding the Marion County land venture of the Clintons and James and Susan McDougal.

> So Tuesday, Brown made it easier for reporters covering Whitewater.
>
> He held a "Whitewater press briefing" at the National Press Club in Washington and offered his opinions about what angles reporters might examine.
>
> But the real attraction was the documents—huge stacks of them.
>
> Brown and his associates gladly handed out reams of documents as thick as the Little Rock telephone book to eager reporters who grabbed them up like goodies.
>
> For reporters, what Brown provided was a treasure trove of information—information they could not readily obtain without great effort and expense.
>
> Here were the Clintons' tax summaries and tax returns from 1980-92.
>
> Here were "Whitewater Related Documents" that included land deeds and canceled checks and loan agreements.
>
> Here were hundreds of sought-after documents that would take weeks to accumulate, not to mention having to make a trip to Arkansas.
>
> Brown even included a handy chronology of Whitewater-related events, a breakdown of all the potential criminal violations that could be involved and suggested questions for reporters to pursue.
>
> Reporters were skeptical about Brown's motivation, given his partisan predisposition.
>
> "This is not a personal campaign, at all," he insisted. "It's just a desire for the American people to have the truth."

Mr. PRYOR. Mr. President, the headline of this article yesterday states "Conservative Hands Out Volumes on Whitewater." It tells about Mr. Floyd Brown. It gives his past. And, I might say, Mr. President, it is a pretty interesting past.

In fact, in a New York Times article about this particular organization and this individual, the Times wrote most recently that Mr. Brown briefed Republican aides on the House Judiciary Committee on Whitewater sometime in the first week of March 1994. That was in the Times.

According to Time magazine, on May 10, 1993, Mr. President, "Mr. Brown has used his syndicated talk show and Citizens United as a means of bashing Hillary Clinton," and I quote,

> The Republican consultant told a network newscaster that his job was to make sure that Hillary Clinton is discredited before the 1996 campaign. Each day anti-Hillary talking points go out to talk show hosts. Many of the stories are attributed to the Secret Service in an attempt to give the tales credibility.

Time magazine, Mr. President, May 10, 1993.

Let us look at October 11, 1993. And I will quote from CNN's Inside Politics. Brown's organization, Citizens United—once again, Mr. President, tax exempt—"has been involved in trying to stop the Clinton health care reform plan by joining Citizens Against Rationing Health, a far-right organization opposed to health care reform. What the Clinton plan will do is basically set up a group of gatekeepers, kind of like Government-mandated Dr. Kevorkians, that will keep people from getting the health care that they really need."

That is from CNN's Inside Politics, October 11, 1993.

Mr. President, Floyd Brown is currently president of a Virginia-based, nonprofit, tax-exempt organization called Citizens United. We are going to hear a lot about this particular group in the next several days because they are part of the poison factory, spewing out the poison and hatred, the discontent that we see coming on too many occasions on the floor of the U.S. Senate.

Mr. President, I hope that our colleagues, and I hope that our country, will realize exactly what is going on. I think that they will. I think that when the majority leader cites the CBS poll of some 10 nights ago where 78 percent of the American people who were polled on that particular evening about this Whitewater episode, when 78 percent of those polled maintain that they believe that this was an attempt for the Republican Party to gain favor politically, I think, Mr. President, that pretty well says it all.

But I would like our colleagues to know that for too long and for too many times we on this side of the aisle have allowed our colleagues on the Republican side of the aisle to make accusations, speeches, innuendos and halftruths about this matter. No longer will those statements go unattended or unchallenged or unmet.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I thank the Chair.

I thank my friend from Arkansas for pointing out a number of things.

First of all, Mr. President, there is no question what is behind this proposed resolution. It is politics. Politics is a part of our game and part of our whole process here. But this is not the time to play politics.

My former colleague, whom I had the pleasure of serving 10 years with, has been the subject of remarks by the Senator from Arkansas.

Mr. D'AMATO. Mr. President, will my colleague yield to me for a moment, and then I will yield right back to him.

Mr. DECONCINI. Well, just a minute.

Mr. D'AMATO. Well, OK. I will tell you and I will ask the Parliamentarian as it relates to recognition of a Senator on the floor, a ranking member managing of the bill should have been recognized after the Senator from Arkansas was recognized.

Am I correct in making a parliamentary inquiry?

Mr. DECONCINI. Mr. President, who has the floor?

Mr. D'AMATO. I am making a parliamentary inquiry.

Mr. DECONCINI. Who has the floor, Mr. President?

Mr. D'AMATO. I have a right to make a parliamentary inquiry.

Mr. DECONCINI. Mr. President, this Senator has the floor, does he not?

The PRESIDING OFFICER. Senators, withhold, please.

The Senator from Arizona has the floor.

If both Senators speak at the same time, the Senator who is managing the bill does have priority. I heard the Senator from Arizona first.

Mr. DECONCINI. I thank the Chair.

Mr. D'AMATO. I would have yielded the floor, if I might, to the Senator from Arizona.

But that is incorrect.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. DECONCINI. I thank the Chair.

Mr. President, I say to my good friend from New York—and he is my good friend—that I think this just shows the emotions that are created on Whitewater. People such as the Senator from New York, who is an astute politician and a distinguished Senator, get so upset about this because of the politics. And that is what we are talking about here. We are talking about pure politics.

I thank the Chair for recognizing me. The occupant of the chair was looking in this direction. He saw I was up waiting for the Senator from Arkansas to finish and he called on me. And that is no violation of any rule or precedent, and the Senator from New York, I am sure, will agree.

Mr. President, what we are talking about here is the former senior Senator from Arizona, Senator Goldwater, and several statements that he made yesterday which were read into the RECORD. I am going to submit the full article that appeared in the Arizona Republic today—that is the morning newspaper—by John Sidener.

The Senator from Arkansas has already read quotes from the article about getting off the President's back and letting him do his job.

> Goldwater said he summoned the media to his home because the brouhaha over Whitewater has been "bugging me for the last week."
>
> "I haven't heard anything yet that says this is all that big of a deal," he said. "It's making it awful hard for him to be president. I just wish they'd get off his back."

Senator Goldwater goes on and says things I think are worthwhile to read to all of my colleagues because we all hold Senator Goldwater in the highest esteem.

> The former senator said he made his comments of his own volition. Clinton had not asked him for support, nor had he spoken to the president, he said.
>
> "I don't have their phone number, and they haven't called me," he said of the Clintons. "I haven't talked to them for months."
>
> He said he does not believe that Hillary Rodham Clinton has done anything unforgivable.
>
> The first lady once pointed out to Goldwater that, in the formative years of her po-

litical career, she had worked as a volunteer in his 1964 presidential campaign as a Goldwater Girl.

"She's a good woman," Goldwater said. "I think the president is smart enough to listen to her."

Arizona's elder statesman said that Whitewater critics are holding Clinton to an unrealistically high standard.

"Not many presidents could meet that standard," he said. "I know I couldn't."

Goldwater said that a time comes to set politics aside for the country's best interest.

"This country is a"—blank, and you can figure out what that word is.

"This country is a (blank) sight more important than the Republican Party or the Democratic Party," he said. "It's time to stop nitpicking this thing called Whitewater."

Mr. President, here is a spokesman of the Republican Party making it very, very clear what Whitewater is all about. Senator Goldwater was not afraid to stand up and tell his former Republican colleagues and former Democratic colleagues that they should resist the political expedience of what we see going on here day after day after day after day—attacks against the President and the First Lady and this administration. He does not call it anything but what it is.

And who could put it any better than the former Senator from Arizona? It is politics. And that is what it is and the American public needs to know that is what it is.

If that is what they like, they are going to get plenty of it. But I daresay the American public is sick and tired of it. They are sick and tired of this constant bickering. They are sick and tired of this constant stonewalling, and I think it is being done because the Republicans do not have any program for jobs, any program to reduce the deficit, any program to turn this country toward an investment; any program to keep interest rates down, any program to do something about transportation, any program to do something about housing, any program to do something about creating capital.

If that is where we are going, that is the way it will be. It will be at the hands of the Republicans, who decided: Let us make all the political hay we can.

I am sending to the desk the particular article and I ask unanimous consent it be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Arizona Republic, Mar. 17, 1994]

Goldwater Tells GOP to Get Off Clinton's Back

(By Jonathan Sidener)

Former Sen. Barry Goldwater has chastised his Republican colleagues for fanning a controversy over the Whitewater affair that has dogged the Clinton administration for weeks.

"The people elected Bill Clinton president, and I urge my Republican friends in Washington and the Democrats who joined them to get off his back and let him be president," Goldwater said Wednesday morning at a news conference on his Paradise Valley lawn.

Goldwater said he summoned the media to his home because the brouhaha over Whitewater has been "bugging me for the last week."

"I haven't heard anything yet that says this is all that big of a deal," he said. "It's making it awful hard for him to be president. I just wish they'd get off his back."

Goldwater has, in recent years, repeatedly strayed from the party line when voicing his opinions. He supported Clinton's policies on gays in the military, endorsed Rep. Karan English, a Democrat, in the 1992 6th District congressional race, and spoke out in favor of a Phoenix gay-rights ordinance.

The former senator said he made his comments of his own volition. Clinton had not asked him for support, nor had he spoken to the president, he said.

"I don't have their phone number, and they haven't called me," he said of the Clintons. "I haven't talked to them for months."

He said he does not believe that Hillary Rodham Clinton has done anything unforgivable.

The first lady once pointed out to Goldwater that, in the formative years of her political career, she had worked as a volunteer in his 1964 presidential campaign as a Goldwater Girl.

"She's a good woman, Goldwater said. "I think the president is smart enough to listen to her."

Arizona's elder statesman said that Whitewater critics are holding Clinton to an unrealistically high standard.

"Not many presidents could meet that standard," he said. "I know I couldn't."

Goldwater said that a time comes to set politics aside for the country's best interest.

"This country is a damn sight more important than the Republican Party or the Democratic Party," he said. "It's time to stop nitpicking this thing called Whitewater."

Goldwater said his views might put him at odds with Sen. John McCain and other leaders of his own party.

"You know something? I don't give a damn," said the man who once advised President Nixon to resign.

"I've been in the leadership of my own party, too. I think it's time for some of the senior voices in the party to speak up."

He did say that he would not endorse English again because "she hasn't voted the right way."

Goldwater said he has no plans to leave the GOP, even if his views sometimes stray from the mainstream.

"Hell, no," he said. "I've been a Republican all my life, and I don't plan to change. I think this (the comment on Whitewater) is a very conservative position."

Goldwater, 85, said his comments were directed at politicians, not the media. The latter were beyond redemption, he implied.

"Now, don't get me started on the media," he told the lawnful of reporters.

Goldwater emphatically limited his comments to Whitewater. He was asked repeatedly about the recent appearance of his grandson, Ty Ross, in the premiere issue of POZ, a national magazine for people infected with the AIDS virus or who have full-blown acquired immune deficiency syndrome.

"That's none of my damn business," Goldwater responded each time he was asked.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. I thank the Chair.

(The remarks of Mr. DeConcini and Mr. Warner pertaining to the introduction of S. 1948 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. D'AMATO. I think the Senator from Arizona should have had the floor.

Mr. DECONCINI. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me attempt in some way to answer some of this broad salvo, because it was a salvo we got. There was an ocean of attempts to obfuscate what we are concerned about and what we are doing.

My colleagues would have you believe that if there was a Republican—if it were George Bush in the White House, in the same circumstances, with a special prosecutor—they would not be calling for, or having, congressional hearings.

Let me tell you something. You would have a half a dozen of them going. Does anyone here believe Chairman Gonzalez in the House of Representatives would not want to hold a hearing? You do not believe you would have hearings going on here, and you would vote unanimously on that side to have hearings? I say it is politics. You better believe it.

It is politics. If you have a Republican in the White House, you call hearings at the drop of a hat—look at Silverado and Neil Bush. They had law enforcement investigations there: Bring him in; bring him in; load it up. But, "Oh, no; oh, no; this is political if the Republicans say we want a hearing."

Let me tell you, this is a canard—that you cannot gain anything unless you immunize, unless you exercise the power to immunize. We say we will not grant immunity. Why will we not grant immunity? Because we have learned from Iran-Contra. We have agreed not to do that.

When you say you will not learn anything, I say to you, without even swearing in a witness, without granting immunity, our Senate Banking Committee learned for the first time of the secret meetings that were going on—meetings that are improper on their face; improper. And the general counsel of the Treasury, she should be out. She did not have one meeting, or two meetings, but three meetings. I would like to know, and I say right here on the floor, how many regulators did she influence? Did she meet with the RTC people and tell them not to go forward? Or the OTS? Did she meet with the OTS people? I would like to know who, if anyone, steered them away from doing what they are supposed to be doing. That is what we have a right and a responsibility to find out.

Not unlike Watergate. Not unlike when John Dean said that administration plan was to claim that we are cooperating. Now you are cooperating. What were they going to do? Turn down the special counsel's subpoena? That great cooperation. The White House circulated a memo, "Do not burn anything." Oh, that is terrific. It is great PR. But the fact remains—they held secret meetings; the chief of staff's office arranged some of them. The White House counsel participated in all of them. Mrs. Clinton's chief of staff—what was she doing there? What was she doing there? The questions remain.

About the President, my friend, Barry Goldwater, said: "I do not know of wrongdoing." Well, maybe Barry Goldwater does not know the President said, regarding the fact that his name and Mrs. Clinton's name were mentioned in a criminal referral, that he does not remember who told him.

I have to tell you something. Maybe the President would not remember that. I do not know how many people come up to the President casually and say, "By the way, Mr. President, your name and Mrs. Clinton's are mentioned in a criminal referral." And he would not remember that? Someone just told him? Let us get serious about this. Who would approach the President with something like that? Do you mean to tell me if somebody came up to you and told you your name was mentioned in a criminal referral, you would not remember when they told you and who told you? You would not forget it.

You want to talk about the truth? Come on, let us get real. Politics, the politics of saying "no." Just say "no, no, no." That is what the President said: "No, no, no."

Now, look; who controls the committees here? You want to talk about getting the crime bill finished? Let us get it going.

The Democrats control the House of Representatives and the Senate. Why do you not have a crime bill? Do not blame the fact that you do not have a crime bill on our asking some questions. We have not taken up that much time of this Congress. We have not. We are not stopping the crime bill.

Welfare reform? I want welfare reform and I will be happy to work with any administration—as well as a good crime bill—any administration, Democrat or Republican, liberal or conservative. We want workfare, not welfare. We want to see to it we put the hoods in jail—not just "three strikes and you're out," which on the Federal level would have affected 360 crimes in 1992.

You have good sloganeering, but do not blame us because you do not have a crime bill. The Democrats control the White House; the Democrats control, the last I saw, the Congress, the House of Representatives; and the Democrats control the Senate. So do not blame us because you have not had any legislative action. It is your own inability, and do not blame us for gridlock.

What about your health plan? Your health plan begins to fall because, why? People are asking about mandates, about costs: Reasonable people, reasonable questions. I have not seen Republicans obstructing the health care plan. Put it forward, put it on the floor. You control all the committees. You run them with an iron fist.

The Democrats say, "No, no, no." The Democrats say, "No, we won't have any hearings." So do not complain about legislative inaction. You control both Houses. You have the White House. You do not have a health care plan because you cannot agree on one yourselves. And then we are supposed to, it is suggested, roll over.

Let me tell you something, we hear reports of the President's private counsel, saying to some insiders, "Oh, well, maybe there's a tax liability. They owe some taxes. That's all I can see."

Well, is that not interesting? The President has no problem raising taxes on middle-class families and others, but it seems he has some problems maybe paying his fair share. So we begin the process—call it political immunization. They get people ready for the fact they may owe taxes, just like that is a willy-nilly thing. Oh, yeah.

Let us talk about immunity. John Dean was not granted immunity during Watergate and he testified. He was convicted and he brought about some other convictions. John Mitchell, John Erlichman, Bob Haldeman—all of these people who eventually went to jail precisely because they were not granted immunity. When the majority leader comes and says, "Oh, no, unless you grant immunity, you are going to wreck this; you must have that ability," that is not the case.

If somebody wants to invoke the fifth amendment, let them take the fifth. We want properly structured hearings. Let me tell you, Senator COHEN and I met with Bob Fiske. I said, "Senator DOLE, I would like my friend and colleague, BILL COHEN, to be there because he has had experience in these hearings, and Sheila Burke," and they were both there.

He will speak to that meeting as he has observed it but I want you to know, Mr. Fiske said to us we minimized his concerns greatly. He thanked us for our cooperation because we said we would not grant immunity. That would be our recommendation to prospective witnesses. Second, we would structure them. He said he wanted the ability to call witnesses first before we did. We said absolutely. We saw no problems as it related to that. And he concluded by saying: "As a prosecutor, I have to say that I'm not in favor of you going forward, but I understand that you have your responsibility and that we have ours."

That is absolutely the case.

I could say a lot more, and I will at another time. But I will say this: While Mr. Fiske's primary responsibility is to see if there are any laws broken, criminal or civil—and he has the ability to pursue civil charges—we have an absolute oversight obligation. We have to see if there has been an abuse of power, and that is not necessarily covered in his charter.

An abuse of power, although wrong and although something the people might decry, is not necessarily criminal. But people have a right to know. People have a right to know, and the special counsel may not get an answer for 2 or 3 years, if at all. That is something that they have a right to know as soon as possible, and that is why we have to have oversight.

Yes, secret meetings, yes, people being told or steered away from pursuing an investigation. It may not come down to obstruction of justice—it may be mighty close—but it is something that just smells bad. Because when you may have a tilt of the justice system one way or the other because of political power of the executive, it is within Congress' responsibility to investigate, and the Supreme Court has said that on innumerable occasions.

Let me recite an informative quote. And I quote:

> A central function of democracy is to allow a free people to drag realities out into the sunlight and demand a full accounting from those who are permitted to hold and exercise power. Congress provides a forum for disclosing

Congress provides a forum for disclosing.

> the hidden aspects of governmental conduct.

That is a quote from "Men of Zeal," a book written by my colleague, Senator COHEN, and the majority leader. It does not say that Congress has an obligation to do this only when there is a Republican in the White House. It does not say it has an obligation to do it only when there is a Democrat in the White House or whether it is a Republican Congress or a Democratic Congress. It says that Congress has that obligation to provide a forum for disclosing the "hidden aspects of governmental conduct."

It was the conduct of the administration that has brought to the attention of the Members of the Congress the need, No. 1, for a special counsel. It was the conduct of the administration in learning of the secret meetings and other disturbing facts too numerous to enunciate, and that when the people begin to understand and see, you will see public opinion polls—and by the way, I did not know we were going to run Government by public opinion polls. I did not know that that was the way we decided whether we should conduct an investigation or whether one was valid. Because if you were to look at the opinion polls in the days of Iran-Contra and Watergate in the beginning, people said, "Listen, we have important things on the agenda," and I agree we have important things.

Let us hold our oversight hearings and if we have a crime bill finished up, let us act on that. And if we have welfare reform ready to go, let us act on that. This need not conflict.

Let us do the business of the people. Let us not throw out this nonsense that, oh, this is a political witch hunt, a political circus. It is a circus and it is being made and turned into a circus deliberately by opponents of hearings. As John Dean said back in the Watergate days, the White House had a formula. And that formula was to say "cooperate" and yet cry "politics" when the Congress begins to look into the situation.

I suggest to you that that parallel today is rather startling. That is exactly what is taking place. We say we are cooperating, and yet they cry "politics" when people come forth and are ready to structure reasonable hearings and undertake the constitutional responsibilities that the Congress has.

I yield the floor.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER (Mr. DORGAN). The Chair recognizes the Senator from Maine, Senator COHEN.

Mr. COHEN. Thank you, Mr. President.

Mr. President, I take the floor this afternoon not only to offer my support for the resolution that has been offered by Senators DOLE and D'AMATO, but to respond as briefly as I can to the charge that was made last week and reiterated here again today that this is nothing but blatant partisan politics, an attempt on the part of Republicans to simply embarrass the President and the First Lady.

I took that rather personally because I have tried over the last 21-plus years never to engage in conduct that would be dismissed as partisan, or trying to undermine or embarrass a President.

It was interesting what occurred last week. I was doing an interview in my office on another matter, and I was asked by a reporter for CNN what my advice would be to President Clinton. This was immediately following Mr. Nussbaum's resignation. I suggested to the reporter that the first thing I would do is call upon Lloyd Cutler, someone who would be the equivalent of a Howard Baker, whom President Reagan called upon when his administration came under attack. The situation in the Reagan White House was that things were in quite a bit of disarray. There was danger of his administration becoming paralyzed at that time, and he called upon an old friend, Howard Baker. I think Howard Baker lent an air of stability and responsibility to the White House at that time.

I felt that was precisely what President Clinton needed at that moment in time. And I said that not as a partisan but as someone who wishes him well. I have worked, I think, fairly closely with President Clinton and Mrs. Clinton during the past year. I traveled with Mrs. Clinton once to Boston to a health care forum and I traveled again to Maine for another health care forum set up by my colleague, Senator MITCHELL. I have been to the White House at least twice during the past year to try to work with the administration on a health care reform package, and I think we have made some real progress.

Frankly, what I do not want is 3 years of my own work on health care reform to be derailed or go down the drain simply because of partisan bickering or backbiting, and I hope to be able to continue to work with President Clinton and Mrs. Clinton as they continue to push their health care reform package. We disagree on a couple of key and fundamental issues, but I certainly do not see my own efforts in this regard as in any way trying to embarrass them. I do not want to see that take place.

I also heard our former colleague, Senator Goldwater, quoted today. What was not quoted was the fact that Congressman LEE HAMILTON, someone who achieved considerable notoriety during the Iran-Contra investigation for his calm deliberation in searching for the facts and resisting the temptation to try to embarrass President Reagan which earned him quite a bit of respect not only from his colleagues but people around the country most recently acknowledged the need for hearings in this matter.

I was asked recently on television, "Isn't this just Republicans trying to pay back the Democrats?" My answer is I am not trying to pay back the Democrats. I have a long list of things I could point to over the years that I found objectionable, but I have always resisted the temptation to try to engage in payback.

I took time to point out that the New York Times, which the last time I checked was not in the hip pocket of the Republican Party, has called for inquiries into this matter. Indeed, the New York Times called editorially for hearings. The L.A. Times and a number of other mainstream publications, not conservative publications per se, are also calling for inquiries into this particular matter.

I have not taken a role in this issue prior to the last week. I must say I was surprised about the events that surrounded Travelgate. I looked at that. I was not pleased with what I saw taking place with the firing of individuals in the White House for what appeared to be no apparent reason. I was not pleased with the State Department investigations. And I recall very vividly how, during the course of the campaign, someone was trying to investigate President Clinton's travel plans during his prior years, in an effort to embarrass him, and I objected strongly to that. There were hearings held on that issue.

I must say I was also surprised about the handling of the Foster death, and yet I felt that was a matter that was beyond my area of expertise certainly and something that should be handled by the appropriate officials, even though I had doubts about the way in which that particular investigation was being conducted.

I really did not become actively concerned about what was taking place until I saw the hearings that occurred in the Banking Committee recently where Senator D'AMATO raised the issue about contacts between the Deputy Secretary of the Treasury and the White House. And that suddenly got my attention. I felt at a minimum Congress had a role to play in this matter; that there were questions being raised which needed to be addressed, and that they were not being adequately addressed at this time.

I would like to go back and review my own role in Congress and also in the Senate because, once again, the charge is being made about partisan politics. I have been asked the question by several very prominent reporters, just this past day, why am I involved? Why did I attend a press conference with Senator D'AMATO?

First of all, let me say that Senator D'AMATO spoke to Senator DOLE and inquired whether it would be useful for me to attend a meeting with Mr. Fiske, and then Senator DOLE contacted me. Senator D'AMATO specifically asked me to attend, along with Sheila Burke, Senator DOLE's chief of staff. I agreed, willingly, quite eagerly, as a matter of fact, to see whether or not there was a way that we could structure hearings without undermining Special Counsel Fiske's investigation.

Let me just diverge here for a moment. In 1992, I stood on this floor, I suggest much to the chagrin of some of my colleagues on the Republican side, and I was very critical about the refusal to allow the reauthorization of the Independent Counsel Act. I remember standing in the well suggesting that Republicans would come to rue the day that we allowed the Independent Counsel Act to lapse because one day there might be a Democrat in the White House, one day there might be allegations raised against a Democrat administration and we would be just as interested in ferreting out any wrongdoing as if it were a Republican President sitting there.

I mention that because, going back to the days of Watergate, I was serving on the House Impeachment Committee along with several of my colleagues who are not in the Chamber right now. There was tremendous pressure being directed my way saying, please, do not do anything to embarrass the President. Do not join with the Democrats or support their investigation. Do not vote with them on any issue that might in any way hamper the President or embarrass the President.

I must tell you that as a freshman Congressman at that time those calls were, indeed, interesting, I guess is the best way I could characterize it. They were intensive. They were appealing, at least superficially. But ultimately I said that is not why I came here. I did not come here simply to abide by a party rule, to simply vote along party lines if I really did not believe it was the right thing to do. So I resisted the temptation then to simply line up with the party on an issue affecting the integrity of our Federal institutions.

I was one of the first, if not the first, to join with the Democratic majority at that time to tell President Nixon that the edited transcripts were not sufficient. We asked for the tapes that had been disclosed. He handed us several large volumes of edited transcripts and said, "This is all you are going to get." The Republicans at that time and the President's representatives asked me to support the President's actions, and I said no. We asked for the tapes. The tapes are more important than the transcripts because there is so much more you can hear and learn and understand when you hear the spoken word. Who is to say what "expletive deleted" really referred to? Who can understand what the inflection might be on a flat page? And when something is said in jest, it might come out as something quite different on paper as opposed to listening to it. So I felt there were a number of reasons why one could not accept the edited transcripts instead of the tapes themselves, and so I voted for the tapes.

It was a serious issue at that time because it only prevailed by one vote. It was my vote.

I mention this also in connection with Iran-Contra. When Iran-Contra occurred, the Select Committee on Intelligence, on which I was about to become the vice chairman, was called upon to conduct a preliminary inquiry into what occurred during Iran-Contra. President Reagan said, "I don't know what was going on"—on the part of some of my subordinates: Please conduct an inquiry and report back to me and to the public as quickly as possible.

There was pressure to get something out quickly because the Presidency was being paralyzed. There were a lot of allegations: What did he know? When did he know it? Did he authorize the sale of weapons to Iran? Did he know about the diversion? Did he authorize it?

All of these questions were surrounding the White House at that time and very little attention was being directed toward the policies that President Reagan wanted to carry out. So an appeal was made to get this report out quickly. And, frankly, I resisted that at the time. I resisted getting the report out quickly for the very reason that we had only transcribed, I think, 12 witnesses whose testimony was taken in secret when in fact there were at least 35 or 40, as I recall, witnesses whose testimony had yet to be transcribed. I said, "We can't file a report when we haven't even read the testimony that was given to us in closed sessions. We better be much more careful and deliberate." And so I resisted the temptation to file a report. I worked with Senator BOREN, who became chairman of the Intelligence Committee, and we produced about a 65-page report.

It was about a month late as far as the White House was concerned. But, nonetheless, I think we spelled out the areas that would provide a basis for the Iran-Contra Committee to conduct its investigation.

I mention all of this in addition to the fact that I helped write the Iran-Contra report that was very, very critical of the Reagan administration. I joined, as my colleague from New York has pointed out, with Senator MITCHELL, who is a good friend of mine, in writing a book called "Men of Zeal."

We pointed out the benefits of the hearings, the liabilities of the hearings, what we learned, and what we failed to learn. I did not hesitate to be critical in that particular book on issues I felt needed to be criticized.

So I say this all by way of preface that I have not joined with Senator DOLE and Senator D'AMATO to come here and engage in any kind of a partisan attack on the President of the United States.

I will say this to those who are listening and watching, I want President Clinton to succeed. I do not want to see his administration torn down. I disagree on a number of key issues with him. I hope to take the floor to debate those as they come about. But, I think the people of this country want him to succeed, as I do in his efforts to at least stimulate the debate, offer proposals, and let them be debated on the Senate and the House floors to see if we cannot pass legislation which is of interest to the people of this country.

Senator D'AMATO mentioned that Republicans are not holding up the crime bill. We are not holding up the health care bill. I have worked with Senator CHAFEE for 3½ years dealing with the issue of health care reform. Every single Thursday we meet to discuss legislation, to draft it, to consider it so we can have a viable alternative and work with the President of the United States who finds the Chafee proposal I think quite responsible and maybe a basis for arriving at an achievable health care plan. I do not want to see any of it derailed.

But I do come back to the point, why these hearings? The issue of politics has been raised, and indeed there is something political about this. This goes to the heart of our political system; namely, the rule of law. We always say that a rule of law applies to all of man; that there should not be one rule for Presidents, another rule for paupers; there should not be one for those who govern, another rule for those who are governed; and there should not be a separate rule for Republicans and another one for Democrats. It is the rule of law that we all cherish.

In this particular case I think the political process has been turned upside down, inverted. Last fall when there were calls for a congressional inquiry into allegations of impropriety or wrongdoing—and I want to say here for the record that I do not believe I have heard any allegations directed toward the President or the First Lady that involve criminal wrongdoing—those calls for hearings were blunted. They were resisted. They were "stonewalled."

The Republicans then said we have to have a hearing. How about a special prosecutor? Some of them were the very same Republicans, I might add, who were not in favor of an independent counsel law and the act was allowed to expire. But, nonetheless, they suggested a special counsel because there was no alternative opened to the minority at that time.

Do I think this should be a matter of criminal investigation? I do not. I think this was initially—I still think it today—properly a matter for a congressional inquiry as to how our public institutions were being handled. Were they being used properly or abused? Was there any impropriety?

This is something that I think could have been clarified rather quickly had the administration only come forward initially, and said, "Here is everything." I have always been of the opinion that, if you have nothing to hide, you have nothing to fear. All you have to do is say, "Ladies and gentleman, here are the papers. Here is what we know, and please conduct your inquiry." Yes, there may be some momentary embarrassment, and no one wants to see members of their administration be called before a committee to be interrogated by Members. And, yes, there is always the potential for some Members to become explosive or volatile. We all have different temperaments. Mine is not the same as my colleague and friend from New York or Michigan.

But, nonetheless, the cameras are there to witness, to televise. People can judge whether or not you are taking unfair advantage of a process, whether you are trying to score political points, whether you are merely engaged in nasty partisan politics to embarrass somebody. The camera tells you that.

So I think that what should have taken place was a congressional hearing into those allegations. Allow the minority to have its chance to question the administration officials, and be done with it. But that did not happen. As a result, what did happen is that we have documents being withheld, we have documents being shifted to Arkansas, and we have allegations now about shredding after the appointment of a special prosecutor.

I say to what end? To what end has this been going on? Let me just submit to you, I do not know if anything is there. I rather doubt it. I think we may find conflicts of interest on inquiring into the events that took place here in Washington. I think there may have been some breaches of ethical rules. I think there may be an issue of back taxes.

Nothing in my judgment that I have heard today would warrant a political beheading—nothing. But I do think the allegations are serious enough and have raised themselves to a level of concern that Congress ought to exercise its congressional oversight responsibilities.

So now we come to the question that if it is not that big a deal, why are we conducting a criminal investigation? Why was there not a congressional inquiry into allegations of inappropriate conduct? Instead now we have a criminal investigation, and indeed this particular special counsel has both criminal and civil responsibility.

I do not want to get too technical about it this afternoon, but that gets very complicated because we are about to reauthorize the independent counsel act. If we pass an independent counsel act, unless it is modified, Mr. Fiske will not be allowed to be appointed as independent counsel. If we do allow him to hold that position, he would have only criminal jurisdiction, not civil.

So we have taken a process, and we have turned it upside down on its head. I am told that one of the strategies now is, once the criminal investigation has been completed, and they find no criminal liability attached to the President or the First Lady or top officials, that will be the end of it; no more need to deal with Congress; the issue has been settled.

I do not think it is going to be a successful strategy to simply say let the process go forward until he completes his full investigation.

I do not think that will be successful for a variety of reasons based upon my experience in dealing with Watergate and Iran-Contra.

I have found that over the years when you have a situation when there appears to be stonewalling or a lack of cooperation, or a holding back of documents, you will have a trickle of allegations. The trickle will eventually build into a stream. The stream will then turn into a river. And you will see a river of allegations, many of which are completely irresponsible, many of which are completely unsubstantiated, and they will grab headlines that will cause the stock markets to rise and fall. That is going to continue in this case until you get the facts out.

Those on the majority side say you cannot have a congressional inquiry now or in the near future because we want to make sure Mr. Fiske is allowed to continue his investigation unimpeded by Congress. That is precisely why I agreed to join with Senator D'AMATO, and Ms. Burke on behalf of Senator DOLE, to meet with Mr. Fiske, to explore whether there is a way in which Congress can meet its congressional responsibilities without interfering with yours?

I must tell you that I came away with an entirely different interpretation than my colleague from Michigan [Mr. RIEGLE], has. I have the transcript here. He has a copy as well.

Let me tell you what I came away with from that particular meeting. Mr. Fiske took the position that he would prefer no hearings whatsoever. That is to be expected. No prosecutor wants to have to deal with a Congress calling witnesses and, conceivably, compromising the integrity of his investigation. But what he said to Senator D'AMATO, Miss Burke, and myself, was that he felt he could complete his investigation into this aspect of the allegations, namely, the misuse or abuse of Federal institutions within a few weeks. He said if he could deal with those issues initially, he thought he could complete his interrogation of witnesses and his investigation within a few weeks. If we waited a few weeks, and if we did not grant immunity and if we did not reveal the contents of the RTC criminal referral, he would not object to us holding a hearing for those limited purposes at that time.

That, to me, was a very reasonable request. It was a very responsible request on his part, and I thought we responded in kind. I said, "A few weeks? Why do you not take a month, or how about 2 months. We do not want to pressure you unduly." At the end of that 2 months, we should be prepared to hold an inquiry. We would not undermine his case. He said that he would have no objection under those circumstances. I will read it to you:

> I have told Senator RIEGLE, and I have told Senators D'AMATO and COHEN that when we are finished with the investigation of the meetings between the Treasury officials and the White House, which I am confident we can be finished with faster than the underlying investigation, we would have no objection to congressional investigations at that point so long as something can be done to protect the contents of the RTC.

He repeated that later. Senator RIEGLE will quote from the document, and he comes to a different conclusion. What Mr. Fiske represented to me and Senator D'AMATO and Miss Burke was that if we abided by those rules, he would have no objection—understanding that his preference would be no hearings at all. If you do not allow congressional hearings at all, we have to wait until he completes the entire investigation. When will that be? He cannot tell you. Will it be 6 months, a year, or 2 years? He has no way of judging that, nor should we try to force him to say how long that will take. In any event, it will take a considerable period of time.

In the meantime, these allegations will continue to surface and cause headlines, and there will be continuous demands on our side for hearings. That, I think, in the long run, will impede the ability of the President to focus on his agenda. So I have a different perspective on this. I think hearings will be helpful. A journalist asked me on television over the weekend, "Then you are trying to help the President?" I think it was asked in jest, but the answer to that is, yes, I am trying to help him, much as I publicly recommended the appointment of Lloyd Cutler. I felt that would be helpful to his administration.

I think it would be helpful in this case to get the allegations out of the way in a very short timeframe. Then let Mr. Fiske come back with a decision as to whether or not the taxpayers have been defrauded out $50 million worth of tax dollars, or whether there has been any liability to be accounted for at a later time.

I see this resolution in two parts: First, a preliminary inquiry, or at least an inquiry directed toward the allegations surrounding the use or misuse of Federal institutions now, not back in 1982 with what took place in Arkansas. Do it now and not wait until the end of Mr. Fiske's investigation. Second, let Mr. Fiske go ahead on his own on the allegations of what took place in Arkansas.

It has also been suggested to me that there is a strategy at work here. If Mr. Fiske completes his investigation in a few weeks, or within a month or two, he would then file an interim report, completely absolving the White House of any ethical wrongdoing whatsoever and then that would take the entire issue away. One of the dangers in that is that life does not work that way. Any prosecutor who were to file an interim report based upon a few weeks of investigation and say: I find no wrongdoing whatsoever, or minimal wrongdoing, or whatever conclusion he might reach, will find that there will be other allegations that will surface. They are bound to surface. It will take weeks or months, but they will eventually surface, and it will call into question the professionalism of his investigation. I think the notion that an interim report is going to satisfy everybody is not going to work, and it would do damage to Mr. Fiske's own reputation. And I know he is the last person who would want that.

I come back to the point, Mr. President, that I think the White House really has not handled this well. Some of it may be due to the fact that they have inexperienced individuals. In today's Washington Times, I notice a quote attributed to Chuck Manatt, former chairman of the Democratic National Committee, saying they need people down there who are a bit wiser, a bit older, who have been around, and who can perhaps introduce more stability to the White House. I think that is pretty good advice to follow, but that is a decision for the President to make.

I reiterate today that my purpose in joining with Senator DOLE, Senator D'AMATO, and others, is not to embarrass President Clinton. That is the last thing I want to do. I want to see him continue on his program. When he takes the podium in Boston and accuses Republicans and says "no, no, no," eight or nine times, to the great glee of those in the audience, that has a spillover effect in this Chamber, because then some of our colleagues—and we are all friends here, and we try to maintain a level of civility—start to personalize the attacks. They started to direct attacks against Senator D'AMATO.

If it were not for Senator D'AMATO, I believe we would not have known about the improper contact between the Deputy Secretary of Treasury and White House officials. Whether or not they broke any laws remain to be seen. Were it not for his perseverance, that never would have been known. People point fingers and say, "It is D'AMATO, and therefore the whole thing is tainted." Then other colleagues say, "Well, it is D'AMATO and somebody else." The best way, they think, to discredit a responsible inquiry is to go after the person on an ad hominem basis, discredit them and forget about the issue.

When you engage in this type of rhetoric, it has a catching effect; it spreads and becomes epidemic, and people on our side point to other individuals over there and say, "Wait a minute, who is being sanctimonious here? What about the piety being expressed by "Mr. X" or "Senator Y?" Suddenly, what happens when you have that kind of exchange is you have a breakdown of civility. As I told one reporter, we are then into Bosnia. We are then emulating on a verbal level what is taking place on a physical basis elsewhere. We see each other as enemies, we ridicule and demean each other, and we have a breakdown of civility in this institution. That is entirely wrong.

I think we can have a civil debate. I think it has been brought about because there is a recognition on the part of Members over here that there has been a double standard. I have tried to resist labeling it as such, but you cannot look at the record and see anything but that. I think the easiest way to resolve this, and the best advice I can give the Clintons—and I say this in the most sincere fashion that I can—is to get whatever information you have pertaining to events here in Washington—not in 1982 in Arkansas, but right here in Washington—during the course of his administration, present them to the committee, call the witnesses, operate under the rules constructed by the special counsel, and then be done with it.

My own view is that we will find something there to criticize, but probably nothing there to call for the resignation of high level officials, or call into question the ability of the President to continue to operate in office. I hope that is the case, and I believe that will be the result. But the best way to arrive at that particular conclusion is to have the hearing, let the evidence come out.

As I quoted on the various programs we have been appearing on, "If you have nothing to hide, you have nothing to fear. If there is something to hide, it is far better to get it out now and go to the American people and say 'We made mistakes; this was inappropriate and should not have been done. We are asking you to allow us to continue without being dragged down any further.'" That is all that has to happen. That is what I believe is the basis of this resolution we have offered.

I wish to again call my colleagues' attention to the charge that everybody over here is simply a hard-edged partisan trying to tear down President Clinton and his wife. That is not my view. That is not my aim. But rather it is to join with Senator D'AMATO and Senator DOLE to ask for the opportunity to call witnesses at an appropriate time. And according to the special counsel, that is only a matter of a few weeks. I hope that my colleagues will accept it.

I yield the floor.

Mr. RIEGLE. Mr. President, I have listened to all of the things said today on the subject just addressed by the Senator from Maine, my friend, Senator COHEN, and I agree with him that it is important that we keep this discussion within the bounds of civility, and there is every reason to do that. I strongly hold the view that only with a sort of reasoned discussion, and in absence of name calling in any direction, do we really serve the public interest and get to the truth here and move through this question in an orderly way.

So I would like to review, in that spirit, some of the things, in the sequence in which events have happened here, that bring us to this point and to this discussion this afternoon.

I want to establish one point of difference with the Senator from Maine, though, at the outset. And that is, if you go back before this special counsel, Mr. Fiske, and you go back to the efforts within the Justice Department to authorize a special investigative unit under the jurisdiction of the Justice Department, all of that refers and goes back initially to a criminal referral. There was a criminal referral which was the precipitating event made by the RTC, the Resolution Trust Corporation. They saw something in this situation that caused them to believe that criminal activity had occurred, and it was serious enough that it needed to be pursued. I am going to take the time to run through this, and I would just as soon not engage on that point right now because of the pressure of time. I will be happy to do that in the end.

In any event, the RTC, we now know, sent a criminal referral over to the Justice Department, and in the period of time since then, the Justice Department has been trying to establish exactly what took place and whether there were criminal violations and, presumably, in the end, was there a basis not only to prosecute people but to affect financial recoveries?

I think to understand this case one has to understand that back in the mid-1980's when this Madison Guaranty financial institution became insolvent there was a net loss of about $50 million and because the institution had lost all of its money and depositors had to be paid back, Federal taxpayers had to come in and fill in that $50 million.

So, that money went somewhere. Wherever it ended up, if any of it can be retrieved and brought back, that first of all needs to be done; if anybody got any of that money through illegal activity, they need to be brought to justice. But the RTC obviously had reached the conclusion that there was the basis for them to send this case over to the Justice Department. That is what got this whole thing started in the first place.

Then there was a sequence of events leading up finally to the decision by Janet Reno, and I think a proper decision. It is one that I encouraged her to take with a letter I sent to her as Banking Committee chairman. She was having this suggested to her by others, Republicans and Democrats, that she name an independent special counsel, someone whose reputation was above challenge, presumably someone who was a Republican, in the other party from the White House, who could come in and take over this investigation and take it all the way through to the end.

In fact, there were some names suggested by some Republican colleagues of people who they thought would meet that standard of objectivity and impartiality that would give them confidence as a party that this investigation was thorough and complete.

My recollection is that of this small list of names that various Republicans suggested to Janet Reno Mr. Fiske's name, in fact, was on that list. In a sense he was sort of prescreened and got the stamp of approval by certain numbers of Republicans as being someone that they felt would be impartial and competent to get to the bottom of this issue.

So then when Mr. Fiske was named to be the independent counsel, he laid down some conditions. He said, yes, he was prepared to do it but only if he had absolutely complete authority to investigate in every area where there was public concern or where he saw the potential for a problem.

He wanted no limitations on his ability to investigate, and he wanted an assurance that he would have all of the investigative resources that he would need to conduct that investigative effort.

So, in conjunction with the Attorney General, they wrote out together a formal written legal charter which was published and printed in the Federal Register—I do not have it in front of me now; I will insert it in the RECORD at the end of my remarks—that laid out his actual legal authority, and it is a very sweeping grant of authority.

So he is now functioning as the legal agent for the Government of the United States, and he is answerable to no one except the American people. He is free to investigate anything that he feels falls within the scope of what he has been asked to do here. When he sees a new line of inquiry he is free to pursue that and he has already demonstrated his intention to do that.

In fact, there were witnesses today, former White House employees, current White House employees, who were taken before a Federal grand jury in Washington, DC, this very day by Mr. Fiske and were subjected to questioning in that setting.

According to the news account I just saw on CNN Mr. Nussbaum, the former legal counsel of the White House, was apparently in this, undergoing questioning before the grand jury today for 4 hours, and it also said that he did not refuse to answer any questions and went in and answered fully and openly in that setting.

But the point is the process is working, and Mr. Fiske has the power to do that, and he was, in effect, given the power to act in behalf, not just of the Justice Department and the executive branch of Government, but in behalf of our entire Government structure to be able to have the resources to go in and to track down these questions.

Now, he has already brought into his investigative team, as I understand it, at least seven other seasoned prosecutors. Of course, he was a Republican prosecutor himself in the eastern district of New York, which is one of the very important jurisdictions for criminal justice in our country. So he has had front-line experience himself. But he brought in at least seven other seasoned prosecutors to help him go down every avenue of inquiry within the scope of this investigation.

He then asked for and got designated to his work some 25 FBI agents, and these FBI agents now are working under his authority and at his direction to go out and go through facts, circumstances, evidence, documents, whatever may be needed. He has the ability to issue subpoenas to anybody he feels needs to be brought in for questioning before the grand jury.

He has impaneled now two grand juries, a Federal grand jury down in Little Rock, AR, and also one here in Washington, DC, which, as I say, was busy today on this very case.

So what do we have just in that area at this point? You have a seasoned, independent, fully empowered Republican prosecutor hard at work with an expert team of investigators, and he is proceeding on the basis of a criminal referral that was earlier made by the Resolution Trust Corporation up through the Justice Department which laid out and gave him a road map of violations of the criminal law that they felt had taken place in this situation.

It is his job now to go out to find out exactly what the situation is, if prosecutions are warranted, to undertake those prosecutions, and importantly, not only to undertake criminal prosecutions, but if he finds that there is a basis to undertake what is called a civil suit—that is different from a criminal suit—to take on a civil suit to accomplish a financial recovery to find someone who got money that they should not have and to take them by the ankles and shake them upside down and shake the money out and get it back and give it back to the Government. He has that authority as well.

So he has criminal and civil authority. So it seems to me that what we now have in place is exactly what any of us would want who are interested in the truth, in people who are guilty, of being tracked down and held to account and people who are innocent being able to have their names cleared in the normal course of investigative activity and to have two citizen grand juries impaneled, one in Arkansas and one here in Washington, DC, sorting through this evidence and making these decisions.

That is how our system works. And it is very well crafted to accomplish that end; namely, that guilty people will be identified and prosecuted and recoveries, perhaps, achieved and innocent people will also have an opportunity to have their names cleared. That is the way our system works.

And, of course, we start with the presumption that people are innocent until there is proof of some wrongdoing. And that is also sort of a cornerstone of our system. So that is where we are today.

As I say, Mr. Fiske is so active in this investigation that literally this very day, and probably, I might say to my friend from Wyoming, this very minute, he probably has somebody down before that grand jury right now, because I think there were 4 people under subpoena that were coming in today. And I suspect that is still going on. So he is doing his work. He is doing the work that he was asked to do. He is using the full authority of the Government and, in due course, we will have the answers that we ought to have.

Now, as I have said before, I met with Mr. Fiske the other day. I only met him one time and it was a short meeting, but I was very impressed with him and with the seriousness of purpose and his professional background and demeanor.

I am confident, when he finishes, that every card—if I can use the analogy of a deck of cards—that every card in this deck is going to be turned face up. There are not going to be any secrets. We are going to know exactly what happened, what the facts are, what the truth is, what took place. That is his job. I am confident he will get that done.

Now, the only thing that might cause him not to get that done is if we are careless enough to interfere with his work. And that I am concerned about, because I have seen it happen before.

I know there are some Members who feel very strongly that right now we ought to have full-blown congressional investigations. Mr. Fiske, for his part, feels so strongly that that is a bad idea and will injure his efforts and possibly destroy his efforts that he now has done two things, this Republican prosecutor who is on this case.

The first thing he did was he wrote a letter to me and to my Republican colleague, Senator D'AMATO, on March 7. Not a letter we asked for; he initiated this letter. In his letter he says:

> I am asking you, please, don't conduct congressional hearings at this time, because I am on this case. It is an important case. I do not want it disrupted or anything to happen that will interfere with our ability to get it done and get it done properly.

And he makes it a very persuasive argument.

Now people that may be watching this Senate session on television and others who are in the gallery and on the floor have heard references to excerpts of this letter from Mr. Fiske. I do not believe anybody has actually read the full text of Mr. Fiske's letter to me and to Senator D'AMATO aloud, so you could really understand what he said.

And it is important you know that, because if you are going to evaluate what my friend from Maine recently said, he has an interpretation of later comments of Mr. Fiske. I happen to disagree with his interpretation.

But I think we have to start with what Mr. Fiske has said in terms of putting words on paper as a formal request to the Senate, a request, by the way, that he has not retracted. His request was made and stands as of this hour of this day.

Here is what he said.

Mr. COHEN. Will the Senator yield for a question?

Mr. RIEGLE. Very briefly.

Mr. COHEN. Was the letter sent prior to the meeting with Senator D'AMATO and me and holding the press conference?

Mr. RIEGLE. Yes; absolutely.

And I might say, in addition, there has been no letter since. I have said publicly many times, if his view has changed it will not take him long to put his new view, if there is a new view, in a letter and send it to us.

Mr. COHEN. You know that he is a very careful lawyer and he would not say something publicly which he did not subscribe to.

Mr. RIEGLE. With all due respect to my friend, I have the text to that exchange and I think it lends itself to two different interpretations. You have drawn one and I have drawn the other. So who is to say?

I think if he wants to make it clearer, it is a very simple matter to do so. His preference is not to have hearings, as you, yourself, have said here today. That is his preference. That is what he states here.

Let me go ahead and read this letter into the RECORD now. This is not very long ago. This is dated March 7. This is what Mr. Fiske said. He felt so strongly about this that he wrote this letter and sent it to us.

I am going to read it verbatim. He said the following:

> I am writing this letter to express my strong concern about the impact of any hearings that your Committee might hold into the underlying events concerning Madison Guaranty Savings and Loan ("MGS&L"), Whitewater and Capital Management Services ("CMS") on the investigation that this Office is conducting into these matters.
>
> As you know, I was appointed to the position of Independent Counsel pursuant to CFR 603.1 on January 31, 1994. Since that date we have obtained an Order from Chief Judge Stephen M. Reasoner in the Eastern District of Arkansas authorizing the empaneling of a grand jury which will be devoted exclusively to the Whitewater/MGS&L/CMS investigation. In the meantime, we have been using the regular grand jury for this District. We have a team of eight experienced attorneys, six of whom were current or former prosecutors when they joined the staff. We are working in Little Rock with a team of more than twenty FBI agents and financial analysts who are working full time on this matter. We are doing everything possible to conduct and conclude as expeditiously as possible a complete, thorough and impartial investigation.

Now listen to this. He continues.

> Inquiry into the underlying events surrounding MGS&L, Whitewater and CMS by a Congressional Committee would pose a severe risk to the integrity of our investigation. Inevitably, any such inquiry would overlap substantially with the grand jury's activities. Among other concerns, the Committee certainly would seek to interview the same witnesses or subjects who are central to the criminal investigation. Such interviews could jeopardize our investigation in several respects, including the dangers of Congressional immunity, the premature disclosures of the contents of documents or of witnesses' testimony to other witnesses on the same subject (creating the risk of tailored testimony) and of premature public disclosure of matters at the core of the criminal investigation. This inherent conflict would be greatly magnified by the fact that the Committee would be covering essentially the same ground as the grand jury.
>
> While we recognize the Committee's oversight responsibilities pursuant to Section 501 of PL 101-73 (FIREAA), we have similar concerns with a Congressional investigation into the recently-disclosed meetings between White House and Treasury Department officials—particularly because we believe these hearings will inevitably lead to the disclosure of the contents of RTC referrals and other information relating to the underlying grand jury investigation.

Now here is his summary. In his last full paragraph, he says this:

> For these reasons, we request that your Committee not conduct any hearings in the areas covered by the grand jury's ongoing investigation, both in order to avoid compromising that investigation and in order to further the public interest in preserving the fairness, thoroughness, and confidentiality of the grand jury process.
>
> I will be glad to meet with you personally to explain our position further if you feel that would be helpful.
>
> Respectfully yours,
>
> ROBERT B. FISKE, Jr.,
> *Independent Counsel.*

I wrote him back a letter that very same day and I will read that into the RECORD. It is rather brief.

It is addressed to Independent Counsel Fiske. It says as follows:

> Your letter to me of this date has arrived requesting that the Banking Committee not conduct further hearings into the matters within the scope of your investigation. The concerns you outline in your letter—that a parallel Congressional investigation would interfere with your inquiry—are compelling and accurate.
>
> Recent experience has shown that Justice Department prosecutions and convictions have been thwarted by untimely Congressional inquiries into the same matters.
>
> It is my view that the Banking Committee should defer to your investigation.
>
> When you have completed your investigative work—I will direct the Committee's efforts to any items you might bring to our attention—or which are otherwise brought into focus by your inquiry.

Now, what I said in that last paragraph is very important, because I said, look, Mr. Fiske, when you finish your work, if there is anything that you find that we need to pursue, we are going to pursue it in the Senate Banking Committee. We invite you to point anything out that you see of that sort.

But I also said, if there is anything that we see that comes out of here that needs further examination, hearings, investigation, laws, whatever, we will pursue that as well.

You should understand something else at this point. Let me leave aside Mr. Fiske's letter with this comment. He has only sent one letter, and here it is. You have just heard it read. He did come up and talk with me. He did come up and talk with Senator COHEN and Senator D'AMATO. There are varying interpretations of what he said that day. There is even a transcript of a news conference, which I submit lends itself at least to two diametrically opposed conclusions in terms of his views.

The way to make it crystal clear, if Mr. Fiske thinks it is all right for us to do an investigation—which in this letter he says we should not do and he specifically asks us not to do—then he can send us another letter and say, "I have changed my thinking. I have modified my view. Here is what I think you can do without interfering with my investigation."

Interestingly, he has not sent that letter, because, frankly, I do not believe that is his position. If it is, then he probably ought to write a letter and say so. No such letter has arrived.

So I think people who put that construction on it and want to almost invent a second letter from Mr. Fiske—there is no second letter from Mr. Fiske. There is none. There is only this one and this one, in my view, stands until we are told otherwise. We have not been told otherwise.

Let me back up in time. I do not know what the events are that went on with respect to this financial institution, Madison Guaranty, back in the mid-1980's. It obviously got into trouble. It obviously folded. There were substantial losses which I have noted here. That happened in the 1985-86, roughly, time period.

In 1989, several years later, we wrote a massive reform bill dealing with those kinds of financial institutions. It is called FIRREA. And in that bill, recommended by the new Bush administration—I worked very closely with them as chairman of the Banking Committee to get that legislation written and enacted; we got it done in record time—we went in and we put an end to every single practice that caused the failure of the Madison Guaranty institution and hundreds more like it. We completely rewrote those laws. So those laws have been corrected.

After writing that new law, those reform laws, and putting them into place and stopping all those practices, we have been monitoring the effect of that law since. It has worked very effectively and that industry is now on an entirely different and strong footing, stronger than it was back at that much earlier time.

So to some who say, look, if you do not go sort of pushing Fiske out of the way and grab his investigation away from him, you are not going to be able to know what really happened and what we ought to do in terms of changing the laws governing these kinds of institutions, that is a false issue. We have already taken care of that problem. We did that in 1989. So that is not really an issue that is on the table today.

Whether there was wrongdoing in that institution, where efforts need to be made to reach back and do something about it, we have not only set in motion the special prosecutor, special counsel, to get that done, we have done something else. Just a matter of weeks ago we extended the statute of limitations on any violations that might have occurred in that time period so they are still within the reach of the law. We pushed the statute of limitations out into the future so that nobody is going to slip out a side door on this case. It is just not going to happen, especially with Fiske and his team of FBI agents and prosecutors moving down through every single part of this.

Let me add one other element that has come into the picture since, and that is this. In that law that we passed in 1989 to fix all these abuses in the savings and loan system, we built into that law certain specific measurement standards so we could make sure the law was working properly. So we have had, now, over the years since 1989, a very long series of regular oversight hearings where we call in the officials responsible for implementing that law to find out exactly how it is working and if there is a need to change any particular part of it. Is it working the way it was designed to work? Have we corrected all the abuses?

We were so concerned about that issue that, in fact, we built into that 1989 law a requirement that there has to be a hearing here in Congress every 6 months on how that cleanup effort is doing and how that law is being implemented.

Within the text of that part of the law we went so far as to say that any institutions that failed in that time period, in the mid-1980's, that if any Senator on the committee wanted to come in and ask questions about that particular institution, that they had a right in law to do so. We did not foresee the Madison case at that time, but it applies precisely to the Madison case and every other case out of that time period. So the other day when the officials from the RTC came in to present their semiannual report, every member of the Senate Banking Committee had the legal right and authority to ask specific questions about any institution that had failed in that time period, and that included Madison Guaranty. And a number of members of the committee took the occasion to ask very probing questions on that issue to the people at the witness table, who included Mr. Altman, among others, and a variety of other witnesses who were there that day.

Out of that questioning came some troubling disclosures, that there had been contacts between the Treasury Department and the White House relating to this case. After that was disclosed, a whole series of steps happened. First of all Mr. Altman, for one, recused himself in that case, indicated it had been an error in judgment. But, importantly, Mr. Fiske, the independent counsel, moved like greased lightning, and he sent one of his investigators to the White House within a matter of hours and collected, I believe, eight individuals who had been party to these contacts, served them all with subpoenas, told them to retain all of their documents and be prepared to appear before a grand jury. Some appeared last week before the grand jury. The rest, as I understand it, are appearing today. So that is what Fiske is doing because Fiske has the power to do that and he has the power to move immediately to compel testimony under oath and to get the facts and get the truth and get the whole truth, no ifs, ands, or buts. And he is doing that, as he should, because we need those answers, and he is getting them because he is empowered on behalf of all of us to do exactly that job.

So that is happening. From that point on, I might say in that hearing that day in the Banking Committee, the members, particularly of the minority side of the aisle who wanted to pursue those questions, had every right to do so. And their rights were fully respected and protected by this chairman. And we did not adjourn that hearing that day until probably 3 in the afternoon and until there was not a single member left seeking recognition to ask questions because I wanted to make sure that everybody on the committee who had questions to ask had the opportunity to ask them and that there would be no arbitrary exercise of time, and there was none. So we did not adjourn that day until every single member had asked every question they wanted to ask regarding that subject on that particular day.

But I then did something else, because sometimes you will have questions that you do not think about at the time; something will be said you did not anticipate; you will request a followup question and then you will leave and an hour later, you think, I should have asked thus and so. Or, based on that answer that the witness gave, I now need to know these five other things.

So I then took another step. I said that we would not close the committee record—and we have not closed the committee record—to preserve the right of every member of the committee to ask additional questions in writing of any of the witnesses who appeared that day and to send those questions down, get the answers to those questions, bring them back, and we will put them in the record. And that, by the way, is a public record, and it will be printed and available not just for the Members but for anybody else who has an interest in both the questions and the answers.

So we have had a means to raise these questions directly. It is part of the law; the law has been carried out and, in fact, that happened.

Now, with the disclosures that were made that day, what happened with the disclosures that were made that day is that that created a line of inquiry where Mr. Fiske then moved to address a number of people in today's White House about the handling of this matter. That is where the subpoenas were served and where the documents were requested and where the grand jury hearings are now taking place. Some people say, "Well, if a hearing in the Banking Committee already accomplished that, why can't it accomplish something else?" Perhaps it can.

I think the significant thing here, looking back on that situation, is that in doing that, with those disclosures coming forward now, that opened up this issue which no one anticipated at the time before that hearing happened, that opened up the issue to bring the special counsel directly in to question various members of the White House operation at the present time.

So he now has that authority and has taken that step. That is, in a sense, an accomplished fact.

He has access to every single part of this problem. He does not just have access to the events going back into the 1980's; he has all of that, too. He has access to everything, everything that has gone on in the White House, and he has the ability to question anybody and do so under oath. He is in the process of doing exactly that.

That is where we are.

The question is, should he be allowed to do that work and get that job done? I think clearly the answer is yes. I do not know what he is going to find. But it is his job to find it and, as GEORGE MITCHELL has said many times, let the chips fall where they may. That is the way our system works.

When Mr. Fiske is done, I will make it plain, just as the words coming out of my mouth right now, when he has completed his work, as I said to him in my letter, if there is something that needs to be done that falls within the scope of our committee, we will do it. Let there be no doubt about that, we will do it. If there are any laws that need to be changed, we will change them. I will come right here to the floor with the changes. If there are hearings that need to be held to explore the other parts of the way the machinery, the RTC works, we will have those hearings as well, because I want these answers as much as anybody.

So when he finishes his work, if there is work that we must do as a committee in terms of our normal oversight responsibilities, we will carry those out.

I will just conclude now, because I am told I am needed over in the Budget Committee for a vote. I serve on that committee and have to be there because apparently my vote might be a deciding vote on a critical matter.

I want to read one thing more from Mr. Walsh. Mr. Walsh was the special counsel that ran the Iran-Contra investigation. His investigation was interfered with by the Congress, it was damaged by the Congress, it was undercut by the Congress, and there was no excuse for it.

There is an attempt by some now to paper over that, but that is what happened, and people guilty of crimes went free as a result of the interference of the Congress in that work. I am not just referring, by the way, to Oliver North and Mr. Poindexter. At the end of the Bush administration, Caspar Weinberger, the former Secretary of Defense, was under indictment and on his way to trial. But he got a pardon from President Bush, as President Bush was leaving the Oval Office after having been defeated in the election.

How did that happen? It turned out, among other things, that Mr. Weinberger had sent a whole lot of confidential notes over to the Library of Congress, safely out of the line of the vision of the congressional inquiry. And, fortunately, very late in the game, the special counsel found out about those and got those notes out, and they put the whole situation in a different light, in such a different light that there was going to be a criminal prosecution until there was an intervention with a Presidential pardon.

Some of the folks around here who were involved in that do not much want to talk about that part of it because the congressional inquiry in that case did interfere with Mr. Walsh. I think it ruined a substantial part of his work, and that also is his view.

I might just say that Mr. Walsh, at the end of his work, said this, and I want to quote him because if we are not smart enough to learn from our past mistakes with respect to this kind of congressional interference when you have a special counsel at work, then we are just not thinking clearly. This is what he said in the final Iran-Contra report:

> I think the view of some of those in the congressional committee that there was a possibility of concurrent activity, that the Congress could investigate on television and that the criminal prosecution could also go on, was just proved to be wrong, and I think the lesson is very clear as we spelled out in the report, Congress has control. It's a political decision as to which is more important, but you can't have both. If it wants to proceed with a joint committee or a special committee or have to compel testimony by granting immunity, that it has to realize the odds are very strong that it's going to kill any resulting criminal prosecution.

That is exactly what happened in that case and, in my view, we never got the true story as a result of it, try as Mr. Walsh might, because there was that interference by the Congress as he was trying to get that job done.

Now I hear some people saying, "Well, let's have the Congress barge back in here and shoulder Fiske out of the way," even though Fiske is a Republican. Fiske has said, "Leave me alone, let me get my job done." We ought to leave him alone.

One of the reasons we ought to leave him alone is we ought to be smart enough to see what our interference in Iran-Contra cost in that instance. So these things are related in that sense.

I know some of my colleagues on the other side have another view of it. But that is exactly where I think the situation is.

So let us let him get his work done. I do not know what he is going to find. There has been, to my knowledge, no assertion of a violation of law by the President and the First Lady. I know of none. Senator COHEN just said a minute ago he knows of none. That is not all clear in some of the hysteria that surrounds this story. But none has been asserted. I am not aware of any. I am not aware of anybody else who has asserted there is any.

But I think Mr. Fiske has to take the resources of this Government and track this question through and find out exactly what happened down every line of inquiry. He is doing it. I support his efforts. And when he writes to me and says, "Look, let me get my job done"—he is working for the American people; he is absolutely impartial. He has no political ax to grind whatsoever. He is not doing his work in front of the television cameras. He is trying to get a thorough, complete, fair, impartial investigation done to find and convict the guilty and clear the names of the innocent.

That is the way America is supposed to work. That is the way it ought to be allowed to work in this case.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WELLSTONE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I have listened today to a generous amount of discussion, sitting in the chair and sitting in the Chamber, about Whitewater. And I must say again I do not know the facts about Whitewater, but I do know the facts about politics.

Is the discussion about Whitewater without merit? No, I do not think so. It is an issue. It is a political issue in our political system. Questions are raised and questions become debated. All of us understand that.

But I think in this case the rhetoric has become overheated. The language has sometimes become careless. And the coverage becomes excessive.

I was interested this weekend in something Walter Cronkite said about the coverage of this Whitewater issue.

Walter Cronkite, the former CBS News anchor called the recent news coverage "definitely overheated." "The clear attempt in both the Watergate break-in and the coverup was to subvert the democratic workings of our Government. There is nothing nearly comparable to that in the Whitewater Affair," he said.

So says Walter Cronkite.

Marvin Kalb, distinguished former journalist, criticizes the coverage of this issue also.

He says, "Without any significant legal evidence linking the President to any criminal activity, everyone and his uncle in the press is on board this train and they are riding to a destination that is utterly unknown to them."

Marvin Kalb says: "There is a rushing to judgment that is unprofessional and distasteful."

I do not say that those who raise this issue on the floor of the Senate or those who write about it do so improperly or without merit. I would just say that there are times when in our system we ratchet these things up way out of proportion to what the facts are and we ratchet them up to such a hysterical noise level that it is out of proportion to the issue before us.

I know some say, "Well, this isn't politics." Some who come to this Senate floor time after time after time say, "This has nothing to do with politics."

Look, we all know better than that. Of course, it has to do with politics. This issue is a literal Thanksgiving political feast for some in this Chamber. We understand all of that. That is nothing new.

The Academy Awards are coming up soon. I am almost tempted to suggest an Oscar for a special category or maybe even lifetime achievement award for some of the performances I have seen on the Senate floor when Senators rail on about Whitewater and then say, "This isn't about politics." Of course, it is about politics.

I heard my colleague in the Chamber not too long ago this afternoon say—I forget what the fact was, what the assertion was—that this certain fact was asserted in the press.

"Now, I do not know if it is a fact, but we ought to find out if it is a fact," the Senator said. But, of course, the assertion becomes the set of facts when Whitewater is discussed. Mark Twain I think said "A lie travels halfway around the world before the truth gets its shoes on." That certainly rings true on this issue.

I would just say to all of my colleagues I have said publicly I think the White House has handled this matter very poorly. They have stumbled. They have I think made real mistakes in the way they have handled Whitewater. But at least from my observation the White House has now done something different; something that certainly the administration that was involved in Iran-Contra did not do; something certainly the previous administrations that were involved in Watergate did not do. This President has said now to all of those investigating, "Here is the information; take a look at it." He is not, in my judgment—at least I have not heard any examples of his claiming executive privilege—or trying to withhold information. At this point the President has said, "Whatever there is, you have. Whatever information exists, you get."

Maybe it is a late start. Yes, they stumbled early on. But I think that is the way you finally get to the facts, and that is after all what all of us should want. Let us find out exactly what happened here and then move on.

There are so many issues on our agenda that we should address and must address. We have talked about crime; we have talked about health care today, and others. All of those are the things that represent the public business, that people expect us to address. And I hope, no matter how all of this turns out, that in as expeditious a fashion as we can, we can have Mr. Fiske do his work, have anyone else who wants access to information to evaluate that information and make judgments about what the facts are and then move on to take care of this country's business.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. DORGAN. Now, having said all of that, Mr. President, I really came to the floor not to speak about Whitewater but I felt, after several hours, it would be unusual to speak about the issue that was under consideration because everybody who jumps up today speaks about Whitewater, and that has pretty much been true for recent weeks.

The bill that is under consideration is a piece of legislation that I intend to offer an amendment to, the Community Development, Credit Enhancement and Regulatory Improvement Act. We have had ample discussion on this legislation now for a couple of days, and I have talked to the folks involved in this bill and I am going to offer an amendment that adds to the criteria, the list of those areas eligible for investment, those areas in the country that have suffered the loss of people, out-migration.

There are a couple of indices of economic stress. A particular one would be unemployment. Another would be poverty. All of us understand that. But there is another that often people do not recognize. Another important index of distress would be people leaving.

My home county in North Dakota, Hettinger County, ND, lost 20 percent of its entire population in a decade. Let me repeat that because I think it is important. My home county lost 20 percent of its people in a decade. Does it have high unemployment? No. Because people left to find work elsewhere. There was no work there. It is a rural economy that used to be a plum and is now shrinking like a prune. It is atrophying like a major part of rural America is atrophying—because there is no opportunity. There is loss of jobs and people get in a car and move to a bigger city somewhere else.

The result is rural counties across this country suffer severe economic distress and do not show up in the same statistical pattern as they might were they an integral part of a large inner city.

Shortly, I intend to offer an amendment to the legislation to include in the criteria those areas of the country that have suffered out-migration to the tune of 10 percent loss of their population or more in a decade. In my home county at least, when you lose 20 percent of your population, those who are in Main Street business trying to do business are trying to do business in a virtual depression. I want those areas to be eligible. I want those businesses to be eligible. I want those communities to be eligible as well under the conditions of this bill to try to provide some life and some economic hope and some opportunity to rural America once again.

So, Mr. President, I will shortly offer that amendment to this piece of legislation.

I yield the floor.

BAUCUS-WALLOP AMENDMENT

Mr. BAUCUS. Mr. President, I rise to thank Senators RIEGLE and D'AMATO for considering and proceeding to a unanimous voice vote on the Baucus-Wallop amendment to section 107 of S. 1275. I urge them to work to hold this amendment in the conference with the House on this legislation.

Section 107 sets forth the selection criteria to be used by the Community Development Financial Institutions Fund in choosing recipients of financial assistance to be provided by the fund. The purpose of the fund is to promote economic development in distressed communities.

Under section 107, the Administrator and five-member advisory board of the fund have the sole discretion to apportion $382 million of financial assistance to new and existing community development financial institutions. The selection process is based on 12 factors outlined in the statute.

The Baucus-Wallop amendment adds language to the statute insuring that the fund consider whether an applicant financial institution is, or will be, located,

> * * *in a community that has experienced a sudden and significant loss in total employment since the 1990 Census or a major dislocation in its primary employment base.

It is the intent of this amendment to make applicants in communities that are ineligible for designation as an empowerment zone or an enterprise community under the Internal Revenue Code eligible for equal consideration in the selection process.

I will continue to work with the Clinton administration and my colleagues on the Finance Committee to modify the criteria for eligibility for designation as an empowerment zone or enterprise community under the Internal Revenue Code. In particular, I am concerned about the strict reliance on 1990 census data for determination of whether a community satisfies threshold population and poverty requirements.

Plant closings and other calamities since the 1990 census have left many rural communities in Montana, Wyoming, and other States in severe economic distress. This includes record levels of unemployment and substantial reductions in family income in owns primarily dependent on a single industry such as timber or mining. It is important that we not overlook these areas merely because the snapshot taken by the 1990 census does not reveal the true nature of the problems that currently exist.

Mr. KENNEDY. Mr. President, I support S. 1275, the Community Development, Credit Enhancement and Regulatory Improvement Act.

I commend the leadership of Senator RIEGLE and the Banking Committee in bringing this important legislation before the Senate. I am pleased to note that it also has President Clinton's strong support.

Title I of the bill recognizes the need to foster community banking in our poorest communities. It recognizes and enhances the role of community development financial institutions throughout America in providing access to financial services in cities and rural areas.

CDFI's, including the 10 in Massachusetts, allow enterprises in distressed communities to obtain the financing that will give them a chance to prosper and revitalize their communities. People who wish to start new businesses, open stores, and build housing and shopping centers deserve this help. The CDFI's are on the frontline—providing loans and building a brighter future.

The Community Development Financial Institutions Fund created by S. 1275 will strengthen and energize

CDFI's. It will give them vital technical and financial assistance to serve their communities more effectively. Under the bill's matching requirements, every Federal dollar provided to a CDFI will be matched by a private dollar, thus creating incentives to leverage more private capital. In doing so, this bill will promote broader private participation in communities that need the most support.

The bill fosters the sort of public/private partnerships that have been the source of many of the community development successes we have had in Massachusetts.

In addition to the matching requirements, S. 1275 permits private banks and financial institutions to become partners with CDFIs. In this way, the bill recognizes that government cannot, by itself, bring about the changes needed for these communities to grow and thrive. It will take commitment from every sector, and S. 1275 is an important step in promoting that commitment.

Title II of the bill addresses the pernicious practices of brokers, lenders and others who have exploited the lack of credit and financial services in poor neighborhoods. People who were cash poor but with equity in their homes have often become targets of unscrupulous lenders and mortgage brokers who provide loans on unconscionable terms and are only too glad to foreclose on a home. When the victims seek recourse in the courts, they find the loan has been sold to another bank, who is a holder in due course and thus protected by a virtually impenetrable defense.

The elderly, the poor, minorities, and others who are vulnerable fall prey to these practices. Senators RIEGLE and D'AMATO have led a bipartisan effort to end the abuses. S. 1275 makes it more difficult to cheat unsuspecting consumers on home-equity loans. It creates substantial penalties for doing so, and the penalties will follow the loan, no matter how many times it is sold.

This bill also contains provisions to lower the cost of capital to small businesses. It will be easier for a business to obtain credit through capital access programs, like the one we have adopted in Massachusetts. Access to capital is an essential component of small business expansion. When we make that access easier, we promote more jobs, greater economic development, and higher wages.

S. 1275 is a sound and progressive approach to many of the problems that low-income citizens and communities face in dealing with the nation's financial system. I urge my colleagues to support this essential bill.

Mr. BURNS. Mr. President, I rise today in strong support of the Shelby-Mack amendment, which has been incorporated into S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1994. As we are all aware, this country has gone down a very dangerous path of excessive regulation, the effects of which are choking the ability of our businesses to compete effectively.

Some of Congress' best efforts are turned into a regulatory nightmare by a bureaucracy run amock. The case in the banking industry is certainly a prime example and the effects have been devastating. The Shelby-Mack amendment will have the desired effect of reducing the burden that our financial institutions now face as a result of increased regulatory requirements. The paperwork, time, and money spent on complying with, in many cases, overzealous consumer oriented regulations has done nothing but tie the hands of, and drain valuable resources from, this country's financial industry.

While title III of S. 1275 will provide some regulatory relief by incorporating a minor portion of the provisions contained in S. 265, the Economic Growth and Regulatory Paperwork Reduction Act, which I have cosponsored, it fails to make a real difference in reducing unnecessary and duplicative regulations that impede consumer access to credit and waste bank resources. Mr. President, the bottom line is that S. 1275 did not go far enough but the Shelby-Mack amendment will.

Adoption of the amendment, along with the provisions already included in S. 1275, will provide the critical mass necessary to make a substantial reduction in the regulatory burden. All provisions have been carefully selected to maintain or enhance the safety and soundness of the banking industry.

Mr. President, I am pleased that the amendment has been incorporated in the S. 1275, and I look forward to final passage.

Mr. CAMPBELL. Mr. President, I would just like to say a few words about the bill S. 1275, and leave aside for a moment the amendments offered by my colleagues.

I was an original cosponsor of the original bill, which set forth the proposal for a fund to promote community development financial institutions. I supported it because I believe these CDFI's can improve poor communities and help the people that are stuck in them, particularly the children.

Mr. President, if there is one thing that I want to accomplish as a Member of Congress, it is to help poor kids in this country. I had a tough time as a youth, because there were no resources and no opportunities for a poor minority kid in California. I have a responsibility, to help provide those opportunities. This CDFI bill is just one small but important step on the long march to save disadvantaged kids.

I want to add a note of personal thanks to Senator RIEGLE and his staff for their help in dealing with issues of particular concern to Indian tribes. American Indians have a particularly hard time getting access to credit, and this bill would help establish financial institutions that specifically serve Indian reservations. The manager's amendment includes several provisions that answer specific concerns from Indian tribes. First, the bill provides for a long-needed study on lending and investment practices on Indian reservations, to identify why Indians cannot get credit and to recommend ways to better serve Indian populations. I am sure the study will show what all Indians already know, that most traditional banks just do not want to deal with tribal governments and tribal laws.

Also, the manager's amendment sets up procedures that require CDFI's serving reservations to consult with tribal governments about their lending practices. Too many times in the past, scam artists have taken advantage of special rules on Indian reservations to enrich themselves and their buddies, while Indians ended up with nothing. This bill gives Indians the chance for some oversight to avoid those kinds of abuse.

I think this bill can help kids, whether they are in inner cities, or in depressed rural areas, or on Indian reservations. I hope we can pass this bill and get on with the job.

Mr. MACK. Mr. President, I rise today to thank Senator RIEGLE and D'AMATO for working out an amendment by Senator SHELBY and myself which was cosponsored by Senators DURENBERGER, PACKWOOD, GREGG, COVERDELL, HUTCHISON, HELMS, BOND, BURNS, GRAMM, BENNETT, and FAIRCLOTH. I am confident that given enough time all 51 of the cosponsors of S. 265, the regulatory relief bill that this amendment was based upon, would have cosponsored the amendment, and I would like to thank everyone involved.

Year after year Congress has passed well meaning legislation that by itself does not impose significant regulatory burdens. While no single regulation is most burdensome, and most have meritorious goals, the aggregate burden of the litany of banking regulations ultimately affects bank's operations and their ability to serve customers effectively.

The regulatory relief provisions in this legislation take several steps toward rolling back some of the layers of regulatory burdens that we have placed upon our financial institutions over these years. This legislation is a good start toward unlocking the billions of dollars that are spent every year on regulatory compliance and getting our Nation's financial institutions back in the business of making loans.

I believe that it is important that we continue to streamline this crush of Federal regulations and reverse the tide of new unnecessary burdens imposed on these institutions. I look forward to working with my colleagues toward this worthy goal.

Mr. CHAFEE. Mr. President, I want to congratulate the bill managers—Senators RIEGLE and D'AMATO—for their fine work in bringing the Community Development, Credit Enhancement, and Regulatory Improvement Act to the floor. It is a good bill, and one that I support and am pleased to cosponsor.

Briefly, Mr. President, the legislation has three major components. First, it contains important community development provisions to help spur lending in low-income, underserved urban areas. Second, it includes small business capital formation provisions—provisions that I cosponsored. Third, it includes important paperwork reduction items and regulatory improvements to help both banks and their customers, especially small businesses.

I have been pressing for action in each of these three areas, and I am pleased that the Senate is preparing to approve them as part of S. 1275.

I am disappointed, however, that legislation that I introduced, the Small Business Assistance and Credit Crunch Relief Act, S. 950, could not be incorporated into this measure.

Negotiations to do just that have been underway for 2 days, and this afternoon Chairman RIEGLE and I agreed that it is best to consider my bill at a later time. I do hope, however, that the Senate will take up S. 950 later this spring; it is a good bill that is supported by the National Federation of Independent Business, the U.S. Chamber of Commerce, and the Smaller Businesses Association of New England. It would have a major impact in reducing the credit crunch that is plaguing New England and much of the Nation.

Let me briefly describe three of the highlights of my bill.

First, it would freeze all new banking regulations until the appropriate agency conducts a regulatory impact analysis and concludes that the benefits of the new regulations outweigh the costs to small banks of implementing and complying with them.

Second, it would permit banking regulators to suspend regulations that it determines are unnecessary, or have the effect of discouraging small banks from lending to creditworthy small businesses.

Third, it would reward small banks that have received the highest rating under the standards established under the Community Reinvestment Act—a rating of "outstanding"—by creating a safe harbor for CRA protests. Further, regulators would be directed to significantly reduce the onerous paperwork requirements under CRA for banks with the highest CRA rating.

Unfortunately, I was unable to reach an accommodation to have my bill incorporated into S. 1275. I plan to continue my efforts to have the measure approved in the not too distant future.

Finally, Mr. President, I understand that the bill managers want to wrap up this bill. Accordingly, I will conclude my remarks by saying that I support the legislation, and am especially enthusiastic about those provisions that will help reinvigorate our inner cities and help small businesses.

Mr. WALLOP. Unnecessary regulations are killing American competitiveness and limiting the ability of the economy to grow. Today, the Federal Government is the biggest hurdle that a struggling businessman must face in order to be successful. Regulations cost all Americans between $880 billion and $1.6 trillion annually, or between $8,388 and $17,134 per household.

These high and unproductive costs are evidence of an increasingly arrogant bureaucracy that has managed to insert its influence into every facet of our lives. I can not tell you the number of times I have heard Americans express their fear of government—the fear that they will lose their freedom and their ability to control their own lives. And the fear that their government will get them.

We must cut regulations and free Americans to prosper, instead of creating new government programs. That is why I rise in support of the Mack-Shelby paperwork reduction provisions that have been included in the manager's amendment. The regulatory relief provisions originally in this bill do not go far enough. These additional provisions will make a real difference in reducing unnecessary and duplicative regulations and will go a long way towards eliminating invidious, anticompetitive regulations.

But we can not stop here. One of the worst regulatory burdens on small banks is the Community Reinvestment Act, or "CRA". Although CRA began with the laudable goal of ensuring that financial institutions meet the needs of their local communities, the act has had the practical effect of requiring banks to maintain excessive records to document CRA compliance. CRA was not intended to impose burdensome recordkeeping on banks, but it has created some of the most onerous paperwork requirements that any bank faces.

Small, community banks are especially hard-hit by these regulations. With fewer personnel and smaller monetary resources, these banks face the formidable task of documenting all community lending activities. These compliance costs absorb real resources that could obviously be better spent by making important and necessary loans in the community.

The Nation's 10,000 community banks spend over $1 billion annually to comply with the administrative costs of CRA. If we want to help distressed communities we should be using this $1 billion to make loans to the local communities instead of wasting it on unnecessary regulations.

It does not take a rocket scientist to know that small, rural banks must invest in their communities if they are going to stay in business. They are the economic backbone of their communities, providing the necessary money for a local business to expand or for a family to build its first home. By requiring small banks to meet the standards set for urban areas, we are suppressing the economic growth and investment that occurs naturally in the course of business. In rural communities the impact is devastating.

The administration has recognized the negative credit impact caused by CRA. Bank regulators are now trying to develop new standards that eliminate the burdens of the CRA. In fact, 39 senators recently sent a letter to Comptroller Ludwig, applauding the administration's recognition of a need for a two-tiered approach to address the differences between community banks and larger money center banks.

But the new regulations do not go nearly far enough to alleviate the paperwork burden. To meet a more streamlined examination process, a community bank must show that it has a loan-to-deposit ratio of at least 60 percent. This ratio unfortunately fails to take into account a number of relevant characteristics that make it difficult for small, rural banks to meet a 60 percent national standard. For example, rural banks in Wyoming have expressed concern that they may not have the loans available to meet the 60 percent ratio. If adopted "as is", it is clear that the CRA paperwork issue would not be resolved for half of the small community banks in Wyoming and other States—the very banks that are most in need of relief.

I understand that the regulators are addressing much needed reforms. However, I want to make it clear, Mr. President, that if they modify the regulations and do not recognize the differing needs of banks in small communities from those in large, we will have to act legislatively.

I had intended to offer an amendment to this effect today. My amendment would have incorporated the language contained in S. 1698, the Rural Community Bank Paperwork Relief Act of 1993 which I introduced with Senators MCCAIN and BOREN, and which is also supported by Senator MACK. This amendment would have allowed independently chartered banks in small towns to "self certify" that they are meeting local credit needs. A small bank will be presumed to meet CRA requirements if they qualify under a State loan to deposit ratio, and certifies that it is meeting the credit needs of the entire community.

I have been persuaded to wait until the regulatory process has progressed further before acting. However, I urge the regulators to act expeditiously to address the paperwork burdens of CRA and to free up much needed resources, or we will act for them.

Mr. SARBANES. Mr. President, I rise in support of S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act.

I would like to begin by commending Senator RIEGLE, the chairman of the Banking Committee, and Senator D'AMATO, the ranking member, for the cooperative and bipartisan manner in which they have worked to bring this important piece of legislation to the floor. This bill was reported out of the Banking Committee last September 23 by an 18 to 1 vote, reflecting the broad support within the committee for the bill.

I was pleased to be an original cosponsor of this legislation. Title I of the bill would promote the growth of community development financial institutions, as well as address abuses that have taken place in the home equity lending market. Title II would facilitate the development of a secondary market for small business loans similar to that for residential mortgages, thereby making credit more easily available for small business. Title III contains a number of provisions designed to improve the efficiency of financial regulation in response to concerns raised by financial institutions about excessive paperwork and regulatory burdens, while not weakening safety and soundness.

I would like to focus my remarks on subtitle A of title I of the legislation, which is the Community Development Banking and Financial Institutions Act.

Subtitle A of title I would establish a Community Development Financial Institutions Fund to promote the economic development of underserved communities by providing financial and technical assistance to new and existing community development financial institutions.

The legislation provides that community development financial institutions would include community development banks and credit unions, minority-owned banks, community development loan funds, microenterprise funds, and community development corporations. Eligible institutions must have a primary mission of community development. Traditional commercial banks would be able to form a community partnership with community development financial institutions to work cooperatively to revitalize communities.

The Community Development Financial Institutions Fund would be a wholly owned Government corporation which would provide financial assistance to eligible institutions through equity investments, deposits, credit union shares, loans, and grants. It could provide technical assistance directly, through grants, or by contracting with organizations that possess expertise in community development.

The fund would be directed by an Administrator appointed by the President and confirmed by the Senate. A five-member advisory board would consist of representatives of community groups, local and regional governments, community development organizations, and the banking industry. The subtitle authorizes $382 million over 4 years.

The bill leverages private and public resources. Assistance from the fund, other than technical assistance, must be matched dollar for dollar by the private sector. Criteria for selection include community need, community representation, ability to leverage private funds, past performance, extent of targeting to low income people, and the strength of the institution's strategic revitalization plan.

Insured depository institutions that receive assistance as community development financial institutions would be subject to all existing safety and soundness laws and regulations.

I would like to take a moment to discuss the South Baltimore Community Development Credit Union, a small credit union which serves the neighborhoods of south Baltimore, as an example of the kind of institution that might benefit from this legislation.

The South Baltimore Community Development Credit Union was originally chartered in 1967 to serve low income people in its surrounding neighborhoods. It was one of seven community development credit unions established in Baltimore at that time. Over the course of its nearly 25-year history it has weathered some difficult times, and today is the only one of the original seven community development credit unions in Baltimore still operating. It currently has a membership of over 1,400 people and approximately $980,000 in assets.

The credit union serves as a means by which people of modest income can pool their savings and gain access to credit that otherwise would not be available to them. For example, I am aware of a couple which had been renting the same house in south Baltimore for over 20 years. The owner of the house wanted to sell the house to the couple. Both members of the couple work, however, and their income was too high for them to qualify for subsidized loan programs sponsored by the city. Yet they had difficulty obtaining credit from traditional commercial banking institutions.

Through the South Baltimore Community Development Credit Union to which they belong they were able to obtain a $10,000 purchase mortgage for their house and a $5,000 home improvement loan. This is an opportunity that only the credit union made available to them.

A major constraint on the credit union's ability to serve the south Baltimore community is that its only office is located in southwest Baltimore. As a result, people in southeast Baltimore have to go across town to get to the credit union, which is a significant obstacle to membership in the credit union.

The credit union would like to be able to establish a full time public office in southeast Baltimore, but lacks both the capital and technical management expertise that would be required. The establishment of a Community Development Financial Institutions Fund to provide financial and technical assistance to institutions such as the South Baltimore Community Development Credit Union, as well as to leverage support from the private sector, might make that possible.

The credit union estimates a potential additional membership of as many as 20,000 people in southeast Baltimore.

Mr. President, I believe this legislation holds great potential for communities in this country lacking adequate access to credit and financial services. I urge my colleagues to give it their support.

Mr. DECONCINI. Mr. President, I rise today to offer my support for S. 1275, The Community Development, Credit Enhancement and Regulatory Improvement Act. This multifaceted legislation touches many important areas which needed to be addressed. This bill will increase access to capital, which in turn will assist in the continued growth of this Nation's economy. The establishment of Community Development Financial Institutions will infuse many distressed areas of this Nation with much needed capital. The securitization of small business loans will allow small businesses, which are so vital to economic growth, greater ability to acquire loans and do so at lower interest rates. In short, I believe this legislation will put money back into our communities and will enhance this country's already promising economic outlook.

Other very important provisions are the consumer protection measures contained in title I, subtitle B, the Home Ownership and Equity Protection Act. I have been contacted by many constituents, including many members of the Arizona Association of Mortgage Brokers, who initially raised concerns over portions of this section of the bill. I shared many of those concerns, particularly the proposed prohibition on balloon payments. However, the 5-year limitation on the prohibition offered by Senator RIEGLE and Senator D'AMATO has resolved my concern. This modification allows the bill to address the egregious violations of the Truth in Lending Act, while at the same time, continuing to allow many people to obtain money for a myriad of reasons, including sending their children to college, or remodeling their homes.

No one disputes that among the hundreds of individuals and organizations who are in the business of lending money, there is a small but detrimental minority who prey on those in need and seek nothing more than a quick financial windfall. The Banking Committee received testimony about people, typically low income and minority homeowners, being bilked into terrible financial deals by lenders who specialize in fraud and dishonesty. Of the many concerned Arizonans involved in the mortgage industry who contacted me, all were deeply troubled by the practice of reverse redlining and the irreparable damage it creates, not only to the homeowners but also to an otherwise reputable industry. People who conduct business in this fashion should be dealt with in the most serious manner possible. While I support the committee in its attempt to eliminate lending abuses, I was concerned that a legitimate and viable avenue of obtaining money was being eliminated with the flat prohibition on balloon payments. While it is clear that short-term balloon payment mortgages frequently place individuals at great risk of foreclosure, balloon payment mortgages of a longer, more appropriate term, should not, in my view, be prohibited.

A letter submitted to the Banking Committee by the Southern Arizona Legal Aid, Inc., stated that:

> [v]irtually all of the thousands of loans in litigation required short-term balloon payments, due as little as 13 and never more than 37 months after the closing dates.

People who enter these short-term agreements are often forced into foreclosure when they are unable to acquire the funds needed to payoff the balloon. Those who can obtain funds often do so at an even higher interest rate, and the homeowner is caught in a treacherous financial treadmill. The problem is a very real one and I believe that this bill addresses that problem. However, in addition to strengthening consumer protection in this area, this bill also retains the balloon payment mortgage as a viable option, provided the loan is for at least 5 years in length. The 5-year provision allows legitimate lenders and consumers to utilize balloon payments. Those hoping to get rich quick are now forced to invest for at least a period of 5 years. Frankly, I do not believe this is an investment they will be willing to make. Furthermore, the enhanced disclosure provisions of this bill will help to insure that consumers who do select balloon payment mortgages are fully aware of the terms of their mortgages prior to entering into them.

In short, this bill strikes the proper balance between recognizing the value role that lenders play, while attempting to stop the predatory lending practices of a minority of lenders. I commend the Banking Committee for the fine job they have done on this bill and their willingness to listen to these concerns and others, all of which the committee has addressed in a very fair and equitable fashion. I believe this bill is a good one, and I strongly support its passage.

Mr. SPECTER. I would like to inquire of the chairman of the Senate Banking Committee and the ranking member of that committee of the status of the limitations on so-called nonbank banks placed on those institutions by congressional action in 1987.

Mr. D'AMATO. Let me respond to my colleague from Pennsylvania and a former member of the Banking Committee. You raise a good point. In 1987, a 7-percent growth cap was placed on these institutions. This limitation curtails the flow of credit to consumers and small businesses. I can see no safety or soundness ground for this limit, especially when applied to adequately capitalized and well-run institutions. It is time for us to reexamine the need for this restriction.

Mr. RIEGLE. I would also be delighted to respond to the inquiry from the Senator from Pennsylvania and a former valued member of the Banking Committee. I have received a March 16, 1994, letter from the Treasury Undersecretary Newman advising me of their views regarding the operation of nonbank banks. As you know, the Competitive Equality Banking Act of 1987 [CEBA] prohibited the creation of new nonbank banks. The CEBA legislation also required existing nonbank banks to comply with certain grandfather restrictions, including limiting a nonbank bank's annual asset growth to 7 percent. The Treasury letter, which I shall place in the RECORD to appear at the conclusion of my remarks, expresses concerns about modifying the 7-percent asset growth restrictions that apply to nonbank banks.

I would like to take the Treasury's concerns on this matter under advisement before we consider this matter.

Mr. BENNETT. I would like to add my voice of support to those of my colleagues. This growthcap was put in place, originally, with the intent that overall banking reform would take place shortly. However, this has not come to pass and the outlook for positive developments on this issue appears dim. Artificially restricting the growth of American industry is unwise and I firmly oppose it. I hope that we will do the right thing in this instance and take the opportunity to address the concerns raised by Frank Newman's letter in the Banking Committee this year.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
Washington, DC, March 16, 1994.
Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to oppose any amendment weakening the 7 percent limit on annual asset growth by grandfathered "nonbank banks."

Most companies that control FDIC-insured commercial banks must comply with the Bank Holding Company Act, which generally does not permit them to engage in activities unrelated to banking (e.g., manufacturing locomotives or operating department stores).

Nonbank banks, although FDIC-insured, escaped the Bank Holding Company Act's limits through a loophole that Congress closed in 1987 by enacting the Competitive Equality Banking Act ("CEBA"). CEBA passed the Senate by a 79–11 vote on March 27, 1987, by a 96–2 vote and on August 4, 1987.

CEBA prohibited the creation of new nonbank banks. It also required existing nonbank banks to comply with certain grandfather restrictions in order for their parent companies to remain exempt from the Bank Holding Company Act. One of the most important of these grandfather restrictions limits a nonbank bank's annual asset growth to 7 percent.

Congress recognized that exemption from the Bank Holding Company Act could give nonbank banks and their parent companies significant (and in the view of CEBA's proponents, unfair) advantages in competing with other FDIC-insured commercial banks.

In opting for grandfathering rather than strict conformity with the Bank Holding Company Act, Congress "placed considerable weight on the fact that . . . nonbank banks . . . are generally quite small." It sought to prevent what the legislative history described as "the abuse of grandfather privileges that would occur if grandfathered companies changed the character of the institutions involved through aggressive asset growth." S. Rep. No. 19, 100th Cong., 1st Sess. 12 (1987). The asset-growth restriction was designed to "help prevent existing nonbank banks from changing their basic character . . .; from drastically eroding the separating of banking and commerce; and from increasing the potential for unfair competition . . . and other adverse effects." It also sought to "give the owners of nonbank banks an incentive to support, rather than obstruct, additional legislation."

Allowing unlimited asset growth by nonbank banks would disrupt the balance struck in CEBA. It would erode the Bank Holding Company Act's separation of banking and commerce, allow nonbank banks to significantly increase their share of total bank assets, and increase the competitive advantages nonbank banks and their parent companies have over other FDIC-insured banks and regulated bank holding companies.

And this fundamental change in CEBA would occur through an isolated, nongermane Floor amendment—rather than, as CEBA contemplated, through comprehensive legislation, enacted after appropriate hearings, allowing "all banks or bank holding companies to compete on a more and equal basis" with companies controlling nonbank banks. 12 U.S.C. §1843(f)(3)(A).

This change would, moreover, provide a windfall to a limited group of companies that already have special privileges—the two dozen firms with grandfather rights under CEBA.

Limiting any amendment to well-capitalized nonbank banks would not alter the basic issues. Any undercapitalized institution would face even stricter asset-growth restrictions under section 38(e)(3) of the Federal Deposit Insurance Act. And being well-capitalized would not address the competitive-equity concerns that prompted the CEBA restriction.

We do not believe a convincing case has been made for weakening the 7 percent limit under the circumstances, and we would accordingly oppose such an amendment.

Sincerely,

FRANK N. NEWMAN,
Under Secretary.

Mr. METZENBAUM. Mr. President, I sponsored an amendment to the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993—S. 1275—which will give consumers the information they need to correct mistakes on their credit history that may prevent them from opening bank accounts.

I have worked for years to reduce the hurdles consumers face in trying to gain access to the banking system. In addition to the financial hurdles, many consumers are denied checking accounts based on false and inaccurate information used to characterize them as bad check writers. More and more banks are relying on companies that for a fee, will provide information about a consumer's checking account history. Oftentimes the information provided simply indicates whether the consumer has a positive or negative history. The underlying facts used to make such a characterization are not given and are often difficult to obtain. All too often the information is false or inaccurate. Nonetheless banks refuse to open accounts for consumers blacklisted by these companies. Merchants refuse to accept their checks.

Under current law, consumers have a right to look at the files consumer reporting agencies have on them and get factual mistakes corrected. Unfortunately, this right is useless because these files often contain only summary subjective information about the consumer. The facts upon which a so-called negative characterization about the consumer are based are not included.

Consumer Action, a California advocacy organization released figures in 1991 showing that two-thirds of surveyed California financial institutions refuse to open checking accounts for people who are listed with Chexsystems, a checking account verification company. Chexsystems maintains a negative database of the names of people which have been reported to Chexsystems by their banks. Banks call Chexsystems with the names of all people who want to open new accounts. In most cases people who appear on the Chexsystems database are denied checking accounts when they try to open such accounts at banks that subscribe to the Chexsystems service.

A Consumer Action survey revealed that of the 56 financial institutions surveyed, 54 clear new account applicants through Chexsystems. Of those 54, two-thirds—36 banks—automatically deny new accounts to any one who appears on the Chexsystems database, regardless of the reasons their names appear there.

Take for example the case of Raymond J. Sheehy. Mr. Sheehy attempted to open a checking account with Wells Fargo Bank in July 1991 but was denied the account. Mr. Sheehy was denied an account at Wells Fargo even though the bank's records showed that Mr. Sheehy had maintained an account in good standing with the bank for 5 years. The account was closed when Mr. Sheehy left California for Hawaii. Mr. Sheehy was told that his account was denied because there was a problem with Chexsystems. Nothing more. With great difficulty, Mr. Sheehy later learned from Chexsystems that Tinker Credit Union had reported to Chexsystems that Mr. Sheehy's account with them showed an entry of NSF or not sufficient funds. No further details were given. Mr. Sheehy notified Chexsystems that the NSF reported by Tinker Credit Union was incorrect. Chexsystems nonetheless continued to report this incorrect information.

My amendment adds to the list of information that must be disclosed to a consumer by a consumer reporting agency. An agency that reports a negative characterization about the consumer, must now disclose the information upon which such characterization is based. Specifically, the agency must disclose the dates, original payees, and dollar amounts of any checks upon which is based any negative information about the consumer. Without such facts, the consumer burdened with false or inaccurate information is unable to dispute and/or correct such information.

For example, if a consumer reporting agency indicates that the consumer has had high not sufficient funds NSF activity in the past, the agency must now disclose to the consumer the specific facts upon which such a characterization is based.

This disclosure requirement would be triggered regardless of the manner in which negative information is communicated or retained by the agency. For example, if an agency only contains files on consumers who have allegedly had bad account relationships in the past, the fact that the consumer's name appears in the file would implicitly convey negative information about the consumer and thereby trigger the new disclosure requirement. Under such circumstances, the consumer would have the right to learn the specific facts surrounding such a characterization.

My amendment will make the current fair credit reporting law more meaningful. It will prevent consumers from being blacklisted from the banking system because of negative information about the consumer of which the consumer is not aware. It will make consumer reporting agencies more accountable for the information and characterizations they report.

Mr. HATFIELD. Mr. President, during the recent recession we have come to realize the poignant effects of poor credit availability on the Nation's economy, and especially upon small businesses. I support the bill before us today because it takes important steps toward addressing this problem. Not only does it use new tools to promote private lending, but it allows for better use of existing sources of capital by cutting burdensome regulations on insured financial institutions.

Access to capital is a financial phrase for a simple concept—the ability to get money to worthy private investments in hard hit areas such as those impacted by the timber shortage. The promotion of capital and technical assistance through the establishment of community development financial institutions could have a powerful impact in the places across the country where funds are toughest to get. It is reassuring for the integrity of this idea that existing institutions will participate and that Federal assistance from these funds must be matched dollar for dollar by non-Federal funding.

The Capital Access Program—CAP—which is enhanced in this bill, is something that the State of Oregon has played a special role in. Enacting this program in its 1989 legislative session, Oregon has one of the first and most successful programs in the country. The CAP promotes business lending by creating reserve funds consisting of contributions by the lenders, borrowers, and the State—controlled in our case by the Oregon Economic Development Department. This gives banks more flexibility to make loans that they might not otherwise make to small businesses. In Oregon, a total of over 330 loans have been made since 1991, averaging $24,600 per loan. This is crucial capital for small business development that would not be possible without this program.

Another very important part of S. 1275 is the title reducing some of the regulatory burdens on our insured financial institutions. Redtape has been strangling the ability of these institutions to expand lending in the consumer and small business sectors of our economy. This is critical in states such as Oregon, where small businesses employ 63 percent of the private workforce. The bill before us includes provisions, cosponsored by many of us over the last year, which streamline regulation without impacting on the safety and soundness of our insured financial institutions.

For example, a small bank in Madras, OR, handling a Small Business Administration loan for a manufacturer must deal with 11 different governmental agencies and 25 different regulations during the transaction. This type of duplicative regulation must be trimmed away if we want to encourage lenders to do what they do best. It is encouraging to see the Senate taking action today to cut redtape while staying vigilant that the banking system stay safe and stable.

Last week, we passed a bill to enhance the competitiveness of business in America. At that time, the Senate passed an amendment that I offered to promote business research and assistance at universities across the country. This week, we are taking the next step toward competitiveness by making much needed credit more available and by removing some of the regulatory roadblocks to efficient business development.

NONBANK BANKS

Mr. SPECTER. Mr. President, I had come to the floor to discuss a provision of the pending legislation. While the Senator from North Dakota is on the floor, I wonder if I might ask him about an amendment I understand he was interested in relating to removing the 7 percent growth cap proposed on the grandfathering of nonbank banks.

Mr. DORGAN. I would say to the distinguished colleague from Pennsylvania that I am not familiar with that issue.

Mr. SPECTER. I thank my colleague from North Dakota. I will discuss it with him privately.

THE WHITEWATER AFFAIR

Mr. SPECTER. Mr. President, as I said, I had come to the floor to discuss the pending legislation. As I hear the debate on the Whitewater affair, I am impressed with the fact that much of the discussion has not dealt with the fundamental distinction between grand jury proceedings and congressional oversight hearings such as those which might be conducted by a select committee or by one of our existing committees.

The special prosecutor has referred a number of issues to grand juries which are by their nature, and by the requirements of law, secret. And it is an open question as to how long those investigations will last. The grand juries are impaneled for a period up to 18 months. Very frequently, grand juries are extended beyond that period. When a matter is before an investigating grand jury, they can take a very long time. On the other hand, a congressional oversight inquiry is one which is disclosed to the public, and one where the public has insight into what is occurring.

My own view is the country's best interests would be served by having oversight hearings preferably by a select committee so we do not have hearings conducted by many committees which have partial jurisdiction over the so-called Whitewater affair.

The critical difference is that these issues have been raised in the public view, and they have understandably attracted much public attention. The sooner there are answers to these pending questions, the sooner we can go on with the business of the country.

I have not participated in any accusations against the President because I do not know what the facts are. But there is no doubt there is an enormous distraction to the President's business. In his speech in Boston day before yesterday with the expression of concern, to put it mildly, with the repetitive "no, no, no," et cetera, some nine "noes"; there is no doubt that this is a matter of overwhelming concern to the President, to the First Lady, and to the entire operation of Government.

This is a matter of great importance at a time when it would be vastly preferable if the President could focus on the problems of the Mideast where we saw the Israeli Prime Minister yesterday, the problems of Russia and our complex transactions there, the difficulties with North Korea, the issue about their having nuclear weapons, the issue of the budget, the issue of health care, the issue of the economy, and so many, many issues.

There is one matter I have been concerned about where there has not been the kind of disclosure which I think ought to have been made public. That concerns the meetings which were conceded by the White House 2 weeks ago yesterday. It is the meeting where Treasury officials met with officials of the White House where all of the indications were those who were conducting an investigation, were privy to the investigation, were informing those who were interested in the potential subjects of the investigation. That, Mr. President, I think is fundamentally wrong.

It is my view there should have been a very detailed explanation as to what happened in those meetings where you had a high-ranking official like the No. 2 man in the Treasury Department meeting with the counsel to the President. When I read about those meetings, it seemed to me that unless there could be explicit public assurances that the subject matter of those meetings did not involve the RTC investigation, and explicit public assurances that those who were privy to the investigation in Treasury were not making inappropriate disclosures to the counsel to the President, and others in the White House who were apparently looking after the interests of the President, and others in the executive branch; unless there could be those explicit assurances, then the people who were involved in those meetings ought not to be in Federal employment. Their employment ought to be terminated. They ought to be asked to resign, or they ought to be fired.

I say that because this is a very different standard from being the subject of a grand jury investigation, or having a criminal prosecution brought as a result of a grand jury investigation, contrasted with holding a job. That is a matter which has yet to be explained.

It seems to me in the absence of a detailed explanation as to what happened in those meetings, and that has not been forthcoming even though it is under investigation by the special prosecutor, that investigation is secret, and necessarily so under the law which governs grand jury proceedings. It is a matter of utmost importance to the American people and ought to be disclosed.

If I had the authority to convene a Senate hearing, that is the subject that I would convene a Senate hearing on very, very promptly because those are important questions. Those questions have gone unanswered.

When the assertions have been made by the executive branch that there is no impropriety, I do not challenge that. But I do think there has been sufficient interest in the matter that all of the issues ought to be presented to the public that can be handled in the appropriate oversight proceedings which is a congressional responsibility. Regretfully, Congress does not engage in much oversight or as much oversight as we should.

This is one issue where oversight is sorely needed. And again focusing on the very different function of the special prosecutor, he cannot carry out the congressional authority on oversight. The critical difference is the secrecy of the grand jury proceeding contrasted with the public disclosure in the congressional oversight which I think ought to be undertaken.

The distinguished Republican leader has talked about a possible sense-of-the-Senate resolution. The distinguished majority leader has talked about a possible sense-of-the-Senate resolution. It is my hope that matter will come to the floor, will be approved by this body, and there will be an expeditious schedule established so that we can have the appropriate congressional oversight.

I thank the Chair. I yield the floor.

I note no other Senator seeking recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I ask unanimous consent that I may be permitted to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELECTION FRAUD IN PHILADELPHIA

Mr. SPECTER. Mr. President, there has been a celebrated matter in my State, Pennsylvania, in the city of Philadelphia, concerning widespread election fraud in a special election of the second senatorial district, where substantial evidence existed of widespread voter fraud. A very unusual decision was made by the U.S. District Court for the Eastern District of Pennsylvania invalidating the election of a man named Stinson, disallowing all of the absentee votes and, instead, declaring the winner Bruce Marks, a young man who had served on my staff.

This was an extraordinary decision because of the evidence which disclosed widespread fraud, where absentee ballots were obtained and where misrepresentations were made by political workers of the Democrat Party, suggesting that where the box "Democrat" was checked off, it was only a signification of registration when, in fact, it was a vote for the Democratic candidate, and where there were many forgeries and widespread fraud.

The proceedings in the Pennsylvania Senate, as reported in yesterday's Philadelphia Inquirer, contained a very vitriolic attack on the judge who handed down that decision. As characterized on the front page,

> While starting with a comparatively mild changing of the guard, soon turned raucous and nasty, with State Senator Vincent J. Fumo, at one point characterizing a Federal judge as "senile" and "brain dead."

This judge is Judge Clarence Newcomer, who has served on the U.S. District Court for the Eastern District of Pennsylvania since approximately 1970. Prior to that, he was a very distinguished district attorney of Lancaster County, a man with whom I worked extensively when I was district attorney of Philadelphia. Judge Newcomer is in senior status, which means that he no longer has to perform if he chooses not to. But because of the backlog in the eastern district, he has taken on work there. He wrote a very extraordinary and learned opinion, an opinion which was upheld yesterday in almost all respects by the court of appeals for the third circuit, with a limiting issue being one of remedy, with a further hearing being ordered to take evidence to see if the specific evidence on the fraudulent votes total the difference, which are some 461 votes. But the thrust of Judge Newcomer's opinion was upheld unanimously, except for that one item, by the court of appeals for the third circuit.

To have a distinguished judge like Judge Newcomer characterized as "senile" and "brain dead," I think the right characterization is difficult to come by. But certainly, at a minimum, it is grossly out of order.

I wanted to take a few moments today to acquaint my colleagues with some of the particulars of that decision. I have spoken of it from time to time on the floor. I want to lend my voice to the character and qualifications and integrity and ability of Judge Newcomer, in terms of his distinguished public service as district attorney of Lancaster County, PA, and on the U.S. District Court for the Eastern District of Pennsylvania, and to decry any such characterizations as being far beyond the pale.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. BROWN. Mr. President, I ask that the pending amendment to the bill be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1538

(Purpose: To express the sense of the Senate concerning United Nations resolutions on Jerusalem)

Mr. BROWN. Mr. President, I send an amendment to the desk on behalf of Senator MOYNIHAN, Senator D'AMATO, and myself.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] for Mr. MOYNIHAN for himself, Mr. BROWN, Mr. D'AMATO, Mr. PACKWOOD, Mr. DECONCINI, Mr. LAUTENBERG, Mr. SPECTER, Mr. SASSER, Mr. DOLE, Mr. BURNS, and Mrs. FEINSTEIN proposes an amendment numbered 1538.

At the appropriate place in the bill, add the following new section:

SEC. . UNITED NATIONS RESOLUTIONS CONCERNING JERUSALEM.

(a) FINDINGS.—The Congress finds that—

(1) For three thousand years Jerusalem has been the focal point of Jewish religious devotion;

(2) Jerusalem is also considered a holy city by the members of other religious faiths;

(3) The once thriving Jewish majority of the historic Old City of Jerusalem was driven out by force during the 1948 Arab-Israeli War;

(4) From 1948 to 1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan;

(5) In 1967, Jerusalem was reunited during the conflict known as the Six Day War;

(6) Since 1967, Jerusalem has been a united city administered by Israel and persons of all religious faiths have been guaranteed full access to holy sites within the city;

(7) In 1990, the United States Senate and House of Representatives overwhelmingly adopted Senate Concurrent Resolution 106 and House Concurrent Resolution 290 declaring that Jerusalem, the capital of Israel, "must remain an undivided city";

(8) The Vice President has stated the Administration's intention not to "forget the meaning of Jerusalem";

(9) The Secretary of State recently reiterated U.S. opposition to attempts in the United Nations to refer to Jerusalem as "occupied territory";

(10) It is reported that the United Nations Security Council may consider a resolution condemning the Hebron massacre but which also refers to Jerusalem as "occupied" territory;

(b) SENSE OF CONGRESS.—Therefore, it is the sense of the Congress—

(1) That the Administration should be commended for its efforts not to "forget the meaning of Jerusalem" and to oppose attempts in the United Nations to refer to Jerusalem as "occupied" territory;

(2) That sacrificing core principles for short term objectives will ultimately retard, not advance, the peace process;

(3) That the United States should exercise its veto in the United Nations Security Council on any Security Council resolution that states or implies that Jerusalem is "occupied" territory.

Mr. BROWN. Mr. President, I should note first of all that Senator MACK from Florida and Senator MOYNIHAN from New York have taken the lead in circulating a letter expressing similar sentiments among the Senators.

The urgency of this particular measure comes about because of the potential that this particular question will be addressed in the United Nations.

We think it is particularly important that this vital matter, specifically involving the status of Jerusalem, not go unnoticed or unaddressed by this Chamber.

So I rise not only to join Senator MOYNIHAN and Senator D'AMATO in offering this amendment, but to express my thanks for the leadership of Senator MACK in circulating that letter, and his particular leadership on this subject.

Mr. President, I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, I cannot on one hand say that we recognize that Jerusalem is the eternal capital of Israel and then on the other hand allow the U.N. to vote to change the status of Israel or Jerusalem to now be known as occupied territory.

That is simply sending the wrong message and the wrong signal to those who are determined to bring war to that area, particularly to the State of Israel. That is why it is appropriate and necessary for us to vote on this sense of the Senate resolution, in which we send to the State Department a very clear-cut message that the State of Israel will not be jeopardized as a result of the horrible act that took place in Hebron.

This will not help the peace process. It will indeed create grave doubts as to our determination to continue our steadfast relationship with Israel and it will embolden others to take, what I believe, is the kind of precipitous acts that cannot enhance peace.

I strongly support the resolution. I think it is appropriate for us to show our strong support for an Israel that has Jerusalem as its capital and that we, the United States of America, should demonstrate that it is determined not to put Jerusalem in the territory or in the area known as occupied territory. That would be simply unacceptable.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. MATHEWS). The Republican leader is recognized.

WHITEWATER

Mr. DOLE. Mr. President, a lot of my colleagues on the other side have been quoting Barry Goldwater today because he said something they like. I am not certain that was always the case when he was here. Barry Goldwater has always had a mind of his own. Many of us have felt the sting of his criticisms. Those of us who stood together with him in 1964, I might add, have felt it from time to time.

He wrote a book about Nixon and Watergate. I want to read a couple of quotes out of it.

> If the war in Vietnam taught the American people and their political leaders anything, it is that truth is their strongest weapon. The Watergate scandal taught the same simple but supreme lesson. Without truth there cannot be freedom or justice, wisdom or tolerance, courage or compassion. Truth is the foundation of a stable society.

That is on page 255, chapter 9.

Then, on page 266, Senator Goldwater is talking about visits he had with President Nixon.

> In April I publicly asked the President to level with the American people on Watergate. Trying to move Nixon off his butt, I told the Christian Science Monitor: "The Watergate. The Watergate. It's beginning to be like Teapot Dome. I mean there's a smell to it. Let's get rid of that smell."
>
> In December, during another interview with the Monitor, I tried again to get Nixon to open up by saying the President was doing too little, too late about Watergate: "He chose to dibble and dabble and argue on very nebulous grounds like executive privilege and confidentiality when all the American people wanted to know was the truth."

Well, that is true today. It was true in 1973 and it is true in 1994.

So if Goldwater was right then, he was wrong yesterday. And if he was right yesterday, he was wrong in 1973. You cannot have it both ways.

So I just suggest, for all those who are looking for little quotes from different people, there are all kinds of quotes out there. We all have them.

But I just suggest we offered a counterproposal to the majority leader to resolve this issue. If not, we are prepared to vote on the original amendment that I prepared and will offer at the appropriate time. And we hope to do that very quickly.

Mr. RIEGLE. Mr. President, the Senator from South Carolina has asked for consideration to be able to speak for 1 minute because he has to make another commitment. I suggest that we recognize him.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the annual St. Patrick's Day is held in Charleston once a year. The Hibernian Society will hold a dinner tonight. It is something we planned on a long time ago. We thought everything was cleared, but it is not.

I am going to have to leave anyway and Senator AL SIMPSON has to go.

I just want to say that I favor this Whitewater resolution. It provides that the Congress has a constitutional obligation to conduct oversight of matters relating to the operations of the Government, including matters related to any governmental investigations which may, from time to time, be undertaken.

It also provides that the majority leader and the Republican leader should promptly determine the appropriate timetable procedures and forum for hearings concerning Whitewater.

It also provides that no witness called to testify at these hearings shall be granted immunity under Section 6002 and 6005 of Title 18, United States Code, over the objection of independent counsel Robert B. Fiske, Jr.

And it also provides, to the extent practicable, the hearings shall be structured and sequenced in such a manner so as not to interfere with the ongoing investigation of independent counsel Robert B. Fiske, Jr.

Mr. President, this resolution appears to be a very reasonable resolution. We had such investigation in the past. I think it is proper to support this.

If I were to be here, I would support it. If I am not here, I ask to be positioned for this resolution.

I wish to thank my friend for allowing me to speak at this time.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1538

Mr. RIEGLE. Mr. President, I know Senator MOYNIHAN has a very keen interest and is a principal cosponsor on the amendment that has been sent to the desk by Senator BROWN.

What I may do now, knowing the strength of Senator MOYNIHAN's feelings and others, is to go ahead and move the adoption of that amendment and then reserve time for him.

He is on his way, I am told.

So I say to Senator BROWN, I am wondering if he would mind if I, just for the moment, set his amendment aside in deference to Senator MOYNIHAN, who is on his way to the floor and wants to say something, and then I am prepared to move its adoption.

Mr. SPECTER. Mr. President, if I might ask for leave to speak for 3 minutes on the amendment before it is set aside.

Mr. RIEGLE. Of course.

Mr. SPECTER. Mr. President, I ask unanimous consent to be listed as a cosponsor of the Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I commend the Senator from Colorado on offering this amendment, which has as its essential provision to commend the administration for its efforts not to forget the meaning of Jerusalem and to oppose attempts in the United Nations to refer to Jerusalem as occupied territory; and, that the United States should exercise its veto in the United Nations Security Council on any Security Council resolution that states or implies that Jerusalem is occupied territory.

Mr. President, the Mideast peace process is a matter of great importance to this country and to the world. There should not be an effort to bring the status of Jerusalem into those talks at this time or to suggest in any way that Jerusalem is part of any occupied territory, which would only inflame and make those peace talks more complicated.

Jerusalem, an undivided Jerusalem, is a part of Israel. This sense-of-the-Congress resolution would emphasize that. I think it is a very important resolution and ought to be adopted.

I thank the Chair and I yield the floor.

Mr. RIEGLE. Mr. President, I ask we temporarily lay aside the amendment by Senator BROWN until Senator MOYNIHAN has arrived and had a chance to speak.

The PRESIDING OFFICER. Is there objection?

Mr. BROWN. Reserving the right to object, if the Senator would, there is a modification of the amendment which I think is appropriate.

Mr. RIEGLE. Let me reserve my request until the Senator sends his modification to the desk.

AMENDMENT NO. 1538, AS MODIFIED

Mr. BROWN. Mr. President, I ask unanimous consent the amendment be modified, in the third paragraph by substituting the word "community" for "majority," so it would read, "once thriving Jewish community," instead of "majority." This is a recommendation of Senator MOYNIHAN that I thought made sense.

The PRESIDING OFFICER. The Senator has a right to modify his amendment and it is so modified.

The amendment (No. 1538), as modified, is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . UNITED NATIONS RESOLUTIONS CONCERNING JERUSALEM.

(a) FINDINGS.—The Congress finds that—

(1) For three thousand years Jerusalem has been the focal point of Jewish religious devotion;

(2) Jerusalem is also considered a holy city by the members of other religious faiths;

(3) The once thriving Jewish community of the historic Old City of Jerusalem was driven out by force during the 1948 Arab-Israeli War;

(4) From 1948 to 1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan;

(5) In 1967, Jerusalem was reunited during the conflict known as the Six Day War;

(6) Since 1967, Jerusalem has been a united city administered by Israel and persons of all religious faiths have been guaranteed full access to holy sites within the city;

(7) In 1990, the United States Senate and House of Representatives overwhelmingly adopted Senate Concurrent Resolution 106 and House Concurrent Resolution 290 declaring that Jerusalem, the capital of Israel, "must remain an undivided city";

(8) The Vice President has stated the Administration's intention not to "forget the meaning of Jerusalem";

(9) The Secretary of State recently reiterated U.S. opposition to attempts in the United Nations to refer to Jerusalem as "occupied territory";

(10) It is reported that the United Nations Security Council may consider a resolution condemning the Hebron massacre but which also refers to Jerusalem as "occupied" territory;

(b) SENSE OF CONGRESS.—Therefore, it is the sense of the Congress

(1) That the Administration should be commended for its efforts not to "forget the meaning of Jerusalem" and to oppose attempts in the United Nations to refer to Jerusalem as "occupied" territory;

(2) That sacrificing core principles for short term objectives will ultimately retard, not advance, the peace process;

(3) That the United States should exercise its veto in the United Nations Security Council on any Security Council resolution that states or implies that Jerusalem is "occupied" territory.

Mr. BROWN. I ask unanimous consent Senators DOLE, BURNS, and FEINSTEIN be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I ask we now temporarily set aside the Brown amendment so I might proceed with an amendment dealing with the securitization provision, which I am going to send to the desk in behalf of Senator D'AMATO and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1539

(Purpose: To amend provisions related to small business securities)

Mr. RIEGLE. Mr. President, on behalf of Senator D'AMATO and myself, I shortly will send an amendment to the desk and ask unanimous consent it be in order. This amendment modifies the tax and pension provisions of the small business loan and securitization subtitle to address concerns raised by the Finance and Labor Committees. The managers' amendment, adopted yesterday, amendment 1523, changed the tax provision to sense-of-the-Senate language.

It has been cleared on both sides. Let me now send that to the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1539.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 99, beginning with line 22, strike all through page 100, line 19, and insert the following:

(a) PROHIBITED TRANSACTION EXEMPTION.—The Secretary of Labor, in consultation with the Secretary of the Treasury, may exempt transactions involving small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934, as added by section 202 of this Act) pursuant to section 408(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(a)) and section 4975(c)(2) of the Internal Revenue Code of 1986.

(b) CONSIDERATION OF EXEMPTION REQUESTS.—The Secretary of Labor shall consider any request for exemption under subsection (a) within a reasonable period of time after receipt of such request.

Section 210 of the bill, as amended by amendment No. 1523, is further amended—

(1) in subsection (a)—

(A) by striking "account—" and inserting "account, as appropriate—";

(B) by striking "and" at the end of paragraph (2);

(C) by striking the period at the end of paragraph (3) and inserting "; and"; and

(D) by adding at the end the following:

"(4) such other tax policies as may be warranted."; and

(2) in subsection (b)—

(A) by striking "means any entity" and inserting "means an entity";

(B) by striking "any obligation (including any participation or certificate of beneficial ownership therein)" and inserting "obligations"; and

(C) by striking "that was originated" and inserting "that were originated".

Mr. RIEGLE. This has been cleared on both sides. I urge the adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1539) was agreed to.

Mr. RIEGLE. Mr. President, I now want to send another amendment to the desk that has been cleared on both sides by myself and Senator D'AMATO. It is an amendment to the Federal Reserve Act.

The PRESIDING OFFICER. Without objection, the pending amendments are set aside.

AMENDMENT NO. 1540

Mr. RIEGLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for himself and Mr. D'AMATO, proposes an amendment numbered 1540.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert:

SEC. . AMENDMENT TO THE FEDERAL RESERVE ACT.

SEC. 11. Section 11 of the Federal Reserve Act (12 U.S.C. 248), is amended by inserting at the end thereof the following new subsection:

"(p) AUTHORITY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may each act in the Board's or the Committee's own name and through the Board's or the Committee's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Board of Governors of the Federal Reserve System or the Federal Open Market Committee is a party.".

Mr. RIEGLE. I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. I commend Senator RIEGLE and his staff for this amendment. This amendment would give the Federal Reserve Board the same authority as we gave the Comptroller of the Currency yesterday to bring lawsuits; that is, without there having to be prior consultation or permission. The Office of Thrift Supervision already has this power.

I believe what we are seeing is an attempt to give to independent regulators the opportunity to carry out their functions unimpeded.

It is a very important step. I certainly support this amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1540) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I want to take a brief moment to say, as I finish, Senator KERRY is seeking recognition to present a compromise that he has worked out with Senator MACK, Senator BOND, Senator D'AMATO, and others, with respect to the flood insurance issue. It saved a lot of time and effort.

I commend the Senator from Massachusetts for his dogged efforts here, and the good will all around in working this issue out. It is not a simple matter, and has taken a lot of effort by all involved to reach this sensible compromise.

I am prepared to urge its adoption as soon as the Senator has had a chance to comment on it and sends it to the desk.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order is amendment No. 1537.

AMENDMENT NO. 1537

Mr. KERRY. Mr. President, I ask unanimous consent I be permitted to withdraw the amendment that is at the desk.

The PRESIDING OFFICER. The Senator has that right. Amendment No. 1537 is withdrawn.

The amendment (No. 1537) was withdrawn.

AMENDMENT NO. 1541

(Purpose: To strengthen the National Flood Insurance Program and to reduce risk to the National Flood Insurance Fund by increasing compliance, providing incentives for community floodplain management, providing for mitigation assistance, and for other purposes)

Mr. KERRY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself, Mr. MACK, Mr. BOND, and Mr. D'AMATO, proposes an amendment numbered 1541.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KERRY. Mr. President, I will take very brief time to describe this. I first want to thank the Senator from Florida, Senator MACK, and the Senator from Missouri, Senator BOND, for a tremendous amount of time that has gone into this, not just over today but over the course of the last couple of years.

I particularly want to thank the Senator from Florida for his good-faith efforts and his personal efforts to guarantee that we really move today. I pay a tribute to him because without his efforts and the seriousness of his staff, we would not have reached this accommodation.

I believe we are sending to the desk a fundamental, long overdue, and very important reform of our National Flood Insurance Program. As a result of this reform, we all believe the fund is going to have much greater participation; that the fund will be fiscally sound. We believe we are going to engage in significant steps to be able to mitigate and prevent future damage. And we are going to answer, because of the approach we have taken, unanswered questions while simultaneously moving down the track to guarantee that erosion and other issues are factored into this plan.

We have done this, I think, in a very sensible and reasonable way so the interests are protected for those who have doubts about it. But, at the same time, we have guaranteed progress.

I would just like to tip my hat again to the Senator from Florida for doing that.

I finally want to thank the distinguished chairman of the committee. He has patiently sat through many a hearing, or a markup, where other bills might have been jeopardized for this. I know he was standing—and perhaps sometimes sitting—on pins and needles with respect to whether this other bill he has worked on might have been slowed up as a consequence of this.

I think we have come together with a sound compromise that ensures the rapid movement of this legislation, and I thank the Senator for his leadership and his patience.

Mr. RIEGLE. Mr. President, let me thank the Senator from Massachusetts for his kind personal comments, and again for his leadership and effort. I am told that the other Senator from Florida, Senator GRAHAM, wants to be able to come over and be part of the final discussion here before we agree to the amendment. I was prepared to urge adoption of the amendment now, but that word has reached me so I am going to defer for a few moments.

Senator MOYNIHAN has arrived, and I know he wants to speak on the Jerusalem issue and I am going to suggest we do that. Once he has concluded, then we can move on that sense-of-the-Senate resolution that bears his name and Senator BROWN's, and perhaps by that time Senator GRAHAM from Florida will arrive and we can then move on the floor measure.

Mr. MACK. Mr. President, if the Senator will yield, it was my intention to make remarks with respect to the flood insurance proposal, as well. Does my colleague prefer that I withhold until after we conclude the resolution?

Mr. RIEGLE. If that would be agreeable to the Senator, I think that might be a good idea to do that because I know Senator GRAHAM is coming over, as well. So I do not know that anything will arise as a result of that, but if it does, there might be something the Senator will want to address in his remarks.

I think this might be a good time also, since we asked the Brown amendment be set aside to take up the flood insurance amendment, that we now dispose of that which we can, with Senator MOYNIHAN here. I do not think we are going to take long here to do that.

Then I think we can come right back to flood insurance, and I will ask that the Senator then be recognized.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 1538

Mr. MOYNIHAN. Mr. President, I thank the distinguished manager of the legislation, the Senator from Michigan, and my colleague and friend, the Senator from New York, who is the comanager.

I rise simply to thank all Senators who are supporting this measure, most particularly my colleague from Colorado, who is the ranking member of the Subcommittee on Near Eastern and South Asian Affairs, and a member of the Foreign Relations Committee.

Mr. President, tomorrow, a letter, which was initiated by Senators MACK, SARBANES, and MCCONNELL, and the Senator from New York, with more than 60 signatures, will go to the President restating the Senate's position on this matter. This position was explicitly laid out in Senate Concurrent Resolution 106 in the 101st Congress, which stated simply the Congress

> * * * acknowledges that Jerusalem is and should remain the capital of the State of Israel; strongly believes that Jerusalem must remain an undivided city in which the rights of every ethnic religious group are protected; and calls upon all parties involved in the search for peace to maintain their strong efforts to bring about negotiations between Israel and Palestinian representatives.

Mr. President, that was 3½ years before those negotiations began. The Prime Minister of Israel, Mr. Rabin, has said this resolution was fundamental to the beginning of those negotiations. As it correctly stated, this matter would be a subject that the parties would resolve themselves.

This administration has been firm in precisely this position. No other administration, and I can speak from some experience, has been as open, direct and specific with regard to its position concerning an undivided Jerusalem as the administration. We are united as a Senate body and we would say to the United Nations at this point, "Please stay out of these matters which are now being negotiated. What we have sought for half a century is now taking place—direct negotiations. Leave the negotiators to their work."

That is what we ask in this resolution. That is what is asked in the letter which two-thirds of the Senate is sending to the President tomorrow. I hope that the matter might be unanimously accepted, so that there is no doubt about our view as a body. I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, in the early 1920's an imprisoned psychotic racist wrote a diatribe called "Mein Kampf," "My Battle." In that tract of hate, Adolf Hitler referred to the Jewish people as a bacillus to be exterminated for the health of Europe.

In 1945, when Hitler died raving in his Berlin bunker, the world thought it was done with at least that sort of lunatic language. We hoped too soon.

Almost 50 years later in the Hebron, Baruch Goldstein, who, I am ashamed to say, was American born, a physician and a Jew, used almost exactly the same language to describe human beings of the Moslem faith, dozens of whom he later murdered in cold blood while they knelt in a house of worship praying to the same God to whom I believe we all pray.

I am particularly shocked, Mr. President, shamed and repulsed to say that Goldstein, who must have had relatives, as do my wife and children, who died at the bloody hands of Hitler, could commit those acts. That the man was a physician makes his crime even worse, just as it made worse the crimes of Josef Mengele and other SS physicians of his ilk.

I know the philosophy of the Jewish Defense League and its later offspring founded by Meier Kahane. That is to say that the Kach party and then Kahane Chi. That philosophy is Lahore, "Never again." I agree with that philosophy, Mr. President. I am committed to it. I have tried to live by it all my political life.

But never again means more than just a commitment to preventing oppression of the Jewish people. As most of my Jewish brothers and sisters will agree, indeed as most of them live their lives, it means a commitment to equality, justice and mercy for all people of every race, creed and philosophy. Most of all, it means that never again should any group of psychopathic racists be permitted to band together to murder innocent people whose only crime is that they belong to a different religion, that their skin is a different color, that they speak a different language.

So I say, never again. We cannot resolve all the problems of the world in this Chamber. We cannot make every man do justly or love mercy or walk with humility. But we can make laws and see that they are enforced with an equal hand.

Mr. President, I applaud the response of the Government of Israel to this abject horror. They have banned Kach and Kahane Chi, and they have arrested some of their leaders. The response is appropriate, not just because of Goldstein's act but also because of the response of those groups to that act. They applauded the murder of innocent people and called it an act of heroism. That response reminded me of the Nazis and of the PLO and Black September at their worst.

So, Mr. President, I call on my fellow Senators from both sides of the aisle to join me in answering this horrific act in Hebron and its racist aftermath. I ask you to join me in congratulating the State of Israel in their condemnation and declaration of illegality of these two terrorist organizations. This denunciation of non-Arab terrorists shows the world Israel's evenhanded approach to violence.

I ask unanimous consent that my name be joined as a cosponsor of the resolution, the Brown-Moynihan resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I ask that the Senate follow the advice and admonition and counsel that we received from the senior Senator from New York, a former Ambassador to the United Nations.

Mr. BROWN. Mr. President, I ask unanimous consent that Senators MACK, COATS, MATHEWS, PRESSLER, and BOXER be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I urge the adoption of the amendment.

Mr. BROWN. Mr. President, I am pleased to rise today to note that the Senate has unanimously adopted Amendment No. 1541, the National Flood Insurance Reform Act of 1993, to S. 1275, the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993. I am delighted to note that the managers of amendment No. 1541 and the full Senate have accepted the Brown amendment to amendment No. 1541, which is directly similar to an amendment I previously offered and withdrew in August 1993 to S. 2667, the 1993 emergency supplemental appropriations disaster relief bill. The Brown amendment now makes it explicitly clear that people who have been given two generous chances to get their house in order, by obtaining and maintaining flood insurance, are prohibited from again coming to the Government trough for a third time to obtain Government payments to repair, renovate, or replace their property which should have been insured in the first and second place.

Since 1973, Federal law has mandated that in order for an uninsured person to obtain Federal disaster relief payments for repair or replacement of flood damaged residential, commercial, or personal property located in a special flood hazard area, which is defined as a 100 year or less flood plan, the person must first sign up for and maintain Federal flood insurance. According to the Federal Emergency Management Administration, the average cost for this flood insurance for the average home is $25 per month.

Moreover, where persons show that they cannot afford to sign up for Federal flood insurance, the Federal Emergency Management Administration—FEMA—will not only cover the damaged property, but will also pay the first year flood insurance premium.

The intent of these flood insurance provisions was clearly one of the Federal Government providing people living in these flood plains a second chance to repair or replace their property even though they failed to maintain flood insurance in the first place. Many originally uninsured people choose to use this Federal disaster money to repair and reconstruct their homes and businesses in the same flood plain in which they were wiped out by flood the first time, and thus, these persons take on the additional risk that another flood could strike and again damage or destroy their property. All of this is done with the understanding that these persons must obtain and maintain flood insurance on this property to protect their own interest and the Federal Government's investment in helping to repair, renovate, and replace their property.

FEMA estimates that less than 10 percent of the persons affected by the last year's floods who live in 100 year flood plains had flood insurance in place at the time of the floods. Most of these persons received or will receive Federal disaster assistance under the condition that they first sign up for and maintain Federal flood insurance.

However, unfortunately, some uninsured persons will also attempt to obtain yet another round of Government disaster relief. These are persons for whom an occurring flood disaster represents the second or third time they have come to the Government to ask you and me to pay to repair or replace of their flood damaged property—all because they failed and refused to keep their promise made the first time to the Federal Government to keep their property insured with flood insurance—a result certainly not intended by this Congress.

I understand that FEMA and other Federal agencies may follow a policy consistent with Federal law of not allowing these second-time uninsured persons to receive Federal flood disaster assistance for repair or replacement of their property; however, none of these agencies apply the same policy, and none are consistent in interpreting and applying Federal law in this area.

Again, the Brown amendment now remedies this time worn problem by making it explicitly clear that people who twice received the opportunity to obtain and maintain flood insurance, and yet refused to do so, are not prohibited from again coming to the Federal Government to ask for a bail out in payments to repair or replace their property which should have been insured in the first and second place.

The Brown amendment, along with the other major flood insurance reforms included in amendment No. 1541, will go a long way toward improving our Nation's flood insurance system.

The PRESIDING OFFICER. If there is no objection, we will resume consideration of amendment No. 1538, as modified.

The question is on agreeing to the amendment, as modified.

The amendment (No. 1538) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, the Senator from Florida was kind enough to defer earlier. I thank him for his courtesy. I suggest he be recognized now.

AMENDMENT NO. 1541

The PRESIDING OFFICER. The Senator from Florida is recognized on amendment No. 1541.

Mr. MACK. Mr. President, I too want to express some thoughts of appreciation to Senator KERRY and his staff and, by the same token, to thank the staff on our side for the work that was done over the last several hours in order to bring about a compromise with respect to the National Flood Insurance Program Reform Act.

The primary purpose of the act, at least from my perspective, was to strengthen the fund and to protect the interests of the home owner or the property owner. Or, to say it another way, to protect the interest of those paying premiums into the fund.

The compromise that we have worked out retains the mitigation insurance provisions as well as assistance grants to States and local communities. It also retains the increased compliance measures to ensure greater participation in the fund.

We do have a limited mapping of erosion zones, but they are done only for the purpose of providing more information to enable us to draw conclusions about what mapping erosion areas nationwide will do to the fund. We want to make sure that if we expend policyholder premium dollars on mapping, it will, in fact, prove cost beneficial to the fund.

During the period of time when we are studying this issue, there would be no denial of insurance or increases in rates. That is a fundamental concern that we had. And there has been an agreement on that. There has also been an agreement to ensure that nothing happens with respect to the establishment of any erosion zone until after the study has been done, the information is reviewed by the Congress, and the Congress acts at that time. A thorough and comprehensive examination of all aspects of erosion management will take place as a result of this work.

Moreover, we have established a clear directive to, above all else, maintain the financial stability of the Flood Insurance Fund. The driving force behind all our efforts has always been to maintain and increase the viability of the insurance fund. And, again, it is based on protecting the fund for those who have paid into it, that is, those who have been making premium payments for years.

Again, I wish to thank Senator KERRY for his willingness to work on this issue, to come to a compromise. And on the basis of that work and on the basis of that compromise, I am pleased not only to be a cosponsor but to endorse the measure as well.

I thank the Chair.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I want to congratulate my colleagues. I congratulate Senator MACK for the work he has put into arriving at this point. I commend Senator KERRY for his persistence, and I commend my colleague Senator BOND. I think what they have done is worked out important reforms to improve the National Flood Insurance Program. Those reforms are aimed at increasing the participation. There are too many people who drop out of this program. I think once we get improvement in participation, we are going to see that this program then is made one that is self-sufficient and does not have to rely upon the taxpayers. That is important.

In addition, reforms will help protect homes from flood damage. The amendment includes a study to obtain information about erosion, to make sure that we understand the risk to the fund. Once we have that information, then Congress can be in a better position to address the issue. That means we are moving forward in a way which will not unduly jeopardize property rights but, by the same token, actuarially strengthen the fund and see to it in the future we utilize the best planning methods to deal with the problems of erosion and flood control.

Again I wish to commend my colleagues. They, as well as staff, have done an outstanding job. They have worked many, many hours on this.

I see my colleague from Missouri, Senator BOND, who wants to speak. But again let me say I am pleased to support this amendment. At times I did not think we would ever reach this point, so this is truly an accomplishment.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. I ask unanimous consent that I be added as a cosponsor to amendment No. 1538.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri.

Mr. BOND. Mr. President, I want to join in saying a very heartfelt thanks to my good friends, Senator KERRY, Senator D'AMATO, and Senator MACK for their efforts on achieving a workable compromise on the National Flood Insurance Reform Act of 1993.

While this certainly is not a perfect bill—I have seen very few that are perfect go through here—I believe it does put the National Flood Insurance Program on a sound financial footing. I believe the Senator from Massachusetts is going to have a modification to correct one point in the bill that we agreed upon. But, as corrected, as agreed upon, this is legislation that I believe all of our colleagues can support.

Coming from a State like Missouri, I have a very special interest in the National Flood Insurance Program. Two of the largest rivers in the world run through our State, in addition to many tributaries. Unfortunately, as everyone saw on the evening news, those rivers did not run through it; they expanded over it this year. And for a State like Missouri to continue to prosper, our citizens must be able to insure against the possibility—yes, in some cases even the probability—of flooding.

There are almost 15,000 Missouri policies in effect providing more than $760 million in coverage for homes and businesses. But we need to get more covered. Over 15,000 Missouri homes were damaged in the great flood of 1993, and many of those homes were without flood insurance. It is too late to insure those homes for that flood, but it is not too late to bring into the program these homes and other uninsured homes, to bring them up to code, to insure them against the risk of flooding. We need to spread the risk and to place the National Flood Insurance Program on a sound financial footing.

The National Flood Insurance Reform Act of 1993 provides many needed reforms. As already described, the legislation would provide stricter requirements to ensure the placement of insurance on properties in flood-prone areas. It would increase flood insurance coverage amounts. It would establish a community rating system to provide premium rate credits for communities that implement land use and loss control measures that exceed minimum criteria, and it would establish a new program for mitigation assistance.

I really believe, Mr. President, that mitigation is one way in which we can make great strides in assuring the actuarial soundness of the program as well as helping protect structures, individuals who live in them, and the families who live in them from the losses and the devastation of floods.

As the Senator from Massachusetts so strongly urged, it also gets us on the road to having FEMA report a study on erosion hazard risks and conduct a representative sampling of erosion hazard risks to the Flood Insurance Fund. These are important reforms. I commend the Senator for bringing those to our attention.

Again, I express my sincere thanks for the efforts of the staff that worked extremely hard to bring all this together, FEMA, which responded to our questions, and obviously to my colleagues for being willing to compromise to move forward on what I think should be a measure to bring significant benefit to the National Flood Insurance Program and the structures it protects.

I thank the Chair.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, first of all, I thank the Senator from Missouri for his generous comments. And again—he was not here at the time, but I thanked him previously and do so again for his dogged pursuit of a number of different reforms in this bill, and also a good commonsense approach to some of the compromises we needed to reach.

I, also, while it is a little premature—we are still waiting for one Senator to come over to clarify a couple of things and then I think we will be able to proceed, hopefully expeditiously—would like to join in thanking a couple members of the staff, Ira Paull, of the committee and Senator D'AMATO's staff, and Pam Ray-Strunk, who have done terrific work on this; John Kamarch and Kim Cobb, working for Senator MACK, to whom we are particularly appreciative. On my side, Dave Jansen and John Winer have really labored at this for a long period of time. Scott Bunton has kind of overseen that effort. We are very appreciative of them.

Mr. President, I ask for a modification at this time.

The PRESIDING OFFICER. The Senator has that right.

MODIFICATION TO AMENDMENT NO. 1541

Mr. KERRY. I ask to strike section 403 and renumber the remaining sections accordingly and also a small modification with respect to the effective date, and I send that modification to the desk.

The PRESIDING OFFICER. The amendment is so modified.

Mr. KERRY. I thank the Chair.

The modification is as follows:

Amendment to section 475.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters assistance provided declared after the date of enactment of the National Flood Insurance Reform Act of 1994.

Strike section 403 and renumber the remaining sections accordingly.

Mr. KERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. A quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent to proceed as in morning business for up to 4 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE ISRAELI-PLO PEACE ACCORD

Mr. LAUTENBERG. Mr. President, I regret that I was not on the floor when the Brown-Moynihan sense-of-the-Senate resolution was offered on the question of whether or not the United Nations is going to be permitted to bring the question of Jerusalem into the discussion about the peace accord with the Israelis and the PLO.

Mr. President, there are almost none here that do not salute and commend the effort that has been taken by our country, by the Israelis, and by the PLO, in the initial signing of the peace accord we witnessed on the lawn of the White House some months ago. It was a great day, and everybody had the feeling that though the road was rocky, eventually, we were going to see an end to the routine killing that has taken place there for so many years, a reduction in violence, and perhaps really establishing a framework for a long lasting, perhaps permanent, peace. And though the killings have not stopped, though the violence has not let up, there is a climate that is substantially better than had been seen in the area for some time—until the events of a couple of weeks ago, when a madman, a deranged individual, who lived in one of the settlements on the West Bank, took it upon himself to adjudicate what was fair and equitable, and assassinated, it is believed, 30 people, and wounded many others—people in a peaceful moment of prayer, of worship. He led this senseless slaughter.

There is a review and investigation going on by the Israelis at the present time to see whether or not there was anyone else involved. But there is no doubt that a fellow named Goldstein was the principal perpetrator, if not the sole perpetrator.

Mr. President, that was not an act by the Israeli Government. If there was a dereliction, they are going to review and investigate to make sure that those who encouraged it or permitted it are held accountable for their lack of attention to duty. But it was an act simply of a madman, of a deranged person whose viciousness is incomprehensible at the most. And now the discussion has been elevated considerably, because there is talk of a U.N. resolution that would not only condemn the killing, but also would bring into the equation the status of Jerusalem. I submit to you that I hope our Government will not fall prey to bringing the question of Jerusalem into the debate, because that will only tend to sidetrack it. It will not permit a serious discussion of peace to take place.

So I commend Senator BROWN, Senator MOYNIHAN, and those who joined in establishing the fact that Jerusalem is not part of this discussion and should not be. I hope that our country will, given the opportunity, veto that resolution before it in fact becomes a matter of record.

I thank the Chair and yield the floor.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

Mr. KERRY. Regular order.

The PRESIDING OFFICER. Regular order is amendment No. 1541.

AMENDMENT NO. 1541

Mr. KOHL. Mr. President, I rise in support of the amendment of the Senator from Massachusetts, and congratulate him on his tireless efforts to bring some reason to the Federal flood insurance program. This amendment is good for the taxpayers, it's good for the environment, and it's good for communities located in the flood-prone areas of the Nation.

Because of the disastrous floods that we in the Midwest experienced last year, I have come to a better understanding of the need for these sorts of reforms. Studies have shown that only 5 to 10 percent of the structures damaged by the floods last year were covered by flood insurance. That is certainly a sign to me that our National Flood Insurance Program needs fixing.

The National Flood Insurance Program was created in 1968 to provide affordable flood insurance for existing buildings in flood-prone areas, and to try to prevent future flood damages by encouraging communities to guide new development away from the water's edge.

The program has achieved the first objective, because Federal flood insurance is affordable. In some cases, it can be said that the program is far too affordable. Already, millions of taxpayer dollars have been diverted into the supposedly self-supporting national flood insurance fund.

But the program has failed miserably at the second objective, because rather than guiding development away from flood hazard shoreline areas, the flood insurance program actually subsidizes building in high hazard zones. And in many cases these shoreline areas are also very ecologically sensitive, and they are damaged or destroyed by the structural development that is encouraged by the Federal flood insurance program. The Kerry amendment will end this perverse incentive.

The Kerry amendment also authorizes a grant program to help communities mitigate the damages of future floods.

In my State of Wisconsin, the community of Soldiers Grove experienced significant damage in its business district as a result of the 1978 flood on the Kickapoo River. Instead of waiting for the next flood to devastate their town, the community got to work immediately in an effort to relocate the business district out of the floodplain. Over the next few years, the community was able to piece together various sources of funding to relocate the business district out of the floodplain.

Their work has not been for naught. In the past 2 years, when the Kickapoo River has again overflowed its banks, the community of Soldiers Grove has remained high and dry because of the foresight of its residents. And I'm proud to say that other Wisconsin communities, such as Prairie du Chien, Darlington, Eau Claire County, and Trenton Island, have followed Soldiers Grove's example and made efforts to mitigate against future flood damages, or are in the process of doing so.

Soldiers Grove, WI, is a national model of a community that had the foresight to relocate out of harm's way. But it was very difficult for Soldiers Grove to find the funding for their project. The Kerry amendment would create a specific mitigation grant program to make it easier for communities in flood-prone areas to do what Soldiers Grove had to struggle to do 15 years ago.

Mr. President, this amendment makes good sense fiscally, and it makes good sense environmentally. I urge my colleagues to support this important amendment.

Mr. KERRY. Mr. President, I believe both sides are clear on the amendment.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 1541), as modified, was agreed to.

Mr. KERRY. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. D'AMATO. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. DASCHLE). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I ask unanimous consent that any amendment that may be pending that may be at the desk be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1542

(Purpose: To require the Federal banking agencies to perform a survey to determine public awareness of Federal banking laws)

Mr. RIEGLE. Mr. President, I send to the desk an amendment on behalf of Senator DOLE. The amendment provides for a study of the effectiveness of numerous consumer protection statutes administered by the Federal banking regulatory agencies and the Department of Housing and Urban Development.

The amendment has been agreed to by myself and Senator D'AMATO.

I ask that the amendment be adopted once it has been delivered to the desk and read.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. DOLE, proposes an amendment numbered 1542.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III, add the following new section:

SEC. . CONSUMER SURVEYS AND REPORT.

(a) SURVEYS.—Not later than 6 months after the date of enactment of this Act, the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) and the Secretary of Housing and Urban Development shall jointly conduct an objective and statistically valid survey of financial services consumers to determine the general public awareness of, perceived benefits to consumers of, and effectiveness of the Federal banking laws under which the Federal banking agencies and Department of Housing and Urban Development operate that are intended for the protection of such consumers, including—

(1) the Expedited Funds Availability Act;

(2) the Truth in Lending Act;

(3) the Truth in Savings Act;

(4) the Real Estate Settlement Procedures Act of 1974;

(5) the Home Mortgage Disclosures Act of 1975;

(6) the Equal Credit Opportunity Act;

(7) the Community Reinvestment Act of 1977;

(8) the Home Equity Loan Consumer Protection Act;

(9) the Fair Credit and Charge Card Disclosure Act; and

(10) the rules and regulations promulgated under those banking laws.

(b) CONSULTATION.—In developing such a survey, the Federal banking agencies and the Secretary of Housing and Urban Development shall consult with consumer groups, insured depository institutions, other lenders, and any other interested parties.

(c) INFORMATION FOR SURVEYED CONSUMERS.—The survey shall provide for distribution to participating consumers a summary explanation of the Federal banking law being surveyed and how each is currently being implemented.

(d) REPORT.—Not later than 60 days after completion of its survey under subsection (a), the Federal banking agencies and the Secretary of Housing and Urban Development shall jointly submit a report of the results of their survey to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

Mr. DOLE. Mr. President, I do not think anyone would argue that this bill seeks to aid communities that are being underserved, whether in the rural or urban areas. Areas that desperately need access to capital and credit in order to improve their businesses, their housing, their neighborhoods, their communities.

I do not think anyone here would argue that there has been a lack of available credit and access to capital, particularly for small businesses. Unfortunately, outdated regulatory burdens and overly restrictive examination practices by bank regulators have discouraged banks from making even prudent loans, thereby choking off capital to creditworthy businesses. The result is fewer jobs and less economic growth.

This bipartisan bill seeks to address these issues. By focussing on community development and consumer protection; paperwork reduction and regulatory improvement; by encouraging securitization of small business loans; and by enabling more small companies to raise capital in the public markets.

However, all too often, Mr. President, Congress passes laws under the banner of "consumer protection" without having a clear sense of whether these laws will work as they are supposed to. I suspect some consumer protection laws actually end up harming the consumer in the long run, due to additional costs of regulation being passed on to them. To determine whether bank consumers are, in fact, benefiting from the laws we pass, Congress and the regulators should do what most businesses usually do—ask the consumers themselves whether or not the laws we enact are helping them. That is what my amendment will do.

This amendment directs each Federal banking regulatory agency to conduct a statistically valid survey of bank customers to determine whether those laws that Congress designed to protect consumers are, in fact, achieving their intended goals. Each survey would have to be conducted within 6 months of enactment of this bill and a report summarizing the survey results must be submitted to the House and Senate Banking Committees within 30 days of the surveys' completion. The laws that will be surveyed include the Truth-in-Savings Act, the Truth-in-Lending Act, and the Community Reinvestment Act.

Mr. President, let my distinguished colleagues understand. Neither this amendment, nor this bill, will end the credit crunch overnight. But they are a step in the right direction. We all agree that regulation is necessary to protect the taxpayers from the costs of bank failures and to protect the consumers from the unscrupulous practices of the few bad apples in the banking industry. But regulation should never be an end in itself, and it should never act as an obstacle to long-term economic growth and prosperity.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1542) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1543

(Purpose: To modify a provision of the bill related to selection of institutions for assistance, and for other purposes)

Mr. RIEGLE. Mr. President, I now ask unanimous consent that an amendment proposed by Senator DORGAN be incorporated into S. 1275. The amendment will modify the definition of an investment area to include rural communities that have lost more than 10 percent of their population between the 1980 and 1990 census.

I send the amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. DORGAN, proposes an amendment numbered 1543.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, line 16, strike "or".

On page 43, line 20, strike the period at the end and insert "; or".

On page 43, between lines 20 and 21, insert the following:

(D) is located in an area which is not a metropolitan statistical area and which has experienced a decrease in population of not less than 10 percent (as determined in the most recent decennial census) between 1980 and 1990.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1543) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1544

(Purpose: To make an amendment to offset the costs of certain programs in order to pay for the bill)

Mr. RIEGLE. Mr. President, I will shortly send an amendment to the desk on behalf of Senator DOLE, the purpose of which is to offset the cost of certain programs in order to pay for this bill.

The text of the amendment is quite long, but I send it to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. DOLE, proposes an amendment numbered 1544.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the amendment is printed in today's RECORD under "Amendments Submitted."

Mr. DOLE. Mr. President, come April 15, a lot of Americans are going to be in for a big shock. Why? Because last year, Congress socked the American people with the largest tax package in American history.

Although we won't fully realize the larger implications of the tax hikes for some time, it is clear to me that many small businesses continue to be uncertain about their future. And until this uncertainty gives way to confidence, and a stronger economy, they are going to postpone hiring, and spending and investment decisions that could give the economy a much-needed boost.

Mr. President, S. 1275 will do much to make credit available and allow the small businesses of our country access to much needed capital. And it will encourage aid to communities that are being underserved, whether in rural or urban areas. Areas that desperately need access to capital and credit in order to improve their businesses, their housing, their neighborhoods, their communities.

It is my understanding that the pending bill will cost $437 million during the next 4 years—$382 million for a community development financial institutions fund and $5 million to provide technical assistance and loans to low-income credit unions, in title 1 of this bill; $50 million for Federal matching funds to State capital access programs in title 2. It is further my understanding that this $437 million is not paid for.

Mr. President, just a few weeks ago, a majority of the Senate voted in favor of the balanced budget amendment. We did not have the necessary two-thirds majority to pass the bill, but the American people watched C-Span closely and saw Congress debate what to many Americans is a fundamental principle of survival—the ability to pay their bills. Now, with a budget deficit of $234 billion, some people in this Chamber may think that $437 million is a small figure. But, Mr. President, there is no reason why we cannot start today what we told the American people we would do just a few weeks ago—that we would be fiscally responsible. And I think my amendment does just that.

Mr. President, my amendment seeks some simple spending cuts which I proposed earlier this year in S. 1843, the Government Downsizing, Performance, and Accountability Act of 1994. I seek two spending reductions in particular: streamlining the Department of Housing and Urban Development's multifamily housing disposition process; and terminating funds for the Small Business Administration's tree planting program.

The Department of Housing and Urban Development currently owns 69,000 units of multifamily housing. Although HUD was never meant to function as a realtor, the agency has been unable to sell these units because of restrictions in section 203 of the Housing and Community Development Amendments of 1978 requiring that each unit be sold with 15-year project-based section 8 assistance. Over the past several years, funding for section 8 has been significantly reduced. This proposal would loosen the restrictions of section 203, allowing HUD to dispose of the multifamily units more easily. Streamlining this process, according to the Congressional Budget Office, would save the Federal Government $425 million over the next 5 years. Mr. President, this particular provision is also recommended by Vice President GORE's national performance review, as well as the Penny-Kasich task force, and the Kerrey-Brown plan.

The second provision would terminate funds from the Small Business Administration's tree planting program. Mr. President, I do not think anyone would disagree that tree planting does not fall under the jurisdiction of job promotion by the SBA. These funds were not requested by the administration or by SBA. The program should be terminated, and doing so would free up $64 million over the next 5 years.

That's a total of $489 million to pay for this bill. A bill that is being supported by the President. A bill that will be a good step in helping communities and small businesses across the Nation. I think it is imperative that we show the American people that the Federal Government has heard their wake-up call, and that we will pay its bill just like they do.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1544) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1545

Mr. D'AMATO. Mr. President, on behalf of Senator CRAIG, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for Mr. CRAIG, proposes an amendment numbered 1545.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . SIMPLIFIED DISCLOSURE FOR EXISTING DEPOSITORS.

(a) IN GENERAL.—Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is amended to read as follows:

"(3) ACKNOWLEDGEMENT OF DISCLOSURE.—

"(A) NEW DEPOSITORS.—With respect to any depositor who was not a depositor at the depository institution before June 19, 1994, receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

"(i) the institution is not federally insured; and

"(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

"(B) CURRENT DEPOSITORS.—Receive any deposit after the effective date of this paragraph for the account of any depositor who was a depositor before June 19, 1994, only if—

"(i) the depositor has signed a written acknowledgement described in subparagraph (A); or

"(ii) the institution has complied with the provisions of subparagraph (C) which are applicable as of the date of the deposit.

"(C) ALTERNATIVE PROVISION OF NOTICE TO CURRENT DEPOSITORS.—

"(i) IN GENERAL.—Transmit to each depositor who was a depositor before June 19, 1994, and has not signed a written acknowledgement described in subparagraph (A)—

"(I) a card containing the information described in clauses (i) and (ii) of subparagraph (A), and a line for the signature of the depositor; and

"(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.

"(ii) MANNER AND TIMING OF NOTICE.)

"(I) FIRST NOTICE.—Make the transmission described in clause (i) via first class mail within 90 days after June 19, 1994.

"(II) SECOND NOTICE.—Make a 2d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (I), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.

"(III) THIRD NOTICE.—Make a 3d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (II), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.".

(b) EFFECTIVE DATE.—Section 43(b)(3) of the Federal Deposit Insurance Act, as amended by subsection (a), shall take effect in accordance with section 151(a)(2)(D) of the Federal Deposit Insurance Corporation Improvement Act of 1991.

Mr. D'AMATO. This language deals with private community development banks, credit unions. There is similar language in the House. Ideally, we believe these provisions will make it easier, rather than send separate notices to credit union members. I urge its adoption. It has been cleared on both sides.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Will the Senator from New York yield?

Mr. D'AMATO. Yes.

Mr. CRAIG. I thank my colleague and the chairman for consideration of this amendment affecting privately insured credit unions after a reasonable effort to deal with their members and full notification. We hope we could agree with the House. I think it is after three efforts and proper notification of changes and all of that that this satisfies the need that is currently not the case in the law. This addresses only privately insured.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1545) was agreed to.

Mr. RIEGLE. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1935

Mr. MITCHELL. Mr. President, I am about to propound a unanimous consent request which has been cleared on both sides of the aisle.

I ask unanimous consent that if the Governmental Affairs Committee reports S. 1935, the gift ban bill of Senators LAUTENBERG, WELLSTONE, and FEINGOLD, by the close of business on April 27, the majority leader, after consultation with the Republican leader, shall turn to the consideration of that bill no later than the close of business on Wednesday, May 4; that if the committee has not reported the bill by the close of business on April 27, the bill will then be discharged and placed on the calendar and the majority leader, after consultation with the Republican leader, shall turn to the consideration of that bill no later than the close of business on Wednesday, May 4.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, speaking in behalf of myself, and I know Senator LAUTENBERG will speak in a moment, I want to thank the majority leader. I really feel as if we had very fruitful negotiations. I think it is a very important initiative, and has a lot to do with ethics.

I think there is going to be a lot of support for it, but I think people want a time to study it. I think we want to come up with the best possible proposal. I think we now have a kind of guarantee of a process that will move along. We have a date certain, and we will be able to have an up-or-down vote on what I think is an important piece of legislation.

I thank the majority leader for his sense of fairness and for the final product. I appreciate it.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I, too, want to say thank you to the majority leader for the cooperation he lent us with the presentation of this bill that we await review through the committee process, and look forward to having a chance to debate it on the floor and to take the appropriate action.

It is a bill whose time has come, and that is to negotiate and discuss what we think exists by way of problems, in terms of perception out there, and to try to clear the air once and for all.

So I look forward to the opportunity to debate it. And, once again, I also extend thanks to the majority leader for his usual patience in handling this.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. Mr. President, I thank my colleagues for their kind comments and for their cooperation in this matter. I think this is an appropriate way to consider and deal with and ultimately dispose of what is a very important matter for the Members of the Senate and for the American people, as well.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT OF 1993

The Senate continued with the consideration of the bill.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, it is my hope that we can either shortly—within the next few minutes—reach an agreement with respect to a resolution on the Whitewater matter, or reach the point where it is clear that we cannot reach an agreement, and then just to proceed to debate and vote on the matter one way or the other, up or down. We are prepared to proceed in either form.

We have an alternative resolution ready and, as I said earlier, we are ready to debate and vote on the matter one way or the other, as soon as possible. My understanding is that we have about finished action on this bill, and I hope we can complete action on the bill very shortly.

I know my colleagues have been asking me about this matter about the schedule for the rest of the evening. We have had a number of different matters under negotiation all day, one having just been concluded. My hope is that we can complete action one way or the other on the remaining matter and finish action on this bill in the very near future, meaning shortly this evening.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1546

(Purpose: To include securities backed by commercial real estate in the definition of a mortgage backed security)

Mr. RIEGLE. Mr. President, on behalf of Senators BRYAN, DOMENICI, D'AMATO, and MACK, I send an amendment to the desk and ask for its immediate consideration. It deals with the securitization of commercial real estate. Let me now send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. RIEGLE], for Mr. BRYAN, Mr. DOMENICI, Mr. D'AMATO, and Mr. MACK, proposes an amendment numbered 1546.

Mr. RIEGLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 160, between lines 6 and 7, insert the following new section:

SEC. . COMMERCIAL MORTGAGE RELATED SECURITIES.

(a) In General.—Section 3(a)(41)(A)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)(A)(i)) is amended—

(1) by striking "or on a residential" and inserting "on a residential"; and

(2) by inserting before the semicolon ", or on one or more parcels of real estate upon which is located one or more commercial structures".

(b) Amendment to the Revised Statutes.—Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the twelfth sentence, by striking "(15 U.S.C. 78c(a)(41))), subject to such regulations" and inserting "(15 U.S.C. 78c(a)(41)). The exception provided for the securities described in subparagraphs (A), (B), and (C) shall be subject to such regulations".

(c) Regulations.—Not later than 1 year after the date of enactment of this Act, the Comptroller of the Currency shall promulgate final regulations, in accordance with the thirteenth sentence of Paragraph Seventh of section 5136 of the Revised Statutes (as amended by subsection (b)), to carry out the amendments made by this section.

(d) Effective Date.—The amendments made by this section shall become effective upon the date of promulgation of final regulations under subsection (c).

(e) State Opt Out.—Notwithstanding the amendments made by this section, a note that is directly secured by a first lien on one or more parcels of real estate upon which is located one or more commercial structures shall not be considered to be a mortgage related security under section 3(a)(41) of the Securities Exchange Act of 1934 in any State that, prior to the expiration of 7 years after the date of enactment of this Act, enacts a statute that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided by the amendments made by this subsection. The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior thereto, and shall not require the sale or other disposition of any securities acquired prior thereto.

Mr. RIEGLE. Mr. President, the Comptroller of the Currency has the responsibility for prescribing regulations and issuing orders to ensure the safety and soundness of national banks. Under section 5136 of the Revised Statutes (12 U.S.C. sec. 24), the Comptroller may prescribe limitations and restrictions on national banks' purchase of investment securities. Section 5136 further provides the Comptroller authority to regulate national banks' purchase for their own account of mortgage-related securities, as that term is defined under the Securities Exchange Act of 1934.

While amending the definition of mortgage-related security to allow inclusion of mortgages on commercial structures, this amendment does not limit the Comptroller's authority to regulate national bank purchases of mortgage-related securities. For example, undue concentration of risk could arise if a bank invested in a security backed by a pool containing a small number of loans or a loan that represented a large percentage of the assets in the pool. The Comptroller has authority to require diversification in the pools of loans that underlie mortgage-related securities purchased by national banks. As another means of preventing concentration of risk, the Comptroller could prescribe regulations requiring aggregation and limitation of loans to the same borrower or aggregating securities with the same issuer or third-party credit enhancer. The Comptroller has authority to adopt such other provisions as may be necessary to address safety and soundness concerns.

Investments by banks in mortgage-related securities would remain subject to relevant risk-based bank capital requirements.

Inclusion of mortgages on commercial structures in the definition of mortgage-related securities could allow for greater investment in commercial real estate by institutional investors such as pension funds and municipalities. As in the 1984 Secondary Mortgage Market Enhancement Act, the States are given 7 years to limit this investment authority if they choose—the States' authority, of course, does not extend to national banks.

The authority to invest in securities backed by mortgages on commercial real estate should be used carefully. While mortgage-related securities will continue to require a rating in one of the two highest rating categories by at least one nationally recognized statistical rating organization, recent experience demonstrates that commercial real estate can be a volatile investment.

Mr. BRYAN. Mr. President, Senator DOMENICI and I are offering an amendment that will facilitate the creation of a secondary mortgage market for commercial real estate and, thereby, will help ease the credit crunch which persists in many parts of our country.

This amendment is a significant first step towards removing the impediments that now exists in creating a viable secondary market for commercial real estate, and I hope we can make further strides when this bill goes to conference.

Our amendment would allow securities backed by mortgages secured on commercial property to qualify as Mortgage Related Securities MRS. This qualification confers several significant benefits.

Qualifying as a MRS authorizes federally and State-chartered institutions to invest in these commercial real estate mortgages and would remove a number of regulatory impediments to issuing these securities.

Strengthening the secondary market in commercial real estate loans will foster economic growth, create jobs, and add to the financial stability of our lending institutions. These benefits will occur by increasing the flow of funds through capital markets and fostering liquidity.

One of the most serious problems that has impeded the stabilization and recovery of real estate markets is the lack of liquidity.

In residential markets, Freddie Mac and Fannie Mae have established a steady flow of capital into residential mortgages. It has endowed the market with a dependable flow of available credit to homebuyers and stabilized mortgage pricing across the country. A secondary market for commercial real estate would present these same advantages to lenders, borrowers, and investors in the commercial market.

I believe this amendment will contribute to the recovery of our commercial real estate sector and help assure that the financial crisis experienced over the past several years, will not be repeated.

The PRESIDING OFFICER. Is there further debate?

Mr. D'AMATO. Mr. President, I am pleased to cosponsor this important legislation because I believe it will provide liquidity that is desperately needed in the commercial mortgage area. I think Senators DOMENICI and BRYAN in particular should be complimented, and I applaud my colleagues' efforts to promote stability in this critical market, which will ultimately bring greater stability to the overall economy. We still have some great problems as in relation to getting credit in the commercial real estate area, and I think the amendment will go a long way towards promoting that stability and making credit available.

Mr. DOMENICI. Mr. President, the Senator from Nevada [Mr. BRYAN] and I introduced S. 1728, the Commericial Mortgage Capital Availability Act of 1993 last year. This bill addresses the credit crunch by removing impediments to securitization. This is the process Wall Street uses to convert relatively illiquid real estate assets into marketable securities that can be purchased by a broad range of investors including pension funds, banks, insurance companies, mutual funds, and investment funds. The securities are backed by pools of commercial mortgages or sometimes by a single property, such as a large urban, mixed use complex.

Securitization makes money for lending recyclable. A banker makes a loan, sells it, takes the proceeds and lends out in again. Wall Street buys the loans, pools them, securitizes them and enables banks to make more loans without waiting for repayment month after month.

In the last Congress, I chaired the Real Estate Task Force. We received recommendations from 40 or more real estate lending institutions. The task force examined ways to increase commercial real estate liquidity by expanding the secondary market. An expanded secondary market would make more credit available for commercial real estate and small business lending purposes.

In April of this year, I held a Senate Banking Committee credit crunch hearing in New Mexico. Senator BRYAN held a hearing on the same topic in Nevada. We came to the same conclusion—we need to make it easier for the secondary market in commercial real estate to function and grow.

Testimony at the hearing in New Mexico included some very illuminating testimony from Lou Toulga who is an Albuquerque real estate broker and the chairman of the National Association of Realtors commercial investment committee.

The commercial real estate market has been hurt because the traditional sources of funding for long-term loans have either disappeared, been traumatized, or experienced considerable price instability.

He and other witnesses knew of many banks that are not making any commercial real estate loans. Those that do make loans only offer terms with very short amortization periods. This makes it difficult to satisfy debt coverage ratios and make cash flow work. Loan to value ratio limits are often below 60 percent and required debt coverage ratios are often above 1.5. Interest rates are higher too—the spreads against 10-year treasuries are now more than 200 basis points.

Loan terms tend to be too short—5 years with the accompanying uncertainty of rollovers and the uncertainty of reappraisals and the potential of revaluations through the appraising process. To get a 20-year loan on a building, a developer needs to have tenants with 20-year leases. This is usually impossible.

Facing these serious obstacles the National Association of Realtors, the National Realty Committee and the Mortgage Bankers Association started a consortium to do the necessary work to create a secondary market for commercial lending. They have asked for Congress' help to eliminate some of the regulatory restraints in current law. Modify the Secondary Mortgage Market Enhancement Act to allow the securities from commercial loan pools to be accepted across all 50 States.

We also need to deal with subordination. When a banker subordinates a particular obligation and sells it, he still needs to maintain the same capital requirements as if he had held on to the loan. This locks up capital that could be lent out for other productive purposes.

We also need to modify ERISA to allow comparable treatment of commercial real estate. Commercial real estate should be treated as favorably as residential by allowing secondary mortgage securitization. This would provide parity under ERISA for commercial real estate.

The bill Senator BRYAN and I introduced does three things:

Broadens the Secondary Mortgage Market Enhancement Act [SMMEA] to apply to commercial securities;

Amends the Employment Retirement Income Security Act [ERISA] to include a class exemption for commercial mortgage securities. They would no longer be classified as prohibited transactions.

Changes the regulatory treatment—risk-based capital requirements—of subordinated commercial loans to avoid forcing financial institutions to set aside more reserves than are really necessary for safety and soundness of the financial institutions.

There continues to be a shortage of commercial mortgage credit. Mortgage loan renewals continue to be difficult to secure even notwithstanding long-term credit relationships.

The amendment we are offering today accomplishes the following:

Amending SMMEA to allow securities backed by mortgages secured by liens on commercial property to qualify as Mortgage Related Securities [MRS] as that term is defined by SMMEA would confer several significant benefits. It would authorize various federally and state-chartered institutions to invest in committed MRS; it would preempt State Blue Sky Laws; and it would provide various exceptions to the Securities Act of 1934 to allow for delayed settlements—up to 180 days—to account for the forward delivery nature of the mortgage market. MRS status is conferred on mortgage securities rated by at least two nationally known rating agencies in their top two investment grades. The mortgages themselves must be originated by federally-regulated mortgages.

POLICY ARGUMENTS FOR SMMEA AMENDMENT

There are, as indicated above, strong reasons to recommend conferring the benefits of SMMEA on the commercial real estate market. The expected increase in availability of credit could speed recovery from the commercial real estate depression which many markets are experiencing. While credit availability alone will not correct the effects of over building, at least it would assure that when rents and values stabilize, credit would be more readily available to help assure orderly disposition of REO and assets acquired by FDIC and RTC liquidators.

There is a similar bill moving in the House and we hope that the differences can be worked out in conference to address the ERISA and capital requirements contained in our original bill.

Mr. RIEGLE. Mr. President, I urge adoption of the amendment.

Mr. BURNS. Mr. President, I would like to join my colleague from New Mexico, Senator DOMENICI, and the Senator from Nevada [Mr. BRYAN], in strong support of this amendment.

This amendment addresses the commercial real estate credit crunch by removing impediments to securitization. As we all know securitization makes money for lending recyclable and this amendment will increase commercial real estate liquidity by expanding the secondary market. The expanded market would make more credit available for commercial real estate and small business lending purposes.

It has become apparent that the commercial real estate market has been hurt because the traditional sources of funding for long-term loans have either disappeared or experienced considerable price instability.

Facing these obstacles, Senator DOMENICI and Senator BRYAN worked diligently to resolve a very serious liquidity problem. Special recognition must also be paid to the National Association of Realtors, the National Realty Committee, and the Mortgage Bankers Association for the efforts they have made to create a secondary market for commercial lending.

Because of their tireless efforts, I am confident that the shortage of commercial mortgage credit that we have previously experienced will no longer be a problem. I applaud their efforts, and am pleased to be an original cosponsor of this amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

So the amendment (No. 1546) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. BOXER). Without objection, it is so ordered.

Mr. DOMENICI. Madam President, just a few moments ago Senators RIEGLE and D'AMATO asked the Senate to accept and the Senate did accept an amendment that was proposed by Senator BRYAN of Nevada and the Senator from New Mexico. We introduced this bill as Senate bill 1728, and its title was the Commercial Mortgage Capital Availability Act of 1993.

As we look across the real estate market and real estate business in the United States, we find that when it comes to residential mortgages and the financing of homes the United States has come upon a system which is absolutely the envy of the world. At the heart of it is a secondary market for the loans and mortgages that are put on housing either by the buyer of the house or the builder of the house.

When that mortgage securing a loan is put on that house, the first lender, be it a bank or S&L, or other source of financing, does not have to hold that note and that mortgage subject to the vagaries of interest as it applies to the lending institution which means if they have low interest rate mortgages and they are paying a high interest rate on savings they soon go broke.

So what has happened in America is all those mortgages and loans are taken out of the hands of the lender, are bundled and are purchased and sold in the marketplace.

That is essentially what Fannie Mae, one of the America's large corporations, does. It is one of the principal sources of seeing that that secondary market works.

Obviously, without that all of the lending institutions of the country would be bogged down with billions of dollars of mortgages on the houses of the United States and who knows whether we would really have a housing market like we have. Most would say it would not even work.

But what this bill that we introduced, Senator BRYAN and I, that is now an amendment that was adopted by the Senate at the request of the managers, attempts to do is to start to permit commercial mortgages, that is mortgages on commercial property, offices and the like, to develop a secondary market that will apply and buy them and bundle them so that the lending institutions of the United States will be available for more mortgages, more loans and notes and mortgages and will stabilize the real estate market as it applies to commercial real estate.

As a matter of fact, just for discussion purposes, it might very well have been that if there was a secondary market for commercial real estate loans and the mortgages that secured them prior to the S&L crisis, it might very well have been we would not have had such a severe crisis because, for one thing, the secondary market establishes some very good, strong and firm standardization guidelines to be eligible for sale in the secondary market. Selling a loan is like recycling money. A banker receives the cash for the loan that he put out to finance it, so he can go on with some other business, and makes more loans and credit available. Those mortgages have to meet a certain standard. And maybe had we had a giant secondary market maybe the standards would have precluded some of the S&L's and banks from getting into the rather close-call mortgages that brought down a lot of that thrift infrastructure of the United States and cost us billions and billions of dollars.

But that is not the purpose of the bill, because that is done and finished and I just give it as aside.

There are many impediments to making the secondary market for commercial mortgages work. There are certain places within Wall Street and within the markets of America where programs of making commercial loans, commercial mortgages part of a secondary market are beginning to flourish, but it is a far cry from becoming a reality on the scale that our economy demands.

What we have done in this amendment, and I will not go into the details, is take a very significant step toward making it easier and making it such that the market can take advantage of this kind of securitization—a secondary market broad in scope for commercial mortgages. And guess what it would do? I do not know how others in this Chamber find the real estate financing in their home States, but I meet families and developers and just a wide variety of people who have a very difficult time getting a long-term note and mortgage on commercial property. If you are buying it or building it today, you cannot even get 10 years of financing. You may get two 5-years as the best the lender can do. And guess what? The interest rates are substantially higher than they are for residential property and for many other kinds of properties that people are borrowing money for.

That is because we have not found a way to set the appropriate guidelines that will permit that whole market of securities on commercial property to be in a secondary market which raises its own capital in completely different ways than the banking and lending institutions have to raise theirs.

In my State, I allude to the fact that 2 years ago I was asked by the Republican leader to head a task force on real estate in the United States. We were overbuilt and that after the debacle of the S&L's, the downfall of the real estate market was putting a damper on America's economic growth. It was becoming a very big part of our inability to grow out of the recession. Addressing impediments to securitization was one of the suggestions that almost every real estate person large and small made. Let us see if we can get a secondary commercial market working here.

I have the suggestions that were made back then and who made them in my State and other States, and they will be incorporated in the remainder of my statement.

But I just wanted to come to the floor and share with my fellow Senators that if this finally gets done in conference and perhaps even made broader. We have to create a secondary market for commercial mortgages. This will be a giant step towards totally revitalizing that part of the American economic scene that is known as commercial real estate, a very big and important part, with many thousands of people employed in it and much capital invested in it.

So I will now read my statement indicating with precision the various aspects of the amendment that was adopted and other remarks:

Madam President, the Senator from Nevada [Mr. BRYAN] and I introduced S. 1728, the "Commercial Mortgage Capital Availability Act of 1993 last year." This bill addresses the credit crunch by removing impediments to "securitization." This is the process Wall Street uses to covert relatively illiquid real estate assets into marketable securities that can be purchased by a broad range of investors including pension funds, banks, insurance companies, mutual funds and investment funds. The securities are backed by pools of commercial mortgages or sometimes by a single property, such as a large urban, mixed use complex.

Securitization makes money for lending "recyclable." A banker makes a loan, sells it, takes the proceeds and lends it out again. Wall Street buys the loans, pools them, securitizes them and enables banks to make more loans without waiting for repayment month after month.

In the last Congress, I chaired the Real Estate Task Force. We received recommendations from 40 or more real estate and lending institutions. The Task Force examined ways to increase commercial real estate liquidity by expanding the secondary market. An expanded secondary market would make more credit available for commercial real estate and small business lending purposes.

In April of this year, I held a Senate Banking Committee credit crunch hearing in New Mexico. Senator Bryan held a hearing on the same topic in Nevada. We came to the same conclusion—we need to make it easier for the secondary market in commercial real estate to function and grow.

Testimony at the hearing in New Mexico included some very illuminating testimony from Lou Toulga who is an Albuquerque real estate broker and the chairman of the National Association of Realtors commercial investment committee.

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Facing these serious obstacles the National Association of Realtors, the National Realty Committee and the Mortgage Bankers Association started a consortium to do the necessary work to create a secondary market for commercial lending. They have asked for Congress' help to eliminate some of the regulatory restraints in current law. Modify the Secondary Mortgage Market Enhancement Act to allow the securities from commercial loan pools to be accepted across all fifty states.

We also need to deal with subordination. When a banker subordinates a particular obligation and sells it, he still needs to maintain the same capital requirements as if he had held on to the loan. This locks up capital that could be lent out for other productive purposes.

We also need to modify ERISA to allow comparable treatment of commercial real estate. Commercial real estate should be treated as favorably as residential by allowing secondary mortgage securitization. This would provide parity under ERISA for commercial real estate.

The bill Senator Bryan and I introduced does three things:

Broadens the Secondary Mortgage Market Enhancement Act (SMMEA) to apply to commercial securities.

Amend the Employment Retirement Income Security Act (ERISA) to include a class exemption for commercial mortgage securities. They would no longer be classified as "prohibited transactions."

Change the regulatory treatment (risk-based capital requirements) of subordinated commercial loans to avoid forcing financial institutions to set aside more reserves than are really necessary for safety and soundness of the financial institutions.

There continues to be a shortage of commercial mortgage credit. Mortgage loan renewals continue to be difficult to secure even notwithstanding long-term credit relationships.

The amendment we are offering today accomplishes the following: Amends the Secondary Mortgage Market Enhancement Act (SMMEA) to allow securities backed by mortgages secured by liens on commercial property to qualify as Mortgage Related Securities ("MRS") as that term is defined by SMMEA would confer several significant benefits. It would authorize various federally and state-chartered institutions to invest in committed MRS; it would preempt state Blue Sky Laws; and it would provide various exceptions to the Securities Act of 1934 to allow for delayed settlements (up to 180 days) to account for the forward delivery nature of the mortgage market. MRS status is conferred on mortgage securities rated by at least two nationally known rating agencies in their top two investment grades. The mortgage themselves must be originated by Federally-regulated mortgagees.

There are strong reasons to confer the benefits of SMMEA on the Commercial real estate market. The expected increase in availability credit could speed recovery from the commercial real estate depression which many markets are experiencing. While credit availability alone will not correct the effects of overbuilding, at least it would assure that when rents and values stabilize, credit would be more readily available to help assure orderly disposition of REO and assets acquired by FDIC and RTC liquidators.

There is a similar bill moving in the House and we hope that the differences can be worked out in conference.

Madam President, I ask unanimous consent that Senator BURNS be made a cosponsor of the amendment that heretofore passed as if he were an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, I have a statement with reference to the basic underlying bill that praises it and sets out what it is going to do which I will now read:

Madam President, I would like to thank and compliment Senators RIEGLE, D'AMATO, SHELBY, and MACK for the leadership they have exhibited on one or more titles of this bill. Without their work, we would not be able to offer this bill.

There is a tremendous need in this country for greater access to capital. All throughout the country, we see women, Indians and other groups eager to become significant contributors to our economy—if only they are given the chance. This bill will help them become significant contributors.

In New Mexico, we have two established community development financial institutions: The New Mexico Community Development Loan Fund and the Women's Economic Self-Sufficiency Team, both located in Albuquerque.

We also have several CDFI Coalition Affiliates: Home Education Livelihood Program, Inc., of Albuquerque; Siete del Norte Community Development Corporation, Embudo, NM; the Navajo Townsite Community Development Corporation in Navajo, NM, and the Granada De Valley, Santa Fe, NM.

Let me take one of these programs, the Navajo Townsite Community Development Corporation and tell you about the big difference it has been making with a little money. In the past 4 years, they have worked with McKinley County, the State of New Mexico legislature, the U.S. Department of Health and Human Services, the Bureau of Indian Affairs, the Navajo Nation's Divisions of Economic and Community Development.

They have used $5.4 million for social, economic and infrastructure programs to benefit the 3,100 residents of Navajo, McKinley County, NM. They helped finance a shopping center; provided start up funds for several businesses; and helped fund a day care center. All in all, the program has lead to the creation of almost 100 jobs.

Another New Mexico fund is WESSTcorp which is a nonprofit agency created to help women start and grow their businesses. Over the past five years WESSTcorp has helped more than 250 women develop their businesses and has enjoyed a zero default rate.

The New Mexico Community Development Loan Fund is a private, nonprofit financial intermediary created in 1989 and dedicated to the economic and social empowerment of the people of the State. It currently has $820,000 in capital under management. Their capital has come from Catholic women religious groups, Protestant religious groups, Jewish synagogues, foundation program-related investments, corporations, and Federal economic development programs. It is well underway. It has made 17 loans totalling $284,571. All loans are current and the fund has experienced no losses. These loans are making a big difference all over the State.

The New Mexico Community Development Loan Fund has financed an organic grower to buy equipment; helped finance inventory for a nonprofit store which sells crafts made by low income artisans from New Mexico. It has financed a transitional housing project in Santa Fe. It has financed a grass-roots organization which provides various health and social services to low income villages near Las Cruces. It helped finance an expansion of a health care facility used by farm worker families and the elderly.

Another interesting project helped financed the Costilla co-op's purchase of materials necessary to make Hispanic folk art dolls that are sold. Another loan helped buy industrial sewing machines for a Southwest fashion cottage industry in Costilla and Amalia. It helped finance land acquisition for the Grant County Cooperative Ownership Development Corporation in Silver City. This small business incubator center will help other small businesses develop by holding down the costs of offering services. Another loan helped the Santa Fe Housing Authority set up a renters' fund for single mothers and fathers who needed down payment assistance.

Nationwide, community development loan funds have loaned more than $100 million which has leveraged $760 million in public and private capital to finance 15,000 housing units and to create 3,500 jobs for poor Americans. Hopefully, this bill will help these types of endeavors. I commend the chairman and ranking member of the Banking Committee for the improvements they have made in this bill.

I also am pleased that the manager's amendment includes a data collection provision which will in the future help the Banking Committee and lending institutions evaluate lending practices to women and other minorities.

The Community Development Financial Institutions title of the bill have the government playing a role that private micro loan funds, low income credit unions and nonprofits have been pioneering for years.

These private initiatives have shown us that people and a little money can make a big difference. I hope this bill takes the $382 million we are authorizing and puts into place the policies that will assist in making an even bigger difference.

I also want to thank the chairman and the ranking member for including Indian reservations in the definition of an eligible investment area. Senator Campbell and I filed an amendment to insure that the Indian reservations are treated like the urban and rural enterprise zones. The amendment was incorporated when the Banking Committee considered the bill. This bill, in conjunction with the provisions included in the Reconciliation bill should help spur investment on Indian reservations. These are enclaves in our nation of extreme deprivation—too many times overlooked because they quietly suffer. Their needs don't scream out on the front pages of the newspapers.

I am very pleased that we are including the Small Business Securitization Act in Title II of this bill. It will help address the credit crunch. It is a market driven approach that won't cost the federal government a single dollar. It significantly removes current legal impediments to the securitization of small business loans.

Securitization is the banking world's version recycling. A bank makes a loan to a small business, and rather than waiting for that small business to pay back the loan before the bank can make another loan, bank sells the loan so that it can be pooled, securitized and sold in the secondary market. The bank then can immediately make another loan to help another business. That is why I call securitization "recycling" financial resources.

This bill will bring new sources of funds to small and medium sized businesses. It will enable pension funds, insurance companies, trust departments and other institutional and private investors to invest in small business loans made by other financial institutions. Another benefit is that by increasing the number of participants in the market it will increase competition and lower interest rates. Hopefully, eventually, this will enable financial institutions to increase their volume of lending to better meet the credit needs of small businesses.

The bottom line is that this bill means more credit for small businesses at lower rates.

The Home Equity Protection Act is another title in the bill which I feel is important. Predatory lending operates in a credit vacuum created when mainstream banks abandon direct lending in minority neighborhoods. Making matters worse, lending practices shifted from "ability to pay" to "asset-based lending." With asset-based lending the loan is made based on the value of the security, rather than on the borrower's ability to pay. This sometimes leads to unaffordable loans.

This bill goes after the equity skimmer who originates loans because it can charge enormous up-front fees, and then sells the loan. The manager's amendment includes language to make sure this legislation does not have unintended consequences of making less fair credit available. With a series of safeguards, the amendment provides regulatory flexibility.

Finally, Madam President, I would like to express my support for an amendment included in the version of this bill the House passed dealing with Federal Home Loan Banks that Representative Baker offered. It increased the non-Qualified Thrift Lending Borrowing Limit from 30 percent to 40 percent of total advances. This amendment, too, will help the credit crunch. Let me explain why.

Banks will comprise 60 percent of the systems' stockholders by the end of this year.

The preponderance of the new members have been small to mid-size community commercial banks: 58 percent have total assets of $100 million or less, and 83 percent have total assets of less than $500 million. The average asset size is about $265 million and the average mortgage asset level is about $96 million.

New members are predominantly commercial banks, but also include 50 credit unions and 19 insurance companies. Despite being newcomers to the System, these new stockholders are already using the FHL Banks almost as much as traditional thrift stockholders. In fact, the smaller community commercial banks already use the Banks to a greater extent than their thrift counterparts.

The current 30 percent cap on advances to nonqualified thrift lending institutions threatens to impede the Home Loan Banks' ability to serve the community commercial banks. The cap originally was included in FIRREA to protect thrifts access to advances, but has proven unnecessary. Raising the cap will increase the money available to commercial banks, which they in turn can make available to borrowers for the formation of new businesses.

This provision in the House bill is particularly important to the Dallas region, which is responsible for New Mexico. They are projected to bump up against the 3 percent cap in the near future. I hope the conferees will take the Baker amendment.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Madam President, I ask unanimous consent that I be recognized to offer an amendment in behalf of myself and Senator DOLE, that the amendment be read, that following the reading of the amendment, Senator DOLE be recognized to address the Senate for up to 10 minutes; that following Senator DOLE'S remarks, I be recognized to address the Senate for up to 10 minutes; that upon the use or yielding back of that time, the Senate vote on the amendment, that no second degree amendments to the amendment be in order, and that no motions to recommit be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1547

Mr. MITCHELL. Madam President, I send a sense-of-the-Senate amendment to the desk and ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

At the Appropriate place insert the following:

SEC. . It is the sense of the Senate that—

(a) Congress has a constitutional obligation to conduct oversight of matters relating to the operations of the government, including matters related to any governmental investigations which may, from time to time, be undertaken.

(b) The Majority Leader and the Republican Leader should meet and determine the appropriate timetable, procedures, and forum for appropriate Congressional oversight, including hearings on all matters related to "Madison Guaranty Savings and Loan Association ('MGS&L'), Whitewater Development Corporation and Capital Management Services Inc. ('CMS')."

(c) No witness called to testify at these hearings shall be granted immunity under sections 6002 and 6005 of Title 18, United States Code, over the objection of Special Counsel Robert B. Fiske, Jr.

(d) The hearings should be structured and sequenced in such a manner that in the judgment of the Leaders they would not interfere with the ongoing investigation of Special Counsel Robert B. Fiske, Jr.

The PRESIDING OFFICER. Under the previous order, the Republican leader is recognized for up to 10 minutes.

Mr. DOLE. Madam President, I think it is clear from this resolution there will be a rollcall vote on it. I ask for the yeas and nays on the resolution.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Madam President, at least as far as the Senate is concerned, we understand our obligations, congressional oversight—we understand the serious nature of that obligation. As I pointed out earlier, it goes back to 1946, and there are four or five statutes, plus implications in the Constitution, that we have oversight responsibility.

That is paragraph (a).

Paragraph (b) indicates that the two leaders will meet and determine the appropriate timetable, procedures, and forum for appropriate congressional oversight, including all hearings related to the Madison Guaranty Savings & Loan Association, Whitewater Development Corp., and Capital Management Services. I think that would cover anything that has been mentioned thus far. In fact, it would cover the insolvency and regulation of Madison Guaranty, the relationship of the Madison Guaranty Savings & Loan Association to its affiliates, and so forth, the Federal regulatory agencies—everything that has been discussed plus, I assume, like anything else, if something popped up, it would probably be broad enough to cover that, too.

In an effort to make certain we do not compromise the investigation of Robert Fiske, paragraph (c) talks about no grants of immunity. As I pointed out earlier, I do not think, by having that in advance, it is going to keep people from telling the truth. It will not keep us from getting documents. It will not keep the regulators from cooperating.

I point out again, in the Watergate hearings, John Dean was not granted immunity, John Erhlichman was not granted immunity, Bob Halderman was not granted immunity—several others were not. They still were convicted and testimony was given, so it worked at Watergate. It did not work in Iran-Contra. And we see no reason it will not work in the event of hearings in the so-called Whitewater matter.

I think the final paragraph, (d), the thing that we do not want to do—speaking now, not as a Republican, but speaking as a Member of this body—is to give any public official, whether it be Robert B. Fiske or somebody else, a veto power over what Congress can do, what Congress should do and has the right to do and has a mandate, as far as I am concerned, for the American people, to carry out oversight responsibilities.

So we have tried to not interfere with that but also to let the leaders make a determination that we can proceed without interfering with the ongoing investigation. But the bottom line is that Robert Fiske cannot have a veto. I do not care how many letters he writes or how many statements he makes on television. Congress has some responsibility, too. We had some difficulty with that particular paragraph, because I know my colleagues on the other side keep citing the Fiske letters, the Fiske this and the Fiske that. We are not trying to compromise the investigation, but it could happen sometimes that Congress might determine something is more important than getting a conviction somewhere or doing something else the special counsel might do. Congress has some real responsibilities, as I pointed out earlier for the record.

So I hope there would be a unanimous vote for this resolution. I hope I could get together with the majority leader next week and start working, if we can. We have not reached an agreement yet. It is not going to be easy. We have already had a preliminary discussion. We trust each other. It will be in good faith, I have no question about that. We may not be able to put it together. If not, we will be back on the floor, I assume, with additional amendments or whatever.

So I thank the majority leader, and I thank my colleagues on this side of the aisle.

I yield 2 minutes to the Senator from Maine and 2 minutes to the Senator from New York.

Mr. COHEN. I thank the minority leader for yielding.

Madam President, let me just make this point. It has been reiterated, over and over again, that Iran-Contra, the hearing into Iran-Contra was a failure. It was not a failure. It was necessary to conduct that hearing to find out what in fact took place. Let me submit that, notwithstanding the fact that Oliver North and Admiral Poindexter and perhaps several others were not successfully prosecuted ultimately because the law was interpreted differently than we had understood it to be before, nonetheless it was far more important for this country to have learned about an off-the-shelf, self-sustaining, covert capability that was being conducted by members of the White House staff—far more important that we learn about that and put a stop to it than worry about whether or not certain individuals would be convicted later on.

So to those who maintain it was a mistake, I say it was not a mistake. It was the right thing to do. If any mistake was made, that had to do with the granting of immunity, in which case we do not intend to repeat that mistake.

The important language in this particular resolution is "hearing should be structured and sequenced." There shall be hearings, and they shall be structured and sequenced—meaning we can have hearings on the matters pertaining to Washington occurring while President Clinton is President and has been President, and allow the hearings pertaining to those events that occurred years ago in Arkansas to be taken on a much longer-term basis.

So in this resolution the language, I think, is significant: Structured. It shall be structured and sequenced. So we anticipate a series of hearings and not just one at the end of the Fiske investigation.

I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. D'AMATO. Madam President, some weeks ago I predicted that we would have hearings. There were those who said no, there was no need, we would not have them. I think the great strength of our democracy is that we will get to the facts and at times, those facts may not be pleasant. I paraphrase the concerns and thoughts of my two colleagues, the Senate majority leader and his colleague from Maine, when they said that is our obligation. The abuse of power is something that is important to curb and to expose. I am pleased that we have been able to come to this point, where there will be hearings as outlined.

I am pleased that the white waters have finally parted and the Senate can pursue its march for the truth. I believe that we have learned how to avoid some of the pitfalls that have been referred to in the past. Once we get to the truth, we can continue the business of the people, and all of us—Democrats and Republicans—can say that we have upheld the law.

I am pleased that we have come to this point. It is something that I was confident we would arrive at.

Mr. DOLE. Madam President, is there any time remaining?

The PRESIDING OFFICER. The Republican leader has 2 minutes remaining.

Mr. DOLE. I yield it back.

The PRESIDING OFFICER. The majority leader is recognized for up to 10 minutes.

Mr. MITCHELL. Madam President, I am pleased to sponsor this amendment. It is completely consistent with all of my previous public statements on this matter. I have stated from the outset that Congress has a serious oversight responsibility that it will meet and that it will do so in a manner that does not interfere with the investigation of the special counsel.

The Senator from New York said that he predicted hearings, and others said there would not be hearings. I know of no such person. I did not ever state that nor did anyone else to my knowledge.

What was stated was that the demand made by our colleague for immediate hearings would not be met and has not been met under this amendment. I am pleased that our colleagues have agreed not to pursue that request and have agreed to proceed in the manner which I suggested at the outset and which I have consistently suggested throughout; that is to say that we will meet our oversight responsibilities, but we will do so in a responsible and serious manner, not in a political circus, but one which will be set up in a way that will not interfere with the ongoing investigation of the special counsel.

That is both in terms of the structure of the hearings and the timing of the hearings.

I emphasize, as did the Republican leader, that this requires us in good faith to meet, to discuss the matter, and to make a determination as the best and most appropriate manner to proceed consistent with this resolution which restates Congress' obligation. And being the author of the amendment, it is drafted with the words that I have consistently used in this matter; that no witness called to testify will be granted immunity over the objection of the special counsel, another concern which I have expressed throughout, and the final paragraph, which I quote:

> The hearings should be structured and sequenced in such a manner that in the judgment of the leaders, they would not interfere with the ongoing investigation of Special Counsel Robert B. Fiske, Jr.

This is the responsible way to deal with this matter. This is the way to have the hearings at a time and under conditions and circumstances which will not interfere with the special counsel's investigation, entirely consistent, indeed identical, to the position which I have stated from the outset.

I repeat, I know of no Member of this body who has ever said there should never be hearings. That may have been said, but I did not hear it and I never read it. Every Member whose statements with which I am familiar has stated that there should be hearings. The disagreement has been over the time and the conditions and the circumstances.

I am very pleased that our colleagues have now agreed to do so in the manner which I have previously suggested. That is to say, at a time and under conditions and circumstances which will not interfere with the investigation of the special counsel.

Madam President, I thank my colleagues. I thank the Republican leader for his cooperation and for our colleagues who have been involved in this matter. I think this is the way to proceed.

There are two things that will come out of this. The first is that, as I have said all along, there will be and there should be appropriate and serious congressional oversight. The second thing is that the special counsel's investigation can go forward and not be interfered with by the actions of Congress.

I think those are two important objectives that have been attained by this resolution, and I encourage all of my colleagues to vote for this amendment.

The PRESIDING OFFICER. Does the majority leader yield back the remainder of his time?

Under the previous order, the majority leader controls the remaining 4 minutes and 40 seconds of time.

Mr. MITCHELL. Madam President, my understanding is that the Senator from Texas wishes to discuss a matter unrelated to this amendment, an amendment of his own, which he will discuss. Therefore, I ask unanimous consent that he be recognized for 5 minutes to discuss his amendment, and that upon the completion of his remarks, the Senate proceed to vote on the pending matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. I reserve the remainder of my time.

The PRESIDING OFFICER. The majority leader reserves his 4 minutes 40 seconds. The Senator from Texas is recognized.

Mr. GRAMM. Madam President, I thank the majority leader for allowing me to speak now.

It seems almost superfluous trying to talk about the underlying bill given the magnitude of the discussion just having gone on here. I thought of offering an amendment to deal with the implicit usury limit which is part of this bill. I am very concerned about it, because I think it represents bad public policy.

But I realize that at 9 o'clock at night, when we are getting ready to vote on an amendment regarding the Whitewater matter, few will be paying any attention to the underlying bill that is before us. So I thought, Madam President, that I would simply remind my colleagues of the usury limit provision in this bill, point out how unenlightened a policy this represents, and say to my colleagues that I am hopeful that when we go to conference with the House we will end up modifying or dropping these provisions.

I ask my colleagues to note the paradox, in that all over the world tonight, countries in Eastern Europe, the former Soviet Union, in Asia that have been dominated by Marxism for 30 years, are now repealing laws exactly like the bill that we are about to pass.

Under the provisions of subtitle B of title I of the bill that is before us, if interest rates on a loan that uses an underlying mortgage as collateral are above a certain level specified in this bill, a variety of restrictions are imposed on the lender. This is, in reality, a usury limit. We have debated usury limits for hundreds of years. In fact, St. Thomas Aquinas presented a clear explanation as to why we should not be in the business of trying to set interest rates by law and why, by doing that, we hurt the very people we are trying to help.

The bill before us, by imposing an implicit usury limit, is simply going to mean that what we are doing is not helping the people who will not be able to borrow at that rate. When we say that people cannot lend at certain interest rates without suffering all kinds of restrictions, then we take the profitability of that loan away. What we are doing is hurting people. People who could have obtained a loan at a higher interest rate will now be forced to go to pawnshops, they will be forced to borrow from their brother-in-law, they will be denied credit, they will be denied the ability to get access to capital that might have allowed them to start a business, that might have allowed them to go to trade school.

And so the bottom line is, we have an unenlightened policy before us in this bill that imposes by law a price control on interest rates and that, in doing so, hurts the very people that it is supposed to help.

You would think in 1994 that no such proposal could be given serious consideration by the Senate, that it would be laughable to consider it here, but it is clearly not so.

So, I am going to vote for the Whitewater resolution, but I am going to vote against the underlying bill because it is a bad bill. It represents policy which is rejected almost worldwide today. Only on the floor of the Senate are we still debating and voting on usury limits, to allow the Government to interfere with the ability of the market system to set interest rates.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator yields back his time.

The majority leader controls 4 minutes and 30 seconds.

Mr. MITCHELL. Madam President, we will now vote on this amendment. That will be the last rollcall vote unless some Senator now states that he or she will insist on a recorded vote on the underlying bill.

There has been no such request, and I would hope there will be none. That way Senators could vote on this resolution and depart. Therefore, there will be no vote on final passage. That will be by voice vote. This will be the last vote this evening. We will be in session tomorrow dealing with another bill.

So, Madam President, I now yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1547. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. DOLE. I announce that the Senator from Wyoming [Mr. SIMPSON] and the Senator from South Carolina [Mr. THURMOND] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. SIMPSON] and the Senator from South Carolina [Mr. THURMOND] would each vote yea.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 62 Leg.]

YEAS—98

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boren
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Danforth
Daschle
DeConcini
Dodd
Dole
Domenici
Dorgan
Durenberger
Exon
Faircloth
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
Mathews
McCain
McConnell
Metzenbaum
Mikulski
Mitchell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Riegle
Robb
Rockefeller
Roth
Sarbanes
Sasser
Shelby
Simon
Smith
Specter
Stevens
Wallop
Warner
Wellstone
Wofford

NOT VOTING—2

Simpson
Thurmond

So the amendment (No. 1547) was agreed to.

Mr. DOLE. Madam President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Madam President, I suggest the absence——

Mr. DOLE. If the Senator will withhold that request, while the managers are conferring, I wonder if I might speak.

The PRESIDING OFFICER. The Republican leader is recognized.

TWENTY-FIRST ANNIVERSARY OF SENATOR JOHN McCAIN'S RELEASE AS A POW

Mr. DOLE. Madam President, I want to call to the attention of my colleagues that today is the 21st anniversary of the release of Senator JOHN MCCAIN from prison in Vietnam. JOHN MCCAIN is one of our real American heroes, and I know we are all proud of him and what he has done. I certainly salute JOHN MCCAIN, as I do at every opportunity. Our prayers were with him then, and they are with him now. I call that to the attention of my colleagues.

The PRESIDING OFFICER. Who seeks recognition?

Mr. FORD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1548

Mr. METZENBAUM. Madam President, I send a sense-of-the-Senate amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1548.

Mr. METZENBAUM. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the Committee Substitute insert the following:

It is the sense of the Senate that: No insurer shall enter into a transfer agreement or transfer a contract of insurance pursuant to a transfer agreement unless the transferring insurer has first provided or caused to be provided to each policyholder of the insurer affected by the agreement a notice of the intent of the insurer to transfer the contract of insurance held by such policyholder.

(b) FORM OF NOTICE.—The notice shall be sent by first-class mail, addressed to the last known address of the policyholder or to the address to which premium notices or other policy documents are sent or, with respect to home service business, by personal delivery with acknowledged receipt. A notice of intent to transfer shall also be sent to the transferring insurer's agent or broker of record on the affected policy.

(c) CONTENT OF NOTICE.—The notice required by subsection (a) shall state or provide—

(1) the date the intended transfer and novation of the contract of insurance of the policyholder is proposed to take place and become effective;

(2) the name, address, and telephone number of the transferring insurer and the assuming insurer under the proposed transfer agreement;

(3) that the transfer and novation of the insurance contract of the policyholder cannot take effect without the written consent of the policyholders except as provided in section 5 of this Act;

(4) the procedures and any time limitation for consenting to the transfer and novation;

(5) a summary informing the policyholder regarding any adverse effect that the policyholder might experience as a result of consenting to the transfer and novation;

(6) a statement that, without the written consent of the policyholder, the transferring insurer will remain as the insurance company of the policyholder or beneficiary, except as provided in section 5 of this Act;

(7) a statement that the assuming insurer is licensed to write the type of business being transferred in the State where the policyholder resides, or is otherwise authorized, under applicable law, to assume such business;

(8) the name, address, and telephone number of the person designated by the transferring insurer as the person for receiving the written consent of the policyholder affected by the proposed transfer and novation;

(9) the address and telephone number of the chief insurance regulatory official of the State in which the policyholder resides;

(10) financial data for the transferring insurer and the assuming insurer involved in the proposed transfer agreement, including—

(A)(i) the ratings, together with enough information to understand where the ratings fall within the range of rating categories of each rating agency, for the last 5 years, if available, or if not available for 5 years, for such lesser period as is available, from each nationally recognized insurance company rating organization that has rated the insurer, including an explanation of the meaning of each rating category of each rating organization;

(ii) if ratings are unavailable for any year of the 5-year period, a disclosure of this fact; and

(iii) a statement that any or all of the above insurance company rating organization reports may be obtained at no cost by writing or calling an address or phone number listed in the statement;

(B) a balance sheet as of December 31 for each of the 3 years immediately preceding the notice, if available, or for such lesser period as is available, and as of the date of the most recent quarterly statement;

(C) a copy of the Management's Discussion and Analysis that was filed as a supplement to the annual statement of the preceding year; and

(D) an explanation of the reason for the proposed transfer signed by the highest executive official of the transferring insurer and the assuming insurer;

(11) a statement setting forth the financial condition of the transferring insurer and of the assuming insurer under the proposed transfer agreement, and the effect the transaction will have on the financial condition of each such insurer;

(12) an opinion by a disinterested third-party expert, such as an actuary, finding that the transfer is fair and in the best interests of the policyholders affected by the transfer, and a statement that the report on which the opinion is based is available at no cost by writing or calling an address and phone number listed in the statement;

Mr. METZENBAUM. Madam President, it is rather late in the evening, I am aware, but there is a matter that has caused me great concern and is, in my opinion, one of the most audacious acts conducted by the insurance industry—not all of them, but a certain portion of them—where "John Jones" takes out a policy with company "X", and he wakes up one day to find that company "X" has transferred his policy to company "Y," without giving him any notice, without asking for his consent.

There is no other industry in the country, no other business deal in the country that could be made in that manner, where you put your money in a bank, and then the bank transfers your deposits to another bank and says: Now you are doing business with another bank. And that bank may be far weaker. This is not a figment of my imagination. This is something that has occurred in this country, not once, but a number of times.

It is only fair to point out that the National Association of Insurance Commissioners has been looking at the problem, and they have come up with some model legislation. But realistically speaking, model legislation of the NAIC normally does not become law for many years after the suggestion is made by the commissioners themselves. Even so, the model legislation does not provide for adequate notice and consent to the individual involved.

I believe we ought to change the law in this respect. Senator BRYAN and I expect to introduce legislation to that effect and will do so at an appropriate time, probably the first of this coming week. But because I think it is necessary that the insurance industry be aware of the attitude of the U.S. Senate on this question of an insurance company transferring an insured's policy without the consent of the insured, I offer this sense-of-the-Senate amendment spelling out the notice that would be required, and the consent of the insured, before it could become effective.

I yield the floor.

Mr. RIEGLE. Madam President, we are prepared to accept the sense-of-the-Senate resolution.

I urge its adoption.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 1548) was agreed to.

Mr. METZENBAUM. Madam President, I move to reconsider the vote.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Madam President, I now ask unanimous consent that the committee substitute be agreed to, the bill be read a third time, and the Banking Committee be discharged from further consideration of H.R. 3474, the House companion measure, and that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and the text of S. 1275, as amended, be inserted in lieu thereof; that the bill be read the third time and the Senate proceed to vote on final passage of H.R. 3474; that upon the disposition of H.R. 3474, the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees, and that all of the above occur without intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3474) to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices to facilitate the establishment of community development financial institutions, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause is stricken, the text of S. 1275, as amended, is inserted in lieu thereof.

The clerk will read the bill for the third time.

The bill was read a third time.

Mr. FAIRCLOTH. Madam President, if a rollcall vote were held on H.R. 3474, I would have been recorded in the negative.

Mr. WALLOP. Madam President, if a rollcall vote were held on H.R. 3474, I would have been recorded in the negative.

The PRESIDING OFFICER. The question is on the passage of the bill, as amended.

So the bill (H.R. 3474) was passed.

(The text of the bill (H.R. 3474) as passed by the Senate will appear in a future edition of the RECORD.)

Mr. RIEGLE. Madam President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Madam President, I ask unanimous consent that upon disposition of H.R. 3474, S. 1275 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Madam President, if I may, I want to just take a moment to thank my colleague, Senator D'AMATO, and thank the other members of the committee on both sides of the aisle for their hard work and cooperation in committee leading up to the bill today and then the work over the last 2 days to get this bill to final passage.

I also thank the staff on both sides for really an extraordinary work effort. They are here many of them—not all are here—there are others in other places. Wherever they are I want to thank them for the extraordinary amount of work that has gone into this all the time leading up through the Senate floor action and now final passage.

I say the same with respect to the minority staff. I think we have an exceptionally good working relationship on our committee. It has sort of been the hallmark of our committee, as the Presiding Officer knows, over the now 6 years that I have been chairman of the committee, and I think the work that we have been able to produce is a result of the kind of teamwork that we received from all Members and staff on both sides.

So I am grateful for that.

I think we passed a good bill here. I think it will help the country when finally enacted, coming back from the conference committee and put into written law and then fully implemented.

So I thank all involved and I am very grateful for that support.

With that, Madam President, I yield back the floor.

Mr. D'AMATO. Madam President, let me just take several seconds to commend the distinguished chairman of the committee, Senator RIEGLE, to commend his staff, and to commend the staff on the minority side for an outstanding job. So many Members have worked to bring this bill to a point where we are really, I think, on a threshold of accomplishing unusual things: "Securization" in the area of small business loans, making commercial loans hopefully more accessible, providing capital for the loans, and seeing to it that we have a sound flood insurance program.

None of this was accomplished with a great deal of ease. It was a lot of hard work, and I might say a very bipartisan effort.

So, may I start by again thanking the staff, both on the Republican side and on the Democratic side, and commending the chairman and all of our colleagues who participated in putting forth a bill that I believe is going to help put people to work.

I believe you are going to see a great deal of capital that otherwise would not be made available to the little people, small businesses, and entrepreneurs. They in turn will be able to put their expertise to use, move this country forward, and in the truest sense provide real jobs and job opportunities.

I just want to take this opportunity to thank the chairman again and all those who participated.

The PRESIDING OFFICER. The Senator from Kentucky, the majority whip.

MORNING BUSINESS

Mr. FORD. Madam President, I ask unanimous consent that there now be period for morning business with Senators allowed to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE JUDICIARY COMMITTEE'S INQUIRY INTO PROFESSIONAL SPORTS

Mr. BIDEN. Mr. President, on Monday, March 21, 1994, Senator METZENBAUM will open the Judiciary Committee's broad inquiry into professional sports when he convenes a field hearing in Tampa Bay, FL. Professional sports leagues in the United States are accorded special treatment—a treatment that is not necessarily undeserved. Spectator sports have provided fans with entertainment for the family, role models for the children, and symbols around which to rally civic spirit. I know from my own personal experience with the Wilmington Blue Rocks Single-A baseball team that cities and towns with a sports team are all the wealthier for having a place to come together as a community to pull for the home team. In exchange, the fans not only have paid admission to attend the games, but have provided various other financial and legal incentives not normally available to other businesses.

Regrettably, Mr. President, the owners and players of professional sports today have forgotten that in return for the special status they have been accorded, they have obligations to their communities that are more than making a profit or signing a multi-million dollar contract. The fans are owed more because the fans have been asked to do more.

"Fans as taxpayers" provide their financial support for the often massive infrastructure that is needed by a professional team—which can include the construction and maintenance of a stadium, parking lots, roads, sewers, utilities, and public transportation.

"Fans as voters" provide exemptions and exceptions in their laws, municipal regulations and zoning requirements that relate to television contract rights, neighborhood curfews, and variances.

"Fans as fans," after providing support as taxpayers and voters, are required to pay more for parking, pay more for tickets, pay more for hot dogs and pretzels, pay more to watch their favorite team on pay television, and even then, after "paying," are sometimes faced with threats by their team that it will move to another city.

Mr. President, clearly, the present state of affairs must change. The question is how. Senator METZENBAUM's focus in the past has been baseball's antitrust exemption. He introduced a bill a year ago that would repeal major league baseball's antitrust exemption. Last fall, I, along with many of the other members of the Judiciary Committee, asked him to conduct a broader examination of professional sports. The complaints often directed at major league baseball's antitrust exemption related to stadium financing, league expansion, franchise movement, television rights and salaries have also occurred or presently exist in professional sports that do not enjoy an antitrust exemption.

The Judiciary Committee's examination of professional sports will proceed along two tracks to determine the proper extent of congressional involvement. First, the committee needs to determine the role Congress should take to deal with the complaints from the public involving stadium financing, broadcasting rights, the move to pay television, and owner and player conduct. Conflicts in these areas have raised issues as to the "public mindedness" and responsibilities of professional sports leagues and teams to local communities. Second, the committee needs to consider a set of graduated steps—other than simply eliminating baseball's antitrust exemption—that Congress might take to guarantee that all professional sports meet their obligations to fans and taxpayers.

Because Senator METZENBAUM's hearing will take place during major league baseball's spring training, I have no doubt that ample attention will be given to the issues involving the antitrust exemption and the recent restructuring of the still vacant commissioner's office. As I pointed out last fall, I certainly do not dispute that major league baseball receives special treatment under the antitrust laws, and I think the assertion of some people, including that of former Commissioner Fay Vincent from the September 26, 1993, New York Times, that "baseball deserves its immunity from the antitrust laws" should be reconsidered in light of recent events. These events suggest that the Judiciary Committee examine the legal and financial advantages bestowed upon baseball and other professional sports by the citizens of this country.

The failure of the owners to hire a commissioner is disappointing. In the past, an independent baseball commissioner has maintained the health and integrity of the sport by balancing the interests of the fans with the concerns of the players and the owners. The owners' omission is exacerbated by the fact that a commissioner, the fans' representative, will not be available to help resolve the remaining and potentially contentious labor issues over which the Major League Baseball Players Association has threatened a strike later this summer.

These issues are important and I look forward to reviewing the hearing record. As the committee carries out this examination, the focus must be on the issues that affect the fans. I am specifically concerned about the potential effect the proposed repeal of baseball's antitrust exemption on minor league baseball, and issues that exist regardless of the antitrust exemption related to league expansion and franchise movement, taxpayer financed stadiums, television rights, and salary caps, revenue sharing and player salaries.

The dependence of minor league baseball on major league baseball's antitrust exemption needs to be ascertained. Minor league teams exist in more than 150 communities across the country, including Wilmington, DE, the home of the Blue Rocks. As many of us are aware, on March 3, 1994, the National Association of Professional Baseball Leagues held a "Congressional Education Day" that brought representatives from more than 100 minor league baseball teams to Capitol Hill offices. These minor league teams oppose repealing the exemption because they contend that most minor league clubs do not have the financial resources to identify players and negotiate salaries. Presently, major league baseball provides the players and pays all the salaries for minor league clubs, in addition to paying expenses for uniforms, equipment, and travel. The importance of the minor leagues to the more than 30 million fans that attended games last year is undoubted. Before taking steps to repeal the exemption, the Judiciary Committee needs to explore the historical relationship between major league baseball and the minor leagues to determine whether alternatives exist to support minor league baseball from the largest to the smallest communities.

Issues with regard to league expansion and franchise movement exist in all professional sports leagues. Increasingly, stadium finacing and revenues have been tied to whether a league will grant a city a new franchise or whether an existing franchise will remain. Because this problem exists in all sports, it is not necessarily tied to the antitrust exemption.

Recently, major league baseball announced the possibility of expanding the league by creating two additional teams. No doubt, the announcement will inspire a flury of activity and expenditures on the part of a number of cities in order to attract a team. Such activity is not unique to baseball, however, as recently evidenced by the bidding for two new NFL franchises on the part of Memphis, St. Louis, Charlotte, Baltimore, and Jacksonville. In order to gain its franchise, Jacksonville committed to a $121 million renovation of the Gator Bowl. St. Louis has started construction of a $258 million domed stadium in the belief it will get an NFL franchise eventually. All of the cities spent significant amounts of money merely to be considered as a viable location.

Recently, many football and baseball teams have threatened to leave for other cities unless the city builds a new stadium or provides favorable arrangements on concessions such as parking and sky boxes. Locally, Jack Kent Cooke, owner of the Washington Redskins, is in the process of trying to move his team out of Washington if he can find a municipal or State government to finance a stadium. The city of Buffalo recently announced it will spend $23 million on the Bills' stadium—$5 million on the largest scoreboard in the country and an undisclosed amount on new private suites. The Bills organization indicated that any needed additional revenue would be covered by increased ticket prices. The Judiciary Committee should consider whether the taxpayers' return on these stadium improvements are comparable to their investments.

Purportedly, there is a movement to pay television among the professional sports leagues. The recent television contract major league baseball signed has raised concerns because it could mean that playoffs are not on network television for the first time ever. Certainly, on step the committee should take is a review of the law that provides a limited antitrust exemption for all professional sports leagues to negotiate television contracts. The law was passed in 1966 and has not been amended since that time even though telecasting has changed radically. The original purpose and foundation for the law should be examined in light of the expanded use and availability of cable television and pay per-view.

Normally, Congress would not take an interest in the salaries or financial arrangements of a private business. In the case of professional sports, however, the many instances in which municipalities and States provides funds for facilities create a public interest in the fiscal health of a team. The committee has an obligation at least to highlight the different options available to assure that teams remain viable and community money is not wasted. The owners of major league baseball have recommended a salary cap to be imposed on each team. Presently, the National Basketball Association has a salary cap, and the National Football League will have one in place next season.

In addition, the ability of teams in small media markets to exist and remain competitive becomes less certain as team salaries rise. A city's significant investment in stadiam infrastructure is threatened when a team fails. Baseball has a revenue sharing proposal under negotiation to attempt a more equitable distribution of money among teams from large and small media markets. The commitee needs to consider whether measures such as a salary cap and revenue sharing will help to stabilize clubs financially in small media markets and protect the investment of the local community.

Mr. President, the Judiciary Committee has undertaken a bold examination as part of its obligation to address the problems facing sports fans. I look forward to reviewing the proceedings of Senator METZENBAUM'S next hearing and those in the future. I am confident that in the end, the committee will develop a comprehensive and effective approach to restore the importance of the fan in the scheme of professional sports.

IN SUPPORT OF DEVAL PATRICK TO HEAD THE CIVIL RIGHTS DIVISION OF THE JUSTICE DEPARTMENT

Mr. DECONCINI. Mr. President, I rise in strong support of the President's nomination of Deval Patrick to head the Civil Rights Division of the Justice Department. Mr. Patrick is an accomplished lawyer, with experience in both civil rights litigation and private practice. Throughout his legal career, he has demonstrated a passionate commitment to civil rights.

His personal and professional background is impressive. Mr. Patrick hails from an impoverished neighborhood on the south side of Chicago. From there, he went to Harvard College where he graduated cum laude. After graduation he spent a year in the Sudan and Nigeria as a Rockefeller fellow. Upon completion of his fellowship he returned to Harvard for law school, where he had the great distinction of winning the Ames Moot Court Competition.

After earning his law degree, Deval Patrick clerked for Judge Reinhardt on the Ninth Circuit Court of Appeals. He then joined the NAACP Legal Defense and Educational Fund as a staff attorney. In this position, he defended death row inmates and litigated many voting rights cases.

Even after leaving the NAACP Legal Defense and Educational Fund, Mr. Patrick remained active in civil rights issues. He has devoted approximately 30 percent of his time since joining the Boston law firm of Hill and Barlow to pro bono work, most of which were civil rights cases. He obtained a landmark settlement on behalf of a large number of African-American borrowers who were victims of a lending scam. He also drafted an amicus brief in a successful Supreme Court challenge to the racially motivated use of preemptory challenges in a civil case.

There is a need in America and in the Justice Department for lawyers like Mr. Patrick. Last year, the civil rights division filed a record number of cases and launched a record number of investigations. Under the leadership of Attorney General Janet Reno and Deval Patrick, I am certain the Civil Rights Division will continue to eradicate discrimination in America. In addition, I believe Mr. Patrick serves as an important role model to our young people today. He has dedicated his life and committed his work and talents to the struggle of overcoming racism and preserving he basic concepts of fair play and due process in our society.

Mr. Patrick's background clearly demonstrates his commitment to civil rights. I am confident that Mr. Patrick will continue in the struggle to uphold our freedoms by protecting our civil rights. He has my strongest support for this nomination, and I also urge my colleagues to lend their support to this outstanding candidate.

VERONA KNISELY: DOYENNE OF CHARLESTON VOLUNTARISM

Mr. HOLLINGS. Mr. President, next week the family and friends of Verona Knisely will gather to celebrate her 90th birthday. Of course, this will be much more than a birthday party. It will be a celebration of a life exceptionally well lived, a life dedicated to voluntarism and community service.

Mr. President, to outsiders, the city of Charleston is defined by its culture and architecture. But to us native Charlestonians, the city is defined first and foremost by the special people who live there. Verona Knisely is one of those special people.

Verona established herself as an environmental activist long before most Americans even knew what environmentalist meant. She dedicated herself first to the cause of cleaning up Charleston's waterways, and later became a leader in the fight to reduce pollution in the city's air. Concurrent with her environmental work, she has been a leader in the League of Women Voters, in the field of mental health, in the arts and much more. In recognition of decades of achievement, in 1990 the Trident Community Foundation in Charleston awarded her the prestigious Malcolm D. Haven Award for outstanding voluntarism.

Mr. President, Verona Knisely is proof positive that you don't have to be on the public payroll in order to be a public servant. She has served the Charleston community with dedication and selflessness. I salute Verona, and congratulate her on this latest milestone.

JAN CONKLIN: 12 YEARS OF DEDICATED SERVICE

Mr. HOLLINGS. Mr. President, most Members of the Senate are blessed with a core group of loyal, dedicated aides—staff members who have been with them for years and on whom they rely for consistently high-quality performance. Jan Conklin of my Charleston-based staff is one such aide.

Mr. President, Jan performs a wide range of administrative duties in my Charleston office. Her specialty is the thoughtfully written letter and the specially crafted personal note to constituents. No one surpasses Jan in her knowledge of the people in Charleston—their families, their work, how to locate them, and so on. By her fellow staffers and by the many Charlestonians she assists on a day-to-day basis, Jan is respected for her unfailing kindness and courtesy. Jan's dedication to her office duties is surpassed only by her dedication to Otis, her husband, as well as her three grown children and four grandchildren.

Mr. President, I appreciate all that Jan has done for me down through the years. Tomorrow will be her 12th anniversary with my staff. I salute Jan, and wish her all the best in her next 12 years.

NATIONAL COMPETITIVENESS ACT OF 1994

The text of the bill H.R. 820, entitled "An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes," as passed by the Senate on March 16, 1994, is as follows:

H.R. 820

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National Competitiveness Act of 1994".

(b) TABLE OF CONTENTS.—

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title and table of contents.
Sec. 102. Findings.
Sec. 103. Purposes.
Sec. 104. Definitions.
Sec. 105. Overall authorization limit.

TITLE II—MANUFACTURING

Sec. 201. Short title.

SUBTITLE A—MANUFACTURING TECHNOLOGY AND EXTENSION

Sec. 211. Manufacturing amendments to the Stevenson-Wydler Technology Innovation Act.
Sec. 212. Manufacturing amendments to the National Institute of Standards and Technology Act.
Sec. 213. Additional amendments to the Stevenson-Wydler Technology Innovation Act.
Sec. 214. Manufacturing technology centers.
Sec. 215. State Technology Extension Program.
Sec. 216. Report on options for accelerating the adoption of new manufacturing equipment.

SUBTITLE B—NATIONAL SCIENCE FOUNDATION MANUFACTURING PROGRAMS

Sec. 221. National Science Foundation manufacturing programs.

TITLE III—CRITICAL TECHNOLOGIES

Sec. 301. Development of plan for the Advanced Technology Program.
Sec. 302. Large-scale research and development consortia.
Sec. 303. Technical amendments.
Sec. 304. Technology monitoring and competitiveness assessment.
Sec. 305. Recoupment.
Sec. 306. Technology financing pilot program.
Sec. 307. Reports on foreign industrial espionage.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

Sec. 401. Department of Commerce Technology Advisory Board.
Sec. 402. International standardization.
Sec. 403. Malcolm Baldrige award amendments.
Sec. 404. Cooperative research and development agreements.
Sec. 405. Program evaluations.
Sec. 406. Study of semiconductor lithography technologies.
Sec. 407. Clearinghouse on State and Local Initiatives.
Sec. 408. Wind engineering research program.
Sec. 409. Environmentally sensitive construction technologies.
Sec. 410. American workforce quality.
Sec. 411. Severability.
Sec. 412. Use of domestic products.
Sec. 413. Personnel.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 501. Technology Administration.
Sec. 502. National Institute of Standards and Technology.
Sec. 503. Additional activities of the Technology Administration.
Sec. 504. National Science Foundation.
Sec. 505. Availability of appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS

Sec. 601. Short title.
Sec. 602. Findings and purpose.
Sec. 603. Information technology applications.
Sec. 604. Applications for education and libraries.
Sec. 605. Applications for manufacturing and information.
Sec. 606. Applications in energy and other areas.
Sec. 607. Applications for health care; access to networks.
Sec. 608. High-Performance Computing and Applications Advisory Committee.
Sec. 609. National Research and Education Network Program.
Sec. 610. Support for computer education programs.
Sec. 611. Support for State-based digital libraries.
Sec. 612. Support for computing activities at tribal colleges.
Sec. 613. Department of Education support for computer education programs.

TITLE VII—FASTENER QUALITY ACT AMENDMENTS

Sec. 701. Fastener Quality Act amendments.

TITLE VIII—PRIVATE CARRIAGE OF URGENT LETTERS

Sec. 801. Private carriage of urgent letters.

TITLE IX—REGULATORY FLEXIBILITY ANALYSIS

Sec. 901. Definitions.
Sec. 902. Initial regulatory flexibility analysis.
Sec. 903. Final regulatory flexibility analysis.
Sec. 904. Judicial review.

TITLE X—COUNTERINTELLIGENCE

Sec. 1001. Short title.
Sec. 1002. Amendment to the National Security Act of 1947.
Sec. 1003. Protection of cryptographic information.
Sec. 1004. Amendment to Right to Financial Privacy Act.
Sec. 1005. New criminal offense for the possession of espionage devices.
Sec. 1006. New offense for sale or transfer to foreign governments documents and other materials designated as top secret.
Sec. 1007. Lesser criminal offense for the removal of top secret documents by government employees and contractors.
Sec. 1008. Jurisdiction of United States courts to try cases involving espionage outside the United States.
Sec. 1009. Expansion of existing statute regarding forfeiture of collateral profits of crime to additional espionage offenses.
Sec. 1010. Denial of annuities or retired pay to persons convicted of espionage in foreign courts involving United States information.
Sec. 1011. Authorizing the FBI to obtain consumer reports on persons believed to be agents of foreign powers.
Sec. 1012. To provide for rewards for information concerning espionage.
Sec. 1013. To provide a court order process for physical searches undertaken for foreign intelligence purposes.

TITLE XI—LOCAL EMPOWERMENT AND FLEXIBILITY

Sec. 1101. Short title.
Sec. 1102. Findings.
Sec. 1103. Purposes.
Sec. 1104. Definitions.
Sec. 1105. Demonstration program.
Sec. 1106. Provision of Federal assistance in accordance with approved local flexibility plan.
Sec. 1107. Application for approval of local flexibility plan.
Sec. 1108. Review and approval of local flexibility plans.
Sec. 1109. Implementation of approved local flexibility plans; waiver of requirements.
Sec. 1110. Community advisory committees.
Sec. 1111. Technical and other assistance.
Sec. 1112. Community enterprise board.
Sec. 1113. Termination and repeal; report.

TITLE XII—HERO ACT

Sec. 1201. Short title.
Sec. 1202. Findings.
Sec. 1203. Citations.

TITLE XIII—MISCELLANEOUS PROVISIONS

Sec. 1301. Economic and Employment Impact Act.
Sec. 1302. Urban university business initiative grants.
Sec. 1303. Prohibition on solicitation of campaign contributions by persons awarding contracts.

SEC. 102. FINDINGS.

Congress finds and declares the following:

(1) In an increasingly competitive world economy, the companies and nations which lead in the rapid development, adoption, and application of new technologies, and in the low-priced, high-quality manufacture of products based on those technologies, will lead in economic growth, employment, and high living standards.

(2) While the United States remains the world leader in science and invention, it has not done as well as it should in manufacturing new products based on these innovations. This lag and the unprecedented competitive challenge that the Nation has faced from abroad have contributed to a drop in real wages, living standards, and employment opportunities.

(3) There is general agreement on which fields of technology are critical for economic competitiveness through the first decade of the next century, but the United States Government must pursue a comprehensive strategy to ensure that the appropriate research, development, and applications activities and other reforms occur so these technologies are readily available to United States manufacturers for incorporation into products made in the United States.

(4) Maintaining a highly competitive manufacturing base in the United States is essential for economic prosperity and national welfare and requires continuous development and adoption of advanced manufacturing technologies that will enable United States manufacturers to develop innovative products rapidly and manufacture goods of the highest quality at competitive prices.

(5) While the private sector must take the lead in the development, application, and manufacture of new technologies, the Federal Government should—

(A) assist industry in the development of high-risk, long-term precommercial technologies which promise large economic benefits for the Nation;

(B) support industry-led efforts to develop and refine advanced manufacturing technologies, including technologies which improve productivity and quality and which build upon and enhance employee skills;

(C) work with States, the private sector, worker organizations, and technical and professional societies to help small- and medium-sized manufacturers throughout the Nation to adopt best current manufacturing technologies and practices, to improve worker skills, to establish high-performance work organizations, and to prepare, as appropriate, to adopt the advanced computer-controlled manufacturing technologies of the twenty-first century; and

(D) cooperate with industry and academia to help create an advanced information infrastructure for the United States.

(6) In working with industry to promote the technological leadership and economic growth of the United States, the Federal Government also has a responsibility to consult with business and labor leaders on industry's long-term technological and skill needs, to monitor technological trends, production process trends, and technology targeting efforts in other nations, and generally to ensure that Federal technology and industrial modernization programs help United States industry to remain competitive and create good domestic jobs.

(7) Technology-based products of the twenty-first century should be developed incorporating the values of sustainable development, including low material use, safety, recyclability, and minimal pollution.

(8) The Department of Commerce, and particularly its Technology Administration and National Institute of Standards and Technology, can effectively assist industry to speed the development and utilization of new technologies, improve and modernize manufacturing, adopt new methods of production, and ensure a growing and healthy national industrial base and good manufacturing jobs. To promote the long-term economic growth of the Nation, these Department of Commerce programs should be strengthened and expanded.

SEC. 103. PURPOSES.

The purposes of this Act are to—

(1) strengthen and expand the ability of Federal technology programs, particularly those of the Department of Commerce, to support industry-led and State-supported efforts to improve the technological capabilities, manufacturing performance, information infrastructure, and employment opportunities of the United States;

(2) promote and facilitate, particularly through the Advanced Technology Program of the Department of Commerce, the creation, development, and adoption of technologies that will contribute significantly to United States economic competitiveness, employment, high quality jobs, and prosperity;

(3) develop a nationwide network of sources of technological and industrial modernization advice for manufacturers, particularly small and medium-sized firms, and provide high quality, current information to that network;

(4) encourage cooperation among Federal departments and agencies to help companies, managers, and workers, in a coordinated fashion, to take full advantage of advanced manufacturing technologies, to improve productivity and quality, and adopt advanced workplace practices which successfully integrate technology and employees;

(5) stimulate the flow of capital to business concerns engaged principally in development or utilization of critical technologies and other advanced manufacturing technologies;

(6) ensure the widest possible application of high-performance computing and high-speed networking and aid United States industry to develop an advanced national information infrastructure; and

(7) enhance and expand the core programs of the National Institute of Standards and Technology.

SEC. 104. DEFINITIONS.

For purposes of this Act—

(1) the terms "advanced manufacturing technology", "advanced workplace practices", "modern technology", and "sustainable economic growth" have the meanings given such terms, respectively, in section 4 of the Stevenson-Wydler Technology Innovation Act of 1980, as amended by section 211(b) of this Act;

(2) the term "critical technologies" means technologies identified as critical technologies pursuant to section 603(d) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683(d));

(3) the term "Director" means the Director of the Institute;

(4) the term "Institute" means the National Institute of Standards and Technology;

(5) the term "Secretary" means the Secretary of Commerce;

(6) the term "small business" has the meaning given such term in the Small Business Act;

(7) the term "source reduction" has the meaning given that term in section 6603 of the Pollution Prevention Act of 1990 (42 U.S.C. 13102);

(8) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States;

(9) the term "Under Secretary" means the Under Secretary of Commerce for Technology; and

(10) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

SEC. 105. OVERALL AUTHORIZATION LIMIT.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated under this Act shall not exceed $1,900,000,000.

TITLE II—MANUFACTURING

SEC. 201. SHORT TITLE.

This title may be cited as the "Manufacturing Technology and Extension Act of 1994".

Subtitle A—Manufacturing Technology and Extension

SEC. 211. MANUFACTURING AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

(a) AMENDMENTS.—The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), as amended by section 213 of this Act, is further amended by adding after section 101 (as so redesignated by section 213 of this Act) the following new sections:

"SEC. 102. MANUFACTURING TECHNOLOGY.

"(a) STATEMENT OF POLICY.—Congress declares that it is the policy of the United States that—

"(1) Federal agencies, particularly the Department of Commerce, shall work with manufacturers in the United States and labor to ensure that within 10 years of the date of enactment of the National Competitiveness Act of 1994 the United States is second to no other nation in the development, deployment, and use of advanced manufacturing technologies;

"(2) all the major Federal research and development agencies shall place a high priority on the development and deployment of skill-based and advanced manufacturing technologies, and shall work closely with manufacturers in the United States and labor and with the Nation's universities to develop and test those technologies; and

"(3) since the development of new skills in the existing and entry workforce, and the development of new organizational and managerial approaches, are integral parts of successfully deploying advanced manufacturing technologies and related technologies, advanced workplace practices should be developed and deployed simultaneously and in a coordinated fashion with the development and deployment of advanced manufacturing technologies.

"(b) ROLE OF THE DEPARTMENT OF COMMERCE.—The Department of Commerce, consistent with the policy declared in subsection (a), shall have primary responsibility in the Federal Government for commercial and industrial civilian technology and shall—

"(1) through the activities of the Technology Administration, the Institute's laboratories, and the Advanced Technology Program created under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), work with manufacturers in the United States and labor and, as appropriate, with other Federal departments and agencies to help develop new generic advanced manufacturing technologies, including technologies which build upon and enhance employee skills and technologies which facilitate flexibility, agility, and electronic integration in manufacturing enterprises;

"(2) through the Manufacturing Extension Partnership established under section 24 of the National Institute of Standards and Technology Act and through other activities of the Department, assist the States and the private sector to help manufacturers in the United States, especially small and medium-sized manufacturing enterprises, to adopt modern technologies and advanced workplace practices and, as appropriate, advanced manufacturing technologies and equipment;

"(3) work with the private sector, other Federal departments and agencies, State and local governments, and educational institutions to—

"(A) help develop advanced workplace practices, improved supplier-customer relations, manufacturing modernization and investment justification strategies, and other steps which would accelerate the development, deployment, and use of advanced manufacturing technologies by United States companies; and

"(B) evaluate foreign programs to modernize manufacturing;

"(4) have primary responsibility in the Federal Government in working with industry and labor and the States to develop advanced manufacturing technologies and to promote and assist the adoption and use of modern technologies, advanced manufacturing technologies, and management techniques throughout the United States; and

"(5) through the Under Secretary, develop measurements and coordinate with appropriate Federal agencies to ensure that Federal research and development expenditures are linked to the economic needs of industry and the promotion of economic growth.

"SEC. 103. MANUFACTURING ADVISORY COMMITTEE.

"(a) ESTABLISHMENT.—Subject to subsection (d), the Secretary shall establish a Manufacturing Advisory Committee (in this section referred to as the 'Committee'), which shall be chaired by the Secretary and which shall provide advice to the Secretary and, as appropriate, to other Federal officials.

"(b) FUNCTIONS.—The Committee shall—

"(1) collect and analyze information on the range of factors which determine the success of United States-based manufacturing industries, and particularly factors regarding the development of advanced manufacturing technologies, the deployment of modern technologies, and the application of advanced workplace practices;

"(2) identify areas where appropriate cooperation between the Federal Government and industry and labor, including Government support for industry-led joint research and development ventures and for manufacturing extension activities, would enhance United States industrial competitiveness, and provide advice and guidance for such cooperative efforts;

"(3) provide guidance on what Federal policies and practices are necessary to strengthen United States-based manufacturing, particularly Federal policies and practices regarding research budgets, interagency coordination and initiatives, and technology transfer; and

"(4) generally develop recommendations for guiding Federal agency and interagency activities related to United States-based manufacturing.

"(c) MEMBERSHIP AND PROCEDURES.—(1) The Committee shall be composed of 16 members, of whom—

"(A) 6 members shall be the Secretary, the Director of the Office of Science and Technology Policy, the Secretary of Defense, the Secretary of Energy, the Secretary of Labor, and the Director of the National Science Foundation, or their designees; and

"(B) 10 members shall, within 120 days after the date of enactment of the National Competitiveness Act of 1994, be appointed by the Secretary from the private manufacturing industry, worker organizations, technical and professional societies, State technology agencies, and academia.

At least two of the members appointed under subparagraph (B) shall be from small business.

"(2) The Secretary shall call the first meeting of the Committee within 30 days after the appointment of members is completed.

"(3) The Committee may use such personnel detailed from Federal agencies as may be necessary to enable it to perform its functions.

"(4) Nine members of the Committee shall constitute a quorum for the transaction of business.

"(5) Members of the Committee, other than full-time employees of the Federal Government, while attending meetings of the Committee or otherwise performing duties of the Committee while away from their homes or regular places of business, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United States Code.

"(6) The Committee, as appropriate, shall work with the Department of Commerce Technology Advisory Board and with other appropriate Federal advisory mechanisms to ensure integrated Federal-private consideration of technology and manufacturing policies and programs.

"(d) SECRETARIAL DISCRETION.—Notwithstanding any other provision of this section, the Secretary shall have the discretion to decide whether to establish the Committee or create a more cost-effective way to achieve the goal of closer cooperation with industry. If the Secretary exercises such discretion and establishes an alternative mechanism, the Under Secretary shall make an effort to ensure the participation of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) in the alternative mechanism.".

(b) ADDITIONAL DEFINITIONS.—Section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703) is amended by adding at the end the following new paragraphs:

"(14) 'Advanced manufacturing technology' means—

"(A) numerically-controlled machine tools, robots, automated process control equipment, computerized flexible manufacturing systems, associated computer software, and other technology for improving manufacturing and industrial production of goods, including biotechnology products, which advance the state-of-the-art; or

"(B) novel manufacturing techniques and processes not previously generally available that improve manufacturing quality, productivity, and practices, including engineering design, quality assurance, concurrent engineering, continuous process production technology, inventory management, upgraded worker skills, communications with customers and suppliers, and promotion of sustainable economic growth.

"(15) 'Modern technology' means the best available proven technology, techniques, and processes appropriate to enhancing the productivity of manufacturers or to promoting sustainable economic growth.

"(16) 'Advanced workplace practices' means innovations in work organization and performance, including high-performance workplace systems, flexible production techniques, quality programs, continuous improvement, concurrent engineering, close relations between suppliers and customers, widely diffused decision-making and work teams, and effective integration of production technology, worker skills and training, and workplace organization.

"(17) 'Sustainable economic growth' means economic growth that enhances the national quality of life and preserves environmental integrity.".

SEC. 212. MANUFACTURING AMENDMENTS TO THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.

(a) NATIONAL QUALITY LABORATORY; MANUFACTURING EXTENSION PARTNERSHIP.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended—

(1) by redesignating sections 29 through 31 as sections 31 through 33, respectively;

(2) by redesignating sections 23 and 24 as sections 29 and 30, respectively; and

(3) by inserting after section 22 the following new sections:

"NATIONAL QUALITY LABORATORY

"SEC. 23. A National Quality Laboratory is established within the Institute, the purpose of which is to perform research and outreach activities to assist private sector quality efforts and to serve as a mechanism by which companies in the United States, universities and other interested parties, and the Institute can work together to advance quality management programs and to share and, as appropriate, develop manufacturing best practices.

"MANUFACTURING EXTENSION PARTNERSHIP

"SEC. 24. (a) There is established within the Institute a Manufacturing Extension Partnership (in this section referred to as the 'Partnership'). The Secretary, acting through the Under Secretary and the Director, shall implement and coordinate the Partnership in accordance with the initial and 5-year plans prepared under subsection (h). The purpose of the Partnership is to link electronically and strengthen the Nation's manufacturing extension centers and activities in order to assist manufacturers in the United States, especially small- and medium-sized companies, to expand and accelerate the use of modern technologies, and to accelerate the development and use of advanced manufacturing technologies and advanced workplace practices.

"(b) The Partnership shall be a cooperative effort of the Department of Commerce, the States, manufacturers in the United States, labor, nonprofit organizations, and, as appropriate, other Federal agencies to provide a national system of manufacturing extension centers and technical services to United States companies, particularly small- and medium-sized manufacturers. The Partnership shall include—

"(1) Manufacturing Outreach Centers, as authorized under subsection (c);

"(2) Regional Centers for the Transfer of Manufacturing Technology and Local Manufacturing Offices, as established under section 25, and the State Technology Extension Program, as established under section 26;

"(3) the outreach network provided for under subsection (d) and the clearinghouse system developed under subsection (e); and

"(4) such technology and manufacturing extension centers supported by other Federal departments and agencies, States, industry, and nonprofit organizations as the Secretary considers appropriate for inclusion in the Partnership.

"(c)(1) Government and private sector organizations, actively engaged in technology or manufacturing extension activities, may apply to the Secretary to be designated as Manufacturing Outreach Centers. Eligible organizations may include Federal, State, and local government agencies, their extension programs, and their laboratories; small business development centers; and appropriate programs run by professional and technical societies, worker organizations, industrial organizations, for-profit or nonprofit organizations, community development organizations, State universities and other universities, community colleges, and technical schools and colleges, including, where appropriate, vendor-supported demonstrations of production applications.

"(2) The purpose of such Manufacturing Outreach Centers shall be to—

"(A) disseminate technical and information services to manufacturers in the United States, particularly small- and medium-sized companies; and

"(B) strengthen direct assistance to small- and medium-sized manufacturers in the United States to expand and accelerate the use of modern technologies and advanced workplace practices.

"(3) The Secretary shall establish terms and conditions of participation in a Manufacturing Outreach Center, including qualifications of start-up programs as Manufacturing Outreach Centers, and may provide financial assistance, on a cost-shared basis and through competitive, merit-based review processes, to nonprofit or government participants throughout the United States to enable them to establish a Manufacturing Outreach Center.

"(4) Any Regional Center for the Transfer of Manufacturing Technology may apply to the Secretary to establish a Manufacturing Outreach Center, managed by or in cooperation with such Regional Center, if the Manufacturing Outreach Center would be located outside and would primarily serve an area outside the effective service area of such Regional Center. Funding for the establishment and management of such Manufacturing Outreach Center may be awarded to such Regional Center under this subsection, notwithstanding the restrictions of paragraph (6).

"(5) If a State plan for technology extension exists in a State where an applicant for financial assistance under this subsection is operating or plans to operate, the applicant shall demonstrate in its application that its proposal is compatible with such State plan.

"(6) If a Manufacturing Outreach Center is in or near a State which has a Regional Center for the Transfer of Manufacturing Technology, the Director shall, as appropriate, encourage the Manufacturing Outreach Center to cooperate with the Regional Center in coordinating its proposals and ongoing programs to serve manufacturers in the region. Manufacturing Outreach Centers may not concurrently be designated as Regional Centers for the Transfer of Manufacturing Technology under section 25.

"(7) Financial assistance may be awarded under this subsection for an initial period not to exceed 3 years and may, subject to successful evaluation by the Institute, be renewed for additional periods, not to exceed 3 years each. Such assistance may not at any time exceed 50 percent of the operating costs and other costs of the Manufacturing Outreach Center, as defined by regulation.

"(d)(1) The Department of Commerce shall provide for an instantaneous, interactive electronic communications network (in this section referred to as the 'outreach network') to serve the Partnership, to facilitate effective and efficient interaction within it, and to permit the collection and dissemination in electronic form, in a timely and accurate manner, of information described in subsection (e). The outreach network shall, wherever practicable, make use of existing public and private computer networks, data bases, and electronic bulletin boards. The design, configuration, acquisition plan, and operating policies, including user fees and appropriate electronic access for public and private information suppliers and users, of the outreach network shall be included in the 5-year plan prepared under subsection (h)(2).

"(2) Except as provided in this section, the outreach network established under paragraph (1) shall be designed and configured in a manner that will enable interoperability with networks and technologies developed under the National High-Performance Computing Program described in section 101 of the High-Performance Computing Act of 1991 (15 U.S.C. 5511). The Secretary shall also, as appropriate, coordinate activities under this subsection with the relevant activities of other Federal agencies, particularly the agile manufacturing/enterprise integration activities of the Department of Defense.

"(e)(1) The Secretary, acting through the Under Secretary, shall develop a clearinghouse system, using appropriate components of the Technology Administration and other public and private sector information providers and carriers, where appropriate, to—

"(A) identify expertise and acquire information, appropriate to the purpose of the Partnership stated in subsection (a), from all available Federal sources, and where appropriate from other sources, providing assistance where necessary in making such information electronically available and compatible with the outreach network established under subsection (d);

"(B) ensure ready access by manufacturers, governmental agencies, and nonprofit organizations in the United States to the most recent relevant available such information and expertise;

"(C) ensure that common standards of interconnection are utilized by the outreach network and the clearinghouse to allow maximum interoperability and usership; and

"(D) to the extent practicable, inform potential users of the availability of such information.

"(2) The clearinghouse shall include information available electronically regarding—

"(A) activities of Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, the State Technology Extension Program, and the users of the outreach network;

"(B) domestic and international standards from the Institute and private sector organizations and other export promotion information, including conformity assessment requirements and procedures;

"(C) the Malcolm Baldrige National Quality Award program, and quality principles and standards;

"(D) manufacturing processes that minimize waste and negative environmental impact;

"(E) advanced workplace practices;

"(F) federally funded technology development and transfer programs;

"(G) responsibilities assigned to the Clearinghouse for State and Local Initiatives on Productivity, Technology, and Innovation;

"(H) how to access data bases and services;

"(I) skills training, particularly for production workers, that is available through trade and professional organizations, federally supported programs, State resources, private industry, or other organizations; and

"(J) other subjects relevant to the ability of companies to manufacture and sell competitive products throughout the world.

"(f) In carrying out this section, the Department of Commerce shall take into consideration the following principles:

"(1) The Partnership and the outreach network provided for under subsection (d) shall be established and operated through cooperation and co-funding among Federal, State, and local governments, other public and private contributors, and end users.

"(2) The Partnership and the outreach network shall utilize and leverage, to the extent practicable, existing organizations, data bases, electronic networks, facilities, and capabilities, and shall be designed to complement rather than supplant State and local programs.

"(3) The Partnership should, to the extent practicable, involve key stakeholders at all levels in the planning and governance of modernization strategies; concentrate on assisting local clusters of firms; assist rural as well as urban manufacturers; promote collaborative learning and cooperative action among manufacturers; link industrial modernization programs tightly to existing and future Federal training initiatives, including those for youth apprenticeship programs and for assisting other workers; encourage small firms to seek modernization services by working with major manufacturers; encourage small firms, as appropriate, to select manufacturing equipment and practices which build upon and expand the skills of their employees; identify and honor best practices by firms and the programs that support them, including both technology and workplace practices; provide funding based on performance and ensure rigorous evaluation of extension services; as appropriate, coordinate Federal programs that support manufacturing modernization; work with Federal, State, local, and private organizations so that Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology can provide referrals to other important business services, such as assistance with financing, training, and exporting, and contribute to local business climates supportive of high-performance manufacturing.

"(4) The Partnership and the outreach network provided for under subsection (d) shall be subject to all applicable provisions of law for the protection of trade secrets and business confidential information.

"(5) Local or regional needs should determine the management structure and staffing of the Manufacturing Outreach Centers. The Partnership shall strive for geographical balance and for balance between urban and rural recipients, with the ultimate goal of access for all United States manufacturers.

"(6) Manufacturing Outreach Centers should have the capability to deliver outreach services directly to manufacturers; actively work with, rather than supplant, the private sector; help firms assess needs regarding technology, workplace practices, and training; and to the extent practicable, maximize the exposure of United States manufacturers to demonstrations of modern technologies in use.

"(7) Manufacturing Outreach Centers shall focus, where possible, on the deployment of flexible manufacturing technologies and practices applicable to both defense and commercial applications and on opportunities to modernize operations in ways which improve productivity, reduce waste and pollution, and increase energy efficiency.

"(8) The Department of Commerce shall develop mechanisms for—

"(A) soliciting the perspectives of manufacturers using the services of the Manufacturing Outreach Centers and Regional Centers for the Transfer of Manufacturing Technology;

"(B) assisting in the training of technology extension agents and in helping them disseminate information on modern manufacturing technologies, including technologies for source reduction, and advanced workplace practices; and

"(C) rigorously evaluating the effectiveness of the Manufacturing Outreach Centers and other components of the Partnership.

"(9) This Act does not supersede, modify, or otherwise alter the rights and obligations of employers, employees, and labor organizations as set forth in the National Labor Relations Act and the Railway Labor Act or in any collective bargaining agreement entered into by parties covered by those Acts.

"(g)(1) The Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers shall, as appropriate, make available source reduction and energy conservation assessments to interested manufacturers in the United States. These assessments shall assist such interested manufacturers in identifying opportunities for energy conservation and source reduction, and thus reduce operating costs, through either improvement in manufacturing processes or the purchase of new equipment.

"(2) The Secretary is authorized to work with other appropriate Federal officials and other parties to provide employees of Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers with the training needed to carry out the assessments specified in paragraph (1).

"(h)(1) Within 6 months after the date of enactment of the National Competitiveness Act of 1994, the Secretary, through the Under Secretary and Director and after consulting with the private sector, shall submit an initial plan for the implementation of this section to Congress—

"(A) describing how the Secretary will carry out the responsibility to create, operate, and support the Partnership and the outreach network;

"(B) establishing criteria and procedures, consistent with the requirements of this section, for—

"(i) the selection of organizations to receive Department of Commerce services or financial assistance as part of the Partnership, including qualifications and training of technology extension agents;

"(ii) access to services provided by participants in the Partnership and to information available through the outreach network servicing the Partnership; and

"(iii) the annual evaluation of the Partnership in achieving the purposes of this section; and

"(C) evaluating the need for and the benefits of a National Conference of States on Tech-

nology Extension, similar in structure to the National Conference on Weights and Measures, and, if the Secretary determines that such a Conference is advisable, developing, in consultation with the States and other interested parties, a plan for the establishment, operation, funding, and evaluation of such a Conference.

"(2)(A) Within 1 year after the date of enactment of the National Competitiveness Act of 1994, the Secretary, through the Under Secretary and Director, shall prepare and submit to the Congress a 5-year plan for implementing the Partnership and the outreach network and clearinghouse established under subsections (d) and (e), respectively, of this section.

"(B) Such 5-year plan shall address—

"(i) effective mechanisms for providing operating funds for the maintenance and use of the outreach network established under subsection (d), including user fees, industry support, and continued Federal investment;

"(ii) the future operation and evolution of the outreach network, including its relationship with other public or private information services;

"(iii) how to protect the copyrights of material distributed over the outreach network; and

"(iv) appropriate policies to ensure the security of proprietary information that might be available on the outreach network and to protect the privacy of users of the outreach network.

"(C) Such 5-year plan shall identify appropriate methods for expanding the Partnership in a geographically balanced manner. Such 5-year plan shall include a detailed implementation plan and cost estimates and shall take into consideration and build on the report submitted under paragraph (1). In the preparation of such 5-year plan, the Secretary shall provide an opportunity for public comment, and the plan submitted to Congress shall include a summary of comments received. Any new types of activities proposed by such plan may not be implemented until 90 days after its submission to the Congress.

"(3) Beginning with the first year after submission of the 5-year plan under paragraph (2), the Secretary shall annually report to the Congress, at the time of the President's annual budget request to Congress, on—

"(A) progress made in achieving the purposes of the Partnership described in subsection (a), using criteria and procedures established under paragraph (1)(B)(iii) of this subsection;

"(B) changes proposed to the 5-year plan;

"(C) performance in adhering to schedules; and

"(D) any recommendations for legislative changes necessary to enhance the Partnership. The report under this paragraph submitted at the end of the fourth year of operation of the Partnership shall include recommendations on whether to terminate the Partnership or extend it for an additional period not to exceed 5 years.".

(b) DEFINITIONS.—The National Institute of Standards and Technology Act (15 U.S.C. 271 et seq.) is amended by inserting after section 1 the following new section:

"SEC. 1A. As used in this Act—

"(1) the terms 'advanced manufacturing technology', 'modern technology', 'advanced workplace practices', and 'sustainable economic growth' have the meanings given such terms in section 4 of the Stevenson-Wydler Technology Innovation Act;

"(2) the term 'independent research organizations' means nonprofit organizations organized primarily for the purpose of conducting or managing research activities;

"(3) the term 'source reduction' has the meaning given that term in section 6603 of the Pollution Prevention Act of 1990 (42 U.S.C. 13102);

"(4) the term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any other territory or possession of the United States; and

"(5) the term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.".

SEC. 213. ADDITIONAL AMENDMENTS TO THE STEVENSON-WYDLER TECHNOLOGY INNOVATION ACT.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.) is amended—

(1) by inserting after section 4 the following new title heading:

"TITLE I—DEPARTMENT OF COMMERCE AND RELATED PROGRAMS";

(2) by redesignating section 5 as section 101;

(3) by redesignating sections 6 through 10 as sections 105 through 109, respectively;

(4) by striking section 21;

(5) by redesignating sections 16, 17, 18, 19, 20, and 22 as sections 110 through 115, respectively;

(6) by inserting after section 115 (as redesignated by paragraph (5) of this subsection) the following new title heading:

"TITLE II—FEDERAL TECHNOLOGY TRANSFER";

(7) by redesignating sections 11 through 15 as sections 201 through 205, respectively;

(8) by redesignating section 23 as section 206;

(9) in section 4—

(A) by striking "section 5" and inserting in lieu thereof "section 101";

(B) by striking "section 5(b)(1)" and inserting in lieu thereof "section 101(b)(1)";

(C) in paragraphs (4) and (6), by striking "section 6" and "section 8" each place they appear and inserting in lieu thereof "section 105" and "section 107", respectively; and

(D) in paragraph (13), by striking "section 6" and inserting in lieu thereof "section 105";

(10) in section 108 (as redesignated by paragraph (3) of this subsection) by striking "section 6(a)" and inserting in lieu thereof "section 106(a)"; by striking "section 6(b)" and inserting in lieu thereof "section 106(b)"; and by striking "section 6(c)(3)" and inserting in lieu thereof "section 106(c)(3)";

(11) in section 109(d) (as redesignated by paragraph (2) of this subsection) by striking "section 7, 9, 11, 15, 17, or 20 of";

(12) in section 201(i) (as redesignated by paragraph (7) of this subsection) by inserting "loan, lease, or" after "may"; and by inserting "Actions taken under this subsection shall not be subject to Federal requirements on the disposal of property." after "activities.";

(13) in section 202(b) (as redesignated by paragraph (7) of this subsection) by striking "section 14(a)(1)(B) (i), (ii), and (iv)" and inserting in lieu thereof "section 204(a)(1)(B) (i), (ii), and (iv)";

(14) in section 204(a)(1) (as redesignated by paragraph (7) of this subsection) by striking "section 12" and inserting in lieu thereof "section 202";

(15) in section 115 (as redesignated by paragraph (5) of this subsection) by striking "Act (other than sections 11, 12, and 13)" and inserting in lieu thereof "title";

(16) in section 206 (as redesignated by paragraph (7) of this subsection)—

(A) by striking "section 12(d)(2)" in the introductory matter of subsection (a) and inserting in lieu thereof "section 202(d)(2)";

(B) by striking "section 11(b)" in subsection (a)(2) and inserting in lieu thereof "section 201(b)"; and

(C) by striking "section 6(d)" in subsection (b) and inserting in lieu thereof "section 105(d)";

(17) in section 112 (as redesignated by paragraph (5) of this subsection)—

*(A) in the section heading, by striking "**CONFERENCE**" and inserting in lieu thereof "**CONFERENCES**";*

(B) by striking "Not later than" through "shall convene a conference" and inserting in lieu thereof "The Secretary, through the Under Secretary, in consultation with other appropriate officials, may convene conferences"; and

(C) by striking "such conference shall" and in insert in lieu thereof "any such conferences shall, whenever appropriate,";

(18) by adding at the end of section 201 (as redesignated by paragraph (7) of this subsection) the following new subsection:

"(j) ADDITIONAL TECHNOLOGY TRANSFER MECHANISMS.—In addition to the technology transfer mechanisms set forth in this section and section 202, the heads of Federal departments and agencies also may transfer technologies through the technology transfer, extension, and deployment programs of the Department of Commerce and the Department of Defense."; and

(19) in section 101(c) (as redesignated by paragraph (2) of this subsection)—

(A) by striking "and" at the end of paragraph (14);

(B) by striking the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(16) engage in joint projects with any person or persons on matters within the authority of the Department of Commerce, accept temporary personnel from industrial partners, and receive cash donations in the course of such joint projects, and in conjunction with the planning and operation of such joint projects hold private meetings of matters of mutual interest with groups of interested persons, in order to protect sensitive information about United States industry and to ensure industry participation in such joint projects.".

SEC. 214. MANUFACTURING TECHNOLOGY CENTERS.

(a) AMENDMENTS.—(1) Section 25(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(a)) is amended by striking "and" at the end of paragraph (4); by striking the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and by inserting after paragraph (5) the following new paragraphs:

"(6) the active dissemination of information on advanced workplace practices and available education and training programs, and the encouragement of companies to train workers in the effective use of modern technologies and advanced manufacturing technologies; and

"(7) demonstration projects in which Centers work with States, local governments, community development organizations, worker and business organizations, and community banks to create a business climate supportive of high-performance manufacturing.".

(2) Section 25(b) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(b)) is amended by striking "and" at the end of paragraph (2); by redesignating paragraph (3) as paragraph (4); and by inserting after paragraph (2) the following new paragraph:

"(3) assessments of client companies' modernization needs, assistance in implementing quality processes, advice on pollution minimization and source reduction, and, where needed, cooperation with training institutions to ensure that employees, particularly production workers, receive training in the most effective use of

modern technologies and advanced workplace practices; and".

(3) Section 25(c) of the National Institute of Standards and Technology Act (15 U.S.C. 278k(c)) is amended—

(A) in paragraph (1) by striking "for a period not to exceed six years"; and

(B) in paragraph (5) by striking "which are designed" and all that follows through the period at the end of the paragraph and inserting in lieu thereof "to a maximum of one-third Federal funding. Each Center which receives financial assistance under this section shall be evaluated during its sixth year of operation, and at least triennially thereafter as the Secretary considers appropriate, by an evaluation panel appointed by the Secretary in the same manner as was the evaluation panel previously appointed. The Secretary shall not provide funding for additional years of the Center's operation unless the most recent evaluation is positive and the Secretary finds that continuation of funding furthers the purposes of this section.".

(4) Section 25 of the National Institute of Standards and Technology Act (15 U.S.C. 278k) is amended by adding at the end the following new subsections:

"(e) In addition to any assistance provided or contracts entered into with a Center under this section, the Director is authorized to make separate and smaller awards, through a competitive process, to nonprofit organizations which wish to work with a Center. Such awards shall be for the purpose of enabling those organizations to provide outreach services, in collaboration with the Center, to manufacturers located in parts of the region served by the Center which are not easily accessible to the Center and which are not served by any other manufacturing outreach center. Organizations which receive such awards shall be known as Local Manufacturing Offices. In reviewing applications, the Director shall consider the needs of rural as well as urban manufacturers. No single award for a Local Manufacturing Office shall be for more than 3 years, awards shall be renewable through the competitive awards process, and no award shall be made unless the applicant provides matching funds at least equal to the amount received under this subsection.

"(f) In carrying out this section, the Director shall coordinate his efforts with the plans for the Manufacturing Extension Partnership established under section 24.".

SEC. 215. STATE TECHNOLOGY EXTENSION PROGRAM.

(a) ESTABLISHMENT.—Section 26(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278l(a)) is amended—

(1) by inserting after "(a)" the following new sentence: "There is established within the Institute a State Technology Extension Program."; and

(2) by inserting "through that Program" after "technical assistance".

(b) ASSISTANCE PROVIDED BY PROGRAM.—Section 26 of the National Institute of Standards and Technology Act (15 U.S.C. 278l) is amended by adding at the end the following new subsection:

"(c) In addition to the general authorities listed in subsection (b), the State Technology Extension Program also shall, through merit-based competitive review processes and to the extent provided in advance in appropriations Acts—

"(1) make awards to States and conduct workshops, pursuant to section 5121(b) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 278l note) in order to help States improve their planning and coordination of technology extension activities;

"(2) assist States, including States which historically have had no manufacturing or technology extension programs or only small programs, to plan, develop, and coordinate such programs and to help bring those State programs to a level of performance where they can provide the full range of manufacturing extension services required by their manufacturers or, as appropriate, apply successfully for awards to establish Manufacturing Outreach Centers, Regional Centers for the Transfer of Manufacturing Technology, or both;

"(3) support industrial modernization demonstration projects to help States create networks among small manufacturers for the purpose of facilitating technical assistance, group services, and improved productivity and competitiveness;

"(4) support State efforts to develop and test innovative ways to help small- and medium-sized manufacturers in the United States improve their technical capabilities, including, as appropriate, State contracts with private-sector technology transfer companies to provide technology assistance and development services that are beyond the current capacity of a given State's industrial extension activities;

"(5) support State efforts designed to help small- and medium-sized manufacturers in rural as well as urban areas improve and modernize their technical capabilities, including, as appropriate, interstate efforts to achieve such end;

"(6) support State efforts to assist interested small defense manufacturing firms to convert their production to nondefense or dual-use purposes;

"(7) support planning for worker technology education programs in the States at institutions such as research universities, community colleges, technical and professional societies, labor education centers, labor-management committees, and worker organizations in production technologies critical to the Nation's future, with an emphasis on high-performance work systems, the skills necessary to use advanced manufacturing system well, and best production practice; and support on-the-job training programs in the States to build and enhance the skills of employees, particularly production workers, in small- and medium-sized manufacturers; and

"(8) help States develop programs to train personnel who in turn can provide technical skills to managers and workers of manufacturing firms.".

SEC. 216. REPORT ON OPTIONS FOR ACCELERATING THE ADOPTION OF NEW MANUFACTURING EQUIPMENT.

Within 1 year after the date of enactment of this Act, the Secretary, acting through the Under Secretary, shall submit to Congress a report on—

(1) the degree to which United States manufacturers have difficulty obtaining financing for the purpose of purchasing equipment needed to implement advanced manufacturing technology and modernize operations;

(2) the policies and practices followed in other industrialized countries to help manufacturers obtain financing for modernization; and

(3) the advantages, disadvantages, and costs of major options by which the Federal Government might help stimulate the flow of capital to manufacturers and thus accelerate industrial modernization, including—

(A) creation of a Government-sponsored enterprise to stimulate the flow of capital to manufacturing;

(B) increasing technical advice to banks and other financial institutions, perhaps through the Manufacturing Extension Partnership in order to increase their ability to judge whether or not individual manufacturers have sound modernization plans;

(C) cooperation between extension activities supported under the Manufacturing Extension Partnership and manufacturing equipment leasing firms in order to provide manufacturers with additional information or equipment leasing options; and

(D) tax incentives.

Subtitle B—National Science Foundation Manufacturing Programs

SEC. 221. NATIONAL SCIENCE FOUNDATION MANUFACTURING PROGRAMS.

(a) IN GENERAL.—The Director of the National Science Foundation, after, as appropriate, consultation with the Secretary, the Under Secretary, and the Director, shall—

(1) work with United States companies to identify areas of research in advanced manufacturing technologies and advanced workplace practices that offer the potential to improve United States productivity, competitiveness, and employment;

(2) support research at United States universities to improve advanced manufacturing technologies and advanced workplace practices; and

(3) work with the Technology Administration of the Department of Commerce and the Institute and, as appropriate, other Federal agencies to accelerate the transfer to United States companies of manufacturing research and innovations developed at universities.

(b) ENGINEERING RESEARCH CENTERS AND INDUSTRY/UNIVERSITY COOPERATIVE RESEARCH CENTERS.—The Director of the National Science Foundation shall strengthen and expand the number of Engineering Research Centers and strengthen and expand the Industry/University Cooperative Research Centers Program with the goals of increasing the engineering talent base versed in technologies and workplace practices critical to the Nation's future, with emphasis on advanced manufacturing technologies, and of advancing fundamental engineering knowledge in these technologies. At least one Engineering Research Center shall have a research and education focus on the concerns of United States manufacturers, including small- and medium-sized manufacturers that are trying to modernize their operations. Awards under this subsection shall be made on a competitive, merit review basis. Such awards may include support for acquisition of instrumentation, equipment, and facilities related to the research and education activities of the Engineering Research Centers and support for undergraduate students to participate in the activities of the Engineering Research Centers.

(c) GRADUATE TRAINEESHIPS.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide traineeships to United States citizens or permanent resident aliens who are graduate students at institutions of higher education within the United States who choose to pursue masters or doctoral degrees in manufacturing or industrial engineering. The Director of the National Science Foundation shall make an effort to ensure the provision of traineeships under this subsection to socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women).

(d) MANUFACTURING MANAGERS IN THE CLASSROOM PROGRAM.—The Director of the National Science Foundation, in consultation with the Secretary, may establish a program to provide fellowships, on a cost-shared basis, to individuals from industry with experience in manufacturing to serve for 1 or 2 years as instructors in manufacturing at 2-year community and technical colleges in the United States. In selecting fellows, the Director of the National Science Foundation shall place special emphasis on supporting individuals who not only have expertise and practical experience in manufacturing but who also will work to foster cooperation between 2-year colleges and nearby manufacturing firms.

(e) PROGRAMS TO TEACH TOTAL QUALITY MANAGEMENT.—The Director of the National

Science Foundation, in consultation with the Secretary, the Under Secretary, and the Director, may establish a program to develop innovative curricula, courses, and materials for use by institutions of higher education for instruction in total quality management and related management practices, in order to help improve the productivity of United States companies.

(f) SMALL MANUFACTURERS RENEWAL AND TRAINING.—(1) The Director of the National Science Foundation, acting in cooperation with the Director, shall establish and carry out a pilot program, known as the Small Manufacturers Renewal and Training Program in this subsection referred to as the "Program"), to award grants to eligible partnerships for internship activities under this section. Partnerships between engineering colleges and manufacturing extension centers are eligible to apply for grants under the Program and be designated as SMaRT Partnerships. The Director of the National Science Foundation shall establish requirements for proposals for funding under the Program, for activities undertaken by SMaRT Partnerships with such funding, and for reporting by SMaRT Partnerships and other persons participating in the Program, and criteria for selecting proposals, including economic need.

(2) Each SMaRT Partnership receiving a grant under the Program shall use such grant funds to sponsor qualified engineering students to work as interns with eligible small manufacturers, especially very small manufacturers, by paying the host company the Federal share of the intern's wages, not to exceed the Federal minimum wage.

(3) A small manufacturer shall be eligible to host interns under the Program only for manufacturing operations in the United States, shall provide adequate supervision to each intern, and shall use funds provided under the Program only to pay wages to the intern that supplement the host company share of the intern's wages, not be less than the Federal minimum wage. No company shall be eligible to receive funding in excess of 2 years' wages at the Federal minimum wage.

TITLE III—CRITICAL TECHNOLOGIES

SEC. 301. DEVELOPMENT OF PLAN FOR THE ADVANCED TECHNOLOGY PROGRAM.

The Secretary, acting through the Under Secretary and the Director, shall, within 6 months after the date of enactment of this Act, submit to Congress a plan for the expansion of the Advanced Technology Program established under section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), with specific consideration given to—

(1) closer coordination and cooperation with the Advanced Research Projects Agency and other Federal research and development agencies as appropriate;

(2) establishment of temporary staff positions that can be filled by industrial or technical experts for a period of 1 to 2 years;

(3) ensuring that the Advanced Technology Program will have a meaningful impact on the utilization of a broad range of critical technologies and on the refinement of advanced manufacturing technologies;

(4) changes that may be needed when annual funds available for grants under the Advanced Technology Program reach levels of $200,000,000 and $500,000,000; and

(5) any additional administrative steps that may be necessary for the Advanced Technology Program to support large-scale joint research and development ventures.

SEC. 302. LARGE-SCALE RESEARCH AND DEVELOPMENT CONSORTIA.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n) is amended by adding at the end the following new subsection:

"(k) In addition to the general authority under this section to provide financial assistance to joint ventures, the Secretary, through the Director, also may, as permitted by levels of authorizations and appropriations, provide financial support for up to 7 years to large-scale joint ventures requesting $20,000,000 or more a year in Department of Commerce funds. The Secretary may work with industrial groups to develop such proposed large-scale joint ventures and shall give preference to proposals which represent a broad spectrum of companies for a given industry and which focus either on speeding the commercialization of important new technologies or on accelerating the development, testing, and deployment of valuable new process technologies and workplace practices. The Secretary and Director, as appropriate, shall obtain independent technical review of industry proposals submitted under this subsection.".

SEC. 303. TECHNICAL AMENDMENTS.

(a) AMENDMENTS TO THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY ACT.—Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), as amended by section 302 of this Act, is further amended—

(1) by adding at the end of subsection (a), the following new sentence: "The Secretary, acting through the Director, shall ensure that the principal economic benefits of the Program accrue to the economy of the United States.";

(2) in subsection (b)—

(A) in paragraph (1)(B), by striking "or contracts" and inserting in lieu thereof "contracts, and, subject to the last sentence of this subsection, other transactions";

(B) strike paragraph (1)(B)(ii) and replace with: "participation in such joint ventures, if the Secretary, acting through the Director, determines participation to be appropriate and if the joint venture as a whole agrees to pay at least half of the total costs of such joint ventures during the participation period, which shall not extend beyond 5 years,";

(C) in paragraph (2) by striking "and cooperative agreements" and inserting in lieu thereof "cooperative agreements, and, subject to the last sentence of this subsection, other transactions"; and

(D) by adding after paragraph (4) the following: "The authority under paragraph (1)(B) and paragraph (2) to enter into other transactions shall apply only if the Secretary, acting through the Director, determines that standard contracts, grants, or cooperative agreements are not feasible or appropriate, and only when other transaction instruments incorporate terms and conditions that reflect the use of generally accepted commercial accounting and auditing practices.";

(3) in subsection (d)(3), by striking "$2,000,000"; and inserting in lieu thereof "$3,000,000".

(4) by adding at the end the following new subsection: "(1) Notwithstanding subsections (b)(1)(B)(ii) and (d)(3), the Director may grant an extension beyond the deadlines established under those subsections for joint venture and single applicant awardees to expend Federal funds to complete their projects, if such extension may be granted with no additional cost to the Federal Government.".

(b) UNITED STATES JOINT VENTURES.—(1) Section 28(d)(11)(A) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(11)(A)) is amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: "or any other person otherwise eligible to participate in an eligible joint venture, as agreed by the parties, receiving funding under any particular award, notwithstanding the requirements of section 202 (a) and (b) of title 35, United States Code.".

(2) The amendments made by sections 303 (a) and (b) shall be effective only with respect to assistance for which solicitations for proposals are made after the date of enactment of this Act or October 1, 1994, whichever occurs later.

(c) AMENDMENTS TO THE AMERICAN TECHNOLOGY PREEMINENCE ACT OF 1991.—(1) Section 201(d) of the American Technology Preeminence Act of 1991 (15 U.S.C. 278n note) is amended by adding at the end the following new sentence: "In the case of the amendment made by subparagraph (A) of subsection (c)(6), such amendment shall be effective as of the date of enactment of the paragraph stricken by such subparagraph.".

(2) Section 507 of the American Technology Preeminence Act of 1991 (15 U.S.C. 3717) is repealed.

(d) AMENDMENTS TO THE NATIONAL SCIENCE AND TECHNOLOGY POLICY, ORGANIZATION, AND PRIORITIES ACT.—(1) Title IV of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651) is amended to read as follows:

"TITLE IV—NATIONAL SCIENCE AND TECHNOLOGY COUNCIL

"SEC. 401. There is established a National Science and Technology Council (hereafter in this title referred to as the 'Council').

"SEC. 402. Within 30 days after the date of enactment of the National Competitiveness Act of 1994, the President shall submit to Congress a report that outlines the composition and functions of the Council.

"SEC. 403. (a) The Council shall assume the responsibilities and authorities of the Federal Coordinating Council for Science, Engineering, and Technology, the National Space Council, and the National Critical Materials Council.

"(b) Executive departments and agencies shall make resources, including, but not limited to, personnel, office support, and printing, available to the Council.

"(c) The Council is authorized to establish such committees and working groups as it may require.".

(2) The Federal Coordinating Council for Science, Engineering, and Technology established by Public Law 94–282 and by Executive Order 12039, the National Space Council established by Public Law 100-685 and Executive Order 12675, and the National Critical Materials Council established by Public Law 98–373 are hereby abolished.

(3) Section 207(c) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6616(c)) is amended—

(A) by amending paragraph (1) to read as follows:

"(1) appoint such officers and employees as deemed necessary to perform the functions now or hereafter vested in the Director without regard to any provision of law regulating the employment or compensation of persons in the Government service, at rates not to exceed the rate of pay for level VI of the Senior Executive schedule as provided pursuant to section 5382 of title 5, the United States Code, and to prescribe their duties;"; and

(B) by striking "and" at the end of paragraph (2); by striking the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and by adding at the end the following new paragraph:

"(4) accept voluntary and uncompensated services, notwithstanding the provisions of section 1342, title 31, United States Code.".

SEC. 304. TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.

Section 101 of the Stevenson-Wydler Technology Innovation Act of 1980, as redesignated by section 213(2) of this Act, is amended by striking subsection (e) and inserting in lieu thereof the following new subsections:

"(e) OFFICE OF TECHNOLOGY MONITORING AND COMPETITIVENESS ASSESSMENT.—(1) The Sec-

retary, through the Under Secretary, shall establish within the Technology Administration an Office of Technology Monitoring and Competitiveness Assessment, to collect, evaluate, assess, and disseminate to United States industry, State and local governments, nonprofit organizations, and other interested parties information on—

"(A) foreign science and technology, specifically information assessing foreign capabilities relative to the United States;

"(B) policies and programs used by foreign governments and industries to develop and apply economically important critical technologies, how these policies and programs compare with public and private activities in the United States, and the effects that these foreign policies and programs have on the competitiveness of United States industry; and

"(C) the way in which the economic competitiveness of United States industry can be enhanced through Federal programs, including Department of Commerce programs, and evaluations of the effectiveness of Federal technology programs in helping to promote United States industrial competitiveness and economic growth.

"(2) Based on the information gathered under paragraph (1), the President, with the assistance of the Secretary, shall submit to Congress an annual report on United States technology and competitiveness analyzing the condition of United States technology relative to major trading partners, key trends in foreign technology and competitiveness policies and targeting, and the degree to which Federal programs are helping the United States to stay competitive with other countries and create domestic employment opportunities.

"(3) The Office of Technology Monitoring and Competitiveness Assessment is authorized to—

"(A) act as a focal point within the Federal Government for the collection and dissemination, including electronic dissemination, of information on foreign process and product technologies, including information collected under the Japanese Technical Literature Program;

"(B) work and, as appropriate, enter into cooperative arrangements with sector-specific industry trade associations or consortia to define the information desired by industry;

"(C) compile and make available the extensive foreign technology monitoring and assessment information already collected and analyzed by the Federal Government;

"(D) as appropriate, enter into controlled access agreements with other Federal agencies to fill the industry's information needs;

"(E) act as an electronic clearinghouse for such information or otherwise provide for such a clearinghouse;

"(F) direct and fund the collection of additional related information;

"(G) direct and fund analysis of foreign research and development activities, technical capabilities, workplace practices, particularly in technical areas where the United States is considered to be at par or lagging foreign capabilities;

"(H) establish a program to identify technical areas needing a full-scale technical evaluation, and provide, on a cost-shared basis to private sector or government-industry joint ventures, grants to conduct the evaluation; and

"(I) work with the Department of State to place technical experts from the Institute and other Federal laboratories into United States embassies to serve as technology attaches and counselors.

"(f) FELLOWSHIP PROGRAM.—(1) The Secretary, acting through the Under Secretary, shall establish and administer a fellowship program to support Technology Fellows to assist the Under Secretary in carrying out activities under subsection (e) relating to those countries that are major competitors of the United States in critical technologies, and to identify opportunities for technology transfer to the United States or technological collaboration for United States industries.

"(2) Technology Fellows shall—

"(A) regularly report to the Department of Commerce on work planned, in progress, and accomplished; and

"(B) provide support to the Department of Commerce as requested by that Department.

"(3) Fellowships awarded under the program established under this subsection shall—

"(A) be awarded for a period of 2 years;

"(B) be reasonable and appropriate; and

"(C) include provisions for living and office arrangements in the host country.

"(4) Only individuals who—

"(A) have at least a bachelors degree in engineering or science; and

"(B) have at least 5 years of work experience in manufacturing or technology development,

shall be eligible for a fellowship under this program.".

SEC. 305. RECOUPMENT.

Section 28 of the National Institute of Standards and Technology Act (15 U.S.C. 278n), as amended by this Act, is further amended by adding at the end the following new subsection:

"(n)(1) Any transaction providing assistance under this section may include a clause that requires the recipient to make payments to the Department of Commerce as a condition of receiving such assistance.

"(2) There is established on the books of the Treasury a separate account for the Advanced Technology Program established under this section. Amounts received by the United States pursuant to a requirement imposed under paragraph (1) may be credited to the extent authorized by the Secretary, to the account established under this paragraph. Amounts so credited shall be merged with other funds in the account and shall be available, to the extent provided in advance in appropriations Acts, for the same purposes and the same period for which other funds in such account are available.".

SEC. 306. TECHNOLOGY FINANCING PILOT PROGRAM.

The Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), as amended by title II of this Act, is further amended by adding at the end the following new title:

"TITLE III—ADDITIONAL ASSISTANCE TO INDUSTRY

"SEC. 301. FINDINGS AND STATEMENT OF POLICY.

"Congress finds and declares the following:

"(1) In recent years, United States technology firms appear to have had increasing difficulty financing the development and early-stage commercialization of important new critical civilian technologies. Venture capital is less available than in past years; banks appear less willing to provide loans; and medium-sized as well as small companies often have problems financing promising long-term technology projects.

"(2) This difficulty in obtaining financing particularly hurts those technology firms which face foreign competitors which have received substantial direct or indirect financial help from their respective governments.

"(3) The Nation would benefit from a technology financing pilot program designed to assist, on an experimental basis, private-sector venture capital entities which, in turn, can select and support the most promising and valuable long-term United States technology projects.

"SEC. 302. TECHNOLOGY FINANCING PILOT PROGRAM.

"(a) ESTABLISHMENT OF PROGRAM.—(1) There is established a Department of Commerce-Small Business Administration Pilot Technology Financing Partnership Program (in this section referred to as the 'Pilot Program').

"(2) The Pilot Program shall be operated under the direction of a Department of Commerce-Small Business Administration Venture Capital Licensing Committee (in this section referred to as the 'Licensing Committee'), which shall consist of—

"(A) three Department of Commerce designees appointed by the Secretary, one of whom shall be the Under Secretary for Technology and shall serve as chair of the Licensing Committee, and the other two of whom shall be technology experts, at least one of whom shall also be a finance and investment expert; and

"(B) two Small Business Administration designees who are appointed by the Administrator of the Small Business Administration (in this section referred to as the 'Administrator') who shall be finance and investment experts.

"(3) Under the Pilot Program, for the purpose of stimulating and expanding the flow of private capital to eligible technology firms and eligible joint ventures—

"(A) the Licensing Committee may license, pursuant to joint regulations promulgated under paragraph (4), private-sector entities, to be known as 'civilian technology investment companies'; and

"(B) to the extent directed by the Secretary and the Administrator and provided in advance in appropriations Acts, and in accordance with the operating plan developed under subsection (f), the Licensing Committee may authorize the Small Business Administration to assist financially such civilian technology investment companies.

"(4) The Secretary and the Administrator, acting through the Licensing Committee, shall promulgate such regulations (in this section referred to as the 'joint regulations') as shall be necessary to carry out the Pilot Program. Such joint regulations shall reflect that the Administrator will have primary responsibility for executing the Pilot Program, using Small Business Administration personnel and the programmatic authority provided in this section, and applicable law. In accordance with the operating plan developed by the Licensing Committee under subsection (f), the Administrator may issue regulations modifying and augmenting existing Small Business Administration authority or program criteria, as necessary, to accommodate the special needs of the Pilot Program. Those Small Business Administration regulations which are modified or adopted to facilitate the Pilot Program shall also be reviewed by the Licensing Committee and, if approved by the Licensing Committee, shall become part of the joint regulations.

"(5) The Secretary shall, utilizing Department of Commerce technology personnel and the programmatic authority provided in this section and under applicable law, institute and implement a complementary information and technical assistance pilot program designed to facilitate matches between high-technology companies seeking financing and venture capitalists looking for meritorious early-stage critical technology investments.

"(6) Such funds as may be appropriated through this Act or any other Act to the Department of Commerce to implement the Pilot Program may be transferred by the Secretary to the Small Business Administration, as necessary to carry out the purposes of this section, in accordance with subsection (c)(1).

"(b) ACTIVITIES OF LICENSEES.—(1) Each civilian technology investment company licensed under this section may provide venture capital and loans to eligible technology firms and eligible joint ventures in such manner and under such terms as the licensee may fix in accordance with the joint regulations. Civilian technology

investment companies may provide venture capital and loans directly or in coinvestments with other investors. The type of financing to be provided shall be determined by the Licensing Committee, and shall include but shall not be limited to that provided by the Small Business Act or the Small Business Investment Act of 1958, or any regulation promulgated thereunder.

"(2) Each civilian technology investment company shall have authority to borrow money and to issue its debentures, promissory notes, securities, or other obligations under such general conditions and subject to such limitations and regulations as prescribed in the joint regulations.

"(c) ASSISTANCE TO LICENSEES.—(1) In order to encourage the formation and growth of civilian technology investment companies, the Licensing Committee is authorized, to the extent that funds are made available to the Department of Commerce in appropriations Acts, to transfer such funds as may be necessary to the Small Business Administration to purchase (or guarantee the timely payment of all principal, interest, and dividends, as scheduled, on) debentures or participating, nonvoting preferred securities issued by such companies, on such terms and conditions as are appropriate pursuant to the joint regulations to carry out the purposes of this section. The Small Business Administration is also authorized, in accordance with sections 321 and 322 of the Small Business Investment Act of 1958, and regulations promulgated thereunder, to issue and guarantee such trust certificates as are necessary and appropriate to provide funding for qualified civilian technology investment companies. Such issuance and funding shall take place in the manner and on the terms and conditions as the Licensing Committee directs and shall not be limited to the terms and conditions that the Small Business Administration utilizes for funding of small business investment companies under the Small Business Investment Act of 1958.

"(2) Guarantees and purchases of debentures and equity securities under this subsection shall be made on such terms and conditions as are necessary to ensure that the cost of the program established under this section shall not exceed 15 percent of its corresponding credit authority in any fiscal year. For the purposes of this subsection, the term 'cost' shall have the same meaning given such term in section 502(5) of the Federal Credit Reform Act of 1990, and the term 'credit authority' shall have the same meaning given such term in section 3(10) of the Congressional Budget Act of 1974.

"(d) PURPOSES AND REQUIREMENTS.—The Licensing Committee shall require that any civilian technology investment company licensed and assisted under this section shall—

"(1) focus primarily on providing patient early-stage capital, either loans or equity investments, to eligible technology firms and eligible joint ventures in the United States in order to help those firms and joint ventures finance and accelerate the development and early-stage commercialization of critical civilian technologies;

"(2) provide financial assistance to critical civilian technology projects at eligible technology firms and eligible joint ventures: Provided, however, That the Department of Commerce members of the Licensing Committee shall determine whether the products, processes, and services provided by firms assisted by a licensee in fact will assist in developing United States critical technologies;

"(3) demonstrate to the Licensing Committee credible procedures for ensuring that investments are made in critical technology projects for which eligible technology firms cannot obtain necessary financing solely through commercial capital markets; and

"(4) work with the Licensing Committee to establish methods to identify and evaluate projects to be assisted by the licensee, using, as appropriate, the existing expertise of the National Institute of Standards and Technology, and other organizations, including Regional Centers for the Transfer of Manufacturing Technology, universities, and other research institutions.

"(e) PAYMENTS.—All amounts received by the Small Business Administration from the payment of dividends, any profit allocation, the redemption of securities pursuant to this section, and any fees paid to the United States by a civilian technology investment company licensed pursuant to this section, shall be deposited in the Treasury, in accordance with the joint regulations and the requirements of the Federal Credit Reform Act of 1990.

"(f) OPERATING PLAN; EFFECTIVE DATE; AND EVALUATION.—(1) The Secretary and the Administrator, acting through the Licensing Committee, shall jointly and in consultation with State and local governments, industry, and the financial community, prepare and submit to Congress within one year after the date of enactment of this title, an operating plan and draft joint regulations to carry out this section. In preparing such a plan, the Secretary and Administrator shall consider and evaluate alternative approaches to help technology firms and joint ventures in the United States develop and commercialize critical civilian technologies. As part of their report, they shall make recommendations to Congress as they deem appropriate.

"(2) Except for the requirements set forth in subsection (a) and paragraph (1) of this subsection, the provisions of this section shall not take effect until 6 months after the date of the issuance of the report required in paragraph (1).

"(3) After appropriations are provided for the Pilot Program authorized under this section, the Licensing Committee, in consultation with industry and the financial community, shall evaluate annually the effectiveness of the Program and submit an annual report to appropriate committees of Congress on the findings resulting from such evaluation. Such report shall contain, on a confidential basis, appendices which include, but are not necessarily limited to, the type and amount of assistance provided to licensees under this section, key characteristics of such licensees, the number and size in net worth of the technology firms and joint ventures (and the participants comprising them) assisted by each licensee, the amount of assistance provided to each eligible technology firm or eligible joint venture, and the types of technology each eligible technology firm or joint venture is developing and commercializing. Such report also shall contain an analysis of the Pilot Program's impact on the Small Business Administration's Small Business Investment Company program.

"(4) Five years after appropriations have been provided for the Pilot Program authorized under this section, the General Accounting Office, in consultation with industry and the financial community, shall evaluate the effectiveness of the Program and submit a report to appropriate committees of Congress on the findings resulting from such evaluation. Such evaluation shall include an analysis of the Pilot Program's impact on the Small Business Administration's Small Business Investment Company program.

"(g) DEFINITIONS.—As used in this section, the term—

"(1) 'appropriate committees of Congress' means the Committee on Science, Technology, and Space and Committee on Small Business of the House of Representatives and the Committee on Commerce, Science, and Transportation and Committee on Small Business of the Senate;

"(2) 'critical civilian technology' means a technology not exclusively military which is identified in one or more of the biennial national critical technologies reports required under section 603 of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6683);

"(3) 'eligible joint venture' means a joint research and development venture or joint production venture, as defined in section 2 of the National Cooperative Research Act of 1984 (5 U.S.C. 4301)—

"(A) which meets the requirements of section 28(d)(9) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9));

"(B) whose purpose in seeking financing is the development of products, processes, and services based on critical civilian technologies; and

"(C) which meets size standards set by the Licensing Committee, which size standards need not comply with the Small Business Act or the Small Business Investment Act of 1958, or any regulation promulgated thereunder or interpretation thereof;

"(4) 'eligible technology firm' means a company—

"(A) which meets the requirements of section 28(d)(9) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9));

"(B) whose purpose in seeking financing is the development of products, processes, and services based on critical civilian technologies; and

"(C) which meets size standards set by the Administrator;

"(4) 'finance and investment expert' means an individual who has administered or participated in a venture capital or similar financing program, or has operated a venture capital company; and

"(5) 'licensee' means a civilian technology investment company licensed by the Licensing Committee pursuant to this section.".

SEC. 307. REPORTS ON FOREIGN INDUSTRIAL ESPIONAGE.

(a) IN GENERAL.—(1) In order to assist Congress in its oversight functions with respect to this Act and to improve the awareness of United States industry of foreign industrial espionage and the ability of such industry to protect against such espionage, the President shall submit to Congress a report that describes, as of the time of the report, the following:

(A) The respective policy functions and operational roles of the agencies of the executive branch of the Federal Government in identifying and countering threats to United States industry of foreign industrial espionage, including the manner in which such functions and roles are coordinated.

(B) The means by which the Federal Government communicates information on such threats, and on methods to protect against such threats, to United States industry in general and to United States companies known to be targets of foreign industrial espionage.

(C) The specific measures that are being or could be undertaken in order to improve the activities referred to in subparagraphs (A) and (B), including proposals for any modifications of law necessary to facilitate the undertaking of such activities.

(D) The threat to United States industry of foreign industrial espionage and any trends in that threat, including—

(i) the number and identity of the foreign governments conducting foreign industrial espionage;

(ii) the industrial sectors and types of information and technology targeted by such espionage; and

(iii) the methods used to conduct such espionage.

(2) The President shall submit the report required under this subsection not later than 6 months after the date of the enactment of this Act.

(b) ANNUAL UPDATE.—Not later than 1 year after the date referred to in paragraph (2) of subsection (a), and on the expiration of each year thereafter, the President shall submit to Congress a report updating the information referred to in paragraph (1)(D) of that subsection.

(c) FORM OF REPORTS.—To the maximum extent practicable, the reports referred to in subsections (a) and (b) shall be submitted in an unclassified form, but may be accompanied by a classified appendix.

(d) REPORT UNDER DEFENSE PRODUCTION ACT.—Section 721(k)(1)(B) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(k)(1)(B)) is amended by inserting "or directly assisted" after "directed".

(e) DEFINITION.—For the purposes of this section, "foreign industrial espionage" means industrial espionage conducted by a foreign government or by a foreign company with direct assistance of a foreign government against a private United States company and aimed at obtaining commercial secrets.

TITLE IV—ADDITIONAL COMMERCE DEPARTMENT PROVISIONS

SEC. 401. DEPARTMENT OF COMMERCE TECHNOLOGY ADVISORY BOARD.

The Stevenson-Wydler Technology Innovation Act of 1980 (as amended by sections 211 and 213 of this Act) is further amended by inserting after section 103 (as added by section 211 of this Act) the following new section:

"SEC. 104. DEPARTMENT OF COMMERCE TECHNOLOGY ADVISORY BOARD.

"(a) ESTABLISHMENT.—There is established a Department of Commerce Technology Advisory Board (in this section referred to as the 'Advisory Board'), the purpose of which is to advise the Secretary, Under Secretary, and Director on the plans, programs, and policies of the Technology Administration, including ways in which to—

"(1) promote the development and rapid application of advanced commercial technologies, including advanced manufacturing technologies such as skill-based production technologies;

"(2) strengthen the programs of the Technology Administration; and

"(3) generally improve the global competitiveness of industries within the United States.

"(b) COMPOSITION.—The Advisory Board shall be composed of at least 17 members, appointed by the Under Secretary from among individuals who, because of their experience and accomplishments in technology development, business development, or finance are exceptionally qualified to analyze and formulate policy that would improve the global competitiveness of industries in the United States. The Under Secretary shall designate one member to serve as chairman. Membership of the Advisory Board shall be composed of—

"(1) representatives of—

"(A) United States small businesses;

"(B) United States manufacturers;

"(C) research universities and independent research institutes;

"(D) State and local government agencies involved in industrial extension;

"(E) national laboratories;

"(F) industrial, worker, and technical and professional organizations; and

"(G) financial organizations; and

"(2) other individuals that possess important insight to issues of national competitiveness.

The Under Secretary shall make an effort to ensure the appointment of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) to the Advisory Board.

"(c) MEETINGS.—(1) The chairman shall call the first meeting of the Advisory Board not later than 90 days after the date of enactment of this section.

"(2) The Advisory Board shall meet at least once every 6 months, and at the call of the Under Secretary.

"(d) TRAVEL EXPENSES.—Members of the Advisory Board, other than full-time employees of the United States, shall be allowed travel expenses in accordance with subchapter I of chapter 57 of title 5, United Stated Code, while engaged in the business of the Advisory Board.

"(e) CONSULTATION.—In carrying out this section, the Under Secretary shall consult with other agencies, as appropriate. The Advisory Board, as appropriate, shall establish communication and coordination mechanisms with other Federal advisory committees to help ensure integrated Federal-private consideration of technology and manufacturing policies and programs.

"(f) TERMINATION.—Section 14 of the Federal Advisory Committee Act shall not apply to the Advisory Board.

"(g) SECRETARIAL DISCRETION.—Notwithstanding any other provision of this section, the Secretary shall have the discretion to decide whether to establish the Advisory Board or create a more cost-effective way to achieve the goal of closer cooperation with industry. If the Secretary exercises such discretion and establishes an alternative mechanism, the Under Secretary shall make an effort to ensure the participation of socially and economically disadvantaged individuals (within the meaning of section 8(a) (5) and (6) of the Small Business Act, and including women) in the alternative mechanism.".

SEC. 402. INTERNATIONAL STANDARDIZATION.

(a) FINDINGS.—The Congress finds that—

(1) private sector consensus standards are essential to the timely development of competitive products;

(2) Federal Government contribution of resources and more active participation in the voluntary standards process in the United States can increase the quality of United States standards, increase their compatibility with the standards of other countries, and ease access of products manufactured by United States manufacturers to foreign markets; and

(3) the Federal Government, working in cooperation with private sector organizations including trade associations, engineering societies, technical organizations, and other standards-setting bodies can effectively promote Federal Government use of United States consensus standards and, where appropriate, the adoption and Federal Government use of international standards.

(b) STANDARDS PILOT PROGRAM.—Section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102–245; 106 Stat. 10) is amended—

(1) by inserting "(1)" before "Pursuant to the";

(2) by striking "matching funds" and inserting in lieu thereof "financial contributions deemed appropriate by the Secretary"; and

(3) by adding at the end the following new paragraph:

"(2) As necessary and appropriate, the Institute shall expand the program established under section 112 of the National Institute of Standards and Technology Authorization Act for Fiscal Year 1989 (15 U.S.C. 272 note) by extending the existing program to include other countries that request assistance with standards-related activities from official representatives of the United States Government. The Institute may enter into additional contracts with non-Federal organizations representing United States companies described in section 28(d)(9)(B) of the National Institute of Standards and Technology Act (15 U.S.C. 278n(d)(9)(B)) or with United States-based professional societies and other standards-setting bodies that participate in the development of standards. Such contracts shall require cost sharing between Federal and non-Federal sources for such purposes. In awarding such contracts, the Institute shall seek to promote and support the dissemination of United States technical standards to additional foreign countries and shall seek, as the Director deems appropriate, to promote the adoption of international standards supported by United States industry, and shall seek to assist private sector developers of standards, including engineering societies which participate in the development of standards in expediting the development of domestic and other standards which enable the introduction of technologies, products, or technology-based services which are being delayed due to the lack of available standards. The Institute and such contractors shall, in carrying out the preceding sentence, cooperate with governmental bodies, private organizations (including standards setting organizations and industry), and multinational institutions that promote economic development. The organizations receiving such contracts may establish training programs to bring to the United States foreign standards experts for the purpose of receiving in-depth training in the United States standards system.".

(c) REPORT ON GLOBAL STANDARDS.—(1) Section 508(a) of the American Technology Preeminence Act of 1991 (15 U.S.C. 3701 note) is amended—

(A) by inserting "standards development and international" after "a thorough review of international";

(B) by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively; and

(C) by inserting before paragraph (2), as so redesignated, the following new paragraph:

"(1) Current and potential future roles of the Federal Government in the development and promulgation of domestic and global product and process standards.".

(2) The Secretary, in consultation with the Institute and the Department of Commerce Technology Advisory Board established under section 104 of the Stevenson-Wydler Technology Innovation Act of 1980 (as added by section 401 of this Act) and with, as appropriate, the active participation of the private sector, shall submit to the Congress a report describing the appropriate roles of the Department of Commerce in aid to United States companies in achieving conformity assessment and accreditation and otherwise qualifying their products in foreign markets, through the development and promulgation of domestic and global product and quality standards, and through Department of Commerce programs related to conformity assessment and accreditation procedures based upon such standards, including a discussion of the extent to which each of the policy options provided in the March 1992 Office of Technology Assessment report on global standards, contributes to meeting the goals of—

(A) increasing the international adoption of standards beneficial to United States industries; and

(B) improving the coordination of United States representation at international standards setting bodies.

SEC. 403. MALCOLM BALDRIGE AWARD AMENDMENTS.

(a) RESTRICTIONS.—Section 111(c)(3) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is amended to read as follows:

"(3) No award shall be made within any category or subcategory if there are no qualifying enterprises in that category or subcategory.".

(b) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—(1) Section 111(c)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is

amended by adding at the end the following new subparagraph:

"(D) Educational institutions.".

(2)(A) Within 2 years after the date of enactment of this Act, the Secretary shall submit to Congress a report containing—

(i) criteria for qualification for a Malcolm Baldrige National Quality Award by various classes of educational institutions;

(ii) criteria for the evaluation of applications for such awards under section 111(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act; and

(iii) a plan for funding awards described in clause (i).

(B) In preparing the report required under subparagraph (A), the Secretary shall consult with the National Science Foundation and other public and private entities with appropriate expertise, and shall provide for public notice and comment.

(C) The Secretary shall not accept applications for awards described in subparagraph (A)(i) until after the report required under subparagraph (A) is submitted to Congress.

SEC. 404. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Section 202(d)(2)(A) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(7) of this Act, by inserting "including Federal test and evaluation facilities," after "by a Federal agency,".

SEC. 405. PROGRAM EVALUATIONS.

Section 101 of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(2) of this Act and as amended by this Act, is further amended by adding at the end the following new subsection:

"(g) PROGRAM EVALUATIONS.—(1) The Secretary, through the Under Secretary, shall—

"(A) provide for the conduct of research and analyses to advance knowledge of the ways in which the economic competitiveness of United States companies can be enhanced through Federal programs established under the National Competitiveness Act of 1994 or the amendments made by that Act; and

"(B) as appropriate, provide for evaluations of Federal technology programs established or expanded under the National Competitiveness Act of 1994 or the amendments made by that Act in order to judge their effectiveness and make recommendations to improve their contribution to United States competitiveness.

"(2) All executive departments and agencies shall assist the Secretary in carrying out this subsection as appropriate.

"(3) Nothing in this subsection shall authorize the release of information to, or the use of information by, the Secretary or Under Secretary in a manner inconsistent with law or any procedure established pursuant thereto.

"(4) The head of any Federal agency may detail such personnel and may provide such services, with or without reimbursement, as the Secretary may request to assist in carrying out the activities required under this subsection.".

SEC. 406. STUDY OF SEMICONDUCTOR LITHOGRAPHY TECHNOLOGIES.

Within 9 months after the date of enactment of this Act, the Critical Technologies Institute established under section 822 of the National Defense Authorization Act for Fiscal Year 1991 (42 U.S.C. 6686) shall, after consultation with the private sector and appropriate officials from other Federal agencies, submit to Congress a report on advanced lithography technologies for the production of semiconductor devices. The report shall include the Critical Technologies Institute's evaluation of the likely technical and economic advantages and disadvantages of each such technology, an analysis of current private and Government research to develop each such technology, and any recommendations the Critical Technologies Institute may have regarding future Federal support for research and development in advanced lithography.

SEC. 407. CLEARINGHOUSE ON STATE AND LOCAL INITIATIVES.

Section 105(a) of the Stevenson-Wydler Technology Innovation Act of 1980, as so redesignated by section 213(5) of this Act, is amended by striking "Office of Productivity, Technology, and Innovation" and inserting in lieu thereof "Technology Administration".

SEC. 408. WIND ENGINEERING RESEARCH PROGRAM.

(a) SHORT TITLE.—This section may be cited as the "Wind Engineering Program Act of 1994".

(b) FINDINGS.—Congress finds and declares the following:

(1) Hurricanes and tornadoes kill more Americans and destroy more property than any other natural disaster.

(2) Each year, in the United States, extreme winds cause billions of dollars of damage to homes, schools, and other buildings, roads and bridges, electrical power distribution networks, and communications networks.

(3) Research on wind and wind engineering has resulted in improved methods for making buildings and other structures less vulnerable to extreme winds, but additional research funding is needed to develop new, improved, and more cost-effective methods of wind-resistant construction.

(4) Federal funding for wind engineering research has decreased drastically over the last 20 years.

(5) Wind research has been hampered by a lack of data on near-surface wind speed and distribution during hurricanes, tornadoes, and other severe storms.

(6) Many existing methods for wind-resistant construction are inexpensive and easy to implement but often they are not applied because the construction industry and the general public are unaware of such methods.

(7) Various Federal agencies have important roles to play in wind engineering research, but at present there is little interagency cooperation in this area.

(8) Establishment of a Federal Wind Engineering Program would result in new technologies for wind-resistant construction, broader application of such technologies in construction, and ultimately decreased loss of life and property due to extreme winds.

(c) PURPOSE.—The purpose of this section is to create a Wind Engineering Program within the National Institute of Standards and Technology, which would—

(1) provide for wind engineering research;

(2) serve as a clearinghouse for information on wind engineering; and

(3) improve interagency coordination on wind engineering research between the National Institute of Standards and Technology, the National Oceanic and Atmospheric Administration, the National Science Foundation, the Federal Aviation Administration, and other appropriate agencies.

(d) ESTABLISHMENT.—Within the National Institute of Standards and Technology, there shall be established a Wind Engineering Program which shall—

(1) conduct research and development, in cooperation with the private sector and academia, on new methods for mitigating wind damage due to tornadoes, hurricanes, and other severe storms;

(2) fund construction and maintenance of wind tunnels and other research facilities needed for wind engineering research;

(3) promote the application of existing methods for, and research results on, reducing wind damage to buildings that are usually incompletely- or non-engineered, such as single family dwellings, mobile homes, light industrial buildings, and small commercial structures;

(4) transfer technology developed in wind engineering research to the private sector so that it may be applied in building codes, design practice, and construction;

(5) conduct, in conjunction with the National Oceanic and Atmospheric Administration, post-disaster research following hurricanes, tornadoes, and other severe storms to evaluate the vulnerability of different types of buildings to extreme winds;

(6) serve as a point of contact for dissemination of research information on wind engineering and work with the private sector to develop education and training programs on construction techniques, developed from research results, for reducing wind damage;

(7) work with the National Oceanic and Atmospheric Administration, the Federal Aviation Administration, and other agencies as is appropriate, on meteorology programs to collect and disseminate more data on extreme wind events; and

(8) work with the National Science Foundation to support and expand basic research on wind engineering.

SEC. 409. ENVIRONMENTALLY SENSITIVE CONSTRUCTION TECHNOLOGIES.

(a) SHORT TITLE.—This section may be cited as the "Environmentally Sensitive Construction Act of 1994".

(b) FINDINGS AND PURPOSES.—Congress finds the following:

(1) As the world economy develops, environmental concerns are becoming increasingly critical.

(2) Developing the world economy through the use of environmentally sound technologies will pay dividends for years to come.

(3) The United States should be a leader in developing environmentally sound technologies.

(4) As shelter is a basic human need, the development of environmentally sound construction techniques should be a priority area.

(5) Establishment of a Federal Environmentally Sensitive Construction Program within the Institute would result in new technologies for environmentally sensitive construction, broader application of such technologies in construction, and an improved world economy and environment.

(c) ESTABLISHMENT.—Within the Institute, there shall be established a Federal Environmentally Sensitive Construction Program which shall—

(1) conduct research and development, in cooperation with the private sector and academia, on construction materials and techniques which result in structures which pose low environmental and health risks for their occupants and minimize waste generation and other environmental problems;

(2) as appropriate and permitted by appropriations, support academic research projects in regions around the Nation to develop and demonstrate environmentally sensitive construction; and

(3) disseminate information on environmentally sensitive construction technology.

SEC. 410. AMERICAN WORK FORCE QUALITY.

(a) WORK FORCE ACTIVITIES.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and after consultation with the Secretary of Labor, shall ensure that Regional Centers for the Transfer of Manufacturing Technology and Manufacturing Outreach Centers utilize, when appropriate, their expertise and capability to assist managers and workers of manufacturers in the United States in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by making available assessments of the needs of manufacturers in the United States for worker training in the effective utilization and operation of specific technologies the manufacturers have adopted or are planning to adopt;

(2) by making available to manufacturers in the United States information on commercially and publicly provided worker training services, including those provided by United States sources of technologies, in the effective utilization and operation of specific technologies the manufacturers have adopted or are planning to adopt; and

(3) by providing information to client firms and their workers to enable them effectively to utilize and operate specific technologies that the firms have adopted or plan to adopt.

(b) WORK FORCE ANALYSIS AND INFORMATION DISSEMINATION.—In addition to existing responsibilities and authorities prescribed by law, the Secretary, through the Director and in consultation with the Secretary of Labor and other appropriate Federal officials and with leaders of industry and labor, shall assist managers and other workers of manufacturers in the United States in effectively utilizing and operating advanced manufacturing technologies and modern technologies—

(1) by establishing and managing a clearinghouse for information, to be available through an appropriate entity to the Regional Centers for the Transfer of Manufacturing Technology, to the Manufacturing Outreach Centers when they are established, to other technology training entities, or directly to manufacturers, on the best available training material and services for the effective utilization and operation of specific advanced manufacturing technologies and modern technologies;

(2) by encouraging United States providers of advanced manufacturing technologies and modern technologies for manufacturers to develop training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies; and

(3) by establishing as an important criterion in the assessment of advanced manufacturing technologies and modern technologies the availability of training material specifically designed for the managers and other workers responsible for utilizing and operating such technologies.

SEC. 411. SEVERABILITY.

If any provision of this Act or the amendments made by this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act and the amendments made by this Act, and the application thereof to other persons or circumstances, shall not be affected thereby.

SEC. 412. USE OF DOMESTIC PRODUCTS.

(a) PROHIBITION AGAINST FRAUDULENT USE OF "MADE IN AMERICA" LABELS.—(1) A person shall not intentionally affix a label bearing the inscription of "Made in America", or any inscription with that meaning, to any product sold in or shipped to the United States, if that product is not a domestic product.

(2) A person who violates paragraph (1) shall not be eligible for any contract for a procurement carried out with amounts authorized under this Act, or under any amendment made by this Act, including any subcontract under such a contract pursuant to the debarment, suspension, and ineligibility procedures in subpart 9.4 of chapter 1 of title 48, Code of Federal Regulations, or any successor procedures thereto.

(b) COMPLIANCE WITH BUY AMERICAN ACT.—(1) Except as provided in paragraph (2), the head of each agency which conducts procurements shall ensure that such procurements are conducted in compliance with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a through 10c, popularly known as the "Buy American Act").

(2) This subsection shall apply only to procurements made for which—

(A) amounts are authorized by this Act, or by any amendment made by this Act, to be made available; and

(B) solicitations for bids are issued after the date of enactment of this Act.

(3) The Secretary, before January 1, 1995, shall report to the Congress on procurements covered under this subsection of products that are not domestic products.

(c) PURCHASE OF AMERICAN MADE EQUIPMENT AND PRODUCTS.—(1) It is the sense of Congress that any recipient of a grant under this Act, or under any amendment made by this Act, should, when practical, purchase only American made equipment and products when expending grant monies.

(2) In allocating grants under this Act, or under any amendment made by this Act, the Secretary shall provide to each recipient a notice describing the statement made in paragraph (1) by the Congress.

(d) DEFINITION.—For the purposes of this section, the term "domestic product" means a product—

(1) that is manufactured or produced in the United States; and

(2) at least 50 percent of the cost of the articles, materials, or supplies of which are mined, produced, or manufactured in the United States.

SEC. 413. PERSONNEL.

Notwithstanding any other provision of law, the personnel management demonstration project, established under section 10 of the National Bureau of Standards Authorization Act for Fiscal Year 1987 (15 U.S.C. 275 note), is extended until December 31, 1998.

TITLE V—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 501. TECHNOLOGY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary, to carry out the activities of the Under Secretary and the Assistant Secretary of Commerce for Technology Policy, in addition to any other amounts authorized for such purposes, for the Office of the Under Secretary—

(1) $6,000,000 for fiscal year 1994;

(2) $11,300,000 for fiscal year 1995, of which $2,000,000 are authorized for program evaluations under section 101(g) of the Stevenson-Wydler Technology Innovation Act of 1980, as added by section 405 of this Act; and

(3) $14,000,000 for fiscal year 1996.

(b) NATIONAL TECHNICAL INFORMATION SERVICE FACILITIES STUDY.—As part of its modernization effort and before signing any lease for a new facility, the National Technical Information Service, in consultation with the General Services Administration, shall study and report to Congress on the feasibility of accomplishing all or part of its modernization by signing a long-term lease with an organization that agrees to supply a facility and supply and periodically upgrade modern equipment which permits the National Technical Information Service to receive, store, and manipulate in electronic form, and print, electronically-created documents and reports and to carry out the other functions assigned to the National Technical Information Service.

SEC. 502. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

(a) INTRAMURAL SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES.—(1) There are authorized to be appropriated to the Secretary, to carry out the intramural scientific and technical research and services activities of the Institute, $240,988,000 for fiscal year 1994, $320,000,000 for fiscal year 1995, and $350,000,000 for fiscal year 1996.

(2) Of the amounts authorized under paragraph (1)—

(A) $1,000,000 for each of the fiscal years 1994, 1995, and 1996 are authorized only for the evaluation of nonenergy-related inventions;

(B) $8,054,000 for fiscal year 1994 and $8,113,000 for each of the fiscal years 1995 and 1996 are authorized only for the technical competence fund; and

(C) $5,000,000 for each of the fiscal years 1994, 1995, and 1996 are authorized only for the standards pilot project established under section 104(e) of the American Technology Preeminence Act of 1991 (Public Law 102–245; 106 Stat. 10).

(b) FACILITIES.—In addition to the amounts authorized under subsection (a), there are authorized to be appropriated to the Secretary $62,000,000 for fiscal year 1994, $110,392,000 for fiscal year 1995, and $112,000,000 for fiscal year 1996, for the renovation and upgrading of the Institute's facilities. The Institute may enter into a contract for the design work for such purposes only if Federal Government payments under the contract are limited to amounts provided in advance in appropriations Acts.

(c) EXTRAMURAL INDUSTRIAL TECHNOLOGY SERVICES.—(1) In addition to the amounts authorized under subsections (a) and (b), there are authorized to be appropriated to the Secretary, to carry out the extramural industrial technology services activities of the Institute—

(A) for the Manufacturing Extension Partnership, $40,000,000 for fiscal year 1994, $70,000,000 for fiscal year 1995, and $100,000,000 for fiscal year 1996;

(B) for the Advanced Technology Program, $200,000,000 for fiscal year 1994, $475,000,000 for fiscal year 1995, and $575,000,000 for fiscal year 1996; and

(C) for quality programs at the Institute, $2,800,000 for fiscal year 1994, $10,000,000 for fiscal year 1995, and $10,000,000 for fiscal year 1996.

(2) The Secretary shall ensure that audits are performed by outside auditors on the programs for which funds are appropriated pursuant to this subsection. The summary results of such audits shall be submitted to Congress by the end of each of the fiscal years 1994 and 1995, and not more than $2,000,000, or 2 percent of the aggregate amount made available under this subsection, whichever is greater, shall be used in each such fiscal year for performing the audits.

(d) TRANSFERS.—(1) Funds may be transferred among the line items listed in subsection (a) and among the line items listed in subsection (c) so long as—

(A) the net funds transferred to or from any line item do not exceed 10 percent of the amount authorized for that line item in such subsection;

(B) the aggregate amount authorized under subsection (a) is not changed; and

(C) the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science, Space, and Technology of the House of Representatives are notified in advance of any such transfer.

(2) The Secretary may propose transfers to or from any line item listed in subsection (a) exceeding 10 percent of the amount authorized from such line item, but such proposed transfer may not be made unless—

(A) a full and complete explanation of any such proposed transfer and the reason therefor are transmitted in writing to the Speaker of the House of Representatives, the President of the Senate, and the appropriate authorizing committees of the House of Representatives and the Senate; and

(B) 30 days have passed following the transmission of such written explanation.

(e) WIND ENGINEERING.—(1) There are authorized to be appropriated to the Institute for the purposes of section 408 of this Act, $1,000,000 for fiscal year 1994 and $3,000,000 for each of the fiscal years 1995 and 1996.

(2) Of the amounts appropriated under paragraph (1), no less than 50 percent shall be used for cooperative agreements with the National Oceanic and Atmospheric Administration, the National Science Foundation, and the Federal Aviation Administration, or other agencies, for wind engineering research, development of improved practices for structures, and the collection and dissemination of meteorological data needed for wind engineering.

(f) ENVIRONMENTALLY SENSITIVE CONSTRUCTION PROGRAM.—There are authorized to be appropriated to the Institute for the purposes of section 409, $1,000,000 for fiscal year 1994 and $3,000,000 for fiscal year 1995.

SEC. 503. ADDITIONAL ACTIVITIES OF THE TECHNOLOGY ADMINISTRATION.

In addition to the amounts authorized under sections 501 and 502, there are authorized to be appropriated to the Secretary to carry out additional duties of the Under Secretary—

(1) for the establishment and management of a technology training clearinghouse, $2,000,000 for each of the fiscal years 1994 and 1995 and $3,000,000 for fiscal year 1996;

(2) for the support of policy experiments relating to intelligent manufacturing systems, $2,000,000 for fiscal year 1995 and $4,000,000 for fiscal year 1996;

(3) for carrying out responsibilities for technology monitoring and competitiveness assessment, $10,000,000 for each of the fiscal years 1994 and 1995 and $12,000,000 for fiscal year 1996;

(4) for the National Technical Information Service revolving fund, $20,000,000 for each of the fiscal years 1995 and 1996; and

(4) for the purpose of carrying out the technology financing pilot program under section 306, $2,000,000 for fiscal year 1994 to prepare the operating plan and promulgate regulations required under that section and $50,000,000 for each of the fiscal years 1995 and 1996 to carry out the provisions of that section.

SEC. 504. NATIONAL SCIENCE FOUNDATION.

In addition to such other sums as may be authorized by other provisions of law to be appropriated to the Director of the National Science Foundation, there are authorized to be appropriated to that Director, to carry out the provisions of section 221, $50,000,000 for fiscal year 1994 and $75,000,000 for each of the fiscal years 1995 and 1996.

SEC. 505. AVAILABILITY OF APPROPRIATIONS.

Appropriations made under the authority provided in this title shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making such appropriations.

TITLE VI—INFORMATION TECHNOLOGY APPLICATIONS

SEC. 601. SHORT TITLE.

This title may be cited as the "Information Technology Applications Act of 1994".

SEC. 602. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds and declares the following:

(1) High-performance computing and high-speed networks have proven to be powerful tools for improving America's national security, industrial competitiveness, and research capabilities.

(2) Federal programs, such as the National High-Performance Computing Program established by Congress in 1991, have played a key role in maintaining United States leadership in high-performance computing, especially in the defense and research sectors.

(3) High-performance computing and high-speed networking have the potential to revolutionize many fields, including education, libraries, health care, and manufacturing, if adequate resources are invested in developing the technology needed to do so.

(4) The Federal Government should ensure that the technology developed under research and development programs such as the National High-Performance Computing Program can be widely applied for the benefit of all Americans, including Americans with disabilities.

(5) The Federal Government, in cooperation with computer users, private industry, and others, should support research and development projects which will provide large economic and social benefits. These projects, designed to address major National Challenges, should include the development of computing tools for teaching, digital libraries of electronic information, computer systems to improve the delivery of health care, and computer and networking technology to promote United States competitiveness. These applications should be designed and operated in ways which protect privacy and intellectual property rights.

(b) PURPOSE.—It is the purpose of this title to expand the scope of the National High-Performance Computing Program to identify and promote the development of applications of high-performance computing and high-speed networking which will provide large economic and social benefits to the Nation.

SEC. 603. INFORMATION TECHNOLOGY APPLICATIONS.

(a) FINDINGS, PURPOSE, AND DEFINITIONS OF HIGH-PERFORMANCE COMPUTING ACT.—The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended—

(1) in section 2, by amending paragraph (4) to read as follows:

"(4) High-capacity and high-speed computer networks would provide researchers and educators with access to computer and information resources and act as test beds for further research and development.";

(2) in section 3—

(A) by amending paragraph (1)(A) to read as follows:

"(A) accelerate the creation of a universally accessible communications network for the Nation;";

(B) in paragraph (1)(C), by striking "available for use through the Network";

(C) in paragraph (1)(G), by inserting "and National Challenges" after "Grand Challenges"; and

(D) by striking "and" at the end of paragraph (1)(I); by striking the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and by adding after paragraph (2) the following new paragraph:

"(3) promoting the widest possible application of high-performance computing and high-speed networking by—

"(A) identifying and addressing specific National Challenges, and generally expanding Federal support for research and development of high-performance computing and high-speed networking, in order to—

"(i) improve education at all levels, from preschool to adult education, including the development of new educational technologies;

"(ii) build digital libraries of electronic information accessible over computer networks;

"(iii) improve the provision of health care, including furnishing health care providers and their patients with better, more accurate, and more timely information; and

"(iv) increase the productivity of the Nation's industry, especially in the manufacturing sector; and

"(B) improving coordination of Federal efforts to deploy these technologies in cooperation with the private sector as part of an advanced national information infrastructure.";

(3) in section 4, by striking paragraph (4); by redesignating paragraph (5) as paragraph (7); and by inserting after paragraph (3) the following new paragraphs:

"(4) 'information infrastructure' means a network of communications systems and computer systems designed to exchange information among all citizens and residents of the United States;

"(5) 'National Challenge' means a technical or operational difficulty or problem which, if successfully solved, will result in an application of high-performance computing or high-speed networking that will provide large economic and social benefits to a broad segment of the Nation's populace;

"(6) 'Network Program' means the National Research and Education Network Program established under section 102; and".

(b) NATIONAL HIGH-PERFORMANCE COMPUTING PROGRAM.—Section 101 of the High-Performance Computing Act of 1991 is amended—

(1) in subsection (a)(2)—

(A) by amending subparagraphs (A) and (B) to read as follows:

"(A) foster and encourage competition and private-sector investment in networking within the telecommunications industry;

"(B) encourage—

"(i) a diversity of public and private sources for information products and services based on government information; and

"(ii) the dissemination of government information to the public on a timely, equitable, and affordable basis and in a manner that will promote the usefulness of the information to the public;"; and

(B) by striking "and" at the end of subparagraph (H); by striking the period at the end of subparagraph (I) and inserting in lieu thereof a semicolon; and by inserting after subparagraph (I) the following new subparagraphs:

"(J) provide for the development and, as appropriate, implementation of applications of high-performance computing and high-speed networking, through projects which address National Challenges in the fields of education, library science, health care, manufacturing, provision of government information, and other appropriate fields;

"(K) identify each Program agency's responsibility for addressing National Challenges in high-performance computing and high-speed networking; and

"(L) provide for the development, to the extent technologically feasible, of technology to protect privacy, security, and intellectual property rights (including copyrights).";

(2) in subsection (a)(4)(C), by inserting "development of applications technology," after "development,"; and by inserting "Program established in section 102" after "Network"; and

(3) in subsection (a)(4), by striking "and" at the end of subparagraph (D); by striking the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon; and by adding at the end the following new subparagraphs:

"(F) include a summary of the achievements of Federal efforts during the preceding fiscal year to develop technologies needed for an advanced information infrastructure;

"(G) identify steps agencies are taking to develop technology to protect privacy, security, and intellectual property rights (including copyrights) for computer networks; and

"(H) provide any recommendations regarding additional action or legislation which may be required to assist in achieving the purposes of this title."; and

(4) by inserting after subsection (c) the following new subsection:

"(d) COPYRIGHT LAW.—Nothing in this Act shall be construed to modify or otherwise change any provision of title 17, United States Code.".

SEC. 604. APPLICATIONS FOR EDUCATION AND LIBRARIES.

(a) NATIONAL SCIENCE FOUNDATION ACTIVITIES.—Section 201 of the High-Performance

Computing Act of 1991 (15 U.S.C. 5521) is amended—

(1) in subsection (a), by striking "and" at the end of paragraph (3); by striking the period at the end of paragraph (4) and inserting in lieu thereof a semicolon; and by adding at the end the following new paragraphs:

"(5) the National Science Foundation and the Department of Education, in cooperation with other appropriate agencies, shall provide for the development of advanced computing and networking technology for use in education at all levels; and

"(6) the National Science Foundation, the Department of Education, and other appropriate agencies shall provide for the development and use of technologies needed for digital libraries of computerized data and information and, as appropriate, may work with private and nonprofit institutions to develop prototype digital libraries to serve as test beds for advanced computing systems, software, standards, and methods."; and

(2) in subsection (b), by striking "$305,000,000" and inserting in lieu thereof "$339,000,000"; and by striking "$354,000,000" and inserting in lieu thereof "$404,000,000".

(b) NATIONAL AERONAUTICS AND SPACE ADMINISTRATION ACTIVITIES.—(1) Section 202(a) of the High-Performance Computing Act of 1991 (15 U.S.C. 5522(a)) is amended to read as follows:

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I, the National Aeronautics and Space Administration shall—

"(1) conduct basic and applied research in high-performance computing, particularly in the field of computational science, with emphasis on aerospace sciences, earth and space sciences, and remote exploration and experimentation; and

"(2) provide for the development of technologies needed for digital libraries and electronic information.".

(2) Section 202(b) of the High-Performance Computing Act of 1991 (15 U.S.C. 5522(b)) is amended by striking "$134,000,000" and inserting in lieu thereof "$154,000,000"; and by striking "$151,000,000" and inserting in lieu thereof "$181,000,000".

(c) ROLE OF DEPARTMENT OF EDUCATION.—Section 206 of the High-Performance Computing Act of 1991 (15 U.S.C. 5526) is amended to read as follows:

"SEC. 206. ROLE OF THE DEPARTMENT OF EDUCATION.

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I—

"(1) the Secretary of Education is authorized to conduct basic and applied research in computational research with the emphasis on the coordination of activities with libraries, school facilities, and educational research groups with respect to the advancement and dissemination of computer science and the development, evaluation, and application of software capabilities; and

"(2) the Department of Education, in cooperation with the National Science Foundation and other agencies as appropriate, shall provide for the development of advanced computing and networking technology at all educational levels; the development and use of technologies needed for digital libraries of computerized data and information; and the development and implementation of training programs for teachers, students, and librarians in the use of local and national computer networks.

"(b) AUTHORIZATIONS OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated to the Department of Education, there are authorized to be appropriated for the purposes of carrying out responsibilities under subsection (a) of this section, $11,900,000 for fiscal year 1994; $22,100,000 for fiscal year 1995; and $2,300,000 for fiscal year 1996.".

SEC. 605. APPLICATIONS FOR MANUFACTURING AND INFORMATION.

Section 204 of the High-Performance Computing Act of 1991 (15 U.S.C. 5524) is amended—

(1) in subsection (a)(1), by striking "and" at the end of subparagraph (B), and by inserting after subparagraph (C) the following new subparagraph:

"(D) develop, refine, test, and transfer, in coordination with other agencies when appropriate, advanced computer-integrated, electronically-networked manufacturing technologies and associated applications; and";

(2) in subsection (a), by striking the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and by adding at the end the following new paragraph:

"(3) the Secretary of Commerce and, as appropriate, other Federal officials shall, in consultation with the Superintendent of Documents, identify and support projects to develop and apply high-performance computing and high-speed networking technologies to provide improved public access to information generated by Federal, State, and local governments, including environmental monitoring information."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting "(other than Advanced Manufacturing Program activities)" after "Program" and by striking "and" at the end of the paragraph;

(B) by striking the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following new paragraph:

"(3) to the Secretary of Commerce to carry out Program activities under subsection (a)(3), $30,000,000 for fiscal year 1994 and $50,000,000 for fiscal year 1995.".

SEC. 606. APPLICATIONS IN ENERGY AND OTHER AREAS.

Section 203 of the High-Performance Computing Act of 1991 (15 U.S.C. 5523) is amended by adding at the end the following new subsection:

"(f) APPLICATIONS.—(1) The Secretary of Energy shall, consistent with the Program, develop, test, and apply high-performance computing and high-speed networking technologies in areas within the Department's missions, including—

"(A) energy demand management and control, including vehicle efficiency and utilization, energy efficiency in commercial and residential buildings, and industry energy use and practices;

"(B) environmental monitoring, modeling, and remediation;

"(C) manufacturing;

"(D) materials;

"(E) the generation of electricity and the production and consumption of oil, natural gas, and coal; and

"(F) other areas in which the Department's computing expertise may assist industry and others, including applications in health care, education and training, financial services, and law enforcement.

"(2) The Secretary of Energy shall provide for cooperative projects involving the Department of Energy and one or more Department of Energy laboratories and appropriate non-Federal entities in carrying out this subsection.

"(3) In carrying out projects under paragraph (2), the Secretary of Energy shall, where appropriate, seek to address the technical and other considerations critical to further development of the technologies and applications useful for a national information infrastructure.

"(4) There is authorized to be appropriated to the Secretary of Energy for purposes of this subsection, $50,000,000 for fiscal year 1994, $100,000,000 for fiscal year 1995, and $150,000,000 for fiscal year 1996.".

SEC 607. APPLICATIONS FOR HEALTH CARE; ACCESS TO NETWORKS.

The High-Performance Computing Act of 1991 (15 U.S.C. 5501 et seq.) is amended—

(1) by redesignating sections 207 and 208 as sections 209 and 210, respectively; and

(2) by adding after section 206 the following new sections:

"SEC. 207. ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

"(a) GENERAL RESPONSIBILITIES.—As part of the Program described in title I, the Secretary of Health and Human Services shall, through the Public Health Service, the National Institutes of Health, the National Library of Medicine, and the Centers for Disease Control and Prevention, in cooperation with the National Science Foundation and other appropriate agencies, develop and support the development of interoperable technologies for applications of high-performance computing and high-speed networking in the health care sector. In developing these technologies, emphasis shall be placed on applications that can produce significant savings in national health care costs. Such technologies shall, when feasible, build on existing Federal programs for developing information technology applications in the health care sector.

"(b) AUTHORIZATION OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated, there are authorized to be appropriated to the Department of Health and Human Services for the purposes of this section, $9,000,000 for fiscal year 1993, $30,000,000 for fiscal year 1994, and $50,000,000 for fiscal year 1995.

"SEC. 208. ACCESS TO NETWORKS.

"(a) CONNECTIONS PROGRAM.—The National Science Foundation, the Department of Education, Department of Commerce, particularly the National Telecommunications and Information Administration, and other appropriate agencies shall—

"(1) foster the creation of computer networks, including but not limited to high-performance computer networks, in geographical areas which will connect institutions of higher education, elementary and secondary schools, libraries and depository libraries, and Federal, State, and local governments to each other; and

"(2) provide for connection of such networks to other networks.

"(b) TRAINING.—The National Science Foundation, the Department of Education, the Department of Commerce, particularly the National Telecommunications and Information Administration, and other appropriate agencies shall provide for programs to train teachers, students, librarians, and Federal, State, and local government personnel in the use of local and national computer networks. Training programs for librarians shall be designed to provide skills and training materials needed by librarians to instruct the public in the use of hardware and software for accessing and using local and national computer networks.

"(c) REPORT.—The Director shall, within 1 year after the date of enactment of the Information Technology Applications Act of 1994, submit a report to Congress which shall include—

"(1) findings of an examination of the extent to which the education and library communities and State and local governments have access to local and national networks;

"(2) a statement of the extent to which connections to local and national networks exist for the education and library communities and State and local governments;

"(3) an assessment of the factors limiting access by schools, libraries, and State and local governments to local and national networks and an estimate of the cost of providing universal access for those institutions to those networks; and

"(4) recommendations for collaborative programs among Federal, State, and local govern-

ments and the private sector to expand connectivity to local and national computer networks for educational institutions, libraries, and Federal, State, and local governments.

"(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out the purposes of this section, there are authorized to be appropriated—

"(1) to the National Science Foundation, $5,000,000 for fiscal year 1994 and $12,500,000 for fiscal year 1995; and

"(2) to the Department of Education, $5,000,000 for fiscal year 1994 and $12,500,000 for fiscal year 1995.".

SEC. 608. HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.

Section 101(b) of the High-Performance Computing Act of 1991 (15 U.S.C. 5511(b)) is amended to read as follows:

"(b) HIGH-PERFORMANCE COMPUTING AND APPLICATIONS ADVISORY COMMITTEE.—The Director shall establish an advisory committee on high-performance computing and applications consisting of non-Federal members, including representatives of the research, elementary and secondary education, higher education, and library communities, consumer and public interest groups, network providers, and the computer, telecommunications, information and publishing industries, and other groups who use networks, who are specially qualified to provide the Director with advice and information on high-performance computing and on applications of computing and networking. The Director shall consider the recommendations of the advisory committee in reviewing and revising the Program. The advisory committee shall provide the Director with an independent assessment of—

"(1) progress in implementing the Program;

"(2) the need to revise the Program;

"(3) the balance between the components of the activities undertaken pursuant to this Act;

"(4) whether the research, development, and demonstration projects undertaken pursuant to this Act are helping to maintain United States leadership in computing and networking technologies and in the application of those technologies;

"(5) whether the applications and technologies developed under the Program are successfully addressing the needs of targeted populations, including assessment of the number of users served by those applications; and

"(6) other issues identified by the Director.".

SEC. 609. NATIONAL RESEARCH AND EDUCATION NETWORK PROGRAM.

Section 102 of the High-Performance Computing Act of 1991 (15 U.S.C. 5512) is amended to read as follows:

"SEC. 102. NATIONAL RESEARCH AND EDUCATION NETWORK PROGRAM.

"(a) ESTABLISHMENT.—As part of the Program described in section 101, the National Science Foundation, the Department of Defense, the Department of Energy, the Department of Commerce, the National Aeronautics and Space Administration, the Department of Education, and other agencies participating in the Program shall, in consultation with the Superintendent of Documents, support the establishment of the National Research and Education Network Program. The Network Program shall consist of the following components:

"(1) Research and development of software and hardware for high-performance computing and high-speed networks.

"(2) Support of experimental test bed networks for—

"(A) developing and demonstrating advanced networking technologies resulting from the activities described in paragraph (1); and

"(B) providing connections and associated network services for purposes consistent with this Act.

"(3) Provision of support for researchers, educators, students, libraries, and other appropriate institutions in order to ensure their access and use of networks.

"(4) Federal networks for linking Federal agency facilities and personnel to each other and to non-Federal networks.

"(b) PROGRAM REQUIREMENTS.—The Network Program shall—

"(1) be closely coordinated with the computer hardware, computer software, telecommunications, and information industries, and network users in government, industry, and research and educational institutions;

"(2) foster and encourage competition and private sector investment in networking within the telecommunications industry;

"(3) promote and encourage research and development leading to the creation of data transmission standards, enabling the establishment of privately developed high-speed commercial networks;

"(4) provide for the appropriate application of Federal laws that provide network and information resources security, including those that protect intellectual property rights, control access to data bases, and protect national security;

"(5) enable interoperability of Federal and non-Federal computer networks, to the extent appropriate, in a way that allows autonomy for each component network;

"(6) promote the research and development of high-capacity and high-speed computing networks, including related applications; and

"(7) demonstrate, in cooperation with users and others in the private sector, how advanced computers, high-capacity and high-speed computing networks, and data bases can contribute to the national information infrastructure.

"(c) NETWORK ACCESS PLAN.—The Federal agencies participating in activities under this section shall develop a plan with specific goals for implementing the requirements of subsection (a)(3), including provision for financial assistance to educational institutions, public libraries, and other appropriate entities. This plan shall be submitted to the Congress not later than one year after the date of enactment of the Information Technology Applications Act of 1994. Each year thereafter, the Director shall report to Congress on progress in implementing subsection (a)(3).

"(d) DEPARTMENT OF DEFENSE RESPONSIBILITIES.—As part of the Program, the Department of Defense, through the Advanced Research Projects Agency, shall support research and development of advanced fiber optics technology, switches, and protocols.

"(e) INFORMATION SERVICES.—The Director shall assist the President in coordinating the activities of appropriate agencies to promote the development of information services that could be provided over computer networks consistent with the purposes of this Act. These services may include the provision of directories of the users and services on computer networks, data bases of unclassified Federal data, training of users of data bases and computer networks, and technology to support computer-based collaboration that facilitates research and education. In carrying out this section, the Director shall consult with the Superintendent of Documents in order to facilitate compatibility of information systems and eliminate unnecessary redundancy.

"(f) USE OF GRANT FUNDS.—All Federal agencies and departments are authorized to allow recipients of Federal research grants to use grant funds to pay for computer networking expenses.

"(g) USE OF PROGRAM FUNDS.—(1) Each agency in the Program, when using Program funds for the procurement of communications networking services for Program activities, shall develop, provide access to, or use communications networks through the acquisition of commercially available network services or through contracting for customized services when such acquisition cannot satisfy agency requirements. Nothing in this section shall be construed to modify or otherwise change the Federal Property and Administrative Services Act of 1949.

"(2) In using Program funds to provide grants or assistance to non-Federal entities for the support of communications networking services, the head of each agency in the Program shall provide funding only to non-Federal entities which agree to develop, provide access to, or use communications networks—

"(A) through the acquisition of commercially available communications networking services; or

"(B) if no such services are satisfactorily available, through contracting for customized services, with the determination of satisfactory availability including consideration of geographic access to and affordability of service, and timeliness and technical performance standards in providing services.

In neither subparagraph (A) or (B) may the grantee use Federal funds for purposes other than the purposes for which they are awarded.

"(3) The provisions of this subsection shall apply only to procurements, grants, or agreements for assistance entered into by Program agencies for Program activities after the date of enactment of the Information Technology Applications Act of 1994.".

SEC. 610. SUPPORT FOR COMPUTER EDUCATION PROGRAMS.

(a) EDUCATION PROJECT.—The Administrator of the National Aeronautics and Space Administration (hereafter in this section referred to as the 'Administrator') shall establish a Computer Technologies for K–12 Education Project (hereafter in this section referred to as the 'Project') to test and demonstrate educational applications of advanced computer technologies, including but not limited to high-performance computing technologies, in public school systems providing precollege education. The Project shall award, on a competitive basis, grants to plan, deploy, manage, and operate advanced educational applications of computer technologies in K–12 public school systems in the United States in response to proposals requested by the Administrator. The Administrator shall ensure that non-Federal funds committed to support such proposals shall amount to not less than 30 percent of the Federal grant from the Project.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the National Aeronautics and Space Administration $8,000,000 for each of the fiscal years 1994 and 1995, to carry out the provisions of paragraph (1). No funds shall be awarded under the Project other than through the competitive process established by the Administrator pursuant to this section.

SEC. 611. SUPPORT FOR STATE-BASED DIGITAL LIBRARIES.

(a) PROGRAM TO SUPPORT DIGITAL LIBRARIES.—The National Science Foundation, in consultation with the Department of Education, the Department of Commerce, the Advanced Research Projects Agency, the Library of Congress, the Superintendent of Documents, and other appropriate agencies, is authorized to initiate a competitive, merit-based program to support the efforts of States and, as appropriate, libraries to develop electronic libraries. In carrying out this section, the National Science Foundation shall consult with the Superintendent of Documents in order to facilitate compatibility of Federal information systems and eliminate unnecessary redundancy. These libraries shall provide delivery of and access to a variety of databases, computer programs, and interactive multimedia

presentations, including educational materials, research information, statistics and reports developed by Federal, State, and local governments, and other information and informational services which can be carried over computer networks.

(b) AUTHORIZATION OF APPROPRIATIONS.—To carry out the provisions of this section, there are authorized to the Director of the National Science Foundation $10,000,000 for fiscal year 1994, and $25,000,000 for fiscal year 1995.

(c) COPYRIGHT LAW.—Nothing in this section shall be construed to modify or otherwise change any provision of title 17, United States Code.

SEC. 612. SUPPORT FOR COMPUTING ACTIVITIES AT TRIBAL COLLEGES.

The Director of the National Science Foundation shall design and implement a pilot program to provide financial assistance, through competitive selection processes, to States in which are located two or more tribally-controlled community colleges. The objective of the pilot program shall be to institute interactive telecommunications systems among such tribally controlled community colleges in such States, so as to assist the tribal community in education, job training, and other appropriate activities.

SEC. 613. DEPARTMENT OF EDUCATION SUPPORT FOR COMPUTER EDUCATION PROGRAMS.

(a) EDUCATION PROJECT.—In addition to the general responsibilities set forth in section 206 of the High-Performance Computing Act of 1991 (15 U.S.C. 5526), the Department of Education, in cooperation as appropriate with other Federal agencies, shall establish a project to test and demonstrate educational applications of advanced computer technologies, including but not limited to high-performance computing and networking technologies, in school systems providing precollege education. This project shall award, on a competitive basis, grants to plan, deploy, manage, and operate advanced educational applications of computer technologies in response to proposals requested by the Secretary of Education. The Secretary of Education shall ensure that non-Federal funds committed to such proposals shall amount to not less than 30 percent of the Federal grant.

(b) AUTHORIZATION OF APPROPRIATIONS.—From sums otherwise authorized to be appropriated to the Department of Education, there are authorized to be appropriated to carry out the provisions of this section, $8,000,000 for each of the fiscal years 1994 and 1995. No funds shall be awarded under the provisions of subsection (a) other than through the competitive process established by the Secretary of Education pursuant to this section.

TITLE VII—FASTENER QUALITY ACT AMENDMENTS

SEC. 701. FASTENER QUALITY ACT AMENDMENTS.

(a) TECHNICAL AMENDMENTS.—(1) Section 3 of the Fastener Quality Act (15 U.S.C. 5402) is amended—

(A) in paragraph (8), by striking "Standard" and inserting in lieu thereof "Standards"; and

(B) in paragraph (14), by striking "which defines or describes" and all that follows through "of any fastener".

(2) Section 5(b)(1) of the Fastener Quality Act (15 U.S.C. 5404(b)(1)) is amended by striking "section 6; unless" and inserting in lieu thereof "section 6, unless".

(3) Section 7(c)(2) of the Fastener Quality Act (15 U.S.C. 5406(c)(2)) is amended by inserting "to the same" before "extent".

(b) CLARIFYING AMENDMENTS.—(1) Section 5(a)(1)(B) of the Fastener Quality Act (15 U.S.C. 5404(a)(1)(B)) is amended by striking "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(2) Section 5(a)(2)(A)(i) of the Fastener Quality Act (15 U.S.C. 5404(a)(2)(A)(i)) is amended by striking "subsections (b) and (c)" and inserting in lieu thereof "subsections (b), (c), and (d)".

(3) Section 5(c)(4) of the Fastener Quality Act (15 U.S.C. 5404(c)(4)) is amended by inserting "except as provided in subsection (d)," before "state".

(4) Section 5 of the Fastener Quality Act (15 U.S.C. 5404) is amended by adding at the end the following new subsection:

"(d) ALTERNATIVE PROCEDURE FOR CHEMICAL CHARACTERISTICS.—Notwithstanding the requirements of subsections (b) and (c), a manufacturer shall be deemed to have demonstrated, for purposes of subsection (a)(1), that the chemical characteristics of a lot conform to the standards and specifications to which the manufacturer represents such lot has been manufactured if the following requirements are met:

"(1) The coil or heat number of metal from which such lot was fabricated has been inspected and tested with respect to its chemical characteristics by a laboratory accredited in accordance with the procedures and conditions specified by the Secretary under section 6.

"(2) Such laboratory has provided to the manufacturer, either directly or through the metal manufacturer, a written inspection and testing report, which shall be in a form prescribed by the Secretary by regulation, listing the chemical characteristics of such coil or heat number.

"(3) The report described in paragraph (2) indicates that the chemical characteristics of such coil or heat number conform to those required by the standards and specifications to which the manufacturer represents such lot has been manufactured.

"(4) The manufacturer demonstrates that such lot has been fabricated from the coil or heat number of metal to which the report described in paragraphs (2) and (3) relates.

In prescribing the form of report required by subsection (c), the Secretary shall provide for an alternative to the statement required by subsection (c)(4), insofar as such statement pertains to chemical characteristics, for cases in which a manufacturer elects to use the procedure permitted by this subsection.".

(c) SALE OF FASTENERS SUBSEQUENT TO MANUFACTURE.—Section 7 of the Fastener Quality Act (15 U.S.C. 5406) is amended—

(1) in subsection (e)(1)—

(A) by striking "or any person who purchases any quantity of fasteners for resale at wholesale" and inserting in lieu thereof ", importer, or private label distributor"; and

(B) by striking "or such person" and inserting in lieu thereof ", importer, or private label distributor";

(2) by adding at the end of subsection (e) the following new paragraph:

"(3) Notwithstanding paragraph (1), fasteners may be sold to an end user in commingled lots if—

"(A) any packaging of such fastener includes a conspicuous disclaimer message indicating that the fasteners are manufactured and tested in compliance with this Act but have been commingled with like items from different lots; and

"(B) the person selling such fasteners has a written statement from the end user purchasing such fasteners granting permission to the seller to provide commingled lots. A written statement described in subparagraph (B) shall be kept on file for at least 10 years for any later review or audit."; and

(3) by amending subsection (f) to read as follows:

"(f) SUBSEQUENT PURCHASER.—It shall be unlawful for any person to sell fasteners, of any quantity, to any end user who requests lot traceability, unless the container of fasteners sold is conspicuously marked with the number of the lot from which such fasteners were taken.".

TITLE VIII—PRIVATE CARRIAGE OF URGENT LETTERS

SEC. 801. PRIVATE CARRIAGE OF URGENT LETTERS.

It is the sense of the Congress that the United States Postal Service, in the administration of chapter 6 of title 39, United States Code, shall suspend its audits by the Postal Inspection Service of private businesses or individuals who use private express for the private carriage of any letter which such business or individual determines is urgent, until the Congress receives and considers a report by the General Accounting Office regarding the potential financial impact on the Postal Service of permanently suspending enforcement of chapter 6, of title 39, United States Code.

TITLE IX—REGULATORY FLEXIBILITY ANALYSIS

SEC. 901. DEFINITIONS.

Section 601 of title 5, United States Code is amended—

(1) in paragraph (5) by striking out "and" at the end thereof;

(2) in paragraph (6) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(7) the term 'impact' means effects of a proposed or final rule which an agency can anticipate at the time of publication, and includes those effects which are directly and indirectly imposed by the proposed or final rule and are beneficial and negative.".

SAC. 902. INITIAL REGULATORY FLEXIBILITY ANALYSIS.

Section 603 of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in the first sentence by inserting "as defined under section 601(2)" after "any proposed rule"; and

(B) in the second sentence by striking out "the impact" and inserting thereof "both the direct and indirect impacts";

(2) in subsection (b)(3) by striking out "apply" and inserting in lieu thereof "directly apply and an estimate of the number of small entities to which the rule will indirectly apply"; and

(3) in subsection (c) in the first sentence by inserting before the period "either directly or indirectly effected".

SEC. 903. FINAL REGULATORY FLEXIBILITY ANALYSIS.

Section 604(a) of title 5, United States Code, is amended in the first sentence by striking out "under section 553 of this title, after being required by that section or any other law to publish a general notice of proposed rulemaking" and inserting in lieu thereof "as defined under section 610(2)".

SEC. 904. JUDICIAL REVIEW.

Section 611(b) of title 5, United States Code, is repealed.

TITLE X—COUNTER INTELLIGENCE

SEC. 1001. SHORT TITLE.

This title may be cited as the "Counterintelligence Improvements Act of 1994".

SEC. 1002. AMENDMENT TO THE NATIONAL SECURITY ACT OF 1947.

The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by inserting at the end thereof the following new title:

"TITLE VIII—ACCESS TO TOP SECRET INFORMATION

"ELIGIBILITY FOR ACCESS TO TOP SECRET INFORMATION

"SEC. 801. (a) The President and Vice President, Members of the Congress, Justices of the Supreme Court and judges of other courts of the United States established pursuant to Article III of the Constitution, shall, by virtue of their elected or appointed positions, be entitled to access to Top Secret information needed for the performance of their governmental functions without regard to the other provisions of this title.

"(b) Among employees of the United States Government, access to Top Secret information shall be limited to employees;

"(1) who have been granted access to such information pursuant to this title;

"(2) who are citizens of the United States who require routine access to such information for the performance of official governmental functions; and

"(3) who have been determined to be trustworthy based upon a background investigation and appropriate reinvestigations and have otherwise satisfied the requirements of section 802, below.

"(c) Access to Top Secret information by persons other than those identified in subsections (a) and (b) shall be permitted only in accordance with the regulations issued by the President pursuant to section 802 below.

IMPLEMENTING REGULATIONS

"Sec. 802. The President shall, within 180 days of enactment of this title, issue regulations to implement this title which shall be binding upon all departments, agencies, and offices of the Executive branch. These regulations shall, at a minimum provide that—

(A) no employee of the United States Government shall be given access to Top Secret information owned, originated or possessed by United States, after the effective date of this title, by any department, agency, or entity of the United States Government unless such person has been subject to an appropriate background investigation and has—

"(1) provided consent to the investigative agency responsible for conducting the security investigation of such person, during the initial background investigation and for such times as access to such information is maintained, and for 5 years thereafter, permitting access to—

(a) financial records concerning the subject pursuant to section 1104 of the Right to Financial Privacy Act of 1978;

"(b) consumer reports concerning the subject pursuant to section 1681b of the Consumer Credit Protection Act; and

"(c) records maintained by commercial entities within the United States pertaining to any travel by the subject outside the United States: Provided, That—

"(i) no information may be requested by an authorized investigative agency pursuant to this section for any purpose other than making a security determination;

"(ii) where the person concerned no longer has access to Top Secret information, no information may be requested by an authorized investigative agency pursuant to this section unless such agency has reasonable grounds to believe, based upon specific and articulable facts available to it, that such person may pose a threat to the continued security of the information to which he or she had previously had access; and

"(iii) any information obtained by an authorized investigative agency pursuant to this section shall not be disseminated to any other department, agency, or entity for any purpose other than for making a security determination, or for foreign counterintelligence or law enforcement purposes;

"(2) agreed, during the period of his or her access, to report to the department, agency, or entity granting such access in accordance with applicable regulations, any travel to foreign countries which has not been authorized as part of the subject's official duties;

"(3) agreed to report to the Federal Bureau of Investigation, or to appropriate investigative authorities of the department, agency, or entity concerned, any unauthorized contacts with persons known to be foreign nationals or persons representing foreign nationals, where an effort to acquire classified information is made by the foreign national, or where such contacts appear intended for this purpose. For purposes of this subsection, the term 'unauthorized contacts' does not include contacts made within the context of an authorized diplomatic relationship. Failure by the employee to comply with any of the requirements of this subsection shall constitute grounds for denial or termination of access to the Top Secret information concerned.

"(B) all employees granted access to Top Secret information pursuant to this subsection shall also be subject to—

"(1) additional background investigations by appropriate governmental authorities during the period of access at no less frequent interval than every 5 years, except that any failure to satisfy this requirement that is not solely attributable to the subject of the investigation shall not result in a loss or denial of access; and

"(2) investigation by appropriate governmental authority at any time during the period of access to ascertain whether such persons continue to meet the requirements for access.

"(C) access to Top Secret information by categories of persons who do not meet the requirements of subsections (A) and (B) of this section may be permitted only where the President, or officials designated by the President for this purpose, determine that such access is essential to protect or further the national security interests of the United States.

"(D) a single office within the Executive branch shall be designated to monitor the implementation and operation of this title within the Executive branch. This office shall submit an annual report to the President and appropriate committees of the Congress, describing the operation of this title and recommending needed improvements. A copy of the regulations implementing this title shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives thirty days prior to their effective date.

"WAIVERS FOR INDIVIDUAL CASES

"SEC. 803. In extraordinary circumstances, when essential to protect or further the national security interests of the United States, the President (or officials designated by the President for this purpose) may waive the provisions of this title, or the provisions of the regulations issued pursuant to section 802, above, in individual cases involving persons who are citizens of the United States or are persons admitted into the United States for permanent residence: Provided, That all such waivers shall be made a matter of record and reported to the office designated pursuant to section 802(D), above, and shall be available for review by the Select Committee on Intelligence of the Senate and the Permanent Select Committee of the House of Representatives.

"DEFINITIONS

"SEC. 804. For purposes of this title—

"(a) the term 'national security' refers to the national defense and foreign relations of the United States;

"(b) the phrases 'information classified in the interest of national security' or 'classified information' means any information originated by or on behalf of the United States Government, the unauthorized disclosure of which would cause damage to the national security, which has been marked and is controlled pursuant to the Executive Order 12356 of April 2, 1982, or successor orders, or the Atomic Energy Act of 1954;

"(c) the term 'Top Secret information' means information classified in the interests of national security, the unauthorized disclosure of which would cause exceptionally grave damage to the national security;

"(d) the term 'employee' includes any person who receives a salary or compensation of any kind from the United States Government, is a contractor of the United States Government, is an unpaid consultant of the United States Government, or otherwise acts for or on behalf of the United States Government, but does not include the President or Vice President of the United States, Members of the Congress of the United States, Justices of the Supreme Court or judges of other federal courts established pursuant to Article III of the Constitution; and

"(e) the term "authorized investigative agency" means an agency authorized by law or regulation to conduct investigations of persons who are proposed for access to Top Secret information to ascertain whether such persons satisfy the criteria for obtaining and retaining access to such information.

"EFFECTIVE DATE

"SEC. 805. This title shall take effect 180 days after the date of its enactment.".

SEC. 1003. PROTECTION OF CRYPTOGRAPHIC INFORMATION.

The National Security Act of 1947 (50 U.S.C. 401 et seq.), as amended by section 1002, is further amended by inserting at the end the following new title:

"TITLE IX—PROTECTION OF CRYPTOGRAPHIC INFORMATION

"SEC. 901. (a) REQUIREMENTS FOR ACCESS TO CRYPTOGRAPHIC INFORMATION.—(1) Any employee of a department or agency within the Executive branch who is granted access to classified cryptographic information or routine, recurring access to any space in which classified cryptographic key is produced or processed, or is assigned responsibilities as a custodian of classified cryptographic key, shall, as a condition of receiving such access, or being assigned such responsibilities, and at a minimum:

"(A) meet the requirements applicable to persons having access to Top Secret information, as defined in subsection 804(c) of this Act, (as added by section 1002 of the Counterintelligence Improvements Act of 1994); and

"(B) be subject to periodic polygraph examinations conducted by appropriate governmental authorities, limited in scope to questions of a counterintelligence nature, during the period of access.

"(2) Failure to submit to an examination required under paragraph (1) shall be grounds for removal from access to cryptographic information or spaces.

"(3) No person shall be removed from access to cryptographic information or spaces based solely upon the interpretation of the results produced by a polygraph instrument, measuring physiological resources, unless, after further investigation, the head of the department or agency concerned determines the risk to the national security in permitting such access to be so potentially grave that access must nonetheless be denied.

"(b) DEFINITIONS.—For purposes of this section—

"(1) the term 'classified cryptographic information' means any information classified by the United States Government pursuant to law or

Executive order concerning the details of (A) the nature, preparation, or use of any code, cipher, or cryptographic system of the United States; or (B) the design, construction, use, maintenance, or repair of any cryptographic equipment; Provided, however, That the term does not include information concerning the use of cryptographic systems or equipment required for personal or office use;

"(2) the phrase 'custodian of classified cryptographic key' means positions that require access to classified cryptographic key beyond that required to use or operate cryptographic equipment for personal or office use, future editions of classified cryptographic key, or classified cryptographic key used for multiple devices;

"(3) the term 'classified cryptographic key' means any information (usually a sequence of random binary digits), in any form, classified by the United States Government pursuant to law or Executive order that is used to set up and periodically change the operations performed by any cryptographic equipment;

"(4) the term 'cryptographic equipment' means any device, apparatus or appliance used, or prepared, or planned for use by the United States for the purpose of authenticating communications or disguising or concealing the contents, significance, or meanings of communications;

"(5) the term 'employee' includes any person who receives a salary or compensation of any kind from a department or agency of the Executive branch, or is a contractor or unpaid consultant of such department or agency;

"(6) the term 'head of a department or agency' refers to the highest official who exercises supervisory control over the employee concerned, and does not include any intermediate supervisory officials who may otherwise qualify as heads of agencies within departments; and

"(7) the phrase 'questions of a counterintelligence nature' means questions specified to the subject in advance of a polygraph examination solely to ascertain whether the subject is engaged in, or planning, espionage against the United States on behalf of a foreign government or knows persons who are so engaged.

"SEC. 902. IMPLEMENTING REGULATIONS.—The President shall, within 180 days of the date of enactment of this title, promulgate regulations to implement the provisions of this title. The President shall provide copies of such regulations to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives.".

SEC. 1004. AMENDMENT TO RIGHT TO FINANCIAL PRIVACY ACT.

Section 1104 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3404) is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the provisions of subsection (a), a customer who is the subject of a personnel security investigation conducted by an authorized investigative agency of the U.S. Government as a condition of being granted or maintaining access to Top Secret information, as defined by section 804(c) of the National Security Act of 1947 (as added by section 1002 of the Counterintelligence Improvements Act of 1994), may authorize nonrevokable disclosure of all financial records maintained by financial institutions for the period of the customer's access to such information and for up to 5 years after access to such information has been terminated, by the investigative agency responsible for the conduct of such investigation, for an authorized security purpose.

"(2) Such authority shall be contained in a signed and dated statement of the customer which identifies the financial records which are authorized to be disclosed. Such statement may also authorize the disclosure of financial records of accounts opened during the period covered by the consent agreement which are not identifiable at the time such consent is provided. A copy of such statement shall be provided by the investigative agency concerned to the financial institution from which disclosure is sought, together with the certification required pursuant to section 1103(b) (12 U.S.C. 3403(b)).

"(3) The rights of the customer established by subsection (c), above, shall pertain to any disclosures made pursuant to this subsection.

"(4) On an annual basis, the office designated by President pursuant to section 802(D) of the National Security Act of 1947 (as added by section 1002 of the Counterintelligence Improvements Act of 1994), shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning the number of requests for financial records made pursuant to this section.".

SEC. 1005. NEW CRIMINAL OFFENSE FOR THE POSSESSION OF ESPIONAGE DEVICES.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"POSSESSION OF ESPIONAGE DEVICES

"SEC. 799a. Whoever knowingly maintains possession of any electronic, mechanical, or other device or equipment the design and capability of which renders it primarily useful for the purpose of surreptitiously collecting or communicating information, with the intent of utilizing such device or equipment to undertake actions which would violate section 793, 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), or 798 of this title, or section 783(b) of title 50, United States Code, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections for chapter 37 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"799a. Possession of espionage devices.".

SEC. 1006. NEW OFFENSE FOR SALE OR TRANSFER TO FOREIGN GOVERNMENTS DOCUMENTS AND OTHER MATERIALS DESIGNATED AS TOP SECRET.

(a) IN GENERAL.—Chapter 37 of title 18, United States Code, is amended by inserting after section 794 the following new section:

"SALE OR TRANSFER OF DOCUMENTS OR MATERIALS MARKED AS 'TOP SECRET'

"SEC. 794a. (a)(1) No person shall knowingly sell or otherwise transfer for any valuable consideration to any person whom he knows or has reason to believe to be an agent or representative of a foreign government—

"(A) any document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or other material, or portion thereof, knowing that it is marked or otherwise designated in any manner, pursuant to applicable law and Executive order, as 'Top Secret', or

"(B) any such document, writing, code book, sketch, photograph, map, model, instrument, equipment, electronic storage media, or other material, or portion thereof, which has had such marking or designation removed without authority and the person making the sale or transfer is aware of such removal.

"(2) Paragraph (1) shall not be deemed to be violated by a person who makes such transfer pursuant to applicable law or executive branch authority.

"(b) In any prosecution under this section, whether or not the information or material in question has been properly marked or designated as "TOP SECRET" pursuant to applicable law or Executive order shall not be an element of the offense: Provided, however, That it shall be a defense to any prosecution under this section that the information or document in question has been officially released to the public by an authorized representative of the United States prior to the sale or transfer in question.

"(c) Violation of this section shall be punishable by imprisonment for a maximum of 15 years.".

(b) AMENDMENTS TO TABLE OF SECTIONS.—The table of sections for chapter 37 of title 18, United States Code, is amended by inserting after the item relating to section 794 the following new item:

"794a. Sale or transfer of documents or materials marked as 'Top Secret'."

SEC. 1007. LESSER CRIMINAL OFFENSE FOR THE REMOVAL OF TOP SECRET DOCUMENTS BY GOVERNMENT EMPLOYEES AND CONTRACTORS.

(a) IN GENERAL.—Chapter 93 of title 18, United States Code, is amended by inserting at the end thereof the following new section:

"REMOVAL AND RETENTION OF 'TOP SECRET' DOCUMENTS OR MATERIAL

"SEC. 1924. Whoever, being an officer, employee, contractor or consultant, of the United States, and having, by virtue of his office, employment, position, or contract, becomes possessed of documents or materials classified at the level of 'Top Secret' pursuant to applicable law or Executive order, knowingly removes such documents or materials without authority and retains such documents or materials at an unauthorized location shall be fined not more than $1,000, or imprisoned for not more than one year, or both.".

(b) AMENDMENT TO TABLE OF SECTIONS.—The table of sections for chapter 93 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1924. Removal of 'Top Secret' documents or material."

SEC. 1008. JURISDICTION OF UNITED STATES COURTS TO TRY CASES INVOLVING ESPIONAGE OUTSIDE THE UNITED STATES.

(a) Chapter 211 of title 18 of the United States Code is amended by adding a new section 3239 as follows:

"§3239. Jurisdiction for espionage and related offenses

"The trial for any offense involving a violation of—

"(a) section 793, 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), 798, 798a (as added by section 1005 of the Counterintelligence Improvements Act of 1994), or subsection 1030(a)(1) of this title;

"(b) section 601 of the National Security Act of 1947 as added by the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421); or

"(c) subsections 4(b) or 4(c) of the Subversive Activities Control Act of 1950 (U.S.C. 783(b) or 783(c));

begun or committed upon the high seas or elsewhere out of the jurisdiction of any particular state or district, may be prosecuted in the District of Columbia, or in the Eastern District of Virginia, or in any other district authorized by law.".

(b) The chapter analysis for chapter 211 of title 18 of the United States Code is amended by striking out

"[3239. Repealed.]"

and inserting in lieu thereof:

"3239. Jurisdiction for espionage and related offenses."

SEC. 1009. EXPANSION OF EXISTING STATUTE REGARDING FORFEITURE OF COLLATERAL PROFITS OF CRIME TO ADDITIONAL ESPIONAGE OFFENSES.

Section 3681 of title 18, United States Code, is amended—

(1) in subsection (a), by striking out "section 794 of this title" and inserting in lieu thereof "sections 793, 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), 798, and 799a (as added by section 1005 of the Counterintelligence Improvements Act of 1994) of this title and section 783 of title 50, United States Code"; and

(2) by adding at the end thereof the following new subsection:

"(e) For purposes of this section, convictions pursuant to military courts-martial for offenses comparable to violations of sections 793, 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), 798, and 799a (as added by section 1005 of the Counterintelligence Improvements Act of 1994) of this title, or a violation of section 783 of title 50, or convictions by foreign courts for offenses which, if perpetrated within the United States, would constitute offenses under sections 793, 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), 798, and 799a (as added by section 1005 of the Counterintelligence Improvements Act of 1994) of this title, or a violation of section 783 of title 50 shall be considered as convictions for which actions may be ordered pursuant to this section.".

SEC. 1010. DENIAL OF ANNUITIES OR RETIRED PAY TO PERSONS CONVICTED OF ESPIONAGE IN FOREIGN COURTS INVOLVING UNITED STATES INFORMATION.

Section 8312 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) For purposes of subsections (b)(1) and (c)(1), an offense within the meaning of such subsections is established if the Attorney General certifies to the agency employing or formerly employing the person concerned—

"(i) that an individual subject to this chapter has been convicted by an impartial court of appropriate jurisdiction within a foreign country in circumstances in which the conduct violates the provisions of law enumerated in subsections (b)(1) and (c)(1), or would violate such provisions, had such conduct taken place within the United States, and that such conviction is not being appealed or that final action has been taken on such appeal;

"(2) that such conviction was obtained in accordance with procedures that provided the defendant due process rights comparable to such rights provided by the United States Constitution, and such conviction was based upon evidence which would have been admissible in the courts of the United States; and

"(3) that such conviction occurred after the date of enactment of this subsection:

Provided, That any certification made pursuant to this paragraph shall be subject to review by the United States Court of Claims based upon the application of the individual concerned, or his or her attorney, alleging that any of the conditions set forth in subsections (1), (2), (3), herein, as certified by the Attorney General, have not been satisfied in his or her particular circumstances. Should the court determine that any of these conditions has not been satisfied in such case, the court shall order any annuity or retirement benefit to which the person concerned is entitled to be restored and shall order that any payments which may have been previously denied or withheld to be paid by the department or agency concerned.

SEC. 1011. AUTHORIZING THE FBI TO OBTAIN CONSUMER REPORTS ON PERSONS BELIEVED TO BE AGENTS OF FOREIGN POWERS.

Section 608 of the Consumer Credit Protection Act (15 U.S.C. 1681f) is amended—

(1) by inserting "(a)" before "Notwithstanding"; and

(2) by inserting at the end thereof the following new subsections:

"(b) Notwithstanding the provisions of section 604, a consumer reporting agency shall, upon request, furnish a consumer report to the Federal Bureau of Investigation, if the Director of the Federal Bureau of Investigation, or the Director's designee, certifies in writing to the consumer reporting agency that such records are sought in connection with an authorized foreign counterintelligence investigation and that there are specific and articulable facts giving reason to believe that the person to whom the requested consumer report relates is an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

"(c) Notwithstanding the provisions of section 604, a consumer reporting agency shall furnish identifying information respecting any consumer, limited to name, address, former addresses, places of employment, or former places of employment, to a representative of the Federal Bureau of Investigation when presented with a written request signed by the Director of the Federal Bureau of Investigation, or the Director's designee, stating that the information is necessary to the conduct of an authorized foreign counterintelligence investigation.

"(d) No consumer reporting agency, or officer, employee, or agent of such institution shall disclose to any person that the Federal Bureau of Investigation has sought or obtained a consumer report or identifying information respecting any consumer under this section.

"(e) On an annual basis the Director of the Federal Bureau of Investigation shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests made under subsections (b) and (c).".

SEC. 1012. TO PROVIDE FOR REWARDS FOR INFORMATION CONCERNING ESPIONAGE.

(a) IN GENERAL.—Chapter 204 of title 18, United States Code, is amended—

*(1) by inserting at the end of the chapter heading "**AND ESPIONAGE**";*

(2) in section 3071, by inserting "(a)" immediately before "With respect to";

(3) in section 3071, adding at the end thereof the following new subsection:

"(b) With respect to acts of espionage involving or directed at United States information classified in the interest of national security, the Attorney General may reward any individual who furnishes information—

"(1) leading to the arrest or conviction, in any country, of any individual or individuals for commission of an act of espionage against the United States;

"(2) leading to the arrest or conviction, in any country, of any individual or individuals for conspiring or attempting to commit an act of espionage against the United States; or

"(3) leading to the prevention or frustration of an act of espionage against the United States.".

(b) AMOUNT OF REWARDS.—Section 3072 of title 18, United States Code, is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

(c) DEFINITIONS.—Section 3077 of title 18, United States Code, is amended by inserting at the end thereof the following new paragraphs:

"(8) 'act of espionage' means an activity that is a violation of sections 794, 794a (as added by section 1006 of the Counterintelligence Improvements Act of 1994), 798, or 799a (as added by section 1005 of the Counterintelligence Improvements Act of 1994) of this title or section 783 of title 50, United States Code.

"(9) 'United States information classified in the interests of national security' means information originated, owned, or possessed by the United States Government concerning the national defense and foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure and that has been so designated.".

SEC. 1013. TO PROVIDE A COURT ORDER PROCESS FOR PHYSICAL SEARCHES UNDERTAKEN FOR FOREIGN INTELLIGENCE PURPOSES.

The Foreign Intelligence Surveillance Act of 1978 is amended by inserting at the end thereof the following new title:

"TITLE IV—PHYSICAL SEARCHES WITHIN THE UNITED STATES FOR FOREIGN INTELLIGENCE PURPOSES

"AUTHORIZATION OF PHYSICAL SEARCHES FOR FOREIGN INTELLIGENCE PURPOSES

"SEC. 401. (a) Applications for a court order under this title are authorized if the President has, in writing, empowered the Attorney General to approve applications to the Foreign Intelligence Surveillance Court, and a judge of that court to whom application is made may, notwithstanding any other law, grant an order, in conformity with section 403, approving a physical search in the United States, for the purpose of collecting foreign intelligence information of—

"(1) the property, information or material of a foreign power as defined in section 101(a)(1), (2), and (3) of this Act, or

"(2) the premises, property, information or material of an agent of a foreign power or a foreign power as defined in section 101(a)(4), (5), and (6) of this Act.

"(b) The Foreign Intelligence Surveillance Court shall have jurisdiction to hear applications for and grant orders approving a physical search for the purpose of obtaining foreign intelligence information anywhere within the United States under the procedures set forth in this title, except that no judge shall hear the same application which has been denied previously by another judge. If any judge denies an application for an order authorizing a physical search under this title, such judge shall provide immediately for the record a written statement of each reason for his decision and, on motion of the United States, the record shall be transmitted, under seal, to the Court of Review.

"(c) The Court of Review shall have jurisdiction to review the denial of any application made under this title. If such court determines that the application was properly denied, the Court shall immediately provide for the record a written statement of each reason for its decision and, on petition of the United States for a writ of certiorari, the record shall be transmitted under seal to the Supreme Court, which shall have jurisdiction to review such decision.

"(d) Judicial proceedings under this title shall be concluded as expeditiously as possible. The record of proceedings under this title, including applications made and orders granted, shall be maintained under security measures established by the Chief Justice of the United States in consultation with the Attorney General and the Director of Central Intelligence.

"APPLICATION FOR AN ORDER

"SEC. 402. (a) Each application for an order approving a physical search under this title shall be made by a Federal officer in writing upon oath or affirmation to a judge of the Foreign Intelligence Surveillance Court. Each application shall require the approval of the Attorney General based upon the Attorney General's finding that it satisfied the criteria and requirements for such application as set forth in this title. It shall include—

"(1) the identity, if known, or a description of the target of the search;

"(2) the authority conferred on the Attorney General by the President of the United States and the approval of the Attorney General to make the application;

"(3) the identity of the Federal officer making the application and a detailed description of the premises or property to be searched and of the information, material, or property to be seized, reproduced, or altered;

"(4) a statement of the facts and circumstances relied upon by the applicant to justify the applicant's belief that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power;

"(B) the premises or property to be searched contains foreign intelligence information;

"(C) the premises or property to be searched is owned, used, possessed by, or is in transit to or from a foreign power or an agent of a foreign power;

"(5) a statement of the proposed minimization procedures;

"(6) a statement of the manner in which the physical search is to be conducted;

"(7) a statement of the facts concerning all previous applications that have been made to any judge under this title involving any of the persons, premises, or property specified in the application, and the action taken on each previous applications;

"(8) a statement of the facts concerning any search described in section 406(b), below, which involves any of the persons, premises, or property specified in the application; and

"(9) a statement that the purpose of the physical search is to obtain foreign intelligence information.

"(b) The judge may require the applicant to furnish such other information as may be necessary to make the determinations required by section 403.

"ISSUANCE OF AN ORDER

"SEC. 403. (a) Upon an application made pursuant to section 402, the judge shall enter an ex parte order as requested or as modified approving the physical search if the judge finds that—

"(1) the President has authorized the Attorney General to approve applications for physical searches for foreign intelligence purposes;

"(2) the application has been made by a Federal officer and approved by the Attorney General;

"(3) on the basis of the facts submitted by the applicant there is probable cause to believe that—

"(A) the target of the physical search is a foreign power or an agent of a foreign power: Provided, That no United States person may be considered an agent of a foreign power solely upon the basis of activities protected by the first amendment to the Constitution of the United States;

"(B) the premises or property to be searched are owned, used, possessed by, or is in transit to or from an agent of a foreign power or a foreign power; and

"(C) physical search of such premises or property can reasonably be expected to yield foreign intelligence information which cannot reasonably be obtained by normal investigative means; and

"(4) the proposed minimization procedures meet the definition of minimization contained in this title; and

"(5) the application which has been filed contains all statements required by section 402.

"(b) An order approving a physical search under this section shall—

"(1) specify—

"(A) the Federal officer or officers authorized to conduct the physical search and the identity, if known, or a description of the target of the physical search;

"(B) the premises or property to be searched and the information, material, or property to be seized, altered, or reproduced;

"(C) the type of foreign intelligence information sought to be acquired; and

"(D) a statement of the manner in which the physical search is to be conducted and, whenever more than one physical search is authorized under the order, the authorized scope of each search and what minimization procedures shall apply to the information acquired by each search;

"(2) direct—

"(A) that the minimization procedures be followed;

"(B) that, upon the request of the applicant, a specified landlord, custodian, or other specified person furnish the applicant forthwith all information, facilities, or assistance necessary to accomplish the physical search in such a manner as will protect its secrecy and produce a minimum of interference with the activities of the landlord, custodian, or other person; and that such landlord, custodian or other person maintain under security procedures approved by the Attorney General and the Director of Central Intelligence any records concerning the search or the aid furnished that such person wishes to retain;

"(C) that the physical search be undertaken within 30 days of the date of the order, or, if the physical search is of the property, information or material of a foreign power as defined in section 101(a)(1), (2), or (3) of this Act, that such search be undertaken within one year of the order; and

"(D) that the federal officer conducting the physical search promptly report to the court the circumstances and results of the physical search.

"(c) At any time after a physical search has been carried out, the judge to whom the return has been made may assess compliance with the minimization procedures by reviewing the circumstances under which information concerning United States persons was acquired, retained, or disseminated.

"(d) Application made and orders granted under this title shall be retained for a period of at least ten years from the date of the application.

"(e) Not more than 60 days after a physical search of the residence of a United States person authorized by this title, or such a search in the circumstances described in section 406(b), has been conducted, the Attorney General shall provide the United States person with an inventory which shall include—

"(1) existence or not of a court order authorizing the physical search and the date of the order;

"(2) the date of the physical search and an identification of the premises or property searched; and

"(3) a list of any information, material, or property seized, altered, or reproduced.

"(f) On an ex parte showing of good cause by the Attorney General to a judge of the Foreign Intelligence Surveillance Court the provision of the inventory required by subsection (e) may be postponed for a period not to exceed 90 days. At the end of such period the provision of the inventory may, upon a similar showing, be postponed indefinitely. The denial of a request for such postponements may be reviewed as provided in section 401.

"USE OF INFORMATION

"SEC. 404. (a) Information acquired from a physical search conducted pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the minimization procedures required by this title. No information acquired from a physical search pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(c) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, against an aggrieved person, any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the United States shall, prior to the trial, hearing, or the other proceeding or at a reasonable time prior to an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use of disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of a State or a political subdivision thereof against an aggrieved person any information obtained or derived from a physical search of the premises or property of that aggrieved person pursuant to the authority of this title, the State or political subdivision thereof shall notify the aggrieved person, the court or other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(e) Any person against whom evidence obtained or derived from a physical search to which he is an aggrieved person is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or a political subdivision thereof, may move to suppress the evidence obtained or derived from such search on the grounds that—

"(1) the information was unlawfully acquired; or

"(2) the physical search was not made in conformity with an order of authorization or approval.

Such a motion shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the person was not aware of the grounds of the motion.

"(f) Whenever a court of other authority is notified pursuant to subsection (c) or (d), or whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to a physical search authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from a physical search authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other law, if the Attorney General files an affidavit under oath that disclosure or an adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the physical search as may be necessary to determine whether the physical search of the aggrieved person was lawfully authorized and

conducted. In making this determination, the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the physical search only where such disclosure is necessary to make an accurate determination of the legality of the physical search.

"(g) If the United States district court pursuant to subsection (f) determines that the physical search was not lawfully authorized or conducted, it shall, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the physical search of the aggrieved person or otherwise grant the motion of the aggrieved person. If the court determines that the physical search was lawfully authorized or conducted, it shall deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(h) Orders granting motions or requests under subsection (g), decisions under this section that a physical search was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders or other materials relating to the physical search shall be final orders and binding upon all courts of the United States and the several States except a United States court of appeals and the Supreme Court.

"(i) The provisions of this section regarding the use or disclosure of information obtained or derived from a physical search shall apply to information obtained or derived from a search conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes.

"OVERSIGHT

"SEC. 405. (a) On a semiannual basis the Attorney General shall fully inform the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence concerning all physical searches conducted pursuant to this title, and all other searches, except those reported under section 108 of this Act, conducted in the United States for foreign intelligence purposes. On an annual basis the Attorney General shall also provide to those committees a report setting forth with respect to the preceding calendar year—

"(1) the total number of applications made for orders approving physical searches under this title; and

"(2) the total number of such orders either granted, modified, or denied.

"(b) Whenever a search is conducted without a court order to obtain foreign intelligence information which is not a physical search as defined in this title solely because the existence of exigent circumstances would not require a warrant for law enforcement purposes, a full report of such search, including a description of the exigent circumstances, shall be maintained by the Attorney General. Each such report shall be transmitted to the Foreign Intelligence Surveillance Court promptly after the search is conducted.

"AUTHORITY FOR INTELLIGENCE SEARCHES

"SEC. 406. (a) The procedures contained in this title shall be the exclusive means by which a physical search, as defined in this title, may be conducted in the United States for foreign intelligence purposes, and an order issued under this title authorizing a physical search shall constitute a search warrant authorized by law for purposes of any other law.

"(b) Searches conducted in the United States to collect foreign intelligence information, other than physical searches as defined in this title and electronic surveillance as defined in this Act, and physical searches conducted in the United States without a court order to collect foreign intelligence information may be conducted only pursuant to regulations issued by the Attorney General. Such regulations, and any changes thereto, shall be provided to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives at least 14 days prior to the taking effect. Any regulations issued by the Attorney General regarding such searches which were in effect as of June 1, 1990, shall be deemed to be regulations required by this subsection.

"PENALTIES

"SEC. 407. (a) OFFENSE.—A person is guilty of an offense if he intentionally—

"(1) under color of law for the purpose of obtaining foreign intelligence information, engages in physical search within the United States except as authorized by statute; or

"(2) discloses or uses information obtained under color of law by physical search within the United States, knowing or having reason to know that the information was obtained through physical search not authorized by statute, for the purpose of obtaining intelligence information.

"(b) DEFENSE.—It is a defense to a prosecution under subsection (a) that the defendant was a law enforcement or investigative officer engaged in the course of his official duties and the physical search was authorized by and conducted pursuant to a search warrant or court order of a court of competent jurisdiction.

"(c) PENALTY.—An offense described in this section is punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both.

"(d) JURISDICTION.—There is Federal jurisdiction over an offense under this section if the person committing the offense was an officer or employee of the United States at the time the offense was committed.

"CIVIL LIABILITY

"SEC. 408. CIVIL ACTION.—An aggrieved person, other than a foreign power or an agent of a foreign power, as defined in section 101 (a) or (b)(1)(A), respectively, of this Act, whose premises, property, information, or material has been subjected to a physical search within the United States or about whom information obtained by such a physical search has been disclosed or used in violation of section 407 shall have a cause of action against any person who committed such violation and shall be entitled to recover—

"(a) actual damages;

"(b) punitive damages; and

"(c) reasonable attorney's fees and other investigative and litigation costs reasonably incurred.

"DEFINITIONS

"SEC. 409. As used in this title:

"(a) The terms 'foreign power,' 'agent of a foreign power,' 'international terrorism,' 'sabotage,' 'foreign intelligence information,' 'Attorney General,' 'United States person,' 'United States',' 'person,' and 'State' shall have the same meaning as in Section 101 of this Act.

"(b) 'Physical search' means any physical intrusion into premises or property (including examination of the interior of property by technical means) or any seizure, reproduction or alteration of information, material or property, under circumstances in which a person has a reasonable expectation of privacy and a warrant would be required for law enforcement purposes, but does not include 'electronic surveillance' as defined in subsection 101(f) of this Act.

"(c) 'Minimization procedures' with respect to physical search, means—

"(1) specific procedures, which shall be adopted by the Attorney General, that are reasonably designed in light of the purposes and technique of the particular physical search, to minimize the acquisition and retention, and prohibit the dissemination, of non-publicly available information concerning unconsenting United States persons consistent with the need of the United States persons consistent with the need of the United States to obtain, produce, and disseminate foreign intelligence information;

"(2) procedures that require that non-publicly available information, which is not foreign intelligence information, as defined in subsection 101(e)(1) of this Act, shall not be disseminated in a manner that identifies any United States person, without such person's consent, unless such person's identity is necessary to understand such foreign intelligence information or assess its importance; and

"(3) notwithstanding paragraphs (1) and (2), procedures that allow for the retention and dissemination of information that is evidence of a crime which has been, is being, or is about to be committed and that is to be retained or disseminated for law enforcement purposes."

"(d) 'Aggrieved person' means a person whose premises, property, information, or material is the target of physical search or any other person whose premises, property, information, or material was subject to physical search.

"(e) 'Foreign Intelligence Surveillance Court' means the court established by section 103(a) of this Act.

"(f) 'Court of Review' means the court established by section 103(b) of this Act.

"EFFECTIVE DATE

"SEC. 410. The provisions of this title shall become effective 90 days after the date of enactment of this title, except that any physical search approved by the Attorney General to gather foreign intelligence information shall not be deemed unlawful for failure to follow the procedures of this title, if that search is conducted within 180 days following the date of enactment of this title pursuant to regulations issued by the Attorney General, which are in the possession of the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives prior to the date of enactment.".

TITLE XI—LOCAL EMPOWERMENT AND FLEXIBILITY

SEC. 1101. SHORT TITLE.

This title may be cited as the "Local Empowerment and Flexibility Act of 1994".

SEC. 1102. FINDINGS.

The Congress finds that—

(1) historically, Federal social service programs have addressed the Nation's social problems by providing categorical assistance with detailed requirements relating to the use of funds;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some program requirements may inadvertently impede the effective delivery of social services;

(3) the Nation's local governments and private, nonprofit organizations are dealing with increasingly complex social problems which require the delivery of many kinds of social services;

(4) the Nation's communities are diverse, and different social needs are present in different communities;

(5) it is more important than ever to provide programs that—

(A) promote local delivery of social services to meet the full range of needs of individuals and families;

(B) respond flexibly to the diverse needs of the Nation's communities;

(C) reduce the barriers between programs that impede local governments' ability to effectively deliver social services; and

(D) empower local governments and private, nonprofit organizations to be innovative in creating programs that meet the unique needs of the people in their communities while continuing to address national social service goals; and

(6) many communities have innovative planning and community involvement strategies for social services, but Federal, State, and local regulations often hamper full implementation of local plans.

SEC. 1103. PURPOSES.

The purposes of this title are to—

(1) enable more efficient use of Federal, State, and local resources;

(2) place less emphasis in Federal social service programs on measuring resources and procedures and more emphasis on achieving Federal, State, and local social services goals;

(3) enable local governments and private, nonprofit organizations to adapt programs of Federal assistance to the particular needs of low income citizens and the operating practices of recipients, by—

(A) drawing upon appropriations available from more than one Federal program; and

(B) integrating programs and program funds across existing Federal assistance categories; and

(4) enable local governments and private, nonprofit organizations to work together and build stronger cooperative partnerships to address critical social service problems.

SEC. 1104. DEFINITIONS.

For purposes of this Act—

(1) the term "approved local flexibility plan" means a local flexibility plan that combines funds from Federal, State, local government or private sources to address the social service needs of a community (or any part of such a plan) that is approved by the Community Enterprise Board under section 1106;

(2) the term "community advisory committee" means such a committee established by a local government under section 1110;

(3) the term "Community Enterprise Board" means the board established by the President that is composed of the—

(A) Vice President;

(B) Assistant to the President for Domestic Policy;

(C) Assistant to the President for Economic Policy;

(D) Secretary of the Treasury;

(E) Attorney General;

(F) Secretary of the Interior;

(G) Secretary of Agriculture;

(H) Secretary of Commerce;

(I) Secretary of Labor;

(J) Secretary of Health and Human Services;

(K) Secretary of Housing and Urban Development;

(L) Secretary of Transportation;

(M) Secretary of Education;

(N) Administrator of the Environmental Protection Agency;

(O) Director of National Drug Control Policy;

(P) Administrator of the Small Business Administration;

(Q) Director of the Office of Management and Budget; and

(R) Chair of the Council of Economic Advisers.

(4) the term "covered Federal assistance program" means an eligible Federal assistance program that is included in a local flexibility plan of a local government;

(5) the term "eligible Federal assistance program"—

(A) means a Federal program under which assistance is available, directly or indirectly, to a local government or a qualified organization to carry out a program for—

(i) economic development;

(ii) employment training;

(iii) health;

(iv) housing;

(v) nutrition;

(vi) other social services; or

(vii) rural development; and

(B) does not include a Federal program under which assistance is provided by the Federal Government directly to a beneficiary of that assistance or to a State as a direct payment to an individual;

(6) the term "eligible local government" means a local government that is eligible to receive assistance under 1 or more covered Federal programs;

(7) the term "local flexibility plan" means a comprehensive plan for the integration and administration by a local government of assistance provided by the Federal Government under 2 or more eligible Federal assistance programs;

(8) the term "local government" means a subdivision of a State that is a unit of general local government (as defined under section 6501 of title 31, United States Code);

(9) the term "low income" means having an income that is not greater than 200 percent of the Federal poverty income level;

(10) the term "priority funding" means giving higher priority (including by the assignment of extra points, if applicable) to applications for Federal assistance submitted by a local government having an approved local flexibility program, by—

(A) a person located in the jurisdiction of such a government; or

(B) a qualified organization eligible for assistance under a covered Federal assistance program included in such a plan;

(11) the term "qualified organization" means a private, nonprofit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code of 1986; and

(12) the term "State" means the 50 States, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands.

SEC. 1105. DEMONSTRATION PROGRAM.

The Community Enterprise Board shall—

(1) establish and administer a local flexibility demonstration program by approving local flexibility plans in accordance with the provisions of this title;

(2) no later than 180 days after the date of the enactment of this Act, select no more than 30 local governments from no more than 6 States to participate in such program, of which—

(A) 3 States shall each have a population of 3,500,000 or more as determined under the most recent decennial census; and

(B) 3 States shall each have a population of 3,500,000 or less as determined under the most recent decennial census.

SEC. 1106. PROVISION OF FEDERAL ASSISTANCE IN ACCORDANCE WITH APPROVED LOCAL FLEXIBILITY PLAN.

(a) PAYMENTS TO LOCAL GOVERNMENTS.—Notwithstanding any other provision of law, amounts available to a local government or a qualified organization under a covered Federal assistance program included in an approved local flexibility plan shall be provided to and used by the local government or organization in accordance with the approved local flexibility plan.

(b) ELIGIBILITY FOR BENEFITS.—An individual or family that is eligible for benefits or services under a covered Federal assistance program included in an approved local flexibility plan may receive those benefits only in accordance with the approved local flexibility plan.

SEC. 1107. APPLICATION FOR APPROVAL OF LOCAL FLEXIBILITY PLAN.

(a) IN GENERAL.—A local government may submit to the Community Enterprise Board in accordance with this section an application for approval of a local flexibility plan.

(b) CONTENTS OF APPLICATION.—An application submitted under this section shall include—

(1) a proposed local flexibility plan that complies with subsection (c);

(2) certification by the chief executive of the local government, and such additional assurances as may be required by the Community Enterprise Board, that—

(A) the local government has the ability and authority to implement the proposed plan, directly or through contractual or other arrangements, throughout the geographic area in which the proposed plan is intended to apply;

(B) amounts are available from non-Federal sources to pay the non-Federal share of all covered Federal assistance programs included in the proposed plan; and

(C) low income individuals and families that reside in that geographic area participated in the development of the proposed plan;

(3) any comments on the proposed plan submitted under subsection (d) by the Governor of the State in which the local government is located;

(4) public comments on the plan including the transcript of at least 1 public hearing and comments of the appropriate community advisory committee established under section 1110; and

(5) other relevant information the Community Enterprise Board may require to approve the proposed plan.

(c) CONTENTS OF PLAN.—A local flexibility plan submitted by a local government under this section shall include—

(1) the geographic area to which the plan applies and the rationale for defining the area;

(2) the particular groups of individuals, by age, service needs, economic circumstances, or other defining factors, who shall receive services and benefits under the plan;

(3)(A) specific goals and measurable performance criteria, a description of how the plan is expected to attain those goals and criteria;

(B) a description of how performance shall be measured; and

(C) a system for the comprehensive evaluation of the impact of the plan on participants, the community, and program costs;

(4) the eligible Federal assistance programs to be included in the plan as covered Federal assistance programs and the specific benefits that shall be provided under the plan under such programs, including—

(A) criteria for determining eligibility for benefits under the plan;

(B) the services available;

(C) the amounts and form (such as cash, in-kind contributions, or financial instruments) of nonservice benefits; and

(D) any other descriptive information the Community Enterprise Board considers necessary to approve the plan;

(5) except for the requirements under section 1109(b)(3), any Federal statutory or regulatory requirement applicable under a covered Federal assistance program included in the plan, the waiver of which is necessary to implement the plan;

(6) fiscal control and related accountability procedures applicable under the plan;

(7) a description of the sources of all non-Federal funds that are required to carry out covered Federal assistance programs included in the plan;

(8) written consent from each qualified organization for which consent is required under section 1107(b)(2); and

(9) other relevant information the Community Enterprise Board may require to approve the plan.

(d) PROCEDURE FOR APPLYING.—(1) To apply for approval of a local flexibility plan, a local government shall submit an application in accordance with this section to the Governor of

the State in which the local government is located.

(2) A Governor who receives an application from a local government under paragraph (1) may, by no later than 30 days after the date of that receipt—

(A) prepare comments on the proposed local flexibility plan included in the application;

(B) describe any State laws which are necessary to waive for successful implementation of a local plan; and

(C) submit the application and comments to the Community Enterprise Board.

(3) If a Governor fails to act within 30 days after receiving an application under paragraph (2), the applicable local government may submit the application to the Community Enterprise Board.

SEC. 1108. REVIEW AND APPROVAL OF LOCAL FLEXIBILITY PLANS.

(a) Review of Applications.—Upon receipt of an application for approval of a local flexibility plan under this title, the Community Enterprise Board shall—

(1) approve or disapprove all or part of the plan within 45 days after receipt of the application;

(2) notify the applicant in writing of that approval or disapproval by not later than 15 days after the date of that approval or disapproval; and

(3) in the case of any disapproval of a plan, include a written justification of the reasons for disapproval in the notice of disapproval sent to the applicant.

(b) Approval.—(1) The Community Enterprise Board may approve a local flexibility plan for which an application is submitted under this title, or any part of such a plan, if a majority of members of the Board determines that—

(A) the plan or part shall improve the effectiveness and efficiency of providing benefits under covered Federal programs included in the plan by reducing administrative inflexibility, duplication, and unnecessary expenditures;

(B) the applicant local government has adequately considered, and the plan or part of the plan appropriately addresses, any effect that administration of each covered Federal program under the plan or part of the plan shall have on administration of the other covered Federal programs under that plan or part of the plan;

(C) the applicant local government has or is developing data bases, planning, and evaluation processes that are adequate for implementing the plan or part of the plan;

(D) the plan shall more effectively achieve Federal assistance goals at the local level and shall better meet the needs of local citizens;

(E) implementation of the plan or part of the plan shall adequately achieve the purposes of this title and of each covered Federal assistance program under the plan or part of the plan;

(F) the plan and the application for approval of the plan comply with the requirements of this title;

(G) the plan or part of the plan is adequate to ensure that individuals and families that receive benefits under covered Federal assistance programs included in the plan or part shall continue to receive benefits that meet the needs intended to be met under the program;

(H) the qualitative level of those benefits shall not be reduced for any individual or family; and

(I) the local government has—

(i) waived the corresponding local laws necessary for implementation of the plan; and

(ii) sought any necessary waivers from the State.

(2) The Community Enterprise Board may not approve any part of a local flexibility plan if—

(A) implementation of that part would result in any increase in the total amount of obligations or outlays of discretionary appropriations or direct spending under covered Federal assistance programs included in that part, over the amounts of such obligations and outlays that would occur under those programs without implementation of the part; or

(B) in the case of a plan or part that applies to assistance to a qualified organization under an eligible Federal assistance program, the qualified organization does not consent in writing to the receipt of that assistance in accordance with the plan.

(3) The Community Enterprise Board shall disapprove a part of a local flexibility plan if a majority of the Board disapproves that part of the plan based on a failure of the part to comply with paragraph (1).

(4) In approving any part of a local flexibility plan, the Community Enterprise Board shall specify the period during which the part is effective. An approved local flexibility plan shall not be effective after the date of the termination of effectiveness of this title under section 1113(a).

(5) Disapproval by the Community Enterprise Board of any part of a local flexibility plan submitted by a local government under this title shall not affect the eligibility of a local government, a qualified organization, or any individual for benefits under any Federal program.

(c) Memoranda of Understanding.—(1) The Community Enterprise Board may not approve a part of a local flexibility plan unless each local government and each qualified organization that would receive assistance under the plan enters into a memorandum of understanding under this subsection with the Community Enterprise Board.

(2) A memorandum of understanding under this subsection shall specify all understandings that have been reached by the Community Enterprise Board, the local government, and each qualified organization that is subject to a local flexibility plan, regarding the approval and implementation of all parts of a local flexibility plan that are the subject of the memorandum, including understandings with respect to—

(A) all requirements under covered Federal assistance programs that are to be waived by the Community Enterprise Board under section 1109(b);

(B)(i) the total amount of Federal funds that shall be provided as benefits under or used to administer covered Federal assistance programs included in those parts; or

(ii) a mechanism for determining that amount, including specification of the total amount of Federal funds that shall be provided or used under each covered Federal assistance program included in those parts;

(C) the sources of all non-Federal funds that shall be provided as benefits under or used to administer those parts;

(D) measurable performance criteria that shall be used during the term of those parts to determine the extent to which the goals and performance levels of the parts are achieved; and

(E) the data to be collected to make that determination.

(d) Limitation on Confidentiality Requirements.—The Community Enterprise Board may not, as a condition of approval of any part of a local flexibility plan or with respect to the implementation of any part of an approved local flexibility plan, establish any confidentiality requirement that would—

(1) impede the exchange of information needed for the design or provision of benefits under the parts; or

(2) conflict with law.

SEC. 1109. IMPLEMENTATION OF APPROVED LOCAL FLEXIBILITY PLANS; WAIVER OF REQUIREMENTS.

(a) Payments and Administration in Accordance With Plan.—Notwithstanding any other law, any benefit that is provided under a covered Federal assistance program included in an approved local flexibility plan shall be paid and administered in the manner specified in the approved local flexibility plan.

(b) Waiver of Requirements.—(1) Notwithstanding any other law and subject to paragraphs (2) and (3), the Community Enterprise Board may waive any requirement applicable under Federal law to the administration of, or provision of benefits under, any covered Federal assistance program included in an approved local flexibility plan, if that waiver is—

(A) reasonably necessary for the implementation of the plan; and

(B) approved by a majority of members of the Community Enterprise Board.

(2) The Community Enterprise Board may not waive a requirement under this subsection unless the Board finds that waiver of the requirement shall not result in a qualitative reduction in services or benefits for any individual or family that is eligible for benefits under a covered Federal assistance program.

(3) The Community Enterprise Board may not waive any requirement under this subsection—

(A) that enforces any constitutional or statutory right of an individual, including any right under—

(i) title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.);

(ii) section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.);

(iii) title IX of the Education Amendments of 1972 (86 Stat. 373 et seq.);

(iv) the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.); or

(v) the Americans with Disabilities Act of 1990;

(B) for payment of a non-Federal share of funding of an activity under a covered Federal assistance program; or

(C) for grants received on a maintenance of effort basis.

(c) Special Assistance.—To the extent permitted by law, the head of each Federal agency shall seek to provide special assistance to a local government or qualified organization to support implementation of an approved local flexibility plan, including expedited processing, priority funding, and technical assistance.

(d) Evaluation and Termination.—(1) A local government, in accordance with regulations issued by the Community Enterprise Board, shall—

(A) submit such reports on and cooperate in such audits of the implementation of its approved local flexibility plan; and

(B) periodically evaluate the effect implementation of the plan has had on—

(i) individuals who receive benefits under the plan;

(ii) communities in which those individuals live; and

(iii) costs of administering covered Federal assistance programs included in the plan.

(2) No later than 90 days after the end of the 1-year period beginning on the date of the approval by the Community Enterprise Board of an approved local flexibility plan of a local government, and annually thereafter, the local government shall submit to the Community Enterprise Board a report on the principal activities and achievements under the plan during the period covered by the report, comparing those achievements to the goals and performance criteria included in the plan under section 1107(c)(3).

(3)(A) If the Community Enterprise Board, after consultation with the head of each Federal agency responsible for administering a covered Federal assistance program included in an approved local flexibility plan of a local government, determines—

(i) that the goals and performance criteria included in the plan under section 1107(c)(3) have not been met; and

(ii) after considering any experiences gained in implementation of the plan, that those goals and criteria are sound;

the Community Enterprise Board may terminate the effectiveness of the plan.

(B) In terminating the effectiveness of an approved local flexibility plan under this paragraph, the Community Enterprise Board shall allow a reasonable period of time for appropriate Federal, State, and local agencies and qualified organizations to resume administration of Federal programs that are covered Federal assistance programs included in the plan.

(e) Final Report; Extension of Plans.—(1) No later than 45 days after the end of the effective period of an approved local flexibility plan of a local government, or at any time that the local government determines that the plan has demonstrated its worth, the local government shall submit to the Community Enterprise Board a final report on its implementation of the plan, including a full evaluation of the successes and shortcomings of the plan and the effects of that implementation on individuals who receive benefits under those programs.

(2) The Community Enterprise Board may extend the effective period of an approved local flexibility plan for such period as may be appropriate, based on the report of a local government under paragraph (1).

SEC. 1110. COMMUNITY ADVISORY COMMITTEES.

(a) Establishment.—A local government that applies for approval of a local flexibility plan under this title shall establish a community advisory committee in accordance with this section.

(b) Functions.—A community advisory committee shall advise a local government in the development and implementation of its local flexibility plan, including advice with respect to—

(1) conducting public hearings;

(2) representing the interest of low income individuals and families; and

(3) reviewing and commenting on all community policies, programs, and actions under the plan which affect low income individuals and families, with the purpose of ensuring maximum coordination and responsiveness of the plan in providing benefits under the plan to those individuals and families.

(c) Membership.—The membership of a community advisory committee shall—

(1) consist of—

(A) low income individuals, who shall—

(i) comprise at least one-third of the membership; and

(ii) include minority individuals who are participants or who qualify to participate in eligible Federal assistance programs;

(B) representatives of low income individuals and families;

(C) persons with leadership experience in the private and voluntary sectors;

(D) local elected officials;

(E) representatives of participating qualified organizations; and

(F) the general public; and

(2) include individuals and representatives of community organizations who shall help to enhance the leadership role of the local government in developing a local flexibility plan.

(d) Opportunity for Review and Comment by Committee.—Before submitting an application for approval of a final proposed local flexibility plan, a local government shall submit the final proposed plan for review and comment by a community advisory committee established by the local government.

(e) Committee Review of Reports.—Before submitting annual or final reports on an approved assistance plan, a local government or private nonprofit organization shall submit the report for review and comment to the community advisory committee.

SEC. 1111. TECHNICAL AND OTHER ASSISTANCE.

(a) Technical Assistance.—(1) The Community Enterprise Board may provide, or direct that the head of a Federal agency provide, technical assistance to a local government or qualified organization in developing information necessary for the design or implementation of a local flexibility plan.

(2) Assistance may be provided under this subsection if a local government makes a request that includes, in accordance with requirements established by the Community Enterprise Board—

(A) a description of the local flexibility plan the local government proposes to develop;

(B) a description of the groups of individuals to whom benefits shall be provided under covered Federal assistance programs included in the plan; and

(C) such assurances as the Community Enterprise Board may require that—

(i) in the development of the application to be submitted under this title for approval of the plan, the local government shall provide adequate opportunities to participate to—

(I) low income individuals and families that shall receive benefits under covered Federal assistance programs included in the plan; and

(II) governmental agencies that administer those programs; and

(ii) the plan shall be developed after considering fully—

(I) needs expressed by those individuals and families;

(II) community priorities; and

(III) available governmental resources in the geographic area to which the plan shall apply.

(b) Details to Board.—At the request of the Chairman of the Community Enterprise Board and with the approval of an agency head who is a member of the Board, agency staff may be detailed to the Community Enterprise Board on a nonreimbursable basis.

SEC. 1112. COMMUNITY ENTERPRISE BOARD.

(a) Functions.—The Community Enterprise Board shall—

(1) receive, review, and approve or disapprove local flexibility plans for which approval is sought under this title;

(2) upon request from an applicant for such approval, direct the head of an agency that administers a covered Federal assistance program under which substantial Federal assistance would be provided under the plan to provide technical assistance to the applicant;

(3) monitor the progress of development and implementation of local flexibility plans;

(4) perform such other functions as are assigned to the Community Enterprise Board by this title; and

(5) issue regulations to implement this title within 180 days after the date of its enactment.

(b) Reports.—No less than 18 months after the date of the enactment of this Act, and annually thereafter, the Community Enterprise Board shall submit a report on the 5 Federal regulations that are most frequently waived by the Community Enterprise Board for local governments with approved local flexibility plans to the President and the Congress. The President shall review the report and determine whether to amend or terminate such Federal regulations.

SEC. 1113. TERMINATION AND REPEAL; REPORT.

(a) Termination and Repeal.—This title is repealed on the date that is 5 years after the date of the enactment of this Act.

(b) Report.—No later than 4 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Congress, a report that—

(1) describes the extent to which local governments have established and implemented approved local flexibility plans;

(2) evaluates the effectiveness of covered Federal assistance programs included in approved local flexibility plans; and

(3) includes recommendations with respect to continuing local flexibility.

TITLE XII—HERO ACT

SEC. 1201. SHORT TITLE.

This title may be cited as the "Heroic Efforts to Rescue Others Act" (HERO Act).

SEC. 1202. FINDINGS.

Congress finds that—

(1) existing Occupational Safety and Health Administration regulations require the issuance of a citation to an employer in a circumstance in which an employee of such employer has voluntarily acted in a heroic manner to rescue individuals from imminent harm during work hours;

(2) application of such regulations to employers in such circumstance causes hardships to those employers who are responsible for employees who perform heroic acts to save individuals from imminent harm;

(3) strict application of such regulations in such circumstance penalizes employers as a result of the time lost and legal fees incurred to defend against such citations; and

(4) in order to save employers the cost of unnecessary enforcement an exemption from the issuance of a citation to an employer under certain situations related to such circumstance is appropriate.

SEC. 1203. CITATIONS.

Section 9 of the Occupational Safety and Health Act (29 U.S.C. 658) is amended by adding at the end the following new subsection:

"(d)(1) No citation may be issued under this section for a rescue activity by an employer's employee of an individual in imminent harm unless—

"(A)(i) such employee is designated or assigned by the employee's employer with responsibility to perform or assist in rescue operations; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment;

"(B)(i) such employee is directed by the employee's employer to perform rescue activities in the course of carrying out the employee's job duties; and

"(ii) the employer fails to provide protection of the safety and health of such employee, including failing to provide appropriate training and rescue equipment; or

"(C)(i) such employee—

"(I) is employed in a workplace that requires such employee to carry out duties that are directly related to a workplace operation where the likelihood of life-threatening accidents is foreseeable, such as a workplace operation where employees are located in confined spaces or trenches, handle hazardous waste, respond to emergency situations, perform excavations, or perform construction over water;

"(II) has not been designated or assigned to perform or assist in rescue operations; and

"(III) voluntarily elects to rescue such an individual; and

"(ii) the employer has failed to instruct employees not designated or assigned to perform or assist in rescue operations—

"(I) of the arrangements for rescue;

"(II) not to attempt rescue; and

"(III) of the hazards of attempting rescue without adequate training or equipment.

"(2) For purposes of this subsection, the term 'imminent harm' means the existence of any condition or practice that could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated.".

TITLE XIII—MISCELLANEOUS PROVISIONS

SEC. 1301. ECONOMIC AND EMPLOYMENT IMPACT ACT.

(a) Short Title.—This section may be cited as the "Economic and Employment Impact Act".

(b) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds that—

(A) compliance with Federal regulations is estimated to cost the private sector and State and local governments as much as $850,000,000,000 a year;

(B) excessive Federal regulation and mandates increase the cost of doing business and thus hinder economic growth and employment opportunities;

(C) State and local governments are forced to absorb the cost of unfunded Federal mandates; and

(D) in addition to budget and deficit estimates, Congress and the executive branch decision makers need to be aware of regulatory cost impacts of proposed Federal actions on the private sector and State, local, and tribal governments.

(2) PURPOSES.—The purposes of this section are—

(A) to ensure that the people of United States are fully apprised of the impact of Federal legislative and regulatory activity on economic growth and employment;

(B) to require both the Congress and the executive branch to acknowledge and to take responsibility for the fiscal and economic effects of legislative and regulatory actions and activities;

(C) to provide a means to ensure that congressional and executive branch action are focused on enhancing economic growth and providing increased job opportunities for the people of United States; and

(D) to protect against congressional or executive branch actions which hinder economic growth or eliminate jobs for the people of United States.

(c) ECONOMIC AND EMPLOYMENT IMPACT STATEMENTS FOR LEGISLATION.—

(1) PREPARATION.—The Director of the Congressional Budget Office (referred to as the "Director") shall prepare an economic and employment impact statement, as described in paragraph (2), to accompany each bill or joint resolution reported by any committee (except the Committee on Appropriations) of the House of Representatives or the Senate or considered on the floor of either House.

(2) CONTENTS.—The economic and employment impact statement required by paragraph (1) shall include the following:

(A) An estimate of the numbers of individuals and businesses who would be regulated by the bill or joint resolution and a determination of the groups and classes of such individuals and businesses;

(B) A determination of the economic impact of such regulation on individuals, consumers, and businesses affected.

(C)(i) An estimate of the costs which would be incurred by the private sector in carrying out or complying with such bill or joint resolution in the fiscal year in which it is to become effective, and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate.

(ii) Estimates required by this subparagraph shall include specific data on costs imposed on groups and classes of individuals and businesses, including small business and consumers, and employment impacts on those individuals and businesses.

(D) An estimate of the costs that would be incurred by State and local governments, which shall include—

(i) the estimates required by section 403 of the Congressional Budget Act of 1974; and

(ii) an evaluation of the extent of the costs of the Federal mandates arising from such bill or joint resolution in comparison with funding assistance provided by the Federal Government to address the costs of complying with such mandates.

(3) REPORT NOT AVAILABLE.—If compliance with the requirements of paragraph (1) is impracticable, the Director shall submit a statement setting forth the reasons for noncompliance.

(4) STATEMENT TO ACCOMPANY COMMITTEE REPORTS.—The economic and employment impact statement required by this subsection shall accompany each bill or joint resolution reported or otherwise considered on the floor of either House. Such statement shall be printed in the committee report upon timely submission to the committee. If not timely filed or otherwise unavailable for publication in the committee report, the economic and regulatory statement shall be published in the Congressional Record not less than 2 calendar days prior to any floor consideration of a bill or joint resolution subject to the provisions of this subsection by either House.

(5) COMMITTEE STATEMENTS OPTIONAL.—Nothing in this subsection shall be construed to modify or otherwise affect the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, regarding preparation of an evaluation of regulatory impact.

(d) ECONOMIC AND EMPLOYMENT IMPACT STATEMENT FOR EXECUTIVE BRANCH REGULATIONS.—

(1) PREPARATION.—Each Federal department or executive branch agency shall prepare an economic and employment impact statement, as described in paragraph (2), to accompany regulatory actions.

(2) CONTENTS.—The economic and employment impact statement required by paragraph (1) shall include the following:

(A) An estimate of the numbers of individuals and businesses who would be regulated by the regulatory action and a determination of the groups and classes of such individuals and businesses.

(B) A determination of the economic impact of such regulation on individuals, consumers, and businesses affected.

(C)(i) An estimate of the costs which would be incurred by the private sector in carrying out or complying with such regulatory action in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for each such estimate;

(ii) The estimate required by this subparagraph shall include specific data on costs on groups and classes of individuals and businesses, including small business and consumers, and employment impacts on those individuals and businesses.

(D) An estimate of the costs that would be incurred by State and local governments, which shall include—

(i) an estimate of cost which would be incurred by State and local governments in carrying out or complying with the regulatory action in the fiscal year in which it is to become effective and in each of the 4 fiscal years following such fiscal year, together with the basis for such estimate;

(ii) a comparison of the estimates of costs described in clause (i), with any available estimates of costs made by any Federal or State agency;

(iii) if the agency determines that the regulatory action is likely to result in annual cost to State and local governments of $200,000,000 or more, or is likely to have exceptional fiscal consequences for a geographic region or a particular level of government, a statement by the agency detailing such results or consequences; and

(iv) an evaluation of the extent of the costs of the Federal mandates arising from the regulatory action in comparison with funding assistance provided by the Federal Government to address the costs of complying with such mandates.

(4) REPORT NOT AVAILABLE.—If compliance with the requirements of paragraph (1) is impracticable, the agency or department shall submit a statement setting forth the reasons for noncompliance.

(5) STATEMENT TO ACCOMPANY FEDERAL REGULATORY ACTIONS.—The economic and employment impact statement with respect to a regulatory action required by this subsection shall be published in the Federal Register together with the publication of such regulatory action. If the regulatory action is not published in the Federal Register, the economic and employment impact statement shall be made available to the public in a timely manner.

(6) DEFINITION OF "REGULATORY ACTION".—For purposes of this subsection, the term "regulatory action" means any substantive action by a Federal agency (required to be or customarily published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, notices of proposed rulemaking, interim final rules, and final rules and regulations.

(e) PROVISION FOR NATIONAL SECURITY EMERGENCY WAIVER.—

(1) CONGRESSIONAL ECONOMIC IMPACT STATEMENTS.—The Congress may waive the requirements of subsection (c) at any time in which a declaration of war is in effect, or in response to a national security emergency at the request of the President.

(2) EXECUTIVE REGULATIONS ECONOMIC IMPACT STATEMENTS.—The President may waive the requirements of subsection (d) at any time in which a declaration of war is in effect, or in response to a national security emergency as determined by the President in consultation with Congress.

(f) EFFECTIVE DATE.—This section shall take effect 30 days after the date enactment of this Act.

SEC. 1302. URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.

(a) URBAN UNIVERSITY BUSINESS INITIATIVE GRANTS.—

(1) AUTHORIZATION.—The Secretary of Commerce (hereafter in this section referred to as the "Secretary") is authorized to make grants to eligible institutions in accordance with this section.

(2) APPLICATION.—

(A) IN GENERAL.—An eligible institution seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

(B) CONTENTS.—Except as provided in subparagraph (C), each application submitted pursuant to subparagraph (A) shall include—

(i) a description of the activities and services for which assistance is sought;

(ii) evidence of coordination with any small business development centers in existence in the community; and

(iii) documentation of the formation of a consortium that includes, in addition to eligible institutions, one or more of the following entities:

(I) A nonprofit organization.

(II) A business or other employer.

(C) WAIVER.—The Secretary may waive the requirements of subparagraph (B)(iii) for any applicant who can demonstrate to the satisfaction of the Secretary that the applicant has devised an integrated and coordinated plan that otherwise meets the requirements of this section.

(3) SELECTION PROCEDURES.—Not later than 120 days after the date of enactment of this section, the Secretary shall, by regulation, develop a formal procedure for the submission of appli-

cations under this section and shall publish in the Federal Register an announcement of that procedure and the availability of funds under this section.

(b) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds provided under this section shall be used to design and implement programs to assist businesses, especially those in lower income urban communities, to become more productive and able to compete in the global marketplace.

(2) SPECIFIC AUTHORIZED ACTIVITIES.—Activities conducted with funds made available under this section may include research on, or planning and implementation of technology transfer, technical training, the delivery of services, or technical assistance in—

(A) business development;

(B) business creation;

(C) business expansion; and

(D) human resource management.

(c) PEER REVIEW PANEL.—

(1) ESTABLISHMENT.—Not later than 90 days after the date on which the Secretary publishes the announcement in the Federal Register in accordance with subsection (a)(3), the Secretary shall appoint a peer review panel (hereafter in this section referred to as the "panel").

(2) MEMBERSHIP.—In appointing the panel under paragraph (1), the Secretary shall consult with officials of other Federal agencies and with non-Federal organizations in order to ensure that—

(A) the panel membership is geographically balanced; and

(B) the panel is composed of representatives from public and private institutions of higher education, labor, business, and nonprofit organizations having expertise in business development in lower income urban communities.

(3) DUTIES.—The panel shall—

(A) review applications submitted under this section; and

(B) make recommendations to the Secretary concerning the selection of grant recipients.

(d) DISBURSEMENT OF FUNDS.—

(1) LIMITATION ON AMOUNT.—The Secretary shall not provide assistance under this section to any recipient which exceeds $400,000 during any 1-year period.

(2) EQUITABLE GEOGRAPHIC DISTRIBUTION.—The Secretary shall award grants under this section in a manner that achieves equitable geographic distribution of such grants.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) LOWER INCOME URBAN COMMUNITY.—The term "lower income urban community" means an urban area in which the percent of residents living below the Federal poverty level is not less than 115 percent of the statewide average.

(2) URBAN AREA.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "urban area" means a primary metropolitan statistical area of the United States Department of Commerce, Bureau of the Census.

(B) EXCEPTION.—With respect to a State that does not contain an urban area, as defined in subparagraph (A), the Secretary shall designate 1 area in the State as an urban area for purposes of this section.

(3) ELIGIBLE INSTITUTION.—

(A) INSTITUTION OR CONSORTIUM.—The term "eligible institution" means a nonprofit institution of higher education that meets the requirements of subparagraph (B), or a consortium of such institutions, any 1 of which meets the requirements of subparagraph (B).

(B) REQUIREMENTS.—An institution meets the requirements of this subparagraph if the institution—

(i) is located in an urban area;

(ii) draws a substantial portion of its undergraduate students from the urban area in which such institution is located, or from contiguous areas;

(iii) carries out programs to make postsecondary educational opportunities more accessible to residents of such urban area, or contiguous areas;

(iv) has the present capacity to provide resources responsive to the needs and priorities of such urban area and contiguous areas;

(v) offers a range of professional, technical, or graduate programs sufficient to sustain the capacity of such institution to provide such resources;

(vi) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and the people of such areas; and

(vii) has a school of business accredited by the American Assembly of Collegiate Schools of Business (or similar organization) with faculty experienced in conducting research on issues of immediate concern to small and emerging businesses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

(1) $10,000,000, for fiscal year 1995; and

(2) such sums as may be necessary, for fiscal years 1996, 1997, 1998, and 1999.

SEC. 1303. PROHIBITION ON SOLICITATION OF CAMPAIGN CONTRIBUTIONS BY PERSONS AWARDING CONTRACTS.

(a) IN GENERAL.—Chapter 29 of title 18, United States Code, is amended by adding at the end the following new section:

"§610. Solicitation of political contributions by persons awarding contracts

"Any person who awards any contract or grant under any provision of, or any amendment made by, the National Competitiveness Act of 1994 who, during the 5-year period beginning on the date the contract or grant is awarded, knowingly solicits a political contribution (within the meaning of section 7322(3) of title 5, United States Code) from any person who was awarded such contract or grant (or any owner, officer, employee, or agent thereof) shall be imprisoned for 1 year or fined not more than $10,000, or both.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end the following new item:

"610. Solicitation of political contributions by persons awarding contracts.".

MESSAGES FROM THE HOUSE

At 4:40 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced the House has passed the following bill, without amendment:

S. 1926. An act to amend the Food and Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the Food Stamp Program, and for other purposes.

At 8:10 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, with amendment, in which it requests the concurrence of the Senate:

S. 1913. An Act to extend certain compliance dates for pesticide safety training and labeling requirements.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 10:09 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolling bill and joint resolutions:

S. 1926. An Act to amend the Food Stamp Act of 1977 to modify the requirements relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the food stamp program, and for other purposes.

S.J. Res. 162. Joint Resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

S.J. Res. 163. Joint Resolution to proclaim March 20, 1994, as "National Agriculture Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2352. A communication from the Director of the Joint Staff, Department of Defense, transmitting, pursuant to law, notice of a delay relative to the report on readiness and capabilities; to the Committee on Armed Services.

EC-2353. A communication from the Director of Administration and Management, Department of Defense, transmitting, pursuant to law, the report entitled "Extraordinary Contractual Actions to Facilitate the National Defense"; to the Committee on Armed Services.

EC-2354. A communication from the Director of Defense Research and Engineering, Department of Defense, transmitting, pursuant to law, a report entitled "Survey of Laboratories and Implementation of the Federal Defense Laboratory Diversification Program"; to the Committee on Armed Services.

EC-2355. A communication from the Comptroller of the Currency, transmitting, pursuant to law, the report on consumer complaints for calendar year 1993; to the Committee on Commerce, Science, and Transportation.

EC-2356. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Maritime Administration Authorization Act for fiscal year 1995"; to the Committee on Commerce, Science, and Transportation.

EC-2357. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on motor vehicle titling, registration, and salvage; to the Committee on Commerce, Science, and Transportation.

EC-2358. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Coast Guard Authorization Act of 1994"; to the Committee on Commerce, Science, and Transportation.

EC-2359. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation entitled "Amtrak Investment Act of 1994"; to the Committee on Commerce, Science, and Transportation.

EC–2360. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Clean Coal Technology Program; to the Committee on Energy and Natural Resources.

EC–2361. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on nursing facility staffing requirements; to the Committee on Finance.

EC–2362. A communication from the General Counsel of the Department of Treasury, transmitting, a draft of proposed legislation to provide for a U.S. contribution to the Interest Subsidy Account of the successor (ESAF II) to the Enhanced Structural Adjustment Facility of the International Monetary Fund; to the Committee on Foreign Relations.

EC–2363. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, a report of the texts of international agreements and background statements, other than treaties; to the Committee on Foreign Relations.

EC–2364. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1993; to the Committee on Governmental Affairs.

EC–2365. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1993; to the Committee on Governmental Affairs.

EC–2366. A communication from the Solicitor of the U.S. Commission on Civil Rights, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1993; to the Committee on Governmental Affairs.

EC–2367. A communication from the Board of Directors of the African Development Foundation, transmitting, pursuant to law, the annual report under the Inspector General Act for fiscal year 1993; to the Committee on Governmental Affairs.

EC–2368. A communication from the Chairman and Acting General Counsel of the National Labor Relations Board, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during fiscal year 1993; to the Committee on Governmental Affairs.

EC–2369. A communication from the Executive Director of the Interstate Commission on the Potomac River Basin, transmitting, pursuant to law, the annual report on the system of internal accounting and financial controls in effect during fiscal year 1993; to the Committee on Governmental Affairs.

EC–2370. A communication from the Chairman of the Merit Systems Protection Board, transmitting, pursuant to law, the annual report for fiscal year 1993; to the Committee on Governmental Affairs.

EC–2371. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Review of the Department of Public and Assisted Housing's Response to Selected Audit Recommendations"; to the Committee on Governmental Affairs.

EC–2372. A communication from the Chairman of the Board of the National Credit Union Administration, transmitting, pursuant to law, the report of pay and salary structures; to the Committee on Governmental Affairs.

EC–2373. A communication from the Chairman of the Office of Federal Procurement Policy (Cost Accounting Standards Board), Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the annual report for calendar year 1993; to the Committee on Governmental Affairs.

EC–2374. A communication from the Director (Government Relations), Girl Scouts of the U.S.A., transmitting, pursuant to law, the report of the work and activities of the Girl Scouts for fiscal year 1993; to the Committee on the Judiciary.

EC–2375. A communication from the Senior Attorney (Copyright Office), Library of Congress, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC–2376. A communication from the Chairman of the U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report under the Freedom of Information Act for calendar year 1993; to the Committee on the Judiciary.

EC–2377. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on programs for runaway and homeless youth for fiscal year 1992; to the Committee on Labor and Human Resources.

EC–2378. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Child Abuse and Neglect Challenge Grant Program for fiscal year 1990; to the Committee on Labor and Human Resources.

EC–2379. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "Low-Income Home Energy Assistant Amendments of 1994"; to the Committee on Labor and Human Resources.

EC–2380. A communication from the Secretary of Labor, transmitting, pursuant to law, the interim report on the National Wage Record Database Design Project; to the Committee on Labor and Human Resources.

EC–2381. A communication from the Board Members of the Railroad Retirement Board, transmitting, pursuant to law, the report of a determination relative to the ability to pay benefits in each of the next five years; to the Committee on Labor and Human Resources.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. NUNN, from the Committee on Armed Services:

The following named officer for appointment to the grade of admiral while assigned to a position of importance and responsibility under title 10, United States Code, Section 601:

To be admiral

Vice Adm. Leighton W. Smith, Jr., U.S. Navy, [redacted].

(The above nomination was reported with the recommendation that he be confirmed.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD November 24, 1993, January 31, February 2, 4, 9, 22, and March 7, 1994, and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of November 24, 1993, January 31, February 2, 4, 9, 22, and March 7, 1994, at the end of the Senate proceedings.)

*Rear Adm. (lower half) Douglas Matthew Moore, USNR, to be rear admiral (Reference No. 299).

**In the Army there are 1,564 promotions to the grade of major (list begins with Lawrence J. Abrams) (Reference No. 1001).

*Brig. Gen. Bobby G. Hollingsworth, USMCR, to be major general (Reference No. 1010).

*In the Marine Corps there are 15 promotions to the grade of brigadier general (list begins with Gary S. McKissock) (Reference No. 1011).

*Rear Adm. John B. LaPlante, USN, to be vice admiral (Reference No. 1013).

*Rear Adm. George R. Sterner, USN, to be vice admiral (Reference No. 1014).

*In the Marine Corps Reserve there are 2 promotions to the grade of brigadier general (list begins with Kevin B. Kuklok) (Reference No. 1064).

*In the Navy there are 6 promotions to the grade of rear admiral (lower half) (list begins with William Robert Rowley) (Reference No. 1067).

**In the Army there are 44 promotions to the grade of major (list begins with Gerald K. Bebber) (Reference No. 1082).

*In the Naval Reserve there are 13 promotions to the grade of rear admiral (lower half) (list begins with William Henry Butler) (Reference No. 1097).

**In the Air Force there are 719 promotions to the grade of colonel and below (list begins with Lawrence W. Bandoni) (Reference No. 1100).

*Vice Adm. Robert K.U. Kihune, USN, to be placed on the retired list in the grade of vice admiral (Reference No. 1116).

*Vice Adm. Stephen F. Loftus, USN, to be placed on the retired list in the grade of vice admiral (Reference No. 1117).

*Brigadier General George G. Kundahl, USAR, to be major general (Reference No. 1131).

**In the Air Force there are 18 promotions to the grade of colonel and below (list begins with Francis J. Leurquin) (Reference No. 1132).

**In the Air Force there are 44 appointments to the grade of captain (list begins with Christopher S. Allen) (Reference No. 1133).

**In the Army there are 10 promotions to the grade of lieutenant colonel and below (list begins with Cynthia A. Bernard) (Reference No. 1134).

**In the Army there are 1,111 appointments to the grade of captain and below (list begins with Derek G. Abrams) (Reference No. 1135).

*Rear Adm. Harold E. Grant, USN, to be Judge Advocate General of the Navy and to be rear admiral (Reference No. 1142).

*Capt. Carlson M. Legrand, USN, to be Deputy Judge Advocate General of the Navy and to be rear admiral (Reference No. 1143).

*Capt. Anderson Byron Holderby, Jr., USN, to be rear admiral (lower half) (Reference No. 1152).

**In the Marine Corps there are 3 promotions to the grade of lieutenant colonel (list begins with Arthur V. Gorman, Jr.) (Reference No. 1153).

**In the Marine Corps there are 2 promotions to the grade of major (list begins with Stephen J. Gorzynski) (Reference No. 1154).

**In the Air Force Reserve there are 76 appointments to the grade of lieutenant colonel (list begins with Philip M. Ellis) (Reference No. 1155).

**In the Navy there are 556 appointments to the grade of commander and below (list begins with Amy J. Anderson) (Reference No. 1156).

**In the Air Force there are 2,541 promotions to the grade of major (list begins with Rudy C. Abeyta) (Reference No. 1157).

*Vice Adm. Kenneth C. Malley, USN, to be placed on the retired list in the grade of vice admiral (Reference No. 1161).

*In the Naval Reserve there are 3 promotions to the grade of rear admiral (list begins with James Raymond Fowler) (Reference No. 1170).

*Maj. Gen. Wesley K. Clark, USA, to be a Senior Member of the Military Staff Committee of the United Nations and to be lieutenant general (Reference No. 1179).

*In the Navy there are 5 promotions to the grade of rear admiral (list begins with Richard Arnold Nelson) (Reference No. 1181).

**In the Air Force Reserve there are 20 promotions to the grade of lieutenant colonel (list begins with Russell K. Ameter) (Reference No. 1185).

**In the Naval Reserve there are 317 promotions to the grade of captain (list begins with Ronald Eugene Adams) (Reference No. 1186).

Total—7,081.

By Mr. BIDEN, from the Committee on the Judiciary:

Deval L. Patrick, of Massachusetts, to be an Assistant Attorney General.

Jamie S. Gorelick, of Maryland, to be Deputy Attorney General.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Rosemary Barkett, of Florida, to be United States Circuit Judge for the Eleventh Circuit.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROCKEFELLER, from the Committee on Veterans' Affairs, with an amendment in the nature of a substitute:

S. 1512. A bill to amend title 38, United States Code, to require the establishment in the Department of Veterans' Affairs of mental illness research, education, and clinical centers, and for other purposes (Rept. No. 103–237).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EXON (for himself and Mr. HARKIN):

S. 1942. A bill to authorize appropriations for the local rail freight assistance program; to the Committee on Commerce, Science, and Transportation.

By Mrs. KASSEBAUM (for herself, Mr. KERREY, Mr. DURENBERGER, and Mr. CHAFEE):

S. 1943. A bill to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KOHL:

S. 1944. A bill to increase and extend criminal and other penalties for health care fraud and abuse, and for other purposes; read the first time.

By Mr. HOLLINGS (by request):

S. 1945. A bill to authorize appropriations for fiscal year 1995 for certain maritime programs of the Department of Transportation, to amend the Merchant Marine Act, 1936, as amended, to revitalize the United States-flag merchant marine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 1946. A bill to provide for the repurchase of land taken by eminent domain, by Native American organizations, and for other purposes; to the Committee on Governmental Affairs.

By Mr. KOHL:

S. 1947. A bill to increase criminal penalties for health care fraud, and for other purposes; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. WARNER, Mr. GRAHAM, Mr. MURKOWSKI, Mr. D'AMATO, Mr. KERREY, Mr. GORTON, Mr. BRYAN, Mr. CHAFEE, Mr. JOHNSTON, Mr. BOREN, and Mr. BAUCUS):

S. 1948. A bill to amend the National Security Act of 1947 to improve the counterintelligence and security posture of the United States intelligence community and to enhance the investigative authority of the Federal Bureau of Investigation in counterintelligence matters, and for other purposes; to the Select Committee on Intelligence.

By Mr. LAUTENBERG (for himself, Mr. FAIRCLOTH, Mr. LIEBERMAN, and Mr. REID):

S. 1949. A bill entitled the "Mercury-Containing and Rechargeable Battery Management Act"; to the Committee on Environment and Public Works.

By Mrs. KASSEBAUM (for herself and Mr. HATCH):

S. 1950. A bill to amend the Occupational Safety and Health Act of 1970 to make needed revisions in regulations and programs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MOYNIHAN (for himself, Mr. MITCHELL, Mr. BRADLEY, Mr. BREAUX, Mr. DASCHLE, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mrs. BOXER, Mr. FORD, Ms. MOSELEY-BRAUN, and Mr. DODD):

S. 1951. A bill to establish a comprehensive system of reemployment services, training and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes; read the first time.

By Mr. JOHNSTON (for himself, Mr. MOYNIHAN, Mr. BREAUX, Mr. PELL, Mr. STEVENS, Mr. THURMOND, Mr. WARNER, Mr. GORTON, Mr. SHELBY, Mr. HOLLINGS, Mr. DECONCINI, Mr. BOND, Mr. CONRAD, and Mr. REID):

S. 1952. A bill to authorize the minting of coins to commemorate the 175th anniversary of the founding of the United States Botanic Garden; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. EXON:

S.J. Res. 173. A joint resolution proposing an amendment to the Constitution relating to the election of the President and the Vice President of the United States; to the Committee on the Judiciary.

By Mr. BIDEN (for himself, Mr. HATCH, Mr. CRAIG, Mr. DOMENICI, Mr. PRYOR, Mr. WOFFORD, Mr. GRAHAM, Mr. BRADLEY, Mr. LAUTENBERG, Mr. MACK, and Mr. ROBB):

S.J. Res. 174. A joint resolution designating April 24 through April 30, 1994 as "National Crime Victims' Rights Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EXON (for himself and Mr. HARKIN):

S. 1942. A bill to authorize appropriations for the Local Rail Freight Assistance Program; to the Committee on Commerce, Science, and Transportation.

LOCAL RAIL FREIGHT ASSISTANCE REAUTHORIZATION ACT OF 1994

Mr. EXON. Mr. President, I am pleased to introduce a bill to reauthorize the Local Rail Freight Assistance [LRFA] Program. This program is one of America's key programs for investment in rail infrastructure. This legislation reauthorizes the program for 3 years at its current authorized level.

LRFA provides much needed assistance to America's rural communities to assure that they maintain much needed rail service and that they remain linked into America's rail network. One only needs to look at the floods of last summer to see how important the LRFA Program is. When the Congress enacted disaster relief legislation last year, it was through the LRFA Program that the Nation helped get America's short lines and regional rails back on track. Without this help, shippers, railroads, workers, and communities would have been financially devastated.

In this era of deficit reduction, no program should escape intense security, the LRFA included. This program stands up very well. It provides jobs, investment, and productivity improvement. It is absolutely critical to rail service in rural America and helps stitch small town America into the Nation's transportation fabric.

As chairman of the Senate Surface Transportation Subcommittee, I want to look at ways to improve this program, to get more infrastructure for every dollar of Federal investment and to also look at direct and guaranteed loan options.

Mr. President, over the years the Congress has consistently supported this much needed program. I encourage my colleagues to join me in support of this important reauthorization legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1942

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Local Rail Freight Assistance Reauthorization Act of 1994".

SEC. 2. LOCAL RAIL FREIGHT ASSISTANCE PROGRAM.

Section 5(q) of the Department of Transportation Act (49 App. U.S.C. 1654(q)) is amended—

(1) by inserting "There are authorized to be appropriated to the Secretary for the purposes of this section not to exceed $30,000,000 for each of the fiscal years 1995, 1996, and 1997." immediately after the second sentence; and

(2) by striking "any period after September 30, 1994" and inserting in lieu thereof "any period after September 30, 1997".

By Mrs. KASSEBAUM (for herself, Mr. KERREY, Mr. DURENBERGER and Mr. CHAFEE):

S. 1943. A bill to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes; to the Committee on Labor and Human Resources.

JOB TRAINING CONSOLIDATION ACT OF 1994

Mrs. KASSEBAUM. Mr. President, today I am introducing legislation on behalf of myself and Senators KERREY of Nebraska, CHAFEE, and DURENBERGER, which is designed to revamp our current Federal job training system. From the viewpoint of both the taxpayer and the trainee, there can be little doubt that a comprehensive overhaul is long overdue.

What began as a few limited programs in the late sixties has exploded today into a confusing maze of 154 separate programs, costing almost $25 billion a year. Those programs are hamstrung by duplication, waste, and conflicting regulations that too often leave program trainees no better off than when they started. It is a system with more than 60 separate programs targeted at the economically disadvantaged, with, for example, 34 literacy programs aimed at reaching the same group. It is a system with six different standards for defining income eligibility levels, five for defining family or household income, and five for defining what is included in income. It is a system which lacks any effective means for determining whether or not programs actually work.

A report recently released by the General Accounting Office indicated that fewer than half of the 62 job training programs selected for study even bothered to check to see if participants obtained jobs after training. I think this is one of the real problems, Mr. President—being able to analyze what sort of effect these training programs have had and how we can be more useful by following through with the data to understand what is occurring.

During the past decade, only seven of those programs were evaluated to find out whether trainees would have achieved the same outcomes without Federal assistance.

It is little wonder that the news media has already supplied examples of failure and lack of cost effectiveness in these programs. Although anecdotal in nature, the following examples offer some graphic illustrations of the broader problems in Federal jobs training efforts: In suburban Seattle, a woman told a reporter she was enrolled in her eighth Federal job training program. She said the previous seven programs offered no more help than a phone book and a few job leads. She hoped this program would finally give her the skills she needed to pull herself out of poverty, off Government assistance, and into a good job.

In Los Angeles, one private sector job training initiative has managed to put together a fairly successful effort, but is able to do so only by patching together a mind-boggling array of funding sources. These sources include a special farm worker grant, several different programs for the disadvantaged within JTPA, the Jobs Program for Welfare Recipients, the Youth Fair Chance Program, Pell grants, and student loans, not to mention various local and State employment programs.

A recent New York Times article told the story of a private placement firm that charged States $5,500 for each welfare recipient placed in a job. While the program had some successes, the company has paid nearly $1 million, 60 percent of that in Federal matching funds, for people who never found permanent work.

Mr. President, I think the message is loud and clear: The time for half-measures for reforming the Federal job training system has passed. The current system is an obvious waste of scarce Federal resources and, more importantly, is really not providing the type of assistance and support that is needed.

I believe there is general acknowledgment that we must act now to reform the system. The administration has spoken to this need, as have many of my colleagues, and I look forward to working with them in this endeavor. In fact, the administration is proposing legislation which attempts to bring together some half-dozen programs serving dislocated workers.

The legislation that is being introduced today, the Job Training Consolidation Act, takes a different approach. Specifically, this legislation differs from the administration's in three important respects:

First, its focus is not limited to just the dislocated worker programs, but rather encompasses all Federal job training efforts.

Second, it does not call for additional new funding and does not create new categories for entitlement spending.

Third, it offers, immediately, the opportunity for States and localities to combine resources to tailor programs to meet current needs in a way that the States themselves believe is necessary to meet the particular concerns of a community or the State as a whole.

The Job Training Consolidation Act would provide both the mechanism and the strategy for overhauling the entire system. The goal is a single coherent approach to employment training to assist all jobs seekers in entering the work force, gaining basic skills, or retraining for new jobs.

To achieve this goal, the legislation takes two important steps.

First, it establishes a public-private partnership at the Federal level to move toward consolidating all existing programs following a 2-year transition period.

Second, broad waivers would be granted immediately to the States to allow maximum flexibility for coordination of the largest programs to meet local needs, such as immediate help for the jobless.

This legislation would transfer responsibility for job training to the States and, in turn, to local communities to implement programs geared to those needs. In addition, the bill requires the involvement of employers at all stages of the process.

Ultimately, an integrated system would be created that would assure job seekers information about all available employment and training services no matter where they first applied for help.

I believe we must take bold steps to reform our existing training programs, not merely add new ones in the name of reform. The bill would consolidate almost 60 programs contained in a dozen statutes without additional spending, new entitlements, tax increases, or additional layers of bureaucracy. In fact, the consolidation effort would probably result in cost savings that could be used to serve more clients more effectively. I think it will enhance the ability of all those seeking jobs to obtain better assistance in obtaining the skills they need to get a job, a good job, a job that will provide stability to an individual or a family.

I look forward to working with my colleagues in achieving this goal. I am particularly pleased to see on the floor a cosponsor in this effort who has spoken eloquently in the past on the need to provide truly inventive, creative initiatives that address the problems of Government and, more importantly, of people as they related to Government.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Job Training Consolidation Act of 1994".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.
TITLE I—USE OF FEDERAL FUNDS FOR STATE EMPLOYMENT TRAINING ACTIVITIES
Sec. 101. Formula assistance.
Sec. 102. Discretionary assistance.
Sec. 103. Trade adjustment assistance services.
Sec. 104. Employment training activities.
Sec. 105. Reports.
TITLE II—DEVELOPMENT OF STATE EMPLOYMENT TRAINING SYSTEMS
Subtitle A—Commission on Employment and Training
Sec. 201. Establishment of Commission.
Sec. 202. Powers of the Commission.
Sec. 203. Commission personnel matters.
Sec. 204. Termination of the Commission.
Sec. 205. Authorization of appropriations.
Subtitle B—Consolidation of Employment Training Programs
Sec. 211. Repeals of employment training programs.
Sec. 212. Study and report.
Sec. 213. Congressional consideration of proposed Commission reforms.

SEC. 2. FINDINGS.

Congress finds that—

(1) according to the General Accounting Office—

(A) there are currently 154 Federal employment training programs; and

(B) these programs cost nearly $25,000,000,000 annually and are administered by 14 different Federal agencies;

(2) these programs target individual populations such as economically disadvantaged persons, dislocated workers, youth, and persons with disabilities;

(3) many of these programs provide similar services, such as counseling, assessment, and literacy skills enhancement, resulting in overlapping services, wasted funds, and confusion on the part of local service providers and individuals seeking assistance;

(4) the Federal agencies administering these programs fail to collect enough performance data to know whether the programs are working effectively;

(5) the additional cost of administering overlapping employment training programs at the Federal, State, and local levels diverts scarce resources that could be better used to assist all persons in entering the work force, gaining basic skills, or retraining for new jobs;

(6) the conflicting eligibility requirements, and annual budgeting or operating cycles, of employment training programs create barriers to coordination of the programs that may restrict access to services and result in inefficient use of resources;

(7) despite more than 30 years of federally funded employment training programs, the Federal Government has no single, coherent policy guiding its employment training efforts;

(8) the Federal Government has failed to adequately maximize the effectiveness of the substantial public and private sector resources of the United States for training and work-related education; and

(9) the Federal Government lacks a national labor market information system, which is needed to provide current data on jobs and skills in demand in different regions of the country.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) COVERED ACT.—The term "covered Act" means an Act described in paragraph (3).

(2) COVERED ACTIVITY.—The term "covered activity" means an activity authorized to be carried out under a covered provision.

(3) COVERED PROVISION.—The term "covered provision" means a provision of—

(A) the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

(B) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.);

(C) part B of title III of the Adult Education Act (20 U.S.C. 1203 et seq.);

(D) part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.);

(E) section 235 or 236, or paragraph (1) or (2) of section 250(d), of the Trade Act of 1974 (19 U.S.C. 2295, 2296, or 2331(d));

(F) the Wagner-Peyser Act (29 U.S.C. 49 et seq.);

(G) title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.);

(H) section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4));

(I) the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note);

(J) section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note);

(K) title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.); and

(L) title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(4) LOCAL ENTITY.—The term "local entity" includes public and private entities.

TITLE I—USE OF FEDERAL FUNDS FOR STATE EMPLOYMENT TRAINING ACTIVITIES

SEC. 101. FORMULA ASSISTANCE.

(a) USE OF FUNDS.—Notwithstanding any other provision of Federal law, a State that receives State formula assistance for a covered activity for a fiscal year may use the assistance to carry out activities as described in section 104 for the fiscal year. Notwithstanding any other provision of Federal law, a local entity that receives local formula assistance for a covered activity for a fiscal year may use the assistance to carry out activities as described in section 104 for the fiscal year.

(b) REQUIREMENTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, a State may use such State formula assistance, and a local entity may use such local formula assistance, to carry out activities as described in section 104, without regard to the requirements of any covered Act.

(2) REMAINING PROGRAM REQUIREMENTS.—

(A) ALLOCATION AND ENFORCEMENT.—Any head of a Federal agency that allocates State formula assistance, and any State that allocates local formula assistance, for a covered activity—

(i) shall allocate such assistance in accordance with allocation requirements that are specified in the covered Acts and that relate to the covered activity, including provisions relating to minimum or maximum allocations; and

(ii)(I) if the State or local entity uses such assistance to carry out the covered activity, shall exercise the enforcement and oversight authorities that are specified in the covered Acts and that relate to the covered activity; and

(II) if the State or local entity does not use such assistance to carry out the covered activity, shall exercise such authorities solely for the purpose of ensuring that the assistance is used to carry out activities as described in section 104, and in accordance with the applicable requirements of this title.

(B) ADMINISTRATIVE EXPENSE LIMITS.—Each State that receives State formula assistance, and each local entity that receives local formula assistance, for a covered activity—

(i) shall comply with any limits on administrative expenses that are specified in the covered Acts and that relate to the covered activity; and

(ii) for any fiscal year, may not use a greater percentage of the State formula assistance or local formula assistance to pay for the administrative expenses of activities carried out under section 104 than the State or entity used to pay for such administrative expenses relating to the covered activity for fiscal year 1994.

(C) CONDITIONAL BENEFITS.—Any State that receives State formula assistance to carry out a covered activity described in a covered provision specified in subparagraph (D) or (H) of section 3(3) and that uses the assistance to carry out activities as described in section 104 shall carry out an activity that is appropriate for persons who would otherwise be eligible to participate in the covered activity. Any person in the State who would otherwise be required to participate in the covered activity in order to obtain Federal assistance under a covered Act shall be eligible to receive the assistance by participating in such appropriate activity.

(D) AVAILABILITY OF APPROPRIATIONS.—Nothing in this section shall affect the period for which any appropriation under a covered Act remains available.

(c) DEFINITIONS.—As used in this section:

(1) LOCAL FORMULA ASSISTANCE.—The term "local formula assistance" means assistance made available by a State to a local entity under—

(A)(i) subsections (a)(2) and (b) of section 202 of the Job Training Partnership Act (29 U.S.C. 1602);

(ii) section 252(b) of such Act (29 U.S.C. 1631(b)) in accordance with subsections (a)(2) and (b) of section 262 of such Act (29 U.S.C. 1642);

(iii) subsections (a)(2) and (b) of section 262 of such Act (29 U.S.C. 1642); or

(iv) subsections (a)(1). (b). and (d) of section 302 of such Act (29 U.S.C. 1652);

(B)(i) section 102(a)(1). and section 231(a) or 232 of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2312(a)(1). and 2341(a) or 2341a); or

(ii) section 353(b) of such Act (20 U.S.C. 2395b(b)); or

(C) section 722(g)(3)(B) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(g)(3)(B).

(2) STATE FORMULA ASSISTANCE.—The term "State formula assistance" means assistance made available by an agency of the Federal Government to a State under—

(A)(i) subsections (a)(2) and (c) of section 202 of the Job Training Partnership Act (29 U.S.C. 1602);

(ii) subsections (a)(2) and (c) of section 262 of such Act (29 U.S.C. 1642);

(iii) subsections (a)(1). (b). and (c)(1) of section 302 of such Act (29 U.S.C. 1652); or

(iv) sections 502(d) and 503 of such Act (29 U.S.C. 1791a(d));

(B)(i) section 101(a)(2) of the Carl D. Perkins Vocational Education Act (20 U.S.C. 2311(a)(2)) (other than assistance made available under section 231(a) or 232 of such Act (20 U.S.C. 2341(a) or 2341a) to local educational agencies or other local entities within the State);

(ii) section 112(f) of such Act (20 U.S.C. 2322(f)); or

(iii) section 343(b)(1) of such Act (20 U.S.C. 2394a(b)(1));

(C) section 313(b) of the Adult Education Act (20 U.S.C. 120ib(b)) (other than assistance reserved to carry out part D of title III of such Act (20 U.S.C. 1213 et seq.));

(D) subsection (k) or (l) of section 403 of the Social Security Act (42 U.S.C. 603);

(E) section 6(b)(1) of the Wagner-Peyser Act (29 U.S.C. 49e(b)(1));

(F)(i) subsection (a) or (b) of section 110 of the Rehabilitation Act of 1973 (29 U.S.C. 730) (less any amount reserved under subsection (d) of such section);

(ii) section 112(e) of such Act (29 U.S.C. 732(e)); or

(iii) section 124 of such Act (29 U.S.C. 744);

(G) section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) (other than funds made available under subparagraph (B) of such section);

(H)(i) section 201(b) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note);

(ii) section 301(b) of such Act (8 U.S.C. 1522 note); or

(iii) section 401(b) of such Act (8 U.S.C. 1522 note);

(I) section 204(b) of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note);

(J)(i) section 722(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11432(b)) (other than funds made available under section 722(g)(3)(B) of such Act); or

(ii) section 752(a) of such Act (42 U.S.C. 11462(a)); or

(K) section 506(a)(3) of the Older Americans Act of 1965 (42 U.S.C. 3056d(a)(3)).

SEC. 102. DISCRETIONARY ASSISTANCE.

(a) IN GENERAL.—

(1) PRIOR ASSISTANCE.—Notwithstanding any other provision of Federal law. a State or local entity that received. prior to the date of enactment of this Act. discretionary assistance for a covered activity for a fiscal year may use the assistance to carry out activities as described in section 104 for the fiscal year.

(2) FUTURE ASSISTANCE.—Notwithstanding any other provision of Federal law. a State or local entity that is eligible to apply for discretionary assistance for a covered activity for a fiscal year may apply. as described in subsection (c). for the assistance to carry out activities as described in section 104 for the fiscal year.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection. a State or local entity that receives discretionary assistance prior to the date of enactment of this Act or on approval of an application submitted under subsection (c) may use the discretionary assistance to carry out activities as described in section 104. without regard to the requirements of any covered Act.

(2) REMAINING PROGRAM REQUIREMENTS.—A State or local entity that uses discretionary assistance to carry out such activities shall use the assistance in accordance with the requirements of subparagraphs (A). (B). and (D) of section 101(b)(2). which shall apply to such assistance in the same manner and to the same extent as the requirements apply to State formula assistance or local formula assistance. as appropriate. used under section 101.

(c) ADDITIONAL INFORMATION IN APPLICATION.—A State or local entity seeking to use discretionary assistance as described in subsection (a)(2) shall include in the application (under the covered provision involved) of the State or local entity for the assistance (in lieu of any information otherwise required to be submitted)—

(1) a description of the funds the State or local entity proposes to use to carry out activities as described in section 104;

(2) a description of the activities to be carried out with such funds;

(3) a description of the specific outcomes expected of participants in the activities; and

(4) such other information as the head of the agency with responsibility for evaluating the application may require.

(d) EVALUATION OF APPLICATION.—In evaluating an application described in subsection (c), the agency with responsibility for evaluating the application shall evaluate the application by determining the likelihood that the State or local entity submitting the application will be able to carry out activities as described in section 104. In evaluating applications for discretionary assistance, the agency shall not give preference to applications proposing covered activities over applications proposing activities described in section 104.

(e) DEFINITION.—As used in this section, the term "discretionary assistance" means assistance that—

(1) is not State formula assistance or local formula assistance, as defined in section 101(c);

(2) is not Federal assistance available to provide services described in section 235 or 236, or paragraph (1) or (2) of section 250(d), of the Trade Act of 1974 (19 U.S.C. 2295, 2296, or 2331(d)); and

(3) is made available by an agency of the Federal Government. or by a State. to a State or local entity to enable the State or local entity to carry out an activity under a covered provision.

SEC. 103. TRADE ADJUSTMENT ASSISTANCE SERVICES.

(a) USE OF ASSISTANCE.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law. if the Secretary of Labor initiates efforts under section 235 of the Trade Act of 1974 (19 U.S.C. 2295) to secure services described in such section 235 (including services that are provided under section 250(d)(1) of such Act (19 U.S.C. 2331(d)(1))) for a worker. or if the Secretary makes a determination under section 236(a) of the Trade Act of 1974 (19 U.S.C. 2296(a)) that entitles a worker to payments described in such section for services (including services for which payment is provided under section 250(d)(2) of such Act). the Secretary shall notify the State in which the worker is located.

(2) ACTIVITIES.—A State that receives such notification may apply under subsection (c) for the Federal assistance that would otherwise have been expended to provide services described in paragraph (1) to the worker. to enable the State to carry out activities as described in section 104 for the fiscal year. If the State has received such assistance in advance. the State may apply under subsection (c) to use such assistance to enable the State to carry out activities as described in section 104 for the fiscal year.

(b) REQUIREMENTS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection. a State that receives such Federal assistance and receives approval of an application submitted under subsection (c) may use the assistance to carry out activities as described in section 104. without regard to the requirements of any covered Act.

(2) REMAINING PROGRAM REQUIREMENTS.—A State that uses such Federal assistance to carry out such activities shall use the assistance in accordance with the requirements of subparagraphs (A)(ii). (B). and (D) of section 101(b)(2). which shall apply to such assistance in the same manner and to the same extent as the requirements apply to State formula assistance or local formula assistance. as appropriate. used under section 101.

(3) CONDITIONAL BENEFITS.—Any State that receives Federal assistance that would otherwise have been expended to provide services described in subsection (a)(1) to a worker. and that uses the assistance to carry out activities as described in section 104. shall carry out eligible alternative activities that are appropriate for the worker. If the worker would otherwise be required to receive such services in order to obtain Federal funds under another provision of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.). the worker shall be eligible to receive the funds by participating in such eligible alternative activities.

(c) ADDITIONAL INFORMATION IN APPLICATION.—A State seeking to use Federal assistance that would otherwise have been expended to provide services described in subsection (a)(1) to a worker shall submit an application to the Secretary of Labor, at such time and in such manner as the Secretary may require, that contains—

(1) a description of the Federal assistance the State proposes to use to carry out activities as described in section 104;

(2) a description of the activities to be carried out with such assistance;

(3) a description of the specific outcomes expected of participants in the activities; and

(4) such other information as the Secretary of Labor may require.

(d) EVALUATION OF APPLICATION.—In evaluating an application described in subsection (c), the Secretary of Labor shall evaluate the application by determining the likelihood that the State submitting the application will be able to carry out activities as described in section 104. In evaluating applications for such Federal assistance, the Secretary of Labor shall not give preference to applications proposing covered activities over applications proposing activities described in section 104.

SEC. 104. EMPLOYMENT TRAINING ACTIVITIES.

A State or local entity that receives State formula assistance or local formula assistance as described in section 101(a), receives discretionary assistance as described in section 102(b), or receives Federal assistance as described in section 103(b), may—

(1) use the assistance to carry out activities to develop a comprehensive statewide employment training system that—

(A) is primarily designed and implemented by communities to serve local labor markets in the State involved;

(B) requires the participation and involvement of private sector employers in all phases of the planning, development, and implementation of the system, including—

(i) determining the skills to be developed by each employment training program carried out through the system; and

(ii) designing the training to be provided by each such program;

(C) assures that State and local training efforts are linked to available employment opportunities;

(D) includes standards for determining the effectiveness of such programs; and

(E) is an integrated system that assures that individuals seeking employment in the State will receive information about all available employment training services provided in the State, regardless of where the individuals initially enter the system; or

(2) may use the assistance that would otherwise have been used to carry out 2 or more covered activities—

(A) to address the high priority needs of unemployed persons in the State or community involved for employment training services;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating one of the covered activities and increasing the funding to the remaining covered activity.

SEC. 105. REPORTS.

(a) STATE REPORTS.—

(1) PREPARATION.—A State that receives State formula assistance as described in section 101(a), receives discretionary assistance as described in section 102(b), or receives Federal assistance as described in section 103(b), and that uses the assistance to carry out activities as described in section 104 shall annually prepare a report containing—

(A) information on the amount and origin of such assistance;

(B) information on the activities carried out with such assistance;

(C) information regarding the populations to be served with such assistance, such as economically disadvantaged persons, dislocated workers, youth, and individuals with disabilities;

(D) a summary of the reports received by the State under subsection (b); and

(E) such other information as the Secretaries, in consultation with the Commission, may require.

(2) SUBMISSION.—The State shall submit the report described in paragraph (1)—

(A) with respect to the activities carried out during the year beginning on the date of enactment of this Act, to the Chairperson of the Commission, the Committee on Education and Labor of the House of Representatives, and the Committee on Labor and Human Resources of the Senate, not later than 60 days after the end of such year; and

(B) with respect to the activities carried out during the subsequent year, to the committees specified in subparagraph (A), not later than 60 days after the end of such year.

(b) LOCAL ENTITY REPORTS.—

(1) PREPARATION.—A local entity that receives local formula assistance as described in section 101(a), or that receives discretionary assistance as described in section 102(b), and uses the assistance to carry out activities as described in section 104 shall annually prepare a report containing—

(A) information on the amount and origin of such assistance;

(B) information on the activities carried out with such assistance;

(C) information regarding the populations to be served with such assistance, such as economically disadvantaged persons, dislocated workers, youth, and individuals with disabilities; and

(D) such other information as the State that allocated the assistance may require.

(2) SUBMISSION.—The local entity shall submit the report described in paragraph (1)—

(A) with respect to the activities carried out during the year beginning on the date of enactment of this Act, to the State not later than 30 days after the end of such year; and

(B) with respect to the activities carried out during the subsequent year, to the State not later than 30 days after the end of such subsequent year.

TITLE II—DEVELOPMENT OF STATE EMPLOYMENT TRAINING SYSTEMS

Subtitle A—Commission on Employment and Training

SEC. 201. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Commission on Employment and Training (referred to in this Act as the "Commission").

(b) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall be composed of 7 members, including—

(A) 4 members, appointed by the President;

(B) the Secretary of Labor;

(C) the Secretary of Education; and

(D) the Secretary of Commerce.

(2) QUALIFICATIONS.—In appointing the 4 members of the Commission described in paragraph (1)(A), the President shall appoint members from among persons representing private sector businesses, and shall select the 4 members so as to ensure representation of both small and large businesses.

(3) CONSULTATION.—In selecting individuals for nominations for appointments to the Commission under paragraph (1)(A), the President shall consult with—

(A) the Speaker of the House of Representatives concerning the appointment of 1 member;

(B) the Majority Leader of the Senate concerning the appointment of 1 member;

(C) the Minority Leader of the House of Representatives concerning the appointment of 1 member; and

(D) the Minority Leader of the Senate concerning the appointment of the remaining member.

(4) DATE.—The President shall appoint the 4 members of the Commission not later than 60 days after the date of enactment of this Act.

(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect the powers of the Commission, but shall be filled in the same manner as the original appointment.

(d) FUNCTIONS.—The Commission shall carry out the functions described in section 212.

(e) MEETINGS.—

(1) FREQUENCY.—The Commission shall meet not less often than 4 times per year.

(2) OPEN MEETINGS.—Each meeting of the Commission shall be open to the public.

(3) VOTING.—For purposes of all votes of the Commission, the 4 members described in subsection (b)(1)(A) shall each have 1 vote, and the remaining 3 members shall collectively have a fifth vote. Such 3 members shall determine how such fifth vote shall be cast, by a majority vote among as many of the 3 members as are in attendance.

(4) CABINET OFFICIALS.—Each person holding a position described in section 5312 of title 5, United States Code, may attend and present information at any meeting of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Commission shall elect a Chairperson from among the members described in subsection (b)(1)(A).

SEC. 202. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this Act.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal agency such information as the Commission considers necessary to carry out the provisions of this Act. Upon request of the Chairperson of the Commission, the head of such agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) GIFTS.—The Commission may accept, use, and dispose of gifts or donations of services or property.

SEC. 203. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) MEMBER.—Each member of the Commission who is not the Chairperson of the Commission and who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) CHAIRPERSON.—The Chairperson of the Commission shall be paid for each day referred to in paragraph (1) at a rate equal to

the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) DIRECTOR OF STAFF.—

(1) APPOINTMENT.—The Commission may, without regard to the civil service laws and regulations, appoint and terminate an individual who has not served as an employee of the Department of Labor, the Department of Education, or the Department of Commerce during the 1-year period preceding the date of such appointment, to serve as the Director of the Commission.

(2) COMPENSATION.—The Director shall be paid at the rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(d) STAFF.—

(1) IN GENERAL.—The Director, with the approval of the Commission, may, without regard to the civil service laws and regulations, appoint and terminate such personnel as may be necessary to enable the Commission to perform its duties. Not less than 50 percent of such personnel shall be appointed from individuals who were employed in the private sector immediately prior to appointment as personnel of the Commission.

(2) COMPENSATION.—The Director, with the approval of the Commission, may fix the compensation of the personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the personnel may not exceed the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) DETAIL OF GOVERNMENT EMPLOYEES.—

(1) IN GENERAL.—Upon request of the Director, with the approval of the Commission, the head of any Federal agency may detail any of the personnel of that agency to the Commission to assist the Commission in carrying out its duties under this part. Such detail shall be without interruption or loss of civil service status or privilege.

(2) LIMITATIONS.—Not more than 50 percent of the personnel employed by or detailed to the Commission may be on detail from any agency of the Federal Government. No officer or employee of any of such an agency may prepare, or approve or disapprove, the report described in section 212, except by casting a vote as provided in section 201(e)(3).

(f) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

SEC. 204. TERMINATION OF THE COMMISSION.

The Commission shall terminate 90 days after the date on which the Commission submits the report of the Commission under section 212(b).

SEC. 205. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $15,000,000 for fiscal year 1995 to carry out the functions of the Commission.

(b) AVAILABILITY.—Any sums appropriated under the authorization contained in this section shall remain available, without fiscal year limitation, until expended.

Subtitle B—Consolidation of Employment Training Programs

SEC. 211. REPEALS OF EMPLOYMENT TRAINING PROGRAMS.

(a) IN GENERAL.—The following provisions are repealed:

(1) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(2) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(3) Part B of title III of the Adult Education Act (20 U.S.C. 1203 et seq.).

(4) Part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.).

(5) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(6) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(7) Title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(8) Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(9) The Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note).

(10) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(11) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.).

(12) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 250(d) of the Trade Act of 1974 (as amended by subsection (a)(5)) is amended by redesignating paragraphs (3), (4), and (5) as paragraphs (1), (2), and (3), respectively.

(c) EFFECTIVE DATE.—The repeals made by subsection (a), and the amendments made by subsection (b), shall take effect 29 months after the date of enactment of this Act.

SEC. 212. STUDY AND REPORT.

(a) STUDY.—The Commission shall, in consultation with the appropriate agencies of the Federal Government, the appropriate committees of the Congress, the Director of the Office of Management and Budget, and States and local entities, conduct a study to—

(1) develop a single, coherent national policy, to guide federally funded employment training efforts, that would assist individuals in entering the work force, gaining skills, adding to skills, or retraining for new jobs;

(2)(A)(i) review the programs and activities that are being carried out under the provisions described in section 211(a);

(ii) review the reports submitted under section 105(a)(2)(A) concerning activities described in section 104 that are carried out under title I, especially activities related to efforts to develop comprehensive statewide employment systems; and

(iii) review all other Federal employment training programs; and

(B) examine strategies for consolidating or eliminating the programs and activities described in subparagraph (A) to create a single, comprehensive employment training system that—

(i) gives the States maximum flexibility in carrying out employment training programs through the system;

(ii) leads to a single, integrated approach to employment training that assures that individuals seeking employment in a State will receive information about all available employment training services provided through the system, regardless of where the individuals initially enter the system; and

(iii) leads to a single, integrated approach to job training that requires the participation and involvement of private sector employers in the planning, development and implementation of locally established employment training initiatives;

(3) examine strategies for encouraging participation by private sector employers in local employment training programs that link local training efforts to available employment opportunities;

(4) determine the best administrative structure for such a system, and the agency that will conduct Federal oversight of the system;

(5) examine strategies for implementing a national online labor market information system to provide States and units of general local government with—

(A) descriptions of job duties, training and education requirements, working conditions, and characteristics of occupations;

(B) current supply and demand statistics on various job skills;

(C) information on geographic locations where specific jobs and job skills are in greatest demand; and

(D) information on the best practices used by other States in providing the most effective employment services and training to workers; and

(6) determine appropriate standards—

(A) for the Federal Government to measure the overall effectiveness of employment training programs;

(B) for the States to provide the most effective employment services; and

(C) that specify a common terminology for programs and services carried out under the system, in order to facilitate access to such services among States and localities.

(b) REPORT.—Not later than 26 months after the date of enactment of this Act, the Commission shall—

(1) prepare and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report containing the findings of the Commission, and recommendations for proposed reforms, based on the study described in subsection (a); and

(2) submit to the Congress a draft of a joint resolution containing provisions to—

(A) consolidate or eliminate the programs and activities described in subsection (a)(2)(A) to create the national employment training system described in subsection (a)(2)(B);

(B) implement strategies described in subsection (a)(3);

(C) establish or designate the agency, and establish the structure, described in subsection (a)(4);

(D) establish the system described in subsection (a)(5); and

(E) implement the standards described in subsection (a)(6).

(c) MODIFICATION.—Notwithstanding any other provision of this Act and to the extent the Commission determines it is appropriate and fiscally responsible, the Commission may include in the joint resolution a provision to reduce the period between the date of the enactment of this Act and the effective date provided in section 211(c).

(d) PROHIBITION ON ADDITIONAL ENTITLEMENTS.—

(1) PROHIBITION.—The Commission may not submit a joint resolution under subsection

(b) that establishes an additional right for any person to bring an action to obtain services under the programs established in such resolution.

(2) Relationship to existing entitlements.—The Commission shall not be prohibited from submitting such a resolution—

(A) that maintains the right of a person to receive Federal assistance by participating in such services, if the person is required under Federal law other than the resolution to participate in a covered activity described in section 101(b)(2)(C) or 103(b)(3) to receive the assistance; or

(B) that does not maintain such right.

SEC. 213. CONGRESSIONAL CONSIDERATION OF PROPOSED COMMISSION REFORMS.

(a) Expedited Procedure.—

(1) Contents of resolution.—For the purposes of this section, the term "joint resolution" means the joint resolution described in section 212.

(2) Referral to committee.—A joint resolution introduced in the House of Representatives shall be referred to the Committee on Education and Labor of the House of Representatives. A joint resolution introduced in the Senate shall be referred to the Committee on Labor and Human Resources of the Senate. Such a joint resolution may not be reported before the 15th day after the introduction of the joint resolution.

(3) Discharge of committee.—If a committee to which a joint resolution is referred has not reported such joint resolution (or an identical joint resolution) at the end of 30 days after the introduction of the joint resolution, such committee shall be deemed to be discharged from further consideration of such joint resolution and such joint resolution shall be placed on the appropriate calendar of the House involved.

(4) Motion to proceed.—When a committee to which a joint resolution is referred has reported, or has been deemed to be discharged (under paragraph (3)) from further consideration of, a joint resolution, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to, and notwithstanding the provisions of Rule XXII of the Standing Rules of the Senate) for any Member of the respective House to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the respective House until disposed of.

(5) Floor consideration in the house of representatives.—

(A) General debate.—General debate on a joint resolution in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the joint resolution is not in order, and it is not in order to move to reconsider the vote by which the joint resolution is agreed to or disagreed to.

(B) Consideration.—Consideration of any joint resolution by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the 5-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion.

(C) Conference report.—Debate in the House of Representatives on the conference report on any joint resolution shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(D) Rules of the house of representatives.—Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any joint resolution shall be decided without debate.

(6) Debate in the senate.—

(A) General debate.—Debate in the Senate on any joint resolution, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(B) Amendments.—Debate in the Senate on any amendment to a joint resolution shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the joint resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the joint resolution, except that in the event the manager of the joint resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not relevant to the provisions of such joint resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the joint resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal. Immediately following the conclusion of the debate on a joint resolution, and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(C) Motions.—A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the joint resolution.

(D) Conference report.—

(i) Motion to proceed.—A motion to proceed to the consideration of the conference report on any joint resolution may be made even though a previous motion to the same effect has been disagreed to.

(ii) Amendments.—During the consideration in the Senate of the conference report (or a message between Houses) on any joint resolution and all amendments in disagreement, and all amendments thereto, and debatable motions and appeals in connection therewith, debate shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report (or a message between Houses) shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report (or a message between Houses).

(iii) Amendments in disagreement.—In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not relevant to the provisions of such amendments shall be received.

(7) Coordination with action by other house.—If, before the passage by one House of a joint resolution of that House, that House receives from the other House a joint resolution, then the following procedures shall apply:

(A) The joint resolution of the other House shall not be referred to a committee.

(B) With respect to a joint resolution of the House receiving the joint resolution—

(i) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(ii) the vote on final passage shall be on the joint resolution of the other House.

(8) Time limit for acting.—The vote on passage of the joint resolution in each House shall occur on or before the date that is 29 months after the date of enactment of this Act.

(9) Computation of days.—For purposes of this subsection, in computing a number of days in either House, there shall be excluded any day on which the House is not in session.

(b) Rules of House of Representatives and Senate.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such this section is deemed to be a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution, and this section supersedes other rules only to the extent that this section is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

Remarks by Senator Nancy Landon Kassebaum on the Job Training Consolidation Act of 1994

The Problem: According to the General Accounting Office, the federal government currently oversees 154 job training programs, administered by 14 different federal agencies, for a total cost of almost $25 billion. This patchwork system is fragmented, duplicative, ineffective, and confusing to job-seekers and training-providers alike. For example, there are 34 separate literacy programs for the disadvantaged alone. Conflicting eligibility and income requirements add to the barriers states face in providing assistance to job-seekers.

The Objective: The Job Training Consolidation Act of 1994 will take the existing job training system and "wipe the slate clean."

The bill is more far-reaching than the administration's Reemployment Act of 1994, in that it provides a framework for overhauling the entire system rather than dealing only with the handful of programs serving dislocated workers. The goal is a single, coherent approach to employment training—to assist all job-seekers in entering the work force, gaining basic skills, or retraining for new jobs.

The Legislation: The approach will be twofold. First, a mechanism will be established at the federal level to consolidate existing programs in order to develop a single system of employment and training. Second, broad waivers will be granted immediately to allow maximum flexibility for coordination of programs at the state and local levels, with the active involvement of the private sector.

Specifically, this legislation will create a public-private partnership charged with developing a national policy and goals for a new comprehensive system. The partnership will oversee the consolidation and dismantling of existing programs, while laying the groundwork for comprehensive reform. Such reform will include:

Shifting primary responsibility to the states, and in turn to local communities, for design and implementation of job training systems geared to serve local labor markets.

Requiring the involvement of employers in the choice and design of the types of skills and training needed in each local job training program.

Creating an integrated system that assures job-seekers will receive information about all available employment and training services—no matter where they first apply for help.

Eliminating ineffective and duplicative programs.

Providing new standards for determining program effectiveness.

In addition, a national on-line labor market information system will be created to disseminate job market information as well as best practices for providing the most effective training services.

Finally, the legislation will grant to the states broad waivers for the 12 largest federal job training programs, to allow consolidation to begin immediately at the state and local levels. The waivers will be in effect during the two-year transition period leading to final implementation of comprehensive reform.

Mr. KERREY. Mr. President, let me, first of all, commend the distinguished Senator from Kansas [Mrs. KASSEBAUM].

There are two things I call to the attention of my colleagues about this legislation that I believe are extremely important. Indeed, it is constantly mentioned by the American people that they want action in both of these areas.

The first is they look to Washington, DC, and they see a lot of waste. They see a lot of duplication of effort. I suspect most of our colleagues this week were visited by mayors who came to town talking about unfunded mandates and the difficulty of getting Federal programs to work.

This piece of legislation deals with that head on. There are 154 job training programs, as the distinguished Senator from Kansas has just said, that are administered by 14 different Federal agencies. Not only is the total cost of this effort, approximately $25 billion, but having these efforts in all these different agencies, 14 different agencies, makes it difficult for States and localities to do the very important work of job training, which is the second thing about this legislation that I call to the attention of my colleagues.

This week the President invited the G-7 leaders to come to Detroit to talk about what do we do as industrial countries to increase the number of high-paying jobs in America and the rest of the industrial world. It is a tremendous challenge. It is not an easy challenge for us to meet. But the simplest way, in my judgment, to discover what it is we need to do is, to find those high-paying jobs and ask yourself what do these individuals have that are different from people who are earning less money.

Mr. President, every single time that you find yourself in that situation, the answer to that question is they have higher skills because they had training that enabled them to do exactly what that job requires.

That is a difficulty that we have today, Mr. President, with the current division of responsibility between 14 different agencies, and the lack of flexibility that States have and that localities have in being able to tailor the effort for the particular requirement of the job.

We have had example after example. I have talked to Nebraska people who are involved with job training, the Nebraska members of the Chamber of Commerce, the people who are involved in job service, people who are involved in the Job Training Partnership Act. Over and over what they say is they will find themselves in a situation that they know what they need to do, they know exactly what it is that needs to be done, but the Federal regulations do not allow them to do it. They find themselves increasingly frustrated with the task at hand.

Mr. President, all of us who have been involved in politics have occasionally had to answer the question, well, why do you do it? What is there in this effort of giving speeches on the floor and raising money for reelection campaigns and all the travel and separation from family that occurs as a consequence of this work? Why would anybody want to get involved with politics?

I see in the gallery some young people who are here visiting Washington who may themselves be asking that very question.

Mr. President, in my 9 years of being involved as a political representative, first as Governor and now as Senator, the most satisfying moment occurs when I know that as a consequence of Government's effort some individuals have increased their skills and can improve their capacity to do something. As a result of that effort, they now find themselves not just with a job, but a job that provides them with some sense of dignity, some sense of purpose.

Mr. President, I got out of high school in 1961 in Lincoln, NE. In 1961 you could graduate from high school and you could get a job in Lincoln working for Goodyear, working for Burlington Northern, working for Cushman, working for Western Electric, working at AT&T at a manufacturing job. There were lots of jobs out there, Mr. President. And in 1961 the rule was you could go get a job, get married, support a family on that wage, you did a couple of years in the service, and when you got back from the service your work was waiting for you there, and you expected to be there for 40 or 45 years. All that was really required in 1961 was a willingness to work hard. A strong back was about all that it took in 1961.

Well, today that is not the case. There are not very many high-paying, low-skill jobs left in America. And so this job training effort is extremely important and may be one of the most important things that we are doing with taxpayer dollars. It may be one of the most important, one of the most satisfying things we can do with our taxes is to help individuals increase their skills so they are able to get the high-paying job.

Mr. President, I am proud to be an original cosponsor of this legislation. I think it is extremely important both from the standpoint of reducing waste, making this Government operate better, showing the taxpayers we are vigilant to make certain their money is being well spent.

I also believe it is extremely important because job training is the answer to the question of how do we create high-paying jobs in America. The answer is that we have to have site-specific training. We have to have training related to that business when they bring that new manufacturing equipment on line. They have to have the training effort there so the individuals can increase their skills to be able to handle new, modern, more complicated machinery.

So I hope that this piece of legislation is seen by the administration as a constructive effort to do precisely what the Vice President and the President have been talking about; streamlining the Government, making its performance review—in fact, increase the performance of our Government. But equally important, I hope the administration sees this legislation as a way to make job training work and work for the purpose of increasing the skills of Americans and increasing the numbers of high-paying jobs in this country.

Mr. DURENBERGER. Mr. President, I am proud to join today with the distinguished ranking member of the Labor and Human Resources Committee, Senator KASSEBAUM, my friend and colleague from Nebraska, Senator KERREY, and Senator CHAFEE, in introducing the Job Training Consolidation Act of 1994.

The Job Training Consolidation Act is a bold, necessary, thoughtful, and very serious attempt to reinvent the labyrinth of Federal programs that masquerades today as our Nation's reemployment and job training system.

Senator KASSEBAUM has already described this initiative in some detail. I would just like to expand on some of the points she has made, and discuss my own reasons for supporting this legislation. In particular, I want to highlight the reasons I have decided to join with Senator KASSEBAUM and Senator KERREY to support this initiative—instead of the administration's Reemployment Act—as the starting point for reshaping the hodgepodge of current training and income assistance programs into a coherent national system for reemployment.

Let me begin by commending the Clinton administration—and especially Labor Secretary Robert Reich—for recognizing that our Nation's job training programs need fixing, and for putting this issue high on our national agenda. According to the General Accounting Office, there are currently over 150 Federal job training programs administered by 14 different Federal departments and independent agencies costing nearly $25 billion. These programs do not function as a comprehensive, cohesive system, but often operate in isolation. This fragmented system is duplicative, ineffective, costly, and confusing to jobseekers and training providers alike. Conflicting eligibility and income requirements add to the barriers States face in providing assistance.

The administration's Reemployment Act, which will be introduced sometime this week, is a significant first step down the long road to reform.

Mr. President, I have a great deal of respect for what Secretary Reich has done to bring this issue to our attention. I have made sure that President Clinton and Secretary Reich know of my interest in reforming our Nation's job training and income support programs.

I hope to build on my own strong record of collaboration with the administration on education and job training issues—such as student loan reform, Goals 2000, the school-to-work and national service bills, and the Elementary and Secondary Education Act—to help move fundamental job training reform legislation through Congress this year.

I know there are many people of good will on both sides of the aisle in this body—including Senator KASSEBAUM and Senator KERREY—who share my goals. I can only say that I hope all parties will come to the table with sincerity, honesty, creativity, and the willingness to look beyond the margins of their own legislation to get something done. We owe that to the millions of American people for whom job training and income support are a lifeline.

In starting this debate, the administration has given us an opportunity to reform the crazy quilt of Federal job training programs by developing an integrated national reemployment strategy. It is an opportunity we cannot afford to pass up.

I support much of what is in the administration's Reemployment Act. The Reemployment Act would consolidate six existing job training programs under the Department of Labor's jurisdiction, and set up one-stop career centers where workers would receive job assistance services, training, and information about other job opportunities at a single entry point.

The bill would institute early identification programs for people at risk of becoming long-term unemployed, and provide better quality labor market information to jobseekers.

Perhaps most importantly, it recognizes that the unemployment compensation system must be modernized to deal more effectively with structural dislocation as well as temporary layoffs caused by cyclical economic downturns.

The administration's Reemployment Act is a good start. But, as the Job Training Consolidation Act we are introducing today recognizes, it is only a start. I believe we must go farther if we are to truly serve the needs of American workers and businesses.

The Job Training Consolidation Act will allow us to wipe the slate clean and develop a single, coherent U.S. job training and employment strategy which shifts primary responsibility for reemployment services to the States and local communities. That's where it belongs.

This approach is twofold. First, the legislation would establish a national commission to formulate a cohesive reemployment strategy and report its recommendations to Congress within 2 years. Second, the legislation will grant broad waivers to the States from the 12 largest Federal job training programs, to allow coordination to begin immediately at the State and local levels.

I want to make two things clear. First, I have decided to support the Job Training Consolidation Act as the starting point for reform. I believe that any reform legislation we ultimately pass will look very different from both the administration's Reemployment Act and this legislation.

Second, I am supporting the Job Training Consolidation Act not because the administration's bill goes too far, but because it does not go far enough. The administration's Reemployment Act addresses problems with only 6 of the current 154 training programs—representing less than one-third of the Federal dollars spent on job training.

Reforming Federal job training programs in a piecemeal fashion will only add to the existing problems of client access, differing eligibility and reporting requirements, and fragmented lines of authority for operating programs. Unless we make a serious effort to integrate various reform initiatives, we will lose an important opportunity to consolidate and improve the programs in ways that benefit both taxpayers and the customers of job training services.

Mr. President, let me briefly discuss the three main principles that will guide my approach to job training and income support reform this year.

First, I believe we need to convert the current patchwork of Federal job training programs into a cohesive, coherent, comprehensive, customer-friendly reemployment system.

Second, any reform initiative ought to put responsibility and accountability where they belong—at the State and local level. There has been a great deal of evidence in recent years that our current Federal job training programs are ineffective and unable to adequately meet the needs of their clients. Instead of simply building on the current Federal job training system, we need to make States and local communities full partners in developing and implementing reemployment services tailored to the needs of their local labor markets.

In an attempt to improve local service delivery of Federal employment training services, several States and communities, including those in Minnesota, have taken the initiative in recent years to reorganize their service delivery system to better coordinate services at the local level. But their efforts have been hampered by differences in Federal program requirements, such as differences in eligibility criteria and planning and budgeting cycles.

Therefore, we should recognize that perhaps the most valuable contribution the Federal Government can make to job training reform is to get out of the way of State and local reform efforts.

Third, I believe strongly that any new reemployment system must be coordinated with current welfare reform and student aid reform efforts. Since Federal welfare programs, student aid, and job training programs often serve the same disadvantaged adult population, I believe that reform efforts in all three of these areas should be coordinated as they are developed so as to minimize problems for clients, States, and localities.

As we coordinate these reform efforts, our emphasis should be on prevention. We must do more to help people stay off public assistance in the first place. And for those who do need assistance, we should make sure that programs are designed to get them into the work force—or back into the work force—as quickly as possible.

Mr. President, the Job Training Consolidation Act is not perfect. It lacks, for example, the important income support reform proposals contained in the administration's bill. However, at this stage, it is more consistent with my broader approach to reemployment reform, as highlighted by the principles I have just outlined.

Finally, Mr. President, let me say that I do realize that many programs I have supported in the past may be significantly redesigned, or even repealed, under the Job Training Consolidation Act.

In this regard, it is important to point out that there are safeguards in the bill to ensure that populations served under existing programs will continue to be served under any new program. For example, States will not be able to obtain waivers from existing programs under the bill unless they demonstrate that populations served under those programs are being served.

It is also important to point out that the bill does not reduce overall funding for U.S. job training programs. It merely folds these programs into a comprehensive program. By reducing costs due to program inefficiencies, paperwork, bureaucracy, and overlap, I believe we will make more money available directly to people who need training.

I believe that everyone will be served better by this reform effort. It's clear that the current programs are not up to par. To take just one example: According to the GAO, the Nation's $2 billion-a-year vocational rehabilitation program serves only a small proportion of potential beneficiaries, and the gains achieved by disabled participants fade substantially after 2 years.

As ranking member of the Subcommittee on Disability Policy, let me assure you that I would never support this initiative if I believed it would have the effect of reducing current support to individuals with disabilities and others who are disadvantaged.

I believe the Vocational Rehabilitation Act and other programs would better serve targeted populations if more flexibility were given to States and local communities.

That's the guiding spirit behind the legislation we are introducing today. As I mentioned earlier, I hope to build on my past record of cooperation with the administration to bridge the differences between the Reemployment Act and the broader approach that Senator KERREY, Senator KASSEBAUM and I have endorsed in the Job Training Consolidation Act.

Mr. CHAFEE. Mr. President, today our distinguished colleague, the Senator from Kansas, [Mr. KASSEBAUM], introduced the Job Training Consolidation Act of 1994.

As a ranking Republican on the Labor and Human Resources Committee, Senator KASSEBAUM has crafted what, in my judgment, is a very thoughtful bill. What it does is consolidates the confusing array of Federal job training programs, some 154 separate programs in total. Importantly, the legislation provides immediate flexibility to States and localities to use Federal job training funds totaling some $25 billion a year. This is astonishing the amount of money we are putting into these job training programs, $25 billion a year. What this bill does is it provides, as I say, the immediate flexibility to States and localities to use these job training funds on programs and priorities of the design of the States and localities.

It also provides for the creation of a national commission with a strong input from the private sector—I want to stress that a strong input from the private sector—to develop a single coordinated system of employment and training. The legislation would consolidate about 60 programs, scattered across a dozen statutes, without requiring any additional spending, any additional new taxes, or any additional new bureaucracy.

While much of the country has begun to enjoy the fruits of a growing economy, my own State of Rhode Island continues to suffer the effects of a nagging recession. In January, 10.5 percent of Rhode Island's labor force, seasonally adjusted, was out of work. By contrast, the State experienced a 3-percent unemployment rate for all of 1988.

While the most recent jump in Rhode Island's unemployment is partly the result of new Federal methods for counting joblessness, much of our problem is due to longer term economic dislocation in defense and other manufacturing sectors. Many of the jobs Rhode Islanders have lost during this downturn are not coming back. Now, more than ever, we need a coherent, cost effective system for retraining dislocated workers. This bill takes an important step in that direction.

A recent report by the General Accounting Office [GAO] found that American taxpayers do not get fair value for the $25 billion we expend annually on job training. The GAO report audited 62 training programs and discovered that less than half ever bothered to find out whether or not participants found jobs. We have very little data on the effectiveness of Federal job training programs, and even less accountability. In a period of scarce budgetary resources and growing demands for Federal assistance, this situation is intolerable.

Let me turn to the administration's efforts in this area for a moment. I comment the Secretary of Labor, Robert Reich, for the comprehensive legislation he has developed to address the problem of structural unemployment. The administration's Reemployment Act is a very thoughtful proposal that correctly seeks to transform our present Federal-State unemployment insurance program into a reemployment system.

However, upon review, I have a number of concerns about the proposal, including the financing, the broad reliance on untested retraining program, and the scope of the consolidation effort. I also have some reservations about the bill's impact on the existing unemployment insurance system. State officials in Rhode Island have also reviewed the proposal, and share many of these concerns, particularly with respect to the fiscal implications, and the effects on the present employment and training system in our State.

Despite these concerns, I stand ready as a member of the Finance Committee to work on a bipartisan basis with the administration, and with my Senate colleagues to enact legislation this year to address the problem of long term structural unemployment. It is absolutely imperative that we develop a comprehensive national strategy as soon as possible to give dislocated workers the training, employment assistance, and other resources they need to secure their futures.

Many citizens in my State of Rhode Island have exhausted their regular unemployment benefits, and do not have access to the training and employment services they need to find the high quality jobs they deserve. Clearly, our present unemployment insurance system falls short of addressing the problems of dislocated workers. Both the administration and Kassebaum bills offer us much hope for meaningful action to address this serious problem this year, and I intend to work in earnest toward that end.

By Mr. KOHL:

S. 1944. A bill to increase and extend criminal and other penalties for health care fraud and abuse, and for other purposes; read the first time.

S. 1947. A bill to increase criminal penalties for health care fraud, and for other purposes; to the Committee on the Judiciary.

HEALTH CARE ANTI-FRAUD LEGISLATION

Mr. KOHL. Mr. President, I rise to introduce two bills: the Health Care Anti-Fraud Act of 1994 and the Health Care Fraud and Abuse Act of 1994. These bills would expand current fraud and abuse laws to cover fraud against private payers, and increase existing civil and criminal fraud and abuse penalties.

Mr. President, this promises to be a historic Congress, from which we hope a legacy of important health reform legislation will emerge. As we all know, the skyrocketing costs of health care has much to do with why we are working so hard to fashion meaningful reform. One of the reasons that our health care costs are as high as they are is because our system is being ripped-off daily by those who see health care as a giant game: A game in which there are few rules and the winner is the one who manages to dupe the Government, private insurance companies, and individual Americans into paying the most money.

The General Accounting Office estimates that up to 10 percent of our health care dollars—up to $100 billion annually—are lost to fraud and abuse. Even if this number is exaggerated by 50 percent—even if the amount of fraud and abuse only totals $50 billion—this is a staggering amount. In a day and age when we are struggling to contain health care costs and stretch our resources to cover millions of Americans who now go without insurance, we must increase our efforts to root out the fraud and abuse that infects our health care system.

Mr. President, Federal law enforcement officials have already begun mounting a vigorous battle against health care fraud. In 1993, the Federal Government collected more than $177 million in health care fraud penalties and fines. $100 million of that total came from one company alone that was systematically looting the Medicare and Medicaid programs on a national scale.

But despite efforts to date, there is still much more for us to do if we are going to deter health care fraud. We know for a fact that there are still thousands of dishonest providers in the United States who continue to pilfer our national health care pocketbook, playing games with charges, billing codes, and unnecessary tests and procedures. Only last week, a report released by the Wisconsin Legislative Audit Bureau uncovered troubling examples of transportation vendors overcharging Medicaid, and charging for services that were never even rendered. As Congress contemplates health care reform, we must also reform our fraud and abuse laws to better target those who see the rules and regulations governing the delivery of health care in this country as little more than negotiable obstacles.

Toward this end, I am introducing today two simple, effective, and straightforward bills which together will help combat health care fraud.

First and foremost, this legislation would take our existing fraud and abuse laws, which at present protect only the Medicare and Medicaid programs, and extend their reach to encompass private insurance arrangements as well. The Federal Government currently accounts for approximately 30 percent of U.S. health care spending, and the core elements of our existing health care fraud laws only protect against conduct that defrauds the Government. But what about the other 70 percent of our health care spending?

It is time that we send the message that the Federal Government will not tolerate fraud and abuse in any health care transaction, even if the target of the fraud is a private payer. No matter who appears to be the victim of fraud and abuse, all Americans end up paying the price when costs and premiums skyrocket as a result.

Second, and equally important, this legislation will substantially increase the criminal and civil penalties for fraudulent conduct so that unscrupulous health care providers have greater reason to think twice before attempting to cheat the system. Existing civil monetary penalties will be more than doubled under this legislation. And criminal penalties will be expanded to include treble damages and to provide for stiff prison sentences when fraud results in physical harm to a patient. As a result of these modifications, our health care fraud laws will pack a more powerful deterrent punch.

This bill would also make it easier for courts to impose community service obligations on those who have violated the health care fraud laws. Those who defraud society's efforts to deliver one of its most important public goods should be made to serve society and contribute to that good when they are caught.

At the same time, this legislation would give health care providers an incentive to come clean and voluntarily disclose violations of the law to Federal authorities. In exchange for such disclosure, providers would be subject to substantially reduced penalties. Our experience in other areas strongly suggests that a voluntary disclosure program of this type will encourage providers to police themselves more rigorously, foster a culture of compliance and respect for the law, and ultimately increase the Federal Government's monetary recoveries.

Expanding and strengthening the fraud laws will not, however, mean much if the Federal Government does not have the resources necessary to police the health care industry properly. The fact is that laws unenforced are laws ignored. To promote a respect for the law, therefore, we must commit to putting more health care fraud investigators on the street.

This bill would authorize $100 million in funding over 4 years to allow the Federal Government to expand its antifraud efforts. There can be no question that this is money well spent. Each dollar spent on health care fraud investigations has yielded more than 4 dollars in real, money-in-the-bank recoveries to the Government. With health care reform around the corner, this is not the time to be penny-wise and pound-foolish.

As we all know, Mr. President, there are many tough questions that need to be asked and answered during the health care reform process. The issue of health care fraud, by contrast, is a relatively straightforward one. The legislation introduced today offers an uncontroversial, but meaningful opportunity to turn up the heat in our battle against fraud and abuse—no matter which broader health reform options the Congress ultimately chooses to enact. I look forward to working with my colleagues on this problem in the months to come.

Mr. President, I ask unanimous consent that the complete text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD as follows:

S. 1944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Fraud and Abuse Act of 1994".

SEC. 2. EXPANSION OF CIVIL AND CRIMINAL MONETARY SANCTIONS.

(a) CIVIL SANCTIONS.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended—

(1) in subsections (a) and (b), by striking "$2,000" each place it appears and inserting "$5,000",

(2) in the second sentence of subsection (a), by striking "not more than twice" and inserting "not more than three times", and

(3) by adding at the end the following new subsection:

"(m)(1) The maximum civil monetary penalty amounts specified in subsections (a) and (b) shall be adjusted for inflation as provided in this subsection.

"(2) Not later than December 1, 1999, and December 1 of each fifth calendar year thereafter, the Secretary shall prescribe and publish in the Federal Register a schedule of maximum authorized penalties that shall apply for violations that occur after January 1 of the year immediately following such publication.

"(3) The schedule of maximum authorized penalties shall be prescribed by increasing each of the amounts specified in subsections (a) and (b) by the cost-of-living adjustment for the preceding five years. Any increase determined under the preceding sentence shall be rounded to the nearest multiple of $1,000.

"(4) For purposes of this subsection:

"(A) The term 'cost-of-living adjustment for the preceding five years' means the percentage by which—

"(i) the Consumer Price Index for the month of June of the calendar year preceding the adjustment, exceeds

"(ii) the Consumer Price Index for the month of June preceding the date on which the maximum authorized penalty was last adjusted under this subsection.

"(B) The term 'Consumer Price Index' means the Consumer Price Index for all urban consumers published by the Department of Labor.".

(b) TREBLE DAMAGES FOR CRIMINAL SANCTIONS.—Section 1128B of the Social Security Act (42 U.S.C. 1320a–7b) is amended by adding at the end the following new subsection:

"(f) In addition to the fines that may be imposed under subsection (a), (b), or (c), any individual found to have violated the provisions of any of such subsections may be subject to treble damages.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

SEC. 3. APPLICATION OF FEDERAL HEALTH ANTI-FRAUD AND ABUSE SANCTIONS TO ALL FRAUD AND ABUSE AGAINST ANY HEALTH BENEFIT PLAN.

(a) CIVIL MONETARY PENALTIES.—Section 1128A of the Social Security Act (42 U.S.C. 1320a–7a) is amended as follows:

(1) In subsection (a)(1), in the matter before subparagraph (A), by inserting "or of any health benefit plan," after "subsection (i)(1)),".

(2) In subsection (b)(1)(A), by inserting "or under a health benefit plan" after "title XIX".

(3) In subsection (f)—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) With respect to amounts recovered arising out of a claim under a health benefit plan, the portion of such amounts as is determined to have been paid by the plan shall be repaid to the plan.".

(4) In subsection (i)—

(A) in paragraph (2), by inserting "or under a health benefit plan" before the period at the end, and

(B) in paragraph (5), by inserting "or under a health benefit plan" after "or XX".

(b) CRIMES.—Section 1128B of the Social Security Act (42 U.S.C. 1320a–7b) is amended as follows:

(1) In the heading, by adding at the end the following: "OR HEALTH BENEFIT PLANS".

(2) In subsection (a)(1)—

(A) by striking "title XVIII or" and inserting "title XVIII,", and

(B) by adding at the end the following: "or a health benefit plan (as defined in section 1128(i)),".

(3) In subsection (a)(5), by striking "title XVIII or a State health care program" and inserting "title XVIII, a State health care program, or a health benefit plan".

(4) In the second sentence of subsection (a)—

(A) by inserting after "title XIX" the following: "or a health benefit plan", and

(B) by inserting after "the State" the following: "or the plan".

(5) In subsection (b)(1), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health benefit plan".

(6) In subsection (b)(2), by striking "title XVIII or a State health care program" each place it appears and inserting "title XVIII, a State health care program, or a health benefit plan".

(7) In subsection (b)(3), by striking "title XVIII or a State health care program" each place it appears in subparagraphs (A) and (C) and inserting "title XVIII, a State health care program, or a health benefit plan".

(8) In subsection (d)(2)—

(A) by striking "title XIX," and inserting "title XIX or under a health benefit plan,", and

(B) by striking "State plan," and inserting "State plan or the health benefit plan,".

(c) HEALTH BENEFIT PLAN DEFINED.—Section 1128 of the Social Security Act (42 U.S.C. 1320a–7) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) HEALTH BENEFIT PLAN DEFINED.—For purposes of sections 1128A and 1128B, the term 'health benefit plan' means a health benefit program other than the medicare program, the medicaid program, or a State health care program.".

(d) CONFORMING AMENDMENT.—Section 1128(b)(8)(B)(ii) of the Social Security Act (42 U.S.C. 1320a–7(b)(8)(B)(ii)) is amended by striking "1128A" and inserting "1128A (other than a penalty arising from a health benefit plan, as defined in subsection (i))".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1995.

SEC. 4. CIVIL MONETARY PENALTIES INCLUDED IN ANTI-KICKBACK SANCTIONS.

(a) IN GENERAL.—Section 1128A(a) of the Social Security Act (42 U.S.C. 1320a–7a(a)), as amended by section 2(a), is amended—

(1) by striking "or" at the end of paragraph (1)(D);

(2) by striking ", or" at the end of paragraph (2) and inserting a semicolon;

(3) by striking the semicolon at the end of paragraph (3) and inserting "; or";

(4) by inserting after paragraph (3) the following new paragraph:

"(4) carries out any activity in violation of paragraph (1) or (2) of section 1128B(b);";

(5) by striking "than $5,000" and all that follows through the period and inserting "than, in cases under paragraph (1) or (2), $5,000 for each item or service, in cases under paragraph (3), $15,000 for each individual with respect to whom false or misleading information is given, and in cases under paragraph (4), $10,000 for each violation."; and

(6) by striking "than three times" and all that follows through the period and inserting "than, in cases under paragraph (1) or (2), three times the amount claimed for each such item or service in lieu of damages sustained by the United States or a State agency because of such claim, and in cases under paragraph (4), twice the total amount of the remuneration offered, paid, solicited, or received in violation of paragraph (1) or (2) of section 1128B(b).".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect January 1, 1995.

SEC. 5. VOLUNTARY DISCLOSURE PROGRAM.

In consultation with the Attorney General of the United States, the Secretary of Health and Human Services shall publish proposed regulations no later than 9 months after the date of the enactment of this Act, and final regulations no later than 18 months after such date of enactment, establishing a program of voluntary disclosure that would facilitate enforcement of sections 1128A and 1128B of the Social Security Act (42 U.S.C. 1320a–7a and 1320a–7b) and other relevant provisions of Federal law relating to health care fraud and abuse. Such program should promote and provide incentives for disclosures of potential violations of such sections and provisions by providing that, under certain circumstances, the voluntary disclosure of wrongdoing would result in the imposition of penalties and punishments less substantial than those that would be assessed for the same wrongdoing if voluntary disclosure did not occur.

SEC. 6. EXPANSION OF HEALTH CARE FRAUD INVESTIGATIVE RESOURCES.

There are authorized to be appropriated for the hiring of additional personnel in the Department of Health and Human Services Office of the Inspector General $25,000,000 for each of fiscal years 1994, 1995, 1996, and 1997 to sustain and expand the investigation of health care fraud.

S. 1947

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Anti-Fraud Act of 1994".

SEC. 2. CRIMINAL PENALTIES FOR HEALTH CARE FRAUD.

(a) OFFENSE.—Part I of title 18, United States Code, is amended by inserting after chapter 50A the following:

"CHAPTER 50B—HEALTH CARE FRAUD

"Sec.
"1101. Health care fraud.
"1102. Definitions.

"§ 1101. Health care fraud

"(a) IN GENERAL.—Whoever, in or affecting interstate commerce, knowingly—

"(1) executes, or attempts to execute, a scheme or artifice to defraud to obtain a health care payment; or

"(2) presents to any person any statement as part of, or in support of, a claim for a health care payment, knowing that such statement contains any false or misleading information concerning any fact or thing material to such claim;

shall be fined under this title or imprisoned not more than 10 years, or both.

"(b) AGGRAVATED OFFENSES.—In an offense under subsection (a) of this section—

"(1) if the offender knowingly or recklessly causes serious bodily injury to an individual or knowingly or recklessly endangers the life of a person, the offender shall be fined under this title or imprisoned not more than 15 years, or both; and

"(2) if the offender knowingly or recklessly causes the death of an individual, the offender shall be fined under this title or imprisoned not more than 25 years, or both.

"§ 1102. Definitions

"As used in this chapter—

"(1) the term 'health care payment' means a payment for health care services or health care products, or the right to have a payment made by a third party payer for specified health care services or products; and

"(2) the term 'third party payer' means any person, public or private, who undertakes to indemnify another against loss arising from a contingent or unknown event.".

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 50A the following new item:

"50B. Health care fraud .... 1101.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1995.

SEC. 3. IDENTIFICATION OF COMMUNITY SERVICE OPPORTUNITIES.

(a) IN GENERAL.—Chapter 50B of title 18, United States Code, as added by section 2, is amended by inserting after section 1102 the following new section:

"§ 1103. Identification of community service opportunities

"The Attorney General shall—

"(1) in consultation with the Secretary of Health and Human Services and State and local health care officials, identify opportunities for the satisfaction of community service obligations that a court may impose upon the conviction of an offense under section 1101 or an offense under section 1128B of the Social Security Act (42 U.S.C. 1320a-7b), and

"(2) make information concerning such opportunities available to Federal and State law enforcement officers and State and local health care officials.".

(b) CLERICAL AMENDMENT.—The table of sections for such chapter 50B is amended by adding at the end the following new item:

"1103. Identification of community service opportunities.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1995.

By Mr. HOLLINGS (by request):

S. 1945. A bill to authorize appropriations for fiscal year 1995 for certain maritime programs of Department of Transportation, to amend the Merchant Marine Act, 1936, as amended, to revitalize the U.S.-flag merchant marine, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MARITIME ADMINISTRATION AUTHORIZATION ACT

• Mr. HOLLINGS. Mr. President, today I am introducing, at the request of the administration, the Maritime Administration Authorization Act for fiscal year 1995.

Title I of this bill contains the authorization of appropriations for the Maritime Administration [MarAd]. MarAd operates the U.S. Government-supported maritime promotion programs, such as the operating differential subsidy program, the title XI loan guarantee program for shipbuilding, and the U.S. Merchant Marine Academy.

The second title of this bill, the Maritime Security and Trade Act of 1994, is intended to lead to a much needed revitalization of the U.S. maritime industry. The administration's proposed plan, the Maritime Security Program, would provide assistance to support 52 ships for 10 years. Beginning in fiscal year 1995, it would provide U.S.-flag vessels operating in the foreign trade with assistance as a means of making the vessels competitive in the world market.

Maritime reform is vital to the continued existence of the U.S. merchant marine, which is so critical to our national interest. Over the last two decades, the U.S. maritime industry has been in a continuous state of decline. In fact, the largest American shipping companies, American President's Lines and SeaLand, applied last year to the Department of Transportation to reflag a substantial portion of their fleets in foreign countries. The companies have indicated that they will be obligated to lower their U.S. flags and replace them with the flags of convenience, and replace their U.S. citizen crews with foreign crews.

I believe that this reflagging would be devastating not only to our economic security but also to our national defense. It is unthinkable to me that supplies to our troops may be carried on ships from so-called outlaw nations in times of international conflict. Additionally, we cannot be in the position of relying on foreign ships to carry all of our imports and exports and thus be beholden to the trading practices of the countries in which these ships are flagged. How ironic it would be if the manufacturers and consumers of the only superpower in the world were to become embroiled in a trade war with a country that controls all of its shipping! Without a U.S.-flag commercial fleet, our manufacturers, importers, and exporters would be at the mercy of the trade practices of these nations.

I appreciate the dedication that Secretary of Transportation Federico Peña and Adm. Albert Herberger, the Administrator of MarAd, have shown in trying to address the very serious decline in our maritime industry. They have put forward a bill for us to consider carefully, and the Commerce Committee will proceed to do so. We must find a way to stimulate and revitalize the U.S. maritime industry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1945

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—MARITIME ADMINISTRATION AUTHORIZATION OF APPROPRIATIONS

SEC. 101. SHORT TITLE.

This title may be cited as the "Maritime Administration Authorization Act for Fiscal Year 1995."

SEC. 102. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1995.

Funds are authorized to be appropriated without fiscal year limitation, as Appropriations Acts may provide for the use of the Department of Transportation, for the fiscal year ending September 30, 1995, as follows:

(a) For payment of obligations incurred for operating-differential subsidy, not to exceed $214,356,000.

(b) For expenses necessary for operations and training activities, not to exceed $77,000,000, including reception and representation expenses associated with graduation functions at the Merchant Marine Academy at Kings Point, New York.

(c) For expenses necessary to acquire and maintain the Ready Reserve Force surge shipping and resupply capability in an advanced state of readiness, and for related programs, not to exceed $250,000,000.

(d) For the costs, as defined in section 502 of the Federal Credit Reform Act of 1990, of guaranteed loans authorized by Title XI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271, *et seq.*), $50,000,000. In addition, for administrative expenses related to loan guarantee commitments under Title XI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1271, *et seq.*), $4,000,000.

SEC. 103. MERCHANT SHIP SALES ACT OF 1946 AMENDMENT.

Section 11 of the Act of March 8, 1946 (50 App. U.S.C. 1744, is amended as follows:

(a) by striking "Secretary of the Navy," in subsection (b)(2) and inserting "Secretary of Defense,".

(b) by striking subsection (c) and redesignating subsection (d) as subsection (c).

SEC. 104. SUBMISSION OF REPORT ON CONDITION OF PUBLIC PORTS.

Section 308(c) of Title 49, United States Code, is amended by inserting "even-numbered" between "each" and "year."

TITLE II—AMENDMENTS TO THE MERCHANT MARINE ACT, 1936

SEC. 201. SHORT TITLE.

This title may be cited as the "Maritime Security and Trade Act of 1994".

SEC. 202. MARITIME SECURITY PROGRAM.

(a) Title VI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1171 *et seq.*), is amended by deleting the heading of Title VI, "Operating-Differential Subsidy" and inserting a new heading and subheading as follows:

"TITLE VI—OPERATING-DIFFERENTIAL SUBSIDY AND MARITIME SECURITY PROGRAM.

"Subpart A—Operating-Differential Subsidy".

(b) Section 605(b) (46 App. U.S.C. 1175(b)) is amended to read as follows:

"(b) No operating-differential subsidy shall be paid for the operation of a vessel that is more than twenty-five years of age, unless the Secretary of Transportation has determined, before the enactment of the Maritime Security and Trade Act of 1994, that it is in the public interest to grant such financial aid for the operation of such vessel."

(c) Title VI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1171 *et seq.*) is amended by adding a new Section 616 following Section 615, to read as follows:

"SEC. 616. (a)(1) The Secretary of Transportation may authorize a contractor operating a liner vessel and receiving an operating-differential subsidy under Subpart A of this title to construct, reconstruct, or acquire a liner vessel of over five thousand deadweight tons worldwide to replace a vessel that would reach the end of its subsidizable life prior to the expiration of the contractor's operating-differential subsidy contract. The replacement vessel shall be documented under chapter 121 of subtitle II of title 46, United States Code.

"(2) A replacement liner vessel shall not be eligible for operating-differential subsidy pursuant to Subpart A of this title, and shall be limited to payments in the amounts set forth in Subpart B of this title until the existing contract pursuant to Subpart A terminates according to its terms.

"(b)(1) The Secretary of Transportation may authorize a contractor operating a bulk cargo vessel and receiving operating-differential subsidy under Subpart A of this title to construct, reconstruct, or acquire a bulk cargo vessel of over five thousand deadweight tons worldwide to replace a vessel that would reach the end of its subsidizable life prior to the expiration of the contractor's operating-differential subsidy contract. The replacement vessel shall be documented under chapter 121 of subtitle II of title 46, United States Code.

"(2) A replacement bulk cargo vessel shall continue to receive an operating-differential subsidy under an existing contract pursuant to Subpart A of this title until the existing contract terminates according to its terms.

"(c) Liner vessels and bulk cargo vessels constructed pursuant to subsections (a) and (b) of this section shall be deemed to have been built in a domestic shipyard for the purposes of section 610 of this Act: Provided, That the provisions of section 607 of this Act shall not apply to vessels constructed, reconstructed, or acquired pursuant to subsections (a) and (b) of this section.

"(d) Any existing foreign-built liner vessel that is acquired pursuant to subsection (a) of this section and documented under chapter 121 of subtitle II of title 46, United States Code, shall be less than five years of age at the time of such documentation.

"(e) Any existing foreign-built bulk cargo vessel that is acquired pursuant to subsection (b) of this section and documented under chapter 121 of subtitle II of title 46, United States Code, shall be less than five years of age at the time of such documentation.

"(f) No authority granted by the Secretary of Transportation to construct, reconstruct, or acquire vessels pursuant to subsections (a) and (b) of this section may be sold, assigned, conveyed, leased or otherwise transferred to any other party, without the written consent of the Secretary of Transportation pursuant to section 608 of this title.

"(g) Any repair or alteration necessary to bring a vessel, which is constructed, reconstructed, or acquired pursuant to subsections (a) and (b) of this section, into compliance with parts B and C of subtitle II of title 46, United States Code, or any regulations prescribed under those Parts, shall be performed in a privately owned shipyard in the United States."

(d) Title VI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1171 *et seq.*) is amended by adding a new Section 617 following the new Section 616, to read as follows:

"SEC. 617. (a) After the date of enactment of the Maritime Security and Trade Act of 1994, the Secretary of Transportation shall not enter into any new contract for an operating-differential subsidy under subpart A of this title.

"(b) Notwithstanding any other provision of this Act, any operating-differential subsidy contract in effect under title VI on the day before the date of enactment of the Maritime Security and Trade Act of 1994:

"(1) shall continue in effect and terminate as set forth in the contract, unless voluntarily terminated at an earlier date by the persons (other than the United States Government) that are parties to the contract; and

"(2) may not be renewed or extended.

"(c) After the date of enactment of the Maritime Security and Trade Act of 1994, an owner or operator of a vessel covered by an operating-differential subsidy contract under subpart A of this title may operate such vessel in the foreign commerce of the United States without restriction, notwithstanding any other provision of this Act.

"(d) With respect to a liner vessel—

"(1) whose operator receives operating-differential subsidy pursuant to a contract under this title, which is in force on October 1, 1993, and if the Secretary approves the replacement of such vessel with a comparable vessel, or

"(2) covered by an operating agreement under subpart B of this title, and if the Secretary approves the replacement of such vessel with a comparable vessel for inclusion in the fleet established under Subpart B of title VI—

such vessel may be transferred and registered under the flag of an effective United States-controlled foreign flag, notwithstanding any other provision of law: *Provided*, that the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902 of this Act (46 App.U.S.C. 1242)."

(e) Title VI of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1171 *et seq.*) is amended by adding a new Subpart B to read as follows:

"Subpart B—Maritime Security Program

"SEC. 650. Establishment of Fleet.

"(a) The Secretary of Transportation shall encourage the establishment of a fleet of active, militarily useful, privately-owned liner vessels to maintain an American presence in international commercial shipping and meet national defense and other security requirements. The fleet shall consist of privately-owned, United States-flag liner vessels for which there are in effect operating agreements under this Subpart.

"(b) A liner vessel may not be included in the fleet unless:

"(1) it is operated by an "ocean common carrier" as defined in Section 3 of the Shipping Act of 1984 (46 App. U.S.C. 1702);

"(2) it is a vessel that is fifteen years of age or less on the date an operating agreement is entered into under Section 651, unless the Secretary of Transportation, in consultation with the Secretary of Defense, determines that it is in the national interest to waive this requirement;

"(3) it is a vessel that is less than five years of age at the time it is documented under chapter 121 of subtitle II of title 46, United States Code, if it is foreign-built;

"(4) The Secretary of Transportation, after consultation with the Secretary of Defense, determines that the vessel is necessary to maintain a United States presence in international commercial shipping or determines that the vessel is militarily useful for meeting the sealift needs of the United States with respect to national emergencies; and

"(5) the owner or operator of the vessel is a citizen of the United States as set forth in section 651.

SEC. 651. Operating Agreements.

"(a) The Secretary of Transportation shall require, as a condition of including any vessel in the fleet, that the owner or operator of the vessel enter into an operating agreement with the Secretary of Transportation pursuant to this section.

"(b) An operating agreement pursuant to this section shall require that, during the period of the agreement:

"(1) each vessel covered by the operating agreement:

"(A) shall be operated exclusively in the foreign trade, and

"(B) shall not be operated in the coastwise trade of the United States or in mixed domestic and foreign trade; and

"(2) the owner or operator of a vessel covered by the operating agreement shall have the vessel documented under chapter 121 of subtitle II of title 46, United States Code, and shall maintain that documentation.

"(c) An owner or operator of a vessel covered by an operating agreement under this subpart may operate this vessel in the foreign commerce of the United States without restriction.

"(d)(1) The Secretary of Transportation is authorized to enter into operating agreements, provided that the total does not exceed $1,000,000,000 for the fiscal years 1995 through 2004.

"(2) An operating agreement pursuant to this section shall provide that the Secretary of Transportation pay to the owner or operator of each liner vessel that is included in the operating agreement, an amount per vessel per year that does not exceed $2,500,000, for fiscal years 1995 through 1997, and does not exceed $2,000,000, for fiscal years 1998 through 2004. The amount per year paid to the owner or operator of a liner vessel under an operating agreement pursuant to this section shall be paid at the end of each month in equal installments.

"(3) An amount of $1,000,000,000 is appropriated to carry out this section.

"(e) In order to qualify for the annual payments under this section, the owner or operator shall certify annually, pursuant to regulations issued by the Secretary, that each vessel covered by an operating agreement was operated in a trade required by section 651(b)(1) for at least 320 days in a fiscal year, including days during which the liner vessel is drydocked, surveyed, inspected, or repaired.

"(f) Without regard to an operating agreement in effect with an owner or operator of a liner vessel under this section, the Secretary of Transportation shall not make any payment under this section for a vessel with respect to any period in which the vessel is—

"(1) subject to an operating-differential subsidy contract under subpart A of title VI of this Act;

"(2) not operated or maintained in accordance with an operating agreement under this subpart; or

"(3) more than twenty-five years of age.

"(g) With respect to payments under this section for a vessel covered by an operating agreement, the Secretary of Transportation—

"(1) shall not reduce any payment for the operation of a vessel to carry military or other preference cargoes under—

"(A) Section 2631 of title 10, United States Code; or

"(B) Section 1241-1 of title 46, Appendix, United States Code;

"(2) shall not make any payment for each day that a vessel is engaged in transporting more than 5,000 tons of civilian bulk preference cargoes pursuant to Sections 901(a), 901(b), or 901b of this Act; and

"(3) shall reduce any payment for each day that a vessel is engaged in transporting less than 5,000 tons of civilian bulk preference cargoes pursuant to Sections 901(a), 901(b), or 901b of this Act, by an amount which bears the same ratio to the amount otherwise payable as revenue for the carriage of preference cargo bears to the gross revenue derived from the entire voyage.

"(h) The Secretary of Transportation shall enter into operating agreements in the following order of priority:

"(1) liner vessel or vessels owned or operated by a person that is a citizen of the United States under section 2 of the Shipping Act, 1916; and then

"(2) liner vessel or vessels owned or operated by a person that is eligible to document a vessel under chapter 121 of subtitle II of title 46, United States Code.

"(i) No authority granted by the Secretary of Transportation to an owner or operator of a vessel covered by an operating agreement under this subpart may be sold, assigned, conveyed, leased or otherwise transferred to any other party, without the written consent of the Secretary of Transportation pursuant to the provisions of section 608 of this title.

"(j) Any authority granted by the Secretary of Transportation to an owner or operator of a vessel covered by an operating agreement under this subpart shall be used by the holder of the operating agreement within one year from the date such authority is granted for existing vessels and within two years from the date such authority is granted for newly constructed vessels, or the authority shall revert to the Secretary of Transportation for such disposition as determined appropriate.

"(k) An operating agreement entered into by the Secretary of Transportation under this subpart shall be effective for a period of not more than ten years, and, under any condition, terminate not later than September 30, 2004.

"(l) An operating agreement entered into by the Secretary of Transportation under this subpart shall require the owner or operator of a vessel covered by an operating agreement under this subpart to enroll in an Emergency Preparedness Program, pursuant to the requirements of section 652, under such terms and conditions as the Secretary may prescribe.

"SEC. 652. National Security Requirements.

"(a) On a request of the President, acting through the Secretary of Transportation in consultation with the Secretary of Defense, during time of war or national emergency or when decided by the President to be necessary in the national interest, acting through the Secretary of Transportation in consultation with the Secretary of Defense, an owner or operator of a vessel covered by an operating agreement under this subpart shall make available commercial transportation resources pursuant to an Emergency Preparedness Program established by the Secretary of Transportation in consultation with the Secretary of Defense.

"(b) The commercial transportation resources to be made available shall include ships, capacity, intermodal systems or equipment, terminal facilities, and intermodal and management services, or any portion of these resources, as the Secretary may determine to be necessary.

"(c) The Secretary of Transportation shall not reduce the amount of equal monthly installment payments under section 651 to an owner or operator who makes commercial transportation resources available pursuant to an Emergency Preparedness Program under this section.

"(d) An owner or operator who makes a vessel available pursuant to this section shall be permitted to employ a foreign-flag vessel in the foreign commerce of the United States, without receiving additional compensation, as a replacement for a vessel covered by an operating agreement, until a vessel used is redelivered.

"SEC. 653. Domestic Noncontiguous Trade Restrictions.

"(a) PROHIBITION.—

"(1) IN GENERAL.—Except as provided in this section, an owner or operator may not receive any payment under this subpart—

"(A) if the owner or operator or a related party with respect to the owner or operator, directly or indirectly owns, charters, or operates a vessel engaged in the transportation of cargo in a noncontiguous trade other than in accordance with a waiver under subsection (b), (c), or (d); or

"(B) if the owner or operator is authorized to operate a vessel in noncontiguous trade under such a waiver, and there is a—

"(i) material change in the domestic ports served by the owner or operator from the ports permitted to be served under the waiver;

"(ii) material increase in the annual number or the frequency of sailings by the owner or operator from the number or frequency permitted under the waiver; or

"(iii) material increase in the annual volume of cargo carried or annual capacity utilized by the owner or operator from the annual volume of cargo or annual capacity permitted under the waiver.

"(2) LIMITATIONS ON PROHIBITION.—Paragraph (1) applies to an owner or operator only in the years specified for payments under the operating agreement entered into by the owner or operator.

"(b) GENERAL WAIVER AUTHORITY.—

"(1) IN GENERAL.—Except as provided in subsection (c), the Secretary may waive, in writing, the application of subsection (a) to an owner or operator pursuant to an application submitted in accordance with this subsection, unless the Secretary finds that—

"(A) the waiver would result in unfair competition to any person that operates vessels as a carrier of cargo in a service exclusively in the noncontiguous trade for which the waiver is applied;

"(B) subject to paragraph (6), existing service in that noncontiguous trade is adequate; or

"(C) the waiver will result in prejudice to the objects or policy of this title or Act.

"(2) TERMS OF WAIVER.—Any waiver granted by the Secretary under this subsection shall state—

"(A) the domestic ports permitted to be served,

"(B) the annual number or frequency of sailings that may be provided; and

"(C)(i) the annual volume of cargo permitted,

"(ii) for containerized or trailer service, the annual 40-foot equivalent unit shipboard container and trailer or vehicle or general cargo capacity permitted, or

"(iii) for tug and barge service, the annual barge house cubic foot capacity and the annual barge deck general cargo capacity, or 40-foot equivalent unit container, trailer, or vehicle capacity, permitted.

"(3) APPLICATIONS FOR WAIVERS.—An application for a waiver under this subsection may be submitted by an owner or operator and shall describe, as applicable, the nature and scope of—

"(A) the service proposed to be conducted in a noncontiguous trade under the waiver; or

"(B) any proposed material change or increase in a service in a noncontiguous trade permitted under a previous waiver.

"(4) ACTION ON APPLICATION AND HEARING.—

"(A) NOTICE AND PROCEEDING.—Within 30 days after receipt of an application for a waiver under this subsection, the Secretary shall—

"(i) publish a notice of the application;

"(ii) begin a proceeding on the application section 554 of title 5, United States Code, to recieve—

"(I) evidence of the nature, quantity, and quality of the existing service in the noncontiguous trade for which the waiver is applied;

"(II) a description of the proposed service or proposed material change or increase in a previously permitted service;

"(III) the projected effect of the proposed service or proposed material change or increase in existing service; and

"(IV) recommendations on conditions that should be contained in any waiver for the proposed service or material change or increase.

"(B) INTERVENTION.—An applicant for a waiver under this subsection, and any person that operates cargo vessels in the noncontiguous trade for which a waiver is applied and that has any interest in the application, may intervene in the proceedings on the application.

"(C) HEARING.—Before deciding whether to grant a waiver under this subsection, the Secretary shall hold a public hearing in an expeditious manner, reasonable notice of which shall be published.

"(5) DECISION.—The Secretary shall complete all proceedings and hearings on an application under this subsection and issue decision on the record within 90 days after receipt of the final briefs submitted for the record.

"(6) LIMITATION ON CONSIDERATION OF CERTAIN EXISTING SERVICE.—

"(A) LIMITATION.—In determining whether to grant a waiver under this subsection for noncontiguous trade with Hawaii, the Secretary shall not consider the criterion set forth in paragraph (1)(B) if a qualified operator—

"(i) is a party to an operating agreement under this subpart, and

"(ii) operates 4 or more vessels in foreign commerce in competition with another operator who is a party to an operating agreement under this subpart.

"(B) QUALIFIED OPERATOR.—In this paragraph, the term 'qualified operator' means a person that on July 1, 1992, offered service as an operator of containerized vessels, trailer vessels, or combination container and trailer vessels in domestic trade with Hawaii and the Johnston Islands (including a related party with respect to the person).

"(c) WAIVERS FOR EXISTING NONCONTIGUOUS TRADE OPERATORS.—

"(1) IN GENERAL.—The Secretary shall waive the application of subsection (a) to an owner or operator, who is a party to an operating agreement under this subpart, pursuant to an application submitted in accordance with this subsection if the Secretary finds that the owner or operator, or a related party or predecessor in interest with respect to the owner or operator—

"(A) engaged in bona fide operation of a vessel as a carrier of cargo by water—

"(i) in a noncontiguous trade on July 1, 1992; or

"(ii) in furnishing seasonal service in a season ordinarily covered by its operation, during the 12 calendar months preceding July 1, 1992; and

"(B) has operated in this service since that time, except for interruptions of service resulting from military contingency or over which the owner or operator (or related party or predecessor in interest) had no control.

"(2) TERMS OF WAIVER.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the level of service permitted under a waiver under this subsection shall be the level of service provided by the applicant (or related party or predecessor in interest) in the relevant noncontiguous trade during, for year-round service, the 6 calendar months preceding July 1, 1992, or for seasonal service, the 12 calendar months preceding July 1, 1992, determined by—

"(i) the domestic ports called;

"(ii) the number of sailings actually made, except as to interruptions in the service in the noncontiguous trade resulting from military contingency or over which the applicant (or related party or predecessor in interest) had no control; and

"(iii) the volume of cargo carried or, for containerized or trailer service, the 40-foot equivalent unit shipboard container, trailer, or vehicle or general cargo capacity employed, or, for tug and barge service, the barge house cubit foot capacity and barge deck general cargo capacity or 40-foot equivalent unit container, trailer, or vehicle capacity, employed.

"(B) CERTAIN CONTAINERIZED VESSELS. If an applicant under this subsection was offering service as an operator of containerized vessels in noncontiguous trades with Hawaii, Puerto Rico, and Alaska on July 1, 1992, a waiver under this subsection for the applicant shall permit a level of service consisting of—

"(i) 104 sailings each year from the West Coast of the United States to Hawaii with an annual capacity allocated to the service of 75 percent of the total capacity of the vessels employed in the service on July 1, 1992;

"(ii) 156 sailings each year in each direction between the East Coast or Gulf Coast of the United States and Puerto Rico with an annual capacity allocated to the service of 75 percent of the total capacity of its vessels employed in the service on the date of the enactment of the Maritime Security and Trade Act of 1994; and

"(iii) 103 sailings each year in each direction between Washington and Alaska with an annual capacity allocated to the service in each direction of 100 percent of the total capacity of its vessels employed in the service on July 1, 1992.

"(C) CERTAIN TUGS AND BARGES.—If an applicant under this subsection was offering service as an operator of tugs and barges in noncontiguous trades with Hawaii, Puerto Rico, and Alaska on July 1, 1992, a waiver under this subsection for the applicant shall permit a level of service consisting of—

"(i) 17 sailings each year in each direction between ports in Washington, Oregon, and Northern California and ports in Hawaii with an annual barge house cubic foot capacity and annual barge deck 40-foot equivalent unit container capacity in each direction of 100 percent of the total of the capacity of its vessels employed in the service during the 6 calendar months preceding July 1, 1992, annualized;

"(ii) 253 sailings each year in each direction between the East Coast or Gulf Coast of the United States and Puerto Rico with an annual 40-foot equivalent unit container or trailer capacity equal to 100 percent of the capacity of its barges employed in the service on the date of the enactment of the Maritime Security and Trade Act of 1994;

"(iii) 37 regularly scheduled tandem tow rail barge sailings and 10 additional single tow rail barge sailings each year in each direction between Washington and the Alaskan port range between and including Anchorage and Whittier with an annual capacity allocated to the service in each direction of 100 percent of the total rail car capacity of its vessels employed in the service on July 1, 1992;

"(iv) 8 regularly scheduled single tow sailings each year in each direction between Washington and points in Alaska (not including the port range between and including Anchorage and Whittier, except occasional deviations to discharge incidental quantities of cargo) with an annual capacity allocated to the service in each direction of 100 percent of the total capacity of its vessels employed in the service on July 1, 1992; and

"(v) unscheduled, contract carrier tug and barge service between points in Alaska south of the Arctic Circle not served by the common carrier service permitted under clause (iii) and points in the contiguous 48 States, with an annual capacity allocated to that service not exceeding 100 percent of the total capacity of the equipment that was dedicated to service south of the Arctic Circle on July 1, 1992, and actually utilized in that service in the 2-year period preceding that date.

"(D) ANNUALIZATION.—Capacity otherwise required by this paragraph to be permitted under a waiver under this subsection shall be annualized if not a seasonal service.

"(E) ADJUSTMENTS.—

"(i) Each written waiver granted by the Secretary under this subsection shall contain a statement that the annual capacity permitted under this waiver in any direction shall increase for a calendar year by the percentage of increase during the preceding calendar year in the rural gross product of the State or territory to which goods are transported in the noncontiguous trade covered by the waiver, or its equivalent economic measure as determined by the Secretary if the real gross product is not available, and that the increase shall not be considered to be a material change or increase for purposes of subsection (a)(1)(B).

"(ii) The increase in permitted capacity under clause (i) in the noncontiguous trade with Alaska shall be allowed only to the extent the operator actually uses that increased capacity to carry cargo in the permitted service in the calendar year immediately following the preceding increase in gross product. However, if an operator operating exclusively containerized vessels in trade on July 1, 1992, carries an average load factor of at least 90 percent of permitted capacity (including the capacity, if any, both authorized and used under the previous sentence) during 9 months of any one calendar year, than in the next following calendar year and thereafter, the requirement that additional capacity must be used in the immediately following year does not apply.

"(F) SERVICE LEVELS NOT INCREASED BY TERMINATION OF AGREEMENT.—The termination of an operating agreement under Subpart B of this title shall not be considered to increase a level of service specified in subparagraph (A), (B), or (C) if the contractor under the agreement enters into another operating agreement after that termination.

"(3) APPLICATIONS FOR WAIVERS.—For a waiver under this subsection a contractor shall submit to the Secretary an application certifying the facts required to be found under paragraph (1) (A) or (B), as applicable.

"(4) ACTION ON APPLICATION.—

"(A) NOTICE.—The Secretary shall publish a notice of receipt of an application for a waiver under this subsection within 30 days after receiving the application.

"(B) HEARING PROHIBITED.—The Secretary may not conduct a hearing on an application for a waiver under this subsection.

"(C) SUBMISSION OF COMMENTS.—The Secretary shall give every person operating a cargo vessel in a noncontiguous domestic trade for which a waiver is applied for under this subsection and who has any interest in the application a reasonable opportunity to submit comments on the application and on the description of the service that would be permitted by any waiver that is granted by the Secretary under the application.

"(5) DECISION ON APPLICATION.—Subject to the time required for publication of notice and for receipt and evaluation of comments by the Secretary, an application for a waiver under this subsection submitted at the same time the applicant applies for inclusion of a vessel in the fleet established under this subpart shall be granted in accordance with the level of service determined by the Secretary under this subsection by not later than the date on which the Secretary offers to the applicant an operating agreement with respect to that vessel.

"(6) CHANGE OR INCREASE IN SERVICE.—Any material change or increase in a service that is subject to a waiver under this subsection is not authorized except to the extent the change or increase is permitted by a waiver under subsection (b).

"(d) EMERGENCY WAIVER.—Notwithstanding any other provision of this section, the Secretary may, without hearing, temporarily waive the application of subsection (a)(1)(B) if the Secretary finds that a material change or increase is essential in order to respond adequately to (1) an environmental or natural disaster or emergency, or (2) another emergency declared by the President. Any waiver shall be for a period of not to exceed 45 days, except that a waiver may be renewed for 30-day periods if the Secretary finds that adequate capacity continues to be otherwise unavailable.

"(e) ANNUAL REPORT ON WAIVERS.—Each waiver under this section shall require the person who is granted the waiver to submit to the Secretary each year an annual report setting forth for the service authorized by the waiver—

"(1) the ports served during the year;

"(2) the number or frequency of sailings performed during the year; and

"(3) the volume of cargo carried or, for containerized or trailer service, the annual 40-foot equivalent unit shipboard container, trailer, or vehicle capacity utilized during the year, or for tug and barge service, the annual barge house and barge deck capacity utilized during the year.

"(f) DEFINITIONS.—In this section—

"(1) the term 'noncontiguous trade' means trade between—

"(A) a point in the contiguous 48 States; and

"(B) a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle; and

"(2) the term 'related party' means—

"(A) a holding company, subsidiary, affiliate, or associate of a owner or operator who is a party to an operating agreement under this subpart; and

"(B) an officer, director, agency, or other executive of a contractor or of a person referred to in subparagraph (A).

"SEC. 654. DEFINITIONS.—

"For the purposes of Subpart B of this title:

"(1) The term 'citizen of the United States' means a person that is a citizen of the United States under section 651 of this subpart.

"(2) The term 'operating agreement' means an operating agreement that takes effect under section 651 of this subpart and covers one or more vessels."

(f) EFFECTIVE DATE.—The amendments made by subsections (a) through (e) of this section shall be effective beginning on the date which is 120 days after the date of enactment of the Maritime Security and Trade Act of 1994.

SEC. 203. TONNAGE FEES.

(a) INCREASE OF DUTIES.—Section 36 of the Act of August 5, 1909 (46 App. U.S.C. 121) is amended in the second paragraph by—

(1) inserting after "1998," the first place it appears "and a supplemental duty of 15 cents per ton, not to exceed in the aggregate 75 cents per ton in any one year, for fiscal years 1995 through 2004,"; and

(2) inserting after "1998," the second place it appears, "and a supplemental duty of 44 cents per ton, not to exceed $2.20 per ton in any one year, for fiscal years 1995 through 2004,".

(b) OFFSETTING RECEIPTS.—The increased tonnage fees collected as a result of the amendments made by subsection (a) shall be deposited in the general fund of the Treasury as offsetting receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities.

SEC. 204. USE OF FOREIGN-FLAG VESSELS.

Section 804 of Title VIII of the Merchant Marine Act, 1936, as amended (46 App. U.S.C.

1222), is amended by adding a new subsection (f) as follows:

"(f) The provisions of subsection (a) of this section shall not preclude an owner or operator receiving operating assistance under Subpart A or Subpart B of title VI, or any holding company, subsidiary, affiliate or associate of such owner or operator, or any officer, director, agency, or executive thereof from:

"(1) owning, chartering, or operating any foreign-flag vessel that is operated as a feeder vessel for a United States-flag service under an operating agreement pursuant to Subpart B of title VI;

"(2) owning, chartering, or operating any foreign-flag vessel in line haul service between the United States and foreign ports; *Provided*, That the foreign-flag vessel was operated by that owner or operator on the date of enactment of this Act; or that the owner or operator, with respect to each additional foreign-flag vessel, has first applied to have that vessel added to the existing operating agreement, and the Secretary denies the application; *And provided further*, That any foreign-flag vessel in line haul service between the United States and foreign ports is (a) registered under the flag of an effective United States-controlled foreign flag, and (b) available to be requisitioned by the Secretary of Transportation pursuant to section 902 of this Act;

"(3) owning, chartering, or operating foreign-flag liner vessels that are operated exclusively in foreign-to-foreign service and not in the foreign commerce of the United States;

"(4) owning, chartering, or operating foreign-flag bulk cargo vessels that are operated in both foreign-to-foreign service and the foreign commerce of the United States;

"(5) chartering or operating foreign-flag vessels that are operated solely as replacement vessels for United States-flag vessels that are made available to the Secretary of Defense pursuant to section 652 of Subpart B of title VI; or

"(6) entering into space charter agreements with foreign-flag carriers or acting as agent or broker for a foreign-flag vessel or vessels.

SEC. 205. DEFINITION OF PRIVATELY OWNED UNITED STATES-FLAG COMMERCIAL VESSELS.

The third sentence of section 901(b)(1) of title IX of the Merchant Marine Act, 1936, as amended (46 App. U.S.C. 1241(b)(1)) is deleted in its entirety and the following is inserted in lieu thereof:

"For purposes of this section, the term 'privately owned United States-flag commercial vessels' shall be deemed to include (1) any privately owned United States flag commercial vessel constructed in the United States, (2) any privately owned liner vessel constructed, reconstructed, or acquired outside the United States that is documented pursuant to chapter 121 of title 46, United States Code and is less than five years of age on the date of such documentation, and (3) any bulk cargo vessel constructed in or delivered by a shipyard outside the United States after January 1, 1993. The term 'privately owned United States-flag commercial vessels' shall also be deemed to include any liner or bulk cargo vessel that so qualified pursuant to section 615 of title VI or Section 901(b)(1) of title IX of this Act, prior to enactment of the Maritime Security and Trade Ace of 1994. The term 'privately owned United States-flag commercial vessels' shall not be deemed to include any liquid bulk cargo vessel that does not meet the requirements of section 3703a of title 46, United States Code."

SEC. 206. USE OF FOREIGN-FLAG FEEDER VESSELS IN CARRIAGE OF PREFERENCE CARGOES.

The provisions of law set forth in 46 App. U.S.C. 1241(b)(1), 1241-1, and 1241f, requiring use of United States-flag vessels shall, with respect to liner vessels, be deemed fulfilled, as to the total of any shipment other than that of the Department of Defense covered by 10 U.S.C. 2631, if the actual ocean transportation of each shipment for which the United States-flag carrier has issued its own through bill-of-lading between the original port of lading and the port of final discharge, consists of transportation of the cargo by a combination of United States- and foreign-flag vessels; *Provided*, That, measured by distance, the United States-flag line haul portion of each voyage is greater than the foreign-flag feeder portion of each voyage pursuant to regulations issued by the Secretary of Transportation.

SEC. 207. LIMITATION ON RESTRICTIONS.

Notwithstanding any other provision of law or contract, all restrictions and requirements set forth in 46 App. U.S.C. 1153, 1156, and 1212, applicable to a vessel constructed, reconstructed or reconditioned with the aid of construction-differential subsidy shall terminate: (1) for a liner or dry bulk cargo vessel, upon the expiration of the 25-year period beginning on the date of original delivery of the vessel from the shipyard, and (2) for a liquid bulk cargo vessel, upon the expiration of the 20-year period beginning on the date of original delivery of the vessel from the shipyard.•

By Mr. INOUYE:

S. 1946. A bill to provide for the repurchase of land taken by eminent domain, by native American organizations, and for other purposes; to the Committee on Governmental Affairs.

LAND REPURCHASE ACT OF 1994

• Mr. INOUYE. Mr. President, I am today introducing a bill to provide for the return of lands that were held in trust for native Americans prior to their acquisition by the United States in the Government's exercise of its power of condemnation through eminent domain.

Mr. President, this bill would provide that within 90 days of the date on which property is declared to be surplus by the United States, an organization that previously held the land in trust for native Americans would have the right to exercise the right of first refusal to repurchase the property from the Government at fair market value.

I believe that the result effected by this measure will afford a greater degree of equity to native Americans for whom land was held in trust, while compensating the Government in full for the reacquisition of such lands.•

By Mr. DECONCINI (for himself, Mr. WARNER, Mr. GRAHAM, Mr. MURKOWSKI, Mr. D'AMATO, Mr. KERREY, Mr. GORTON, Mr. BRYAN, Mr. CHAFEE, Mr. JOHNSTON, Mr. BOREN, and Mr. BAUCUS):

S. 1948. A bill to amend the National Security Act of 1947 to improve the counterintelligence and security posture of the U.S. intelligence community and to enhance the investigative authority of the Federal Bureau of Investigation in counterintelligence matters, and for other purposes; to the Select Committee on Intelligence.

COUNTERINTELLIGENCE AND SECURITY ENHANCEMENTS ACT OF 1994

Mr. DECONCINI. Mr. President, Senator WARNER and I are today introducing a bill which we believe would go a long way toward improving the counterintelligence and security posture of U.S. intelligence agencies. Joining us as cosponsors of this bill are Senators GRAHAM, KERREY, BRYAN, JOHNSTON, D'AMATO, CHAFEE, GORTON, BAUCUS, BOREN, and MURKOWSKI, all of whom are members or former members of the Select Committee on Intelligence.

Mr. President, I particularly thank Senator BOREN and Senator COHEN for their tireless work that they put forth in 1989 and 1990 as chairman and ranking member of the committee. Senator COHEN has introduced that legislation and then modified it. We are going to work from that excellent work that was put together by the committee at that time, and our legislation indicates what additions we have made to that.

We will continue to work with any Senator who is interested in seeing our national security secrets are protected and there is the best effort put forward to prevent the types of incidents that just recently occurred relating to the allegations concerning Mr. Ames and his wife.

We have all been shocked and saddened in recent weeks by the arrest of CIA employee, Alrich H. Ames, and his wife, Maria del Rosario Casas Ames, on charges of spying, first for the Soviet Union and then for the Russian Republic. Allegedly, this began in 1985 and lasted until the time the couple was arrested several weeks ago.

We are incredulous that such activities could have gone on so long without detection by an agency which we thought had very stringent security procedures. In the weeks since the arrest, the Select Committee on Intelligence has been exploring what went wrong and how best to fix it.

While we are a long way from completing our inquiry, several points are clear:

First, CIA and other intelligence agencies actually require little in the way of information from their employees which might tip them off to espionage activities.

There are background investigations which are periodically updated, and, at CIA and NSA, there are polygraphs required for employees. Once you are in, however, there is relatively little scrutiny given employees and little effort made to enforce the rules.

Second, it is apparent that security elements at the intelligence agencies as well as the FBI itself lack the legal authority needed to obtain records from private institutions relating to the employees of intelligence agencies.

Moreover, some of the authorities the FBI does have—for example, to see tax returns—often are not available until very late in the investigative process.

Third, it is clear that there has been a problem between the CIA and the FBI in terms of their cooperation on counterintelligence investigations. While there may be an understandable desire on the part of the CIA to protect the identities of its intelligence sources, it cannot be allowed to be an obstacle where investigations of counterintelligence problems are concerned. There must be complete cooperation and coordination between these agencies.

Mr. President, the bill we are introducing today addresses each of these problem areas:

It would require all employees of intelligence agencies, as a condition of their employment, to consent to access by the Government to their tax returns, financial records, and travel records.

It would further require that all such employees who are in critical intelligence positions, as defined by the bill, must make detailed financial disclosures and continuously update them for so long as they hold such positions, and for 10 years thereafter, or until they leave Government service.

It would provide additional legal authority needed by the intelligence agencies and by the FBI to obtain access to records needed for counterintelligence investigations.

It would establish clear requirements to improve the relationship between the FBI and the CIA and other intelligence agencies.

Mr. President, I do not stand here and say that we can pass a law that will stop espionage. There is no panacea for spying. Someone who decides to betray his country will, regrettably, find a way to do so regardless of the laws we have on the books.

But it does seem to me that there are things we can do that would make it more difficult for such people to escape detection—that would make it easier for them to trip themselves up. There are also things we can do to improve the ability of our counterintelligence and security agencies to identify the culprits, and things we can do to facilitate their prosecution. That is what our bill attempts to do.

It builds upon legislation that was introduced by Senators BOREN and COHEN in 1990, and I want to take this opportunity to acknowledge the contribution that both of these distinguished Senators made, not only to this legislation, but to intelligence generally, when they served as chairman and vice chairman, respectively, of the Select Committee on Intelligence.

Senator WARNER and I thought it desirable to develop a new bill to address more directly the problems apparent in the Ames case and to reflect developments since 1990 when the original legislation was introduced.

None of this is etched in stone. Indeed, the committee will be holding public hearings on this bill, as well as the bill introduced by Senators BOREN and COHEN, and the bills recently introduced by Senators METZENBAUM and HEFLIN, to deal with the counterintelligence problem.

Our objective is to find the best solution, striking the appropriate balance between our security needs and the privacy of the Government employees who are affected. I think the bill that Senator WARNER and I introduce today is a good place to start.

Mr. President, I now ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S. 1948

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Counterintelligence and Security Enhancements Act of 1994".

SEC. 2. COUNTERINTELLIGENCE FOR EMPLOYEES OF AGENCIES IN THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—The National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new title:

"TITLE VIII—COUNTERINTELLIGENCE FOR EMPLOYEES OF AGENCIES IN THE INTELLIGENCE COMMUNITY

"DEFINITIONS

"SEC. 801. As used in this title:

"(1) The term 'head of an agency within the intelligence community' includes the following:

"(A) The Director of Central Intelligence in the case of the Central Intelligence Agency and the Office of the Director of Central Intelligence.

"(B) The Director of the National Security Agency in the case of such agency.

"(C) The Director of the Defense Intelligence Agency in the case of such agency.

"(D) The head of the central imagery authority of the Department of Defense in the case of such authority.

"(E) The Director of the National Reconnaissance Office in the case of such office.

"(F) The Secretaries of the military departments in the case of offices within such departments for the collection of specialized national intelligence through reconnaissance program and in the case of intelligence elements of the Army, Navy, Air Force, and Marine Corps.

"(G) The Director of the Federal Bureau of Investigation in the case of the intelligence elements of such bureau.

"(H) The Secretary of State, the Secretary of Treasury, and the Secretary of Energy in the case of the intelligence elements within the departments of each such Secretary, respectively.

"(2) The term 'critical intelligence position' means any position within the intelligence community, the holder of which requires access to critical intelligence information.

"(3) The term 'critical intelligence information' means—

"(A) classified information which reveals the identities of covert agents of the intelligence community and the disclosure of which to unauthorized persons would reasonably jeopardize the lives or safety of such agents;

"(B) classified information concerning a technical collection system of the intelligence community, the disclosure of which to unauthorized persons would substantially negate or impair the effectiveness of the system; or

"(C) classified information relating to a cryptographic system for the protection of classified information of the United States, the disclosure of which to unauthorized persons would substantially negate or impair the effectiveness of the system.

"(4) The term 'covert agent' has the meaning given such term in section 606(4).

"(5) The term 'technical collection system' means a system for the collection, transmission, or exploitation of electronic signals, emanations, or images by means that are not commercially available.

"(6) The term 'information relating to a cryptographic system' means information relating to (i) the nature, preparation, content, or use of any code, cipher, or other method of protecting communications of classified information of the United States from interception by unauthorized persons, or (ii) the design, construction, use, maintenance, or repair of any equipment used to protect such communications from such interception. Such term does not include information on the use of such equipment for personal or office use.

"(7) The term 'authorized investigative agency' means an agency, office, or element of the Federal Government authorized by law or regulation to conduct investigations of employees of the intelligence community for counterintelligence or security purposes.

"(8) The term 'employee' means any person who—

"(A) receives a salary or compensation of any kind from an agency of the intelligence community;

"(B) is a contractor or unpaid consultant of such an agency; or

"(C) otherwise acts for or on behalf of such an agency.

"REQUIREMENTS FOR EMPLOYEES OF AGENCIES IN THE INTELLIGENCE COMMUNITY

"SEC. 802. A person may not become an employee of an agency within the intelligence community unless, before becoming such an employee, the person—

"(1) authorizes, in writing, the Secretary of the Treasury to disclose the tax returns of the person, or information from such tax returns, to a representative of an authorized investigative agency specified in the document evidencing such authority during the period in which the person is employed by the agency;

"(2) agrees, in writing, to permit a representative of such an authorized investigative agency to inspect or obtain for purposes authorized under this title copies of all records relating to bank accounts, investment accounts, credit accounts, and assets having a value of more than $10,000 in which the person, or any member of the immediate family of the person, has a beneficial interest during such period; and

"(3) agrees, in writing, to permit a representative of such an authorized investigative agency to inspect or obtain copies of all records maintained by a governmental entity or a private entity relating to the travel of the person to a foreign country.

"DESIGNATION OF CRITICAL INTELLIGENCE POSITIONS

"SEC. 803. Consistent with this title and in accordance with section 808, the head of each agency within the intelligence community shall by regulation designate each position within the agency which qualifies as a critical intelligence position.

"REQUIREMENTS FOR EMPLOYEES IN CRITICAL INTELLIGENCE POSITIONS

"SEC. 804. (a) An employee of an agency within the intelligence community may not hold a critical intelligence position unless, before holding such position, such employee—

"(1) provides the authority and agreements referred to in paragraphs (1), (2), and (3) of section 802; and

"(2) in accordance with the regulations prescribed under section 808—

"(A) provides the agency employing the employee with an appropriate statement disclosing the nature and location of all bank accounts, investment accounts, credit accounts, and assets valued at more than $10,000 in which the employee, or any immediate member of the family of the employee, has a beneficial interest;

"(B) agrees, in writing, to advise promptly the agency of any changes which occur with respect to the nature or location of the accounts or assets disclosed pursuant to subparagraph (A); and

"(C) agrees, in writing, to advise the agency employing the employee, in advance, of any travel of the employee to a foreign country if the travel is not authorized as part of the employee's official duties in such position.

"(b) An employee providing an authorization and agreements under subsection (a) shall agree that the authorization and agreement continue in effect—

"(1) during the period in which the employee holds the critical intelligence position for which the employee provides the authorization and agreements; and

"(2) if the employee ceases holding such position, until the earlier of—

"(A) the date 10 years after the date on which the employee ceases holding such position; or

"(B) the date on which the employee ceases employment with the Federal Government.

"RESPONSIBILITIES OF AUTHORIZED INVESTIGATIVE AGENCIES

"SEC. 805. (a) An appropriate authorized investigative agency shall, in accordance with the regulations prescribed under section 808—

"(1) periodically review and verify the information provided and disclosed under section 804 by persons holding critical intelligence positions; and

"(2) if such review indicates the failure of any such person to comply fully and completely with the requirements of such section, conduct an appropriate inquiry with respect to such failure.

"(b)(1) If circumstances indicate the loss or compromise of critical intelligence information, the head of the agency concerned shall immediately advise the Federal Bureau of Investigation of such loss or compromise.

"(2) Upon notification under paragraph (1), the Federal Bureau of Investigation, or any other appropriate authorized investigative agency with the concurrence with the Federal Bureau of Investigation, may conduct appropriate inquiries with respect to such loss or compromise.

"(c) Any inquiry under this section may include requests for information from a governmental entity or from private entities. Such requests shall be made in accordance with section 806.

"REQUESTS BY AUTHORIZED INVESTIGATIVE AGENCIES

"SEC. 806. (a)(1) Any authorized investigative agency may request from any governmental entity, or from any private entity, such records or other information as are necessary in order to conduct any authorized counterintelligence inquiry or security inquiry, including inquiries under section 805.

"(2) Each such request—

"(A) shall be accompanied by a written certification signed by the head of the intelligence agency concerned, or the designee of the head of the agency, and shall certify that—

"(i) the person concerned is an employee of the intelligence agency;

"(ii) the request is being made pursuant to an authorized inquiry or investigation; and

"(iii) the records or information to be reviewed are records or information which the employee has previously agreed to make available to the authorized investigative agency for review;

"(B) shall contain a copy of the agreement referred to in subparagraph (A)(iii);

"(C) shall identify the records or information to be reviewed; and

"(D) shall inform the recipient of the request of the prohibition described in subsection (b).

"(b) No governmental or private entity, or officer, employee, or agent of such entity, may disclose to any person, other than those officers, employees, or agents of such entity necessary to satisfy a request made under this section, that such entity has received or satisfied a request made by an authorized investigative agency under this section.

"(c)(1) Notwithstanding any other provision of law, an entity receiving a request for records or information under subsection (a) shall, if the request satisfies the requirements of this section, make available such records or information for inspection or copying, as may be appropriate, by the agency requesting such records or information.

"(2) Any entity (including any officer, employee or agent thereof) that discloses records or information for inspection or copying pursuant to this section in good faith reliance upon the certifications made by an agency of the intelligence community pursuant to this section shall not be liable for any such disclosure to any person under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

"(d) Subject to the availability of appropriations therefor, any agency requesting records or information under this section may reimburse a private entity for any cost reasonably incurred by such entity in responding to such request, including the cost of identifying, reproducing, or transporting records or other data.

"(e)(1) Except as provided in paragraph (2), an agency receiving records or information pursuant to a request under this section may not disseminate the records or information obtained pursuant to such request outside such agency.

"(2) An agency may disseminate records or information referred to in paragraph (1) only to the agency employing the employee who is the subject of the records or information or to the Department of Justice for law enforcement or counterintelligence purposes.

"(f) Any authorized investigative agency that discloses records or information received pursuant to a request under this section in violation of subsection (e)(1) shall be liable to the employee to whom the records relate in an amount equal to the sum of—

"(1) $100, without regard to the volume of records involved;

"(2) any actual damages sustained by the employee as a result of the disclosure;

"(3) if the violation is found to have been willful or intentional, such punitive damages as the court may allow; and

"(4) in the case of any successful action to enforce liability, the costs of the action, together with reasonable attorney fees, as determined by the court.

"RESPONSIBILITIES OF THE FEDERAL BUREAU OF INVESTIGATION

"SEC. 807. (a) The Director of the Federal Bureau of Investigation shall have overall responsibility for the conduct of counterintelligence and law enforcement investigations involving persons in critical intelligence positions. The Director shall coordinate all investigative activities (other than routine inquiries for security purposes) undertaken with respect to such persons by authorized investigative agencies.

"(b) The head of each agency within the intelligence community shall ensure that the Director of the Federal Bureau of Investigation is provided appropriate access to the employees and the records of the agency as may be necessary to carry out authorized counterintelligence or law enforcement investigations.

"IMPLEMENTING REGULATIONS

"SEC. 808. Not later than 6 months after the date of the enactment of this Act, the Director of Central Intelligence shall issue regulations applicable to all agencies of the intelligence community to implement the provisions of this Act. Such regulations shall take effect not later than 6 months after the date of their issuance by the Director.

"OVERSIGHT

"SEC. 809. The Director of Central Intelligence shall submit to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives a report on the activities carried out under this title and the effectiveness of this title in facilitating counterintelligence activities. The Director shall submit the report on an annual basis.".

(b) TREATMENT OF INCUMBENTS OF COVERED POSITIONS.—(1) Each employee of an agency within the intelligence community shall carry out the requirements of section 802 of the National Security Act of 1947, as added by subsection (a), not later than 60 days after the issuance of the regulations required under section 808 of such Act, as so added.

(2) The head of each agency within the intelligence community shall, upon designating a position within the agency as a critical intelligence position under section 803 of such Act, as so added, promptly inform the incumbent, if any, of such position, and any persons being considered for such position, of such designation.

(3) The head of each such agency shall require that each person who holds a position in the agency so designated shall carry out the requirements of section 804 of such Act, as so added, not later than 60 days after the date of such designation.

(4) Notwithstanding any other provision of law, the head of each such agency shall—

(A) terminate the employment of any employee of the agency, or any incumbent in a critical intelligence position in the agency, who fails to comply with the requirements set forth in paragraph (1) or (3), as the case may be; and

(B) to the extent feasible—

(i) reassign such incumbent to a position of equal grade and status within the agency that is not a critical intelligence position; or

(ii) facilitate the reemployment of such employee in an agency that is not an agency within the intelligence community.

(c) TREATMENT OF CONGRESSIONAL STAFF HAVING ACCESS TO CRITICAL INTELLIGENCE INFORMATION.—(1) Notwithstanding any other provision of law and subject to paragraph (2), sections 802 and 804 of the National Security Act of 1947, as added by subsection (a), shall apply to employees of Congress whose positions of employment require access to critical intelligence information.

(2) The leaders of each House of Congress shall jointly determine with respect to such House—

(A) the employees of such House whose positions of employment require access to critical intelligence information; and

(B) appropriate means of applying such sections to such employees.

(3) In this subsection:

(A) The term "critical intelligence information" has the meaning given such term in section 801(3) of such Act, as so added.

(B) The term "leaders of each House of Congress" means the following:

(i) In the case of the Senate, the Majority Leader of the Senate and the Minority Leader of the Senate.

(ii) In the case of the House of Representative, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

SEC. 3. DISCLOSURE OF CONSUMER CREDIT REPORTS FOR COUNTERINTELLIGENCE PURPOSES.

Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(1) by striking "Notwithstanding" and inserting "(a) DISCLOSURE OF CERTAIN IDENTIFYING INFORMATION.—Notwithstanding"; and

(2) by adding at the end the following new subsection:

"(b) DISCLOSURES TO THE FBI FOR COUNTERINTELLIGENCE PURPOSES.—

"(1) CONSUMER REPORTS.—Notwithstanding the provisions of section 604, a consumer reporting agency shall furnish a consumer report to the Federal Bureau of Investigation when presented with a written request for a consumer report, signed by the Director of the Federal Bureau of Investigation, or the Director's designee, who certifies compliance with this subsection. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(A) such records are necessary for the conduct of an authorized foreign counterintelligence investigation; and

"(B) there are specific and articulable facts giving reason to believe that the consumer whose consumer report is sought is a foreign power or an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

"(2) IDENTIFYING INFORMATION.—Notwithstanding the provisions of section 604, a consumer reporting agency shall furnish identifying information respecting a consumer, limited to name, address, former addresses, places of employment, or former places of employment, to the Federal Bureau of Investigation when presented with a written request, signed by the Director or the Director's designee, which certifies compliance with this subsection. The Director or the Director's designee may make such a certification only if the Director or the Director's designee has determined in writing that—

"(A) such information is necessary to the conduct of an authorized counterintelligence investigation; and

"(B) there is information giving reason to believe that the consumer has been, or is about to be, in contact with a foreign power or an agent of a foreign power, as so defined.

"(3) CONFIDENTIALITY.—No consumer reporting agency or officer, employee, or agent of such consumer reporting agency may disclose to any person, other than those officers, employees, or agents of such agency necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this subsection, that the Federal Bureau of Investigation has sought or obtained a consumer report or identifying information respecting any consumer under paragraph (1) or (2), nor shall such agency, officer, employee, or agent include in any consumer report any information that would indicate that the Federal Bureau of Investigation has sought or obtained such a consumer report or identifying information.

"(4) PAYMENT OF FEES.—The Federal Bureau of Investigation shall, subject to the availability of appropriations, pay to the consumer reporting agency assembling or providing credit reports or identifying information in accordance with procedures established under this title, a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching, reproducing, or transporting books, papers, records, or other data required or requested to be produced under this subsection.

"(5) LIMIT ON DISSEMINATION.—The Federal Bureau of Investigation may not disseminate information obtained pursuant to this subsection outside of the Federal Bureau of Investigation, except to the Department of Justice as may be necessary for the approval or conduct of a foreign counterintelligence investigation.

"(6) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed to prohibit information from being furnished by the Federal Bureau of Investigation pursuant to a subpoena or court order, or in connection with a judicial or administrative proceeding to enforce the provisions of this Act. Nothing in this subsection shall be construed to authorize or permit the withholding of information from Congress.

"(7) REPORTS TO CONGRESS.—On a semiannual basis, the Attorney General of the United States shall fully inform the Permanent Select Committee on Intelligence and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Select Committee on Intelligence and the Committee on Banking, Housing, and Urban Affairs of the Senate concerning all requests made pursuant to paragraphs (1) and (2).

"(8) DAMAGES.—Any agency or department of the United States obtaining or disclosing credit reports, records, or information contained therein in violation of this subsection is liable to the consumer to whom such records relate in an amount equal to the sum of—

"(A) $100, without regard to the volume of records involved;

"(B) any actual damages sustained by the consumer as a result of the disclosure;

"(C) if the violation is found to have been willful or intentional, such punitive damages as a court may allow; and

"(D) in the case of any successful action to enforce liability under this subsection, the costs of the action, together with reasonable attorney fees, as determined by the court.

"(9) DISCIPLINARY ACTIONS FOR VIOLATIONS.—If a court determines that any agency or department of the United States has violated any provision of this subsection and the court finds that the circumstances surrounding the violation raise questions of whether or not an officer or employee of the agency or department acted willfully or intentionally with respect to the violation, the agency or department shall promptly initiate a proceeding to determine whether or not disciplinary action is warranted against the officer or employee who was responsible for the violation.

"(10) GOOD-FAITH EXCEPTION.—Any credit reporting agency or agent or employee thereof making disclosure of credit reports or identifying information pursuant to this subsection in good-faith reliance upon a certificate of the Federal Bureau of Investigation pursuant to provisions of this subsection shall not be liable to any person for such disclosure under this title, the constitution of any State, or any law or regulation of any State or any political subdivision of any State.

"(11) LIMITATION OF REMEDIES.—The remedies and sanction set forth in this subsection shall be the only judicial remedies and sanctions for violation of this subsection.

"(12) INJUNCTIVE RELIEF.—In addition to any other remedy contained in this subsection, injunctive relief shall be available to require compliance with the procedures of this subsection. In the event of any successful action under this subsection, costs together with reasonable attorney fees, as determined by the court, may be recovered.".

SEC. 4. FBI ACCESS TO TAX RETURNS FOR COUNTERINTELLIGENCE PURPOSES.

Section 6103(i) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(9) DISCLOSURE FOR COUNTERINTELLIGENCE PURPOSES.—

"(A) IN GENERAL.—Except as provided in paragraph (6), any return or return information with respect to any specified taxable period or periods shall, pursuant to and upon the grant of an ex parte order by a district court judge issued pursuant to section 103 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1803), be open (but only to the extent necessary as provided in such order) to inspection by, or disclosure to, officers and employees of the Department of Justice who are personally and directly engaged in an authorized counterintelligence investigation solely for the use of such officers and employees in such investigation.

"(B) APPLICATION FOR ORDER.—The Attorney General or the Deputy Attorney General may authorize an application to a judge referred to in subparagraph (A). Upon such application, such judge may grant such an order if the judge determines on the basis of the facts submitted by the applicant that—

"(i) there are specific and articulable facts giving reason to believe that the person whose returns or return information is sought is a foreign power or an agent of a foreign power, as defined in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801);

"(ii) there is reasonable cause to believe that the return or return information is or may be relevant to an authorized counterintelligence investigation;

"(iii) the return or return information is sought exclusively for use in an authorized counterintelligence investigation; and

"(iv) the information sought to be disclosed cannot reasonably be obtained, under the circumstances, from another source.".

SEC. 5. REWARDS FOR INFORMATION CONCERNING ESPIONAGE.

(a) REWARDS.—Section 3071 of title 18, United States Code, is amended—

(1) by inserting "(a)" before "With respect to"; and

(2) by adding at the end the following new subsection:

"(b) With respect to acts of espionage involving or directed at classified information of the United States, the Attorney General may reward any individual who furnishes information—

"(1) leading to the arrest or conviction, in any country, of any individual or individuals for commission of an act of espionage with respect to such information against the United States;

"(2) leading to the arrest or conviction, in any country, of any individual or individuals for conspiring or attempting to commit an act of espionage with respect to such information against the United States; or

"(3) leading to the prevention or frustration of an act of espionage with respect to such information against the United States.".

(b) DEFINITIONS.—Section 3077 of such title is amended by inserting at the end thereof the following new paragraphs:

"(8) 'act of espionage' means an activity that is a violation of—

"(A) section 794 or 798 of title 18, United States Code; or

"(B) section 4 of the Subversive Activities Control Act of 1950 (50 U.S.C. 783).

"(9) 'classified information of the United States' means information originated, owned, or possessed by the United States Government concerning the national defense or foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure in the interests of national security.".

(c) CLERICAL AMENDMENTS.—The items relating to chapter 204 in the table of chapters at the beginning of such title, and in the table of chapters at the beginning of part II of such title, are each amended by adding at the end the following: "**AND ESPIONAGE**".

SEC. 6. JURISDICTION OF UNITED STATES COURTS TO TRY CASES INVOLVING ESPIONAGE OUTSIDE THE UNITED STATES.

(a) IN GENERAL.—Chapter 211 of title 18, United States Code, is amended by inserting after section 3238 the following new section 3239:

"§ 3239. Jurisdiction of espionage outside the United States and related offenses

"The trial for any offense involving a violation of—

"(1) section 793, 794, 798, or 1030(a)(1) of this title;

"(2) section 601 of the National Security Act of 1947 (50 U.S.C. 421); or

"(3) subsection (b) or (c) of section 4 of the Subversive Activities Control Act of 1950 (50 U.S.C. 783(b) or (c)),

begun or committed upon the high seas or elsewhere out of the jurisdiction of any particular State or district, may be prosecuted in the District of Columbia, or in the Eastern District of Virginia, or in any other district authorized by law.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 211 of such title is amended by inserting after the item relating to section 3238 the following:

"3239. Jurisdiction of espionage outside the United States and related offenses.".

SEC. 7. LESSER CRIMINAL OFFENSE FOR THE UNAUTHORIZED REMOVAL OF CLASSIFIED DOCUMENTS.

(a) IN GENERAL.—Chapter 93 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 1924. Unauthorized removal and retention of classified documents or material

"(a) IN GENERAL.—Whoever, being an officer, employee, contractor, or consultant of the United States, and, by virtue of his office, employment, position, or contract, becomes possessed of documents or materials containing classified information of the United States, knowingly removes such documents or materials without authority and with the intent to retain such documents or materials at an unauthorized location shall be fined not more than $1,000, or imprisoned for not more than 1 year, or both.

"(b) DEFINITION.—In this section, the term 'classified information of the United States' means information originated, owned, or possessed by the United States Government concerning the national defense or foreign relations of the United States that has been determined pursuant to law or Executive order to require protection against unauthorized disclosure in the interests of national security.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"1924. Unauthorized removal and retention of classified documents or material.".

SEC. 8. CRIMINAL FORFEITURE FOR VIOLATION OF CERTAIN ESPIONAGE LAWS.

(a) TITLE 18.—Section 798 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(d)(1) Any person convicted of a violation of this section shall forfeit to the United States irrespective of any provision of State law—

"(A) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

"(B) any of the person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

"(2) The court, in imposing sentence on a defendant for a conviction of a violation of this section, shall order that the defendant forfeit to the United States all property described in paragraph (1).

"(3) Except as provided in paragraph (4), the provisions of subsections (b), (c), and (e) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853 (b), (c), and (e)-(p)) shall apply to—

"(A) property subject to forfeiture under this subsection;

"(B) any seizure or disposition of such property; and

"(C) any administrative or judicial proceeding in relation to such property, if not inconsistent with this subsection.

"(4) Notwithstanding section 524(c) of title 28, there shall be deposited in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) all amounts from the forfeiture of property under this subsection remaining after the payment of expenses for forfeiture and sale authorized by law.".

(b) AMENDMENTS FOR CONSISTENCY IN APPLICATION OF FORFEITURE UNDER TITLE 18.—(1) Section 793(h)(3) of such title is amended in the matter above subparagraph (A) by striking out "(*o*)" each place it appears and inserting in lieu thereof "(p)".

(2) Section 794(d)(3) of such title is amended in the matter above subparagraph (A) by striking out "(*o*)" each place it appears and inserting in lieu thereof "(p)".

(c) SUBVERSIVE ACTIVITIES CONTROL ACT.—Section 4 of the Subversive Activities Control Act of 1950 (50 U.S.C. 783) is amended by adding at the end the following new subsection:

"(g)(1) Any person convicted of a violation of this section shall forfeit to the United States irrespective of any provision of State law—

"(A) any property constituting, or derived from, any proceeds the person obtained, directly or indirectly, as the result of such violation; and

"(B) any of the person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of, such violation.

"(2) The court, in imposing sentence on a defendant for a conviction of a violation of this section, shall order that the defendant forfeit to the United States all property described in paragraph (1).

"(3) Except as provided in paragraph (4), the provisions of subsections (b), (c), and (e) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853 (b), (c), and (e)-(p)) shall apply to—

"(A) property subject to forfeiture under this subsection;

"(B) any seizure or disposition of such property; and

"(C) any administrative or judicial proceeding in relation to such property, if not inconsistent with this subsection.

"(4) Notwithstanding section 524(c) of title 28, United States Code, there shall be deposited in the Crime Victims Fund established under section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) all amounts from the forfeiture of property under this subsection remaining after the payment of expenses for forfeiture and sale authorized by law.".

Mr. WARNER. Mr. President, I join the distinguished chairman of the Intelligence Committee, on which I am privileged to serve as cochairman, in introducing this legislation today. I also join him in extending our respects to our colleague from Maine and our colleague from Oklahoma, who did a lot of very important work several years ago and, once again, have brought this matter to the attention of the Senate.

I have drawn up in my statement a careful comparison between the bill we put in today and the bill that was originally fashioned by Senators BOREN and COHEN. The encountered, at that time, when they put this bill before the Senate Intelligence Committee, considerable opposition because of the necessity, in this type of legislation, to ask of the employees—not just the CIA, but throughout the several departments and agencies of our Government dealing with intelligence matters—to give up a certain measure of personal privacy as a condition of their employment.

That is a very serious point. We have put that provision in this bill, and it is one which this body must address at a time, I hope an early time, when this bill will be addressed in full and be passed by this body.

We have also incorporated a provision that was essential, in the judgment of the Director of the CIA, Director Woolsey. And that is, we have a law in here by which the appropriate authorities of the U.S. Government can go into the bank records, travel records, brokerage records of individual employees and determine the presence or absence of evidence which could, in fact, implicate them in violation of laws relating to the security of our Nation.

In concluding, throughout the history of this country, our Nation has been fortunate to have a very large number of individual citizens who dedicated their entire careers to intelligence. Indeed, some of them have suffered loss of limb, and indeed loss of life. There are no less than 50 names on a wall at the Central Intelligence Agency permanently recognizing the ultimate sacrifice of those individuals.

They should not be tainted by the Ames case, nor should they in any way be impugned by the serious and constructive deliberation that is now underway by both the legislative and executive branches as we proceed to revise and add to that body of law that would preclude an individual from becoming a turncoat and divulging classified material.

As I look back in history, in the 1940's and the 1950's and the 1960's, indeed, almost into the 1970's, those few individuals who did become turncoats were motivated in large part by ideology.

But not so today. This is the dirty dollar. It is greed; it is money; and that is the reason we must ask for the appropriate legislation to have surveillance over the financial records of these several employees.

In thank the Senator, and I appreciate the indulgence of our colleagues.

I ask unanimous consent that my full statement be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN WARNER ON THE INTRODUCTION OF COUNTERINTELLIGENCE LEGISLATION, MARCH 17, 1994

Mr. President, I am pleased to join with Chairman DeConcini in introducing a bill today to greatly improve the counterintelligence and security posture of the United States intelligence community.

Contrary to popular belief, the espionage threat against the United States did not lessen with the end of the cold war. The tragic Ames case makes this fact painfully clear. Our vital National intelligence still needs to be carefully protected, and turncoats who seek to betray our Nation must be discovered as quickly as possible and brought to justice.

A review of espionage cases over the past 20 years reveals disturbing trends. Unlike the spies of the 1940's, 1950's, and 1960's who seemed primarily motivated by ideology, today's turncoats are overwhelmingly motivated by greed. It's the dirty dollar that destroys them and their families. With this in mind, the bill we are introducing today focuses on the financial activities of employees in the intelligence community.

Mr. President, at this point I would like to briefly review the history of recent congressional consideration of legislation similar to our bill. Senators Cohen and Boren deserve a great deal of credit for their pioneering work in this area in the late 1980's and early 1990's when they were cochairman of the Senate Intelligence Committee. In the fall of 1989, Senators Cohen and Boren established a panel of outside, volunteer consultants—under the chairmanship of ELI JACOBS—to examine the statutory framework for the conduct of U.S. counterintelligence activities, and to recommend legislative proposals.

This group submitted the "Jacobs Panel Report" with 13 recommendations to the Senate Intelligence Committee during a public hearing on May 23, 1990. Senators Cohen and Boren incorporated many of these recommendations into a bill (S.2726), which was referred to the Intelligence Committee. The Committee held a second public hearing on the "Jacobs Panel Report," with witnesses from the Justice Department and the ACLU, on July 12, 1990.

Unfortunately, S.2726 was not reported out of the Senate Committee. The bill was reintroduced by Senators Cohen and Boren in January 1991 as S. 394, but again was not reported out of committee.

I have recently gone back over the records of the Intelligence Committee in an effort to recollect why this important legislation was not enacted in 1990 or 1991. It appears that there were several reasons for this failure. The Justice Department raised a number of problems with the legislation, as did the Judiciary, Banking, and Governmental Affairs Committees of the Senate. In addition, the ACLU opposed several aspects of the bill due to civil liberties concerns. It was clear that time did not permit the legislation to be worked out among all of the interested parties.

But perhaps the biggest single determining factor in why this legislation was not enacted were events on the international scene. With the collapse of the Berlin Wall, the fall of communism in Eastern Europe, and the dissolution of the Soviet Union, the political mood in the United States began to shift. Many felt that with the end of the cold war, there was less need to be concerned about an espionage threat, particularly from the East.

We now all see what some of us have known all along—that the espionage threat to the United States remains a very real one. I applaud Senators Cohen and Boren for reintroducing their counterintelligence legislation—S. 1869—on February 24 of this year. I believe that S. 1869 is a good starting point for legislation in this area. But this legislation, which originated in 1990, can be improved upon and strengthened in light of the Ames case. The bill that we are introducing today does just that.

I would like to highlight some of the key differences between the Cohen Boren bill and the DeConcini/Warner bill:

Our bill applies to all employees of intelligence agencies; the Cohen/Boren bill is limited to individuals with a top secret clearance. While the Cohen/Boren bill requires everyone with a top secret clearance to give consent for the Government to have access to their financial and travel records as part of the initial background investigation and during 5-year update investigations, the DeConcini/Warner bill requires all employees of intelligence agencies to consent to government access to their financial and travel records, as well as their tax returns during their entire period of employment. In addition, the DeConcini/Warner bill establishes stricter requirements for employees in critical intelligence positions, as defined by the bill. Such employees will be required to file detailed financial disclosure reports.

The DeConcini/Warner bill also contains a key provision that is not in the Cohen/Boren bill. That is, our bill prohibits the private sector (i.e., banks, brokerage houses, travel agencies) from disclosing that a request for access to financial and travel records has been made. This provision is crucial so that employees under suspicion are not tipped off.

The DeConcini/Warner bill also has two new provisions. The first of these provisions permits the FBI to access tax returns in counterintelligence cases (whether or not such returns involve an intelligence agency employee). The second provision extends the criminal forfeiture provisions of the drug enforcement statute to the proceeds of espionage, that is, giving government greater authority to recover the proceeds of espionage activities.

The DeConcini/Warner bill establishes a new misdemeanor offense for the removal of classified documents to an unauthorized location with the intent to retain them there. The Cohen/Boren bill has a similar provision but limits its application only to the removal of material classified top secret.

In my view, the DeConcini/Warner bill incorporates a major portion of the ideas from the Cohen/Boren bill and, in many cases, substantially strengthens those ideas. The DeConcini/Warner bill will provide the Government with a number of valuable tools for both deterring espionage activity, as well as more expeditiously discovering espionage when deterrence fails.

I would like to end my remarks with an appeal to my colleagues, to Americans across our land. As we struggle with the revelations and implications of the tragic Ames case, I urge we not lose sight of the loyal intelligence professionals through the many departments and agencies of our Government who have dedicated their careers, and some who have given life and limb, to the service of our Nation. Over 50 stars engraved on the wall at CIA headquarters attest to the ultimate sacrifice which CIA employees are willing to make for their country. The contributions of these officers who gave their lives, and the thousands of others at CIA who work in the secret intelligence world will never be accorded the attention that a Mr. Ames receives.

As the executive and legislative branches expeditiously turn to strengthening our laws and strengthening our administrative procedures to better protect our Nation's security, we must not allow this constructive work to reflect adversely on the reputations of those, past and present, who serve and have served our Nation with great distinction in the intelligence field. Mr. Ames is a rare exception to the rule in an intelligence community which is staffed by dedicated employees who—perhaps more than anyone else in the Nation—have reason to be outraged at the turncoat actions of but a few.

Employees of intelligence agencies must be willing to accept certain personal disclosures as a condition of employment. In an area as sensitive and critical as the Nation's security, the scales must tip in favor of protecting our Nation's secrets. This bill does that.

Mr. GRAHAM. Mr. President, I am pleased to join today with Senators

DECONCINI and WARNER as an original cosponsor of the Counterintelligence and Security Enhancements Act of 1994.

The chairman and vice chairman of the Senate Select Committee on Intelligence have ably outlined the bill's provisions.

Many of these provisions are based upon the fine work of the Jacobs panel, led by Eli Jacobs. I support all of them.

We need this legislation—particularly the ability to do thorough financial background checks—if we are going to guard successfully against a future Rick Ames.

But, Mr. President, it will take more than legislation to fix what is wrong at the Central Intelligence Agency. The CIA is seriously broken. I believe we all know that.

When the last investigator has written the last word on the *Ames'* case, we are going to find that this massive security breakdown was due in large measure to the CIA's organizational culture—what some have described as an old boys' network.

As Mr. Jim Hoagland so accurately wrote on March 8 in the Washington Post, Ames was OOU—One of Us. Son of an agency employee, hired before he finished college, he never received the scrutiny he so obviously warranted.

Let me quote Mr. Hoagland because he hits it right on the head.

> What we are really talking about is an old boys' network—a network that also revolves around the central notions of a class system; inherited privilege and social solidarity . . . A sense of social solidarity may help explain why the U.S. intelligence community, which spends about $30 billion a year to discover the world's most guarded secrets, failed to see a significant and suspicious change of behavior that occurred under its nose. There are some things OOU are not expected to do.

In other words, Mr. President, OOU's are not supposed to sell out their country for money.

But that's exactly what Ames did. And so did virtually every other turned American spy caught during the 1980's.

This legislation, with its emphasis on personal finances, is a step in the right direction.

Legislation, however, is no substitute for leadership. Whether we successfully come to grips with the one-of-us syndrome will depend largely upon CIA Director Jim Woolsey's leadership.

Serious mistakes were made in the *Ames* case. Those responsible for the extraordinary level of complacency that surrounded this case must be held accountable.

It is Mr. Woolsey's responsibility as director to make that call. But if he avoids the hard decisions, if he goes for the quick fix and papers over the Agency's deep-rooted cultural problems, he will face a growing credibility problem with an American public already highly skeptical of the billions of dollars we spend on the spy business.

If, on the other hand, Mr. Woolsey takes serious corrective action, if he aggressively builds on that action to define a new role for the CIA in the post-cold-war world, he will be taking the first steps toward rebuilding the Agency's tarnished reputation.

The choice is his.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 8, 1994]

OLD BOYS AT CIA

(By Jim Hoagland)

Aldrich Hazen Ames, the spy with three last names, might not have run his scam as long as he did had he been plain Fred Jones or Billy Bob Smith. Then his fellow spooks might have been more suspicious when he drove up to work one day in a new Jaguar, fresh from his mortgage-free $540,000 manse.

Let me rephrase that as a question: Does the still-unfolding Ames case reveal the Central Intelligence Agency as a mini-class system that has begun a decline into obsolescence and decay?

It is grandiose overstatement to refer to an intelligence agency as a class system, of course. What we are really talking about is an old boys' network—a network that also revolves around the central notions of a class system: inherited privilege and social solidarity.

Those notions permeate the case of Ames, the 52-year-old former head of counterintelligence for the Soviet Union and Eastern Europe at the CIA, now accused of having spied for the Kremlin. He was hired by the agency before even finishing college because of his father's good record there. He was, the old boys at the agency decided, OUF: One Of Us.

A sense of social solidarity may help explain why the U.S. intelligence community, which spends about $30 billion a year to discover the world's most guarded secrets, failed to see a significant and suspicious change of behavior that occurred under its nose. There are some things OUFs are not expected to do.

CIA Director R. James Woolsey reportedly said as much when he informed CIA employees of Ames's arrest. A Washington Post account paraphrased Woolsey saying on closed circuit television that he found such a betrayal hard to comprehend "involving as it did both harm to the country and a violation of a spy's personal and professional obligations."

That is the mind-set that produced the failure of the agency to follow Ronald Reagan's most famous dictum: Trust but Verify. The spymasters trusted Ames but did not verify his bank accounts. Indeed, the agency does not seem to have even asked to see them. (Reagan was President when Ames's alleged treachery began.)

Ex-director Robert M. Gates bristled on television when journalists suggested that failing to check Ames's finances may possibly have been an error. Congress did not order us to check employees' bank accounts, Gates said by way of explanation. The agency was uncomfortable about being too "intrusive" in the lives of its employees, he added.

I doubt that delicacy about intrusiveness really explains the agency's failure in the Ames case. I think the spymasters missed a crucial turn in their business, much as Philco stuck with radios at the dawn of the television era and IBM let its disdain for laptop computers undermine its corporate foundations.

The agency seems to have stuck with the idea that what OUFs don't do is spy for big money. Internal controls are designed to weed out or capture ideological turncoats or agents caught in the familiar KGB honeypot trap of compromising sexual situations that expose fallen agents to blackmail.

The CIA was run in a tweedy Ivy League fashion in its first decades and has remained deeply influenced by the Anglophilia of its founders. Ideology and/or sex were at the core of Britain's big spy cases. The CIA's first line of counterespionage defense assumed, perhaps unconsciously, that the same would be true for American spies.

But times change. In the 1980s the Walker family, Ronald Pelton and other cash-short Americans got big bonuses for signing up with the KGB and selling their country secret by secret. In a world of satellite photography and the big ears of electronic surveillance, spies concentrated more and more on the commerce of turning each other's coats.

Seventy to eighty percent of a CIA covert agent's working hours is spent on one activity: trying to recruit his or her opposite number in the Kremlin's secret service. That estimate comes from several CIA field agents, all speaking with the same tones of frustration over this misplaced expenditure of time and effort.

This is marketplace activity, the buying and selling of careers and lives. In its last decade the KGB dominated this loathsome traffic. In contrast, the major Soviet defectors in that period came over not for money but because they saw the failure and inevitable doom of a bankrupt Soviet system.

The Ames case displays a third characteristic of the class system, even one as small as an old boys' network. A self-contained aristocracy is eventually corrupted or overwhelmed by money.

Treating espionage primarily as a marketplace activity exposed the OUFs of the CIA to the virus of betrayal through greed. If he is guilty as charged, Aldrich Hazen Ames became One Of Them, and a traitor to his professional class, for money.

Mr. BOREN. Mr. President, I am pleased to cosponsor the DeConcini-Warner counterintelligence bill. The DeConcini legislation reflects many of the ideas and recommendations that are included in S. 1869, a bill Senator COHEN and I recently reintroduced on improving our country's ability to counter foreign espionage activities.

Senator COHEN and I became first involved with this issue in 1990 when I was chairman of the Senate Select Committee on Intelligence and Senator COHEN was vice chairman. The committee commissioned an independent panel of experts led by Eli Jacobs, a noted business leader who had served on a number of national security advisory boards. The panel included members who are now high ranking officials in the Clinton administration like Secretary of State Warren Christopher, White House counsel Lloyd Cutler, and CIA Director Jim Woolsey. Others participating in the Jacobs group were Adm. Bobby Inman, former Director of the National Security Agency; former Reagan White House counsel A.B.

Culvahouse; Sol Linowitz, former ambassador to the Organization of American States; former CIA Director Richard Helms; and Columbia law professor, Harold Edgar. Their exhaustive review of espionage laws and our country's security system led to the legislative proposals first outlined by Senator COHEN and I in 1990.

Now, with the Ames case coming to light, the need for reform is even greater. Our country must realize, as the Jacobs panel and our intelligence committee determined several years ago, that most modern spies sell secrets for financial rather than philosophical motives and for that reason are not likely to be discouraged by the political changes that have swept through the Eastern bloc.

I am pleased that the current chairmen and vice chairmen of the Senate Select Committee on Intelligence have decided to continue the efforts for reform. I note the many similarities between the DeConcini-Warner and Boren-Cohen bills and I look forward to working with them on reconciling the two initiatives. In particular, we must carefully decide which employees hold sensitive enough positions to be subjected to close monitoring of their financial dealings. It is obvious, we do not have the resources to scrutinize carefully all employees. To monitor too many employees could mean that we do not carefully monitor those we should. I hope to discuss this and other issues with my distinguished colleagues as the process continues.

By Mr. LAUTENBERG (for himself, Mr. FAIRCLOTH, Mr. LIEBERMAN, and Mr. REID):

S. 1949. A bill entitled the "Mercury-Containing and Rechargeable Battery Management Act"; to the Committee on Environment and Public Works.

MERCURY-CONTAINING AND RECHARGEABLE BATTERY MANAGEMENT ACT

• Mr. LAUTENBERG. Mr. President, I introduce the Mercury-Containing and Rechargeable Battery Management Act. I am pleased to be joined by Senators FAIRCLOTH, LIEBERMAN, and REID in cosponsoring this bill. This legislation will achieve three goals. It will reduce the amount of mercury used in disposable batteries; it will protect public health; and it will stimulate the recycling or proper disposal of rechargeable dry cell batteries containing cadmium and lead. As a result, there will be a significant reduction in the amounts of toxic heavy metals entering our air, water, and soil.

Lead, mercury, and cadmium can threaten human health. Unlike many organic toxic substances, these toxic metals do not break-down into less harmful constituents. Instead, lead, mercury, and cadmium persist in the environment, where they can be absorbed into human, plant, and animal tissues. EPA has identified mercury, cadmium, and lead as 3 of the 17 high priority toxic chemicals on which EPA is focusing pollution reduction efforts because of their toxicity.

Lead, which is used in the electrodes of sealed lead rechargeable batteries, has been classified as a probable human carcinogen by EPA. It has been shown to retard physical and mental development in children, leading one expert to call childhood lead poisoning "the most serious pediatric problem in the United States." But children are not the only ones at risk. Elevated lead exposures also have been linked to high blood pressure and central nervous system and kidney disorders in adults. And EPA says that lead is "highly toxic" to aquatic life.

Cadmium, which is used in the electrodes of rechargeable nickel-cadmium batteries, can cause kidney and liver damage. And EPA has said that exposure to high levels of airborne cadmium can result in pulmonary edema and even death, while chronic low-level exposure can result in fibrosis of the lung and lung cancer.

In 1976, EPA banned mercury in pesticide applications, after finding that mercury exposure can cause significant damage to the nervous system and kidneys. Mercury also has been linked to decreased motor functions and muscle reflexes, memory loss, headaches, and brain function disorders. And when mercury enters the aquatic environment, it can form methyl mercury which is extremely toxic to both humans and wildlife.

Mercury, cadmium, and lead are contained in some battery casings and pose no risk while in use. But they can be a significant concern when discarded in our solid waste stream.

In 1992 Americans used approximately 4 billion dry cell batteries each year. While dry cell batteries account for less than one-tenth of 1 percent of the 180 million tons of garbage we generate each year, dry cell batteries have been significant sources of mercury, cadmium and lead in our solid waste stream. According to the "Report on Dry Cell Batteries in New York State," mercury batteries accounted for 85 percent of the mercury, and rechargeable batteries accounted for 68 percent of the cadmium in New York's solid waste.

Dry cell batteries in landfills can break down over time to release their toxic contents and contaminate our waters. In composting facilities, batteries could contaminate and limit the use of the resulting compost. In incinerators, the combustion of dry cell batteries containing toxic metals leads to elevated toxic air emissions, and increases the concentrations of toxic metals in the resulting fly and bottom ash. So it is imperative that we reduce the amount of these metals going to our landfills and incinerators where they can be released into the environment.

Sixteen States, including New Jersey, have passed laws either to regulate certain types of dry cell batteries, or to study their disposal.

Mr. President, dry cell batteries fall into two major categories. The first are primary batteries—which include the familiar disposable alkaline manganese and zinc carbon types used in flash lights, toys, radios, and similar products. Primary batteries do not rely, in most cases, on toxic metals in their electrodes. Instead, most primary batteries incorporate relatively small amounts of heavy metals to suppress the unwanted formation of gases and to extend battery life.

The other type of batteries are the secondary or rechargeable batteries, which include nickel cadmium and sealed lead rechargeable batteries. These batteries often are marketed separately, with rechargers, for the same uses as primary batteries. Alternatively, rechargeable batteries often are permanently installed into a variety of portable rechargeable tools and appliances, such as drills, flashlights, and hand-held vacuums.

Because of technological constraints, secondary batteries rely on toxic metals in their electrodes, and therefore contain much higher levels of heavy metals than do regular primary batteries. At the beginning of this decade, rechargeable batteries occupied only about 8 percent of the total dry cell battery market—which is about 350,000 batteries a year. With technological improvements, they are expected to make up roughly 20 percent of the market within the next decade. Because rechargeables can be re-used for several years, they use relatively less raw materials than disposable batteries, and thus reduce the environmental costs of extracting virgin metals. And Consumer Reports magazine has said, "[i]n the long run * * * rechargeables are far more economical [to the consumer] than disposables," and that "for now * * * rechargeable nickel cadmium cells represent the 'greenest' [consumer] choice." That's why my bill supports the continued use of rechargeable batteries while at the same time encouraging that they are recycled or properly disposed at the end of their useful life.

Mr. President, both primary and secondary batteries contain toxic heavy metals. However, they incorporate them for different reasons and in different amounts, and that is why my bill will treat them differently within a two-pronged Federal regulatory framework.

The first part of this framework will reduce toxic metals at the source, by prohibiting the sale of alkaline manganese, zinc carbon and mercuric-oxide batteries with mercury concentrations that were intentionally introduced by dates established in the bill.

The five companies responsible for most of primary battery sales in the

United States—Eveready, Duracell, Rayovac, Panasonic, and Kodak—have already begun to reduce their mercury concentrations in line with this schedule, and I commend these companies for their efforts. In 1991, the battery industry consumed 92 percent less mercury than it did in 1984. This part of the bill would focus on those manufacturers who have not yet committed to these reductions.

The second part of this framework would encourage the recycling of rechargeable batteries containing cadmium or lead. These batteries pose a special challenge because current technology does not allow for the toxic metal concentrations in these batteries to be reduced. Yet at the same time, these batteries serve many valuable applications and consumer and environmental benefits.

The Portable Rechargeable Battery Association [PRBA] has proposed a comprehensive program for the collection and recycling of rechargeable batteries. My bill will assist PRBA in carrying out its recycling program.

The bills contains a number of other elements designed to aid recycling efforts. Twelve months after the enactment of the act, rechargeable consumer products must be manufactured in a manner in which the rechargeable battery can be removable easily from the product or is contained in a battery pack separate from the product. Rechargeable batteries and rechargeable consumer products containing cadmium and lead must contain labels advising consumers to recycle or properly dispose of the battery. EPA would be required to establish a battery information dissemination program. Retailers selling rechargeable batteries containing cadmium or lead or rechargeable consumer products must display a notice that the batteries must be recycled or disposed at property.

Most importantly, the bill changes existing law regarding the handling of these batteries from nonhousehold sources. EPA classifies spent rechargeable batteries containing cadmium or lead as hazardous and subjects them to hazardous waste regulations. This deters the recycling of these batteries without providing commensurate environmental benefits.

My bill would address this problem by legislatively exempting the collection, storage and disposal of nonhousehold dry cell batteries from the hazardous waste requirements if the batteries are to be recycled. The bill will not exempt these batteries if they are destined for disposal in a hazardous waste landfill. Batteries collected from households already are exempted from the hazardous waste requirements under RCRA.

EPA has already established precedent in this area, by excluding the wet cell lead acid batteries used in automobiles from hazardous waste requirements. And EPA has proposed to treat dry cell batteries in a similar matter. But EPA has been slow to take final action.

The bill also authorizes the battery industry to undertake cooperative efforts to collect and properly manage used rechargeable batteries and rechargeable consumer products.

The bill would give EPA the authority to promulgate rules regulating the sale of other dry cell batteries if they are found to pose a threat to human health or the environment. Penalties are established for violations of the act. And State battery programs, like the one in New Jersey, would not be preempted except for the labeling of batteries, consumer products and their packages.

Finally, EPA would be required to prepare biennial reports to Congress which would document the recycling rate for rechargeable batteries and companies which are and are not participating in the voluntary recycling program. This information will give the Congress and the public information regarding the success and participation rates of the voluntary recycling program. As we have seen from publication of the Toxic Release Inventory established by the Emergency Planning and Community Right to Know Act, giving the public information can help spur voluntary efforts to reduce pollution.

This bill will benefit States like New Jersey which have dry cell battery programs. The bill will further State efforts by: First, requiring the labeling of batteries to facilitate separation and recycling of batteries; second, removing the hazardous waste restrictions from collection, transportation and storage of dry cell batteries; and third, establishing a large, consistent supply of rechargeable batteries with cadmium and lead which will stimulate the growth of a domestic recycling industry.

Mr. President, toxic heavy metals are a bane to our environment, our wildlife and our people. This bill will provide effective ways to reduce exposure to these dangerous metals.

I want to commend the dry cell battery industry which has worked constructively in the development of this legislation.

I urge my colleagues to cosponsor this important bill. I ask unanimous consent that a copy of the bill, together with letters of support from Portable Rechargeable Battery Association and the National Electrical Manufacturers Association, be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1949

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Mercury-Containing and Rechargeable Battery Management Act."

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds the following:

(1) On the basis of available scientific and medical evidence, exposure to toxic metals including mercury, cadmium and lead, is of concern to human health and the environment.

(2) The presence of toxic metals in certain used batteries is of concern, in light of the substantial quantity of used batteries discarded annually in the solid waste stream, and the potential environmental and health consequences associated with land disposal, composting or incineration.

(3) It is in the public interest to reduce the quantity of toxic metals entering solid waste landfills, incinerators and composting facilities by phasing-out the use of mercury in batteries and by providing for the efficient and cost effective collection and recycling or proper disposal of used nickel cadmium, small sealed lead-acid regulated batteries and any other regulated battery, and to educate the public concerning the collection, recycling and proper disposal of such batteries.

(4) Uniform national labeling requirements for regulated batteries, rechargeable consumer products and product packaging will significantly benefit programs for regulated battery collection and recycling or proper disposal, and thus will benefit human health and the environment.

(5) It is in the public interest to encourage recycling by persons who participate in collection, storage, transportation, and recycling of used nickel-cadmium, small sealed lead-acid or any other regulated batteries, and such batteries used in consumer products.

(6) It is in the public interest and will create economic efficiencies to allow persons who participate in projects or programs to collect and properly manage used batteries or battery-powered products to enter into agreements with other participating persons to include the costs operating such programs in the price of such batteries and battery powered products.

SEC. 3. DEFINITIONS.

For the purposes of this Act:

(1) The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) The term "battery pack" means any combination of rechargeable batteries containing one or more regulated batteries that commonly has wire leads, terminals and dielectric housing.

(3) The term "easily removable" means the battery or battery pack is either detachable or removable from a consumer product by a consumer with the use of common household tools at the end of the life of the product.

(4) The term "rechargeable battery" means any type of enclosed device or sealed container consisting of one or more voltaic or galvanic cells, electrically connected to produce electric energy, that is designed to be recharged for repeated uses. Such term shall not include:

(a) Any lead-acid battery used to start an internal combustion engine or as the principal electrical power source for vehicles, including but not limited to automobiles, trucks, construction equipment, motorcycles, garden tractors, golfcarts, wheelchairs and boats;

(b) Any lead-acid battery used for load leveling or for storage of electricity generated by alternative energy sources, such as (but not limited to) solar cells or wind driven generators;

(c) Any battery used as a backup power source for memory or program instruction storage, timekeeping, or any similar purpose that requires uninterrupted electrical power in order to function if the primary energy supply fails or fluctuates momentarily; and

(d) rechargeable alkaline batteries.

(5) The term "rechargeable consumer product" means any product that when sold at retail includes a regulated battery as a primary energy supply, and that is primarily intended for personal or household use. Such term shall not include any product that only uses a battery solely as a backup power source for memory or program instruction storage, timekeeping, or any similar purpose that requires uninterrupted electrical power in order to function if the primary energy supply fails or fluctuates momentarily.

(6) The term "regulated battery" means any rechargeable battery that contains a cadmium or a lead electrode or any combination thereof, and such other electrode chemistries as determined by the Administrator pursuant to Section 103(e).

(7) The term "remanufactured product" means a rechargeable consumer product that has been altered by the replacement of parts, repackaged, or repaired after initial sale by the original manufacturer.

(8) The term "mercuric-oxide battery" means a battery that uses a mercuric-oxide electrode.

(9) The term "button cell" means any button-shaped or coin shaped battery.

SEC. 4. INFORMATION DISSEMINATION.

The Administrator shall, in consultation with representatives of rechargeable battery manufacturers, rechargeable consumer product manufacturers and retailers, establish a program to provide information to the public concerning the proper handling and disposal of used regulated batteries and rechargeable consumer products with nonremovable batteries.

SEC. 5. ENFORCEMENT.

For the purposes of this Act:

(1) Whenever on the basis of any information the Administrator determines that any person has violated or is in violation of any requirement of this Act, the Administrator may issue an order assessing a civil penalty for any past or current violation, requiring compliance immediately or within a reasonable specified time period, or both, or the Administrator may commence a civil action in the United States district court in the district in which the violation occurred for appropriate relief, including a temporary or permanent injunction.

(2) Any order issued pursuant to this subsection shall state with reasonable specificity the nature of the violation. Any penalty assessed in the order shall not exceed $10,000 for each such violation. In assessing such a penalty, the Administrator shall take into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

(3) Any order issued under this section shall become final unless, no later than thirty days after the order is served, the person or persons named therein request a public hearing. Upon such request the Administrator shall promptly conduct a public hearing. In connection with any proceeding under this section the Administrator may issue subpoenas for the attendance and testimony of witnesses and the production of relevant papers, books and documents.

(4) If a violator fails to take corrective action within the time specified in a compliance order, the Administrator may assess a civil penalty of not more that $10,000 for the continued noncompliance with the order.

SEC. 6. INFORMATION GATHERING AND ACCESS.

For the purposes of this Act:

(1) Any person who is required to carry out the objectives of this Act, including but not limited to, (1) regulated battery manufacturers, (2) rechargeable consumer product manufacturers, (3) mercury containing battery manufacturers, or (4) their authorized agents shall establish and maintain such records and report such information as the Administrator may by rulemaking reasonably require to carry out the objectives of this Act.

(2) The Administrator or his authorized representative upon presentation of his credentials may at reasonable times have access to any copy any such records required to be maintained under paragraph (1) of this Section.

(3) The Administrator shall maintain the confidentiality of such documents and records that contain proprietary information.

SEC. 7. STATE AUTHORITY.

Except as provided in Sections 103(f) and 104, relating to requirements and the labeling of rechargeable batteries, battery packs, or rechargeable consumer products or packages containing such products, nothing in this Act shall be construed so as to prohibit a State from enacting and enforcing a standard or requirement that is more stringent than a standard or requirement established or promulgated under this Act.

SEC. 8. AUTHORIZATION.

Funds necessary to implement the requirements of this Act are hereby authorized to be appropriated.

TITLE I.—RECHARGEABLE BATTERY RECYCLING ACT

SEC. 101. SHORT TITLE.

This Title may be cited as the "Rechargeable Battery Recycling Act."

SEC. 102. PURPOSE.

The purpose of this title is to:

(1) Reduce the quantity of cadmium and lead entering solid waste landfills, incinerators and composing facilities by promoting the efficient recycling of used nickel-cadmium rechargeable batteries, used small sealed lead-acid rechargeable batteries or any other regulated battery, and such rechargeable batteries in used consumer products, through uniform labeling requirements, streamlined regulatory requirements for regulated battery collection programs, and by encouraging voluntary industry programs by eliminating barriers to funding the collection and recycling or proper disposal of used rechargeable batteries.

SEC. 103. RECHARGEABLE CONSUMER PRODUCTS AND LABELING.

(a) PROHIBITION.—No person shall sell to the end user for use in the United States a regulated battery or rechargeable consumer product manufactured on or after the date that is 12 months after the date of enactment of this Act, unless—

(1) the regulated battery—

(A) is easily removable from the rechargeable consumer product; or

(B) is contained in a battery pack that is easily removable from the product; or

(C) is sold separately; and

(2) The rechargeable consumer product and the regulated battery are labeled in accordance with subsection (b).

(3) The requirements of subsection (a) do not apply to the following:

(A) The sale of remanufactured product units unless subsection (a) applied to the sale of the unit when originally manufactured; and

(B) Product units intended for export purposes only.

(b) LABELING.—Each of the following items manufactured on or after the date that is 12 months after the date of enactment of this Act, whether produced domestically or imported, shall be labeled with the three chasing arrows or a comparable recycling symbol, and, on nickel-cadmium batteries or battery packs, the chemical name or the abbreviation "Ni-Cd", or, on lead-acid batteries and battery packs, either "Pb" or the words "LEAD" "RETURN" "RECYCLE", and all applicable statements listed below:

(1) On each regulated battery or battery pack: "NICKEL-CADMIUM BATTERY. MUST BE RECYCLED OR DISPOSED OF PROPERLY." or "SEALED LEAD BATTERY. BATTERY MUST BE RECYCLED.";

(2) On each rechargeable consumer product without an easily removable battery or battery pack: "CONTAINS NICKEL-CADMIUM BATTERY. BATTERY MUST BE RECYCLED OR DISPOSED OF PROPERLY." or "CONTAINS SEALED LEAD BATTERY. BATTERY MUST BE RECYCLED."; and

(3) On the packaging of each rechargeable consumer product, and the packaging of each regulated battery or battery pack sold separately, unless the relevant label is clearly visible through the packaging: "CONTAINS NICKEL-CADIUM BATTERY. BATTERY MUST BE RECYCLED OR DISPOSED OF PROPERLY." or "CONTAINS SEALED LEAD BATTERY. BATTERY MUST BE RECYCLED."

(c) EXISTING LABELING.—

(1) For a period of twenty-four (24) months after the date of enactment of this Act, regulated batteries and battery packs, rechargeable consumer products containing regulated batteries, and rechargeable consumer product packages that are labeled in substantial compliance with subsection (b) shall be deemed to comply with the labeling requirements of subsection (b).

(2) Upon application by persons subject to the labeling requirements of subsection 103(b) or the labeling requirements promulgated by the Administrator under subsection 103(e), the Administrator may approve and certify that a different label meets the requirements of subsections 103 (b) and (e), if the different label is substantially similar to the label required under subsections 103 (b) and (e) or conforms with a recognized international standard and is consistent with the overall purposes of this Title.

(d) POINT OF SALE INFORMATION.—Any retail establishment that offers for sale any battery or product subject to the requirements of subsection (b) or regulations promulgated by the Administrator under subsection (e), shall display in a manner visible to the consumer, a written notice that informs the consumer that regulated batteries, whether sold separately or in rechargeable products, must be recycled or disposed of properly.

(e) ADMINISTRATOR'S RULEMAKING AUTHORITY.—If the Administrator determines that other rechargeable batteries having electrode chemistries different from regulated batteries are toxic and may cause substantial harm to human health and the environment if discarded into the solid waste stream for land disposal or incineration, the Administrator may, with the advice and counsel of state regulatory authorities and manufacturers of rechargeable batteries and products, and after public comment, (1) promulgate labeling requirements for such batteries, battery packs, products without easily removable batteries and their packaging, and (2) promulgate easily-removable design requirements for rechargeable consumer products designed to contain such batteries or battery packs. The regulations promulgated pursuant to this subsection shall be substantially similar to the requirements contained in subsections (a) and (b).

(f) UNIFORMITY.—After the effective dates of the requirements set forth in Section 103, no federal agency, State, or political subdivision may enforce any easy removability or environmental labeling requirement for a rechargeable battery or product that includes a rechargeable battery that is not identical to the requirements contained in subsections (a), (b) and (c) or the regulations promulgated by the Administrator under subsection (e).

(g) EXEMPTIONS.—

(1) IN GENERAL.—With respect to any rechargeable consumer product, any person may submit an application to the Administrator for an exemption from the requirements of subsection (a) in accordance with the procedures under paragraph (2). The application shall include the following information:

(A) A statement of the specific basis for the request for the exemption.

(B) The name, business address, and telephone number of the applicant.

(2) GRANTING OF EXEMPTION.—Within 60 days of receipt of an application under paragraph (1), the Administrator shall approve or deny the application. Upon approval of the application the Administrator shall grant an exemption to the applicant. The exemption shall be issued for a period of time that the Administrator determines to be appropriate, except that such period shall not exceed 2 years. The Administrator shall grant an exemption on the basis of evidence supplied to the Administrator that the manufacturer has been unable to commence manufacturing the rechargeable consumer product in compliance with the requirements of this section and with an equivalent level of product performance without the product—

(A) resulting in danger to human health, safety, or the environment; or

(B) violating requirements for approvals from governmental agencies or widely recognized private standard-setting organizations (including but not limited to Underwriters Laboratories).

(3) RENEWAL OF EXEMPTION.—A person granted an exemption may apply for a renewal of the exemption in accordance with the requirements and procedures described in paragraph (2). The Administrator may grant renewals of an exemption for periods of not more than 2 years after the date of granting of the renewal.

SEC. 104. REQUIREMENTS.

For the purposes of carrying out the collection, storage, transportation and recycling or proper disposal of used rechargeable batteries and products without easily removable rechargeable batteries, persons involved in collecting, storing, or transporting used rechargeable batteries or products containing used rechargeable batteries to a facility for recycling or proper disposal shall be regulated in the same manner and with the same limitations as if such persons were collecting, storing or transporting batteries subject to 40 C.F.R. Part 266 Subpart G on January 1, 1993, notwithstanding any regulations adopted pursuant to a grant of authority to a State under Section 3006 of the Solid Waste Disposal Act (42 U.S.C. §6926).

SEC. 105. COOPERATIVE EFFORTS.

If two or more persons who participate in projects or programs to collect and properly manage used rechargeable batteries or products powered by rechargeable batteries advise the Administrator of their intent, they may agree to develop jointly, or to share in the costs of participating in, such a program and to examine and rely upon such cost information as is collected during the project or program, notwithstanding any other provision of law.

SEC. 106. REPORT TO THE CONGRESS.

(a) REPORT DEADLINES IN GENERAL.—Not later than 36 months after the date of enactment of this Act, the Administrator, after consultation with and obtaining relevant industry-wide data from the States, environmental and consumer groups, and organizations representing rechargeable battery manufacturers, rechargeable consumer product manufacturers and retailers, and after public hearing and comment, shall submit to Congress a report that provides the information specified in Subsection (b). In collecting information for said report, the Administrator shall coordinate with the aforementioned States, environmental and consumer groups, and organizations to minimize the frequency and scope of any reporting requirements associated with the manufacture, sale, or collection of regulated batteries.

(b) CONTENT OF REPORT.—The report described in Subsection (a) shall consider and discuss each of the following:

(1) A review of the activities carried out by the entities listed in Subsection (a) with respect to the labeling and collection, transportation, and recycling or disposal of regulated batteries;

(2) An estimate, for the period beginning on the date of enactment of this Section and ending on the date of preparation of the report, of the number of regulated batteries entering the solid waste stream for disposal in incinerators, landfills and municipal solid waste facilities;

(3) A review of the recycling and reclamation rates for regulated batteries; and

(4) A review of the availability of permitted facilities sufficient to handle the current and projected volume of used regulated batteries, along with a complete evaluation of potential regulatory impediments to management options;

(5) A list of entities involved in the production and distribution of regulated batteries or rechargeable consumer products participating in programs for the collection of regulated batteries; and

(6) A list of entities involved in the production and distribution of regulated batteries or rechargeable consumer products, excluding retailers, that are not participating in regulated battery collection programs. In formulating such list, the Administrator shall not require any participant to report the name of any non-participant. Prior to listing any entity as a nonparticipant, the Administrator must determine that the entity should be a participant, and independently verify with the entity that it is not a participant.

(c) FREQUENCY OF REPORT.—24 months after publication of the report required in Subsection (a), and biennially thereafter, the Administrator shall issue a report that provides an update of the information specified in Subsection (b).

TITLE II.—MERCURY CONTAINING BATTERY MANAGEMENT ACT

SEC. 201. SHORT TITLE.

This Title may be cited as the "Mercury-Containing Battery Management Act."

SEC. 202. PURPOSE.

The purpose of this Title is to eliminate the quantity of mercury entering solid waste landfills, incinerators and composting facilities by phasing-out the use of mercury in batteries containing mercury.

SEC. 203. LIMITATIONS ON THE SALE OF ALKALINE-MANGANESE BATTERIES CONTAINING MERCURY.

No person shall sell, offer for sale, or offer for promotional purposes any alkaline-manganese battery manufactured on or after January 1, 1996 with a mercury content that was intentionally introduced (as distinguished from mercury which may be incidentally present in other materials), except that the limitation on mercury content in alkaline-manganese button cells shall be 25 milligrams of mercury per button cell.

SEC. 204. LIMITATIONS ON THE SALE OF ZINC CARBON BATTERIES CONTAINING MERCURY.

No person shall sell, offer for sale, or offer for promotional purposes any zinc carbon battery manufactured on or after January 1, 1995, that contains any mercury that was intentionally introduced.

SEC. 205. LIMITATIONS ON THE SALE OF BUTTON CELL MERCURIC-OXIDE BATTERIES.

No person shall sell, offer for sale, or offer for promotional purposes any button cell mercuric-oxide battery on or after January 1, 1995.

SEC. 206. LIMITATIONS ON THE SALE OF MERCURIC-OXIDE BATTERIES.

No person shall sell, offer for sale, or offer for promotional purposes, any mercuric-oxide battery on or after January 1, 1997.

PORTABLE RECHARGEABLE
BATTERY ASSOCIATION,
Atlanta, GA, March 9, 1994.

Hon. FRANK R. LAUTENBERG,
U.S. Senate, Hart Senate Office Building,
Washington, DC.

DEAR SENATOR LAUTENBERG: I write on behalf of the Portable Rechargeable Battery Association ("PRBA") to express our support for the "Mercury-Containing and Rechargeable Battery Management Act."

PRBA is a non-profit trade association representing manufacturers, distributors, assemblers, users, suppliers and sellers of rechargeable batteries and rechargeable consumer products.[1] We have over one hundred twenty members, including manufacturers of approximately 95 percent of the world's nickel-cadmium batteries, manufacturers of approximately 60 percent of the world's small sealed lead-acid batteries, and manufacturers of almost 50 percent of the world's rechargeable consumer products.

Our goal is to play a leadership role in the environmentally responsible stewardship of rechargeable batteries and products. To this end, we are assisting several states, including the State of New Jersey, as well as local governments in establishing collection and recycling programs for these batteries and products. Later this year, PRBA expects to launch a national battery collection program for used rechargeable batteries. This program will eventually collect rechargeable batteries from all 50 states for recycling.

Your legislation would greatly assist our efforts to collect rechargeable batteries for recycling. It would require that all rechargeable batteries and battery packs containing nickel-cadmium and lead-acid electrodes be easily removable from consumer products, be labeled with a recycling symbol and contain the chemical name or abbreviation to facilitate sortation of the batteries for recycling. Retailers of batteries and consumer products (shavers, lap-top computers, etc.) would be required to provide information indicating that such batteries and battery packs must be recycled or disposed of properly. Following implementation of the Act, EPA would be required to report to Congress on the amount of rechargeable batteries entering the municipal solid waste stream, the recycling rates for rechargeable batteries, and a list of organizations participating and not participating in collection and recycling programs for rechargeable batteries.

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[1] Rechargeable batteries are used in a variety of consumer products including portable telephones, portable power tools, cameras, camcorders, lap-top computers and flashlights. These batteries also are widely used commercially in police radios, pagers, emergency lighting, hospitals and other applications.

This legislation also would phase-out the use of mercury in certain batteries by prohibiting the intentional introduction of mercury in batteries manufactured after January 1, 1996. By phasing-out the use of mercury in batteries and providing for the efficient and cost-effective collection and recycling of rechargeable batteries, your legislation will reduce the quantity of certain heavy metals from entering the municipal solid waste stream.

We thank you for your efforts to address these issues, and look forward to working with you and your staff to obtain enactment of this legislation.

With best wishes,

FRANK WESTFALL,
Chairman, PRBA Board of Directors.

NATIONAL ELECTRICAL
MANUFACTURERS ASSOCIATION,
Washington, DC, March 9, 1994.

Hon. FRANK R. LAUTENBERG,
U.S. Senate, Hart Building,
Washington, DC.

Subject: Mercury Containing and Rechargeable Battery Management Act.

DEAR SENATOR LAUTENBERG: It is my pleasure to introduce myself as the Manager of Environmental Affairs at the National Electrical Manufacturers Association (NEMA). NEMA is the principal national trade association for manufacturers in the electrical industry representing over 600 domestic manufacturers of products used in the generation, transmission, distribution and end-use of electrical energy.

This letter is written on behalf of the members of Dry Battery Section of the National Electrical Manufacturers Association (NEMA), which is the trade association for United States manufacturers of dry cell batteries. Members of the NEMA dry Battery Section include Duracell, Eveready, Rayovac, Eastman Kodak and other companies.

NEMA wishes to voice its support of the "Mercury-Containing and Rechargeable Battery Management Act". Your leadership in introducing this important bill is greatly appreciated.

Manufacturers appreciate the introduction of this bill which recognizes the differences in various battery systems, and uses these distinctions to provide effective methods of lessening the quantities of toxic materials entering the waste stream.

Please let us know if NEMA can provide further support.

Sincerely,

RICHARD H. ROBINSON,
Manager, Environmental Affairs.•

By Mrs. KASSEBAUM (for herself and Mr. HATCH):

S. 1950. A bill to amend the Occupational Safety and Health Act of 1970 to make needed revisions in regulations and programs, and for other purposes; to the Committee on Labor and Human Resources.

OCCUPATIONAL SAFETY AND HEALTH REFORM ACT

Mrs. KASSEBAUM. Mr. President, today I rise to introduce, with Senator HATCH, the Occupational Safety and Health Reform Act, which offers a fresh perspective to workplace safety that I believe is long overdue. Instead of relying on mandates and penalties, this legislation provides positive incentives for employers to address occupational safety.

This bill is a companion bill, with minor modification, to the legislation that Representative FAWELL introduced in the House of Representatives. I would like to thank Representative FAWELL for his leadership on this issue. He deserves a great deal of credit for approaching health and safety in a new and innovative way.

Mr. President, Congress first enacted our current workplace safety law, the Occupational Safety and Health Act, in 1970. We imposed a legal duty on employers to provide a safe and healthy workplace, and we created a new agency within the Department of Labor—the Occupational Safety and Health Administration [OSHA]—to promulgate and enforce health and safety standards.

When Congress first passed workplace safety legislation, we envisioned a Government agency that would work in partnership with private industry to improve working conditions for our country's men and women. We hoped employers would not fear OSHA inspections, because we anticipated OSHA would use inspections as an opportunity to educate supervisors on methods to improve workplace safety.

Mr. President, I am not sure whether the Federal Government ever took that approach with the business community, but if that partnership ever did exist, it regrettably does not exist right now.

Over the past 20 years, we have developed an adversarial relationship between the Federal Government and the private sector. OSHA and private industry no longer view their relationship as an alliance. Part of the problem is that OSHA too often relies on fines and penalties rather than on education and consultation. And part of the problem is that OSHA too often focuses on paperwork violations rather than on real safety deficits. As a result, OSHA has lost much of its credibility with the American people.

The legislation that we are introducing today reverses this course. Rather than rely on more mandates and fines, which promote as adversarial relationship, this reform bill provides positive incentives for employers to address health and safety issues. My hope is that this will change OSHA's role from safety policeman to safety coach.

Under this new reform initiative, those employers utilizing certified private sector safety experts to conduct safety audits would be exempt from regular OSHA inspections. In addition, employers with exemplary safety records that have implemented comprehensive safety programs also would be exempt from regular inspections. Finally, these employers would be eligible for reduced OSHA fines if a workplace accident did occur.

There are several other provisions that I would like to highlight. For the first time, we have incorporated full congressional coverage into our workplace safety laws. Clearly we must learn to live by the same laws that we impose upon others.

Second, we have included, with minor modification, the Teamwork for Employees And Management [TEAM] Act, S. 669, in the OSHA bill to assure that employers and employees can meet to discuss safety issues without violating our Federal labor laws. Employee involvement is crucial to identifying workplace hazards. The TEAM Act allows the myriad of employee involvement programs to continue without requiring it in a one-size-fits-all mandate.

Third, we have expanded the on-site consultation program to assure that OSHA fulfills its obligation to work in partnership with the business community. Fourth, we have included a mediation procedure to facilitate resolution of conflicts when OSHA charges an employer with violating an OSHA standard or regulation.

In addition, we have avoided placing an enormous unfunded mandate on State and local governments. Unlike the legislation introduced by Senator KENNEDY, S. 575, we do not impose Federal workplace safety standards on State governments.

Furthermore, we provide more flexibility for States that choose to operate their own safety programs. Under the legislation introduced today, we authorize the Federal Government to grant broad waiver authority for States to experiment with cutting edge, innovative methods of improving workplace safety.

Mr. President, workplace safety is an important issue. The current system has failed to produce the type of consensus that Congress contemplated when it passed the Occupational Safety and Health Act in 1970. I hope that the Senate will act promptly on this legislation so we can truly assure every working man and woman a safe and healthy workplace.

I ask unanimous consent that the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the "Occupational Safety and Health Reform Act".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.).

SEC. 2. PUBLIC EMPLOYEES.

(a) DEFINITION OF EMPLOYER.—Section 3(5) (29 U.S.C. 652(5)) is amended to read as follows:

"(5) The term 'employer'—

"(A) means a person engaged in a business affecting commerce who has employees;

"(B) includes a congressional employer and any person acting directly or indirectly in the interest of an employer in relation to an individual employed by any entity of the executive or judicial branch of the Government; and

"(C) does not include any State or political subdivision of a State.".

(b) DEFINITION OF CONGRESSIONAL EMPLOYER.—Section 3 (29 U.S.C. 652) is amended by adding at the end at the following new paragraph:

"(15) The term 'congressional employer' means an individual who has the final authority to appoint, hire, and set the terms, conditions, or privileges of the congressional employment of any individual employed by any entity of the legislative branch of the Government.".

(c) REPEALS AND CONFORMING AMENDMENTS.—

(1) Section 19 (29 U.S.C. 668) is repealed.

(2) Section 410(b) of title 39, United States Code, is amended—

(A) by striking paragraph (7);

(B) in paragraph (9), by striking "and";

(C) in paragraph (10), by striking the period and inserting "; and"; and

(D) by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(3) Section 1312(c) of the Atomic Energy Act of 1954 (42 U.S.C. 2297b-11(c)) is amended—

(A) by striking "sections 3(5), 4(b)(1), and 19" and inserting "sections 3(5) and 4(b)(1)"; and

(B) by striking "(29 U.S.C. 652(5), 653(b)(1), and 668))" and inserting "(29 U.S.C. 652(5) and 653(b)(1))".

SEC. 3. OCCUPATIONAL SAFETY AND HEALTH STANDARDS.

(a) REGULATORY FLEXIBILITY ANALYSIS.—Section 6 (29 U.S.C. 655) is amended by adding at the end the following new subsections:

"(h) In promulgating any occupational safety and health standard under subsection (b), the Secretary shall perform a regulatory flexibility analysis described in sections 603 and 604 of title 5, United States Code.

"(i) In promulgating any occupational safety and health standard under subsection (b), the Secretary shall minimize the time, effort, and costs involved in the retention, reporting, notifying, or disclosure of information to the Secretary, to third parties, or to the public to the extent consistent with the purpose of the standard. Compliance with the requirement of this subsection may be included in a review under subsection (f).".

(b) ECONOMIC IMPACT ANALYSIS.—The Secretary of Labor shall conduct a continuing comprehensive analysis of the costs and benefits of each standard in effect under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655). The Secretary shall first report the results of such analysis to Congress upon the expiration of 2 years after the date of the enactment of this Act and shall make such report every 2 years thereafter.

SEC. 4. VARIANCES.

Section 6(d) (29 U.S.C. 655(d)) is amended by adding at the end the following new sentence: "No citation shall be issued for a violation of an occupational safety and health standard that is the subject of an application for a variance (which has been pending before the Secretary for at least 90 days), during the period the application is pending before the Secretary.".

SEC. 5. INSPECTIONS.

(a) TRAINING AND AUTHORITY OF SECRETARY.—Section 8 (29 U.S.C. 657) is amended by redesignating subsection (g) as subsection (l) and by adding after subsection (f) the following new subsections:

"(g) Inspections shall be conducted under this section by at least one individual who has training in and is knowledgeable of the industry or types of hazards being inspected.

"(h) The Secretary shall enter into agreements with other Federal agencies and with States to train the inspection personnel of agencies that conduct inspections of employers to determine if employee fire protection is adequate and to identify recognizable dangerous conditions, and shall establish a system for the referral of information with respect to fire hazards and such dangerous conditions to the Secretary.

"(i)(1) Except as provided in paragraph (2), the Secretary shall not conduct routine inspections of, or enforce any standard, rule, regulation, or order under this Act with respect to—

"(A) any person who is engaged in a farming operation that does not maintain a temporary labor camp and that employs 10 or fewer employees; or

"(B) any employer of not more than 10 employees if such employer is included within a category of employers having an occupational injury or a lost work day case rate (determined under the Standard Industrial Classification Code for which such data are published) that is less than the national average rate as most recently published by the Secretary acting through the Bureau of Labor Statistics under section 24.

"(2) Paragraph (1) shall, in the case of persons who are not engaged in farming operations, not be construed to prevent the Secretary from—

"(A) providing consultations, technical assistance, and educational and training services and conducting surveys and studies under this Act;

"(B) conducting inspections or investigations in response to employee's complaints, issuing citations for violations of this Act found during such an inspection, and assessing a penalty for violations that are not corrected within a reasonable abatement period;

"(C) taking any action authorized by this Act with respect to imminent dangers;

"(D) taking any action authorized by this Act with respect to health standards;

"(E) taking any action authorized by this Act with respect to a report of an employment accident that is fatal to at least one employee or that results in the hospitalization of at least three employees, and taking any action pursuant to an investigation conducted with respect to such report; and

"(F) taking any action authorized by this Act with respect to complaints of discrimination against employees for exercising their rights under this Act.".

(b) EMPLOYEE NOTICE.—Section 8(f)(1) (29 U.S.C. 657(f)(1)) is amended—

(1) in the third sentence, by striking "he shall make" and inserting "the Secretary may make"; and

(2) in the fourth sentence—

(A) by striking "determines there" and inserting "determines that there"; and

(B) by striking "he shall notify" and inserting "or that the facts alleged in the notification do not justify an exercise of the Secretary's inspection authority under subsection (a) for any reason consistent with the standard used by the Secretary to choose subjects for inspection under such subsection, the Secretary shall notify".

SEC. 6. WORKSITE BASED INITIATIVES.

(a) PROGRAM.—The Act is amended by inserting after section 8 the following new section:

"SEC. 8A. HEALTH AND SAFETY REINVENTION INITIATIVES.

"(a) IN GENERAL.—The Secretary shall by regulation establish a program to encourage voluntary employer and employee efforts to provide safe and healthful working conditions.

"(b) EXEMPTION.—In establishing a program under subsection (a), the Secretary shall, in accordance with subsection (c), provide an exemption from all safety and health inspections and investigations with respect to a place of employment maintained by an employer, except inspections and investigations conducted for the purpose of—

"(1) determining the cause of a workplace accident that resulted in the death of one or more employees or the hospitalization of three or more employees;

"(2) responding to a request for an inspection pursuant to section 8(f)(1); or

"(3) carrying out a special emphasis program under section 8.

"(c) EXEMPTION REQUIREMENTS.—In order to qualify for the exemption provided under subsection (b), an employer shall provide evidence that—

"(1) during the preceding year, the place of employment or conditions of employment have been reviewed or inspected under—

"(A) a consultation program provided by recipients of grants under section 7(c)(1), 16 (c) or (d), or 23(g);

"(B) a certification or consultation program provided by an insurance carrier or other private business entity pursuant to a State program, law, or regulation; or

"(C) a workplace consultation program provided by a person certified by the Secretary for purposes of providing such consultations,

that includes a means of ensuring that serious hazards identified in the consultation are corrected within an appropriate time; or

"(2) the place of employment has an exemplary safety record and the employer maintains a safety and health program for the workplace that includes—

"(A) procedures for assessing hazards to the employer's employees that are inherent to the employer's operations or business;

"(B) procedures for correcting or controlling such hazards in a timely manner based upon the severity of the hazard; and

"(C) employee participation in the program that includes at the least—

"(i) regular consultation between the employer and nonsupervisory employees regarding safety and health issues;

"(ii) assurances that participating nonsupervisory employees have training or expertise on safety and health issues consistent with the responsibilities of such employees; and "(iii) the opportunity for nonsupervisory employees to make recommendations regarding hazards in the workplace and to receive responses or to implement improvements in response to such recommendations.

"(d) Applicability to the National Labor Relations Act.—In order to carry out the purposes of this Act and to encourage employers and employees in their efforts to reduce the number of occupational safety and health hazards, section 8(a)(2) of the National Labor Relations Act shall not apply to an employer that establishes, assists, maintains, or participates in any organization, health and safety committee, or other entity of any kind—

"(1) in which employees participate to discuss matters of mutual interest (including issues of health and safety, quality, productivity, or efficiency); and

"(2) that does not have, claim, or seek authority, to negotiate or enter into collective bargaining agreements under such Act with the employer or to amend existing collective bargaining agreements between the employer and any labor organization.

"(e) Certification.—The Secretary may require that an employer in order to claim the exemption under subsection (b) give certification to the Secretary and notice to the employer's employees of such eligibility.

"(f) Records.—Records of safety and health inspections, audits, or reviews conducted by an employer and not required by this Act shall not be required to be disclosed to the Secretary except as may be necessary to determine eligibility for an exemption from inspection under this section.".

(b) Definition.—Section 3 (29 U.S.C. 652) as amended by section 2(b) is further amended by adding at the end the following new paragraph:

"(16) The term 'exemplary safety record' means such record as the Secretary shall annually determine for each industry. Such record shall include employers that have had, in the most recent reporting period, no employee death caused by occupational injury and fewer lost workdays due to occupational injury and illness than the average for the industry of which the employer is a part.".

SEC. 7. EMPLOYER DEFENSES.

Section 9 (29 U.S.C. 658) is amended by adding at the end the following new subsections:

"(d) No citation may be issued under subsection (a) to an employer unless the employer knew or with the exercise of reasonable diligence would have known of the presence of the alleged violation. No citation shall be issued under subsection (a) to an employer for an alleged violation of section 5, any standard, rule, or order promulgated pursuant to section 6, any other regulation promulgated under this Act, or any other occupational safety and health standard, if such employer demonstrates that—

"(1) employees of such employer have been provided with the proper training and equipment to prevent such a violation;

"(2) work rules designed to prevent such a violation have been established and adequately communicated to employees by such employer and the employer has taken reasonable measures to discipline employees when violations of such work rules have been discovered;

"(3) the failure of employees to observe work rules led to the violation; and

"(4) reasonable steps have been taken by such employer to discover any such violation.

"(e) A citation issued under subsection (a) to an employer who violates the requirements of section 5, of any standard, rule, or order promulgated pursuant to section 6, or any other regulation promulgated, under this Act shall be vacated if such employer demonstrates that employees of such employer were protected by alternative methods equally or more protective of the employee's safety and health than those required by such standard, rule, order, or regulation in the factual circumstances underlying the citation.

"(f) Subsections (d) and (e) shall not be construed to eliminate or modify other defenses that may exist to any citation.".

SEC. 8. THE OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION.

(a) Section 10.—Section 10(c) (29 U.S.C 659(c)) is amended—

(1) in the first sentence, by striking "fifteen working days" and inserting "30 working days"; and

(2) by striking the second sentence and inserting the following: "The Commission shall issue an order, based on de novo findings of fact and de novo conclusions of law, affirming, modifying, or vacating the Secretary's citation or proposed penalty or directing other appropriate relief. Such order shall become final 30 days after such order is issued.".

(b) Section 11.—Section 11(a) (29 U.S.C 660(a)) is amended by inserting after "conclusive" at the end of the sixth sentence the following: "and the Commission's conclusions with respect to questions of law shall be given deference if reasonable".

SEC. 9. DISCRIMINATION.

Section 11(c) (29 U.S.C. 660(c)) is amended by striking paragraphs (2) and (3) and inserting the following new paragraphs:

"(2) Any employee who believes that the employee has been discharged or otherwise discriminated against by any person in violation of paragraph (1) or who believes that the employee has been discharged or discriminated against because of an action taken by the employee's employer in violation of section 28, may, not later than 60 days after the date on which such violation occurs, file a complaint with the Secretary alleging such discrimination. Upon receipt of such a complaint, the Secretary shall notify the person named in the complaint and commence an investigation to determine if the Secretary should, on behalf of such employee, file such complaint with the Commission to request the Commission to take action on the basis of such complaint. The Secretary shall make such determination not later than 90 days after the filing of such complaint.

"(3) If within such 90-day period, the Secretary does not file a complaint on behalf of the complainant with the Commission, such employee may file such complaint with the Commission. If such a complaint is filed with the Commission, the Commission shall provide opportunity for a hearing (in accordance with section 554 of title 5, United States Code, but without regard to subsection (a)(3) of such section), and issue an order, based upon findings of fact and conclusions of law. In such an order, the Commission may require a person charged with committing a violation of paragraph (1) to take appropriate affirmative action, including the rehiring or reinstatement of the employee to the employee's former position with back pay and interest. Upon completion of a proceeding on such order, the Commission may award the prevailing party a reasonable attorney's fee. Final orders of the Commission may be appealed as provided in subsection (a).

"(4)(A) Anytime after a complaint has been filed with the Secretary alleging a violation of paragraph (1), the complaining employee, the person charged with committing the violation (referred to in this paragraph as the 'respondent'), or the Secretary has the right to request that the complaint be referred to the Federal Mediation and Conciliation Service (referred to in this paragraph as the 'Service') for mediation of the dispute. In lieu of receiving mediation services from the Service, the parties may upon mutual agreement refer the complaint to a mediator other than a mediator provided by the Service.

"(B) During mediation, the respondent and the complaining party may be represented by legal counsel or other representative of such respondent's or party's choice.

"(C)(i) All contested proceedings shall be stayed during the time for mediation and neither the Secretary nor the complaining party shall file a complaint pending completion of the mediation.

"(ii) The mediator shall have 60 days from the date of the referral to mediate to complete the mediation. If the complaint has not been resolved within such 60-day period or such extension as may be agreed upon, the mediation shall be deemed to be completed. The parties may extend the mediation for an additional 60 days by mutual agreement.

"(iii) The complaint shall be resolved through mediation in a manner that is mutually agreeable to the parties. The resolution of the complaint shall be binding upon the parties and shall preclude resort to other legal proceedings except as provided in subparagraph (E).

"(D)(i) Any agreement shall be kept confidential by the parties to the mediation unless all parties to the mediation agree otherwise in writing.

"(ii) All communications, oral or written, made in connection with the mediation (including memoranda, work product, transcripts, notes, or other materials) shall be kept confidential by the participants to the mediation.

"(iii) The material referred to in clause (ii) shall not be subject to disclosure through discovery or compulsory process and shall not be used as evidence in any investigatory, arbitral, judicial, administrative, or other proceeding.

"(E) A party to an agreement made pursuant to mediation under this paragraph may bring an action to enforce the agreement in any Federal or State court of competent jurisdiction.

"(F) Except as provided in subparagraph (C)(iii), nothing in this paragraph shall be interpreted to effect or modify whatever rights and obligations the parties may have under arbitration agreements or other form of alternative dispute resolution mechanisms.".

SEC. 10. ENFORCEMENT.

(a) Special Conditions and Practices.—Section 13 (29 U.S.C. 662) is amended—

(1) by striking subsection (c);

(2) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively; and

(3) by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a)(1) If the Secretary determines, on the basis of an inspection or investigation under this section, that a condition or practice in a place of employment is such that an imminent danger to safety or health exists that could reasonably be expected to cause death or serious physical harm or permanent impairment of the health or functional capacity of employees if not corrected immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this

Act, the Secretary may so inform the employer and provide notice by posting to the affected employees and shall request that the condition or practice be corrected immediately or that employees be immediately removed from exposure to such danger. The notice shall be removed by the Secretary from the place of employment not later than 72 hours after the notice was first posted unless a court in an action brought under subsection (c) requires that the notice be maintained. The Secretary shall not prevent the continued activity of employees whose presence is necessary to avoid, correct, or remove such imminent danger or to maintain the capacity of a continuous process operation to resume normal operations without a cessation of operations or where cessation of operations is necessary, to permit such to be accomplished in a safe and orderly manner.

"(2) No person shall discharge or in any manner discriminate against any employee because such employee has refused to perform a duty that has been identified as the source of an imminent danger by a notice posted pursuant to paragraph (1).".

(b) Mandatory Special Emphasis.—Section 8 (29 U.S.C. 657), as amended by section 6, is further amended by adding after subsection (i) the following new subsection:

"(j)(1) The Secretary shall establish and carry out a special emphasis program for identifying and correcting existing or newly recognized hazards in selected industries and operations and high hazard industries and operations.

"(2) Each special emphasis program under paragraph (1) shall consist of a planned and coordinated effort, including outreach, education and training programs, and inspections. Prior to beginning any such program, the Secretary shall meet and discuss with representatives of employers and employees in the industries affected by such program the intended goals and benefits of such program, the number of inspections under such program, and the nature of other activities planned. To the extent practicable, the Secretary shall coordinate efforts with such representatives. Each such program shall have a date of termination and shall include methods of evaluating the effectiveness of the program in reducing illness and injury in the targeted industries or operations.".

(c) Investigations of Deaths and Serious Incidents.—Section 8 (29 U.S.C. 657), as amended by subsection (b), is further amended by inserting after subsection (j) the following new subsection:

"(k)(1) The Secretary shall investigate any work-related death or serious incident.

"(2) If a death or serious incident occurs in a place of employment covered by this Act, the employer shall notify the Secretary of the death or serious incident.

"(3) As used in this subsection or section 17, the term 'serious incident' means an incident that results in the hospitalization of three or more employees. The Secretary shall by regulation define 'hospitalization'.".

SEC. 11. PENALTIES.

(a) In General.—Section 17 (29 U.S.C. 666) is amended—

(1) by striking subsections (a), (b), (c), (j), and (k);

(2) by redesignating subsections (d), (e), (f), (g), (h), (i), and (l) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively; and

(3) by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a)(1) Any employer who violates the requirements of section 5, any standard, rule, or order promulgated pursuant to section 6, or any other regulation promulgated under this Act may be assessed a civil penalty of not to exceed $7,000. The Commission shall have authority to assess all civil penalties provided in this section, giving due consideration to the appropriateness of the penalty with respect to—

"(A) the size of the employer;

"(B) the number of employees exposed to the violation;

"(C) the likely severity of any injuries directly resulting from such violation;

"(D) the probability that the violation could result in injury or illness;

"(E) the employer's good faith in correcting the violation after it has been identified;

"(F) the extent to which employee misconduct was responsible for the violation;

"(G) the effect of the penalty on the employer's ability to stay in business; and

"(H) whether the violation is the sole result of the failure to meet a requirement, under this Act or prescribed by regulation, with respect to the posting of notices, the preparation or maintenance of occupational safety and health records, or the preparation, maintenance, or submission of any written information.

"(2)(A) A penalty assessed under paragraph (1) shall be reduced by 25 percent in any case in which the employer—

"(i) maintains a safety and health program for the worksite at which the violation for which the penalty was assessed took place; or

"(ii) shows that the worksite at which the violation for which the penalty was assessed took place has an exemplary safety record.

If the employer maintains a program described in clause (i) and has the record described in clause (ii), the penalty shall be reduced by 50 percent.

"(B) No penalty shall be assessed against an employer for a violation other than a violation that—

"(i) has been previously cited by the Secretary;

"(ii) creates an imminent danger;

"(iii) has caused death; or

"(iv) has caused a serious incident,

if the worksite at which such violation occurred has been reviewed or inspected under a program described in section 8A(c)(1) during the 1-year period before the date of the citation for such violation, and such employer has complied with recommendations to bring such employer into compliance within a reasonable period of time.".

(b) Special Assessments.—Section 17 (29 U.S.C. 666), as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(i) The Secretary shall, by regulation, prescribe procedures for determining that conditions surrounding a violation warrant a special assessment. Such regulation shall provide that all findings shall be in narrative form and provide for individual review of violations for special assessment in the following circumstances:

"(1) Violations causing fatalities.

"(2) An excessive history of serious incidents or a pattern of violations of this Act that cause or are likely to cause death or serious incidents.

When the Secretary determines that a special assessment is appropriate, the Secretary may apply an appropriate multiplier, based on the factors described in subsection (a), of not greater than 10 to the penalty determined under subsection (a). In addition to any fines assessed with respect to the violations described in paragraphs (1) and (2), the Secretary may require the employer involved to establish a comprehensive safety and health program for the worksite at which the violations occurred and provide regular certification to the Secretary that such employer is in compliance with such program.".

(c) Citations.—Section 17 (29 U.S.C. 666), as amended by subsection (b), is further amended by adding at the end the following new subsection:

"(j) Nothing in this Act shall be construed as requiring the Secretary to issue a citation for violations of this Act if the Secretary believes that the public interest will be adequately served by a suitable written notice or warning.".

(d) Victim's Rights.—Section 10 (29 U.S.C. 659) is amended by adding at the end the following new subsection:

"(d)(1) The Secretary shall provide any individual who is a victim of a violation of this Act with—

"(A) access to information with respect to any investigation of the Secretary or hearing by the Commission of such violation, to citations issued for such violation, to penalties imposed under this section for such violation, and to settlements made with respect to such violation; and

"(B) an opportunity to meet with the Secretary or a representative of the Secretary with respect to such violation.

"(2) For purposes of paragraph (1), the term 'victim' means—

"(A) an employee who has sustained a work-related injury or illness that is the subject of an inspection or investigation conducted under section 8; or

"(B) a family member of an employee described in subparagraph (A) who is killed as a result of such injury or illness.".

SEC. 12. STATE PROGRAMS.

Section 18(c) (29 U.S.C. 667(c)) is amended—

(1) in paragraph (2)—

(A) by striking "and which" and inserting "which"; and

(B) by inserting after the comma at the end the following: "and which, standards when applicable to the labeling, content, and hazard information for such products, are identical to any requirement under a standard promulgated under section 6,"; and

(2) in paragraph (4), by inserting before the comma the following: "in a manner at least as effective as enforcement by the Secretary"; and

(3) by adding at the end the following new flush sentence:

"The Secretary may waive any of the requirements of this subsection (other than the requirement of paragraph (2)) upon the request of a State seeking approval of a plan or an amendment to an approved plan. Such a waiver shall not extend for more than 3 years but may be renewed if the Secretary determines that the rate of occupational fatalities, injuries, and illnesses has declined in such State during the period of the waiver.".

SEC. 13. PREVENTION OF ALCOHOL AND SUBSTANCE ABUSE.

The Act is amended—

(1) by striking sections 28 through 31;

(2) by redesignating sections 32, 33, and 34 as sections 29, 30, and 31, respectively; and

(3) by inserting after section 27 (29 U.S.C. 676) the following new section:

"SEC. 28 ALCOHOL AND SUBSTANCE ABUSE TESTING.

"(a) Testing Programs.—Whenever there exists the reasonable probability that the safety or health of any employee could be endangered because of the use of alcohol or a controlled substance in the workplace, the employer of such employee may establish and implement an alcohol and substance abuse testing program in accordance with subsection (b).

"(b) STANDARDS.—The Secretary shall establish standards under section 6 for substance abuse and alcohol testing programs established under subsection (a) as follows:

"(1) SUBSTANCE ABUSE GUIDELINES.—The substance abuse testing program shall conform, to the maximum extent practicable, to subpart B of the mandatory guidelines for Federal workplace drug testing programs published on April 11, 1988, by the Secretary of Health and Human Services at 53 Federal Register 11979 and any amendments adopted to such guidelines.

"(2) ALCOHOL GUIDELINES.—The alcohol testing program shall take the form of alcohol breath analysis and shall conform, to the maximum extent practicable, to any guidelines developed by the Secretary of Transportation for alcohol testing of mass transit employees under the Department of Transportation and Related Agencies Appropriations Act, 1992.

"(c) CONSTRUCTION.—This section shall not be construed to prohibit an employer from requiring an employee to submit to and pass an alcohol or substance abuse test—

"(1) on a for cause basis or where the employer has reasonable suspicion to believe that such employee is using or is under the influence of alcohol or a controlled substance;

"(2) where such test is administered as part of a scheduled medical examination;

"(3) in the case of an accident or incident involving the actual or potential loss of human life, bodily injury, or property damage;

"(4) during and for a reasonable period of time (not to exceed 5 years) after the conclusion of an alcohol or substance abuse treatment program;

"(5) on a random selection basis in work units, locations, or facilities where alcohol and substance abuse has been identified as a problem or as part of a universal testing program; or

"(6) on a preemployment basis.".

SEC. 14. SMALL BUSINESS ASSISTANCE AND TRAINING.

Section 16 (29 U.S.C. 665) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsections:

"(b) The Secretary shall publish and make available to employers a model injury prevention program that if completed by the employer shall be considered to meet the requirement for an exemption under section 8A or a reduction in penalty under section 17(a)(2)(A).

"(c) The Secretary shall establish and implement a program to provide technical assistance and consultative services for employers and employees, either directly or by grant or contract, concerning worksite safety and health and compliance with this Act. Such assistance shall be targeted at small employers and the most hazardous industries.

"(d) This subsection authorizes the consultative services to employers provided under cooperative agreements between the States and the Occupational Safety and Health Administration and described in part 1908 of title 39, Code of Federal Regulations.

"(e) Not less than one-fifth of the annual appropriation made to the Secretary to carry out this Act shall be expended for the purposes described in this section.".

SEC. 15. EXEMPLARY PROGRAMS.

(a) ESTABLISHMENT.—The Secretary of Labor shall establish an award that shall periodically be made to companies and other organizations that have implemented particularly effective approaches to addressing occupational safety and health in the workplace, including companies and organizations that provide for effective employee involvement in improving safety and health and that are as a consequence deserving of special recognition. Recipients of the award shall receive an automatic exemption under section 8A(b).

(b) USE OF AWARD.—A company or organization that is a recipient of an award under subsection (a) and that agrees to help other American companies or organizations improve their occupational safety and health may publicize its receipt of such award and use the award in its advertising.

(c) CATEGORIES IN WHICH AWARD MAY BE GIVEN.—

(1) CATEGORIES.—Subject to paragraph (2), separate awards shall be made to qualifying organizations and companies in each of the following categories:

(A) Small businesses.

(B) Other companies or their subsidiaries.

(C) Companies that primarily perform construction work.

(2) CHANGE IN LIST.—The Secretary of Labor may at any time expand, subdivide, or otherwise modify the list of categories within which awards may be made under paragraph (1) and may establish separate awards for other organizations and companies including units of government, upon a determination that the objectives of this section would be better served thereby, except that any such expansion, subdivision, modification, or establishment shall not be effective unless the Secretary of Labor has submitted a detailed description thereof to the Congress and a period of 30 days has elapsed since the submission.

(d) CRITERIA FOR QUALIFICATION.—An organization or company may qualify for an award under subsection (a) only if such organization or company—

(1) applies to the Secretary of Labor in writing for the award;

(2) permits a rigorous evaluation of the occupational safety and health operations of such organization or company; and

(3) meets such requirements and specifications as the Secretary of Labor determines to be appropriate to achieve the objectives of this section.

In applying paragraph (3) with respect to any organization or company, the Secretary of Labor shall rely upon an intensive evaluation of the occupational safety and health operation. The examination should encompass all aspects of the current occupational safety and health practice of such organization or company. The award shall be given only to organizations and companies that have made outstanding improvements in the occupational safety and health practices of such organizations and companies and that demonstrate effective occupational safety and health practices through the training and involvement of all levels of personnel.

(e) INFORMATION TRANSFER PROGRAM.—The Secretary of Labor shall ensure that all program participants receive the complete results of their evaluations described under subsection (d)(2), as well as detailed explanations of all suggestions for improvements. The Director shall also provide information about the awards and the successful safety and health improvement strategies and programs of the award-winning participants to all participants and other appropriate groups.

(f) FUNDING.—The Secretary of Labor is authorized to seek and accept gifts from public and private sources to carry out the program under this section.

(g) REPORT.—Not later than 3 years after the date of the enactment of this Act, the Secretary of Labor shall prepare and submit to the President and the Congress, a report on the progress, findings, and conclusions of activities conducted pursuant to this section along with recommendations for possible modifications thereof.

Mr. HATCH. Mr. President, I am pleased to join Senator NANCY KASSEBAUM, ranking member of the Senate Labor and Human Resources Committee, today in introducing the Occupational Safety and Health Reform Act.

As I have commented repeatedly over the years, the goal of a safe and healthful workplace is not a Democrat versus Republican issue any more than it is an employer versus employee issue. We all agree that safety in American workplaces is a priority that we should all support and promote.

There is significant disagreement, however, on the merits of different approaches to achieving this goal.

The OSHA reform initiative that Senator KASSEBAUM and I are introducing today focuses on providing incentives rather than on imposing bigger fines and more mandates, and it encourages employers to proactively address workplace safety and health needs. It provides, for example, that employers using certified health and safety consultants—either through OSHA's onsite consultation program or as part of an insurance carrier's loss control program—to conduct health and safety audits, are exempt from regular OSHA inspections. Employers with better than average safety records and approved health and safety programs are also exempt.

These and other provisions seek to focus resources where they are most needed and where they can do the most good. The principal emphasis should be on real workplace hazards; not on minor paperwork violations. No workplace accident that I know of has ever been prevented by filing forms.

Mr. President, I believe that this bill is a major step toward improving health and safety in American workplaces. It is a commonsense approach, and I hope my colleagues will support it.

By Mr. MOYNIHAN (for himself, Mr. MITCHELL, Mr. BRADLEY, Mr. BREAUX, Mr. DASCHLE, Mr. PRYOR, Mr. RIEGLE, Mr. ROCKEFELLER, Mrs. BOXER, Mr. FORD, and Ms. MOSELEY-BRAUN):

S. 1951. A bill to establish a comprehensive system of reemployment services, training and income support for permanently laid off workers, to facilitate the establishment of one-stop career centers to serve as a common point of access to employment, education and training information and services, to develop an effective national labor market information system, and for other purposes.

THE REEMPLOYMENT ACT OF 1994

• Mr. MOYNIHAN. Mr. President, on Tuesday of this week a Message from the President, transmitting the proposed Reemployment Act of 1994, was referred to the Committee on Finance. Today I am joined by my colleagues, Senators BRADLEY, BREAUX, DASCHLE, PRYOR, RIEGLE, ROCKEFELLER, BOXER, FORD, and MOSELEY-BRAUN, in introducing the President's bill. This is the bill that Secretary of Labor Robert Reich has described as "converting the unemployment system into a genuine reemployment system."

The history of the unemployment system as we know it today goes back to June 29, 1934, when President Franklin Delano Roosevelt signed Executive Order 6757, establishing a Committee on Economic Security. In that Executive Order the President charged the Committee with making recommendations on safeguards "against misfortunes which cannot be wholly eliminated in this man-made world of ours."

Just six months later, on January 15, 1935, this Committee on Economic Security, ably headed by Secretary of Labor Frances Perkins, transmitted to the President a report setting forth a series of recommendations that formed the basis for the Social Security Act of 1935, and for the social insurance system that we have today.

One of the cornerstones of the Committee's proposals was for a program of unemployment insurance. As the Committee described it, unemployment insurance should permit a worker who is ordinarily steadily employed to draw a cash benefit for a limited period of unemployment "during which there is expectation that he will soon be reemployed."

"Normally," the report noted, "the insured worker will return to his old job or find other work before his right to benefits is exhausted."

That was the vision of Frances Perkins and those who worked with her. But they frankly admitted that their plan was experimental. They stated forthrightly in the report that their plan would "secure the much-needed experience necessary for the development of a more nearly perfect system."

They were anticipating change.

And there have been some changes in the unemployment program since it was enacted. One major change was the establishment of the extended benefits program in 1970 to deal with periods of more prolonged unemployment caused by recession.

But over the years the unemployment insurance system has largely been ignored. It has served well many millions of unemployed American workers. But Administrations past, and the Congress, have not been appropriately diligent in periodically reexamining the system to make sure it is functioning appropriately, and accommodating to changes in the economy. Few would argue that we have achieved that "more nearly perfect system" that Secretary Perkins anticipated it would become.

We are fortunate now to have a President and a Secretary of Labor who recognize the fundamental importance of the unemployment system for the economic well-being of American workers and their families.

As Secretary Reich has noted, in recent years, because of technological and other changes in the economy, more and more workers are losing their old jobs, not temporarily, but permanently. Data for 1993 show that nearly eight of every ten unemployed job losers did not expect to return to their old jobs.

That is why President Clinton and Secretary Reich speak of the need to transform the unemployment system into a system of reemployment, a system that will help permanently dislocated workers make the transition to new employment.

That is a challenging task, but one that President Roosevelt and Secretary Perkins would be pleased has been assumed, these 60 years later.

Mr. President, I want to commend the President and Secretary Reich for their leadership on this important issue. I look forward to working with the Administration as this legislation moves forward.

I ask unanimous consent that the text of the President's message and a section-by-section analysis of the bill prepared by the Administration be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

I am pleased to transmit today for your immediate consideration and prompt enactment the "Reemployment Act of 1994". Also transmitted is a section-by-section analysis. This legislation is vital to help Americans find new jobs and build sustainable careers.

Our current set of programs was designed to meet the different needs of an early economy. People looking for help today confront a confusing, overlapping, and duplicative tangle of programs, services, and rules. Job seekers—whether unemployed or looking for better jobs—have a difficult time getting the information they need: What benefits and services are available to them? Where can they get good quality training? What do they need to know to find and hold good jobs and to build sustainable careers?

The underlying problem is the lack of a coherent employment and training system. Instead, we have disconnected, category-based programs—each with distinct eligibility requirements, operating cycles, and program standards. We need a true system of lifelong learning—not the current hodgepodge of programs, some of which work, and some of which don't. The legislation I am transmitting today is an important first step in building this system.

We need to build a reemployment system because our current unemployment system no longer delivers what many American workers need. In the past, when a worker lost a job, he or she often returned to that job as soon as the business cycle picked up again and the company was ready to rehire. The unemployment system was designed to tide workers over during temporary dry spells. Today, when a worker loses a job, that job often is gone forever.

Our economy has generated new jobs. In 1993 alone, 1.7 million new private sector jobs were created—more than in the previous 4 years combined. While the jobs exist, the pathway to them aren't always clear.

The Reemployment Act of 1994 strives to fix this. It is based on evidence of what works for getting workers into new and better jobs. Programs that work are customer-driven, offering customized service, quality information, and meaningful choices. Programs that work provide job search assistance to help dislocated workers become reemployed rapidly, feature skill training connected to real job opportunities, and offer support services to make long-term training practical for those who need it.

The Act reflects six key principles:

First is universal access and program consolidation. The current patchwork of dislocated worker programs is categorical, inefficient, and confusing. The Reemployment Act of 1994 will consolidate six separate programs into an integrated service system that focuses on what workers need to get their next job, not the reason why they lost their last job.

Second is high-quality reemployment services. Most dislocated workers want and need only information and some basic help in assessing their skills and planning and conducting their job search. These services are relatively simple and inexpensive, and they have been shown to pay off handsomely in reducing jobless spells.

Third is high-quality labor market information, which must be a key component of any reemployment effort. The labor market information component of the Reemployment Act of 1994 will knit together various job data systems and show the way to new jobs through expanding access to good data on where jobs are and what skills they require.

Fourth is one-stop service. At a recent conference that I attended on "What is Working" in reemployment efforts, a common experience of workers was the difficulty of getting good information on available services. Instead of forcing customers to waste their time and try their patience going from office to office, the new system will require States to coordinate services for dislocated workers through career centers. It allows States to compete for funds to develop a more comprehensive network of one-stop career centers to serve under one roof anyone who needs help getting a first, new, or better job, and to streamline access to a wide range of job training and employment programs.

The fifth principle of the legislation is effective retraining for those workers who need it to get a new job. Some workers need retraining. The Reemployment Act of 1994 will also provide workers financial support when they need it to let them complete meaningful retraining programs.

Sixth is accountability. The Reemployment Act of 1994 aims to restructure the incentives facing service providers to begin focusing on workers as customers. Providers who deliver high-quality services for the customer and achieve positive outcomes will prosper in the new system. Those who fail to do so will see their funding dry up.

The Reemployment Act of 1994 will create a new comprehensive reemployment system that will enhance service, improve access, and assist Americans in finding good new jobs. This is a responsible proposal that is fully offset over the next 5 years.

I urge the Congress to give this legislation prompt and favorable consideration so that Americans will have available a new, comprehensive reemployment system that works for everyone.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *March 15, 1994*.

REEMPLOYMENT ACT OF 1994—SECTION-BY-SECTION ANALYSIS

The Reemployment Act of 1994 is the first step in building a coherent, integrated reemployment system for the Nation. The current unemployment system, designed in a different time for a fundamentally different economy, is premised on the expectation that laid-off workers would return to their former jobs following periodic cyclical downturns in the economy. Today, millions of workers are finding their jobs imperiled by global economic integration and technological change. Many of them do not have the skills necessary for reemployment in good jobs to replace the ones they have lost.

Workers looking for help in making workforce transitions currently face a duplicative tangle of programs, services and rules. Students, workers, and the unemployed have a difficult time getting information on the benefits and services that are available, where they can get high-quality training, and what they need to know to find and hold good jobs and build sustainable careers.

The underlying problem is the lack of a coherent employment and training system. The Reemployment Act of 1994 will address this need by:

Establishing a comprehensive system for reemployment services, training, and income support for permanently laid-off workers;

Facilitating the establishment of one-stop career centers that will serve as a common point of access to employment, education and training information and services;

Developing an effective national labor market information system; and

Providing additional flexibility for States in payment of unemployment insurance benefits.

Title I of the Reemployment Act of 1994 would establish a comprehensive program for reemployment of dislocated workers—those who are permanently laid off or are long-term unemployed. This title would consolidate and replace six current programs that serve various categories of dislocated workers. All workers currently eligible under existing programs would be covered. The program would be administered through a State and substate delivery system. State Dislocated Worker Units would carry out rapid response activities at the site of dislocations, substate grantees would receive and administer funds, and Career Centers provide a comprehensive array of reemployment services to dislocated workers. Career Centers would make available to all eligible dislocated workers a set of basic services, including job search assistance. Intensive reemployment services would be made available to dislocated workers who are not able to find jobs through the basic services. Each worker receiving intensive services would have a reemployment plan developed jointly by the individual and a career counselor which identifies an employment goal and a combination of services designed to achieve the goal.

Education and training services will be available to workers who need new or higher-level skills to obtain employment. To help them make decisions, workers will have information about the quality of services and the local economy, as well as an understanding of their career objectives. Income support beyond regular UI payments will be available for most dislocated workers to enable them to participate in long-term training. The duration of income support payments will be based on the length of training needed, and on the job tenure the individual had in the last job.

Title I also establishes performance standards and quality assurance systems. A customer service compact is to be developed among the parties administering title I programs. The Secretary is also to establish performance standards for substate grantees and Career Centers, and substate grantees are to establish methods for obtaining feedback from customers—individuals and employers—on the effectiveness and quality of services they have received. Eligibility requirements are established for providers of education and training services which include the provision of performance-based information to preclude ineffective service providers from receiving Federal funds and to assist customers in choosing effective services.

Title II of the Reemployment Act of 1994 extends the focus of the unemployment insurance program beyond its original purpose of ensuring a source of income to workers who were temporarily out of work and creates new and active options which workers and employers may avail themselves to help ease the often-rapid and unsettling pace of labor market transition and change. First and foremost, this proposal will provide income support beyond unemployment insurance benefits to permanently laid-off workers who need and decide to retrain for new jobs and occupations which will offer them a more secure future. Second, this proposal offers new flexibility in the basic unemployment insurance program so that if States so chose, a short-time compensation program would be available to compensate employees who are working reduced hours for an employer who is attempting to avert a layoff or closure. In addition, the proposal would offer a new unemployment insurance option to laid-off workers in the form of reemployment bonuses for those who quickly find new jobs.

Title III of the Reemployment Act establishes a program to encourage States to develop and implement Statewide networks of one-stop career centers, which will provide a common point of access to employment, education and training information and services to students, workers and employers. The centers would make services available under employment and training programs administered by the Department of Labor and other human resource programs that choose to participate.

Key components of the voluntary one-stop career centers systems are as follows: The chief local elected official in each substate area designated by the Governor is to establish a workforce investment board, which is to plan, set policy and oversee the one-stop career center system in that area (but not administer career centers). One-stop career centers may be established through a consortium of the Employment Service and other employment and training programs, or through a competitive process, called the multiple independent operator option. In either case, career centers are issued a charter by the Board that identifies the number and location of the centers.

One-stop career centers must make available to the public free of charge a set of basic services. Intensive services are made available pursuant to an operating agreement between participating programs. The centers also provide specialized services to employers. Programs that are to participate in the operation of the centers are the title I comprehensive dislocated workers program, the Employment Service, the Veterans' Employment Service, JTPA title II programs, unemployment insurance programs, and the Senior Community Service Employment Program. Other human resource programs, such as JOBS, may also participate. Quality assurance is built into the one-stop career center system through the establishment of performance standards and customer feedback mechanisms.

Other components of the one-stop career center system are the establishment of a State Human Resource Investment Council authorized under JTPA, and a customer service compact, involving all parties that administer the one-stop system. States that wish to establish one-stop career center systems may apply to the Secretary for competitive grants to assist in the planning and development of the one-stop system, and for competitive grants to assist in the implementation of the one-stop system. States may also apply for waivers of Federal statutory and regulatory requirements to implement one-stop systems.

Title IV establishes a National Labor Market Information System that builds upon and strengthens existing capabilities at the Federal, State and local levels.

Title V amends title II of the Job Training Partnership Act to add a new part D, "Reinvention Labs". This new part allows wavier of Federal statutory or regulatory provisions to encourage innovative program designs for serving economically disadvantaged youth and adults, and to provide service delivery areas with increased flexibility in operating job training programs in exchange for higher levels of accountability for results.

Together, these provisions will begin to build a reemployment system that is coherent, comprehensive, customer-driven, accountable, and based on evidence of what works in employment and training.

Section 1 of the bill provides that this Act is entitled the "Reemployment Act of 1994."

Section 2 contains the Table of Contents.

Section 3 contains the statement of Findings and Purpose of the Act. The findings are that: in recent years the nature of job uncertainty and job loss has changed; a substantial number of Americans lose jobs because of structural changes in the economy rather than cyclical downturns; job uncertainty and dislocation carry substantial emotional and financial costs to the nation; Americans seeking first jobs, new jobs, or better jobs confront an economy in continuous transition and must have access to new skills and better job and career information; our current worker adjustment policies were designed for an earlier economy and often do not equip Americans to prosper in the current and emerging atmosphere of constant change; the primary governmental response to job loss—the unemployment insurance system—is not designed to build re-employment security; the current governmental response to dislocation is a patchwork of categorical programs; job search assistance and retraining are not available to all who need it and income support is typically not available to facilitate training; there is a lack of reliable labor market information; and administrative and regulatory obstacles hamper State and local efforts to establish comprehensive reemployment systems.

The purpose of the Act is to: begin the transformation of the unemployment system into a comprehensive, universal, high-quality reemployment system; consolidate current categorical dislocated worker programs into a comprehensive program for all permanently laid-off workers, regardless of the cause of the dislocation; facilitate long-term training for permanently laid-off workers who want and need it; provide customer-centered, high-quality employment and training services that assist dislocated workers in making informed career and training choices; build on innovative State and local efforts, to begin to streamline employment and training programs into a comprehensive, high-quality, nationwide system of one-stop career center networks which provide access to all Americans who want and need new, better and first jobs; and create a National Labor Market Information System that gives high-quality and timely data on the local economy, labor market and other occupational information to employers, employees, and training providers.

Section 4 authorizes appropriations for the Act. The authorization for Title I (Comprehensive Program for Worker Reemployment) is for $1.465 billion for fiscal year 1995 and for such sums as may be necessary for succeeding fiscal years. For Title III and Title IV (One-Stop Career Center System and National Labor Market Information System, respectively), the authorization is for $250 million for each of fiscal years 1995 through 1999, and for such sums as may be necessary for fiscal years 2000 through 2003.

Section 5 provides definitions for basic terms used in the Act. The following terms are defined: career center; community-based organizations; economic development agencies; Governor; labor market area; local elected official; nontraditional employment; one-stop career center; private industry council; Secretary; service delivery area; service provider; State; State council; State Human Resource Investment Council; substate area; substate grantee; and unit of general local government.

Title I of the bill establishes the Comprehensive Program for Worker Reemployment.

Section 101 provides for the allotment of funds. Section 101(a) requires that 75 percent of the funds appropriated each fiscal year for this title be allotted to the States. The remaining 25 percent is reserved for the Secretary to carry out the national activities in Part B and for allocations to the Commonwealth of the Northern Mariana Islands and the territories.

Section 101(b) requires that the allotment to the States be based one-third on the relative number of unemployed individuals, one-third on the relative number of unemployed individuals, one-third on the relative number of unemployed persons in excess of 4.5 percent, and one-third on the relative number of individuals unemployed for more than 26 weeks. This is the same formula that is currently used under title III of the Job Training Partnership Act, except that the long-term unemployed factor under the new program is based on more than 26 weeks of unemployment (to conform to the eligibility section) rather than 15 weeks. Unlike JTPA, this formula contains hold-harmless and stop-gain provisions specifying that no State may receive less than 90 percent or more than 130 percent of the previous year's allotment percentage.

Subsection (b) requires, as does JTPA, that as soon as satisfactory data are available, allotments to the States are to be based 25 percent on the relative number of dislocated workers residing in each state and 25 percent based on each of the three unemployment factors described above.

Section 101(c) allows the Governor to reserve up to 30 percent of the State's allotment to carry out State activities and responsibilities authorized under this title. Of this amount, up to 5 percent may be used for State Grants for Job Retention Projects under section 116, not more than 15 percent may be used for program administration, and not more than 20 percent may be used for the combined costs of program administration and technical assistance.

Section 101(d) requires the Governor to allot the remainder of the State allotment (a minimum of 70% of the State allotment) to substate areas under a formula determined by the Governor, which is to include the factors described above, and additional objective and measurable factors that the Governor determines are appropriate. The Governor's formula may be amended only once for each program year. Substate allocations are also subject to a cost limitation of 15 percent for administration.

Section 101(e) reserves a small amount of the Secretary's reserve fund (0.3 percent) for allocation to the Commonwealth of the Northern Marina Islands and the territories.

Section 101(f) reserves the remainder of the Secretary's funds for national activities. For each of fiscal years 1995-1999, a minimum of 80 percent is earmarked for National Discretionary Grants under section 131 and Disaster Relief Employment Assistance under section 132; and not more than 20 percent may be expended for evaluation, research, and demonstrations under section 133 and capacity building, staff development and training, and technical assistance under section 134. In program year 2000 and succeeding program years, the distribution of funds among national activities changes to a minimum of 85 percent for National Discretionary Grants and Disaster Relief Employment Assistance, and not more than 15 percent for evaluation, research, demonstrations, capacity building, staff development and training, and technical assistance.

Section 102 requires the Secretary, beginning in program year 1996, to recapture unexpended, formula-funded State allotments upon a determination that the unexpended balance of the State allotment at the end of the prior program year exceeds 20 percent of the prior year's allotment. The recapture also includes the unexpended balance of a State allotment from any other previous program year. Recapture may be accomplished by reducing the State allotment for the subsequent program year by an equal amount. All recaptured funds will be used for national discretionary grants.

Section 103 provides the eligibility requirements for services under the new worker reemployment program.

Section 103(a) establishes that an eligible individual is a person who: (1) has been permanently laid off from full-time, part-time or seasonal (including farmworkers and fishermen) employment within the preceding 12-month period or has received notice that he/she will be permanently laid off, and is either unlikely to obtain employment in the same or similar occupation due to obsolete skills or a lack of job opportunities, or the layoff was due to any permanent closure or any substantial layoff at a plant, facility or enterprise; (2) is employed at a facility where the employer has given public notice that the facility will be closed within one year, and the individual is unlikely to remain employed with the same employer at another location or retire from the labor force; (3) was self-employed (including farmers, fishermen and ranchers) and is unemployed due to local economic conditions or because of a natural disaster; (4) is long-term unemployed; (5) is certified as eligible under the transitional program for certification of trade-impacted workers under part D of title II; or (6) was, pursuant to regulations established by the Secretary, identified and referred to the program by a State unemployment insurance worker profiling system.

Section 103(b) provides that displaced homemakers who were displaced within the preceding 12 months, are unemployed, and meet the other service-related requirements are eligible to receive basic services, and may receive other title I services to the extent the Governor determines such additional services are appropriate.

Section 103(c) defines terms for purposes of this section. "Permanently laid off" is defined as a layoff under which a recall is not expected within 26 weeks. "Long-term unemployed" refers to a period of unemployment defined by the Governor of not less than 27 weeks. "Displaced homemakers" are defined the same as in section 4(29) of the Job Training Partnership Act.

Part A of title I establishes a State and substate delivery system for the worker reemployment program.

Section 111 specifies that the State is responsible for developing and operating administrative and management systems that ensure proper fiscal control and accountability, consistent with both the requirements of Part E and the accomplishment of the objectives of this title.

Section 112 contains provisions for a State dislocated worker unit and its required functions.

Section 112(a) requires each Governor to designate or establish a State dislocated worker unit to carry out the rapid response, information collection and dissemination, program support, and coordination functions.

Section 112(b) describes each of the unit's functions. First, rapid response activities include: (1) receiving notices provided under the Worker Adjustment and Retraining Notification Act (WARN) and collecting information on other sites where permanent closures and layoffs affect 50 or more workers; (2) establishing contact with representatives of the employer, affected workers and affected unions, and affected substate grantees, within 48 hours of notice or identification of these closures and layoffs; (3) providing assistance on site (i.e., at or near the closure or layoff location) within 5 days (unless representatives of affected workers agree to defer start-up), including information and assistance in accessing programs and services, providing appropriate emergency reemployment services, and providing basic reemployment services in a group setting; (4) promoting the formation of worker-management transition assistance committees by: first, providing immediate assistance in creation of the committee, including financial assistance for start-up costs, providing a list of individuals from which the committee chairperson may be selected, and assisting in selection of worker representatives in absence of union; and second, providing technical assistance in developing a strategy for assessing the employment and training needs of each affected worker and obtaining necessary services and assistance, such as advice and information on sources of assistance, and serving as liaison with public and private services and programs; and (5) preparing an action plan, which may include assisting in the provision of reemployment and training services, including group counseling, preliminary assessments, and labor market information, and in planning for the establishment of on-site transition centers described in section 115(c).

With regard to information collection and dissemination activities, the State dislocated worker unit's specific role is: to provide to employers and employees Statewide information on the WARN Act, the Act's requirements, and the eligibility requirements, services and benefits available under this title; to collect information related to economic dislocation—including potential closings and layoffs and impacts of those to which the unit has responded, and on Statewide programs and resources for services to affected workers; to provide the economic dislocation information to Governor to assist in providing an information base for effective program management, review, and evaluation; and to disseminate information Statewide on the State dislocated worker unit's services and activities.

The State dislocated worker unit's program support functions are to provide technical assistance and advice to substate grantees, work with employers and representatives of employees in promoting labor-management cooperation to achieve program objectives, and assist each local community affected by a mass layoff or plant closing in developing and implementing an adjustment plan, including assistance in obtaining State economic development assistance.

The unit's coordination role is to exchange information and coordinate programs with: economic development agencies and section 116 job retention projects to identify potential layoffs, avert plant closings and mass layoffs and accelerate dislocated workers' reemployment; State education, training and social services programs; State labor federations; State-level general purpose business organizations; and all other programs available to assist dislocated workers, including the Employment Service, UI system, one-stop career centers established under Title III of this Act, and student financial aid programs.

Section 112(c) requires the State dislocated worker unit to coordinate its actions with the relevant substate grantees and career centers.

Section 112(d) requires that the worker-management transition assistance committees ordinarily include (but are not limited to): shared and equal participation by workers and their representatives, and management, and participation from community representatives as appropriate; shared employer and State financial participation, using funds from this title for operating expenses; joint selection by worker and management representatives of the committee of a chairperson to guide and oversee committee activities, provide advice and leadership, and prepare a report on committee activities (the chairperson or members of the chairperson's immediate family cannot be employed or under contract with labor or management at the site); and operation under a formal agreement which may be terminated at will by workers or management and for cause by the Governor.

Section 112(e) authorizes the Governor to provide rapid response activities to layoffs of less than 50 workers if the Governor determines that the layoffs have a significant adverse economic impact on a local community.

Where there is an impending permanent closure or substantial layoff and other resources are not expeditiously available, section 112(f) authorizes the State to provide funds for a preliminary assessment of the advisability of a buyout and continued operation of the plant by a company or group, including the workers.

Section 112(g) prohibits the State from transferring the responsibility for the State dislocated worker unit's rapid response function to another entity, but permits agreements, grants, contracts, or other arrangements with a career center or other entity for rapid response assistance services.

Section 112(h) requires Federal oversight of the State administration and the quality of rapid response assistance services, authorizes the Secretary to establish performance standards relating to the State's provision of rapid response services, and requires the Secretary to implement appropriate corrective action if performance is determined to be inadequate.

Section 113 provides for the development and maintenance of State and local labor market information (LMI) systems. Section 113(a) requires the Governor to identify, or develop and maintain a comprehensive LMI system in the State that (1) promotes the collection, use, exchange and dissemination of quality LMI that will enhance the employment opportunities available to permanently laid off workers and other individuals seeking employment; and (2) provides support for needed improvements in LMI systems.

Section 113(b) and (c) link the contents of and standards for LMI in this section to those prescribed in title IV of this Act.

Section 113(d) requires the Governor to ensure, to the extent feasible, that automated technology will be used in data collection and dissemination; the State dislocated worker unit, the substate grantee, and career centers have timely access to quality LMI; administrative records are designed to reduce paperwork; and available administrative data and surveys are shared or consolidated to reduce duplication of record keeping.

Section 113(e) requires the Governor to designate an agent within the State to be responsible for oversight and management of a Statewide comprehensive labor market and occupational information system. This agent is to be responsible for providing training and technical assistance to collect and disseminate information through programs under this title, providing funding for the State share of the cooperative agreements authorized in title IV to implement the national LMI strategy, and funding research, evaluation and demonstration projects to improve the Statewide LMI system.

Section 113(f) provides that the Governor is to coordinate the activities carried out under title I with LMI carried out in the State pursuant to other Federal laws, and with the national LMI program in title IV. The Governor is authorized to use LMI funds under other Federal laws to maintain the State LMI system.

Section 113(g) requires the Governor to identify and utilize cost-effective methods for obtaining the labor market information and data. This may include access to earnings records, State employment security records, AFDC records, education records, and similar records, with appropriate safeguards to protect the confidentiality of the information obtained. The Governor is also to publish and make available labor market and occupational supply and demand information and individualized career information to public agencies, employers, and other users of this information.

Section 114 requires the Governor to coordinate worker reemployment programs with the retraining income support program authorized under title II and the State worker profiling system. Coordination with the profiling system is to include methods for ensuring the prompt referral, in accordance with the Secretary's regulations, of UI claimants profiled as dislocated workers to career centers, and the sharing of information.

Section 115 authorizes State supplementary grants for areas of special need. In areas of a State experiencing substantial increases in the number of eligible dislocated workers due to plant or base closures and mass layoffs, State grants may be awarded to provide to workers the full range of services authorized under section 119. Entities eligible to receive these grants include substate grantees in the affected areas, employers and employer associations, transition assistance committees and other employer-employee groups, representatives of employees, industry consortia, and State agencies. The Governor may, after formal consultation with the area substate grantee, also use grant funds to establish an on-site centers, including on-site transition centers specified below, to provide services. Operations of any on-site center must be coordinated with area career centers. Specific authority is provided for grants for temporary on-site transition centers at plant and base closure or mass layoff sites that meet certain conditions. These include that such centers would: be operated with the approval and participation of employers and workers and their representatives, including worker-management transition assistance committees; include substantial funding from non-public sources; and provide the full range of reemployment services directly or through contracts, such as contracts with outplacement agencies. Center activities would be coordinated with the local career centers and workers could receive services at either the transition or career centers.

Secton 116 authorizes State grants for job retention projects. The Governor, after consultation with unions representing affected workers, may award grants to projects providing services to upgrade the skills of employed workers who are at risk of being permanently laid off, and projects assisting the retraining of employed workers to facilitate business conversion or restructuring (e.g., to utilize new manufacturing technology or transform to a high-performance workplace) to avert substantial layoffs or plant closings. A 100 percent match of the grant is required, and is to be provided by a combination of State funds (from funds other than federal funds) and funds provided by the affected employers or businesses. As indicated above, a maximum of 5 percent of the State reserve funds may be used for these projects.

Section 117 establishes the substate administrative structure for the program.

Section 117(a) provides for the designation of substate areas for the delivery of program services. It requires the Governor, after consultation with the State council and local elected officials, to designate substate areas.

It also requires that each service delivery area under the Job Training Partnership Act be included in a substate area and prohibits the division of a service delivery area among substate areas. The designation process must also take into consideration the Statewide availability of services, the capability to coordinate service deliver with other job training, human services and economic development programs, and the geographic boundaries of labor market areas in the State. Subject to the above requirements, a service delivery area with a population of 200,000 or more that requests designation, any two or more contiguous service delivery areas with an aggregate population of 200,000 or more that request designation, and any concentrated employment program grantee for a rural area authorized under section 101 of the Job Training Partnership Act must be designated as a substate area, except that a request from the contiguous service delivery areas may be denied if the Governor determines the designation would be inconsistent with the effective delivery of services to workers in State labor market areas or would not otherwise be appropriate to carry out this program. Substate areas established under the EDWAA program, which is one the programs this title replaces, could be designated if they otherwise meet the requirements of this section. The section prohibits the designation of any area with a population under 200,000 as a substate area unless it is a JTPA rural concentrated employment program grantee. The Governor is authorized to award incentive grants to encourage the formation of substate areas based on labor market areas. Substate area designations may not be revised more than once every 4 years.

Section 117(b) provides for the designation of a substate grantee for each substate area for a 4-year period. The designation is based on agreement among the Governor, area local elected official(s), and area private industry council(s). Absent agreement, the Governor selects the substate grantee. Entities eligible for designation as substate grantee include: area PICs; SDA grant recipients or administrative entities; private nonprofit organizations; units of local government, or agencies thereof, in the substate area; local offices of State agencies; other public agencies, such as community colleges and area vocational schools; and consortia of the above.

Section 117(c) establishes the functions of substate grantees. Substate grantees are to receive and administer funds allocated to the substate area, including administration of payments to service providers of education and training services in accordance with section 119(d)(2); administer the process for selection of career center operators established in section 118; oversee and monitor the area program and coordinate the operation of career centers in the substate area; and prepare and publish biennially a plan describing proposed program activities and objectives in the substate area.

When a substate grantee desires to be selected to operate a career center, the process for selecting career center operators in that area must be administered by the PIC(s). If the substate grantee is the PIC, the Governor administers the selection process. Where substate grantees operate career centers, the career center oversight function is to be performed by the Governor.

Section 118 provides for the establishment of career centers. The substate grantee is required to establish one or more career centers in the substate area. The career center is to be the point of access for eligible individuals to the services provided under section 119.

Section 118(c) describes the career center selection process. Any entity or consortium of entities located in the substate area may apply for selection as a career center operator. The entities may include Employment Service offices, SDA grant recipients or administrative entities under JTPA, substate grantees under this title, community colleges and area vocational schools, community-based and other private nonprofit organizations, and other interested private for-profit and public organizations and entities.

After consultation with the Governor and local elected officials, the substate grantee is required to publish a public notice informing individuals and organizations in the substate area of: the estimated number of career centers to be established in the substate area, information on application procedures, selection criteria for career center operators, and other information the substate grantee considers relevant to the selection of operators and administration of the centers.

The substate grantee, consistent with guidelines issued by the Secretary, is required to use objective criteria and performance measures in assessing the applications. Applicants must demonstrate the ability to operate a career center that would: provide the services described in section 119; use automated systems to facilitate information exchange among career centers; meet the performance standards prescribed pursuant to section 152; meet the fiscal requirements of Part E of this title; objectively and equitably administer the process of referring participants to education and training services; and meet any other requirements the substate grantee determines appropriate. While overall costs may be taken into consideration in the selection process, the level of wages and benefits paid to nonmanagerial employees by an applicant is not to be a factor in the selection process.

Career center operators will be selected by the substate grantee once every 4 years.

Substate grantees are to review at least annually the education and training referral practices of any career center operator that concurrently provides education and training services to program participants. Should the substate grantee find a pattern of inappropriate referrals to education and training services, the substate grantee may require the center operator to cease provision of these services to program participants as a condition for continuing as center operator, or may terminate the agreement to operate a center.

Section 119 describes the services that are to be provided to eligible individuals. The services are grouped into 6 categories: basic reemployment services, intensive reemployment services, education and training services, retraining income support, supportive services, and supplemental wage allowances for older workers.

Section 119(b) requires each career center to make available to eligible individuals the following basic reemployment services: outreach to inform individuals of and encourage use of employment and training and placement opportunities for individuals with limited English proficiency and individuals with disabilities; intake and eligibility determination for assistance for this program; orientation to information and services available through the center; assistance in filing an initial UI claim; a general assessment of the individual's skill levels (including appropriate testing) and service needs, which may include basic and occupational skills, prior work experience, employability, interests, aptitudes, and supportive service needs; local, regional and national labor market information, including job vacancy listings and local occupations in demand and related earnings and skill requirements; job search assistance (including resume and interview preparation, and workshops); job referral and placement assistance such as job search training; information on education and job training programs—including eligibility requirements, services provided, the availability and quality of the programs, and student financial assistance available—and referrals as appropriate; assistance in evaluating individual's eligibility for any other DOL-administered employment and training programs; information collected under performance standards and quality assurance requirements; information on programs and providers of dependent care and other supportive services available locally; group counseling, including peer counseling, available jointly with immediate family members, on stress management and financial management; and solicitation and acceptance of job orders of area employers and referral of appropriate applicants.

Section 119(c) describes the intensive reemployment services each career center is to make available to eligible individuals who have received but are not able to find jobs through the basic reemployment services. The intensive services are: comprehensive and specialized assessment of an individual's skill levels and service needs, such as diagnostic testing, and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals; the development of an individual reemployment plan which identifies the employment goal, including appropriate nontraditional employment, achievement objectives and the appropriate combination of services to achieve the goal; individual counseling and career planning, including peer counseling and counseling and planning for nontraditional employment opportunities; assistance in selection of education and training providers and in obtaining income support, including student financial assistance; case management for those receiving education, training and supportive services; job development; out-of-area job search allowances; relocation allowances; and follow-up counseling for those placed in training or employment.

The section further requires that the reemployment plan be both developed and signed jointly by the individual and a career counselor, and that there be a review of the individual's progress in meeting the objectives in the plan. Should the parties disagree regarding the plan's content, appeal of the career counselor's recommendation is available to the individual under the grievance procedure in section 164. The employment goal in the plan must relate to employment in an occupation in demand either locally or in another area to which the individual is willing to relocate.

The out-of-area job search allowance may not exceed 90 percent of the costs of necessary job search expenses, up to a maximum payment specified by the Secretary in regulations. The allowance is payable only if the search is to obtain a job within the United States and the career center determines the individual cannot reasonably be expected to find suitable employment in the individual's local commuting area.

The relocation allowance is payable only for relocation expenses incurred within the

United States and only if the career center determines the individual cannot reasonably be expected to find suitable employment in the individual's local commuting area, and the individual has obtained suitable employment with reasonable prospects for long-term duration in the relocation area, or has received a bona fide employment offer and is totally separated from employment at commencement of the relocation. The amount of the relocation allowance may not exceed the total of: 90 percent of reasonable and necessary expenses, specified by the Secretary in regulations, incurred in moving the individual, any family and household effects; and a lump sum equivalent to 3 times the individual's preceding average weekly wage, up to a maximum payment specified by the Secretary in regulations.

Section 119(d) contains provisions for education and training services. Each career center is required to make available a list of eligible providers of basic skills training (including remedial education, literacy training, and English-as-a-second language instruction), classroom and on-the-job occupational skills training; and other skills-based education and training considered appropriate, which may include entrepreneurial training and skills training for high performance work organizations, such as problem solving skills and those related to the use of new technologies. Eligible providers of education and training services are those meeting the requirements of section 154.

When an individual has a jointly executed individual reemployment plan that specifies that education and training services are necessary to the person's reemployment, the individual, in consultation with a career counselor, is to select a service provider from the list of eligible providers. The career center then refers the person to the provider and arranges for payment to be made to the provider by the substate grantee.

Education and training services may also be provided under a contract between the substate grantee and an eligible service provider if the services are customized to meet the needs of a specific eligible group in the substate area or are for on-the-job training.

Education and training costs payable under this title are capped at $4,750 per individual over any 12-month period, and may not exceed 104 weeks in a 5-year period. Funds provided under the program for education and training may be supplemented with funds from other sources such as Pell grants, student loans or work assistance under the Higher Education Act, and other student financial aid. It is intended that an eligible individual receive funds for training under this title before applying for Federal student financial assistance, and the amounts provided by this program will be calculated in determining an individual's eligibility for such assistance.

For purposes of the income support program under title II, the career centers are considered an agency certified by the Secretary to develop a reemployment plan. Eligible individuals participating in education and training services under this title are also deemed to be in approved training for purposes of the unemployment compensation program.

Section 119(e) establishes a retaining income support program for certain individuals eligible for the comprehensive reemployment program. For program years 1995 through 1999, workers who qualify for income support under title II (those with three or more years of tenure with the layoff employer and those certified as trade-impacted) would be referred to that program. Workers with at least one but less than three years of tenure would receive income support under this title. Beginning in program year 2000, all workers with one or more years of tenure will qualify for retraining income support under title II and will be referred to that program for such support. With respect to the transitional income support program under this title, permanently laid-off individuals will be provided up to 26 weeks of income support at the UI benefit level under this title to enable them to participate in education and training if the individual: had at least one and less than three years of tenure with the layoff employer; was entitled or would have been entitled to unemployment compensation under State or Federal law, has exhausted all rights to UI to which the person was or would have been entitled, and does not have an unexpired waiting period; was enrolled in education or training by the 16th week of the permanent layoff or 14th week after being informed the layoff will exceed 6 months; and is participating and making satisfactory progress in education and training under this title (including any week which includes a break from training not exceeding 28 days which is provided under the program). The 16-week and 14-week enrollment requirements may be extended up to 30 days if the Secretary determines there are extenuating circumstances such as cancellation of a course or a later first available enrollment date that justify the extension.

This subsection includes several special rules that provide that continuous employment would include periodic interruptions resulting from sickness, maternity leave, military service, representation of a labor organization, and temporary layoffs up to a specified number of weeks. In addition, employment with a single employer is to include all employment covered by multiemployer plans, obtained through a single hiring hall, employment with a successor and predecessor employer in cases of a merger or acquisition, and employment under a leasing arrangement.

The retraining income support payment will be offset by the extended benefits or other Federal supplemental compensation program to which the individual is or would have been entitled, any weekly training income support provided under another Federal program, or earned income that exceeds 50 percent of the individual's weekly UI benefit. This last provision establishes a national standard for disregarding income that would allow for the part-time employment of individuals while they are participating in the program.

Under a cost-reimbursable agreement, the income support payments will be administered by the State agency which administers the unemployment compensation program. The career center will assist individuals in education or training in applying for retraining income support under this title or under title II, as appropriate. Individuals not eligible for income support under either program, and needing income support to participate in training, will also be assisted in applying for other appropriate resources, including student financial aid.

The career center is to inform individuals determined eligible of the availability and requirements relating to income support, particularly the requirement that an individual be enrolled in training by the 16th week of unemployment in order to qualify. The substate grantee is also to make arrangements with the State UI agency to make this information, along with other information about the program, available to claimants.

Section 119(f) requires that the supportive services be made available when the individual reemployment plan identifies the need for such services to enable the individuals's participation in intensive reemployment services or education and training services. The services may include, but are not limited to, transportation, dependent care, meals, health care, temporary shelter, needs-related payments, drug and alcohol abuse counseling and referral, family counseling, and other similar services. At the option of the career center, supportive services may also be made available to individuals participating in basic reemployment services. These services may be paid directly by the center, to a service provider, or through arrangements with appropriate agencies.

Section 119(g) authorizes a supplemental wage allowance for older workers. An eligible individual who is age 55 or over may receive a supplemental wage allowance if the individual: accepts full-time employment at a weekly wage that is less than the prior wage, was unable to obtain higher-wage employment through the basic reemployment services available under this program, and agrees jointly with a career center counselor that the allowance is the most effective adjustment option available. The allowance is payable for up to 52 weeks and equals three-quarters of the difference between the weekly wage received in a reemployment job and 80 percent of the individual's preceding average weekly wage. It may not exceed 50 percent of the regular weekly UI benefit level. The allowance is to be administered on a cost-reimbursable basis through a substate grantee agreement with the State unemployment compensation agency. An individual who has received a certificate of continuing eligibility may not subsequently receive a supplemental wage allowance.

Section 120 authorizes certificates of continuing eligibility. A career center may issue a certificate for continuing eligibility to individuals who are accepting new employment at a significantly lower wage than their previous wage or in an occupation significantly different from their previous occupation. The certificate will specify a period not to exceed 104 weeks within which the worker will remain eligible for reemployment services and for retraining income support payments under this program or under title II. The individual's continuing eligibility for such support will be based on his or her UI status at the time the certificate is received rather than at the time the individual is held harmless. The requirements relating to enrollment in training to be eligible for income support remain applicable except that the 16- and 14-week periods start with the individual's separation from this new, subsequent employment.

Part B of title I defines Federal responsibilities. Section 131 establishes a National Discretionary Grant Program. Section 131(a) specifies that the national grants are to address large scale economic dislocations resulting from plant closures, base closures, or mass layoffs.

Section 131(b) states that the services provided under the national grant program are to be the same types of services as those provided by career centers in substate areas. Grants may be awarded to such projects as those assisting industry-wide dislocations, multistate dislocations, and dislocations resulting from defense cutbacks, international trade, environmental laws and regulations, or special circumstances in the State. The Secretary may also award grants for projects that provide comprehensive planning services to assist communities in responding to an economic dislocation. In addition, grants may be awarded for on-site transition centers described in section 115(c)(2).

Section 131(c) contains the administrative provisions governing the national discretionary grant program. To receive a grant, an eligible entity must submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary determines is appropriate. Entities that are eligible to receive grants are States, substate grantees under this program, employers and employer associations, worker-management transition assistance committees, representatives of employees, community development corporations and community-based organizations, and industry consortia.

Section 132 authorizes Disaster Relief Employment Assistance. Funds appropriated to carry out this section are to be made available by the Secretary to the Governor of any State within which is located an area which has suffered an emergency or a major disaster. The provisions of section 132 currently are contained in part J of title IV of the Job Training Partnership Act. The eligibility provisions now contained in part J have been revised to specify that notwithstanding the general eligibility requirements for this program, an individual is eligible for disaster employment if the individual is unemployed (whether permanently or temporarily) as a consequence of the disaster. In addition, there are other technical changes in the provisions now in part J.

Section 133 authorizes the Secretary to conduct evaluations, research and demonstrations. Section 133(a) specifies that the Secretary shall provide for the continuing evaluation of title I programs, including their cost-effectiveness in achieving the purposes of the title. Such evaluations must utilize recognized statistical methods and techniques of the behavioral and social sciences, including methodologies that control for self selection, where indicated. The evaluations may include cost benefit analyses, impact analyses, analyses of the extent to which title I programs meet the needs of various demographic groups, and the effectiveness of delivery systems used by the various programs. Also required are evaluations of the effectiveness of title I programs with respect to the statutory goals, the performance standards established by the Secretary, and the extent to which the programs enhance participant employment and earnings, reduce income support costs, improve participants' employment competencies compared to a non-participant control group, and, to the extent feasible, increase the level of total employment beyond that in the absence of the programs.

Section 133(b) requires the Secretary to establish a research program that relates to addressing economic dislocation, facilitating the transition of permanently laid off workers to reemployment, and upgrading the skills of employed workers. Section 133(b)(2) requires the Secretary to develop and maintain statistical data relating to permanent layoffs and plant closings, and to publish a report based on such data as soon as practicable after the end of each calendar year. This provision is currently contained in section 461(e) of the Job Training Partnership Act.

Section 133(c) requires the Secretary to conduct a program of demonstration projects to develop and improve the methods for addressing economic dislocation and promoting worker adjustment. Projects that may be funded include those that upgrade the skills of employed workers who are at risk of being permanently laid off, and those that assist in the conversion or restructuring of businesses in order to avert plant closings or substantial layoffs. Demonstration projects are limited to three years' duration and each project must contain an evaluation component.

Section 134 requires the Secretary to provide staff training and technical assistance to States, substate grantees, career centers, communities, business and labor organizations, service providers, industry consortia, and other entities. Such training and technical assistance may be provided through grants, contracts or other arrangements, and is intended to enhance the capacity of these parties to deliver effective adjustment assistance services and to avert plant closings or substantial layoffs. The assistance may include development of management information systems, customized training programs, and dissemination of computer-accessed learning systems. Training and technical assistance provided under this section must be coordinated with the activities of the Capacity Building and Information and Dissemination Network established under section 453 of the Job Training Partnership Act.

Section 135 provides Federal by-pass authority for operation of the program. If a State chooses not to participate in the program, the Secretary is to use the funds that would be allotted to the State to provide services to eligible workers in that State.

Part C of title I establishes performance standards and quality assurance systems.

Section 151 requires the Secretary to establish a process within each State to promote the development of a customer service compact among the parties administering title I programs: the Secretary, the Governor, each substate grantee, and each career center. The compact is an informal agreement rather than a formal legal document. It is to identify the shared goals and values that will govern the administration of the program, the respective roles and responsibilities of each party, methods for ensuring that the satisfaction of participants with services received is a primary consideration in the administration of the program, and other matters on which there is agreement. This compact reflects a new customer-driven view of the relationship between the local, State and Federal partners in providing employment and training services. It is a pledge to deliver quality customer services, and is part of the process to continuously develop customer-based performance measures and improve performance. Each year, the partners will meet to discuss goals and strategies for serving their customers in the coming year.

Section 152 establishes performance standards for title I. Section 152(a) requires the Secretary, after consulting with the Secretary of Education, Governors, substate grantees, and career centers, to prescribe separate performance standards for substate grantees and career centers. The standards are to be based on factors the Secretary determines are appropriate, and may include (1) placement; (2) the acquisition of skills based on the skill standards and certification system endorsed by the National Skill Standards Board established under the Goals 2000: Educate America Act; (3) participant and employer satisfaction with services provided and employment outcomes; (4) employer satisfaction with the job performance of the individuals placed; and (5) the quality of services to hard-to-serve populations, such as low-income and older workers.

Section 152(b) requires each Governor to prescribe adjustments to the Secretary's standards, within parameters established by the Secretary and after consultation with substate grantees and career centers. Such adjustments must be based on (1) economic, geographic and demographic factors, and (2) characteristics of the population to be served.

Section 152(c) specifies that the Governor is to provide technical assistance to substate grantees and career centers that fail to meet performance standards under uniform criteria prescribed by the Secretary. Governors must report annually to the Secretary on the final performance standards and performance for each substate grantee and career center, as well as the technical assistance the Governor plans and has provided. If a substate grantee fails to meet performance standards for two consecutive program years, the Governor must terminate the grantee agreement and designate another entity as the substate grantee. Similarly, the substate grantee must terminate the career center agreement and select another entity as a career center operator if the center has failed to meet standards for two consecutive years. Subsection (c) provides substate grantees and career centers with an appeal process to the Secretary regarding such terminations.

Section 152(d) specifies that Governors are to award incentive grants, out of the Governor's reserved funds, to substate grantees and career centers exceeding performance standards. Incentive grants are to be used by substate grantees and career centers to enhance or expand services.

Section 153 requires that each substate grantee establish methods for obtaining feedback from customers—individuals and employers—on the effectiveness and quality of the services they have received and of the service providers. Surveys, interviews and focus groups may be used to obtain this feedback. The information obtained must be analyzed by the substate grantee on a regular basis, and a summary of the information and the analysis is to be provided to the career center for use in improving its administration of title I programs and aiding customer choice in selecting eligible service providers.

Section 154 establishes eligibility requirements for providers of education and training services. The purpose of such requirements is to provide individual customers with information on the performance of service providers that will assist them in choosing types of services and where to obtain those services, and to preclude ineffective service providers from receiving Federal funds.

Section 154(a) states that in order to be eligible to receive title I funds, an education and training service provider must be eligible to participate in title IV of the Higher Education Act or be determined to be eligible under the alternative eligibility procedures in subsection (b). Such provider must also provide the performance-based information required in subsection (c).

Section 154(b) requires the Governor to establish an alternative eligibility procedure for education and training providers that desire to be funded under this Act, but are not eligible under the Higher Education Act. This procedure must establish minimum levels of performance and be based on factors and guidelines developed by the Secretary, after consultation with the Secretary of Education. The factors must be comparable to those that are used to determine an institution of higher education's eligibility to participate in title IV programs. If the participation of an institution of higher education in programs under title IV of the Higher Education Act is terminated, the institution may not receive funds under the Reemployment Act for a period of two years.

Section 154(c) describes the types of performance-based information that must be submitted by all service providers (except for on-the-job training) in order to qualify under this section. Such information is to be identified by the Secretary in consultation with the Secretary of Education and may include program completion rates, licensure rates, placement and retention in employment rates, the percentage of graduates who meet skill standards and certification requirements, and the percentage of students who obtain employment in an occupation related to the provider's program. Governors may prescribe additional performance-based information to be submitted by providers. It is intended that the Secretary will closely coordinate with the Secretary of Education to promote consistency in the information requested of service providers under this program and under the Higher Education Act.

Section 154(d) specifies how the system of eligibility requirements is to be administered. Each State must designate a State agency with responsibility for compiling a list of eligible providers and performance-based information and disseminating this list to substate entities and career centers in the State. Service providers desiring to receive title I funds must submit the performance-based information described above to the designated State agency at such time and in such form as the agency requires. The designated State agency may provide technical assistance to providers in developing the required information, including facilitating the use of State administrative records.

If the State agency determines that information concerning a provider is inaccurate, the provider is disqualified from receiving title I funds for two years, unless the provider can demonstrate that the information was provided in good faith. The Governor must establish a procedure for service providers to appeal disqualification. The procedure must provide an opportunity for a hearing and prescribe appropriate time limits to ensure prompt resolution of the appeal.

The Secretary of Labor must also consult with the Secretary of Education regarding the eligibility of institutions of higher education and other providers of education and training under the Reemployment Act and the Higher Education Act.

Section 154(e) specifies that providers of on-the-job training are not subject to the eligibility requirements described in this section, but the substate grantee is required to collect performance-based information required by the Secretary from on-the-job training providers and disseminate this information to career centers.

Part D of title I contains a variety of requirements generally applicable to all program under title I. These provisions are adapted almost exclusively from the provisions contained in part C of the Job Training Partnership Act and also incorporate a labor consultation provision from section 311 of JTPA.

Section 161 contains general program requirements. First, it prohibits the use of funds under this title to induce, encourage, or assist relocations if the move results in the loss of employment at the original site. In addition, funds cannot be used for 120 days for on-the-job training, customized or skill training, or company specific assessment of job applicants or employees for an establishment that has relocated, if the relocation led to loss of employment at the original site. The Secretary must investigate allegations that funds under this title have been improperly used. Where the Secretary determines a violation by a State, substate area, or substate grantee, repayments of misspent funds to the Treasury is required. The Secretary is also required to collect an additional amount equal to the repayment unless the violators demonstrate they neither knew nor could have known the funds were improperly used, and these funds would be provided to the title I program.

Second, the section requires that efforts be made to develop programs under this title to encourage occupational development, upward mobility, the development of new careers, and to overcome sex-stereotyping in non-traditional employment.

Third, the section authorizes joint agreements or contracts between substate grantees to pay or share education, training, placement or supportive services costs under this title.

Fourth, the section established limitations on OJT. Payments to employers for OJT may not exceed the average of 50 percent of wages paid to program participants. In addition, OJT is limited to the period generally necessary to acquire skills related to the occupation, but is not to exceed 6 months. OJT contracts must specify the type and duration of training, and OJT contracts with brokers must include additional information on services to the client by the broker and the employers. Contracts are prohibited with employers who have exhibited a pattern of not providing OJT participants with regular employment after the training period with wages and benefits comparable to other employees.

Fifth, charging an individual a fee for the placement or referral of that individual in or to a training program under this title is prohibited.

The section also contains provisions that prohibit subsidy of private for-profit employment; cover the retention of program income by public and nonprofit entities; specify notification and consultation requirements; permit cooperative agreements between States; prohibit funding for public service employment except for disaster relief employment assistance; prohibit funding for employment generating and related activities except for disaster relief employment assistance; and cover Federal real property requirements.

Section 162 provides standards for the wages to be paid to participants in training.

Section 163 provides labor standards relating to general working conditions; health and safety standards; workers' compensation; equitable treatment; prohibition of displacement; relationship with organized labor, including the requirement that programs under title providing services to a substantial number of labor organization members will be established only after full consultation with the organization.

Section 164 provides for grievance procedures and the remedies available to grievants.

Part E of title I contains fiscal administrative provisions governing title I. These provisions are adapted from the provisions contained in part D of title I of the Job Training Partnership Act. This part assumes that the Office of Management and Budget Circulars A-102 and A-87, governing administrative requirements and cost principles applicable to Federal grant programs, will not apply to title I. Rather, the provisions of part E, many of which are similar to the Circulars, will apply. Currently, these Circulars do not apply to title II or title III of the Job Training Partnership Act.

Section 171(a) directs that appropriations under title I for any fiscal year shall be available for obligation only on the basis of a program year, which begins on July 1 in the fiscal year for which the appropriation is made.

Section 171(b) authorizes recipients to expend funds obligated in a program year either during that program year or the two succeeding program years.

Section 172 contains procedural requirements regarding the publication of formula allocations and allotments, and any discretionary allocation formula.

Section 173 authorizes the Secretary to monitor all recipients of financial assistance under title I, and to conduct investigations to determine compliance with the title and implementing regulations.

Section 174(a) contains requirements for States to follow in establishing fiscal controls and fund accounting procedures necessary to assure the proper disbursal of, and accounting for Federal funds paid to recipients under title I.

Section 174(b) contains the requirements and procedures to follow in the event the Governor determines that there is a substantial violation of the Act or its regulations.

Section 174(c) specifies requirements for repayment of funds by recipients of amounts found not to have been expended in accordance with title I.

Section 174(d) establishes liability of recipients for repayment of funds, and specifies conditions for the Secretary's imposition of sanctions against a recipient.

Section 174(e) gives the Secretary emergency authority to terminate or suspend financial assistance, when it is deemed necessary to protect the integrity of funds or ensure the proper operation of the program.

Section 174(f) requires the Secretary to take action or order corrective measures with respect to participants who have been discharged or discriminated against, or who have filed a complaint or been denied a benefit.

Section 174(g) specifies that the remedies under section 174 are not to be exclusive remedies.

Section 175 requires each recipient of financial assistance to maintain records on funds, participants and programs, and keep such records for the inspection of the Secretary, the Inspector General, and the Comptroller General. The section also specifies the responsibilities of fund recipients for maintaining management information systems, financial records, and monitoring the performance of service providers. Each Governor must establish record retention requirements.

Section 176 establishes procedures for administrative adjudication to be used whenever any applicant for financial assistance is dissatisfied because the Secretary has made a determination not to award such assistance.

Section 177(a) makes programs under title I subject to the nondiscrimination provisions of the Age Discrimination Act of 1975, Section 504 of the Rehabilitation Act, title IX of the Education Amendments of 1972, and title VI of the Civil Rights Act of 1964. Section 177(a) also prohibits discrimination under title I on the basis of race, color, religion, sex, national origin, age, disability, or political affiliation or belief; prohibits employment of participants on the construction, operation or maintenance of religious facilities; prohibits discrimination against participants in title I because of their status as participants; and allows participation in title I programs of certain aliens and refugees.

Section 177(b) establishes procedures to be used by the Secretary whenever the Secretary determines that a State or other recipient has failed to comply with a provision of law or regulation governing nondiscrimination.

Section 177(c) authorizes the Attorney General to bring civil action in any appropriate U.S. district court for appropriate relief in discrimination cases.

Section 178 provides for review in the courts of appeals with respect to the Secretary's final determinations to award or not award financial assistance, terminate assistance, withhold funds, or otherwise sanction a recipient, or if any interested party is dissatisfied with or aggrieved by any final action of the Secretary.

Section 179 authorizes the Secretary to prescribe rules and regulations, accept gifts to carry out title I programs, allocate or spend funds, and utilizes services and facilities of other Federal, State, or substate agencies. Section 179 also prohibits financial assistance to be used for political activities.

Section 180 specifies that no authority to enter into contracts or financial assistance agreements under title I shall be effective except to the extent or in such amount as are provided in advance in appropriation Acts.

Section 181 amends section 665 of title 18, United States Code, to provide criminal penalties for anyone who knowingly enrolls an ineligible participant, embezzles or steals any money, assets or property of a program assisted under title I, or who willfully obstructs or impedes a Federal investigation conducted under title I.

Section 182 provides that, upon enactment of this Act, references in other statutes to the Job Training Partnership Act shall be deemed also to refer to the Reemployment Act of 1994.

Part F contains miscellaneous provisions relating to title I.

Section 191 establishes July 1, 1995 as the effective date of title I.

Section 192 terminates the EDWAA program (sections 301-324 of the Job Training Partnership Act (JTPA), the Defense Conversion Adjustment Program, the Defense Diversification Program, and the Clean Air Employment transition Assistance Program on July 1, 1995. Funds authorized under these programs will be permitted to be expended until they are exhausted.

The Disaster Relief Employment Assistance Program, Title IV–J of JTPA and the mass layoff study provisions in section 462(e) of JTPA (which are transferred to this Act) are also terminated on July 1, 1995.

Section 193 provides the Secretary with general authority to establish rules and procedures to provide for an orderly transition from the terminated programs to the comprehensive program established under title I.

Title II contains retraining income support and unemployment compensation flexibility provisions. Part A contains the provisions which would establish a system of retraining income support for unemployed individuals in long-term training.

Section 201 would establish the retraining income support program. The program is designed to assist permanently laid-off individuals who are participating in training programs after those individuals have exhausted all unemployment compensation to which they may have been entitled under State or Federal unemployment compensation laws.

Section 202 would require, subject to the availability of funds in the account established by part B of the title, payment of retraining income support to individuals who met the eligibility requirements of subsections (a), (b) and (c). Subsection (a) describes those requirements for individuals who have three years or more of work with the employer from which the individual was laid-off. Subsection (b) describes the eligibility requirements for individuals who have been determined to be adversely affected due to international trade under a temporary certification procedure established by part D of the title. Subsection (c) would extend eligibility, beginning in program year 2000, for retraining income support to individuals who have at least one year, but less than three years, of employment with the employer from which they were laid-off and to individuals who have worked for a previous employer in the occupation for one year or more and in the industry of the job from which they were laid off.

Subsection (a) would become effective for weeks beginning after July 1, 1995. Subsection (b) would be effective between July 1, 1995 and before October 1, 1999. Subsection (c) would become effective for weeks beginning after September 30, 1999.

In general, the eligibility requirements are intended to provides retraining income support to individuals who have (1) been permanently laid off (as defined in section 203), (2) received (or would have received had they applied) unemployment compensation as a result of the layoff, (3) exhausted all rights to unemployment compensation (or would have exhausted had they applied), and (4) are participating and making satisfactory progress in an approved education or training program as part of a reemployment plan developed for the individual by an agency certified by the Secretary to develop such plans.

In addition, the bill would generally require individuals to be enrolled in an education or training program by the later of the 16th week after the permanent layoff or by the 14th week after he, or she, is aware that the layoff is permanent in order to qualify for retraining income support. In situations where there were extenuating circumstances that justified a delay in enrolling in such a program, individuals would be able to get a 30 day extension from the enrollment date requirement. In addition, individuals who have been issued a certificate of continuing eligibility under section 120 would have until the sixteenth week after their separation from the subsequent employment to enroll in training.

Subsection (d) would provide that periods of temporary layoff, of up to 26 weeks, would be counted in determining the length of employment with the layoff employer. In addition, subsection (d) describes other non-work periods that would be included in determining the length of employment with the layoff employer. These include the following: up to 7 weeks in any one-year period of employer-authorized leave or in service as a full-time labor representative; up to 12 weeks in a one-year period for conditions that are described in section 102 of the Family and Medical Leave Act of 1993; and up to 26 weeks in any one-year period for a compensable disability under worker's compensation or for call-up for active duty in the Armed Forces of the United States.

Subsection (e) would make it clear that for the purpose of determining an individual's length of tenure with an employer, all jobs worked by an individual that are covered by a multi-employer pension plan defined in ERISA, and all jobs worked that were obtained through a single hiring hall, would be considered employment for the same employer. In addition, the subsection would include as employment for the same employer all employment for a predecessor employer or a joint employer. As a result of the inclusion of employment for a predecessor employer, employees who work for a business that has been the subject of a merger, sale or spinoff would not have their job tenure reduced as a result of that transaction. As a result of the inclusion of employment for joint employers, employees who are leased to another employer would suffer no diminution of their job tenure as a result of the leasing.

Subsection (f) would provide that brief breaks of up to twenty-eight days, from an education or training program, providing the individual was participating in the program before the break and the break is provided under the program, would be treated as a period in training. As a result, an individual could continue to receive retraining income support during such a break.

Section 203 would set the weekly retraining income support amount payable to an eligible individual at the amount equal to the most recent benefit amount payable to the individual for a week of total unemployment under the State's unemployment compensation law. That amount would be reduced, dollar for dollar, by any training income support provided for that same week under another Federal program. The weekly amount would also be reduced dollar for dollar by an income earned by the individual in employment that exceeds half of the individual's weekly retraining income support.

Section 204 would set the maximum amount of retraining income support that is payable to an individual. Under subsection (a), individuals who are either eligible for retraining income support under section 202(a), or would have been eligible for income support under the trade adjustment assistance program, would be eligible for up to 52 weeks of retraining income support in a 104 week period beginning with the date of permanent layoff. Under subsection (b), individuals with at least one, but less than three, years of work with the same layoff employer (or with at least one year with an employer immediately preceding employment with the layoff employer in the same occupation), would be limited to 26 weeks of retraining income support within a 78 week period beginning with the date of permanent layoff. Both subsections (a) and (b) would reduce the amount of retraining support by the amount the individual has received from extended or emergency unemployment compensation.

Subsection (c) would prohibit the payment of retraining income support to an individual who is receiving remuneration from an on-the-job training program.

Subsection (d) would address the rare situation where an individual becomes eligible for extended unemployment compensation after he, or she, has received the maximum amount of retraining income support. In such a case, the number of weeks of extended benefits would be reduced by the number of weeks that the individual was entitled to retraining income support.

Section 205 would authorize the Secretary to enter into agreements with the States to pay retraining income support to eligible individuals. Such agreements would, among other things, require the States to notify applicants that participation in an education and training program is a requirement for the receipt of retraining income support and to provide for a system of voluntary withholding of Federal individual income tax.

Section 206 would require the Secretary to establish a system to pay retraining income support to individuals in a State where there is no agreement for the payment of such support with the State.

Section 207 would limit the liability of public officials in making payments under this title.

Section 208 describes the procedures which would have to be followed in cases of fraud and overpayment. Under subsection (a), individuals who receive overpayments would be liable to repay the amount overpaid. However, repayment could be waived if it were determined that the payment was made without fault on the part of the individual and that requiring repayment would be contrary to equity and good conscience. The Secretary could require a State to recover any overpayment by deducting such overpayment from any other unemployment compensation payable to the individual under State or Federal law, as long as the amount deducted would not exceed 50 percent of the amount otherwise payable.

Subsection (b) would define fraud and would specify that an individual who has been found to have committed such would, in addition to any other penalties provided by law, be ineligible for any further payments of retraining income support.

Subsection (c) would provide that no repayments or deductions could be made until notice and a fair hearing have been provided to the individual and the determination has become final. Under subsection (d) amounts recovered would be returned to the Retraining Income Support Account which would be established by section 221.

Section 209 would provide for a penalty of a fine of $1000 or imprisonment for not more than a year, or both, for anyone who makes a false statement of a material fact or who fails to disclose a material fact for the purpose of obtaining or increasing any retraining income support payment.

Section 210 would define the terms specific to part A of the bill.

Section 211 would authorize the Secretary of Labor to prescribe such regulations as may be necessary to carry out part A.

Section 212 would provide that the provisions of part A become effective on July 1, 1995.

Subpart B establishes a Retraining Income Support Account. Section 221 would amend Title IX of the Social Security Act to include a new section 911 establish a Retraining Income Support Account as a separate book account in the Unemployment Trust Fund. For fiscal years 1996 through 2000, this new account would be funded from an annually escalating fraction of the proceeds of the 0.2 percent Federal surtax collected under section 3301 of the Internal Revenue Code. Beginning in fiscal year 2001, the entire 0.2 percent will be directly deposited into the account. The flow of funds to other Federal accounts (ESAA, EUCA, FUA) would not be affected by transfer of funds to this account, and the account would not participate in the borrowing among Federal accounts required by section 910. At all times spending for retraining income support would be capped at the amount of funds in the account.

The new section 911 of the Social Security Act would provide for a permanent appropriation of the funds in the Retraining Income Support Account. This section would also provide for the transfer of funds to the States that have entered into agreements to pay retraining income support. Under the section, the Secretary from time to time would transfer funds for the payment of that support. All money received by a State under this section would have to be used solely for the payment of retraining income support, except that deductions from a payment would be allowed for the purpose of paying health insurance or withholding Federal individual income tax if the recipient of the payment so elected. Any funds not so used in accordance with these provisions would be returned to the Retraining Income Support Account.

Section 222 would amend section 901(c) of the Social Security Act to permit payment from the Employment Security Administration Account (ESAA) for administrative expenses incurred by States in retraining income support payments.

Section 223 sets forth conforming amendments to the Social Security Act and the Internal Revenue Code. Subsection (a) would amend section 905 the Social Security Act to adjust the funding of the Extended Unemployment Compensation Account to take into account the funding of the Retraining Income Support Account. Subsection (b) would amend section 3302 of the Internal Revenue Code to reduce the credit employers in a particular State receive for contributions to a State unemployment fund by 7.5 percent if such State did not enter an agreement under section 205 to administer a program for the payment of retraining income support, or did not fulfill its commitments under such an agreement.

Part C contains the changes in the Tax Code that are necessary for financing the costs of the retraining income support program.

Section 231 would provide for a permanent extension of the 0.2 percent surtax that is scheduled to expire at the end of calendar 1998. For budget purposes, the retraining income support program is primarily financed by program offsets until fiscal year 2000. In that and succeeding fiscal years, the program will be financed entirely by the FUTA surtax.

Section 232 would amend the Tax Code to require States to allow individuals receiving unemployment compensation or retraining income support to have Federal individual income tax withheld at a rate of 15 percent from such compensation on a voluntary basis. States would be required to conform their unemployment compensation laws to provide for voluntary withholding by January 1, 1996. Conforming amendments would be made to allow the use of trust fund monies to pay for the withholding of Federal individual income tax.

Part D provides for the integration of trade-impacted workers into the Comprehensive Reemployment System established under title I and part A of title II of this Act.

Section 241 would phase out both the Trade Adjustment Assistance program and the NAFTA Transitional Adjustment Assistance program. Under subsection (b), those individuals receiving assistance under these programs before July 1, 1995 would be able to receive the balance of their benefits.

Section 242 would establish a transitional certification program for trade-impacted individuals. Subsection (a) establishes within the Department of Labor a temporary, transitional certification program. Upon certification, trade-impacted workers would be eligible for services under the comprehensive reemployment program authorized by title I and income support under part A of title II. The certification process would be the same as is carried out under the current TAA program.

Subsection (b) sets forth the components of the transitional certification program. Paragraph (1) sets forth the eligibility requirements for certifying a group of workers. Paragraph (2) establishes a petition process by which groups of workers may petition for certification. Paragraph (3) details the process by which the Secretary is to make a determination on such a petition, and excludes those whose last layoff from an impacted firm was more than one year before the date of the petition on which the certification was granted. In addition, paragraph (3) would require the Secretary to publish a summary of the determination in the Federal Register, and also authorizes the Secretary to terminate certifications for firms or subdivisions where layoffs from those entities are no longer attributable to foreign trade. Paragraph (4) would give the Secretary the power to subpena witnesses and documents necessary for the making of such a determination.

Subsection (c) limits the filing period for petitions for certification under the transitional program to the period after June 30, 1995 and before July 1, 1999.

Part E includes amendments to the Federal Unemployment Tax Act which would permit States to amend their laws to pay unemployment compensation under a short-time compensation program to an individual who is working reduced hours for the employer, and to pay reemployment bonuses to certain individuals.

Section 251 is basically a technical amendment which would redefine the current definition of short-time compensation program as it was defined in Title IV of the Unemployment Compensation Amendments of 1992 (P.L. 102-318) and include that definition in section 3306(u) of the Federal Unemployment Tax Act. The short-time compensation program is designed to avert layoffs. Under the program, a worker's hours are reduced in lieu of a layoff and the worker is eligible for unemployment compensation based on the proportion of such reduction.

Section 252 would permit States to amend their laws to offer reemployment bonuses equal to no more than four times the individual's weekly amount of unemployment compensation to individuals who are: unemployed; eligible for unemployment compensation, determined as likely to exhaust their unemployment compensation; and who find full-time employment within no more than 12 weeks from the date of filing their initial claim for unemployment compensation. In addition, the new employment must be with an employer other than the one with whom the individual was employed prior to receiving unemployment compensation, and the new employment must continue for at least four months. A State would only be allowed to use this program if it did not add any additional costs to the Unemployment Trust Fund and if the State has a plan for implementing the program that is approved by the Secretary.

Appropriate conforming amendments would also be made to the withdrawal standards in section 3304(a)(4) of the Federal Unemployment Tax Act and section 303(a)(5) of the Social Security Act.

Section 253 would remove the sunset provision from the Self-Employment Assistance

Program, which provides self-employment allowances in lieu of unemployment compensation to assist unemployed workers in starting businesses and becoming self-employed. The sunset provision discourages States from developing the supportive program, including entrepreneurial training, that is to accompany the self-employment effort.

Section 254 provides that the provisions of title II take effect on the date of enactment.

Title III of the bill would establish a program to encourage States to develop and implement Statewide networks of one-stop career centers. These networks would provide a common point of access to employment, education and training information and services to students, workers, and employers. The centers would make services available under employment and training programs administered by the Secretary and would encourage the participation of other Federal, State and local human resource programs.

Section 301 describes the purposes of title III. These include: establishing a national program of grants and waivers of Federal statutory and regulatory requirements to provide States with the opportunity to develop and implement one-stop career center networks; providing seed money to encourage a flexible, nationwide system of one-stop career centers; promoting universal access to a comprehensive menu of quality employment, education and training information and services; encouraging a customer-oriented approach to the provision of services, including features to enhance customer choice and ensure that the satisfaction of individuals with services received is a primary consideration in the administration of the program; establishing a governance structure composed of State, local and Federal partners to ensure common goals, planning, service coordination and oversight of the networks; and providing State and local areas with increased flexibility in the administration of employment and training programs in exchange for greater accountability for outcomes.

Part A of title III contains the components of the voluntary one-stop career center system. Section 311 identifies the seven basic components, which are: the establishment of a workforce investment board; the establishment of one-stop career centers; the provision of certain common services through the one-stop career centers; the participation of Federal employment and training programs; an agreement between all affected parties regarding the operation of the centers; quality assurance systems, including performance standards; and the establishment of a State Human Resource Investment Council.

Section 312 describes the establishment and functions of the workforce investment boards. Under section 312(a), the Governor is to designate one-stop service areas (OSSAs) within the State. The OSSAs are to be either the geographic boundaries of the labor market areas within the State (although no service delivery area or substate area may be subdivided among the OSSAs), the substate areas established under title I of the Act or a consortium of such areas, or the service delivery areas established under JTPA or a consortium of such areas. In order to promote planning and stability, OSSAs may not be redesignated more frequently than once every four years.

Under section 312(b), for each OSSA, the chief local elected official or officials is to establish a workforce investment board. The board is to be composed of five categories of members: first, representatives of private sector employers, who are to be a majority of the board and consist of owners, chief executives or chief managers of businesses; second, representatives of organized labor, and community-based organizations, who are to be at least 25 percent of the board membership and officers of their organizations; third, representatives of educational institutions; fourth, appropriate community leaders, such as leaders of economic development agencies, human service agencies and institutions, veterans' organizations and entities providing job training; and fifth, a chief local elected official, who is to be a non-voting member.

The employer representatives are to be nominated by general purpose business organizations. The labor representatives are to be nominated by recognized State and local labor federations, except that if the federations are unable to nominate a sufficient number of representatives, individual workers may be included. The elected official is to be selected from among the elected officials in the area by such officials. All other members are to be nominated by interested organizations.

The appointments are to be made by the chief local elected official, except if there is more than one unit of government in the OSSA the appointments are to be made in accordance with an agreement between the officials for such units. Absent such agreement, the Governor would appoint the members. The size of the board is to be initially determined by the chief local elected official or officials, and thereafter by the board itself. The members are to be appointed for fixed and staggered terms, and any vacancy is to be filled in the same manner as the original appointment. Any board member may be removed for cause.

The board is to elect a chairperson, from among members who are not public officials or the head of a public agency, for a period to be determined by the board. The chairperson is to appoint appropriate staff, who are not to serve concurrently as the staff of any of the participating programs. The staff may include an executive director.

The board is to be funded pursuant to the one-stop career center operating agreements, based on a budget requested by the board and approved by the chief local elected official. No member of the board may cast a vote that would provide direct financial benefits to that member.

A private industry council (PIC) may become a board with the approval of the chief elected officials if the PIC meets the composition requirements or is reconstituted to meet such requirements. A State Human Resource Investment Council may, in any case where the OSSA is the State, be reconstituted as the board.

The Governor is to certify that a board meets the requirements of this section.

Section 312(c) describes the six basic functions of the board. First, the board is to develop strategic plans and provide policy guidance to the workforce development programs in the OSSA. The strategic plan is to be consistent with the statewide strategic plan developed by the State Human Resource Investment Council and to include measurable objectives for improving the quality and effectiveness of workforce preparation, development, and training in the OSSA and methods for coordinating the programs to provide maximum coverage of the workforce, ensuring equitable access by population subgroups, and enhancing the delivery of services in the OSSA. Second, the board is to utilize available labor market information and other methods to identify available jobs and occupations in demand currently and in the future, the skill requirements relating to those jobs and occupations, and the education and training services available to develop such skills. This information is to be used by the board to develop goals and identify activities to be provided by the workforce development programs. Third, the board is to review and approve budgets for certain Department of Labor-administered employment and training programs and review and provide recommendations regarding the budgets of other programs participating in the one-stop career centers. Fourth, the board is to assume the policy-making functions of the PICs under title II of JTPA and of the Job Service Employer Committees. However, the board may not be the administrative entity for programs under JTPA (as are some PICs), and may not operate any other programs. Fifth, the board is to conduct oversight of implementation of the strategic plan it develops and of the overall performance (rather than day-to-day operations) of programs participating in the one-stop system. Finally, the board is to administer the procedures for establishing one-stop career centers described below.

Section 313 describes the two options for establishing one-stop career centers. Section 313(a) provides that the Governor and the chief local elected official or officials are to jointly select either a consortium option or a multiple independent operator option to establish the centers.

Section 313(b) describes the consortium option. Under this option, the one-stop career centers in the OSSA are to be administered by a consortium that consists of the Employment Service, the substate grantee or grantees under title I of the Act, the administrative entity or entities under title II of JTPA, the State UI agency (unless such agency chooses not to participate), and one or more additional partners that is either a unit of government, a public or private service provider, or a consortium of such units and providers.

A consortium may not be designated to operate a one-stop career center system unless it meets criteria described below under the multiple operator option and agrees to provide for customer choice by operating two or more centers, by administering budget resources to reflect, at least in part, the extent to which each center is used by the public, and by providing equitable access to centers by segments of the population within the one-stop service area.

A consortium is also to identify to the board the procedures that would be used to integrate the administration of programs, such as procedures for cross-training of staff, collocation of facilities, and use of common forms and practices.

The Governor and chief local elected official or officials, in consultation with the workforce investment board, are to review each consortium's performance and once every four years to determine whether to renew the charter.

Section 313(c) described the multiple independent operator option. Under this option, the board is to select two or more entities to operate one-step career centers pursuant to an open selection process. Any entity or consortium of entities may apply to be selected as an operator, including employment service offices, career center operators under title I, service delivery areas or administrative entities under title II of JTPA, community colleges and area vocational schools, community-based organizations and other interested organizations.

There is a special rule under this selection option whereby if the Employment Service or a consortium including the Employment Service applies to be selected and meets the selection criteria, it must be selected as an operator.

The board is to publish information to notify organizations and individuals in the area of: the selection procedures, including the estimated number of one-stop career centers needed and the proposed number of operators to be selected; the application procedures; the criteria for selection; and other information the board deems relevant. In determining the number of one-stop career center operators to be selected, which is to be two or more (see single operator exception below), the board is to consider the size of the labor market, the number of individuals likely to use the centers, the number and capabilities of potential operators, and equitable access by segments of the population to the centers.

The selection criteria are to be issued by the board, consistent with guidelines provided by the Secretary, and based on objective criteria and measures. An applicant may not be selected as an operator (under either selection option) unless the applicant demonstrates to the satisfication of the board that it would: operate a center that would provide the specified common services; utilize automated information systems to exchange information among centers; meet performance standards; ensure effective fiscal and program management; administer the process of referring participants to education and training in an objective and equitable manner; and provide services on a nondiscriminatory basis.

Notwithstanding the requirement for two or more operators, if only one applicant meets the selection criteria, that applicant may be selected as the sole career center operator in the OSSA. This open selection process, under this option, is to be conducted once every four years.

The career centers established under either option are to be issued a charter by the board that will identify the number and location of one-stop centers in the OSSA and the entities operating the centers, provide for display of a national one-stop career center logo, and include such other conditions as the board determines is appropriate.

Section 313(e) contains "honest broker" provisions for one-stop career center operators that concurrently provide education and training services to title I participants. If the workforce investment board, in an annual review, determines that such center has engaged in a pattern of inappropriate referrals to the education and training services of the operator, the Board may terminate the charter of the center or require the operator to cease providing services to participants as a condition for continuing to operate the center.

Section 314 describes the services to be provided through the one-stop career centers. Section 314(a) describes the basic services which are to be made available to the public by each center free of charge. These twelve services are: outreach, including efforts to expand awareness of training and placement opportunities for limited-English proficient individuals, disadvantaged youth and adults, and individuals with disabilities; intake and orientation to the center; assistance in filing an initial unemployment compensation claim; a preliminary assessment of skill levels and service needs; local, regional and national labor market information, including job vacancies, local occupations in demand and the earnings and skill requirements for such occupations; job search assistance; job referrals and job placement assistance; information relating to job training and education programs (including student financial assistance), including the quality and requirements of such programs, and appropriate referrals to such programs; information collected pursuant to the performance standards and customer feedback requirements; assistance in evaluating whether an individual is likely to be eligible for any participating programs; information on programs and providers of dependent care and other supportive services; and soliciting and accepting job orders submitted by employers and referring individuals in accordance with such orders.

Section 314(b) describes the intensive services that are to be provided by the center in accordance with the operating agreement and which must be made available to title I participants who are unable to obtain employment through the basic services. These twelve services are: comprehensive and specialized assessments of skill levels and service needs, including diagnostic testing and in-depth interviewing; the development of individual reemployment plans identifying the employment goal, achievement objectives, and the appropriate combination of services for an individual to achieve the goal; individualized counseling and career planning, including peer counseling and counseling and planning relating to nontraditional employment opportunities; group counseling, including peer counseling which may be available to individuals jointly with immediate family members, and may include counseling on stress management and financial management, and which shall be a basic service for participants in title I under this Act; case management and periodic review of progress toward the employment goal; job development; out-of-area job search allowances; relocation allowances; follow-up counseling; assistance in the selection of education and training providers; assistance in obtaining income support to enable an individual to participate in training; and supportive services.

Section 314(c) describes specialized employer services which may be provided. These are: customized screening and referral of individuals for employment; customized assessment of the skill levels of current employees; analysis of an employer's workforce skill needs; and other specialized services.

Section 314(d) authorizes the one-stop career centers to provide such other additional services as are specified in the operating agreement.

Section 314(e) authorizes a one-stop career center to charge fees for the intensive services, specialized employer services, and the additional services described above if the board approves the fees. However, no fees may be charged for any service an individual is eligible to receive free of charge from a participating program unless there are no funds available under the program to provide those services. All income received from the fees by a public or private non-profit center operator are to be used to expand or enhance the services provided through the centers.

Section 315 identifies the programs that are to participate in the operation of the one-stop career centers. Section 315(a) provides that the programs that are to make basic services available to participants through the one-stop centers are: programs under title I; programs under the Wagner-Peyser Act; programs under title II of JTPA; the Veterans' Employment Service; the Senior Community Service Employment program under title V of the Older Americans Act; and programs authorized under Federal and State UI laws.

Of these programs, title I programs are to provide basic and intensive services through one-stop centers (which are to replace the career centers established under that title). The Wagner-Peyser Act program is to make applicable basic and intensive services available only through the centers. The Veterans Employment Service is to make applicable basic and intensive services available through the centers, but may also provide such services at other locations. All other identified programs may make basic services available through other locations and providers in addition to making them available through the centers. All identified programs may provide additional services through the centers in accordance with the operating agreement.

Section 315(b) provides that other human resource programs may also provide services through the centers and become a party agreement if the board, the local elected official or officials, the Governor and executive officer of other participating programs concur. These programs may include the Job Opportunities and Basic Skills (JOBS) program, the Food Stamp Employment and Training program, the Job Corps, veterans training programs under title IV–C of JTPA, the Perkins Vocational and Applied Technology Education Act programs, Adult Education Act programs, Vocational Rehabilitation Act programs, and programs under the School-to-Work Opportunities Act.

Section 316 describes the operating agreements that are to govern the administration of the one-stop career center system in the OSSA. The operators are to enter into a written agreement with the board and participating programs covering the operation of the centers. The Governor and chief local elected official or officials must approve the agreement and are to oversee the development of the agreement, ensure that it meets applicable requirements, and monitor its implementation.

Section 316(b) describes the contents of the agreement. It is to identify: the services to be provided by the centers and the extent to which the participating programs will provide services through the centers; methods for the referral of individuals by the centers to appropriate services and programs; the financial and nonfinancial contributions to be made to the centers by the participating programs, which are to be based on factors including the number of participants served by the centers and the quality of the services; the financial liability of the respective parties relating to the funds contributed by the participating programs; the financial contributions to be made for the administration of the workforce investment board by each participating program; methods of administration and oversight; a description of how services are to be provided, such as the methods for assessing the skills of individuals; procedures to ensure the utilization of a common local job bank; procedures to be used to ensure compliance with the statutory and regulatory requirements of the participating programs; the duration of the agreement and procedures for amendment; and other provisions the parties deem appropriate.

Section 316(c) requires the parties to the written agreement (center operators, the workforce investment board, and participating programs) to develop an annual budget for the one-stop career centers and the workforce investment board. The budget for the board is subject to the approval of the local elected official, and the one-stop career center budgets are subject to the approval of both the local elected official and the Governor.

Section 317 describes the quality assurance systems relating to the performance of the centers and workforce investment boards. Section 317(a) describes the performance standards system. The Secretary is to prescribe separate performance standards for the centers and boards. The standards for centers are to be based on factors the Secretary determines are appropriate. These factors may include: placement, retention and earnings of participants in unsubsidized employment; the provision of services to hard-to-serve populations; the acquisition of skills based on skill standards and the certification system established and endorsed under the Goals 2000: Educate America Act; the satisfaction of participants with services provided and employment outcomes; the satisfaction of employers with the job performance of individuals placed; and measures of cost efficiency. The standards for workforce investment board are to be based on the number of job openings received and the proportion of employers listing such openings, the number of job openings filled, and the overall performance of career centers in the one-stop service area. The Governor is to adjust the performance standards for centers and boards, within parameters established by the Secretary, based on economic, geographic and demographic factors in the State and local areas and the characteristics of the population to be served.

The Secretary is to establish uniform criteria for determining whether a one-stop career center of workforce investment board fails to meet performance standards. The Governor is to provide technical assistance to one-stop career centers and boards failing to meet performance standards and is to report annually to the Secretary on the performance of each center and board and the technical assistance to be provided. If a center fails to meet the performance standards for two consecutive years, the board is to revoke the charter of the center. If the center is operated under the consortium option, the board is to select another entity to operate the center pursuant to the multiple independent operator selection process. If the center operator was selected pursuant to that open selection process, then another operator is to be selected pursuant to that same process. If a board continues to fail to meet performance standards for two consecutive years, the Governor must notify the Secretary and the board, and must replace the members of the board, direct the board to replace staff, direct the board to replace the chairperson, or take other appropriate action. The board's revocation of a charter may be appealed by an operator to the Governor and then to the Secretary. A board may similarly appeal any sanctions imposed by the Governor.

Section 317(b) describes the customer feedback process that is to be in place to ensure that each center is responsive to the needs of the individuals receiving services. Under this subsection, the board is to establish methods for obtaining, on a regular basis, information from individuals and employers receiving services through a center on the effectiveness and quality of the services. The feedback mechanisms may include surveys, interviews, focus groups and other techniques. The board is to analyze the information obtained and provide a summary of the information and the analysis to the center for use in improving the quality of services.

Section 318 provides for the establishment of a State Human Resource Investment Council (HRIC) as part of the one-stop career center system. Such councils are authorized under title VII of JTPA and are intended to consolidate separate advisory entities to provide the Governor with a source of coordinated and comprehensive advice relating to the administration of Federal human resource programs in the State. Those human resource program include JTPA, Perkins Vocational Education, Adult Education Act programs, JOBS, and the Food Stamp Employment and Training programs.

Under this section, the State must establish a HRIC and the HRIC is to identify the human investment needs in the State and recommend to the Governor goals for meeting those needs, recommend to the Governor goals for the development and coordination of the human resource system in the State, prepare and recommend to the Governor a strategic plan for accomplishing the goals, and monitor the implementation and evaluating the effectiveness of the plan (such plan is an optional activity under JTPA). In addition, the HRIC is to advise the Governor with respect to all aspects of the development and implementation of the one-stop career center system. Such advice would relate to assessing the labor market, economic and workforce development needs in the State, the designation of OSSAs, measures to evaluate the effectiveness of the workforce investment boards and to facilitate the provision of resources and technical assistance to the boards, developing a mechanism for waiving State statutory and regulatory requirements that would impede the one-stop system, and developing a strategy for collecting information to evaluate the effectiveness of the system and workforce investment programs in the State.

Part B of title III authorizes grants and waivers to promote the development and implementation of the one-stop career center system.

Section 331 authorizes planning and development grants. Section 331(a) authorizes the Secretary to establish a program of competitive grants to the States to assist in the planning and development of a comprehensive Statewide network of one-stop career centers.

Section 331(b) provides that a State desiring a grant is to submit an application to the Secretary at the time, in the manner, and containing the information specified by the Secretary. The application is, at a minimum, to include a timetable and estimated amount of funds needed to plan and develop the one-stop career center system in the State and to describe the manner in which the Governor, local elected officials, representatives of employees and voluntary organizations, community and business leaders, representatives of affected programs and service providers will work together in the planning and development process.

Section 331(c) authorizes the planning grant funds to be used for activities including: identifying and establishing an appropriate State administrative structure; establishing broad-based partnerships to participate in the one-stop system; developing plans to establish the workforce investment boards and the State Human Resource Investment Council; developing the process for selecting and chartering centers; supporting local planning efforts; initiating pilot programs to test components of the system, such as designing common intake forms; analyzing State and local labor markets to assist in the design of the system; analyzing current statutory and regulatory impediments to the establishment of the one-stop system and preparing waiver requests; preparing the Statewide implementation plan required as part of the application for an implementation grant; and other related activities.

Section 332 authorizes State implementation grants. Section 332(a) authorizes the Secretary to establish a program of competitive grants to States to assist in the implementation of the Statewide one-stop career center system.

Section 332(b) provides that any State desiring a grant is to submit, with the agreement of the local elected officials from the OSSAs that are scheduled to immediately begin implementation of the system, an application to Secretary in accordance with procedures specified by the Secretary. The application is, at a minimum, to contain: a plan for a comprehensive, statewide one-stop career center system that includes the seven basic components descried in part A; requests, if any, for waivers of Federal statutory or regulatory requirements necessary to implement the system; and other information specified by the Secretary.

The comprehensive State plan is to: designate a fiscal agent to be accountable for grant funds provided under this section; identify the OSSAs; identify the OSSAs that will immediately begin implementation and the implementation schedule for the remaining OSSAs in the State; identify the workforce development programs that will participate in the system; identify the selection process option that will be used in each OSSA; describe the performance standards the State intends to meet; describe the collaborative procedures to be used by the Governor, local elected officials and officials administering the participating programs; describe the procedures for ensuring the active involvement of all affected parties, including employers, educators, labor organizations, community-based organizations, service providers, and State and local human resource agencies; specify the manner in which States will ensure equitable opportunities for jobseekers, students and employees to receive services from the centers; describe the way in which existing one-stop initiatives, if any, will be integrated into the one-stop system; identify the administrative and management systems that will be used, and the resources that will be used to maintain the system after the grant funds are exhausted.

Section 332(c) specifies the factors which will be given special consideration in the evaluation of the State grant application. The factors are: the extent to which the State one-stop service areas are based on labor market areas, the number of Federal programs that will participate in the centers, inclusion of JOBS and Perkins vocational education programs in the one-stop system, the extent to which a State has already implemented components of the one-stop system described in part A, the proportion of the State's population that would be covered by one-stop service areas agreeing to immediate implementation, and the extent to which the State will supplement access to the one-stop career center services through methods such as kiosks in shopping centers, libraries, community colleges and other community organizations, and through personal telephones or computer lines.

Section 332(d) describes application review procedures. The Secretary determines whether to approve the State's plan. When the determination is positive, the Secretary further determines whether to do one or more of the following: award an implementation grant; approve the State's request, if applicable, for a waiver; or inform the State of the opportunity to apply for further development funds, unless the State is receiving an implementation grant.

Section 332(e) prohibits the expenditure of grant funds for construction of new buildings.

Section 332(f) specifies that implementation grants are for a one-year period and are renewable for each of the two succeeding years if the Secretary determines the State is making satisfactory progress in implementing its plan.

Section 333 authorizes the waiver of Federal statutory and regulatory requirements that would impede implementation of the one-stop career center system. Section 333(a) provides that a State may, at any point during the development or implementation of the one-stop career center system, request that the Secretary waive statutory and regulatory requirements relating to certain employment and training programs administered by the Secretary of Labor.

Section 333(b) authorizes the Secretary to waive the requirements of the statutes and (with the concurrence of the Director of OMB) OMB circulars listed in subsection (c) and related regulations in response to a request from a State if four conditions are met. These conditions are that: the State submits a plan (containing information the Secretary requires) for a comprehensive statewide one-stop career center system that either includes the seven basic components described in part A (this plan may or may not be part of an application for an implementation grant) or, while not including all these components, demonstrates that the one-stop system will substantially achieve the objectives of the one-stop system; the Secretary determines that the requirement requested to be waived impedes the ability of the State to implement the system; the State waives or agrees to waive similar provisions of State law; and the State has provided an opportunity for the State council or the State Human Resource Investment Council and other interested entities and individuals to comment on the proposed waiver and included such comments with the request. The Secretary is to act promptly on each request and each waiver may be approved for a period of up to four years. This period may be extended if the Secretary determines that the waiver has been effective in assisting the State in implementing the one-stop system.

Section 333(c) identifies the six statutes that may be waived, which are: title I of this Act, JTPA, the Wagner-Peyser Act, title V of the Older Americans Act, title III of the Social Security Act (which provides for UI administrative grants to the States), and chapter 41 of title 38 (veterans employment programs). In addition, this section authorizes the Secretary to waive OMB circulars A-87 (relating to cost principles for State and local governments), A-102 (relating to grants and cooperative agreements with State and local governments), A-122 (relating to nonprofit organizations), and the regulations at 29 CFR 97 (relating to uniform administrative regulations for grants and cooperative agreements to State and local governments).

Section 333(d) provides that the Secretary may not waive any requirements of the statutes identified above that relate to: the basic purposes or goals of the affected programs; maintenance of effort; the formula allocation of funds; the eligibility of individuals; public health or safety, labor standards, civil rights, occupational safety and health or environmental protection; or prohibitions or restrictions relating to the construction of buildings or facilities.

Section 333(e) provides that the Secretary is to periodically review the performance of the States that have been granted waivers and is to terminate a waiver if the State's performance is inadequate or the State has failed to waive similar requirements of State law.

Section 333(f) provides that if there is sufficient information from waiver requests to identify provisions of the circulars or related regulations that consistently impede implementation of a one-stop system, the Secretary is to submit a plan to OMB to grant a general waiver for one-stop areas. The Director of OMB may approve the plan and authorize the Secretary to grant these general waivers if the Director determines the plan would not jeopardize the integrity of Federal funds and would be consistent with the objectives of title III.

Section 334 authorizes the pooling of administrative resources. During the implementation of a one-stop system, a State may, at any point, on behalf of one or more one-stop service areas, submit to the Secretary a plan for the pooling of administrative funds available under two or more of the mandatory participating programs. Under the State plan, each participating program may transfer administrative funds to the one-stop system and allocate the transferred amount to administrative costs at the time of transfer. No further allocation of the transferred funds would have to be made to the particular program. Administrative funds so transferred must be spend only for the administration of allowable activities under the one-stop career center system.

Notwithstanding section 31 U.S.C. 1301, which requires all funds to be allocated to the source of their appropriation, or other provisions of law, the Secretary may approve a State pooling plan if the Secretary determines the plan would not jeopardize the administration of the participating programs and would facilitate implementation of the one-stop system. Where pooling plans are approved, the Secretary is required to regularly review the performance of the applicable one-stop service areas and to rescind the approval if the Secretary determines the area's performance does not adequately justify continuation of the plan or there has been a significant adverse effect on the participating programs.

Section 334(c) provides that, upon approval of the Governor, real property purchased pursuant to UI administrative grants, the Reed Act, or the Wagner-Peyser Act before the effective date of this Act may be used for the one-stop career center. Under current law, such property may only be used for UI or ES programs, depending on the source of funds, and, if such property is to be used for any other purposes, it must be sold. This change will facilitate collocation and an effective one-stop setting. Except if otherwise provided in a pooling arrangement, there are certain limitations included on the future use of such funds to pay for property used by the one-stop center in order to protect the integrity of such funds.

Part C includes additional activities which support one-stop career center systems.

Section 351 provides for the development of a customer service compact. The Secretary is to establish within each one-stop state a process, which includes an annual meeting, involving all parties who administer the one-stop system—the Secretary, Governor, each workforce investment board, and each one-stop career center—to reach an informal agreement among the parties. The agreement is to relate to the shared goals and values that will govern administration of the system, the roles and responsibilities of each party in tailoring and strengthening participant services, methods to ensure that participant satisfaction with services is a primary consideration in administration of the one-stop system, and other appropriate matters.

Section 352 specifies additional State responsibilities for State implementing a one-stop career center system. These include developing and operating administrative and management systems that promote the effective operation of the system; monitoring compliance of the workforce investment boards with the requirements of this title; and providing any necessary technical assistance to workforce investment boards.

Section 353 defines additional Federal responsibilities. The Secretary is authorized to monitor all recipients of funds under the title for compliance with the title's provisions. The Secretary is required to provide staff training and technical assistance to improve the capacity of the full range of public and private partners in the one-stop system to develop and implement the system, and to integrate the capacity-building activities with the Information Dissemination Network established under section 453 of the Job Training Partnership Act. In addition, the Secretary is to develop a national logo and name for one-stop career centers wherever they are located. Finally, the Secretary is to provide for evaluation of the programs under this title, including their cost-effectiveness in achieving the intended purposes. The evaluations must use recognized statistical methods and techniques of the behavior and social sciences, including methods that control for self selection, where feasible, and may include analyses of the costs and benefits of programs, participant and community impacts, and the extent to which needs of various demographic groups are met, and the effectiveness of the various delivery systems.

Part D provides for the effective date of this title. Section 371 provides that the title is to take effect on July 1, 1995, except performance standards, which take effect July 1, 1996.

Title IV establishes a National Labor Market Information System that builds upon and strengthens existing capabilities at the Federal, State and local levels.

Section 401 states that it is the purpose of the title to provide for the development of a labor market information system that will provide locally-based, accurate, up-to-date, easily accessible, user-friendly labor market information, including comprehensive information on job openings, labor supply, occupational trends, wage rates and trends, skill requirements, and performance of programs providing requisite skills, and labor market data necessary for the effective allocation of resources.

Section 402 requires the Secretary to develop, in coordination with other Federal, State and local entities, a strategy to establish a national labor market information system. This strategy must be designed to fulfill the labor market information requirements of other specified Federal programs. In implementing the strategy, the Secretary is authorized to expend funds authorized under this title and funds otherwise available for such purposes, and to enter into intergovernmental cooperative agreements, award grants, and foster the creation of public-private partnerships. The Secretary is also authorized to conduct research and demonstration projects.

Section 403 contains the components of the national labor market information system. Section 403(a) specifies that the Secretary, in cooperation with Federal, State and local entities, and public-private partnerships, is to develop a national labor market information system that makes available the following information: information on the local economy, automated listings of job openings and job candidates, growth and replacement need projections, current supply of labor with specific occupational skills and experience, automated screening systems to determine candidate eligibility for services, consumer reports on local education and training providers, results of customer satisfaction measures for Career Centers, One-Stop Career Centers and other providers, national, State and substate profiles of industries, and automated occupational and career information and exploration systems.

Section 403(b) requires the Secretary to promulgate technical standards necessary to promote efficient exchange of information between the local, State and national levels, including standards to ensure that data are comparable.

Section 403(c) requires the Secretary, in consultation with the Secretary of Education, other Federal agencies and State and local governments, to set standards for consumer reports, and create a mechanism for collection and dissemination of the reports.

Section 403(d) requires the Secretary to provide for the evaluation of national labor market information procedures, products and services, including cost-effectiveness and the level of customer satisfaction. The evaluations may include analyses of the precision of estimates produced or collected, examination of the uses of the data, appropriateness of the uses, and relative data costs/benefits.

Section 404 requires the Secretary to coordinate the activities of Federal agencies responsible for the collection and dissemination of labor market information, and to ensure the appropriate dissemination of information that promotes improvement in the quality of labor market information.

Section 405 specifies that title IV will take effect on July 1, 1995.

Title V amends title II of the Job Training Partnership Act to establish a new part D, "Reinvention Labs", permitting the Secretary to waive Federal statutory or regulatory requirements relating to programs for the economically disadvantaged youth and adults in order to promote program innovations.

Section 501 adds the new Part D to title II of JTPA. The new section 281 of part D states that the purpose of the part is to encourage innovative program designs to enhance the provision of services to and outcomes for economically disadvantaged youth and adults, to develop knowledge relating to effective approaches to serving these groups, and to give service delivery areas (SDAs) greater flexibility in operating their programs in exchange for higher levels of accountability for results.

The new section 282 describes the process for applying for a waiver. Any SDA or consortium of SDAs that desires a waiver of statutory or regulatory requirements relating to parts A, B, or C of title II of JTPA must submit an application to the Secretary that includes a plan that incorporates innovative administrative, service delivery, or other program design components, measurable goals and outcomes to be achieved, the statutory and regulatory requirements to be waived and the rationale, assurances that the SDA and State will participate in a rigorous evaluation to determine whether the goals and outcomes have been achieved, and other components and information the Secretary determines are appropriate.

The new section 283 authorizes the Secretary to waive statutory or regulatory requirements if the Secretary determines they would impede the SDA in carrying out its plan, the SDA and State have provided interested entities and individuals an opportunity for comment and have submitted such comments to the Secretary, and the Secretary has approved the plan. The waivers may not alter the purposes or goals of the affected program; the formula allocation of funds under the program; eligibility requirements; any law respecting public health or safety, labor standards, civil rights, occupational safety or health, or environmental protection; or prohibitions or restrictions relating to construction of buildings or facilities. The Secretary is limited to approving 75 applications nationwide, and each waiver is limited to 2 years, except that the Secretary may extend the period of the waiver if it is determined the waiver has been effective in enabling the SDA to carry out the purposes of JTPA (but in no case may waivers remain in effect after a date that is 4 years after enactment of the Reemployment Act). The Secretary must periodically review the performance of SDAs receiving waivers, and must terminate the waiver if the performance of the SDA is inadequate to justify the waiver's continuation.

The new section 284 authorizes the Secretary to provide technical assistance in the development and implementation of the programs and requires the Secretary to conduct an evaluation of the program. The Secretary is to submit a report relating to the evaluation to the Congress not later than 5 years after enactment of this Act.

Section 502 makes a technical amendment to section 141(d)(3)(B) of JTPA to add postsecondary vocational institutions to the list of other postsecondary institutions that are exempt from breaking down costs for purposes of the JTPA program.

Section 503 provides that the Reinvention Lab provisions are to take effect on the date of enactment and to terminate 5 years thereafter. The technical amendment to the tuition definition would take effect on the date of enactment.•

• Mr. BRADLEY. Mr. President, as I said on the floor last fall, the world is undergoing four fundamental transformations: The end of the age of ideology, the explosion of world markets, the knowledge revolution, and the evolving connection between economic growth and debt—both public and private. Each of these transformations leads us to a more secure and prosperous future, but each transformation has also brought disruption, uncertainty, and job loss.

Government must embrace these transformations but must ensure that every worker has an economic security platform from which to weather the changes. Health care, a secure pension, and lifetime education. To provide the last plank of that platform, to enable workers to move securely from job to job, Senator MOYNIHAN and I today introduce the Reemployment Act on behalf of the President. The Reemployment Act will give every individual worker a new kind of security in the work force—a security that is rooted in skills, and in the lifelong opportunity to upgrade those skills. Lifelong education allows us to face all the transformations in our economy, whatever the cause, with confidence.

Without question, American workers do not believe the current system provides real security, and they are right. There are too many restrictions, too much confusion, and too few opportunities. Workers face a bureaucracy overwhelmed by paperwork requirements to classify workers into those who lost their jobs to defense cuts, imports, or for some other reason. The bureaucracy is so busy classifying workers and meeting the paperwork demands of all the disparate programs that they cannot respond to real needs. With the Reemployment Act, we will respond immediately when a plant closes, whether the plant is small or large, and we will guarantee training for every worker, whether the job is lost to technology, trade, corporate mergers, or just the natural cycle of creative destruction that makes capitalism work.

The bill has five parts: Services and training for all dislocated workers; income support during training; one-stop career centers; national labor market information system; and reinvention labs for job training for the economically disadvantaged.

The first component of the act provides a seamless program for reemployment of dislocated workers regardless of the cause of dislocation. Currently there are six dislocated worker programs: EDWAA [Economic Dislocation and Worker Adjustment Act]; Defense Conversion Adjustment; Clean Air Employment Transition Assistance; Defense Diversification Program; TAA [Trade Adjustment Assistance]; and NAFTA Transitional Adjustment Assistance. Six different programs that should provide security to dislocated workers. Six distinct programs that are currently unable to adequately serve the displaced worker population. The Reemployment Act of 1994 will consolidate these programs to provide greater outreach, individualized services, comprehensive reemployment services, and above all, quality training. This ambitious consolidated program, which will hold training providers accountable for results, draws largely on the lessons of State-level experiments, notably the Workforce Development Partnership Act in my own State of New Jersey.

The second part of the bill provides income support for all dislocated workers who are in training. The promise of a consolidated training program is empty if workers cannot take advantage of it. Today, many workers do not get the training they need because they cannot afford to spend a year doing nothing but going to school.

They need the training, the training is available, but they need to work, at any job they can get. Many dislocated workers are forced to take a job that pays much less than they were earning, and much less than they have the potential to earn with just some training on specific skills, such as moving from operating a lathe to operating a computer-assisted machine tool. To ensure that the potential of these workers is not wasted, successful programs use income support during training, along the lines of Trade Adjustment Assistance. This legislation ensures income support for anyone who has been working for three years, and aims to provide it if possible for any one who has been working for 1–3 years.

Trade Adjustment Assistance has been a model program in helping workers deal with just one of the economic transformations that has been putting jobs at risk. The Reemployment Act consolidates TAA, but it does it in the right way, by ensuring that anyone who would have been eligible for TAA, even if they hadn't been working for three years, will receive everything they would have received under TAA—training and income support. There have been some criticisms of TAA, particularly because of the number of workers who are permitted by waiver to receive income support without enrolling in training, but this legislation closes that loophole while broadening the reach of income support. I have one caveat about the administration's bill: Last year we enacted a special TAA program for workers dislocated as a result of NAFTA production shifts. While I believe that program should be consolidated along with the other five, I hope that NAFTA-dislocated workers have the same protection as TAA-eligible workers, even if they do not have 3 years on the job.

One-stop career centers, established by the third title of this bill, will provide information on employment opportunities, education and training information, and services for anyone who needs help getting a job will be under one roof. Although there are still some serious questions to be worked out about the role of workforce investment boards and other agencies, one-stop career centers have the potential to transform through competition the cold and aloof bureaucracy that is most workers' first encounter with Government services for dislocated workers. Title IV establishes a national labor market information system that will provide timely, accurate, up-to-date information on available employment opportunities. Finally, the bill also provides for reinvention labs for job training for the economically disadvantaged.

Together these five components—services and training for all dislocated workers; income support during training; one-stop career centers; national labor market information system; and reinvention labs for job training for the economically disadvantaged—will help to ensure that the 2.2 million full-time workers whose jobs are lost each year get back into the work force quickly, without losing income, and with higher skills and productivity.

Lifetime education must mean more than just the training programs that are available through these services. It has to mean that anyone, at any age, can get whatever they need to move to the higher level. Three years ago, I proposed self-reliance loans as a way for anyone to get an education and repay a percentage of the income they will gain from that education. I am pleased that this legislation builds on the idea of income-contingent loans to serve those who want more traditional education, or who have not been in the work force for 1 year.

We cannot survive with 40 percent of Americans with high wages, 40 percent with low wages, and 20 percent unemployable. The only sure way that America will provide its workers more jobs and higher wages is if they have higher skills. And the more American workers who have superior talents, the higher our productivity will be, and the faster the economy will grow. I believe this legislation will provide that economic security platform.●

● Mr. DODD. Mr. President, it gives me great pleasure to add my brief remarks upon the introduction of President Clinton's new job retraining initiative: The Reemployment Act of 1994.

I want to commend the President and Labor Secretary Robert Reich for their efforts on this proposal. Clearly we must rethink the way we serve dislocated workers, since the world has changed and good jobs are disappearing—not temporarily, but permanently. I am an original cosponsor of this measure. Although I view it only as a starting point, I believe it is a healthy first step toward addressing our structural unemployment problems.

I understand that the administration has relied on some outstanding models for the one-stop center concept, including one in Hamden, CT. This particular center happens to be working very well, and I am pleased that Secretary Reich was able to pay it a visit earlier this year.

However, let's not kid ourselves, Mr. President—the real issue is jobs. No matter how comprehensive our retraining programs are, they cannot succeed without real job growth.

In my own State of Connecticut, we have lost thousands of defense-related jobs—not hundreds, thousands. These are jobs that are not coming back. It seems to me that in cases such as these, with massive dislocations, the question is not about the quality of the job search or choosing the right training opportunity. In Connecticut, there simply aren't thousands of jobs in other fields waiting for them out there.

In this current round of layoffs, the workers are older—in their 40's and 50's—with 10 or 20 years on the job.

I recognize that in other parts of the country, the economy is improving, with new jobs being added. And I want to make it clear that I believe we ought to be doing all that we can to see to it that workers who are seeking help with job searches and retraining are getting the assistance that they need. But I also believe it would be a grave mistake to abandon what must be our primary mission—to stimulate job creation.

When I talk to people in Connecticut who are out of work, and I mention retraining, they frankly get angry with me.

Clearly, the Federal Government cannot supply all the jobs that are needed. We need to focus on developing a partnership with the private sector; for example, by helping to direct capital into job-starved areas. We know that there is capital out there, but it still is not reaching a large segment of small business, where most of the job growth in the past few years has occurred.

Unfortunately, past administrations put little faith in job retraining, insisting instead that job creation alone would ensure that all who wanted to work, could work. Well, I happen to agree with you, Secretary Reich, that without the necessary skills, many workers will continue to be shut out from good, high-paying jobs. But I would hate to see the pendulum swing too far the other way: By assuming that if we ready our work force for a new generation of jobs, those jobs will automatically appear on cue.

I think we simply must concentrate on both job retraining and job creation. The two should complement each other.

Mr. President, I know that the President and Secretary Reich are as committed to job growth as I am. And I want to reiterate my belief that we need to give workers the tools necessary to cope with the dynamic labor markets of the 21st century. I look forward to working with the administration on this most difficult and important challenge of adequately preparing our work force and seeing to it that the jobs will be there.

I thank you, Mr. President, for this opportunity to add my thoughts on this critically important issue.●

By Mr. JOHNSTON (for himself, Mr. MOYNIHAN, Mr. BREAUX, Mr. PELL, Mr. STEVENS, Mr. THURMOND, Mr. WARNER, Mr. GORTON, Mr. SHELBY, Mr. HOLLINGS, Mr. DECONCINI, Mr. BOND, Mr. CONRAD, and Mr. REID):

S. 1952. A bill to authorize the minting of coins to commemorate the 175th anniversary of the founding of the U.S. Botanic Garden; to the Committee on Banking, Housing, and Urban Affairs.

U.S. BOTANIC GARDEN COMMEMORATIVE COIN ACT OF 1995

• Mr. JOHNSTON. Mr. President, one of Washington, DC's most historic institutions is poised to celebrate an important milestone. In 1995, the U.S. Botanic Garden will mark 175 years of fulfilling George Washington's vision of a botanic garden at the seat of Government.

The U.S. Botanic Garden is this country's oldest continuously operating botanic garden with a history almost as old as our Nation itself. Established in 1820, it is a valuable resource and a living library of permanent, international collections of tropical, subtropical, and desert plants. Its purpose as an educational display garden is to inform and educate visitors about the importance, and often irreplaceable value, of plants to the well-being of humankind and to the fragile environments that support all life.

The programs provided by the garden include opening its doors free of charge to thousands of visitors from all over the world 365 days a year, hosting group tours, and sponsoring horticultural, botanical, and environmental classes at no charge.

In recognition and celebration of this significant milestone in the life of our Capitol's closest neighbor on The Mall, several of my colleagues and I are proud to introduce legislation to authorize the minting of coins to commemorate the 175th Anniversary of the U.S. Botanic Garden. Proceeds from the sale of these coins will be paid to the National Fund for the U.S. Botanic Garden for the purpose of building the new National Garden at the U.S. Botanic Garden.

The Architect of the Capitol, under the supervision of the congressional Joint Committee on the Library, has been authorized by legislation passed by the Congress in 1988 to design and construct the National Garden. Under a contract with the National Fund for the U.S. Botanic Garden, the Architect has designated the fund, a charitable (501)(c)(3) organization, as the primary means for soliciting private contributions for that purpose.

The new National Garden will be a premier showcase for unusual, useful and ornamental plants that grow well in the Mid-Atlantic region. It will be built on a 3-acre site immediately adjacent to the Botanic Garden Conservatory, located on The Mall between Maryland and Independence Avenues. The three major features of the National Garden—the Environmental Learning Center, the Rose Garden, and the Water Garden—will provide a hands-on, living laboratory and a beautiful place to exhibit our national flower, the rose.

The National Garden will expand the U.S. Botanic Garden's ability to address the public's concern for the environment. It will examine, in formal and informal settings, natural habitats, and the interrelationships between plants, humankind, and nature. Through its collections, exhibits, displays, and educational programs, it will communicate a benevolent attitude toward nature and will illuminate for the visitor the ecological and environmental responsibilities of individuals and society. It will be equipped to serve all people, including those who are physically challenged.

Visitors will leave the National Garden with a heightened sense of stewardship and an understanding of their role and responsibility to preserve and protect for future generations. The National Garden will commemorate the bicentennial of the U.S. Congress and will be dedicated in 1995 in conjunction with the U.S. Botanic Garden's 175th anniversary.

Sales of this commemorative coin will be an essential part of a national, broad-based effort to raise the funds necessary to build the National Garden and ensure that the dream becomes reality. The coin presents an opportunity to invest in the future of the Botanic Garden and enhance George Washington's vision of the Botanic Garden as a place where people of all ages from every corner of the world can come to study, be inspired and enjoy. I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1952

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "United States Botanic Garden Commemorative Coin Act of 1995".

SEC. 2. COIN SPECIFICATIONS.

(a) ONE-DOLLAR SILVER COINS.—

(1) ISSUANCE.—The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall issue not more than 500,000 $1 coins, which shall weigh 26.73 grams, have a diameter of 1.500 inches, and contain 90 percent silver and 10 percent copper.

(2) DESIGN.—The design of the coins issued under this Act shall be a rose, the national floral emblem, and a frontal view of the French facade of the United States Botanic Garden. On each coin there shall be a designation of the value of the coin, an inscription of the year "1995", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(b) LEGAL TENDER.—The coins issued under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 3. SOURCES OF BULLION.

The Secretary shall obtain silver for the coins minted under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 4. SELECTION OF DESIGN.

The design for the coins authorized by this Act shall be selected by the Secretary after consultation with the National Fund for the United States Botanic Garden and the Commission of Fine Arts. As required by section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act may be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Not more than 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this Act.

(c) PERIOD OF ISSUANCE.—The Secretary may issue coins minted under this Act during the period beginning on January 1, 1995, and ending on December 31, 1995.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins authorized under this Act shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in subsection (d) with respect to such coins, and the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales available at a reasonable discount.

(c) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins authorized under this Act prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(d) SURCHARGE REQUIRED.—All sales shall include a surcharge of $10 per coin.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this Act. Nothing in this section shall relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary to the National Fund for the United States Botanic Garden.

SEC. 9. AUDITS.

The Comptroller General shall have the right to examine such books, records, documents, and other data of the National Fund for the United States Botanic Garden as may be related to the expenditures of amounts paid under section 8.•

By Mr. EXON:

S.J. Res. 173. A joint resolution proposing an amendment to the Constitution relating to the election of the President and the Vice President of the United States; to the Committee on the Judiciary.

ELECTORAL COLLEGE CONSTITUTIONAL AMENDMENT

Mr. EXON. Mr. President, I am reintroducing my proposed constitutional amendment to eliminate the electoral college. I strongly believe in the principal of one person, one vote. Under the current system, the 11 most populous States could theoretically pick the President, even if the losing Presidential candidate won the popular vote by a wide margin. In the lull between Presidential elections, this is an ideal time to consider this change.

Mr. President, I am pleased to offer again this amendment to the Constitution of the United States to eliminate the electoral college, to permit the direct election of the Presidential ticket and to assure that the American President has the support of the majority of those who vote.

Mr. President, I simply reference the situation that confronted us that all too quickly is forgotten about 18 months ago during the Presidential elections of 1992. You will remember at that time there was great concern in the country and great concern in the Congress about the fact that we had three prominent candidates for President of the United States. There were all kinds of concerns and discussions about different scenarios that might come to pass very easily and, therefore, the fact that no candidate would receive a sufficient number of electoral votes and the election of a President would be thrown into the House of Representatives.

It seems to me, Mr. President, therefore, that I would emphasize once again this is indeed time for a change.

I have offered this legislation in each Congress since 1988 and supported a similar bill offered by former Senator Birch Bayh of Indiana in 1979.

It is time to do away with the electoral college and make the votes of every citizen count. The electoral college is an anachronism, a relic, an antique, not appropriate for a democracy over two centuries old. The United States is now mature enough to elect its own President.

The American people also agree. Over the years, public opinion has consistently favored the direct election of the President.

The electoral college is an antidemocratic institution. With its winner-take-all tradition, votes for opposing candidates in each State are essentially eliminated from consideration.

Mr. President, it is a winner-take-all tradition because there is nothing to legally bind electors to vote any particular way. The electoral college could disregard the popular vote entirely and vote as they please.

Several times in American history, including in the 1988 election, one or two so-called faithless electors voted for candidates of their own choosing. In a close three-way race a coalition of faithless electors could create a great deal of mischief.

While an occasional faithless elector will not threaten the outcome of an election, three times in our Nation's history, Presidents were elected without a popular mandate.

The 1992 election was almost a classic case in point. When H. Ross Perot was a strong candidate, there was a real possibility that the election would be thrown into the House of Representatives and Senate. My colleagues may remember the fall of 1992 when the news media was in a frenzy and House Members were being asked constantly for whom they would pledge their votes if the election should be thrown into that Chamber.

This would be the most disruptive situation. An election would be thrown into the House of Representatives and the Senate when no candidate receives an electoral college majority. The House would pick the President from among the top 3 candidates, voting as 50 State delegations. The Senate would pick the Vice President from the top two candidates with each Senator having a single vote. Not only could the will of the people be thwarted, but the President and Vice President could be mixed and matched among the top three parties.

If the 1992 election had been thrown to the House of Representatives, a President Clinton could have been required to serve for 4 years with a Vice President Quayle or Stockdale.

Mr. President, the people should pick their President, not the electoral college or Congress. Yet, as recently as 1992, this type of chaos was a threat. The consequences for a future President, and the American people, would be hard to comprehend. But we know one thing—this situation must be avoided.

The electoral college is an institution which in theory could crush the will of the people. A Presidential ticket only needs to win the 11 largest States, even by the very narrowest margins, and lose all other States even by significant margins to be elected; regardless of the total popular vote.

The last Presidential election is a dramatic case in point of why a change is necessary. Although we averted the House selecting the President and Vice President, we elected a President and Vice President with less than a majority of the popular vote. That is not majority rule. Fundamental to a democracy, the electoral college system must go. I reintroduce this legislation as I have in the past because my concern about the present obvious faulted system of the electoral college. It is based on a strong belief in the principle of one person-one vote in the selection of our President.

The proposed constitutional amendment I introduce today eliminates the electoral college and allows the people to choose their President. Under this proposal, if no Presidential ticket should receive at least 50 percent of the popular vote and the majority of the vote in at least one-third of the States, a run-off election between the two highest vote-getters would be held.

This system will guarantee that the will of the people will prevail but at the same time will protect the Nation against the regional factionalism feared by our Founding Fathers.

I do not represent this proposed legislation to be the one and only way to bring more democracy to a Presidential election. The 1992 Presidential campaign brought the electoral college to the attention of many Americans for the very first time. I want to continue this national examination of our electoral process.

I am especially delighted that the Nebraska State Legislature led by Lincoln Senator Dianna Schimek reexamined the Presidential electoral process and enacted a reform which allocates electors on a proportional basis. The Nebraska system, like Maine, awards electors for each congressional district carried by a Presidential ticket and the winner of the State receives two bonus electors. While the new system in Nebraska did not change the outcome of the 1992 election, the system is inherently more democratic than the winner-take-all approach.

The Nebraska-Maine approach is a significant improvement in the current system. In my view a more democratic approach would be the change I recommend today.

Our Nation's constitutional history is one of granting increasing democratic power to the people. The Nation has never been satisfied with the democratic status quo. The direct election of the President simply continues America's long march to improve and strengthen her democracy.

I look forward to a continued national discussion and debate on the electoral college. I ask my colleagues to give this proposed constitutional amendment serious consideration.

Mr. President, I ask unanimous consent that the text of this proposed constitutional amendment be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 173

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

ARTICLE

"SECTION 1. The people of the several States and the District constituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President.

"SECTION 2. The electors of President and Vice President in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature, except that for the electors or President and Vice President, any State may prescribe by law less restrictive residence qualifications and for electors of President and Vice President the Congress may by law establish uniform resident qualification.

"SECTION 3. The persons joined as candidates for President and Vice President having the greatest number of votes shall be elected President and Vice President, if such number be at least 50 per centum of the whole number of votes cast and such number be derived from a majority of the number of votes cast in each State compromising at least one-third of the several States. If, after any such election, none of the persons joined as candidates for President and Vice President is elected pursuant to the preceding sentence, a runoff election shall be held within sixty days in which the choice of President and Vice President shall be made from the two pairs of persons joined as candidates for President and Vice President receiving the greatest number of votes in such runoff election shall be elected President and Vice President.

"SECTION 4. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed by law in each State; but the Congress may by law make or alter such regulations. The days for such elections shall be determined by Congress and shall be uniform throughout the United States. The Congress shall prescribe by law the times, places, and manner in which the results of such elections shall be ascertained and declared. No such election, other than a runoff election, shall be held later than the first Tuesday after the first Monday in November, and the results thereof shall be declared no later than thirty days after the date which the election occurs.

"SECTION 5. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of either the President-elect or the Vice President-elect.

By Mr. BIDEN (for himself, Mr. HATCH, Mr. CRAIG, Mr. DOMENICI, Mr. PRYOR, Mr. WOFFORD, Mr. GRAHAM, Mr. BRADLEY, Mr. LAUTENBERG, Mr. MACK and Mr. ROBB):

S.J. Res. 174. A joint resolution designating April 24 through April 30, 1994 as "National Crime Victims' Rights Week"; to the Committee on the Judiciary.

NATIONAL CRIME VICTIMS' RIGHTS WEEK

Mr. BIDEN. Mr. President, I rise today with my colleague Senator HATCH to introduce a joint resolution designating the week beginning April 25, 1994, as "National Crime Victims' Rights Week."

Every 22 minutes, an American is murdered. Every minute four women are battered, one woman is raped, six children are abused, and one person is robbed. There is no safe haven: We are not wholly safe on our streets or in our neighborhoods; our children are at risk in schools and on campuses; and even in what should be a sanctuary—the home—millions of Americans are attacked.

Behind each of the faceless statistics is a human face. These victims often suffer devastating psychological, physical, and financial hardships. They need and deserve quality care. They need and deserve services and support programs to help them recover from their tragedies.

Over 10,000 public and private agencies and organizations in the United States are dedicated to lessening the suffering of victims. Yet often, these victim assistance advocates—who work tirelessly on behalf of our Nation's victims—are not given proper recognition. Although they often go unthanked, they are not unappreciated. These people deserve our respect and encouragement for their valiant efforts.

This resolution pays tribute to the many men and women who give so much of their lives to help put back the lives of this Nation's crime victims.

Last year, Congress passed this resolution in recognition of victims and those who champion their rights with strong bipartisan support. I look forward to the same support this year. I ask all of my colleagues to join me in supporting this resolution.

Mr. President, I ask for unanimous consent that the full text of the resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 174

Whereas public opinion polls clearly indicate that crime and violence is the number one concern among all U.S. citizens;

Whereas 6,400,000 violent crimes are committed each year in the United States;

Whereas every minute in the United States, four women are battered, one woman is raped, six children are abused, and one person is robbed;

Whereas there is a crucial need to provide crime victims with quality programs and services to help them recover from the devastating psychological, physical, emotional and financial hardships resulting from their victimization;

Whereas there are 10,000 public and private agencies and organizations in the United States that are dedicated to improving the plight of crime victims;

Whereas victims play an indispensable role in bringing offenders to justice and thus preventing further violence;

Whereas law abiding citizens are deserving of rights, resources, restoration and rehabilitation;

Whereas victim service providers, counselors and advocates should enjoy full support from all public and private institutions, entities and individuals in their efforts to render critical assistance to those whom our Nation failed to protect;

Whereas the Nation's victims' rights movement and allied professions deserve recognition for their tireless efforts on behalf of victims of crime and their struggle to reduce senseless violence in America; and

Whereas whether measured in dollars, domestic tranquillity, dread or death, crime represents the greatest threat to Americans and America. Therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That April 24–30, 1994, be designated as "National Crime Victims' Rights Week," and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate ceremonies and activities.

* * *

ADDITIONAL COSPONSORS

S. 21

At the request of Mrs. FEINSTEIN, the names of the Senator from Louisiana [Mr. JOHNSTON], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of S. 21, a bill to designate certain lands in the California Desert as wilderness, to establish Death Valley, Joshua Tree, and Mojave National Parks, and for other purposes.

S. 266

At the request of Mr. SIMON, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 266, a bill to provide for elementary and secondary school library media resources, technology enhancement, training and improvement.

S. 277

At the request of Mr. SIMON, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 277, a bill to authorize the establishment of the National African American Museum within the Smithsonian Institution.

S. 575

At the request of Mr. KENNEDY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 575, a bill to amend the Occupational Safety and Health Act of 1970 to improve the provisions of such act with respect to the health and safety of employees, and for other purposes.

S. 1037

At the request of Mrs. MURRAY, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1037, a bill to amend the Civil Rights Act of 1991 with respect to the application of such act.

S. 1063

At the request of Mr. HATCH, the name of the Senator from Wyoming [Mr. WALLOP] was added as a cosponsor of S. 1063, a bill to amend the Employee Retirement Income Security Act of 1974 to clarify the treatment of a qualified football coaches plan.

S. 1275

At the request of Mr. RIEGLE, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1275, a bill to facilitate the establishment of community development financial institutions.

S. 1288

At the request of Mr. AKAKA, the name of the Senator from Missouri [Mr. DANFORTH] was added as a cosponsor of S. 1288, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture commercialization research program, and for other purposes.

S. 1696

At the request of Mr. HATFIELD, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 1696, a bill to amend the Military Selective Service Act to terminate the registration requirement and to terminate the activities of civilian local boards, civilian appeal boards, and similar local agencies of the Selective Service System.

S. 1814

At the request of Mr. DASCHLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1814, a bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year.

S. 1838

At the request of Mr. SHELBY, the name of the Senator from Tennessee [Mr. MATHEWS] was added as a cosponsor of S. 1838, a bill to liberalize controls on the export of telecommunications equipment and technology in order to promote democracy and free communication and enhance economic competitiveness.

S. 1865

At the request of Mr. MCCAIN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 1865, a bill to amend title XIX of the Social Security Act to promote demonstrations by States of alternative methods of more efficiently delivering health care services through community health authorities.

S. 1885

At the request of Mr. DECONCINI, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1885, a bill to amend the National Security Act of 1947 to provide a uniform framework for the classification and declassification of information in the interests of national security.

S. 1904

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1904, a bill to amend title 38, United States Code, to improve the organization and procedures of the Board of Veterans' Appeals.

S. 1905

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1905, a bill to improve the processing of benefits claims by the Department of Veterans Affairs.

S. 1908

At the request of Mr. ROCKEFELLER, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 1908, a bill to provide for a study of the processes and procedures of the Department of Veterans Affairs for the disposition of claims for veterans' benefits.

S. 1910

At the request of Mr. JOHNSTON, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of S. 1910, a bill to establish a national research program to improve the production and marketing of sweet potatoes and increase the consumption and use of sweet potatoes by domestic and foreign consumers, and for other purposes.

S. 1913

At the request of Mr. COCHRAN, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1913, a bill to extend certain compliance dates for pesticide safety training and labeling requirements.

SENATE JOINT RESOLUTION 146

At the request of Mr. WOFFORD, the names of the Senator from California [Mrs. BOXER] and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Joint Resolution 146, a joint resolution designating May 1, 1994, through May 7, 1994, as "National Walking Week".

SENATE RESOLUTION 170

At the request of Mr. CHAFEE, the names of the Senator from Idaho [Mr. CRAIG] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Resolution 170, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included as primary care providers for women in Federal laws relating to the provision of health care.

AMENDMENTS SUBMITTED

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT

ROTH (AND D'AMATO) AMENDMENT NO. 1533

Mr. ROTH (for himself and Mr. D'AMATO) proposed an amendment to amendment No. 1525 proposed by Mr. RIEGLE to the bill (S. 1275) to facilitate the establishment of community development financial institutions; as follows:

SEC. 404. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR INSURERS AND REINSURERS.

(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES INSURERS OR REINSURERS.—The President or the President's designee shall identify whether and to what extent foreign countries deny national treatment to United States insurers or reinsurers—

(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

(2) based on more recent information that the President deems appropriate.

(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—

(1) IN GENERAL.—The President shall determine whether the denial of national treatment to United States insurers or reinsurers by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

(2) FACTORS TO BE CONSIDERED.—In determining whether and to what extent a foreign country denies national treatment to United States insurers or reinsurers, and in determining the effect of any such denial on such insurers or reinsurers, the President shall consider appropriate factors, including—

(A) the size of the foreign country's markets for the financial services involved, and the extent to which United States insurers or reinsurers operate or seek to operate in those markets;

(B) the extent to which United States insurers or reinsurers may participate in developing regulations, guidelines, or other policies regarding new products, services, and markets in the foreign country;

(C) the extent to which the foreign country issues written regulations, guidelines, or other policies applicable to United States insurers or reinsurers operating or seeking to operate in the foreign country that are—

(i) prescribed after adequate notice and opportunity for comment;

(ii) readily available to the public; and

(iii) prescribed in accordance with objective standards that effectively prevent arbitrary and capricious determinations;

(D) the effects of the regulatory policies of the foreign country on—

(i) the licensing policies of the insurance regulator of that country;

(ii) capital requirements applicable in that country;

(iii) restrictions on acquisitions or joint ventures and operations thereof by insurers or reinsurers in that country; and

(iv) restrictions on the operation and establishment of branches in that country.

(d) PUBLICATION OF DETERMINATION.—

(1) IN GENERAL.—If the President determines under subsection (c) that the denial of national treatment to United States insurers or reinsurers by a foreign country has a significant adverse effect on such organizations, the President—

(A) may, after initiating negotiations in accordance with subsection (f) publish that determination in the Federal Register;

(B) shall, not less frequently than annually, in consultation with any department or agency that the President deems appropriate, review each such determination to determine whether it should be rescinded; and

(C) shall inform State insurance commissioners of the publication of that determination.

(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragrah (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement including any dispute resolution

procedures contained in such agreement that governs financial services, including insurance, that—

(A) the President entered into with that country; and

(B) the Senate and the House of Representatives approved;

before the date of enactment of this section.

(e) SANCTIONS.—

(1) ACTIONS BY THE PRESIDENT.—

(A) IN GENERAL.—The President may recommend to the state insurance commissioners that they deny a foreign insurer's or reinsurer's request for authorization which is filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the President determines that—

(i) such action would assist the United States in negotiations to eliminate discrimination against United States insurers or reinsurers;

(ii) negotiations undertaken pursuant to subsection (f) are not likely to result in an agreement that eliminates the denial of national treatment; or

(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (f).

(B) EXERCISE OF AUTHORITY.—If the President delegates his authority under Sec. 4(b), the designee's authority under subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

(C) COMPLIANCE EXCEPTIONS.—If the state insurance commissioners do not act within 90 days on the President's recommendations in subsection (A), or if the President determines that the procedure outlined in subsection (A) is either inappropriate or impractical to achieve the purpose of this section, the President may take such action as he or she considers necessary and appropriate to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(2) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under subsection (e), the President shall consider, with respect to an insurer or reinsurer, branch, or other affiliated entity that is a person of a foreign country and is operating in the United States—

(A) the extent to which the foreign country is progressing toward according national treatment to United States insurers or reinsurers; and

(B) whether the foreign country permits United States insurers or reinsurers to expand their activities in that country, even if that country determined that the United States did not accord national treatment to the insurers or reinsurers of that country.

(f) NEGOTIATIONS.—

(1) IN GENERAL.—The President—

(A) shall initiate negotiations with any foreign country with respect to which a determination made under subsection (c)(1) is in effect; and

(B) may initiate negotiations with any foreign country which denies national treatment to United States insurers or reinsurers to ensure that the foreign country accords national treatment to such insurers or reinsurers.

(2) EXCEPTIONS.—Paragraphs (1) does not require the President to initiate negotiations with a foreign country if the President—

(A) determines that the negotiations—

(i) would be so unlikely to result in progress toward according national treatment to United States insurers and reinsurers as to be a waste of effort; or

(ii) would impair the economic interests of the United States; and

(B) gives written notice of that determination to the chairperson and the ranking minority member of the appropriate Senate and House committees.

(g) REPORT.—

(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the President shall submit to the Congress a report that—

(A) specifies the foreign countries identified under subsection (b);

(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(C) if the President has not made or has rescinded such a determination with respect to the foreign country, provides the reasons therefor;

(D) describes the results of any negotiations conducted under subsection (g)(1) with the foreign country; and

(E) discusses the effectiveness of this section in achieving the purpose of this section.

(2) SUBMISSION OF REPORT.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) INSURER.—The term "insurer" means a party to a contract of insurance who assumes the risk and undertakes to indemnify the insured, or pay a certain sum on the happening of a specified contingency.

(2) NATIONAL TREATMENT.—A foreign country accords "national treatment" to United States insurers and reinsurers if it offers them the same competitive opportunities (including effective market access) as are available to its domestic insurers or reinsurers.

(3) PERSON OF A FOREIGN COUNTRY.—The term "person of a foreign country" means—

(A) a person organized under the laws of the foreign country;

(B) a person that has its principal place of business in the foreign country;

(C) an individual who is—

(i) a citizen of the foreign country, or

(ii) domiciled in the foreign country; and

(D) a person that is directly or indirectly controlled by a person or persons described in subparagraph (A) or (B), or by an individual or individuals described in subparagraph (C).

(4) PRESIDENT.—The term "President" means the President of the United States or the President's designee.

(5) REINSURER.—The term "reinsurer" means an insurer which contracts to indemnify a ceding insurer for all or part of a risk originally undertaken by the ceding insurer.

(6) REQUEST FOR AUTHORIZATION.—The term "request for authorization" means—

(A) an application, registration, notice, or other request to commence engaging in the business of insurance in a state; or

(B) an application, registration, notice, or other request for renewal of authorization to engage in the business of insurance in a state.

GRAMM AMENDMENT NO. 1534

Mr. D'AMATO (for Mr. GRAMM) proposed an amendment to amendment No. 1525 proposed by Mr. RIEGLE to the bill S. 1275, supra; as follows:

Beginning on page 5, line 17 of the amendment, strike all after "SERVICES." through page 6, line 2, and insert in lieu thereof the following: "—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved; before the date of enactment of this section.".

Beginning on page 16, line 23, strike all after "SERVICES." through page 17, line 7, and insert in lieu thereof the following: "—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved; before the date of enactment of this section.".

MACK AMENDMENT NO. 1535

Mr. RIEGLE (for Mr. MACK) proposed an amendment to amendment No. 1525 proposed by Mr. RIEGLE to the bill S. 1275, supra; as follows:

On page 31, line 7, of amendment No. 1525 add the following as a new Section 405:

SEC. 405. FEDERAL RESERVE REPORT ON THE FOREIGN BANK SUPERVISION ENHANCEMENT ACT OF 1991.

The Federal Reserve shall submit to the House and Senate Banking Committees within 60 days of enactment of this legislation a report on the Foreign Bank Supervision Enhancement Act of 1991 including:

(a) the number of applicants received and from what countries;

(b) the number of applications approved and from what countries;

(c) the amount of time taken on each application between receipt and approval or rejection of the application;

(d) other agencies involved in the approval process, how much time is taken by those agencies, and any problems encountered with these agencies;

(e) coordination of processing applications and length of time for processing between the regional bank's and the Federal Reserve Board's staffs;

(f) efforts to define consolidated home country supervision on an international basis, and;

(g) suggestions for streamlining the process.

RIEGLE (AND D'AMATO) AMENDMENT NO. 1536

Mr. RIEGLE (for himself and Mr. D'AMATO) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place in title III of the bill, insert the following:

SEC. . CLARIFICATION OF PROVISION RELATING TO ADMINISTRATIVE AUTONOMY.

Section 3(b)(3) of the Home Owners' Loan Act (12 U.S.C. 1462a) is amended by striking everything after "Director" and inserting in lieu thereof "(including agency rulemaking proceedings and enforcement actions) unless otherwise specifically provided by law.".

KERRY (AND OTHERS) AMENDMENT NO. 1537

Mr. KERRY (for himself, Mr. DASCHLE, Mrs. MURRAY, Ms. MOSELEY-BRAUN, Mr. KOHL, and Mr. METZENBAUM) proposed an amendment to the bill S. 1275, supra; as follows:

On page 160, after line 12, insert the following new title:

TITLE IV—NATIONAL FLOOD INSURANCE REFORM

SEC. 401. SHORT TITLE.

This title may be cited as the "National Flood Insurance Reform Act of 1994".

SEC. 402. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the 4 principal objectives of the National Flood Insurance Program are to limit increasing flood control and disaster relief expenditures, to provide a prefunded mechanism to more fully indemnify victims of flood-related disasters, to limit unwise development in floodplains, and to provide affordable Federal flood insurance for structures located in areas of special flood hazards;

(2) since 1968, the National Flood Insurance Program has somewhat reduced the need for taxpayer funded disaster assistance and has been a factor in motivating local government mitigation efforts, but the National Flood Insurance Program has also contributed to additional coastal development by subsidizing building in hazardous eroding areas, thereby encouraging imprudent land use in such areas;

(3) the 2,600,000 flood insurance policies currently in effect represent nearly $246,000,000,000 of taxpayer-backed insurance, creating the risk of substantial losses to the United States Treasury in the event of a catastrophic flood event;

(4) more than 70 percent of National Flood Insurance Program policyholders are located in coastal communities, with 2.5 percent of policyholders located in the most hazardous coastal flood zones, many in eroding areas, representing the greatest risk to the National Flood Insurance Fund;

(5) the National Flood Insurance Fund is currently borrowing from the United States Treasury, adding to the Federal deficit;

(6) the borrowing authority of $1,000,000,000 given to the Federal Emergency Management Agency under the National Flood Insurance Program is much less than the $3,500,000,000 probable maximum loss to the Program in any given year;

(7) repetitively damaged properties represent a substantial problem for the National Flood Insurance Program, with over 40 percent of all flood insurance claims made on properties that have been damaged more than once;

(8) the current cost of Federal flood insurance to property owners in eroding coastal areas is far below the actuarial risk of loss;

(9) the National Flood Insurance Program has failed to take into account long term erosion in setting premium rates, providing a hidden subsidy of erosion risks, because the National Flood Insurance Program has paid claims for erosion damage although the risk is not a component of the rate structure for flood insurance;

(10) reforms in the National Flood Insurance Program are essential to increase participation in the Program, make the Program more actuarially sound, decrease the risk of losses to the United States Treasury, reduce subsidies that encourage economically costly and environmentally hazardous development in eroding areas; and address the problem of properties repetitively damaged by floods;

(11) a Federal flood insurance program that combines predisaster mitigation efforts together with an insurance and compliance program will reduce the physical and economic effects of flood-related damage on the Federal Government, State and local governments, and individuals;

(12) requiring regulated lending institutions, government agencies, and government-sponsored enterprises to make sure that flood insurance coverage is purchased on all properties in areas of special flood hazards in participating communities will increase compliance with the program, and increase the pool of funds, thereby decreasing the impact on the National Flood Insurance Fund of individual flood events;

(13) since coastal erosion hazard areas have not been identified or adequately considered for the purposes of insurance established under the National Flood Insurance Act of 1968, other areas in the National Flood Insurance Program have been forced to subsidize eroding coastal areas;

(14) identification of erosion hazard areas and erosion management can improve public safety, guide appropriate development, help reduce erosion losses to existing structures, and protect new structures from erosion losses, thereby reducing Federal, State, local, and private expenditures due to erosion;

(15) a community-based approach to mitigation and erosion management, to reduce losses in floodplains and to minimize adverse impacts on natural and beneficial floodplain functions, is the most comprehensive, effective, and cost-efficient method to reduce losses in floodplains and disaster assistance expenditures, and such benefits could be enhanced if combined with insurance protection for insured property owners to meet the increased reconstruction costs required by Federal, State, or local mitigation standards;

(16) the National Flood Insurance Program should not provide insurance on new construction in areas that will have eroded in 30 years or less for new residences, and 60 years or less for other forms of construction, and should instead leave such insurance to the private sector, except if States have adopted enforceable comprehensive programs limiting such construction within at least a 30-year erosion area;

(17) incentives in the form of reduced premium rates for flood insurance under the National Flood Insurance Program should be provided in communities that have adopted and enforced exemplary or particularly effective measures for comprehensive floodplain and erosion hazard area management; and

(18) these community-based, individual mitigation, and loss prevention methods and incentives should be incorporated into the National Flood Insurance Program.

SEC. 403. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e)) is amended—

(1) by redesignating paragraphs (3), (4), and (5), as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following: "(3) encourage State and local governments and Federal agencies to protect natural and beneficial floodplain functions that reduce flood-related losses,".

SEC. 404. DEFINITION.

As used in this title, the term "Director" means the Director of the Federal Emergency Management Agency.

Subtitle A—Definitions

SEC. 411. FLOOD DISASTER PROTECTION ACT OF 1973.

(a) IN GENERAL.—Section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, and the Farm Credit Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision of the institution;";

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(8) 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home; and

"(9) 'servicer' means a person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) CONFORMING AMENDMENTS.—

(1) REQUIREMENTS TO PURCHASE FLOOD INSURANCE.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended by striking "(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions" and inserting the following:

"(b) FLOOD INSURANCE PURCHASE REQUIREMENTS.—Each Federal entity for lending regulation shall by regulation direct regulated lending institutions".

(2) EFFECT OF NONPARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106(b)) is amended by striking "Federal instrumentality described in such section shall by regulation require the institutions" and inserting "Federal entity for lending regulation (with respect to regulated lending institutions)".

SEC. 412. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(7) the term 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration Board, and with respect to a particular regulated lending institution, means the entity primarily responsible for the supervision of the institution;

"(8) the term 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(9) the term 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home;

"(10) the term 'natural and beneficial floodplain functions' means—

"(A) the functions associated with the natural or relatively undisturbed floodplain that moderate flooding, retain flood waters, reduce erosion and sedimentation, and mitigate the effects of waves and storm surge from storms; and

"(B) ancillary beneficial functions, including maintenance of water quality, recharge of ground water, and provision of fish and wildlife habitats;

"(11) the term 'shoreline recession' means a net landward movement of the shoreline caused by erosion, avulsion, or sea level rise over a specified period of time;

"(12) the term 'erosion hazard area' means, based on erosion rate information and other historical data available, an area where shoreline recession is likely to result in damage to or loss of buildings and infrastructure within a 60-year period;

"(13) the term 'erosion control measures' means a community's efforts to control erosion through nonstructural and structural projects;

"(14) the term 'baseline reference feature' means a fixed, identifiable, and prevalent physical or mapped feature of a shoreline from which shoreline recession shall be measured;

"(15) the term 'readily movable structure' means a permanent structure of less than 5,000 square feet that is sited and built to accomplish relocation;

"(16) the term 'repetitive loss structure' means an insured property that has incurred flood-related damage on 2 occasions during a 10-year period ending on the date of the event for which a second claim is made, in which the cost of repair, on the average, equaled or exceeded 25 percent of the value of the structure at the time of each flood event;

"(17) the term 'cost of compliance with land use and control measures' means the cost of elevating a structure so that the structure is in compliance with the minimum performance standards adopted by the State or community pursuant to section 1315 of the National Flood Insurance Act of 1968, or the cost of relocation, demolition, or floodproofing of the structure; and

"(18) the term 'servicer' means any person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) Conforming Amendment.—Section 1322(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4029(d)) is amended by striking "federally supervised, approved, regulated or insured financial institution" and inserting "regulated lending institution".

Subtitle B—Compliance and Increased Participation

SEC. 421. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) In General.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), as amended by section 411(b)(1), is amended—

(1) by striking "Each Federal entity" and inserting the following:

"(1) In general.—Each Federal entity";

(2) by inserting before "shall by regulation" the following: "(after consultation and coordination with the Federal Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974)"; and

(3) by adding at the end the following new paragraphs:

"(2) Procedures implemented by FNMA, FHLMC, and FAMC.—The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall implement procedures reasonably designed to assure that each loan that is—

"(A) secured by improved real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968; and

"(B) purchased by any such entity;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

"(3) Procedures implemented by Federal agency lenders.—Each Federal agency lender shall implement procedures reasonably designed to assure that all property—

"(A) that secures loans that the Federal agency lender makes, increases, extends, or renews; and

"(B) that is improved by real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).".

(b) Effective Date.—The provisions of this section shall apply to all transactions occurring after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 422. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) In General.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

"(d) Escrow of Flood Insurance Payments.—

"(1) By regulated lending institutions.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that, if a regulated lending institution requires the escrowing of taxes, insurance premiums, fees, or any other charges for a loan secured by residential real estate or manufactured homes, all charges for flood insurance under this title for the property shall be paid by the borrower to the institution for the duration of the period during which the regulated lending institution maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the institution shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees, or other charges owed.

"(2) By Federal agency lenders.—If a Federal agency lender requires the escrowing of taxes, insurance premiums, fees, or any other charges, then any charges for flood insurance under this title for the residential real estate or the manufactured home shall be paid by the borrower to the Federal agency lender for the duration of the period during which the Federal agency lender maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the Federal agency lender shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees or other charges owed.

"(3) Applicability of Real Estate Settlement Procedures Act.—Escrow accounts used to collect flood insurance premiums, fees, or other charges under this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.".

(b) Applicability.—Section 102(d) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 423. NOTICE REQUIREMENTS.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended to read as follows:

"SEC. 1364. NOTICE REQUIREMENTS.

"(a) Lending Institutions.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that before a regulated lending institution makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the institution shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(b) Federal Agency Lenders.—Before a Federal agency lender makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the Federal agency lender shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(c) Participating Communities.—The Director shall by regulation require each participating community, upon receiving the semiannual list prepared by the Director of all revisions to and updates of flood insurance rate maps made during the preceding 6 months, to determine whether any properties in their community have been affected, and to provide annual notice by mail, notice by publication, notice on tax assessments, or notice by other reasonable method, to regulated lending institutions that are known to lend in the community, and to the owners of all properties newly determined to be, or no longer to be, in an area of special flood hazards, of the flood insurance purchase requirements under section 102(b).

"(d) Contents of Notice.—Notification required by this section shall include a warning, in a form to be established by the Director, stating that the real estate or manufactured home securing the loan is located in an area of special flood hazards, a description of the flood insurance purchase requirements under section 102(b), a statement that flood insurance coverage may be purchased under the National Flood Insurance Program and may also be available from private insurers, and any other information that the Director considers necessary to carry out the purposes of the National Flood Insurance Program.".

SEC. 424. PLACEMENT OF FLOOD INSURANCE BY REGULATED LENDING INSTITUTION, FEDERAL AGENCY LENDER, OR SERVICER.

(a) Required Actions by Lender.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by section 422(a), is amended by adding at the end the following new subsection:

"(e) Required Actions by Lender.—

"(1) Notification to borrower of lack of coverage.—If, at the time of origination or at any other time during the term of a loan secured by improved real estate or by a manufactured home located in an area that has been identified by the Director as an area of special flood hazards and in which flood insurance is available under this title, a regulated lending institution, Federal agency lender, or servicer determines that the building or manufactured home and any personal property securing the loan held or serviced by the regulated lending institution, Federal agency lender, or servicer is not covered by flood insurance, in an amount not less than the amount required by subsection (b)(1), the regulated lending institution, Federal agency lender, or servicer shall notify the borrower, in a form to be established by the Director, that the borrower should obtain, at the borrower's expense, an amount of flood insurance that is not less than the amount required by subsection (b)(1), for the term of the loan. If, not later than 45 days after receiving such notification, the borrower fails to purchase such flood insurance, the regulated lending institution, Federal agency lender, or servicer shall purchase the insurance on behalf of the borrower and may charge the borrower for the cost of premiums and fees incurred by the regulated lending institution, Federal agency lender, or servicer in purchasing the insurance.

"(2) Review.—

"(A) By the director.—A borrower may request, based upon the submission of supporting technical data, that the Director review a determination that the improved real estate or manufactured home securing the loan is located in an area of special flood hazards. Not later than 45 days after the Director receives the request, the Director shall review the determination and provide the borrower with a letter stating whether or not the property is in an area of special flood hazards. The determination of the Director shall be final.

"(B) Insurance not required.—If a person is provided by the borrower with a letter issued by the Director pursuant to subparagraph (A) during the preceding 1-year period, stating that the property is not in an area of special flood hazards, such person shall have no obligation under this title to require the purchase of flood insurance on the property.".

(b) Applicability.—

(1) In general.—Except as provided in paragraph (2), section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply to all loans outstanding on or after the date of enactment of this title.

(2) Loans regulated by the farm credit administration.—With respect to loans held by institutions regulated by the Farm Credit Administration, section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply only to loans originating on or after the date of enactment of this title.

SEC. 425. STANDARD FLOOD HAZARD DETERMINATION FORMS.

(a) In General.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

"SEC. 1365. STANDARD FLOOD HAZARD DETERMINATION FORMS.

"(a) Development.—The Director, in consultation with the Federal entities for lending regulation, and after notice and comment, shall develop a standard flood hazard determination form (hereafter in this section referred to as the 'determination form') for use in connection with loans secured by improved real estate or a manufactured home located in an area of special flood hazards and in which flood insurance is available under this title. The determination form may be maintained in a printed, computerized, or electronic manner.

"(b) Design and Contents.—The determination form shall state whether the property is in an area of special flood hazards, the risk premium rate classification established for the special flood hazard area in which the property is located, the complete map and panel numbers for the property, and the date of the map used for the determination. If the complete map and panel numbers for the property are not available because the property is not located in a community that is participating in the National Flood Insurance Program or because no map exists for the relevant area, the determination form shall so state.

"(c) Required Use.—Each Federal entity for lending regulation shall by regulation require the use of the determination form by regulated lending institutions. Each Federal agency lender shall by regulation provide for the use of the determination form. The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall require use of the determination form by any person from whom they purchase loans.

"(d) Guarantees Regarding Information.—In recording information on a determination form, a person may rely on information provided by a third party to the extent that the third party guarantees the accuracy of the information.

"(e) Reliance on Previous Determination.—A person or institution increasing, extending, renewing, or purchasing a loan may rely on a previous determination as to whether property is in a special flood or erosion hazard area, if the previous determination was made not more than 5 years before the date of the transaction, and the basis for the previous determination has been set forth on a determination form.".

(b) Applicability.—Section 1365 of the National Flood Insurance Act of 1968, as added by subsection (a), shall apply to all loans originated on or after the expiration of the 6-month period beginning on the date the standard flood hazard determination form is finalized by the Director.

SEC. 426. EXAMINATIONS REGARDING COMPLIANCE BY REGULATED LENDING INSTITUTIONS.

(a) Amendment to Federal Deposit Insurance Act.—Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by adding at the end the following new subsection:

"(h) Flood Hazard Insurance Compliance by Insured Depository Institutions Required.—

"(1) Examinations.—The appropriate Federal banking agency shall, during each scheduled on-site examination required by this section, determine whether the insured depository institution is complying with the requirements of the National Flood Insurance Program.

"(2) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, each appropriate Federal banking agency shall submit a report to Congress on compliance by insured depository institutions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of institutions examined during the reporting year, a listing and total number of institutions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

(b) Amendment to the Federal Credit Union Act.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end the following new subsection:

"(e) Flood Hazard Insurance Compliance by Insured Credit Unions Required.—

"(1) Examination.—The Board shall, during each examination conducted under this section, determine whether the insured credit union is complying with the requirements of the National Flood Insurance Program.

"(2) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, the Board shall submit a report to Congress on compliance by insured credit unions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of insured credit unions examined during the reporting year, a listing and total number of insured credit unions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

SEC. 427. PENALTIES AND CORRECTIVE ACTIONS FOR FAILURE TO REQUIRE FLOOD INSURANCE, ESCROW, OR NOTIFY.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by sections 422 and 424, is amended by adding at the end the following new subsections:

"(f) Civil Penalties.—

"(1) In general.—A regulated lending institution that is found to have a pattern or practice of violating this section may be assessed a civil penalty by the appropriate Federal entity for lending regulation of not more than $350 for each such violation. A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

"(2) TOTAL AMOUNT.—The total amount of penalties assessed under this subsection against a single regulated lending institution for any calendar year may not exceed $100,000.

"(3) SALES OR TRANSFERS.—The subsequent sale or other transfer of a loan by a regulated lending institution that has committed a violation of this section shall not affect the liability of the transferring institution with respect to any penalty under this subsection. An institution shall not be liable for a violation relating to a loan committed by another institution that previously held the loan.

"(4) 3-YEAR LIMIT.—No penalty may be imposed under this subsection after the expiration of the 3-year period beginning on the date of the occurrence of the violation.

"(g) ADDITIONAL ACTIONS.—If a Federal entity for lending regulation determines—

"(1) that a regulated lending institution has demonstrated a pattern and practice of noncompliance in violation of the regulations issued pursuant to subsection (b) or subsection (d) or the notice requirements under section 1364 of the National Flood Insurance Act of 1968; and

"(2) that the regulated lending institution has not demonstrated measurable improvement in compliance despite the issuance of penalties under subsection (f);

the agency may require the regulated lending institution to take such remedial actions as are necessary to ensure that the regulated lending institution is in satisfactory compliance with the requirements of the National Flood Insurance Program.".

SEC. 428. FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1006 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305) is amended by adding at the end the following new subsection:

"(g) FLOOD INSURANCE.—The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in section 1370(a)(7) of the National Flood Insurance Act of 1968, in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the National Flood Insurance Program.".

SEC. 429. CONFORMING AMENDMENT.

The section heading for section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended to read as follows:

"FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS".

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

SEC. 431. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

(a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 1315. STATE AND LOCAL LAND USE CONTROLS.";

(2) by striking "After December" and inserting the following:

"(a) REQUIREMENT FOR PARTICIPATION IN FLOOD INSURANCE PROGRAM.—After December"; and

(3) by adding at the end the following new subsection:

"(b) COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.—

"(1) AUTHORITY AND GOALS.—The Director shall carry out a community rating system program to evaluate the measures adopted by communities voluntarily participating in the community rating system, to provide incentives for measures to reduce the risk of flood or erosion damage that exceed the criteria set forth in section 1361, to encourage adoption of more effective measures for floodplain and erosion management, and to promote the reduction of Federal flood insurance losses.

"(2) INCENTIVES.—The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures to reduce the risk of flood and erosion damage that exceed the criteria set forth in section 1361. In providing incentives under this paragraph, the Director may provide for credits to flood insurance premium rates in communities that the Director determines have—

"(A) implemented measures to protect natural and beneficial floodplain functions; and

"(B) adopted erosion control measures.

"(3) CREDITS.—The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program.".

(b) REPORTS.—Two years after the date of enactment of this title and biannually thereafter, the Director shall submit a report to the Congress regarding the program under section 1315(a) of the National Flood Insurance Act of 1968. Each report shall include an analysis of the cost-effectiveness and other accomplishments and shortcomings of the program and any recommendations of the Director for legislation regarding the program.

SEC. 432. FUNDING.

Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding after paragraph (5) the following new paragraph:

"(6) for carrying out the program under section 1315(b);".

Subtitle D—Mitigation of Flood and Erosion Risks

SEC. 441. MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Section 1105(a) of the Housing and Urban Development Act of 1968 (42 U.S.C. 4129) is amended—

(1) by striking "(a) There is hereby" and inserting the following:

"(a) ESTABLISHMENT.—There is hereby"; and

(2) by striking subsection (b) and inserting the following:

"(b) COORDINATION OF MITIGATION ACTIVITIES.—The Director shall coordinate all mitigation activities, including the administration of the program for mitigation assistance under section 1367. These activities shall include the development and implementation of various mitigation activities and techniques, the provision of advice and assistance regarding mitigation to States, communities, and individuals, including planning assistance under section 1367(d), coordination with other Federal flood and erosion mitigation efforts, and coordination with State and local governments and public and private agencies and organizations for collection and dissemination of information regarding erosion.".

SEC. 442. AUTHORIZATION OF NATIONAL FLOOD AND EROSION MITIGATION FUNDS UNDER SECTION 1362.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by section 425, is amended by adding at the end the following new section:

"SEC. 1366. NATIONAL FLOOD AND EROSION MITIGATION PROGRAM.

"(a) EXPENDITURES.—For flood and erosion mitigation activities authorized under section 1367, the Director may expend from the National Flood Insurance Fund—

"(1) up to $10,000,000 in the fiscal year ending September 30, 1994;

"(2) up to $15,000,000 in the fiscal year ending September 30, 1995;

"(3) up to $20,000,000 in the fiscal year ending September 30, 1996;

"(4) up to $20,000,000 in each fiscal year thereafter; and

"(5) any amounts recaptured under section 1367(i).

"(b) REPORT.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994 and biannually thereafter, the Director shall submit a report to the Congress describing the status of flood and erosion mitigation activities carried out with funds authorized under this section.".

SEC. 443. STATE AND COMMUNITY MITIGATION ASSISTANCE PROGRAM.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by sections 425 and 442, is amended by adding at the end the following new section:

"SEC. 1367. STATE AND COMMUNITY MITIGATION ASSISTANCE.

"(a) AUTHORITY.—The Director shall develop and implement a financial assistance program with amounts made available under section 1366 to States and communities for planning and activities designed to reduce the risk of flood and erosion damage to insured structures.

"(b) MITIGATION PLAN REQUIREMENT.—To be eligible to receive financial mitigation assistance, a State or community shall develop, and have approved by the Director, a flood and erosion risk mitigation plan (hereafter in this section referred to as a 'mitigation plan'), that is consistent with the criteria established by the Director under section 1361. The mitigation plan shall include a comprehensive strategy for mitigation activities adopted by the State or community following a public hearing.

"(c) NOTIFICATION OF APPROVAL.—Not later than 120 days after the submission of a mitigation plan, the Director shall notify the State or community submitting the plan of the Director's approval or disapproval of the plan. If the Director does not approve a plan, the Director shall notify the State or community in writing of the reasons for such disapproval.

"(d) PLANNING ASSISTANCE.—

"(1) IN GENERAL.—The Director shall make planning assistance available to States and communities for developing mitigation plans.

"(2) FUNDING.—From any amounts made available for use under section 1366 of the National Flood Insurance Act of 1968 in any fiscal year, the Director may use not more than $1,500,000 to provide planning assistance grants to States or communities to develop mitigation plans under this subsection.

"(3) LIMITATIONS.—

"(A) TIMING.—A grant for planning assistance may be awarded to a State or community once every 5 years and each grant may cover a period of 1 to 3 years.

"(B) AMOUNT.—A grant for planning assistance may not exceed—

"(i) $150,000, to any State; or

"(ii) $50,000, to any community.

"(C) GEOGRAPHIC.—Not more than $300,000 may be awarded to any 1 State and all communities located in that State for planning assistance in each fiscal year.

"(e) ELIGIBLE MITIGATION ACTIVITIES.—The Director shall determine eligibility for assistance under this section for mitigation activities that shall be technically feasible and cost-effective. These activities may include—

"(1) elevation, relocation, demolition, or floodproofing of structures;

"(2) acquisition by States and communities of property substantially damaged by flood for public use as the Director determines is consistent with sound land management and use in such area; and

"(3) the provision of technical assistance by States to communities and individuals to conduct eligible mitigation activities.

"(f) LIMITATIONS ON MITIGATION ASSISTANCE.—

"(1) AMOUNT.—The amount of mitigation assistance provided under subsection (e) may not exceed in any 5-year period—

"(A) $10,000,000, to any State; or

"(B) $3,300,000, to any community.

"(2) GEOGRAPHIC.—Not more than $20,000,000 may be awarded to any 1 State and all communities located in that State for mitigation assistance in any 5-year period.

"(g) MATCHING REQUIREMENT.—The Director may provide mitigation assistance to a State or community in an amount not to exceed 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from other funds to carry out mitigation planning under subsection (d) and eligible activities under subsection (e).

"(h) OVERSIGHT OF MITIGATION PLANS.—The Director shall conduct oversight of recipients of mitigation assistance to ensure that the mitigation assistance is used in compliance with approved plans.

"(i) RECAPTURE.—If the Director determines that a State or community that has received mitigation assistance has not carried out the mitigation activities as set forth in the mitigation plan, the Director shall recapture any unexpended amounts and deposit the amounts in the Fund.

"(j) DEFINITION OF COMMUNITY.—For purposes of this section, the term 'community' means a political subdivision that has zoning and building code jurisdiction over a particular area of special flood hazards, and that is participating in the National Flood Insurance Program.

"(k) PREFERENCES FOR MITIGATION GRANTS TO COMMUNITIES.—In providing mitigation grants to communities under this section, the Director shall give preference to communities that—

"(1) have the highest rates of participation by property owners in the Federal flood insurance program;

"(2) have qualified for credits on premium rates under section 1315(b); and

"(3) have experienced repetitive losses that have been most costly to the Fund.".

(b) REGULATIONS.—Not later than 6 months after date of enactment of this title, the Director shall issue regulations implementing section 1367 of the National Flood Insurance Act of 1968, as added by subsection (a).

SEC. 444. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

(a) REPEAL.—Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed.

(b) TRANSITION.—Notwithstanding the repeal under subsection (a), the Director may continue to purchase property under subsections (a) and (b) of section 1362 of the National Flood Insurance Act of 1968, as such section existed immediately before the date of enactment of this title, for a period of 1 year beginning on the date of enactment of this title.

SEC. 445. TERMINATION OF EROSION THREATENED STRUCTURES PROGRAM.

(a) IN GENERAL.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by striking subsection (c).

(b) TRANSITION.—The Director may pay amounts under flood insurance contracts for demolition or relocation of structures as provided in section 1306(c) of the National Flood Insurance Act of 1968 (as in effect immediately before the date of enactment of this title) only during the 1-year period beginning on the date of enactment of this title.

SEC. 446. LIMITATIONS ON NEW FLOOD INSURANCE COVERAGE IN EROSION HAZARD AREAS.

The National Flood Insurance Act of 1968 (42 U.S.C. 4001 et seq.) is amended by inserting after section 1313 the following new section:

"SEC. 1314. PROPERTIES LOCATED WITHIN 30-YEAR AND 60-YEAR EROSION HAZARD AREAS.

"(a) PROPERTIES LOCATED WITHIN 30-YEAR EROSION HAZARD AREA.—After the establishment of erosion hazard areas under section 1360(i), the Director may not make flood insurance available within a 30-year erosion hazard area with respect to any new—

"(1) construction; or

"(2) addition to an existing structure, if the structure is not readily movable.

"(b) PROPERTIES LOCATED WITHIN 60-YEAR EROSION HAZARD AREA AND OUTSIDE 30-YEAR EROSION HAZARD AREA.—After the establishment of erosion hazard areas under section 1360(i), the Director may not make flood insurance available with respect to any new—

"(1) nonresidential structure;

"(2) residential structure that is not readily movable; or

"(3) addition to an existing structure, if the addition makes the structure not readily movable;

that is constructed or relocated landward of the 30-year erosion hazard area and within the 60-year erosion hazard area established by the Director under such section.

"(c) STATE EROSION HAZARD MANAGEMENT PROGRAMS.—Notwithstanding subsections (a) and (b), if a State has adopted and put into effect an erosion management program which has enforceable provisions for the prohibition or restriction of new construction or additions to existing structures seaward of setback lines based upon estimated shoreline recession over a minimum of 30 years determined from a fixed baseline feature, the Director shall continue to make flood insurance available for new construction or additions to existing structures that are landward of the setback line established by the State or community, including new construction or additions to existing structures which may be lawfully permitted and constructed pursuant to exemptions or variances from State setback requirements in effect prior to the effective date of this section, and otherwise in conformance with all State and community standards for building design and erosion.".

SEC. 447. COORDINATION WITH COASTAL ZONE MANAGEMENT PROGRAMS.

(a) IN GENERAL.—In the implementation of this title and the amendments made pursuant to this title, the Director shall consult with the Under Secretary of Commerce for Oceans and Atmosphere and representatives from State coastal zone management programs to promote full coordination of the erosion management provisions of the National Flood Insurance Act of 1968 as amended by this title, and the provisions of the Coastal Zone Management Act of 1972. The Director shall, to the greatest extent possible, utilize State management programs approved under the Coastal Zone Management Act of 1972 to facilitate development and implementation of regulations and guidelines for this title.

(b) ECONOMIC AND ENVIRONMENTAL IMPACT STUDY OF EROSION HAZARD AREAS.—Not later than 1 year after the date of enactment of this title, the Director, in coordination with the Under Secretary of Commerce for Oceans and Atmosphere, shall submit to the Congress a report assessing the economic and environmental impact of the establishment of actuarial rates in communities identified as having erosion hazard areas. The report shall include—

(1) a listing for each State of communities identified as having erosion hazard areas under section 1360(i) of the National Flood Insurance Act of 1968;

(2) an assessment of the economic impact of assessing actuarial rates in erosion hazard areas; and

(3) an assessment of the impact of the imposition of actuarial rates in erosion hazard areas on natural and beneficial floodplain functions within areas of special flood hazards.

(c) COORDINATION REPORT.—The Director and the Under Secretary of Commerce for Oceans and Atmosphere shall jointly prepare a report that details the proposed mechanisms for achieving the coordination required in subsection (a). This report shall be transmitted to the Congress not later than 1 year after the date of enactment of this title.

Subtitle E—Flood Insurance Task Force

SEC. 451. FLOOD INSURANCE INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—There is established an interagency task force to be known as the Flood Insurance Task Force (hereafter in this title referred to as the "Task Force").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Task Force shall consist of 13 members, who shall be the designees of—

(A) the Director;

(B) the Federal Housing Commissioner;

(C) the Secretary of Veterans Affairs;

(D) the Administrator of the Farmers Home Administration;

(E) the Administrator of the Small Business Administration;

(F) each member of the Federal Financial Institutions Examination Council;

(G) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation;

(H) the chairman of the Board of Directors of the Federal National Mortgage Association; and

(I) the chairman of the Federal Agricultural Mortgage Corporation.

(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the National Flood Insurance Program.

(c) DUTIES.—The Task Force shall—

(1) make recommendations to the head of each Federal agency and corporation referred to under subsection (b)(1) regarding the establishment or adoption of standard-

ized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the National Flood Insurance Program to ensure the fullest possible compliance with such requirements;

(2) study the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the National Flood Insurance Program;

(3) study the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the National Flood Insurance Program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions;

(4) study—

(A) the extent to which the flood insurance premium rate structure could be revised to—

(i) minimize existing premium rate subsidies;

(ii) reduce or eliminate disaster assistance payments in high-risk erosion areas;

(iii) incorporate premium rate adjustments for erosion hazards; and

(iv) account for catastrophic loss events; and

(B) how changes in the premium rate structure could potentially impact other Federal disaster assistance programs;

(5) propose strategies to establish an actuarial-based premium structure to account for all insurable risks identified under the National Flood Insurance Act of 1968, as amended by this title; and

(6) develop guidelines regarding enforcement and compliance procedures, based on the studies and findings of the Task Force and publishing the guidelines in a usable format.

(d) REPORTS.—Not later than 2 years after the date of enactment of this title, the Task Force shall transmit to the Congress a report describing its studies and any conclusions.

(e) COMPENSATION.—Members of the Task Force shall receive no additional compensation by reason of their service on the Task Force.

(f) CHAIRPERSON.—The Director shall appoint 1 member to serve as the chairperson of the Task Force (hereafter in this section referred to as the "Chairperson").

(g) MEETINGS AND ACTION.—The Task Force shall meet at the call of the Chairperson or a majority of the members of the Task Force and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

(h) OFFICERS.—The Chairperson may appoint officers to carry out the duties of the Task Force under subsection (c).

(i) STAFF OF FEDERAL AGENCIES.—Upon the request of the Chairperson, the head of any of the Federal agencies and corporations referred to in subsection (b)(1) may detail, on a nonreimbursable basis, any of the personnel of the agency to the Task Force to assist the Task Force in carrying out its duties under this title.

(j) POWERS.—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

(k) TERMINATION.—The Task Force shall terminate 2 years after the date on which all members of the Task Force have been designated under subsection (b)(1).

Subtitle F—Miscellaneous Provisions

SEC. 461. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

(a) IN GENERAL.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "and" at the end of clause (i); and

(B) by striking clause (iii);

(2) by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph:

"(B) in the case of any nonresidential property, including churches—

"(i) $100,000 aggregate liability for each structure; and

"(ii) $100,000 aggregate liability for any contents related to each structure;";

(3) by striking subparagraph (C) of paragraph (1);

(4) in paragraph (2), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount, including the limits specified in clause (i) of paragraph (1)(A), of $250,000 multiplied by the number of dwelling units in the building;";

(5) in paragraph (3), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount of $90,000 for any single-family dwelling and $240,000 for any residential structure containing more than one dwelling unit;"; and

(6) by striking paragraph (4) and inserting the following new paragraph:

"(4) in the case of any nonresidential property, including churches, additional flood insurance in excess of the limits specified in clauses (i) and (ii) of paragraph (1)(B) shall be made available to every insured upon renewal and every applicant for insurance up to an amount of $2,400,000 for each structure and $2,400,000 for any contents related to each structure; and".

(b) ACTUARIAL RISK PREMIUMS ON REPETITIVE LOSS STRUCTURES.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (5), by striking "and" at the end; and

(2) by striking paragraph (6) and inserting the following new paragraph:

"(6) upon determining that a property is a repetitive loss structure, and after making a payment to the insured under section 1304(e), the Director shall charge the applicable risk premium rate for flood insurance based on consideration of the risk involved and accepted actuarial principles under section 1307(a)(1), except that the Director may not increase the premium rate above the level authorized in paragraph (7); and".

(c) ANNUAL 10-PERCENT PREMIUM RATE INCREASE CAP.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended by adding at the end the following:

"(7) the Director may not increase the premium rate applied to a structure in any 12-month period by more than 10 percent over the rate previously applied to that structure during the preceding 12-month period.".

(d) CONFORMING AMENDMENTS.—Section 1306(b)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)(5)) is amended—

(1) by striking "(A), (B), or (C)" and inserting "(A) or (B)"; and

(2) by striking "(1)(C),".

SEC. 462. ADDITIONAL COVERAGE FOR COMPLIANCE WITH LAND USE AND CONTROL MEASURES.

(a) IN GENERAL.—Section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) The national flood insurance program established pursuant to subsection (a) shall enable interested persons to purchase insurance to cover the cost of compliance with land use and control measures for—

"(1) properties that are repetitive loss structures;

"(2) properties that have flood damage in which the cost of repairs equals or exceeds 50 percent of the value of the structure at the time of the flood event; and

"(3) properties that have sustained flood damage on multiple occasions, if the Director determines that it is cost-effective and in the best interests of the National Flood Insurance Fund to require compliance with the land use and control measures.

The Director shall impose a surcharge on each insured of not more than $75 per policy to provide cost of compliance coverage in accordance with the provisions of this subsection.".

(b) APPLICABILITY.—The provisions of subsection (a) shall apply only to structures that sustain flood-related damage after the date of enactment of this title.

SEC. 463. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Section 1345(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(b)) is amended by striking the period at the end and inserting the following: "and without regard to the provisions of the Federal Advisory Committee Act.".

SEC. 464. UPDATING OF FLOOD INSURANCE RATE MAPS AND IDENTIFICATION OF EROSION HAZARD AREAS.

(a) 5-YEAR UPDATES.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsections:

"(e) ASSESSMENT OF NEED TO UPDATE AREAS.—

"(1) PERIODIC ASSESSMENTS.—Not less than once during each 5-year period (the first such period beginning on the date of enactment of the National Flood Insurance Reform Act of 1994), or more often as the Director determines necessary, the Director shall assess the need to revise and update each flood insurance rate map.

"(2) UPON REQUEST.—Upon the request of a State or community stating that a flood insurance rate map needs revision or updating, the Director shall review and update the flood insurance rate map for the State or community. The Director may require the State or community to pay a portion of the cost of updating the map.

"(f) AVAILABILITY.—To promote compliance with the requirements of this title, the Director shall make flood insurance rate maps and related information available free of charge to Federal agencies and to State agencies directly responsible for coordinating the National Flood Insurance Program and to appropriate representatives of communities participating in the National Flood Insurance Program, and at a reasonable cost to all other persons pursuant to section 1310.

"(g) NOTIFICATION.—The Director shall publish in the Federal Register or by other comparable method, notice of each revision to or update of a flood insurance rate map, issued in the form of a Letter of Map Amendment or Letter of Map Revision. Each map revision or update shall become effective upon publication. Such comparable methods shall include all pertinent information, provide for regular and frequent distribution, and be at least as accessible to map users as the Federal Register. Notices published in the Federal Register, or otherwise, shall also include information on how to obtain copies of the revisions or updates.

"(h) AVAILABILITY.—On March 1 and October 1 of each year, the Director shall publish separately and make available in their entirety within a compendium, all revisions to and updates of flood insurance rate maps and all Letters of Map Amendment and Letters of Map Revision that were published in the Federal Register or distributed through other comparable methods during the preceding 6 months, free of charge, to Federal agencies, States, and communities participating in the National Flood Insurance Program pursuant to section 1310 and at cost to all other persons.".

(b) ASSESSMENT, IDENTIFICATION, AND MAPPING OF EROSION HAZARD AREAS.—Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101), as amended by subsection (a), is amended by adding at the end the following new subsection:

"(i) ASSESSMENT, IDENTIFICATION, AND MAPPING OF EROSION HAZARD AREAS.—

"(1) IN GENERAL.—Not later than 60 months after the date of enactment of the National Flood Insurance Reform Act of 1994, the Director shall, using erosion rate information and other historical data, or more reliable methods if available, assess, identify, and map all erosion hazard areas. In highly dynamic areas, such as areas adjacent to inlets, the Director may use other data or techniques in order to assess shoreline recession more precisely.

"(2) MAPPING PRIORITIES.—Not later than 2 years after the date of enactment of the National Flood Insurance Reform Act of 1994, the Director shall determine areas that are at greatest risk from erosion and assess, identify, and map the erosion hazard areas in these areas.

"(3) CONSIDERATION OF EROSION CONTROL MEASURES.—In identifying and mapping erosion hazard areas, the Director shall take into account the presence of erosion control measures if—

"(A) such measures are well-designed, well-maintained, and structurally sound, and do not adversely affect adjacent areas; and

"(B) the community provides adequate evidence of a commitment to long-term maintenance and financing of the measure.

"(4) TRANSITION.—Until the Director has assessed, identified, and mapped erosion rate data for a community, the community may obtain, review, and reasonably use erosion rate information or other historical data available from other Federal, State, or other sources in order to develop a mitigation plan.

"(5) STATE EROSION RATE DATA AND BASELINE REFERENCE FEATURES AND STATE AND COMMUNITY LOSS REDUCTION PROGRAMS.—The Director shall, to the maximum extent practicable, use State or community erosion rate data and baseline reference features in designating erosion hazard areas under this title.

"(6) EROSION HAZARDS.—On each flood insurance rate map established under this section, the Director shall publish erosion rates for areas that are subject to erosion hazards. These erosion rates shall be used to identify areas that are subject to erosion hazards within a 60-year period (hereafter referred to as the '60-year erosion hazard area'), and for areas that are subject to erosion hazards within a 30-year period (hereafter referred to as the '30-year erosion hazard area') as measured from a baseline reference feature. On each flood insurance rate map, the Director shall identify and provide legible demarcation of the baseline reference feature. The Director may also provide for legible demarcation of erosion hazard areas where map scale or other limitations allow for such demarcation.

"(7) REVISION OF EROSION HAZARD AREAS.—In revising the demarcation of the baseline reference feature and erosion rate data, the legible demarcation of erosion hazard areas, or geographical boundaries of erosion hazard areas, the Director shall give special consideration to—

"(A) areas (or subdivisions thereof) that are experiencing or have recently experienced erosion rates in excess of the erosion rate established under this section, due to storms, high lake levels, or other extraordinary events creating a dynamic change in the local erosion rate; and

"(B) areas in which community erosion control measures have been implemented or erosion rates established under this section have been significantly altered otherwise by manmade or induced activity.

"(8) REVIEW.—The Director shall consult with State and community governments in the determination of erosion hazard areas, and shall provide for a public review and appeals process comparable to the established review and appeals process for flood elevation determinations required under this title.".

SEC. 465. RIVERINE EROSION STUDY.

(a) STUDY.—The Director shall conduct a study to determine the most effective techniques for identifying and establishing riverine erosion rates and baseline reference features, and the best methods of community management of such hazards consistent with section 1361 of the National Flood Insurance Act of 1968. In conducting the study, the Director shall—

(1) investigate and assess existing and state-of-the-art technical methodologies for assessing riverine erosion;

(2) examine and evaluate natural riverine processes, environmental conditions, human-induced changes to the banks of rivers and streams, examples of erosion and likely causes, and examples of erosion control; and

(3) analyze riverine erosion management strategies, the technical standards, methods, and data necessary to support such strategies, and methods of administering such strategies through the National Flood Insurance Program.

(b) REPORT.—Not later than 2 years after the date of enactment of this title, the Director shall submit to the Congress a report regarding the findings and conclusions of the study under this section. The report shall include any recommendations of the Director regarding appropriate methods and approaches for identifying and determining riverine erosion hazard areas and management strategies relating to riverine erosion. Riverine erosion shall not be mapped prior to the date on which the report is submitted to the Congress in accordance with this section.

SEC. 466. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a council to be known as the Technical Mapping Advisory Council (hereafter in this section referred to as the "Council").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of the Director, or the Director's designee, and 12 additional members to be appointed by the Director or his designee, and shall include—

(A) the Under Secretary of Commerce for Oceans and Atmosphere (or his or her designee);

(B) a member of recognized surveying and mapping professional associations and organizations;

(C) a member of recognized professional engineering associations and organizations;

(D) a member of recognized professional associations or organizations representing flood hazard determination firms;

(E) a representative of the United States Geologic Survey;

(F) a representative of State geologic survey programs;

(G) a representative of State national flood insurance coordination offices;

(H) a representative of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; and

(I) a representative of a regulated lending institution.

(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) DUTIES.—The Council shall—

(1) make recommendations to the Director on how to improve in a cost-effective manner the accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps;

(2) recommend to the Director mapping standards and guidelines for flood insurance rate maps; and

(3) transmit an annual report to the Director describing—

(A) the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps as established by the amendments made under section 464; and

(C) a summary of recommendations made by the Council to the Director.

(d) CHAIRPERSON.—The Director shall appoint 1 member to serve as the chairperson of the Council (hereafter in this section referred to as the "Chairperson").

(e) COORDINATION.—To ensure that the Council's recommendations are consistent to the maximum extent practicable with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to OMB Circular A-16).

(f) COMPENSATION.—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(g) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less than twice each year at the request of the Chairperson or a majority of its members and may take action by a vote of the majority of the members.

(2) INITIAL MEETING.—The Director, or a person designated by the Director, shall request and coordinate the initial meeting of the Council.

(h) OFFICERS.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(i) STAFF OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY.—Upon the request of the Chairperson, the Director may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(j) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research as it considers appropriate.

(k) TERMINATION.—The Council shall terminate 5 years after the date on which all members of the Council have been appointed under subsection b)(1).

SEC. 467. FUNDING FOR INCREASED ADMINISTRATIVE AND OPERATIONAL RESPONSIBILITIES.

(a) AVAILABILITY OF FUND.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)), as amended by section 432, is amended—

(1) in the matter preceding paragraph (1), by inserting "(except as otherwise provided)" after "without fiscal year limitation"; and

(2) by adding at the end the following new paragraphs:

"(7) for assessment and mapping of erosion hazard areas under section 1360(i), except that the fund shall be available for the purpose under this paragraph in an amount not to exceed an aggregate of $25,000,000 over the 5-year period beginning on the date of enactment of the National Flood Insurance Reform Act of 1994; and

"(8) for revising and updating flood insurance rate maps under section 1360(i), except that the fund shall be available for the purpose under this paragraph in an amount not to exceed $2,000,000, in each fiscal year beginning after the expiration of the 2-year period beginning on the date of enactment of the National Flood Insurance Reform Act of 1994.".

(b) CREDITS OF FUND.—Section 1310(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) any penalties collected under section 102(f) of the Flood Disaster Protection Act of 1973; and".

SEC. 468. SEPARATE ACCOUNT FOR NATIONAL FLOOD INSURANCE FUND.

Section 1310(a) of the National Flood Insurance Act (42 U.S.C. 4017(a)) is amended by inserting before "which shall be available" the following: "which shall be maintained in the Treasury as an account separate from any other funds available to the Director, and".

SEC. 469. NONWAIVER OF FLOOD PURCHASE REQUIREMENT FOR RECIPIENTS OF FEDERAL DISASTER ASSISTANCE.

Section 311(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5154(b)) is amended by adding at the end the following: "The requirements of this subsection may not be waived under section 301.".

SEC. 470. INSURANCE WAITING PERIOD.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4015) is amended by adding at the end the following new subsection:

"(e) WAITING PERIOD.—Coverage under a new flood insurance policy shall be effective upon the expiration of a waiting period prescribed by the Director. In no case shall the waiting period be fewer than 10 days following receipt of the initial premium for such policy by the Director.".

SEC. 471. IMPLEMENTATION REVIEW BY THE DIRECTOR.

Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027) is amended—

(1) by striking "The Director" and inserting "(a) IN GENERAL.—The Director"; and

(2) by adding at the end the following new subsection:

"(b) EFFECTS OF FLOOD INSURANCE PROGRAM.—The Director shall include, as part of the biennial report submitted under subsection (a), a chapter reporting on the effects on the flood insurance program observed through implementation of requirements under the National Flood Insurance Reform Act of 1994.".

SEC. 472. REGULATIONS.

The Director and the head of any appropriate Federal agency may each issue any regulations necessary to carry out the applicable provisions of this title and the applicable amendments made by this title.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 1538

Mr. MOYNIHAN (T1for himself, Mr. BROWN, Mr. D'AMATO, Mr. PACKWOOD, Mr. DECONCINI, Mr. LAUTENBERG, Mr. SPECTER, Mr. SASSER, Mr. DOLE, Mr. BURNS, Mrs. FEINSTEIN, Mr. WOFFORD, Mr. REID, Mr. MACK, Mr. PRESSLER, Mr. COATS, Mrs. BOXER, Mr. MATHEWS, Mr. BRADLEY, Mr. FEINGOLD, Mr. KOHL, Mr. KERRY, Mr. ROTH, Mr. LEVIN, Mrs. HUTCHISON, Mr. BENNETT, and Mr. GORTON) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place in the bill, add the following new section—

"SEC. . UNITED NATIONS RESOLUTIONS CONCERNING JERUSALEM.

(a) FINDINGS.—The Congress finds that—

(1) For three thousand years Jerusalem has been the focal point of Jewish religious devotion;

(2) Jerusalem is also considered a holy city by the members of other religious faiths;

(3) The once thriving Jewish majority of the historic Old City of Jerusalem was driven out by force during the 1948 Arab-Israeli War;

(4) From 1948 to 1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan;

(5) In 1967, Jerusalem was reunited during the conflict known as the Six Day War;

(6) Since 1967, Jerusalem has been a united city administered by Israel and persons of all religious faiths have been guaranteed full access to holy sites within the city;

(7) In 1990, the United States Senate and House of Representatives overwhelmingly adopted Senate Concurrent Resolution 106 and House Concurrent Resolution 290 declaring that Jerusalem, the capital of Israel, "must remain an undivided city";

(8) The Vice President has stated the Administration's intention not to "forget the meaning of Jerusalem";

(9) The Secretary of State recently reiterated U.S. opposition to attempts in the United Nations to refer to Jerusalem as "occupied territory";

(10) It is reported that the United Nations Security Council may consider a resolution condemning the Hebron massacre but which also refers to Jerusalem as "occupied" territory;

(b) SENSE OF CONGRESS.—Therefore, it is the sense of the Congress—

(1) That the Administration should be commended for its efforts not to "forget the meaning of Jerusalem" and to oppose attempts in the United Nations to refer to Jerusalem as "occupied" territory;

(2) That sacrificing core principles for short term objectives will ultimately retard, not advance, the peace process;

(3) That the United States should exercise its veto in the United Nations Security Council on any Security Council resolution that states or implies that Jerusalem is "occupied" territory.

RIEGLE (AND D'AMATO) AMENDMENT NOS. 1539–1540

Mr. RIEGLE (for himself and Mr. D'AMATO) proposed two amendments to the bill S. 1275, supra; as follows:

AMENDMENT NO. 1539

On page 99, beginning with line 22, strike all through page 100, line 19, and insert the following:

(a) PROHIBITED TRANSACTION EXEMPTION.—The Secretary of Labor, in consultation with the Secretary of the Treasury, may exempt transactions involving small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934, as added by section 202 of this Act) pursuant to section 408(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(a)) and section 4975(c)(2) of the Internal Revenue Code of 1986.

(b) CONSIDERATION OF EXEMPTION REQUESTS.—The Secretary of Labor shall consider any request for exemption under subsection (a) within a reasonable period of time after receipt of such request.

Section 210 of the bill, as amended by amendment No. 1523, is further amended—

(1) in subsection (a)—

(A) by striking "account—" and inserting "account, as appropriate—";

(B) by striking "and" at the end of paragraph (2);

(C) by striking the period at the end of paragraph (3) and inserting "; and"; and

(B) by adding at the end the following:

"(4) such other tax policies as may be warranted."; and

(2) in subsection (b)—

(A) by striking "means any entity" and inserting "means an entity";

(B) by striking "any obligation (including any participation or certificate of beneficial ownership therein)" and inserting "obligations"; and

(C) by striking "that was originated" and inserting "that were originated".

AMENDMENT NO. 1540

At the appropriate place insert:

SEC. . AMENDMENT TO THE FEDERAL RESERVE ACT.

Sec. 11. Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by inserting at the end thereof the following new subsection:

"(p) AUTHORITY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may each act in the Board's or the Committee's own name and through the Board's or the Committee's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Board of Governors of the Federal Reserve System or the Federal Open Market Committee is a party.".

KERRY (AND OTHERS) AMENDMENT NO. 1541

Mr. KERRY (for himself, Mr. MACK, Mr. BOND, and Mr. D'AMATO) proposed an amendment to the bill S. 1275, supra; as follows:

On page 160, after line 12, insert the following new title:

TITLE IV—NATIONAL FLOOD INSURANCE REFORM

SEC. 401. SHORT TITLE.

This title may be cited as the "National Flood Insurance Reform Act of 1994".

SEC. 402. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the 4 principal objectives of the National Flood Insurance Program are to limit increasing flood control and disaster relief expenditures, to provide a prefunded mechanism to more fully indemnify victims of flood-related disasters, to limit unwise development in floodplains, and to provide affordable Federal flood insurance for structures located in areas of special flood hazards;

(2) since 1968, the National Flood Insurance Program has reduced the need for taxpayer funded disaster assistance and has been a factor in motivating local government mitigation efforts.

(7) repetitively damaged properties represent a substantial problem for the National Flood Insurance Program, with over 40 percent of all flood insurance claims made on properties that have been damaged more than once;

(9) reforms in the National Flood Insurance Program are essential to increase participation in the Program, make the Program more actuarially sound, decrease the risk of losses to the United States Treasury, and address the problem of properties repetitively damaged by floods;

(10) a Federal flood insurance program that combines predisaster mitigation efforts together with an insurance and compliance program will reduce the physical and economic effects of flood-related damage on the Federal Government, State and local governments, and individuals;

(11) requiring regulated lending institutions, government agencies, and government-sponsored enterprises to make sure that flood insurance coverage is purchased on all properties in areas of special flood hazards in participating communities will increase compliance with the program, and increase the pool of funds, thereby decreasing the impact on the National Flood Insurance Fund of individual flood events;

(14) incentives in the form of reduced premium rates for flood insurance under the National Flood Insurance Program should be provided in communities that have adopted and enforced exemplary or particularly effective measures for comprehensive floodplain management; and

(15) these community-based, individual mitigation, and loss prevention methods and incentives should be incorporated into the National Flood Insurance Program.

SEC. 403. DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302(e) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(e)) is amended—

(1) by redesignating paragraphs (3), (4), and (5), as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following: "(3) encourage State and local governments and Federal agencies to protect natural and beneficial floodplain functions that reduce flood-related losses,".

SEC. 404. DEFINITION.

As used in this title, the term "Director" means the Director of the Federal Emergency Management Agency.

Subtitle A—Definitions

SEC. 411. FLOOD DISASTER PROTECTION ACT OF 1973.

(a) IN GENERAL.—Section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, and the Farm Credit Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision of the institution;";

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(8) 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home; and

"(9) 'servicer' means a person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) CONFORMING AMENDMENTS.—

(1) REQUIREMENTS TO PURCHASE FLOOD INSURANCE.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended by striking "(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions" and inserting the following:

"(b) FLOOD INSURANCE PURCHASE REQUIREMENTS.—Each Federal entity for lending regulation shall by regulation direct regulated lending institutions".

(2) EFFECT OF NONPARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106(b)) is amended by striking "Federal instrumentality described in such section shall by regulation require the institutions" and inserting "Federal entity for lending regulation (with respect to regulated lending institutions)".

SEC. 412. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(7) the term 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration Board, and with respect to a particular regulated lending institution, means the entity primarily responsible for the supervision of the institution;

"(8) the term 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(9) the term 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home;

"(10) the term 'natural and beneficial floodplain functions' means—

"(A) the functions associated with the natural or relatively undisturbed floodplain that moderate flooding, retain flood waters, reduce erosion and sedimentation, mitigate the effects of waves and storm surge from storms; and

"(B) ancillary beneficial functions, including maintenance of water quality and recharge of ground water that reduce flood related damage.

"(11) the term 'erosion control measures' means a community's efforts to control erosion through nonstructural and structural projects;

"(12) the term 'repetitive loss structure' means an insured property that has incurred flood-related damage on 2 occasions during a 10-year period ending on the date of the event for which a second claim is made, in which the cost of repair, on the average, equaled or exceeded 25 percent of the value of the structure at the time of each flood event;

"(13) the term 'cost of compliance with land use and control measures' means

(A) the cost of elevating or flood proofing a structure so that the structure is in compliance with the minimum performance standards adopted by the State or community pursuant to section 1315 of the National Flood Insurance Act of 1968, or

(B) the cost of relocation or demolition of the structure if the Director demonstrates that the structure will collapse or subside as a result of erosion within 30 years based on state erosion data.

"(14) the term 'servicer' means any person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) CONFORMING AMENDMENT.—Section 1322(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4029(d)) is amended by striking "federally supervised, approved, regulated or insured financial institution" and inserting "regulated lending institution".

SUBTITLE B—COMPLIANCE AND INCREASED PARTICIPATION

SEC. 421. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42

U.S.C. 4012a(b)), as amended by section 411(b)(1), is amended—

(1) by striking "Each Federal entity" and inserting the following:

"(1) In general.—Each Federal entity";

(2) by inserting before "shall by regulation" the following: "(after consultation and coordination with the Federal Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974)"; and

(3) by adding at the end the following new paragraphs:

"(2) Procedures implemented by FNMA, FHLMC, and FAMC.—The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall implement procedures reasonably designed to assure that each loan that is—

"(A) secured by improved real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968; and

"(B) purchased by any such entity;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

"(3) Procedures implemented by Federal agency lenders.—Each Federal agency lender shall implement procedures reasonably designed to assure that all property—

"(A) that secures loans that the Federal agency lender makes, increases, extends, or renews; and

"(B) that is improved by real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

"(4) Definition.—For purposes of this section property improved by real estate means insurable improvements on that property.".

(b) Effective Date.—The provisions of this section shall apply to all transactions occurring after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 422. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) In General.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

"(d) Escrow of Flood Insurance Payments.—

"(1) By regulated lending institutions.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that, if a regulated lending institution requires the escrowing of taxes, insurance premiums, fees, or any other charges for a loan secured by residential real estate or manufactured homes, all charges for flood insurance under this title for the property shall be paid by the borrower to the institution for the duration of the period during which the regulated lending institution maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the institution shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees, or other charges owed.

"(2) By Federal agency lenders.—If a Federal agency lender requires the escrowing of taxes, insurance premiums, fees, or any other charges, then any charges for flood insurance under this title for the residential real estate or the manufactured home shall be paid by the borrower to the Federal agency lender for the duration of the period during which the Federal agency lender maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the Federal agency lender shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees or other charges owed.

"(3) Applicability of real estate settlement procedures act.—Escrow accounts used to collect flood insurance premiums, fees, or other charges under this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.".

(b) Applicability.—Section 102(d) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 423. NOTICE REQUIREMENTS.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended to read as follows:

"SEC. 1364. NOTICE REQUIREMENTS.

"(a) Lending Institutions.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that before a regulated lending institution makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the institution shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(b) Federal Agency Lenders.—Before a Federal agency lender makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the Federal agency lender shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(c) Participating Communities.—The Director shall by regulation require each participating community, upon receiving the semiannual list prepared by the Director of all revisions to and updates of flood insurance rate maps made during the preceding 6 months, to determine whether any properties in their community have been affected, and to provide annual notice by mail, notice by publication, notice on tax assessments, or notice by other reasonable method, to regulated lending institutions that are known to lend in the community, and to the owners of all properties newly determined to be, or no longer to be, in an area of special flood hazards, of the flood insurance purchase requirements under section 102(b).

"(d) Contents of Notice.—Notification required by this section shall include a warning, in a form to be established by the Director, stating that the real estate or manufactured home securing the loan is located in an area of special flood hazards, a description of the flood insurance purchase requirements under section 102(b), a statement that flood insurance coverage may be purchased under the National Flood Insurance Program and may also be available from private insurers, and any other information that the Director considers necessary to carry out the purposes of the National Flood Insurance Program.".

SEC. 424. PLACEMENT OF FLOOD INSURANCE BY REGULATED LENDING INSTITUTION, FEDERAL AGENCY LENDER, OR SERVICER.

(a) Required Actions by Lender.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by section 422(a), is amended by adding at the end the following new subsection:

"(e) Required Actions by Lender.—

"(1) Notification to borrower of lack of coverage.—If, at the time of origination or at any other time during the term of a loan secured by improved real estate or by a manufactured home located in an area that has been identified by the Director as an area of special flood hazards and in which flood insurance is available under this title, a regulated lending institution, Federal agency lender, or servicer determines that the building or manufactured home and any personal property securing the loan held or serviced by the regulated lending institution, Federal agency lender, or servicer is not covered by flood insurance, in an amount not less than the amount required by subsection (b)(1), the regulated lending institution, Federal agency lender, or servicer shall notify the borrower, in a form to be established by the Director, that the borrower should obtain, at the borrower's expense, an amount of flood insurance that is not less than the amount required by subsection (b)(1), for the term of the loan. If, not later than 45 days after receiving such notification, the borrower fails to purchase such flood insurance, the regulated lending institution, Federal agency lender, or servicer shall purchase the insurance on behalf of the borrower and may charge the borrower for the cost of premiums and fees incurred by the regulated lending institution, Federal agency lender, or servicer in purchasing the insurance.

"(2) Review.—

"(A) By the Director.—A borrower may request, based upon the submission of supporting technical data, that the Director review a determination that the improved real estate or manufactured home securing the loan is located in an area of special flood hazards. Not later than 45 days after the Director receives the request, the Director shall review the determination and provide the borrower with a letter stating whether or not the property is in an area of special flood hazards. The determination of the Director shall be final. If the Director fails to respond to a request within 45 days, the property shall be deemed not to be located in an area having special flood hazards.

"(B) Insurance not required.—If a person is provided by the borrower with a letter issued by the Director pursuant to subparagraph (A) during the preceding 1-year period, stating that the property is not in an area of special flood hazards, such person shall have no obligation under this title to require the purchase of flood insurance on the property.".

(b) Applicability.—

(1) In general.—Except as provided in paragraph (2), section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply to all loans outstanding on or after the date of enactment of this title.

(2) Loans Regulated by the Farm Credit Administration.—With respect to loans held by institutions regulated by the Farm Credit Administration, section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply only to loans originating on or after the date of enactment of this title.

SEC. 425. STANDARD FLOOD HAZARD DETERMINATION FORMS.

(a) In General.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

"SEC. 1365. STANDARD FLOOD HAZARD DETERMINATION FORMS.

"(a) Development.—The Director, in consultation with the Federal entities for lending regulation, and after notice and comment, shall develop a standard flood hazard determination form (hereafter in this section referred to as the 'determination form') for use in connection with loans secured by improved real estate or a manufactured home located in an area of special flood hazards and in which flood insurance is available under this title. The determination form may be maintained in a printed, computerized, or electronic manner.

"(b) Design and Contents.—The determination form shall state whether the property is in an area of special flood hazards, the risk premium rate classification established for the special flood hazard area in which the property is located, the complete map and panel numbers for the property, and the date of the map used for the determination. If the complete map and panel numbers for the property are not available because the property is not located in a community that is participating in the National Flood Insurance Program or because no map exists for the relevant area, the determination form shall so state.

"(c) Required Use.—Each Federal entity for lending regulation shall by regulation require the use of the determination form by regulated lending institutions. Each Federal agency lender shall by regulation provide for the use of the determination form. The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall require use of the determination form by any person from whom they purchase loans.

"(d) Guarantees Regarding Information.—In recording information on a determination form, a person may rely on information provided by a third party to the extent that the third party guarantees the accuracy of the information.

"(e) Reliance on Previous Determination.—A person or institution increasing, extending, renewing, or purchasing a loan may rely on a previous determination as to whether property is in a special flood hazard area, if the previous determination was made not more than 5 years before the date of the transaction, and the basis for the previous determination has been set forth on a determination form.".

(b) Applicability.—Section 1365 of the National Flood Insurance Act of 1968, as added by subsection (a), shall apply to all loans originated on or after the expiration of the 6-month period beginning on the date the standard flood hazard determination form is finalized by the Director.

SEC. 426. EXAMINATIONS REGARDING COMPLIANCE BY REGULATED LENDING INSTITUTIONS.

(a) Amendment to Federal Deposit Insurance Act.—Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by adding at the end the following new subsection:

"(h) Flood Hazard Insurance Compliance by Insured Depository Institutions Required.—

"(1) Examinations.—The appropriate Federal banking agency shall, during each scheduled on-site examination required by this section, determine whether the insured depository institution is complying with the requirements of the National Flood Insurance Program.

"(2) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, each appropriate Federal banking agency shall submit a report to Congress on compliance by insured depository institutions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of institutions examined during the reporting year, a listing and total number of institutions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

(b) Amendment to the Federal Credit Union Act.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end the following new subsection:

"(e) Flood Hazard Insurance Compliance by Insured Credit Unions Required.—

"(1) Examination.—The Board shall, during each examination conducted under this section, determine whether the insured credit union is complying with the requirements of the National Flood Insurance Program.

"(2) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, the Board shall submit a report to Congress on compliance by insured credit unions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of insured credit unions examined during the reporting year, a listing and total number of insured credit unions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

SEC. 427. PENALTIES AND CORRECTIVE ACTIONS FOR FAILURE TO REQUIRE FLOOD INSURANCE, ESCROW, OR NOTIFY.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by sections 422 and 424, is amended by adding at the end the following new subsections:

"(f) Civil Penalties.—

"(1) In general.—A regulated lending institution that is found to have a pattern or practice of violating this section may be assessed a civil penalty by the appropriate Federal entity for lending regulation of not more than $350 for each such violation. A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

"(2) Total amount.—The total amount of penalties assessed under this subsection against a single regulated lending institution for any calendar year may not exceed $100,000.

"(3) Sales or transfers.—The subsequent sale or other transfer of a loan by a regulated lending institution that has committed a violation of this section shall not affect the liability of the transferring institution with respect to any penalty under this subsection. An institution shall not be liable for a violation relating to a loan committed by another institution that previously held the loan.

"(4) 3-year limit.—No penalty may be imposed under this subsection after the expiration of the 3-year period beginning on the date of the occurrence of the violation.

"(g) Additional Actions.—If a Federal entity for lending regulation determines—

"(1) that a regulated lending institution has demonstrated a pattern and practice of noncompliance in violation of the regulations issued pursuant to subsection (b) or subsection (d) or the notice requirements under section 1364 of the National Flood Insurance Act of 1968; and

"(2) that the regulated lending institution has not demonstrated measurable improvement in compliance despite the issuance of penalties under subsection (f);

the agency may require the regulated lending institution to take such remedial actions as are necessary to ensure that the regulated lending institution is in satisfactory compliance with the requirements of the National Flood Insurance Program.".

SEC. 428. FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1006 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305) is amended by adding at the end the following new subsection:

"(g) Flood Insurance.—The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in section 1370(a)(7) of the National Flood Insurance Act of 1968, in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the National Flood Insurance Program.".

SEC. 429. CONFORMING AMENDMENT.

The section heading for section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended to read as follows:

"FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS".

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

SEC. 431. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

(a) Requirement for Participation in Flood Insurance Program.—Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 1315. STATE AND LOCAL LAND USE CONTROLS.";

(2) by striking "After December" and inserting the following:

"(a) Requirement for Participation in Flood Insurance Program.—After December"; and

(3) by adding at the end the following new subsection:

"(b) Community Rating System and Incentives for Community Floodplain Management.—

"(1) Authority and goals.—The Director shall carry out a community rating system program to evaluate the measures adopted by communities voluntarily participating in the community rating system, to provide incentives for measures to reduce the risk of flood or erosion damage that exceed the criteria set forth in section 1361, to encourage adoption of more effective measures to protect natural and beneficial floodplain functions, floodplain and erosion management, and to promote the reduction of Federal flood insurance losses.

"(2) Incentives.—The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures to reduce the risk of flood and erosion damage that exceed the criteria set forth in section 1361. In providing incentives under this paragraph, the Director may provide for credits to flood insurance premium rates in communities that the Director determines have—

"(A) implemented measures to protect natural and beneficial floodplain functions; and

"(B) adopted erosion control measures.

"(3) Credits.—The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program. If a community has received mitigation assistance under §1366, the credits shall be phased-in as determined by the Director.".

(b) Reports.—Two years after the date of enactment of this title and biannually thereafter, the Director shall submit a report to the Congress regarding the program under section 1315(a) of the National Flood Insurance Act of 1968. Each report shall include an analysis of the cost-effectiveness and other accomplishments and shortcomings of the program and any recommendations of the Director for legislation regarding the program.

SEC. 432. FUNDING.

Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding after paragraph (5) the following new paragraph:

"(6) for carrying out the program under section 1315(b);".

SEC. 433. REASONABLE FEES.

A lender may charge a borrower a reasonable fee for making a flood insurance determination.

Subtitle D—Mitigation of Flood and Erosion Risks

SEC. 441. MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Section 1105(a) of the Housing and Urban Development Act of 1968 (42 U.S.C. 4129) is amended—

(1) by striking "(a) There is hereby" and inserting the following:

"(a) Establishment.—There is hereby"; and

(2) by striking subsection (b) and inserting the following:

"(b) Coordination of Mitigation Activities.—The Director shall coordinate all mitigation activities, including the administration of the program for mitigation assistance under section 1367. These activities shall include the development and implementation of various mitigation activities and techniques, the provision of advice and assistance regarding mitigation to States, communities, and individuals, including planning assistance under section 1367(d), coordination with other Federal flood and erosion mitigation efforts, and coordination with State and local governments and public and private agencies and organizations for collection and dissemination of information regarding erosion.".

SEC. 442. AUTHORIZATION OF NATIONAL FLOOD AND EROSION MITIGATION FUNDS UNDER SECTION 1362.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by section 425, is amended by adding at the end the following new section:

"SEC. 1366. NATIONAL FLOOD AND EROSION MITIGATION PROGRAM.

"(a) Expenditures.—For flood and erosion mitigation activities authorized under section 1367, the Director may expend from the National Flood Insurance Fund—

"(1) up to $10,000,000 in the fiscal year ending September 30, 1994;

"(2) up to $15,000,000 in the fiscal year ending September 30, 1995;

"(3) up to $20,000,000 in the fiscal year ending September 30, 1996;

"(4) up to $20,000,000 in each fiscal year thereafter; and

"(5) any amounts recaptured under section 1367(i).

"(b) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994 and biannually thereafter, the Director shall submit a report to the Congress describing the status of flood and erosion mitigation activities carried out with funds authorized under this section.".

SEC. 443. STATE AND COMMUNITY MITIGATION ASSISTANCE PROGRAM.

(a) In General.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by sections 425 and 442, is amended by adding at the end the following new section:

"SEC. 1367. STATE AND COMMUNITY MITIGATION ASSISTANCE.

"(a) Authority.—The Director shall develop and implement a financial assistance program with amounts made available under section 1366 to States and communities for planning and activities designed to reduce the risk of flood and erosion damage to insured structures and to protect natural and beneficial flood-plain functions.

"(b) Mitigation Plan Requirement.—To be eligible to receive financial mitigation assistance, a State or community shall develop, and have approved by the Director, a flood and erosion risk mitigation plan (hereafter in this section referred to as a 'mitigation plan'), that is consistent with the criteria established by the Director under section 1361. The mitigation plan shall include a comprehensive strategy for mitigation activities adopted by the State or community following a public hearing.

"(c) Notification of Approval.—Not later than 120 days after the submission of a mitigation plan, the Director shall notify the State or community submitting the plan of the Director's approval or disapproval of the plan. If the Director does not approve a plan, the Director shall notify the State or community in writing of the reasons for such disapproval.

"(d) Planning Assistance.—

"(1) In general.—The Director shall make planning assistance available to States and communities for developing mitigation plans.

"(2) Funding.—From any amounts made available for use under section 1366 of the National Flood Insurance Act of 1968 in any fiscal year, the Director may use not more than $1,500,000 to provide planning assistance grants to States or communities to develop mitigation plans under this subsection.

"(3) Limitations.—

"(A) Timing.—A grant for planning assistance may be awarded to a State or community once every 5 years and each grant may cover a period of 1 to 3 years.

"(B) Amount.—A grant for planning assistance may not exceed—

"(i) $150,000, to any State; or

"(ii) $50,000, to any community.

"(C) Geographic.—Not more than $300,000 may be awarded to any 1 State and all communities located in that State for planning assistance in each fiscal year.

"(e) Eligible Mitigation Activities.—The Director shall determine eligibility for assistance under this section for mitigation activities that shall be technically feasible and cost-effective. These activities may include—

"(1) elevation, relocation, demolition, or floodproofing of structures;

"(2) The construction repair, or restoration of levees, seawalls, and other structures that reduce the risk of flood damage;

"(3) Erosion control measures including beach nourishment.

"(4) acquisition by States and communities of property substantially damaged by flood for public use as the Director determines is consistent with sound land management and use in such area; and

"(5) the provision of technical assistance by States to communities and individuals to conduct eligible mitigation activities.

"(f) Limitations on Mitigation Assistance.—

"(1) Amount.—The amount of mitigation assistance provided under subsection (e) may not exceed in any 5-year period—

"(A) $10,000,000, to any State; or

"(B) $3,300,000, to any community.

"(2) Geographic.—Not more than $20,000,000 may be awarded to any 1 State and all communities located in that State for mitigation assistance in any 5-year period.

"(g) Matching Requirement.—The Director may provide mitigation assistance to a State or community in an amount not to exceed 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from other funds to carry out mitigation planning under subsection (d) and eligible activities under subsection (e).

"(h) Oversight of Mitigation Plans.—The Director shall conduct oversight of recipients of mitigation assistance to ensure that the mitigation assistance is used in compliance with approved plans.

"(i) Recapture.—If the Director determines that a State or community that has received mitigation assistance has not carried out the mitigation activities as set forth in the mitigation plan, the Director shall recapture any unexpended amounts and deposit the amounts in the Fund.

"(j) Definition of Community.—For purposes of this section, the term 'community' means a political subdivision that has zoning and building code jurisdiction over a particular area of special flood hazards, and that is participating in the National Flood Insurance Program.

"(k) Preferences for Mitigation Grants to Communities.—

"(1) Cost-beneficial plans.—In providing mitigation grants to communities under this section, the Director shall give preference to communities with mitigation plans that are the most cost-beneficial to the Flood Insurance Fund.

(2) ADDITIONAL CRITERIA.—Subject to paragraph (1), the Director will also give preference to communities that—

"(A) have the highest rates of participation by property owners in the Federal flood insurance program;

"(B) have qualified for credits on premium rates under section 1315(b); and

"(C) have experienced repetitive losses that have been most costly to the Fund.".

(b) REGULATIONS.—Not later than 6 months after date of enactment of this title, the Director shall issue regulations implementing section 1367 of the National Flood Insurance Act of 1968, as added by subsection (a).

SEC. 444. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

(a) REPEAL.—Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed.

(b) TRANSITION.—Notwithstanding the repeal under subsection (a), the Director may continue to purchase property under subsections (a) and (b) of section 1362 of the National Flood Insurance Act of 1968, as such section existed immediately before the date of enactment of this title, for a period of 1 year beginning on the date of enactment of this title.

SEC. 445. TERMINATION OF EROSION THREATENED STRUCTURES PROGRAM.

(a) IN GENERAL.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by striking subsection (c).

(b) TRANSITION.—The Director may pay amounts under flood insurance contracts for demolition or relocation of structures as provided in section 1306(c) of the National Flood Insurance Act of 1968 (as in effect immediately before the date of enactment of this title) only during the 1-year period beginning on the date of enactment of this title.

SEC. 446. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302 of the National Flood Insurance Act of 1968 (42 U.S.C. 4001) is amended by striking subsection (g).

Subtitle E—Flood Insurance Task Force

SEC. 451. FLOOD INSURANCE INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—There is established an interagency task force to be known as the Flood Insurance Task Force (hereafter in this title referred to as the "Task Force").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Task Force shall consist of 13 members, who shall be the designees of—

(A) the Director;

(B) the Federal Housing Commissioner;

(C) the Secretary of Veterans Affairs;

(D) the Administrator of the Farmers Home Administration;

(E) the Administrator of the Small Business Administration;

(F) each member of the Federal Financial Institutions Examination Council;

(G) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation;

(H) the chairman of the Board of Directors of the Federal National Mortgage Association; and

(I) the chairman of the Federal Agricultural Mortgage Corporation.

(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the National Flood Insurance Program.

(c) DUTIES.—The Task Force shall—

(1) make recommendations to the head of each Federal agency and corporation referred to under subsection (b)(1) regarding the establishment or adoption of standardized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the National Flood Insurance Program to ensure the fullest possible compliance with such requirements;

(2) study the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the National Flood Insurance Program;

(3) study the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the National Flood Insurance Program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions;

(4) study—

(A) the extent to which the flood insurance premium rate structure could be revised to—

(i) minimize existing premium rate subsidies;

(ii) reduce or eliminate disaster assistance payments in high-risk erosion areas;

(iii) incorporate premium rate adjustments for erosion hazards; and

(iv) account for catastrophic loss events; and

(B) how changes in the premium rate structure could potentially impact other Federal disaster assistance programs;

(5) propose strategies to establish an actuarial-based premium structure to account for all insurable risks identified under the National Flood Insurance Act of 1968, as amended by this title; and

(6) develop guidelines regarding enforcement and compliance procedures, based on the studies and findings of the Task Force and publishing the guidelines in a usable format.

(d) REPORTS.—Not later than 2 years after the date of enactment of this title, the Task Force shall transmit to the Congress a report describing its studies and any conclusions.

(e) COMPENSATION.—Members of the Task Force shall receive no additional compensation by reason of their service on the Task Force.

(f) CHAIRPERSON.—The Director shall select 1 member to serve as the chairperson of the Task Force (hereafter in this section referred to as the "Chairperson").

(g) MEETINGS AND ACTION.—The Task Force shall meet at the call of the Chairperson or a majority of the members of the Task Force and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

(h) OFFICERS.—The Chairperson may appoint officers to carry out the duties of the Task Force under subsection (c).

(i) STAFF OF FEDERAL AGENCIES.—Upon the request of the Chairperson, the head of any of the Federal agencies and corporations referred to in subsection (b)(1) may detail, on a nonreimbursable basis, any of the personnel of the agency to the Task Force to assist the Task Force in carrying out its duties under this title.

(j) POWERS.—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

(k) TERMINATION.—The Task Force shall terminate 2 years after the date on which all members of the Task Force have been designated under subsection (b)(1).

Subtitle F—Miscellaneous Provisions

SEC. 461. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

(a) IN GENERAL.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "and" at the end of clause (i); and

(B) by striking clause (iii);

(2) by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph:

"(B) in the case of any nonresidential property, including churches—

"(i) $100,000 aggregate liability for each structure; and

"(ii) $100,000 aggregate liability for any contents related to each structure;";

(3) by striking subparagraph (C) of paragraph (1);

(4) in paragraph (2), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount, including the limits specified in clause (i) of paragraph (1)(A), of $250,000 multiplied by the number of dwelling units in the building;";

(5) in paragraph (3), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount of $90,000 for any single-family dwelling and $240,000 for any residential structure containing more than one dwelling unit;"; and

(6) by striking paragraph (4) and inserting the following new paragraph:

"(4) in the case of any nonresidential property, including churches, additional flood insurance in excess of the limits specified in clauses (i) and (ii) of paragraph (1)(B) shall be made available to every insured upon renewal and every applicant for insurance up to an amount of $2,400,000 for each structure and $2,400,000 for any contents related to each structure; and".

(b) ACTUARIAL RISK PREMIUMS ON REPETITIVE LOSS STRUCTURES.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (5), by striking "and" at the end; and

(2) by striking paragraph (6) and inserting the following new paragraph:

"(6) upon determining that a property is a repetitive loss structure, and after making a payment to the insured under section 1304(e), the Director shall charge the applicable risk premium rate for flood insurance based on consideration of the risk involved and accepted actuarial principles under section 1307(a)(1), except that the Director may not increase the premium rate above the level authorized in paragraph (7); and".

(c) ANNUAL 10-PERCENT PREMIUM RATE INCREASE CAP.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended by adding at the end the following:

"(7) the Director may not increase the premium rate applied to a structure in any 12-month period by more than 10 percent over the rate previously applied to that structure during the preceding 12-month period.".

(d) CONFORMING AMENDMENTS.—Section 1306(b)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)(5)) is amended—

(1) by striking "(A), (B), or (C)" and inserting "(A) or (B)"; and

(2) by striking "(1)(C),".

SEC. 462. ADDITIONAL COVERAGE FOR COMPLIANCE WITH LAND USE AND CONTROL MEASURES.

(a) IN GENERAL.—Section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) The national flood insurance program established pursuant to subsection (a) shall enable the purchase of insurance to cover the cost of compliance with land use and control measures for—

"(1) properties that are repetitive loss structures;

"(2) properties that have flood damage in which the cost of repairs equals or exceeds 50 percent of the value of the structure at the time of the flood event; and

"(3) properties that have sustained flood damage on multiple occasions, if the Director determines that it is cost-effective and in the best interests of the National Flood Insurance Fund to require compliance with the land use and control measures.

The Director shall impose a surcharge on each insured of not more than $50 per policy to provide cost of compliance coverage in accordance with the provisions of this subsection.".

(b) APPLICABILITY.—The provisions of subsection (a) shall apply only to structures that sustain flood-related damage after the date of enactment of this title.

SEC. 463. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Section 1345(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(b)) is amended by striking the period at the end and inserting the following: "and without regard to the provisions of the Federal Advisory Committee Act.".

SEC. 464. UPDATING OF FLOOD INSURANCE RATE MAPS.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsections:

"(e) ASSESSMENT OF NEED TO UPDATE AREAS.—

"(1) PERIODIC ASSESSMENTS.—Not less than once during each 5-year period (the first such period beginning on the date of enactment of the National Flood Insurance Reform Act of 1994), or more often as the Director determines necessary, the Director shall assess the need to revise and update each flood insurance rate map, based on an analysis of all natural hazards affecting flood risks.

"(2) UPON REQUEST.—Upon the request of a State or community stating that a flood insurance rate map needs revision or updating, the Director shall review and update the flood insurance rate map for the State or community. The Director may require the State or community to pay a portion of the cost of updating the map.

"(f) AVAILABILITY.—To promote compliance with the requirements of this title, the Director shall make flood insurance rate maps and related information available free of charge to Federal agencies and to State agencies directly responsible for coordinating the National Flood Insurance Program and to appropriate representatives of communities participating in the National Flood Insurance Program, and at a reasonable cost to all other persons pursuant to section 1310.

"(g) NOTIFICATION.—The Director shall publish in the Federal Register or by other comparable method, notice of each revision to or update of a flood insurance rate map, issued in the form of a Letter of Map Amendment or Letter of Map Revision. Each map revision or update shall become effective upon publication. Such comparable methods shall include all pertinent information, provide for regular and frequent distribution, and be at least as accessible to map users as the Federal Register. Notices published in the Federal Register, or otherwise, shall also include information on how to obtain copies of the revisions or updates.

"(h) AVAILABILITY.—On March 1 and October 1 of each year, the Director shall publish separately and make available in their entirety within a compendium, all revisions to and updates of flood insurance rate maps and all Letters of Map Amendment and Letters of Map Revision that were published in the Federal Register or distributed through other comparable methods during the preceding 6 months, free of charge, to Federal agencies, States, and communities participating in the National Flood Insurance Program pursuant to section 1310 and at cost to all other persons.".

SEC. 465. EVALUATION OF EROSION HAZARDS.

(a) IN GENERAL.—As soon as practicable and not later than 2 years after the date of enactment of this Act, the Director shall submit to Congress a report—

(1) listing all communities that are likely to be identified as having an erosion hazard areas;

(2) estimating the amount of flood insurance claims attributable to erosion;

(3) assessing the full economic impact of erosion on the National Flood Insurance Fund;

(4) measuring the costs and benefits of expenditures necessary from the National Flood Insurance Fund to complete mapping of erosion hazard areas.

(b) AUTHORIZATION TO MAP EROSION HAZARD AREAS.—In developing an estimate of the amount of flood insurance claims attributable to erosion pursuant to subsection (a), the Director is authorized to map a statistically valid and representative number of communities with erosion hazard areas throughout the United States, including coastal, Great Lakes and riverine areas.

(c) ECONOMIC IMPACT STUDY.—The report required under subsection (a)—

(1) shall assess the economic impact of—

(A) erosion in communities likely to be identified as having erosion hazard areas; and

(B) the denial of flood insurance and the establishment of actuarial rates in communities likely to be identified as having erosion hazard areas.

(2) shall be prepared by an independent private sector firm,

(3) provide for consultation with a statistically valid and representative number of communities likely to be identified as having erosion hazard areas; and

(4) address all significant economic factors, including the impact on—

(A) the value of residential and commercial properties in communities with erosion hazards;

(B) community tax revenues due to potential changes in property values or commercial activity;

(C) employment, including the potential loss or gain of existing and new jobs in the community;

(D) existing businesses and future economic development; and

(E) the estimated cost of Federal and State disaster assistance to flood victims.

(d) COST AND BENEFITS OF MAPPING.—The report required under subsection (a), shall—

(1) measure the costs and benefits of mapping erosion hazard areas based upon the Director's estimate of the actual and prospective amount of flood insurance claims attributable to erosion. If the Director determines that the savings to the National Flood Insurance Fund will exceed the cost of mapping erosion hazard areas, the Director shall assess whether the expenditures to map erosion hazard areas is the most cost-beneficial use of flood insurance premiums in light of alternative uses of those funds, including—

(A) funding the mitigation assistance program under section 1367 of the National Flood Insurance Act of 1968 (as added by section 443 of this Act);

(B) funding additional coverage for compliance with land use and control measures under section 1304(b) of the National Flood Insurance Act of 1968 (as added by section 462 of this Act); and

(C) revising and updating flood insurance rate maps under section 1360(e) of the National Flood Insurance Act of 1968 (as added by section 464 of this Act).

(2) measure the costs and benefits of mapping erosion, other than those directly related to the financial condition of the National Flood Insurance Program, and the cost of not mapping erosion.

(e) DEFINITION.—For purposes of this section the term "erosion hazard area" means, based on erosion rate information and other historical data available, an area where erosion or avulsion is likely to result in damage to or loss of buildings and infrastructure within a 60-year period.

(f) AUTHORIZATION OF APPROPRIATION.—There are authorized to be appropriated to the Director $5,000,000 to carry out this section.

SEC. 466. COORDINATION OF FLOOD INSURANCE RATE MAP REVISIONS AND UPDATES WITH COASTAL ZONE MANAGEMENT PROGRAMS.

(a) IN GENERAL.—In the implementation of revisions to and updates of flood insurance rate maps, the Director shall consult and share information with the Under Secretary of Commerce for Oceans and Atmosphere and representatives from State coastal zone management programs.

SEC. 467. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established a council to be known as the Technical Mapping Advisory Council (hereafter in this section referred to as the "Council").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall consist of the Director, or the Director's designee, and 12 additional members to be appointed by the Director or his designee, and shall include—

(A) the Under Secretary of Commerce for Oceans and Atmosphere (or his or her designee);

(B) a member of recognized surveying and mapping professional associations and organizations;

(C) a member of recognized professional engineering associations and organizations;

(D) a member of recognized professional associations or organizations representing flood hazard determination firms;

(E) a representative of the United States Geologic Survey;

(F) a representative of State geologic survey programs;

(G) a representative of State national flood insurance coordination offices;

(H) a representative of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; and

(I) a representative of a regulated lending institution.

(2) Qualifications.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) Duties.—The Council shall—

(1) make recommendations to the Director on how to improve in a cost-effective manner the accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps;

(2) recommend to the Director mapping standards and guidelines for flood insurance rate maps; and

(3) transmit an annual report to the Director describing—

(A) the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as established by the amendments made under section 464; and

(C) a summary of recommendations made by the Council to the Director.

(d) Chairperson.—The members of the Council shall elect 1 member to serve as the chairperson of the Council (hereafter in this section referred to as the "Chairperson").

(e) Coordination.—To ensure that the Council's recommendations are consistent to the maximum extent practicable with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to OMB Circular A-16).

(f) Compensation.—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(g) Meetings and Actions.—

(1) In general.—The Council shall meet not less than twice each year at the request of the Chairperson or a majority of its members and may take action by a vote of the majority of the members.

(2) Initial meeting.—The Director, or a person designated by the Director, shall request and coordinate the initial meeting of the Council.

(h) Officers.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(i) Staff of the Federal Emergency Management Agency.—Upon the request of the Chairperson, the Director may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(j) Powers.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research as it considers appropriate.

(k) Termination.—The Council shall terminate 5 years after the date on which all members of the Council have been appointed under subsection (b)(1).

SEC. 468. FUNDING FOR INCREASED ADMINISTRATIVE AND OPERATIONAL RESPONSIBILITIES.

(a) Availability of Fund.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)), as amended by section 432, is amended in the matter preceding paragraph (1), by inserting "(except as otherwise provided)" after "without fiscal year limitation".

(b) Credits of Fund.—Section 1310(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) any penalties collected under section 102(f) of the Flood Disaster Protection Act of 1973; and".

SEC. 469. SEPARATE ACCOUNT FOR NATIONAL FLOOD INSURANCE FUND.

Section 1310(a) of the National Flood Insurance Act (42 U.S.C. 4017(a)) is amended by inserting before "which shall be available" the following: "which shall be maintained in the Treasury as an account separate from any other funds available to the Director, and".

SEC. 470. NONWAIVER OF FLOOD PURCHASE REQUIREMENT FOR RECIPIENTS OF FEDERAL DISASTER ASSISTANCE.

Section 311(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5154(b)) is amended by adding at the end the following: "The requirements of this subsection may not be waived under section 301.".

SEC. 471. INSURANCE WAITING PERIOD.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended by adding at the end the following new subsection:

"(e)(1) The Director shall establish a waiting period of not less than 10 days from the presentment of payment of a premium for the initial purchase of flood insurance under this title. Flood insurance coverage shall not be available with respect to any claim for damage incurred during such waiting period.

"(2) This subsection shall not apply to the initial purchase of flood insurance under this title when the purchase of insurance is in connection with the making, increasing, extension, or renewal of a loan.".

SEC. 472. AGRICULTURAL STRUCTURES.

Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

"(d) Agricultural Structures.—

"(1) Exemption from floodway activity restrictions.—Notwithstanding any other provision of law, the adequate land use and control measures adopted in an area (or subdivision thereof) pursuant to section 1315(a) may provide, at the discretion of the appropriate State or local authority, for the repair and restoration to pre-damaged conditions of an agricultural structure that—

"(A) is a repetitive loss structure; or

"(B) has incurred flood-related damage to the extent that the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

"(2) Definitions.—For purposes of this subsection—

"(A) the term 'agricultural structure' means any structure used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities; and

"(B) the term 'agricultural commodities' means agricultural commodities and livestock.".

SEC. 473. IMPLEMENTATION REVIEW BY THE DIRECTOR.

Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027) is amended—

(1) by striking "The Director" and inserting "(a) In General.—The Director"; and

(2) by adding at the end the following new subsection:

"(b) Effects of Flood Insurance Program.—The Director shall include, as part of the biennial report submitted under subsection (a), a chapter reporting on the effects on the flood insurance program observed through implementation of requirements under the National Flood Insurance Reform Act of 1994.".

SEC. 474. REGULATIONS.

The Director and the head of any appropriate Federal agency may each issue any regulations necessary to carry out the applicable provisions of this title and the applicable amendments made by this title.

SEC. 475. PROHIBITED FLOOD DISASTER ASSISTANCE.

(a) General Prohibition.—Notwithstanding any other provision of law, no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently having failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

(b) Amendment to the Flood Disaster Protection Act of 1973.—Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) is amended—

(1) By striking ", during the anticipated economic or useful life of the project,"; and

(2) By adding at the end of the following: "The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property.".

(c) Definition.—For purposes of this section, the term "flood disaster area" means an area with respect to which—

(1) the Secretary of Agriculture finds, or has found, to have been substantially affected by a natural disaster in the United States pursuant to section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. Section 1961(a)); or

(2) the President declares, or has declared, the existence of a major disaster or emergency pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.), as a result of flood conditions existing in or affecting that area.

DOLE AMENDMENT NO. 1542

Mr. RIEGLE (for Mr. DOLE) proposed an amendment to the bill S. 1275, supra; as follows:

At the end of title III, add the following new section:

SEC. . CONSUMER SURVEYS AND REPORTS.

(a) Surveys.—Not later than 6 months after the date of enactment of this Act, the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) and the Secretary of Housing and Urban Development shall jointly conduct an objective and statistically valid survey of financial services consumers to determine the general public awareness of, perceived benefits to consumer of, and effectiveness of the Federal banking laws under which the Federal banking agencies and Department of Housing and Urban Development operate that are intended for the protection of such consumers, including—

(1) the Expedited Funds Availability Act;

(2) the Truth in Lending Act;

(3) the Truth in Savings Act;

(4) the Real Estate Settlement Procedures Act of 1974;

(5) the Home Mortgage Disclosure Act of 1975;

(6) the Equal Credit Opportunity Act;

(7) the Community Reinvestment Act of 1977;

(8) the Home Equity Loan Consumer Protection Act;

(9) the Fair Credit and Charge Card Disclosure Act; and

(10) the rules and regulations promulgated under those banking laws.

(b) Consultation.—In developing such a survey, the Federal banking agencies and the Secretary of Housing and Urban Development shall consult with consumer groups, insured depository institutions, other lenders, and any other interested parties.

(c) Informaiton for Surveyed Consumers.—The survey shall provide for distribution to participating consumers a summary explanation of the Federal banking law being surveyed and how each is currently being implemented.

(d) Report.—Not later than 60 days after completion of its survey under subsection (a), the Federal banking agencies and the Secretary of Housing and Urban Development shall submit a report of the results of their survey to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

DORGAN AMENDMENT NO. 1543

Mr. RIEGLE (for Mr. Dorgan) proposed an amendment to the bill S. 1275, supra; as follows:

On page 43, line 16, strike "or".

On page 43, line 20, strike the period at the end and insert "; or".

On page 43, between lines 20 and 21, insert the following:

(D) is located in an area which is not a metropolitan statistical area and which has experienced a decrease in population of not less than 10 percent (as determined in the most recent decennial census) between 1980 and 1990.

DOLE AMENDMENT NO. 1544

Mr. RIEGLE (for Mr. Dole) proposed an amendment to the bill S. 1275, supra; as follows:

At the end of title III, add the following new section:

SEC. ___. OFFSET OF COSTS OF CERTAIN PROGRAMS.

(a) HUD Multifamily Housing Disposition Process.—

(1) Findings.—The Congress finds that—

(A) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(B) the inventory of multifamily housing projects owned by the Secretary has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(C) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(D) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(E) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(F) over 5 million families today have a critical need for housing that is affordable and habitable; and

(G) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(2) Management and Disposition of Multifamily Housing Projects.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) Goals.—The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

"(A) preserving housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

"(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) Definitions.—For purposes of this section, the following definitions shall apply:

"(1) Multifamily Housing Project.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) Subsidized Project.—The term 'subsidized project' means a multifamily housing project receiving any of the following types of assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

"(ii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975); or

"(iii) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) Formerly Subsidized Project.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) Unsubsidized Project.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(c) Management or Disposition of Property.—

"(1) Disposition to Purchasers.—The Secretary is authorized, in carrying out this section, to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational staff and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) Contracting for Management Services.—The Secretary is authorized, in carrying out this section—

"(A) to contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

"(iv) meeting such other requirements as the Secretary may determine; and

"(B) to require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

"(d) Maintenance of Housing Projects.—

"(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY THE SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

"(e) REQUIRED ASSISTANCE.—In carrying out the goal specified in subsection (a)(3)(A), the Secretary shall take not less than one of the following actions:

"(1) CONTRACT WITH OWNER.—Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available, with owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary.

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING CERTAIN ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this subparagraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8; and

"(iii) the Secretary shall take actions to ensure the availability and affordability, as defined in paragraph (3)(B), for the remaining useful life of the project, as defined by the Secretary, of any unit located in any project referred to in subparagraphs (A) through (C) of subsection (b)(2) that does not otherwise receive project-based assistance under this subparagraph. To carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining affordability, as defined in paragraph (3)(B).

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING OTHER ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the authorities referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this paragraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8.

"(C) EXCEPTIONS TO SUBPARAGRAPHS (A) AND (B).—In lieu of providing project-based assistance under subparagraph (A) or (B), the Secretary may require certain units in unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

"(i) the Secretary matches any reduction in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) with at least an equivalent increase in units made affordable to very low-income persons within unsubsidized projects;

"(ii) low-income tenants residing in units otherwise requiring project-based assistance under subparagraph (A) or (B) upon disposition receive section 8 tenant-based assistance; and

"(iii) the units described in clause (i) are located within the same market area.

"(D) CONTRACT REQUIREMENTS FOR UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in unsubsidized projects, the contract shall at least be sufficient to provide—

"(i) project-based rental assistance for all units that are covered or were covered immediately before foreclosure or acquisition by an assistance contract under—

"(I) section 8(b)(2) of the United States Housing Act of 1937 (as such section existed before October 1, 1983) (new construction and substantial rehabilitation); section 8(b) of such Act (property disposition); section 8(d)(2) of such Act (project-based certificates); section 8(e)(2) of such Act (moderate rehabilitation); section 23 of such Act (as in effect before January 1, 1975); or section 101 of the Housing and Urban Development Act of 1965 (rent supplements); or

"(II) section 8 of the United States Housing Act of 1937, following conversion from section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for tenants currently residing in units that were covered by an assistance contract under the Loan Management Set-Aside program under section 8(b) of the United States Housing Act of 1937 immediately before foreclosure or acquisition of the project by the Secretary.

"(2) ANNUAL CONTRIBUTION CONTRACTS.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that there is available in the area an adequate supply of habitable affordable housing for low-income families. Actions taken pursuant to this paragraph may be taken in connection with not more than 10 percent of the aggregate number of units in subsidized or formerly subsidized projects disposed of by the Secretary annually.

"(3) OTHER ASSISTANCE.—

"(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms which will ensure that—

"(i) at least those units otherwise required to receive project-based section 8 assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) DEFINITION.—A unit shall be considered affordable under this paragraph if—

"(i) for very low-income tenants, the rent for such unit does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for family size; and

"(ii) for low-income tenants other than very low-income tenants, the rent for such unit does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for family size.

"(C) VERY LOW-INCOME TENANTS.—The Secretary shall provide assistance under section 8 of the United States Housing Act of 1937 to any very low-income tenant currently residing in a unit otherwise required to receive project-based assistance under section 8, pursuant to subparagraph (A), (B), or (D) of paragraph (1), if the rents charged such tenants as a result of actions taken pursuant to this paragraph exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937.

"(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF THE SECRETARY.—

"(A) IN GENERAL.—Enter into an agreement providing for the transfer of a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an owner or another appropriate entity for use of the project under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(B) REQUIREMENTS FOR AGREEMENT.—The agreement described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to assure use of the project under the public housing, section 202, and section 811 programs; and

"(ii) ensure that no current tenant will be displaced as a result of actions taken under this paragraph.

"(f) OTHER ASSISTANCE.—In addition to the actions authorized by subsection (e), the Secretary may take any of the following actions:

"(1) SHORT-TERM LOANS.—Provide short-term loans to facilitate the sale of multifamily housing projects to nonprofit organizations or to public agencies if—

"(A) authority for such loans is provided in advance in an appropriations Act;

"(B) such loans are for a term of not more than 5 years;

"(C) the Secretary is presented with satisfactory documentation, evidencing a commitment of permanent financing to replace such short-term loan, from a lender who meets standards set forth by the Secretary; and

"(D) the terms of such loans are consistent with prevailing practices in the marketplace or the provision of such loans results in no cost to the Government, as defined in section 502 of the Congressional Budget Act.

"(2) TENANT-BASED ASSISTANCE.—In connection with projects referred to in subsection (e), make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families (as defined in section 3(b)(2) of the United States Housing Act of 1937) that do not otherwise qualify for project-based assistance.

"(3) ALTERNATIVE USES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to notice to and comment from existing tenants, allow not more than—

"(i) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) DISPLACEMENT PROTECTION.—The Secretary shall make available tenant-based rental assistance under section 8 of the United States Housing Act of 1937 to any tenant displaced as a result of actions taken by the Secretary pursuant to subparagraph (A), and the Secretary shall take such actions as the Secretary determines necessary to ensure the successful use of any tenant-based assistance.

"(g) AUTHORIZATION OF USE OR RENT RESTRICTIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to contain use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(h) CONTRACT REQUIREMENTS.—

"(1) CONTRACT TERM.—

"(A) IN GENERAL.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be for a term of not more than 15 years; and

"(B) CONTRACT TERM OF LESS THAN 15 YEARS.—Notwithstanding subparagraph (A), to the extent that units receive project-based assistance for a contract term of less than 15 years, the Secretary shall require that rents charged to tenants for such units not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years.

"(2) CONTRACT RENT.—

"(A) IN GENERAL.—The Secretary shall set contract rents for section 8 project-based rental contracts issued under this section at levels that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

"(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

"(i) provide project-based section 8 rental assistance; and

"(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

"(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

"(i) DISPOSITION PLAN.—

"(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall reflect the intended use of the property after sale.

"(2) COMMUNITY AND TENANT INPUT INTO DISPOSITION PLANS AND SALES.—

"(A) IN GENERAL.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

"(B) TENANT ORGANIZATIONS.—The Secretary shall develop procedures to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity or to public or nonprofit entities which represent or are affiliated with existing tenant organizations.

"(C) TECHNICAL ASSISTANCE.—

"(i) USE OF FUNDS.—To carry out the procedures developed under subparagraphs (A) and (B), the Secretary is authorized to provide technical assistance, directly or indirectly, and to use amounts appropriated for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section for the provision of technical assistance under this section.

"(ii) SOURCE OF FUNDS.—Recipients of technical assistance funding under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section shall be permitted to provide technical assistance to the extent of such funding under any of such programs or under this section, notwithstanding the source of funding.

"(j) RIGHT OF FIRST REFUSAL.—

"(1) PROCEDURE.—

"(A) NOTIFICATION BY SECRETARY OF THE ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a project, the Secretary shall notify the unit of general local government and the State agency or agencies designated by the Governor of the acquisition of such title.

"(B) EXPRESSION OF INTEREST.—Not later than 45 days after receiving notification from the Secretary under subparagraph (A), the unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

"(C) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has expressed interest in the project before the expiration of the 45-day period referred to in subparagraph (B), and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for a project, shall notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan and give the unit of general local government or designated State agency not more than 90 days after the date of such notification to make an offer to purchase the project.

"(D) NO TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency does not express interest before the expiration of the 45-day period referred to in subparagraph (B), or does not substantiate an expressed interest if requested, the Secretary, upon approval of a disposition plan, may offer the project for sale to any interested person or entity.

"(2) ACCEPTANCE OF OFFERS.—Where the Secretary has given the unit of general local government or designated State agency 90 days to make an offer to purchase the project, the Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (e). If the Secretary and the unit of general local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

"(3) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

"(4) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

"(A) the requirements of paragraphs (2) and (3) of section 203(e) as such paragraphs existed immediately before the effective date of this subsection; or

"(B) the requirements of paragraphs (1) and (2) of this subsection, if the Secretary gives the unit of general local government or designated State agency—

"(i) 45 days to express interest in the project; and

"(ii) if the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

"(k) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

"(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. In the case of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

"(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall assure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

"(l) MORTGAGE AND PROJECT SALES.—

"(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary; or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that may require competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized projects on such terms and conditions as the Secretary may prescribe.

"(m) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, which report shall include—

"(1) the name, address, and size of each project;

"(2) the nature and date of assignment;

"(3) the status of the mortgage;

"(4) the physical condition of the project;

"(5) an occupancy profile of the project, including the income, family size, and race of current residents as well as the rents paid by such residents;

"(6) the proportion of units in a project that are vacant;

"(7) the date on which the Secretary became mortgagee in possession;

"(8) the date and conditions of any foreclosure sale;

"(9) the date of acquisition by the Secretary;

"(10) the date and conditions of any property disposition sale;

"(11) a description of actions undertaken pursuant to this section, including—

"(A) a comparison of results between actions taken after enactment of the Housing and Community Development Act of 1993 and actions taken in years prior to such enactment;

"(B) a description of any impediments to the disposition or management of multifamily housing projects, together with a recommendation of proposed legislative or regulatory changes designed to ameliorate such impediments;

"(C) a description of actions taken to restructure or commence foreclosure on delinquent multifamily mortgages held by the Department; and

"(D) a description of actions taken to monitor and prevent the default of multifamily housing mortgages held by the Federal Housing Administration;

"(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States, including—

"(A) the costs associated with such delegation;

"(B) the implications of contracting out or delegating such functions for current Department field or regional personnel, including anticipated personnel or work load reductions;

"(C) necessary oversight required by Department personnel, including anticipated personnel hours devoted to such oversight;

"(D) a description of any authority granted to such public or private entities or States in conjunction with the functions that have been delegated or contracted out or that are not otherwise available for use by Department personnel; and

"(E) the extent to which such public or private entities or States include tenants of multifamily housing projects in the disposition planning for such projects;

"(13) a description of the activities carried out under subsection (j) during the preceding year; and

"(14) a description and assessment of the rules, guidelines, and practices governing the Department's management of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession) as well as the steps that the Secretary has taken or plans to take to improve the management performance of the Department.".

(3) EFFECTIVE DATE.—The Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this subsection. The notice shall invite public comments, and the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

(b) REPEAL OF THE NATIONAL SMALL BUSINESS TREE PLANTING PROGRAM.—Section 24 of the Small Business Act (15 U.S.C. 651) is repealed.

CRAIG AMENDMENT NO. 1545

Mr. D'AMATO (for Mr. CRAIG) proposed an amendment to the bill S. 1275, supra; as follows:

SEC. SIMPLIFIED DISCLOSURE FOR EXISTING DEPOSITORS.

(a) IN GENERAL.—Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is amended to read as follows:

"(3) ACKNOWLEDGEMENT OF DISCLOSURE.—

"(A) NEW DEPOSITORS.—With respect to any depositor who was not a depositor at the depository institution before June 19, 1994, receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

"(i) the institution is not federally insured; and

"(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

"(B) CURRENT DEPOSITORS.—Receive any deposit after the effective date of this paragraph for the account of any depositor who was a depositor before June 19, 1994, only if—

"(i) the depositor has signed a written acknowledgement described in subparagraph (A); or

"(ii) the institution has complied with the provisions of subparagraph (C) which are applicable as of the date of the deposit.

"(C) ALTERNATIVE PROVISION OF NOTICE TO CURRENT DEPOSITORS.—

"(i) IN GENERAL.—Transmit to each depositor who was a depositor before June 19, 1994, and has not signed a written acknowledgement described in subparagraph (A)—

"(I) a card containing the information described in clauses (i) and (ii) of subparagraph

(A), and a line for the signature of the depositor; and

"(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.

"(ii) MANNER AND TIMING OF NOTICE.—

"(I) FIRST NOTICE.—Make the transmission described in clause (i) via first class mail within 90 days after June 19, 1994.

"(II) SECOND NOTICE.—Make a 2d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (I), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.

"(III) THIRD NOTICE.—Make a 3d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (II), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.".

(b) EFFECTIVE DATE.—Section 43(b)(3) of the Federal Deposit Insurance Act, as amended by subsection (a), shall take effect in accordance with section 151(a)(2)(D) of the Federal Deposit Insurance Corporation Improvement Act of 1991.

BRYAN (AND OTHERS) AMENDMENT NO. 1546

Mr. RIEGLE (for Mr. BRYAN for himself, Mr. D'AMATO, Mr. DOMENICI, Mr. BURNS, and Mr. MACK) proposed an amendment to the bill S. 1275, supra; as follows:

On page 160, between lines 6 and 7, insert the following new section:

SEC. . COMMERCIAL MORTGAGE RELATED SECURITIES.

(a) IN GENERAL.—Section 3(a)(41)(A)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)(A)(i)) is amended—

(1) by striking "or on a residential" and inserting "on a residential"; and

(2) by inserting before the semicolon ", or on one or more parcels of real estate upon which is located one or more commercial structures".

(b) AMENDMENT TO THE REVISED STATUTES.—Paragraph Seventh of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the twelfth sentence, by striking "(15 U.S.C. 78c(a)(41))), subject to such regulations" and inserting "(15 U.S.C. 78c(a)(41)). The exception provided for the securities described in subparagraphs (A), (B), and (C) shall be subject to such regulations".

(c) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Comptroller of the Currency shall promulgate final regulations, in accordance with the thirteenth sentence of Paragraph Seventh of section 5136 of the Revised Statutes (as amended by subsection (b)), to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective upon the date of promulgation of final regulations under subsection (c).

(e) STATE OPT OUT.—Notwithstanding the amendments made by this section, a note that is directly secured by a first lien on one or more parcels of real estate upon which is located one or more commercial structures shall not be considered to be a mortgage related security under section 3(a)(41) of the Securities Exchange Act of 1934 in any State that, prior to the expiration of 7 years after the date of enactment of this Act, enacts a statute that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided by the amendments made by this subsection. The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior thereto, and shall not require the sale or other disposition of any securities acquired prior thereto.

MITCHELL (AND DOLE) AMENDMENT NO. 1547

Mr. MITCHELL (for himself and Mr. DOLE) proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place insert the following:

SEC. . It is the sense of the Senate that—

(a) Congress has a constitutional obligation to conduct oversight of matters relating to the operations of the government, including matters related to any governmental investigations which may, from time to time, be undertaken.

(b) The Majority Leader and the Republican Leader should meet and determine the appropriate timetable, procedures, and forum for appropriate Congressional oversight, including hearings on all matters related to "Madison Guaranty Savings and Loan Association ('MGS&L'), Whitewater Development Corporation and Capital Management Services Inc. ('CMS')."

(c) No witness called to testify at these hearings shall be granted immunity under sections 6002 and 6005 of Title 18, United States Code, over the objection of Special Counsel Robert B. Fiske, Jr.

(d) The hearings should be structured and sequenced in such a manner that in the judgment of the Leaders they would not interfere with the ongoing investigation of Special Counsel Robert B. Fiske, Jr.

METZENBAUM AMENDMENT NO. 1548

Mr. METZENBAUM proposed an amendment to the bill S. 1275, supra; as follows:

At the appropriate place in the committee substitute insert the following:

It is the sense of the Senate that:

No insurer shall enter into a transfer agreement or transfer a contract of insurance pursuant to a transfer agreement unless the transferring insurer has first provided or caused to be provided to each policyholder of the insurer affected by the agreement a notice of the intent of the insurer to transfer the contract of insurance held by such policyholder.

(b) FORM OF NOTICE.—The notice shall be sent by first-class mail, addressed to the last known address of the policyholder or to the address to which premium notices or other policy documents are sent or, with respect to home service business, by personal delivery with acknowledged receipt. A notice of intent to transfer shall also be sent to the transferring insurer's agent or broker of record on the affected policy.

(c) CONTENT OF NOTICE.—The notice required by subsection (a) shall state or provide—

(1) the date the intended transfer and novation of the contract of insurance of the policyholder is proposed to take place and become effective;

(2) the name, address, and telephone number of the transferring insurer and the assuming insurer under the proposed transfer agreement;

(3) that the transfer and novation of the insurance contract of the policyholder cannot take effect without the written consent of the policyholder, except as provided in section 5 of this Act;

(4) the procedures and any time limitation for consenting to the transfer and novation;

(5) a summary informing the policyholder regarding any adverse effect that the policyholder might experience as a result of consenting to the transfer and novation;

(6) a statement that, without the written consent of the policyholder, the transferring insurer will remain as the insurance company of the policyholder or beneficiary, except as provided in section 5 of this Act;

(7) a statement that the assuming insurer is licensed to write the type of business being transferred in the State where the policyholder resides, or is otherwise authorized, under applicable law, to assume such business;

(8) the name, address, and telephone number of the person designated by the transferring insurer as the person for receiving the written consent of the policyholder affected by the proposed transfer and novation;

(9) the address and telephone number of the chief insurance regulatory official of the State in which the policyholder resides;

(10) financial data for the transferring insurer and the assuming insurer involved in the proposed transfer agreement, including—

(A)(i) the ratings, together with enough information to understand where the ratings fall within the range of rating categories of each rating agency, for the last 5 years, if available, or if not available for 5 years, for such lesser period as is available, from each nationally recognized insurance company rating organization that has rated the insurer, including an explanation of the meaning of each rating category of each rating organization;

(ii) if ratings are unavailable for any year of the 5-year period, a disclosure of this fact; and

(iii) a statement that any or all of the above insurance company rating organization reports may be obtained at no cost by writing or calling an address or phone number listed in the statement;

(B) a balance sheet as of December 31 for each of the 3 years immediately preceding the notice, if available, or for such lesser period as is available, and as of the date of the most recent quarterly statement;

(C) a copy of the Management's Discussion and Analysis that was filed as a supplement to the annual statement of the preceding year; and

(D) an explanation of the reason for the proposed transfer signed by the highest executive official of the transferring insurer and the assuming insurer;

(11) a statement setting forth the financial condition of the transferring insurer and of the assuming insurer under the proposed transfer agreement, and the effect the transaction will have on the financial condition of each such insurer;

(12) an opinion by a disinterested third-party expert, such as an actuary, finding that the transfer is fair and in the best interests of the policyholders affected by the transfer, and a statement that the report on

which the opinion is based is available at no cost by writing or calling an address and phone number listed in the statement;

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION APPROPRIATIONS AUTHORIZATION ACT

LIEBERMAN AMENDMENT NO. 1549

Mr. FORD (for Mr. LIEBERMAN) proposed an amendment to the bill (H.R. 2139) to amend title 44, United States Code, to authorize appropriations for the National Historical Publications and Records Commission; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 2504(f)(1) of title 44, United States Code, is amended—

(1) in subparagraph (B), by striking out "and" after the semicolon;

(2) in subparagraph (C), by striking out the period and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new subparagraphs:

"(D) $6,000,000 for fiscal year 1994;

"(E) $7,000,000 for fiscal year 1995;

"(F) $8,000,000 for fiscal year 1996; and

"(G) $10,000,000 for fiscal year 1997.".

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. PRYOR. Mr. President, I rise today to announce a hearing to be held next Tuesday in the Senate Governmental Affairs Committee. I ask unanimous consent that the full text of the hearing announcement be placed in the RECORD.

Mr. President, I could continue speaking at length about the importance of upholding a strong and independent operational testing office in the DOD. Instead I would ask unanimous consent to place in the RECORD a copy of a well-written editorial from the January 17, 1994 edition of Defense News. I urge my colleagues in the Senate to read this editorial and seriously consider its important message.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PENTAGON OPERATIONAL TESTING OFFICE TO BE FOCUS OF HEARING MARCH 16, 1994

WASHINGTON.—The Senate Federal Services, Post Office and Civil Service Subcommittee will hold a hearing on Tuesday, March 22, to examine proposals that could weaken the Pentagon's independent Office of Operational Testing and Evaluation (OT&E). The hearing will begin at 10:30 a.m. in Room 342 of the Dirksen Senate Office Building.

"Independent testing is critical to the acquisition of cost-effective weapons that our troops can rely on in combat," said Pryor, who is chairman of the subcommittee.

"Our operational testers provide the integrity needed to make sure that billions of dollars are not wasted on weapons that do not work or that faulty weapons do not land in the hands of our troops," the senator said.

Many of the current testing proposals included in procurement reform initiatives being presented to Congress this year appear to be designed to weaken the authority and the effectiveness of independent testing.

Pryor and Sen. William V. Roth, R-Del., were the authors of the 1983 legislation which created OT&E as an independent operational testing office. The two senators now want to make sure that current testing initiatives do not undermine the testing office's ability to promote the acquisition of cost-effective weapons.

Defense Undersecretary John Deutch has been invited to testify at the hearing. Other witnesses include: Lou Rodrigues, an official with the General Accounting Office; and Russell Murray, a former assistant defense secretary in the Carter administration.

COMMENTARY: TESTS PROVIDE INTEGRITY

After 10 years the Pentagon's independent weapon testing office is under attack in the U.S. Congress. All efforts should be made on Capitol Hill and the Department of Defense to not only block efforts to weaken the Office of Operational Test and Evaluation, but to strengthen operational testing as a more effective tool in the acquisition process.

Foremost, leadership on this issue has to come from the top—President Bill Clinton needs to name a director of operational testing, sending a signal that vigorous, independent testing of weapon systems will not be weakened.

With the intention of streamlining the Pentagon bureaucracy, Congress has approved legislation to eliminate the direct reporting link of the testing director to the defense secretary.

Legislation pending in the Senate would make it easier for Pentagon officials to bypass some of the rigid tests now required for new aircraft, missiles and other weapons.

Such a course will reverse a decade of building a culture in the Pentagon that views independent operational testing as an integral part of the acquisition process.

Independent testing is an important mechanism for making the best use of scarce defense dollars for the production of more effective weapons systems.

For example, the Navy's Airborne Self Protection Jammer (ASPJ) was canceled after Congress in November approved an amendment prohibiting funding for the program because it failed operational testing.

As defense budget dollars are squeezed, there is no luxury to warehouse expensive weapon systems after repeated failures.

But the most important reason for maintaining the integrity and strength of the independent testing office is the U.S. soldier, who must rely on weapons designed to operate at peak efficiency under strenuous combat conditions. That's one of the reasons the office was created in the wake of the Vietman War.

Instead of diluting independent testing, this cornerstone of the 'fly-before-you-buy' concept should be strengthened.

That is the bipartisan position taken by senators David Pryor, D-Ark., and William Roth, R-Del. Senator Pryor is considering congressional hearings on the testing issue—a good idea that can help clarify the issues before lawmakers.

In particular, Congress should push for testing earlier in the procurement process to blunt the criticism that independent testing comes too late—that it ends up becoming a program showstopper.

Getting the Office of Operational Test and Evaluation involved early in the acquisition process doesn't mean you have the office establishing operational requirements. But it does mean independent testing becomes a part of the development and acquisition process, not an afterthought.

Legislation is not necessarily the answer, but Congress and the Pentagon should explore ways to bolster the cultural change in the Pentagon so operational testing is viewed not as a showstopper, but as an integral part of the program and a tool to develop and field better weapons.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Thursday, March 17, 1994, at 9:30 a.m., in open session to consider the following pending military nominations:

Vice Adm. Leighton W. Smith, Jr., USN, for appointment to the grade of admiral and to be commander in chief, Allied Forces Southern Europe/commander in chief, U.S. Naval Forces Europe.

Maj. Gen. Wesley K. Clark, USA, for appointment to the grade of lieutenant general and to be director for strategic plans and policy of the joint staff.

Rear Adm. John B. LaPlante, USN, for appointment to the grade of vice admiral and to be director for logistics of the joint staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to conduct a Hearing on S. 1822, the Communications Act of 1994, on March 17, 1994, beginning at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Finance be permitted to meet today, March 17, 1994, Saint Patrick's Day, at 10 a.m. to hear testimony on the subject of health care premiums and subsidies.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations, be authorized to meet during the session of the Senate on Thursday, March 17, 1994, at 10 a.m. to hold a business meeting to vote on pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Thursday, March 17, 1994, at

9:30 a.m. for a hearing on the subject: Contract and Financial Management at DOE.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Thursday, March 17, 1994.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, March 17, 1994, at 9:30 a.m., to hold a hearing to receive testimony on Title I, Reform of the Senate, of S. 1824, the Legislative Reorganization Act of 1994.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Thursday, March 17, 1994, at 2:30 p.m. The committee will hold a full committee hearing on the Small Business Administration's Microloan Demonstration Program and SBA's Business Development Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. FORD. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive legislative presentations from the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, and Non Commissioned Officers Association. The hearing will be held on March 17, 1994, at 9:30 a.m. in room 345 of the Cannon House Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. FORD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, March 17, 1994 at 2:30 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SENATE CONCURRENT RESOLUTION 34

• Mr. GORTON. Mr. President, I am speaking today on behalf of the hundreds of small, high-technology companies in Washington State and throughout the Nation which, through their innovative entrepreneurial activity, provide much needed jobs and economic opportunities to people in their local communities. Because of their positive impact on the economy of the Nation, and the important technological advances they produce, I am a strong supporter of these businesses.

These companies have been successful due, in part, to their use of employee stock options. Many high-technology companies grant stock options to their employees in lieu of larger salaries. Stock options enable companies to recruit high-quality employees without having to offer the enormous salaries such employees deserve. Instead, companies are able to offer prospective employees the option to buy stock in the company at a set price in the future. It is startup firms that benefit the most from stock options. Stock options enable small firms to begin operations with significantly less cash than would otherwise be required.

In April 1993, the Financial Accounting Standards Board [FASB] proposed a new rule requiring companies to determine the value of employee stock options using a complicated options-pricing model and to include this value as an expense on their income statement.

The FASB proposal, by requiring companies to deduct the value of stock options from their reported earnings, would cause a major reduction in reported earnings, diminishing the value of the companies' stock. This change could turn investors away from these companies.

In effect, this proposed change in accounting rules could prove extremely harmful to the high technology industry. The many small high technology firms that use stock options will have the choice of continuing this policy at the real risk of losing investors or eliminating the practice of granting stock options at the risk of losing high quality employees. Either way, the FASB rule would create unwarranted havoc in this vitally important industry and have the net effect of dampening the local economies in which these firms are based.

In my travels across Washington State, I have listened to the concerns of small businesses. These firms have told me that FASB's proposed change in accounting procedures will hurt their businesses. They have asked me to assist them in defeating the FASB proposal.

In response to my constituents' concerns, I have decided to join my colleagues in cosponsoring Senate Concurrent Resolution 34, a resolution which asks the Financial Accounting Standards Board to reconsider its proposed change in accounting rules in light of its grave economic consequences. I trust that this sense of the Senate will encourage FASB officials to rethink their decision.

Mr. President, the new accounting rule proposed by the Financial Accounting Standards Board has the potential to damage an important sector of our economy—a sector which should be encouraged, not hindered, in its expansion.•

GENERAL AVIATION REVITALIZATION ACT

• Mr. DASCHLE. Mr. President, I would like to take a moment to comment briefly on the aviation liability legislation that the Senate passed yesterday, as well as on product liability reform in general.

I voted for Senator KASSEBAUM's bill because of my deep concern for the future of general aviation in this country. The United States was once the undisputed leader in the production of general aviation aircraft. During the past 10 years, however, approximately 100,000 jobs have been lost in the general aviation manufacturing industry. Particularly hard hit has been the production of light piston-engine aircraft. This is the type of aircraft that many pilots in South Dakota use for their charter companies and crop-dusting operations.

Although a variety of factors have contributed to the decline of the domestic general aviation industry, the need for product liability reform is the reason most often cited for this development by South Dakota pilots, aircraft manufacturers, and labor organizations alike. As a pilot and a Representative of the largely rural State of South Dakota, I am sympathetic to their argument that this important domestic industry should not be punished by our inability to reach consensus on the much more complex issue of comprehensive product liability reform.

As you know, Senator KASSEBAUM's initial proposal called for a 15-year time limit on civil actions for damages that may be brought against general aviation manufacturers or the manufacturers of component parts. After substantial debate and negotiation, Senator KASSEBAUM made a number of important refinements in her bill that address many of the concerns that have been raised about it.

Perhaps most importantly, Senator KASSEBAUM agreed to extend the statute of repose to 18 years. Also the compromise bill will not prevent lawsuits against those manufacturers who willfully conceal manufacturing defects. And it will not prevent passengers injured on medevac aircraft or people injured on the ground from bringing civil actions against general aviation manufacturers or the manufacturers of component parts.

This amended version of the General Aviation Revitalization Act passed by a vote of 91 to 8. The fact that this legislation was supported by some of the Senate's strongest opponents of product liability reform is significant. It reflects the fact that the revised measure constitutes an honorable compromise between those concerned about our declining general aviation manufacturing industry and those concerned about efforts to reform product liability.

Finally, let me clarify what my vote on the Kassebaum aviation liability bill does not mean. It does not mean that I will support any product liability proposal that comes before the Senate. Nor does it mean that I plan to start down a path of supporting product liability reform on a piecemeal basis.

The product liability debate centers on the complex challenge of reconciling the rights of injured plaintiffs and the need to relieve the burden of frivolous lawsuits on business. There is no question, in my view, that Congress is going to have to face this challenge sooner or later. This issue is not going to go away.

For that reason, I voted in the last Congress to bring product liability reform legislation to the Senate floor for debate, despite reservations I had about the committee bill. Only by debating this issue will we be able to decide, at least, whether or not we are going to reform product liability law and, if so, how.●

CAROL ANN SHUDLICK, BIG TEN BASKETBALL PLAYER OF THE YEAR

● Mr. DURENBERGER. Mr. President, this past Monday the women's coaches of the Big Ten Conference chose University of Minnesota senior Carol Ann Shudlick as the Big Ten Basketball Player of the Year. This recognition is richly deserved. The fact that coaches of rival teams bestowed upon her such an honor only adds to Carol Ann's reputation as the premier player in Division I women's basketball.

A native of Apple Valley, MN, Carol Ann has quietly become a vital member of a Golden Gophers team which is participating in its first-ever NCAA Women's Basketball Tournament. Over the years, she has racked up over 2,000 points in becoming the all-time leading scorer in U. of M. basketball history. In addition to her recognition as Player of the Year, she has also been named a member of the All-Big Ten Conference Team, Sports Channel's Player of the Year, Street and Smith preseason All-American, as well as Big Ten Player of the Week on three occasions during the 1993–1994 season.

But it is the content of her character which sets Carol Ann apart. When we as fans watch these gifted athletes we have a tendency to make them into one-dimensional beings who only exist for 2 hours on a Saturday afternoon. We often forget that they have so much to offer as individuals. This is the other side of Carol Ann which is often talked about amongst her peers. It is my belief that the self-discipline, work ethic, and maturity which have led her to the pinnacle of her sport will be even more useful to her when she graduates from the University of Minnesota.

Mr. President, as Carol Ann and her teammates prepare for Saturday's second round game against Vanderbilt, I again want to congratulate her on being chosen as Big Ten Player of the Year. I am proud of all she has accomplished, and I know this is only the beginning of a successful and productive future.●

THE PROVIDENCE COLLEGE MEN'S BASKETBALL TEAM AND THE BROWN UNIVERSITY WOMEN'S BASKETBALL TEAM

● Mr. CHAFEE. Mr. President, I want to congratulate the Providence College basketball team for winning the Big East conference championship this past weekend in New York City.

Sunday's appearance in the Big East tournament finals was a first for Providence College—and they made the most of it with an impressive 74 to 64 win over Georgetown University on Sunday afternoon.

Providence College was founded by the Dominican Order of Preachers in 1917 and has had a rich 75-year history of excellence in both the classroom and on the basketball court. In a recent survey of American colleges by U.S. News & World Report, Providence College was ranked 15th among the finest regional colleges and universities in the northern United States. Our distinguished colleague, the senior Senator from Connecticut, Senator DODD, is just one example of the top quality graduates that emerge from the college.

This past weekend, however, it was the Providence College basketball team that inspired the school's 3,700 students—and indeed the entire State of Rhode Island. With a fourth place finish in the Big East regular season, the Friars were considered by most to be an underdog in the tournament. After all, the PC team had never advanced beyond the tournament's semifinal game.

But Providence finished its regular season play with five straight victories and entered the tournament playing its best basketball of the season. Led by Providence native Abdul Abdullah of Providence's Central High School, the Friars made believers of all of us with three more consecutive victories over Villanova University, the University of Connecticut—who came into the game with a No. 2 ranking in national polls—and Georgetown.

As a result of Providence's Big East conference championship, the school was awarded the Dave Gavitt trophy. Dave Gavitt—a resident of East Providence, RI—was the former Providence College coach that coached the 1973 PC basketball team to the final four of the NCAA tournament. He was also the first commissioner of the Big East and the driving force behind the conference's success.

As a result of its Big East championship and its outstanding play, the PC team has been invited to participate in this week's NCAA tournament. The team is scheduled to play Alabama in Lexington, KY tonight. We wish them the best of luck—and look for them to extend their 8 game winning streak.

Despite its success, the Providence College is not the Only Rhode Island team scheduled to play in the 1994 NCAA basketball tournament. The Ivy League Champion Brown University women's basketball team has also been invited to the NCAA's. I want to extend my best wishes and congratulations to the Brown team as well.

Congratulations and three cheers for both of these teams which have stirred such pride in Rhode Island for their achievements.●

Mr. FORD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EXON). Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. FORD. Mr. President, I ask unanimous consent the Senate proceed to executive session to consider the following nomination: Calendar 744, Robert M. Walker, of West Virginia, to be an Assistant Secretary of the Army.

I ask further unanimous consent that nomination be considered; that any statement appear in the RECORD as if read; that the motion to reconsider be laid upon the table; that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and agreed to is as follows:

Robert M. Walker, of West Virginia, to be an Assistant Secretary of the Army.

STATEMENT ON THE CONFIRMATION OF MIKE WALKER TO THE POSITION OF ASSISTANT SECRETARY OF THE ARMY

Mr. BYRD. Mr. President, the Senate has confirmed Mr. Michael Walker, who resides near Charles Town, WV, to be Assistant Secretary of the Army. I was pleased to see that President Clinton nominated Mike Walker to become Assistant Secretary of the Army and I congratulate him on his confirmation. The expertise Mike has developed and the extraordinary work ethic he has demonstrated in the past 15 years as the Senate Appropriations Committee's expert on military construction will serve him well as the Army's new top official for installations, logistics, and environmental policy.

Mike began his congressional service as a page in the U.S. House of Representatives in the mid-1960's. He subsequently served as assistant to the late Congressman Joe L. Evins. Upon Congressman Evins' retirement in 1976, Mike began a long association with the senior Senator from Tennessee [Mr. SASSER], including his service as the principal staff person on the Committee's Military Construction Subcommittee, which is chaired by Senator SASSER.

In addition to his duties to the Senate Appropriations Committee, Mike has also assisted special U.S. task forces in the Persian Gulf and Central America. He has applied his international affairs expertise while a military affairs adviser to several Senate delegations to the former Yugoslavia, Eastern Europe, Somalia, and Asia.

Mike's service in the U.S. Army National Guard should also be helpful to him in his new assignment, as it was in the Senate.

Mr. President, Mike is the son of Dorothy Walker, a former newspaper editor in Martin, TN. She certainly must be proud of the confidence that President Clinton has displayed in her son by nominating him for this very important position.

It has been my experience that individuals who serve on the staff of the Appropriations Committee must spend long hours away from their families. This requires no small amount of sacrifice on the part of family members, and Mike's wife, Romy, is to be commended in this regard.

I again congratulate Mike Walker upon his well-deserved appointment. While his insights and hard work will be sorely missed here, I am confident that Mike will continue to serve the United States with great distinction and dedication in his new role as Assistant Secretary of the Army. I look forward to working with him in that capacity.

MILITARY NOMINATIONS AND PROMOTIONS

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the military nominations and promotions reported today by the Committee on Armed Services. I further ask unanimous consent that the nominees be confirmed en bloc; that any statements appear in the RECORD as if read; that upon confirmation, the motions to reconsider be laid upon the table en bloc; that the President be immediately notified of the Senate's action; that the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The nominations considered and confirmed en bloc are as follows:

To be admiral

Vice Adm. Leighton W. Smith, Jr., U.S. Navy, [redacted].

Rear Admiral (lower half) Douglas Matthew Moore, USNR to be rear admiral.

In the Army there are 1,564 promotions to the grade of major (list begins with Lawrence J. Abrams).

Brigadier General Bobby G. Hollingsworth, USMCR to be major general.

In the Marine Corps there are 15 promotions to the grade of brigadier general (list begins with Gary S. McKissock).

Rear Admiral John B. LaPlante, USN to be vice admiral.

Rear Admiral George R. Sterner, USN to be vice admiral.

In the Marine Corps Reserve there are 2 promotions to the grade of brigadier general (list begins with Kevin B. Kuklok).

In the Navy there are 6 promotions to the grade of rear admiral (lower half) (list begins with William Robert Rowley).

In the Army there are 44 promotions to the grade of major (list begins with Gerald K. Bebber).

In the Naval Reserve there are 13 promotions to the grade of rear admiral (lower half) (list begins with William Henry Butler).

In the Air Force there are 719 promotions to the grade of colonel and below (list begins with Lawrence W. Bandoni).

Vice Admiral Robert K. U. Kihune, USN to be placed on the retired list in the grade of vice admiral.

Vice Admiral Stephen F. Loftus, USN to be placed on the retired list in the grade of vice admiral.

Brigadier General George G. Kundahl, USAR to be major general.

In the Air Force there are 18 promotions to the grade of colonel and below (list begins with Francis J. Leurquin).

In the Air Force there are 44 appointments to the grade of captain (list begins with Christopher S. Allen).

In the Army there are 10 promotions to the grade of lieutenant colonel and below (list begins with Cynthia A. Bernard).

In the Army there are 1,111 appointments to the grade of captain and below (list begins with Derek G. Abrams).

Rear Admiral Harold E. Grant, USN to be Judge Advocate General of the Navy and to be rear admiral.

Captain Carlson M. Legrand, USN to be Deputy Judge Advocate General of the Navy and to be rear admiral.

Captain Anderson Byron Holderby, Jr., USN to be rear admiral (lower half).

In the Marine Corps there are 3 promotions to the grade of lieutenant colonel (list begins with Arthur V. Gorman, Jr.).

In the Marine Corps there are 2 promotions to the grade of major (list begins with Stephen J. Gorzynski).

In the Air Force Reserve there are 76 appointments to the grade of lieutenant colonel (list begins with Philip M. Ellis).

In the Navy there are 556 appointments to the grade of commander and below (list begins with Amy J. Anderson).

In the Air Force there are 2,541 promotions to the grade of major (list begins with Ruby C. Abeyta).

Vice Admiral Kenneth C. Malley, USN to be placed on the retired list in the grade of vice admiral.

In the Naval Reserve there are 3 promotions to the grade of rear admiral (list begins with James Raymond Fowler).

Major General Wesley K. Clark, USA to be a Senior Member of the Military Staff Committee of the United Nations and to be lieutenant general.

In the Navy there are 5 promotions to the grade of rear admiral (list begins with Richard Arnold Nelson).

In the Air Force Reserve there are 20 promotions to the grade of lieutenant colonel (list begins with Russell K. Ameter).

In the Naval Reserve there are 317 promotions to the grade of captain (list begins with Ronald Eugene Adams).

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

PRINTING OF H.R. 820

Mr. FORD. Mr. President, I ask unanimous consent that H.R. 820, the National Competitiveness bill, be printed as passed the Senate on March 16.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE READ FOR THE FIRST TIME

Mr. FORD. Mr. President, I understand that S. 1951, the Reemployment Act of 1994, was introduced earlier today by Senator MOYNIHAN and others and is at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. Mr. President, I ask for its first reading.

The PRESIDING OFFICER. The bill will be read for the first time.

The legislative clerk read as follows:

A bill (S. 1951) to establish a comprehensive system or reemployment services, training and income support for permanently laid off workers, and so forth, and for other purposes.

Mr. FORD. Mr. President, I now ask for its second reading.

Mr. D'AMATO. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The bill will be held at the desk.

MEASURE READ FOR THE FIRST TIME

Mr. FORD. Mr. President, I understand that S. 1944, the Health Care Fraud and Abuse Act of 1994, introduced earlier today by Senator KOHL is at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. FORD. Mr. President, I therefore ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1944) to increase and extend criminal and other penalties for health care fraud and abuse, and for other purposes.

Mr. FORD. Mr. President, I now ask for its second reading.

Mr. D'AMATO. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. It will be held at the desk.

SMALL FAMILY FARM WEEK

Mr. D'AMATO. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 171, Small Family Farm Week, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A joint resolution (S. J. Res. 171) designating March 20 through March 26, 1994, as "Small Family Farm Week."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 171

Whereas the small family farmer contributes enormously to the agricultural productivity of the United States;

Whereas the plight of the small family farmer has been in jeopardy in recent times;

Whereas many small family farms continue to operate in the face of financial and credit difficulties;

Whereas the size and crop makeup of family farms varies from region to region in the United States; and

Whereas the small family farm represents the historical foundation of American agriculture: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of March 20 through March 26, 1994, is designated as "Small Family Farm Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON THE CALENDAR—S. 1901

Mr. FORD. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 1901, a bill relating to the purchase and eradication of swine infected with or exposed to brucellosis; and that the measure then be placed on the calendar.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION AUTHORIZATION

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 2139, the National Historical Publications and RECORDS Commission Authorization, and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report:

The legislative clerk read as follows:.

A bill (H.R. 2139) to amend title 44, United States Code, to authorize appropriations for the National Historical Publications and RECORDS Commission.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FORD. Mr. President, on behalf Senator LIEBERMAN, I send a substitute to the desk, and I ask that the amendment be agreed to and the motion to reconsider laid upon the table; that the bill, as amended, be read three times, passed and the motion to reconsider laid upon the table.

I further ask unanimous consent that the title amendment, which is at the desk, be agreed to, and the motion to reconsider laid upon the table.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

So the bill (H.R. 2139), as amended, was deemed read three times and passed.

The title was amended so as to read: "A bill to authorize appropriations for the National Historical Publications and Records Commission for fiscal years 1994, 1995, 1996 and 1997."

MEASURE INDEFINITELY POSTPONED—S. 314

Mr. FORD. Mr. President, I ask unanimous consent that Calendar No. 207, S. 314, the Senate companion, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK

Mr. FORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on a joint resolution (S.J. Res. 56) to designate the week beginning April 12, 1993, as "National Public Safety Telecommunications Week."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 56) entitled "Joint Resolution to designate the week beginning April 12, 1993, as 'National Public Safety Telecommunications Week'", do pass with the following amendments:

Page 2, line 12, strike out "April 12, 1993,", and insert: "April 11, 1994,".

Amend the title so as to read: "Joint Resolution to designate the week beginning April 11, 1994, as 'National Public Safety Telecommunications Week'.".

Mr. FORD. Mr. President, I move that the Senate concur, en bloc, in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—S. 208

Mr. FORD. Mr. President, I ask unanimous consent that the statutory time limitation for consideration of the Senate budget resolution be reduced to 35 hours; that the Senate proceed to the consideration of S. 208, Calendar No. 369, a bill to reform the concessions policies of the National Park Service, at 10 a.m. on Monday, March 21; that all amendments to that bill must be offered by the close of business on Monday; that they must be relevant to either the subject matter of the bill or the committee substitute; that no motions to recommit be in order, and that no votes occur in relation to that bill prior to Tuesday, March 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR BUDGET COMMITTEE TO REPORT ON FRIDAY, MARCH 18, 1994

Mr. FORD. Mr. President, I ask unanimous consent that the Budget Committee be permitted to report on Friday, March 18, from 3 p.m. to 6 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, MARCH 21, 1994, AT 10 A.M.

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. Monday, March 21; that following the prayer, the Journal of the proceedings be approved to date; that the time for the two leaders be reserved for their use later in the day; that at 10 a.m., the Senate proceed to the consideration of Calendar No. 369, S. 208, the parks concessions bill, as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MARCH 21, 1994, AT 10 A.M.

Mr. FORD. Mr. President, if there is no further business to come before the Senate today, and if no other Senator is seeking recognition, I now ask unanimous consent that the Senate stand in recess as previously ordered.

Mr. D'AMATO. Mr. President, I am going to make this very brief. I believe that given the historic vote of 98–0 today on the message to authorize the two leaders to meet and set forth a procedure to go forward as it relates to the oversight the Senate will be conducting relating to the Whitewater-associated matters, that was a powerful vote. It was a vote to do the right thing, a vote to follow the law, and I am proud that my colleagues undertook it in this manner.

I believe that we do the people's business best in this manner, and it is a proud day for the Senate of the United States.

I thank the Chair.

Mr. FORD. Reserving the right to object to my unanimous-consent agreement, I want to say to the Senator that that resolution contains two requirements that the Democrats had: One, that it be properly structured; and, two, we would not interfere with the special prosecutor, Mr. Fiske.

So, under those circumstances, the only things we have ever requested are now agreed to, and I hope the two leaders can meet next week and work out the procedure that will be successful.

I ask consideration now of my unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Senate, at 10:16 p.m., recessed until Monday, March 21, 1994, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 17, 1994:

DEPARTMENT OF DEFENSE

GILBERT F. DECKER, OF CALIFORNIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY, VICE STEPHEN KAY CONVER, RESIGNED.

JEFFREY K. HARRIS, OF NEW JERSEY, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE, VICE MARTIN C. FAGA.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 17, 1994:

DEPARTMENT OF DEFENSE

ROBERT M. WALKER, OF WEST VIRGINIA, TO BE AN ASSISTANT SECRETARY OF THE ARMY.

THE ABOVE NOMINATION WAS APPROVED SUBJECT TO THE NOMINEE'S COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE ON THE SENATE.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be admiral

VICE ADM. LEIGHTON W. SMITH, JR., U.S. NAVY [redacted]

IN THE ARMY

THE FOLLOWING U.S. ARMY RESERVE OFFICER FOR PROMOTION TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. GEORGE G. KUNDAHL [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A), AND AS A SENIOR MEMBER OF THE MILITARY STAFF COMMITTEE OF THE UNITED NATIONS UNDER TITLE 10, UNITED STATES CODE, SECTION 711:

To be lieutenant general

MAJ. GEN. WESLEY K. CLARK [redacted] U.S. ARMY

IN THE MARINE CORPS

THE FOLLOWING-NAMED BRIGADIER GENERAL OF THE U.S. MARINE CORPS RESERVE FOR PROMOTION TO THE PERMANENT GRADE OF MAJOR GENERAL, UNDER THE PROVISIONS OF SECTION 5912 OF TITLE 10, UNITED STATES CODE:

To be major general

BRIG. GEN. BOBBY G. HOLLINGSWORTH [redacted]Q

THE FOLLOWING-NAMED COLONELS TO THE U.S. MARINE CORPS FOR PROMOTION TO THE PERMANENT GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF SECTION 624 OF TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. GARY S. MCKISSOCK, [redacted]
COL. RAYMOND P. AYRES, JR. [redacted]
COL. EMIL R. BEDARD, [redacted]
COL. WILLIAM L. NYLAND, [redacted]
COL. MATTHEW E. BRODERICK, [redacted]
COL. TERRENCE P. MURRAY [redacted]
COL. JOSEPH T. ANDERSON [redacted]
COL. BRUCE B. BYRUM, [redacted]
COL. EARL B. HAILSTON [redacted]
COL. HARRY K. BARNES, [redacted]
COL. BRUCE B. KNUTSON, JR. [redacted]
COL. DAVID F. BICE, [redacted]
COL. DAVID M. MIZE, [redacted]
COL. ROBERT MAGNUS, [redacted]
COL. CLIFFORD L. STANLEY, [redacted]

THE FOLLOWING-NAMED COLONELS OF THE U.S. MARINE CORPS RESERVE FOR PROMOTION TO THE PERMANENT GRADE OF BRIGADIER GENERAL, UNDER THE PROVISIONS OF SECTION 5912 OF TITLE 10, UNITED STATES CODE:

To be brigadier general

COL. KEVIN B. KUKLOK, [redacted]
COL. ARNOLD L. PUNARO, [redacted]

IN THE NAVY

THE FOLLOWING-NAMED REAR ADMIRAL (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISION OF TITLE 10, UNITED STATES CODE, SECTION 5912:

SUPPLY CORPS OFFICER

To be rear admiral

REAR ADM. (LH) DOUGLAS MATTHEW MOORE, [redacted] [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN B. LAPLANTE, U.S. NAVY, [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF VICE ADMIRAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. GEORGE R. STERNER, U.S. NAVY [redacted]

THE FOLLOWING-NAMED CAPTAINS IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL (LOWER HALF), PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS

To be rear admiral (lower half)

CAPT. WILLIAM ROBERT ROWLEY, [redacted] U.S. NAVY

SUPPLY CORPS

To be rear admiral (lower half)

CAPT. KEITH WAYNE LIPPERT [redacted], U.S. NAVY
CAPT. MICHAEL PATRICK SULLIVAN, [redacted] U.S. NAVY

CIVIL ENGINEER CORPS

To be rear admiral (lower half)

CAPT. LOUIS MARTIN SMITH [redacted] U.S. NAVY

DENTAL CORPS

To be rear admiral (lower half)

CAPT. JERRY KAY JOHNSON [redacted] U.S. NAVY

NURSE CORPS

To be rear admiral (lower half)

CAPT. JOAN MARIE ENGEL [redacted] U.S. NAVY

THE FOLLOWING-NAMED CAPTAINS OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL (LOWER HALF) IN THE LINE AND STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISION OF TITLE 10, UNITED STATES CODE, SECTION 5912:

UNRESTRICTED LINE OFFICER

To be rear admiral (lower half)

CAPT. WILLIAM HENRY BUTLER, [redacted] U.S. NAVAL RESERVE
CAPT. CASEY WILLIAMS COANE, [redacted] U.S. NAVAL RESERVE
CAPT. WILLIAM JOHN LOGAN, [redacted] U.S. NAVAL RESERVE
CAPT. BRADLEY CHILTON POOLE, [redacted] U.S. NAVAL RESERVE

UNRESTRICTED LINE OFFICER, (TRAINING AND ADMINISTRATION OF RESERVE)

CAPT. STEPHEN THOMAS KEITH, [redacted] U.S. NAVAL RESERVE

AEROSPACE ENGINEERING DUTY OFFICER

CAPT. WILLIAM EDWARD HERRON, [redacted] U.S. NAVAL RESERVE

MEDICAL CORPS OFFICER

CAPT. JAN HOLLAND NYBOER, [redacted] U.S. NAVAL RESERVE
CAPT. PAUL VINCENT QUINN, [redacted] U.S. NAVAL RESERVE

DENTAL CORPS OFFICER

CAPT. ROBERT FRANKLIN BIRTCIL, JR. [redacted] U.S. NAVAL RESERVE

MEDICAL SERVICE CORPS OFFICER

CAPT. DOUGLAS LEE JOHNSON, [redacted] U.S. NAVAL RESERVE

NURSE CORPS OFFICER

CAPT. NANCY ALEEN FACKLER, 262–64–4477, U.S. NAVAL RESERVE

SUPPLY CORPS OFFICER

CAPT. THOMAS JAMES HILL, [redacted] U.S. NAVAL RESERVE

CIVIL ENGINEER CORPS OFFICER

CAPT. THOMAS JOSEPH GROSS, [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. ROBERT K.U. KIHUNE, U.S. NAVY, [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. STEPHEN F. LOFTUS, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS JUDGE ADVOCATE GENERAL OF THE NAVY AND RE-

APPOINTMENT TO THE GRADE OF REAR ADMIRAL UNDER TITLE 10, UNITED STATES CODE, SECTION 5148(B):

To be judge advocate general of the navy

To be rear admiral

REAR ADM. HAROLD E. GRANT, JUDGE ADVOCATE GENERAL'S CORPS, U.S. NAVY [redacted]

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT AS DEPUTY JUDGE ADVOCATE GENERAL OF THE NAVY AND APPOINTMENT TO THE GRADE OF REAR ADMIRAL UNDER TITLE 10, UNITED STATES CODE, SECTION 5149(A):

To be deputy judge advocate general of the navy

To be rear admiral

CAPT. CARLSON M. LEGRAND, JUDGE ADVOCATE GENERAL'S CORPS, U.S. NAVY [redacted]

THE FOLLOWING-NAMED CAPTAIN IN THE CHAPLAIN CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL (LOWER HALF), PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

CHAPLAIN CORPS

To be rear admiral (lower half)

CAPT. ANDERSON BYRON HOLDERBY, JR. [redacted] U.S. NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. KENNETH C. MALLERY, U.S. NAVY [redacted]

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) OF THE RESERVE OF THE U.S. NAVY FOR PERMANENT PROMOTION TO THE GRADE OF REAR ADMIRAL IN THE STAFF CORPS, AS INDICATED, PURSUANT TO THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 5912:

MEDICAL CORPS OFFICER

To be rear admiral

REAR ADM. (LH) JAMES RAYMOND FOWLER, [redacted] U.S. NAVAL RESERVE

JUDGE ADVOCATE GENERAL'S CORPS OFFICER

To be rear admiral

REAR ADM. (LH) FRED STEPHEN GLASS, [redacted] U.S. NAVAL RESERVE

SUPPLY CORPS OFFICER

To be rear admiral

REAR ADM. (LH) LYLE ROSS HALL, [redacted] U.S. NAVAL RESERVE

THE FOLLOWING-NAMED REAR ADMIRALS (LOWER HALF) IN THE STAFF CORPS OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF REAR ADMIRAL, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW:

MEDICAL CORPS

To be rear admiral

REAR ADM. (LH) RICHARD ARNOLD NELSON [redacted], U.S. NAVY

SUPPLY CORPS

To be rear admiral

REAR ADM. (LH) DONALD EUGENE HICKMAN [redacted], U.S. NAVY

REAR ADM. (LH) DAVID ROSS RUBLE, [redacted] U.S. NAVY

CIVIL ENGINEER CORPS

To be rear admiral

REAR ADM. (LH) THOMAS ALLAN DAMES, [redacted] U.S. NAVY

DENTAL CORPS

To be rear admiral

REAR ADM. (LH) WILLIAM HOWARD SNELL, JR., [redacted] U.S. NAVY

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING LAWRENCE W. BANDONI, AND ENDING JOHN B. ZIMMERMAN. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 2, 1994, FOR COMPLETE LIST.)

AIR FORCE NOMINATIONS BEGINNING FRANCIS J. LEURQUIN, AND ENDING STEPHEN R. CHANNEL. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 4, 1994, FOR COMPLETE LIST.)

AIR FORCE NOMINATIONS BEGINNING CHRISTOPHER S. ALLEN, AND ENDING GERALD S. WELKER. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 4, 1994, FOR COMPLETE LIST.)

AIR FORCE NOMINATIONS BEGINNING PHILIP M. ELLIS, AND ENDING GROVER N. STEIN. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 22, 1994, FOR COMPLETE LIST.)

AIR FORCE NOMINATIONS BEGINNING RUDY C. ABEYTA, AND ENDING MARIE P. ZEITLER. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 22, 1994, FOR COMPLETE LIST.)

AIR FORCE NOMINATIONS BEGINNING MAJOR RUSSELL K. AMETER, [redacted] AND ENDING MAJOR KENNETH R. WEBB, [redacted] (SEE EXECUTIVE JOURNAL PROCEEDINGS OF MARCH 7, 1994, FOR COMPLETE LIST.)

IN THE ARMY

ARMY NOMINATIONS BEGINNING LAWRENCE J. ABRAMS, AND ENDING 2800X. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF NOVEMBER 24, 1993, FOR COMPLETE LIST.)

ARMY NOMINATIONS BEGINNING GERALD K. BEBBER, AND ENDING DONALD L. WILSON. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF JANUARY 31, 1994, FOR COMPLETE LIST.)

ARMY NOMINATIONS BEGINNING *CYNTHIA A. BERNARD, AND ENDING SUSAN M. RAYMOND. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 4, 1994, FOR COMPLETE LIST.)

ARMY NOMINATIONS BEGINNING DEREK G. ABRAMS, AND ENDING DAVID C. ZENGER. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 4, 1994, FOR COMPLETE LIST.)

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING MAJOR ARTHUR V. GORMAN, JR., AND ENDING MAJOR DANIEL W. SHUPE, JR. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 22, 1994, FOR COMPLETE LIST.)

MARINE CORPS NOMINATIONS BEGINNING CAPTAIN STEPHEN J. GORZYNSKI, AND ENDING CAPTAIN MARK E. JEFFRY. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 22, 1994, FOR COMPLETE LIST.)

IN THE NAVY

NAVY NOMINATIONS BEGINNING AMY J. ANDERSON, AND ENDING HILARY VALENTINE WONG. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF FEBRUARY 22, 1994, FOR COMPLETE LIST.)

NAVY NOMINATIONS BEGINNING RONALD EUGENE ADAMS, AND ENDING DANIEL WARD MERDES. (SEE EXECUTIVE JOURNAL PROCEEDINGS OF MARCH 7, 1994, FOR COMPLETE LIST.)

HOUSE OF REPRESENTATIVES—*Thursday, March 17, 1994*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May the joy of a new day be with us,
May the love of family never depart,
May the camaraderie of friends support us,
May the opportunities of service find a way,
May responsibilities be seen as a privilege,
May we be loyal to all that is good and devoted to all that is right.
May Your blessing, O God, be over us,
And may Your grace nurture us along life's way. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The gentlewoman from Ohio [Ms. PRYCE] will lead us in the Pledge of Allegiance.

Ms. PRYCE of Ohio led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 820. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 820) "An Act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance manufacturing technology development and transfer, to authorize appropriations for the Technology Administration of the Department of Commerce, including the National Institute of Standards and Technology, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. ROCKEFELLER, and Mr. DANFORTH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1458. An act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize up to 21 Members on each side for 1 minutes.

TRIBUTE TO SACAJAWEA

(Ms. DANNER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DANNER. Mr. Speaker, in studying the history of Missouri, we always pause to pay tribute to two men, Meriwether Lewis and William Clark, who were commissioned by President Jefferson to explore the West. All along the routes they took, we have marked the trails with their names to honor their bravery. But just in case you might have forgotten, it was Sacajawea—a woman—who showed them the way.

Sacajawea was a Shoshoni, who had been captured by the Mandan tribe as a young girl. Because of this, she was familiar with the Rocky Mountains area and knew the language of several tribes. She was 16, married to a Canadian trader and mother to a new baby son when she joined the Lewis and Clark expedition.

Sacajawea proved most valuable to the group many times, in many ways, The baby, whom Lewis and Clark feared would be a hindrance, also proved valuable because Indian tribes would not attack the group since the Indians knew that because they had a woman and a baby with them, they were not a war party.

The journey was difficult; temperatures were often 30 to 40 degrees below zero, and at times the snow was almost 2 feet deep. However, Sacajawea was never a burden to the expedition; rather she was the calm, level-headed individual who keep them going.

When the expedition ended, she lived in the village of St. Louis for many years before eventually returning to the Mandan tribe. She had five additional children and lived to be 100 years old.

Today, Sacajawea is the most memorialized woman in the United States, with more monuments, statues, rivers and mountain passes named in her honor than any other female.

Although, many other great women influenced Missouri's history after Sacajawea, none has ever captured our imagination as she has done.

NEANDERTHAL ATTITUDE

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, yesterday the gentleman from California [Mr. STARK] suggested that our distinguished colleague, the gentlewoman from Connecticut [Mrs. JOHNSON], gained her expertise on health care from pillow talk. He was referring to the fact that the spouse of the gentlewoman from Connecticut is a doctor.

Pillow talk? Mr. Speaker, here is a message for the gentleman from California [Mr. STARK]: This is the 1990's, not the 1950's. That sort of attitude went out with hula hoops, bobby sox, and Sandra Dee movies.

You have to wonder about the peculiar attitude of the gentleman from California [Mr. STARK] toward women. Mr. Speaker, is his thinking so grounded in the past that he cannot adapt to the present? Is that the reason he supports a Government-run medicine scheme that history has already proved to be unworkable?

Mr. Speaker, in any event, Chairman STARK owes the gentlewoman from Connecticut [Mrs. JOHNSON] and all the women of the House an apology.

Let us keep the health care debate where it should be—on the floor of the Congress.

WOMEN'S HISTORY MONTH

(Ms. SHEPHERD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SHEPHERD. Mr. Speaker, when Mattie Hughes Cannon came to Washington, DC in 1898 she testified in Congress on behalf of women's suffrage. At the time she was a Utah State Senator. She had won her seat in 1896—the first woman in the country elected to a state senate. On her trip to Washington

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

she commented, "Utah received her full share of honor and recognition, and was acknowledged to be in the vanguard of progress." That is not far from the truth today.

A century later, 2 of 29 State senators and 12 of 75 State representatives put women at about 13 percent in the Utah legislature. Congress, with 7 of 100 Senators and 48 of 435 Representatives, almost reaches the Utah standard. Yet, despite our limited number, women have made a difference in the 103d Congress as Mattie Hughes Cannon did in the Utah Senate's second legislative session more than a century ago.

My hat is off to Mattie Hughes Cannon and the many women like her that we celebrate during Women's History Month. Through their stories we are inspired to continue our efforts to open doors that have been shut to all women for far too long.

THE TOP TEN LIST

(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PRYCE of Ohio. Mr. Speaker, here are Congressman PETE STARK's 10 top excuses for his comments made yesterday to his colleague, the gentlewoman from Connecticut [Mrs. JOHNSON].

As you may recall, he said that the gentlewoman from Connecticut [Mrs. JOHNSON] received her medical degree through pillow talk.

Excuse No. 10, "I was hallucinating."

Excuse No. 9, "Early start to St. Patrick's Day."

Excuse No. 8, "Talking about that famous medical school, Pillow Talk University."

Excuse No. 7, "I meant "pillow" in the very best sense of the word."

Excuse No. 6, "Flashback to the 1950's movie "Pillow Talk;" he thought the gentlewoman from Connecticut [Mrs. JOHNSON] was Doris Day."

Excuse No. 5, "It was not me. It was my evil twin Paul."

Excuse No. 4, "I did not realize the mike was on."

Excuse No. 3, "I said what?"

Excuse No. 2, "I used to get it, but I did not get it, but I get it now. Really."

The Congressman's No. 1 excuse, "There is no excuse."

In this Women's History Month, this is a sad piece of history.

LASTING PEACE IN NORTHERN IRELAND

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, as I rise on this St. Patrick's Day I think it only appropriate that we take this opportunity to double our efforts to help end the violence and division in Northern Ireland.

On this day of celebrating all that is Irish, it is sad to watch so many people—our people—suffer the degradation of discrimination and the anguish of everyday violence.

This year, however, we have reason to hope—to hope that a peaceful and united Ireland is within our reach.

I believe we have reached a crossroads in this conflict and that it is our responsibility not to let this opportunity for peace slip away.

The Downing Street declaration was certainly a historic moment in the history of this struggle and it is crucial that the impetus behind this agreement is not lost.

I had the opportunity to speak with the great Irish statesman John Hume this past weekend. John has been fighting many years for a principle that many people are only just beginning to accept.

He believes that lasting peace in Northern Ireland will never be achieved through the barrel of a gun—it will be achieved through negotiations.

I happen to agree with him. That is what I want to push for; that is what I hope all of us in this room will demand—an end to the killing and an end to the violence.

□ 1010

THOUGHTS ON HEALTH CARE DEBATE

(Ms. MOLINARI asked and was given permission to address the House for 1 minute.)

Ms. MOLINARI. Mr. Speaker, I would like to congratulate all 8 Members of Congress who debated health care last night. They did a great job, and they are a credit to our institution.

One person, however, excelled in her argument and displayed a true understanding of the dangerous implications of the President's health care bill.

How ironic that Representative NANCY JOHNSON should have been demeaned by the Democratic gentleman from northern California, who stated earlier that day that she gained her medical expertise through pillow talk because she is married to a doctor. What, in fact, was Mr. STARK trying to imply, relegating a Congresswoman's information source to pillow talk?

Mr. Speaker, I do not know; maybe Mr. STARK needs to get a little more sleep.

ZORA WAS HER NAME

(Mrs. MEEK of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Speaker, I rise today in celebration of women's history month and in celebration of the life and the contributions of a great black woman writer and a great Floridian.

Have you ever heard of a shooting star that lit up the night skies, fell to Earth—and then rose again, soaring higher and brighter than ever? Such a star was Zora Neale Hurston.

Born in 1891, Zora's star flashed across the heavens during the 1930's and 1940's in a dazzling literary display that had all the world taking notice. She was a writer whose everyday life revolved around her kin-folks and skin folks.

She was an anthropologist, with a keen consciousness of cultural equity, trained to interpret one culture to another. However, contrary to much of the social science thinking of her day, she saw nothing pathological about black life in the rural south. She did not view black people as deviating from a white cultural norm.

Zora once wrote:

> Nothing that God ever made is the same thing to more than one person. That is natural. There is no single face in nature, because every eye that looks upon it, sees it from its own angle. So every man's spice box seasons his own food.

Zora was her name.

Born in the all black town of Eatonville, FL, this pioneering role model—a woman who rejected sexist roles—traveled some of the roughest and most remote parts of the rural South with only a handgun, a $2 dress, and suitcase full of courage. Zora was a liberated women who was ahead of her time. She graduated from Barnard College, and became a Guggenheim Fellow, a writer for the Saturday Review, the American Mercury, and the Saturday Evening Post, a book reviewer for the New York Times and the New York Herald Tribune. She had style and was flamboyant in an intellectual way. Zora was her name.

Zora Neale Hurston's life was a celebration of black life—indeed, a celebration of life itself. She drew from the deep well of black Africa the spirit that nourished the roots of black America and sustained us all. An enigma, this accomplished black woman who, fired by her mother's exhortation to "jump at de sun," hurdled the barriers of race, sex, and poverty to become an even brighter star, But her star faded and she died in 1960 poor and in virtual obscurity. An untethered spirit, however, Zora's star rose again in the 1980's and glided on wings of imagination, transforming the backroads of the 1920's and 1930's South into living words of color and rhythm.

Her work pointed out that African-American folklore expresses for black people the human possibilities of their particular way of life. She wrote that one way of life need never feels inferior to another, because it contains its own unique expression of a universal humanity. Zora was her name.

Zora Neale Hurston: anthropologist; folklorist; novelist; impassioned poet—hoodoo priestess of the black South; the flamboyant Princess Zora, companion to novelist Fannie Hurst; contributor to the 1920's Harlem renaissance in arts and literature; drama instructor; playwright; singer; dancer—and, at times, cook, housemaid, manicurist, and waitress. She was a great Floridian, and indeed, a great American.

Yes, Zora Neale Hurston was her name.

SEXUAL HARASSMENT?

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I, too, want to address the remarks made by our friend and colleague, Chairman PETE STARK.

Mr. Speaker, these remarks to our colleague, Congresswoman JOHNSON, were really way out of line and beneath his dignity as chairman.

But, I see no humor in the situation. Perhaps this is because I, too, am the wife of a physician and I am deeply offended by this sexist slur.

Let me ask, is the wife of the chairman and the wives of all our colleagues to be denied a political opinion or a position on health care reform because they are married to Members of Congress?

Is he asserting that all wives are victims of "Pillow talk brain washing?"

I have seldom heard publicly expressed such a sexist remark. At least not in public and not when conducting committee business.

In fact, Mr. Speaker, if he had made such a remark in the private sector on the job he would have been justifiably accused of sexual harassment.

Mr. STARK owes all the wives in America an apology.

ST. PATRICK'S DAY PRAYER: PEACE IN NORTHERN IRELAND

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, during the last 36 months the world has witnessed extraordinary change at a breathtaking pace. The dismantling of the Berlin Wall, the demise of the Soviet Union, majority rule in South Africa, and most recently, the historic talks between Israel and the Palestine Liberation Organization. The season of peace and democracy seems to be among us. On this day when we celebrate the birth of St. Patrick, let us renew our efforts to finally bring peace and justice to Northern Ireland.

For there is now a chance to end the bloody sectarian strife that has killed more than 3,000 men, women, and children during the past 25 years. An effective framework for dialog between all parties and all traditions may now exist. On both islands there is palpable desire to end this bitter conflict. And those concerned about the fate of Northern Ireland, both here in the United States and elsewhere, are hopeful that the days of the gun and the bomb may be numbered.

Mr. Speaker, history reminds us that partition simply does not work, whether it is in Vietnam, Korea, or Germany. The legitimate aspirations of people simply cannot be denied. The British have to accept the fact that they cannot defeat the Irish Republican Army, and the IRA has to accept the fact that they cannot defeat the 17,000 British troops who now occupy the six counties of Northern Ireland. This stalemate is simply no longer acceptable, and must be expeditiously resolved.

As Irish-Americans come together today to recognize their history and culture, let us hope that when St. Patrick's Day is celebrated next year that the violence in the north will have ended, and that a peaceful, unified Ireland will be a reality.

ST. PATRICK'S DAY HOPE: AN END TO BRITISH OPPRESSION IN NORTHERN IRELAND

(Mr. KING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KING. Mr. Speaker, there is more to St. Patrick's Day than green beer, green hats, Irish jokes. The fact is, as my colleague, the gentleman from Massachusetts [Mr. NEAL] said, this is the longest-running struggle in the Western World. Fortunately, in 1993, under the leadership of Jerry Adams and John Hume, the Irish people forged a coalition to speak with unity against the British oppression in Northern Ireland.

Fortunately, on December 15, the Irish Prime Minister, Mr. Reynolds, and the British Prime Minister, Mr. Major, came forth with the Downing Street declaration. This is an important step forward, but it is not the final step.

More has to be done, and it requires the help and assistance of good people in the United States and good peoples throughout the world.

Unfortunately, Mr. Speaker, for too long the world has been quiet. In fact, there is a Northern Ireland folk song which asks:

> Where are you now when we need you?
> What burns where the flame used to be?
> Are you gone like the snows of last winter?
> Lonely our rivers run free.

Mr. Speaker, for too long it has only been the rivers in Ireland that have been free, it has not been the people. I would just ask that all the good people of our country come together in 1994 to stand with Mr. Adams and Mr. Hume and all those in Ireland who demand an end to British injustice, an end to British oppression so that finally after 825 years of oppression and misrule, injustice, the people of Ireland finally will be free and every last British soldier will finally leave Irish soil.

JEFFREY DAHMER HAS MORE RIGHTS THAN TAXPAYERS? NOT

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Jeffrey Dahmer, the mass murderer, was recently asked if he felt any different now as far as his behavior with the victims that he had executed. And Jeffrey Dahmer says, "I don't have to answer any questions." When he was pressed further, Jeffrey Dahmer says, "Look, there is a Constitution, and I have rights too." I have rights too, Congress?

Jeffrey Dahmer has constitutional rights, but a taxpayer accused of simple fraud is guilty and has to prove themselves innocent. No wonder the American people are sick and tired and fed up with the Congress that protects and guarantees the rights of Jeffrey Dahmers but turns its back on their own taxpayers who keep this guy Dahmer well fed in jail.

Beam me up, Congress. Sign discharge petition No. 12. The Constitution says you are innocent until proven guilty, and I think taxpayers, the last I heard, were American citizens.

WELL-ORGANIZED

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, a few days ago the First Lady accused Republicans of launching a well-organized effort to undermine the President with the Whitewater affair. Well organized? I have been a Republican a long, long time, and I have heard lots of adjectives applied to the Republican Party, but never well organized. That has never been one of those adjectives.

Not only are the First Lady's comments laughable, but all weekend long Bill Clinton went around the country whining about how mistreated he is. They remind me of the conspiracy theories of the Ross Perot campaign for President. No, Republicans are not launching a well-organized campaign to get the President; we are, however, trying to get the facts.

Full disclosure, I do not think that is too much to ask. But there seems to be a well-organized effort to stonewall Congress and the American people from getting those facts.

I urge the administration to stop acting guilty and start acting responsibly.

Let us get at the truth so that we can put this affair behind us.

□ 1020

THE IMPROVING ECONOMY

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, it has been a long, hard winter, but spring is almost here, and the news on the economic front continues to improve.

Inflation is down. Housing starts are up. Unemployment is down. Consumer confidence is up. And there is good news coming out of Detroit.

The current issue of Fortune Magazine arrived in my office yesterday. The cover story: "The New Golden Age of Automobiles." Why U.S. cars and trucks will keep charging ahead.

Detroit has reinvented itself, says Fortune. "Improved industry performance, weakened overseas competition, and a superb array of redesigned cars and trucks all point to a new golden age." Too rosy a scenario? Probably not.

Mr. Speaker, the auto industry is responding to the low interest rates and the positive economic conditions in this country. The Big Three are beginning to hire again. Mr. Speaker, we must continue to make the tough decisions that will nurture this recovery and put our people back to work in good, high-paying jobs.

SPECIAL INTERESTS AND SPENDING

(Mr. ALLARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLARD. Mr. Speaker, every time we attempt to do the responsible thing and either cut spending or pass a balanced budget amendment we get flooded with letters from every special interest group under the Sun opposing us.

Now we are getting letters from these groups opposing the balanced budget amendment. Of course, they all tell us that they support a balanced budget, but oppose a constitutional amendment. Many of them say Congress should just cut spending.

The interesting thing however is that many of these special interest groups were the same ones sending us letters last fall opposing the $90 billion Penny-Kasich spending cut package.

They cannot have it both ways. Let us stop listening to the special interests and pass a balanced budget amendment.

THE CLINTON ADMINISTRATION IS PUTTING OUR ECONOMY BACK ON TRACK

(Mr. VISCLOSKY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VISCLOSKY. Mr. Speaker, 2 million jobs have been created during the first 13 months of the Clinton administration. This more than doubles the job creation of the previous 4 years under George Bush. Our economy is back on track.

The economy is improving because of a real and honest economic plan that cut spending, reduced the deficit, and increased consumer confidence.

Last year, business investment expanded at the fastest rate since 1972.

By December 1993, housing starts were up 25 percent from July and real spending on household durable goods was more than 11 percent higher in the fourth quarter of 1993.

We are back on track, but there is a great deal of work to be done.

Mr. Speaker, the economic lessons are clear. Even on St. Patrick's Day, the luck of the Irish and budgetary gimmicks are no substitute for real, honest action provided by the Clinton administration and a Democrat Congress.

CONSTITUTIONAL AMENDMENT NECESSARY FOR CONGRESS TO CONTROL ITS SPENDING APPETITE

(Mr. HUTCHINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTCHINSON. Mr. Speaker, Congress has shown itself incapable of restraining spending and it is time to enshrine in our Constitution a requirement for a balanced budget.

Opponents argue that it trivializes the Constitution to include budget issues in it. While I agree that a constitutional amendment is not the ideal course—that would be for Congress to display the discipline to control its spending appetite—but while not ideal, it is necessary.

On a scale of comparative risks, the risk is far greater in rejecting a balanced budget amendment. We cannot just wait and take our chances. I remember what the old curmudgeon said when the scientists warned him that Mount St. Helens might erupt. He said, "I've been here nearly 60 years and it ain't blown yet." He now lies under 40 feet of volcanic ash, and our economy will be buried under a mountain of debt if we do not act now.

So for our children and their children, I urge my colleagues to support a balanced budget amendment. Reject those who say, "It's not blown yet." Let us act now.

IRELAND AND THE VISA WAIVER PILOT PROGRAM

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, as Chairman of the Friends of Ireland, I extend to all my wishes for a happy St. Patrick's Day. On this day no one needs to be reminded of the close cultural and historical ties between the United States and Ireland. Yet the Nonimmigrant Visa Waiver Pilot Program extends advantages to virtually all western European citizens, while denying participation to our close friends, the Irish. I will soon be introducing legislation with the gentleman from Kentucky [Mr. MAZZOLI] which will eliminate the visa requirements for the Irish.

The Nonimmigrant Visa Waiver Pilot Program permits nationals of certain countries to apply for admission to the United States for up to 90 days without having to obtain a visitor's visa. This September, the review and update of the Visa Waiver Pilot Program will take place again. Since the last review in 1990, the overstay rates for Irish citizens on nonimmigrant visas has declined considerably. In 1991, it was just 1.2 percent. In 1992, it improved to a mere .08 percent. These overstay rates are considerably lower than many countries already in the program.

I urge my colleagues to support the inclusion of Ireland in the Visa Waiver Policy Program and put an end to the unfairness.

SPINNING OUT OF CONTROL

(Mr. LINDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, Tuesday, in another example of spin control spinning out of control, the President blamed Republicans for the Whitewater affair.

What else will he blame Republicans for? His tax increase? His dead-on-arrival health plan? His nonexistent crime bill? HIs invisible welfare plan?

Mr. Speaker, the President should not blame others for his own missteps.

He should not accuse Republicans for fomenting hysteria when it's the White House that has created the appearance of coverup.

He should not lash out at the media when there were several questionable activities in Arkansas that created the appearance of conflict of interest.

And he should not claim credit for appointing a special prosecutor when it was clear he did not want to do it in the first place.

Mr. Speaker, one White House aide got it right when he said, "The damage control team created more damage than control." The President should not blame Republicans for that.

STOP THE VIOLENCE IN IRELAND

(Mr. HINCHEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HINCHEY. Mr. Speaker, as we celebrate St. Patrick's Day, we observe that all around the world the last vestiges of colonialism and colonial rule have disappeared or are disappearing. Free people are determining their own future in their own land. Here in this House and across our country we celebrate the self-determination of people and the spirit of our own independence hard won more than 200 years ago.

There is one glaring, sad exception to this almost universal escape to freedom. It is the longest standing occupation of one nation by another in modern history. It is time for it to end.

Ireland is one country, one people. It is time to stop the violence fed by bigotry in Ireland, time for the British Government to leave Ireland so the Irish people can rule themselves in their own land.

REMEMBER THE PEOPLE OF NORTHERN IRELAND

(Mr. BLUTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUTE. Mr. Speaker, I would like to wish a happy St. Patrick's Day to my constituents in Massachusetts, and say that today, many of us will celebrate our Irish heritage by wearing green, eating some corned beef and cabbage, and may be even having a few Irish stouts at the local pub.

But as we get together with friends and family to rejoice and revel, let us take time for just a minute. Let us take time out to remember the people of Northern Ireland who today—like every day—must confront the violence that ravages their provinces. Violence that takes the lives of or maims for life thousands of sons and daughters of Ireland.

But let us also take time out for hope, hope grounded in the belief that prospects for peace are much better this St. Patrick's Day than last and hope renewed by the fact that the United States is starting to play an increasing role in bringing that peace to Northern Ireland.

Too many have died and too many have had their lives destroyed. Take a moment to think of them—and what you as an American can do to help—sometime during this St. Patrick's Day.

☐ 1030

NORTHERN IRELAND

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, on this St. Patrick's Day, we have an historic opportunity to achieve peace in a long-troubled part of the world—Northern Ireland. No one here labors under any illusions that this road to peace is easy; it will take determination and discipline by all involved. Yet at the very least, a dialog aimed at peace has begun.

In this brief window of opportunity, the United States should urge all involved parties to work toward a just, lasting, and peaceful resolution. We can help by appointing a special envoy.

Yes, many in Ireland and Britain, including governmental leaders, are wary of an affirmative United States role. Yet I believe it will take help from outside of Britain and Ireland to assist the parties in reaching a politically viable agreement. A special envoy need not be charged to accomplish too much too fast; instead, the envoy could serve to make clear the United States' willingness to be of assistance—just as other U.S. officials have assisted in other parts of the world.

Great hopes were born last September when ancient adversaries agreed to work toward Middle East peace; these hopes persist, despite the recent terrible violence. As we have consistently supported the Middle East peace process, so we can support the peace process in Northern Ireland.

SUPPORT URGED FOR PEACE TALKS ON NORTHERN IRELAND

(Mr. WALSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALSH. Mr. Speaker, on the anniversary of the patron saint of Ireland, I rise to urge my colleagues to recognize the real source of violence in Ireland and to support the plea of the peacemakers.

Abolish suspicion by promoting trust through negotiation. Encourage hope by offering our Nation as an honest broker. Eradicate hatred by nurturing economic stability.

We who are of Irish descent know about the evil of prejudice and the sting of economic deprivation. But so do others. My colleagues know this kind of pain deserves no place in the world. Let us do something about it. We all know we can bring positive results beyond our borders.

Support the peace talks. Encourage our British allies to go the extra mile to satisfy the minority's fears in the north.

"Erin go bragh" means Ireland forever. It is not a political chant; it is only a hope. We can help all the people of Ireland by supporting the current peace process. We must put our hand out to the Unionists, Loyalists, Nationalists, Republicans, Catholics, and Protestants. We must work to end the violence. With all the changes occurring around the globe, it is now Ireland's turn.

I ask all my colleagues to use their good offices to promote peace and unity in Ireland.

IMPORTANCE OF THE DOWNING STREET DECLARATION

(Mr. MEEHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MEEHAN. Mr. Speaker, the nations of the world have an opportunity to learn from the maturing peace process in Northern Ireland.

This process teaches us that people from different parties and traditions are able to put aside past conflict and join together in peace.

If we understand the importance of the Downing Street declaration then we will see that hope is the salve that heals the wounds of hatred.

When we open our eyes to the lessons and history of the troubles we will see that a millennia of violence and struggle promises to end with unity and justice.

If we take advantage of this opportunity, we will have learned that the fundamental right to self-determination may not be denied.

As this long history of human rights abuses and vengeful brutality enters its final chapter we need to strengthen this promise of a peaceful future.

It is not only for the Irish people, but for the 44 million American citizens who identify with their Irish heritage that we should do everything within our power to make their promise a reality.

A SPECIAL DAY FOR THE IRISH AND THE WOULD-BE IRISH

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, when I was young, I was told that there were two kinds of people in the world, the Irish and those who wanted to be Irish. Well, on this date, March 17, those two people can in fact be one, because on St. Patrick's Day, we can all be Irish, at least in our hearts. This is a special time to recognize a special land and a special people, a people as we have heard here today that are still beset with many problems and many troubles. But St. Patrick's Day presents us the opportunity to remember and, yes, to celebrate those great things that we have derived from that great people and from that great land.

Throughout history, much has been achieved, much beauty has been created, many lives have been enriched through the creativity, the resourceness, and the strength of the Irish people.

On this day, as nature begins to turn the seasons to spring, let us renew ourselves with the things that are Irish, the sense of whimsy, the sense of enduring spirit, and the recognition that loving hearts can overcome much in this life.

To all Americans, a happy St. Patrick's Day.

INTRODUCTION OF THE DEFICIT REDUCTION LOCK BOX BILL

(Mr. BREWSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREWSTER. Mr. Speaker, yesterday seven other Members of Congress and I introduced H.R. 4057, a bipartisan version of the deficit reduction lock box bill. Last year, two groups of Members from both sides of the isle introduced legislation that would lock away all spending cuts for deficit reduction. Yesterday, these two groups came together in a bipartisan effort to not only shrink the deficit, but force Congress to spend more wisely and cut more honestly.

There is a growing frustration among all Members—both Democrat and Republican—that cuts we make in the appropriations bills are not real cuts.

The money we think we cut from programs is later spent when an appropriations bill goes to conference. Mr. Speaker, this is a ridiculous practice, and must be stopped.

Our new and improved, bipartisan lock box bill will guarantee that the deficit will be reduced when Congress approves spending cuts. The lock box is an air tight budget measure that ends the game of phantom spending cuts.

Mr. Speaker, I request the support of the Members of this House for the deficit reduction lock box.

STEARNS BILL WOULD SAVE MONEY AND JOBS

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I would like to share with my colleagues the results of a comprehensive new study conducted by Lewin-VHI, the country's leading health care consulting firm, contrasting Stearns-Nickles H.R. 3698 proposal, the Consumer Choice Health Security Act, with the President's health care reform plan. This study was presented before the Senate Finance Committee on March 15.

This independent study shows that our bill would save money and jobs; while the President's plan would cost jobs, and reduce wages. The Clinton employer mandate would result in the elimination of between 155,000 to 349,000 jobs and low-wage retail and service workers would on average experience $243 per year in lost wages. In fact, 88 percent of this employer mandate would be passed on to the consumer in the form of lower wages.

By comparison, our bill would not eliminate jobs, would not reduce wages, and would save the average family $643 per year in health care costs. In fact, by 1998—the first year the plan would be fully operational—under the consumer choice plan overall household spending would decrease by $35.5 billion. However, under the Clinton plan household spending on health care would only decrease by $7.7 billion.

The "Consumer Choice" plan offers universal coverage through a refundable tax credit while reducing health care costs for all income groups. Mr. Speaker, I think it is clear that the "Consumer Choice" plan offers Americans what they want and does so in a more cost-effective manner.

ST. PATRICK'S DAY, 1994

(Mr. OLVER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, I rise on this St. Patrick's Day to salute the millions of Americans of Irish heritage in Massachusetts and across the Nation, and I rise to express a wish shared by people in Ireland, in this country, and around the world that peace in the north of Ireland may soon be realized.

The idea that real dialog between Sinn Fein and the British Government is possible is almost more than we could have dared to hope for 1 year ago. Now we must help the people of Ireland seize this opportunity to create a community in peace and mutual respect.

Events in the Middle East give us hope that peace can be made between historic enemies, but they also remind us that the window of opportunity may be smaller than anyone thinks.

We must support all efforts for the betterment of both Catholic and Protestant communities, to help overcome the tragic legacy of 75 years of British occupation of the six Ulster counties, and to promote justice, fair employment opportunities, and to end the violence which has claimed thousands of lives.

Mr. Speaker, we pause today to recognize the impressive record of the achievement of Irish-Americans. I hope we can also take some inspiration from that record as we work in this Chamber to support peace and prosperity in our districts, in Ireland, and around the world.

□ 1040

THE WHITEWATER BLUES

(Mr. HORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORN. Mr. Speaker, America is suffering from the whitewater blues. They are drowning in white water from their heads to their shoes.

Some say it is partisanship, mere political stuff but there is, oh, so much more—and enough is enough.

It is more than a matter of mismanagement—it is a failed savings and loan for which tax dollars were spent.

With campaign funds, investments, and an SBA loan—Whitewater-Madison was a shady money-tree all its own.

Mr. Speaker, if the Clintons really have nothing to dread, then why did the Rose employees have to shred, shred, shred?

Since Whitewater-Madison is such a nightmare, how can the Clintons be trusted to revamp all of health care?

WOMEN'S HISTORY MONTH

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, I rise today to commemorate Women's History Month.

I was the chair of the Sonoma County Commission on the status of women in California when "Women's History Week" was developed. So, in a way, I was the midwife at the birth of this wonderful idea.

Later, in 1980, the National Women's History Project was founded in my district to promote women's history programs and provide women's history materials to schools and organizations nationwide.

The project helps students and teachers across America gain true appreciation for the many accomplishments of American women in building our Nation.

Now, the entire month of March is recognized as National Women's History Month, and special programs, supported by the National Women's History Project, have been organized by libraries, museums, Federal offices, military bases, schools, and community groups from coast to coast to celebrate the place of women in history.

Mr. Speaker, I am tremendously proud of my friends and colleagues from Sonoma County who have reclaimed women's history for our country.

ST. PATRICK'S DAY

(Mr. LAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO. Mr. Speaker, I rise today in recognition and celebration of the 40 million Americans who are of Irish heritage, especially my two daughters Molly and Kelsey.

In the past year, our reasons for celebrating this day have grown as the prospect of a Northern Ireland free of violence and discrimination is becoming more realistic.

The Joint Declaration of Peace, signed last year, represents a major step in ending the strife that has plagued Northern Ireland during the last 25 years.

But, while there is reason to remain positive about this development, we cannot rest here—peace is not yet a reality. Human rights violations and terrorist killings continue.

As Americans, we will continue to offer our help to the people of Northern Ireland, but they, not us, will have to be the ultimate peacemakers. To aid in this process, we must keep the pressure on Sinn Fein President Gerry Adams, SDLP leader John Hume, British Prime Minister John Major, and Irish Prime Minister Albert Reynolds to maintain a dialog on peace. And, we must urge President Clinton to fullfill his promise to appoint a Special Envoy to Northern Ireland to facilitate this process.

It is my sincerest hope that the positive developments of the past year are only the beginning of what will be a sustainable path of peace and freedom for the people of Northern Ireland.

Happy St. Patrick's Day, America.

NATIONAL WOMEN'S HISTORY MONTH

(Mrs. BYRNE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BYRNE. Mr. Speaker, in August of 1920 the 19th amendment to the U.S. Constitution was adopted. That amendment granted the right to vote to every American citizen regardless of sex.

Today, as I stand here a Member of the U.S. House of Representatives, it is hard to believe that a time existed when this basic right of our democracy was not granted to every American. But, of course, it is true.

And, as we prepare to celebrate the diamond jubilee of this great occasion, we should not forget those who sacrificed so much for American women. We must remember that a woman's right to vote was not extended because of the good conscience of America's 20th century lawmakers. It came because of the sacrifice of the suffragists who withstood pain and humiliation to ensure that their daughters and granddaughters would have a voice in the destiny of their Nation.

Not far from here, a group of suffragist women picketed in front of the White House and were taken by paddy wagon to the Occoquan workhouse—what we know now as the Lorton prison. There they were force fed, beaten, and kept from their families.

During National Women's History Month and every day of our lives, we must remember those women. The women of Congress stand on the shoulders of giants—women whose names have been lost to us but who deserve our remembrance and thanks.

TRIBUTE TO RHODE ISLAND BASKETBALL CHAMPIONS AND PLEA FOR PEACE IN NORTHERN IRELAND

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, in this past week Rhode Island has become the new State of champions. On Sunday, the Providence College Friars defeated the Georgetown Hoyas to take the Big East Championships in New York. Also on Sunday, the Brown University Bruins won the Ivy League Women's Basketball Championship by defeating Dartmouth in a one-game playoff.

I would first like to congratulate the new Beast of the East, the Providence College Friars. The Friars, coached by Rick Barnes, entered the Big East Tournament in sixth place in the conference and was thought not to have a chance by the so-called experts of reaching the final game. But with spirited wins over St. John's and then No. 2, Connecticut, the Friars reached the finals of the Big East Championships.

Entering the game on a seven game winning streak, PC seemed destined to take this one. Led by the shooting ability of Rob Phelps, the sweet passes of Abdul Abullah, and the power rebounds by Tournament MVP Michael Smith, the Friars went on to win the championship game for the first time.

Providence now heads the NCAA Championships. The Friars look to make a strong showing this year. With the talent this team possess, I believe the Friars will go a long way in the tournament.

The Brown University women's team heads into the women's tournament ranked 16th and taking on top-ranked, University of Connecticut Huskies. Led by junior center Martina Jerant, the Bruins and Coach Jean Marie Burr look to upset the favored Huskies.

I congratulate the Friars and the Bruins for bringing the championships home to Rhode Island. I wish them the best of luck in the men's and women's basketball national championships.

Mr. Speaker, both the students at Brown and Providence College understand the problems of Northern Ireland. Last month Amnesty International released a report on human rights in Northern Ireland. The report warned that there can be no peace without respect for human rights in Northern Ireland, that no negotiated settlement will take place until the cycle of sectarian murders is put to an end and until the British Government's record on human rights in Northern Ireland is drastically improved.

Mr. Speaker, there must be evenhandedness with both the Catholic and the Protestant communities. There must be equal protection.

The Irish and the British Governments have achieved much recently, and we have all been encouraged by the momentum for change in South Africa and in the Middle East.

On this St. Patrick's Day, as we all enjoy this holiday, let us all also hope and pray for peace in Ireland.

STRONG EFFORTS NEEDED TO COMBAT MAIL FRAUD

(Miss COLLINS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Miss COLLINS of Michigan. Mr. Speaker, the FBI has estimated that mail and telemarketing fraud costs the American consumer up to $40 billion per year. Every year millions of consumers are victimized by fraud or deception through the U.S. mail system. Con artists typically play on the fears or dreams of the public by promoting products that will, for example, improve one's health or promise instant credit cards. A recent study commissioned by the National Consumers League, showed that more than 92 percent of adult Americans have received postcards announcing that they are grand winners in a contest that usually proves deceptive.

Congress must take the lead in getting serious about mail fraud and put in place solid enforcement tools to prevent it and protect consumers. Today, I am introducing three bills to combat mail fraud.

CIVIL INVESTIGATIVE DEMANDS

The first bill would authorize the U.S. Postal Service to issue subpoenas for the production of documents relevant to the investigation of mail fraud. With this tool the U.S. Postal Service could gain access to documents that substantiate or do not substantiate a particular product's claim, such as the claim that a particular dietary product will boost energy or grow hair.

Currently, the Postal Service has no subpoena authority under its civil mail fraud statute which, in some cases, prevents or delays their investigations. This authority could be used, for example, to obtain copies of bank agreements for credit cards, obtain copies of scientific studies validating diet claims, obtain copies of financial reports for charities, require sweepstakes to identify the prizes, and identify assets of fraudulent promoters for forfeiture.

MAIL FRAUD FORFEITURES

The second bill I am introducing has a two-fold purpose. First, it would authorize the seizure and forfeiture of property constituting or derived from proceeds of mail or wire fraud violations. Second, it would enable and require the Postal Service to place in the Postal Service the proceeds of all forfeitures which result from its mail fraud investigations.

Currently, forfeiture is authorized in these types of cases only if the defendant is also violating the money laundering statutes which are complex and time consuming.

Under the Postal Reorganization Act, the operations of the Postal Service are funded by postal revenues rather than appropriated funds. Currently, the law only allows the Postal Service to deposit proceeds from civil forfeitures, conducted by them, in its fund. The proposed legislation would also allow and require the Postal Service to deposit in its Postal Service Fund, proceeds from criminal forfeitures, investigated and conducted by the Postal Service. These proceeds are presently deposited into a Department of Justice fund.

Without my bill, the costs incurred by the Postal Service in investigating offenses which result in forfeitures is recovered by diverting already limited postal revenue.

In addition, the bill would provide specific authority for the Postal Service to share the proceeds it receives from forfeitures with State or Federal law enforcement agencies that have provided assistance in the investigation which resulted in the forfeiture. Asset sharing among cooperating law enforcement agencies is a common practice, it encourages cooperation and leverages resources among law enforcement agencies.

INCLUSION OF PRIVATE CARRIERS IN MAIL FRAUD STATUTE

The third bill would expand the provisions of the mail fraud statute to include private carriers. The U.S. postal inspectors recently testified that fraudulent promoters were circumventing the mail fraud statute by using the services of private carriers like Federal Express or UPS instead of the U.S. mail to avoid prosecution under the mail fraud statute. This creates a double standard and puts the U.S. Postal Service at a disadvantage.

My bill would simply extend current prohibitions against mail fraud to include fraudulent material sent by private interstate carriers.

As chairwomen of the Subcommittee on Postal Operations and Services, I have held several hearings on mail fraud and believe that these measures will greatly deter many problems that have been given inadequate attention for too long. In addition these initiatives could be instrumental in saving consumers billions of dollars.

Mr. Speaker, the time is now to respond to the call by our constituents for help and we can begin by ensuring that those agencies responsible for law enforcement have the necessary tools to rid the marketplace of questionable products and dubious schemes.

ABORTION ACCESS BILL; AN ABUSE OF POLICE POWERS

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, meting out new Federal punishments, including long prison terms and ruinous criminal and civil fines on those who nonviolently and peacefully picket, sit in, or pray and sing at abortion mills, and to do so in a way that it is construed to be obstruction or interference, H.R. 796 makes a mockery of equal justice under law.

No other cause, Mr. Speaker, no other movement, no other viewpoint, is singled out in this way. Sit in at an abortion mill for higher wages or benefits, the local ordinances sway if you are arrested. Sit it in the identical way to try to protect a life, and you go to prison for a year, and you also face very huge fines, both civil and criminal.

Mr. Speaker, in order to get the House to focus on this precedent-setting abuse of police powers contained in this bill, I intend to ask for a serious of votes on both procedural and substantive questions.

I agree, Mr. Speaker, that we need tough penalties for those on either side who use violence. Let us craft such a bill. But H.R. 796 represents a cynical abuse of police powers to crush peaceful pro-life nonviolent dissent.

Mr. Speaker, I say to my colleagues, take the time to understand the ramifications of this bill.

□ 1050

WOMEN IN HISTORY

(Ms. ESHOO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ESHOO. Mr. Speaker, as we recognize women in history this month, I would like to recognize some recent history that was made in the district I represent.

In 1982, when I served on the San Mateo County Board of Supervisors, we established a 17-member advisory council on women to determine the needs of women in the county and to make recommendations to the board.

Since its inception, the advisory council has taken steps to significantly improve the lives of women in the county and the State.

The council has addressed a broad range of issues including the feminization of poverty, child care, domestic violence, caregiving, reproductive choice, child support and child custody, education, women and aids, the changing family, and teen age mothers.

By working one on one with women in the county, council members have helped countless victims of domestic violence, over 7,000 callers have been served through the telephone assistance program, families seeking marriage and family counseling, and hundreds of women have attended family law workshops.

The council has worked with other community groups, sponsored public forums, and worked with area legislators to bring about real change for women and children all over California.

It has also helped honor the achievements of women by cosponsoring women's day and the women's hall of fame.

I am proud to represent a district with such a deep commitment to women's and children's issues. I being this example of the San Mateo County Advisory Council to the floor of this House as a model of the way local government can address the unique problems women have in our society.

Mr. Speaker, someday when we look back in history, I hope that efforts like these will be the norm, rather than the exception.

THE FACTS ON WHITEWATER

(Mr. HERGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERGER. Mr. Speaker, let us put aside President Clinton's Rumplestiltskinesque tirade of a few days ago and examine the facts.

No. 1. It was Jerry Brown, a Democrat not a Republican, who—in a 1992 debate right before the Illinois primary—first said that the then Governor's "wife's law firm is representing clients before State agencies, his appointees."

No. 2. It was the New York Times not the Washington Times which published the first article on Whitewater. By the way, that article was summarily dismissed during the campaign by the now infamously incomplete Lyon's report.

No. 3. Congress conducted hearings and/or investigations into 25 separate allegations of ethical wrongdoing during the Reagan and Bush administrations. To date, Congress has yet to conduct a single hearing or investigation into the Clinton administration.

Mr. Speaker, before President Clinton falls below the floor boards of American politics he ought to do himself and the American public a favor, disclose.

OUTSTANDING TEXAS WOMAN

(Ms. EDDIE BERNICE JOHNSON of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I stand before this body in praise of a great Texas woman, known around the Nation as the mother of the equal rights amendment.

Over the past 50 years, Hermine Tobolowsky has devoted much of her life to improving the legal, social, and economic fate of women in Texas, by lobbying the former nearly all-male State legislature to repeal laws which as recently as 1972, discriminated against women in ways that are simply unimaginable for most of us.

Before 1971, Texas had the dubious distinction of holding the Nation's record for laws discriminating against married women.

For example, women were prohibited from buying stocks, even with their own money, without the written consent of their husbands; women were prohibited from filing lawsuits without including their husbands—of course, the reverse was not the case; and women were not eligible for overtime pay because Texas had a State law which prohibited women from working for more than 9 hours a day at an hourly wage.

Because of the unwielding campaigns waged by this great Texan, Texas ratified the equal rights amendment in 1972. As my colleagues can attest, the equal rights amendment struggle spanned two decades, and though it may have been defeated by the law, it remains alive in the spirits of many. Its theme was "Oh, thank heaven for amendment 7."

My fondest saying of Hermine Tobolowsky is, "You can delay justice, but you cannot deny it."

Today, Hermine remains committed to the principle that women must use their enormous economic power to wage the battle for equality for all women.

Thus, to this day, she refuses to travel to any of the 15 States that failed to ratify the equal rights amendment, even though it means she must forego one of the greatest pleasures—playing the slot machines in Nevada, and betting on horse races in Louisiana.

As we prepare to celebrate National Womens History Week, I consider few individuals more deserving of being honored by this body than Hermine Tobolowsky, known to all as the mother of the equal rights amendment.

In 1971, the Texas State Legislature ratified the Federal equal rights amendment, a feat that was due in great part to the tireless efforts of Hermine Tobolowsky. In November 1972, the voters approved the amendment at the polls.

Before that time, Texas had the dubious distinction of holding the Nation's record for laws discriminating against women, especially married women.

I say today, in honor of Hermine Tobolowsky, thank you. We cannot celebrate this month without thinking of the name Hermine Tobolowsky.

MORE ON THE CLINTONS

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, yesterday another colleague from New Mexico raised on the House floor the issue of Hillary Rodham Clinton's investment of nearly $100,000 in a hedge fund that sold short health care and pharmaceutical stocks.

Every President since Jimmy Carter has put his family's investments in a blind trust before taking office. Because the Clintons did not do so, they were in a position to know where their money was.

Whether Mrs. Clinton knew about her financial interest in health care and pharmaceutical short sales is very important, because if she did, she may have violated the ethics laws.

Our colleague implied that Ms. Clinton did not know about specific short sales of health care and pharmaceutical stocks. In fact, however, the Clinton's financial disclosure reports suggest she and the President did know. They reported, by name, several specific short sales of health care and pharmaceutical companies on just 1 day—December 31, 1992. That was half a year after our colleague suggests specific investment information had stopped coming to them. Bill Clinton himself signed the report.

Still, the Clintons have yet to reveal the short sales made by Ms. Rodham Clinton's partnership during the campaign, or in the first half of 1993, before they belatedly put their investments in a blind trust.

Mr. Speaker, that is why 81 of our colleagues have asked for an investigation of Mrs. Clinton's compliance with the Ethics in Government Act.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ABERCROMBIE). By prior agreement, we will now have two final speakers: First, we will hear from the gentleman from New Jersey, and then the gentleman from California will conclude.

HUMAN RIGHTS

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Mr. Speaker, today as we celebrate St. Patrick's Day throughout the Nation, both those of us who are Irish and those of us who are non-Irish-Americans celebrate the tremendous contributions of Irish-Americans to our country, and the lilt of Irish laughter turns to tears when we think about the human rights abuses that go on in the north of Ireland.

The fact of the matter is, many of us may have seen "In the Name of the Father," a case that starts from the Guilford 4 case and, in fact, those human rights abuses, the legal rights abuses that take place in that movie, I personally experienced last September, when I went to Belfast on behalf of seven boys who were arrested in a similar case for which there is no real evidence against them, for which only beaten, forced confessions are the only evidence at trial, no forensic evidence, no eyewitnesses. One of those boys recently was found innocent.

The United States says, in its foreign policy, that it stands as a pilar of its foreign policy for human rights and democracy throughout the world. And nowhere is there a greater need of that than in the north of Ireland.

Peace, real peace in Northern Ireland begins when the last boot of the last British soldier leaves.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair regrets that all Members who wish to speak will not have the opportunity to speak today. Some Members who desired to speak have left the floor, because they knew of the limitation.

The last Member to be recognized for 1 minute will be the gentleman from California [Mr. DORNAN].

A RETURN TO THE WELL ON ST. PATRICK'S DAY

(Mr. DORNAN asked for permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, I have not taken to the well since last October on Somalia. But when one has a reputation for speaking out, people notice their absence. So I have picked a lovely day to come back, and I will do a special order tonight and one tomorrow on the Clinton years. That is, Arkansas, and the less than 2 years here in town.

I will tell Members what I said here last year on this great holiday, particularly for those of us who have 100-percent Irish blood flowing in their veins. I will do it again, not from memory, but this time from printed text, because I want to be perfect, because of all of our wonderful visitors and students in the Gallery.

This is the feast day of a great Saint, the Saint from Wales or England or France, some say even Italy, who converted a wonderful but pagan land. This prayer is called the Breast Plate or the Armor Plate of St. Patrick:

> Jesus before me, Jesus protecting my back, Jesus to the right of me, Jesus to the left of me, Jesus above me, Jesus supporting me, Jesus in all I see, Jesus in all I hear, Jesus in my touch as I reach out to others, Jesus in my every utterance, Jesus Christ in my every thought.

St. Patrick, you darlin' man, bless us one and all on this your great feast day.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Pursuant to House Resolution 331, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution, H.J. Res. 103.

□ 1059

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, with Mr. SKAGGS in the chair.

The Clerk read the title of the joint resolution.

□ 1100

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 16, 1994, action had been completed on the amendment in the nature of a substitute offered by the gentleman from Arizona [Mr. KYL].

It is now in order to consider the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. BARTON].

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BARTON OF TEXAS

Mr. BARTON of Texas. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will report the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BARTON of Texas: Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Prior to each fiscal year, Congress shall adopt a statement of receipts and outlays for such fiscal year in which total outlays are not greater than total receipts. Congress may amend such statement provided revised outlays are not greater than revised receipts. Congress may provide in such statement for a specific excess of outlays over receipts by a vote directed solely to that subject in which three-fifths of the whole number of each House agree to such excess. Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement.

"SECTION 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to the first section of this Article shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

"SECTION 3. Prior to each fiscal year, the President shall transmit to Congress a proposed statement of receipts and outlays for such fiscal year consistent with the provisions of this Article.

"SECTION 4. Congress may waive the provisions of this Article for any fiscal year in which a declaration of war is in effect.

"SECTION 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for the repayment of debt principal.

"SECTION 6. The amount of Federal public debt as of the first day of the second fiscal year beginning after the ratification of this Article shall become a permanent limit on such debt and there shall be no increase in such amount unless three-fifths of the whole number of each House of Congress shall have passed a bill approving such increase and such bill has become law.

"SECTION 7. Congress shall enforce and implement this Article by appropriate legislation.

"SECTION 8. This Article shall take effect for the fiscal year 2000 or for the second fiscal year beginning after its ratification, whichever is later.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. BARTON] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

Is the gentleman from West Virginia [Mr. WISE] opposed to the amendment?

Mr. WISE. Mr. Chairman, I am opposed to the amendment, and I would seek to control the time.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] is recognized for 30 minutes in opposition.

The Chair recognizes the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I rise in strong support of the Barton tax limitation-balanced budget amendment to the Constitution.

I was elected on a promise to fight for real change. But here we are today, very little having changed. I have spent the last 15 months watching a broken budget process continue to generate massive new taxes, higher spending, and a ballooning Federal debt.

Congress likes to talk about making tough choices, but the majority never actually votes for fiscal restraint. We saw it during the 1990 budget deal under a Republican administration, and again in the 1993 budget deal under a Democrat administration—tax and spend all over again. We saw it last fall in this body's refusal to enact the bipartisan Penny-Kasich spending reduction package.

And we saw it last week in the Elementary and Secondary Education Act reauthorization—loaded down with nearly $1.8 billion in education pork, programs that President Clinton did not ask for in his 1995 budget request. But the pork is still in the bill, and it probably will stay and grow over the years. The same is true for every spending bill produced by this Congress.

I have come to the unfortunate conclusion that this Congress is institutionally incapable of living within the taxpayers' limited means. Unless we show the courage today to change the rules of the game at the constitutional level, the taxpayers will continue to lose.

Short of term limits, a tough tax limitation-balanced budget amendment is Americans' best hope for relief. By requiring a three-fifths super majority vote to raise taxes or run a deficit, the tax limitation-balanced budget amendment would make it exceedingly difficult for Congress to tax its way out of its spending addiction. The Barton substitute offers voters a real alternative to bigger Government and a clear choice between higher taxes and fewer programs.

I urge my colleagues on both side of the aisle—particularly my fellow freshmen who ran on a platform of fundamental change—to vote for the Barton substitute and Stenholm balanced budget amendment. Accept no substitutes for real change.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment in the nature of a substitute for the reason that I think this is what we want to avoid in the Constitution, which is, we want to avoid formulas as much as possible, and we want to avoid complications.

The Founders, the writers, the drafters of the Constitution made that document as remarkable as it is because of its flexibility, and because they understood that there was a need to leave undefined certain areas, so that is why the Constitution has withstood the test of time.

Let me give some examples, examples such as three-fifths requirements, supermajorities throughout; examples such as requiring that estimated revenues shall not increase at a rate faster than that of the national income in the second prior fiscal year, unless there is a 60-percent waiver.

I am not quite sure what that all means, and I have tried and read it diligently; however, the whole idea that something is tied to the national income, however that is defined.

I would just urge my colleagues to be careful with this kind of amendment. While I will differ later with the so-called Stenholm amendment, the gentleman has narrowed that down over many years. It does have a supermajority, but at the same time, it leaves some areas for congressional implementation, and for adjustment.

Mr. Chairman, I am a little concerned about the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. BARTON] for the reasons that I mentioned. I am concerned about it for another reason, because his substitute, like the others that will be considered, except for the Wise-Price-Pomeroy-Furse-Byrne-Eshoo, and others, substitute, his substitute does something else as well, and that is, it ignores capital budgeting and ignores capital investment.

I know the argument will be made, "No, we do not ignore it. You can have capital spending in the same manner that you already have it in the Federal budget." Mr. Chairman, that is the problem. We do not have any recognition of investments in our Federal budget. We do not make the same recognition that every State government does, like my State of West Virginia. We do not make the recognition that every business makes.

Instead, in the Federal budget we simply have a process of saying that a dollar spent in investment that brings us back more revenue than we put in is counted just the same as a dollar that goes out and is lost that day, whether it is in some kind of consumption. So that is my concern about the so-called Barton amendment.

Then we add to that the fact that the so-called Barton amendment locks us into some pretty rigorous requirements, more rigorous than I think are necessary. I have a great deal of concern about the so-called Barton amendment for those reasons.

Let me just make a point right now. I know what the gentleman from Texas [Mr. BARTON] is trying to do. He will express it well himself, and the gentleman from Louisiana later. They want to protect the American people against tax increases, because it is as though there is this monster that, in the dead of night, tax increases are imposed. As one who has the privilege of representing people in this Chamber, let me tell the Members that most of the people in this Chamber, in fact, I think everyone, looks to the prospect of voting for a tax increase about the same as having a root canal without novocain. It is just something you do not want to do.

Have the Members ever tried to go to a town meeting the day after a tax increase that they voted for because they though it was necessary? Have they even been in a parade the day after a tax increase, or the week or the month later?

Mr. Chairman, those who serve in elective office do not take great pleasure in tax increases. What they want to do is a tax cut. If we could just do a tax cut and no tax increases, would not life be great? The problem is, sometimes we have to step up to the plate.

If the so-called Barton amendment had passed and had been in the Constitution, the budget that passed last August would not have been enacted. That is because it did not have 60 percent.

Some would say that is a great thing, but I am going to point out that all those doomsayers, and the gentleman from Texas [Mr. BARTON] was one of those who voted against it, all those doomsayers now are having to read the rhetoric back. Those who projected that the economy would be down the tubes, those who predicted that the passage of that legislation would be a job-killer, those who predicated so many calamities, now have to acknowledge that the deficit is 40 percent lower than it was; now have to acknowledge the lowest deficit in 6 years, the fastest rate of growth, and so on.

□ 1110

And so those are my concerns.

There is something else that is interesting. Had the Barton amendment been in the Constitution, it is true that 6,000 people in my State would not have gotten a tax increase, because 6,000 upper income West Virginians in my State, as is true across the country, are paying more in taxes today. What is also true though is that 105,000 West Virginians would not have gotten that tax cut; those working West Virginians with families making under $23,000 a year, would not have gotten a tax cut had the Barton amendment been law, because that tax cut was tried to the tax increase to keep the deficit from rising.

And so that is the concern I have. It is not just a matter of tax increases, it is also a matter of tax cuts in the sense that in a tax package they are tied together.

I think it was worthwhile to tell the person who is making minimum wage that in effect their income has now gone up to $6 an hour instead of $4.25 an hour, because of the income tax credit which Congress approved. It would not have happened if the Barton amendment had been law.

For all of those reasons, Mr. Chairman, I would urge my colleagues to vote against the Barton amendment, and recognizing one other difference between the Barton amendment and the Wise-Price-Pomeroy-Furse amendment, and that is the Barton amendment does not take Social Security off budget. I am not accusing the gentleman from Texas of wanting to savage Social Security. I am sure he is as committed to the system as I am, but I know one way to guarantee that Social Security will not be affected, you take it off budget. If you are willing to protect by such extraordinary means people from tax increases by requiring a three-fifths majority, by requiring rigorous provisions on debt-limit and debt-ceiling extensions, then you ought to be willing to protect the senior citizens, and by saying Social Security will be off budget.

His amendment does not take it off budget. Our amendment does.

I would urge rejection of the Barton amendment and adoption of the Wise-Price-Pomeroy-Furse amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. BARTON of Texas. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 61]

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Faleomavaega (AS)
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Fowler
Franks (CT)
Franks (NJ)
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hayes
Hefley
Hefner
Herger
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Long
Lowey
Machtley
Mann
Manzullo
Margolies-Mezvinsky
Markey

Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murphy
Murtha
Myers
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Ravenel
Reed
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sundquist
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velázquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Weldon
Wheat
Wilson
Wise
Wolf
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

□ 1133

The CHAIRMAN. Three hundred ninety-two Members have answered to their names, a quorum is present, and the Committee will resume its business.

Mr. BARTON of Texas. Mr. Chairman, I ask unanimous consent that the gentleman from Louisiana [Mr. TAUZIN] be permitted to control 14 minutes of the time that I control.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Louisiana [Mr. TAUZIN] will control 14 minutes of the time allotted to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, today I rise in strong support of the Barton-Tauzin balanced budget amendment. I support this amendment because not only does it required a balanced budget, but it puts Congress on the correct path toward achieving one.

The Barton-Tauzin amendment is based on two fundamental truths that the American taxpayer has learned again and again. First, left to its own devices, Congress will not discipline itself fiscally. There has not been a balanced budget since 1969, that is over 25 years ago.

The current institutional framework gives Congress far too many incentives to borrow, tax, and spend, and far too few incentives to act responsibly. So, the Barton-Tauzin amendment places a constitutional restriction on Congress: It must pass a balanced budget. Every American taxpayer has to balance his or her books, so should the Government.

The second fundamental truth incorporated into the Barton-Tauzin amendment is that raising taxes will not reduce the deficit. Time and time again, the American taxpayers have gotten a budget deal from Congress which promises that in return for tax increases, the deficit will go down. Raising taxes to reduce the deficit won't work. It never has and never will work. Studies have found that for every dollar that Congress raises taxes, it spends $1.59. Recognizing this sad truth, the Barton-Tauzin amendment includes a tax-limitation provision requiring a 60-percent supermajority vote to increase taxes. This will ensure that once Congress gets serious and starts balancing the budget, that it follows the only true path of deficit reduction: Cutting spending.

Mr. Chairman, I urge my colleagues to support the Barton-Tauzin amendment.

Mr. TAUZIN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in terms of the debate today on the balanced budget amendment I would like the Members of the House to focus just for a second on what is special about this debate on the Barton-Tauzin amendment. This debate today focuses not necessarily on whether or not one supports the concept of a balanced budget amendment. I believe a great majority of this House does. This debate focuses on how we are going to achieve that balanced budget amendment.

This amendment, the Barton-Tauzin amendment, is very much like the Stenholm amendment. The only difference in the balanced budget features of this amendment and the Stenholm amendment is the year 2000 date for the accomplishment of the balanced budget goal. But the major difference, the thing we ought to be focusing on today, is the feature of the Barton-Tauzin amendment that provides for some restraint on tax increases as a vehicle for achieving balanced budgets.

Now what restraint is in here? The restraint that is in here is a simple provision that says in achieving the balanced budget that all of us, or a great majority of us, I think, want to achieve that. We ought to do it without raising taxes any higher than, any greater than, the income of Americans is growing at the time we raise taxes. In other words, Government should not grow faster than the pocketbooks of Americans, Americans individually and American businesses. It says in effect that we can raise taxes if we need to.

□ 1140

In short, Mr. Chairman, the amendment we debate today says that while the Government of the United States may in fact have to raise taxes, it ought not do it, except with a supermajority, any faster than the rate of growth of income in American pocketbooks and businesses. In short, it says, "Balance the budget over the term allotted principally by reducing spending wherever you can."

If we were to poll Americans across the width and breadth of this country today, I think they would agree with that principle. So we are debating an amendment today that really incorporates the Stenholm balanced budget amendment with the addition that the balanced budget amendment ought to be achieved with as little as possible in tax increases and as much as possible in spending cuts.

If Members agree with that principle, they will want to vote for this version of the balanced budget amendment. Those who have said they are concerned about this version ought to be concerned, because this is a real amendment. If we really want to achieve a balanced budget for America, we ought to be concerned that this amendment will do it and other amendments may not do it. So if we have a concern about the effect of the U.S. Constitution commanding those of us representing this Nation in this body to abide by responsible spending limits, then we ought to be concerned about this amendment. It will require this Congress and this Nation to put our fiscal house order without unnecessarily raising taxes again on the American public.

People have asked us, why should we do this at all? Let me give the Members an illustration of the most important reason why I think it is important for Congress to enact not only the balanced budget amendment, but this version of it, with a limitation on tax increases. It is incumbent because we need to examine the reason the mandate is normally sent to Washington.

In town meetings across my district, folks ask, "Why do you guys keep spending money over and above the income of this Government? Why do you keep putting us in debt? Why do you keep crowding out money we could be using for useful purposes in America by paying all this interest on the debt?"

Conservatives and liberals make this same request: "Why don't you put your house in order, quit paying all this interest, and spend the money we send you on projects that are good for America instead of paying interest on debt to countries all over the world who buy our T-Bills."

The answer is that most Congressmen come to Washington with a simple mandate. The mandate is, "Go to Washington, get as many of those Federal dollars we send you back into your district and spend them at home."

The truth is that we all carry out that mandate pretty doggone good. The truth is that most of us end up bringing more money home than our folks have sent up here. That is why we are out of balance. We carry out the mandate pretty good.

I think what Americans want to do in this balanced budget debate is to ask us to give them a chance in voting for a constitutional amendment that would send a new mandate to all of us who come up here, and the mandate would be very simple: "Do what you can about bringing projects home. Do what you can about carrying out the necessary spending in Government, but don't spend more money than we send you each year. At some point, stop this crazy borrowing trend that is crowding out the funds we need to carry on a progressive and good economy for our country."

In short, I think the message Americans have been sending us in town hall meetings, in our mail, and in messages to Members of Congress is that "While we want you to do a good job in making sure that projects come home and Federal programs are still carried out, we also want you to carry out a new mandate, and the mandate is, don't spend more money than we have sent you, and quit raising taxes on us in order to accomplish the purpose of a balanced budget amendment."

The Barton-Tauzin amendment is the only one that carries out those two mandates of urging Americans to live in this Government within our means and, second, to stop raising taxes unnecessarily, because this continuous spending spree is about to sink this country into debt from which we cannot recover.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume just to say that I would just note to the gentleman from Louisiana that based upon the President's latest rescission package, I may not be doing as well as the gentleman is giving everyone credit for. If he could find a way to even it out, I would appreciate it.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Carolina [Mr. PRICE], a cosponsor of the Wise-Price-Pomeroy-Furse amendment.

Mr. PRICE of North Carolina. Mr. Chairman, I rise in opposition to the Barton amendment and in favor of the alternative, the Wise-Price-Pomeroy-Furse amendment.

The Wise-Price-Pomeroy-Furse amendment is the only amendment before us that establishes a Federal capital investment budget that is modeled after the capital budgets used by the States. It is the only amendment that protects Social Security and ends the practice of using Social Security surpluses to mask the true size of the deficit.

Our amendment is the only amendment before us that protects majority rule while restricting the conditions under which the amendment could be bypassed.

In that respect the Wise-Price-Pomeroy-Furse amendment is tighter and stricter than either the Stenholm or the Barton amendment.

Mr. Chairman, in the course of this debate we have heard a great deal about supermajorities as a way of possibly creating disincentives for unbalancing the budget or increasing the debt. That supermajority requirement, that requirement of a three-fifths vote sounds pretty good. But the reality is quite different, as anyone can attest who has observed filibusters in the other body or who has observed debt ceiling votes in this body. It is an invitation to posturing and to a minority of Members holding the Chamber hostage to get its way. It is not a good idea.

The supermajority problem that we have in the Stenholm amendment is compounded in the Barton amendment. The Barton amendment would enshrine in the Constitution an economic policy that must be based on how the economy was performing 2 years ago. It has no concern for other ways we measure economic progress—unemployment, inflation, productivity, and growth in key sectors. The Barton amendment does not look at where the economy is going but where it used to be 2 fiscal years ago in determining budget policy. Specifically, the Barton amendment will require that estimated revenues shall not increase at a rate faster than the rate of increase in national income in the second prior year unless, of course, a supermajority of 60 percent can be mustered.

I would interpret that to mean that if the economy was experiencing a recession 2 years ago and if 2 years later the economy was improving and estimated receipts were increasing, the Barton amendment would force us to change tax policy even if that increase in receipts was solely due to an improving economy rather than any change in policy. We would be forced to cut taxes unless 60 percent disagreed. In a situation where the economy was already growing, that could possibly trigger a huge round of inflation. We would be forced to cut taxes even if the excess revenues might allow us to buy down the national debt or make key investments that were neglected during the recession.

Conversely, Mr. Chairman, the Barton amendment could encourage some future President or some future Congress to raise taxes because of an economic boom 2 years ago. They could be encouraged to increase taxes even though that would contribute to an economic slowdown in the present, or possibly even a recession. That does not make sense.

The Barton amendment is not sound economic policy. It is exactly the opposite of what we ought to be enshrining in the Constitution.

Mr. BARTON of Texas. Mr. Chairman, will the gentleman from North Carolina yield for a question?

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. PRICE] has expired, and the gentleman from Texas [Mr. BARTON] may use his own time.

Mr. BARTON of Texas. Mr. Chairman, I wanted to ask the question on his own time if he would be allowed to proceed for 30 seconds.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WISE. Mr. Chairman, I yield 1 additional minute to the gentleman from North Carolina [Mr. PRICE].

Mr. BARTON of Texas. Mr. Chairman, will the gentleman yield?

Mr. PRICE of North Carolina. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Chairman, I have listened with great interest to the distinguished gentleman from North Carolina in his comments on the Barton-Tauzin tax limitation amendment when he said it would force a future Congress to raise taxes. Could the gentleman show me in the amendment where that is?

Mr. PRICE of North Carolina. I used the word, "invite," or "encourage," because congressional action would not be keyed to the present economic circumstances; it would be keyed to different economic circumstances 2 years previously, and tax policy needs to be keyed to the present. This would be, I think, an invitation to economic disaster.

Mr. BARTON of Texas. Mr. Chairman, we allow taxes to increase at the rate the economy is growing without any preconditions, and if in fact Congress wants to increase a return greater than that, then we would require a vote that requires 60 percent.

Mr. PRICE of North Carolina. But reclaiming my time, Mr. Chairman, if the economy had been booming 2 years previously, that could give a warrant for a tax increase that could be terrible economic policy and lead to a recession.

Mr. BARTON of Texas. I would stipulate that it would allow a change.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. PRICE] has expired.

Mr. BARTON of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I think it is quite disgusting and somewhat embarrassing that we will vote today to mess up our U.S. Constitution with a balanced budget amendment. We are taking this action because collectively we do not have the courage and we do not have the willpower to do what we know should be done, and that is stop borrowing and cut spending. It has been over 25 years since this body has passed a balanced budget.

While it is a shame that Congress needs to pass a balanced budget in order to do what the people of this country expect them to do, the growing national debt requires this kind of drastic action.

On February 28, 1993, the national debt stood at $4,106,000,000,000. In just 365 days of this administration, the national debt has grown to $4,469,000,000,000. That is $363 billion in just 1 year, or $1 billion a day.

Just last year, the per capita share of the national debt was $16,073. This year, it is $17,306. That is an increase of $1,233 in just 1 year for every man, woman, and child. How much more debt do we need to burden our children before we say "enough?"

According to CBO, the money we borrowed to spend just last year increased this year's deficit $15.2 billion because of interest. This increased interest on 1 year's overspending is more than what we will spend at seven Cabinet agencies for all of fiscal year 1995: more than what will be spent at the Department of Agriculture; more than what will be spent at the Department of Commerce; more than what will be spent at the Department of the Interior; more than what will be spent at the Department of Justice; more than what will be spent at the Department of Labor; more than will be spent at the Department of State; and more than will be spent at the Department of the Treasury.

And, this was at the low composite interest rates of 5.9 percent. The more we borrow each year, the more we put ourselves at risk of higher interest rates and a runaway deficit.

There are better ways to invest our money than to commit to higher interest payments and make decisions by default.

Just last year the national debt was $4.1 trillion. the budget resolution adopted in this House just last week stated that the national debt will continue to grow in record amounts to $6.4 trillion by fiscal year 1999. When will Congress say we cannot continue to borrow and spend? How much more debt is enough?

Mr. Speaker, I wish Congress did not need a balanced budget amendment in order for Congress to do what it should do. But Congress has shown time and again it is incapable of balancing spending with revenues.

The Kyl, Barton, and Stenholm amendments would give Congress some constitutional backbone to get our fiscal house in order.

Mr. BARTON of Texas. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. GRAMS].

Mr. GRAMS. Mr. Chairman, I rise in strong support of the Barton-Tauzin tax limitation balanced budget amendment.

This substitute should really be called the taxpayer protection amendment, because it protects taxpayers from a Congress looking for any excuse to raise taxes and preserve wasteful Government spending programs. And believe me, in this environment, taxpayers need all the protection they can get.

By requiring a 60-percent supermajority vote for tax hikes, the Barton-Tauzin substitute would effectively prevent Congress from using the balanced budget amendment as an excuse to raise taxes. Instead, it would force this body to act on the real problem behind the deficit: uncontrolled Federal spending.

If Congress had passed this amendment 2 years ago, we could have protected the American taxpayer from the largest tax increase in history. Let us not repeat that same mistake today.

Vote to protect the American taxpayer. Vote for the Barton-Tauzin tax limitation substitute.

Mr. TAUZIN. Mr. Chairman, I yield 1 minute to the distinguished freshman from Maryland [Mr. BARTLETT].

Mr. BARTLETT of Maryland. Mr. Chairman, I rise in strong support of the Barton amendment. This amendment has a unique and essential element for a workable balanced budget amendment to the Constitution. It will require a three-fifths vote of the Congress to either raise taxes or increase the debt. We have a deficit and debt not because we tax too little, but because we spend too much. Please do not bequeath to your children and your grandchildren a legacy of a stifling debt that will make you live on in infamy in their memory. Please vote for this amendment.

Mr. WISE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California, who is a cosponsor of the Wise-Price-Furse-Byrne-Eshoo amendment and who has been very helpful to us as we have developed it.

Ms. ESHOO. Mr. Chairman, I rise in opposition to the Barton substitute. It is not a responsible solution to our budget problems.

It seems that fiscal straitjackets are in fashion this year. It may seem politically palatable to limit tax increases, but it is not a serious solution to our budget problems.

The Barton amendment places a formula in the Constitution and would put us in a straitjacket without allowing for capital budgeting.

Our constituents do not want to see complicated tax policy linked to a balanced budget constitutional amendment. They want a law that says the budget must be balanced, just as they do at home.

Each household in this country must balance its own budget, but nobody tells them how to do it. Similarly, our Constitution should not force this body into a legislative straitjacket.

The Wise-Price-Pomeroy-Furse-Eshoo-Byrne balanced budget substitute recognizes the distinction between long-term investments and operating costs—just as the majority of the States require balanced budgets.

It is these long-term investments which pave a better way for our children and theirs and which create jobs.

Most importantly, our long-term needs are constantly changing. Nowhere in the Barton substitute is there the flexibility to allow for these changing needs.

In addition, the Wise-Price-Pomeroy-Furse-Eshoo-Byrne balanced budget substitute does not allow a three-fifths majority to the House to vote to deficit spending. It only allows deficit spending for narrowly defined national purposes.

Finally, Mr. Chairman, I cannot support the Barton substitute because it does not leave Social Security secure.

We know that without an exemption for Social Security, the trust fund will be raided, leaving nothing for those who defend on it.

We cannot allow this to happen, Mr. Chairman. Why are any of us concerned about balancing the budget in the first place? We are concerned because we cannot morally allow ourselves to leave trillions of dollars of debt to our children. Similarly, we cannot balance the budget by taking away their Social Security.

Mr. Chairman, what we are doing today should not be for political cover. It is not even about "sending a message." We are debating a serious proposal seeking to alter our country's most sacred document, the Constitution.

Fiscal straitjackets may be the fashion for some this year but we should not be prepared to force generations to use legislative methods that abdicate our responsibility to govern.

Mr. BARTON of Texas. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. SOLOMON], one of the toughest budget cutters we have.

Mr. SOLOMON. Mr. Chairman, I certainly thank the gentleman for yielding.

Mr. Chairman, after listening to some of the rhetoric on that side of the aisle, I wonder if any of you could make it in the private sector. You sure could not work for me.

Mr. Chairman, I rise in the strongest possible support of the Barton constitutional amendment which will, once and for all, put an end to this taxing and spending of this irresponsible Congress. And that is what you are. Just look at it. I am ashamed of you.

Presently the Federal debt is approaching $5 trillion, and this year's deficit, the amount we will adjust this year, is $223 billion. And you have got the nerve to say you are doing something about the deficit? Ha! I tell you.

You know, Members, the President's budget that we passed last week, that you guys voted for, that you guys, some of them over here too, and you ought to be ashamed of it, will add $900 billion to this deficit over the next 4 years. You are ruining this country.

You know, Members. You know you have not got the guts to balance this budget. You proved it last week when I offered one. You prove it every day. Take a look at the 13 appropriations bills that you are going to vote for. The vast majority on both sides of the aisle will vote for those appropriation bills, and you will add another $220 billion next year. And you have got the nerve to stand up here and say you are doing something about the deficit? And right after we pass that budget, we will come back here and scream for what? More taxes.

My God, people, the American people want the Barton amendment. Get up and have the guts to vote for it. Be proud of yourselves.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would advise our guests in the gallery that they are not permitted to express their approval or disapproval of statements made on the floor.

Mr. BARTON of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HOEKSTRA], another enthusiastic supporter of the tax limitation balanced budget amendment.

Mr. HOEKSTRA. Mr. Chairman, I want to express my strong support for the Barton-Tauzin substitute which requires a balanced budget in 1997 and includes a cap on taxes.

During the course of this debate, I have heard many argue that a balanced budget amendment is not necessary. But as the previous speaker so eloquently pointed out, this Congress cannot control spending. It is following in the steps of 40 years of Democratic control, where we continue to spend more than what we are willing to demand from the American taxpayers who send to Washington.

I call out to my freshman colleagues, the new Members of the 103d Congress, that this is our opportunity to let the American people know that this Congress is different than the 19 Congresses before it; that we are willing to control spending; that we will vote for a balanced budget amendment; and that we will no longer burden the next generation with additional debt and more interest, money that we cannot afford. I strongly rise in support of this amendment.

□ 1200

Mr. WISE. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ROSTENKOWSKI], the distinguished chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. Mr. Chairman, when I first heard about a balanced budget constitutional amendment, I thought it was a foolish idea. But events in recent weeks have convinced me that I misjudged it. In fact, it is worse than that. It is a bad idea that will make things worse rather than better and will undermine our public reputation.

In the past few weeks, the voters have repeatedly told me that they wanted straight talk and real options. They are tired of blue smoke and mirrors. That is why they nominated a gubernatorial candidate in my State who is calling for tax increases. And I believe that is why they nominated me.

I believe it is important to reduce the deficit and I have worked hard to achieve that goal. I take partial credit for the progress we have made in recent years. And we have made real progress. But I do not see a need to worship at the alter of the balanced budget.

Nor do I see a need to tinker with the Constitution. Balancing the budget isn't rocket science. It involves a series of simple, but tough choices. If you want to balance the budget you have to both raise taxes and cut spending. We could do that right now if balancing the budget was our sole priority. There is no need for a constitutional amendment that would buy us years of breathing space as we awaited ratification.

And while making the tough decisions I describe could balance the budget, the balanced budget amendment would not. All it would do is strengthen the hand of the minority by requiring super majorities to pass vital legislation. This is one more attempt by those who lack a majority to change the rules because they cannot win under today's rules.

I believe in majority rule. It is a principle that has served us well in the past and one that will guard us against excesses and unfairness in the future.

This amendment is not a blueprint for fiscal responsibility. It is nothing more than a recipe for ridicule and a floor plan of a fiscal funhouse.

As one who has worked hard to win a reputation for straight talk and making the real choices, I urge my colleagues to join me in rejecting this plan.

Mr. BARTON of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Illinois [Mr. EWING].

Mr. EWING. Mr. Chairman, I certainly did not intend to follow my distinguished colleague from Illinois who speaks with such authority in this House, but I want everyone to know that there certainly is a disagreement among the Illinois delegation about the wiseness of the candidate in Illinois who wants to raise taxes. Also, there is a strong disagreement on the balanced budget amendment.

We have a history here that would show, I think, that my colleague is absolutely incorrect. We cannot balance this budget unless we make it part of the Constitution.

We would probably come in here with major tax increases, if we do not pass this amendment.

The Barton-Tauzin amendment addresses the two important parts of what we need to do with our finances. It says, first, we are going to balance the budget. And second, we are not going to do it on the backs of the American taxpayer.

I just came off of the same primary that my colleague did. I got a very different message. I think this is a good amendment, and we should approve it.

Mr. BARTON of Texas. Mr. Chairman, could I inquire of the time there is remaining?

The CHAIRMAN. The gentleman from Texas [Mr. BARTON] has 7 minutes remaining, the gentleman from Louisiana [Mr. TAUZIN] has 7 minutes remaining, and the gentleman from West Virginia [Mr. WISE] has 14 minutes remaining.

Mr. WISE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MINETA], the distinguished chairman of the Committee on Public Works and Transportation, one who has been very active in aggressively pushing and advocating capital budgeting.

Mr. MINETA. Mr. Chairman, I rise in strong support of the so-called Wise-Price-Pomeroy-Furse amendment, and I want to especially commend the gentleman from West Virginia for his leadership on this important issue.

Mr. Chairman, 49 States do it. That is right, 49 States require a balanced budget. This amendment does the same thing—it requires that total Federal operating outlays must not exceed total receipts in any fiscal year.

Mr. Chairman, 49 States have it. That is right—they have separate accounts in their budgets to distinguish long-term capital investments from current operational expenses. This amendment includes a capital budget to permit the Federal Government to do the same.

And, do not be misled—we are not talking about taking capital investments off-budget. Quite the opposite, the Wise amendment insists that we pay for the current costs of those investments by making them part of the operating budget, which must be balanced every year.

Again, Mr. Chairman, 49 States require it—they include the current costs of capital investments in their annual operating expenditure calculations.

In addition, Fortune 500 corporations have capital budgets to distinguish investments from operations, and small businesses follow the same approach because that is the sensible thing to do.

But what we have in the Federal unified budget today is absurd. We lump together expenditures for capital investments, income support, and Government program operations in a common pool, and treat them as if they are all the same.

But they are not all the same. They have very different impacts on our economy. Capital investments enhance our productivity, efficiency, and standard of living. Consumption and operations meet day-to-day needs but leave no discernible long-term legacy. Accordingly, we place different priorities on these disparate spending items.

It is time that the Federal Government organize its budgetary affairs on the same sensible basis as State governments and private businesses.

The Wise amendment indeed takes Social Security off-budget. But that does not create any loophole in the system. On the contrary, it prevents us from using the billions of dollars in Social Security surpluses to offset the deficit, to mask the true magnitude of the deficit.

Taking Social Security off-budget therefore means even more belt-tightening—not less—because we will be closing the real budget gap, not merely the phony one whose size has been disingenuously reduced, as would be the case under the Stenholm alternative. The Wise amendment is definitely tougher on deficit spending.

Taking Social Security off-budget will restore people's confidence in the program—and in the Federal Government. They will know we are not going to spend their retirement money on something else.

The Wise amendment also permits its suspension when there is an economic recession—generally accepted as two consecutive quarters of negative real growth. Unlike the States, which have no legal responsibility to manage the economy, the Federal Government is statutorily bound to promote high levels of income and employment consistent with price stability.

We have only a few tools to do that difficult job. Fiscal policy is one of those tools.

We could rely on passive automatic stabilizers such as rising unemployment benefits and falling income tax revenues that normally occur without congressional action in a recession. Or we could take a more active approach by implementing a short-term economic stimulus program.

Either way, the result would be a budget deficit. But we would cushion the fall in income and employment, and prevent the economic downturn from spiralling out of control.

I believe in balancing the budget because it is the fiscally responsible thing to do, but we also have the legal and moral obligation to keep our economy healthy.

We must not tie our hands to manage the economy by placing fiscal policy off-limits. And we most definitely must not put our economy in the straitjacket of a balanced budget when doing so in bad times would exacerbate the problem, and turn a mild recession into a deep depression.

This amendment, therefore, makes eminent economic sense. It gives us the flexibility we need to manage our economic affairs. It is an honest, sensible, responsible, and workable approach toward keeping our fiscal house in order.

Last, Mr. Chairman, I would point out to those who signed the discharge petition—you are not obligated to vote for the Stenholm amendment, especially now that you have a better choice.

And, to the distinguished gentleman from Texas, I would say—come on over to our side; after all, Texas does it our way.

Mr. TAUZIN. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, what the Members who say they are for a balanced budget amendment and yet oppose the Barton-Tauzin tax limitation amendment are truly saying is that they want to get to a balanced budget amendment, but they want the right to do it by raising taxes.

Now, here is what others are saying about that—250,000 Members of the National Taxpayers Union have written a letter strongly supporting the Barton-Tauzin amendment, because they strongly believe that taxpayers in America would prefer an amendment that guarantees we are going to cut unnecessary spending rather than raising taxes.

People who are associated with the National Federation of Independent Businesses have also sent us a letter, on nice green paper on St. Patrick's Day, urging a green "yes" vote on the Barton-Tauzin amendment.

I quote from their letter:

> We strongly urge you to support the balanced budget amendment to the Constitution offered by Representatives Barton and Tauzin. The Barton-Tauzin amendment would require a three-fifths vote by Congress to raise taxes. NFIB members believe that without a tax limitation provision, Congress will increase taxes instead of cutting unnecessary government spending. This will be a key small business vote for the 103d Congress.

□ 1210

What small business is saying, what Americans are saying, is, "Balance the budget, but do it without raising our taxes again, and again, and again." A vote for the Barton-Tauzin amendment accomplishes that purpose.

Mr. BARTON of Texas. I yield 2 minutes to the distinguished gentleman from California [Mr. COX].

Mr. COX. Mr. Chairman, I thank my colleague, the distinguished author of this very well-considered amendment, for yielding time to me.

Mr. Chairman, we have heard today from a towering figure of our times, the chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI]. He spoke eloquently on the reasons that he believes tax increases should be easy for Congress to enact.

We have also heard today by letter from another towering figure of our time, Nobel Laureate Milton Friedman, an economist now at Stanford University. "The deficit," he says, and I am quoting, "is a symptom of our problem, not the real problem. The real problem is the level of government spending." The chart to my left makes that case dramatically.

In 1969 to 1973, a 5-year period, total Federal spending was less than President Clinton's budget for fiscal 1994. Annual spending has increased from that date until now by 800 percent. Next year's deficit is going to comprise 60 percent of just the new spending over 1993 levels. Federal spending is the problem.

Here is what Dr. Friedman says about how to fix it: "There is one way and one way only to reverse the trend that has now prevailed for more than half a century," this trend, "limit taxes." That is exactly what Barton-Tauzin does. A "yes" vote on Barton-Tauzin is a vote to discipline the insatiable appetite of Congress for more taxes and more spending, making it a little more difficult to raise taxes by requiring a 60 percent vote to do so.

A "no" vote is a vote for the gentleman from Illinois [Mr. ROSTENKOWSKI] and the status quo. A "no" vote keeps it just as easy as it is now to do this, and to raise taxes to pay for it.

Mr. Chairman, the choice is simple. We can choose between the visions of two towering figures of our time, the chairman of the Committee on Ways and Means, who wants to make it easy to raise taxes, or Dr. Milton Friedman, whose vision is one of limited government and economic growth for all of America.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

I just want to respond to the previous speaker, who compared two sons of Illinois, the chairman of the committee, Mr. ROSTENKOWSKI, and Milton Friedman. The difference I would point out is that Chairman ROSTENKOWSKI makes things work. He actually has to work with budgets, not just pontificate about them, not just write about them, and not urge supply-side economics, which has partly gotten us into the situation we are in today. I think there is a great deal of difference between the two, and I will come down with Chairman ROSTENKOWSKI every time.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Oregon [Ms. FURSE], who has been instrumental in crafting this amendment, and as a new Member, has taken the reins in her hands and has been very, very helpful to us.

Ms. FURSE. I thank the gentleman for yielding time to me, Mr. Chairman.

Mr. Chairman, I rise today in support of the Wise substitute. I want to commend my colleagues, the gentleman from West Virginia [Mr. WISE] and the gentleman from North Carolina [Mr. PRICE] for their efforts and good counsel in this endeavor. I also want to pay tribute to my classmate, the gentleman from North Dakota [Mr. POMEROY]. He is a credit to the freshman class.

Mr. Chairman, yesterday and again today we have heard a lot about the past, about the tremendous debt we have shamefully amassed, and it is true, we have amassed a debt. However, Mr. Chairman, the Social Security fund is not part of that debt. It has a surplus. Therefore, it should be kept out of this constitutional budget issues.

Mr. Chairman, I agree with my colleagues who say we need a constitutional amendment to balance the budget, but I think we must be sure that we do it both honestly and wisely. That is why I am going to support the Wise-Price-Pomeroy-Furse constitutional amendment to balance the budget.

The important thing about this amendment, Mr. Chairman, is that it is based on models that work, models that we have already seen all across this country, the States' balanced budget amendments. The Wise approach is an approach rooted in the ways of business, State and local governments. All businesses know we need to make some borrowing for wise future return for investment. Government, State governments, have been balancing their budgets for years.

The distinguished speaker, one of the speakers before me, said 49 States have it. I want to add that 49 States not only have it, they get it, like so many families who get it. They spend what they bring in, what they can afford to spend, but they also know that it is necessary for them sometimes to borrow for a future return: For a home, for college education for their children.

Mr. Chairman, let us be honest, let us be wise. Let us take the first step to solving our deficit. We can get on this road to working on our debt. Let us pass the Wise-Price-Pomeroy-Furse constitutional amendment to balance the budget. Let us do it right.

Mr. Chairman, I yield back the balance of my time.

Mr. TAUZIN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Alabama [Mr. CALLAHAN].

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman from Louisiana [Mr. TAUZIN] for yielding time to me for this brief period, and I thank both him and the gentleman from Texas [Mr. BARTON] for bringing this issue before the House of Representatives.

Mr. Chairman, I rise in support of the Stenholm balanced budget amendment, which I was proud to cosponsor.

There has been considerable controversy and focus on the amendment this year, primarily, I guess, because we may finally have the votes to win. Most arguments against the balanced budget amendment are phony, but it is true that this is a drastic action that we should not have to consider. It is true that Congress has the authority now to balance the budget.

Unfortunately, Congress has chosen not to exercise its authority to address deficit spending. A constitutional amendment is a very tough approach and it is unfortunate that it has come to this, but the total absence of discipline on the part of Congress necessitates the most severe of actions.

I was struck yesterday by the opening statement of a Department of Health and Human Services press release on this subject. It said: "The balanced budget amendment would force severe cuts in social programs * * *" Mr. Chairman, this protectionist attitude is the very reason we are where we are today—special interests have successfully resisted any restraint in spending that might impact their programs. The truth is, if we had responded to deficits early on, severe cuts would not be necessary.

I have also been frustrated by the so-called protectors of senior citizens who have issued the siren's song that Social Security will be cut under the amendment. Of course, the amendment does not cut anything—specific budget decisions will come later. But we all know that Social Security cannot and will not be cut. If we do not address deficit spending, though, we do put the trust funds in serious jeopardy. Those groups that are frightening senior citizens understand this. The only thing they are interested in protecting is their profit margin.

We must pass the balanced budget amendment to force serious efforts to achieve its mandate. I am thoroughly convinced that we will not do so without it. When the amendment is passed, we can put our special interests and pet projects aside and compromise on how best to eliminate the deficit fairly and without harming the vulnerable in our society.

I urge my colleagues to vote for House Joint Resolution 103, so that we may begin this critically important process.

Mr. TAUZIN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. LEWIS.]

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding time to me, and I appreciate very much the effort on his part and on the part of the gentleman from Texas [Mr. BARTON].

Mr. Chairman, this is a very, very important consideration. Earlier it was suggested that other States do it, but they find means of borrowing money.

Mr. Chairman, in my State of California it requires a two-thirds vote to take people's property by way of taxation. Never would our Founding Fathers have dreamed how easy it would become for the Congress to take people's property by way of the taxing system. We have gotten to the point where it is just a simple matter: Borrow it, have our grandchildren pay for it.

Nothing will get us off this track but to require an extra majority. It will force a bipartisan approach in this process, as we consider the prospect of spending and, in the process of spending, taking people's property. It is a very, very important item. I commend by colleagues for bringing forth this measure.

Mr. TAUZIN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DORAN].

Mr. DORNAN. Mr. Chairman, I thank my colleague, the gentleman from Louisiana, for yielding time to me.

Mr. Chairman, on this quiet morning, St. Patrick's Day, I think we have had one of the more fascinating debates of the year. I think the whole essence of what is wrong with the Federal Government is wrapped up in defending taxation while one group, a bipartisan group, tries to get a handle on spending.

I would like to point out to my good friend, the gentleman from West Virginia [Mr. WISE], about those two native sons of Illinois. Milton Friedman has won a Nobel prize for economics. I think we have yet to have the first Congressman or U.S. Senator be so honored. We are still working toward that goal; maybe the person that finds the key to stop the runaway spending, and to have respect for the sweat of the brow of our working men and women across this country.

As the gentleman from California [Mr. LEWIS] put it, money is provided. If you turn all your money into real property or possessions and then the IRS knocks at your door, you literally have to start selling real property.

I think this is the best debate of the year, not as passionate as sending troops to Macedonia or Bosnia, but this is what is wrong with this Congress. Vote for Tauzin and Barton.

Mr. WISE. Mr. Chairman, I appreciate that. I would note for the gentleman from California [Mr. DORNAN] that it is true that Mr. Friedman has won a distinguished award, as have many other economists with differing views from Mr. Friedman, so I return to my original point. Some pontificate, others legislate—and actually have to do the job—and I rest my case on that.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HAMBURG].

Mr. HAMBURG. Mr. Chairman, I rise today in strong opposition to the Stenholm and Barton constitutional amendments. These constitutional amendments will harm our economic recovery, hurt older Americans who depend on Social Security and Medicare benefits, and undermine comprehensive health care reform.

The tax increases and spending cuts forced by the Stenholm amendment would result in the loss of almost 6½ million jobs, force taxes up to their highest level in post war history, and increase Social Security taxes by $18 billion while reducing Social Security benefits by $19 billion.

Estimates by the Treasury Department show that the average Social Security recipient would see benefits cut over $600 a year under the Stenholm amendment. Medicare would have to be cut $480 for each person enrolled; and the Government would have $35 billion less each year to fight crime, to make job-creating improvements in infrastructure; to protect the environment; and to fund education and other essential Government services.

Mr. Chairman, there should also be no mistake that the Stenholm and Barton amendments will undermine comprehensive health care reform. Every serious health care reform proposal uses current Medicare and Medicaid expenditures to pay in part for reform. But these amendments would require those programs be cut to balance the budget, robbing reform of necessary financing. If we pass the Stenholm or Barton balance budget amendment, we undermine comprehensive reform of our health care system that will finally restrain health care costs. We would continue our pattern of cutting Medicare and Medicaid in the absence of overall containment of health care costs and continue cost shifting to the private sector.

Mr. Chairman, the Stenholm and Barton balanced budget amendments are a poor substitute for political leadership. We demonstrated that leadership last year with passage of the budget reconciliation bill, which reduced the deficit by $500 billion and strengthened our economy. We must and can go further with comprehensive health care reform to control health care spending. The balanced budget amendment on the other hand would destabilize our economy. It would require us to raise taxes and cut spending on counter-cyclical programs like unemployment compensation at just the time when it would hurt our economy most—during recessions. It would create an irresistible temptation to raid the Social Security trust fund to elminate the deficit. I urge its defeat.

The CHAIRMAN. The Chair understands that all Members controlling time are prepared to close, and we will proceed with the gentleman from West Virginia [Mr. WISE], the gentleman from Lousiana [Mr. TAUZIN], and then the gentleman from Texas [Mr. BARTON].

The gentleman from West Virginia [Mr. WISE] has 4½ minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, I rise in opposition to the Barton amendment and, obviously, in clear support of the Wise-Price-Pomeroy-Furse amendment. First of all, let me just say with the Barton amendment I respect what the gentleman is trying to do, and the gentleman from Louisiana. I have read the amendment, I have read it a lot. I have read the supplements on it. I cannot figure out who is going to get the software contract to figure it out. You have to go back 2 prior fiscal years, three-fifths here. The gentleman from Louisiana just assured me, corrected me because I was afraid that Jefferson could not have bought Louisiana in the Louisiana Purchase under the Barton amendment. He assures me that it could have happened. In fact he sometimes wonders whether or not Louisiana should have had a voice in that. But he assures me it could have happened and we are all relieved. Otherwise he would be in Paris making this speech.

The point I want to make is that the Barton amendment, I think, while a well-meaning attempt, exemplifies the difficulties of trying to write formulas into the Constitution.

I refer the body to yesterday's remarks that I quoted from Alan Greenspan about being very careful about writing into the Constitution definitions that tie themselves to indicators. In that case he used the Consumer Price Index as indicators.

But I would refer also to national income; what exactly does that mean? I question, for instance, whether a capital gains tax cut, how that would fare under the Barton amendment, because while you could vote for a tax cut, I believe with a simple majority, if, as many argue on the other side and some of this side, I do not, but if as many argue that there will be a sudden explosion of revenues coming into the coffers, whether or not some kind of three-fifths is required to accommodate that. So those are genuine concerns.

Finally, let me just say on the three-fifths issue that if three-fifths is so good, if we are too afraid about intrusive, overbearing Government, about the need to make sure and provide additional protections other than a simple majority that seems to have been good for everything else for the last 200 plus years, if three-fifths is so important, why do we not instead not have term limits, but just say that after 12 years all incumbents have to get three-fifths of the popular vote in order to return, now a supermajority, because they have already been in office, they represent Government and certainly that is fair to ask. I do not hear anyone racing to embrace that. Perhaps they will. At any rate, I think they may want to think about that some.

I want to turn to the Wise-Price-Pomeroy-Furse amendment because I think it is a clear alternative. The Barton amendment attempts to do some things and to lock into the Constitution some procedures. My concern is this: In a very sincere effort to avoid passing debt on to generations yet unborn, they would also deny opportunities to the same generations.

Our amendment does two things that I think are very important. It takes Social Security off budget. So actually you are saying to the most senior generation, "We protect you." The Barton amendment would not seek to hurt Social Security, but then why not just put off budget instead and nobody wants to do that. We say take it off budget.

The second part is we have capital budgeting and they do not. We say that we think it is worthwhile to be able to invest in this country and do what every State in the Nation does, which is to have a capital budget that treats roads, bridges, schools, infrastructure, telecommunications, highways, and water and sewer systems—those things that make you more productive and help you get long-term economic return, we think it is worthwhile to be able to encourage that. The Barton amendment does not.

So I would urge Members to reject this amendment and to adopt our amendment which says Social Security is off budget, and says capital investment is to be encouraged and indeed sets up a procedure for doing that, sets up safeguards, requires a balanced budget by the year 2001, as the other amendments do, but at the same time, says that we understand if you are going to put into the Constitution such important language, that you ought to put in the best possible fiscal policy that you can.

For these reasons Mr. Chairman, I would urge rejection of the Barton amendment, and at the proper time the adoption of the Wise-Price-Pomeroy-Furse amendment.

Mr. TAUZIN. Mr. Chairman, we have heard talk about the fact that American families borrow money. They do. And American businesses borrow money. They do. The difference between American families who borrow money and American businesses who borrow money is that they pay it back.

When they make loans they also have a payback schedule. This Government has none.

The debt in this country continues to grow every year, the interest piles up and we load it on our children without regard to what it does to them or our future. That ought to end and it ought to end today.

Second, we hear that Social Security might be threatened unless we adopt the Wise constitutional amendment to the balanced budget on this balanced budget issue. Let me tell you emphatically if Social Security is to be protected in this country we have got to stop building up debt, and we need a real balanced budget amendment, not a phony one, one that really works. And if you want one that works, be worried about this one. This one works. It is the best way to protect Social Security because we put our house in order, we quit building up debt and then we will not have to borrow from the Social Security trust fund as we did so recently in this congressional history.

Finally, this is a debate about tax limitation.

Currently, Americans work until May 18 for the Government somewhere. They work almost half the year to pay taxes to some Government. They do not begin working for their families until after May 18.

What the Barton-Tauzin amendment does is freeze that date. It says for that item, the future, we are going to give Americans a chance to work for their families instead of constantly for Government. It says that Government shall not grow faster than America's pocketbook. It says Government in this country shall not grow faster than our economy grows. That is an awfully good principle.

Nine States in American, my own in Louisiana, have adopted it by requiring supermajorities to raise taxes, because at least in nine States now people realize that this has to stop. At some point, Government has to be responsible or we sink not only the future of our children, we sink our immediate future.

The Tauzin-Barton balanced budget amendment tax limitation has to become law in this land.

Mr. BARTON of Texas. Mr. Chairman, I yield myself 5 minutes, the balance of my time.

Mr. Chairman, first, let me say that I want to congratulate my distinguished chief cosponsor, the gentleman from Louisiana [Mr. TAUZIN] for his leadership, and I want to compliment the leaders of the opposition, the gentleman from West Virginia [Mr. WISE] and the gentleman from North Carolina [Mr. PRICE], for their gentlemanly conduct during the debate today.

We have made the case for a balanced budget amendment. There have been few, if any, speakers who have come to the floor either today or yesterday and said we should not attempt to balance the budget. The real question is how we should go about balancing the budget.

The gentleman from Louisiana [Mr. TAUZIN] and myself and the other 198 Members of the House who voted last year for tax limitation, I think the majority of the House is going to vote this year for tax limitation, and say that tax limitation needs to be a part of any amendment that requires a balanced budget to the Constitution of the United States.

Why is that? Quite simply because tax limitation works. There are nine States that have tax limitation supermajority requirements of some kind in their State constitution.

This chart plots the year-to-year changes in taxes in those States from 1981 to 1992 that have tax-limitation provisions and those States that do not.

Now, I would point out that in States that have tax-limitation requirements it is not impossible to raise taxes. In fact, in 1 year, 1989, the States that had a tax-limitation provision actually raised taxes higher than those States that did not. In 8 other years, the States that had tax-limitation requirements raised taxes less, and in 2 years they raised them identically. So the point I would make with this chart is that we show with the statistical evidence that tax limitation works. It does not make it impossible to raise taxes, but it does make it more difficult.

On balance in 9 years out of 12, those States with tax-limitation provisions raised taxes less than those States that do not have it.

What did that result in? It results in the States that have tax-limitation provisions, their tax burden, the individual tax burden, went down 2 percent in the time period that we studied, and in those States that have no tax-limitation provision in their constitution, the tax burden went up about 2 percent. That meant that overall in the time period studied from 1981 to 1992, the average tax burden in States with tax limitation went up a little bit, about 2 percent, and in the States that did not have it, it went up 8 percent. that is a 6-percent gap.

What does 6 percent mean at the Federal tax level? Over $60 billion a year, $60 billion a year different.

We do not say it is impossible to raise taxes. We say it should be made more difficult to raise taxes by requiring a 60-percent majority vote, and if we had that in the Constitution this year, if these studies at the State level translated to the Federal level, we would have a tax burden $60 billion less.

History indicates that in the U.S. Congress from 1945 until today, every time this Congress has raised taxes, spending has gone up $1.59 for every $1 increase in taxes.

Tax limitation has been endorsed by every major tax group in the country, any tax group in the country; the National Association of Manufacturers prefers the Barton-Tauzin tax limitation amendment; the National Federation of Independent Business strongly endorses it. Their letter here says:

> NFIB members believe that without a tax-limitation provision, Congress will increase taxes instead of cutting unnecessary Government spending. This vote will be a key small-business vote for the 103d Congress.

Milton Friedman, distinguished Nobel Prize winner, says,

> I strongly support H.J. Res. 9, your proposed balanced budget/tax limitation amendment. There is one way and only one way to reverse the trend that has now prevailed for more than half a century: limit taxes. Your amendment would be effective in doing that. Milton Friedman, February 25, 1994.

I could go on and on. But let me simply say it is time to do something that works. It is time to require that the Federal Government balance its budget, as we require that by amending the Constitution; we should add the supermajority vote to require a tax-limitation provision, not impossible to raise taxes, but it would be more difficult. It is time in the next 5 minutes to do something for this country, to do something for ourselves, to do something for our children, and most importantly, to do something for our grandchildren.

Let us vote for the Barton-Tauzin balanced-budget amendment. Send it back to the Senate, and if the Senate passes it, send it to the States and wait for the three-fourths necessary to endorse it, and then get on about our business of doing what we all know we have to do, make decisions to cut spending, not increase taxes.

Mr. KYL. Mr. Chairman, I rise in support of the Barton-Tauzin tax limitation amendment.

Like the amendment I offered yesterday, the Barton-Tauzin amendment is based on the premise that the Federal Government does not tax too little, but rather that it spends too much.

Since 1980, revenues to the Treasury have increased 123 percent, from $517.1 billion to $1.15 trillion in fiscal year 1993.

By contrast, Federal spending increased over the same period by a whopping 138 percent, from $590.9 billion in fiscal year 1980 to $1.4 trillion last year.

The fact is, the budget cannot be balanced by increasing taxes. Higher tax rates change people's behavior. Higher taxes discourage work, production, investment, and savings, so revenue are always less than projected. In the 3 years since the 1990 tax increase, revenues have grown just $122 billion. Compare that to the $60 billion to $80 billion increases annually during the Reagan years.

The Reagan tax cuts, far from draining funds from the Treasury, led to the longest peacetime economic expansion in the Nation's history, pumping tens of billions in additional revenue to the Treasury every year. Why? Because lower taxes stimulate the economy, resulting in more taxable income and transactions, and more revenue to the Treasury.

The Barton-Tauzin amendment recognizes that, if Congress is required to balance the budget, it does so the right way—by cutting spending, not increasing taxes.

This amendment limits the rate of increase in Federal receipts for a given fiscal year to the rate of increase in national income for the previous calendar year, unless three-fifths of both Houses agree to exceed that limit. The tax limit is the key.

Whereas my amendment yesterday would have indexed Federal spending to growth in the economy, the Barton-Tauzin amendment links receipts to growth in the economy. Both would give Congress an incentive to support pro-growth economic policies, because that is the only way additional revenue would flow to the Treasury for Congress to spend.

Mr. Chairman, this is a sound amendment, and I urge my colleagues to support it.

RECORDED VOTE

Mr. BARTON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 215, not voting 10, as follows:

[Roll No. 62]

AYES—213

Allard
Andrews (NJ)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hoekstra
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lancaster
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Machtley
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Myers
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schenk
Schiff
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—215

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bilbray
Blackwell
Bonior
Borski
Boucher
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Costello
Coyne
Danner
Darden
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English
Eshoo
Evans
Faleomavaega (AS)
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoke
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pastor
Pelosi
Penny
Peterson (FL)
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Romero-Barcelo (PR)
Rose
Rostenkowski
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schroeder
Schumer
Scott
Serrano
Sharp
Skaggs
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Valentine
Velázquez
Vento
Visclosky
Volkmer
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—10

Farr
Gallo
Gilman
Grandy
Green
Hastings
Manton
Natcher
Payne (NJ)
Pickle

☐ 1255

The Clerk announced the following pair:

On this vote:

Mr. Grandy for, with Mr. Green against.

Mr. BERMAN and Mr. SCOTT changed their vote from "aye" to "no."

Mr. PAXON and Mr. BISHOP changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Pursuant to clause 2(d) of rule XXIII the Committee rises.

Pursuant to clause 2(d) of rule XXIII the Committee rose; and the Speaker pro tempore [Mr. BONIOR] having assumed the chair, Mr. SKAGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (House Joint Resolution 103) proposing an amendment to the Constitution to provide for a balanced budget for the Government and for greater accountability in the enactment of tax legislation, directs him to report that on a recorded vote on an amendment the votes of the delegates and of the Resident Commissioner from Puerto Rico were decisive.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BARTON of Texas: Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Prior to each fiscal year, Congress shall adopt a statement of receipts and outlays for such fiscal year in which total outlays are not greater than total receipts. Congress may amend such statement provided revised outlays are not greater than revised receipts. Congress may provide in such statement for a specific excess of outlays over receipts by a vote directed solely to that subject in which three-fifths of the whole number of each House agree to such excess. Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement.

"SEC. 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to the first section of this Article shall not increase by a rate greater than the rate of increase in national income in the second prior fiscal year, unless a three-fifths majority of the whole number of each House of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law.

"SEC. 3. Prior to each fiscal year, the President shall transmit to Congress a proposed statement of receipts and outlays for such fiscal year consistent with the provisions of this Article.

"SEC. 4. Congress may waive the provisions of this Article for any fiscal year in which a declaration of war is in effect.

"SEC. 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for the repayment of debt principal.

"SEC. 6. The amount of Federal public debt as of the first day of the second fiscal year beginning after the ratification of this Article shall become a permanent limit on such debt and there shall be no increase in such amount unless three-fifths of the whole number of each House of Congress shall have passed a bill approving such increase and such bill has become law.

"SEC. 7. Congress shall enforce and implement this Article by appropriate legislation.

"SEC. 8. This Article shall take effect for the fiscal year 2000 or for the second fiscal year beginning after its ratification, whichever is later.".

Mr. WALKER (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 2 of rule XXIII, the Chair will now put the question de novo on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. BARTON].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PRICE of North Carolina. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 211, noes 204, not voting 18, as follows:

[Roll No. 63]

YEAS—211

Allard
Andrews (NJ)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Cox
Cramer
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hoekstra
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson (CT)
Johnson (GA)
Johnson, Sam
Kasich
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lancaster
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Livingston
Lloyd
Machtley
Manzullo
McCandless
McCollum
McDade
McHugh
McInnis
McKeon
McMillan
Meyers
Mica
Michel
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Myers
Nussle
Packard
Pallone
Parker
Paxon
Payne (VA)
Peterson (MN)
Petri
Pombo
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Ridge
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Rowland
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schenk
Schiff
Sensenbrenner
Shaw
Shays
Shepherd
Shuster
Sisisky
Skeen
Skelton
Slattery
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Vucanovich
Walker
Walsh
Weldon
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—204

Abercrombie
Ackerman
Andrews (ME)
Andrews (TX)
Applegate
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bilbray
Blackwell
Bonior
Borski
Brewster
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Conyers
Coppersmith
Costello
Coyne
Danner
Darden
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Engel
English
Eshoo
Evans
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Glickman
Gonzalez
Gunderson
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hoke
Holden
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lantos
LaRocco
Laughlin
Lehman
Levin
Lewis (GA)
Lipinski
Long
Lowey
Maloney
Mann
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pastor
Pelosi
Penny
Peterson (FL)
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roemer
Rose
Rostenkowski
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schroeder
Schumer
Scott
Sharp
Skaggs
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Valentine
Velázquez
Vento
Visclosky
Volkmer
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—18

Boucher
Collins (MI)
Farr
Gallo
Gilman
Grandy
Green
Hastings
Manton
Martinez
McCrery
Natcher
Oxley
Payne (NJ)
Pickle
Porter
Serrano
Washington

☐ 1336

The Clerk announced the following pair:

On this vote:

Mr. Grandy for, with Mr. Green against.

Mr. BISHOP changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being involved in an event in my home State of New York prevented me from voting on rollcall No. 61, a quorum call. Had I been able to vote I would have voted present. In addition, on rollcall Nos. 62 and 63, on approving the Barton amendment, I would have voted nay.

The SPEAKER pro tempore (Mrs. UNSOELD). Pursuant to rule XXIII, clause 2(d), the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the joint resolution, House Joint Resolution 103.

☐ 1337

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, with Mr. SKAGGS in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. BARTON] had been disposed of.

Under the rule, it is now in order to consider the amendment in the nature of a substitute offered by the gentleman from West Virginia [Mr. WISE].

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WISE

Mr. WISE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will report the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. WISE: Strike all after the resolving clause and insert the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within seven years after it submission to the States for ratification:

"ARTICLE

"SECTION 1. Total outlays of the operating funds of the United States for any fiscal year shall not exceed total receipts to those funds for that fiscal year.

"SECTION 2. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House of Congress, that becomes law. If real economic growth has been or will be negative for two consecutive quarters, Congress may by law, passed by a majority of the whole number of each House of Congress, waive this article for the current and next fiscal year.

"SECTION 3. Not later than the first Monday in February in each calendar year, the President shall transmit to the Congress a proposed budget for the United States Government for the fiscal year beginning in that calendar year in which total outlays of the operating funds of the United States for that fiscal year shall not exceed total receipts to those funds for that fiscal year.

"SECTION 4. Total receipts of the operating funds shall exclude those derived from net borrowing. Total outlays of the operating funds of the United States shall exclude those for repayment of debt principal and for capital investments that provide long-term economic returns but shall include annual principal and interest payments for borrowing on capital investments. The receipts (including attributable interest) and outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall not be counted as receipts or outlays for purposes of this article.

"SECTION 5. Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 6. This section and section 5 of this article shall take effect upon ratification. All other sections of this article shall take effect beginning with fiscal year 2001 or the second fiscal year beginning after its ratification, whichever is later.".

□ 1340

The CHAIRMAN. Pursuant to the rule, the gentleman from West Virginia [Mr. WISE] will be recognized for 30 minutes, and the gentleman from Oregon [Mr. SMITH] will be recognized for 30 minutes in opposition.

Mr. SMITH of Oregon. Mr. Chairman, I ask unanimous consent to allot 15 minutes of my time to the gentleman from Texas [Mr. STENHOLM] for the purposes of control.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I yield myself 5 minutes.

First of all, Mr. Chairman, I want to thank those who have helped make this amendment possible, particularly the gentleman from North Carolina [Mr. PRICE], who has been instrumental in drafting it from the beginning, the gentleman from North Dakota [Mr. POMEROY], the gentlewoman from Oregon [Ms. FURSE], the gentlewoman from California [Ms. ESHOO], and the gentlewoman from Virginia [Mrs. BYRNE], and many others, and particularly I also want to thank the chairman of the Committee on Public Works and Transportation, the gentleman from California [Mr. MINETA], for the help in providing the capital budgeting language.

Mr. Chairman, we have four constitutional amendments before us for consideration today. There are three that are roughly fairly similar. There is one that is different, and that is the Wise-Price-Pomeroy-Furse amendment that is before us today.

All of the amendments, as I recall, would basically require a balanced budget by the year 2001, and so would ours. However, ours only has two grounds to waive those constitutional requirements: In the case of war or imminent military conflict or in case of recession measured by two quarters of negative economic growth.

Now where are the differences that come though, because ours has two unique features? First of all, we take Social Security off budget and say nobody needs to argue about whether or not Social Security would be affected under any of the constitutional amendments. We take it off budget. None of the other amendments does that.

The second thing, and I think equally and perhaps more significantly, we take recognition that this country must grow, and we recognize that part of an economic policy must be permitting investments that help us grow, those investments in roads, and bridges, water and sewer systems, airports, telecommunications systems, and so on. So we permit capital budgeting.

There has been a lot of talk, understandably, about the family and the fact that we do not want to be passing on debt to unborn generations. By the same token, I would hope we would want to be passing opportunities on to those same generations. A family knows when they do their family budget that they must balance it. But by the same token, they also understand that they have to make certain investments for their long-term well-being. We invest and borrow for a house, invest and borrow for a car that takes us to and from work, and perhaps the most precious investment is we borrow for the education of our children to go to college, knowing that that is what really provides them an excellent opportunity for the future. And businesses go through the same process.

Mr. Chairman, I had a little episode the other day that I think illustrates this well. I went into a grocery store and I was standing at the checkout line with several bags of groceries, and I realized that I did not have enough cash in my wallet. That grocery store happened to take a charge card, and so I charged what would be I think by anyone's definition direct consumption spending. I charged it, and of course I am paying interest on it right now. That is a silly thing to be borrowing for. Every family knows that. But if I use that charge card, Mr. Chairman, or borrowed for a car so that I could get to work, or for my son's or daughter's education, or for a piece of equipment in my business that would help it become more productive, then that is something that is justifiable.

What the Wise-Price-Pomeroy-Furse amendment does is permit capital budgeting. It does it very tightly.

Some call it a gimmick, which it is not, because what we do is to say that the debt service on principal and debt service is considered part of the operating income, so what our amendment does is it takes Social Security off budget as well as permitting investment that this Nation needs.

A lot of Members in this Chamber have told me at one time or another that capital budgeting is something they think should happen. My concern is there is going to be an amendment passed to the Constitution, and if this does not pass, none of the others will actually permit that to happen.

I do want to respond to a point that was brought up yesterday by the gentleman from Texas [Mr. STENHOLM], and it was a good point. He cited from a General Accounting Office report in saying that the General Accounting Office was looking at an overall investment budget, but that was separate from a capital budget. He is correct. The GAO looks at investment and increasing investment overall. But there is a need to realize that certain capital expenditures have a value and a long-term economic return, which is how we define it in our amendment, that goes beyond the life of 1 fiscal year. So the GAO, which incidentally in prior publications had endorsed capital budgeting but has now changed their approach some, but they look at overall investment budgeting. We say fine. We think there needs to be more overall investments. But for certain items with long-term lives, roads, bridges and other items, we think we need to permit capital budgeting as well.

I do hope, Mr. Chairman, the Members of the body will recognize the need, if we are going to pass a constitutional amendment here today, that they recognize the need to have in it solid growth policy.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I am delighted to yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Wise substitute amendment today. I begin by saying I think the gentleman from West Virginia does have one salutary effect in the discussion of this amendment, and that is the idea of raising the concept of a capital budget. As he has pointed out, many of our States do have capital budgets. All corporations use capital budgets. Most communities use capital budgets. Most other governmental bodies use capital budgets.

But what is the problem with it? Why should the Federal Government not use a capital budget? The difference is one very fundamental reason, and that is as it relates to all other governmental bodies, we do not have a limitation that almost every other governmental body does have of keeping everything within an overall budget cap. That is, most States operate under a balanced budget requirement of their State.

Let me explain why I think that is important. Since States do have a balanced budget amendment, they cannot exceed the total spending. By taking two items here, Social Security and capital, and placing them off budget under the Federal budgets, and making everything else subject to a budget cap, what we essentially do is encourage the Federal Government, that is, encourage Congress to play games with the definitions we use for what is and what is not capital.

Let me give just one example which would come along very soon when we find ourselves very tight against the budget limit. Human capital. Human capital is capital. Education could be considered a part of human capital, and we could very quickly put all of that off budget as being a nonbudget item.

The second issue I want to mention very briefly is the issue of Social Security. The gentlemen who take that and put it off budget, and many of us have argued we ought not to include that for years as a part of the total Federal budget, that we ought to protect it, but to paraphrase what Gertrude Stein once said, a rose is a rose is a rose, a deficit is a deficit is a deficit. If the Federal Government goes bankrupt, the whole Social Security System is going to go bankrupt. So let us not kid ourselves.

We ought to oppose the Wise amendment and vote for what is a real balanced budget, real limits on deficit spending, the Stenholm substitute.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the Wise amendment and in strong support of the Stenholm balanced budget amendment.

Mr. STENHOLM. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. BREWSTER].

Mr. BREWSTER. Mr. Chairman, I first want to commend my good friend and colleague the gentleman from Texas [Mr. STENHOLM] for having the leadership to continue pursuing what I feel is a critical element to the strength of our Nation's economy—a balanced budget amendment.

Mr. Chairman, I rise in opposition to the Wise substitute to House Joint Resolution 103 and in support of the Stenholm alternative.

Our Nation's debt currently exceeds $4.3 trillion—that is your debt and my debt. Every man, woman, and child in the United States currently owes $17,495 toward that debt. To my district and the citizens of Oklahoma, that is a lot of money that could go toward buying a home or a child's college education.

The Wise substitute is not a true balance budget amendment. It contains loopholes and it does not include any enforcement mechanisms. Unfortunately, without enforcement, Congress will not be able to control its spending.

If you do not believe that, consider this: It took our Nation 205 years—from 1776 to 1981—to reach a $1 trillion debt. Now, just 13 years later, the debt is over $4.3 trillion. Congress has not passed a balanced budget since 1969. Let us start now by passing a true balance budget amendment. Vote no on the Wise substitute and yes on the Stenholm balanced budget amendment.

□ 1350

Mr. WISE. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I rise today in support of the Wise-Price-Pomeroy-Furse substitute to House Joint Resolution 103.

As a candidate for Congress, I pledged that I would support a constitutional amendment to balance the budget only after we had cast the tough votes that would bring down our deficit.

Since that time, I and many of my colleagues have supported the Omnibus Budget Reconciliation Act of 1993 which, despite predictions of doom, has gone further to reduce our deficit than any other single piece of legislation. I went further this year by supporting a budget resolution that stays within the discretionary spending caps set forth by the budget enforcement agreement. The news from OMB and CBO on the state of our deficit is the best it has been in years. At the end of fiscal year 1995, we will see a 40-percent decline in the deficit as a result of these votes.

As I have repeated many times, however, the question of debt and deficit in our country will not be solved overnight. It will take persistence, consistency, and, most of all, time. Therefore, I will support Wise-Price-Pomeroy-Furse, a tough and reasonable balanced budget initiative, that will ensure that when the budget is balanced at the end of the next 7 years, we will not start all over again to saddle our economy with debt and deficit spending.

Perhaps most importantly, this substitute exempts Social Security from budget decisions. It guarantees the safety of the trust fund, a sacred compact between our seniors and our Government. The temptation to balance the budget on the backs of senior citizens is often great because we know that entitlements are the fastest growing segment of our budget. The temptation was there in Penny-Kasich, and I am afraid that the temptation will be equally great under Stenholm. Many have come to the well and spoken about leaving debt to their children. I, too, have children—two boys. But while I intend to keep casting tough votes to negate the debt that will be left to them, I also realize that the seniors I represent, who made northern Michigan great, are entitled to the Social Security that they paid for as working men and women. As we cut the budget over the next 7 years, a concerted effort must be made to ensure that no group is unfairly singled out as we continue our deficit reduction efforts.

Second, this substitute makes it more difficult to deficit spend than under the Stenholm version by providing only two cases in which deficit spending would be allowed: Deep economic recession involving two consecutive quarters of negative growth; and in times of war or imminent threat to our national security. In these limited circumstances, Congress could run a deficit. Under the Stenholm proposal, Congress could run a deficit anytime provided three-fifths of the Congress agrees.

Because it is what a majority of my constituents want and because it is most fair to my constituents, I am pleased to support the Wise-Price-Pomeroy-Furse substitute, an amendment that, if enacted, will encourage tough and responsible votes to eliminate our deficit by 2001 and then act to ensure that we will not travel down the road of debt and deficit spending again.

Support this alternative substitute and vote against the Stenholm amendment.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. PRICE], one of the original cosponsors of this amendment.

Mr. PRICE of North Carolina. Mr. Chairman, the Federal budget deficit is the enemy of both private and public investment in this country. The deficit absorbs our Nation's savings, and it forces tradeoffs between popular consumption expenditures and long-term investments in our Federal budget each year.

Some of the versions of the balanced budget amendment could actually make this situation worse, given the political appeal of entitlement spending. So we need to ask ourselves, is there a way of crafting a balance budget amendment that would result in reduced spending and, at the same time, encourage and enhance investment?

The answer, I believe, is the alternative amendment that the gentleman from West Virginia [Mr. WISE] and I and other Members have developed.

We are not alone, Mr. Chairman, in this concern for prudent and responsible investment. Malcolm Forbes recently wrote:

> It is astonishing that the largest entity in the world, the U.S. Government, books money spent for pencils the same way as money invested in buildings and highways, even though the latter have a useful life of many years. Businesses use depreciation. States also have separate budgets for current expenses and for capital items. People buying a house would be in violation of a balance budget amendment: A mortgage would be regarded as deficit financing.

Robert Shapiro of the Progressive Policy Institute wrote this about capital budgeting:

> Fiscal policy reform should begin by distinguishing among different kinds of public spending and limiting additional Federal borrowing to spending that can provide long-term, national economic benefits.

Our amendment, Mr. Chairman, is designed to further deficit reduction in a way that follows the example of businesses, families, and States as they plan for their future. It is the only amendment before us that would establish a capital investment budget.

Our amendment is also the only amendment that protects Social Security and ends the practice of using Social Security surpluses to mask the true size of the deficit.

Our amendment is the only amendment that protects majority rule while severely restricting the conditions under which the amendment could be bypassed to true military and economic emergencies.

Mr. Chairman, we have heard a lot about enforcement here. But when you look at what that enforcement really means in the Stenholm amendment, we are talking about a three-fifths vote on raising the debt ceiling. How anyone who has been through debt-ceiling votes in this Chamber could see that as effective enforcement is beyond me.

So we simply say that in normal times the amendment will not be overridden, cannot be overridden.

However, the majority will rule under carefully defined emergency conditions.

Our amendment offers this country the opportunity to build for the future, both by reducing the deficit and by enhancing productive investment. I urge my colleagues to vote for the Wise-Price-Pomeroy-Furse substitute.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, I rise in strong support of a balanced budget amendment.

I have supported a balanced budget amendment to the Constitution since my election to Congress. My commitment to passing such an amendment has not wavered, for an amendment of this nature is essential to the future prosperity of this great country. Opponents of a balanced budget amendment question the need to amend the Constitution. I believe we should amend the Constitution to ensure a debt-free America, an America whose people are not taxed into depression to pay for irresponsible Government spending. We have amended our Constitution twenty-seven times to address the various needs of the American people. I would say that a $4.5 trillion Federal debt is a pretty big problem that needs addressing. I am not alone in this belief. People throughout this country have asked Congress to cut and control unnecessary spending and feel that if an amendment to the Constitution is the only means to that end, then so be it. As we all know, our Founding Fathers so wisely included in the Constitution a Bill of Rights. I, for one, believe that Americans of today and tomorrow have a fundamental right to a prosperous and certain future.

I supported the Barton-Tauzin balanced budget amendment. It was a strong amendment that required the President to submit a balanced budget each fiscal year and limited the growth of Federal spending. One key provision ensured that taxes wouldn't be raised to reach a balanced budget unless Congress approved tax raising legislation by a three-fifths vote. The Barton-Tauzin amendment deserved support, because it would have forced Congress to balance our financial books by allowing few waiver provisions. A balanced budget amendment that allows taxation to be used as a budget balancing tool and provides for endless exemptions is a farce and a trick played on the American people.

I also supported the Kyl amendment; a strong, binding balanced budget amendment that limited Federal spending to 19 percent of the gross national product (roughly the level the Federal Government has collected in revenue for the last generation). It allowed few exemptions for balancing the budget each fiscal year and also would have given the President the line-item veto.

The Stenholm-Smith amendment, which I also support, includes stringent congressional vote requirements for increasing the deficit and requires the Congress to bind itself to budget restraints with a requirement of a three-fifths congressional vote to increase the deficit. In the past, Congress has been unable to pull in the purse strings and this amendment does just that.

The opposite of these strong balanced budget amendments is the weak, fault-filled Wise-Pomeroy-Price substitute amendment. This amendment requires a simple congressional majority vote for increasing the deficit, allows too many exemptions and, all in all, is an amendment filled with excuses for not balancing our budget.

Mr. Chairman, the American people continually and rightfully ask Congress to be about the business of fiscal responsibility. I, along with many of my colleagues, am about that business. There are hard spending decisions to be made, priorities to be assessed and appropriations battles to be fought. I feel that a vote for a strong, binding, balanced budget amendment sets the parameter for the ensuing fight for responsible and accountable Government spending.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Chairman, I rise in opposition to the Wise-Price-Pomeroy-Furse amendment.

Every member of this body knows what a true balanced budget amendment would mean to the congressional budget and appropriations process. My friend and colleague, CHARLIE STENHOLM, has championed an amendment to our Constitution for years to point us in the right direction of fiscal responsibility. The Stenholm amendment is genuine, yet it is flexible with supermajority provisions. This is a tough vote which carries many national benefits and local consequences.

I urge my colleagues not to take what we believe is the low road on this important issue. The Wise-Price-Pomeroy-Furse amendment only provides the illusion of working toward a balanced Federal budget. This amendment belies the principle of requiring balanced budgets by providing for an undefined, flexible capital budget for red ink spending. Also, the amendment exempts itself and provides for deficit spending in a recession.

We certainly know how this body handles flexibility and emergency spending. All we have to do is review the many projects included in the recent earthquake assistance legislation. It now seems that people all over the Nation were helped as well as those living in California.

I urge my colleagues to oppose this easy way out amendment—and support the Stenholm balanced budget amendment. It is high time to take a stand for American's future.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman made several claims about the Wise amendment which concern me, because I do not think that it is either the intent or actually in the amendment.

The gentleman said that, for instance, it could be permitted to be waived by a simple majority vote. That is true. But is the gentleman aware that there are only two conditions under which that applies, either wartime or military conflict, or the recession defined as two quarters of negative growth, only two instances, not the overall instances that all the other amendments including the Stenholm can be waived by 60 percent? Is the gentleman aware of that?

Mr. HUTTO. Mr. Chairman, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Florida.

Mr. HUTTO. I think the gentleman from West Virginia did not listen too attentively. I was talking about the supermajority of the Stenholm balanced budget amendment, because this would be the only way that we would be able to increase the deficit is by a 60-percent vote, and I do not intend to imply that you had a vote, because I understand under your recession clause, you do not have to vote if you have the recession there, period, for two quarters.

Mr. WISE. No, sir. Let me correct that. Under the recession clause, if there has been a recession of two quarters of negative growth, then it may be waived by a majority vote of the Congress, but it requires a vote. Indeed, there are only two situations in my amendment that you can waive the provisions of the balanced budget amendment at all, recession, with two quarters of negative growth; and wartime or military conflict. In both cases, it requires a vote of the House. It requires a vote of the House. I think that is a very important difference.

The second thing is on capital budgeting, I understand that some have concerns about it. But the gentleman serves with distinction, as I recall, on the Committee on Armed Services and has been long involved with that.

Did it not ever strike the gentleman as a bit passing strange that if you build an aircraft carrier, you have to account for it all in 1 year, and yet it has an active life of many years, that perhaps as any other business would do, you have to account for it in a manner that a business would or, in the case of infrastructure, that a State would?

□ 1400

Mr. HUTTO. In response, I would say that simply for a number of years the gentleman from Texas [Mr. STENHOLM] and a number of us have worked on what we call a real balanced budget amendment. I do not see the fear that others might have of this. If we truly want to get to a balanced budget, this is the one; this is the one we have been working on, and I think it is in the best interest of our Nation and certainly it is time that we get going toward fiscal responsibility.

Mr. WISE. I thank the gentleman. We have a legitimate disagreement as to whether or not—as to whose is the best amendment. I have great respect for the work that the gentleman from Texas has done, but I do not want anyone to think that this is a light offering. A lot of work has gone into it. Some of these suggestions and fears raised on our amendment are not valid.

I would be happy to yield to the gentleman, but the request I would make is is it possible we might get some time in return?

Mr. DELAY. I do not have the time to control. I would like to ask a question of the gentleman.

Mr. WISE. I yield to the gentleman from Texas.

Mr. DELAY. The gentleman is absolutely right, that in his bill is written only two instances where his amendment would be waived, or waive the balanced budget amendment. But is it not true that there is an in-practice way of waiving the gentleman's amendment? That is by how you define investments.

Anybody can define investments any way they want to, whether it be building bridges or roads and all the pork that is put in the spending here. The President of the United States currently defines investment as any kind of social spending that he wants to spend.

Mr. WISE. Reclaiming my time so that I might answer the gentleman's question, and it is a legitimate question. First of all, we tightened ours up from other capital budgeting provisions that have been offered in previous debate in the other body by requiring, first of all, that the investment be that which brings you long-term economic return. I think that knocks out a lot of what the gentleman is talking about. I have some concern with what the gentleman is saying as well, which is why I sponsored a bill along with the gentleman from Pennsylvania [Mr. CLINGER], which relates only to physical infrastructure.

But I must say this is something which must be decided by the Congress in implementing legislation, just as other amendments that have been offered here require implementing legislation. We also bring our capital budgeting on line in the sense that an investment is reflected in the operating income through the debt service. You do not borrow for education in the manner the gentleman is speaking of, you do not borrow for some of the things that he is concerned about.

So I think we do have the initial safeguards. Indeed, Congress must come back and define this.

The alternative is this: that we continue down the path we are going, where our infrastructure, we are paying roughly one-half of what we were, investing one-half of what we were just 30 years ago. We are seeing a decline in overall investment, and I am concerned that the other three amendments would only further that. That is why ours reflects, I think, the need to have investment recognized in the Constitution.

I yield to the gentleman briefly.

Mr. DELAY. I just want to ask a question. The President of the United States calls welfare spending an investment. Under the gentleman's definition of investment being something that gives us long-term yield, would welfare spending be an investment if you make the case and define it as such that it is investing in people on welfare, pull them out of welfare, it gives us a long-term return?

Mr. WISE. I have not seen that in any serious discussion that would be considered as such, no.

I say to Mr. SMITH and Mr. STENHOLM, I would be happy to yield to Mr. POMEROY unless they would prefer to proceed here.

Mr. Chairman, the gentleman from North Dakota [Mr. POMEROY] has also been instrumental in framing this amendment. I yield 3 minutes to the gentleman from North Dakota, Mr. POMEROY.

Mr. POMEROY. I thank the gentleman for yielding this time to me.

Mr. Chairman, at the outset I want to commend the sponsors of both versions of the balanced budget amendment that remain before this House, my colleagues, the gentleman from Texas, CHARLIE STENHOLM, and the gentleman from Oregon, BOB SMITH, who have long worked on their version of the balanced budget amendment. I understand the sincerity that they have brought to this pursuit for many years, and I commend them for it.

Two colleagues of mine from the Committee on the Budget, BOB WISE, DAVID PRICE, I have also enjoyed working with very much in developing this alternative proposal.

We agree it is time for a balanced budget amendment for this country; we disagree on how we accomplish that end.

For me, the most important distinction between the two alternative versions before the House at this point involve the Social Security trust fund.

You know, many years ago there was an ad campaign geared to people protecting their autos by taking the keys with them. It was with, "Don't help a good kid go bad; lock your car."

I think a similar analogy involves the Social Security trust fund: "Don't put this country under a balanced budget amendment leaving the cash in the kitty of the Social Security trust fund to help them reach that balance. Protect the Social Security trust fund."

Take it off budget. This is critically important. I have heard from senior citizens across the country, including leading organizations.

But I do not see this as a senior citizen issue because right now the Social Security trust fund is solvent, well protected. But we know that the demographics of this country are changing. We know that while there are three workers today for every retiree, by the year 2005 there are going to be two workers for every retiree. And if we do not protect the sanctity and the independent status of the Social Security trust fund, if we would expose this trust fund, allow the funds to be siphoned off to make up for overspending occurring elsewhere in the budget, as I believe would be the case under the alternative amendment, we would have a very dangerous situation for the retirement needs of generations to come.

Only the Wise-Price-Pomeroy-Furse amendment deals adequately with the Social Security issue, and I urge its adoption this afternoon.

NATIONAL COMMITTEE TO PRESERVE
SOCIAL SECURITY AND MEDICARE,
Washington, DC, March 15, 1994.

Hon. EARL POMEROY,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE POMEROY: The issue in the House voted this week on a Balanced Budget Constitutional Amendment is clear: shall the Social Security trust fund be raided for purposes of reducing the federal general revenue fund deficit?

The federal deficit is in the general revenue fund because general revenue fund outlays exceed that fund's receipts. The enclosed chart demonstrates the extent to which the deficit is fueled by spending in the general fund which exceeds general fund receipts. Social Security is not part of the deficit problem—it is separately financed and generates a substantial annual surplus—$60 billion in 1994 alone.

Clearly, an intent of H.J. Res. 103 is to pull Social Security into a consolidated federal budget. Further, H.J. Res. 103 does not require the general revenue fund budget to be balanced. In fact, it puts off balancing the whole federal budget until after 2015 because Social Security receipts will exceed outlays before that time. In the interim, including Social Security in the budget will provide constitutional authority to allow annual federal deficits equal to the annual amount by which Social Security receipts exceed outlays—$60 billion in 1994 alone.

Financing general revenue fund programs with the Social Security payroll tax instead of the federal income tax unfairly benefits high income earners at the expense of low income earners, especially those low income earners who do not earn enough even to owe federal income taxes. These low income workers pay the payroll tax off the top, even though they owe no income tax.

For those earning $60,000 or less in 1994, the effective Social Security payroll tax rate is 6.2 percent. For the $100,000 earner, it is only 3.75 percent of total earnings: for the $125,000 earner, 3.0 percent of earnings; $250,000 earner, 1.5 percent—a grossly unfair way to finance general fund deficit reduction.

Needless to say, seniors will be outraged to discover that the Social Security trust fund was raided for purposes of deficit reduction. I strongly urge you to vote against H.J. Res. 103.

Older Americans will keep close track of the votes on the balanced budget constitutional amendment issue and will not look favorably on votes in favor of H.J. Res. 103. However, an alternative to be offered by Representative Wise will require a balanced budget while at the same time protecting Social Security. Any constitutional amendment for a balanced federal budget must exclude Social Security from its application.

We understand that some Members of Congress regard the upcoming vote on H.J. Res. 102 as meaningless in light of Senate's recent defeat of the balanced budget constitutional amendment. However, as far as seniors are concerned, there are no "free votes" to undermine the Social Security trust fund.

Sincerely,
MARTHA A. MCSTEEN,
President.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. I thank the gentleman for yielding this time to me.

Mr. Chairman, I believe, as someone who grew up in a home where I went to Sunday school and church almost every Sunday, that I should start out by saying something nice about my opponents. I will say that the authors of this amendment are well-intentioned, and I think it would be of some value to have enshrined in the Constitution the goal of a balanced budget amendment.

Having said that, I do not think that this amendment furthers that process other than symbolically. It does set the goal of a balanced budget amendment, and that in and of itself is worthy. But there is no enforcement mechanism. There are no super-majorities. There are no specific requirements. It is simply, "We should balance the budget." Again, that has some merit, but you have got to trust; but as President Reagan said in dealing with the Russians, "You have to verify." There is no verification process.

Second, it exempts automatically the largest entitlement program in the budget, the Social Security fund.

Now, I will stipulate that we can balance the budget without raising taxes and without touching Social Security. I believe that the Stenholm amendment and the sponsors of the Stenholm/Smith amendment would agree with that. We do not have to go after Social Security in order to balance the budget, but I think it is not proper to automatically put it off limits. If we are going to be serious about balancing the Federal budget, every program should be subject to whatever decisions are made that require reducing spending. To automatically take off the table the largest entitlement program I believe is irresponsible.

Second, let us talk about definitions. They talk about exempting capital investment. There is some merit to that, no question; but there needs to be a definition, and there is no definition. That leaves a hole wide enough to drive a huge amount of pork-barrel spending through because there is no definition of what capital investment is.

Finally, the proponents of this amendment attacked me on my amendment because I said that in the previous year the rate of growth in the economy could be used as a moderator for the rate of growth in Federal spending. They said how could you account for that? Well, they allow the budget to be unbalanced after two consecutive quarters of negative growth immediately. Now, I would stipulate that if you cannot do it in 2 years, you cannot do it in 2 quarters.

Unfortunately, I am out of time.

Vote "no" on Wise.

Mr. STENHOLM. Mr. Chairman, I yield myself such time as I may consume.

□ 1410

Mr. Chairman, I would like to commend the gentleman from West Virginia [Mr. WISE] for the way he has conducted himself throughout this debate and for making a serious, thoughtful proposal. His proposal has made a constructive addition to the debate. The manner in which he has conducted himself throughout this debate has helped make this one of the best debates I have had the privilege to participate in since I came to Congress.

I would also like to thank the gentleman for helping bring us to a point where far more than two-thirds of the House agree that we need a Constitutional restraint. He has helped convince several Members to make the serious philosophical leap to supporting a Constitutional amendment. I have been trying to convince Members to make this leap for 12 years, and I appreciate the help from the gentleman from West Virginia. While there is disagreement about the details, there is growing support for the principle of amending the Constitution to protect future generations from the burden of our debt. I think that is extremely significant.

I must oppose the Wise amendment, however, because it includes provisions which are not appropriate to include in the Constitution and because I am not convinced it will change the status quo. The Stenholm-Smith amendment is much stronger and more flexible than the Wise amendment and is a much more appropriate addition to the Constitution.

The Stenholm-Smith amendment balances strong, enforceable fiscal discipline with necessary and beneficial flexibility. In contrast, the Wise amendment is weak and unenforceable, while lacking the necessary flexibility.

We have been extremely careful to ensure that Congress could not find loopholes, move items "off-budget," use "rosy scenario" economic assumptions or other gimmicks to circumvent the amendment. The backup enforcement of a three-fifths vote to raise the debt limit will prevent any efforts to evade the amendment.

The Wise amendment does not include this enforcement to prevent evasions of the amendment through rosy economic estimates or loopholes. In fact, the Wise amendment explicitly creates two loopholes. While the proponents of the Wise amendment argue that we will not abuse the exceptions for capital investments and for the Social Security trust fund, we cannot be certain that Congress will resist the temptation to do so. That is too much of an uncertainty to place in the Constitution.

The Stenholm-Smith amendment recognizes that we cannot anticipate all of the circumstances that may justify deficit spending some point in the future and should not try to write all of the possibilities into the Constitution. We believe that it is more appropriate to provide the flexibility of allowing deficit spending if 60 percent of Congress believes that we face an emergency that justifies deficit spending.

The Wise amendment does not allow for this flexibility. We would not have the option, for example of waiving the amendment in order to respond to a natural disaster or any other national emergency except a recession or declared war.

The Wise amendment may have prevented Thomas Jefferson from making the Louisiana Purchase because the Louisiana Purchase may not have met the definition of a permissible exception to the balanced budget requirement. The Stenholm-Smith amendment would have allowed Thomas Jefferson to borrow money to make the Louisiana Purchase because more the 60 percent of the Congress at that time agreed with him that the Louisiana Purchase was the type of extraordinary opportunity that justified deficit spending.

The Louisiana Purchase is an interesting example for another reason. Thomas Jefferson borrowed $225 billion in today's dollars to take advantage of the once-in-a-lifetime opportunity to double the size of the United States and invest in the future of our Nation. Today, we are routinely borrowing that much every year to finance current consumption. The Stenholm-Smith amendment would allow us to borrow for extraordinary circumstances like the Louisiana Purchase, but would end the practice of routinely borrowing money in good times and in bad.

Under the Stenholm-Smith amendment, it will be possible to separate capital investments from operating expenses. We simply say that we do this within the context of an overall balanced budget. The General Accounting Office stated that:

> The choice between spending for investment and spending for consumption should be seen as setting of priorities within an overall fiscal constraint, not as a reason for relaxing the constraint and permitting larger deficit.

And I would say in response to my colleagues that GAO was in favor of what they are suggesting and oppose it now.

The supporters of the Wise amendment point to the example of the States to justify an exception for capital budgets. This analogy is flawed for several reasons. First, States include limitations on their borrowing for capital expenditures through bond ratings, voter referendums to approve the issuance of bonds and other restrains that would not exist at the Federal level. Second, as Lou Fisher of the Congressional Research Service noted at a Budget Committee hearing in 1992, many States have circumvented the limitations on borrowing for capital expenditures. Perhaps most importantly, the share of capital expenditures in the Federal budget is much small than it is in the States. While there may be a justification at the State level to borrow money for capital expenditures, the Federal Government should be able to fund capital investments on a pay-as-you-go basis. Even the Federal Interstate Highway System, the largest capital investment in our history, was financed on a pay-as-you-go basis at the urging of Senator Albert Gore, Sr.

The primary reason I oppose the exception for capital investments in the Wise amendment is because there is no agreement on what would be included in a capital budget. Depending on whose definition you use, capital spending for fiscal year 1995 will be $23 billion, $60 billion, $120 billion, $220 billion or $265 billion. The gentleman from West Virginia [Mr. WISE] has a relatively narrow view of what should be included in a capital budget. Other members, including the chairman of the Government Operations Committee, who will have a major role in shaping any implementing legislation, have a far broader view about what should be included in a capital budget. I do not believe we should enshrine the concept of capital budgeting in the Constitution when we do not agree on what it means.

On the issue of Social Security, there is a disagreement only about the best way to protect the integrity of the Social Security program not whether we should protect it. I believe that keeping Social Security in the framework of the amendment will ensure that we take the actions we all know are necessary to deal with the unfunded liability in the trust fund and preserve the long-term soundness of the trust fund. If we do not bring our deficit under control, the integrity of the Social Security Program will be threatened early in the next century. Exempting the Social Security Trust Fund creates the temptation to abuse that exception and undermine the integrity of the trust fund. The Stenholm-Smith amendment will protect Social Security for our children and grandchildren.

The greatest threat to Social Security and to investments is the growing interest payments that are crowding out all other spending. Continued deficit spending, even if it is off budget, would result in a still growing debt and rising interest payments which will squeeze our ability to fund investments and Social Security. The Wise amendment may or may not result in less borrowing than we currently have, but there is no question that under the Wise amendment we will face increasing interest payments and have less money available to spend on other worthwhile programs. While there may be different opinions about the best way to protect Social Security and capital investments, there can be no question that the only way to ensure that future generations can make capital investments and meet the obligations of the Social Security Trust Fund is to put an end to our spiralling debt.

Finally I will ask this question about the Wise amendment: How will the Wise amendment improve upon the status quo? Depending on how we define a capital budget, we could run deficits as large or larger than our current deficits without violating the Wise amendment. I do not believe we should be amending the Constitution simply to enshrine the status quo.

I encourage my colleagues to vote against the Wise amendment. But I would also say to my colleagues, regardless of how you vote on this amendment, all Members who believe that we need a Constitutional restraint and that we need to change the status quo in this body should vote for final passage.

☐ 1420

The CHAIRMAN. The Chair wishes to state that the gentleman from Texas [Mr. STENHOLM] has used 10 minutes of his time and the gentleman from West Virginia [Mr. WISE] has 13 minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I may infer from this monologue which has been very ably conducted by the gentleman from Texas [Mr. STENHOLM] that he is not going to vote for our amendment. Let me respond to a number of his points.

First of all, let me say that I thought a lot of the genesis of the balanced budget amendment was to have something similar to what other States have, that almost every State has a balanced budget requirement of some kind, and that we in the Federal Government should do the same, and that that is one of the reasons behind this exercise. I would point out that I am not aware of any State we surveyed—and I think we surveyed just about every one—that has language that the Stenholm amendment has. In fact, many States put in a goal that "thou shalt run a balanced budget" and then leave it up to the legislature or to the courts to decide how to implement it.

First of all, I think we ought to recognize that the Stenholm amendment is different in that respect from just about any State.

The second point is that most States, if not all of them, have a capital investment procedure. I am not sure why the U.S. Congress is supposed to be different than State legislatures, in the sense that the States have apparently been able to define what they consider to be capital and they have been able to keep reins on it. Yet for some reason the U.S. Congress is not to be able to do in its legislative deliberations what every State legislature does.

I am fascinated by those who have been in the well, including the gentleman from Texas, who complain about our waiver procedure, calling it first weak and unenforceable because what it does is to say that only by a majority vote can you waive the provisions of the amendment in only two circumstances. They, of course, permit waiver under any circumstances as long as you have 60 percent.

On one hand, I am weak and unenforceable, and on the other hand, I am inflexible and too tough. It is a great yin yang position to be in. Which is it? The fact of the matter is that I think it is very, very responsible.

The second point is about the Louisiana Purchase. That is an interesting history lesson. I was not aware that 60 percent of the Congress agreed with it at the time. I question whether it could have been done. I think it could have been done under our amendment, if you consider that the Louisiana purchase has had a long-term economic return and Congress probably would have defined it as an economic asset. I do not know, incidentally, whether the people in Texas and Louisiana had a vote on it, too, whether they were part of that 60 percent, but that history lesson will come another day.

Now, on Social Security, I believe what the gentleman from Texas is concerned about is this: When we asked to move it off budget, he is concerned that the gimmickry starts by trying to move other functions under Social Security. I think that is unlikely to happen, as is the charge that he resists, that people are going to go in, if it is left off budget, and raid the fund, if people have some malevolent intention.

The reality is that Social Security off budget protects Social Security and is not used to mask the true size of the deficit, which is presently occurring. The assets in the Social Security fund, the surplus, are used to mask the true size of the deficit. Furthermore, Social Security is a self-generating fund. You cannot move the veterans programs under it, you cannot move other social programs under it which are supported by General Fund moneys into a program that has its own tax base and has its own benefits scheme. You pay money into Social Security and you get money out. The cost-of-living adjustment comes through that. It is all done within one pool. So, therefore, you ought to move it under.

The gentleman attacks our amendment based on what the General Accounting Office has said. I want the gentleman to stipulate here and now for the RECORD that he will forevermore accept every decision by the General Accounting Office. Will the gentleman stipulate to that?

Mr. STENHOLM. Mr. Chairman, if the gentleman will yield, no, I will not. In fact, I have made it very clear that since they have been "fer it" and "agin it," I am not sure whether their "fer it" was right or their "agin it" was right. That is the point we are making.

Why would you want to institutionalize into the Constitution something that may or may not be something that we are for or against?

Mr. WISE. Mr. Chairman, if I may reclaim my time, I am not writing this for any Federal agency or I am not writing for the General Accounting Office. I am writing this to reflect sound constitutional practice.

The Office of Management and Budget, for instance, has long resisted this. Why? Because it makes things a lot rougher for OMB. It is not as secure a gain for them anymore. There are a lot of people in the Federal bureaucracy who resent this amendment and have fought to keep it off capital budgeting.

As to limitations on capital budget, yes, it is true that we do not have a referendum procedure, as we have in many States, although many States can still go out and borrow for capital expenditures without any kind of referendum. And, no, there are no real bond ratings. And I will tell you what is a bond rating in effect: It is the interest you have to pay and whether or not you are permitted to do it.

And let us remember that the debt service from capital investments have to come on stream. They have to come in under the operating income. That is a very real limitation.

Finally, the gentleman said this does not matter because we have such a low share of our Federal budget going to infrastructure. So what does it matter

That is the point. We have handicapped ourselves so much by our own Federal budget procedure—25 years ago we were spending twice as much in relation to our total Federal spending as we are today. That is the point. Our Federal budget does not encourage, indeed, it discourages investment.

I respect what the gentleman is doing because he is trying to get people to have priorities. He is trying to define it. But at the same time they ought to be realistic priorities, and you ought not to squeeze out those investments that are going to bring you back more than you would have spent otherwise.

I would ask finally, how does every State handle this situation? Every Member who has spoken in the well today is from a State that has capital budgeting. Yet you want to deny it to the Federal Congress and to the Federal Government. Every State has capital budgeting. Every State defines it. Every State has found that it is the only way, if you are going to have a balanced budget requirement, particularly in the Constitution, to make nay sense out of it.

Mr. STENHOLM. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Chairman, Texas certainly has a capital budget. My point of concern is the gentleman's amendment. It says very, very clearly:

> Total outlays of the operating funds of the United States shall exclude those for repayment for debt, principal, and for capital investments that provide long-term economic returns.

That is a loophole two barn doors wide. That is what I was trying to say. In Texas at least if you are going to have a principal investment, you in fact would have to get the approval of the people through referendum, through amendment to the constitution, or you are going to satisfy bond holders.

Mr. WISE. Mr. Chairman, I am sorry, but is the gentleman reading off the same amendment? I ask because what I am reading is line 15:

> For capital investments that provide long-term economic returns but shall include annual principal and interest payments for borrowing on capital investments.

Mr. STENHOLM. That is correct.

Mr. WISE. That is the word, "include." It is in the operating income, not out of it.

Mr. STENHOLM. But it still has to be defined. Somebody has got to define it, and that will be defined by whom? By us in the Congress. And on what? A majority vote.

Mr. WISE. It will be defined in the Congress as every other major issue is defined in the Congress, and, yes, it will be by majority vote.

My personal recommendation is that you have a bipartisan commission that is assigned and developed to make recommendations to the Congress. You might even do it on a base-closing condition, up or down. Congress can deal with that as every State legislature has dealt with it.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WISE. Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho [Mr. CRAPO].

Mr. CRAPO. Mr. Chairman, the bottom line here is that we need a balanced budget amendment that does not have loopholes that will allow Congress to continue operating the same way it has in the past. That is the whole purpose of this battle.

I must agree with those who are opposing this amendment and say that the Wise amendment does not accomplish that goal. Let me just talk quickly about two of the big loopholes. First, by a majority vote it allows the Congress to waive the amendment when there is what has been called a national economic emergency, when Congress decides whether there has been, by a majority vote, a two-consecutive quarter decline in real growth. But again who decides it? Congress does.

The second big loophole is the capital expenditure item. Let me read again the item, because I agree with the gentleman from Texas who says that it is a loophole two-barn-doors wide. The amendment provides that "the total outlays shall exclude those for repayment for debt, principal, and capital investments that provide long-term economic returns."

I can see the debate now. If this amendment were to pass, we would be standing on this floor in the future and one group would be saying, "This is pork-barrel spending," and the other group would be saying, "No, this is long-term investment that will have a meaningful economic return for the country."

□ 1430

Who gets to decide? Congress, by a majority vote.

The point here is that we must have a system whereby the Congress cannot continue by a majority vote to determine whether it will spend in the red. This Congress has shown again and again that it has the creativity to make incredible arguments about what is and what is not happening in the budget, and I just point out one example that happens today.

We have got what we call a baseline budget that projects automatic increases in spending for this Congress, and if Congress chooses to spend a lower amount of increase, a smaller increase than is projected in that baseline, then they call that a cut, when we are actually increasing spending.

If Congress can call an increase in spending a cut, then it can find a way to say we are in an economic emergency or we have a capital budget item that we need to spend on.

Mr. SMITH of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. COX].

Mr. COX. Mr. Chairman, the question before us now is whether a capital budget is going to help rein in deficit spending or create more of it. In 1986 and 1987 I served on a White House task force on capital budgeting. The purpose was to take a look at this idea and see whether there might not be a way to imitate businesses and States that routinely distinguish between capital investment on the one hand and period expenses on the other hand.

What we found was that because the Federal Government is different in some key respects from businesses and States, a capital budget for the Federal Government would do nothing more or less than increase deficit spending. It would in fact provide the intellectual justification for more deficit spending.

Some of the differences have already been noted here on the floor. State governments have outside disciplines. Bond issues have to be approved by voters. Not so when the Federal Government issues debt.

Bonds issued by States are rated by private agencies, like Standard and Poor and Moody's. Outside bond counsel and certified public accountants are used before this debt is issued.

We just passed the Chief Financial Officer's Act here in hopes that some day the Federal Government will be able to produce reliable financial statements, but we know that is years into the future. We cannot get a simple P&L out of any agency. The IRS tells us they cannot even produce a listing of their assets, of their computers. There is no balance sheet available.

So what is capital spending in the Federal Government without financial reporting?

The marketplace for debt does not care that the Federal Government does not have these financial statements, because they know the full faith and credit of the Federal Government stands behind the debt we issue, and they know if the Federal Government doesn't have money to pay its debt, unlike the States and businesses, the Federal Government will just print it. Those are key differences, and they, I think, distinguish rather significantly a capital budget for a business and a capital budget for the Government.

Another reason that business distinguishes between period expenses and long-term expenses is that capital expenses, capital acquisitions, are irregular events. They are nonrecurring. They are the exception, not the norm. To require a business to expense the cost of that asset in one period would produce an irregular blip. But take a look at this chart here. Including all capital expenses, this is a nice straight line up, an 800-percent increase over the last 30 years in annual spending.

It is the norm for the Federal Government to do this year in and year out. If a business acquires capital assets day in and day out all year long, they are expensed. They are treated as inventory. That is in fact the proper accounting way to treat the Federal Government's expenses.

Finally, this constitutional amendment would have Congress decide what is investment, and, if it is investment, it is excluded from the calculation of the deficit.

The National Helium Reserve that I have been fighting is a long-term asset. The Federal Government is in the helium business. We have lost about $1.3 billion to date, over $100 million a year. We have over 100 years of helium in the ground. Long-term, certainly. Waste, absolutely.

We will get more of these helium reserves if we get a capital budget. The capital budget for the United States will be worse than doing nothing. It will increase deficit spending. Vote "no."

The CHAIRMAN. The gentleman from Oregon [Mr. SMITH] has 4 minutes remaining, the gentleman from Texas [Mr. STENHOLM] has 2 minutes remaining, and the gentleman from West Virginia [Mr. WISE] has 5 minutes remaining, and has the right to close.

Mr. WISE. Mr. Chairman, let the record show who it is that has the surplus of time at this point in this battle of deficits, and who has the best amendment. Careful husbanding and conserving here.

Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, I rise in strong support of a balanced budget and of the importance of capital budgeting in order to set priorities for investment in our Nation's future.

Mr. Chairman, I am for a balanced budget. What we need is an approach like the Arkansas Revenue Stabilization Act which limits what we spend for the operation of Government to the actual revenues which are received each year.

In Arkansas we have accomplished this without an amendment to our Constitution. The Arkansas Revenue Stabilization Act makes clear that operating budgets should be balanced, but allows money to be borrowed for capital investments like highways, schools, prisons, and hospitals.

It recognizes that government, just like every private business, and every prudent family, should know the difference between spending money for current consumption, and investing in the future. A family should be willing to borrow money for a home, or to educate their children, but gets in trouble if they spend more than they make on groceries, telephone bills, clothing, and entertainment. A business will cut expenses to make a profit, but will use those profits to invest in new machinery, new factories, and other investments for the future.

My grandfather used to say that if a family gets deeply into debt, they cannot borrow their way out of debt, nor can they starve their way out of debt; they must work their way out of debt—increase their productivity.

In Arkansas, we recognized this principle by encouraging job formation through investments in plants and equipment. We were among the first States to issue bonds to build industrial facilities for economic development. I have strongly supported this concept at the national level. Capital budgeting should be adopted here just as it is in business, in families, and in virtually every State. The objective of promoting long-term economic growth is not well served by a budget process focused on short term results.

I returned to Congress with the concept of a Marshall Plan for America to rebuild our own country's economy by making investments in the future. Such an approach rests upon the principle that there is a fundamental difference between capital investments for growth, economic productivity and strength—as contrasted with spending to meet day-to-day operating expenses. That principle is incorporated in the proposal that is offered by the gentleman from West Virginia [Mr. WISE] and his colleagues.

We need to use the human and material resources which helped us to win the cold war to improve our industrial base. We need to invest in high technology plants and equipment to compete in world markets and to provide high paying jobs here at home. We need to build and rebuild roads, highways, fiber optic networks, and other investments which improve our productivity.

Unfortunately, our out-of-date Federal budgeting process does not recognize the difference between investment for economic growth and operating expenses. Understanding the difference, and establishing priorities for investment is absolutely essential for a robust economic growth. We cannot have a balanced budget without robust economic growth.

The principles contained in the proposal offered by the gentleman from West Virginia [Mr. WISE] and his colleagues are so vital to our future that I have decided to support their proposal for a balanced budget amendment. We need to balance the budget, but we should not hobble our efforts to become more productive. Neither should we balance the budget on the backs of our Social Security system. People have paid for this system. There is a tremendous trust fund to secure this national commitment. I am not willing to walk away from our commitment to those who—in good faith—have contributed to Social Security and who now depend on the security of that trust fund.

I believe that the combination of capital budgeting and fiscal conservatism of Arkansas' Revenue Stabilization Act is reflected in the balanced budget amendment offered by Mr. WISE. None of the other amendments protect Social Security, or allow prudent investments as a foundation for a robust and competitive economy. I am for a balanced budget and believe we should get started right now. I am supporting the constitutional amendment to balance the budget as presented by Mr. WISE and his colleagues.

Mr. WISE. I thank the gentleman from Arkansas, who has been a long time advocate of capital investment.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, our substitute provides for the delicate balance which needs to be brought to a balanced budget constitutional amendment.

It is the only alternative we have today that balances our budget without annihilating our country's and this body's long-standing values, including our commitment to children, the elderly, and long-term investments in infrastructure and schools.

This is an enforceable, accountable balanced budget amendment that honors these long-standing values.

In addition to requiring a balanced budget by the President and the Congress by 2001, this amendment establishes a Federal capital budget modeled after the capital budgets used by States, permitting the Government to finance long-term capital investments such as roads and schools and requiring that these investments be paid for over their useful lives out of the operating side—not smoke and mirrors.

It permits for flexibility in times of emergency such as war and recession, but does not allow for deficit spending whenever three-fifths of this body chooses to deficit spend, as the Stenholm amendment would.

Finally, our substitute ensures the integrity of Social Security. This will put an end to the practice of using Social Security surpluses to mask the true size of the deficit and ensure the viability of the program for future generations.

Mr. Chairman, this is a tough but responsible balanced budget amendment. It gets our fiscal house in order without crippling our economy, hurting future generations of Americans or placing this body in a legislative straitjacket.

For these reasons, I urge my colleagues to support the Wise/Price/Pomeroy/Furse/Eshoo/Byrne substitute. It is simply the best alternative.

Mr. SMITH of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Chairman, I thank the gentleman.

Mr. Chairman, Let me first say that the gentleman from West Virginia [Mr. WISE], the gentleman from North Dakota [Mr. POMEROY], and the gentleman from North Carolina [Mr. PRICE] are very serious about their amendment, but I have to rise in opposition to this unwise amendment.

I must say, and I hope the Members that just spoke would listen, that what we are doing here with the Wise amendment, the unwise amendment, is locking in the Constitution, business as usual. What they are doing is saying we are going to put in the Constitution once and for all deficit spending. All our speakers against this amendment have proven that, and I do not have time to go into it.

So I want to close with a reminder to the Members of this House that have gone home time and time again and said that they are for a balanced budget amendment: You will get no cover from voting on this.

This reminds me of the time last year when the majority leader came out here with a cover type amendment, a statute, and 12 cosponsors of the Stenholm amendment switched and voted for the Gephardt proposal. If I have to remind you, remember Joan Kelly Horn from Missouri. She is no longer in this House because she told her constituents she was for a balanced budget and voted for a coverup.

Mr. STENHOLM. Mr. Chairman, I yield the remaining 2 minutes of my time to the gentleman from Minnesota [Mr. PENNY].

☐ 1440

Mr. PENNY. Mr. Chairman, I thank the gentleman for yielding time to me.

I think, in reading the two amendments, it should be evident to any legislator serious about enforcing a balanced budget requirement that the only clear choice is the proposal offered by the gentleman from Texas [Mr. STENHOLM]. The alternative sponsored by the gentleman from West Virginia [Mr. WISE] and others, while well-intentioned, falls short in many respects.

I believe them to be well-intentioned in their desire to accommodate capital budgeting. It may be fine. It may be accommodated in many State-level balanced budget amendments, but it is not necessary at the Federal level.

The only major construction activity at the Federal level today is the Interstate Highway Program, which is handled on a pay-as-you-go basis, through our collection of gas tax revenues. There is no reason to believe any similar commitment by the Federal Government would be likely in the near future. And even if that were the case, certainly, those commitments could also be handled honestly within an annual budget.

The amendment proposed by the gentleman from West Virginia also exempts the Social Security trust fund. I do not know of another constitutional amendment that makes reference to an existing law. Why would we want to make a constitutional amendment contingent on a preexisting law?

Usually, we enact laws which flow from the constitutional principles.

If we are exempting the Social Security trust fund, why not the highway users trust fund? Why not the airport trust fund? Why not many dedicated user fees for parks or for ports or for other Government services?

If we exempt one, the rationale is just as logical to also exempt these others. And for those reasons, I think it is ridiculous to start down that path with any sort of exemptions.

We ought to keep everything in the budget. We ought to make deficit spending the exception rather than the rule. The only way to do that honestly is with a three-fifths vote of the Congress as contained in the amendment offered by the gentleman from Texas.

Any alternative with exemptions and which allows deficit spending by a 50-percent vote in Congress is not a serious alternative.

I urge rejection of this approach.

Mr. SMITH of Oregon. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Oregon [Mr. SMITH] is recognized for 3 minutes.

Mr. SMITH of Oregon. Mr. Chairman, there are many Members here in this assembly who do not want a balanced budget amendment to the Constitution. There have been efforts by the leadership here and in the other body to try to devise a system by which Members can escape, some cover. I think the Wise amendment is a cover amendment for those Members who do not really want a constitutional amendment.

I am not suggesting that the sponsors do not. I am suggesting many Members who will attempt to have cover with this amendment are searching for a way never to vote for a balanced budget amendment.

Think of this for a moment, Members. Since I have been in Congress for 12 years, the capital long-term expenditure is $2.6 trillion, which is over half of the debt of the Nation of $4.3 trillion to $4.5 trillion.

If the gentleman's amendment had been in place, we should have had what we have, $4.3 trillion debt. That is a hole that is not covered by this amendment. That is a hole that is covered by the Stenholm-Smith balanced budget amendment to the Constitution.

Can Congress change the Social Security definition? Can they change what is a capital budget?

Well, let us see what they have done. They have redefined Gramm-Rudman. They have suspended the budget of 1974 every day on the floor. We declare emergencies to take things off budget. We use the trust funds, the surpluses, we disguise them. And of course, they eliminated the use of five statutes we passed to balance the budget by statute in this Congress.

Can Congress change the intention of the gentleman? Of course, and it likely will, because this is a dodge to the real issue of balancing the budget in this country.

Beyond that, capital budgets endanger Social Security. Why do they do that? Because as we increase spending, we must increase the amount of interest we pay on that indebtedness. And when we do that, we crowd out the other alternatives of the budgetmakers to determine if Social Security is more important than defense, than discretionary spending, than all the other social programs.

Our amendment protects Social Security, because it demands that the deficit come down, the debt come down and, therefore, interest rates come down.

May I point out, one tick of the interest rate, one percent creates $52 billion more of interest that this country must pay and this Congress must appropriate, $52 billion. If we do not control spending, we cannot control inflation.

If we do not control inflation, we endanger Social Security. And that is what our amendment does, the gentleman from Texas. We protect not only the debt of this country, but we protect Social Security. And we do it in a manner that is not a dodge, not a cover-up, as the Wise amendment.

I ask my colleagues to vote against the Wise amendment and support the Stenholm-Smith proposal.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] has 3½ minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself the balance of by time.

I think this has been a useful debate, and I appreciate the chance. I do want to quickly respond to a couple of remarks that were made.

The gentleman from Texas [Mr. DELAY] made an excellent pun on my name. He talked about the unwise amendment.

I would just say, with capital budgeting, why the delay?

To the gentleman from Oregon, who questions whether capital budgeting will squeeze Social Security, we have got a solution for it. If Members are afraid of it, move it off budget like we do.

To the gentleman from Minnesota, there is a difference between Social Security and the other funds that he mentioned. It is almost an emotional difference with the American people as much as anything. Social Security is something that every man, woman, and child in this country grew up with, looks to, and depends upon. We move it off budget where nobody can get at it.

We can all differ on that. Is this an obscure debate that we are having, this arcane thing of capital budgeting? Is it just something policy wants to talk about or some accountants, they just have a good time?

No, it is about the future of our country. It is about our growth.

There are many who oppose my amendment, our amendment, the Wise-Price-Pomeroy-Furse amendment, who would say something along the lines of, Well, you cannot define it and, therefore, if you cannot define it, the Congress is likely to let everything be considered capital investment.

Members, it is not defined because Congress has never had this debate. This is the first time in the 12 years that I have had the privilege of serving here, the first time that capital budgeting had this intense interest for this period of time. Never has there been a debate of more than 5 or 10 minutes, 1 hour at the most, on capital budgeting.

It is coming. It is coming because every State has capital budgeting. Every business has capital budgeting. Every family, yes, has capital budgeting. There is only one entity, it is the U.S. Federal Government, and if we are going to write economic policy into the Constitution with a balanced budget amendment, which I voted for in the past and I will vote for the Wise amendment today, if we are going to do that, then we ought to have the same policy in the Constitution.

How do we define capital investment? Many are afraid of this debate. That is the debate that we are supposed to have. Members of Congress get paid to debate and to work through these issues, as every State legislator has also worked through this issue.

If Members want a balanced budget amendment but if they want one that reflects on modern times and that will grow with the future, if Members want a balanced budget amendment that says by the year 2001 our budget shall be balanced, but if Members want a balanced budget amendment that also says a dollar spent in investing in our future is not necessarily the same as a dollar in consumption, then they must support our amendment, the Wise-Price-Pomeroy-Furse-Eshoo-Byrne amendment.

Finally, there are some significant differences in this debate and in this amendment. If Members want a balanced budget amendment, we balance the budget for them in the same amount of time as the others.

Two significant differences: We move Social Security off budget. We do not leave it on budget for anybody who might be tempted. Second, we encourage investment. We do not discourage investment. We recognize that just as we do not want to pass deficit and debt on to our children, we do not want to pass on opportunity.

I urge Members to support the Wise-Price-Pomeroy-Furse amendment.

Ms. MINK of Hawaii. Mr. Chairman, I rise in support of the substitute offered by Representatives ROBERT WISE, DAVID PRICE, EARL POMEROY, ELIZABETH FURSE, LESLIE BYRNE, and ANNA ESHOO to House Joint Resolution 103, the Balanced Budget Constitutional Amendment introduced by our colleague, Representative CHARLES STENHOLM.

Through the ongoing debate on the balanced budget amendment, many have argued in support of the Stenholm amendment by noting that the Federal Government must balance its budget just as States with balanced budget requirements are compelled to. It is precisely because I agree with this argument that I oppose the Stenholm amendment and support the Wise-Price-Pomeroy-Furse-Byrne-Eshoo substitute.

Unlike most States with balanced budget requirements that distinguish between their operating and capital requirements, the Stenholm amendment fails to distinguish between the Federal Government's day-to-day and long-term budgetary requirements. In failing to do so, the Stenholm amendment makes it difficult for the Federal Government to invest in those projects that are essential to promoting and ensuring economic growth. Please note that in most States with balanced budget requirements, capital projects can—and are—financed over the useful lives of the projects.

Unlike the Stenholm amendment, the substitute offered by Representative WISE and friends establishes a Federal budget structure modeled along the lines of those found in States with balanced budget requirements. As such, the Wise substitute would establish a separate Federal capital budget and require that only the Federal operating budget be balanced.

The Wise substitute also differs from the Stenholm amendment by exempting Social Security receipts and outlays from balanced budget calculations. Please note that the Wise substitute would specifically insure that the annual Social Security surpluses will not be counted as receipts for purposes of the balanced budget amendment.

By establishing a budget framework that clearly distinguishes between the Government's day-to-day expenses, need to continue investing in the future, and responsibility for preserving and protecting the integrity of the Social Security system, I believe the substitute offered by Representatives WISE, PRICE, POMEROY, FURSE, BYRNE, and ESHOO will lead to the formulation of sound fiscal policies and contribute to restoring the public's confidence in the Government's ability to set such policies.

I strongly urge my colleagues to join me in supporting the Wise substitute.

Mr. KYL. Mr. Chairman, I rise in opposition to the Wise-Pomeroy-Price-Furse amendment.

The gentleman from West Virginia [Mr. WISE] and his colleagues raise some very serious and legitimate issues in this amendment, and I agree with them, and support, what I believe they mean to do with respect to Social Security and capital budgeting.

I just don't agree with the way they go about it, because they have created some very substantial loopholes in what the balanced budget amendment is otherwise meant to achieve.

Mr. Chairman, Social Security is a self-sustaining program, and the only changes in the program Congress should ever make are changes necessary to preserve and protect the solvency and integrity of the trust funds. I agree with the gentleman from West Virginia that the budget should not be balanced on the backs of Social Security recipients. Speaker upon speaker has come to the well of the House over the last day and a half to commit to that, and it's clear that Social Security is the very last program anyone in this House—on either side of the aisle—will ever touch when it comes time to balance the budget.

The problem with the Wise amendment is that, while it provides little practical protection for Social Security since no one is likely to touch the program anyway, it does create a real opportunity for mischief.

Because the Social Security program is established by statute, not by any provision in the Constitution or even in the Wise amendment, Congress will always have the opportunity to amend the Social Security law in the future.

To escape the balanced budget requirement, for example, we could have anything from health care to housing defined by future statute to be part of the Social Security program. Nothing in the Wise amendment prevents that.

Similarly with respect to capital budgeting, the idea is a sound one. The Government does need to make long-term economic gain for the Nation. With that in mind, the Wise amendment exempts capital investments that provide long-term economic gain from the balanced budget requirement. But, the question of what constitutes such investments is left to be resolved by Congress in future implementing legislation. That creates the second gaping loophole.

If Congress were to use the very broadest definition of the terms—and, again, nothing in the Wise amendment prevents it—virtually anything could fall into that category of capital spending which is exempt from the balanced budget requirement.

President Clinton's latest budget, for example, includes an entire section entitled, "Investing for Productivity and Prosperity: Setting Priorities Under Budget Discipline." Among the items discussed are education, job training, childhood immunization, and National Service, to name just a few.

Yes, these things are very important, and, yes, they will produce a long-term economic gain. But, the point is, if capital budgeting is defined too broadly, Congress can render the balanced budget requirement meaningless.

Congress has used every trick in the book to evade limitations in the Budget Act, in Gramm-Rudman, and other laws, and that is why an effective constitutional limitation on Congress' ability to deficit spend is so critical. The well-intentioned but loosely written provisions in the Wise amendment on Social Security and capital budgeting become very significant loopholes through which Congress could continue to evade a balanced budget requirement.

For these reasons, I urge my colleagues to oppose the Wise amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from West Virginia [Mr. WISE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WISE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 111, noes 318, not voting 9, as follows:

[Roll No. 64]

AYES—111

Ackerman
Andrews (ME)
Andrews (NJ)
Applegate
Barca
Barcia
Barrett (WI)
Bilbray
Bishop
Bonior
Borski
Boucher
Brown (OH)
Bryant
Byrne
Cantwell
Carr
Chapman
Clinger
Clyburn
Coleman
Cooper
Costello
Danner
DeLauro
Deutsch
Duncan
Durbin
Engel
Eshoo
Fazio
Fields (LA)
Fingerhut
Ford (MI)
Frost
Furse
Gejdenson
Gibbons
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hoagland
Hochbrueckner
Holden
Hoyer
Jefferson
Johnson (SD)
Kaptur
Kennedy
Kleczka
Kopetski
Lambert
Lancaster
Lantos
Long
Maloney
Mann
Markey
McCloskey
McNulty
Meehan
Miller (CA)
Mineta
Mink
Moran
Murphy
Neal (MA)
Oberstar
Obey
Olver
Ortiz
Pallone
Pastor
Peterson (MN)
Pomeroy
Price (NC)
Reed
Regula
Reynolds
Richardson
Roemer
Rogers
Romero-Barcelo (PR)
Rose
Sawyer
Schenk
Schroeder
Schumer
Scott
Sharp
Shepherd
Skaggs
Smith (IA)
Spence
Strickland
Stupak
Swett
Tejeda
Thornton
Thurman
Torres
Torricelli
Volkmer
Washington
Wheat
Whitten
Williams
Wise
Yates

NOES—318

Abercrombie
Allard
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barlow
Barrett (NE)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilirakis
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Clay
Clayton
Clement
Coble
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Coppersmith
Cox
Coyne
Cramer
Crane
Crapo
Cunningham
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLay
Dellums
Derrick
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
English
Evans
Everett
Ewing
Faleomavaega (AS)
Fawell
Fields (TX)
Filner
Fish
Flake
Foglietta
Ford (TN)
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Gutierrez
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hinchey
Hobson
Hoekstra
Hoke
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson, E.B.
Johnson, Sam
Johnston
Kanjorski
Kasich
Kennelly
Kildee
Kim
King
Kingston
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Lowey
Machtley
Manzullo
Margolies-Mezvinsky
Martinez
Matsui
Mazzoli
McCandless
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
Meek
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Nadler
Neal (NC)
Norton (DC)
Nussle
Orton
Owens
Oxley
Packard
Parker
Paxon
Payne (VA)
Pelosi
Penny
Peterson (FL)
Petri
Pickett
Pickle
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Ridge
Roberts
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner

Serrano
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spratt
Stark
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Thompson
Torkildsen
Towns
Traficant
Tucker
Underwood (GU)
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wilson
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—9

Farr
Gallo
Grandy
Green
Hamburg
Hastings
Manton
Natcher
Payne (NJ)

□ 1513

Messrs. HOEKSTRA, BLACKWELL, KINGSTON, LEWIS of Georgia, and OWENS changed their vote from "aye" to "no."

Messrs. PALLONE, MORAN, SCOTT, PETERSON of Minnesota, GEJDENSON, HEFNER, and SPENCE changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. It is now in order, under the rule, to consider the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. STENHOLM].

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will report the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. STENHOLM: strike all after the resolving and insert: That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SEC. 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SEC. 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SEC. 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SEC. 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SEC. 6. The Congress shall enforce and implement This article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SEC. 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SEC. 8. This article shall take effect beginning with fiscal year 2001 or with the second fiscal year beginning after its ratification, whichever is later.".

Mr. STENHOLM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Pursuant to the rule, the gentleman from Texas [Mr. STENHOLM] will be recognized for 30 minutes, and a Member in opposition will be recognized for 30 minutes.

Does the gentleman from West Virginia [Mr. WISE] rise in opposition to the amendment in the nature of a substitute?

Mr. WISE. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] will be recognized for 30 minutes in opposition.

The Chair recognizes the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I ask unanimous consent that my time of 30 minutes be equally divided between myself and the gentleman from Oregon [Mr. SMITH].

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. INSLEE].

Mr. INSLEE. Mr. Chairman, I rise to answer the question. Why is it our generation's duty to adopt this amendment now, while its need may not have been as obvious 200 years ago? While reading the words of our Founding Fathers last night, I was struck by one thing: their enduring commitment to freedom, ingrained in the Constitution.

Freedom of speech. Freedom of religion. Freedom from unequal treatment. The Founding Fathers knew that to preserve these freedoms it was necessary, wise, and right to cement these values in the Constitution. Now we need to constitutionally protect another endangered freedom. We must guarantee freedom from the Government imposing debt on our children. For this reason, this is a debate as much about freedom as it is about fiscal policy. The Founders knew that there would be huge forces pushing the Congress to infringe upon the freedom of speech. They knew that there would be huge pressures to deny freedom of religion. Now we know something else. We know that when a national government assumes the responsibility to guarantee the financial security of its citizens, there will be huge pressures to pass the associated costs on to future generations.

I stress that we now know this. We have finally begun to understand this because of the explosive growth of our entitlement programs. The Constitution should be amended only when a tidal wave of change sweeps across our Nation. We are currently in the middle of such a wave of change in the last half of this century. Simply put, there has been a radical and fundamental change in the scope of government. In Jefferson's time, the Federal Government was an organization responsible for only the post office and the army. Now it is an organization equally responsible for feeding, clothing, and caring for a large part of its citizens. Is it any wonder that the pressures to shift debt to our children are tenfold what they were 200 years ago?

Our Founders experienced the loss of freedom of speech, so they protected it in the Constitution. They experienced the loss of freedom of religion, so they protected it in the Constitution. But it is our generation that has experienced the loss of freedom from government-imposed debt, and it is our duty to protect that freedom in our Constitution. One of the elements of genius of our Constitution was to allow each generation to expand the scope of freedom as new threats to those freedoms appeared. We should move with the spirit of the Framers of our Constitution and in the direction of freedom, freedom from debt and pass this amendment.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just say, first of all, that I commend the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] for the way they have conducted the debate heretofore. We are, of course, now on their amendment.

Mr. Chairman, we have been debating a lot of concepts throughout the last 2 days. If I could just reflect for a second, Mr. Chairman, on the previous vote as we then take up the Stenholm amendment.

While not, obviously, as a majority, I do think it was significant to note that this is the first time in my recollection that we have ever had a real vote on the concept of capital budget and capital budgeting and the kind of investments we want in the Constitution. I just want to assure Members that, while some said we do not want to be putting it in the Constitution undefined, there are a number of us—I would hope to be joined as well by some on the other side of the aisle—there are a number of us, then, who are going to give you a chance to define it in statute and to work for a true capital budget that reflects the needs of our country so that it can grow and prosper.

Having said that, I am going to just briefly raise my concerns with the Stenholm amendment and perhaps engage the gentleman from time to time in some discussion.

The Stenholm amendment does not take Social Security off budget. Some of us felt that it should be, that it could be protected truly. No one here, I think—no one, I believe, in this Chamber—has any intention of raiding Social Security. That is not the assertion.

□ 1520

But just as was mentioned in the earlier debate, remember that old advertisement, the magazine advertisement. I never did quite understand it, but what it used to say—it had a picture of a car seat with keys in it and an open window. It said, "Don't help a good boy go bad; lock up your car." By the same definition, if you believe Congress is subject to the temptations occasionally to run in and raid or do some things that you prefer it not do, then why leave it to temptation? Take Social Security off budget.

The proponents of this amendment, from what I have heard, say they have no intention of doing anything with Social Security anyway, that the amendment wouldn't have hurt it. However, that point is not before us today.

Second, I am concerned about the Stenholm amendment because regardless of how you just voted on the past amendment, does the Stenholm amendment—and not just Stenholm, but Kyl and Barton before it—do these amendments, in the measures that they are going to take, threaten capital investment? The point was made in the previous debate that capital investment in physical infrastructure is a relatively small amount. That is fine. You are right, yes, it is. There is reason for that; that is because the crush of entitlements, day-to-day operating expenses, squeeze out the priorities we should have engaged in, which are building roads, bridges, infrastructure, roads and sewer systems, telecommunications highways, schools, those things that make us stronger and better.

So that is my concern as well with the Stenholm amendment, because I do not see where capital gets a proper recognition in that.

There are other points I am going to make in the course of the debate, but at this point I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. INHOFE].

Mr. INHOFE. I thank the gentleman for yielding this time to me.

Mr. Chairman, we have had a lot of healthy debate over today and yesterday. It has been said over and over again this is not going to work. The gentleman from Washington State talked about the fact that we have a changing America, so it is necessary to change the Constitution. I would remind you that it was the suggestion of Thomas Jefferson, who was out of the country during the 1787 Convention, who said we should have passed it then. I certainly agree with Thomas Jefferson.

Mr. Chairman, I come from a State that has a balanced budget amendment to the Constitution. Almost everyone in here comes from such a State.

In 1941 our budget was getting out of control, and we passed one during the debate at that time. Now, I have gone and researched this. People talked about the fact that we are not going to be able to do this, that it is going to cause us to cut major programs, for the elderly and other people; but it worked beautifully.

Mr. Chairman, I spent three terms as mayor of the city of Tulsa, and every day I would look at my computers and would know from day to day where we were relative to the end of the year—where we were going to be in balance. It worked then; it worked in the State of Oklahoma. It has worked in virtually every State and every city in America, and it is time that we do it here.

I urge you to support the Stenholm-Smith amendment.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. POMEROY], who has been an integral part of the amendment that was previously offered here.

Mr. POMEROY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I believe that the time has come where a constitutional amendment regarding a balanced budget for this country is a desirable step, an important step for this Nation to take. That does not mean I can vote for the proposal presently before this body, the Stenholm proposed constitutional amendments on a balanced budget.

The reason why I must reluctantly cast my vote against the measure before the House is its treatment of the Social Security trust fund.

The House just rejected a proposal that would have placed the Social Security trust fund in security, in a secured position as we move toward a balanced budget for this country. This proposal fails to do that.

Mr. Chairman, I used to be an insurance commissioner. I regulated the insurance companies doing business in the State of North Dakota. And I made those companies, under the statutes of that State, hold reserves in a secure place for the policyholders whose risks and exposure they were covering.

This proposal does anything but that. This proposal takes the Social Security trust fund, which is running a positive cash flow, and mixes it in with all of the other spending of this country, which, as we know, continues to run at a negative cash flow. It makes the imbalance of the budget.

Worse yet, as Congress would struggle to make its books balance under a balanced budget amendment, it would be there, flush with cash, ready to be applied to the overspending that we see in other areas.

Mr. Chairman, this is a risk that is unacceptable; it is unacceptable for today's senior citizens and, worse and even more importantly, it is unacceptable for future generations. The Social Security trust fund will begin running a negative cash flow and ultimately be seriously suspect as to whether it can meet its obligations when the baby boomers enter retirement and the number of retirees in ratio to the active work force changes from more than 3-to-1 today to about 2-to-1 by the year 2025.

How can we address the unique circumstances of the Social Security trust fund when it is rolled in with all of the rest of the Federal budget? In fact, today it happens to be a component of the Federal budget, running a positive cash flow and leaving cash to be applied to the balance.

There used to be an ad campaign that said, "Don't let a good kid go bad," referring to leaving your keys in the automobile. Well, I suggest that passing this amendment and leaving the Social Security trust fund in with the rest of the budget is leaving the Congress the keys to the Social Security trust fund. That puts every person looking for some security from Social Security at an unacceptable risk, and I must vote against the amendment.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE], a prime cosponsor of this amendment, one who has worked very, very hard to see that we get to this point.

Mr. PAYNE of Virginia. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the Stenholm/Smith amendment and I urge my colleagues to vote "yes."

As all of us know, the Congress last year approved a 5-year, $500 billion deficit reduction plan. And the House and Senate approved a 5-year freeze on discretionary spending at 1993 levels with no adjustments for inflation. Our efforts have yielded some results.

The deficit for the fiscal year that begins October 1 will be $171 billion, according to the CBO. This will be the smallest Federal budget deficit in 6 years, the lowest percentage of the Nation's economic output in 16 years, and for the first time since Harry Truman was President, the deficit is projected to decline for the third year in a row.

This is good news. But it is not good enough.

We currently have no plan to balance the Federal budget at any time in the future. Nor will there be one unless the House passes this amendment today, sends it back to the Senate for reconsideration, and on to the States for ratification.

Let me be clear: This amendment by itself will not balance the budget. But it is a critical tool, a tool used successfully in 49 of the 50 States to help keep their budgets in balance. It is a financial management tool that we must now adopt.

As Members of Congress we are the stewards of the public's money. We are charged with managing this important—and scarce—resource wisely. That is our job.

Let us take this opportunity to do our job, to demonstrate to our constituents—the American people—that we are responsible by passing the Stenholm amendment and proceeding with the important business of balancing the Federal budget.

Vote for the Stenholm/Smith amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. I thank the gentleman for yielding, and I rise in strong support of the Stenholm-Smith amendment.

Mr. Chairman, I rise in strong support of the Stenholm-Smith constitutional amendment to force this Congress to balance the budget. We have already heard a lot of strong arguments in favor of this proposal and I will not cover them again.

Instead, I want members and the American public to take notice of the dynamics of this debate which highlight the reason we need a balanced budget amendment even more.

Notice that the groups which feed the most at the public trough are screaming the loudest in opposition to a balanced budget amendment.

What are these groups afraid of?

The balanced budget amendment would force this Congress to simply set priorities.

Are these groups afraid of competition?

The big-spending, liberal, special-interest groups are not interested in competing for the limited Federal taxpayers' dollars. They prefer that the Government just print more money for them to spend. Fiscal responsibility is just not in their vocabulary.

These groups have always opposed cutting any waste or fat in the Government. They have no problem at all with heaping ever more debt on our children and grandchildren.

The balanced budget amendment has been considered several times over the last decade. And each time the liberal special interests have opposed it and chose instead to pile more debt on our children.

In 1980, each child born that year immediately inherited a debt of almost $4,000.

In 1985, because no balanced budget amendment was adopted, children that year inherited more than $7,600 in debt. Yet, still the liberal special interest groups worked hard to block passage of the amendment in 1989.

By 1990, our children were burdened with almost $12,800 in debt. Was that enough? No.

Each and every child born in America this year will begin life with a debt of more than $16,700. Is it any wonder that young families have trouble saving money for a downpayment on a home? Is it any wonder that the Federal Government's consumption of more than one-quarter of all of our economic activity is driving up interest rates and stifling economic growth?

Economic growth increases the wealth of our country and that means an increase in the standard of living. I ask my colleagues if saddling each new child born this year with almost $17,000 of debt is enough? Is burdening each and every American with more than $1,000 in interest payments each year on this debt enough?

The big-spending, liberal, special-interest groups say, "No." They want to kill this amendment for fiscal responsibility. They want the debt for each child born to soar to more than $23,000 by the end of this decade. This special-interest spending has got to be controlled. The time to pass the amendment is now. Support the Stenholm-Smith amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN. Mr. Chairman, I rise in favor of the balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Chairman, I rise in support of the Stenholm amendment.

Mr. Chairman, about 200 years ago, Thomas Jefferson said if there was just one change he could make in America's brand new Constitution—it would be to include a provision to prevent any future government from spending irresponsibly.

Today we have the Government that Thomas Jefferson feared.

The national debt is almost $5 trillion dollars. The interest payments on that debt are the third largest part of the budget.

The big spenders in Congress who oppose the balanced budget amendment keep promising that: Congress can make the tough decisions; fiscal responsibility is just around the corner; we can solve this deficit problem without the higher authority of a constitutional mandate; and that a balanced budget amendment would hurt the economy.

I say you have to fix the roof while the Sun is shining.

Time and time again, Congress has demonstrated to the American people that it cannot balance the budget, and it cannot cut spending.

Without the balanced budget amendment, Congress will continue to break its promise to the American people. Pass the Stenholm-Smith balanced budget amendment.

□ 1530

Mr. SMITH of Oregon. Mr. Chairman, it gives me great pleasure to yield 2 minutes to the esteemed minority leader of the House, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, no one deserves more compliments than the gentleman from Oregon. This has been his day, his goal, and of course now he has followed on my lead, bowed out of this place, and it would be a great legacy that we might leave to him if this measure were passed.

Mr. Chairman, by this time in the debate I guess practically every argument for or against the balanced budget constitutional amendment has been heard. I happen to favor the amendment on its merits, which have been abundantly outlined during the course of the debate, so I will not try to devise some new fandangled argument or expand on an old one. I prefer to just make a plea to our colleagues who may have doubts about the balanced budget amendment, and that plea simply is this:

My colleagues, send this proposed amendment to the people, and give the people in their various States a chance to decide, as the Constitution provides, whether or not this proposal is in the best interests of the country.

Now some of my colleagues might be thinking, if I vote "yes" to send this proposal to the States, I am just passing the buck, and I understand and sympathize with their view. No one wants to be accused of passing the buck. But we are in this dilemma precisely because over the years we have been passing the buck again, and again, and again—in fact, hundreds and hundreds of billions of bucks that we do not have.

Do we like a balanced budget amendment? No more than a small child likes a big dose of nasty, evil-smelling medicine, but Congress suffers from that dreaded legislative disease, politicus spendicitis, so we have to hold our noses and take our medicine.

Do I wish there were some other way of dealing with the problem? Most fervently I do, but, as my colleagues know, over the decades we failed to deal with the problem through other means. There is no evidence that the future will show us in any better light. We need to turn to the wisdom of ordinary Americans and let them make the judgment in the constitutionally approved fashion. After all, Mr. Chairman, it is their Constitution, and maybe they will say "yes," and maybe they will say "no." But at least give them the chance to decide.

Mr. Chairman, I would like to close by quoting the words of a former Member of this House and a very distinguished Member: "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

Do my colleagues know who said that? No less than Abraham Lincoln.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I appreciate the chance to have been here for the last 2 days and to have participated in this debate and managing the time. I would like to reflect for just a moment on what brings me here to be on this side of the aisle for the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] as opposed to last time because I voted for their amendment the last time. I also voted for the substitute that led up to it, although that was a different substitute than the one I just offered. But I think it also reflects why I will not be able to vote this time for this amendment.

Last time when this amendment was up, Mr. Chairman, I myself was in a great, I guess, state of concern because I saw indeed what some were talking about today. It seemed to me that the situation was we had an economy 2 to 3 years ago that was in dire shape. The deficit was growing and, Mr. Chairman, there was no sufficient leadership to deal with it.

Indeed we had a President of the United States, President Bush, that had abdicated his role in proposing responsible budgets. He would call for a balanced budget amendment, and then not offer anything close to one, and then walk off the field when anyone tried to engage the White House. The reality of our political makeup in this country, this system of three branches, is that, if we do not have a strong executive leadership, it is highly unlikely that the lack of strong executive leadership by one can be more than made up by the diverse exercise of energy by 535 called the U.S. Congress, House and Senate, and despite the best efforts of men and women in this body and in the body down the hall, the Senate, despite their best efforts, Mr. Chairman, we need an engaged White House.

So, between lack of a committed White House and the fact that this Congress did not seem to be stepping up to the plate it seemed logical then to go to severe steps, which is certainly what the amendment last time and this time would do.

But since then, Mr. Chairman, I have also seen some promise of encouragement. I have seen some things that make me think that the White House, the Executive and the Congress, are willing to step up to the plate to meet the challenge to hit the ball, to do what has to be done.

I have seen a budget package pass, not by a big majority, not by any means, not by the 60 percent that would be required by some in this body, but I have seen a budget pass that has actually begun to get a grip, and despite the worst predictions of those who voted against it, those on the other side of the aisle that predicted dire economic results immediately should that happen; job killer, as one said; despite those those have not materialized. Indeed we have seen something else happen.

We have seen the deficit reach the lowest point that it has in 6 years, and there is still a downward trend. We have seen record economic growth, more economic growth, I might add, in the last year than the prior 4 years under the Bush administration. We have seen inflation at all-time lows. We have seen interest rates, while going up slightly in the past couple of months mainly due to the Federal Reserve's independent actions, but we have seen interest rates stay at record lows as well. We have seen an economy begin to get back on its feet again, and instead of having that sputtering growth that we were experiencing, Mr. Chairman, it seems to be fairly consistent.

My colleagues, it is still not good enough, but we have seen definite recovery, and we have seen a Congress that is willing to take on the tough issues.

I did not happen to be with the President on NAFTA, but that was a tough issue for a lot of Members here. However they voted, it was done. I have seen the Congress take on the budget package and pass it, not an easy vote for anyone, and it has been done. I believe that the same spirit is going to move this Congress. I hope it will move this Congress on health care.

All of that to say though that I look, and I say, "Do you need the kind of steps that the Stenholm amendment and others would impose?" I do not want to suggest for a minute that the job is done, and I do not think anyone in this Chamber suggests the job is done. But I am wondering whether indeed we need those kinds of steps. Particularly I am wondering whether we need them when we look at some of the alternatives that we can have if we are going to have a constitutional amendment.

I have become a big believer not just because I sit on the Committee on Public Works and Transportation. That does give me a focus of attention, but I am a big believer in growth, as we all are. I say:

> You can't cut your way out of this deficit. You can't tax your way out of it. You're going to have to do some of both, but you're going to have to grow, and you have got to put in place those policies that will help you grow.

Some argue the deficit reduction in and of itself is sufficient for the job. I do not feel that way. I think it is positive. I think it has a salutary effect. It does have some important aspects, but deficit reduction by itself will not grow this economy.

What I am concerned about is we focus more and more on deficit reduction to the exclusion of everything else. We can actually have a contracting effect on the economy. We can cause it to recede. And so I want to see if there is going to be a balanced budget amendment. I want to see in it a reflection of that and make sure growth can be accommodated.

The gentleman from Texas noted a couple of hours ago that I had made, and many have made, a philosophical leap in some ways, and he is correct. I am prepared to accept an amendment to the Constitution of the United States that requires a balanced budget. But in doing so, Mr. Chairman, I want to make sure it is structured very carefully, and so, as we are all evolving in this process, that is why I chose at this time not to support the Stenholm amendment, not because I do not respect what he has done, not because I do not think that the Constitution should forever be devoid of any language dealing with the balanced budget, but because I think that there are better ways to do it than what are being offered here today.

Mr. Chairman, I reserve the balance of my time.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I do not know who shares more of the blame for our annual budget deficits:

The Presidents, for not submitting balanced budgets to Congress;

The Congresses, for not balancing the budgets they approved and sent to the President for signature;

The President, for not vetoing the unbalanced budgets he received from Congress; and,

Or the members of Congress—on both sides of the aisle—who voted for programs again and again, year in and year out, without providing the funds to pay for them.

What I do know is this: Over the next 5 years, our national debt will increase by more than $1.6 trillion, and that's with the President's 5-year budget reduction package passed last year.

Entitlements will increase by 41 percent over the next 5 years.

This year, our budget deficit will be more than $300 billion.

I support the balanced budget amendment offered by Congressman STENHOLM recognizing that it is not a panacea. It will not lead to painless elimination of the national debt. Presidents will still have to submit their budgets and Congress will still have to formulate and vote on them. Members would continue to be accountable to their constituents for votes in support of spending reductions and tax increases necessary to comply with the balanced budget amendment.

Only through proposing and voting for cuts in Federal spending will the administration and

Congress put to rest 18 years of excessive budget deficits and a paralyzing national debt. Unfortunately, Congress is not making the tough votes necessary to eliminate the budget deficits.

If it takes a balanced budget amendment to get Congress and the administration to make the tough decisions to eliminate the deficits, then so be it.

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Mr. Chairman, I rise today to offer my strong support for the Stenholm-Smith amendment to the U.S. Constitution to balance our budget. I have long been a staunch supporter of a balanced budget amendment to the Constitution. I have cosponsored the balanced budget amendment since I came to Congress and am the current sponsor of House Joint Resolution 24, a resolution similar to the Stenholm-Smith amendment. I want to stress however that a constitutional amendment requiring a balanced budget is no substitute for direct action on the part of Congress. We have seen time and again that Congress does not have the ability to provide that action, and I believe we need this enforcement mechanism to get the job done. It is time to just say "no"—and mean it—to the tax and spend policies that have gotten us into this mess to begin with. I believe the Stenholm-Smith proposal provides the necessary fiscal discipline to achieve this goal and urge adoption of this amendment.

☐ 1540

Mr. SMITH of Oregon. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from Maine [Ms. SNOWE] who has been a leader in this effort for the many, many years we have been working on this matter, and I thank her for her efforts.

Ms. SNOWE. Mr. Chairman, I thank the gentleman for this time.

Mr. Chairman, I want to express my appreciation to the gentleman from Oregon [Mr. SMITH] and the gentleman from Texas [Mr. STENHOLM] for their leadership and their outstanding work on behalf of what I think is one of the most critical issues facing this country. I am pleased to join in their efforts.

Mr. Chairman, today this Congress is faced with a very clear, very stark choice about our Nation's fiscal stability and health, and about the kind of future we will bestow to the next generation of Americans.

We can choose one of two distinct paths to that future.

One is a path we have traveled before—a path of failure to make the tough but necessary choices, a path that binds us to the economic status-quo of trillions of dollars in debt and hundreds of billions of dollars in yearly deficits, and a path that prohibits American families and American workers from securing a higher standard of living, getting that long-awaited skilled job, or expanding the family business.

But the other is a path the American people have wanted us to take for so long, but a path that Congress has never had the courage or the willingness to take—a path that provides our Nation with long-term fiscal stability; a path that gives us the ability to spend $200 billion yearly not on interest, but on programs vital to ordinary Americans; and a path that restores the kind of responsibility and prosperity that has made our country and its economy the envy of all other nations in the world.

We can make that choice—the right choice—today. We can show the citizens who elected us that we have gotten their message on the need for change in the way we do business and manage our affairs. We can show that the Nation can again look to Congress for solutions, and not just for problems. We can show that the Federal Government is not above the duty of what every American household must do each day. And we can show the people that we can and will make balanced budgets the rule, and not the exception to the rule.

And that we are holding here today not simply a debate about balanced budgets. There is much more at stake—we are talking about how recurring deficits, according to the Concord Coalition, have held the average yearly family income to $35,000, when it could have been $50,000. We are talking about the effect of these deficits and debts on job creation and job security for American workers, as yearly deficits in the 1970's and 1980's cost Americans across the Nation an estimated 3.75 million jobs—a staggering price to pay for Congress' inability to make tough choices.

We can set the record straight, put the economy back on its feet, and put Americans back to work. And we can do that by passing the Stenholm amendment.

This amendment is simply the best choice. It is whether you are for a balanced budget or not. It is responsible. It is broad-based. It is bipartisan. And it, more importantly, will work.

This is the time to make that choice, to cast that one vote, that we can all look back upon and say, with unreserved pride, "That vote made a difference".

We have the power to do that today. We have the obligation to do that today. We must have the courage to finally pass a balanced budget amendment today.

With the authority and command of the U.S. Constitution behind our efforts, a document to which we swear a solemn oath to uphold, we can make a new beginning and build upon a new foundation for our children.

Vote for the Stenholm amendment.

Mr. WISE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. Mr. Chairman, I thank the gentleman very much for yielding time to me.

I rise today in opposition to the amendment.

I would like to preface my remarks with my recognition of the dedication of the author of this amendment, because I know that he does so out of total conviction. I would like to comment, however, that there are many who support this balanced budget constitutional amendment who talk about how tough it is, how we really have to step up and do this tough thing. But many of those who just last week voted for the Kasich amendment which supposedly was to balance the budget but which, in fact, had mandates for a nonrefundable tax credit on into the future that would have made such a huge price tag for future generations to pay. And many of those people turn around now and say, we are going to do the tough thing and step up and put a constitutional amendment in place so somebody else in the future can take the tough votes.

The difficulties—and I do not underestimate the difficulties one wee bit—to try to bring back in line a runaway philosophy that was to spend and borrow, spend and borrow. And to bring us back into line has to be done so with great care and great deliberation to balance both the needs of this country, the domestic needs, the security needs, the needs to not disrupt the stimulation of the economy which is taking place, and the need to stay the course.

This President, with the Clinton economic package that was passed by the Congress, has put the country back on course and put us on a 5-year course to address the deficit.

We do not have to wait for a constitutional amendment to be put in place and then let unelected justices end up making the determination of how this representative body should make and set priorities.

What we need is not being tough by passing it on to the future. But we need fire in the belly every day this year and next year to stay the course on which we began last year.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. PENNY].

Mr. PENNY. Mr. Chairman, obviously constitutions should not be changed frequently and should not be changed for frivolous purposes. Our Founding Fathers in their wisdom guaranteed that any changes in our Constitution would be the result of deliberate and careful thought. They required that a two-thirds vote must occur in both the House and the Senate in order to present a constitutional amendment to the States, and then three-quarters of the States must vote to ratify that constitutional change.

In over 200 years, we have only made 27 changes in this document. The first 10 of those occurred in short order. We now hold them to be the most sacred and dear of all the amendments to our

Constitution, the first 10 amendments have been enshrined as the Bill of Rights. But there was one right not protected at that time or any time since, and that was the right of future generations to be free of the debt incurred by predecessor generations.

It is also instructive to observe that while the Bill of Rights, the first 10 amendments, were adopted shortly after the Constitution itself was put in place, there had been 12 amendments initially proposed. It took over 200 years for one of those additional amendments to be accepted by the requisite number of States. That amendment we now call the Madison Amendment, and it places a limitation on the ability of Congress to pass a pay raise to be effective immediately and instead denies that pay raise until after an ensuing election. It took us a little time, but we finally placed that reasonable amendment in the Constitution.

Mr. Chairman, I think that now we have to look back to another Founding Father and accept the fact that there is another amendment, another proposition that has for too long been left out. Thomas Jefferson said that if he could have one additional article placed in the Constitution, it would be one that would take away the Government's right to borrow.

Mr. Chairman, today we have an opportunity to make up for that oversight by voting for the amendment proposed by Mr. STENHOLM.

Mr. Chairman, I include the following material with my remarks:

While FY 1995 and '96 deficits are projected to decline in the wake of last year's budget package and some have proclaimed the problem solved, the numbers show it's too soon to declare victory.

The accompanying National Taxpayers Union graph based on CBO data shows a short term drop in annual deficits. After the turn of the century the projections clearly illustrate deficits ballooning to new historic highs.

Administration sources and others are quoted saying they feel no more deficit cutting is necessary until after 1996. However, a "see no evil" approach, focusing only on the short term, while ignoring the ominous long term projections, is perilous. We will never achieve a balanced budget unless we strike while the iron is hot!

CBO's baseline projections for deficit reduction project long term numbers, but don't account for possible recessions: In the post war era, economic expansions have lasted 14 months on average. This is the 11th month of the current growth period.

Interest rates are at 30-year, historically low levels now. If they inch upward even modestly, we would face bleaker deficit projections than are currently forecast.

The Administration and other opponents of a Balanced Budget Amendment claim the debt is a recent, short term problem, not requiring a structural, systemic solution. That's inconsistent with history.

Federal budget deficits have been a chronic, historical problem and are growing exponentially over the long term. The government's run deficits in 56 of the last 64 years! That's more than a quarter of the nation's history!

The current college-age generation of Americans has never lived in a year when there was a balanced federal budget. Half of all Americans have seen the budget balanced once, or not at all.

Don't be Misled by the Siren Song on Deficit Spending.

Balanced budget statutes in 1978, 1979, 1982, Gramm-Rudman I in 1985, II in 1987, and the 1990 Budget Agreement all lulled us into a false sense of security as deficits continued to threaten the Nation's future.

While we hoard the crumbs, the whole loaf is being taken away from us.—Joe Kennedy, in testimony before the House Budget Committee in support of the Balanced Budget Amendment.

Until we control our deficit problem, interest payments will continue to devour increasingly larger portions of the budget.

In 1960 interest payments consumed 6 percent of the budget; In 1970 interest payments consumed 7.4 percent of the budget; In 1980 interest payments consumed 8.2 percent of the budget; In 1983 interest payments consumed 11.1 percent of the budget; In 1994 interest payments consumed 14 percent of the budget.

Interest payments will cripple the ability of future generations to make necessary investments in health care, education, and other programs.

Interest payments will continue to crowd out funding for discretionary programs. GAO has estimated that interest payments could reach $1 trillion dollars by the year 2020 if we fail to bring the deficit under control.

GAO estimated that if we continue with current policy, the growth of interest payments and other programs will force a half a trillion dollars of deficit reduction each year just to maintain a deficit path of three percent of GDP by the year 2020. All government programs would be subject to severe cuts every year under this very plausible scenario.

Interest payments already are crowding out worthy programs.

Net interest will be over $200 billion this year, gross interest will exceed $290 billion. Interest payments will continue to devour an increasing percentage of the budget. Interest payments are:

8 times higher than expenditures on education; 50 times higher than expenditures on job training; 55 times higher than expenditures on Head Start; 140 times higher than expenditures on Childhood immunizations.

Interest payments represent a transfer of wealth from middle-class taxpayers to upper-income individuals and foreign investors.

Interest is paid to individuals who own Treasury Bills—primarily the wealthiest 10 percent of citizens and institutional investors.

Nearly 20 percent of interest payments are sent overseas to foreign investors. In 1993, the Treasury sent $41 billion overseas in interest payments.

Our national debt currently exceeds $4.3 trillion—$17,495 for every man, woman and child in the United States. (Source: Budget of the United States, Historical Tables.)

The national debt has increased 105% since the Senate last voted on the balanced budget amendment in 1986. It has increased by 278% since the Senate last passed the balanced budget amendment in 1982. (Source: Budget of the United States, Historical Tables.)

Under current policies, future generations are projected to face a lifetime net tax rate of 82% in order to pay the bills that we are leaving them. (Source: Budget of the United States, Analytical Perspectives.)

If we continue current policies, we will be forced to enact half-a-trillion dollar in deficit reduction each year just to restrain the deficit to three percent of Gross Domestic Product. (Source: Government Accounting Office, Budget Policy: Prompt Action Necessary to Avert Long-Term Damage to the Economy.)

In 1993, gross interest payments equalled $293 billion. This is greater than the total outlays of the federal government in 1974. (Source: Budget of the United States, Historical Tables.)

In 1993, gross interest payments consumed 57% of all personal income taxes. (Source: National Taxpayers Union.)

We spend $816 million a day on gross interest payments. (Source: Congressional Budget Office, The Economic and Budget Outlook: Fiscal Years 1995–1999.

In 1993, the U.S. government sent $41 billion overseas in interest payments on Treasury bills held by foreign investors. This represents more than twice the amount of spending on all international programs. (Source: Budget of the United States, Analytical Perspectives.)

Net interest payments in 1993 were five times higher than outlays for all education, job training and employment programs combined. (Source: Budget of the United States, Historical Tables.)

The drain on national savings caused by the deficit during the 1980's resulted in a loss of five percent growth in our national income. This translates into roughly three and a quarter million jobs lost. (Source: The New York Federal Reserve Board, CBO.)

Mr. SMITH of Oregon. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I thank the gentleman for yielding time to me, and I rise in strong support of the Stenholm-Smith amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON], who has been a leader in this effort to pass a balanced budget amendment.

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Mr. BARTON of Texas. Mr. Chairman, let me first say if there is any justice in the world, we will pass the Stenholm-Smith amendment as a tribute to the gentleman from Oregon [Mr. SMITH], who has worked so long and hard. It would be so helpful if we could pass it on his watch.

Mr. Chairman, I want to thank the 211 Members of the House who earlier today for the first time went on record as a majority that we want to balance the budget by cutting spending and not raising taxes. Unfortunately, the vote on Barton-Tauzin is far short of the two-thirds required necessary to amend the Constitution. Having had our opportunity, it is now imperative we come on board and work very strongly in support of Stenholm-Smith. We have got to begin the process, it has got to start in this Congress, and we need to vote in a two-thirds majority later this afternoon.

Mr. Chairman, I would point out in the last Congress there were 12 cosponsors of Stenholm-Smith who voted "no," and we only failed to get the two-thirds majority by nine votes. Of those 12 Members who changed their vote, the majority of them are not back in this Congress. They were held accountable in the upcoming elections and lost the will of the people.

Vote "yes" on Smith-Stenholm. It is the right thing to do.

Mr. SMITH of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MICA].

Mr. MICA. Mr. Chairman, rarely have we amended our U.S. Constitution. We did so to give all citizens the right to vote. We did so to provide for the popular election of our U.S. Senators. In my generation, the time has come once again to amend that great document. You know and I know that this amendment is not just for today, but this amendment is for future generations. This vote will require courage, my colleagues. This vote will require responsibility, my colleagues. This vote will make our jobs in Congress much more difficult, my colleagues.

Mr. Chairman, I urge every single new Member of the 103d Congress to come down here to exercise the courage that this vote requires.

Mr. Chairman, when they write the history of this Congress, will my colleagues be among those who had the courage and vision to vote to secure our Nation's future?

Mr. WISE. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, the gentleman who preceded me in the well spoke about courage and conviction, and it is something we all aspire to. I just want to remind Members who may vote for the Stenholm amendment, you vote for it based upon your convictions and indeed your courage, if you feel it requires that.

But the Stenholm amendment is not the tough vote. The tough vote is the one that comes right after, and that is how you implement it, how you implement any of the balanced budget amendments that have been on the floor the last 2 days.

So I just hope that those who talk about courage and conviction, when they actually look at what it takes to get to that situation, will be prepared to step forward and be as assertive then as they were before.

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. WISE. I yield to the gentleman from Florida.

Mr. MICA. Mr. Speaker, I wanted to ask the gentleman a question, if I may. The question would be this: Let us face it. What we have been through the last day is a bunch of smoke and mirrors. This is the vote. All the rest is a diversionary tactic. This is the vote. You either vote on this balanced budget amendment, or there is no balanced budget amendment. This is the last time in the history of this House you will have that opportunity.

Mr. WISE. Mr. Chairman, reclaiming my time, if the gentleman wants to talk about smoke and mirrors, I think that is a perfect example of some of it. We have had a very good debate to date. We have just had that kind of outburst challenging motivations.

I would say to the Chair, my amendment is not smoke and mirrors. I do not think the amendment by the gentleman from Arizona [Mr. KYL] was smoke and mirrors. I do not think the debate of the gentleman from Texas [Mr. BARTON] was smoke and mirrors. And certainly those who preceded me in offering amendments had no intentions and did not spend countless hours to simply put forward smoke and mirrors.

Mr. Chairman, I look forward to those votes of courage that are required, should this amendment pass. My experience last time was that when it came time to actually write the legislation that would have balanced the budget in 8 years, that many who beat their breasts the loudest for a balanced budget amendment, when they actually saw the numbers in the outyears of what it would take, particularly what would have to happen to entitlements, that they suddenly went off into the glimmering shadows, legislative shadows.

So the casting of this vote will be done out of conviction, I know. But the real courage comes in how you actually balance it.

Please, I have heard some assertions here earlier in previous debate about how do not worry, programs will not be cut that hurt anybody, and do not worry, there will not be any taxes. You and I both know there is not a tooth fairy, and I will not get into some of the others, because my children might be watching and I do not want to disabuse them of some of the great myths we have in our society. But the other reality is that it is tough to balance budgets.

Mr. MICA. Mr. Chairman, will the gentleman yield further?

Mr. WISE. I yield briefly to the gentleman from Florida.

Mr. MICA. Mr. Chairman, it is my understanding this will be the last opportunity in the history of the 103d Congress as far as the House of Representatives is concerned to vote on a balanced budget amendment, this vote that is coming up now, and the gentleman is prepared to let that opportunity pass.

Mr. WISE. Mr. Chairman, reclaiming my time, I have already put out a balanced budget amendment that I believe in. It may be your last opportunity to vote for a balanced budget amendment to the Constitution of the U.S. Government. It is not your last opportunity to vote for deficit reduction. It is not your last opportunity to vote for economic growth. It is not your last opportunity to make the tough votes on the ones that really count. This sets a goal, a tough goal with some teeth in it, that the gentleman from Texas has crafted. It sets a goal, but it does not get you there. The votes that get you there are the tough ones.

Mr. Chairman, I reserve the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield 2 minutes to the principal cosponsor of the Kennnedy-Stenholm-Smith balanced budget amendment, the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY. Mr. Chairman, first of all, I want to thank my good friends, the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] for their fine and dedicated efforts to try to get the Nation's budget under control. They have been outstanding in their attempts to make us come to grips with a terrible budget deficit, and we all owe them a great deal of thanks.

Mr. Chairman, I know that the general thought of this country is that it is unconscionable for a liberal Democrat to be in favor of the balanced budget amendment. And I wanted to say right now that it is not only good policy economically, but it is the right moral policy for this country to learn to balance its budget.

The only way that I believe we will be able to achieve that is through a balanced budget amendment. We have seen for 200 years of American history, all the way up to 1980, the budget deficit of this country grow to $900 billion. From 1980 to today we have gone to $4.5 trillion.

You say yes, but, JOE, if we come in with a balanced budget amendment today, conservative Democrats with Republicans will form a coalition that will gut the very programs that look out for the needs of the working people and the poor of America.

The fact of the matter is if we look at who has made out through the deficit, we are going to find that the defense bill has come up with increases, entitlement spending has gone up. We are going to see that the interest payments on the debt alone have gone from $74 billion to over $215 billion. They are the winners.

Working people pay their share of taxes. But wealthy people own the debt of America, and working people and the poor pay off the debt under these huge deficits that arise.

Mr. Chairman, anybody in this Congress can get a bill that gets 175 or 180 votes for deficit reduction. Nobody can come up with a bill that gets 218 votes. Let us be honest with the American people. We need a balanced budget amendment to become clear with the American people how to get this deficit under control.

Mr. Chairman, vote for the balanced budget amendment.

Mr. WISE. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. GEPHARDT], the distinguished majority leader.

Mr. GEPHARDT. Mr. Chairman, Members of the House, I rise in opposition to the Stenholm amendment. I want to give my regard to the gentleman from Texas, Mr. STENHOLM, who has been tireless in this effort and has been completely consistent in his voicing his concern about our deficit situation. The gentleman not only presents amendments of this kind, but, in the Committee on the Budget and on the floor, he votes for measures to cut the deficit, which is sometimes not the case. But in his case, he is entirely and always completely consistent.

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Let me talk about this in terms of its principles. I think the principle of an amendment is not a good idea, because I do not think and I do not think that most Members think that we can or should balance our budget each and every year no matter what. Everybody wants exceptions to a balanced budget amendment; war, recession.

I believe, and I think Members probably believe, that if the economy is not working right, there is really no way to balance our budget, there is no sensible way to make that happen. In fact, the more we try to balance it, the more we will get it into unbalance. There has to be a fusion of interest between what is happening in the economy and what is happening in the budget.

But all of us can agree that in most years we should try to have a budget that is in balance or near to balance. The problem we have is that for so many years, even when the economy was doing well, we did not have our budget in balance. In fact, it was way out of balance over most of the last 15 years.

What gives me hope and what gives me the reason to say that we should not pass this amendment is that for the first time in a long time, last year, we had a President and a Congress that worked together to make substantial reductions in the budget deficit. Thanks to the leadership of President Clinton, we have taken major steps. Last year's $500 billion deficit plan cut the projected 5-year deficit in half in 1 year.

We are not there yet. We have got a lot more to do. We have made substantial progress.

I think everyone would agree that it is better to do this by majority votes and legislation rather than putting a three-fifths majority requirement in an amendment, which this amendment does. Why in the world, when we are starting to make substantial progress, would we want to turn to the minority in both Houses to make the decision on the budget? I do not think it makes sense.

I think it makes much more sense to continue what we are doing. We will have plenty of opportunities later this year to make the most important step on deficit reduction, reducing health care costs.

Members rail on about entitlements. The only way we are going to get the budget into control is to deal with the most fastest-growing entitlement, which is health care costs. We will have a major opportunity to do that later in this year.

So we did not get ourselves into this mess overnight, and it is going to take more than a constitutional fix to make it play out right in the future. So let us not tinker with the most fundamental document in our democracy to try to do something that probably will not work anyway.

We are on the right track. We are doing this the right way. Let us keep on doing it the right way.

Later this year in health care, later this year with other suggestions that the gentleman from Texas [Mr. STENHOLM] and others will make on entitlement caps and on trying to get the modified line item veto, these are substantial ways that will work. Let us use them. Let us use health care. Let us use next year's budget.

Let us keep making progress on this most important subject. Let us not clutter the Constitution with a device that turns the majority over to the minority of both Houses of this Congress, which is really something we should not do.

I urge Members to vote against this amendment.

Mr. STENHOLM. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER], the Democratic caucus chairman.

Mr. HOYER. Mr. Chairman, I thank the gentleman for yielding time to me.

I want to start out by saying, I have unrestrained respect and affection for the majority leader. On this issue we happen to disagree. I do not believe that it is cluttering up the Constitution of the United States to say that we will rely upon the resources we have available to us in our own generation, except to the extent that we either make a determination there is an emergency or a capital need. I congratulate the gentleman from West Virginia for whose amendment I voted, to make an expenditure that the next generation will use a legitimate capital expenditure exempt from the limitations of this amendment.

I do not believe it clutters up the Constitution to say that we will exercise fiscal discipline and not impose upon the next generation the expenditures of this generation. That is, indeed, as Thomas Jefferson and others have been quoted, repeatedly, a fundamental issue.

I am a "tax-tax, spend-spend" Democrat. Let me make that clear, and let my opponents make of it what they will. I am prepared to say to my constituents, I believe the following items are important for investment by our Government. And I do not believe they are free, and rarely do I vote against a bill to raise revenues to pay for those objectives that I believe are important. But I do not want us to continue to put the national plastic credit card into the machine and say that my granddaughter and her granddaughters and my colleagues' children and future generations will pay the bill for what we decide to spend to operate the Government of today. It is time for us to exercise that discipline.

Very frankly, we live in an era of a lack of discipline. One of the problems that confronts our society is a lack of discipline. Let us take this step to bring fiscal discipline.

One of the most important questions that confronts Government, which is why so many of our States have in their constitutions the discipline to limit spending based upon their revenues.

As I said, I agree with the gentleman from West Virginia. Capital budgeting, I think, is an exception. Just as it is for most States.

If this amendment does not become law and we address this again, I will be urging my friend from Texas to incorporate that consideration raised by the gentleman from West Virginia, but that is not before us.

I will support this amendment. I believe it is important for our generation to say, yes, we are prepared to pay for what we buy or, in the alternative, not buy it.

Let us pass the Stenholm amendment.

Mr. WISE. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding time to me and for his good work on attempting to balance our national budget.

I rise in opposition to the Stenholm amendment but not in opposition, certainly, to the gentleman from Texas [Mr. STENHOLM] and his efforts to balance the budget. He has been a champion on that score.

The reason I oppose his constitutional amendment, however, is that I do not think it would balance the budget but, instead, would enshrine in the Constitution the principle of minority rule.

The proposal would apply a 60-percent super majority vote requirement to any budget-related legislation, which I think is counter to the intentions of our Founding Fathers when they wrote the Constitution.

While I am opposed to any constitutional amendment to balance the budget, I support efforts to achieve one. In particular, I commend the Clinton administration and Congress for taking steps last year which in 1994, now, have reduced the deficit by 40 percent. This year's budget resolution keeps budget deficits on a downward path. In fact, this will be the first time in 26 years that the total discretionary spending will actually decline from one year to the next without even an adjustment for inflation.

The President and the Congress have already cut spending first, as others of our colleagues have indicated. As our majority leader said earlier, in our interest in reducing the deficit and balancing the budget, Congress should act this year to legislate comprehensive health care reform which will bring further progress toward a balanced budget. And Congress must also protect our current economic recovery as well as Medicare and Social Security.

Actions to balance the budget must be sensitive to our commitments to the American people: For example, Head Start, child nutrition, worker retraining programs, public health disease control, education funding, Members know the list, Mr. Chairman.

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We must also respect our Constitution. For all these reasons, I urge my colleagues to reject the constitutional amendment to balance the budget and instead support efforts in our body to cut spending and reduce the deficit.

Mr. WISE. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MEEHAN].

Mr. MEEHAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, the balanced budget amendment is a bad idea whose time has come. I am a little uncomfortable because some of my friends on the other side of the aisle who are supporting a balanced budget amendment, and would not vote for any new taxes, think we ought to add more money to defense spending, do not think we should touch entitlements, but they are for a balanced budget amendment.

The truth of the matter is that there is no way all of those things can be done. I think the American people recognize that. They want the Congress of the United States to make difficult decisions about spending and about taxes. It is morally reprehensible for us to continue as a Nation to spend ourselves into bankruptcy, and I am not one of those who says that we can balance the budget without cutting entitlements, we can balance the budget without any new taxes, still increase defense spending. We are spending $215 billion a year in interest. It is time to force the issue and pass the so-called Stenholm amendment.

Mr. WISE. Mr. Chairman, may I ask how much time I have remaining?

The CHAIRMAN. The gentleman from West Virginia [Mr. WISE] has 2 minutes remaining, the gentleman from Texas [Mr. STENHOLM] has 4 minutes remaining, and the gentleman from Oregon [Mr. SMITH] has 8 minutes remaining.

Mr. WISE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a very, very important vote. I want to thank the gentleman from Texas [Mr. STENHOLM] and the gentleman from Oregon [Mr. SMITH] and all those who have gone before. I think it has been a good debate. I appreciate all those who have participated in it.

I will vote against the Stenholm amendment. Regardless of what happens with the gentleman's amendment, I also want to very much applaud his conviction to deficit reduction. Regardless of what happens to his amendment, I think it is important that this body and the American people understand that there has been significant progress made, and much more must be made, but that in reality, no amendment can avoid the tough votes, and the tough votes must happen.

Already there has been a $500 billion deficit-reduction package passed, $500 billion over five years. There is a hard freeze on discretionary spending. What that means in most of our regular terms is that at the end of 5 years, this Government is spending the same or less on most of the domestic programs than it is spending today.

Mr. Chairman, what the significant fact to me is, is that over the course of the 5 years we are on a path so that the deficit is about one-half the size it is today in relation to our total economy, from 5 percent to 2.5 percent. I think it should be noted that the President has signed an Executive order, and I would like it to be law, he has signed an Executive order creating a deficit-reduction account that I have championed for many years.

Mr. Chairman, the modified line item veto has passed this House and now rests in the other body. The entitlement review process championed by the gentleman from Texas is a process that has passed this House, not as strong as anyone would like, indeed there need to be some improvements, but progress is being made.

Health care must be undertaken for deficit reduction purposes as well as for the other reasons so necessary. Yes, there is additional action that must be taken, and I look forward to working with my colleagues on a statutory definition and debate over capital budgeting and what should go into a capital account.

It has been an instructive debate. Regardless of the outcome, Mr. Chairman, I think it should be noted that much has been accomplished. Much more, much more must be done. These are the kinds of actions that must take place, whether or not we have a balanced budget amendment.

Mr. SMITH of Oregon. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, before I begin my remarks, I want to again extend my hand in gratitude to the gentleman from Texas [Mr. STENHOLM] and all of those chief sponsors, Democrats and Republicans, who have fought very hard to bring this to fruition. And today we will make that final decision.

I could not help but note, after listening to the esteemed majority leader talk about the progress we have made in reducing the deficit and balancing the budget, because I think that this chart, for instance, indicates the fallacy of that except on a very temporary basis.

Mr. Chairman, we cannot use the excuse that last year the debt did go down, interest rates are down, and there is discussion about whether that is in the policy of economics or whether there was some action taken to induce a reduced deficit. However, the point still remains, and this chart shows it so well, that yes, while there was a small respite here in the middle, the proposed deficits are going to go, again, off the edge of the cliff.

Mr. Chairman, let us not rest on our laurels, on the fact that something happened last year that was a glitch in the growing debt of this country, because this is what is going to happen, no question about it.

Mr. Chairman, I think the time has come for us to make a momentous decision, a decision that will surely affect our children and our grandchildren. As we make that decision, I want to ask one fundamental question: Is this the House of self-preservation, or is this the House of the people?

If it were the people's House, as we would hope, surely it would follow the will of the people. Seventy percent of the people, by the way, support a balanced budget amendment to the Constitution. However, indeed, if it is the House of self-preservation, then the balanced budget amendment will surely lose.

Mr. Chairman, I remind Members, both Republicans and Democrats, that your first principle taught you when you first arrived here fresh from your first election, what did you do first? They said to you, "When are you going to start raising money for your next election?" That was the first lesson. Members are running for office immediately upon election, and the balanced budget amendment is not going to change that.

The other thing they said to us, "When are you going to introduce legislation that is going to endear yourself to the folks at home? Hopefully, it will cost a lot of money, and if it costs a lot of money, they will be convinced they have to send you back to Congress, cannot do without you." This is the old political axiom: spend, spend, elect and elect.

James Farley was the father of spend, spend, elect and elect in the 1930's, and that is indeed the practice of the House of self-preservation.

The balanced budget amendment offered by the gentleman from Texas

[Mr. STENHOLM] and myself would change the mindset of Congress from spend, spend, to save, save, balance, balance. It will change the mindset because the American people will demand that Congress uphold the Constitution of the United States that they swore to uphold with this amendment.

Under our amendment, the first obligation of a Member of Congress would not be to pass the big money bill for your district, but would be to balance the budget, and not look for every pork-barrel opportunity to ensure the next election for yourself.

To be sure, we face great obstacles in our path. We face the leader of the House, the leader of the Senate, the President of the United States. I am proud of the Democrats who are going to stand up in the face of all of that onslaught to vote their conscience, because under that kind of pressure, there must be a great concern on the side of the Democrats.

Mr. Chairman, I am also very proud of the fact that on my side we will have 174 votes, all but one, and I am proud of those people on this side of the aisle who will step forward.

Mr. Chairman, politics as usual is alive and well in this body. It is alive in the White House, and the American people are poorer by $1 billion every day, and the figure continues to rise.

Mr. Chairman, most of us here have heard the voices of Americans who want to balance the budget, and they want to eliminate the influences of the Jim Farleys and the pork-barrel politics of the past. We can do that today if we have 115 of our friends or so join us today. That means that our responsibility to the American people will be fulfilled.

Mr. Chairman, I welcome every one of the Members who stand today for the future.

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I welcome every one of you who stands up against an onslaught of the leadership on this side, and I thank those on my side for standing firm for a balanced budget amendment, to America, which, indeed, will change the future of our country.

Mr. Chairman, I yield back the balance of my time.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. HAYES].

Mr. HAYES. Mr. Chairman, I rise in support of the Stenholm amendment, to express my support thereof, and the support for future generations of America whose inheritance should not be debt.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, if I might, I would ask the gentleman one question: There have been many amendments introduced including one by myself. But what I would like to ask the gentleman, regardless of what bills, what amendments have been introduced, this is the last train leaving the station? Is that correct?

Mr. STENHOLM. Mr. Chairman, if the gentleman will yield, this is the only amendment that has an opportunity to pass and become a part of the Constitution of the United States.

Mr. DE LA GARZA. I thank the gentleman.

Mr. STENHOLM. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, yesterday, we began this debate with a heart-felt wish that our proceedings, would be conducted on a plane befitting deliberations for amending our Nation's Constitution. I want to thank virtually all the participants in the debate for granting that wish. The debate has been informative, cordial and constructive. I also want to take this opportunity to especially thank my friend and colleague. BOB SMITH, for all of the hard work and good will he has put into this effort for so many years. We will surely miss you, BOB.

As I mentally reviewed all that I had heard during the last 2 days, it seemed to me certain themes ran throughout the debate.

First, there is a growing and genuine awareness of the danger today's debt presents tomorrow's generations. I do not believe this is mere stump speech material. More and more Members, especially those with young children and grandchildren, are sensing the serious responsibility they have in ending this burden we have been placing on their young shoulders.

Second, there is an increased realization among Members that relying only on statutory remedies to our debt and deficit problem will once again bring us up short.

The third thing that occurred to me was that the laws of policy making are just as constant as the laws of nature. As both a farmer and a Congressman, I know that you had better respect both sets of laws or you will produce nothing.

Rule No. 1 of policymaking is the Law of the Possible. Policymaking—as opposed to political gaming—means taking everyone's best ideas and then finding the middle-ground that all can live with. Anyone who thinks that compromise is a dirty word and that the Constitution is far too precious for such an irreverent approach should go back and read one of the fascinating accounts of all that happened in Philadelphia in 1787.

Unlike Moses, the delegates at that Federal Convention weren't handed a finished perfect product. They pounded heads instead of pounding stone, and at the end of 4 months there was not a single person who thought this document was perfect. In fact, some highly respected individuals such as Patrick Henry and George Mason thought it was so imperfect that they walked away from the process. Fortunately for us, there were others so committed to getting through the hard labor pains of this Nation's birth, that they eventually were able to forge a middle-ground that everyone contributed and committed to, and that document has guided our Country for more than 200 years.

We have had some constructive ideas on the floor these 2 days. On the right, Mr. KYL and Mr. BARTON have worked diligently for years on what they each consider the best possible constitutional amendment. Their hard labor yielded them respectable support here in rollcall votes, but they were far shy of the 290 needed to send a constitutional amendment to the States. Therefore, they have now pledged their support to their compromise choice, House Joint Resolution 103.

On the left, our newcomer, Mr. WISE, has done a terrific job of introducing new ideas into the balanced budget debate. He has been a serious author, an excellent debater, and a gentleman throughout. But his great idea also fell short of the necessary two-thirds vote. What I am asking is that his voters, likewise, pledge their support for a middle-ground.

We can all stick rigidly to our own preferred amendments and smugly congratulate ourselves on our superior wisdom, our clever rhetoric, our political positions—and be stuck one more time in the mire of the status quo.

Or we can follow the lead of our Founding Fathers, put our egos and arguments aside, say "no" to the status quo, and vote for the one amendment that has a chance of garnering the support necessary for passage.

The previous three votes have proven that two-thirds of this body believe in the fundamental concept of a balanced budget constitutional amendment. This is a golden and unprecedented opportunity. We should not let it pass.

All of us who have worked so hard and voted for these four amendments must now answer: Why am I here? What ultimately do I hope to accomplish?

As for me, I am here to change the status quo of our national addiction to deficit spending. I am here to find any way possible to give my future grandchildren a chance to have as good a life as I have had. I am here to follow in the footsteps of those who drafted our beloved Constitution and vote for the possible instead of clinging to the impossible which dooms us and our children to the status quo.

Will you join me?

Mr. Chairman, I submit the following material with my remarks:

SECTION-BY-SECTION ANALYSIS OF THE BIPARTISAN, BICAMERAL CONSENSUS BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

SECTION 1. TOTAL OUTLAYS FOR ANY FISCAL YEAR SHALL NOT EXCEED TOTAL RECEIPTS FOR THAT FISCAL YEAR, UNLESS THREE-FIFTHS OF THE WHOLE NUMBER OF EACH HOUSE OF CONGRESS SHALL PROVIDE BY LAW FOR A SPECIFIC EXCESS OF OUTLAYS OVER RECEIPTS BY A ROLLCALL VOTE

This section sets forth the general rule of this Article, and the central principle to be observed and enforced, that the Government of the United States shall not live beyond the means provided for it by the true sovereign, the people.

Therefore, this section establishes, as a norm of federal fiscal policy and process, that the government's spending should not exceed its income. While popularly—indeed, universally—referred to as requiring a "balanced budget", its mandate is both simpler and more comprehensive, requiring a balance (or surplus) of cash inflows relative to cash outflows.

Any departure from the general rule in this section and its guiding principles should be an extraordinary event, based on a compelling need. As is commonly the case with constitutionally established parameters for the legislative process, no attempt is made to enumerate all the circumstances that might justify deficit spending; if a three-fifths supermajority of each House of Congress believes an emergency, crisis, or urgency exists (and if the President concurs), it does. This formulation makes the option of deficit spending both difficult to exercise yet available when a fairly strong national consensus exists.

Detailed Analysis

"Total outlays" and "total receipts" are defined below in Section 7.

". . . fiscal year . . ." is intended as a term defined in statute and having no other, specific, constitutional standing. It is a commonly understood term in both private and public usage. While the definition of a fiscal year could be changed from time to time, the concept is sufficiently well understood that a blatant attempt to contravene the intent of the amendment would not be acceptable.

For example, creation of a "transition fiscal year" of 18 months to facilitate reforms in the budget process clearly would be consistent with the amendment. On the other hand, legislation purporting to implement the amendment that promised to balance the budget for the "fiscal year 1998–2008" (and, presumably, with little or nothing in the way of procedural discipline in the early portion of that "year"), clearly would be unconstitutional. Certainly, a simple "rule of reason" would be applied to any statutory definition of a "fiscal year".

". . . shall not . . ." is a term readily obvious in its intent, spirit, and application. It is mandatory language simply meaning you may not. Saying that "Total outlays . . . shall not exceed total receipts" states both the goal to be pursued and the yardstick by which successful compliance with this amendment is measured. It prohibits fiscal behavior intended or reasonably likely to produce a deficit within a fiscal year.

". . . three-fifths of the whole number of each House of Congress . . ." indicates the minimum proportion (60%) of the total membership of each House needed to approve expenditures producing a deficit. Currently, this would mean 60 of the 100 Senators and 261 of the 435 Representatives.

The term ". . . whole number . . ." is derived from, and intended to be consistent with, the use of the phrase in the 12th Amendment to the Constitution, "two-thirds of the whole number of Senators" (which is set as the quorum necessary for the purpose of electing the Vice President in case no candidate receives an Electoral College majority).

". . . shall provide by law . . ." both states a simple consistency with other provisions of the Constitution and clarifies a difference between the deficit spending provided for under this amendment and a deficit planned for in a Congressional Budget Resolution.

Article I, Section 7, Clause 3 of the Constitution states: "Every Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) shall be presented to the President of the United States" for signature or a veto. Clearly, a vote by both Houses that results in deficit spending would be such a vote.

However, an additional reason for adding this clarifying language is that such a vote might easily be confused with the deficit that may be estimated in a budget resolution, which currently is not presented to the President. While budget resolutions are Concurrent Resolutions generally passed by both Houses, concurrence is not necessary, since budget resolutions actually fall under the "Rules of its Proceedings" that "(e)ach House may determine" under Article I, Section 5, Clause 2. This is because budget resolutions merely set target amounts for subsequent budget decisions made within each House. (The ultimate decisions requiring concurrence, appropriations, other direct spending bills, or revenue bills, are presented to the President.) In fact, the House often has proceeded to act pursuant to a House-passed budget resolution in prior to and in lieu of House-Senate agreement on a single resolution.

Obviously, the 3/5 vote on permitting a deficit under this amendment is not a determination of an internal rule in either House, but has direct and immediate consequences external to the rules of either House. Therefore, the words "by law" state what normally would be obvious, but which might be confusing here, due to current budget resolution procedures.

". . . a specific excess of outlays over receipts . . ." means that the maximum amount of deficit spending to be allowed must be clearly identified. Thus, enforcement of the amendment through the political process will be facilitated by improving elected officials' accountability to the public. The specific excess which is provided for by law would not apply to outlays in more than one fiscal year and may, in fact, apply to an excess that occurs over a shorter period, such as the remainder of a fiscal year when the law is enacted mid-year.

Ensuring such accountability is a cornerstone of the Balanced Budget Amendment, and restores the public's general—and diffuse—interest in fiscal responsibility to an equal competitive footing with the special interests who demand programmatic spending and tax preferences. Today, federal officials can reap the rewards of satisfying the incremental demands of special interest without ever having an individual decision identified as a decision that results in a deficit. This informational imbalance is corrected by the mandate in Section 1 that deficit spending can not occur without a specific identification of the amount.

SECTION 2. THE LIMIT ON THE DEBT OF THE UNITED STATES HELD BY THE PUBLIC SHALL NOT BE INCREASED UNLESS THREE-FIFTHS OF THE WHOLE NUMBER OF EACH HOUSE SHALL PROVIDE BY LAW FOR SUCH AN INCREASE BY A ROLLCALL VOTE

No section of this Article should be read in isolation, especially Section 1. Section 2 provides the essential mechanism which not only enforces an honest budgeting process in pursuit of the general rule and principle stated in Section 1, but also will operate to make the amendment self-enforcing. Section 2 is the backstop to prevent the use of gimmicks or other devices to circumvent the requirements of the amendment.

This Section is inspired by the often-quoted desire expressed by Thomas Jefferson, in his November 26, 1798 letter to John Taylor:

"I wish it were possible to obtain a single amendment to our constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principles of its constitution; I mean an additional article, taking from the government the power of borrowing."

The authors here have drawn from recent experiences of the government and modern economic theory to reach a compromise with then-Vice President and later President Jefferson: Section 2 takes from the government the power of borrowing, unless three-fifths of the total membership of both Houses votes to approach a specific increase in the amount that may be borrowed.

Section 2 provides strong enforcement, indeed, for the provisions of Section 1. When the government runs a deficit, that necessitates additional borrowing to meet its obligations. Failure to authorize that level of borrowing could, in a worst-case scenario, result in a default by the government of the United States. Treasury securities might not be redeemed. Government services could be threatened with a shutdown, subject to the availability of receipts.

Today, such a consequence is occasionally threatened when an impasse within Congress or between Congress and the President jeopardizes passage of essentially ministerial legislation raising the statutory limit on the public debt by a simple majority. Under this amendment, the threat of default would loom when the government runs a deficit, thus providing a powerful incentive for balancing the budget.

The simple threat of default does not fully explain the way Section 2 will operate to enforce the fiscal norm of balancing outlays and receipts. Because of debt-increase bill represents an admission of failure or enormous magnitude, passage is always a difficult matter. Any effort to circumvent the requirement of the amendment will be clearly exposed when the debt limit must be raised to cover any deficit spending.

Under the current law, Members of Congress not infrequently have rounded up 50% plus one of the Members of one House to threaten to push the government to the brink of insolvency unless a pet amendment is added to this must-pass legislation, despite consistent efforts by the Administration and the Congressional leadership of both parties in both Houses to pass a "clean" debt bill. This "debt bill blackmail", in fact, was the tactic used to enact the original Gramm-Rudman-Hollings law of 1985.

By lowering the "blackmail threshold" associated with passage of the regular debt limit bill from 50% plus one in either body to 40% plus one, Section 2 increases the motivation of the Administration and the Leadership, including the Chairs of the relevant committees, to do whatever is necessary, legislatively and cooperatively, even to the point of balancing the budget, to avoid facing such a difficult debt vote.

It is in no way the intent of the authors and supporters of this amendment that a default or shutdown should happen. However, the threat of such consequences is analogous to the deterrence effect of fines or legal damages in other situations.

Because borrowing, and increases in any limits on cumulative borrowing, must be enacted in law, Section 2 makes the amendment effectively self-enforcing. Such legislation usually involves large enough number of dollars to be borrowed that extensions of authority to borrow generally are used up in a year or so. The current statutory limit on the public debt, enacted as a part of the Budget Enforcement Act late in 1990 and allowing borrowing into 1993, is very much an exception in this regard; this lengthy term of borrowing, not quite three years, was made possible only by the status of the Act as an extraordinary, five-year plan. Virtually no elected official can stand the political heat of supporting a huge, multi-year increase in the government's level of indebtedness. This simple political dynamic will ensure that the self-enforcement provided by Section 2 occurs frequently enough to be effective.

Finally, when three-fifths of both Houses have "gutted up" and, under Section 1, voted explicitly for a specific excess of outlays, there is no intent in this amendment to "punish" them by later forcing a second three-fifths vote on the debt limit. Both decisions can be approved by the same, single, three-fifths vote in the same legislation.

Detailed Analysis

". . . debt of the United States held by the public . . ." is a widely used and understood measurement tool. The Congressional Budget Office's January 1993 Economic and Budget Outlook: Fiscal Years 1994–1998 book, in its Glossary, defines "Debt held by the public" simply as: "Debt issued by the federal government and held by nonfederal investors (including the Federal Reserve System)." On page 58 of the same volume, CBO further explains, "Debt held by the public which represents the government's demand for credit, is the most useful measure of federal debt." The current, widely used and accepted meaning of "debt held by the public" is intended to be the controlling definition under this Article.

The "debt held by the public" differs from the gross federal debt in that the latter, according to CBO, "includes the securities (about $1 trillion and climbing) issued to government trust funds." The gross debt is the "close cousin" (per CBO) of the "public debt".

The Congressional Research Service's Manual on the Federal Budget Process, December 24, 1991, in its glossary, defines "Public debt" as: "Amounts borrowed by the Treasury Department or the Federal Financing Bank from the public or from another fund or account. The public debt does not include agency debt (amounts borrowed by other agencies of the Federal Government). The total public debt is subject to a statutory limit."

A requirement of a three-fifths vote on the "public debt" has been used in some previous formulations of the Balanced Budget Amendment. The use, here, of "debt held by the public " is a refinement based on a 1990 recommendation by the Administration and subsequent review by the authors of the implications of using the different measures of debt. "Debt held by the public" has been chosen for two reasons:

First, as pointed out by CBO, common sense suggests that the most appropriate benchmark to use is the federal government's borrowing from all non-federal-government sources.

Second, the purpose of this section is to motivate an avoidance of deficits. When the Social Security or other federal trust funds run surpluses, this does not cause total outlays to exceed total receipts and the government does not increase its borrowing from non-government sources. Therefore, Congress and the President should not be forced to surmount the three-fifths vote hurdle on debt bills if they have not run a deficit and increased net federal borrowing. Section 2 matches the benchmark used in the enforcement process to the policy objectives desired.

"The limit on the debt . . . held by the public . . ." obviously assumes the establishment of a new statutory limit on this measure of federal borrowing. This limit may be established in addition to, or as a replacement for, the current statutory limit on the public debt. Article I, Section 8 of the Constitution simply says, "The Congress shall have Power . . . To borrow Money on the Credit of the United States. . . ." The exact process of carrying out this power is left up to the Congress to provide for by law.

When establishing a new statutory limit on the debt held by the public (which will require a three-fifths vote to increase), Congress may or may not wish to continue to set by statute a limit on the public debt. The fact that a simple majority could continue to be required to pass such a public debt limit would not, in any way, create procedural or legal conflicts. At times when a trust fund surplus necessitates an increase in the public debt, such action would become more ministerial and less difficult than currently is the case. Increases in both limits certainly could be contained in the same bill that is passed by a three-fifths vote.

SECTION 3. PRIOR TO EACH FISCAL YEAR, THE PRESIDENT SHALL TRANSMIT TO THE CONGRESS A PROPOSED BUDGET FOR THE UNITED STATES GOVERNMENT FOR THAT FISCAL YEAR IN WHICH TOTAL OUTLAYS DO NOT EXCEED TOTAL RECEIPTS

In Section 3, the amendment extends to the President's annual budget the same norm of fiscal balance expected of the Congress. The current statutory requirement that the President submit a budget is codified in the Constitution to ensure that the President remains engaged with Congress in the budget process. Of course, this requirement of submission of a single document in no way alters the current constitutional balance of powers or separation of responsibilities. It also is perfectly consistent with the current constitutional provisions that the President "shall . . . recommend to [Congress'] Consideration such Measures as he shall judge necessary and expedient" (Article II, Section 3).

Detailed Analysis

"Prior to each fiscal year . . ." was retained in Section 3 because of the long-understood legislative principle that deadlines certain can be set, and in fact are commonly expected to be set, for specific actions by the Executive. Currently, the deadline for submission of the President's budget is set by statute and occurs well in advance of the fiscal year for which it is written. Such statutory provisions are, and will remain, consistent with Section 3.

". . . a proposed budget . . ." means a document similar, in broad terms, to that which is regularly submitted under current law. The amendment in no way restricts the discretion of Congress to enact changes in what is or is not required in such a budget, as long as the document remains useful for the purposes of planning federal spending activities.

". . . in which total outlays do not exceed total receipts." Per se, a "budget" is a document in which all relevant future numbers are planned, recommended, projected, estimated, or assumed. This is true, as a matter of definition, of all documents called "budgets," public or private. Therefore, no qualifiers are added to this language in Section 3, such as "estimated receipts" or "recommended outlays". To include such terms would be redundant at best, and inadvertently confusing or limiting at worst.

SECTION 4. NO BILL TO INCREASE REVENUE SHALL BECOME LAW UNLESS APPROVED BY A MAJORITY OF THE WHOLE NUMBER OF EACH HOUSE BY A ROLLCALL VOTE

The purpose of this section is to increase the accountability of Members of Congress when they consider legislation to increase revenue, in light of the amendment's requirement to balance receipts and outlays. The increased pressure the amendment will create for fiscal discipline may increase temptation to shield a certain amount of legislative decision-making from public view. Tax bills have been known to pass, occasionally, by voice vote.

The enhanced "tax accountability" (or, more precisely, accountability with regard to passage of bills to increase federal revenue) provided by the unvarying requirement for a rollcall vote, is supplemented by the requirement that such bill also shall not become law unless passed by a majority of the whole number of each House.

The rollcall vote and voting requirements will serve to maintain a level playing field between the public's more general and diffuse interest in restraining the government's appetite for revenues and the more focused pressure that special interest groups can apply for individual spending programs.

Detailed Analysis

"No bill . . . shall become law unless . . ." is drafted in the negative to conform to the style used in Article I of the Constitution, in phrases such as, "No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census . . ." and "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ."

". . . revenue . . ." has the same meaning here as in Article I, Section 7, which states, "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills."

". . . bill to increase revenue . . ." means legislation making policy changes in the government's exercise of its sovereign power to tax or otherwise compel payments to the government. "Revenues" and "receipts" are largely synonymous, but not always so, especially when being used prospectively. Both are expressed in terms of quantities of dollars flowing in to the Treasury. However, "revenue" is more closely connected to the tax rates, tax base, Customs rates, or other policy criteria formulated to produce inflows of receipts. A "receipt" is a more purely and more comprehensive quantitative concept. For example, a bill to step up Internal Revenue Service enforcement of current tax laws and enhance collection of taxes currently going uncollected definitely would result in increased receipts, but would not be "a bill to increase revenue," and therefore, not subject to the requirement of a majority of the whole House for passage. ("Receipts" are further defined under Section 7.)

". . . majority of the whole number of each House . . ." means, under current law, never less than 218 votes among the 435 Members of the House of Representatives and never less than 51 votes in the Senate, which numbers 100 Members. The "whole number of each House" is defined under Section 1, above.

This language is to intended to preclude the Vice President, in his or her constitutional capacity as President of the Senate, from casting a tie-breaking vote that would produce a 51-50 result. This is consistent with article I, Section 3, Clause 4, which states: "The Vice President of the United States shall be President of the Senate, but shall have no Vote, unless they be equally divided." Nothing in Section 4 of the substitute takes away the Vice President's right to vote under such circumstances. The language requires (in today's Senate of 100) 51 votes to pass a revenue-increasing bill, not the votes of 51 Senators. Obviously, in a 51–50 vote, 51 still constitutes a majority of the whole number of 100. Also obviously, while the Vice President could turn a 49-49 tie into a 50-49 result, this would not constitute a majority of the whole number.

SECTION 5. THE CONGRESS MAY WAIVE THE PROVISIONS OF THIS ARTICLE FOR ANY FISCAL YEAR IN WHICH A DECLARATION OF WAR IS IN EFFECT. THE PROVISIONS OF THIS ARTICLE MAY BE WAIVED FOR ANY FISCAL YEAR IN WHICH THE UNITED STATES IS ENGAGED IN MILITARY CONFLICT WHICH CAUSES AN IMMINENT AND SERIOUS MILITARY THREAT TO NATIONAL SECURITY AND IS SO DECLARED BY A JOINT RESOLUTION, ADOPTED BY A MAJORITY OF THE WHOLE NUMBER OF EACH HOUSE, WHICH BECOMES LAW

This section reaffirms the traditional priority presumptively attached to matters of national self-defense. In such cases, especially when the Congress and the President have taken an action as extraordinary as declaring war, financing that effort should proceed unimpeded by any requirement of additional, extraordinary votes.

Detailed Analysis

The first sentence of Section 5, or a virtually identical counterpart, has been a fixture in almost every major version of the Balanced Budget Amendment over the years. Consistent with Article I, Section 7, Clause 3, such a simple majority vote to waive this Article would have to be presented to the President for his or her approval.

The second sentence recognizes that, for most of the military conflicts in which the United States has engaged, there was not a formal declaration of war. Nevertheless, a sufficient self-defense interest is present in such situations that a Section 1 super majority should not be required to fund such an engagement. Further definition of the criteria set forth for the "majority of the whole number" waiver in Section 5 is not needed, since the Section requires simply that the joint resolution required for the waiver declare such conditions to be present.

SECTION 6. THE CONGRESS SHALL ENFORCE AND IMPLEMENT THIS ARTICLE BY APPROPRIATE LEGISLATION, WHICH MAY RELY ON ESTIMATES OF OUTLAYS AND RECEIPTS

This section places a requirement on Congress to adopt of legislation necessary, appropriate, and reasonable to enforce and implement the Balanced Budget Amendment. There is no need—and arguably it would be a bad idea—explicitly to foreclose the possibility of judicial interpretation or enforcement. However, this language further tilts presumptions of such responsibilities toward extremely limited court involvement. This language also is intended to prevent the possibility of an interpretation that could shift the current balance of power among the branches in favor of the Executive.

Detailed Analysis

"The Congress shall enforce and implement . . . " differs from clauses included in several other amendments that state, "The Congress shall have power to enforce . . . " This latter clause has been employed only where there was concern that the question could arise as to whether Congress had the power to pre-empt state laws or constitutions or was venturing impermissible beyond its constitutionally enumerated powers and into the rights reserved to the states or the people.

Here, no such question of pre-emption is conceivable. Congress clearly has the power to enforce and implement this Article, under the "necessary and proper" clause in Article I, Section 8, which states: "The Congress shall have Power . . . To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

This section creates a positive obligation on the part of Congress to enact appropriate implementation and enforcement legislation. As a practical matter, this language simply requires what is inevitable and predictable. It is a simple statement that, however well-designed, a constitutional amendment dealing with subject matter as complicated as the federal budget process needs to be supplemented with legislation. It is a means of owning up to the truth in the arguments made by many Members of Congress—both supporters and opponents—that Members must expect to do more than cast this one vote to pass this one amendment, to ensure that deficits are brought down and, ultimately, eliminated.

The inclusion of a positive obligation to legislate does not make the Article more difficult to enforce, nor is it without precedence in the Constitution. Article I, Section 2, Clause 3 provides: "Representative and direct Taxes shall be apportioned among the several States . . . according to their respective Numbers, which shall be determined by . . . [an] actual Enumeration . . . made within three Years . . . and within every subsequent Term of ten Years, in such Manner as they shall by Law direct . . . " The critic who today asks, "What if Congress just doesn't enact implementing and enforcing legislation?" would be the counterpart of the critic who might have asked in 1787, "What if Congress just doesn't authorize or appropriate for a Census, if, in their own self-interest, they don't want the current apportionment to be changed?" In this case, it manifestly would be in Congress' own best interest to enact legislation ensuring a complete and clearly-defined budget process consistent with the Balanced Budget Amendment.

". . . Which may rely on estimates of outlays and receipts." This phrase allows Congress the flexibility in explicit language that it will need in practical effect, to make reasonable decisions and use reasonable estimates, when appropriate, as a means of achieving the normative result required in Section 1. To some extent, this phrase, too, states the obvious, that the process of budgeting and taxing and spending inevitably involves relying on estimates. "Estimates" means good faith, responsible, and reasonable estimates made with honest intent to implement Section 1 and not evade it.

The estimates contemplated in Section 6 do not apply in any way to a determination of the amount of debt referenced in Section 2. "Debt" there means actual, not estimated, debt.

Section 1 provides the standard by against which compliance with the amendment is measured. Section 6 clarifies that implementation and enforcement legislation may provide for the use of reasonable and appropriate estimates in the process of complying with Section 1. Section 6 is intended to support, strengthen, and aid the effectiveness of the other provisions of the amendment. This provision also will provide additional insurance against intrusion by the courts into the finer details of questions of compliance with the amendment.

Section 6 must not be interpreted in any way that would weaken or allow evasion of any other provision of this amendment. Over the course of the fiscal year, outlays may not exceed receipts. To the extent that any reasonable and lawful action can be taken to prevent an excess, it must be taken. On the other hand, for example, a brief dip in receipts or jump in outlays need not trigger a sequester, rescission, or other offsetting action if there it is reasonable to assume that such a "glitch" will be offset naturally in the near-term by normal economic or budgetary fluctuations.

In order to allow for an unexpected shortfall of receipts or an unexpected increase in outlays without triggering a three-fifths debt vote under Section 2, it would be necessary that the actual debt held by the public be held below the debt limit, by a sufficient amount to offset the amount by which actual receipts or outlays may differ from estimated receipts or outlays.

It also should be noted that outlays are both more predictable and more controllable than receipts. Therefore, the handling of outlays necessarily must be held to a stricter standard than the treatment of receipts. To be more specific, of course, is difficult until the actual design of implementation and enforcement legislation emerges. In all cases, the standard to be applied to the accuracy and adjustment of estimates is to be a rule of reason.

History of the "estimates of outlays and receipts" language in Section 6

Section 1 of H.J. Res. 290, as originally introduced in the 102nd Congress, and as it came to the floor of the House of Representatives in June 1992, read:

"Prior to each fiscal year, the Congress and the President shall agree on an estimate of total receipts for that fiscal year by enactment of a law devoted solely to that subject. Total outlays for that year shall not exceed the level of estimated receipts set forth in such law, unless three-fifths of the whole number of each House of Congress shall provide, by a rollcall vote, for a specific excess of outlays over estimated receipts."

Section 1 of S.J. Res. 298, as introduced in the 102nd Congress, was substantively the same, and read:

"Prior to each fiscal year, an estimate of total receipts for that fiscal year shall be determined by enactment of a law devoted solely to that subject. Total outlays for that year shall not exceed the level of estimated receipts set forth in such law, unless three-fifths of the whole number of each House of

Congress shall provide, by a rollcall vote, for a specific excess of outlays over estimated receipts."

Just prior to House consideration in 1992, key House and Senate sponsors of H.J. Res. 290, S.J. Res. 18 (reported by the Committee on the Judiciary), and S.J. Res. 298 negotiated a bicameral, bipartisan, consensus version of the Balanced Budget Amendment. That version was adopted on the House floor as a substitute for H.J. Res. 290, although the measure narrowly fell short of the necessary two-thirds majority on final passage.

H.J. Res. 103 / S.J. Res. 41 in the 103rd Congress is virtually identical to the bicameral, bipartisan, consensus version negotiated in the summer of 1992. Section 1 of H.J. Res. 103 / S.J. Res. 41 is virtually identical to Section 1 of S.J. Res. 18 as reported in the 102nd Congress. Section 6 was a new section added in the bicameral, bipartisan, consensus version offered as a substitute on the House floor in 1992.

The "estimates" provision was included in Section 6 to allow the use of a single level of total estimated receipts for a fiscal year, enacted into law at the beginning of the budget process, as the fixed target amount which outlays throughout the fiscal year may not exceed. In other words, Section 6 is intended to allow Congress to enact into law the process of measuring actual outlays against a fixed receipts estimate in the same way that was outlined in Section 1 of H.J. Res. 290 / S.J. Res. 298 as introduced in the 102nd Congress. Nothing in that version would have prevented Congress from imposing a more stringent process of measuring actual outlays against updated receipts estimates throughout the fiscal year. Section 6 of H.J. Res. 103 / S.J. Res. 41 in the 103rd Congress is no more and no less restrictive in this regard.

SECTION 7. TOTAL RECEIPTS SHALL INCLUDE ALL RECEIPTS OF THE UNITED STATES GOVERNMENT EXCEPT THOSE DERIVED FROM BORROWING. TOTAL OUTLAYS SHALL INCLUDE ALL OUTLAYS OF THE UNITED STATES GOVERNMENT EXCEPT FOR THOSE FOR REPAYMENT OF DEBT PRINCIPAL

This section makes clear that, for purposes of computing a deficit, balance, or surplus under this amendment, there is no such thing as "off-budget" receipts or outlays. By requiring all cash inflows and outflows to be counted, the most commonly anticipated loopholes are prevented from ever being created. Simple refinancing of outstanding debt at the same net cost of borrowing would not be affected in the normal course of business and, of course, borrowing is not considered a receipt, but rather is recognized as only the means of financing deficit spending.

As currently used and reported, both "receipts" and "outlays" are well-understood, inclusive concepts used with consistency in the budgetary process.

Detailed Analysis

". . . receipts . . ." is to be interpreted consistently with the use of "Receipts" in Article I, Section 9, Clause 7, which provides, in part, that "a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

The definition of "budget receipts" in A Glossary of Terms Used in the Budget Process (1981), as quoted in S. Rept. 99–162 and S. Rept. 99–163 (committee reports on S.J. Res. 13 and 225, respectively) still applies:

Collections from the public (based on the Government's exercise of its sovereign powers) and from payments by participants in certain voluntary Federal social insurance programs. These collections, also called governmental receipts, consist primarily of tax receipts but may also come from court fines, certain licenses, and deposits of earnings by the Federal Reserve System. Gifts and contributions (as distinguished from payments for services or cost-sharing deposits by State and local governments) are also counted as budget receipts. Budget receipts are compared with total outlays in calculating the budget surplus or deficit. Excluding from budget receipts are offsetting receipts which are counted as deductions from budget authority and outlays rather than as budget receipts.

". . . outlays . . ." means all disbursements from the U.S. Treasury, directly or indirectly through federal or quasi-federal agencies created or under the authority of Acts of Congress. The Glossary (as cited above) defines "outlays" as follows:

Obligations are generally liquidated when checks are issued or cash disbursed. Such payments are called outlays. In lieu of issuing checks, obligations may also be liquidated (and outlays occur) by the maturing of interest coupons in the case of some bonds, or by the issuance of bonds or notes (or increases in the redemption value of bonds outstanding). Outlays during a fiscal year may be for payment of obligations incurred in prior years (prior year outlays) or in the same year. Outlays, therefore, flow in part from unexpended balances of prior-year budget authority provided for the year in which the money is spent. Total budget outlays are stated net of offsetting collections, and exclude outlays of off-budget Federal entities. The terms expenditure and net disbursement are frequently used interchangeably with the term outlays.

The glossary defines "budget authority" as:

Authority provided by law to enter into obligations which will result in immediate or future outlays involving Federal Government funds, except that budget authority does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. The latter two types of authority are also commonly referred to as "backdoor authority."

"Expenditures," in fact, also appears in Article I, Section 9, Clause 7, as quoted above, and is used there in symmetry with "Receipts." "Outlays" is used in this Section because of that word's overwhelmingly prevalent use in recent and current budget terminology.

SECTION 8. THIS ARTICLE SHALL TAKE EFFECT BEGINNING WITH FISCAL YEAR 1999 OR WITH THE SECOND FISCAL YEAR BEGINNING AFTER ITS RATIFICATION, WHICHEVER IS LATER

By passing this amendment and sending it to the states for ratification, the Congress intends to bind itself, in mutual cooperation with the President, to adopt an orderly deficit reduction plan that will bring the budget into compliance with this amendment no later than fiscal year 1999.

Adopting an effective date of no earlier than 1999 provides time for a reasonable glide path to a balanced budget while setting a deadline imminent enough to stimulate action.

JEFFERSON'S CONSTITUTIONAL DILEMMA WITH THE LOUISIANA PURCHASE

SUMMARY

It is widely believed that Thomas Jefferson ignored his own principles of a strict interpretation of the Constitution when the United States was given the opportunity to purchase the Louisiana Territory in 1803. On the contrary however, the purchase raised no question of unconstitutionality in his mind. It was the admission into the Union of new states which might be created from the territory that caused him great concern. Creating additional debt for the country also seems to be contrary to traditional Jeffersonian principles, but Jefferson was hopeful the Congress could finance the purchase without raising taxes.

Western farmers were affected terribly when the port of New Orleans was closed to American use in 1802. Dependent on the free navigation of the Mississippi River for shipping their crops to eastern ports and on to Europe, the farmers faced imminent bankruptcy because, with the mouth of the river closed, the entire river was, in effect, closed as well.

Concerned that the agrarian economy of the United States would collapse, Jefferson authorized American envoys to purchase the City of New Orleans from France. Napoleon surprised the envoys by offering all of the Louisiana Territory to them.

The Treaty of 30 April 1803 set the terms for the purchase of the territory. A payment of $11,250,000 to France at six percent interest, not redeemable for fifteen years was the price. An additional $3,750,000 would be used to assume the claims of American citizens against France. While there is no record of Jefferson giving a written justification of incurring such a debt, it might be assumed that because he was eventually willing to set aside his concerns about the constitutionality issue (because of what one historian called the national emergency of acquiring Louisiana), he was also willing to lead the country into debt because of the long-term advantages he foresaw.

This paper attempts to give a brief summary of the events leading to the ratification of the treaty by which the United States purchased the Louisiana Territory with special attention given to Jefferson's constitutional concerns.

JEFFERSON'S CONSTITUTIONAL DILEMMA WITH THE LOUISIANA PURCHASE

Among Thomas Jefferson's primary interests when he assumed the presidency in 1801 was the development of the land. The Industrial Revolution had not yet significantly affected the United States; besides, his agrarian background led him to believe that yeoman farmers held the key to American prosperity. In his ideal picture of America, small farmers would provide the foundation for the young nation's fragile economy by selling their crops to European nations. With the opening of the Northwest Territory to settlement after the American Revolution, the United State could be assured a perpetual supply of grains for consumption and export.

The fragile American economy was threatened, however, when Spanish officials closed the port of New Orleans to American vessels in 1802. Trans-Appalachian farmers, long dependent on free navigation of the Mississippi River to ship their crops to eastern ports and on to Europe, were faced with bankruptcy. At the same time, a series of events began to unfold in Europe which gave Jefferson the opportunity to protect the American economy and substantially increase the size of the United States.

Through a secret treaty with Spain in 1800, France had secured title to the Louisiana Territory of North America. French Emperor Napoleon, already successful in dominating a large portion of Europe, planned to use this as an opportunity to fulfill his dream of establishing a French stronghold in the Western Hemisphere. Deteriorating relations between France and other European nations in 1801–1802, however, led Napoleon to seek a means of raising funds to purchase war supplies and he was forced to forego his dream of an empire in the Americas.

Faced with the slow extinction of western agriculture and, in turn, the American economy, President Jefferson sent envoys to France to negotiate the purchase of New Orleans. Restoration of navigation rights on the Mississippi would assure the farmers continued access to European markets. In January of 1803 legislation was introduced in the House of Representatives to appropriate $2 million to speed the negotiations between the United States and France, or rather, "to defray the expenses which may be incurred in relation to the intercourse between the United States and foreign nations; to be paid out of any money in the Treasury not otherwise appropriated, and to be applied under the direction of the President of the United States; who, if necessary, is hereby authorized to borrow the same, or any part thereof, an account whereof, as soon as may be, shall be laid before Congress." (Annals of Congress, 7/2) The bill was passed and referred to the Senate, which passed the bill by a 41–12 margin.

The American negotiators in Paris, given the chance to buy all of the Louisiana Territory in addition to the city of New Orleans, first announced the purchase of the territory in a letter to Secretary of State Madison dated 13 May. It was not until 14 July, however, that the treaty and its accompanying document arrived in Washington. Two days later, the president met with his Cabinet to consider the proper course of action.

Under the terms of the treaty, the United States would purchase the Louisiana Territory for $11,250,000 with an additional $3,750,000 going to satisfy private American claims against the French government. As payment, the United States would create a stock of the former amount bearing interest at the rate of six percent a year. Interest payments were to be made each year with the principal being payable no sooner than fifteen years from the date the treaty was ratified. The treaty also stipulated that should France wish to dispose of the stock before maturity, the transaction would be conducted in the manner most favorable to the credit of the United States. Finally, the document provided that, in the event that treaty was not ratified by 30 October 1803, the land would revert to the French.

Treasury Secretary Albert Gallatin complained that the treaty would allow the French to dispose of the stock for cash (which they did almost immediately). At the same time, the United States could not begin to curtail the debt for fifteen years. The president, however, wrote an acquaintance that the United States had gained in four months of deliberations what would have required seven years of war and cost 100,000 lives and $100,000,000 of debt. (There is no record of the source of these estimates.)

Convinced that he had no constitutional power to annex the territory into the United States, Jefferson, writing to a friend on 17 July, explained that Congress "will be obligated to ask from the people an amendment to the Constitution authorizing their receiving the province into the Union providing for its government, the limitations of power which shall be given by that amendment, will be unalterable but by the same authority."

Writing to John Dickenson on 9 August: "The acquisition of New Orleans would of itself have been a great thing, as it would have ensured to our western brethren the means of exporting their produce: but that of Louisiana is inappreciable, because, giving us the sole dominion of the Mississippi, it excludes those bickerings with foreign powers, which we know of a certainty would have put us at war with France immediately: and it secures to us the course of a peaceable nation.

"The general government has no powers but such as the Constitution has given it; and it has not given it a power of holding foreign territory and still less of incorporating it into the Union. An amendment to the Constitution seems necessary for this. In the meantime we must ratify and pay our money, as we have treated, for a thing beyond the constitution, and rely on the nation to sanction an act done for its great good, without its previous authority."

In a letter to Senator John Breckinridge three days later, Jefferson wrote: "This treaty must of course be lad before both Houses, because both have important functions to exercise respecting it. They, I presume will see their duty to their country in ratifying and paying for it, so as to secure a good which would otherwise never again be in their power. But I suppose they must then appeal to the nation for an additional article to the Constitution, approving and confirming an act which the nation had not previously authorized. The Constitution has made no provision for our holding foreign territory, still less for incorporating foreign nations into our Union. The executive in seizing the fugitive occurrence which so much advances the good of their country, has done an act beyond the Constitution. The Legislative in casting behind them metaphysical subtleties, and risking themselves like faithful servants, must ratify and pay for it, and throw themselves on their country for doing for them unauthorized, what we know they would have done for themselves if they had been in a situation to do it. It is the case of a guardian, investing the money of his ward in purchasing an important adjacent territory; and saying to him when of age, I did this for your good; I pretend to no right to bind you: you may disavow me, and I must get out of the scrape as I can: I thought it my duty to risk myself for you. But we shall not be disavowed by the nation, and their act of indemnity (an amendment to the Constitution) will confirm and not weaken the Constitution, by more strongly marking out its lines."

Because Congress had adjourned for the summer and was not due to go back into session until November, Jefferson issued the call for a special session beginning on 17 October. The purpose of the session was to gain Senate approval for the treaties and House authorization for payment of the purchase before the 30 October deadline. He spent the rest of the summer and fall preparing for the coming session and trying to gather all the information he could about the territory. (He also drafted two versions of an amendment which Congress might consider upon its return.)

In late August, word arrived from France that Napoleon was having second thoughts about selling the territory to the United States and would not accept the American ratification if the Senate made any changes in the treaty. Jefferson quickly surmised that raising the issue of the constitutionality of the purchase would give Federalist opponents in Congress an opportunity to delay the ratification process into winter. As a result, he wrote to Madison on 20 August: "I infer that the less we say about constitutional difficulties respecting Louisiana the better, and that what is necessary for surmounting them be done sub silentio."

According to historian Dumas (Doo-mah) Malone, Jefferson's most scholarly biographer, the president seemed to consider the affair of Louisiana at this point a national emergency that justified stretching the Constitution beyond its original shape. To Secretary Gallatin, Jefferson wrote: "It will be well to say as little as possible on the constitutional difficulty, and the Congress should act on it without talking."

Jefferson's third annual message to the Congress on 17 October made only passing reference to the constitutional question. (It is also one of his few public statements about intentionally increasing the debt.)

"It is already ascertained that the amount paid into the treasury for that year (FY 1803) has been between eleven and twelve millions of dollars, and that the revenue accrued during that same term exceeds the sum counted on as sufficient for our current expenses, and to extinguish the public debt within the period heretofore proposed.

"The amount of debt paid for the same year is about three millions one hundred thousand dollars, exclusive of interest, and making, with the payment of the preceding year, a discharge of more than eight millions and a half dollars of the principal of that debt, besides the accruing interest, and there remain in the treasury nearly six millions of dollars. Of these eight hundred and eighty thousand have been reserved for payment of the first installment [sic] due under the British convention of January 8th, 1802, and two millions are what have been before mentioned as placed under the power and accountability of the president, toward the price of New Orleans and other territories acquired, which, remaining untouched, are still applicable to that object, and go in diminution of the sum to be funded for it.

"Should acquisition of Louisiana be constitutionally, confirmed and carried into effect, a sum of nearly thirteen millions of dollars will then be added to our public debt, most of which is payable after fifteen years; before which term the present existing debts will all be discharged by the established operation of the sinking fund. When we contemplate the ordinary annual augmentation of imposts from increasing population and wealth, the augmentation of the same by revenue by its extension to the new acquisition, and the economies which may still be introduced into our public expenditures, I cannot but hope that Congress in reviewing their resources will find means to meet the intermediate interests of this additional debt without recurring to new taxes, and applying to this object only the ordinary progression of our revenue. Its extraordinary increase in times of foreign war will be the proper and sufficient fund for any measures of safety or precaution which that state of things may render necessary in our neutral position."

The Senate ratified the treaty on 20 October by a vote of 24–7. A subsequent Senate vote to establish a government for the new territory passed by a 26–6 margin less than a week later. New England Federalists provided the opposition on both votes.

On 25 October three resolutions relating to the government of the territory and payment to the French government were introduced in the House. A resolution to enforce the provisions of the treaty passed 90–25. The bill establishing a government for the territory met with stiff initial opposition because it would have given all military, civil and judicial powers to the President. Even loyal Jeffersonian Republicans refused to support the resolution until an equitable distribution of power between the President and Congress was added. This measure passed 89-23. The resolution regarding payment for the territory was approved by voice vote the same day it was introduced.

Not content to let the constitutionality question die, Senator John Quincy Adams of Massachusetts introduced a measure on 25 November which would have established a special Senate committee "to inquire whether any, and if any, what further measures may be necessary for carrying into effect the treaty between the United States and the French Republic . . . whereby Louisiana was ceded to the United States." The Senate did not consider the measure until 9 December. Only two of his Federalist colleagues joined him in supporting the motion. It subsequently died and the issue of the constitutionality of the Louisiana Territory ended. The debt incurred by the purchase was finally paid off in 1823, twenty years after the agreement was ratified.

Jefferson believed it was his responsibility to find a realistic and lasting alternative to the slow demise of the American economy which was assured by the closing of the Mississippi. Despite questions of the constitutionality of the decision, he encouraged Congress to take the unprecedented action of purchasing the territory. The American public endorsed the decision with an outpouring of letters thanking the President for making the western farmlands available at a low price.

This chain of events established a precedent for the principle of implied powers in the Constitution and the elasticity to meet changing situations.

Mr. Chairman, I yield such time as he may consume to the gentlemen from New Jersey [Mr. ZIMMER].

Mr. ZIMMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the Stenholm-Smith balanced budget amendment.

Our constituents are angry at Congress because Congress seems unable to do what every family has to do, what every business has to do, indeed what every State government has to do, and that is to live within our means.

The public interest in balancing the budget is overcome by the multiplicity of well-focused, well-funded private interests which have their own specific agendas.

Professor James Buchanan of George Mason University recognized this phenomenon. He won a Nobel Prize in economics for explaining why individual members of Congress find it in their individual political interests to be fiscally irresponsible even when they recognize it is not in the public interest. However, you don't have to be a Nobel laureate to understand the problem.

Opponents of the balanced budget amendment say it is no substitute for the honest choices that need to be made to pare back government spending and close tax loopholes. But, just last week, the House proved once again that it lacks the political courage to make tough choices by rejecting an alternative budget proposal that would have balanced the budget within 5 years without raising taxes. The alternative budget proposed by Representative GERALD SOLOMON included some harsh measures that I disagreed with. However, I supported the measure because I believe Congress has got to put the taxpayers' money where our mouths are.

The reality is that cutting spending is easier said than done. Imagine what you would do if you got a credit card offer in the mail that allowed you to buy whatever you wanted, and pay off as little as you wanted whenever you wanted. You would head for the mall and go on a spending spree. That's exactly what Congress has done.

Thomas Jefferson understood this aspect of human nature. He distrusted politicians and criticized the Constitution for lacking a prohibition against the Government incurring debt. Jefferson said: "In question of power * * * let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

Congress and the executive branch have shown themselves incapable of balancing the Federal budget on their own. That is why they need an external discipline imposed by the Constitution.

Have you ever seen the bumper sticker that says, "We're spending our children's inheritance?" Well, that is exactly what our generation is doing. Because of our profligacy, we are consigning our children—and their children—to a lower standard of living than they would otherwise have had, perhaps a lower standard of living than our own. We are consigning them to live in a nation that is less competitive, less productive and whose Government is shackled by the obligation to pay interest on a debt our generation incurred to pay for our current consumption.

For these reasons I believe that a balanced budget amendment is more than an economic proposition. It is more than a political proposition. It is a moral proposition. This amendment is consistent with the tradition and the spirit of our Constitution, going back to the Bill of Rights, that we restrain our leaders to protect the common good for ourselves and our posterity.

Congress should heed Thomas Jefferson's advice: Bind them down from mischief by the chains of the Constitution.

Mr. STENHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, I rise in strong support of the Stenholm amendment and a balanced budget for America.

Mr. GUNDERSON. Mr. Chairman, I rise today in support of H.J. Res. 103, the Stenholm/Smith substitute.

I am particularly pleased that the Stenholm/Smith substitute enjoys broad bipartisan support. This legislation was carefully crafted to meet constitutional challenges and has addressed the questions raised about the ramifications of a Balanced Budget Amendment. It is the result of several years of consensus building.

Even though this Congress passed the largest tax increase in history last year, the deficit is still predicted to be $176 billion in fiscal year 1995. It is disturbing to say that this is a step in the right direction, that we're headed down the path to a balanced budget. My constituents in western Wisconsin—Democrats, Republicans, and Independents alike—want a balanced budget. Many critics of an amendment to the Constitution cite massive cuts in Social Security as a reason to defeat this measure. To the contrary, the benefits of a sound economy not saddled with debt would ensure that spending on vital programs would be thoroughly debated, as it should, by the Congress.

According to the Congressional Budget Office, in fiscal year 1995, net interest will cost the American taxpayers $212 billion, which represents 3 percent of Gross Domestic Product. Defense spending totals $274 billion, which represents 3.9 percent of GDP. But when you look at spending trends over the next 5 years, in fiscal year 1999, net interest will cost taxpayers $261 billion, which is 3 percent of GDP. The distressing trend we are witnessing here is that interest on the debt, although it remains a constant share of GDP, rivals defense spending. Defense spending continues to fall as a share of GDP, while debt interest spirals upward. Opponents of a balanced budget amendment fear that social services and education will greatly suffer under a constitutionally mandated balanced budget. Social services would take a harder hit because in the absence of a balanced budget because these numbers also point out that domestic discretionary spending—where most education, training, and social services programs are allocated—will fall from 3.7 percent of GDP in fiscal year 1995 to 3.4 percent in fiscal year 1999. I agree that education is a solid investment in the future, but less and less can be spent on national priorities if interest on the debt alone skyrockets.

With so many emerging issues of that will challenge future generations, it is regrettable that the issue overshadowing all others will be the deficit—the national concern that the previous leaders would not confront. Today's youth will bear a national debt much greater than ever imagined. They, too, will rely on Social Security one day, so when we talk about too great a sacrifice to bear, if much-touted change does not occur now, sacrifice will be the reality of the 21st century. This is not responsible governing.

A constitutional amendment is the only measure strong enough to force Congress to exercise the discipline necessary to balance the budget. Congress has failed to balance the budget by statute for nearly two decades. It's clear from the decades-long precedent that without such a mandate, Congress will continue to live beyond its means. Several State constitutions require balanced budgets. It is about time our national government learns to do what State governments have had to do for some time.

No one should be under the assumption that a balanced budget amendment is a panacea for bringing our federal finances under control. However, an honest look at our past behavior and the future burdens we are imposing on all taxpayers and future generations of Americans warrants passage. Today, we have the opportunity to shed partisanship and govern effectively as Democrats and Republicans.

Mr. Chairman, I urge my colleagues to support the Stenholm/Smith substitute.

Mr. HASTERT. Mr. Chairman, I rise today in support of the balanced budget amendment alternatives offered by Representatives STENHOLM, BARTON, and KYL. It is an amazing statistic that interest payments on our national debt were five times higher in 1993 than outlays for all education, job training and employment programs combined. Clearly, until our monstrous $4.3 trillion Federal deficit is eliminated, interest payments will continue to eat away at the important initiatives which the government must fund. I will not stand by and watch Congress recklessly squander the future of our children and grandchildren.

As of the end of last session, the bills that I have cosponsored this Congress would cut spending by $50.3 billion, if enacted. According to the National Taxpayer's Union, only eight other Representatives have cosponsored more savings than I have. But we still have not done enough.

Mr. Chairman, when I served in the Illinois legislature, the fact that we had a Balanced Budget Amendment to our State constitution enabled us to practice strong fiscal discipline. We must have the same safeguard at the Federal level. The American people have wanted a Balanced Budget Amendment for a long time, because they know it's the only way to force Congress to make tough spending choices.

Last week, the House approved the President's budget proposal for fiscal year 1995. I opposed that budget because if failed to address the urgent needs of Americans today—for health care reform, welfare reform, and tough anticrime legislation. Yet, this budget still found ways to increase wasteful spending by the Federal Government, and it did nothing to bring our deficit under control.

Mr. Chairman, in light of Congress' exhibited inability to control spending and vote for real fiscal responsibility, it is imperative that we have a balanced budget amendment to compel Congress to end its siege on our financial future. I urge my colleagues to support the Stenholm, Barton, and Kyl alternatives.

Mr. EVERETT. Mr. Chairman, I rise today in strong support of the Balanced Budget Amendment to the Constitution. Amending the U.S. Constitution is a serious matter, and one that I take seriously. It is unfortunate that Congress must consider a constitutional amendment to balance the Federal budget. What is more unfortunate is the fact that Congress cannot control it's propensity to spend more than the Nation takes in. This habitual spending has created a $4.3 trillion national debt; debt that we will pass down to our children and our children's children. Last week, this body continued in this tradition by approving the fiscal year 1995 Budget Resolution which assumes deficit spending of $171 billion—that's another $171 billion bill that we will foist on the backs of the future generations of Americans.

Many organizations and interest groups have come out in opposition to the idea of a Balanced Budget Amendment, claiming that important federal programs will be harmed and that future economic growth will be hampered. These groups have even resorted to scare tactics directed toward the elderly, claiming the Social Security Trust Fund will be robbed; this couldn't be further from the truth. These claims are not only ridiculous, but are unfounded.

If Congress was forced to be fiscally responsible by a constitutional requirement to balance the budget, funds would be freed-up that currently go toward servicing the debt. The President's budget request, as adopted by the House, will require $230 billion to pay interest on the national debt. If the President and Congress formulated a balanced budget, that $230 billion could be spent on important programs like education and training, national security, and veterans concerns. We could even use these funds for a tax refund to hard-working Americans.

The legislation before us is a prudent measure, phased in over a number of years, to provide the fiscal discipline so desperately needed by the United States. Last night, the Kyl substitute was unfortunately defeated. This amendment would have provided specific guidelines that would tie Federal spending with the rate of growth as determined by the Gross National Product. Earlier today, I was pleased that the House approved the Barton/Tauzin amendment that ties spending to taxes. The Stenholm/Smith amendment controls spending by limiting the level of borrowing and the debt limit. All three of these amendments allow for a supermajority, three-fifths of the Congress, to override the balanced budget requirement if warranted by a depressed economy, a threat to national security or other national emergency. Each of these amendments provides sound fiscal discipline to the economic pressures created by deficit spending, and should be strongly supported by the House.

If Congress and the President lack the courage to make the tough decisions needed to control deficit spending, we ought to at least have the decency to pay our own bills, rather than asking our children to pay our bills. A constitutional amendment to balance the budget is the only way we can prevent a financial legacy of disaster for our children and grandchildren.

Mr. MANZULLO. Mr. Chairman, a balanced budget is the best way to insure the future economic prosperity of the United States; it is a long-term solution to a long-term problem. Congress is full of pork-barrelers and recreants who cannot restrain their proclivity to spend. A balanced budget limits the powers of Government and brings stability to the budget-making process.

Deficits are not a short-term trend. The Federal Government has run a deficit for 56 of the last 64 years, and the last 24 years in a row. Congress has tried to change its free-spending ways, but countless "budget deals" have not done a thing. In the 1920s, Federal spending as a percentage of GNP was 3 percent; in 1940 it was 10 percent; and in 1992 it was 22.4 percent. Eliminating the deficit is one of the most urgent priorities facing the country. We can't begin to tackle our near $5 trillion national debt until the Federal budget runs a surplus. And unless we begin to repay our debt soon, this country will be headed for a deep and prolonged economic crisis.

When it comes to balancing the budget, the deficit is a convenient target for election-year attacks. But when it comes to getting re-elected, deficit spending is the key. Why? First, intense pressure for spending tends to override a generalized preference for fiscal restraint and balanced budgets. In the short run, deficit spending is the most painless political option and the path of least resistance. In other words, "wasteful spending" has a curious appeal to deficit-hostile constituents when it's in their own district. Second, intense pressure for spending tends to override the general, diffused targets of most tax increases. Tax increases are purposely spread out enough that they don't spark a Boston tea party. For Congress, it's easy to tax and easier to spend, making it almost impossible to balance the budget.

Mr. Chairman, a long-term, structural response is needed to reverse a long-term, structural problem. The solution is a balanced budget amendment to the Constitution. I don't take this step lightly, but it's one that Thomas Jefferson endorsed. An amendment reestablishes a level playing field, forcing Congress to place higher priority on balancing the budget rather than spending and taxing. It restores the Constitution's goal of limited government.

Some critics of this legislation contend that it will unfairly impact Social Security. Nothing could be further from the truth. These critics say that Social Security is not part of the deficit problem. I agree completely. Social Security is soundly financed and runs a surplus every year. However, a constitutional amendment to require a balanced budget does not change Social Security in any way.

Current laws on the books that protect Social Security would not be changed by the amendment. For example, Social Security is exempt from across-the-board budget cuts. The trust fund is already excluded from deficit calculations. The amendment does not change those laws in any way.

Taking Social Security, and other worthy programs, off-budget under the amendment would open up a loophole to evade the intent of the proposal. It would set a precedent for other government programs to simply be taken off the books. The deficit could be eliminated simply by shifting enough Government programs into off-budget accounts. This would only make matters worse. I'm sure you wouldn't do this with your own check book. That's why I don't want to make an exception for the Government.

Mr. Chairman, since I took office, I have had the courage to vote over 159 times to cut $137 billion in wasteful spending. Unfortunately, most of Congress did not agree. If we do not respond to our long-term problem with a long-term solution, large federal deficits and low private savings will lead to increasingly costly and precarious dependence on foreign capital, and less investment to modernize and expand the economy. All this will result in smaller gains in productivity and a lower standard of living for our children and grandchildren. Congress must vote for the balanced budget amendment to save future generations from this unconscionable economic burden.

Mr. WOLF. Mr. Chairman, I rise in support of the Stenholm balanced budget amendment. Many members have predicted doomsday scenarios if the Federal budget were actually balanced. These are mere scare tactics. We have also heard about the problems this Nation faces should we fail to get our fiscal house in order. These observations are correct. Because Members have fully debated the economics of the issue, I will not address those.

Mr. Chairman, I take this floor on behalf of the American family, and I can't help but wonder what lies in store for families if we don't balance the budget. I am deeply concerned that the American dream is beginning to wither. Many feel that they are not better off than their parents, and many of my constituents have great concern that their children will not be better off than they are.

In the world that I grew up in and every Member of this House was raised in, the American dream was available to them. My parents were better off than my grandparents, and I was able to build on that success and growth. Most American families evolve like that. But because we continue to mortgage the future of the country, because we continue to drive up the Federal debt, we don't provide for future generations. Because we continue to borrow 50 cents of every dollar that Americans save, that money does not go to build new homes for families, new jobs to employ moms and dads, new farms that feed families, or generate new economic growth that provides for a prosperous America. The Federal debt merely diverts money from the important problems that face America's families which is unfortunately helping to destroy the building blocks of this society.

If we want to reinvigorate the American dream, we shouldn't borrow billions of dollars more which will increase the deficit; we shouldn't increase spending, and we definitely shouldn't raise taxes. This is the formula for destroying families. To reinvigorate the American dream, we must stop the growth of Government programs and put Government on a budget like everybody else.

The comment has been made that the balanced budget amendment should be defeated because the Congress already has the power to balance the Federal budget. That's true; however, it misses an important point. Absent mandating balanced budgets, Congress won't ever do it, and families will continue to suffer because Congress lacks the political will to do the right thing.

The families and citizens of the 10th Congressional District of Virginia want less Government and want Congress to balance the budget; however, they don't have the means to hire high-priced lobbyists to get that message across. My constituents are busy with their jobs, ensuring their children get a good education, and focusing on their day-to-day lives. Those who want bigger and more Government are the same people who hire high-priced lobbyists to roam the Halls of Congress daily to make sure their program, subsidy, or special exemption is not eliminated. In fact, they fight for a larger slice of an ever-shrinking Federal budget pie.

I hear the families of my district and that is why I will support the balanced budget amendment. The families in my congressional district make difficult choices every day in budgeting their funds. Unlike Congress, they don't promise things to their children that they can't deliver. Likewise, it is fiscally irresponsible for the Congress to continuously tell the American people that they can have Government programs without paying for them. We need to have the fortitude and determination to give Americans a choice—do you want the programs or do you want to pay more taxes? Given this choice, my constituents reject increased taxes and overwhelmingly choose to eliminate the Government programs.

Mr. Chairman, I hope this body has the strength, courage, and determination to pass this balanced budget amendment. The American people want it because it will force the Congress to do what is right, and it will, most importantly, preserve the American dream for all families.

Mr. WELDON. Mr. Chairman, I rise today in favor of the Balanced Budget Amendment. I have and will support the sound fiscal reform proposals offered by Mr. KYL, BARTON, and STENHOLM. The Balanced Budget Amendment is an absolute necessity to protect our children's future. Everyone talks about getting our house in order, but we continue to spend and accumulate debt. Congress does not have the self-control to reduce spending. For this fiscal year, 14 percent of our budget, $206.4 billion, will be used to pay interest on the debt. The debt is a growing drain on our budget that will reduce our discretionary spending. In addition to this drain, we have an American public demanding effective Government with no new taxes. Therefore if we want to increase spending for effective programs, such as cancer research, Head Start, Pell grants, and Chapter 1 programs and important senior citizen programs, we must have a balanced budget amendment.

I find it difficult to believe that Members from the other side of the aisle are pointing to the 5-year budget plan we adopted last August as evidence as to why a balanced budget amendment is unnecessary. This plan increases spending $850 billion and will add $2 trillion to our national debt over the next 5 years. This is an example of tough choices. Such a plan would send the shareholders of a private company into an uproar. And the shareholders of this country, the American citizens, will not stand for such irresponsibility. Congress has a low rating, because we say one thing and do another. Well, if we are going to talk the talk, we need to walk the walk. It is time to put up, or shut up.

In addition, I am angered by the scare tactics being used to oppose the Balanced Budget Amendment. We all know the political reality is that we will not reduce Social Security or Medicare benefits. We have a contract with our seniors, and we will honor that agreement. We will not raid the Social Security trust fund, and we will protect their Social Security and Medicare benefits. Just last week the House considered a budget plan that would eliminate our deficit by the year 2000 without touching Social Security. Don't tell us it can't be done, when Mr. SOLOMON offered a plan just last week to do so. The Solomon substitute received only 73 votes. This is clear evidence that the Congress will not make the tough choices without a balanced budget amendment. I voted for that substitute and will continue my efforts to eliminate wasteful spending and reduce our debt while protecting the rights of our senior citizens.

This Congress needs a balanced budget amendment to make Congress do what it should be able to do on its own. But recent history has shown without such an amendment, we will continue to see practices like adding money for post offices in New York and FBI buildings in West Virginia on to a bill to provide aid to earthquake victims in southern California.

Ladies and gentlemen, the American taxpayers are demanding fiscal responsibility, and the Balanced Budget Amendment is the only means to bring responsibility to the Congress. I urge my colleagues to support the Balanced Budget Amendment.

Mr. KYL. Mr. Chairman, I rise in strong support of the Stenholm-Smith balanced budget amendment, House Joint Resolution 103.

Mr. Chairman, this is the fifth time in 12 years that either the House or Senate has considered the balanced budget amendment, and the arguments for and against remain virtually the same. The only thing that has changed is the national debt.

In 1982, the debt was just over $1 trillion. The next time the balanced budget amendment came to a vote, in 1986, the debt was over $2 trillion. The next time, in 1990, it was over $3 trillion, and in 1992, it was over $4 trillion. The national debt is now fast approaching $5 trillion, and is expected to near $6 trillion by the end of President Clinton's term.

Mr. Chairman, we can't afford to wait for Congress to muster the will to balance the budget. The Nation can't afford more taxes, while Federal spending just continues to go up and up. We can't afford to wait another year for the next debate on a balanced budget amendment.

We need to establish the framework and impose the discipline necessary to force Congress to do the job, and that is what this amendment will do.

I urge my colleagues to support the Stenholm-Smith balanced budget amendment.

Ms. SCHENK. Mr. Chairman, I support the Balanced Budget Amendment introduced by Representative STENHOLM. It is not something I do without reservation, but I have come to the sad conclusion that it is the only real hope we have for eliminating deficit spending.

The Constitution is sacred ground. But our Founding Fathers clearly understood that someday the framework they built might require additions or changes. That's why they created the amendment procedure. Today, the time has come to act. If we fail to address our fiscal problems today, they will burden our children and our grandchildren for years to come.

A constitutional amendment is a last resort. But with a debt surpassing $4 trillion and no end to deficit spending in sight, we no longer have a choice. Congress has lacked the will to eliminate deficit spending. Frankly, now that I've been here a year, I can see the problem. Yes, most citizens say they want cuts and less spending, but not in their community or on their pet projects. Confronted with legitimate but competing demands for Federal dollars, Members have had great difficulty cutting or spending less in their districts so we've borrowed more and more money. By doing so, we are unfairly piling our debt on the shoulders of future generations.

Good arguments can and have been made against a balanced budget amendment. But, the reality is frightening—our gross debt has increased by 869 percent over the past 2 decades.

I've been besieged by calls and letters from constituents worried about the impact a balanced budget amendment will have on Social Security. I too am concerned about Social Security. And that's another reason why I support a balanced budget amendment. Our debt of $4.6 trillion is a far greater threat to Social Security than a balanced budget amendment. The only way we can genuinely protect Social Security and every other Federal program we care about is to wipe out our mounting debt.

A balanced budget amendment is not a magic bullet. But if you believe, as I do, that deficit spending is the most critical threat to our economic security and to our ability to invest in our children's future, then we must take this difficult step and impose the kind of fiscal restraint our country cries out for.

Mr. HOUGHTON. Mr. Chairman, I associate myself with the comments of Mr. STENHOLM and speak in support of his resolution to balance the budget.

I want to comment on an issue, which I believe has become a red herring. Some are saying that if the Stenholm amendment were to be enacted, our older citizens would suffer as Social Security benefits surely would be cut. They say under present law, Social Security funds are protected from being used for purposes other than providing Social Security benefits. Furthersome, that protection would disappear if the Stenholm version were ever enacted.

Wrong. In fact, if Congress were willing to waive the procedural rules, they could, right now, reduce Social Security benefits. Political considerations, as well as a desire by Congress to protect those benefits, prevent that from happening. Will that change if the balanced budget amendment is passed? Not very likely. Those same procedural—as well as political—firewalls will still be there.

So, let's debate the pros and cons of a balanced budget amendment—but let's not confuse our citizens with scare tactics.

Mr. POSHARD. Mr. Chairman, I rise in strong support of House Joint Resolution 103 as proposed by my colleagues, Congressman STENHOLM and SMITH. I am pleased to be a cosponsor of the balanced budget amendment which carries the names and support of so many of our fine colleagues here in the House.

Mr. Speaker, I have a fairly simple explanation for why we are where we are today. For far too long, under the leadership of Democrats and Republicans alike, we have had an Administration which told the American people they never had to pay for anything and a legislature which said you never have to do without anything. And the American people bought into both ends of this promise and demanded both; avoid the taxes and tough choices on the revenue side but recoil at any suggestion that a program be cut or eliminated.

So here we are with a debt over $4 trillion dollars and annual deficits of some $200 billion depending on the estimates. That is fiscal irresponsibility which must not continue.

At this point, let me say that I have great respect for my colleagues who do not support a constitutional amendment for a balanced budget. And I applaud those who have brought forth alternatives for capital budgeting or to exempt social security for balanced budget calculations. I hear their statements that it is not an amendment which will solve this problem but the practical and political courage to make the tough choices. But without the constitutional mandate to make those choices, I fear we will simply continue to put off and delay those decisions into future years. Further delay is not in the best interest of this country.

Regrettably, I do not expect this amendment will pass, and we will all live to fight on another day the battle of a constitutional amendment. But that doesn't mean we can afford to delay the very tough choices which confront us now and will tomorrow regardless of whether we have a balanced budget amendment. For those who support the amendment and those who rise in opposition both know we must identify the spending priorities of the people we are elected to serve and then find a responsible way to pay for them as we go.

That includes deciding how much we want to invest in infrastructure construction and deciding how much of our general revenue or special fees will go to support that effort. We'll just have to determine how much university research we can fund and how much R&D we will have to leave to the private sector.

And it will demand a heaping dose of that political courage I talked about earlier to decide how much of an entitlement system we can afford. Entitlements are the fastest-growing, most expensive and hardest to control elements of our federal budget. We have, and should continue to take a hard look at the discretionary side of the budget. But so long as entitlements grow unabated, the percentage of our budget devoted to them and to interest on the debt will also continue to grow. Is it right that someone with a comfortable lifestyle and a sound financial status be entitled to the same level of benefits as someone who struggles each month just to make ends meet?

This needs-based assessment or means-testing of programs extends not just through the entitlement area but across the scope of our entire budget. Wealthy seniors on Medicare, families with incomes sufficient to afford college and farmers who don't need deficiency payments must all see the necessity in this approach. Cities and municipalities with the tax base to pay for a greater share or even all of their public improvements must be required to do so.

All of us must decide where the priorities are and how we will pay for them. I support a balanced budget amendment because I think it will force the decisions which to this point we have been unwilling to make. But if such an amendment fails it does not relieve us of that burden; in fact, exactly the opposite is true. The amendment would give us the unavoidable instruction to make the tough choices, while failure of the amendment only magnifies the gravity of the problem and our responsibility to deal with it forthrightly.

I am proud to serve in this institution and appreciate the diversity of viewpoints which contribute to this debate. That is what makes our system great, and is exactly what empowers us to make the tough choices in the best interest of the generations which will live with the consequences of our decisions.

Mr. QUINN. Mr. Chairman, as a cosponsor of the Stenholm Bill, I rise today in strong support of a Balanced Budget Amendment to the Constitution. The national debt is almost $5 trillion and federal spending consumes more than 22% of the Gross National Product (GNP). In addition, the total interest payment on the national debt amounts to approximately $315 billion in this fiscal year-the largest single item in the budget. Clearly, it is time to take action to restrict out of control government spending.

The federal budget deficit is harming our nation's economy. The deficit is stifling economic growth and hurts the potential of new creation. We need to take action to eliminate the deficit.

Today, the House will vote on four different constitutional amendments. Of the four measures, the Stenholm/Smith Substitute goes the furthest to control deficit spending. This legislation would amend the Constitution to require that total spending not exceed total receipts in a given fiscal year. The Stenholm Substitute further requires that the President submit, and the Congress approve, a balanced budget unless three-fifths of both the House and Senate vote otherwise.

Western New York and all Americans live within their means, the federal government too, should abide by that rule. The only way to relieve the pressures of debt from our children tomorrow, is to make tough choices today.

A constitutional requirement for a balanced budget would help end business as usual in Washington. Although they vary widely in form, forty-nine of the 50 states have significant balanced budget requirements. Why should the federal government be exempt?

A balanced budget is necessary for the future economic prosperity of the United States and the balanced budget amendment is the best avenue to reach that goal. The federal government has run a deficit for 56 of the last 64 years, and the last 24 years in a row. With a balanced budget amendment, Congress would be forced to place higher priority on balancing the budget than spending and taxing.

I support the Stenholm/Smith Balanced Budget Amendment and urge my colleagues to do so as well. Thank you, Mr. Speaker.

Mr. REED. Mr. Chairman, I rise in support of the Wise-Price-Pomeroy amendment and in opposition to the other balanced budget amendment proposals.

I rise in support of the Wise amendment because it incorporates sensible budgetary reforms, such as a separate capital account. The Wise amendment also exempts the self-financing Social Security Trust Fund from the cuts necessary to achieve a balanced budget and ensures that only Congress and the executive branch can implement the spending cuts and tax increases necessary to balance the budget. Indeed, these reforms should be adopted without regard to the underlying proposition of a balanced budget amendment.

I do not, however, embrace the concept of a balanced budget amendment as a panacea for chronic deficits. Deficit reduction comes from the hard and unpopular work of cutting expenses and raising revenues; work which we undertook in the 1993 budget reconciliation bill and the appropriations process.

Ironically, many of the same people who could not find the courage or the wisdom to support the first significant deficit reduction in more than a decade in 1993, many of the same people who voted for the budgets of the 1980's which produced these deficits, now advocate for a constitutional amendment as the only way to compel practical action.

Numerous legal and economic experts have testified that a balanced budget amendment would throw decisions about spending into the court system and greatly hamper the Nation's ability to respond to economic and military emergencies. Federal judges are not elected nor are they directly accountable to the American public. Federal judges are selected for their legal knowledge, not their ability to establish legislative priorities. They make interpretations, they do not make decisions.

Specifically, the Kyl, Barton, and Stenholm balanced budget amendment proposals would mandate a balanced budget in a very short time frame after the amendment was approved by two-thirds of the States. The effects of the cuts and/or taxes necessary to achieve a balanced budget in such a short time frame would be devastating to our economy and cause incredible hardship for some of society's most vulnerable people.

Achieving a balanced budget by the year 2000 would require a 5-year, $600 billion deficit reduction package, according to the Clinton administration. For example, it is estimated that balancing the budget would require a $1,090 cut in the average Rhode Islander's Social Security benefits on top of other cuts and taxes. If taxes alone were used to balance the budget, it would mean taxes would be raised 14 percent across the board, or income taxes could be increased more than 30 percent. Eliminating all food stamps, welfare (AFDC), veterans pensions, student loans, and all other income-based programs would raise only 50 percent of the amount needed to balance the budget by the year 2001. Moreover, the Clinton administration estimates that a mix of 45 percent tax increases and 55 percent spending cuts would cost the average Rhode Island taxpayer $701 per year or $3,505 over 5 years in addition to current taxes.

Notwithstanding the level of the rhetoric on the floor today, we know that even if one of these amendments passes by two-thirds the amendment will not be enacted into law this year. The idea of a balanced budget amendment failed in the other body and the other body will not consider it again. This very fact will probably lead many of my colleagues to consider all of these amendments as "free votes". They will vote for all of them and tell their colleagues how fiscally tough they are. That is their prerogative. However, no Member should think that passing a balanced budget amendment will close the gap between spending and revenues. The ratification process could take years, and ultimately it will be legislative action, and not a constitutional provision that will balance the budget.

Mr. Chairman, the American people are frustrated. They expect action on the deficit and the economic growth. In that regard, I would believe it more practical and more urgent for the House to be debating a job creation bill today. But if we must vote on a balanced budget amendment, I will cast my vote for Mr. WISE'S proposal.

Mr. RICHARDSON. Mr. Chairman, reducing the Federal deficit is unquestionably one of the most important issues facing Congress today. House Joint Resolution 103 proposes to amend the U.S. Constitution to require a balanced Federal budget unless a three-fifths majority supports a specified deficit. For the second time in 2 years, I am supporting this amendment.

The constituents of my district have made their support for a balanced budget amendment very clear. Since my first term in Congress, I have made deficit reduction one of my top priorities. In 1986, I supported the Gramm-Rudman-Hollings Act. In 1990 and again in 1993, I supported the omnibus budget reconciliation bills passed by Congress. After the 1993 budget reconciliation bill included a record $496 billion in deficit reduction, I supported an additional $37 billion in cuts in November.

Clearly, the record shows that these very difficult choices from the past year are paying off. At the beginning of last year, President Bush forecast the fiscal year 1993 deficit to be $327 billion. The actual deficit was $255 billion, $73 billion lower than the Bush forecast. Also, at the beginning of 1993, President Bush forecast the fiscal year 1995 budget to be $272 billion. The Congressional Budget Office has now forecast the deficit for fiscal year 1995 to be 40 percent lower or $171 billion.

The result of this deficit reduction has definitely helped economy. In 1993, the economy grew at a rate of 2.8 percent compared to an average annual rate of 1.5 percent in the previous 4 years. Unemployment fell last year, the number of private sector jobs grew, average weekly earnings grew by the largest amount since 1983, and the inflation rate in 1993 was the lowest rate in almost 10 years. Without a doubt, the economic policies of the Clinton administration are working.

With this stellar record, it is obvious that Congress has been doing an outstanding job of bringing the deficit down while keeping the economy strong. I trust that through the debate on a balanced budget amendment, my colleagues will be frank in discussing the spending cuts and tax increases that would likely be necessary to completely balance the budget by the turn of the century. It will certainly not be painless.

Furthermore, I trust that my colleagues will frankly discuss the change brought about by this amendment to the political process in this country. One of the founding tenets of democracy is majority rule. This amendment would only allow the debt ceiling to be increased or deficit spending to occur if three-fifths of Congress agrees. As a result, a minority of the Members of Congress can block what the majority would like to do. The public should understand this part of the amendment completely.

Mr. Speaker, my constituents have told me unequivocally that they would like this amendment to pass. Therefore, in my efforts to best represent them, I am supportive of the amendment and will cast my vote in favor of it. Let us hope that for this generation and future generations that this amendment helps bring about a balanced Federal budget. That is a goal that we clearly all agree on.

Mr. ORTON, Mr. Chairman, I rise in support of House Joint Resolution 103, the balanced budget amendment. I support the basic concept of balanced budgets. My record is clear on that both in votes here in the House and in the Budget Committee.

The debate here today and in the other House last week on this issue has focused on several particular objections that people have to provisions of the balanced budget amendment. There are three. I think, that have come up regularly: First, that the amendment would create a supermajority; second, the provisions of waiver, just what and how the Congress could in fact waive the provisions of this amendment; then, third, whether or not this amendment would really be enforceable.

Now, I have to tell you that I can agree with many Members who have spoken, that these are perils. I agree there are risks. I agree perhaps there are refinements needed. There have been many attempts to resolve some of these issues here on the floor today. Mr. WISE here, and in the Senate Mr. REID, attempted to do that. I would like to commend the gentleman from West Virginia [Mr. WISE] for the valiant attempt he is making. I agree with the capital budget concept, and I have a bill to do that. His bill would not create a super majority and would expand those areas for which waiver would be approved.

In fact, I and several of my colleagues on a bipartisan basis have worked, and worked very closely with Mr. STENHOLM, trying to identify some solutions to these particular three objections. I would like to refer you to and I will submit into the RECORD a side-by-side comparison of the Stenholm amendment, which is 103, and also House Joint Resolution 103, which is an amendment very similar to this one which I have filed which in fact differs only in three areas with the Stenholm amendment; that of supermajority, waiver, and enforcement.

Let me just indicate that on supermajority, while the Stenholm provision would require three-fifths' majority to either overspend beyond the budget or to increase the debt limit. House Joint Resolution 133 would not create a supermajority. The Stenholm provision on waiver would only provide for waiver in time of war. House Joint Resolution 133 would allow for a waiver for any purpose that Congress chooses to waive with a majority vote, but would have to do so by statute, which would then subject that statute to veto by the President and would then require a two-thirds' supermajority to override the veto.

This would bring the legislative and the executive branch together in actually balancing the budget and would avoid the need for supermajorities.

On enforcement, while the Stenholm provision would require future legislation to enforce, our provision would simply say that it must be repaid in the ensuing fiscal year or be subject to sequestration.

I am committed to balancing the budget. I am committed to voting to amend the Constitution to require a balanced budget and I will vote in favor of House Joint Resolution

103. However, acknowledging the inadvisability of creating an additional constitutional supermajority I would urge my colleagues to consider the approach taken in House Joint Resolution 133 and use the supermajority already in the Constitution, the override of a Presidential veto, as the backup control mechanism.

Finally, I also agree with my colleagues and the President when they point out that it is possible to balance the budget without amending the Constitution. However, the budget process as constituted under the Budget Enforcement Act of 1990 neither forces that result nor is it conducive to achieving balance. Therefore, I believe that it is necessary for comprehensive reform of the budget process to provide the mechanisms and incentives necessary to make the difficult decisions involved in actually reaching that goal of a balanced budget. To this end, I have filed H.R. 1138, the Comprehensive Budget Process Reform Act. I will not repeat today the provisions of this act or the arguments in favor of adoption. I would refer those who are interested in a statutory solution to balancing the budget to the comments included in the CONGRESSIONAL RECORD at 3609, February 24, 1993.

I urge my colleagues to vote "yea" on House Joint Resolution 103, and set us upon the course of fiscal responsibility toward a balanced budget.

The document referred to follows:

ORTON AMENDMENT—HOUSE JOINT RESOLUTION 133

SECTION 1. Total outlays of the United States for any fiscal year shall not exceed total receipts to the United States for that fiscal year.

SEC. 2. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

SEC. 3. For any fiscal year in which actual outlays exceed actual receipts, the Congress shall provide by law for the repayment in the ensuing fiscal year of such excess outlays. If Congress fails to provide by law for repayment, within fifteen days after Congress adjourns to end a session, there shall be a sequestration of all outlays to eliminate a budget deficit.

SEC. 4. The provisions of this article may be waived for any fiscal year only if Congress so provides by law by a majority of the whole number of each House. Such waiver shall be subject to veto by the President.

SEC. 5. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

SEC. 6. This article shall take effect beginning with fiscal year 2000 or with the second fiscal year beginning after its ratification, whichever is later.

STENHOLM AMENDMENT—HOUSE JOINT RESOLUTION 103

SECTION 1. Total outlays for any fiscal year shall not exceed total receipts, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

SEC. 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by rollcall vote.

SEC. 3. (Same as Orton, Section 2.)

SEC. 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

SEC. 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House.

SEC. 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

SEC. 7. (Same as Orton, Section 5.)

SEC. 8. (Same as Orton, Section 6, except uses year 1999.)

Mr. THOMAS of California. Mr. Chairman, here we go again. One more time, Congress is debating the merits of the Balanced Budget Constitutional Amendment. Nothing is new. We have heard all the arguments both for and against before—many times before.

I feel like I am in the movie Groundhog Day, where Bill Murray keeps waking up in the morning and finds he is reliving the same day, Groundhog Day, over and over. Fortunately, for Bill Murray, after realizing what is happening to him, and several poor attempts to live the day over again, he gets it right. He turns his life around, becomes a good guy and wins the girl.

My hope is that that day is today for the House. After reliving the spectacle of ever increasing deficit spending, lets show the American public that we have learned our lesson. Let's get it right.

The evidence is clear. The public has spoken, over 67 percent support the passage of a balanced budget amendment. Our current national debt exceeds $4.3 trillion, $17,495 for every man woman and child in the United States; our last budget surplus was in 1969; in 1993 gross interest payments to finance the deficit totalled $293 billion, the third largest part of our Federal budget and an amount greater than our total budget in 1974, and an amount five times greater than outlays for all education, job training and employment programs combined.

Now, Congress has tried in the past to control the growth in deficit spending. In 1985, we passed Gramm-Rudman-Hollings, then in 1987 we passed Gramm-Rudman-Hollings II. For all practical purposes, the 1990 October budget agreement neutered the Act when the targets were made adjustable rather than fixed.

In between, Congress pulled every trick in the book including pushing back and up the budget targets, to some tricky green eyeshade accounting tricks. None of it worked. We still have unacceptable deficits.

To those who say all we need is more backbone to make the necessary cuts to balance the budget—I say where are you. In 1993 I voted to cut spending by over $100 billion, but was joined by only a few of my colleagues. We need more than words to balance the budget, we need deeds.

Mr. Speaker, let's not keep living the days of deficit spending over and over again. Let life imitate art and let's get it right like Bill Murray in Groundhog Day, who eventually learned the error of his ways. Let's pass the Balanced Budget Constitutional Amendment.

Mr. HUGHES. Mr. Chairman, I rise in opposition to all of the proposed constitutional amendments dealing with a balanced budget.

It is important that we do not frame this debate in terms of whether or not a balanced budget is a worthy goal—of course it is. To reduce this debate to that level is ridiculous and does nothing but distort the issue.

I believe we can all agree on the fact that balancing the budget as expeditiously as possible must be our top priority, and would represent the best economic growth package that the Congress could pass. Yet we are currently faced with a budget that is, quite frankly, out of sync. Irrespective of the reasons for the fiscal problems we now face—and there are many—the fundamental question today is how do we move ahead and create a brighter tomorrow for us and our grandchildren. How do we balance the budget?

In this regard, I believe it is neither necessary nor wise to amend the Constitution of the United States to balance the Federal budget. Congress already has the authority to address this problem by making the tough choices to bring revenues in line with expenditures, just as we began to do last year with the passage of the 5-year deficit reduction plan. A balanced budget amendment may sound good, but it will not give us any additional authority to achieve this goal.

It will, however, have severe ramifications on the balance of powers between the branches of Government. The Constitution provides fundamental rights and carefully divides responsibilities among the branches of Government, a delicate balance that has served our Nation well for more than two centuries.

A balanced budget amendment would represent a major realignment of power and a set-back for representative government. Essentially, such an amendment would give a minority in the Congress the power to frustrate the will of the majority and often lead to a stalemate in the legislative process.

What is of particular concern to me about the proposal for a balanced budget amendment is that it is wholly devoid of any enforcement mechanism. Therefore, in the event that a supermajority on a budget is not reached it logically follows that litigation in the courts would abound.

I do not think we really want unelected judges with life tenure making the decisions that we were elected to make on basic spending and tax issues.

That is a fundamental responsibility of the Congress. The proposed constitutional amendment would decimate the basic fabric of our organic law and undermine our authority as Members of Congress to make the basic decisions on spending and tax questions.

We can not turn to a constitutional amendment each and every time we are faced with a difficult political, social or economic question. Amending the constitution should be the last resort, not the first.

Moreover, merely stating that the budget is to be balanced with a constitutional amendment will not achieve this goal any more than a constitutional amendment to eliminate crime will do so, or make our streets any safer.

The fact is, these real dilemmas require us to be honest with ourselves and our constituencies in order to make the difficult decisions so we may achieve our collective goals. We can no longer afford to seek refuge behind such simplistic political gimmicks as a balanced budget amendment which may sound good, but do nothing but postpone the hard choices to actually cut spending and balance the budget.

I have been a long time supporter of a particular statutory change which would overhaul the Federal budget process, beginning with a requirement that the President submit a balanced budget to the Congress—something which has not been done for several decades.

Those reforms would also require the Congress to pay-as-you-go so that we do not spend more than we receive, except in times of war or national emergency. At the same time we must separate in the budget process those expenditures that are for capital expenditures and improvement and those that are purely operating costs.

I believe that this approach would eliminate deficit spending because the reform would set spending targets and provide a real enforcement mechanism to ensure they are adhered to by making spending beyond the targets subject to a point of order.

In conclusion, Mr. Speaker, we do not need a constitutional amendment to solve the fiscal problems we face. Rather the key to our success will be in setting priorities, making choices, and taking the tough steps necessary to live within our means. None of the proposed amendments will help us achieve any of these goals.

The constitutional amendment proposals are bad policy, and I urge my colleagues to vote against them.

Mr. FRANKS of Connecticut. Mr. Chairman, the Federal debt burden on our children continues to grow. Despite all of the White House rhetoric about deficit reduction, we are still going to have a $223 billion deficit in fiscal year 1994, according to the Congressional Budget Office. The Federal debt is approaching $5 trillion. Federal spending now equals 22 percent of all the goods and services produced by Americans each year. Yet, for 2 years in a row President Clinton and the majority in Congress have supported a budget that increases spending. So much for change.

During this Congress, I have voted in favor of two alternative budgets that would bring the budget much closer to being balanced than the Clinton budgets. These alternative budgets failed to pass, not surprisingly. After all, children cannot vote, and neither can babies that have not been born yet. They do not contact their Representative to speak out against paying for current programs with their future income. It is ironic that special-interest groups that claim to represent children oppose an amendment to balance our budget. A constitutional amendment to balance the budget is the only way that these future taxpayers will have a voice in the budget process today.

For the senior citizens in my district that have expressed their concerns about Social Security, I realize that you have paid a portion of your income throughout your lives to pay for your Social Security benefits. As long-time taxpayers, you also know about the frustrations of accumulated income lost to ineffective Government programs. I feel that the real threat to Social Security is the Federal deficit itself. The deficit would be even higher today if the surplus of Social Security withholdings to payments was not included in the final budget figures. My solutions for balancing the budget involve cutting wasteful spending, not Social Security. How could any Member of Congress justify cutting Social Security when Congress, against my vote, passes a spending bill including $34.6 million for research on eradicating the screwworm from southern Mexico?

We actually have four versions of the balanced budget amendment offered today. Three version would balance the budget, but out of those three, the Kyl amendment is the only versions that includes a line-item veto for the President to reduce wasteful spending. I have introduced my own bill to grant the President a line-item veto. I believe that the threat of a Presidential veto on specific items in the budget would make the process of balancing the budget much easier, because it would make each Member accountable for the unnecessary spending inserted in appropriations bills. Should the Kyl amendment fail, I will support the Barton and Stenholm versions of the balanced budget amendment.

The Wise version of the balanced budget amendment exempts programs under the broad rubric capital investments from a balance budget requirement. Perhaps capital investments means the $120 million courthouse in Phoenix. Perhaps capital investments means the $100 million in highway projects for West Virginia. Both of these items were in appropriations bills last year. Capital investments can mean anything Congress wants it to mean. This is a loophole that would nullify the balanced budget amendment, and for this reason I will not support the Wise amendment.

Mr. Chairman, 2 years ago I voted in favor of a balanced budget amendment to the Constitution. We failed to pass the amendment by only nine votes. Today I once again stand in support of the balanced budget amendment. I am hopeful that this time the House of Representatives will realize the value of a balanced budget constitutional amendment.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, when you examine each category of spending within our budget—from educational programs, to health care, to crime prevention, and even national defense—there are convincing arguments against implementing a proposal as dangerous as the balanced budget amendment.

The balanced budget amendment would likely cause severe cutbacks in some of the very programs which represent sound public investments. It will put at severe risk programs such as Head Start, a promising education program for our future generations.

Besides not talking about the investment programs which would be cut under the balanced budget amendment, the proponents of this amendment also are not talking about the population which would be most impacted by its passage.

It will not be the wealthy and the powerful that suffer—most of their Government subsidies come through tax breaks. Those who suffer most will be the low and middle-income families, who receive the majority of their benefits from spending programs.

Mr. Speaker, I recommend to my colleagues, as insightful reading the analysis of the balanced budget amendment by Wendell Belew, an attorney here in Washington.

As this report points out, the balanced budget amendment would imperil the health care reform efforts that are now being formulated. By demanding that savings from Medicare and Medicaid programs be used to pay off the deficit rather than fund health care reform, the balanced budget amendment would cause the likely scenario that health care reform may never get off the ground.

Mr. Speaker, I urge my colleagues to vote against the balanced budget amendment. Let's continue the responsible budget measures that Congress enacted last year.

Mrs. LLOYD. Mr. Chairman, I rise in support of House Joint Resolution 103.

I have been a long-standing supporter of a constitutional amendment requiring a balanced budget. I think this is our best hope to put America on a path to eliminating our yearly deficits and the $4 trillion national debt. A balanced budget amendment will promote fiscal discipline and should be enacted.

The debt burden has a tremendous impact on the fiscal and economic well-being of the Nation. It cripples the economy, draining public and private savings. A sustained deficit will jeopardize our future growth and prosperity. Our children and grandchildren did not create this debt and they should not have to suffer the consequences.

The deficit is not just a Federal issue. It is a local, personal issue, that impacts all Americans. The resources that are going to pay off old debts are not available for education and health care and to assist people in building new businesses and provide incentives for growth and job creation. This is money not going toward programs that serve the poor, children, and the elderly.

If we work to substantially reduce the deficit, we can expect lower interest rates, and more investment in economic development, jobs, housing, infrastructure, transportation, education, the environment, and research and development. Every dollar we do not borrow today, strengthens the economy for future generations of Americans. Deficit reduction is essential to raising national savings, investment, and living standards.

Passage of House Joint Resolution 103 is one in a series of steps to be taken. We must take a stand on controlling Federal spending, reducing the deficit, and providing some measure of fiscal accountability to the Federal Government. A balanced budget amendment will require that. This is the most responsible step we can take to turn this economy around.

Opponents of the amendment have alleged that it will hurt Social Security and Medicare beneficiaries. I never would have voted for it if this was the case. In reality, it is just the opposite. If high deficits continue, essential programs such as these could be jeopardized by the drain on the economy that comes with pouring so much of our resources into debt payments.

Since Social Security is already protected under current budget statutes, it is very likely that it would continue to be protected under legislation implementing the Stenholm constitutional amendment.

Vote for the amendment and reject any alternatives.

Mr. DARDEN. Mr. Chairman, very shortly, the House of Representatives will vote on a constitutional amendment to require a balanced Federal budget.

I have long supported a balanced budget amendment, and have introduced and supported such legislation every year since I first was elected to Congress over 10 years ago.

We have made great strides in reducing our Federal budget deficits in recent months. The fiscal year 1995 deficit is expected to be 40 percent lower than earlier predictions. And we are now on track to have 3 years of falling deficits in a row—the first time that has happened since World War II.

However, if we want to assure our children and grandchildren a brighter economic future, we cannot stop in our efforts to address our Nation's debt. That is why I strongly support a balanced budget amendment. While a constitutional amendment requiring a balanced budget will not eliminate all wasteful Government spending, it will be a significant step toward controlling it.

Some of my constituents have expressed concern about the effect of a balanced budget amendment on the Social Security program. The largest threat to the financial integrity of the Social Security program is our ballooning deficits. Interest on the national debt currently consumes nearly $200 billion each year, making it the third largest program in the budget. Interest payments will soon rival all military spending. This is money that is wasted—it cannot be spent on education, infrastructure, or, just as importantly, Social Security. To ensure that the needs of both older Americans and future generations are met, we must amend the Constitution to require a balanced budget.

Mr. PORTMAN. Mr. Chairman, over the years, Congress has shown itself incapable of controlling its spending habits without the remedy of a balanced budget requirement.

Today, we have an opportunity to say "yes" to fiscal fitness. Let's take it.

For the rest of America that has to balance household budgets and watch the bottomline, having Congress adopt an amendment that forces it to keep its own books balanced is just common sense.

Some of the Founding Fathers—the architects of our Government—thought it outright immoral for Congress to spend more than its anticipated revenues. Certainly, if they were standing here today, they would be astonished at the pathetic lack of discipline our Government has shown in building up trillions of dollars in debt.

It's pretty simple: Congress on an annual basis can generate a budget surplus, a balanced budget, or a budget deficit. Congress has consistently chosen the budget deficit route and has failed to show fiscal constraint and the political courage that goes along with it.

In the years since World War II, there have been only eight budget surpluses; every other year we have wallowed in the red mire of debt.

There's ample precedent. The balanced budget requirement works in my State of Ohio as it does in 46 other States. On the Federal level, while this amendment will not solve the deficit problem single-handedly, it will give us a necessary tool to balance the budget each year. It will also give those Members who have difficulty saying "no" to Federal spending some needed political cover from unhappy constituents.

Only recently, the Senate squandered a golden opportunity to put the Nation's fiscal house in order by rejecting a balanced budget amendment. Let's not repeat the Senate's mistake.

Discipline. Discipline. An overwhelming roster of Americans from across this Nation are demanding discipline from Congress. They deserve discipline—it's their money—and Congress has the responsibility to exercise it.

Mr. SENSENBRENNER. Mr. Chairman, Congress and the Federal Government have run a deficit for the past 24 years. The economic consequences of Congress' reckless ways are not lost on the American public. Sixty-four percent of Americans see the balanced budget amendment as the best way to force Congress to make the difficult decisions necessary to achieve a balanced budget and start tackling the $5 trillion national debt.

Most Americans also recognize the futility of the countless budget deals, having witnessed Congress's abandonment of Gramm-Rudman, the failure of the 1990 Budget Reconciliation Act, and other past efforts to balance budgets by statute. Statutes are repealed by a simple majority, eliminating the hope for a permanent deficit reduction strategy from one Congress to another. Tax hikes targeted for deficit reduction are squandered on new spending, and the cycle repeats itself.

Congress' propensity to tax and spend is a structural problem that requires a structural response. The balanced budget constitutional amendment would create a new playing field for Congress, one which places a higher priority on responsible budgeting than taxing and spending.

American families struggle to manage on a balanced budget. Perhaps the ultimate expression of Congress' detachment from the values of those we represent is this institution's inability to resist spending money it doesn't have.

I share the fear of many of my constituents that the economic consequences of this indifference could be the undoing of our Nation's prosperity. For this reason, I have championed a balanced budget constitutional amendment since my first election to Congress, and will vote today to initiate this critical process.

Mr. BONILLA. Mr. Chairman, three basic concepts—the past, present, future—are the real subjects before us today. Make no mistake about it, our debate over a balanced budget amendment is really a debate about America's future.

The first concept—the past—is where this debate begins. In the distant past, responsible budgeting and small Government allowed Americans to realize economic growth and a standard of living unmatched in human history.

Unfortunately, the record of the present is quite different. We are creating a legacy of Big Government, deficit spending, and increasing national debt. These errors have produced a large debt with high interest payments, a heavy tax burden, and limited budget choices. Continuing these errors will only mean more problems and fewer choices in the future.

The outlook for the future is in our hands today. If we reject the balanced budget amendment we will be choosing our children's future for them. We will be choosing a future of limited choice and massive debt, a future of heavy burdens and limited benefits, a future where debt payments threaten the living standards of all Americans. Without a balanced budget, we will be choosing a future in which hope and the American dream will only be memories from the past.

The future can be bright and the American dream restored if we join together and pass the balanced budget amendment. A vote for this amendment will produce a future like our distant past: a future of fair tax rates, limited Government, and personal freedom—a future where savings, pensions, and Social Security are secure; a future where incomes are rising and the American way of life is, once again, the envy of the world.

The choice should be crystal clear. Please join me in voting for a real balanced budget amendment. Let's put Congress on the side of progress and vote today for an American future which is every bit as great as America's past. My colleagues, vote for a balanced budget amendment so that all Americans will have a bright economic future.

Mrs. UNSOELD. Mr. Chairman, I rise in opposition to House Joint Resolution 103, a balanced budget amendment to the Constitution. My opposition in no way means I am not concerned with our deficit problem.

Our Nation's economy has been crippled by a decade where we doubled defense spending, tripled the Federal deficit and saw our national debt balloon toward $4 trillion. The deficit for fiscal year 1992 was a record $290.2 billion and although it was reduced to $254.9 billion in fiscal year 1993, it is still much too high. We are creating a shameful legacy of debt to pass along to our grandchildren.

My "no" vote does mean that I do not see this amendment as the answer. It is infinitely easier to promise to make difficult and unpopular choices in 1999 or later than it is to sit down and make those choices today. Passing the balanced budget amendment would allow us to defer our Nation's tough budget questions. As Republican Senator NANCY KASSEBAUM said, it would "let us proclaim victory, vent built-up public pressure and withdraw once again from the fight for a balanced budget." In a word, it is a cop-out.

If eliminating the deficit were easy it would have been done long ago. Few Americans realize that half of all Federal spending is for entitlement programs such as Social Security, Medicare, Medicaid, and veterans benefits. Another 14 percent is payment on the national debt and another 21 percent on national defense. Eliminating the budget deficit can only be accomplished with some painful actions. It is one thing to grandstand on the amendment, it is another to take tough votes. I have voted to cut programs such as the space station and the superconducting super collider that may provide some jobs for certain States but in reality are multibillion dollar luxuries we just cannot afford.

Some have argued that passing this amendment would force Congress to defy the pleas of constituents and to slash popular programs or increase taxes. I disagree. As long as we are not willing to make tough choices, there are ways to get around them. Outlays can be redefined, accounts can be taken off budget to make the numbers work on paper, and more and more unfunded mandates can be dumped on the States.

Just as frightening, if these avoidance tactics fail—or if the economy takes a downturn—and Congress finds itself unable to achieve a balance on paper, the issue could be thrown to the Supreme Court. That raises the possibility of the unelected Court ordering tax increases and setting national appropriation priorities.

President Clinton's budget plan, not this balanced budget amendment, is the tough and the smart way to address our deficit crisis. This plan requires difficult choices and farsighted investment today—and it is beginning to show results. The deficit is down, interest rates remain low, inflation is low. Economic growth, consumer confidence and job growth are all up from a year ago. Fiscal year 1995 will be the first year since 1969 that discretionary spending in this country will actually fall.

It is estimated that current deficit reduction efforts will result in a gradual decline of the deficit from its present level of 4.3 percent of gross domestic product [GDP] to 2.5 percent of GDP by 1998. At that level the national debt begins shrinking relative to the growth of the real economy. I believe the best budget decision we can make is to stay the course.

Mr. CUNNINGHAM. Mr. Chairman, I rise today in support of an amendment to the Constitution to require a balanced budget. I have been an original cosponsor of many of these amendments because I continue to believe that we must have a constitutional amendment to get the job done. Everyone talks about our need to balance the budget, everyone realizes the increasing burden the debt is causing us and future generations, and everyone fears the ramifications of what these deficits will do to America's future. However, each year the Congress and the executive branch proceed the same way, and the debt grows.

Our national debt currently exceeds $4.3 trillion, that is $17,495 for every person in the United States. Under our current policies, our future generations are projected to face a lifetime net tax rate of 82 percent just to pay the bills that we are leaving them—that is not the legacy I want to leave my children.

It is clear that the Federal Government is incapable of maintaining fiscal responsibility. There are too many short-term interests that are growing into long-term problems. This amendment will give us the necessary tool to promote fiscal responsibility. It will provide a constitutional reason why no one will be able to turn away from the tough choices required to balance the budget.

This amendment doesn't let Congress or the President pass blame on the deficit. Under this amendment, a three-fifths vote would be required to approve excess spending or to borrow money and the President would have to submit a balanced budget each year.

Interest payments on the deficit will continue to consume larger and larger portions of the Federal budget threatening existing programs and preventing investment in the future. The time has come for a constitutional restraint—it is time to pass the balanced budget amendment.

Mr. COLEMAN. Mr. Chairman, I rise today in support of a balanced budget amendment. I do not support the measure as offered by Mr. STENHOLM, but instead wish to express my strong support of the alternative amendment offered by Mr. WISE.

Like many of my colleagues, Mr. Chairman, I served in the State legislature prior to being elected to Congress. My home State of Texas operates under a constitutionally mandated balanced budget. During my 10 years in the Texas House of Representatives, each of the biennial budgets I helped craft were balanced. However, the budget process by which Texas operates differs from that by which we operate here in Congress. The services that Texas and the many other states with balanced budget provisions offer vary from those which the Federal Government provides.

Proponents of the balanced budget amendment as offered by Mr. STENHOLM frequently refer to States with balanced budget requirements when arguing for the Stenholm joint resolution. However, these proponents fail to recognize the challenges and needs we must meet which are unique to the Federal Government. States do not have 43 million Social Security recipients who have paid into the Social Security fund and who have based their financial security on the Federal Government's commitment to fulfill its promises. We have made that commitment and we must fulfill this obligation.

Furthermore, the Federal Government has an obligation to defend its citizens and their interests from international threats, while States need not budget for times of war. Mr. STENHOLM's legislation does not provide an exception to the balanced budget amendment for military threats to national security.

These same proponents fail to recognize the different budget processes State governments utilize. Most of the States operating under a balanced budget requirement have two budgets: their capital budget and their operating budget. That is the way Texas operates, because Texas recognizes that capital investments must be made.

Unlike the Stenholm amendment, the Wise substitute exempts Social Security from the balanced budget. The Wise substitute permits Congress to waive the amendment's provisions for any fiscal year in which a declaration of war is in effect. It also creates a separate budget for capital improvements. In general, the Wise substitute tailors the Stenholm language to meet the special needs of the Federal Government. I urge my colleagues to join me in opposition to the Stenholm joint resolution and in support of the Wise substitution.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. STENHOLM].

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SKAGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 103) proposing an amendment to the Constitution to provide for a balanced budget for the U.S. Government and for greater accountability in the enactment of tax legislation, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, it is my understanding that under the special rule, House Resolution 331, the Stenholm amendment in the nature of a substitute being the last amendment adopted in the Committee of the Whole, it is the only amendment reported back to the House under the king-of-the-hill procedure. Am I correct in that?

The SPEAKER. The gentleman is correct.

Mr. WALKER. Prior to the adoption of the Stenholm amendment, the Barton amendment in the nature of a substitute was narrowly rejected by the Committee of the Whole, 213 to 215. But because the votes of the Delegates were decisive, the amendment was immediately revoted in the House and adopted by a vote of 211 to 204.

My question is: If the Barton amendment in the nature of a substitute to this bill has already been adopted by the House, how, under House rules, can we consider and vote on another amendment in the nature of a substitute? Is not the principle under House rules and precedents that once the bill has been amended in its entirely it cannot be subject to further amendment?

Mr. Speaker, the reason I raise this question is that the so-called revote rule does not specify that an amendment revoted and adopted in the House is considered as having been adopted in the Committee of the Whole.

□ 1630

Instead, clause 2(d) of rule XXIII says, and I quote: "Upon announcement of the vote on that the question, the Committee of the Whole shall resume its sitting without intervening motion."

Indeed, neither the Speaker, upon the adoption of the Barton amendment or the House, nor the Chairman of the Committee of the Whole on the resumption of its sitting, gave any indication that the Barton amendment was considered to be adopted in the Committee of the Whole.

Given the wording of the House Rule and the clear action of the House, it seems to me the House has already adopted the Barton amendment in the nature of a substitute, and it may not be in order to vote on another amendment reported from the Committee of the Whole.

Am I correct, Mr. Speaker, that the Barton amendment in the nature of a substitute for the bill has already been adopted by the House? And, if so, how can we vote on another amendment in the nature of substitute if one has already been adopted?

The SPEAKER. The Chair will advise the gentleman that the Barton amendment was only tentatively adopted in the House subject to being undone in the Committee of the Whole pursuant to the terms of the rule adopted by the House, and that is the circumstance that occurred in this case.

The Stenholm amendment, in effect, undid the adoption by the House of the Barton amendment and the Stenholm amendment is accordingly the only amendment reported to the House for final action by the House.

Mr. WALKER. Further, Mr. Speaker, just to clarify: When the Barton amendment was adopted by the House the Speaker's ruling is that that action by the House is in fact binding on the Committee of the Whole even though it was not announced as being a measure adopted by the Committee of the Whole.

The SPEAKER. Under the terms of the rule and the standing rules, the Barton amendment could be adopted, could be tentatively adopted by the House, subject to being undone by a later-adopted amendment in the Committee of the Whole.

Mr. WALKER. Is that specified in the rule, Mr. Speaker?

The SPEAKER. That is the ruling of the Chair and that is the terms of the rule adopted by the House, House Resolution 331.

Mr. WALKER. I thank the Speaker.

The SPEAKER. The question is on passage of the joint resolution.

The question was taken.

Mr. WISE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 271, nays 153, not voting 9, as follows:

[Roll No. 65]

YEAS—271

Allard
Andrews (NJ)
Andrews (TX)
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Browder
Brown (OH)
Bryant
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Carr
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Cooper
Coppersmith
Costello
Cox
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLay
Derrick
Deutsch
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Ehlers
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Fingerhut
Fish
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hoagland
Hobson
Hoekstra
Hoke
Horn
Houghton
Hoyer
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Johnston
Kasich
Kennedy
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Kyl
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Machtley
Mann
Manzullo
Martinez
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Meehan
Meyers
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Moran
Morella
Myers
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickle
Pombo
Porter
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Rowland
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Schenk
Schiff
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stump
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (CA)
Thomas (WY)
Torkildsen
Torricelli
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—153

Abercrombie
Ackerman
Andrews (ME)
Applegate
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Blackwell
Bonior
Borski
Boucher
Brooks
Brown (CA)
Brown (FL)
Byrne
Cantwell
Cardin
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Coyne
DeLauro
Dellums
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Engel
Eshoo
Evans
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Gutierrez
Hall (OH)
Hamburg
Hamilton
Hilliard
Hinchey
Hochbrueckner
Holden
Hughes
Jefferson
Johnson, E. B.
Kanjorski
Kaptur
Kennelly
Kildee
Kleczka
Klein
Klink
Kopetski
Kreidler
LaFalce
Lehman
Levin
Lewis (GA)
Lowey
Maloney
Margolies-Mezvinsky
Markey
Matsui
McDermott
McKinney
Meek
Menendez
Mfume
Miller (CA)
Mineta
Mink
Moakley
Mollohan
Murphy
Murtha
Nadler
Neal (MA)
Oberstar
Obey
Olver
Owens
Pastor
Pelosi
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reed
Reynolds
Rose
Rostenkowski
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slattery
Slaughter
Smith (IA)
Stark
Stokes
Strickland
Studds
Stupak
Swift
Synar
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Traficant
Tucker
Unsoeld
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—9

Farr
Gallo
Grandy
Green
Hastings
Manton
Michel
Natcher
Payne (NJ)

☐ 1655

The Clerk announced the following pairs:

On this vote:

Mr. Michel and Mr. Grandy for, with Mr. Green against.

Mr. MATSUI and Mr. ROSE changed their vote from "yea" to "nay."

Mr. SKEEN changed his vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I regret that my being involved in an event in my home State of New York prevented me from voting on rollcall Nos. 61, No. 62, and No. 63. Had I been present, on Rollcall 61 I would have voted "present." On rollcalls 62 and 63, I would have voted "nay."

PERSONAL EXPLANATION

Mr. PAYNE of New Jersey. Mr. President, I was unavoidably delayed in returning to Washington from my district today as my flight was unable to leave the airport due to mechanical problems. Had I been present for the vote on passage of the balanced budget amendment, House Joint Resolution 103, I would have voted "no."

PROVIDING FOR CONSIDERATION OF S. 636, FREEDOM OF ACCESS TO CLINIC ENTRANCES ACT OF 1993, AND MOTION TO SUBSTITUTE H.R. 796

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 374 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 374

Resolved, That upon the adoption of this resolution it shall be in order to take from the Speaker's table the bill (S. 636) to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes, and to consider the Senate bill in the House. All points of order against the Senate bill and against its consideration are waived. It shall be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of H.R. 796 as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 636 and request a conference with the Senate thereon.

The SPEAKER. The gentleman from Massachusetts, [Mr. MOAKLEY], is recognized for one hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes of debate time to the gentleman from Tennessee [Mr. QUILLEN]. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. BEILENSON], and ask unanimous consent that he be allowed to manage the time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 374 is a rule providing for the procedure to go to conference on S. 636 and H.R. 796, the Senate- and House-passed versions of the Freedom of Access to Clinic Entrances Act of 1993.

The rule makes it in order to take the Senate bill, S. 636, from the Speaker's table and consider it in the House. All points of order against the Senate bill and its consideration are waived.

The rule also makes in order a motion to strike out all after the enacting clause of the Senate bill and insert the provisions of H.R. 796 as passed by the House. All points of order against that motion are waived.

Finally, if the motion is adopted and the Senate bill, as amended, is passed, the rule makes in order a motion to insist on the House amendment and request a conference.

Mr. Speaker, the House fully considered and passed its version of the Freedom of Access to Clinic Entrances Act on November 18, 1993. At that time it was hoped that the House and Senate could agree on a bill to send to the President without a formal conference. Therefore at that time, a motion to go to conference was not offered. This rule simply allows the House to take the needed procedural steps to begin a formal conference with the Senate on this important bill.

The Freedom of Access to Clinic Entrances Act was developed in response to the growing problem of orchestrated violence at reproductive health clinics all across the Nation.

While State and local law enforcement have the authority to police such violations of their criminal codes, in reality this often does not happen. In some cases, the locality does not have the resources to battle large-scale, long-term operations, including trespass, vandalism and assault. In other cases, they simply choose not to do so. Clearly, a Federal remedy is the only answer if we are to standardize law enforcement and ensure that all women have equal access to Constitutionally-protected health services.

I urge my colleagues to move forward this important legislation by supporting this rule and sending this measure to conference with the Senate.

□ 1700

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from California, Mr. BEILENSON, has explained, this rule provides for the consideration of S. 636, the Senate-passed version of the Freedom of Access to Clinic Entrances Act.

The rule makes in order motions to consider the Senate bill, to substitute the text of the House-passed version, H.R. 796, to pass the amended bill, to insist on the amendments and to request a conference. All points of order are waived against S. 636 and its consideration, as well as the motion to amend the bill.

Now, that may seem simple enough, but let me describe the potential debate and votes that this rule would allow. First, we have up to 1 hour of debate on the rule, a possible vote on the previous question and a vote on adoption of the rule.

Then we have up to 1 hour of debate on the Senate bill. There could be a vote on the motion to strike the text of S. 636 and insert the language of H.R. 796 as passed by the House. That might be followed by a vote on the motion to commit the Senate bill to the appropriate House committee. Then there could be a vote on passage of the Senate bill as amended.

There is still more, Mr. Speaker. After passage, we have up to 1 hour of debate on the motion to go to conference, followed by a possible vote on that motion. And finally, we have up to 1 hour of debate on the motion to instruct conferees to agree to the Hatch amendment providing protection to places of worship. I strongly support the Hatch amendment, and there may be a vote on the motion to instruct conferees. I hope my explanation clears up any existing questions or confusion about this rule, and I am strongly opposed to this bill.

Mr. Speaker, I certainly do not condone violence as a means to achieve any goal, but I feel strongly that existing state and local laws adequately address violent activity, whether it be at an abortion clinic or anywhere else. This bill could infringe upon an individual's first amendment rights of free speech and the right to peacefully assemble.

I was opposed to this measure when it was before the House last November, and I intend to vote against it this time. However, this rule allows us to move forward.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 5 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, I thank the gentlewoman for yielding time to me and am proud to address the House today as the sponsor of this bill.

Let me say first what the bill is and what the bill is not.

What the bill is is very simple. It says that the extreme few who choose not by peaceful protest, not by arguments and persuasion but, rather, by physical blockade or physical violence to prevent people from getting their constitutional right to choose should be stopped by the Federal Government.

It says that because there are localities that are either unwilling, because the law enforcement officer is very strongly pro-life, or unable, like Dobbs Ferry, where there is a small police force and thousands and thousands of blockaders, to enforce that Federal right, that the Federal Government will come in, very similar to what happened in the early 1960's in the civil rights days where just the same, there were local officials who refused to enforce Federal rights such as Brown versus Board of Education. And as a result, the Federal Government had to come in.

In fact, if we were not to pass this legislation, we would say that federal rights mean very little, when States are unwilling or unable to enforce them.

FACE will guarantee the right of everyone. This is the third thing that it is. It is evenhanded. It does not just protect the right to choose for those who wish to seek access to abortion services. It protects the rights of those who seek to counsel against abortion so that if pro-choice people were blockading a place that was trying to dissuade women from having abortions, the Federal Government could come in with equal force and say, "You cannot do that."

Now, let us talk about what the bill is not. Most of those who oppose the bill, I would argue, are making a mistake. They are lumping themselves, Members of deep moral conviction, conviction I disagree with, but of deep moral conviction along with those who feel that their morality is so great they have the right to make decisions for everybody else, not through the democratic process but by use of force. But they lump themselves with them because this bill, and this is our most important, does nothing, nothing to interfere with the right of peaceful protest. And that is clear.

The Bishop in my jurisdiction, whom I know and respect, prays the Rosary outside an abortion clinic every month. If this bill were to impede his right or the right of any other, I would rather not see it pass. The right of first amendment protest is that sacred to me and many other leaders in this bill.

That is why we have written in the bill, even though the language is written just like the Voting Rights Act statute and other statutes and has never once by a court, not once been interpreted to allow peaceful protest to fall under the ambit of this law, but we wrote explicitly rule (d).

Let me read it to my colleagues:

> Nothing in this section shall be construed to prohibit any expressive conduct, including peaceful picketing or other peaceful demonstration protected from legal prohibition by the First Article of the Amendment of the Constitution.

It is there in black and white, my colleagues. Nothing, not a few things, not an occasional thing, nothing shall interfere with the right to peaceful protest.

So I would say to my colleagues, this bill does things we need, enforce a Federal right against a small few who think they are so morally superior to everyone else that they have a right to blockade. Yes, others have believed in peaceful protest. Others have even believed in blockading. But they understood that the consequence of that was arrest, an arrest for what they have done.

Not the protestors of today. These people want to blockade and then not accept the punishment that the laws of passive resistance, that the arguments of passive resistance have always accepted.

In conclusion, it protects a federal right without taking away a single Federal right. It is not a pro-choice or a pro-life bill. It is very simply a bill that says, when the Supreme Court, as they have done throughout our history, guarantees a right is constitutional, the Federal Government has an imperative to come in and protect that right.

□ 1710

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, today we are voting on what amounts to a closed rule on a very sensitive bill.

Mr. Speaker, if we listened closely to the explanation given both by the gentleman from California, Mr. BEILENSON, and the gentleman from Tennessee, Mr. QUILLEN, we will have heard that the Senate bill is brought up without an amendment, a motion to substitute the House-passed text is in order, and then the bill will be engrossed, read a third time, passed, and sent to conference.

Mr. Speaker, this is a highly unusual procedure, but it is even worse, given the context of what has happened since the House debated this subject last year. Since House passage of H.R. 796, the Supreme Court of the United States has made the RICO law applicable to protesters in front of abortion clinics by an unanimous vote. the application of RICO law means that these people if found that they have engaged in unlawful activity by a jury, are subject to treble Federal damages. That means three times the actual damages.

Second, Mr. Speaker, the jury in Florida, after a very short deliberation, convicted the man who was accused of killing Dr. Gunn in front of his abortion clinic in Pensacola, FL. That shows clearly that State and local law does work, was applicable, and will be applied to those who commit acts of violence against people who are in the abortion business.

Mr. Speaker, we do not need to have a whole panoply of duplications passed in the context of this bill. People who violate the law in front of abortion clinics are subject to the full range of State and Federal criminal law, which includes potential prosecutions for murder, for battery, for arson, as well as State prosecutions for disorderly conduct.

Federal civil rights statutes would also apply if people's civil rights are being infringed upon. In addition, there are several civil causes of action, including the Federal RICO statute, that would apply as well.

Mr. Speaker, what the proponents of this legislation are proposing to do is to subject these people, in addition to all of the penalties that I have just described, to a Federal criminal penalty, many of which are felony penalties, as well as a new Federal cause of action with treble damages in addition to the treble damages in RICO.

Mr. Speaker, is that not overkill? Do we not want to erect a scaffold in front of the Capitol and have public executions once a week of people who are expressing their profound moral and religious opposition against abortion?

Mr. Speaker, I think this shows the danger of having what amounts to legislation designed to put the full force of Federal law against people who are demonstrating on one side of one issue. Despite what the gentleman from New York, Mr. SCHUMER, has to say, that is who this bill is directed against.

Second, this type of legislation would have been the darling in southern State legislatures 30 years ago by people who wanted to put a stop to the civil rights movement, or those 25 years ago who wanted to stop the protests against the war in Vietnam. All we need to do is to substitute another issue for protests in front of reproductive services clinics, and this type of legislation could be used against that.

This type of legislation, if it was passed back in the 1960's, would have put Rosa Parks and Martin Luther King out of business, and our country would have been much worse as a result of that type of legislation.

Mr. Speaker, I would say, do not follow the prophets of political correctness who are in favor of this bill. It is an assault on first amendment rights. It does trample upon the time-honored American tradition of protest, and those who step over the bounds of lawful activity and commit acts of violence can and have been prosecuted for existing laws that are on the books. The best way to stop this bill is to vote down the rule, and I urge a no vote on this rule.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a simple housekeeping procedure to get to conference. It is not an unusual device or a closed rule. We have considered rules to hookup with a Senate bill and go to conference 19 times in the 102d Congress and several times already in this Congress, as recently as last month on the Independent Counsel bill.

Mr. Speaker, For purposes of debate only, I yield 2 minutes to the gentlewoman from California [Ms. SCHENK].

Ms. SCHENK. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, legislation to punish those who block a woman's access to health clinics is extremely important to me and residents of my San Diego district. At stake is a woman's right to enjoy safe access to family planning services.

One year ago, five San Diego clinics were sprayed with butyric acid, a dangerous toxin that can injure the respiratory tract and burn the skin.

They were not isolated attacks. In 1992, over 1,100 acts of serious violence against abortion providers were reported to the California Abortion Rights Action League. And we can never forget the brutal murder of Doctor David Gunn outside a Florida clinic.

Despite the violence in San Diego, the FBI refused to investigate the attacks on the ground that current law does not authorize their intervention.

A Federal law is overdue. We cannot remain silent while such terrorism runs rampant. I urge my colleagues to adopt this rule so we can proceed to conference on this bill, so important to the women of America.

Mr. Speaker, let me just say a word to the gentleman from Wisconsin [Mr. SENSENBRENNER] on RICO. The truth is that RICO is not available for this kind of protection. RICO punishes only the leaders of formal interstate criminal enterprises who engage in a pattern of racketeering which involves at least two felonies. So most of the criminals who commit clinic violence will fall through RICO's cracks.

Mr. Speaker, there is real world proof that NOW versus Scheidler will not stop clinic violence. In the 2 months since the decision cited by the gentleman, there have been over 230 acts and threats of violence, including 19 acts of vandalism and 11 death and bomb threats.

I urge my colleagues to adopt this rule so we can proceed to the conference on this very important bill.

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING. Mr. Speaker, I rise in opposition to the rule which will allow us to consider a motion to go to conference on the freedom of access to clinic entrances bill.

I urge my colleagues to vote against this rule because the bill itself H.R. 796, is just so terribly bad. This bill really has got to be stopped.

People have a right to an opinion on abortion. People have a right to oppose abortion. I know it is not politically correct, but we have that right.

Accompanying that right is the right to organize peacefully. This bill seriously damages that right. This bill slashes the first amendment to ribbons for one single group—people who oppose abortion.

Yes, we should punish violence. Yes, we should punish threats of violence. But this bill goes beyond that. It would punish people engaged in nonviolent, free speech, which is perfectly lawful.

As I mentioned last year when this face was debated in this body, this bill comes close to home for me. My wife and two of my daughters and one of my sons-in-law are deeply involved in "Operation Rescue." Not one of them poses any kind of threat of violence whatsoever. They truly are peaceful people. They just have strong feelings about the issue of abortion. And they are dedicating their lives to bringing and end to abortion. And that is not a crime—it should not be a crime.

My wife Mary, my daughters Bridget and Joan, and their children, should have the same right to express their beliefs as any other citizen who is willing to take a stand on an issue that is important to them. They should not be made Federal criminals because of the motivation or the beliefs behind their actions.

I ask my colleagues who supported this bill last year, to rethink their position on H.R. 796. Please do not allow this bill to go forward.

It is a blatant violation of one of the rights secured by the first amendment because it punishes people not for a crime—but for their viewpoint.

I urge my colleagues to vote "no" on this rule so that we can stop this bad piece of legislation.

□ 1720

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I rise in strong support of the Freedom of Access to Clinic Entrances Act. This bill is long overdue, and I am pleased that today we can move one step closer to its enactment.

The necessity is real. Radical pro-life groups will continue to encourage and inspire violence until this legislation is passed. Congress must make the safety of physicians and women around the country a top priority.

I have no doubt there is a national conspiracy to deprive women of their right to basic health care. The facts speak for themselves and are the best argument for the bill's passage:

In one survey, 50 percent of clinics experienced severe antiabortion violence this year. These violent acts include death threats, stalking, chemical attacks, arson, bomb threats, invasions, and blockades.

The National Abortion Federation reports that the number of violent incidents has more than tripled in the last 2 years.

And the longer we wait to pass Federal remedies, extremists are developing new, more insidious ways to attack clinics and to ensure that women do not receive vital services. Last year we saw a frightening use of noxious chemicals to close clinics and harm clinic personnel.

No women should have to run a gauntlet of harrassment and violence to receive basic health care—no doctor should have to wear a bullet-proof vest to treat patients.

Do not be deterred by those who say the recent RICO decision makes FACE unnecessary. Nothing could be further from the truth. We need strong Federal penalties for those who would jeopardize women's health.

Let us not forget that these clinics do more than provide abortion services. They provide family planning services, pre-natal care, and even adoption services. Earlier this year, the Blue Mountain Clinic in Montana was destroyed by arson. It had provided prenatal care and delivery, childhood immunizations, and contraceptive services.

I urge my colleagues to vote to send this bill to conference.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, I rise today to voice my opposition to the Freedom of Access to Clinic Entrances Act.

As this bill now stands, American men and women who believe deeply in the right to life of all people, born and unborn, could be subject to harsh penalties merely for exercising their constitutional right of free speech.

While this bill seeks to address the growing problem of violence at abortion clinics it violates the first amendment rights of those who wish to prayerfully offer an alternative to the violence of abortion. There is no distinction made between violent and nonviolent protest. Indeed, this bill subjects violators to severe penalties, up to 1 year in jail and up to $100,000 in fines for the first offense.

Should a young mother with her children peacefully passing out literature on a public sidewalk be subject to the same harsh penalties as someone who sets fire to a clinic. I think not.

Our country has an enduring history of peaceful protest. Let us not pass a bill in this House that would cause us to amend the Constitution so it reads "freedom of speech is fine unless you oppose abortion." I would like to assure my colleague, Mr. SCHUMER, I do not consider myself morally superior to anyone else—I do, however, oppose this bill. I urge my colleagues to vote against this bill.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, this country is founded on first amendment rights which guarantee freedom of speech and peaceful assembly. I have always worked to protect those rights and will always fight for these constitutional protections.

But Americans have another fundamental right as well—the right to live without fear of intimidation and bodily harm. The Freedom of Access to Clinic Entrance Act upholds first amendment rights while protecting Americans who are working in a field which is legal, but controversial.

This bill protects men and women who might be the victims of intimidation and violence, and whose families can be subject to serious threats. It ensures that women who wish to go to these clinics for medical services will not have their paths physically blocked, and provides that they will be able to enter these facilities safely.

The bill establishes penalties for violence and acts of coercion that go far beyond peaceful demonstrations. This bill does not address or threaten the right of peaceful demonstration. It sends a firm message that violence and intimidation will not be tolerated.

This bill is sorely needed because clinic violence is on the rise. During the past 10 years, more than 1,000 incidents of violence and almost 500 blockades have occurred against reproductive health clinics.

According to a recent survey, more than one-half of the health care providers in the study had experienced violence last year alone—in the form of death threats, stalkings, chemical attacks, arson, bomb threats and blockades.

These crimes of death threats and chemical attacks do not constitute civil disobedience. They amount to vigilantism and they cannot be tolerated.

Last year we passed this bill. Now we are trying to send it to conference. This should not be controversial. There will be plenty of opportunity to vote on the merits of the conference report when it comes back. We should quickly send this bill on its way so the conference may begin its work. Let us not delay or stall, but get on with business.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, H.R. 796 and S. 636 were drafted in response to a nationally orchestrated campaign of violence and vandalism against reproductive health clinics, as well as physical blockades and invasions of clinics. These illegal activities have been preventing women from obtaining health care services, and threatening the lives of health care providers.

From 1977 to March 1994, more than 1,587 acts of violence against reproductive health providers were reported in the United States, including 37 bombings, 87 arsons, 175 death threats, 91 assaults, 2 kidnapings, 345 clinic invasions, and 1 murder. From January 1992 to date, 79 chemical attacks were reported in 17 States as well, with damages totaling $560,000. And in a nationwide survey in 1993, 50 percent of the clinics responding reported experiencing extreme violence—with 25 percent of those clinics having experienced physical invasions or chemical attacks in 1993 alone.

The Freedom of Access to Clinic Entrances Act is also in response to last January's Supreme Court ruling in Bray versus Alexandria which created a gap in Federal law. Federal injunctive relief is no longer available for clinics under Federal civil rights laws.

Since the NOW versus Scheidler case—2 months—there have been over 230 acts and threats of violence, including 19 acts of vandalism and 11 death and bomb threats.

H.R. 796 and S. 636 will give the Federal Government the power to act when State and local authorities cannot or will not act to guarantee access to these clinics where women, especially poor women, go for a wide range of services that include birth control, prenatal examinations, mammograms, pap smears, as well as abortion services.

The bill applies only to the use of force, threat of force, or physical obstruction that intentionally injures, intimidates, or interferes with any person who is obtaining or providing reproductive health services.

The bill protects all expressive conduct, including peaceful picketing or other peaceful demonstration, protected by the first amendment. We are talking about illegal conduct, not peaceful picketing.

The bill has been very carefully crafted to protect first amendment rights, and has been narrowly drawn to specifically address this problem, without providing too broad a Federal role. Changes were made in the subcommittee, full committee, and the House Floor in an effort to further clarify and improve the bill.

Some Members are arguing today that the RICO decision makes passage of FACE unnecessary. This is simply not the case.

Under RICO, it is illegal for any individual who is employed by, or associated with, an enterprise engaged in interstate commerce, to conduct or participate in the conduct of such enterprise's affairs through a pattern of racketeering activity. Racketeering activity is defined to mean any act or threat involving specified State law crimes, such as murder or gambling or any act indictable under various specified Federal statues. A pattern of racketeering activity requires at least two acts—for example, kidnapping and bribery.

Although RICO contains severe penalties, it will not end the war being waged against abortion clinics. As a general statute containing many complex requirements, it was not written for use against this type of unlawful conduct. The ACLU has concerns about the use of RICO because of its potential chilling effects on first amendment rights. In contrast, FACE, by permitting peaceful protests and penalizing only violence, carefully and specifically protects first amendment rights.

FACE remains an urgent priority for the following reasons:

FACE was drafted to combat specific crimes occurring at reproductive health clinics. Although RICO's definition of racketeering activity lists certain crimes, including murder, arson, and extortion, other common criminal activity occurring at abortion facilities such as assault, destruction of property, acid attacks, and physical obstruction are not mentioned in the statute. A judge could not consider these types of crimes as part of the two criminal acts necessary to establish a RICO claim.

FACE could be invoked in a timely manner. FACE allows a plaintiff—such as a patient or provider—to obtain injunctive relief before a particular assault takes place and provides civil and criminal penalties immediately after a violation occurs. RICO requires that two requisite criminal acts have occurred and that a pattern of unlawful activity has been established prior to invocation of the RICO statute. Moreover, only the Government—and not individual plaintiffs—can obtain injunctive relief under RICO.

FACE would deter all who participate in these types of unlawful activities while RICO only punishes the antichoice leadership. FACE responds to a nationwide campaign of terror against those who perform or seek to obtain abortions by punishing anyone who "by force, threat of force, or physical obstruction, intentionally injures, intimidates, or interferes" with a person obtaining or providing reproductive health service. RICO only punishes those individuals who played a significant role in the "operation and management" of a criminal enterprise. Followers who participate but do not direct or organize these types of antichoice activities would not be punished or deterred by RICO.

FACE would provide meaningful civil damage recovery. FACE allows individuals who were personally injured in their attempts to enter clinics in order to provide or obtain reproductive health services to win civil damages. Plaintiffs could choose $5,000 per violation in lieu of actual injury. Alternatively, FACE could compensate individuals for specific damages, including medical expenses, pain and suffering, and emotional distress. RICO limits a plaintiff's recovery to injury to business or property.

FACE would permit the Federal Government to take an active role in ending attacks against abortion clinics. Without enactment of FACE, the Attorney General cannot deploy Federal marshals to assist local police to keep clinics open.

Despite NOW's victory in its case, the RICO statute cannot by itself stop the unlawful activity of the antichoice groups. FACE was carefully crafted and narrowly tailored to address a specific national problem.

FACE is a necessary, appropriate, and reasonable response to this ongoing emergency. I urge my colleagues to support the procedural steps necessary to bring this bill to conference, and I urge you to vote "no" on any motion to recommit.

□ 1730

Mr. QUILLEN. Mr. Speaker, I yield 6 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding this time to me.

Mr. Speaker, the gross unfairness and blatant injustice of H.R. 796 demands now more than ever that Members carefully study and scrutinize this legislation. I implore you to more fully appreciate and to take a look at what the consequences will be if it is enacted in its current form.

I truly believe that the harsh, mean-spirited punishments prescribed by the bill for acts of nonviolent civil disobedience, the staple of the human rights and civil rights movements, parallel those sweeping, draconian edicts used to bludgeon dissent in dictatorships.

Just getting in the way, I say to my colleagues, and get this, just attempting to get in the way at an abortion clinic will result, first, in 1-, and then, second, if you do it again, a 3-year jail term, massive fines up to a quarter of a million dollars per offense and punitive damages by the party that feels it has been offended. This kind of abuse of police power, Mr. Speaker, will surely bring smiles to the faces of people like Li Pong and Fidel Castro and Vladimir Zhirinovsky. This is their kind of bill. It talks about focusing on violence. Members will recall that my substitute likewise focused on violence. That is where the consensus is. This bill goes after the nonviolent civil disobedient person who does not use violence but, simply for reasons of deep-seated conviction, stands up and says, "Please don't go in that clinic," or holds a sign or prays the Rosary or expresses himself or herself in some way, in a nonviolent way.

Mr. Speaker, just let me read from the bill so that Members have a clear understanding of what we are talking about.

Lay aside the violent side because I believe that we can craft a bill with both sides agreeing to go after those, on either side of this debate, who are promoting violence, that is to say the fanatics on both sides. Here is all that is required under H.R. 796 to turn a peaceful, nonviolent protester into a Federal felon; in other words, this person would get again a massive jail term.

"Whoever, by physical obstruction, interferes with any person or attempts to do so because that person or any other class of persons is obtaining or providing reproductive health services, shall be punished in the case of the first offense up to $10,000 or imprisoned not more than 1 year or both, and in the case of the second subsequent offense after a prior conviction, to be fined up to $250,000 or imprisoned not more than 3 years or both."

So, under the facade of getting tough on those few fanatics that bomb abortion mills or use violence, actions that I parenthetically that my substitute went after that last time, got tough on violent protesters—the House is poised to stack the deck against peaceful pro-life activists so as to make them prey, an easy mark for ruinous prosecution and civil suits.

H.R. 796 maliciously turns the Federal law enforcement agents into a bunch of johnny-rent-a-cops for the multimillion-dollar abortion industry. By improperly using finite Federal law enforcement assets to crush women and men peacefully holding hands outside of an abortion mill is irresponsible, it is mean-spirited, and it is cruel.

As you well know, Mr. Speaker, nonviolent civil disobedience has been used by a myriad of causes and movements over the years, right to this day, including civil rights, environmentalism, D.C. statehood, women's rights, anti-apartheid, labor rights, antiwar and anti-nukes ads and abortion both pro and con.

Under the pending legislation, the pro-life nonviolent activists would be singled out and turned into felons.

Again, the abortion industry is demanding a massive crackdown on those who sing hymns and pray, who cry for and empathize with the pain of the mothers and the loss of the child and picket, sit outside those sacrosanct baby-killing mills.

H.R. 796, Mr. Speaker, discriminates against pro-life Americans by turning action based on a specific viewpoint on abortion into a felony. To get a taste of just how double-standardish this provision is, consider this: If picketers physically obstruct access to an abortion mill, nonviolently, in order to obtain higher wages or benefits and other clinic personnel or patients find it difficult to pass, those picketers could only be charged with a misdemeanor. The local ordinance would have sway.

On the other hand, if pro-life picketers behave in the identical way, identical, and make egress or ingress to the clinic difficult, the pro-life picketers could be charged with having committed a felony with a penalty of up to 3 years in prison for that second offense.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Speaker, did the gentleman from New Jersey just say that the level of penalty depends upon the content of the sign? Meaning if you are waving a sign that says "On strike for higher wages," and stand in front of the door, that is just a misdemeanor? But if the sign on the other hand says, "Don't kill your baby," that is a felony?

Mr. SMITH of New Jersey. The gentleman is absolutely correct. If a man or woman is in front of an abortion clinic and is there protesting, asking for higher wages or higher benefits or some other problem they have with their employer, if they commit an act that is punishable perhaps by a day in jail or whatever, that is all they would be hit with.

Mr. SENSENBRENNER. Whatever happened to equal protection under the law? This seems to be so content-specific that people do not have equal protection under the law and are subjected to varying degrees of criminal punishment.

Mr. SMITH of New Jersey. The gentleman is absolutely correct again, there is no equal justice under this bill.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 4 minutes to the gentlewoman from the District of Columbia, Ms. NORTON.

Ms. NORTON. I thank the gentlewoman from New York for yielding this time to me.

Mr. Speaker, as debate opened, you heard a rundown of possible procedural obstruction devices that may be employed during this debate. My friends who express pro-life sentiments need the opportunity this bill provides to disassociate themselves from the small but determined and often effective band of storm trooper-like extremists who are discrediting their movement.

In the South, as a student, I participated in many civil rights demonstrations. We were from various tendencies, some of us more militant than the others. I considered myself as a student from the most militant tendency in the movement. If someone by this time in the year, let us say, 1963, when I was in law school, had told me that civil rights demonstrators, before the entrances of our declared enemies, the racists, had committed 33 violent incidents, including 8 arsons, 1 bombing, 15 incidents of vandalism and assault, we, the Student Nonviolent Coordinating Committee, would have stood up and looked for the nearest microphone so that we could have disassociated ourselves from those incidents, because we knew that those incidents, that violence discredited our movement, and we loved our movement too much to embrace those who departed from nonviolence.

I spent my career, at least the early part of my career, as a constitutional lawyer. I was assistant legal director of the American Civil Liberties Union. And I have not supported this bill until now. I can support this bill because of the explicit disclaimer of coverage for any expressive conduct. I could not support it otherwise, and I submit to you that the fact that I have represented in the name of the First Amendment racists and fascists is some indication that even for choice I could not support this bill if it were an attack on the First Amendment, which is all we have in order to protest to get our full rights.

□ 1740

I can support this bill because it applies to force. These are the words that are used: "Threat of force," "physical obstruction," "intentional injury," and it is interesting to note that the ACLU itself now supports this bill.

Even so, I could not easily support a bill which seems to federalize criminal law because that is usually a local matter. But I can support this law because local law is not preempted. I can support this law because of the overwhelming evidence that many localities cannot, or will not, enforce their own laws against violence. Some smaller towns have exhausted their police budgets.

Look at my city. The District of Columbia crime rate is out of control. Would any Member of Congress want even one officer distracted from the serious crime in this city to pull demonstrators out of the front of some clinic? Let me tell my colleagues what the police in Washington had to do in January 1992, and see if they would like to associate themselves with these incidents. Operation Rescue had come to the Hillcrest Center in Southeast Washington. Every entrance was obstructed by antichoice demonstrators. The driveway was blocked with a dumpster. The front door was blocked by antichoice protestors who had locked their arms through hollow steel pipes welded to railroad ties wedged against the door, and both the rear and side doors were blocked by cars with flattened tires. Inside each car several demonstrators chained and handcuffed themselves to the same type of steel pipe and tie contraption. Hours later, hours of our police time, the police finally removed all the obstructions. The doors themselves could not be opened because the locks had been filled with glue.

I ask my colleagues, "Do you, my friends, associate yourselves with that?"

Finally, the Supreme Court has found that the Ku Klux Klan statute does not apply to women because we were not a protected class then. So, if these very things were done to black Americans, the things I have just quoted, they would be illegal today.

We cannot have a situation where this kind of violence cannot be condoned if done against me because I am black, but can be condoned if done against my sisters who are white.

The Senate and the House have done their will. Obstruction against the democratic will will be wrong, as it always is. It is especially wrong, my colleagues, when with one voice, one voice from this Chamber, we need to say "no" to violence in all its forms.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I rise in opposition to this rule. Let us be clear about what we are doing in the House today. By voting to go to conference on the freedom of access to clinics bill, we are saying that our present legal statutes are not sufficient to deliver justice to the American people, and I say to my colleagues with all the rhetoric aside, and the talk about violence and, "If you vote against this bill, you're for violence," this just is not so.

I think my colleagues really need to look at this bill. Look at the murder trial over the abortion doctor, Dr. David Gunn. Justice has been served. Dr. Gunn's murderer was convicted of first degree murder and sentenced to life in prison on March 5 of this very year. Nevertheless, Mr. Speaker, this murder has served as the impetus for a whole new course of action against people who are primarily law abiding, nonviolent protestors.

Dr. Gunn's murderer was not a prolifer. He proved that the minute he pulled the trigger. But it is my strong belief that people who commit violent acts should be prosecuted to the fullest extent of the law. This bill simply extends beyond that stated purpose.

We do not need another bill to protect people seeking abortions. They are already protected under current law. There is not one outrageous horror story described here today that we do not have a law already to take care of those situations. What this bill really does is to single out the free speech of one particular group of people exercising their constitutional rights, and we all know that, and in talking to my colleagues in the last few days I found that many of them do not even realize what this bill does.

Mr. Speaker, I would advise my colleagues to look very carefully at the substance of this bill. If they look behind the rhetoric, Mr. Speaker, they will find a whole new course of action that supersedes current statutes. This bill is one more attempt by Planned Parenthood and their friends to exalt their glorified notion of choice at the expense of human lives, to preempt State laws that protect the unborn and restrict the freedom of speech to those who think differently.

I say to my colleagues, if you look at this bill, you would think you were in Nicaragua during the time of the Sandinistas. It absolutely amazes me how they screw down in trying to stop people from being able to exercise their freedom of speech, and, like the recent Supreme Court ruling on the interpretation of RICO, the Freedom of Access to Clinic Entrances bill will severely impinge upon First Amendment rights of the American people.

We take freedom so lightly in this country. Please vote this rule down, and let us go home and send this back to the drawing board to work something out.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield 2 minutes to the gentleman from Arizona [Mr. COPPERSMITH].

Mr. COPPERSMITH. Mr. Speaker, I thank the gentlewoman from New York [Ms. SLAUGHTER] for yielding this time to me, and I rise in support of this rule and in support of the motion to go to conference.

This afternoon and this evening we will have a remarkable and unprecedented series of procedural votes on items usually agreed to easily and quickly, in an attempt to derail a vitally needed bill that already has passed this House by voice vote.

Now let us talk about the substance of the bill. This bill does not prevent anyone from exercising their first amendment rights. Nothing in the Act will prohibit any expressive conduct, including peaceful picketing or other peaceful demonstration, protected by the first amendment. It says so explicitly in the act. Comparisons to the civil rights movement are, in the words of USA Today, "grotesque rhetorical gargle" and "outrageous".

This bill is also not about the first amendment, nor about political correctness. It is about fighting domestic terrorism. Shootings, arson, vandalism, firebombings and chemical attacks are not the tools of civil opposition nor even civil disobedience. State and local governments have not been able to protect our citizens, and if our citizens cannot live without fear of bodily harm, without fear of violence and intimidation while they exercise their rights, whether in earning a legal living or in exercising their right to choose, then Federal action becomes necessary.

Mr. Speaker, earlier this year I attended a lunch that honored former U.S. Senator Barry Goldwater. My colleagues may recall him. He was known in his time as Mr. Conservative, but now people apparently can call themselves conservative only if they disagree with Barry. The speaker at the lunch was Dr. Susan Wicklund, a medical doctor who has spent her career providing reproductive health services to women in Montana and North Dakota. She spoke eloquently and movingly about the threats, the terror and the vandalism directed against her, her patients and, most chillingly, her children. No one who heard Dr. Wicklund speak about the immoral and dangerous bullying directed against her and her patients could deny the need for this legislation. No one who heard her story could understand how this House could refuse to allow this bill to move to a conference committee.

Mr. Speaker, I urge my colleagues to turn back these bizarre parliamentary maneuvers by the "gridlock gang." This House must move to conference on this necessary and vital legislation.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Speaker, I rise to oppose this rule. It would appear that many Members of this House are unaware that murder, assault, vandalism and trespassing are presently illegal.

I bring this up because we have a bill whose advocates insist will provide for the safety of those that patronize abortion clinics.

No one is fooled by the real intent of this bill. The Freedom of Access to Clinic Entrances Act seeks to strip those who are prolife of their freedom of speech.

□ 1750

In essence the proponents of this bill are saying that free speech is good as long as you share their ideological beliefs. The sponsors of this bill are willing to subordinate rights guaranteed by the Constitution to further their proabortion agenda.

This legislation starts us in a very dangerous course, Mr. Speaker, away from essential civil liberties. I urge Members to oppose the rule, and I hope in the debates that follow we can get out some more information about it.

Mr. HUNTER. Mr. Speaker, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding. Mr. Speaker, when we have met questions of conscience, and certainly the right to life of unborn children is a question of conscience, America has met those issues not with trespass laws, but with the heart. When we had civil rights demonstrators in the south in the 1960's, we did not pass a Federal law to cut them off. When we had demonstrators outside the South African Embassy, we did not pass a Federal law to protect foreign embassies in Washington, DC. We met those issues with the heart.

Now, Mother Teresa was speaking here at the National Prayer Breakfast a few weeks ago. We did not suggest at that time that if she put that little 98 pound body down in front of an abortion clinic three times, maybe she would qualify under three strikes you are out, that somehow she should be punished for having a conscience.

America has always given some credibility and some leeway to people who urge an issue of conscience on their fellow Americans, and they should do so in this case. And this rule strikes right at the heart of America's ethic in that regard.

Mr. DOOLITTLE. Mr. Speaker, reclaiming my time, I would just make the point, I do not see how this could possibly be viewed as constitutional. It singles out a single group of people and punishes in essence their speech, while allowing others to go unpunished for identical conduct.

I hope we defeat the rule. I am sure we will be, on the other votes and debate that follows, adding other points to this debate.

Ms. SLAUGHTER. Mr. Speaker, for the purposes of debate only, I yield 1 minute to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, I rise today to urge my colleagues to vote yes on this rule, and, to go to conference on the Freedom of Access to Clinic Entrances bill. The bill has such strong support that it passed this body by voice vote. This bill is about removing obstacles to our fundamental rights, so placing obstacles in its path now would be fundamentally wrong.

This bill will give our law enforcement officers the tools necessary to prevent blockades of clinics, and, to punish lawbreakers. Law enforcement at all levels is crying out for swift enactment of this bill—from Attorney General Janet Reno, to your local police officers.

I want to point out that this is not an issue of freedom of speech, nor are many of the protesters in front of abortion clinics nonviolent as they claim. The frequency and danger of their acts have escalated alarmingly in recent years. Last year, they assaulted patients and staff, and murdered a doctor.

I urge my colleagues to join me in putting an end to the unlawful activities waged by protesters at clinics. Vote "Yes" on the rule and vote "Yes" to go to conference on the Freedom of Access to Clinic Entrances bill.

Mr. QUILLEN. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I think the gentlewoman who spoke last might look at her remarks when she said "they murdered someone." Who does she mean by "they?" Does that include JIM BUNNING's daughters who have rescued, or some of my children who have rescued, or Mother Teresa? It is not "they." It was one pathetic murderer who shot an abortionist in the back three times, and who is now going to spend the rest of his life in prison. This, I might add, was all handled by local law enforcement agencies.

Let me tell you the kind of things that bring up the passion in this issue and why it is never going to go away. As I said this morning in my 1 minute, when I was here last year on St. Patrick's Day, I said I hoped we were going to get a new grandson or granddaughter named Liam or Colleen. We got a Liam.

Our grandchild No. 1, Sally's and mine, brought this to me 3 days ago. It is out of the Yellow Pages phone book in Virginia. He got it out of his phone book over in Burke. I got one out of my phone book in Fairfax. It says "Five percent off on your abortion," a green coupon from the Yellow Pages.

This is cultural meltdown, folks. When Tipper Gore and our friend and former colleague AL GORE and Bill and Hillary Clinton sit there, and the expression is sitting on their hands, while a room of over 2,000 people burst into applause when Mother Teresa says abortion is the destroyer of peace, the worst destroyer of peace in the world, that creates compassion in people.

I will say it again, the pro-life movement is not represented by this pathetic Michael Griffin, who is going to spend the rest of his life in jail.

Now, if you were Protestant, and there is a church you treasured where you were baptized and it was trashed, or a synagogue where you were bar mitzvahed and it was trashed, why are my proabortion colleagues afraid to protect these places of worship?

If you are a Protestant with a church that is beloved to your family, where you buried your parents, where you were married, and you see your Bible dragged off the altar and thrown on the floor and you hear every foul obscenity screamed in there, why is that not included?

If you see the synagogue where your daughters were bat mitzvahed, and you see the sacred Torah ripped off the altar and thrown down and desecrated, why is that not included?

And my St. Patrick's Cathedral, where I was baptized, where my parents were married, where the Sacred Host, which Catholics believe to be the full body and blood of Jesus Christ the Savior, is thrown on the ground, why are you afraid to include this kind of misjustice in this bill. Because you are on an abortion agenda, and nothing else.

Ms. SLAUGHTER. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Speaker, I rise in support of the motion to go to conference on S. 636, the Freedom to Access Clinic Entrances Act [FACE]. I am dismayed by the senseless violence that has occurred in this country against both individuals seeking health services and providers of health care. I realize that many people have deeply held opinions on the subject of abortion. I believe that the right to voice or demonstrate ones' opinion is the essence of our democratic society. However, it is inconceivable to me that the divergence of convictions has led to intentional obstruction of individuals' access and personal freedom to medical services—not just abortion.

I believe that individuals should have the opportunity to access the best health care services available. I am outraged at malicious acts of violence that have occurred toward individuals and health facilities. These traumatic incidents have sent a frightening message across the United States, that individuals seeking or providing health services are now susceptible to threats, injury, or death. Our Founding Fathers did not create the first amendment to justify intrusion on our fellow citizens' civil and constitutional rights. This is not an attempt to promote a pro-abortion agenda.

The FACE bill is a response to the threats and intentional interference that has plagued our health clinics. The language as stated does not amend the first amendment, nor does it infringe upon the fabric of the Constitution. The legislation incorporates language from operative Federal statutes, such as the prohibition to use or threaten to use force to willfully injure, intimidate, or interfere with an individual's right to vote. Thus, the argument that this bill is unconstitutional, simply does not hold water.

I wholeheartedly support the first amendment of the Constitution—protecting the freedom of speech or the press, the freedom to establish a religion, the freedom to petition the Government, and the right to peaceably assemble. Everyone is entitled to express their views and I respect that. The first amendment is the backbone of this country and I hold it as a sacred right. However, the first amendment is exploited when individuals inflict harm onto other individuals or violate others' civil and constitutional rights.

Mr. Speaker, S. 636 will not prohibit peaceful protesting, assembling, or picketing. This legislation maintains the right to voice one's opinions and assemble for something that is of great concern, as long as it does not present harm to others. I urge my colleagues to support this bill. Thank you.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I think Members on both sides of this issue would agree that violence that is senseless, or any violence is senseless, and we want to stop that. But both sides, I think if they would be out on the picket lines and would witness someone that is committing violence, would stop that, and that is protected by State laws.

But let me tell you where my real problem is with the bill. If you reworded it, I might even be able to support it.

□ 1800

My fear is, I have two daughters. When we talk about interfere and intimidate, both my daughters are underage. One is 11; one is 15. If either one of them underage were in a clinic receiving an abortion, I would walk into that clinic and there would be no power alive that would prevent me from going in and taking my 11-year-old or my 15-year-old out of that clinic, as a father.

Under what some Members want to do is make that a Federal penalty. There is a State law, if I abuse or hurt my daughters, then that is going to be effected. But if I would merely walk in, throw them over my shoulder and take them out, that would be a Federal penalty. I, as a father, would not allow that to happen.

I think that if we want to have a bill to enforce State law for violence, then both sides of the aisle are going to support it. But there is an agenda here.

That agenda is what we are against.

The SPEAKER pro tempore (Mr. STUDDS). The Chair would advise the gentleman from Tennessee [Mr. QUILLEN] that he has consumed all of his time. The gentlewoman from New York [Ms. SLAUGHTER] has 4 minutes remaining.

Ms. SLAUGHTER. Mr. Speaker, for purposes of debate only, I yield such time as she may consume to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Speaker, I rise in strong support of the rule and the Freedom of Access to Clinic Entrances bill.

Mr. Speaker, I rise tonight in strong support of the Freedom of Access to Clinic Entrances bill, and I urge my colleagues to vote for the motion to go to conference.

A nationwide campaign of antiabortion, violence, vandalism and blockades is curtailing the availability of abortion services and endangering providers and patients.

The Freedom of Access to Clinic Entrances Act [FACE] will provide Federal protection against the unlawful and often violent tactics used by antichoice extremists.

Although we are free to express our views on this emotional and controversial issue under the protection of the first amendment, this protection has been abused and we desperately need the protections that this bill provides.

The murder of Dr. David Gunn may be viewed by some as an anomaly—something done by a disturbed individual from a movement with many erratic people.

But listen to the weak disavowals of violence by the antichoice people and more importantly understand that this was not an isolated incident.

Since 1977, opponents of choice have directed more than 1,000 reported acts of violence at abortion providers, including bombings, arson, death threats, kidnappings, assaults and shootings.

And there has been an increasing level of violence in recent years. Operation rescue's "no place to hide" campaign terrorizes doctors and health care workers nationwide. Doctors and their families are followed to work, school, and shopping, and harassed at their homes.

And clinics all over the country are being damaged by arson and chemical sprays.

Clearly this bill is necessary and long overdue.

I urge my colleagues to back away from their parliamentary tactics tonight so that we can put an end to this senseless violence and abuse of our 1st amendment rights.

Ms. SLAUGHTER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the Freedom of Access to Clinic Entrance Act, which passed both Houses of Congress late last year, a substantial vote in the Senate and unanimously here, was developed in response to the growing problem of orchestrated violence at reproductive health clinics all across the Nation. In recent years, the level of this violence has escalated. The list is long and sad: vandalism, arson, bombing, gassing, physical attacks, death threats, shooting and murder against clinic staffs and their families as well as against the women who need the health services the clinics offer.

The statistics tell a horrible story. Between 1977 and 1993, over 1,000 acts of violence were reported against clinics and health care providers that include 36 bombings, 18 arsons, 131 death threats, 84 assaults, two kidnappings, 327 clinic invasions, and one murder. Just last March, as was mentioned before, Dr. David Gunn was shot and killed, and his assailant was convicted last week and will spend most of his life now in jail.

These acts of violence not only hurt those directly hit, they affect thousands of women who need the clinics for their health care. More than 90 percent of the clinics that have experienced blockades or violence also provided other health services in addition to abortions. Many of the clinics targeted for blockades and harassment are located in rural areas. Frequently, they are the only source for reproductive medical care for the women they serve. Disruptions in the operation of these clinics has, therefore, deprived many women of badly-needed medical services above and beyond abortion.

While it is true that most State and local law enforcement does have the authority to police the violations of their criminal codes, in reality this often does not happen. In some cases a locality does not have the resources to balance the large scale, long-term operations, including trespass, vandalism and assault. In other cases they simply choose not to do so. Clearly, a Federal remedy is the only answer if we are to standardize law enforcement and offer all clinics the same protection.

Until early this year, Federal courts could act to restrain clinic blockades. But in the Bray case, the statute that we used was deemed to no longer offer protection to clinics and providers. And we had no legal means of ending disruptions, no way to keep the clinics open and safe for women, their doctors and their nurses.

Attorney General Janet Reno has testified that no other Federal law is applicable in this situation. She noted that "the reluctance of local authorities to protect the rights of individuals provides a powerful justification for the enactment of Federal protections, protections that have been evoked previously by Congress in passing laws to protect civil rights." This legislation will fill the gap and provide these protections.

The National Association of Attorneys General supports the legislation for just that reason, as does the American Medical Association, the League of Women Voters, among many others.

Mr. Speaker, we are doing simple housekeeping here tonight. This is a procedure that we always use to get to conference, but for the first time in my memory in Congress we have had to go this route. We have never before been asked to get a special rule in order to go to conference.

Mrs. SCHROEDER. Mr. Speaker, will the gentlewoman yield?

Ms. SLAUGHTER. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I also wanted to add, which I think is important, the prior speaker from California said that he, as a parent, would be penalized under this bill. I think the gentlewoman and I would want to make it perfectly clear to him that under this bill it says, "Parents and legal guardians of minors are not subject to the penalties of the Act."

I want to thank the gentlewoman for her hard work on this. We have heard a lot of disinformation on this bill. The gentlewoman is right, this is a very extraordinary procedure.

Ms. SLAUGHTER. It certainly is. As a matter of fact, 19 times in the 102d Congress we went to conference without this procedure. And several times already in this Congress, as recently as last month, on the Independent Counsel bill.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

Mr. SMITH of New Jersey. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. SENSENBRENNER) there were—noes 16, ayes 5.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of adoption of the resolution.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 248, nays 168, not voting 17, as follows:

[Roll No. 66]

YEAS—248

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hall (OH)
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kennedy
Kennelly
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murtha
Nadler
Neal (MA)
Neal (NC)
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sarpalius
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NAYS—168

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Costello
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Franks (NJ)
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
Mica
Miller (FL)
Moorhead
Murphy
Myers
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Torkildsen
Upton
Volkmer
Vucanovich
Walker
Walsh
Wolf
Young (AK)
Young (FL)

NOT VOTING—17

Brown (CA)
Collins (IL)
Farr
Fowler
Gallo
Grandy
Green
Hastings
Kanjorski
Livingston
Manton
Meek
Michel
Mollohan
Natcher
Tucker
Weldon

☐ 1827

Mr. DICKEY and Ms. DUNN changed their vote from "yea" to "nay."

Mr. BREWSTER changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. STUDDS). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 244, noes 171, not voting 18, as follows:

[Roll No. 67]

AYES—244

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson

Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Houghton
Hoyer
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnston
Kennedy
Kennelly
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McInnis
McKinney
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murtha
Nadler
Neal (MA)
Neal (NC)
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Rostenkowski
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Watt
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOES—171

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Costello
Cox
Crane
Crapo
Cunningham
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Franks (NJ)
Gallegly
Gekas
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
McNulty
Mica
Miller (FL)
Mollohan
Moorhead
Murphy
Myers
Nussle
Oberstar
Ortiz
Oxley
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)

NOT VOTING—18

Brown (CA)
Collins (IL)
Conyers
Farr
Fowler
Gallo
Grandy
Green
Hancock
Hastings
Kanjorski
Kaptur
Livingston
Manton
Meek
Michel
Natcher
Tucker

☐ 1836

The Clerk announced the following pairs:

Mrs. Collins of Illinois for, with Mr. Grandy against.

Mrs. Meek for, with Mr. Livingston against.

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

EXTENDING CERTAIN COMPLIANCE DATES FOR PESTICIDE SAFETY TRAINING AND LABELING REQUIREMENTS

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate bill (S. 1913) to extend certain compliance dates for pesticide safety training and labeling requirements, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mr. STUDDS). Is there objection to the request of the gentleman from Texas?

Mr. ROBERTS. Mr. Speaker, reserving the right to object, and I shall not object, I yield to the chairman of the full committee, the gentleman from Texas, Mr. DE LA GARZA, to explain the bill.

Mr. DE LA GARZA. I thank the gentleman for yielding.

Mr. Speaker and my colleagues, this is a bit of carefully crafted legislation that pertains to the farm worker safety regulations which were due to become effective in April of 1994. This carefully crafted compromise allows that those areas that can be put into effect now should be put into effect to protect farm workers in the field, should be allowed to go on at this time; and in areas where they need training or working between the State departments of agriculture and EPA, they be allowed to have the extended time. It does not change any basic safety regulations at this point.

Mr. Speaker, the amendment we offer to the bill, S. 1913, represents a carefully crafted compromise on the implementation of certain farmworker safety regulations due to go into effect in April 1994.

This bipartisan amendment has been developed following meetings with the principal parties involved in this issue. Those organizations were the Farmworker Justice Fund, the American Farm Bureau Federation and the National Association of State Departments of Agriculture. The substitute has also been reviewed by the Environmental Protection Agency and it is my understanding EPA has no objection to its passage.

Let me make it clear that this legislation does not in any way weaken existing legal health safeguards for farmworkers. What it does is provide additional time for EPA to resolve certain regulatory issues that have been raised by the states and agricultural producers.

I also want to provide some clarification to certain provisions in the bill. It is the Committee on Agriculture's view that the provision requiring agricultural employers to provide "clean" personal protective equipment to agricultural workers in paragraph 2(D) of the bill may be met by providing new equipment or by following the normal practice within the industry for cleaning personal protective equipment. Normal practices for cleaning equipment include cleaning according to manufacturer's instructions or pesticide product labeling instructions before each day of reuse. In the absence of any such instructions, normal practices include washing the equipment in detergent and hot water.

In addition, it is the Committee's intention that the term "planting" in the definition of "hand labor" in paragraph 4 of the bill only includes planting by hand. It does not include planting using machinery because in this circumstance the agricultural worker does not make direct contact with treated soils.

Mr. Speaker, it is my sincere hope that this legislation marks the final legislative involvement in the long-overdue implementation of farmworker protection regulations. It is my view as chairman of the House Agriculture Committee that this measure should provide adequate time to resolve all legitimate concerns about the drafting of these regulations.

Mr. ROBERTS. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Ohio, Mr. BOEHNER.

Mr. BOEHNER. I thank the gentleman from Kansas for yielding to me.

Mr. Speaker, I want to congratulate the chairman of the full committee, the gentleman from Texas, Mr. DE LA GARZA, and his staff for the work that they have done, and the gentleman from Kansas, Mr. ROBERTS, the ranking member, on trying to delay these standards until the industry can deal with them in a very effective way.

I think we have worked out a very good compromise, and I thank them both.

Mr. ROBERTS. I thank the gentleman for his remarks.

Mr. Speaker, this legislation will prevent an imminent regulatory morass. It is supported by State regulatory officials, the U.S. EPA, growers and farm labor groups, in short everyone involved in the issue of worker protection regulations. Effectively we will be extending the time before the rules take effect, allowing for needed revision of the regulations and more time for education of the regulated community.

While I wish we had extended the deadline to October 1995 when all the pesticide labels would be uniform and confusion would be reduced, I support this interim effort. I urge the EPA to work closely with growers, State officials and labor groups to make the necessary revisions and get the needed educational materials distributed over the 9 months of this reprieve. This short delay will prevent untold wasted effort and unnecessary legal jeopardy if we make good use of the time. However important this interim measure is, I am concerned about the ultimate regulatory burden we will be saddling our growers with.

Mr. Speaker, I withdraw my reservations of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1913

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMPLIANCE DATES FOR PESTICIDE SAFETY REQUIREMENTS.

(a) WORKER PROTECTION STANDARDS.—

(1) IN GENERAL.—The compliance date for provisions of the worker protection standard set forth in part 170.5(c) of subchapter E of chapter I of title 40, Code of Federal Regulations, due to become effective on April 15, 1994, shall be January 1, 1995.

(2) PESTICIDE SAFETY TRAINING.—Not later than September 23, 1994, the Administrator of the Environmental Protection Agency (referred to in this section as the "Administrator") shall—

(A) develop and distribute pesticide safety training materials that convey, at a minimum, the information referred to in section 170.230(c)(4) of such title; and

(B) assist the appropriate Federal, State, and tribal agencies in implementing pesticide safety training programs required under section 170 of such title.

(b) LABELING REQUIREMENTS.—

(1) ENFORCEMENT.—

(A) IN GENERAL.—During the period ending on January 1, 1995, the labeling requirements for pesticides and devices set forth in subpart K of part 156 of subchapter E of chapter I of title 40, Code of Federal Regulations, due to become effective on April 21, 1994, may be enforced only—

(i) in a State that has established a worker protection program with respect to pesticides and devices as of the date of enactment of this Act; and

(ii) for the purpose of enforcing a State program referred to in clause (i).

(B) EQUIVALENCY.—During the period ending on January 1, 1995, each worker protection program referred to in subparagraph (A)(i) shall be considered to meet the requirements of the worker protection standard set forth in part 170 of such subchapter. After such date, the Administrator shall reassess whether the program meets the standard.

(2) NOTIFICATION OF PURCHASERS.—Beginning on April 22, 1994, each registrant of pesticides shall provide information for point-of-sale notification to inform purchasers of pesticides that the applicable compliance date for the labeling requirements referred to in paragraph (1)(A) is January 1, 1995.

(c) EXISTING AUTHORITY.—Notwithstanding the foregoing provisions, the existing authority of the Environmental Protection Agency to enforce existing label requirements shall not be affected.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DE LA GARZA

Mr. DE LA GARZA. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. DE LA GARZA: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. COMPLIANCE.

Until January 1, 1995, it shall not be a misuse under section 12(a)(2)(G) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136j(a)(2)(G)) to use any pesticide product in a manner inconsistent with the provisions of 40 CFR Part 170 that are (1) subject to the compliance date specified in 40 CFR section 170.5(c) and (2) incorporated by reference on the label or labeling of any pesticide product. This delay in compliance shall not apply to specific worker protection requirements that appear directly on the label or labeling of the pesticide product.

SEC. 2. REENTRY INTERVAL.

(a) IN GENERAL.—Notwithstanding the provisions of 40 CFR Part 170, until January 1, 1995, a worker may enter an area treated with a pesticide product during the restricted entry interval specified on the label of the pesticide product to perform tasks related to the production of agricultural plants if the agricultural employer ensures that—

(1) no hand labor activity is performed;

(2) no such entry is allowed for the first 4 hours following the end of the application of the pesticide product;

(3) no such entry is allowed until any inhalation exposure level listed on the product labeling has been reached; and

(4) the personal protective equipment specified on the product labeling for early entry is provided in clean and operating condition to the worker.

(b) PROTECTIVE EQUIPMENT FOR IRRIGATION WORK.—For irrigation work for which the only contact with treated surfaces is to the feet, lower legs, hands, and arms, the agricultural employer may provide coveralls, chemical resistant gloves, and chemical resistant footwear instead of the personal protective equipment specified on the label.

SEC. 3. CROP ADVISORS

Notwithstandig the provisions of 40 CFR Part 170, until January 1, 1995, persons performing duties as crop advisors shall not be considered workers or handlers under 40 CFR Part 170 (or for the purposes of the pesticide label) and shall not be subject to the requirements of 40 CFR Part 170.

SEC. 4. SAFETY TRAINING.

(A) TRAINING MATERIALS.—Not later than September 23, 1994, the Administrator shall develop and distribute pesticide safety training materials that convey, at a minimum, the information referred in 40 CFR section 170.230(c)(4).

(b) IMPLEMENTATION.—The Administrator shall assist the appropriate Federal, State, and tribal agencies in implementing the pesticide safety training programs required under 40 CFR part 170.

SEC. 5. DEFINITIONS.

As used in this Act:

(1) The term "hand labor" means any agricultural activity performed by hand or with hand tools that causes a worker to have substantial contact with surfaces (such as plants, plant parts, or soil) that may contain pesticide residues. These activities include, but are not limited to, harvesting, detasseling, thinning, weeding, topping, planting, sucker removal, pruning, disbudding, roguing, and packing produce into containers in the field. The term "hand labor" shall not include operating, moving, or repairing irrigation or watering equipment or performing the tasks of crop advisors.

(2) The term "agricultural employer" means any person who hires or contracts for the services of workers, for any type of compensation, to perform activities related to the production of agricultural plants, or any person who is an owner of or is responsible for management or condition of an agricultural establishment that uses such workers.

(3) The term "worker" means any person, including a self-employed person, who is employed for any type of compensation and who is performing activities relating to the production of agricultural plants on an agricultural establishment. The term "worker" shall not include any person employed by a commercial pesticide handling establishment to perform tasks as a crop advisor.

(4) The term "Administrator" means the Administrator of the Environmental Protection Agency.

SEC. 6. EFFECTIVE PERIOD.

The provisions in this Act shall be effective until January 1, 1995.

Mr. DE LA GARZA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas (Mr. DE LA GARZA).

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1840

GENERAL LEAVE

Ms. SLAUGHTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore (Mr. STUDDS). Is there objection to the request of the gentleman from New York?

There was no objection.

PARLIAMENTARY INQUIRIES

Mr. SENSENBRENNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentlemen will state his parliamentary inquiry.

Mr. SENSENBRENNER. Mr. Speaker, was the motion to reconsider the vote by which the rule was adopted laid on the table?

The SPEAKER pro tempore. It was, without objection.

Mr. SENSENBRENNER. Mr. Speaker, the gentleman from New Jersey [Mr. SMITH] was on his feet to object to that, and because there was such pandemonium in the House, Mr. Speaker, I believe that no one could hear what was going on. I think that the gentleman from New Jersey has been significantly prejudiced, and I would request that the Speaker reput the question since he was on his feet during the tumult that was going on in the Chamber.

The SPEAKER pro tempore. The Chair will make two observations:

First of all, if the Chair indeed missed the gentleman from New Jersey [Mr. SMITH], he apologizes. It was not his intention to do so. There was a great deal of commotion in the Chamber.

Second, the Chair must inform the gentleman that such a request must be made by unanimous consent.

Mr. SENSENBRENNER. I have a further parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. SENSENBRENNER. Is it not the duty of the Chair to maintain order so that the Members can hear the motions that are being put?

The SPEAKER pro tempore. It is both the duty of the Chair and that of the Members.

Mr. SENSENBRENNER. Was not the Chair somewhat negligent in not banging the gavel at that time?

The SPEAKER pro tempore. That is more of a philosophical question than a parliamentary inquiry.

FREEDOM OF ACCESS TO CLINIC ENTRANCES ACT OF 1993

Mrs. SCHROEDER. Mr. Speaker, pursuant to House Resolution 374 I call up from the Speaker's table the Senate bill (S. 636) to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes, and ask for its immediate consideration in the House. The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom of Access to Clinic Entrances Act of 1993".

SEC. 2. CONGRESSIONAL STATEMENT OF FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) medical clinics and other facilities throughout the Nation offering abortion-related services have been targeted in recent years by an interstate campaign of violence and obstruction aimed at closing the facilities or physically blocking ingress to them, and intimidating those seeking to obtain or provide abortion-related services;

(2) as a result of such conduct, women are being denied access to, and health care providers are being prevented from delivering, vital reproductive health services;

(3) such conduct subjects women to increased medical risks and thereby jeopardizes the public health and safety;

(4) the methods used to deny women access to these services include blockades of facility entrances; invasions and occupations of the premises; vandalism and destruction of property in and around the facility; bombings, arson, and murder; and other acts of force and threats of force;

(5) those engaging in such tactics frequently trample police lines and barricades and overwhelm State and local law enforcement authorities and courts and their ability to restrain and enjoin unlawful conduct and prosecute those who have violated the law;

(6) this problem is national in scope, and because of its magnitude and interstate nature exceeds the ability of any single State or local jurisdiction to solve it;

(7) such conduct operates to infringe upon women's ability to exercise full enjoyment of rights secured to them by Federal and State law, both statutory and constitutional, and burdens interstate commerce, including by interfering with business activities of medical clinics involved in interstate commerce and by forcing women to travel from States where their access to reproductive health services is obstructed to other States;

(8) the entities that provide pregnancy or abortion-related services engage in commerce by purchasing and leasing facilities and equipment, selling goods and services, employing people, and generating income;

(9) such entities purchase medicine, medical supplies, surgical instruments, and other supplies produced in other States;

(10) violence, threats of violence, obstruction, and property damage directed at abortion providers and medical facilities have had the effect of restricting the interstate movement of goods and people;

(11) prior to the Supreme Court's decision in Bray v. Alexandria Women's Health Clinic (113 S. Ct. 753 (1993)), such conduct was frequently restrained and enjoined by Federal courts in actions brought under section 1980(3) of the Revised Statutes (42 U.S.C. 1985(3));

(12) in the Bray decision, the Court denied a remedy under such section to persons injured by the obstruction of access to abortion-related services;

(13) legislation is necessary to prohibit the obstruction of access by women to pregnancy or abortion-related services and to ensure that persons injured by such conduct, as well as the Attorney General of the United States and State Attorneys General, can seek redress in the Federal courts;

(14) the obstruction of access to pregnancy or abortion-related services can be prohibited, and the right of injured parties to seek redress in the courts can be established, without abridging the exercise of any rights guaranteed under the First Amendment to the Constitution or other law; and

(15) Congress has the affirmative power under section 8 of article I of the Constitution as well as under section 5 of the Fourteenth Amendment to the Constitution to enact such legislation.

(b) PURPOSE.—It is the purpose of this Act to protect and promote the public health and safety and activities affecting interstate commerce by prohibiting the use of force, threat of force or physical obstruction to injure, intimidate or interfere with a person seeking to obtain or provide pregnancy or abortion-related services, and the destruction of property of facilities providing pregnancy or abortion-related services, and by establishing the right of private parties injured by such conduct, as well as the Attorney General of the United States and State Attorneys General in appropriate cases, to bring actions for appropriate relief.

SEC. 3. FREEDOM OF ACCESS TO CLINIC ENTRANCES.

Title XXVII of the Public Health Service Act (42 U.S.C. 300aaa et seq.) is amended by adding at the end thereof the following new section:

"SEC. 2715. FREEDOM OF ACCESS TO CLINIC ENTRANCES.

"(a) PROHIBITED ACTIVITIES.—Whoever—

"(1) by force or threat of force or by physical obstruction, intentionally injures, intimidates or interferes with or attempts to injure, intimidate or interfere with any person because that person is or has been, or in order to intimidate such person or any other person or any class of persons from, obtaining or providing pregnancy or abortion-related services: *Provided, however*, That nothing in this section shall be construed as expanding or limiting the authority of States to regulate the performance of abortions or the availability of pregnancy or abortion-related services;

"(2) by force or threat of force or by physical obstruction, intentionally injures, intimidates or interferes with or attempts to injure, intimidate or interfere with any person lawfully exercising or seeking to exercise the First Amendment right of religious freedom at a place of worship; or

"(3) intentionally damages or destroys the property of a medical facility or in which a medical facility is located, or attempts to do so, because such facility provides pregnancy or abortion-related services, or intentionally damages or destroys the property of a place of religious worship,

shall be subject to the penalties provided in subsection (b) and the civil remedies provided in subsection (c), except that a parent or legal guardian of a minor shall not be subject to any penalties or civil remedies under this section for such activities insofar as they are directed exclusively at that minor.

"(b) PENALTIES.—Whoever violates this section shall—

"(1) in the case of a first offense, be fined in accordance with title 18, United States Code (which fines shall be paid into the general fund of the Treasury, miscellaneous receipts (pursuant to section 3302 of title 31, United States Code), notwithstanding any other law), or imprisoned not more than 1 year, or both; and

"(2) in the case of a second or subsequent offense after a prior conviction under this section, be fined in accordance with title 18, United States Code (which fines shall be paid into the general fund of the Treasury, miscellaneous receipts (pursuant to section 3302 of title 31, United States Code), notwithstanding any other law), or imprisoned not more than 3 years, or both;

except that for an offense involving exclusively a nonviolent physical obstruction, the fine shall be not more than $10,000 and the length of imprisonment shall be not more than six months, or both, for the first offense; and the fine shall be not more than $25,000 and the length of imprisonment shall be not more than 18 months, or both, for a subsequent offense; and except that if bodily injury results, the length of imprisonment shall be not more than 10 years, and if death results, it shall be for any term of years or for life.

"(c) Civil Remedies.—

"(1) Right of action.—

"(A) In general.—Any person aggrieved by reason of the conduct prohibited by subsection (a) may commence a civil action for the relief set forth in subparagraph (B), except that such an action may be brought under subsection (a)(1) only by a person involved in providing or seeking to provide, or obtaining or seeking to obtain, services in a medical facility that provides pregnancy or abortion-related services.

"(B) Relief.—In any action under subparagraph (A), the court may award appropriate relief, including temporary, preliminary or permanent injunctive relief and compensatory and punitive damages, as well as the costs of suit and reasonable fees for attorneys and expert witnesses. With respect to compensatory damages, the plaintiff may elect, at any time prior to the rendering of final judgment, to recover, in lieu of actual damages, an award of statutory damages in the amount of $5,000 per violation.

"(2) Action by Attorney General of the United States.—

"(A) In general.—If the Attorney General of the United States has reasonable cause to believe that any person or group of persons is being, has been, or may be injured by conduct constituting a violation of this section, and such conduct raises an issue of general public importance, the Attorney General may commence a civil action in any appropriate United States District Court.

"(B) Relief.—In any action under subparagraph (A), the court may award appropriate relief, including temporary, preliminary or permanent injunctive relief and compensatory damages to persons aggrieved as described in paragraph (1)(B). The court, to vindicate the public interest, may also assess a civil penalty against each respondent—

"(i) in an amount not exceeding $10,000 for a nonviolent physical obstruction and $15,000 for other first violations; and

"(ii) in an amount not exceeding $15,000 for a nonviolent physical obstruction and $25,000, for any other subsequent violation.

"(3) Actions by State attorneys general.—

"(A) In general.—If the Attorney General of a State has reasonable cause to believe that any person or group of persons is being, has been, or may be injured by conduct constituting a violation of this section, and such conduct raises an issue of general public importance, such Attorney General may commence a civil action in the name of such State, as parens patriae on behalf of natural persons residing in such State, in any appropriate United States District Court.

"(B) Relief.—In any action under subparagraph (A), the court may award appropriate relief, including temporary, preliminary or permanent injunctive relief, compensatory damages, and civil penalties as described in paragraph (2)(B).

"(d) Rules of Construction.—Nothing in this section shall be construed or interpreted to—

"(1) prevent any State from exercising jurisdiction over any offense over which it would have jurisdiction in the absence of this section;

"(2) deprive State and local law enforcement authorities of responsibility for prosecuting acts that may be violations of this section and that are violations of State or local law;

"(3) provide exclusive authority to prosecute, or exclusive penalties for, acts that may be violations of this section and that are violations of other Federal laws;

"(4) limit or otherwise affect the right of a person aggrieved by acts that may be violations of this section to seek other available civil remedies;

"(5) prohibit expression protected by the First Amendment to the Constitution; or

"(6) create new remedies for interference with expressive activities protected by the First Amendment to the Constitution, occurring outside a medical facility, regardless of the point of view expressed.

"(e) Definitions.—As used in this section:

"(1) Interfere with.—The term 'interfere with' means to restrict a person's freedom of movement.

"(2) Intimidate.—The term 'intimidate' means to place a person in reasonable apprehension of bodily harm to him- or herself or to another.

"(3) Medical facility.—The term 'medical facility' includes a hospital, clinic, physician's office, or other facility that provides health or surgical services or counselling or referral related to health or surgical services.

"(4) Physical obstruction.—The term 'physical obstruction' means rendering impassable ingress to or egress from a medical facility that provides pregnancy or abortion-related services or to or from a place of religious worship, or rendering passage to or from such a facility or place of religious worship unreasonably difficult or hazardous.

"(5) Pregnancy or abortion-related services.—The term 'pregnancy or abortion-related services' includes medical, surgical, counselling or referral services, provided in a medical facility, relating to pregnancy or the termination of a pregnancy.

"(6) State.—The term 'State' includes a State of the United States, the District of Columbia, and any commonwealth, territory, or possession of the United States.".

SEC. 4. RULE OF CONSTRUCTION.

Notwithstanding any other provision of this Act, nothing in this Act shall be construed to interfere with the rights guaranteed to an individual under the First Amendment to the Constitution, or limit any existing legal remedies against forceful interference with any person's lawful participation in speech or peaceful assembly.

SEC. 5. EFFECTIVE DATE.

This Act shall take effect with respect to conduct occurring on or after the date of enactment of this Act.

MOTION OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Speaker, pursuant to House Resolution 374, I offer a motion.

The Clerk read as follows:

Mrs. Schroeder moves to strike out all after the enacting clause of the Senate bill, S. 636, and insert in lieu thereof the provisions of H.R. 796 as passed by the House.

The SPEAKER pro tempore. The gentlewoman from Colorado [Mrs. Schroeder] is recognized for 1 hour.

Mrs. SCHROEDER. Mr. Speaker, I want to say that I am sorry the House has to stay so late tonight. In my entire tenure I have never seen us have to go through this extraordinary procedure to go to conference on a bill that passed 69 to 30 in the other body, and on the motion to recommit it here it was defeated 246 to 182. So I find it extraordinary we are here at this late hour having to pursue this, and I am trying to negotiate with the gentleman from New Jersey [Mr. Smith] to see if there is any way that we could expedite this process. The gentlewoman from Colorado wants to move this along. The gentleman from New Jersey has said to me he might cut back some of his amendments and let the House get on with its business if I yielded him some time for the purpose of debate only.

At this moment, Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. Smith] to see if that is our agreement.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentlewoman from Colorado [Mrs. Schroeder] for yielding, I will cut back on some of the rollcall votes that I intended on asking in exchange, as the gentlewoman pointed out. It was my request that we get a time to explain ourselves on this side and some of those on that side of the aisle who believe so passionately that by turning nonviolent, civil disobedient acts into felonies, it is really a very, very severe and very bad precedent. Apply it to any other movement, and I think we will see very clearly that it would be laughed right out of this Chamber.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, the gentleman from New Jersey [Mr. Smith] has not told me how many amendments he would seek if we gave him that time. We have heard from the gentleman from New Jersey when the bill was on the floor. We heard him during the rule. If the gentleman from New Jersey is not going to cut back the number of votes, then I am not going to yield the gentleman any more time.

Mr. SMITH of New Jersey. I have a list of 20 votes, I would say to my good friend from Colorado. I will cut it in half and, perhaps, even go further.

Mrs. SCHROEDER. Mr. Speaker, I think, if the gentleman would like to cut it down to 2 votes, then I think we will be happy to let him debate it, but I honestly think we have already had 3 votes more than we have ever seen on any procedure that I have ever seen, and I really think that that is being very, very generous.

Mr. SMITH of New Jersey. Mr. Speaker, if the gentlewoman would yield, what we are being denied here, and again I am very open to reducing this number so that we have substantive votes on this important issue, but it seems to me that we need this debate, and by yielding 15 minutes to our side, Mr. Speaker, we could explain ourselves——

Mrs. SCHROEDER. Mr. Speaker, I reclaim my time because my feeling was that, if we could cut it down, I believe in a family-friendly Congress. This is very late. This is an extraordinary procedure, and I would hope that the gentleman from New Jersey would be willing to cut it down to just a couple of votes——

Mr. SCHUMER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Speaker, it seems to me that the gentlewoman from Colorado [Mrs. SCHROEDER] has made a generous offer.

If the gentleman seeks debate, which we have had twice already on this bill, but wishes to do it a third time, which he is saying is, "Trade in all these unnecessary votes where we all know what the outcome will be, and get some time for debate." But to say he is going to ask for 20 votes, to 10 votes, meaning keeping us here instead of 2 in the morning to 12 at night without any chance for debate is not accomplishing the goals of either side.

So, Mr. Speaker, I would urge that the gentleman accept the offer of the gentlewoman from Colorado [Mrs. SCHROEDER] and accomplish what he says he certainly wants to, which is get yet some more debate on this already twice debated measure.

Mr. SENSENBRENNER. Mr. Speaker, would the gentlewoman from Colorado yield?

Mrs. SCHROEDER. Mr. Speaker, I would prefer to finish with the gentleman from New Jersey because I want to bring this to conclusion. Otherwise I would like to move on with the votes. If we are going to have 20 votes, we may as well just start voting. I do not want to delay this, and, if the gentleman from New Jersey, and I would yield to him——

Mr. SENSENBRENNER. Mr. Speaker, will the gentlewoman from Colorado please yield?

Mrs. SCHROEDER. Look, I am perfectly cool. We have got the time. All I want to know is—I think the gentleman from New Jersey [Mr. SMITH] makes a good point. He would rather spend his time explaining his position than calling votes. If that is the gentleman's position and he is willing to cut back the number of votes, hopefully below 10—how about 2 votes? Can the gentleman from New Jersey accept 2 votes?

Mr. SENSENBRENNER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. Does the gentlewoman yield for the purpose of a parliamentary inquiry?

Mrs. SCHROEDER. No, I do not. I am waiting for the gentleman from New Jersey at this point, Mr. Speaker.

Mr. SMITH of New Jersey. Mr. Speaker, will the gentlewoman yield.

Mrs. SCHROEDER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Speaker, I want to be as reasonable and accommodating as I possibly can, but most people have not focused, I say regrettably, on just how extreme and radical this piece of legislation is.

Mrs. SCHROEDER. Reclaiming my time, Mr. Speaker——

Mr. SMITH of New Jersey. Let me finish.

Mrs. SCHROEDER. Mr. Speaker, I reclaim my time unless the gentleman is willing to tell us because we have had this discussion over and over and over.

Mr. SMITH of New Jersey. Not with this many people present.

Mrs. SCHROEDER. Mr. Speaker, I reclaim my time.

POINT OF ORDER

Mr. SENSENBRENNER. Mr. Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. SENSENBRENNER. Mr. Speaker, under the procedure that is being utilized does the minority get half the time that has been allocated on this motion?

The SPEAKER pro tempore. The House is proceeding under the 1-hour rule.

Mr. SENSENBRENNER. Is the answer to the question no, there is no debate time unless the gentlewoman from Colorado yields it?

The SPEAKER pro tempore. Under the rules of the House, the gentlewoman controls the 1 hour of debate.

Mr. DORNAN. Mr. Speaker, I have a preferential motion at the desk, though.

The SPEAKER pro tempore. The gentlewoman from Colorado at the moment holds the floor.

Mrs. SCHROEDER. Mr. Speaker, I think at this point what I understand the gentleman from New Jersey to be saying, which I think is very fair, is that, if we gave him 15 minutes to carry on debate, and with many Members here, then what we could do is he would limit it to 5 votes and Members could get home at a fairly reasonable time.

Is that the gentleman from New Jersey's——

Mr. SMITH of New Jersey. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Speaker, the way I read the number of votes, 5 would be a reasonable number, but again I am doing that for the benefit of the Members because I think we need this debate more than anything else.

Mrs. SCHROEDER. And the gentleman from Wisconsin would agree with that?

□ 1850

Mr. SENSENBRENNER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Mr. Speaker, I would be happy to yield, for the purpose of debate only.

Mr. SENSENBRENNER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Mr. Speaker, will the gentleman agree with the gentleman from New Jersey, Mr. SMITH?

Mr. SENSENBRENNER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, it seems to me that the proper procedure is to yield the minority half of the time, just like the Committee on Rules does when rules are brought up.

Mrs. SCHROEDER. Mr. Speaker, reclaiming my time, the gentleman has heard from the Chair that under this procedure, the majority controls the time. I am sorry, those are the rules.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the amendment and the bill.

MOTION TO TABLE OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SMITH of New Jersey moves to lay on the table the House amendment to S. 636.

The SPEAKER pro tempore (Mr. STUDDS). The question is on the motion to table offered by the gentleman from New Jersey, Mr. SMITH.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 175, nays 240, not voting 18, as follows:

[Roll No. 68]

YEAS—175

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bevill
Bilirakis
Bliley
Blute

Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Costello
Cox
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Johnson, Sam
Kaptur
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Leach
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Manzullo
McCandless
McCollum
McCrery
McDade
McHugh
McInnis
McKeon
McMillan
McNulty
Mica
Miller (FL)
Mollohan
Moorhead
Myers
Nussle
Oberstar
Ortiz
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Sangmeister
Santorum
Sarpalius
Saxton
Schaefer
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)

NAYS—240

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Houghton
Hoyer
Huffington
Hughes
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kanjorski
Kennedy
Kennelly
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCloskey
McCurdy
McDermott
McHale
McKinney
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Murphy
Murtha
Nadler
Neal (MA)
Neal (NC)
Obey
Olver
Orton
Owens
Oxley
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Waxman
Wheat
Whitten
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOT VOTING—18

Brown (CA)
Collins (IL)
Farr
Fowler
Gallo
Grandy
Green
Hastings
Johnston
Livingston
Manton
Meek
Michel
Natcher
Rostenkowski
Tucker
Watt
Williams

□ 1912

Mr. BEVILL and Mr. McINNIS changed their vote from "nay" to "yea."

So the motion to table was rejected.

The result of the vote was announced as above recorded.

Mrs. SCHROEDER. Mr. Speaker, I withdraw my motion on the previous question, and reclaim my time.

The SPEAKER pro tempore (Mr. STUDDS). The gentlewoman from Colorado [Mrs. SCHROEDER] reclaims her time.

Mrs. SCHROEDER. Mr. Speaker, for purposes of debate only, I yield such time as he may consume to the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, if the gentlewoman will yield, I would inquire if I will get the traditional 30 minutes that are accorded to the Minority under this type of procedure.

Mrs. SCHROEDER. Mr. Speaker, at this point I think we should let the Members know what is going on.

Mr. Speaker, this is the bill of the gentleman from New York [Mr. SCHUMER]. If the two gentlemen would work out this agreement so Members would know where we are, then we will figure this out.

Mr. SCHUMER. Mr. Speaker, will the gentlewoman yield?

Mrs. SCHROEDER. I yield such time as he may consume to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, here is the agreement that we worked out, just so the Members can know and plan their evening accordingly.

We have just withdrawn this motion to strike the enacting clause, Mr. Speaker. There will be 30 minutes debate on each side. There will then be that vote on the recommittal of the Senate bill. Immediately following that, there will be a second vote on the Senate bill that is read for the third time.

Then we will move next to the motion that the House insist on its amendment and go to a conference with the Senate. There will be 60 minutes debate, 30 and 30. It is not certain all of that will be used, but it can be a maximum of 60.

Mr. Speaker, we will then vote on the motion to instruct conferees, and that will be 30 and 30, as well. All told, that means that there are four votes, and there is 60 minutes of debate, a vote, another vote, 60 minutes of debate, another vote, 60 minutes of debate, another vote. That is it. It is unlikely that all that time will be used.

Mrs. SCHROEDER. I thank the gentleman from New York.

Mr. Speaker, I would ask of the gentleman from Wisconsin [Mr. SENSENBRENNER] if that is the agreement on his side.

Mr. SENSENBRENNER. Mr. Speaker, if the gentlewoman will continue to yield, that is my understanding of the agreement.

Mrs. SCHROEDER. I thank the gentleman from Wisconsin.

Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER].

□ 1920

The SPEAKER pro tempore (Mr. STUDDS). Without objection, the gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 30 minutes, and the gentleman from Wisconsin [Mr. SENSENBRENNER] will be recognized for 30 minutes.

There was no objection.

The Chair recognizes the gentleman from Wisconsin [Mr. SENSENBRENNER].

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just to bring everybody up to date as to what has been going on here, the reason why we had the last two rollcall votes was because the gentlewoman from Colorado did not wish to yield any time to the minority side of the aisle to debate her motion.

The whole purpose of a parliamentary assembly is to be a clash of ideas and a clash of ideals so that the arguments on all sides of the issue can be placed before the membership of the parliamentary assembly and the public at large for their consideration and for their decision.

To attempt to gag a dissenting viewpoint during the debate on an issue as sensitive as this trods on minority rights, and it is my belief that this legislation itself trods on minority rights. It is legislation that is designed specifically to put an end to protests in front of abortion clinics. Those who are in support of this legislation argue that the acts of violence which have been occasionally committed during these abortion clinic protests are sufficient to bring the full weight of the Federal Government down on the protests themselves. I reject that assertion.

All we need to do is to look at the successful prosecution of the man who murdered Dr. David Gunn in front of his abortion clinic in Pensacola, FL, to prove this point. The jury did not take long to convict the person who was accused of murdering Dr. Gunn, and that person has been sentenced to life imprisonment in the Florida State penitentiary.

There are also adequate arson, assault, battery, and disorderly conduct laws that can be used to prosecute those who protest in front of the clinic should they go across the line of the law and violate the law.

So why are we here today? We are here today because those who protest against abortion are doing a politically incorrect thing in the mores of today. But much of the change of our society today in America has been as a result of protest. Most of those protests have been peaceful, but there have been some unfortunate and sporadic acts of violence.

Whether we look at the protests during the organization of the labor movement at the end of the last century, protests during the civil rights demonstrations of the 1960's, or during the anti-Vietnam war demonstrations of the late 1960's or early 1970's, all of the protestors utilized their first amendment rights to effectuate change. In each of these protest movements there were sporadic acts of violence, but at no time did people come to the Congress of the United States to try to criminalize a whole movement, and that is what is happening here today.

The first amendment, Mr. Speaker and my colleagues, is an absolute prohibition, and this legislation is specifically designed against the people on one side of a particular issue. It could have easily been passed decades ago or perhaps even a century ago against the antiwar movement, against the civil rights movement, or against the labor movement, and if it had been, this country would not be a better place today.

Please, do not send this bill off to conference and on to the President of the United States. This is too important an issue. It is an issue of the right to protest.

There are adequate Federal laws that are on the books to deal with those people who commit acts of mayhem against persons or property. Let us be sensitive to the first amendment even though voting "no" is politically incorrect.

Twenty-five years from now, people will look back at this law, if it passes, and realize that this would probably be the biggest mistake of the 103d Congress.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, nonviolent civil disobedience has been used by virtually every cause and movement under the Sun including civil rights, environmental, D.C. statehood, and a whole host of other causes, and unfortunately, this legislation picks out and focuses exclusively on pro-lifers and says that they will be treated with a different standard.

Mr. Speaker, what this bill is all about is establishing in law, in Federal law, a double standard. Usually when people commit minor offenses like trespass, say, on behalf of AIDS activists, or perhaps animal rights folks who are unhappy with a certain policy, they endure a very light penalty, and perhaps they may be fined, perhaps they may spend the night in jail.

This legislation says that if the same person commits the same kind of offense, simply trespasses or, in this case, gets in the way of somebody who is going to or from an abortion clinic, and that could be the abortionist himself, it could just about be anybody who is going in or out, if they get in the way, despite the fact that it is a peaceful, nonviolent demonstration, they could be smacked with a very heavy Federal penalty of up to 1 year prison for the first offense, 3 years in prison for the second and any subsequent offenses. Moreover, they will be hit with massive fines, criminal sanctions, of up to a quarter of a million dollars simply for either getting in the way or attempting to get in the way.

H.R. 796, if it becomes law, Mr. Speaker, will for the first time since the Fugitive Slave Act make nonviolent civil disobedience a felony. This legislation would turn our Nation's longstanding policy of peaceful civil disobedience on its head.

Again, it would only do it selectively at pro-lifers.

Mr. Speaker, H.R. 796 goes to great lengths to protect the financial wherewithal of abortion clinics. However, there is no concern whatsoever demonstrated for the peaceful lower- and middle-income citizens, and they make up the bulk of those who are out there picketing, who would be subjected to these draconian jail terms and fines and lawsuits if the bill becomes law.

Mr. Speaker, I believe that it is outrageous and it is unfair that advocates who physically batter or abuse peaceful pro-lifers be immune under this bill to any penalty contained in H.R. 796.

□ 1930

In fact, I would submit that the passage of this legislation will actually encourage so-called pro-choice activists, the fringe—and both sides of this debate have fringe elements—it would encourage them to taunt and abuse pro-lifers. If they succeed in eliciting an actionable response, they can then hit the pro-lifer with violations of Federal law and sue for punitive damages in civil actions. Make no mistake about it, abortion activists routinely and systematically abuse pro-lifers at abortion clinics. Women who have worked for the abortion industry have told House and Senate committees about numerous instances of abuse by so-called pro-choice activists against pro-lifers.

Here are some examples: Katherine Hudson served for 3 years as an abortion clinic defense activist, primarily in the Washington, DC, area. She says,

> From many conversations with police not only in D.C. but in Houston, Buffalo, and with Federal marshals, I know that law enforcement is much more concerned with the behavior of the more radical pro-choice liberal activists such as National Women's Rights Organizing Coalition, Refuse and Resist, Act Up, and Queer Nation, than they are with Operation Rescue.

Mr. Speaker, the Bay Area Coalition Against Operation Rescue is very explicit in their literature, they make it very clear that they want to taunt prolifers who are peacefully assembling outside of an abortion clinic. They point out in their brochure, of which I have a copy, and I quote,

> As Operation Rescue shifted to picketing more than blockading, we have learned that we,

meaning their group,

> can't relax and let them just picket. Even if the sidewalk is public, we have had success at putting enough of us out, early enough to basically bully the ORs into staying across the street.

Mr. Speaker, in conclusion, this legislation is one-sided. It enacts into law a very, very serious double standard.

Mr. Speaker, I know it is late, it is St. Patrick's Day. I would like to be out of here, everybody would like to be out of here, but we cannot turn our back on this gross injustice that will be done tonight if this goes to conference and comes back, again—and I have no doubt it will come back in a very similar wording.

So let us go back to the drawing board, let us craft a fair law that makes violence against abortion providers and pro-lifers a Federal crime.

We are against violence; you say you are against violence; let us craft language that goes after all those who commit violence. Let us not go after those who commit acts of civil disobedience and are peaceful and ought to be under the jurisdiction of the local statute.

Mrs. SCHROEDER. Mr. Speaker, I would prefer to continue to reserve my time because some of it had been expended.

Mr. SENSENBRENNER. Mr. Speaker, I yield such time as he may consume to the very distinguished gentleman from Illinois [Mr. HYDE].

Mr. HYDE. I thank the gentleman for yielding this time to me.

Mr. Speaker and my friends, the USO used to have a slogan, "Does anybody know I am here?" They were speaking for the soldier, the sailor, the marine who was out of town, alone, "Does anybody know I am here?"

I wonder sometimes about Congress people, whether they really are able to focus on the real world and what is going on, because when we are sworn in every 2 years, those of us who have been here a few terms, you raise your right hand and you take an oath to defend the Constitution. That ought to mean something, and I presume it does.

I presume everybody that raises their arm and takes an oath to defend the Constitution understands that part of that Constitution provides for equal protection of the law. Does that not have a nice ring to it? Equal protection of the law.

That is what is terribly wrong with this legislation, this Freedom of Access to Clinic legislation, because it does not treat people equally.

It singles out one group, one group of protesters, and it provides them with the most invidious treatment possible; unconscionably hard, mean-spirited, penalizing punishment for some conduct that they engage in that has been declared illegal. The same conduct in no way attains the level of the penalties provided in this legislation if it is done in a labor dispute, if it is done by nuclear protesters, if it is done by animal rights activists, if it is done by people who want to tell the world that Armageddon is coming next Sunday, military protesters, civil rights protesters, labor disputes. Mr. Speaker, there is a myriad of disputes that people feel passionately about, a myriad of causes that they are involved in that people will go to great lengths to demonstrate their involvement and their commitment to.

Among them is the pro-life cause. Pro-life people believe in the very fiber of their being that what is going on in an abortion clinic is the same thing that went on at Buchenwald, Dachau, Auschwitz; innocent human lives are being destroyed.

They feel so strongly about that that they are willing to put their own physical bodies on the line, stand in front of pickets and pray and protest and hand out leaflets and pamphlets, and some of them go so far as to sit in physically.

Now, I do not condone that; I do not condone that. I think anybody ought to be able to exercise their freedom of assembly, with egress and ingress, without undue interference. So, when people interfere with you going into a building which you have a legal right to go into, they ought to be punished, but the punishment ought to fit the crime. You do not decapitate somebody because they sit in a building, but that is what this bill does. It singles out pro-life protesters for felonious conduct, up to a year in jail on the first offense, 2 years in jail for the second offense—or is it 3 years in jail for the second offense; $100,000, and then the second offense upwards of $200,000, treating them as ax murderers. That is not equal protection of the law.

Now, regardless of what you think of the abortion cause or the pro-life cause, regardless of what you think of that, this legislation is setting a precedent. It would never be applied to civil rights leaders or protesters, environmentalists, but it is being applied to pro-life protesters. That is what is wrong.

We ought to reject it. We ought to resist it because it destroys, it shreds, it does violence to the constitutional precept of equal protection of the law. Treat those protesters equally, treat the same conduct in the same way rather than singling out one group and because the reigning forces in this Congress, the liberal people who control this place, despise pro-life people—and for that I regret and I hope the years will mature their outlook—but do not treat them for outlandish punishment; do not force them to endure outlandish punishment because you radicalize this issue. You are not helping to solve it and calm people down and to work things out, which is what we all ought to work for. You are throwing the gauntlet down. It is unconstitutional. I predict it will not stand in the courts. It certainly violates anybody's notion of fair play and equal protection of the law.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I am happy to yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Speaker, I think that this is probably the most important point in this entire emotionally charged debate. What was particularly revealing during my earlier colloquy with the gentleman from New Jersey [Mr. SMITH] was the question that I asked about the disparate treatment of a person who is standing in front of the entrance to an abortion clinic, and if that person is obstructing the entrance to an abortion clinic as part of a labor dispute, waving a sign that says "On strike for higher wages," that is only a misdemeanor.

□ 1940

However, if that same person is waving a sign that says, "Don't kill your baby, oppose abortion," that is a felony.

So, what is different under this law is this content of the speech rather than the actions of the person who is being charged with obstructing the entrance to the abortion clinic. That is patently unconstitutional as a violation of equal protection under the law, and no one who feels that that oath that we took at the beginning of this term means anything can in good conscience vote for this bill.

Mr. HYDE. Mr. Speaker, I agree with the gentleman from Wisconsin [Mr. SENSENBRENNER] completely.

It is ironic that in a labor dispute in front of a coal mine in West Virginia it is worth one's life to try to cross that picket line. There have been people shot. I have the clippings in my office. The Greyhound bus strike was one of the most violent in history, and then there is the New York Daily News strike a few years ago in New York. But none of those people become Federal felons. It is only if they are sitting in front of an abortion clinic in somebody's way, clutching their rosary, or praying, or trying to counsel somebody not to exterminate their child. Then they become a felon.

Mr. TALENT. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Speaker, I heard that statement many times in this debate, and it gives rise to the question naturally:

"Why isn't the bill broad enough to include all kinds of violence on the picket lines?"

Mr. Speaker, the gentleman is on the committee that produced this bill. What is the reasons given by the sponsors? Maybe I should ask one of them. What are the reasons given by the sponsors why they do not cover all kinds of violence?

Mr. HYDE. Well, because they are zeroing in on abortion. Somehow abortion is the singular issue that raises their temperature. They do not get excited about violence on a picket line if it is a labor dispute, or if it is antinuclear people, or if it is animal rights people, or if it is any of those causes that people get involved in passionately. It is only the prolifers that wave a red flag, and all balance, all perspective, all proportion goes out the window.

Mr. Speaker, that is kind of a psychological reaction that perhaps a professor of abnormal psychology could explain, but I cannot.

Mr. TALENT. Mr. Speaker, it just seems to me a matter of basic fairness that, if we are going to federalize the area of protecting people who are trying to cross protester lines, or picket lines, or something like that, after all it does not make any difference to the person who was harassed why they were harassed, and it should not make any difference to people who are concerned about violence what the reason was, and, as the gentleman said, I think it makes the law constitutionally much more likely to be infirm if the penalty discriminates on the basis of the content of the speech.

Mr. HYDE. Mr. Speaker, I say to the gentleman, "You're absolutely right."

I do not defend obstructionism. I do not defend intimidation, interfering with people who are exercising their constitutional rights, and tragically under our law a woman has a constitutional right to go into an abortion mill and exterminate her unborn child. She has that right tragically, and to try and stop her, to try and intimidate her, I think is a violation of the law and ought to be punished. I am prepared to do that. But let us treat that violation as we would a labor dispute, as we would an environmental dispute, as we would a civil liberties dispute, a military dispute. Why just single out the one cause, and because their motives are to defend unborn children they become a felon, and somebody else becomes guilty of a misdemeanor. That is not the American way.

Mr. Speaker, our purpose here tonight is not to embarrass people, not to ruin St. Patrick's Day for anybody. Our purpose here tonight is to focus attention on equal protection of the law and remind Members that they took an oath to defend that concept, and this bill violates it.

Mr. TALENT. Mr. Speaker, I thank the gentleman from Illinois [Mr. HYDE] for having yielded to me, and I will just say that I know other Members want to speak. I practiced labor-management law for a number of years, and I can tell the gentleman that the kinds of blocking of ingress and egress, harassment, threats, that sort of thing, they are very common on picket lines particularly when the strike lasts for a few weeks, and I do not see any reason why, if we are going to federalize in one area, why we should not federalize in others. It is a question of basic fairness, as the gentleman said.

Mr. HYDE. Mr. Speaker, I agree with the gentleman from Missouri [Mr. TALENT].

It is my rough opinion that of all the people in this country 20 percent are militantly opposed to abortions for any reason. Twenty percent are for abortions for any reason or for no reason. And 60 percent of the people are uncomfortable with abortion.

I say to my colleagues, "You don't win their hearts, and minds and souls when you engage in violent conduct, and nobody is for that. I'm certainly not. But treat everybody alike. Don't cast a pall and a chill over your first amendment expressions of free speech, equal protections of the law."

Mrs. SCHROEDER. Mr. Speaker, for purposes of debate only, I yield 3 minutes to the gentlewoman from Virginia [Mrs. BYRNE].

Mrs. BYRNE. Mr. Speaker, I understand the gentleman who previously spoke, and his concerns, and those people of conscience, but there comes a time where we have to say, "You will not interfere with the rights, the legal rights, of those who you disagree with."

Mr. Speaker, we tried it in the civil rights movement. When Bull Connor blocked the school door from young black children and we said that was wrong, Mr. Speaker, he disagreed. He believed that his racist point of view was right. But that did not give him the right to keep those children out of school.

My colleagues, when we talk about people of conscience I can say from personal experience just across the river over in Falls Church we have a women's clinic, and what happened in that clinic was that people climbed upon the fire escapes, would not move, and, Mr. Speaker, when a policeman tried to get them to move, they kicked him in the eye and broke his eye socket, and when a woman who was 60 years old went to get her blood pressure tested, she was harassed, she was taken aside and pushed, and she actually went into a cardiac situation because of the treatment that she got at a health clinic because of the activities that were going on there through no fault of her own.

I would say to my colleagues that we have a case here that where people are being harassed, people are being interfered with their legal given rights, and my colleagues may argue, and all people do argue, about the legality, but it is a fact. It is a fact that they have legal rights under the law, and until that is changed we should not allow those rights under the Constitution to be taken from anyone.

Mr. SMITH of New Jersey. Mr. Speaker, will the gentlewoman yield?

Mrs. BYRNE. I yield to the gentleman form New Jersey.

Mr. SMITH of New Jersey. Mr. Speaker, the gentlewoman from Virginia [Mrs. BYRNE] makes a good point about the use of violence, or perhaps even the threat of violence, and that is exactly where I think there is a consensus among both prolifers and people who believe as the gentlewoman does. If somebody is going to kick somebody in the eye, they ought to be hauled off, it ought to be federalized, and I agree with that. It is when somebody gets in the way, perhaps holding a sign, perhaps with their hands in their pocket. That will also be treated as if they committed an act of violence. That is where the disparity, that is where the unfairness, accrues here.

Mrs. BYRNE. Reclaiming my time, Mr. Speaker, I would say to the gentleman, "You can hold a sign, and then you can hold a sign. If I'm trying to get someplace, and somebody puts that sign in my face and will not move, that's obstruction, that's interference, and it's totally different than peacefully protesting and counting our rosaries."

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me answer some of the questions.

First of all, all of us as Americans know we have the right to our basic beliefs, and certainly there is absolutely nothing in this bill, and it is restated over, and over, and over again, there is nothing in this bill that interferes with the right to free speech, free picketing, anything that is peaceful and anything that is nonviolent.

□ 1950

But what we do not have the right to do as Americans is take our beliefs and inflict or impose them on other people's beliefs. That is where your freedom ends. Your freedom ends where another person's beliefs begin. You do not have the right to impose them and to overrule that.

There is nothing in this bill dealing with free speech or nonviolent picketing, or you would never have the Committee on the Judiciary, the ACLU, civil libertarians and everyone else backing it. And I think we cannot say that enough.

What does this bill do? It says you cannot block access to a clinic. Now, why is that important? Well, because since 1977, there have been 33,000 arrests for blockading clinics. I have gone to our clinic in Colorado when there have been people there blockading, and it has taken the police to get through the line so women could get inside for their health care.

When you read the editorials of the many newspapers who are talking about why this bill should be passed, they went to the precedent that America has always had. The Federal Government does not move in until it appears that in some parts of the country there is a breakdown, that they cannot handle the numbers any more. Some places they handle it well, but some places they just cannot deal any more and basically clinics are having to close because they cannot get that protection.

Now, as the gentlewoman from the District of Columbia [Ms. NORTON] pointed out earlier, that tradition is longstanding. It is longstanding in the Ku Klux Klan Act. Unfortunately, women in this country were told the Ku Klux Klan Act does not apply to them because they were not a protected class when it happened, when it passed.

I hear what the gentlemen on the other side are saying. I am sure Bull

Connor said when he stood in front of the school door, I am just standing here nonviolently. Yes, but he was blocking access to the school door, and it was a Republican President, Mr. Eisenhower, who said no, that is not the American tradition, and called out the National Guard and made sure that he was moved to one side and children could have access.

There are many other Federal laws that do not allow blockage of access. Under labor laws, under section 158(B)(1)(a) of the NLRA, it says during a strike that it is an unfair labor practice to block employees from exercising their right to access to the workplace. There must be access or you can go into Federal Court and get an injunction. I know this. I use to work for the NLRB, and that used to be my job. So you can picket and do whatever you want, but you cannot say no one can come into this workplace.

There are many other areas. We have passed rules on animal rights violence. We do not allow animal rights protestors to shut off a clinic that has animal laboratories going on. They must allow access.

We have also got all sorts of laws that prohibit interference with voting. You cannot go say I am just passively encircling this voting booth, because we do not want those people to vote. No, that becomes a hostile act. Nor can you do it around a courthouse, a Federal courthouse, nor can you do it to obstruct a foreign official from trying to conduct business, nor can you do it on different Federal grounds and places where different things are occurring.

So there is all sorts of Federal laws. I can put in those citations in the report. I am not going to bore everyone.

What happened here is that in November both the House and Senate passed this bill by substantial margins. In the Senate it was 69 to 30. In this House we voted 246 to 182 not to recommit the bill.

Since November we have been thwarted from going to conference with the Senate. I have never seen it take this long to go to conference, and I have never seen this have to stay around to get rules, votes, have all these procedural things. We have had this argument over and over and over and over and over again, and I find it really incredible that just to go to conference with the Senate on this bill, we are having to go through all these hurdles again.

Are American women's rights that vulnerable? Apparently so, because I do not think we would play around with other bills and other rights, and at some point people say the majority have spoken, the majority have spoken clearly, and that we ought to proceed.

So tonight, that is what I am trying to say. The majority has spoken. We ought to proceed. We ought to get on to conference with the Senate, and we ought to be saying to American women, yes, they have the right to go to clinics for their health care. The majority of women of childbearing age get their health care in these clinics. That is where they go for all their health care. When we did a survey or a survey was done by another group, over 50 percent of the clinics have been harassed or surrounded or had acts of violence. This has gone on and on and on. I can read some of these horrendous acts of violence. They have been very, very, very, very serious.

So, Mr. Speaker, tonight I am not trying to delay this bill. I am trying to move this bill, and I certainly hope we can get on with it, because I think America's women are getting very impatient with this and feel that it is time that their rights be given as much respect as everyone else's rights have been given, as they have debated and debated and tied up and tried to do everything they could to thwart this bill that has had such strong majority support in both legislative bodies in this Capitol.

I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, everybody knows that the majority party in any legislative body controls the schedule. The reason that this issue has not come up until now is because the majority party has elected not to bring it up until now. The chairman of the Committee on the Judiciary could have had the committee pass what is called a rule XX motion, which would have given him the authority to come to the floor to move to send this bill to conference without having to go to the Committee on Rules and without having this kind of a restrictive rule situation.

He chose not to do so, even though the committee has met several times. So aside from one objection that was made a couple weeks ago by the gentleman from New Jersey [Mr. SMITH] any delay is solely the responsibility of the majority party because, their Speakers who sit in the chair do not recognize Republicans for making procedural motions to advance bills.

Now, secondly, the gentlewoman from Colorado [Mrs. SCHROEDER] who is very eloquent, talked about different strokes for different folks. People who obstruct the entrances to businesses on the picket line during labor disputes are charged with an unfair labor practice. That is entirely different than charging people who physically obstruct an abortion clinic with a felony.

Now, it seems to me that obstruction is obstruction. And if the business that is being obstructed is something that does something else besides provide abortions, they end up getting an unfair labor practice charge put against them, and whatever penalties flow from that.

But if you obstruct an abortion clinic, not only are you subjected to potential felonies, but also you are subjected to a new Federal civil cause of action that is established in this bill, with treble damages, plus the existing RICO suits, plus whatever state criminal and civil penalties lie, and I think that is a bit of overkill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Chairman, I know the gentlewoman got up a while ago. I was going to ask if she would yield on her time. I will yield to her now.

Mr. Speaker, there is a subject that interests me, the whole question of why we do not apply these kinds of remedies to other kinds of picket line violence. The gentlewoman from Colorado [Mrs. SCHROEDER] mentioned the Section 8 of the National Labor Relations Act. I do not understand the gentlewoman to be saying that there is anything like Federal protection for people who want to cross picket lines set up outside labor disputes. There is nothing like that currently today, nothing that is similar to what this law would provide for people crossing protesting lines to go into clinics. The gentlewoman is not claiming the two schemes of regulation are similar?

Mrs. SCHROEDER. Mr. Speaker, if the gentleman will yield, in a way, yes, I am. What I said is the Federal Government intervenes when it appears that at the local level they cannot handle these felonies. If there is violence on any labor picket line, obviously it can be a felony in any state court, and there has been absolutely no indication that state courts are not able to handle this.

The issue here is in many places state courts have not been able to handle this, as we found in racial issues and as we have found in voting issues in some parts of the country.

□ 2000

So what we have is, this bill does not preempt the state if they are able to deal with this. But what happens is it gives federal help, if they cannot enforce these national constitutional rights. We get our constitutional rights from being national citizens.

Mr. TALENT. Mr. Speaker, it seems to me the gentlewoman is switching a little bit. Now she is not saying that we do the same things in the labor law. She is saying we do not do the same things in labor law, because there the state courts are able to handle the situation.

Let me relate to the gentlewoman my experience. I practiced labor management law for about 10 years at home in St. Louis. I handled on my own at least a half-dozen cases where we had to try and go to the state courts to get an injunction to protect against exactly the kind of harassment that the gentlewoman is claiming is occurring here. It is very common to block ingress or egress, very common to engage, if there are threats, very common to have threats of physical violence. And often, if the strike goes on long enough, actually to have physical violence.

To say that the state courts are able to handle that and are not able to handle this, I just do not think that is correct. It seems to me if it justifies involvement, federalizing this area for this kind of violence, it justifies federalizing it for labor laws. And we have not done that.

The provision the gentlewoman mentioned applies only if we show the union was responsible. If it is just picket line violence, the Federal Government has no basis for intervening.

Mrs. SCHROEDER. Mr. Speaker, if the gentleman will continue to yield, I think almost every state in the Union has very strong criminal penalties against violence. Violence is violence is violence, whether it is picket line violence or any other kind of violence. But what has happened, and I am surprised that Missouri is not, I am sure if the gentleman means Missouri is not handling it, if they are not, maybe he should move on this, but what has happened here is we have had extensive hearings in our Subcommittee on Civil Rights a couple years ago showing there are regions of the country that absolutely have not been able to handle this kind of violence. As I say, 33,000 arrests are a lot, and they have totally shut down clinics.

Mr. TALENT. Mr. Speaker, the gentlewoman is saying that it indicates they are not able to handle it. It may indicate that they are able to handle it, and they are arresting a lot of people and that they are very interested and are enforcing these laws. We could never get the police to make those kinds of arrests typically on labor picket lines because of the nature of the situation.

Mrs. SCHROEDER. Then the gentleman should offer that kind of an amendment or offer that kind of a bill. But I have not heard that that has broken down nationwide, and almost everybody who really looks at this fairly understands there are certain parts of this country where there is not a family planning clinic.

Mr. TALENT. Mr. Speaker, the gentlewoman knows that under the rule I would not have been permitted to offer that amendment. I did not go to the Committee on Rules.

Mrs. SCHROEDER. I said "bill." I corrected the record. But we do not try and bring a bill out that corrects every evil. This is very specifically directed. This House has dealt with this over and over again. And what we have seen is regions that are not doing it. And the regions that can handle it, fine. But it is just like our problems we have had with racial justice. It is like our problems that we have had in other areas, as this country tries to keep saying, "You get your rights because of your national citizenship." And if the states cannot help, then we have a duty to move in. But we do not do it unless it appears the states cannot handle it.

Mr. TALENT. Mr. Speaker, if the gentleman from New York [Mr. SCHUMER] were here, it might be better to direct these questions to him, although I do not know how involved the gentlewoman was. Were hearings held on the amount of violence in other areas and whether the local authorities were as able to handle that? Does the gentlewoman know whether the committee went into that?

Mrs. SCHROEDER. Yes. The committee did have those kind of hearings. And actually, not only his committee, but the Subcommittee on Civil and Constitutional Rights had them a couple years ago and not long ago.

Ms. PELOSI. Mr. Speaker, I rise today in strong support of the motion to go to conference on S. 636, the Freedom of Access to Clinic Entrances Act and in opposition to any efforts to delay the conference of this important bill.

S. 636 would guarantee the protection of rights for people on both sides of the abortion issue to engage in peaceful protest. The bill also would extend protection for women seeking access to reproductive health services legally available to them and for providers who offer those reproductive health services.

The Freedom of Access to Clinic Entrances Act would provide for the imposition of civil and criminal penalties on individuals who intentionally prevent other individuals from entering or exiting a reproductive health facility. This bill is necessary because abortion issue extremists have too often overstepped their constitutionally protected rights of free speech and assembly and acted illegally, impeding and obstructing the constitutional rights of others.

S. 636 would explicitly protect constitutional rights by preserving the freedom to peacefully demonstrate under the first amendment at clinics. This bill would not prohibit or punish lawful activity such as the passing out of leaflets, praying in front of clinics, picketing, and other protesting without force, threat of force, or physical obstruction. The bill does prohibit the use or threat of force at clinic entrances.

Last November, the House and Senate overwhelmingly passed the Freedom of Access to Clinic Entrances Act. The time has come for Congress to move forward with final consideration of this bill.

Mr. Speaker, I urge my colleagues to oppose any efforts to further delay action on S. 636 and to vote in favor of sending S. 636 to conference.

Mrs. VUCANOVICH. Mr. Speaker, I rise today to voice my support for Mr. SENSENBRENNER's motion to instruct conferees.

This motion would instruct conferees to agree to language that extends this bill's protection to places of worship and the worshipers in them.

While violence at abortion clinics has risen in the last year, so has violence directed at places of worship, especially when members of the congregation have been exercising their first amendment right of free speech.

In January 1992, a home for unwed mothers called Our Father's House was burned to the ground. Later that year, when Cardinal Mahoney visited a church in Los Angeles, protesters splashed red paint all over the church walls and entry ways. Posters with the Cardinal's picture and the words "Mahoney is a murderer" were pasted up and almost impossible to remove. In McLean, VA, the Temple Rodef Shalom had anti-Semitic obscenities spray painted in red across the front of the building.

These are but a few examples of what is happening across the country. Places of worship are being vandalized, desecrated, and robbed.

It seems to me that as we pass a bill that provides protection from interference for those seeking an abortion, we can do no less than to also provide protection from violence and interference for those Americans of all religious persuasions who seek to exercise their first amendment right of religious freedom.

I urge my colleagues to vote for the Sensenbrenner motion to instruct conferees. It is a vote in support of religious freedom and a vote to protect America's places of worship.

Mr. FAZIO. Mr. Speaker, this is not about abortion, or the right to choose. It is about protecting patients and health care providers from the rapidly escalating violence that we have been witnessing at reproductive health clinics around the country.

Over the past 10 years we have seen over 1,000 incidents of violence and almost 500 blockades—not peaceful demonstrations—at reproductive health care facilities. Yet, State and local laws have not been enough to address the scope of the problem.

This bill gives the Federal Government the power to act when—and only when—protestors go beyond the lawful expression of their views and resort to acts of violence against those with whom they do not agree. It does not violate anyone's right to free speech or to demonstrate peacefully.

I respect the rights of those who believe that abortion is wrong. However, I also support a woman's right to access the complete range of reproductive health services, and the right of health care providers to render these services—without being assaulted or harassed.

The Freedom of Access to Clinic Entrances Act passed both Houses of Congress—overwhelmingly—during the last session of Congress. This bill is necessary. This bill is overdue. It is time to go to conference so that it can become law.

Ms. SNOWE. Mr. Speaker, I rise in support of sending the Freedom of Access to Clinic Entrances Act [FACE] to conference. This legislation, S. 636, is designed to prevent the increasing violence that has accompanied the debate over a woman's fundamental right to critical health care services, including reproductive health care services.

The overwhelming support for this legislation in both chambers signifies that the escalating level of nationwide violence at health care facilities is unacceptable to a majority of Americans. Regardless of viewpoint, murder, arson, bombing, and vandalism are unacceptable. In a 15-year period ending last year, 1,000 acts of violence against providers of reproductive health services were reported. Sixteen clinics were burned. Almost one-quarter of reproductive health clinics surveyed reported staff resignations as a direct result of the violence. This legislation is vital and necessary to protect both rights and lives.

This bill does not prevent individuals from exercising their First amendment rights. It does not prevent lawful picketing or protest without force. But it does not prevent free speech. And it does not prevent peaceful protest. It does prevent forceful, threatening acts which would clearly deny a woman her right of access to reproductive health services.

I urge my colleagues to vote to send the Freedom of Access to Clinic Entrances Act to conference so that we, as a legislative body, can provide a legal venue to halt this epidemic of violence.

Ms. BROWN of Florida. Mr. Speaker, I rise today to speak out vocally in support of the Freedom of Access to Clinic Entrances Act. This legislation is long overdue.

My home State of Florida has seen the kinds of destruction that violent antiabortion protesters can unleash. Dr. David Gunn was shot because he provided a necessary medical service to Florida's women. There can be no justification for this kind of violence.

Women too often face physical and physiological harassment when they step inside a reproductive health clinic. Clinic staff also threatened by the actions of antiabortion protesters. Numerous clinics nationwide have been vandalized, set on fire, and bombed this past year. These clinics provide more than just abortion services, they provide basic health care needs for thousands of women every day. Access to these services cannot be denied.

Abortion is a woman's right in this Nation. Her access and physical well-being cannot be allowed to be threatened in this most difficult time.

Mr. FARR. Mr. Speaker, today I join my colleagues in voicing strong support for sending H.R. 796 to conference committee.

The Freedom of Access to Clinic Entrances Act will send a clear message to the American people that shootings, arson, and physical threats are neither appropriate nor legitimate means of expressing political and moral differences.

This law will protect a woman's constitutional right to privately, freely, and safely choose abortion if she so chooses. H.R. 796 achieves this without impeding on the rights of those who choose to peacefully picket or demonstrate.

Last December, a clinic in my district, the Choice Medical Group, won a preliminary injunction that keeps protesters off clinic property. Since then, the entrance to the clinic is only used by people coming to use medical services. Ms. Genevieve Grein, certified nurse practitioner and clinic administrator told me that she is awed by the difference this has made for patients arriving at the clinic. Patients can now drive into clinic grounds past the protesters and arrive relatively calm and relaxed instead of traumatized, in tears, and highly stressed.

This is the way it should be for all woman visiting a clinic.

Since David Gunn was murdered, special arrangements have to be made when doctors visit the clinic. The injunction has relieved anxiety for doctors and clinic employees.

I believe that H.R. 796 will bring much needed relief and protection to the constitutional rights of women in our Nation.

Mr. PENNY. Mr. Speaker, I rise in opposition to the freedom of access to clinic entrances bill. I do not support abortion and have consistently voted against legislation authorizing abortions. In spite of my strong pro-life convictions, however, I recognize the right of abortion-rights activists to march and peaceably demonstrate. If they should break the law while protesting they should be penalized to the same extent as any other offender.

I oppose this bill because it punishes those protesting abortion out of proportion to other civil disobedience crimes. Under FACE, the motivation of the person or cause for which they demonstrate, as opposed to the action itself, determines whether a felony has been committed. This bill targets a specific activity whose sole objective is to exercise a right to political speech. Clearly, a demonstrator who violates the law should be held accountable and punished. But his or her criminal liability should not hinge upon which side of the public debate they happen to fall.

My strongest conviction, perhaps, is to enlarge the spectrum of public debate. This bill threatens to inhibit the expression of free speech, a dangerous precedent for Congress to set on an issue embedded in the hearts of so many Americans.

The Sensenbrenner motion to instruct advocates expanding this group of felonies to include protesters that restrict access to a place of religious worship. Again, a group of protesters at a specific locale would be charged with a more severe crime based on the location of the offense.

The first amendment has played a critical role in our development as a nation. Any attempt to limit this fundamental right must carefully weigh the discourse's potential damage against the harm restricting speech will cause to the public good. Neither the freedom of access to clinic entrances bill nor the Sensenbrenner amendment consider the toll they will take on our treasured first amendment rights.

The SPEAKER pro tempore (Mr. STUDDS). The time of the gentleman from Wisconsin [Mr. SENSENBRENNER] has expired.

Mrs. SCHROEDER. Mr. Speaker, I thank everyone for their indulgence, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the amendment and on the bill.

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO COMMIT OFFERED BY MR. SMITH OF NEW JERSEY

Mr. SMITH of New Jersey. Mr. Speaker, I offer a motion to commit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SMITH of New Jersey. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to commit.

The Clerk read as follows:

Mr. SMITH of New Jersey moves to commit Senate 636, as amended, to the Committee on the Judiciary.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to commit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SMITH of New Jersey. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Chair announces that, pursuant the provisions of clause 5 of rule XV, he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 168, nays 233, not voting 32, as follows:

[Roll No. 69]

YEAS—168

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Blute
Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Cox
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kanjorski
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Leach
Levy
Lewis (FL)
Lightfoot
Lipinski
Manzullo
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
McNulty
Mica
Miller (FL)
Mollohan
Moorhead
Murtha
Myers
Nussle
Oberstar
Ortiz
Oxley
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers

Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Sarpalius
Saxton
Sensenbrenner
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wolf
Young (AK)
Young (FL)

NAYS—233

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Houghton
Hoyer
Huffington
Hughes
Inslee
Jacobs
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kaptur
Kennedy
Kennelly
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCurdy
McHale
McInnis
McKinney
Meehan
Menendez
Meyers
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Nadler
Neal (MA)
Neal (NC)
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Waxman
Wheat
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOT VOTING—32

Brown (CA)
Collins (IL)
Costello
Dooley
Farr
Fazio
Fowler
Gallo
Grandy
Green
Hastert
Hastings
Jefferson
Johnston
Lewis (CA)
Linder
Livingston
Manton
Martinez
McCloskey
McDermott
Meek
Mfume
Michel
Murphy
Natcher
Rostenkowski
Schaefer
Skelton
Torres
Tucker
Watt

□ 2025

Mr. GREENWOOD and Mr. MINGE changed their vote from "yea" to "nay."

Mr. PETERSON of Minnesota changed his vote from "nay" to "yea."

So the motion to commit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. STUDDS). The question is on the passage of the Senate bill, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 237, noes 169, not voting 27, as follows:

[Roll No. 70]

AYES—237

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Baesler
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Boucher
Brewster
Brooks
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dicks
Dingell
Dixon
Dooley
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hoagland
Hochbrueckner
Horn
Houghton
Hoyer
Huffington
Hughes
Inslee
Jacobs
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kennedy
Kennelly
Kleczka
Klein
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCurdy
McHale
McInnis
McKinney
Meehan
Menendez
Meyers
Miller (CA)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moran
Morella
Nadler
Neal (MA)
Neal (NC)
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pickle
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thomas (CA)
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Zeliff
Zimmer

NOES—169

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bevill
Bilirakis
Bliley
Blute
Boehner
Bonilla
Borski
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Costello
Cox
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Gallegly
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Manzullo
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
McNulty
Mica
Miller (FL)
Mollohan
Moorhead
Murtha
Myers
Nussle
Oberstar
Ortiz
Oxley
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Sarpalius
Saxton
Sensenbrenner
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (WY)
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)

NOT VOTING—27

Brown (CA)
Collins (IL)
Farr
Fowler
Gallo
Grandy
Green
Hastert
Hastings

Jefferson
Johnston
Linder
Livingston
Manton
Martinez
McDermott
Meek
Mfume
Michel
Murphy
Natcher
Rostenkowski
Schaefer
Skelton
Torres
Tucker
Watt

☐ 2033

So the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

TITLE AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

> Title amendment offered by Mrs. SCHROEDER: The title of the Senate bill is amended so as to read: "A bill to amend title 18, United States Code, to assure freedom of access to reproductive services."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

MOTION OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Speaker, pursuant to House Resolution 374, I offer a motion.

The Clerk read as follows:

> Mrs. SCHROEDER moves that the House insist on its amendments to S. 636 and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. STUDDS). The gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 1 hour.

Mrs. SCHROEDER. Mr. Speaker, because of the prior agreement and, hopefully, the momentum that we are gaining on this, I yield for the purpose of debate only 30 minutes to the gentleman from Wisconsin [Mr. SENSENBRENNER] and yield myself the remaining 30 minutes for purpose of debate only, and I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank the gentleman for yielding this time to me.

Mr. Speaker, at the outset let me say that we do not intend taking our full time.

Let me make a couple of very brief points. Frankly, Mr. Speaker, I am very saddened and deeply disappointed that the Committee on the Judiciary and Members on the other side of the aisle and on our side, to some extent, have embraced language in this bill that turns acts of nonviolent civil disobedience into felonies with heavy jail time and massive criminal and civil fines.

This bill represents an abuse of police power and is unprecedented in its attempt to obliterate and crush dissent by pro-lifers at abortion mills.

Let me just remind Members about what we are about here: This legislation will make a Federal felony for those persons who just merely attempt, who merely attempt to obstruct or in some way interfere at an abortion clinic. Holding a sign in one's hand on a sidewalk with 15 or 20 people perhaps could easily be misconstrued to be obstruction, actionable under this piece of legislation, unprecedented abuse of police powers.

Mr. Speaker, the other day Mother Teresa made a very strong statement at the National Prayer Breakfast. She said, and I quote:

> Please don't destroy the child. We will take the child. So we always have someone to tell the mother in trouble, come and we will take care of you, we will give you a home for your child. Please don't kill the child. I want the child. Give me the child. I am willing to accept any child who would be aborted and give that child to a married couple who will love and cherish that child.

She went on to point out that they have saved some 3,000 children in Calcutta alone.

Right now there are sidewalk counselors and tens of thousands of people throughout the country who regularly go to abortion mills with nothing but compassion in their hearts, nothing but love for the woman who is on her way to get that abortion. They stand there, sidewalk counseling, perhaps holding a picket sign, perhaps giving out some literature and information where she can get positive alternatives to abortion. And in these instances, Mr. Speaker, this legislation will give the abortionist, those who work there and perhaps those women who want to take this action, those who are on their way to get an abortion, the ability to throw these people into jail for 3 years, 3 years for simply getting in the way.

Again, getting in the way is in the eyes of the beholder. It is very easy to say that person "was in my way."

I could go stand at that door right now, Mr. Speaker, right now with 4 other Members, and someone could say, "I can't get out that door." That action at an abortion clinic would be actionable. This is unfair, an abuse of power, and the only reason we have had these series of votes is to underscore just how patently unfair and wrong this legislation is.

I say go after the bombers, go after those who commit violence, and all of us are, hopefully, dead set against that. We are talking about peaceful, nonviolent demonstrators.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Georgia.

Ms. McKINNEY. Mr. Speaker, I rise today in support of the Freedom of Access to Clinic Entrances Act.

Repeatedly, those opposed to H.R. 796 have said that never before has someone become a felon simply by blocking an entrance.

Well, Mr. Speaker, the reality is that women, clinic workers, doctors and their families brave bullies at their homes and offices every day. This bill is directed at terrorists and their malicious acts of violence. These individuals are blocking real live Americans from exercising their constitutional rights.

Terrorists harass women throughout Georgia and the United States going into health clinics—regardless of whether they are at the clinic for an abortion, family planning, or a PAP smear.

We cannot stand by and allow Americans to endure this terrorism day in and day out.

I encourage my colleagues to support the rule for the Freedom of Access to Clinic Entrances bill.

Mrs. SCHROEDER. Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

Mrs. SCHROEDER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. STUDDS). The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SMITH of New Jersey. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 166, not voting 39, as follows:

[Roll No. 71]

YEAS—228

Abercrombie
Ackerman
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Bacchus (FL)
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bishop
Blackwell
Boehlert
Bonior
Borski
Boucher
Brewster
Brooks
Brown (FL)
Brown (OH)
Bryant
Byrne
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Coyne
Cramer
Danner
Darden
DeFazio
DeLauro
Dellums
Derrick
Deutsch
Dingell
Dixon
Dooley
Durbin
Edwards (CA)
Edwards (TX)
Engel
English
Eshoo
Evans
Fawell
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Gordon
Greenwood
Gutierrez
Hamburg
Hamilton
Harman
Hefner
Hilliard
Hoagland
Hochbrueckner
Horn
Houghton
Huffington
Hughes
Inslee
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Kaptur
Kennedy
Kennelly
Kleczka
Klug
Kolbe
Kopetski
Kreidler
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Lewis (GA)
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCloskey
McCurdy
McHale
McInnis
McKinney
Meehan
Menendez
Miller (CA)
Mineta
Minge

Mink
Moakley
Molinari
Montgomery
Morella
Nadler
Neal (MA)
Neal (NC)
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reed
Reynolds
Richardson
Ridge
Roemer
Rose
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Sawyer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slattery
Slaughter
Smith (IA)
Snowe
Spratt
Stark
Stokes
Strickland
Studds
Swett
Swift
Synar
Tanner
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Unsoeld
Valentine
Velazquez
Vento
Visclosky
Washington
Waters
Waxman
Wheat
Whitten
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Zeliff
Zimmer

NAYS—166

Allard
Applegate
Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bilirakis
Bliley
Blute
Boehner
Bonilla
Browder
Bunning
Burton
Buyer
Callahan
Calvert
Camp
Canady
Clinger
Coble
Collins (GA)
Combest
Costello
Cox
Crane
Crapo
Cunningham
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
Everett
Ewing
Fields (TX)
Fish
Gekas
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Grams
Gunderson
Hall (OH)
Hall (TX)
Hancock
Hansen
Hastert
Hayes
Hefley
Herger
Hobson
Hoekstra
Hoke
Holden
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Johnson, Sam
Kanjorski
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kyl
LaFalce
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Manzullo
McCollum
McCrery
McDade
McHugh
McKeon
McMillan
McNulty
Mica
Miller (FL)
Mollohan
Moorhead
Murtha
Myers
Nussle
Oberstar
Ortiz
Packard
Parker
Paxon
Penny
Peterson (MN)
Petri
Pombo
Portman
Poshard
Quillen
Quinn
Rahall
Ravenel
Regula
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Santorum
Sarpalius
Saxton
Sensenbrenner
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Solomon
Spence
Stearns
Stenholm
Stump
Stupak
Sundquist
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Upton
Volkmer
Vucanovich
Walker
Walsh
Weldon
Wolf
Young (AK)
Young (FL)

NOT VOTING—39

Baesler
Brown (CA)
Collins (IL)
Dicks
Farr
Foglietta
Ford (MI)
Fowler
Gallegly
Gallo
Grandy
Green
Hastings
Hinchey
Hoyer
Johnston
Klein
Linder
Livingston
Manton
Martinez
McCandless
McDermott
Meek
Meyers
Mfume
Michel
Moran
Murphy
Natcher
Oxley
Pickle
Rostenkowski
Roukema
Schaefer
Skelton
Tucker
Watt
Yates

□ 2058

Mr. KANJORSKI and Mr. GINGRICH changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MOTION TO INSTRUCT CONFEREES OFFERED BY MR. SENSENBRENNER

Mr. SENSENBRENNER. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. SENSENBRENNER of Wisconsin moves that the Managers on the part of the House, at the Conference on the disagreeing votes of the two Houses on the bill S. 636, Freedom of Access to Clinic Entrances Act of 1993, be instructed to agree to the Senate Amendment No. 1190 (known as the "Hatch Amendment") regarding the protection of religious institutions and the First Amendment rights of those who worship within them.

The SPEAKER pro tempore (Mr. STUDDS). The gentleman from Wisconsin [Mr. SENSENBRENNER] is recognized for 30 minutes.

Does the gentlewoman from Colorado [Mrs. SCHROEDER] seek recognition in opposition to the motion?

Mrs. SCHROEDER. Mr. Speaker, I would like to be recognized in response to the gentleman.

The SPEAKER pro tempore. The gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. SENSENBRENNER].

□ 2100

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when the Senate considered this legislation, that body adopted an amendment offered by the Senator from Utah [Mr. HATCH], which would apply the same penalties contained in the FACE legislation to those who obstruct religious services, meaning there is an exact same symmetry between the penalties contained in FACE for obstruction of abortion clinics as those who would invade church sanctuaries during the conduct of religious services and prevent the officiants from conducting the services according to the structures of their own religious denomination. The free exercise of religion is protected by the first amendment.

This legislation made sure that those who choose to interrupt and interfere with those who wish to avail themselves of their first amendment rights to freely exercise their religion will be able to be prosecuted and subject themselves to the same type of civil and criminal penalties as those who obstruct abortion clinics.

I urge support of this motion to instruct.

Mrs. SCHROEDER. Mr. Speaker, will the gentleman yield?

Mr. SENSENBRENNER. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Speaker, I thank the gentleman for yielding to me, and I thank him for being so quick.

I just want to say I am going to vote for the motion of the gentleman from Wisconsin [Mr. SENSENBRENNER] to instruct conferees. I know many of the Members who support FACE will do this. We did not oppose the concept behind the Hatch amendment, because we believe churches, synagogues and other places used primarily for religious worship deserve protection from violence and threats of violence.

Mr. HATCH and Mr. KENNEDY reserved the right to make sure the language was correct, and I am sure the gentleman will want to work on that, too, so we want to make sure that that is possible, as we go into conference. But I think we are all in agreement on that.

I thank the gentleman for calling this to our attention.

Mr. SENSENBRENNER. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Speaker, as Gomer Pyle used to say, "Surprise, surprise, surprise."

I guess Members on both sides of the aisle, those who have made abortion at all cost a personal, living commitment and mirror religion, in some cases, a religion, have decided they do not want to face, as Senators who represent whole geographical entities called States do, do not want to go back and face people who are sick and tired of seeing synagogues smeared with ugly Nazi symbols. I was going to call this the St. Patrick's Cathedral amendment. And all of a sudden, the other side has caved, because I sense that they were going to lose this, too.

There is so much fright going on with this issue. But I am not going to give up this opportunity to do what I did earlier and show some Members, like the few that were on the floor, what my 12-year-old grandchild, Ricky Cobban, found in the Virginia C&P phone book yellow pages under the green coupon section. It is a coupon to get 5 percent off an abortion, and abortion is listed first, 5 percent off an abortion. My 12-year-old grandchild ripped this out and said, "Can you use this in a speech, Poppy?"

I have kept that promise twice today. Let me point out why we are not through debating abortion on this House now or ever.

Bishop Daley, the good RC Bishop up in Brooklyn, said the reason that our country is invested with violence is because when we tell mothers they can kill babies in their wombs and do it behind their parent's back, if they are teenagers, and do it with Federal dollars, which we are going to be fighting here forever also, that we will always have a country of violence. And when Mother Teresa, and I know some would like to see her go away, tells Americans, this tiny little, 90-pound Albanian born lady, that this is the greatest destroyer of peace, she is warning us that this great, beautiful Nation, from sea to shining sea, is always, always going to be a land of violence.

When a person who did not deserve to be bushwhacked in the back by some espousing pro-lifer who had lost it, Michael Griffin, who will pay with the rest of his life in some slimy jail fighting off male rape, that doctor had killed or was about to kill 10, 20 children in their mothers' wombs that day, 4,500 people died that day and the dominant media culture went ape squat over the abortionist.

What about the death toll every second, every minute, every hour in this country, 30 million dead Americans?

I will close on this: The American women, a lot of reference to that, it is American women that drive the pro-life movement and that lay their bodies down in front of those clinics, not men, the women, 90 percent, God bless them, female Americans protecting motherhood and innocent human life.

Have a nice St. Patrick's Day. God before me. Jesus behind me.

Mrs. SCHROEDER. Mr. Speaker, I insert the following correspondence for the RECORD.

DECEMBER 20, 1993.

MEG GREENFIELD,
Editorial Page Editor, The Washington Post, Washington, DC.

DEAR MS. GREENFIELD: Both Robert D. Novak and George F. Will in columns published on the op-ed page ("Inviolable Clinics . . . Vulnerable Churches," December 9, 1993) suggest that gay lobbying groups were responsible for the delay in Congressional enactment of the clinic access bill in the closing days of the recent Congressional term. Mr. Novak and Mr. Will claim that Senator Orrin Hatch's amendment applying penalties to protesters who obstruct access to churches was blocked by gay lobbyists. This charge is completely untrue.

Before Senator HATCH's amendment was ever discussed, both the Human Rights Campaign Fund and the National Gay and Lesbian Task Force encouraged Senators to support the clinic access bill without amendments. While some individual members of the gay community may hold differing views, the only two national gay lobbying groups made it clear to supporters of the bill that they would accept inclusion of the Hatch language.

Mr. Novak quotes Senator HATCH as saying "I am certain that the homosexual lobby was involved here," but he is wrong. The Hatch Amendment is acceptable because it protects the religious freedom of gays and non-gays alike.

Opponents of the clinic access bill appear to be attempting to create divisions where they do not exist. The pro-choice community and the gay and lesbian community share a mutual goal of guaranteeing Americans the opportunity to exercise their constitutionally protected rights. We urge and expect the Congress to complete the conference in January and the President to sign the clinic access bill.

Sincerely,

TIM MCFEELEY,
Executive Director, Human Rights Campaign Fund.

KATE MICHELMAN,
President, National Abortion Rights, Action League.

PAMELA J. MARALDO,
President, Planned Parenthood Federation of America.

PERI JUDE RADECIC,
Executive Director, National Gay and Lesbian Task Force.

Mrs. SCHROEDER. Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore (Mr. STUDDS). The question is on the motion to instruct offered by the gentleman from Wisconsin [Mr. SENSENBRENNER].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SENSENBRENNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 398, noes 2, not voting 33, as follows:

[Roll No. 72]

AYES—398

Abercrombie
Ackerman
Allard
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Bacchus (FL)
Bachus (AL)
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Becerra
Beilenson
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Burton
Buyer
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Derrick
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Everett
Ewing
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (TN)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamburg
Hamilton
Hancock
Hansen
Harman
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Hoke
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (GA)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manzullo
Margolies-Mezvinsky
Markey
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McKinney
McMillan
McNulty
Meehan
Menendez
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Neal (MA)
Neal (NC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Ridge
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schenk
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skaggs
Skeen
Slattery
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Unsoeld
Upton
Valentine
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Washington
Waters
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—2

Nadler
Penny

NOT VOTING—33

Baesler
Bunning
Collins (IL)
Cox
Farr
Ford (MI)
Fowler
Gallegly
Gallo
Grandy
Green
Hastings
Johnson (CT)
Johnston
Linder
Livingston
Manton
Martinez
McDermott
Meek
Mfume
Michel
Murphy
Natcher
Pickle
Rostenkowski
Schaefer
Skelton
Smith (OR)
Sundquist
Tucker
Watt
Yates

□ 2127

Mr. NADLER changed his vote from "aye" to "no."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HILLIARD). Without objection, the Chair appoints the following conferees on S. 636, the Freedom of Access to Clinic Entrances Act:

Suggested conferees on S. 7636, Freedom of Access to Clinc Entrances Act.

From the Committee on the Judiciary: Messrs. BROOKS, SCHUMER, EDWARDS of California, and CONYERS, Mrs. SCHROEDER, and Messrs. SENSENBRENNER, HYDE, and CANADY.

From the Committee on Energy and Commerce: Messrs. DINGELL, WAXMAN, SYNAR, MOORHEAD, and BLILEY.

There was no objection.

Mr. MFUME. Mr. Speaker, I was unavoidably absent and therefore missed four rollcall votes on S. 636, the freedom of access of clinic entrances bill. Specifically, I missed rollcall vote number 69, on whether or not to commit the bill with instructions, on which I would have voted "no"; rollcall vote number 70, final passage, on which I would have voted "aye"; rollcall vote number 71, to insist on the House amendments, on which I would have voted "yea"; and rollcall vote number 72, to instruct conferees, on which I would have voted "yea."

PERSONAL EXPLANATION

Mr. LINDER. Mr. Speaker, I was unavoidably absent and therefore missed 4 rollcall votes on S. 636. Specifically, I missed rollcall votes No. 69, 70, 71, and No. 72. Had I been present, I would have voted "Yea" on vote No. 69, "No" on vote No. 70, "Nay" on vote No. 71, and "Aye" on vote No. 72.

PERSONAL EXPLANATION

Mr. HASTERT. Mr. Speaker, I had to miss the roll call vote on a motion to commit S. 636 to the Judiciary Committee on March 17, 1994. Had I been present, I would have voted "yea" on roll call vote number 69. I also had to miss the roll call vote on passage of S. 636. Had I been present, I would have voted "nay" on roll call vote number 70.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 636, the Senate bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

APPOINTMENT AS MEMBERS OF DELEGATION TO ATTEND CONFERENCE OF THE INTERPARLIAMENTARY UNION TO BE HELD IN PARIS, FRANCE

The SPEAKER pro tempore. Pursuant to the provisions of 22 U.S.C. 276a–1, the Chair, without objection and at the direction of the Speaker, appoints to the delegation to attend the conference of the Interparliamentary Union to be held in Paris, France from March 20, 1994 to March 26, 1994 the following Members on the part of the House: Mr. ENGEL of New York, chairman; Mr. FALEOMAVAEGA of American Samoa, vice chairman; Mr. PAYNE of New Jersey; Mr. TANNER of Tennessee; and Miss COLLINS of Michigan.

There was no objection.

APPOINTMENT AS MEMBERS OF UNITED STATES DELEGATION OF THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP FOR THE SECOND SESSION, 103D CONGRESS

The SPEAKER pro tempore. Pursuant to the provisions of 22 U.S.C. 276h, the Chair, without objection and at the direction of the Speaker, appoints as Members of the United States delegation of the Mexico-United States Interparliamentary Group for the Second Session of the 103d Congress the following Members on the part of the House: Mr. DE LA GARZA of Texas, Chairman; Mr. TORRICELLI of New Jersey, vice chairman; Mr. GEJDENSON of Connecticut; Mr. COLEMAN of Texas; Mr. MILLER of California; Mr. RANGEL of New York; Mr. MATSUI of California; Mr. GILMAN of New York; Mr. GOODLING of Pennsylvania; Mr. DREIER of California; Mr. KOLBE of Arizona; and Mr. DELAY of Texas.

There was no objection.

LEGISLATIVE PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I ask for this time for the purpose of ascertaining the schedule for the upcoming week.

Mr. Speaker, I yield to the majority leader, the gentleman from Missouri [Mr. GEPHARDT], to tell us about next week's schedule.

□ 2130

Mr. GEPHARDT. I thank the gentleman for yielding.

Obviously, there are no more votes today. There will not be votes on tomorrow.

On Monday, March 21, the House will meet at noon to take, under suspension, 15 different suspension bills which are listed:

H.R. 3235, Money Laundering Suppression Act of 1994

H.R. ——, Multi-family Housing Property Disposal Reform Act

H.R. 3360, The Ballast Water Control Act

H.R. 3786, The Recreational Boating Safety Improvement Act

H.R. 3886, To amend the boundaries of the Flower Garden Banks National Marine Sanctuary

H.R. 1394, The National Oceanic and Atmospheric Administration Great Lakes Improvement Act

H.R. 2063, National Coastal Resources Development Act of 1993

H.R. 2760, The Marine Mammal protection Act Amendments of 1993

H.R. 3664, To Convey To The State of Minnesota The New London National Fish Hatchery Production Facility

S. 476, National Fish and Wildlife Foundation

S. 1574, To Authorize Appropriations For The Coastal Heritage Trail Route In The State Of New Jersey

H.R. 3516, To Increase Highway Authorization For Chickamauga And Chattanooga National Military Park In Georgia

H.R. 4034, The Urban Recreation And At Risk Youth Act of 1994

H. Con. Res. 124, Concerning The Emancipation Of The Iranian Baha'i Community

H.R. 3813, Environmental Export Promotion Act of 1994

These bills will not have recorded votes until the end of the legislative business.

I would tell the gentleman that our anticipation is that at about 2:30 or 3 in the afternoon we will break from the suspension bills' consideration and go to H.R. 6, continuation of its consideration, the Elementary and Secondary Education Amendments of 1993. We would like to complete consideration of that bill on Monday and Monday evening if we can.

Any of these suspension bills that are not finished on Monday will go over until Tuesday.

On Tuesday, March 22, and the balance of the week:

The House will meet at 10:30 a.m. for morning hour on Tuesday; it will then meet at noon on Tuesday; at 2 p.m., on Wednesday and at 11 a.m. on Thursday and Friday.

The following bills are scheduled at this point for consideration: H.R. 3345, the Federal Work Force Restructuring Act conference report, subject to a rule; House Resolution 369, Committee funding resolution, subject to a rule; the House resolution relating to the Omnibus Crime Control Act, subject to a rule, and the Goals 2000 conference report. Obviously, conference reports can be brought up at any time.

Any further program will be announced later.

At the close of the week's business, the House will recess until noon on Monday, April 11, for the Easter district work period.

Mr. WALKER. I thank the gentleman. I have just a couple of questions. In looking over these suspensions list, I note that lobbying reform is not on there. I had understood if that came up it would probably come up under suspension calendar. Is that something that is likely to be added?

Mr. GEPHARDT. As the gentleman may know, we have been having a conversation with the leadership on the other side about this legislation. There is still a possibility that it will, by consent, be brought up as a suspension later in the week, but we have not made that determination.

Mr. WALKER. It would not appear on Monday or Tuesday?

Mr. GEPHARDT. That is correct.

Mr. WALKER. When the gentleman says we are going to complete consideration of H.R. 6, it is my understanding there are about 24 amendments left on that. Is there any expectation that we could move through that number of amendments and complete work on Monday?

Mr. GEPHARDT. It is my understanding there are 20 or so amendments. We hope to be able to finish on Monday, but we will not go to a late, late hour. We will go to a reasonable hour and then we will take it back up on Tuesday.

Mr. WALKER. It is my understanding also that suspensions carried over until Tuesday will probably be debated in the evening, is that correct, rather than as the first order of business of the day?

Mr. GEPHARDT. That is correct.

Mr. WALKER. And would we expect probably to take up the committee funding resolution as the first order of business on that day?

Mr. GEPHARDT. On Tuesday?

Mr. WALKER. On Tuesday, yes.

Mr. GEPHARDT. We will consult with the minority on the best order of business. It depends on the education bill and where we are on suspensions, but we will consult with you before that is actually brought up.

Mr. WALKER. Just one other question. I had heard some rumor that we might debate the Crime Control Act under two rules, one for general debate and then a second rule for the amendments. Is that the gentleman's understanding of the procedures we are going to utilize?

Mr. GEPHARDT. If the gentleman will yield, we will get the report from the committee tomorrow. They did finish their work this evening. We will have to talk with the Committee on Rules after that, after we see the bill. As the gentleman knows, sometimes having a separate bill for general debate makes the schedule work better, and there may be a desire to do that. But we have not made that decision.

Mr. WALKER. I thank the gentleman.

It is also my understanding that there will be an attempt to get us out in pretty good time on Friday because of Passover and a number of other considerations, is that right?

Mr. GEPHARDT. The gentleman is correct. We have Members who need to get to the West Coast before sundown.

Mr. WALKER. And we can expect late nights, as I understand it, on Monday, Wednesday, and Thursday, is that correct?

Mr. GEPHARDT. That is right.

Mr. WALKER. I thank the gentleman and yield back.

ADJOURNMENT TO MONDAY, MARCH 21, 1994

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Friday, March 18, 1994, it adjourn to meet at noon on Monday, March 21, 1994.

The SPEAKER pro tempore (Mr. HILLIARD). Is there objection to the request of the gentleman from Missouri?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GEPHARDT. Mr. Speaker, I ask unanimous consent that the business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

APPOINTMENT AS MEMBERS TO ADVISORY BOARD FOR THE HOUSE OF REPRESENTATIVES CHILD CARE CENTER

The SPEAKER pro tempore. Pursuant to the provisions of section 312(b)(1)(A) of Public Law 102-90, the Chair, without direction and at the direction of the Speaker, appoints the following individuals to the advisory board for the House of Representatives child care center: Mrs. Azar Kattan of Washington, DC; Mrs. Debbie Dingell of Trenton, MI; Mrs. Susan Coughlin of Washington, DC; Mr. David Caskey of Hyattsville, MD; Mrs. Rebecca Feemster Dye of Washington, DC; Mr. Donnald Anderson of Washington, DC; Mrs. Sharon Archer of Houston, TX; Mrs. Janet Bryant of Dallas, TX; Mr. Lee Harrington of Alexandria, VA; Mr. Ron Haskins of Rockville, MD; Mrs. Rita Kelliher of Washington, DC; Mrs. Barbara Morris Lent of Arlington, VA; Mrs. Laura Redding of Alexandria, VA; Mrs. Sylvia Sabo of Minneapolis, MN; and Mrs. Paula Swift of Bellingham, WA.

There was no objection.

ANNOUNCEMENT BY THE VICE CHAIRMAN OF THE DEMOCRATIC CAUCUS

(Mr. FAZIO asked and was given permission to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, my purpose is to announce the Democratic Caucus for the Hall of the House at 8:30 on Wednesday morning. All Democratic Members are urged to attend.

PERMISSION TO VACATE 5-MINUTE SPECIAL ORDER TODAY

Mr. KINGSTON. Mr. Speaker, I ask unanimous consent to vacate the 5 minute special order today for the gentleman from California [Mr. DORNAN].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

□ 2140

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. HILLIARD). Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HONORING ST. PATRICK AND THE IRISH-AMERICANS OF SAVANNAH, GEORGIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, I rise today in honor of St. Patrick and the Irish-Americans of Savannah, GA, who are at this moment winding up a very long day of green grits, green biscuits, green beer, and one of the largest St. Patrick's Day parades in the world. In fact, Mr. Speaker, I believe the St. Patrick's Day parade in Savannah is the second largest in the United States and clearly the best in the United States, and I want to say also that my good friend, Jerry Hogan, is this year's grand marshal. There is probably not an Irish man around who is better suited for the job. He has been a hard worker for the Irish community. He has worked on this parade for years. He has done just about everything you can do, not only as an Irish descendant in

Savannah, but really as a Georgian and as an American. He has participated in everything, and he is what I would call typical in his Irish-American values; that is to say, God, family, and country. He is a hard worker.

I have known Jerry Hogan for over 15 years. As far as family goes, you will see no one finer. I have spoken to family members over the years. I had a nice conversation with his son over 2 weeks ago, and in a typical family values nature Jerry has dedicated this year's parade to his late wife, Ellen. I also wish to recognize the grand marshal's hard-wording aides: Joseph O'Brien Ramsey, Michael Halligan, Michael Beytagh, and the family of Michael McDonough.

I want to say a little bit also about St. Patrick himself because so often we get lost in the green and in the festivities that we do not think about that St. Patrick was born in Britain in the year 387. At 16, he was captured by Irish marauders who sold him as a slave to an Irish priest and chieftain. He was held captive 6 years and during that time, even though the Irish practiced the Druid religion, St. Patrick's Christian faith became very strong.

Legend has it that after he was counseled by an angel, he fled Ireland and returned to his homeland. Because of his strong Christian faith, Pope Celestine the First made St. Patrick the Apostle to Ireland.

Upon his return to Ireland, St. Patrick began his missionary work. At first he had few supporters, but St. Patrick did not allow himself to become discouraged. Eventually, he founded 365 churches and personally baptized 12,000 people. For this reason, St. Patrick is said to have one of the most successful missionary lives on record.

Many of St. Patrick's legends are portrayed in pictures and statues. The most famous of those legends is the shamrock. Story has it that he used the shamrock to explain the Holy Trinity to a group of pagan Irish peasants who he subsequently converted. With a full life of missionary work behind him, St. Patrick died on March 17 at the age of 106, and to this day, more than ever, we celebrate St. Patrick's Day, and we also celebrate not only St. Patrick's life but those of thousands of Irish immigrants who settled in the United States.

As a matter of fact, Mr. Speaker, Savannah owes much of its heritage to the Irish. The Irish came to this country largely from rural settings, and yet they did not continue in agrarian vocations once they were in America. Instead they turned to urban centers and had industrial occupations, and they would do anything from street cleaning to dock work, and they are still very industrious.

As a matter of fact, Mr. Speaker, it is said before the Civil War the Irish provided a lot of the muscle power for the digging of canals in America, and in the late 1800's the Irish settlers contributed to the building of the railroads east of the Rockies. Probably the living conditions in the North were the reasons that many Irish came to Savannah. Our community had maybe more jobs and probably more hospitable weather and people.

From the very early days in Savannah, the Irish work experience evolved from the menial to higher disciplines. As a result, the Irish have become leaders in every endeavor, including industry, trade, government, labor, management, commerce, the religions, medicine, law, military, and politics. These new Americans, accepted by their peers in the community, became the backbone of Savannah. In addition, the Irish were accepted in the community because of their loyalty to the past, obedience to the present, and faith in the future.

Mr. Speaker, we are all familiar with many famous Irishmen, but you may not be familiar with two Irish-Americans from Savannah and their recent contributions to our great country. These two Americans are the late John J. Bouhan and the late monsignor, T. James McNamara.

John J. Bouhan was a political leader, lawyer, man of statewide and national stature—friend of Presidents, Members of Congress, Governors, and more importantly, a friend of the so-called little man. Like any influential person, he had his detractors but he also had a large number of supporters and, for this reason, became the political leader of the "Independent State of Chatham" for more than 40 years, he had more admirers and followers than detractors. He was a man who was faithful to his church and was loyal to his friends and his Irish people. He was recognized by the entire community as the political and civic leader of his time in our part of the country.

The other leader that I would like to mention today was the distinguished Monsignor T. James McNamara. A man of God, he was not only a true leader in the church but, as some have said, in politics as well. He was also well known in Georgia as well as nationally. He had great influence in the councils of our community.

He was known of many things, none the least was for tact. I remember a story that was told to me about the Monsignor regarding a recommendation Monsignor McMamara made in response to a request from an applicant for employment at one of our local industries. The applicant had what some referred to as a problem with the bottle and was known to frequent various taverns and bars with his circle of friends. I quote Monsignor McNamara's recommendation, "Your applicant has requested that I write about his job request. I do so with great pleasure. This man is well known in his community. In fact, I am pleased to say that this man is held in high esteem by those with who he associates." End quote

Monsignor McNamara, John Bouhan, and scores of Irishmen before them played a significant part in what is sometimes called the blending or the assimilation of the Irish into the American scene. There are those who doubt the Irish will ever completely conform to the American system. However, it may not be necessary for that to occur if we believe what was said at the March 17, 1892, Hibernian Society of Savannah meeting: I quote: "We sometimes hear people talking wisely of assimilation. You may assimilate some races, but you can't assimilate the Irishman. He assimilates you, and even if you have not a drop of Irish blood in your veins you begin to believe firmly that you have."

I would like to end my tribute to Irish-Americans by quoting another Irish-American of Savannah, Thomas J. Dillon, Sr., whose daughter, Diana Dillon Burns, works for the First Congressional District. As he said in his address at the Irish Monument in Savannah on March 9, 1986:

> The Irish of Savannah have made great contributions to all segments of the life in this country. More importantly, each of us as Irishmen who love the land of our ancestors recognizes that we have received more from the United States, our State, and Savannah than we have given in return. It is that recognition that makes the Irishman a loyal partner of all who made up this great community and who together put forth the intellectual, as well as the manual, effort required for the betterment of our fellow man on this road to God's reward.

I would only add, Mr. Speaker, that if everyone contributed to America what our Irish members have, we would be in much better shape. From St. Patrick to Jerry Hogan and Tom Dillon, they are first in God, first in family, first in country. They epitomize what it means to be American, delightful Americans. Erin Go Bragh.

VOTES TAKEN IN WAYS AND MEANS COMMITTEE ON HEALTH CARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, I insert at this point in the RECORD the votes on health care reform which took place in the Committee on Ways and Means on March 17, 1994:

The following recorded votes were taken on March 17, 1994, in the Subcommittee on Health of the Committee on Ways and Means during consideration of Chairman Stark's substitute proposal for H.R. 3600, the Health Security Act of 1994:

An amendment by Mrs. Johnson (CT) striking Federal regulation of all health care capital expenditures over $1 million within each state. The amendment would also strike provisions allowing states to delegate regulation of all public and private capital expenditures over $1 million to private not-for-profit health alliances. The amendment was defeated 7-4.

DEMOCRATS

Mr. Stark: Nay
Mr. Levin: Nay
Mr. Cardin: Nay
Mr. Andrews (TX): Nay
Mr. McDermott: Nay
Mr. Kleczka: Nay
Mr. Lewis (GA): Nay

REPUBLICANS

Mr. Thomas (CA): Yea
Mrs. Johnson (CT): Yea
Mr. Grandy: Yea by proxy
Mr. McCrery: Yea

An amendment by Mr. Lewis (GA) and Mr. McCrery to require all health plans to offer contracts to all essential community providers in the service area. The amendment was adopted 11-0.

DEMOCRATS

Mr. Stark: Yea
Mr. Levin: Yea
Mr. Cardin: Yea
Mr. Andrews (TX): Yea
Mr. McDermott: Yea
Mr. Kleczka: Yea
Mr. Lewis (GA): Yea

REPUBLICANS

Mr. Thomas (CA): Yea by proxy
Mrs. Johnson (CT): Yea
Mr. Grandy: Yea by proxy
Mr. McCrery: Yea

An amendment by Mrs. Johnson (CT) to modify the community rating requirement for private insurance plans by allowing premiums to be adjusted by age category for those under 65. The amendment was defeated 7-4.

DEMOCRATS

Mr. Stark: Nay
Mr. Levin: Nay
Mr. Cardin: Nay
Mr. Andrews (TX): Nay
Mr. McDermott: Nay
Mr. Kleczka: Nay
Mr. Lewis (GA): Nay

REPUBLICANS

Mr. Thomas (CA): Yea
Mrs. Johnson (CT): Yea
Mr. Grandy: Yea by proxy
Mr. McCrery: Yea by proxy

An amendment by Mr. McDermott to permit all Medicare enrollees to buy Medigap coverage through Medicare for an additional premium. A separate Medigap policy would be available to all beneficiaries of Parts A and B to cover lifetime limits on hospital benefits. The amendment was defeated 7-4.

DEMOCRATS

Mr. Stark: Nay
Mr. Levin: Nay
Mr. Cardin: Nay
Mr. Andrews (TX): Yea
Mr. McDermott: Yea
Mr. Kleczka: Yea
Mr. Lewis (GA): Yea

REPUBLICANS

Mr. Thomas (CA): Nay
Mrs. Johnson (CT): Nay
Mr. Grandy: Nay by proxy
Mr. McCrery: Nay

An amendment by Mr. McCrery lowering the employee threshold needed for employers to self insure from 1,000 full-time employees to 100. The amendment was defeated 7-4.

DEMOCRATS

Mr. Stark: Nay
Mr. Levin: Nay
Mr. Cardin: Nay
Mr. Andrews (TX) Nay
Mr. McDermott: Nay
Mr. Kleczka: Nay
Mr. Lewis (GA): Nay

REPUBLICANS

Mr. Thomas (CA): Yea
Mrs. Johnson (CT): Yea
Mr. Grandy: Yea by proxy
Mr. McCrery: Yea

The SPEAKER pro tempore (Mr. HILLIARD). Under a previous order of the House, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

DISCRIMINATION IN THE MARINE CORPS

Mr. FALEOMAVAEGA. Mr. Speaker, 4 years ago, Bruce Yamashita, a Japanese-American from Hawaii, was on the brink of earning his commission as a second lieutenant in the United States Marine Corps when he was abruptly discharged for leadership failure.

However, tomorrow morning, Mr. Yamashita, who was born and raised in Hawaii, won his commission after proving that he was the target of vicious racial and ethnic harassment during his 10-week officer training program.

According to Marine records, Marine Corps instructors taunted Mr. Yamashita about his heritage and at one point told him: "We don't want your kind around here. Go back to your own country."

This attitude of discrimination extends to the highest level of the Marine Corps. Last October, the Marine Corps Commandant, Gen. Carl E. Mundy told the TV news program "Sixty Minutes" that "Marine officers who are minorities do not shoot, swim or use compasses as well as white officers."

Although General Mundy has apologized for his remarks, I am deeply troubled that a military officer of this calibre did not choose his words a little more carefully on this very sensitive issue.

Mr. Yamashita, rightfully, fought back and after two separate inquiries, the Marine Corps Inspector General, Maj. Gen. Hollis Davison, said that Mr. Yamashita was "subjected to ethnic insensitivity" and apologized. But General Davison who since retired, also concluded that Mr. Yamashita would have failed the program anyway.

Mr. Speaker, for the record, I would like to point out that Mr. Yamashita is a descendent of Japanese-American soldiers who served during the Second World War as members of the 100th Battalion and the 442d Infantry Combat Group, and whose record to this day, is without equal. The 100th Battalion, 442d Infantry, made up completely of Japanese-Americans, remains the most decorated unit of its size in the history of the United States Army. During World War II, the unit suffered 314 percent casualties, earned more than 18,000 individual decorations, participated in 6 campaigns, and received 7 Distinguished Unit Citations. In addition, this infantry unit also earned 9,846 Purple Hearts, 52 Distinguished Service Crosses, 22 Legion of Merit Medals, 560 Silver Stars, 4,000 Bronze Stars—1,200 oak leaf clusters in lieu of second Bronze Stars, and 1 Congressional Medal of Honor.

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Mr. Speaker, these are Mr. Yamashita's people who General Mundy said, "can't shoot straight."?

The significance of Mr. Yamashita's case extends far beyond his personal plight. His challenge prompted the Marine Corps to discover, during a review in 1992, that members of minorities drop out of its officer training program at a higher rate than white officers.

Why is that?

Anyone who reads the record could easily surmise that there has been a deliberate effort on the part of the Marine Corps to weed out minorities from their officer training program.

Mr. Speaker, I commend the action of Navy Secretary John H. Dalton, who overruled the Marines and authorized that Mr. Yamashita be commissioned a captain which would have been his likely rank had he been commissioned in 1989.

Under the Navy Department's offer, Mr. Yamashita would be placed in the Standby Reserves, the last echelon of military reservists who are kept in an unpaid backup capacity.

I also commend Senator DANIEL INOUYE of Hawaii, Mr. Speaker, for his tenacity in fighting this latest injustice, and certainly, outright racism in the treatment of Asian Pacific Islander Americans—particularly those Americans who are of Japanese ancestry. Senator INOUYE himself is a highly decorated veteran of World War II, and recipient of our Nation's second highest decoration for valor—the Distinguished Service Cross. He was a member of the famous 442d Infantry Combat Group, and he lost an arm while fighting in Europe alongside other Japanese-Americans—many of whom never returned.

Isn't it enough that we wrongfully imprisoned those of Japanese-American ancestry during World War II—while Americans of German and Italian ancestry were left alone?

How long do we have to endure the attitude of those who consider Asians and other minorities as lesser Americans?

Mr. Speaker, we must send a clear message to the military establishment that discrimination against minorities and women in our armed services will no longer be tolerated—and those who continue to hold these intolerable views should be immediately relieved of their duties in the armed services, regardless of their rank and responsibilities.

Mr. Speaker, it will be a distinct pleasure and honor for me tomorrow morning to attend the ceremony before the House Armed Services Committee, whereby a fellow American by the name of Bruce Yamashita, will be officially commissioned as a captain in the U.S. Marine Corps. This will certainly be a proud moment not only for Mr. Yamashita and his family, but an important event for our Nation to rectify an injustice and wrong committed by the Marine Corps against this great American.

I commend Captain Yamashita for his tremendous courage and commitment and determination to see that racial discrimination should never be tolerated throughout the armed services of our Nation.

DECORATIONS

100TH INFANTRY BATTALION

422D REGIMENTAL COMBAT TEAM

7 Major campaigns in Europe.
7 Presidential Unit Citations.
9,486 Purple Heart medals.
18,143 Individual decorations, including:
1 Congressional Medal of Honor.
52 Distinguished Service Crosses.
3 Distinguished Service Medals.
560 Silver Stars with 28 Oak Leaf Clusters in lieu of second Silver Star awards.
22 Legion of Merit Medals.
4,000 Bronze Stars, 1,200 Oak Leaf Clusters representing second Bronze Stars.
15 Soldier's Medals.
12 French Croix de Guerra, with two Palms representing second awards.
2 Italian Crosses for Military Merit.
2 Italian Medals for Military Valor.

100TH BATTALION, 442D INFANTRY

1. Mission: As with all infantry units, the mission of the 100th Battalion, 442d Infantry, is to close with the enemy by means of fire and maneuver in order to destroy or capture him or repel his assault by fire, close combat and counterattack.

2. History: The history of the 100th Battalion, 442d Infantry begins with the attack on Pearl Harbor on December 7, 1941. At the time of the attack, there were already some 1,500 Nisei's serving in the US Army, most of them with the 24th and 25th Infantry Divisions, and the 298th and 299th Infantry Regiments at Schofield Barracks. Six months after Pearl Harbor, in May 1942, Army Chief of Staff George C. Marshall ordered the formation of the 100th Battalion, composed of men already in the US Army. The 100th Battalion (Separate) was thus activated on 12 June 1942, at Oakland, California. The unit took its basic training at Camp Shelby, Mississippi under LTC Farrant L. Turner and was deployed overseas in August 1943. Landing in Oran, North Africa, the battalion crossed over to Italy, attached to the 133d Infantry Regiment, 34th Infantry Division. It participated in the bitter advance up the Italian peninsula fighting in the major battles at Salerno, Valturno River, Rapido River and Cassino.

The 442d Regimental Combat Team was activated at Camp Shelby, Mississippi on 1 February 1943 with COL Charles Spence commanding. After training at Camp Shelby and in the Louisiana Army Maneuvers, the RCT deployed overseas in May, 1944. Landing in Italy, it joined the 34th Infantry Division and the 100th Infantry Battalion. Together, they participated in the Anzio and Rome-Arno campaigns and later fought in the Rhineland and North Appenines campaigns attached to the 36th Infantry Division.

While attached to the 36th, they rescued the 1st Battalion, 141st Regiment, known as the "Lost Battalion." During the rescue, the RCT became closely attached to the people of Bruyeres, France, a little town in the Vosges Mountains. A sister city relationship exists today between Bruyeres and Honolulu.

In March 1945, the RCT returned to Italy and attached to the 92d Infantry Division, participated in the Po Valley campaign, their last campaign before the end of the war.

The record of the RCT is without equal. The unit suffered 314% casualties, earned 18,143 individual decorations, participated in six campaigns and received seven Distinguished Unit Citations, three by the 100th Battalion. It emerged as the most decorated unit of its size in the US Army.

The unit was inactivated in August 1946 and reactivated in the US Army Reserve in July 1947. The Battalion is the only battalion-sized unit in the U.S. Army that authorized its own shoulder patch.

During the period July 1947 to 13 May 1968 the Battalion underwent organizational changes from Regimental to Battle Group, to its present battalion structure. Significant events during this period were providing individual personnel replacements during the Korean War when all company grade officers and senior NCO's were recalled to active duty. The Battalion also participated in Operation Koolau with the 25th Infantry Division in 1959 and Exercise Coral Sands with the 11th Infantry Brigade in 1967.

On March 13th, 1968, during the Vietnam War, the 100th Battalion, 442d Infantry was ordered to active duty and attached to the 29th Infantry Brigade (HIARNG) as one of its Maneuver Battalions. Its mission was to provide a strategic reserve for the Pacific. Stationed at Schofield Barracks, Hawaii, the Battalion trained for eventual deployment and provided a manpower pool of trained replacements. On an individual basis, most members of the Battalion were reassigned to Vietnam. During the period 13 May 1968 to 12 December 1970 a total of nine gallant men from the 100th Battalion, 442d Infantry gave their lives while serving in combat in the Republic of Vietnam.

Today the 100th Battalion, 442d Infantry (USAR) is a modern and well equipped force. Made up of citizen soldiers from all walks of life, the battalion continues to be an integral part of the US Army's Total Force.

During the period following the Vietnam War, the battalion suffered from low strength. Averaging approximately 55 to 60% strength, it was difficult to attain the readiness goals required of the battalion. To counter this problem the battalion undertook an ambitious expansion project. In December 1980 a detachment was activated in American Samoa. Several months later, detachments were also activated in Guam and on the island of Saipan in the Marianas.

Today these detachments have grown to a point where Company C is now located on Saipan and the small detachment activated in American Samoa has grown into Company B. Additionally, Company E (442d Inf) is located on Guam.

In recent years the reputation of the 100th Battalion, 442d Infantry has extended also to several foreign countries. The most significant relationship exists between the battalion and the Territorial Forces (Reserves) of the Australian Army. Biennially, the 100th Battalion and the Australian Reserve exchange an infantry platoon for annual training. Members of the battalion have also been called upon to participate in exercises in Japan, Korea, Mainland US, New Zealand, Philippines, Singapore, as well as at home in Hawaii.

After over forty years of service, the 100th Battalion, 442d Infantry carries on the proud traditions of the "GO FOR BROKE" spirit that originated with the first members of the 100th Battalion and the 442d Regimental Combat Team in World War II. "GO FOR BROKE" remains a working philosophy for the soldiers of the 100th Battalion today and in the future. It is the common bond that unites the current battalion members from throughout the Pacific with their veteran forbearers whose tradition of gallantry, honor and service drive the battalion today.

3. Organization: The battalion consists of Headquarters Company, three rifle companies: Companies A, B, C, and an Anti-Armor Company, Company D. Company B is located in American Samoa with its weapons platoon in Hilo, Hawaii. Company C is also located in Erican Moa with its weapons platoon in Oahu, Hawaii. All other units of the battalion are located in Oahu, Hawaii.

CALIFORNIA CRIMINAL SENTENCING REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER. Mr. Speaker, we have heard a great deal of talk over the past several years about the fact that there are people who through present Government policy seem to be more concerned about the rights of the perpetrator than they are of the rights of the victim. Nowhere is that concern now being addressed with more outrage than in California.

My home town of Claremont was in a great deal of rage earlier this week with over 150 people protesting the release of a man who 20 years ago began a pattern of rape and attack on women, and tragically, under a law that was passed in California in 1976, signed by Governor Jerry Brown, the Determinate Sentencing Act is structured in such a way that these criminals are able to, with this structure, be continually released back out onto the streets. And the pattern has been shown through the tragic killing of Polly Klaas in northern California, the release of what was known as the college terrorist, and the prospect of the release of Mr. Hubbart, who was known as the pillowcase rapist, that this law must be changed.

So just a few moments ago I, with the support of a number of my California colleagues, introduced House Resolution 391, which basically calls on the State legislature in California to address this issue by making the State's indeterminate sentencing system applicable to all serious violent crimes, while continuing to provide and maintain any current minimum sentences for such crimes.

It seems to me, as we look at this pattern, there is a desire to have this issue addressed. Governor Wilson has tried to deal with this. But under the constraints of this law, he has been unable to. Governor Wilson has stepped forward and called for dramatically increasing the sentencing for these individuals who are perpetrating these sexual offenses, and it seems to me that we need very much to have the State legislature in California take that action.

Mr. Speaker, the history of crime which was perpetrated by Christopher Evans Hubbart throughout the San Gabriel Valley in southern California has been horrendous. In fact, one time when he was released, he committed a rape the very day that he was released, and that was created by this law which desperately needs to be changed.

So, Mr. Speaker, I hope very much that the California legislature will respond to the cry of Governor Wilson and the cry of those Members who join me in cosponsoring this Resolution 391 which has been introduced this evening, and I hope that the House will join in cosponsoring and overwhelmingly supporting this very important piece of legislation, so that we can finally demonstrate at least as much concern for the victim as we do for the perpetrator.

PIG-PILING ON THE PRESIDENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, every time I hear a Republican come to this floor and carp about Whitewater, I'm reminded of the oldest football play in the book.

A play that every losing team employs when they reach the point of absolute desperation.

A play that simply says:

When you can't beat the other team on offense;

And you can't beat them on defense;

You resort to the one simple strategy you have left; you kill the guy with the ball. You pig-pile on the quarterback.

And that's what we're seeing on Whitewater.

The Republicans have lost the crime issue.

They have lost the jobs issue.

They have lost welfare reform.

They have lost deficit reduction.

They were wrong about last year's budget.

In the face of all their doom and gloom predictions, the economy has begun to rebound and create jobs.

And on top of all that, polls show that the American people believe that Republicans are doing all they can to block health care reform.

And now, as an act of final desperation, the Republicans are forced to play the one card they have left: they're pig-piling on the President and pig-piling on the First Lady and trying to distract attention from the fact that Republicans have nothing to offer on the issues that the American people care about.

Don't just take my word for it, Mr. Speaker.

Read the story that ran in the Wall Street Journal last Friday about Whitewater.

The Wall Street Journal described one high-ranking Republican House Member who, and I quote, "welcomes the controversy as a vehicle for blocking movement on Mr. Clinton's health plan" and quote "boasted" that it's quote, "kept the President and Mrs. Clinton from being able to focus on health care."

Another high-ranking Republican was asked about the GOP strategy on Whitewater, and he responded, and I quote "We have to conduct ourselves in a way that ensures Bill Clinton is a one-term president."

And the same Member adds that he and other Members of the Republican Theme Team will now, and I quote, "hammer on this issue every day."

Mr. Speaker, that's what the Wall Street Journal said.

And Newsweek adds, and I quote, "the GOP's House and Senate campaign committees are turning Whitewater into a centerpiece of their fund-raising drives."

It's clear that Republicans are doing all they can to turn Whitewater into a weapon of political assassination.

The truth is, Republicans know that the President and the First Lady have not been accused of a single crime.

They know the White House is fully cooperating with the special prosecutor that the Republicans called for.

They know the President is being upfront about all of this.

But still they persist.

And they'll say anything and do anything just to see what they can get away with.

Let me give you an example of how they're trying to politicize this issue.

Last week, in a letter signed by 81 GOP Members of this body, the Republicans charged that the reason Mrs. Clinton delivered speeches attacking drug companies last year was not because drug companies charge senior citizens five times more for medicine here than they do anywhere else, they insinuate it was because Mrs. Clinton hoped that her speeches would drive the value of drug company stocks down so she could make money on them.

Their principal piece of evidence is Mrs. Clinton's holdings in a Little Rock investment fund, which last year sold health stocks short.

In fact, last month, Republicans had already asked the Director of the Office of Government Ethics, Stephen Potts, to look into the charge.

Keep in mind, Mr. Potts is a Republican, he was appointed by President Bush, and he's serving a 5-year term.

And in a February 10 letter to the Republicans, Mr. Potts flatly states that there is no basis for investigating the First Lady's investment in the fund under any applicable Federal ethics law.

Furthermore, the president of the partnership Mrs. Clinton belonged to, who is also a Republican, said, and I quote:

> Here we have 81 U.S. Representatives. They represent us. They're supposed to have some idea of justice. But they made not one phone call to check and see if their information might not be false.

Not one single phone call. And you know why?

Because they know the charge is false.

They know there's no truth to it.

They know it's nothing more than a politically motivated witch hunt.

And it makes you wonder: if they're willing to mislead the American people on this small issue, why should we believe anything else they say about Whitewater?

The truth is, we shouldn't. It's nothing but a political gambit to distract attention away from the fact that they have nothing to offer on jobs, health care, crime, or deficit reduction.

And if there's one thing I learned playing football, whenever you play kill the guy with the ball, in the end, it's not the guy with the ball that gets killed, it's you.

MORE FACTS ON WHITEWATER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico [Mr. RICHARDSON] is recognized for 5 minutes.

Mr. RICHARDSON. Mr. Speaker, I, too, rise to address the issue of Whitewater, dealing with facts and reality instead of the hype that currently surrounds the issue. I think it is clear the reason the Republicans want to talk about Whitewater is that they do not want to talk about the fact that the economy is in good shape or health care reform or President Clinton's many accomplishments. They want to distract attention from the main issues of the day: crime, welfare reform, deficit reduction, by focusing on Whitewater, an issue that most Americans dismiss as partisan Beltway politics.

Having returned from town meetings over the last few weeks in my State of New Mexico, I see more clearly than ever that real people are not concerned about Whitewater. In fact, recent polls show that two-thirds of the American people see the Republican attacks as political, unfair, and mean-spirited.

Let us face two fundamental facts. The Republicans demanded that a special counsel at the the Justice Department be appointed, and the President complied. Number two, this special counsel, a Republican, has cautioned against congressional hearings because he feels they may jeopardize his investigation.

Let us all, Democrats and Republicans, respect that. let us also look at some facts that the other side want to ignore.

First, in 1993, nearly 2 million jobs were created, 70 percent more private sector jobs in one year than were created in the previous 4 years.

Unemployment is down by the largest annual drop in 6 years. The deficit, as a percentage of GDP, is the lowest it has been since 1979, a year before the 12 years of Presidents Reagan and Bush.

Interest rates are at 25-year lows. And as a result, 5 million American families have been able to refinance their homes.

Additionally, let us look at some of the administration's accomplishments: real budget reduction, the lowest we have had in years; NAFTA and the GATT accords; family and medical leave legislation benefiting most American families; national service; motor voter legislation, the list goes on and on.

Let me also raise some specific concerns regarding the substance of the charges against Mrs. Hillary Clinton, some of which are totally baseless and mean-spirited.

Some have charged that Mrs. Clinton unethically sought to profit from her investment in Value Partners, a limited partnership investment fund that operates like a mutual fund. The charge is, once again, absurd.

On February 10, in fact, Stephen Potts, the Director of the Office of Government Ethics, and a Bush appointee, responded to an inquiry from several Republican Members. Potts flatly stated that there was no basis for investigating the First Lady's investment under applicable Federal ethics laws. In spite of that response, 1 month later, 81 House Republicans sent the same office a letter asking for an investigation, clearly a politically-motivated effort to embarrass the First Lady and distract the American people from the real issues.

After looking at the fact, I think that these individuals owe the First lady an apology. Here are the facts.

First, Mrs. Clinton has never had any input, control or review of investment decisions made by Value Partners.

Two, Mrs. Clinton has not spoken to the investment manager since the summer of 1992. In fact, this is what he states: Not once in 16 years has Hillary Clinton or the President tried to influence what I have bought or sold.

Mr. Speaker, due to the administration's policies, the economy is growing. Jobs are being created, and the deficit is shrinking. In addition, we have been active very successfully this session of Congress. Just last week we passed a budget in record time. Today we dealt with a balanced budget amendment. Next week we will do the crime bill and lobbying and ethics reform.

Let us talk about these real issues of the day, not the smoke and the mirrors that the Republicans are creating on Whitewater.

The Republicans cannot attack the Clintons on substance so, instead, they are hitting Mrs. Clinton with faceless and absurd charges.

Mr. Speaker, let us deal with the real issues like crime, like health care, and deficits. Let us leave the Whitewater issue to the special counsel.

COMMITTEE ON THE BUDGET UPDATED REPORT ON ON-BUDGET SPENDING AND REVENUES FOR FISCAL YEARS OF 1994 THROUGH 1998

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. SABO] is recognized for 5 minutes.

Mr. SABO. Mr. Speaker, on behalf of the Committee on the Budget and pursuant to sections 302 and 311 of the Congressional Budget Act, I am submitting for printing in the CONGRESSIONAL RECORD an updated report on the current levels of on-budget spending and revenues for fiscal year 1994 and for the 5-year period fiscal year 1994 through fiscal year 1998.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC, March 17, 1994.

Hon. THOMAS S. FOLEY,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: To facilitate application for sections 302 and 311 of the Congressional Budget Act, I am transmitting an updated status report on the current levels of on-budget spending and revenues for fiscal year 1994 and for the 5-year period fiscal year 1994 through fiscal year 1998.

The term "current level" refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted as of March 11, 1994.

The first table in the report compares the current levels of total budget authority, outlays, and revenues with the overall limits set in H. Con. Res. 64, the concurrent resolution on the budget for fiscal year 1994. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's overall limits. The table does not show budget authority and outlays for years after fiscal year 1994 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority, outlays, and new entitlement authority for each direct spending committee with the "section 602(a)" allocations made under H. Con. Res. 64 for fiscal year 1994 and for fiscal years 1994 through 1998. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 602(a) allocation of new discretionary budget authority or new entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a). The section 602(a) allocations were printed in the CONGRESSIONAL RECORD for March 31, 1993 on pages H. 1784–87.

The third table compares the current levels of discretionary appropriations for fiscal year 1994 with the revised "section 602(b)" suballocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, since the point of order under that section also applies to measures that would breach the applicable section 602(b) suballocation. The revised section 602(b) suballocations were filed by the Appropriations Committee on September 30, 1993 (H. Rept. 103-271).

Sincerely,
MARTIN OLAV SABO,
Chairman.

Enclosures.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET ON THE STATUS OF THE FISCAL YEAR 1994 CONGRESSIONAL BUDGET ADOPTED IN HOUSE CONCURRENT RESOLUTION 64, REFLECTING ACTION COMPLETED AS OF MARCH 11, 1994

(On-budget amounts, in millions of dollars)

	Fiscal year 1994	Fiscal years 1994–1998
Appropriate level as set by House Concurrent Resolution 64:		
Budget authority	1,223,400	6,744,900
Outlays	1,218,300	6,629,300
Revenues	905,500	5,153,400
Current Level:		
Budget authority	1,218,795	(NA)
Outlays	1,217,389	(NA)
Revenues	905,429	5,105,866
Current level over (+)/under (−) appropriate level:		
Budget authority	−4,605	(NA)
Outlays	−911	(NA)
Revenues	−71	−47,534

NA=Not applicable because annual appropriations acts for fiscal years 1996 through 1998 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of measures providing more than $4.605 billion in new budget authority for fiscal year 1994 (if not already included in the current level estimate) would cause fiscal year 1994 budget authority to exceed the appropriate level set by House Concurrent Resolution 64.

OUTLAYS

Enactment of measures providing new budget or entitlement authority with fiscal year 1994 outlay effects of more than $.911 billion—if not already included in the current level estimate—would cause fiscal year 1994 outlays to exceed the appropriate level set by House Concurrent Resolution 64.

REVENUES

Enactment of any measure producing any revenue loss in fiscal year 1994—if not already included in the current level estimate—would cause fiscal year 1994 revenues to fall further below the appropriate level set by House Concurrent Resolution 64.

Enactment of any measure producing any net revenue loss for the period fiscal year 1994 through fiscal year 1998—if not already included in the current level estimate—would cause revenues for that period to fall further below the appropriate level set by House Concurrent Resolution 64.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(a)

(Fiscal years, in millions of dollars)

	1994			1994–1998		
	BA	Outlays	NEA[1]	BA	Outlays	NEA[1]
House Committee:						
Agriculture:						
Allocation	−65	−66	−60	−2,725	−2,727	888
Current level	−99	−106	−402	−2,216	−2,411	−3,559
Difference	−34	−40	−342	509	316	−4,447
Armed Services:						
Allocation	−128	−128	−128	−2,365	−2,357	−2,357
Current level	−153	−163	−167	−2,271	−2,275	−2,328
Difference	−25	−35	−39	94	82	29
Banking, Finance and Urban Affairs:						
Allocation	0	−338	0	0	−2,792	0
Current level	−7	−505	0	46	−2,785	0
Difference	−7	−167	0	46	7	0
District of Columbia:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Education and Labor:						
Allocation	0	0	118	0	0	−4,048
Current level	−147	−158	−792	−142	−142	−5,172
Difference	−147	−158	−910	−142	−142	−1,124
Energy and Commerce:						
Allocation	0	−1,700	−180	−1,169	−8,369	−7,798
Current level	2	−2,398	42	−1,159	−11,359	−7,059
Difference	2	−698	222	10	−2,990	739
Foreign Affairs:						
Allocation	0	0	0	−5	−5	−5
Current level	−33	−33	−3	−149	−149	−60
Difference	−33	−33	−3	−144	−144	−55
Government Operations:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
House Administration:						
Allocation	0	0	0	0	0	0
Current level	1	1	0	8	8	0
Difference	1	1	0	8	8	0
Judiciary:						
Allocation	0	0	0	0	−472	0
Current level	0	0	0	0	−345	0
Difference	0	0	0	0	127	0
Merchant Marine and Fisheries:						
Allocation	0	0	0	−205	−205	−4
Current level	−1	−1	0	−210	−210	0
Difference	−1	−1	0	−5	−5	4
Natural Resources:						
Allocation	−117	−112	0	−709	−396	0
Current level	−74	−78	0	−478	−481	0
Difference	43	34	0	231	212	0
Post Office and Civil Service:						
Allocation	−66	−66	−77	−10,199	−10,547	−9,597
Current level	−266	−266	−266	−10,258	−10,606	−9,451
Difference	−200	−200	−189	−59	−59	146
Public Works and Transportation:						
Allocation	2,092	−13	0	37,458	−85	0
Current level	−13	−13	0	−85	−85	0
Difference	−2,105	0	0	−37,543	0	0
Science, Space, and Technology:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Small Business:						
Allocation	0	0	0	0	0	0
Current level	0	0	0	0	0	0
Difference	0	0	0	0	0	0
Veterans' Affairs:						
Allocation	−11	−11	70	−1,356	−1,352	3,447
Current level	−11	−11	28	−1,356	−1,352	−366
Difference	0	0	−42	0	0	−3,813
Ways and Means:						
Allocation	−2,876	−2,054	−2,036	−29,669	−24,422	−12,596
Current level	−1,216	−824	261	−42,102	−39,768	−35,957
Difference	1,660	1,230	2,297	12,433	−15,346	−23,361
Permanent Select Committee on Intelligence:						
Allocation	0	0	0	0	0	0
Current level	7	7	7	33	33	33
Difference	7	7	7	33	33	33

[1] New entitlement authority.

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 1994—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(b)

[In millions of dollars]

	Revised filed 602(b) suballocations (Sept. 30, 1993)		Current level		Difference	
	BA	O	BA	O	BA	O
Agriculture, Rural Development	14,819	14,317	14,595	14,205	−224	−112
Commerce, State, Judiciary	23,119	23,231	22,800	23,217	−319	−14
Defense	240,446	255,465	239,897	255,151	−549	−314
District of Columbia	700	698	700	698	0	0
Energy and Water Development	22,017	21,702	21,689	21,585	−328	−117
Foreign Operations	13,444	13,918	12,690	13,878	−754	−40
Interior	13,736	13,731	13,727	13,726	−9	−5
Labor, Health and Human Services, and Education	67,283	68,140	67,189	68,012	−94	−128
Legislative	2,270	2,267	2,264	2,262	−6	−5
Military Construction	10,066	8,784	9,464	8,759	−602	−25
Transportation	13,284	34,889	12,435	34,878	−849	−11
Treasury-Postal Service	11,469	11,642	11,312	11,639	−157	−3
VA-HUD-Independent Agencies	68,311	69,973	68,053	69,978	−258	5

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 1994—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 602(b)—Continued

[In millions of dollars]

	Revised filed 602(b) suballocations (Sept. 30, 1993)		Current level		Difference	
	BA	O	BA	O	BA	O
Grand total	500,964	538,757	496,815	537,988	−4,149	−769

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 14, 1994.

Hon. MARTIN O. SABO,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays, and estimated revenues for fiscal year 1994 in comparison with the appropriate levels for those items contained in the 1994 Concurrent Resolution on the Budget (H. Con. Res. 64), and is current through March 11, 1994. A summary of this tabulation follows:

[In millions of dollars]

	House current level	Budget resolution (H. Con. Res. 64)	Current level +/− resolution
Budget authority	1,218,795	1,223,400	−4,605
Outlays	1,217,389	1,218,300	−911
Revenues:			
1994	905,429	905,500	−71
1994–1998	5,105,866	5,153,400	−47,534

Since my last report, dated February 28, 1994, there has been no action that affects the current level of budget authority, outlays, or revenues.

Sincerely,

JAMES T. BLUM,
(For Robert D. Reischauer).

PARLIAMENTARIAN STATUS REPORT 103D CONGRESS, 2D SESSION, HOUSE ON-BUDGET SUPPORTING DETAIL FOR FISCAL YEAR 1994 AS OF CLOSE OF BUSINESS MARCH 11, 1994

[In million of dollars]

	Budget authority	Outlays	Revenues
Enacted in Previous Sessions			
Revenues			905,429
Permanents and other spending legislation [1]	721,126	695,196	
Appropriation legislation	742,749	758,885	
Offsetting receipts	(237,226)	(237,226)	
Total previously enacted	1,226,648	1,216,855	905,429
Enacted this Session			
Emergency Supplemental Appropriations, fiscal year 1994 (Pub. L. 103–211)	(2,286)	(248)	
Entitlements and Mandatories			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted [2]	(5,567)	781	
Total current level [3,4]	1,218,795	1,217,389	905,429
Total budget resolution	1,223,400	1,218,300	905,500
Amount remaining:			
Under budget resolution	4,605	911	71
Over budget resolution			

[1] Includes budget committee estimate of $2.4 billion in outlay savings for FCC spectrum license fees.

[2] Includes changes to baseline estimates of appropriated mandatories due to enactment of Public Law 103–66, and Public Law 103–140.

[3] In accordance with the Budget Enforcement Act, the total does not include $13,608 million in budget authority and $8,896 million in outlays in emergency funding.

[4] At the request of Committee staff, current level does not include scoring of section 601 of Public Law 102–391.

Notes: Amounts in parentheses are negative. Detail may not add due to rounding.

FAIR HEALTH INFORMATION PRACTICES ACT OF 1994

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. CONDIT] is recognized for 5 minutes.

Mr. CONDIT. Mr. Speaker, I have today introduced the Fair Health Information Practices Act of 1994. The purpose of this bill is to establish a uniform Federal code of fair information practices for individually identifiable health information that originates or is used in the health treatment and payment process.

As introduced, the bill is a stand-alone piece of legislation that could become law without reference to the larger health reform effort. I do not, however, intend to move this bill independently. The portion of the Health Security Act (H.R. 3600) that addressed confidentially of health information has been referred to the Government Operations Committee Subcommittee on Information, Justice, Transportation, and Agriculture, which I chair. The legislation that ultimately develops from today's starting point eventually will be incorporated into H.R. 3600. The introduction of a separate bill is a convenient way to organize hearings and foster discussions of this important element of health reform.

The need for uniform health confidentiality legislation is clear. In a recent report titled "Protecting Privacy in Computerized Medical Information," the Office of Technology Assessment found that the present system of protecting health care information is based on a patchwork quilt of laws. State laws vary significantly in scope, and Federal laws are applicable only to limited kinds of information or to information maintained only by the Federal Government. Overall, OTA found that the present legal scheme does not provide consistent, comprehensive protection for privacy in health care information, whether that information exists in a paper or computerized environment. A similar finding was made by the Institute of Medicine in a recent report titled "Health Data in the Information Age."

A recent public opinion poll sponsored by Equifax and conducted by Louis Harris and Associates documents the importance of privacy to the American public. Eighty-five percent agree that protecting the confidentiality of people's medical records is absolutely essential or very important in national health care reform. The poll shows that most Americans believe protecting confidentiality is a higher priority than providing health insurance to those who do not have it today, reducing paperwork burdens, or providing better data for research. The poll also showed that 96 percent of the public agrees that it is important for an individual to have the right to obtain a copy of their own medical record.

We know that health information will be a key element in any health reform. Identifiable health information is already heavily used in cost containment efforts, and this usage will only grow. The Health Security Act proposed by President Clinton and introduced by Representative GEPHARDT contains several provisions that specifically address privacy. Section 5120 requires the National Health Board to promulgate standards respecting the privacy of individually identifiable health information. Section 5122 gives the Board 3 years to submit a detailed legislative proposal to establish a comprehensive scheme of privacy protection for health information, including a code of fair information practices.

The legislation I have introduced is principally a substitute for these two sections of H.R. 3600. The bill is flexible enough, however, that it will also fit into any health reform proposal of any type that passes the Congress. My bill offers a comprehensive implementation of a fair information practices code that we can enact this year as part of a complete health reform initiative or even on its own. Regardless of how the health delivery and payment system is restructured, there is and will continue to be a need for a code of fair information practices.

By establishing fair information practices in advance, the long-term costs of implementation will be reduced, and necessary protections will be built in from the outset. This will assure patients and medical professionals that fair treatment of health information is a fundamental element of health reform. Uniform privacy rules will also assist in restraining costs by supporting increased automation, simplifying the use of electronic data interchange, and facilitating the portability of health coverage.

Today, few medical professionals and fewer patients know the rules that govern the use and disclosure of medical information. In a society where patients, professionals, and records routinely cross State borders, it is rarely worth anyone's time to attempt to learn the rules of any one jurisdiction, let alone several jurisdictions. One of the goals of my bill is to change the culture of health records so that professionals and patients alike will be able to understand the rights and responsibilities of all participants. Common rules and a common language will facilitate broader understanding and better protection. Professionals will be able to learn the rules once with the confidence that the same rules will apply wherever they practice. Patients will learn that they have the same rights in every State and in every doctor's office.

There are two basic concepts that are essential to an understanding of the new approach. First, identifiable health information that is created or used during the medical treatment or payment process becomes protected health information, or individually identifiable patient information relating to the provision of health care or payment for health care. This new terminology emphasizes the sensitivity of the information and connotes an obligation to safeguard the data. Protected health information generally remains subject to statutory restriction no matter how it is used or disclosed.

The second basic concept is that of a health information trustee. Anyone who has access to protected health information under the bill's procedures becomes a health information trustee. There are three different types of trustees. Those directly involved in providing treatment, in paying for treatment, and in conducting essential health system oversight are health use trustees. Those who use identifiable information for public health or health research purposes are public health trustees. Finally, others who have an occasional need for health information to accomplish a specific purpose authorized by law are special purpose trustees.

Each class of trustee has its own defined set of responsibilities and authorities. Health use trustees have the greatest authority to use and disclose data, but they also have the highest level of responsibility to the patient. Other trustees have less authority and fewer duties. In each instance, the authorities and responsibilities have been carefully defined to balance legitimate societal needs for data against each patient's right to privacy and the need for confidentiality in the health treatment process. Of course, every health information trustee has an obligation to maintain adequate security for protected health information.

The term trustee was selected in order to underscore that those in possession of identifiable health information have obligations that go beyond their own needs and interests. A doctor who possesses information about a patient does not own that information. It is more accurate to say that both the record subject and the recordkeeper have rights and responsibilities with respect to the information. My legislation defines those rights and responsibilities. The concept of ownership of personal information maintained by third-party recordkeepers is not particularly useful in today's complex world.

A key element of this system is the specification of the rights of patients. Each patient will have a bundle of rights with respect to protected health care information about himself or herself that is maintained by a health use trustee. A patient will have a right to receive a notice of information practices. A patient will have the right to inspect and to have a copy of that information. A patient will have the right to seek correction of information that is not timely, accurate, relevant, or complete. A patient also has a right to expect that any trustee will use and maintain information in accordance with the rules in the act. The bill establishes standards and procedures to make these rights meaningful and effective.

I want to emphasize that I have not proposed a pie-in-the-sky privacy code. This is a realistic bill for the real world. I have borrowed ideas from others concerned about health records, including the American Health Information Management Association, the Workgroup for Electronic Data Interchange, the National Conference of Commissioners on Uniform State Laws, and the recently completed Institute of Medicine report on health data organizations.

I believe that everyone recognizes that we do not have the luxury of elevating each patient's privacy interest above every other societal interest. Such a result would be impractical, unrealistic, and expensive. The right answer is to strike an appropriate balance that protects each patient's interests while permitting essential uses of data under controlled conditions. This should be happening today, but record keepers do not know their responsibilities, patient rights are not always clearly defined, and there are large gaps in protections for health information. My bill recognizes necessary patterns of usage and combines it with comprehensive protections for patients. There will be no loopholes in protection for information originating in the health treatment or payment process. As the data moves to other parts of the health care system and beyond, it will remain subject to the Fair Health Information Practices Act of 1994. This novel requirement may be the single most important feature of my bill.

The legislation includes a variety of remedies that will help to enforce the new standards. For those who willfully ignore the rules, there are strong criminal penalties. For patients whose rights have been ignored or violated by others, there are civil remedies. There will also be administrative sanctions and arbitration to provide alternative, less expensive, and more accessible remedies.

I believe that the Fair Health Information Practices Act of 1994 offers a complete and comprehensive plan for the protection of the interests of patients and the needs of the health care system in the complex modern world of health care. I recognize, however, that the bill I have introduced is merely a starting point. It is inevitable that a piece of legislation this complex will require adjustments and revisions as it moves through the Congress. The pressure of the legislative calendar has forced me to begin the public part of the process now.

One area where I know that much more work is needed is in dealing with preemption. A uniform set of rules for health information will require that conflicting rules in other state and Federal laws will have to yield. For example, we need to establish uniform rules that will support electronic data interchange of information that is essential to efficient computerized communication of billing and other administrative data. We may not, however, need to preempt every law. There are some policy choices made by states that will not conflict with the basic principles or functionality of the Fair Health Information Practices Act. There has not been time to identify these laws, and this work is continuing. In the future, I expect to develop a more precise approach to preemption than exists in the bill today.

I am committed to working with every group and institution that will be affected by the new health information rules. If you find that this bill fails to address a significant issue, work with me to find a solution. If the bill creates an unanticipated problem, work with me to fix it. If you have a better idea, I want to hear from you. The process is open, and the bill is just a first draft. Nothing is cast in concrete.

In closing, I want to acknowledge the limits of legislation. We must recognize and accept the reality that health information is not completely confidential. It would be wonderful if we could restore the old notion that what you tell your doctor in confidence remains secret. In today's complex heath care environment, characterized by third party payers, medical specialization, high cost care, and increasing computerization, this is simply not possible. My legislation does not and cannot promise absolute privacy. What it does offer is a code of fair information practices for health information.

The promise of that code to professional and patients alike is that identifiable health information will be fairly treated according to a clear set of rules that protect the confidentiality interests of each patient to the greatest extent possible. While we may not realistically be able to offer any more than this, we surely can do no less for the American public.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the minority leader.

THE CLINTON YEARS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

Mr. DORNAN. Mr. Speaker, I said during the 1-minute today that I would be doing the first of many special orders at the close of legislative business but before the gavel comes down reaching out to the audience that C-SPAN says is 1,300,000-plus or more. A lot of people have called my office and other offices and said they would be watching tonight from both parties.

I want to present something in a very fair way on not only Whitewater but what I called this morning all of the "Clinton years," from his first defeat against a colleague that I served with here for a decade and a half, J.P. Hammerschmidt of Arkansas, the only Republican in Arkansas for all the years that I served with him, from that 1974 defeat of then a very young 28-year-old Clinton to his election 2 years later to the attorney general's office, where after only 1 year of service in Arkansas, he was ready for the governorship. And he won that office at age 32, lost it at 34 and made his comeback in 1982, thanks partly to the recession nationwide.

□ 2210

Mr. Speaker, let me begin by saying that "I am introducing a resolution calling for a formal congressional investigation of the charges that have been made by many, including many distinguished journalists. The evidence which has thus far trickled into the public domain is still fragmentary. Much of it is circumstantial, but it is compelling. If the allegations are not true, this country needs to know they are not true. If they are true, of course, the country needs to know that, as well.

"Mr. Speaker, there is a great deal more circumstantial evidence which has been brought forward by a number of these reports, and I believe the air needs to be cleared," Mr. President, I mean, Mr. Speaker, "so I am today," or "next week calling for a formal investigation of all these charges and allegations, without prejudging what the investigation might find, but believing deeply that it needs to take place in order to establish the truth or falsehood of the allegations that have been made."

None of those preceding words, Mr. Speaker, back to the point where I said, "I am introducing a resolution," are my words at all. They are the words of then-Senator AL GORE, now Vice President of the United States, all on June 24, 1991.

My friend, who I saw this morning and wished him a happy St. Patrick's Day, AL GORE, after I met the senior Clinton for the first time, and told him I would be doing this special order tonight, and told him to please have Gergen tape it tonight, so he could watch it in his spare time, this might be a busy night for Bill Clinton, I told him, "Give Gergen something to do before he is out the door."

He smiled, a rather frozen St. Patrick's Day smile, but I told him I would be doing this special order tonight, told Clinton I would be doing one tomorrow, and I told him I would be doing dozens throughout the year. He said, "How are you?" That is what he said when I started, so I assumed he was searching for a response, so I wished him happy St. Patrick's Day and moved on to AL.

These are all the words of AL GORE. What was AL referring to, our Vice President, June 1991? He was referring to one of the most asinine charges ever brought against an American public official, this happened to be President Bush, that I have ever encountered in my life. I will tell the Members why they were the most ignorant charges ever brought.

First of all, we spent $30 million of this House's budget, right out of the taxpayers' treasury, $30 million of the taxpayers' money trying to investigate the sick and, I am sorry for the byplay on his name, the sick charges of Gary Sick, a former State Department employee, that George Bush had broken away from the presidential race in 1980, where he was the bottom half of the Reagan-Bush ticket, and was spirited to a secret meeting with Iranian terrorists in Spain, asking them to keep our hostages until through the election of November 4, which was precisely the 1-year anniversary of the day they had been captured, against all international law in Tehran, Iran, and that George Bush had then, after a brief meeting with these terrorists and their negotiating lawyers, got an OK from them that the hostages would be kept imprisoned and maybe in danger of losing their lives until Ronald Reagan had won the Presidency, and then they could be released. Nobody ever suggested that they would be released at noon, right as President Reagan was being inaugurated with George Bush.

Then President Bush was whisked back to the campaign trail, I believe in New Jersey, and all of this was done without Secret Service knowledge, since there are logs of the Secret Service that we went into to the tune of $30 million.

How could George Bush have done this? This is my piece of the action, where I found this a personal affront to me as a taxpayer. George Bush was supposed to have gotten into an SR-71, a Blackbird, the world's fastest record holding airplane ever, and holds all the world's time-to-climb and altitude records to boot.

To my knowledge, George Bush, as a Congressman for 4 years, earned all of his well-served Government positions, he was Vice President for 8 years and President for 4, has never flown faster than the speed of sound, unless it was on the British, French Concorde. He has never taken any physiological training classes on how to use oxygen or what to do at Mach 3, at 82,000 feet, if you lose an engine in that Blackbird.

Everybody on the Blackbird flys in a space suit. I have flown the SR-71, as has a Democratic lady, Beverly Byron so it does not mean it is any great, you know, physical accomplishment, but Beverly Byron, former great conservative Democrat from Maryland, still out there doing great work on the Base Closing Commission, Mrs. Byron and I and the gentleman from Arizona, BOB STUMP, current Member of Arizona, who also flew in the Blackbird to see if we were getting our money's worth out of it, our taxpayers' dollars worth out of it.

We had gone up to Beale Air Force Base in California and gone through a 4-day program, 3½ days: physiological, training tests, unbelievable tests tracking the heart, and then flown the simulator, and I flew it for 8 hours; I think they wanted 4 to 6 hours flying it, even if you are not a pilot.

Beverly was pretty good. She had flown the A-10 tank killer, the Thunderbolt II. She had flown the F-16, I believe, and a lot of preparation went into that.

George Bush in his sixties, in 1980, his late fifties, was supposed to have been put into this plane cold turkey, somewhere in the United States. At a secret base, and at Mach 3 spirited to Spain; not so easily done, Mr. Speaker. It requires two or three midair refuelings from a special refueling wing, one of a kind in the world, also at Beale, the 100th Strategic Refueling Wing, using a special kind of fuel, JP-7.

After he landed at some base in Spain where the SR-71 Blackbird, the world's most exotic looking aircraft, nobody had even seen it there before, they would have seen it taxiing in at the base, he was then spirited to the meeting, out of the space suit, back to some secret hangar, into the space suit, into the back of the SR-71 dual-control model that actually could take somebody other than sitting in the reconnaissance officer's seat, and then all the way back to McGuire Air Force Base, New Jersey, and actually Gary Sick speculated in his sick, sick ramblings that it was probably McGuire, and then into the hangar, out of the space suit, back into his campaign trail three- or two-piece gray suit, out on the trail, and the Secret Service supposedly said, "Where were you, Secretary Bush," or "Ambassador Bush," whatever the title they wanted to use, probably Ambassador.

"Where were you?" "Never mind, I had a little stomach problem, been gone for a day," What an absurdity, what absurdity. Just the refueling logistics problems alone, a nightmare. Yet this House spent $30 million of taxpayer money proving that there was not a shred of truth.

Mr. Speaker, I have a letter that I will introduce into the RECORD tomorrow night, and I see with all the material there is one I forgot to bring, of how TOM FOLEY, our distinguished Speaker, Mr. Speaker pro tem, wrote to a gentleman in Florida who faxed me this letter yesterday, saying that he, TOM FOLEY, Speaker of the House 2 years ago, did not believe a word of this, did not think any of it was true, but like AL GORE in these three sentences or paragraphs that I read, he felt that we had to "find out the truth, even if it is circumstantial, even if the allegations are not true."

He said, "I," TOM FOLEY, "don't believe they are true, but we must find out." Then $30 million was spent. The chairman of that select committee to spend that $30 million was a very distinguished Congressman from Indiana, a man I truly admire and respect, I told him so again today, LEE HAMILTON.

Here is yesterday's headline. "Lee Hamilton Opts For Hearings On Whitewater," Our beloved DANNY ROSTENKOWSKI of Chicago, he is on the headline of today's Roll Call, "Rosty Wins Big," it says. He is also on the front page of the newspapers today.

Here is the green St. Patrick's Day battered Washington Times: "Rostenkowski Joins The Call For Whitewater Hearings." After winning in the primary, he calls the action inevitable. He might not have wanted to turn off the loyal, hard core Democratic faithful in a Democrat primary on Monday, but he has a general to win, so he reached out to what his taxpayers want, and he calls for a hearing.

My good friend and pro-lifer, the gentleman from Michigan, DAVID BONIOR, the distinguished majority whip, I do not think that DAVID, if he is in the cloakroom listening, meant to impugn the integrity of the gentleman from Indiana, LEE HAMILTION, and the gentleman from Illinois, DANNY ROSTENKOWSKI. They are all tight friends.

□ 2220

But why would he say it is only the Republicans, only the Republicans? You see, my wife told me, reminded me, that on the Gennifer Flowers tapes, which KFI radio in Los Angeles sent to our family during the election, and we cranked it onto our stereo and listened to the mellifluous tones of Gennifer Flowers wafting through our house and the high raspy Arkansas twang of Bill Clinton rasping through the house, as Clinton was on the Gennifer Flowers tapes, and also said, "Well, we'll more or less, we'll blame it on the Republicans." If you want the exact quote, I put the 8 minutes that Flowers released of written transcript into the CONGRESSIONAL RECORD on September 23, 1992, in the election year, so you can write your Congressman or anybody listening knows that, Mr. Speaker, and he will send you September 23, 1992, and you can read it right in there how there has been a lifelong pattern for Clinton saying, "Blame it on the Republicans."

Now, I know DAVE BONIOR did not mean that it is all political, because I did not sign that letter, but I do not think so. Maybe I did, but about Mrs. Clinton driving down pharmacy stocks.

But here is the way I would like to preface my remarks other than saying I am only doing what AL GORE and Speaker TOM FOLEY did about clearing up rumors that can divide our country severely.

Bill Clinton's background has already divided our country severely. I have been to enough military bases and flown with enough people from T-birds and Angels to big C-5's across several oceans to know the disrespect with which the line people, NCO's, and officer corps hold their Commander-in-Chief to know that this is not going to help, and that to even keep the situation from deteriorating worse with people who wear uniforms and put their lives on the line like sheriffs and cops, anybody who wears blue, khaki, or a military uniform, they are not too inspired by this Commander-in-Chief, so this will only make it worse if we do not clear things up.

But let us look at what I am going to begin to try and do to put this Whitewater scandal in perspective for my fellow Americans. I am going to not only try to tell the facts surrounding the case, but weave it together with other facets, draft-dodging, rampant, almost serial, womanizing, and tell why it is important that Congress hold the hearings. I will offer my opening remarks also with this pearl of wisdom to those at the White House who still do not understand why they are so miserable, why they have those butterflies in their stomach, why they are feeling the way this simple lay conservative Republican broadcaster, BOB DORNAN, felt about Watergate in the early stages.

I never did become a Watergate buff, studying every detail, and I do not expect a lot of my Democrat friends and colleagues are going to want to become as expert on this whole mess as I am going to try to be, because it is utterly, thoroughly, and totally demoralizing to see the leader of the world, and we do not have to say free world anymore, in spite of China, North Korea, Cuba, and Communist Vietnam, it is pretty much the leader of the world, that Presidential spot.

I know how demoralizing it is, and I thought I would never have a political career in the Grand Old Party, because I called for Richard Nixon's resignation before Barry Goldwater, but after Jim Buckley then the junior Senator, Federal Senator from New York, and it was painful. I did it on a television show when I just could not defend him anymore before the smoking-gun tape, before a lot of the revelations; I called for Nixon to resign basically for one simple reason, burned my job up, and I went home unemployed. I probably would have had a 5-month job as the Republican or conservative side of a Nixon Watch, they called it.

My opponent was a very capable head of the ACLU in Los Angeles, smart, attractive woman, Ramona Ripston. She is so smart she is still there after all of these years, and I am talking about 20 years ago, 1974. She is still the head honcho of the ACLU. But I walked. It was painful to see the Presidency collapsing, and I believe to this day the ignorant handling of this cheap shot, third-rate burglary to steal the playbook, to use one of Mr. BONIOR's analogies, to steal the playbook of the worst team in the league, and Clinton was on that team, by the way, the McGovern team, when they were losing 20 to 30 points behind. They just fired their Vice President who had undergone electric shock therapy at some point in his life, as though that was something wrong, to seek medical help, and put a Kennedyite, one of the brothers-in-law, on the ticket to try and let the Kennedy mystique salvage the ticket. The McGovern campaign was in disarray. There were rumors about Castro was going to endorse them, and they were going to try to hold it off.

And they steal the playbook over in the Watergate offices from this team. I could not believe it. To this day I believe that that mishandling cost Vietnam its freedom and cost about 10 million dead human beings in the killing fields of Cambodia and Laos because we lost our Commander-in-Chief, not because he had schemed in the burglary, but because of the mishandling. Pathetic.

Let me read a letter from one of the most distinguished and intelligent men I have ever come in contact with in public life, and this goes for his great wife with whom I work in an excellent group called the Catholic Campaign for America, Jean Bork.

Here is what a great jurist, Robert Bork, who should be sitting on that Supreme Court now, here is what he says in the Wall Street Journal, March 11, Friday: "Well, it's the early days, Mr. President," That is the title. And Mr. Bork says, "Clinton insists the two situations have nothing in common," meaning Watergate and Whitewatergate. I will just call it Whitewater, but I admire Bill Safire, who will not give up on Iraqgate. I am not going to argue with him on that mess, either.

He says, "Watergate, Iraqgate, Whitewatergate," much to the chagrin of some liberal honchos at the New York Times. "The flames of Watergate ultimately engulfed the Nixon Presidency," Mr. Bork says. "So far there are no flames here. There are only wisps of smoke and a crackling sound from the tinder under the Clinton Presidency. Well, it's the early days, Mr. President. At a comparable stage of the Watergate investigation, nobody had accused President Nixon of an abuse of power, either. There never was evidence connecting Mr. Nixon directly with the Watergate break-in," not to this day, Nixon-haters to the contrary. "The end came when the Oval Office tapes showed the President planning to use the CIA to deflect the FBI investigation. If it is true, as Mr. Clinton and his defenders insist," defenders like my good friend on the Intelligence Committee, I serve with him, good friend, BILL RICHARDSON, "If it is true as his defenders insist that they have attempted no concealment of evidence, it is also the case they have certainly given a virtuoso imitation of a coverup. One could easily mistake it for the genuine article. We may never know whether there is serious wrongdoing that the White House is trying to hide." That is a tough line that we may never know. "But the sounds of document-shredding raise legitimate questions, and they amount to an obstruction of justice. If Mr. Nixon had burned the tapes," and by the way, as William F. Buckley, my pal, advised him to do in the early days when they were his property. That is questionable since they were run through a White House taxpayer employer system. "If Mr. Nixon had burned the tapes, he might conceivably have avoided removal from office." I believe he would have. It does not make anything right or wrong, but I believe he would have avoided that, and it sure would have been good for 2 million Cambodians and about 186,000 Vietnamese who worked for us or liked us who were executed in the concentration camps throughout conquered newly Communist Vietnam in 1975, 1976, and 1977.

But his Presidency, the Nixon Presidency, would have been paralyzed, and I believe the Clinton Presidency is close to paralysis in about a month.

If persons close to the Clintons should be indicated for the removal or shredding of files, a similar paralysis may afflict their administration, Bob Bork continues. There was not in Watergate anything similar to Vincent Foster's death. Bill Safire said that on Meet the Press this Sunday, and it is a freezing type of a statement. Safire puts it very dramatically, as is his wont. There was no body in Watergate, There is a dead body here, as there was a dead beautiful young women in Chappaquiddick.

□ 2230

Scandals seem to be propelled, when someone has lost their life, into a whole different category.

I continue, "Nor is the inexcusable way it was handled by the White House giving the park police the responsibility for the investigation," stop. I am going to call Bob Bork on that. I have a letter here from the Police Association of the District of Columbia, and I will defend the park police, much to the chagrin of a lot of developing Whitewatergate busts. Park police is the oldest uniformed police service in the United States of America, 1791, to defend that man whose picture is on our floor, George Washington, in his third year; first and oldest uniformed police United States. I will defend their honor here as I have already called my pal Rush Limbaugh and told him he owes an apology to them. Most of his fans—there are a lot of rumors that park police are "Smokey the Bears." They are not. They did a competent investigation and did nothing where the FBI was not at their side, or the Justice Department.

The Justice Department makes me a little queasy if it was people way at the top, but Justice career employees, I feel comfortable with that too.

Bob Bork continues, "Giving the Park police responsibility," nothing wrong with that. "Secret removal of files from Mr. Foster's office; the lame statement that the so-called suicide note in Foster's briefcase had been overlooked earlier." I do not believe that.

The litany goes on. There was far more coverup here than there ever was in Watergate until the tapes were played. "I came into the Nixon administration June 26, 1973." Let us see, the resignation was August 9, so he was there 1 year, 1 month and 2 weeks. The way people talk about Bob Bork and the way he was attacked viciously in the worst character assassination that I have seen of anyone in a Senate confirmation, you would think he would have been there from day 1 with Nixon. Just 1 year, 1½ months.

Bork continues.

The Watergate break-in was long past, and there was no House impeachment committee when he came in June of '73. But the acrid smell of the wisps of smoke was unmistakable as the matters grew worse. By the way, Watergate break-in—I said I was not a buff, but I do remember some of the dates—was June 17. I think of it every June 17 because there were 2 million people dead in Cambodia. June 17 of '92. So Bob Bork came exactly 1 year and 9 days after the original break-in when he said, "There was a wisp of smoke and a crackling.

"As matters grew worse, trips to the White House were more frequent and steadily more depressing." I know what they are going to start to go through, the Democrat colleagues over here and in the Senate and downtown.

"The building exuded a thick atmosphere of desperation. Then as now, senior staff rushed from one damage control meeting to the next. Then H.R. Haldemann went down, then Erlichmann went down, they were jettisoned. Now it is Bernard Nussbaum, with surely more to follow."

I called and found out this story went to bed before Webster Hubbell went down. So now we have 2 for 2 and many more to follow in the next weeks, and I will address that in a minute.

"Then as now, under pressure the Attorney General appointed special counsel. The firestorm that followed the firing of Archibald Cox which fell to me means that Robert Fiske's tenure is secure. He will not suffer the fate of Archibald Cox unless the Clintons are determined to repeat every stage of Watergate. Their common element in Watergate and in Whitewater is the hatred that both Mr. Nixon and Mr. Clinton arouse, though from different ends of the political spectrum. That contributed to the bunker mentality in '73, as it now appears to be doing in '94. And that bunker mentality always produces mistakes. I think I know a little of how the Clinton group feels. It is a unique experience to be inside an administration that may or may not be collapsing. The frustration of not knowing the facts, the anguish of hoping that ultimately investigation will bring vindication, the pain of seeing the desperation of those are the center of power, in Watergate only a very few people, perhaps no more than two or three knew, that is probably true today."

I would say "wrong, Bob Bork." It was two or three under Nixon, because I do not think that even Pat Nixon was in the circle, I would say now it is a minimum of six, seven, eight. "That is probably true today. The rest must be hoping against hope, as we were in the Nixon White House." Robert H. Bork, Nixon's solicitor general, and then a top acting Attorney General and now American Enterprise Institute Fellow and one of the greatest legal minds of my lifetime.

Mr. Speaker, let me first, since on the radio for the least 2 months I have been calling regularly, had been calling regularly for the resignation of Bob Nussbaum, I found out all the White House people, even though they liked him, called him "Buzz Bomb." I have been calling for the resignation of Webb, Clinton's golfing budding, Webster Hubbell.

Now let me add to that list since it seems someone listened to me in those cases. I believe the next resignations should be four, well, three and one firing. I believe Patsy Thomasson, who managed Dan Lasater's assets, which we will get to later during the FSLIC case, while he was in jail on drug charges. She is now White House aide.

She is among those who searched legally Bill Foster's office. She is going to have to go. You will probably see that within a month because she does not have her security clearance yet. I do not want to do too much speculating, but how can someone in her position be in that White House now 2 months into her second year, as Dee Dee Myers is 2 months into her second year, and they do not have their top-secret security clearances. It leaves one to wonder if they can get them, if they ever turn in their paperwork.

So I think since she has told the press, people inquiring over and over, "I am filling out the forms. I am getting them Monday, on Tuesday." On Tuesday she will tell you I never told you I would be ready on Monday. I completely forgot about it. This has been going on just for the last 2 weeks.

She goes.

Over at Treasury, and this is sad, a close friend of the Clintons, a man who everybody thought would replace former Senator Bentsen, a distinguished combat B-24 Liberator pilot from World War II, who wants the hell out of all this mess with his great reputation intact, who we now hear in the rumor mill in both cloakrooms that the Clinton administration is on its knees begging Lloyd Bentsen not to quit because then they would have to go through the confirmation process of the head of the Treasury Department and all of the pressure and one of the top people walking out of the Cabinet at the Cabinet level. They have lost their senior White House counsel, they have lost their No. 2 man to suicide, and they have lost the No. 3 man at Treasury—or Justice, who people said really was the No. 2 man, particularly when Phil Heymann left after a while. Since he could pick up the phone and jingle his golf buddy in the Oval Office, Webster Hubbell was demoralizing all the people at the Justice Department because they said it was being run by friendship and cronyism.

Now he is gone, and meanwhile back at Treasury it appears that Lloyd Bentsen did not know all these underlings were having these secret meetings over at the White House. He is livid with anger. He wants out. But being a good soldier, a guy who knows what real combat is like, Lloyd Bentsen would probably stay for a while.

But I do not think the smoke is going to clear. I do not think the flak is going to back off William Lloyd. You are going to have to, probably to keep your honor, walk. This man, Roger Altman, tall, handsome man, looks like Vince Foster, he was going to be the man who was going to walk into the job. He is only acting as head of RTC. But the deputy treasury secretary, and this RTC Chairman Altman admits he called White House officials and then recused himself from any further consideration. So we have to get a head for the RTC.

But more than that, at his side was Gene Hanson. Gene Hanson is another top-level employee who knew there were other critical meetings and never tapped Mr. Altman on the shoulder like the typical television scene in movies or in real life where the lawyer has a little whisper off camera with his hand over the mike.

□ 2240

She sat there and let him say what was wrong, that he knew of only one meeting. We have got to give some people the benefit of the doubt here, that he was not boldly lying to a Senate committee and, therefore, she hung him out.

You read last week's Time and Newsweek, and you will see a line in one of them, I think it is in Newsweek—yes, where an unnamed, and there is going to be a lot of these leaks, just like with Watergate—an unnamed, highly placed, Democratic source at the White House said, "She's going to take it in the eye." That is the exact quote because of what she did.

Ms. Jean, J-e-a-n, Hanson with an o-n, in a critical meeting at the Treasury, an acting, acting, RTC counsel, told Nussbaum the Clintons were mentioned as criminal referral. That is what was all over the news tonight with Senator AL D'AMATO, and as, potential beneficiaries of Madison misconduct, she is one of the ones who tipped them off. Clinton says he cannot remember who tipped him off, but she is already saying, "I did." She will be gone soon. Resign with your health, and try and get a public defender because we are getting down to people now that do not make as much money as the lawyers they are hiring to defend them, but they do not want to go to jail.

So, Patsy Thomasson will have to go, and that is Thomasson with two s's, Roger Altman, Deputy Treasury Secretary goes within the next few weeks, and Gene Hanson goes.

Now here is the one who should be fired. I will do more on this tomorrow: Buddy Young, the former commander of troopers in Arkansas.

Mr. Speaker, the day after Vince Foster committed suicide, and I am not just speculating anymore, I believe he committed suicide; I think he did from the start. The day after, and there is no connection there, but this helps you with the dates. Vince Foster committed suicide on July 20. The very next day Buddy Young in Arkansas was told by probably the President himself:

"Buddy, Captain, you're on your way to Denton, TX, to be head of FEMA, and you're getting double pay of what you are getting right now. You're going from the high forties to about $95,000 a year. Thanks for all the good years, and thanks for bottling up those troopers."

Off to Denton, TX, in July, Buddy Young.

Here is why I think he should be fired: Buddy Young on camera to ABC said he was up in the Oval Office the week before Christmas, the very week all of the troopers' stories are breaking, and I am sitting in for Rush Limbaugh on 650 stations. He flies up from Denton, TX, to Washington, takes a car. A limousine picks him up, and he goes to the White House compound, and he goes into the Oval Office and sits down with the former man that he guarded for 12 years over a 14-year period, 1978 to 1992, and they started calling troopers.

Now imagine this scene. Very few press people want to write this scene, it is so depressing, but it is true. It is true because Clinton has admitted it is true, and Buddy Young talks about it on live camera.

While the White House calls him on the phone—excuse me, I will get this call. Excuse me, it is the White House.

No, no. Buddy Young was probably telling the truth.

They sit there, and with all the things to do, men in Somalia. At that time there were not—yes—but at that time we had lost 30 men killed in action and four from accidents in a combat theater, and the President is sitting there Christmas week ringing up personally——

"Hi, Danny. It's the President." Danny Fergusson. "Danny, what's this about all your troopers coming forward with stuff about all the womanizing? Geeze, I thought we liked one another, covered one another."

I wonder if it was on the spot that Danny Fergusson got promoted from sergeant to lieutenant. More about Danny later.

Then he rings up Ronny Anderson. This is tough. Ronny has five kids; three of them are triplets, beautiful triplets. The man is worried about his family.

"Ronny, what are you doing to me? What are you telling all these stories for? Why are you telling these stories about Vince and missis? Come on."

The L.A. Times had these two officers, troopers who were still on active duty, on tape, and they leave their friends, as I said on Limbaugh, out there on the battlefield alone to be hammered on and chewed over by the liberal media, to have their backgrounds exposed, and to show that their two marriages were lost, Roger Perry and Larry Patterson, I met them both, they are still on the payroll in Arkansas as peace officers protecting people, protecting someone that I served here with, Jim Guy Tucker, the current governor.

I know all these troopers were talking about it. They are not only drunks at some bar that were kicked off the payroll in Arkansas. They are on the taxpayers' payroll right now, just as they were when Clinton was abusing their trust, and they were stupidly going along with it until they have a stomach full of it. Some of them and others did not get the proper guilt, so he was long gone, and he realized that this man that they watched for over a 14-year period was the Commander in Chief and leader of the Free World.

These two troopers tried to pull back everything they did. As I said, Danny went from sergeant to lieutenant on the spot. It does not work because the L.A. Times has them on tape. I already have the names because somebody else has leaked them to David Brock during the definitive trooper story in the American Spectator, so I use their names right there on national radio, and I am still using them here on the House floor to a million and a half people maybe, and I think it is about time that these two troopers join Roger Perry and Larry Peterson and either say that they are both lying and now we are taking back what we said, what we signed in the affidavits, what we said on tape recordings to the L.A. Times, and we are going with Bill and Hillary, and to heck with Larry and Roger Perry. They are wrong.

No, no. There were five troopers initially. There is all ten around Little Rock will say all of it was true, and Buddy Young, who came up to the White House, into the Oval Office in a Nixon/John Dean type meeting claiming that they never discussed specific jobs but that Clinton said to Danny, "Why is Roger doing this? Did Roger want a job? Where is his bio? I'll look for his bio around here." The President all but admitted that to the press.

What? That the leader of the Free World has time to look for one trooper's biography, and it is not discussing jobs and silence?

Geraldo Rivera can rant all he wants, he can rant about these two troopers, but they are on the payroll, the taxpayer payroll in Arkansas. More about the troopers probably by Wednesday of next week.

Now there was a hot rumor just flashing around this place. It came up in the Speaker's office Thursday or Friday morning last week that BOB DORNAN was going to take to the well and reenact the suicide of Vince Foster. Now how could I do that when I never read a report, I have never seen a photograph until that afternoon, and how did the rumor start that BOB DORNAN was supposedly going to reenact the suicide of Vince Foster?

Well, it started because Thursday morning last week there was the biggest traffic jam I've encountered in 18 years here, 17 and a half years, so I took a different route in, and I started down George Washington Parkway which I had used for 12 or 13 years when I lived in Vienna, VA, with my then much younger family in my freshman and early years as a Congressman. Beautiful George Washington Parkway, along there, and there I see it, Fort Marcy Park, one of the great Civil War smaller forts, a structure of eight or nine of them to defend the city from the cavalry of Jeb Stuart.

So, I said it is time to go in there. I called the House. They said there is no votes for an hour. I said, "That's it." I wanted to see, one, if that park was closed to the general public who pay the bills to feed the trees and mow the grass, take care of the parking lot there, polish the big Napoleon cannons and take care of this little, historical guard fort that overlooks ancient Chain Bridge.

And I pulled in, and sure enough, sure enough because Vince Foster, the No. 2 lawyer at the White House and the personal key lawyer for both Clintons who, as the Washington Post, the liberal Post, said was their key confident lawyer on all matters public, and political, and private. Unbelievable. He kills himself in an historic Civil War park so the park has been closed ever since. That is wrong. That was one thing I wanted to see.

And two was a very simple thing. I wanted to see if there were big dirt berms built up around the cannons on either side which would make it very important whether Vince Foster was standing or sitting when he committed suicide, or lying down, whether his body had been dragged from somewhere else. Those rumors were hot and heavy on all the talk show circuit, and it was being speculated in the New York Post, a million person circulation magazine—I mean newspaper, tabloid shape, that is read on all the subways along with the New York Daily News by millions of people every week. It was being speculated how could the body be heels together as though it were lying in a coffin, hand by the side, one hand over here with the arm looking like it was carefully placed in it. I did want to see if there were big dirt berms by the cannon, and I went in there in the rain.

First of all, a guard approached me and says, "You can't come in here."

Handsome, young worker.

I said, "Woo, woo, woo, woo, wait a minute. I'm on the taxpayer payroll here. I'm a U.S. Representative. I am going to go in there. Please let's not have a hassle."

"Oh, no, no, sir, you go right on in; it's OK."

□ 2250

I go in and find the cannon. I said where is the cannon? He says in there. I find the cannon very easily. Then I walk up this very high inclined path, and all of a sudden there is another cannon. I never read anywhere there were two cannons. But maybe I had not been reading enough.

I said which cannon was he at? I looked at them both. They both had big dirt berms. There was a field of fire, a V cut in front of the barrel. So if he was standing in front of the barrel touching with one hand when he shot himself, this way, or reversed thumb, then the bullet would have gone through the V. If he was faced the other way, the bullet would have sailed over the House of Prince Bandar—it is under a multi-million dollar reconstruction right now. A huge Saudi Arabian compound over the Potomac—and dropped into somebody's yard. Somebody would pick it up and say what is that funny little thing and throw the slug away. Or it goes into a tree somewhere.

So it was important. I came back and I called the park police. The first person that answers the phone is a sergeant. He says, I am a Rush Limbaugh fan. Why is he beating up on us, Congressman? We ran a good report. We had competent investigators. We worked closely with the FBI and Justice.

I said, I want to know which cannon he was by. I don't know. I did not conduct the investigation. Here is who did. He gives me the name. But maybe you better call our Major Hines.

Then suddenly a lady captain calls me. I will not give her name. She says she has been with the Park Department 18 years when I asked her, and she said he was lying by the north wheel of the north cannon. It turns out that she should not have spoken, because that is not exactly true either. But I called Rush Limbaugh and said, Rush, to the whole Nation, Guam, Puerto Rico, all the ships at sea, marine expedition force ships off the Virginia coast, and now on Armed Services Radio, thanks to me, all the way down to the South Pole where I heard Rush down—or actually he was starting the Monday after I left the South Pole in January.

So I get Rush. He is a gentleman, and he says I do apologize to the park police. I didn't mean to call them Smokey the Bears, but I am reading a lot of Chris Ruddy's columns in the New York Post, and it looks like there is a lot that can't be cleared up.

I said Rush, the report should not be bottled up. The family has had enough time to adjust to at least the initial agony of having an autopsy report released. They can avert their eyes. I said something dumb on Rush's show. I said they ought to release all the photographs of the crime scene.

Well, you can never release all the photographs of a crime scene until you are absolutely positive there is going to be no legal ramifications and you have decided totally it is a suicide.

However, 3 hours after I spoke to Rush, and here is a mystery that I am going to leave for next week, somebody at Justice leaked selectively to one privileged selected network, ABC, one photograph of Vince Foster's thumb in the trigger guard. The accompanying story says the gun was pried off his hand. How could it be? It was just his thumb hanging in the trigger guard. I am convinced it was a real photograph.

Then I read this story in the Daily News, what Limbaugh calls the American tabloid war, but he doesn't mean tabloids like flying saucers or bringing women dates in for high politicians or two headed wives have two headed babies, that kind of garbage. It doesn't even mean National Enquirer, which has broken a lot of stories. It means newspapers in New York, like the Chicago Sun, which are shaped to be read on the subways.

The Daily News goes back over a century, New York's hometown paper, says Vince Foster's suicide report ends rumors. Case closed. By Mike McKlary. I haven't spoken to Mike, but I think I will tomorrow or over the weekend.

It says the unfostered D.C. suspicions, aide's suicide is confirmed by head's up cops. It is an excellent story.

It says most of what happened in Fort Marcy Park on July 21 has remained secret. The Park Police report has only been reviewed once by the Daily News.

Now, what I want to ask Mike McKlary is why was he hand picked to read the report to count. To counter Chris Ruddy? Terrific reporter over at the Washington Post. Who is playing these games? Why was ABC picked. Because Rick Kaplan stuck his nose into Clinton's life again? FOB, Friend of Bill, Renaissance Group companion down in South Carolina? Why was ABC singled out for one photograph, and then ran in all the papers as it moved on the wires after that?

No, here is the photograph, credit ABC news. And why was Mike McKlary given all this special treatment?

But if you are going to accept the first part of the story, that it was legitimately a suicide, then you have to accept the rest.

Now, here is the name, I can release one police officer's name without hurting him, because it is in this article. It says Peter Marklin, that is the man, the sergeant that was told to me was the chief investigator, he said Marklin told the reporter that he was asked by a furious Nussbaum and a park police investigator captain was furious, he said why can't you handle this as a normal case, Nussbaum demanded at one point?

Because this isn't a normal case, said the chief investigator, Peter Marklin.

Why not, Nussbaum said?

Because if this is normal case, I would have all of the dead guy's files in the back of my car, Marklin said.

No one can say why Vince Foster killed himself. Oh, I think we all can. I will tell you that in a minute. Only that he did.

The coverup? Well, if there was one, it started with Nussbaum. The President's lawyer acted like someone with a client who had something to hide. He calls it all moronic, the reporter.

I thought they all should have been arrested for obstruction of justice, said one investigator familiar with the suicide.

And there is one more mystery to decide. There is one small triangular shaped piece of the so-called suicide note missing. It is about an inch and a half wide on the bottom of the so-called suicide note, right-hand part of the paper.

It is not a part of the main content and nobody is allowed to analyze the handwriting, although they say they did and it is Foster's. Why is the Wall Street Journal being stiffed and photocopy of the text which has been released in every paper in the Nation and all over Europe and Hong Kong ever since say August or September.

It is not part of the main content. It could be a date, the investigators believe. They are surmising, I am not. The Park Police and FBI investigator still are not sure the note is real. Who tears a note into 28 pieces and then throws it in his briefcase for safekeeping, and these investigators say they looked in the briefcase, there was nothing there, and it turns up in the briefcase 3 days later?

This is what Judge Bork means about these people are pulling off a virtuoso performance of a coverup.

Now, this story goes on with more tough stuff right to the end. What I would like to see is investigators like Mike McKlary of the Daily News and Chris Ruddy of the New York Post working together and sharing the same reports and the same evidence.

Here is a letter. Let me see if I was given permission to read this. Why not? Police Association of the District of Columbia.

Dear Congressman Dornan.—This comes from Pennsylvania Avenue, Washington, D.C., and the building in the New York area is building 272 at Floyd Bennett Field.

I am the chief delegate for the Police Association of D.C., representing the interests of the Members of the United States Park Police as well as other Federal law enforcement agencies. This correspondence is in reference to the Vince Foster death investigation by the United States Park Police.

Mr. Congressman, I would like to begin by voicing our appreciation for the kind words that you spoke on the Rush Limbaugh show on behalf of the Park Police. Because of your close ties to Mr. Limbaugh and your interest in the case, I thought I should clear up some misinformation and express our membership's collective displeasure on the media coverage of our investigation.

You must take into consideration that the investigation remains open and is being actively pursued by Mr. Robert Fiske and a Federal grand jury. Therefore my comments must remain limited and guarded. However, as a union official, I cannot stand by and let our membership and the U.S. Park Police become smeared with the graffiti passing as investigative journalism in both print and the electronic media.

Essentially, we contend the following.

Now, most of America is hearing this for the first time through this Member in this great distinguished Chamber on St. Patrick's Day.

The U.S. Park Police were not assigned the case by White House officials, who could easily influence our determinations of cause and fact. This was a Park Police investigation simply because it occurred on National Park Service property.

I knew that. I knew that when it happened.

Simply because it came under the full jurisdiction of the U.S. Park Police. The chief of the department notified the FBI on the following day as soon as he became aware of the potential political implications. Vince Foster had left his coat in his car in the small Fort Marcy parking lot with his wallet, and when they saw his White House ID in there and the car had Arkansas plates, it didn't take a rocket scientist to say aha, we have a FOB, possibly a high ranking person in the White House. Call the FBI. And they did.

From that time on at least one FBI and a Justice Department or a Justice Department or FBI was present with our investigators throughout the entire critical follow-up investigation starting on that second day.

To my knowledge, there was not one instance that either supporting agency, FBI or Justice, did not fully agree with the direction of the investigation as conducted by the U.S. Park Police investigators.

To infer that the Park Police could be politically influenced is ludicrous. I ask that you question any Member of Congress serving during the period of the Wilbur Mills Tidal Basin affair—in the early seventies before I got here or you got here, Mr. Speaker—if the Park Police can be influenced. I am certain you will recall that Wilbur Mills, powerful chairman of the Ways and Means Committee, that is the seat that Mr. ROSTENKOWSKI has now, he was placed under arrest by a U.S. Park Police officer and subsequently lost his entire career over the incident.

□ 2300

I think he might have survived one election. I do not know. Strange voting patterns in Chicago.

"Absolutely every action and test that should have been performed forensically at the crime scene was professionally completed. Full crime scene photographs were taken."

I told that to Rush. I believed it, when I was told by a sergeant.

"All of the potential physical evidence was identified, collected and either processed or held for future processing. As I'm sure you are aware," and this was a stupid contretemps on the Limbaugh Show the day before yesterday. Some guy sounding like an expert called up and said, "And DORNAN should have known that you can't pick up lead with a metal detector."

Why does he think people illegally come on the battlefields of Gettysburg, Fredericksburg, Chancellorsville, and Antietam in the dead of night with metal detectors trying to pick up lead mini balls. And I am sorry Rush did not take him up on this. But this expert says, "Of course, lead is easily detected. One of the heaviest of all metals and by our state-of-the-art metal detectors. Interesting he used that term. That is what Captain Fernandez used to me, state-of-the-art, when I asked her about warehouses of confiscated metal detectors, get one and look for the bullet.

"And the area in question was fully swept. The autopsy was completed with our investigators in attendance. I feel that when the results are finally released," I hope it is not 2 years, Mr. Fiske, "it will be clear that the conclusions reached by the investigators will be fully supported by the forensic evidence, the coroner's report and the follow-up investigation. Regrettably, this investigation remains confidential pending review by the grand jury and the special prosecutor."

Now, this gentleman, I better give his name at this point, this William G. Stray, S-t-r-a-y, Chief Delegate, New York Field Office of the Police Association of the District of Columbia. I wonder why they have a New York field office. Yes. They take care of Grant's Tomb and other things, I guess, up there.

What he did not know when he wrote me this letter and faxed it to me, he wrote the letter on March 16, was that on March 14, he should have known this, the Daily News went with the story. They had been given this privileged information. And as they described the story, I have to buy it until someone proves otherwise. And that is that Vince Foster did sit down, that he was in shirt sleeves, hot July day. And it was on an incline not close to either cannon exactly, and that he put the bullet, the gun, this 1913 Colt made up of parts from two different 1913 guns, held it with both hands, one thumb in the trigger grip. And you can imagine this father of a beautiful wife and three children entering their teen years, where they need him so badly, a man who probably never fired a gun, was shaking badly. Put the gun way so far inside his mouth there were powder burns on the palate, pulled the trigger with the gun at a down angle, and the bullet went through the top of his head, the release, killing him instantly. His legs went straight. And if he was sitting, they could end up side by side. His hands could drop. Odds are one in 20 that the gun would not have flown away, but that is all right. One in 20, that is not bad in roulette. And his hand dropped down. You see the photograph with the thumb barely in the thumb guard, but that takes care of all the mystery surrounding where the bullet went all the speculation about the body moved from a safe apartment or from a luxury apartment in Boston or this or that, all that could be solved by at this point, after a decent interval for the family to try, well, they will never overcome this ghastly tragedy, but to understand that America must know about its public officials that are in the White House but kill themselves over an about-to-explode scandal, that we could relieve the country of all this agony, all this gum beating, if we could just see that official report the way the New York News saw it. Because not everybody is going to accept the New York News report.

Now, the representative of the police continues.

"How can the U.S. Park Police respond to the accusations made on the investigation through the media? Constant misinformation surfaces, mostly through the published columns and on the radio," and I will leave out people's names here, "and other publications and media outlets. These columns contain distortions, incorrect suppositions and outright falsehood. When published in the New York Post and repeated on the Rush Limbaugh Show, these comments take on a sense of factual determination which not only misleads the public but irreparably sullies the reputation of the U.S. Park Police on a national level.

"Mr. DORNAN, how will the U.S. Park Police ever regain the outstanding reputation that they deserve?"

Does that not sound like Ray Donovan in the Reagan administration: "How do I get my reputation back?"

"When the reports are released, will Rush Limbaugh spend day after day extolling the abilities of the U.S. Park Police investigators"—yes, Rush is an honest man; he will probably be the only one to do it right—"as he has been castigating them based on false information? What page will the New York Post publish the true findings and how big will the headlines be? When a New York Daily News columnist, Mike McAlary, reports that the investigation was thorough, complete and professional" and that all the people should have been arrested for obstruction in the White House, he says, why isn't his column given the same direction?

"Well, Mr. DORNAN, I submit that people have clearly demonstrated they are not dedicated to review the facts"—I am going to try and correct that—"to disseminate the truth to the public. Mr. McAlary did an amazing job of uncovering the facts, locating investigators, naming names and reporting on his investigation," and getting privileged treatment, I might add.

"In closing, we ask that you forward our concerns to Mr. Limbaugh," done, "and ask him to be sensitive to the fact that he is greatly contributing to the unwarranted defamation," I say unknowingly, "unwarranted defamation of the ability of the oldest police department in the United States of America." 1791.

"If I can be of any further assistance," fine. I hope I have set the record there.

Now, tomorrow, sometime, I guess, we are going into pro forma session, sometime after 11:30, I would guess. I am going to discuss the Time article on Hillary, "Where is the cheering press," with Mr. Clinton. I saw him cheering out in front of here today. Why these multi-millionaires, Barbara Walters, Peter Jennings, Diane Sawyer, Koppel, Rather, Chung, Brokaw, why they have not shown true grit on this whole story. I am going to put in the MTV Show transcript from 1992, the special Steve Croft 13 minute abbreviated Sixty Minute Show.

I am going to put in Ted Koppel's show on Lincoln's birthday, February 12. We are going to cover a lot of stuff.

Let me close on one line. I am going to answer what is as common, easy to figure out as anything I have ever seen in my life. I will close on this provocative answer.

Why did Vincent Foster kill himself? Mr. Speaker, Vince Foster killed himself because he did not have the courage or the guts to face up to this fire storm that he saw coming, and that is a tragedy for his family and also a tragedy for America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TUCKER (at the request of Mr. GEPHARDT) for today after 6:00 p.m., on account of official business.

Mr. GALLO (at the request of Mr. MICHEL) for today, on account of hip surgery.

Mrs. FOWLER (at the request of Mr. MICHEL) from 5:00 p.m. today, on account of family business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINGSTON) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana for 5 minutes today.

Mr. GOSS for 5 minutes on March 22, 23 and 24.

Mr. DREIER for 5 minutes today.

(The following Members (at the request of Mr. FALEOMAVAEGA) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes today.
Mr. OWENS, for 5 minutes today.
Mr. FALEOMAVAEGA, for 5 minutes today.
Mr. SABO, for 5 minutes today.
Mrs. MINK, of Hawaii, for 5 minutes today.
Mr. BONIOR, for 5 minutes today.
Mr. FAZIO, for 5 minutes today.
Mr. RICHARDSON, for 5 minutes today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KINGSTON) and to include extraneous matter:)

Mr. KING.
Mr. POMBO.
Mr. MCKEON.
Mr. SOLOMON.
Mr. FAWELL.
Mr. CLINGER.
Mr. GREENWOOD in 2 instances.
Mr. GILLMOR.
Mr. GUNDERSON.
Mr. GALLEGLY.
Mr. EVERETT.
Mr. GOODLING.
Mr. TAYLOR of North Carolina.
Mr. THOMAS of California.
Mr. SMITH of New Jersey.
Mr. HUNTER.
Mr. BALLENGER.
Mr. PACKARD.
Mr. HASTERT.
Mr. MACHTLEY.
Mr. DUNCAN.
Mr. HORN.

(The following Members (at the request of Mr. FALEOMAVAEGA) and to include extraneous matter:)

Mr. HAMILTON.
Mr. REED in 2 instances.
Mr. KILDEE.
Mr. TRAFICANT.
Mr. KANJORSKI.
Mr. BROWN of California.
Mr. LANTOS in 2 instances.
Mr. FOGLIETTA.
Mr. OBEY.
Mr. BARCIA.
Mr. ACKERMAN.
Mr. MANTON.
Mr. DURBIN.
Mr. MENENDEZ in 2 instances.
Mr. BROWN of Florida in 2 instances.
Mr. CLYBURN.
Mr. COSTELLO.
Mr. ROSTENKOWSKI.
Mr. KLEIN.
Mr. BARLOW.
Mr. CONDIT.
Mr. STARK.
Mr. KENNEDY.

(The following Members (at the request of Mr. DORNAN) and to include extraneous matter:)

Mr. LAMBERT.
Mr. PAYNE.
Mr. BURTON of Indiana.
Mr. MENENDEZ.

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolutions of the Senate of the following titles:

S. 1926. An act to amend the Food Stamp Act of 1977 to modify the requirments relating to monthly reporting and staggered issuance of coupons for households residing on Indian reservations, to ensure adequate access to retail food stores by food stamp households, and to maintain the integrity of the Food Stamp Program, and for other purposes.

S.J. Res. 163. Joint resolution to proclaim March 20, 1994, as "National Agriculture Day."

S.J. Res. 162. Joint resolution designating March 25, 1994, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

ADJOURNMENT

Mr. DORNAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 8 minutes p.m.) the House adjourned until Friday, March 18, 1994, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2790. A letter from the President, Boy Scouts of America, transmitting the Boy Scouts of America 1993 report to the Nation, pursuant to 36 U.S.C. 28; to the Committee on the Judiciary.

2791. A communication from the President of the United States, transmitting a letter in writing to reaffirm his opposition to the proposed balanced budget amendment to the Constitution of the United States (H.J. Res. 103) (H. Doc. No. 103-223); to the Committee on the Judiciary and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSTON of Florida (for himself, Mr. MURPHY, Mr. MARTINEZ, Mrs. UNSOELD, Mr. GENE GREEN of Texas, and Ms. WOOLSEY):

H.R. 4064. A bill to amend the Job Training Partnership Act to provide counseling and guidance relating to postsecondary education options for dislocated workers; to the Committee on Education Labor.

H.R. 4065. A bill to amend the Higher Education Act of 1965 to make adjustments in the calculation of need for student assistance for dislocated workers, and for other purposes; to the Committee on Education and Labor.

By Mr. ROSTENKOWSKI (for himself, Mr. GIBBONS, Mr. JACOBS, Mrs. KENNELLY, Mr. LEWIS of Georgia, Mr. REYNOLDS, Mr. CRANE, and Mrs. JOHNSON of Connecticut):

H.R. 4066. A bill to suspend temporarily the duty on the personal effects of participants in, and certain other individuals associated with, the 1994 World Cup Soccer Games, the 1994 World Rowing Championships, the 1995 Special Olympics World Games, the 1996 Summer Olympics, and the 1996 Paralympics; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 4067. A bill to amend section 203 of the Housing and Community Development Amendments of 1978 to provide for the disposition of multifamily properties owned by the Secretary of Housing and Urban Development, to provide for other reforms in programs administered by the Secretary, and to make certain technical amendments, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEHMAN:

H.R. 4068. A bill to improve the health and productivity of National Forest System lands in the State of California and to demonstrate the use of ecosystem management as a practical management program on such lands; jointly, to the Committees on Natural Resources and Agriculture.

By Miss COLLINS of Michigan:

H.R. 4069. A bill to amend title 18, United States Code, to include private and commercial interstate carriers in the mail fraud prohibitions; to the Committee on the Judiciary.

By Miss COLLINS of Michigan (by request):

H.R. 4070. A bill to amend title 18, United States Code, to provide for criminal and civil penalties for mail and wire fraud, and for other purposes; jointly, to the Committees on the Judiciary and Post Office and Civil Service.

H.R. 4071. A bill to amend title 39, United States Code, to grant the U.S. Postal Service the authority to issue civil investigative demands, and for other purposes; jointly, to the Committees on Post Office and Civil Service and the Judiciary.

By Mr. FORD of Michigan:

H.R. 4072. A bill to amend the Worker Adjustment and Retraining Notification Act to minimize the adverse effects of employment dislocation, and for other purposes; to the Committee on Education and Labor.

By Mr. GREENWOOD (for himself, Mr. CLINGER, Mr. MURTHA, Mr. MCDADE, Mr. HOLDEN, Mr. WALKER, Mr. GEKAS, Mr. MURPHY, Mr. RIDGE, Mr. KLINK, Mr. SANTORUM, Mr. KANJORSKI, Mr. MCHALE, Mr. SHUSTER, Mr. GOODLING, and Ms. MARGOLIES-MEZVINSKY):

H.R. 4073. A bill to amend the Solid Waste Disposal Act to permit States and counties to limit the disposal of out-of-State solid waste, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HOYER (for himself, Mr. STUPAK, and Mr. LIGHTFOOT):

H.R. 4074. A bill to require the Secretary of the Treasury to mint coins in commemoration of the National Law Enforcement Officers Memorial, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Natural Resources.

By Mrs. KENNELLY:

H.R. 4075. A bill to establish a rapid deployment force; to the Committee on the Judiciary.

By Mr. UNDERWOOD (for himself and Mr. DE LUGO):

H.R. 4076. A bill to amend the Federal Home Loan Bank Act to provide for the representation of Guam and the Virgin Islands on the boards of directors of the appropriate Federal home loan banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CONDIT (for himself, Mr. CONYERS, and Ms. VELAZQUEZ):

H.R. 4077. A bill to establish a code of fair information practices for health information, to amend section 552a of title 5, United States Code, and for other purposes; jointly, to the Committees on Government Operations, the Judiciary, and Energy and Commerce.

By Mr. DUNCAN (for himself, Mr. CALVERT, Mr. CUNNINGHAM, Mr. DOOLITTLE, Mr. DORNAN, Mr. GALLEGLY, Mr. KIM, Mr. POMBO, Mr. ROHRABACHER, Mr. ANDREWS of New Jersey, Ms. DANNER, Mr. PENNY, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. ALLARD, Mr. ARMEY, Mr. BACHUS of Alabama, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BATEMAN, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. BUYER, Mr. CANADY, Mr. CRANE, Ms. DUNN, Mr. EWING, Mr. FAWELL, Mr. GILLMOR, Mr. GINGRICH, Mr. GOODLING, Mr. GUNDERSON, Mr. HANCOCK, Mr. HANSEN, Mr. HEFLEY, Mr. HOBSON, Mr. INGLIS of South Carolina, Mr. INHOFE, Mr. KLUG, Mr. KYL, Mr. LAZIO, Mr. LEWIS of Florida, Mr. MCCANDLESS, Mr. MCINNIS, Mr. MICHEL, Mr. MILLER of Florida, Mr. OXLEY, Mr. PAXON, Mr. PORTMAN, Mr. QUILLEN, Mr. ROBERTS, Mr. SHAYS, Mr. SOLOMON, Mr. SMITH of Oregon, Mr. SMITH of Texas, Mr. STEARNS, Mr. SUNDQUIST, Mr. TAYLOR of North Carolina, Mr. THOMAS of Wyoming, Mrs. VUCANOVICH, Mr. WALSH, Mr. YOUNG of Alaska, Mr. ZELIFF, and Mr. ZIMMER):

H.R. 4078. A bill to amend the act establishing the Golden Gate National Recreation Area, and for other purposes; to the Committee on Natural Resources.

By Mr. HYDE:

H.R. 4079. A bill to reform habeas corpus; to the Committee on the Judiciary.

By Ms. KAPTUR:

H.R. 4080. A bill to suspend until January 1, 1998, the duty on di-pentaerythritol; to the Committee on Ways and Means.

By Mr. KLINK (for himself and Ms. MCKINNEY):

H.R. 4081. A bill to establish a Congressional Office for Public Opinion Research and Assessment; to the Committee on House Administration.

By Ms. LAMBERT:

H.R. 4082. A bill to require the Secretary of the Interior to convey the William H. Donham State Fish Hatchery to the State of Arkansas; to the Committee on Merchant Marine and Fisheries.

By Mr. LAROCCO:

H.R. 4083. A bill to amend the Wild and Scenic Rivers Act by designating the Lower Salmon River in Idaho as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Natural Resources.

By Mr. MARTINEZ (for himself, Mr. FORD of Michigan, Mr. OWENS, Mr. SCOTT, and Mr. BAESLER):

H.R. 4084. A bill to amend the Community Services Block Grant Act to establish a new community initiative program to carry out economic development activities in economically distressed communities, to make other amendments to the Community Services Block Grant, and for other purposes; to the Committee on Education and Labor.

By Mr. MARTINEZ (for himself, Mr. SHARP, Mr. FORD of Michigan, and Mr. DINGELL):

H.R. 4085. A bill to amend the Low-Income Home Energy Assistance Act of 1981 to authorize appropriations for fiscal years 1996 through 1999, remove impediments to the exercise of States' discretion to shape their programs and to concentrate their resources on those with the greatest home energy needs, and for other purposes; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. PAYNE of New Jersey (for himself and Mrs. MORELLA):

H.R. 4086. A bill to establish a youth development grant program, and for other purposes; to the Committee on Education and Labor.

By Ms. PRYCE of Ohio (for herself and Mr. STUPAK):

H.R. 4087. A bill to amend title 18, United States Code, to prevent Federal prisoners from engaging in activities to increase their strength or fighting ability while in prison; to the Committee on the Judiciary.

By Mr. SLATTERY:

H.R. 4088. A bill to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans; to the Committee on Veterans' Affairs.

By Mr. STARK (for himself, Mr. DURBIN, Mr. HANSEN, Mr. WAXMAN, Mr. SYNAR, Mr. EVANS, Mr. OBERSTAR, Mr. ANDREWS of Texas, Mr. MEEHAN, Mr. VISCLOSKY, Ms. HARMAN, Ms. ROYBAL-ALLARD, and Mr. MARKEY):

H.R. 4089. A bill to amend the Internal Revenue Code of 1986 to increase the tax on tobacco products, and for other purposes; to the Committee on Ways and Means.

By Mr. CAMP (for himself, Mr. BARCIA of Michigan, Mr. BARTLETT of Maryland, Mr. COBLE, Mr. PETE GEREN of Texas, Mr. ROTH, Mr. WALSH, Mr. QUINN, Mrs. VUCANOVICH, Mrs. THURMAN, Mr. MCNULTY, Mr. FROST, Mr. KLUG, Mr. SOLOMON, Mr. BREWSTER, Mr. PETERSON of Minnesota, Mr. FALEOMAVAEGA, and Mr. EMERSON):

H.J. Res. 341. Joint resolution to designate the week of November 15 through 22 as "National Sportsmen's Instruction Week"; to the Committee on Post Office and Civil Service.

By Mr. SCHUMER:

H. Con. Res. 225. Concurrent resolution concerning the 27th anniversary of the reunification of Jerusalem; to the Committee on Foreign Affairs.

By Mr. MACHTLEY:

H. Con. Res. 226. Concurrent resolution expressing the sense of Congress that any welfare reform legislation which requires recipients of aid to families with dependent children to find employment within a certain time as a condition of receiving benefits should exempt recipients who collect benefits from a State with an unemployment rate that is at least 110 percent of the national average unemployment rate; to the Committee on Ways and Means.

By Mr. RAHALL (for himself and Mr. BONIOR)

H. Res. 390. Resolution expressing the sense of the House of Representatives regarding the Hebron massacre and the Middle East peace process; jointly, to the Committees on Foreign Affairs and the Judiciary.

By Mr. DREIER (for himself, Mr. LEWIS of California, Mr. HUFFINGTON, Mr. PACKARD, Mr. GALLEGLY, Mr. HERGER, Mr. MCKEON, Mr. CALVERT, Mr. HORN, Mr. ROYCE, Mr. DORNAN, and Mr. KIM):

H. Res. 391. Resolution expressing the sense of the House of Representatives that the State of California should enact legislation to make the State's indeterminate sentencing system applicable to all serious violent crimes, while continuing to provide and maintain any current minimum sentences for such crimes; to the Committee on the Judiciary.

By Mr. DELLUMS:

H. Res. 392. Resolution expressing the sense of the House that the Governor of the State of California, or the California Board of Prison Terms, or both, should take actions within their power to bring about the reconsideration of the 1972 conviction and/or the immediate release from prison of Elmer "Geronimo" Pratt, and that the Judiciary Committee should inquire into the information known to the Federal Bureau of Investigation, which was not released to the California Attorney General and courts in 1980; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

313. The SPEAKER presented a memorial of the Senate of the State of Arizona, relative to requesting the Congress to support, develop and fund North-South trade corridors and transportation infrastructure improvements; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MCMILLAN introduced a bill (H.R. 4090) to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Seascape*; which was referred to the Committee on Merchant Marine and Fisheries.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 28: Mr. MCHALE.

H.R. 56: Mr. KLECZKA and Mr. LIVINGSTON.

H.R. 65: Mr. RAVENEL.

H.R. 123: Mr. POMBO, Mr. KING, Mr. TALENT, and Mr. BOEHNER.

H.R. 124: Mr. POMBO and Mr. FOGLIETTA.

H.R. 665: Mr. POMEROY.

H.R. 786: Mr. WILSON.

H.R. 979: Mr. CHAPMAN.

H.R. 1155: Mr. CRAMER.

H.R. 1314: Mr. FRANK of Massachusetts.

H.R. 1322: Mr. KNOLLENBERG.

H.R. 1330: Mr. KASICH, Mr. CAMP, Mr. BLUTE, Mr. MANZULLO, Mr. CANADY, Mr. MINGE, Mr. SMITH of Michigan, Mr. INGLIS of South Carolina, Mr. ROSE, Mr. ROHRABACHER, Mr. HUTTO, Mr. SANTORUM, Mr. KOLBE, Mr. KNOLLENBERG, Mr. WHITTEN, and Ms. DANNER.

H.R. 1528: Mr. BARRETT of Nebraska.

H.R. 1595: Mr. TALENT.

H.R. 1671: Mrs. MINK of Hawaii.

H.R. 1712: Mr. DOOLITTLE.

H.R. 1864: Mr. CALVERT.

H.R. 1900: Mr. OBEY.

H.R. 1980: Mr. MURPHY.

H.R. 1986: MANZULLO.

H.R. 2394: Mr. MARTINEZ and Mr. ANDREWS of Maine.

H.R. 2395: Mr. MARTINEZ and Mr. ANDREWS of Maine.

H.R. 2536: Mr. LAFALCE, Mr. WYNN, Mr. MINETA, and Mrs. THURMAN.

H.R. 2537: Mr. LAFALCE, Mr. WYNN, Mr. SMITH of New Jersey, Mr. MINETA, and Mrs. THURMAN.

H.R. 2538: Mr. LAFALCE, Mr. WYDEN, Mr. MINETA, and Mrs. THURMAN.

H.R. 2539: Mr. LAFALCE, Mr. WYNN, Mr. MINETA, and Mrs. THURMAN.

H.R. 2540: Mr. LAFALCE, Mr. WYNN, and Mrs. THURMAN.

H.R. 2638: Mr. CONYERS, Mr. RANGEL, Mr. COSTELLO, Mr. DEUTSCH, and Mr. MEEHAN.

H.R. 2664: Ms. DANNER.

H.R. 2859: Mr. CANADY, Mr. KING, Mr. FRANK of Massachusetts, and Mr. PETRI.

H.R. 2866: Mr. MCCLOSKEY, Ms. SLAUGHTER, and Mr. KILDEE.

H.R. 2939: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 2955: Mr. MCHALE.

H.R. 3017: Mr. GENE GREEN of Texas.

H.R. 3025: Mr. FINGERHUT, Mr. EVANS, Mr. FOGLIETTA, and Mr. OLVER.

H.R. 3145: Mr. BONILLA, Mr. DEAL, and Mr. HYDE.

H.R. 3251: Mr. UPTON, Mr. FROST, Mr. BAKER of Louisiana, Mr. PETERSON of Minnesota, Mr. ROYCE, Mr. LIVINGSTON, Mr. PAXON, and Mr. SMITH of Michigan.

H.R. 3290: Mr. EVANS, Mr. FOGLIETTA, and Ms. VELAZQUEZ.

H.R. 3293: Mr. FOGLIETTA.

H.R. 3337: Mr. NADLER and Mr. SHAYS.

H.R. 3360: Mr. SABO, Mrs. BENTLEY, and Mr. HOYER.

H.R. 3363: Mrs. THURMAN.

H.R. 3367: Mr. STUMP, Mr. HANCOCK, and Mrs. THURMAN.

H.R. 3372: Mr. NADLER, Mr. LEWIS of California, Mr. MFUME, Ms. WATERS, Mr. PICKLE, Mr. YATES, and Mr. SAWYER.

H.R. 3415: Mr. ENGEL, Mr. DE LUGO, Mr. TORRES, and Mr. DE LA GARZA.

H.R. 3449: Mr. BARCIA of Michigan, Mr. BLUTE, Mr. BUNNING, Mr. DELAY, Mr. EHLERS, Mr. FALEOMAVAEGA, Mr. GALLEGLY, Mr. GENE GREEN of Texas, Mr. HASTERT, Mr. KING, Mr. KNOLLENBERG, Mr. LINDER, Mr. LIVINGSTON, Mrs. LLOYD, Mr. MCHUGH, Mr. PARKER, Ms. PRYCE of Ohio, Mr. SCHIFF, and Mr. SHAYS.

H.R. 3492: Mr. KOPETSKI.

H.R. 3633: Mr. CANADY, Mr. BACHUS of Alabama, Mr. FRANKS of New Jersey, Mr. YOUNG of Alaska, Mr. ALLARD, Mr. HOEKSTRA, Mr. DELAY, Mr. BURTON of Indiana, Mr. LIVINGSTON, Mr. BUYER, Mr. KIM, Mr. HOKE, Mr. MCKEON, Mrs. VUCANOVICH, and Mr. TALENT.

H.R. 3796: Mr. HOEKSTRA, Mr. TORKILDSEN, and Mr. FIELDS of Texas.

H.R. 3808: Mr. FORD of Tennessee.

H.R. 3811: Mr. DORNAN.

H.R. 3835: Mr. MINGE, Mr. SOLOMON, Mr. POMBO, Ms. DUNN, Mr. ROYCE, Mr. INHOFE, Mr. KNOLLENBERG, Ms. PRYCE of Ohio, Mr. MCINNIS, Mr. GRAMS, Mr. HUFFINGTON, Mr. ISTOOK, Mr. HUTCHINSON, Mr. DIAZ-BALART, Mr. MCKEON, Mr. LINDER, Mr. DICKEY, Mr. HANCOCK, Mr. KLUG, Mr. GINGRICH, Mr. EWING, Mr. ARMEY, Mr. MCCOLLUM, Mr. DELAY, Mr. PAXON, Mr. BALLENGER, Mr. GUNDERSON, Mr. MILLER of Florida, Mr. WELDON, Mr. BONILLA, Mr. EVERETT, Mr. BLUTE, Mr. GOODLATTE, Mr. CALVERT, Mr. THOMAS of Wyoming, Mr. BAKER of California, and Mr. RAMSTAD.

H.R. 3866: Mr. KANJORSKI, Ms. LOWEY, Mr. MEEHAN, Mr. REYNOLDS, Mr. PASTOR, Mr. MENENDEZ, and Mr. KREIDLER.

H.R. 3870: Mr. MAZZOLI and Mr. FROST.

H.R. 3925: Mr. DERRICK, Ms. VELAZQUEZ, Mr. PARKER, Mr. SPENCE, Mrs. UNSOELD, Ms. SLAUGHTER, and Mr. MINETA.

H.R. 3935: Mr. HOUGHTON.

H.R. 3955: Mr. NEAL of North Carolina and Mr. GREENWOOD.

H.R. 3969: Mr. JOHNSON of Georgia, Mr. TALENT, Mr. BREWSTER, Mr. GEKAS, Mr. SKEEN, Mr. BURTON of Indiana, and Mr. REGULA.

H.R. 4024: Mr. ROGERS.

H.R. 4034: Mr. SCHUMER, Mr. ABERCROMBIE, Mr. TRAFICANT, Mr. DEAL, Mr. ROMERO-BARCELÓ, Mr. DOOLEY, Mr. BARRETT of Wisconsin, Mr. DEUTSCH, Mr. UNDERWOOD, Mrs. MINK of Hawaii, Mr. COYNE, Ms. DELAURO, Ms. PELOSI, Mr. LAFALCE, and Mr. KILDEE.

H.R. 4050: Mr. HOCHBRUECKNER, Mr. MURTHA, Mr. DEFAZIO, Mr. FAZIO, Mr. GIBBONS, Mr. KILDEE, and Ms. PELOSI.

H.R. 4060: Mr. FROST.

H.J. Res. 107: Ms. SLAUGHTER.

H.J. Res. 119: Mrs. MEEK of Florida.

H.J. Res. 203: Mr. HOBSON.

H.J. Res. 253: Mr. KILDEE, Mr. VOLKMER, Mr. MONTGOMERY, Mr. POMEROY, Mr. PALLONE, Mrs. VUCANOVICH, Mr. TOWNS, Mr. SERRANO, Mr. GILMAN, Mr. HOLDEN, Mr. SPRATT, Mr. CLYBURN, Mr. COOPER, Mr. CLEMENT, Mr. HANSEN, and Mr. SANDERS.

H.J. Res. 297: Ms. BROWN of Florida.

H.J. Res. 304: Mr. KREIDLER, Mr. STOKES, Mr. MCHUGH, Mr. BOEHLERT, Mr. VENTO, Mr. KENNEDY, Mr. SCOTT, and Mrs. Thurman.

H.J. Res. 314: Ms. DELAURO, Mr. HILLIARD, Mr. LANTOS, Mrs. KENNELLY, Mr. KREIDLER, Mr. FRANK of Massachusetts, Mr. BLUTE, Mr. MEEHAN, Mr. DIXON, and Mr. KLEIN.

H.J. Res. 325: Mr. NATCHER, Mr. PALLONE, Mr. RICHARDSON, Mr. DINGELL, Mr. SPRATT, Mrs. MORELLA, Mr. VALENTINE, Mr. GREENWOOD, Mr. YATES, Mr. LEHMAN, Mr. BORSKI, Mr. DICKS, Mr. SKEEN, Mr. HANSEN, and Mr. SERRANO.

H.J. Res. 329: Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ANDREWS of New Jersey, Mr. APPLEGATE, Mr. ARCHER, Mr. BACCHUS of Florida, Mr. BAKER of California, Mr. BALLENGER, Mr. BARRETT of Wisconsin, Mr. BATEMAN, Mr. BECERRA, Mrs. BENTLEY, Mr. BERMAN, Mr. BILBRAY, Mr. BILIRAKIS, Mr. BLACKWELL, Mr. BLILEY, Mr. BLUTE, Mr. BORSKI, Mr. BREWSTER, Mr. BROWN of Ohio, Ms. BYRNE, Mr. CARDIN, Mr. CARR, Mr. CASTLE, Mr. CLEMENT, Mr. CLINGER, Mr. CLYBURN, Mr. COBLE, Mr. COLEMAN, Mr. COLLINS of Georgia, Mr. CONYERS, Mr. COOPER, Mr. COPPERSMITH, Mr. COSTELLO, Mr. COX, Mr. COYNE, Mr. CRAMER, Mr. DARDEN, Mr. DEAL, Mr. DEFAZIO, Ms. DELAURO, Mr. DEUTSCH, Mr. DICKEY, Mr. DOOLITTLE, Mr. DORNAN, Mr. DUNCAN, Ms. DUNN, Mr. DURBIN, Mr. EMERSON, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. EWING, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FAWELL, Mr. FILNER, Mr. FINGERHUT, Mr. FISH, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mrs. FOWLER, Mr. FRANKS of New Jersey, Mr. FRANKS of Connecticut, Mr. FROST, Mr. GALLO, Mr. GEKAS, Mr. PETE GEREN of Texas, Mr. GILLMOR, Mr. GILMAN, Mr. GONZALEZ, Mr. GRAMS, Mr. GREENWOOD, Mr. GUNDERSON, Mr. GUTIERREZ, Mr. HASTERT, Mr. HASTINGS, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOAGLAND, Mr. HOCHBRUECKNER, Mr. HORN, Mr. HOUGHTON, Mr. HOYER, Mr. HUGHES, Mr. HUNTER, Mr. HUTCHINSON, Mr. HUTTO, Mr. HYDE, Mr. INHOFE, Mr. INSLEE, Mr. JACOBS, Mr. JEFFERSON, Mrs. JOHNSON of Connecticut, Mr. JOHNSON of South Dakota, Mr. JOHNSTON of Florida, Mr. KENNEDY, Mrs. KENNELLY, Mr. KILDEE, Mr. KING, Mr. KLECZKA, Mr. KLEIN, Mr. KLINK, Mr. KLUG, Mr. KNOLLENBERG, Mr. KOPETSKI, Mr. LANTOS, Mr. LAZIO, Mr. LEACH, Mr. LEHMAN, Mr. LEVIN, Mr. LEVY, Mr. LEWIS of California, Mr. LEWIS of Georgia, Mr. LIVINGSTON, Mrs. LLOYD, Ms. LOWEY, Mr. MACHTLEY, Mrs. MALONEY, Mr. MANN, Mr. MANTON, Ms. MARGOLIES-MEZVINSKY, Mr. MAZZOLI, Mr. MCCLOSKEY, Mr. MCCOLLUM, Mr. MCCRERY, Mr. MCHALE, Mr. MCHUGH, Mr. MCINNIS, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MICHEL, Mr. MINETA, Mr. MINGE, Mr. LANCASTER, Mr. BAESLER, Ms. KAPTUR, Mr. MENENDEZ, Mr. ROBERTS, Mr. ROGERS, Mr. ROSE, Mr. ROWLAND, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mr. SANGMEISTER, Mr. SAWYER, Mr. SAXTON, Mr. SCHIFF, Mr. MOAKLEY, Ms. MOLINARI, Mr. MONTGOMERY, Mr. MORAN, Mrs. MORELLA, Mr. MURPHY, Mr. NADLER, Mr. NATCHER, Mr. NEAL of Massachusetts, Mr. NEAL of North Carolina, Ms. NORTON, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. ORTON, Mr. OWENS, Mr. PALLONE, Mr. PASTOR, Mr. PAXON, Mr. PAYNE of New Jersey, Mr. PETERSON of Minnesota, Mr. QUILLEN, Mr. QUINN, Mr. RAMSTAD, Mr. RAVENEL, Mr. REED, Mr. REYNOLDS, Mr. RICHARDSON, Mr. UNDERWOOD, Mr. SCHUMER, Mr. SCOTT, Mr. SERRANO, Mr. SHARP, Mr. SHAW, Mr. SHAYS, Mr. SISISKY, Mr. SLATTERY, Mr. SMITH of New Jersey, Mr. SPRATT, Mr. SUNDQUIST, Mr. SWETT, Mr. SYNAR, Mr. TANNER, Mr. TAYLOR of Mississippi, Mr. TEJEDA, Mr. THORNTON, Mrs. THURMAN, Mr. TORRES, Mr. TORRICELLI, Mr. TRAFICANT, Mr. TUCKER, Mrs. UNSOELD, Mr. UPTON, Mr. VALENTINE, Ms. VELÁZQUEZ, Mr. VENTO, Mrs. VUCANOVICH, Mr. WALSH, Mr. WASHINGTON, Mr. WAXMAN, Mr. WHEAT, Mr. WHITTEN, Mr. WOLF, Ms. WOOLSEY, Mr. WYDEN, Mr. YATES, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, and Mr. ZIMMER.

H.J. Res. 333: Mr. BORSKI AND MR. BROWN of Ohio.

H.J. Res. 335: Mr. LIPINSKI, Mr. SARPALIUS, Mr. MCNULTY, and Mr. PETERSON of Minnesota.

H. Con. Res. 15: Mr. BROWN of California.

H. Con. Res. 35: Mr. INSLEE and Mr. BLILEY.

H. Con. Res. 84: Mr. RICHARDSON and Mr. INSLEE.

H. Con. Res. 124: Mr. GALLEGLY, Mr. KING, Ms. ESHOO, Mrs. SCHROEDER, Mr. PICKLE, Mr. PETERSON of Florida, and Mr. BILBRAY.

H. Con. Res. 141: Mr. PETRI.

H. Con. Res. 179: Mr. ENGEL.

H. Con. Res. 199: Mr. SMITH of Oregon, Mr. HASTERT, Mr. CRAPO, Mr. GOODLATTE, Mrs. VUCANOVICH, Mr. HOEKSTRA, Mr. HUTCHINSON, Mr. LAZIO, Mr. SKEEN, Mr. WELDON, Mr. BARTLETT of Maryland, Mr. SPENCE, Mr. HUNTER, Mr. CUNNINGHAM, Mrs. BENTLEY, Ms. PRYCE of Ohio, Mr. HOBSON, Mr. EMERSON, Mr. HOUGHTON, Mr. SCHIFF, Mr. POMBO, Mr. HOKE, Mr. BONILLA, Mr. HYDE, Mrs. MEYERS of Kansas, Mr. KINGSTON, Mr. UPTON, Ms. MOLINARI, Mr. DICKEY, Ms. ROS-LEHTINEN, Mr. ROBERTS, Mr. DORNAN, Mr. BOEHLERT, Mr. BALLENGER, Mr. MCHUGH, and Mr. DELAY.

H. Con. Res. 210: Mr. GINGRICH, Mr. BAKER of California, Mr. GUNDERSON, Mr. FRANKS of Connecticut, Mr. MATSUI, and Mrs. BENTLEY.

H. Res. 255: Mr. KLUG, Mr. KNOLLENBERG, Mr. BUYER, Mr. BAKER of California, Mr. FRANKS of New Jersey, and Mr. BEILENSON.

H. Res. 389: Mr. KLEIN and Mr. KLECZKA.

EXTENSIONS OF REMARKS

INTRODUCTION OF INTERSTATE MUNICIPAL SOLID WASTE CONTROL ACT

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. CLINGER. Mr. Speaker, perhaps it is apropos that the Pennsylvania delegation is introducing a bill to limit trash imports on St. Patrick's Day. It will no doubt take a lot of luck to pass interstate waste legislation during this Congress.

As you know, Pennsylvania has the dubious distinction of being the No. 1 importer of other peoples' garbage. It is garbage from New York, New Jersey, and now even Canada—not our garbage—that is filling up many of our landfills. Simply put, it is not fair.

We find ourselves in a very peculiar and unfair situation. In 1991, the amount of garbage imported was about 3 million tons; in 1992 we experienced a 26 percent increase which put us up to 3.8 million tons; and in 1993, although the final numbers are not yet in, it will be close to 4 million tons. If you include other types of waste imported, such as sludge and ash, it is closer to 5 million tons. Some of our largest Pennsylvania landfills are taking in almost 90 percent of their waste from out-of-State. The landfill space planned for handling our own trash is being eaten up, and the health and safety of our citizens is endangered with a proliferation of trash trucks on our highways.

In my own district, which is a rural district and the target for every type of waste facility you can think of, it is estimated that over 120,000 tons of waste was imported from out-of-State last year. This amounts to over 432 pounds per person.

This legislation is tough. It combines both the power of the Governor along with local officials to control waste imports. The Governor may limit the amount of out-of-State waste coming into the State as well as targeting specific facilities. In addition, the Governor may also ban out-of-State waste for new landfills and incinerators. Counties would have the same authority as the Governor to limit out-of-State waste, with the authority to restrict the amount further. If both the State and county want to restrict or prohibit out-of-State waste, the more restrictive limitation applies.

Sixteen members of the Pennsylvania delegation are introducing this bill today because it is vitally important to the State of Pennsylvania, and to other States which import massive amounts of waste such as Indiana and Ohio, that Governors as well as local governments have the authority they need to limit the amount of garbage that comes into the State. Governor Casey supports this legislation and is actively pursuing this issue in Congress.

At the same time that we are inundated with other peoples' garbage, Pennsylvania is very responsible in handling its own municipal waste. Pennsylvania has enacted a state law which requires communities to plan and dispose of their own trash. We now have close to 500 communities that have implemented curbside recycling programs. The amount we export outside of the State is less than 9 percent of the waste generated in the State.

Citizens in Pennsylvania are frustrated and beating the drum loudly. They are asking for relief. By introducing this bill, we are sending a loud and clear message. It is time for Congress to act now.

The text of the bill follows:

H.R.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled

SECTION 1. SHORT TITLE.

This Act may be cited as the "Interstate Municipal Solid Waste Control Act".

SEC. 2. INTERSTATE TRANSPORTATION OF NONHAZARDOUS SOLID WASTE.

Subtitle D of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) is amended by adding the following new section at the end thereof:

"SEC. 4011. INTERSTATE TRANSPORTATION OF NONHAZARDOUS SOLID WASTE.

"(a) AUTHORITY TO LIMIT QUANTITY IN EXISTING FACILITIES.—

"(1) LIMIT BASED ON PRIOR YEARS.—The Governor of a State may limit the quantity of out-of-State municipal solid waste received for disposal at each landfill or incinerator in the State to an annual quantity equal to the quantity of out-of-State municipal solid waste received for disposal at the landfill or incinerator during the calendar year 1990, 1991, or 1992, whichever is less.

"(2) 30 PERCENT LIMIT.—The Governor of a State may limit the quantity of out-of-State municipal solid waste received for disposal at a landfill or incinerator in the State to an annual quantity not greater than 30 percent of all municipal solid waste received at that landfill or incinerator during calendar year 1990, 1991, or 1992, whichever is less, if, during calendar year 1990, 1991, or 1992, that landfill or incinerator received documented shipments of more than 50,000 tons of out-of-State municipal solid waste representing more than 30 percent of all municipal solid waste received at the landfill or incinerator during the calendar year concerned.

"(3) AUTHORITY TO FURTHER LIMIT.—Beginning with calendar year 1995, the Governor of a State may limit the disposal of out-of-State municipal solid waste at landfills or incinerators in the State by reducing the 30 percent annual quantity limitation in paragraph (2) to 20 percent in each of calendar years 1996 and 1997, and to 10 percent in each succeeding calendar year.

"(b) AUTHORITY TO PROHIBIT OUT-OF-STATE MUNICIPAL SOLID WASTE DISPOSAL AT CERTAIN LANDFILLS AND INCINERATORS.—

"(1) NEW LANDFILLS AND INCINERATORS.—The Governor of a State may prohibit the disposal of out-of-State municipal solid waste in any new landfill or new incinerator in the State.

"(2) LANDFILLS NOT COMPLYING WITH CERTAIN LAWS.—The Governor of a State may prohibit the disposal of out-of-State municipal solid waste in any landfill that does not meet all applicable Federal and State laws (including any Federal or State rule or regulation) relating to design and location standards, leachate collection, ground water monitoring, and financial assurance for closure and post-closure and corrective action.

"(3) INCINERATORS NOT COMPLYING WITH CERTAIN LAWS.—The Governor of a State may prohibit the disposal of out-of-State municipal solid waste in any incinerator that does not comply with section 129 of the Clean Air Act (42 U.S.C. 7429) and meet all applicable Federal and State laws (including any Federal or State rule or regulation) relating to facility design, operations, and emissions.

"(c) INDUSTRIAL SOLID WASTE DISPOSED OF AT CERTAIN LANDFILLS OR INCINERATORS.—A Governor may treat any out-of-State industrial solid waste as out-of-State municipal solid waste for purposes of this section if it is disposed of at a landfill or incinerator that receives municipal solid waste.

"(d) AUTHORITY OF COUNTIES.—The government of any county may exercise within the county the same authority as that provided to the Governor under subsections (a), (b), and (c) with respect to out-of-State municipal or industrial solid waste, except that in applying subsection (a)(2) in the case of a county, the reference to 30 percent shall be treated as a reference to 20 percent. In any case in which both a county and the State in which such county is located have acted to establish prohibitions or limitations, or both, under subsection (a), (b), or (c), or any combination thereof, the most restrictive of such prohibitions or limitations shall govern in that county.

"(e) APPLICABILITY AND DISCRIMINATION PROVISIONS.—Any limitation imposed by a Governor under subsection (a)(1), (b), or (c) shall be applicable throughout the State and shall not discriminate against any shipments of out-of-State solid waste on the basis of State of origin. Any limitation imposed by a county under subsection (d) shall be applicable throughout the county and shall not discriminate against any shipments of out-of-State solid waste on the basis of State of origin.

"(f) DETERMINATION OF QUANTITY.—(1) Any Governor who intends to exercise the authority provided in subsection (a) shall, within 150 days after the effective date of this section, submit to the Administrator information documenting the quality of out-of-State municipal solid waste received for disposal at each landfill and incinerator in the State during calendar years 1990, 1991 and 1992. Any county which intends to exercise the authority provided in subsection (d) shall, within 120 days after the effective date of this section, submit to the Governor information documenting the quantity of out-of-State municipal solid waste received for disposal at each landfill and incinerator in the county during calendar years 1990, 1991 and 1992, and the Governor shall transmit such information to the Administrator.

"(2) On receipt of the information submitted pursuant to paragraph (1), the Administrator shall notify the Governor of each State and the public and shall provide a comment period of not less than 30 days.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

"(3) Not later than 210 days after the effective date of this section, the Administrator shall publish a list of the quantity of out-of-State municipal solid waste that was received during calendar years 1990, 1991, and 1992, at each landfill and incinerator in each State in which the Governor intends to exercise the authority provided in subsection (a) and at each landfill and incinerator in each county which intends to exercise the authority provided in subsection (d).

"(g) AUTHORITY TO RESTRICT IN-STATE MUNICIPAL SOLID WASTE EXPORTS.—(1) Except as provided in paragraph (2), a Governor of a State may limit or prohibit the exportation outside the State of municipal solid waste generated in the State in accordance with the comprehensive waste management plan of the affected local solid waste planning unit, or, if such a plan does not exist, in accordance with State law.

"(2) A Governor may not limit or prohibit the exportation of materials consisting solely of materials that have been separated from municipal solid waste for recycling.

"(h) REPORTING REQUIREMENTS.—The Governor of each State exercising any authority under subsection (a), (b) or (c) shall submit a report to the Administrator not less frequently than annually documenting the quantities of out-of-State municipal and industrial solid waste disposed of in landfills and incinerators in that Sate which accept municipal solid waste. Each county exercising any authority under subsection (d) shall submit a report to the State not less frequently than annually documenting the quantities of out-of-State municipal and industrial solid waste disposed of in landfills and incinerators in that country which accept municipal solid waste, and the State shall submit such report to the Administrator. Each such report shall specify the percentage of the total amount of solid waste disposal of in each such landfill and incinerator that is comprised of such out-of-State municipal and industrial solid waste.

"(i) EXEMPTIONS.—The provisions of this section shall not apply to the following:

"(1) MATERIAL TO BE RECYCLED, RECLAIMED, OR REUSED.—Any metal, pipe, glass, plastic, paper, textile, or other material that has been separated or diverted from municipal solid waste and has been transported into the State for the purpose of recycling or reclamation and any material or product returned from a dispenser or distributor to the manufacturer for credit, evaluation, or possible reuse. This paragraph shall not apply to any material disposed of in a landfill or incinerator.

"(2) INTERNAL DISPOSAL.—Any solid waste that is generated by an industrial facility and transported for the purpose of treatment, storage, or disposal to a facility that is owned or operated by the generator of the waste, or is located on property owned by the generator or any affiliated person.

"(3) AIR TRANSPORTATION WASTE.—Any solid waste generated incident to the provision of service in interstate, intrastate, foreign, or overseas air transportation.

"(j) DEFINITIONS.—For purposes of this section:

"(1) NEW LANDFILL.—The term 'new landfill' means any landfill or portion thereof other than an existing landfill.

"(2) EXISTING LANDFILL.—The term 'existing landfill' means either of the following:

"(A) A landfill or portion thereof authorized to receive waste under a permit under State law was issued before the enactment of this section; and which received shipments of out-of-State municipal solid waste during calendar year 1990, 1991, or 1992.

"(B) A proposed landfill or portion thereof that, prior to January 1, 1993, received both of the following—

"(i) An approved from either the affected local government or the local solid waste planning unit to receive municipal solid waste generated outside the jurisdiction of the affected local government, the solid waste planning unit, or the State in which the landfill is located.

"(ii) A notice of decision from the State to grant a construction permit.

"(3) NEW INCINERATOR.—The term 'new incinerator' means any incinerator other than an existing incinerator.

"(4) EXISTING INCINERATOR.—The term 'existing incinerator' means an incinerator in operation on the date of enactment of this section that received, during calendar year 1990, 1991, or 1992 documented shipments of out-of-State municipal solid waste.

"(4) OUT-OF-STATE WASTE.—The term 'out-of-State waste' means, with respect to a State, waste generated outside of the State. With respect to a county, such term means waste generated outside of the State in which such county is located. Such term includes waste generated outside of the United States.

"(5) MUNICIPAL SOLID WASTE.—The term 'municipal solid waste' means refuse (and refuse-derived fuel) generated by the general public or from a residential, commercial, institutional, or industrial source (or any combination thereof), consisting of paper, wood, yard wastes, plastics, leather, rubber, or other combustible or noncombustible materials such as metal or glass (or any combination thereof). The term does not include any of the following—

"(A) Any solid waste identified or listed as a hazardous waste under section 3001.

"(B) Any solid waste, including contaminated soil and debris, resulting from a response action taken under section 104 or 106 of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9604 or 9606) or a corrective action taken under this Act.

"(C) Any medical waste that is segregated from or not mixed with municipal solid waste.

"(6) INDUSTRIAL SOLID WASTE.—The term 'industrial solid waste' means solid waste generated from manufacturing or industrial processing operations that is not identical to municipal solid waste with respect to the physical and chemical state of the waste and the composition of the waste. The term includes construction and demolition debris.

"(7) AFFILIATED PERSON.—The term 'affiliated person' means, with respect to the generator of any solid waste, any person which controls, is controlled by, or is under common control with the generator.".

SEC. 3. TABLE OF CONTENTS AMENDMENT.

The table of contents of the Solid Waste Disposal Act is amended by adding at the end of the items relating to subtitle D the following new item:

"Sec. 4011. Interstate transportation of nonhazardous solid waste.".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date 6 months after enactment.

TRIBUTE TO BOB ELLIOT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. BROWN of California. Mr. Speaker, I rise today to pay tribute to Bob Elliot in honor of 12 years of dedicated service as the general manager of the San Bernardino Public Employees Association. Mr. Elliot will be retiring on March 31, after a distinguished career in the public employee association field.

Mr. Elliot was Canadian-born but became a naturalized citizen after moving to Detroit with his family in 1930 and then later to Riverside, CA. He served in the U.S. Navy aboard the aircraft carrier, U.S.S. *Essex* from 1955 to 1958. The city of Riverside hired Mr. Elliot in 1962, at which time he joined the Public Employees of Riverside Association [PERC]. After representing his fellow employees before the Riverside City Council in 1967, Mr. Elliot joined the Public Employees Riverside County as a full-time staff representative. He went on to become general manager of PERC in 1970.

Mr. Elliot began his career with the San Bernardino Public Employee Association [SBPEA] in January 1982 when he moved to the Inland Empire to work as a staff representative for the association. On May 1, 1982, Mr. Elliot was appointed as interim general manager for the SBPEA. On Mr. Elliot's 52d birthday, he was appointed by the board of directors of the SBPEA as the permanent general manager. Two years later, Mr. Elliot also became executive director of the Working Assembly of Governmental Employees [WAGE].

I would like to take this opportunity to recognize Mr. Elliot's success in recognizing the SBPEA. When Mr. Elliot came to the SBPEA, the association was in decline and financial difficulty. Membership was at a low of 4,200. By getting staff and board members involved in the organization and building a stronger and more effective employees association, Mr. Elliot increased membership to 10,000.

The SBPEA is a committee driven association with total accountability to its members. Mr. Elliot considers his relationship with the president and the board of directors as a partnership. This outstanding partnership has resulted in the SBPEA being recognized as the No. 1 public employee association in the Nation. Appropriately, Bob Elliot is recognized as the most outstanding and respected general managers in the business.

Mr. Speaker, members of SBPEA have expressed to me their deep sentiments of gratitude and appreciation to have had Mr. Elliot as their general manager for 12 years. It is my privilege today to ask my colleagues to join me in paying the highest tribute to his excellent service to the public employees of San Bernardino.

H.R. 4066, A BILL TO SUSPEND TEMPORARILY THE DUTY ON ARTICLES IMPORTED FOR CERTAIN INTERNATIONAL SPORTS EVENTS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing a bill to exempt from customs duty the personal effects, equipment, and other materials to be imported in connection with several important international sporting events to be held in the United States this summer and over the next 2 years. I am pleased to have Mr. GIBBONS, Mr. JACOBS, Mrs. KENNELLY, Mr. LEWIS of Georgia, Mr. REYNOLDS, Mr. CRANE, and Mrs. JOHNSON of Connecticut join me as original cosponsors of this bill.

The events covered by this bill include the World Cup soccer games starting in June 1994, to be held in nine venues throughout the United States; the 1994 World Rowing Championships in Indianapolis in September 1994; the Special Olympics World Games in New Haven, CT, in July 1995; the Summer Olympics in Atlanta in 1996; and shortly after the Olympic games, the Paralympics, also in Atlanta.

Thousands of athletes and officials from hundreds of countries will be bringing in equipment for these events. Suspending the duty, thus eliminating a requirement to post bond for temporary entry, will greatly facilitate the success of these events. It is a goodwill gesture customarily done by the host country. The Congress passed similar legislation for the 1984 Summer Olympics, the 1990 Goodwill Games, and the 1993 World University Games.

The Congressional Budget Office estimates that this bill would cause no change in Federal Government receipts. This is because without this legislation, most of the goods would enter free of duty, either under an individual's personal exemption or under bond for temporary import. Also, many educational and cultural goods already enter free of duty under various international agreements. This bill merely simplifies the entry procedure and avoids the necessity of posting bonds.

The United States is fortunate to be hosting this group of prestigious sporting events. Many thousands of visitors will come to the United States for this purpose and millions will watch on television. The World Cup alone is expected to bring in more than $4 billion in spending by visitors and organizers. The Olympics will generate over $5 billion. In addition to the sporting events, cultural events and festivals will take place in connection with the games.

The Federation Internationale de Football Association [FIFA] World Cup will open in Chicago on June 17. Games will also be played in Boston, Dallas, Detroit, Los Angeles, New York/New Jersey, Orlando, San Francisco, and Washington, DC. The World Cup is the world's largest single-sport event and the World Cup trophy remains the single most coveted sports trophy in the world. More than 1 billion people watched the 1990 World Cup final on television.

The World Rowing Championships will be held in Indianapolis, IN, September 11–18, 1994, the first time that this event has been held in the United States. The championship will feature over 1,000 athletes from more than 40 countries.

The Special Olympics World Games will take place in New Haven, CT, in July 1995. The games bring together adults and children with mental retardation to compete in sport. A half-million people will gather to witness more than 6,500 athletes from over 130 countries. Millions more will watch on worldwide television. There will also be a celebration of the United Nations' 50th anniversary, a parade of tall ships, and numerous festivals and cultural activities.

Atlanta is host to the Summer Olympics in July and August of 1996. The Games of the XXVIth Olympiad will celebrate 100 years of the modern Olympics and will be the first ever held on the east coast of the United States. Over 16,000 athletes and coaches from 200 countries will participate. Olympic officials, media, and staff will add another 116,000.

The Atlanta Committee for the Olympic Games is conducting a Cultural Olympiad as part of the 1996 games. This program has already begun, with a collaboration between Atlanta and Lillehammer, Norway, in February 1993. It will bring theater groups, art exhibitions, and musicians to the United States from a large number of countries. The Cultural Olympiad will culminate in the summer of 1996 with an International Olympic Arts Festival.

The Paralympic Games are the ultimate competition for elite athletes with physical disabilities, and as such are linked to the Olympic celebration each 4 years. The 1996 Atlanta Paralympic Games will host 102 nations in 16 sports over 10 days of competitions. Some 4,000 athletes will compete.

It is my intention to move this legislation quickly through the Committee on Ways and Means and to seek early floor action. Expeditious passage of this bill is important since the World Cup is only several months away.

POCONO RECORD NEWSPAPER CELEBRATES 100TH ANNIVERSARY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. KANJORSKI. Mr. Speaker, I rise today to commemorate the 100th anniversary of the Pocono Record, a daily newspaper which covers the Pocono Mountain region, including my district in Pennsylvania.

So often, we take for granted the existence of our local newspapers which bring us news and information about our community as no other form of communication can do. The first amendment guarantees the right of a free press and our Nation is invaluable enriched by the existence of so many fine community newspapers, such as the Pocono Record.

The Pocono Record began as the Daily Times on April 2, 1894. It was the first daily newspaper in Stroudsburg and was founded by George Hughes, who later established Hughes Printing Co. It was later owned and managed by Mr. Nelson Frantz.

The name Record first appeared as the name of the paper in 1908. It was combined with the Daily Times by Mr. Frantz in 1920. It had been a daily afternoon publication until 1938. After polling his readers and advertisers, Mr. Frantz started printing his paper in the morning.

On July 29, 1946, Mr. James H. Ottaway, Sr. bought the paper, making it the third to join the Ottaway Newspaper chain.

In January of 1965, the paper underwent two very important changes. First, it began using offset printing and photo composition. Second, the name was changed from the Daily Record to the Pocono Record.

Today, the Pocono Record employs 100 full-time workers and 56 part-time staffers. Its circulation reaches 21,884 on a daily basis and 25,424 on Sundays, making it the most important source of news throughout Monroe County and the Pocono Mountain region.

Mr. Speaker, it gives me great pleasure today to take this opportunity to recognize the Pocono Record and its staff and management on this auspicious occasion. I wish them the best of luck and continued success for at least 100 more years.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service Agent Joseph Occhipinti, I submit into the RECORD a sworn affidavit made out by one Hector Rodriguez:

AFFIDAVIT

State of New York, County of Richmond, ss:

Hector Rodriguez, being duly sworn, deposes and states:

1. I have been voluntarily working as an undercover agent for Staten Island Borough President Guy V. Molinari in order to prove the existence of a drug cartel conspiracy against former Immigration & Naturalization Service Officer Joseph Occhipinti, which resulted in his conviction for civil rights violations. This affidavit is the third affidavit I have executed which outlines the important results of my undercover investigation.

2. On or about April 15, 1992, I agreed to make buys of gambling Bolitas from various bodegas owned by the various government complainants who testified against Mr. Occhipinti. The purpose of the buys was to demonstrate to New York Post Reporter Miguel Garcilazo that these very same complainants who portrayed themselves as law abiding, were still involved in criminal activity. I was given the buy money from the New York Post and my conversations with the bodega employees were consensually monitored. The investigation resulted in buys of gambling bolitas being made from the following Bodegas. The bolitas were turned over to New York Post reporter Garcilazo.

(A) Crucey Grocery, 3882 Broadway, New York, New York

(B) Liranzo Grocery, 383 Audobon Avenue, New York, New York

(C) Johnny & Ray Grocery, 4167 Broadway, New York, New York

(D) Yeya Grocery, 1608 St. Nicholas Avenue, New York, New York

(E) Medina Grocery, 1502 St. Nicholas Avenue, New York, New York

(F) J & M Grocery, 275 Wadsworth Avenue, New York, New York

Crucey Grocery

3. On April 25, 1992, I went to the Crucey Grocery Store to meet with Agustin Crucey and his associates to discuss the purchase of cocaine. I met "Freddy," who I previously identified as a drug associate to Agustin Crucey. Freddy told me that Agustin and Guondoles were out on an errand.

4. On or about May 9, 1992, I again met government complainant Agustin Crucey at the Crucey Grocery to further discuss the purchase of cocaine. I had portrayed myself as a local drug dealer interest in a new drug source. Agustin reconfirmed his interest in selling me cocaine. In fact, despite the shortage of cocaine in the streets, Agustin offered to sell me a kilogram of cocaine for $27,000. Agustin agreed to introduce me to his drug source. I have formally advised the FBI of Agustin Crucey's drug trafficking activity and my interest in working for them as a confidential information in order to help prove Mr. Occhipinti's innocence. However, the FBI has not yet contacted me. I also engaged Agustin Crucey into conversation about Mr. Occhipinti's case, however, Agustin Crucey told me that his "attorney" told him not to discuss the case. The conversation with Agustin Crucey was consensually monitored.

5. On June 6, 1992, I went to the Studio 84 Night Club with Agustin Crucey and Guandoles. I explained to them the fact I had set up drug operations in New Jersey and was interested in them (Agustin and Guandoles) as being the new source of my cocaine. As before, they agreed to sell me a kilogram of cocaine for $27,000 and they would actually deliver the cocaine to New Jersey. I was given a sample package of cocaine from Guondoles after Agustin told him to do so. They also admitted to me that they store their drugs in an apartment on West 160th Street in Manhattan. The sample cocaine was turned over to investigators from Staten Island Borough President Guy V. Molinari's office. The conversation was not tape recorded because everyone who enters the Studio 84 Night Club is searched.

Yeya Grocery

6. On or before April 28, 1992, I had a conversation with the brother of complainant Jose Elias Taveras. The conversation took place at Concourse Auto Repair located at 245 East 138th Street, Bronx, New York, which is owned by Jose Elias Taveras. The brother, who did not tell me his first name, admitted to me and others that his brother (Jose Elias Taveras) had intentionally perjured himself against Mr. Occhipinti in order to set him up.

Sworn to before me 10th day of June, 1992. Lorraine A. Witzak, Commissioner of Deeds, City of New York No. 5-599.

HECTOR RODRIGUEZ.

HONORING CELIA MARTHA BUCHANA FORKER ON THE OCCASION OF HER RETIREMENT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. GILLMOR. Mr. Speaker, I rise today to give recognition to a special friend and outstanding citizen of Ohio. On February 28, 1994, Celia Martha Buchana Forker retired as secretary to Ohio Senator Theodore Gray.

Mr. Speaker, I had the privilege of working with Celia for many years while I was a member of the Ohio State Senate. Joining the senate staff in 1968 as a member of the steno pool, Celia went on to serve as secretary to my colleague here in Congress, and former State Senator, RALPH REGULA, from 1970 to 1972.

In January 1973, she was appointed my secretary and we began a relationship which has lasted ever since. For 16 years, including 6 while I was president of the Ohio State Senate, Celia willingly gave her time, abilities, and enthusiasm to advance the work of the Ohio General Assembly.

Celia is also a loving and devoted wife, mother, and grandmother. In fact, she and husband John will celebrate their 50th wedding anniversary in July. Sharing a partnership of love and commitment, they have provided their children Eloise, Kathy, Nan, John, and Mary and their grandchildren with love and support.

In addition to her work with the Ohio Senate, Celia has been involved in numerous political campaigns, and has served as a member of the Franklin County Republican Party Central Committee since 1978. In all of her endeavors, Celia Forker has earned the esteem of all who know her and her commitment to excellence stands as an inspiration to us all.

Mr. Speaker, we have often heard that America works because of the unselfish contributions of her citizens. I know that Ohio is a much better place to live because of the dedication and countless hours of service given over the years by Celia.

I ask my colleagues to join me in paying a special tribute to Celia Forker's record of personal accomplishments and wishing her all the best in the years ahead.

TRIBUTE TO KEITH S. FORCIER

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Keith S. Forcier of Troop 13 in West Warwick, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Keith removed the brush and debris from behind Christ Church in West Warwick.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Keith S. Forcier. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of whom now serve in the House.

It is my sincere belief that Keith S. Forcier will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

LOBBYISTS SUGGEST STALLING CONGRESS

HON. RICHARD W. POMBO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. POMBO. Mr. Speaker, it has come to my attention that lobbyists for several major environmental organizations have suggested stalling Congress from moving on any environmental legislation this year.

Calling amendments on property takings, unfunded mandates, and risk assessment analysis an "unholy trinity," these groups have even suggested killing major reauthorization efforts already under way in order to avoid the inclusion of such amendments.

What I want to know, Mr. Speaker, is what are they afraid of? This so-called "unholy trinity" is simply an effort by some Members of this body to add some commonsense to the standard operating procedure of the Federal Government and to ease the burden of excessive regulations on the citizens of this country.

Since the protection of private property is guaranteed in the Constitution, there should be no need to introduce "property rights" amendments to any piece of legislation. The Federal Government seems to ignore this, however, and leaves us with no choice.

Unfunded Federal mandates are crippling our States and localities. Yet every year we force more and more of these burdensome and unnecessary regulations upon them.

Risk assessment is a simple, basic step in running a successful and cost efficient organization. Imagine the potential for disaster if a company, or a small business, were to make major operating decisions without assessing he risks or providing a cost/benefit analysis of their actions.

Legislation that protects private property rights, curbs unfunded mandates, and requires risk assessment is by no means an "unholy trinity." they are the foundations of practical, realistic and responsible public policy. We owe the American people nothing less.

HONORING THE 2D BRIGADE, 70TH DIVISION (TRAINING)

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. KILDEE. Mr. Speaker, it is with great pride that I rise today to pay tribute to a unit of our Armed Forces that has, for over 80 years, fought to maintain the security of our great Nation. The 2d Brigade, 70th Division (Training) and its subordinate units have been actively working to preserve the liberty of Americans since 1917.

The 70th Division traces its illustrious history back to 1917 when the 333d Regiment, the parent unit to the current 2d Brigade, 70th Division, was constituted on August 5, 1917, and organized on August 25, 1917, at Camp Taylor, KY. The regiment saw limited action in World War I, with members of the regiment utilized primarily as replacements for other units. The regiment was demobilized in January 1919 at Camp Taylor.

The 333d Regiment was reconstituted in June 1921 and ordered to active duty in October 1942 as an element of the 8th Division. During World War II, the regiment participated in three European campaigns; the Rhineland, Ardennes-Alsace and the Central European campaigns. The regiment distinguished itself during the Battle of the Bulge, delaying the German 2d SS Panzer Division, which was on a collision course, with the American 2d Armored Division. After the war came to a close the 333d remained on occupation duty until January 1946 when it returned to the United States and was deactivated.

World War II also witnessed the establishment of the 70th Division which was constituted on January 18, 1943, and activated on June 15, 1943, at Camp Adair OR. The unit designation, "Trailblazers" was adopted by the unit because the State of Oregon was celebrating the 100th anniversary of the Old Oregon Trail at the time the 70th was formed.

Then and today, members of the 70th Division wear a distinctive red, white, and green shoulder patch. The axe on the patch is a tribute to the pioneers who traveled the Oregon Trail to the Williamette Valley, the site of Camp Adair. The snowy mountain represents Oregon's Mount Hood and the green fir tree symbolizes the 91st Infantry Division—the Fir Tree Division—from which the commissioned and noncommissioned officers of the 70th Division were drawn prior to its activation.

On October 11, 1945, after completing its World War II European occupation mission, the 70th Division was inactivated. The unit was reactivated on March 1, 1952, at Detroit, MI, as the Headquarters and Headquarters Company, 70th Division (Training). Livonia, MI, is the present location of 70th Division headquarters. The 1st Brigade is located in Inkster, MI. The 2d Brigade is based in Flint, MI, with a battalion located in Waterford, MI. The 3d and 4th Brigades are located in Fort Wayne and Camp Atterbury, IN, respectively. Finally, the Training Group is located in Fraser, MI.

After World War II, the 333d Regiment was reorganized and redesignated in 1952 as the 333d Infantry Regiment, assigned to the 70th Infantry Division. In 1961, the 1st and 3d Battalions of the 333d Regiment, moved to their present location at the Guy M. Wilson U.S. Army Reserve Center. The 2d Battalion was assigned to Pontiac, MI. The current mission of the 333d Regiment is to prepare and train soldiers to be fully ready combat soldiers by means of Infantry One Station Unit Training at Fort Benning, GA.

In 1991, the 2d Battalion, 333d Regiment was activated in support of Operation Desert Storm. The battalion conducted refresher training for recently reactivated soldiers that had been discharged for 1 year or less.

The 2d Brigade which consists of the 1st, 2d, and 3d Battalions of the 333d Regiment, was constituted on January 18, 1943, as the Headquarters and Headquarters Battery, 883d Field Artillery Battalion, an element of the 70th Infantry Division at Camp Adair.

It has been my pleasure to have the 2d Brigade housed within the Ninth Congressional District. At their invitation, I became a member of the employer support for the Guard and Reserves. We have worked together to foster a cooperative relationship between soldiers, their employers, and the Army Reserves.

The community calls upon the 2d Brigade frequently to support various civic events. One such event is the annual flag raising ceremony that takes place on Veterans Day on the front lawn of the city hall in Flint. The brigade has always worked hard to fulfill requests for support from the community, usually providing us with more support than was requested. I consider them to be a valuable asset to the community and look forward to working with them in the years to come.

Mr. Speaker, I ask that you and my fellow Members of the 103d Congress join me in saluting the soldiers of the 2d Brigade. It is my sincere privilege to represent this outstanding unit which has become an integral part of the Flint community.

SALUTE TO DANIEL GREENBERG, THE 1993 LOS ANGELES POLICE RESERVE OFFICER OF THE YEAR

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. McKEON. Mr. Speaker, I rise today to salute a Woodland Hills resident who truly embodies the spirit of national service.

Daniel Greenberg who is assigned to the Devonshire division was selected this month as the Los Angeles Police Department's Reserve Officer of the Year. As a reserve police officer, Daniel Greenberg, volunteers his time to ensure the safety of our city, averaging an amazing 13 shifts per month.

Officer Greenberg's commitment to self-excellence, his leadership qualities, and ability to motivate his fellow officers, all add up to making him an outstanding public servant.

Officer Greenberg has been commended on numerous occasions for his professionalism, attention to duty, and unselfish sacrifice.

On January 17, 1994, when the Northridge earthquake disrupted the lives and homes of many officers, Officer Greenberg responded immediately to the mobilization and logged over 40 hours working unselfishly at the expense of his family. His devotion to duty and professionalism ensured that the citizens of Los Angeles received the high quality service that is the trademark of the Los Angeles Police Department.

I ask my colleagues to join me in recognizing the unbridled commitment and dedication of Los Angeles Police Reserve Officer Daniel Greenberg, and the thousands of his fellow officers who give so much of themselves.

PARTY SMART PROGRAM

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Ms. BROWN of Florida. Mr. Speaker, on behalf of the Florida delegation, I would like to take a moment to recognize the significant contribution of a major national alcohol education and awareness program called Party Smart. This program is a visible, effective commitment by the nonprofit organization, Beer Drinkers of America, to promote responsible alcohol consumption.

The message of Party Smart is simple yet vital: If you make the adult decision to drink alcohol, do it responsibly and in moderation while still having a good time. By implementing education programs in cooperation with major spring break cities such as Daytona Beach, promoting the use of designated drivers, and sponsoring enjoyable nonalcohol events, Party Smart consistently has shown since its inception in 1988 that quality, objective, and positive alcohol education not only enhances people's lives, but helps save lives in the process.

Why else would 89 percent of students surveyed during a recent spring break in Florida say "partied smart?" Why else would this results-oriented program be supported by more than 800 colleges and universities, and more than 1,000 law enforcement agencies around the country?

I'll tell you why—because it works.

Party Smart works not because of what the participants are told about responsible behavior, but because of what they tell each other. Peers apply the real pressure to behave responsibly. Party Smart provides the framework, but the students and others who support this effort build the momentum and make it happen, through individual commitment and consistent reinforcement.

But don't just take my word on it. Ask the community of Daytona Beach, FL, what they think of the Party Smart approach.

In 1990, when Daytona Beach officials decided that they wanted their spring break guests to have a good time and be safe as well, Party Smart joined with civic and business leaders to develop a high profile campaign, complete with educational brochures, posters, and a variety of other materials. Party Smart also sponsored exciting, safe events like an intercollegiate sand sculpting contest.

In 1992 and 1993, Party Smart continued its campaign in Daytona Beach, and will be there in force again this year. For two years running, the Party Smart project received a special commendation from the National Commission Against Drunk Driving.

Party Smart is not, however, limited to spring break activities. The Party Smart Designated Driver and Fan Alcohol Awareness program has been used successfully by a number of major league baseball and national football league teams, at the Kentucky Derby, and by the U.S. Jaycees.

This year, Party Smart continues doing what it does best—providing quality, privately-funded alcohol awareness information and promoting responsible drinking among those who choose to drink, as well as offering alternatives to those who decide not to drink. Beer Drinkers of America, with more than 750,000 members in all 50 states, is working through Party Smart to make this year's spring break memorable, enjoyable, and above all, safe.

Mr. Speaker, Party Smart neither encourages nor discourages drinking. Rather, by targeting those who already have made the adult decision to consume alcohol, Party Smart encourages personal responsibility and moderation.

Party Smart is positive, not preachy—and that, I believe, is the key to its continued success. The Party Smart model, a peer-driven, upbeat approach to quality education and programs, should not be an isolated effort, but rather one that should be encouraged, emulated and implemented by others.

Party Smart not only deserves our support, but more importantly, it has earned our respect. Thank You.

CONGRESS HAS WHITEWATERGATE ROLE, TIMES-UNION EDITORIAL STATES

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. SOLOMON. Mr. Speaker, there can be no question that Congress does indeed have an important oversight role under our system of government.

We simply cannot concentrate on the important matters before us with the cloud of Whitewatergate, and its related issues, hanging over our heads.

The importance of this oversight role to the health of the body politic was well expressed in an editorial this morning in the Albany Times-Union, the largest daily newspaper in our 22d District in New York. It reminds us that simple safeguards can preserve the integrity of any separate investigation by Special Counsel Robert Fiske.

I place the editorial in today's RECORD, and urge all Members trying to get to the bottom of Whitewatergate to read it.

[From the Albany (NY) Times-Union, Mar. 17, 1994]

CONGRESS HAS WHITEWATER ROLE

Special Counsel Robert Fiske has asked Congress not to conduct hearings into the Whitewater affair until after he has completed his own investigation.

We can appreciate Mr. Fiske's concern that a congressional investigation might compromise his work. But since he is not expected to have completed his inquiry for two years—perhaps longer—the American people will essentially be kept in the dark at least until that time about what may be a very pressing matter.

The special counsel no doubt has learned from the Iran-contra hearings how a congressional inquiry can undermine a special prosecutor's efforts to obtain conviction even when the evidence clearly demonstrates that crimes have been committed. Lt. Oliver North literally confessed before Congress to having violated U.S. law in diverting arms to the Nicaraguan contras. Because he had been granted immunity on that specific testimony, it could not later be used to convict him in a court of law. The same lucky fate awaited Admiral Poindexter.

That concern can be disposed of, however, in precisely the way Republicans in Congress have already suggested: withhold the granting of immunity from prosecution to all witnesses.

Less easily remedied is Mr. Fiske's concern that the testimony of one witness before Congress will aid subsequent witnesses in framing their testimony. Thus, when Mr. Fiske's team gets around to interrogating these same people, they will already have had the opportunity to synchronize their version of events with that of other players.

If congressional hearings are held, there would be no way to prevent such things from happening. It is, however, the price that should be paid. These hearings, which no doubt will be televised, at least in part, will permit a full public airing of the testimony of all participants, and will allow the American people to decide its import for themselves.

Public hearings will also serve one other important function. They will assure that the public will know if every relevant question—regarding the Resolution Trust Corporation, the Whitewater development project, the Madison Guaranty, Vince Foster's death and the Clintons' role in any of these matters—has been adequately raised and answered.

Congressional hearings into the Whitewater/Foster matter will be no mere sideshow. They very likely will prove at least as important as the investigation by Mr. Fiske. Regarding the public understanding of what is no doubt a highly complex story, they might be even more important.

WOMEN'S HISTORY MONTH

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Ms. BROWN of Florida. Mr. Speaker, I am pleased to be able to speak today regarding Women's History Month and three women from my congressional district that have done much to make us proud. These women—Mary Singleton, Sallye Mathis, and Gwen Sawyer Cherry—gave much of themselves to their communities.

As teachers, they each shared their gifts of knowledge and caring with the younger generation. And, as elected officials, they broke new ground. Mary Singleton was the first African-American woman elected to the Jacksonville city council and Sallye Mathis was one of its longest serving members. Gwen Sawyer Cherry was the first African-American woman to serve in the Florida State Legislature.

Women's History Month brings attention to those women in our collective past who have enriched and strengthened our lives. I am proud to follow their path and look forward to showing others the roads we all have the opportunity to travel.

COACH TAFT WATSON—TERRELL'S BAY HIGH SCHOOL

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. CLYBURN. Mr. Speaker, I rise today to honor high school basketball coaching legend Taft Wilson, who, on March 12, 1994, became one of the few, if not the only, coach to win two State basketball championships on the same day.

This is an amazing feat for a man who began his high school coaching career 45 years ago, and who came out of a 4-year retirement at the age of 70, to lead the Marion County, SC, Terrell's Bay High School boys' and girls' basketball teams to State class A titles.

Watson, who has coached two of his sons and is now coaching a grandson and a granddaughter, has used athletics to cope with personal adversities.

He also tries to teach his young players how to transfer the skills they've learned in sports into the real world.

"Discipline, anticipation, and execution," are the qualities Coach Watson lists as his keys to success. "That's true in the game of basketball; that's true in the game of life," he said in a recent newspaper article.

In an age when so much is being written about our young people and violence in public schools, people like coach Taft Watson are to be commended for dedicating their lives to training our young people not only to be better ball players, but to be better human beings.

1994 ST. PATRICK'S DAY MESSAGE OF PEACE AND JUSTICE

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. KING. Mr. Speaker, as we do each year on St. Patrick's Day, we the undersigned Members of Congress renew our commitment to bringing about peace, justice and an end to all violence and discrimination in Northern Ireland. And, for the first time in the 16-year history of the Ad Hoc Congressional Committee for Irish Affairs, we hold out a glimmer of hope that true progress can be made toward achieving those goals in 1994.

Just 1 year ago, the prospects for peace in Northern Ireland were nonexistent. However, thanks to the hard work and dedication of Sinn Fein President Gerry Adams, SDLP leader John Hume, British Prime Minister John Major, and Irish Prime Minister Albert Reynolds, we have reached a meaningful crossroads in Irish history, where there is a real opportunity to end the civil conflict in the North. We commend all of them for their leadership and vision, and we applaud President Clinton for having the courage to grant a visa to Gerry Adams, so that he could bring his message to the American people and they could hear his call for a complete demilitarization of Northern Ireland.

The Joint Declaration of Peace signed in December is a foundation upon which a lasting and equitable solution can be negotiated. For this to happen, all parties to the conflict, including Sinn Fein, must receive the clarifications they seek about the declaration and must be given a voice in the negotiations. As Americans, we cannot make peace a reality, the solution must come from the Irish people themselves. We must keep pressure on the British and Irish governments to act on the overwhelming desire of the Irish people for peace, and urge President Clinton to fulfill his promise to appoint a special envoy to facilitate the peace process.

There can be no delay. Well-documented human rights violations continue to be caused by the violence and terrorism perpetrated by all the parties to the conflict there, including not only the IRA and Loyalist paramilitary groups, but also the Royal Ulster Constabulary and the British-run criminal judicial system. The urgent need for action is highlighted in the report "Political Killings in Northern Ireland," released by Amnesty International last month, which notes that political violence in Northern Ireland has claimed the lives of more than 3400 people over the past 20 years, with more than 175 unarmed people having been killed by British security forces. Perhaps most alarming is Amnesty's view that there is convincing evidence that British security forces in Northern Ireland practice a policy of deliberately killing suspects, rather than arresting them. The gravity of this charge cannot be overstated.

Continued suppression of individual legal, human and civil rights only fosters heightened violence and deeper disregard for authority. Likewise, peace will not come to people who have been left disenfranchized, chronically unemployed and impoverished by generations of deep-rooted economic discrimination. We remain steadfast in our belief that this Congress cannot allow U.S. business to continue to be party to this type of religious discrimination, and call for the prompt passage of the Northern Ireland Fair Employment Practices Act (H.R. 672). We urge President Clinton to fulfill his promise to support passage of MacBride Principles legislation at both the State and Federal levels.

We realize that a solution that has eluded men not just for decades, but for centuries, will not be easy. But peace and justice in Northern Ireland are achievable through leadership, commitment and cooperation on policies to end economic injustice and all violence committed by civilian, official and paramilitary sources. This is our wish on this St. Patrick's Day, and we recommit ourselves to working with all parties on behalf of a peaceful and free Ireland.

Thomas J. Manton, Benjamin A. Gilman, Gary L. Ackerman, Douglas Applegate, James H. Bilbray, Peter Blute, Robert A. Borski, William Clay, Michael A. Collins, John Conyers, Jr., Jerry F. Costello, William J. Coyne, Ronald V. Dellums, Richard J. Durbin, Eliot L. Engel, Lane Evans, Gene Green, Maurice D. Hinchey, George J. Hochbrueckner, Martin R. Hoke, Tim Holden, William J. Hughes, Paul E. Kanjorski, Joseph P. Kennedy, Barbara B. Kennelly, Peter T. King, Tom Lantos, Jerry Lewis.

Hamilton Fish, Jr., ALfones D'Amato, Nita M. Lowey, Carolyn B. Maloney, Jim McDermott, John M. McHugh, Martin Meehan, Robert Menendez, Joe Moakley, Susan Molinari, Constance A. Morella, Richard E. Neal, James L. Oberstar, John W. Olver, Frank Pallone, Jack Quinn, Charles B. Rangel, Marge Roukema, Bernard Sanders, George E. Sangmeister, Jim Saxton, Christoper Shays, Louise Slaughter, Christopher H. Smith, Gerald B. Solomon, Peter G. Torkildsen, James T. Walsh, Pat Williams.

TRIBUTE TO SANDY VANBUREN PENCE

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. COSTELLO. Mr. Speaker, I rise today to recognize Mr. Sandy VanBuren Pence of Granite City, IL who celebrated his 71st birthday on March 11, 1994.

Mr. Pence is a shining example of community awareness and civic activism. He has served as a precinct committeeman for over 20 years and has been active in the political process for more than 50 years, working behind the scenes at the polls and organizing his precinct. Mr. Pence also served his community as alderman for Granite City.

Mr. Speaker, Sandy Pence is not only politically active, he is socially active. He is not a stranger to kindness nor to hard work. He has labored tirelessly with the Four Square Assembly Church to provide food and shelter to those in the community who need a helping hand. He has helped create magical Christmas memories for needy children through his efforts to locate and distribute toys for the Christmas for Kids Fund. As a 32d-degree Mason and Shriner, Mr. Pence has donated his time and energies to support the burned and crippled children at Shriners hospitals nationwide.

Mr. Pence is not only a strong public figure, but also a loved family man. He and his wife, Alma (Hooper) Pence, have two daughters, four grandchildren and one great-grandchild. I am proud to wish Mr. Pence a very happy birthday and hope that he will share many more birthdays with his loving family.

Mr. Speaker, I ask my colleagues to acknowledge Mr. Pence for his dedication to his country, his community and his family.

TRIBUTE TO "PROJECT CHILDREN"

HON. HERB KLEIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. KLEIN. Mr. Speaker, I rise today on St. Patrick's Day in tribute to a program which embodies the kind of selfless and altruistic spirit that gives us all hope for peace in Northern Ireland and throughout the world. Project Children began 20 years ago, founded by Denis Mulcahy, originally of County Cork, in order to alleviate the pain and suffering endured by the innocent children on both sides of the conflict in Northern Ireland.

Since its inception, Project Children has given over 8,000 boys and girls an opportunity to escape an environment of fear and animosity. They have done so with no political agenda, with no paid staff, and with no government funding. All of the people involved give freely and generously in order to provide these young people with a glimpse of a world at peace.

In my district, several families have opened up their homes in order to give hope to the children of another land: John and Joan Hughes of Clifton; Joe and Pat Barry and Robert and Patricia Ruane, both of Bloomfield. These people are heroes to us all. Their compassion and generosity was not motivated by want of notoriety of monetary reward, but by the desire to see a better world for all our children.

TRIBUTE TO RAOUL WALLENBERG

HON. JAMES C. GREENWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. GREENWOOD. Mr. Speaker, I rise today to recognize Raoul Wallenberg, an honorary American citizen who sacrificed his life so that others could live. During World War II, Raoul Wallenberg came to the call of the United States and selflessly risked his own life to save the lives of thousands from extermination. Generations of people have lived as a result of Raoul Wallenberg's mission. Every person who survived the Holocaust and its atrocities understands his courage. Raoul Wallenberg, as a Swede, was not a victim, but his commitment and perseverance to his mission endangered him to the same extermination from which he was saving others.

in 1994, the United States requested that Sweden participate in efforts to protect the lives of Hungarian Jews facing extermination in Nazi German. Raoul Wallenberg willingly agreed to this request. With extraordinary courage, as well as U.S. funds and supplies, Raoul Wallenberg's mission save more than

100,000 Jews from torture and death in Nazi Germany.

Tragically, in 1945 Raoul Wallenberg was seized by the Soviet Union without reverence to his Swedish diplomatic immunity and international law. No explanation was ever given for his detention and imprisonment.

The Holocaust is a painful chapter in our history that many find hard to open. While each one of us would like to forget the horrible crimes that were committed, it is important to embrace the rare heroic deeds that saved the lives of thousands. 1995 will mark the 50th anniversary of Raoul Wallenberg's mission in Germany. It seems only proper, in this special anniversary year, to honor him as one of the most extraordinary heroes of the holocaust.

For several years, Americans across the country have participated in a campaign to honor Raoul Wallenberg with a commemorative stamp. Thousands of letters have been written to the Postmaster General and the Citizen's Stamp Advisory Committee in support of the stamp and yet, the stamp has not been issued. Honorary citizenship is an extraordinary honor and not frequently granted. Since Raoul Wallenberg is a distinguished American, doesn't the American public have an interest in recognizing him for his mission and dedication of the United States of America? I urge my colleagues to join in the effort to recognize Raoul Wallenberg. The Citizens' Stamp Advisory Committee will be meeting in April to determine its stamp selections for 1995 and beyond. Please show them your support.

CONGRESSIONAL SUPPORT FOR THE HMONG PEOPLE AND GENERAL VANG PAO

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. HUNTER. Mr. Speaker, I would like to include in the CONGRESSIONAL RECORD an important and eloquent letter to the Government of Thailand about the Hmong people of Laos, their leader General Vang Pao and Lao General Thonglid Chokbenbun. Congressman BEN GILMAN, the vice chairman of the House Foreign Affairs Committee, recently wrote this letter in response to a number of deeply disturbing reports from Thailand about the plight of Hmong refugees and the situation of General Vang Pao and General Thonglid Chokbenbun.

As a Vietnam veteran, I appreciate the great sacrifices General Vang Pao and the Hmong people made for the United States and Thailand during the war years.

General Vang Pao continues to work to bring human rights, freedom, and democracy to the Hmong and to all the peoples of Laos. I know that many other Members of the U.S. Congress as well as America's Vietnam veterans will appreciate Congressman GILMAN's letter and the help and cooperation of Thailand on this important matter:

Committee on Foreign Affairs,
House of Representatives,
Washington, DC, March 10, 1994.

His Excellency M. L. Birabhongse Kasemsri,
Ambassador E. and P., Embassy of Thailand, Washington, DC.

Dear Mr. Ambassador: Twenty-two years ago, during my first official visit overseas, I met with General Vang Pao in Laos. I was deeply impressed by this man and his people who made such enormous efforts and paid so dearly, to attempt to stop the spread of communism in Southeast Asia. Accordingly, when I learned last week that there were reports in the Bangkok media which stated that Thailand's Supreme Command has asked the United States to take action against Generals Vang Pao and Khonglit Chokbenbun for alleged illegal activities in Thailand, I became concerned and perplexed.

It is my hope that the request from the Army does not represent a policy decision supported by the Government of Thailand.

During and after the Vietnam War, Hmong leaders and their people fought loyally beside Thai and American soldiers, and paid an enormous price. The Hmong continue to suffer tremendously from the sacrifices they made on behalf of Thailand and the United States.

We would be sending the wrong signal to the dictatorships remaining in Asia if the Hmong, who have borne a disproportionate share of the struggle for freedom and democracy in Southeast Asia, are now made unwelcome. Accordingly, I look forward to working with you to find a way in which we can resolve the problems facing the Hmong and I thank your nation and government for having been a refuge for them for so many years.

Sincerely,

Benjamin A. Gilman,
Ranking Republican Member.

AID REPORTS ON EGYPT AND ISRAEL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. HAMILTON. Mr. Speaker, the Subcommittee on Europe and the Middle East of the House Foreign Affairs Committee has recently received reports from the U.S. Agency for International Development on the economic situation in Egypt and Israel—the top two recipients of U.S. foreign assistance. The reports are submitted pursuant to section 1205(b) of the International Security and Development Cooperation Act of 1985, as amended.

I wish to draw to the attention of my colleagues the summaries of these reports. The full text will be made part of the record of the subcommittee's hearings on the fiscal year 1995 foreign aid requests for these countries. I hope my colleagues find the summaries of these reports of interest.

Report on Economic Conditions in Egypt, 1992–93

I. SUMMARY AND CONCLUSIONS

Participation in the Gulf War has proved to be a financial boon for Egypt. Due to debt forgiveness and its own reforms, Egypt's financial position has greatly improved. For the three years prior to the War, Egypt's external current account deficit had ranged between $2 and $3 billion annually with no improvement in sight. The country was accumulating large, unsustainable debt service arrears. The budget deficit was about 20 percent of GDP. In 1990, total external debt reached about $46 billion. Foreign reserves were down to several weeks of imports.

After the War, external financial resources were provided to Egypt. The United States took the lead in a program of debt reduction, writing off military debt of $6.7 billion. Also, the Government of Egypt (GOE) embarked upon a wide-ranging program of economic reform under the auspices of international financial institutions.

As a result, Egypt's economy has stabilized. Though an expected drop in real GDP for 1991/92 did not materialize, the economy is stagnant. We estimate real GDP grew at the annual rate of 2.8 percent in 1991/92 and only 1.5 percent in 1992/93. Various revenue measures and greater control of expenditures have cut the budget deficit to 4.7 percent of GDP in 1992/93. Egypt achieved a positive current account balance (excluding transfers) in 1991/92 for the first time in ten years, although the current account balance is now expected to be slightly negative in 1992/93. Foreign reserves are now quite healthy, over $15 billion dollars (equivalent to over a year of imports). With the latest debt reduction, Egypt's outstanding debt will amount to less than $35 billion. Egypt appears quite capable based on its relatively healthy financial situation to meet all debt commitments, at least over the short and medium term.

Retarding Egypt's economic growth and development is the structure of its economy. Despite the recent tendencies towards the expansion of the private sector, the public sector remains the major employer of non-agricultural workers. The economy is still inward looking and highly regulated.

Privatization, reduction of protection, and elimination of unnecessary regulations controlling the private sector are major themes of Egypt's structural reform program, together with improving the organizational and management structure of public enterprises. The new Public Investment Law 203 and its executive regulations were issued in 1991, allowing greater autonomy to public sector companies. A newly established office for privatization has assisted in selling two public enterprises and bringing twenty other enterprises near to the point of sale. Non-tariff barriers to trade and the level of tariffs are being reduced. Unfortunately, progress to date in each of these critical structural reform areas is far short of what is needed.

Notwithstanding the substantial financial progress over the last couple of years, a fundamental problem is the inability of the economy to absorb in a productive fashion new entrants to the labor force. The economic and social stability of Egypt is threatened by this problem. Official labor statistics show a 12 percent unemployment rate, while other estimates show significantly higher rates.

Debt relief and large capital inflows have given Egypt an unprecedented opportunity to restructure its economy with donor support. It is critical that Egypt accelerate, within the constraints of a delicate political climate, the reform program that it has undertaken if it is to attain its long-term economic objectives. This is especially true of reforms to reduce protection, privatize public enterprises, and eliminate restrictions on the private sector. These reforms will allow competitive market forces and private enterprise into the largely state owned industrial sector, which should increase productivity, exports, and domestic and foreign investment.

II. UPDATE ON ECONOMIC DEVELOPMENTS

A. Balance of Payments

The balance of payments recovery, which started in 1990/91 and continued in 1991/92, failed to persist in 1992/93. After achieving a surplus current account balance (excluding official transfers) in 1991/92 after many years of deficits, the current account balance is estimated to have returned to a deficit amounting to $0.3 billion in 1992/93.

The current balance (including official transfers) showed a surplus of $1.0 billion, down from $3.6 billion in 1991/92. The major factors behind this deterioration are an increase in imports of goods and services, a decrease in non-petroleum exports, a decline in workers remittances from abroad, and an increase in required interest payments. The overall surplus in the balance of payments also witnessed a sharp decline, from $6.9 billion in 1991/92 to $4.0 billion in 1992/93, a reduction of about 42 percent.

In the next few years, the services account is expected to experience a slight improvement due to higher Suez Canal dues and investment income. In addition, a continued high level of worker remittances is anticipated. However, with the projected growing trade deficit, the current account balance, excluding official transfers, is expected to witness a growing deficit.

This sustained current account deficit, together with stagnant official transfers and the projected decline in the capital account, is expected to result in a decline in the surplus in the overall balance of payments.

B. Government Finances

Government revenues in 1992/93 grew by 11 percent to LE 45.9 billion. This is about one quarter the rate of nominal growth experienced the previous year. However, revenues in 1992/93 remained at 35 percent of GDP, the same as last year.

Tax revenues accounted for 60 percent of revenues (compared to 58 percent last year), while non-tax revenues accounted for 31 percent (compared to 28 percent last year).[1] The balance is accounted for by local government revenues and investment self-financing.

Breaking down tax revenues by source of tax indicates that each tax basically maintained its share of total tax revenues. However, the share of customs duties slightly declined from 18.9 to 18.6 percent, while stamp duties slightly increased from 7.6 to 8.2 percent.

As for non-tax revenue, the share of transferred profits in non-tax revenues significantly declined from 77 percent in 1991/92 to 39.6 to 63 percent in 1992/93. Current expenditures increased to 80 percent of total expenditures (31.7 percent of GDP) compared to 77 percent (30.6 percent of GDP) last year. Reduced capital expenditures accounted for the declining balance.

Noticeable among current expenditures are the significant growth in interest payments and wages, and the decline of subsidies and transfers. Interest payments on debt increased by about 42 percent to reach LE 13.8 billion or 10 percent of GDP, largely due to an increasing stock of treasury bills and high domestic interest rates. Wages increased by about 19 percent to LE 9.7 billion. Subsidies and transfers declined by 55 percent to LE 4.5 billion.

The resulting budget deficit decreased slightly from 5 percent of GDP in 1991/92 to 4.7 percent in 1992/93. Excluding the earthquake relief outlays, the budget deficit declined to 4.1 percent of GDP.

In financing its budget deficit, che Treasury paid back the banking system an amount equivalent to nearly 52 percent of the deficit to partially retire outstanding government debt. Nonbank finance of the deficit, coming from treasury bills, insurance premiums and pensions, accounted for about 137 percent of the deficit (to offset the net negative bank financing). External finance covered 15 percent of the deficit. Most of the external finance was directed to earthquake relief.

C. Population, Employment and Output

Despite the substantial financial progress over the last couple of years, a fundamental problem remains the ability of the economy to absorb in a productive fashion new entrants to the labor force. The economic and social stability of Egypt is threatened by this problem. Official labor statistics show 12 percent unemployment rate while other estimates show significantly higher rates.

The public sector in Egypt produces many of the goods and services that are generally produced by the private sector in most capitalist economies. About 27 percent of total employment is in the public sector. Excluding agriculture, which consists largely of small farm owners and workers, over half of the remaining jobs are in the public sector.

Over the next decade Egypt will have to generate 4.5 million new jobs to provide work for the new entrants to the labor force, assuming no change in today's unemployment rate and labor force participation rate. Estimates of the number of new jobs necessary to allow unemployment to drop significantly range from 6 to 10 million. Continuation of structural economic reforms will be key to any attempt to achieve growth rates sufficient to accomplish the objective of lowering unemployment.

The problems of unemployment and poor living standards of many Egyptians are exacerbated by rapid population growth. Population has almost tripled since the early 1950s. This growth has caused increased pressures for additional jobs, social services, education and health services. In recent years the labor force has grown at an average rate of 5 percent, or twice the rate of population growth. This high growth rate reflects increasing numbers of women and children joining the labor force. However, the population growth rate has declined from about 2.8 percent in the early 1980s to less than 2.5 percent today.

From 1987 to 1992, Egypt's real GDP growth averaged about 2.7 percent per year, or about the same as population growth; in 1993 it tapered off to 1.5 percent per year. . . .

REPORT ON ECONOMIC CONDITIONS IN ISRAEL 1992–93

I. OVERVIEW

Israel, with a population of 5.4 million and a GNP of $69.5 billion in 1993, has a per capita income of nearly $13,000. The Government of Israel (GOI) has been relatively successful in stabilizing the economy in the face of a massive inflow of immigrants which has increased the population by around 10 percent since the end of 1989. Real GDP growth has averaged around 6 percent per year over the past three years, employment has risen at an annual rate of 4 percent, the market based exchange system has improved export competitiveness, and inflation has been reduced to around 11 percent (see Table of Israeli Economic Indicators). However, unemployment increased from 8.9 percent in 1989 to 11.2 in 1992 before declining to 10.5 percent in 1993. While GDP growth has slowed to around 4 percent in 1993, expanding business investment and governmental infrastructure investment coupled with sustained export growth provide the basis for a resumption of 6 percent average annual GDP growth in 1994 and 1995.

The GOI has appropriately adopted a strategy of abstaining from direct intervention in the labor market and has instead focused on providing the immigrants with housing and subsistence grants and training while encouraging a more favorable environment for private sector investment and expansion. While government expenditures for immigrant absorption increased, fiscal discipline in other areas, including defense, provided for an overall reduction of government spending as a percentage of GNP. The domestic component of the fiscal deficit surged to 18.1 percent of GNP in 1989, but it has since declined to 5.6 percent in 1992 and 3.2 percent in 1993.

Basically sound monetary, exchange rate and debt policies have contributed to rapid economic growth, a robust expansion of exports and a shift to an overall balance of payments surplus. Exports increased in real terms 12.7 percent in 1992 and are projected to grow at around 8 percent per year beginning in 1993. While there has been a modest increase in Israel's gross external debt to $33.9 billion at the end of 1992, relative to GNP these liabilities have declined from 72 percent in 1989 to 53 percent in 1992. All indicators of debt service reflect the improving ability of Israel to manage its external debt, including the ratio of gross debt service to exports of goods and services which declined from 42 percent in 1989 to 29 percent in 1992. With continued prudent financial stabilization policies in the future, Israel should be able to service the increases in its external debt which have been facilitated by USG loan guarantee programs.

Beyond maintaining a stable macroeconomics environment, continued rapid growth and the reduction of unemployment will require significant intensification in efforts to structurally reform the economy. In particular, there is a need to accelerate the privatization program, to continue with financial sector reforms, to reduce labor market rigidities, and to proceed with further trade liberalization.

Privatization has been slow and needs to be significantly accelerated to improve domestic economic efficiency and to attract direct foreign investment. The state has been intensively involved in the banking, communications, electricity, transportation and defense sectors. Public enterprises which are considered eligible for privatization have an estimated net worth of $17 billion. In 1991 and 1992, the GOI had intended to sell around 20 companies, but only sold 7, generating an average of less than $250 million per year. The privatization of six major non-bank enterprises anticipated in 1993 did not materialize.

While extensive financial system reforms have been made, more reforms are needed to make the system more competitive. The financial system is highly concentrated and directly involved in the real sector of the economy. In spite of relatively successful privatization efforts, public ownership of the banking sector remains significant.

An improved functioning of the labor market is essential for a sustainable reduction in unemployment. While unemployment has increases and real private sector wages have declined 7 percent over the past 3 years, real public sector wages have increased almost 2 percent. The GOI needs to take a firmer stance with regard to union wage settlements, especially in the public sector, adopt a wage structure that better reflects productivity differentials, and delink government wages from those in the public enterprises. At the same time, efforts should be made to build on earlier reforms, including a review of minimum wage legislation.

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[1] Non-tax revenues include surplus of petroleum, Suez Canal, other economic authorities, and the Central Bank of Egypt, and the surplus and profit of public sector authorities and companies.

Further steps to liberalize external trade are essential to increase domestic competition. While considerable progress has been made with recent free trade agreements with the United States, the European Community and the European Free Trade Area (EFTA), much remains to be done. In particular, it is essential to resist pressure from domestic producers to slowdown the scheduled reduction in import duties to maximum rates of between 8–12 percent over the next 5–7 years. Also, while quantitative restrictions have been largely removed on non-agricultural imports, they remain on most agricultural products.

II. RECENT IMMIGRATION, OUTPUT AND EMPLOYMENT TRENDS

Since late 1989, Israel has been subjected to a significant supply side shock in the form of the immigration of over 460,000 persons, mainly from the Soviet Union. Immigration, which was 12,000 in 1989, shot up to 188,000 in 1990 and 176,000 in 1991.

While 200,000 immigrants annually were initially projected through 1995, actual immigration has been significantly less than expected, with only 77,000 immigrants arriving in 1992. The revised projection for 1993 calls for 80,000 immigrants, but there were only 36,000 immigrants during the first six months of the year. The immigration slowdown reflects both the employment difficulties encountered by the immigrants in Israel and the lessened felt need to emigrate by those in the former Soviet Union.

The basic GOI strategy toward absorbing the immigrants has been one of avoiding direct labor market interventions, while catering to their housing needs and providing them with subsistence grants and training during their first year in Israel. In addition, the GOI has attempted to provide adequate infrastructure and a more favorable and less uncertain environment in which the private sector would be able to gradually absorb the extra supply of labor.

The large influx of immigrants significantly increased aggregate domestic demand, which is largely responsible for the average annual GDP growth of 6 percent over the past three years. Housing related spending was especially strong over this period, but non-residential investment also displayed considerable growth. During 1992, as the rate of immigration subsided and the GOI withdrew from construction activity, there was a slowdown in domestic demand growth. However, this slowdown was offset by a rapid recovery from the Gulf War-related slump of the export and tourism sectors. With continued lower levels of immigration and the closure of the occupied territories in early 1993, real GDP growth had slowed to around 4 percent. An anticipated expansion of business and infrastructure investment coupled with rapid growth of exports provide the basis for a projected resumption of 6 percent average annual GDP growth in 1994 and 1995.

The viability of these projections depends significantly on Israel's ability to expand exports. Israel's exports have served as a major engine of growth in the past. Real exports grew at 12.3 percent between the early 1960s and 1980. However, export growth fell to only 2.5 percent between 1980 and 1991 in part due to high real wages. Recent rapid expansion of the labor force and conservative macroeconomic policies have produced real wage declines and a 12.7 percent expansion of real exports of goods and services in 1992. Realization of a continued export expansion at the projected rate of 8 percent will require continued policy efforts to contain real wages and improve the competitiveness of exports.

The rapid increase in the Israeli labor force brought on by immigration outstripped employment growth that averaged 4 percent per year over the past three years, causing the overall rate of unemployment to rise from 8.9 percent in 1989 to 11.2 percent in 1992 before decreasing to 10.5 percent in 1993. Among immigrants, the unemployment rate declined from 38 percent in 1991 to 28 percent in 1992 and 17 percent in 1993. This relatively high immigrant unemployment rate reflects the short period of residence in Israel to date, a large proportion of older immigrants, and a very high concentration in technical professions, including engineering, medicine and academia. Immigrants mainly found employment in industry (35 percent) and construction-related activities (10 percent). The composition of their occupations has changed as they have had to adapt to domestic labor market conditions. Hence, the percent of immigrants in scientific and academic occupations dropped from 39 percent in 1990 to 33 percent in 1992, while the percent in blue collar occupations increased from 16 percent to 23 percent over the same period.

Unemployment declined in 1993 as immigration slowed further to an estimated 36,000 in January–June and as Israelis took jobs left vacant by Palestinians barred by the closure of the occupied territories. The GOI's projected annual average employment growth of over 4 percent for 1993 through 1995 is consistent with a gradual reduction of unemployment from 10.5 percent in 1993 to around 9 percent in 1995.

III. PUBLIC FINANCE POLICIES

Since 1989, Israeli general government activity has been significantly affected by the objective of absorbing the new immigrants. In spite of this, general government expenditures as a percentage of GNP have steadily declined, from 59.8 percent in 1989 to 56.5 percent in 1992. With overall receipts remaining relatively stable at around 54 percent of GNP, the overall deficit (after foreign grants) has been reduced from 6.2 percent in 1989 to an estimated 2.8 percent in 1992.

A. *Expenditures:* Public consumption of social services, including for education, health and welfare have been a large and growing component of government expenditures, increasing from 30.1 percent of GNP in 1989 to 32.4 percent in 1992. In particular, transfer payments, which are provided as cash payments, have risen from 13 percent of GNP in 1989 to 15 percent in 1992.

Immigrant absorption expenditures of around 5 percent of GNP have been the main source of this expansion. The total annual direct aid per immigrant family is somewhat over $10,000. This includes an initial absorption cash grant plus health insurance and unemployment benefits during the second half of the first year in Israel. In addition, employers who employ immigrants are eligible for subsidies of up to one-third the immigrants' salaries for the first year and one-fourth for a second year.

CYNTHIA LYNN: VOICE OF DEMOCRACY CONTESTANT

HON. THOMAS J. BARLOW III

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. BARLOW. Mr. Speaker, I have the honor today of congratulating a young woman from Kentucky's First District, Ms. Cynthia Lynn Hutcheson, who placed 29th in the Veterans of Foreign War's Voice of Democracy contest. This annual contest is cosponsored by the VFW's ladies auxiliary, and it honors young men and women who express their faith, belief, and commitment to our nation's principles of democracy.

Cynthia Hutcheson is a resident of Princeton, KY, where she is a senior at Caldwell County High School. She is a young woman of exceptional talents, and I am certain that her future holds many more successes.

I would like to take this opportunity to share Ms. Hutcheson's essay with my colleagues by having it inserted in the RECORD.

MY COMMITMENT TO AMERICA

I feel that every citizen has a tremendous responsibility to America. However, my generation's commitment should be far greater than any other generation's commitment, because we are America's future.

I think one of my biggest commitments in this country is to have an opinion. This seems very unimportant to some, but really it is the backbone of our country. If I did not have an opinion how would I vote for the people that I wanted to elect for public office? How would I vote on issues that are going to affect me? Everyone must have an opinion in order for America to grow. My opinion does not have to be the same as anyone else's. I certainly do not always agree with others' opinions all the time, but I'm glad that they voice their opinions.

Having an opinion leads to the right and responsibility to vote. Every citizen that can legally vote should be at the polls every time they are open. The President, Congress, governors, State legislators and local officials cannot represent the majority if the majority does not show up to vote. In order to have a democracy, which is rule by the people, the people have to exercise their right to vote.

Another commitment I have to America is to uphold family values. Many of the things that are wrong with our country stem from the decline of the family. My parents have taught me morals and that family always comes first. I think that if parents teach their children to follow the Golden Rule, have one partner for life and give their children the attention that they need the children will have a good, quality childhood and will be able to take on the world when they are older. It is hard for children who have had a troubled childhood to concentrate on the things they can do for America because they are too busy concentrating on their past.

I also need to do my best to uphold the laws in this country, and to make sure that others do their best to uphold the law. There is too much crime in America. The American citizens are spending millions of dollars every year towards the benefit of convicted criminals. This is wrong. If my generation helps to curve the crime rate, the money will be spent on things that will benefit all citizens, not just the criminals. There are some laws that people do not always agree with. However, this does not give anyone the right to break those laws. In America we have the right and responsibility to change the laws and voice our opinions about bad laws.

My final commitment is to pray for America. America was founded as "one nation under God." However, America has gotten about as far away from God as possible. The crime rate is up, the divorce rate is up and morals have just about gone down the drain.

Eventually, America will be punished for her actions. If people do not get on their knees and ask for forgiveness, the American people might suffer greatly. Some do not believe that America is really that far away from God. Even if that is so, the situation in this country could always get better.

America is the greatest country in the world, and it is indeed a blessing to live here. I feel very strongly about my commitment to America. I can only hope that my peers feel that way also. I do not think that people realize what a great nation we actually do have. They do not realize that we could be ruled by a dictator and have no rights whatsoever. I am very thankful for the opportunities I have, because I am an American citizen. However, I know that the only way those opportunities will be there for my children is if I do my best to help this nation grow and prosper.

SIKH NATION THANKS PRESIDENT BILL CLINTON AND THE PEOPLE OF AMERICA

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. CONDIT. Mr. Speaker, I rise to direct your attention to the overwhelming gratitude of Sikhs around the world for President Clinton's support of the protection of Sikh rights in a letter to me dated December 27.

Specifically, the President stated in his letter that he desires a peaceful solution to the crisis in the Sikh homeland that protects Sikh rights.

President Clinton's letter was in response to a November 17 letter to the President that I initiated, asking the President to diplomatically intervene to resolve the crisis in Khalistan. The letter was signed by 23 additional bipartisan Members of Congress.

Various Sikh leaders throughout the Sikh homeland, Punjab, Khalistan, have issued statements supporting President Clinton's remarks. I am including for the record, a memorandum presented on February 21, 1994 to the U.S. Embassy in New Delhi, by Col. Pratap Singh, President of the Khalsa Raj Party. The Khalsa Raj Party advocates liberation for the Sikh homeland through peaceful and democratic means. As you may recall, Col. Pratap Singh was arrested and held in detention for 4 months in 1992 because of the freedom aspirations of the Khalsa Raj Party.

In his memorandum, Col. Pratap Singh places on record the Sikh Nation's, deep appreciation and gratitude to President Bill Clinton, the Congress and the people of the United States of America for their articulation of Sikh grievances. The memorandum also places on record, our appreciation of the American Sikhs, in particular the Council of Khalistan headed by Dr. Gurmit Singh Aulakh, for their contribution in bringing awareness among the people and the Government of the United States of the true situation of the beleaguered Sikh Nation in India.

Mr. Speaker, I appreciate the Khalsa Raj Party's memorandum, and I recognize the danger that Col. Pratap Singh is in by even submitting this memorandum of thanks. On February 12, The Tribune in Chandigarh, Punjab reported that Punjab Chief Minister Beant Singh threatened to arrest Sikh leaders for only planning to hold a rally in support of President Clinton. As a matter of grave concern, I urge the Government of India not to torture or harass any of the Sikh leaders for supporting President Clinton's statement.

Besides the Khalsa Raj Party, the Akali Dal (Mann) organized a thanksgiving meeting for President Clinton in Ludhiana on February 16, 1994. The Akali Dal (Mann) also led a delegation of Sikh leaders to the U.S. Embassy in New Delhi on February 21, 1994 and submitted a memorandum of thanks signed by all major Sikh political, social, and human rights groups. Also, a group of professors from Punjab University signed a statement on February 5, 1993, saying according to the February 6 edition of The Tribune, that the U.S. President had done a service to the state by suggesting to the Government of India to respect the rights of the Sikhs according to the U.N. Charter.

Unfortunately, the President of the Akali Dal (Mann), Mr. Simranjit Singh Mann, was unable to personally present the Sikh memorandum of thanks to the U.S. Embassy because he has been held in detention the past 2 months for calling for an independent, sovereign Sikh state through peaceful and democratic means.

At present, Mr. Mann is being jailed by the Indian government under antidemocratic, draconian laws declared, disturbing and completely unacceptable by the United Nations Human Rights Commission. Similarly, Asia Watch has called for the complete repeal of the draconian laws that hold Mr. Mann in jail.

I find it unconscionable that the Indian government can detain a person who is only peacefully asking the Indian government to recognize the Sikh right of self-determination. It is time the right of self-determination be exercised in the Sikh homeland, without the further loss of life or denial of human rights.

As a matter of grave concern, I ask that Mr. Mann not be tortured or harassed by the Indian government, as he has been in the past. I also demand that Mr. Mann be immediately released and allowed to continue all peaceful and democratic activities for the freedom of the Sikh nation.

In addition to the Khalsa Raj Party memorandum, I am including three articles from The Tribune that clearly demonstrates the wide scope of support in the Sikh homeland, Punjab, Khalistan for President Clinton's support of Sikh rights. A press release from the Council of Khalistan concerning the Khalsa Raj Party memorandum is also included. I am also including the letter I received from President Clinton on December 27, 1993.

I hope my colleagues in the U.S. Congress understand the message of hope and love that President Clinton has sent to the Sikh Nation, and the gratitude the Sikh Nation has expressed in return. As for many nations, America is truly a beacon of freedom and democracy for the Sikh Nation and its brave people.

MEMORANDUM

(Presented to US Embassy, New Delhi on February 21, 1994)

This memorandum is prepared jointly by the political parties, human rights, religious, social and farmers organizations representing the Sikhs living in the Punjab and other states of India to place on record their deep appreciation and gratitude to President Bill Clinton, the Congress and the people of the United States of America for their articulation of Sikh grievances from time to time. The latest letter dated Dec. 27, 1993 by the President in reply to Representative Gary Condit and 23 other Congressmen who jointly wrote to the President highlighting persistent state repression and violation of human rights of the Sikhs in Punjab, Khalistan. Although Mr. Clinton's letter was true, though mild, reflection of the state of affairs, it caused a furor in this country. The Congress party and its government at the Centre and some states reacted sharply, criticizing in the vilest language President Clinton, holding government sponsored anti-U.S. demonstrations and burning his effigies. One such demonstration was held in front of the US Embassy in Delhi, personally organized by the Chief Minister of Punjab.

It will be pertinent to note that the "Sikh rights" which the President has mentioned in his letter have been consistently violated by the Indian state ever since Independence in 1947. For example, the promises made to the Sikhs during long years of freedom struggle were broken in letter and spirit once the very same leaders of the Congress who had made solemn commitments became India's rulers. The constitution framed was so inimical to the Sikh interests that their representatives in the Constituent Assembly refused to sign that document in protest.

The first 36 years after independence saw intermittent peaceful agitations launched by the Sikhs to secure their right, viz, establishment of the promised autonomous region in the Sikh majority area, creation of federal structure, demarcation of Punjabi speaking state and for the protection of the minorities interests. All these issues were fully debated and agreed upon at numerous fora before independence. the Sikhs, who were the third equal party besides Hindus and Muslims during the parleys for transfer of power from British to Indians, had the option to join India or Pakistan. Pakistan leadership had offered them permanent share in sovereignty at the Centre and the province of British Punjab which would have resulted in Pakistan's Eastern border beyond Delhi.

Notwithstanding, the Sikhs threw in their lot with India for historic and contemporary reasons even though 50 percent of their population uprooted from the fertile lands of Pakistan. It was thus a partnership between India and the Sikhs based on moral, ethical, and mutual understanding. But every term of the "partnership" was repeatedly violated by the stronger partner, India. With the use of naked power the Sikhs have been reduced to second class citizens and their homeland turned into a vassal state, far worse than they had experienced during the hundred years British rule over Punjab.

With evil intent to keep the Sikhs under subjugation, their holiest shrines all over the Punjab were attacked by the major part of the Indian army reducing some of them to rubble in June 1984 through the utterly uncalled for Operation "Blue Star", killing thousands of Sikhs in the process. After Indira Gandhi's assassination, a consequence of brutal oppression of the Sikh people, the Indian government headed by her son, Rajiv Gandhi, mounted a genocidal campaign to exterminate the Sikhs later that year in which many more Sikhs perished, large numbers of their womenfolk were raped and abducted, and billions worth of properties destroyed.

Anti Sikh policies have been pursued ruthlessly ever since. Over hundred thousand Sikhs have been butchered since "Blue Star". Extrajudicial killings, rape, torture, extortion, custodial crimes and various other forms of atrocities have been perpetrated on the community at an enormous scale. There is total Police Raj in the Punjab which has patronage of the Central government. Security forces have been given carte blanche to commit any crime with impunity. They are accountable to no higher administrative or political authority. the so-called "popular" government in the Punjab is the result of boycott of elections in Feb. 1992 by Sikh political parties. It has no mandate of the people. Even after massive rigging with open help of the police and paramilitary forces, less than 8% voted for the Congress. In effect, it is an extension of the Central rule which had been undemocratically imposed for a record period in the Punjab. Democracy, rule of law and even the rights enshrined in the constitution have long ceased to apply to the Sikhs. Through draconian legislation, the judiciary has been marginalized. The Sikh homeland has been virtually transformed into a vast Auswhitz camp.

The Sikhs continue to live under the shadow of bayonets and bullets. Justice-political, social, and economic—is totally denied to them. For nearly 15 years international human rights organizations such as Amnesty International and Asia Watch have not been allowed to investigate the Punjab. India has to much to hide.

President Clinton's statement on violation of Sikh rights has not come a day soon. Had the international community protested in the wake of "Blue Star" and genocide of the Sikhs in 1984, tens of thousands of innocent lives would have been saved, the Sikh women would not have suffered the trauma of rape and dishonor and, above all, the Indian state would have been forced to establish the rule of law and to observe civilized behavior.

Being dispossessed and stateless, the Sikhs have no means of voicing their anguish to the International organizations like the UNO. Likewise, they are greatly handicapped in explaining their case to foreign governments. They are, therefore, particularly beholden to the United States of America for the concern shown in this critical period of their history. They further seek support in their just cause for right of self-determination under the provision of the International Covenant on Civil and Political rights to which India is a signatory.

We would also like to place on record our appreciation of the American Sikhs, in particular the Council of Khalistan headed by Dr. Gurmit Singh Aulakh, for their contribution in bringing awareness among the people and the government of the USA of the true situation of the beleaguered Sikh nation in India. Thanks to their sustained efforts, Khalistan has already been admitted to UNPO, a milestone in the march toward establishment of a sovereign Sikh state.

Thank you President Clinton.

Thank you, the great people of the United States of America.

LT. COL. PRATAP SINGH, RETD.
President.

[Press Release]

SIKH LEADERS APPLAUD PRESIDENT CLINTON'S COMMENTS

WASHINGTON, DC, *February 25, 1994*.—Colonel Pratap Singh, President of the Khalsa Raj Party, submitted a memorandum this past Monday to the U.S. Embassy in New Delhi, applauding President Clinton's support for "Sikh rights."

Submitted on February 21, 1994, the memorandum says: "We would also like to place on record our appreciation of the American Sikhs, in particular the Council of Khalistan headed by Dr. Gurmit Singh Aulakh, for their contribution in bringing awareness among the people and government of the USA of the true situation of the beleaguered Sikh nation in India."

The memorandum's appreciation of the Council of Khalistan's efforts demonstrates the links between Sikh leadership inside and outside of Khalistan. It is also significant positive recognition of the ardently proindependence Council of Khalistan, from the leadership within Khalistan.

"President Clinton's support for 'Sikh rights' in his letter to Congressman Gary Condit, has become a beacon of hope for the Sikh leadership in Khalistan," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. "It has invigorated their determination to bring peace, justice, self-determination, rule of law, and freedom to the Sikh homeland, Khalistan."

Along with Colonel Pratap Singh, Sikh intellectuals, Sikh human rights groups, and all Akali Dal parties submitted memorandums to the U.S. Embassy on February 21 applauding President Clinton's comments.

[From the Tribune, Feb. 22, 1994]

AKALIS PRESENT MEMO TO U.S. EMBASSY

NEW DELHI.—Even as several political parties and organizations have criticised President Bill Clinton for his comments on Sikh rights, Akalis from Punjab today marched to the US embassy here to express their gratitude to the USA for raising the issue of human rights violations in Punjab.

The Akali leaders of the Mann faction were joined by several human rights activists from Punjab, including Justice Ajit Singh Bains, Mr. D.S. Gill and Mr. Inderjit Singh Jaijee, convener of the movement against the state repression.

Later, they submitted a memorandum to the Deputy Chief of Mission, US Embassy, putting on record their thanks to Bill Clinton for expressing concern for the Sikhs who according to the Akalis, had been denied civil and political rights by the Indian state.

Bill Clinton's statement on the Sikhs had debunked the decade-old propaganda against the Sikhs aimed at defaming them in the eyes of the world, the memorandum said.

The memorandum was also signed by other senior Akali leaders like SGPC chief G.S. Tohra, Mr. Jagdev Singh Talwandi and Mr. Pratap Singh Gill.

Prominent Akali leaders among the marchers were Akali Dal (Mann) acting president Sant Ajit Singh, Mr. Sucha Singh Chhotepur, Mr. Ram Singh and Mr. Charanjit Singh Walia.

Later, addressing a press conference, party general secretary Jagmohan Singh alleged that despite tall claims of the Punjab government, the peace had not returned to the state. "Instead, the people had been silenced with the excessive use of force by the government", he said.

The general secretary alleged that the state police with active assistance of security forces were still committing "excesses" on the people and "police encounters" were still the order of the day.

He said the memorandum submitted to the US embassy today had carried wide consensus of all shades of Akalis, Sikh intellectuals and human rights organisations, who had participated in a seminar at Ludhiana a few days ago on the issue of human rights violations and Bill Clinton's comments on "Sikh rights".

Earlier, the Youth Congress workers led by Maninderjit Singh Bitta staged a demonstration in front of the embassy here protesting Bill Clinton's remarks on the Sikhs and described them as an interference in the internal affairs fo the county.

[From the Tribune, Feb. 6, 1994]

FORMER V-C SUPPORTS CLINTON'S STAND

PATIALA.—Former Vice-Chancellor of Punjabi University Dr Bhagat Singh and more university teachers have supported American President Bill Clinton's position regarding the violation of human rights in Punjab.

In a signed statement, the former Vice-Chancellor and a group of university teachers said the Centre and the state government had been treating Punjab as a law and order problem in utter disregard to the right of its people to "grow according to their cultural heritage".

The U.S. President had done a service to the people of the state by suggesting to the Government of India to respect the rights of the Sikhs according to the U.N. Charter. A political settlement and approval of the international community, rather than repression were the solution to the problem that was estranging the Sikhs who were a vital cultural community of this subcontinent, the statement said.

The signatories to the statement were Dr Balkar Singh, Head, Sri Guru Granth Sahib Studies, Dr Gurnam Kaur, Reader in the same department, Mr Surinder Singh, Reader in the Department of Punjabi Development, Dr Darshan Singh, Reader in Religious Studies, Dr Jagtar Singh, Lecturer, Library Science, Dr Gurnek Singh, Lecturer in Encyclopaedia of Sikhism, Dr Gurtarn Singh, Lecturer in the Department of Punjabi, Dr Balwinder Kaur Brar, Reader in the Department of Punjabi, Dr Harbans Singh Kohli, Reader in the Chemistry, Department, Mr Himmat Singh, Reader in the Sri Guru Granth Sahib Studies Department, Dr Kirandeep Kaur, Lecturer in the Education and Community Services Department, Dr K.S. Sidhu, Professor in the Department of Chemistry, Dr Jagtar Singh, Reader in the Department of Chemistry, Dr H S Sahota, Head of the Physics Department, Dr Hari Singh Boparai, Reader, Department of Correspondence Courses.

Yet another section of faculty members of the university have flayed the comments of Mr Clinton.

In a written statement issued by Dr K.C. Singhal and signed by 11 faculty members, they said the statements on India, particularly with reference to Jammu and Kashmir and Punjab were motivated.

They said the track record of the USA itself on the issue of human rights had been poor. It had brazenly violated human rights of Vietnamese by bombing civilian areas in early seventies. More recently, it had bombed civilian population of Iraq. It has been supporting the "puppet regime" of South Africa in denying basic human rights to the black population.

[From the Sunday Tribune, Jan. 30, 1994]

DAL (MANN) HAILS CLINTON'S COMMENTS

PATIALA.—The Akali Dal (Mann) in a statement issued here yesterday by its general secretary, Mr. Charanjit Singh Walia, has appreciated the response of the President of the USA, Mr. Bill Clinton, to the letter of 24 US Congressmen seeking a peaceful solution to the aspirations of the Sikhs.

Mr. Walia said that this illustrated the increasing concern of the international community towards the plight of the "Sikh nation".

He said Sikhs view the American President's comments as a ray of hope for social justice and democracy.

Mr. Walia said that every effort hitherto made to seek a solution within the parameters of the Indian constitution had failed.

He said that instead of hiding behind the smoke screen of "pseudo-secularism and artificial integrity" of the country, the Centre must open a dialogue with the "Sikh nation" to discuss peaceful solution to the Sikh issue.

THE WHITE HOUSE,
Washington, DC, December 27, 1993.

Hon. GARY A. CONDIT,
House of Representatives, Washington, DC.

DEAR GARY: I want to respond to the letter you and a number of colleagues sent me on the human rights situation of the Sikhs in Punjab. I am aware of the chronic tensions between the Indian government and the Sikh militants, and share your desire for a peaceful solution that protects Sikh rights.

I am pleased there have been some recent improvements in the Sikhs' situation: a series of elections with increasing voter turnout since 1992 has restored local self-government; the level of violence has declined; and federal authorities have begun to focus on ways to end police abuses. It is clear that abuses still occur, however, and we regularly raise our concerns about them with senior officials in the Punjab government and the Indian government.

Human rights is an important issue in U.S.-Indian relations. We will continue to make our concerns known to the New Dehli authorities, and I will look forward to your continuing advice as we proceed.

Sincerely,

BILL.

TOBACCO HEALTH TAX AND AGRICULTURAL ASSISTANCE ACT OF 1994

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. STARK. Mr. Speaker, today I am introducing a bill to increase the cigarette excise tax to $2 a pack. I am joined in this bill by Mr. DURBIN, Mr. HANSEN, Mr. WAXMAN, Mr. SYNAR, Mr. EVANS, Mr. OBERSTAR, Mr. MARKEY, Ms. ROYBAL-ALLARD, Ms. HARMAN, Mr. ANDREWS of Texas, Mr. MEEHAN, and Mr. VISCLOSKY as original cosponsors.

My bill provides revenues for health reform as well as significant financial assistance for tobacco workers and regions adversely affected by the tax. In addition, the bill creates a health education fund to educate Americans about the risks associated with certain activities such as smoking and chewing tobacco.

The perils of smoking are acknowledged by all independent sources. Tobacco products—used as intended—kill over 1,100 Americans every day. Each year, over 400,000 Americans die from tobacco-related illnesses, creating more deaths than from alcohol, drug abuse, homicide, suicide, automobile and airplane accidents, and AID's combined.

A $2 a pack tax could change all that. As most smokers become addicted to nicotine at an early age, preventing teenage smoking should substantially reduce the adult smoking population. The most effective way of reducing tobacco addiction, especially among teenagers, is to increase the price of tobacco products through taxes. According to the General Accounting Office [GAO], "the economic literature supports the prediction that increasing the Federal excise tax on cigarettes should reduce the number of teenage smokers significantly."

The American Cancer Society, the American Heart Association, and American Lung Association estimate that raising tobacco taxes to $2 a pack would save over 1.7 million people alive today.

Opponents of any tobacco tax argue that a tax increase of this size will wreak havoc on rural communities and workers whose livelihood depends on tobacco. I suggest that this bill creates a solution instead of a problem.

As cigarette taxes have increased, so has cigarette production. Tobacco companies now produce 28 billion more cigarettes per year due to aggressive expansion of the export market.

Increased production has not brought a corresponding increase in U.S. manufacturing jobs. The workers who filled the halls of Congress this month experienced a 29-percent decrease in jobs over the last decade due to automation and shifting of production jobs overseas—business decisions by tobacco companies.

Nor has increased production of cigarettes brought prosperity to tobacco farmers. Forty thousand tobacco farms disappeared in the last 10 years because tobacco companies are now importing more than one-third of the tobacco used in U.S. manufactured cigarettes.

This is an ominous trend for farmers and factory workers who depend on tobacco to earn their livelihood. They will lose every time they stand in the way of a generous return to stockholders of Philip Morris or RJR. My bill offers a way out. It helps pay for a better future by creating a trust fund to ease the transition to economic diversification. Farmers could use this fund to improve access to market for other crops. Communities could receive grants to attract new industry. By setting aside 2 percent of the net increase for a period of 5 years, hundreds of millions of dollars would be generated each year to redesign, retrain, and retool for a productive future.

My bill would also create an education fund with 1 percent of the net tax increase to allow the Secretary of HHS to educate Americans on healthy choices. Experience at both the Federal and State level shows that the public responds to media messages on tobacco. In my home State of California, a 12-month media campaign in 1990 resulted in a 12 percent decline in consumption. This bill creates the resources for the Secretary to educate the public on issues of health.

Mr. Speaker, two-thirds of the American electorate fully supports raising tobacco taxes by $2 a pack, including 65 percent of the voters in the tobacco-producing States of Georgia, Kentucky, North Carolina, Virginia, South Carolina, and Tennessee. Our constituents have spoken. Now it is our responsibility to act.

The bill is as follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Tobacco Health Tax and Agricultural Assistance Act of 1994."

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. INCREASE IN EXCISE TAXES ON TOBACCO PRODUCTS.

(a) CIGARETTES.—Subsection (b) of section 5701 is amended—

(1) by striking "$12 per thousand ($10 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (1) and inserting "$100.00 per thousand",

(2) by striking "$25.20 per thousand ($21 per thousand on cigarettes removed during 1991 or 1992)" in paragraph (2) and inserting "$210.00 per thousand", and

(3) by adding at the end thereof the following new paragraph:

"(3) ADDITIONAL TAX ON PACKS CONTAINING FEWER THAN 20 CIGARETTES.—On any pack of cigarettes containing fewer than 20 cigarettes, the excess of $2 over the tax imposed by paragraphs (1) and (2) on the cigarettes in such pack."

(b) CIGARS.—Subsection (a) of section 5701 is amended—

(1) by striking "$1.125 cents per thousand (93.75 cents per thousand on cigars removed during 1991 or 1992)" in paragraph (1) inserting "$89.14 per thousand", and

(2) by striking "equal to" and all that follows in paragraph (2) and inserting "equal to 105.8 percent of the price for which sold but not more than $250.03 per thousand."

(c) CIGARETTE PAPERS.—Subsection (c) of section 5701 is amended by striking "0.75 cent (0.625 cent on cigarette papers removed during 1991 or 1992)" and inserting "6.24 cents".

(d) CIGARETTE TUBES.—Subsection (d) of section 5701 is amended by striking "1.5 cents (1.25 cents on cigarette tubes removed during 1991 or 1992)" and inserting "12.5 cents".

(e) SMOKELESS TOBACCO.—Subsection (e) of section 5701 is amended—

(1) by striking "35 cents (30 cents on snuff removed during 1991 or 1992)" in paragraph (1) and inserting "$29.70", and

(2) by striking "12 cents (10 cents on chewing tobacco removed during 1991 or 1992)" in paragraph (2) and inserting "$29.46".

(f) PIPE TOBACCO.—Subsection (f) of section 5701 is amended by striking "67.5 cents (56.25 cents on pipe tobacco removed during 1991 or 1992)" and inserting "$30.01"

(g) INFLATION ADJUSTMENT OF TOBACCO TAX RATES.—Section 5701 is amended by adding at the end thereof the following new subsection:

"(i) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of articles removed in any calendar year after 1994, each rate of tax contained in this section shall be increased by an amount equal to—

"(A) such rate, multiplied by

"(B) the greater of—

"(i) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the removal occurs by substituting 'calendar year 1993' for 'calendar year 1992' in subparagraph (B) thereof, or "(ii) the cost-of-living adjustment which would be determined under clause (i) if only changes in the tobacco and smoking products component of the Consumer Price Index (as defined in section 1(f)(5)) were taken into account.

If any increase determined under this subsection is not a multiple of ¼ cent, such increase shall be rounded to the nearest ¼ cent.

"(2) SPECIAL RULE.—No adjustment shall be made under paragraph (1) in the percentage rate set forth in subsection (a)(2) but such adjustment shall apply to the dollar amount contained therein."

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to articles removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after September 30, 1994.

(i) FLOOR STOCKS TAXES.—

(1) IMPOSITION OF TAX.—On tobacco products and cigarette papers and tubes manufactured in or imported into the United States which are removed before October 1, 1994, and held on such date for sale by any person, there is hereby imposed a tax in an amount equal to the excess of—

(A) the tax which would be imposed under section 5701 of the Internal Revenue Code of 1986 on the article if the article had been removed on such date, over

(B) the prior tax (if any) imposed under section 5701 or 7652 of such Code on such article.

(2) AUTHORITY TO EXEMPT CIGARETTES HELD IN VENDING MACHINES.—To the extent provided in regulations prescribed by the Secretary, no tax shall be imposed by paragraph (1) on cigarettes held for retail sale on October 1, 1994, by any person in any vending machine. If the Secretary provides such a benefit with respect to any person, the Secretary may reduce the $500 amount in paragraph (3) with respect to such person.

(3) CREDIT AGAINST TAX.—Each person shall be allowed as a credit against the taxes imposed by paragraph (1) an amount equal to $500. Such credit shall not exceed the amount of taxes imposed by paragraph (1) for which such person is liable.

(4) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding on October 1, 1994, articles to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be paid in such manner as the Secretary shall prescribe by regulations.

(C) TIME FOR PAYMENT.—The tax imposed by paragraph (1) shall be paid on or before December 31, 1994.

(5) ARTICLES IN FOREIGN TRADE ZONES.—Notwithstanding the Act of June 18, 1934 (48 Stat. 998, 19 U.S.C. 81a) and any other provision of law, any article which is located in a foreign trade zone on October 1, 1994, shall be subject to the tax imposed by paragraph (1) if—

(A) internal revenue taxes have been determined, or customs duties liquidated, with respect to such article before such date pursuant to a request made under the 1st proviso of section 3(a) of such Act, or

(B) such article is held on such date under the supervision of a customs officer pursuant to the 2d proviso of such section 3(a).

(6) DEFINITIONS.—For purposes of this subsection—

(A) IN GENERAL.—Terms used in this subsection which are also used in section 5702 of the Internal Revenue Code of 1986 shall have the respective meanings such terms have in such section, and the term "tobacco products" shall include articles first subject to the tax imposed by section 5701 of such Code by reason of the amendments made by this Act.

(B) SECRETARY.—The term "Secretary" means the Secretary of the Treasury or his delegate.

(7) CONTROLLED GROUPS.—Rules similar to the rules of section 5061(e)(3) of such Code shall apply for purposes of this subsection.

(8) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 5701 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply to the floor stocks taxes imposed by paragraph (1), to the same extent as if such taxes were imposed by such section 5701. The Secretary may treat any person who bore the ultimate burden of the tax imposed by paragraph (1) as the person to whom a credit or refund under such provisions may be allowed or made.

SEC. 3. MODIFICATIONS OF CERTAIN TOBACCO TAX PROVISIONS.

(a) EXEMPTION FOR EXPORTED TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES TO APPLY ONLY TO ARTICLES MARKED FOR EXPORT.—

(1) Subsection (b) of section 5704 is amended by adding at the end thereof the following new sentence: "Tobacco products and cigarette papers and tubes may not be transferred or removed under this subsection unless such products or papers and tubes bear such marks, labels, or notices as the Secretary shall by regulations prescribe."

(2) Section 5761 is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) SALE OF TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES FOR EXPORT.—Except as provided in subsections (b) and (d) of section 5704—

"(1) every person who sells, relands, or receives within the jurisdiction of the United States any tobacco products or cigarette papers or tubes which have been labeled or shipped for exportation under this chapter,

"(2) every person who sells or receives such tobacco products or cigarette papers or tubes, and

"(3) every person who aids or abets in such selling, relanding, or receiving,

shall, in addition to the tax and any other penalty provided in this title, be liable for a penalty equal to the greater of $1,000 or 5 times the amount of the tax imposed by this chapter. All tobacco products and cigarette papers and tubes relanded within the jurisdiction of the United States shall be forfeited to the United States."

(3) Subsection (a) of section 5761 is amended by striking "subsection (b)" and inserting "subsection (b) or (c)".

(4) Subsection (d) of section 5761, as redesignated by paragraph (2), is amended by striking "The penalty imposed by subsection (b)" and inserting "The penalties imposed by subsections (b) and (c)".

(5)(A) Subpart F of chapter 52 is amended by adding at the end thereof the following new section:

"SEC. 5754. RESTRICTION ON IMPORTATION OF PREVIOUSLY EXPORTED TOBACCO PRODUCTS.

"(a) IN GENERAL.—Tobacco products and cigarette papers and tubes previously exported from the United States may be imported or brought into the United States only as provided in section 5704(d).

"(b) CROSS REFERENCE.—

"For penalty for the sale of cigarettes in the United States which are labeled for export, see section 5761(d)."

(B) The table of sections for subpart F of chapter 52 is amended by adding at the end thereof the following new item:

"Sec. 5754. Restrictions on importation of previously exported tobacco products."

(b) IMPORTERS REQUIRED TO BE QUALIFIED.—

(1) Sections 5712, 5713(a), 5721, 5722, 5762(a)(1), and 5763 (b) and (c) are each amended by inserting "or importer" after "manufacturer".

(2) The heading of subsection (b) of section 5763 is amended by inserting "QUALIFIED IMPORTERS," after "MANUFACTURERS,".

(3) The heading for subchapter B of chapter 52 is amended by inserting "**and Importers**" after "**Manufacturers**".

(4) The item relating to subchapter B in the table of subchapters for chapter 52 is amended by inserting "and importers" after "manufacturers".

(c) REPEAL OF TAX-EXEMPT SALES TO EMPLOYEES OF CIGARETTE MANUFACTURERS.—

(1) Subsection (a) of section 5704 is amended—

(A) by striking "EMPLOYEE USE OR" in the heading, and

(B) by striking "for use or consumption by employees or" in the text.

(2) Subsection (e) of section 5723 is amended by striking "for use or consumption by their employees, or for experimental purposes" and inserting "for experimental purposes".

(d) REPEAL OF TAX-EXEMPT SALES TO UNITED STATES.—Subsection (b) of section 5704 is amended by striking "and manufacturers may similarly remove such articles for use of the United States;".

(e) BOOKS OF 25 OR FEWER CIGARETTE PAPERS SUBJECT TO TAX.—Subsection (c) of section 5701 is amended by striking "On each book or set of cigarette papers containing more than 25 papers," and inserting "On cigarette papers,".

(f) STORAGE OF TOBACCO PRODUCTS.—Subsection (k) of section 5702 is amended by inserting "under section 5704" after "internal revenue bond".

(g) AUTHORITY TO PRESCRIBE MINIMUM MANUFACTURING ACTIVITY REQUIREMENTS.—Section 5712 is amended by striking "or" at the end of paragraph (1), by redesignating paragraph (2) as paragraph (3), and by inserting after paragraph (1) the following new paragraph:

"(2) the activity proposed to be carried out at such premises does not meet such minimum capacity or activity requirements as the Secretary may prescribe, or".

"(h) LIMITATION ON COVER OVER OF TAX ON TOBACCO PRODUCTS.—Section 7652 is amended by adding at the end of thereof the following new subsection:

"(h) LIMITATION ON COVER OVER OF TAX ON TOBACCO PRODUCTS.—For purposes of this section, with respect to taxes imposed under section 5701 or this section on any tobacco product or cigarette paper or tube, the amount covered into the treasuries of Puerto Rico and the Virgin Islands shall not exceed the rate of tax under section 5701 in effect on the article on the day before the date of the enactment of the Tobacco Tax Act of 1994."

"(i) EFFECTIVE DATE.—The amendments made by this section shall apply to articles removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after September 30, 1994.

SEC. 4. IMPOSITION OF EXCISE TAX ON MANUFACTURE OF IMPORTATION OF ROLL-YOUR-OWN TOBACCO.

"(a) IN GENERAL.—Section 5701 (relating to rate of tax) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) ROLL-YOUR-OWN TOBACCO.—On roll-your-own tobacco, manufactured in or imported into the United States, there shall be imposed a tax of $29.34 per pound (and a proportionate tax at the like rate on all fractional parts of a pound)."

(b) ROLL-YOUR-OWN TOBACCO.—Section 5702 (relating to definitions) is amended by adding at the end thereof the following new subsection:

"(p) ROLL-YOUR-OWN TOBACCO.—The term 'roll-your-own tobacco' means any tobacco which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes."

(c) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 5702 is amended by striking "and pipe tobacco" and inserting "pipe tobacco, and roll-your-own tobacco".

(2) Subsection (d) of section 5702 is amended—

(A) in the material preceding paragraph (1), by striking "or pipe tobacco" and inserting "pipe tobacco, or roll-your-own tobacco", and

(B) by striking paragraph (1) and inserting the following new paragraph:

"(1) a person who produces cigars, cigarettes, smokeless tobacco, pipe tobacco, or roll-your-own tobacco solely for his own personal consumption or use, and".

(3) The chapter heading for chapter 52 is amended to read as follows:

"CHAPTER 52—TOBACCO PRODUCTS AND CIGARETTE PAPERS AND TUBES".

(4) The table of chapters for subtitle E is amended by striking the item relating to chapter 52 and inserting the following new item:

"Chapter 52. Tobacco products and cigarette papers and tubes."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to roll-your-own tobacco removed (as defined in section 5702(k) of the Internal Revenue Code of 1986, as amended by this Act) after September 30, 1994.

(2) TRANSITIONAL RULE.—Any person who—

(A) on the date of the enactment of this Act is engaged in business as a manufacturer of roll-your-own tobacco or as an importer of tobacco products or cigarette papers and tubes, and

(B) before October 1, 1994, submits an application under subchapter B of chapter 52 of such Code to engage in such business,

may, notwithstanding such subchapter B, continue to engage in such business pending final action on such application. Pending such final action, all provisions of such chapter 52 shall apply to such applicant in the same manner and to the same extent as if such applicant were a holder of a permit under such chapter 52 to engage in such business.

SEC. 5. ESTABLISHMENT OF TOBACCO CONVERSION AND HEALTH EDUCATION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end thereof the following new section:

"SEC. 9512. TOBACCO CONVERSION AND HEALTH EDUCATION TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Tobacco Conversion and Health Education Trust Fund', consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFERS TO TRUST FUND.—

"(1) IN GENERAL.—There is hereby appropriated to the Tobacco Conversion and Health Education Trust Fund amounts equivalent to 3 percent (2 percent on and after October 1, 1999) of the net revenue received in the Treasury from the 1994 tobacco tax increases.

"(2) NET REVENUES.—For purposes of paragraph (1), the net revenue received in the Treasury from the 1994 tobacco tax increases is the amount estimated by the Secretary based on the excess of—

"(A) the additional taxes received in the Treasury under section 5701 by reason of the amendments made by the Tobacco Health Tax and Agricultural Assistance Act of 1994 or under section 2(i) of such Act, over

"(B) the decrease in the tax imposed by chapter 1 resulting from such taxes.

"(c) TOBACCO CONVERSION ACCOUNT.—

"(1) IN GENERAL.—There is established in the Tobacco Conversion and Health Education Trust Fund a separate account to be known as the 'Tobacco Conversion Account' consisting of such amounts as may be transferred or credited to such account as provided in this section or section 9602(b).

"(2) TRANSFERS TO ACCOUNT.—The Secretary of the Treasury shall transfer to the Tobacco Conversion Account two-thirds of the amounts appropriated to the Tobacco Conversion and Health Education Trust Fund under subsection (b)(1) for periods before October 1, 1999.

"(3) EXPENDITURES FROM ACCOUNT.—Amounts in the Tobacco Conversion Account shall be available, as provided in appropriation Acts, for making expenditures for purposes of—

"(A) assisting farmers in converting from tobacco to other crops, and

"(B) providing grants to communities, and persons involved in the production or manufacture of tobacco or tobacco products, that are adversely affected by the tax increases contained in the Tobacco Health Tax and Agricultural Assistance Act of 1994.

The grants referred to in subparagraph (B) shall include grants to assist in attracting nontobacco sources of income and grants to farmers who retire tobacco allotments.

"(d) HEALTH EDUCATION ACCOUNT.—

"(1) IN GENERAL.—There is established in the Tobacco Conversion and Health Education Trust Fund a separate account to be known as the 'Health Education Account', consisting of such amounts as may be transferred or credited to such account as provided in this section or section 9602(b).

"(2) TRANSFERS TO ACCOUNT.—The Secretary of the Treasury shall transfer to the Health Education Account one-third (100 percent on and after October 1, 1999) of the amounts appropriated to the Tobacco Conversion and Health Education Trust Fund under subsection (b)(1).

"(3) EXPENDITURES FROM ACCOUNT.—Amounts in the Health Education Account shall be available, as provided in appropriation Acts, to the Secretary of Health and Human Services for making expenditures to increase public awareness of health risks, including tobacco use."

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter A is amended by adding at the end thereof the following new item:

"Sec. 9512. Tobacco Conversion and Health Education Trust Fund."

HONORING CAMACOL FOR ITS EFFORTS TO ENCOURAGE HISPANIC COMMERCE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to an outstanding business organization in the city of Elizabeth, dedicated to the commercial advancement of the Hispanic community. This Saturday CAMACOL, otherwise known as the Camara de Comercio Latina de Elizabeth, celebrates 25 years of service to the Hispanic business community.

In 1969, when CAMACOL was first established there were only a handful of Hispanic businesses in the city of Elizabeth and Union County in general. There was clearly a need for a commercial organization to help the Hispanic business community organize, prosper and expand. CAMACOL fit this role superbly.

The organization's goals are very clearly put forth in its bylaws which state that the organization seeks to promote "friendly and amicable" relations between its members and government and the rest of the business community regardless of race or ethnicity.

Since its establishment, CAMACOL has been a bulwark of the business community. Partly as a result of its efforts, the Hispanic community, both business and residential, have prospered in Elizabeth. During my frequent visits to the city, I have been impressed with the variety of Hispanic businesses, from eateries, whose ethnic specialties add a special and diverse quality to the city, to small retail stores and service outlets.

On countless occasions, CAMACOL has come to the rescue of a member in trouble. All CAMACOL members donate to a general fund which seeks to assist fellow members in the event that they lose their business by fire. The fund can also be used to assist the family of a member who has recently died.

I ask my colleagues to join me in paying tribute to CAMACOL for 25 years of dedication to the Hispanic business community. Por un Comercio Hispano Cada Vez Mayor.

A TRIBUTE TO OFER HAMAMI: AN INSPIRATION TO CULTURAL INTERACTION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. LANTOS. Mr. Speaker, I rise today to honor a man whose continued efforts have brought culture, music, and life to the vibrant turbulence of the Middle East. Mr. Hamami works as the director of culture, music, and social life at the renowned Hebrew and Arabic language school of Ulpan Akiva.

As you know, Mr. Speaker, the Ulpan Akiva School enjoys the unique privilege of being one of the few institutions which has labored to bridge the gap between the Arab and Jewish cultures, using language as a medium. In a land plagued with conflicts and ancient hatreds, the Ulpan Akiva, led by their charismatic and honored director, Shulamith Katznelson, provides an avenue for the dissemination and interaction of Hebrew and Arabic cultures. Ulpan Akiva has been operating for 43 years, with over 65,000 students participating in its seminars. As an institution, it has become a model for the acquisition of new language skills and for the successful integration of individuals into our new, and far more complex, multicultural world.

For nearly 20 years as the director of cultural studies for Ulpan Akiva, Mr. Ofer Hamami has used music, festivals, and cultural events as a means of overcoming the barriers of language, cultural differences, and political antagonisms which have hindered Jewish-Arab relations. He has organized trips, planned special theatrical and musical events, and directed lectures on Jewish heritage in an effort to bring the Jewish and Arab communities closer together. He has gained international recognition for his efforts and has directed workshops on the Israeli community in various nations including Japan, Scandinavia, Italy, and the United States.

Using much of the traditional music and dance of the Hebrew culture, Mr. Ofer Hamami creates a warm, comfortable environment for the free exchange of ideas. He brings together students who stem from a wide variety of national, religious, and cultural backgrounds, both Jewish and Arab.

Mr. Ofer Hamami is an integral and vital part of the Ulpan Akiva community. The Ulpan Akiva School and its director, Shulamith Katznelson, have recently been jointly nominated as recipients for the Nobel Peace Prize for the second consecutive year. In addition they were awarded the State of Israel's highest accolade, the Israel Prize for Life Achievement in Education. On this occasion, Prime Minister Rabin and Foreign Minister Shimon Perez spoke, relating some of their own personal experiences at Ulpan Akiva.

Join with me in recognizing Mr. Ofer Hamami and the tremendous accomplishments he has made in bringing together people of such widely diverse cultures. He is truly an inspiration to all who seek harmony in this extremely volatile area of the world.

NATIONAL AGRICULTURE DAY

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. DURBIN. Mr. Speaker, I rise today to recognize the men and women of this country who work the land, process and refine our agricultural commodities, and engage in the research that keeps American farmers and ranchers the most efficient in the world. I rise to pay tribute to the U.S. agricultural community.

Sunday, March 20, 1994, marks the annual observance of National Agriculture Day. It might interest my colleagues to know that all 50 States in our country, the 4 U.S. territories, and the U.S. Congress have marked the occasion with official proclamations. I am very happy to join Chairman DE LA GARZA and 226 of my colleagues, from both urban and rural America, in cosponsoring the joint resolution declaring March 20 as "National Agriculture Day."

Mr. Speaker, American farmers are the most efficient producers of food and fiber in the world. We, as Americans, are blessed to have the natural resources and farming expertise that help guarantee consumers a safe and abundant food supply. The food and fiber system in this country now generates over $850 billion a year in economic activity—16 percent of our gross domestic product. Clearly, American agriculture has a good story to tell.

Throughout Illinois' 20th Congressional District in west-central and southern Illinois, in counties like Adams, Bond, Brown, Calhoun, Clinton, Christian, Fayette, Greene, Jefferson, Jersey, Macoupin, Madison, Marion, Montgomery, Pike, Sangamon, Schuyler, Scott, and Washington farming and agriculture are not only a way of life but a major part of the local economy.

The men and women who work tirelessly to provide food and fiber for our Nation, the scientists and researchers who labor at facilities like the University of Illinois, the food processors and refiners, and those who transport our farm commodities all deserve a sincere thank you for their efforts and contributions to American life, health, and prosperity.

It has become increasingly obvious that agriculture not only holds the key to revitalization for our rural economies but our urban areas as well. That is why celebrating National Agriculture Day is so important. We need to take time to recognize the significant contributions that agriculture makes to our everyday lives. From production agriculture to research, it is easy to see that the diversity of American agriculture touches almost every aspect of our lives.

Mr. Speaker, we pause today to reflect on the contributions of American agriculture. And, we look to the future, a future which holds great promise, for the continued development of our agricultural system.

TRANSFER PROPERTY RIGHTS OF CORNING FISH HATCHERY

HON. BLANCHE M. LAMBERT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Ms. LAMBERT. Mr. Speaker, today I am introducing legislation that would transfer property rights in the Corning Fish Hatchery from the Federal Government to the State of Arkansas. Due to Federal budget cuts, the fish hatchery was closed in early 1983. However, the Arkansas Game and Fish Commission resumed hatchery fish production in May 1983 after entering into an agreement with the Fish and Wildlife Service. The fish hatchery has been operating since 1983 as William H. Donham State Fish Hatchery.

This fish hatchery has become an important part of the fisheries division fish culture program and I believe that this transfer will greatly benefit the sportsmen and women of Arkansas. This warm hatchery is very active and successful, producing 250,000 to 1,000,000 fish annually. About 95 percent of these hatchery-reared fish are stocked in new or renovated public lakes. The remaining fish are allocated to private applicants for stocking new or renovated lakes sand ponds. The principal fish produced at the hatchery are largemouth bass, bluegills, redear sunfish, white and black crappie and channel catfish.

Currently, no Federal funds are used to operate or maintain the William H. Donham State Fish Hatchery. It is financed solely by funds derived from resident and nonresident fishing licenses sales. This transfer of ownership has the support from both the Arkansas Game and Fish Commission and the Fish and Wildlife Service.

It is appropriate to transfer the property to the State of Arkansas since the funds used to finance the hatchery's programs are raised within the borders of Arkansas. In addition, without this transfer, Arkansas would be unable to make long-term commitments as to the direction the hatchery will take in its operations.

I urge my colleagues to support this legislation.

CONGRATULATIONS TO LARRY WANG

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. ACKERMAN. Mr. Speaker, I want to take this opportunity to note the departure of Larry Yu Yang Wang from his longstanding position as director of public affairs at the Coordination Council for North American Affairs [CCNAA] office in Washington. Larry returned to Taipei last week to begin a new position as chief of protocol for the Ministry of Foreign Affairs of the Republic of China on Taiwan. I know I share the views of many of our colleagues in saying that we shall miss working with Larry on a regular basis in Washington. However, all of us understand this is an honor to be chosen for such an important and visible position in the Taiwanese Government. Indeed, this was an offer Larry could not refuse.

Mr. Speaker, during Larry's 10-year stay at the CCNAA Washington office, Larry served as a tireless and effective public affairs official. Larry greatly enhanced the level of dialog and understanding between many Members of this body and various groups in Taiwan, including the Government of the Republic of China. Larry always has displayed exceptional temperament, understanding, and foresight throughout his years of dealing with Members and staff. Each of these traits will, of course, serve him well in his new position, and most certainly were important factors in the Government's decision to choose Larry for this task.

Mr. Speaker, I know all of my colleagues who have come to know Larry during the past decade join me in saluting him for a job well done. We wish Larry, his wife Linda, and their two daughters, much success and happiness on their return to Taipei to embark on what promises to be an exciting chapter of their lives. As the chairman of the Asia and Pacific Subcommittee, I look forward to working with Larry in his new capacity now and for years to come.

TRIBUTE TO JANET SUZDA

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. OBEY. Mr. Speaker, I take this opportunity today to congratulate a constituent of mine from Wisconsin, Janet Suzda.

Next Tuesday, March 22, Janet will be honored for her 25 years of service with the United Way of South Wood County, WI.

Janet was born in the town of Rudolph, in Wood County and has been a lifelong resident of the State of Wisconsin. She has been executive director of United Way of South Wood County for 25 years, coordinating the efforts of more than 10,000 volunteers. Janet is also responsible for raising almost $9 million for charity during her 25 years.

On behalf of all the people of South Wood County and everyone who has benefited from her efforts, I congratulate Janet Suzda.

SALUTE TO JUDY WICKS

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. FOGLIETTA. Mr. Speaker, I rise on this occasion to salute Judy Wicks, president of Philadelphia's nationally acclaimed White Dog Cafe, who tomorrow will be receiving the second annual Paradigm Award from the Philadelphia Chamber of Commerce.

The Paradigm Award is given annually to a woman in the Philadelphia area in recognition of her personal and professional achievements, and includes the donation of $30,000 in aid to organizations which benefit young women through the Paradigm Scholars fund, a new mentoring and scholarship program.

Judy Wicks is unquestionably a pillar of the Philadelphia community. As cofounder of White Dog Enterprises, she has set a glowing example of what a successful businessperson can be. She has utilized her flourishing restaurant business as a tool for social change aimed at unifying and integrating the community at large. Judy's projects are numerous. The Philadelphia Sister Restaurant Project, designed to promote a citywide sense of community by developing sister relationships with African-American, Latino, and Korean-American restaurants, and the Table for Five Billion project, an international sister restaurant project, are shining examples of her creative work. Judy has also established a mentoring and scholarship program which matches 10 employees from the White Dog Cafe with 10 students at West Philadelphia High School, and includes work experience at the restaurant to promote self esteem and provide positive role models for youth. Judy also cosponsors, along with Philadelphia Citizens for Children and Youth, the Philadelphia Swing Project, which raises funds to buy swings for city playgrounds.

Judy Wicks has devoted herself to bettering the world around her through the promotion of cooperation and understanding. She has set an example that I wish all people in business would follow. I join the Philadelphia Chamber of Commerce in congratulating Judy, and I thank her for all she has given to Philadelphia.

CONGRATULATING JAY BUIKEMA, 1994 PRESIDENT, NATIONAL RETAIL HARDWARE ASSOCIATION

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. HASTERT. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Jay Buikema on the occasion of his election to the presidency of the National Retail Hardware Association [NRHA]. A resident of Wheaton, IL, Jay is a second generation hardware retailer. He serves as president and chief executive officer of five Buikema Ace Hardware Centers in the fast growing western suburbs of Chicago. The company will celebrate its 46th anniversary this year.

Jay began working in his parents' hardware store at the age of nine, developing the interest in retail sales and customer service that continues today. Buikema Ace Hardware also maintains a solid emphasis on the welfare of its employees, funding continuing education and sponsoring a valuable workplace safety program.

Jay takes a great interest in community activities and has been honored by many local organizations. He serves on the board of directors of the Midwest Hardware Association and is a member of the Naperville, IL, Sunrise Rotary Club.

The National Retail Hardware Association, a federation of 14 regional hardware associations, has elected an able and committed leader as their president for 1994.

I commend Mr. Jay Buikema on his achievement in becoming president of NRHA.

RHODE ISLAND'S CHAMPIONS

HON. RONALD K. MACHTLEY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. MACHTLEY. Mr. Speaker, in this past week Rhode Island has become the new State of Champions. On Sunday, the Providence College Friars defeated the Georgetown Hoyas to take the Big East championships in New York. Also on Sunday, the Brown University Bruins won the Ivy League women's basketball championship by defeating Dartmouth in a one-game playoff.

I would first like to congratulate the new beast of the east, the Providence College Friars. The Friars, coached by Rick Barnes, entered the Big East Tournament in sixth place in the conference and was thought not to have a chance by the so-called experts of reaching the final game. But with spirited wins over St. John's and then No. 2, Connecticut, the Friars reached the finals of the Big East Championships.

Entering the finals on a seven-game winning streak, PC seemed destined to take this game. Led by the shooting ability of Rob Phelps, the sweet passes of Abdul Abullah, and the power rebounds by tournament MVP Michael Smith, the Friars went on to win the championship game for the first time.

Providence now heads to the NCAA championships. The Friars look to make a strong showing this year. With the talent this team possesses, I believe the Friars will go a long way in the tournament.

The Brown University women's team heads into the women's tournament ranked 16th and taking on top-ranked, University of Connecticut Huskies. Led by junior center Martina Jerant, the Bruins and coach Jean Marie Burr look to upset the favored Huskies.

I congratulate the Friars and the Bruins for bringing the championships home to Rhode Island. I wish them the best of luck in the men's and women's basketball national championships.

HAPPY 25TH ANNIVERSARY BAD AXE JAYCEES

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. BARCIA of Michigan. Mr. Speaker, it is with great pride that I pay tribute to the Bad Axe Jaycees, as we celebrate their 25th anniversary of dedicated service to our northern Michigan community.

The U.S. Junior Chamber of Commerce, of which I was proud to be a member for many years, has about 200,000 members nationwide. The members devote a portion of their time to community service in the public interest. The organization helps its members develop leadership skills, and the understanding of the need for progressive cooperation between all elements of the community and government.

A fixture in our community, the Jaycees represent a conscious choice for social responsibility, continually bringing people together to help those less fortunate. Through programs like Coats for Kids, Muscular Dystrophy Telethons, and the Special Olympics, the Bad Axe Jaycees brighten social relationships among all members of our community.

As a State legislator and long-time Jaycee, I know first hand the role of Jaycees in community development. Whether recognizing community leaders for outstanding work during their Annual Awards Banquet, or improving the aesthetics of our surroundings through City Clean Up and Adopt-a-Highway, the Bad Axe Jaycees continue to improve our quality of life in Michigan.

Mr. Speaker, I urge my colleagues to salute the continuing efforts of the Bad Axe Jaycees as we continue the struggle for economic and social equity in our country.

CONGRATULATIONS TO COL. JEFFREY E. FURBANK

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. MANTON. Mr. Speaker, I rise today to recognize Col. Jeffrey E. Furbank of the U.S. Army. Colonel Furbank will be retiring on Friday, March 18, 1994, after 25 years of service in the U.S. Army.

Col. Jeffrey E. Furbank is the Director for External Affairs, Ballistic Missile Defense Organization, Washington, DC. In this position, Colonel Furbank is responsible for legislative and public affairs, specifically communications with all external audiences, the public, the news media, and the U.S. Congress.

Mr. Speaker, Colonel Furbank was born on April 30, 1947, in Astoria, NY, part of the Seventh Congressional District which I have the pleasure of representing. He graduated from the U.S. Military Academy, West Point, NY, with a bachelor of science degree in 1969, and was awarded a master of arts degree from the University of Massachusetts at Amherst in 1976. The Colonel is also a graduate of the Army Command and General Staff College and the Air War College.

Following graduation and commissioning from West Point, Colonel Furbank was assigned as Platoon Leader, Executive Officer and then Battery Commander, C Battery, 5th Battalion, 6th Air Defense Artillery, Federal Republic of Germany until 1973. He then served 1 year as Battery Commander from A Battery, 2d Battalion, 44th Air Defense Artillery, Republic of Korea. From 1976 to 1980, Colonel Furbank was an associate professor in the department of English, U.S. Military Academy.

Key assignments have included Secretary of the General Staff, 32d Army Air Defense Command, Federal Republic of Germany; Executive Officer and Battalion Commander, 2d Battalion, 56th Air Defense Artillery, Federal Republic of Germany; Office of the Chief of Public Affairs, Headquarters, U.S. Army, the Pentagon; Commander of the 1st Battalion, 43d Air Defense Artillery—Patriot; Deputy Commander for the 6th Air Defense Artillery Brigade; and Deputy Training and Doctrine Command, systems manager for high altitude missile defense systems. He assumed his present position in 1989.

Mr. Speaker, Colonel Furbank's military awards and decorations illustrate the dedication and commitment he has devoted to serving his country. These prestigious awards include the Legion of Merit, the Meritorious Service Medal with three oak leaf clusters, the Army Commendation Medal with three oak leaf clusters, the Army Achievement Medal with four oak leaf clusters, the National Defense Medal, and the Armed Forces Expeditionary Medal.

Colonel Furbank is married to the former Dawn Anne Wieburg of Tacoma, WA. He has three children: Roy, Carolyn, and Erin Ashley. Mr. Speaker, Colonel Furbank exemplifies true devotion and loyalty to his country and is truly a role model for us all. I know my colleagues join me in congratulating him for 25 distinguished years of duty and service to his country.

HONORING LEO ORSINI, UNICO NATIONAL MAN OF THE YEAR

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to Leo Orsini who has been named 1994 man of the year by the Bayonne chapter of UNICO National, which was chartered in 1949.

Leo immigrated to the United States from Italy in 1924 as a young boy. The family originally settled in a small Pennsylvania community and later moved to Bayonne.

Leo was a young married man when his father died in an industrial accident. At that time of personal crisis, he assumed responsibility of his entire family. When he began a successful automobile seatcover and upholstery business, he put his family first by employing his five brothers. Through hard and diligent work, typical of many immigrants, Leo became a successful businessman and an asset to the community.

Leo became one of UNICO's first members in 1951. His outstanding leadership qualities led him to assume important positions in the organization. In 1958–59 he served as president of the Bayonne UNICO chapter. He has been very active on the national level and served as delegate to many a national convention. Leo continues to be active in the local Bayonne chapter. He is the embodiment of UNICO's ideals of "Unity, Neighborliness, Integrity, Charity and Opportunity to Serve." Leo is the epitome of "Service Above Self," the UNICO motto.

Leo has worked very hard his whole life. Leo is devoted to his wife Inez, and four daughters, Carmel, Joanne, Inez and Diane. He is a good family man and a good community man.

I ask my colleagues to join me in paying tribute to Mr. Orsini for all that he has accomplished in his lifetime. May he continue to make a difference in the lives of others.

ALI YEHIE ADIB: A LIVING BRIDGE OF UNDERSTANDING

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. LANTOS. Mr. Speaker, today I rise to honor a man who used his life to labor patiently in building a grassroots infrastructure for peace in the Middle East. Ali Yehie Adib, an Israeli Arab, born in the year Israel declared its nationhood, feels that there is no conflict in his combined identity. He is passionately committed to pluralism and the respectful coexistence of neighbors in this long troubled region.

Ali Yehie Adib was born in 1947 in Kfar Kara, an Israeli Arab village, the oldest of eight children of a family of farmers. Upon completing high school in Kfar Kara, Mr. Ali Adib developed a deep attachment to Jerusalem—its alleyways, its neighborhoods, and its people. He enjoyed the colorful international and interfaith spirit of the city.

Mr. Ali Adib returned to his village as a teacher of history and citizenship at his former high school. In addition to his teaching responsibilities, he dedicated himself to promoting opportunities for bringing Jewish and Arab children together.

Immediately after the Six-Day War, the language school Ulpan Akiva pioneered a project to teach spoken Arabic as a pathway to dialog. In order to maintain his own roots, Ali still devotes at least 2 days a week to teaching in his own village.

Being an Israeli citizen, Mr. Ali Adib feels that there is a total harmony in his combined identity as an Israeli Arab. He sees himself as a living, natural bridge, linking Arabs to the Jewish community and culture and Jews to the pluralism of Israeli society. One of the high points in his life was being accorded the honor of being the first Arab to light a torch in the annual ceremony which marks the beginning of the Independence Day celebrations in Jerusalem. That particular year, 1984, was designated the "Year of the Unity of Israel," celebrating the pluralistic nature of the country and its peoples.

Ulpan Akiva is considered a microcosm of the world. The goal of Ulpan Akiva is to teach the language of the region and use the ability to communicate in each other's language as a tool to help break down barriers.

The students of Mr. Ali Adib's Arab language school, including President Herzog, Members of Parliament, professors and many other individuals in highly respected positions, have taken their lessons to heart and have become part of that new understanding upon which agreements such as the dramatic Israeli-Palestinian Peace Accords have a chance to be translated into reality.

In 1993, Ulpan Akiva was nominated for the second consecutive year for the Nobel Peace Prize and, also in 1993, Mrs. Shulamith Katznelson, the founder and director, and Mr. Ali Yehie were awarded the Coexistence Prize by the Jewish Arab Institute of Bet Berl for their lifetime commitment to promoting understanding between Jews and Arabs.

As peace in the Middle East appears closer, the work of Mr. Ali Yehie becomes daily more important. The model he provides with his life and the lessons he teaches his students provides a framework for the future. Ali Yehie is among those unsung heroes who have devoted their lives to creating peace, one person at a time.

SALUTE TO THE VENTURA UNIFIED SCHOOL DISTRICT

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. GALLEGLY. Mr. Speaker, I rise today to honor the Ventura Unified School District in Ventura, CA, for its innovative continuing education program that has been recognized as a model program by the U.S. Department of Education.

Over 5 years ago, citizens and educators in Ventura recognized that its vocational training system was not serving the needs of students or businesses. To solve the problem, school officials went out into the workplace, found out what employers needed, and met that challenge by developing a new program providing individualized, competency-based vocational training in high-technology industries for adults with disabilities. Their success in helping handicapped young adults in the workplace led to an expansion of the program, which now includes adult and secondary vocational training.

Using students' goals as a starting point, a committee of teachers interviews and assesses their skills and weaknesses, then designs a specialized program to help students become competitive in the job market. They learn advanced technical vocational skills using the latest in computer technology. But the program does much more than that. Emphasizing life skills and critical thinking, the program works on the total student, including personal hygiene, language and social skills, and the success rate is nearly 100 percent.

The program now offers 140 different classes in such areas as medical technology, computer-aided drafting, electronic office occupations, animation and electronic repair. And because the program is tailored to the individual, it can be designed to meet specific goals and needs. The program, which is supported by payments from businesses, student fees, insurance carriers, and some State and Federal funding, serves about 300 students.

Because the program has been so successful, it was included in the America 2000 Community Notebook as an ideal program to meet goal 5 of the program, which states that every adult American will be literate and possess the skills necessary to compete in a global economy.

Mr. Speaker, as a longtime supporter of vocational education, I am proud to recognize the innovative educators and community leaders who developed and implemented this outstanding program. I ask my colleagues to join me in saluting the Ventura Unified School District, and in encouraging schools around the country to take a closer look at this successful approach.

TRIBUTE TO SUZETTE NELSON

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. PACKARD. Mr. Speaker, I rise today to salute Suzette Nelson, a senior at El Toro High School in Lake Forest, CA, who has recently been selected as a regional recipient of the eighth annual AAU/Mars Milky Way High School All-American Award.

Suzette, one of eight regional recipients selected from across the country, has been selected from over 10,000 high school seniors nominated nationwide. This award is an important national honor which recognizes these young men and women for their exceptional scholastic, athletic, and community service achievements. With the award, she will receive a $10,000 scholarship toward her college education.

Ranked third in a class of 493, Suzette is listed in Who's Who in America's High Schools. She is a National Merit Scholarship Commended Student, a California Girls State representative and a Hugh O'Brien State Youth Leadership Convention representative. As an El Toro High School Commendable Charger, Suzette was one of six students featured in her yearbook as an outstanding student.

An accomplished athlete, she has distinguished herself in cross country, track, and basketball. As captain and an All-League and All-County competitor in cross country, she lead her team to compete in the CIF Varsity championships and the Varsity All South Coast League. Suzette was named Most Valuable Defensive Player and Most Inspirational Player in basketball. She has been the varsity team's starting center for three years and is currently team captain.

Despite a demanding schedule, Suzette finds time for a variety of community service activities. As president of the Keywanettes Club, Suzette spends time each week organizing volunteer programs to help benefit her community and participates in a yearly Knights of Columbus drive to raise funds for retarded citizens. She has also served as president, assistant and secretary of her church youth group, planning and assisting with service projects for local teens.

Mr. Speaker, I hope you and my colleagues will join me in recognizing Suzette Nelson and her achievements. It is my sincere belief that Suzette will continue her record of success and will further distinguish herself and consequently better her community.

PEACE WITH JUSTICE FOR NORTHERN IRELAND

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. KENNEDY. Mr. Speaker, I am proud to be here, on St. Patrick's Day, with my colleagues, both Democratic and Republican, who've labored to support the search for peace and justice in Northern Ireland.

The world's attention has been riveted by IRA mortar attacks at Heathrow Airport. I have joined others in this body in consistently condemning the death and destruction brought by violence from the IRA, from loyalist paramilitaries that have claimed even more victims than the IRA in recent years, and from British security forces. I would call again today for all parties to this conflict to immediately and permanently renounce the use of violence.

At the same time, I would urge the British and Irish Governments to seek every opportunity to clarify their Joint Declaration and their intent, and to bring Sinn Fein into the political process, under conditions of peace. The British Government took the risky step of talking with Sinn Fein when a peace process was not on the table. They should find the courage to directly answer Sinn Fein's queries about the proposal that has now been offered.

While we continue the search for peace, we must never lose view of the struggle for equal justice and fair employment in the North.

The Catholic community has known horrendous discrimination for decades. Catholic unemployment remains at 18 percent, twice that in the Protestant community. Investment with fairness must be at the center of our Nation's policy for bringing peace with justice to Northern Ireland. We should insist that U.S. firms and those who receive U.S. Government contracts make every affirmative effort to break down discrimination in recruitment, training and promotion. And we must encourage the British and Irish Governments to target investment in the north to areas that have suffered generations of high unemployment.

I will soon introduce legislation encouraging the Clinton administration to appoint an Economic Envoy to Northern Ireland, to coordinate and expand relations that can generate jobs and erode the centuries old discrimination in employment that underlies the conflict. I urge my colleagues to join me in this effort.

The need for peace in Northern Ireland is urgent. The agenda for justice is no less pressing. I am proud to stand today with my colleagues in the Congress, and with the people in Northern Ireland, in their courageous struggle for justice and peace.

TRIBUTE TO D. RAY HOSTETTER

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. GOODLING. Mr. Speaker, today, I am pleased to pay tribute to Mr. D. Ray Hostetter, president of Messiah College in Grantham, PA.

President Hostetter will soon retire as president of Messiah College, a post he has held for 30 years. I have known President Hostetter during much of his service as president of Messiah College. President Hostetter is an outstanding human being truly dedicated to his students and his community. Most importantly, President Hostetter has been a fine educational leader and south central Pennsylvania has been very fortunate to have him serving in our community.

His family has served the south central Pennsylvania community for many years with his father and grandfather also serving as president of Messiah College.

Messiah College is a 4-year, Christian college of the arts and sciences located in Grantham, PA, in south central Pennsylvania. Approximately 2,200 students attend the Grantham campus with over 50 majors of study.

Since President Hostetter began his tenure as president in 1964, he has overseen significant growth and accomplishments at the college. From 1964, enrollment has grown from 300 to 2,300. The number of graduates has increased from 35 to 500 yearly with a total of 7,500 graduates under the leadership of President Hostetter. The curriculum has expanded from 8 majors and 10 minors to 46 majors and 35 minors and 9 programs designed for preprofessional and professional training. There have been at least 22 major additions and renovations to the Grantham campus, which has also expanded from 100 acres to 300 acres. President Hostetter established a campus in Philadelphia in 1968 as part of a cooperative venture with Temple University.

Messiah College has served the community in other ways as well. In addition to its economic impact on the region with 500 employees and an annual budget of $40 million, the college has provided cultural enrichment through musical, theater and other events available to the community.

Messiah College, under President Hostetter, has become a nationally recognized institution of higher education. Messiah College has received the Templeton Foundation Awards Honor Roll for Character Building Colleges in 1989, 1990, 1991, 1992, and 1993 and the Honor Roll for Free Enterprise Teaching in 1992. U.S. News and World Report has listed Messiah College as one of America's 125 best colleges. Other nationally recognized guides of higher education have also listed Messiah College as one of the best values in competitive higher education.

President Hostetter and the south central Pennsylvania community should truly be proud of the achievements of President Hostetter and Messiah College. We should all be grateful for the quality education received by the students of Messiah College under the leadership of President Hostetter. I am very certain our country has been well served by the efforts of President Hostetter at Messiah College.

TRIBUTE TO GREG CARNEY

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. BURTON of Indiana. Mr. Speaker, I rise today to salute a young man from my district. This is truly a remarkable young fellow. Greg Carney, an 8-year-old third grade Cub Scout, has received one of the highest awards given in Scouting, the Meritorious Action Award, given by the National Court of Honor of the Boy Scouts of America.

Mr. Speaker, imagine this if you will. You are a 7-year-old second grader and at home with your younger sister on a cold wintry January afternoon. The neighborhood in which you live has experienced no less than four robberies in recent weeks. Your grandmother has been detained at work, and you have been left in charge. After a brief period of playing, you, your sister and your dog lie down to take a nap.

A short time later you are awakened by your restless canine, who has moved to investigate a sound he heard. You then realize from the dog's growls that the person entering your home is unfamiliar and threatening. You move to the other room to find a large bulky man rummaging through your parents' belongings. This burglar knocks you down and attempts to cover your head with a pillow case. In the process you squirm, kick, and punch the burglar, catching him in just the right places. Between your resistance and the dog's continued barking, the burglar decides he has had enough, and leaves. You then dial 911 for the police to come. The criminal was not caught, but the burglaries in your neighborhood stop.

Sound remarkable? This is exactly what Greg Carney did in Indianapolis, IN, on January 7, 1993. I have met this outstanding young man, and I have heard this story from his account. His bravery helped thwart this crime, and maybe many others, and helped save his little sister. The Boy Scouts of America have recognized his bravery, and today, Mr. Speaker, I would like this body to do so as well. Greg Carney is truly an American hero.

YOUTH DEVELOPMENT BLOCK GRANT OF 1994

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. PAYNE. Mr. Speaker, I introduce the Youth Development Block Grant of 1994 [YDBG] on behalf of myself and Representative MORELLA. The purpose of the initiative is to expand community-based youth development programs for youth age 6 to 19.

Heretofore, Federal policy has focused its efforts on youth once they are in crisis and have destroyed America's peace of mind with their problem behavior. So much of our thinking, and our policy, is short term and short sighted. We provide funding to programs that assist youth once they become pregnant, drop out of school, join gangs, or commit crimes. But we provide very little help to programs designed to work with youth before they engage in high-risk behaviors.

For millions of youth growing up in high stress family and community environments, the world is a challenging place. Unless these young people get the help they need to develop self-confidence and self-discipline, respect for others, a sense of belonging, and effective life-planning and problem solving skills, they are unlikely to succeed in school or to avoid high-risk behaviors. Experience shows us that it is far more cost effective to intervene earlier, before kids have experienced trouble, and help them develop the values and lifeskills to pursue positive life options.

For too long now, we have relied on schools, alone, to meet the developmental needs of youth. Once children turn 6 and enter school full time, we convince ourselves that schools can assume the entire burden of addressing the social, moral, physical, emotional, and cognitive needs of youth. But focusing on academic learning is not enough because America's young people have a great deal of discretionary time on their hands. Much of it is unstructured, unsupervised, and unproductive. The Carnegie Council on Adolescent Development's Task Force on Youth Development and Community Programs found that only 60 percent of adolescents' waking hours are taken up with school, homework, eating, chores, or employment, while a full 40 percent is discretionary. And for many youth, that time is spent alone.

While left to themselves for a great portion of the week, research has shown that young people today do not want to be left to their own devices. The Carnegie Council has found that America's youth want:

> * * * more regular contact with adults who care about and respect them, more opportunities to contribute to their communities, protection from the hazards of drugs, violence, and gangs, and greater access to constructive and attractive alternatives to the loneliness that so many now experience.

I am convinced that through the clamor of voices calling for a crackdown on the violence that besieges our streets, we must remember that prevention is our greatest ally in our war on crime. As this chamber develops anticrime legislation, I encourage my colleagues to incorporate this initiative into the package. We cannot continue to lock up youthful offenders as our only response to violence. We cannot ask youth to simply "say no to drugs and violence" unless we give them positive alternatives to say "yes" to.

We can learn from the experiences of community-based organizations around the country. They have helped millions of Americans grow into responsible, productive adults. There is no need for another study to demonstrate the effectiveness of community-based youth development programs; millions of Americans can testify to this fact from their own experience. America's youth development organizations have the credibility and expertise to meet the growing challenges facing youth today. And while community-based organizations have been successful in their efforts, they are unable to reach millions of youth and need the government's help in mobilizing the resources to reach out to millions of currently unserved youth.

Programs are often fragmented and uncoordinated, focus on and address only specific problems, and are chronically underfunded. Many programs are unable to serve all those in need, especially those in low-income communities. Additionally, programs are forced to provide services for only a couple of hours a week, far less time than is needed to ensure the healthy development of youth. A full 29 percent of young adolescents today are not served at all (Carnegie Council).

That is why I am introducing the Youth Development Block Grant along with my distinguished colleague, Representative MORELLA. It provides community-based organizations the necessary funding to serve those in need while helping these programs coordinate their efforts. The central goal of the YDBG is prevention and positive youth development. The YDBG would fund programs that help youth reach their fullest potential—through youth clubs, sports and recreation, mentoring, leadership development, substance abuse and delinquency prevention, and community service.

The proposal incorporates many of the principles which policymakers, service providers, foundations, and research institutes have identified as necessary to develop a sound infrastructure of youth development programs in this country, including: local control, flexibility, collaboration, and accountability. Ninety-five percent of the funding is provided to Local Youth Development Boards, that based on an inclusive community planning process, would distribute funding to local providers based on community needs. The YDBG gives communities broad flexibility to define local priorities and support local initiatives, while at the same time encouraging comprehensive planning and integration of services. Community-based organizations, the hallmark of the social service movement in this country, will play a defining role on these Local Boards. The YDBG will build on the strength, credibility, and expertise of community-based organizations by giving them a position of leadership in both the planning and delivery of YDBG services.

To better serve our low-income youth, allocation of funds for the YDBG will be based on a state's total school-age youth population, the percentage of that population living in poverty, and the increase of juvenile crime in the state. This formula gives priority to the communities we all are most concerned about—communities with the highest concentration of low-income youth.

This legislation authorizes the YDBG for 4 years. The authorized level is $400 million in fiscal year 1995, and such sums as may be necessary for fiscal years 1996, 1997, and 1998. I believe that this bill can and should be funded through reallocation of existing resources. It is reasonable to expect that between one-third and one-half of YDBG funds could be obtained by consolidating existing categorical youth development programs. The remainder could be obtained by reallocating other nonyouth funding streams, such as drug interdiction funds.

This critical prevention initiative was developed as a bipartisan effort in conjunction with the National Collaboration for Youth, a coalition of 15 major youth-serving organizations, which collectively serve over 25,000,000 children and youth each year. Members of the NCY endorsing this legislation include: American Red Cross; Assoc. of Junior Leagues International; Big Brothers/Big Sisters of America; Boy Scouts of America; Boys & Girls Clubs of America; Camp Fire Boys & Girls; Child Welfare League of America; 4–H, Extension Service; Girl Scouts of the USA; Girls Inc.; National Network of Runaway and Youth Services; Salvation Army; WAVE Inc.; YMCA of the USA; YWCA of the USA.

The YDBG has also been endorsed by the Carnegie Council on Adolescent Development's Task Force on Youth Development and Community Programs.

Mr. Speaker, I ask that my colleagues in the House of Representatives cosponsor this essential and timely youth initiative.

HONORING THE PLANNING COMMITTEE AND THE PARTICIPANTS OF THE 1994 SOCIETY OF HISPANIC PROFESSIONAL ENGINEERS REGION IV STUDENT LEADERSHIP CONFERENCE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. MENENDEZ. Mr. Speaker, I would like to take this opportunity to pay tribute to the committee members and the participants of the 1994 Society of Hispanic Professional Engineers [SHPE] Region IV Student Leadership Conference.

SHPE is a national nonprofit organization with over 160 professional and student-run chapters nationwide. Generous volunteers provide the Latino community with role models, mentors and speakers. SHPE also provides scholarship assistance to students studying math and the sciences, therefore, conveying a message about the importance of an education.

The society is committed to preparing, increasing, and retaining the number of Hispanic engineering students. Through SHPE's partnership with the public and private sector, SHPE serves as the educational pipeline from the Hispanic community to higher education for engineering and science.

The student leadership conference strives to educate members on the goals and objectives of the Society of Hispanic Professional Engineers. Second, the conference emphasizes leadership skills in order to strengthen region IV. Third, the conference builds working partnerships between student chapters, professionals and individuals from the academic, corporate and government sectors. Finally, the conference seeks to build an action plan to promote the growth of region IV in the SHPE organization.

I would like to extend special commendations to the following: The student chapter of the Society of Hispanic Professional Engineers at New Jersey Institute of Technology, particularly to the organizing committee for hosting this important leadership conference in New Jersey, Paul F. Campana, the energetic conference Chairperson, Luz Vega, the dynamic president of SHPE–NJIT student chapter and to Carlomagno Ontaneda, the distinguished assistant director for special projects at the Educational Opportunity Program at NJIT. Mr. Ontaneda played a key role as SHPE advisor and continues to inspire the student chapter's success.

Mr. Speaker, as we seek to create educational opportunities for American students, and in particular for minority students, we should look to the Society of Hispanic Professional Engineers as a model organization. The encouragement and support provided by the SHPE opens doors and keeps them open, in an area of study not frequently explored by Hispanic students. I therefore ask my colleagues to join me in recognizing the achievements of the student members of the SHPE, and in thanking their mentors for their guidance and their service.

PROMOTE JUSTICE: APPOINT UNITED STATES ENVOY TO NORTHERN IRELAND

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. SMITH of New Jersey. Mr. Speaker, as a member of the congressional ad hoc Committee on Irish Affairs, I rise today to restate my commitment to—and strongly urge the enactment of—United States policies designed to expedite peace and justice in Northern Ireland.

Mr. Speaker, the Joint Declaration of Peace issued at the end of last year by Prime Minister Albert Reynolds of Ireland and Prime Minister John Major of Britain, along with the preceding efforts of Sinn Fein President Gerry Adams and SDLP leader John Hume, give us a new hope that peace is achievable in Northern Ireland. And while there is some concern that the Joint Declaration, that is, the Downing Street Declaration, could fail, I believe that the United States can and must seize this moment in history to actively promote positive changes and an end to the violence and human rights abuses that have plagued Northern Ireland.

Mr. Speaker, time and time again, the United States has played an appropriate and significant role as an honest broker of peace in different regions around the world. Northern Ireland should be no different. The talks and joint statements of the past few months open the door for the United States to advance the peace process. To this end, I have cosponsored House Continuing Resolution 49 which calls for the appointment of a special American envoy to facilitate peace and speak out against discrimination, human rights violations, the denial of due process, torture, and violence.

It is my hope that President Clinton will soon fulfill his promise to appoint this special envoy.

Clearly, Mr. Speaker, a United States envoy to Northern Ireland could help sustain or advance talks should they fall victim to any political or personal prejudices or preconceptions on the part of the principal parties. Secondly, Mr. Speaker, a U.S. envoy could advocate the enforcement of McBride-like principles which seek to eliminate discrimination against Catholics in the workplace. I have cosponsored several bills to require American companies doing business in Northern Ireland to comply with the McBride principles, and making fair employment practices a part of the negotiations would bolster the potential for lasting peace.

Furthermore, Mr. Speaker, the presence of a U.S. envoy could help foster the principle of self-determination of peoples—an ideal America adopted, perfected, and has cultivated around the world.

And finally, Mr. Speaker, a United States envoy to Northern Ireland could effectively speak out against the human rights abuses occurring within the United Kingdom, particularly with regard to Northern Ireland. Our envoy could stress that achieving internationally recognized standards of fair trial and due process are an important step in moving the peace process forward and winning the confidence of all of the citizens of Northern Ireland. The U.S. envoy could forcefully express American concerns about jury-less Diplock courts, ill-treatment of individuals in detention, the proscription of the right of detainees to speak to lawyers, and the use of torture to obtain false confessions.

Mr. Speaker, the U.S. State Department's "Country Reports on Human Rights Practices for 1993," points out that more than 3,000 people have died over the last 24 years as a result of the troubles in Northern Ireland. A great many of those who have died or been kidnapped or tortured have been innocent civilians. And the Loyalists and Republican armed groups, as well as the British security forces, have all had a turn at being the perpetrators—and sometimes the victims—in these tragedies. The United States has always had a responsibility to push for a minimum human rights standard and this peace process may be our best opportunity to have an impact.

Mr. Speaker, today, I have joined with Mr. MANTON, Mr. GILMAN, Mr. FISH, Mr. D'AMATO, and a group of more than 50 other Members of the House in issuing the "1994 St. Patrick's Day Message of Peace and Justice." I submit its text for the RECORD in the hope that this message will indeed be heard and heeded by all parties to the conflict.

1994 ST. PATRICK'S DAY MESSAGE OF PEACE AND JUSTICE

As we do each year on St. Patrick's Day, we the undersigned Members of Congress renew our commitment to bringing about peace, justice and an end to all violence and discrimination in Northern Ireland. And, for the first time in the 16-year history of the Ad Hoc Congressional Committee for Irish Affairs, we hold out a glimmer of hope that true progress can be made toward achieving those goals in 1994.

Just one year ago, the prospects for peace in Northern Ireland were nonexistent. However, thanks to the hard work and dedication of Sinn Fein President Gerry Adams, SDLP leader John Hume, British Prime Minister John Major, and Irish Prime Minister Albert Reynolds, we have reached a meaningful crossroads in Irish history, where there is a real opportunity to end the civil conflict in the North. We commend all of them for their leadership and vision, and we applaud President Clinton for having the courage to grant a visa to Gerry Adams, so that he could bring his message to the American people and they could hear his call for a complete demilitarization of Northern Ireland.

The Joint Declaration of Peace signed in December is a foundation upon which a lasting and equitable solution can be negotiated. For this to happen, all parties to the conflict, including Sinn Fein, must receive the clarifications they seek about the Declaration and must be given a voice in the negotiations. As Americans, we cannot make peace a reality, the solution must come from the Irish people themselves. We must keep pressure on the British and Irish governments to act on the overwhelming desire of the Irish people for peace, and urge President Clinton to fulfill his promise to appoint a special envoy to facilitate the peace process.

There can be no delay. Well-documented human rights violations continue to be caused by the violence and terrorism perpetrated by all the parties to the conflict there, including not only the IRA and Loyalist paramilitary groups, but also the Royal Ulster Constabulary and the British-run criminal judicial system. The urgent need for action is highlighted in the report "Political Killings in Northern Ireland", released by Amnesty International last month, which notes that political violence in Northern Ireland has claimed the lives of more than 3,400 people over the past twenty years, with more than 175 unarmed people having been killed by British security forces. Perhaps most alarming is Amnesty's view that there is convincing evidence that British security forces in Northern Ireland practice a policy of deliberately killing suspects, rather than arresting them. The gravity of this charge cannot be overstated.

Continued suppression of individual legal, human and civil rights only fosters heightened violence and deeper disregard for authority. Likewise, peace will not come to people who have been left disenfranchized, chronically unemployed and impoverished by generations of deep-rooted economic discrimination. We remain steadfast in our belief that this Congress cannot allow U.S. business to continue to be party to this type of religious discrimination, and call for the prompt passage of the Northern Ireland Fair Employment Practices Act (H.R. 672). We urge President Clinton to fulfill his promise to support passage of MacBride Principles legislation at both the state and federal levels.

We realize that a solution that has eluded men not just for decades, but for centuries, will not be easy. But peace and justice in Northern Ireland are achievable through leadership, commitment and cooperation on policies to end economic injustice and all violence committed by civilian, official and paramilitary sources. This is our wish on this St. Patrick's Day, and we recommit ourselves to working with all parties on behalf of a peaceful and free Ireland.

INTRODUCTION OF PRESIDIO PRESERVATION ACT

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 17, 1994

Mr. DUNCAN. Mr. Speaker, today I am introducing a bipartisan measure to save the Presidio of San Francisco at no cost to the American taxpayers. Last October, the National Park Service released a plan to convert the Presidio into a park, which GAO and the National Park Service agreed would cost $700 million to $1.2 billion. It is a plan which this country and the National Park Service simply cannot afford.

Although the National Park Service is already unable to take care of the lands and facilities entrusted to its care, the agency faces continual pressure for expansion of its responsibilities. Golden Gate National Recreation Area has nearly tripled in size from its original authorization of 23,000 acres less than 25 years ago. Golden Gate is currently seeking nearly $70 million for a variety of life safety projects, asbestos removal, historic building preservation, restroom improvements, and so forth. The same funding shortfall exists at other national parks in the State of California. For example, Sequoia National Park has identified a shortfall of $140 million to fix up its existing facilities, and Yosemite National Park needs $342 million.

This funding shortfall exists throughout the National Park System. A report recently submitted to Congress documents a 37-year backlog in funding for major park facilities and a 26-year backlog in funding for previously authorized land acquisition, assuming no inflation and no expansion of the park system.

National Park Service Director, Roger Kennedy recently stated, "The condition of the places is in many instances genuinely desperate and disgusting. The physical condition of the plant is in rotten shape. The working condition, pay scales, and housing conditions of the professional park staff are a national disgrace."

In light of these budget realities, it is simply impossible for the National Park Service to take on a new project of this magnitude. Any funding for the Presidio can only be provided by taking funds from other already underfunded park areas. In additiion, it is undesirable to expand the mission of the Park Service to include such activities as medical research and international cultural affairs as currently proposed in the Presidio plan.

Finally, the National Park Service has no real expertise in real estate management, and I believe that the best way for the Presidio public benefit corporation to succeed is to strip away the layers of Federal bureaucracy not to perpetuate them.

Mr. Speaker, the history of this issue goes back nearly 25 years to 1972 when a single sentence in the act establishing the Golden Gate National Recreation Area, Public Law 92–589, provided that if the Persidio were ever determined to be surplus to military needs it would transfer to the National Park Service. In 1989, the Presidio was placed on the list of bases to be closed. However, a review of the legislative history of that act reveals that Congress only intended for the National Park Service to manage the open space lands at the Presidio, not the developed facilities.

Unfortunately, the environmental impact statement released last fall by the National Park Service failed to consider an alternative consistent with the congressional intent of Public Law 92–589, as well as other reasonable alternatives as required under the National Environmental Policy Act.

My bill is similar to the National Park Service plan in that it provides for most of the developed lands within the Presidio to be managed by a public benefit corporation. About 200 acres along the bay and coast, consisting of Crissy Field, Fort Point, and other open space lands would continue to be managed by the National Park Service.

The major area in which my bill differs from the National Park Service plan is in the funding mechanism. The National Park Service proposes to fund their plan through a combination of rental receipts and taxpayer funding. For the first full year of Presidio operations, the National Park Service has requested over $33 million from Congress. My bill would fund the Presidio through a combination of rental receipts and the sale of the Public Health Service Hospital, golf course, and Letterman/LAIR complex. It is important to understand that the Presidio would be the most expensive park in the country, costing three times as much as Yosemite and more then four times as much as Great Smokey Mountains National park in my district.

Importantly, my bill provides for the same level of protection of historic resources and open space as the National Park Service plan. There will be no high rise developments at the Presidio if my proposal is adopted.

The choice on the floor of the House later this year will be a clear one. Preserve the Presidio at a cost of hundreds of millions of dollars of taxpayer funds or preserve the Presidio at no cost to the taxpayer. I hope Members will join over 60 of their colleagues who have already agreed to support my bill.

HOUSE OF REPRESENTATIVES—*Friday, March 18, 1994*

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. MONTGOMERY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
March 18, 1994.

I hereby designate the Honorable G.V. (SONNY) MONTGOMERY to act as Speaker pro tempore on this day.

THOMAS S. FOLEY,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We specially pray this day, O gracious God, for those who serve in Government and to whom great responsibility has been given. We admit that we see the motions of history in our own way and we differ on the solutions available. Yet, O God, we live as one people and are bound together for better or for worse and we share together the bounty and the gifts by which we all have been blessed. So as one people who live in one land we pray for all those in Government who serve the people of the Nation that they will be moved by Your good spirit to do the works of justice and of mercy, this day and everyday. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair calls on the gentleman from California [Mr. FILNER], to lead the House in the Pledge of Allegiance.

Mr. FILNER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS TO CRIME LEGISLATION

(Mr. BONIOR asked and was given permission to revise and extend his remarks.)

Mr. BONIOR. Mr. Speaker, last night the Judiciary Committee completed action on the crime legislation and is expected to file their bill sometime today. With that in mind, the Rules Committee is planning on meeting during the week of March 21 on the crime legislation.

In order to provide for an orderly process in the consideration of this matter, the Rules Committee is requesting that Members submit 55 copies of their amendments to the bill, together with a brief explanation of the amendment, to the Rules Committee office at H-312, the Capitol, by 12 p.m., Tuesday, March 22.

This is very important for Members to understand. We are preannouncing that amendments to the crime bill, which is expected to be reported out of the Judiciary Committee today, shall be submitted to the Rules Committee in H-312 of the Capitol by noon on Tuesday, March 22.

Copies of the text of the bill will be available at the Judiciary Committee and at the Office of Legislative Counsel later today. In considering the submitted amendments, the Rules Committee will understand if the amendments are not drafted in proper form due to the lack of availability of the reported bill. Again, the committee would urge Members to submit any amendments to the Rules Committee at the earliest possible time but in no case later than 12 p.m. on Tuesday, March 22. The Rules Committee will circulate a "Dear Colleague" later today that will further explain this process.

So Members are apprised that this legislation is expected to be taken up next week, and if Members are interested in the amendment process and have amendments made in order, they will have the chance to submit for consideration those amendments to the Rules Committee.

LET THE SPECIAL PROSECUTOR DO HIS JOB

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, what will come next on this nonissue called Whitewater? First, the Republicans wanted a special counsel and they got it. Now the Republicans want congressional hearings, even though this special counsel said it would interfere with their investigation. Yet they appear to be getting these congressional hearings. What is next? Will they want President and Mrs. Clinton to testify?

I can just see the next scenario, Mr. Speaker. We will not have time for health care because of Whitewater, because we must examine Whitewater. We will not have time for the crime bill because we must examine Whitewater.

Mr. Speaker, let us get on with the issues that the American people sent us to deal with: crime, education, deficit reduction, and health care. Let us put these nonissues aside. Let the special counsel do his job.

UPCOMING SPEECHES ON CLINTON ADMINISTRATION

(Mr. DORNAN asked and was given permission to address the House for 1 minute.)

Mr. DORNAN. Mr. Speaker, I would like to tell my good friend, the gentleman from New Mexico [Mr. RICHARDSON], while he is here, and my pal, the gentleman from Michigan [Mr. BONIOR], that we are running a computer check on all of the speeches that you made against Bush in his last 2 years, all of your excellent speeches on why we should investigate the inane October surprise, all of your speeches on why we should investigate all of the S&L's. And I will tell you the truth, as a worthy adversary and a good man on human rights which I know you are, I did not object to any of them.

I do not think I am a masochist. But I was terribly hurt as a young man when Nixon went down. But he deserved to go down. People died in Southeast Asia because he mishandled the scandal.

Watch my special orders, dozens of them over the next few months.

Let me say it roughly. Bill Clinton is an illegitimate President because of the constant abuse of truth during the whole campaign, and I am going to outline today maybe eight issues where if we knew then what we know now, he would have been driven out of the primary process.

So, hang on. Someday we will have an Oxford debate on it. And you are a good man, BILL.

THE ONE-SIDED U.N. RESOLUTION DIVIDING JERUSALEM

(Mr. SCHUMER asked and was given permission to address the House for 1 minute.)

Mr. SCHUMER. Mr. Speaker, I wanted to talk about the U.N. Resolution that is coming before us today just for 1 minute, and that is, as we all know, for more than 2,000 years Jerusalem has been the focal point of Jewish religious devotion.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Yet, in a matter of hours, the U.N. Security Council may begin the process of turning back the clock, dividing the Holy City, returning it to the days when Arabs barred Jews from entering and praying at the holy sites.

The massacre in Hebron was a terrible massacre. It has been condemned by the Israeli Government and everybody else.

When the PLO, parts of the PLO, and other Arab terrorists massacred Jews, and over 33 have been killed since the signing of the agreement at the White House, there has been silence.

This U.N. Resolution is one-sided, and this U.N. resolution does not take cognizance of the fact that under Israeli rule in Jerusalem, the holy sites have been available to everybody, all the religions; whereas, when the Arabs controlled Jerusalem, no Jew could go to his or her holy site.

I am very disappointed that the administration will not veto this resolution. It is the kind of one-sided resolution that we though this administration would oppose, and yet it is going forward. It is one-sided in that it does not mention the slaying of Jews by Arab terrorists which has been going on for much longer, and it is one-sided in that it calls Jerusalem occupied territory.

Shame on the administration. Shame on the United Nations for not opposing this resolution.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE FEDERAL RESERVE SYSTEM

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentlemen from Texas [Mr. GONZALEZ] is recognized for 60 minutes as the majority leader's designee.

Mr. GONZALEZ. Mr. Speaker, since February 4, 1994, when the Federal Reserve raised rates, and thereby fueled the belief that this was only a first step, pervasive uncertainty has undermined world bond markets and interest rates in the United States have risen across the board. There is now the very real threat that Fed policy will bring our weak recovery from the 1990 recession to an end, and millions of Americans will suffer the consequences as tens of thousands have already.

Why did the Fed adopt this policy? Was it because there was an increased inflation in the United States as they said they feared? Absolutely not. Even Federal Reserve Chairman Alan Greenspan admits that the 2.7-percent inflation last year was overstated because of problems in the way it is measured. It could have been less than 2 percent as far as rise in prices was concerned.

Did the Fed raise interest rates because our economy is too healthy and needs to be tamed, or as they put it, overheated, the old-fashioned remedy of bleeding the patient a little bit? Absolutely not.

☐ 1110

The unemployment rate during the officially designated recession, from the peak of the recovery in July 1990 to the official low point, the so-called trough, in March 1991, rose to 6.8 percent, and that does not include those that disappeared from the unemployment rolls because they exhausted the period of unemployment compensation. They still did not find jobs, but they are not listed any longer.

So that 6.8 percent is a faulty statistic. It would be considerably more.

The unemployment rate is still, for our country, an abomination. There is nothing worse that can happen to a human being anywhere, and I would say particularly in America, than to find himself victimized by the feeling that eventually overwhelms him or her that he is not useful, that there is no useful, productive slot in his society for him. That is destroying more of our human moral fiber in our country than anything else.

I can recall when those of us in the Congress, and before I came to the Congress particularly, would have been alarmed at anything approaching 4 percent unemployment. You would have had tremendous reaction in the halls of the Congress. Not anymore. And that is a shame.

Because to translate a statistic, a cold statistic, in terms of human beings requires that our system be fulfilling its purpose, and that translates to us who would indulge in the conceit of concealing that we could ever achieve, and we can only attempt to, but never really achieve of being in the full sense of representative of every one of the segments of our communities. you can make an effort, but we are human. We have difficulties. We have weaknesses.

Therefore, no matter how well endowed we are, it is a constant challenge. But our system is predicated on representative government based on the rule of majority will with built-in safeguards now constitutional.

Even during the colonial times, these protections were engrafted to protect the minority from an oppressive majority, and now we have these protections embodied in the basic and fundamental law of our land.

But when we translate the perversity of our situation in America, where we have millions of our citizens who in other days would have been called peasants or serfs, today are wage serfs, and not even that, because they cannot find a job, and that is not only morally wrong, it is criminally wrong and indefensible.

The Irish, I will repeat, have an old saying that "It is easy to sleep on another man's wounds," and those of us who have been fortunate enough to acquire a very strong definition of affluence, safe, decent housing, comfortable, sufficient food to feed one's self and family, clothing. Those are the essences, no matter where human beings exist on this globe, food, shelter, clothing.

Unfortunately, our national policymaking body, the Congress, has been an accomplice and coconspirator with some recent administrations and leaders who have turned their back on those commitments.

So here we are now with this entity that, through accretion and neglect on the part of the Congress that created it, known as the Federal Reserve Board, and through actual usurpation and grasping of power which always happens in human existence, has arrogated to itself this awesome power of determining the standard of living, employment or unemployment of Americans, whether it is possible for a family desiring a safe, decent home can afford to have one. These are decisions that are now made by this entity we call the Federal Reserve Board.

After the so-called recession ended, though actually that is relative, even now recently when you had economists announcing that not only had the recession ended, but you had an upturn, you had recovery is the word they use; they all have to admit that if it is, it is a jobless recovery, because each week tens of thousands of workers, and this time mostly white-collar workers, are being let out by the giant corporations in our country.

So the problem is here and it is hagriding our country.

After the point in June 1992 in which segments announced the unemployment rate of 7.7 percent and 9.8 million American workers were trying to obtain employment and were counted as unemployed, today there is still, even by these faulty estimates, better than 8.5 million in that definition. They are officially counted as unemployed under the new jiggery pokery of the revised statistics.

In many parts of the country and throughout the depressed areas of our cities, this is a devastating and cruel occurrence.

I would like to introduce a graph into the RECORD that shows the unemployment rate and the number of unemployed from the 1950's to the present. You will be shocked to learn that none of the previous six economic recoveries since the 1950's have been as slow as our current recovery, and this I have mentioned as far back as over 20 years ago here to my colleagues in this ritual and privilege we call special orders, pointing out, in fact, since the 1960's and 1970's, that we had turned the corner as far as America's productivity.

□ 1120

I read statistics that, as best I can remember, showed that as late as the early 1950's, certainly the late 1940's, the United States, our country, was producing close to 80 percent of the total world's needs. By the middle 1960's that had shrunk to less than half of that, and today it is not even 17 percent.

This was almost imperceptible. Oh, there were some of us talking about it and saying, "This means we have got to sit down and have vision and think in terms of long-range consequences and what we will do."

There were parallel occurrences when I came to the Congress 32 years ago that were happening in Europe. Their desire toward unification, which they had the vision to plan. The blueprint they had since the late 1940's, not too long after the war, and they have been very faithful in following that blueprint.

As developments occurred in 1985, May 1, when they had the economic summit in Bonn, Germany, President Reagan was President. I then took to the floor to announce—and it was the only time that you had the full communique of that economic summit printed anywhere; now, it was in the European press, but I mean the American press—the last sentence was the one that I emphasized, had implications of awesome importance. The last sentence of that communique said, "And we agree in principle to the development of European monetary system, the EMS, and the European currency unit, the ecu."

All of that has been in place now, and certainly that announcement in 1985 meant that with the common currency unit, which at this point the ecu is worth a little better than $1.30, and all of your transactions are quoted—look at all of the financial advertisements in Europe—you will see they are not quoted in dollars any longer, they are ecus. And I have mentioned the great danger.

But where is this great organization that was created to function as the equivalent of our central bank, the Federal Reserve Board? Where is our leadership in the executive branch through the Department of the Treasury in anticipating and warding off the possibility that the dollar can be replaced as the international currency unit?

I have gone into that before, my colleagues, so I will not take your time this afternoon but would like to refer you to the special order before last, if you are interested.

We predicted, thanks to a great, great American and a most brilliant economist and economic mind, and scientific mind that I have ever known—and I was pleased to make his friendship before I even came to the Congress—that was Dr. Leon Keyserling. He was the one who authored the National Housing Act of 1947. He was part of Franklin Roosevelt's sort of sublevel brain trusters. He had a hand in the first Social Security Act of 1935–37, and the first Housing Act of 1937. But he actually wrote the 1947 Basic Housing Act. I was privileged to know him because of my long and sustained interest and commitment to the question of housing or shelter and community development.

Many a day he would point out to me and would graph out, he would say:

> Every time we proceed into the future, since there has been no long-range planning on the national level since President Franklin Roosevelt, you will see that every time you have a recession, it is going to dip a little bit deeper, take a little bit longer to plateau.

Well, before he died, which was the last and most grave Depression, right on the eve of the Reagan first term—and we must remember that the United States was a creditor nation, and was a creditor nation since 1914—but on September 16, 1985, we declared ourselves a debtor nation and are today the greatest debtor nation in the world. The transfer or the fulcrum or the pendulum of financial power then gravitated out of New York, and it is nestling in Tokyo.

The Japanese have not really been producing and introducing automobiles into the American economy anymore, they use their money. Just up until not too long ago, they had about 35 percent ownership of our treasury, of our debt. That is a powerful, powerful fulcrum. As far as assets, direct asset ownership or indirect asset ownership, actually the British have more than 2 times what the Japanese have in America—but you do not hear about that. And all of that has its implications.

That is the reason that I have been troubled and have taken the time to announce to my colleagues, because I feel it is my responsibility. I sit on the committee and have done so for 32 years, since I came here, and therefore I am charged with knowledge. I concur with the great French thinker and hero, the great philosopher and writer who died in the First World War, Charles Peguy.

He said in one of his writings, "He who does not bellow the truth when he knows the truth makes himself an accomplice with liars and forgers." And I agree with that.

Now, of course, that makes some people and some powerful forces quite upset. Too bad. That has always been the case, all through history.

Since World War II, the unemployment rate began dropping within 2 months of the recession. However, this time unemployment did not begin to drop until June 1992, like Dr. Keyserling had been predicting all along. Finally, he said it will reach a point where it just does not bottom out.

But in June 1992, roughly 15 months after it was specifically admitted that there was a recession—and let me tell you that in 1990, October, I called a hearing of our Committee on Banking, Finance and Urban Affairs because the Secretary of State, Mr. Baker, announced that the real purpose of the buildup in the Persian Gulf—and remember, we were engaged in the buildup—this was right before the November 9, 1990, announcement by the President that he was going to double the size of the projected expeditionary force.

□ 1130

Secretary Baker said, "We're asked why. What is our commitment? What is our involvement?"

And I will tell my colleagues what it is in one word: jobs, jobs, economics.

Well, I felt that our committee had jurisdiction on credit allocation and the like. We called a hearing, and, lo and behold, Chairman Greenspan accepted the invitation to come and testify, and he did. I can provide to anyone who wants one a record of the hearings where Mr. Greenspan said:

> Well, officially I can't say that we can define it as a recession, not officially. However all these disturbing factors, high rate of unemployment, that have been endemic at least since the middle of the summer, point to a very serious end * * *

I would say that 70 percent of the present adverse impact on our economy is due to this diversion of resources for this buildup.

Well, we were censored; that is, there was no coverage of that hearing. If there were reporters, they did not report what Chairman Greenspan said, and ordinarily anytime Chairman Greenspan appears anywhere they have everything from TV cameras to Associated Press and everything else. But the record is there.

It was after that that it was admitted that one could say there was a recession so that clearly the economy is in very deep trouble.

Now there can only be one reason why the Federal Reserve Board would train or target its guns on its own citizens. The officials at the Federal Reserve worship at the shrine known as zero inflation, and they intend to keep working toward this dream regardless of consequences.

In the elections last year in Canada the incumbents and the equivalent of our Treasury Secretary were insisting on zero inflation. The voters came in, and, to the astonishment of everybody else, just threw the whole kit and caboodle out.

So, here we are in the United States now prostrate before the sacred Golden Calf. They are tightening the money supply to counter an inflation that does not exist, or at least it is not targeting where the real goals should be targeted, and that is the cost of living of our citizens as I have said endlessly.

Where has inflation been controlled? They boasted that they have controlled it. One economist finally said, "Well, business inflation has been controlled," but, my colleagues, few among our constituents who are dependent on a wage and who go to the grocery store to do their shopping—ask them if they are paying less for groceries today than they were 10 years ago, and the answer is obviously they are not. Ask them if their rent is less or more. Ask them if they are paying more or less for utilities: light, gas, water, which are the essentials of today. My colleagues will find that it just is not happening.

But in the meanwhile the wages are reduced. As of 3 years ago I announced to my colleagues that over 70 percent of our families at the end of the month have no disposable income left, and on top of that, the last 3 successive years, the average salary or wages of a worker have diminished 80-plus dollars a month.

So why is that? Well, one thing that is not perceptible: It is very difficult to translate these things down to our living, real life, but why should we be paying more for these things? One reason is that the only share of stock each one of us has in our Government is that dollar note, the American dollar, and that dollar, in less than 15 years, has lost two-thirds of its value as against the Japanese yen and the German deutsche mark. That is the reason we are paying more. I am worried that if this continues, we will see the debauchery of our currency.

Whenever any real enemy of a country was thinking how to do it on an intellectual basis besides the battleground, and even where they won in the battleground they lost in the money tables, the war, they always looked to diminishing the value of that currency; if possible, debauching it.

Some of the Federal Reserve decisionmakers explicitly testified at our hearing of the Banking Committee on October 19 last year that they believe in the absurd and unrealistic notion of zero inflation, and the rest of the Federal policymakers have made it clear from their decisions to actively be in that same shrine of zero inflation. The truth is that heading for a target of zero inflation can devastate totally our economy, and what is more tragic is that it ends up in bringing higher rates of inflation. It can also destroy the use of the U.S. dollar as the key currency, as I have said repeatedly. This is not a distant and remote danger. This is a present and clear danger I have been saying. But who cares?

My colleagues, I cannot get anywhere, even with those serving on the committee. But even if we could, there is nothing we in the Congress can really do directly. This has to be done through the agencies we have, the monetary setting board, the central banks, so called, which we call the Federal Reserve Board, and, instead of the Federal Reserve hunkering down to protect this largesse of power, they are overlooking what is happening now worldwide which will define, no matter what the Fed does, their ability to even control interest rates, and I have been saying that since 1985. We no longer have control over those external forces, and no matter what we do domestically it will impact us overwhelmingly unless we, the United States, exert leadership in a concert of nations, as we did with the great leaders that had plans and visions, Franklin Roosevelt being really the last one, and I have suggested that.

They are totally unaware, or apparently unaware, of this huge overbuild worldwide even as I am speaking now. We have trillions of dollars moving in what they call nowadays nanoseconds—the speed of light—from money capital to money capital, all speculative, and especially since this thing they call derivative markets, which is complicated and all of that, but which simply means that on a worldwide basis now and in an uncontrollable fashion we have giant casinos involved in our banks.

□ 1140

Now, I do not care if it is the securities dealers who do not have deposit insurance backed by the taxpayers, but the banks do, and our leading banks have gone into that to the point where their so-called off-balance sheet activities now are depending on this high-risk gambling to report whatever profits they have been reporting but which exceed their capitalization structure.

Now, in the 1920's we had that, but it was the sovereign nations. Today no one sovereign nation can control this because we have at least anywhere from half a million to three-quarters of the individuals all over the world in this, and all they have to do is get a computer and a modem and then have an ostensible line of credit of at least $100,000, and then they are in the game and they are betting hundreds of billions.

The so-called derivative market is based on what they call a nominal value. Let us say they are going into the gambling on futures stocks and whatnot as well as currencies. It is gambling. They are betting that something will happen in the future. But if our banks are not restricted in the high-risk ventures, then we are going to face the day of reckoning, which is already happening.

Most recently, the Spanish bank that went under, the reason it lost money was because it lost its shirt in this derivative, or this speculative, market.

I repeat, no one sovereign nation can control it. We can pass laws to control it here, but that does not mean that it is controlled. It is going to take a concert of nations.

Now, the Bundesbank of Germany is very disturbed. They have tried to control the gambling on their currency. And they are trying to get a concert of nations.

Now, the European Parliament under the leadership of the Frenchman Delors, who was one of the architects of bringing about the European Community, had a committee—I obtained a copy of their committee recommendations last December—and that is what they are recommending, that you have to do something.

The Bank for International Settlement, which is a mysterious entity, but it is where the power is. The BIS is really the central bankers' bank, and it controls everything.

I can remember—I have been blessed to live through depressions and wars—when Franklin Roosevelt announced, to the great astonishment of the American people when he said, we are going to be the arsenal of democracy and we are going to produce 50,000 warplanes.

Well, it was fine, but he could not really get started until the German cartel through their bankers and the BIS released the magnesium that was needed for production.

So one can have wars but the thing behind it all is finance.

We are really a very, very young nation and naive. But we are dealing with countries that have a thousand years of experience in government and more than 500 years in this kind of financial speculation, gold market, silver market, the most controlled markets of all.

And we have had to pay the price, but I will not go into that, into the specifics. I have reported that in prior special orders.

Now, who defines inflation? I just gave an example of what in real life the people know they face. They may or may not know what to call it. That does not mean they do not know what is happening.

Well, the definition we have been getting is based on governmental statistics that have been doctored and cooked some 15 years.

Zero inflation, I have said to my colleagues on the Banking Committee and all, the only place you can find real zero inflation is in the graveyard. It is the only place.

Price indexes and so forth, even Chairman Greenspan announced a few months ago that they were faulty.

But as I have said for years now and I will say that since the pendulum swung, the center of gravity of financial power gravitated from us in 1985—in September to be exact—no matter what the Fed thinks it can do, it is caught in a bind.

It has really been in gridlock. In fact, I was the first one to use that term 8 years ago with Chairman Voelcker, and he agreed.

He said, "You know, that's right. That is a good word."

I said, well, don't you have gridlock, if you reduce or you increase interest rates in order to attract investment, which is what they did.

And that is when we had this tremendous infusion and takeover of direct assets from banks to shopping malls by foreign money of all kinds; Germany, Japan, France, Great Britain, all of them. It was all borrowed.

So that if you drive interest rates, that money will go out and seek other places, Germany or some other place, where they can get a higher yield. So that there is gridlock.

It used to be we in the United States could control that because we would set the tone and the world would have to dance to that tone and tune. Not any longer, for a good while now.

So the Fed's arguments of zero inflation are dangerous, they should not even be countenanced, and they should be rejected.

But if you do not have access and the Fed does not have accountability and feels it does not have to account to anybody, either to the Congress who created it or to the President who appoints members, Governors, how can the people know?

It is essential that the Congress and the public have access to the complete minutes of the Fed's decisionmaking body, the so-called Federal Open Market Committee.

When did that begin? Did it begin with the enactment of the Federal Reserve Board Act of 1913?

No, it wasn't until about 10 years later. So that I have introduced what is known as H.R. 28, and I call it the Federal Reserve System Accountability Act of 1993.

In no way would it diminish the rightful independence of this body, the central bank, to have freedom from pressure in setting of the so-called monetary and fiscal.

We can pass laws or do whatever we can here. They can undo it, like they did with Gramm-Rudman-Hollings.

The British used to have a similar program and that was reformed after the war. It used to be that the Chancellor of the Exchequer could determine whether the British Government went down or stayed on. They changed that somewhat. But today the Fed can decide the fate of an administration through still having domestic control of such things as interest rates.

In H.R. 28, what we say is: "We want you to give us an accounting of your actions. What were the reasons? What do your deliberations show that led you to this decision?"

□ 1150

There is another thing, and I have asked this of my colleagues before, as an example of how, when you do not have accountability, power can become such a runaway thing that it can undo even the basic innermost values of a country, and particularly a country such as ours. Whether it is the Federal, whether it is the CIA, whether it is the legislative body itself, if it is given unrestrained power and does not have to account, it will be corrupted sooner or later, and usually sooner than later.

But I have asked this question, and I am going to leave off with that. Under the following circumstances, would you vote today to give the Federal Reserve a $30.1 billion line of credit that could be used to loan money to foreign countries?

You will have nothing to say about who gets the money or why. You can put no conditions on the loans. And remember, the Constitution says you are supposed to be in control of the pursue strings, and you will have to abdicate your Congressional oversight role.

In addition to that, our watch dog agency, the General Accounting Office, will be prevented by law from any examination of how the money is used, and the records of the expenditures will be incomplete and at times intentionally misleading; in other words, false.

Well, my colleagues, if your answer is yes, then it does not matter. There is no use talking. But the Federal Reserve has established such a fund since 1962. In the special order before last I mentioned specifically the case of Mexico in 1988, where the Mexican Government was wallowing in its election dilemmas and the legitimacy of its election was being challenged. At that point the Federal Reserve decided to give President Salinas that huge amount overnight.

Did Mexico have to pay any interest or anything? Who knows? But that is the power that the Federal Reserve has been exercising since 1962.

The truth is that the Federal Reserve at the time in 1962, through a slight of hand of sleeper riders, whatever you want to call them, really conned the Congress.

So I will additionally continue to bring out some of the specific uses in the past of some of this fund. In 1962 the Federal Reserve appropriated $50 million without congressional processes to intervene in the currency markets and also to make these foreign loans. They early called it the Federal Reserve reciprocal arrangements, referred to as the Swap Fund. It is still called that today.

The minutes we were able to get our hands ons show that on February 13, 1962, Federal Reserve Governor J.L. Robertston accurately called the $50 million an unlimited pocketbook and voted against it. The only one. The Federal Reserve made no bones about the fact they were establishing the fund to evade the congressional budget authority.

So I will place in the RECORD further parts of these minutes, and I hope that my colleagues will carefully at some point or another read them.

Mr. Speaker, I would like to know if any of my colleagues, under the following circumstances, would vote today to give the Federal Reserve a $30.1 billion line of credit that could be used to loan money to foreign countries: You will have nothing to say about who gets the money, you can put no conditions on the loans, and you will have to abdicate your congressional oversight role. In addition, the General Accounting Office will be prevented by law from any examination of how the money is used, and the records of the expenditures will be incomplete and sometimes purposely misleading.

If you answer "No," it doesn't matter. The Federal Reserve already established such a fund in 1962 and would like you to believe that Congress gave them the go-ahead at the time to establish this fund. The truth is the Fed conned the Congress into agreeing to this arrangement. I will provide you with details of this Federal Reserve chicanery which I have obtained from the Federal Reserve's decisionmaking body, the Federal Open Market Committee minutes that the Fed stopped issuing in 1976. You will see first hand that when the Fed said it stopped taking minutes because of principle, it was the principle of power.

In 1962 the Federal Reserve decided to appropriate a $50 million fund for intervention in currency markets and to make foreign loans. It was called the Federal Reserve Reciprocal Currency Arrangements referred to as the SWAP fund, which it is still called today. The FOMC voted for these funds, and the discussion is revealed in the February 13, 1962, FOMC minutes when Federal Reserve Governor J.L. Robertson accurately called the $50 million an "unlimited pocketbook" and voted against it. The Fed made no bones about the fact that they were establishing the fund to evade congressional budgetary authority.

I quote the argument of Governor Robertson from the paraphrased minutes:

> Mr. Robertson recalled that he had opposed the whole program of operations in foreign currencies on legal, practical and policy grounds because it seemed to him that the only basis for the entrance of the Federal Reserve into this field would be to supplement the resources of the [Treasury] Stabilization Fund and because the program is being undertaken without specific Congressional approval.

Once the fund was established, the Federal Reserve agreed to keep Treasury informed about the fund's activities by way of staff meetings and a daily conference call. The Treasury was denied the power to veto the Fed's decisions. And of course at this point, the Congress had been completely dealt out of the game.

Federal Reserve Chairman William McChesney Martin, Jr., may have had some reservations about this power grab when he said that it might be desirable to seek legislation at some time in the future. But, he concluded, "at the moment he doubted whether it would be feasible, with so little experience, to determine exactly what kind of legislation was needed." [FOMC minutes of February 13, 1962.]

While it is true the FOMC did make an attempt to inform Congress about the SWAP fund, the Fed buried the information in a nine-page, single-spaced speech delivered before the Congressional Joint Economic Committee at its January 30, 1962, hearing. Chairman Martin deflected attention from the Fed's newly established SWAP fund by talking about the fact that the New York Federal Reserve Bank was acting as an agent for the Treasury's Exchange Stabilization Fund, their equivalent of the SWAP fund. Martin said Treasury's fund was used with the "aim of defending the Dollar from speculative forays." [JEC Hearings, 1962, p. 174.]

Chairman Martin's brief, vague, and wholly unsatisfactory testimony gave Congress no indication that the Fed planned to turn this into the multi-billion fund it is today. There is no doubt the nine pages sedated most listeners as the Fed intended. However, an alert Congressman Richard Bolling, a Democrat from Missouri, asked Martin to explain what he meant. I quote part of Chairman Martin's testimony: "It is not possible to spell out here—what we are aiming at is to keep the speculators from unseating us."

Unfortunately, since that time, few members of Congress have questioned the Fed about its SWAP fund and the Fed as is its wont, has happily kept quiet and discouraged curiosity. For example, I read in the August 16, 1988, transcript of the FOMC meeting, which the Fed finally released last week after my prodding, how it covered up a transaction in which yen were traded for U.S. dollars. I wondered if the true nature of the transaction would ever be reported. The transcript reveals that they wanted to hide the yen intervention. True to form, one Fed staff member said, "It's not reported *per se*, but it's in 'Other Assets.'"

The former Fed staff member who issued the final quarterly report said:

> We will not be specific about the source [of the currencies that were received]—the counterpart—but we will indicate publicly that we have picked up these currencies.

Is this the level of accountability to the Congress that the Fed has come to expect? I find this totally unacceptable, and I am sure you would agree. We can't let the Fed bench the Congress while it runs the ball. The least we should demand of a large bureaucracy dealing with billions of dollars of taxpayers' money is an independent audit by the investigative arm of Congress, the General Accounting Office, to examine these operations to see if they are efficient and whether there is any leaking of exploitable information about the trillions of dollars of transactions that the Fed engages in every year.

My colleagues, are you willing to turn your vote on appropriations for foreign loans over to the Federal Reserve? I know you want to retain the legitimate right of the Congress to oversee these transactions. I urge you to support my legislation, the Federal Reserve System Accountability Act of 1993, H.R. 28. This bill removes the restrictions on the GAO that presently prevent it from examining the Federal Reserve's foreign currency and foreign loan operations. H.R. 28 will thus restore legitimate oversight of these foreign loan operations to the Congress—where it belongs.

Since February 4, 1994 when the Federal Reserve raised interest rates and fueled the belief that this was only a first step, pervasive uncertainty has undermined world bond markets and interest rates in the United States have risen across the board. There is now the vary real threat that Fed policy will bring our weak recovery from the 1990 recession to an end and millions of Americans will suffer the consequences.

Why did the Fed adopt this policy? Was it because there was increased inflation in the United States? Absolutely not. Even Federal Reserve Chairman Alan Greenspan admits that the 2.7-percent inflation last year was overstated because of problems in the way it is measured. It could have been less than a 2-percent rise in prices.

Did the Fed raise interest rates because our economy is too healthy and needs to be tamed—the old-fashioned medical remedy of bleeding the patient a little? Absolutely not. The unemployment rate during the officially designated recession, from the peak of the previous recovery in July 1990 to the official low point, the so-called trough in March 1991, rose to 6.8 percent. A year after the recession ended, in June 1992 the unemployment rate of 7.7 percent and 9.8 million American workers—over a million more than at the end of the recession—were trying to obtain employment and were counted as unemployed.

Today there are still 8.5 million American workers who are officially counted as unemployed under the newly revised statistics. In many parts of the country and throughout the depressed areas of our cities, the slow recovery is devastating and cruel. I will introduce a graph into the record that shows the unemployment rate and the number of unemployed from the 1950's to the present. You may be shocked to learn that none of the previous six economic recoveries since the 1950's has been as slow as our current recovery. Since World War II, the unemployment rate began dropping within 2 months of the recession ending. However, this time, unemployment did not begin to drop until June 1992, roughly 15 months after the recession supposedly ended. Clearly the economy is still in trouble, making the Fed's current tight monetary policies a true abomination.

There is only one reason that the Federal Reserve has aimed its guns at its own citizens. The officials at the Federal Reserve worship at the shrine of zero inflation and they intend to keep working toward this dream regardless of the consequences. They are tightening the money supply to counter an inflation that does not exist. Let me tell you why I have often said zero inflation can only be found in the graveyard.

Some of the Federal Reserve decision-makers explicitly testified at the October 19, 1993, House Banking Committee hearing on reforming the Federal Reserve, that they believe in the absurd and unrealistic notion of zero inflation. And the rest of the Fed policymakers have made it clear from their policy actions that they too are actively deifying the same shrine of zero inflation.

The truth is that heading for a target of zero inflation can bring devastation to the U.S. economy and it can even bring higher rates of inflation. It can also destroy the use of the U.S. dollar as a key currency—which means it can destroy the use of U.S. dollars as a means of international payment throughout the world. That would be injurious to the standard of living in the United States.

First, what is inflation? Inflation is a sustained rise in the average price of goods and services. The Government measures the average price of goods and services with mathematical averages called indexes. The most widely used index is the Consumer Price Index [CPI] which purports to measure the average prices of goods and services consumers buy each month. When the average price, as measured by the index, rises for a number of months it is called inflation.

Zero inflation would occur if this CPI index did not change for a sustained period of time, for example, 6 months. What would that mean for the average American family and for the Nations 130 million workers? If the price indexes were absolutely correct, it would mean that approximately half of the prices and wages in the country would be falling and the other half would be rising so that the average change in prices would be about zero. Thus, those who plan for zero inflation dream of employers all over the United States telling their employees, "This year your wages will be lower but don't panic, we have zero inflation." The truth is that to get the demand for goods down to the level that would cause half the employers to make this announcement, we have to plunge the economy into a depression. There would be utter devastation in the labor markets if we dumped that policy on the country at this time or in the foreseeable future.

To make matters worse, the price indexes are not accurate measures of average prices. Experts, and even Federal Reserve Chairman Alan Greespan, admit these measures of inflation could be way off the mark. This means that if the Federal Reserve were to tighten monetary policy enough to get the price indexes to record no change month after month, the true average price could be minus two percent. In other words we would have a deflation—falling prices—which translates into massive unemployment for the country.

Those who worship at the shrine of zero inflation and say that free markets will take care of the unemployed might as well tell the millions who become unemployed due to tight money polices: "The markets have cleared without you."

Those that understand representative government realize that this kind of devastation in an economy will produce a reverse reaction of fast money growth and inflation. And should our economy become devastated because of the Fed's fixation on inflation, our currency will not be sought as a key currency—a currency used to make international payments throughout the world.

The Fed's arguments in favor of zero inflation are dangerous and should be rejected. My colleagues, I urge you to question the Fed's rationale for to do otherwise is to invite economic disaster. If we are to benefit our citizens, we must have a full employment policy and this can only be attained if we allow moderate changes in these inaccurate price indexes.

It is essential that the Congress and the public have access to the complete minutes of the Fed's decision-making body, the Federal

Open Market Committee [FOMC] so that we know what the individual FOMC members are thinking. These are the people managing the country's money supply. These are the people who raise and lower interest rates. These are the people who worship at the shrine of zero inflation and want to screech the brakes on economic growth. These individuals impact each of our lives with their decisions about our money supply, unemployment and inflation.

Maybe some of the FOMC members should not be reappointed, particularly if their views are inimical to the country's best interest. As it stands today, some of the FOMC members are selected by the board of directors at their particular Federal Reserve Bank. These boards are heavily stacked with bankers or friends of bankers, whose interests are sometimes different from those of us in the Congress. I am advocating that the 12 Federal Reserve Bank presidents, who serve on the FOMC on a rotating basis, be appointed by the U.S. President and confirmed by the Senate. This way you can know where they stand on the issue of economic growth before they get in a position to determine how much or how little money should be pumped into the economy.

This new selection process is included in H.R. 28, the Federal Reserve System Accountability Act of 1993, which I introduced last year. The public has the right to know if those managing the Nation's money supply are worshipping at a false shrine of zero inflation which will devastate the U.S. economy.

APPOINTMENT OF MEMBERS TO CONFERENCE OF THE INTERPARLIAMENTARY UNION

The SPEAKER pro tempore (Mr. FILNER). Pursuant to the provisions of title 22, United States Code, section 276 a–1 and on behalf of the Speaker, without objection, the Chair appoints to the delegation to attend the conference of the Interparliamentary Union to be held in Paris, France, from March 20, 1994, to March 26, 1994, the following Members on the part of the House.

Mr. HILLIARD of Alabama; Mr. THOMPSON of Mississippi; and Mr. DORNAN of California.

There was no objection.

MORE ON THE CLINTON YEARS

The SPEAKER pro tempore. Under the Speaker's announced policy of February 11, 1994, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the Minority Leader.

Mr. DORNAN. Thank you, Mr. Speaker.

Mr. Speaker, my colleagues who are watching on C–SPAN, and to that C–SPAN audience that at this time of the day is probably at a peak of 1 million to 1½ million people, I want to make something very clear at the outset, that it is not my desire in discussing the Clinton years to engage in any payback.

I was not one of those who was hurt by Watergate and the collapse of the Nixon administration. I was not hurt personally, but I was certainly hurt in my heart. By that time I had been over to Vietnam eight times, seven as a journalist, the first time as an Air Force captain ferrying a rescue airplane. I was unable to get myself recalled to active duty, as vigorously as I tried.

It is not payback time for me. But I am going to put it in some very simple, rough terms as I did to Mr. RICHARDSON earlier during the 1-minutes. I believe that Bill Clinton is an illegitimate President, and I think he is hurting my nine grandchildren and any other grandchildren that God gives me and my Sally. I think he is ripping the moral fiber of this country to shreds. On the national security front, I had some initial feeling of confidence because of the appointments of Jim Woolsey, a Rhodes scholar who actually went to class at Rhodes and got his Rhodes Master's Degree from Oxford, which Clinton never did—more about that in the coming weeks and months—because of the appointment of a great justice and former prosecutor, Louis Freeh, as head of the FBI, and because we did not get some disastrous appointment as the Chairman of the Joint Chiefs of Staff—he appointed John Shalikashvili—I thought well, maybe things might not be too bad on the national security side.

But now I see people like Jane Hansen, Derek Shearer, Strobe Talbot, Sam Brown, Morton Halperin coming into the State Department and it scares the hell out of me. The White House thumbed its nose at all us in the Senate and the House, by putting Halperin in the National Security Council, where he does not have to be confirmed.

I think the best way to prologue my remarks today is to ask for another resignation. Yesterday I said that Roger Altman should either retire, resign, or be fired, that Jane Hansen who is over at Treasury with him should either retire or be fired too, Patsy Thomason over at the White House—she doesn't have a security clearance anyway, nor does Dee Dee Myers, after 1 year and almost 3 months—should retire, resign, or be fired. With St. Patrick's Day yesterday, I felt a little queasy about calling for the resignation or firing of William Kennedy, III, the last of the big four. Vince Foster killed himself.

Mrs. Clinton seems to be in trouble, at least speaking from her platform of moral authority, one of the Rose employees in the Government, and she is an appointed Government official at the highest level, without pay and was never elected to anything—ever. Vince Foster dead. Web Hubbell resigned in disgrace, saying that all of the 60 lawyers at the distinguished Rose institute were vindictive and ripping him behind his back on the billing problem.

□ 1200

It is the day between St. Patrick's and St. Joseph's Day, so Bill Kennedy, I recommend you resign and get out of there with some dignity, although you will spend a lot of time in court. Bill Kennedy has the responsibility for security clearances in the whole White House compound.

Nussbaum, had a more direct ear to the Clintons, even though he was not a former Rose firm employee like the other four. He knew Mrs. Clinton from the building across the street, from this Capitol, the Rayburn Building. They served together on the Watergate House Impeachment Committee. So he trumped Kennedy and took security clearances into his, Nussbaum's, office and sat on them. Kennedy was one of those panicking in the middle of the night of Vincent Foster's death, trying to open Vincent Foster's safe. He and Thommasson and a couple of the staffers of Mrs. Clinton were the ones that stripped the office of all the Madison-Whitewater files, at this point heaven knows what else.

By the way, you will see all of these people gone.

There is no big pressure on my part. They will all be gone with the concurrent responsibility of the Clinton administration having to fill all these slots, go through a confirmation process. The front page of yesterday's Washington Times say it all. It shows Dave Gergen, Anthony Lake, Thomas Mac McLarty and George Stephanopoulos, looking not 16, not 15, but 13 years of age. It says, "Time to clean house. Young top aids," Gergen must have liked that, "seen as liability for the President. An anonymous Democrat, a former Democrat Party boss said, 'It is hurting the President and it is hurting our party. Mr. Clinton's top staffers are both mishandling Whitewater-Madison and damaging the party.'"

Now, having gotten the William Kennedy, III, matter out of the way, let me read in its entirety a column by Mona Charen, nationally syndicated columnist. I have gotten to meet Mona personally several times. I happen to think she is one of the best columnists in the country. It is titled, "When the scandal monster strikes." There is a related cartoon showing little kitty cat, looks like a tom cat, and Clinton saying, "I have got my pride," and then some cuss words, all of the asterisks and circles. Arkansas is on his neck. He is hitchhiking. Next to him is Socks with a cat head, and he is leaving town. This is from the Dallas Morning News.

The subheadline is from Mona. It says, "If a Republican had done that, the press would be echoing with words like 'sleaze' and 'abuse of power.'" Listen to the sage words of Mrs. Charen.

"When President Clinton averred that he had never known anyone with a stronger sense of right and wrong as Mrs. Clinton, it allowed Senator AL D'AMATO, New York Republican, to get off the stinging rejoinder: 'that's the problem.'

"Before anything is proved about what happened or did not happen with the Clintons' Whitewater deals, one thing is becoming clear. These people who came to Washington proclaiming the dawn of the new Democrat are not just old Democrats, taxing, spending, endorsing quotas, weak on defense," God knows I have spent 18 years here with those old Democrat types and they still dominate this institution, "but these are practitioners par excellence of old politics, cash for influence, back scratching, sweetheart deals and womanizing.

"Upon examination, Mr. Clinton is beginning to resemble not his hero, Thomas Jefferson, whose memory was heavy-handedly invoked during Inauguration Week."

I remember Senator AL GORE walking in Monticello into one of the main drawing rooms and saying, "Who are these people," pointing at Washington and Ben Franklin, two most easily-designated busts, Ben because of the long shoulder-length hair and the glasses. I remember the Monticello kickoff well that morning. I tried to avoid the rest of the day.

Charen says, Mr. Clinton is not resembling Jefferson and not George Washington but George Washington Plunkitt, "the Tammany Hall pol whose autobiography contained the memorable defense of 'honest' graft." That is a book for our former colleague, Tony Coelho. I always wondered where the title came from, Honest Graft.

The Plunkitt line was, "I seen my opportunities and I took 'em."

"Read," Mona says, "the March 21 edition of National Review. Rick Brookhiser provides a Whitewater primer that sketches the outlines of the Clintons' cozy business-government-friendship ties. To the constant refrain from the White House that there have been no allegations of wrongdoing by the President there can only be one response: How many allegations do you want?"

I will repeat that, because I have a desk loaded with them. How many allegations of wrongdoing, including cover-up and criminality, do you want, my colleagues and fellow Americans?

How about David Hale? He goes to court next week. He has accused Clinton of leaning on him to approve a $300,000 SBA loan to Susan McDougal. The SBA program was supposed to assist minority and disadvantaged businesses. Instead, it found its way to a wealthy friend of the Governor.

This Susan McDougal has returned to the scene of the crime and is in Little Rock. She is under indictment in my county in California for scamming tens of thousands of dollars from one of the Nation's great Philharmonic conductors, Zubin Mehta. She is my choice for the first one to crack and become Whitewater's John Dean. At her press conference in Little Rock, she issued a short statement and said, "No questions. I am out of here."

Her lawyer, I will read his name later, maybe next week, when asked, "Isn't she going to take the opportunity to clear the Clintons, as her husband tried to do, sort of, at least regarding Mr. Clinton yesterday on the Brinkley this week show?"

And the lawyer said, "No comment." And split.

Keep your eye on Susan McDougal. "How many allegations do you want," Mona says. And I echo it.

"There is the allegation that then-Governor Clinton asked his friend and business partner James McDougal to help out the family finances by hiring Hillary Rodham Clinton at $2,000 a month. It is not disputed that HRC," her royal Clinton, Mrs. Clinton, "received $2,000 a month retainer to represent McDougal's savings and loan before the Arkansas Securities Department, the Commissioner of which, one Beverly Bassett-Schaffer"—learned this morning her brother was a huge contributor to Governor Clinton—"had been appointed by Bill Clinton." She may be one that cracks, Beverly Bassett-Schaffer.

"Since Madison was taking on water in 1985, Mrs. Clinton conceived a plan to save it. She petitioned the securities department to permit Madison Guaranty to sell preferred stock. In a letter addressed to 'Dear Hillary,' Mrs. Bassett-Schaffer, what do you know, approved. The "what do you know" is Mona's.

"Friends, if a Republican had done that the press would be screaming words like 'sleaze,' 'conflict of interest,' 'greed,' 'abuse of power.'"

By the way, for those of you out there that are, as Bill Clinton would say, "Feeling pain, feeling paid," well, I feel your pain. I repeat again, I watched the Republican White House turn into shambles over a stinking third-rate attempt, as I said last night, to steal the play book of the McGovern campaign. It was the most idiotic political thing I have ever seen in my life. Do Democrats learn from that?

□ 1210

Back to Mrs. Charen.

She says, "This is why the S&L screw-up is costing taxpayers so many billions of dollars." Precisely because of what happened in Little Rock the Congress was forced to vote billions to the Resolution Trust Corporation, where Altman is within hours of resigning as its acting head.

"James Carville," of Mary Matalin fame, "former campaign manager for the Clinton campaign, quoted Mrs. Clinton as saying, 'We were never about money.'" Well, wrong, Jim. All the columns from liberals that are starting to see the light here are saying maybe, just maybe, Clinton himself was not about money, but about power and sex, but Mrs. Clinton surely was about money.

One of the reasons I am not focusing much at all on Mrs. Clinton in any of my remarks, nor did I on this House floor in September and October of 1992, is because I feel her pain. How would you, any woman in this country, like to live with what Pat Buchanan called a serial adulterer?

One of my daughters says "serial" is too rough a word; use "pathological," use "repeated," use "constant," but I see they now call rapists, serial rapists, and if somebody does something compulsively, pathologically, over and over and over and over again, then they are serial. Somebody tried to hand me, the other day, a list of 26 women, and I rebuffed it. I don't want to see that. I have six in my head who have all come public, and that is enough for this Congressman to make the charge stick.

What makes it all so hypocritical is that this President goes to grade schools and to junior highs to lecture young people that sex is not a sport. After hearing that I turned on Jay Leno and he was saying, "If it were a sport, Bill Clinton would be getting a gold medal." No, not a gold medal.

Back to Mona Charen. She says Mrs. Clinton says, "We were never about money," the Carville quote. "So they say," Mona writes, "but check the books. Even the evidence available now suggests otherwise. The Clintons spent the 1980's buying and selling and engaging in transactions whose complexity thwarts understanding, even today, not the stuff of financial naifs."

"But even if their claim to have lost money on the deal turns out to be true," and imagine the Clintons feeding themselves to Rush Limbaugh, when Mrs. Clinton, and I say offensively, surrounded by military people in uniform, who were within arm's reach of her, surrounded by military people, while he is surrounding himself again with military people at Fort Drum, she says, "Heaven knows, what would you be saying if we made money? I am glad we lost money."

Russ Limbaugh is grinning ear-to-ear and saying, "Imagine people telling you, bragging they are glad they lost money, and they want one-seventh of our national economy to devise a socialized medical health plan." Unbelievable.

Back to Charon: "When Republicans lose money, they are accused of excessive greed," reaching and failing. When Democrats lose money, it's evidence of their moral superiority. Chew on this, Mona says, "there is an allegation that, as Governor, Bill Clinton leaned on David Hale, then running an arm of the Small Business Administration, to 'help Jim and me out.' The Clintons deny this, but it is a fact that the SBA, tasked with helping minority enterpreneurs, did make a $300,000 loan to Susan McDougal, former wife of James McDougal and partner," one of four, with the Clintons, "in Whitewater Development Corp., and $150,000 of that sum was invested in Whitewater."

There are the records, it was invested in Whitewater, when within hours the next day, this is one of five books I have back in the cloakroom that contain many of the Whitewater documents. It is so big it reminds me of when President Reagan stood up there at the second lectern and dropped that 14-pound book of the budget one year? Well, you should see the size of the books back here, of some records made available by interested folks doing a lot of digging. Isn't it amazing how people can get into our bank records these days. Whatever happened to privacy?

What my colleague, JIM LEACH, as a Republican, and his staffers on the Committee on Banking are finding out, I do not know, but God knows what Fiske with Federal subpoena power, hundreds of FBI accountants and agents is going to find out down there at Little Rock, and maybe an S&L in Illinois. Remember the old adage, you can indict a ham sandwich? Bill Clinton is as big a ham sandwich as you'll even see.

Mrs. Clinton defended the Lasater case. I may not get to that today, but if somebody said to me, "What word smashes you in the face more than any other word in all the research you have done, what screams out to be investigated," the word is Lasater. Wasn't that a good movie here recently, Lassiter? Yes, Tom Selleck, my pal, a good, solid conservative Republican; Lassiter, Lassiter.

Get this line. I have a habit of red underlining important things. It goes way back to school in the Air Force. Sometimes I will underline a whole red article and my wife, Sally, said, "Why don't you just dip it in ink?"

I underlined a line last year and passed the article to my wife and she said, "You underlined something here but you didn't even tell me about this." I said, "What? I missed it." It did not even sink in. Here is the line: "Dan Lasater paid off Roger Clinton's $8,000 drug debt." This is while they were both indicted for cocaine. Roger had already been in jail. He was on his way, he was an unindicted co-cospirator in a cocaine trial where Lasater, Bill's friend, went to jail.

Where did we last hear "unindicted co-conspirator"? I don't know, could it have been Watergate? Here is Lasater, paying off the current President's brother's drug debt back then, $8,000.

The point is, my wife says to me: "To whom did they pay the drug debt? Was that to the FBI for their investigative hours wasted? Was it to the DEA, the Drug Enforcement Agency? Was it to court costs?"

"No," my wife says, "I think what they could mean here is to the drug dealers." Anyway, it is a good question.

Wait until the Members see the airplane deals that I discuss next week, at Mena Airfield in Arkansas, infamous, both for gun running to bad guys, good guys, and much drug running.

Dan Lasater, remember that name. Guess who handled all of Lasater's financial affairs while he was in the slammer awaiting his Bill Clinton pardon for cocaine abuse? A big race track buff, this is the guy that met Virginia Kelly, Clinton's mother, at the race track, got her a box, became friends, introduced her to the then young Governor. Guess who ran all of Lasater's affairs for 2 years while he is in the slammer? Patsy Thomason, the person rummaging around the office of Vince Foster while he is undergoing an autopsy. That is why I have called for her firing or resignation.

Back to Mona, "If it is true that Vince Foster was working on Whitewater matters before his death, then the Clintons and he were in violation of the law that forbids Government employees from working on personal matters for their bosses. Remember the indictment of Senator KAY BAILEY HUTCHISON of Texas?

"There is a great bitterness among Democrats that the Clintons are being subjected to any scrutiny at all. They lament for the Nation, but their cries ring hollow," as Republican cries rang hollow in 1973 and 1974. "They created this monster, the scandal machine, deploying it first against Richard Nixon, and then against Ronald Reagan," and then George Bush, and then trying to destroy Robert Bork, and then coming within a hair of destroying Clarence Thomas, and pardon the inadvertent pun; Ed Meese; Richard Allen, over a watch as a gift in a safe that he never even saw, touched, wore, touched it when he put it in the safe and forgot about a $300 watch, and it destroyed this brilliant man, Dick Allen, for serving Reagan, although he still continues to serve his country in the private sector.

There was Richard Allen, Carol Ianonne, Ray Donovan, who said "where do I go to get my reputation back?" Theodore Olsen, Elliott Abrams, Caspar Weinberger, and dozens more.

"The Democrats created this monster, and now the monster has turned on its master."

This is why it is so galling to see my Democrat colleagues take to the well to speak against congressional hearings. We all know, and I mean know, that if any Republican President had done anything near what this one has done, there would be a congressional hearing before you could say "obstruction of justice." What hypocrites.

Now a word about the Rose law firm.

□ 1220

Each State in our Union is allowed to have two big, beautiful statues in this wonderful Capitol Building. I think there are now 98.

Only two States have submitted one statue. I think one of them might be Hawaii. Their first statue is the great priest of the lepers, Father Damien, who contracted leprosy himself, and who is going to be beatified as a saint of the Roman Catholic Church this summer in Rome, raised to sainthood by Pope John Paul. So that shows you how important this is.

By the way, downstairs in Statuary Hall there are 9 or 10 ministers and priests and nuns, including from my own State of California, who chose Junipero Serra, who has already been raised to blessed and will probably be a saint before the decade is out. The other one from California is the great Reverend Thomas King, a Protestant minister in California who spoke out loudly and righteously against slavery.

Let us go to Arkansas. They have two. The first one down in the Hall of Statues is James T. Clarke. He died in 1916 as a sitting U.S. Senator. He was a former Governor of Arkansas, a great lawyer, State attorney, distinguished-looking gentleman, James P. Clarke.

Now the statue that sits out that door in Statuary Hall between Jefferson Davis, who is one of the two statues submitted by Mississippi, which honors his service pre-Civil War as an admiral. One the left of the statue I am about to mention is Robert Fulton, the great designer of the steam engine into the steamboat.

In between is a statue that stunned me the other day, it simply says, and it is a 7-foot 6-inch statute of a towering thin-as-a-rail, handsome man, looks like Hal Holbrook in the Tom Cruise movie, "The Firm," and it said only, "Rose, Arkansas."

The press has not written about this until this very week, often I mentioned it on the floor. Listen to this, and you will understand why those 60 lawyers at the Rose firm are insulted and angered by the degradation of the name of their firm by all of the shenanigans by the famous four in the White House, first, Hillary Clinton, then the now-deceased Vincent Foster, Webb Hubbell, and William Kennedy.

Uriah M. Rose, 1834 to 1913, so he lived to be 79 years of age, was a lawyer of international reputation. He founded the first law firm west of the Mississippi in Little Rock. He was also chancellor of the State, charter member of the American Bar Association, and its president in 1901. Author of the Arkansas Constitution and the Digest of Arkansas Reports, appointed by

Theodore Roosevelt, President in 1907, as one of the delegates to the Peace Conference of the Hague with the rank of U.S. Ambassador. Governor, Ambassador, president of the bar, distinguished lawyer. And you wonder why the 60 current lawyers of that firm are furious? And when Web Hubbell called them vindictive down there in Little Rock, the lawyers of his former firm, I knew the man was doomed, because the billing story was certainly going to grow to be the undoing of Web Hubbell. Overbilling clients is poison for a law firm.

I think it is important that people should not generalize about Park Police, not generalize about the Rose law firm, and on my side of the aisle not generalize about all Democrats, not generalize about the Congress and understand so try and understand, try and be openminded and listen when I say Clinton is an illegitimate President.

Now let me make this theme: If the troopers in Arkansas, 10 of them, 5 of them, the 4 that signed an affidavit and went on tape with the L.A. Times, or even only the two that had the guts to see through the media flashback firestorm, had gone public in February 1992 during the primary process, Bill Clinton would not now be the President of the United States.

If Jennifer Flowers had not frosted her hair and spiked it, had not sold the story to a tabloid, the Star, and had a big press conference in New York, the press could not have been able to ignore her story. If she had released all 109 minutes of her recorded conversations with Clinton in the fall of 1991 instead of just releasing 8 minutes Clinton would not be president. By the way, those tapes were authenticated by none other than Clinton himself in his call to Mario Cuomo, sitting Governor of New York, to apologize for saying that Cuomo acted like a Mafioso on those recordings. I have heard both the recordings, and as I said yesterday, I put the transcript in the RECORD September 23, 1992. At the time I was panicking at the prospect that this flawed person, flawed in character, was going to be President of the United States.

If Paula Corbin, Now Paula Corbin Jones, had come forward, with her sexual harassment charges, against Clinton during the primaries, Clinton would not be President. Jones story is far more compelling and detailed than Anita Hill's ever was. There are two friends of Jones who have signed affidavits backing up Jones' claim. Jones says Clinton not only propositioned her but exposed himself to her as well. You know what the tragedy is? It is easy to believe it happened.

If Sally Purdue, Ms. Arkansas from my time in the 1950's, 8 years older than Clinton, had come forward at a press conference in Little Rock instead of a dumb talk show like Sally Jesse Raphael's, Clinton would not now be President.

If the Whitewater thing had been taken seriously when it was first raised, Clinton would not be President. You know, many people forgot that this issue was first raised by Paul Tsongas during the run-up to the New Hampshire primary. Recently I was picking up papers around my house, and throwing them in the fire, stuffing them under the logs. All of a sudden I see some red underlining which catches my eye. It is an article saying the Clintons insist there is no impropriety in the 14-year-old real estate transaction. I say wait a minute, that has to go in my Whitewater file here. And then I looked at the date, March 9, 1992, the day before Super Tuesday. I raced to see the reporter, Kathleen Decker.

The article says Clinton and his wife insisted they never made a penny in the deal in Arkansas. We will know the truth on that when Fiske is through with all of this. But even if it is true, so what? It is the intent of their actions that is at issue. Would we release attempted bank robbers because the vaults were empty?

I read on. What is this referring to? The New York Times story the day before, on March 8, 1992. I have that New York Times story and others in the L.A. Times and Washington Post. This Whitewater issue came up on the radar in March 1992, and the liberal-dominant media culture killed it? Look. Why did they dump on this, because in the debate leading up to Super Tuesday I believe it was maybe early in New York, Clinton turns to Jerry Brown, 8-year former Governor of California when Brown brings up the Whitewater mess in a very respectful way, I might add about my friend, Jerry, and Clinton very cleverly turns to him and says, "You're not worthy to sit on the same stage with my wife." Bingo. The liberal media caves in. Let's not touch it either or we will be accused of attacking this woman who is going to be a liberal heroine who will do great things. She is eventually appointed to the most important Government Commission of 511 people, not one of them even a doctor or a nurse, and we do not dare attack her. And she pretty much got a free ride the rest of the campaign.

Here is how I am going to structure this over the next few months: First, it's the coverup, stupid takeoff on James Carville's line. What is Whitewater, the coverup, who is David Hale, Madison S&L, and the still distinguished Rose law firm, in spite of some alumni, what happened in Vince Foster's office after this tragic suicide of a tall, handsome, intelligent, Catholic father of three, beautiful wife, what a tragedy; a body, just like Chappaquiddick. We have a body.

And then I am going to put in TOM FOLEY quotes, our distinguished Speaker, about the October Surprise as well as those AL GORE quotes on the same subject. They are revealing. And as I told BILL RICHARDSON, giving my friend from New Mexico a heads-up, I am researching everything the whip, DAVID BONIOR, said, and everything Mr. RICHARDSON said, and what everybody else said about the October Surprise. When they try to say this is just Republican politics trying to tear down a Presidency—I will be ready. I would sit here some days at the beginning of the day, as you may recall, Mr. Speaker, one or two of us trying to defend George Bush, and there would be 40, 2 rows of theme team, to use Mr. BONIOR's lines about our group over here, theme team, 40 people lined up to gut George Bush, questioning his integrity, questioning everything about his Presidency, ripping him and pulling him down so the little 1-minute spots could be picked up, or bites out of it, on the evening news.

We all admire Cokie Roberts. She can be tough on all of us. Not many people know that her husband is Steve Roberts, one of the top political reporters at U.S. News & World Report.

Listen to this before my friends on the other side of the aisle try to get in my face. I mentioned the title last night, "Who is cheering? Where is the cheering press?" he says. I repeat, I saw the cheering crowds outside, young people cheering the institution of the Presidency.

Here is a big photograph of a very glum-faced Bill Clinton, and listen to what Cokie Roberts' husband, Steve Roberts, writes: "George Bush was recently asked what he missed least about Washington." George Bush, recently asked what he missed least about Washington, "Dealing with the press," he snapped.

By the way, reporters can have a lot of fun with an adjective and a verb. They hate to say, "He said." It is so bland. So that is where he put in a lot of loaded verbs. "He snapped."

I have never seen George Bush snap in my life. Maybe he responded quickly or sadly or mused philosophically, but George Bush said, "Dealing with the press." Whenever he said that to me, it was with a big sigh. I remember he said to me in the Oval Office in July, "Bob, have you ever seen anything like the press now? I have never seen anything like this in my whole career, in my whole life, not at the U.N., not as head of the party, during Watergate. I have never seen anything like this. It is like they take this race personally, and they are trying to fire me." Keep that in mind. That was directly to me.

It says the answer reflects an article of faith among Republicans that a left-leaning, pro-Democratic press corps cost Bush the 1992 election by leading cheers for Bill Clinton.

Well, I will tell you something, Steve; let Sally and I and you and Cokie go out to dinner, and I will document for hours why it is an article of faith for this Republican that a left-leaning, pro-abortion, dismiss-pot-smoking, dismiss-adultery, press was shilling for Clinton and covering his you-know-what. It almost made me think they wanted to scratch out a couple of Moses' Ten Commandments."

Look at him looking down, the only one of these 23 great lawmakers that gets a full-face shot, his eyes focused right on your chair, Mr. Speaker. I know a lot of liberal Democrats want to scratch out one particular commandment, particularly in regard to Bill Clinton, "Thou shalt not commit adultery." So I will give you an article of faith.

The SPEAKER pro tempore (Mr. FILNER). If the gentleman would suspend, the Chair must caution the gentleman against personally offensive references to the President.

The gentleman may continue.

Mr. DORNAN. That is going to be very difficult. But I will try and skirt that on this issue of adultery, Mr. President, because I have got—I mean, Mr. Speaker. I have got a——

The SPEAKER pro tempore. The rules of the House are very clear.

Mr. DORNAN. They what?

The SPEAKER pro tempore. The rules of the House are very clear.

Mr. DORNAN. OK, I will tell you what I am going to do, I am going to sit down with the Parliamentarians, because when I see a pathology of lying, serial adultery, draft dodging for three times and lying about it, what are we going to do? How do we describe it without violating House rules? I will sit down with you, Bill.

The SPEAKER pro tempore. The Chair would simply caution the gentleman against the application of pejorative labels to the President.

Mr. DORNAN. I did not realize that I had tied him that closely to Mosaic law. I will try not to be pejorative. It is not going to be easy. It is not going to be easy. We have an illegitimate President here. But I will try.

Now, going back to Steve Roberts from U.S. News & World Report, the cheers have clearly faded. If there ever was a pro-Clinton cast of press coverage, it has been washed away by Whitewater.

Washington journalists have only two enduring biases against entrenched power and in favor of a good yarn.

Wrong, Steve Roberts, the press also has entrenched biases in favor of abortion and sodomy. These are articles of faith for the dominant media culture. I have a quote that I will read later from a journalist named Ethan something up in Boston who says anybody who is pro-life today is an uncivilized person in this modern society.

But I will go with your two enduring biases, against entrenched power, in other words, circle the U-boats, the wolfpack, tear down anybody who is in the White House, even if he is one of you own, and in favor of a good yarn. Both prejudices are now hurting Clinton.

When Whitewater first surfaced during the 1992 campaign, it was dismissed by the press as too complicated. I want to pause right there, Mr. Speaker, because Mona Charen, whom I greatly admire, also said it was complicated.

I want to tell my fellow Americans, all my colleagues, and you, Mr. Speaker, it is not too complicated. This is not celestial navigation in the cockpit of an F–100 at night trying to shoot the stars to train yourself to go to Moscow alone and drop an atom bomb. That is what I did. That is complicated. This is not rocket science. It is not brain surgery. It is long; it is long. That is different from logarithms. It is not complicated. It is intricate, which is different. It is long.

The American people must and will, I predict, take the time to sort through the players and the facts and try to follow during the secret period of Fiske and all of these engineered subpoenas blocking all of this from us, trying to take it at least through the 1994 election, and as the Wall Street Journal says, and I am hoping they are paranoid, through the 1996 election.

I heard that Special Prosecutor Fiske subpoenaed George Stephanopoulos last night. That is No. 11. I cannot believe all of these subpoenas in the White House and Treasury. The problem is, there should be congressional subpoenas as well.

Back to Steve Roberts. He continues that when the story was revived last fall, Team Clinton thought the same thing would happen, that because it was too complicated, the press would give up. But there is a difference between to way the press covers a campaign and an administration. The White House is finding that out.

□ 1240

"Even what seems small in the political context takes on new size and meaning when viewed through the magnifying lens of the White House." I predicted that on this floor in September and October 1992. I said this will all come out if he makes it to the White House.

"Moreover, a campaign ends in a few months, an administration lasts years 4 years, giving editors more time and incentive to invest resources in investigative projects. Almost 20 years after Richard Nixon's resignation, the Washington press corps is still inspired by Watergate. It was the good war of the journalistic fraternity. A whole generation now filling the major beats and editor slots in many major news organizations, who are dreaming of being the next Woodward and Bernstein, of the day when Dustin Hoffman or Bob Redford or now Tom Cruise or Denzel Washington or Holly Hunter would play them in the movies. One of the biggest mistakes the White House made in handling Whitewater was to set those dreams racing in the press as Clinton advisor," now with his subpoena, "George Stephanopolus admits the administration's damage control operation did more damage than control." How is David Gergen earning his huge salary over there?

"Suddenly the story was no longer about boring bank records and intricate land deals in a small rural State," a beautiful State. "The old words, like the lyrics from a half-forgotten battle hymn, were echoing through the newsrooms of the capital: subpoena, shredding machines, grand jury, burn bags, and, most resonant of all, coverup, coverup, coverup. The Republicans are doing their part playing on the guilt feelings of the press corps." I have been doing that for 30 years, folks, it is not a change with me. "They have gotten too cozy with the Clintons by demanding equal-opportunity cynicism," that is what we are supposed to be demanding, "and many journalists are willing if unindicted coconspirators of the Republicans," what was that, Steve? "We are thrilled to see them setting up their satellite trucks outside the Federal courthouse where White House aides were summoned to appear. With Nancy Kerrigan at Disney World and Tonya Harding in the background fading," she was on the headlines last night again pleading guilty, copping a plea, "something had to fill the news vacuum. Is that the way news and history run in America now, filling vacuums only? Last December Bill Clinton was already starting to sour on the press, complaining to Rolling Stone magazine that he had not gotten one damn bit of credit from the knee-jerk liberal press, George Bush or any ex-President would certainly nod in sympathy."

Now, here is what I have lined up before me for a chronology next week. Here is the toady liberal press structuring a personal 60 Minutes show—it was only 13 minutes long—following the Super Bowl in 1992, January 26, 1992. I ask permission to put that in the RECORD.

Following that is the unbelievable, disgusting Nightline show in February, on Lincoln's Birthday, when at the request of Rick Kaplan of the ABC, a charter FOB, friend of Bill, who meets with him at the renaissance group. Koppel is conned by his former 10-year producer Rick Kaplan into giving Clinton his own Nightline. They actually went into overtime. And that is when Mandy Grunwald gave them this line: "All I have been asked about by the press are women I didn't sleep with and a draft I didn't dodge."

Now, I do not know how to handle this and follow House rules. Suffice to say that there are two untruths in that statement about the draft and Gennifer

Flowers. That line was written by Mandy Grunwald, the daughter of a 25-year senior editor of Time. She could not keep her mouth shut. Pride of authorship caused her to claim that line 2 weeks later on the Style section front page in the Washington Post. I am going to put that in.

Then I am going to put in from March this column that I found in the New York Times, and then those of you who want the CONGRESSIONAL RECORD can go to the library in a few days. Please do not call me, call your own Congressman for the CONGRESSIONAL RECORD of March 18, 1994. And we will go through some of these things together, like in the Ted Koppel Nightline show—and I have been meaning to call Ted about this—Clinton calls himself a 23-year-old young man. Remember how that set me off in September 1992, on the floor the next day. Young man? When I was 23, I was married 2 years, had a second child born, a third was on the way, and I was flying F-100 Super Sabres at George Air Force Base, ready to go and defend Hungarians, South Koreans, Vietnamese, anybody else who called. I was not a boy, I was a man.

Later on, Clinton slips and calls himself a boy again, and then after a quick pause, says, "a young man." Twenty-three? He never went to class at Rhodes, he is not a Rhodes Scholar. He was a Rhodes scholarship nominee. He never went to class the second year. All he did was conduct teach-ins at London University, arranged demonstrations that he coordinated here with Strobe Talbott. Strobe Talbott's brother-in-law, Derek Shearer, married Strobe's sister, who was a Rhodes Scholar over there. He has been nominated for Ambassador to Finland. That is jammed up in the House now because raping of the truth. I am not going to comment on that advise and consent role of the U.S. Senate.

I held these up yesterday, Mr. Speaker. It demands, begs being said again: LEE HAMILTON, one of the most distinguished Members, calls for hearings on Whitewater, and ROSTENKOWSKI calls for Whitewater hearings.

I am going to put in some of the distinguished Speaker's own remarks, even though he did not believe in the October Surprise and that George Bush was zipping across the Atlantic on an SR-71.

Do you know what one of my young staffers told me today that I missed last night? Jimmy Carter was the President during the 1980 election. How in the name of God did we waste $30 million on Gary Sick's stupid book charging that George Bush had access? He was not even a public figure then. He was retired from everything: U.N., China envoy, head of the party, U.S. Congressman. It was all behind him. He was a private citizen running for the Presidency in 1980. How would he get access to a top-secret Strategic Air Command reconnaissance aircraft from Diehl Air Force Base to spirit him off to Spain and back again? That should have been dismissed out of hand. But with a heavy heart, Mr. FOLEY wanted investigations, even though he did not believe in it.

We dipped into the treasury again for $30 million, just like the wasted money on the JFK assassination when all we had to do was—that was multimillions of dollars—all we had to do was, 25 years after the fact, wait for all of the files to finally be declassified and we all found case closed. Lee Harvey Oswald, not a right-wing Texas nut, a left-wing, pro-Castro, pro-Moscow communist boot-licking little Marxist, blew the head off with a lucky shot, his third shot, of John F. Kennedy. Look at the millions of taxpayer money we wasted on that.

I am asking my fellow Americans and you, Mr. Speaker, and my colleagues, read the 11-page story in Time magazine. Try to do an exegesis of the truth out of this.

Time magazine has been falling all over the First Lady for the last year and 2 months, and finally they are beginning to see that their journalistic integrity is on the line. Get this cover story: "Hard Times for Ms. Hillary." Now you can start to read with some basis of the trust what the news magazines are seeing now because they feel a little bit shocked and shameful that he got a free ride on all the stuff that is going to be difficult to discuss.

Look, I am not going to go into the gory details of all the multiple womanizing charges and countercharges, though I believe almost every one of them. But it is tough this way. When a person called me once, sitting in for Rush Limbaugh, and said, "This sounds tabloid, you sound like a tabloid," I think my answer was pretty good, "Madam, when you discuss Bill Clinton's tabloid life, how can you not help but sound tabloid?"

The SPEAKER pro tempore (Mr. FILNER). The Chair must remind the gentleman the House rules prevent offensive remarks toward the President.

Mr. DORNAN. Aye, aye, aye, right. When you discuss Bill Clinton's intricate, complicated life, how can you not help sounding like a tabloid? Is that OK? I guess it is.

I am going to put in also yesterday's Wall Street Journal, St. Patrick's Day: "Tyson's Foods, with a Friend in the White House, Gets Gentle Treatment from Agricultural Agency." Handsome picture of John Tyson, handsome picture of Bill Clinton, handsome picture of our former colleague, Mike Espy. This thing is now so intricate. How do you handle this with parliamentary procedure? Here is Bill Clinton talking about the astroturf in the back of his pickup truck. He is hit on a radio show about this. He says, "Well, what it really was was that was where I carried my luggage." But he had said in Louisiana, in front of all these workers, that it was kind of a Southern thing, a real sort of Southern deal, "I had astroturf in the back," he said to them, gaping mouths from his aides standing at his side, "You don't want to know what I did." How do I handle this, what I am putting into the RECORD?

□ 1250

Following up the January fake 13-minute 60 Minutes, and then Ted Koppel's gift to the campaign crushing the draft-dodging charges, and then in March, the suppression of all the Whitewater; how does one handle what happened in June?

A young student on MTV, and this was after his worst month of May, he is doing a comeback. Even though he has won most of the primaries he is in a deep funk according to Mark Miller of Newsweek who was inside the campaign for 14 months, never had to write a word until after the race was over.

Deep funk in May, making a comeback. Don Imus, Rick Caplan of ABC advising him, all his friends, the other Thomasons from Hollywood advising him, makeup experts, hair stylists, $200 haircuts we never found out about.

June 16, 1992, he goes on MTV. He slips. He thinks he's only talking to young people. They said, "O.K.," the moderator, "welcome back to 'Facing the Future' with Bill Clinton. A lot of people haven't had a chance to ask a question. What's your question for the Governor?"

Young guy stands up, does not even give a prologue:

"If you had to do it all over again, would you inhale?"

Applause, applause.

Governor Clinton: "Sure, if I could. I tried before."

"I remember when George Bush, Jr., came to me and said, "We've got him, we've got him. We've got the video of this. It's in color. It's going to be a commercial all October." It shows him to be—I have got to watch the adjectives now—it shows him to be insincere and disingenuous on the pot smoking when he says he did not inhale:

"Sure, if I could; I tried before."

That spot never ran in October because all the Bushes were so hammered that they were gun shy on crime, their best issue, gun shy on draft dodging, gun shy on any S&L story, gun shy on Whitewater, and somebody got a free ride into the White House.

As I said in September 1992, it will all come out when he picks up, in my very words, with the radio activity of the title: "Leader of the Free World." I should have left out "free." Just leader of the world. There are no other leaders.

TOM FOLEY's quote, our distinguished great Speaker, is right here. First let me say that when I cover these categories of White House arrogance, of who was playing politics, of hypocrisy, and occasionally bring a column as this goes along like Mona Charen's today, I think the American people—well, let me quote Bill Clinton.

"It is important to remember that the most irresponsible people of all in the eighties were those at the top, not those who were doing the worst, not the hard-working class, but those who sold out savings and loans with bad deals."

That was the day he declared, on my half birthday, October 3, 1991. That is, let us see, May, June, July, August, September, less than 5 months after the charges of Paula Jones.

Let me tell my colleagues something else. Bill Clinton would not be the President of the United States if Rick Caplan had not given the Colonel Holmes letter to Clinton. He gave it to him. It was given to ABC as an exclusive for the electronic media, an exclusive to the Wall Street Journal. Wall Street Journal, Jeff Birnbaum, got his nose in the air. He had gotten into a little jealous tiff that they gave it to a network, so he started to play down the story. Rick Caplan gave Clinton the Colonel Holmes letter for 3 days to digest it, for Mandy Grunwald to write these three lines, for James Carville and Steffie to game plan it, work it, massage it, and then he went to Ted Koppel, 18 percent New Hampshire, in free fall, and he gets his own personal Nightline, and then they go into overtime like he's Winston Churchill, Margaret Thatcher or Helmut Kohl. It was unbelievable.

October 3, that was his second kickoff. The first day, October 2, he had a press conference to condition the press. All they talked about were the multiple adulteries. He said this is going to come out on everybody. It never came out on Harkin, on Kerrey, on Tsongas, on Jerry Brown. What did he mean it was going to come out on everybody? Like it was all made up?

Wait until I read next week the lines of Hillary Clinton on that special 13-minute "60 Minutes" show to Steve Croft's face, one distortion of the truth after another.

Here is another Clinton line. This was that same kickoff day. Remember he had a private meeting at the Press Club with the press, talked about all the adulteries hoping that he could get himself inoculated and that they would not bring it up the next day. Worked like a charm. On October 3 he got to talk S&Ls.

Here is another Clinton quote for the day:

"When the ripoff artists looted our S&Ls, President Bush was silent. In the Clinton administration, when people sell their companies, and their workers and their country down the river, they will get called on the carpet,"

The Clinton administration is on the Fiske carpet, and they are on the BOB DORNAN carpet.

Mr. Speaker, I shall return next week.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 12 o'clock and 55 minutes p.m.) the House stood in recess subject to the call of the Chair.

□ 2238

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BROOKS] at 10 o'clock and 38 minutes p.m.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. FILNER) to revise and extend his remarks and include extraneous matter:)

Mr. OWENS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at his own request) and to include extraneous matter:)

Mr. DORNAN in five instances.

(The following Members (at the request of Mr. FILNER) and to include extraneous matter:)

Mr. LANTOS in two instances.

Mr. MFUME.

(The following Members (at the request of Mr. DORNAN) and to include extraneous material:)

Mr. MEEHAN.

Mr. WAXMAN.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1458. An act to amend the Federal Aviation Act of 1958 to establish time limitations on certain civil actions against aircraft manufacturers, and for other purposes; to the Committee on the Judiciary and the Committee on Public Works and Transportation.

ADJOURNMENT

The SPEAKER pro tempore. Without objection, the House stands adjourned until 12 noon Monday next.

There was no objection.

Accordingly (at 10 o'clock and 39 minutes p.m.), under its previous order, the House adjourned until Monday, March 21, 1994, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2792. A communication from the President of the United States, transmitting his request for emergency fiscal year 1994 supplemental appropriations totaling $103 million in budget authority for the Departments of Commerce, Housing and Urban Development, the Interior, Labor, Transportation, and Veterans Affairs, and the Corporation for National and Community Service, pursuant to 31 U.S.C. 1107 (H. Doc. No. 103-224); to the Committee on Appropriations and ordered to be printed.

2793. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation entitled "Community Services Block Grant Amendments of 1994"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of California: Committee on Natural Resources. H.R. 3516. A bill to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia; with an amendment (Rept. 103-437). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN (for himself, Mr. SYNAR, and Mr. TORRES):

H.R. 4091. A bill to amend the Federal Food, Drug, and Cosmetic Act to revise the authority under that act to regulate pesticide chemical residues in food; to the Committee on Energy and Commerce.

By Mr. BROOKS (for himself, Mr. EDWARDS of California, Mr. HUGHES, and Mr. SCHUMER):

H.R. 4092. A bill to control and prevent crime; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, Banking, Finance and Urban Affairs, and Government Operations.

By Mr. CONYERS:

H.R. 4093. A bill to secure the voting rights of former felons who have been released from incarceration; to the Committee on the Judiciary.

By Mr. GEKAS (for himself, Mr. SCHUMER, Mr. FISH, Mr. HYDE, Mr. SCHIFF, Mr. RAMSTAD, Mr. RAHALL, Mr. MCDADE, Mr. HASTINGS, Mr. JOHNSON of Georgia, Mr. SHAW, Mr. SAXTON, Mr. KREIDLER, Mr. QUINN, Mr. POSHARD, Mr. POMEROY, Mr. BATEMAN, Mrs. BYRNE, Mr. WOLF, Mr. COOPER, Mr. HILLIARD, Mr. GENE GREEN of Texas, Mr. GOODLING, Mr. WALSH, Mr. ROYCE, Mr. STEARNS, Mr. BARRETT of Wisconsin, Mr. FINGERHUT, Mr. PETE GEREN of Texas, Mr. REYNOLDS, Mrs. THURMAN, Mr. CRAPO, Mr. DOOLITTLE, Ms. SLAUGHTER, Mr. LIPINSKI, Mr. FILNER, and Mr. FROST):

H.J. Res. 342. Joint resolution designating April 24 through April 30, 1994, as "National Crime Victims' Rights Week"; to the Committee on Post Office and Civil Service.

By Mr. DORNAN:

H. Con. Res. 227. Concurrent resolution expressing the sense of the Congress with respect to protecting the privacy rights of Federal employees; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 417: Mr. FISH, Mr. BROWN of Ohio, and Mr. DEAL.

H.R. 672: Mr. PAYNE of New Jersey.

H.R. 955: Mr. PICKLE.

H.R. 1671: Mr. SHUSTER, Ms. LAMBERT, Ms. LONG, Mr. HUTTO, Mr. MCCRERY, and Ms. SLAUGHTER.

H.R. 2544: Mr. GLICKMAN, Mr. MARTINEZ, Mr. MCNULTY, Mr. KLEIN, Mr. NADLER, and Mr. FISH.

H.R. 2569: Mr. TORKILDSEN.

H.R. 2927: Mrs. THURMAN.

H.R. 3546: Mr. HEFNER, Ms. LONG, Mr. STEARNS, Mr. SARPALIUS, Mr. MYERS of Indiana, Mr. MACHTLEY, and Mr. SPRATT.

H.R. 3795: Mr. GINGRICH.

H.R. 3943: Mr. QUINN, Mrs. FOWLER, Mr. MCHUGH, and Mr. KLUG.

H.R. 4050: Mr. HOAGLAND and Mr. MCCURDY.

H.R. 4078: Mr. MANZULLO.

H.J. Res. 317: Mr. PICKETT, Mr. BUYER, and Ms. WOOLSEY.

H. Con. Res. 202: Mr. RAMSTAD and Mr. GILLMOR.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 11 by Mr. RAMSTAD on House Resolution 247: Tom DeLay and Larry Combest.

Petition 12 by Mr. TRAFICANT on H.R. 3261: James M. Inhofe.

Petition 13 by Mr. SMITH of New Jersey on House Resolution 281: Gene Taylor, J. Dennis Hastert, J. Alex McMillan, Sonny Callahan, Bill Archer, and Dave Camp.

EXTENSIONS OF REMARKS

HUNGARIAN AMBASSADOR PAL TAR ON THE ANNIVERSARY OF THE DEATH OF HUNGARIAN PATRIOT AND SYMBOL OF FREEDOM—LAJOS KOSSUTH

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. LANTOS. Mr. Speaker, yesterday here in the United States Capitol Building, a solemn ceremony was held at which wreaths were placed before the bust of Lajos Kossuth, the great Hungarian patriot and the symbol of freedom for the Hungarian people. The occasion was the 100th anniversary of the death of Kossuth on March 20, 1894, in Turin, Italy. Tragically, he died in enforced exile away from his Hungarian homeland.

Four years ago this very week—on March 15, 1990, the Hungarian National Day and the anniversary of Kossuth's unsuccessful revolution against Austrian imperial domination—the Congress of the United States accepted a bust of Kossuth to be placed in the United States Capitol Building as a symbol of the friendship between the American and the Hungarian people. The placement of that statue was also a symbol of our common love for freedom and democracy. Kossuth exemplified that love for freedom in his struggle against Austrian absolutism in 1848–49, and he reaffirmed it when he came to the United States at the invitation of our Government in 1852. During the 6 months that he was here, he visited most parts of our country and was received as a national hero. It is most appropriate that we remember this Hungarian patriot on the centennial of his death, Mr. Speaker.

It is also significant, Mr. Speaker, to note the progress in Hungary that has taken place over the 4 years since this bust was accepted by the Congress for a place of honor in our Capitol Building. Four years ago, Hungary was on the eve of the first truly democratic elections in over four decades. In the spring of 1990, those elections were held, and democratically elected representatives have governed Hungary for the past 4 years. Today, the people of Hungary are preparing to exercise their freedom of choice of government once again, and new elections will be held in May for parliament.

Hungary is now following the path of sovereignty and democracy envisaged by Lajos Kossuth nearly a century and a half ago. The last 4 years have not been easy ones for the Hungarian people and for their elected government. The task of establishing democratic institutions has been a struggle, reforming the economy along free-market lines has created problems for the Hungarian people, and there are difficulties and further challenges that still lie ahead. But the Hungarian people have made the right choice, and it is important that we encourage them and support them in that choice.

Kossuth did not live to see the achievement of the goals he sought, but he was one of those who pointed the way. It is most appropriate, Mr. Speaker, that on the 100th anniversary of his death, we remember and honor the contribution of Kossuth to liberty and democracy. It is also appropriate that we mark the progress that has been achieved by the Hungarian people over the past 4 years and commend their efforts.

Mr. Speaker, at yesterday's ceremony in the Capitol, Hungary's Ambassador to the United States, His Excellency Pal Tar, delivered outstanding remarks on that occasion. I ask that his statement be placed in the RECORD, and I ask that all Members give it attention.

REMARKS OF AMBASSADOR PAL TAR OF HUNGARY

Congressman Lantos, Mrs. Lantos, distinguished Members of the Congress, ladies and gentlemen, Dear Friends,

The bust of Lajos Kossuth presented to the Congress on March 15, 1990 bears witness to the recognition by Americans that he truly was the father of Hungarian Democracy, a statesman and a freedom fighter, as it is written on the socle. In the name of the Hungarian people and the Hungarian government, I would like to thank Congressman Tom Lantos and his wife, Annette, who championed the idea of a Kossuth statue here in the Capitol. I would also like to thank the leadership of the Congress for giving a home to the Kossuth statue, and all those who contributed and participated in the unveiling ceremony four years ago. I would also like to extend our deepest appreciation to the Congress for making the celebration of the centennial of Kossuth's death possible.

March 15th is a National Day in Hungary, on which we celebrate the outbreak of the revolution of 1848, Kossuth's revolution. This is why the unveiling ceremony took place on March 15, 1990. It is important to remember that the ceremony happened during the last days of the old regime, just a few weeks before the first democratic and free elections were held in Hungary after 43 years. At the time nobody knew what the outcome of the upcoming elections would be. Everyone hoped that democracy and freedom would prevail.

Today, four years later, we can take stock of the situation. The elections eliminated tyranny and foreign domination and reestablished democracy, respect for human rights and the independence of the country. Hungary very simply recovered her freedom.

The elections created a parliament which has functioned democratically and efficiently during its four-year term, which will come to an end this May. It elected a president of the Republic and a government which has been in office ever since. This unique feature in our troubled region is a tribute to the democratic inclinations of the Hungarian nation. Hungary is a democracy because Hungarians want democracy.

Let us be very clear about Kossuth and his relevance to our present-day democracy. In her search for a better future, Hungary has been able to reach back to the ideals of Kossuth's democracy, to the ideals of his revolution. After all, it was Kossuth who said in his address to the Ohio legislature in Columbus on February 17, 1852: "The spirit of our age is Democracy. All for the people and all by the people. Nothing about the people without the people. That is democracy, and that is the ruling tendency of the spirit of our age."

In his speeches and writings, Kossuth, the statesman and the freedom fighter in exile, established the framework and the credentials of Hungarian democracy. He was not just a believer of democracy, he was and remains one of the greatest thinkers of democracy everywhere. His ideals continue to influence generations after generations of Hungarians. It is thus no wonder that at every opportunity for democracy, Hungarians refer to Kossuth and the Kossuth emblem as a symbol of their fight. It happened again in 1956, when the Kossuth emblem was spontaneously adopted to replace the Soviet one. And today, his democratic ideals are fully at work in our country.

Kossuth is also the symbol of American-Hungarian friendship. When he came to the United States on December 5th, 1851, he was already an exile but he received a hero's welcome. America recognized the significance of Kossuth's revolution and tried to help his government.

It was not by chance that Kossuth came to the United States of America, where he stayed for more than 6 months. He came because he shared the democratic values of America, which had actually inspired his entire generation of reformers in the years leading up to the revolution of 1848.

Kossuth was also convinced that without American presence and engagement, Europe could not rid herself of authoritarian, monarchist regimes. He hoped that America would take the lead for democracy and freedom on the European Continent.

Kossuth was right about democracy and he was also right about the necessity for American presence in Europe. Maybe it is because of this tradition that right from the beginning Hungary's late Prime Minister, József Antall, became a champion of American presence and leadership in Europe and our region. This has become a cornerstone of Hungarian foreign policy. There are many signs today that without the United States we will be unable to withstand the onslaught of undemocratic, extremist forces which still lurk in the background in certain parts of the continent. We hope and pray that the United States of America will remain steadfast in the defense of democracy and freedom, will recognize its true friends and stay the course.

We also know that the outcome in the struggle for democracy will ultimately depend on our own behavior and actions. This is why it is good that at this important juncture in our history Hungarians all over the country and indeed all over the world, remember Kossuth and his ideals. Democracy is a somewhat fragile plant in many countries of the world. Ten-fifteen years ago many western pundits told us that dictatorship

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

was stronger and more efficient than democracy. They predicted that democracy would be overwhelmed by the superior organization, military strength and political will of dictatorship. Thank God they were proven wrong.

But once again, we hear in our countries the voices of demagogues who blame the difficulties of our transition, the hardship resulting from the heritage of dictatorship and, yes, the shortcomings of this new experiment, on the West, on democracy. They would like us to believe that there is some specific way to democracy. They don't accept the universal values of democracy, rooted in fundamental human values, nature and dignity. In Hungary we can uphold Kossuth and his democratic ideas against such attempts. We are fortunate that the 100th anniversary of his death comes at a critical time in our history, at a time when the Hungarian people will decide for a second time, with free elections, what Hungary's future will hold. We are confident that the elections will take place under democratic conditions and that the results will strengthen democracy in our country.

God bless you. God bless America, and God bless Hungary.

CONGRATULATIONS TO J. PATRICK ABULENCIA, EAGLE SCOUT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. MANTON. Mr. Speaker, I rise today to congratulate J. Patrick Abulencia for achieving the most prestigious honor in Scouting, becoming an Eagle Scout. He is from Jackson Heights, NY, located in the Seventh Congressional District which I have the pleasure of representing. Patrick will be recognized for this accomplishment on March 20, 1994 at 3 p.m. in Jackson Heights.

Patrick has worked very hard to achieve the honor of becoming an Eagle Scout. These include being a reporter in his parish newspaper, the Tidings, playing baseball, taking part in Boy Scouts and Cub Scouts as well as being a peer counselor. He also was a tutor, a church lector at Our Lady of Fatima Church and he was a member of the Columbian Squires at the Knights of Columbus. In addition, he took part in a summer research internship at Polytechnic University called the YES Program.

Along with these diverse accomplishments, Patrick has accumulated a number of prestigious awards and honors. These include being on the principal's list at Our Lady of Fatima and St. Francis Preparatory School, class president at Our Lady of Fatima and receiving the Gonzalo Tesoriero Scholarship at Our Lady of Fatima. In addition, he was a member of the National Honor Society and the Spanish National Honor Society at St. Francis Preparatory School. He was also the recipient of the Manhattan College Presidential Scholarship. He is currently a full time freshman at Manhattan College majoring in Chemical Engineering and later hopes to become a doctor.

Mr. Speaker, Patrick well illustrates all the elements necessary for an individual to become an Eagle Scout. With his broad range of activities, he is a role model not only to his country and the Scouting community, but to his friends and family as well. I know my colleagues join me in congratulating J. Patrick Abulencia on this very special day.

TO CELEBRATE WOMEN'S HISTORY MONTH

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mrs. CLAYTON. Mr. Speaker, my colleagues, we come here today to celebrate Women's History Month, and to call to mind the many achievements women have made over the years. During this 75th anniversary of women's sufferage, we acknowledge that we indeed have come a long way.

Women—who have only been voting for 75 years—now make up the majority of voters.

The 1992 election saw an unprecedented number of women move into positions of great power, including the U.S. Senate, this esteemed body, Governorships, and State and local offices.

We are quite proud of all that we have accomplished in the political arena, but the women of America, deserve a special salute for continuing to meet the daily challenges that face us.

An America with women engaged in its leadership and governance, is a strong, and compassionate Nation. Let us make note this Women's History Month, of all the mothers, grandmothers, daughters, sisters, wives, and friends who lovingly hold together the moral fabric of our society.

We will continue to pour on the pressure, to work for those economic and political goals that we know are righteous, and to be brave against the odds that tell us we will fail.

CONGRATULATIONS TO JEFFREY CLOGSTON, EAGLE SCOUT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. MANTON. Mr. Speaker, I rise today to congratulate Jeffrey Clogston of Jackson Heights, NY for achieving the highest honor in Scouting, becoming an Eagle Scout. Jeffrey resides in the Seventh Congressional District of New York, which I represent.

To become an Eagle Scout, one must fulfill a number of challenging requirements. These include: earning 21 merit badges and displaying leadership in school, Scouting, and the community.

Jeffrey graduated from St. Francis Preparatory High School in June 1993. He was selected as a member of the National Honor Society and Spanish National Honor Society his junior and senior years. He served in the Optimate Society all 4 years.

After school, Jeffrey worked as a counselor at the Corpus Christi After-School Program. During the summers of 1989, 1990 and 1991, Jeffrey continued working as a counselor at the Corpus Christi Summer Program. Jeffrey worked for Auer's Moving and Rigging the summers of 1992 and 1993.

Mr. Speaker, Jeffrey is currently pursing a bachelor's degree in Chemical Engineering at Manhattan College. He is an individual who has the traits of not only a Scouting leader, but a community leader as well. Jeffrey will be recognized for this most prestigious honor in Scouting on March 20, 1994. I know my colleagues join me in congratulating Jeffrey Clogston on this very special day.

INTRODUCTION OF THE PESTICIDE FOOD SAFETY ACT OF 1994

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. WAXMAN. Mr. Speaker, I am pleased to introduce the Pesticide Food Safety Act of 1994. This legislation will comprehensively reform this Nation's outmoded pesticide law. Within 5 years, it will phase out any pesticide that is highly hazardous to human health.

The simple fact is that our Federal pesticide program doesn't give American consumers the assurances that they deserve that our food supply is safe.

More than 20 years ago, Congress directed the Environmental Protection Agency to evaluate the safety of the 300 pesticides used in foods. Today EPA has completed its evaluation for less than 10 percent of those pesticides, and very few of this 10 percent are pesticides of toxicological significance. Further, under current law, after EPA reaches a decision about the safety of a pesticide, it is required to weigh the economic benefits of the pesticide to farmers against the risk to the public before deciding whether to take the pesticide off the market.

The undeniable fact is that an outmoded statute and arcane regulatory procedures have frozen the Agency and denied the public the protection that it deserves. The Pesticide Food Safety Act of 1994 will force EPA to make decisions about the safety of pesticides. Under this new law, benefits will have no place in the decision as to whether a pesticide is safe. The new law will give the public assurances that it deserves with respect to the safety of the food supply.

Specifically, this legislation will protect children against harmful pesticides, by protecting women against estrogen-imitating pesticides, and generally by protecting all consumers from pesticides that may cause cancer.

With regard to protection of children, just last year the National Academy of Sciences issued its long awaited study on childhood exposure to pesticides in foods. The bottom line is that the NAS found that our children are at unnecessary risk from exposure to pesticides. It found that in many cases we just don't have the information that we need to determine the exposure of children to pesticides and the risk that pesticides cause to their health. Since there are sound reasons for believing that children are especially susceptible to pesticides, it is essential that our pesticide laws protect the health of children.

While we know a little about the effects of pesticides on children, we know virtually nothing about the effects of estrogenic pesticides on women. However, there is increasing evidence about estrogen-imitating compounds, including pesticides, that have been linked to very serious health and environmental impacts. New pesticide legislation must insure that we identify estrogen-imitating pesticides and ban them from the food supply.

We also know that there are approximately 70 pesticides used in food that EPA has identified as carcinogens. The agency has classified more than 15 of these as probable human carcinogens. Yet EPA has never decided whether these pesticides are safe and therefore they remain in the food supply in the absence of any action.

The Pesticide Food Safety Act of 1994 will finally put in place a program that insures the safety of pesticides in the food supply. First, the bill will get EPA the data that it needs to evaluate the safety of pesticides, including data on special risks to children and women. Second, the bill will force EPA to make decisions. Under the mandatory timetable that the bill imposes, any pesticide classified as a high human health hazard or a probable human carcinogen will be banned within 5 years. All pesticides will be reviewed and removed from the market unless they are shown to be safe within 7 years. Third, EPA will be prohibited from approving the pesticide unless it finds that it is safe for human health. In contrast to current law, benefits to farmers will not be relevant to determining whether use of the pesticide is safe.

Mr. Speaker, I am pleased that Mr. SYNAR and Mr. TORRES have joined me in cosponsoring this important legislation. This bill is intended to protect the American consumer, and particularly children who often eat disproportionately large amounts of certain pesticides because they consume relatively few foods and because they consume large quantities of pesticides relative to their body weight. But I believe that it will ultimately benefit the agriculture and the food processing industry because everyone will benefit if we can truthfully say that we have eliminated dangerous pesticides from the food supply.

Mr. Speaker, I would like to close by emphasizing that I look forward to working with the administration, the environmental community, the food processors, and the agricultural community on this important legislation. I am convinced that we can enact legislation that will better protect the public health without disadvantaging agriculture or the other businesses that supply our food.

FREEDOM OF ACCESS TO CLINIC ENTRANCES ACT

HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. MEEHAN. Mr. Speaker, I rise today in favor of the Freedom of Access to Clinic Entrances Act, not because I support freedom of choice—which I do—but because I support a right that is far more sweeping—the right of every American to live his or her life without fear of physical harm. This is the most basic of our constitutional rights and—regardless of our views on abortion—one that we have been entrusted to uphold.

Abortion is an emotional issue. It has continued to divide our Congress and the people whom we have been elected to represent. But this bill is not about abortion—it is about threats, it is about intimidation and it is about physical violence.

Our society is one of laws. As a county prosecutor, I helped enforce these laws regardless of my opinion of their merits. As a Congressman, I can do no less.

More than one-half of our country's family-planning clinics—most of which provide other health services as well—have experienced violence this year alone.

This is not a freedom of speech issue. There is a difference between expressing one's opinion and harassing someone. There is a difference between peaceful picketing and blocking access to a public place. There is a difference between demonstrating a point of view and destroying people and property.

These are differences that a civilized society cannot—and must not—tolerate.

There are people who are crossing the line. Let us stop them.

A TRIBUTE TO LADMIR KWAITKOWSKI

HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. PASTOR. Mr. Speaker, I would like to take this opportunity to say goodbye to a personal friend of mine and a hero to thousands of Arizonans, known to us simply as Ladmo. Ladmir Kwaitkowski, co-star of the Wallace and Ladmo show died last week and I know that I am speaking on behalf of all Arizonans in saying that he will be greatly missed.

Ladmo studied journalism at the Arizona State University where he played baseball. After four seasons at ASU, he was offered a contract by the Cleveland Indians. Instead, he chose to finish school and go to work for KPHO–TV where he eventually became the co-star of what came to be the longest running local television show in the Nation's history.

For 35 years, Ladmo played the mischievous, cheerful character who always got caught doing things the kids wished they could do. His childlike enthusiasm instantly won over the hearts of Arizona's youth. They trusted him and saw him as a role model. As did their children and their children's children. Famous for his top hat pushed down over his ears, T-shirt with a painted on tie and goody-filled Ladmo bags, he reach the children like no other person could.

Over 1,000 people attended Ladmo's funeral, many of whom had never personally met him. The outpouring of people who went to pay their last respects is testimony of the tremendous impact he had on the people of Arizona. Ladmir Kwaitowski, husband, father of five and grandfather of seven, will be missed not only by his family but by the three generations of Arizonans to whom he dedicated his life to making happy.

CONGRATULATIONS TO RICARDO G. MISTADES, JR., EAGLE SCOUT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. MANTON. Mr. Speaker, I rise today to congratulate Ricardo G. Mistades, Jr., of Jackson Heights, NY, for achieving the highest honor in scouting, becoming an Eagle Scout. Ricardo resides in the Seventh Congressional District of New York, which I represent.

To become an Eagle Scout, one must fulfill a number of challenging requirements. These include: Earning 21 merit badges and displaying leadership qualities in school, scouting, and the community. Mr. Speaker, Ricardo has demonstrated his outstanding leadership skills in all three of these areas.

Ricardo graduated from Archibishop Molloy High School in Briarwood, NY, in June 1993. While at Archbishop Molloy High School, Ricardo participated in a variety of clubs and was also selected as a member of the Spanish Honor Society and the National Honor Society. He achieved first honors all 4 years of high school. During his summers, Ricardo worked as a part-time receptionist at Our Lady of Fatima Rectory. He also sang in the Our Lady of Fatima Choir and served in the Big Brother program.

Currently, Ricardo is in his freshman year at New York University [NYU] pursuing a bachelor of science degree in nursing. After his first semester at NYU, Ricardo was chosen for NUY's dean's list.

Mr. Speaker, Ricardo has demonstrated all the qualities necessary not only to achieve the rank of Eagle Scout, but to be recognized as a true community leader. He will be inducted as an Eagle Scout this Sunday, March 20, 1994. I know my colleagues will join me congratulating Ricardo for receiving this prestigious honor.

A WASTE OF U.S. TAXPAYERS' MONEY TO BETRAY HMONG REFUGEES

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. HUNTER. Mr. Speaker, the plight of Hmong refugees and asylum seekers in Thailand and the mandatory, forced, repatriation of them by some Thai Ministry of the Interior [MOI] and United Nations officials back to the repressive Communist government in Laos remains of deep concern to many Members of Congress, especially those of us who served in the Vietnam war. Tragically, this terrible betrayal is, in part, being financed by U.S. taxpayers.

Current policy toward the Hmong in Thailand and Laos is a disgrace and a waste of the United States taxpayers' money. It is a major mistake to send the Hmong people back to a country where their short- and long-term security cannot be ensured.

Hmong returnees continue to die and disappear in Communist Laos, including the famous Hmong leader, Mr. Vue May, who was the symbol of the Thai/UN repatriation effort's supposed success.

The following Oct. 29, 1993, report (Volume XIV, Number 10) of *Refugee Reports*—a publication of the Washington, D.C.-based organization, U.S. Committee for Refugees—details the case of Mr. Vue May, which is symbolic of a much larger and more serious problem.

The repatriation of Hmong refugees from Thailand to Laos could be affected by the disappearance in Laos of a prominent Hmong leader. The leader, Vue May, formerly supported the Hmong resistance group that seeks to overthrow the Laotian government. In 1991, he severed his links to the resistance, and decided to repatriate to Laos. He reportedly did so to demonstrate to other Hmong refugees that safe repatriation was possible. (See Refugee Reports interview with Vue May, Volume XIII, No. 8.) Vue May's 1992 repatriation was highly touted by the Thai and Laotian governments. He was featured in a video about repatriation that is shown to Hmong refugees in Thailand to encourage them to repatriate.

Vue May disappeared from Vientiane, the Laotian capital, on September 11. News of his disappearance did not begin circulating widely in the United States until mid-October. Informed sources report that the Laotian security forces, which had been tracking Vue May's movements for several months, arrested him. Reportedly, the Laotian authorities have told one of Vue May's relatives that he will be released soon, but offered no reason for his arrest nor any indications of his whereabouts.

CONGRATULATIONS TO ROBERT PARMACH, EAGLE SCOUT

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. MANTON. Mr. Speaker, I rise today to congratulate 18-year-old Robert Parmach for acquiring the highest honor of scouting, becoming an Eagle Scout. He will be recognized for this important achievement on March 20, 1994 at 3 p.m. in Jackson Heights, NY, in the Seventh Congressional District which I represent.

Robert has been involved in a number of activities which have enabled him to acquire this honor. These include being captain of the cross-country track team, a member of the indoor track team, the outdoor track team, student government, and a worker at the bookstore. He also was a member of the JROTC program in which he held the prominent position of lt. colonel and he received the distinguished cadet award. He wrote for the Science Journal and the Science Olympiad. Robert also was a member of the National Honor Society and a math tutor.

Mr. Speaker, Robert has been active in many areas outside of scouting and school. He was a church lector at Our Lady of Fatima Church as well as an active volunteer at the Mary Manning Walsh Home for the Aged in New York City. Finally, Robert has worked toward his goal of one day becoming a doctor by actively volunteering and serving as a patient representative at the New York University Medical Center in Manhattan.

Mr. Speaker, Robert is a role model for all young people and epitomizes leadership and loyalty not only in his scouting activities, but at his church, school, and with his family as well. I know my colleagues join me in congratulating Robert on this very special day.

UNSUNG HEROES OF THE HOLOCAUST

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 18, 1994

Mr. LANTOS. Mr. Speaker, I would like to submit for the RECORD this excellent article from the U.S. News & World Report, March 21, 1994 issue which tells the story of some of the many unsung heroes of the Holocaust.

[From the U.S. News & World Report, Mar. 21, 1994]

THE OTHER SCHINDLERS—STEVEN SPIELBERG'S EPIC FILM FOCUSES ON ONLY ONE OF MANY UNSUNG HEROES

(By Richard Z. Chesnoff)

Schindler's List has been searing the souls of moviegoers, and next week Steven Spielberg's epic film about the German who rescued 1,200 Jews from Nazi death camps could garner as many as 12 Academy Awards.

But there were other Schindlers, other courageous non-Jews whose sense of outrage and decency moved them to risk their own lives to try to save European Jews from the furnace of hatred that was the Holocaust. They are the subject of Tzedek (Righteousness), a four-hour French documentary to be premiered at this May's Cannes Film Festival.

Written, directed and movingly narrated by prize-winning French author Marek Halter, himself a childhood survivor of the Warsaw Ghetto, Tzedek focuses on 36 courageous lifesavers—a number Halter chose because of the Talmudic belief that the world's fate rests on the shoulders of 36 righteous souls.

No one knows just how many rescuers there were. Using the testimony of grateful survivors, historians at Jerusalem's Yad Vashem Holocaust Memorial have carefully preserved and honored the stories of some 11,000 "Righteous Gentiles." Many are celebrated by Washington's Holocaust Memorial Museum and at the Simon Wiesenthal Center in Los Angeles. There may well have been more.

The 36 chosen for Halter's film are Christians and Muslims, French farmers, Dutch housewives, Spanish diplomats, Polish nuns, even German soldiers. "The ultimate question Tzedek raises," says Halter, author of the 1986 novel The Book of Abraham, "is not why these righteous showed such humanity but why others didn't, why so many remained silent, why so many did worse. Anne Frank, after all, was betrayed by a Dutchman, not a German."

Elementary compassion, says Halter, was the most powerful unifying strength that enabled these quiet heroes to battle evil: "Jewish tradition has no saints, only humans. Our sages teach that those whose merits surpass their vices, they are the righteous; that when you save one life, you have saved a universe."

Some of the heroes of Tzedek:

POLAND: BERTHOLD BEITZ, OIL EXECUTIVE

Beitz saved Jews by employing them in the Nazis' crucial petroleum business.

Like Oskar Schindler, Berthold Beitz had a life-giving list. The son of a wealthy Nazi-sympathizing family, Beitz was a 27-year-old junior executive at Royal Dutch Shell's Hamburg office when the war broke out. One evening in 1941, his grandfather, a Nazi notable, took him to dinner at the lavish home of German munitions magnate Alfried Krupp. Among the guests was Reinhard Heydrich, one of Hitler's senior henchmen. Germany had just attacked the Soviet Union, and the Wehrmacht, Heydrich noted, was taking over oil refineries in western Poland. Enthusiastically, the young Beitz offered his services and was named a director of the Karpaten Ol company in Boryslaw, Poland.

Beitz soon found that while there was relatively little oil in the mountain region, there were a lot of Jews—almost 50 percent of the population. Most were in ghetto work camps, a fact that Beitz admits didn't bother him at first. When death trains began running to Auschwitz and Treblinka, though, his conscience was stirred. It was "those children sitting in the station, with those enormous eyes, looking at you," he recalls.

Beitz began to save Jews by hiring them. "I should have employed qualified personnel. Instead, I chose tailors, hairdressers and Talmudic scholars and gave them all cards as [vital] 'petroleum technicians.'"

Beitz and his young wife also hid a Jewish child in their own home. And like Schindler, Beitz often went to the train station to pull his Jewish workers off the death trains. "Once I found one of my secretaries and her aged mother," Beitz recalls. He got them out, but the SS would not be fooled. They judged the mother too old, and forced her back on the cattle car. "The daughter turned to me. 'Herr Direktor, may I [also] return to the car?'" Beitz never saw her again.

When the Nazis finally fell, more than 800 of Beitz's Jews were still alive. Now, at 81, the courtly Beitz says: "I am proud of what I did out of a sense of humanity. . . . I passed through that period, as you cross through a dark forest: with self-assurance and with incredible luck."

POLAND: IRENA SENDLER, SOCIAL WORKER

She gave nearly 2,500 children new identities, and buried their real names for safekeeping.

When Hitler built the Warsaw Ghetto in 1940 and herded 500,000 Polish Jews behind its walls to await liquidation, most Polish gentiles turned their backs—or applauded. Not Irena Sendler. A Warsaw social worker, Sendler wangled a permit to enter the teeming ghetto and check for signs of typhus, something the Nazis feared would spread beyond the ghetto.

Shocked by what she saw, Sendler joined Zegota, a tiny underground cell dedicated to helping Jews, and took on the code name "Jolanta." The deportations had already begun, and although it was impossible to save adults, Sendler began smuggling children out in an ambulance. "'Can you guarantee they will live?'" Sendler recalls the distraught parents asking. But she could only guarantee they would die if they stayed. "In my dreams," she says, "I still hear the cries when they left their parents."

Sendler successfully smuggled almost 2,500 Jewish children to safety and gave them temporary new identities. To remember who was who, she wrote the real names on sheets of paper, burying them in bottles in her garden. Finding Christians to hide them was not easy: "There weren't many Poles who wanted to help Jews, [even] children." But Sendler organized a network of families and convents ready to give sanctuary. "I would write, 'I have clothing for the convent'; a nun would come and pick up children."

Arrested in 1943 by the Gestapo, Sendler was tortured and sentenced to die. Underground colleagues bribed a guard to free her at the last minute and list her as "executed." She continued her work from hiding. When the war ended, Sendler retrieved the bottle in which she'd hidden her index of names and began searching for the real parents. Few had survived.

The children had known her only by her code name. But years later, after she was honored for her wartime work, her picture appeared in a newspaper. "A man, a painter, telephoned me," says Sendler, now 82 but still brighteyed. "'I remember your face,' he said. 'It was you who took me out of the ghetto.' I had many calls like that!"

FRANCE: MARY JAYNE GOLD, AMERICAN SOCIALITE

A party girl ended up saving some of Europe's greatest artists and intellects.

Chicago heiress Mary Jayne Gold descended on Paris in 1930 with a hefty trust fund, a pilot's license and a private plane for holidaying in the Alps and on the Riviera. Europe was a playground. But when German troops occupied the French capital in 1940, the glamorous Gold—and tens of thousands of others—headed south for unoccupied Marseilles. There she met Varian Fry.

Fry too was an American (a "Harvard man and a bona fide WASP just like me," recalls Gold, now 84). He was also a reporter and had witnessed Nazi brutality early on. When Vichy France signed an armistice obligating it to turn over any non-French citizen the Nazis requested, Fry knew what that meant: Thousands of German, Austrian and other European exiles—many of them Jews—would be shipped back to their deaths.

As war raged around them, the dapper Fry organized Marseille's "Emergency Rescue Committee," enlisting friends like Gold to help him. Operating out of rooms at the Hôtel Splendide, then eventually from a villa called Air Bel, they procured phony passports and real visas, sheltered refugees and organized escape routes to Spain and Portugal. "Women weren't taken too seriously in those day," says Gold, who helped bankroll the operation. But when someone had to charm the commander of a French prison camp into freeing four German members of the anti-Hitler underground, Gold was sent to do the job.

Hounded by the French police and harassed by the American State Department, which feared the committee's activities would damage relations with the Vichy government, Gold finally left in 1941. Fry was deported soon after and returned to America, where he died in 1967 at 59. Through their work in Paris, these Americans helped some 2,000 people escape the Nazis. Among them: painters Marc Chagall and Max Ernst, sculptor Jacques Lipchitz, authors Franz Werfel, Hannah Arendt and Hans Habe, and Nobel prize-winning biochemist Otto Meyerhof.

HUNGARY: GIORGIO PERLASCA, SALES REP

An Italian fascist used Spanish consular credentials to help the Jews of Budapest.

Italian Giorgio Perlasca was a good fascist. So good that he volunteered in 1937 to go fight on Francisco Franco's side in the Spanish Civil War.

His Madrid connection helped him become an intermediary for Spanish and Italian companies and, eventually, Budapest representative of a corporation supplying canned meat to the Italian Navy. When Mussolini fell, Perlasca remained in Hungary, acquiring a Spanish passport in 1944—by then a safer bet than his Italian one.

It was the last full year of the war. Germany was in retreat on all fronts save one—the liquidation of the Jews. A relentless Nazi official named Adolph Eichmann demanded Hungary start shipping its more than 800,000 Jews to Auschwitz. Spain, sensing the coming allied victory, withdrew its diplomatic representatives from Budapest—but not, however, before the head of mission gave businessmen Perlasca a card identifying him as a Spanish consular official.

Jews were frantically begging to be placed under the protection Franco had offered Sephardic Jews who could trace their roots back to 15th-century Spain. Moved by their plight, Perlasca found a set of consular stamps and without asking anyone in Madrid began issuing his own "Spanish refugee cards" to Jews—Sephardic or not. He also took steps to personally protect the more than 3,000 already sheltered in Spanish-owned "safe houses" around the city. "The Nazis would come to take them away, and I would say, "You must leave this place. I am here. Here is the Spanish flag.'"

It was a desperate tug of war, with Eichmann on one end and Perlasca and the diplomatic representatives of four other neutral states—Portugal, Sweden, Switzerland and the Vatican—on the other. "The Swede and I would go to the train station and bluff until we got Jews away by claiming they were our nationals." The Swede was Raoul Wallenberg.

Some 600,000 Hungarian Jews eventually died in the Holocaust, but tens of thousands may have been saved by the efforts of Perlasca and the other Budapest diplomats. Shortly before his death in 1993 at 82, Perlasca told Marek Halter: "These people were in danger and I asked why must someone die because they are of another faith? I had a chance to do something. I couldn't refuse."

FRANCE: RENE RAOUL, SHOEMAKER

An entire village took up the cause of European Jews fleeing the deadly Nazi roundups.

When a trickle of refugee families began arriving in the isolated southern French village of Le Malzieu in 1942, 20-year-old shoemaker René Raoul and his family asked few questions. "They were people seeking shelter; we provided it."

Little by little the strangers revealed their stories. They were Jews, many of them foreign born and all desperately trying to escape the ruthless Nazi rafles (roundups) that had already resulted in tens of thousands being shipped by cattle car from Paris and Lyon to Auschwitz and Buchenwald. "The Radaczes, the Rothbards, the Brombergs, I remember them all," says Raoul, now 73.

The trickle soon became a stream. By 1943, more than 100 Jews had found sanctuary in Le Malzieu, a tiny farming town of barely 900 souls. It was a dangerous business that few French were ready to risk. But for the villagers of Le Malzieu, it became a noble conspiracy of silence and salvation. When German troops or French gendarmes neared the village, Raoul himself would make the rounds by bicycle warning Le Malzieu's "guests" to go to appointed hiding places in basements, attics and barns. Other villagers occasionally dressed Jewish children in the uniforms of the fascist Vichy youth organization, then mingled them with their own. The local priest hid families in the church belfry.

"I could not bear the idea that people who had done nothing were hunted," explains Raoul, who stays in touch with some of the families he once helped save. "My children knew Jews hid among us during the war. But I never spoke to them of my role. Why should I? What I did was natural. I would do it again for anyone."

BOSNIA: MUSTAFA AND ZAYNEBA HARDAGA

Muslims and Jews were entangled in a skein of persecution and altruism.

The Jewish Cavilios and the Muslim Hardagas had been friends in pre-World War II Sarajevo. When German bombs destroyed the Cavilios' home in 1941, the Hardagas urged them to move in with them. "You are our brothers and sisters," Mustafa and Zayneba Hardaga told them. "Everything we have is yours; this is your home."

Even after the occupying Nazis invoked brutal antisemitic laws and a mob sacked Sarajevo's Great Synagogue, the Hardagas refused to turn away their Jewish friends. A photo taken at the time shows Zayneba wearing a Muslim veil, walking on a Sarajevo street together with Rivka Cavilio and her young daughter, Tova. Rivka is using her pocketbook to shield the yellow Jude star the Nazis forced all Jews to wear.

As conditions for Jews—and the people who sheltered them—worsened, Yosef Cavilio managed to smuggle his family to the safer Italian-occupied zone of Yugoslavia. Yosef himself, fearing for his Muslim hosts, left the Hardaga home and hid at a local hospital. He was soon arrested and scheduled for shipment to a death camp. Even then, the Hardagas refused to turn their backs. Walking in chains to prison, Cavilio saw a veiled woman staring and crying. From that day on, Zayneba Hardaga found ways to smuggle food to Yosef and several other Jewish prisoners. Not long after, her own father, Ahmed Sadik, was executed by Nazi collaborators for sheltering yet another Jewish family.

When the war ended, the Cavilios, like many other Holocaust survivors, emigrated to the new State of Israel. But they never lost touch with the Hardagas. In 1985, testimony from Yosef Cavilio resulted in Zayneba and Mustafa Hardaga's being honored in Jerusalem as "Righteous Gentiles."

Then, this year, as Sarajevo struggled under another holocaust of sorts, the story came full circle. "When I saw on television what was happening in Bosnia," says Tova Cavilio Greenberg, now a 56-year-old Israeli teacher, "I knew what I had to do." After a few frantic phone calls, the Hardagas' daughter Aida, her Serbian husband and their 10-year-old daughter were brought to safety and new homes in Israel. And last month, Zayneba Hardaga, now a widow, was evacuated to Tel Aviv. "I have come from hell to the Garden of Eden," the 76-year-old woman told the crowd greeting her. Had she not been afraid to do what she had done during World War II? "Compassion," Zayneba Hardaga said, "knows no fear."

SENATE—*Monday, March 21, 1994*

(Legislative day of Tuesday, February 22, 1994)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable PATTY MURRAY, a Senator from the State of Washington.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

For my people have committed two evils; they have forsaken me the fountain of living waters, and hewed them out cisterns, broken cisterns, that can hold no water.—Jeremiah 2:13.

God our Father, this sad, provocative word from the prophet Jeremiah reminds us of the tragic consequences when people abandon faith in God. Having forsaken the foundation of living waters, life becomes futile as we dig for cisterns which can hold no water. Somehow help us comprehend the infinite tragedy that Godlessness brings.

We are reminded of the words of Thomas Jefferson: "God who gave us life gave us liberty." And the profound question that followed, "Can the liberties of a nation be secure when we have removed from the hearts of the people the belief that those liberties are the gift of God?"

God of truth, justice, and love, awaken us to the fact that when we abandon the absolute, everything becomes relative. Liberty is anarchy, and life is emptied of meaning. Help us, gracious God, to find our way back to the God of our fathers.

In the name of the Lord of Heaven and Earth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 21, 1994.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PATTY MURRAY, a Senator from the State of Washington, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mrs. MURRAY thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

NATIONAL PARK SERVICE CONCESSIONS POLICY REFORM ACT OF 1994

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 208, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 208) to reform the concession policies of the National Park Service, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Park Service Concessions Policy Reform Act of 1994".

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—In furtherance of the Act of August 25, 1916 (39 Stat. 535), as amended (16 U.S.C. 1, 2-4), which directs the Secretary of the Interior to administer areas of the National Park System in accordance with the fundamental purpose of preserving their scenery, wildlife, natural and historic objects, and providing for their enjoyment in a manner that will leave them unimpaired for the enjoyment of future generations, the Congress finds that the preservation and conservation of park resources and values requires that such public accommodations, facilities, and services as the Secretary determines are necessary and appropriate in accordance with this Act—

(1) should be provided only under carefully controlled safeguards against unregulated and indiscriminate use so that visitation will not unduly impair these values; and

(2) should be limited to locations and designs consistent to the highest practicable degree with the preservation and conservation of park resources and values.

(b) POLICY.—It is the policy of the Congress that—

(1) development within a park shall be limited to those facilities and services that the Secretary determines are necessary and appropriate for public use and enjoyment of the park in which such facilities and services are located;

(2) development within a park should be consistent to the highest practicable degree with the preservation and conservation of the park's resources and values;

(3) such facilities and services should be provided by private persons, corporations, or other entities, except when no private interest is qualified and willing to provide such facilities and services;

(4) if the Secretary determines that development should be provided within a park, such development shall be designed, located, and operated in a manner that is consistent with the purposes for which such park was established;

(5) such facilities and services should be awarded to the person, corporation, or entity submitting the best proposal through a competitive selection process; and

(6) such facilities or services should be provided to the public at reasonable rates.

SEC. 3. DEFINITIONS.

As used in this Act, the term—

(1) "concessioner" means a person, corporation, or other entity to whom a concessions contract has been awarded;

(2) "concessions contract" means a contract, including permits, to provide facilities or services, or both, at a park;

(3) "facilities" means improvements to real property within parks used to provide accommodations, facilities, or services to park visitors;

(4) "park" means a unit of the National Park System;

(5) "proposal" means the complete proposal for a concessions contract offered by a potential or existing concessioner in response to the minimum requirements for the contract established by the Secretary; and

(6) "Secretary" means the Secretary of the Interior.

SEC. 4. REPEAL OF CONCESSIONS POLICY ACT OF 1965.

The Act of October 9, 1965, Public Law 89-249 (79 Stat. 969, 16 U.S.C. 20-20g), entitled "An Act relating to the establishment of concession policies administered in the areas administered by the National Park Service and for other purposes", is hereby repealed. The repeal of such Act shall not affect the validity of any contract entered into under such Act, but the provisions of this Act shall apply to any such contract except to the extent such provisions are inconsistent with the express terms and conditions of the contract.

SEC. 5. CONCESSIONS POLICY.

Subject to the findings and policy stated in section 2 of this Act, and upon a determination by the Secretary that facilities or services are necessary and appropriate for the accommodation of visitors at a park, the Secretary shall, consistent with the provisions of this Act, laws relating generally to the administration and management of units of the National Park System, and the park's general management plan, concessions plan, or other applicable plans, authorize private persons, corporations, or other entities to provide and operate such facilities or services as the Secretary deems necessary and appropriate.

SEC. 6. COMPETITIVE SELECTION PROCESS.

(a) IN GENERAL.—(1) Except as provided in subsection (b), and consistent with the provisions of subsection (g), any concessions contract entered into pursuant to this Act shall be awarded to the person submitting the best proposal as determined by the Secretary, through a competitive selection process.

(2) Within 180 days after the date of enactment of this Act, the Secretary shall pro-

mulgate appropriate regulations establishing such process. The regulations shall include provisions for establishing a method or procedure for the resolution of disputes between the Secretary and a concessioner in those instances where the Secretary has been unable to meet conditions or requirements or provide such services, if any, as set forth in a prospectus pursuant to sections 6(c)(2) (D) and (E).

(b) TEMPORARY CONTRACT.—Notwithstanding the provisions of subsection (a), the Secretary may award a temporary concessions contract in order to avoid interruption of services to the public at a park.

(c) PROSPECTUS.—(1) Prior to soliciting proposals for a concessions contract at a park, the Secretary shall publish a notice of availability for a prospectus soliciting proposals at least once in local or national newspapers or trade publications, as appropriate, and shall make such prospectus available upon request to all interested parties.

(2) The prospectus shall include, but need not be limited to, the following information:

(A) The minimum requirements for such contract, as set forth in subsection (d).

(B) The terms and conditions of the existing concessions contract awarded for such park, if any, including all fees and other forms of compensation provided to the United States by the concessioner.

(C) Other authorized facilities or services which may be provided in a proposal.

(D) Facilities and services to be provided by the Secretary to the concessioner, if any, including but not limited to, public access, utilities, and buildings.

(E) Minimum public services to be offered within a park by the Secretary, including but not limited to, interpretive programs, campsites, and visitor centers.

(F) Such other information related to the proposed concessions operation which is not privileged or otherwise exempt from disclosure under Federal law as the Secretary determines is necessary to allow for the submission of competitive proposals.

(d) MINIMUM PROPOSAL REQUIREMENTS.—(1) No proposal shall be considered which fails to meet the minimum requirements as determined by the Secretary. Such minimum requirements shall include, but need not be limited to, the minimum acceptable franchise fee, the duration of the contract, facilities, services, or capital investment required to be provided by the concessioner, and measures needed to ensure the protection and preservation of park resources.

(2) The Secretary may reject any proposal, notwithstanding the amount of franchise fee offered, if the Secretary determines that the person, corporation, or entity is not qualified, is likely to provide unsatisfactory service, or that the proposal is not responsive to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates.

(3) If all proposals submitted to the Secretary either fail to meet the minimum requirements or are rejected by the Secretary, the Secretary shall establish new minimum contract requirements and re-initiate the competitive selection process pursuant to this section.

(e) SELECTION OF BEST PROPOSAL.—(1) In selecting the best proposal, the Secretary shall consider the following principal factors:

(A) The responsiveness of the proposal to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities and services to the public at reasonable rates.

(B) The experience and related background of the person, corporation, or entity submitting the proposal, including but not limited to, the past performance and expertise of such person, corporation, or entity in providing the same or similar facilities or services.

(C) The financial capability of the person, corporation, or entity submitting the proposal.

(D) The proposed franchise fee: *Provided*, That consideration of revenue to the United States shall be subordinate to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates.

(2) The Secretary may also consider such secondary factors as the Secretary deems appropriate.

(f) CONGRESSIONAL NOTIFICATION.—(1) The Secretary shall submit any proposed concessions contract with anticipated annual gross receipts in excess of $5,000,000 (indexed to 1993 constant dollars) or a duration of ten or more years to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives.

(2) The Secretary shall not ratify any such proposed contract until at least 60 days subsequent to the notification of both Committees.

(g) NO PREFERENTIAL RIGHT OF RENEWAL.—(1) Except as provided in paragraph (2), the Secretary shall not grant a preferential right to a concessioner to renew a concessions contract executed pursuant to this Act.

(2)(A) Notwithstanding the provisions of paragraph (1), the Secretary shall grant a preferential right of renewal to a concessioner—

(i) for a concessions contract which—

(I) primarily authorizes a concessioner to provide outfitting, guide, river running, or other similar services within a park; and

(II) does not grant the concessioner any interest in any structure, fixture, or improvement pursuant to section 11 of this Act; or

(III) the Secretary estimates will have annual gross revenues of no more than $500,000; and

(ii) where the Secretary determines that the concessioner has operated satisfactorily during the term of the previous contract; and

(iii) where the Secretary determines that the concessioner submits a responsive proposal for the new contract which satisfies the minimum requirements established by the Secretary.

(B) For the purposes of paragraph (2), the term "preferential right of renewal" means that the Secretary shall allow a concessioner satisfying the requirements of subparagraph (A) the opportunity to match the terms and conditions of any competing proposal which the Secretary determines to be the best offer.

(h) NO PREFERENTIAL RIGHT TO ADDITIONAL SERVICES.—The Secretary shall not grant a preferential right to a concessioner to provide new or additional services at a park.

SEC. 7. FRANCHISE FEES.

(a) IN GENERAL.—Franchise fees, however, stated, shall not be less than the minimum fee established by the Secretary for each contract. The minimum fee shall be determined in a manner that will provide the concessioner with a reasonable opportunity to realize a profit on the operation as a whole, commensurate with the capital invested and the obligations assumed.

(b) MULTIPLE CONTRACTS WITHIN A PARK.—If multiple concessions contracts are awarded to authorize concessioners to provide the same or similar outfitting, guide, river running, or other similar services at the same approximate location or resource within a specific park, the Secretary shall establish an identical franchise fee for all such contracts. Such fee shall reflect fair market value, as determined by the Secretary.

SEC. 8. USE OF FRANCHISE FEES.

(a) SPECIAL ACCOUNT.—Except as provided in subsection (b), all receipts collected pursuant to this Act shall be covered into a special account established in the Treasury of the United States. Amounts covered into such account in a fiscal year shall be available for expenditure, subject to appropriation, solely as follows:

(1) 50 percent shall be allocated among the units of the National Park System in the same proportion as franchise fees collected from a specific unit bears to the total amount covered into the account for each fiscal year, to be used for resource management and protection, maintenance activities, interpretation, and research.

(2) 50 percent shall be allocated among the units of the National Park System on the basis of need, in a manner to be determined by the Secretary, to be used for resource management and protection, maintenance activities, interpretation, and research.

(b) PARK IMPROVEMENT FUND.—(1) In lieu of collecting all or a portion of the franchise fees that would otherwise be collected pursuant to the concessions contract, the Secretary shall, where the Secretary determines it to be practicable, require a concessioner to establish a Park Improvement Fund (hereinafter in this section referred to as the "fund"), in which the concessioner shall deposit the franchise fees that would otherwise be required by the contract.

(2) The fund shall be maintained by the concessioner in an interest bearing account in a Federally-insured financial institution. The concessioner shall maintain the fund separately from any other funds or accounts and shall not co-mingle the monies in the fund with any other monies. The Secretary may establish such other terms, conditions, or requirements as the Secretary determines to be necessary to ensure the financial integrity of such fund.

(3) Monies from the fund, including interest, shall be expended by the concessioner solely as directed by the Secretary for activities and projects within the park which are consistent with the park's general management plan, concessions plan, and other applicable plans, and which the Secretary determines will enhance public use, safety, and enjoyment of the park, including but not limited to projects which directly or indirectly support concession facilities or services required by the concessions contract. Projects paid for from the fund shall not include routine, operational maintenance of facilities. A concessioner shall not be allowed to make any advances or credits to the fund.

(4) A concessioner shall not be granted any interest in improvements made from fund expenditures, including any interest granted pursuant to section 11 of this Act.

(5) Nothing in this subsection shall affect the obligation of a concessioner to insure, maintain, and repair any structure, fixture, or improvement assigned to such concessioner and to insure that such structure, fixture, or improvement fully complies with applicable safety and health laws and regulations.

(6) The concessioner shall maintain proper records for all expenditures made from the

fund. Such records shall include, but not be limited to invoices, bank statements, canceled checks, and such other information as the Secretary determines to be necessary.

(7) The concessioner shall annually submit to the Secretary a statement reflecting total activity in the fund for the preceding financial year. The statement shall reflect monthly deposits, expenditures by project, interest earned, and such other information as the Secretary requires.

(8) Upon the termination of a concessions contract, or upon the sale or transfer of such contract, any remaining balance in the fund shall be transferred by the concessioner to the successor concessioner, to be used solely as set forth in this subsection. In the event there is not a successor concessioner, the fund balance shall be deposited into the special account established in subsection (a).

SEC. 9. DURATION OF CONTRACT.

(a) Maximum Term.—A concessions contract entered into pursuant to this Act shall be awarded for a term not to exceed ten years: *Provided, however*, That the Secretary may award a contract for a term not to exceed twenty years if the Secretary determines that the contract terms and conditions necessitate a longer term.

(b) Temporary Contract.—A temporary concessions contract awarded on a non-competitive basis pursuant to section 6(b) of this Act shall be for a term not to exceed two years.

SEC. 10. TRANSFER OF CONTRACT.

(a) In General.—(1) No concessions contract may be transferred, assigned, sold, or otherwise conveyed by a concessioner without prior written notification to, and approval of the Secretary.

(2) The Secretary shall not approve the transfer of a concessions contract to any individual, corporation or other entity if the Secretary determines that—

(A) such individual, corporation or entity is, or is likely to be, unable to completely satisfy all of the requirements, terms, and conditions of the contract; or

(B) such transfer, assignment, sale or conveyance is not consistent with the objectives of protecting and preserving park resources, and of providing necessary and appropriate facilities or services to the public at reasonable rates: *Provided*, That such approval shall not be unreasonably withheld.

(b) Congressional Notification.—Within thirty days after receiving a proposal to transfer, assign, sell, or otherwise convey a concessions contract, the Secretary shall notify the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives of such proposal. Approval of such proposal, if granted by the Secretary, shall not take effect until sixty days after the date of notification of both Committees.

SEC. 11. PROTECTION OF CONCESSIONER INVESTMENT.

(a) Existing Structures.—(1) A concessioner who before the date of the enactment of this Act has acquired or constructed, or is required under an existing concessions contract to commence acquisition or construction of any structure, fixture, or improvement upon land owned by the United States within a park, pursuant to a concessions contract, shall have a possessory interest therein, to the extent provided by such contract.

(2) The provisions of this subsection shall not apply to a concessioner whose contract in effect on the date of enactment of this Act does not include recognition of a possessory interest.

(3) With respect to a concessions contract entered into on or after the date of enactment of this Act, the provisions of subsection (b) shall apply to any existing structure, fixture, or improvement as defined in paragraph (a)(1), except that the actual original cost of such structure, fixture, or improvement shall be deemed to be the value of the possessory interest as of the termination date of the previous concessions contract.

(b) New Structures.—(1) On or after the date of enactment of this Act, a concessioner who constructs or acquires a new, additional, or replacement structure, fixture, or improvement upon land owned by the United States within a park, pursuant to a concessions contract, shall have an interest in such structure, fixture, or improvement equivalent to the actual original cost of acquiring or constructing such structure, fixture, or improvement, less straight line depreciation over the estimated useful life of the asset according to Generally Accepted Accounting Principles: *Provided*, That in no event shall the estimated useful life of such asset exceed the depreciation period used for such asset for Federal income tax purposes.

(2) In the event that the contract expires or is terminated prior to the recovery of such costs, the concessioner shall be entitled to receive from the United States or the successor concessioner payment equal to the value of the concessioner's interest in such structure, fixture, or improvement. A successor concessioner may not revalue the interest in such structure, fixture, or improvement, the method of depreciation, or the estimated useful life of the asset.

(3) Title to any such structure, fixture, or improvement shall be vested in the United States.

(c) Insurance, Maintenance and Repair.—Nothing in this section shall affect the obligation of a concessioner to insure, maintain, and repair any structure, fixture, or improvement assigned to such concessioner and to insure that such structure, fixture, or improvement fully complies with applicable safety and health laws and regulations.

SEC. 12. RATES AND CHARGES TO PUBLIC.

The reasonableness of a concessioner's rates and charges to the public shall, unless otherwise provided in the bid specifications and contract, be judged primarily by comparison with those rates and charges for facilities and services of comparable character under similar conditions, with due consideration for length of season, seasonal variance, average percentage of occupancy, accessibility, availability and costs of labor and materials, type of patronage, and other factors deemed significant by the Secretary.

SEC. 13. CONCESSIONER PERFORMANCE EVALUATION.

(a) Regulations.—Within one hundred and eighty days after the date of enactment of this Act, the Secretary shall publish, after an appropriate period for public comment, regulations establishing standards and criteria for evaluating the performance of concessions operating within parks.

(b) Periodic Evaluation.—(1) The Secretary shall periodically conduct an evaluation of each concessioner operating under a concessions contract pursuant to this Act, as appropriate, to determine whether such concessioner has performed satisfactorily. In evaluating a concessioner's performance, the Secretary shall seek and consider applicable reports and comments from appropriate Federal, State, and local regulatory agencies. If the Secretary's performance evaluation results in an unsatisfactory rating of the concessioner's overall operation, the Secretary shall provide the concessioner with a list of the minimum requirements necessary for the operation to be rated satisfactory, and shall so notify the concessioner in writing.

(2) The Secretary may terminate a concessions contract if the concessioner fails to meet the minimum operational requirements identified by the Secretary within the time limitations established by the Secretary at the time notice of the unsatisfactory rating is provided to the concessioner.

(3) If the Secretary terminates a concessions contract pursuant to this section, the Secretary shall solicit proposals for a new contract consistent with the provisions of this Act.

(c) Congressional Notification.—The Secretary shall notify the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the United States House of Representatives of each unsatisfactory rating and of each concessions contract terminated pursuant to this section.

SEC. 14. RECORDKEEPING REQUIREMENTS.

Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concessioner's contract have been, and are being faithfully performed, and the Secretary or any of the Secretary's duly authorized representatives shall, for the purpose of audit and examination, have access to such records and to other books, documents and papers of the concessioner pertinent to the contract and all the terms and conditions thereof as the Secretary deems necessary.

SEC. 15. EXEMPTION FROM CERTAIN LEASE REQUIREMENTS.

The provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412; 40 U.S.C. 303b), relating to the leasing of buildings and properties of the United States, shall not apply to contracts awarded by the Secretary pursuant to this Act.

SEC. 16. NO EFFECT ON ANILCA PROVISIONS.

Nothing in this Act shall be construed to amend, supersede, or otherwise affect any provision of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.).

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

MARINE MAMMAL PROTECTION ACT AMENDMENTS OF 1993

Mr. JOHNSTON. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 348, S. 1636, the Marine Mammal Protection Act Amendments of 1993.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1636) to authorize appropriations for the Marine Mammal Protection Act of 1972 and to improve the program to reduce the incidental taking of marine mammals during the course of commercial fishing operations, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Mammal Protection Act Amendments of 1993".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for the fiscal years 1994 through 1998;

(2) ensure that the incidental take of marine mammals in any fishery, by itself and in combination with other human activities, does not cause any species or stock of marine mammals to be reduced to or maintained at, for significant periods of time, a level that is below the lower limit of its optimum sustainable population range;

(3) avoid restrictions on fishing operations when such restrictions are not necessary to meet the purpose described in paragraph (2);

(4) prohibit international lethal taking during commercial fishing, except as authorized through a waiver under section 101(a)(3) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(3));

(5) focus efforts on identifying and addressing the most significant problems involving fishery-marine mammal interactions, considering both the status of the affected marine mammal stocks and the numbers of marine mammals that are taken incidentally in each fishery;

(6) streamline the procedure for authorizing the incidental taking of marine mammals in commercial fisheries, consistent with the long-term objective of identifying and taking such steps as may be practicable to reduce mortality and serious injury incidental to commercial fishing operations to insignificant **[levels]** *rates* approaching zero; and

(7) develop a cost-effective program for reliably monitoring (A) the levels of incidental take of marine mammals in commercial fisheries and (B) the size and current population trends of the affected marine mammals stocks.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMERCE DEPARTMENT.—Section 7(a) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1384(a)), is amended to read as follows:

"(a) DEPARTMENT OF COMMERCE.—There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $21,636,000 for fiscal year 1994, $22,502,000 for fiscal year 1995, $23,402,000 for fiscal year 1996, $24,338,000 for fiscal year 1997, and $25,311,000 for fiscal year 1998.".

(b) INTERIOR DEPARTMENT.—Section 7(b) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1384(b)), is amended to read as follows:

"(b) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of Interior, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $8,000,000 for fiscal year 1994, $8,600,000 for fiscal year 1995, $9,000,000 for fiscal year 1996, $9,400,000 for fiscal year 1997, and $9,900,000 for fiscal year 1998.".

(c) MARINE MAMMAL COMMISSION.—Section 7(c) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1407), is amended to read as follows:

"(c) MARINE MAMMAL COMMISSION.—There are authorized to be appropriated to the Marine Mammal Commission, for purposes of carrying out such functions and responsibilities as it may have been given under title II of the Marine Mammal Protection Act of 1972, $1,350,000 for fiscal year 1994, $1,400,000 for fiscal year 1995, $1,450,000 for fiscal year 1996, $1,500,000 for fiscal year 1997, and $1,550,000 for fiscal year 1998.".

SEC. 4. INCIDENTAL TAKING OF ENDANGERED AND THREATENED SPECIES.

(a) IN GENERAL.—Section 101(a)(4) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(4)) is amended to read as follows:

"(4)(A) The Secretary may allow the incidental, but not the intentional, taking, by citizens of the United States while engaging in commercial fishing operations, of marine mammals from a species or stock designated under **[the]** *this* Act as depleted because of its listing as an endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) if the Secretary, after notice and opportunity for public comment, determines that such taking is pursuant to a statement issued by the Secretary for such taking under section 7 of such Act (16 U.S.C. 1536).

"(B) Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this paragraph.".

(b) CONFORMING AMENDMENT.—Section 7(b)(4)(C) of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4)(C)) is amended by inserting "101(a)(4) or" immediately before "101 (a)(5)" each place it appears.

SEC. 5. CONSERVATION PLANS.

Section 115(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. **[13836(b))]** *1383b(b))* is amended by adding at the end the following new paragraph:

"(4) If the Secretary determines that an incidental taking plan is necessary to reduce the incidental taking of marine mammals in the course of commercial fishing operations from a stock identified as a critical stock under section **[118(c)]**, *117(c)*, any conservation plan required under this subsection for such stock shall only address non-incidental takings.".

SEC. 6. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.) is amended by adding at the end the following new section:

"SEC. [118.] *117.* TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

"(a) IN GENERAL.—(1) Except as provided in section 114 and in paragraphs (2), (3), and (4) of this section, and notwithstanding section 101, the provisions of this section shall govern the incidental taking of marine mammals in the course of commercial fishing operations by persons using vessels of the United States or vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)). The Secretary shall develop and implement incidental taking plans under this section to reduce the incidental lethal taking of marine mammals, from stocks listed as critical stocks under subsection (c), to a level below the calculated acceptable removal level.

"(2) Section 101(a)(4), and not this section, shall govern the incidental taking of marine mammals from species or stocks designated under this Act as depleted on the basis of their listing as threatened or endangered species under the Endangered Species Act of 1973.

"(3) Sections 104(h) and 306, and not this section, shall govern the taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean.

"(4) This section shall not govern the taking of marine mammals from an experimental population of California sea otters to which the Act of November 7, 1986 (Public Law 99-625; 100 Stat. 3500) applies.

"(5) Sections 103 and 104 shall not apply to the incidental taking of marine mammals under the authority of this section.

"(b) SCIENTIFIC CONSULTATION.—In implementing the incidental taking program under this section, the Secretary shall seek the advice of individuals with expertise in marine mammal biology and ecology, population dynamics and modeling, and commercial fishing technology and practices. Such advice should be sought with respect to information available, and actions proposed, for such implementation, including—

"(1) information provided in connection with stock assessments under this section;

"(2) studies needed to resolve uncertainties regarding stock separation, stock abundance, or trends and factors affecting distribution, size, or productivity of stocks;

"(3) studies needed to resolve uncertainties in determining marine mammal species, numbers, ages, and gender, and the reproductive status of stocks; and

"(4) research to identify modifications in fishing gear and fishing practices likely to reduce the mortality and serious injury of marine mammals incidental to commercial fishing operations.

"(c) STOCK ASSESSMENTS.—(1) Using the best scientific information available and in accordance with this subsection, the Secretary shall prepare and issue, and thereafter (as appropriate) revise, a stock assessment for each marine mammal stock which occurs in waters under the jurisdiction of the United States. The stock assessment shall include—

"(A) a definition of the stock by species **[of]** *or* subspecies and its spatial and temporal distribution;

"(B) the best available estimates of the stock's population abundance, realistic minimum population size, and current population trend;

"(C) estimates of the total lethal take from the stock by source and, for a stock designated under this subsection as a critical stock, other factors that may impede recovery of the stock, including impacts on marine mammal habitat and prey; and

"(D) a description of any commercial fishery that interacts with the stock, including—

"(i) the approximate number of vessels participating in the fishery;

"(ii) the approximate incidental lethal and serious injury take from the stock by such fishery;

"(iii) seasonal or area differences in levels of such incidental lethal or serious injury take; and

"(iv) the rate of incidental mortality in the stock caused by such fishing, based on a unit of fishing effort;

"(E) a determination as to the status of the stock, including whether the stock is determined to be within its optimum sustainable population range, is designated as depleted under this Act, is listed as threatened or endangered under the Endangered Species Act of 1973, or is proposed for listing as a critical stock under subparagraph (G);

"(F) a determination of the calculated acceptable removal level for the stock and the factors used to calculate it, including a recovery factor if the stock is below its optimum sustainable population; and

"(G) designation of the stock (based on a scientific analysis of the stock's population trend and population size, the level of total lethal take from the stock from all sources, and the best available estimates of net productivity at the maximum net productivity level) for listing in one of the following categories:

"(i) Class 1, consisting of stocks whose population size is declining, or whose population trend is unknown and whose realistic minimum population is less than 10,000, and from which the total annual lethal take exceeds the net productivity of the population when it is at its maximum net productivity level.

"(ii) Class 2, consisting of stocks—

"(I) whose population size is declining, or whose population trend is unknown and whose realistic minimum population is less than 10,000; and from which the total annual lethal take is between 20 percent and 100 percent of the net productivity of the stock's population when it is at its maximum net productivity level; or

"(II) whose population size is stable, or whose population trend is unknown and [the] *whose* realistic minimum population is greater than 10,000 but less than 100,000; and from which the total annual lethal take exceeds the net productivity of the stock's population when it is at its maximum net productivity level.

"(iii) Class 3, consisting of stocks—

"(I) whose population size is declining, or whose population trend is unknown and whose realistic minimum population is less than 10,000; and from which the total annual lethal take is less than 20 percent of the net productivity of the stock's population when it is at its maximum net productivity level;

"(II) whose population size is stable, or whose population trend is unknown and whose realistic minimum population is greater than 10,000 but less than 100,000; and from which the total annual lethal take is between 20 percent and 100 percent of the net productivity of the stock's population when it is at its maximum net productivity level; or

"(III) whose population size is increasing, or whose population trend is unknown and whose realistic minimum population is greater than 100,000; and from which the total annual lethal take exceeds the net productivity of the stock's population when it is at its maximum net productivity level.

"(iv) Class 4, consisting of stocks—

"(I) whose population size is stable, or whose population trend is unknown and [the] *whose* realistic minimum population is greater than *10,000 but less than* 100,000; and from which the total annual lethal take is [between] *less than* 20 percent [and 100 percent] of the net productivity of the stock's population when it is at its maximum net productivity level; or

"(II) whose population size is increasing, or whose population trend is unknown and whose realistic minimum population is greater than 100,000; and from which the total annual lethal take is between 20 percent and 100 percent of the net productivity of the stock's population when it is at its maximum net productivity level.

"(v) Class 5, consisting of stocks whose population size is increasing, or whose population trend is unknown and [the] *whose* realistic minimum population is greater than 100,000; and from which the total annual lethal take is less than 20 percent of the net productivity of the stock's population when it is at its maximum net productivity level.

"(2) Not later than 240 days after the date of enactment of this section, the Secretary shall issue a draft of each stock assessment required by this subsection, after seeking advice from the experts described in subsection (b). The Secretary shall publish in the Federal Register a notice of availability of the draft and provide an opportunity for public review and comment during a period of not to exceed 60 days.

"(3) Not later than 90 days after the close of the public comment period on such preliminary stock assessment, the Secretary shall publish in the Federal Register a final stock assessment, after consideration of advice, recommendations, and comments of experts and the general public and the best scientific information available.

"(4) The Secretary shall review stock assessments in accordance with this subsection, and obtain advice and recommendations from experts—

"(A) on an annual basis for stocks listed as critical stocks or for which new information is available; and

"(B) at least once every 3 years for all other marine mammal stocks.

The Secretary shall revise such assessments after notice and opportunity for public comment, if the review indicates revision is necessary.

"(d) INCIDENTAL TAKING PLAN.—(1) The Secretary shall develop and implement an incidental taking plan designed to assist in the recovery of each marine mammal stock that is listed as a critical stock and interacts with commercial fisheries. Such plan shall be developed in consultation with the incidental take team established for the plan under this subsection. If there is insufficient funding available to develop and implement an incidental taking plan for all critical stocks that interact with commercial fisheries, the Secretary shall give highest priority to the development and implementation of *incidental taking plans for* Class 1 stocks. Within a particular class of critical stocks that interact with commercial fisheries, the Secretary shall give highest priority to the development and implementation of plans for stocks that the Secretary considers the most critical within the class.

"(2) Each incidental taking plan developed under this subsection for a critical stock shall include the following:

"(A) A review and evaluation of the information contained in the stock assessment published under subsection (c) and any new information that may be available.

"(B) An evaluation and estimate of the total number and percentage of animals from the stock that are being killed or seriously injured each year as a result of commercial fishing activities.

"(C) Proposed management measures or voluntary actions for the reduction of incidental taking by commercial fisheries. Such proposed measures and actions shall be developed in light of the plan's immediate objective of reducing incidental lethal and serious injury take by commercial fisheries by the same proportion as their proportion of the total lethal and serious injury take from all sources.

"(D) A long-term strategy to reduce, to insignificant rates approaching zero within 10 years, the incidental mortality and serious injury within the stock that results from commercial fishing operations.

"(3) Each incidental taking plan shall include projected dates for achieving the objectives of the plan. If the total lethal take exceeds the calculated acceptable removal level, the plan shall include measures the Secretary expects will reduce, within 6 months after commencement of fishing, the share of the lethal take that exceeds the calculated acceptable removal level and is attributable to commercial fisheries.

"(4)(A) At the earliest possible time (not later than 120 days) after the Secretary issues a final stock assessment listing a stock as a critical stock, the Secretary shall—

"(i) establish an incidental take team for such critical stock and appoint the members of such team in accordance with subparagraph (C); and

"(ii) publish in the Federal Register a notice of the team's establishment, the names of the team's appointed members, the full geographic range of such critical stock, and all the commercial fisheries that have lethal incidental takings from such stock.

"(B) The Secretary may charge an incidental take team to deal with a stock that extends over one or more regions, or multiple stocks within a region, if the Secretary determines that doing so would facilitate the development and implementation of plans required under this subsection.

"(C) Members of incidental take teams shall be individuals knowledgeable and experienced regarding the measures to conserve such stocks and to reduce any takings from such stock incidental to commercial fishing operations. Members may include representatives of Federal and State agencies, regional fishery management councils and commissions, academic and scientific organizations, environmental and fishery groups, and others as the Secretary considers appropriate. Incidental take teams shall, to the maximum extent practicable, consist of an equitable balance among representatives of government, resource user interests, and non-user interests. Incidental take teams shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.) but their meetings shall be open to the public, after timely publicity on the time and place of such meetings.

"(D) Members of incidental take teams shall serve without compensation, but shall be reimbursed by the Secretary for reasonable travel costs and expenses incurred in performing their duties as members of the team.

"(E) Nothing in this section shall be construed to constrain the Secretary from establishing priority among classes of critical stocks covered by this subsection and exercising discretion (in consultation with scientific experts) to address such stocks in any fiscal year according to that priority.

"(5) Where the total lethal take from such a critical stock is estimated to be greater than the calculated acceptable removal level established in the stock assessment, the following procedures shall apply in the development of the incidental taking plan for the stock:

“(A) Not later than 6 months after the date of establishment of an incidental take team for the stock, the team shall submit a draft incidental taking plan for the critical stock to the Secretary, consistent with the other provisions of this section.

“(B)(i) The Secretary shall take the draft incidental taking plan into consideration and, not later than 60 days after the submission of the draft plan by the team, the Secretary shall publish in the Federal Register a proposed incidental taking plan and proposed regulations to implement such plan, for public review and comment.

“(ii) In the event that the incidental take team does not submit a draft plan to the Secretary within 6 months, the Secretary shall, not later than 8 months after the establishment of the team, publish in the Federal Register a proposed incidental taking plan and implementing regulations, for public review and comment.

“(C) Not later than 60 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental taking plan and implementing regulations, consistent with the other provisions of this section.

“(D) The Secretary and the incidental take team shall meet every 6 months to monitor the implementation of the final incidental taking plan until such time that the Secretary determines that meetings are no longer necessary.

“(E) The Secretary may, in consultation with the incidental take team, amend the incidental taking plan and implementing regulations as necessary, consistent with the procedures in this section for the issuance of such plans and regulations.

“(6) Where the total lethal take from a critical stock to which this subsection applies is estimated to be less than the calculated acceptable removal level established in the stock assessment, the following procedures shall apply in the development of the incidental taking plan for the stock:

“(A) Not later than 11 months after the date of establishment of an incidental take team for the stock, the team shall submit a draft incidental taking plan for the stock to the Secretary, consistent with the other provisions of this section.

“(B)(i) The Secretary shall take the draft incidental taking plan into consideration and, not later than 60 days following the submission of the draft plan by the team, the Secretary shall publish in the Federal Register a proposed incidental taking plan and implementing regulations, for public review and comment.

“(ii) In the event that the incidental take team does not submit a draft plan to the Secretary within 11 months, the Secretary shall, not later than 13 months after the establishment of the team, publish in the Federal Register a proposed incidental taking plan and implementing regulations, for public review and comment.

“(C) Not later than 60 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental taking plan and implementing regulations, consistent with the other provisions of this section.

“(D) The Secretary and the incidental take team shall meet on an annual basis to monitor the implementation of the final incidental taking plan until such time that the Secretary determines that [formal] meetings are no longer necessary.

“(E) The Secretary may, in consultation with the incidental take team, amend the incidental taking plan and implementing regulations as necessary, consistent with the procedures in this section for the issuance of such plans and regulations.

“(7) If the Secretary finds, prior to the issuance of a final incidental taking plan, that the incidental taking of marine mammals in a commercial fishery is having an immediate and significant adverse impact on the stock to which the plan would apply, the Secretary may, after consultation with appropriate Regional Fishery Management Councils and State fishery managers, prescribe emergency regulations to reduce, to the maximum extent practicable, such incidental taking. In prescribing such emergency regulations, the Secretary shall take into account the economics of the fishery concerned and the availability of existing technology to prevent or minimize incidental taking of marine mammals, and shall conform such regulations, to the maximum extent practicable, with existing State or regional fishery management plans. Such regulations—

“(A) shall be published in the Federal Register together with the reasons therefor;

“(B) shall remain in effect for not more than 180 days, until such time as a final incidental taking plan for the stock is issued, or until the end of the applicable fishing season, whichever is earlier; and

“(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination if the Secretary determines the reasons for the emergency regulations no longer exist.

“(e) REGULATORY MEASURES.—(1)(A) The Secretary shall, after notice and opportunity for public comment, promulgate regulations to implement an incidental taking plan necessary to accomplish the objectives set forth in [subsection (i).] *subsections (d) and (i).*

“(B) Nothing in this paragraph shall be construed to limit the authority of the Secretary to modify the incidental taking plan at the request of the appropriate Regional Fishery Management Council or State or tribal management authority.

“(2) In implementing an incidental taking plan issued pursuant to this section, the Secretary may promulgate regulations which include, but are not limited to, measures to—

“(A) establish fishery-specific incidental lethal taking limits or restrict commercial fisheries by time or area;

“(B) register commercial fishing vessels as set forth in subsection (f);

“(C) require the use of alternative gear techniques and new technologies, encourage the development of such gear or technology, or convene expert skippers' panels;

“(D) educate commercial fishermen and other individuals, through workshops and other means, on the importance of reducing the incidental lethal taking of marine mammals from critical stocks; and

“(E) monitor the level of the incidental lethal taking of marine mammals in the course of commercial fishing operations, as set forth in subsection (h).

“(f) REGISTRATION OF VESSELS.—(1) Subject to the provisions of this subsection, the Secretary may develop a system to register commercial fishing vessels and to assess fishery effort, where such system is necessary, to understand the interaction between commercial fisheries and marine mammal stocks in a region.

“(2) In developing a registration system to understand such interactions, the Secretary shall rely upon existing Federal, State, or tribal data bases which provide the following information about an affected commercial fishery:

“(A) The approximate number of vessels participating in the fishery.

“(B) The identity of specific vessels to be registered.

“(C) The owner [of] or operator, or both, of such vessels.

“(D) The time period in which the fishery occurs.

“(E) The approximate geographic location, or its official reporting area where the fishery occurs.

“(F) The description of fishing gear, including the appropriate unit of fishery effort.

“(3) The incidental take teams shall advise the Secretary as to whether existing Federal, State, or tribal data bases are capable of being utilized to understand the interaction between commercial fisheries and critical stocks in a region. If the Secretary determines, after consultation with such a team, that data bases for specific fisheries which provide the information required under paragraph (2) are not available to the Secretary or the team, the Secretary may require through regulation separate registration to obtain the information set forth in paragraph (2).

“(4)(A) The Secretary may, as a condition of accepting a Federal, State, or tribal registration as adequate for the purposes of this section, require such registration to be supplemented by the requirement that the vessels so registered display a decal or other evidence, issued by the registering authority, that indicates the registration is current.

“(B) To the extent the Secretary determines that separate registration is required for a specific fishery pursuant to paragraph (3), the Secretary is authorized to charge a fee for the issuance of a decal or other evidence indicating the registration is current. The fee charged under this subparagraph shall not exceed the administrative costs incurred in issuing the decal or other evidence. Fees collected under this subparagraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in the [issuances] *issuance* of such decal or other evidence.

“(5) The costs of maintaining a separate registry system for a specific fishery pursuant to paragraph (3) shall be covered through Federal appropriations.

“(6) The Secretary may include within a registration system under this subsection only those vessels that fish in a fishery that has frequent or occasional incidental taking of marine mammals.

“(g) REPORTING REQUIREMENT.—The owner or operator of a commercial fishing vessel subject to this Act shall report all incidental lethal and serious injury takings of marine mammals in the course of commercial fishing operations to the Secretary at the end of each fishing trip on a standard form to be developed by the Secretary under this section. Such form shall be readable by computer or other machine and shall require the vessel owner or operator to provide the following:

“(1) The vessel name, and Federal, [State] *State*, or tribal registration numbers of the registered vessel.

“(2) The name and address of the vessel owner or operator.

“(3) The name and description of the fishery.

“(4) The species of marine mammal incidentally killed or seriously injured, and the date and time of such incidental taking.

“(5) The time and period in which the fishery occurred.

"(6) The approximate geographic location of the incidental taking.

"(h) MONITORING.—(1) The Secretary may establish a vessel observer program to monitor incidental lethal and serious injury takings of marine mammals during the course of commercial fishing operations. The purpose of the monitoring program shall be to develop independent information on interactions between commercial fisheries and marine mammals and to verify reporting of incidental lethal and serious injury takings under subsection (g). Observers may perform other tasks including, but not limited to—

"(A) recording other sources of mortality;

"(B) recording the number of marine mammals sighted during the observation period; and

"(C) other scientific investigations, including collection of marine mammal tissues.

"(2) Commercial fishing vessels shall carry observers on board, when requested by the Secretary, to the extent that the vessel can safely accommodate the observer. The owner or operator of a vessel who refuses to carry an observer shall be subject to a civil penalty, pursuant to subsection (j).

"(3)(A) The Secretary may establish an incidental take monitoring program to achieve the objectives of this [paragraph] *subsection*, which may include, but not be limited to, direct observation of fishing activities from vessels, airplanes, video observation, or points on shore.

"(B) Individuals engaged in such monitoring program shall collect scientific information on [fisheries] *marine mammal interactions* consistent with the requirements of this [paragraph] *subsection*.

"(4) The cost of the monitoring program shall be funded by Federal appropriations, and *the* Secretary shall allocate available observers among fisheries consistent with the following priority:

"(A) The highest priority shall be given to fisheries that incidentally lethally take or seriously injure animals from (i) stocks designated as depleted on the basis of their listing as endangered or threatened species under the Endangered Species Act of [1993,] *1973*, or (ii) critical stocks.

"(B) The second highest priority shall be given to fisheries other than those described in subparagraph (A) in which the greatest incidental lethal take and serious injury of marine mammals occurs.

When the Secretary determines [the] *that* sufficient observation of a specific fishery has occurred, the Secretary may discontinue such observation and direct available observer resources to the next fishery in priority. Nothing in this subsection precludes the Secretary from resuming observation of a fishery when necessary to achieve additional verification of the nature of interactions with marine mammal stocks.

"(5) Notwithstanding paragraph (4), the Secretary may initiate, where necessary, additional monitoring programs to gather information on the interaction between commercial fisheries and marine mammal stocks not identified as critical stocks. Such information may be used to verify—

"(A) the numbers of incidental lethal and serious injury takings of marine mammals in a commercial fishery, and the rate of such takings;

"(B) impacts on marine mammals of changes in fishing patterns or technologies; and

"(C) the accuracy of reporting, by vessel owners and operators, of the lethal and serious injury takings of commercial fishing vessels.

"(i) ZERO MORTALITY RATE GOAL.—(1) Commercial fisheries shall reduce their rates of incidental lethal or serious injury taking, to insignificant rates approaching zero within 10 years after the date of enactment of this section.

"(2) Fisheries which maintain insignificant serious injury and mortality rate levels approaching zero shall not be required to further reduce their mortality rates.

"(3) Three years after such date of enactment, the Secretary shall review the [progress,] *progress of commercial fisheries*, by fishery, toward reducing mortality and serious injury rates to insignificant rates approaching zero. The Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a report setting forth the results of such review within 1 year after commencement of the review. The Secretary shall note any *commercial* fishery for which no information exists on its incidental serious injury or mortality rate of marine mammals.

"(4) If the Secretary determines after review under paragraph (3) that the rate of incidental lethal and serious injury taking in a *commercial* fishery is not consistent with paragraph (1), then the Secretary shall make recommendations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives on further actions to achieve the goal specified in paragraph (1).

"(j) PENALTIES.—(1) Except as provided in paragraph (2), a person who violates this section, or any regulations thereunder, may be assessed a civil penalty of not more than $5,000 for each violation, and shall not be subject to penalty under any other provision of this Act. The penalty shall reflect the severity of the violation in relation to preventing the reduction of incidental lethal taking of marine mammals, or the accomplishment of other express objectives of this section.

"(2) Intentional killing of marine mammals, or failure to report incidental lethal takings of marine mammals as required by this section, shall be subject to the penalties in section 105.

"(3) Each owner or operator of a vessel engaged in a fishery that has a remote likelihood of or no known incidental taking of marine mammals, and the master and crew members of such vessel, shall not be subject to penalties under this section or any other provision of this Act for the incidental taking of marine mammals if such owner or operator reports to the Secretary in accordance with subsection [(f)(4)] *(g)(4)*.

"(k) VOLUNTARY MEASURES.—Nothing in this section shall be construed to limit the Secretary's authority to permit voluntary measures to be utilized in reducing the incidental taking of marine mammals in commercial fisheries.

"(l) DEFINITIONS.—For purposes of this section—

"(1) the term 'calculated acceptable removal level' means the realistic minimum population of a stock, multiplied by the net productivity rate of the stock, multiplied (if applicable) by a recovery factor;

"(2) the term 'critical stock' means a marine mammal stock that is listed as a Class 1 or 2 stock pursuant to subsection (c)(1)G);

"(3) the term 'incidental take team' means an incidental take team established under subsection (d)(4);

"(4) the term 'incidental taking plan' means an incidental taking plan developed under subsection (d);

"(5) the term 'maximum net productivity level' means the population size of a stock which results in the greatest net productivity;

"(6) the term 'net productivity' means the estimated or theoretical annual increase in population numbers resulting from additions to the population due to reproduction, less the losses due to mortality;

"(7) the term 'net productivity rate' means the net annual per capita rate of increase of a stock at [is] *its* maximum net productivity level;

"(8) the term 'non-critical stock' means a marine mammal stock that is listed as a Class 3, 4, or 5 stock pursuant to subsection (c)(1)(G);

"(9) the term 'realistic minimum population' means an estimate of the number of animals in a stock that provides reasonable assurance that the population size is equal to or greater than the estimate; and

"(10) the term 'recovery factor' means the number that is applied to the calculation of a calculated acceptable removal level to provide reasonable assurance that a stock will recover to its optimum sustainable population.".

SEC. 7. PENALTIES; PROHIBITIONS.

(a) CIVIL PENALTIES.—Section 105(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(a)(1)) is amended by inserting ", except as provided in section [118(j)."] *117(j)*," immediately after "thereunder".

(b) CRIMINAL PENALTIES.—Section 105(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(b)) is amended by inserting "(except as provided in section [118(j))"] *117(j))*" immediately after "thereunder".

(c) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended by striking "and 114" *114 of this title or title III*" and inserting in lieu thereof "114, and [118".] *117 of this title and title IV*".

SEC. 8. ALASKA HARBOR SEALS AND GULF OF MAINE HARBOR PORPOISES.

Notwithstanding any other provision of this Act, including section [118] *117* of the Marine Mammal Protection Act of 1972 (as added by this Act), the Secretary of Commerce shall establish an incidental take team for the harbor seal stock in Alaska and for the harbor porpoise stock in the Gulf of Maine, within 60 days after the date of enactment of this Act. The incidental take teams shall begin work immediately on a draft incidental taking plan in accordance with such section [118,] *117*, and shall use the best scientific information available. The draft incidental taking plan shall be reviewed by the Secretary, after consultation with scientific experts as described in subsection (b) of such section [118] *117* and after notice and opportunity for public comment, and shall be approved and implemented as quickly as practicable.

SEC. 9. AUTHORIZATION TO DETER MARINE MAMMALS.

Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by adding at the end the following new subsection:

"(d)(1) Except as provided in paragraph (2), the provisions of this Act shall not apply to the use by any person of measures to deter marine mammals from—

"(A) damaging the gear or catch of commercial or recreational fishermen;

"(B) damaging private or public property; or

"(C) endangering personal safety,

so long as such measures do not result in marine mammal death or serious injury.

"(2) If the Secretary determines, using the best scientific information available, that certain forms of deterrence have a significant adverse effect on marine mammals, the Secretary may prohibit such deterrent methods through regulation under this Act.

"(3) The authority to deter marine mammals pursuant to paragraph (1) applies to all marine mammals, including all stocks designated as depleted under this Act.".

SEC. 10. TREATY RIGHTS.

Nothing in this Act, including any amendments made by this Act, is intended to abrogate or diminish existing Indian treaty fishing or hunting rights, and regulation of Native American fishing and hunting activities shall be limited to measures consistent with existing treaty rights.

SEC. 11. TRANSITION RULE.

Section 114(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383a(a)(1)) is amended by striking "ending April 1, 1994," and inserting in lieu thereof "until superseded by regulations prescribed under section [118,".] *117,".*

SEC. 12. TECHNICAL AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362) is amended by redesignating the last three paragraphs as paragraphs (16), (17), and (18), respectively.

(b) MARINE MAMMAL HEALTH AND STRANDING RESPONSE.—The Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) is amended—

(1) by redesignating title III, as added by Public Law 102–587 (106 Stat. 5060), as title IV; and

(2) by redesignating the sections of that title (16 U.S.C. 1421 through 1421h) as sections 401 through 409, respectively.

SEC. 13. HUMAN ACTIVITIES WITHIN PROXIMITY OF WHALES.

(a) LAWFUL [APPROACHES.—IT] APPROACHERS.—In waters of the United States surrounding the State of Hawaii, it is lawful for a person subject to the jurisdiction of the United States to approach, by any means other than an aircraft, no closer than 100 yards to a humpback whale or any other whale, regardless of whether the approach is made in waters designated under section 222.31 of title 50, Code of Federal Regulations, as cow/calf waters.

(b) TERMINATION OF LEGAL EFFECT OF CERTAIN REGULATIONS.—Subsection (b) of section 222.31 of title 50, Code of Federal Regulations, shall cease to be in force and effect.

SEC. 14. PINNIPED-FISHERY INTERACTION TASK FORCE.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 118. PINNIPED-FISHERY INTERACTION TASK FORCE.

"(a) PINNIPED REMOVAL AUTHORITY.—Notwithstanding any other provision of this title, the Secretary may permit the lethal removal of pinnipeds in accordance with this section.

"(b) APPLICATION.—Any person may apply to the Secretary to authorize the lethal removal of pinnipeds identified as habitually exhibiting dangerous or damaging behavior that cannot otherwise be deterred. Any such application shall include a means of identifying the individual pinniped or pinnipeds, and shall include a detailed description of the problem interaction and expected benefits of the removal.

"(c) ACTIONS IN RESPONSE TO APPLICATION.—(1) Within 15 days of receiving an application, the Secretary shall determine whether the application has produced sufficient evidence to warrant establishing a Pinniped-Fishery Interaction Task Force to address the situation described in the application. If the Secretary determines that such sufficient evidence has been provided, the Secretary shall establish a Pinniped-Fishery Interaction Task Force and publish a notice in the Federal Register requesting public comment on the application.

"(2) A Pinniped-Fishery Interaction Task Force established under paragraph (1) shall consist of designated employees of the Department of Commerce, scientists who are knowledgeable about the pinniped interaction that the application addresses, representatives of affected conservation and fishing community organizations, Indian Treaty tribes, the States, and such other organizations as the Secretary deems appropriate.

"(3) Within 60 days after establishment, and after reviewing public comments in response to the Federal Register notice, the Pinniped-Fishery Interaction Task Force shall—

"(A) recommend to the Secretary whether to approve or deny the proposed lethal removal of the pinniped or pinnipeds, including along with the recommendation a description of the specific pinniped individual or individuals, the proposed location, time, and method of removal, criteria for evaluating the success of the action, and the duration of the authority; and

"(B) suggest nonlethal alternatives, if available and practicable, including a recommended course of action.

"(4) Within 30 days after receipt of recommendations from the Pinniped-Fishery Interaction Task Force, the Secretary shall either approve or deny the application. If such application is approved, the Secretary shall immediately take steps to implement the lethal removal, which shall be performed by Federal or State agencies, or qualified individuals under contract to such agencies.

"(5) After implementation of an approved application, the Pinniped-Fishery Interaction Task Force shall evaluate the effectiveness of the permitted lethal removal or alternative actions implemented. If implementation was ineffective in eliminating the problem interaction, the Task Force shall recommend additional actions. If the implementation was effective, the Task Force shall so advise the Secretary and the Secretary shall disband the Task Force.

"(d) CONSIDERATIONS.—In considering whether an application should be approved or denied, the Task Force and the Secretary shall consider—

"(1) population trends, feeding habits, the location of the pinniped interaction, how and when the interaction occurs, and how many individual pinnipeds are involved;

"(2) past efforts to nonlethally deter such pinnipeds, and whether the applicant has demonstrated that no feasible and prudent alternatives exist and that the applicant has taken all reasonable nonlethal steps without success;

"(3) the extent to which such pinnipeds are causing undue harm, impact, or imbalance with other species in the ecosystem, including fish populations; and

"(4) the extent to which such pinnipeds are exhibiting behavior that presents an ongoing threat to public safety.

"(e) LIMITATION.—The Secretary shall not approve lethal removal for any pinniped from a species or stock that is listed as threatened or endangered under the Endangered Species Act of 1973, designated as depleted under this Act, or identified by the Secretary as a critical stock under section 117 of this Act.".

AMENDMENT NO. 1550

(Purpose: To make an amendment in the nature of a substitute)

Mr. JOHNSTON. Madam President, I send a substitute amendment to the desk on behalf of Senators KERRY and STEVENS and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON], for Mr. KERRY for himself and Mr. STEVENS proposes an amendment numbered 1550.

Mr. JOHNSTON. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KERRY. Madam President, today I am joined by my good friend and colleague, Senator TED STEVENS in offering legislation to reauthorize the Marine Mammal Protection Act. I am pleased to bring this legislation to the Senate floor and I hope my colleagues will join us in supporting the important initiative to establish a new regime to protect marine mammal stocks during their interactions with commercial fishing operations.

The bill before us today is a bipartisan effort that is the product of many months of hard work. This substitute amendment to S. 1636 is the result of extensive discussions with and comments from the National Marine Fisheries Service, the Marine Mammal Commission, conservation and animal protection groups and the fishing industry. All have worked tirelessly to meet the April 1, 1994 statutory deadline and I believe we will achieve that goal.

The bill before us has the backing of the vast majority of those groups involved in its development. The Department of Commerce's lead agency, the National Marine Fisheries Service [NMFS] supports this proposal. We have worked closely with the Marine Mammal Commission. Additionally, the fishing industry and a large number of environmental organizations including the Center for Marine Conservation, the World Wildlife Fund, the Audubon Society, and the Marine Mammal Center, among others, endorse this effort as well.

Our legislation addresses a number of issues surrounding the interaction between marine mammal stocks and commercial fishing operations. The legislation includes: First, a prohibition of intentional killing of marine mammals; second, mandatory vessel registration; third, mandatory observer coverage; fourth, general emergency authority for the Secretary of Commerce; fifth, a requirement that stock assessments be made of all stocks and incidental take reduction plans be prepared for those stocks in need; sixth, provisions for the permitting of endangered marine mammals; and seventh, imposition of liability for noncompliance with incidental take reduction plans.

Overall, we have made some significant additions to strengthen the original Marine Mammal Protection Act [MMPA] and I am attaching a detailed summary of the major provisions in this legislation at the end of this statement. For the first time, the MMPA will now explicitly outlaw the intentional killing of marine mammals by commercial fishermen, which is allowed in the current act. Also included is language that mandates commercial fishing interests to achieve, within 10 years, a zero mortality rate goal.

Additional provisions that do not appear in the original act give the Secretary of Commerce emergency authority to protect any marine mammal stock he concludes may be in danger and to create a scientific advisory group.

I would like to address two issues that I believe have produced a great deal of misinformation about the development of this legislation: The first is the treatment of endangered species. The second is the so-called burden of proof issue.

Regarding endangered marine mammals, some have claimed that this bill would weaken the Existing Marine Mannal Act by allowing the killing of endangered species. In fact, both the current Marine Mammal Protection Act and the Endangered Species Act contain provisions under which permits may be issued to incidentally take an endangered marine mammal. While our bill also provides for such permits, the criteria for issuing such a permit under our substitute amendment are actually tougher than those contained in the existing Endangered Species Act.

With regard to the second issue, we believe that the term "burden of proof" has been misrepresented. Our revised bill would maintain the same moratorium on interactions with marine mammals that has been in place under the interim exemption but it replaces the fishery exception with a detailed, scientifically based process for monitoring and protecting marine mammals that interact with fisheries, placing emphasis on those stocks that come in most frequent contact with fishermen.

In addition, this bill provides numerous safeguards that are not currently provided under the interim exemption. These include: suspension or revocation of an individual fishermen's authorization to take marine mammals if that fisherman is found to have seriously violated the incidental take provisions; authority to the Secretary of Commerce to promulgate regulations to address urgent problems with any stock; conservative procedures for estimating calculated removal levels; mandatory compliance with the incidental take reduction plans; and measures to ensure that marine mammal populations will recover to or remain above the optimum sustainable population level.

To provide some context for the legislation before us, let me summarize the significant relevant events of the 22 years since the original Marine Mammal Protection Act was passed in 1972.

The original MMPA has far exceeded expectations in its protection of dolphins, whales, seals, and sea lions among other marine mammal stocks. Prior to 1972, when the original MMPA was enacted, hundreds of thousands of marine mammals were killed each year, intentionally from hunting and accidentally due to their interactions with commercial fishermen.

Over the years, the act has been reviewed and reauthorized a number of times, most recently in 1988. The 1988 amendments were the direct result of a court ruling, called the Kokechik decision, which blocked the issuance of any new permits to fishermen who interact in any way with marine mammals. If the Congress hadn't responded, this decision would have shut down the commercial fishing industry in the United States.

Therefore, in 1988, Congress passed a 5-year moratorium, called the interim exemption, which established a moratorium on interactions with marine mammals, but provided an exception to the moratorium for commercial fishing operations unless the marine mammals involved were from a depleted stock. In addition, NMFS was required to collect data on unknown marine mammal stocks and develop a new management regime that is legal and workable. To assist NMFS in its information collection the fishermen were required to keep logbooks and carry observers on board their vessels.

NMFS developed a regime and released it for comments in November, 1992. It was resoundingly rejected by the environmental community and the fishing industry and called cumbersome and unworkable. Both the environmentalists and the fishermen decided to begin negotiations to develop their own compromise alternative. This effort began over 1 year ago with participation from over 50 groups representing conservationists, animal protection activities, and fishing interests. In addition, NMFS and the Marine Mammal Commission sent representatives. Meetings were held in Washington, DC, and Washington State over the course of many months.

In June, 1993, on the final day of the mediated session where all the groups were gathered to sign what was termed the "negotiated agreement," many of the animal protection representatives withdrew support while the conservation groups and the fishing industry signed the agreement.

At that point, I requested a hearing by the Senate's National Ocean Policy Study. I chaired a hearing in July 1993, to review several viewpoints—the NMFS proposal, the negotiated agreement signed by the fishing industry and the conservation groups, and the concerns of the animal rights contingent of the environmental community that had not signed on to the agreement.

At that time, Senator STEVENS and I asked all parties to go back and meet again and try to reach consensus on outstanding issues. The parties met for 3 days in August of last year for this purpose. Unfortunately, no agreement was reached.

Congress still faced—and faces—an April 1, 1994, statutory deadline to enact new legislation to replace the 5-year interim exemption. In November, the Senate Commerce Committee considered legislation, S. 1636, based upon the concepts in the negotiated agreement. However, at that time, I stated publicly that this bill before the committee was a work in progress and that many outstanding issues would be addressed over the coming months. We called upon all parties to come in and discuss their concerns and propose specific legislative language changes to our committee proposal.

For the next several months, we collected comments from and met with representatives of all interested parties and prepared a draft substitute that has been circulating and changing for the past several weeks. Either I or my staff have met with everyone who has called us. The agency and the Marine Mammal Commission have now indicated their approval. The fishing industry and many of the conservation groups are satisfied with our compromise product. In addition, I met last week with a number of concerned animal rights groups and I believe that we have addressed 90 percent of their concerns in this final draft. While a compromise, by definition, cannot give all interested parties everything they want, I believe we have developed a strong and fair bill that will protect and conserve marine mammal stocks and bring back those stocks that are depleted, without shutting down our commercial U.S. fisheries.

In conclusion, I would like to take a moment to acknowledge all those who assisted in forging this compromise legislation before us. I thank my staff and the staff of the Commerce Committee who have worked so long and hard to get this bill to the floor. In particular, this bill would not be before us without the efforts of our Lila Helms, Penny Dalton, Earl Comstock, and Trevor McCabe who spent literally hundreds of hours over the past year crafting this legislation. Finally, I want to thank Kate English and Sarah Woodhouse of my office who have been deeply involved in moving this legislation forward.

This bill is an excellent example of bipartisan cooperation in policy-making. If we continue our efforts I know we can achieve our goals of enacting strong, environmentally sound legislation to revise the Marine Mammal Protection Act by the deadline of April 1, 1994. I hope my colleagues will support this important initiative which we are introducing today.

I ask unanimous consent that a section-by-section analysis be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Section-by-Section Summary of the Committee Amendment in the Nature of a Substitute to S. 1636

SECTION 1. SHORT TITLE

This section lists the title of the bill, which is the Marine Mammal Protection Act Amendments of 1994.

SECTION 2. PURPOSES

This section sets forth six purposes for the reauthorization of the MMPA: (1) authorizing of appropriations; (2) ensuring that the incidental mortality and serious injury in commercial fisheries does not reduce marine mammal populations below sustainable levels; (3) prohibiting the killing of marine mammals in the course of commercial fishing operations; (4) improving efforts for identifying and addressing the most significant problems involving incidental mortality and serious injury of marine mammals in commercial fishing operations; (5) ensuring that the procedures for authorizing the incidental taking of marine mammals in commercial fisheries is consistent with the long term objective of reducing incidental mortality and serious injury from commercial fishing operations to insignificant rates approaching zero; and (6) continuing cost-effective monitoring programs.

SECTION 3. AUTHORIZATION OF APPROPRIATIONS

This section would extend the authorization of appropriations through FY 1999 for the Department of Commerce (DOC), the Department of the Interior (DOI), and the Marine Mammal Commission (Commission) for their responsibilities under the Marine Mammal Protection Act of 1972 (MMPA). There is additional funding to provide observer coverage on commercial fishing vessels which are required to carry observers under new section 118 of MMPA.

SECTION 4. MORATORIUM AND EXCEPTIONS

Section 4(a) would amend section 101 of the MMPA by inserting "harassment" as a distinct classification of action covered by the moratorium imposed by the MMPA. Previously, harassment was included under the definition of "taking."

Section 4(b) would amend section 101(a)(1) of the MMPA to make minor changes in the process for issuing permits for the import of marine mammals for research and public display.

Section 4(c) would amend section 101(a)(2) of the MMPA to reflect the addition of new section 118, which provides the regime for the incidental taking of marine mammals in commercial fisheries.

Section 4(d) amends section 101(a)(5) of the MMPA to add a new paragraph (D) to provide for the annual authorization of activities, other than commercial fisheries, by citizens of the United States, that cause the incidental, but not intentional, harassment of marine mammals. An authorization may only be granted if the Secretary (which is defined in the existing MMPA to mean either the Secretary of Commerce or the Secretary of the Interior, depending on the marine mammal stock in question) finds that the harassment will have no more than a negligible impact on the marine mammal stock, and that the activity will not cause an unmitigable adverse impact on the availability of animals in such stock for taking for subsistence purposes. The paragraph also provides that the Secretary must impose appropriate conditions on the issuance of an authorization to ensure the least practicable impact on the stock and that there is no unmitigable impact on subsistence, and to require an appropriate monitoring and reporting program. In cases where subsistence stocks are impacted, the Secretary must require independent peer review of the monitoring and research proposals related to such authorization. The sponsors intend that the Secretary will encourage extensive consultation between affected parties on appropriate monitoring, reporting and mitigation measures in granting authorizations under this paragraph.

Section 4(f) would further amend section 101(a)(5) by adding a new paragraph (E) in order to allow the Secretary to permit for periods of three years the incidental, but not the intentional, taking in the course of commercial fishing operations of marine mammals stocks designated as depleted because of their listing as endangered or threatened under the Endangered Species Act. A permit would only be granted if the Secretary determines: 1) the incidental mortality and serious injury from commercial fisheries will have a negligible impact on the species or stock; 2) a recovery plan has been developed or is being developed for the stock under the Endangered Species Act; and 3) where required for such stock under new section 118, a monitoring program is established, vessels are registered, and an incidental take reduction plan has been developed or is being developed for such marine mammal species or stock. Upon a determination that these requirements have been met, the Secretary will issue a permit for a three-year period for those vessels required to register under section 118. Those vessels not required to register under section 118 (Category (iii) vessels) would be allowed to conduct operations under a general authorization, but would be subject to penalties if they fail to report any incidental mortality or injury to marine mammals as required under new section 118. If the Secretary determines during a fishing season that incidental mortality or serious injury in a commercial fishery is having more than a negligible impact on a threatened or endangered species or stock, then the Secretary must use the emergency authority granted under section 118 to protect such marine mammal stock or species, and may modify any permit granted as necessary to reduce the impact. The Secretary may suspend or revoke a permit if the conditions and limitations set forth in the permit are not being complied with. It is intended that the Secretary will work to ensure that the requirements imposed on fishermen seeking a permit under this subsection be fully integrated into the incidental take reduction plan process under new section 118, so that the two procedures are as consistent and streamlined as possible. In using a negligible impact standard under this subsection, the bill continues the higher standard of protection found in the existing MMPA, rather than using the lesser "no jeopardy" standard promulgated under the Endangered Species Act at 50 CFR 402.02.

Section 4(g) amends section 101(a) to add a new subsection (6) at the end. New subsection (6) has been added to address a consistent problem with the import ban in the existing MMPA that arises when Alaska Natives engage in cultural exchanges with other Native peoples, and when travelers who have bought authentic Native handicrafts made of marine mammal parts in Alaska attempt to reenter the United States after driving south from Alaska through Canada. Under the existing MMPA, Alaska Natives and other persons who are legitimately in possession of authentic Native handicrafts made of marine mammal parts have those items confiscated when they attempt to enter the United States with those items. New subsection 101(a)(6) of the MMPA would address this problem by allowing persons who have bought authentic Native handicrafts made from marine mammal parts to take those items out of the United States in their personal possession and then reenter the United States with those same items. It would also allow persons who are given gifts or otherwise acquire Native handicrafts made of marine mammal parts as part of a cultural exchange to bring those items back into the United States, and would also allow the Native peoples of other Arctic nations to enter the United States wearing their traditional clothing made of marine mammal parts, as well as bring in raw marine mammal parts for the purpose of sharing their native skills with Alaska Natives and others in the United States. This new provision would not allow the importation of Native handicrafts for commercial purposes, though this restriction is not intended to prohibit the sale of an item that was created as part of a demonstration of handicraft skills in the course of a cultural exchange.

Section 4(h) would amend section 101(b) of the MMPA to add a new paragraph which is intended to ensure that the Secretary bears the burden of proof in any hearing under section 101(b), a proceeding under section 117(b)(2), or any determination or finding made by the Secretary under the Act which affects Alaska Native subsistence users or marine mammal stocks taken for subsistence use. The standard of review set forth in the new paragraph is that of substantial evidence on the basis of the record as a whole. Inclusion of this standard is not intended to create an independent requirement that all actions affecting Alaska Native subsistence users or subsistence stocks be subject to a hearing on the record, rather it is intended that the standard of review for such a hearing be used, with the burden of proof placed upon the Secretary to demonstrate in each case that such standard has been met. A hearing is required whenever specifically provided for in the MMPA, as is the case under the existing provisions of section 101(b) and under new section 117(b)(2). The last sentence of the new paragraph specifically limits the standing to use this provision to Alaska Native organizations representing persons to which subsection 101(b) applies. The term Alaska Native organizations is intended to include any legitimate representative of Alaska Native subsistence users, including local and state governmental entities.

Section 4(i) would amend section 101(c) of the MMPA by deleting the existing language found there, which is no longer applicable, and inserting in its place a new provision which would allow a person to kill a marine mammal in self defense or in defense of another person without violating the MMPA.

Under the existing MMPA no such exemption exists, with the result that persons who have found themselves forced to kill a marine mammal in self-defense have then been exposed to penalties. This amendment would make it legal to kill or wound a marine mammal in self defense, so long as the person reports the incident to the Secretary within 48 hours. It is intended that notification of an incident to either Secretary would suffice.

SECTION 5. PERMITS

Section 5 would amend section 104 of the MMPA with respect to the issuance of permits for scientific research. The amendment would allow the issuance of permits for legitimate scientific research involving the lethal taking of a marine mammal if the Secretary determines, after notice and public comment, that non-lethal methods are not feasible. In addition, the amendment would allow the Secretary to grant a general authorization for research that is not likely to involve the taking or harassment of marine mammals. In order to operate under the general authorization, applicants must notify the Secretary by letter and comply with the requirements.

SECTION 6. CONSERVATION PLANS

Section 6 would amend section 115(b) of the MMPA by adding a new paragraph to clarify that conservation plans issued under that section should incorporate incidental take reduction plans implemented under new section 118.

SECTION 7. STOCK ASSESSMENT

This section would amend title I of the MMPA by adding a new section 117 to provide for stock assessments on all marine mammal stocks. New section 117(a) would require the Secretary, after consultation with the appropriate regional scientific review group, to prepare a draft stock assessment for each marine mammal stock by August 1, 1994. In the draft stock assessment the Secretary is required to categorize each of the stocks in one of two categories, either—(1) being healthy and not in any significant danger of declining; or (2) as being of some concern, because they are depleted, threatened, endangered, or have a level of anthropogenic mortality that exceeds their annual population growth rate. The Secretary is expected to place each stock in either one category or another. The stock assessments are intended to provide an accurate estimate of the status of marine mammal stocks based on the best scientific information currently available. This subsection also directs the Secretary to calculate the number of animals that can be removed from a species or stock while still providing reasonable assurance that the species or stock will eventually recover to its optimum sustainable population. In making such a calculation, the Secretary is required to use the best available scientific information, and it is expected that the determination, including the provision of reasonable assurance, would be made in accordance with accepted scientific methodology.

One of the main objectives of new section 117(a) is to establish a process to identify stocks falling into the second category, so that the Secretary knows where to focus scarce resources. This is the primary purpose of paragraph (7), in which the Secretary is asked to specify stocks in which anthropogenic mortality may be the reason for their decline or failure to recover. In specifying these stocks, it is expected that the Secretary will have some substantive reason to believe that anthropogenic mortality is the problem, because stocks identified under this paragraph are the focus of incidental take reduction plans under new section 118. The Secretary should not use this category as a catch-all for all stocks for which information is uncertain or limited.

Under new section 117(b), a ninety-day public notice and comment period is required, and provision is made for a proceeding on the record, when requested by an Alaska Native to which subsection 101(b) of the MMPA applies, for an assessment involving a stock taken for subsistence. The Secretary is required to publish a final stock assessment not later than 90 days after the close of the public comment period or final action on a subsistence proceeding.

New subsection 117(c) provides for review and revision of stock assessments, at least annually for stocks specified by the Secretary as needing attention or for which there is new information, and at least once every three years for all other stocks.

At least two independent regional scientific review groups are established under new subsection 117(d). These groups are intended to advise the Secretary on all aspects of the stock assessments, and should be a scientifically balanced group composed of individuals who are both knowledgeable and representative of diverse viewpoints and interests.

New subsection 117(e) reaffirms that the stock assessment provided under this new section is not intended to affect or modify the depletion determination and other protections provided to Alaska Native subsistence users under section 101(b) of the MMPA. It is intended that any determination by the Secretary that a stock is depleted would be based on the stock assessment made under new section 117.

SECTION 8. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS

Section 8 would amend title I of the MMPA by adding a new section 118 to govern the incidental taking of marine mammals in the course of commercial fishing operations. New section 118(a) establishes the scope of coverage of new section 118, as well as reiterates that it is the immediate goal of the MMPA to reduce incidental mortality and serious injury of marine mammals in commercial fishing operations to insignificant levels approaching a zero mortality rate. As stated in paragraph (2), it is intended that both new section 118 and new section 101(a)(5)(E) would govern the incidental taking in commercial fisheries of threatened or endangered marine mammal species or stocks.

New section 118(b) directs the Secretary to establish incidental take reduction plans for each marine mammal stock specified by the Secretary under new section 117(a)(7) which interacts with a commercial fishery listed under new section 117(f)(1)(A)(i) or (ii), which are those fisheries that cause frequent or occasional incidental mortality and serious injury of marine mammals. In addition, the Secretary may establish incidental take reduction plans for other marine mammal stocks, including populations that are not considered to be in danger, that interact with a commercial fishery which causes frequent mortality and serious injury if the Secretary determines that such fishery has an excessive rate, in comparison with other fisheries in the affected area or region, of incidental mortality and serious injury of marine mammals. If insufficient funding is available to allow for the development and implementation of incidental take reduction plans for all stocks to which new subsection (b) applies, then the Secretary is directed to give priority to the establishment of plans for those stocks in which the level of incidental mortality and serious injury exceeds the calculated removal level for that stock, those that have a small population size, and those that are declining most rapidly. These criteria are intended to ensure that scarce resources are focused where they will provide the greatest benefit to marine mammal stocks in the greatest need.

New section 118(b) also establishes detailed guidelines and time-frames for the development and implementation of incidental take reduction plans. Incidental take reduction plans would be required to include management measures or voluntary actions to reduce the incidental mortality and serious injury of marine mammals in fisheries, as well as a strategy for each fishery to reduce the incidental mortality and serious injury of marine mammals in each commercial fishery to insignificant levels approaching a zero mortality rate within ten years. For stocks in which incidental mortality and serious injury from a commercial fishery currently exceeds the calculated removal level, the incidental take reduction plan will be required to include measures the Secretary expects will reduce the mortality and serious injury to a level below the calculated removal level within six months. Where total anthropogenic mortality and serious injury exceeds the calculated removal level, a commercial fishery will have to reduce its incidental mortality and serious injury to the lowest level that is feasible for that fishery within six months.

In implementing incidental take reduction plans, the Secretary would be authorized to impose fishery management measures to the extent necessary to implement an incidental take reduction plan. This could where necessary to protect or restore a marine mammal stock, include, among other measures, actions to: (1) establish fishery-specific limits on incidental mortality and serious injury, or restrict fisheries by time and area; (2) require the use of alternative gear or techniques; (3) educate commercial fishermen through workshops; and (4) monitor the effectiveness of observer coverage.

Section 118(b) would also require the Secretary within 60 days of completing the final stock assessment, to establish and appoint members to incidental take reduction teams to develop incidental take reduction plans for marine mammal stocks. The teams can be requested to address a single stock that extends over one or more regions, or multiple stocks within a single region, based upon the Secretary's determination of which approach will best facilitate the development and implementation of incidental take reduction plans. The Secretary will be required to appoint to the teams individuals knowledgeable about measures to conserve marine mammal stocks and methods to reduce the incidental mortality and serious injury of marine mammals in commercial fishing operations. The teams are required to include representatives of each affected regional fishery management council and State, and may also include representatives of Federal agencies, interstate fishery commissions, academic and scientific organizations, environmental and fishery groups, Alaska Native organizations, Indian Tribes, and others as the Secretary considers appropriate. To the maximum extent practicable, each team is required to provide an equitable balance among interested parties. Incidental take teams would not be subject to the Federal Advisory Committee Act, but will be required to hold public meetings and provide adequate public notice of the time and location of the meetings. Members will serve without compensation, but will be reimbursed for their reasonable travel costs and expenses.

Incidental take reduction plans would be developed under new section 118(b) according to two timetables. A shorter timetable would apply for the development of incidental take reduction plans by teams in cases where the anthropogenic mortality and serious injury to a marine mammal stock specified under section 117(a)(7) is estimated to be greater than the calculated removal level for the stock. For stocks where incidental mortality and serious injury does not exceed the calculated removal level, a longer timetable would be applied. In the first case, a draft plan must be submitted by the team to the Secretary within six months of the team's establishment, while in the second it would be within eleven months. The incidental take reduction plans are required to be developed by consensus among the team members. To the extent that consensus cannot be reached, the team must advise the Secretary of the views of both the majority and minority. Upon receipt of a team's proposal, the Secretary must publish, within 60 days, a draft incidental take reduction plan in the Federal Register, specifying any changes the Secretary has made to the team's recommendations, including the reasons for the changes. A final incidental take reduction plan must be published in the Federal Register following a 90-day public comment period. The Secretary will continue to meet every six months with teams focusing on stocks whose incidental mortality exceeds the calculated removal level, and annually with teams for stocks where the incidental mortality is below the calculated removal level, until the Secretary determines that the objectives of the incidental take reduction plan are met.

New section 118(c) would allow the Secretary to take emergency action to protect marine mammal stocks that the Secretary finds are suffering an immediate and significant adverse impact from incident mortality and serious injury due to commercial fishing. In taking such action, it is intended that the Secretary would, to the extent practicable, consult with the Marine Mammal Commission, regional fishery management councils and state fishery management authorities, and the appropriate incidental take reduction team before taking any emergency action, and should, whenever possible, take such action in a manner consistent with existing fishery management plans.

New section 118(d) would require the Secretary to continue the observer coverage established under section 114 of the existing Act. Vessel owners engaging in fisheries with frequent and occasional incidental mortality and serious injury of marine mammals must carry observers if requested to do so by the Secretary. The purpose of observer coverage is to enhance the quality of and verify the information received from reports submitted by vessel owners or operators. The assignment of observers must be fair and equitable, and no one individual or vessel or one group of individuals or vessels would be subject to overly burdensome observer coverage. This subsection also would mandate that the Secretary give priority to the allocation of observers to those fisheries that have incidental mortality and serious injury of marine mammal stocks designated as depleted on the basis of their listing as endangered or threatened under the Endangered Species Act, and then to those fisheries that have incidental mortality and serious injury of marine mammal stocks specified under section 117(a)(7) having the second highest priority. The Secretary must have the consent of the vessel owner of a vessel listed under section (f)(1)(A)(iii) to station an observer on the vessel, except when using the emergency authority available under subsection (c).

New section 118(e) reaffirms the MMPA's commitment to reducing incidental mortality and serious injury in commercial fisheries to insignificant levels approaching a zero mortality and serious injury rate within 10 years. The Secretary is required to review the progress of commercial fisheries toward that goal three years after the date of enactment of this bill, and to submit to Congress a report on that progress within four years of such date. This subsection also provides that fisheries which maintain an insignificant level of incidental mortality and serious injury shall not be required to reduce those levels further. This provision is intended to ensure that commercial fisheries which have achieved this goal will not be shut down to achieve further insignificant reductions in marine mammal mortality and serious injury.

New section 118(f) would require the Secretary to continue, with modifications, the registration system developed under the 1988 amendments to the MMPA. The revised system would modify the existing classification and listing of fisheries which frequently, occasionally, or rarely take marine mammals. Under the new section 118(f), the Secretary would register vessels in fisheries which have frequent or occasional incidental mortality and serious injury of marine mammals. The Secretary would continue to charge a fee to cover the administrative costs of the program.

Under new section 118(f) category (i) and (ii) vessels would be authorized to engage in the lawful incidental taking of marine mammals provided that they have registered, the decal that may be required is displayed, they report any incidental mortality or injury of marine mammals, and they take on board an observer if requested by the Secretary. If the owner of a vessel is holding a valid certificate of exemption issued under section 114, then that vessel is deemed to have registered for the purposes of this subsection for the period during which the registration is valid. If the owner of a vessel fails to obtain or maintain an authorization, then the owner is deemed to have violated this title, and if the owner of a vessel fails to ensure that the decal or other physical evidence is displayed, then the owner is subject to a fine of not more than $100 for each offense. The owner of a vessel must be in compliance with any regulations to implement an incidental take reduction plan otherwise the owner is subject to the penalties of this title.

Further, new section 118(f) provides that any vessel listed in category (iii) is authorized to take marine mammals without registering provided that the owner adhere to the reporting requirements, and such vessels would not be subject to penalties for the indential taking of marine mammals as long as the owner reports any incidental mortality or injury to the Secretary in the appropriate manner.

New subsection 118(g) is similar to the reporting requirements found under existing section 114 of the MMPA. The owner or operator is required to report, on a standardized postage-paid form, all incidental mortality and injury of marine mammals. Specific language is included in the new subsection to require that the form used be capable of being readily entered into and usable by a computer data processing system. This requirement was included to prevent a repeat of what occurred under the reporting requirements of existing section 114, in which fishermen were required to file extensive, handwritten observations in log books which were never utilized by the federal government because money and personnel were not available to translate and enter the data into a computer system. It is intended that the new reporting forms will be simple and will result in usable data on marine mammal mortality that is readily accessible to the agency and the public.

New section 118(h) sets forth the penalties applicable under this section. It is intended that the Secretary shall use the discretion provided to ensure that the penalty is appropriate to the violation.

New subsections (i) and (j) clarify that nothing in this section prohibits the Secretary from employing voluntary measures to reduce marine mammal mortality, and, since the term "Secretary" is defined to mean the Secretary of Commerce for purposes of new section 118, that the Secretary of Commerce shall consult with the Secretary of the Interior on matters affecting marine mammal stocks under the Interior Secretary's jurisdiction.

SECTION 9. PENALTIES; PROHIBITIONS

This section makes technical and conforming changes to the provisions of the MMPA dealing with penalties and prohibitions.

SECTION 10. AUTHORIZATION TO DETER MARINE MAMMALS NONLETHALLY

This section would allow for the nonlethal deterrence of marine mammals which are damaging gear or catch by the owner of the fishing gear or catch or the employee or agent of the owner, which are damaging private property by the owner of private property, which are endangering personal safety, or which are damaging public property by a government employee. The measures used could not result in the death of or serious injury to a marine mammal. The Secretary must publish guidelines for use in safely deterring marine mammals in the Federal Register, and in the case of marine mammals designated as threatened or endangered under the Endangered Species Act, the Secretary must recommend specific measures which could be used to nonlethally deter marine mammals. If actions to deter marine mammals are not consistent with the guidelines, or specific measures in the case of marine mammals designated as threatened or depleted, the individual would be in violation of this Act. The Secretary could also prohibit any methods of deterrence through regulation if the Secretary determines, based on the best scientific information available, that the method of deterrence would have a significant adverse effect on marine mammals. Finally, the authority to deter marine mammals applies to all marine mammals.

SECTION 11. TREATY RIGHTS; ALASKA NATIVE SUBSISTENCE

This section provides that nothing in this bill alters any treaty between the United States and any Indian tribe, and that, other than as specifically provided in the amendment made in section 4(h), nothing in this bill would alter or modify section 101(b) of the MMPA.

SECTION 12. TRANSITION RULE

This section provides for the transition between existing section 114 and new section 118 of the MMPA.

SECTION 13. TECHNICAL AND CONFORMING AMENDMENTS

This section makes technical and conforming changes to the MMPA and the Marine Mammal Health and Stranding Response Act.

SECTION 14. DEFINITIONS

This section adds the definitions of "calculated removal level", "Council", "harassment", "incidental take reduction plan", "incidental take reduction team", "net productivity rate", and "minimum population estimate" to the MMPA.

SECTION 15. HUMAN ACTIVITIES IN THE PROXIMITY OF WHALES

This section would allow individuals to approach lawfully a humpback whale or any other whale by any means other than aircraft at a distance no closer than 100 yards. The approach standard would apply only to the waters off the coast of Hawaii, and would include areas designated in regulation as cow/calf waters.

SECTION 16. PINNIPED-FISHERY INTERACTION TASK FORCE

This section would establish a new section 119 of the MMPA to govern the lethal and humane removal of identifiable nuisance pinnipeds that habitually exhibit dangerous or damaging behavior that cannot be deterred by any other means, and require a study of pinniped-fishery interactions in the Northwest.

The language of the bill remains as described in the January 25, 1994 Committee Report, except for the addition of a new section 119(f). This new section directs the Secretary of Commerce to conduct a study of not less than three high predation areas in anadromous fish migration corridors within the Northwest Region of the National Marine Fisheries Service on the interaction between fish and pinnipeds. The Secretary is to consult with other State and Federal agencies with expertise in pinniped-fishery interaction.

The study will evaluate fish behavior in the presence of predators generally; holding times and passage rates of anadromous fish in areas where they are vulnerable to predation; whether additional facilities exist, or could be reasonably developed, that could improve escapement of anadromous fish; and other relevant issues.

Subject to availability of funds, within 18 months after the passage of the Act the Secretary will report on the results of the study to the Senate Commerce Committee and the House Merchant Marine and Fisheries Committee.

The Secretary would not be able to use the study for determining whether to establish a Pinniped-Fishery Interaction Task Force, or in determining whether to approve or deny an application, until the study is complete. Further, the Secretary would not be able to delay or defer a decision to establish a Task Force or to approve or deny an application while the study is pending.

SECTION 17. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA

This section provides for cooperative agreements between the Secretary and Alaska Native organizations related to the conservation of marine mammals and co-management of subsistence use.

SECTION 18. BERING SEA MARINE ECOSYSTEM PROTECTION

This section provides for a study of the marine ecosystem of the Bering Sea in order to determine the causes of population declines in marine mammals, seabirds, and other living marine resources of that region.

SECTION 19. INTERJURISDICTIONAL FISHERIES ACT OF 1986

This section amends the provision of the Interjurisdictional Fisheries Act of 1986 which authorizes appropriations for a commercial fisheries failure or serious disruption affecting future production due to a fishery resource disaster. Authorized spending under this provision would be increased to $65 million annually for each of fiscal years 1994 and 1995.

SECTION 20. COASTAL ECOSYSTEM HEALTH

This section provides for conveyance of property on the Charleston Naval Base to the Department of Commerce for use by the National Oceanic and Atmospheric Administration. The Naval Base in Charleston is slated for closure in 1996 and the transfer is necessary in order to renovate a facility for other federal use.

Mr. STEVENS. Madam President, I give my thanks to Senator KERRY and his staff—in particular Lila Helms and Penny Dalton of the majority staff of the Commerce Committee—for their assistance in this bipartisan effort.

The 1988 reauthorization of the Marine Mammal Protection Act included an interim regime to govern commercial fisheries interactions with marine mammals. It followed a court of appeals' decision in Kokechik Fishermen's Association versus Federation of Japan Salmon Fisheries.

The interim regime set up a process to gather data, and directed the Secretary of Commerce to develop a new program for commercial fisheries' interactions with marine mammals.

The Secretary presented a proposed regime to Congress in the fall of 1992. But the fishing industry and the environmental community had serious concerns about the proposal.

In January 1993, representatives of the fishing industry and environmental organizations began working together on an alternative proposal. They completed it last June.

One month later, at a July Commerce Committee hearing, Senator KERRY and I reviewed the negotiated proposal and the administration's proposal. We asked the groups, the administration, and our staffs to sit down and blend the two proposals.

On November 9, 1993, Senator KERRY and I introduced S. 1636, which contained elements of both the administration proposal and the negotiated proposal. The bill was reported by the Commerce Committee on November 10, 1993.

Over the past months, Senator KERRY and I, and our staffs, have worked diligently to revise and improve the bill.

We have worked together to combine the many suggestions we have received.

And, Madam President, we have kept the process entirely bipartisan.

We have tried to find a balance between the fishing industry, the environmental community, the administration, and the Alaska Native community, whose interest in the commercial fisheries regime stems from a historical dependence on marine mammals for subsistence.

The revised bill provides increased protection for marine mammals—particularly for endangered and threatened marine mammals.

I believe the revised bill is one that the commercial fishing industry can work within. It is one that will allow our fisheries to continue without unnecessary disruption or burden.

ALASKA PROVISIONS

Senator KERRY and I worked together on the section-by-section analysis in the RECORD, which provides a summary of the provisions in the substitute bill.

Some of the items in the bill important to Alaska include:

The authorization of funding through 1999 for continued marine mammal research, and for the new commercial fishery regime.

A streamlined permitting process for scientific research not likely to result in the taking or harassment of marine mammals. This would make research on marine mammals in Alaska easier to accomplish.

The bill codifies the arrangement that has been worked out between Native subsistence harvesters, the oil industry and executive branch agencies regarding the authorization of activities—such as oil exploration—which disturb, or incidentally harass, small numbers of marine mammals.

The bill adds a new paragraph to section 101(b) of the MMPA to ensure that the Secretary bears the burden of proof when making regulations restricting subsistence taking—or any stock assessment which impacts subsistence stocks—or any determination or finding under this act which would affect subsistence users or stocks.

In my view, the Secretary should have to demonstrate, by substantial evidence on the record as a whole, that the Government is correct before taking action or publishing information that would restrict a legislatively-granted exemption. This provision does not in any way increase the Secretary's authority to regulate subsistence users.

This provision would make it be clear that the Secretary would have the burden of showing—based on substantial evidence—that a determination of depletion is justified.

Native subsistence users would also be allowed to request a hearing on the record if they disagree with the stock assessment under the new section 117. As with the hearing on regulations limiting the taking of subsistence stocks, the Secretary would have the burden of demonstrating that the stock assessment is supported by substantial evidence on the record as a whole.

These changes would help Alaska Natives to avoid being unnecessarily regulated under the existing law. The changes would also help Alaska Natives to avoid spending millions of dollars to refute faulty stock assessments under the new section 117.

The bill would solve a problem relating to the MMPA's import ban which has occurred when Alaska Natives engage in cultural exchanges with other indigenous peoples. The bill would also help those who lawfully own marine mammal products to bring the items back into the United States after traveling.

A new subsection 101(a)(6) of the MMPA would allow marine mammal products to be imported into the United States when the item was carried out of the United States in conjunction with travel, or when it was acquired outside the United States as part of a cultural exchange by Alaska Indians, Aleuts, or Eskimos.

The provision also allows marine mammal products to be imported by Native inhabitants of Russia, Canada and Greenland in conjunction with their travel to the United States, or as part of their cultural exchanges with Alaska Indians, Aleuts and Eskimos.

This provision is particularly important to Alaskans in Western Alaska and in the Arctic as they continue to rekindle their ties with family and friends in Russia.

It is also important to visitors to Alaska who purchase Native handicrafts, and who in the past have had the handicrafts confiscated when they drive through Canada and try to reenter the United States.

The bill also includes a provision authorizing the Secretary to enter into cooperative agreements with Native organizations to conserve marine mammals. I have worked with the Indigenous People's Council for Marine Mammals to develop this provision. I believe it would allow the Alaska Native community to conserve marine mammals and protect their historic harvest rights to marine mammals.

The bill also creates a scientific research program to monitor the health and stability of the Bering Sea ecosystem and to resolve uncertainties about the decline in some Bering Sea marine mammal stocks.

I refer to the section-by-section analysis which Senator KERRY and I have submitted for the RECORD for a description of the other provisions of the bill, including the new commercial fisheries interaction program, but I wanted to briefly mention some of the other provisions which are important to Alaska.

Mr. HOLLINGS. Madam President, I am pleased that we are considering the Marine Mammal Protection Act Amendments of 1994. The legislation before the Senate is an amendment in the nature of a substitute to S. 1636, which was introduced by Senators KERRY, STEVENS, and PACKWOOD on November 8, 1993, and was reported without objection by the Commerce Committee last session. S. 1636 reauthorizes the Marine Mammal Protection Act [MMPA] for 6 years, and amends the Act to provide for a regime to govern the interactions between marine mammals and commercial fishermen. The amendment under consideration today reflects careful consideration and balancing of diverse viewpoints among the Committee members and addresses the legitimate concerns of the various interest groups which participated in its development.

In 1972, when the Congress enacted the MMPA, there was considerable debate over how far we should go in protecting marine mammals. Some environmentalists preferred tough restrictions which could have crippled our domestic fishing industry, while the fishing industry favored no regulations at all. The debate centered on striking the proper balance between the desire to protect marine mammals and the need to preserve important commercial fisheries. After long deliberation, Congress finally reached what has proven to be an effective compromise. The number of marine mammals taken by our fishermen has been reduced dramatically without seriously damaging the economic viability of most sectors of our domestic fishing fleet.

In the years since 1972, the central issue has changed very little. In reauthorizing this Act, we must again strike the proper balance. After long negotiations, I believe that we have reached such a compromise. Although I understand that not everyone is completely satisfied with all aspects of this bill, such is the nature of a compromise, and I am pleased to support the Marine Mammal Protection Act Amendments of 1994. I believe this legislation fine-tunes the MMPA, increasing the protection afforded to marine mammals without hurting the competitiveness of the American fishing industry.

The legislation before us today contains a new regime for protecting marine mammals in the course of commercial fishing with the following provisions: specific time tables and procedures for conducting marine mammal stock assessments and preparing incidental take reduction plans for those marine mammal population stocks in most need of attention; a prohibition against the intentional killing of marine mammals; a mandatory vessel registration system for those vessels that have frequent and occasional interaction with marine mammals; a mandatory observer program to verify the data on takes of marine mammals; and effective emergency authority for the Secretary of Commerce—Secretary—to control circumstances in which stocks are declining. The substitute amendment also contains a 6-year reauthorization of appropriations to carry out Federal activities under the MMPA.

More specifically, the interim system established by the 1988 amendments was designed to collect information regarding fishery-marine mammal interactions in order to develop a permanent regime to govern those interactions. S. 1636 would require publication of a stock assessment for each marine mammal stock based on the data that has been collected during the past 5 years.

The legislation also would establish a regulatory process to govern the interactions between marine mammals and commercial fisheries. Once the Secretary has completed the stock assessment, the Secretary determines whether the condition of the marine mammal population requires development of a plan for reducing incidental takings by fishermen so that the population may recover. The legislation also reiterates the longstanding goal of the Marine Mammal Protection Act, "to reduce incidental mortality and serious injury from commercial fishing operations to significant rates approaching zero," establishing a 10-year time line for that goal.

The proposed regime in S. 1636 as amended is based on an agreement reached between representatives of the fishing industry and several conservation organizations after extensive negotiations. Fishermen who interact with marine mammals must register and report their interactions. Fisheries which frequently take marine mammals also will be required to participate in an observer program.

S. 1636 will allow protection of all marine mammals with greatest emphasis being placed on those populations that are depleted and need the most assistance to recover. I commend the representatives of both the fishing industry and those conservation organizations that continued to participate in legislative discussions and made constructive recommendations on S. 1636.

In summary, the legislation before us today will strengthen and extend the protection afforded to marine mammals under the MMPA without damaging our important commercial fisheries. The legislation is consistent with the original goals and intent of the MMPA and will facilitate our attempts to meet these goals. Passage of S. 1636 as amended reaffirms our commitment to preserving and protecting this group of animals, and I urge my colleagues' support.

(By request of Mr. JOHNSTON, the following statement was ordered to be printed in the RECORD:)

Mrs. MURRAY. Madam President, I rise today in support of S. 1636, a bill to reauthorize the Marine Mammal Protection Act. I do so with some reservation, however.

Mr. President, the Pacific Northwest has been struggling for many years over the appropriate management of our natural resources, including water, timber, and salmon. It is this latter category I am concerned about today.

Of all the things we value in the Northwest, salmon are perhaps the greatest symbol of our cultural heritage.

Over the past decade, as bureaucrats have bickered and politicians have debated, the condition of this tremendous resource has deteriorated badly. On rivers throughout the region—rivers with dams, rivers without dams—once mighty salmon runs are withering away. At the same time, another valuable resource, marine mammals native to the region, have come back in great strength. In fact, you cannot take a boat ride anywhere in Puget Sound without encountering a seal or sea lion these days.

The combination of these two factors has created a very difficult and unfortunate circumstance: because they are voracious eaters, marine mammals now pose a direct threat, in many cases, to the continued viability of certain salmon populations.

Madam President, this bill provides limited authority to lethally remove marine mammals that can be identified as posing a threat to certain fish populations. This is a narrowly focused, short-term management tool designed to protect the continued viability of such populations. I support this provision, and believe it is needed in order to address critical situations.

I must say however, that I am sad it has come to this. The decline of our salmon runs is not news. We have known there are problems for a while now. Unfortunately, the wheels of government are slow to turn; even today, the region is without a comprehensive plan to conserve salmon habitat. There are efforts underway to address habitat issues. The President's forest plan calls for important riparian protection; the Northwest Power Planning Council has proposed a regional salmon strategy; and NMFS is working even now on a recovery plan for Columbia and Snake River salmon. These efforts will not come soon enough to save the steelhead that spawn—or used to spawn—in the Cedar and Sammamish Rivers. But I think ultimately, this issue will only be resolved through comprehensive habitat conservation planning.

I am pleased to recognize the committee substitute contains language at my suggestion that requires further study of salmon-pinniped interaction on a regionwide basis. This problem, while graphically illustrated by the Ballard Locks issue, is not limited to that area. I hope that the Secretary will examine this issue closely; specifically, we need to look at the root causes of predation, the effect of predation on species viability, and possible long-term solutions. In short, we must not convince ourselves that treating the symptom—rather than the cause—will solve the underlying problem. We need to know how much of a threat predation is, and we need to know what effect habitat conditions have on interactions.

I will conclude by commending the committee, especially Chairman HOLLINGS and Chairman KERRY, for their timely and judicious action in this matter. We live in a time where desperate measures appear to be needed; I sincerely hope we will see a day in the Pacific Northwest where we won't need to resort to killing seals and sea lions in order to preserve salmon.

Mr. PACKWOOD. Madam President, I rise today as a cosponsor of S. 1636, the Marine Mammal Protection Act Amendments of 1994.

This bill reflects a bipartisan effort and many months of discussions and drafting that included the Congress, the environmental and conservation groups, and the fishing industry.

All participants are to be praised for their achievement in crafting this very balanced bill that improves the program to reduce the incidental taking of marine mammals in the course of commercial fishing operations.

If this bill is not passed by Congress and signed by the President by April 1, the commercial fishing industry will simply come to a halt because the industry will have no exemption from its unavoidable interactions with marine mammals while fishing. The economic impacts would be dire for my State and for the Nation.

The bill also includes incidental take reduction plans for stocks in need. It takes into account the limited funding available by addressing those stocks in the greatest peril first.

Also, an excellent and realistic change has been made to address problems fishermen have had with the present cumbersome reporting system. The act now directs the reporting process to be done simply by a postage paid card or by computer within 48 hours, rather than requiring fishermen to keep logbooks throughout the season.

This is a difficult time for the fishing communities of my State of Oregon and the Pacific Northwest, Madam President, as once again, the chance of any commercial or recreational salmon fishing season this year looks bleak.

In many of these communities, people stand by and watch as factors beyond their control from El Nino to the growing seal and sea lion populations that feed on our salmon, lead to diminished salmon runs.

This bill will neither make those who think these pinniped populations are growing out of control completely happy nor those who seek to totally protect all marine mammals. What it is, through, is a fair balance that should serve both groups well.

Also, the Exon amendments to the act that I have cosponsored thoughtfully addresses the care and maintenance of marine mammals used for education and public display.

Again, this was done through many months of work by the Congress, the public display community, and some of the environmental and conservation groups, and also has bipartisan support.

I was pleased to receive word that our own Washington Park Zoo in Portland, one that Oregonians are justifiably proud of, has given the public display amendment its total support.

How many of us here on the Senate floor, as a fascinated kid, saw our first marine mammal at a zoo or aquarium; an experience that brought those magnificent creatures of the sea right before our very eyes.

The legislation before us reflects our respect and admiration for marine mammals and addresses the stability of our fishing communities and marine mammals in the wild. I ask for your support for its passage.

Mr. GORTON. Madam President, today the Senate considers a bill which is, in large part, the result of the collaborative efforts of various individuals and groups which have a vested interest in the reauthorization of this important act. These groups put aside their differences and worked hard to put together the bill which is before us today. The groups—the Center for Marine Conservation, Trout Unlimited, Northwest Indian Fisheries Commission, commercial and recreational fisheries organizations, and more—put forward a proposal to reauthorize the act which would allow economic and environmental interests to work together.

In addition,the groups recognized the very serious budget constraints which we are operating under, and have proposed a system to allocate Federal resources to those marine mammal stocks which are in the most serious need of recovery. I applaud the hard work which went into this process and only wish that more groups would be willing to iron out their differences to achieve a workable balance between economic and environmental concerns.

PINNIPED-FISHERY INTERACTION TASK FORCE

Included within S. 1636, is an amendment which I offered during the Commerce Committee markup of the legislation. This provision, entitled the "Pinniped-Fishery Interaction Task Force," was the result of negotiation and collaboration on behalf of various groups concerned with predation by "nuisance" animals.

The task force provision may appear as obscure to some, but in fact it addresses a decade-long problem in Washington State which has the potential to put two major environmental laws at odds with one another.

Briefly, the situation is this: Each year a wild run of steelhead salmon return to spawn at the Ballard Locks in Seattle, WA. Not coincidentally, 10 or so California sea lions have made the Ballard Locks their feeding ground for well over a decade. As a result of the incredible appetite of these sea lions, there has been a dramatic decline in a run of wild steelhead salmon. Consequently, this fish run—a run which 10 years ago numbered nearly 2,000—today numbers less than 40.

In addition, a similar mammal-fishery interaction on the Columbia River is widely believed to have caused a decline in fish runs along the river. Although this case is not nearly as well documented as the Ballard Locks, it too deserve careful attention by fishery officials from the State and Federal level.

At the Ballard Locks, numerous nonlethal means of removal have been attempted by the Washington State Department of Wildlife, National Marine Fisheries Service, with assistance from the U.S. Fish and Wildlife. The non-lethal means of removal have ranged from underwater fireworks, underwater ultrasound, underwater lights, and physically transporting the nuisance sea lions back to California—only to have them return to the Locks a few short weeks later.

The task force provision would allow any person to apply to the Secretary to authorize the legal removal of identified nuisance animals. The application must include a means of identifying the individual mammal(s) as well as a detailed description of the problem interaction and the expected benefits of the removal.

The Secretary must review the application within 15 days upon receipt. If the application contains sufficient evidence, the Secretary would be authorized to establish a Task Force, and publish notice in the Federal Register requesting public comment on the application.

In making its recommendation, the task force will consider criteria such as: population trends; feeding habits; location of the interaction; time of occurrence of the interaction; number of animals involved; past efforts to nonlethally deter the animal(s); a demonstration that all reasonable nonlethal steps have been taken with no success; the extent of harm, impact or imbalance with other species in the ecosystem; and the extent of behavior that presents an ongoing threat to public safety.

The task force shall consist of Department of Commerce staff, scientist familiar with the fishery, representatives of interested conservation and fishing groups, tribes, State wildlife officials, and others.

Within 60 days of establishment of the task force, the task force would make a recommendation to the Secretary either approving or disapproving the application for removal of the nuisance animal. The recommendation would include: a description of the specific animal(s); proposed location, time and method of removal; criteria for evaluating the success of the removal; and the duration of the authority for removal. The task force may also suggest nonlethal alternatives.

After receiving the recommendation, the Secretary would have 30 days to either approve or deny the application. Upon approval, the Secretary would begin immediately to implement the lethal removal. The removal must be performed by a Federal or State agency, or a qualified individual under contract to a Federal or State agency.

As you can tell there are numerous opportunities for public comment and safeguards in this provision to ensure a careful and thoughtful deliberation of the request to lethally remove a nuisance animal.

Over the past several weeks, as many groups in the Pacific Northwest have written to me in support of the task force provision. I would like to read from a few of these letters for you.

The National Fisheries Institute calls the task force—

> the best way to address each particular situation [of nuisance predation] in a professional and scientific manner. Everyone would have an opportunity to participate [in the process].

The Pacific States Marine Fisheries Commission, which represents the States of Washington, Oregon, and California, wrote and said:

> We support your amendment to S. 1636 * * * PSMFC views that provision as a step toward achieving a balanced ecosystem management approach within the MMPA.

Trout Unlimited, which was one of the authors of the provision, states that,

> As Congress and the Nation struggle to preserve our fish and wildlife resources, it appears to us that appropriate changes in the MMPA can help. In our view, your task force provision provides the best tool for this situation, and others like it which may arise in the future.

And the Pacific Fisheries Legislative Task Force, which is made up of members from California, Alaska, Hawaii, Idaho, Oregon, and Washington, wrote in support of my provision, stating,

> Your [provision] will help control the exploding populations of California Sea lions and harbor seals, and will help us save our west coast fishery resources. Your amendment is a modest approach.

The Northwest Indian Fisheries Commission, another author of the provision, states:

> This very narrow provision is necessary to protect other valuable main resources in the ecosystem, such as Pacific Salmon and Steelhead, from extraordinary predation by marine mammals. * * * This is common sense.

The Washington State Wildlife Commission wrote in support of the task force, stating:

> The Commission believes that the proposed Pinniped-Fishery Interaction Task Force, with its well-balanced representation, will use sound judgment when recommending to the Secretary approval or denial of an application for lethal removal of problem marine mammals.

Rob Turner, director of the Washington State Department of Fish and Wildlife, wrote to tell me that,

> I fully support this approach that will provide the Secretary of Commerce and the State of Washington with the flexibility that will help us to avoid future listings of settlehead and salmon stocks on our rivers.

The Mountaineers, a conservation group in Washington State which represents over 14,000 members, supports my provision.

The Sportfishing Alliance, which is a coalition of major Washington State county sportsman councils, and represents over 20,000 members, supports the task force provision.

The King County Outdoor Sports Council "strongly supports" the task force provision.

And I have received letters from concerned fishermen, like Thomas Wilken, of Port Orchard, WA, who wrote that,

> I regret lethal removal of the sea lions but I feel it is necessary to protect the steelhead. After all other previous attempts to save the sea lions have failed, lethal removal is the only viable and economic solution to the problem.

And the Lake City Sportsmen's club wrote to tell me that,

> The wild salmon and steelhead should not be allowed to become extinct. Control and management of sea lions and harbor seals is needed now to remove these predators from the locks, so the steelhead and wild salmon can return to their spawning streams.

I have even more letters of support which I could read from today, however, I believe I have established the wide support for my provision from groups throughout the Pacific Northwest.

At this time, however, I would like to further clarify my position on the issue of lethal removal. My task force provision does not, much to my regret, effectively address the sea lion predation problem on the Columbia River. The task force provision does not address how to manage robust populations of mammals, in large part because the provision was the result of negotiation and compromise. Unfortunately, I anticipate that a few years from now, I may be required to come before the committee once again to attempt to correct the situation on the Columbia River.

The Columbia River is, perhaps, an even more disturbing and potentially more difficult problem than that of the Ballard Locks. The Columbia River is home to one endangered fish stock, two threatened, and the potential listing of several more. Combined with the fact that, according to the recommendations of the recovery team assigned to exploring options for recovery of these stocks. California sea lions have appeared as far up river as the Bonneville Dam and Wilamette Falls. Since 1991, the report states, partial counts of the sea lions number 200. The harbor seal also consistently feeds upon fish along the Columbia River. If you read the task force provision included within the Senate bill, you quickly realize that this provision will do nothing to correct the situation presented by the herds of hungry seals and sea lions on the Columbia River.

HOUSE OF REPRESENTATIVES

While I am pleased that the Senate will go on record as supporting the task force provision, I continue to be concerned with recent actions in the House of Representatives on this issue.

As I have outlined here today, the task force provision addresses an issue of concern to people in my State, and to an extent the Pacific Northwest. The situation which we face at the Ballard Locks is unique to Washington State, and in the opinion of this Senator, those individual, scientists, environmentalists, recreational and commercial fishing interests, and interested parties should be able to give their recommendation to the Secretary of Commerce on how to best solve it.

The House, in its bill to reauthorize the MMPA, has elected to tie the hands of Washington State by linking Secretarial authority to allow for the lethal removal of nuisance animals to the listing of the preyed-upon species under the Endangered Species Act. Mr. President, in doing this, the House of Representatives places itself in the ironic position of advocating for the listing of a species before allowing an act to save it. It is ironic, for this Senator, that under the guise of advocating for the preservation of a few marine mammals, proven to be a nuisance, that the House committee would advocate for an ESA listing of a wild run of steelhead salmon. This Senator does not pretend to have the answers to such difficult questions, but knows that the House provision will not solve the problem of nuisance mammals in the Northwest, but rather will create new ones.

I realize that my dissatisfaction with the House provision on nuisance animals will carry little weight with the members of that committee. I will fight hard during the House-Senate conference for the adoption of the Senate-approved provision because it reflects the input and views of Washington interests knowledgeable in this specific fishery-pinniped interaction.

Mr. LOTT. Madam President, I rise in support of the amendment offered by Senators EXON and DANFORTH.

Public display and scientific research institutions in Mississippi and throughout the United States play an essential role in marine mammal conservation. Over 100 million people annually visit such institutions and learn about the conservation of these magnificent creatures. The Marine Mammal Protection Act creates a special, favorable category for these activities, and it provides for simplified, nonburdensome procedures for them.

It is essential that permits continue to be granted for these beneficial purposes, and that they be granted on a timely and nonburdensome basis. This amendment accomplishes two important goals. First, it reaffirms the role of public display in increasing public awareness and understanding about marine mammals. Second, it simplified and clarifies the public display permitting process.

Madam President, I am pleased to cosponsor this amendment. It represents a carefully crafted compromise that his bipartisan support. It is identical to language added to companion legislation in the House of Representatives by the Merchant Marine and Fisheries Committee.

Mr. CHAFEE. Madam President, I would like to direct a question on S. 1636 to my distinguished colleague, Senator STEVENS. Section 4(f) of S. 1636 provides for the granting of permits under the Marine Mammal Protection Act for the incidental take of marine mammals that are designated as depleted because they are listed as endangered or threatened under the Endangered Species Act. My understanding is that this provision does not affect any requirements of the Endangered Species Act, including the requirements of section 7 of the Endangered Species Act. Is this correct?

Mr. STEVENS. The requirements of the Endangered Species Act, including section 7 requirements, are not affected by this bill.

Mr. BAUCUS. Madam President, I share the concerns of Senator CHAFEE regarding the Endangered Species Act, which is within the jurisdiction of the Environment and Public Works Committee. I ask the distinguished chairman of the Commerce Committee whether he agrees that nothing in S. 1636 alters or amends the Endangered Species Act.

Mr. HOLLINGS. Yes, I agree.

Mr. BAUCUS. I thank the Senator.

The ACTING PRESIDENT pro tempore. Are there further amendments to be proposed?

AMENDMENT NO. 1551

(Purpose: To provide procedures relating to permits for the public display of marine mammals)

Mr. JOHNSTON. Madam President, I send a further amendment to the desk.

The ACTING PRESIDENT pro tempore. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. JOHNSTON] for Mr. EXON, for himself, Mr. DANFORTH, Mr. GRAHAM, Mr. INOUYE, Mr. MACK, Mrs. HUTCHISON, Mr. PACKWOOD, Mr. PRESSLER, Mr. COCHRAN, Mr. LOTT, Mr. GORTON, Mr. KERREY, Mr. DASCHLE, Mr. DECONCINI, Mr. SIMON, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, and Mr. D'AMATO, proposes an amendment numbered 1551.

Mr. JOHNSTON. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike all on page 13, line 15, through page 15, line 19, and insert the following:

SEC. 5. PERMITS.

(a) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended—

(1) in paragraph (2)(B), by striking "for any purpose in any way connected with the taking or importation of" and inserting in lieu thereof "to take or import"; and

(2) by amending paragraph (4) to read as follows:

"(4) for any person to transport, purchase, sell, export, or offer to purchase, sell, or export any marine mammal or marine mammal product—

"(A) that is taken in violation of this Act; or

"(B) for any purpose other than public display, scientific research, or enhancing the survival of a species or stock as provided for under section 104(c); and".

(b) PERMITS.—Section 104(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(a)) is amended—

(A) by inserting ", harassment," immediately after "taking"; and

(B) by inserting "except for the incidental taking of marine mammals during the course of commercial fishing operations" immediately before the period at the end.

(2) Section 104(c)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(1) is amended by striking "and after" in the first sentence.

(3) Paragraph (2) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

"(2)(A) A permit may be issued to take or import a marine mammal for the purpose of public display only to a person which the Secretary determines—

"(i) offers a program for education or conservation purposes that is based on professionally recognized standards of the public display community;

"(ii) is registered or holds a license issued under the Animal Welfare Act (7 U.S.C. 2131 et seq.); and

"(iii) maintains facilities for the public display of marine mammals that are open to the public on a regularly scheduled basis and that access to such facilities is not limited or restricted other than by charging of an admission fee.

"(B) A permit under this paragraph shall grant to the person to which it is issued the right, without obtaining any additional permit or authorization under this Act, to—

"(i) take, import, purchase, offer to purchase, possess, or transport the marine mammal that is the subject of the permit; and

"(ii) sell, export, or otherwise transfer possession of the marine mammal, or offer to sell, export, or otherwise transfer possession of the marine mammal—

"(I) for the purpose of public display, to a person that meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

"(II) for the purpose of scientific research, to a person that meets the requirements of paragraph (3); or

"(III) for the purpose of enhancing the survival or recovery of a species or stock, to a person that meets the requirements of paragraph (4).

"(C) A person to which a marine mammal is sold or exported or to which possession of a marine mammal is otherwise transferred under the authority of subparagraph (B) shall have the rights and responsibilities described in subparagraph (B) with respect to the marine mammal without obtaining any additional permit or authorization under this Act. Such responsibilities shall—

"(i) for the purpose of public display, be limited to the responsibility to meet the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

"(ii) for the purpose of scientific research, be limited to the responsibility to meet the requirements of paragraph (3); and

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, be limited to the responsibility to meet the requirements of paragraph (4).

"(D) If the Secretary—

"(i) finds, in concurrence with the Secretary of Agriculture, that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (c), no longer meets the requirements of subparagraph (A)(ii) and is not reasonably likely to meet those requirements in the near future, or

"(ii) finds that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A)(i) or (iii) and is not reasonably likely to meet those requirements in the near future,

the Secretary may revoke the permit in accordance with section 104(e), seize the marine mammals, or cooperate with other persons authorized to hold marine mammals under this Act for disposition of the marine mammal. The Secretary may recover from the person expenses incurred by the Secretary for that seizure.

"(E) No marine mammal held pursuant to a permit issued under subparagraph (A) may be sold, purchased, exported, or transported unless the Secretary is notified of such action no later than 15 days before such action, and such action is for purposes of public display, scientific research, or enhancing the survival or recovery of a species or stock. The Secretary may only require the notification to include the information required for the inventory established under paragraph (10).".

(4) Paragraph (3) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

"(3)(A) A permit may be issued, for scientific research purposes that are likely to result in the taking or harassment of a marine mammal, to an applicant who submits information with the permit application indicating that the taking or harassment is required to further a bona fide scientific purpose. The Secretary is authorized to issue permits under this paragraph prior to the end of the mandatory public review and comment period if delaying the issuance of such permit could result in harm to a species, stock, or individual marine mammal, or result in loss of unique research opportunities.

"(B) No permit issued for purposes of scientific research under subparagraph (A) shall authorize the lethal taking of a marine mammal unless the applicant submits documentation to the Secretary that a nonlethal method of conducting the research is not feasible. The Secretary shall not issue a permit for research which involves the lethal taking of a marine mammal from a species or stock designated as depleted, unless the Secretary determines that the results of such research will directly benefit that species or stock, or that such research fulfills a critically important research need.

"(C) Not later than 60 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall grant a general authorization and shall issue implementing regulations allowing bona fide scientific research that is not likely to result in the taking or harassment of a marine mammal. Such authorization shall apply to persons who submit, at least 60 days prior to commencement of the research, a letter of intent to the Secretary specifying—

"(i) the species or stock of marine mammal on which the research will be conducted;

"(ii) the geographic location of the research;

"(iii) the period of time over which the research will be conducted;

"(iv) the purpose of the research, including a description of how the definition of bona fide research as established by the Secretary under this Act would apply; and

"(v) the methods used to conduct the research.

Not later than 30 days after receipt of a letter of intent to conduct scientific research under the general authorization, the Secretary may notify the applicant that the proposed research is likely to result in the taking or harassment of a marine mammal, and that the provisions of subparagraph (A) apply. If no such notification is received, the proposed research shall be covered under the general authorization.".

(5) Section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended by adding at the end the following new paragraphs:

"(7) Upon request by a person for a permit under paragraph (2), (3), or (4) for a marine mammal which is in the possession of any person authorized to possess it under this Act and which is determined under guidance under section 402(a) not to be releasable to the wild, the Secretary shall issue the permit to the person requesting the permit if that person—

"(A) meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A), in the case of a request for a permit under paragraph (2);

"(B) meets the requirements of paragraph (3), in the case of a request for a permit under that paragraph; or

"(C) meets the requirements of paragraph (4), in the case of a request for a permit under that paragraph.

"(8)(A) No additional permit or authorization shall be required to possess, sell, purchase, transport, export, or offer to sell or purchase the progeny of marine mammals taken or imported under this subsection, if such possession, sale, purchase, transport, export, or offer to sell or purchase is—

"(i) for the purpose of public display, and by or to, respectively, a person which meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A);

"(ii) for the purpose of scientific research, and by or to, respectively, a person which meets the requirements of paragraph (3); or

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, and by or to, respectively, a person which meets the requirements of paragraph (4).

"(B)(i) A person which has possession of a marine mammal pursuant to a permit under paragraph (2), or a persons exercising rights under paragraph (2)(C), that gives birth to progeny shall—

"(I) notify the Secretary of the birth of such progeny within 30 days after the date of birth; and

"(II) notify the Secretary of the sale, purchase, or transport of such progeny no later than 15 days before such action.

"(ii) The Secretary may only require notification under clause (i) to include the information required for the inventory established under paragraph (10).

"(C) Any progeny of a marine mammal born in captivity before the date of enactment of the Marine Mammal protection Act Amendments of 1994 and held in captivity for the purpose of public display shall be treated as though born after that date of enactment.

"(9) No marine mammal may be exported for the purpose of public display, scientific research, or enhancing the survival or recovery of a species or stock unless the receiving facility meets standards that are comparable to the requirements that a person must meet to receive a permit under this subsection for that purpose.

"(10) The Secretary shall establish and maintain an inventory of all marine mammals possessed pursuant to permits issued under paragraph (2) and all progeny of such marine mammals. The inventory shall contain, for each marine mammal, only the following information, which shall be provided by a person holding a marine mammal under this Act:

"(A) The name of the marine mammal or other identification.

"(B) The sex of the marine mammal.

"(C) The estimated or actual birth date of the marine mammal.

"(D) The date of acquisition or disposition of the marine mammal by the permit holder.

"(E) The source from whom the marine mammal was acquired, including the location of the take from the wild, if applicable.

"(F) If the marine mammal is transferred, the name of the recipient.

"(G) A notion if the animal was acquired as the result of a stranding.

"(H) The date of death of the marine mammal and the cause of death when determined.".

(c) EXISTING PERMITS.—Any permit issued under section 104(c)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(2)) before the date of the enactment of this Act is hereby modified to be consistent with that section, as amended by this Act.

Mr. EXON. Madam President, I am pleased to file an amendment to the Marine Mammal Protection Act to improve the administration of the act as it relates to zoos, aquariums, and scientific research institutions. This amendment has broad bipartisan support from all regions of the country. It embraces a compromise worked out in the House of Representatives between those who display marine mammals, and the Clinton administration.

In 1992 alone, over 108 million people visited American zoos and aquariums. In fact, I can think of no better form of family entertainment and education. Research has also shown that wildlife public display programs are not only educational, they enhance public commitment to conservation.

In Nebraska, we are blessed with a number of premier zoos. The Henry Doorly Zoo in Omaha, the Riverside Zoo in Scottsbluff, and the Folsom's Children's Zoo in Lincoln, NE are nationally and internationally known. And the Henry Doorly Zoo will soon be the home of a world class aquarium.

America's public display institutions are playing an absolutely critical role in the conservation of marine mammals and endangered species. They have taken their responsibilities to the public, their animals and future generations very seriously. Self regulation among America's zoos, aquariums, and marine parks significantly exceeds minimum Federal and State standards.

In recent months, the U.S. Department of Agriculture and the U.S. Department of Commerce have been engaged in a jurisdictional tussle, which, if unresolved threatens to significantly complicate zoo and aquarium operations. Unless the Congress acts, there will be confusion, duplication, and added expense for virtually all American zoos and aquariums.

This amendment, worked out between the public display community, the House Environment and Natural Resources Subcommittee and the Clinton administration takes a common sense approach and attempts to untangle a complicated knot of regulation and oversight.

The amendment will clarify the lines of responsibility, between the U.S. Department of Commerce and the U.S. Department of Agriculture, streamline the paperwork required when animals are transferred between exhibitors, improve the animal inventory system, maintain high standards for animal care and facilities and give Federal authorities the ability to act quickly to protect marine mammals when facilities and care fall below acceptable levels.

I encourage my colleagues to join in support for this common sense compromise. Thank you Madam President.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 1551) was agreed to.

Mr. JOHNSTON. Madam President, I move to reconsider the vote.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The ACTING PRESIDENT pro tempore. If there are no further amendments to be proposed, the substitute amendment, as amended, is agreed to.

So the amendment (No. 1550), as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The bill is deemed read three times and passed.

So the bill (S. 1636) was deemed read three times and passed, as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Mammal Protection Act Amendments of 1994".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for the fiscal years 1994 through 1999;

(2) ensure that the incidental mortality and serious injury of marine mammals in commercial fisheries does not cause any species or stock of marine mammals to be reduced to or maintained at, for significant periods of time, a level that is below the lower limit of its optimum sustainable population range;

(3) prohibit intentional killing of marine mammals during commercial fishing;

(4) improve efforts to identify and address the most significant problems involving incidental mortality and serious injury of marine mammals in commercial fishing operations, considering the population size and status of the affected marine mammal stocks and the numbers of marine mammals that are incidentally killed or injured in commercial fisheries;

(5) ensure that the procedure for authorizing the incidental taking of marine mammals in commercial fisheries is consistent with the long-term objective of identifying and taking such steps as may be practicable to reduce incidental mortality and serious injury from commercial fishing operations to insignificant rates approaching zero; and

(6) continue cost-effective programs for reliably monitoring (A) the levels of incidental mortality and serious injury of marine mammals in commercial fisheries and (B) the size and current population trends of the affected marine mammal stocks.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) DEPARTMENT OF COMMERCE.—Section 7(a) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1384(a)), is amended to read as follows:

"(a) DEPARTMENT OF COMMERCE.—(1) There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972 (other than sections 117 and 118 of that Act), $12,138,000 for fiscal year 1994, $12,623,000 for fiscal year 1995, $13,128,000 for fiscal year 1996, $13,653,000 for fiscal year 1997, $14,200,000 for fiscal year 1998, and $14,768,000 for fiscal year 1999.

"(2) There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out sections 117 and 118 of the Marine Mammal Protection Act of 1972, $15,000,000 for each of the fiscal years 1994 through 1999.".

(b) DEPARTMENT OF THE INTERIOR.—Section 7(b) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1384(b)), is amended to read as follows:

"(b) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of the Interior, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $8,000,000 for fiscal year 1994, $8,600,000 for fiscal year 1995, $9,000,000 for fiscal year 1996, $9,400,000 for fiscal year 1997, $9,900,000 for fiscal year 1998, and $10,296,000 for fiscal year 1999.".

(c) MARINE MAMMAL COMMISSION.—Section 7(c) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1407), is amended to read as follows:

"(c) MARINE MAMMAL COMMISSION.—There are authorized to be appropriated to the Marine Mammal Commission, for purposes of carrying out such functions and responsibilities as it may have been given under title II of the Marine Mammal Protection Act of 1972, $1,350,000 for fiscal year 1994, $1,400,000 for fiscal year 1995, $1,450,000 for fiscal year 1996, $1,500,000 for fiscal year 1997, $1,550,000 for fiscal year 1998, and $1,600,000 for fiscal year 1999.".

SEC. 4. MORATORIUM AND EXCEPTIONS.

(a) IN GENERAL.—In introductory matter of section 101(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)) is amended—

(1) by inserting ", harassment," immediately before "and importation"; and

(2) by inserting "or harassment" immediately after "for the taking".

(b) PERMITS FOR RESEARCH, DISPLAY, ENHANCING SURVIVAL OR RECOVERY.—Section 101(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(1)) is amended to read as follows:

"(1) Consistent with the provisions of section 104, permits may be issued by the Secretary for the taking, harassment, and importation of marine mammals for purposes of scientific research, public display, or enhancing the survival or recovery of a species or stock. Such permits may be issued if the taking, harassment, or importation proposed to be made is first reviewed by the Marine Mammal Commission and the Committee of Scientific Advisors on Marine Mammals established under title II. The Commission and the Committee shall recommend any proposed taking, harassment, or importation which is consistent with the purpose and policies of section 2. The Secretary shall, if the Secretary grants approval for importation, issue to the importer concerned a certificate to that effect which shall be in such form as the Secretary of Treasury prescribes and such importation may be made upon presentation of the certificate to the customs officer concerned.".

(c) AUTHORIZATION FOR INCIDENTAL TAKING DURING COMMERCIAL FISHERIES.—The first sentence of section 101(a)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(2)) is amended by inserting immediately before the period at the end the following: ", or in lieu of such permits, authorizations may be granted therefor under section 118, subject to regulations prescribed under that section by the Secretary without regard to section 103.".

(d) TAKING OR IMPORTATION FROM DEPLETED STOCKS.—(1) Section 101(a)(3)(A) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(3)(A)) is amended by inserting ", except as provided in paragraph (6)," after "that" in the second proviso.

(2) Section 101(a)(3)(B) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(3)(B)) is amended by inserting ", or as provided for under paragraph (5) of this subsection," immediately after "subsection,".

(e) AUTHORIZATION FOR HARASSMENT OF SMALL NUMBERS OF MARINE MAMMALS.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)) is amended—

(1) in subparagraph (A), by inserting "or harassment" immediately after "taking" each place it appears; and

(2) by adding at the end the following new subparagraph:

"(D)(i) Upon request therefor by citizens of the United States who engage in a specified activity (other than commercial fishing) within a specific geographic region, the Secretary shall authorize, for periods of not more than one year, subject to such conditions as the Secretary may specify, the incidental, but not intentional, harassment of small numbers of marine mammals of a species or population stock by such citizens while engaging in that activity within that region if the Secretary finds that such harassment during each period concerned—

"(I) will have a negligible impact on such species or stock; and

"(II) will not have an unmitigable adverse impact on the availability of such species or stock for taking for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120.

"(ii) The authorization for such activity shall prescribe, where applicable—

"(I) permissible methods of taking pursuant to such activity, and other means of effecting the least practicable impact on such species or stock and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of such species or stock for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120;

"(II) the measures that the Secretary determines are necessary to ensure no unmitigable adverse impact on the availability of the species or stock for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120; and

"(III) requirements pertaining to the monitoring and reporting of such taking, including requirements for the independent peer review of proposed monitoring plans or other research proposals where the proposed activity may affect the availability of a species or stock for taking for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120.

"(iii) The Secretary shall publish a proposed authorization not later than 45 days after receiving an application under this subparagraph and request public comment through notice in the Federal Register, newspapers of general circulation, and appropriate electronic media and to all locally affected communities for a period of 30 days after publication. Not later than 45 days after the close of the public comment period, if the Secretary makes the findings set forth in clause (i), the Secretary shall issue an authorization with appropriate conditions to meet the requirements of clause (ii).

"(iv) The Secretary shall modify, suspend, or revoke an authorization if the Secretary finds that the provisions of clauses (i) and (ii) are not being met.

"(v) A person conducting an activity for which an authorization has been granted under this subparagraph shall not be subject to the penalties of this Act for harassment that occurs in compliance with such authorization.".

(f) PERMITS CONCERNING ENDANGERED OR THREATENED MARINE MAMMAL STOCKS.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)), as amended by this Act, is further amended by adding at the end the following new subparagraph:

"(E)(i) During any period of three consecutive years, the Secretary shall allow the incidental, but not the intentional, taking or harassment by persons using vessels of the United States or vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)), while engaging in commercial fishing operations, of marine mammals from a species or stock designated as depleted because of its listing as an endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) if the Secretary, after notice and opportunity for public comment, determines that—

"(I) the incidental mortality and serious injury from commercial fisheries will have a negligible impact on such species or stock;

"(II) a recovery plan has been developed or is being developed for such species or stock pursuant to the Endangered Species Act of 1973; and

"(III) where required under section 118, a monitoring program is established under subsection (d) of such section, vessels engaged in such fisheries are registered in accordance with such section, and an incidental take reduction plan has been developed or is being developed for such species or stock.

"(ii) Upon a determination by the Secretary that the requirements of clause (i) have been met, the Secretary shall publish in the Federal Register a list of those fisheries for which such determination was made, and, for vessels required to register under section 118, shall issue an appropriate permit for each authorization granted under such section to vessels to which this paragraph applies. Vessels engaged in a fishery included in the notice published by the Secretary under this clause which are not required to register under section 118 shall not be subject to the penalties of this Act for the incidental taking of marine mammals to which this paragraph applies, so long as the owner or master of such vessel reports any incidental mortality or injury of such marine mammals to the Secretary in accordance with section 118.

"(iii) If, during the course of the commercial fishing season, the Secretary determines that the level of incidental mortality or serious injury from commercial fisheries for which a determination was made under clause (i) has resulted or is likely to result in an impact that is more than negligible on the endangered or threatened species or stock, the Secretary shall use the emergency authority granted under section 118 to protect such species or stock, and may modify any permit granted under this paragraph as necessary.

"(iv) The Secretary may suspend for a time certain or revoke a permit granted under this subparagraph only if the Secretary determines that the conditions or limitations set forth in such permit are not being substantially complied with. The Secretary may amend or modify, after notice and opportunity for public comment, the list of fisheries published under clause (ii) whenever the Secretary determines there has been a substantial change in the information or conditions used to determine such list.

"(v) Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this subparagraph.".

(g) IMPORTATION OF CERTAIN PRODUCTS.—Section 101(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)) is amended by adding at the end the following new paragraph:

"(6)(A) A marine mammal product may be imported into the United States if the product—

"(i) was owned and exported by any person in conjunction with travel outside the United States;

"(ii) was acquired outside of the United States as part of a cultural exchange by an Indian, Aleut, or Eskimo residing in Alaska; or

"(iii) is owned by a Native inhabitant of Russia, Canada, or Greenland and is imported for noncommercial purposes in conjunction with travel within the United States or as part of a cultural exchange with an Indian, Aleut, or Eskimo residing in Alaska.

"(B) For the purposes of this paragraph, the term—

"(i) 'Native inhabitant of Russia, Canada, or Greenland' means a person residing in Russia, Canada, or Greenland who is related by blood, is a member of the same clan or ethnological grouping, or shares a common heritage with an Indian, Aleut, or Eskimo residing in Alaska; and

"(ii) 'cultural exchange' means the sharing or exchange of ideas, information, gifts, clothing, or handicrafts between an Indian, Aleut, or Eskimo residing in Alaska and a Native inhabitant of Russia, Canada, or Greenland, including rendering of raw marine mammal parts as part of such exchange into clothing or handicrafts through carving, painting, sewing, or decorating.".

(h) ACTIONS AFFECTING SECTION 101(b).—Section 101(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(b)) is amended by adding at the end the following new sentence: "In promulgating any regulation or making any assessment pursuant to a hearing or proceeding under this subsection or section 117(b)(2), or in making any determination or finding under this Act that affects stocks or persons to which this subsection applies, the Secretary shall be responsible for demonstrating that such regulation, assessment, determination, or finding is supported by substantial evidence on the basis of the record as a whole. The preceding sentence shall only be applicable in an action brought by one or more Alaska Native organizations representing persons to which this subsection applies.".

(i) TAKING IN DEFENSE OF SELF OR ANOTHER PERSON.—Section 101(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(c)) is amended to read as follows:

"(c) It shall not be a violation of this Act to take a marine mammal if—

"(1) such taking is imminently necessary in self-defense or to save the life of a person in immediate danger; and

"(2) such taking is reported to the Secretary within 48 hours and, whenever feasible, any carcass is made available to the Secretary intact.".

SEC. 5. PERMITS.

(a) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended—

(1) in paragraph (2)(B), by striking "for any purpose in any way connected with the taking or importation of" and inserting in lieu thereof "to take or import"; and

(2) by amending paragraph (4) to read as follows:

"(4) for any person to transport, purchase, sell, export, or offer to purchase, sell, or export any marine mammal or marine mammal product—

"(A) that is taken in violation of this Act; or

"(B) for any purpose other than public display, scientific research, or enhancing the survival of a species or stock as provided for under section 104(c); and".

(b) PERMITS.—(1) Section 104(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(a)) is amended—

(A) by inserting ", harassment," immediately after "taking"; and

(B) by inserting "except for the incidental taking of marine mammals during the course of commercial fishing operations" immediately before the period at the end.

(2) Section 104(c)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(1) is amended by striking “and after” in the first sentence.

(3) Paragraph (2) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

“(2)(A) A permit may be issued to take or import a marine mammal for the purpose of public display only to a person which the Secretary determines—

“(i) offers a program for education or conservation purposes that is based on professionally recognized standards of the public display community;

“(ii) is registered or holds a license issued under the Animal Welfare Act (7 U.S.C. 2131 et seq.); and

“(iii) maintains facilities for the public display of marine mammals that are open to the public on a regularly scheduled basis and that access to such facilities is not limited or restricted other than by charging of an admission fee.

“(B) A permit under this paragraph shall grant to the person to which it is issued the right, without obtaining any additional permit or authorization under this Act, to—

“(i) take, import, purchase, offer to purchase, possess, or transport the marine mammal that is the subject of the permit; and

“(ii) sell, export, or otherwise transfer possession of the marine mammal, or offer to sell, export, or otherwise transfer possession of the marine mammal—

“(I) for the purpose of public display, to a person that meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

“(II) for the purpose of scientific research, to a person that meets the requirements of paragraph (3); or

“(III) for the purpose of enhancing the survival or recovery of a species or stock, to a person that meets the requirements of paragraph (4).

“(C) A person to which a marine mammal is sold or exported or to which possession of a marine mammal is otherwise transferred under the authority of subparagraph (B) shall have the rights and responsibilities described in subparagraph (B) with respect to the marine mammal without obtaining any additional permit or authorization under this Act. Such responsibilities shall—

“(i) for the purpose of public display, be limited to the responsibility to meet the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

“(ii) for the purpose of scientific research, be limited to the responsibility to meet the requirements of paragraph (3); and

“(iii) for the purpose of enhancing the survival or recovery of a species or stock, be limited to the responsibility to meet the requirements of paragraph (4).

“(D) If the Secretary—

“(i) finds, in concurrence with the Secretary of Agriculture, that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A)(ii) and is not reasonably likely to meet those requirements in the near future, or

“(ii) finds that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A) (i) or (iii) and is not reasonably likely to meet those requirements in the near future,

the Secretary may revoke the permit in accordance with section 104(e), seize the marine mammal, or cooperate with other persons authorized to hold marine mammals under this Act for disposition of the marine mammal. The Secretary may recover from the person expenses incurred by the Secretary for that seizure.

“(E) No marine mammal held pursuant to a permit issued under subparagraph (A) may be sold, purchased, exported, or transported unless the Secretary is notified of such action no later than 15 days before such action, and such action is for purposes of public display, scientific research, or enhancing the survival or recovery of a species or stock. The Secretary may only require the notification to include the information required for the inventory established under paragraph (10).”.

(4) Paragraph (3) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

“(3)(A) A permit may be issued, for scientific research purposes that are likely to result in the taking or harassment of a marine mammal, to an applicant who submits information with the permit application indicating that the taking or harassment is required to further a bona fide scientific purpose. The Secretary is authorized to issue permits under this paragraph prior to the end of the mandatory public review and comment period if delaying the issuance of such permit could result in harm to a species, stock, or individual marine mammal, or result in loss of unique research opportunities.

“(B) No permit issued for purposes of scientific research under subparagraph (A) shall authorize the lethal taking of a marine mammal unless the applicant submits documentation to the Secretary that a nonlethal method of conducting the research is not feasible. The Secretary shall not issue a permit for research which involves the lethal taking of a marine mammal from a species or stock designated as depleted, unless the Secretary determines that the results of such research will directly benefit that species or stock, or that such research fulfills a critically important research need.

“(C) Not later than 60 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall grant a general authorization and shall issue implementing regulations allowing bona fide scientific research that is not likely to result in the taking or harassment of a marine mammal. Such authorization shall apply to persons who submit, at least 60 days prior to commencement of the research, a letter of intent to the Secretary specifying—

“(i) the species or stock of marine mammal on which the research will be conducted;

“(ii) the geographic location of the research;

“(iii) the period of time over which the research will be conducted;

“(iv) the purpose of the research, including a description of how the definition of bona fide research as established by the Secretary under this Act would apply; and

“(v) the methods used to conduct the research.

Not later than 30 days after receipt of a letter of intent to conduct scientific research under the general authorization, the Secretary may notify the applicant that the proposed research is likely to result in the taking or harassment of a marine mammal, and that the provisions of subparagraph (A) apply. If no such notification is received, the proposed research shall be covered under the general authorization.”.

(5) Section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended by adding at the end the following new paragraphs:

“(7) Upon request by a person for a permit under paragraph (2), (3), or (4) for a marine mammal which is in the possession of any person authorized to possess it under this Act and which is determined under guidance under section 402(a) not to be releasable to the wild, the Secretary shall issue the permit to the person requesting the permit if that person—

“(A) meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A), in the case of a request for a permit under paragraph (2);

“(B) meets the requirements of paragraph (3), in the case of a request for a permit under that paragraph; or

“(C) meets the requirements of paragraph (4), in the case of a request for a permit under that paragraph.

“(8)(A) No additional permit or authorization shall be required to possess, sell, purchase, transport, export, or offer to sell or purchase the progeny of marine mammals taken or imported under this subsection, if such possession, sale, purchase, transport, export, or offer to sell or purchase is—

“(i) for the purpose of public display, and by or to, respectively, a person which meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A);

“(ii) for the purpose of scientific research, and by or to, respectively, a person which meets the requirements of paragraph (3); or

“(iii) for the purpose of enhancing the survival or recovery of a species or stock, and by or to, respectively, a person which meets the requirements of paragraph (4).

“(B)(i) A person which has possession of a marine mammal pursuant to a permit under paragraph (2), or a person exercising rights under paragraph (2)(C), that gives birth to progeny shall—

“(I) notify the Secretary of the birth of such progeny within 30 days after the date of birth; and

“(II) notify the Secretary of the sale, purchase, or transport of such progeny no later than 15 days before such action.

“(ii) The Secretary may only require notification under clause (i) to include the information required for the inventory established under paragraph (10).

“(C) Any progeny of a marine mammal born in captivity before the date of enactment of the Marine Mammal Protection Act Amendments of 1994 and held in captivity for the purpose of public display shall be treated as though born after that date of enactment.

“(9) No marine mammal may be exported for the purpose of public display, scientific research, or enhancing the survival or recovery of a species or stock unless the receiving facility meets standards that are comparable to the requirements that a person must meet to receive a permit under this subsection for that purpose.

“(10) The Secretary shall establish and maintain an inventory of all marine mammals possessed pursuant to permits issued under paragraph (2) and all progeny of such marine mammals. The inventory shall contain, for each marine mammal, only the following information, which shall be provided by a person holding a marine mammal under this Act:

“(A) The name of the marine mammal or other identification.

“(B) The sex of the marine mammal.

“(C) The estimated or actual birth date of the marine mammal.

“(D) The date of acquisition or disposition of the marine mammal by the permit holder.

“(E) The source from whom the marine mammal was acquired, including the location of the take from the wild, if applicable.

"(F) If the marine mammal is transferred, the name of the recipient.

"(G) A notation if the animal was acquired as the result of a stranding.

"(H) The date of death of the marine mammal and the cause of death when determined.".

(c) EXISTING PERMITS.—Any permit issued under section 104(c)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(2)) before the date of the enactment of this Act is hereby modified to be consistent with that section, as amended by this Act.

SEC. 6. CONSERVATION PLANS.

Section 115(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383b(b)) is amended by adding at the end the following new paragraph:

"(4) If the Secretary determines that an incidental take reduction plan is necessary to reduce the incidental taking of marine mammals in the course of commercial fishing operations from a stock specified under section 117(a)(7), or for stocks which interact with a commercial fishery for which the Secretary has made a determination under section 118(b)(1), any conservation plan prepared under this subsection for such stock shall incorporate the incidental take reduction plan required under section 118 for such stock.".

SEC. 7. STOCK ASSESSMENTS.

(a) IN GENERAL.—Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.) is amended by adding at the end the following new section:

"SEC. 117. STOCK ASSESSMENTS.

"(a) IN GENERAL.—Not later than August 1, 1994, the Secretary shall, after consultation with the appropriate regional scientific working group established under subsection (d), prepare a draft stock assessment for each marine mammal stock which occurs in waters under the jurisdiction of the United States. Each draft stock assessment, based on the best scientific information available, shall—

"(1) describe the geographic range of the affected stock, including any seasonal or temporal variation in such range;

"(2) provide for such stock the minimum population estimate, current and maximum net productivity rates, and current population trend, including a description of the information upon which these are based;

"(3) estimate the annual anthropogenic mortality and serious injury of the stock and, for a stock specified under paragraph (7), other factors that may be causing a decline or impeding recovery of the stock, including effects on marine mammal habitat and prey;

"(4) describe commercial fisheries that interact with the stock, including—

"(A) the approximate number of vessels actively participating in each such fishery;

"(B) the estimated level of incidental mortality and serious injury of the stock by each such fishery on an annual basis;

"(C) seasonal or area differences in such incidental mortality or serious injury; and

"(D) the rate, based on a unit of fishing effort, of such incidental mortality and serious injury, and an analysis stating whether such level is insignificant and is approaching a zero mortality and serious injury rate;

"(5) categorize the status of the stock as one that either—

"(A) has a level of anthropogenic mortality and serious injury that is not likely to cause the stock to be reduced below its optimum sustainable population; or

"(B)(i) meets the criteria described under paragraph (7);

"(ii) is listed as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or designated as depleted under this Act; or

"(iii) meets the criteria specified in both clauses (i) and (ii);

"(6) estimate the calculated removal level for the stock, describing the information used to calculate it, including the recovery factor; and

"(7) specify whether the Secretary has reason to believe that the level of anthropogenic mortality and serious injury for the stock is such that it may cause the stock to be reduced or maintained below its optimum sustainable population.

"(b) PUBLIC COMMENT.—(1) The Secretary shall publish in the Federal Register a notice of the availability of a draft stock assessment or any revision thereof and provide an opportunity for public review and comment during a period of 90 days. Such notice shall include a summary of the assessment and a list of the sources of information or published reports upon which the assessment is based.

"(2) Subsequent to the notice of availability required under paragraph (1), if requested by a person to which section 101(b) applies, the Secretary shall conduct a proceeding on the record prior to publishing a final stock assessment or any revision thereof for any stock subject to taking under section 101(b).

"(3) After consideration of the best scientific information available, the advice of the appropriate regional scientific review group established under subsection (d), and the comments of the general public, the Secretary shall publish in the Federal Register a notice of availability and a summary of the final stock assessment or any revision thereof, not later than 90 days after—

"(A) the close of the public comment period on a draft stock assessment or revision thereof; or

"(B) final action on an agency proceeding pursuant to paragraph (2).

"(c) REVIEW AND REVISION.—(1) The Secretary, in consultation with the appropriate regional scientific review group established under subsection (d), shall review stock assessments under this section—

"(A) annually for stocks specified under subsection (a)(7) or for which substantial new information is available; and

"(B) at least once every 3 years for all other marine mammal stocks.

"(2) If the review under paragraph (1) indicates that the status of the stock has changed or can be more accurately determined, the Secretary shall revise the stock assessment in accordance with subsection (b).

"(d) REGIONAL SCIENTIFIC REVIEW GROUPS.—(1) Not later than 60 days after the date of enactment of this section, the Secretary of Commerce shall, in consultation with the Secretary of the Interior (with respect to marine mammals under that Secretary's jurisdiction), the Governors of affected adjacent coastal States, regional fishery and wildlife management authorities, Alaska Native organizations and Indian tribes, environmental and fishery groups, establish at least two independent regional scientific review groups consisting of individuals with expertise in marine mammal biology and ecology, population dynamics and modeling, commercial fishing technology and practices, and stocks taken under section 101(b). The Secretary of Commerce shall, to the maximum extent practicable, attempt to achieve a balanced representation of viewpoints among the individuals on each regional scientific working group. The regional scientific review groups shall advise the Secretary on all aspects of the stock assessments required under this section.

"(2) The regional scientific review groups established under this section shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.).

"(3) Members of the regional scientific review groups shall serve without compensation, but may be reimbursed by the Secretary, upon request, for reasonable travel costs and expenses incurred in performing their duties as members of such regional scientific review groups.

"(4) The Secretary may appoint or reappoint individuals to the regional scientific working groups under paragraph (1) as needed.

"(e) EFFECT ON SECTION 101(b).—This section shall not affect or otherwise modify the provisions of section 101(b).".

SEC. 8. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 118. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

"(a) IN GENERAL.—(1) Effective on the date of enactment of this section, and except as provided in section 114 and in paragraphs (2), (3), and (4) of this section, the provisions of this section shall govern the incidental taking of marine mammals in the course of commercial fishing operations by persons using vessels of the United States or vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)). In any event it shall be the immediate goal that the incidental mortality or serious injury of marine mammals occurring in the course of commercial fishing operations be reduced to insignificant levels approaching a zero mortality and serious injury rate.

"(2) In the case of the incidental taking of marine mammals from species or stocks designated under this Act as depleted on the basis of their listing as threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), both this section and section 101(a)(5)(E) of this Act shall apply.

"(3) Sections 104(h) and title III, and not this section, shall govern the taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean.

"(4) This section shall not govern the taking of marine mammals from the California population of sea otters to which the Act of November 7, 1986 (Public Law 99-625; 100 Stat. 3500) applies.

"(5) Sections 103 and 104 shall not apply to the incidental taking of marine mammals under the authority of this section.

"(6) Except as provided in section 101(c)(2), the intentional killing of any marine mammal in the course of commercial fishing operations is prohibited.

"(b) INCIDENTAL TAKE REDUCTION PLANS.—(1) The Secretary shall develop and implement an incidental take reduction plan designed to assist in the recovery of each marine mammal stock that is specified under section 117(a)(7) which interacts with a commercial fishery listed under subsection (f)(1)(A) (i) or (ii), and may develop and implement such a plan for any other marine mammal stocks which interact with a commercial fishery listed under subsection (f)(1)(A)(i) which the Secretary determines, after notice and opportunity for public comment, has an excessive rate of mortality and serious injury across a number of such marine mammal stocks.

"(2) If there is insufficient funding available to develop and implement an incidental take reduction plan for all such stocks that interact with commercial fisheries listed under subsection (f)(1)(A) (i) or (ii), the Secretary shall give highest priority to the development and implementation of incidental take reduction plans for species or stocks whose level of incidental mortality and serious injury exceeds the calculated removal level, those that have a small population size, and those which are declining most rapidly.

"(3) Each incidental take reduction plan developed under this subsection for a stock shall include the following:

"(A) A review and evaluation of the information contained in the stock assessment published under section 117 and any substantial new information that may be available.

"(B) An evaluation and estimate of the total number and percentage of animals from the stock that are being killed or seriously injured each year as a result of commercial fishing activities.

"(C) Proposed management measures and voluntary actions for the reduction of incidental mortality and serious injury of marine mammals in commercial fisheries which interact with such stock.

"(D) A long-term strategy to reduce, to insignificant levels approaching a zero rate within 10 years, the incidental mortality and serious injury of marine mammals from the stock in the course of commercial fishing operations.

"(4)(A) Each incidental take reduction plan shall include projected dates for achieving the objectives of the plan.

"(B) For any stock in which incidental mortality and serious injury from commercial fisheries exceeds the calculated removal level established under section 117, the plan shall include measures the Secretary expects will reduce, within 6 months after commencement of operations by commercial fisheries that interact with that stock, such mortality and serious injury to a level below the calculated removal level.

"(C) For any stock in which anthropogenic mortality and serious injury exceeds the calculated removal level, other than a stock to which subparagraph (B) applies, the plan shall include measures the Secretary expects will reduce, to the maximum extent practicable within 6 months after commencement of operations by commercial fisheries that interact with that stock, the incidental mortality and serious injury by such commercial fisheries from that stock. For purposes of this subparagraph, the term 'maximum extent practicable' means to the lowest level that is feasible for such fisheries within the 6-month period.

"(5)(A) At the earliest possible time (not later than 60 days) after the Secretary issues a final stock assessment for a stock specified under section 117(a)(7), the Secretary shall, and for stocks that interact with a fishery listed under subsection (f)(1)(A)(i) for which the Secretary has made a determination under paragraph (1), the Secretary may—

"(i) establish an incidental take reduction team for such stock and appoint the members of such team in accordance with subparagraph (C); and

"(ii) publish in the Federal Register a notice of the team's establishment, the names of the team's appointed members, the full geographic range of such stock, and a list of all commercial fisheries that cause incidental mortality and serious injury of marine mammals from such stock.

"(B) The Secretary may charge an incidental take reduction team to address a stock that extends over one or more regions or fisheries, or multiple stocks within a region or fishery, if the Secretary determines that doing so would facilitate the development and implementation of plans required under this subsection.

"(C) Members of incidental take reduction teams shall be individuals knowledgeable and experienced regarding measures to conserve such stocks and to reduce incidental mortality and serious injury to such stock from commercial fishing operations. Members may include representatives of Federal and State agencies, Councils, interstate fishery commissions, academic and scientific organizations, environmental and fishery groups, Alaska Native organizations and Indian tribes, and others as the Secretary considers appropriate. Incidental take reduction teams shall include a representative of each affected Council and State, and shall, to the maximum extent practicable, include an equitable balance among representatives of government, resource user interests, and public interest groups. Incidental take reduction teams shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.) but their meetings shall be open to the public, after timely notice of the time and place of such meetings.

"(D) Members of incidental take reduction teams shall serve without compensation, but may be reimbursed by the Secretary, upon request, for reasonable travel costs and expenses incurred in performing their duties as members of the team.

"(6) Where the anthropogenic mortality and serious injury from a stock specified under section 117(a)(7) is estimated to be equal to or greater than the calculated removal level established under section 117 for such stock and such stock interacts with a fishery listed under subsection (f)(1)(A) (i) or (ii), the following procedures shall apply in the development of the incidental take reduction plan for the stock:

"(A)(i) Not later than 6 months after the date of establishment of an incidental take reduction team for the stock, the team shall submit a draft incidental take reduction plan for such stock to the Secretary, consistent with the other provisions of this section.

"(ii) Such draft incidental take reduction plan shall be developed by consensus. In the event consensus cannot be reached, the team shall advise the Secretary in writing on the range of possibilities considered by the team, and the views of both the majority and minority.

"(B)(i) The Secretary shall take the draft incidental take reduction plan into consideration and, not later than 60 days after the submission of the draft plan by the team, the Secretary shall publish in the Federal Register the plan proposed by the team, any changes proposed by the Secretary with an explanation of the reasons therefor, and proposed regulations to implement such plan, for public review and comment during a period of not to exceed 90 days.

"(ii) In the event that the incidental take reduction team does not submit a draft plan to the Secretary within 6 months, the Secretary shall, not later than 8 months after the establishment of the team, publish in the Federal Register a proposed incidental take reduction plan and implementing regulations, for public review and comment during a period of not to exceed 90 days.

"(C) Not later than 90 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental take reduction plan and implementing regulations, consistent with the other provisions of this section.

"(D) the Secretary and the incidental take reduction team shall meet every 6 months, or at such other intervals as the Secretary determines are necessary, to monitor the implementation of the final incidental take reduction plan until such time that the Secretary determines that the objectives of such plan have been met.

"(E) the Secretary shall amend the incidental take reduction plan and implementing regulations as necessary to meet the requirements of this section, in accordance with the procedures in this section for the issuance of such plans and regulations.

"(7) Where the anthropogenic mortality and serious injury from a stock specified under section 117(a)(7) is estimated to be less than the calculated removal level established under section 117 for such stock and such stock interacts with a fishery listed under subsection (f)(1)(A) (i) or (ii), or for any marine mammal stocks which interact with a commercial fishery listed under subsection (f)(1)(A)(i) for which the Secretary has made a determination under paragraph (1), the following procedures shall apply in the development of the incidental take reduction plan for such stock:

"(A)(i) Not later than 11 months after the date of establishment of an incidental take reduction team for the stock, the team shall submit a draft incidental take reduction plan for the stock to the Secretary, consistent with the other provisions of this section.

"(ii) Such draft incidental take reduction plan shall be developed by consensus. In the event consensus cannot be reached, the team shall advise the Secretary in writing on the range of possibilities considered by the team, and the views of both the majority and minority.

"(B)(i) The Secretary shall take the draft incidental take reduction plan into consideration and, not later than 60 days after the submission of the draft plan by the team, the Secretary shall publish in the Federal Register the plan proposed by the team, any changes proposed by the Secretary with an explanation of the reasons therefor, and proposed regulations to implement such plan, for public review and comment during a period of not to exceed 90 days.

"(ii) In the event that the incidental take reduction team does not submit a draft plan to the Secretary within 11 months, the Secretary shall, not later than 13 months after the establishment of the team, publish in the Federal Register a proposed incidental take reduction plan and implementing regulations, for public review and comment during a period of not to exceed 90 days.

"(C) Not later than 90 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental take reduction plan and implementing regulations, consistent with the other provisions of this section.

"(D) The Secretary and the incidental take reduction team shall meet on an annual basis, or at such other intervals as the Secretary determines are necessary, to monitor the implementation of the final incidental take reduction plan until such time that the Secretary determines that the objectives of such plan have been met.

"(E) The Secretary shall amend the incidental take reduction plan and implementing regulations as necessary to meet the requirements of this section, in accordance with the procedures in this section for the issuance of such plans and regulations.

"(8) In implementing an incidental take reduction plan developed pursuant to this subsection, the Secretary may, where necessary to implement an incidental take reduction plan to protect or restore a marine mammal stock or species covered by such plan, promulgate regulations which include, but are not limited to, measures to—

"(A) establish fishery-specific limits on incidental mortality and serious injury of marine mammals in commercial fisheries or restrict commercial fisheries by time or area;

"(B) require the use of alternative commercial fishing gear or techniques and new technologies, encourage the development of such gear or technology, or convene expert skippers' panels;

"(C) educate commercial fishermen, through workshops and other means, on the importance of reducing the incidental mortality and serious injury of marine mammals in affected commercial fisheries; and

"(D) monitor the effectiveness of measures taken to reduce the level of incidental mortality and serious injury of marine mammals in the course of commercial fishing operations, as set forth in subsection (d).

"(9)(A) Notwithstanding paragraph (5), in the case of any stock to which paragraph (5) applies for which a final stock assessment has not been published under section 117(b)(3) by April 1, 1995, due to a proceeding under section 117(b)(2), or any Federal court review of such proceeding, the Secretary shall establish an incidental take reduction team under paragraph (5) for such stock as if a final stock assessment had been published.

"(B) The draft stock assessment published for such stock under section 117(b)(1) shall be deemed the final stock assessment for purposes of preparing and implementing an incidental take reduction plan for such stock under this section.

"(C) Upon publication of a final stock assessment for such stock under section 117(b)(3) the Secretary shall immediately reconvene the incidental take reduction team for such stock for the purpose of amending the incidental take reduction plan, and any regulations issued to implement such plan, if necessary, to reflect the final stock assessment or court action. Such amendments shall be made in accordance with paragraph (6)(E) or (7)(E), as appropriate.

"(D) A draft stock assessment may only be used as the basis for an incidental take reduction plan under this paragraph for a period of not to exceed two years, or until a final stock assessment is published, whichever is earlier. If, at the end of the two-year period, a final stock assessment has not been published, the Secretary shall categorize such stock under section 117(a)(5)(A) and shall revoke any regulations to implement an incidental take reduction plan for such stock.

"(E) Subparagraph (D) shall not apply for any period beyond two years during which a final stock assessment for such stock has not been published due to review of a proceeding on such stock assessment by a Federal court. Immediately upon final action by such court, the Secretary shall proceed under subparagraph (C).

"(10) Incidental take reduction plans developed under this section for a species or stock listed as a threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) shall be consistent with any recovery plan developed for such species or stock under section 4 of such Act.

"(c) EMERGENCY REGULATIONS.—(1) If the Secretary finds that incidental mortality and serious injury of marine mammals from commercial fisheries is having, or is likely to have, an immediate and significant adverse impact on a stock or species, the Secretary shall take action as follows:

"(A) In the case of a stock or species for which an approved incidental take reduction plan is in effect, the Secretary shall—

"(i) prescribe emergency regulations that, consistent with such plan to the maximum extent practicable, reduce such incidental mortality and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, any amendments to such plan that are recommended by the incidental take reduction team to address such adverse impact.

"(B) In the case of a stock or species for which an incidental take reduction plan is being developed, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental mortality and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, such plan, which shall provide methods to address such adverse impact if still necessary.

"(C) In the case of a stock or species for which an incidental take reduction plan does not exist and is not being developed, or in the case of a commercial fishery listed under subsection (f)(1)(A)(iii) which the Secretary believes may be contributing to such adverse impact, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental mortality and serious injury in that fishery, to the extent necessary to mitigate such adverse impact;

"(ii) immediately review the stock assessment for such stock or species under section 117 and the classification of such commercial fishery under subsection (f)(1)(A) to determine if an incidental take reduction team should be established under this section; and

"(iii) may, where necessary to address such adverse impact, require the placement of observers pursuant to subsection (d) upon vessels in a commercial fishery listed under subsection (f)(1)(A)(iii), if the Secretary has reason to believe that such vessels may be causing incidental mortality and serious injury to marine mammals from such stock.

"(2) Prior to taking action under paragraph (1) (A), (B), or (C), the Secretary shall consult with the Marine Mammal Commission, all appropriate Councils, State fishery managers, and the appropriate incidental take reduction team (if established).

"(3) Emergency regulations prescribed under this subsection—

"(A) shall be published in the Federal Register, together with an explanation thereof;

"(B) shall remain in effect for not more than 180 days, or until the end of the applicable commercial fishing season, whichever is earlier; and

"(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination, if the Secretary determines that the reasons for the emergency regulations no longer exist.

"(4) If the Secretary finds that incidental mortality and serious injury of marine mammals in a commercial fishery is continuing to have an immediate and significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for an additional period of not more than 90 days or until reasons for the emergency no longer exist, whichever is earlier.

"(d) MONITORING OF INCIDENTAL TAKES.—(1) The Secretary shall establish a program to monitor incidental mortality and serious injury of marine mammals during the course of commercial fishing operations for commercial fisheries listed under subsection (f)(1)(A) (i) or (ii). The purposes of the monitoring program shall be to—

"(A) obtain statistically reliable estimates of incidental mortality and serious injury;

"(B) determine the reliability of reports of incidental mortality and serious injury under subsection (g); and

"(C) report on the impacts of changes in commercial fishing methods or technology.

"(2) Pursuant to paragraph (1), the Secretary is authorized to place observers on board vessels as necessary, subject to the provisions of this section. Observers may perform other tasks including, but not limited to—

"(A) recording other sources of mortality;

"(B) recording the number of marine mammals sighted and the behavior of such mammals observed in the vicinity of commercial fishing gear;

"(C) other related scientific or fishery management observations; and

"(D) collection of marine mammals tissues, where such collection can be done safely and without interruption of commercial fishing operations.

"(3) When determining the distribution of observers among fisheries and vessels within a fishery, the Secretary shall be guided by the following standards:

"(A) the need to obtain the best scientific information available;

"(B) the requirement that assignment of observers be fair and equitable among fisheries and among vessels in a fishery;

"(C) the requirement that no individual person or vessel, or group of persons or vessels, be subject to excessive or overly burdensome observer coverage; and

"(D) where practicable, the need to minimize costs and avoid duplication.

"(4) To the extent practicable, the Secretary shall allocate observers among commercial fisheries in accordance with the following priority:

"(A) The highest priority for allocation shall be for commercial fisheries that have incidental mortality or serious injury of marine mammals from stocks designated as depleted on the basis of their listing as endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

"(B) The second highest priority for allocation shall be for commercial fisheries that have incidental mortality and serious injury of marine mammals from stocks specified under section 117(a)(7).

"(C) The third highest priority for allocation shall be for commercial fisheries that have incidental mortality or serious injury of marine mammals from stocks for which the level of incidental mortality and serious injury is uncertain.

"(5) Notwithstanding paragraph (1), the Secretary may establish an alternative observer program to provide statistically reliable information on the species and number of any marine mammals incidentally taken in the course of commercial fishing operations. The alternative program may include, but need not be limited to, direct observation of fishing activities from vessels, airplanes, or points on shore.

"(6) The Secretary may, with the consent of the vessel owner, station an observer on board a vessel engaged in a commercial fishery not listed under subsection (f)(1)(A) (i) or (ii).

"(7) The Secretary shall not be required to place an observer on a vessel in a commerical fishery if the Secretary finds that—

"(A) in a situation where harvesting vessels are delivering fish to a processing vessel and the catch is not taken on board the harvesting vessel, statistically reliable information can be obtained from an observer on board the processing vessel to which the fish are delivered;

"(B) the facilities of a vessel for quartering of an observer, or for carrying out observer functions, are so inadequate or unsafe that the health or safety of the observer or the safe operation of the vessel would be jeopardized; or

"(C) for reasons beyond the control of the Secretary, an observer is not available.

"(8) Any proprietary information collected under this subsection shall be confidential and shall not be disclosed except—

"(A) to Federal employees whose duties require access to such information;

"(B) to State or tribal employees pursuant to an agreement with the Secretary that prevents public disclosure of the identity or business of any person;

"(C) when required by court order; or

"(D) in the case of scientific information involving fisheries, to employees of Councils who are responsible for fishery management plan development and monitoring.

"(9) The Secretary shall prescribe such procedures as may be necessary to preserve the confidentiality of proprietary information collected under this subsection, except that the Secretary shall release or make public upon request any such information in aggregate, summary, or other form which does not directly or indirectly disclose the identity or business of any person.

"(e) ZERO MORTALITY RATE GOAL.—(1) Commercial fisheries shall reduce incidental mortality and serious injury of marine mammals to insignificant levels approaching a zero mortality and serious injury rate within 10 years after the date of enactment of this section.

"(2) Fisheries which maintain insignificant serious injury and mortality levels approaching a zero rate shall not be required to further reduce their mortality rates.

"(3) Three years after such date of enactment, the Secretary shall review the progress of all commercial fisheries, by fishery, toward reducing incidental mortality and serious injury to insignificant levels approaching a zero rate. The Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a report setting forth the results of such review within 1 year after commencement of the review. The Secretary shall note any commercial fishery for which inadequate information exists on the level of incidental mortality and serious injury of marine mammals in the fishery.

"(4) If the Secretary determines after review under paragraph (3) that the rate of incidental mortality and serious injury of marine mammals in a commercial fishery is not consistent with paragraph (1), then the Secretary shall take appropriate action under subsection (b), and shall make recommendations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives on any legislative changes needed to achieve the goal specified in paragraph (1).

"(f) REGISTRATION AND AUTHORIZATION.—(1) The Secretary shall, within 90 days after the date of enactment of this section—

"(A) publish in the Federal Register for public comment, for a period of not less than 90 days, any necessary changes to the Secretary's list of commercial fisheries published under section 114 (along with an explanation of such changes and a statement of the marine mammals and the approximate number of vessels or persons actively involved in each such fishery) that have—

"(i) frequent incidental mortality and serious injury of marine mammals;

"(ii) occasional incidental mortality and serious injury of marine mammals; or

"(iii) a remote likelihood of or no known incidental mortality or serious injury of marine mammals;

"(B) after the close of the period for such public comment, publish in the Federal Register a revised list of commercial fisheries and an update of information required by subparagraph (A), together with a summary of the provisions of this section and information sufficient to advise vessel owners on how to obtain an authorization and otherwise comply with the requirements of this section; and

"(C) at least once each year thereafter, and at such other times as the Secretary considers appropriate, reexamine, based on information gathered under this Act and other relevant sources and after notice and opportunity for public comment, the classification of commercial fisheries and other determinations required under subparagraph (A) and publish in the Federal Register any necessary changes.

"(2)(A) An authorization shall be granted by the Secretary in accordance with this section for a vessel engaged in a commercial fishery listed under paragraph (1)(A) (i) or (ii) upon receipt by the Secretary of a completed registration form providing the name of the vessel owner and operator, the name and description of the vessel, the fisheries in which it will be engaged, the approximate time, duration, and location of such fishery operations, and the general type and nature of use of the fishing gear and techniques used. Such information shall be in a readily usable format that can be efficiently entered into and utilized by an automated or computerized data processing system. A decal or other physical evidence that the authorization is current and valid shall be issued by the Secretary at the time an authorization is granted, and so long as the authorization remains current and valid, shall be reissued annually thereafter.

"(B) No authorization may be granted under this section to the owner of a vessel unless such vessel—

"(i) is a vessel of the United States; or

"(ii) has a valid fishing permit issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)).

"(C) Except as provided in subsection (a), an authorization granted under this section shall allow the incidental taking of all species and stocks of marine mammals to which this Act applies.

"(3)(A) An owner of a vessel engaged in any fishery listed under paragraph (1)(A) (i) or (ii) shall, in order to engage in the lawful incidental taking of marine mammals in a commercial fishery—

"(i) have registered as required under paragraph (2) with the Secretary in order to obtain for each such vessel owned an authorization for the purpose of incidentally taking marine mammals in accordance with this section, except that owners of vessels holding valid certificates of exemption under section 114 are deemed to have registered for purposes of this subsection for the period during which such registration is valid;

"(ii) ensure that a decal or such other physical evidence of a current and valid authorization as the Secretary may require is displayed on or is in the possession of the master of each such vessel; and

"(iii) report as required by subsection (g).

"(B) Any owner of a vessel receiving an authorization under this section for any fishery listed under paragraph (1)(A) (i) or (ii) shall, as a condition of that authorization, take on board an observer if requested to do so by the Secretary.

"(C) An owner of a vessel engaged in a fishery listed under paragraph (1)(A) (i) or (ii) who—

"(i) fails to obtain from the Secretary an authorization for such vessel under this section;

"(ii) fails to maintain a current and valid authorization for such vessel; or

"(iii) fails to ensure that a decal or other physical evidence of such authorization issued by the Secretary is displayed on or is in possession of the master of the vessel,

and the master of any such vessel engaged in such fishery, shall be deemed to have violated this title. Such owner and master shall be subject to penalty under sections 105 and 107 for a violation of clause (i) or (ii), and shall be subject to a fine of not more than $100 for each offense for a violation of clause (iii).

"(D) If the owner of a vessel has obtained and maintains a current and valid authorization from the Secretary under this section and meets the requirements set forth in this section, including compliance with any regulations to implement an incidental take reduction plan under this section, the owner of such vessel, and the master and crew members of the vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals while such vessel is engaged in a fishery to which the authorization applies.

"(E) Each owner of a vessel engaged in any fishery not listed under paragraph (1)(A) (i) or (ii), and the master and crew members of such a vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals if such owner reports to the Secretary, in the form and manner required under subsection (g), instances of incidental mortality or injury of marine mammals in the course of that fishery.

"(4) The Secretary shall suspend or revoke an authorization granted under this section and shall not issue a decal or other physical evidence of the authorization for any vessel until the owner of such vessel complies with the reporting requirements under subsection (g) and such requirements to take on board an observer under paragraph (3)(B) as are applicable to such vessel. Previous failure to comply with the requirements of section 114 shall not bar the grant of an authorization under this section for an owner who complies with the requirements of this section. The Secretary may suspend or revoke an authorization granted under this subsection, and may not issue a decal or other physical evidence of the authorization for any vessel which fails to comply with regulations implementing an incidental take reduction plan or emergency regulations issued under this section.

"(5)(A) The Secretary shall develop, in consultation with the appropriate States, affected Councils, and other interested persons, the means by which the granting and administration of authorizations under this section shall be integrated and coordinated, to the maximum extent practicable, with existing fishery licenses, registrations, and related programs.

"(B) The Secretary shall utilize newspapers of general circulation, fishery trade associations, electronic media, and other means of advising commercial fishermen of the provisions of this section and the means by which they can comply with its requirements.

"(C) The Secretary is authorized to charge a fee for the granting of an authorization under this section. The level of fees charged under this subparagraph shall not exceed the administrative costs incurred in granting an authorization. Fees collected under this subparagraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in the granting and administration of authorizations under this section.

"(g) REPORTING REQUIREMENT.—The owner or operator of a commercial fishing vessel subject to this Act shall report all incidental mortality and injury of marine mammals in the course of commercial fishing operations to the Secretary by mail or other means acceptable to the Secretary within 48 hours after the end of each fishing trip on a standard postage-paid form to be developed by the Secretary under this section. Such form shall be capable of being readily entered into and usable by an automated or computerized data processing system and shall require the vessel owner or operator to provide the following:

"(1) The vessel name, and Federal, State, or tribal registration numbers of the registered vessel.

"(2) The name and address of the vessel owner or operator.

"(3) The name and description of the fishery.

"(4) The species of each marine mammal incidentally killed or injured, and the date, time, and approximate geographic location of such occurrence.

"(h) PENALTIES.—Except as provided in subsection (f), any person who violates this section shall be subject to the provisions of section 105 and 107, and may be subject to section 106 as the Secretary establishes by regulations.

"(i) VOLUNTARY MEASURES.—Nothing in this section shall be construed to limit the Secretary's authority to permit voluntary measures to be utilized in reducing the incidental taking of marine mammals in commercial fisheries.

"(j) CONSULTATION WITH SECRETARY OF THE INTERIOR.—The Secretary shall consult with the Secretary of the Interior on measures promulgated under this section which affect species or stocks under such Secretary's jurisdiction.".

SEC. 9. PENALTIES; PROHIBITIONS.

(a) CIVIL PENALTIES.—Section 105(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(a)(1)) is amended by inserting ", except as provided in section 118," immediately after "thereunder" and by inserting ", harassment," immediately after "taking".

(b) CRIMINAL PENALTIES.—Section 105(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(b)) is amended by inserting "(except as provided in section 118)" immediately after "thereunder".

(c) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended by striking "and 114 of this title or title III" and inserting in lieu thereof "114, and 118 of this title and title IV".

SEC. 10. AUTHORIZATION TO DETER MARINE MAMMALS NONLETHALLY.

Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by adding at the end the following new subsection:

"(d)(1) Except as provided in paragraph (2), the provisions of this Act shall not apply to the use of measures—

"(A) by the owner of fishing gear or catch, or an employee or agent of such owner, to deter a marine mammal from damaging the gear or catch;

"(B) by the owner of other private property, or an agent, bailee, or employee of such owner, to deter a marine mammal from damaging private property;

"(C) by any person, to deter a marine mammal from endangering personal safety; or

"(D) by a government employee, to deter a marine mammal from damaging public property,

so long as such measures do not result in the death or serious injury of the marine mammal.

"(2) The Secretary shall, through consultation with appropriate experts, and after notice and opportunity for public comment, publish in the Federal Register a list of guidelines for use in safely deterring marine mammals. In the case of marine mammals designated as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the Secretary shall recommend specific measures which may be used to nonlethally deter such marine mammals. Actions to deter marine mammals consistent with such guidelines or specific measures shall not be a violation of this Act.

"(3) If the Secretary determines, using the best scientific information available, that certain forms of deterrence have a significant adverse effect on marine mammals, the Secretary may prohibit such deterrent methods, after notice and opportunity for public comment, through regulation under this Act.

"(4) The authority to deter marine mammals pursuant to paragraph (1) applies to all marine mammals, including all stocks designated as depleted under this Act.".

SEC. 11. INDIAN TREATY RIGHTS; ALASKA NATIVE SUBSISTENCE.

Nothing in this Act, including any amendments to the Marine Mammal Protection Act of 1972 made by this Act—

(1) alters or is intended to alter any treaty between the United States and one or more Indian tribes; or

(2) affects or otherwise modifies the provisions of section 101(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(b)), except as specifically provided in the amendment made by section 4(h) of this Act.

SEC. 12. TRANSITION RULE; IMPLEMENTING REGULATIONS.

(a) TRANSITION RULE.—Section 114(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383a(a)(1)) is amended by striking "ending April 1, 1994," and inserting in lieu thereof "until superseded by regulations prescribed under section 118, or until December 31, 1996, whichever is earlier,".

(b) IMPLEMENTING REGULATIONS.—Except as provided otherwise in this Act, or the amendments to the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) made by this Act, the Secretary of Commerce or the Secretary of the Interior, as appropriate, shall, after notice and opportunity for public comment, promulgate regulations to implement this Act and the amendments made by this Act within 270 days after the date of enactment of this Act.

SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362) is amended—

(1) by striking paragraph (17);

(2) by redesignating the second paragraph (15) and paragraph (16) as paragraphs (16) and (17), respectively; and

(3) in paragraph (12)(B), by striking "in title III" and inserting in lieu thereof "In section 118 and in title IV".

(b) MARINE MAMMAL HEALTH AND STRANDING RESPONSE.—The Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) is amended—

(1) by redesignating title III, as added by Public Law 102-587 (106 Stat. 5060), as title IV; and

(2) by redesignating the sections of that title (16 U.S.C. 1421 through 1421h) as sections 401 through 409, respectively.

(c) UNUSUAL MORTALITY EVENT FUND.—Section 405(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1421d(a)), as so redesignated by subsection (b)(2) of this section, is amended by striking "a fund" and inserting in lieu thereof "an interest bearing fund".

SEC. 14. DEFINITIONS.

Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362), as amended by this Act, is further amended—

(1) in paragraph (12), as redesignated by section 15 of this Act, by striking "harass," each place it appears; and

(2) by adding at the end the following new paragraphs:

"(18) The term 'calculated removal level' for a marine mammal stock is the product of the following factors:

"(A) the minimum population estimate of the stock;

"(B) one-half the maximum theoretical or estimated net productivity rate for the stock at a small population size; and

"(C) if the stock is specified under section 117(a)(7), listed as endangered or threatened under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or designated as depleted under this Act, a recovery factor that is no greater than 1.0 to ensure that the stock will recover to its optimum sustainable population.

The recovery factor under subparagraph (C) shall not be less than 0.1 for an endangered stock, shall not be less than 0.3 for a threatened or depleted stock, and shall not be less than 0.5 for any other stock.

"(19) The term 'Council' means any Regional Fishery Management Council established under section 302 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1852).

"(20) The term 'harassment' means any act of approach, pursuit, torment, or annoyance which—

"(A) has the potential to harm a marine mammal in the wild; or

"(B) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including but not limited to migration, respiration, nursing, breeding, feeding, and sheltering.

"(21) The term 'incidental take reduction plan' means a plan developed under section 118.

"(22) The term 'incidental take reduction team' means a team established under section 118.

"(23) The term 'net productivity rate' means the annual per capita rate of increase in a stock resulting from additions due to reproduction, less losses due to mortality.

"(24) The term 'minimum population estimate' means an estimate of the number of animals in a stock that—

"(A) is based on the best available scientific information on abundance, incorporating the precision and variability associated with such information; and

"(B) provides reasonable assurance that the stock size is equal to or greater than the estimate.".

SEC. 15. HUMAN ACTIVITIES WITHIN PROXIMITY OF WHALES.

(a) LAWFUL APPROACHES.—In waters of the United States surrounding the State of Hawaii, it is lawful for a person subject to the jurisdiction of the United States to approach, by any means other than an aircraft, no closer than 100 yards to a humpback whale or any other whale, regardless of whether the approach is made in waters designated under section 222.31 of title 50, Code of Federal Regulations, as cow/calf waters.

(b) TERMINATION OF LEGAL EFFECT OF CERTAIN REGULATIONS.—Subsection (b) of section 222.31 of title 50, Code of Federal Regulations, shall cease to be in force and effect.

SEC. 16. PINNIPED-FISHERY INTERACTION TASK FORCE.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 119. PINNIPED-FISHERY INTERACTION TASK FORCE.

"(a) PINNIPED REMOVAL AUTHORITY.—Notwithstanding any other provision of this title, the Secretary may permit the lethal removal of pinnipeds in accordance with this section.

"(b) APPLICATION.—Any person may apply to the Secretary to authorize the lethal removal of pinnipeds identified as habitually exhibiting dangerous or damaging behavior that cannot otherwise be deterred. Any such application shall include a means of identifying the individual pinniped or pinnipeds, and shall include a detailed description of the problem interaction and expected benefits of the removal.

"(c) ACTIONS IN RESPONSE TO APPLICATION.—(1) Within 15 days of receiving an application, the Secretary shall determine whether the application has produced sufficient evidence to warrant establishing a Pinniped-Fishery Interaction Task Force to address the situation described in the application. If the Secretary determines that such sufficient evidence has been provided, the Secretary shall establish a Pinniped-Fishery Interaction Task Force and publish a notice in the Federal Register requesting public comment on the application.

"(2) A Pinniped-Fishery Interaction Task Force established under paragraph (1) shall consist of designated employees of the Department of Commerce, scientists who are knowledgeable about the pinniped interaction that the application addresses, representatives of affected conservation and fishing community organizations, Indian treaty tribes, the States, and such other organizations as the Secretary deems appropriate.

"(3) Within 60 days after establishment, and after reviewing public comments in response to the Federal Register notice, the Pinniped-Fishery Interaction Task Force shall—

"(A) recommend to the Secretary whether to approve or deny the proposed lethal removal of the pinniped or pinnipeds, including along with the recommendation a description of the specific pinniped individual or individuals, the proposed location, time, and method of removal, criteria for evaluating the success of the action, and the duration of the authority; and

"(B) suggest nonlethal alternatives, if available and practicable, including a recommended course of action.

"(4) Within 30 days after receipt of recommendations from the Pinniped-Fishery Interaction Task Force, the Secretary shall either approve or deny the application. If such application is approved, the Secretary shall immediately take steps to implement the lethal removal, which shall be performed by Federal or State agencies, or qualified individuals under contract to such agencies.

"(5) After implementation of an approved application, the Pinniped-Fishery Interaction Task Force shall evaluate the effectiveness of the permitted lethal removal or alternative actions implemented. If implementation was ineffective in eliminating the problem interaction, the Task Force shall recommend additional actions. If the implementation was effective, the Task Force shall so advise the Secretary, and the Secretary shall disband the Task Force.

"(d) CONSIDERATIONS.—In considering whether an application should be approved or denied, the Task Force and the Secretary shall consider—

"(1) population trends, feeding habits, the location of the pinniped interaction, how and when the interaction occurs, and how many individual pinnipeds are involved;

"(2) past efforts to nonlethally deter such pinnipeds, and whether the applicant has demonstrated that no feasible and prudent alternatives exist and that the applicant has taken all reasonable nonlethal steps without success;

"(3) the extent to which such pinnipeds are causing undue harm, impact, or imbalance with other species in the ecosystem, including fish populations; and

"(4) the extent to which such pinnipeds are exhibiting behavior that presents an ongoing threat to public safety.

"(e) LIMITATION.—The Secretary shall not approve lethal removal for any pinniped from a species or stock that is—

"(1) listed as threatened or endangered under the Endangered Species Act of 1973;

"(2) designated as depleted under this Act; or

"(3) specified under section 117(a)(7) of this Act.

"(f) REGIONWIDE PINNIPED-FISHERY INTERACTION STUDY.—(1)(A) The Secretary shall conduct a study, of not less than three high predation areas in anadromous fish migration corridors within the Northwest Region of the National Marine Fisheries Service, on the interaction between fish and pinnipeds. In carrying out the study, the Secretary shall consult with other State and Federal agencies with expertise in pinniped-fishery interaction. The study shall evaluate—

"(i) fish behavior in the presence of predators generally;

"(ii) holding times and passage rates of anadromous fish stocks in areas where such anadromous fish are vulnerable to predation;

"(iii) whether additional facilities exist, or could be reasonably developed, that could improve escapement for anadromous fish; and

"(iv) other issues the Secretary considers relevant.

"(B) Subject to the availability of appropriations, the Secretary shall, not later than 18 months after the date of enactment of this section, transmit a report on the results of the study required by this paragraph to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives.

"(C) There are authorized to be appropriated to the Secretary $700,000 for the purpose of carrying out the study required by this paragraph.

"(2) The study conducted under this subsection shall not be considered relevant in any determination under subsection (c), nor reviewed by any task force in connection with considerations under subsection (d), until such study is completed, and may not be used by the Secretary as a reason for delaying or deferring a determination under subsection (C).".

SEC. 17. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 120. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA.

"(a) IN GENERAL.—The Secretary may enter into cooperative agreements with Alaska Native organizations to conserve marine mammals and provide co-management of subsistence use by Alaska Natives.

"(b) GRANTS.—Agreements entered into under this section may include grants to Alaska Native organizations for, among other purposes—

"(1) collecting and analyzing data on marine mammal populations;

"(2) monitoring the harvest of marine mammals for subsistence use;

"(3) participating in marine mammal research conducted by the Federal Government, States, academic institutions, and private organizations; and

"(4) developing marine mammal co-management structures with Federal and State agencies.

"(c) EFFECT OF JURISDICTION.—Nothing in this section is intended or shall be construed—

"(1) as authorizing any expansion or change in the respective jurisdiction of Federal, State, or tribal governments over fish and wildlife resources; or

"(2) as altering in any respect the existing political or legal status or Alaska Natives, or the governmental or jurisdictional status of Alaska Native communities or Alaska Native entities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section—

"(1) $1,500,000 to the Secretary of Commerce for each of the fiscal years 1994, 1995, 1996, 1997, 1998, and 1999; and

"(2) $1,000,000 to the Secretary of the Interior for each of the fiscal years 1994, 1995, 1996, 1997, 1998, and 1999.

The amounts authorized to be appropriated under this subsection are in addition to the amounts authorized to be appropriated under section 7 of the Act entitled 'An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes', approved October 9, 1981 (16 U.S.C. 1384).".

SEC. 18. BERING SEA MARINE ECOSYSTEM PROTECTION.

Section 110 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1380) is amended by striking subsection (c) and inserting in lieu thereof the following:

"(c)(1) The Secretary of Commerce, in consultation with the Secretary of the Interior, the Marine Mammal Commission, the State of Alaska, Alaska Native organizations, and fishery and environmental groups, shall, not later than 180 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, undertake a scientific research program to monitor the health and stability of the Bering Sea marine ecosystem and to resolve uncertainties concerning the causes of population declines of marine mammals, sea birds, and other living resources of that marine ecosystem. The program shall address the research recommendations developed by previous workshops on Bering Sea living marine resources, and shall include research on subsistence uses of such resources and ways to provide for the continued opportunity of such uses.

"(2) To the maximum extent practicable, the research program undertaken pursuant to paragraph (1) shall be conducted in Alaska. The Secretary shall utilize, where appropriate, traditional local knowledge and may contract with a qualified Alaska Native organization to conduct such research.

"(3) The Secretary of Commerce, the Secretary of the Interior, and the Commission shall address the status and findings of the research program in their annual reports to Congress required by sections 103(f) and 204.".

SEC. 19. INTERJURISDICTIONAL FISHERIES ACT OF 1986.

Section 308(b) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(b)) is amended by striking "$2,500,000 for each of the fiscal years 1989, 1990, 1991, 1992, 1993, 1994, and 1995" and inserting in lieu thereof "$65,000,000 for each of the fiscal years 1994 and 1995".

SEC. 20. COASTAL ECOSYSTEM HEALTH.

(a) REQUIREMENT TO CONVEY.—Not later than September 30, 1994, the Secretary of the Navy shall convey, without payment or other consideration, to the Secretary of Commerce, all right, title, and interest to the property comprising that portion of the Naval Base, Charleston, South Carolina, bounded by Hobson Avenue, the Cooper River, the landward extension of the northwest side of Pier R, and the fenceline between the buildings knows as RTC–1 and 200. Such property shall include Pier R, the buildings known as RTC–1 and RTC–4, and all walkways and parking areas associated with such buildings and Pier R.

(b) SURVEY; EFFECT ON LIABILITY OF SECRETARY OF THE NAVY.—The acreage and legal description of the property to be conveyed pursuant to this section shall be determined by a survey approved by the Secretary of the Navy. Such conveyance shall not release the Secretary of the Navy from any liability arising prior to, during, or after such conveyance as a result of the ownership or occupation of the property by the United States Navy.

(c) USE BY NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—The property conveyed pursuant to this section shall be used by the Secretary of Commerce in support of the operations of the National Oceanic and Atmospheric Administration.

(d) REVERSION RIGHTS.—Conveyance of the property pursuant to this section shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately be conveyed to the public entity vested with ownership of the remainder of the Charleston Naval Base, if and when—

(1) continued ownership and occupation of the property by the National Oceanic and Atmospheric Administration no longer is compatible with the comprehensive plan for reuse of the Charleston Naval Base developed by the community reuse committee and approved by the Secretary of the Navy; and

(2) such public entity provides for relocation of the programs and personnel of the National Oceanic and Atmospheric Administration occupying such property, at no further cost to the United States Government, to comparable facility, including adjacent waterfront and pier, within the Charleston area.

Mr. JOHNSTON. Madam President, I move to reconsider the vote.

Mr. WALLOP. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL PARK SERVICE CONCESSIONS POLICY REFORM ACT OF 1994

The Senate continued with the consideration of the bill.

Mr. JOHNSTON. Madam President, I ask unanimous consent that we resume consideration of S. 208.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WALLOP. Madam President, I ask unanimous consent that Jim Beirne, Jim O'Toole, Jim Tate, Kelly Fischer, Carol Craft, Gerry Hardy, and Camille Heninger of the Senate minority staff be permitted the privileges of the floor during the pendency of S. 208.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Louisiana.

Mr. JOHNSTON. Madam President, S. 208 as reported from the Energy and Natural Resources Committee would reform the process by which the National Park Service awards contracts to private persons or corporations who seek to do business inside our national parks. The legislation has been before our committee in one form or another for many, many years. It has been the subject of numerous hearings, some as early as 1979, and has been considered at several committee business meetings. Throughout this process, under the leadership of the Senator from Arkansas, Mr. [BUMPERS], who is the chairman of the Subcommittee on Public Lands, National Parks and Forests, we have crafted a very reasonable and progressive bill. This measure is a bipartisan measure. It was ordered reported by the committee by a vote of 16 to 4.

Our colleague from Utah, Senator BENNETT, worked very closely with Senator BUMPERS to craft the compromise bill before us today. In fact, Senator BENNETT, who is one of the renowned businessmen of this body, put a businessman's approach to the matter of concessions in national parks, and I think our result is one that utilizes the best of business principles, that is competition, so that the park concessions will be awarded to the very best of the applicants.

Madam President, under today's law before this bill is enacted we do not have a competitive situation in our national parks. To the contrary, those that have the concessions are almost guaranteed that they will get a renewal of that contract. That is so because of two features of the present law. The first is what we call the possessory interest so that all of the improvements that are made in a national park are, in effect, the property of the concessioner so that when it comes time to renew the contract, anyone who wishes to compete must pay the full or "sound" value, what in effect is the fair market value, for all of the improvements made at that national park. Improvements at our big national parks total hundreds of millions of dollars. In effect, if you build a hotel at a national park, then there is no depreciation of that asset. Rather the concessioner gets to keep the assets, and at the termination of the contract anyone who wishes to bid for that new contract must pay the full nondepreciated value of that asset.

The second basis on which it is almost impossible to compete is that concessioners get a preferential right to renew. That means that if someone goes to all of the expense, trouble, difficulty and time of putting together a bid for a concession, then the existing concessioner has the right to come in and equal or exceed that bid.

So, on that basis, no one is going to go through the trouble and expense to make the bid and, indeed, have to put up all the money for the assets and then find that he or she is unable to get the contract because the existing concessioner equals the bid that they made.

So what we have done, Madam President, is provide for a competitive selection process. It prohibits the preferential right of renewal unless the contract is less than $500,000. In those very small contracts, the Park Service is permitted to go ahead with the preferential right of renewal. In all others, it must be done on a competitive basis.

With respect to the possessory interest, those who have assets, concessioners who have these assets at the present time, will be able to keep those assets. So, if an existing concessioner wishes to, or is not successful in getting a renewal of the contract, then the person who gets the contract would have to pay him the full possessory interest, the full fair value of those assets. However, if the concessioner is able to get a renewal of the contract, then he must begin to depreciate that asset on the basis of the number of years provided by the Internal Revenue Code, which, in today's code, would provide for 39 years.

So, Madam President, what we have here is a bill that will ensure that national park concessions are managed not only in the interest of the taxpayers, so as to maximize the return to the taxpayer, but so that we will be able to get the best concessioner, the one who competitively is able to bid for the contract.

I think, Madam President, what we have in this bill is national park policy which is realistic and combines the very best of park policy with the best of business policy.

For that reason, Madam President, this bipartisan measure was, as I mentioned earlier, passed out of committee by a vote of 16 to 4.

Madam President, the instant bill before us really is a tribute to Senators BUMPERS and BENNETT, who worked this bill out. They worked out complicated, difficult and, I might say, controversial provisions of this bill. In doing so, it was able to garner the overwhelming support of the Senate Energy Committee. Both of those Senators have my congratulations for an excellent job done in putting together a difficult bill.

I yield the floor.

Mr. WALLOP addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Wyoming.

Mr. WALLOP. Madam President, I am sure it is a very rare occasion upon which I would disagree with the business judgment or the political judgment of my friend from Utah, Senator BENNETT. And rarely have I been on the other side of a bill that the committee has brought to the floor from the Senator from Louisiana. In fact, the two of us, I still believe, passed the only really major piece of legislation in the last Congress, the national energy strategy.

Madam President, I find, from talking to colleagues, the first thing everybody wonders is, what is all the fuss about? I mean, who can be worrying about a couple of hot dog stands? That is what the concessions are. They do not know, the average person in this body does not have a clue, what we are talking about. And possessory interest puts them straight to sleep. It is a word not often used in the rest of business.

But, it is important I think to realize what the concessions are. They are the hotels, they are the dude ranches, they are the rafting operations, they are the gasoline and convenience stores, they are riding, guiding, sight-seeing operations, depending on the nature of the park; they are the bus systems, they are boating opportunities, they are what America has asked the private sector to do for it.

The Senator from Louisiana said, quite correctly, that these assets run to hundreds of millions of dollars. Madam President, that is precisely correct, and the taxpayer did not pay a dime for it. Nor would the taxpayer have paid a dime for it; not even during the plush times of absolute abandon on deficits and Government spending, would we have ever funded what the private sector has funded.

That, Madam President, was the whole point when Congress passed Concessions Policy Act of 1965. We intended, on purpose, to discourage the turnover of concession operations.

As a matter of Federal policy—and a darn good one it has been, too—we decided that the private sector should be encouraged to provide the visitor services. They would be regulated and they would be allowed to make a reasonable profit. In exchange, they, and not the Federal Government and not the taxpayers of America, would be required to raise the capital to construct and maintain facilities to standards set by the Federal Government.

Continuity of good services at reasonable rates to our park visitors was judged to be more important than the collection of receipts. That was at a time when the national parks were to be considered public treasures for the benefit of the public. That was before reinventing Government tried to turn them into cash registers for the Federal Government.

Madam President, I will talk for a minute about the right of possessory interest and the preferential right of renewal, along with the ability to award long-term contracts. These were all included in the Concessions Policy Act to provide the contractor with the necessary collateral to take to a lending institution—a bank or whatever; investors, even—so that moneys could be borrowed to fund park improvements for the visitor.

We have gotten off on the idea, somehow or another, that these were processes for the concessionaires. The Congress made a specific decision—and a wise one it has been—that these moneys would be invested for the pleasure of the visiting public, the convenience of and the safety of. And this was consistent with our view that these types of improvements and services should be furnished by the private sector and not the taxpayer.

The success of the program in concessions is obvious, if you look at the privately operated visitor facilities in America's national parks today. Under no set of circumstances—I defy anybody in either body to tell me that they believe that the Federal Government would have developed, would have constructed, and would have maintained the hundreds of visitor facilities throughout the park system without this private sector involvement and, more importantly, without making major trips to the Federal Treasury for buckets of money.

Has it been entirely, 100 percent perfect? Of course it has not. But I will tell the Senate this: it has been more successful than darn near any Federal program that anybody can point out to me. And we are on the threshold of toying with it for a new idea.

The situation in the parks has not changed and, in fact, has become gravely worse, given the budget constraints and our unending appetite to add more parks.

One of the things we are about to do is add another park in California called East Mojave. This, after having accepted the Presidio, which is going to cost us more than Yellowstone, more than even Yosemite, and more than most of the rest of the parks in the system combined. But we are not going to add any more personnel and we are not going to add any more money. And guess what is going to happen?

The Secretary has already taken 400 people out of the National Park System and put 301 of them in his office. And we are sitting around here taking the one thing that works, and my guarantee is that it will add somewhere between $150 and $200 million a year out of a budget of $1 billion to the National Park System's problems.

These facilities that exist in our parks are, by and large, wonderful. There are facilities that still need to be developed, and there are some that need to be replaced and some that need to be maintained. It is unfortunate that the very fundamental building blocks of the successful and cost-effective program have been undermined and eliminated by the legislation reported by our committee. It is unfortunate the Appropriations Committee does not understand the magnitude of the expenses they will bear if this legislation is to pass.

Let there be no misunderstanding; the parks will receive their money, although not all they need. Other programs will suffer as well.

While I understand and do not quarrel with the proponents of this legislation, who believe their efforts will result in increased competition and revenue, it is my belief that, as reported, this legislation will exact an enormous price from the taxpayers, and worse still, will result in a degradation to the National Park System and a very specific degradation to the services provided to the visitors of the National Park System.

The Senator from Louisiana said, "It is going to maximize the return to the taxpayer. It gets you the very best franchisee." Madam President, the very best franchisee has nothing to do with this. It will get you the cheapest franchisee—who may or may not be a good franchisee—but he will darned sure be the cheapest. His effort to try to maximize the return of the investment that he is about to make will result either in lower fees from the National Park Service charged to the franchisee, or higher costs to the visitors. That is what this will get you.

Under current law and under current practice, concessionaires are encouraged to make investments to the infrastructure to accommodate park visitors, and so they should. They obtain their own capital and comply with all Federal requirements. Title to all the facilities resides with the United States, and that is wherein this crazy word "possessory interest" comes, because while there the title resides, the franchisee, if he is to lose that for reasons of malperformance or other reasons, then the Park Service and the Government owes him the fair market value of those improvements.

Possessory interest is calculated as to the sound value of those improvements, and that possessory interest has to be either acquired by the Government or a new concessionaire if the current one does not obtain a renewal of his contract. That is the basis upon which people can go to borrow money. There is nothing strange in the business world about that. The guy goes to the bank. He says, "Here is what my interest is. Here is what you can get from me should I collapse and fail. This is the reason I am able to come to you, Mr. Banker, and borrow money."

The new concessionaire is going to say, "I have a contract from the United States Government. That guarantees me at the end of time I get half the value, a depreciated half of this thing. But I have no possessory interest in it. It is declining."

These changes will simply have to be reflected, and I am certain my colleague from Utah, as a businessman, will understand that. They have to be reflected. Nobody is going to absorb them by ignoring them. So it certainly eliminates the collateral basis upon which to finance improvements. My concern is the practical effect of failing to grandfather those existing possessory interests.

The legislation as reported applies a schedule to reduce the value of any existing possessory interest if the present contract is renewed. That is a cute theory, but let us examine the implications of that in practice, in the actual business world in which these people are going to have to operate. Assume for the sake of argument this is an existing concessionaire who has invested in a modest facility which provides limited accommodations, meals, supplies, and fuel for visitors in a park with a very limited season. Not all our parks have the 12-month season of the parks in the chairman's State, or in Florida, California, or Arizona. A lot of them, as in my State and Alaska and the State of the Senator from Utah, have a limited season. The money they make, the return on their investment, has to be made in 4 months, 5 months—certainly not 12.

The possessory interest that exists today, of a concession the likes of which I described, could be in the neighborhood of $5 million, based on sound market value. The contract is coming up now for renewal. Let us assume the new contract will be for 10 years with a 20-year devaluation schedule. A concessionaire, who is the investor today, is faced with a choice. Should the concessionaire renew, he will directly forfeit approximately $2.5 million over the life of the contract under this legislation. So now he either makes that up in higher charges or gets it back from the Park Service in lower franchise fees, or he will simply leave and ask for his $5 million for some other enterprise. These people are not fools. They have a great affection for the national parks and they have a great affection for the jobs they do. But they are not fools and $5 million is better than $2.5 million. The latter is the more likely scenario.

That possibility is even more likely if you consider the time value of the funds. If the concessionaire stays, the $5 million interest will be reduced to $2.5 million under the terms contained in this bill. If he were to take the $5 million and invest it at 7 percent over the same period, it would be worth $10 million. Do we really expect people to forgo $7.5 million for the privilege of being abused by the Department of Interior?

There are family operations where the possessory interest represents a large portion of their estate, and keep in mind that a lot of these concessions about which we are talking are family operations. The former Director of the Fish and Wildlife Service, Mr. John Turner, his family has been operating in Grand Teton National Park since before it was a national park. So these are a portion of an estate.

What responsible family is going to leave their estate to be divided in half by the Federal Government? Sadly and reluctantly, they will leave, the people who have been providing this kind of service to visitors to the National Park System. And you are telling me that you are going to get a better concessionaire than people who have been able to stay in business for 75 years as a family? They have been able to stay because they have been good, because they have run good businesses, because people like to come and have the guided nature tours, and to ride the horses that they have, and to go on the pack outfitting trips and run the river. They have been good for all this time. But this is their family's estate and they dare not leave it on the table; they just dare not.

So assuming the existing concessionaire does what is likely, who gets to pick up the tab? Under current law, it would be the new concessionaire, who would then hold a possessory interest and, in fact, would use the possessory interest as collateral for the loan to pay off the existing concessionaire.

However, under the legislation in front of us, any new concessionaire is faced with the same prospect of paying $5 million and watching that investment dwindle to $2.5 million over the contract term.

Again, Madam President, these people are not fools, either the ones that are there or the ones that will be coming in. That investment will have to be recouped in higher charges to the national park visitor or lower fees from the National Park Service. Somewhere or another, it is not going to come just out of the tax advantages of being able to depreciate property. It will not.

The statute that sits in front of us eliminates the value of the purchased interest as collateral. I do not know why that is hard to see. I really do not know why it is hard to see. These operations are not such gold mines in their entirety—there may be one or two—but in their entirety, they are small businesses yielding very little return. They are yielding livings to mom-and-pop operations. They are yielding the ability to create small estates, like the rest of America's businessmen and women have.

The most likely result is that all the parties are simply going to let the Federal Government buy out the existing concessionaire and then bid on contracts without any possessory interest. That contract is not going to be of the same value. No businessman around is going to do it. The Park Service is going to hold an item that it has paid for with taxpayers' money that immediately has a diminished value as a consequence of the passage of this bill. Why is that hard to understand?

It accomplishes the goal of the legislation, gets it out of the hands of the existing concessionaire, and it gets people to bid for it. It gets them to bid, I will grant you that. But it does so at the expense of a beleaguered national park system, and out of the limited funds available to the Appropriations Committee and ultimately out of the ability of the National Park System to take care of the national parks under its control.

The entire budget for the National Park Service in 1994 is just over $1 billion. A lot of us are, with good reason, concerned about the present level of park maintenance and, even more so, Madam President, about the backlog in land acquisition. We should be concerned when 20 percent of the Park Service budget or 15 percent over the next 10 years goes to paying off possessory interest when we have taken the property of Americans and refuse to pay for them.

A lot of Americans do not realize that this Congress annually authorizes new parks, many of which have private property holdings. Congress has the biggest appetite in the world for parks. We use it to run for reelection. We use it to say great things about America. But, Madam President, we have absolutely no stomach in the world for paying for it. In the Chair's own State, in California, in Wyoming, in Indiana, in Utah and Florida, in virtually every State, there are Americans whose property has been declared national parks for which we have not paid.

Now all of a sudden we are going to put concessionaires at the front of the line and virtually force them into the decision of saying, yes, pay for these. A, it is not right; B, it is bad business; and C, it further diminishes the capacity of the National Park System to pursue its mission. We are not going to add any more money to it. We absolutely are not. And we are already taking personnel away from it while adding more parks to it.

There is something really silly about this operation, and I do not know how to get the attention of the Senate to say how absolutely silly it is. We have all the right words and all the right names: Competition; revenues to the Treasury; it will pay us more. But an examination of this bill shows us the opposite.

There is fundamentally something wrong with this picture. On the one hand, we, as the Congress, and this administration, are advocating private ownership of lands and facilities within the former Soviet Union. On the other, we now seem to be striving to get more Government ownership of the private facilities which occupy our Federal lands.

The cost to purchase existing possessory interests will be expensive—as the Senator from Louisiana mentioned the values of them—and it is unnecessary and it is counterproductive. The appropriators ought to be paying attention. Somebody is going to have to pay. It is not going to come for nothing. It will not be the new concessionaire. It will be the taxpayer and a system that is underfunded and under siege.

The legislation will do enormous harm to a system that has served very successfully, very handsomely the parks' visitor for over three-quarters of a century. Visitors who have become accustomed to a high quality of service may some day ask us: "What happened? Why did you do it?"

We are not even going to try this thing before we put it in play; we are just going to do it.

In the interim, revenues to the Treasury almost certainly will be decreased. Services in our parks will become too expensive for the average visitor to afford. Maybe that is the way we can limit the visitors to America's national parks, by making them just the playgrounds of the upper-middle class and the rich—no longer the playgrounds of the great touring American.

The process of using concessions must go up. Somebody has to pay and it is going to be the visitor or it is going to be the Treasury, and we do not have it in the Treasury and we are not going to let the parks disappear. The private facilities will either begin to degrade or eventually be owned by the Government and then they will degrade, if history is any judge, and at some point in time, it is going to cost fortunes to rehabilitate what we have allowed to be destroyed.

Guess how we are going to do it? We are going to go back to the system that we have today which grants a possessory interest so that people can get the capital to do it. That is the only way it is going to be. I promise you that nobody in Congress is going to give you money to rebuild the Lake Hotel in Yellowstone or any of the other wonderful facilities that exist. Congress is not going to do that.

I really appreciate the efforts of the colleagues who have attempted to reform the Concessions Policy Act. I do not charge them with acting in bad faith. Far from it. I honestly believe that they think that this is going to be better than the system that exists. I thoroughly and I completely disagree. I have grown up in national parks. I have had friends and family who have worked in the national parks. I know what these things are about.

If enacted, this legislation will produce practically no additional revenue if it works perfectly. And guess what? The revenue is not going to go to the national parks. The revenue, whatever little there is, is going to go to the Treasury. We tried. Senator JOHNSTON and I and others worked very hard to get the entrance fees raised so that: First, they were worth collecting; and, second, that they could stay in the parks, but they were raised. It was no sooner passed and all that Americans got out of it was higher entrance fees. They sure did not get an improvement in trails or improvement in visitor facilities or sure did not get an increased number of America's acres that have been confiscated and paid for. Nothing happened good to the parks out of raising the fees, and we all tried very hard to see to it that that was the specific result of it.

I have long advocated that concessions should be paying higher franchise fees. Madam President, that is not the fault of the system. That is the fault of the business managers of the National Park Service, and that can be changed. If people really want to put these things on a more business-like basis, all they have to do is write a better contract.

Some of the contracts that have been written by the system are a joke, but that is not the fault of the act. That is the fault of incompetence in governing, and incompetence in governing is not a franchise of either party. It is the mark of both parties. It is the mark of Government. But you can do better, and there is no reason to tear down a system that has provided excellence from one end to the other in order to do better.

To think differently is basically to think and to subscribe to the administration's views that this great national park system is for amusements to be run for money and not for the purpose of setting them aside to preserve them and protect them for the future and provide for the current enjoyment of Americans. That is why they were put together. They are not to be a coin machine for the Treasury, especially when the Treasury refuses through the offices of the Congress to provide the money to run those parks well, and now we are going to take on the additional load of buying concessions and operating them until we get new concessionaires?

It is a joke, Madam President. The current system is the best example I know of how a private/public partnership should work. It provided millions and millions and millions of dollars in vital infrastructure and services to the visitors to the parks all at no cost to the taxpayers and all with the result of good, solid facilities for America's parks visitors to enjoy when they are in the parks.

The committee chose to change the conditions of the right to possessory interest and in so doing, in my judgment, will initiate the biggest buyout that the Park Service has ever had. Existing concession operators will have no alternative but to leave their businesses on termination date unless they are very, very big and they can write these things off in other ways.

What you may see is just a swap of ownership; that which TW Services now owns will go to the market and ARA will buy it, and that which ARA now owns TW Services will buy, all of them trying to recoup a capital situation which they now understand and which they entered into with good faith. And their new judgment is going to be, I trust, the Congress not to change it again when they go to the bank for more capital.

In my judgment, existing concession operators have no alternative but to leave their businesses on the termination date, and in my judgment that will result in a Government buyout because successor interests will have the same problem—unless, of course, it can be acquired more cheaply, and the only way you can acquire it more cheaply is to buy it from the Park Service, which will be forced to buy them out.

Now, unfortunately, not all the concessions are small in size. This legislation will be an extraordinarily expensive piece of business. There is no accurate record of how much the total possessory interests held by concessionaires is worth in today's dollars, but one has only to look at the hotels and the lodges and the restaurants and marinas and other facilities around the service to realize that as concession operators opt out for more lucrative pastures, the cost to the Government could run into billions.

In all fairness, there will be some concessionaires who do elect to stay in business, but they will be few and they will be corporate interests, certainly not family interests—corporate interests that can move these kinds of investments.

Sheer economics will dictate others to leave. It just does not make any sense. They can simply leave their present contract, pocket taxpayer funds which the legislation so graciously gives them and then go right back in and bid. They will be richer, the Federal Government poorer, but we will have satisfied the need to look very fine in front of those who say that we do not have enough competition in the current system. They will never judge us. We will not be around to be seen when this turns out to be as I predict.

I will have a couple of amendments to offer today, one which will provide a standby option to deal with possessory interest, which would leave the Secretary with his current discretion to continue it on renewal or negotiate a different arrangement should my views prove to be correct.

My second amendment is, lest we lose track of all of this and become anonymous, as we so often do, will mandate certain reports to Congress so that our successors may judge if we were right or wrong in our actions today.

I hope I am wrong. It will be good for the park system. It would be very good for the park system if I am wrong. But I do not think I am. We have not gotten around to figuring out how to try this. We are just going to go do it even though we have in hand a system which has worked and we know it to have worked. But there is something that bothers people about people being successful when they have franchises from the Government. There is something that makes us as legislators feel very uncomfortable that somebody is making money without ever realizing what the somebody making money is providing for the citizen. He is providing the best visitor facilities of any national park system that exists anywhere in the world.

I have been all over the world, Madam President. I have been on the African Continent, been in China, been in Japan, been in Europe, been in Britain, been in South America. I have been to parks in all of these places. They do not hold a candle to what we have done, and I tell you we deal with it carefully or we abandon it.

The intent of the amendment is to allow the Secretary the discretion to allow any concessioner the right to retain his possessory interest, and only to the extent that the continuation of such interest advances the policy objectives of the act. By passing this amendment we can possibly avoid a cost to the Government that will be in the billions of dollars.

Possessory interest is a right under current law and in many cases worth a substantial amount of money. If Congress chooses to eliminate the right of possessory interest the owner of the right is entitled to just compensation. By maintaining possessory interest in a facility a concessioner will be expected to continue to invest their own money in capital improvements. If the existing concessioner changes he or she would be reimbursed for their possessory interest and the new concessioner would have the possessory interest if the Secretary has determined that continuation would advance the policy set forth in the committee amendment. Voting for this amendment gives us a way out of coming up with money we do not have, and in addition our counties will not be impacted quite as soon.

For example, the Park Service eliminated possessory interest at Yosemite National Park. This means that Mariposa County will have a $700,000 short fall—1993 dollars—to its tax base. This is something that the residents of Mariposa will have to make up from other sources.

Madam President, another point that I must make is to describe the situation facing an existing concessioner. If for a moment we assume that at a park in your State there is a concessioner we will call "A" with a possessory interest of $1 million in real property. "A" faces a renewal of a 10-year contract with an assumed 20-year schedule for reducing the value of the possessory interest. At the present time, A's possessory interest is worth $1 million and can be used as collateral. The real property's value as collateral is devalued upon enactment of the legislation because the legislation would reduce the value over time. The value is also minimal for any new concessioner upon enactment of this legislation.

For A, however, the cost of renewal is not simply the decrease in value over the 10-year contract period of $500,000—$1 million times length of contract divided by reduction schedule. Instead, the cost of renewal to "A" is the difference between that value—$500,000—and the time value of the $1 million over the same period. $1 million invested at 7 percent compound interest would be worth $2 million at the end of 10 years, so the actual cost of renewal to "A" is $1.5 million at the end of 10 years. Coupled with the loss of the interest as further collateral, this legislation should discourage present concessionaires from continuing, unless the Park Service buys them out. And it discourages a new concessioner from coming in, until the Park Service buys out the current concessioner. Either way, business decisions dictate that the Federal Government must buy out the current possessory interest.

My amendment simply allows the Secretary the discretion to avoid the problems presented in this scenario. If he so chooses, he can continue possessory interest for the purposes of fiscal responsibility and integrity. In addition to the cost of concessionaires leaving and taking the value of their real property with them, we must consider the potential cost of the concession bill on appropriations. The Congressional Budget Office estimates that within the next 5 years, 90 percent of all franchise fees will be going into the new fund established by this legislation. Assuming that perhaps 90 percent of the contracts will have been renewed, I present this plausible scenario—Concessioner "A" has a possessory interest. If "A" chooses to renew, which is not likely based on what I just told you, "A" knows that the value of the possessory interest will be reduced over a period of years.

If "A" does not renew, either the Park Service or a new concessioner would have to pay "A" the full value of the real property in the possessory interest. A likely scenario is that existing concessionaires will decide to capture their possessory interest and reinvest it elsewhere. This scenario is particularly likely where the possessory interest is significant, or represents the major assets of a firm or family. For a family, that possessory interest may represent funds for children's education, retirement, or inheritance.

If the existing concessioner walks, other potential concessionaires may very well wait until the Park Service pays concessioner "A" so they do not have to absorb the cost. Only then will all future bids on the concession be free of the expense of the value of the possessory interest.

We do not have a firm estimate on the total amount of possessory interests outstanding in the hands of current concessionaires. However, a brief survey of some of the existing concessionaires has yielded figures of over $500 million, with individual figures ranging from $100,000 to almost $150 million. And, this is only a partial inventory with the value of some major concessions unknown. If the final figure winds up around $1 billion, and one assumes that 90 percent of the contracts will come up over the next 5 years, as CBO did, then Interior and related agencies will assume a potential indebtedness of about $180 million each year. That $180 million will come at the expense of National Park maintenance and other programs funded by Interior and related agencies. The other alternative is that the Secretary will reduce fees to enable the concessionaires to recapture his investment. That would reduce Federal revenues and increase the deficit.

The easy way to avoid the possibility of present concessionaires leaving, and taking the value of their assets with them is to provide the Secretary with some discretion on all current possessory interests. Over time, the Park Service may be able to buy out existing interests, but that is something that can be controlled in appropriations.

I need to stress again that my amendment cures the problems presented in this scenario by allowing the Secretary the discretion to continue possessory interest if it meets the policy objectives of the act.

In this manner the Secretary has some control over the maintenance of fiscal responsibility during the appropriations process. We have discussed the likely scenario that existing concessionaires may decide to capture their possessory interest and reinvest it elsewhere. And, we have discussed the undesirable effect to this legislation on the appropriations process. If passed as currently written, there is the potential that the need for appropriated funds will be totally unpredictable, and possibly overwhelming.

My amendment reserves the options of the Secretary to meet the policy objectives of the act without further direction from Congress.

I yield the floor.

Mr. BENNETT addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. BENNETT. Madam President, I share in some of the concerns that my good friend from Wyoming voiced when he began his presentation. I am uncomfortable opposing the Senator from Wyoming on a business or political matter, and I have great respect for his judgment and his predictive powers. I think his analysis of what is going to happen is right on most of the time.

At the same time, I must rise to disagree with him on this occasion. He says he hopes he is wrong about his predictive powers. Obviously, so do I. But I would like to respond to some of the issues that he has raised and make it clear why I am supporting this particular legislation.

First, I must agree completely with the Senator from Wyoming in his discussion about the wisdom of the past with respect to national parks. I agree that our decision—ours, that is, the Congress—was a wise one in setting up the system that we have at the moment. I agree that the Federal Government would undoubtedly not have put the amount of investment into the national park concessions that has been put there. And I applaud the past Congresses for the action that they have taken. The one thing with which I disagree with the Senator from Wyoming is his statement that the situation has not changed. As I look at it, I think there has been significant change that requires some kind of change in the underlying statute. The change has been in the number of visitors going to the national parks and the demand that has been made on the concessions and, as a consequence, in the attractiveness of a concession to an investor.

I can understand that where there are a limited number of visitors to a national park and where there is a limited season in the national park, unusual inducements are going to have to be offered to a businessman or business woman to get him or her to go in and take the risk involved in that circumstance. But let 10 years pass and the number of visitors double, triple, or quadruple, and all of a sudden you have a situation where the concession is an extremely valuable economic asset.

And we are saying, "Well, if you happened to have been lucky enough 15 years ago to be the one to get the concession, you now have a lifetime right, an eternal right, to hang onto that and reap the benefits from it regardless of what may have changed in the marketplace." Then we would protect that eternal right to the point of freezing out any competitor that might be able to service the park visitor better than the person who was there 15 years ago.

I agree with the Senator from Wyoming in his statement that the primary purpose of these concessions is to service the park visitor. There is no question in my mind but that the driving consideration in all of the decisions was what is best for the park visitor and not what is best for the concessionaire and not what is best for the Park Service—indeed, not what is best for the Park Service and its view of how the park should be administered—but what is best for the park visitor. Ultimately, that is why we have national parks. If we did not have national parks for the purpose of helping the visitor, we might as well turn them off to the visitors, keep them out except for the backpackers.

However, we have decided, wisely, to open them, ask people to come, and make them available to the widest possible group of visitors, and while the visitor is there we will provide services —food and other amenities—that make the visit a worthwhile experience.

I submit that the present system is not the best for the park visitor however well it may have served us in the past.

I offer as an example of how many people would be interested in providing the very best possible services in a competitive situation. There was a statistic given by a present concessionaire who was arguing in favor of the present system and unwittingly, I think, undercut that argument himself. He said, "Senator, it is not true that the present system discourages bidding. The last time our contract came up for renewal, there were 15 bidders against us. Naturally, we kept them all out as our right of refusal." I asked how long ago it was, and he said, "About 90 days." This is not ancient history. This is current history.

I submit, given the size of this particular proposal, the 15 bidders were very much aware of potential changes on this floor in this legislation and were prepared to accept the risks contained in the current version of S. 208 because they were very, very much in the marketplace of ideas at the time the bids were made. They were all frozen out under the present circumstance, and if we continue in the present circumstance, we guarantee that there will be no competition on the part of new operators who might have better concepts as to how to service the park visitor.

I must address the issue raised by my friend from Wyoming with respect to bankers willing to loan on these kinds of investments. I have had some experience going to bankers trying to get money from them. I discovered, as one banker told me very early in my career, the bank does not care about your collateral. The bank wants to know how you are going to pay the loan back.

I said, "I have a house. It is a wonderful house. Come see it." He said "No. I don't want to come see it." I said, "It is worth more than the amount I am asking here in loan. Let me pledge my house so that I can have this loan so that I can go into this wonderful business that I will be glad to tell you all about."

The banker gave me some of the best advice I have ever had. He said, "The bank does not want your house. The bank does not want to be in the real estate business. If we wanted to be in the real estate business, we would have organized a subsidiary to be in the real estate business. We want to know how you are going to pay it back, not what we are going to get when you don't pay it back. We are interested in the cash flow from your business."

Well, then I had to start dancing pretty nicely by the banker's desk because my business plan was based on a lot of hope and no real indication as to how I was going to be able to pay the bank back. Fortunately for both the bank and myself, the bank turned down my application for a loan, and I never got into that business and never had the opportunity to lose all of the money that I would have lost because it was not the right business for me to have been in. The banker was smart enough to see that. I was not.

As someone goes to the bank to say, "I want to finance the purchase of facilities at a national park in order to get into the park concession business," the banker, like my old friend, will say, "How are you going to pay this back?" Not, "How much is it going to be worth on the back end?" The banker will look at cash flow, not collateral, in order to make the loan unless it is a different kind of banker than any of those that I have dealt with.

Well, we are told, without anything on the back end, the cash flow will not sustain any kind of investment. You have to have a promise that you can cash out at the end of the contract or you will not take the risk. At least no reasonable businessman will.

I hesitated whether or not to share this example with the Members of the Senate. But I decided that like any concrete example from the concessionaires—I will talk about that in a moment—I might as well, because this is the best example I can find, and it strikes a little bit at the heart of the argument of the Senator from Wyoming because it has to do with a piece of property in Wyoming.

Since I came to the Senate, I was informed by the Ethics Committee that I could no longer be involved in any of the businesses in which I have my investments except as an investor. And under the advice of the Ethics Committee, I have created a managed asset trust. I have turned all of my assets over to that trust, and the trustees are making all the business decisions.

One of the investments that was offered to our trust has to do with a piece of property in Wyoming. I looked at it and said to my trustees, "You are going to make the decisions under the terms of the trust. But under the terms of this lease, once the lease is over, all of the leasehold improvements that we have put into this property will revert to the landowner, and, to use the language of this debate, possessory interests will be zero. And I do not think we can make enough money in order for this to work. I do not think it is going to work."

The trustees said, "Well, thank you very much, Senator. Now we are running the trust, and we will run the numbers and tell you whether or not the cash flow over the life of the contract is sufficient to service the contract." They came back to me and said, "Guess what?" I said "What?" They said, "We ran the numbers. We have done the analysis. We are going to go ahead with the purchase of the lease even though there is no interest at all at the end of the lease. We think we can make enough money on the cash flow that will not only justify the investment but make you some reasonable return along the way."

They have gone to a bank in Wyoming and presented the lease, and the bank said, "We would be delighted to fund that lease because we can see from the cash flow how you are going to be able to pay us back."

So I accept the judgment of the trustees of my managed asset trust. They may be wrong. I may end up seeing that asset lose money, seeing that go down the drain, but at least the very hard-nosed trustees who are looking after my assets, as well as the Wyoming bank that has examined the lease, have said it is worth making the investment even though the possessory interest at the back end will be under the terms of the contract.

Again, Madam President, this is an illustration of the fact that the bank is not interested in collateral. They are interested in cash flow, and as an investor so am I.

I said I hesitated to use that example. I would have much preferred to have some real numbers out of the concession world to deal with in making this analysis.

Indeed, as we were formulating the legislation in the committee, I said to the representatives and concessionaires who came to see me from time to time: Can you give me some numbers? You are giving me philosophy, you are giving me for instances, you are giving me hypotheticals. Can you give me some firm numbers, actual numbers out of the concessionaire's world in which you live? As a businessman, I am always interested in real numbers. They said: Yes, we can give you some real numbers. But somehow the real numbers never materialized.

Finally, after the bill passed the committee, one of the concessionaires came in and said, "Here are the numbers." They had some very interesting numbers about the size of their operation, in terms of total volume, about the number of taxes they were paying in my State of Utah, property taxes, sales taxes, and franchise taxes. That was all very interesting. But there was one number that was missing. They never told me about return on investment. They never told me how much money they were making under the present circumstance, which, if I were to be a bidder against them, I would want to know. If I were to be a bidder against them, I obviously would not want any confidential information out of their files. I would construct these numbers myself if I were to be a bidder against them. They would be closely guarded.

I promised these people I would not disclose their return on investment here or anyplace else. I just wanted to know how badly they were going to be hurt in terms of cash flow. And they would not tell me.

Again, as a businessman, I have to have that kind of data before I can say with certainty that the dire consequences they are predicting are going to come forth. Their failure to provide that kind of data, Madam President, leads me to believe that they are not confident that that data would convince me that the dire consequences predicted would come to pass. So, as I say, I have gone to the example out of my own circumstance to show that it is entirely possible to have an investment where the possessor goes back to zero and still does quite well.

Let us talk about the issue raised by the Senator from Wyoming with respect to the best franchisee versus the cheapest franchisee. We have heard that argument a great deal. Once again, in the context that I have approached this, it is a persuasive argument. All of our consideration must be based on the question: What is best for the park visitor? Obviously, the best franchisee would be best for the park visitor.

Who is the best franchisee? The best franchisee, by definition, is the one who knows the most about the business—the one who brings the greatest expertise and background to the table at the time of the bidding. Who will that be when these contracts come up for renewal? Obviously, the prejudice is that it will be the existing concessionaire, as the existing concessionaire will bring to the table years and years of experience, years and years of understanding, not only in the top management, but all the way down through the middle management and the people who meet the public directly. That kind of experience, in any kind of competitive bidding, will be enormously valuable to the existing concessionaire.

As I have said to many of them who had said, "We are afraid we are going to lose our contract to somebody else": "You must not have very much confidence in the expertise that you have built up over the years while you have been running this operation, if you think somebody else can come in and knock you out of the box with a complete start-up operation."

I have had the experience—as every businessman has—of having existing suppliers come to bid on a renewal of their contract. In almost every case, I go with the existing supplier because of that expertise. But I want the right to pick a new one just in case the existing one is falling down. That is what competition is all about. And it is the existence of that right, created by this bill, S. 208, that will sharpen the performance of the existing concessionaires and thereby improve the experience of the park visitor.

Back to the reference I made earlier, an existing concessionaire with 15 bidders against him, under the present circumstance, can turn those 15 aside with the wave of his hand and ignore the competitive pressure of those bids. Under our bill, the existing concessionaire, faced with 15 bidders, probably will still get the contract, but he will sharpen his performance to make sure he gets the contract against those others.

There are a few other items that I think need to be referred to in the RECORD. The Senator from Wyoming talked about most of these being "mom and pop" operations that have been in the family for generations, and that is true. He indicated that it would be unfair, in many of these circumstances, to take away that which has been the sole livelihood of these families over several generations; and I agree, which is why I prevailed upon the Senator from Arkansas, Mr. BUMPERS, to raise the cutoff point from $250,000 a year to $500,000 a year, and to exempt river runners and trail guides from the provisions of S. 208, so that those people who are not in the kinds of circumstances that we have been talking about with respect to huge investments, have the kind of protection that the present legislation gives them.

I agree with the Senator from Wyoming entirely about the success of the present legislation in those areas, and I do not want to upset it. We are talking only about activities in excess of $500,000 a year. We are talking about a relatively small percentage of the concessionaires that will be affected by this circumstance of S. 208 regarding possessory interest. We are talking about those that will attract the highest number of bidders and competitors and produce the increased or the best result for the park visitor by virtue of the power of competition.

So, Madam President, in spite of reluctance to disagree with my good friend from Wyoming, I stand here in support of S. 208, as it has been reported by the committee. I believe that it is the best business-oriented approach to this particular challenge. I conclude, as I began, by saying to the Senate and to my friend from Wyoming that I agree with his analysis of the past. My only disagreement comes with his statement that the situation has not changed. I believe it has. I believe the legislation must be updated to reflect that change. I agree with him that we will both have to wait now and see whether his predictive powers are better than mine, and if it turns out he was right and I was wrong, I stand prepared to make whatever changes we might have to make and whatever apologies we might have to make. But there comes a time in every argument within a corporation as to the next business step to take, when somebody must say: All right, I have heard all of the arguments on both sides, and both seem to have merit, but a decision must be made, and we must proceed in one direction or the other. I am one, having heard all of those arguments, who has decided to proceed in the direction outlined in S. 208.

Parenthetically, or as an aftercomment, Madam President, I indicate that I have great interest in the amendments that the Senator from Wyoming has outlined here and would like to go over them carefully. At first blush, I see no reason why I could not accept and support them. I would like to confer with the chairman of the committee and get his reaction to them before making any final commitment.

I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mrs. FEINSTEIN). The Senator from Arkansas is recognized.

Mr. BUMPERS. Madam President, I think I would be remiss if I did not spend a minute to laud my distinguished colleague from Utah, Senator BENNETT. He came here last year and, I think in perhaps the shortest period of time I have ever seen, has established his credibility with virtually every Member of this body. I know this is an accolade that he would not care to hear and would just as soon I omit in my opening statement, but the truth of the matter is, after 16 long years that I have labored on this legislation, we would not be where we are today without Senator BENNETT.

I would not presume to say anything in addition to what he has already said, but he has obviously been successful in business. He is a man of unquestioned integrity, and that goes to intellectual integrity as well as all other kinds that you can conjure up.

But when we were debating this bill in the Energy Committee, without repeating it, he made one of the most eloquent statements I ever heard in the 19 years I have been in the Senate. We come from opposite sides of the aisle, but I can tell you, when people like Senator BENNETT and I can sit down and reason together, as we did on a number of occasions, trying to hammer out a bill that he thought was reasonable and that I thought was reasonable, when we do that, the people's interests are best served.

I think that while Whitewater rages across this city—not so much across the country, but across this city—there are a lot of hardworking Senators who continue to sit down and reason together and do the people's business.

This was not, in my opinion, all that easy for Senator BENNETT. But even though I put in 16 years of hard work on this bill, he deserves, after being here a year, equally as much credit for crafting this bill and its passage out of committee, on a vote of 16 to 4, as I do.

Madam President, I will talk more about this bill in just a moment. But I say that another reason Senator BENNETT's membership in this body has alleviated the frustration level somewhat for me is because it seems as though every single thing I get involved in either is never going to pass, or it takes forever to pass. I probably speak for every other Senator, perhaps every Senator, that has this absolutely unbelievable skyrocketing level of frustration. It is not a very happy place; let us face it. You go to the Cloakrooms; you talk to Senators in private; it is not a happy place because of the frustration level and the "inability to get anything done."

I know that my friend from Wyoming and other western Senators sometimes think I am a Johny-one-note: If it does not hurt the West, I am not interested in it. I see the Senator nodding his head in agreement. But I remember when I went to work trying to make the Federal Government lease oil and gas lands belonging to the Federal Government on a competitive basis, and I was considered a pariah for having done that. That only took 8 years, Madam President; 8 years to change a fraudulent lottery system for awarding oil and gas leases on Federal lands that were worth millions. We were letting them go for $1 an acre because that was the way we did it in 1920.

I am going to save my mining reform speech until later, because everybody has heard that so many times, and that is a place where Senator BENNETT and I will differ. But I can tell you that we honestly differ.

In any event, when it takes 16 years to do something as patently correct as S. 208, you can see why the frustration level is maddening.

I do not want to denigrate any Senator, because I have indulged in it myself, but we sometimes make the most arcane arguments in this body because we have—not a hidden agenda, but we have perhaps a constituent back home that has 100 employees and he has written saying he is going to have to shut the plant down; he is going to have to lay people off. And we come over here and we do not say an employer in my State with 100 employees is going to have to lay half of them off. We use all these little arcane nuances, trying to give people who either want to vote no or yes against their better judgment, something to hang their hats on.

I have just recently introduced a bill which allows the States to levy use taxes or sales taxes on merchandise coming into their State from mail-order houses. It is a business which is mushrooming in the country. We could never do anything about it because of the Supreme Court decision until 1992. Now the ball is in Congress' court. But you cannot get a vote from any Senator who has a fairly sizable mail-order house in his State. I will have a very, very tough time with this legislation.

But I just make this point, and I am not here to debate that bill. People should ask themselves a simple question: What if everyone in the country bought merchandise from the mail-order houses? Incidentally, they are heading in that direction. What would the State do? Or imagine other State services. The sales tax is their No. 1 tax. They pay for it. L.L. Bean pays the sales tax in Maine because that is where they are located, and they have no problem in doing it. But they and others similarly situated will say: If you make us pay taxes to the State of Arkansas, we will have to lay off 500 people, or shut down; or we will do something else.

In this particular case—and I am not applying this to the Senator from Wyoming, because I think the Senator from Wyoming genuinely resisted the passage of this bill because of a strong belief that the present system was working fine. But here is the way I look at it: When I go home and talk to the Chamber of Commerce, and more especially when I went to the people of my State when I ran for Governor and later Senator, do you know what I said? "I will run the State of Arkansas like you run your business. We will husband the money; we will not squander your tax money."

When I came to the Senate, I felt that I had performed sufficiently well on that commitment as Governor of my State. I said, "I promise you these things," and then I did them. "When I go to the Senate, if you will send me there, I will do my very best to see to it that the U.S. Government is operated in a more businesslike way. We will stop unnecessary spending, if I have anything to do with it, and we will stop giveaway deals to protect this group or that group, and try to treat everybody fairly."

So shortly—to be precise, in March of 1979, 4 years after I came to the Senate—I became chairman of the Subcommittee on Public Lands, National Parks and Forests. And the first thing I did was to hold a hearing on why park concessioners in this country, people who run all the concessions were paying such an infinitesimally small amount for the privilege of operating a concession on lands belonging to the taxpayers of the United States.

The first hearing was held in March 1979. And we are here almost 16 years to the day after that, 15 years, getting ready to pass a bill.

Madam President, in 1992 658 park concessioners—those who operate everything from canoes on national rivers to the operation of hotels and restaurants in Yosemite National Park and Yellowstone National Park and Grand Canyon—took in $650 million. That was in gross revenue. From that $650 million, the taxpayers of America got the princely sum of $18 million, or 2.7 percent.

And the opponents would say, "Yes, but you don't understand. They built this hotel. They built this lodge. They built this new restaurant."

And that is true. That is inarguable. They had built facilities inside the parks at the insistence of the National Park Service and they are entitled to compensation for that.

But one of the problems with that was, those possessory interests—that is what we call them—once they build a hotel at Yosemite or some other national park, when their contract expired, they could do either of two things: they could bid to renew their contract, in which case they had what is called a preferential right; and, second, if they chose not to bid to renew the contract, they were entitled to what was called sound value for that improvement they had built in that park—like a hotel.

For example, if the concessioner at Yosemite spent $10 million on a new hotel and 15 years later, when his contract expired, he chose not to bid again—I cannot think of an instance where that ever occurred, because they love these contracts; they always bid for them and they had a bird nest on the ground because nobody could take it away from them—but he was entitled to what was called sound value. So for that $10 million hotel that he had built 15 years before, he was entitled, not to its depreciated value, but essentially to its fair market value, and the fair market value of that possessory interest could very well be $15 million, or $5 million more than he paid for it, even though, for tax purposes, he had depreciated about half the cost.

So when they argue possessory interest, almost without exception, that possessory interest is worth more when his contract expired than it was when he built it.

Madam President, in 1990, the Interior Department's Inspector General did an audit on 29 concession contracts. Of the 29, 28 were awarded without any competition. Why? Because the law provided that if you had a contract, the only way it could be taken away from you was to refuse to match a competing bid.

Witness this: Let us assume that you are bidding on a contract and you bid $100,000 a year. You have the contract now and it is expiring and it is coming up for renewal.

Let us assume you want to pay $100,000 a year and the Park Service says, "That doesn't sound quite reasonable to us." So they go out and find other bidders. And somebody comes in, after doing a lot of work, trying to decide for themselves what this contract is really worth. Let us assume an outsider comes in and says, "I'll give you twice that, $200,000." Under existing law, do you think the Park Service gives that to him because he offered twice as much as the existing concessioner? Why, no. They go back to the original contractor and say, "Look. We have a bid for $200,000. Do you want to match it?" He says, "Yeah, I'll match it." Do you know where that leaves the guy that made the first offer of $200,000? Out in the cold.

TW Services, one of the biggest operators in the United States—I believe it may be a subsidiary or parent company of TWA—testified before our committee on two separate occasions and said:

> Why would I spend a half million developing a bid on a contract, knowing that all the guy who has the contract now has to do to keep it is to match my bid? So why would I go out and spend money bidding on a contract, knowing that all the guy that has it has to do is match my bid and I am out in the cold?

Madam President, you cannot go home and tell the Chamber of Commerce how eager you are to spend their money as though it were their own, or that you are going to spend their money as if it were your own, or that you are going to conduct business at the Federal level like a business, you cannot make those speeches and champion that kind of a situation.

I told you about the inspector general auditing 29 concession contracts; 28 of the 29 were awarded without competition. And the Park Service says that competitors do not even bother to bid. And why would they? Out of 1,900 contracts awarded, only in 100 cases out of 1,900 were competing bids offered.

Madam President, I am chairman of the Small Business Committee and a former small businessman. That does not say a lot. I was a lawyer. I was a small businessman. I had a farm. I had three kids. I would do anything. I even owned a cemetery at one time to keep bread on the table and make some arrangements for my children's education.

But the small business community came to see me and said, "Senator, we just take in $100,000 a year or $300,000 a year. We have 75 canoes on the Buffalo River in Arkansas. And, you know, nobody is going to make any money out of this thing."

In order to accommodate what I considered to be fairly legitimate concerns of small business, we have exempted five-sixths of all the concessioners in this country. Of all 658 of them, we have exempted five-sixths of them from the elimination of preferential right and we left them with a preferential right.

But, we also give the Secretary some discretion in determining whether they are entitled to a renewed contract or not. They have to perform and perform satisfactorily and the Park Service has to believe that they have been performing very well before they are entitled to the so-called preferential right of renewal.

Madam President, my notes here take me through some of the fundamentals of the provisions of S. 208.

For example, S. 208 establishes a competitive selection process for the awarding of contracts, directs the Secretary of Interior to prepare a prospectus identifying the minimum contract requirements and to select the best proposal.

In determining what the best proposal is, he still does not have carte blanche. He has to decide that the proposal is responsive to the minimum requirements, that the proposal protects and preserves park resources and provides necessary and appropriate facilities and services at reasonable rates. That is the first thing he has to do. Then he has to determine that this person is experienced, has a background for it. And, finally, he must consider the franchise fee offer—although the bill makes crystal clear that the consideration of how much money you are going to get out of the contract is subordinate to the objectives of preserving the park and the park's esthetics and the park values.

Really, about the only place the Senator from Utah and I had to sit down and really work this thing out was on how long should a contract be. My bill provided you could get a 10-year contract, and at the discretion of the Secretary it could be extended for 5 years. Senator BENNETT said—and I really had no objection to this—the Secretary should have the right to extend it to 20 years. The Secretary, depending on all the considerations that he would use, may extend it for 5 years or he may extend it for 10 years. But to give him that authority, where somebody has a major investment and is doing very well and the Government is doing well too, I had no real quarrel with that.

In addition to all this, the Secretary is required to grant a preferential right of renewal to any concessioner with a contract, where the Secretary estimates that the annual gross revenue will be less than $500,000. The Secretary would have to find the concessioner was operating satisfactorily during the previous contract and that the proposal for the new contract satisfied the minimum requirements established by the Secretary.

I think that pretty well sums up what we have done. I take a great deal of pride in the fact we are finally standing here, after 16 years, doing something important. You will not read about it in the Times or the Post. You will not read about it in very many publications. Unhappily, that is one of the problems in this country, people have a difficult time determining what is chaff and what is wheat. But I can tell you, this is a very important bill. It is not single-handedly going to restore people's confidence in Congress, but for the people who watched this bill all these years, they are going to applaud. They are going to say those guys are finally getting their act together. I again want to applaud my distinguished friend from Utah.

I say to my good friend from Wyoming, he offered some amendments in the committee. He has a couple here I think are acceptable. He has been very helpful in trying to work out getting to the time when we could get on the floor with this bill, and I want to thank him very sincerely for his cooperation also.

When I became chairman of the Public Lands Subcommittee in 1979, the very first oversight hearing I held was on concessions reform.

Since that time, numerous congressional oversight hearings have been conducted, including hearings last Congress and this Congress. In addition, this issue has been the subject of numerous studies, reports and analyses prepared by the Congress, the General Accounting Office, the Department of the Interior inspector general, the National Park Service, and a variety of private research organizations. All of these studies have identified problems with the current Concessions Policy Act which need to be addressed.

Even more troubling than the low franchise fees are provisions in the existing law which effectively eliminate any competition for concessions contracts in National Parks. For example, one provision of the existing law grants existing concessions a preferential right to renew their contracts. Because an incumbent concessioner can simply match any higher bid, there is little incentive for a potential competitor to spend time and the money required to submit a serious bid.

According to the National Park Service, since the passage of the Concessions Policy Act in 1965, only seven of the approximately 1,900 contrasts entered into have been awarded to a competitor where the incumbent concessioner bid to retain the contract, and none of the seven cases involved a contract in excess of $1 million annual gross revenues.

A 1990 audit report prepared by the Department of the Interior's inspector general audited 29 concessions contracts; of those, 28 were awarded without competing offers. The Park Service indicates that competitors have submitted offers in only about 100 of the 1,900 contracts awarded.

This year, following the subcommittee hearing, my colleague from Utah, Senator BENNETT, and I worked out what I believe is a very good compromise agreement. That agreement, which is reflected in this bill, eliminates provisions in the existing law which have proven to be so anticompetitive, while ensuring that the Park Service will select the best concessioner, and recognizing the different needs of outfitters and other smaller operators. The bill allows five-sixths of the concessioners to keep a preferential right of renewal, yet ensures that the large contracts, which account for 93 percent of all concessions revenues, are opened to competition.

Over the years, the issue of concessions reform has been extremely controversial. Yet last month, the Energy Committee reported S. 208 by a vote of 16 to 4. Much of the credit for this margin goes to Senator BENNETT, the coauthor of the substitute amendment.

I am also pleased that the administration strongly supports enactment of this bill. Last year, the Department of the Interior adopted new regulations and standard contract language that contain many of the elements included in S. 208.

I believe that members of the Senate will agree that this legislation is a balanced, bipartisan measure that will ensure that both the American public and our National Parks benefit from this increased competition.

Madam President, I would like to briefly summarize the major provisions of S. 208, as reported by the Energy Committee.

REPEAL OF CONCESSIONS POLICY ACT OF 1965

As reported, S. 208 repeals the 1965 Concessions Policy Act while providing that the validity of contracts entered into under the 1965 act will not be affected.

COMPETITIVE SELECTION PROCESS

S. 208 establishes a competitive selection process for the awarding of concessions contracts and directs the Secretary of the Interior to prepare a prospectus identifying the minimum contract requirements, and to select the best proposal. In determining the best proposal, the principal factors to be considered include the responsiveness of the proposal to protecting and preserving park resources and providing necessary and appropriate facilities and services at reasonable rates.

In addition, the Secretary would be required to grant a preferential right of renewal to any concessioner with a contract that the Secretary estimates will have annual gross revenues of no more than $500,000, regardless of whether the concessioner had a possessory interest or not. In both cases, the Secretary would be required to find that the concessioner had operated satisfactorily during the previous contract term and that the concessioner's proposal for the new contract satisfied the minimum requirements established by the Secretary, before granting a preferential right of renewal.

In addition, the bill includes language directing the Secretary, in selecting the best proposal, to take into consideration the experience, expertise, and related background of the applicant in providing the same or similar services as required by the prospectus.

PREFERENTIAL RIGHT TO PROVIDE ADDITIONAL SERVICES

S. 208 prohibits the granting of a preferential right to a concessioner to provide new or additional services at a park.

POSSESSORY INTEREST

S. 208 states that any concessioner who currently has a possessory interest will retain that interest, as defined under the 1965 act—either as provided in the concessions contract or sound value—for the duration of the current contract.

A concessioner who is covered by the 1965 act, and who does not renew the contract, would be entitled to receive the value of the possessory interest, in most cases sound value as defined in the 1965 act.

A concessioner who is covered by the 1965 act and renews the contract under this act, would be required, as a condition of entering into the new contract, to begin reducing the value of the possessory interest—as of the termination of the previous contract—using straight line depreciation over the useful life of the asset. Such depreciation period may not exceed the depreciation period used for Federal income tax purposes for such asset—which is currently 39 years.

A concessioner who enters into a contract under this act and builds a structure would have an interest in such structure equal to the actual original cost of construction, with the value to be depreciated over the useful life of the structure, not to exceed the depreciation period used for Federal income tax purposes for such asset.

A concessioner who is not awarded the subsequent contract would be entitled to receive from the United States or a successor concessioner the depreciated, or book value, of the structure.

FRANCHISE FEES FOR SIMILAR SERVICES

If multiple contracts are to be awarded to provide the same or similar outfitting, guide, river running, or other similar service at the same approximate resource or location within a park, the bill requires the Secretary to establish an identical franchise fee for all such contracts, based on fair market value, as determined by the Secretary.

USE OF FRANCHISE FEES

S. 208 provides that franchise fees are to be used for resource management and protection, maintenance activities, interpretation, and research. Fifty percent of the fees are to be allocated among the parks on the basis of need, as determined by the Secretary, and 50 percent are to be made available to parks in the same proportion as the percentage of total franchise fees collected by the park.

PARK IMPROVEMENT FUND

The Secretary would be directed, where practicable, to require a concessioner to establish a park improvement fund in lieu of receiving all or a portion of the franchise fees. The fund would be used to finance activities and projects within the park consistent with the park's general management plan, and other applicable plans.

CONGRESSIONAL FINDINGS

As introduced, S. 208 contained congressional findings which stated that facilities should be provided within a park only when the private sector or other public agencies could not adequately provide such facilities within the vicinity of the park. The committee reported bill deletes this provision, restates provisions from the 1965 act, and adds language making clear that concessions facilities should be provided by the private sector, if possible.

DUTIES OF THE SECRETARY

S. 208 requires the Secretary to set forth in any prospectus the facilities or services to be provided by the Secretary for the concessioner. In addition, the Secretary is directed to promulgate regulations to establish a method or procedure for the resolution of disputes between the Secretary and a concessioner in those instances where the Secretary has been unable to meet the conditions or requirements, or is unable to provide the services contained in the prospectus.

CONGRESSIONAL NOTIFICATION

S. 208 provides for congressional review of any concessions contract with anticipated gross receipts of excess of $5 million or a duration of 10 years or more, indexed to 1993 constant dollars.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Madam President, certainly I will send the two amendments to the desk of which I spoke and about which the Senator from Arkansas spoke. I think it is important for the purposes of concluding the debate to respond to a couple of things I have heard.

The Senator from Utah says, quite correctly: The situation has changed, the national parks are enormously popular—and indeed they are. One of the reasons they are enormously popular is because of the visitor facilities that have been provided under the Concessions Act.

The type of concession, of which the Senator spoke, is generally speaking the largest hotels, the largest kinds of operations, which have the ability to absorb some of the increased visitorship. The average concession is not such a thing. They work, indeed, under the control of and direction of the park superintendent and the National Park Service. So they cannot, if visitorship quadruples, they cannot put an extra 40 boats on the river if they are now running 10. They are limited in the responses they can have.

I have to say I am going to go to Utah and do my banking where I can find bankers who do not insist on collateral. Every time I go to the bank for a loan, notwithstanding the business plan, they tie up my ranch, they tie up my house, they tie up my family cars, they tie up anything they can get their hands on. And I have been in the habit of being successful in the businesses—not always, but generally—in the businesses I have undertaken.

Again, we have the ability in Congress to think of everything in the abstract, as though all of these little concessionaires are lined up and up here is a National Park Service and the National Park Service somehow or another is getting ripped off by all these people. We have to do something. All these people are little pigs at the bosom of the great Federal sow, in line sucking away at money that is made by the Federal Government for them.

That simply is not the case. It is not like doing business outside the National Park Service. You have to do what they tell you to do. Indeed, one of the things the Senator from Arkansas was talking about is these concessionaires have to perform and perform satisfactorily in current law. A concessionaire can be driven out of his concession by malfeasance or lack of performance. It happens, and it happens rather regularly. But what is missing here is the idea somehow what it is like to do business in a park.

My concessionaires in Yellowstone—not just TW Services, but the others—all had to shut down for the entire summer of 1988. It does not matter if there are four times as many visitors going to the rest of the national parks, that park was shut down by the fires. Business plans go awry, and that is OK if you have an interest that can continue on. But that is not so OK if you have a 10-year contract and 1 year is taken out of it. All the plans of which the Senator from Utah spoke about—cash flow and other things about how you are going to pay for it—get ripped. They get ripped right away. And that is part of it. Because in fact in the National Park Service you are not allowed to defend your properties the way you can if you are in Canyon Ranch, Big Horn, WY, or Salt Lake City. You can do things fighting fires that you are not allowed to do in the parks. It is a different way of doing business. It is not all these little piglets at the breast of the great Federal sow.

I have another example: Callville Bay, Lake Mead. An enormous storm blew it away with 3 years to go on their current contract, and the only reason they were able to raise money from the bankers was because they had a possessory interest; they had a preferential right of renewal; and a long-term contract. They got money and they rebuilt the marina. But it would not be there today had those things not been existence. They could not have gotten the money to refinance that from any bank, I do not care whether they wanted collateral or not.

The only complaint about this is coming from Congress. It is not coming from the users of the system. The users of America's parks like the concessions that exist there. I will say to my friend from Utah, people without expertise will still more often than not be the lowest bidder. No matter how many skills the local concessionaire brings to the table, that according to the terms of this bill is not something that the Secretary is going to take into account. Indeed, if he does he will be criticized by—guess who? The people sitting in this room, at an oversight hearing. I understand that so-and-so bid X for this contract and yet you awarded it to Y. "Oh, my goodness, Mr. Secretary, Mr. Director of the National Park Service, why would you possibly have done that to the taxpayer?"

Well, just think about a few of the things. Supposing you are in Indiana Dunes. That is one of the parks I have not been in, so I speak of it in the total abstract. Supposing you have a spa up there of some kind where people go to enjoy, can exercise, have massages, go out to the dunes and look at the lake, come back and do all those other kinds of things. Supposing your contract is coming up for renewal, and supposing there is a corporation in America called "Spas R Us." Does anybody doubt that Spas R Us can, for the life of a given 10-year contract, outbid a single small businessman and operate that at a loss merely to get in the door, and then, thereafter, be able to keep at bay, merely because of size, all other competitors, not because of preferential rights of renewal or possessory interest?

I do not know. I can see where this bill is going. I think the vote in the committee was there. It does not necessarily mean that it was the right vote, and it does not necessarily mean that it was the wise thing to do, but it does mean that we have generally conceded to the desire to do something.

We, as a Congress, do not like people making money off Federal facilities. It is as simple as that. The Senator from Arkansas spoke about how long it has taken to get rid of the bidding process that used to exist for the right to drill for oil and gas. We were giving that stuff away for a buck an acre, says he. And it is true. What was not spoken is that several thousand people were bidding for the chance to get it at a buck an acre in the lottery. So we got more per acre then than we do now.

The State of Wyoming had lack of wisdom to follow the Federal Government on that, and we are making considerable less on our oil and gas leases than we did when we had the lottery. But we get more per acre and the statistic looks better, and somebody did not get rich as quickly as they might have had they been able to get this little concession for a buck an acre.

I believe, Madam President, with all my heart that is what we are doing here. I know it sounds better. I know it sounds especially good to say that we are going to have competition where none now exists. I know it sounds very good that this will bring us expert concessionaires. I do not for a minute believe that we are going to get as much money as we do now. I do not for a minute believe that we are going to have the best concessionaires merely because we have the cheapest. But that is going to be the direction in which the Congress seeks to go.

Mr. MURKOWSKI. Mr. President, no program of true Federal-private partnership has been more successful than the National Park Service Concession Program. Needed visitor facilities and services have been placed in national parks at a minimum of cost to the taxpayer. The private sector has willingly borne the burden of development.

Over the years, the Concession Program has addressed the needs of park operations, complete building improvement programs, and has consistently contributed to infrastructure improvements that were required to ensure that the needs of the park visitor were met.

S. 208 will change all this.

Let me present two examples of the potential impact of changing the Concessions Program.

The concession operator of a small marina at Lake Mead had only 2 years left on his contract when a storm destroyed the marina. Because his concession contract had possessory interest, right of renewal, and a long term, he was able to obtain financing to rebuild the marina. According to his banker, the bank would never have lent the money for a complete replacement if there had not been a more than reasonable expectation that the concessioner would be able to obtain the next 25-year contract and retain his possessory interest. Under S. 208, the marina would be no more than a patchwork of boards and pontoons.

A second example is the experience of the operation of the two grand hotels in Yosemite National Park, the Ahwahnee Hotel and the Wawona Hotel. The concessioner operating the Ahwahnee has possessory interest and the hotel is in great shape. The Grand Old Historic Wawona Hotel, on the other hand, has been in decay and disrepair for years. The difference is because the Wawona contract does not have the same possessory interest provision in the contract. The Government cannot even pay for repairs and the minimum upkeep. The Federal Government simply cannot run a service business as well as the private sector.

I could list many more successful concession operations. In fact, the effort to reform the Concession Program is overlooking one very important element. Overall, the concessions in our national parks are doing a good job of serving the visiting public. I do not hear complaints from park visitors. Visitors are offered a variety of concession services at a fair price. So why is there a move to reform the Concessions Program?

We do not need to pass wholesale changes to the program. Concessioners are accused of making vast sums of money from monopolies within the national parks. This administration wants more returned to the Treasury. Let me assure my colleagues that this is not necessarily the case. Successfully operating a concession in a park can be a very difficult business. In Alaska, the tourist season is only 3 months long. There is no time for mistakes. The Park Service very carefully regulates all prices. It usually takes several years for a new concessioner to make any profit at all.

Having said this, I believe there is room for a reasonable increase in concession fees. However, fees should not be so high as to drive the concessioner out of business. And I would remind my colleagues that the Secretary has the ability to negotiate higher concession fees under current law.

I have serious concerns about S. 208. I am convinced that if S. 208 passes as reported out of committee, the overall value each and every contract will be decreased. Many operators will simply opt to be bought out by the Federal Government. Where will the money come from? Financing will be impossible to obtain. Why would a bank lend money with shorter contract length, devalued possessory interest, and no preferential right of renewal?

Where does it leave the visitor?

Fewer services, offered at lower standards, and at a higher cost. This may well be the goal of some who would like to see our national parks placed off limits; effectively closed to the majority of those who would like to visit a national park. Fewer people will be able to enjoy our parks. The elite will truly have the parks as their private playground. In Alaska, this will be a disaster. Our parks are remote and underdeveloped. This bill will make it even harder to provide much needed visitor services.

Concessions are important to the experience the visitors have in the national parks in my State. S. 208 threatens to destroy an effective and efficient program that has faithfully served millions of park visitors. I will not support a bill that replaces private sector investment and efficiency with Government bureaucracy.

I urge my colleagues to oppose S. 208.

Mrs. KASSEBAUM. Mr. President, I rise in support of the pending legislation to inject competition into the awarding of concessions contracts in our national parks.

This reform is good both for taxpayers and for the parks. It would replace a protective Government subsidy with the guiding forces of the marketplace.

Let me make clear that, in my view, this legislation is not an attack on those concessioners now operating in our parks. Rather, it is an effort to eliminate a wasteful Government subsidy. Businesses in our parks play by the Federal Government's rules. Our job today is to ensure that those rules are fair to everyone involved—including the taxpayers.

Business profits should be controlled by market forces, not by market-skewing Government regulations. Under current law, concessioners in our parks are shielded from certain market forces and enjoy certain preferential rights. The result is that they pay the Federal Government—their landlord—less in fees than the market dictates for franchises in our parks. In essence, they are subsidized by the taxpayers. The numbers tell the story.

In 1992, concessioners grossed $650 million and paid about 2.6 percent of that—$17.2 million—in fees. The automatic granting of a preferential right to incumbent concessioners to renew their contracts has virtually eliminated competition among eligible businesses for concessions contracts. Companies that would like to bid for a franchise in the parks frequently decline to do so because the deck is stacked against them.

As a result of the market-driven competition that this legislation will create, it is estimated that concessioners will return to the Government about 10 percent of their revenues in fees, or about $65 million. Let me emphasize that point—if this measure becomes law, the resulting competition is expected to increase annual payments to the Treasury from $17.2 million to $65 million, which is the level the free market would dictate. These added funds will be used to maintain our parks, reducing the need for tax dollars from general revenues.

This is precisely the sort of good-government reform we should encourage by eliminating an unnecessary and wasteful subsidy. I applaud those Senators of both parties who worked hard to fashion the reasonable compromise that today is before the Senate. I was particularly pleased with the provisions designed to assist small vendors, and I urge my colleagues to support this reform.

AMENDMENT NO. 1552

Mr. WALLOP. Madam President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 1552.

Mr. WALLOP. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, on lines 14 through 21, strike paragraph 3 in its entirety and insert in lieu thereof the following:

"(3)(A) Except as provided in subparagraph (B), with respect to a concessions contract entered into on or after the date of enactment of this Act, the provisions of subsection (b) shall apply to any existing structure, fixture, or improvement as defined in paragraph (a)(1), except that the value of the possessory interest as of the termination date of the first contract expiring after the date of enactment of this Act shall be used as the basis for depreciation, in lieu of the actual original cost of such structure, fixture, or improvement.

"(B) If the Secretary determines during the competitive selection process that all proposals submitted either fail to meet the minimum requirements or are rejected (as provided in section 6), the Secretary may, solely with respect to a structure, fixture, or improvement covered under this paragraph, suspend the depreciation provisions of subsection (b)(1) for the duration of the contract: *Provided*, That the Secretary may suspend such depreciation provisions only if the Secretary determines that the establishment of other new minimum contract requirements is not likely to result in the submission of satisfactory proposals, and that the suspension of the depreciation provisions is likely to result in the submission of satisfactory proposals.

Mr. WALLOP. Madam President, the intent of this amendment is to allow the Secretary some discretion to allow a concessionaire the right to retain his possessory interest and only to the extent that the continuation of that interest advances the policy objectives of this act. By adopting it, we can possibly avoid the cost of which I have been here warning.

It is not meant in any way to be devious, but to give us one small look backward should it be that this does not work.

I have shown it to the distinguished chairman and the Senator from Utah and the Senator from Arkansas. It is my belief that it is acceptable.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Madam President, the amendment is acceptable. It has been worked out with the Senator from Utah and the Senator from Arkansas. We do not think the amendment will be necessary, because we believe that there will be bidders out there for these contracts, and the situation where a possessory interest goes without a bid will not occur.

Nevertheless, Madam President, this is a sound amendment in that it gives insurance that, if the proponents are not right, then this amendment will offer protection to avoid such a situation.

So we are glad to accept the amendment, and I congratulate the Senator from Wyoming for having worked this out.

The PRESIDING OFFICER. Is there further debate on the amendment? There being none, the question is on agreeing to the amendment.

The amendment (No. 1552) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1553

Mr. WALLOP. Madam President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] proposes an amendment numbered 1553.

Mr. WALLOP. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new section:

SEC. . Beginning on June 1, 1997 and biannually thereafter the Inspector General of the Department of the Interior shall submit a report to the Committee on Energy and Natural Resources of the United States Senate and the appropriate Committees of the House of Representatives on the implementation of this Act and the effect of such implementation on facilities operated pursuant to concession contracts and on visitor services. Each report shall

(a) identify any concession contracts which have been renewed, renegotiated, terminated, or transferred during the year prior to the submission of the report and identify any significant changes in the terms of the new contract;

(b) state the amount of franchise fees the rates which would be charged for services, and the level other of services required to be provided by the concessioner in comparison to that required in the previous contract;

(c) assess the degree to which concession facilities are being maintained using the condition of such facilities on the date of enactment of this Act as a baseline;

(d) determine whether competition has been increased or decreased with respect to the awarding of each contract;

(e) set forth the amount of revenues received and financial obligations incurred or reduced by the Federal Government as a result of the comparison of the Act for the reporting period and in comparison with previous reporting periods and the baseline year of 1993, including the costs, if any, associated with the acquisition of possessory interests.

Mr. WALLOP. Madam President, this amendment will require the inspector general of the Department of the Interior to report to the appropriate committees on the implementation of this act and the effect of such implementation on facilities operated pursuant to concession contracts and on visitor services.

This is a biannual report, and it will allow us some oversight capability to chart the progress of the concession program to ensure that the objectives of this legislation are being met.

I think it is important. It is clear, I hope, to people that I passionately do not believe that this bill will accomplish what its proponents suggest it will. They believe, as passionately, that it will, and that is what we gather on the floor of the Senate for. It is theoretically an arena and not a stage. But this will give us the ability to look back and see.

Too often what the Senate does, what the Congress does is toss off a proposal that seems to have public popularity, and then we never look back until way down the road and it is too late.

We have seen what happens when concessions fail, and we have seen that it is not possible to get that kind of money out of this Congress, and it is going to be worse in the future than it has ever been in the past.

This will do nothing more than give us a report that could give us a possible headline that there are rough roads ahead. We may be able to see that road and may be able to react. I will not be here, but I hope that those who see these reports will read them carefully. If I am wrong, they will have the privilege of asking that they do not need to be made anymore. If I am right, maybe, Madam President, they will be willing to take some action and say that the Park System is more important than the reputation of the people who passed the legislation.

I also will say that it is my understanding that this amendment has been accepted by the proponents of the legislation.

Mr. JOHNSTON. Madam President, I agree completely with the description of the amendment by the Senator from Wyoming and commend him on not only the amendment but the spirit with which it is offered.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1553) was agreed to.

Mr. WALLOP. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Madam President, I have spoken my piece. I have the belief, as I have stated, that the legislation is ill-founded and unwise. It has passed the committee. It will most certainly probably pass the Senate. But my opinion on it is now recorded.

Mr. JOHNSTON. Madam President, I have nothing further except to, again, commend the Senator from Arkansas for his long and finally successful quest to reform something that I think not only needed reforming but has been, in this bill, reformed in a very constructive way.

I want to echo the words of the Senator from Arkansas and congratulate the Senator from Utah, who, in a 1-year period of time, has come with a businessman's touch and has helped us reform something that has defied reformation for, I think, something like 17 years. I hope he is equally successful in helping us resolve some of the other difficult issues before our committee. We welcome his constructive hand in mining law reform, grazing, and some of our other difficult issues.

So I wish to thank him and commend him and congratulate him for excellent work. Both he and the Senator from Arkansas have really done very well.

I must say, Madam President, that the Senator from Wyoming, although he will not be voting for the bill, has been a guiding force in molding the bill. To be sure, not all of his amendments were accepted, not all of his suggestions were accepted, but the shape of the bill now reflects the direction in which he helped move this bill and move the committee. So I congratulate him for helping make this bill a better one.

The PRESIDING OFFICER. Is there further discussion on the committee substitute?

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. I thank the chairman and the Senator from Arkansas for their kind words. I am very appreciative of the spirit behind them. I hope it does not hurt me too much in Utah to have some of these people saying nice things about me on the floor of the Senate, given the kinds of clashes that we have had in the past. But I am grateful for the spirit of cooperation that is behind these expressions and want Senators to know how grateful I am.

I say to the chairman, I would be happy to work on mining reform and, indeed, will be involved in that as well as grazing. I think it is safe to predict that I will be more closely allied with the Senator from Wyoming on both of those issues than I have been on this one. But to the degree any expertise I might bring will be listened to, I certainly will be involved.

I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the committee substitute, as amended?

There being no further debate, all those——

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Madam President, it is my understanding the Senator from Arizona, [Mr. MCCAIN], has some amendments, of which I have no knowledge. I suggest the absence of a quorum.

Mr. JOHNSTON. Madam President, if the Senator will withhold, as I understand it, aside from those amendments, is there a unanimous consent agreement covering this bill?

The PRESIDING OFFICER. There is a unanimous-consent agreement covering the bill.

Mr. JOHNSTON. Reserving of the Cohen amendment?

The PRESIDING OFFICER. There is a requirement that all amendments be relevant to either the subject matter of the bill or the committee substitute.

Mr. JOHNSTON. And when those amendments are offered, when will the bill be ripe for passage?

The PRESIDING OFFICER. No votes occur in relation to the bill prior to Tuesday.

When no Senator wishes to offer further amendments or debate, the bill will be put to a vote.

Mr. JOHNSTON. And so we could pass the bill today without a rollcall vote once all the amendments are considered?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSTON. Madam President, I will suggest the absence of a quorum in a moment, but we invite Senators who have amendments to please contact us, and we will consider those at some time this afternoon. I hope we would be able to pass the bill without a rollcall vote later today. So we invite those Senators to please contact us, and we will consider their amendments.

Mr. WALLOP. Madam President, I will insist on a rollcall on the bill, I say to my friend. But more to the case, I think those Senators who have amendments owe it to the managers of the bill to show up shortly if they wish to have the opportunity to amend. I am perfectly willing to go to third reading on it. There is no reason for us to sit here and wait for people who have not the courtesy to come down when the floor is open and nothing else to do.

So I say to my friend that I will cooperate with him in moving the bill to third reading and putting the vote to tomorrow as it was suggested by the majority leader.

Mr. JOHNSTON. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DORGAN). Without objection, it is so ordered.

AMENDMENT NO. 1554

(Purpose: To improve concessions policy affecting the National Park Service)

Mr. WALLOP. Mr. President, on behalf of the Senator from Arizona [Mr. MCCAIN], I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. WALLOP] for Mr. MCCAIN proposes an amendment numbered 1554.

Mr. WALLOP. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, lines 24 and 25, between "Federal State and Local regulatory agencies", and "If the Secretary's performance", insert the following, ", and shall seek and consider the applicable views of park visitors and concession customers."

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, this has been cleared with both managers. It is a relatively simple requirement that the Secretary use the visitor reports in assessing the quality of the concession.

Mr. BUMPERS. We have no objection to the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 1554) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1555

(Purpose: To improve the concessions policy of the National Park Service)

Mr. WALLOP. Mr. President, I send another amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Wyoming [Mr. Wallop] for Mr. McCain proposes an amendment numbered 1555.

Mr. WALLOP. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 25, after "to the public at a park", insert the following, "except that the Secretary shall take all reasonable and appropriate steps to consider competing alternatives for such contract."

Mr. WALLOP. Mr. President, this has also been cleared with managers on both sides, and it is a helpful and relatively simple amendment.

Mr. BUMPERS. We have no objection.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment.

The amendment (No. 1555) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. WALLOP. Mr. President, but for an amendment that we understand is coming from the Senator from Maine [Mr. Cohen], and the possibility of a budget point of order, that wraps up the known amendments to this bill.

I would, therefore, ask unanimous consent that they be the only amendments in order, those by the Senator from Maine and the budget point of order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. WALLOP. I would also ask that the staffs of those Senators to ask those Senators to come down here as a matter of courtesy and as a matter of convenience of the Senate. There is no reason for them to be carrying on.

And at some moment in time—I have talked with the committee chairman and the subcommittee chairman—we will move to third reading, notwithstanding that those amendments have not been offered. There is a limit to the patience that can be expected of the managers.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO VITIATE UNANIMOUS-CONSENT AGREEMENT

Mr. WALLOP. Mr. President, I ask unanimous consent that the unanimous-consent agreement entered into with regard to the amendment of the Senator from Maine and the budget point of order be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. WALLOP. Mr. President, let me try to restate the agreement, with the Senator from Arkansas paying heed. It is that should the budget point of order to be offered by the Senator from Colorado [Mr. Brown] be sustained, necessarily a perfecting amendment to get rid of the budget point of order would be required, and, therefore, it should be included as part of the unanimous-consent agreement.

So, therefore, I ask unanimous consent that among the items to be in order is a budget point of order to be raised by the Senator from Colorado and a subsequent amendment to correct the deficiency should that point of order be sustained.

Mr. BUMPERS. And if I may add to the Senator's request, that a motion to waive the point of order would also be in order.

Mr. WALLOP. Would also be in order.

The PRESIDING OFFICER. The Chair will request of the Senator from Wyoming whether he is including in his unanimous-consent request second-degree amendments which are relevant.

Mr. WALLOP. In the instance of the budget point of order and perfecting amendment, second-degree amendments germane and directly related would be, and that the amendment from the Senator from Maine [Mr. Cohen] be the only other amendment in order and that that would be required to abide by the requirements of the consent order under which we are operating now, in other words, that it be relevant and germane.

There are two amendments, and that they be able to sustain second-degree amendments that are relevant and germane but that each of those be subject to the requirement established by this majority leader under the unanimous-consent agreement that those amendments be relevant and germane to the issue at hand.

The PRESIDING OFFICER. Is there objection to the Senator's unanimous-consent request?

Without objection, it is so ordered.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent to proceed as in morning business for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair.

(The remarks of Mr. Ford pertaining to the introduction of S. 1953 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1556

(Purpose: To provide for review of concessions operations by the Comptroller General of the United States)

Mr. WALLOP. Mr. President, on behalf of the Senator from Maine [Mr. Cohen], I send an amendment to the desk regarding recordkeeping requirements and ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Wyoming [Mr. Wallop], for Mr. Cohen, proposes an amendment numbered 1556.

Mr. WALLOP. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, line 21, through page 36, line 5, strike section 14 in its entirety and insert in lieu thereof the following:

SEC. 14. RECORDKEEPING REQUIREMENTS.

(a) In General.—Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concessioner's contract have been, and are being faithfully performed, and the Secretary or any of the Secretary's duly authorized representatives shall, for the purpose of audit and examination, have access to such records and to other books, documents and papers of the concessioner pertinent to the contract and all the terms and conditions thereof as the Secretary deems necessary.

(b) General Accounting Office Review.—The Comptroller General of the United States or any of his or her duly authorized representatives shall, until the expiration of five calendar years after the close of the business year for each concessioner, have access to and the right to examine any pertinent books, documents, papers, and records of the concessioner related to the contracts or contracts involved.

Mr. COHEN. Mr. President, at a time when the public's confidence in the Government's ability to manage its financial affairs on behalf of the taxpayer is dismally low, Congress continues to fuel the public's cynicism by failing to make even the most simple common sense reforms that would enable the Government to act in a more business-like manner. Moreover, taxpayers have said they are willing to make sacrifices as long as the Government lives up to its end of the bargain and sends the message that Washington is serious about changing the way it does business.

Taxpayers have a reasonable expectation that, before we ask them to send another nickel to Washington, the Government demonstrate its ability to maximize revenue from Federal assets like public lands. Today, the public correctly observes that the Government too often fails to operate in a business-like manner.

As proof that the Federal Government is failing to operate efficiently, one only needs to examine how the Federal Government manages concessionaires operating on Federal land. From the parking deck at Arlington National Cemetery, to the elaborate Ahwahnee Hotel at Yosemite National Park, to the picturesque Scottsdale Tournament Players Club Golf Course in Arizona, the Government collects absurdly low rents and franchise fees from the operators of these facilities—who in turn have the exclusive right to promote goods and services on Federal property.

In some cases, the Government collects nothing. For example, at the Scottsdale golf course, the Federal Government leased property to the city of Scottsdale for 75 years. The city in turn subleased the land to a developer who built the golf course and an equestrian center. These facilities generated some $24 million in revenue over a 3-year period out of which the city of Scottsdale received 6.25 percent of the gross receipts or about $1.5 million. But for the next three quarters of a century, Uncle Sam will not see a dime.

There are literally hundreds of examples where concessionaires, thanks to the Government's poor management practices, are not paying fair market value for the use of Federal land and facilities, resulting in the Government's failure to collect $200 million in annual revenue. Although the legislation we are considering today, S. 208, the National Parks Concession Policy Reform Act, does not address the management of all Federal concessions, it is a good first step on the road to reforming Federal concession policy.

There is a clear need to reform the concession policy at our national parks. Current law almost always results in deals which are exceedingly good for the concessionaire operators, but are exceedingly bad for the taxpayer. These concessionaires should be made to compete for the exclusive right to offer goods and services to park visitors.

Specifically, competition should be based on: which goods and services the concessionaire is willing to provide; the prices charged for the goods and services offered; the concessionaire's ability and track record; and what the concessionaire is willing to pay the Government for what is, in effect, a monopoly over a ready-made customer base. By competing on this basis, I believe that the visitors to our national parks will benefit, service will improve, and the taxpayers will realize a better return on their investment in our National Parks.

While visitors to National Parks are paying high prices to concessionaires for their hotdogs, sodas, and parking, the Federal Government often gets little or nothing. For example, visitors to Alaska's Denali National Park spent on average about $17 per person on concessions—$16.72. At the same time the Government collected less than 14 cents from that $17 sale for the concessionaire's use of Federal buildings and the exclusive right to peddle its goods and services to the 504,000 people who visit Denali every year.

At the Grand Canyon, the concessionaire who runs the luxury hotel, charging between $102 and $252 a night, took in more than $63 million but paid the Government a mere $1,250 a month in rent and a $1.7 million franchise fee. The same concessionaire took in almost $5.3 million in sales from its operations at California's Death Valley National Monument and Arizona's Petrified Forest National Park. However, the Government's share was less than $125,000 or 2.3 percent. While, I do not find fault with the concessionaire for seizing a business opportunity, the Federal Government should not be in the business of enriching companies on the backs of the taxpayers.

There are many other examples. At California's Sequoia National Park, a concessionaire collected more than $11 million and paid the Government only about $82,000. At Montana's Glacier National Park one concessionaire took in more than $9 million, but paid the Government only about $133,000. The Lake Mead Resort in Nevada annually took in $4.3 million but paid the Government less than $135,000. Willow Beach Resort also at Lake Mead brought in more than $1.8 million but paid the Government just over $18,000. At Crater Lake National Park in Oregon, the Crater Lake Lodge collected about $3.6 million from park visitors and paid the Government a total of $695 in annual rent for the building and another $65,793 in franchise fees. Unfortunately, examples of these types of arrangements within the National Park Service are the rule rather than the exception.

In many cases, the States make out better than the Federal Government. State tax revenues often exceed revenues generated to the Federal Government in the form of rent and franchise fees. For example the concession operation at the Mount Vernon Inn generates more than $20,000 more for the State of Virginia in sales tax than it makes for the Federal Government.

Compared to the management of concessionaires at state parks, the Federal Government is literally giving the store away. According to a 1988 GAO report States receive an average concession fee of 12 percent of gross sales. This is in sharp contrast to the 2.6 percent the Federal Government received from its concessions 1992. Even if the Federal Government were simply to collect from concessionaires what States collect on average, we could collect an additional $60 million—or about 3½ times what the Park Service is currently receiving from its concession operations.

Yet the argument continues to be made that the taxpayer must subsidize Federal concession operations to ensure that reasonably priced concessions are available to visitors at our national parks. This argument holds little water. Low franchise fees do not necessarily translate into low prices for visitors to our national parks. More often, they simply mean higher profits for concessionaires. In fact, the concessionaire at Mount Vernon charges about 20 percent more than an ice cream store in nearby Alexandria for a 16-ounce coke. This 20 percent difference is significantly more than the 4 percent franchise fee the concessionaire pays to Government for the exclusive right to sell cokes to the 5.7 million annual visitors to Mount Vernon.

For the last several months, my staff on the subcommittee on oversight of Government Management has been investigating the Government's mismanagement of the concessions which operate on Federal land. Although we will be releasing the results of our investigation shortly, consideration of S. 208, the National Parks Concessions Policy Reform Act, provides an opportunity to share some of the subcommittee's findings and is a good first step in the effort to reform the Government's management of concessions.

Mr. President, I would like to commend Senator BUMPERS, Senator BENNETT and Senator JOHNSTON for their hard work in crafting a balanced proposal for reforming concessions policy at the National Park Service. This legislation is a good first step toward changing the management culture which for too long has resulted in the Government's failure to charge fair market rents to these concessionaires.

However, I am concerned that, to some degree, this legislation reinvents the wheel by requiring the Secretary of the Interior to develop separate competitive procedures for soliciting proposals from concessionaires. For this reason, I considered offering an amendment to S. 208 which—consistent with the intent and substance of the bill—would have ensured that the competitive process for selecting concessionaires parallel existing law governing competition in all executive branch agencies. My amendment would have ensured that the Park Service competes its concessions contracts in the same manner as other Federal agencies competitively procure goods and services.

Mr. President, my amendment would have required the Secretary of the Interior to promulgate regulations for competing concessions contracts consistent with the principles of full and open competition as outlined in existing law. The adoption of the existing process would in no way preclude the Secretary from determining the source selection criteria used by the Department.

The existing process is in fact flexible. The existing competitive process as outlined in title III, section 303A.(a)(1)(C) of the Federal Property and Administrative Services Act of 1949, specifically states that the agency shall "develop specifications in such a manner as is necessary to obtain full and open competition with due regard to the nature of the property or services to be acquired." It also requires at section 303A(b)(1), that, "each solicitation for sealed bids or competitive proposals * * * shall at a minimum include * * * a statement of (A) all significant factors * * * which the executive agency reasonably expects to consider in evaluating sealed bids of competitive proposals; and (B) the relative importance assigned to each of those factors." The current process as outlined in section 303B(d)(4) 41 U.S.C. 253b, goes on to say that when selecting the best proposal that the award shall be made to the responsible source whose proposal is most advantageous to the United States considering only price and other factors included in the solicitation. Clearly, the existing process provides sufficient flexibility to ensure that the intent of the bill is retained. Specifically, the Secretary, when writing the implementing regulations will have sufficient flexibility to ensure, citing language from S. 208, that "the consideration of revenue generated is subordinate to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates."

As the Senate author of the Competition in Contracting Act which became law in 1984, I have a keen interest in furthering a competitive environment for government contracting. This interest extends not only to the Government's acquisition of goods and services, but to the Government's contracts with concessionaires who bid for the right to provide goods and services to the millions of people who visit our national parks every year. The Competition in Contracting Act established statutory guidance for the process and procedures that agencies should adopt to ensure full and open competition. That is what this bill before us is about—competition.

However, I have decided not to offer my amendment because of concerns that its provisions will result in multiple referrals which would effectively kill S. 208. The effort to reform the Government's management of its concessions is far too important to have the effort thwarted although I do believe this amendment should be adopted. Nevertheless, in the interest in achieving meaningful reform, I have agreed to withhold my amendment.

Mr. President, I am pleased that my second amendment, which was adopted by the Senate, will increase the accountability of the Park Improvement Funds created by this legislation. Specifically, the amendment grants the General Accounting Office an explicit right to access all books and records associated with the management of these funds. Under current law, GAO has access to all books and records of any fund generated or created from money generated by concession operations. S. 208, would remove GAO's explicit right to access these books and records. My amendment explicitly grants GAO access to all pertinent books and records by including the language of the existing law to S. 208.

Mr. President, I am pleased that the Senate passed my amendment to maintain the accountability of concessionaire funds. And although I am not offering my amendment to direct the Secretary of the Interior to comply with the provisions of the Competition in Contracting Act, I urge my colleagues to support S. 208 so we may begin to reform concessions at the National Park Service and rethink in general, how the Government manages and oversees its concessionaires.

Mr. WALLOP. Mr. President, the Senator from Arkansas and I have looked at this amendment of the Senator from Maine with regard to reinstating the policy of the 1965 act and find it very useful. The minority is at least prepared to accept it.

Mr. BUMPERS. We have no objection to this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1556) was agreed to.

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, members of Ansel Adams family operate the Best Studio/Ansel Adams Gallery at Yosemite National Park. It is my understanding this is the oldest family-owned business in the National Park System, operating since 1902. The family understands the preferential right of renewal is being eliminated, and is concerned about how the new selection criteria will affect them.

All of us are familiar with Ansel Adams' magnificent photographs of Yosemite. His name is nearly synonymous with the park. Given the family's long association and history with the park, it seems to me that all things being equal the National Park Service would want to keep the Ansel Adams Gallery even if the preferential right of renewal is eliminated.

Is it not the case that under this bill the Secretary of the Interior will consider the experience and related background of the person submitting a concession proposal, including past performance, and that the franchise fee will be subordinate to the objectives of protecting park resources and providing appropriate services?

Mr. JOHNSTON. The Senator from California is correct. Additionally, the bill allows the Secretary to consider secondary factors as he deems appropriate.

Mr. BUMPERS. Mr. President, I think we are ready to go to one final unanimous-consent agreement and third reading.

Does the Senator from Wyoming agree with that?

Mr. WALLOP. The Senator does.

Mr. BUMPERS. With that, Mr. President, I ask unanimous consent that the Senate vote on final passage of S. 208, the national park concessions reform bill, occur without any intervening action or debate at 2:30 p.m., on Tuesday, March 22, and that paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Third reading, Mr. President.

The PRESIDING OFFICER. Without objection, the committee substitute is agreed to.

So the committee substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. WALLOP. Mr. President, I am glad we got to the point of third reading. I reiterate my unhappiness with the bill and my understanding of where it is going. I have spoken my piece on it.

I would just say that the Senator from Arkansas and I, and the Senator from Utah, have been here for 1 hour and 45 minutes, while our colleague was downstairs having lunch and who decided, at the end of having lunch, not to offer an amendment that kept us waiting here for 1 hour and 45 minutes.

The Senator from Arkansas, in his opening remarks on the bill, talked about what an unhappy place the Senate has become. There are many reasons for that. But the lack of consideration becomes one that raises the level of unhappiness unnecessarily.

I am sorry that my colleagues had to sit and wait. I am sorry that it turned out that way. I am glad that we are to the point where we are on the bill.

But, for future reference, I think all of our colleagues would do well to try to remember the sensibilities of the rest of those serving with them during the course of the days. It is contentious enough around here, with partisanship and other kinds of things. A little consideration would go a long way toward making the Senate a less unhappy place than it currently is. I regret having said that, but I did feel compelled to take note of it.

The PRESIDING OFFICER. The Senator from Arkansas.

RECORD OPEN UNTIL 3 P.M.

Mr. BUMPERS. Mr. President, on behalf of the majority leader, I ask unanimous consent the RECORD remain open today until 3 p.m. for the introduction of legislation and statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BUMPERS. Mr. President, I ask unanimous consent there now be a period for morning business with Senators permitted to speak for up to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1298 TO S. 1281, STATE DEPARTMENT AUTHORIZATION BILL, 1994

Mr. McCAIN. Mr. President, during Senate consideration of the 1994 State Department authorization bill, I offered, and the Senate approved, an amendment concerning the People's Mujahidin of Iran [PMOI]. It has recently come to my attention that, due to an oversight, a statement that I intended to accompany the amendment was not printed in the CONGRESSIONAL RECORD. I offer the rationale for my amendment below as I would have offered it when the amendment was considered.

The findings of this amendment are facts and are attested to by the State Department. The operative clauses simply requires the State Department to examine the current activities of the PMOI for inclusion in its annual report on terrorism. If it decides not to include the PMOI, it must report its justification for not doing so and supply an unclassified report on the organization's current activities.

My principle concern is that the PMOI is permitted to freely lobby Congress without a clear understanding of the organization's history and current activities. All of us are concerned about human rights in Iran, and in many other areas of the world, but Members should have information at their disposal to consider the source. The Senate should not be in a position where it unknowingly, in the cause of human rights, supports an organization with a record of human rights abuses.

I offered this amendment only after extensive efforts to have a 1987 FBI report on the organization updated. Recognizing my own limits to pass judgment on the current activities of the PMOI, the intention of my amendment is to require such an update by the Department of State.

The American people deserve an official public accounting of any lobbyist with either a present or past connection to international terrorism. My efforts to gain an accounting of the PMOI have been vigorous and they will be equally vigorous should any other lobbyist with a history of terrorism come to my attention.

TRIBUTE TO ADELE GUTTENBERG

Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to the accomplishments of an outstanding constituent of mine, Mrs. Adele Guttenberg.

Mrs. Guttenberg has been more than just an ordinary advocate for the disabled in New Jersey. She worked tirelessly to gain support long before the onset of State efforts.

The mother of two severely handicapped children, Mrs. Guttenberg lobbied the Bergen County Board of Freeholders to ensure that all students, regardless of their age, receive the educational opportunities that they deserve. She has helped implement this in a number of ways, most notably by providing, with her husband, a 4-year scholarship to the New Jersey Institute of Technology for a disabled resident, and by her donations dedicated to removing architectural boundaries at the college.

As the cofounder of the Spectrum for Living, she expanded the opportunities for housing, day care, work shops, and quality of life. Recently, despite her officially nonprofessional status, Mrs. Guttenberg was chosen Woman of the Year by the Bergen County Business and Professional Women.

Mrs. Guttenberg is an exceptional example of an individual who has committed herself to improving the lives of those members of our society who face special challenges. I applaud her dedication, her generosity, and her spirit. She is an inspiration to us all.

ELECTION IN UKRAINE

Mr. LEVIN. Mr. President, the future of Ukraine is vital to the national security interests of the United States. The relationship between Ukraine and Russia, and the relationship between Ukraine and the United States will have a profound impact on the events of the 21st century.

That is why the upcoming election in Ukraine this Sunday, March 27, 1994, is so important not only to the people of Ukraine but to freedom-loving people everywhere. The stability of Ukraine and its ultimate, long-term independence may be profoundly influenced by not only the outcome of this Sunday's votes, but by the process, openness, and honesty of this election.

Ukraine has encountered many difficulties since the collapse of the Soviet Union. Inflation has surged, unemployment is at crisis levels, an energy crisis has curtailed industrial output, and internal and ethnic conflicts threaten. Ukraine is at a cross-roads as it goes to the polls this Sunday to elect a new parliament.

The elections are to replace the current, preindependence parliament that has been stymied in its attempts to deal with the vast and mounting problems facing the country as it tries to convert from a command to a free-market economy, and from a closed government to an open political democracy.

The popular support for reform and the Ukrainian people's trust in government will be tested this Sunday by the openness and honesty of the political process.

Mr. President, Ukraine faces many daunting challenges. Two fundamental measures of whether Ukraine will belong in the family of free and respectable nations and whether it adheres to its obligations under the Nuclear Nonproliferation Treaty and whether this Sunday's elections are truly free and fair. This world is watching, and the outcome will afffect more than the people of Ukraine.

IRRESPONSIBLE CONGRESS? HERE'S TODAY'S BOXSCORE

Mr. HELMS. Mr. President, as of the close of business on Friday, March 18, the Federal debt stood at $4,554,110,591,484.90, meaning that on a per capita basis, every man, woman, and child in America owes $17,468.04 as his or her share of that debt.

COMMUNITY DEVELOPMENT BANKING AND FINANCIAL INSTITUTIONS ACT

The text of the bill [H.R. 3474] to reduce administrative requirements for insured depository institutions to the extent consistent with safe and sound banking practices, to facilitate the establishment of community development financial institutions, and for other purposes, as passed by the Senate on March 17, 1994, is as follows:

H.R. 3474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) S*HORT* T*ITLE*.—*This Act may be cited as the "Community Development, Credit Enhancement, and Regulatory Improvement Act of 1994".*

(b) T*ABLE OF* C*ONTENTS*.—*The table of contents for this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—COMMUNITY DEVELOPMENT AND CONSUMER PROTECTION

Subtitle A—Community Development Banking and Financial Institutions Act

Sec. 101. Short title.
Sec. 102. Findings and purposes.
Sec. 103. Definitions.
Sec. 104. Establishment of national fund for community development banking.
Sec. 105. Applications for assistance.
Sec. 106. Community partnerships.
Sec. 107. Selection of institutions.
Sec. 108. Assistance provided by the Fund.
Sec. 109. Community development training.
Sec. 110. Encouragement of private entities.
Sec. 111. Clearinghouse function.
Sec. 112. Recordkeeping, reports, and audits.
Sec. 113. Investment of receipts and proceeds.
Sec. 114. Inspector General.
Sec. 115. Capitalization assistance to enhance liquidity.
Sec. 116. Community development revolving loan fund for credit unions.
Sec. 117. Regulations.
Sec. 118. Authorization of appropriations.

Subtitle B—Home Ownership and Equity Protection

Sec. 151. Consumer protections for high cost mortgages.
Sec. 152. Civil liability.
Sec. 153. Reverse mortgage disclosure.
Sec. 154. Regulations; effective date.

TITLE II—SMALL BUSINESS CAPITAL FORMATION

Subtitle A—Small Business Loan Securitization

Sec. 201. Short title.
Sec. 202. Small business related security.
Sec. 203. Applicability of margin requirements.
Sec. 204. Borrowing in the course of business.
Sec. 205. Small business related securities as collateral.
Sec. 206. Investment by depository institutions.
Sec. 207. Preemption of State law.
Sec. 208. Insured depository institution capital requirements for transfers of small business obligations.
Sec. 209. Transactions in small business related securities by employee benefit plans.
Sec. 210. Sense of the Senate on taxation of small business loan investment conduits.

Subtitle B—Small Business Capital Enhancement

Sec. 251. Findings and purposes.
Sec. 252. Definitions.
Sec. 253. Approving States for participation.
Sec. 254. Participation agreements.
Sec. 255. Terms of participation agreements.
Sec. 256. Reports.
Sec. 257. Reimbursement by the Secretary.
Sec. 258. Reimbursement to the Secretary.
Sec. 259. Regulations.
Sec. 260. Authorization of appropriations.

TITLE III—PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

Sec. 301. Incorporated definitions.
Sec. 302. Administrative consideration of burden with new regulations.
Sec. 303. Streamlining of regulatory requirements.
Sec. 304. Elimination of duplicative filings.
Sec. 305. Coordinated and unified examinations.
Sec. 306. Eighteen-month examination rule for certain small institutions.
Sec. 307. Call report simplification.
Sec. 308. Repeal of publication requirements.
Sec. 309. Regulatory appeals process.
Sec. 310. Electronic filing of currency transaction reports.
Sec. 311. Bank Secrecy Act publication requirements.
Sec. 312. Exemption of business loans from Real Estate Settlement Procedures Act requirements.
Sec. 313. Flexibility in choosing boards of directors.
Sec. 314. Holding company audit requirements.
Sec. 315. State regulation of real estate appraisals.
Sec. 316. Acceleration of effective date for interaffiliate transactions.
Sec. 317. Collateralization of public deposits.
Sec. 318. Elimination of stock valuation provision.
Sec. 319. Expedited procedures for forming a bank holding company.
Sec. 320. Exemption of certain holding company formations from registration under the Securities Act of 1933.
Sec. 321. Reduction of post-approval waiting period for bank holding company acquisitions.
Sec. 322. Reduction of post-approval waiting period for bank mergers.
Sec. 323. Bankers' banks.
Sec. 324. Bank Service Corporation Act amendment.
Sec. 325. Merger transaction reports.
Sec. 326. Credit card accounts receivable sales.
Sec. 327. Limiting potential liability on foreign accounts.
Sec. 328. Amendments to outdated dividend provisions.
Sec. 329. Elimination of duplicative disclosures for home equity loans.
Sec. 330. Report on capital standards and their impact on the economy.
Sec. 331. Studies on the impact of the payment of interest on reserves.
Sec. 332. Study and report on streamlined lending process for consumer benefit.
Sec. 333. Repeal of outdated charter requirement for national banks.
Sec. 334. Inclusion of Comptroller of the Currency; clarification of revised statutes.
Sec. 335. Commemoration of 1995 Special Olympic World Games.
Sec. 336. Exemption for business accounts.
Sec. 337. Board discretion regarding check-related fraud.
Sec. 338. Civil liability under truth in savings.
Sec. 339. Insider lending.
Sec. 340. Revisions of standards.
Sec. 341. Alternative rules for radio advertising of consumer leases.
Sec. 342. Deposit broker registration.
Sec. 343. Extension of management interlocks grandfather clause.
Sec. 344. Clarification of provision relating to administrative autonomy.
Sec. 345. Consumer surveys and report.
Sec. 346. Simplified disclosure for existing depositors.
Sec. 347. Commercial mortgage related securities.
Sec. 348. Offset of costs of certain programs.

TITLE IV—MONEY LAUNDERING

Sec. 401. Short title.
Sec. 402. Reform of CTR exemption requirements to reduce number and size of reports consistent with effective law enforcement.
Sec. 403. Single designee for reporting of suspicious transactions.
Sec. 404. Improvement of identification of money laundering schemes.
Sec. 405. Negotiable instruments drawn on foreign banks subject to recordkeeping and reporting requirements.
Sec. 406. Imposition of civil money penalties by appropriate Federal banking agencies.
Sec. 407. Uniform State licensing and regulation of check cashing, currency exchange, and money transmitting businesses.
Sec. 408. Registration of money transmitting businesses to promote effective law enforcement.
Sec. 409. Criminal and civil penalty for structuring domestic and international transactions.
Sec. 410. GAO study of cashiers' checks.

TITLE V—FAIR TRADE IN FINANCIAL SERVICES

Sec. 501. Short title.
Sec. 502. Effectuating the principle of national treatment for banking organizations.
Sec. 503. Effectuating the principle of national treatment for securities organizations.
Sec. 504. Effectuating the principle of national treatment for insurers and reinsurers.
Sec. 505. Financial interdependence study.
Sec. 506. Federal Reserve report on the Foreign Bank Supervision Enhancement Act of 1991.
Sec. 507. Conforming amendments.

TITLE VI—NATIONAL FLOOD INSURANCE REFORM

Sec. 601. Short title.
Sec. 602. Congressional findings.
Sec. 603. Definition.

S*UBTITLE* A—D*EFINITIONS*

Sec. 611. Flood Disaster Protection Act of 1973.
Sec. 612. National Flood Insurance Act of 1968.

S*UBTITLE* B—C*OMPLIANCE AND* I*NCREASED* P*ARTICIPATION*

Sec. 621. Expanded flood insurance purchase requirements.
Sec. 622. Escrow of flood insurance payments.
Sec. 623. Notice requirements.
Sec. 624. Placement of flood insurance by regulated lending institution, Federal agency lender, or servicer.

Sec. 625. Standard flood hazard determination forms.
Sec. 626. Examination regarding compliance by regulated lending institutions.
Sec. 627. Penalties and corrective actions for failure to require flood insurance, escrow, or notify.
Sec. 628. Financial institutions examination council.
Sec. 629. Conforming amendment.
SUBTITLE C—RATINGS AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT PROGRAMS
Sec. 631. Community rating system and incentives for community floodplain management.
Sec. 632. Funding.
Sec. 633. Reasonable fees.
SUBTITLE D—MITIGATION OF FLOOD AND EROSION RISKS
Sec. 641. Mitigation assistance in Federal insurance administration.
Sec. 642. Authorization of national flood and erosion mitigation funds under section 1362.
Sec. 643. State and community mitigation assistance program.
Sec. 644. Repeal of program for purchase of certain insured properties.
Sec. 645. Termination of erosion threatened structures program.
Sec. 646. Congressional findings and declaration of purchase under the National Flood Insurance Act of 1968.
SUBTITLE E—FLOOD INSURANCE TASK FORCE
Sec. 651. Flood insurance interagency task force.
SUBTITLE F—MISCELLANEOUS PROVISIONS
Sec. 661. Maximum flood insurance coverage amounts.
Sec. 662. Additional coverage for compliance with land use and control measures.
Sec. 663. Flood insurance program arrangements with private insurance entities.
Sec. 664. Updating of flood insurance rate maps.
Sec. 665. Evaluation of erosion hazards.
Sec. 666. Coordination of flood insurance rate map revisions and updates with coastal zone management programs.
Sec. 667. Technical Mapping Advisory Council.
Sec. 668. Funding for increased administrative and operational responsibilities.
Sec. 669. Separate account for National Flood Insurance Fund.
Sec. 670. Nonwaiver of flood purchase requirement for recipients of Federal disaster assistance.
Sec. 671. Insurance waiting period.
Sec. 672. Agricultural structures.
Sec. 673. Implementation review by the director.
Sec. 674. Regulations.
Sec. 675. Prohibited flood disaster assistance.
TITLE VII—GENERAL PROVISIONS
Sec. 701. Study of effect of the Northern spotted owl on small business concerns.
Sec. 702. Negative information about consumer.
Sec. 703. United Nations resolutions concerning Jerusalem.
Sec. 704. Amendment to the Federal Reserve Act.
Sec. 705. Oversight hearings.
Sec. 706. Insurance transfer agreement.

TITLE I—COMMUNITY DEVELOPMENT AND CONSUMER PROTECTION

Subtitle A—Community Development Banking and Financial Institutions Act

SEC. 101. SHORT TITLE.

This subtitle may be cited as the "Community Development Banking and Financial Institutions Act of 1994".

SEC. 102. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) many of the Nation's urban, rural, and Native American communities face critical social and economic problems arising in part from the lack of economic growth, people living in poverty, and the lack of employment and other opportunities;

(2) the restoration and maintenance of the economies of these communities will require coordinated development strategies, intensive supportive services, and increased access to equity investments and loans for development activities, including investment in businesses, housing, commercial real estate, human development, and other activities that promote the long-term economic and social viability of the community; and

(3) community development financial institutions have proven their ability to identify and respond to community needs for equity investments, loans, and development services.

(b) PURPOSE.—The purpose of this subtitle is to create a Community Development Financial Institutions Fund that will promote economic revitalization and community development through a program of investment in and assistance to community development financial institutions, including enhancing the liquidity of community development financial institutions.

SEC. 103. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act, and also includes the National Credit Union Administration Board with respect to insured credit unions.

(2) AFFILIATE.—The term "affiliate" has the same meaning as in section 2(k) of the Bank Holding Company Act of 1956.

(3) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term "community development financial institution" means a person (other than an individual) that—

(i) has a primary mission of promoting community development;

(ii) serves an investment area or targeted population;

(iii) directly, through an affiliate, or through a community partnership, provides development services and equity investments or loans;

(iv) maintains, through representation on its governing board or otherwise, accountability to residents of its investment area or targeted population; and

(v) is not an agency or instrumentality of the United States, or of any State or political subdivision of a State.

(B) QUALIFICATION OF AFFILIATES.—A subsidiary may only qualify as a community development financial institution if its parent company and the subsidiaries thereof (on a consolidated basis) also qualify as community development financial institutions.

(4) COMMUNITY PARTNER.—The term "community partner" means a person (other than an individual) that provides loans, equity investments, or development services, including a depository institution holding company, an insured depository institution, an insured credit union, a nonprofit organization, a State or local government agency, a quasi-governmental entity, and an investment company authorized to operate pursuant to the Small Business Investment Act of 1958.

(5) COMMUNITY PARTNERSHIP.—The term "community partnership" means an agreement between a community development financial institution and a community partner to provide development services and loans or equity investments to an investment area or targeted population.

(6) DEPOSITORY INSTITUTION HOLDING COMPANY.—The term "depository institution holding company" has the same meaning as in section 3 of the Federal Deposit Insurance Act.

(7) DEVELOPMENT SERVICES.—The term "development services" means activities that promote community development and are integral to lending or investment activities, including—

(A) business planning;

(B) financial and credit counseling; and

(C) marketing and management assistance.

(8) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term "insured community development financial institution" means any community development financial institution that is an insured depository institution or an insured credit union.

(9) INSURED CREDIT UNION.—The term "insured credit union" has the same meaning as in section 101(7) of the Federal Credit Union Act.

(10) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act.

(11) INVESTMENT AREA.—The term "investment area" means a geographic area that—

(A)(i) meets objective criteria of economic distress developed by the Community Development Financial Institutions Fund, which may include the percentage of low-income families or the extent of poverty, the rate of unemployment or underemployment, lag in population growth, and extent of blight and disinvestment; and

(ii) has significant unmet needs for loans or equity investments;

(B) is located in an empowerment zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986;

(C) is located on an Indian reservation, as defined in section 3(d) of the Indian Financing Act of 1974 or section 4(10) of the Indian Child Welfare Act of 1978; or

(D) is located in an area which is not a metropolitan statistical area and which has experienced a decrease in population of not less than 10 percent (as determined in the most recent decennial census) between 1980 and 1990.

(12) LOW-INCOME.—The term "low-income" means having an income, adjusted for family size, of not more than—

(A) for metropolitan areas, 80 percent of the area median income; and

(B) for nonmetropolitan areas, the greater of—

(i) 80 percent of the area median income; or

(ii) 80 percent of the statewide nonmetropolitan area median income.

(13) PARENT COMPANY.—The term "parent company" means any company that directly or indirectly controls another company.

(14) SUBSIDIARY.—The term "subsidiary" has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that a community development financial institution that is a corporation shall not be considered to be a subsidiary of any insured depository institution or depository institution holding company that controls less than 25 percent of any class of the voting shares of such corporation, and does not otherwise control in any manner the election of a majority of the directors of the corporation.

(15) TARGETED POPULATION.—The term "targeted population" means low-income persons or persons who otherwise lack adequate access to loans or equity investments.

SEC. 104. ESTABLISHMENT OF NATIONAL FUND FOR COMMUNITY DEVELOPMENT BANKING.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established a corporation to be known as the Community Development Financial Institutions Fund (hereafter

in this subtitle referred to as the "Fund") that shall have the duties and responsibilities specified by this subtitle. The Fund shall have succession until dissolved. The offices of the Fund shall be in Washington, D.C. The Fund shall not be affiliated with or be within any other agency or department of the Federal Government.

(2) WHOLLY OWNED GOVERNMENT CORPORATION.—The Fund shall be a wholly owned Government corporation in the executive branch and shall be treated in all respects as an agency of the United States, except as otherwise provided in this subtitle.

(b) MANAGEMENT OF FUND.—

(1) APPOINTMENT OF ADMINISTRATOR AND DEPUTY ADMINISTRATOR.—The management of the Fund shall be vested in an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall not engage in any other business or employment during service as the Administrator. The President may appoint a Deputy Administrator by and with the advice and consent of the Senate. The Deputy Administrator shall serve as the acting Administrator of the Fund during the absence or disability of the Administrator or in the event of a vacancy in the office of the Administrator.

(2) CHIEF FINANCIAL OFFICER.—The Administrator shall appoint a chief financial officer who shall oversee the financial management activities of the Fund.

(3) OTHER OFFICERS.—The Administrator may appoint such other officers and employees of the Fund as the Administrator determines to be necessary or appropriate.

(c) GENERAL POWERS.—In carrying out the functions of the Fund, the Administrator—

(1) shall have all necessary and proper authority to carry out this subtitle;

(2) shall have the power to adopt, alter, and use a corporate seal for the Fund, which shall be judicially noticed;

(3) may adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which business of the Fund may be conducted and such rules and regulations as may be necessary or appropriate to implement this subtitle;

(4) may enter into, perform, and enforce such agreements, contracts, and transactions as may be deemed necessary or appropriate to the conduct of activities authorized under this subtitle;

(5) may determine the character of and necessity for expenditures of the Fund and the manner in which they shall be incurred, allowed, and paid;

(6) may utilize or employ the services of personnel of any agency or instrumentality of the United States with the consent of the agency or instrumentality concerned on a reimbursable or nonreimbursable basis; and

(7) may execute all instruments necessary or appropriate in the exercise of any of the functions of the Fund under this subtitle and may delegate to the officers of the Fund such of the powers and responsibilities of the Administrator as the Administrator deems necessary or appropriate for the administration of the Fund.

(d) ADVISORY BOARD.—

(1) ESTABLISHMENT.—The Administrator shall establish an advisory board to be known as the Community Development Advisory Board (hereafter in this subtitle referred to as the "Board") in accordance with the provisions of the Federal Advisory Committee Act.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The Board shall consist of 5 private citizens who, collectively—

(i) represent community groups whose constituencies include targeted populations or residents of investment areas;

(ii) represent local or regional government interests;

(iii) have expertise in the operations and activities of insured depository institutions; and

(iv) have expertise in community development and lending.

(B) REPRESENTATION.—Each of the categories described in clauses (i) through (iv) of subparagraph (A) shall be represented by not less than 1 member of the Board.

(3) BOARD FUNCTION.—It shall be the function of the Board to advise the Administrator on the policies of the Fund. The Board shall not advise the Administrator on the granting or denial of any particular application.

(4) TERMS OF MEMBERS.—

(A) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(B) VACANCIES.—Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the previous member was appointed shall be appointed for the remainder of such term. Members may continue to serve following the expiration of their terms until a successor is appointed and qualified.

(5) CHAIRPERSON.—The Administrator shall appoint a chairperson from among the members of the Board.

(6) MEETINGS.—The Board shall meet at least annually and at such other times as requested by the Administrator or the chairperson. A majority of the members of the Board shall constitute a quorum.

(7) REIMBURSEMENT FOR EXPENSES.—The members of the Board may receive reimbursement for travel, per diem, and other necessary expenses incurred in the performance of their duties, in accordance with the Federal Advisory Committee Act.

(8) COSTS AND EXPENSES.—The Fund shall provide to the Board all necessary staff and facilities.

(e) CONFORMING AMENDMENTS.—Section 9101(3) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (B) through (M) as subparagraphs (C) through (N), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) the Community Development Financial Institutions Fund;".

(f) GOVERNMENT CORPORATION CONTROL ACT EXEMPTION.—Section 9107(b) of title 31, United States Code, shall not apply to deposits of the Fund made pursuant to section 108.

(g) LIMITATION OF FUND AND FEDERAL LIABILITY.—The liability of the Fund and the United States Government arising out of any investment in a community development financial institution in accordance with this subtitle shall be limited to the amount of the investment. The Fund shall be exempt from any assessments and other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, Territory, or the District of Columbia.

(h) PROHIBITION ON ISSUANCE OF SECURITIES.—The Fund may not issue stock, bonds, debentures, notes, or other securities.

(i) COMPENSATION.—Title 5, United States Code, is amended—

(1) in section 5314, by adding at the end the following:

"Administrator of the Community Development Financial Institutions Fund."; and

(2) in section 5315, by adding at the end the following:

"Deputy Administrator of the Community Development Financial Institutions Fund.".

(j) ASSISTED INSTITUTIONS NOT UNITED STATES INSTRUMENTALITIES.—A community development financial institution or other organization that receives assistance pursuant to this subtitle shall not be deemed to be an agency, department, or instrumentality of the United States.

SEC. 105. APPLICATIONS FOR ASSISTANCE.

(a) FORM AND PROCEDURES.—An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

(b) MINIMUM REQUIREMENTS.—Except as provided in sections 106 and 115, the Fund shall require an application—

(1) to establish that the applicant is, or will be, a community development financial institution;

(2) to include a comprehensive strategic plan for the organization that contains—

(A) a business plan of not less than 5 years in duration that demonstrates that the applicant will be properly managed and will have the capacity to operate a community development financial institution that will not be dependent upon assistance from the Fund for continued viability;

(B) an analysis of the needs of the investment area or targeted population and a strategy for how the applicant will attempt to meet those needs;

(C) a plan to coordinate use of assistance from the Fund with existing Federal, State, local, and tribal government assistance programs, and private sector financial services;

(D) an explanation of how the proposed activities of the applicant are consistent with existing economic, community, and housing development plans adopted by or applicable to an investment area; and

(E) a description of how the applicant will coordinate with community organizations and financial institutions which will provide equity investments, loans, secondary markets, or other services to investment areas or targeted populations;

(3) to include a detailed description of the applicant's plans and likely sources of funds to match the amount of assistance requested from the Fund;

(4) in the case of an applicant that has previously received assistance under this subtitle, to demonstrate that the applicant—

(A) has substantially met its performance goals and otherwise carried out its responsibilities under this subtitle and the assistance agreement; and

(B) will expand its operations into a new investment area or to serve a new targeted population, offer more services, or increase the volume of its business;

(5) in the case of an applicant with a prior history of serving investment areas or targeted populations, to demonstrate that the applicant—

(A) has a record of success in serving investment areas or targeted populations;

(B) will expand its operations into a new investment area or to serve a new targeted population, offer more services, or increase the volume of its current business; and

(6) to include such other information as the Fund deems appropriate.

(c) EXCEPTION.—

(1) IN GENERAL.—Notwithstanding subsection (b)(1), in the case of a State in which there is no existing community development financial institution in operation on the date of enactment of this Act, an applicant may be an agency or instrumentality of a State government if—

(A) such an entity has a primary mission of promoting community development;

(B) any assistance received is used to establish a community development financial institution;

(C) there is no nongovernment entity within the State that possesses the capacity to become a community development financial institution;

(D) no other agency or instrumentality of the same State has received assistance; and

(E) assistance received will not reduce the amount of State funds that otherwise would be appropriated to such an entity.

(2) MAJORITY OWNERSHIP.—An agency or instrumentality eligible to apply pursuant to paragraph (1) may own a majority of the voting stock of a community development financial institution if it demonstrates that there is a lack of nonpublic sources of capital available to establish a community development financial institution.

(3) AMOUNT OF ASSISTANCE.—No State agency or instrumentality and a community development financial institution, a majority of the shares of which are owned by such an agency or instrumentality pursuant to this subsection, may cumulatively receive assistance exceeding the amount set forth under section 108(d)(1).

(d) PREAPPLICATION OUTREACH PROGRAM.—The Fund may operate an outreach program to identify and provide information to potential applicants.

SEC. 106. COMMUNITY PARTNERSHIPS.

(a) APPLICATION.—An application for assistance may be filed jointly by a community development financial institution and a community partner to carry out a community partnership.

(b) APPLICATION REQUIREMENTS.—The Fund shall require a community partnership application—

(1) to meet the minimum requirements established for community development financial institutions under section 105(b), except that the criteria specified in paragraphs (1) and (2)(A) of section 105(b) shall not apply to the community partner;

(2) to describe how each coapplicant will participate in carrying out the community partnership and how the partnership will enhance activities serving the investment area or targeted population; and

(3) to demonstrate that the community partnership activities are consistent with the strategic plan submitted by the community development financial institution coapplicant.

(c) SELECTION CRITERIA.—The Fund shall consider a community partnership application based on the selection criteria set out in section 107.

(d) LIMITATION ON DISTRIBUTION OF ASSISTANCE.—Assistance provided upon approval of an application under this section shall be distributed only to the community development financial institution coapplicant, and shall not be used to fund any activities carried out directly by the community partner or an affiliate thereof.

(e) OTHER REQUIREMENTS AND LIMITATIONS.—All other requirements and limitations imposed by this subtitle on a community development financial institution assisted under this subtitle shall apply (in the manner that the Fund determines to be appropriate) to assistance provided to carry out community partnerships. The Fund may establish additional guidelines and restrictions on the use of Federal funds to carry out community partnerships.

SEC. 107. SELECTION OF INSTITUTIONS.

(a) SELECTION CRITERIA.—Except as provided in section 115, the Fund shall, in its sole discretion, select applicants for assistance based on—

(1) the likelihood of success of the applicant in meeting the goals of its comprehensive strategic plan;

(2) the experience and background of the proposed management team;

(3) the extent of need for equity investments, loans, and development services within the investment areas or targeted populations;

(4) the extent of economic distress within the investment areas or the extent of need within the targeted populations, as those factors are measured by objective criteria;

(5) the extent to which the applicant will concentrate its activities on serving its investment areas or targeted populations;

(6) the amount of firm commitments to meet or exceed the matching requirements and the likely success of the plan for raising the balance of the match;

(7) the extent to which the proposed activities will expand economic opportunities within the investment areas or the targeted populations;

(8) whether the applicant is, or will become, an insured depository institution or an insured credit union;

(9) whether the applicant is, or will be, located—

(A) in an empowerment zone or enterprise community designated under section 1391 of the Internal Revenue Code of 1986;

(B) on an Indian reservation, as defined in section 3(d) of the Indian Financing Act of 1974 or section 4(10) of the Indian Child Welfare Act of 1978; or

(C) in a community that has experienced a sudden and significant loss in total employment since the 1990 census or a major dislocation in its primary employment base.

(10) the extent to which the applicant will increase its resources through coordination with other institutions or participation in a secondary market;

(11) in the case of an applicant with a prior history of serving investment areas or targeted populations, the extent of success in serving them; and

(12) other factors (such as the extent to which the applicant has strong ties to the community that it will serve) deemed to be appropriate by the Fund.

(b) GEOGRAPHIC DIVERSITY.—The Fund shall assist a geographically diverse group of applicants, including an appropriate mix of applicants from urban, rural, and Native American communities.

SEC. 108. ASSISTANCE PROVIDED BY THE FUND.

(a) FORMS OF ASSISTANCE.—

(1) IN GENERAL.—The Fund may provide—

(A) financial assistance through equity investments, deposits, credit union shares, loans, and grants; and

(B) technical assistance—

(i) directly;

(ii) through grants; or

(iii) by contracting with organizations that possess expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subtitle.

(2) EQUITY INVESTMENTS.—The Fund shall not own more than 50 percent of the equity of a community development financial institution and may not control the operations of such institution. The Fund may hold only transferable, nonvoting equity investments. Such equity investments may provide for convertibility to voting stock upon transfer by the Fund.

(3) DEPOSITS.—Deposits made pursuant to this section in an insured community development financial institution shall not be subject to any requirement for collateral or security.

(4) LIMITATIONS ON OBLIGATIONS.—Direct loan obligations may be incurred by the Fund only to the extent that appropriations of budget authority to cover their costs, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) USES OF FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—Financial assistance made available under this subtitle may be used by assisted institutions to serve investment areas or targeted populations by developing or supporting—

(A) commercial facilities that promote revitalization, community stability, or job creation or retention;

(B) businesses that—

(i) provide jobs for low-income people or are owned by low-income people; or

(ii) enhance the availability of products and services to low-income people;

(C) community facilities;

(D) the provision of basic financial services;

(E) housing that is principally affordable to low-income people, except that assistance used to facilitate homeownership opportunities shall only be used for activities and lending products that serve low-income people and are not provided by other lenders in the area; and

(F) other businesses and activities deemed appropriate by the Fund.

(2) LIMITATIONS.—No assistance made available under this subtitle may be expended by a community development financial institution (or an organization receiving assistance under section 115) to pay any person to influence or attempt to influence any agency, elected official, officer, or employee of a State or local government in connection with the making, award, extension, continuation, renewal, amendment, or modification of any State or local government contract, grant, loan, or cooperative agreement (as such terms are defined in section 1352 of title 31, United States Code).

(c) USES OF TECHNICAL ASSISTANCE.—Technical assistance may be used for activities that enhance the capacity of a community development financial institution, such as training of management and other personnel and development of programs and investment or loan products.

(d) AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—The Fund may provide not more than $5,000,000 of assistance, in the aggregate, during any 3-year period to any 1 community development financial institution and its affiliates.

(2) EXCEPTION.—Notwithstanding the limitations in paragraph (1), in the case of an existing community development financial institution that proposes to serve an investment area or targeted population outside of any State and outside of any metropolitan area presently served by the institution, the Fund may provide not more than $7,500,000 of assistance to a community development financial institution and its affiliates, in the aggregate, during any 3-year period, of which not less than $2,500,000 shall be used to establish affiliates to serve the new investment area or targeted population.

(3) TIMING OF ASSISTANCE.—Assistance may be provided as described in paragraphs (1) and (2) in a lump sum or over a period of time, as determined by the Fund.

(e) MATCHING REQUIREMENTS.—

(1) IN GENERAL.—Assistance other than technical assistance shall be matched with funds from sources other than the Federal Government on the basis of not less than one dollar for each dollar provided by the Fund. Such matching funds shall be at least comparable in form and value to assistance provided by the Fund. The Fund shall provide no assistance (other than technical assistance) until a community development financial institution has secured firm commitments for the matching funds required.

(2) EXCEPTION.—In the case of an applicant with severe constraints on available sources of matching funds, the Fund may permit an applicant to comply with the matching requirements of paragraph (1) by—

(A) reducing such matching requirement by 50 percent;

(B) permitting such applicant to satisfy not more than 60 percent of the matching requirement through use of assistance made available pursuant to—

(i) section 106 of the Housing and Community Development Act of 1974;

(ii) section 623(c)(1) of the Community Economic Development Act of 1981; or

(iii) section 310B(c) of the Consolidated Farm and Rural Development Act; or

(C) permitting an applicant to provide matching funds in a form to be determined at the discretion of the Fund if such applicant—

(i) has total assets of less than $100,000;

(ii) serves nonmetropolitan areas; and

(iii) is not requesting more than $25,000 in assistance.

(3) LIMITATION.—Not more than 25 percent of the total funds disbursed in any fiscal year by the Fund may be matched as authorized under paragraph (2).

(4) CONSTRUCTION OF "FEDERAL FUNDS".—For purposes of this subsection, notwithstanding section 105(a)(9) of the Housing and Community Development Act of 1974, funds provided pursuant to such Act shall be considered to be Federal funds, except as provided in paragraph (2)(B).

(f) TERMS AND CONDITIONS.—

(1) SOUNDNESS OF UNREGULATED INSTITUTIONS.—The Fund shall—

(A) ensure, to the maximum extent practicable, that each community development financial institution (other than an insured community development financial institution or depository institution holding company) assisted under this subtitle is financially and managerially sound and maintains appropriate internal controls; and

(B) require such institution to submit, not less than once during each 18-month period, a statement of financial condition audited by an independent certified public accountant as part of the report required by section 112(a)(4).

(2) CONSULTATION WITH THE APPROPRIATE BANKING REGULATOR.—Prior to providing assistance to an insured community development financial institution, the Fund shall consult with the appropriate Federal banking agency.

(3) ASSISTANCE AGREEMENT.—

(A) IN GENERAL.—Before providing any assistance under this subtitle, the Fund and each community development financial institution to be assisted shall enter into an agreement that requires the institution to comply with performance goals and abide by other terms and conditions pertinent to assistance received under this subtitle.

(B) PERFORMANCE GOALS.—Performance goals shall be negotiated between the Fund and each community development financial institution receiving assistance based upon the strategic plan submitted pursuant to section 105(b)(2). Such goals may be modified with the consent of the parties, or as provided in subparagraph (C). Performance goals for insured community development financial institutions shall be determined in consultation with the appropriate Federal banking agency.

(C) SANCTIONS.—The agreement shall provide that, in the event of fraud, mismanagement, noncompliance with this subtitle, or noncompliance with the terms of the agreement, the Fund, in its discretion, may—

(i) revoke approval of the application;

(ii) terminate or reduce future assistance;

(iii) require repayment of assistance;

(iv) require changes to the performance goals imposed pursuant to subparagraph (B);

(v) bar an applicant from reapplying for assistance from the Fund;

(vi) require changes to the strategic plan submitted pursuant to section 105(b)(2); and

(vii) take such other actions as the Fund deems appropriate.

(D) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—In the case of an insured community development financial institution, the Fund shall notify the appropriate Federal banking agency not less than 15 days before imposing sanctions pursuant to this paragraph and shall not impose such sanctions if the agency disapproves, with an explanation in writing, during that 15-day period.

(E) NATIVE AMERICAN INSTITUTIONS.—In the case of a community development financial institution which serves an investment area described in paragraph (11)(C) of section 103, or an Indian tribe, as defined in section 4 of the Indian Self-Determination and Education Assistance Act, the Fund shall consult with the applicable tribal government in evaluating the institution's compliance with the performance goals established pursuant to subparagraph (B).

(g) AUTHORITY TO SELL EQUITY INVESTMENTS AND LOANS.—The Fund may, at any time, sell its equity investments and loans, but the Fund shall retain the power to enforce limitations on assistance entered into in accordance with the requirements of this subtitle until the performance goals related to the investment or loan have been met.

(h) NO AUTHORITY TO LIMIT SUPERVISION AND REGULATION.—Nothing in this subtitle shall affect any authority of the appropriate Federal banking agency to supervise and regulate any institution or company.

SEC. 109. COMMUNITY DEVELOPMENT TRAINING.

(a) IN GENERAL.—The Fund may operate a training program to increase the capacity and expertise of community development financial institutions and other members of the financial services industry to undertake community development activities (hereafter in this subtitle referred to as the "training program").

(b) PROGRAM ACTIVITIES.—The training program shall provide educational programs to assist community development financial institutions and other members of the financial services industry in developing lending and investment products, underwriting and servicing loans, managing equity investments, and implementing development services targeted to areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

(c) PARTICIPATION.—The training program shall be made available to community development financial institutions and other members of the financial services industry that serve or seek to serve areas of economic distress, low-income persons, and persons who lack adequate access to loans and equity investments.

(d) CONTRACTING.—The Fund may offer the training described in this section directly or through a contract with other organizations. The Fund may contract to provide the training with organizations that possess special expertise in community development, without regard to whether the organizations receive or are eligible to receive assistance under this subtitle.

(e) FEES.—The Fund, as it deems appropriate, may charge fees for participation in training services to offset the cost of providing the services.

SEC. 110. ENCOURAGEMENT OF PRIVATE ENTITIES.

The Fund may facilitate the organization of corporations in which the Federal Government has no ownership interest that will complement the activities of the Fund in carrying out the purpose of this subtitle. The purpose of any such entity shall be to assist community development financial institutions in a manner that is complementary to the activities of the Fund under this subtitle. Any such entity shall be managed exclusively by persons not employed by the Federal Government or any agency or instrumentality thereof.

SEC. 111. CLEARINGHOUSE FUNCTION.

(a) ESTABLISHMENT.—The Fund may establish and maintain an information clearinghouse in coordination with other Federal departments or agencies and community development financial institutions to—

(1) collect, compile, and analyze information pertinent to community development financial institutions that will assist in creating, developing, expanding, and preserving these institutions; and

(2) provide information on financial, technical, and management assistance, data on the activities of community development financial institutions, regulations, and other information that may promote the purposes of this subtitle.

(b) COSTS.—The cost of maintaining the clearinghouse shall be shared equally by the Fund and each department or agency involved in maintaining the clearinghouse.

SEC. 112. RECORDKEEPING, REPORTS, AND AUDITS.

(a) RECORDKEEPING.—

(1) IN GENERAL.—A community development financial institution receiving assistance from the Fund shall keep such records, for such periods as may be prescribed, as may be necessary to disclose the manner in which any assistance under this subtitle is used and to demonstrate compliance with the requirements of this subtitle.

(2) USER PROFILE INFORMATION.—The Fund shall require each community development financial institution receiving assistance under this subtitle to compile and maintain data on the gender, race, ethnicity, national origin, and other pertinent information concerning individuals that utilize the services of the assisted institution to ensure that targeted populations and low-income residents of investment areas are adequately served.

(3) ACCESS TO RECORDS.—The Fund shall have access on demand, for the purpose of determining compliance with this subtitle, to any records of a community development financial institution that receives assistance from the Fund.

(4) REVIEW.—Not less than annually, the Fund shall review the progress of each assisted community development financial institution in carrying out its strategic plan, meeting its performance goals, and satisfying the terms and conditions of its assistance agreement.

(5) REPORTING.—

(A) ANNUAL REPORTS.—The Fund shall require each community development financial institution receiving assistance under this subtitle to submit an annual report to the Fund on its activities, its financial condition, and its success in meeting performance goals, in satisfying the terms and conditions of its assistance agreement, and in complying with other requirements of this subtitle in such form and manner as the Fund shall specify.

(B) AVAILABILITY OF REPORTS.—The Fund, after deleting or redacting any material, as appropriate to protect privacy or proprietary interests, shall make such reports available for public inspection.

(b) ANNUAL REPORT BY THE FUND.—The Fund shall conduct an annual evaluation of the activities carried out by the Fund and the community development financial institutions assisted pursuant to this subtitle, and shall submit a report of its findings to the President and the Congress not later than 120 days after the end of each fiscal year of the Fund. The report shall include financial statements audited in accordance with subsection (d).

(c) STUDIES.—

(1) OPTIONAL STUDIES.—The Fund may conduct such studies as the Fund determines necessary to further the purpose of this subtitle and to facilitate investment in distressed communities. The findings of any studies conducted pursuant to this paragraph shall be included in the report required by subsection (b).

(2) NATIVE AMERICAN LENDING STUDY.—

(A) STUDY.—The Fund shall conduct a study on lending and investment practices on Indian reservations and other land held in trust by the United States Government. Such study shall—

(i) identify barriers to private financing on such lands; and

(ii) identify the impact of such barriers on access to capital and credit for Native American populations.

(B) CONSULTATION WITH PRIVATE SECTOR.—In conducting the study under subparagraph (A),

the Fund shall consult with tribal governments, private citizens, and organizations that possess expertise in lending and community development issues confronted by Native American populations.

(C) REPORT.—Not later than 18 months after the date of enactment of this Act, the Fund shall submit a report to the President and the Congress that—

(i) contains the findings of the study conducted under subparagraph (A);

(ii) recommends any necessary statutory and regulatory changes to existing Federal programs; and

(iii) makes policy recommendations for community development financial institutions, insured depository institutions, secondary market institutions, and other private sector capital institutions to better serve such populations.

(3) INVESTMENT, GOVERNANCE, AND ROLE OF FUND.—Thirty months after the appointment and qualification of the Administrator, the Comptroller General shall submit to the President and the Congress a study evaluating the structure, governance, and performance of the Fund.

(d) EXAMINATION AND AUDIT.—The financial statements of the Fund shall be audited in accordance with section 9105 of title 31, United States Code, except that audits required by section 9105(a) of such title shall be performed annually.

SEC. 113. INVESTMENT OF RECEIPTS AND PROCEEDS.

(a) ESTABLISHMENT OF ACCOUNT.—Any dividends on equity investments and proceeds from the disposition of investments, deposits, or credit union shares that are received by the Fund as a result of assistance provided pursuant to section 108, and any fees received pursuant to section 109(e) shall be deposited and accredited to an account of the Fund in the United States Treasury (hereafter in this section referred to as "the account") established to carry out the purpose of this subtitle.

(b) INVESTMENTS.—Upon request of the Administrator, the Secretary of the Treasury shall invest amounts deposited in the account in public debt securities with maturities suitable to the needs of the Fund, as determined by the Administrator, and bearing interest at rates determined by the Secretary of the Treasury, comparable to current market yields on outstanding marketable obligations of the United States of similar maturities.

(c) AVAILABILITY.—Amounts deposited into the account and interest earned on such amounts pursuant to this section shall be available to the Fund until expended.

SEC. 114. INSPECTOR GENERAL.

(a) ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App. 11) is amended—

(1) in paragraph (1), by inserting "; the Administrator of the Community Development Financial Institutions Fund;" before "and the chief"; and

(2) in paragraph (2), by inserting "the Community Development Financial Institutions Fund," after "the Agency for International Development,".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for the operation of the Office of Inspector General established by the amendments made by subsection (a).

SEC. 115. CAPITALIZATION ASSISTANCE TO ENHANCE LIQUIDITY.

(a) ASSISTANCE.—

(1) IN GENERAL.—The Fund may provide assistance for the purpose of providing capital to organizations that will purchase loans or otherwise enhance the liquidity of community development financial institutions if—

(A) the primary purpose of such organizations is to promote community development; and

(B) any assistance received is matched with funds—

(i) from sources other than the Federal Government;

(ii) on the basis of not less than $1 for each dollar provided by the Fund; and

(iii) that are comparable in form and value to the assistance provided by the Fund.

(2) LIMITATION ON OTHER ASSISTANCE.—An organization that receives assistance under this section may not receive other financial or technical assistance under this subtitle.

(b) SELECTION.—The selection of organizations to receive assistance under this section shall be at the discretion of the Fund and in accordance with criteria established by the Fund. In establishing such criteria, the Fund shall take into account the criteria contained in sections 105(b) and 107, as appropriate.

(c) AMOUNT OF ASSISTANCE.—The Fund may provide a total of not more than $5,000,000 of assistance to an organization under this section during any 3-year period. Assistance may be provided in a lump sum or over a period of time, as determined by the Fund.

(d) AUDIT AND REPORT REQUIREMENTS.—

(1) IN GENERAL.—Organizations that receive assistance from the Fund in accordance with this section shall—

(A) submit to the Fund not less than once in every 18-month period, financial statements audited by an independent certified public accountant;

(B) submit an annual report on its activities; and

(C) keep such records as may be necessary to disclose the manner in which any assistance under this section is used.

(2) ACCESS.—The Fund shall have access on demand, for the purposes of determining compliance with this section, to any records of such organizations.

(e) LIMITATIONS ON LIABILITY.—

(1) LIABILITY OF FUND.—The liability of the Fund and the United States Government arising out of the provision of assistance to any organization in accordance with this section shall be limited to the amount of such assistance. The Fund shall be exempt from any assessments and any other liabilities that may be imposed on controlling or principal shareholders by any Federal law or the law of any State, territory, or the District of Columbia.

(2) LIABILITY OF GOVERNMENT.—This section does not oblige the Federal Government, either directly or indirectly, to provide any funds to any organization assisted pursuant to this section, or to honor, reimburse, or otherwise guarantee any obligation or liability of such an organization. This section shall not be construed to imply that any such organization or any obligations or securities of any such organization are backed by the full faith and credit of the United States.

(f) USE OF PROCEEDS.—Any proceeds from the sale of loans to an organization assisted under this section shall be used by the seller for community development purposes.

SEC. 116. COMMUNITY DEVELOPMENT REVOLVING LOAN FUND FOR CREDIT UNIONS.

(a) REPEAL.—Section 120 of the Federal Credit Union Act (12 U.S.C. 1766) is amended by striking subsection (k).

(b) REVOLVING LOAN FUND.—The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended by inserting after section 129 the following new section:

"SEC. 130. COMMUNITY DEVELOPMENT REVOLVING LOAN FUND FOR CREDIT UNIONS.

"(a) IN GENERAL.—The Board may exercise the authority granted to it by the Community Development Credit Union Revolving Loan Fund Transfer Act, including any additional appropriation made or earnings accrued, subject only to this section and to regulations prescribed by the Board.

"(b) INVESTMENT.—The Board may invest any idle Fund moneys in United States Treasury securities. Any interest accrued on such securities shall become a part of the Fund.

"(c) LOANS.—The Board may require that any loans made from the Fund be matched by increased shares in the borrower credit union.

"(d) INTEREST.—Interest earned by the Fund may be allocated by the Board for technical assistance to community development credit unions, subject to an appropriations Act.

"(e) DEFINITION.—As used in this section, the term 'Fund' means the Community Development Credit Union Revolving Loan Fund.".

SEC. 117. REGULATIONS.

Not later than 180 days after the appointment and qualification of the Administrator, the Fund shall issue such regulations as may be necessary to carry out this subtitle.

SEC. 118. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—To carry out this subtitle, there are authorized to be appropriated to the Fund, to remain available until expended—

(1) $60,000,000 for fiscal year 1994;
(2) $104,000,000 for fiscal year 1995;
(3) $107,000,000 for fiscal year 1996; and
(4) $111,000,000 for fiscal year 1997.

(b) ADMINISTRATIVE EXPENSES.—Of amounts authorized to be appropriated to the Fund—

(1) not more than $5,500,000 may be used by the Fund in each fiscal year to pay the administrative costs and expenses of the Fund; and

(2) not more than $50,000 may be used by the Fund in each fiscal year to provide for administrative costs and expenses described in section 104(d)(8).

(c) COMMUNITY DEVELOPMENT CREDIT UNION REVOLVING LOAN FUND.—There are authorized to be appropriated for the purposes of the Community Development Credit Union Revolving Loan Fund—

(1) $2,000,000 for fiscal year 1994;
(2) $1,000,000 for fiscal year 1995;
(3) $1,000,000 for fiscal year 1996; and
(4) $1,000,000 for fiscal year 1997.

(d) CAPITALIZATION ASSISTANCE.—Not more than 5 percent of the amounts authorized to be appropriated under subsection (a) may be used as provided in section 115.

(e) BUDGETARY TREATMENT.—Amounts authorized to be appropriated under this section shall be subject to discretionary spending caps, as provided in section 601 of the Congressional Budget Act of 1974, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

Subtitle B—Home Ownership and Equity Protection

SEC. 151. CONSUMER PROTECTIONS FOR HIGH COST MORTGAGES.

(a) DEFINITION.—Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following new subsection:

"(aa)(1) A mortgage referred to in this subsection means a consumer credit transaction that is secured by the consumer's principal dwelling, other than a residential mortgage transaction, a reverse mortgage transaction, or a transaction under an open end credit plan, if—

"(A) the annual percentage rate at consummation of the transaction will exceed by more than 10 percentage points the rate of interest on Treasury securities having comparable periods of maturity on the fifteenth day of the month immediately preceding the month in which the loan is consummated; or

"(B) the total points and fees payable by the consumer at or before closing will exceed the greater of—

"(i) 8 percent of the total loan amount; or

"(ii) $400.

"(2) The amount specified in paragraph (1)(B)(ii) shall be adjusted annually on January 1 by the annual percentage change in the Consumer Price Index, as reported on June 1 of the year preceding such adjustment.

"(3) For purposes of paragraph (1)(B), points and fees shall include—

"(A) all items included in the finance charge except interest and the time-price differential;

"(B) all compensation paid to mortgage brokers;

"(C) each of the charges listed in section 106(e) (except an escrow for future payment of taxes), unless—

"(i) the charge is reasonable;

"(ii) the creditor receives no direct or indirect compensation; and

"(iii) the charge is paid to a third party unaffiliated with the creditor; and

"(D) such other charges as the Board determines to be appropriate.".

(b) MATERIAL DISCLOSURES.—Section 103(u) of the Truth in Lending Act (15 U.S.C. 1602(u)) is amended—

(1) by striking "and the due dates" and inserting "the due dates"; and

(2) by inserting before the period ", and the disclosures required by section 129(a)".

(c) DEFINITION OF CREDITOR CLARIFIED.—Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by adding at the end the following: "Any person who originates 2 or more mortgages referred to in subsection (aa) in any 12-month period or any person who originates 1 or more such mortgages through a mortgage broker shall be considered to be a creditor for purposes of this title.".

(d) DISCLOSURES REQUIRED AND CERTAIN TERMS PROHIBITED.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by inserting after section 128 the following new section:

"SEC. 129. REQUIREMENTS FOR CERTAIN MORTGAGES.

"(a) DISCLOSURES.—

"(1) SPECIFIC DISCLOSURES.—In addition to other disclosures required under this title, for each mortgage referred to in section 103(aa), the creditor shall provide the following disclosures in conspicuous type size:

"(A) 'You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application.'

"(B) 'If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan.'.

"(2) ANNUAL PERCENTAGE RATE.—In addition to the disclosures required under paragraph (1), the creditor shall disclose—

"(A) the annual percentage rate of the loan and the amount of the regular monthly payment; or

"(B) in the case of a variable rate loan, the annual percentage rate of the loan, a statement that the interest rate and monthly payment may increase, and the amount of the maximum possible monthly payment.

"(b) TIME OF DISCLOSURES.—

"(1) IN GENERAL.—The disclosures required by this section shall be given not less than 3 business days prior to consummation of the transaction.

"(2) NEW DISCLOSURES REQUIRED.—After providing the disclosures required by this section, a creditor may not change the terms of the loan if such changes make the disclosures inaccurate, unless new disclosures are provided that meet the requirements of this section.

"(3) MODIFICATIONS.—The Board may, if it finds that such action is necessary to permit homeowners to meet bona fide personal financial emergencies, prescribe regulations authorizing the modification or waiver of rights created under this subsection, to the extent and under the circumstances set forth in those regulations.

"(c) NO PREPAYMENT PENALTY.—

"(1) IN GENERAL.—Except as provided in paragraph (4), a mortgage referred to in section 103(aa) may not contain terms under which a consumer must pay a prepayment penalty for paying all or part of the principal of the loan prior to the date on which such principal is due. If the date of maturity of a mortgage referred to in section 103(aa) is accelerated for any reason, and the consumer is entitled to a rebate of interest, computation of the rebate amount shall comply with paragraph (2). No such mortgage shall provide for a default interest rate that is higher than the interest rate provided by the note for the loan prior to default.

"(2) REBATE COMPUTATION.—For purposes of this subsection, any method of computing rebates of interest that is less favorable to the consumer than the actuarial method (as defined in section 933 of the Housing and Community Development Act of 1992) using simple interest is a prepayment penalty.

"(3) EXCEPTION.—A mortgage referred to in section 103(aa) may include terms under which a consumer is required to pay not more than 1 month's interest as a penalty if the consumer prepays the principal of the loan within 1 year of origination.

"(d) NO BALLOON PAYMENTS.—A mortgage referred to in section 103(aa) having a term of less than 5 years may not include terms under which the aggregate amount of the regular periodic payments would not fully amortize the outstanding principal balance.

"(e) NO NEGATIVE AMORTIZATION.—A mortgage referred to in section 103(aa) may not include terms under which the outstanding principal balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of interest due.

"(f) NO PREPAID PAYMENTS.—A mortgage referred to in section 103(aa) may not include terms under which more than 2 periodic payments required under the loan are consolidated and paid in advance from the loan proceeds provided to the consumer.

"(g) CONSEQUENCE OF FAILURE TO COMPLY.—Any mortgage that contains a provision prohibited by this section shall be deemed a failure to deliver the material disclosures required under this title, for the purpose of section 125.

"(h) DEFINITION.—For purposes of this section, the term 'affiliate' has the same meaning as in section 2(k) of the Bank Holding Company Act of 1956.

"(i) DISCRETIONARY REGULATORY AUTHORITY OF BOARD.—

"(1) EXEMPTIONS.—The Board may, by regulation or order, exempt specific mortgage products or categories of mortgages from any or all of the prohibitions specified in subsections (c) through (f), if the Board finds that the exemption—

"(A) is in the interest of the borrowing public; and

"(B) will apply only to products that maintain and strengthen home ownership and equity protection.

"(2) PROHIBITIONS.—The Board, by regulation or order, shall prohibit acts or practices in connection with—

"(A) mortgage loans that the Board finds to be unfair, deceptive, or designed to evade the provisions of this section; and

"(B) refinancing of mortgage loans that the Board finds to be associated with abusive lending practices, or that are otherwise not in the interest of the borrower.".

(e) CONFORMING AMENDMENTS.—

(1) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by striking the item relating to section 129 and inserting the following:

"129. Requirements for certain mortgages.".

(2) TRUTH IN LENDING ACT.—Section 105(a) of the Truth in Lending Act (15 U.S.C. 1604(a)) is amended in the second sentence, by striking "These" and inserting "Except in the case of a mortgage referred to in section 103(aa), these".

SEC. 152. CIVIL LIABILITY.

(a) DAMAGES.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended—

(1) by striking "and" at the end of paragraph (2)(B);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) in the case of a failure to comply with any requirement under section 129, an amount equal to the sum of all finance charges and fees paid by the consumer, unless the creditor demonstrates that the failure to comply is not material.".

(b) STATE ATTORNEY GENERAL ENFORCEMENT.—Section 130(e) of the Truth in Lending Act (15 U.S.C. 1640(e)) is amended by adding at the end the following: "An action to enforce a violation of section 129 may also be brought by the appropriate State attorney general in any appropriate United States district court, or any other court of competent jurisdiction, not later than 3 years after the date on which the violation occurs. The State attorney general shall provide prior written notice of any such civil action to the Federal agency responsible for enforcement under section 108 and shall provide the agency with a copy of the complaint. If prior notice is not feasible, the State attorney general shall provide notice to such agency immediately upon instituting the action. The Federal agency may—

"(1) intervene in the action;

"(2) upon intervening—

"(A) remove the action to the appropriate United States district court, if it was not originally brought there; and

"(B) be heard on all matters arising in the action; and

"(3) file a petition for appeal.".

(c) ASSIGNEE LIABILITY.—Section 131 of the Truth in Lending Act (15 U.S.C. 1641) is amended by adding at the end the following new subsection:

"(d) RIGHTS UPON ASSIGNMENT OF CERTAIN MORTGAGES.—

"(1) IN GENERAL.—Any person who purchases or is otherwise assigned a mortgage referred to in section 103(aa) shall be subject to all claims and defenses with respect to that mortgage that the consumer could assert against the creditor of the mortgage, unless the purchaser or assignee demonstrates, by a preponderance of the evidence, that a reasonable person exercising ordinary due diligence, could not determine, based on the loan documentation required by this title, that the mortgage was in fact a mortgage referred to in section 103(aa). The preceding sentence does not affect a consumer's rights under sections 125, 130, or any other provision of this title.

"(2) LIMITATION ON DAMAGES.—Notwithstanding any other provision of law, relief provided as a result of any action made permissible by paragraph (1) may not exceed—

"(A) with respect to actions based upon a violation of this title, the amount specified in section 130; and

"(B) with respect to all other causes of action, the sum of—

"(i) the amount of all remaining indebtedness; and

"(ii) the total amount paid by the consumer in connection with the transaction.

"(3) OFFSET.—The amount of damages that may be awarded under paragraph (2)(B) shall be reduced by the amount of any damages awarded under paragraph (2)(A).

"(4) NOTICE.—Any person who sells or otherwise assigns a mortgage referred to in section 103(aa) shall include a prominent notice of the potential liability under this subsection as determined by the Board.".

SEC. 153. REVERSE MORTGAGE DISCLOSURE.

(a) DEFINITION OF REVERSE MORTGAGE.—Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended by adding at the end the following new subsection:

"(bb) The term 'reverse mortgage transaction' means a nonrecourse transaction in which a mortgage, deed of trust, or equivalent consensual security interest is created against the consumer's principal dwelling—

"(1) securing one or more advances; and

"(2) with respect to which the payment of any principal, interest, and shared appreciation is due and payable (other than in the case of default) only after—

"(A) the transfer of the dwelling;

"(B) the consumer ceases to occupy the dwelling as a principal dwelling; or

"(C) the death of the consumer.".

(b) DISCLOSURE.—Chapter 2 of title I of the Truth in Lending Act (15 U.S.C. 1631 et seq.) is amended by adding at the end the following new section:

"SEC. 138. REVERSE MORTGAGES.

"(a) IN GENERAL.—In addition to the disclosures required under this title, for each reverse mortgage, the creditor shall, not less than 3 days prior to consummation of the transaction, disclose to the consumer in conspicuous type a good faith estimate of the projected total cost of the mortgage to the consumer expressed as a table of annual interest rates. Each annual interest rate shall be based on a projected total future loan balance under a projected appreciation rate for the dwelling and a term for the mortgage. The disclosure shall include—

"(1) statements of the annual interest rates for not less than 3 projected appreciation rates and not less than 3 loan periods, as determined by the Board, including—

"(A) a short-term reverse mortgage;

"(B) a term equaling the actuarial life expectancy of the consumer; and

"(C) such longer term as the Board deems appropriate; and

"(2) a statement that the consumer is not obligated to complete the reverse mortgage transaction merely because the consumer has received the disclosure required under this section or has signed a loan application.

"(b) PROJECTED TOTAL COST.—In determining the projected total cost of the mortgage to be disclosed to the consumer under subsection (a), the creditor shall take into account—

"(1) any shared appreciation that the lender will, by contract, be entitled to receive;

"(2) all costs and charges to the consumer, including the costs of any associated annuity that the consumer elects or is required to purchase as part of the reverse mortgage transaction;

"(3) all payments to and for the benefit of the consumer, including, in the case in which an associated annuity is purchased (whether or not required by the lender as a condition of making the reverse mortgage), the annuity payments received by the consumer and financed from the proceeds of the loan, instead of the proceeds used to finance the annuity; and

"(4) any limitation on the liability of the consumer under reverse mortgage transactions (such as nonrecourse limits and equity conservation agreements).".

(c) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 2 of the Truth in Lending Act is amended by inserting after the item relating to section 137 the following:

"138. Reverse mortgages.".

SEC. 154. REGULATIONS; EFFECTIVE DATE.

(a) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall issue such regulations as may be necessary to carry out this subtitle.

(b) EFFECTIVE DATE.—This subtitle, and the amendments made by this subtitle, shall apply to every mortgage referred to in section 103(aa) of the Truth in Lending Act (as added by section 151(a) of this Act) consummated on or after the date which is 60 days after the promulgation of final regulations under subsection (a).

TITLE II—SMALL BUSINESS CAPITAL FORMATION

Subtitle A—Small Business Loan Securitization

SEC. 201. SHORT TITLE.

This subtitle may be cited as the "Small Business Loan Securitization and Secondary Market Enhancement Act of 1994".

SEC. 202. SMALL BUSINESS RELATED SECURITY.

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraph:

"(53)(A) The term 'small business related security' means a security that is rated in 1 of the 4 highest rating categories by at least 1 nationally recognized statistical rating organization, and either—

"(i) represents an interest in 1 or more promissory notes or leases of personal property evidencing the obligation of a small business concern and originated by an insured depository institution, insured credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or a finance company or leasing company; or

"(ii) is secured by an interest in 1 or more promissory notes or leases of personal property (with or without recourse to the issuer or lessee) and provides for payments of principal in relation to payments, or reasonable projections of payments, on notes or leases described in clause (i).

"(B) For purposes of this paragraph—

"(i) an 'interest in a promissory note or a lease of personal property' includes ownership rights, certificates of interest or participation in such notes or leases, and rights designed to assure servicing of such notes or leases, or the receipt or timely receipt of amounts payable under such notes or leases;

"(ii) the term 'small business concern' has the same meaning as in section 3 of the Small Business Act;

"(iii) the term 'insured depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

"(iv) the term 'insured credit union' has the same meaning as in section 101 of the Federal Credit Union Act.".

SEC. 203. APPLICABILITY OF MARGIN REQUIREMENTS.

Section 7(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78g(g)) is amended by inserting "or a small business related security" after "mortgage related security".

SEC. 204. BORROWING IN THE COURSE OF BUSINESS.

Section 8(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended in the last sentence by inserting "or a small business related security" after "mortgage related security".

SEC. 205. SMALL BUSINESS RELATED SECURITIES AS COLLATERAL.

Clause (ii) of section 11(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78k(d)(1)) is amended by inserting "or any small business related security" after "mortgage related security".

SEC. 206. INVESTMENT BY DEPOSITORY INSTITUTIONS.

(a) HOME OWNERS' LOAN ACT AMENDMENT.—Section 5(c)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(1)) is amended by adding at the end the following new subparagraph:

"(S) SMALL BUSINESS RELATED SECURITIES.—Investments in small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), subject to such regulations as the Director may prescribe, including regulations concerning the minimum size of the issue (at the time of the initial distribution), the minimum aggregate sales price, or both.".

(b) CREDIT UNIONS.—Section 107(15) of the Federal Credit Union Act (12 U.S.C. 1757(15)) is amended—

(1) in subparagraph (A), by striking "or" at the end;

(2) in subparagraph (B), by inserting "or" at the end; and

(3) by adding at the end the following new subparagraph:

"(C) are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), subject to such regulations as the Board may prescribe, including regulations prescribing the minimum size of the issue (at the time of the initial distribution), the minimum aggregate sales price, or both;".

(c) NATIONAL BANKING ASSOCIATIONS.—Section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the last sentence in the first full paragraph of paragraph Seven, by striking "or (B) are mortgage related securities" and inserting the following: "(B) are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934); or (C) are mortgage related securities".

SEC. 207. PREEMPTION OF STATE LAW.

(a) IN GENERAL.—Section 106(a)(1) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r–1(a)(1)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), or".

(b) OBLIGATIONS OF THE UNITED STATES.—Section 106(a)(2) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r–1(a)(2)) is amended—

(1) by striking "or" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934), or".

(c) PREEMPTION OF STATE LAWS.—Section 106(c) of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r–1(c)) is amended—

(1) in the first sentence, by striking "or that" and inserting ", that"; and

(2) by inserting ", or that are small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934)" before "shall be exempt".

(d) IMPLEMENTATION.—Section 106 of the Secondary Mortgage Market Enhancement Act of 1984 (15 U.S.C. 77r–1) is amended by adding at the end the following new subsection:

"(d) IMPLEMENTATION.—

"(1) LIMITATION.—The provisions of subsections (a) and (b) concerning small business related securities shall not apply with respect to a particular person, trust, corporation, partner-

ship, association, business trust, or business entity or class thereof in any State that, prior to the expiration of 7 years after the date of enactment of this subsection, enacts a statute that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such small business related securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided in this section. The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior to such enactment, and shall not require the sale or other disposition of any small business related securities acquired prior to the date of such enactment.

"(2) STATE REGISTRATION OR QUALIFICATION REQUIREMENTS.—Any State may, not later than 7 years after the date of enactment of this subsection, enact a statute that specifically refers to this section and requires registration or qualification of any small business related securities on terms that differ from those applicable to any obligation issued by the United States.".

SEC. 208. INSURED DEPOSITORY INSTITUTION CAPITAL REQUIREMENTS FOR TRANSFERS OF SMALL BUSINESS OBLIGATIONS.

(c) ACCOUNTING PRINCIPLES.—The accounting principles applicable to the transfer of a small business loan or a lease of personal property with recourse contained in reports or statements required to be filed with Federal banking agencies by a qualified insured depository institution shall be consistent with generally accepted accounting principles.

(b) CAPITAL AND RESERVE REQUIREMENTS.—With respect to the transfer of a small business loan or lease of personal property with recourse that is a sale under generally accepted accounting principles, each qualified insured depository institution shall—

(1) establish and maintain a reserve equal to an amount sufficient to meet the reasonable estimated liability of the institution under the recourse arrangement; and

(2) include, for purposes of applicable capital standards and other capital measures, only the amount of the retained recourse in the risk-weighted assets of the institution.

(c) QUALIFIED INSTITUTIONS CRITERIA.—An insured depository institution is a qualified insured depository institution for purposes of this section if, without regard to the accounting principles or capital requirements referred to in subsections (a) and (b), the institution is—

(1) well capitalized; or

(2) with the approval, by regulation or order, of the appropriate Federal banking agency, adequately capitalized.

(d) AGGREGATE AMOUNT OF RECOURSE.—The total outstanding amount of recourse retained by a qualified insured depository institution with respect to transfers of small business loans and leases of personal property under subsections (a) and (b) shall not exceed—

(1) 15 percent of the risk-based capital of the institution; or

(2) such greater amount, as established by the appropriate Federal banking agency by regulation or order.

(e) INSTITUTIONS THAT CEASE TO BE QUALIFIED OR EXCEED AGGREGATE LIMITS.—If an insured depository institution ceases to be a qualified insured depository institution or exceeds the limits under subsection (d), this section shall remain applicable to any transfers of small business loans or leases of personal property that occurred during the time that the institution was qualified and did not exceed such limit.

(f) PROMPT CORRECTIVE ACTION NOT AFFECTED.—The capital of an insured depository institution shall be computed without regard to this section in determining whether the institution is adequately capitalized, undercapitalized, significantly undercapitalized, or critically undercapitalized under section 38 of the Federal Deposit Insurance Act.

(g) REGULATIONS REQUIRED.—Not later than 180 days after the date of the enactment of this Act each appropriate Federal banking agency shall promulgate final regulations implementing this section.

(h) ALTERNATIVE SYSTEM PERMITTED.—

(1) IN GENERAL.—At the discretion of the appropriate Federal banking agency, this section shall not apply if the regulations of the agency provide that the aggregate amount of capital and reserves required with respect to the transfer of small business loans and leases of personal property with recourse does not exceed the aggregate amount of capital and reserves that would be required under subsection (b).

(2) EXISTING TRANSACTIONS NOT AFFECTED.—Notwithstanding paragraph (1), this section shall remain in effect with respect to transfers of small business loans and leases of personal property with recourse by qualified insured depository institutions occurring before the effective date of regulations referred to in paragraph (1).

(i) DEFINITIONS.—For purposes of this section—

(1) the term "adequately capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act;

(2) the term "appropriate Federal banking agency" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(3) the term "capital standards" has the same meaning as in section 38(c) of the Federal Deposit Insurance Act;

(4) the term "Federal banking agencies" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(5) the term "insured depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(6) the term "other capital measures" has the meaning as in section 38(c) of the Federal Deposit Insurance Act;

(7) the term "recourse" has the meaning given to such term under generally accepted accounting principles;

(8) the term "small business" means a business that meets the criteria for a small business concern established by the Small Business Administration under section 3(a) of the Small Business Act; and

(9) the term "well capitalized" has the same meaning as in section 38(b) of the Federal Deposit Insurance Act.

SEC. 209. TRANSACTIONS IN SMALL BUSINESS RELATED SECURITIES BY EMPLOYEE BENEFIT PLANS.

(a) PROHIBITED TRANSACTION EXEMPTION.—The Secretary of Labor, in consultation with the Secretary of the Treasury, may exempt transactions involving small business related securities (as defined in section 3(a)(53) of the Securities Exchange Act of 1934, as added by section 202 of this Act) pursuant to section 408(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(a)) and section 4975(c)(2) of the Internal Revenue Code of 1986.

(b) CONSIDERATION OF EXEMPTION REQUESTS.—The Secretary of Labor shall consider any request for exemption under subsection (a) within a reasonable period of time after receipt of such request.

SEC. 210. SENSE OF THE SENATE ON TAXATION OF SMALL BUSINESS LOAN INVESTMENT CONDUITS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the taxation of a small business loan investment conduit and the holder of an interest therein should be similar to the taxation of a real estate mortgage investment conduit and the holder of an interest therein under the Internal Revenue Code of 1986, taking into account, as appropriate—

(1) the purpose of facilitating the securitization of small business loans and leases or personal property through the use of small business loan investment conduits and the development of a secondary market in small business loans and leases of personal property;

(2) differences in the nature of qualifying mortgages in a real estate mortgage investment conduit and small business loans and leases of personal property;

(3) differences in the practices of participants in the securitization of real estate mortgages in a real estate mortgage investment conduit and the securitization of other assets; and

(4) such other tax policies as may be warranted.

(b) SMALL BUSINESS LOAN INVESTMENT CONDUIT DEFINED.—For purposes of this section, the term "small business loan investment conduit" means an entity substantially all of the assets of which consist of an interest in one or more promissory notes as leases of personal property evidencing obligations—

(1) of a business that meets the criteria of a small business concern established under section 3(a) of the Small Business Act; and

(2) that were originated by an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), credit union, insurance company, or similar institution which is supervised and examined by a Federal or State authority, or a finance company or leasing company.

Subtitle B—Small Business Capital Enhancement

SEC. 251. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) small business concerns are a vital part of the economy, accounting for the majority of new jobs, new products, and new services created in the United States;

(2) adequate access to debt capital is a critical component for small business development, productivity, expansion, and success in the United States;

(3) commercial banks are the most important suppliers of debt capital to small business concerns in the United States;

(4) commercial banks and other depository institutions have various incentives to minimize their risk in financing small business concerns;

(5) as a result of such incentives, many small business concerns with economically sound financing needs are unable to obtain access to needed debt capital;

(6) the small business capital access programs implemented by certain States are a flexible and efficient tool to assist financial institutions in providing access to needed debt capital for many small business concerns in a manner consistent with safety and soundness regulations;

(7) a small business capital access program would complement other programs which assist small business concerns in obtaining access to capital; and

(8) Federal policy can stimulate and accelerate efforts by States to implement small business capital access programs by providing an incentive to States, while leaving the administration of such programs to each participating State.

(b) PURPOSES.—By encouraging States to implement administratively efficient capital access programs that encourage commercial banks and other depository institutions to provide access to debt capital for a broad portfolio of small business concerns, and thereby promote a more efficient and effective debt market, the purposes of this subtitle are—

(1) to promote economic opportunity and growth;

(2) to create jobs;

(3) to promote economic efficiency;

(4) to enhance productivity; and

(5) to spur innovation.

SEC. 252. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Secretary" means the Secretary of Housing and Urban Development;

(2) the term "appropriate Federal banking agency"—

(A) has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(B) includes the National Credit Union Administration Board in the case of any credit union the deposits of which are insured in accordance with the Federal Credit Union Act;

(3) the term "early loan" means a loan enrolled at a time when the aggregate covered amount of loans previously enrolled under the Program by a particular participating financial institution is less than $5,000,000;

(4) the term "enrolled loan" means a loan made by a participating financial institution that is enrolled by a participating State in accordance with this subtitle;

(5) the term "financial institution" means any federally chartered or State-chartered commercial bank, savings association, savings bank, or credit union;

(6) the term "participating financial institution" means any financial institution that has entered into a participation agreement with a participating State in accordance with section 254;

(7) the term "participating State" means any State that has been approved for participation in the Program in accordance with section 253;

(8) the term "passive real estate ownership" means ownership of real estate for the purpose of deriving income from speculation, trade, or rental, except that such term shall not include—

(A) the ownership of that portion of real estate being used or intended to be used for the operation of the business of the owner of the real estate (other than the business of passive ownership of real estate); or

(B) the ownership of real estate for the purpose of construction or renovation, until the completion of the construction or renovation phase;

(9) the term "Program" means the Small Business Capital Enhancement Program established under this subtitle;

(10) the term "reserve fund" means a fund, established by a participating State, earmarked for a particular participating financial institution, for the purposes of—

(A) depositing all required premium charges paid by the participating financial institution and by each borrower receiving a loan under the Program from a participating financial institution;

(B) depositing contributions made by the participating State; and

(C) covering losses on enrolled loans by disbursing accumulated funds; and

(11) the term "State" means—

(A) a State of the United States;

(B) the District of Columbia;

(C) any political subdivision of a State of the United States, which subdivision has a population in excess of the population of the least populated State of the United States; and

(D) any other political subdivision of a State of the United States that the Secretary determines has the capacity to participate in the program.

SEC. 253. APPROVING STATES FOR PARTICIPATION.

(a) APPLICATION.—Any State may apply to the Secretary for approval to be a participating State under the Program and to be eligible for reimbursement by the Secretary pursuant to section 257.

(b) APPROVAL CRITERIA.—The Secretary shall approve a State to be a participating State, if—

(1) a specific department or agency of the State has been designated to implement the Program;

(2) all legal actions necessary to enable such designated department or agency to implement the Program have been accomplished;

(3) funds in the amount of at least $1 for every 2 people residing in the State (as of the last decennial census for which data have been released) are available and have been legally committed to contributions by the State to reserve funds, with such funds being available without time limit and without requiring additional legal action, except that such requirements shall not be construed to limit the authority of the State to take action at a later time that results in the termination of its obligation to enroll loans and make contributions to reserve funds;

(4) the State has prescribed a form of participation agreement to be entered into between it and each participating financial institution that is consistent with the requirements and purposes of this subtitle; and

(5) the State and the Secretary have executed a reimbursement agreement that conforms to the requirements of this subtitle.

(c) EXISTING STATE PROGRAMS.—

(1) IN GENERAL.—A State that is not a participating State, but that has its own capital access program providing portfolio insurance for business loans (based on a separate loss reserve fund for each financial institution), may apply at any time to the Secretary to be approved to be a participating State. The Secretary shall approve such State to be a participating State, and to be eligible for reimbursements by the Secretary pursuant to section 257, if the State—

(A) satisfies the requirements of subsections (a) and (b); and

(B) certifies that each affected financial institution has satisfied the requirements of section 254.

(2) APPLICABLE TERMS OF PARTICIPATION.—

(A) STATUS OF INSTITUTIONS.—If a State is approved for participation under paragraph (1), each financial institution with a participation agreement in effect with the participating State shall immediately be considered a participating financial institution. Reimbursements may be made under section 237 in connection with all contributions made to the reserve fund by the State in connection with lending that occurs on or after the date on which the Secretary approves the State for participation.

(B) EFFECTIVE DATE OF PARTICIPATION.—If an amended participation agreement that conforms with section 255 is required in order to secure participation approval by the Secretary, contributions subject to reimbursement under section 257 shall include only those contributions made to a reserve fund with respect to loans enrolled on or after the date that an amended participation agreement between the participating State and the participating financial institution becomes effective.

(C) USE OF ACCUMULATED RESERVE FUNDS.—A State that is approved for participation in accordance with this subsection may continue to implement the program utilizing the reserve funds accumulated under the State program.

(d) PRIOR APPROPRIATIONS REQUIREMENT.—The Secretary shall not approve a State for participation in the Program until at least $50,000,000 has been appropriated to the Secretary (subject to an appropriations Act), without fiscal year limitation, for the purpose of making reimbursements pursuant to section 257.

(e) AMENDMENTS TO AGREEMENTS.—If a State that has been approved to be a participating State wishes to amend its form of participation agreement and continue to be a participating State, such State shall submit such amendment for review by the Secretary in accordance with subsection (b)(4). Any such amendment shall become effective only after it has been approved by the Secretary.

SEC. 254. PARTICIPATION AGREEMENTS.

(a) IN GENERAL.—A participating State may enter into a participation agreement with any financial institution determined by the participating State, after consultation with the appropriate Federal banking agency, to have sufficient commercial lending experience and financial and managerial capacity to participate in the Program. The determination by the State shall not be reviewable by the Secretary.

(b) PARTICIPATING FINANCIAL INSTITUTIONS.—Upon entering into the participation agreement with the participating State, the financial institution shall become a participating financial institution eligible to enroll loans under the Program.

SEC. 255. TERMS OF PARTICIPATION AGREEMENTS.

(a) IN GENERAL.—The participation agreement to be entered into by a participating State and a participating financial institution shall include all provisions required by this section, and shall not include any provisions inconsistent with the provisions of this section.

(b) ESTABLISHMENT OF SEPARATE RESERVE FUNDS.—A separate reserve fund shall be established by the participating State for each participating financial institution. All funds credited to a reserve fund shall be the exclusive property of the participating State. Each reserve fund shall be an administrative account for the purposes of—

(1) receiving all required premium charges to be paid by the borrower and participating financial institution and contributions by the participating State; and

(2) disbursing funds, either to cover losses sustained by the participating financial institution in connection with loans made under the Program, or as contemplated by subsections (d) and (r).

(c) INVESTMENT AUTHORITY.—Subject to applicable State law, the participating State may invest, or cause to be invested, funds held in a reserve fund by establishing a deposit account at the participating financial institution in the name of the participating State. In the event that funds in the reserve fund are not deposited in such an account, such funds shall be invested in a form that the participating State determines is safe and liquid.

(d) EARNED INCOME AND INTEREST.—Interest or income earned on the funds credited to a reserve fund shall be deemed to be part of the reserve fund, except that a participating State may, as further specified in the participation agreement, provide authority for the participating State to withdraw some or all of such interest or income earned.

(e) LOAN TERMS AND CONDITIONS.—

(1) IN GENERAL.—A loan to be filed for enrollment under the Program may be made with such interest rate, fees, and other terms and conditions as agreed upon by the participating financial institution and the borrower, consistent with applicable law.

(2) LINES OF CREDIT.—If a loan to be filed for enrollment is in the form of a line of credit, the amount of the loan shall be considered to be the maximum amount that can be drawn by the borrower against the line of credit.

(f) ENROLLMENT PROCESS.—

(1) FILING.—

(A) IN GENERAL.—A participating financial institution shall file each loan made under the Program for enrollment by completing and submitting to the participating State a form prescribed by the participating State.

(B) FORM.—The form referred to in subparagraph (A) shall include a representation by the

participating financial institution that it has complied with the participation agreement in enrolling the loan with the State.

(C) PREMIUM CHARGES.—Accompanying the completed form shall be the nonrefundable premium charges paid by the borrower and the participating financial institution, or evidence that such premium charges have been deposited into the deposit account containing the reserve fund, if applicable.

(D) SUBMISSION.—The participation agreement shall require that the items required by this subsection shall be submitted to the participating State by the participating financial institutions not later than 10 calendar days after a loan is made.

(2) ENROLLMENT BY STATE.—Upon receipt by the participating State of the filing submitted in accordance with paragraph (1), the participating State shall promptly enroll the loan and make a matching contribution to the reserve fund in accordance with subsection (j), unless the information submitted indicates that the participating financial institution has not complied with the participation agreement in enrolling the loan.

(g) COVERAGE AMOUNT.—In filing a loan for enrollment under the Program, the participating financial institution may specify an amount to be covered under the Program that is less than the full amount of the loan.

(h) PREMIUM CHARGES.—

(1) MINIMUM AND MAXIMUM AMOUNTS.—The premium charges payable to the reserve fund by the borrower and the participating financial institution shall be prescribed by the participating financial institution, within minimum and maximum limits set forth in the participation agreement. The participation agreement shall establish minimum and maximum limits whereby the sum of the premium charges paid in connection with a loan by the borrower and the participating financial institution is not less than 3 percent nor more than 7 percent of the amount of the loan covered under the Program.

(2) ALLOCATION OF PREMIUM CHARGES.—The participation agreement shall specify terms for allocating premium charges between the borrower and the participating financial institution. However, if the participating financial institution is required to pay any of the premium charges, the participation agreement shall authorize the participating financial institution to recover from the borrower the cost of the payment of the participating financial institution, in any manner on which the participating financial institution and the borrower agree.

(i) RESTRICTIONS.—

(1) ACTIONS PROHIBITED.—Except as provided in subsection (h) and paragraph (2) of this subsection, the participating State may not—

(A) impose any restrictions or requirements, relating to the interest rate, fees, collateral, or other business terms and conditions of the loan; or

(B) condition enrollment of a loan in the Program on the review by the State of the risk or creditworthiness of a loan.

(2) EFFECT ON OTHER LAW.—Nothing in this subtitle shall affect the applicability of any other law to the conduct by a participating financial institution of its business.

(j) STATE CONTRIBUTIONS.—In enrolling a loan under the Program, the participating State shall contribute to the reserve fund an amount, as provided for in the participation agreement, which shall not be less than the sum of the amount of premium charges paid by the borrower and the participating financial institution.

(k) ELEMENTS OF CLAIMS.—

(1) FILING.—If a participating financial institution charges off all or part of an enrolled loan, such participating financial institution may file a claim for reimbursement with the participating State by submitting a form that—

(A) includes the representation by the participating financial institution that it is filing the claim in accordance with the terms of the applicable participation agreement; and

(B) contains such other information as may be required by the participating State.

(2) TIMING.—Any claim filed under paragraph (1) shall be filed contemporaneously with the action of the participating financial institution to charge off all or part of an enrolled loan. The participating financial institution shall determine when and how much to charge off on an enrolled loan, in a manner consistent with its usual method for making such determinations on business loans that are not enrolled loans under this subtitle.

(l) ELEMENTS OF CLAIMS.—A claim filed by a participating financial institution may include the amount of principal charged off, not to exceed the covered amount of the loan. Such claim may also include accrued interest and out-of-pocket expenses, if and to the extent provided for under the participation agreement.

(m) PAYMENT OF CLAIMS.—

(1) IN GENERAL.—Except as provided in subsection (n) and paragraph (2) of this subsection, upon receipt of a claim filed in accordance with this section and the participation agreement, the participating State shall promptly pay to the participating financial institution, from funds in the reserve fund, the full amount of the claim as submitted.

(2) INSUFFICIENT RESERVE FUNDS.—If there are insufficient funds in the reserve fund to cover the entire amount of a claim of a participating financial institution, the participating State shall pay to the participating financial institution an amount equal to the current balance in the reserve fund. If the enrolled loan for which the claim has been filed—

(A) is not an early loan, such payment shall be deemed fully to satisfy the claim, and the participating financial institution shall have no other or further right to receive any amount from the reserve fund with respect to such claim; or

(B) is an early loan, such payment shall not be deemed fully to satisfy the claim of the participating financial institution, and at such time as the remaining balance of the claim does not exceed 75 percent of the balance in the reserve fund, the participating State shall, upon the request of the participating financial institution, pay any remaining amount of the claim.

(n) DENIAL OF CLAIMS.—A participating State may deny a claim if a representation or warranty made by the participating financial institution to the participating State at the time that the loan was filed for enrollment or at the time that the claim was submitted was known by the participating financial institution to be false.

(o) SUBSEQUENT RECOVERY OF CLAIM AMOUNT.—If, subsequent to payment of a claim by the participating State, a participating financial institution recovers from a borrower any amount for which payment of the claim was made, the participating financial institution shall promptly pay to the participating State for deposit into the reserve fund the amount recovered, less any expenses incurred by the institution in collection of such amount.

(p) PARTICIPATION AGREEMENT TERMS.—

(1) IN GENERAL.—In connection with the filing of a loan for enrollment in the Program, the participation agreement—

(A) shall require the participating financial institution to obtain an assurance from each borrower that—

(i) the proceeds of the loan will be used for a business purpose;

(ii) the loan will not be used to finance passive real estate ownership; and

(iii) the borrower is not—

(I) an executive officer, director, or principal shareholder of the participating financial institution;

(II) a member of the immediate family of an executive officer, director, or principal shareholder of the participating financial institution; or

(III) a related interest of any such executive officer, director, principal shareholder, or member of the immediate family;

(B) shall require the participating financial institution to provide assurances to the participating State that the loan has not been made in order to place under the protection of the Program prior debt that is not covered under the Program and that is or was owed by the borrower to the participating financial institution or to an affiliate of the participating financial institution;

(C) may provide that if—

(i) a participating financial institution makes a loan to a borrower that is a refinancing of a loan previously made to the borrower by the participating financial institution or an affiliate of the participating financial institution;

(ii) such prior loan was not enrolled in the Program; and

(iii) additional or new financing is extended by the participating financial institution as part of the refinancing,

the participating financial institution may file the loan for enrollment, with the amount to be covered under the Program not to exceed the amount of any additional or new financing; and

(D) may include additional restrictions on the eligibility of loans or borrowers that are not inconsistent with the provisions and purposes of this subtitle.

(2) DEFINITIONS.—For purposes of this subsection, the terms "executive officer", "director", "principal shareholder", "immediate family", and "related interest" refer to the same relationship to a participating financial institution as the relationship described in part 215 of title 12 of the Code of Federal Regulations, or any successor to such part.

(q) TERMINATION CLAUSE.—In each participation agreement, the participating State shall reserve for itself the ability to terminate its obligation to enroll loans under the Program. Any such termination shall be prospective only, and shall not apply to amounts of loans enrolled under the Program prior to such termination.

(r) ALLOWABLE WITHDRAWALS FROM FUND.—

The participation agreement may provide that, if, for any consecutive period of not less than 24 months, the aggregate outstanding balance of all enrolled loans for a participating financial institution is continually less than the outstanding balance in the reserve fund for that participating financial institution, the participating State, in its discretion, may withdraw an amount from the reserve fund to bring the balance in the reserve fund down to the outstanding balance of all such enrolled loans.

(s) GRANDFATHERED PROVISION.—

(1) SPECIAL TREATMENT OF PREMIUM CHARGES.—Notwithstanding subsection (b) or (d), the participation agreement, if explicitly authorized by a statute enacted by the State before the date of enactment of this Act, may allow a participating financial institution to treat the premium charges paid by the participating financial institution and the borrower into the reserve fund, and interest or income earned on funds in the reserve fund that are deemed to be attributable to such premium charges, as assets of the participating financial institution for accounting purposes, subject to withdrawal by the participating financial institution only—

(A) for the payment of claims approved by the participating State in accordance with this section; and

(B) upon the participating financial institution's withdrawal from authority to make new loans under the Program.

(2) PAYMENT OF POST-WITHDRAWAL CLAIMS.—After any withdrawal of assets from the reserve fund pursuant to paragraph (1)(B), any future claims filed by the participating financial institution on loans remaining in its capital access program portfolio shall only be paid from funds remaining in the reserve fund to the extent that, in the aggregate, such claims exceed the sum of the amount of such withdrawn assets, and interest on that amount, imputed at the same rate as income would have accrued had the amount not been withdrawn.

(3) CONDITIONS FOR TERMINATING SPECIAL AUTHORITY.—If the Secretary determines that the inclusion in a participation agreement of the provisions authorized by this subsection is resulting in the enrollment of loans under the Program that are likely to have been made without assistance provided under this subtitle, the Secretary may notify the participating State that henceforth, the Secretary will only make reimbursements to the State under section 257 with respect to a loan if the participation agreement between the participating State and each participating financial institution has been amended to conform with this section, without exercise of the special authority granted by this subsection.

SEC. 256. REPORTS.

(a) Reserve Funds Report.—On or before the last day of each calendar quarter, a participating State shall submit to the Secretary a report of contributions to reserve funds made by the participating State during the previous calendar quarter. If the participating State has made contributions to one or more reserve funds during the previous quarter, the report shall—

(1) indicate the total amount of such contributions;

(2) indicate the amount of contributions which is subject to reimbursement, which shall be equal to the total amount of contributions, unless one of the limitations contained in section 257 is applicable;

(3) if one of the limitations in section 257 is applicable, provide documentation of the applicability of such limitation for each loan for which the limitation applies; and

(4) include a certification by the participating State that—

(A) the information provided in accordance with paragraphs (1), (2), and (3) is accurate;

(B) funds in an amount meeting the minimum requirements of section 253(b)(3) continue to be available and legally committed to contributions by the State to reserve funds, less any amount that has been contributed by the State to reserve funds subsequent to the State being approved for participation in the Program;

(C) there has been no unapproved amendment to any participation agreement or the form of participation agreements; and

(D) the participating State is otherwise implementing the Program in accordance with this subtitle and regulations issued pursuant to section 259.

(b) Annual Data.—Not later than March 31 of each year, each participating State shall submit to the Secretary annual data indicating the number of borrowers financed under the Program, the total amount of covered loans, and breakdowns by industry type, loan size, annual sales, and number of employees of the borrowers financed.

(c) Form.—The reports and data filed pursuant to subsections (a) and (b) shall be in such form as the Secretary may require.

SEC. 257. REIMBURSEMENT BY THE SECRETARY.

(a) Reimbursements.—Not later than 30 calendar days after receiving a report filed in compliance with section 256, the Secretary shall reimburse the participating State in an amount equal to 50 percent of the amount of contributions by the participating State to the reserve funds that are subject to reimbursement by the Secretary pursuant to section 256 and this section. The Secretary shall reimburse participating States, as it receives reports pursuant to section 256(a), until available funds are expended.

(b) Size of Assisted Borrower.—The Secretary shall not provide any reimbursement to a participating State with respect to an enrolled loan made to a borrower that has 500 or more employees at the time that the loan is enrolled in the Program.

(c) Three-Year Maximum.—The amount of reimbursement to be provided by the Secretary to a participating State over any 3-year period in connection with loans made to any single borrower or any group of borrowers among which a common enterprise exists shall not exceed $75,000. For purposes of this subsection, "common enterprise" shall have the same meaning as in part 32 of title 12 of the Code of Federal Regulations, or any successor to that part.

(d) Loans Totaling Less Than $2,000,000.—In connection with a loan in which the covered amount of the loan plus the covered amount of all previous loans enrolled by a participating financial institution does not exceed $2,000,000, the amount of reimbursement by the Secretary to the participating State shall not exceed the lesser of—

(1) 75 percent of the sum of the premium charges paid to the reserve fund by the borrower and the participating financial institution; or

(2) 5.25 percent of the covered amount of the loan.

(e) Loans Totaling More Than $2,000,000.—In connection with a loan in which the sum of the covered amounts of all previous loans enrolled by the participating financial institution in the Program equals or exceeds $2,000,000, the amount of reimbursement to be provided by the Secretary to the participating State shall not exceed the lesser of—

(1) 50 percent of the sum of the premium charges paid by the borrower and the participating financial institution; or

(2) 3.5 percent of the covered amount of the loan.

(f) Other Amounts.—In connection with the enrollment of a loan that will cause the aggregate covered amount of all enrolled loans to exceed $2,000,000, the amount of reimbursement by the Secretary to the participating State shall be determined—

(1) by applying subsection (d) to the portion of the loan, which when added to the aggregate covered amount of all previously enrolled loans equals $2,000,000; and

(2) by applying subsection (e) to the balance of the loan.

SEC. 258. REIMBURSEMENT TO THE SECRETARY.

(a) In General.—If a participating State withdraws funds from a reserve fund pursuant to terms of the participation agreement permitted by subsection (d) or (r) of section 255, such participating State shall, not later than 15 calendar days after such withdrawal, submit to the Secretary an amount computed by multiplying the amount withdrawn by the appropriate factor, as determined under subsection (b).

(b) Factor.—The appropriate factor shall be obtained by dividing the total amount of contributions that have been made by the participating State to all reserve funds which were subject to reimbursement—

(1) by 2; and

(2) by the total amount of contributions made by the participating State to all reserve funds, including if applicable, contributions that have been made by the State prior to becoming a participating State if the State continued its own capital access program in accordance with section 253(b).

(c) Use of Reimbursements.—The Secretary may use funds reimbursed pursuant to this section to make reimbursements under section 257.

SEC. 259. REGULATIONS.

The Secretary shall promulgate appropriate regulations to implement this subtitle.

SEC. 260. AUTHORIZATION OF APPROPRIATIONS.

(a) Amount.—There are authorized to be appropriated to the Secretary $50,000,000 to carry out this subtitle.

(b) Budgetary Treatment.—The amount authorized to be appropriated under subsection (a) shall be subject to discretionary spending caps, as provided in section 601 of the Congressional Budget Act of 1974, and therefore shall reduce by an equal amount funds made available for other discretionary spending programs.

TITLE III—PAPERWORK REDUCTION AND REGULATORY IMPROVEMENT

SEC. 301. INCORPORATED DEFINITIONS.

Unless otherwise specifically provided in this title, for purposes of this title—

(1) the terms "appropriate Federal banking agency", "Federal banking agencies", and "insured depository institution" have the same meanings as in section 3 of the Federal Deposit Insurance Act; and

(2) the term "insured credit union" has the same meaning as in section 101 of the Federal Credit Union Act.

SEC. 302. ADMINISTRATIVE CONSIDERATION OF BURDEN WITH NEW REGULATIONS.

In determining the effective date and administrative compliance requirements for new regulations that impose additional reporting, disclosure, or other requirements on insured depository institutions, each Federal banking agency shall consider, consistent with the principles of safety and soundness and the public interest—

(1) any administrative burdens that such regulations would place on depository institutions, including small depository institutions, and customers of depository institutions; and

(2) the benefits of such regulations.

SEC. 303. STREAMLINING OF REGULATORY REQUIREMENTS.

(a) Review of Regulations; Regulatory Uniformity.—During the 2-year period beginning on the date of enactment of this Act, each Federal banking agency shall, consistent with principles of safety and soundness and the public interest—

(1) conduct a review of the regulations and written policies of that agency—

(A) to streamline those regulations and policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability; and

(B) to remove inconsistencies and outmoded and duplicative requirements; and

(2) work jointly with the other Federal banking agencies to make uniform all regulations and guidelines implementing common statutory or supervisory policies.

(b) Report to Congress.—The Federal banking agencies shall submit a joint report to the Congress annually for 2 years following the date of enactment of this Act detailing the progress of the agencies in carrying out the requirements of subsection (a).

SEC. 304. ELIMINATION OF DUPLICATIVE FILINGS.

The Federal banking agencies shall work jointly—

(1) to eliminate, to the extent practicable, duplicative or otherwise unnecessary requests for information in connection with applications or notices to the agencies; and

(2) to harmonize, to the extent practicable, any inconsistent publication and public notice requirements.

SEC. 305. COORDINATED AND UNIFIED EXAMINATIONS.

Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended by adding at the end the following new paragraph:

"(6) Coordinated Examinations.—To minimize the disruptive effects of examinations on the operations of insured depository institutions—

"(A) each appropriate Federal banking agency shall, to the extent practicable and consistent with safety and soundness principles and the public interest—

"(i) coordinate examinations to be conducted by that agency at an insured depository institution and its affiliates;

"(ii) coordinate with the other appropriate Federal banking agencies in the conduct of such examinations; and

"(iii) work to coordinate the conduct of all examinations made pursuant to this subsection with the appropriate State bank supervisor; and

"(B) not later than 2 years after the date of enactment of the Community Development, Credit Enhancement, and Regulatory Improvement Act of 1993, the Federal banking agencies shall jointly establish and implement a system for determining which one of the Federal banking agencies shall conduct a unified examination of each insured depository institution and its affiliates, as required by this subsection, on behalf of all Federal banking agencies.".

SEC. 306. EIGHTEEN-MONTH EXAMINATION RULE FOR CERTAIN SMALL INSTITUTIONS.

Section 10(d)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)(4)) is amended—

(1) in subparagraph (A), by striking "$100,000,000" and inserting "$250,000,000";

(2) in subparagraph (C), by striking "and its composite condition was found to be outstanding;" and inserting "and its composite condition—

"(i) was found to be outstanding; or

"(ii) in the case of an insured depository institution that has total assets of less than $175,000,000, was found to be outstanding or good;".

(3) by redesignating subparagraph (D) as subparagraph (E); and

(4) by inserting after subparagraph (C) the following new subparagraph:

"(D) the insured institution is not currently subject to a formal enforcement proceeding or order by the Corporation or the appropriate Federal banking agency; and".

SEC. 307. CALL REPORT SIMPLIFICATION.

(a) Modernization of Call Report Filing and Disclosure System.—In order to reduce the administrative requirements pertaining to bank reports of condition, savings association financial reports, and bank holding company consolidated and parent-only financial statements, and to improve the timeliness of such reports and statements, the Federal banking agencies shall—

(1) work jointly to develop a system under which—

(A) insured depository institutions and their affiliates may file such reports and statements electronically; and

(B) the Federal banking agencies may make such reports and statements available to the public electronically; and

(2) not later than 1 year after the date of enactment of this Act, report to the Congress and make recommendations for legislation that would enhance efficiency for filers and users of such reports and statements.

(b) Uniform Reports and Simplification of Instructions.—The Federal banking agencies shall, consistent with the principles of safety and soundness, work jointly—

(1) to adopt a single form for the filing of core information required to be submitted under Federal law to all such agencies in the reports and statements referred to in subsection (a); and

(2) to simplify instructions accompanying such reports and statements and to provide an index to the instructions that is adequate to meet the needs of both filers and users.

(c) Review of Call Report Schedule.—Each Federal banking agency shall—

(1) review the information required by schedules supplementing the core information referred to in subsection (b); and

(2) eliminate requirements that are not warranted for reasons of safety and soundness or other public purposes.

SEC. 308. REPEAL OF PUBLICATION REQUIREMENTS.

(a) Revised Statutes.—Section 5211 of the Revised Statutes (12 U.S.C. 161) is amended—

(1) in the fifth sentence of subsection (a), by striking "; and the statement of resources" and all that follows through "as may be required by the Comptroller"; and

(2) in subsection (c), by striking the fourth sentence.

(b) FDIA.—Section 7(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(1)) is amended by striking the fourth sentence.

(c) Federal Reserve Act.—Section 9 of the Federal Reserve Act (12 U.S.C. 324) is amended in the last sentence of the sixth undesignated paragraph, by striking "and shall be published" and all that follows through the end of the sentence and inserting a period.

SEC. 309. REGULATORY APPEALS PROCESS.

(a) In General.—Not later than 180 days after the date of enactment of this Act, each appropriate Federal banking agency and the National Credit Union Administration Board shall establish an independent intra-agency appellate process. The process shall be available to review material supervisory determinations made at insured depository institutions or at insured credit unions that the agency supervises.

(b) Review Process.—In establishing the independent appellate process under subsection (a), each agency shall ensure—

(1) that any appeal of a material supervisory determination by an insured depository institution or credit union is heard and decided expeditiously; and

(2) that appropriate safeguards exist for protecting the appellant from retaliation by agency examiners.

(c) Comment Period.—Not later than 90 days after the date of enactment of this Act, each appropriate Federal banking agency and the National Credit Union Administration shall provide public notice and opportunity for comment on proposed guidelines for the establishment of an appellate process under this section.

(d) Definitions.—For purposes of this section—

(1) the term "material supervisory determinations" includes determinations relating to—

(A) examination ratings;

(B) the adequacy of loan loss reserve provisions; and

(C) loan classifications on loans that are significant to the institution; and

(2) the term "independent appellate process" means a review by an agency official who does not directly or indirectly report to the agency official who made the material supervisory determination under review.

(e) Effect on Other Authority.—Nothing in this section shall affect the authority of an appropriate Federal banking agency or the National Credit Union Association Board to take enforcement or supervisory action against an institution.

SEC. 310. ELECTRONIC FILING OF CURRENCY TRANSACTION REPORTS.

Section 123 of the Bank Secrecy Act (12 U.S.C. 1953) is amended by adding at the end the following new subsection:

"(c) Acceptance of Automated Records.—The Secretary shall permit an uninsured bank or financial institution to retain or maintain records referred to in subsection (a) in electronic or automated form, subject to terms and conditions established by the Secretary.".

SEC. 311. BANK SECRECY ACT PUBLICATION REQUIREMENTS.

Chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

"SEC. 5329. STAFF COMMENTARIES.

"The Secretary shall—

"(1) publish all written rulings interpreting this chapter; and

"(2) annually issue a staff commentary on the regulations issued under this chapter.".

SEC. 312. EXEMPTION OF BUSINESS LOANS FROM REAL ESTATE SETTLEMENT PROCEDURES ACT REQUIREMENTS.

The Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) is amended by inserting after section 6 the following new section:

"SEC. 7. EXEMPTED TRANSACTIONS.

"This Act does not apply to credit transactions involving extensions of credit—

"(1) primarily for business, commercial, or agricultural purposes; or

"(2) to government or governmental agencies or instrumentalities.".

SEC. 313. FLEXIBILITY IN CHOOSING BOARDS OF DIRECTORS.

Section 5146 of the Revised Statutes (12 U.S.C. 72) is amended in the first sentence, by striking "two thirds" and inserting "a majority".

SEC. 314. HOLDING COMPANY AUDIT REQUIREMENTS.

Section 36(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831m(i)) is amended by striking paragraph (2) and inserting the following:

"(2) the institution—

"(A) has total assets, as of the beginning of such fiscal year, of less than $5,000,000,000;

"(B) has—

"(i) total assets, as of the beginning of such fiscal year, of more than $5,000,000,000 and less than $9,000,000,000; and

"(ii) a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency; or

"(C)(i) has total assets, as of the beginning of such fiscal year, of more than $9,000,000,000; and

"(ii) has a CAMEL composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating by any such agency under a comparable rating system) as of the most recent examination of such institution by the Corporation or the appropriate Federal banking agency.

Notwithstanding paragraph (2)(C), in the case of an insured depository institution that the Corporation determines to be a large institution, the audit committee of the holding company of such an institution shall not include any large customers of the institution.

"(3) The appropriate Federal banking agency may require an institution with total assets in excess of $9,000,000,000 to comply with this section, notwithstanding the exception provided by this subsection, if it determines that such exemption will create a significant risk to the affected deposit insurance fund if applied to that institution.".

SEC. 315. STATE REGULATION OF REAL ESTATE APPRAISALS.

Section 1122 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 3351) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(2) by inserting after subsection (a) the following new subsection:

"(b) RECIPROCITY.—The Appraisal Subcommittee shall encourage the States to develop reciprocity agreements that readily authorize appraisers who are licensed or certified in one State (and who are in good standing with their State appraiser certifying or licensing agency) to perform appraisals in other States."; and

(3) in subsection (a)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C);

(B) by striking "A State" and inserting the following:

"(1) IN GENERAL.—A State"; and

(C) by adding at the end the following new paragraph:

"(2) FEES FOR TEMPORARY PRACTICE.—A State appraiser certifying or licensing agency shall not impose excessive fees or burdensome requirements, as determined by the Appraisal Subcommittee, for temporary practice under this subsection.".

SEC. 316. ACCELERATION OF EFFECTIVE DATE FOR INTERAFFILIATE TRANSACTIONS.

(a) HOME OWNERS' LOAN ACT AMENDMENT.—Section 11(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1468(a)(2)) is amended by adding at the end the following new subparagraph:

"(C) TRANSITION RULE FOR WELL CAPITALIZED SAVINGS ASSOCIATIONS.—

"(i) IN GENERAL.—A savings association that is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act), as determined without including goodwill in calculating core capital, shall be treated as a bank for purposes of section 23A(d)(1) and section 23B of the Federal Reserve Act.

"(ii) LIABILITY OF COMMONLY CONTROLLED DEPOSITORY INSTITUTIONS.—Any savings association that engages under clause (i) in a transaction that would not otherwise be permissible under this subsection, and any affiliated insured bank that is commonly controlled (as defined in section 5(e)(9) of the Federal Deposit Insurance Act), shall be subject to subsection (e) of section 5 of the Federal Deposit Insurance Act as if paragraph (6) of that subsection did not apply.".

(b) REPEAL PROVISION.—Effective on January 1, 1995, subparagraph (C) of section 11(a)(2) of the Home Owners' Loan Act (12 U.S.C. 1468(a)(2)) (as added by subsection (a) of this section) is repealed.

SEC. 317. COLLATERALIZATION OF PUBLIC DEPOSITS.

Section 13(e) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively;

(2) by striking "No agreement" and inserting the following:

"(1) IN GENERAL.—No agreement"; and

(3) by adding at the end the following new paragraph:

"(2) PUBLIC DEPOSITS.—An agreement to provide for the lawful collateralization of deposits of a Federal, State, or local governmental entity or of any depositor referred to in section 11(a)(2) shall not be deemed to be invalid pursuant to paragraph (1)(B) solely because such agreement was not executed contemporaneously with the acquisition of the collateral or with any changes in the collateral made in accordance with such agreement.".

SEC. 318. ELIMINATION OF STOCK VALUATION PROVISION.

(a) IN GENERAL.—Section 39(b) of the Federal Deposit Insurance Act (12 U.S.C. 1831p–1(b)), as added by section 132(a) of the Federal Deposit Insurance Corporation Improvements Act of 1991) is amended to read as follows:

"(b) ASSET QUALITY, EARNINGS, AND STOCK VALUATION STANDARDS.—Each appropriate Federal banking agency shall, for all insured depository institutions and depository institution holding companies, prescribe standards relating to asset quality, earnings, and stock valuation that the agency determines to be appropriate.".

(b) ESTABLISHING STANDARDS IN GUIDELINES.—Section 39(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831p–1(d)) is amended—

(1) in the subsection heading, by striking "BY REGULATION"; and

(2) in paragraph (1)—

(A) in the first sentence, by inserting "or guideline" before the period; and

(B) in the second sentence, by inserting "or guidelines" after "Such regulations".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be construed to have the same effective date as section 39 of the Federal Deposit Insurance Act, as provided in section 132(c) of the Federal Deposit Insurance Corporation Improvements Act of 1991.

SEC. 319. EXPEDITED PROCEDURES FOR FORMING A BANK HOLDING COMPANY.

Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended—

(1) in the second sentence, by striking "or (B)" and inserting "(B)"; and

(2) in the second sentence, by inserting before the period the following: "; or (C) with 30 days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchanges its shares of the bank for shares of a newly formed bank holding company and receives, after the reorganization, substantially the same proportional share interest in the holding company as it held in the bank (except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law) if, immediately following the acquisition, (i) the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company; (ii) the bank is adequately capitalized (as defined in section 38 of the Federal Deposit Insurance Act); and (iii) the holding company does not engage in any activities other than those of banking or managing and controlling banks".

SEC. 320. EXEMPTION OF CERTAIN HOLDING COMPANY FORMATIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933.

Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end the following new paragraph:

"(7) transactions involving offers or sales of equity securities, in connection with the acquisition of a bank by a company under section 3(a) of the Bank Holding Company Act of 1956, if—

"(A) the acquisition occurs solely as part of a reorganization in which a person or group of persons exchanges its shares of a bank for shares of a newly formed bank holding company with no significant assets other than securities of the bank and the existing subsidiaries of the bank;

"(B) the shareholders receive, after that reorganization, substantially the same proportional share interests in the bank holding company as they held in the bank, except for changes in shareholders' interests resulting from lawful elimination of fractional interests and the exercise of dissenting shareholders' rights under State or Federal law;

"(C) the rights and interests of security holders in the bank holding company are substantially the same as those in the bank prior to the transaction, other than as may be required by law; and

"(D) the bank holding company has substantially the same assets and liabilities as the bank had prior to the transaction.".

SEC. 321. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK HOLDING COMPANY ACQUISITIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting before the period at the end of the fourth sentence the following: "or, if the Board has not received any adverse comment from the Attorney General of the United States relating to competitive factors, such shorter period of time as may be prescribed by the Board with the concurrence of the Attorney General, but in no event less than 15 calendar days after the date of approval".

SEC. 322. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK MERGERS.

Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by inserting before the period at the end of the last sentence the following: "or, if the agency has not received any adverse comment from the Attorney General of the United States relating to competitive factors, such shorter period of time as may be prescribed by the agency with the concurrence of the Attorney General, but in no event less than 15 calendar days after the date of approval".

SEC. 323. BANKERS' BANKS.

(a) OWNERSHIP BY BANKERS' BANKS.—

(1) Paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the eleventh sentence—

(A) by inserting "or depository institution holding companies (as defined in section 3 of the Federal Deposit Insurance Act)" after "(except to the extent directors' qualifying shares are required by law) by depository institutions"; and

(B) by striking "services for other depository institutions and their officers, directors and employees" and inserting the following: "services to or for other depository institutions and the officers, directors, and employees of such institutions, and in providing correspondent banking services at the request of other depository institutions (also referred to as a 'banker's bank')".

(2) Section 5169(b)(1) of the Revised Statutes (12 U.S.C. 27(b)(1)) is amended—

(A) by inserting "or depository institution holding companies" after "(except to the extent directors' qualifying shares are required by law) by other depository institutions"; and

(B) by striking "services for other depository institutions and their officers, directors and employees" and inserting the following: "services to or for other depository institutions and the officers, directors, and employees of such institutions, and in providing correspondent banking services at the request of other depository institutions (also referred to as a 'banker's bank')".

(b) OWNERSHIP BY SAVINGS ASSOCIATIONS.—Section 5(c)(4) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended by adding at the end the following new subparagraph:

"(E) BANKERS' BANKS.—A Federal savings association may purchase for its own account shares of stock of a bankers' bank, described in Paragraph Seven of section 5136 of the Revised Statutes or in section 5169(b) of the Revised Statutes, on the same terms and conditions as a national bank may purchase such shares.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) BANK HOLDING COMPANY ACT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by striking the second sentence.

(2) MANAGEMENT INTERLOCKS ACT.—Section 202(3)(D) of the Depository Institution Management Interlocks Act (12 U.S.C. 3201(3)(D)) is amended by striking "the voting securities" and all that follows through the end of the subpara-

graph and inserting "and is a bankers' bank, described in Paragraph Seven of section 5136 of the Revised Statutes; or".

(d) Lending Limit for Loans Secured by Securities.—Section 11(m) of the Federal Reserve Act (12 U.S.C. 248(m)) is amended by striking "10 percentum" each place such term appears and inserting "15 percent".

SEC. 324. BANK SERVICE CORPORATION ACT AMENDMENT.

Section 5 of the Bank Service Corporation Act (12 U.S.C. 1865) is amended—

(1) in subsection (a), by striking "the prior approval of" and inserting "prior notice, as determined by"; and

(2) in subsection (c), by inserting "or whether to approve or disapprove any notice" after "approval".

SEC. 325. MERGER TRANSACTION REPORTS.

Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended—

(1) in paragraph (4)—

(A) in the first sentence—

(i) by striking "General and the other two" and inserting "General, who shall promptly notify the other"; and

(ii) by inserting before the period "of any such proposed transaction that raises a significant competitiveness issue"; and

(B) in the second sentence, by striking "and the other two banking agencies"; and

(2) in paragraph (6), by striking "and the other two banking agencies".

SEC. 326. CREDIT CARD ACCOUNTS RECEIVABLE SALES.

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is amended by adding at the end the following new paragraphs:

"(14) Selling Credit Card Accounts Receivable.—

"(A) Notification Required.—An undercapitalized insured depository institution (as defined in section 38) shall notify the Corporation in writing before entering into an agreement to sell credit card accounts receivable.

"(B) Waiver by Corporation.—The Corporation may at any time, in its sole discretion and upon such terms as it may prescribe, waive its right to repudiate an agreement to sell credit card accounts receivable if the Corporation—

"(i) determines that the waiver is in the best interests of the deposit insurance fund; and

"(ii) provides a written waiver to the selling institution.

"(C) Effect of Waiver on Successors.—

"(i) In General.—If, under subparagraph (B), the Corporation has waived its right to repudiate an agreement to sell credit card accounts receivable—

"(I) any provision of the agreement that restricts solicitation of a credit card customer of the selling institution, or the use of a credit card customer list of the institution, shall bind any receiver or conservator of the institution; and

"(II) the Corporation shall require any acquirer of the selling institution, or of substantially all of the selling institution's assets or liabilities, to agree to be bound by a provision described in subclause (I) as if the acquirer were the selling institution.

"(ii) Exception.—Clause (i)(II) does not—

"(I) restrict the acquirer's authority to offer any product or service to any person identified without using a list of the selling institution's customers in violation of the agreement;

"(II) require the acquirer to restrict any preexisting relationship between the acquirer and a customer; or

"(III) apply to any transaction in which the acquirer acquires only insured deposits.

"(D) Waiver Not Actionable.—The Corporation shall not, in any capacity, be liable to any person for damages resulting from the waiver of or failure to waive the Corporation's right under this section to repudiate any contract or lease, including an agreement to sell credit card accounts receivable. No court shall issue any order affecting any such waiver or failure to waive.

"(E) Other Authority Not Affected.—This paragraph does not limit any other authority of the Corporation to waive the Corporation's right to repudiate an agreement or lease under this section.

"(15) Certain Credit Card Customer Lists Protected.—

"(A) In General.—If any insured depository institution sells credit card accounts receivable under an agreement negotiated at arm's length that provides for the sale of the institution's credit card customer list, the Corporation shall prohibit any party to a transaction with respect to the institution under this section or section 13 from using the list except as permitted under the agreement.

"(B) Fraudulent Transactions Excluded.—Subparagraph (A) does not limit the Corporation's authority to repudiate any agreement entered into with the intent to hinder, delay, or defraud the institution, the institution's creditors, or the Corporation.".

SEC. 327. LIMITING POTENTIAL LIABILITY ON FOREIGN ACCOUNTS.

(a) Amendment to the Federal Reserve Act.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 25B the following new section:

"SEC. 25C. POTENTIAL LIABILITY ON FOREIGN ACCOUNTS.

"A member bank shall not be required to repay any deposit made at a foreign branch of the bank if the branch cannot repay the deposit due to—

"(1) an act of war, insurrection or civil strife; or

"(2) an action by a foreign government or instrumentality (whether de jure or de facto) in the country in which the branch is located,

unless the member bank has expressly agreed in writing to repay the deposit under those circumstances. The Board and the Comptroller of the Currency may jointly prescribe such regulations as they deem necessary to implement this section.".

(b) Conforming Amendments to the Federal Deposit Insurance Act.—

(1) In General.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following new subsection:

"(q) Sovereign Risk.—Section 25C of the Federal Reserve Act shall apply to every nonmember insured bank in the same manner and to the same extent as if the nonmember insured bank were a member bank.".

(2) Conforming Amendment.—Subparagraph (A) of section 3(l)(5) of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)(5)) is amended to read as follows:

"(A) any obligation of a depository institution which is carried on the books and records of an office of such bank or savings association located outside of any State, unless—

"(i) such obligation would be a deposit if it were carried on the books and records of the depository institution, and would be payable at, an office located in any State; and

"(ii) the contract evidencing the obligation provides by express terms, and not by implication, for payment at an office of the depository institution located in any State; and".

(c) Existing Claims Not Affected—Section 25C of the Federal Reserve Act (as added by subsection (a)) shall not be applied retroactively and shall not be construed to affect or apply to any claim or cause of action addressed by that section arising from events or circumstances that occurred before the date of enactment of this Act.

SEC. 328. AMENDMENTS TO OUTDATED DIVIDEND PROVISIONS.

(a) Withdrawal of Capital.—Section 5204 of the Revised Statutes (12 U.S.C. 56) is amended—

(1) in the second sentence, by striking "net profits then on hand, deducting therefrom its losses and bad debts" and inserting "undivided profits, subject to other applicable provisions of law"; and

(2) by striking the third sentence.

(b) Declaration of Dividends.—Section 5199 of the Revised Statutes (12 U.S.C. 60) is amended—

(1) in the first sentence, by striking "net profits of the association" and inserting "undivided profits of the association, subject to the limitations in subsection (b),";

(2) by striking "net profits" each subsequent place such term appears and inserting "net income"; and

(3) by striking subsection (c).

SEC. 329. ELIMINATION OF DUPLICATIVE DISCLOSURES FOR HOME EQUITY LOANS.

Section 4(a) of the Real Estate Settlement Procedures Act (12 U.S.C. 2603(a)) is amended by adding at the end the following: "In the case of a federally related mortgage loan secured by a subordinate lien on residential property, disclosures made under section 127A(a) of the Truth in Lending Act may be used in lieu of the disclosures required under this section if—

"(1) the disclosures made pursuant to such section 127A(a) contain all of the information that is required under this section; and

"(2) the information is disclosed in a manner that is no less conspicuous than is required under this section.".

SEC. 330. REPORT ON CAPITAL STANDARDS AND THEIR IMPACT ON THE ECONOMY.

(a) In General.—Not later than 1 year after the date of enactment of this Act, the Secretary of the Treasury, after consultation with the Federal banking agencies, shall report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives on the effect of the implementation of risk-based capital standards on—

(1) the safety and soundness of insured depository institutions; and

(2) the availability of credit, particularly to consumers and small business concerns.

(b) Recommendations.—The report required by subsection (a) shall contain any recommendations that the Secretary of the Treasury considers relevant.

SEC. 331. STUDIES ON THE IMPACT OF THE PAYMENT OF INTEREST ON RESERVES.

(a) Federal Reserve Study.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, in consultation with the Federal Deposit Insurance Corporation, shall conduct a study and report to Congress on—

(1) the necessity, for monetary policy purposes, of continuing to require insured depository institutions to maintain sterile reserves;

(2) the appropriateness of paying a market rate of interest to insured depository institutions on sterile reserves or, in the alternative, providing for payment of such interest into the appropriate deposit insurance fund;

(3) the monetary impact that the failure to pay interest on sterile reserves has had on insured depository institutions, including an estimate of the total dollar amount of interest and the potential income lost by insured depository institutions; and

(4) the impact that the failure to pay interest on sterile reserves has had on the ability of the banking industry to compete with nonbanking providers of financial services and with foreign banks.

(b) Budgetary Impact Study.—Not later than 180 days after the date of enactment of this

Act, the Director of the Office of Management and Budget and the Director of the Congressional Budget Office, in consultation with the Committees on the Budget of the Senate and the House of Representatives, shall jointly conduct a study and report to the Congress on the budgetary impact of—

(1) paying a market rate of interest to insured depository institutions on sterile reserves; and

(2) paying such interest into the respective deposit insurance funds.

SEC. 332. STUDY AND REPORT ON STREAMLINED LENDING PROCESS FOR CONSUMER BENEFIT.

(a) STUDY.—During the 12-month period beginning on the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Secretary of Housing and Urban Development shall conduct a study of ways to improve the home mortgage, small business, and consumer lending processes, consistent with the principles of safety and soundness, so as to—

(1) reduce consumer burdens, inconvenience, cost, and delay; and

(2) minimize cost and burdens on insured depository institutions, credit unions, and other lenders.

(b) COMMENTS.—In conducting the study under subsection (a), comments shall be solicited from consumer groups, insured depository institutions, other lenders, and any other interested parties.

(c) REPORT.—Not later than 12 months after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Secretary of Housing and Urban Development shall submit a joint report to the Congress indicating any legislative changes necessary to improve the home mortgage, small business, and consumer lending processes and including a summary of comments received pursuant to subsection (b).

SEC. 333. REPEAL OF OUTDATED CHARTER REQUIREMENT FOR NATIONAL BANKS.

Section 5170 of the Revised Statutes (12 U.S.C. 28) is repealed.

SEC. 334. INCLUSION OF COMPTROLLER OF THE CURRENCY; CLARIFICATION OF REVISED STATUTES.

(a) PUBLIC LAW 93-425.—Section 111 of Public Law 93-495 (12 U.S.C. 250) is amended by inserting "the Comptroller of the Currency," after "Federal Deposit Insurance Corporation,".

(b) REVISED STATUTES.—

(1) SECTION 5240.—The third paragraph of section 5240 of the Revised Statutes (12 U.S.C. 482) is amended by inserting "or section 301(f)(1) of title 31, United States Code," after "provisions of this section".

(2) SECTION 324.—Section 324 of the Revised Statutes (12 U.S.C. 1) is amended by adding at the end the following: "The Comptroller of the Currency shall have the same authority over matters within the jurisdiction of the Comptroller as the Director of the Office of Thrift Supervision has over matters within the Director's jurisdiction under section 3(b)(3) of the Home Owners' Loan Act.".

(3) SECTION 5239.—Section 5239 of the Revised Statutes (12 U.S.C. 93) is amended by inserting at the end the following new subsection:

"(d) AUTHORITY.—The Comptroller of the Currency may act in the Comptroller's own name and through the Comptroller's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Comptroller of the Currency is a party.".

SEC. 335. COMMEMORATION OF 1995 SPECIAL OLYMPIC WORLD GAMES.

(a) COIN SPECIFICATIONS.—

(1) ONE DOLLAR SILVER COINS.—

(A) ISSUANCE.—The Secretary of the Treasury (hereafter in this section referred to as the "Secretary") shall issue not more than 800,000 $1 coins, which shall weigh 26.73 grams, have a diameter of 1.500 inches, and shall contain 90 percent silver and 10 percent copper.

(B) DESIGN.—The design of the coins issued under this section shall be emblematic of the 1995 Special Olympics World Games. On each such coin there shall be a designation of the value of the coin, an inscription of the year "1995", and inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(2) LEGAL TENDER.—The coins issued under this section shall be legal tender as provided in section 5103 of title 31, United States Code.

(3) NUMISMATIC ITEMS.—For purposes of section 5132(a)(1) of title 31, United States Code, all coins minted under this section shall be considered to be numismatic items.

(b) SOURCES OF BULLION.—The Secretary shall obtain silver for the coins minted under this section only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

(c) SELECTION OF DESIGN.—The design for the coins authorized by this section shall be selected by the Secretary after consultation with the 1995 Special Olympics World Games Organizing Committee, Inc. and the Commission of Fine Arts. As required by section 5135 of title 31, United States Code, the design shall also be reviewed by the Citizens Commemorative Coin Advisory Committee.

(d) ISSUANCE OF THE COINS.—

(1) QUALITY OF COINS.—The coins authorized under this section may be issued in uncirculated and proof qualities.

(2) MINT FACILITY.—Not more than 1 facility of the United States Mint may be used to strike any particular quality of the coins minted under this section.

(3) PERIOD FOR ISSUANCE.—The Secretary shall issue coins minted under this Act during the period beginning on January 15, 1995, and ending on December 31, 1995.

(e) SALE OF THE COINS.—

(1) SALE PRICE.—The coins issued under this section shall be sold by the Secretary at a price equal to the sum of the face value of the coins, the surcharge provided in paragraph (4) with respect to such coins, and the cost of designing and issuing such coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(2) BULK SALES.—The Secretary shall make bulk sales at a reasonable discount.

(3) PREPAID ORDERS.—The Secretary shall accept prepaid orders for the coins authorized under this section prior to the issuance of such coins. Sales under this subsection shall be at a reasonable discount.

(4) SURCHARGE REQUIRED.—All sales shall include a surcharge of $10 per coin.

(f) GENERAL WAIVER OF PROCUREMENT REGULATIONS.—No provision of law governing procurement or public contracts shall be applicable to the procurement of goods or services necessary for carrying out the provisions of this section. Nothing in this subsection shall relieve any person entering into a contract under the authority of this section from complying with any law relating to equal employment opportunity.

(g) DISTRIBUTION OF SURCHARGES.—The total surcharges collected by the Secretary from the sale of the coins issued under this section shall be promptly paid by the Secretary to the 1995 Special Olympics World Games Organizing Committee, Inc. Such amounts shall be used to—

(1) provide a world class sporting event for athletes with mental retardation;

(2) demonstrate to a global audience the extraordinary talents, dedication, and courage of persons with mental retardation; and

(3) underwrite the cost of staging and promoting the 1995 Special Olympics World Games.

(h) AUDITS.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the 1995 Special Olympics World Games Organizing Committee, Inc. as may be related to the expenditure of amounts paid under subsection (g).

(i) FINANCIAL ASSURANCES.—

(1) NO NET COST TO THE GOVERNMENT.—The Secretary shall take all actions necessary to ensure that the issuance of the coins authorized by this section shall result in no net cost to the United States Government.

(2) ADEQUATE SECURITY FOR PAYMENT REQUIRED.—No coin shall be issued under this section unless the Secretary has received—

(A) full payment therefore;

(B) security satisfactory to the Secretary to indemnify the United States for full payment; or

(C) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration Board.

SEC. 336. EXEMPTION FOR BUSINESS ACCOUNTS.

Section 274(1) of the Truth in Savings Act (12 U.S.C. 4313(1)) is amended to read as follows:

"(1) ACCOUNT.—The term 'account' means any account intended for use by and generally used by consumers primarily for personal, family, or household purposes that is offered by a depository institution into which a consumer deposits funds, including demand accounts, time accounts, negotiable order of withdrawal accounts, and share draft accounts.".

SEC. 337. BOARD DISCRETION REGARDING CHECK-RELATED FRAUD.

Section 604(e) of the Expedited Funds Availability Act (12 U.S.C. 4003(e)) is amended by adding at the end the following new paragraph:

"(4) PREVENTION OF CHECK-RELATED LOSSES.—

"(A) IN GENERAL.—The Board may, by regulation or order, extend the 1-business-day period specified in section 603(b)(1), regarding availability of funds deposited by local checks, to 2 business days if the Board determines that—

"(i) there is a pattern of significant increases in check-related losses at depository institutions attributable to the provisions of this title; and

"(ii) such action is necessary to diminish the volume of such check-related losses.

"(B) LIMITATION ON OTHER AUTHORITY.—The authority of the Board under paragraph (1) shall not apply to the applicability of section 603(b)(1) or the time period specified therein.".

SEC. 338. CIVIL LIABILITY UNDER TRUTH IN SAVINGS.

Section 271(a)(2)(A) of the Truth in Savings Act (12 U.S.C. 4310(a)(2)(A)) is amended by inserting "(other than an action based on a violation of section 263)" after "individual action".

SEC. 339. INSIDER LENDING.

(a) LOANS TO EXECUTIVE OFFICERS BY MEMBER BANKS.—Section 22(g)(2) of the Federal Reserve Act (12 U.S.C. 375a(g)(2)) is amended by striking "With the specific prior approval of its board of directors, a member" and inserting "A member".

(b) EXTENSIONS OF CREDIT TO EXECUTIVE OFFICERS, DIRECTORS, AND PRINCIPAL SHAREHOLDERS OF MEMBER BANKS.—Section 22(h)(8) of the Federal Reserve Act (12 U.S.C. 375b(h)(8)) is amended—

(1) by striking "MEMBER BANK.—FOR" and inserting the following: "MEMBER BANK.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for"; and

(2) by adding at the end the following:

"(B) EXCEPTION.—The Board shall have the authority by regulation to suspend the applicability of any or all of this subsection, except for the provisions of paragraph (2), with respect to

any individual who is a director or an executive officer of a subsidiary of the company that controls the member bank, if the Board finds that such individual does not actually participate in major policymaking functions of the member bank.".

SEC. 340. REVISIONS OF STANDARDS.

Section 305(b)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1828 note) is amended—

(1) in subparagraph (A), by striking "and" at the end;

(2) in subparagraph (B), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) take into account the size and activities of the institutions and do not cause undue reporting burdens.".

SEC. 341. ALTERNATIVE RULES FOR RADIO ADVERTISING OF CONSUMER LEASES.

Section 184 of the Truth in Lending Act (15 U.S.C. 1667c) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) RADIO ADVERTISEMENTS.—

"(1) IN GENERAL.—An advertisement by radio broadcast to aid, promote, or assist, directly or indirectly, any consumer lease shall be deemed to be in compliance with the requirements of subsection (a) if such advertisement clearly and conspicuously—

"(A) states the information required by paragraphs (1) and (2) of subsection (a);

"(B) states the number, amounts, due dates, or periods of scheduled payments, and the total of such payments under the lease; and

"(C) includes—

"(i) a referral to—

"(I) a toll-free telephone number established in accordance with paragraph (2) that may be used by consumers to obtain the information required under subsection (a); or

"(II) a written advertisement that—

"(aa) appears in a publication in general circulation in the community served by the radio station on which such advertisement is broadcast during the period beginning 3 days before any such broadcast and ending 10 days after such broadcast; and

"(bb) includes the information required to be disclosed under subsection (a); and

"(ii) the name and dates of any publication referred to in clause (i)(II); and

"(D) includes any other information which the Board determines necessary to carry out this chapter.

"(2) ESTABLISHMENT OF TOLL-FREE NUMBER.—

"(A) IN GENERAL.—In the case of a radio broadcast advertisement described in paragraph (1) that includes a referral to a toll-free telephone number, the lessor who offers the consumer lease shall—

"(i) establish such a toll-free telephone number not later than the date on which the advertisement including the referral is broadcast;

"(ii) maintain such telephone number for not less than 10 days, beginning on the date of any such broadcast; and

"(iii) provide the information required under subsection (a) with respect to the lease to any person who calls such number.

"(B) FORM OF INFORMATION.—The information required to be provided under subparagraph (A)(iii) shall be provided orally or, if requested by the consumer, in written form.

"(3) NO EFFECT ON OTHER LAW.—Nothing in this subsection shall affect the requirements of Federal law as such requirements apply to advertisement by any other medium.".

SEC. 342. DEPOSIT BROKER REGISTRATION.

Section 29(g)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(g)(3)) is amended—

(1) by inserting "that is not well capitalized" after "includes any insured depository institution";

(2) by striking "of any insured depository" and inserting "of such";

(3) by striking "(with respect to such deposits)"; and

(4) by striking "having the same type of charter".

SEC. 343. EXTENSION OF MANAGEMENT INTERLOCKS GRANDFATHER CLAUSE.

Subsections (a) and (b) of section 206 of the Depository Institution Management Interlocks Act (12 U.S.C. 3205) are each amended by striking "15 years" and inserting "20 years".

SEC. 344. CLARIFICATION OF PROVISION RELATING TO ADMINISTRATIVE AUTONOMY.

Section 3(b)(3) of the Home Owners' Loan Act (12 U.S.C. 1462a) is amended by striking everything after "Director" and inserting in lieu thereof "(including agency rulemaking proceedings and enforcement actions) unless otherwise specifically provided by law.".

SEC. 345. CONSUMER SURVEYS AND REPORT.

(a) SURVEYS.—Not later than 6 months after the date of enactment of this Act, the Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act) and the Secretary of Housing and Urban Development shall jointly conduct an objective and statistically valid survey of financial services consumers to determine the general public awareness of, perceived benefits to consumers of, and effectiveness of the Federal banking laws under which the Federal banking agencies and the Department of Housing and Urban Development operate that are intended for the protection of such consumers, including—

(1) the Expedited Funds Availability Act;

(2) the Truth in Lending Act;

(3) the Truth in Savings Act;

(4) the Real Estate Settlement Procedures Act of 1974;

(5) the Home Mortgage Disclosure Act of 1975;

(6) the Equal Credit Opportunity Act;

(7) the Community Reinvestment Act of 1977;

(8) the Home Equity Loan Consumer Protection Act;

(9) the Fair Credit and Charge Card Disclosure Act; and

(10) the rules and regulations promulgated under those banking laws.

(b) CONSULTATION.—In developing such a survey, the Federal banking agencies and the Secretary of Housing and Urban Development shall consult with consumer groups, insured depository institutions, other lenders, and any other interested parties.

(c) INFORMATION FOR SURVEYED CONSUMERS.—The survey shall provide for distribution to participating consumers a summary explanation of the Federal banking law being surveyed and how each is currently being implemented.

(d) REPORT.—Not later than 60 days after completion of its survey under subsection (a), the Federal banking agencies and the Secretary of Housing and Urban Development shall jointly submit a report of the results of their survey to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

SEC. 346. SIMPLIFIED DISCLOSURE FOR EXISTING DEPOSITORS.

(a) IN GENERAL.—Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is amended to read as follows:

"(3) ACKNOWLEDGEMENT OF DISCLOSURE.—

"(A) NEW DEPOSITORS.—With respect to any depositor who was not a depositor at the depository institution before June 19, 1994, receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

"(i) the institution is not federally insured; and

"(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

"(B) CURRENT DEPOSITORS.—Receive any deposit after the effective date of this paragraph for the account of any depositor who was a depositor before June 19, 1994, only if—

"(i) the depositor has signed a written acknowledgement described in subparagraph (A); or

"(ii) the institution has complied with the provisions of subparagraph (C) which are applicable as of the date of the deposit.

"(C) ALTERNATIVE PROVISION OF NOTICE TO CURRENT DEPOSITORS.—

"(i) IN GENERAL.—Transmit to each depositor who was a depositor before June 19, 1994, and has not signed a written acknowledgement described in subparagraph (A)—

"(I) a card containing the information described in clauses (i) and (ii) of subparagraph (A), and a line for the signature of the depositor; and

"(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.

"(ii) MANNER AND TIMING OF NOTICE.—

"(I) FIRST NOTICE.—Make the transmission described in clause (i) via first class mail within 90 days after June 19, 1994.

"(II) SECOND NOTICE.—Make a 2d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (I), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.

"(III) THIRD NOTICE.—Make a 3d transmission described in clause (i) via first class mail not less than 30 days and not more than 45 days after a transmission to the depositor in accordance with subclause (II), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i)(I) which has been signed by the depositor.".

(b) EFFECTIVE DATE.—Section 43(b)(3) of the Federal Deposit Insurance Act, as amended by subsection (a), shall take effect in accordance with section 151(a)(2)(D) of the Federal Deposit Insurance Corporation Improvement Act of 1991.

SEC. 347. COMMERCIAL MORTGAGE RELATED SECURITIES.

(a) IN GENERAL.—Section 3(a)(41)(A)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(41)(A)(i)) is amended —

(1) by striking "or on a residential" and inserting "on a residential"; and

(2) by inserting before the semicolon ", or on one or more parcels of real estate upon which is located one or more commercial structures".

(b) AMENDMENT TO THE REVISED STATUTES.—Paragraph Seven of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended in the twelfth sentence, by striking "(15 U.S.C. 78c(a)(41))), subject to such regulations" and inserting "(15 U.S.C. 78c(a)(41)). The exception provided for the securities described in subparagraphs (A), (B), and (C) shall be subject to such regulations".

(c) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Comptroller of the Currency shall promulgate final regulations, in accordance with the thirteenth sentence of Paragraph Seven of section 5136 of the Revised Statutes (as amended by subsection (b)), to carry out the amendments made by this section.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective upon the *date of promulgation of final regulations under subsection (c).*

(e) STATE OPT OUT.—Notwithstanding the amendments made by this section, a note that is directly secured by a first lien on one or more parcels of real estate upon which is located one or more commercial structures shall not be considered to be a mortgage related security under section 3(a)(41) of the Securities Exchange Act of 1934 in any State that, prior to the expiration of 7 years after the date of enactment of this Act, enacts a statute that specifically refers to this section and either prohibits or provides for a more limited authority to purchase, hold, or invest in such securities by any person, trust, corporation, partnership, association, business trust, or business entity or class thereof than is provided by the amendments made by this subsection. The enactment by any State of any statute of the type described in the preceding sentence shall not affect the validity of any contractual commitment to purchase, hold, or invest that was made prior thereto, and shall not require the sale or other disposition of any securities acquired prior thereto.

SEC. 348. OFFSET OF COSTS OF CERTAIN PROGRAMS.

(a) HUD MULTIFAMILY HOUSING DISPOSITION PROCESS.—

(1) FINDINGS.—The Congress finds that—

(A) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(B) the inventory of multifamily housing projects owned by the Secretary has more than tripled since 1989, and, by the end of 1993, may exceed 75,000 units;

(C) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to approximately $250,000,000 in fiscal year 1992;

(D) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with over 230,000 units, are delinquent;

(E) the inventory of insured and formerly insured multifamily housing projects is rapidly deteriorating, endangering tenants and neighborhoods;

(F) over 5 million families today have a critical need for housing that is affordable and habitable; and

(G) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(2) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) GOALS.—The Secretary of Housing and Urban Development (in this section referred to as the 'Secretary') shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, further the goals of—

"(A) preserving housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons; and

"(F) minimizing the need to demolish multifamily housing projects.

The Secretary, in determining the manner in which a project is to be managed or disposed of, may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project receiving any of the following types of assistance immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

"(ii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975); or

"(iii) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(c) MANAGEMENT OR DISPOSITION OF PROPERTY.—

"(1) DISPOSITION TO PURCHASERS.—The Secretary is authorized, in carrying out this section, to dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and the requirements of subsection (a), to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational staff and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) CONTRACTING FOR MANAGEMENT SERVICES.—The Secretary is authorized, in carrying out this section—

"(A) to contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and other resources to implement a management program determined by the Secretary; and

"(iv) meeting such other requirements as the Secretary may determine; and

"(B) to require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

"(d) MAINTENANCE OF HOUSING PROJECTS.—

"(1) HOUSING PROJECTS OWNED BY THE SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(2) HOUSING PROJECTS SUBJECT TO A MORTGAGE HELD BY THE SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (1).

"(e) REQUIRED ASSISTANCE.—In carrying out the goal specified in subsection (a)(3)(A), the Secretary shall take not less than one of the following actions:

"(1) CONTRACT WITH OWNER.—Enter into contracts under section 8 of the United States Housing Act of 1937, to the extent budget authority is available, with owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary.

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING CERTAIN ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this subparagraph shall also provide that

when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8; and

"(iii) the Secretary shall take actions to ensure the availability and affordability, as defined in paragraph (3)(B), for the remaining useful life of the project, as defined by the Secretary, of any unit located in any project referred to in subparagraphs (A) through (C) of subsection (b)(2) that does not otherwise receive project-based assistance under this subparagraph. To carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining affordability, as defined in paragraph (3)(B).

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING OTHER ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the authorities referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) in the case of units requiring project-based rental assistance pursuant to this paragraph that are occupied by families who are not eligible for assistance under section 8, a contract under this paragraph shall also provide that when a vacancy occurs, the owner shall lease the available unit to a family eligible for assistance under section 8.

"(C) EXCEPTIONS TO SUBPARAGRAPHS (A) AND (B).—In lieu of providing project-based assistance under subparagraph (A) or (B), the Secretary may require certain units in unsubsidized projects to contain use restrictions providing that such units will be available to and affordable by very low-income families for the remaining useful life of the project, as defined by the Secretary, if—

"(i) the Secretary matches any reduction in units otherwise required to be assisted with project-based assistance under subparagraph (A) or (B) with at least an equivalent increase in units made affordable to very low-income persons within unsubsidized projects;

"(ii) low-income tenants residing in units otherwise requiring project-based assistance under subparagraph (A) or (B) upon disposition receive section 8 tenant-based assistance; and

"(iii) the units described in clause (i) are located within the same market area.

"(D) CONTRACT REQUIREMENTS FOR UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in unsubsidized projects, the contract shall at least be sufficient to provide—

"(i) project-based rental assistance for all units that are covered or were covered immediately before foreclosure or acquisition by an assistance contract under—

"(I) section 8(b)(2) of the United States Housing Act of 1937 (as such section existed before October 1, 1983) (new construction and substantial rehabilitation); section 8(b) of such Act (property disposition); section 8(d)(2) of such Act (project-based certificates); section 8(e)(2) of such Act (moderate rehabilitation); section 23 of such Act (as in effect before January 1, 1975); or section 101 of the Housing and Urban Development Act of 1965 (rent supplements); or

"(II) section 8 of the United States Housing Act of 1937, following conversion from section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for tenants currently residing in units that were covered by an assistance contract under the Loan Management Set-Aside program under section 8(b) of the United States Housing Act of 1937 immediately before foreclosure or acquisition of the project by the Secretary.

"(2) ANNUAL CONTRIBUTION CONTRACTS.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that there is available in the area an adequate supply of habitable affordable housing for low-income families. Actions taken pursuant to this paragraph may be taken in connection with not more than 10 percent of the aggregate number of units in subsidized or formerly subsidized projects disposed of by the Secretary annually.

"(3) OTHER ASSISTANCE.—

"(A) IN GENERAL.—In accordance with the authority provided under the National Housing Act, reduce the selling price, apply use or rent restrictions on certain units, or provide other financial assistance to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms which will ensure that—

"(i) at least those units otherwise required to receive project-based section 8 assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) DEFINITION.—A unit shall be considered affordable under this paragraph if—

"(i) for very low-income tenants, the rent for such unit does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for family size; and

"(ii) for low-income tenants other than very low-income tenants, the rent for such unit does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for family size.

"(C) VERY LOW-INCOME TENANTS.—The Secretary shall provide assistance under section 8 of the United States Housing Act of 1937 to any very low-income tenant currently residing in a unit otherwise required to receive project-based assistance under section 8, pursuant to subparagraph (A), (B), or (D) of paragraph (1), if the rents charged such tenants as a result of actions taken pursuant to this paragraph exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937.

"(4) TRANSFER FOR USE UNDER OTHER PROGRAMS OF THE SECRETARY.—

"(A) IN GENERAL.—Enter into an agreement providing for the transfer of a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an owner or another appropriate entity for use of the project under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(B) REQUIREMENTS FOR AGREEMENT.—The agreement described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to assure use of the project under the public housing, section 202, and section 811 programs; and

"(ii) ensure that no current tenant will be displaced as a result of actions taken under this paragraph.

"(f) OTHER ASSISTANCE.—In addition to the actions authorized by subsection (e), the Secretary may take any of the following actions:

"(1) SHORT-TERM LOANS.—Provide short-term loans to facilitate the sale of multifamily housing projects to nonprofit organizations or to public agencies if—

"(A) authority for such loans is provided in advance in an appropriations Act;

"(B) such loans are for a term of not more than 5 years;

"(C) the Secretary is presented with satisfactory documentation, evidencing a commitment of permanent financing to replace such short-term loan, from a lender who meets standards set forth by the Secretary; and

"(D) the terms of such loans are consistent with prevailing practices in the marketplace or the provision of such loans results in no cost to the Government, as defined in section 502 of the Congressional Budget Act.

"(2) TENANT-BASED ASSISTANCE.—In connection with projects referred to in subsection (e), make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to very low-income families (as defined in section 3(b)(2) of the United States Housing Act of 1937) that do not otherwise qualify for project-based assistance.

"(3) ALTERNATIVE USES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, and subject to notice to and comment from existing tenants, allow not more than—

"(i) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any 1-year period to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) DISPLACEMENT PROTECTION.—The Secretary shall make available tenant-based rental assistance under section 8 of the United States Housing Act of 1937 to any tenant displaced as a result of actions taken by the Secretary pursuant to subparagraph (A), and the Secretary shall take such actions as the Secretary determines necessary to ensure the successful use of any tenant-based assistance.

"(g) AUTHORIZATION OF USE OR RENT RESTRICTIONS IN UNSUBSIDIZED PROJECTS.—In carrying out the goals specified in subsection (a), the Secretary may require certain units in unsubsidized projects to contain use or rent restrictions providing that such units will be available to and affordable by very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(h) CONTRACT REQUIREMENTS.—

"(1) CONTRACT TERM.—

"(A) IN GENERAL.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be for a term of not more than 15 years; and

"(B) CONTRACT TERM OF LESS THAN 15 YEARS.—Notwithstanding subparagraph (A), to the extent that units receive project-based assistance for a contract term of less than 15

years, the Secretary shall require that rents charged to tenants for such units not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years.

"(2) CONTRACT RENT.—

"(A) IN GENERAL.—The Secretary shall set contract rents for section 8 project-based rental contracts issued under this section at levels that, in conjunction with other resources available to the purchaser, provide for the necessary costs of rehabilitation of such project and do not exceed the percentage of the existing housing fair market rents for the area (as determined by the Secretary under section 8(c) of the United States Housing Act of 1937) as the Secretary may prescribe.

"(B) UP-FRONT GRANTS AND LOANS.—If such an approach is determined to be more cost-effective, the Secretary may utilize the budget authority provided for project-based section 8 contracts issued under this section to—

"(i) provide project-based section 8 rental assistance; and

"(ii)(I) provide up-front grants for the necessary cost of rehabilitation; or

"(II) pay for any cost to the Government, as defined in section 502 of the Congressional Budget Act, for loans made pursuant to subsection (f)(1).

"(i) DISPOSITION PLAN.—

"(1) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop a disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section. The initial sales price shall reflect the intended use of the property after sale.

"(2) COMMUNITY AND TENANT INPUT INTO DISPOSITION PLANS AND SALES.—

"(A) IN GENERAL.—In carrying out this section, the Secretary shall develop procedures to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project.

"(B) TENANT ORGANIZATIONS.—The Secretary shall develop procedures to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity or to public or nonprofit entities which represent or are affiliated with existing tenant organizations.

"(C) TECHNICAL ASSISTANCE.—

"(i) USE OF FUNDS.—To carry out the procedures developed under subparagraphs (A) and (B), the Secretary is authorized to provide technical assistance, directly or indirectly, and to use amounts appropriated for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section for the provision of technical assistance under this section.

"(ii) SOURCE OF FUNDS.—Recipients of technical assistance funding under the Emergency Low Income Housing Preservation Act of 1987, the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or under this section shall be permitted to provide technical assistance to the extent of such funding under any of such programs or under this section, notwithstanding the source of funding.

"(j) RIGHT OF FIRST REFUSAL.—

"(1) PROCEDURE.—

"(A) NOTIFICATION BY SECRETARY OF THE ACQUISITION OF TITLE.—Not later than 30 days after acquiring title to a project, the Secretary shall notify the unit of general local government and the State agency or agencies designated by the Governor of the acquisition of such title.

"(B) EXPRESSION OF INTEREST.—Not later than 45 days after receiving notification from the Secretary under subparagraph (A), the unit of general local government or designated State agency may submit to the Secretary a preliminary expression of interest in the project. The Secretary may take such actions as may be necessary to require the unit of general local government or designated State agency to substantiate such interest.

"(C) TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency has expressed interest in the project before the expiration of the 45-day period referred to in subparagraph (B), and has substantiated such interest if requested, the Secretary, upon approval of a disposition plan for a project, shall notify the unit of general local government and designated State agency of the terms and conditions of the disposition plan and give the unit of general local government or designated State agency not more than 90 days after the date of such notification to make an offer to purchase the project.

"(D) NO TIMELY EXPRESSION OF INTEREST.—If the unit of general local government or designated State agency does not express interest before the expiration of the 45-day period referred to in subparagraph (B), or does not substantiate an expressed interest if requested, the Secretary, upon approval of a disposition plan, may offer the project for sale to any interested person or entity.

"(2) ACCEPTANCE OF OFFERS.—Where the Secretary has given the unit of general local government or designated State agency 90 days to make an offer to purchase the project, the Secretary shall accept an offer that complies with the terms and conditions of the disposition plan. The Secretary may accept an offer that does not comply with the terms and conditions of the disposition plan if the Secretary determines that the offer will further the goals specified in subsection (a) by actions that include extension of the duration of low-income affordability restrictions or otherwise restructuring the transaction in a manner that enhances the long-term affordability for low-income persons. The Secretary shall, in particular, have discretion to reduce the initial sales price in exchange for the extension of low-income affordability restrictions beyond the period of assistance contemplated by the attachment of assistance pursuant to subsection (e). If the Secretary and the unit of general local government or designated State agency cannot reach agreement within 90 days, the Secretary may offer the project for sale to the general public.

"(3) PURCHASE BY UNIT OF GENERAL LOCAL GOVERNMENT OR DESIGNATED STATE AGENCY.—Notwithstanding any other provision of law, a unit of general local government (including a public housing agency) or designated State agency may purchase a subsidized or formerly subsidized project in accordance with this subsection.

"(4) APPLICABILITY.—This subsection shall apply to projects that are acquired on or after the effective date of this subsection. With respect to projects acquired before such effective date, the Secretary may apply—

"(A) the requirements of paragraphs (2) and (3) of section 203(e) as such paragraphs existed immediately before the effective date of this subsection; or

"(B) the requirements of paragraphs (1) and (2) of this subsection, if the Secretary gives the unit of general local government or designated State agency—

"(i) 45 days to express interest in the project; and

"(ii) if the unit of general local government or designated State agency expresses interest in the project before the expiration of the 45-day period, and substantiates such interest if requested, 90 days from the date of notification of the terms and conditions of the disposition plan to make an offer to purchase the project.

"(k) DISPLACEMENT OF TENANTS AND RELOCATION ASSISTANCE.—

"(1) IN GENERAL.—Whenever tenants will be displaced as a result of the disposition of, or repairs to, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance which may be available. In the case of a multifamily housing project that is not owned by the Secretary (and for which the Secretary is not mortgagee in possession), the Secretary shall require the owner of the project to carry out the requirements of this paragraph.

"(2) RIGHTS OF DISPLACED TENANTS.—The Secretary shall assure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available relocation assistance as the Secretary determines to be appropriate.

"(l) MORTGAGE AND PROJECT SALES.—

"(1) IN GENERAL.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) SALE OF CERTAIN PROJECTS.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary; or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) MORTGAGE SALES TO STATE AND LOCAL GOVERNMENTS.—Notwithstanding any provision of law that may require competitive sales or bidding, the Secretary may carry out negotiated sales of subsidized or formerly subsidized mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) SALE OF MORTGAGES COVERING UNSUBSIDIZED PROJECTS.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on unsubsidized projects on such terms and conditions as the Secretary may prescribe.

"(m) REPORT TO CONGRESS.—Not later than June 1 of each year, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, which report shall include—

"(1) the name, address, and size of each project;

"(2) the nature and date of assignment;

"(3) the status of the mortgage;

"(4) the physical condition of the project;

"(5) an occupancy profile of the project, including the income, family size, and race of current residents as well as the rents paid by such residents;

"(6) the proportion of units in a project that are vacant;

"(7) the date on which the Secretary became mortgagee in possession;

"(8) the date and conditions of any foreclosure sale;

"(9) the date of acquisition by the Secretary;

"(10) the date and conditions of any property disposition sale;

"(11) a description of actions undertaken pursuant to this section, including—

"(A) a comparison of results between actions taken after enactment of the Housing and Community Development Act of 1993 and actions taken in years prior to such enactment;

"(B) a description of any impediments to the disposition or management of multifamily housing projects, together with a recommendation of proposed legislative or regulatory changes designed to ameliorate such impediments;

"(C) a description of actions taken to restructure or commence foreclosure on delinquent multifamily mortgages held by the Department; and

"(D) a description of actions taken to monitor and prevent the default of multifamily housing mortgages held by the Federal Housing Administration;

"(12) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States, including—

"(A) the costs associated with such delegation;

"(B) the implications of contracting out or delegating such functions for current Department field or regional personnel, including anticipated personnel or work load reductions;

"(C) necessary oversight required by Department personnel, including anticipated personnel hours devoted to such oversight;

"(D) a description of any authority granted to such public or private entities or States in conjunction with the functions that have been delegated or contracted out or that are not otherwise available for use by Department personnel; and

"(E) the extent to which such public or private entities or States include tenants of multifamily housing projects in the disposition planning for such projects;

"(13) a description of the activities carried out under subsection (j) during the preceding year; and

"(14) a description and assessment of the rules, guidelines, and practices governing the Department's management of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession) as well as the steps that the Secretary has taken or plans to take to improve the management performance of the Department.".

(3) EFFECTIVE DATE.—The Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this subsection. The notice shall invite public comments, and the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

(b) REPEAL OF THE NATIONAL SMALL BUSINESS TREE PLANTING PROGRAM.—Section 24 of the Small Business Act (15 U.S.C. 651) is repealed.

TITLE IV—MONEY LAUNDERING

SEC. 401. SHORT TITLE.

This title may be cited as the "Money Laundering Suppression Act of 1994".

SEC. 402. REFORM OF CTR EXEMPTION REQUIREMENTS TO REDUCE NUMBER AND SIZE OF REPORTS CONSISTENT WITH EFFECTIVE LAW ENFORCEMENT.

(a) IN GENERAL.—Section 5313 of title 31, United States Code, is amended by adding at the end the following new subsections:

"(d) MANDATORY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury shall exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) (and regulations prescribed under such subsection) with respect to transactions between the depository institution and the following categories of entities:

"(A) Another depository institution.

"(B) A department or agency of the United States, any State, or any political subdivision of any State, including any entity established under the laws of the United States, any State, or any political subdivision of any State, or under an interstate compact between 2 or more States, which exercises governmental authority on behalf of the United States, the State, or the political subdivision.

"(C) Any business or category of business the reports on which have little or no value for law enforcement purposes.

"(2) NOTICE OF EXEMPTION.—The Secretary of the Treasury shall publish in the Federal Register at such times as the Secretary determines to be appropriate (but not less frequently than once during each year) a list of all the entities whose transactions with a depository institution are exempt under this subsection from the reporting requirements of subsection (a) (and regulations prescribed under such subsection).

"(e) DISCRETIONARY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury may exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) (and regulations prescribed under such subsection) with respect to transactions between the depository institution and a qualified business customer of the institution on the basis of information submitted to the Secretary by the institution in accordance with procedures which the Secretary shall establish.

"(2) QUALIFIED BUSINESS CUSTOMER DEFINED.—For purposes of this subsection, the term 'qualified business customer' means a business which—

"(A) maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act) at the depository institution;

"(B) frequently engages in transactions with the depository institution which are subject to the reporting requirements of subsection (a) (and regulations prescribed under such subsection); and

"(C) meets criteria which the Secretary determines are sufficient to ensure that the purposes of this subchapter are carried out without requiring a report with respect to such transactions.

"(3) CRITERIA FOR EXEMPTION.—The Secretary of the Treasury shall establish, by regulation, the criteria for granting and maintaining an exemption under paragraph (1).

"(4) GUIDELINES.—

"(A) IN GENERAL.—The Secretary of the Treasury shall establish guidelines for depository institutions to follow in selecting customers for an exemption under this subsection.

"(B) CONTENTS.—The guidelines may include a description of the types of businesses or an itemization of specific businesses for which no exemption will be granted under this subsection to any depository institution.

"(5) ANNUAL REVIEW.—The Secretary of the Treasury shall prescribe regulations requiring each depository institution to—

"(A) review, at least once during each year, the qualified business customers of such institution with respect to whom an exemption has been granted under this subsection; and

"(B) upon the completion of such review, resubmit information about such customers, with such modifications as the institution determines to be appropriate, to the Secretary for the Secretary's approval.

"(6) 2-YEAR PHASE-IN PROVISION.—During the 2-year period beginning on the date of enactment of the Money Laundering Suppression Act of 1994, this subsection shall be applied by the Secretary on the basis of such criteria as the Secretary determines to be appropriate to achieve an orderly implementation of the requirements of this subsection.

"(f) PROVISIONS APPLICABLE TO MANDATORY AND DISCRETIONARY EXEMPTIONS.—

"(1) LIMITATION ON LIABILITY OF DEPOSITORY INSTITUTIONS.—No depository institution shall be subject to any penalty which may be imposed under this subchapter for the failure of the institution to file a report with respect to a transaction with a customer for whom an exemption has been granted under subsection (d) or (e), unless the institution—

"(A) knowingly files false or incomplete information to the Secretary with respect to the transaction or the customer engaging in the transaction; or

"(B) has reason to believe at the time the exemption is granted or the transaction is entered into that the customer or the transaction does not meet the criteria established for granting such exemption.

"(2) COORDINATION WITH OTHER PROVISIONS.—Any exemption granted by the Secretary of the Treasury under section 5318(a) in accordance with this section, and any transaction which is subject to such exemption, shall be subject to any other provision of law applicable to such exemption, including—

"(A) the authority of the Secretary, under section 5318(a)(5), to revoke such exemption at any time; and

"(B) any requirement to report, or any authority to require a report on, any possible violation of any law or regulation or any suspected criminal activity.

"(g) DEPOSITORY INSTITUTION DEFINED.—For purposes of this section, the term 'depository institution' has the meaning given to such term in section 19(b)(1)(A) of the Federal Reserve Act.".

(b) REPORT REDUCTION GOAL; REPORTS.—

(1) IN GENERAL.—In implementing the amendment made by subsection (a), the Secretary of the Treasury shall seek to reduce, within a reasonable period of time, the number of reports required to be filed in the aggregate by depository institutions pursuant to section 5313(a) of title 31, United States Code, by not less than 30 percent of the number filed during the year preceding the date of enactment of this Act.

(2) INTERIM REPORT.—The Secretary of the Treasury shall submit a report to the Congress not later than the end of the 180-day period beginning on the date of enactment of this Act on the progress made by the Secretary in implementing the amendment made by subsection (a).

(3) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress after the end of each of the first 5 calendar years which begin after the date of enactment of this Act on the extent to which the Secretary has reduced the overall number of currency transaction reports required to be filed with the Secretary pursuant to section 5313(a) of title 31, United States Code, consistently with the purposes of such section and effective law enforcement.

(c) STREAMLINED CURRENCY TRANSACTION REPORTS.—The Secretary of the Treasury shall take such action as may be appropriate to redesign the format of reports required to be filed by any financial institution (as defined in section 5312(a)(2) of title 31, United States Code) under section 5313(a) of title 31, United States Code, to eliminate the need to report information which has little or no value for law enforcement purposes and reduce the time and effort required to prepare such report for filing by any such financial institution under such section.

SEC. 403. SINGLE DESIGNEE FOR REPORTING OF SUSPICIOUS TRANSACTIONS.

(a) IN GENERAL.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) SINGLE DESIGNEE FOR REPORTING SUSPICIOUS TRANSACTIONS.—

"(A) IN GENERAL.—In requiring reports under paragraph (1) of suspicious transactions, the Secretary of the Treasury shall designate, to the extent practicable and appropriate, a single officer or agency of the United States to whom such reports shall be made.

"(B) DUTY OF DESIGNEE.—The officer or agency of the United States designated by the Secretary of the Treasury pursuant to subparagraph (A) shall refer any report of a suspicious transaction to the appropriate law enforcement or supervisory agency.

"(C) COORDINATION WITH OTHER REPORTING REQUIREMENTS.—Subparagraph (A) shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any provision of law other than this subsection.

"(D) REPORTS.—

"(i) REPORTS REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress at the times required under clause (ii) on the number of suspicious transactions reported to the officer or agency designated under subparagraph (A) during the period covered by the report and the disposition of such reports.

"(ii) TIME FOR SUBMITTING REPORTS.—The first report required under clause (i) shall be filed before the end of the 1-year period beginning on the date of enactment of the Money Laundering Suppression Act of 1994, and each subsequent report shall be filed, not later than 90 days after the end of each of the 5 calendar years which begin after such date of enactment.".

(b) DESIGNATION REQUIRED TO BE MADE EXPEDITIOUSLY.—The initial designation of an officer or agency of the United States pursuant to the amendment made by subsection (a) shall be made before the end of the 180-day period beginning on the date of enactment of this Act.

SEC. 404. IMPROVEMENT OF IDENTIFICATION OF MONEY LAUNDERING SCHEMES.

(a) ENHANCED TRAINING, EXAMINATIONS, AND REFERRALS BY BANKING AGENCIES.—Before the end of the 6-month period beginning on the date of enactment of this Act, each appropriate Federal banking agency shall, in consultation with the Secretary of the Treasury and other appropriate law enforcement agencies—

(1) review and enhance training and examination procedures to improve the identification of money laundering schemes involving depository institutions; and

(2) review and enhance procedures for referring cases to any other appropriate law enforcement agency.

(b) IMPROVED REPORTING OF CRIMINAL SCHEMES BY LAW ENFORCEMENT AGENCIES.—The Secretary of the Treasury and each appropriate law enforcement agency shall, on a regular basis, provide information regarding money laundering schemes and activities involving depository institutions to each appropriate Federal banking agency to enhance the agency's ability to examine for and identify money laundering.

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Federal banking agencies shall jointly submit a report to the Congress on the progress made in carrying out subsection (a) and the usefulness of information received pursuant to subsection (b).

(d) DEFINITIONS.—The terms "appropriate Federal banking agency" and "Federal banking agencies" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 405. NEGOTIABLE INSTRUMENTS DRAWN ON FOREIGN BANKS SUBJECT TO RECORDKEEPING AND REPORTING REQUIREMENTS.

Section 5312(a)(3) of title 31, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) as the Secretary of the Treasury shall provide by regulation for purposes of section 5316, checks, drafts, notes, money orders, and other similar instruments which are drawn on or by a foreign financial institution and are not in bearer form.".

SEC. 406. IMPOSITION OF CIVIL MONEY PENALTIES BY APPROPRIATE FEDERAL BANKING AGENCIES.

Section 5321 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(e) DELEGATION OF ASSESSMENT AUTHORITY TO BANKING AGENCIES.—

"(1) IN GENERAL.—The Secretary of the Treasury shall delegate, in accordance with section 5318(a)(1), and subject to such terms and conditions as the Secretary may impose in accordance with paragraph (3), any authority of the Secretary to assess a civil money penalty under this section on depository institutions to the appropriate Federal banking agencies.

"(2) AUTHORITY OF AGENCIES.—Subject to any term or condition imposed by the Secretary of the Treasury under paragraph (3), the provisions of this section shall apply to an appropriate Federal banking agency to which is delegated any authority of the Secretary under this section in the same manner such provisions apply to the Secretary.

"(3) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—The Secretary of the Treasury shall prescribe by regulation the terms and conditions which shall apply to any delegation under paragraph (1).

"(B) MAXIMUM DOLLAR AMOUNT.—The terms and conditions authorized under subparagraph (A) may include, in the Secretary's sole discretion, a limitation on the amount of any civil penalty which may be assessed by an appropriate Federal banking agency pursuant to a delegation under paragraph (1).

"(4) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution' and 'Federal banking agencies' have the same meanings as in section 3 of the Federal Deposit Insurance Act.".

SEC. 407. UNIFORM STATE LICENSING AND REGULATION OF CHECK CASHING, CURRENCY EXCHANGE, AND MONEY TRANSMITTING BUSINESSES.

(a) UNIFORM LAWS AND ENFORCEMENT.—For purposes of preventing money laundering and protecting the payment system from fraud and abuse, it is the sense of the Congress that the several States should—

(1) establish uniform laws for licensing and regulating businesses which—

(A) provide check cashing, currency exchange, or money transmitting or remittance services, or issue or redeem money orders, travelers' checks, and other similar instruments; and

(B) are not depository institutions (as defined in section 19(b)(1)(A) of the Federal Reserve Act); and

(2) provide sufficient resources to the appropriate State agency to enforce such laws and regulations prescribed pursuant to such laws.

(b) MODEL STATUTE.—It is the sense of the Congress that the several States should develop, through the auspices of the National Conference of Commissioners on Uniform State Laws, the American Law Institute, or such other forum as the States may determine to be appropriate, a model statute to carry out the goals described in subsection (a) which would include the following:

(1) LICENSING REQUIREMENTS.—A requirement that any business described in subsection (a)(1) be licensed and regulated by an appropriate State agency in order to engage in any such activity within the State.

(2) LICENSING STANDARDS.—A requirement that—

(A) in order for any business described in subsection (a)(1) to be licensed in the State, the appropriate State agency shall review and approve—

(i) the business record and the capital adequacy of the business seeking the license; and

(ii) the competence, experience, integrity, and financial ability of any individual who—

(I) is a director, officer, or supervisory employee of such business; or

(II) owns or controls such business; and

(B) any record, on the part of any business seeking the license or any person referred to in subparagraph (A)(ii), of—

(i) any criminal activity;

(ii) any fraud or other act of personal dishonesty;

(iii) any act, omission, or practice which constitutes a breach of a fiduciary duty; or

(iv) any suspension or removal, by any agency or department of the United States or any State,

from participation in the conduct of any federally or State licensed or regulated business;

may be grounds for the denial of any such license by the appropriate State agency.

(3) PROCEDURES TO ENSURE COMPLIANCE WITH FEDERAL CASH TRANSACTION REPORTING REQUIREMENTS.—A civil or criminal penalty for operating any business referred to in paragraph (1) without establishing and complying with appropriate procedures to ensure compliance with subchapter II of chapter 53 of title 31, United States Code (relating to records and reports on monetary instruments transactions).

(4) CRIMINAL PENALTIES FOR OPERATION OF BUSINESS WITHOUT A LICENSE.—A criminal penalty for operating any business referred to in paragraph (1) without a license within the State after the end of an appropriate transition period beginning on the date of enactment of such model statute by the State.

(c) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study of—

(1) the progress made by the several States in developing and enacting a model statute which—

(A) meets the requirements of subsection (b); and

(B) furthers the goals of—

(i) preventing money laundering by businesses which are required to be licensed under any such model statute; and

(ii) protecting the payment system, including the receipt, payment, collection, and clearing of checks, from fraud and abuse by such businesses; and

(2) the adequacy of—

(A) the activity of the several States in enforcing the requirements of such statute; and

(B) the resources made available to the appropriate State agencies for such enforcement activity.

(d) REPORT REQUIRED.—Before the end of the 3-year period beginning on the date of enactment of this Act and by the end of each of the first two 1-year periods beginning after the end of such 3-year period, the Secretary of the Treasury shall submit a report to the Congress containing the findings and recommendations of the Secretary in connection with the study under subsection (c), together with such recommendations for legislative and administrative action as the Secretary may determine to be appropriate.

(e) RECOMMENDATIONS IN CASES OF INADEQUATE REGULATION AND ENFORCEMENT BY STATES.—If the Secretary of the Treasury determines that any State has been unable—

(1) to enact a statute which meets the requirements described in subsection (b);

(2) to undertake adequate activity to enforce such statute; or

(3) to make adequate resources available to the appropriate State agency for such enforcement activity;

the report submitted pursuant to subsection (d) shall contain recommendations designed to facilitate enactment and enforcement of such a statute.

(f) FEDERAL FUNDING STUDY.—

(1) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study to identify possible available sources of Federal funding to cover costs to the States to implement this section.

(2) REPORT.—The Secretary of the Treasury shall submit a report to the Congress on the study conducted pursuant to paragraph (1) before the end of the 18-month period beginning on the date of enactment of this Act.

SEC. 408. REGISTRATION OF MONEY TRANSMITTING BUSINESSES TO PROMOTE EFFECTIVE LAW ENFORCEMENT.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds the following:

(A) Money transmitting businesses are subject to the recordkeeping and reporting requirements of subchapter II of chapter 53 of title 31, United States Code.

(B) Money transmitting businesses are largely unregulated businesses and are frequently used in sophisticated schemes to—

(i) transfer large amounts of money which are the proceeds of unlawful enterprises; and

(ii) evade the requirements of subchapter II of chapter 53 of title 31, United States Code, the Internal Revenue Code of 1986, and other laws of the United States.

(C) Information on the identity of money transmitting businesses and the names of the persons who own or control, or are officers or employees of, a money transmitting business would have a high degree of usefulness in criminal, tax, or regulatory investigations and proceedings.

(2) PURPOSE.—It is the purpose of this section to establish a registration requirement for businesses engaged in providing check cashing, currency exchange, or money transmitting or remittance services, or issuing or redeeming money orders, travelers' checks, and other similar instruments to assist the Secretary of the Treasury, the Attorney General, and other supervisory and law enforcement agencies to effectively enforce the criminal, tax, and regulatory laws and prevent such money transmitting businesses from engaging in illegal activities.

(b) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

"§5329. Registration of money transmitting businesses

"(a) REGISTRATION WITH SECRETARY OF THE TREASURY REQUIRED.—

"(1) IN GENERAL.—Any person who owns or controls a money transmitting business which is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act) shall register the business (whether or not the business is licensed as a money transmitting business in any State) with the Secretary of the Treasury before the end of the 180-day period beginning on the later of—

"(A) the date of enactment of this section; or

"(B) the date the business is established.

"(2) FORM AND MANNER OF REGISTRATION.—Subject to the requirements of subsection (b), the Secretary of the Treasury shall prescribe, in regulations, the form and manner for registering a money transmitting business pursuant to paragraph (1).

"(3) BUSINESSES REMAIN SUBJECT TO STATE LAW.—This section shall not be construed as superseding any requirement of State law relating to money transmitting businesses operating in such State.

"(4) FALSE AND INCOMPLETE INFORMATION.—The filing of false or materially incomplete information in connection with the registration of a money transmitting business shall be considered as a failure to comply with the requirements of this subsection.

"(b) CONTENTS OF REGISTRATION.—The registration of a money transmitting business under subsection (a) shall include the following information:

"(1) The name and location of the business.

"(2) The name and address of each person who—

"(A) owns or controls the business;

"(B) is a director or officer of the business; or

"(C) otherwise participates in the conduct of the affairs of the business.

"(3) The name and address of any depository institution at which the business maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act).

"(4) An estimate of the volume of business to be reported annually.

"(5) Such other information as the Secretary of the Treasury may require.

"(c) AGENTS OF MONEY TRANSMITTING BUSINESSES.—

"(1) MAINTENANCE OF LISTS OF AGENTS OF MONEY TRANSMITTING BUSINESSES.—Pursuant to regulations which the Secretary of the Treasury shall prescribe, each money transmitting business shall—

"(A) maintain a list containing the names and addresses of all persons authorized to act as an agent for such business in connection with activities described in subsection (d)(1)(A) and such other information about such agents as the Secretary may require; and

"(B) make the list and other information available on request to any appropriate law enforcement agency.

"(2) TREATMENT OF AGENT AS MONEY TRANSMITTING BUSINESS.—The Secretary of the Treasury shall prescribe regulations establishing, on the basis of such criteria as the Secretary determines to be appropriate, a threshold point for treating an agent of a money transmitting business as a money transmitting business for purposes of this section.

"(d) DEFINITIONS.—For purposes of this section—

"(1) MONEY TRANSMITTING BUSINESS.—The term 'money transmitting business' means any business other than the United States Postal Service which—

"(A) provides check cashing, currency exchange, or money transmitting or remittance services, or issues or redeems money orders, travelers' checks, and other similar instruments;

"(B) is required to file reports under section 5313; and

"(C) is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act).

"(2) MONEY TRANSMITTING SERVICE.—The term 'money transmitting service' includes accepting currency or funds denominated in the currency of any country and transmitting the currency or funds, or the value of the currency or funds, by any means through a financial agency or institution, a Federal reserve bank or other facility of the Board of Governors of the Federal Reserve System, or an electronic funds transfer network.

"(e) CIVIL PENALTY FOR FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS.—

"(1) IN GENERAL.—Any person who fails to comply with the money transmitting business registration requirements under subsection (a) or regulations prescribed under such subsection shall be liable to the United States for a civil penalty of $5,000 for each such violation.

"(2) CONTINUING VIOLATION.—Each day a violation described in paragraph (1) continues shall constitute a separate violation for purposes of such paragraph.

"(3) ASSESSMENTS.—Any penalty imposed under this subsection shall be assessed and collected by the Secretary of the Treasury in the manner provided in section 5321 and any such assessment shall be subject to the provisions of such section.".

(c) CRIMINAL PENALTY FOR FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS.—Section 1960(b)(1) of title 18, United States Code, is amended to read as follows:

"(1) the term 'illegal money transmitting business' means a money transmitting business which affects interstate or foreign commerce in any manner or degree and—

"(A) is intentionally operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law; or

"(B) fails to comply with the money transmitting business registration requirements under section 5329 of title 31, United States Code, or regulations prescribed under such section;".

(d) CIVIL FORFEITURE.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "or of section 1956 or 1957 of this title," and inserting ", of section 1956, 1957, or 1960 of this title,".

(e) CLERICAL AMENDMENT.—The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5328 the following new item:

"5329. Registration of money transmitting businesses.".

SEC. 409. CRIMINAL AND CIVIL PENALTY FOR STRUCTURING DOMESTIC AND INTERNATIONAL TRANSACTIONS.

(a) CRIMINAL PENALTY.—Section 5324 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(c) CRIMINAL PENALTY.—

"(1) IN GENERAL.—Whoever violates this section shall be fined in accordance with title 18, United States Code, imprisoned for not more than 5 years, or both.

"(2) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates this section while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.".

(b) AMENDMENT RELATING TO CIVIL PENALTY.—Section 5321(a)(4)(A) of title 31, United States Code, is amended by striking "willfully".

(c) TECHNICAL AND CONFORMING AMENDMENT.—Subsections (a) and (b) of section 5322 of title 31, United States Code, are amended by inserting "or 5324" after "section 5315" each place such term appears.

SEC. 410. GAO STUDY OF CASHIERS' CHECKS.

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study to determine—

(1) the extent to which the practice of issuing of cashiers' checks by financial institutions is vulnerable to money laundering schemes;

(2) the extent to which additional recordkeeping requirements should be imposed on financial institutions which issue cashiers' checks; and

(3) such other factors relating to the use and regulation of cashiers' checks as the Comptroller General determines to be appropriate.

(b) REPORT REQUIRED.—Before the end of the 180-day period beginning on the date of enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions in connection with the study conducted pursuant to subsection (a); and

(2) such recommendations for legislative and administrative action as the Comptroller General may determine to be appropriate.

TITLE V—FAIR TRADE IN FINANCIAL SERVICES

SEC. 501. SHORT TITLE.

This title may be cited as the "Fair Trade in Financial Services Act of 1994".

SEC. 502. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR BANKING ORGANIZATIONS.

The International Banking Act of 1978 (12 U.S.C. 3101 et seq.) is amended by adding at the end the following new section:

"SEC. 18. NATIONAL TREATMENT.

"(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States banking organizations that operate or seek to operate in those countries.

"(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES BANKS OR BANK HOLDING COMPANIES.—The Secretary shall identify the extent to which foreign countries deny national treatment to United States banking organizations—

"(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

"(2) based on more recent information that the Secretary deems appropriate.

"(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—

"(1) IN GENERAL.—The Secretary shall determine whether the denial of national treatment to United States banking organizations by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

"(2) FACTORS TO BE CONSIDERED.—In determining whether and to what extent a foreign country denies national treatment to United States banking organizations, and in determining the effect of any such denial on such banking organizations, the Secretary shall consider appropriate factors, including—

"(A) the size of the foreign country's markets for the financial services involved, and the extent to which United States banking organizations operate or seek to operate in those markets;

"(B) the extent to which United States banking organizations may participate in developing regulations, guidelines, or other policies regarding new products, services, and markets in the foreign country;

"(C) the extent to which the foreign country issues written regulations, guidelines, or other policies applicable to United States banking organizations operating or seeking to operate in the foreign country that are—

"(i) prescribed after adequate notice and opportunity for comment;

"(ii) readily available to the public; and

"(iii) prescribed in accordance with objective standards that effectively prevent arbitrary and capricious determinations;

"(D) the extent to which United States banking organizations may offer foreign exchange services in the foreign country; and

"(E) the effects of the regulatory policies of the foreign country on—

"(i) the lending policies of the central bank of that country;

"(ii) capital requirements applicable in that country;

"(iii) the regulation of deposit interest rates by that country;

"(iv) restrictions on the operation and establishment of branches in that country; and

"(v) restrictions on access to automated teller machine networks in that country.

"(d) PUBLICATION OF DETERMINATION.—

"(1) IN GENERAL.—If the Secretary determines under subsection (c) that the denial of national treatment to United States banking organizations by a foreign country has a significant adverse effect on such organizations, the Secretary—

"(A) may, after initiating negotiations in accordance with subsection (g), and after consultation in accordance with subsection (i), publish that determination in the Federal Register;

"(B) shall, not less frequently than annually, in consultation with any department or agency that the Secretary deems appropriate, review each such determination to determine whether it should be rescinded; and

"(C) shall inform State bank supervisors of the publication of that determination.

"(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved;

before the date of enactment of this section.

"(e) SANCTIONS.—

"(1) ACTION BY SECRETARY OF TREASURY.—

"(A) IN GENERAL.—The Secretary may, after consultation in accordance with subsection (i), recommend to the appropriate Federal banking agency that such agency deny or suspend consideration of a request for authorization filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the Secretary determines that—

"(i) such action would assist the United States in negotiations to eliminate discrimination against United States banking organizations;

"(ii) negotiations undertaken pursuant to subsection (g) are not likely to result in an agreement that eliminates the denial of national treatment; or

"(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (g).

"(B) EXERCISE OF AUTHORITY.—The authority of subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

"(C) COMPLIANCE EXCEPTIONS.—The appropriate Federal banking agency shall comply with the recommendation of the Secretary made under subparagraph (A), unless the agency determines, in writing, and transmits such determination to the Secretary and to the Congress, that such recommendation—

"(i) would likely result in a serious impairment to the safe and sound operation of the United States banking system; or

"(ii) would compromise the ability of a Federal banking agency to resolve a failing or failed financial institution because a foreign banking institution otherwise barred by an action under subparagraph (A) represents the only bona fide reasonable offer available to the Federal banking agency.

"(2) NO AFFECT ON CERTAIN AGREEMENTS.—The exercise of authority under this subsection does not affect any obligation of the United States to pursue dispute resolution procedures pursuant to any international agreement governing financial services, approved by the House of Representatives and the Senate, with respect to a dispute arising out of any obligation under that agreement.

"(f) EXEMPTIONS FROM SANCTIONS.—

"(1) IN GENERAL.—Subsection (e) does not apply to the subsidiaries in the United States of a person of a foreign country if the Secretary determines that the banking laws and regulations of the foreign country, as actually applied, meet or exceed—

"(A) the standards for treatment of subsidiaries of United States banking organizations contained in the Second Banking Directive, and in any amendment to the Second Banking Directive, if the Secretary determines that such amendment—

"(i) does not restrict any operation, activity, or authority to expand any operation or activity, permitted under those standards, of any subsidiary in the foreign country of any such bank or bank holding company; or

"(ii) is in accordance with national treatment of subsidiaries of such banking organizations; or

"(B) any set of standards that, taken as a whole, is no less favorable to United States banking organizations than the standards referred to in subparagraph (A).

"(2) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under this subsection, the Secretary shall consider, with respect to a bank, foreign bank, branch, agency, commercial lending company, or other affiliated entity that is a person of a foreign country and that is operating in the United States—

"(A) the extent to which the foreign country is progressing toward according national treatment to United States banking organizations; and

"(B) whether the foreign country permits United States banking organizations to expand their activities in that country, even if that country determined that the United States did not accord national treatment to the banking organizations of that country.

"(g) NEGOTIATIONS.—

"(1) IN GENERAL.—The Secretary—

"(A) shall initiate negotiations with any foreign country with respect to which a determination made under subsection (c)(1) is in effect; and

"(B) may initiate negotiations with any foreign country which denies national treatment to United States banking organizations to ensure that the foreign country accords national treatment to such organizations.

"(2) EXCEPTIONS.—Paragraph (1) does not require the Secretary to initiate negotiations with a foreign country if the Secretary—

"(A) determines that the negotiations—

"(i) would be so unlikely to result in progress toward according national treatment to United States banking organizations as to be a waste of effort; or

"(ii) would impair the economic interests of the United States; and

"(B) gives written notice of that determination to the chairperson and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and of the Committee on Banking, Finance and Urban Affairs of the House of Representatives.

"(h) REPORT.—

"(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the Secretary shall submit to the Congress a report that—

"(A) specifies the foreign countries identified under subsection (b);

"(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

"(C) if the Secretary has not made or has rescinded such a determination with respect to the foreign country, provides the reasons therefor;

"(D) describes the results of any negotiations conducted under subsection (g)(1) with the foreign country; and

"(E) discusses the effectiveness of this section in achieving the purpose of this section.

"(2) SUBMISSION OF REPORT.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

"(i) CONSULTATION.—Consultation in accordance with this subsection means consultation with the Secretary of State, the Secretary of Commerce, the United States Trade Representative, and the appropriate Federal banking agency.

"(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term 'appropriate Federal banking agency'—

"(A) in the case of a noninsured State bank or branch and a representative office of a foreign bank, means the Board of Governors of the Federal Reserve System; and

"(B) in any other case, has the same meaning as in section 3 of the Federal Deposit Insurance Act.

"(2) BANKING ORGANIZATION.—The term 'banking organization' means—

"(A) a depository institution, as defined in section 3 of the Federal Deposit Insurance Act, including a branch or subsidiary thereof;

"(B) a bank holding company, as defined in section 2 of the Bank Holding Company Act of 1956;

"(C) any company required to file information pursuant to section 4(f)(6) of the Bank Holding Company Act of 1956;

"(D) a savings and loan holding company, as defined in section 10(a)(1)(D) of the Home Owners' Loan Act; and

"(E) any nonbank financial entity, the primary purpose of which is to provide credit or financing, regardless of whether such entity accepts deposits.

"(3) NATIONAL TREATMENT.—A foreign country accords 'national treatment' to United States banking organizations if it offers them the same competitive opportunities (including effective market access) as are available to its domestic banking organizations in like circumstances.

"(4) PERSON OF A FOREIGN COUNTRY.—The term 'person of a foreign country' means—

"(A) a person organized under the laws of the foreign country;

"(B) a person that has its principal place of business in the foreign country;

"(C) an individual who is—

"(i) a citizen of the foreign country, or

"(ii) domiciled in the foreign country; and

"(D) a person that is directly or indirectly controlled by a person or persons described in subparagraph (A) or (B), or by an individual or individuals described in subparagraph (C).

"(5) REQUEST FOR AUTHORIZATION.—The term 'request for authorization'—

"(A) means an application, registration, notice, or other request to commence a financial service or establish a financial services office that is required under title LXII of the Revised Statutes, the International Banking Act of 1978, the Federal Reserve Act, the Home Owners' Loan Act, or the Bank Holding Company Act of 1956; and

"(B) does not include any such request by a company described in section 2(h)(2) of the Bank Holding Company Act of 1956.

"(6) SECOND BANKING DIRECTIVE.—The term 'Second Banking Directive' means the Second Council Directive of December 15, 1989, on the Coordination of Laws, Regulations, and Administrative Provisions Relating to the Taking Up and Pursuit of the Business of Credit Institutions and Amending Directive 77/780/EEC (89/646/EEC).

"(7) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.".

SEC. 503. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR SECURITIES ORGANIZATIONS.

(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States securities organizations that operate or seek to operate in those countries.

(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES SECURITIES ORGANIZATIONS.—The Secretary shall identify whether and to what extent foreign countries deny national treatment to United States securities organizations—

(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

(2) based upon more recent information that the Secretary deems appropriate.

(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—The Secretary shall determine whether the denial of national treatment to United States securities organizations by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

(d) PUBLICATION OF DETERMINATION.—

(1) IN GENERAL.—If the Secretary determines under subsection (c) that the denial of national treatment to United States securities organizations by a foreign country has a significant adverse effect on such organizations, the Secretary—

(A) may, after initiating negotiations in accordance with subsection (f), and after consultation in accordance with subsection (h), publish that determination in the Federal Register; and

(B) shall, not less frequently than annually, in consultation with any department or agency that the Secretary deems appropriate, review each such determination to determine whether it should be rescinded.

(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsistent with a bilateral or multilateral agreement (including any dispute resolution procedures contained in such agreement) that governs financial services that—

(A) the President entered into with that country; and

(B) the Senate and House of Representatives approved;

before the date of enactment of this section.

(e) SANCTIONS.—

(1) ACTION BY SECRETARY OF TREASURY.—

(A) IN GENERAL.—The Secretary may, after consultation in accordance with subsection (h), recommend to the Commission that the Commission deny or suspend consideration of a request for authorization filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the Secretary determines that—

(i) such action would assist the United States in negotiations to eliminate discrimination against United States securities organizations;

(ii) negotiations undertaken pursuant to subsection (f) are not likely to result in an agreement that eliminates the denial of national treatment; or

(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (f).

(B) EXERCISE OF AUTHORITY.—The authority of subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

(C) COMMISSION ACTION.—The Commission shall deny or suspend consideration of a request for authorization in accordance with the recommendation of the Secretary made under subparagraph (A), unless such recommendation would likely result in a serious adverse impact on—

(i) the maintenance of fair and orderly securities markets; or

(ii) the protection of investors.

(D) AUTHORITY UPON DENIAL OF AUTHORIZATION.—

(i) IN GENERAL.—In connection with the denial of a request for authorization under subparagraph (A), the Commission may order—

(I) disposition of any controlling interest referred to in subsection (i)(9)(B)(i);

(II) closure of any office referred to in subsection (i)(9)(B)(ii); or

(III) termination of any advisory relationship referred to in subparagraphs (C) and (D) of subsection (i)(9).

(ii) PENALTY FOR NONCOMPLIANCE.—The Commission may revoke the underlying registration under Federal securities laws of any person who fails to comply with an order issued under clause (i).

(2) NOTICE REQUIRED TO FILE REQUESTS FOR AUTHORIZATION.—

(A) IN GENERAL.—If a determination is published under subsection (d)(1) with respect to a foreign country, no person of that foreign country may file a request for authorization unless such person files notice of such request simultaneously with the Commission and the Secretary, not less than 90 days in advance of the action that is the subject of the request, in such form and containing such information as the Commission may prescribe by rule.

(B) NOTIFYING SECRETARY.—The Commission shall promptly notify the Secretary of any notice received under subparagraph (A).

(C) EXTENDING 90-DAY PERIOD.—The Commission may, by order, extend for an additional 180 days the period during which the Commission may consider a notice received under subparagraph (A).

(3) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under this subsection, the Secretary shall consider, with respect to a securities organization that is controlled, directly or indirectly, by a person of a foreign country—

(A) the extent to which the foreign country is progressing toward according national treatment to United States securities organizations; and

(B) whether the foreign country permits United States securities organizations to expand their activities in that country, even if that country determined that the United States did not accord national treatment to securities organizations of that country.

(f) NEGOTIATIONS.—

(1) IN GENERAL.—The Secretary—

(A) shall initiate negotiations with any foreign country with respect to which a determination under subsection (c)(1) is in effect; and

(B) may initiate negotiations with any foreign country which denies national treatment to United States securities organizations to ensure that the foreign country accords national treatment to such organizations.

(2) EXCEPTIONS.—Paragraph (1) does not require the Secretary to initiate negotiations with a foreign country if the Secretary—

(A) determines that the negotiations—

(i) would be so unlikely to result in progress toward according national treatment to United States securities organizations as to be a waste of effort; or

(ii) would impair the economic interests of the United States; and

(B) gives written notice of that determination to the chairperson and the ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate and of the Committee of Energy and Commerce of the House of Representatives.

(g) REPORT.—

(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the Secretary shall submit to the Congress a report that—

(A) specifies the foreign countries identified under subsection (b);

(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(C) if the Secretary has not made, or has rescinded, a determination under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(D) describes the results of any negotiations conducted under subsection (f)(1) with the foreign country; and

(E) discusses the effectiveness of this section in achieving the purpose of this section.

(2) SUBMISSION OF REPORT.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

(h) CONSULTATION.—Consultation in accordance with this subsection means consultation with the Secretary of State, the Secretary of Commerce, the United States Trade Representative, and the Commission.

(i) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BROKER.—The term "broker" has the same meaning as in section 3(a)(4) of the Securities Exchange Act of 1934.

(2) COMMISSION.—The term "Commission" means the Securities and Exchange Commission.

(3) CONTROL.—The terms "directly or indirectly controlled by" and "controlled, directly or indirectly" shall have the meanings given to such terms in rules or regulations issued by the Secretary of the Treasury, not later than 6 months after the date of enactment of this Act, after consultation with the Commission.

(4) DEALER.—The term "dealer" has the same meaning as in section 3(a)(5) of the Securities Exchange Act of 1934.

(5) INVESTMENT ADVISER.—The term "investment adviser" has the same meaning as in section 202(a)(11) of the Investment Advisers Act of 1940.

(6) INVESTMENT COMPANY.—The term "investment company" has the same meaning as in section 3 of the Investment Company Act of 1940.

(7) NATIONAL TREATMENT.—A foreign country accords "national treatment" to United States securities organizations if it offers them the same competitive opportunities (including effective market access) as are available to its domestic securities organizations in like circumstances.

(8) PERSON OF A FOREIGN COUNTRY.—The term "person of a foreign country" means—

(A) a person organized under the laws of the foreign country;

(B) a person that has its principal place of business in the foreign country;

(C) an individual who is—

(i) a citizen of the foreign country; or

(ii) domiciled in the foreign country;

(D) a person that is directly or indirectly controlled by one or more persons described in subparagraph (A), (B), or (C); and

(E) an investment company, an investment adviser of which is a person described in any of subparagraphs (A) through (D).

(9) REQUEST FOR AUTHORIZATION.—The term "request for authorization" means—

(A) an application to register under section 15(b), 15B, or 15C of the Securities Exchange Act of 1934, or section 203(c) of the Investment Advisers Act of 1940, including an application to succeed to the business of a registered entity;

(B) an amendment to a registration statement referred to in subparagraph (A) that reflects—

(i) the acquisition of control of the registered entity; or

(ii) the addition of a United States office by the registered entity;

(C) a registration statement filed by an investment company under section 8(b) of the Investment Company Act of 1940, if a person of a foreign country will serve as an investment adviser to the investment company; and

(D) an amendment to an investment company registration statement filed under section 8(b) of the Investment Company Act of 1940 that reflects the retention of a person of a foreign country as an investment adviser.

(10) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(11) SECURITIES ORGANIZATION.—The term "securities organization" means a broker, a dealer, an investment company, or an investment adviser.

SEC. 504. EFFECTUATING THE PRINCIPLE OF NATIONAL TREATMENT FOR INSURERS AND REINSURERS.

(a) PURPOSE.—The purpose of this section is to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(b) IDENTIFYING COUNTRIES THAT DENY NATIONAL TREATMENT TO UNITED STATES INSURERS OR REINSURERS.—The President or the President's designee shall identify whether and to what extent foreign countries deny national treatment to United States insurers or reinsurers—

(1) according to the most recent report under section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (or update thereof); or

(2) based on more recent information that the President deems appropriate.

(c) DETERMINING WHETHER DENIAL OF NATIONAL TREATMENT HAS SIGNIFICANT ADVERSE EFFECT.—

(1) IN GENERAL.—The President shall determine whether the denial of national treatment to United States insurers or reinsurers by a foreign country identified under subsection (b) has a significant adverse effect on such organizations.

(2) FACTORS TO BE CONSIDERED.—In determining whether and to what extent a foreign country denies national treatment to United States insurers or reinsurers, and in determining the effect of any such denial on such insurers or reinsurers, the President shall consider appropriate factors, including—

(A) the size of the foreign country's markets for the financial services involved, and the extent to which United States insurers or reinsurers operate or seek to operate in those markets;

(B) the extent to which United States insurers or reinsurers may participate in developing regulations, guidelines, or other policies regarding new products, services, and markets in the foreign country;

(C) the extent to which the foreign country issues written regulations, guidelines, or other policies applicable to United States insurers or reinsurers operating or seeking to operate in the foreign country that are—

(i) prescribed after adequate notice and opportunity for comment;

(ii) readily available to the public; and

(iii) prescribed in accordance with objective standards that effectively prevent arbitrary and capricious determinations;

(D) the effects of the regulatory policies of the foreign country on—

(i) the licensing policies of the insurance regulator of that country;

(ii) capital requirements applicable in that country;

(iii) restrictions on acquisitions or joint ventures and operations thereof by insurers or reinsurers in that country; and

(iv) restrictions on the operation and establishment of branches in that country.

(d) PUBLICATION OF DETERMINATION.—

(1) IN GENERAL.—If the President determines under subsection (c) that the denial of national treatment to United States insurers or reinsurers by a foreign country has a significant adverse effect on such organizations, the President—

(A) may, after initiating negotiations in accordance with subsection (f) publish that determination in the Federal Register;

(B) shall, not less frequently than annually, in consultation with any department or agency that the President deems appropriate, review each such determination to determine whether it should be rescinded; and

(C) shall inform State insurance commissioners of the publication of that determination.

(2) EXCEPTION FOR COUNTRIES THAT ARE PARTIES TO CERTAIN AGREEMENTS GOVERNING FINANCIAL SERVICES.—Paragraph (1) shall not apply to a foreign country to the extent that any authority under that paragraph would permit action to be taken that would be inconsist-

ent with a bilateral or multilateral agreement including any dispute resolution procedures contained in such agreement that governs financial services, including insurance, that—

(A) the President entered into with that country; and

(B) the Senate and the House of Representatives approved;

before the date of enactment of this section.

(e) SANCTIONS.—

(1) ACTIONS BY THE PRESIDENT.—

(A) IN GENERAL.—The President may recommend to the State insurance commissioners that they deny a foreign insurer's or reinsurer's request for authorization which is filed after the date of publication of a determination under subsection (d)(1) by a person of a foreign country listed in such publication if the President determines that—

(i) such action would assist the United States in negotiations to eliminate discrimination against United States insurers or reinsurers;

(ii) negotiations undertaken pursuant to subsection (f) are not likely to result in an agreement that eliminates the denial of national treatment; or

(iii) the country has not adequately adhered to an agreement reached as a result of negotiations undertaken pursuant to subsection (f).

(B) EXERCISE OF AUTHORITY.—If the President delegates his authority under section 504(b), the designee's authority under subparagraph (A) shall be exercised according to the specific direction (if any) of the President.

(C) COMPLIANCE EXCEPTIONS.—If the State insurance commissioners do not act within 90 days on the President's recommendations in subsection (A), or if the President determines that the procedure outlined in subsection (A) is either inappropriate or impractical to achieve the purpose of this section, the President may take such action as he or she considers necessary and appropriate to encourage foreign countries to accord national treatment to United States insurers and reinsurers that operate or seek to operate in those countries.

(2) STANDARDS FOR EXERCISE OF DISCRETION.—In exercising any discretion under subsection (e), the President shall consider, with respect to an insurer or reinsurer, branch, or other affiliated entity that is a person of a foreign country and is operating in the United States—

(A) the extent to which the foreign country is progressing toward according national treatment to United States insurers or reinsurers; and

(B) whether the foreign country permits United States insurers or reinsurers to expand their activities in that country, even if that country determined that the United States did not accord national treatment to the insurers or reinsurers of that country.

(f) NEGOTIATIONS.—

(1) IN GENERAL.—The President—

(A) shall initiate negotiations with any foreign country with respect to which a determination made under subsection (c)(1) is in effect; and

(B) may initiate negotiations with any foreign country which denies national treatment to United States insurers or reinsurers to ensure that the foreign country accords national treatment to such insurers or reinsurers.

(2) EXCEPTIONS.—Paragraph (1) does not require the President to initiate negotiations with a foreign country if the President—

(A) determines that the negotiations—

(i) would be so unlikely to result in progress toward according national treatment to United States insurers or reinsurers as to be a waste of effort; or

(ii) would impair the economic interests of the United States; and

(B) gives written notice of that determination to the chairperson and the ranking minority member of the appropriate Senate and House committees.

(g) REPORT.—

(1) CONTENTS OF REPORT.—Not later than December 1, 1994, and biennially thereafter, the President shall submit to the Congress a report that—

(A) specifies the foreign countries identified under subsection (b);

(B) if a determination is published under subsection (d)(1) with respect to the foreign country, provides the reasons therefor;

(C) if the President has not made or has rescinded such a determination with respect to the foreign country, provides the reasons therefor;

(D) describes the results of any negotiations conducted under subsection (g)(1) with the foreign country; and

(E) discusses the effectiveness of this section in achieving the purpose of this section.

(2) SUBMISSION OF REPORT.—The report required by paragraph (1) may be submitted as part of a report or update submitted under section 3602 of the Omnibus Trade and Competitiveness Act of 1988.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) INSURER.—The term "insurer" means a party to a contract of insurance who assumes the risk and undertakes to indemnify the insured, or pay a certain sum on the happening of a specified contingency.

(2) NATIONAL TREATMENT.—A foreign country accords "national treatment" to United States insurers and reinsurers if it offers them the same competitive opportunities (including effective market access) as are available to its domestic insurers or reinsurers.

(3) PERSON OF A FOREIGN COUNTRY.—The term "person of a foreign country" means—

(A) a person organized under the laws of the foreign country;

(B) a person that has its principal place of business in the foreign country;

(C) an individual who is—

(i) a citizen of the foreign country, or

(ii) domiciled in the foreign country; and

(D) a person that is directly or indirectly controlled by a person or persons described in subparagraph (A) or (B), or by an individual or individuals described in subparagraph (C).

(4) PRESIDENT.—The term "President" means the President of the United States or the President's designee.

(5) REINSURER.—The term "reinsurer" means an insurer which contracts to indemnify a ceding insurer for all or part of a risk originally undertaken by the ceding insurer.

(6) REQUEST FOR AUTHORIZATION.—The term "request for authorization" means—

(A) an application, registration, notice, or other request to commence engaging in the business of insurance in a State; or

(B) an application, registration, notice, or other request for renewal of authorization to engage in the business of insurance in a State.

SEC. 505. FINANCIAL INTERDEPENDENCE STUDY.

Subtitle G of title III of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5351 et seq.) is amended by adding at the end the following new section:

"SEC. 3605. FINANCIAL INTERDEPENDENCE STUDY.

"(a) INVESTIGATION REQUIRED.—The Secretary, in consultation and coordination with the Securities and Exchange Commission, the Federal banking agencies, and any other appropriate Federal department or agency designated by the Secretary, shall conduct an investigation to determine—

"(1) the extent of the interdependence of the financial services sectors of the United States and foreign countries—

"(A) whose financial services institutions provide financial services in the United States; or

"(B) whose persons have substantial ownership interests in United States financial services institutions; and

"(2) the economic, strategic, and other consequences of that interdependence for the United States.

"(b) REPORT.—

"(1) REPORT REQUIRED.—Not later than 3 years after the date of enactment of this section, the Secretary shall submit a report on the results of the investigation under subsection (a) to the President, the Congress, the Securities and Exchange Commission, the Federal banking agencies, and any other appropriate Federal agency or department, as designated by the Secretary.

"(2) CONTENTS OF REPORT.—The report required under paragraph (1) shall—

"(A) describe the activities and estimate the scope of financial services activities conducted by United States financial services institutions in foreign markets (differentiated according to major foreign markets);

"(B) describe the activities and estimate the scope of financial services activities conducted by foreign financial services institutions in the United States (differentiated according to the most significant home countries or groups of home countries);

"(C) estimate the number of jobs created in the United States by financial services activities conducted by foreign financial services institutions and the number of jobs created in foreign countries by financial service activities conducted by United States financial services institutions;

"(D) estimate the additional jobs and revenues (both foreign and domestic) that would be created by the activities of United States financial services institutions in foreign countries if those countries offered such institutions the same competitive opportunities (including effective market access) as are available to the domestic financial services institutions of those countries;

"(E) describe the extent to which foreign financial services institutions discriminate against United States persons in procurement, employment, the provision of credit or other financial services, or otherwise;

"(F) describe the extent to which foreign financial services institutions and other persons from foreign countries purchase or otherwise facilitate the marketing from the United States of government and private debt instruments and private equity instruments;

"(G) describe how the interdependence of the financial services sectors of the United States and foreign countries affects the autonomy and effectiveness of United States monetary policy;

"(H) describe the extent to which United States companies rely on financing by or through foreign financial services institutions and the consequences of such reliance (including disclosure of proprietary information) for the industrial competitiveness and national security of the United States;

"(I) describe the extent to which foreign financial services institutions, in purchasing high technology products such as computers and telecommunications equipment, favor manufacturers from their home countries over United States manufacturers; and

"(J) contain other appropriate information relating to the results of the investigation required by subsection (a).

"(c) DEFINITIONS.—For purposes of this section the following definitions shall apply:

"(1) DEPOSITORY INSTITUTION AND DEPOSITORY INSTITUTION HOLDING COMPANY.—The terms 'depository institution' and 'depository institution holding company' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

"(2) FEDERAL BANKING AGENCIES.—The term 'Federal banking agencies' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

"(3) FINANCIAL SERVICES INSTITUTION.—The term 'financial services institution' means—

"(A) a broker, dealer, underwriter, clearing agency, transfer agent, or information processor with respect to securities, including government and municipal securities;

"(B) an investment company, investment manager, investment adviser, indenture trustee, or any depository institution, insurance company, or other organization operating as a fiduciary, trustee, underwriter, or other financial services provider;

"(C) any depository institution or depository institution holding company; and

"(D) any other entity providing financial services.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.".

SEC. 506. FEDERAL RESERVE REPORT ON THE FOREIGN BANK SUPERVISION ENHANCEMENT ACT OF 1991.

The Federal Reserve shall submit to the House and Senate Banking Committees within 60 days of enactment of this legislation a report on the Foreign Bank Supervision Enhancement Act of 1991 including:

(a) the number of applicants received and from what countries;

(b) the number of applications approved and from what countries;

(c) the amount of time taken on each application between receipt and approval or rejection of the application;

(d) other agencies involved in the approval process, how much time is taken by those agencies, and any problems encountered with these agencies;

(e) coordination of processing applications and length of time for processing between the regional bank's and the Federal Reserve Board's staffs;

(f) efforts to define consolidated home country supervision on an international basis, and

(g) suggestions for streamlining the process.

SEC. 507. CONFORMING AMENDMENTS.

(a) REPORTS ON FOREIGN TREATMENT OF UNITED STATES FINANCIAL INSTITUTIONS.—Section 3602 of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5352) is amended—

(1) in the first sentence, by inserting "with updates on significant developments every 2 years following submission of the 1994 report," before "the Secretary of the Treasury"; and

(2) by adding at the end the following: "For purposes of this section, a foreign country denies national treatment to United States entities unless the foreign country offers such entities the same competitive opportunities (including effective market access) as are available to the domestic entities of the foreign country.".

(b) NEGOTIATIONS TO PROMOTE FAIR TRADE IN FINANCIAL SERVICES.—Section 3603(a)(1) of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5353(a)(1)) is amended by inserting "effective" before "access".

(c) PRIMARY DEALERS IN GOVERNMENT DEBT INSTRUMENTS.—Section 3502(b)(1) of the Omnibus Trade and Competitiveness Act of 1988 (22 U.S.C. 5342(b)(1)) is amended—

(1) by striking "does not accord to" and inserting "does not offer"; and

(2) by striking "as such country accords to" and inserting "(including effective market access) as are available to".

(d) CONFORMING AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—

(1) SECTION 15.—Section 15(b)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(1)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(2) SECTION 15B.—Section 15B(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–4(a)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(3) SECTION 15C.—Section 15C(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(a)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(e) CONFORMING AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a–8) is amended by adding at the end the following new subsection:

"(g) The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

(f) CONFORMING AMENDMENT TO THE INVESTMENT ADVISERS ACT OF 1940.—Section 203(c)(2) of the Investment Advisers Act of 1940 (15 U.S.C. (c)(2)) is amended by adding at the end the following: "The Commission may suspend consideration, deny registration, issue an order, or revoke registration, as provided in section 403(e)(1) of the Fair Trade in Financial Services Act of 1994.".

TITLE VI—NATIONAL FLOOD INSURANCE REFORM

SEC. 601. SHORT TITLE.

This title may be cited as the "National Flood Insurance Reform Act of 1994".

SEC. 602. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the 4 principal objectives of the National Flood Insurance Program are to limit increasing flood control and disaster relief expenditures, to provide a prefunded mechanism to more fully indemnify victims of flood-related disasters, to limit unwise development in floodplains, and to provide affordable Federal flood insurance for structures located in areas of special flood hazards;

(2) since 1968, the National Flood Insurance Program has reduced the need for taxpayer funded disaster assistance and has been a factor in motivating local government mitigation efforts.

(3) repetitively damaged properties represent a substantial problem for the National Flood Insurance Program, with over 40 percent of all flood insurance claims made on properties that have been damaged more than once;

(4) the problem of erosion warrants greater analysis;

(5) reforms in the National Flood Insurance Program are essential to increase participation in the Program, make the Program more actuarially sound, decrease the risk of losses to the United States Treasury, and address the problem of properties repetitively damaged by floods;

(6) a Federal flood insurance program that combines predisaster mitigation efforts together with an insurance and compliance program will reduce the physical and economic effects of flood-related damage on the Federal Government, State and local governments, and individuals;

(7) requiring regulated lending institutions, government agencies, and government-sponsored enterprises to make sure that flood insurance coverage is purchased on all properties in areas of special flood hazards in participating communities will increase compliance with the program, and increase the pool of funds, thereby decreasing the impact on the National Flood Insurance Fund of individual flood events;

(8) incentives in the form of reduced premium rates for flood insurance under the National Flood Insurance Program should be provided in communities that have adopted and enforced exemplary or particularly effective measures for comprehensive floodplain management; and

(9) these community-based, individual mitigation, and loss prevention methods and incentives should be incorporated into the National Flood Insurance Program.

SEC. 603. DEFINITION.

As used in this title, the term "Director" means the Director of the Federal Emergency Management Agency.

Subtitle A—Definitions

SEC. 611. FLOOD DISASTER PROTECTION ACT OF 1973.

(a) IN GENERAL.—Section 3(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4003(a)) is amended—

(1) by striking paragraph (5) and inserting the following new paragraph:

"(5) 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration Board, and the Farm Credit Administration, and with respect to a particular regulated lending institution means the entity primarily responsible for the supervision of the institution;";

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (6) the following new paragraphs:

"(7) 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(8) 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home; and

"(9) 'servicer' means a person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) CONFORMING AMENDMENTS.—

(1) REQUIREMENTS TO PURCHASE FLOOD INSURANCE.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)) is amended by striking "(b) Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation direct such institutions" and inserting the following:

"(b) FLOOD INSURANCE PURCHASE REQUIREMENTS.—Each Federal entity for lending regulation shall by regulation direct regulated lending institutions".

(2) EFFECT OF NONPARTICIPATION IN FLOOD INSURANCE PROGRAM.—Section 202(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106(b)) is amended by striking "Federal instrumentality described in such section shall by regulation require the institutions" and inserting "Federal entity for lending regulation (with respect to regulated lending institutions)".

SEC. 612. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1370(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4121(a)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(7) the term 'Federal entity for lending regulation' means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration Board, and with respect to a particular regulated lending institution, means the entity primarily responsible for the supervision of the institution;

"(8) the term 'regulated lending institution' means a bank, savings association, credit union, farm credit bank, Federal land bank association, production credit association, or similar institution subject to the supervision of a Federal entity for lending regulation;

"(9) the term 'Federal agency lender' means the Federal Housing Administration, the Farmers Home Administration, the Small Business Administration, and the Veterans' Administration, when such agency makes loans secured by improved real estate or a manufactured home;

"(10) the term 'natural and beneficial floodplain functions' means—

"(A) the functions associated with the natural or relatively undisturbed floodplain that moderate flooding, retain flood waters, reduce erosion and sedimentation, mitigate the effects of waves and storm surge from storms; and

"(B) ancillary beneficial functions, including maintenance of water quality, and recharge of ground water

that reduce flood related damage;

"(11) the term 'erosion control measures' means a community's efforts to control erosion through nonstructural and structural projects;

"(12) the term 'repetitive loss structure' means an insured property that has incurred flood-related damage on 2 occasions during a 10-year period ending on the date of the event for which a second claim is made, in which the cost of repair, on the average, equaled or exceeded 25 percent of the value of the structure at the time of each flood event;

"(13) the term 'cost of compliance with land use and control measures' means—

"(A) the cost of elevating or floodproofing a structure so that the structure is in compliance with the minimum performance standards adopted by the State or community pursuant to section 1315 of the National Flood Insurance Act of 1968, or

"(B) the cost of relocation or demolition of the structure if the Director demonstrates that the structure will collapse or subside as a result of erosion within 30 years based on State erosion data;

"(14) the term 'servicer' means any person who receives any scheduled periodic payments from a borrower pursuant to the terms of any loan secured by a lien on real property, and who makes the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required.".

(b) CONFORMING AMENDMENT.—Section 1322(d) of the National Flood Insurance Act of 1968 (42 U.S.C. 4029(d)) is amended by striking "federally supervised, approved, regulated or insured financial institution" and inserting "regulated lending institution".

Subtitle B—Compliance and Increased Participation

SEC. 621. EXPANDED FLOOD INSURANCE PURCHASE REQUIREMENTS.

(a) IN GENERAL.—Section 102(b) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(b)), as amended by section 611(b)(1), is amended—

(1) by striking "Each Federal entity" and inserting the following:

"(1) IN GENERAL.—Each Federal entity";

(2) by inserting before "shall by regulation" the following: "(after consultation and coordination with the Federal Financial Institutions Examination Council established under the Federal Financial Institutions Examination Council Act of 1974)"; and

(3) by adding at the end the following new paragraphs:

"(2) PROCEDURES IMPLEMENTED BY FNMA, FHLMC, AND FAMC.—The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall implement procedures reasonably designed to assure that each loan that is—

"(A) secured by improved real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968; and

"(B) purchased by any such entity;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

"(3) PROCEDURES IMPLEMENTED BY FEDERAL AGENCY LENDERS.—Each Federal agency lender shall implement procedures reasonably designed to assure that all property—

"(A) that secures loans that the Federal agency lender makes, increases, extends, or renews; and

"(B) that is improved by real estate or a manufactured home located in an area that has been identified at the time of the origination of the loan by the Director as an area of special flood hazards and in which flood insurance is available under the National Flood Insurance Act of 1968;

is covered for the term of the loan by flood insurance in the amount provided in paragraph (1).

"(4) DEFINITION.—For purposes of this section property improved by real estate means insurable improvements on that property.".

(b) EFFECTIVE DATE.—The provisions of this section shall apply to all transactions occurring after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 622. ESCROW OF FLOOD INSURANCE PAYMENTS.

(a) IN GENERAL.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended by adding at the end the following new subsection:

"(d) ESCROW OF FLOOD INSURANCE PAYMENTS.—

"(1) BY REGULATED LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that, if a regulated lending institution requires the escrowing of taxes, insurance premiums, fees, or any other charges for a loan secured by residential real estate or manufactured homes, all charges for flood insurance under this title for the property shall be paid by the borrower to the institution for the duration of the period during which the regulated lending institution maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the institution shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees, or other charges owed.

"(2) BY FEDERAL AGENCY LENDERS.—If a Federal agency lender requires the escrowing of taxes, insurance premiums, fees, or any other charges, then any charges for flood insurance under this title for the residential real estate or the manufactured home shall be paid by the borrower to the Federal agency lender for the duration of the period during which the Federal agency lender maintains an escrow account. Upon receipt of a notice from the Director or the provider of the insurance that insurance premiums, fees, or other charges are due, the Federal agency lender shall pay from the escrow account to the provider of the insurance the amount of insurance premiums, fees or other charges owed.

"(3) APPLICABILITY OF REAL ESTATE SETTLEMENT PROCEDURES ACT.—Escrow accounts used to collect flood insurance premiums, fees, or other charges under this subsection shall be subject to the provisions of section 10 of the Real Estate Settlement Procedures Act of 1974.".

(b) APPLICABILITY.—Section 102(d) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply with respect to any loan made, increased, extended, or renewed after the expiration of the 1-year period beginning on the date of enactment of this title.

SEC. 623. NOTICE REQUIREMENTS.

Section 1364 of the National Flood Insurance Act of 1968 (42 U.S.C. 4104a) is amended to read as follows:

"SEC. 1364. NOTICE REQUIREMENTS.

"(a) LENDING INSTITUTIONS.—Each Federal entity for lending regulation, after consultation and coordination with the Federal Financial Institutions Examination Council, shall by regulation require that before a regulated lending institution makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the institution shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(b) FEDERAL AGENCY LENDERS.—Before a Federal agency lender makes, increases, extends, or renews a loan secured by improved real estate or a manufactured home located in an area that has been identified by the Director as an area of special flood hazards, the Federal agency lender shall notify the borrower of the special flood hazards and of the need to purchase and maintain flood insurance.

"(c) PARTICIPATING COMMUNITIES.—The Director shall by regulation require each participating community, upon receiving the semiannual list prepared by the Director of all revisions to and updates of flood insurance rate maps made during the preceding 6 months, to determine whether any properties in their community have been affected, and to provide annual notice by mail, notice by publication, notice on tax assessments, or notice by other reasonable method, to regulated lending institutions that are known to lend in the community, and to the owners of all properties newly determined to be, or no longer to be, in an area of special flood hazards, of the flood insurance purchase requirements under section 102(b).

"(d) CONTENTS OF NOTICE.—Notification required by this section shall include a warning, in a form to be established by the Director, stating that the real estate or manufactured home securing the loan is located in an area of special flood hazards, a description of the flood insurance purchase requirements under section 102(b), a statement that flood insurance coverage may be purchased under the National

Flood Insurance Program and may also be available from private insurers, and any other information that the Director considers necessary to carry out the purposes of the National Flood Insurance Program.".

SEC. 624. PLACEMENT OF FLOOD INSURANCE BY REGULATED LENDING INSTITUTION, FEDERAL AGENCY LENDER, OR SERVICER.

(a) REQUIRED ACTIONS BY 'LENDER.—Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by section 622(a), is amended by adding at the end the following new subsection:

"(e) REQUIRED ACTIONS BY LENDER.—

"(1) NOTIFICATION TO BORROWER OF LACK OF COVERAGE.—If, at the time of origination or at any other time during the term of a loan secured by improved real estate or by a manufactured home located in an area that has been identified by the Director as an area of special flood hazards and in which flood insurance is available under this title, a regulated lending institution, Federal agency lender, or servicer determines that the building or manufactured home and any personal property securing the loan held or serviced by the regulated lending institution, Federal agency lender, or servicer is not covered by flood insurance, in an amount not less than the amount required by subsection (b)(1), the regulated lending institution, Federal agency lender, or servicer shall notify the borrower, in a form to be established by the Director, that the borrower should obtain, at the borrower's expense, an amount of flood insurance that is not less than the amount required by subsection (b)(1), for the term of the loan. If, not later than 45 days after receiving such notification, the borrower fails to purchase such flood insurance, the regulated lending institution, Federal agency lender, or servicer shall purchase the insurance on behalf of the borrower and may charge the borrower for the cost of premiums and fees incurred by the regulated lending institution, Federal agency lender, or servicer in purchasing the insurance.

"(2) REVIEW.—

"(A) BY THE DIRECTOR.—A borrower may request, based upon the submission of supporting technical data, that the Director review a determination that the improved real estate or manufactured home securing the loan is located in an area of special flood hazards. Not later than 45 days after the Director receives the request, the Director shall review the determination and provide the borrower with a letter stating whether or not the property is in an area of special flood hazards. The determination of the Director shall be final. If the Director fails to respond to a request within 45 days, the property shall be deemed not to be located in an area having special flood hazards.

"(B) INSURANCE NOT REQUIRED.—If a person is provided by the borrower with a letter issued by the Director pursuant to subparagraph (A) during the preceding 1-year period, stating that the property is not in an area of special flood hazards, such person shall have no obligation under this title to require the purchase of flood insurance on the property.".

(b) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply to all loans outstanding on or after the date of enactment of this title.

(2) LOANS REGULATED BY THE FARM CREDIT ADMINISTRATION.—With respect to loans held by institutions regulated by the Farm Credit Administration, section 102(e) of the Flood Disaster Protection Act of 1973, as added by subsection (a), shall apply only to loans originating on or after the date of enactment of this title.

SEC. 625. STANDARD FLOOD HAZARD DETERMINATION FORMS.

(a) IN GENERAL.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.) is amended by adding at the end the following new section:

"SEC. 1365. STANDARD FLOOD HAZARD DETERMINATION FORMS.

"(a) DEVELOPMENT.—The Director, in consultation with the Federal entities for lending regulation, and after notice and comment, shall develop a standard flood hazard determination form (hereafter in this section referred to as the 'determination form') for use in connection with loans secured by improved real estate or a manufactured home located in an area of special flood hazards and in which flood insurance is available under this title. The determination form may be maintained in a printed, computerized, or electronic manner.

"(b) DESIGN AND CONTENTS.—The determination form shall state whether the property is in an area of special flood hazards, the risk premium rate classification established for the special flood hazard area in which the property is located, the complete map and panel numbers for the property, and the date of the map used for the determination. If the complete map and panel numbers for the property are not available because the property is not located in a community that is participating in the National Flood Insurance Program or because no map exists for the relevant area, the determination form shall so state.

"(c) REQUIRED USE.—Each Federal entity for lending regulation shall by regulation require the use of the determination form by regulated lending institutions. Each Federal agency lender shall by regulation provide for the use of the determination form. The Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation shall require use of the determination form by any person from whom they purchase loans.

"(d) GUARANTEES REGARDING INFORMATION.—In recording information on a determination form, a person may rely on information provided by a third party to the extent that the third party guarantees the accuracy of the information.

"(e) RELIANCE ON PREVIOUS DETERMINATION.—A person or institution increasing, extending, renewing, or purchasing a loan may rely on a previous determination as to whether property is in a special flood hazard area, if the previous determination was made not more than 5 years before the date of the transaction, and the basis for the previous determination has been set forth on a determination form.".

(b) APPLICABILITY.—Section 1365 of the National Flood Insurance Act of 1968, as added by subsection (a), shall apply to all loans originated on or after the expiration of the 6-month period beginning on the date the standard flood hazard determination form is finalized by the Director.

SEC. 626. EXAMINATIONS REGARDING COMPLIANCE BY REGULATED LENDING INSTITUTIONS.

(a) AMENDMENT TO FEDERAL DEPOSIT INSURANCE ACT.—Section 10 of the Federal Deposit Insurance Act (12 U.S.C. 1820) is amended by adding at the end the following new subsection:

"(h) FLOOD HAZARD INSURANCE COMPLIANCE BY INSURED DEPOSITORY INSTITUTIONS REQUIRED.—

"(1) EXAMINATIONS.—The appropriate Federal banking agency shall, during each scheduled on-site examination required by this section, determine whether the insured depository institution is complying with the requirements of the National Flood Insurance Program.

"(2) REPORT.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, each appropriate Federal banking agency shall submit a report to Congress on compliance by insured depository institutions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of institutions examined during the reporting year, a listing and total number of institutions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

(b) AMENDMENT TO THE FEDERAL CREDIT UNION ACT.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end the following new subsection:

"(e) FLOOD HAZARD INSURANCE COMPLIANCE BY INSURED CREDIT UNIONS REQUIRED.—

"(1) EXAMINATION.—The Board shall, during each examination conducted under this section, determine whether the insured credit union is complying with the requirements of the National Flood Insurance Program.

"(2) REPORT.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994, and biannually thereafter for the next 4 years, the Board shall submit a report to Congress on compliance by insured credit unions with the requirements of the National Flood Insurance Program. The report shall include a description of the methods used to determine compliance, the number of insured credit unions examined during the reporting year, a listing and total number of insured credit unions found to be in noncompliance, actions taken to correct incidents of noncompliance, and an analysis of compliance, including a discussion of any trends, patterns, and problems, and recommendations regarding reasonable actions to improve the efficiency of the examinations processes.".

SEC. 627. PENALTIES AND CORRECTIVE ACTIONS FOR FAILURE TO REQUIRE FLOOD INSURANCE, ESCROW, OR NOTIFY.

Section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a), as amended by sections 622 and 624, is amended by adding at the end the following new subsections:

"(f) CIVIL PENALTIES.—

"(1) IN GENERAL.—A regulated lending institution that is found to have a pattern or practice of violating this section may be assessed a civil penalty by the appropriate Federal entity for lending regulation of not more than $350 for each such violation. A penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record.

"(2) TOTAL AMOUNT.—The total amount of penalties assessed under this subsection against a single regulated lending institution for any calendar year may not exceed $100,000.

"(3) SALES OR TRANSFERS.—The subsequent sale or other transfer of a loan by a regulated lending institution that has committed a violation of this section shall not affect the liability of the transferring institution with respect to any penalty under this subsection. An institution shall not be liable for a violation relating to a loan committed by another institution that previously held the loan.

"(4) 3-YEAR LIMIT.—No penalty may be imposed under this subsection after the expiration of the 3-year period beginning on the date of the occurrence of the violation.

"(g) ADDITIONAL ACTIONS.—If a Federal entity for lending regulation determines—

"(1) that a regulated lending institution has demonstrated a pattern and practice of noncompliance in violation of the regulations issued

pursuant to subsection (b) or subsection (d) or the notice requirements under section 1364 of the National Flood Insurance Act of 1968; and

"(2) that the regulated lending institution has not demonstrated measurable improvement in compliance despite the issuance of penalties under subsection (f);

the agency may require the regulated lending institution to take such remedial actions as are necessary to ensure that the regulated lending institution is in satisfactory compliance with the requirements of the National Flood Insurance Program.".

SEC. 628. FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

Section 1006 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3305) is amended by adding at the end the following new subsection:

"(g) Flood Insurance.—The Council shall consult with and assist the Federal entities for lending regulation, as such term is defined in section 1370(a)(7) of the National Flood Insurance Act of 1968, in developing and coordinating uniform standards and requirements for use by regulated lending institutions under the National Flood Insurance Program.".

SEC. 629. CONFORMING AMENDMENT.

The section heading for section 102 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) is amended to read as follows:

"FLOOD INSURANCE PURCHASE AND COMPLIANCE REQUIREMENTS AND ESCROW ACCOUNTS".

Subtitle C—Ratings and Incentives for Community Floodplain Management Programs

SEC. 631. COMMUNITY RATING SYSTEM AND INCENTIVES FOR COMMUNITY FLOODPLAIN MANAGEMENT.

(a) Requirement for Participation in Flood Insurance Program.—Section 1315 of the National Flood Insurance Act of 1968 (42 U.S.C. 4022) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 1315. STATE AND LOCAL LAND USE CONTROLS.";

(2) by striking "After December" and inserting the following:

"(a) Requirement for Participation in Flood Insurance Program.—After December"; and

(3) by adding at the end the following new subsection:

"(b) Community Rating System and Incentives for Community Floodplain Management.—

"(1) Authority and Goals.—The Director shall carry out a community rating system program to evaluate the measures adopted by communities voluntarily participating in the community rating system, to provide incentives for measures to reduce the risk of flood or erosion damage that exceed the criteria set forth in section 1361, to encourage adoption of more effective measures to protect natural and beneficial floodplain functions, floodplain and erosion management, and to promote the reduction of Federal flood insurance losses.

"(2) Incentives.—The program shall provide incentives in the form of credits on premium rates for flood insurance coverage in communities that the Director determines have adopted and enforced measures to reduce the risk of flood and erosion damage that exceed the criteria set forth in section 1361. In providing incentives under this paragraph, the Director may provide for credits to flood insurance premium rates in communities that the Director determines have—

"(A) implemented measures to protect natural and beneficial floodplain functions; and

"(B) adopted erosion control measures.

"(3) Credits.—The credits on premium rates for flood insurance coverage shall be based on the estimated reduction in flood and erosion damage risks resulting from the measures adopted by the community under this program. If a community has received mitigation assistance under section 1366, the credits shall be phased-in as determined by the Director.".

(b) Reports.—Two years after the date of enactment of this title and biannually thereafter, the Director shall submit a report to the Congress regarding the program under section 1315(a) of the National Flood Insurance Act of 1968. Each report shall include an analysis of the cost-effectiveness and other accomplishments and shortcomings of the program and any recommendations of the Director for legislation regarding the program.

SEC. 632. FUNDING.

Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding after paragraph (5) the following new paragraph:

"(6) for carrying out the program under section 1315(b);".

SEC. 633. REASONABLE FEES.

A lender may charge a borrower a reasonable fee for making a flood insurance determination.

Subtitle D—Mitigation of Flood and Erosion Risks

SEC. 641. MITIGATION ASSISTANCE IN FEDERAL INSURANCE ADMINISTRATION.

Section 1105(a) of the Housing and Urban Development Act of 1968 (42 U.S.C. 4129) is amended—

(1) by striking "(a) There is hereby" and inserting the following:

"(a) Establishment.—There is hereby"; and

(2) by striking subsection (b) and inserting the following:

"(b) Coordination of Mitigation Activities.—The Director shall coordinate all mitigation activities, including the administration of the program for mitigation assistance under section 1367. These activities shall include the development and implementation of various mitigation activities and techniques, the provision of advice and assistance regarding mitigation to States, communities, and individuals, including planning assistance under section 1367(d), coordination with other Federal flood and erosion mitigation efforts, and coordination with State and local governments and public and private agencies and organizations for collection and dissemination of information regarding erosion.".

SEC. 642. AUTHORIZATION OF NATIONAL FLOOD AND EROSION MITIGATION FUNDS UNDER SECTION 1362.

Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by section 625, is amended by adding at the end the following new section:

"SEC. 1366. NATIONAL FLOOD AND EROSION MITIGATION PROGRAM.

"(a) Expenditures.—For flood and erosion mitigation activities authorized under section 1367, the Director may expend from the National Flood Insurance Fund—

"(1) up to $10,000,000 in the fiscal year ending September 30, 1994;

"(2) up to $15,000,000 in the fiscal year ending September 30, 1995;

"(3) up to $20,000,000 in the fiscal year ending September 30, 1996;

"(4) up to $20,000,000 in each fiscal year thereafter; and

"(5) any amounts recaptured under section 1367(i).

"(b) Report.—Not later than 1 year after the date of enactment of the National Flood Insurance Reform Act of 1994 and biannually thereafter, the Director shall submit a report to the Congress describing the status of flood and erosion mitigation activities carried out with funds authorized under this section.".

SEC. 643. STATE AND COMMUNITY MITIGATION ASSISTANCE PROGRAM.

(a) In General.—Chapter III of the National Flood Insurance Act of 1968 (42 U.S.C. 4101 et seq.), as amended by sections 625 and 642, is amended by adding at the end the following new section:

"SEC. 1367. STATE AND COMMUNITY MITIGATION ASSISTANCE.

"(a) Authority.—The Director shall develop and implement a financial assistance program with amounts made available under section 1366 to States and communities for planning and activities designed to reduce the risk of flood and erosion damage to insured structures and to protect natural and beneficial floodplain functions.

"(b) Mitigation Plan Requirement.—To be eligible to receive financial mitigation assistance, a State or community shall develop, and have approved by the Director, a flood and erosion risk mitigation plan (hereafter in this section referred to as a 'mitigation plan'), that is consistent with the criteria established by the Director under section 1361. The mitigation plan shall include a comprehensive strategy for mitigation activities adopted by the State or community following a public hearing.

"(c) Notification of Approval.—Not later than 120 days after the submission of a mitigation plan, the Director shall notify the State or community submitting the plan of the Director's approval or disapproval of the plan. If the Director does not approve a plan, the Director shall notify the State or community in writing of the reasons for such disapproval.

"(d) Planning Assistance.—

"(1) In general.—The Director shall make planning assistance available to States and communities for developing mitigation plans.

"(2) Funding.—From any amounts made available for use under section 1366 of the National Flood Insurance Act of 1968 in any fiscal year, the Director may use not more than $1,500,000 to provide planning assistance grants to States or communities to develop mitigation plans under this subsection.

"(3) Limitations.—

"(A) Timing.—A grant for planning assistance may be awarded to a State or community once every 5 years and each grant may cover a period of 1 to 3 years.

"(B) Amount.—A grant for planning assistance may not exceed—

"(i) $150,000, to any State; or

"(ii) $50,000, to any community.

"(C) Geographic.—Not more than $300,000 may be awarded to any 1 State and all communities located in that State for planning assistance in each fiscal year.

"(e) Eligible Mitigation Activities.—The Director shall determine eligibility for assistance under this section for mitigation activities that shall be technically feasible and cost-effective. These activities may include—

"(1) elevation, relocation, demolition, or floodproofing of structures;

"(2) the construction, repair, or restoration of levees, seawalls, and other structures that reduce the risk of flood damage;

"(3) erosion control measures including beach nourishment;

"(4) acquisition by States and communities of property substantially damaged by flood for public use as the Director determines is consistent with sound land management and use in such area; and

"(5) the provision of technical assistance by States to communities and individuals to conduct eligible mitigation activities.

"(f) LIMITATIONS ON MITIGATION ASSISTANCE.—

"(1) AMOUNT.—The amount of mitigation assistance provided under subsection (e) may not exceed in any 5-year period—

"(A) $10,000,000, to any State; or

"(B) $3,300,000, to any community.

"(2) GEOGRAPHIC.—Not more than $20,000,000 may be awarded to any 1 State and all communities located in that State for mitigation assistance in any 5-year period.

"(g) MATCHING REQUIREMENT.—The Director may provide mitigation assistance to a State or community in an amount not to exceed 3 times the amount that the State or community certifies, as the Director shall require, that the State or community will contribute from other funds to carry out mitigation planning under subsection (d) and eligible activities under subsection (e).

"(h) OVERSIGHT OF MITIGATION PLANS.—The Director shall conduct oversight of recipients of mitigation assistance to ensure that the mitigation assistance is used in compliance with approved plans.

"(i) RECAPTURE.—If the Director determines that a State or community that has received mitigation assistance has not carried out the mitigation activities as set forth in the mitigation plan, the Director shall recapture any unexpended amounts and deposit the amounts in the Fund.

"(j) DEFINITION OF COMMUNITY.—For purposes of this section, the term 'community' means a political subdivision that has zoning and building code jurisdiction over a particular area of special flood hazards, and that is participating in the National Flood Insurance Program.

"(k) PREFERENCES FOR MITIGATION GRANTS TO COMMUNITIES.—

"(1) COST-BENEFIFICIAL PLANS.—In providing mitigation grants to communities under this section, the Director shall give preference to communities with mitigation plans that are the most cost-beneficial to the Flood Insurance Fund.

"(2) ADDITIONAL CRITERIA.—Subject to paragraph (1), the Director will also give preference to communities that—

"(A) have the highest rates of participation by property owners in the Federal flood insurance program;

"(B) have qualified for credits on premium rates under section 1315(b); and

"(C) have experienced repetitive losses that have been most costly to the Fund.".

(b) REGULATIONS.—Not later than 6 months after date of enactment of this title, the Director shall issue regulations implementing section 1367 of the National Flood Insurance Act of 1968, as added by subsection (a).

SEC. 644. REPEAL OF PROGRAM FOR PURCHASE OF CERTAIN INSURED PROPERTIES.

(a) REPEAL.—Section 1362 of the National Flood Insurance Act of 1968 (42 U.S.C. 4103) is repealed.

(b) TRANSITION.—Notwithstanding the repeal under subsection (a), the Director may continue to purchase property under subsections (a) and (b) of section 1362 of the National Flood Insurance Act of 1968, as such section existed immediately before the date of enactment of this title, for a period of 1 year beginning on the date of enactment of this title.

SEC. 645. TERMINATION OF EROSION THREATENED STRUCTURES PROGRAM.

(a) IN GENERAL.—Section 1306 of the National Flood Insurance Act of 1968 (42 U.S.C. 4013) is amended by striking subsection (c).

(b) TRANSITION.—The Director may pay amounts under flood insurance contracts for demolition or relocation of structures as provided in section 1306(c) of the National Flood Insurance Act of 1968 (as in effect immediately before the date of enactment of this title) only during the 1-year period beginning on the date of enactment of this title.

SEC. 646. CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE UNDER THE NATIONAL FLOOD INSURANCE ACT OF 1968.

Section 1302 of the National Flood Insurance Act of 1968 (42 U.S.C. 4001) is amended by striking subsection (g).

Subtitle E—Flood Insurance Task Force

SEC. 651. FLOOD INSURANCE INTERAGENCY TASK FORCE.

(a) ESTABLISHMENT.—There is established an interagency task force to be known as the Flood Insurance Task Force (hereafter in this title referred to as the "Task Force").

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Task Force shall consist of 13 members, who shall be the designees of—

(A) the Director;

(B) the Federal Housing Commissioner;

(C) the Secretary of Veterans Affairs;

(D) the Administrator of the Farmers Home Administration;

(E) the Administrator of the Small Business Administration;

(F) each member of the Federal Financial Institutions Examination Council;

(G) the chairman of the Board of Directors of the Federal Home Loan Mortgage Corporation;

(H) the chairman of the Board of Directors of the Federal National Mortgage Association; and

(I) the chairman of the Federal Agricultural Mortgage Corporation.

(2) QUALIFICATIONS.—Members of the Task Force shall be designated for membership on the Task Force by reason of demonstrated knowledge and competence regarding the National Flood Insurance Program.

(c) DUTIES.—The Task Force shall—

(1) make recommendations to the head of each Federal agency and corporation referred to under subsection (b)(1) regarding the establishment or adoption of standardized enforcement procedures among such agencies and corporations responsible for enforcing compliance with the requirements under the National Flood Insurance Program to ensure the fullest possible compliance with such requirements;

(2) study the extent to which Federal agencies and the secondary mortgage market can provide assistance in ensuring compliance with the requirements under the National Flood Insurance Program;

(3) study the extent to which existing programs of Federal agencies and corporations for compliance with the requirements under the National Flood Insurance Program can serve as a model for other Federal agencies responsible for enforcing compliance, and submit to the Congress a report describing the study and any conclusions;

(4) study—

(A) the extent to which the flood insurance premium rate structure could be revised to—

(i) minimize existing premium rate subsidies;

(ii) reduce or eliminate disaster assistance payments in high-risk erosion areas;

(iii) incorporate premium rate adjustments for erosion hazards; and

(iv) account for catastrophic loss events; and

(B) how changes in the premium rate structure could potentially impact other Federal disaster assistance programs;

(5) propose strategies to establish an actuarial-based premium structure to account for all insurable risks identified under the National Flood Insurance Act of 1968, as amended by this title; and

(6) develop guidelines regarding enforcement and compliance procedures, based on the studies and findings of the Task Force and publishing the guidelines in a usable format.

(d) REPORTS.—Not later than 2 years after the date of enactment of this title, the Task Force shall transmit to the Congress a report describing its studies and any conclusions.

(e) COMPENSATION.—Members of the Task Force shall receive no additional compensation by reason of their service on the Task Force.

(f) CHAIRPERSON.—The Director shall select 1 member to serve as the chairperson of the Task Force (hereafter in this section referred to as the "Chairperson").

(g) MEETINGS AND ACTION.—The Task Force shall meet at the call of the Chairperson or a majority of the members of the Task Force and may take action by a vote of the majority of the members. The Federal Insurance Administrator shall coordinate and call the initial meeting of the Task Force.

(h) OFFICERS.—The Chairperson may appoint officers to carry out the duties of the Task Force under subsection (c).

(i) STAFF OF FEDERAL AGENCIES.—Upon the request of the Chairperson, the head of any of the Federal agencies and corporations referred to in subsection (b)(1) may detail, on a nonreimbursable basis, any of the personnel of the agency to the Task Force to assist the Task Force in carrying out its duties under this title.

(j) POWERS.—In carrying out this section, the Task Force may hold hearings, sit and act at times and places, take testimony, receive evidence and assistance, provide information, and conduct research as the Task Force considers appropriate.

(k) TERMINATION.—The Task Force shall terminate 2 years after the date on which all members of the Task Force have been designated under subsection (b)(1).

Subtitle F—Miscellaneous Provisions

SEC. 661. MAXIMUM FLOOD INSURANCE COVERAGE AMOUNTS.

(a) IN GENERAL.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (1)(A)—

(A) by inserting "and" at the end of clause (i); and

(B) by striking clause (iii);

(2) by striking subparagraph (B) of paragraph (1) and inserting the following new subparagraph:

"(B) in the case of any nonresidential property, including churches—

"(i) $100,000 aggregate liability for each structure; and

"(ii) $100,000 aggregate liability for any contents related to each structure;";

(3) by striking subparagraph (C) of paragraph (1);

(4) in paragraph (2), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount, including the limits specified in clause (i) of paragraph (1)(A), of $250,000 multiplied by the number of dwelling units in the building;";

(5) in paragraph (3), by striking "so as to enable" and all that follows through the end of the paragraph and inserting "up to an amount of $90,000 for any single-family dwelling and $240,000 for any residential structure containing more than one dwelling unit;"; and

(6) by striking paragraph (4) and inserting the following new paragraph:

"(4) in the case of any nonresidential property, including churches, additional flood insurance in excess of the limits specified in clauses (i) and (ii) of paragraph (1)(B) shall be made available to every insured upon renewal and every applicant for insurance up to an amount of $2,400,000 for each structure and $2,400,000 for any contents related to each structure; and".

(b) ACTUARIAL RISK PREMIUMS ON REPETITIVE LOSS STRUCTURES.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended—

(1) in paragraph (5), by striking "and" at the end; and

(2) by striking paragraph (6) and inserting the following new paragraph:

"(6) upon determining that a property is a repetitive loss structure, and after making a payment to the insured under section 1304(e), the Director shall charge the applicable risk premium rate for flood insurance based on consideration of the risk involved and accepted actuarial principles under section 1307(a)(1), except that the Director may not increase the premium rate above the level authorized in paragraph (7); and".

(c) Annual 10-Percent Premium Rate Increase Cap.—Section 1306(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)) is amended by adding at the end the following:

"(7) the Director may not increase the premium rate applied to a structure in any 12-month period by more than 10 percent over the rate previously applied to that structure during the preceding 12-month period.".

(d) Conforming Amendments.—Section 1306(b)(5) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(b)(5)) is amended—

(1) by striking "(A), (B), or (C)" and inserting "(A) or (B)"; and

(2) by striking "(1)(C),".

SEC. 662. ADDITIONAL COVERAGE FOR COMPLIANCE WITH LAND USE AND CONTROL MEASURES.-

(a) In General.—Section 1304 of the National Flood Insurance Act of 1968 (42 U.S.C. 4011) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) The national flood insurance program established pursuant to subsection (a) shall enable the purchase of insurance to cover the cost of compliance with land use and control measures for—

"(1) properties that are repetitive loss structures;

"(2) properties that have flood damage in which the cost of repairs equals or exceeds 50 percent of the value of the structure at the time of the flood event; and

"(3) properties that have sustained flood damage on multiple occasions, if the Director determines that it is cost-effective and in the best interests of the National Flood Insurance Fund to require compliance with the land use and control measures.

The Director shall impose a surcharge on each insured of not more than $50 per policy to provide cost of compliance coverage in accordance with the provisions of this subsection.".

(b) Applicability.—The provisions of subsection (a) shall apply only to structures that sustain flood-related damage after the date of enactment of this title.

SEC. 663. FLOOD INSURANCE PROGRAM ARRANGEMENTS WITH PRIVATE INSURANCE ENTITIES.

Section 1345(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4081(b)) is amended by striking the period at the end and inserting the following: "and without regard to the provisions of the Federal Advisory Committee Act.".

SEC. 664. UPDATING OF FLOOD INSURANCE RATE MAPS.

Section 1360 of the National Flood Insurance Act of 1968 (42 U.S.C. 4101) is amended by adding at the end the following new subsections:

"(e) Assessment of Need To Update Areas.—

"(1) Periodic assessments.—Not less than once during each 5-year period (the first such period beginning on the date of enactment of the National Flood Insurance Reform Act of 1994), or more often as the Director determines necessary, the Director shall assess the need to revise and update each flood insurance rate map, based on an analysis of all natural hazards affecting flood risks.

"(2) Upon request.—Upon the request of a State or community stating that a flood insurance rate map needs revision or updating, the Director shall review and update the flood insurance rate map for the State or community. The Director may require the State or community to pay a portion of the cost of updating the map.

"(f) Availability.—To promote compliance with the requirements of this title, the Director shall make flood insurance rate maps and related information available free of charge to Federal agencies and to State agencies directly responsible for coordinating the National Flood Insurance Program and to appropriate representatives of communities participating in the National Flood Insurance Program, and at a reasonable cost to all other persons pursuant to section 1310.

"(g) Notification.—The Director shall publish in the Federal Register or by other comparable method, notice of each revision to or update of a flood insurance rate map, issued in the form of a Letter of Map Amendment or Letter of Map Revision. Each map revision or update shall become effective upon publication. Such comparable methods shall include all pertinent information, provide for regular and frequent distribution, and be at least as accessible to map users as the Federal Register. Notices published in the Federal Register, or otherwise, shall also include information on how to obtain copies of the revisions or updates.

"(h) Availability.—On March 1 and October 1 of each year, the Director shall publish separately and make available in their entirety within a compendium, all revisions to and updates of flood insurance rate maps and all Letters of Map Amendment and Letters of Map Revision that were published in the Federal Register or distributed through other comparable methods during the preceding 6 months, free of charge, to Federal agencies, States, and communities participating in the National Flood Insurance Program pursuant to section 1310 and at cost to all other persons.".

SEC. 665. EVALUATION OF EROSION HAZARDS.

(a) In General.—As soon as practicable and not later than 2 years after the date of enactment of this Act, the Director shall submit to Congress a report—

(1) listing all communities that are likely to be identified as having an erosion hazard areas;

(2) estimating the amount of flood insurance claims attributable to erosion;

(3) assessing the full economic impact of erosion on the National Flood Insurance Fund;

(4) measuring the costs and benefits of expenditures necessary from the National Flood Insurance Fund to complete mapping of erosion hazard areas.

(b) Authorization To Map Erosion Hazard Areas.—In developing an estimate of the amount of flood insurance claims attributable to erosion pursuant to subsection (a), the Director is authorized to map a statistically valid and representative number of communities with erosion hazard areas throughout the United States, including coastal, Great Lakes and riverine areas.

(c) Economic Impact Study.—The report required under subsection (a)—

(1) shall assess the economic impact of—

(A) erosion on communities likely to be identified as having erosion hazard areas; and

(B) the denial of flood insurance and the establishment of actuarial rates in communities likely to be identified as having erosion hazard areas;

(2) shall be prepared by an independent private sector firm;

(3) provide for consultation with a statistically valid and representative number of communities likely to be identified as having erosion hazard areas; and

(4) address all significant economic factors, including the impact on—

(A) the value of residential and commercial properties in communities with erosion hazards;

(B) community tax revenues due to potential changes in property values or commercial activity;

(C) employment, including the potential loss or gain of existing and new jobs in the community;

(D) existing businesses and future economic development; and

(E) the estimated cost of Federal and State disaster assistance to flood victims.

(d) Cost and Benefits of Mapping.—The report required under subsection (a), shall—

(1) measure the costs and benefits of mapping erosion hazard areas based upon the Director's estimate of the actual and prospective amount of flood insurance claims attributable to erosion. If the Director determines that the savings to the National Flood Insurance Fund will exceed the cost of mapping erosion hazard areas, the Director shall assess whether the expenditures to map erosion hazard areas is the most cost-beneficial use of flood insurance premiums in light of alternative uses of those funds, including—

(A) funding the mitigation assistance program under section 1367 of the National Flood Insurance Act of 1968 (as added by section 643 of this Act);

(B) funding additional coverage for compliance with land use and control measures under section 1304(b) of the National Flood Insurance Act of 1968 (as added by section 662 of this Act); and

(C) revising and updating flood insurance rate maps under section 1360(e) of the National Flood Insurance Act of 1968 (as added by section 664 of this Act).

(2) measure the costs and benefits of mapping erosion, other than those directly related to the financial condition of the National Flood Insurance Program, and the cost of not mapping erosion.

(e) Definition.—For purposes of this section the term "erosion hazard area" means, based on erosion rate information and other historical data available, an area where erosion or avulsion is likely to result in damage to or loss of buildings and infrasturcture within a 60-year period.

(f) Authorization of Appropriation.—There are authorized to be appropriated to the Director $5,000,000 to carry out this section.

SEC. 666. COORDINATION OF FLOOD INSURANCE RATE MAP REVISIONS AND UPDATES WITH COASTAL ZONE MANAGEMENT PROGRAMS.

In General.—In the implementation of revisions to and updates of flood insurance rate maps, the Director shall consult and share information with the Under Secretary of Commerce for Oceans and Atmosphere and representatives from State coastal zone management programs.

SEC. 667. TECHNICAL MAPPING ADVISORY COUNCIL.

(a) Establishment.—There is established a council to be known as the Technical Mapping Advisory Council (hereafter in this section referred to as the "Council").

(b) Membership.—

(1) In general.—The Council shall consist of the Director, or the Director's designee, and 12 additional members to be appointed by the Director or his designee, and shall include—

(A) the Under Secretary of Commerce for Oceans and Atmosphere (or his or her designee);

(B) a member of recognized surveying and mapping professional associations and organizations;

(C) a member of recognized professional engineering associations and organizations;

(D) a member of recognized professional associations or organizations representing flood hazard determination firms;

(E) a representative of the United States Geologic Survey;

(F) a representative of State geologic survey programs;

(G) a representative of State national flood insurance coordination offices;

(H) a representative of the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation; and

(I) a representative of a regulated lending institution.

(2) QUALIFICATIONS.—Members of the Council shall be appointed based on their demonstrated knowledge and competence regarding surveying, cartography, remote sensing, geographic information systems, or the technical aspects of preparing and using flood insurance rate maps.

(c) DUTIES.—The Council shall—

(1) make recommendations to the Director on how to improve in a cost-effective manner the accuracy, general quality, ease of use, and distribution and dissemination of flood insurance rate maps;

(2) recommend to the Director mapping standards and guidelines for flood insurance rate maps; and

(3) transmit an annual report to the Director describing—

(A) the activities of the Council;

(B) an evaluation of the status and performance of flood insurance rate maps and mapping activities to revise and update flood insurance rate maps, as established by the amendments made under section 664; and

(C) a summary of recommendations made by the Council to the Director.

(d) CHAIRPERSON.—The members of the Council shall elect 1 member to serve as the chairperson of the Council (hereafter in this section referred to as the "Chairperson").

(e) COORDINATION.—To ensure that the Council's recommendations are consistent to the maximum extent practicable with national digital spatial data collection and management standards, the Chairperson shall consult with the Chairperson of the Federal Geographic Data Committee (established pursuant to OMB Circular A-16).

(f) COMPENSATION.—Members of the Council shall receive no additional compensation by reason of their service on the Council.

(g) MEETINGS AND ACTIONS.—

(1) IN GENERAL.—The Council shall meet not less than twice each year at the request of the Chairperson or a majority of its members and may take action by a vote of the majority of the members.

(2) INITIAL MEETING.—The Director, or a person designated by the Director, shall request and coordinate the initial meeting of the Council.

(h) OFFICERS.—The Chairperson may appoint officers to assist in carrying out the duties of the Council under subsection (c).

(i) STAFF OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY.—Upon the request of the Chairperson, the Director may detail, on a nonreimbursable basis, personnel of the Federal Emergency Management Agency to assist the Council in carrying out its duties.

(j) POWERS.—In carrying out this section, the Council may hold hearings, receive evidence and assistance, provide information, and conduct research as it considers appropriate.

(k) TERMINATION.—The Council shall terminate 5 years after the date on which all members of the Council have been appointed under subsection (b)(1).

SEC. 668. FUNDING FOR INCREASED ADMINISTRATIVE AND OPERATIONAL RESPONSIBILITIES.

(a) AVAILABILITY OF FUND.—Section 1310(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(a)), as amended by section 632, is amended in the matter preceding paragraph (1), by inserting "(except as otherwise provided)" after "without fiscal year limitation".

(b) CREDITS OF FUND.—Section 1310(b) of the National Flood Insurance Act of 1968 (42 U.S.C. 4017(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) by redesignating paragraph (6) as paragraph (7); and

(3) by inserting after paragraph (5) the following new paragraph:

"(6) any penalties collected under section 102(f) of the Flood Disaster Protection Act of 1973; and".

SEC. 669. SEPARATE ACCOUNT FOR NATIONAL FLOOD INSURANCE FUND.

Section 1310(a) of the National Flood Insurance Act (42 U.S.C. 4017(a)) is amended by inserting before "which shall be available" the following: "which shall be maintained in the Treasury as an account separate from any other funds available to the Director, and".

SEC. 670. NONWAIVER OF FLOOD PURCHASE REQUIREMENT FOR RECIPIENTS OF FEDERAL DISASTER ASSISTANCE.

Section 311(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5154(b)) is amended by adding at the end the following: "The requirements of this subsection may not be waived under section 301.".

SEC. 671. INSURANCE WAITING PERIOD.

Section 1308 of the National Flood Insurance Act of 1968 (42 U.S.C. 4014) is amended by adding at the end the following new subsection:

"(e)(1) The Director shall establish a waiting period of not less than 10 days from the presentment of payment of a premium for the initial purchase of flood insurance under this title. Flood insurance coverage shall not be available with respect to any claim for damage incurred during such waiting period.

"(2) This subsection shall not apply to the initial purchase of flood insurance under this title when the purchase of insurance is in connection with the making, increasing, extension, or renewal of a loan.".

SEC. 672. AGRICULTURAL STRUCTURES.

Section 1361 of the National Flood Insurance Act of 1968 (42 U.S.C. 4102) is amended by adding at the end the following new subsection:

"(d) AGRICULTURAL STRUCTURES.—

"(1) EXEMPTION FROM FLOODWAY ACTIVITY RESTRICTIONS.—Notwithstanding any other provision of law, the adequate land use and control measures adopted in an area (or subdivision thereof) pursuant to section 1315(a) may provide, at the discretion of the appropriate State or local authority, for the repair and restoration to pre-damaged conditions of an agricultural structure that—

"(A) is a repetitive loss structure; or

"(B) has incurred flood-related damage to the extent that the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

"(2) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'agricultural structure' means any structure used exclusively in connection with the production, harvesting, storage, raising, or drying of agricultural commodities; and

"(B) the term 'agricultural commodities' means agricultural commodities and livestock.".

SEC. 673. IMPLEMENTATION REVIEW BY THE DIRECTOR.

Section 1320 of the National Flood Insurance Act of 1968 (42 U.S.C. 4027) is amended—

(1) by striking "The Director" and inserting "(a) IN GENERAL.—The Director"; and

(2) by adding at the end the following new subsection:

"(b) EFFECTS OF FLOOD INSURANCE PROGRAM.—The Director shall include, as part of the biennial report submitted under subsection (a), a chapter reporting on the effects on the flood insurance program observed through implementation of requirements under the National Flood Insurance Reform Act of 1994.".

SEC. 674. REGULATIONS.

The Director and the head of any appropriate Federal agency may each issue any regulations necessary to carry out the applicable provisions of this title and the applicable amendments made by this title.

SEC. 675. PROHIBITED FLOOD DISASTER ASSISTANCE.

(a) GENERAL PROHIBITION.—Notwithstanding any other provision of law, no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and subsequently having failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

(b) AMENDMENT TO THE FLOOD DISASTER PROTECTION ACT OF 1973.—Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a(a)) is amended—

(1) by striking ", during the anticipated economic or useful life of the project,"; and

(2) by adding at the end the following: "The requirement of maintaining flood insurance shall apply during the life of the property, regardless of transfer of ownership of such property.".

(c) DEFINITION.—For purposes of this section, the term "flood disaster area" means an area with respect to which—

(1) the Secretary of Agriculture finds, or has found, to have been substantially affected by a natural disaster in the United States pursuant to section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)); or

(2) the President declares, or has declared, the existence of a major disaster or emergency pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), as a result of flood conditions existing in or affecting that area.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared after the date of enactment of the National Flood Insurance Reform Act of 1994.

TITLE VII—GENERAL PROVISIONS

SEC. 701. STUDY OF EFFECT OF THE NORTHERN SPOTTED OWL ON SMALL BUSINESS CONCERNS.

(a) DEFINITIONS.—For purposes of this section—

(1) the term "Administrator" means the Administrator of the Small Business Administration; and

(2) the term "small business concerns" has the same meaning as in section 3 of the Small Business Act.

(b) BUSINESS STUDY.—The Administrator in consultation with the Secretary of the Interior shall conduct a study that analyzes—

(1) the nature and extent of economic losses to small business concerns in the forest products industry that have occurred as a result of the

designation of the Northern spotted owl as a threatened species pursuant to section 4 of the Endangered Species Act of 1973, or that are reasonably likely to occur in the future;

(2) the ability of small business concerns to recoup the fair market value of equipment and other property employed in the harvest and processing of timber prior to the listing of the Northern spotted owl as a threatened species; and

(3) the ability of small business concerns in the affected area to offer alternative products or services for which there is a ready or likely suitable market.

(c) REPORT.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this section, the Administrator and the Secretary of the Interior shall submit a report of the results of the study conducted under subsection (c) to the President and to the relevant committees of the Senate and the House of Representatives.

(2) OPTIONS.—The report shall include options for Congress and the President for compensating small business concerns for economic losses and for promoting business transition and diversification.

(3) CONSULTATION.—In preparing the report, the Administrator and the Secretary of the Interior shall consult with small business concerns in the forest products industry, and shall solicit comments from the public.

SEC. 702. NEGATIVE INFORMATION ABOUT CONSUMER.

Section 609(a) of the Fair Credit Reporting Act (15 U.S.C. 1681g(a)) is amended by adding after paragraph (3) the following:

"(4) The dates, original payees, and amounts of any checks upon which is based any negative information about the consumer included in the file at the time of the disclosure.".

SEC. 703. UNITED NATIONS RESOLUTIONS CONCERNING JERUSALEM.

(a) FINDINGS.—The Congress finds that—

(1) for three thousand years Jerusalem has been the focal point of jewish religious devotion;

(2) Jerusalem is also considered a holy city by the members of other religious faiths;

(3) the once thriving Jewish community of the historic Old City of Jerusalem was driven out by force during the 1948 Arab-Israeli War;

(4) from 1948 to 1967, Jerusalem was a divided city and Israeli citizens of all faiths as well as Jewish citizens of all states were denied access to holy sites in the area controlled by Jordan;

(5) in 1967, Jerusalem was reunited during the conflict known as the Six Day War;

(6) since 1967, Jerusalem has been a united city administered by Israel and persons of all religious faiths have been guaranteed full access to holy sites within the city;

(7) in 1990, the United States Senate and House of Representatives overwhelmingly adopted Senate Concurrent Resolution 106 and House Concurrent Resolution 290 declaring that Jerusalem, the capital of Israel, "must remain an undivided city";

(8) the Vice President has stated the Administration's intention not to "forget the meaning of Jerusalem";

(9) the Secretary of State recently reiterated United States opposition to attempts in the United Nations to refer to Jerusalem as "occupied territory";

(10) it is reported that the United Nations Security Council may consider a resolution condemning the Hebron massacre but which also refers to Jerusalem as "occupied" territory.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of the Congress that—

(1) the Administration should be commended for its efforts not to "forget the meaning of Jerusalem" and to oppose attempts in the United Nations to refer to Jerusalem as "occupied" territory;

(2) sacrificing core principles for short term objectives will ultimately retard, not advance, the peace process;

(3) the United States should exercise its veto in the United Nations Security Council on any Security Council resolution that states or implies that Jerusalem is "occupied" territory.

SEC. 704. AMENDMENT TO THE FEDERAL RESERVE ACT.

SECTION 11.—Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by inserting at the end thereof the following new subsection:

"(p) AUTHORITY.—The Board of Governors of the Federal Reserve System and the Federal Open Market Committee may each act in the Board's or the Committee's own name and through the Board's or the Committee's own attorneys in enforcing any provision of this title, regulations thereunder, or any other law or regulation, or in any action, suit, or proceeding to which the Board of Governors of the Federal Reserve System or the Federal Open Market Committee is a party.".

SEC. 705. OVERSIGHT HEARINGS.

It is the sense of the Senate that—

(a) Congress has a constitutional obligation to conduct oversight of matters relating to the operations of the Government, including matters related to any governmental investigations which may, from time to time, be undertaken.

(b) the Majority Leader and the Republican Leader should meet and determine the appropriate timetable, procedures, and forum for appropriate Congressional oversight, including hearings on all matters related to "Madison Guaranty Savings and Loan Association ('MGS&L'), Whitewater Development Corporation and Capital Management Services Inc. ('CMS').".

(c) no witness called to testify at these hearings shall be granted immunity under sections 6002 and 6005 of title 18, United States Code, over the objection of Special Counsel Robert B. Fiske, Jr.

(d) the hearings should be structured and sequenced in such a manner that in the judgment of the Leaders they would not interfere with the ongoing investigation of Special Counsel Robert B. Fiske, Jr.

SEC. 706. INSURANCE TRANSFER AGREEMENT.

(a) SENSE OF SENATE.—It is the sense of the Senate that no insurer shall enter into a transfer agreement or transfer a contract of insurance pursuant to a transfer agreement unless the transferring insurer has first provided or caused to be provided to each policyholder of the insurer affected by the agreement a notice of the intent of the insurer to transfer the contract of insurance held by such policyholder.

(b) FORM OF NOTICE.—The notice shall be sent by first-class mail, addressed to the last known address of the policyholder or to the address to which premium notices or other policy documents are sent or, with respect to home service business, by personal delivery with acknowledged receipt. A notice of intent to transfer shall also be sent to the transferring insurer's agent or broker of record on the affected policy.

(c) CONTENT OF NOTICE.—The notice required by subsection (a) shall state or provide—

(1) the date the intended transfer and novation of the contract of insurance of the policyholder is proposed to take place and become effective;

(2) the name, address, and telephone number of the transferring insurer and the assuming insurer under the proposed transfer agreement;

(3) that the transfer and novation of the insurance contract of the policyholder cannot take effect without the written consent of the policyholder, except as provided in section 5 of this Act;

(4) the procedures and any time limitation for consenting to the transfer and novation;

(5) a summary informing the policyholder regarding any adverse effect that the policyholder might experience as a result of consenting to the transfer and novation;

(6) a statement that, without the written consent of the policyholder, the transferring insurer will remain as the insurance company of the policyholder or beneficiary, except as provided in section 5 of this Act;

(7) a statement that the assuming insurer is licensed to write the type of business being transferred in the State where the policyholder resides, or is otherwise authorized, under applicable law, to assume such business;

(8) the name, address, and telephone number of the person designated by the transferring insurer as the person for receiving the written consent of the policyholder affected by the proposed transfer and novation;

(9) the address and telephone number of the chief insurance regulatory official of the State in which the policyholder resides;

(10) financial data for the transferring insurer and the assuming insurer involved in the proposed transfer agreement, including—

(A)(i) the ratings, together with enough information to understand where the ratings fall within the range of rating categories of each rating agency, for the last 5 years, if available, or if not available for 5 years, for such lesser period as is available, from each nationally recognized insurance company rating organization that has rated the insurer, including an explanation of the meaning of each rating category of each rating organization;

(ii) if ratings are unavailable for any year of the 5-year period, a disclosure of this fact; and

(iii) a statement that any or all of the above insurance company rating organization reports may be obtained at no cost by writing or calling an address or phone number listed in the statement;

(B) a balance sheet as of December 31 for each of the 3 years immediately preceding the notice, if available, or for such lesser period as is available, and as of the date of the most recent quarterly statement;

(C) a copy of the Management's Discussion and Analysis that was filed as a supplement to the annual statement of the preceding year; and

(D) an explanation of the reason for the proposed transfer signed by the highest executive official of the transferring insurer and the assuming insurer;

(11) a statement setting forth the financial condition of the transferring insurer and of the assuming insurer under the proposed transfer agreement, and the effect the transaction will have on the financial condition of each such insurer;

(12) an opinion by a disinterested third-party expert, such as an actuary, finding that the transfer is fair and in the best interests of the policyholders affected by the transfer, and a statement that the report on which the opinion is based is available at no cost by writing or calling an address and phone number listed in the statement.

MESSAGES FROM THE HOUSE

At 1:10 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the bill (S. 636) to amend the Public Health Service Act to permit individuals to have freedom of access to certain medical clinics and facilities, and for other purposes; with amendments; it insists upon its amendments to the bill; asks for a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as conferees on the part of the House:

From the Committee on the Judiciary: Mr. BROOKS, Mr. SCHUMER, Mr. EDWARDS of California, Mr. CONYERS, Mrs. SCHROEDER, Mr. SENSENBRENNER, Mr. HYDE, and Mr. CANADY;

From the Committee on Energy and Commerce: Mr. DINGELL, Mr. WAXMAN, Mr. SYNAR, Mr. MOOREHEAD, and Mr. BLILEY.

The message also announced that pursuant to the provisions of 22 U.S.C. 276a–1, the Speaker appoints to the delegation to attend the conference of the Interparliamentary Union to be held at Paris, France, from March 20, 1994, to March 26, 1994, the following Members on the part of the House: Mr. HILLIARD, Mr. THOMPSON of Mississippi, and Mr. DORNAN.

The message further announced that pursuant to the provisions of 22 U.S.C. 276a–1, the Speaker appoints to the delegation to attend the conference of the Interparliamentary Union to be held in Paris, France, from March 20, 1994, to March 26, 1994, the following Members on the part of the House: Mr. ENGEL, chairman, Mr. FALEOMAVAEGA, vice chairman, Mr. PAYNE of New Jersey, Mr. TANNER, and Miss COLLINS of Michigan.

The message also announced that pursuant to the provisions of 22 U.S.C. 276h, the Speaker appoints as members of the United States delegation of the Mexico-United States Interparliamentary Group for the second session of the One Hundred Third Congress the following Members on the part of the House: Mr. DE LA GARZA, chairman, Mr. TORRICELLI, vice chairman, Mr. GEJDENSON, Mr. COLEMAN, Mr. MILLER of California, Mr. RANGEL, Mr. MATSUI, Mr. GILMAN, Mr. GOODLING, Mr. DREIER, Mr. KOLBE, and Mr. DELAY.

REPORTS OF COMMITTEES

Under the authority of the order of the Senate of March 17, 1994, the following reports of committees were submitted on March 18, 1994:

By Mr. SASSER, from the Committee on the Budget, without amendment:

S. Con. Res. 63: An original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1995, 1996, 1997, 1998, and 1999 (Rept. No. 103–238).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FORD:

S. 1953. A bill to amend the Flood Control Act of 1968 to prohibit the imposition of certain fees for the use of developed recreation sites and facilities, and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FORD:

S. 1953. A bill to amend the Flood Control Act of 1968 to prohibit the imposition of certain fees for the use of developed recreation sites and facilities, and for other purposes; to the Committee on Environment and Public Works.

FLOOD CONTROL ACT OF 1968 AMENDMENT ACT OF 1994

Mr. FORD. Mr. President, today I am introducing a bill prohibiting the Corps of Engineers from charging user fees at underdeveloped or lightly developed lake facilities in Kentucky and other States. The corps now charges user fees at highly developed facilities requiring round-the-clock maintenance and supervision of corps personnel. Clearly, user fees are proper in these situations.

But beginning in May of this year, the corps proposes to establish user fees for beaches, boat ramps, and other unmaintained facilities that are currently free of charge. For many hard-working families in my State, you may as well put up "closed for the season" signs. All across my State—and I am sure my colleagues' own States—there are families who put in a hard day's work, pay their bills, put a roof over the family's head and food on the table. Once they have done all that, there is not much left in the family budget for an expensive vacation.

Because States understood there was a need for easily accessible, affordable places for families to vacation, they gave up land so that many of these corps-maintained lakes could be built. I think all would agree that the citizens whose tax dollars built those facilities and whose tax dollars maintain these facilities should be able to use these facilities.

Mr. President, my legislation will assure the park gates will not be closed for any tourist, regardless how big or how small their vacation budget might be.

I might say, the distinguished Congressman from the First District in Kentucky has filed a companion bill in the House, and I hope my colleagues will join me.

I send the bill to the desk and ask that it be appropriately referred. I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. WALLOP. Mr. President, I will say to my friend from Kentucky that I have not seen the bill, but I am inclined to be on it with him. I see all over the place signs that we are going to start charging for unimproved access to various recreation forests, national recreation areas, and other kinds of things.

I hope that it puts in the back of his mind a little bit the thought as to what it is to deal with unimproved facilities and that he has a gentle thought at grazers as the vote comes down.

Mr. FORD. Mr. President, without the Senator losing his right to the floor, I do have a general thought. It just seems as if they were charged 70 percent, and it would be to maintain it. Where you have unmaintained boat ramps, picnic areas, $2 to take your boat to put it in the water, $1 to take your family, each person, or so much per carload to go in, it seems to me, as we say down in Kentucky, it is too much sugar for the sand.

Mr. WALLOP. Mr. President, I say to the Senator, I agree with him. We are seeing signs of it all over our State. I am seeing signs of it in various published statements around and about. I think it is time for Congress to speak to it.

It is well and good to spend money on improving things and providing people with something for the value which they are being asked to pony up. However, if there is no value at all, it seems genuinely unfair to ask people to pay for that.

ADDITIONAL COSPONSORS

S. 208

At the request of Mr. BUMPERS, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 208, a bill to reform the concessions policies of the National Park Service, and for other purposes.

S. 1075

At the request of Mr. WARNER, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1075, a bill to designate the Federal building in Fredericksburg, Virginia, as the "Samuel E. Perry Postal Building", and for other purposes.

S. 1142

At the request of Mr. HARKIN, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1142, a bill to improve counseling services for elementary school children.

S. 1485

At the request of Mr. DECONCINI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1485, a bill to extend certain satellite carrier compulsory licenses, and for other purposes.

S. 1806

At the request of Mr. NICKLES, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1806, a bill to rescind the fee required for the use of public recreation areas at lakes and reservoirs under the jurisdiction of the Army Corps of Engineers, and for other purposes.

S. 1907

At the request of Mr. ROCKEFELLER, the name of the Senator from Min-

nesota [Mr. WELLSTONE] was added as a cosponsor of S. 1907, a bill to require that the Department of Veterans Affairs adjudicate and resolve certain claims relating to medical malpractice in the health care services provided by the Department.

AMENDMENTS SUBMITTED

MARINE MAMMAL PROTECTION ACT

KERRY (AND STEVENS) AMENDMENT NO. 1550

Mr. JOHNSTON (for Mr. KERRY for himself and Mr. STEVENS) proposed an amendment to amendment No. 1550 proposed by Mr. KERRY to the bill (S. 1636) to authorize appropriations for the Marine Mammal Protection Act of 1972 to improve the program to reduce the incidental taking of marine mammals during the course of commercial fishing operations, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Mammal Protection Act Amendments of 1994".

SEC. 2. PURPOSES.

The purposes of this Act are to—

(1) authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for the fiscal years 1994 through 1999;

(2) ensure that the incidental mortality and serious injury of marine mammals in commercial fisheries does not cause any species or stock of marine mammals to be reduced to or maintained at, for significant periods of time, a level that is below the lower limit of its optimum sustainable that is below the lower limit of its optimum sustainable population range;

(3) prohibit intentional killing of marine mammals during commercial fishing;

(4) improve efforts to identify and address the most significant problems involving incidental mortality and serious injury of marine mammals in commercial fishing operations, considering the population size and status of the affected marine mammal stocks and the numbers of marine mammals that are incidentally killed or injured in commercial fisheries;

(5) ensure that the procedure for authorizing the incidental taking of marine mammals in commercial fisheries is consistent with the long-term objective of identifying and taking such steps as may be practicable to reduce incidental mortality and serious injury from commercial fishing operations to insignificant rates approaching zero; and

(6) continue cost-effective programs for reliably monitoring (A) the levels of incidental mortality and serious injury of marine mammals in commercial fisheries and (B) the size and current population trends of the affected marine mammal stocks.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) DEPARTMENT OF COMMERCE.—Section 7(a) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes, approved October 9, 1981 (16 U.S.C. 1384(a)), is amended to read as follows:

"(a) DEPARTMENT OF COMMERCE.—(1) There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972 (other than sections 117 and 118 of that Act), $12,138,000 for fiscal year 1994, $12,623,000 for fiscal year 1995, $13,128,000 for fiscal year 1996, $13,653,000 for fiscal year 1997, $14,200,000 for fiscal year 1998, and $14,768,000 for fiscal year 1999.

"(2) There are authorized to be appropriated to the Department of Commerce, for purposes of carrying out sections 117 and 118 of the Marine Mammal Protection Act of 1972, $15,000,000 for each of the fiscal years 1994 through 1999.".

(b) DEPARTMENT OF THE INTERIOR.—Section 7(b) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1384(b)), is amended to read as follows:

"(b) DEPARTMENT OF THE INTERIOR.—There are authorized to be appropriated to the Department of the Interior, for purposes of carrying out such functions and responsibilities as it may have been given under title I of the Marine Mammal Protection Act of 1972, $8,000,000 for fiscal year 1994, $8,600,000 for fiscal year 1995, $9,000,000 for fiscal year 1996, $9,400,000 for fiscal year 1997, $9,900,000 for fiscal year 1998, and $10,296,000 for fiscal year 1999.".

"(c) MARINE MAMMAL COMMISSION.—Section 7(c) of the Act entitled "An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes", approved October 9, 1981 (16 U.S.C. 1407), is amended to read as follows:

"(c) MARINE MAMMAL COMMISSION.—There are authorized to be appropriated to the Marine Mammal Commission, for purposes of carrying out such functions and responsibilities as it may have been given under title II of the Marine Mammal Protection Act of 1972, $1,350,000 for fiscal year 1994, $1,400,000 for fiscal year 1995, $1,450,000 for fiscal year 1996, $1,500,000 for fiscal year 1997, $1,500,000 for fiscal year 1998, and $1,600,000 for fiscal year 1999.".

SEC. 4. MORATORIUM AND EXCEPTIONS.

(A) IN GENERAL.—The introductory matter of section 101(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)) is amended—

(1) by inserting ", harassment," immediately before "and importation"; and

(2) by inserting "or harassment" immediately after "for the taking".

(b) PERMITS FOR RESEARCH, DISPLAY, ENHANCING SURVIVAL OR RECOVERY.—Section 101(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(1)) is amended to read as follows:

"(1) Consistent with the provisions of section 104, permits may be issued by the Secretary for the taking, harassment, and importation of marine mammals for purposes of scientific research, public display, or enhancing the survival or recovery of a species or stock. Such permits may be issued if the taking, harassment, or importation proposed to be made is first reviewed by the Marine Mammal Commission and the Committee of Scientific Advisors on Marine Mammals established under title II. The Commission and the Committee shall recommend any proposed taking, harassment, or importation which is consistent with the purpose and policies of section 2. The Secretary shall, if the Secretary grants approval for importation, issue to the importer concerned a certificate to that effect which shall be in such form as the Secretary of the Treasury prescribes and such importation may be made upon presentation of the certificate to the customs officer concerned.".

(c) AUTHORIZATION FOR INCIDENTAL TAKING DURING COMMERCIAL FISHERIES.—The first sentence of section 101(a)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(2)) is amended by inserting immediately before the period at the end the following: ", or in lieu of such permits, authorizations may be granted therefor under section 118, subject to regulations prescribed under that section by the Secretary without regard to section 103.".

(d) TAKING OR IMPORTATION FROM DEPLETED STOCKS.—(1) Section 101(a)(3)(A) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(3)(A)) is amended by inserting ", except as provided in paragraph (6)," after "that" in the second proviso.

(2) Section 101(a)(3)(B) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(3)(B)) is amended by inserting ", or as provided for under paragraph (5) of this subsection," immediately after "subsection,".

(e) AUTHORIZATION FOR HARASSMENT OF SMALL NUMBERS OF MARINE MAMMALS.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)) is amended—

(1) in subparagraph (A), by inserting "or harassment" immediately after "taking" each place it appears; and

(2) by adding at the end the following new subparagraph:

"(D)(i) Upon request therefor by citizens of the United States who engage in a specified activity (other than commercial fishing) within a specific geographic region, the Secretary shall authorize, for periods of not more than one year, subject to such conditions as the Secretary may specify, the incidental, but not intentional, harassment of small numbers of marine mammals of a species or population stock by such citizens while engaging in that activity within that region if the Secretary finds that such harassment during each period concerned—

"(I) will have a negligible impact on such species or stock; and

"(II) will not have an unmitigable adverse impact on the availability of such species or stock for taking for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120.

"(ii) The authorization for such activity shall prescribe, where applicable—

"(I) permissible methods of taking pursuant to such activity, and other means of effecting the least practicable impact on such species or stock and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of such species or stock for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120;

"(II) the measures that the Secretary determines are necessary to ensure no unmitigable adverse impact on the availability of the species or stock for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to cooperative agreement under section 120; and

"(III) requirements pertaining to the monitoring and reporting of such taking, including requirements for the independent peer review of proposed monitoring plans or other research proposals where the proposed activity may affect the availability of a species or stock for taking for subsistence uses pursuant to subsection (b), or section 109(f), or pursuant to a cooperative agreement under section 120.

"(iii) The Secretary shall publish a proposed authorization not later than 45 days after receiving an application under this subparagraph and request public comment through notice in the Federal Register, newspapers of general circulation, and appropriate electronic media and to all locally affected communities for a period of 30 days after publication. Not later than 45 days after the close of the public comment period, if the Secretary makes the findings set forth in clause (i), the Secretary shall issue an authorization with appropriate conditions to meet the requirements of clause (ii).

"(iv) The Secretary shall modify, suspend, or revoke an authorization if the Secretary finds that the provisions of clauses (i) and (ii) are not being met.

"(v) A person conducting an activity for which an authorization has been granted under this subparagraph shall not be subject to the penalties of this Act for harassment that occurs in compliance with such authorization."

(f) PERMITS CONCERNING ENDANGERED OR THREATENED MARINE MAMMAL STOCKS.—Section 101(a)(5) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)(5)), as amended by this Act, is further amended by adding at the end the following new subparagraph:

"(E)(i) During any period of three consecutive years, the Secretary shall allow the incidental, but not the intentional, taking or harassment by persons using vessels of the United States or vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)), while engaging in commercial fishing operations, of marine mammals from a species or stock designated as depleted because of its listing as an endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) if the Secretary, after notice and opportunity for public comment, determines that—

"(I) the incidental mortality and serious injury from commercial fisheries will have a negligible impact on such species or stock;

"(II) a recovery plan has been developed or is being developed for such species or stock pursuant to the Endangered Species Act of 1973; and

"(III) where required under section 118, a monitoring program is established under subsection (d) of such section, vessels engaged in such fisheries are registered in accordance with such section, and an incidental take reduction plan has been developed or is being developed for such species or stock.

"(ii) Upon a determination by the Secretary that the requirements of clause (i) have been met, the Secretary shall publish in the Federal Register a list of those fisheries for which such determination was made, and, for vessels required to register under section 118, shall issue an appropriate permit for each authorization granted under such section to vessels to which this paragraph applies. Vessels engaged in a fishery included in the notice published by the Secretary under this clause which are not required to register under section 118 shall not be subject to the penalties of this Act for the incidental taking of marine mammals to which this paragraph applies, so long as the owner or master of such vessel reports any incidental mortality or injury of such marine mammals to the Secretary in accordance with section 118.

"(iii) If, during the course of the commercial fishing season, the Secretary determines that the level of incidental mortality or serious injury from commercial fisheries for which a determination was made under clause (i) has resulted or is likely to result in an impact that is more than negligible on the endangered or threatened species or stock, the Secretary shall use the emergency authority granted under section 118 to protect such species or stock, and may modify any permit granted under this paragraph as necessary.

"(iv) The Secretary may suspend for a time certain or revoke a permit granted under this subparagraph only if the Secretary determines that the conditions or limitations set forth in such permit are not being substantially complied with. The Secretary may amend or modify, after notice and opportunity for public comment, the list of fisheries published under clause (ii) whenever the Secretary determines there has been a substantial change in the information or conditions used to determine such list.

"(v) Sections 103 and 104 shall not apply to the taking of marine mammals under the authority of this subparagraph.".

(g) IMPORTATION OF CERTAIN PRODUCTS.—Section 101(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(a)) is amended by adding at the end the following new paragraph:

"(6)(A) A marine mammal product may be imported into the United States if the product—

"(i) was owned and exported by any person in conjunction with travel outside the United States;

"(ii) was acquired outside of the United States as part of a cultural exchange by an Indian, Aleut, or Eskimo residing in Alaska; or

"(iii) is owned by a Native inhabitant of Russia, Canada, or Greenland and is imported for noncommercial purposes in conjunction with travel within the United States or as part of a cultural exchange with an Indian, Aleut, or Eskimo residing in Alaska.

"(B) For the purposes of this paragraph, the term—

"(i) 'Native inhabitant of Russia, Canada, or Greenland' means a person residing in Russia, Canada, or Greenland who is related by blood, is a member of the same clan or ethnological grouping, or shares a common heritage with an Indian, Aleut, or Eskimo residing in Alaska; and

"(ii) 'cultural exchange' means the sharing or exchange of ideas, information, gifts, clothing, or handicrafts between an Indian, Aleut, or Eskimo residing in Alaska and a Native inhabitant of Russia, Canada, or Greenland, including rendering of raw marine mammal parts as part of such exchange into clothing or handicrafts through carving, painting, sewing, or decorating.".

(h) ACTIONS AFFECTING SECTION 101(b).—Section 101(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(b)) is amended by adding at the end the following new sentence: "In promulgating any regulation or making any assessment pursuant to a hearing or proceeding under this subsection or section 117(b)(2), or fn making any determination or finding under this Act that affects stocks or persons to which this subsection applies, the Secretary shall be responsible for demonstrating that such regulation, assessment, determination, or finding is supported by substantial evidence on the basis of the record as a whole. The preceding sentence shall only be applicable in an action brought by one or more Alaska Native organizations representing persons to which this subsection applies.".

(i) TAKING IN DEFENSE OF SELF OR ANOTHER PERSON.—Section 101(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(c)) is amended to read as follows:

"(c) It shall not be a violation of this Act to take a marine mammal if—

"(1) such taking is imminently necessary in self-defense or to save the life of a person in immediate danger; and

"(2) such taking is reported to the Secretary within 48 hours and, whenever feasible, any carcass is made available to the Secretary intact.".

SEC. 5. PERMITS.

Section 104 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374) is amended—

(1) in subsection (a)—

(A) by inserting ", harassment," immediately after "taking"; and

(B) by inserting "except for the incidental taking of marine mammals during the course of commercial fishing operations" immediately before the period at the end; and (2) by amending subsection (c)(3) to read as follows:

"(3)(A) A permit may be issued, for scientific research purposes that are likely to result in the taking or harassment of a marine mammal, to an applicant who submits information with the permit application indicating that the taking or harassment is required to further a bona fide scientific purpose. The Secretary is authorized to issue permits under this paragraph prior to the end of the mandatory public review and comment period if delaying the issuance of such permit could result in harm to a species, stock, or individual marine mammal, or result in loss of unique research opportunities.

"(B) No permit issued for purposes of scientific research under subparagraph (A) shall authorize the lethal taking of a marine mammal unless the applicant submits documentation to the Secretary that a nonlethal method of conducting the research is not feasible. The Secretary shall not issue a permit for research which involves the lethal taking of a marine mammal from a species or stock designated as depleted, unless the Secretary determines that the results of such research will directly benefit that species or stock, or that such research fulfills a critically important research need.

"(C) Not later than 60 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall grant a general authorization and shall issue implementing regulations allowing bona fide scientific research that is not likely to result in the taking or harassment of a marine mammal. Such authorization shall apply to persons who submit, at least 60 days prior to commencement of the research, a letter of intent to the Secretary specifying—

"(i) the species or stock of marine mammal on which the research will be conducted;

"(ii) the geographic location of the research;

"(iii) the period of time over which the research will be conducted;

"(iv) the purpose of the research, including a description of how the definition of bona fide research as established by the Secretary under this Act would apply; and

"(v) the methods used to conduct the research.

Not later than 30 days after receipt of a letter of intent to conduct scientific research under the general authorization, the Secretary may notify the applicant that the proposed research is likely to result in the taking or harassment of a marine mammal, and that the provisions of subparagraph (A) apply. If no such notification is received, the proposed research shall be covered under the general authorization.".

SEC. 6. CONSERVATION PLANS.

Section 115(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383(b)) is amended by adding at the end the following new paragraph:

"(4) If the Secretary determines that an incidental take reduction plan is necessary to reduce the incidental taking of marine mammals in the course of commercial fishing operations from a stock specified under section 117(a)(7), or for stocks which interact with a commercial fishery for which the Secretary has made a determination under section 118(b)(1), any conservation plan prepared under this subsection for such stock shall incorporate the incidental take reduction plan required under section 118 for such stock.".

SEC. 7. STOCK ASSESSMENTS.

(a) In General.—Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.) is amended by adding at the end the following new section:

"SEC. 117. STOCK ASSESSMENTS.

"(a) In General.— Not later than August 1, 1994, the Secretary shall, after consultation with the appropriate regional scientific working group established under subsection (d), prepare a draft stock assessment for each marine mammal stock which occurs in waters under the jurisdiction of the United States. Each draft stock assessment, based on the best scientific information available, shall—

"(1) describe the geographic range of the affected stock, including any seasonal or temporal variation in such range;

"(2) provide for such stock the minimum population estimate, current and maximum net productivity rates, and current population trend, including a description of the information upon which these are based;

"(3) estimate the annual anthropogenic mortality and serious injury of the stock and, for a stock specified under paragraph (7), other factors that may be causing a decline or impeding recovery of the stock, including effects on marine mammal habitat and prey;

"(4) describe commercial fisheries that interact with the stock, including—

"(A) the approximate number of vessels actively participating in each such fishery;

"(B) the estimated level of incidental mortality and serious injury of the stock by each such fishery on an annual basis;

"(C) seasonal or area differences in such incidental mortality or serious injury; and

"(D) the rate, based on a unit of fishing effort, of such incidental mortality and serious injury, and an analysis stating whether such level is insignificant and is approaching a zero mortality and serious injury rate;

"(5) categorize the status of the stock as one that either—

"(A) has a level of anthropogenic mortality and serious injury that is not likely to cause the stock to be reduced below its optimum sustainable population; or

"(B)(i) meets the criteria described under paragraph (7);

"(ii) is listed as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or designated as depleted under this Act; or

"(iii) meets the criteria specified in both clause (i) and (ii);

"(6) estimate the calculated removal level for the stock, describing the information used to calculate it, including the recovery factor; and

"(7) specify whether the Secretary has reason to believe that the level of anthropogenic mortality and serious injury for the stock is such that it may cause the stock to be reduced or maintained below its optimum sustainable population.

"(b) Public Comment.—(1) The Secretary shall publish in the Federal Register a notice of the availability of a draft stock assessment or any revision thereof and provide an opportunity for public review and comment during a period of 90 days. Such notice shall include a summary of the assessment and a list of the sources of information or published reports upon which the assessment is based.

"(2) Subsequent to the notice of availability required under paragraph (1), if requested by a person to which section 101(b) applies, the Secretary shall conduct a proceeding on the record prior to publishing a final stock assessment or any revision thereof for any stock subject to taking under section 101(b).

"(3) After consideration of the best scientific information available, the advice of the appropriate regional scientific review group established under section (d), and the comments of the general public, the Secretary shall publish in the Federal Register a notice of availability and a summary of the final stock assessment or any revision thereof, not later than 90 days after—

"(A) the close of the public comment period on a draft stock assessment or revision thereof; or

"(B) final action on an agency proceeding pursuant to paragraph (2).

"(c) Review and Revision.—(1) The Secretary, in consultation with the appropriate regional scientific review group established under subsection (d), shall review stock assessments under this section—

"(A) annually for stocks specified under subsection (a)(7) or for which substantial new information is available; and

"(B) at least once every 3 years for all other marine mammal stocks.

"(2) If the review under paragraph (1) indicates that the status of the stock has changed or can be more accurately determined, the Secretary shall revise the stock assessment in accordance with subsection (b).

"(d) Regional Scientific Review Groups.—(1) Not later than 60 days after the date of enactment of this section, the Secretary of Commerce shall, in consultation with the Secretary of Interior (with respect to marine mammals under that Secretary's jurisdiction), the Governors of affected adjacent coastal States, regional fishery and wildlife management authorities, Alaska Native organizations and Indian tribes, environmental and fishery groups, establish at least two independent regional scientific review groups consisting of individuals with expertise in marine mammal biology and ecology, population dynamics and modeling, commercial fishing technology and practices, and stocks taken under section 101(b). The Secretary of Commerce shall, to the maximum extent practicable, attempt to achieve a balanced representation of viewpoints among the individuals on each regional scientific working group. The regional scientific review group shall advise the Secretary on all aspects of the stock assessments required under this section.

"(2) The regional scientific review groups established under this section shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.).

"(3) Members of the regional scientific review groups shall serve without compensation, but may be reimbursed by the Secretary, upon requests, for reasonable travel costs and expenses incurred in performing their duties as members of such regional scientific review groups.

"(4) The Secretary may appoint or reappoint individuals to the regional scientific working groups under paragraph (1) as needed.

"(e) Effect on Section 101(b).—This section shall not affect or otherwise modify the provisions of section 101(b).".

SEC. 8. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 118. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

"(a) In General.—(1) Effective on the date of enactment of this section, and except as provided in section 114 and in paragraphs (2), (3), and (4) of this section, the provisions of this section shall govern the incidental taking of marine mammals in the course of commercial fishing operations by persons using vessels of the United States or vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)). In any event it shall be the immediate goal that the incidental mortality or serious injury of marine mammals occurring in the course of commercial fishing operations be reduced to insignificant levels approaching a zero mortality and serious injury rate.

"(2) In the case of the incidental taking of marine mammals from species or stocks designated under this Act as depleted on the basis of their listing as threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), both this section and section 101(a)(5)(E) of this Act shall apply.

"(3) Sections 104(h) and title III, and not this section, shall govern the taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean.

"(4) This section shall not govern the taking of marine mammals from the California population of sea otters to which the Act of November 7, 1986 (Public Law 99–625; 100 Stat. 3500) applies.

"(5) Sections 103 and 104 shall not apply to the incidental taking of marine mammals under the authority of this section.

"(6) Except as provided in section 101(c)(2), the intentional killing of any marine mammal in the course of commercial fishing operations is prohibited.

"(b) Incidental Take Reduction Plans.—(1) The Secretary shall develop and implement an incidental take reduction plan designed to assist in the recovery of each marine mammal stock that is specified under section 117(a)(7) which interacts with a commercial fishery listed under subsection (f)(1)(A) (i) or (ii), and may develop and implement such a plan for any other marine mammal stocks which interact with a commercial fishery listed under subsection (f)(1)(A)(i) which the Secretary determines, after notice and opportunity for public comment, has an excessive rate of mortality and serious injury across a number of such marine mammal stocks.

"(2) If there is insufficient funding available to develop and implement an incidental take reduction plan for all such stocks that interact with commercial fisheries listed under subsection (f)(1)(A) (i) or (ii), the Secretary shall give highest priority to the development and implementation of incidental take reduction plans for species or stocks whose level of incidental mortality and serious injury exceeds the calculated removal level, those that have a small population size, and those which are declining most rapidly.

"(3) Each incidental take reduction plan developed under this subsection for a stock shall include the following:

"(A) A review and evaluation of the information contained in the stock assessment published under section 117 and any substantial new information that may be available.

"(B) An evaluation and estimate of the total number and percentage of animals from the stock that are being killed or seriously injured each year as a result of commercial fishing activities.

"(C) Proposed management measures and voluntary actions for the reduction of incidental mortality and serious injury of marine mammals in commercial fisheries which interact with such stock.

"(D) A long-term strategy to reduce, to insignificant levels approaching a zero rate within 10 years, the incidental mortality and serious injury of marine mammals from the stock in the course of commercial fishing operations.

"(4)(A) Each incidental take reduction plan shall include projected dates for achieving the objectives of the plan.

"(B) For any stock in which incidental mortality and serious injury from commercial fisheries exceeds the calculated removal level established under section 117, the plan shall include measures the Secretary expects will reduce, within 6 months after commencement of operations by commercial fisheries that interact with that stock, such mortality and serious injury to a level below the calculated removal level.

"(C) For any stock in which anthropogenic mortality and serious injury exceeds the calculated removal level, other than a stock to which subparagraph (B) applies, the plan shall include measures the Secretary expects will reduce, to the maximum extent practicable within 6 months after commencement of operations by commercial fisheries that interact with that stock, the incidental mortality and serious injury by such commercial fisheries from that stock. For purposes of this subparagraph, the term 'maximum extent practicable' means to the lowest level that is feasible for such fisheries within the 6-month period.

"(5)(A) At the earliest possible time (not later than 60 days) after the Secretary issues a final stock assessment for a stock specified under section 117(a)(7), the Secretary shall, and for stocks that interact with a fishery listed under subsection (f)(1)(A)(i) for which the Secretary has made a determination under paragraph (1), the Secretary may—

"(i) establish an incidental take reduction team for such stock and appoint the members of such team in accordance with subparagraph (C); and

"(ii) publish in the Federal Register a notice of the team's establishment, the names of the team's appointed members, the full geographic range of such stock, and a list of all commercial fisheries that cause incidental mortality and serious injury of marine mammals from such stock.

"(B) The Secretary may charge an incidental take reduction team to address a stock that extends over one or more regions or fisheries, or multiple stocks within a region or fishery, if the Secretary determines that doing so would facilitate the development and implementation of plans required under this subsection.

"(C) Members of incidental take reduction teams shall be individuals knowledgeable and experienced regarding measures to conserve such stocks and to reduce incidental mortality and serious injury to such stock from commercial fishing operations. Members may include representatives of Federal and State agencies, Councils, interstate fishery commissions, academic and scientific organizations, environmental and fishery groups, Alaska Native organizations and Indian tribes, and others as the Secretary considers appropriate. Incidental take reduction teams shall include a representative of each affected Council and State, and shall, to the maximum extent practicable, include an equitable balance among representatives of government, resource user interests, and public interest groups. Incidental take reduction teams shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.) but their meetings shall be open to the public, after timely notice of the time and place of such meetings.

"(D) Members of incidental take reduction teams shall serve without compensation, but may be reimbursed by the Secretary, upon request, for reasonable travel costs and expenses incurred in performing their duties as members of the team.

"(6) Where the anthropogenic mortality and serious injury from a stock specified under section 117(a)(7) is estimated to be equal to or greater than the calculated removal level established under section 117 for such stock and such stock interacts with a fishery listed under subsection (f)(1)(A) (i) or (ii), the following procedures shall apply in the development of the incidental take reduction plan for the stock:

"(A)(i) Not later than 6 months after the date of establishment of an incidental take reduction team for the stock, the team shall submit a draft incidental take reduction plan for such stock to the Secretary, consistent with the other provisions of this section.

"(ii) Such draft incidental take reduction plan shall be developed by consensus. In the event consensus cannot be reached, the team shall advise the Secretary in writing on the range of possibilities considered by the team, and the views of both the majority and minority.

"(B)(i) The Secretary shall take the draft incidental take reduction plan into consideration and, not later than 60 days after the submission of the draft plan by the team, the Secretary shall publish in the Federal Register the plan proposed by the team, and changes proposed by the Secretary with an explanation of the reasons therefor, and proposed regulations to implement such plan, for public review and comment during a period of not to exceed 90 days.

"(ii) In the event that the incidental take reduction team does not submit a draft plan to the Secretary within 6 months, the Secretary shall, not later than 8 months after the establishment of the team, publish in the Federal Register a proposed incidental take reduction plan and implementing regulations, for public review and comment during a period of not to exceed 90 days.

"(C) Not later than 90 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental take reduction plan and implementing regulations, consistent with the other provisions of this section.

"(D) The Secretary and the incidental take reduction team shall meet every 6 months, or a such other intervals as the Secretary determines are necessary, to monitor the implementation of the final incidental take reduction plan until such time that the Secretary determines that the objectives of such plan have been met.

"(E) The Secretary shall amend the incidental take reduction plan and implementing regulations as necessary to meet the requirements of this section, in accordance with the procedures in this section for the issuance of such plans and regulations.

"(7) Where the anthropogenic mortality and serious injury from a stock specified under section 117(a)(7) is estimated to be less than the calculated removal level established under section 117 for such stock and such stock interacts with a fishery listed under subsection (f)(1)(A) (i) or (ii), or for any marine mammal stocks which interact with a commercial fishery listed under subsection (f)(1)(A) (i) for which the Secretary has made a determination under paragraph (1), the following procedures shall apply in the development of the incidental take reduction plan for such stock:

"(A)(i) Not later than 11 months after the date of establishment of an incidental take reduction team for the stock, the team shall submit a draft incidental take reduction plan for the stock to the Secretary, consistent with the other provisions of this section.

"(ii) Such draft incidental take reduction plan shall be developed by consensus. In the event consensus cannot be reached, the team shall advise the Secretary in writing on the range of possibilities considered by the team, and the views of both the majority and minority.

"(B)(i) The Secretary shall take the draft incidental tax reduction plan into consideration and, not later than 60 days after the submission of the draft plan by the team, the Secretary shall publish in the Federal Register the plan proposed by the team, and changes proposed by the Secretary with an explanation of the reasons therefor, and proposed regulations to implement such plan, for public review and comment during a period of not to exceed 90 days.

"(ii) In the event that the incidental take reduction team does not submit a draft plan to the Secretary within 11 months, the Secretary shall, not later than 13 months after the establishment of the team, publish in the Federal Register a proposed incidental take reduction plan and implementing regulations, for public review and comment during a period of not to exceed 90 days.

"(C) Not later than 90 days after the close of the comment period required under subparagraph (B), the Secretary shall issue a final incidental take reduction plan and implementing regulations, consistent with the other provisions of this section.

"(D) The Secretary and the incidental take reduction team shall meet on an annual basis, or at such other intervals as the Secretary determines are necessary, to monitor the implementation of the final incidental take reduction plan until such time that the Secretary determines that the objectives of such plan have been met.

"(E) The Secretary shall amend the incidental take reduction plan and implementing regulations as necessary to meet the requirements of this section, in accordance with the procedures in this section for the issuance of such plans and regulations.

"(8) In implementing an incidental take reduction plan developed pursuant to this subsection, the Secretary may, where necessary to implement an incidental take reduction plan to protect or restore a marine mammal stock or species covered by such plan, promulgate regulations which include, but are not limited to, measures to—

"(A) establish fishery-specific limits on incidental mortality and serious injury of marine mammals in commercial fisheries or restrict commercial fisheries by time or area;

"(B) require the use of alternative commercial fishing gear or techniques and new technologies, encourage the development of such gear or technology, or convene expert skippers' panels;

"(C) educate commercial fishermen, through workshops and other means, on the importance of reducing the incidental mortality and serious injury of marine mammals in affected commercial fisheries; and

"(D) monitor the effectiveness of measures taken to reduce the level of incidental mortality and serious injury of marine mammals in the course of commercial fishing operations, as set forth in subsection (d).

"(9)(A) Notwithstanding paragraph (5), in the case of any stock to which paragraph (5) applies for which a final stock assessment has not been published under section 117(b)(3) by April 1, 1995, due to a proceeding under section 117(b)(2), or any Federal court review of such proceeding, the Secretary shall establish an incidental take reduction team under paragraph (5) for such stock as if a final stock assessment had been published.

"(B) The draft stock assessment published for stock under section 117(b)(1) shall be deemed the final stock assessment for purposes of preparing and implementing an incidental take reduction plan for such stock under this section.

"(C) Upon publication of a final stock assessment for such stock under section 117(b)(3) the Secretary shall immediately reconvene the incidental take reduction team for such stock for the purpose of amending the incidental take reduction plan, and any regulations issued to implement such plan, if necessary, to reflect the final stock assessment or court action. Such amendments shall be made in accordance with paragraph (6)(E) or (7)(E), as appropriate.

"(D) A draft stock assessment may only be used as the basis for an incidental take reduction plan under this paragraph for a period of not to exceed two years, or until a final stock assessment is published, whichever is earlier. If, at the end of the two-year period, a final stock assessment has not been published, the Secretary shall categorize such stock under section 117(a)(5)(A) and shall revoke any regulations to implement an incidental take reduction plan for such stock.

"(E) Subparagraph (D) shall not apply for any period beyond two years during which a final stock assessment for such stock has not been published due to review of a proceeding on such stock assessment by a Federal court. Immediately upon final action by such court, the Secretary shall proceed under subparagraph (C).

"(10) Incidental take reduction plans developed under this section for a species or stock listed as a threatened or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) shall be consistent with any recovery plan developed for such species or stock under section 4 of such Act.

"(c) EMERGENCY REGULATIONS.—(1) If the Secretary finds that incidental mortality and serious injury of marine mammals from commercial fisheries is having, or is likely to have, an immediate and significant adverse impact on a stock or species, the Secretary shall take action as follows:

"(A) In the case of a stock or species for which an approved incidental take reduction plan is in effect, the Secretary shall—

"(i) prescribe emergency regulations that, consistent with such plan to the maximum extent practicable, reduce such incidental mortality and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, any amendments to such plan that are recommended by the incidental take reduction team to address such adverse impact.

"(B) In the case of a stock or species for which an incidental take reduction plan is being developed, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental mortality and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, such plan, which shall provide methods to address such adverse impact if still necessary.

"(C) In the case of a stock or species for which an incidental take reduction plan does not exist and is not being developed, or in the case of a commercial fishery listed under subsection (f)(1)(A)(iii) which the Secretary believes may be contributing to such adverse impact, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental mortality and serious injury in that fishery, to the extent necessary to mitigate such adverse impact;

"(ii) immediately review the stock assessment for such stock or species under section 117 and the classification of such commercial fishery under subsection (f)(1)(A) to determine if an incidental take reduction team should be established under this section; and

"(iii) may, where necessary to address such adverse impact, require the placement of observers pursuant to subsection (d) upon vessels in a commercial fishery listed under subsection (f)(1)(A)(iii), if the Secretary has reason to believe that such vessels may be causing incidental mortality and serious injury to marine mammals for such stock.

"(2) Prior to taking action under paragraph (1) (A), (B), or (C), the Secretary shall consult with the Marine Mammal Commission, all appropriate Councils, State fishery managers, and the appropriate incidental take reduction team (if established).

"(3) Emergency regulations prescribed under this subsection—

"(A) shall be published in the Federal Register, together with an explanation thereof;

"(B) shall remain in effect for not more than 180 days, or until the end of the applicable commercial fishing season, whichever is earlier; and

"(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination, if the Secretary determines that the reasons for the emergency regulations no longer exist.

"(4) If the Secretary finds that incidental mortality and serious injury of marine mammals in a commercial fishery is continuing to have an immediate and significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for an additional period of not more than 90 days or until reasons for the emergency no longer exist, whichever is earlier.

"(d) MONITORING OF INCIDENTAL TAKES.—(1) The Secretary shall establish a program to monitor incidental mortality and serious injury of marine mammals during the course of commercial fishing operations for commercial fisheries listed under subsection (f)(1)(A) (i) or (ii). The purposes of the monitoring program shall be to—

"(A) obtain statistically reliable estimates of incidental mortality and serious injury;

"(B) determine the reliability of reports of incidental mortality and serious injury under subsection (g); and

"(C) report on the impacts of changes in commercial fishing methods or technology.

"(2) Pursuant to paragraph (1), the Secretary is authorized to place observers on board vessels as necessary, subject to the provisions of this section. Observers may perform other tasks including, but not limited to—

"(A) recording other sources of mortality;

"(B) recording the number of marine mammals sighted and the behavior of such mammals observed in the vicinity of commercial fishing gear;

"(C) Other related scientific or fishery management observations; and

"(D) Collection of marine mammals tissues, where such collection can be done safely and without interruption of commercial fishing operations.

"(3) When determining the distribution of observers among fisheries and vessels within a fishery, the Secretary shall be guided by the following standards;

"(A) the need to obtain the best scientific information available;

"(B) the requirement that assignment of observers be fair and equitable among fisheries and among vessels in a fishery;

"(C) the requirement that no individual person or vessel, or group of persons or vessels, be subject to excessive or overly burdensome observer coverage; and

"(D) where practicable, the need to minimize costs and avoid duplication.

"(4) To the extent practicable, the Secretary shall allocate observers among commercial fisheries in accordance with the following priority:

"(A) The highest priority for allocation shall be for commercial fisheries that have incidental mortality or serious injury of marine mammals from stocks designated as depleted on the basis of their listing as endangered or threatened species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

"(B) The second highest priority for allocation shall be for commercial fisheries that have incidental mortality and serious injury of marine mammals from stocks specified under section 117(a)(7).

"(C) The third highest priority for allocation shall be for commercial fisheries that have incidental mortality or serious injury of marine mammals from stocks for which the level of incidental mortality and serious injury is uncertain.

"(5) Notwithstanding paragraph (1), the Secretary may establish an alternative observer program to provide statistically reliable information on the species and number of any marine mammals incidentally taken in the course of commercial fishing operations. The alternative program may include, but need not be limited to, direct observation of fishing activities from vessels, airplanes, or points on shore.

"(6) The Secretary may, with the consent of the vessel owner, station an observer on board a vessel engaged in a commercial fishery not listed under subsection (f)(1)(A) (i) or (ii).

"(7) The Secretary shall not be required to place an observer on a vessel in a commercial fishery if the Secretary finds that—

"(A) in a situation where harvesting vessels are delivering fish to a processing vessel and the catch is not taken on board the harvesting vessel, statistically reliable information can be obtained from an observer on board the processing vessel to which the fish are delivered;

‘‘(B) the facilities of a vessel for quartering of an observer, or for carrying out observer functions, are so inadequate or unsafe that the health or safety of the observer or the safe operation of the vessel would be jeopardized; or

‘‘(C) for reasons beyond the control of the Secretary, an observer is not available.

‘‘(8) Any proprietary information collected under this subsection shall be confidential and shall not be disclosed except—

‘‘(A) to Federal employees whose duties require access to such information;

‘‘(B) to State or tribal employees pursuant to an agreement with the Secretary that prevents public disclosure of the identity or business of any person;

‘‘(C) when required by court order; or

‘‘(D) in the case of scientific information involving fisheries, to employees of Councils who are responsible for fishery management plan development and monitoring.

‘‘(9) The Secretary shall prescribe such procedures as may be necessary to preserve the confidentiality of proprietary information collected under this subsection, except that the Secretary shall release or make public upon request any such information in aggregate, summary, or other form which does not directly or indirectly disclose the identity or business of any person.

‘‘(e) ZERO MORTALITY RATE GOAL.—(1) Commercial fisheries shall reduce incidental mortality and serious injury of marine mammals to insignificant levels approaching a zero mortality and serious injury rate within 10 years after the date of enactment of this section.

‘‘(2) Fisheries which maintain insignificant serious injury and mortality levels approaching a zero rate shall not be required to further reduce their mortality rates.

‘‘(3) Three years after such date of enactment, the Secretary shall review the progress of all commercial fisheries, by fishery, toward reducing incidental mortality and serious injury to insignificant levels approaching a zero rate. The Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a report setting forth the results of such review within 1 year after commencement of the review. The Secretary shall note any commercial fishery for which inadequate information exists on the level of incidental mortality and serious injury of marine mammals in the fishery.

‘‘(4) If the Secretary determines after review under paragraph (3) that the rate of incidental mortality and serious injury of marine mammals in a commercial fishery is not consistent with paragraph (1), then the Secretary shall take appropriate action under subsection (b), and shall make recommendations to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives on any legislative changes needed to achieve the goal specified in paragraph (1).

‘‘(f) REGISTRATION AND AUTHORIZATION.—(1) The Secretary shall, within 90 days after the date of enactment of this section—

‘‘(A) publish in the Federal Register for public comment, for a period of not less than 90 days, any necessary changes to the Secretary's list of commercial fisheries published under section 114 (along with an explanation of such changes and a statement of the marine mammals and the approximate number of vessels or persons actively involved in each such fishery) that have—

‘‘(i) frequent incidental mortality and serious injury of marine mammals;

‘‘(ii) occasional incidental mortality and serious injury of marine mammals; or

‘‘(iii) a remote likelihood of or no known incidental mortality or serious injury of marine mammals;

‘‘(B) after the close of the period for such public comment, publish in the Federal Register a revised list of commercial fisheries and an update of information required by subparagraph (A), together with a summary of the provisions of this section and information sufficient to advise vessel owners on how to obtain an authorization and otherwise comply with the requirements of this section; and

‘‘(C) at least once each year thereafter, and at such other times as the Secretary considers appropriate, reexamine, based on information gathered under this Act and other relevant sources and after notice and opportunity for public comment, the classification of commercial fisheries and other determinations required under subparagraph (A) and publish in the Federal Register any necessary changes.

‘‘(2)(A) An authorization shall be granted by the Secretary in accordance with this section for a vessel engaged in a commercial fishery listed under paragraph (1)(A) (i) or (ii), upon receipt by the Secretary of a completed registration form providing the name of the vessel owner and operator, the name and description of the vessel, the fisheries in which it will be engaged, the approximate time, duration, and location of such fishery operations, and the general type and nature of use of the fishing gear and techniques used. Such information shall be in a readily usable format that can be efficiently entered into and utilized by an automated or computerized data processing system. A decal or other physical evidence that the authorization is current and valid shall be issued by the Secretary at the time an authorization is granted, and so long as the authorization remains current and valid, shall be reissued annually thereafter.

‘‘(B) No authorization may be granted under this section to the owner of a vessel unless such vessel—

‘‘(i) is a vessel of the United States; or

‘‘(ii) has a valid fishing permit issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)).

‘‘(C) Except as provided in subsection (a), an authorization granted under this section shall allow the incidental taking of all species and stocks of marine mammals to which this Act applies.

‘‘(3)(A) An owner of a vessel engaged in any fishery listed under paragraph (1)(A) (i) or (ii) shall, in order to engage in the lawful incidental taking of marine mammals in a commercial fishery—

‘‘(i) have registered as required under paragraph (2) with the Secretary in order to obtain for each such vessel owned an authorization for the purpose of incidentally taking marine mammals in accordance with this section, except that owners of vessels holding valid certificates of exemption under section 114 are deemed to have registered for purposes of this subsection for the period during which such registration is valid;

‘‘(ii) ensure that a decal or such other physical evidence of a current and valid authorization as the Secretary may require is displayed on or is in the possession of the master of each such vessel; and

‘‘(iii) report as required by subsection (g).

‘‘(B) Any owner of a vessel receiving an authorization under this section for any fishery listed under paragraph (1)(A) (i) or (ii) shall, as a condition of that authorization, take on board an observer if requested to do so by the Secretary.

‘‘(C) An owner of a vessel engaged in a fishery listed under paragraph (1)(A) (i) or (ii) who—

‘‘(i) fails to obtain from the Secretary an authorization for such vessel under this section;

‘‘(ii) fails to maintain a current and valid authorization for such vessel; or

‘‘(iii) fails to ensure that a decal or other physical evidence of such authorization issued by the Secretary is displayed on or is in possession of the master of the vessel,

and the master of any such vessel engaged in such fishery, shall be deemed to have violated this title. Such owner and master shall be subject to penalty under sections 105 and 107 for a violation of clause (i) or (ii), and shall be subject to a fine of not more than $100 for each offense for a violation of clause (iii).

‘‘(D) If the owner of a vessel has obtained and maintains a current and valid authorization from the Secretary under this section and meets the requirements set forth in this section, including compliance with any regulations to implement an incidental take reduction plan under this section, the owner of such vessel, and the master and crew members of the vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals while such vessel is engaged in a fishery to which the authorization applies.

‘‘(E) Each owner of a vessel engaged in any fishery not listed under paragraph (1)(A) (i) or (ii), and the master and crew members of such a vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals if such owner reports to the Secretary, in the form and manner required under subsection (g), instances of incidental mortality or injury of marine mammals in the course of that fishery.

‘‘(4) The Secretary shall suspend or revoke an authorization granted under this section and shall not issue a decal or other physical evidence of the authorization for any vessel until the owner of such vessel complies with the reporting requirements under subsection (g) and such requirements to take on board an observer under paragraph (3)(B) as are applicable to such vessel. Previous failure to comply with the requirements of section 114 shall not bar the grant of an authorization under this section for an owner who complies with the requirements of this section. The Secretary may suspend or revoke an authorization granted under this subsection, and may not issue a decal or other physical evidence of the authorization for any vessel which fails to comply with regulations implementing an incidental take reduction plan or emergency regulations issued under this section.

‘‘(5)(A) The Secretary shall develop, in consultation with the appropriate States, affected Councils, and other interested persons, the means by which the granting and administration of authorizations under this section shall be integrated and coordinated, to the maximum extent practicable, with existing fishery licenses, registrations, and related programs.

‘‘(B) The Secretary shall utilize newspapers of general circulation, fishery trade associations, electronic media, and other means of advising commercial fishermen of the provisions of this section and the means by which they can comply with its requirements.

"(C) The Secretary is authorized to charge a fee for the granting of an authorization under this section. The level of fees charged under this subparagraph shall not exceed the administrative costs incurred in granting an authorization. Fees collected under this subparagraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in the granting and administration of authorizations under this section.

"(g) REPORTING REQUIREMENT.—The owner or operator of a commercial fishing vessel subject to this Act shall report all incidental mortality and injury of marine mammals in the course of commercial fishing operations to the Secretary by mail or other means acceptable to the Secretary within 48 hours after the end of each fishing trip on a standard postage-paid form to be developed by the Secretary under this section. Such form shall be capable of being readily entered into and usable by an automated or computerized data processing system and shall require the vessel owner or operator to provide the following:

"(1) The vessel name, and Federal, State, or tribal registration numbers of the registered vessel.

"(2) The name and address of the vessel owner or operator.

"(3) The name and description of the fishery.

"(4) the species of each marine mammal incidentally killed or injured, and the date, time, and approximate geographic location of such occurrence.

"(h) PENALTIES.—Except as provided in subsection (f), any person who violates this section shall be subject to the provisions of sections 105 and 107, and may be subject to section 106 as the Secretary establishes by regulations.

"(i) VOLUNTARY MEASURES.—Noting in this section shall be construed to limit the Secretary's authority to permit voluntary measures to be utilized in reducing the incidental taking of marine mammals in commercial fisheries.

"(j) CONSULTATION WITH SECRETARY OF THE INTERIOR.—The Secretary shall consult with the Secretary of the Interior on measures promulgated under this section with affect species or stocks under such Secretary's jurisdiction.".

SEC. 9. PENALTIES; PROHIBITIONS.

(a) CIVIL PENALTIES.—Section 105(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(a)(1)) is amended by inserting ", except as provided in section 118," immediately after "thereunder" and by inserting ", harassment," immediately after "taking".

(b) CRIMINAL PENALTIES.—Section 105(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375(b)) is amended by inserting "(except as provided in section 118)" immediately after "thereunder".

(c) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended by striking "and 114 of this title or title III" and inserting in lieu thereof "114, and 118 of this title and title IV".

SEC. 10. AUTHORIZATION TO DETER MARINE MAMMALS NONLETHALLY.

Section 101 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371) is amended by adding at the end the following new subsection:

"(d)(1) Except as provided in paragraph (2), the provisions of this Act shall not apply to the use of measures—

"(A) by the owner of fishing gear or catch, or an employee or agent of such owner, to deter a marine mammal from damaging the gear or catch;

"(B) by the owner of other private property, or an agent, bailee, or employee of such owner, to deter a marine mammal from damaging private property;

"(C) by any person, to deter a marine mammal from endangering personal safety; or

"(D) by a government employee, to deter a marine mammal from damaging public property,

so long as such measures do not result in the death or serious injury of the marine mammal.

"(2) The Secretary shall, through consultation with appropriate experts, and after notice and opportunity for public comment, publish in the Federal Register a list of guidelines for use in safely deterring marine mammals. In the case of marine mammals designated as threatened or endangered under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), the Secretary shall recommend specific measures which may be used to nonlethally deter such marine mammals. Actions to deter marine mammals consistent with such guidelines or specific measures shall not be a violation of this Act.

"(3) If the Secretary determines, using the best scientific information available, that certain forms of deterrence have a significant adverse effect on marine mammals, the Secretary may prohibit such deterrent methods, after notice and opportunity for public comment, through regulation under this Act.

"(4) The authority to deter marine mammals pursuant to paragraph (1) applies to all marine mammals, including all stocks designated as depleted under this Act.".

SEC. 11. INDIAN TREATY RIGHTS; ALASKA NATIVE SUBSISTENCE.

Nothing in this Act, including any amendments to the Marine Mammal Protection Act of 1972 made by this Act—

(1) alters or is intended to alter any treaty between the United States and one or more Indian tribes; or

(2) affects or otherwise modifies the provisions of section 101(b) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371(b)), except as specifically provided in the amendment made by section 4(h) of this Act.

SEC. 12. TRANSITION RULE; IMPLEMENTING REGULATIONS.

(a) TRANSITION RULE.—Section 114(a)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1383a(a)(1)) is amended by striking "ending April 1, 1994," and inserting in lieu thereof "until superseded by regulations prescribed under section 118, or until December 31, 1996, whichever is earlier,".

(b) IMPLEMENTING REGULATIONS.—Except as provided otherwise in this Act, or the amendments to the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) made by this Act, the Secretary of Commerce or the Secretary of the Interior, as appropriate, shall, after notice and opportunity for public comment, promulgate regulations to implement this Act and the amendments made by this Act within 270 days after the date of enactment of this Act.

SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362) is amended)—

(1) by striking paragraph (17);

(2) by redesignating the second paragraph (15) and paragraph (16) as paragraphs (16) and (17), respectively; and

(3) in paragraph (12)(B), by striking "in title III" and inserting in lieu thereof "In section 118 and in title IV".

(b) MARINE MAMMAL HEALTH AND STRANDING RESPONSE.—The Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.) is amended—

(1) by redesignating title III, as added by Public Law 102-587 (106 Stat. 5060), as title IV; and

(2) by redesignating the sections of that title (16 U.S.C. 1421 through 1421h) as sections 401 through 409, respectively.

(c) UNUSUAL MORTALITY EVENT FUND.—Section 405(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1421d(a)), as so redesignated by subsection (b)(2) of this section, in amended by striking "a fund" and inserting in the lieu thereof "an interest bearing fund".

SEC. 14. DEFINITIONS.

Section 3 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362), as amended by this Act, is further amended—

(1) in paragraph (12), as redesignated by section 15 of this Act, by striking "harass," each place it appears; and

(2) by adding at the end of the following new paragraphs:

"(18) The term 'calculated removal level' for a marine mammal stock is the product of the following factors:

"(A) the minimum population estimate of the stock;

"(B) one-half the maximum theoretical or estimated net productivity rate for the stock at a small population size; and

"(C) if the stock is specified under section 117(a)(7), listed as endangered or threatened under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or designated as depleted under this Act, a recovery factor that is no greater than 1.0 to ensure that the stock will recover to its optimum sustainable population.

The recovery factor under subparagraph (C) shall not be less than 0.1 for an endangered stock, shall not be less than 0.3 for a threatened or depleted stock, and shall not be less than 0.5 for any other stock.

"(19) The term 'Council' means any Regional Fishery Management Council established under section 302 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1852).

"(20) The term 'harassment' means any act of approach, pursuit, torment, or annoyance which—

"(A) has the potential to harm a marine mammal in the wild; or

"(B) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including but not limited to migration, respiration, nursing, breeding, feeding, and sheltering.

"(21) The term 'incidental take reduction plan' means a plan developed under section 118.

"(22) The term 'incidental take reduction team' means a team established under section 118.

"(23) The term 'net productivity rate' means the annual per capita rate of increase in a stock resulting from additions due to reproduction, less losses due to mortality.

"(24) The term 'minimum population estimate' means an estimate of the number of animals in a stock that—

"(A) is based on the best available scientific information on abundance, incorporating the precision and variability associated with such information; and

"(B) provides reasonable assurance that the stock size is equal to or greater than the estimate.".

SEC. 15. HUMAN ACTIVITIES WITHIN PROXIMITY OF WHALES.

(a) Lawful Approaches.—In waters of the United States surrounding the State of Hawaii, it is lawful for a person subject to the jurisdiction of the United States to approach, by any means other than an aircraft, no closer than 100 yards to a humpback whale or any other whale, regardless of whether the approach is made in waters designated under section 222.31 of title 50, Code of Federal Regulations, as cow/calf waters.

(b) Termination of Legal Effect of Certain Regulations.—Subsection (b) of section 222.31 of title 50, Code of Federal Regulations, shall cease to be in force and effect.

SEC. 16. PINNIPED-FISHERY INTERACTION TASK FORCE.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 119. PINNIPED-FISHERY INTERACTION TASK FORCE.

"(a) Pinniped Removal Authority.—Notwithstanding any other provision of this title, the Secretary may permit the lethal removal of pinnipeds in accordance with this section.

"(b) Application.—Any person may apply to the Secretary to authorize the lethal removal of pinnipeds identified as habitually exhibiting dangerous or damaging behavior that cannot otherwise be deterred. Any such application shall include a means of identifying the individual pinniped or pinnipeds, and shall include a detailed description of the problem interaction and expected benefits of the removal.

"(c) Actions in Response to Application.—(1) Within 15 days of receiving an application, the Secretary shall determine whether the application has produced sufficient evidence to warrant establishing a Pinniped-Fishery Interaction Task Force to address the situation described in the application. If the Secretary determines that such sufficient evidence has been provided, the Secretary shall establish a Pinniped-Fishery Interaction Task Force and publish a notice in the Federal Register requesting public comment on the application.

"(2) A Pinniped-Federal Interaction Task Force established under paragraph (1) shall consist of designated employees of the Department of Commerce, scientists who are knowledgeable about the pinniped interaction that the application addresses, representatives of affected conservation and fishing community organizations, Indian Treaty tribes, the States, and such other organizations as the Secretary deems appropriate.

"(3) Within 60 days after establishment, and after reviewing public comments in response to the Federal Register notice, the Pinniped-Fishery Interaction Task Force shall—

"(A) recommend to the Secretary whether to approve or deny the proposed lethal removal of the pinniped or pinnipeds, including along with the recommendation a description of the specific pinniped individual or individuals, the proposed location, time, and method of removal, criteria for evaluating the success of the action, and the duration of the authority; and

"(B) suggest nonlethal alternatives, if available and practicable, including a recommended course of action.

"(4) Within 30 days after receipt of recommendations from the Pinniped-Fishery Interaction Task Force, the Secretary shall either approve or deny the application. If such application is approved, the Secretary shall immediately take steps to implement the lethal removal, which shall be performed by Federal or State agencies, or qualified individuals under contract to such agencies.

"(5) After implementation of an approved application, the Pinniped-Fishery Interaction Task Force shall evaluate the effectiveness of the permitted lethal removal or alternative actions implemented. If implementation was ineffective in eliminating the problem interaction, the Task Force shall recommend additional actions. If the implementation was effective, the Task Force shall so advise the Secretary, and the Secretary shall disband the Task Force.

"(d) Considerations.—In considering whether an application should be approved or denied, the Task Force and the Secretary shall consider—

"(1) population trends, feeding habits, the location of the pinniped interaction, how and when the interaction occurs, and how many individuals pinnipeds are involved;

"(2) past efforts to nonlethally deter such pinnipeds, and whether the applicant has demonstrated that no feasible and prudent alternatives exist and that the applicant has taken all reasonable nonlethal steps without success;

"(3) the extent to which such pinnipeds are causing undue harm, impact, or imbalance with other species in the ecosystem, including fish populations; and

"(4) the extent to which such pinnipeds are exhibiting behavior that presents an ongoing threat to public safety.

"(e) Limitation.—The Secretary shall not approve lethal removal for any pinniped from a species or stock that is—

"(1) listed as threatened or endangered under the Endangered Species Act of 1973;

"(2) designated as depleted under this Act; or

"(3) specified under section 117(a)(7) of this Act.

"(f) Regionwide Pinniped-Fishery Interaction Study.—(1)(A) The Secretary shall conduct a study, of not less than three high predation areas in anadromous fish migration corridors within the Northwest Region of the National Marine Fisheries Service, on the interaction between fish and pinnipeds. In carrying out the study, the Secretary shall consult with other State and Federal agencies with expertise in pinniped-fishery interaction. The study shall evaluate—

"(i) fish behavior in the presence of predators generally;

"(ii) holding times and passage rates of anadromous fish stocks in areas where such aradromous fish are vulnerable to predation;

"(iii) whether additional facilities exist, or could be reasonably developed, that could improve escapement for anadromous fish; and

"(iv) other issues the Secretary considers relevant.

"(B) Subject to the availability of appropriations, the Secretary shall, not later than 18 months after the date of enactment of this section, transmit a report on the results of the study required by this paragraph to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives.

"(C) There are authorized to be appropriated to the Secretary $700,000 for the purpose of carrying out the study required by this paragraph.

"(2) The study conducted under this subsection shall not be considered relevant in any determination under subsection (c), nor reviewed by any Task Force in connection with considerations under subsection (d), until such study is completed, and may not be used by the Secretary as a reason for delaying or deferring a determination under subsection (c).".

SEC. 17. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA.

Title I of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1371 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 120. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA.

"(a) In General.—The Secretary may enter into cooperative agreements with Alaska Native organizations to conserve marine mammals and provide co-management of subsistence use by Alaska Natives.

"(b) Grants.—Agreements entered into under this section may include grants to Alaska Native organizations for, among other purposes—

"(1) collecting and analyzing data on marine mammal populations;

"(2) monitoring the harvest of marine mammals for subsistence use;

"(3) participating in marine mammal research conducted by the Federal Government, States, academic institutions, and private organizations; and

"(4) developing marine mammal co-management structures with Federal and State agencies.

"(c) Effect of Jurisdiction.—Nothing in this section is intended or shall be construed—

"(1) as authorizing any expansion or change in the respective jurisdiction of Federal, State, or tribal governments over fish and wildlife resources; or

"(2) as altering in any respect the existing political or legal status of Alaska Natives, or the governmental or jurisdictional status of Alaska Native communities or Alaska Native entities.

"(d) Authorization of Appropriations.—There are authorized to be appropriated for the purposes of carrying out this section—

"(1) $1,500,000 to the Secretary of Commerce for each of the fiscal years 1994, 1995, 1996, 1997, 1998, and 1999; and

"(2) $1,000,000 to the Secretary of Interior for each of the fiscal years 1994, 1995, 1996, 1997, 1998, and 1999.

The amounts authorized to be appropriated under this subsection are in addition to the amounts authorized to be appropriated under section 7 of the Act entitled 'An Act to improve the operation of the Marine Mammal Protection Act of 1972, and for other purposes', approved October 9, 1981 (16 U.S.C. 1384).".

SEC. 18. BERING SEA MARINE ECOSYSTEM PROTECTION.

Section 110 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1380) is amended by striking subsection (c) and inserting in lieu thereof the following:

"(c)(1) The Secretary of Commerce, in consultation with the Secretary of the Interior, the Marine Mammal Commission, the State of Alaska, Alaska Native organizations, and fishery and environmental groups, shall, not later than 180 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, undertake a scientific research program to monitor the health and stability of the Bering Sea marine ecosystem and to resolve uncertainties concerning the causes of population declines of marine mammals, sea birds, and other living resources of that marine ecosystem. The program shall address the research recommendations developed by previous workshops on Bering Sea living marine resources, and shall include research on subsistence uses of such resources and ways to provide for the continued opportunity for such uses.

"(2) To the maximum extent practicable, the research program undertaken pursuant to paragraph (1) shall be conducted in Alaska. The Secretary shall utilize, where appropriate, traditional local knowledge and may contract with a qualified Alaska Native organization to conduct such research.

"(3) The Secretary of Commerce, the Secretary of the Interior, and the Commission shall address the status and findings of the research program in their annual reports to Congress required by sections 103(f) and 204.".

SEC. 19. INTERJURISDICTIONAL FISHERIES ACT OF 1986.

Section 308(b) of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107(b)) is amended by striking "$2,500,000 for each of the fiscal years 1989, 1990, 1991, 1992, 1993, 1994, and 1995" and inserting in lieu thereof "$65,000,000 for each of the fiscal years 1994 and 1995".

SEC. 20. COASTAL ECOSYSTEM HEALTH.

(a) REQUIREMENT TO CONVEY.—Not later than September 30, 1994, the Secretary of the Navy shall convey, without payment or other consideration, to the Secretary of Commerce, all right, title, and interest to the property comprising that portion of the Naval Base, Charleston, South Carolina, bounded by Hobson Avenue, the Cooper River, the landward extension of the northwest side of Pier R, and the fenceline between the buildings known as RTC–1 and 200. Such property shall include Pier R, the buildings known as RTC–1 and RTC–4, and all walkways and parking areas associated with such buildings and Pier R.

(b) SURVEY; EFFECT ON LIABILITY OF SECRETARY OF THE NAVY.—The acreage and legal description of the property to be conveyed pursuant to this section shall be determined by a survey approved by the Secretary of the Navy. Such conveyance shall not release the Secretary of the Navy from any liability arising prior to, during, or after such conveyance as a result of the ownership or occupation of the property by the United States Navy.

(c) USE BY NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—The property conveyed pursuant to this section shall be used by the Secretary of Commerce in support of the operations of the National Oceanic and Atmospheric Administration.

(d) REVERSION RIGHTS.—Conveyance of the property pursuant to this section shall be subject to the condition that all right, title, and interest in and to the property so conveyed shall immediately be conveyed to the public entity vested with ownership of the remainder of the Charleston Naval Base, if and when—

(1) continued ownership and occupation of the property by the National Oceanic and Atmospheric Administration no longer is compatible with the comprehensive plan for reuse of the Charleston Naval Base developed by the community reuse committee and approved by the Secretary of the Navy; and

(2) such public entity provides for relocation of the programs and personnel of the National Oceanic and Atmospheric Administration occupying such property, at no further cost to the United States Government, to a comparable facility, including adjacent waterfront and pier, within the Charleston area.

EXON (AND OTHERS) AMENDMENT NO. 1551

Mr. JOHNSTON (for Mr. EXON for himself, Mr. DANFORTH, Mr. GRAHAM, Mr. INOUYE, Mr. MACK, Mrs. HUTCHISON, Mr. PACKWOOD, Mr. PRESSLER, Mr. COCHRAN, Mr. LOTT, Mr. GORTON, Mr. KERREY, Mr. DASCHLE, Mr. DECONCINI, Mr. SIMON, Ms. MIKULSKI, Ms. MOSELEY-BRAUN, and Mr. D'AMATO) proposed an amendment to Amendment No. 1550 proposed by Mr. KERRY to the bill S. 1636, supra; as follows:

Strike all on page 13, line 15, through page 15, line 19, and insert the following:

SEC. 5. PERMITS.

(a) PROHIBITIONS.—Section 102(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1372(a)) is amended—

(1) in paragraph (2)(B), by striking "for any purpose in any way connected with the taking or importation of" and inserting in lieu thereof "to take or import"; and

(2) by amending paragraph (4) to read as follows:

"(4) for any person to transport, purchase, sell, export, or offer to purchase, sell, or export any marine mammal or marine mammal product—

"(A) that is taken in violation of this Act; or

"(B) for any purpose other than public display, scientific research, or enhancing the survival of a species or stock as provided for under section 104(c); and".

(b) PERMITS.—(1) Section 104(a) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(a)) is amended—

(A) by inserting ", harassment," immediately after "taking"; and

(B) by inserting "except for the incidental taking of marine mammals during the course of commercial fishing operations" immediately before the period at the end.

(2) Section 104(c)(1) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(1) is amended by striking "and after" in the first sentence.

(3) Paragraph (2) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

"(2)(A) A permit may be issued to take or import a marine mammal for the purpose of public display only to a person which the Secretary determines—

"(i) offers a program for education or conservation purposes that is based on professionally recognized standards of the public display community;

"(ii) is registered or holds a license issued under the Animal Welfare Act (7 U.S.C. 2131 et seq.); and

"(iii) maintains facilities for the public display of marine mammals that are open to the public on a regularly scheduled basis and that access to such facilities is not limited or restricted other than by charging of an admission fee.

"(B) A permit under this paragraph shall grant to the person to which it is issued the right, without obtaining any additional permit or authorization under this Act, to—

"(i) take, import, purchase, offer to purchase, possess, or transport the marine mammal that is the subject of the permit; and

"(ii) sell, export, or otherwise transfer possession of the marine mammal, or offer to sell, export, or otherwise transfer possession of the marine mammal—

"(I) for the purpose of public display, to a person that meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

"(II) for the purpose of scientific research, to a person that meets the requirements of paragraph (3); or

"(III) for the purpose of enhancing the survival or recovery of a species or stock, to a person that meets the requirements of paragraph (4).

"(C) A person to which a marine mammal is sold or exported or to which possession of a marine mammal is otherwise transferred under the authority of subparagraph (B) shall have the rights and responsibilities described in subparagraph (B) with respect to the marine mammal without obtaining any additional permit or authorization under this Act. Such responsibilities shall—

"(i) for the purpose of public display, be limited to the responsibility to meet the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

"(ii) for the purpose of scientific research, be limited to the responsibility to meet the requirements of paragraph (3); and

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, be limited to the responsibility to meet the requirements of paragraph (4).

"(D) If the Secretary—

"(i) finds, in concurrence with the Secretary of Agriculture, that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A)(ii) and is not reasonably likely to meet those requirements in the near future, or

"(ii) finds that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A) (i) or (iii) and is not reasonably likely to meet those requirements in the near future,

the Secretary may revoke the permit in accordance with section 104(e), seize the marine mammal, or cooperate with other persons authorized to hold marine mammals under this Act for disposition of the marine mammal. The Secretary may recover from the person expenses incurred by the Secretary for that seizure.

"(E) No marine mammal held pursuant to a permit issued under subparagraph (A) may be sold, purchased, exported, or transported unless the Secretary is notified of such action no later than 15 days before such action, and such action is for purposes of public display, scientific research, or enhancing the survival or recovery of a species or stock. The Secretary may only require the notification to include the information required for the inventory established under paragraph (10).".

(4) Paragraph (3) of section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended to read as follows:

"(3)(A) A permit may be issued, for scientific research purposes that are likely to result in the taking or harassment of a marine mammal, to an applicant who submits information with the permit application indicating that the taking or harassment is required to further a bona fide scientific purpose. The Secretary is authorized to issue permits under this paragraph prior to the end of the mandatory public review and comment period if delaying the issuance of such permit could result in harm to a species, stock, or individual marine mammal, or result in loss of unique research opportunities.

"(B) No permit issued for purposes of scientific research under subparagraph (A) shall authorize the lethal taking of a marine mammal unless the applicant submits documentation to the Secretary that a nonlethal method of conducting the research is not feasible. The Secretary shall not issue a permit for research which involves the lethal taking of a marine mammal from a species or stock designated as depleted, unless the Secretary determines that the results of such research will directly benefit that species or stock, or that such research fulfills a critically important research need.

"(C) Not later than 60 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall grant a general authorization and shall issue implementing regulations allowing bona fide scientific research that is not likely to result in the taking or harassment of a marine mammal. Such authorization shall apply to persons who submit, at least 60 days prior to commencement of the research, a letter of intent to the Secretary specifying—

"(i) the species or stock of marine mammal on which the research will be conducted;

"(ii) the geographic location of the research;

"(iii) the period of time over which the research will be conducted;

"(iv) the purpose of the research, including a description of how the definition of bona fide research as established by the Secretary under this Act would apply; and

"(v) the methods used to conduct the research.

Not later than 30 days after receipt of a letter of intent to conduct scientific research under the general authorization, the Secretary may notify the applicant that the proposed research is likely to result in the taking or harassment of a marine mammal, and that the provisions of subparagraph (A) apply. If no such notification is received, the proposed research shall be covered under the general authorization.".

(5) Section 104(c) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)) is amended by adding at the end the following new paragraphs:

"(7) Upon request by a person for a permit under paragraph (2), (3), or (4) for a marine mammal which is in the possession of any person authorized to possess it under this Act and which is determined under guidance under section 402(a) not to be releasable to the wild, the Secretary shall issue the permit to the person requesting the permit if that person—

"(A) meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A), in the case of a request for a permit under paragraph (2);

"(B) meets the requirements of paragraph (3), in the case of a request for a permit under that paragraph; or

"(C) meets the requirements of paragraph (4), in the case of a request for a permit under that paragraph.

"(8)(A) No additional permit or authorization shall be required to possess, sell, purchase, transport, export, or offer to sell or purchase the progeny of marine mammals taken or imported under this subsection, if such possession, sale, purchase, transport, export, or offer to sell or purchase is—

"(i) for the purpose of public display, and by or to, respectively, a person which meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A);

"(ii) for the purpose of scientific research, and by or to, respectively, a person which meets the requirements of paragraph (3); or

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, and by or to, respectively, a person which meets the requirements of paragraph (4).

"(B)(i) A person which has possession of a marine mammal pursuant to a permit under paragraph (2), or a person exercising rights under paragraph (2)(C), that gives birth to progeny shall—

"(I) notify the Secretary of the birth of such progeny within 30 days after the date of birth; and

"(II) notify the Secretary of the sale, purchase, or transport of such progeny no later than 15 days before such action.

"(ii) The Secretary may only require notification under clause (i) to include the information required for the inventory established under paragraph (10).

"(C) Any progeny of a marine mammal born in captivity before the date of enactment of the Marine Mammal Protection Act Amendments of 1994 and held in captivity for the purpose of public display shall be treated as though born after that date of enactment.

"(9) No marine mammal may be exported for the purpose of public display, scientific research, or enhancing the survival or recovery of a species or stock unless the receiving facility meets standards that are comparable to the requirements that a person must meet to receive a permit under this subsection for that purpose.

"(10) The Secretary shall establish and maintain an inventory of all marine mammals possessed pursuant to permits issued under paragraph (2) and all progeny of such marine mammals. The inventory shall contain, for each marine mammal, only the following information, which shall be provided by a person holding a marine mammal under this Act:

"(A) The name of the marine mammal or other identification.

"(B) The sex of the marine mammal.

"(C) The estimated or actual birth date of the marine mammal.

"(D) The date of acquisition or disposition of the marine mammal by the permit holder.

"(E) The source from whom the marine mammal was acquired, including the location of the take from the wild, if applicable.

"(F) If the marine mammal is transferred, the name of the recipient.

"(G) A notation if the animal was acquired as the result of a stranding.

"(H) The date of death of the marine mammal and the cause of death when determined.".

(c) EXISTING PERMITS.—Any permit issued under section 104(c)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(2)) before the date of the enactment of this Act is hereby modified to be consistent with that section, as amended by this Act.

NATIONAL PARK SERVICE CONCESSIONS POLICY REFORM ACT OF 1994

WALLOP AMENDMENT NO. 1552

Mr. WALLOP proposed an amendment to the bill (S. 208) to reform the concessions policies of the National Park Service, and for other purposes; as follows:

On Page 32, on lines 14 through 21, strike paragraph 3 in its entirety and insert in lieu thereof the following:

"(3)(A) Except as provided in subparagraph (B), with respect to a concessions contract entered into on or after the date of enactment of this Act, the provisions of subsection (b) shall apply to any existing structure, fixture, or improvement as defined in paragraph (a)(1), except that the value of the possessory interest as of the termination date of the first contract expiring after the date of enactment of this Act shall be used as the basis for depreciation, in lieu of the actual original cost of such structure, fixture, or improvement.

"(B) If the Secretary determines during the competitive selection process that all proposals submitted either fail to meet the minimum requirements or are rejected (as provided in section 6), the Secretary may, solely with respect to a structure, fixture, or improvement covered under this paragraph, suspend the depreciation provisions of subsection (b)(1) for the duration of the contract: *Provided*, That the Secretary may suspend such depreciation provisions only if the Secretary determines that the establishment of other new minimum contract requirements is not likely to result in the submission of satisfactory proposals, and that the suspension of the depreciation provisions is likely to result in the submission of satisfactory proposals.

WALLOP AMENDMENT NO. 1553

Mr. WALLOP proposed an amendment to the bill S. 208, supra; as follows:

At the appropriate place insert the following new section:

SEC. . Beginning on June 1, 1997 and bi-annually thereafter the Inspector General of the Department of the Interior shall submit a report to the Committee on Energy and Natural Resources of the United States Senate and the appropriate Committees of the House of Representatives on the implementation of this Act and the effect of such implementation on facilities operated pursuant to concession contracts and on visitor services. Each report shall

(a) identify any concession contracts which have been renewed, renegotiated, terminated, or transferred during the year prior to the submission of the report and identify any significant changes in the terms of the new contract;

(b) state the amount of franchise fees the rates which would be charged for services, and the level other of services required to be provided by the concessioner in comparison to that required in the previous contract,

(c) assess the degree to which concession facilities are being maintained using the condition of such facilities on the date of enactment of this Act as a baseline;

(d) determine whether competition has been increased or decreased with respect to the awarding of each contract;

(e) set forth the amount of revenues received and financial obligations incurred or reduced by the Federal Government as a result of the comparison of the Act for the reporting period and in comparison with previous reporting periods and the baseline year of 1993, including the costs, if any, associated with the acquisition of possessory interests.

MCCAIN AMENDMENT NO. 1554

Mr. WALLOP (for Mr. MCCAIN) proposed an amendment to the bill S. 208, supra; as follows:

On page 34, lines 24 and 25, between "Federal State and Local regulatory agencies", and "If the Secretary's performance", insert the following, ", and shall seek and consider the applicable views of park visitors and concession customers."

McCAIN AMENDMENT NO. 1555

Mr. WALLOP (for Mr. McCAIN) proposed an amendment to the bill S. 208 to reform the concessions policies of the National Park Service, and for other purposes; as follows:

On page 21, line 25, after "to the public at a park", insert the following, "except that the Secretary shall take all reasonable and appropriate steps to consider competing alternatives for such contract.".

COHEN AMENDMENT NO. 1556

Mr. WALLOP (for Mr. COHEN) proposed an amendment to the bill S. 208 to reform the concessions policies of the National Park Service, and for other purposes; as follows:

On page 35, line 21, through page 36, line 5, strike section 14 in its entirety and insert in lieu thereof the following:

SEC. 14. RECORDKEEPING REQUIREMENTS.

(a) IN GENERAL.—Each concessioner shall keep such records as the Secretary may prescribe to enable the Secretary to determine that all terms of the concessioner's contract have been, and are being faithfully performed, and the Secretary or any of the Secretary's duly authorized representatives shall, for the purpose of audit and examination, have access to such records and to other books, documents and papers of the concessioner pertinent to the contract and all the terms and conditions thereof as the Secretary deems necessary.

(b) GENERAL ACCOUNTING OFFICE REVIEW.—The Comptroller General of the United States or any of his or her duly authorized representatives shall, until the expiration of five calendar years after the close of the business year for each concessioner, have access to and the right to examine any pertinent books, documents, papers, and records of the concessioner related to the contracts or contracts involved.

NOTICE OF JOINT HEARING

COMMITTEE ON INDIAN AFFAIRS AND COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. INOUYE. Mr. President, I would like to announce that the Senate Committee on Indian Affairs and the Senate Committee on Labor and Human Resources will be holding a joint hearing on Friday, March 25, 1994, beginning at 10 a.m., in 485 Russell Senate Office Building on the Headstart Programs serving native Americans.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. BUMPERS. Mr. President, I ask unanimous consent that the Antitrust, Monopolies, and Business Rights Subcommittee of the Committee on the Judiciary, be authorized to meet during the session of the Senate on Monday, March 21, 1994, at 10:30 a.m. in St. Petersburg, FL, to hold a field hearing on "baseball and antitrust."

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. BUMPERS. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Tuesday, March 22; that following the Prayer, the Journal of proceedings be approved to date and the time for the two leaders reserved for their use later in the day; that there then be a period for morning business, not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the following Senators recognized to speak for the time limits specified and in the order listed, if present: Senator WOFFORD for up to 20 minutes, Senator BRADLEY for up to 15 minutes, and Senator HATCH for up to 15 minutes; that at 10 a.m., the Senate proceed to the consideration of Calendar No. 390, Senate Concurrent Resolution 63, the concurrent budget resolution, with the statutory time limit for consideration of the concurrent resolution reduced to 30 hours; that on Tuesday, March 22, the Senate stand in recess from 12:30 p.m., to 2:30 p.m., in order to accommodate the respective party conferences, with the time of the recess period for the conferences being charged against the statutory time limit for consideration of the concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9 A.M., TUESDAY, MARCH 22, 1994

Mr. BUMPERS. Mr. President, if there is no further business to come before the Senate today, and if no other Senator is seeking recognition, I now ask unanimous consent the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 1:53 p.m., recessed until Tuesday, March 22, 1994, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Monday, March 21, 1994*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray this day that we will learn to experience the power of the spirit in our relations with each other. Teach us, O God, to turn away from any act or thought that hinders our respect one for another, and bring us to realize the spiritual energy of faith and hope and love. May we not see each other only in terms of power or influence, but also as brothers and sisters bound together in the walk through life. May we understand more clearly the gifts of kindness and devotion, of affection and appreciation, of admiration and esteem, of shared loyalties and commitment so that we portray the wonders and miracle of Your creation and the power of Your love. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. The Chair will ask the gentleman from Alabama [Mr. EVERETT] if he would kindly come forward and lead the membership in the Pledge of Allegiance.

Mr. EVERETT led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

> H.R. 2139. An act to amend title 44, United States Code, to authorize appropriations for the National Historical Publications and Records Commission.

The message also announced that the Senate agrees to the amendments of the House to the joint resolution (S.J. Res. 56) "Joint resolution to designate the week beginning April 12, as National Public Safety Telecommunications Week."

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

> S. 1636. An act to authorize appropriations for the Marine Mammal Protection Act of 1972 and to improve the program to reduce the incidental taking of marine mammals during the course of commercial fishing operations, and for other purposes.
>
> S.J. Res. 171. Joint resolution to designate March 20 through March 26, 1994, as "Small Family Farm Week."

IT IS TIME TO CHANGE THE TAX CODE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, several years ago a man by the name of Alex Council of North Carolina, confronted by an IRS problem that exhausted all of his savings and money, committed suicide. He left this suicide note for his wife, Kay:

> Kay, I have taken my life in order to provide money for you and our family to fight the IRS that is out of control and has taken liens against our property illegally. I have made the only decision I can, Kay; the only decision I can, Congress, to commit suicide.

Shame, Congress, for allowing the tax law that most attorneys cannot read and understand, a tax law that most accountants cannot even agree upon, a tax law that treats taxpayers and makes them guilty and must prove themselves innocent. This is unbelievable.

Jeffrey Dahmer was innocent until proven guilty, but a taxpayer is guilty and must prove themselves innocent.

I think it is time to change that Tax Code and to, in fact, treat a taxpayer and let that taxpayer be innocent and let the IRS prove their case.

IT SOUNDS LIKE SOCIALISM

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, every day Americans learn more unintended negative consequences of the Clinton health plan. A current Lewin-VHI study on the President's health reform plan found it will kill at least 155,000 private-sector jobs with an estimated 88 percent of the cost of its heavy-handed employer mandate punishing workers through reduced wages.

We also learn from a multinational business services report that implementing Clinton's health plan will require 98,164 new Government employees to manage the 2,900 pages of new Government redtape.

The rest of the world is moving at lightning speed away from centralized economies and toward free markets. We now have more Government employees involved in redistributing wealth in our country than we have private-sector employees producing wealth. Still, President Clinton wants to substitute Government bureaucrats for private-sector workers. It has been done before. It is called socialism. It does not work.

MEMBERS MUST CLOSELY EXAMINE H.R. 6

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of Wyoming. Mr. Speaker, the House is scheduled to continue the consideration of H.R. 6, a bill that was originally designed to reauthorize the elementary and secondary education programs. Since then, however, it has changed substantially with additional Federal mandates placed in it.

I am very skeptical of this bill, Mr. Speaker, because it mostly ignores the primary role of local teachers, administrators, school boards, and States in educational quality. This is one of those defining issues in which we determine whether you want more Federal bureaucracy in the operation of local programs or whether, in fact, you believe that local people have a better feel for what they want to do with their kids and their schools.

I am a strong believer in local control of education. It is the core of what is right with the system.

H.R. 6 flies in the face of that tradition: the opportunity-to-learn standards, which address conditions in schools, not results, which dictate what kinds of things you ought to do, not saying do it to come out with the results that are best for your region and your area; corrective-action provisions that will target local school district governments; over $1 billion in narrow, categorical programs and grants; numerous mandates for schools.

When you add it all up, you get one answer: too much Federal control. Once again, the Feds want 60 percent of control for 6 percent of the bucks. That is not a good deal for education in this country and our schools.

I urge my colleagues to closely examine H.R. 6.

THE TAX DOUBLE STANDARD

(Mr. EVERETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVERETT. Mr. Speaker, tax day is fast approaching middle-class America. Yes; April 15 promises to be an unnatural disaster for many small businesses across the country.

Small business owners must look at the first family with a mixture of envy and anger. Envy at how they may have avoided paying many taxes over the years, and anger at their decision to sock it to the middle class.

According to their own admission, the Clintons may have underreported their tax liabilities in regards to the whole Whitewater affair.

The Clintons have said that any mistakes on their taxes were unintentional and inadvertent. I imagine the IRS is full of those who claim that its all just a big misunderstanding.

In any event, there is a double standard here. The White House loves taxes, just as long as they don't have to pay them.

MFN STATUS FOR CHINA?

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. speaker, we are ready to face the question of granting or not granting MFN to China.

Let me just express disappointment for the business community in Beijing—that is, the American business community—the way they treated Secretary Christopher.

I would have hoped they would have said to Secretary Christopher, "Although there may be differences in whether you grant MFN or not grant MFN, Mr. Secretary, we share your goal for human rights, and we stand with you." The business community did not do that.

I want to express concern.

I want my colleagues to see the latest report in the National Journal about China, and I want to read it to you:

[From the National Journal, Mar. 5, 1994]

NEW CHARGES ABOUT CHINA

The coming debate over China's most-favored-nation trading status could be complicated by new allegations of brutality in China's corrections system. Zhang Guei-Xing, a Hong Kong-based business executive and holder of an American green card, was recently released after spending 30 months in a detention center in the Chinese city of Zhengzhou in Henan Province. He charges that during his stay, 200 inmates were executed and that some body parts were sold to transplant clinics in Japan and Hong Kong. The allegations are being investigated by the American government.

□ 1210

Body parts, before they killed the men, they took their corneas and they took their kidneys for sale of the body parts.

Third, I want to urge my colleagues to read the book by Harry Wo, who spent 19 years in a forced slave labor camp in China. As I say, there can be good men, and there are good men and women on both sides of the issue, but there should be no difference on whether or not we want to be strong for standing up for human rights and religious freedom.

I want again to express my disappointment and urge the American business community in Beijing that it is OK to differ on our approach, but please stand firm and support the American policy of strong support with regard to human rights and religious freedom.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken at the end of legislative business today.

MONEY LAUNDERING SUPPRESSION ACT OF 1994

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3235) to amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of antimoney laundering laws, and for the purposes, as amended.

The Clerk read the bill as follows:

H.R. 3235

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Money Laundering Suppression Act of 1994".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Reform of CTR exemption requirements to reduce number and size of reports consistent with effective law enforcement.
Sec. 3. Single designee for reporting of suspicious transactions.
Sec. 4. Improvement of identification of money laundering schemes.
Sec. 5. Negotiable instruments drawn on foreign banks subject to recordkeeping and reporting requirements.
Sec. 6. Imposition of civil money penalties by appropriate Federal banking agencies.
Sec. 7. Uniform State licensing and regulation of check cashing, currency exchange, and money transmitting businesses.
Sec. 8. Registration of money transmitting businesses to promote effective law enforcement.
Sec. 9. Uniform Federal regulation of casinos.
Sec. 10. Uniform Federal administration of recordkeeping and reporting requirements.
Sec. 11. Criminal and civil penalty for structuring domestic and international transactions.
Sec. 12. GAO study of cashiers' checks.
Sec. 13. Technical corrections.

SEC. 2. REFORM OF CTR EXEMPTION REQUIREMENTS TO REDUCE NUMBER AND SIZE OF REPORTS CONSISTENT WITH EFFECTIVE LAW ENFORCEMENT.

(a) IN GENERAL.—Section 5313 of title 31, United States Code, is amended by adding at the end the following new subsections:

"(d) MANDATORY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury shall exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) with respect to transactions between the depository institution and the following categories of entities:

"(A) Another depository institution.

"(B) A department or agency of the United States, any State, or any political subdivision of any State.

"(C) Any entity established under the laws of the United States, any State, or any political subdivision of any State, or under an interstate compact between 2 or more States, which exercises governmental authority on behalf of the United States, the State, or the political subdivision.

"(D) Any business or category of business the reports on which have little or no value for law enforcement purposes.

"(2) NOTICE OF EXEMPTION.—The Secretary of the Treasury shall publish in the Federal Register at such times as the Secretary determines to be appropriate (but not less frequently than once each year) a list of all the entities whose transactions with a depository institution are exempt under this subsection from the reporting requirements of subsection (a).

"(e) DISCRETIONARY EXEMPTIONS FROM REPORTING REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of the Treasury may exempt, pursuant to section 5318(a)(5), a depository institution from the reporting requirements of subsection (a) with respect to transactions between the depository institution and a qualified business customer of the institution on the basis of information submitted to the Secretary by the institution in accordance with procedures which the Secretary shall establish.

"(2) QUALIFIED BUSINESS CUSTOMER DEFINED.—For purposes of this subsection, the term 'qualified business customer' means a business which—

"(A) maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act) at the depository institution;

"(B) frequently engages in transactions with the depository institution which are subject to the reporting requirements of subsection (a); and

"(C) meets criteria which the Secretary determines are sufficient to ensure that the purposes of this subchapter are carried out without requiring a report with respect to such transactions.

"(3) CRITERIA FOR EXEMPTION.—The Secretary of the Treasury shall establish, by regulation, the criteria for granting and maintaining an exemption under paragraph (1).

"(4) GUIDELINES.—

"(A) IN GENERAL.—The Secretary of the Treasury shall establish guidelines for depository institutions to follow in selecting customers for an exemption under this subsection.

"(B) CONTENTS.—The guidelines may include a description of the types of businesses or an itemization of specific businesses for which no exemption will be granted under this subsection to any depository institution.

"(5) ANNUAL REVIEW.—The Secretary of the Treasury shall prescribe regulations requiring each depository institution to—

"(A) review, at least once each year, the qualified business customers of such institution with respect to whom an exemption has been granted under this subsection; and

"(B) upon the completion of such review, resubmit information about such customers, with such modifications as the institution determines to be appropriate, to the Secretary for the Secretary's approval.

"(6) 2-YEAR PHASE-IN PROVISION.—During the 2-year period beginning on the date of the enactment of the Money Laundering Suppression Act of 1994, this subsection shall be applied by the Secretary on the basis of such criteria as the Secretary determines to be appropriate to achieve an orderly implementation of the requirements of this subsection.

"(f) PROVISIONS APPLICABLE TO MANDATORY AND DISCRETIONARY EXEMPTIONS.—

"(1) LIMITATION ON LIABILITY OF DEPOSITORY INSTITUTIONS.—No depository institution shall be subject to any penalty which may be imposed under this subchapter for the failure of the institution to file a report with respect to a transaction with a customer for whom an exemption has been granted under subsection (d) or (e) unless the institution—

"(A) knowingly files false or incomplete information to the Secretary with respect to the transaction or the customer engaging in the transaction; or

"(B) has reason to believe at the time the exemption is granted or the transaction is entered into that the customer or the transaction does not meet the criteria established for granting such exemption.

"(2) COORDINATION WITH OTHER PROVISIONS.—Any exemption granted by the Secretary of the Treasury under section 5318(a) in accordance with this section, and any transaction which is subject to such exemption, shall be subject to any other provision of law applicable to such exemption, including—

"(A) the authority of the Secretary, under section 5318(a)(5), to revoke such exemption at any time; and

"(B) any requirement to report, or any authority to require a report on, any possible violation of any law or regulation or any suspected criminal activity.

"(g) DEPOSITORY INSTITUTION DEFINED.—For purposes of this section, the term 'depository institution'—

"(1) has the meaning given to such term in section 19(b)(1)(A) of the Federal Reserve Act; and

"(2) includes—

"(A) any branch, agency, or commercial lending company (as such terms are defined in section 1(b) of the International Banking Act of 1978);

"(B) any corporation chartered under section 25A of the Federal Reserve Act; and

"(C) any corporation having an agreement or undertaking with the Board of Governors of the Federal Reserve System under section 25 of the Federal Reserve Act.".

(b) REPORT REDUCTION GOAL; REPORTS.—

(1) IN GENERAL.—In implementing the amendment made by subsection (a), the Secretary of the Treasury shall seek to reduce, within a reasonable period of time, the number of reports required to be filed in the aggregate by depository institutions pursuant to section 5313(a) of title 31, United States Code, by at least 30 percent of the number filed during the year preceding the date of the enactment of this Act.

(2) INTERIM REPORT.—The Secretary of the Treasury shall submit a report to the Congress not later than the end of the 180-day period beginning on the date of the enactment of this Act on the progress made by the Secretary in implementing the amendment made by subsection (a).

(3) ANNUAL REPORT.—The Secretary of the Treasury shall submit an annual report to the Congress after the end of each of the first 5 calendar years which begin after the date of the enactment of this Act on the extent to which the Secretary has reduced the overall number of currency transaction reports filed with the Secretary pursuant to section 5313(a) of title 31, United States Code, consistently with the purposes of such section and effective law enforcement.

(c) STREAMLINED CURRENCY TRANSACTION REPORTS.—The Secretary of the Treasury shall take such action as may be appropriate to redesign the format of reports required to be filed by any financial institution (as defined in section 5312(a)(2) of title 31, United States Code) under section 5313(a) of title 31, United States Code, to eliminate the need to report information which has little or no value for law enforcement purposes and reduce the time and effort required to prepare such report for filing by any such financial institution under such section.

SEC. 3. SINGLE DESIGNEE FOR REPORTING OF SUSPICIOUS TRANSACTIONS.

(a) IN GENERAL.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) SINGLE DESIGNEE FOR REPORTING SUSPICIOUS TRANSACTIONS.—

"(A) IN GENERAL.—In requiring reports under paragraph (1) of suspicious transactions, the Secretary of the Treasury shall designate, to the extent practicable and appropriate, a single officer or agency of the United States to whom such reports shall be made.

"(B) DUTY OF DESIGNEE.—The officer or agency of the United States designated by the Secretary of the Treasury pursuant to subparagraph (A) shall refer any report of a suspicious transaction to any appropriate law enforcement or supervisory agency.

"(C) COORDINATION WITH OTHER REPORTING REQUIREMENTS.—Subparagraph (A) shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any provision of law other than this subsection.".

(b) REPORTS.—

(1) REPORTS REQUIRED.—The Secretary of the Treasury shall submit an annual report to the Congress at the times required under paragraph (2) on the number of suspicious transactions reported to the officer or agency designated under section 5318(g)(4)(A) of title 31, United States Code, during the period covered by the report and the disposition of such reports.

(2) TIME FOR SUBMITTING REPORTS.—The 1st report required under paragraph (1) shall be filed before the end of the 1-year period beginning on the date of the enactment of the Money Laundering Suppression Act of 1994 and each subsequent report shall be filed within 90 days after the end of each of the 5 calendar years which begin after such date of enactment.

(c) DESIGNATION REQUIRED TO BE MADE EXPEDITIOUSLY.—The initial designation of an officer or agency of the United States pursuant to the amendment made by subsection (a) shall be made before the end of the 180-day period beginning on the date of the enactment of this Act.

SEC. 4. IMPROVEMENT OF IDENTIFICATION OF MONEY LAUNDERING SCHEMES.

(a) ENHANCED TRAINING, EXAMINATIONS, AND REFERRALS BY BANKING AGENCIES.—Before the end of the 6-month period beginning on the date of the enactment of this Act, each appropriate Federal banking agency shall, in consultation with the Secretary of the Treasury and other appropriate law enforcement agencies—

(1) review and enhance training and examination procedures to improve the identification of money laundering schemes involving depository institutions; and

(2) review and enhance procedures for referring cases to any appropriate law enforcement agency.

(b) IMPROVED REPORTING OF CRIMINAL SCHEMES BY LAW ENFORCEMENT AGENCIES.—The Secretary of the Treasury and each appropriate law enforcement agency shall provide, on a regular basis, information regarding money laundering schemes and activities involving depository institutions to each appropriate Federal banking agency in order to enhance the agency's ability to examine for and identify money laundering activity.

(c) REPORT TO CONGRESS.—The Financial Institutions Examination Council shall submit a report on the progress made in carrying out subsection (a) and the usefulness of information received pursuant to subsection (b) to the Congress by the end of the 1-year period beginning on the date of the enactment of this Act.

(d) DEFINITIONS.—The terms "appropriate Federal banking agency" and "Federal banking agencies" have the same meanings as in section 3 of the Federal Deposit Insurance Act.

SEC. 5. NEGOTIABLE INSTRUMENTS DRAWN ON FOREIGN BANKS SUBJECT TO RECORDKEEPING AND REPORTING REQUIREMENTS.

Section 5312(a)(3) of title 31, United States Code, is amended—

(1) by striking "and" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(C) as the Secretary of the Treasury shall provide by regulation for purposes of section 5316, checks, drafts, notes, money orders, and other similar instruments which are drawn on or by a foreign financial institution and are not in bearer form.".

SEC. 6. IMPOSITION OF CIVIL MONEY PENALTIES BY APPROPRIATE FEDERAL BANKING AGENCIES.

Section 5321 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(e) DELEGATION OF ASSESSMENT AUTHORITY TO BANKING AGENCIES.—

"(1) IN GENERAL.—The Secretary of the Treasury shall delegate, in accordance with section 5318(a)(1) and subject to such terms and conditions as the Secretary may impose in accordance with paragraph (3), any authority of the Secretary to assess a civil money penalty under this section on depository institutions (as defined in section 3 of the Federal Deposit Insurance Act) to the appropriate Federal banking agencies (as defined in such section 3).

"(2) AUTHORITY OF AGENCIES.—Subject to any term or condition imposed by the Secretary of the Treasury under paragraph (3), the provisions of this section shall apply to an appropriate Federal banking agency to which is delegated any authority of the Secretary under this section in the same manner such provisions apply to the Secretary.

"(3) TERMS AND CONDITIONS.—

"(A) IN GENERAL.—The Secretary of the Treasury shall prescribe by regulation the terms and conditions which shall apply to any delegation under paragraph (1).

"(B) MAXIMUM DOLLAR AMOUNT.—The terms and conditions authorized under subparagraph (A) may include, in the Secretary's sole discretion, a limitation on the amount of any civil penalty which may be assessed by an appropriate Federal banking agency pursuant to a delegation under paragraph (1).".

SEC. 7. UNIFORM STATE LICENSING AND REGULATION OF CHECK CASHING, CURRENCY EXCHANGE, AND MONEY TRANSMITTING BUSINESSES.

(a) UNIFORM LAWS AND ENFORCEMENT.—For purposes of preventing money laundering and protecting the payment system from fraud and abuse, it is the sense of the Congress that the several States should—

(1) establish uniform laws for licensing and regulating businesses which—

(A) provide check cashing, currency exchange, or money transmitting or remittance services, or issue or redeem money orders, travelers' checks, and other similar instruments; and

(B) are not depository institutions (as defined in section 19(b)(1)(A) of the Federal Reserve Act); and

(2) provide sufficient resources to the appropriate State agency to enforce such laws and regulations prescribed pursuant to such laws.

(b) MODEL STATUTE.—It is the sense of the Congress that the several States should develop, through the auspices of the National Conference of Commissioners on Uniform State Laws, the American Law Institute, or such other forum as the States may determine to be appropriate, a model statute to carry out the goals described in subsection (a) which would include the following:

(1) LICENSING REQUIREMENTS.—A requirement that any business described in subsection (a)(1) be licensed and regulated by an appropriate State agency in order to engage in any such activity within the State.

(2) LICENSING STANDARDS.—A requirement that—

(A) in order for any business described in subsection (a)(1) to be licensed in the State, the appropriate State agency shall review and approve—

(i) the business record, the fee structure, and the capital adequacy of the business seeking the license; and

(ii) the competence, experience, integrity, and financial ability of any individual who—

(I) is a director, officer, or supervisory employee of such business; or

(II) owns or controls such business; and

(B) any record, on the part of any business seeking the license or any person referred to in subparagraph (A)(ii), of—

(i) any criminal activity;

(ii) any fraud or other act of personal dishonesty;

(iii) any act, omission, or practice which constitutes a breach of a fiduciary duty; or

(iv) any suspension or removal, by any agency or department of the United States or any State, from participation in the conduct of any federally or State licensed or regulated business,

may be grounds for the denial of any such license by the appropriate State agency.

(3) PROCEDURES TO ENSURE COMPLIANCE WITH FEDERAL CASH TRANSACTION REPORTING REQUIREMENTS.—A civil or criminal penalty for operating any business referred to in paragraph (1) without establishing and complying with appropriate procedures to ensure compliance with subchapter II of chapter 53 of title 31, United States Code (relating to records and reports on monetary instruments transactions).

(4) CRIMINAL PENALTIES FOR OPERATION OF BUSINESS WITHOUT A LICENSE.—A criminal penalty for operating any business referred to in paragraph (1) without a license within the State after the end of an appropriate transition period beginning on the date of the enactment of such model statute by the State.

(c) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study of—

(1) the progress made by the several States in developing and enacting a model statute which—

(A) meets the requirements of subsection (b); and

(B) furthers the goals of—

(i) preventing money laundering by businesses which are required to be licensed under any such statute; and

(ii) protecting the payment system, including the receipt, payment, collection, and clearing of checks, from fraud and abuse by such businesses; and

(2) the adequacy of—

(A) the activity of the several States in enforcing the requirements of such statute; and

(B) the resources made available to the appropriate State agencies for such enforcement activity.

(d) REPORT REQUIRED.—Before the end of the 3-year period beginning on the date of the enactment of this Act and by the end of each of the first 2 1-year periods beginning after the end of such 3-year period, the Secretary of the Treasury shall submit a report to the Congress containing the findings and recommendations of the Secretary in connection with the study under subsection (c), together with such recommendations for legislative and administrative action as the Secretary may determine to be appropriate.

(e) RECOMMENDATIONS IN CASES OF INADEQUATE REGULATION AND ENFORCEMENT BY STATES.—If the Secretary of the Treasury determines that any State has been unable to—

(1) enact a statute which meets the requirements described in subsection (b);

(2) undertake adequate activity to enforce such statute; or

(3) make adequate resources available to the appropriate State agency for such enforcement activity,

the report submitted pursuant to subsection (d) shall contain recommendations of the Secretary which are designed to facilitate the enactment and enforcement by the State of such a statute.

(f) FEDERAL FUNDING STUDY.—

(1) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study to identify possible available sources of Federal funding to cover costs which will be incurred by the States in carrying out the purposes of this section.

(2) REPORT.—The Secretary of the Treasury shall a submit a report to the Congress on the study conducted pursuant to paragraph (1) before the end of the 18-month period beginning on the date of the enactment of this Act.

SEC. 8. REGISTRATION OF MONEY TRANSMITTING BUSINESSES TO PROMOTE EFFECTIVE LAW ENFORCEMENT.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress hereby finds the following:

(A) Money transmitting businesses are subject to the recordkeeping and reporting requirements of subchapter II of chapter 53 of title 31, United States Code.

(B) Money transmitting businesses are largely unregulated businesses and are frequently used in sophisticated schemes to—

(i) transfer large amounts of money which are the proceeds of unlawful enterprises; and

(ii) evade the requirements of such subchapter II, the Internal Revenue Code of 1986, and other laws of the United States.

(C) Information on the identity of money transmitting businesses and the names of the persons who own or control, or are officers or employees of, a money transmitting business would have a high degree of usefulness in criminal, tax, or regulatory investigations and proceedings.

(2) PURPOSE.—It is the purpose of this section to establish a registration requirement for businesses engaged in providing check cashing, currency exchange, or money transmitting or remittance services, or issuing or redeeming money orders, travelers' checks, and other similar instruments to assist the Secretary of the Treasury, the Attorney General, and other supervisory and law enforcement agencies to effectively enforce the criminal, tax, and regulatory laws and prevent such money transmitting businesses from engaging in illegal activities.

(b) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by adding at the end the following new section:

"§ 5329. Registration of money transmitting businesses

"(a) REGISTRATION WITH SECRETARY OF THE TREASURY REQUIRED.—

"(1) IN GENERAL.—Any person who owns or controls a money transmitting business which is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act) shall register the business (whether or not the business is licensed as a money transmitting business in any State) with the Secretary of the Treasury before the end of the 180-day period beginning on the later of—

"(A) the date of the enactment of the Money Laundering Suppression Act of 1994; or

"(B) the date the business is established.

"(2) FORM AND MANNER OF REGISTRATION.—Subject to the requirements of subsection (b), the Secretary of the Treasury shall prescribe, by regulation, the form and manner for registering a money transmitting business pursuant to paragraph (1).

"(3) BUSINESSES REMAIN SUBJECT TO STATE LAW.—This section shall not be construed as superseding any requirement of State law relating to money transmitting businesses operating in such State.

"(4) FALSE AND INCOMPLETE INFORMATION.—The filing of false or materially incomplete information in connection with the registration of a money transmitting business shall be considered as a failure to comply with the requirements of this subchapter.

"(b) Contents of Registration.—The registration of a money transmitting business under subsection (a) shall include the following information:

"(1) The name and location of the business.

"(2) The name and address of each person who—

"(A) owns or controls the business;

"(B) is an director or officer of the business; or

"(C) otherwise participates in the conduct of the affairs of the business.

"(3) The name and address of any depository institution at which the business maintains a transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act).

"(4) An estimate of the volume of business in the coming year (which shall be reported annually to the Secretary).

"(5) Such other information as the Secretary of the Treasury may require.

"(c) Agents of Money Transmitting Businesses.—

"(1) Maintenance of lists of agents of money transmitting businesses.—Pursuant to regulations which the Secretary of the Treasury shall prescribe, each money transmitting business shall—

"(A) maintain a list containing the names and addresses of all persons authorized to act as an agent for such business in connection with activities described in subsection (d)(1)(A) and such other information about such agents as the Secretary may require; and

"(B) make the list and other information available on request to any appropriate law enforcement agency.

"(2) Treatment of agent as money transmitting business.—The Secretary of the Treasury shall prescribe regulations establishing, on the basis of such criteria as the Secretary determines to be appropriate, a threshold point for treating an agent of a money transmitting business as a money transmitting business for purposes of this section.

"(d) Definitions.—For purposes of this section—

"(1) Money transmitting business.—The term 'money transmitting business' means any business other than the United States Postal Service which—

"(A) provides check cashing, currency exchange, or money transmitting or remittance services, or issues or redeems money orders, travelers' checks, and other similar instruments;

"(B) is required to file reports under section 5313; and

"(C) is not a depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act).

"(2) Money transmitting service.—The term 'money transmitting service' includes accepting currency or funds denominated in the currency of any country and transmitting the currency or funds, or the value of the currency or funds, by any means through a financial agency or institution, a Federal reserve bank or other facility of the Board of Governors of the Federal Reserve System, or an electronic funds transfer network.

"(e) Civil Penalty for Failure To Comply With Registration Requirements.—

"(1) In general.—Any person who fails to comply with the money transmitting business registration requirements under subsection (a) or regulations prescribed under such subsection shall be liable to the United States for a civil penalty of $5,000 for each such violation.

"(2) Continuing violation.—Each day a violation described in paragraph (1) continues shall constitute a separate violation for purposes of such paragraph.

"(3) Assessments.—Any penalty imposed under this subsection shall be assessed and collected by the Secretary of the Treasury in the manner provided in section 5321 and any such assessment shall be subject to the provisions of such section.".

(c) Criminal Penalty for Failure To Comply With Registration Requirements.—Section 1960(b)(1) of title 18, United States Code, is amended to read as follows:

"(1) the term 'illegal money transmitting business' means a money transmitting business which affects interstate or foreign commerce in any manner or degree and—

"(A) is intentionally operated without an appropriate money transmitting license in a State where such operation is punishable as a misdemeanor or a felony under State law; or

"(B) fails to comply with the money transmitting business registration requirements under section 5329 of title 31, United States Code, or regulations prescribed under such section;".

(d) Civil Forfeiture.—Section 981(a)(1)(A) of title 18, United States Code, is amended by striking "or of section 1956 or 1957 of this title," and inserting ", or of section 1956, 1957, or 1960 of this title,".

(e) Clerical Amendment.—The table of sections for chapter 53 of title 31, United States Code, is amended by inserting after the item relating to section 5328 the following new item:

"5329. Registration of money transmitting businesses.".

SEC. 9. UNIFORM FEDERAL REGULATION OF CASINOS.

Amendment to Definition of Financial Institution To Specifically Include Certain Casinos.—Section 5312(a)(2) of title 31, United States Code, is amended—

(1) by redesignating subparagraphs (X) and (Y) as subparagraphs (Y) and (Z), respectively; and

(2) by inserting after subparagraph (W) the following new subparagraph:

"(X) a casino, gambling casino, or gaming establishment with an annual gaming revenue of more than $1,000,000 which—

"(i) is licensed as a casino or gambling casino under the laws of any State or any political subdivision of any State; or

"(ii) is an Indian gaming operation conducted under or pursuant to the Indian Gaming Regulatory Act other than an operation which is limited to class I gaming (as defined in section 4(6) of such Act);".

SEC. 10. UNIFORM FEDERAL ADMINISTRATION OF RECORDKEEPING AND REPORTING REQUIREMENTS.

(a) In General.—Section 5318 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(i) Uniform Administration of Subchapter.—

"(1) No exemptions.—No exemption from any recordkeeping or reporting requirement of this subchapter, including paragraph (1), or of any regulation prescribed pursuant to this subchapter may be granted to—

"(A) any State or any political subdivision of a State on behalf of any financial institution which but, for such exemption, would be required to maintain records or file reports under this subchapter or regulations prescribed by the Secretary of the Treasury pursuant to this subchapter; or

"(B) any financial institution on the basis that any State, any political subdivision of any State, or any officer, agency, or other authority of any such State or political subdivision regulates or examines such institution.

"(2) Reports required to be filed with federal agency.—Any report required under this subchapter or regulations prescribed by the Secretary of the Treasury pursuant to this subchapter shall be filed by the person required to make the report with the Secretary of the Treasury or an officer or agency of the United States designated by the Secretary to receive such report.".

(b) Technical and Conforming Amendments.—Section 5318(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by inserting "or (i)" after "subsection (b)(2)"; and

(2) in paragraph (5), by inserting "except as provided in subsection (i)," before "prescribe an appropriate exemption".

(c) Revocation of Prior Exemption.—Any exemption granted under subchapter II of chapter 53 of title 31, United States Code, by the Secretary of the Treasury before the date of the enactment of the Money Laundering Suppression Act of 1994 to any State or local government on behalf of any financial institution (as defined in such subchapter) is hereby revoked as of the end of the 30-day period beginning on the date of the enactment of this Act.

SEC. 11. CRIMINAL AND CIVIL PENALTY FOR STRUCTURING DOMESTIC AND INTERNATIONAL TRANSACTIONS.

(a) Criminal Penalty.—Section 5324 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(c) Criminal Penalty.—

"(1) In general.—Whoever violates this section shall be fined in accordance with title 18, United States Code, imprisoned for not more than 5 years, or both.

"(2) Enhanced penalty for aggravated cases.—Whoever violates this section while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.".

(b) Amendment Relating to Civil Penalty.—Section 5321(a)(4)(A) of title 31, United States Code, is amended by striking "willfully".

(c) Technical and Conforming Amendment.—Subsections (a) and (b) of section 5322 of title 31, United States Code, are amended by inserting "or 5324" after "section 5315" each place such term appears.

SEC. 12. GAO STUDY OF CASHIERS' CHECKS.

(a) Study Required.—The Comptroller General of the United States shall conduct a study to—

(1) determine the extent to which the practice of issuing of cashiers' checks by financial institutions is vulnerable to money laundering schemes;

(2) determine the extent to which additional recordkeeping requirements should be imposed on financial institutions which issue cashiers' checks; and

(3) analyze such other factors relating to the use and regulation of cashiers' checks as the Comptroller General determines to be appropriate.

(b) Report Required.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the

study conducted pursuant to subsection (a); and

(2) such recommendations for legislative and administrative action as the Comptroller General may determine to be appropriate.

SEC. 13. TECHNICAL CORRECTIONS.

(a) TITLE 31, U.S.C., AMENDMENTS.—

(1) Section 5321(a)(5)(A) of title 31, United States Code, is amended by inserting "any violation of" after "causing".

(2) Section 5324(a) of title 31, United States Code, is amended—

(A) by striking "section 5313(a), section 5325, or the regulations issued thereunder or section 5325 or regulations prescribed under such section 5325" each place such term appears and inserting "section 5313(a) or 5325 or any regulation prescribed under any such section"; and

(B) by striking "with respect to such transaction".

(b) AMENDMENT RELATING TO TITLE 31, U.S.C.—

(1) Effective as of the date of the enactment of the Annunzio-Wylie Anti-Money Laundering Act, section 1517(b) of such Act is amended by striking "5314" and inserting "5318".

(2) Section 5239 of the Revised Statutes of the United States is amended by redesignating the 2d subsection (c) (as added by section 1502(a) of the Annunzio-Wylie Anti-Money Laundering Act) as subsection (d).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes, and the gentleman from Iowa [Mr. LEACH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, actually, H.R. 3235 is the working product of the Subcommittee on Financial Institutions Supervision, Regulation and Deposit Insurance of the Committee on Banking, Finance and Urban Affairs, which subcommittee is chaired by the very able and most valued member of the committee, the gentleman from North Carolina [Mr. NEAL].

Mr. Speaker, I would like to speak in favor of H.R. 3235, the Money Laundering Suppression Act of 1994. I introduced this legislation last fall because its provisions both enhance the Government's ability to combat money laundering and reduce unnecessary reporting burdens on banks. The bill is based on 18 months of exhaustive study, careful analysis and thorough work on every detail.

A key provision of the bill requires the Secretary of the Treasury to substantially reduce the number of currency transaction reports, known as CTRs, filed by depository institutions. The 10 million CTR's filed every year entail huge costs for filers and the Treasury Department, which must process the data. In addition, this mountain of reports actually has made it more difficult for law enforcement agencies to sort through the database during an investigation. The Secretary will accomplish this reduction by exempting banks from filing CTR's on customers whose transactions have little or no law enforcement value. IRS officials estimate that CTR filings could be reduced by 30 to 40 percent if these routine deposits and withdrawals were not included, thereby making the filing burden lower but law enforcement better.

The bill also addresses the problem of money laundering at so-called nonbank financial institutions. As banks have improved their compliance with currency reporting requirements, money-laundering activity has shifted to these businesses. It is difficult for the Government to monitor them because they do not receive the same attention from regulators that banks do. The bill requires nonbank money transmitters to register with the Treasury Department, and expresses the sense of the Congress that money transmitters should be licensed at the State level.

Finally, the bill addresses a recent Supreme Court decision that has made it much more difficult for the Government to convict persons of evading the currency reporting requirements. This ruling jeopardizes several hundred money-laundering cases currently pending in our judicial system. It is therefore urgent that Congress make clear its intent that the practice of structuring cash transactions to evade reporting requirements is not to be tolerated, which the bill does.

I urge adoption of the bill and thank Mr. NEAL for his contributions to it, as well as my Republican colleagues who cooperated in moving the legislation forward.

Mr. Speaker, I yield the balance of our time to the gentleman from North Carolina [Mr. NEAL] and ask unanimous consent that he be permitted to allocate the time under the rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from North Carolina [Mr. NEAL] for the balance of the time allotted.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Mr. NEAL of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. NEAL of North Carolina. Mr. Speaker, H.R. 3235 is an important legislative step forward in fighting the crime of money laundering.

I am pleased to have cosponsored this legislation with the distinguished chairman of the Banking Committee [Mr. GONZALEZ], who has played a leading role in addressing the threat that money laundering poses to financial institutions.

One of the unique aspects of this legislation is that it combats money laundering by seeking to eliminate 30 percent of the 10 million currency transaction reports now being filed annually. Elimination of these reports, which law enforcement officials inform us have no value, will also reduce the paperwork burden on financial institutions.

Eliminating these unnecessary reports will enhance law enforcement efforts. Reports on legitimate transactions are the chaff in which the kernels of illegitimate transactions hide. By eliminating those reports, it should be easier for law officials to identify those reports which have a high degree of usefulness in combating money laundering.

The Banking Committee added an important amendment to the legislation. The amendment, which is contained in section 11 of the bill, clarifies that the offense of structuring transactions to evade currency reporting requirements does not require the Government to prove that a defendant knew that structuring is illegal. This clarification was necessary because of a January Supreme Court decision, Ratzlaf versus United States, in which the Court held, by a 5 to 4 margin, that such a showing is necessary. Justice Blackmun, in his dissent, pointed out that "ignorance of the law * * * is no defense to criminal prosecution" and that Congress intended "that a willful violation of the antistructuring provisions requires knowledge of the bank's reporting requirements and an intent to evade them, [not] knowledge of the illegality of structuring." Section 11 makes it completely clear that structuring violations require only intent to evade the reporting requirements. Under the amendment, the Government will not have to prove that the defendant knew structuring was illegal. The Government will need only prove that the defendant structured transactions with the intent to evade the reporting requirements.

Several other provisions of the bill are also worth noting.

Sections 7 and 8 address the role of money transmitters and check cashers in money laundering. As financial institutions have become more efficient in filing currency transactions reports and detecting and reporting money-laundering schemes, money launderers have increasingly turned to nondepository institutions as a vehicle for money laundering.

Section 7 contains a sense of the Congress that the States should work together to develop uniform laws regulating money transmitters and check cashers, and should provide for adequate enforcement of those laws. As a consumer protection matter, the States are also urged to consider regulation of check cashing fees, to prevent abuse of low-income consumers who have little or no other sources of having checks cashed.

Section 8 provides that money transmitters must register with the Treasury. This will assure that the Treasury is aware of who is engaged in the business, so that it can better monitor their compliance with currency transaction reporting requirements. The legislation requires that the Secretary establish a minimum threshold below which registration is not required, so as to eliminate unnecessary burdens on small businesses. At the same time, large money transmitting businesses are required to make the lists of their agents available to law enforcement agencies upon request. This will enable law enforcement officials to check on the status of particular money transmitting agents if that becomes necessary.

Mr. Speaker, this is an important piece of legislation that is supported by both the law enforcement and the financial institutions communities. I commend the chairman of the Banking Committee, the gentleman from Texas [Mr. GONZALEZ], for introducing it and the gentleman from Florida [Mr. MCCOLLUM] for working to perfect it. I urge the House to pass it.

Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3235.

The Money Laundering Suppression Act of 1994, crafted under the leadership of Chairman NEAL, Chairman GONZALEZ, and the ranking member of the Financial Institutions Subcommittee, BILL MCCOLLUM, strikes an appropriate balance between reducing the regulatory burden on our financial institutions and improving detection of money laundering.

The Treasury Department has estimated that $110 billion is laundered through our financial system each year. Some think the number may be as high as $300 billion. Whatever the figure, it is an extraordinary problem, representing the lifeblood of the drug trade.

However, since enactment of the Bank Secrecy Act in 1970, which requires that a currency transaction report [CTR] be filed for each monetary transaction over $10,000, nearly 54 million reports have been filed with the Federal Government. Well intended as the 1970 law may be, such a large data base has not proven conducive to effectively using many reports.

H.R. 3235 represents an attempt to weed out those CTR's that are not of much value in law enforcement, with a goal of allowing more attention to be directed to those with a higher degree of law enforcement usefulness.

The legislation will also: centralize the reporting of suspicious transactions; subject foreign bank drafts to reporting for the first time; require the banking agencies to improve training for bank examiners to detect money-laundering schemes; and finally, the bill will require all money transmitting businesses to register with the Treasury Department.

Again, I thank Chairmen GONZALEZ and NEAL, and urge support for the bill.

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Mr. Speaker, I reserve the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Nevada [Mr. BILBRAY].

Mr. BILBRAY. Mr. Speaker, I rise to express my serious concerns over two sections of H.R. 3235.

Let me first commend the chairman for his efforts to combat money laundering. The legislation before us today will reduce the number of currency transaction reports banks are required to file, while making the process more effective at identifying suspicious customer transactions. However, I have serious reservations regarding sections 9 and 10 of the legislation.

One effect of sections 9 and 10 will be to eliminate the Treasury Secretary's discretion to provide exemptions from Federal currency transaction reporting regulations, even in cases where existing State law already meet Federal standards. Since the revision of Federal laws in the 1980's, Nevada has had State laws matching or surprising the Federal reporting requirements. The Treasury Department has agreed that this is the case and, as a result, has provided Nevada with an exception from Federal reporting regulations.

Eliminating the Treasury Secretary's discretion to grant an exemption will require creation of a new currency transaction reporting system that parallels the existing State reporting system in Nevada. This will result in significant new costs to my State's most important industry. It will not improve currency transaction reporting to the Federal Government.

There is no need to force Nevada to change the way it meets the requirements of title 31 of the Federal code. I am not aware of anyone who claims that Nevada's currency transaction reports are less stringent than those compiled under Federal regulations. In fact, forcing Nevada to adopt a new reporting structure would run contrary to one of the main goals under H.R. 3235.

I understand that one of the main purposes of the changes in H.R. 3235 is to reduce the drain on Federal resources related to reporting areas of marginal significance when it comes to criminal money laundering, and to focus those resources instead on improved enforcement in those areas more likely to experience significant currency transaction violations. Requiring a new Federal reporting structure to replace the existing State structure in Nevada will result in requiring additional Federal resources to be committed in an area where no substantial problems now exist.

Just last week, the Senate passed a companion bill to H.R. 3235 without sections 9 and 10. When we go to conference, I urge you to seriously consider leaving the Treasury Secretary's discretion to grant exemptions from Federal reporting regulations in place, at least as it applies to existing reporting systems. It is working well in Nevada. Nevada has worked closely with the Treasury Department over the years to ensure that Federal reporting requirements are met, and I am confident they will continue to do so.

Mr. Speaker, I support the bill, but I urge my colleagues in conference to go along with the Senate and take out sections 9 and 10.

Mr. NEAL of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to respond to the comments by the gentleman from Nevada [Mr. BILBRAY] and thank him for his concern. He is a very dedicated Member of Congress, always looking out for the interest of his State, and I appreciate his thoughts on the subject.

Mr. Speaker, a the gentleman said, the other body has passed a similar money laundering bill, but without section 10. I anticipate that this matter will be resolved in conference in a manner which retains the section's authority to grant exemptions as appropriate, especially to States which have effective laws and enforcement to combat money laundering. I am a firm believer in Federal-State cooperation and want to assure the gentleman that I will work to resolve the differences between the two bills in a manner that balances the needs of Federal law enforcement with minimizing regulatory burdens.

The gentleman from Nevada [Mr. BILBRAY] is probably aware that the Treasury Department has not requested this change. They think that they have adequate enforcement capability with their discretionary authority, so we will certainly keep that in mind as we go to the conference.

Mr. BILBRAY. Mr. Speaker, I thank the gentleman from North Carolina [Mr. NEAL] for that statement.

Mr. PICKLE. Mr. Speaker, I rise in support of H.R. 3235, the Money Laundering Suppression Act of 1994. H.R. 3235 will greatly improve the Federal Government's ability to deal effectively with money laundering issues. The bill improves the usefulness of currency transaction reports, addresses the difficulties posed by the recent Supreme Court decision related to the crime of structuring, and reduces the reporting burdens placed on legitimate businesses without adversely affecting Federal law enforcement. The bill will also tighten up on the so-called shadow banking system of check cashers and money transmitters. For the first time, we are asking these outfits to help their Government combat money laundering.

The Subcommittee on Oversight of the Committee on Ways and Means, which I chair, had continuously reviewed the effectiveness of Treasury and IRS programs to address money laundering and related tax evasion. I have shared the findings of the subcommittee with the Committee on Banking. The legislation before the House today effectively deals with a number of issues initially identified by the subcommittee on Oversight.

Specifically, my subcommittee found a backlog of Bank Secrecy Act [BSA] civil penalty cases at Treasury's Office of Financial Enforcement [OFE], which frustrated the regulators, and ultimately resulted in fewer penalty referrals to OFE. This legislation will address the backlog of penalty cases at OFE by delegating authority to assess penalties under BSA to IRS and bank examiners who actually conduct the investigations and detect the violations. Also, my subcommittee found that money laundering has shifted to wire-transmitters, check cashers, and other non-regulated financial institutions and that the Federal Government knows very little about the magnitude of their activities because these operations are largely unregulated at the Federal level. This legislation will require these transmitters, check cashers, and others to register with the Treasury. Further, my subcommittee found that the BSA data base contained incomplete and unnecessary currency transaction report [CTR] data. This legislation will clean up the BSA data base and improve the ability of law-enforcement agencies to access reliable data.

H.R. 3235 will also require all casinos and gaming establishments, including Indian gaming operations and the Nevada casinos, to comply with the BSA and file CTR's with IRS. We know from our oversight hearings that money laundering is taking place in casinos, and that more effective enforcement is needed. H.R. 3235 brings all casinos under the BSA umbrella. This is a sound, smart policy.

Money-laundering enforcement is more than identifying drug traffickers and confiscating their ill-gotten gains. Money laundering threatens the integrity of our voluntary tax system and, as we have learned lately, even our national security. It has been reported in the press that a CIA spy, Aldrich Hazel Ames, made numerous large cash purchases which were reported to IRS as suspicious. I have asked IRS to provide my subcommittee with a report on what actions, if any, the agency has taken in response to the Ameses' spending habits and their deposits of large cash sums.

The fight against money laundering and tax evasion is a never-ending battle as drug traffickers, tax cheats, and even spies, devise new and ingenious ways to disguise the source of their money. It seems that as soon as we act to close loopholes in our Federal laws and enforcement strategies, money launderers develop new schemes to circumvent the law. Therefore, the Congress, working with law enforcement agencies and the business and financial communities, must continue to be vigilant in this fight and prepared to meet new challenges. H.R. 3235 helps meet these challenges.

Last, I want to commend Chairmen GONZALEZ and NEAL, and the Committee on Banking, for developing a strong, responsible, and important piece of legislation. The art of money laundering is a continual state of change. We need this legislation now to give law enforcement a fighting chance. I urge my colleagues to support H.R. 3235.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

Mr. NEAL of North Carolina. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 3235, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1284, DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT AMENDMENTS OF 1994

Mr. WAXMAN submitted the following conference report and statement on the Senate bill (S. 1284) to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes:

CONFERENCE REPORT (H. REPT. 103-442)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1284), to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—GENERAL PROVISIONS

Sec. 101. Headings and short title.
Sec. 102. Findings and purposes.
Sec. 103. Definitions.
Sec. 104. Federal share.
Sec. 105. Records and audits.
Sec. 106. Recovery.
Sec. 107. State control of operations.
Sec. 108. Reports.
Sec. 109. Responsibilities of the Secretary.
Sec. 110. Employment of handicapped individuals.
Sec. 111. Rights of the developmentally disabled.

TITLE II—FEDERAL ASSISTANCE FOR PRIORITY AREA ACTIVITIES FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

Sec. 201. Part heading.
Sec. 202. Purpose.
Sec. 203. State plans.
Sec. 204. Habilitation plans.
Sec. 205. Councils.
Sec. 206. State allotments.
Sec. 207. Federal share and non-Federal share.
Sec. 208. Payments to the States for planning, administration, and services.
Sec. 209. Withholding of payments for planning, administration, and services.
Sec. 210. Nonduplication.
Sec. 211. Appeals by States.
Sec. 212. Authorization of appropriations.
Sec. 213. Review, analysis, and report.

TITLE III—PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

Sec. 301. Part heading.
Sec. 302. Purpose.
Sec. 303. System required.
Sec. 304. Authorization of appropriations.

TITLE IV—UNIVERSITY AFFILIATED PROGRAMS

Sec. 401. Part heading.
Sec. 402. Purpose.
Sec. 403. Grant authority.
Sec. 404. Applications.
Sec. 405. Grant awards.
Sec. 406. Authorization of appropriations and definition.

TITLE V—PROJECTS OF NATIONAL SIGNIFICANCE

Sec. 501. Part heading.
Sec. 502. Purpose.
Sec. 503. Grant authority.
Sec. 504. Authorization of appropriations.

SEC. 2. REFERENCES.

Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.).

TITLE I—GENERAL PROVISIONS

SEC. 101. HEADINGS AND SHORT TITLE.

(a) TITLE.—The heading of title I of the Act is amended to read as follows:

"TITLE I—PROGRAMS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES".

(b) PART.—The heading of part A of title I of the Act is amended to read as follows:

"PART A—GENERAL PROVISIONS".

(c) SHORT TITLE.—Section 100 (42 U.S.C. 6000 note) is amended—

(1) by striking "SEC. 100"; and

(2) in the section heading, by striking "SHORT TITLE" and inserting the following new section heading:

"SEC. 100. SHORT TITLE.".

SEC. 102. FINDINGS AND PURPOSES.

Section 101 (42 U.S.C. 6000) is amended to read as follows:

"SEC. 101. FINDINGS, PURPOSES, AND POLICY.

"(a) FINDINGS.—The Congress finds that—

"(1) in 1993 there are more than 3,000,000 individuals with developmental disabilities in the United States;

"(2) disability is a natural part of the human experience that does not diminish the right of

individuals with developmental disabilities to enjoy the opportunity to live independently, enjoy self-determination, make choices, contribute to society, and experience full integration and inclusion in the economic, political, social, cultural, and educational mainstream of American society;

"(3) individuals with developmental disabilities continually encounter various forms of discrimination in critical areas;

"(4) there is a lack of public awareness of the capabilities and competencies of individuals with developmental disabilities;

"(5) individuals whose disabilities occur during their developmental period frequently have severe disabilities that are likely to continue indefinitely;

"(6) individuals with developmental disabilities often require lifelong specialized services and assistance, provided in a coordinated and culturally competent manner by many agencies, professionals, advocates, community representatives, and others to eliminate barriers and to meet the needs of such individuals and their families;

"(7) a substantial portion of individuals with developmental disabilities and their families do not have access to appropriate support and services from generic and specialized service systems and remain unserved or underserved;

"(8) family members, friends, and members of the community can play an important role in enhancing the lives of individuals with developmental disabilities, especially when the family and community are provided with the necessary services and supports;

"(9) there is a need to ensure that services, supports, and other assistance are provided in a culturally competent manner, that individuals from racial and ethnic minority backgrounds are fully included in all activities under this Act, and that greater efforts are made to recruit individuals from minority backgrounds into the field of developmental disabilities; and

"(10) the goals of the Nation properly include the goal of providing individuals with developmental disabilities with the opportunities and support to—

"(A) make informed choices and decisions;

"(B) live in homes and communities in which such individuals can exercise their full rights and responsibilities as citizens;

"(C) pursue meaningful and productive lives;

"(D) contribute to their family, community, State, and Nation;

"(E) have interdependent friendships and relationships with others; and

"(F) achieve full integration and inclusion in society, in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities, and capabilities of each individual.

"(b) PURPOSE.—The purpose of this Act is to assure that individuals with developmental disabilities and their families participate in the design of and have access to culturally competent services, supports, and other assistance and opportunities that promote independence, productivity, and integration and inclusion into the community, through—

"(1) support to State Developmental Disabilities Councils in each State to promote, through systemic change, capacity building, and advocacy activities that are consistent with the policy under subsection (c)(2), a consumer and family-centered, comprehensive system, and a coordinated array of services, supports, and other assistance for individuals with developmental disabilities and their families;

"(2) support to protection and advocacy systems in each State to protect the legal and human rights of individuals with developmental disabilities;

"(3) support to university affiliated programs to provide interdisciplinary preservice preparation of students and fellows, community service activities, and the dissemination of information and research findings; and

"(4) support to national initiatives to collect necessary data, provide technical assistance to State Developmental Disabilities Councils, protection and advocacy systems and university affiliated programs, and support other nationally significant activities.

"(c) POLICY.—It is the policy of the United States that all programs, projects, and activities receiving assistance under this Act shall be carried out in a manner consistent with the principles that—

"(1) individuals with developmental disabilities, including those with the most severe developmental disabilities, are capable of achieving independence, productivity, and integration and inclusion into the community, and often require the provision of services, supports and other assistance to achieve independence, productivity, and integration and inclusion;

"(2) individuals with developmental disabilities and their families have competencies, capabilities and personal goals that should be recognized, supported, and encouraged, and any assistance to such individuals should be provided in an individualized manner, consistent with the unique strengths, resources, priorities, concerns, abilities, and capabilities of the such individuals;

"(3) individuals with developmental disabilities and their families are the primary decisionmakers regarding the services and supports such individuals and their families receive and play decisionmaking roles in policies and programs that affect the lives of such individuals and their families;

"(4) services, supports, and other assistance are provided in a manner that demonstrates respect for individual dignity, personal preferences, and cultural differences;

"(5) specific efforts must be made to ensure that individuals from racial and ethnic minority backgrounds enjoy effective and meaningful opportunities for full participation in the developmental disabilities service system;

"(6) recruitment efforts within developmental disabilities at the level of preservice training, community training, practice, administration and policymaking must focus on bringing larger numbers of racial and ethnic minorities into the field in order to provide appropriate skills, knowledge, role models, and sufficient manpower to address the growing needs of an increasingly diverse population;

"(7) with education and support, communities can be responsive to the needs of individuals with developmental disabilities and their families and are enriched by the full and active participation and the contributions by individuals with developmental disabilities and their families; and

"(8) individuals with developmental disabilities should have access to opportunities and the necessary support to be included in community life, have interdependent relationships, live in homes and communities, and make contributions to their families, community, State, and Nation.".

SEC. 103. DEFINITIONS.

Section 102 (42 U.S.C. 6001) is amended to read as follows:

"SEC. 102. DEFINITIONS.

"For purposes of this title:

"(1) AMERICAN INDIAN CONSORTIUM.—The term 'American Indian Consortium' means any confederation of two or more recognized American Indian tribes, created through the official action of each participating tribe, that has a combined total resident population of 150,000 enrolled tribal members and a contiguous territory of Indian lands in two or more States.

"(2) ASSISTIVE TECHNOLOGY DEVICE.—The term 'assistive technology device' means any item, piece of equipment, or product system, whether acquired commercially, modified or customized, that is used to increase, maintain, or improve functional capabilities of individuals with developmental disabilities.

"(3) ASSISTIVE TECHNOLOGY SERVICE.—The term 'assistive technology service' means any service that directly assists an individual with a developmental disability in the selection, acquisition, or use, of an assistive technology device. Such term includes—

"(A) the evaluation of the needs of an individual with a developmental disability, including a functional evaluation of the individual in the individual's customary environment;

"(B) purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by an individual with a developmental disability;

"(C) selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing or replacing assistive technology devices;

"(D) coordinating and using other therapies, interventions, or services with assistive technology devices, such as those associated with existing education and rehabilitation plans and programs;

"(E) training or technical assistance for an individual with a developmental disability, or, where appropriate, a family member, guardian, advocate, or authorized representative of an individual with a developmental disability; and

"(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of, an individual with developmental disabilities.

"(4) CHILD DEVELOPMENT ACTIVITIES.—The term 'child development activities' means such priority area activities as will assist in the prevention, identification, and alleviation of developmental disabilities in children, including early intervention services.

"(5) COMMUNITY LIVING ACTIVITIES.—The term 'community living activities' means such priority area activities as will assist individuals with developmental disabilities to obtain and receive the supports needed to live in their family home or a home of their own with individuals of their choice and to develop supports in the community.

"(6) COMMUNITY SUPPORTS.—The term 'community supports' means activities, services, supports, and other assistance designed to—

"(A) assist neighborhoods and communities to be more responsive to the needs of individuals with developmental disabilities and their families;

"(B) develop local networks that can provide informal support; and

"(C) make communities accessible and enable communities to offer their resources and opportunities to individuals with developmental disabilities and their families.

Such term includes community education, personal assistance services, vehicular and home modifications, support at work, and transportation.

"(7) CULTURALLY COMPETENT.—The term 'culturally competent' means services, supports or other assistance that are conducted or provided in a manner that is responsive to the beliefs, interpersonal styles, attitudes, language and behaviors of individuals who are receiving services, and in a manner that has the greatest likelihood of ensuring their maximum participation in the program.

"(8) DEVELOPMENTAL DISABILITY.—The term 'developmental disability' means a severe, chronic disability of an individual 5 years of age or older that—

"(A) is attributable to a mental or physical impairment or combination of mental and physical impairments;

"(B) is manifested before the individual attains age 22;

"(C) is likely to continue indefinitely;

"(D) results in substantial functional limitations in three or more of the following areas of major life activity—

"(i) self-care;

"(ii) receptive and expressive language;

"(iii) learning;

"(iv) mobility;

"(v) self-direction;

"(vi) capacity for independent living; and

"(vii) economic self-sufficiency; and

"(E) reflects the individual's need for a combination and sequence of special, interdisciplinary, or generic services, supports, or other assistance that is of lifelong or extended duration and is individually planned and coordinated, except that such term, when applied to infants and young children means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.

"(9) EARLY INTERVENTION SERVICES.—The term 'early intervention services' means services provided to infants, toddlers, young children, and their families to—

"(A) enhance the development of infants, toddlers, and young children with disabilities and to minimize their potential for developmental delay; and

"(B) enhance the capacity of families to meet the special needs of their infants, toddlers, and young children.

"(10) EMPLOYMENT ACTIVITIES.—The term 'employment activities' means such priority area activities as will increase the independence, productivity, and integration and inclusion into the community of individuals with developmental disabilities in work settings.

"(11) FAMILY SUPPORT SERVICE.—The term 'family support service' means services, supports, and other assistance provided to families with members with developmental disabilities that are designed to—

"(A) strengthen the family's role as primary caregiver;

"(B) prevent inappropriate out-of-the-home placement and maintain family unity; and

"(C) reunite families with members who have been placed out of the home, whenever possible. Such term includes respite care, rehabilitation technology, personal assistance services, parent training and counseling, support for elderly parents, vehicular and home modifications, and assistance with extraordinary expenses associated with the needs of individuals with developmental disabilities.

"(12) FEDERAL PRIORITY AREAS.—The term 'Federal priority areas' means community living activities, employment activities, child development activities, and system coordination and community education activities.

"(13) INDEPENDENCE.—The term 'independence' means the extent to which individuals with developmental disabilities exert control and choice over their own lives.

"(14) INDIVIDUAL SUPPORTS.—The term 'individual supports' means services, supports, and other assistance that enable an individual with a developmental disability to be independent, productive, integrated, and included into such individual's community, and that are designed to—

"(A) enable such individual to control such individual's environment, permitting the most independent life possible;

"(B) prevent placement into a more restrictive living arrangement than is necessary; and

"(C) enable such individual to live, learn, work, and enjoy life in the community.

Such term includes personal assistance services, rehabilitation technology, vehicular and home modifications, support at work, and transportation.

"(15) INTEGRATION AND INCLUSION.—The term 'integration and inclusion', with respect to individuals with developmental disabilities, means—

"(A) the use by individuals with developmental disabilities of the same community resources that are used by and available to other citizens;

"(B) living in homes close to community resources, with regular contact with citizens without disabilities in their communities;

"(C) the full and active participation by individuals with developmental disabilities in the same community activities and types of employment as citizens without disabilities, and utilization of the same community resources as citizens without disabilities, living, learning, working, and enjoying life in regular contact with citizens without disabilities; and

"(D) having friendships and relationships with individuals and families of their own choosing.

"(16) NONPROFIT.—The term 'nonprofit' means an agency, institution, or organization that is owned or operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(17) OTHER ORGANIZATIONS.—The term 'other organizations' means those organizations that are not State agencies or nonprofit agencies, except such organizations may be consulting firms, independent proprietary businesses and providers, and local community groups not organizationally incorporated, and that are interested in supporting individuals with developmental disabilities.

"(18) PERSONAL ASSISTANCE SERVICES.—The term 'personal assistance services' means a range of services, provided by one or more individuals, designed to assist an individual with a disability to perform daily living activities on or off a job that such individual would typically perform if such individual did not have a disability. Such services shall be designed to increase such individual's control in life and ability to perform everyday activities on or off such job.

"(19) PREVENTION.—The term 'prevention' means activities that address the causes of developmental disabilities and the exacerbation of functional limitations, such as activities that—

"(A) eliminate or reduce the factors that cause or predispose individuals to developmental disabilities or that increase the prevalence of developmental disabilities;

"(B) increase the early identification of existing problems to eliminate circumstances that create or increase functional limitations; and

"(C) mitigate against the effects of developmental disabilities throughout the individual's lifespan.

"(20) PRODUCTIVITY.—The term 'productivity' means—

"(A) engagement in income-producing work that is measured by increased income, improved employment status, or job advancement; or

"(B) engagement in work that contributes to a household or community.

"(21) PROTECTION AND ADVOCACY SYSTEM.—The term 'protection and advocacy system' means a protection and advocacy system established in accordance with section 142.

"(22) REHABILITATION TECHNOLOGY.—The term 'rehabilitation technology' means the systematic application of technologies, engineering methodologies, or scientific principles to meet the needs of, and address the barriers confronted by, individuals with developmental disabilities in areas that include education, rehabilitation, employment, transportation, independent living, and recreation. Such term includes rehabilitation engineering, assistive technology devices, and assistive technology services.

"(23) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(24) SERVICE COORDINATION ACTIVITIES.—The term 'service coordination activities' (also referred to as 'case management activities') means activities that assist and enable individuals with developmental disabilities and their families to access services, supports and other assistance, and includes—

"(A) the provision of information to individuals with developmental disabilities and their families about the availability of services, supports, and other assistance;

"(B) assistance in obtaining appropriate services, supports, and other assistance, which may include facilitating and organizing such assistance;

"(C) coordination and monitoring of services, supports, and other assistance provided singly or in combination to individuals with developmental disabilities and their families to ensure accessibility, continuity, and accountability of such assistance; and

"(D) follow-along services that ensure, through a continuing relationship, that the changing needs of individuals with developmental disabilities and their families are recognized and appropriately met.

"(25) STATE.—The term 'State', except as provided in section 155, includes, in addition to each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau (until the Compact of Free Association with Palau takes effect).

"(26) STATE DEVELOPMENTAL DISABILITIES COUNCIL.—The term 'State Developmental Disabilities Council' means a Council established under section 124.

"(27) STATE PRIORITY AREA.—The term 'State priority area' means priority area activities in an area considered essential by the State Developmental Disabilities Council.

"(28) SUPPORTED EMPLOYMENT.—The term 'supported employment' means competitive work in integrated work settings for individuals with developmental disabilities—

"(A)(i) for whom competitive employment has not traditionally occurred; or

"(ii) for whom competitive employment has been interrupted or intermittent as a result of a severe disability; and

"(B) who, because of the nature and severity of their disability, need intensive supported employment services or extended services in order to perform such work.

"(29) SYSTEM COORDINATION AND COMMUNITY EDUCATION ACTIVITIES.—The term 'system coordination and community education activities' means activities that—

"(A) eliminate barriers to access and eligibility for services, supports, and other assistance;

"(B) enhance systems design, redesign, and integration, including the encouragement of the creation of local service coordination and information and referral statewide systems;

"(C) enhance individual, family, and citizen participation and involvement; and

"(D) develop and support coalitions and individuals through training in self-advocacy, educating policymakers, and citizen leadership skills.

"(30) UNIVERSITY AFFILIATED PROGRAM.—The term 'university affiliated program' means a university affiliated program established under section 152.

"(31) UNSERVED AND UNDERSERVED.—The term 'unserved and underserved' includes populations such as individuals from racial and eth-

nic minority backgrounds, disadvantaged individuals, individuals with limited-English proficiency, individuals from underserved geographic areas (rural or urban), and specific groups of individuals within the population of individuals with developmental disabilities, including individuals with developmental disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments.".

SEC. 104. FEDERAL SHARE.

Section 103 (42 U.S.C. 6002) is repealed.

SEC. 105. RECORDS AND AUDITS.

(a) SECTION HEADING.—Section 104 (42 U.S.C. 6003) is amended—

(1) by striking "SEC. 104."; and

(2) in the section heading, by striking "RECORDS AND AUDIT" and inserting the following new section heading:

"SEC. 104. RECORDS AND AUDITS.".

(b) RECORDS AND AUDITS.—Section 104 (42 U.S.C. 6003) is amended—

(1) in subsection (a)—

(A) by striking "Each" and inserting "RECORDS.—Each";

(B) by striking "including" and inserting "including—";

(C) by realigning the margins of subparagraphs (A), (B), and (C) of paragraph (1) so as to align with the margins of subparagraphs (A) and (B) of paragraph (28) of section 102;

(D) by realigning the margins of paragraphs (1) and (2) so as to align with the margin of paragraph (30) of section 102;

(E) in paragraph (1), by striking "disclose" and inserting "disclose—"; and

(F) by striking the comma each place such appears and inserting a semicolon; and

(2) in subsection (b), by striking "The Secretary" and inserting "ACCESS.—The Secretary".

SEC. 106. RECOVERY.

Section 105 (42 U.S.C. 6004) is repealed.

SEC. 107. STATE CONTROL OF OPERATIONS.

Section 106 (42 U.S.C. 6005) is amended—

(1) by striking "SEC. 106.";

(2) in the section heading, by striking "STATE CONTROL OF OPERATIONS" and inserting the following new section heading:

"SEC. 106. STATE CONTROL OF OPERATIONS."; and

(3) by striking "facility for persons" and inserting "programs, services, and supports for individuals".

SEC. 108. REPORTS.

(a) SECTION HEADING.—Section 107 (42 U.S.C. 6006) is amended—

(1) by striking "SEC. 107."; and

(2) in the section heading, by striking "REPORTS" and inserting the following new section heading:

"SEC. 107. REPORTS.".

(b) REPORTS.—Section 107 (42 U.S.C. 6006) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking, "By January" and inserting "DEVELOPMENTAL DISABILITIES COUNCIL REPORTS.—By January";

(ii) by striking "the State Planning Council of each State" and inserting "each State Developmental Disabilities Council";

(iii) by striking "a report concerning" and inserting "a report of"; and

(iv) by striking "such report" and inserting "report";

(B) in paragraph (1), by striking "of such activities" and all that follows through "from such activities" and inserting "of activities and accomplishments";

(C) in paragraph (2)—

(i) by striking "such accomplishments" and inserting "accomplishments"; and

(ii) by striking "by the State";

(D) in paragraph (4)—

(i) by striking "Planning" and inserting "Developmental Disabilities";

(ii) by striking "each" each place such term appears;

(iii) by striking "report" and inserting "reports";

(iv) by striking "1902(a)(31)(C)" and inserting "1902(a)(31)";

(v) by striking "plan" and inserting "plans"; and

(vi) by striking "; and" and inserting a semicolon;

(E) by striking paragraph (5); and

(F) by adding at the end the following new paragraphs:

"(5) a description of—

"(A) the trends and progress made in the State concerning systemic change (including policy reform), capacity building, advocacy, and other actions on behalf of individuals with developmental disabilities, with attention to individuals who are traditionally unserved and underserved, particularly individuals who are members of ethnic and racial minority groups, and individuals from underserved geographic areas;

"(B) systemic change, capacity building, and advocacy activities that affect individuals with disabilities other than developmental disabilities; and

"(C) a summary of actions taken to improve access and services for unserved and underserved groups;

"(6) a description of resources leveraged by activities directly attributable to State Developmental Disabilities Council actions; and

"(7) a description of the method by which the State Developmental Disabilities Council shall widely disseminate the annual report to affected constituencies as well as the general public and to assure that the report is available in accessible formats.";

(2) in subsection (b)—

(A) by striking "By January" and inserting "PROTECTION AND ADVOCACY SYSTEM REPORTS.—By January"; and

(B) by inserting before the period ", including a description of the system's priorities for such fiscal year, the process used to obtain public input, the nature of such input, and how such input was used"; and

(3) in subsection (c)—

(A) by realigning the margins of subparagraphs (A) and (B) of paragraph (1) so as to align with the margins of subparagraph (C) of such paragraph;

(B) by realigning the margins of paragraphs (1) and (2) so as to align with the margin of paragraph (1) of subsection (a);

(C) by striking the subsection designation and inserting "(c) SECRETARY REPORTS.—";

(D) by striking "(1) By" and inserting the following:

"(1) IN GENERAL.—By";

(E) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking "integration" each place such term appears and inserting "integration and inclusion"; and

(II) by striking "persons" and inserting "individuals";

(ii) by striking subparagraph (C) and inserting the following new subparagraph:

"(C)(i) the trends and progress made in the States concerning systemic change (including policy reform), capacity building, advocacy, and other actions on behalf of individuals with developmental disabilities, with attention to individuals who are traditionally unserved and underserved, particularly individuals who are members of ethnic and racial minority groups, and individuals from underserved geographic areas;

"(ii) systemic change, capacity building, and advocacy activities that affect individuals with disabilities other than developmental disabilities; and

"(iii) a summary of actions taken to improve access and services for unserved and underserved groups;"; and

(iii) in subparagraph (D), by striking "persons" and inserting "individuals"; and

(F) in paragraph (2)—

(i) by striking "use and include" and inserting "include and analyze";

(ii) by striking "to the Secretary"; and

(iii) by striking "In preparing" and inserting "INCLUSION OF COUNCIL AND SYSTEM INFORMATION.—In preparing".

SEC. 109. RESPONSIBILITIES OF THE SECRETARY.

(a) SECTION HEADING.—Section 108 (42 U.S.C. 6007) is amended—

(1) by striking "SEC. 108."; and

(2) in the section heading, by striking "RESPONSIBILITIES OF THE SECRETARY" and inserting the following new section heading:

"SEC. 108. RESPONSIBILITIES OF THE SECRETARY.".

(b) RESPONSIBILITIES.—Section 108 (42 U.S.C. 6007) is amended—

(1) in subsection (a), by striking "The Secretary" and inserting "REGULATIONS.—The Secretary"; and

(2) in subsection (b)—

(A) by striking "Within ninety" and inserting "INTERAGENCY COMMITTEE.—Within 90"; and

(B) by striking "Administration for Developmental Disabilities" and inserting "Administration on Developmental Disabilities,".

SEC. 110. EMPLOYMENT OF HANDICAPPED INDIVIDUALS.

(a) SECTION HEADING.—Section 109 (42 U.S.C. 6008) is amended—

(1) by striking "SEC. 109."; and

(2) in the section heading, by striking "EMPLOYMENT OF HANDICAPPED INDIVIDUALS" and inserting the following new section heading:

"SEC. 109. EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES.".

(b) EMPLOYMENT.—Section 109 (42 U.S.C. 6008) is amended—

(1) by striking "handicapped individuals" and inserting "individuals with disabilities";

(2) by striking "Act of" and inserting "Act of 1973"; and

(3) by striking "which govern" and all that follows through "subcontracts." and inserting the following: "that govern employment—

"(1) by State rehabilitation agencies and community rehabilitation programs; and

"(2) under Federal contracts and subcontracts.".

SEC. 111. RIGHTS OF THE DEVELOPMENTALLY DISABLED.

(a) SECTION HEADING.—Section 110 (42 U.S.C. 6009) is amended—

(1) by striking "SEC. 110."; and

(2) in the section heading, by striking "RIGHTS OF THE DEVELOPMENTALLY DISABLED" and inserting the following new section heading:

"SEC. 110. RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.".

(b) RIGHTS.—Section 110 (42 U.S.C. 6009) is amended—

(1) in the matter preceding paragraph (1) by striking "persons" and inserting "individuals";

(2) in paragraph (1), by striking "Persons" and inserting "Individuals";

(3) in paragraph (2)—

(A) by striking "a person" and inserting "an individual";

(B) by striking "the person" and inserting "the individual"; and

(C) by striking "the person's" and inserting "the individual's";

(4) in paragraph (3), by striking "persons" each place such term appears and inserting "individuals";

(5) in paragraph (4), by striking "persons" each place such term appears and inserting "individuals"; and

(6) in the matter following subparagraph (C) of paragraph (4), by striking "persons" each place such term appears and inserting "individuals".

TITLE II—FEDERAL ASSISTANCE FOR PRIORITY AREA ACTIVITIES FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

SEC. 201. PART HEADING.

The heading of Part B of title I of the Act is amended to read as follows:

"PART B—FEDERAL ASSISTANCE TO STATE DEVELOPMENTAL DISABILITIES COUNCILS".

SEC. 202. PURPOSE.

Section 121 (42 U.S.C. 6021) is amended to read as follows:

"SEC. 121. PURPOSE.

"The purpose of this part is to provide for allotments to support State Developmental Disabilities Councils in each State to promote, through systemic change, capacity building, and advocacy activities that are consistent with the policy under section 101(c)(2), the development of a consumer and family-centered, comprehensive system and a coordinated array of culturally competent services, supports, and other assistance designed to achieve independence, productivity, and integration and inclusion into the community for individuals with developmental disabilities.".

SEC. 203. STATE PLANS.

Section 122 (42 U.S.C. 6022) is amended to read as follows:

"SEC. 122. STATE PLAN.

"(a) In General.—Any State desiring to take advantage of this part shall have a State plan submitted to, and approved by, the Secretary under this section.

"(b) Planning Cycle.—The plan under subsection (a) shall be reviewed annually and revised at least once every 3 years.

"(c) State Plan Requirements.—In order to be approved by the Secretary under this section, a State plan shall meet the requirements in paragraphs (1) through (5).

"(1) State council.—The plan shall provide for the establishment and maintenance of a State Developmental Disabilities Council in accordance with section 124 and describe the membership of such Council.

"(2) Designated state agency.—The plan shall identify the agency or office within the State designated to support the State Developmental Disabilities Council in accordance with this section and section 124(d).

"(3) Comprehensive review and analysis.—The plan shall contain a comprehensive review and analysis of the extent to which services and supports are available to, and the need for services and supports for, individuals with developmental disabilities and their families. Such review and analysis shall include—

"(A) a description of the services, supports and other assistance being provided to, or to be provided to, individuals with developmental disabilities and their families under other federally assisted State programs, plans, and policies that the State conducts and in which individuals with developmental disabilities are or may be eligible to participate, including programs relating to education, job training, vocational rehabilitation, public assistance, medical assistance, social services, child welfare, maternal and child health, aging, programs for children with special health care needs, children's mental health, housing, transportation, technology, comprehensive health and mental health, and such other programs as the Secretary may specify;

"(B) a description of the extent to which agencies operating such other federally assisted State programs pursue interagency initiatives to improve and enhance services, supports, and other assistance for individuals with developmental disabilities; and

"(C) an examination of the provision, and the need for the provision, in the State of the four Federal priority areas and an optional State priority area, including—

"(i) an analysis of such Federal and State priority areas in relation to the degree of support for individuals with developmental disabilities attributable to either physical impairment, mental impairment, or a combination of physical and mental impairments;

"(ii) an analysis of criteria for eligibility for services, including specialized services and special adaptation of generic services provided by agencies within the State, that may exclude individuals with developmental disabilities from receiving such services;

"(iii) an analysis of the barriers that impede full participation of members of unserved and underserved groups;

"(iv) consideration of the report conducted pursuant to section 124(e);

"(v) consideration of the data collected by the State educational agency under section 618 of the Individuals with Disabilities Education Act;

"(vi) an analysis of services, assistive technology, or knowledge that may be unavailable to assist individuals with developmental disabilities;

"(vii) an analysis of existing and projected fiscal resources;

"(viii) an analysis of any other issues identified by the State Developmental Disabilities Council; and

"(ix) the formulation of objectives in systemic change, capacity building, and advocacy to address the issues described in clauses (i) through (vi) for all subpopulations of individuals with developmental disabilities that may be identified by the State Developmental Disabilities Council.

"(4) Plan objectives.—The plan shall—

"(A) specify employment, and at the discretion of the State, any or all of the three other Federal priority areas and an optional State priority area that are selected by the State Developmental Disabilities Council for such Council's major systemic change, capacity building, and advocacy activities to be addressed during the plan period and describe the extent and scope of the Federal and State priority areas that will be addressed under the plan in the fiscal year;

"(B) describe the specific 1-year and 3-year objectives to be achieved and include a listing of the programs, activities, and resources by which the State Developmental Disabilities Council will implement its systemic change, capacity building, and advocacy activities in selected priority areas, and set forth the non-Federal share required to carry out each objective; and

"(C) establish a method for the periodic evaluation of the plan's effectiveness in meeting the objectives described in subparagraph (B).

"(5) Assurances.—The plan shall contain or be supported by the assurances described in subparagraphs (A) through (N), which are satisfactory to the Secretary.

"(A) Use of funds.—With respect to the funds paid to the State under section 125, the plan shall provide assurances that—

"(i) such funds will be used to make a significant contribution toward enhancing the independence, productivity, and integration and inclusion into the community of individuals with developmental disabilities in various political subdivisions of the State;

"(ii) such funds will be used to supplement and to increase the level of funds that would otherwise be made available for the purposes for which Federal funds are provided and not to supplant non-Federal funds;

"(iii) such funds will be used to complement and augment rather than duplicate or replace services for individuals with developmental disabilities and their families who are eligible for Federal assistance under other State programs;

"(iv) part of such funds will be made available by the State to public or private entities;

"(v) not more than 25 percent of such funds will be allocated to the agency designated under section 124(d) for service demonstration by such agency and that such funds and demonstration services have been explicitly authorized by the State Developmental Disabilities Council;

"(vi) not less than 65 percent of the amount available to the State under section 125 shall be expended for activities in the Federal priority area of employment activities, and, at the discretion of the State, activities in any or all of the three other Federal priority areas and an optional State priority area; and

"(vii) the remainder of the amount available to the State from allotments under section 125 (after making expenditures required by clause (vi)) shall be used for the planning, coordination, administration, and implementation of priority area activities, and other activities relating to systemic change, capacity building, and advocacy to implement the responsibilities of the State Developmental Disabilities Council pursuant to section 124(c).

"(B) State financial participation.—The plan shall provide assurances that there will be reasonable State financial participation in the cost of carrying out the State plan.

"(C) Conflict of interest.—The plan shall provide assurances that the State Developmental Disabilities Council has approved conflict of interest policies as of October 1, 1994, to ensure that no member of such Council shall cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest.

"(D) Urban and rural poverty areas.—The plan shall provide assurances that special financial and technical assistance shall be given to organizations that provide services, supports, and other assistance to individuals with developmental disabilities who live in areas designated as urban or rural poverty areas.

"(E) Program standards.—The plan shall provide assurances that programs, projects, and activities assisted under the plan, and the buildings in which such programs, projects, and activities are operated, will meet standards prescribed by the Secretary in regulation and all applicable Federal and State accessibility standards.

"(F) Individualized services.—The plan shall provide assurances that any direct services provided to individuals with developmental disabilities and funded under this plan will be provided in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities, and capabilities of an individual.

"(G) Human rights.—The plan shall provide assurances that the human rights of all individuals with developmental disabilities (especially those individuals without familial protection) who are receiving services under programs assisted under this part will be protected consistent with section 110 (relating to rights of individuals with developmental disabilities).

"(H) Minority participation.—The plan shall provide assurances that the State has taken affirmative steps to assure that participation in programs under this part is geographically representative of the State, and reflects the diversity of the State with respect to race and ethnicity.

"(I) Intermediate care facility for the mentally retarded survey reports.—The plan shall provide assurances that the State will provide the State Developmental Disabilities

Council with a copy of each annual survey report and plan of corrections for cited deficiencies prepared pursuant to section 1902(a)(31) of the Social Security Act with respect to any intermediate care facility for the mentally retarded in such State not less than 30 days after the completion of each such report or plan.

"(J) VOLUNTEERS.—The plan shall provide assurances that the maximum utilization of all available community resources including volunteers serving under the Domestic Volunteer Service Act of 1973 and other appropriate voluntary organizations will be provided for, except that such volunteer services shall supplement, and shall not be in lieu of, services of paid employees.

"(K) EMPLOYEE PROTECTIONS.—The plan shall provide assurances that fair and equitable arrangements (as determined by the Secretary after consultation with the Secretary of Labor) will be provided to protect the interests of employees affected by actions under the plan to provide community living activities, including arrangements designed to preserve employee rights and benefits and to provide training and retraining of such employees where necessary and arrangements under which maximum efforts will be made to guarantee the employment of such employees.

"(L) STAFF ASSIGNMENTS.—The plan shall provide assurances that the staff and other personnel of the State Developmental Disabilities Council, while working for the Council, are responsible solely for assisting the Council in carrying out its duties under this part and are not assigned duties by the designated State agency or any other agency or office of the State.

"(M) NONINTERFERENCE.—The plan shall provide assurances that the designated State agency or other office of the State will not interfere with systemic change, capacity building, and advocacy activities, budget, personnel, State plan development, or plan implementation of the State Developmental Disabilities Council, except that the designated State agency shall have the authority necessary to carry out the responsibilities described in section 124(d)(3).

"(N) OTHER ASSURANCES.—The plan shall contain such additional information and assurances as the Secretary may find necessary to carry out the provisions and purposes of this part.

"(d) PUBLIC REVIEW, SUBMISSION, AND APPROVAL.—

"(1) PUBLIC REVIEW.—The plan shall be made available for public review and comment with appropriate and sufficient notice in accessible formats and take into account and respond to significant suggestions, as prescribed by the Secretary in regulation.

"(2) CONSULTATION WITH THE DESIGNATED STATE AGENCY.—Before the plan is submitted to the Secretary, the State Developmental Disabilities Council shall consult with the designated State agency to ensure that the State plan is consistent with State law and to obtain appropriate State plan assurances.

"(3) PLAN APPROVAL.—The Secretary shall approve any State plan and annual updates of such plan that comply with the provisions of subsections (a), (b), and (c). The Secretary may not finally disapprove a State plan except after providing reasonable notice and an opportunity for a hearing to the State.".

SEC. 204. HABILITATION PLANS.

Section 123 (42 U.S.C. 6023) is repealed.

SEC. 205. COUNCILS.

Section 124 (42 U.S.C. 6024) is amended to read as follows:

"SEC. 124. STATE DEVELOPMENTAL DISABILITIES COUNCILS AND DESIGNATED STATE AGENCIES.

"(a) IN GENERAL.—Each State that receives assistance under this part shall establish and maintain a State Developmental Disabilities Council (hereafter in this section referred to as the 'Council') to promote, through systemic change, capacity building, and advocacy activities (consistent with section 101(c)(2)), the development of a consumer and family-centered comprehensive system and a coordinated array of culturally competent services, supports and other assistance designed to achieve independence, productivity, and integration and inclusion into the community for individuals with developmental disabilities. The Council shall have the authority to fulfill its responsibilities described in subsection (c).

"(b) COUNCIL MEMBERSHIP.—

"(1) COUNCIL APPOINTMENTS.—The members of the Council of a State shall be appointed by the Governor of the State from among the residents of that State. The Governor shall select members of the Council, at his or her discretion, after soliciting recommendations from organizations representing a broad range of individuals with developmental disabilities and individuals interested in individuals with developmental disabilities, including the non-State agency members of the Council. The Council may, at the request of the Governor, coordinate Council and public input to the Governor regarding all recommendations. To the extent feasible, the membership of the Council shall be geographically representative of the State and reflect the diversity of the State with respect to race and ethnicity.

"(2) MEMBERSHIP ROTATION.—The Governor shall make appropriate provisions to rotate the membership of the Council. Such provisions shall allow members to continue to serve on the Council until such members' successors are appointed. The Council shall notify the Governor regarding membership requirements, when vacancies remain unfilled for a significant period of time.

"(3) REPRESENTATION OF AGENCIES AND ORGANIZATIONS.—Each Council shall at all times include representatives of the principal State agencies (including the State agencies that administer funds provided under the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, the Older Americans Act, and title XIX of the Social Security Act), institutions of higher education, each university affiliated program in the State established under part D, the State protection and advocacy system established under part C, and local agencies, nongovernmental agencies, and private nonprofit groups concerned with services for individuals with developmental disabilities in the State in which such agencies and groups are located. Such representatives shall—

"(A) have sufficient authority to engage in policy planning and implementation on behalf of the department, agency, or program such representatives represent; and

"(B) recuse themselves from any discussion of grants or contracts for which such representatives' departments, agencies, or programs are grantees or applicants and comply with the conflict of interest policies required under section 122(c)(5)(C).

"(4) REPRESENTATION OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES.—Not less than 50 percent of the membership of each Council shall consist of individuals who are—

"(A)(i) individuals with developmental disabilities;

"(ii) parents or guardians of children with developmental disabilities; or

"(iii) immediate relatives or guardians of adults with mentally impairing developmental disabilities who cannot advocate for themselves; and

"(B) not employees of a State agency that receives funds or provides services under this part, and who are not managing employees (as defined in section 1126(b) of the Social Security Act) of any other entity that receives funds or provides services under this part.

"(5) COMPOSITION OF MEMBERSHIP WITH DEVELOPMENTAL DISABILITIES.—Of the members of the Council described in paragraph (4)—

"(A) one-third shall be individuals with developmental disabilities as described in paragraph (4)(A)(i);

"(B) one-third shall be parents of children with developmental disabilities as described in paragraph (4)(A)(ii), and immediate relatives or guardians of adults with mentally impairing developmental disabilities as described in paragraph (4)(A)(iii); and

"(C) one-third shall be a combination of individuals described in paragraph (4)(A).

"(6) INSTITUTIONALIZED INDIVIDUALS.—Of the members of the Council described in paragraph (5), at least one shall be an immediate relative or guardian of an institutionalized or previously institutionalized individual with a developmental disability or an individual with a developmental disability who resides or previously resided in an institution. This paragraph shall not apply with respect to a State if such an individual does not reside in that State.

"(c) COUNCIL RESPONSIBILITIES.—A Council, through Council members, staff, consultants, contractors, or subgrantees, shall have the responsibilities described in paragraphs (1) through (11).

"(1) SYSTEMIC CHANGE, CAPACITY BUILDING, AND ADVOCACY ACTIVITIES.—The Council shall serve as an advocate for individuals with developmental disabilities and conduct programs, projects, and activities that carry out the purpose under section 121.

"(2) EXAMINATION OF PRIORITY AREAS.—Not less than once every 3 years, the Council shall examine the provision of and need for the four Federal priority areas and an optional State priority area to address, on a statewide and comprehensive basis, urgent needs for services, supports, and other assistance for individuals with developmental disabilities and their families, pursuant to section 122.

"(3) STATE PLAN DEVELOPMENT.—The Council shall develop and submit to the Secretary the State plan required under section 122 after consultation with the designated State agency under the State plan. Such consultation shall be solely for the purposes of obtaining State assurances and ensuring consistency of the plan with State law.

"(4) STATE PLAN IMPLEMENTATION.—The Council shall implement the State plan by conducting and supporting the Federal priority area of employment, not less than one of the remaining three Federal priority areas, and an optional State priority area as defined in section 102, through systemic change, capacity building, and advocacy activities such as those described in subparagraphs (A) through (K).

"(A) DEMONSTRATION OF NEW APPROACHES.—The Council may conduct, on a time-limited basis, the demonstration of new approaches to enhance the independence, productivity, and integration and inclusion into the community of individuals with developmental disabilities. This may include making successful demonstrations generally available through sources of funding other than funding under this part, and may also include assisting those conducting such successful demonstration activities to develop strategies for securing funding from other sources.

"(B) OUTREACH.—The Council may conduct activities to reach out to assist and enable individuals with developmental disabilities and their families who otherwise might not come to the attention of the Council to obtain services, supports, and other assistance, including access to special adaptation of generic services or specialized services.

"(C) TRAINING.—The Council may conduct training for individuals with developmental disabilities, their families, and personnel (including professionals, paraprofessionals, students, volunteers, and other community members) to enable such individuals to obtain access to, or to provide, services, supports and other assistance, including special adaptation of generic services or specialized services for individuals with developmental disabilities and their families. To the extent that training activities are provided, such activities shall be designed to promote the empowerment of individuals with developmental disabilities and their families.

"(D) SUPPORTING COMMUNITIES.—The Council may assist neighborhoods and communities to respond positively to individuals with developmental disabilities and their families by encouraging local networks to provide informal and formal supports and enabling communities to offer such individuals and their families access, resources, and opportunities.

"(E) INTERAGENCY COLLABORATION AND COORDINATION.—The Council may promote interagency collaboration and coordination to better serve, support, assist, or advocate for individuals with developmental disabilities and their families.

"(F) COORDINATION WITH RELATED COUNCILS, COMMITTEES, AND PROGRAMS.—The Council may conduct activities to enhance coordination with—

"(i) other councils or committees, authorized by Federal or State law, concerning individuals with disabilities (such as the State Interagency Coordinating Council under part H of the Individuals with Disabilities Education Act, the State Rehabilitation Advisory Council and the Statewide Independent Living Council under the Rehabilitation Act of 1973, the State Mental Health Planning Council under part B of title XIX of the Public Health Service Act and other similar councils or committees);

"(ii) parent training and information centers under part D of the Individuals with Disabilities Education Act and other federally funded projects that assist parents of children with disabilities; and

"(iii) other groups interested in systemic change, capacity building, and advocacy for individuals with disabilities.

"(G) BARRIER ELIMINATION, SYSTEMS DESIGN, AND CITIZEN PARTICIPATION.—The Council may conduct activities to eliminate barriers, enhance systems design and redesign, and enhance citizen participation to address issues identified in the State plan.

"(H) PUBLIC EDUCATION AND COALITION DEVELOPMENT.—The Council may conduct activities to educate the public about the capabilities, preferences, and needs of individuals with developmental disabilities and their families and to develop and support coalitions that support the policy agenda of the Council, including training in self-advocacy, educating policymakers, and citizen leadership skills.

"(I) INFORMING POLICYMAKERS.—The Council may provide information to Federal, State, and local policymakers, including the Congress, the Federal executive branch, the Governor, State legislature, and State agencies, in order to increase the ability of such policymakers to offer opportunities and to enhance or adapt generic services or provide specialized services to individuals with developmental disabilities and their families by conducting studies and analyses, gathering information, and developing and disseminating model policies and procedures, information, approaches, strategies, findings, conclusions, and recommendations.

"(J) PREVENTION.—The Council may conduct prevention activities as defined in section 102.

"(K) OTHER ACTIVITIES.—The Council may conduct other systemic change, capacity building, and advocacy activities to promote the development of a consumer and family-centered comprehensive system and a coordinated array of culturally competent services, supports and other assistance designed to achieve independence, productivity, and integration and inclusion into the community of individuals with developmental disabilities throughout the State on a comprehensive basis.

"(5) STATE PLAN MONITORING.—Not less than once each year, the Council shall monitor, review, and evaluate the implementation and effectiveness of the State plan in meeting such plan's objectives.

"(6) REVIEW OF DESIGNATED STATE AGENCY.—The Council shall periodically review the designated State agency with respect to the activities carried out under this Act and make any recommendations for change to the Governor.

"(7) REPORTS.—The Council shall submit to the Secretary, through the Governor, periodic reports on its activities as the Secretary may reasonably request, and keep such records and afford such access thereto as the Secretary finds necessary to verify such reports.

"(8) BUDGET.—Each Council shall prepare, approve, and implement a budget using amounts paid to the State under this part to fund and implement all programs, projects, and activities under this part including—

"(A) conducting such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council, reimbursing Council members of the Council for reasonable and necessary expenses for attending Council meetings and performing Council duties (including child care and personal assistance services), paying compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day such member is engaged in performing the duties of the Council, supporting Council member and staff travel to authorized training and technical assistance activities including inservice training and leadership development, and appropriate subcontracting activities;

"(B) hiring and maintaining sufficient numbers and types of staff (qualified by training and experience) and obtaining the services of such professional, consulting, technical, and clerical personnel (qualified by training and experience), consistent with State law, as the Council determines to be necessary to carry out its functions under this part, except that such State shall not apply hiring freezes, reductions in force, prohibitions on staff travel, or other policies, to the extent that such policies would impact staff or functions funded with Federal funds and would prevent the Council from carrying out its functions under this Act; and

"(C) directing the expenditure of funds for grants, contracts, interagency agreements that are binding contracts, and other activities authorized by the approved State plan.

"(9) STAFF HIRING AND SUPERVISION.—A Council shall, consistent with State law, recruit and hire a Director of the Council, should the position of Director become vacant, and supervise and annually evaluate the Director. The Director shall hire, supervise, and annually evaluate the staff of the Council. Council recruitment and hiring of staff shall be consistent with Federal and State nondiscrimination laws. Dismissal of personnel shall be consistent with State law and personnel policies.

"(10) STAFF ASSIGNMENTS.—The staff and other personnel, while working for the Council, shall be responsible solely for assisting the Council in carrying out its duties under this part and shall not be assigned duties by the designated State agency or any other agency or office of the State.

"(11) CONSTRUCTION.—

"(A) ACTIVITIES OF THE COUNCIL.—Nothing in this part shall be construed to preclude a Council from engaging in systemic change, capacity building, and advocacy activities for individuals with disabilities other than developmental disabilities, where appropriate.

"(B) AUTHORITY OF THE COUNCIL.—Nothing in this Act shall be construed to authorize a Council to direct, control, or exercise any policy making authority or administrative authority over any program assisted under the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) and the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

"(d) DESIGNATED STATE AGENCY.—

"(1) IN GENERAL.—Each State that receives assistance under this part shall designate the State agency that shall, on behalf of the State, provide support to the Council. After the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994, any designation of a State agency shall be made in accordance with the requirements of this subsection.

"(2) DESIGNATION.—

"(A) TYPE OF AGENCY.—Except as provided in this subsection, the designated State agency shall be—

"(i) the Council if such Council may be the designated State agency under the laws of the State;

"(ii) a State agency that does not provide or pay for services made available to individuals with developmental disabilities; or

"(iii) a State office, including the immediate office of the Governor of the State or a State planning office.

"(B) CONDITIONS FOR CONTINUATION OF STATE SERVICE AGENCY DESIGNATION.—

"(i) DESIGNATION BEFORE ENACTMENT.—If a State agency that provides or pays for services for individuals with developmental disabilities was a designated State agency for purposes of this part on the date of enactment of the Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994, and the Governor of the State (or legislature, where appropriate and in accordance with State law) determines prior to June 30, 1994, not to change the designation of such agency, such agency may continue to be a designated State agency for purposes of this part.

"(ii) CRITERIA FOR CONTINUED DESIGNATION.—The determination at the discretion of the Governor (or legislature as the case may be) shall be made after the Governor has considered the comments and recommendations of the general public and a majority of the non-State agency members of the Council with respect to the designation of such State agency, and after the Governor (or legislature as the case may be) has made an independent assessment that the designation of such agency shall not interfere with the budget, personnel, priorities, or other action of the Council, and the ability of the Council to serve as an advocate for individuals with developmental disabilities.

"(C) REVIEW OF DESIGNATION.—After April 1, 1994, the Council may request a review of the designation of the designated State agency by the Governor (or legislature as the case may be). The Council shall provide documentation concerning the reason the Council desires a change to be made and make a recommendation to the Governor (or legislature as the case may be) regarding a preferred designated State agency.

"(D) APPEAL OF DESIGNATION.—After the review is completed under subparagraph (C), a majority of the non-State agency members of the Council may appeal to the Secretary for a review of the designation of the designated State agency if Council independence as an advocate is not assured because of the actions or inactions of the designated State agency.

"(3) RESPONSIBILITIES.—The designated State agency shall, on behalf of the State, have the

responsibilities described in subparagraphs (A) through (F).

"(A) SUPPORT SERVICES.—The designated State agency shall provide required assurances and support services as requested by and negotiated with the Council.

"(B) FISCAL RESPONSIBILITIES.—The designated State agency shall—

"(i) receive, account for, and disperse funds under this part based on the State plan required in section 122; and

"(ii) provide for such fiscal control and fund accounting procedures as may be necessary to assure the proper dispersement of, and accounting for, funds paid to the State under this part.

"(C) RECORDS, ACCESS, AND FINANCIAL REPORTS.—The designated State agency shall keep such records and afford access thereto as the Secretary and the Council determine necessary. The designated State agency, if other than the Council, shall provide timely financial reports at the request of the Council regarding the status of expenditures, obligations, liquidation, and the Federal and non-Federal share.

"(D) NON-FEDERAL SHARE.—The designated State agency, if other than the Council, shall provide the required non-Federal share defined in section 125A(c).

"(E) ASSURANCES.—The designated State agency shall assist the Council in obtaining the appropriate State plan assurances and in ensuring that the plan is consistent with State law.

"(F) MEMORANDUM OF UNDERSTANDING.—On the request of the Council, the designated State agency shall enter into a memorandum of understanding with the Council delineating the roles and responsibilities of the designated State agency.

"(4) USE OF FUNDS FOR DESIGNATED STATE AGENCY RESPONSIBILITIES.—

"(A) NECESSARY EXPENDITURES OF STATE DESIGNATED AGENCY.—At the request of any State, a portion of any allotment or allotments of such State under this part for any fiscal year shall be available to pay up to one-half (or the entire amount if the Council is the designated State agency) of the expenditures found necessary by the Secretary for the proper and efficient exercise of the functions of the State designated agency, except that not more than 5 percent of the total of the allotments of such State for any fiscal year, or $50,000, whichever is less, shall be made available for the total expenditure for such purpose by the State agency designated under this subsection.

"(B) CONDITION FOR FEDERAL FUNDING.—Amounts shall be provided under subparagraph (A) to a State for a fiscal year only on condition that there shall be expended from State sources for carrying out the responsibilities of the designated State agency under paragraph (3) not less than the total amount expended for carrying out such responsibilities from such sources during the previous fiscal year, except in such year as the Council may become the designated State agency.

"(C) SUPPORT SERVICES PROVIDED BY OTHER AGENCIES.—With the agreement of the designated State agency, the Council may use or contract with agencies other than the designated State agency to perform the functions of the designated State agency.

"(e) 1990 REPORT.—Not later than January 1, 1990, each Council shall complete the reviews, analyses, and final report described in this section.

"(1) COMPREHENSIVE REVIEW AND ANALYSIS.—Each Council shall conduct a comprehensive review and analysis of the eligibility for services provided, and the extent, scope, and effectiveness of, services provided and functions performed by, all State agencies (including agencies that provide public assistance) that affect or that potentially affect the ability of individuals with developmental disabilities to achieve the goals of independence, productivity, and integration and inclusion into the community, including individuals with developmental disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments.

"(2) CONSUMER SATISFACTION.—Each Council shall conduct a review and analysis of the effectiveness of, and consumer satisfaction with, the functions performed by, and services provided or paid for from Federal and State funds by, each of the State agencies (including agencies that provide public assistance) responsible for performing functions for, and providing services to, all individuals with developmental disabilities in the State. Such review and analysis shall be based upon a survey of a representative sample of individuals with developmental disabilities receiving services from each such agency, and if appropriate, shall include such individuals' families.

"(3) PUBLIC REVIEW AND COMMENT.—Each Council shall convene public forums, after the provision of notice within the State, in order to—

"(A) present the findings of the reviews and analyses prepared under paragraphs (1) and (2);

"(B) obtain comments from all interested individuals in the State regarding the unserved and underserved populations of individuals with developmental disabilities that result from physical impairment, mental impairment, or a combination of physical and mental impairments; and

"(C) obtain comments on any proposed recommendations concerning the removal of barriers to services for individuals with developmental disabilities and to connect such services to existing State agencies by recommending the designation of one or more State agencies, as appropriate, to be responsible for the provision and coordination of such services.

"(4) BASIS FOR STATE PLAN.—Each Council shall utilize the information developed pursuant to paragraphs (1), (2), and (3) in developing the State plan.".

SEC. 206. STATE ALLOTMENTS.

(a) SECTION HEADING.—Section 125 (42 U.S.C. 6025) is amended—

(1) by striking "SEC. 125."; and

(2) in the section heading, by striking "STATE ALLOTMENTS" and inserting the following new section heading:

"SEC. 125. STATE ALLOTMENTS.".

(b) ALLOTMENTS.—Section 125 (42 U.S.C. 6025) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by realigning the margins of subparagraphs (A), (B), and (C) so as to align with the margin of subparagraph (A) of paragraph (4); and

(ii) by realigning the margin of the matter following subparagraph (C) so as to align with the margin of paragraph (3);

(B) by striking "(a)(1) For" and inserting the following:

"(a) ALLOTMENTS.—

"(1) IN GENERAL.—For";

(C) in paragraph (2)—

(i) by striking "(2) Adjustments" and inserting the following:

"(2) ADJUSTMENTS.—Adjustments";

(ii) by striking "may be" and inserting "shall be"; and

(iii) by striking "not less" and inserting "and the percentage of the total appropriation for each State not less";

(D) in paragraph (3)—

(i) by striking "(3)(A) Except" and all that follows through "September 30, 1990." and inserting the following:

"(3) MINIMUM ALLOTMENT FOR APPROPRIATIONS LESS THAN OR EQUAL TO $75,000,000.—

"(A) IN GENERAL.—Except as provided in paragraph (4), for any fiscal year the allotment under this section—

"(i) to each of American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, or the Republic of Palau (until the Compact of Free Association with Palau takes effect) may not be less than the greater of—

"(I) $210,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)); and

"(ii) to any State not described in clause (i), may not be less than the greater of—

"(I) $400,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d))."; and

(ii) by striking "(B) Notwithstanding" and inserting the following:

"(B) REDUCTION OF ALLOTMENT.—Notwithstanding";

(E) in paragraph (4), to read as follows:

"(4) MINIMUM ALLOTMENT FOR APPROPRIATIONS IN EXCESS OF $75,000,000.—

"(A) IN GENERAL.—In any case in which amounts appropriated under section 130 for a fiscal year exceeds $75,000,000, the allotment under this section for such fiscal year—

"(i) to each of American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands or the Republic of Palau (until the Compact of Free Association with Palau takes effect) may not be less than the greater of—

"(I) $220,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)); and

"(ii) to any State not described in clause (i) may not be less than the greater of—

"(I) $450,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)).

"(B) REDUCTION OF ALLOTMENT.—The requirements of paragraph (3)(B) shall apply with respect to amounts to be allotted to States under subparagraph (A), in the same manner and to the same extent as such requirements apply with respect to amounts to be allotted to States under paragraph (3)(A).";

(F) in paragraph (5)—

(i) by striking "In determining" and inserting "STATE SUPPORTS, SERVICES, AND OTHER ACTIVITIES.—In determining"; and

(ii) by striking, "section 122(b)(2)(C)" and inserting "section 122(c)(3)(A)"; and

(G) in paragraph (6), by striking "In any case" and inserting "INCREASE IN ALLOTMENTS.—In any case";

(2) in subsection (b), by striking "Any amount" and inserting "UNOBLIGATED FUNDS.—Any amount";

(3) by redesignating subsections (c) and (d) as subsection (d) and (e), respectively;

(4) by inserting after subsection (b) the following new subsection:

"(c) OBLIGATION OF FUNDS.—For the purposes of this part, State Interagency Agreements are considered valid obligations for the purpose of obligating Federal funds allotted to the State under this part.";

(5) in subsection (d) (as redesignated by paragraph (3)), by striking "Whenever" and insert-

ing ''COOPERATIVE EFFORTS BETWEEN STATES.—Whenever''; and

(6) in subsection (e) (as redesignated by paragraph (3)), by striking ''The amount'' and inserting ''REALLOTMENTS.—The amount''.

SEC. 207. FEDERAL SHARE AND NON-FEDERAL SHARE.

Part B of title I of the Act is amended by inserting after section 125 (42 U.S.C. 6025) the following new section:

"SEC. 125A. FEDERAL AND NON-FEDERAL SHARE.

''(a) AGGREGATE COSTS.—The Federal share of all projects in a State supported by an allotment to the State under this part may not exceed 75 percent of the aggregate necessary costs of all such projects as determined by the Secretary, except that—

''(1) in the case of projects whose activities or products target individuals with developmental disabilities who live in urban or rural poverty areas, the Federal share of all such projects may not exceed 90 percent of the aggregate necessary costs of such projects or activities, as determined by the Secretary; and

''(2) in the case of projects or activities undertaken by the Council or Council staff to implement State plan priority activities, the Federal share of all such activities may be up to 100 percent of the aggregate necessary costs of such activities.

''(b) NONDUPLICATION.—In determining the amount of any State's Federal share of the expenditures incurred by such State under a State plan approved under section 122, the Secretary shall not consider—

''(1) any portion of such expenditures that are financed by Federal funds provided under any provision of law other than section 125; and

''(2) the amount of any non-Federal funds required to be expended as a condition of receipt of such Federal funds.

''(c) NON-FEDERAL SHARE.—

''(1) IN KIND CONTRIBUTIONS.—The non-Federal share of the cost of any project assisted by a grant or an allotment under this part may be provided in kind.

''(2) CONTRIBUTIONS OF POLITICAL SUBDIVISIONS, PUBLIC, OR PRIVATE ENTITIES.—

''(A) IN GENERAL.—Expenditures on projects or activities by a political subdivision of a State or by a public or private entity shall, subject to such limitations and conditions as the Secretary may by regulation prescribe, be considered to be expenditures by such State in the case of a project under this part.

''(B) STATE CONTRIBUTIONS.—State contributions, including contributions by the designated State agency to provide support services to the Council pursuant to section 124(d)(4), may be counted as part of such State's non-Federal share of allotments under this part.

''(3) VARIATIONS OF THE NON-FEDERAL SHARE.—The non-Federal share required on a grant-by-grant basis may vary.''.

SEC. 208. PAYMENTS TO THE STATES FOR PLANNING, ADMINISTRATION, AND SERVICES.

Section 126 (42 U.S.C. 6026) is amended—

(1) by striking ''SEC. 126.'' and inserting ''(a) STATE PLAN EXPENDITURES.—'';

(2) in the section heading, by striking ''PAYMENTS TO THE STATES FOR PLANNING, ADMINISTRATION AND SERVICES'' and inserting the following new section heading:

"SEC. 126. PAYMENTS TO THE STATES FOR PLANNING, ADMINISTRATION, AND SERVICES.";

and

(3) by adding at the end the following new subsection:

''(b) SUPPORT SERVICES.—Payments to States for support services provided by the designated State agency pursuant to section 124(d)(4) may be made in advance or by way of reimbursement, and in such installments as the Secretary may determine.''.

SEC. 209. WITHHOLDING OF PAYMENTS FOR PLANNING, ADMINISTRATION, AND SERVICES.

Section 127 (42 U.S.C. 6027) is amended—

(1) in the matter preceding paragraph (1), by striking ''SEC. 127.'';

(2) in the section heading by striking ''WITHHOLDING OF PAYMENTS FOR PLANNING, ADMINISTRATION AND SERVICES'' and inserting the following new section heading:

"SEC. 127. WITHHOLDING OF PAYMENTS FOR PLANNING, ADMINISTRATION, AND SERVICES.";

and

(3) in paragraph (1), by striking ''sections'' and inserting ''section''.

SEC. 210. NONDUPLICATION.

Section 128 (42 U.S.C. 6028) is repealed.

SEC. 211. APPEALS BY STATES.

Section 129 (42 U.S.C. 6029) is amended—

(1) by striking ''SEC. 129.''; and

(2) in the section heading, by striking ''APPEALS BY STATES'' and inserting the following new section heading:

"SEC. 129. APPEALS BY STATES.".

SEC. 212. AUTHORIZATION OF APPROPRIATIONS.

Section 130 (42 U.S.C. 6030) is amended by striking ''$77,400,000'' and all that follows and inserting the following: ''$70,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.''.

SEC. 213. REVIEW, ANALYSIS, AND REPORT.

(a) REVIEW AND ANALYSIS.—The Secretary of Health and Human Services shall review and analyze the allotment formula in effect under parts B and C of title I of the Developmental Disabilities Assistance and Bill of Rights Act prior to the date of enactment of this Act, including the factors described in such parts, and the data elements and measures used by the Secretary, to determine whether such formula is consistent with the purpose of the Act.

(b) ALTERNATIVE FORMULAS.—The Secretary of Health and Human Services shall identify alternative formulas for allocating funds, consistent with the purpose of this Act.

(c) REPORT.—Not later than October 1, 1995, the Secretary of Health and Human Services shall submit a report on the review conducted under subsection (a) and a copy of the alternative formulas identified under subsection (b) to the Committee on Labor and Human Resources of the Senate and to the Committee on Energy and Commerce of the House of Representatives.

TITLE III—PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

SEC. 301. PART HEADING.

The heading of part C of title I of the Act is amended to read as follows:

"PART C—PROTECTION AND ADVOCACY OF INDIVIDUAL RIGHTS".

SEC. 302. PURPOSE.

Section 141 (42 U.S.C. 6041) is amended—

(1) by striking ''SEC. 141.'';

(2) in the section heading, by striking ''PURPOSE'' and inserting the following new section heading:

"SEC. 141. PURPOSE.";

(3) by striking ''system'' and inserting ''Protection and Advocacy system (hereafter referred to in this part as the 'system') ''; and

(4) by striking ''persons'' and inserting ''individuals''.

SEC. 303. SYSTEM REQUIRED.

(a) SECTION HEADING.—Section 142 (42 U.S.C. 6042) is amended—

(1) by striking ''SEC. 142.''; and

(2) in the section heading, by striking ''SYSTEM REQUIRED'' and inserting the following new section heading:

"SEC. 142. SYSTEM REQUIRED.".

(b) SYSTEM.—Section 142 (42 U.S.C. 6042) is amended—

(1) in subsection (a)—

(A) by striking ''In order'' and inserting ''SYSTEM REQUIRED.—In order'';

(B) in paragraph (1), by striking ''persons'' and inserting ''individuals'';

(C) in paragraph (2)—

(i) by striking ''persons'' each place such term appears and inserting ''individuals'';

(ii) in subparagraph (A), by striking ''minority'' and inserting ''ethnic and racial minority'';

(iii) by striking subparagraph (C);

(iv) in subparagraph (E), by striking ''Planning Council'' and inserting ''Developmental Disabilities Council authorized under part B'';

(v) in subparagraph (F), by striking ''and'' at the end thereof; and

(vi) in subparagraph (G)—

(I) in clause (i), by striking ''person'' each place such term appears and inserting ''individual'';

(II) in the matter preceding subclause (I) of clause (ii), by striking ''person'' and inserting ''individual'';

(III) in clause (ii)(I), by striking ''by reason of the mental or physical condition of such person'' and inserting ''by reason of such individual's mental or physical condition'';

(IV) in clause (ii)(III), by striking ''person'' and inserting ''individual'';

(V) in clause (iii), by realigning the margins of subclauses (I), (II), and (III) so as to align with the margins of subclauses (I), (II), and (III) of clause (ii);

(VI) in clause (iii), by striking ''(iii) any'' and inserting the following:

''(iii) any''; and

(VII) in clause (iii)(III), by striking ''person'' and inserting ''individual'';

(vii) by redesignating subparagraphs (D), (E), (F), and (G) as subparagraphs (E), (F), (G), and (I), respectively;

(viii) by inserting after subparagraph (B) the following new subparagraphs:

''(C) on an annual basis, develop a statement of objectives and priorities for the system's activities; and

''(D) on an annual basis, provide to the public, including individuals with developmental disabilities attributable to either physical impairment, mental impairment, or a combination of physical or mental impairments, and their representatives, as appropriate, non-State agency representatives of the State Developmental Disabilities Council, and the university affiliated program (if applicable within a State), an opportunity to comment on—

''(i) the objectives and priorities established by the system and the rationale for the establishment of such objectives; and

''(ii) the activities of the system, including the coordination with the advocacy programs under the Rehabilitation Act of 1973, the Older Americans Act of 1965, and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, and with other related programs, including the parent training and information centers, education ombudsman programs and assistive technology projects;'';

(ix) by inserting after subparagraph (G), as so redesignated in clause (vii), the following new subparagraph:

''(H) have access at reasonable times and locations to any resident who is an individual with a developmental disability in a facility that is providing services, supports, and other assistance to such a resident;'';

(x) by adding at the end the following new subparagraphs:

''(J) hire and maintain sufficient numbers and types of staff, qualified by training and experience, to carry out such system's function except

that such State shall not apply hiring freezes, reductions in force, prohibitions on staff travel, or other policies, to the extent that such policies would impact staff or functions funded with Federal funds and would prevent the system from carrying out its functions under this Act;

"(K) have the authority to educate policymakers; and

"(L) provide assurances to the Secretary that funds allotted to the State under this section will be used to supplement and increase the level of funds that would otherwise be made available for the purposes for which Federal funds are provided and not to supplant such non-Federal funds;";

(D) by striking paragraphs (3) and (5);

(E) in paragraph (4)—

(i) by striking "the State" and all that follows through "provided with" and inserting "the State must provide to the system";

(ii) by striking "1902(a)(31)(B)" and inserting "1902(a)(31)"; and

(iii) by redesignating such paragraph as paragraph (3); and

(F) by adding at the end the following new paragraph:

"(4) the agency implementing the system will not be redesignated unless there is good cause for the redesignation and unless—

"(A) notice has been given of the intention to make such redesignation to the agency that is serving as the system including the good cause for such redesignation and the agency has been given an opportunity to respond to the assertion that good cause has been shown;

"(B) timely notice and opportunity for public comment in an accessible format has been given to individuals with developmental disabilities or their representatives; and

"(C) the system has the opportunity to appeal to the Secretary that the redesignation was not for good cause.";

(2) in subsection (b)—

(A) by striking "(b)(1) To" and inserting the following:

"(b) ALLOTMENTS.—

"(1) IN GENERAL.—To";

(B) in paragraph (1)—

"(i) in subparagraph (A), to read as follows:

"(A) the total amount appropriated under section 143 for a fiscal year is at least $20,000,000—

"(i) the allotment of each of American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau (until the Compact of Free Association with Palau takes effect) for such fiscal year may not be less than the greater of—

"(I) $107,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)); and

"(ii) the allotment of any State not described in clause (i) for such fiscal year may not be less than the greater of—

"(I) $200,000; or

"(II) the greater of the allotments received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d))."; and

(ii) in subparagraph (B), to read as follows:

"(B) the total amount appropriated under section 143 for a fiscal year is less than $20,000,000—

"(i) the allotment of each of American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, and the Republic of Palau (until the Compact of Free Association with Palau takes effect) for such fiscal year may not be less than the greater of—

"(I) $80,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)); and

"(ii) the allotment of any State not described in clause (i) for such fiscal year may not be less than the greater of—

"(I) $150,000; or

"(II) the greater of the allotment received by such State for fiscal year 1992, or the allotment received by such State for fiscal year 1993, under this section (determined without regard to subsection (d)).";

(C) by realigning the margins of subparagraphs (A) and (B) of paragraph (2) so as to align with subparagraphs (A) through (C) of subsection (a)(4);

(D) by realigning the margins of paragraphs (2) through (4) so as to align with paragraph (4) of subsection (a);

(E) in paragraph (2), by striking "In any case" and inserting "INCREASE IN ALLOTMENTS.—In any case";

(F) in paragraph (3), by striking "A State" and inserting "MONITORING THE ADMINISTRATION OF THE SYSTEM.—A State";

(G) in paragraph (4), by striking "Notwithstanding" and inserting "REDUCTION OF ALLOTMENT.—Notwithstanding"; and

(H) by inserting at the end the following new paragraph:

"(5) TECHNICAL ASSISTANCE AND AMERICAN INDIAN CONSORTIUM.—In any case in which amounts appropriated under section 143 for a fiscal year exceeds $24,500,000, the Secretary shall—

"(A) use not more than 2 percent of the amounts appropriated to provide technical assistance (consistent with requests by such systems for such assistance in the year that appropriations reach $24,500,000) to eligible systems with respect to activities carried out under this title; and

"(B) provide grants in accordance with paragraph (1)(A)(i) to American Indian Consortiums to provide protection and advocacy services.";

(3) in subsection (c), by striking "Any amount" and inserting "UNOBLIGATED FUNDS.—Any amount";

(4) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "In States" and inserting "GOVERNING BOARD.—In States";

(B) in paragraph (1), by inserting before the semicolon "and include individuals with developmental disabilities who are eligible for services, or have received or are receiving services, or parents, family members, guardians, advocates, or authorized representatives of such individuals";

(C) in paragraph (2), by striking "and" at the end thereof;

(D) in paragraph (3), by striking the period and inserting "; and"; and

(E) by adding at the end the following new paragraph:

"(4) in States in which the system is organized as a public system without a multimember governing or advisory board, the system shall establish an advisory council that shall—

"(A) advise the system on policies and priorities to be carried out in protecting and advocating the rights of individuals with developmental disabilities; and

"(B) consist of a majority of individuals with developmental disabilities who are eligible for services, or have received or are receiving services, or parents, family members, guardians, advocates, or authorized representatives of such individuals.";

(5) in subsection (e), by striking "As used" and inserting "RECORDS.—As used";

(6) in subsection (f)—

(A) by striking "If the" and inserting "ACCESS TO RECORDS.—If the"; and

(B) in the matter preceding paragraph (1) by striking "persons" and inserting "individuals";

(7) in subsection (g)—

(A) by striking "(g)(1) Nothing" and inserting the following:

"(g) LEGAL ACTION.—

"(1) IN GENERAL.—Nothing";

(B) in paragraph (1), by striking "persons" and inserting "individuals"; and

(C) in paragraph (2), by striking "(2) Amounts" and inserting the following:

"(2) USE OF AMOUNTS FROM JUDGMENT.—Amounts";

(8) in subsection (h), by striking "Notwithstanding" and inserting "PAYMENT TO SYSTEMS.—Notwithstanding";

(9) by redesignating subsections (b) through (h) as subsections (c) through (i), respectively;

(10) by inserting after subsection (a) the following new subsection:

"(b) AMERICAN INDIAN CONSORTIUM.—Upon application to the Secretary, an American Indian consortium, as defined in section 102, established to provide protection and advocacy services under this part, shall receive funding pursuant to subsection (c)(5). Such consortium shall coordinate activities with existing systems."; and

(11) by adding at the end the following new subsections:

"(j) DISCLOSURE OF INFORMATION.—For purposes of any periodic audit, report, or evaluation required under this Act, the Secretary shall not require a program to disclose the identity of, or any other personally identifiable information related to, any individual requesting assistance under such program.

"(k) PUBLIC NOTICE OF FEDERAL ONSITE REVIEW.—The Secretary shall provide advance public notice of any Federal programmatic and administrative review and solicit public comment on the system funded under this part through such notice. The findings of the public comment solicitation notice shall be included in the onsite visit report. The results of such review shall be distributed to the Governor of the State and to other interested public and private parties.".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 143 (42 U.S.C. 6043) is amended—

(1) by striking "SEC. 143.";

(2) in the section heading, by striking "AUTHORIZATION OF APPROPRIATIONS" and inserting the following new section heading:

"SEC. 143. AUTHORIZATION OF APPROPRIATIONS.";

(3) by striking "$24,200,000 for fiscal year 1991" and inserting "$24,000,000 for fiscal year 1994"; and

(4) by striking "fiscal years 1992 and 1993" and inserting "fiscal years 1995 and 1996".

TITLE IV—UNIVERSITY AFFILIATED PROGRAMS

SEC. 401. PART HEADING.

The heading of part D of title I of the Act is amended to read as follows:

"PART D—UNIVERSITY AFFILIATED PROGRAMS".

SEC. 402. PURPOSE.

Section 151 (42 U.S.C. 6061) is amended to read as follows:

"SEC. 151. PURPOSE AND SCOPE OF ACTIVITIES.

"The purpose of this part is to provide for grants to university affiliated programs that are interdisciplinary programs operated by universities, or by public or nonprofit entities associated with a college or university, to provide a leadership role in the promotion of independence, productivity, and integration and inclusion into the community of individuals with developmental disabilities through the provision of the following activities, which are conducted in a culturally competent manner:

"(1) Interdisciplinary preservice preparation of students and fellows, including the preparation of leadership personnel.

"(2) Community service activities that shall include community training and technical assistance for or with individuals with developmental disabilities, family members of individuals with developmental disabilities, professionals, paraprofessionals, students, and volunteers. Such activities may include state-of-the-art direct services including family support, individual support, personal assistance services, educational, vocational, clinical, health, prevention, or other direct services.

"(3) Dissemination of information and research findings, which may include the empirical validation of activities relevant to the purposes described in paragraphs (1) and (2) and contributions to the development of new knowledge in the field of developmental disabilities.".

SEC. 403. GRANT AUTHORITY.

(a) SECTION HEADING.—Section 152 (42 U.S.C. 6062) is amended—

(1) by striking "SEC. 152."; and

(2) in the section heading, by striking "GRANT AUTHORITY" and inserting the following new section heading:

"SEC. 152. GRANT AUTHORITY.".

(b) AUTHORITY.—Section 152 (42 U.S.C. 6062) is amended—

(1) in subsection (a)—

(A) by striking "From appropriations" and inserting "ADMINISTRATION AND OPERATION.—From appropriations"; and

(B) by striking "102(18)." and inserting "151. Grants may be awarded for a period not to exceed 5 years.";

(2) in subsection (b), to read as follows:

"(b) TRAINING PROJECTS.—

"(1) IN GENERAL.—From amounts appropriated under section 156(a), the Secretary shall make grants to university affiliated programs receiving grants under subsection (a) to support training projects to train personnel to address the needs of individuals with developmental disabilities in areas of emerging national significance, as described in paragraph (3). Grants awarded under this subsection shall be awarded on a competitive basis and may be awarded for a period not to exceed 5 years.

"(2) ELIGIBILITY LIMITATIONS.—A university affiliated program shall not be eligible to receive funds for training projects under this subsection unless—

"(A) such program has operated for at least 1 year; or

"(B) the Secretary determines that such program has demonstrated the capacity to develop an effective training project during the first year such program is operated.

"(3) AREAS OF FOCUS.—Training projects under this subsection shall train personnel to address the needs of individuals with developmental disabilities in the areas of emerging national significance described in subparagraphs (A) through (H).

"(A) EARLY INTERVENTION.—Grants under this subsection for training projects with respect to early intervention services shall be for the purpose of assisting university affiliated programs in providing training to family members of children with developmental disabilities and personnel from all disciplines involved with interdisciplinary intervention to infants, toddlers, and preschool age children with developmental disabilities. Such training projects shall include instruction on family-centered, community-based, coordinated care for infants, toddlers, and preschool age children with developmental disabilities and their families.

"(B) AGING.—Grants under this subsection for training projects with respect to aging and developmental disabilities shall be for the purpose of supporting the planning, design, and implementation of coordinated interdisciplinary training programs between existing aging or gerontological programs and university affiliated programs in order to prepare professional staff to provide services for aging individuals with developmental disabilities and their families.

"(C) COMMUNITY SERVICES.—Grants under this subsection for training projects with respect to community services shall be for the purpose of providing training that enhances direct supports and services for individuals with developmental disabilities, including training to community members, families, individuals with developmental disabilities, and community-based direct service providers. The Secretary shall ensure that all grants under this subparagraph are made only to university affiliated programs that involve community-level direct support services in the preparation of the application for such grant and that assure that any training under the university affiliated program will be coordinated with local community services and support systems and with State, local, and regional governmental or private agencies responsible for the planning or delivery of services to individuals with developmental disabilities.

"(D) POSITIVE BEHAVIORAL SUPPORTS.—Grants awarded under this subsection for training projects with respect to positive behavioral supports shall be for the purpose of assisting university affiliated programs in providing training to family members of individuals with developmental disabilities and personnel in methods of developing individual supports that maximize opportunities for independence, productivity, and integration and inclusion into the community for individuals with developmental disabilities and severe behavior problems. Such training projects shall provide training to—

"(i) address ethical and legal principles and standards, including the role of personal and cultural values in designing assessments and interventions;

"(ii) address appropriate assessment approaches that examine the range of factors that contribute to problem behavior;

"(iii) address the development of a comprehensive plan that considers the needs and preferences of an individual with a developmental disability;

"(iv) address the competence in the types of skills training, environmental modification, and incentive procedures that encourage alternative behaviors;

"(v) familiarize training participants with crisis intervention approaches and the separate role of such approaches as short-term emergency procedures;

"(vi) familiarize training participants with medical interventions and how to evaluate the effect of such interventions on behavior; and

"(vii) address techniques for evaluating the outcomes of interventions.

"(E) ASSISTIVE TECHNOLOGY SERVICES.—Grants under this subsection for training projects with respect to assistive technology services shall be for the purpose of assisting university affiliated programs in providing training to personnel who provide, or will provide, assistive technology services and devices to individuals with developmental disabilities and their families. Such projects may provide training and technical assistance to improve access to assistive technology services for individuals with developmental disabilities and may include stipends and tuition assistance for training project participants. Such projects shall be coordinated with State technology coordinating councils wherever such councils exist.

"(F) AMERICANS WITH DISABILITIES ACT.—Grants under this subsection for training projects with respect to the provisions of the Americans with Disabilities Act of 1990 shall be for the purpose of assisting university affiliated programs in providing training to personnel who provide, or will provide, services to individuals with developmental disabilities, and to others concerned with individuals with developmental disabilities.

"(G) COMMUNITY TRANSITION.—Grants under this subsection for training projects with respect to transition from school to adult life shall be for the purpose of assisting university affiliated programs in providing training to individuals with developmental disabilities and their families, generic community agencies, advocacy organizations, and others in order to stimulate the development and improvement of policies, procedures, systems, and other mechanisms that prepare youth with developmental disabilities to enter adult life. Such projects shall be coordinated with State transition projects funded under section 626(e) of the Individuals with Disabilities Education Act, where such State transition projects exist.

"(H) OTHER AREAS.—Grants under this subsection for training projects with respect to programs in other areas of national significance shall be for the purpose of training personnel in an area of special concern to the university affiliated program, and shall be developed in consultation with the State Developmental Disabilities Council.

"(4) COURSES, TRAINEESHIPS AND FELLOWSHIPS.—Grants under this subsection may be used by university affiliated programs to—

"(A) assist in paying the costs of courses of training or study for personnel to provide services for individuals with developmental disabilities and their families; and

"(B) establish fellowships or traineeships providing such stipends and allowances as may be determined by the Secretary.

"(5) PROHIBITED ACTIVITIES.—Grants awarded under this subsection shall not be used for administrative expenses for the university affiliated program under subsection (a).

"(6) CRITERIA.—Grants awarded under this subsection shall meet the criteria described in subparagraphs (A) and (B).

"(A) APPLICATION.—An application that is submitted for a grant under this subsection shall present evidence that training projects assisted by funds awarded under this section are—

"(i) competency and value based;

"(ii) designed to facilitate independence, productivity, and integration and inclusion for individuals with developmental disabilities; and

"(iii) evaluated utilizing state-of-the-art evaluation techniques in the programmatic areas selected.

"(B) GENERAL PROJECT REQUIREMENTS.—Training projects under this subsection shall—

"(i) represent state-of-the-art techniques in areas of critical shortage of personnel that are identified through consultation with the consumer advisory committee described in section 153(d) and the State Developmental Disabilities Council;

"(ii) be conducted in consultation with the consumer advisory committee described in section 153(d) and the State Developmental Disabilities Council;

"(iii) be integrated into the appropriate university affiliated program and university curriculum;

"(iv) be integrated with relevant State agencies in order to achieve an impact on statewide personnel and service needs;

"(v) to the extent practical, be conducted in environments where services are actually delivered;

"(vi) to the extent possible, be interdisciplinary in nature;

"(vii) utilize strategies to recruit and train members from racial and ethnic minority backgrounds and individuals with disabilities; and *"(viii) address the issue of cultural competence in the training provided.";*

(3) in subsection (c)—

(A) by striking "From amounts appropriated under section 154(b)" and inserting "SUPPLEMENTAL AWARDS.—From amounts appropriated under section 156(a)";

(B) in paragraph (1)—

(i) by striking "service-related training to persons" and inserting "interdisciplinary training, community training and technical assistance, community services, or dissemination of information to individuals";

(ii) by striking "integration into the community of persons with developmental disabilities" and inserting "integration and inclusion into the community of individuals with developmental disabilities and not otherwise specified in subsection (b)"; and

(iii) by striking "persons" each place such term appears and inserting "individuals";

(C) in paragraph (2)—

(i) by striking "(A) the" and inserting "the";

(ii) by striking "persons" and inserting "individuals";

(iii) by striking "(B) the" and inserting "the"; and

(iv) by striking "parents" and inserting "family members";

(4) by striking subsection (d);

(5) in subsection (e)—

(A) by striking "(e) From amounts appropriated under section 154(a)" and inserting "(d) FEASIBILITY STUDIES.—From amounts appropriated under section 156(a)"; and

(B) by striking—

(i) "or a satellite center"; and

(ii) "or satellite center"; and

(6) by striking subsections (f) and (g).

SEC. 404. APPLICATIONS.

(a) SECTION HEADING.—Section 153 (42 U.S.C. 6063) is amended—

(1) by striking "SEC. 153."; and

(2) in the section heading, by striking "APPLICATIONS" and inserting the following new section heading:

"SEC. 153. APPLICATIONS.".

(b) APPLICATIONS.—Section 153 (42 U.S.C. 6063) is amended—

(1) in subsection (a)—

(A) by striking "Not later than six" and inserting: "STANDARDS.—Not later than 12";

(B) by striking "Act of 1984" and inserting "Assistance and Bill of Rights Act Amendments of 1994";

(C) by striking "persons" and inserting "individuals"; and

(D) by striking "section 102(18)" and inserting "section 151";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "No grants" and all that follows through "Such an application" and inserting "ASSURANCES.—The application under subsection (a)";

(B) in paragraph (1), by striking "grant will" and all that follows through "level of such funds;" and inserting the following: "grant will—

"(A) not result in any decrease in the use of State, local, and other non-Federal funds for services for individuals with developmental disabilities and for training of individuals to provide such services, which funds would (except for such grant) be made available to the applicant; and

"(B) be used to supplement and, to the extent practicable, increase the level of such funds;";

(C) in paragraph (2), by striking "subsection (a)" each place such term appears and inserting "subsection (b)";

(D) in paragraph (3)—

(i) by striking "persons" each place such term appears and inserting "individuals";

(ii) by striking "treatment, services, or habilitation" and inserting "services"; and

(iii) by striking "the developmentally disabled" and inserting "individuals with developmental disabilities"; and

(E) in paragraph (5)—

(i) by striking "Planning" and inserting "Developmental Disabilities"; and

(ii) by striking "or the satellite center is or will be located";

(3) by striking subsections (c) and (d);

(4) by redesignating subsections (a), (b), and (e) as subsections (b), (c), and (f), respectively;

(5) by inserting after the section heading the following new subsection:

"(a) IN GENERAL.—No grants may be made under section 152(a) unless an application therefor is submitted to, and approved by, the Secretary. Such an application shall be submitted in such form and manner, and contain such information, as the Secretary may require.";

(6) by inserting after subsection (c), as so redesignated by paragraph (4), the following new subsections:

"(d) CONSUMER ADVISORY COMMITTEE.—The Secretary shall only make grants under section 152(a) to university affiliated programs that establish a consumer advisory committee comprised of individuals with developmental disabilities, family members of individuals with developmental disabilities, representatives of State protection and advocacy systems, State developmental disabilities councils (including State service agency directors), local agencies, and private nonprofit groups concerned with providing services for individuals with developmental disabilities, which may include representatives from parent training and information centers. The consumer advisory committee shall reflect the racial and ethnic diversity of the geographic area served by the university affiliated program.

"(e) FEDERAL SHARE.—

"(1) IN GENERAL.—The Federal share of any project to be provided through grants under this part may not exceed 75 percent of the necessary cost of such project, as determined by the Secretary, except that if the project activities or products target individuals with developmental disabilities who live in an urban or rural poverty area, the Federal share may not exceed 90 percent of the project's necessary costs as so determined by the Secretary.

"(2) PROJECT EXPENDITURES.—For the purpose of determining the Federal share with respect to any project, expenditures on that project by a political subdivision of the State or by a public or private entity shall, subject to such limitations and conditions as the Secretary may by regulation prescribe, be considered to be expenditures made by a university affiliated program under this part.";

(7) in subsection (f), as so redesignated by paragraph (4)—

(A) by striking "(f)(1) The Secretary" and inserting the following:

"(f) PEER REVIEW.—

"(1) IN GENERAL.—The Secretary";

(B) in paragraph (1), by striking "Such peer review" and all that follows through "152(b)(1)(D).";

(C) in paragraph (2)—

(i) by striking "(2) Regulations" and inserting the following:

"(2) REGULATIONS.—Regulations"; and

(ii) by striking "experience or training" and inserting "experience and training";

(D) in paragraph (3), to read as follows:

"(3) APPROVAL.—

"(A) IN GENERAL.—The Secretary may approve an application under this part only if such application has been recommended by a peer review group that has conducted the peer review required under paragraph (1).

"(B) APPLICABILITY.—This paragraph shall apply to the approval of grant applications received for fiscal year 1990 and succeeding fiscal years.";

(E) in paragraph (4)—

(i) by striking "(4) The Secretary" and inserting the following:

"(4) ESTABLISHMENT OF PEER REVIEW GROUPS.—The Secretary"; and

(ii) by realigning the margins of subparagraphs (A) and (B) so as to align with the margin of subparagraph (A) of paragraph (3); and

(F) in paragraph (5), by striking "(5) The Secretary" and inserting the following:

"(5) WAIVERS OF APPROVAL.—The Secretary"; and

(8) by adding at the end the following new subsection:

"(g) REVIEW BY OTHER FEDERAL AGENCIES.—The Secretary shall establish such a process for the review of applications for grants under section 152(a) as will ensure, to the maximum extent feasible, that each Federal agency that provides funds for the direct support of the applicant's program reviews the application.".

SEC. 405. GRANT AWARDS.

Section 154 (42 U.S.C. 6064) is amended to read as follows:

"SEC. 154. PRIORITY FOR GRANT AWARDS.

"(a) IN GENERAL.—In awarding and distributing grant funds under this part, the Secretary, subject to the availability of appropriations, shall award and distribute grant funds in accordance with the following order of priorities:

"(1) EXISTING STATE UNIVERSITY AFFILIATED PROGRAMS.—First priority shall be given, with respect to the provision of grant awards under section 152(a) in the amount of $200,000, to an existing State university affiliated program that meets the requirements under section 153.

"(2) UNSERVED STATES.—Second priority shall be given, with respect to the provision of grant awards under section 152(a) in the amount of $200,000, to a university or public or nonprofit entity associated with a college or university that desires to establish a university affiliated program in a State that is unserved by a university affiliated program as of the date of enactment of the Developmental Assistance and Bill of Rights Act Amendments of 1994.

"(3) TRAINING PROJECTS IN ALL UNIVERSITY AFFILIATED PROGRAMS.—Third priority shall be given, with respect to the provision of grant awards, to each university affiliated program that receives funding under section 152(a) and that meets the eligibility limitations under section 152(b) to the establishment of training projects under section 152(b) in the amount of $90,000 in each such program.

"(4) INCREASED FUNDING FOR TRAINING PROJECTS.—Fourth priority shall be given, with respect to the provision of grant awards, to the provision of an increase in the amount of a training project grant award under section 152(b) to $100,000.

"(5) INCREASED FUNDING FOR UNIVERSITY AFFILIATED PROGRAMS.—Fifth priority shall be given, with respect to the provision of grant awards, to the provision of an increase in the amount of a university affiliated program grant award under section 152(a) to $250,000.

"(6) ADDITIONAL TRAINING.—Sixth priority shall be given, with respect to the provision of grant awards, to an existing university affiliated program in a State that is served by such program under section 152(a) to provide additional training under subsection (b) or (c) of section 152 within such State or other geographic regions, or to a university or public or nonprofit entity associated with a college or university that desires to establish another university affiliated program within such State under section 152(a). All applications submitted to the Secretary for such grant awards shall document plans for coordinating activities with an existing university affiliated program in the State (if

applicable) and in consultation with the State Developmental Disabilities Council.

"(b) ADDITIONAL PROGRAMS.—For purposes of making grants under subsection (a)(6), the Secretary shall consider applications for grants for university affiliated programs—

"(1) for States that are currently underserved by a university affiliated program; and

"(2) that are in addition to the total number of university affiliated programs receiving grants under this subsection for the preceding fiscal year.

"(c) SINGLE APPLICATION.—When every State is served by a university affiliated program under section 152(a) in the amount of $200,000 and every such program has been awarded a training grant under section 152(b) in the amount of $90,000, the Secretary may accept applications under such sections in a single application.".

SEC. 406. AUTHORIZATION OF APPROPRIATIONS AND DEFINITION.

Part D of title I (42 U.S.C. 151 et seq.) is amended by adding at the end the following new sections:

"SEC. 155. DEFINITION.

"For purposes of this part, the term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and Guam.

"SEC. 156. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—For the purpose of making grants under subsections (a), (b), (c), and (d) of section 152, there are authorized to be appropriated $19,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) LIMITATION.—With respect to peer review or other activities directly related to peer review, the Secretary may not use—

"(1) for fiscal year 1994, more than $300,000 of the funds made available under subsection (a) for such review or such other activities; and

"(2) for any succeeding fiscal year, more than the amount of the funds made available under paragraph (1) adjusted to take into account the increase in the Consumer Price Index for such fiscal year for such review or such other activities.".

TITLE V—PROJECTS OF NATIONAL SIGNIFICANCE

SEC. 501. PART HEADING.

The heading of part E of title I of the Act is amended to read as follows:

"PART E—PROJECTS OF NATIONAL SIGNIFICANCE".

SEC. 502. PURPOSE.

Section 161 (42 U.S.C. 6081) is amended to read as follows:

"SEC. 161. PURPOSE.

"The purpose of this part is to provide for grants and contracts for projects of national significance that support the development of national and State policy to enhance the independence, productivity, and integration and inclusion of individuals with developmental disabilities through—

"(1) data collection and analysis;

"(2) technical assistance to enhance the quality of State Developmental Disabilities Councils, protection and advocacy systems, and university affiliated programs; and

"(3) other projects of sufficient size and scope that hold promise to expand or improve opportunities for individuals with developmental disabilities, including—

"(A) technical assistance for the development of information and referral systems;

"(B) educating policymakers;

"(C) Federal interagency initiatives;

"(D) the enhancement of participation of racial and ethnic minorities in public and private sector initiatives in developmental disabilities;

"(E) transition of youth with developmental disabilities from school to adult life; and

"(F) special pilots and evaluation studies to explore the expansion of programs under part B to individuals with severe disabilities other than developmental disabilities.".

SEC. 503. GRANT AUTHORITY.

(a) SECTION HEADING.—Section 162 (42 U.S.C. 6082) is amended—

(1) by striking "SEC. 162."; and

(2) in the section heading, by striking "GRANT AUTHORITY" and inserting the following new section heading:

"SEC. 162. GRANT AUTHORITY.".

(b) AUTHORITY.—Section 162 (42 U.S.C. 6082) is amended—

(1) in subsection (a), to read as follows:

"(a) IN GENERAL.—The Secretary—

"(1) shall make grants to and enter into contracts with public or nonprofit private entities for projects of national significance relating to individuals with developmental disabilities to—

"(A) support ongoing data collection on expenditures, residential services and employment, and develop an ongoing data collection system, including data collection on the accomplishments of State Developmental Disabilities Councils, protection and advocacy systems, and university affiliated programs that includes data on the participation of individuals from racial and ethnic minority backgrounds; and

"(B) provide technical assistance (including research, training, and evaluation) that expands or improves the effectiveness of State Developmental Disabilities Councils under part B, protection and advocacy systems under part C, and university affiliated programs under part D, including the evaluation and assessment of the quality of services provided to individuals with developmental disabilities and other activities performed by programs under parts B, C, and D; and

"(2) may make grants to and enter into contracts with public or nonprofit private entities for projects of national significance relating to individuals with developmental disabilities to conduct other nationally significant initiatives of sufficient size and scope that hold promise of expanding or otherwise improving opportunities for individuals with developmental disabilities, including—

"(A) conducting research and providing technical assistance to assist States to develop statewide, comprehensive information and referral and service coordination systems for individuals with developmental disabilities and their families that are culturally competent and that improve supportive living and quality of life opportunities that enhance recreation, leisure, and fitness;

"(B) educating policymakers, including the training of self-advocates and family members of individuals with developmental disabilities;

"(C) pursuing Federal interagency initiatives that enhance the ability of Federal agencies to address the needs of individuals with developmental disabilities and their families;

"(D) expanding or otherwise improving opportunities for individuals with developmental disabilities who are from racial and ethnic minority backgrounds including projects to encourage members of such groups to participate in the Developmental Disabilities Programs authorized under parts B, C, and D, and increase the involvement of students and professionals of such groups in the provision of services to, supports to, and advocacy for, individuals with developmental disabilities; and

"(E) conducting research and providing technical assistance to policymakers concerning the transition of youth with developmental disabilities from school to work and to adult life.";

(2) in subsection (b), to read as follows:

"(b) APPLICATION AND OTHER GRANT REQUIREMENTS.—No grant may be made under subsection (a) unless—

"(1) an application has been submitted to the Secretary in such form, in such manner, and containing such information as the Secretary shall by regulation prescribe and such application has been approved by the Secretary;

"(2) each State in which the applicant's project will be conducted has a State plan approved under section 122;

"(3) the application provides assurances that the human rights of all individuals with developmental disabilities (especially those individuals without familial protection) who are receiving services under projects assisted under this part will be protected consistent with section 110 (relating to the rights of individuals with developmental disabilities);

"(4) the applicant demonstrates, where appropriate, how the project will address, in whole or part, the needs of individuals with developmental disabilities from racial and ethnic minority backgrounds; and

"(5) the Secretary provides to the State Developmental Disabilities Council in such State an opportunity to review the application for such project and to submit its comments on the application.";

(3) in subsection (c), by striking "Not later" and inserting "PRIORITIES FOR GRANTS.—Not later";

(4) in subsection (d)—

(A) by striking "Payments under" and inserting "GRANT PAYMENTS.—Payments under"; and

(B) by inserting before the period in the second sentence ", except as otherwise provided under section 163";

(5) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(6) by inserting after subsection (a) the following new subsection:

"(b) INVESTIGATIONS.—

"(1) IN GENERAL.—Not later than April 1, 1994, there shall be a special initiative to support grants to investigate the expansion of part B activities to individuals with severe disabilities other than developmental disabilities. Such investigations shall be implemented through the following activities:

"(A) A national study of State Developmental Disabilities Councils that are currently mandated under State law or Executive order to focus on individuals with disabilities other than developmental disabilities. Such study shall be completed not later than June 30, 1995.

"(B) Pilot initiatives by not more than five additional State Developmental Disabilities Councils, in consultation with and with the support of the protection and advocacy system and the university affiliated program in such State, to study the implications of such expansion in States in which such Councils are located and to delineate barriers, opportunities, and critical issues. Such initiatives shall be completed not later than January 1996.

"(C) A national study of the process and outcomes of the pilot studies conducted under subparagraph (B). Such study shall be completed not later than May 30, 1996.

"(2) APPLICATION.—No grant may be made under this subsection unless an applicant submits to the Secretary an application, and meets the additional application requirements, under subsection (c)."; and

(7) by adding at the end thereof the following new subsection:

"(f) LIST OF RECIPIENTS.—Not later than September 1 of each fiscal year, the Secretary shall publish in the Federal Register a list of the recipients of grants and contracts in each of the areas authorized in subsections (a) and (b), including a brief description of the project, and the amount of funds granted to each such project. The amounts for such grants and contracts shall total the amount appropriated under this part for such fiscal year.".

SEC. 504. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 163(a) (42 U.S.C. 6083(a)) is amended—

(1) by striking "$3,650,000" and inserting "$4,000,000";

(2) by striking "fiscal year 1991" and inserting "fiscal year 1994"; and

(3) by striking "fiscal years 1992 and 1993" and inserting "fiscal years 1995 and 1996".

(b) LIMITATIONS.—Section 163(b) (42 U.S.C. 6083(b)) is amended to read as follows:

"(b) LIMITATIONS.—

"(1) PROJECTS OF NATIONAL SIGNIFICANCE.—At least 8 percent, but in no event less than $300,000, of the amounts appropriated pursuant to subsection (a) shall be used to carry out the provisions of section 162(a)(1)(B).

"(2) INVESTIGATIONS.—

"(A) IN GENERAL.—The additional authority to fund projects under section 162(b) shall not be construed as requiring the Secretary to supplant funding for other priorities described in this part.

"(B) TIME LINE FOR FUNDING.—If amounts are available to carry out subparagraphs (A), (B), and (C) of section 162(b)(1), the Administration shall provide funding to carry out such subparagraphs not later than May 1 of the fiscal year in which such funds become available.

"(3) PROGRAMMATIC REVIEWS OR OTHER ADMINISTRATIVE ACTIVITIES.—The Secretary may not use the funds made available under subsection (a) for programmatic reviews as prescribed by regulation or other administrative activities under parts B, C, and D.

"(4) TECHNICAL ASSISTANCE FOR PROTECTION AND ADVOCACY SYSTEMS.—If technical assistance to improve the effectiveness of protection and advocacy systems under part C is provided under section 142(c)(5)—

"(A) no funding for the provision of such technical assistance to protection and advocacy systems shall be provided under this part; and

"(B) the amount set aside for technical assistance under section 162(a)(1)(B) shall be proportionally reduced.".

And the House agree to the same.

JOHN D. DINGELL,
HENRY A. WAXMAN,
SHERROD BROWN,
CARLOS J. MOORHEAD,
TOM BLILEY,
Managers on the Part of the House.

EDWARD M. KENNEDY,
TOM HARKIN,
HOWARD M. METZENBAUM,
NANCY LANDON
KASSEBAUM,
DAVE DURENBERGER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1284) to extend and improve the Developmental Disabilities Assistance and Bill of Rights Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the Conferees, and minor drafting and clarifying changes.

PART A—GENERAL PROVISIONS

1. Findings, purpose and policy

(a) FINDINGS.—With slightly different wording, both the Senate bill and the House amendment update the findings of the Act.

The House recedes to the Senate and the Senate recedes to the House with an amendment. The amendment inserts a new finding to read as follows:

"there is a need to ensure that services, supports, and other assistance are provided in a culturally competent manner, that individuals from racial and ethnic minority backgrounds are fully included in all activities under this Act, and that greater efforts are made to recruit individuals from minority backgrounds into the field of developmental disabilities."

The amendment shall include the following findings from the Senate bill: (1), (4), (5), and (7). The amendment shall include the following findings from the House amendment: (2), (3), (6), (8), and (9). The new finding shall be number (9) and number (9) in the House amendment shall be renumbered (10).

(b) PURPOSE.—With slightly different wording, both the Senate bill and the House amendment update the purpose of the Act.

The House recedes to the Senate and the Senate recedes to the House, with an amendment. First, the amendment includes the introductory phrase from the Senate bill and inserts the phrase "participate in the design of and" before the phrase "have access to culturally competent services."

Second, paragraph (1) from the House amendment, shall be included and shall be amended by inserting "activities (that are consistent with the policy under subsection (c)(2))" after advocacy.

Third, the amendment shall include paragraphs (2), (3), and (4) from the Senate bill.

(c) POLICY.—With slightly different wording, the Senate bill and the House amendment add a policy section to the Act.

The House recedes to the Senate and the Senate recedes to the House with an amendment. First, the amendment shall include paragraphs (2) and (3) from the House amendment and paragraphs (1), (4), (5), and (6) from the Senate bill.

Second, paragraph (1) is amended by inserting the phrase "often require" before the phrase "the provisions of services, supports and other assistance" and striking the phrase "can improve such individuals' ability".

Third, paragraph (5) is amended by striking "communities accept and support individuals with developmental disabilities" and inserting "with education and support, communities can be responsive to the needs of individuals with developmental disabilities and their families".

Fourth, paragraph (6) is amended by striking "have opportunities" and inserting "should have access to opportunities".

Fifth, the amendment inserts, after paragraph (4), two additional principles to read as follows:

"(5) specific efforts must be made to ensure that individuals from racial and ethnic minority backgrounds enjoy effective and meaningful opportunities for full participation in the developmental disabilities service system;" and

"(6) recruitment efforts within development disabilities at the level of preservice training, community training, practice, administration and policy-making must focus on bringing larger numbers of racial and ethnic minorities into the field in order to provide appropriate skills, knowledge, role models, and sufficient manpower to address the growing needs of an increasingly diverse population;."

Sixth, paragraph (5) and (6) from the Senate bill are renumbered (7) and (8) respectively.

Questions have been raised regarding the meaning of the language in the first full paragraph on page 8 of the House Committee Report No. 103-378 that accompanies H.R. 3505.

In lieu of such language, the conferees make the following statement of Congressional intent:

First, the goals expressed in this Act to promote the greatest possible integration and independence for individuals with development disabilities may not be read as a Federal policy supporting the closure of residential institutions.

Second, the programs established under Parts B and D of the Act shall use the resources made available under this Act in accordance with the purposes and statement of policy set forth in the Act, including to assist States to create community options for individuals and families who state or demonstrate their desire to such options.

Third, Protection and Advocacy systems established under Part C of the Act shall use the resources made available under this Act in accordance with the purposes and statement of policy set forth in the Act, and are authorized to pursue appropriate remedies to address the violation of rights under other laws in all settings, including community, and ICF/MR institutions. This includes responding to ICF/MR reports and correction plans and complaints concerning community placements.

2. Definitions

The Senate bill, but not the House amendment, updates several definitions, adds new definitions, deletes definitions that are obsolete, and alphabetizes the definitions.

The House recedes with an amendment. First, the section is amended by inserting a definition for the term "Culturally Competent" as follows: "The term 'culturally competent' means services, supports or other assistance that are conducted or provided in a manner that is responsive to the beliefs, interpersonal styles, attitudes, language and behaviors of individuals who are receiving services, and in a manner which has the greatest likelihood of ensuring their maximum participation in the program."

Second, the section is amended by inserting a definition for the term "Unserved and Underserved" as follows: "The term 'unserved and underserved' includes populations such as individuals from racial and ethnic minority backgrounds, disadvantaged individuals, individuals with limited-English proficiency, individuals from underserved geographic areas (rural or urban), and specific groups of individuals within the population of individuals with developmental disabilities, including individuals with developmental disabilities attributable to physical impairment, mental impairment, or a combination of physical and mental impairments."

Third, the section is amended by striking the definition of systemic advocacy.

3. Federal share

The Senate bill, but not the House amendment, repeals section 103 of the Act (Federal Share). These provisions are moved to parts B and parts D.

The House recedes

4. Recovery

The Senate bill, but not the House amendment, repeals section 105 of the Act (Recovery).

The House recedes.

5. State control of operations

The Senate bill, but not the House amendment, strikes "facility for persons" and inserts "programs, services and supports for individuals" in section 106 of the Act (State Control of Operations).

The House recedes. This language conforms to the Rehabilitation Act of 1973, as amended by the Rehabilitation Act Amendments of 1992.

6. Reports

(a) The Senate bill, but not the House amendment, includes provisions that would allow Councils to selectively review the survey reports and correction and reduction plans related to the ICF/MR program, and summary data that may be available. This replaces a provision that requires Councils to review each report and each plan.

The House recedes.

(b) The Senate bill, but not the House amendment, strikes "1902(a)(31)(C)" in section 107(a)(4) of the Act and inserts "1902(a)(31)(C)." This is simply a more general reference and does not change the intent of this provision.

The House recedes.

(c) The Senate bill, but not the House amendment, includes a provision that requires Councils and the Secretary to include in their annual report a description of trends and progress made in the State on behalf of individuals with developmental disabilities.

The House recedes with an amendment that strikes "including individuals" and inserts "particularly individuals" in sections 107(a)(5)(A) and 107(c)(1)(C)(i) of the Act.

(d) The Senate bill, but not the House amendment, includes a provision that requires Councils and the Secretary, in their annual reports, to describe systemic change, capacity building and advocacy activities that affect individuals with disabilities other than developmental disabilities.

The House recedes.

(e) The Senate bill, but not the House amendment, requires that the State Developmental Disabilities Councils include, in their annual report to the Secretary, a description of the resources leveraged as a result of Council activities.

The House recedes.

(f) The Senate bill, but not the House amendment, requires that the annual report of the Council include a description of the council's dissemination plans for the annual report that target affected constituencies and the general public, and a requirement that the report must be available in accessible formats.

The House recedes.

(g) The Senate bill, but not the House amendment, requires the protection and advocacy systems to include in their annual report to the Secretary a description of the system's priorities for the year, the process used to obtain public input, the nature of the input, and how it was used.

The House recedes.

7. Employment of individuals with disabilities

The Senate bill, but not the House amendment, strikes "Handicapped Individuals" in the heading of section 109 of the Act and inserts "Individuals with Disabilities," and strikes "rehabilitation facilities" and inserts "community rehabilitation programs."

The House recedes.

PART B—FEDERAL ASSISTANCE TO STATE DEVELOPMENTAL DISABILITIES COUNCILS

1. Purpose

The Senate bill, but not the House amendment, updates the purpose of this part by including the concepts of systemic change, capacity building, and advocacy activities for Developmental Disabilities Councils to reflect the overall role of the Council. Also the concepts of consumer and family-centered are added by the bill to reflect the principles that services, supports and other assistance should be provided in a manner that demonstrates respect for individual dignity, personal preferences, and cultural differences, and that individuals with developmental disabilities and their families are the primary decisionmakers regarding the services, supports and other assistance they receive.

The House recedes with an amendment that inserts "activities that are consistent with the policy under section 101(c)(2)" after "advocacy" and inserts "culturally competent" before "services, supports and other assistance."

2. State plan

The Senate bill, but not the House amendment, makes several modifications and additions to the State plan, and significantly reorganizes the section by grouping related provisions together.

The House recedes with an amendment. First, the amendment inserts a new provision after section 122(c)(3)(C)(ii) as amended by the Senate bill, specifying that the examination of the priority areas required in the comprehensive review and analysis, include "an analysis of the barriers which impede full participation by members of unserved and underserved groups". The new provision shall be numbered (iii) and provisions (iii) through (viii) in the Senate bill shall be renumbered (iv) through (ix), respectively.

Second, section 122(c)(3)(C)(ix), as renumbered, is amended by striking "(v)" and inserting "(vi)".

Third, section 122(c)(5)(M) as amended by the Senate bill, is amended by inserting the following at the end of the provision: "except that the designated State agency shall have the authority necessary to carry out the responsibilities described in section 124(d)(3)."

3. Habilitation plans

The Senate bill, but not the House amendment, repeals section 123 of the Act.

The House recedes. The conferees note that this section is not relevant for the programs funded under this Act because they do not provide direct treatment or habilitation services to individuals. Instead, a provision is included in the assurances that grantees that provide any direct services funded under part B will be provided in an individualized manner, consistent with unique strengths, resources, priorities, concerns, abilities, and capabilities of an individual.

4. State developmental disabilities councils

The Senate bill, but not the House amendment, significantly reorganizes the section on State Developmental Disabilities Councils.

(a) PURPOSE.—The Senate bill, but not the House amendment, specifies the purpose of the Council.

The House recedes with an amendment that, in section 124(a) as amended by the Senate bill, strikes "conduct" and inserts "promote through", and strikes "on behalf of all individuals with developmental disabilities" and inserts "(consistent with section 101(c)(2)) the development of a consumer and family-centered, comprehensive system and a coordinated array of culturally competent services, supports and other assistance designed to achieve independence, productivity, and integration and inclusion into the community for individuals with developmental disabilities."

(b) COUNCIL MEMBERSHIP.—The Senate bill, but not the House amendment, further specifies procedures for appointments to the Council, rotation of members, and composition of the Council.

The House recedes with an amendment. First, section 124(b)(1) as amended by the Senate bill, is amended by striking "The Council shall coordinate" and inserting "The Council may, at the request of the Governor, coordinate".

Second, section 124(b)(2) as amended by the Senate bill, is amended by striking "and the Secretary, and the Secretary shall contact the Governor".

Third, section 124(b)(5)(B) as amended by the Senate bill, is amended by striking "or immediate relatives" and inserting "and immediate relatives".

(c) COUNCIL RESPONSIBILITIES.—The Senate bill, but not the House amendment, specifies the responsibilities of the Council.

The House recedes with an amendment. First, section 124(c)(1), as amended by the Senate bill, is amended by inserting the "Activities" after "Advocacy" at the end of the heading.

Second, section 124(c)(4)(K) as amended by the Senate bill, is amended by striking "expand and enhance the" and inserting "promote the development of a consumer and family-centered, comprehensive system and a coordinated array of culturally competent services, supports and other assistance designed to achieve.".

Third, section 124(c)(6) as amended by the Senate bill, is amended by striking "appropriateness of the designated State agency" and inserting "designated State agency with respect to activities carried out under this Act".

Fourth, section 124(c)(8)(B) as amended by the Senate bill, is amended by striking "that negatively affect the provision of staff support to the Council" and inserting "to the extent that such policies would impact staff or functions funded with Federal funds and would prevent the Council from carrying out its functions under this Act".

Fifth, section 124(c)(9) as amended by the Senate bill, is amended by striking "for case only, based on documented performance evaluations and" and striking "Council directors and staff who are exempt from State personnel policies may be dismissed based only on documented performance criteria."

Sixth, section 124(c) is amended by inserting a new paragraph at the end to read "(12) Nothing in this Act shall be construed to authorize a Council to direct, control, or exercise any policymaking authority or administrative authority over any program assisted under the Rehabilitation Act of 1973 or the Individuals with Disabilities Education Act."

5. Designated state agencies

The Senate bill, but to the House amendment, incorporates provisions related to the designated State agency into a single subsection, adds a reference to the role of the State legislature in the redesignation process, replaces the phrase "administrative support services" with the phrase "support services" to describe the type of services that are provided to the Council by the designated State agency, clarifies procedures for redesignation and clarifies the responsibilities of the State agency.

The House recedes.

6. 1990 report

The Senate bill, but not the House amendment, groups all provisions related to the report required on January 1, 1990 in one section.

The House recedes. The conferees note that the reviews, analyses and final reports from the 1990 Report continue to be used as an important source of information for Council planning efforts.

7. State allotments

The Senate bill, but not the House amendment, adds a provision that holds each State harmless at the higher of the fiscal year 1992 or fiscal year 1993 levels, with a ratable reduction if funds are not adequate. The bill sets minimum funding levels of $210,000 for American Samoa, Guam, the Virgin Islands, Northern Mariana Islands and Palau, and $400,000 for other States if the appropriation is less than $75,000,000. For appropriations greater than $75,000,000, the minimum funding levels are set at $220,000 and $450,000, respectively.

The House recedes with an amendment that inserts a new subsection after section 125(b) of the Act that reads as follows:

(c) OBLIGATION OF FUNDS.—For the purposes of this Part, State Interagency Agreements are considered valid obligations for the purpose of obligating Federal funds allotted to the State under this Part." The conferees intend to remove any barriers that discourage State Developmental Disabilities Councils from entering into Interagency Agreements that accomplish the purposes of the Council. Sections 125 (c) and (d) of the Act shall be relettered (d) and (e) respectively.

8. Federal and non-Federal share

The Senate bill, but not the House amendment, adds a new section on Federal and non-Federal share. This section groups together related provisions from the Act, including the provision on non-duplication The bill adds two new provisions—a waiver of the non-Federal share requirement when Council members and staff are the implementing agents of State plan priority activities and a clarification that Councils may vary the non-Federal share required on a grant-by-grant basis, as long as the total non-Federal share meets the statutory requirements.

The House recedes.

9. Review, analysis and report

The Senate bill, but not the House amendment, directs the Secretary to (1) review and analyze the current allotment formula under parts B and C, including the factors, data elements and measures, to determine whether the formula used is consistent with the purpose of the Act, (2) identify alternative funding formulas, consistent with the purpose of the Act, and (3) report back to the relevant Committees in the Senate and the House no later than October 1, 1995.

The House recedes.

10. Authorization of appropriations

The Senate bill authorizes $77,400,000 for fiscal year 1994, and such sums for 1995 and 1996. The House amendment authorizes $70,000,000 for 1994, and such sums for 1995 and 1996.

The Senate recedes.

PART C—PROTECTION AND ADVOCACY OF THE RIGHTS OF INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES

1. Title of part

The House amendment, but not the Senate bill, changes the title of this part from "Protection and Advocacy of Individual Rights" to "Protection and Advocacy of the Rights of Individuals with Developmental Disabilities."

The Senate recedes.

2. System requirements

The Senate bill adds or modifies several of the requirements of the Protection and Advocacy systems, including the addition of a provision regarding public notice of Federal onsite reviews. The House amendment adds a provision regarding public notice of Federal onsite reviews, which includes a requirement that the results of such reviews shall be distributed to the Governor of the State and to other interested parties.

The House recedes to the Senate and the Senate recedes to the House, with an amendment. First, section 142(a)(2)(A) as amended by the Senate bill, is amended by striking "underserved geographical areas and."

Second, section 142(a)(2)(J) as amended by the Senate bill, is amended by striking all that appears after "reductions in force" and inserting "prohibitions on staff travel, or other policies to the extent that such policies would impact staff or functions funded with Federal funds and would prevent the system from carrying out its functions under this Act;"

Third, the amendment shall include section 142(i) as amended by the House amendment, and such section shall be relettered 142 (k).

3. Authorization of appropriations

The Senate bill authorizes $29,000,000 for fiscal year 1994, and such sums for 1995 and 1996. The House amendment authorizes $24,000,000 for 1994, and such sums for 1995 and 1996.

PART D—UNIVERSITY AFFILIATED PROGRAMS

1. Purpose and scope of activities

The Senate bill, but not the House amendment, revises the description of the purpose and scope of university affiliated programs (UAPs) to incorporate updated concepts about these university-based programs. The description of UAPs recognizes the fact that UAPs are located in, or affiliated with universities and, as such, provide an important foundation for higher education's response to the needs of individuals with developmental disabilities and their families. UAPs contribute to and reflect the overall mission of their host universities, and seek to ensure that the activities, resources, and expertise of the university are responsive to individuals with developmental disabilities and their families, advocacy organizations, and service systems and providers.

The House recedes with an amendment that inserts the phrase "which are conducted in a culturally competent manner" after "the following activities."

2. Grant authority

(a) ADMINISTRATION AND OPERATION.—The Senate bill, but not the House amendment, provides for grant periods of up to 5 years.

The House recedes.

(b) TRAINING PROJECTS.—The Senate bill, but not the House amendment, provides for grant periods of up to 5 years for training projects, updates the descriptions of the training project areas, and adds a new training project area—training in the Americans with Disabilities Act (ADA).

The House recedes with an amendment. First, section 152(b)(3)(D)(i) is amended by inserting "and cultural" after "personal".

Second, an additional area of focus for training projects is inserted, to read as follows:

"(G) COMMUNITY TRANSITION.—Grants under this subsection for training projects with respect to transition from school to adult life shall be for the purpose of assisting university affiliated programs in providing training to individuals with developmental disabilities and their families, generic community agencies, advocacy organizations, and others in order to stimulate the development and improvement of policies, procedures, systems, and other mechanisms that prepare youth with developmental disabilities to enter adult life. Such projects shall be coordinated with State transition projects funded under section 626(e) of the Individuals with Disabilities Education Act, where such State transition projects exist." Section 152(b)(3)(G) as amended by the Senate bill shall be relettered 152(b)(3)(H).

(c) CRITERIA FOR TRAINING PROJECTS.—The Senate bill, but not the House amendment, specifies criteria for training projects and adds a requirement that, to the extent possible, training projects shall address the unique needs of individuals with developmental disabilities from ethnic, cultural, and linguistic minority backgrounds.

The House recedes with an amendment that strikes section 152(b)(6)(B)(vii) and inserts the following:

"(vii) utilize strategies to recruit and train individuals from racial and ethnic minority backgrounds and individuals with disabilities; and

"(viii) address the issue of cultural competence in the training provided."

(d) SUPPLEMENTAL AWARDS.—The Senate bill, but not the House amendment, expands the authority for supplemental awards to include interdisciplinary training, community training, technical assistance, community services, and/or dissemination of information.

The House recedes.

(e) SATELLITE CENTERS.—The Senate bill, but not the House amendment, strikes provisions related to satellite centers.

The House recedes. The Conferees note that significant progress has been made in reaching the goal of establishing a university affiliated program in every State, making new satellite centers unnecessary. The conferees intend that this provision does not affect the status of the university affiliated program activities being conducted in the Pacific Rim (American Samoa, Guam, and the Northern Mariana Islands) through supplemental funding to the Hawaii university affiliated program. It is not the intent of the conferees that the Pacific Rim become an independent university affiliated program as a result of the removal of the authority for satellite centers.

3. Applications

(a) STANDARDS.—The Senate bill, but not the House amendment, directs the Secretary to establish by regulation, standards for university affiliated programs, within 12 months of the enactment of this Act.

The House recedes.

(b) CONSUMER ADVISORY COMMITTEE.—The Senate bill, but not the House amendment, specifies that representatives from Parent Training and Information Centers may be included in the membership of the Consumer Advisory Committee.

The House recedes with an amendment that inserts at the end of section 153(d) the following: "The consumer advisory committee shall reflect the racial and ethnic diversity of the geographic area served by the university affiliated program."

(c) FEDERAL SHARE.—The Senate bill, but not the House amendment, incorporates provisions related to the Federal share from part A of the current law.

The House recedes.

(d) PEER REVIEW.—The Senate bill, but not the House amendment, requires that members of peer review groups be qualified by both experience and training. Current law specifies experience or training.

The House recedes.

4. Grant awards

(a) PRIORITY FOR GRANT AWARDS.—The Senate bill, but not the House amendment, specifies priorities for awarding funds under this part.

The House recedes.

(b) SINGLE APPLICATION.—The Senate bill, but not the House amendment, includes a new provision that allows the Secretary to accept applications under sections 152(a) (administration and operation) and 152(b) (training projects) in the same application when every State has a university affiliated program and every university affiliated program has a training project.

The House recedes.

5. Definition of State

The Senate bill, but not the House amendment, specifies that for the purposes of this part, the term State is defined as the States of the United States, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

The House recedes with an amendment that includes Guam in the definition of State for this part.

6. Authorization of appropriations

(a) The Senate bill, but not the House amendment, authorizes the Secretary to use not more than $300,000 for peer review and related activities.

The House recedes. Conferees encourage the Secretary to use Departmental general operation funds to support these activities to the greatest extent possible and to use funds appropriated under this section for programmatic activities.

(b) The Senate bill authorizes $21,000,000 for fiscal year 1994, and such sums for 1995 and 1996. The House amendment authorizes $19,000,000 for 1994, and such sums for 1995 and 1996.

The Senate recedes.

PART E—PROJECTS OF NATIONAL SIGNIFICANCE

1. Purpose

The Senate bill, but not the House amendment, expands the purpose of this part to provide for grants and contracts to support special pilot projects to explore the expansion of part B programs (State Developmental Disabilities Councils) to individuals with severe disabilities other than developmental disabilities.

The House recedes with an amendment. First, section 161(3)(D) as amended by the Senate bill, is amended by striking "minority participation" and inserting "participation of racial and ethnic minorities" after "enhancement of".

Second, the section is amended by adding "transition of youth with developmental disabilities from school to adult life" to the list of projects that hold promise to expand or improve opportunities for individuals with developmental disabilities.

2. Grant authority

(a) DATA COLLECTION.—The Senate bill, but not the House amendment, directs the Secretary to fund projects to support on-going data collection on expenditures, residential services and employment and to development and ongoing data collection system, including data on the accomplishments of State Developmental Disabilities Councils, protection and advocacy systems, and university affiliated programs.

The House recedes with an amendment that inserts at the end of section 162(a)(1)(A) the following: "that includes data on the participation of individuals from racial and ethnic minority backgrounds."

(b) TECHNICAL ASSISTANCE.—The Senate bill, but not the House amendment, directs the Secretary to fund projects to provide technical assistance that expands or improves the effectiveness of State Developmental Disabilities Councils, protection and advocacy systems, and university affiliated programs.

The House recedes.

(c) OTHER PROJECTS.—The Senate bill, but not the House amendment, specifies other areas for projects of national significance that the Secretary may support through grants and contracts.

The House recedes with an amendment. First, section 162(a)(2)(A) as amended by the Senate bill, is amended by inserting "that are culturally competent and that" after "and their families".

Second, section 162(a)(2)(D) as amended by the Senate bill, is amended by striking "traditionally unserved or underserved (including individuals of ethnic and racial minority groups, and individuals from underserved geographical areas)" and inserting "from racial and ethnic minority backgrounds".

Third, the amendment inserts after section 162(a)(2)(D) as amended by the Senate bill, the following: "(E) conducting research and providing technical assistance to policymakers concerning the transition of youth with developmental disabilities from school to work and to adult life."

(d) SPECIAL INITIATIVES.—The Senate bill, but not the House amendment, directs the Secretary to support grants to conduct an investigation on the expansion of part B programs (Developmental Disabilities Councils) to individuals with severe disabilities other than developmental disabilities.

The House recedes.

(e) GRANT REQUIREMENTS.—The Senate bill, but not the House amendment, specifies the requirements for grants under this part.

The House recedes with an amendment that inserts after section 163(b)(3) as amended by the Senate bill, the following:

"(4) the applicant demonstrates, where appropriate, how the project will address, in whole or part, the needs of individuals with developmental disabilities from racial and ethnic minority backgrounds; and".

(f) LIST OF PROJECT RECIPIENTS.—The Senate bill, but not the House amendment, directs the Secretary to publish, on an annual basis, the recipients, project descriptions and funding levels for all projects funded under this part, and includes the requirement that the amounts for such grants and contracts shall total the amount appropriated under this part for such fiscal year.

The House recedes.

3. Authorizations of appropriations

(a) LIMITATIONS.—The Senate bill, but not the House amendment, specifies that the provision to fund special initiatives on the expansion of part B activities to individuals with disabilities other than developmental disabilities shall not be construed as requiring the Secretary to supplant funding for other priorities described in this part.

The House recedes.

(b) TIME LINE FOR FUNDING.—The Senate bill, but not the House amendment, specifies that funding to carry out the special initiatives shall be provided no later than May 1 of the fiscal year in which such funds become available.

The House recedes.

(c) PROGRAM REVIEWS AND ADMINISTRATIVE ACTIVITIES.—The Senate bill, but not the House amendment, states that the Secretary may not use funds made available under this part for program reviews required by regulation or other administrative activities.

The House recedes.

(d) TECHNICAL ASSISTANCE.—The Senate bill, but not the House amendment, includes the provision that if technical assistance to protection and advocacy systems is funded under part C, then no funding for such activity will be provided under part E.

The House recedes.

JOHN D. DINGELL,
HENRY A. WAXMAN,
SHERROD BROWN,
CARLOS J. MOORHEAD,
TOM BLILEY,
Managers on the Part of the House.
EDWARD M. KENNEDY,
TOM HARKIN,
HOWARD M. METZENBAUM,
NANCY LANDON KASSEBAUM,
DAVE DURENBERGER,
Managers on the Part of the Senate.

MULTIFAMILY HOUSING PROPERTY DISPOSITION REFORM ACT OF 1994

Mr. GONZALEZ. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4067) to amend section 203 of the Housing and Community Development Amendments of 1978 to provide for the disposition of multifamily properties owned by the Secretary of Housing and Urban Development, to provide for other reforms in programs administered by the Secretary, and to make certain technical amendments, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Multifamily Housing Property Disposition Reform Act of 1994".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—MULTIFAMILY PROPERTY DISPOSITION REFORM

Sec. 101. Multifamily property disposition.
Sec. 102. Repeal of State agency multifamily property disposition demonstration.
Sec. 103. Preventing mortgage defaults on multifamily housing projects.
Sec. 104. Interest rates on assigned mortgages.
Sec. 105. Authorization of appropriations.

TITLE II—OTHER PROGRAM REFORMS

Subtitle A—Home Investment Partnerships Program

Sec. 201. Participation by State agencies or instrumentalities.
Sec. 202. Simplification of program-wide income targeting for rental housing.
Sec. 203. Homeownership units.
Sec. 204. Simplification of matching requirements.
Sec. 205. Repeal of separate audit requirement.

Sec. 206. Environmental review requirements.
Sec. 207. Use of CDBG funds for HOME program expenses.
Sec. 208. Flexibility of HOME program for disaster areas.
Sec. 209. Applicability and regulations.
Subtitle B—HOPE Homeownership Program
Sec. 221. Matching requirement under HOPE for homeownership of single family homes program.
Subtitle C—Community Development Block Grants
Sec. 231. Section 108 eligible activities.
Sec. 232. Economic development grants.
Sec. 233. Guarantee of obligations backed by section 108 loans.
Sec. 234. Flexibility of CDBG program for disaster areas.
TITLE III—TECHNICAL AMENDMENTS
Sec. 301. Definition of "families".
Sec. 302. Elimination of requirement to identify CIAP replacement needs.
Sec. 303. Project-based accounting.
Sec. 304. Operating subsidy adjustments for anticipated fraud recoveries.
Sec. 305. Environmental review provisions.
Sec. 306. Correction of FHA multifamily mortgage limits.
Sec. 307. Amendments to FHA multifamily risk-sharing and housing finance agency pilot programs.
Sec. 308. Subsidy layering review.

TITLE I—MULTIFAMILY PROPERTY DISPOSITION REFORM

SEC. 101. MULTIFAMILY PROPERTY DISPOSITION.

(a) FINDINGS.—The Congress finds that—

(1) the portfolio of multifamily housing project mortgages insured by the FHA is severely troubled and at risk of default, requiring the Secretary to increase loss reserves from $5,500,000,000 in 1991 to $11,900,000,000 in 1992 to cover estimated future losses;

(2) the inventory of multifamily housing projects owned by the Secretary has more than quadrupled since 1989, and, by the end of 1994, may exceed 69,000 units;

(3) the cost to the Federal Government of owning and maintaining multifamily housing projects escalated to $288,000,000 in fiscal year 1993;

(4) the inventory of multifamily housing projects subject to mortgages held by the Secretary has increased dramatically, to more than 2,400 mortgages, and approximately half of these mortgages, with approximately 219,000 units, are delinquent;

(5) the inventory of insured and formerly insured multifamily housing projects is deteriorating, potentially endangering tenants and neighborhoods; and

(6) the current statutory framework governing the disposition of multifamily housing projects effectively impedes the Government's ability to dispose of properties, protect tenants, and ensure that projects are maintained over time.

(b) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11) is amended to read as follows:

"SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.

"(a) GOALS.—The Secretary of Housing and Urban Development shall manage or dispose of multifamily housing projects that are owned by the Secretary or that are subject to a mortgage held by the Secretary in a manner that—

"(1) is consistent with the National Housing Act and this section;

"(2) will protect the financial interests of the Federal Government; and

"(3) will, in the least costly fashion among reasonable available alternatives, address the goals of—

"(A) preserving certain housing so that it can remain available to and affordable by low-income persons;

"(B) preserving and revitalizing residential neighborhoods;

"(C) maintaining existing housing stock in a decent, safe, and sanitary condition;

"(D) minimizing the involuntary displacement of tenants;

"(E) maintaining housing for the purpose of providing rental housing, cooperative housing, and homeownership opportunities for low-income persons;

"(F) minimizing the need to demolish multifamily housing projects;

"(G) supporting local fair housing strategies; and

"(H) disposing of such projects in a manner consistent with local housing market conditions.

In determining the manner in which a project is to be managed or disposed of, the Secretary may balance competing goals relating to individual projects in a manner that will further the purposes of this section.

"(b) DEFINITIONS.—For purposes of this section:

"(1) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means any multifamily rental housing project which is, or prior to acquisition by the Secretary was, assisted or insured under the National Housing Act, or was subject to a loan under section 202 of the Housing Act of 1959.

"(2) SUBSIDIZED PROJECT.—The term 'subsidized project' means a multifamily housing project that, immediately prior to the assignment of the mortgage on such project to, or the acquisition of such mortgage by, the Secretary, was receiving any of the following types of assistance:

"(A) Below market interest rate mortgage insurance under the proviso of section 221(d)(5) of the National Housing Act.

"(B) Interest reduction payments made in connection with mortgages insured under section 236 of the National Housing Act.

"(C) Direct loans made under section 202 of the Housing Act of 1959.

"(D) Assistance in the form of—

"(i) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965,

"(ii) additional assistance payments under section 236(f)(2) of the National Housing Act,

"(iii) housing assistance payments made under section 23 of the United States Housing Act of 1937 (as in effect before January 1, 1975), or

"(iv) housing assistance payments made under section 8 of the United States Housing Act of 1937 (excluding payments made for tenant-based assistance under section 8),

if (except for purposes of section 183(c) of the Housing and Community Development Act of 1987) such assistance payments are made to more than 50 percent of the units in the project.

"(3) FORMERLY SUBSIDIZED PROJECT.—The term 'formerly subsidized project' means a multifamily housing project owned by the Secretary that was a subsidized project immediately prior to its acquisition by the Secretary.

"(4) UNSUBSIDIZED PROJECT.—The term 'unsubsidized project' means a multifamily housing project owned by the Secretary that is not a subsidized project or a formerly subsidized project.

"(5) AFFORDABLE.—A unit shall be considered affordable if—

"(A) for units occupied—

"(i) by very low-income families, the rent does not exceed 30 percent of 50 percent of the area median income, as determined by the Secretary, with adjustments for smaller and larger families; and

"(ii) by low-income families other than very low-income families, the rent does not exceed 30 percent of 80 percent of the area median income, as determined by the Secretary, with adjustments for smaller and larger families; or

"(B) the unit, or the family residing in the unit, is receiving assistance under section 8 of the United States Housing Act of 1937.

"(6) LOW-INCOME FAMILIES AND VERY LOW-INCOME FAMILIES.—The terms 'low-income families' and 'very low-income families' shall have the meanings given the terms in section 3(b) of the United States Housing Act of 1937.

"(7) PREEXISTING TENANT.—The term 'preexisting tenant' means, with respect to a multifamily housing project acquired pursuant to this section by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, a family that resides in a unit in the project immediately before the acquisition of the project by the purchaser.

"(8) MARKET AREA.—The term 'market area' means a market area determined by the Secretary.

"(9) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(c) DISPOSITION OF PROPERTY.—

"(1) DISPOSITION TO PURCHASERS.—In carrying out this section, the Secretary may dispose of a multifamily housing project owned by the Secretary on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate considering the low-income character of the project and consistent with the goals in subsection (a), only to a purchaser determined by the Secretary to be capable of—

"(A) satisfying the conditions of the disposition plan developed under paragraph (2) for the project;

"(B) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition and in compliance with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the housing and any such standards established by the Secretary;

"(C) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(D) providing adequate organizational, staff, and financial resources to the project; and

"(E) meeting such other requirements as the Secretary may determine.

"(2) DISPOSITION PLAN.—

"(A) IN GENERAL.—Prior to the sale of a multifamily housing project that is owned by the Secretary, the Secretary shall develop an initial disposition plan for the project that specifies the minimum terms and conditions of the Secretary for disposition of the project, the initial sales price that is acceptable to the Secretary, and the assistance that the Secretary plans to make available to a prospective purchaser in accordance with this section.

"(B) MARKET-WIDE PLANS.—In developing the initial disposition plan under this subsection for a multifamily housing project located in a market area in which at least 1 other multifamily housing project owned by the Secretary is located, the Secretary may coordinate the disposition of all such multifamily housing projects located within the same market area to the extent and in such manner as the Secretary determines appropriate to carry out the goals under subsection (a).

"(C) SALES PRICE.—The initial sales price shall be reasonably related to the intended use of the project after sale, any rehabilitation requirements for the project, the rents for units in the project that can be supported by the market, the amount of rental assistance available for the project under section 8 of the United States Housing Act of 1937, the occupancy profile of the project (including family size and income levels for tenant families), and any other factors that the Secretary considers appropriate.

"(D) COMMUNITY AND TENANT INPUT.—In carrying out this section, the Secretary shall develop procedures—

"(i) to obtain appropriate and timely input into disposition plans from officials of the unit of general local government affected, the community in which the project is situated, and the tenants of the project; and

"(ii) to facilitate, where feasible and appropriate, the sale of multifamily housing projects to existing tenant organizations with demonstrated capacity, to public or nonprofit entities that represent or are affiliated with existing tenant organizations, or to other public or nonprofit entities.

"(E) TECHNICAL ASSISTANCE.—To carry out the procedures developed under subparagraph (D), the Secretary may provide technical assistance, directly or indirectly, and may use amounts available for technical assistance under the Emergency Low Income Housing Preservation Act of 1987, subtitle C of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, subtitle B of title IV of the Cranston-Gonzalez National Affordable Housing Act, or this section, for the provision of technical assistance under this paragraph. Recipients of technical assistance funding under the provisions referred to in this subparagraph shall be permitted to provide technical assistance to the extent of such funding under any of such provisions or under this subparagraph, notwithstanding the source of the funding.

"(3) FORECLOSURE SALE.—In carrying out this section, the Secretary shall—

"(A) prior to foreclosing on any mortgage held by the Secretary on any multifamily housing project, notify both the unit of general local government in which the property is located and the tenants of the property of the proposed foreclosure sale; and

"(B) dispose of a multifamily housing project through a foreclosure sale only to a purchaser that the Secretary determines is capable of implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and repair expenses to ensure that the project will remain in decent, safe, and sanitary condition and in compliance with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the housing and any such standards established by the Secretary.

"(d) MANAGEMENT AND MAINTENANCE OF PROPERTIES.—

"(1) CONTRACTING FOR MANAGEMENT SERVICES.—In carrying out this section, the Secretary may—

"(A) contract for management services for a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession) with for-profit and nonprofit entities and public agencies (including public housing authorities) on a negotiated, competitive bid, or other basis at a price determined by the Secretary to be reasonable, with a manager the Secretary has determined is capable of—

"(i) implementing a sound financial and physical management program that is designed to enable the project to meet anticipated operating and maintenance expenses to ensure that the project will remain in decent, safe, and sanitary condition and in compliance with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the project and any such standards established by the Secretary;

"(ii) responding to the needs of the tenants and working cooperatively with tenant organizations;

"(iii) providing adequate organizational, staff, and financial resources to the project; and

"(iv) meeting such other requirements as the Secretary may determine; and

"(B) require the owner of a multifamily housing project that is subject to a mortgage held by the Secretary to contract for management services for the project in the manner described in subparagraph (A).

"(2) MAINTENANCE OF PROJECTS OWNED BY SECRETARY.—In the case of multifamily housing projects that are owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall—

"(A) to the greatest extent possible, maintain all such occupied projects in a decent, safe, and sanitary condition and in compliance with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of the housing and any such standards established by the Secretary;

"(B) to the greatest extent possible, maintain full occupancy in all such projects; and

"(C) maintain all such projects for purposes of providing rental or cooperative housing.

"(3) PROJECTS SUBJECT TO A MORTGAGE HELD BY SECRETARY.—In the case of any multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of paragraph (2).

"(e) REQUIRED ASSISTANCE.—In disposing of multifamily housing property under this section, consistent with the goals of section 203(a)(3)(A), the Secretary shall take, separately or in combination with other actions under this subsection or subsection (f), one or more of the following actions:

"(1) CONTRACT WITH OWNER FOR PROJECT-BASED ASSISTANCE.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into contracts under section 8 of the United States Housing Act of 1937 (to the extent budget authority is available) with owners of the projects, subject to the following requirements:

"(A) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING MORTGAGE-RELATED ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subparagraphs (A) through (C) of subsection (b)(2)—

"(i) the contract shall be sufficient to assist at least all units covered by an assistance contract under any of the authorities referred to in subsection (b)(2)(D) before acquisition or foreclosure, unless the Secretary acts pursuant to the provisions of subparagraph (C);

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8; and

"(iii) the Secretary shall take actions to ensure that any unit in any such project that does not otherwise receive project-based assistance under this subparagraph remains available and affordable for the remaining useful life of the project, as defined by the Secretary; to carry out this clause, the Secretary may require purchasers to establish use or rent restrictions maintaining the affordability of such units.

"(B) SUBSIDIZED OR FORMERLY SUBSIDIZED PROJECTS RECEIVING RENTAL ASSISTANCE.—In the case of a subsidized or formerly subsidized project referred to in subsection (b)(2)(D) that is not subject to subparagraph (A)—

"(i) the contract shall be sufficient to assist at least all units in the project that are covered, or were covered immediately before foreclosure on or acquisition of the project by the Secretary, by an assistance contract under any of the provisions referred to in such subsection, unless the Secretary acts pursuant to provisions of subparagraph (C); and

"(ii) the contract shall provide that, when a vacancy occurs in any unit in the project requiring project-based rental assistance pursuant to this subparagraph that is occupied by a family who is not eligible for assistance under such section 8, the owner shall lease the available unit to a family eligible for assistance under such section 8.

"(C) EXCEPTIONS.—

"(i) AUTHORITY.—In lieu of providing project-based assistance under section 8 of the United States Housing Act of 1937 in accordance with subparagraph (A)(i) or (B)(i) for a project, the Secretary may, for certain units in unsubsidized projects located within the same market area as the project otherwise required to be assisted with such project-based assistance—

"(I) require use and rent restrictions providing that such units shall be available to and affordable by very low-income families for the remaining useful life of the project (as defined by the Secretary), or

"(II) provide project-based assistance under section 8 for such units to be occupied by only very low-income persons,

but only if the requirements under clause (ii) are met.

"(ii) REQUIREMENTS.—The requirements under this clause are that—

"(I) upon the disposition of the project otherwise required to be assisted with project-based assistance under subparagraph (A)(i) or (B)(i), the Secretary shall make available tenant-based assistance under section 8 to low-income families residing in units otherwise required to be assisted with such project-based assistance; and

"(II) the number of units subject to use restrictions or provided assistance under clause (i) shall be at least equivalent to the number of units otherwise required to be assisted with project-based assistance under section 8 in accordance with subparagraph (A)(i) or (B)(i).

"(D) UNSUBSIDIZED PROJECTS.—Notwithstanding actions taken pursuant to subparagraph (C), in the case of unsubsidized projects, the contract shall be sufficient to provide—

"(i) project-based rental assistance for all units that are covered, or were covered immediately before foreclosure or acquisition, by an assistance contract under—

"(I) the new construction and substantial rehabilitation program under section 8(b)(2) of the United States Housing Act of 1937 (as in effect before October 1, 1983);

"(II) the property disposition program under section 8(b) of such Act;

"(III) the project-based certificate program under section 8 of such Act;

"(IV) the moderate rehabilitation program under section 8(e)(2) of such Act;

"(V) section 23 of such Act (as in effect before January 1, 1975);

"(VI) the rent supplement program under section 101 of the Housing and Urban Development Act of 1965; or

"(VII) section 8 of the United States Housing Act of 1937, following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965; and

"(ii) tenant-based assistance under section 8 of the United States Housing Act of 1937 for families that are preexisting tenants of the project in units that, immediately before foreclosure or acquisition of the project by the Secretary, were covered by an assistance contract under the loan management set-aside program under section 8(b) of the United States Housing Act of 1937.

"(2) Annual Contribution Contracts for Tenant-Based Assistance.—In the case of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, the Secretary may enter into annual contribution contracts with public housing agencies to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 on behalf of all low-income families who are otherwise eligible for assistance in accordance with subparagraph (A), (B), or (D) of paragraph (1) on the date that the project is acquired by the purchaser, subject to the following requirements:

"(A) Requirement of Sufficient Affordable Housing in Area.—The Secretary may not take action under this paragraph unless the Secretary determines that there is available in the area an adequate supply of habitable, affordable housing for very low-income families and other low-income families using tenant-based assistance.

"(B) Limitation for Subsidized and Formerly Subsidized Projects.—The Secretary may not take actions under this paragraph in connection with units in subsidized or formerly subsidized projects for more than 10 percent of the aggregate number of units in such projects disposed of by the Secretary in any fiscal year.

"(3) Other Assistance.—

"(A) In General.—In accordance with the authority provided under the National Housing Act, the Secretary may provide other assistance pursuant to subsection (f) to the owners of multifamily housing projects that are acquired by a purchaser other than the Secretary at foreclosure, or after sale by the Secretary, on terms that ensure that—

"(i) at least the units in the project otherwise required to receive project-based assistance pursuant to subparagraphs (A), (B), or (D) of paragraph (1) are available to and affordable by low-income persons; and

"(ii) for the remaining useful life of the project, as defined by the Secretary, there shall be in force such use or rent restrictions as the Secretary may prescribe.

"(B) Very Low-Income Tenants.—If, as a result of actions taken pursuant to this paragraph, the rents charged to any very low-income families residing in the project who are otherwise required (pursuant to subparagraph (A), (B), or (D) of paragraph (1)) to receive project-based assistance under section 8 of the United States Housing Act of 1937 exceed the amount payable as rent under section 3(a) of the United States Housing Act of 1937, the Secretary shall provide tenant-based assistance under section 8 of such Act to such families.

"(f) Discretionary Assistance.—In addition to the actions required under subsection (e) for a subsidized, formerly subsidized, or unsubsidized multifamily housing project, the Secretary may, pursuant to the disposition plan and the goals in subsection (a), take one or more of the following actions:

"(1) Discounted Sales Price.—In accordance with the authority provided under the National Housing Act, the Secretary may reduce the selling price of the project. Such reduced sales price shall be reasonably related to the intended use of the property after sale, any rehabilitation requirements for the project, the rents for units in the project that can be supported by the market, the amount of rental assistance available for the project under section 8 of the United States Housing Act of 1937, the occupancy profile of the project (including family size and income levels for tenant families), and any other factors that the Secretary considers appropriate.

"(2) Use and Rent Restrictions.—The Secretary may require certain units in a project to be subject to use or rent restrictions providing that such units will be available to and affordable by low- and very low-income persons for the remaining useful life of the property, as defined by the Secretary.

"(3) Short-Term Loans.—The Secretary may provide short-term loans to facilitate the sale of a multifamily housing project if—

"(A) authority for such loans is provided in advance in an appropriation Act;

"(B) such loan has a term of not more than 5 years;

"(C) the Secretary determines, based upon documentation provided to the Secretary, that the borrower has obtained a commitment of permanent financing to replace the short-term loan from a lender who meets standards established by the Secretary; and

"(D) the terms of such loan are consistent with prevailing practices in the marketplace or the provision of such loan results in no cost to the Government, as defined in section 502 of the Congressional Budget Act of 1974.

"(4) Up-Front Grants.—If the Secretary determines that action under this paragraph is more cost-effective than establishing rents pursuant to subsection (h)(2), the Secretary may utilize the budget authority provided for contracts issued under this section for project-based assistance under section 8 of the United States Housing Act of 1937 to (in addition to providing project-based section 8 rental assistance) provide up-front grants for the necessary cost of rehabilitation and other related development costs.

"(5) Tenant-Based Assistance.—The Secretary may make available tenant-based assistance under section 8 of the United States Housing Act of 1937 to families residing in a multifamily housing project that do not otherwise qualify for project-based assistance.

"(6) Alternative Uses.—

"(A) In General.—Notwithstanding any other provision of law, after providing notice to and an opportunity for comment by preexisting tenants, the Secretary may allow not more than—

"(i) 10 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any fiscal year to be made available for uses other than rental or cooperative uses, including low-income homeownership opportunities, or in any particular project, community space, office space for tenant or housing-related service providers or security programs, or small business uses, if such uses benefit the tenants of the project; and

"(ii) 5 percent of the total number of units in multifamily housing projects that are disposed of by the Secretary during any fiscal year to be used in any manner, if the Secretary and the unit of general local government or area-wide governing body determine that such use will further fair housing, community development, or neighborhood revitalization goals.

"(B) Displacement Protection.—The Secretary may take actions under subparagraph (A) only if—

"(i) tenant-based rental assistance under section 8 of the United States Housing Act of 1937 is made available to each eligible family residing in the project that is displaced as a result of such actions; and

"(ii) the Secretary determines that sufficient habitable, affordable rental housing is available in the market area in which the project is located to ensure use of such assistance.

"(7) Transfer for Use Under Other Programs of Secretary.—

"(A) In General.—Notwithstanding the provisions of subsection (e), the Secretary may, pursuant to an agreement under subparagraph (B), transfer a multifamily housing project—

"(i) to a public housing agency for use of the project as public housing; or

"(ii) to an entity eligible to own or operate housing assisted under section 202 of the Housing Act of 1959 or under section 811 of the Cranston-Gonzalez National Affordable Housing Act for use as supportive housing under either of such sections.

"(B) Requirements for Agreement.—An agreement providing for the transfer of a project described in subparagraph (A) shall—

"(i) contain such terms, conditions, and limitations as the Secretary determines appropriate, including requirements to ensure use of the project as public housing, supportive housing under section 202 of the Housing Act of 1959, or supportive housing under section 811 of the Cranston-Gonzalez National Affordable Housing Act, as applicable; and

"(ii) ensure that no tenant of the project will be displaced as a result of actions taken under this paragraph.

"(8) Rebuilding.—Notwithstanding any provision of section 8 of the United States Housing Act of 1937, the Secretary may provide project-based assistance in accordance with subsection (e) of this section to support the rebuilding of a multifamily housing project rebuilt or to be rebuilt (in whole or in part and on-site, off-site, or in a combination of both) in connection with disposition under this section, if the Secretary determines that—

"(A) the project is not being maintained in a decent, safe, and sanitary condition;

"(B) rebuilding the project would be less expensive than substantial rehabilitation;

"(C) the unit of general local government in which the project is located approves the rebuilding and makes a financial contribution or other commitment to the project; and

"(D) the rebuilding is a part of a local neighborhood revitalization plan approved by the unit of general local government.

The provisions of subsection (j)(2) shall apply to any tenants of the project who are displaced.

"(9) Emergency assistance funds.—The Secretary may make arrangements with State agencies and units of general local government of States receiving emergency assistance under part A of title IV of the Social Security Act for the provision of assistance under such Act on behalf of eligible families who would reside in any multifamily housing projects.

"(g) Protection for Unassisted Very Low-Income Tenants.—For each multifamily housing project disposed of under this section, the Secretary shall require that, for any very low-income family who is a preexisting tenant of the project who (upon disposition) would be required to pay rent in an amount in excess of 30 percent of the adjusted income (as such term is defined in section 3(b) of the United States Housing Act of 1937) of the family—

"(1) for a period of 2 years beginning upon the date of the acquisition of the project by the purchaser under such disposition, the rent for the unit occupied by the family may not be increased above the rent charged immediately before acquisition;

"(2) such family shall be considered displaced for purposes of the preferences for assistance under sections 6(c)(4)(A)(i), 8(d)(1)(A)(i), and 8(o)(3)(B) of the United States Housing Act of 1937; and

"(3) notice shall be provided to such family, not later than the date of the acquisition of the project by the purchaser—

"(A) of the requirements under paragraphs (1) and (2); and

"(B) that, after the expiration of the period under paragraph (1), the rent for the unit occupied by the family may be increased.

"(h) Contract Requirements.—Contracts for project-based rental assistance under section 8 of the United States Housing Act of 1937 provided pursuant to this section shall be subject to the following requirements:

"(1) Contract term.—The contract shall have a term of 15 years, except that the term may be less than 15 years—

"(A) to the extent that the Secretary finds that, based on the rental charges and financing for the multifamily housing project to which the contract relates, the financial viability of the project can be maintained under a contract having such a term; except that the Secretary shall require that the amount of rent payable by tenants of the project for units assisted under such contract shall not exceed the amount payable for rent under section 3(a) of the United States Housing Act of 1937 for a period of at least 15 years; or

"(B) if such assistance is provided—

"(i) under a contract authorized under section 6 of the HUD Demonstration Act of 1993; and

"(ii) pursuant to a disposition plan under this section for a project that is determined by the Secretary to be otherwise in compliance with this section.

"(2) Contract rent.—The Secretary shall establish the contract rents under such contracts at levels that, together with other resources available to the purchasers, provide sufficient amounts for the necessary costs of rehabilitating and operating the multifamily housing project and do not exceed the percentage of the existing housing fair market rentals for the market area in which the project assisted under the contract is located as determined by the Secretary under section 8(c) of the United States Housing Act of 1937.

"(i) Right of First Refusal for Local and State Government Agencies.—

"(1) Notification.—Not later than 30 days after the Secretary acquires title to a multifamily housing project, the Secretary shall notify the appropriate unit of general local government (including public housing agencies) and State agency or agencies designated by the chief executive officer of the State in which the project is located of such acquisition of title and that, for a period beginning upon such notification that does not exceed 90 days, such unit of general local government and agency or agencies shall have the exclusive right under this subsection to make bona fide offers to purchase the project.

"(2) Right of first refusal.—During the 90-day period, the Secretary may not sell or offer to sell the multifamily housing project other than to a party notified under paragraph (1), unless the unit of general local government and the designated State agency or agencies notify the Secretary that they will not make an offer to purchase the project. The Secretary shall accept a bona fide offer to purchase the project made during such period if it complies with the terms and conditions of the disposition plan for the project or is otherwise acceptable to the Secretary.

"(3) Procedure.—The Secretary shall establish any procedures necessary to carry out this subsection.

"(j) Displacement of Tenants and Relocation Assistance.—

"(1) In general.—Whenever tenants will be displaced as a result of the demolition of, repairs to, or conversion in the use of, a multifamily housing project that is owned by the Secretary (or for which the Secretary is mortgagee in possession), the Secretary shall identify tenants who will be displaced, and shall notify all such tenants of their pending displacement and of any relocation assistance that may be available. In the case of a multifamily housing project that is subject to a mortgage held by the Secretary, the Secretary shall require the owner of the project to carry out the requirements of this paragraph, if the Secretary has authorized the demolition of, repairs to, or conversion in the use of such multifamily housing project.

"(2) Rights of displaced tenants.—The Secretary shall ensure for any such tenant (who continues to meet applicable qualification standards) the right—

"(A) to return, whenever possible, to a repaired or rebuilt unit;

"(B) to occupy a unit in another multifamily housing project owned by the Secretary;

"(C) to obtain housing assistance under the United States Housing Act of 1937; or

"(D) to receive any other available similar relocation assistance as the Secretary determines to be appropriate.

"(k) Mortgage and Project Sales.—

"(1) In general.—The Secretary may not approve the sale of any loan or mortgage held by the Secretary (including any loan or mortgage owned by the Government National Mortgage Association) on any subsidized project or formerly subsidized project, unless such sale is made as part of a transaction that will ensure that such project will continue to operate at least until the maturity date of such loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the assignment of the loan or mortgage on such project to the Secretary.

"(2) Sale of certain projects.—The Secretary may not approve the sale of any subsidized project—

"(A) that is subject to a mortgage held by the Secretary, or

"(B) if the sale transaction involves the provision of any additional subsidy funds by the Secretary or a recasting of the mortgage, unless such sale is made as part of a transaction that will ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed sale of the project.

"(3) Mortgage sales to State and local governments.—Notwithstanding any provision of law that requires competitive sales or bidding, the Secretary may carry out negotiated sales of mortgages held by the Secretary, without the competitive selection of purchasers or intermediaries, to units of general local government or State agencies, or groups of investors that include at least one such unit of general local government or State agency, if the negotiations are conducted with such agencies, except that—

"(A) the terms of any such sale shall include the agreement of the purchasing agency or unit of local government or State agency to act as mortgagee or owner of a beneficial interest in such mortgages, in a manner consistent with maintaining the projects that are subject to such mortgages for occupancy by the general tenant group intended to be served by the applicable mortgage insurance program, including, to the extent the Secretary determines appropriate, authorizing such unit of local government or State agency to enforce the provisions of any regulatory agreement or other program requirements applicable to the related projects; and

"(B) the sales prices for such mortgages shall be, in the determination of the Secretary, the best prices that may be obtained for such mortgages from a unit of general local government or State agency, consistent with the expectation and intention that the projects financed will be retained for use under the applicable mortgage insurance program for the life of the initial mortgage insurance contract.

"(4) Sale of mortgages covering unsubsidized projects.—Notwithstanding any other provision of law, the Secretary may sell mortgages held on projects that are not subsidized or formerly subsidized projects on such terms and conditions as the Secretary may prescribe.

"(5) Mortgage sale demonstration.—The Secretary may carry out a demonstration to test the feasibility of restructuring and disposing of troubled multifamily mortgages held by the Secretary through the establishment of partnerships with public, private, and nonprofit entities.

"(6) Project sale demonstration.—The Secretary may carry out a demonstration to test the feasibility of disposing of troubled multifamily housing projects that are owned by the Secretary through the establishment of partnerships with public, private, and nonprofit entities.

"(l) Report to Congress.—Not later than June 1 of each year, the Secretary shall submit to the Congress a report describing the status of multifamily housing projects owned by or subject to mortgages held by the Secretary, on an aggregate basis, which highlights the differences, if any, between the subsidized and the unsubsidized inventory. The report shall include—

"(1) the average and median size of the projects;

"(2) the geographic locations of the projects, by State and region;

"(3) the years during which projects were assigned to the Department, and the average and median length of time that projects remain in the HUD-held inventory;

"(4) the status of HUD-held mortgages;

"(5) the physical condition of the HUD-held and HUD-owned inventory;

"(6) the occupancy profile of the projects, including the income, family size, race, and ethnic origin of current tenants, and the rents paid by such tenants;

"(7) the proportion of units that are vacant;

"(8) the number of projects for which the Secretary is mortgagee in possession;

"(9) the number of projects sold in foreclosure sales;

"(10) the number of HUD-owned projects sold;

"(11) a description of actions undertaken pursuant to this section, including a description of the effectiveness of such actions and any impediments to the disposition or management of multifamily housing projects;

"(12) a description of the extent to which the provisions of this section and actions taken under this section have displaced tenants of multifamily housing projects;

"(13) a description of any of the functions performed in connection with this section that are contracted out to public or private entities or to States; and

"(14) a description of the activities carried out under subsection (i) during the preceding year.".

(c) CLARIFICATION OF FEDERAL PREFERENCES.—

(1) PUBLIC HOUSING TENANCY.—Section 6(c)(4)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(2) SECTION 8 ASSISTANCE.—Section 8(d)(1)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)(i)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(3) VOUCHER ASSISTANCE.—The first sentence of section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended by inserting after "displaced" the following: "(including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978)".

(d) DEFINITION OF OWNER.—Section 8(f)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(1)) is amended by inserting "an agency of the Federal Government," after "cooperative,".

(e) AMENDMENT TO NATIONAL HOUSING ACT.—Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding at the end the following new section:

"PARTIAL PAYMENT OF CLAIMS ON
MULTIFAMILY HOUSING PROJECTS

"SEC. 541. (a) AUTHORITY.—Notwithstanding any other provision of law, if the Secretary is requested to accept assignment of a mortgage insured by the Secretary that covers a multifamily housing project (as such term is defined in section 203(b) of the Housing and Community Development Amendments of 1978) and the Secretary determines that partial payment would be less costly to the Federal Government than other reasonable alternatives for maintaining the low-income character of the project, the Secretary may request the mortgagee, in lieu of assignment, to—

"(1) accept partial payment of the claim under the mortgage insurance contract; and

"(2) recast the mortgage, under such terms and conditions as the Secretary may determine.

"(b) REPAYMENT.—As a condition to a partial claim payment under this section, the mortgagor shall agree to repay to the Secretary the amount of such payment and such obligation shall be secured by a second mortgage on the property on such terms and conditions as the Secretary may determine.".

(f) EFFECTIVE DATE.—The Secretary shall issue interim regulations necessary to implement the amendments made by subsections (b) through (d) not later than 90 days after the date of the enactment of this Act. Such interim regulations shall take effect upon issuance and invite public comment on the interim regulations. The Secretary shall issue final regulations to implement such amendments after opportunity for such public comment, but not later than 12 months after the date of issuance of such interim regulations.

SEC. 102. REPEAL OF STATE AGENCY MULTIFAMILY PROPERTY DISPOSITION DEMONSTRATION.

Section 184 of the Housing and Community Development Act of 1987 (12 U.S.C. 1701z–11 note) is hereby repealed.

SEC. 103. PREVENTING MORTGAGE DEFAULTS ON MULTIFAMILY HOUSING PROJECTS.

(a) MULTIFAMILY HOUSING PLANNING AND INVESTMENT STRATEGIES.—

(1) PREPARATION OF ASSESSMENTS FOR INDEPENDENT ENTITIES.—Section 402(a) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715–1a note) is amended by adding at the end the following new sentence: "The assessment shall be prepared by an entity that does not have an identity of interest with the owner.".

(2) TIMING OF SUBMISSION OF NEEDS ASSESSMENTS.—Section 402(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–1a note) is amended to read as follows:

"(b) TIMING.—To ensure that assessments for all covered multifamily housing properties will be submitted on or before the conclusion of fiscal year 1997, the Secretary shall require the owners of such properties, including covered multifamily housing properties for the elderly, to submit the assessments for the properties in accordance with the following schedule:

"(1) For fiscal year 1994, 10 percent of the aggregate number of such properties.

"(2) For each of fiscal years 1995, 1996, and 1997, an additional 30 percent of the aggregate number of such properties.".

(3) REVIEW OF COMPREHENSIVE NEEDS ASSESSMENTS.—Section 404(d) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715–1a note) is amended to read as follows:

"(d) REVIEW.—

"(1) IN GENERAL.—The Secretary shall review each comprehensive needs assessment for completeness and adequacy before the expiration of the 90-day period beginning on the receipt of the assessment and shall notify the owner of the property for which the assessment was submitted of the findings of such review.

"(2) INCOMPLETE OR INADEQUATE ASSESSMENTS.—If the Secretary determines that the assessment is substantially incomplete or inadequate, the Secretary shall—

"(A) notify the owner of the portion or portions of the assessment requiring completion or other revision; and

"(B) require the owner to submit an amended assessment to the Secretary not later than 30 days after such notification.".

(4) REPEAL OF NOTICE PROVISION.—Section 404 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715–1a note) is amended by striking subsection (f).

(5) PUBLICATION.—Section 404 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–1a note), as amended by paragraph (4) of this subsection, is further amended by inserting after subsection (e) the following new subsection:

"(f) PUBLICATION OF METHOD FOR RECEIVING CAPITAL NEEDS ASSESSMENT.—The Secretary shall cause to be published in the Federal Register the method by which the Secretary determines which capital needs assessments will be received each year in accordance with section 402(b) and subsection (d) of this section.".

(6) FUNDING.—Title IV of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–1a note) is amended by adding at the end the following new section:

"SEC. 409. FUNDING.

"(a) ALLOCATION OF ASSISTANCE.—Based upon needs identified in comprehensive needs assessments, and subject to otherwise applicable program requirements, including selection criteria, the Secretary may allocate the following assistance to owners of covered multifamily housing projects and may provide such assistance on a noncompetitive basis:

"(1) Operating assistance and capital improvement assistance for troubled multifamily housing projects pursuant to section 201 of the Housing and Community Development Amendments of 1978, except for assistance set aside under section 201(n)(1).

"(2) Loan management assistance available pursuant to section 8 of the United States Housing Act of 1937.

"(b) OPERATING ASSISTANCE AND CAPITAL IMPROVEMENT ASSISTANCE.—In providing assistance under subsection (a) the Secretary shall use the selection criteria set forth in section 201(n) of the Housing and Community Development Amendments of 1978.

"(c) AMOUNT OF ASSISTANCE.—The Secretary may fund all or only a portion of the needs identified in the capital needs assessment of an owner selected to receive assistance under this section.".

(b) FLEXIBLE SUBSIDY PROGRAM.—

(1) DELETION OF UTILITY COST REQUIREMENTS.—Section 201(i) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(i)) is hereby repealed.

(2) REPEAL OF MANDATORY CONTRIBUTION FROM OWNER.—Section 201(k)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(k)(2)) is amended by striking ", except that" and all that follows and inserting a period.

(3) FUNDING.—Section 201(n) of the Housing and Community Development Amendments of 1978 (42 U.S.C. 1715z–1a(n)) is amended to read as follows:

"(n) ALLOCATION OF ASSISTANCE.—

"(1) SET-ASIDE.—In providing, and contracting to provide, assistance for capital improvements under this section, in each fiscal year the Secretary shall set aside an amount, as determined by the Secretary, for projects that are eligible for incentives under section 224(b) of the Emergency Low Income Housing Preservation Act of 1987, as such section existed before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act. The Secretary may make such assistance available on a noncompetitive basis.

"(2) GENERAL RULES FOR ALLOCATION.—Except as provided in paragraph (3), with respect to assistance under this section not set aside for projects under paragraph (1), the Secretary—

"(A) may award assistance on a noncompetitive basis; and

"(B) shall award assistance to eligible projects on the basis of—

"(i) the extent to which the project is physically or financially troubled, as evidenced by the comprehensive needs assessment submitted in accordance with title IV of the Housing and Community Development Act of 1992; and

"(ii) the extent to which such assistance is necessary and reasonable to prevent the default of federally insured mortgages.

"(3) EXCEPTIONS.—The Secretary may make exceptions to selection criteria set forth in paragraph (2)(B) to permit the provision of assistance to eligible projects based upon—

"(A) the extent to which such assistance is necessary to prevent the imminent foreclosure or default of a project whose owner has not submitted a comprehensive needs assessment pursuant to title IV of the Housing and Community Development Act of 1992;

"(B) the extent to which the project presents an imminent threat to the life, health, and safety of project residents; or

"(C) such other criteria as the Secretary may specify by regulation or by notice printed in the Federal Register.

"(4) CONSIDERATIONS.—In providing assistance under this section, the Secretary shall take into consideration—

"(A) the extent to which there is evidence that there will be significant opportunities for residents (including a resident council or resident management corporation, as appropriate) to be involved in the management of the project (except that this paragraph shall have no application to projects that are owned as cooperatives); and

"(B) the extent to which there is evidence that the project owner has provided competent management and complied with all regulatory and administrative requirements.".

(4) REPEAL.—Section 201 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a) is amended—

(A) by striking subsection (o); and

(B) by redesignating subsection (p) as subsection (o).

(c) IMPLEMENTATION AND EFFECTIVE DATES FOR SUBSECTIONS (a) AND (b).—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a) and (b) shall apply with respect to amounts made available for fiscal year 1994 and fiscal years thereafter.

(2) EXCEPTION.—Section 201(n)(1) of the Housing and Community Development Amendments of 1978 (as added by the amendment made by subsection (b)(3) of this section) shall take effect on the date of enactment of this Act.

(3) NOTICE.—The Secretary shall, by notice published in the Federal Register, establish any requirements necessary to implement the amendments made by subsections (a) and (b). The notice shall invite public comments and, not later than 12 months after the date on which the notice is published, the Secretary shall issue final regulations based on the initial notice, taking into consideration any public comments received.

(d) STREAMLINED REFINANCING.—As soon as practicable, the Secretary shall implement a streamlined refinancing program under the authority provided in section 223 of the National Housing Act to prevent the default of mortgages insured by the FHA which cover multifamily housing projects, as defined in section 203(b) of the Housing and Community Development Amendments of 1978.

(e) GAO STUDY ON PREVENTION OF DEFAULT.—

(1) IN GENERAL.—Not later than April 1, 1995, the Comptroller General of the United States shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report that evaluates the adequacy of loan loss reserves in the General Insurance and Special Risk Insurance Funds and presents recommendations for the Secretary to prevent losses from occurring.

(2) CONTENTS.—The report submitted under paragraph (1) shall—

(A) evaluate the factors considered in arriving at loss estimates and determine whether other factors should be considered;

(B) determine the relative benefit of creating a new, actuarially sound insurance fund for all new multifamily housing insurance commitments; and

(C) recommend alternatives to the Secretary's current procedures for preventing the future default of multifamily housing project mortgages insured under title II of the National Housing Act.

(f) GAO STUDY ON ACTUARIAL SOUNDNESS OF CERTAIN INSURANCE PROGRAMS.—

(1) IN GENERAL.—Not later than April 1, 1995, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a report that evaluates, in connection with the General Insurance Fund, the role and performance of the nursing home, hospital, and retirement service center insurance programs.

(2) CONTENTS.—The reports submitted under paragraph (1) shall—

(A) evaluate the strategic importance of these insurance programs to the mission of the FHA;

(B) evaluate the impact of these insurance programs upon the financial performance of the General Insurance Fund;

(C) assess the potential losses expected under these programs through fiscal year 1999;

(D) evaluate the risk of these programs to the General Insurance Fund in connection with changes in national health care policy;

(E) assess the ability of the FHA to manage these programs; and

(F) make recommendations for any necessary changes.

(g) RISK ASSESSMENT.—

(1) SPECIAL RISK INSURANCE FUND.—Section 238(c) of the National Housing Act (12 U.S.C. 1715z-3(c)) is amended by adding at the end the following new paragraph:

"(3) The Secretary shall undertake an annual assessment of the risks associated with each of the insurance programs comprising the Special Risk Insurance Fund, and shall present findings from such review to the Congress in the FHA Annual Management Report.".

(2) GENERAL INSURANCE FUND.—Section 519 of the National Housing Act (12 U.S.C. 1735c) is amended by adding at the end the following new subsection:

"(g) RISK ASSESSMENT.—The Secretary shall undertake an annual assessment of the risks associated with each of the insurance programs comprising the General Insurance Fund, and shall present findings from such review to the Congress in the FHA Annual Management Report.".

(h) ALTERNATIVE USES FOR PREVENTION OF DEFAULT.—

(1) IN GENERAL.—Subject to notice to and comment by existing tenants, to prevent the imminent default of a multifamily housing project subject to a mortgage insured under title II of the National Housing Act, the Secretary may authorize the mortgagor to use the project for purposes not contemplated by or permitted under the regulatory agreement, if—

(A) such other uses are acceptable to the Secretary;

(B) such other uses would be otherwise insurable under title II of the National Housing Act;

(C) the outstanding principal balance on the mortgage covering such project is not increased;

(D) any financial benefit accruing to the mortgagor shall, subject to the discretion of the Secretary, be applied to project reserves or project rehabilitation; and

(E) such other use serves a public purpose.

(2) DISPLACEMENT PROTECTION.—The Secretary may take actions under paragraph (1) only if—

(A) tenant-based rental assistance under section 8 of the United States Housing Act of 1937 is made available to each eligible family residing in the project that is displaced as a result of such actions; and

(B) the Secretary determines that sufficient habitable, affordable (as such term is defined in section 203(b) of the Housing and Community Development Amendments of 1978) rental housing is available in the market area in which the project is located to ensure use of such assistance.

(3) IMPLEMENTATION.—The Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this subsection. The notice shall invite public comments and, not later than 12 months after the date on which the notice is published, the Secretary shall issue final regulations based on the initial notice, taking into account any public comments received.

SEC. 104. INTEREST RATES ON ASSIGNED MORTGAGES.

Section 7(i)(5) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(i)(5)) is amended by striking the first semicolon, and all that follows through "as determined by the Secretary".

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

(a) SPECIAL RISK INSURANCE FUND.—Section 238(b) of the National Housing Act (12 U.S.C. 1715z-3(b)) is amended by striking the fifth sentence.

(b) GENERAL INSURANCE FUND.—Section 519 of the National Housing Act (12 U.S.C. 1735c) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) (as added by section 103(g)(2) of this Act) as subsection (f).

(c) MULTIFAMILY INSURANCE FUND APPROPRIATIONS.—Title V of the National Housing Act (12 U.S.C. 1731a et seq.) is amended by adding after section 541 (as added by section 101(e) of this Act) the following new section:

"SEC. 542. AUTHORIZATION OF APPROPRIATIONS FOR GENERAL AND SPECIAL RISK INSURANCE FUNDS.

"There are authorized to be appropriated such sums as may be necessary for each of fiscal years 1994 and 1995, to be allocated in any manner that the Secretary determines appropriate, for the following costs incurred in conjunction with programs authorized under the General Insurance Fund, as provided by section 519, and the Special Risk Insurance Fund, as provided by section 238:

"(1) The cost to the Government, as defined in section 502 of the Congressional Budget Act, of new insurance commitments.

"(2) The cost to the Government, as defined in section 502 of the Congressional Budget Act, of modifications to existing loans, loan guarantees, or insurance commitments.

"(3) The cost to the Government, as defined in section 502 of the Congressional Budget Act, of loans provided under section 203(f) of the Housing and Community Development Amendments of 1978.

"(4) The costs of the rehabilitation of multifamily housing projects (as defined in section 203(b) of the Housing and Community Development Amendments of 1978) upon disposition by the Secretary.".

TITLE II—OTHER PROGRAM REFORMS

Subtitle A—Home Investment Partnerships Program

SEC. 201. PARTICIPATION BY STATE AGENCIES OR INSTRUMENTALITIES.

Section 104(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(2)) is amended—

(1) by striking "and" after "Columbia,"; and

(2) by inserting before the period at the end the following: ", or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the State with regard to the provisions of this Act".

SEC. 202. SIMPLIFICATION OF PROGRAM-WIDE INCOME TARGETING FOR RENTAL HOUSING.

Section 214(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12744(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "such funds are invested with respect to dwelling units that are occupied by" and inserting "(i) the families receiving such rental assistance are"; and

(B) by striking ", and" and inserting ", or (ii) the dwelling units assisted with such funds are occupied by families having such incomes; and"; and

(2) in subparagraph (B)—

(A) by striking "such funds are invested with respect to dwelling units that are occupied by" and inserting "(i) the families receiving such rental assistance are"; and

(B) by inserting before the semicolon at the end the following: ", or (ii) the dwelling units assisted with such funds are occupied by such households".

SEC. 203. HOMEOWNERSHIP UNITS.

(a) REMOVAL OF FIRST-TIME HOMEBUYER REQUIREMENT.—Section 215(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) SIMPLIFICATION OF RESALE PROVISIONS.—Section 215(b)(3)(B) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)(3)(B)), as so redesignated by subsection (a) of this section, is amended by striking "subsection" and inserting "title".

SEC. 204. SIMPLIFICATION OF MATCHING REQUIREMENTS.

Section 220(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(a)) is amended to read as follows:

"(a) CONTRIBUTION.—Each participating jurisdiction shall make contributions to housing that qualifies as affordable housing under this title that total, throughout a fiscal year, not less than 25 percent of the funds drawn from the jurisdiction's HOME Investment Trust Fund in such fiscal year. Such contributions shall be in addition to any amounts made available under section 216(3)(A)(ii).".

SEC. 205. REPEAL OF SEPARATE AUDIT REQUIREMENT.

Section 283 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12833) is amended—

(1) by striking the section designation and heading and inserting the following:

"SEC. 283. AUDITS BY COMPTROLLER GENERAL.";

(2) by striking subsection (a);

(3) in subsection (b)—

(A) by striking "(b) AUDITS BY THE COMPTROLLER GENERAL.—";

(B) by redesignating paragraphs (1) and (2) as subsections (a) and (b), respectively; and

(C) by moving subsections (a) and (b), as so redesignated by subparagraph (B), 2 ems to the left so that such subsections are flush with the left margin; and

(4) in subsection (a), as so redesignated by paragraph (3)(B), by striking the second sentence.

SEC. 206. ENVIRONMENTAL REVIEW REQUIREMENTS.

Section 288 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12838) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking "participating jurisdictions" and inserting "jurisdictions, Indian tribes, or insular areas"; and

(B) by adding at the end the following new sentences: "The regulations shall provide—

"(1) for the monitoring of the environmental reviews performed under this section;

"(2) in the discretion of the Secretary, to facilitate training for the performance of such reviews; and

"(3) for the suspension or termination of the assumption under this section.

The Secretary's duty under the preceding sentence shall not be construed to limit or reduce any responsibility assumed by a State or unit of general local government with respect to any particular release of funds.";

(2) in the first sentence of subsection (b), by striking "participating jurisdiction" and inserting "jurisdiction, Indian tribe, or insular area";

(3) in subsection (c)(4)(B), by striking "participating jurisdiction" and inserting "jurisdiction, Indian tribe, or insular area"; and

(4) in subsection (d), by striking "ASSISTANCE TO A STATE.—In the case of assistance to States" and inserting the following: "ASSISTANCE TO UNITS OF GENERAL LOCAL GOVERNMENT FROM A STATE.—In the case of assistance to units of general local government from a State".

SEC. 207. USE OF CDBG FUNDS FOR HOME PROGRAM EXPENSES.

(a) ADMINISTRATIVE EXPENSES.—Section 105(a)(13) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(13)) is amended by inserting after "charges related to" the following: "(A) administering the HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act; and (B)".

(b) PROJECT DELIVERY COSTS.—Section 105(a)(21) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(21)) is amended—

(1) by inserting "in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act" after "housing counseling"; and

(2) by striking "authorized" and all that follows through "any law" and inserting "assisted under title II of the Cranston-Gonzalez National Affordable Housing Act".

SEC. 208. FLEXIBILITY OF HOME PROGRAM FOR DISASTER AREAS.

Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended by adding at the end the following new section:

"SEC. 290. SUSPENSION OF REQUIREMENTS FOR DISASTER AREAS.

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all statutory requirements for purposes of assistance under this title for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and low-income housing affordability.".

SEC. 209. APPLICABILITY AND REGULATIONS.

The amendments made by this title shall apply with respect to any amounts made available to carry out title II of the Cranston-Gonzalez National Affordable Housing Act after the date of the enactment of this Act and any amounts made available to carry out such title before such date of enactment that remain uncommitted on such date. The Secretary shall issue any regulations necessary to carry out the amendments made by this title not later than the expiration of the 45-day period beginning on the date of the enactment of this Act.

Subtitle B—HOPE Homeownership Program

SEC. 221. MATCHING REQUIREMENT UNDER HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES PROGRAM.

Section 443(c)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12893(c)(1)) is amended by striking "33 percent" and inserting "25 percent".

Subtitle C—Community Development Block Grants

SEC. 231. SECTION 108 ELIGIBLE ACTIVITIES.

The first sentence of section 108(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(a)) is amended—

(1) by striking "or" after "section 105(a);"; and

(2) by inserting before the period the following: "; (5) the acquisition, construction, reconstruction, or installation of public facilities (except for buildings for the general conduct of government); or (6) in the case of colonias (as such term is defined in section 916 of the Cranston-Gonzalez National Affordable Housing Act), public works and site or other improvements".

SEC. 232. ECONOMIC DEVELOPMENT GRANTS.

(a) GRANTS.—

(1) IN GENERAL.—Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) is amended by adding at the end the following new subsection:

"(q) ECONOMIC DEVELOPMENT GRANTS.—

"(1) Authorization.—The Secretary may make grants in connection with notes or other obligations guaranteed under this section to eligible public entities for the purpose of enhancing the security of loans guaranteed under this section or improving the viability of projects financed with loans guaranteed under this section.

"(2) Eligible activities.—Assistance under this subsection may be used only for the purposes of and in conjunction with projects and activities assisted under subsection (a).

"(3) Applications.—Applications for assistance under this subsection may be submitted only by eligible public entities, and shall be in the form and in accordance with the procedures established by the Secretary. Eligible public entities may apply for grants only in conjunction with requests for guarantees under subsection (a).

"(4) Selection criteria.—The Secretary shall establish criteria for awarding assistance under this subsection. Such criteria shall include—

"(A) the extent of need for such assistance;

"(B) the level of distress in the community to be served and in the jurisdiction applying for assistance;

"(C) the quality of the plan proposed and the capacity or potential capacity of the applicant to successfully carry out the plan; and

"(D) such other factors as the Secretary determines to be appropriate.".

(2) Conforming amendment.—Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended—

(A) in section 101(c) in the second sentence, by inserting "or a grant" after "guarantee"; and

(B) in section 104(b)(3), by inserting "or a grant" after "guarantee".

(b) Use of UDAG Recaptures.—Section 119(o) of the Housing and Community Development Act of 1974 (42 U.S.C. 5318(o)) is amended by inserting before the period the following: ", except that amounts available to the Secretary for use under this subsection as of October 1, 1993, and amounts released to the Secretary pursuant to subsection (t) may be used to provide grants under section 108(q).".

(c) UDAG Retention Program.—

(1) Amendment.—Section 119 of the Housing and Community Development Act of 1974 (42 U.S.C. 5318) is amended by adding at the end the following new subsection:

"(t) UDAG Retention Program.—If a grant or a portion of a grant under this section remains unexpended upon the issuance of a notice implementing this subsection, the grantee may enter into an agreement, as provided under this subsection, with the Secretary to receive a percentage of the grant amount and relinquish all claims to the balance of the grant within 90 days of the issuance of notice implementing this subsection (or such later date as the Secretary may approve). The Secretary shall not recapture any funds obligated pursuant to this section during a period beginning on the date of enactment of the Multifamily Housing Property Disposition Reform Act of 1994 until 90 days after the issuance of a notice implementing this subsection. A grantee may receive as a grant under this subsection—

"(1) 33 percent of such unexpended amounts if—

"(A) the grantee agrees to expend not less than one-half of the amount received for activities authorized pursuant to section 108(q) and to expend such funds in conjunction with a loan guarantee made under section 108 at least equal to twice the amount of the funds received; and

"(B)(i) the remainder of the amount received is used for economic development activities eligible under title I of this Act; and

"(ii) except when waived by the Secretary in the case of a severely distressed jurisdiction, not more than one-half of the costs of activities under subparagraph (B) are derived from such unexpended amounts; or

"(2) 25 percent of such unexpended amounts if—

"(A) the grantee agrees to expend such funds for economic development activities eligible under title I of this Act; and

"(B) except when waived by the Secretary in the case of a severely distressed jurisdiction, not more than one-half of the costs of such activities are derived from such unexpended amount.".

(2) Implementation.—Not later than 10 days after the date of enactment of this Act, the Secretary shall, by notice published in the Federal Register, which shall take effect upon publication, establish such requirements as may be necessary to implement the amendments made by this subsection.

SEC. 233. GUARANTEE OF OBLIGATIONS BACKED BY SECTION 108 LOANS.

Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) is amended by adding after subsection (q) (as added by section 232(a)(1) of this Act) the following new subsection:

"(r) Guarantee of Obligations Backed by Loans.—

"(1) Authority.—The Secretary may, upon such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on such trust certificates or other obligations as may—

"(A) be offered by the Secretary or by any other offeror approved for purposes of this subsection by the Secretary; and

"(B) be based on and backed by a trust or pool composed of notes or other obligations guaranteed or eligible for guarantee by the Secretary under this section.

"(2) Full faith and credit.—To the same extent as provided in subsection (f), the full faith and credit of the United States is pledged to the payment of all amounts that may be required to be paid under any guarantee made by the Secretary under this subsection.

"(3) Subrogation.—If the Secretary pays a claim under a guarantee made under this section, the Secretary shall be subrogated for all the rights of the holder of the guaranteed certificate or obligation with respect to such certificate or obligation.

"(4) Effect of laws.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of—

"(A) the power to contract with respect to public offerings and other sales of notes, trust certificates, and other obligations guaranteed under this section upon such terms and conditions as the Secretary deems appropriate;

"(B) the right to enforce any such contract by any means deemed appropriate by the Secretary; and

"(C) any ownership rights of the Secretary, as applicable, in notes, certificates, or other obligations guaranteed under this section, or constituting the trust or pool against which trust certificates, or other obligations guaranteed under this section, are offered.".

SEC. 234. FLEXIBILITY OF CDBG PROGRAM FOR DISASTER AREAS.

Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding at the end the following new section:

"SEC. 122. SUSPENSION OF REQUIREMENTS FOR DISASTER AREAS.

"For funds designated under this title by a recipient to address the damage in an area for which the President has declared a disaster under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary may suspend all requirements for purposes of assistance under section 106 for that area, except for those related to public notice of funding availability, nondiscrimination, fair housing, labor standards, environmental standards, and requirements that activities benefit persons of low- and moderate-income.".

TITLE III—TECHNICAL AMENDMENTS

SEC. 301. DEFINITION OF "FAMILIES".

The first sentence of section 3(b)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(B)) is amended by striking "means families with children" and inserting "includes families with children and".

SEC. 302. ELIMINATION OF REQUIREMENT TO IDENTIFY CIAP REPLACEMENT NEEDS.

Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is amended—

(1) in subsection (d)—

(A) by striking paragraph (2);

(B) in paragraph (4), in the matter preceding subparagraph (A)—

(i) by striking "and replacements,"; and

(ii) by striking "(1), (2), and (3)" and inserting "(1) and (2)"; and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(2) in subsection (f)(1)—

(A) in subparagraph (A), by striking "(d)(4)(A)" and inserting "(d)(3)(A)";

(B) by striking subparagraph (B);

(C) in subparagraph (C), by striking "(d)(4)" and inserting "(d)(3)";

(D) in subparagraph (D)—

(i) by striking "(1), (2), and (3)" and inserting "(1) and (2)"; and

(ii) by striking "(d)(4)" and inserting "(d)(3)"; and

(E) by redesignating subparagraphs (C) and (D), as so amended, as subparagraphs (B) and (C), respectively;

(3) in subsection (g), by striking "(d)(4)" and inserting "(d)(3)"; and

(4) in subsection (h)(2), by striking "(d)(4)" and inserting "(d)(3)".

SEC. 303. PROJECT-BASED ACCOUNTING.

Section 6(c)(4)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(E)) is amended by striking "250" and inserting "500".

SEC. 304. OPERATING SUBSIDY ADJUSTMENTS FOR ANTICIPATED FRAUD RECOVERIES.

Section 9(a) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)) is amended by adding at the end the following new paragraph:

"(4) Adjustments to a public housing agency's operating subsidy made by the Secretary under this section shall reflect actual changes in rental income collections resulting from the application of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.".

SEC. 305. ENVIRONMENTAL REVIEW PROVISIONS.

(a) Lead-Based Paint Hazard Reduction.—Section 1011 of the Housing and Community Development Act of 1992 (42 U.S.C. 4852) is amended—

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following new subsection:

"(o) ENVIRONMENTAL REVIEW.—

"(1) IN GENERAL.—For purposes of environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under this section shall be treated as assistance under the HOME Investment Partnership Act, established under title II of the Cranston-Gonzalez National Affordable Housing Act, and shall be subject to the regulations promulgated by the Secretary to implement section 288 of such Act.

"(2) APPLICABILITY.—This subsection shall apply to—

"(A) grants awarded under this section; and

"(B) grants awarded to States and units of general local government for the abatement of significant lead-based paint and lead dust hazards in low- and moderate-income owner-occupied units and low-income privately owned rental units pursuant to title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1992 (Public Law 102–139, 105 Stat. 736).".

(b) PROGRAMS UNDER UNITED STATES HOUSING ACT OF 1937.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 26. ENVIRONMENTAL REVIEWS.

"(a) IN GENERAL.—

"(1) RELEASE OF FUNDS.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for the release of funds for projects or activities under this title, as specified by the Secretary upon the request of a public housing agency (including an Indian housing authority) under this section, if the State or unit of general local government, as designated by the Secretary in accordance with regulations, assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary may specify, which would otherwise apply to the Secretary with respect to the release of funds.

"(2) IMPLEMENTATION.—The Secretary, after consultation with the Council on Environmental Quality, shall issue such regulations as may be necessary to carry out this section. Such regulations shall specify the programs to be covered.

"(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, not less than 15 days prior to such approval and prior to any commitment of funds to such projects or activities, the public housing agency (including an Indian housing authority) has submitted to the Secretary a request for such release accompanied by a certification of the State or unit of general local government which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy the Secretary's responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the release of funds which are covered by such certification.

"(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

"(1) be in a form acceptable to the Secretary;

"(2) be executed by the chief executive officer or other officer of the State or unit of general local government who qualifies under regulations of the Secretary;

"(3) specify that the State or unit of general local government under this section has fully carried out its responsibilities as described under subsection (a); and

"(4) specify that the certifying officer—

"(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to subsection (a); and

"(B) is authorized and consents on behalf of the State or unit of general local government and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his or her responsibilities as such an official.

"(d) APPROVAL BY STATES.—In cases in which a unit of general local government carries out the responsibilities described in subsection (c), the Secretary may permit the State to perform those actions of the Secretary described in subsection (b) and the performance of such actions by the State, where permitted by the Secretary, shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of subsection (b).".

(c) SPECIAL PROJECTS.—

(1) IN GENERAL.—

(A) RELEASE OF FUNDS.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds for special projects appropriated under an appropriations Act for the Department of Housing and Urban Development, such as special projects under the head "Annual Contributions for Assisted Housing" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1993, and to assure to the public undiminished protection of the environment, the Secretary of Housing and Urban Development may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for the release of funds for particular special projects upon the request of recipients of special projects assistance, if the State or unit of general local government, as designated by the Secretary in accordance with regulations, assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would otherwise apply to the Secretary were the Secretary to undertake such special projects as Federal projects.

(B) IMPLEMENTATION.—The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality. Such regulations shall—

(i) provide for monitoring of the performance of environmental reviews under this subsection;

(ii) in the discretion of the Secretary, provide for the provision or facilitation of training for such performance; and

(iii) subject to the discretion of the Secretary, provide for suspension or termination by the Secretary of the assumption under subparagraph (A).

(C) RESPONSIBILITIES OF STATE OR UNIT OF GENERAL LOCAL GOVERNMENT.—The Secretary's duty under subparagraph (B) shall not be construed to limit any responsibility assumed by a State or unit of general local government with respect to any particular release of funds under subparagraph (A).

(2) PROCEDURE.—The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, not less than 15 days prior to such approval and prior to any commitment of funds to such projects, the recipient submits to the Secretary a request for such release, accompanied by a certification of the State or unit of general local government which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy the Secretary's responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for special projects to be carried out pursuant thereto which are covered by such certification.

(3) CERTIFICATION.—A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the secretary;

(B) be executed by the chief executive officer or other officer of the State or unit of general local government who qualifies under regulations of the Secretary;

(C) specify that the State or unit of general local government under this subsection has fully carried out its responsibilities as described under paragraph (1); and

(D) specify that the certifying officer—

(i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to paragraph (1); and

(ii) is authorized and consents on behalf of the State or unit of general local government and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities as such an official.

(4) APPROVAL BY STATES.—In cases in which a unit of general local government carries out the responsibilities described in paragraph (1), the Secretary may permit the State to perform those actions of the Secretary described in paragraph (2) and the performance of such actions by the State, where permitted by the Secretary, shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of paragraph (2).

SEC. 306. CORRECTION OF FHA MULTIFAMILY MORTGAGE LIMITS.

The National Housing Act (12 U.S.C. 1701 et seq.) is amended in sections 207(c)(3), 213(b)(2), 220(d)(3)(B)(iii), and 234(e)(3) by striking "$59,160" each place it appears and inserting "$56,160".

SEC. 307. AMENDMENTS TO FHA MULTIFAMILY RISK-SHARING AND HOUSING FINANCE AGENCY PILOT PROGRAMS.

(a) RISK-SHARING PILOT PROGRAM.—Section 542(b) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) IN GENERAL.—The Secretary shall carry out a pilot program in conjunction with qualified participating entities to determine the effectiveness of Federal credit enhancement for loans for affordable multifamily housing through a system of risk-sharing agreements with such entities.

"(2) PROGRAM REQUIREMENTS.—

"(A) IN GENERAL.—In carrying out the pilot program under this subsection, the Secretary shall enter into risk-sharing agreements with qualified participating entities.

"(B) MORTGAGE INSURANCE AND REINSURANCE.—Agreements under subparagraph (A) may provide for (i) mortgage insurance through the Federal Housing Administration of loans for affordable multifamily housing originated by or through, or purchased by, qualified participating entities, and (ii) reinsurance, including reinsurance of pools of loans, on affordable multifamily housing. In entering into risk-sharing agreements under this subsection covering mortgages, the Secretary may give preference to mortgages that are not already in the portfolios of qualified participating entities.

"(C) RISK APPORTIONMENT.—Agreements entered into under this subsection between the Secretary and a qualified participating entity shall specify the percentage of loss that each of the parties to the agreement will assume in the event of default of the insured or reinsured multifamily mortgage. Such agreements shall specify that the qualified participating entity and the Secretary shall share any loss in accordance with the risk-sharing agreement.

"(D) REIMBURSEMENT CAPACITY.—Agreements entered into under this subsection between the Secretary and a qualified participating entity shall provide evidence acceptable to the Secretary of the capacity of such entity to fulfill any reimbursement obligations made pursuant to this subsection. Evidence of such capacity which may be considered by the Secretary may include—

"(i) a pledge of the full faith and credit of a qualified participating entity to fulfill any obligations entered into by the entity;

"(ii) reserves pledged or otherwise restricted by the qualified participating entity in an amount equal to an agreed upon percentage of the loss assumed by the entity under subparagraph (C);

"(iii) funds pledged through a State or local guarantee fund; or

"(iv) any other form of evidence mutually agreed upon by the Secretary and the qualified participating entity.

"(E) UNDERWRITING STANDARDS.—The Secretary shall allow any qualified participating entity to use its own underwriting standards and loan terms and conditions for purposes of underwriting loans to be insured under this subsection, except as provided in this section, without further review by the Secretary, except that the Secretary may impose additional underwriting criteria and loan terms and conditions for contractual agreements where the Secretary retains more than 50 percent of the risk of loss. Any financing permitted on property insured under this subsection other than the first mortgage shall be expressly subordinate to the insured mortgage.

"(F) AUTHORITY OF SECRETARY.—The Secretary, upon request of a qualified participating entity, may insure or reinsure and make commitments to insure or reinsure under this section any mortgage, advance, loan, or pool of mortgages otherwise eligible under this section, pursuant to a risk-sharing agreement providing that the qualified participating entity will carry out (under a delegation or otherwise, and with or without compensation, but subject to audit, exception, or review requirements) such credit approval, appraisal, inspection, issuance of commitments, approval of insurance of advances, cost certification, servicing, property disposition, or other functions as the Secretary shall approve as consistent with the purpose of this section. All appraisals of property for mortgage insurance under this section shall be completed by a Certified General Appraiser in accordance with the Uniform Standards of Professional Appraisal Practice.

"(G) DISCLOSURE OF RECORDS.—Qualified participating entities shall make available to the Secretary or the Secretary's designee, at the Secretary's request, such financial and other records as the Secretary deems necessary for purposes of review and monitoring for the program under this section.";

(2) in paragraph (4), by striking "financial institutions and entities to be eligible to enter into reinsurance agreements" and inserting "eligibility under this subsection of qualified participating entities";

(3) by striking paragraph (8) and inserting the following new paragraph:

"(11) IMPLEMENTATION.—The Secretary shall take any administrative actions necessary to initiate the pilot program under this subsection."; and

(4) by inserting after paragraph (7) the following new paragraphs:

"(8) PROHIBITION ON GINNIE MAE SECURITIZATION.—The Government National Mortgage Association shall not securitize any multifamily loans insured or reinsured under this subsection.

"(9) QUALIFICATION AS AFFORDABLE HOUSING.—Multifamily housing securing loans insured or reinsured under this subsection shall qualify as affordable only if the housing is occupied by families and bears rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g) of the Internal Revenue Code of 1986.

"(10) CERTIFICATION OF SUBSIDY LAYERING COMPLIANCE.—The requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 may be satisfied in connection with a commitment to insure a mortgage under this subsection by a certification by a housing credit agency (including an entity established by a State that provides mortgage insurance) to the Secretary that the combination of assistance within the jurisdiction of the Secretary and other government assistance provided in connection with a property for which a mortgage is to be insured shall not be any greater than is necessary to provide affordable housing.".

(b) HOUSING FINANCE AGENCY PILOT PROGRAM.—Section 542(c) of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended—

(1) in paragraph (1), by inserting after "qualified housing finance agencies" the following: "(including entities established by States that provide mortgage insurance)";

(2) in paragraph (2)—

(A) in subparagraph (C), by striking the last sentence and inserting the following: "Such agreements shall specify that the qualified housing finance agency and the Secretary shall share any loss in accordance with the risk-sharing agreement."; and

(B) by adding at the end the following new subparagraph:

"(F) DISCLOSURE OF RECORDS.—Qualified housing finance agencies shall make available to the Secretary such financial and other records as the Secretary deems necessary for program review and monitoring purposes.";

(3) in paragraph (7)—

(A) by striking "very low-income"; and

(B) by striking "(2)"; and

(4) by adding at the end the following new paragraphs:

"(9) ENVIRONMENTAL AND OTHER REVIEWS.—

"(A) ENVIRONMENTAL REVIEWS.—

"(i) IN GENERAL.—(I) In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the insurance of mortgages under subsection (c)(2), and to assure to the public undiminished protection of the environment, the Secretary may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for agreements to endorse for insurance mortgages under subsection (c)(2) upon the request of qualified housing finance agencies under this subsection, if the State or unit of general local government, as designated by the Secretary in accordance with regulations, assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary may specify, that would otherwise apply to the Secretary with respect to the insurance of mortgages on particular properties.

"(II) The Secretary shall issue regulations to carry out this subparagraph only after consultation with the Council on Environmental Quality. Such regulations shall, among other matters, provide—

"(aa) for the monitoring of the performance of environmental reviews under this subparagraph;

"(bb) subject to the discretion of the Secretary, for the provision or facilitation of training for such performance; and

"(cc) subject to the discretion of the Secretary, for the suspension or termination by the Secretary of the qualified housing finance agency's responsibilities under subclause (I).

"(III) The Secretary's duty under subclause (II) shall not be construed to limit any responsibility assumed by a State or unit of general local government with respect to any particular property under subclause (I).

"(ii) PROCEDURE.—The Secretary shall approve a mortgage for the provision of mortgage insurance subject to the procedures authorized by this paragraph only if, not less than 15 days prior to such approval, prior to any approval, commitment, or endorsement of mortgage insurance on the property on behalf of the Secretary, and prior to any commitment by the qualified housing finance agency to provide financing under the risk-sharing agreement with respect to the property, the qualified housing finance agency submits to the Secretary a request for such approval, accompanied by a certification of the State or unit of general local government that meets the requirements of clause (iii). The Secretary's approval of any such certification shall be deemed to satisfy the Secretary's responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the provision of mortgage insurance on the property that is covered by such certification.

"(iii) CERTIFICATION.—A certification under the procedures authorized by this paragraph shall—

"(I) be in a form acceptable to the Secretary;

"(II) be executed by the chief executive officer or other officer of the State or unit of general local government who qualifies under regulations of the Secretary;

"(III) specify that the State or unit of general local government under this section has fully carried out its responsibilities as described under clause (i); and

"(IV) specify that the certifying officer consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and under each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or such other provisions of law apply pursuant to clause (i), and is authorized and consents on behalf of the State or unit of general local government and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities as such an official.

"(iv) APPROVAL BY STATES.—In cases in which a unit of general local government carries out the responsibilities described in clause (i), the Secretary may permit the State to perform those actions of the Secretary described in clause (ii) and the performance of such actions by the State, where permitted by the Secretary, shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of clause (ii).

"(B) LEAD-BASED PAINT POISONING PREVENTION.—In carrying out the requirements of section 302 of the Lead-Based Paint Poisoning Prevention Act, the Secretary may provide by regulation for the assumption of all or part of the Secretary's duties under such Act by qualified housing finance agencies, for purposes of this section.

"(C) CERTIFICATION OF SUBSIDY LAYERING COMPLIANCE.—The requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 may be satisfied in connection with a commitment to insure a mortgage under this subsection by a certification by a housing credit agency (including an entity established by a State that provides mortgage insurance) to the Secretary that the combination of assistance within the jurisdiction of the Secretary and other government assistance provided in connection with a property for which a mortgage is to be insured shall not be any greater than is necessary to provide affordable housing.

"(10) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) MORTGAGE.—The term 'mortgage' means a first mortgage on real estate that is—

"(i) owned in fee simple; or

"(ii) subject to a leasehold interest that—

"(I) has a term of not less than 99 years and is renewable; or

"(II) has a remaining term that extends beyond the maturity of the mortgage for a period of not less than 10 years.

"(B) FIRST MORTGAGE.—The term 'first mortgage' means a single first lien given to secure advances on, or the unpaid purchase price of, real estate, under the laws of the State in which the real estate is located, together with the credit instrument, if any, secured thereby. Any other financing permitted on property insured under this section must be expressly subordinate to the insured mortgage.

"(C) UNIT OF GENERAL LOCAL GOVERNMENT; STATE.—The terms 'unit of general local government' and 'State' have the same meanings as in section 102(a) of the Housing and Community Development Act of 1974.".

(c) DEFINITIONS.—Section 544 of the Housing and Community Development Act of 1992 (12 U.S.C. 1707 note) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:

"(1) The term 'multifamily housing' means housing accommodations on the mortgaged property that are designed principally for residential use, conform to standards satisfactory to the Secretary, and consist of not less than 5 rental units on 1 site. These units may be detached, semidetached, row house, or multifamily structures."; and

(2) by adding at the end the following new paragraph:

"(5) The term 'qualified participating entity' means an entity approved by the Secretary for participation in the pilot program under this subsection, which may include—

"(A) the Federal National Mortgage Association;

"(B) the Federal Home Loan Mortgage Corporation;

"(C) State housing finance and mortgage insurance agencies; and

"(D) the Federal Housing Finance Board.".

SEC. 308. SUBSIDY LAYERING REVIEW.

Section 911 of the Housing and Community Development Act of 1992 (42 U.S.C. 3545 note) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

"(a) CERTIFICATION OF SUBSIDY LAYERING COMPLIANCE.—The requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 may be satisfied in connection with a project receiving assistance under a program that is within the jurisdiction of the Department of Housing and Urban Development and under section 42 of the Internal Revenue Code of 1986 by a certification by a housing credit agency to the Secretary, submitted in accordance with guidelines established by the Secretary, that the combination of assistance within the jurisdiction of the Secretary and other government assistance provided in connection with a property for which assistance is to be provided within the jurisdiction of the Department of Housing and Urban Development and under section 42 of the Internal Revenue Code of 1986 shall not be any greater than is necessary to provide affordable housing."; and

(2) by striking subsection (c) and inserting the following new subsection:

"(c) REVOCATION BY SECRETARY.—If the Secretary determines that a housing credit agency has failed to comply with the guidelines established under subsection (a), the Secretary—

"(1) may inform the housing credit agency that the agency may no longer submit certification of subsidy layering compliance under this section; and

"(2) shall carry out section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 relating to affected projects allocated a low-income housing tax credit pursuant to section 42 of the Internal Revenue Code of 1986.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 20 minutes, and the gentlewoman from New Jersey [Mrs. ROUKEMA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise to offer H.R. 4067, the Multifamily Property Disposition Reform Act of 1994, as amended. H.R. 4067, a bipartisan measure, amends the multifamily property disposition program administered by the Department of Housing and Urban Development and provides other technical changes and reforms. The property disposition reforms refine and simplify the reforms adopted by the House in H.R. 3400, the Government Reform and Savings Act, last November. They strike a necessary and critical balance among the need to preserve affordable rental housing, protect low-income tenants from displacement and outlandish rent increases, accelerate the property disposition process and save the Federal Government perhaps as much as $475 million.

These property disposition reforms provide HUD with the flexibility it needs to dispose of the backlog of multifamily property in the inventory and place disposition efforts within the context of local market conditions. The reforms also provide for the first time an array of incentives and tools for purchasers of inventory property.

Although the number of families required to receive section 8 assistance will be reduced as compared to current law, the reforms do provide meaningful displacement protection. Projects will not be sold without sufficient subsidy to remain viable over the long haul. And the bill requires a 2-year freeze on rents for unassisted very low-income tenants whose rents would exceed 30 percent adjusted income after disposition and a Federal preference for public housing and section 8 assistance at the end of that 2-year period.

I am confident that this approach will not only preserve and maintain affordable housing for low-income families, but will accelerate the property disposition process that has been at a virtual standstill to the real detriment of the low-income families now residing in inventory property. At the same time, there will be real budget savings.

H.R. 4067 also includes reforms and technical changes to prevent future defaults in HUD's multifamily properties, to improve the usage of the home program funds and the section 108 loan guarantee funds, and to clarify several public housing provisions.

H.R. 4067 enjoys the support, agreement, and encouragement of both sides of the aisle, both sides of the Capitol and the administration. I urge the adoption of H.R. 4067.

I particularly want to thank MARGE ROUKEMA, BARNEY FRANK, RICHARD BAKER, and JOE KENNEDY for their help in hammering out these provisions.

□ 1230

Mrs. ROUKEMA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this suspension legislation although I do so with two reservations.

First, while this legislation does address much needed changes to the Department of HUD's multi-family property disposition inventory, it does contain some 24 additional provisions which, while not controversial and in some cases are technical in nature, were added at the insistence of the administration and the other body. They clearly do not need to be addressed at this time.

Second, I am extremely disappointed with the Department of HUD's deliberate foot-dragging with respect to the issuance of its rules allowing public housing authorities to designate elderly only housing.

Two years ago, this Congress, recognizing the growing, and often dangerous, problem of mixing the elderly with the nonelderly mentally ill, handicapped and recovering drug addicts, passed important legislation permitting public housing authorities to designate housing for elderly only.

Today, HUD still has not issued its regulations. This is a disgrace. It is unfair to our elderly population. It represents an inexcusable and unacceptable arrogance and a total disregard for the will of the Congress.

If the chairman and I had not worked so long and hard on this property disposition effort, I would recommend the defeat of this bill until HUD complied with the law.

Having said that, let me address the legislation at hand.

As my colleagues may recall, last fall, both the House and the Senate passed legislation, H.R. 3400 and S. 1299 respectively, which among other things contained a very detailed reform of the multi-family property disposition program designed to help HUD reduce the size of its inventory and to help save taxpayer funds. H.R. 3400 was the Government Reform and Savings Act which the Senate failed to adopt and S. 1299 was an administration housing bill which the House did not consider.

Since that time, and because of the importance of this issue, Chairman GONZALEZ and I have been working with HUD and the Senate to remove provisions from both bills which many, including HUD, considered impediments to helping HUD sell these properties and to try and develop another bill which we could move on an expedited basis. The bill we are considering today represents our best effort to address this disposition crisis.

The management and disposition of HUD's multifamily inventory is one of the most pressing problems facing the Agency today. According to the GAO, HUD has paid out $1.7 billion in claims on 441 properties from FHA insurance funds. These properties, now held in HUD's inventory, have incurred more than $288 million in holding costs in fiscal year 1993. In addition, there are continuing and additional costs of providing rental assistance to those properties HUD holds.

HUD has, in effect, become a real estate management agency, because it has been forced to take over mortgages on low-income properties it has subsidized or insured over the past 20 years. HUD has also become a slumlord, in some cases, due to the condition of the projects taken over and because of HUD's inability to ensure the proper management of these properties.

What has exacerbated the problem to date is that in 1987 Congress legislated stringent requirements on the sale of these properties in order to preserve and expand the inventory of affordable housing for low-income households.

Unfortunately, and despite that noteworthy goal, two critical factors have inhibited HUD's ability to sell these properties.

First, current law requires HUD to sell all properties it takes over, with long-term rental assistance, such as 15-year project based section 8 assistance. This requirement is very costly.

Second, to comply with this requirement, HUD would need an estimated $5.4 billion in 15-year section 8 budget authority over the next 5 years to cover these projects. Current fiscal year 1994 appropriations for this program were $555 million, an amount which would dispose of only 6,733 units. Consider that at the end of 1993, HUD had over 31,000 units in its inventory and holds over 2,400 mortgages which could fall into foreclosure.

The result has been a real catch-22, and disposition gridlock. The law of unintended consequences had taken over.

On the one hand, HUD must manage and rehabilitate projects for which it is not adequately staffed and for which it incurs an annual holding cost of some $288 million. And, the Congress has been reluctant to provide the necessary funds. On the other hand, HUD cannot sell the properties because private investors and real estate managers do not want to buy properties which must be 100 percent subsidized.

The solution to this growing crises is complex. It must balance HUD's mission to provide affordable housing for low- and moderate-income families with the proper amount of flexibility to allow HUD to sell these properties in a effective and efficient manner.

The legislation before us today must, therefore, be enacted in order to revise current law and give HUD the necessary flexibility and tools to limit the subsidy requirements for the disposition of the properties.

H.R. 4067 would:

Permit HUD to sell market rate properties to market rate tenants thus ensuring a proper return to the HUD insurance fund.

Eliminate the requirement that HUD held properties be sold with long-term rental assistance for every unit.

It allows the Secretary to lower the sales price to expedite sales.

It permits state and local governments to have a right of first refusal to purchase while permitting private sector and nonprofits to purchase properties as well.

It permits the Secretary the flexibility to provide rehabilitation grants, short-term loans, bulk sales and other necessary tools to aid in disposition.

It provides a series of tenant protection.

This legislation also includes a few other housing-related issues which were passed as part of S. 1299 and which are either technical in nature or noncontroversial matters.

These include changes to the HOME Investment Partnership Program, including:

A change in the definition of a "State" to allow other designated State agencies to receive HOME funds.

Establishment of a flat 25 percent match for all Home activities.

A clarification of the first-time homebuyer provisions.

Permitting recaptured HOME funds through housing sales to be used for any eligible program within HOME.

The bill also includes changes to the Section 108 Loan Guarantee Program to allow HUD to pool notes to guarantee certain obligations, to extend eligible activities to include public facilities, and to authorize recaptured UDAG funds to be distributed as new grants for economic development.

I urge the Members to support this legislation.

Mr. YATES. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Speaker, as I understand it, tenants who now enjoy section 8 housing will be required after 2 years to find new housing under section 8. Is that a correct interpretation?

Mrs. ROUKEMA. Mr. Speaker, reclaiming my time, the rents may go up under this law, but they will still be level for section 8 housing. Would the chairman like to comment on that? They will still qualify. Is that not correct?

Mr. GONZALEZ. If the gentlewoman will yield, if they have section 8, they will still continue.

Mr. YATES. If the gentlewoman will yield further, will they be able to retain their present section 8 housing after a 2-year period?

Mrs. ROUKEMA. Yes. They will retain their section 8 certificates.

Mr. YATES. Providing they pay rent increases?

Mr. GONZALEZ. Mr. Speaker, if the gentlewoman will yield further, not necessarily will they be paying rent increases.

□ 1240

Mrs. ROUKEMA. Reclaiming my time, Mr. Speaker, in response to our colleague, I must tell him that this is the most equitable treatment for all parties concerned. We cannot continue to hold these properties at great expense with nobody really benefiting in the end.

I would conclude, Mr. Speaker, by saying that there are other provisions concerning the market values of the properties. I will not go into that now. It will be in the RECORD.

But I believe, Mr. Speaker, whether the other technical amendments or the particular specifics of this legislation, they should have strong bipartisan support. They are noncontroversial and in the best interests of all our constituents.

Mr. Speaker, I reserve the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I thank the gentleman for yielding time to me.

I was visited this morning by a group of section 8 tenants from my district. I understand that such tenants have come in from various urban communities all over the country, very much disturbed by this bill.

The way it was explained to me by them, one, this bill has had no hearings. And they were not given the opportunity to express their opinions on the bill.

Is that a correct statement?

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Speaker, no, it is not. We have had hearings. We certainly have had.

Mr. YATES. The gentleman has held hearings on this?

Mr. GONZALEZ. Mr. Speaker, if the gentleman will continue to yield, yes, we did.

The gentleman will recall that in my introductory statement I mentioned that this reflected the bill we passed last year.

In fact, I said, this amends the Multifamily Property Disposition Program administered by the Department of Housing and Urban Development. And it refines and simplifies the reforms adopted by H.R. 3400, which we passed out last year.

Let me say this: The record should show that the gentleman from Illinois has been one of the most faithful and strong supporters and knowledgeable Members of all of these assisted housing programs, particularly since he has quite a number of tenants affected in his district. I have been very happy to have received his support during the past years, when there were efforts to do the very thing the gentleman fears and that these groups fear.

Unfortunately, I am afraid these groups did not properly prepare themselves to advance the cause. I am sure that is the reason I had not heard from my distinguished colleagues and beloved friend until this moment.

Mr. YATES. Until this moment.

Mr. GONZALEZ. Let me assure the gentleman that I would not have stood by and abided to see what the gentleman has helped the struggle for be cast aside, under no circumstances. I can assure the gentleman that this does anchor down the protections that we have in place in the laws that we have passed in the immediate past Congress.

Mr. YATES. Mr. Speaker, may I say to the gentleman that I appreciate very much the words he has said about my interest in the problems of housing. Like the gentleman, who I know is very much interested in providing housing for those who can find no affordable housing on the market today because none is being built, no such housing is being built. It was represented to me by some of the tenants, and in good faith, I am sure, that no hearings had been held on this.

Mr. GONZALEZ. I am sure.

Mr. YATES. Let me get this clear. It was represented to me, upon my calling the office of one of the members of the gentleman's committee, that tenants who now occupy homes under section 8 would not be disturbed for 2 years but, after 2 years, they would be required to leave their apartments.

Mr. GONZALEZ. Let me disabuse my colleague on that score. They would not.

Let me add further, the HUD place between a hard rock and a hard place is that in the meanwhile these very dwellings will be deteriorating to such a point that they will be substandard, if they are not already, unless we refine the act. However, should there be any problem as HUD goes into this program, remember, we are still working on the extension of all of the authorization legislation on affordable housing, including this. We have got to extend every one of these bills before the end of this fiscal year.

That is what we are involved in now, to the exclusion of almost everything else.

So the gentleman can rest assured that in a dispassionate and calm fashion, the gentleman and I will be able to look this over and, if corrections are needed, by golly, we will place them in the authorization.

Mr. YATES. So the chairman is making a statement that the information that I had received that section 8 tenants would be required to leave their section 8 homes at the end of 2 years under this legislation is not correct.

Mr. GONZALEZ. Mr. Speaker, it is not correct. Let me repeat.

Mr. YATES. They will not be, under this legislation, there is no provision that will require them to leave their homes.

Mr. GONZALEZ. That is correct. That is right.

Mrs. ROUKEMA. Mr. Speaker, will the gentleman yield?

Mr. YATES. I yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Speaker, I would like to add the point, I agree with the explanation that the chairman has given, but I might also observe that the chairman has correctly pointed out that we have to look to the future of section 8 subsidies and how we can improve that program and enlarge it in the future. But as long as we are dealing with this terrible drain on the Treasury and on HUD's funds, they continue to drain funding and that serves no useful purpose. It brings no rewards or awards for low-income people or anyone else. And certainly it disadvantages the taxpayer. As long as we are continuing this present system, it will continue to inhibit us and hobble us for dealing with an expansion of section 8 subsidies in the future.

I want to clear this, legislation does not affect the existing section 8 subsidies. Under this program, they will continue.

Mr. YATES. Inasmuch as I have the time, I would say to the gentlewoman, I recognize it as having a very substantial effect upon the problems of the Treasury and of housing. It is a drain. But these people have no place else to live.

Mrs. ROUKEMA. Mr. Speaker, if the gentleman will continue to yield, they will stay in their subsidized apartments. They will not be evicted. They will maintain their section 8 subsidies, and they will continue the assistance under this program.

Mr. YATES. I see. And will there be a diminution of section 8 subsidies in the future under this legislation?

Mrs. ROUKEMA. Mr. Speaker, the chairman has spoken to this question. We hope not. We are trying to find a way out of this dilemma.

Mr. YATES. Mr. Speaker, will there be a lessening of the amount of section 8 housing that will be available under any of the provisions of this bill?

Mr. GONZALEZ. Mr. Speaker, if the gentleman will continue to yield, it is not now nor is it contemplated there would be. Rather, we would like to see some enhancement in the use of section 8.

Mr. YATES. Mr. Speaker, I thank the gentleman for his explanation. I will be meeting with people who visited me this morning later in the day. I want the opportunity to discuss with them at that time and to provide the assurances I have received from the chairman and from the gentlewoman from New Jersey.

I may ask for a rollcall vote as a result, in order to do that, if the gentleman has no great objection to that. I am sure he does not, in view of his views on the legislation.

Mr. GONZALEZ. Mr. Speaker, the gentleman is a free agent here, a Member. I hope he does meet with the folks he has described and explain to them the thrust of this legislation.

Mr. YATES. Mr. Speaker, I thank the gentleman.

Mr. RIDGE. Mr. Speaker, I want to thank the leadership of the Banking Committee for including in this legislation my bill, the Community Enterprise Revitalization Amendments Act of 1994. This bill, H.R. 3793, makes changes to HUD's Section 108 Loan Guarantee Program to increase further the flexibility this program will offer to cities and counties.

Section 108 has been an interest of mine for some years now. What the program does is allow those eligible for CDGB funding to receive HUD-guaranteed loans for projects that could not tap directly into a CDBG grant. What makes the program work is that should the loan repayment not stay current, the locality's future CDBG moneys are turned back to HUD to cover the loan. Not only does this protect the taxpayer, but it forces local governments and project sponsors to work together to identify all means of making the loan good, so as not to lose the CDBG revenue stream. To date there have not been any defaults on section 108 guarantees.

Notably, section 108 guarantee authority remains woefully underused. Partly this is due to a lack of information, but partly it is due to the fact that we need to make the program more flexible for small cities such as my home of Erie. What my bill does is allow localities to turn back to HUD unused urban development action grant [UDAG] funds, many of which are too small to leverage projects by themselves, so that a portion of the old UDAG grants can be used to enhance the security of a new section 108 loan. This change will put limited dollars to work more efficiently.

The bill also allows section 108 loan guarantees to back public facilities such as day care and Head Start, which will help meet expanding demand in this sector. In particular, many distressed communities need day care so parents can get up and go to work instead of waiting at home for a welfare check. We're only helping people to help themselves, in other words.

Finally, the bill allows HUD to make changes in the financial markets so section 108 loans will be more attractive to investors. This authority is common to other housing and economic development programs already in place in HUD and quasi-public agencies.

Mr. Speaker, I support this bipartisan housing bill, and look forward to implementing the section 108 changes and the other programs in H.R. 4067.

Mrs. ROUKEMA. Mr. Speaker, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. GONZALEZ] that the House suspend the rules and pass the bill, H.R. 4067, as amended.

The question was taken.

Mr. YATES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of order of no quorum is considered withdrawn.

□ 1250

MARINE MAMMAL PROTECTION ACT AMENDMENTS OF 1994

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2760) to authorize the Marine Mammal Protection Act for a period of 6 years, to establish a new regime to govern the incidental taking of marine mammals in the course of commercial fishing operations, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Mammal Protection Act Amendments of 1994".

SEC. 2. AMENDMENT OF MARINE MAMMAL PROTECTION ACT OF 1972.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

Section 2 (16 U.S.C. 1361) is amended—

(1) in paragraph (2) by inserting "essential habitats, including" after "made to protect"; and

(2) in paragraph (5) in the matter following subparagraph (B) by inserting "and their habitats" before "is therefore necessary".

SEC. 4. MORATORIUM AND EXCEPTIONS.

(a) Section 101(a) (16 U.S.C. 1371(a)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Consistent with the provisions of section 104, permits may be issued by the Secretary for taking, and importation for purposes of scientific research, public display, photography for educational or commercial purposes, or enhancing the survival or recovery of a species or stock, or for importation of polar bear parts (other than internal organs) taken in sport hunts in Canada. Such permits, except permits issued under section 104(c)(5), may be issued if the taking or importation proposed to be made is first reviewed by the Marine Mammal Commission and the Committee of Scientific Advisors on Marine Mammals established under title II. The Commission and Committee shall recommend any proposed taking or importation, other than importation under section 104(c)(5), which is consistent with the purposes and policies of section 2 of this Act. If the Secretary issues such a permit for importation, the Secretary shall issue to the importer concerned a certificate to that effect in such form as the Secretary of the Treasury prescribes, and such importation may be made upon presentation of the certificate to the customs officer concerned.";

(2) in paragraph (2) in the first sentence by striking "and permits may" and all that follows through "section 103." and inserting "and authorizations may be granted therefor under section 118 subject to regulations prescribed by the Secretary.";

(3) in paragraph (3)(B)—

(A) by inserting ", photography for educational or commercial purposes," after "purposes"; and

(B) by inserting "or as provided for under paragraph (5) of this subsection," after "subsection,";

(4) by amending paragraph (4) to read as follows:

"(4)(A) Except as provided in subparagraph (C), the provisions of this Act shall not apply to the use of measures—

"(i) by the owner of fishing gear or catch, or an employee or agent of such owner, to deter a marine mammal from damaging the gear or catch;

"(ii) by the owner of other private property, or an agent, bailee, or employee of such owner, to deter a marine mammal from damaging private property;

"(iii) by any person, to deter a marine mammal from endangering personal safety; or

"(iv) by a government employee, to deter a marine mammal from damaging public property, so long as such measures do not result in the death or serious injury of a marine mammal.

"(B) The Secretary shall, through consultation with appropriate experts, and after notice and opportunity for public comment, publish in the Federal Register a list of guidelines for use in safely deterring marine mammals. In the case of marine mammals listed as endangered species or threatened species under the Endangered Species Act of 1973, the Secretary shall recommend specific measures which may be used to nonlethally deter marine mammals. Actions to deter marine mammals consistent with such guidelines shall not be a violation of this Act.

"(C) If the Secretary determines, using the best scientific information available, that certain forms of deterrence have a significant adverse effect on marine mammals, the Secretary may prohibit such deterrent methods, after notice and opportunity for public comment, through regulation under this Act.

"(D) The authority to deter marine mammals pursuant to subparagraph (A) applies to all marine mammals, including all stocks designated as depleted under this Act.".

(5) in paragraph (5)(A) by inserting ", other than by harassment," after "taking" the first place it appears;

(6) in paragraph (5) by adding at the end the following new subparagraphs:

"(D)(i) Upon request therefor by citizens of the United States who engage in a specified activity (other than commercial fishing) within a specific geographic region, the Secretary shall authorize, for periods of not more than 1 year, subject to such conditions as the Secretary may specify, the incidental, but not intentional, taking by harassment of small numbers of marine mammals of a species or population stock by such citizens while engaging in that activity within that region if the Secretary finds that such harassment during each period concerned—

"(I) will have a negligible impact on such species or stock, and

"(II) will not have an unmitigable adverse impact on the availability of such species or stock for taking for subsistence uses pursuant to subsection (b), or section 109(f) or 119.

"(ii) The authorization for such activity shall prescribe, where applicable—

"(I) permissible methods of taking pursuant to such activity, and other means of effecting the least practicable impact on such species or stock

and its habitat, paying particular attention to rookeries, mating grounds, and areas of similar significance, and on the availability of such species or stock for subsistence uses pursuant to subsection (b) or section 109(f) or 119,

"(II) the measures that the Secretary determines are necessary to ensure no unmitigable adverse impact on the availability of the species or stock for subsistence uses pursuant to subsection (b) or section 109(f) or 119, and

"(III) requirements pertaining to the monitoring and reporting of such taking, including requirements for the independent peer review of proposed monitoring plans or other research proposals where the proposed activity may affect the availability of a species or stock for taking for subsistence uses pursuant to subsection (b) or section 109(f) or 119.

"(iii) The Secretary shall publish a proposed authorization not later than 45 days after receiving an application under this subparagraph and request public comment through notice in the Federal Register, newspapers of general circulation, and appropriate electronic media and to all locally affected communities for a period of 30 days after publication. Not later than 45 days after the close of the public comment period, if the Secretary makes the findings set forth in clause (i), the Secretary shall issue an authorization with appropriate conditions to meet the requirements of clause (ii).

"(iv) The Secretary may annually renew an authorization issued under this subparagraph after providing for 30 days of public comment and consulting with the parties affected by the authorization, if the Secretary finds that the requirements of clause (i) continue to be met.

"(v) The Secretary shall establish additional conditions or restrictions on an authorization renewed under clause (iv) if the Secretary finds, based on public comment, that such conditions or restrictions are necessary to meet the provisions of clause (ii).

"(vi) The Secretary shall modify, suspend, or revoke an authorization if the Secretary finds that the provisions of clauses (i) or (ii) are not being met.

"(vii) A person conducting an activity for which an authorization has been granted under this subparagraph shall not be subject to the penalties of this Act for taking by harassment that occurs in compliance with such authorization.

"(E) The Secretary may issue a permit under this paragraph for periods of up to 3 years for the incidental, but not the intentional, taking by persons using vessels of the United States and vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)), while engaging in commercial fishing operations, of small numbers of marine mammals from a species or population stock that is listed as an endangered species or threatened species under the Endangered Species Act of 1973. Such permit may be issued only if the Secretary determines, after notice and opportunity for public comment, that—

"(i) such taking will have a negligible impact on the species or stock;

"(ii) a program is in place which will allow reliable estimation and monitoring of the level of incidental take; and

"(iii) a recovery plan has been developed or is in the process of being developed for the species or stock pursuant to the Endangered Species Act of 1973. A permit may be issued under this subparagraph to an organization representing more than 1 individual or fishing vessel.

"(F) If the Secretary determines that the issuance of a permit under this paragraph for a species or stock has resulted or is likely to result in levels of incidental takes which will have an impact that is more than negligible on the species or stock, the Secretary shall modify, suspend, or revoke the permit. In making a determination under this subparagraph, the Secretary shall consider the level of incidental takes by each permit holder in a fishery and whether a permit holder has failed to comply with the terms and conditions of the permit. The Secretary shall notify the permit holder before modifying, suspending, or revoking a permit.

"(G) The Secretary shall prescribe such procedures as are necessary to carry out this paragraph, including the form and manner in which application for permits may be made.

"(H) This paragraph shall not govern the incidental taking of California sea otters and shall not be deemed to amend or repeal the Act of November 7, 1986 (Public Law 99-625; 100 Stat. 3500).".

(7) by adding at the end the following new paragraph:

"(6)(A) A marine mammal product may be imported into the United States if the product—

"(i) was legally possessed and exported by any citizen of the United States in conjunction with travel outside the United States, provided that the product is imported into the United States by the same person upon the termination of travel and is registered at the time of export and import;

"(ii) was acquired outside of the United States as part of a cultural exchange by an Indian, Aleut, or Eskimo residing in Alaska, and is registered at the time of import; or

"(iii) is owned by a Native inhabitant of Russia, Canada, or Greenland and is imported in conjunction with travel within the United States or as part of a cultural exchange with an Indian, Aleut, or Eskimo residing in Alaska.

"(B) For the purposes of this paragraph, the term—

"(i) 'Native inhabitant of Russia, Canada, or Greenland' means a person residing in Russia, Canada, or Greenland who is related by blood to, is a member of the same clan or ethnological grouping as, or shares a common heritage with, an Indian, Aleut, or Eskimo residing in Alaska; and

"(ii) 'cultural exchange' means the sharing or exchange of ideas, information, gifts, clothing, or handicrafts between an Indian, Aleut, or Eskimo residing in Alaska and a Native inhabitant of Russia, Canada, or Greenland, including for the purpose of rendering of raw marine mammal parts into clothing or handicrafts through carving, painting, sewing, or decorating but does not include an exchange for commercial purposes.

"(C) Raw marine mammal parts imported under subparagraph (A)(ii) or (iii) shall be marked or tagged under the requirements of section 109(i).".

(b) Section 101(c) is amended to read as follows:

"(c) It shall not be a violation of this Act to take a marine mammal if such taking is imminently necessary in self-defense or to save the life of a person in immediate danger, and such taking is reported to the Secretary within 48 hours.".

SEC. 5. DEPLETION DETERMINATION.

Section 101(b) (16 U.S.C. 1371) is amended by adding the following at the end: "Before making a determination under this subsection that a species or stock of marine mammal is depleted, the Secretary shall identify and make available to the public the reasons for making a determination and provide opportunity, at the request of any interested party, for a hearing on the record with respect to the determination.".

SEC. 6. PERMITS.

(a) PROHIBITIONS.—Section 102(a) (16 U.S.C. 1372(a)) is amended—

(1) in paragraph (2)(B) by striking "for any purpose in any way connected with the taking or importation of" and inserting "to take or import"; and

(2) in paragraph (4) by—

(A) striking "or offer to purchase or sell" and inserting "export, or offer to purchase, sell, or export";

(B) striking "product; and" and inserting "product—"; and

(C) inserting after and below the text of the paragraph the following:

"(A) that is taken in violation of this Act; or

"(B) for any purpose other than public display, scientific research, or enhancing the survival of a species or stock as provided for under subsection 104(c); and".

(b) PERMITS.—Section 104 (16 U.S.C. 1374) is amended—

(1) in subsection (a) by inserting "except for the incidental taking of marine mammals in the course of commercial fishing operations" before the period at the end;

(2) in subsection (c)—

(A) in paragraph (1) in the first sentence by striking "and after";

(B) by amending paragraph (2) to read as follows:

"(2)(A) A permit may be issued to take or import a marine mammal for the purpose of public display only to a person which the Secretary determines—

"(i) offers a program for education or conservation purposes that is based on professionally recognized standards of the public display community;

"(ii) is registered or holds a license issued under 7 U.S.C. 2131; and

"(iii) maintains facilities for the public display of marine mammals that are open to the public on a regularly scheduled basis and that access to such facilities is not limited or restricted other than by charging of an admission fee.

"(B) A permit under this paragraph shall grant to the person to which it is issued the right, without obtaining any additional permit or authorization under this Act, to—

"(i) take, import, purchase, offer to purchase, possess, or transport the marine mammal that is the subject of the permit; and

"(ii) sell, export, or otherwise transfer possession of the marine mammal, or offer to sell, export, or otherwise transfer possession of the marine mammal—

"(I) for the purpose of public display, to a person that meets the requirements of clauses (i), (ii), and (iii) of subparagraph (A);

"(II) for the purpose of scientific research, to a person that meets the requirements of paragraph (3); or

"(III) for the purpose of enhancing the survival or recovery of a species or stock, to a person that meets the requirements of paragraph (4).

"(C) A person to which a marine mammal is sold or exported or to which possession of a marine mammal is otherwise transferred under the authority of subparagraph (B) shall have the rights and responsibilities described in subparagraph (B) with respect to the marine mammal without obtaining any additional permit or authorization under this Act. Such responsibilities shall be limited to—

"(i) for the purpose of public display, the responsibility to meet the requirements of clauses (i), (ii), and (iii) of subparagraph (A),

"(ii) for the purpose of scientific research, the responsibility to meet the requirements of paragraph (3), and

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, the responsibility to meet the requirements of paragraph (4).

"(D) If the Secretary—

"(i) finds in concurrence with the Secretary of Agriculture, that a person that holds a permit

under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A)(ii) and is not reasonably likely to meet those requirements in the near future, or

"(ii) finds that a person that holds a permit under this paragraph for a marine mammal, or a person exercising rights under subparagraph (C), no longer meets the requirements of subparagraph (A)(i) or (iii) and is not reasonably likely to meet those requirements in the near future,

the Secretary may revoke the permit in accordance with section 104(e), seize the marine mammal, or cooperate with other persons authorized to hold marine mammals under this Act for disposition of the marine mammal. The Secretary may recover from the person expenses incurred by the Secretary for that seizure.

"(E) No marine mammal held pursuant to a permit issued under subparagraph (A), or by a person exercising rights under subparagraph (C), may be sold, purchased, exported, or transported unless the Secretary is notified of such action no later than 15 days before such action, and such action is for purposes of public display, scientific research, or enhancing the survival or recovery of a species or stock. The Secretary may only require the notification to include the information required for the inventory established under paragraph (10).";

(C) by amending paragraph (3) to read as follows:

"(3)(A) The Secretary may issue a permit under this paragraph for scientific research purposes that may result in a taking of a marine mammal to an applicant which submits with its permit application information indicating that the taking is required to further a bona fide scientific purpose. The Secretary may issue a permit under this paragraph before the end of the public review and comment period required under subsection (d)(2) if delaying issuance of the permit could result in harm to a species, population, or individual, or in loss of unique research opportunities.

"(B) No permit issued for purposes of scientific research shall authorize the lethal taking of a marine mammal unless the applicant demonstrates that a nonlethal method of conducting the research is not feasible. The Secretary shall not issue a permit for research which involves the lethal taking of a marine mammal from a species or stock that is depleted, unless the Secretary determines that the results of such research will directly benefit that species or stock, or that such research fulfills a critically important research need.

"(C) Not later than 120 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall issue a general authorization and implementing regulations allowing bona fide scientific research that may result only in taking by Level B harassment of a marine mammal. Such authorization shall apply to persons which submit, by 60 days before commencement of such research, a letter of intent via certified mail to the Secretary containing the following:

"(i) The species or stocks of marine mammals which may be harassed.

"(ii) Geographic location of the research.

"(iii) The period of time over which the research will be conducted.

"(iv) The purpose of the research, including a description of how the definition of bona fide research as established under this Act would apply.

"(v) Methods to be used to conduct the research.

Not later than 30 days after receipt of a letter of intent to conduct scientific research under the general authorization, the Secretary may notify the applicant that the proposed research is likely to result in the taking, including Level A harassment, of a marine mammal, and that subparagraph (A) applies. If no such notification is received, the proposed research shall be covered under the general authorization."; and

(D) by adding at the end the following new paragraphs:

"(5)(A) The Secretary may issue a permit for the importation of polar bear parts (other than internal organs) taken in sport hunts in Canada, including polar bears taken prior to the date of enactment of the Marine Mammal Protection Act Amendments of 1994, to an applicant which submits with its permit application proof that the polar bear was legally harvested in Canada. Such a permit shall be issued if the Secretary, in consultation with the Marine Mammal Commission and after notice and opportunity for public comment, finds that—

"(i) Canada has a monitored and enforced sport hunting program consistent with the purposes of the Agreement on the Conservation of Polar Bears;

"(ii) Canada has a sport hunting program based on scientifically sound quotas ensuring sustainable populations;

"(iii) the export and subsequent import are consistent with the provisions of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and other international agreements and conventions; and

"(iv) the export and subsequent import are not likely to contribute to illegal trade in bear parts.

"(B) The Secretary shall establish and charge a reasonable fee for permits issued under this paragraph. All fees collected under this paragraph shall be available to the Secretary for use in developing and implementing cooperative research and management programs for the conservation of polar bears in Alaska and Russia pursuant to section 113(d).

"(6) A permit may be issued for photography for educational or commercial purposes involving marine mammals in the wild only to an applicant which submits with its permit application information indicating that the taking will be limited to Level B harassment, and the manner in which the products of such activities will be made available to the public.

"(7) Upon request by a person for a permit under paragraph (2), (3), or (4) for a marine mammal which is in the possession of any person authorized to possess it under this Act and which is determined under guidance under section 402(a) not to be releasable to the wild, the Secretary shall issue the permit to the person requesting the permit if that person—

"(A) meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A), in the case of a request for a permit under paragraph (2);

"(B) meets the requirements of paragraph (3), in the case of a request for a permit under that paragraph; or

"(C) meets the requirements of paragraph (4), in the case of a request for a permit under that paragraph.

"(8)(A) No additional permit or authorization shall be required to possess, sell, purchase, transport, export, or offer to sell or purchase the progeny of marine mammals taken or imported under this subsection, if such possession, sale, purchase, transport, export, or offer to sell or purchase is—

"(i) for the purpose of public display, and by or to, respectively, a person which meets the requirements of clauses (i), (ii), and (iii) of paragraph (2)(A);

"(ii) for the purpose of scientific research, and by or to, respectively, a person which meets the requirements of paragraph (3), or

"(iii) for the purpose of enhancing the survival or recovery of a species or stock, and by or to, respectively, a person which meets the requirements of paragraph (4).

"(B)(i) A person which has a permit under paragraph (2), or a person exercising rights under paragraph (2)(C), which has possession of a marine mammal that gives birth to progeny shall—

"(I) notify the Secretary of the birth of such progeny within 30 days after the date of birth; and

"(II) notify the Secretary of the sale, purchase, or transport of such progeny no later than 15 days before such action.

"(ii) The Secretary may only require notification under clause (i) to include the information required for the inventory established under paragraph (10).

"(C) Any progeny of a marine mammal born in captivity before the date of the enactment of the Marine Mammal Protection Act Amendments of 1994 and held in captivity for the purpose of public display shall be treated as though born after that date of enactment.

"(9) No marine mammal may be exported for the purpose of public display, scientific research, or enhancing the survival or recovery of a species or stock unless the receiving facility meets standards that are comparable to the requirements that a person must meet to receive a permit under this subsection for that purpose.

"(10) The Secretary shall establish and maintain an inventory of all marine mammals possessed pursuant to permits issued under paragraph (2)(A), by persons exercising rights under paragraph (2)(C), and all progeny of such marine mammals. The inventory shall contain, for each marine mammal, only the following information which shall be provided by a person holding a marine mammal under this Act:

"(A) The name of the marine mammal or other identification.

"(B) The sex of the marine mammal.

"(C) The estimated or actual birth date of the marine mammal.

"(D) The date of acquisition or disposition of the marine mammal by the permit holder.

"(E) The source from whom the marine mammal was acquired including the location of the take from the wild, if applicable.

"(F) If the marine mammal is transferred, the name of the recipient.

"(G) A notation if the animal was acquired as the result of a stranding.

"(H) The date of death of the marine mammal and the cause of death when determined."; and

(3) in subsection (e)(1) by—

(A) striking "or" at the end of subparagraph (A);

(B) striking the period at the end of subparagraph (B) and inserting ", or"; and

(C) adding at the end the following new subparagraph:

"(C) if, in the case of a permit under subsection (c)(5) authorizing importation of polar bear parts, the Secretary, in consultation with the appropriate authority in Canada, determines that the sustainability of Canada's polar bear populations are being adversely affected or that sport hunting may be having a detrimental effect on maintaining polar bear populations throughout their range.".

(c) EXISTING PERMITS.—Any permit issued under section 104(c)(2) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1374(c)(2)) before the date of the enactment of this Act is hereby modified to be consistent with that section as amended by this Act.

SEC. 7. PURPOSE AND USE OF THE FUND.

Section 405 (16 U.S.C. 1421d) as amended by this Act is further amended—

(1)(A) in subsection (b)(1)(A) by striking "and" at the end of clause (i); and

(B) by inserting a new clause (iii) as follows:

"(iii) for care and maintenance of a marine mammal seized under section 104(c)(2)(C); and"; and

(2) in subsection (d) by striking "For purposes of carrying out this title, the" and inserting "The".

SEC. 8. APPLICATION TO OTHER TREATIES AND CONVENTIONS.

Section 113 (16 U.S.C. 1383) is amended by—

(1) designating the existing paragraph as subsection (a); and

(2) adding at the end the following new subsections:

"(b) Not later than 1 year after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary of the Interior shall, in consultation with the contracting parties, initiate a review of the effectiveness of the Agreement on the Conservation of Polar Bears, as provided for in Article IX of the Agreement, and establish a process by which future reviews shall be conducted.

"(c) The Secretary of the Interior, in consultation with the Secretary of State and the Marine Mammal Commission, shall review the effectiveness of United States implementation of the Agreement on the Conservation of Polar Bears, particularly with respect to the habitat protection mandates contained in Article II. The Secretary shall report the results of this review to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate not later than April 1, 1995.

"(d) Not later than 6 months after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary of the Interior, acting through the Secretary of State and in consultation with the Marine Mammal Commission and the State of Alaska, shall consult with the appropriate officials of the Russian Federation on the development and implementation of enhanced cooperative research and management programs for the conservation of polar bears in Alaska and Russia. The Secretary shall report the results of this consultation and provide periodic progress reports on the research and management programs to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate.".

SEC. 9. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS; COOPERATIVE AGREEMENTS IN ALASKA.

(a) In General.—Title I (16 U.S.C. 1371 et seq.) is amended by adding at the end the following new sections:

"SEC. 118. TAKING OF MARINE MAMMALS INCIDENTAL TO COMMERCIAL FISHING OPERATIONS.

"(a) In General.—

"(1) Effective on the date of enactment of the Marine Mammal Protection Act Amendments of 1994 and except as provided in paragraphs (2), (3), and (4), the provisions of this section shall govern the incidental taking of marine mammals in the course of commercial fishing operations by persons using vessels of the United States and vessels which have valid fishing permits issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)). It shall be the immediate goal that the incidental kill or serious injury of marine mammals permitted in the course of commercial fishing operations be reduced to insignificant levels approaching a zero mortality and serious injury rate within 5 years after the date of enactment of the Marine Mammal Protection Act Amendments of 1994.

"(2) Section 101 and not this section shall govern the incidental taking of a marine mammal listed as an endangered species or threatened species under the Endangered Species Act of 1973.

"(3) Section 104(h) and title III and not this section shall govern the taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean.

"(4) This section shall not govern the incidental taking of California sea otters and shall not be deemed to amend or repeal the Act of November 7, 1986 (Public Law 99-625; 100 Stat. 3500).

"(5) Except as provided in section 101(c), the intentional lethal take of any marine mammal in the course of commercial fishing operations is prohibited.

"(b) Scientific Consultation.—

"(1) Not later than 60 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary shall, in consultation with the Marine Mammal Commission, establish independent scientific review groups representing Alaska, the Pacific coast (including Hawaii), the Gulf of Mexico, and the Atlantic coast consisting of individuals with expertise in marine mammal biology and ecology, population dynamics and modeling, and commercial fishing technology and practices, and representatives of coastal States, for the purposes of reviewing proposed actions under this section. The groups shall advise the Secretary on—

"(A) population estimates for those marine mammal stocks taken incidental to commercial fishing operations;

"(B) the population status and trends of such stocks;

"(C) uncertainties and research needed regarding stock separation, abundance, or trends, and factors affecting the distribution, size, or productivity of the stock;

"(D) uncertainties and research needed regarding the species, number, ages, gender, and reproductive status of marine mammals taken incidental to commercial fishing operations;

"(E) research needed to identify modifications in fishing gear and practices likely to reduce the mortality and serious injury of marine mammals incidental to commercial fishing operations;

"(F) the potential impacts of habitat destruction, including marine pollution and natural environmental change, on specific marine mammal species or stocks; and

"(G) any other issue which the Secretary or the groups consider appropriate.

"(2) The scientific review groups established under this subsection shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.).

"(3) Members of the scientific review groups shall serve without compensation, but may be reimbursed by the Secretary, upon request, for reasonable travel costs and expenses incurred in performing their obligations.

"(c) Stock Assessments and Determinations of Strategic Stocks.—

"(1) Not later than 60 days after the establishment of the scientific review groups under subsection (b), the Secretary shall, in consultation with the scientific review groups, prepare proposed stock assessments of each marine mammal stock which occurs in waters under the jurisdiction of the United States and which is taken incidental to commercial fishing operations, and shall publish notice of its availability in the Federal Register for public review and comment for a period which shall not exceed 60 days. Each proposed stock assessment shall include—

"(A) the area in which each stock is located and, if migratory, the season of its location in that area;

"(B) the best available estimates of minimum population size, most likely population size, stock separation, productivity, current population trend, and estimated optimum sustainable population range if available;

"(C) estimates of total lethal and serious injury take from each stock by source and, for depleted stocks, other factors that may cause the further decline or impede the recovery of that stock, including impacts on marine mammal habitat and prey;

"(D) a description of the commercial fisheries that may incur incidental lethal and serious injury takes from each stock, including—

"(i) the approximate number of vessels actively participating in each fishery;

"(ii) the best available estimates of incidental lethal and serious injury take from the stock by each fishery on an annual basis;

"(iii) seasonal or area differences in levels of such take; and

"(iv) the rate at which such take occurs, based on the appropriate standard unit of fishing effort, with an analysis of whether the rate at which the take occurs is exceeding or has achieved insignificant levels approaching a zero mortality and serious injury rate;

"(E) the status of each stock, specifying—

"(i) whether the stock has been determined to be within its optimum sustainable population range, is depleted, is listed as a threatened species or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), or is a strategic stock; or

"(ii) that the status of the stock is unknown;

"(F) the estimated potential biological removal level for each stock and the factors used to calculate it; and

"(G) the information or sources of information upon which the assessment is based.

"(2) Not later than 90 days after the close of the public comment period on a proposed stock assessment, the Secretary shall publish a final stock assessment and make it available to the public.

"(3) The Secretary shall review stock assessments in accordance with this subsection—

"(A) at least annually for stocks which are—

"(i) specified as strategic stocks in a final stock assessment under this subsection;

"(ii) listed as a threatened species or endangered species under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

"(B) at least annually for stocks for which significant new information is available; and

"(C) at least once every 3 years for all other stocks.

"(4) Nothing in this subsection shall prevent the Secretary from publishing stock assessments for strategic stocks in an expedited fashion.

"(d) Authorization To Take Marine Mammals.—

"(1) Not later than 30 days after the date of the publication of the final stock assessments under subsection (c), or September 1, 1995, whichever is earlier, the Secretary shall issue a general authorization and implementing regulations allowing incidental, but not intentional, taking of marine mammals in the course of commercial fishing operations subject to the provisions of this section. The implementing regulations shall identify the fisheries in which vessels shall be considered to be operating under the general authorization and shall establish additional permit requirements for fisheries that are not so identified under the general authorization.

"(2) The Secretary shall, within 90 days after the date of enactment of this section—

"(A) publish in the Federal Register for public comment, for a period of not less than 90 days, any necessary changes to the Secretary's list of commercial fisheries published under section 114(b)(1) and which is in existence on March 31, 1994 (along with an explanation of such changes and a statement of the marine mammals and the approximate number of vessels or persons actively involved in each such fishery), that have—

"(i) frequent incidental taking of marine mammals;

"(ii) occasional incidental taking of marine mammals; or

"(iii) a remote likelihood of or no known incidental taking of marine mammals;

"(B) after the close of the period for such public comment, publish in the Federal Register a revised list of commercial fisheries and an update of information required by subparagraph (A), together with a summary of the provisions of this section and information sufficient to advise vessel owners on how to obtain an authorization and otherwise comply with the requirements of this section; and

"(C) at least once each year thereafter, and at such other times as the Secretary considers appropriate, reexamine, based on information gathered under this Act and other relevant sources and after notice and opportunity for public comment, the classification of commercial fisheries and other determinations required under subparagraph (A) and publish in the Federal Register any necessary changes.

"(3)(A) An authorization shall be granted by the Secretary in accordance with this section for a vessel engaged in a commercial fishery listed under paragraph (2)(A)(i) or (ii), upon receipt by the Secretary of a completed registration form providing the name of the vessel owner and operator, the name and description of the vessel, the fisheries in which it will be engaged, the approximate time, duration, and location of such fishery operations, and the general type and nature of use of the fishing gear and techniques used. Such information shall be in a readily usable format that can be efficiently entered into and utilized by an automated or computerized data processing system. A decal or other physical evidence that the authorization is current and valid shall be issued by the Secretary at the time an authorization is granted, and so long as the authorization remains current and valid, shall be reissued annually thereafter.

"(B) No authorization may be granted under this section to the owner of a vessel unless such vessel—

"(i) is a vessel of the United States; or

"(ii) has a valid fishing permit issued by the Secretary in accordance with section 204(b) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1824(b)).

"(C) Except as provided in subsection (a), an authorization granted under this section shall allow the incidental taking of all species and stocks of marine mammals to which this Act applies.

"(4)(A) An owner of a vessel engaged in any fishery listed under paragraph (2)(A)(i) or (ii) shall, in order to engage in the lawful incidental taking of marine mammals in a commercial fishery—

"(i) have registered as required under paragraph (3) with the Secretary in order to obtain for each such vessel owned and used in the fishery an authorization for the purpose of incidentally taking marine mammals in accordance with this section, except that owners of vessels holding valid certificates of exemption under section 114 are deemed to have registered for purposes of this subsection for the period during which such registration is valid;

"(ii) ensure that a decal or such other physical evidence of a current and valid authorization as the Secretary may require is displayed on or is in the possession of the master of each such vessel;

"(iii) report as required by subsection (h); and

"(iv) comply with a take reduction plan and emergency regulations issued under this section.

"(B) Any owner of a vessel receiving an authorization under this section for any fishery listed under paragraph (2)(A)(i) or (ii) shall, as a condition of that authorization, take on board an observer if requested to do so by the Secretary.

"(C) An owner of a vessel engaged in a fishery listed under paragraph (2)(A)(i) or (ii) who—

"(i) fails to obtain from the Secretary an authorization for such vessel under this section;

"(ii) fails to maintain a current and valid authorization for such vessel; or

"(iii) fails to ensure that a decal or other physical evidence of such authorization issued by the Secretary is displayed on or is in possession of the master of the vessel,

and the master of any such vessel engaged in such fishery, shall be deemed to have violated this title, and for violations of clauses (i) and (ii) shall be subject to the penalties of this title, and for violations of clause (iii) shall be subject to a fine of not more than $100 for each offense.

"(D) If the owner of a vessel has obtained and maintains a current and valid authorization from the Secretary under this section and meets the requirements set forth in this section, including compliance with any regulations to implement a take reduction plan under this section, the owner of such vessel, and the master and crew members of the vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals while such vessel is engaged in a fishery to which the authorization applies.

"(E) Each owner of a vessel engaged in any fishery not listed under paragraph (2)(A)(i) or (ii), and the master and crew members of such a vessel, shall not be subject to the penalties set forth in this title for the incidental taking of marine mammals if such owner reports to the Secretary, in the form and manner required under subsection (h), instances of incidental mortality or injury of marine mammals in the course of that fishery.

"(5) The Secretary shall suspend or revoke an authorization granted under this section and shall not issue a decal or other physical evidence of the authorization for any vessel until the owner of such vessel complies with the reporting requirements under subsection (h) and such requirements to take on board an observer under paragraph (4)(B) as are applicable to such vessel. Previous failure to comply with the requirements of section 114 shall not bar authorization under this section for an owner who complies with the requirements of this section. The Secretary may suspend or revoke an authorization granted under this subsection, and may not issue a decal or other physical evidence of the authorization for any vessel which fails to comply with a take reduction plan or emergency regulations issued under this section.

"(6)(A) The Secretary shall develop, in consultation with the appropriate States, affected Regional Fishery Management Councils, and other interested persons, the means by which the granting and administration of authorizations under this section shall be integrated and coordinated, to the maximum extent practicable, with existing fishery licenses, registrations, and related programs.

"(B) The Secretary shall utilize newspapers of general circulation, fishery trade associations, electronic media, and other means of advising commercial fishermen of the provisions of this section and the means by which they can comply with its requirements.

"(C) The Secretary is authorized to charge a fee for the granting of an authorization under this section. The level of fees charged under this subparagraph shall not exceed the administrative costs incurred in granting an authorization. Fees collected under this subparagraph shall be available to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in the granting and administration of authorizations under this section.

"(e) TAKE REDUCTION TEAMS.—

"(1) No later than 30 days after the publication of a final stock assessment under subsection (c), the Secretary shall establish take reduction teams for those marine mammal species or stocks which are specified as strategic stocks in final stock assessments under subsection (c) and publish notice of that establishment in the Federal Register. The Secretary shall establish take reduction teams for stocks which are not specified as strategic stocks in final stock assessments under subsection (c), as the Secretary considers necessary in accordance with subsection (f).

"(2) The Secretary may request a take reduction team to consider and provide advice on measures necessary to reduce incidental lethal takes from a marine mammal stock whose range extends over more than 1 region, or on multiple marine mammal stocks within a region.

"(3) Members of take reduction teams shall have expertise regarding the conservation or biology of the marine mammal species which the incidental take plan will address, or the fishing practices involved in the incidental lethal taking of such species. Members shall include representatives of Federal agencies, each coastal State which has fisheries which interact with the species or stock, appropriate Regional Fishery Management Councils, interstate fisheries commissions, academic and scientific organizations, environmental groups, all commercial and recreational fisheries groups and gear types which incidentally take the species or stock, Alaska Native organizations or Indian tribal organizations, and others as the Secretary deems appropriate. Take reduction teams shall, to the maximum extent practicable, consist of an equitable balance among representatives of resource user interests and nonuser interests.

"(4) Take reduction teams shall not be subject to the Federal Advisory Committee Act (5 App. U.S.C.). Meetings of take reduction teams shall be open to the public, and prior notice of meetings shall be made public in a timely fashion.

"(5) Members of take reduction teams shall serve without compensation. Members of take reduction teams who are not Federal or State government employees shall be reimbursed by the Secretary, upon request, for reasonable travel costs and expenses incurred in performing their obligations.

"(f) TAKE REDUCTION PLANS.—

"(1) The Secretary shall issue take reduction plans for marine mammal stocks in accordance with this subsection. The immediate goal of a take reduction plan shall be reduce, within 1 year of its implementation, the lethal take or serious injury of marine mammals incidentally taken in the course of commercial fishing operations to levels less than the potential biological removal level established in this section. The long-term goal of the plan shall be to reduce, within 5 years of its implementation, the lethal take or serious injury of marine mammals incidentally taken in the course of commercial fishing operations to insignificant levels approaching a zero mortality and serious injury rate, taking into account the economics of the fishery, the availability of existing technology, and existing State or regional fishery management plans.

"(2) 2 years after the issuance of the general authorization under subsection (d), the Secretary shall review the progress, by fishery, toward reducing incidental lethal takes and serious injury of marine mammals in the course of commercial fishing operations to insignificant levels approaching a zero mortality and serious injury rate. The Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Merchant Marine and Fisheries of the House of Representatives a report setting forth the results of such review within 1 year after commencement of the review.

"(3) The Secretary shall give priority to the development of take reduction plans for marine mammal stocks or species—

"(A) which are specified as strategic stocks and which are incidentally taken in fisheries listed under subsection (d)(2)(A)(i);

"(B) which are specified as strategic stocks and which are incidentally taken in fisheries listed under subsection (d)(2)(A)(ii); and

"(C) which are not specified as strategic stocks but which the Secretary finds are approaching strategic stock status.

"(4) Each take reduction plan shall include—

"(A) a review of the information in the final stock assessment published under subsection (c) and any new information;

"(B) an estimate of the total number and, if possible, age and gender, of animals from the stock that are being incidentally lethally taken each year during the course of commercial fishing operations, by fishery;

"(C) recommended regulatory or voluntary measures for the reduction of incidental lethal takes; and

"(D) recommended dates for achieving the specific objectives of the plan.

"(5) Recommended take reduction plans developed by a take reduction team under this subsection for submission to the Secretary shall be developed by consensus. In the event that a consensus cannot be reached, the team shall advise the Secretary on the range of possibilities considered by the team, and the views of both the majority and the minority. The Secretary shall then propose a take reduction plan consistent with the provisions of this subsection.

"(6) In the case of those marine mammal species or stocks which are specified as strategic stocks in final stock assessments under subsection (c), the following provisions apply:

"(A) Not later than 6 months after the date of establishment of a take reduction team for that stock, the take reduction team shall recommend a take reduction plan to the Secretary, consistent with the other provisions of this subsection.

"(B) The Secretary shall consider the recommended take reduction plan and, not later than 60 days after the submission of the recommended take reduction plan, the Secretary shall publish in the Federal Register the recommended take reduction plan, any changes proposed by the Secretary along with the reason for the proposed changes, and proposed implementing regulations, for public review and comment.

"(C) If the take reduction team does not recommend a take reduction plan to the Secretary within 6 months, the Secretary shall, not later than 8 months after the establishment of the take reduction team, publish in the Federal Register a proposed take reduction plan and proposed implementing regulations, for public review and comment.

"(D) Not later than 60 days after the close of the comment period required under this paragraph, the Secretary shall issue a final take reduction plan and implementing regulations, consistent with the other provisions of this subsection. If the Secretary rejects or significantly modifies a plan recommended under subparagraph (B), the Secretary shall notify the take reduction team and specify in writing the reasons for the rejection or modification.

"(E) The Secretary and the take reduction team shall meet every 6 months to monitor the implementation of the take reduction plan until such time as the Secretary determines that meetings are no longer necessary.

"(7) In the case of those marine mammal species or stocks which are not specified as strategic stocks in final stock assessments under subsection (c), the following provisions apply:

"(A) Within 11 months after the establishment of the take reduction team, the team shall recommend a take reduction plan for that stock to the Secretary, consistent with the other provisions of this subsection.

"(B) The Secretary shall consider the recommended take reduction plan and, not later than 60 days after the submission of the recommended take reduction plan, the Secretary shall publish in the Federal Register the recommended take reduction plan, any changes proposed by the Secretary along with the reason for the proposed changes, and proposed implementing regulations for public review and comment.

"(C) If the take reduction team does not recommend a take reduction plan to the Secretary within 11 months, the Secretary shall, not later than 13 months after the establishment of the take reduction team, publish in the Federal Register a proposed take reduction plan and implementing regulations for public review and comment.

"(D) Not later than 60 days after the close of the comment period required under this paragraph, the Secretary shall issue a final take reduction plan and implementing regulations, consistent with the other provisions of this subsection. If the Secretary rejects or significantly modifies a plan recommended under subparagraph (B), the Secretary shall notify the take reduction team and specify in writing the reasons for the rejection or modification.

"(E) The Secretary and the take reduction team shall meet on an annual basis to monitor the implementation of the take reduction plan until such time as the Secretary determines that meetings are no longer necessary.

"(8) If a take reduction plan does not achieve its immediate goal of reducing incidental lethal takes in the course of commercial fishing operations to levels less than the potential biological removal level within 1 year, or its long-term goal of reducing incidental lethal takes in the course of commercial fishing operations to insignificant levels approaching a zero mortality and serious injury rate within 5 years, the Secretary shall, in consultation with the take reduction team, amend the take reduction plan and implementing regulations as necessary to achieve the goal, consistent with the procedures in this subsection for the issuance of such plans and regulations.

"(9) In implementing a take reduction plan issued pursuant to this subsection, the Secretary may promulgate regulations which include measures which—

"(A) establish fishery-specific limits on incidental lethal takes;

"(B) restrict commercial fisheries by time or area;

"(C) require the use of alternative gear techniques or technology, and encourage the development of such gear or technology;

"(D) educate commercial fishermen and others on the importance and means of reducing incidental lethal takes of marine mammals; and

"(E) in promulgating such regulations, the Secretary shall conform such regulations, to the maximum extent practicable, with State or regional fishery management plans.

"(10) If the Secretary finds that a significant level of incidental lethal taking of a marine mammal stock is occurring within a fishery within the jurisdiction of a State, the Secretary and take reduction team shall consult with State fishery managers to develop a take reduction plan for that fishery.

"(g) EMERGENCY REGULATIONS.—(1) If the Secretary finds that the incidental lethal take and serious injury of marine mammals from commercial fisheries is having, or is likely to have, an immediate and significant adverse impact on a stock or species, the Secretary shall take actions as follows:

"(A) In the case of a stock or species for which a take reduction plan is in effect, the Secretary shall—

"(i) prescribe emergency regulations that, consistent with such plan to the maximum extent practicable, reduce incidental lethal take and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, any amendments to such plan that are recommended by the take reduction team to address such adverse impact.

"(B) In the case of a stock or species for which a take reduction plan is being developed, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental lethal take and serious injury in that fishery; and

"(ii) approve and implement, on an expedited basis, such plan, which shall provide methods to address such adverse impact if still necessary.

"(C) In the case of a stock or species for which a take reduction plan does not exist and is not being developed, or in the case of a commercial fishery listed under subsection (d)(1)(A)(iii) which the Secretary believes may be contributing to such adverse impact, the Secretary shall—

"(i) prescribe emergency regulations to reduce such incidental lethal take and serious injury in that fishery, to the extent necessary to mitigate such adverse impact;

"(ii) immediately review the stock assessment for such stock or species and the classification of such commercial fishery under this section to determine if a take reduction team should be established; and

"(iii) may, where necessary to address such adverse impact, place observers on vessels in a commercial fishery listed under subsection (d)(2)(A)(iii), if the Secretary has reason to believe such vessels may be causing the incidental lethal take and serious injury to marine mammals from such stock and the vessel owner agrees to take an observer on board.

"(2) Prior to taking action under paragraph (1)(A), (B), or (C), the Secretary shall consult with the Marine Mammal Commission, all appropriate Regional Fishery Management Councils, State fishery managers, and the appropriate take reduction team (if established).

"(3) Emergency regulations prescribed under this subsection—

"(A) shall be published in the Federal Register, together with an explanation thereof;

"(B) shall remain in effect for not more than 180 days or until the end of the applicable commercial fishing season, whichever is earlier; and

"(C) may be terminated by the Secretary at an earlier date by publication in the Federal Register of a notice of termination, if the Secretary determines that the reasons for emergency regulations no longer exist.

"(h) REPORTING REQUIREMENT.—The owner or operator of a commercial fishing vessel subject to this Act shall report all incidental mortality and serious injury of marine mammals in the course of commercial fishing operations to the Secretary by mail or other means acceptable to the Secretary within 48 hours after the end of each fishing trip on a standard form to be developed by the Secretary under this section. Such form shall be readily usable by an automated or computerized data processing system and shall require the vessel owner or operator to provide the following:

"(1) The vessel name, and Federal, State, or tribal registration numbers of the registered vessel.

"(2) The name and address of the vessel owner or operator.

"(3) The name and description of the fishery.

"(4) The species of each marine mammal incidentally killed or seriously injured, and the date, time, and approximate geographic location of such occurrence.

"(i) MONITORING OF INCIDENTAL TAKES.—

"(1) The Secretary shall establish a program to monitor incidental lethal takes and serious injury of marine mammals during the course of

commercial fishing operations. The purposes of the monitoring program shall be to—

"(A) obtain statistically reliable estimates of incidental lethal takes and serious injury;

"(B) determine the reliability of reports of incidental lethal takes and serious injury under subsection (h); and

"(C) identify changes in fishing methods or technology that may increase or decrease incidental lethal takes.

"(2) Pursuant to paragraph (1), the Secretary may place observers on board vessels as necessary, subject to the provisions of this section. Observers may, among other tasks—

"(A) record incidental mortality or by-catch of other nontarget species;

"(B) record numbers of marine mammals sighted; and

"(C) perform other scientific investigations.

"(3) In determining the distribution of observers among fisheries and vessels within a fishery, the Secretary shall be guided by the following standards:

"(A) The requirement to obtain statistically reliable information.

"(B) The requirement that assignment of observers is fair and equitable among fisheries and among vessels in a fishery.

"(C) The requirement that no individual person or vessel, or group of persons or vessels, be subject to excessive or overly burdensome observer coverage.

"(D) To the extent practicable, the need to minimize costs and avoid duplication.

"(4) To the extent practicable, the Secretary shall allocate observers among fisheries consistent with the following priorities:

"(A) First, fisheries that incidentally lethally take or seriously injure marine mammals from stocks that are depleted because of their listing as an endangered species or threatened species under the Endangered Species Act of 1973.

"(B) Second, fisheries that incidentally lethally take or seriously injure marine mammals from stocks which are specified as strategic stocks in final stock assessments under subsection (c).

"(C) Third, fisheries that incidentally lethally take or seriously injure marine mammals from stocks for which the level of incidental lethal takes is unknown but is suspected to be high.

"(D) Fourth, species not described in subparagraph (A), (B), or (C).

"(5) The Secretary may establish an alternative observer program to provide statistically reliable information on the species and number of marine mammals incidentally taken in the course of commercial fishing operations. The alternative observer program may include direct observation of fishing activities from vessels, airplanes, or points on shore.

"(6) The Secretary is not required to place an observer on a vessel in a fishery if the Secretary finds that—

"(A) in a situation in which harvesting vessels are delivering fish to a processing vessel and the catch is not taken on board the harvesting vessel, statistically reliable information can be obtained from an observer on board the processing vessel to which the fish are delivered;

"(B) the facilities on a vessel for quartering of an observer, or for carrying out observer functions, are so inadequate or unsafe that the health or safety of the observer or the safe operation of the vessel would be jeopardized; or

"(C) for reasons beyond the control of the Secretary, an observer is not available.

"(7) Any proprietary information collected under this subsection shall be confidential and shall not be disclosed except—

"(A) to Federal employees whose duties require access to such information;

"(B) to State or tribal employees pursuant to an agreement with the Secretary that prevents public disclosure of the identity or business of any person;

"(C) when required by court order; or

"(D) in the case of scientific information involving fisheries, to employees of Regional Fishery Management Councils who are responsible for fishery management plan development and monitoring.

"(8) The Secretary shall prescribe such procedures as may be necessary to preserve such confidentiality, except that the Secretary shall release or make public upon request any such information in aggregate, summary, or other form which does not directly or indirectly disclose the identity or business of any person.

"(j) PENALTIES.—Any person who violates the provisions of this section shall be subject to the provisions of sections 105, 106, and 107 as the Secretary considers appropriate.

"(k) ASSISTANCE.—The Secretary shall provide assistance to Regional Fishery Management Councils, States, interstate fishery commissions, and Indian tribal organizations in meeting the goal of reducing incidental lethal takes and serious injury to insignificant levels approaching a zero mortality and serious injury rate.

"(l) CONTRIBUTIONS.—For purposes of carrying out this section, the Secretary may accept, solicit, receive, hold, administer, and use gifts, devises, and bequests.

"(m) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Commerce for carrying out this section $15,000,000 for each of fiscal years 1994, 1995, 1996, 197, 1998, and 1999.

"(n) SECTION 101(b).—Nothing in this section shall affect section 101(b).

"(o) CONSULTATION WITH SECRETARY OF THE INTERIOR.—The Secretary shall consult with the Secretary of the Interior prior to taking actions or making determinations under this section that affect or relate to species or population stocks of marine mammals for which the Secretary of the Interior is responsible under this title.

"(p) DEFINITIONS.—As used in this section—

"(1) the term 'fishery' has the same meaning as it does in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802);

"(2) the term 'Secretary' means the Secretary of Commerce; and

"(3) the term 'vessel of the United States' has the same meaning as it does in section 3 of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802).

"SEC. 119. MARINE MAMMAL COOPERATIVE AGREEMENTS IN ALASKA.

"(a) IN GENERAL.—The Secretary may enter into cooperative agreements with Alaska Native organizations to conserve marine mammals and provide comanagement of subsistence use by Alaska Natives.

"(b) GRANTS.—Agreements entered into under this section may include grants to Alaska Native organizations for, among other purposes—

"(1) collection and analysis of data on marine mammal populations;

"(2) monitoring the harvest of marine mammals for subsistence use;

"(3) participating in marine mammal research conducted by the Federal Government, States, academic institutions, and private organizations; and

"(4) developing marine mammal co-management structures with Federal and State agencies.

"(c) EFFECT OF JURISDICTION.—

"(1) Nothing in this section is intended or shall be construed as authorizing any expansion or change in the respective jurisdiction of Federal, State, or tribal governments over fish and wildlife resources.

"(2) Nothing in this section is intended or shall be construed to alter in any respect the existing political or legal status of Alaska Natives, or the governmental or jurisdictional status of Alaska Native communities or Alaska Native entities.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section—

"(1) $1,500,000 to the Secretary of Commerce for each of fiscal years 1994, 1995, 1996, 1997, 1998, and 1999; and

"(2) $1,000,000 to the Secretary of the Interior for each of fiscal years 1994, 1995, 1996, 1997, 1998, and 1999.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section, as amended by section 14(b), is amended by adding at the end the following:

"Sec. 118. Taking of marine mammals incidental to commercial fishing operations.

"Sec. 119. Marine mammal cooperative agreements in Alaska.".

SEC. 10. PINNIPED TASK FORCE; MANAGEMENT OF CALIFORNIA SEA LIONS AND PACIFIC HARBOR SEALS.

(a) TASK FORCE.—Section 104 (16 U.S.C. 1374) is amended by adding at the end the following:

"(i)(1) No later than 90 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary, in consultation with the Marine Mammal Commission, shall establish a Pinniped-Fishery Interaction Task Force (in this subsection referred to as the 'Task Force') to advise the Secretary on management practices regarding seals and sea lions interacting in a dangerous or damaging manner with fishery stocks.

"(2) The Task Force shall consist of individuals designated by the Secretary, including—

"(A) employees of the Department of Commerce,

"(B) scientists knowledgeable in pinniped biology and ecology,

"(C) representatives of conservation organizations, and

"(D) representatives of affected sectors of the fishing industry, Indian treaty tribes, States, and other interests as the Secretary considers appropriate.

"(3) The Task Force shall advise the Secretary regarding—

"(A) the level of impact of pinniped stocks on the decline or recovery of threatened or endangered salmonids and other declining fish stocks;

"(B) the level of impact of pinniped stocks on other fishery resources;

"(C) other factors affecting the decline or recovery of threatened or endangered salmonids and other declining fish stocks;

"(D) available alternatives to effectively mitigate negative impacts, including alternative technologies, relocation of animals, or nonlethal deterrence of animals, and the estimated cost of such alternatives;

"(E) for negative impacts for which no mitigating alternatives are known, research to identify such alternatives; and

"(F) limited intentional lethal takes of pinnipeds.

"(4) The Secretary shall establish within the Task Force a special committee to advise the Secretary on management practices regarding seals interacting in a dangerous or damaging manner with aquaculture resources in the Gulf of Maine. No later than 2 years from the date of enactment, the Secretary shall submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing recommended available alternatives to mitigate such interactions.

"(5)(A) Any State may petition the Secretary to authorize the lethal removal of individually identifiable pinnipeds which are having a sig-

nificant negative impact on the decline or recovery of salmonid fishery stocks which have been listed as threatened species or endangered species under the Endangered Species Act of 1973 or which the Secretary finds are approaching endangered species or threatened species status (as those terms are defined in that Act). Such authority shall be granted for periods of 1 to 3 years. Additional authorizations shall be dependent upon the success of the action. Within 30 days after receiving a petition, the Secretary shall consult with the Task Force to determine whether the petition has produced sufficient evidence to warrant further investigation. If further investigation is considered necessary, the Secretary shall publish a notice in the Federal Register requesting public comment.

"(B) Not later than 60 days after the close of the public comment period for a petition under subparagraph (A), the Task Force shall recommend to the Secretary whether to authorize the lethal removal that is the subject of the petition. If authorization is recommended, the Task Force shall also recommend—

"(i) a method of removal;

"(ii) criteria for evaluating the success of the action; and

"(iii) a duration for the authority.

"(C) If authorization is not recommended, the Task Force shall also recommend nonlethal alternatives, if appropriate.

"(D) Not later than 30 days after the receipt of recommendations from the Task Force, the Secretary shall either approve or deny the petition for lethal removal. If approved, implementation shall occur as soon as practicable. Lethal removal shall be performed by State agencies or qualified individuals under contract to such agencies, in consultation with the Secretary.

"(6) The costs of lethal removal shall be borne in equal amounts by the Secretary and the State or States having fishery resources that have been affected.

"(7) Following lethal removal, carcasses or parts of carcasses shall be made available for bona fide research or educational purposes upon request.

"(8) The Secretary shall not approve under this subsection lethal removal for any pinniped from a species or stock that is listed as a threatened species or endangered species under the Endangered Species Act of 1973, otherwise depleted, or specified as a critical stock in a final stock assessment under section 118(c).".

(b) Management of California Sea Lions and Pacific Harbor Seals.—

(1) Cooperative Agreement.—The Secretary of Commerce shall enter into negotiations with the States of Washington, Oregon, and California to establish a cooperative agreement for the management of California sea lion and Pacific harbor seal populations in those States. The purposes of the cooperative agreement shall be to—

(A) determine whether California sea lions and Pacific harbor seals are having a significant negative impact on the recovery of fishery stocks in those States;

(B) determine the broader impacts of growing populations of California sea lions and Pacific harbor seals on the coastal ecosystems of Washington, Oregon, and California; and

(C) develop a plan to—

(i) reduce, to the extent practicable, negative impacts referred to in subparagraph (A); and

(ii) mitigate impacts referred to in subparagraph (B).

(2) Development and Review of Draft Plan.—No later than 12 months after the date of the enactment of this Act, the Secretary of Commerce shall develop a draft of a plan described in paragraph (1)(C) and submit it for review by the Marine Mammal Commission, independent scientists with expertise in marine mammal biology and management, representatives of national environmental organizations, and other interested persons determined by the Secretary.

(3) Submission of Plan to Congress.—No later than 18 months after the date of the enactment of this Act, the Secretary of Commerce shall submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate—

(A) a plan described in paragraph (1)(C); and

(B) a report containing—

(i) responses of the Secretary to comments received from the review required by paragraph (2); and

(ii) an explanation of any provisions of the plan with which any of the States of Washington, Oregon, and California do not agree.

(4) Consideration of Other Factors.—Any plan under this subsection shall take into account, in addition to California sea lions and Pacific harbor seals, other factors that are slowing or impeding the recovery of fishery stocks or adversely affecting the coastal ecosystems of Washington, Oregon, and California.

(5) No Legal Effect.—A plan under this subsection shall have no force or effect except as provided by a law enacted after the date the plan is submitted to the Congress under paragraph (3).

SEC. 11. MARINE ECOSYSTEM PROTECTION.

Section 110 (16 U.S.C. 1380) is amended by striking subsection (c) and inserting the following:

"(c)(1) No later than 1 year after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, the Secretary of Commerce shall convene a regional workshop for the Gulf of Maine to assess human-caused factors affecting the health and stability of that marine ecosystem, of which marine mammals are a part. The workshop shall be conducted in consultation with the Marine Mammal Commission, the adjacent coastal States, individuals with expertise in marine mammal biology and ecology, representatives from environmental organizations, the fishing industry, and other appropriate persons. The goal of the workshop shall be to identify such factors, and to recommend a program of research and management to restore or maintain that marine ecosystem and its key components that—

"(A) protects and encourages marine mammals to develop to the greatest extent feasible commensurate with sound policies of resource management;

"(B) has as the primary management objective the maintenance of the health and stability of the marine ecosystems;

"(C) ensures the fullest possible range of management options for future generations; and

"(D) permits nonwasteful, environmentally sound development of renewable and nonrenewable resources.

"(2) On or before December 31, 1995, the Secretary of Commerce shall submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a report containing the results of the workshop under this subsection, proposed regulatory or research actions, and recommended legislative action.

"(d)(1) The Secretary of Commerce, in consultation with the Secretary of the Interior, the Marine Mammal Commission, the State of Alaska, and Alaska Native organizations, shall, not later than 180 days after the date of enactment of the Marine Mammal Protection Act Amendments of 1994, undertake a scientific research program to monitor the health and stability of the Bering Sea marine ecosystem and to resolve uncertainties concerning the causes of population declines of marine mammals, sea birds, and other living resources of that marine ecosystem. The program shall address the research recommendations developed by previous workshops on Bering Sea living marine resources, and shall include research on subsistence uses of such resources and ways to provide for the continued opportunity for such uses.

"(2) To the maximum extent practicable, the research program undertaken pursuant to subsection (d)(1) shall be conducted in Alaska. The Secretary shall utilize, where appropriate, traditional local knowledge and may contract with a qualified Alaska Native organization to conduct such research.

"(3) The Secretary of Commerce, the Secretary of the Interior, and the Commission shall address the status and findings of the research program in their annual reports to Congress required by sections 103(f) and 204 of this Act.".

SEC. 12. TREATY RIGHTS.

Nothing in these amendments alters or is intended to alter any treaties between the United States and Indian tribes.

SEC. 13. TRANSITION RULE.

Section 114(a)(1) of the Marine Mammal Protection Act (16 U.S.C 1383(a)(1)) is amended by striking "April 1, 1994," and inserting "on the effective date of regulations prescribed under section 118,".

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) Department of Commerce.—Title I is amended by inserting after section 115 the following:

"SEC. 116. AUTHORIZATION OF APPROPRIATIONS.

"(a) Secretary of Commerce.—There are authorized to be appropriated to the Secretary of Commerce for carrying out functions and responsibilities under title I and title IV, other than under section 118, $6,636,000 for fiscal year 1994, $7,502,000 for fiscal year 1995, $8,402,000 for fiscal year 1996, $9,338,000 for fiscal year 1997, $10,311,000 for fiscal year 1998, and $11,000,000 for fiscal year 1999.

"(b) Secretary of the Interior.—There are authorized to be appropriated to the Secretary of the Interior for carrying out functions and responsibilities under title I, $8,000,000 for fiscal year 1994, $8,600,000 for fiscal year 1995, $9,000,000 for fiscal year 1996, $9,400,000 for fiscal year 1997, $9,900,000 for fiscal year 1998, and $10,500,000 for fiscal year 1999.".

(b) Clerical Amendment.—The table of contents in the first section is amended by inserting after the item relating to section 115 the following:

"Sec. 116. Authorization of appropriations.".

SEC. 15. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended—

(1) in paragraph (13) by inserting "harm," before "harass" each place it appears; and

(2) by adding at the end the following:

"(18)(A) The term 'harassment' means any act of approach, pursuit, torment, or annoyance which—

"(i) has the potential to harm a marine mammal or marine mammal stock in the wild; or

"(ii) has the potential to disturb a marine mammal or marine mammal stock in the wild by causing disruption of behavioral patterns, including, but not limited to, migration, respiration, nursing, breeding, feeding, or sheltering.

"(B) The term 'Level A harassment' means harassment described in subparagraph (A)(i).

"(C) The term 'Level B harassment' means harassment described in subparagraph (A)(ii).

"(19) The term 'harm' means an act which is likely to kill to injure a marine mammal, significantly reduce its reproductive potential, or result in habitat modification or degradation that is likely to significantly impair essential behavioral patterns.

"(20) The term 'strategic stock' means a marine mammal population or stock—

"(A) for which the level of direct human-caused mortality exceeds the potential biological removal level; or

"(B) which, based on the best available scientific information, is declining and is likely to be listed as a threatened species under the Endangered Species Act of 1973 within the foreseeable future.

"(21) The term 'potential biological removal level' means the maximum number of animals, not including natural mortalities, that may be removed from a marine mammal population or stock without affecting that population's or stock's ability to reach or maintain its optimum sustainable population. The potential biological removal level is the product of the following factors:

"(A) The best available minimum population estimate of the population or stock.

"(B) One-half the maximum theoretical or estimated net productivity rate of the population or stock.

"(C) A recovery factor of between 0.1 and 1.0.

"(22) The term 'Regional Fishery Management Council' means a Regional Fishery Management Council established under section 302 of the Magnuson Fishery Conservation and Management Act.

"(23) The term 'bona fide research' means scientific research on marine mammals, the results of which—

"(A) likely would be accepted for publication in a referred scientific journal;

"(B) are likely to contribute to the basic knowledge of marine mammal biology or ecology; or

"(C) are likely to identify, evaluate, or resolve conservation problems.

"(24) The term 'Alaska Native organization' means a group designated by law or formally chartered which represents or consists of Indians, Aleuts, or Eskimos residing in Alaska.".

SEC. 16. SCRIMSHAW EXEMPTIONS.

Notwithstanding any other provision of law, any valid certificate of exemption renewed by the Secretary (or deemed to be renewed) under section 10(f)(8) of the Endangered Species Act of 1973 (16 U.S.C. 1539(f)(8)) for any person holding such a certificate with respect to the possession of pre-Act finished scrimshaw products or raw material for such products shall remain valid for a period not to exceed 5 years beginning on the date of enactment of this Act.

SEC. 17. TECHNICAL AND CONFORMING AMENDMENTS.

The Act is amended—

(1) by redesignating, as title IV, the title III of that Act that was added by section 3003 of the Marine Mammal Health and Stranding Response Act (106 Stat. 5060);

(2) by redesignating the sections of that title in order as sections 401, 402, 403, 404, 405, 406, 407, 408, and 409;

(3) in section 401(b)(3) (as redesignated by this section) by striking "304" and inserting "404";

(4) in section 405(b)(1)(A)(i) (as redesignated by this section) by striking "304(b)" and inserting "404(b)";

(5) in section 406(a)(2)(A) (as redesignated by this section) by striking "304(b)" and inserting "404(b)";

(6) in section 406(a)(2)(B) (as redesignated by this section) by striking "304(c)" and inserting "404(c)";

(7) in section 408(1) (as redesignated by this section)—

(A) by striking "305" and inserting "405", and

(B) by striking "307" and inserting "407";

(8) in section 408(2) (as redesignated by this section) by striking "307" and inserting "407";

(9) in section 409(1) (as redesignated by this section) by striking "305(a)" and inserting "405(a)";

(10) in section 409(5) (as redesignated by this section) by striking "307(a)" and inserting "407(a)";

(11) in section 102(a) (16 U.S.C. 1372(a)) by striking "title III" and inserting "title IV";

(12) in section 109(h)(1) (16 U.S.C. 1379(h)(1)) by striking "title III" and inserting "title IV";

(13) in section 112(c) (16 U.S.C. 1382(c)) by striking "or title III" and inserting "or title IV"; and

(14) in the table of contents in the first section, by striking the items relating to the title that is redesignated by paragraph (2) of this section and the sections that are redesignated by paragraph (3) of this section and inserting the following:

"TITLE IV—MARINE MAMMAL HEALTH AND STRANDING RESPONSE

"Sec. 401. Establishment of program.
"Sec. 402. Determination; data collection and dissemination.
"Sec. 403. Stranding response agreements.
"Sec. 404. Unusual mortality event response.
"Sec. 405. Unusual mortality event activity funding.
"Sec. 406. Liability.
"Sec. 407. National Marine Mammal Tissue Bank and tissue analysis.
"Sec. 408. Authorization of appropriations.
"Sec. 409. Definitions.".

SEC. 18. AUTHORIZATION OF APPROPRIATIONS FOR MARINE MAMMAL COMMISSION.

(a) AUTHORIZATION.—Title II (16 U.S.C. 1401 et seq.) is amended by adding at the end the following:

"SEC. 207. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to the Marine Mammal Commission for carrying out this title $1,500,000 for fiscal year 1994, $1,550,000 for fiscal year 1995, $1,600,000 for fiscal year 1996, $1,650,000 for fiscal year 1997, $1,700,000 for fiscal year 1998, and $1,750,000 for fiscal year 1999.".

(b) CLERICAL AMENDMENT.—The table of contents in the first section is amended by inserting after the item relating to section 206 the following:

"Sec. 207. Authorization of appropriations.".

SEC. 19. FURTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) AMENDMENTS RELATING TO DEFINITION OF SECRETARY.—Section 3(12) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(12)) is amended in subparagraph (B) by striking "title III" and inserting "title IV".

(b) AMENDMENTS RELATING TO DEFINITION OF POPULATION STOCK AND STOCK.—Section 3(11) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1362(11)) is amended to read as if section 3004(b) of the Marine Mammal Health and Stranding Response Act were not enacted (106 Stat. 5067).

(c) FURTHER CORRECTIONS TO DEFINITIONS.—Section 3 (16 U.S.C. 1362) is amended—

(1) by striking paragraph (5);

(2) by redesignating paragraph (17) as paragraph (5), and moving that paragraph so as to appear immediately following paragraph (4); and

(3) by redesignating the second paragraph (15) (relating to the definition of the term "fishery") and paragraph (16) in order as paragraphs (16) and (17).

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall be effective as if enacted as part of section 3004 of the Marine Mammal Health and Stranding Response Act (106 Stat. 5067).

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, over two decades ago—in response to public concern about the future survival of whales and dolphins—Congress enacted a moratorium on the killing of marine mammals in the Marine Mammals Protection Act of 1972 [MMPA]. Its purpose was simple: To protect and conserve this Nation's marine mammals. At that time, tens of thousands of dolphins, whales, otters, and other warm-blooded marine creatures were being killed—some intentionally, others incidentally, during fishing operations. Back then, our goal was not only to ensure that stocks of marine mammals did not become depleted, but to help them to recover to optimum sustainable populations.

Congress also recognized that some fishermen will, in the course of their operations, inadvertently take marine mammals; that researchers needed to study them; and that aquariums would be empty unless they could take a few of these creatures from the wild. Consequently, the MMPA provided for certain exemptions from the moratorium.

In the 24 years that the MMPA has been on the books, hundreds of thousands of marine mammals have been saved. Certain stocks, like the grey whale, have been saved from extinction. Other marine mammals, like California sea lions and harbor seals, are flourishing. Unfortunately, despite our best efforts and the protections of the law, some marine mammal stocks continue to be in trouble.

Mr. Speaker, H.R. 2760 makes a number of important changes to the MMPA, particularly to the provisions governing the taking of marine mammals by commercial fishermen. Improving the law to make sure that fishermen can fish and marine mammals will continue to be protected was the driving force behind the reauthorization. The interim exemption under which fishermen are now operating expires on March 30, and without this legislation we run the risk of having the entire fishing industry in the country shut down. I believe that through the new requirements proposed in the bill, we will realize significant advances toward meeting the goals of the Act.

The provisions of the amendment regarding incidental takes in commercial fisheries:

First, retain the original goal of the MMPA, which is to reduce all incidental takes of marine mammals to insignificant levels approaching a zero mortality and serious injury rate.

Second, require the Secretary to establish four regional independent scientific review groups—for Alaska, the Pacific coast, the Atlantic coast, and the Gulf of Mexico—to work with the agency on the preparation of stock assessments for each marine mammal stock taken incidental to commercial fishing operations. The stock assessments will address the status of marine mammal stocks, levels of incidental take, and a potential biological removal level that would identify the maximum number of animals that can be taken from each stock without disadvantaging the stock.

Third, directs the Secretary to issue a general authorization allowing fishermen to incidentally take nonendangered, nonthreatened, marine mammals if they comply with registration, monitoring, and reporting requirements; and establishes strict permitting procedures for very limited takes of endangered or threatened species.

Fourth, requires the establishment of take reduction plans for marine mammal stocks. The goal of these plans would be to reduce incidental takes to less than the potential biological removal level within 2 years, and to reach the zero mortality rate goal within 5 years. Plans would be developed by regional teams working with the Secretary. In an effort to assure as much public participation as possible, these teams would include representatives from coastal States regional fishery management councils, scientific organizations, environmental groups, the fishing industry, Alaska Natives, treaty tribes, and whoever else the Secretary deems appropriate. To assure that the process is as fair as possible, we have also required that the teams include an equitable balance among user and nonuser interests.

Overall, the proposed new management regime would establish a process of broad public participation, team effort, and good science that will, I believe, finally allow us to achieve the original goal of this law. The bill also addresses other important issues, which I will briefly summarize.

First, the bill establishes a Pinniped Interaction Task Force to advise the Secretary on the level of impact that seals and sea lions are having on fishery resources and how to mitigate those impacts. The bill also authorizes the Secretary to allow the intentional lethal removal of pinnipedds that are having a significant negative impact on the decline or recovery on threatened or endangered salmonid fishery stocks or on salmonid stocks which the Secretary finds are approaching endangered or threatened species status.

Second, the bill simplifies existing overly burdensome permit restrictions on the scientists whose lives are dedicated to studying and saving these animals.

Third, finally, the bill adds important provisions to the act that strengthen our ability to protect marine mammal habitats. Among other things, these include a requirement for the Secretary to convene workshops to address marine ecosystem protection in the Bering Sea and the Gulf of Maine—two areas of vital importance to the future of marine mammal populations—and to report back to Congress with recommended legislative, research, and regulatory actions.

I am pleased to be able to inform you that the administration supports the legislation, and that the most extensive section of the bill—establishing a new program to manage interactions between marine mammals and commercial fisheries—is supported by some of the largest environmental groups, including Greenpeace, the Center for Marine Conservation, the National Audubon Society, and the World Wildlife Fund. That section of the bill is also supported by a number of fishing organizations.

I want to thank my colleagues on the committee, particularly Mr. FIELDS and Mr. YOUNG, for their patience and their cooperation over the last few months as we have worked to pull together a bill with broad bipartisan support. We will continue to work together with our friends in the other body to enact a law that works, both for fishermen and for marine mammals.

Twenty years ago, tremendous public outcry over the deaths of millions of dolphins in the tuna fishing industry was responsible for the enactment of the MMPA. It was, and still is, a landmark environmental law. Overall, it has worked. Today, the number of dolphins and other marine mammals that are accidentally taken during fishing operations has been reduced by an order of magnitude. As our knowledge and understanding of the environment grows, we are now forced to focus on a new concern: the protection of the marine ecosystems on which these animals depend. These are the same ecosystems on which our fishermen depend and, ultimately, on which we all depend. I believe this bill begins that process of change.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2760, a bill to reauthorize the Marine Mammal Protection Act [MMPA] of 1972.

The MMPA governs a variety of subjects, including public display, scientific research, subsistence use of marine mammals, and the incidental take of marine mammals during commercial fishing operations.

During the past year, the Committee on Merchant Marine and Fisheries held a number of hearings to consider various reauthorization issues. It was a pleasure working with you, Chairman STUDDS, and other Members, to draft the language that was adopted last week at our committee markup. While there may be a difference of opinion on certain isolated provisions, the language is indeed a consensus document that is the result of hundreds of hours of hard work, determination, and compromise, and represents a bipartisan effort of the committee.

Mr. Speaker, as you know, our committee is being driven by an April 1, 1994, deadline to reauthorize the act. I believe the language outlined in the bill governing the interaction of commercial fishing activities with marine mammals will not be overburdensome. It uses good science through the establishment of scientific working groups and take reduction teams, stock assessments, and the determination of critical stocks. This information is vital in order to make rational decisions based on science rather than emotion or moral judgments.

H.R. 2760 also allows the importation of polar bear trophies from Canada—a country whose polar bear population is healthy. Canada's management program is based on science, which ensures a sustainable polar bear population, and is consistent with international conservation agreements. The bill ensures that conservation of polar bears worldwide is not compromised in any way.

H.R. 2760 also addresses the authority to grant permits for public display, clarifies the roles of various Federal agencies, provides for the welfare of the marine mammals, and meets the needs of the public display community.

Again, Mr. Speaker, it was a pleasure having the opportunity to work with Chairman STUDDS and Congressman YOUNG to ensure that our marine mammal resources are properly managed in the future. I support adoption and urge all Members to vote "aye" on this important legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, American commercial fishing fleets need this bill to pass before the April 1 deadline—or they face severe consequences. I understand this fact. However, the legislation we are considering reauthorizes for 6 years a law which has a tremendous impact on coastal States. Yet H.R. 2760 was moved through subcommittee and committee markups to be considered on the floor under the suspension process, which effectively prevents Members from exercising their right to offer amendments on the floor. I predict that in our rush, we will end up with a less-than-best piece of legislation, or at least one with significant omissions. For instances, I would have liked to have worked out and offered an amendment to allow States to provide additional protection for marine mammals which reside in State waters. By so amending the Marine Mammal Protection Act [MMPA], we could close a loophole that actually hinders or removes protection for marine mammals in some instances. I believe that it is an unfortunate irony that under the current rules of the MMPA, States are denied the ability to safeguard specific populations of mammals in certain carefully designated waters of their own. In my State of Florida, there are laws on the books which would prohibit the capture of marine mammals in areas known as aquatic preserves, which are specifically defined by statute, and have clearly defined borders. These areas have been set aside because the duly elected government of Florida has publicly and in the sunshine decided that the preservation of the natural resources within these boundaries is vital to the public interest. Many public hearings have occurred. But the Marine Mammal Protection Act unfortunately, and I believe inadvertently, preempts Florida's—and any other State's—efforts to responsibly protect natural resources. Mr. Speaker, that is unfinished business that needs attention. I will pursue it another day, in difference to the need to move H.R. 2760, but I regret the procedure we are using today.

Mr. BILIRAKIS. Mr. Speaker, Florida currently holds about 40 percent of all captive dolphins. In addition, most of the dolphins that are seen in theme parks across the country were probably captured in Florida waters, This also holds true for dolphins exported to other countries.

In 1972, Congress passed the Marine Mammal Protection Act [MMPA], to ensure that these mammals were maintained at, or restored to, healthy population levels. The act established a moratorium on taking or importing marine mammals except for certain activities regulated and permitted under the act. These permitted activities include public display and scientific research.

Unfortunately, jurisdiction over marine mammals has been divided among several agencies and I believe we have had a class example of the dangers of Federal bureaucracy. We have several agencies contradicting one another with regard to this act, and in some cases, the agencies have not ensured that dolphins are being treated humanely and captured properly.

In the 102d Congress, I introduced legislation titled The Marine Mammal Capture, Export and Public Display Act. I reintroduced this legislation in the 103d Congress.

Thus, I am pleased today that the committee has incorporated a few key provisions from my legislation into H.R. 2760. After working with the Chairman STUDDS and the ranking member on the subcommittee, Congressman YOUNG of Alaska, I believe we have been able to accomplish much of what I proposed. It has been a pleasure to work with my colleagues to amend the act and make needed reforms.

The intent of this bill is to protect dolphins held in captivity and to reform the procedures which are designed to protect their health and safety.

One of the provisions incorporated in this legislation concerns marine mammal export. Currently, the Marine Mammal Protection Act is silent on the export of marine mammals either caught in U.S. waters or bred in U.S. zoos and aquaria.

The provision incorporated in H.R. 2760 will end this silence and help equalize the treatment of dolphins in the U.S. and foreign countries. I believe it is simply hypocritical to place stringent requirements on theme parks and oceanariums in this country but allow dolphins to be exported to other countries where they may be mistreated.

H.R. 2760 provides that no marine mammal may be exported for the purpose of public display, scientific research, or enhancing the survival or recovery of a species or stock unless the receiving facility meets the standards of the United States.

H.R. 2760 also provides that the secretary of the national marine fisheries service shall establish an inventory of all marine mammals possessed pursuant to permits issued. Under this provision, the secretary must keep a record of the date of death of the marine mammal and the cause of death when determined.

These provisions, which were also contained in my original bill will help to ensure an accurate tracking system will be maintained. Thus, in turn, will add greatly in the enforcement of other provisions of this act.

Once again, I would like to thank Chairman STUDDS and the Merchant Marine and Fisheries Committee for their work on this important legislation. The inclusion of the export and inventory provisions are a significant step forward in dolphin protection. I hope that we examine closely the secretary's findings as an inventory is kept, so that we can continue to upgrade this legislation to ensure that marine mammals are treated in a humane manner.

Mr. HUGHES. Mr. Speaker, I rise today in support of H.R. 2760, legislation to reauthorize the Marine Mammal Protection Act.

Congress established the MMPA in 1972 to protect dolphins, whales and other marine mammals from the adverse effects of fishing and other human activities. MMPA banned the capture or import of marine mammals except for research or public display. Although the act has always allowed the incidental taking of some marine mammals during fishing operations, a 1988 amendment to the MMPA required an end to all incidental takings by 1993. In the meantime, Congress directed the National Marine Fisheries Service to develop a long range plan to preserve these mammals.

On July 27, 1993, the distinguished chairman of the Merchant Marine Committee, Mr. STUDDS, introduced H.R. 2760, the Marine Mammal Protection Act amendments of 1993, to reauthorize the MMPA for 6 years. That bill was a good starting point, but as it turned out, we still had a long way to go. As the committee began looking more closely at the issues surrounding the MMPA, it became evident that we needed more time to address a wide range of questions regarding marine mammal protection and incidental takings. Consequently, the committee approved and Congress passed a simple extension of the act to give us until April to complete work.

The bill that is before us now is the result of some extraordinary work that was done by Chairman STUDDS and the distinguished gentleman from Alaska [Mr. YOUNG], during that extended period.

H.R. 2760 would impose a prohibition on the intentional killing of marine mammals. The bill correctly aims to reduce accidental marine mammal deaths from encounters with fishing operations to levels approaching zero within 5 years of enactment. It requires the Secretaries of Commerce and Interior to perform and publish stock assessments for all marine mammal populations occurring in U.S. waters that might be adversely impacted by fishing operations or other activities. The secretaries must establish take reduction teams comprised of scientists, environmentalists, government officials and representatives of the fishing industry. These teams, in turn, must develop plans to reduce the level of accidental marine mammal deaths to near zero. The legislation would also grant the Secretaries regulatory and emergency powers to address any activities that are having an immediate and significant adverse impact on a stock of marine mammals.

H.R. 2760 also lessens some of the bureaucratic burden on the scientific and display community. Under this legislation, holders of display or scientific permits will no longer have to apply for permits to transfer or sell marine mammals from one licensed facility to another. From now on, they will merely have to notify the secretary of the transfer or sale in advance of the transaction. The legislation also adds new export language requiring that a receiving facility meet the standards of the Animal Welfare Act.

Let me say that this is not a perfect bill. I do not feel uncomfortable saying that, because it is a fact that the chairman himself has pointed out repeatedly. There are some provisions in the bill that concern me, such as the language that will allow—for the first time in 22 years—the importation of polar bear trophies or viscera into this country. I believe that Chairman STUDDS, Mr. FIELDS and Mr. YOUNG have crafted the language to be as narrow and protective of the polar bear as possible—a fact which is evidenced by the provisions regarding international polar bear conservation. Yet, I remain concerned about the policy implications of putting the Secretary of the Interior in the position of giving DE FACTO approval to Canada's polar bear hunt, when it is the stated goal of the MMPA to end the intentional killing of marine mammals. Having said this, I should point out that I did support the chairman in committee on this issue because I understand the importance of moving this legislation and the care with which my colleagues wrote the provision.

While I support removing needles bureaucratic tape from the scientific and display communities, I also remain concerned about the animal plant health inspection service's enforcement of the Animal Welfare Act with respect to marine mammals. In the last session, I joined with Congressman BILIRAKIS as an original cosponsor of his bill, H.R. 656, which would mandate—among other things—that Aphis update its regulations. I believe it is time for Aphis to review and revise their regulations and to strengthen their enforcement of the AWA, and I will be working with Mr. BILIRAKIS and others to make sure that our captive marine mammals are treated humanely.

I want to express my gratitude and appreciation to the Chairman, Mr. YOUNG and their staffs for their hard work on a difficult task. I especially want to thank Karen Steuer and Rod Moore for their work and their efforts to accommodate me in making some changes to the final bill. This is a balanced bill that will go a long way toward improving the protection of marine mammals, while at the same time allowing our fishermen to continue to do their job.

I urge my colleagues to pass this measure.

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 2760, legislation that reauthorizes the Marine Mammal Protection Act through fiscal year 1999. I commend the distinguished gentleman from Massachusetts [Mr. STUDDS], who is also the chairman of the House Merchant Marine and Fisheries Committee, for introducing this worthwhile legislation. I strongly believe that the reauthorization legislation that we are discussing today, represents a fair compromise that will continue to prevent the extinction of marine mammals.

By amending the Marine Mammal Protection Act of 1972, the original legislation is strengthened, and will continue to ensure the well being of porpoises, seals, and other marine mammals.

H.R. 2760, will improve the Marine Mammal Protection Act in a variety of ways. First, H.R. 2760, will establish a new system to govern the incidental taking of marine mammals in the course of commercial fishing operations. This legislation allows permits to be issued for the incidental taking of endangered or threatened marine mammals, if certain criteria are met. Also, the Secretary of Commerce is required to issue a general authorization allowing for the incidental taking of marine mammals during commercial fishing operations. However, the fishing industry must comply with strict registration guidelines, as well as monitoring and reporting regulations. H.R. 2760, also calls for fishermen, government representatives, biologists, and environmentalists to work with the Secretary of Commerce in developing long-term conservation plans for marine mammals.

Other highlights of H.R. 2760, include: A provision allowing individuals to take or import marine mammals for the purpose of public display, if certain criteria are met; a provision requiring the Secretary of Commerce to establish a task force to study the impact that seals and lions have on salmonid fish stocks; and a provision to allow American sport hunters, who legally kill polar bears in Canada, to bring their trophies back into the United States.

I am pleased to support the reauthorization of the Marine Mammal Protection Act. I believe that this compromise legislation will continue to maintain our marine mammals, who without the protections might become extinct, while at the same time this legislation will enable our commercial fishermen to operate their businesses.

Mrs. UNSOELD. Mr. Speaker, I rise in strong support of H.R. 2760, our committee's bill to reauthorize the Marine Mammal Protection Act, and ask unanimous consent to revise and extend my remarks.

The MMPA's success in restoring marine mammal populations on the west coast is evident by the robust species of California sea lions and Pacific harbor seals that range throughout Washington, Oregon, and California. These mammals contribute much to the unique nature of our marine ecosystems, and are enjoyed by both residents and visitors alike.

This success, however, is tempered by the public's perception that there are growing problems caused by robust species. Sea lions and seals have crowded public areas, plaguing efforts to rebuild salmon and steelhead runs and closing shellfish beds due to threat of fecal contamination.

The public perception in the Northwest is that Federal and State wildlife managers are turning a blind eye to these problems because of the controversy that surrounds taking any action relating to these animals. Wildlife managers appropriately respond by pointing out that the MMPA's strictures make it virtually impossible to respond effectively to problems as they are developing. The result has been an unorganized and ad hoc response that merely delays meaningful discussion of long-term solutions.

Our committee's bill attempts to respond to these concerns with two provisions aimed at providing some structure into the identification and response to problems associated with robust species of marine mammals on the west coast.

First, to address immediate, short-term problems—whether real or perceived—our committee's bill establishes a pinniped/fishery interaction task force to advise the Secretary of Commerce on ways to minimize negative interactions. The bill also provides for States to petition the Secretary to authorize lethal removal of individually identifiable pinnipeds which are having a significant negative impact on the decline or recovery of a salmonid fishery which is or may be becoming threatened or endangered.

For the long-term, our committee's bill directs the Secretary to sit down with the States of Washington, Oregon, and California to identify problems caused by robust species of marine mammals and to develop a broad range of options for each of the problem areas. The product of these discussions would be a draft management plan that would be reviewed by the Marine Mammal Commission, independent scientists, and environmental interests. The plan, along with comments generated during the review process, would then be submitted to this committee. The cornerstone of this amendment is that any management options proposed in the Federal/State plan not already authorized by existing law would require approval by this committee and Congress before being implemented.

Mr. Chairman, I want to make it clear I do not claim that seals and sea lions are what's causing the decline of our salmon runs in the Northwest, and any attempt to make them the scapegoat is wrong. However, if our struggles with forests and fish in the Northwest have taught us anything, it's that we must act proactively in managing our resources before the endangered species listings and the crises and the devastation began.

Finally, our committee's bill represents a major step forward in minimizing the type of harmful interactions with commercial fishing operations which would threaten marine mammal populations. The new regulations which will result from the legislation stem from a long series of meetings between representatives of the animal protection community and the commercial fishing industry. These negotiations, which took several months, resulted in a joint proposal which represented compromises on both sides. However, the bottom line is that the protection of marine mammals will be greatly enhanced. These improvements do not come without some cost on the part of the fishing industry, and we are very pleased that commercial fishermen have realized that the protection and restoration of marine mammal stocks is in the long-term interest of all users of the marine environment.

The current regulatory regime under which our commercial fishing industry is operating expires at the end of this month. These regulations have already been extended by Congress once and it is imperative that we replace this stop-gap measure with permanent legislation that will provide longer term solutions to these issues.

Mr. YOUNG of Alaska. Mr. Speaker, I request permission to revise and extend my remarks.

Mr. Speaker, I rise in strong support of this bipartisan bill and urge its adoption by the House.

This bill is the result of three hearings, numerous meetings, many written comments, and literally hundreds of hours of work by the committee staff. Karen Steuer and Tod Preston of the majority staff, and Rod Moore and Tom Melius of the minority staff, have labored late into the night and around the clock on weekends to assist the members of our committee on putting together a bill that is supported by fishermen, processors, environmental groups, wildlife conservation organizations, individual States, Native Alaskans, zoos and aquariums, scientists, and the administration.

Even more important is the hard work put into this bill by the chairman of our committee, GERRY STUDDS. Chairman STUDDS has been criticized by some extreme animal rights groups for his willingness to act in a fair and reasonable manner when dealing with the many difficult issues that this bill presents. That criticism is unjustified and unfair and should be condemned.

During the 21 years that I have served in the House, I have always known Chairman STUDDS to be a leader in efforts to conserve our natural resources. Even when we have been on opposite sides of an issue, he has been willing to listen to all points of view. Many of the major resource conservation bills that our committee has seen enacted into law over the years have been the result of Chairman STUDDS' efforts. He should be applauded for those efforts.

This bill attempts to finally solve a major problem that exists in the ocean. Fishermen catch fish; so do marine mammals. Unfortunately, as much as they try to avoid it, fishermen also catch marine mammals.

When the Marine Mammal Protection Act was passed by the Congress in 1972 under the leadership of our colleague, JOHN DINGELL, the problem of interaction between fishermen and marine mammals was recognized and a permit process was included that encouraged fishermen not to catch marine mammals, but exempted them from penalties if they did. However, in 1987, a Federal court decision effectively made that process useless.

In 1988, we passed a set of amendments to the act allowing a 5-year exemption for fishermen while a new incidental take process was developed. That process is what we have in our bill today. We have provided for increased research on marine mammals stocks and the development of take-reduction plans designed to reduce—as low as possible—the number of marine mammals taken. This is a major change in the way our fishermen will be forced to operate.

In establishing this system, two things should be made clear: First, fishermen want to be part of the regulatory system and we expect the Federal Government to work with—not against—U.S. fishermen in developing take-reduction plans. Second, this system relies on providing good scientific information. We authorize the resources necessary to get this information and we expect the Federal Government to carry out its obligations.

This system will not work if Federal agencies try to ignore the input of fishermen or try to force decisions based on bad data. If we find that the Federal Government is not cooperating or is trying to use this bill to promote some other policy agenda, I promise you that we will be back in this House Chamber setting things right.

In addition to the sections of this bill dealing with fisheries, we have also included a number of amendments clarifying the respective roles of Federal agencies in regulating zoos and aquariums. These amendments are necessary to avoid excessive regulatory zeal on the part of the Federal Government, which has attempted to ignore the clear intent of Congress in the act.

Finally, the bill makes absolutely clear that nothing in the fisheries section in any way affects the rights of Alaskan Natives that were granted by section 101(b) of the act. Further, the bill authorizes the continuation of the successful comanagement agreements between the Federal Government and Alaska Native organizations regarding marine mammals and encourages the Federal Government to enter into new agreements for other species.

Mr. Speaker, this is a good, bipartisan, conservation bill. I urge all Members to support it.

Mr. CUNNINGHAM. Mr. Speaker, I rise in strong support of H.R. 2760, and ask unanimous consent to revise and extend my remarks. Mr. Speaker, the reauthorization of the Marine Mammal Protection Act has been an arduous task and I would like to thank the chairman and the ranking minority members, Mr. FIELDS and Mr. YOUNG, for their leadership and guidance throughout this process.

Since the MMPA was enacted in 1972, it has served to protect various marine mammal populations in the wild from various human threats. The act also safeguards marine mammals by managing human activities affecting them in their natural habitat.

I am aware that there are many sections of this bill that address myriad issues, but I would like to focus on one important portion of this bill that deals with the regulation of and interaction of the agencies that oversee the issue of public display. Through the years, there has been much confusion over what role each agency should play. Most recently, this confusion was demonstrated in October, when the National Marine Fisheries Service issued their proposed permit regulations.

I would like to thank the chairman and Mr. YOUNG for clarifying the confusion that this proposed rule caused, and for correcting the problem between agencies. The amendments regarding public display are intended to establish a clear public policy regarding the regulation of activities affecting marine mammals in zoological settings. Over the past 5 years, there has been much confusion in the zoological community due to overlapping jurisdictions. Permits have been delayed for unreasonable periods of time and unnecessary, burdensome, and improper conditions have been attached to such permits.

In addressing this problem, we in committee were able to reaffirm that the standards for the humane handling, care, treatment, and transportation of marine mammals are established under the Animal Welfare Act [AWA] and are developed and administered exclusively by the Animal Plant Health Inspection Service [APHIS] within the Department of Agriculture.

This was done to clarify that the National Marine Fisheries Service cannot set its own standards, by regulation or by attaching to the permits general or specific conditions relating to captive maintenance, since the National Marine Fisheries Service has no authority to do so under the Animal Welfare Act, and still does not have authority to do so under the reauthorization of the MMPA.

Rather, in deciding to issue a permit to an individual or entity that would allow them to "take;" that is, collect from the wild, or import a marine mammal for purposes of public display, the only determination that NMFS can make, from the perspective of captive maintenance, is whether the individual or entity has an APHIS license or registration. Possession of such a license automatically means that the licensee's standards for the humane handling, care, treatment, and transportation of the marine mammals to be taken and imported meet the requirements of the Animal Welfare Act.

Section 102(a) of the act has been amended by deleting the words "for any purpose or any way connected to the taking of marine mammals." The deleted words are now replaced by the words to "take or import." In addition, the words "and after" in section 104(c)(1) were deleted. The Intent of these amendments is to clarify that the conditions that the Secretary may include in a section 104(c) permit concerning the "supervision, care, and transportation that must be observed pursuant to such taking or importation" only pertain to the actual take from the wild, that is, capture and collection; or import but not to the subsequent supervision, care, and transportation of marine mammal in captivity. After the taking or importation, the standards for the care and maintenance of the marine mammal are established by the Animal Welfare Act and the regulations issued thereunder.

Further, this amendment clarifies that the act's prohibition with regard to the "take" of marine mammals refers to the collection of marine mammals from the wild. After a marine mammal is lawfully collected; for example, under a section 104 permit, the Secretary does not have the authority to regulate the subsequent captive maintenance of the animal.

It has also been clarified that NMFS may issue, as has always been the case, "one-time" permits to take or import marine mammals for purposes of public display. These permits need not be renewed by NMFS periodically once the marine mammal is taken or imported. They are, as also has been the case since the original passage of the MMPA, permits to individuals or entities in relation to the take or import of scientific marine mammals.

Once a marine mammal is taken or imported pursuant to a permit, then it, or its progeny will no longer require any additional permit or authorization in order to possessed, sold or purchased, transported, exported, or offered to be sold or purchased if the persons involved in any subsequent transaction, meet the requirements that would be necessary under the MMPA to obtain a permit for the purposes of public display, or scientific research or enhancing the survival of a species of stock.

The committee also intends by these amendments to establish the policy that determinations made by the Secretary of Commerce with regard to education or conservation programs are limited to whether programs are based on professionally recognized standards of the public display community; such as, but not limited to, standards already in place for members of the American Zoo and Aquarium Association. The Secretary does not have the authority under this provision to establish any standards or regulations regarding education or conservation programs. This amendment to the current law is consistent with the first amendment of the Constitution which essentially prohibits the Government from issuing "content-based" regulations.

The committee also believes that a person should have the same rights with respect to the progeny of a marine mammal taken or imported under section 106(c) as those rights granted for the take of a marine mammal for public display. Thus, a permit for the purposes of public display grants the possessor of the marine mammal and its progeny the right, under certain circumstances, to subsequently purchase, offer to purchase, possess, or transport, sell, export, or otherwise transfer possession of the progeny, without the need to obtain any additional permit or authorization under the MMPA.

The persons involved in any subsequent transaction must meet the requirements that would be necessary under the MMPA to obtain a permit for purposes of publicly display, scientific research, or enhancing the survival of a species or stock.

Finally, the committee intends to establish that existing permits, issued prior to the enactment of these amendments, are automatically modified to be consistent with these amendments. Thus, for example, any terms or conditions that the Secretary has incorporated into existing permits that relate to actual public display of the marine mammals; in the inspection of public display facilities and related records; or the captive maintenance or the standards for the humane handling, care, treatment, and transportation of marine mammals after they are taken or imported pursuant to a permit to take or import for purposes of public display; are null and void.

I believe the changes adopted in the Merchant Marine and Fisheries Committee will clear up the confusion over public display.

Aquariums and zoos have faced substantial ambiguity in this area, but the language before us should solve this problem.

Mr. Speaker, again, I salute Chairman STUDDS, Congressman FIELDS, and Congressman YOUNG for their hard work on this issue. H.R. 2760 is an excellent bill, with strong bipartisan support. I urge the House to pass it without delay.

Ms. SNOWE. Mr. Speaker, I would like to thank Mr. STUDDS, Mr. SAXTON, Mr. YOUNG, and the other members of the committee for including language in H.R. 2760 to create a special committee of the Pinniped-Fishery Interaction Task Force that will study the problem of seal predation on aquaculture pens in Maine. Mainers and visitors to my State very much enjoy and appreciate the healthy populations of seals living along our coast. Seals account for a significant share of coastal Maine's great appeal to people all over the world.

But unfortunately, as Maine's salmon aquaculture industry has developed in recent years, some seals have begun to invade fish pens for an easy meal, damaging the pens and releasing fish in the process. The Maine aquaculture industry estimates the cost of this damage in the millions of dollars. Not all seals exhibit this predatory behavior, but the ones that do seem to repeat their predations. Clearly, something must be done to ensure the peaceful coexistence of both seals and the aquaculture industry on the coast of Maine.

The special committee of the Pinniped-Fishery Interaction Task Force will analyze the problem in Maine, identify existing nonlethal means of mitigation, recommend research on additional means of mitigation, and examine whether limited intentional lethal takes of seals should be permitted if nonlethal alternatives do not succeed in protecting salmon pens from seals. The committee membership will include industry officials, State officials, environmentalists, and scientists from the affected region, and the bill requires the special committee to submit its report within 2 years of enactment.

The special committee idea represents a considered response to the seal-aquaculture interaction problem in Maine, and I look forward to the constructive contribution that the special committee's work will make to a responsible resolution of the problem.

Mr. Speaker, I intend to support H.R. 2760, but not without a serious reservation. Section 9 of the bill on commercial fishing operations establishes a goal of reducing by-catch for marine mammals stocks designated as strategic below the level of potential biological removal within 1 year of the completion of a take reduction plan. I fear that in the case of the harbor porpoise, this goal could be too ambitious for the Maine gillnet industry.

In New England, gillnet interactions have contributed significantly to the decline of the harbor porpoise species, which is now estimated at about 47,200 animals in the Gulf of Maine. Gillnetters in Maine with whom I have spoken express a sincere regret that harbor porpoises become entangled in their nets and drown. They respect and appreciate the harbor porpoise, as do any of us here today, and they are determined to reduce their by-catch of the species. In fact, harbor porpoise/gillnet interactions in the Gulf of Maine appear to have declined dramatically from 2,400 animals in 1990 to 900 in 1992.

Under amendment 5 to the northeast multispecies fishery management plan, gillnet fishermen will be required to substantially reduce harbor porpoise by-catch, initially through time-area closures. Harbor porpoise by-catch will almost certainly continue to decline as a result of these measures.

But if, in the future, these time-area closures expand and become too long, and the area covered too large, fishermen could be put out of business. Luckily, research conducted to date on pinger devices, which emit unpleasant sounds that deter porpoises from gillnets, has been promising. Although more research is needed, pingers could help meet the dual goals of protecting the harbor porpoise population in the Gulf of Maine while giving fishermen a chance to make a living.

I firmly believe that the Maine gillnet fleet will find a way to reduce its by-catch below PBR in a manner which enables them to keep fishing, but 1 year, as proposed in the bill, may be too short. I requested a 4-year deadline period to meet PBR, but the committee declined my request.

While I am disappointed that the committee could not accommodate the Maine gillnet fleet, I should point out that the bill only establishes a 1-year goal, not a hard compliance deadline, so I do not expect fishermen to be penalized for not meeting this ambitious goal if they are making a serious effort to reduce by-catch.

In the meantime, I appreciate the committee's strong encouragement, in the bill report, of the National Marine Fisheries Service's continued involvement with gillnet gear modification research, particularly with regard to pinger devices. This technology could provide a big part of the answer in resolving the gillnet-harbor porpoise interaction problem.

Again, I thank the committee for responding to my request on seal-aquaculture interactions in Maine, and I look forward to working with the committee in the future on the harbor porpoise/gillnet issue.

Mr. MCDERMOTT. Mr. Speaker, I commend the Merchant Marine and Fisheries Committee and, in particular, its distinguished chairman, the gentleman from Massachusetts [Mr. STUDDS], for the long hours of work dedicated to bringing this bill to the floor. From the opening days of the 103d Congress, the chairman and the committee have struggled with this complex and contentious legislation.

At the heart of the committee's quandary was the question of when, and under what circumstances, to sanction the killing of a marine mammal. Many residents of the Pacific Northwest are justifiably upset over the alarming decline of the region's anadromous fish populations. And marine mammal species that consume large numbers of weak salmon stocks understandably are targets of this frustration.

The committee's struggle mirrors one that has been ongoing in my district at the Hiram M. Chittendon Locks for more than a decade. Commonly called the Ballard Locks, this facility is the site of perhaps the most publicized and controversial encounter between marine mammals and a fish species. Each year from January to May, as they gather in the channel leading to the Locks, California sea lions are estimated to consume up to 60 percent of a Lake Washington Steelhead run now on the brink of extinction.

To be sure, the California sea lions that appear annually at the Ballard Locks are not to blame for the decline of the Lake Washington steelhead runs. That blame is more fairly attributed to the decades of urban development that has destroyed valuable spawning habitat, altered natural river courses, and poured pollution into our waters.

But it has become clear that the survival of the steelhead may depend upon the option to kill the sea lions that feed upon them at the Ballard Locks. Annually, more than 1,600 returning steelhead are needed to sustain the population, but so far this winter fewer than 50 fish have passed through the fish ladder at the locks. As the number of spawning steelhead returning from open sea declines, it becomes all the more critical to protect them from predation by sea lions at the locks. For this reason, I am not opposed to the provision in this bill which allows States to petition the Secretary of Commerce for permission to remove sea lions by lethal means.

Also, I am supportive of the task force established in this legislation to advise the Secretary on all matters related to the management and protection of marine mammals. In the long run, a task force embracing diverse opinion will improve our understanding and management of marine mammals and their interaction with fish stocks.

However, these two measures alone do not address adequately the current crisis my constituents are facing at the Ballard Locks. Last November, I formed a local task force that recommended immediate steps to be taken to protect the current run of spawning steelhead from sea lion predation. Among the recommendations was a fish tracking study to be conducted by the appropriate State and Federal fisheries agencies. This study is the first of this kind in which scientists have been able to track movement of fish through the area of predation at the locks, and it is critical that we continue to build upon the knowledge we gain from this study.

I have been working with the Merchant Marine and Fisheries Committee staff and members of the committee from the Pacific Northwest to amend the Marine Mammal Protection Act to authorize additional money for the purpose of identifying and constructing fish passage and fish ladder improvements at the Ballard Locks to aid in the recovery of salmonid fishery stocks. This authorization would help my constituents pursue any reasonable measure to protect steelhead and minimize predation upon them by sea lions. Although this authority may already exist in the abstract, congressional direction is necessary to give our efforts the high priority they merit.

Although the committee did not act upon my request for additional language, it is my steadfast belief that that language must be included in the final bill. As the bill is moving under suspension of the rules, I hope to ensure that this issue is addressed in conference. I understand that Senators MURRAY and GORTON have included language in the Senate bill similar to that which I proposed in the House. I hope that the issue can be resolved when the

House and Senate meet to reconcile their versions of the Marine Mammal Protection Act, at which point I will be pleased to support the bill.

In my efforts to resolve the conflict at the Ballard Locks, I have learned that we can overcome disagreements over management of marine mammals if we respect the values inherent in the diverse positions. No one I have encountered wants to kill sea lions for frivolous reasons. And no one wants to stand by while the Lake Washington steelhead run disappears. Having recognized the validity of the various sides, it is possible to move toward a reasonable common ground, and I appreciate the efforts of the Merchant Marine and Fisheries Committee to do so.

Mr. MANTON. Mr. Speaker, I want to compliment my distinguished colleague, Mr. STUDDS, the chairman of the Committee on Merchant Marine and Fisheries, for his leadership and diligence in bringing this important bill to the floor. As always, he has endeavored to craft a reasonable and meaningful piece of legislation which, while not necessarily to everyone's liking, effectively addresses a multitude of complex and emotional issues.

H.R. 2760, a bill to reauthorize the Marine Mammal Protection Act, is the result of many months of hard work and negotiations between Members of Congress, the administration, fisheries interests, and environmental and conservation organizations. The bill is the culmination of a bipartisan and an open, inclusive process which should serve as a model for future such undertakings.

Mr. Speaker, I understand there are some who are still not satisfied with particular provisions of this legislation, and I can understand and certainly appreciate their concerns. The complexity of this act and the emotional nature of the issues at hand virtually necessitates that not everyone is going to agree with each and every tough choice that has been made or compromise which has been hammered out in order for this legislation to reach the floor today. However, I believe they do themselves and their cause a disservice by challenging the motifs of the chairman and the open process under which this legislation was developed. I cannot think of another chairman or committee that are as willing and capable of developing a major piece of legislation in a more fair manner.

As the chairman of the Subcommittee on Fisheries Management, I am particularly pleased we are moving expeditiously on this matter. The Nation's commercial fishing interests are facing a deadline of April 1, 1994. If we do not pass and the President does not sign the reauthorization bill into law by this date, virtually all commercial fisheries in our country will be brought to a standstill. This is clearly an unacceptable situation, and I believe the passage of this legislation is the right way to proceed at this time.

Mr. Speaker, I also want to take this opportunity to address another provision of the pending legislation which is of importance to me. I believe, as we pursue these amendments to the Marine Mammal Protection Act, we must strongly reaffirm public display of marine mammals as one of the primary means of educating the public, providing much-needed research, and fostering concern for these majestic creatures of the sea. Anything less would be a disservice to the American public. I believe this legislation accomplishes this goal.

I understand that more than 105 million people a year visit the zoos, marine parks, and aquariums of the United States. These institutions have played an undeniable role in educating the public and arousing their interest in conservation and environmental issues.

Mr. Speaker, I am pleased that New York City can claim some of the Nation's most highly regarded zoos and aquariums, including the Central Park Wildlife Center and the Aquarium for Wildlife Conservation. In most instances, the people who come to the zoo or aquarium could not see wild animals in any other setting—including such relatively common marine mammals as seals and sea lions. By visiting zoos and aquariums, the average citizen has an excellent opportunity to learn about these animals and gain an appreciation for the need to protect them and their habitats.

The amendments regarding public display are intended to establish clear public policy regarding the regulation or activities affecting marine mammals in zoological settings. During the past 5 years, the zoological and scientific communities have faced a confusing and inconsistent regulatory regime which they have sought to clarify either through regulation or legislation. Many in the display community believe their permit applications have been unreasonably delayed and seemingly unnecessary and burdensome conditions have been attached to such permits.

Mr. Speaker, it is our intent by this legislation to reaffirm that the standards for the humane handling, care, treatment, and transportation of marine mammals are established under the Animal Welfare Act [AWA] and are developed and administered exclusively by the Animal Plant Health Inspection Service [APHIS] within the Department of Agriculture. These amendments to the MMPA, therefore, clearly establish that the National Marine Fisheries Service has no role or authority to regulate the captive maintenance of marine mammals.

Section 102(a) of the act has been amended by deleting the words "for any purpose or any way connected to the taking of marine mammals." The deleted words are now replaced by the words to "take or import." In addition, the words "and after" in section 104(c)(1) were deleted. The intent of these amendments is to clarify that the conditions that the Secretary may include in a section 104(c) permit concerning the "supervision, care, and transportation that must be observed pursuant to such taking or importation" only pertain to the actual take from the wild—that is, capture and collection—or import, but not to the subsequent supervision, care, and transportation of marine mammals in captivity.

The legislation also makes clear that the permits that NMFS may issue under the MMPA to take or import marine mammals for purpose of public display are, as has always been the case, one-time permits that need not be renewed by NMFS periodically once the marine mammal is taken or imported. They are, as has been the case since the original passage of the MMPA, permits to individuals or entities in relation to the take or import of specific marine mammals.

Mr. Speaker, therefore, once a marine mammal is taken or imported pursuant to a permit, then it, or its progeny, will no longer require any additional permit or authorization in order to be possessed, sold or purchased, transported, exported, or offered to be sold or purchased if the persons involved in any subsequent possession, sale, purchase, transportation, export, or offer for sale or purchase, meet the requirements that would be necessary under the MMPA to obtain a permit for purposes of public display, or scientific research or enhancing the survival of a species or stock. As such this language clarifies that any person to whom a marine mammal is transferred does not need to obtain a permit to possess that marine mammal.

We also intend by these amendments to establish the policy that determinations made by the Secretary of Commerce with regard to education or conservation programs are limited to whether programs are based on professionally recognized standards of the public display community—such as, but not limited to, standards already in place for members of the American Zoo and Aquarium Association. The Secretary does not have the authority under this provision to establish any standards or regulations regarding education or conservation programs. This amendment to the current law is consistent with the first amendment of the Constitution which essentially prohibits the Government from issuing content-based regulations.

We also believe that a person should have the same rights with respect to the progeny of a marine mammal taken or imported under section 104(c) as those rights granted for the take of a marine mammal for public display.

Finally, we intend to establish that existing permits, issued prior to the enactment of these amendments, are automatically modified to be consistent with these amendments.

Again, Mr. Speaker, I commend the gentleman, and offer my appreciation to the majority and minority staffs of the Merchant Marine and Fisheries Committee for their fine work in bringing this legislation to fruition.

Mr. FIELDS of Texas. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2760, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the Marine Mammal Protection Act of 1972 for 6 fiscal years, to establish a new regime to govern the incidental taking of marine mammals in the course of commercial fishing operations, and for other purposes."

A motion to reconsider was laid on the table.

BALLAST WATER MANAGEMENT ACT

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3360) to direct the Secretary of Transportation to demonstrate on vessels ballast water management technologies and practices, including vessel modification and design, that will prevent aquatic nonindigenous species from being introduced and spread in the United States waters, as amended.

The Clerk read as follows:

H.R. 3360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ballast Water Management Act".

SEC. 2. EVALUATION.

(a) Subsection 1102(a) of Public Law 101-646 (16 U.S.C. 4712(a)) is amended by adding the following new paragraph at the end—

"(4) NATIONAL BALLAST WATER MANAGEMENT EVALUATION.

"(A) Subject to the availability of appropriations, the Task Force shall contract with the Marine Board of the National Research Council to identify and evaluate ballast water management technologies and practices that prevent the introduction and spread of nonindigenous species through ballast water discharged into United States waters.

"(B) In conducting the evaluation, the Marine Board shall consider, at a minimum, ballast water management technologies and practices identified in the study prepared under paragraph (3).

"(C) In conducting the evaluation, the Marine Board shall identify, at a minimum, ballast water management technologies and practices that—

"(1) may be retrofitted on existing vessels or incorporated in new vessel designs;

"(2) are operationally practical;

"(3) are safe for vessel and crew;

"(4) are environmentally sound;

"(5) are cost effective;

"(6) the vessel operator can monitor; and

"(7) are effective against a broad range of nuisance organisms.".

(b) Subsection 1102(c) of Public Law 101-646 (16 U.S.C. 4712(c)) is amended by adding the following new paragraph at the end—

"(3) NATIONAL BALLAST WATER MANAGEMENT EVALUATION REPORT.—Not later than one year after the date of enactment of the Ballast Water Management Act, the Task Force shall submit to the appropriate Committees a report on the results of the evaluation conducted under paragraph (4) of subsection (a).".

SEC. 3. NATIONAL BALLAST WATER MANAGEMENT DEMONSTRATION PROGRAM.

(a) Section 1202 of Public Law 101-646 (16 U.S.C. 4722) is amended by—

(1) redesignating subsection (k) as subsection (l); and

(2) inserting after subsection (j) the following—

"(k) NATIONAL BALLAST WATER MANAGEMENT DEMONSTRATION PROGRAM.

"(1) AUTHORIZATION.—Following the submission of the evaluation authorized under section 1102(a)(4) and subject to the availability of appropriations under section 1301(e), the Administrator of the Maritime Administration, in consultation with the Task Force, shall conduct a national ballast water management demonstration program to test and evaluate ballast water management technologies and practices, including those identified in the evaluation authorized under paragraph 1102(a)(4), to prevent the introduction and spread of nonindigenous species through ballast water discharged into United States waters.

"(2) CRITERIA.—In carrying out the demonstration program authorized under this subsection, the Administrator of the Maritime Administration shall use vessels that are documented under chapter 121 of title 46, United States Code, including vessels operating on the Great Lakes. Any necessary ballast water management technology installation or construction on a vessel used in the demonstration program shall be performed by a United States shipyard or ship repair facility.

"(3) AUTHORITIES.—In conducting the demonstration program under this subsection, the Task Force and the Administrator of the Maritime Administration may accept donations of property and services.".

(b) Subsection 1202(l), as redesignated by this Act, is amended by adding the following new paragraph at the end—

"(3) Not later than one year after the submission of the evaluation authorized under section 1102(a)(4) and periodically as necessary to report new findings, the Administrator of the Maritime Administration, in consultation with the Task Force, shall submit to the appropriate Committees a report on the results of the demonstration program conducted under subsection (k).".

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

Section 1301 of Public Law 101-646 (16 U.S.C. 4741) is amended by adding the following new subsection at the end—

"(e) NATIONAL BALLAST WATER MANAGEMENT EVALUATION AND DEMONSTRATION PROGRAM.—There are authorized to be appropriated to the Director and the Under Secretary $150,000 for fiscal year 1995 and to the Administrator of the Maritime Administration $1,850,000 for fiscal year 1996, to remain available until expended, to carry out the evaluation authorized under section 1102(a)(4) and the demonstration program authorized under section 1202(k).".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Ballast Water Management Act has a laudable goal—stopping the spread of aquatic nuisances in the Great Lakes and other U.S. waters. Ten years ago, no one has ever heard of the zebra mussel, a now quite infamous aquatic pest which entered the Great Lakes in the ballast water of vessels coming from foreign ports. Today, we have more zebra mussels in the Great Lakes than we know what to do with. They are clogging pipes and costing local economies millions if not billions of dollars to control. And they are spreading to other waterways.

Merchant Marine Subcommittee Chairman LIPINSKI has come up with an innovative proposal to help stop the proliferation of these unwanted critters by testing new vessel technologies to prevent the introduction and dispersal of aquatic nuisances. His proposal calls upon the Marine Board of the National Research Council to identify new technologies and practices that can keep aquatic nuisances from being transferred via ship ballast water. After the Marine Board completes its evaluation, the Maritime Administration will conduct a demonstration of potentially useful technologies identified by the Board on vessels which ply U.S. waters.

I support Chairman LIPINSKI's approach and urge the bill's passage by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3360, the Ballast Water Management Act, authored by my friend, Chairman LIPINSKI of Illinois.

I remember when the Members of the Great Lakes delegation asked us to support their battle against the zebra mussel. We may have thought it was a bad science fiction movie, but nonindigenous species are certainly not a laughing matter.

In fact, economic losses from the zebra mussel, which hitchhiked its way into the Great Lakes via ballast water, may equal $3.4 billion. Moreover, the Office of Technology Assessment has concluded that nonnative aquatic species are a threat to the entire Nation. After the extensive flooding in the Midwest washed most of the Mississippi River and its tributaries through New Orleans, I expect to see zebra mussels and other unwanted visitors in the Gulf of Mexico any day now.

The need for further research on ballast water as a means of spreading unwanted aquatic species is clear. Ships need ballast water to ensure the safety of the vessel and its crew. However, over 15 million gallons of ballast water are discharged into U.S. waters every year. Because many of these vessels drew ballast water into their tanks in foreign ports, you can only imagine what harmful species may be lurking there waiting to take up residence in the United States. In addition, vessels which draw in infested U.S. waters can spread aquatic nuisance species to other U.S. ports and to other countries.

Chairman LIPINSKI's bill will help stop this spread of infestation. The bill builds on the existing work now being conducted by the Secretary of Transportation and the Federal Interagency Aquatic Nuisance Species Task Force under the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990. The bill mandates an evaluation of ballast water management technologies and practices and directs the Administrator of the Maritime Administration to put the most promising of these technologies and practices to the test on actual vessels so that we can gauge their effectiveness, practicality, and cost.

Both the evaluation and demonstration program are subject to the availability of appropriations. Given the current budget situation, and the charge that the Federal Government merely hands out directives to Federal agencies without providing the funding for them, I believe this is a reasonable approach.

In closing, Mr. Speaker, I urge my colleagues to vote "aye" on H.R. 3360.

Mr. KINGSTON. Mr. Speaker, on Saturday, March 5, I was honored to participate in a change of command ceremony aboard the U.S.S. *Canopus* [AS 34] which is a submarine tender assigned to the Kings Bay Naval Submarine Base in my district. As Admiral Ellis, the base commander, toured me around following the ceremony, he mentioned an activity, the cleaning and removal of aquatic nuisance biological species—including nonindigenous species—from the ballast and seawater system components of Navy ships, which I immediately thought you and our subcommittee should hear about.

During testimony on H.R. 3360 last year, I did not hear any mention of the apparently lengthy and exhaustive research which has been undertaken by the U.S. Navy in the area of prevention and control of harmful native and nonnative aquatic organisms. Yet, it would appear that the Navy has been working on this problem for more than 7 years, and has made significant progress in developing an effective control methodology.

I believe this information may have an important bearing upon our action regarding H.R. 3360. When I returned from Kings Bay, I asked my staff to find out which firms were involved with the Navy on this project, and I have since visited with one such contractor briefly. I was impressed enough to suggest that they visit with the staff of the subcommittee, and have tried to let our chairman and ranking member know of these facts which could lead to improvements in H.R. 3360 as we move on through the legislative process.

I have no desire to impede progress, and I wholeheartedly support the goals embodied in H.R. 3360. However, it would appear that we might be missing a great opportunity to make the final measure even better by not acknowledging the ongoing efforts of the Navy and its contractors and somehow taking advantage of the expertise to improve the cost effectiveness and timeliness of our evaluation and demonstration program under the bill.

Both the chairman of our subcommittee and our ranking member [Mr. FIELDS] have indicated a willingness to learn more about the Navy's research program and the technologies which have been developed. Thus, I am certain that as H.R. 3360 moves from the House to the Senate that we can anticipate the incorporation of language either in the bill or in reports which would direct the task force to confer with the Navy and its contractors in building upon their research in this important field.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 3360, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to demonstrate ballast water management technologies, and practices on vessels, including vessel modification and design, that will prevent aquatic nonindigenous species from being introduced and spread in United States waters."

The motion to reconsider was laid on the table.

RECREATIONAL BOATING SAFETY IMPROVEMENT ACT OF 1994

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3786) to amend title 46, United States Code, to establish requirements to ensure safe operation of recreational vessels, to require allocation of State recreational boating safety program assistance based on State adoption of laws regarding boating while intoxicated, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Recreational Boating Safety Improvement Act of 1994".

SEC. 2 PERSONAL FLOTATION DEVICES REQUIRED FOR CHILDREN.

(a) PROHIBITION.—Section 4307(a) of title 46, United States Code, is amended—

(1) in paragraph (2) by striking "or" after the semicolon at the end;

(2) in paragraph (3) by striking the period and inserting "; or"; and

(3) by adding at the end the following:

"(4) operate a recreational vessel under 26 feet in length unless each individual 12 years of age or younger wears a Coast Guard approved personal flotation device when the individual is on an open deck of the vessel.".

(b) STATE AUTHORITY PRESERVED.—Section 4307 of title 46, United States Code, is further amended by adding at the end the following:

"(c) Subsection (a)(4) shall not be construed to limit the authority of a State to establish requirements relating to the wearing of personal flotation devices on recreational vessels that are more stringent than that subsection.".

SEC. 3. ALLOCATION OF FUNDS BASED ON STATE ADOPTION OF LAWS REGARDING BOATING WHILE INTOXICATED.

Section 13103 of title 46, United States Code, is amended—

(1) by redesignating subsections (a), (b), and (c) in order as subsections (b), (c), and (d);

(2) by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a)(1) Beginning in fiscal year 1998, of the amounts transferred to the Secretary each fiscal year pursuant to section 4(b) of the Act of August 9, 1950 (16 U.S.C. 777c(b)), the Secretary shall allocate for State recreational boating safety programs $10,000,000 as follows:

"(A) One-half shall be allocated in accordance with paragraph (2) among eligible States that—

"(i) prohibit operation of a recreational vessel by an individual who is under the influence of alcohol or drugs; and

"(ii) establish a blood alcohol concentration limit of .10 percent or less.

"(B) One-half shall be allocated in accordance with paragraph (2) among eligible States that—

"(i) prohibit operation of a recreational vessel by an individual who is under the influence of alcohol or drugs; and

"(ii) establish an implied consent requirement that specifies that an individual is deemed to have given their consent to evidentiary testing for their blood alcohol concentration or presence of other intoxicating substances.

"(2) Of the amount allocated under subparagraph (A) or (B) of paragraph (1) each fiscal year—

"(A) one-half shall be allocated equally among all eligible States receiving an allocation under that subparagraph for the fiscal year; and

"(B) one-half shall be allocated among those eligible States so that each such State receives an amount bearing the same ratio to the total amount allocated under that subparagraph for the fiscal year as the number of vessels numbered in that State under a system approved under chapter 123 of this title bears to the total number of vessels numbered under approved systems of all States receiving an allocation under that subparagraph for the fiscal year.";

(3) in subsection (b) (as so redesignated) in the matter preceding paragraph (1) by inserting "the balance of remaining" after "allocate"; and

(4) by adding at the end the following new subsection:

"(e) A State shall not be ineligible for an allocation under subsection (a) because of the adoption by the State of any requirement relating to the operation of a recreational vessel while under the influence of alcohol or drugs that is more stringent than the requirements for receiving the allocation.".

SEC. 4. MARINE CASUALTY REPORTING.

(a) SUBMISSION OF PLAN.—Not later than one year after enactment of this Act, the Secretary of Transportation shall, in consultation with appropriate State agencies, submit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a plan to increase reporting of vessel accidents to appropriate State law enforcement officials.

(b) PENALTIES FOR VIOLATING REPORTING REQUIREMENTS.—Section 6103(a) of title 46, United States Code, is amended by inserting "or 6102" after "6101" the second place it appears.

SEC. 5. REQUIRING VIOLATORS TO TAKE RECREATIONAL BOATING SAFETY COURSE.

(a) NEGLIGENT OPERATION.—Section 2302 of title 46, United States Code, is amended by adding at the end the following:

"(e) An individual operating a recreational vessel in violation of this section shall complete a boating safety course approved by the Secretary.".

"(b) OTHER VIOLATIONS.—Section 4311 of title 46, United States Code, is amended by adding at the end the following:

"(h) A person who operates a recreational vessel in violation of this chapter or a regulation prescribed under this chapter may be ordered to complete a recreational boating safety course approved by the Secretary.".

SEC. 6. TECHNICAL CORRECTIONS.

Section 13108(a)(1) of title 46, United States Code, is amended by—

"(1) striking "proceeding" and inserting "preceding"; and

"(2) striking "Secertary" and inserting "Secretary".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, recreational boating safety is one of those areas where legislation Congress passed has actually worked. Since the Federal Boat Safety Act was enacted in 1971, the national recreational boating fatality rate has declined five-fold, from over 20 fatalities per 100,000 boats in 1971 to 4 per 100,000 in 1992.

However, a recent National Transportation Safety Board [NTSB] study of recreational boating accidents identified several areas where more could be done. For example, over half of all boating accidents involve alcohol and only nine States have comprehensive boating-while-intoxicated laws. Second, 85 percent of the persons who drowned in boating accidents were not wearing lifejackets. Third, no more than 22 percent of first time boat operators have taken even a basic boating safety course. Finally the NTSB found that accident reporting is poor and that the reports submitted are incomplete.

This bill addresses these four problems. First, to increase the use of personal floatation devices, the bill requires children 12 years old and under to wear lifejackets on the open deck of vessels 26 feet or less in length. Second, to reduce boating accidents involving alcohol, the bill provides financial incentives for States to adopt comprehensive boating-while-intoxicated laws. Third, to improve the safety record of boaters, the bill requires boat operators who are convicted of drunk boating or negligent operations to take a Coast Guard-approved boating safety course. Finally, to improve accident reporting, the bill establishes a penalty for boaters who do not report accidents to appropriate State officials.

This is a good bill. It enjoys the support of the boating public, and I urge all Members to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3786, the Recreational Boating Safety Improvement Act of 1994. This bill contains the most important requirements of my bill, H.R. 2812, the Recreational Boating Safety Act of 1993.

I am pleased that the House is acting on this important legislation today, and I hope that the President will have an opportunity to sign the bill into law before the summer boating season. I want to thank the distinguished chairman of the Merchant Marine and Fisheries Committee for his cooperation and hard work in expediting consideration of this important piece of legislation.

Boating deaths are the second-largest category of transportation fatalities, exceeded only by highway deaths. Alcohol is a contributing factor in at least half of all boating accidents. Nearly 85 percent of all persons who drown in recreational boating accidents are not wearing lifejackets, and only 37 States require individuals aboard recreational vessels to wear lifejackets.

I believe that we must act now to require our children to wear lifejackets to protect them from drowning in boating accidents. H.R. 3786 requires children 12 years and younger to wear a lifejacket or other Coast Guard-approved floatation device aboard recreational vessels under 26 feet in length. Second, we must crack down on violators of boating-while-intoxicated [BWI] laws, and encourage the States to enact tougher BWI laws. H.R. 3786 requires individuals who commit serious boating law violations to take a boating safety course, and provides $10 million in additional boating safety funds for States that enact tough BWI laws.

One of the most important safety issues not mentioned in this bill concerns the approval of fully inflatable lifejackets by the Coast Guard. I will be following the Coast Guard's action on fully inflatables in the future to ensure that the Coast Guard has made satisfactory progress toward approval of fully inflatable lifejackets for use by the boating public.

Unfortunately, Mr. Speaker, the President has proposed to cut the State boating safety grant program as part of his fiscal year 1995 budget. That program is fully funded by the fuel taxes paid by recreational boaters, and it is wrong to ask recreational boaters to pay the tax without the benefits of State boating safety programs.

I think that we should spend more, not less, of the fuel tax paid by recreational boaters for the important boating safety purpose for which it is collected. Boating safety should be a Coast Guard priority, and targeting more fuel tax dollars in this area will ensure that boating safety issues get the attention they deserve.

Mr. Speaker, this legislation will save lives and reduce the number of injuries that occur on America's waterways each year. H.R. 3786 has been endorsed by the American Academy of Pediatrics, the National Association of State Boating Law Administrators, and the National Marine Manufacturers Association. I urge my colleagues to vote "aye" on this important legislation.

Mr. TAUZIN. Mr. Speaker, I rise today to urge the passage of H.R. 3786, the Recreational Boating Safety Improvement Act of 1994, as amended. I introduced H.R. 3786 after combining the most important provisions of two previous bills which I and the distinguished ranking member of the Committee on Merchant Marine and Fisheries, the Honorable JACK FIELDS of Texas, introduced last year to improve recreational boating safety.

I would also like to thank the distinguished chairman of the Committee on Merchant Marine and Fisheries, the Honorable GERRY STUDDS, for his leadership, endorsement, and prompt consideration of H.R. 3786. This comprehensive, bipartisan bill is the result of a concerted effort by many organizations involved in boating safety to improve Federal laws and funding.

Mr. Speaker, H.R. 3786 will create a Federal requirement for the mandatory wearing of lifejackets for children, encourage States to adopt important boating-while-intoxicated laws, require the Secretary of Transportation to submit a plan to increase the reporting of vessel accidents to State law enforcement officials, and require boating safety violators to take a boating safety course.

Boating can be a safe and enjoyable experience if certain minimum steps are taken, such as requiring lifejackets for children and having general boating safety knowledge. In July 1993, a boating accident occurred in Arkansas which tragically illustrated the problem. Five of the seven victims were children ranging in age from 18 months to 10 years, none of whom were wearing lifejackets. Lifejackets could have saved these innocent lives.

H.R. 3786 will significantly improve the ability of States and the Coast Guard to protect the safety of thousands of Americans who enjoy boating on our Nation's waterways, such as children who are often less skilled, physically and emotionally immature, and generally unable to care for themselves. As a strong supporter of boating safety, I am confident that passage of this new legislation will save countless children's lives, take drunk boaters off the water, provide for better accident reporting, and educate those who violate our boating safety laws.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 3786, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING BOUNDARIES OF THE FLOWER GARDEN BANKS NATIONAL MARINE SANCTUARY

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3886) to amend the boundaries of the Flower Garden Banks National Marine Sanctuary, as amended.

The Clerk read as follows:

H.R. 3886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FLOWER GARDEN BANKS BOUNDARY MODIFICATION.

(a) MODIFICATION.—Notwithstanding section 304 of the National Marine Sanctuaries Act (16 U.S.C. 1434), the boundaries of the Flower Garden Banks National Marine Sanctuary, as designated by Public Law 102-251, are amended to include the area described in subsection (d), popularly known as Stetson Bank. This area shall be part of the Flower Garden Banks National Marine Sanctuary and shall be managed and regulated as though it had been designated by the Secretary of Commerce under the National Marine Sanctuaries Act.

(b) DEPICTION OF SANCTUARY BOUNDARIES.—The Secretary of Commerce shall—

(1) prepare a chart depicting the boundaries of the Flower Garden Banks National Marine Sanctuary, as modified by this section; and

(2) submit copies of this chart to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

(c) APPLICATION OF REGULATIONS.—Regulations issued by the Secretary of Commerce to implement the designation of the Flower Garden Banks National Marine Sanctuary shall apply to the area described in subsection (d) unless modified by the Secretary. This subsection shall take effect 45 days after the date of enactment of this Act.

(d) AREA DESCRIBED.—

(1) IN GENERAL.—Except as provided in paragraph (2), the area referred to in subsections (a), (b), and (c) is the area that is—

(A) generally depicted on the Department of the Interior, Minerals Management Service map titled "Western Gulf of Mexico, Lease Sale 143, September 1993, Biologically Sensitive Areas, Map 3 of 3, Final";

(B) labeled "Stetson" on the High Island Areas South Addition diagram on that map; and

(C) within the 52 meter isobath.

(2) MINOR BOUNDARY ADJUSTMENTS.—The Secretary of Commerce may make minor adjustments to the boundaries of the area described in paragraph (1) as necessary to protect the living coral resources of Stetson Bank or to simplify administration of the Flower Garden Banks National Marine Sanctuary.

(e) PUBLICATION OF NOTICE.—

(1) IN GENERAL.—The Secretary of Commerce shall, as soon as practicable after the date of the enactment of this Act, publish in the Federal Register a notice describing—

(A) the boundaries of the Flower Garden Banks National Marine Sanctuary, as modified by this section, and

(B) any modification of regulations applicable to that Sanctuary that are necessary to implement that modification of the boundaries of the Secretary.

(2) TREATMENT AS NOTICE REQUIRED UNDER NATIONAL MARINE SANCTUARIES ACT.—A notice published under paragraph (1) shall be considered to be the notice required to be published under section 304(b)(1) of the National Marine Sanctuaries Act (16 U.S.C. 1434).

SEC. 2. TRANSFER.

Of amounts appropriated by Public Law 103-139 to the Department of the Navy for Shipbuilding and Conversion, Navy, the Secretary of the Navy shall transfer $8,000,000 not later than April 15, 1994, to the Administrator of the Maritime Administration for the Conversion of the USNS CHAUVENET to a training ship for the Texas Maritime Academy's Training Program.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3886 amends the boundaries of the Flower Garden Banks National Marine Sanctuary to include a small area known as Stetson Bank.

The gentleman from Texas [Mr. ORTIZ] who admirably serves as the chairman of our Oceanography Subcommittee, was the sponsor of the original legislation that established Flower Garden Banks as a national marine sanctuary. He introduced H.R. 3886 to provide the same protection for Stetson Bank by making it a part of the sanctuary. He is to be commended for both actions.

This sanctuary was established in 1992 to protect the northernmost coral reef on the U.S. continental shelf. A nearby area, Stetson Bank, is a three-quarter square mile shoal know for a spectacular array of marine life. However, damage to that marine life from anchoring, shell collecting, and spearfishing led to calls from scientists and the sport diving community to protect the area.

This bill provides that protection. This is a wise, cost-effective effort to protect vital marine resources in the Gulf of Mexico and I urge the House to adopt this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this bill introduced by my friend and colleague, chairman SOLOMON ORTIZ.

The bill expands the boundaries of the Flower Garden Banks National Marine Sanctuary, located approximately 110 miles offshore Galveston, TX, to include Stetson Bank. The Stetson Bank area is part of the northernmost coral reef in the continental shelf of North America. It is blanketed with hard corals, sponges, 253 known invertebrate species, and its is home for scores of tropical fish, giant sea turtles, hammerhead sharks, and manta rays.

This abundant sea life is an important underwater ecosystem but, regrettably, in recent years certain irresponsible individuals have inflicted great harm on these marine resources. Although mooring buoys are installed in the bank, corals and sponges are being crushed by anchors from large vessels using nearby shipping channels. Spearfishing is decimating the fish populations and coral is being removed by divers.

In recognition of this growing problem, forward-thinking Gulf of Mexico diving groups, as well as the manager of the Flower Garden Banks Sanctuary, believe that folding this .75-acre site into the existing sanctuary would effectively protect these resources for future generations. Stetson Bank has been designed by the Minerals Management Service as a no activity zone, and the area is not used by commercial fishermen. I know of no opposition to this measure, and Chairman ORTIZ should be commended for his ongoing and outstanding leadership in seeking to protect the Stetson Bank.

Mr. Speaker, I urge adoption of this measure and hope that we will be able to have it enacted before the diving season begins this summer to afford Stetson Bank the full protection of the law.

Mr. ORTIZ. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, H.R. 3886 amends the boundaries of the Flower Garden Banks Marine Sanctuary to include a nearby bank known as Stetson Bank. The Flower Garden Banks Sanctuary was established by Congress in 1992 and has been a model for the entire National Marine Sanctuary Program.

The Sanctuary Program has demonstrated our ability to preserve and protect valuable marine resources, such as the coral reefs of the Flower Garden Banks, while sustaining the important multiple uses of the surrounding marine environment.

H.R. 3886 will add to the existing sanctuary a small coral bank of less than 1 square mile known as Stetson Bank. This bank is renown for its spectacular array of fish and invertebrates and is a common destination for scuba divers.

However, its value has caused it to come under increasing pressure from anchor damage, spearfishing, and shell collectors. In response, local scientists and sport diving groups have led an effort to put the bank under protection.

Including Stetson Bank within the sanctuary boundary will place the bank under the existing sanctuary management plan. This will provide the same protections for Stetson Bank as are in place for the existing Flower Gardens Bank Sanctuary.

These protections will ensure that the valuable resources of Stetson Bank are preserved and that the bank will continue to be a popular site for the recreational dive industry.

Mr. Speaker, I especially want to thank Chairman STUDDS and the ranking member, Mr. FIELDS, and their respective staffs for all the help they have provided on this matter.

I believe this is a small but significant piece of legislation, and I urge my colleagues to support it.

Mr. Speaker, I yield back the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 3886, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION GREAT LAKES IMPROVEMENTS ACT

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1394) to improve coordination of National Oceanic and Atmospheric Administration Great Lakes activities, as amended.

The Clerk read as follows:

H.R. 1394

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Oceanic and Atmospheric Administration Great Lakes Improvements Act".

SEC. 2. GREAT LAKES OFFICE.

(a) ESTABLISHMENT.—The Under Secretary may establish and maintain within the Administration a Great Lakes Office in the Washington, District of Columbia area.

(b) PURPOSE.—The purpose of the Great Lakes Office shall be to promote and coordinate Administration research, monitoring, and assessment work in the Great Lakes region consistent with the goals of the Great Lakes Water Quality Agreement.

(c) DIRECTOR.—The Director of the Great Lakes Office shall be an individual with extensive knowledge and expertise in the Great Lakes ecosystem, and with appropriate administrative experience.

SEC. 3. GREAT LAKES REPORT.

(a) CONTENTS.—Subject to the availability of appropriations under section 5 of this Act, the Under Secretary, in consultation with the Director of the Great Lakes Office if established, shall prepare and submit to Congress an annual Great Lakes Report. The Report shall provide information relating to Great Lakes ecosystem research, monitoring, and assessment, including—

(1) the individual activities, projects, or proposals conducted by the Administration in the previous fiscal year, including a summary of funds expended in support of these activities, projects, or proposals;

(2) the amount of funds received from the Administration by each State or local government unit bordering the Great Lakes;

(3) the amount of funds received by individuals or institutions residing or located within a State bordering the Great Lakes;

(4) an inventory of Administration facilities and personnel located in a State bordering the Great Lakes or in the Great Lakes used to conduct or support Administration-funded activities, projects, or proposals in the Great Lakes, including vessels;

(5) the proposed Administration activities, projects, and proposals to benefit the Great Lakes ecosystem for the current fiscal year, including requested funds; and

(6) a proposal for increasing the presence of the Administration in the Great Lakes, and improving the coordination of research within the Administration and with other entities, including the Government of Canada.

(b) DEADLINE.—Subject to the availability of appropriations under section 5 of this Act, the Under Secretary shall submit the Great Lakes Report to Congress by October 1 of 1995, 1996, 1997, and 1998.

SEC. 4. DEFINITIONS.

In this Act—

(1) the term "Administration" means the National Oceanic and Atmospheric Administration;

(2) the term "Great Lakes" means—

(A) Lake Erie, Lake Huron, Lake Michigan, Lake Ontario, and Lake Superior;

(B) their connecting waters, including the St. Marys River, the St. Clair River, Lake St. Clair, the Detroit River, and the Niagara River; and

(C) the St. Lawrence River;

(3) the term "Great Lakes Water Quality Agreement" means the bilateral agreement between the United States and Canada which was signed in 1978 and amended by the Protocol of 1987; and

(4) the term "Under Secretary" means the Under Secretary of Commerce for Oceans and Atmosphere.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Under Secretary to carry out this Act $100,000 for each of the fiscal years 1994, 1995, 1996, 1997, and 1998.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1394 was introduced by Mr. STUPAK to establish, within the National Oceanic and Atmospheric Administration [NOAA], a Great Lakes Office in the Washington, DC area.

One may ask why a Great Lakes Office in Washington, DC? Would not Kalamazoo be better? In a word, no. The purpose of this office would be to promote and coordinate activities of national programs that conduct research, monitoring, and environmental assessment in the Great Lakes region. These programs at NOAA and other agencies are managed from the national capitol area. The bill also requires an annual report to Congress on NOAA activities in the Great Lakes.

This bill unanimously passed the Merchant Marine and Fisheries Committee last week, and I urge the House to adopt it.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in qualified support of this bill.

While I concede that the Great Lakes are a tremendous national and international resource—almost on a par with the Gulf of Mexico—I do not feel that a Washington, DC-based regional office to coordinate and promote the Great Lakes work of the National Oceanic and Atmospheric Administration [NOAA] is necessary.

When Congressman Bob Davis introduced an identical measure in 1991, I understand he was expressing his frustration that NOAA had failed to establish a Great Lakes Research Office as required under section 118 of the Clean Water Act. However, NOAA established this office in January 1993, at the Great Lakes Environmental Research Laboratory in Ann Arbor. Therefore, the need for the office is much less pressing.

I also question the costs involved. The President's fiscal year 1995 budget cuts NOAA's coastal and ocean programs significantly. In fact, two programs specific to the Great Lakes, the Great Lakes Environmental Research Laboratory and the National Sea Grant College zebra mussel initiative, are sliced by over $3.6 million. I think our first priority is to restore these programs and ensure that valuable research, environmental assessment, and navigation aids continue in the Great Lakes. The money would be better spent there than on desks and paper clips in Washington, DC.

However, the version of the bill reported from the Merchant Marine and Fisheries Committee is much improved. It leaves to the NOAA Administrator the decision to establish a Great Lakes Office. This is an appropriate exercise of executive authority. In addition, the detailed NOAA Great Lakes report to Congress is now subject to appropriations and limited to 4 years. Given the proliferation of reporting requirements, and NOAA's spotty track record for producing timely and useful reports, I believe these are fair limitations.

With these changes, I ask my colleagues to support H.R. 1394 as reported by the Committee on Merchant Marine and Fisheries.

Mr. STUPAK. Mr. Speaker, I rise today in support of H.R. 1394, a bill to improve the coordination of National Oceanographic and Atmospheric Administration Great Lakes activities. I would like to thank the House leadership, as well as Chairmen ORTIZ and STUDDS, for moving expeditiously to have this bill considered in the Subcommittee on Oceanography, the full Merchant Marine and Fisheries Committee, and finally on the floor of the House.

H.R. 1394 would create a Washington, DC,-based NOAA Great Lakes office to coordinate and promote Great Lakes activities within

NOAA. The creation of such an office would improve NOAA's credibility with the Great Lakes scientific and resource management communities and provide a much needed focus on the unique aquatic environmental problems confronting the Great Lakes. Other agencies such as the Environmental Protection Agency and the U.S. Fish and Wildlife Service have such coordinating offices for the Great Lakes. Given NOAA's important role in the basin, I believe the creation of such an office is long overdue.

The Great Lakes region faces a number of important challenges which require direct attention. These problems include toxic pollution of the water, contaminated sediments, fish and wildlife abnormalities, fluctuating water levels, and the infestation of exotic aquatic species such as sea lamprey, zebra mussels and the European ruffe.

The moneys associated with this proposal are minimal and the benefits that would result from enactment of this bill are substantial. Mr. Speaker, it is time for the Great Lakes to receive the attention they deserve. I urge the House to pass H.R. 1394 and allow NOAA to more efficiently tackle the problems that confront the Great Lakes.

Mr. ORTIZ. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, H.R. 1394, the NOAA Great Lakes Improvement Act, authorizes NOAA to establish a Great Lakes office in Washington. The purpose of this office would be to promote and coordinate Federal research, monitoring, and assessment work in the Great Lakes region. The bill also directs NOAA to submit to Congress an annual report providing information relating to Great Lakes ecosystem research, monitoring, and assessment.

I have worked closely on this matter with the author of the bill, Mr. STUPAK, and I want to commend the gentleman for his spirit of cooperation in this regard, and I urge my colleagues to support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 1394, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1300

NATIONAL COASTAL RESOURCES DEVELOPMENT ACT OF 1993

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2063) to amend existing law relating to the National Coastal Resources Research and Development Institute.

The Clerk read as follows:

H.R. 2063

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Coastal Resources Development Act of 1993".

SEC. 2. AMENDMENTS RELATING TO NATIONAL COASTAL RESOURCES RESEARCH AND DEVELOPMENT INSTITUTE.

(a) ADMINISTRATION OF INSTITUTE.—Section 201(a) of the Act entitled "An Act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972 for fiscal years 1985 through 1988, and for other purposes" (16 U.S.C. 1463b(a)) is amended by striking "by the Oregon State Marine Science Center" and inserting "by the Oregon State System of Higher Education".

(b) FUNCTIONS OF INSTITUTE.—Section 201(b) of such Act (16 U.S.C. 1463b(b)) is amended to read as follows:

"(b) The Institute shall promote the economic growth and prosperity of the United States by transferring research and technology into applications to improve the economic, environmental, and social well-being of the Nation's coastal communities and the competitiveness of coastal businesses.".

(c) MEMBERSHIP OF BOARD OF GOVERNORS.—Section 201(c)(1) of such Act (16 U.S.C. 1463b(c)(1)) is amended to read as follows:

"(c)(1) The policies of the Institute shall be determined by a Board of Governors composed of—

"(A) 1 representative appointed by the Chancellor of the Oregon State System of Higher Education; and

"(B) 1 representative of each of the following regions, appointed jointly by Governors of the States comprising that region:

"(i) The Alaska region, consisting of Alaska.

"(ii) The Northwest Pacific Coast region, consisting of Oregon and Washington.

"(iii) The Southwest Pacific Coast region, consisting of California.

"(iv) The Pacific Islands region, consisting of Hawaii, American Samoa, and Guam.

"(v) The Great Lakes region, consisting of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Minnesota.

"(vi) The Gulf Coast region, consisting of Texas, Louisiana, Mississippi, and Alabama.

"(vii) The South Atlantic and Caribbean region, consisting of South Carolina, Georgia, Florida, Puerto Rico, and the U.S. Virgin Islands.

"(viii) The Mid-Atlantic region, consisting of Delaware, Maryland, Virginia, and North Carolina.

"(ix) The North Atlantic region, consisting of New Jersey, New York, Connecticut, Rhode Island, Massachusetts, New Hampshire, and Maine.".

(d) ADVISORY COUNCIL.—Section 201(d)(1) of such Act (16 U.S.C. 1463b(d)(1)) is amended by inserting "and leaders in coastal communities and businesses" after "community".

(e) CONFORMING AMENDMENT.—Section 201(e) of such Act (16 U.S.C. 1463b(e)) is amended by striking "Oregon Board of Higher Education" and inserting "Oregon State System of Higher Education".

(f) REPORTS.—Section 201(g) of such Act (16 U.S.C. 1463b(g)) is amended to read as follows:

"(g) The Institute shall report to the Congress on its activities annually, and shall report to the Secretary of Commerce in a like manner biennially.".

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2063 was introduced by our colleague, Ms. FURSE, to fine tune the mission of the National Coastal Resources Research and Development Institute [NCRI]. Since 1984, NCRI has supported research, education, and technology transfer to promote the responsible development of coastal resources.

The bill seeks to emphasize the role of the Institute in promoting the economic and environmental well-being of coastal communities through research and technology transfer. NCRI currently is overseen by a Board of Governors that represents only Pacific coastal States. H.R. 2063 requires a Board with representation from all the coastal regions of the United States, making the program truly national in scope. In addition, the bill improves oversight of the Institute by adding a requirement for it to report annually to Congress on its activities.

Let me emphasize that we are not creating a new program here; we are simply making improvements to an existing one. The Institute has done fine work in Massachusetts and around the country. The bill is not controversial and I urge the House to support its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while I will not object to H.R. 2063, I must admit that I remain unconvinced as to the justification and overall need for the National Coastal Resources Research and Development Institute.

In the last ten years, the Institute has kept a low profile, funding small projects which took basic coastal research conducted under other Federal programs and applying it in the real world, with an emphasis on economic invigoration of our coasts. The program has been criticized, though, as lacking a clear focus and restricting its funds to the Pacific Northwest.

Therefore, I applaud the changes stipulated in Congresswoman FURSE's bill. H.R. 2063 reconstitutes the Board of Governors, which sets the policies of the Institute and gives final approval of any projects, to include representatives from nine coastal regions. Current Board membership is limited to six persons appointed by the Governors of Alaska, California, Hawaii, Oregon, and Washington. This change recognizes that the program is a national one despite its Oregon base. I know that the Institute has funded several recent aquaculture and tourism projects in Gulf States, although unfortunately none were located in Texas. It is my hope that with a seat on the Board, this can be remedied in the future.

I also support two other changes to the existing program made by H.R. 2063. The first tightens the language setting forth the purposes of the Institute to emphasize the need for economic growth of coastal communities and improving the competitiveness of coastal businesses. These are areas now overlooked by Federal research and development programs, and clearly differentiate the Institute's role in coastal issues from that of the National Sea Grant College Program.

The second brings coastal community and business leaders into the Advisory Council, which advises the Board of Governors on funding proposals. Because the focus of the Institute's program is really on real-world coastal economic development, these are the people who really should be involved in the decision-making process, rather than those from the academic field who now make up the Council.

Mr. Speaker, I urge the bill's adoption and I reserve the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Oregon, [Ms. FURSE], for a brief and concise statement by the author of the bill.

Ms. FURSE. Mr. Speaker, I would like to express my sincere appreciation to Chairman STUDDS and Chairman ORTIZ for their assistance in guiding this important piece of legislation through committee and bringing it to the House floor.

The subject of H.R. 2063 is the National Coastal Resources Research and Development Institute, more commonly referred to as NCRI. Created by Congress in 1984, NCRI's mission is to help strengthen and diversify coastal economies through partnerships between local businesses and the scientific community. My bill will expand and strengthen the work of this important Institute.

Since its creation, NCRI has invested more than $6 million in 81 projects throughout 25 coastal States. These projects apply and evaluate innovative technologies and economic strategies in a aquaculture, business and community development, coastal tourism and recreation, commercial fisheries, and marine and seafood technology and product development. Examples of NCRI projects along Oregon's coast include creating a spring chinook fishery in Young's Bay, using new approaches for water front revitalization in Warrenton, creating new products from Pacific whiting, and advancing a new, cost effective welding technology for ship repair. NCRI has been similarly useful elsewhere in the coastal United States, through such projects as the evaluation of harvesting techniques needed to support a sustainable urchin fishery in the Gulf of Maine, the creation of a self-sustaining tourism marketing program for rural Louisiana communities, and the development of a management framework for the Chesapeake Bay aquaculture industry.

Extrapolating from those past successes, every dollar invested in NCRI can be expected to yield an estimated $400 increase in coastal revenues within a 10 to 15 year period. In this time of tight budgets, that's the kind of cost effective assistance businesses and communities want and need.

I introduced H.R. 2063, the National Coastal Resources Development Act of 1993, last May to strengthen and broaden the services that NCRI provides. Specifically, my bill will clarify the Institute's mission: broaden its Board of Directors to include a more national membership; expand its advisory Council to include coastal community leaders and businesses; direct NCRI to report periodically to Congress and the Secretary of Commerce on its activities; and make several technical corrections.

By making these changes, H.R. 2063 will allow NCRI to more effectively accomplish its important mission throughout all of coastal America.

Today's consideration of H.R. 2063 is very timely—last week we received the devastating news that there will not be any commercial salmon fishery season this year along the northern Oregon and Washington coastline due to our rapidly dwindling salmon populations. This is particularly bad news when our coastal communities are already struggling to cope with ongoing cutbacks in the fishing and timber industries. I know the Northwest experience is not unique and that other coastal regions are facing similar declines in their fisheries. More than ever, our coastal communities need the assistance that programs like NCRI's can provide—to help them diversify their economies, adopt innovative technologies and develop new products.

I urge my colleagues to join me in supporting NCRI's work and our Nation's coastal businesses and residents by voting "yes" for H.R. 2063.

Mr. ORTIZ. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

Mr. Speaker, H.R. 2063, the National Coastal Resources Development Act amends existing law relating to the National Coastal Resources Research and Development Institute. The Institute provides grants to transfer marine research and technology to the commercial sector.

The bill clarifies the Institute's mission and expands the membership of the Board of Governors and the Advisory Council. The effect of the bill is to make the Institute more national in scope by having a Board of Governors with nationwide membership.

I think that H.R. 2063 is a good bill. I congratulate my colleague from Oregon, Ms. FURSE, for her efforts in this regard, and I urge the House to support the bill.

Mr. Speaker, I yield back the balance of my time.

Ms. FURSE. Mr. Speaker, I would like to express my sincere appreciation to Chairman Studds and Chairman Ortiz for their assistance in guiding this important piece of legislation through committee and bringing it to the House floor.

The subject of H.R. 2063 is the National Coastal Resources Research and Development Institute, more commonly referred to as NCRI. Created by Congress in 1984, NCRI's mission is to help strengthen and diversify coastal economies through partnerships between local businesses and the scientific community. My bill will expand and strengthen the work of this important Institute.

Since its creation, NCRI has invested more than $6 million in 81 projects throughout 25 coastal States. Based on a competitive review process, NCRI funds projects which apply and evaluate innovative technologies and economic strategies in a aquaculture, business and community development, coastal tourism and recreation, commercial fisheries, and marine and seafood technology and product development. Examples of NCRI projects along Oregon's coast include creating a spring chinook fishery in Young's Bay, using new approaches for waterfront revitalization in Warrenton, creating new products from Pacific whiting, and advancing a new, cost effective welding technology for ship repair. NCRI has been similarly useful elsewhere in the coastal United States, through such projects as the evaluation of harvesting techniques needed to support a sustainable urchin fishery in the Gulf of Maine, the creation of a self-sustaining tourism marketing program for rural Louisiana communities, and the development of a management framework for the Chesapeake Bay aquaculture industry.

Extrapolating from these past successes, every dollar invested by NCRI can be expected to yield an estimated $400 increase in coastal revenues within a 10 to 15 year period. In this time of tight budgets, that's the kind of cost effective assistance businesses and communities want and need.

I introduced H.R. 2063, the National Coastal Resources Development Act of 1993, last May to strengthen and broaden the services that NCRI provides. Specifically, my bill will:

Clarify the Institute's mission;

Broaden its Board of Directors to include a more national membership;

Expand its Advisory Council to include coastal community leaders and businesses;

Direct NCRI to report periodically to Congress and the Secretary of Commerce on its activities; and

Make several technical corrections.

By making these changes, H.R. 2063 will allow NCRI to more effectively accomplish its important mission throughout all of coastal America.

NCRI's program is unique. While other Federal programs, such as the National Sea Grant Program's Marine Advisory Service, fund applied marine research projects, NCRI is the only program that takes new laboratory-developed technologies and evaluates their commercial feasibility in a real world setting through partnerships with private industry and scientists. NCRI is practical and result-oriented where other programs are only theoretical.

Today's consideration of H.R. 2063 is very timely—last week we received the devastating news that there will not be any commercial salmon fishery season this year along the northern Oregon and Washington coastline due to our rapidly dwindling salmon populations. This is particularly bad news when our coastal communities are already struggling to cope with ongoing cutbacks in the fishing and timber industries. I know the Northwest experience is not unique and that other coastal regions are facing similar declines in their fisheries. More than ever, our coastal communities need the assistance that programs like NCRI's can provide—to help them diversify their economies, adopt innovative technologies and develop new products.

I urge my colleagues to join me in supporting NCRI's work and our Nation's coastal businesses and residents by voting yes for H.R. 2063.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2063.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONVEYING TO THE STATE OF MINNESOTA THE NEW LONDON NATIONAL FISH HATCHERY PRODUCTION FACILITY

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3664) to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility.

The Clerk read as follows:

H.R. 3664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF NEW LONDON NATIONAL FISH HATCHERY PRODUCTION FACILITY.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law and within 180 days after the date of the enactment of this Act, the Secretary of the Interior shall convey to the State of Minnesota without reimbursement all right, title, and interest of the United States in and to the property comprising New London National Fish Hatchery production facility, located outside of downtown New London, Minnesota, including—

(1) all easements and water rights relating to the property, and

(2) all land, improvements, and related personal property comprising that production facility.

(b) USE OF PROPERTY.—All property and interests conveyed under this section shall be used by the Minnesota Department of Natural Resources for the fishery resources management program.

(c) REVERSIONARY INTEREST.—All right, title, and interest in and to all property and interests conveyed under this section shall revert to the United States on any date on which any of the property or interests are used other than for the Minnesota fishery resources management program.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3664, introduced by the gentleman from Minnesota [Mr. MINGE] directs the Secretary of the Interior to convey ownership of the New London National Fish Hatchery in New London, MN, to the State of Minnesota.

The hatchery is part of the National Fish Hatchery Program of the U.S. Fish and Wildlife Service. Its primary function is to raise sportfish, like walleye, bass, channel catfish, and muskie—and I don't mean Ed—for State stocking programs. Although considered a part of the Federal program, New London Hatchery operations have been funded and administered by the Minnesota Department of Natural Resources since 1983 at a cost of $75,000 a year. Once the property has been transferred, the State would continue to assume these costs as well as the costs of any repairs or upgrades to the facility that may be necessary, resulting in a cost savings to the Federal Government.

Should the State decide at some time in the future that it no longer wants or needs to operate the hatchery or wants to use the facility for some other purpose, ownership of the facility and the land would revert back to the Federal Government.

The bill is supported by both the State of Minnesota and the U.S. Fish and Wildlife Service, and I urge Members to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, while the Merchant Marine and Fisheries Committee has not held any hearings on H.R. 3664, I have no objection to this legislation.

This bill would transfer the title of the New London National Fish Hatchery facility from the U.S. Fish and Wildlife Service to the State of Minnesota's Department of Natural Resources. The legislation conveys all rights, title, and interest of the United States to the State of Minnesota. This includes all property, buildings, water rights, and easements of the New London facility.

It is my understanding that the hatchery has been operated by the Minnesota Department of Natural Resources for the Fish and Wildlife Service under a memorandum of agreement [MOA] since 1983. This MOA, which was extended in 1993, expires in 1998.

The hatchery facility is actually located on two separate pieces of land. One is located outside the town of New London and is owned by the Fish and Wildlife Service. The other is located within the town of New London; the State had owned the property but transferred it to the Fish and Wildlife Service in 1939.

Finally, the bill stipulates that this property will revert back to the Federal Government if the State of Minnesota decides it no longer wishes to operate the property as a fishery resource management facility.

Mr. Speaker, it is my understanding that the Fish and Wildlife Service supports this transfer, and that this transfer would actually save the Federal Government money.

Mr. MINGE. Mr. Speaker, I rise today in support of H.R. 3664, a bill to transfer ownership of the New London National Fish Hatchery production facility to the State of Minnesota.

In 1983, the Minnesota Department of Natural Resources began leasing the New London facility from the U.S. Fish and Wildlife Service. In doing so, the State of Minnesota assumed responsibility for all operational costs, maintenance, and liability. However, without legal ownership of the fish hatchery, the State was limited in its ability to make needed improvements. In fact, no major maintenance or upgrades to the production facility have been made in 10 years. The transfer of this fish production facility to Minnesota will allow the State to make necessary fish culture improvements, conduct annual maintenance as needed, and ultimately improve the quality of Minnesota's fisheries program.

The passage today of this needed legislation will be a good example of how State and Federal Government can cut through bureaucratic gridlock and get work done.

Mr. FIELDS of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 3664.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

NATIONAL FISH AND WILDLIFE FOUNDATION IMPROVEMENT ACT OF 1994

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the Senate

bill (S. 476) to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act, as amended.

The Clerk read as follows:

S. 476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT

SEC. 101. SHORT TITLE.

This title may be cited as the "National Fish and Wildlife Foundation Improvement Act of 1994".

SEC. 102. COOPERATIVE PROGRAMS WITH NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.

Section 2(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701) is amended by inserting "and the National Oceanic and Atmospheric Administration" after "the United States Fish and Wildlife Service".

SEC. 103. MEMBERSHIP OF BOARD OF DIRECTORS OF FOUNDATION.

(a) CONSULTATIONS REGARDING APPOINTMENTS.—

(1) IN GENERAL.—Section 3(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702(b)) is amended by adding at the end the following: "The Secretary of the Interior shall consult with the Under Secretary of Commerce for Oceans and Atmosphere before appointing any Director of the Board.".

(2) APPLICATION.—The amendment made by paragraph (1) shall apply to appointments of Directors of the Board of Directors of the National Fish and Wildlife Foundation made after the date of the enactment of this Act.

(b) EXPANSION OF BOARD.—Section 3(a) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702(a)) is amended—

(1) in the matter preceding paragraph (1) by striking "nine" and inserting "15"; and

(2) in paragraph (2) by striking "three" and inserting "4".

(c) INITIAL TERMS.—Of the Directors on the Board of Directors of the National Fish and Wildlife Foundation first appointed pursuant to the amendment made by subsection (b)(1), notwithstanding the second sentence of section 3(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702(b))—

(1) 2 shall be appointed to a term of 2 years;

(2) 2 shall be appointed to a term of 4 years; and

(3) 2 shall be appointed to a term of 6 years;

as specified by the Secretary of the Interior at the time of appointment.

(d) COMPLETION OF APPOINTMENTS.—The Secretary of the Interior shall appoint the additional members of the Board of Directors of the National Fish and Wildlife Foundation authorized by the amendment made by subsection (a), by not later than 60 days after the date of the enactment of this Act.

(e) AUTHORITY OF BOARD NOT AFFECTED.—The authority of the Board of Directors of the National Fish and Wildlife Foundation to take any action otherwise authorized by law shall not be affected by reason of the Secretary of the Interior not having completed the appointment of Directors of the Board of Directors of the National Fish and Wildlife Foundation pursuant to the amendment made by subsection (b)(1).

SEC. 104. REAUTHORIZATION OF NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT.

(a) REAUTHORIZATION.—Section 10 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709) is amended—

(1) in subsection (a) by striking "not to exceed $15,000,000" and all that follows through the end of the sentence and inserting "$25,000,000 for each of fiscal years 1994, 1995, 1996, 1997, 1998."; and

(2) by adding at the end the following:

"(c) ADDITIONAL AUTHORIZATION.—The amounts authorized to be appropriated under this section are in addition to any amounts provided or available to the Foundation under any other Federal law.".

(b) CLERICAL AMENDMENT.—Section 10(b)(1) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709(b)(1)) is amended by striking "paragraphs (2) and (3)", and inserting "paragraph (2),".

SEC. 105. CONVEYANCE OF SENECAVILLE NATIONAL FISH HATCHERY.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law and within 180 days after the date of the enactment of this Act, the Secretary of the Interior shall convey to the State of Ohio without reimbursement all right, title, and interest of the United States in and to the property known as the Senecaville National Fish Hatchery, located in Senecaville, Ohio, including—

(1) all easements and water rights relating to that property, and

(2) all land, improvements, and related personal property comprising that hatchery.

(b) USE OF PROPERTY.—All property and interests conveyed under this section shall be used by the Ohio Department of Natural Resources for the Ohio fishery resources management program.

(c) REVERSIONARY INTEREST.—All right, title, and interest in and to all property and interests conveyed under this section shall revert to the United States on any date on which any of the property or interests are used other than for the Ohio fishery resources management program.

TITLE II—BROWNSVILLE WETLANDS POLICY CENTER

SEC. 201. SHORT TITLE.

This title may be cited as the "Brownsville Wetlands Policy Act of 1994".

SEC. 202. ESTABLISHMENT OF WETLANDS POLICY CENTER AT THE PORT OF BROWNSVILLE, TEXAS.

(a) ESTABLISHMENT OF CENTER.—For purposes of utilizing grants made by the United States Fish and Wildlife Service there may be established in accordance with this title, on property owned or held in trust by the Brownsville Navigation District at the Port of Brownsville, Texas, a wetlands policy center which shall be known as the "Brownsville Wetlands Policy Center at the Port of Brownsville, Texas" (in this title referred to as the "Center"). The Center shall be operated and maintained by the Port of Brownsville with programs to be administered by the University of Texas at Brownsville.

(b) MISSION OF THE CENTER.—The primary mission of the Center shall be to utilize the unique wetlands property at the Port of Brownsville and adjacent waters of South Texas to focus on wetland matters for the purposes of protecting, restoring, and maintaining the Lagoon Ecosystems of the Western Gulf of Mexico Region.

(c) BOARD OF DIRECTORS.—The Center shall be governed by a Board of Directors to oversee the management and financial affairs of the Center. The Board of Directors shall be cochaired by the Port of Brownsville, the University of Texas at Brownsville, and the designee of the Director of the Fish and Wildlife Service, and shall include as members other representatives considered appropriate by those cochairs.

(d) OVERSIGHT OF THE CENTER.—

(1) ANNUAL REPORT.—The Board of Directors of the Center shall prepare an annual report and submit it through the Director of the United States Fish and Wildlife Service to the Congress.

(2) CONTENTS.—Annual reports under this subsection shall cover the programs, projects, activities, and accomplishments of the Center. The reports shall include a review of the budget of the Center, including all sources of funding received to carry out Center operations.

(3) AVAILABILITY OF INFORMATION.—The Board of Directors of the Center shall make available all pertinent information and records to allow preparation of annual reports under this subsection.

(4) GENERAL ACCOUNTING OFFICE.—The Comptroller General of the United States shall periodically submit to the Congress reports on the operations of the Center.

SEC. 203. GRANTS.

The Director of the United States Fish and Wildlife Service shall, subject to the availability of appropriations, make grants to the Center for use for carrying out activities of the Center.

SEC. 204. LEASE.

The Director of the United States Fish and Wildlife Service, subject to the availability of appropriations, may enter into a long-term lease with the Port of Brownsville for use by the Center of wetlands property owned by the Port of Brownsville. Terms of the lease shall be negotiated, and the lease shall be signed by both parties, prior to the disposal of any Federal funds pursuant to this title. The lease shall include a provision authorizing the Director to terminate the lease at any time.

SEC. 205. OTHER REQUIREMENTS.

As conditions of receiving assistance under this title—

(1) the University of Texas at Brownsville shall make available to the Center for fiscal years 1994, 1995, 1996, and 1997—

(A) administrative office space;

(B) classroom space; and

(C) other in-kind contributions for the Center, including overhead and personnel; and

(2) the Port of Brownsville shall make available up to 7,000 acres of Port Property for the programs, projects, and activities of the Center.

The Board of Directors of the Center shall include in their annual report under section 202(d) a statement of whether these conditions have been met.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Director of the United States Fish and Wildlife Service $5,000,000 for fiscal year 1994, $4,000,000 for fiscal year 1995, $4,000,000 for fiscal year 1996; and such sums as may be necessary for fiscal year 1997, for making grants to the Center under section 203, including for use for the establishment, operation, maintenance, and management of the Center.

SEC. 207. RELATIONSHIP OF CENTER WITH THE CENTER FOR ENVIRONMENTAL STUDIES AND SERVICES, CORPUS CHRISTI, TEXAS.

None of the funds appropriated pursuant to this title may be used to relocate any of the administrative operations of the United States Fish and Wildlife Service from the

Center for Environmental Studies and Services Building on the campus of Corpus Christi State University, to the Brownsville Wetlands Policy Center at the Port of Brownsville, Texas, established pursuant to this title.

TITLE III—WALTER B. JONES CENTER FOR THE SOUNDS AT THE POCOSIN LAKES NATIONAL WILDLIFE REFUGE

SEC. 301. FINDINGS.

The Congress finds the following:

(1) The Pocosin Lakes National Wildlife Refuge, located in northeastern North Carolina, provides unique opportunities for observing and interpreting the biological richness of the region's estuaries and wetlands.

(2) Although there are 10 national wildlife refuges in eastern North Carolina, not one has an educational or interpretative center for visitors.

(3) The State of North Carolina, Tyrrell County, the town of Columbia, the Conservation Fund, and private citizens have proposed to enter into a partnership with the United States Fish and Wildlife Service to establish an educational and interpretative facility to be known as the Center for the Sounds.

(4) Establishment of the Center for the Sounds would bestow economic benefits upon Tyrrell County and the town of Columbia.

(5) The Federal Government has designated the Albemarle-Pamlico estuary system of northeastern North Carolina as an estuary of national concern.

(6) Throughout his congressional career, the Honorable Walter B. Jones was a strong supporter of the National Wildlife Refuge System.

(7) During his years of service in the House of Representatives, Walter B. Jones supported the establishment and expansion of National Wildlife Refuges in eastern North Carolina; these include 6 new National Wildlife Refuges established in his district, including the Alligator River National Wildlife Refuge and the Pocosin Lakes National Wildlife Refuge, which are respectively the third largest and fifth largest National Wildlife Refuges east of the Mississippi River.

(8) Walter B. Jones helped increase refuge acreage in his district by over 303,000 acres, thus ensuring the protection of these lands for wildlife habitat and public recreation.

(9) Walter B. Jones' support for reintroducing endangered red wolves into the wild at Alligator River National Wildlife Refuge was a major factor in securing public acceptance of, and support for, this first successful effort to reintroduce endangered predators into formerly occupied habitat.

(10) Walter B. Jones devoted much of his congressional career, including his years as Chairman of the Merchant Marine and Fisheries Committee, to the conservation of fish and wildlife, for the benefit of the Nation and the people of North Carolina.

(11) Walter B. Jones should most appropriately be recognized for his work on behalf of fish and wildlife conservation by having the Center for the Sounds at the Pocosin Lakes National Wildlife Refuge System named in his honor.

SEC. 302. AUTHORITY TO CONSTRUCT AND OPERATE FACILITY.

The Secretary of the Interior may, subject to the availability of appropriations, construct and operate a facility at the Pocosin Lakes National Wildlife Refuge in Tyrrell County, North Carolina, which shall be known as the "Walter B. Jones Center for the Sounds", for the following purposes:

(1) Providing public opportunities, facilities, and resources to study the natural history and natural resources of northeastern North Carolina.

(2) Offering a variety of environmental educational programs and interpretive exhibits.

(3) Fostering an awareness and understanding of the interactions among wildlife, estuarine and wetland ecosystems, and human activities.

(4) Providing office space and facilities for refuge administration, research, education, and related activities.

SEC. 303. DESIGN.

The Secretary of the Interior shall ensure that the design, size, and location of a facility constructed under this title are consistent with the cultural and natural history of the area with which the facility will be concerned.

SEC. 304. COST SHARING.

The Secretary of the Interior may accept contributions of funds from non-Federal sources to pay the costs of operating and maintaining the facility authorized under this title, and shall take appropriate steps to seek to obtain such contributions.

SEC. 305. REPORT.

Not later than 6 months after the date of the enactment of this Act, the Secretary of the Interior shall submit a report to the Congress on progress made in designing and constructing a facility under this title, including steps taken under section 304 to obtain contributions and any such contributions that have been pledged to or received by the United States.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Texas [Mr. FIELDS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 476, the National Fish and Wildlife Foundation Improvement Act of 1994.

Since it was established by legislation from the Committee on Merchant Marine and Fisheries in 1984, the National Fish and Wildlife Foundation has funded almost 800 conservation projects in literally every corner of our Nation. By using a partnership approach, $90 million worth of conservation projects have been funded with only $28 million in Federal appropriations.

This bill applies the adage, "if it ain't broke, don't fix it." It makes only minor changes to this legislation: it expands the Foundation's Board of Directors from 9 members to 15; it gives explicit authority for the Foundation to work with the National Oceanic and Atmospheric Administration on marine conservation projects; and it authorizes Federal appropriations at the current level of $25 million per year for the next 5 years.

This bill also contains two other provisions. It authorizes the establishment of the Brownsville Wetlands Policy Center at the Port of Brownsville and directs the Secretary of the Interior to convey the Senecaville National Fish Hatchery to the State of Ohio. All of these provisions are identical to those contained in H.R. 2684, which overwhelmingly passed the House by a vote of 368 to 59 on November 3, last year. However, it does not include the section that authorizes the Secretary of the Interior to construct and operate the Walter B. Jones Center for the Sounds in North Carolina. The amendment that we are sending back to the Senate includes the Walter B. Jones Center which I understand has now been cleared in the other body.

Mr. Speaker, the provisions of this bill would enhance fish and wildlife research and management. I urge the Members to continue their strong support for these goals and pass this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FIELDS of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 476, a bill to reauthorize and improve the National Fish and Wildlife Foundation. I would note that this bill was adopted by the House in November 1993.

When legislation establishing the National Fish and Wildlife Foundation was adopted by this House almost a decade ago, we were all hopeful that the Foundation would be successful in forming partnerships to improve our country's ability to conserve our natural resources. I doubt any of us expected it to be as successful as it has been.

The Foundation has done an outstanding job of combining federally appropriated funds with private contributions. Since its creation in 1984, the Foundation has achieved a match ratio of between $2 to $4 for every Federal dollar appropriated. This has resulted in more than 873 grants, worth more than $108 million, for conservation projects throughout the United States and in 16 other countries.

We are all aware of the need to prioritize Federal spending. This legislation provides us with the opportunity to reauthorize a program that is exemplary in its use of Federal money and serves the valuable functions of promoting habitat conservation, environmental education, and natural resources management.

Under the terms of this legislation, the Fish and Wildlife Foundation would be reauthorized for 5 years at its current authorization level and their Board of Directors would be increased from 9 to 15 members.

Mr. Speaker, I also support the committee amendment to the bill. The language adds to the text a non-controversial fish and wildlife bill recognizing the years of service of the late Walter B. Jones of North Carolina. This language was previously adopted by the House, but inadvertently dropped by the Senate. This amendment corrects this situation.

Mr. Speaker, I support the adoption of this important legislation and urge my colleagues to support this bill as well.

Mr. Speaker, if I could, I would also like to point out to my colleagues that we on the Committee on Merchant Marine and Fisheries feel that we serve as an example to the House where Members of disparate ideologies and different philosophies can sit down and work with reason and promote and pass good and sound pieces of legislation, which we have done today.

Mr. Speaker, I yield back the balance of my time.

Mr. STUDDS. Mr. Speaker, I want to heartily second the observations of my distinguished ranking member, and also add that the provisions with regard to our late colleague, Walter Jones, have now been cleared of their previously inexplicable hurdle in the Senate, and I think the bill is now on its way. And once again I echo the very warm remarks of the gentleman from Texas.

Mr. LANCASTER. Mr. Speaker, I support S. 476, a bill to reauthorize the National Fish and Wildlife Foundation. It also authorizes the Walter B. Jones Center for the Sounds at the Pocosin Lakes National Wildlife Refuge in eastern North Carolina.

Walter B. Jones was our former colleague and chairman of the House Merchant Marine and Fisheries Committee. This bill authorizes the Secretary of the Interior to construct and operate the Walter B. Jones Center for the Sounds, which will serve as the headquarters for the Pocosin Lakes National Wildlife Refuge in Tyrrell County in eastern North Carolina.

This center will provide public opportunities and facilities so that children and adults may study the region's natural history and resources. It will offer environmental education programs and exhibits, and it will provide office space for the operation of the refuge. Any Federal spending will be subject to future appropriations, but we anticipate significant cost-sharing between the Department of the Interior and local and State governments. The exact cost of the center is not certain, although previous centers of this type have cost in the range of $2 million to $5 million. After the center is designed, we will be able to determine its cost more exactly.

Congressman Jones introduced in the 102d Congress legislation which would establish this center, but unfortunately, his death in 1992 intervened before it could be enacted. It was amended that year so that the center would become a memorial to him, and it subsequently was passed in the House of Representatives, but there was no action in the Senate before adjournment. This Congress, I introduced H.R. 2961, and it was approved by the House on September 21 by a vote of 425–0. Subsequently, similar language was included in H.R. 2684 which was approved by the House on November 3 by a vote of 368–59. So, during the 103d Congress, the House has already approved this language twice.

Walter B. Jones was chairman of the Committee on Merchant Marine and Fisheries for 12 years, but served on the committee for the entire 26 years of this career in Congress. He was an especially strong advocate for the National Wildlife Refuge System and during this term in Congress the Pocosin Lakes National Wildlife Refuge and several other refuges were established in his district. Over 303,000 acres in his district were added to refuges, in the then First District of North Carolina. Now, much of that lies within my district, the Third District.

There are 10 national wildlife refuges in eastern North Carolina, but not one has a visitors' center or educational facility.

The Pocosin Lakes Refuge was established with over 110,000 acres but through a land donation from the Conservation Fund, so that no Federal funds to this point have gone into acquisition of lands for this refuge.

This acreage extends over a wide area in parts of three counties, in one of the poorest regions of North Carolina. These counties, along with others in the region, have formed a consortium called the Partnership for the Sounds, to develop ecotourism as a draw to that region and as a source of economic growth for the region.

While many counties object to taking property out of their tax base to establish wildlife refuges, Tyrrell County, where the bulk of this wildlife refuge is located, has enthusiastically embraced wildlife refuges and the role that they in ecotourism. Officials there are pursuing a strategy to put that small county on the map as a center for study of ecology and the coastal estuaries and streams of eastern North Carolina. The Fish and Wildlife Service needs to recognize and reward such a positive attitude by the local officials. Establishment of the Center for the Sounds would do so.

We believe this is important legislation that will not only honor our former colleague and friend, Walter B. Jones, but will serve as an important educational tool for the people who will visit this region, and also as a headquarters for the refuge.

Mr. ORTIZ. Mr. Speaker, 3 years ago, I began to search for a legislative vehicle which would accomplish three basic objectives: to expand educational opportunities for young Hispanics; to study ways to preserve the delicate wetlands environment, particularly around industrial complexes along the border; and to find actual wetlands for scientists and students to examine in conjunction with academic pursuits.

First, I sought out the Port of Brownsville to see if they had an interest in moving forward a project with so many goals in mind. In an act of monumental generosity, the Port committed over 7,000 acres of valuable wetlands property adjacent to the Port Authority industrial complex—land which students and scientists could examine to discover the effects of industry on the fragile ecosystems of the wetlands in south Texas.

I wanted to create a center under which a consortium of colleges and universities could establish programs to provide research, training, and academic classes for minority undergraduate and graduate students in the field of wetlands environmental science, engineering, management, and policy. The natural partner for this enterprise was the University of Texas at Brownsville [UT–B].

From the beginning, we believed that academic institutions and scientists from other countries would become involved in the consortium. The participation of UT–B is important because it is an institution which already has an international component, as well as a student exchange program. Anticipating the passage and implementation of the North American Free-Trade Agreement [NAFTA], I felt that collaboration efforts on the study of wetlands by both the scientific community and the Governments of the United States and Mexico would be especially important.

I introduced the bill we call the Brownsville Wetlands Policy Center Act in the House Merchant Marine and Fisheries Committee, on which I serve, in July 1991. It was referred to a variety of committees, and the House did not act on it that year. I introduced a more focused version of the bill in August of 1992, and it was referred only to the Merchant Marine and Fisheries Committee. The committee passed the bill quickly, a compliment to all the time and energy of the people who helped develop the foundation for the bill.

In the fall of 1992, the House of Representatives passed the bill. The Senate did not have the opportunity to deal with the bill before Congress adjourned, so I introduced the bill again last year in the new Congress. When it was introduced this time, the only change we made was to make explicit the strength of the commitments by the Port of Brownsville and UT–B in terms of land, educational facilities, personnel, and other costs.

The new administration, particularly the U.S. Fish and Wildlife Service, was very helpful to me and my staff as we wrote the bill. The Fish and Wildlife Service was anxious both to help with the bill and participate in the science of studying the land. Senator HUTCHISON graciously agreed to sponsor the bill in the Senate, and the help and support of both she and Senator GRAMM guaranteed the congressional passage of this bill.

The Brownsville Wetlands Policy Center Act was eventually wrapped into a larger bill which incorporated a number of noncontroversial proposals approved by the Merchant Marine and Fisheries Committee—National Fish and Wildlife Foundation Improvement Act of 1993—and passed by the House in November 1993. The Senate passed the bill in March of this year, and it will be signed shortly by the President and become law.

The scope and the importance of the bill have grown since the passage of NAFTA. As more people show a genuine interest in preserving or cleaning up the environment in an age when our economic interests demand it, the Brownsville Wetlands Policy Center Act is a bold step in taking the lead to discover how best to accomplish that end. The field of environmental engineering has expanded for Hispanics, many of whom probably never thought that breaking into the field would be a matter of timing centered on international economic policy.

But with the attention of the Nation touching occasionally on environmental policy during the heat of the NAFTA debate, those of us who live along the international border with Mexico have a prime opportunity to create a better climate for improving the conditions of those who live here. Hispanics, particularly those who have lived along the border, have a firsthand knowledge of the language, customs, and traditions of their Mexican counterparts similarly involved in the study and improvement of the border environment.

This center will accomplish all the original purposes we set out to achieve—it will expand educational opportunities for young Hispanics; it will enable the study and preservation of the wetlands environment close to industrial complexes along the border; and, most importantly, it provides actual wetlands as an outdoor laboratory resource for scientists and students to examine in an industrial setting. This center, I believe, will attract scientists from all over the world to Brownsville for the study of wetlands preservation.

I am proud of what the good people of south Texas can do when we put our minds to it. I thank the Port of Brownsville, UT–B, the U.S. Fish and Wildlife Service, Senators HUTCHISON and GRAMM, Merchant Marine and Fisheries Committee Chairman GERRY STUDDS, Democrat of Massachusetts, and Congressman JACK FIELDS, Republican of Texas, the ranking minority member of the committee—all of whom were a great help in crafting the bill. But most of all, I thank the people in the community who saw a need, designed a solution, then saw it through to the end. The rewards of this endeavor will benefit the valley, and the rest of the border area, for a very long time.

Mr. STUDDS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the Senate bill, S. 476, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "A bill to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the several bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NEW JERSEY COASTAL HERITAGE TRAIL ROUTE AUTHORIZATION

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1574) to authorize appropriations for the Coastal Heritage Trail Route in the State of New Jersey; and for other purposes.

The Clerk read as follows:

S. 1574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of Public Law 100–515 (16 U.S.C. 1244 note) is amended—

(1) by striking "There" and inserting "(a) There"; and

(2) by adding at the end the following:

"(b)(1) Notwithstanding the provisions of subsection (a), there are hereby authorized to be appropriated to the Secretary to carry out the purposes of this Act $1,000,000, which is in addition to any sums appropriated for such purposes for use during fiscal years ending on or before September 30, 1993.

"(2) Funds appropriated pursuant to this subsection to carry out the purposes of this Act shall be used solely for technical assistance and the design and fabrication of interpretive materials, devices and signs. In addition to the limitation on funds contained in subsection (a), no funds made available under this subsection shall be used for operation, maintenance, repair or construction except for construction of interpretive exhibits.

"(3) The Federal share of any project carried out with funds appropriated pursuant to this subsection may not exceed 50 percent of the total cost for that project and shall be provided on a matching basis. The non-Federal share of such cost may be in the form of cash, materials or in-kind services fairly valued by the Secretary.

"(c) The authorities provided to the Secretary under this Act shall terminate five years after the date of enactment of this subsection.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Alaska [Mr. YOUNG] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1574, which passed the Senate on November 20, 1993, is a bill sponsored by Senator BRADLEY to raise the authorization ceiling for the New Jersey Coastal Heritage Trail Route. An identical bill (H.R. 3377) was introduced on the House side by Representative BILL HUGHES.

In 1988, legislation was enacted to authorize the Secretary of the Interior to designate the New Jersey Coastal Heritage Trail Route to enhance the public's understanding and appreciation of the New Jersey coast and its heritage. This vehicular tour route extends 275 miles along existing public roads from Perth Amboy in the north to Cape May in the south and northwest along the Delaware Bay shoreline. The National Park Service recently completed an implementation guide which presents the strategy for developing the trail route. The 1988 legislation limited the Federal financial contribution to $250,000 for this project. However, that amount has been exceeded and no additional funds can be appropriated unless the authorization is amended.

The Committee on Natural Resources adopted an amendment in the nature of a substitute to S. 1574 which made several changes in the bill to address concerns about the scope and cost of this project. The committee amendment limits future appropriations to $1 million in addition to the $1.2 million that has already been appropriated. Second, it limits the use of funds to those intended by the original legislation which are technical assistance for planning and for the design and construction of interpretive exhibits. Third, it requires that Federal funds be matched in the form of cash, materials, or in-kind services from non-Federal sources. The original legislation envisioned a partnership approach for developing the trail route and this match is in keeping with this partnership approach. Finally, the substitute terminates the role of the National Park Service 5 years after the date of enactment.

The substitute amendment provides an appropriate level of involvement for the National Park Service consistent with the original legislation. That legislation envisioned a limited short-term role for the National Park Service and not a permanent ongoing presence. The National Park Service has done a good job in completing an inventory of the natural and cultural resources and drafting an implementation guide for trail route. They will continue to be involved for up to 5 more years but their efforts will phase out and the long-term operation and interpretation should be left up to the State and local entities.

Mr. Speaker, S. 1574, as amended, would provide for a limited but important role for the National Park Service in this project. I urge Members to support this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of S. 1574.

Mr. THOMAS of Wyoming. Mr. Speaker, I rise in support of S. 1574, the Coastal Heritage Trail Route in the State of New Jersey. I appreciate Chairman VENTO'S efforts on this measure. We were able to agree on significant amendments that will both limit the amounts authorized to be spent over the next 5 years and the purposes for which those funds can be spent. Another very important amendment is the sunset provision, which will terminate the National Park Service's involvement in this project in 5 years from enactment. As the chairman knows, our side of the aisle is concerned about the extent of involvement of the Park Service and Federal dollars in these types of heritage areas.

Mr. Speaker, I urge enactment of S. 1574.

Mr. HUGHES. Mr. Speaker, I rise today in support of S. 1574, legislation to reauthorize the New Jersey Coastal Heritage Trail Route. This measure is similar to H.R. 3377, legislation I introduced the House of Representatives last session.

The New Jersey Coastal Heritage Trail was established by an act of Congress in October 1988 that was sponsored in the Senate by my colleague Senator BRADLEY, and in the House by myself, Congressman SAXTON, and our friend, the late Jim Howard. The purpose of that legislation was to highlight the many points of scenic and natural beauty along the New Jersey coast, and to identify sites of historic and cultural interest. In fact, the distinguished chairman of the National Parks Subcommittee, Mr. VENTO, was instrumental in helping that legislation become law.

The trail starts in the north at Sandy Hook and extends south to Cape May, where it swings west into the Delaware Bay region. The trail includes such resources as wildlife refuges, marine mammal sanctuaries, sailing and fishing communities, historic sites and lighthouses, forts and battlefields, national monuments, abandoned shipwrecks, scenic routes, such as Ocean Drive in Cape May County, and entire communities, like Smithville, Salem, Bridgeton, Ocean Grove, and Cape May. Many of these sites are of significance not only to New Jersey, but are part of the national heritage of all Americans.

S. 1574 is more than a simple funding reauthorization. As reported by the Natural Resources Committee, this legislation establishes guidelines that will help direct the project through completion. Although the State of New Jersey has already contributed substantially to the project, this legislation would cement that commitment by requiring that each Federal dollar is matched by State funds or services.

I believe that it is important for my colleagues to note that the trail does not require the acquisition, taking, or purchase of property. Its purpose is to identify the famous, as well as the little-known or underutilized attractions for the benefits of residents and visitors to the State of New Jersey.

Last year, Interior Appropriations Subcommittee Chairman YATES saw fit to include funding for part support in the fiscal year 1994 Interior appropriations legislation. Unfortunately we soon realized that the funding we had asked for exceeded the authorization limit included in the original act. That money was understandably dropped from the final House-passed version of the Interior appropriations legislation due to a lack of authorization. However, the need for funding has only increased since that time.

By approving this legislation we will give the Appropriations Committee the authority to provide the money necessary to help draw well-deserved attention to the points of scenic natural beauty that grace my State, encourage tourism, and build greater public support of the preservation of important and irreplaceable resources. This issue is of great importance to me and the State of New Jersey and I am certain that the small Federal expenditures needed to maintain this trail will be more than compensated by the return to the public.

I would like to thank Chairman VENTO and Mr. HANSEN, as well as Chairman MILLER, and Mr. YOUNG, for moving this legislation expeditiously. Enactment of this bill will assure the continued success of the New Jersey Coastal Heritage Trail which in turn will build greater public support for the identification and preservation of other important cultural, historical, and ecological treasures throughout the country.

I urge my colleagues to pass this measure.

Mr. YOUNG of Alaska. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time. I ask for support of the legislation and I yield back the balance of our time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1574, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1310

INCREASING HIGHWAY AUTHORIZATION FOR CHICKAMAUGA AND CHATTANOOGA NATIONAL MILITARY PARK IN GEORGIA

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3516) to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia, as amended.

The Clerk read as follows:

H.R. 3516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASE IN AUTHORIZATION OF APPROPRIATIONS.

Section 1(c) of the Act entitled "An Act to authorize and direct the National Park Service to assist the State of Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park in Georgia", approved December 24, 1987 (101 Stat. 1442), is amended by striking "$30,000,000" and inserting "$45,000,000".

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3516, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3516, introduced by my colleague on the Natural Resources Committee, Representative NATHAN DEAL, increases the level of funding authorized to assist the State of Georgia in relocating a highway corridor currently crossing the Chickamauga and Chattanooga National Military Park. A hearing was held on this measure by the Subcommittee on National Parks, Forests and Public Lands on February 8, 1994, and the Committee on Natural Resources approved H.R. 3516 with an amendment on March 9, 1994.

The park, which was established in 1890, was the first of the national military parks, and has been closely maintained in its original state. Most of the historic road system that existed in 1863 remains largely intact with the exception of LaFayette Road—a crucial artery of the battle which has since become better known as Highway 27, a major north-south commuter route.

Legislation enacted with the 100th Congress (Public Law 100-211) authorized $30 million in Federal funds to assist the State of Georgia in relocating the stretch of highway to an area outside the park, with the Federal contribution totaling 75 percent of the total cost of the project. H.R. 3516, as amended, would increase that amount to $45 million. Since enactment of Public Law 100-211, $23.5 million has been appropriated for the relocation project. The National Park Service, in consultation with the Federal Highway Administration and the Georgia Department of Transportation, now estimates the total cost of the project at $57.5 million, thus the Federal contribution, under the current 75-25 percent cost sharing arrangement, would total $43.2 million. This legislation accommodates the new figures and raises the authorized level to $45 million.

The 3.7 miles of the highway located within the park continues to present a significant impediment to visitor safety and enjoyment of the park, and its increasing use threatens the park's resources. This project is well underway—the planning process is virtually complete. I urge my colleagues to support the increase in authorization so that the bypass can be constructed and the park's resources preserved.

Mr. Speaker, I reserve the balance of my time.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3516, a measure to increase by $15 million the authorization for construction of a highway bypass around Chickamauga and Chattanooga National Military Park.

Chairman VENTO has adequately explained this measure. The need for this project has been identified in the park plan and it is the highest priority construction project at the park.

Construction of this bypass road will have a positive impact on the visitor experience at the park and I urge my colleagues to join me in supporting it.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. DEAL], a member of the committee and a sponsor of the bill.

Mr. DEAL. Mr. Speaker, I would like to begin by thanking Mr. VENTO and Mr. MILLER for their continued support for this project. I especially would like to thank my fellow colleague from Georgia, Mr. DARDEN, for his involvement in this project. He and I have a similar interest in this park and bypass in that they were previously in his district and the initial funding was made available through his efforts.

Mr. Speaker, I rise today in support of H.R. 3516. As Mr. VENTO stated, H.R. 3516 is a bill to increase the authorization of appropriations for the National Park Service to assist Georgia in relocating a highway affecting the Chickamauga and Chattanooga National Military Park.

The Chickamauga and Chattanooga National Military Park was established in 1890 to commemorate the Civil War military engagements which took place there and to allow opportunities for future study of these historic battles. The park was administered by the War Department until 1933 when jurisdiction was transferred to the National Park Service. In addition to its inspirational and commemorative values, the park is also used for military instruction, although this military activity was substantially curtailed following its transfer to the National Park Service. Today, the Army Command General Staff continues to bring field classes here to study the military strategies used during the battles.

Specifically, this project reroutes a 3.7-mile section of U.S. Highway 27, which passes through the park, by way of a 7-mile-long bypass around the western boundary. This rerouting is necessary to protect the natural and historic resources within the park from damages caused by heavy traffic.

Highway 27 is a major north-south highway through the center of Chickamauga National Military Park connecting Chattanooga, TN to Florida. It is a well traveled commuter route between northwest Georgia and Chattanooga. On average, 16,200 vehicles pass through the park each day by way of Highway 27.

U.S. Highway 27 serves as a vital north-south link among the three States and its renewal is a top priority of the Georgia DOT. Highway 27 presently is undergoing construction from end to end to upgrade the highway for substantial commercial usage. At this point, the State of Georgia has allocated $71.7 million to the full length of the highway. In fiscal year 1993, Georgia DOT appropriated $12.4 million for the project, and for fiscal year 1994 through fiscal year 1999 it has authorized and will receive $353.4 million for completion of the project. When complete, Highway 27 will be a four-lane highway through rural areas of Georgia and will include five-lane bypass sections around urban areas with limited access.

The matching funds for this project are 75 percent Federal to 25 percent State. Total appropriated Federal funds for this project now stand at $23,456,000. Revised cost estimates by the Federal Highway Administration [FHWA], based on the Georgia Department of Transportation's actual average bid prices, increase the total cost of this project to $57.53 million. This increases the Federal share to $43.2 million. This amount exceeds the total funds authorized under Public Law 100–211 by $13.2 million. Therefore, this project needs to be reauthorized to reflect the appropriate dollar amounts.

Mr. Speaker, this is a worthwhile project for the State of Georgia. The people of the Ninth District of Georgia thank the House for its consideration of this bill.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. DARDEN], the architect of this bill from the 100th Congress, as he continues his hard work in terms of support of this important project.

Mr. DARDEN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in very strong support of H.R. 3516. As the chairman, the gentleman from Minnesota [Mr. VENTO], has explained, this bill would provide authorization necessary to complete the task of protecting the Chickamauga and Chattanooga National Military Battlefield by constructing a highway bypass around the park.

I commend the chairman and also the gentleman from Georgia [Mr. DEAL] for their diligent efforts in bringing this important ongoing project in the State of Georgia before this body today.

Mr. Speaker, we have heard a lot about unfunded mandates and situations in which the Federal Government imposes rules and regulations on States without picking up the cost of the mandates that they pass on to us. This situation is different, however, because when the Federal Government properly ruled, the National Park Service, the highway could not be widened within the park, this would have placed an undue amount of expense on the State and the counties to bring this parkway around this very historic national park.

Working with the Committee on the Interior staff several years ago and specifically the staff director, Dale Crane, we worked out a formula of 75 percent Federal and 25 percent State participation so we could assure that the extra cost brought about by the Federal Government's ruling would, in fact, be borne by the Federal Government, with the State participating up to 25 percent. This is a good compromise.

It is a good bill. It is necessary to raise the ceiling on the authorization, and I want to thank everyone involved for their strong support of this and ask that the House pass this legislation overwhelmingly.

Mr. Speaker, I rise in strong support of H.R. 3516. As Chairman VENTO has explained, this bill will provide the authorization necessary to complete the task of protecting the Chickamauga and Chattanooga National Military Battlefield Park by constructing a highway bypass around the park. I commend the Chairman and Congressman DEAL for their diligent efforts in bringing this important, ongoing project in the State of Georgia before this body today.

Mr. Speaker, the need for the highway bypass around the Chickamauga and Chattanooga National Military Battlefield Park in Walker and Catoosa County, GA, is clear. The Committee on Natural Resources' report on this project concludes that without relocation of a portion of U.S. Highway 27 from its current route through the park, important sections of the park will be damaged by the negative effects of heavy automobile traffic.

Mr. Speaker, the Chickamauga and Chattanooga National Military Park, which was first established in 1890, is the oldest and largest national military park in the Nation. This area was the site of battles over the course of several months in the fall of 1863. These engagements involved the soldiers of many States, including Wisconsin, Indiana, Alabama, Massachusetts, Ohio, Illinois, and my home State of Georgia. This park is an historical site of significance that touches our entire nation.

Mr. Speaker, over the past several years the Congress has supported the effort to protect the Chickamauga and Chattanooga Military Park. I urge my colleagues to continue this support by approving H.R. 3516 which will allow this project to move forward to a successful completion.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I commend both of the sponsors, the gentlemen from Georgia [Mr. DEAL] and [Mr. DARDEN], for this important bill and for their interest and dedication to this policy path.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 3516, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

URBAN RECREATION AND AT-RISK YOUTH ACT OF 1994

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4034) to amend the Urban Park and Recreation Recovery Act of 1978 to authorize grants for the expansion of recreation opportunities for at-risk youth in urban areas with a high prevalence of crime, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urban Recreation and At-Risk Youth Act of 1994".

SEC. 2. FINDINGS.

Section 1002 of the Urban Park and Recreation Recovery Act of 1978 is amended by striking "and" at the end of subsection (d), by striking the period at the end of subsection (e) and inserting ";" and by adding the following at the end thereof:

"(f) the quality of life in urban areas has suffered because of decline in the availability of park and recreation and systems, including land, facilities, and services;

"(g) the deterioration of urban park and recreation facilities is due in part to the underfunding of Federal grant programs intended to assist in the revitalization of urban recreation facilities and allow us to take back our parks from crime, vandalism, and dilapidation;

"(h) the urban neighborhoods eligible for assistance under this title have deteriorated, in part, due to the rapid increase in violent crime among youth;

"(i) accessible, well-maintained recreational facilities and services have been shown to significantly decrease the incidence of violent crime among youth and can be an effective tool in efforts to prevent crime, increase public safety and improve the quality of life of urban residents; and

"(j) urban sport and recreation programs teach important value and life skills including teamwork, individual responsibility, respect, leadership, and self-esteem which help prevent young people from engaging in criminal behavior"."

SEC. 3. PURPOSE OF ASSISTANCE.

Section 1003 of the Urban Park and Recreation Recovery Act of 1978 is amended by adding the following at the end thereof: "It is further the purpose of this title to improve recreation facilities and expand recreation services in urban areas with a high incidence of crime and to help deter crime through the expansion of recreation opportunities for at-risk youth. It is the further purpose of this section to increase the security of urban parks and to promote collaboration between local agencies involved in parks and recreation, law enforcement, youth social services, and the juvenile justice system."

SEC. 4. DEFINITIONS.

Section 1004 of the Urban Park and Recreation Recovery Act of 1978 is amended by inserting the following new subsection after subsection (c) and by redesignating subsections (d) through (j) as (e) through (k) respectively:

"(d) 'at-risk youth recreation grants' means—

"(1) rehabilitation grants,

"(2) innovation grants, or

"(3) matching grants for continuing program support for programs of demonstrated value or success in providing constructive alternatives to youth at risk for engaging in criminal behavior, including grants for operating, or coordinating recreation programs and services;

in neighborhoods and communities with a high prevalence of crime, particularly violent crime or crime committed by youthful offenders; in addition to the purposes specified in subsection (b), rehabilitation grants referred to in paragraph (1) of this subsection may be used for the provision of lighting, emergency phones or other capital improvements which will improve the security of urban parks;".

SEC. 5. CRITERIA FOR SELECTION.

Section 1005(c) of the Urban Park and Recreation Recovery Act of 1978 is amended by striking "and" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting "; and" and by adding the following at the end thereof:

"(8) in the case of at-risk youth recreation grants, the Secretary shall give a priority to each of the following criteria:

"(A) Programs which are targeted to youth who are at the greatest risk of becoming involved in violence and crime.

"(B) Programs which teach important values and life skills, including teamwork, respect, leadership, and self-esteem.

"(C) Programs which offer tutoring, remedial education, mentoring, and counseling in addition to recreation opportunities;

"(D) Programs which offer services during late night or other non-school hours.

"(E) Programs which demonstrate collaboration between local park and recreation, juvenile justice, law enforcement, and youth social service agencies and nongovernmental entities, including the private sector and community and nonprofit organizations.

"(F) Programs which leverage public or private recreation investments in the form of services, materials, or cash.

"(G) Programs which show the greatest potential of being continued with non-Federal funds or which can serve as models for other communities.".

SEC. 6. PARK AND RECREATION ACTION RECOVERY PROGRAMS.

Section 1007(b) of the Urban Park and Recreation Recovery Act of 1978 is amended by adding the following at the end thereof: "In order to be eligible to receive 'at-risk youth recreation grants' a local government shall amend its 5-year action program to incorporate the goal of reducing crime and juvenile delinquency and to provide a description of the implementation strategies to achieve this goal. The plan shall also address how the local government is coordinating its recreation programs with crime prevention efforts of law enforcement, juvenile corrections, and youth social service agencies.".

SEC. 7. MISCELLANEOUS AND TECHNICAL AMENDMENTS.

(a) PROGRAM SUPPORT.—Section 1013 of the Urban Park and Recreation Recovery Act of 1978 is amended by inserting "(a) IN GENERAL.—" after "1013." and by adding the following new subsection at the end thereof:

"(b) PROGRAM SUPPORT.—Not more than 25 percent of the amounts made available under this title to any local government maybe used for program support.".

(b) EXTENSION.—Section 1003 of the Urban Park and Recreation Recovery Act of 1978 is amended by striking "for a period of five years" and by striking "short-term".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from Wyoming [Mr. THOMAS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4034, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I stand here today instead of the chairman, the gentleman from California [Mr. MILLER], who along with myself had advanced this idea and expanded the park and recreation opportunities in this bill for at-risk youth in high crime urban areas.

Mr. Speaker, I think it is clear to most of us that there are severe problems in terms of youth in our Nation today. Probably the statistic that is most appalling is that which indicates 1 in 5 children, nearly 1 in 5 children, or over 1 in 5 children, about 23 percent, in fact, live below the poverty level.

The bill, of course, attempts to try and provide some investment in these troubled communities in a small way. The bill recognizes the important role that urban recreation programs play in developing positive values for young people and keeping them away from crime. In fact, of course, it is this young population that is most likely to be the actors in terms of crime.

In fact, crime activities peak between the ages of 10 and 20, demographically, in our population.

The bill, and especially this legislation, tries to address that by providing some crime prevention dollars in terms of recreation facilities and programs. This program has long been in existence, since the late 1970's but has been woefully underfunded and has had little attention paid to it. In fact, while the authorization has existed, we are really expanding the authorization.

All one has to do, of course, is look at the relative costs in terms of the consequences of crime where we can document that an individual incarcerated, a juvenile incarcerated, we spend nearly $30,000 a year in terms of incarceration.

So a small investment in terms of trying to prevent that and providing some positive alternatives in our troubled communities, many times in urban communities, is, I think, a very sound investment.

Mr. Speaker, we held a lengthy hearing on this matter and had just a long list of public officials, of police, of park

directors, and others that are working privately, the nonprofit sector, the boys' and girls' club, the midnight basketball leagues, many others that came from troubled communities to testify in favor of the desperate need for the types of funds that we are talking about in this legislation.

Mr. Speaker, I think it has become characteristic to look at an urban setting and the rusty basketball hoop made with metal as emblematic of what has happened in some of our troubled communities and urban areas.

The history of providing a built environment of recreation alternatives within our urban areas, within troubled communities and cities has long been a part of the planning that has gone into sound cityscapes. In fact, of course, in the 1850's, it is pointed out that New York and many other cities in the East began setting aside park areas, open-space areas such as Central Park and many others, but today those facilities are becoming and continue to be deteriorating.

Here we are only dealing with a small number of these areas, the areas that provide the recreation and organized opportunities to attract and respond to some of the very serious needs and the very serious needs for positive alternatives for young people in our society.

□ 1320

This is, I think, a very good measure in the sense that we can expand on an idea that is proven, there is an administration in place, there is a grant and application process in place, and all that is lacking is some flexibility in terms of how we can use these funds. And of course, the appropriations that go with it.

Whatever the outcome of the crime bill, I hope that is has a goodly amount of prevention, of alternative efforts to provide the opportunities for people to follow a different path in terms of their behavior.

These dollars for a particular program, we think, would be especially helpful in those instances, based on the hearing record that came forth; it provides flexibility, it requires eligible cities to submit plans, it uses administrative resources in place, it leverages additional resources by requiring a small match of 30 percent local match and also requires that they coordinate these activities with law enforcement personnel in the communities.

Very often, of course, the police and law enforcement officials themselves are the volunteers who do some of the coaching. It is interesting that they see the relationship between the positive activities like this and the reduction of what they face on the streets under more adverse conditions.

In fact, as an example, the midnight basketball type activity has this activity exactly at the time when incidents of violent crime are at the highest in our communities, urban communities. So, providing this activity provides them the opportunity, it takes people out of an orientation where they might be a perpetrator of an illegal action and puts them in a positive setting.

This is a commonsense notion, one I am sure that all Members of the House can endorse. Based upon our budget priorities, I hope this will gain a higher priority; based on the flexibility of this legislation, I hope it gains renewed interest and usefulness in the communities in which we are focusing.

I want to pay great credit to the gentleman from California [Mr. MILLER]. Chairman MILLER, as Members know, chaired the Youth and Families Select Committee prior to assuming the Natural Resources Committee. He has been a great friend of education, a great friend of recreation and other programs addressing the needs of youth across this Nation.

I think this is a great testament to his support, his forceful support for this measure. I hope it enlists the support of all the Members of this House and this will receive the renewed type of support it deserves.

Mr. Speaker, we intend to offer this as an amendment, if we have a broad crime bill presented to us in the near future; we hope to offer this measure as an amendment to it to make certain it becomes part of that package and does not get lost in the Senate.

But in terms of providing some recognition for this bill today and providing the policy changes so that Members can look at it more closely, I am pleased to present the bill and ask the Members for their support on the House floor.

H.R. 4034 is legislation introduced by Natural Resources Committee chairman GEORGE MILLER and myself to expand park and recreation opportunities for at-risk youth in high crime urban areas. The bill recognizes the important role that urban recreation programs play in developing positive values in our young people and in keeping them away from crime. The bill has 30 cosponsors and has been endorsed by the U.S. Conference of Mayors, the Boys and Girls Clubs of America, the National Association of Police Athletic Leagues, major league baseball, the National Recreation and Park Association, and 30 other organizations.

Crime, especially violent crime, is the No. 1 concern of the American people. Later this week, we will take up comprehensive crime control legislation on the House floor. We will debate how many billions should go into the building of prisons and bootcamps and the hiring of more police. The bill before us today recognizes that prevention is an essential tool in our struggle against violent crime in this country. H.R. 4034 expands the prevention side of the crime equation. In addition to our action here today, Chairman MILLER and I intend to offer this bill as an amendment to the crime bill.

Recently, the Natural Resources Committee held a lengthy hearing on crime and the role that recreation can play in crime prevention. We heard testimony from city park directors, policemen, boys and girls clubs, midnight basketball leagues, and others who are on the front lines of providing recreation services in crime-infested neighborhoods. We learned that recreation works as a crime prevention measure and that it is less expensive than spending the $29,000 a year it costs to incarcerate each juvenile offender. We learned that many young people in urban areas have little or no access to sports and recreation because of badly deteriorated facilities or because of program cutbacks. Unfortunately, we also learned that recreation has been grossly neglected as a national priority over the last decade.

The reason why urban park and recreation programs are so vital to anticrime efforts is because they target the age group most prone to crime—our youth. Fifty to sixty percent of all crime in the United States is committed by people 10 to 20 years of age. The incidence of crime peaks between the ages of 16 to 18 and quickly drops after age 21. If we can reach young people through sport and recreation programs before they turn to a life of crime, we will save dollars and lives.

Urban park and recreation programs have been around since the creation of New York's Central Park in the 1850's. Even then, it was recognized that young people need safe places to play and constructive activities to occupy their time so they don't turn to antisocial behaviors. The wisdom of this approach is more true now than ever. Urban dwellers, especially those in economically distressed communities, are the most dependent on having public parks and recreation programs. Low-income residents don't have the time or financial resources to travel to distant parks for recreation purposes.

In 1978 Congress enacted a program to help distressed urban areas develop recreation opportunities. The Urban Park and Recreation Recovery [UPARR] Program provides matching grants to economically distressed cities for repair of park and recreation facilities and for innovative recreation-based programs for youth. While the UPARR Program has proven to be effective, it has suffered from a lack of stable funding. UPARR received no funding from 1985 to 1990, and the past 2 years it has received only $5 million annually. The number of requests from cities which have matching funds ready to go is two to three times what the UPARR Program is able to fund.

H.R. 4034 would amend the UPARR Act to promote the expansion of recreation opportunities in urban areas with a high prevalence of crime. The bill authorizes a new category of UPARR grants called at-risk youth recreation grants. Grants would be for rehabilitation projects and programs in urban neighborhoods and communities with a high prevalence of crime. Funding would be authorized to increase the security of urban parks through capital improvements such as lighting and security phones.

The bill has been drafted to maximize cost efficiency and program effectiveness. First, it uses the administrative resources and procedures of the existing UPARR Program in order to minimize costs and bureaucracy. Second, it leverages additional resources by requiring a 30 percent local match. Third, it requires park and recreation officials to coordinate their efforts with law enforcement, social service agencies, and nonprofit community organizations involved in youth crime prevention. Fourth, it is flexible enough to allow nonprofit organizations such as boys and girls clubs, police athletic leagues, and midnight basketball programs to receive funding assistance. Fifth, it requires eligible cities to submit a plan which states how they intend to improve recreation opportunities in crime ridden neighborhoods over the long term. Finally, it requires facilities which have been improved as a result of this grant program to remain open for public recreation uses in perpetuity.

Congress has previously recognized the importance of recreation in preventing crime and delinquency. Amendments to the Juvenile Justice and Delinquency Prevention Act in 1992 and the National Affordable Housing Act have specifically included authorization for recreation programs. The crime bills making their way through the House and Senate also mention recreation, although some of the provisions are duplicative of existing programs or create new bureaucracies. H.R. 4034 is a cost-effective approach because it builds on a successful existing program. We don't need to create new programs and bureaucracies to stimulate recreation programs when we already have an effective one on the books which has been underfunded.

Mr. Speaker, I urge Members to vote in favor of this important measure to help deter crime and promote the positive development of our Nation's youth.

NATIONAL RECREATION
AND PARK ASSOCIATION,
Arlington, VA, March 21, 1994.

Hon. GEORGE MILLER,
Chairman, Committee on Natural Resources,
Washington, D.C.

DEAR MR. CHAIRMAN: We write to commend your committee for its recent hearing on recreation and crime prevention and the timely consideration of legislation to amend the urban park and recreation recovery program, first authorized in 1978. The result of that event was the induction of H.R. 4034 whose passage we strongly support, with the further recommendation that it also be incorporated as an element of anti-crime legislation expected to be considered later this week.

The March 10 hearing was, to the best of our knowledge, the first and certainly the most comprehensive to explore the relationship between quality recreation opportunities for children, youth and families and prevention of delinquency and crime. The hearing was critical, too, in exposing the relationship between recreation as a social phenomenon and the imperative for access to a wide range of well maintained public facilities and lands. Public park and recreation systems encompass over 5,000 municipal and county entities which manage over 85,000 park and recreation sites. Another 20,000 sites are managed by state and interstate units of government. The proven importance of these systems—public services and resources—have thus far been substantially understated in the Congress's debate on crime control and prevention.

H.R. 4034 would focus resources on those places in most critical need of help. It would invest public funds in public places and services, while continuing present authority to collaborate with private entities where the public interest is best served by that approach. H.R. 4034 recognizes the record and potential of public park and recreation systems nationwide. It would allow, if funded, the initiation or expansion of scores of other programs. Consider for example, the impact of the following examples which could be replicated:

Dallas, Texas Parks and Recreation Department coordinates a city-wide gang intervention program in conjunction with public and private groups, including the police department, social services and juvenile justice system.

The Texas Park and Wildlife Department's "Buffalo Soldiers" volunteer program interprets the legacy of African-Americans in the West. In two years 30,000 youth have benefited from this public-private outreach program.

Phoenix, Arizona's Parks, Recreation and Library Department impacts 1.7 million youth. Enhanced recreation programs have reduced calls for police assistance up to 55 percent in some areas.

Mesa, Arizona's coalition of community leadership, public agency and private organization gang prevention steering committee collaborates on strategies to prevent and suppress gang activity, placing high priority on recreation opportunities for your and families.

Rialto, California's Recreation Department and a Task Force on Youth have expanded after-school youth services in high-risk neighborhoods to combat drugs and gangs; 70–80 people participate daily.

Richmond, Virginia Department of Recreation and Parks coordinates a R.E.A.D.Y. (Recreation and Education Activities Designed for Youth) collaborative program reaching over 7,000 youth.

Mobile facilities and "late night" programs in hundreds of jurisdictions bring services and qualified staff to underserved communities and populations.

We commend the committee for its initiative and urge the strong support of the House.

Thank you for your continuing leadership.

Sincerely,

R. DEAN TICE,
Executive Director.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, the issue of crime, and especially juvenile crime, has understandably angered and outraged our Nation. Today, perhaps 60 percent of violent crimes are committed by young people between the ages of 10 and 20 years old.

For millions of these young people, the only social network and family structure they know are the urban gangs that deal drugs, foster crime, and slaughter each other in our Nation's streets.

Today, we are considering H.R. 4034, the Urban Recreation and At Risk Youth Act, which was introduced as a means of providing young people with constructive, supportive alternatives to street life and gangs.

We seek to build on an existing, effective, but undersupported program, not to create new mandates, new policies, or new administrative costs.

The Urban Park and Recreation Recovery Program offers matching grants to cities to rehabilitate and repair parks, recreation centers, playing fields, and other facilities. Matching grants also are available for programs that use recreation as a tool to teach young people the kind of skills they need to build constructive, positive lives.

When UPARR has been funded it has been enormously successful—hundreds of parks, rec centers, pools, and other facilities that otherwise would have been unable to meet the needs of their neighborhoods or simply closed their doors have been at work in their communities.

These programs, run by cities, police departments, schools or nonprofit entities like the boys and girls clubs bring at-risk youth in contact with caring adult mentors who teach them the kind of personal skills and job skills they need to stay out of the gangs and in school.

In its 15 years, more than 500 cities across America have benefited from UPARR. Neighborhoods in big cities like New York, Chicago, and Los Angeles, but also small- and medium-sized cities like Huntsville, AL, and Oxnard, CA, and Shreveport, LA, New Britain, CT, and Pontiac, MI, have been grant recipients.

Yet, since 1979, only $192 million of the $750 million authorized for UPARR has been spent. Despite a record of success and a huge backlog of applications that typically ran many times the number of grants approved, nothing at all was spent on UPARR from 1985 to 1990 as urban poverty and crime, and especially youth poverty and youth crime, skyrocketed.

And we have not been doing much better since then, with only $5 million appropriated in 1991 and 1992. These meager amounts mean that program grants must remain small and on a one-time only basis, vastly limiting the effectiveness of the program. Many worthy applications are turned down for lack of funding; others are not even submitted for consideration.

H.R. 4034 builds on the proven record of success of the Urban Parks and Recreation Recovery Act.

The bill incorporates new findings that make clear the relationship between urban parks and recreation and programs to help youth avoid a life of crime. It makes clear that urban neighborhoods with a high crime rate are to receive priority consideration in grant decisions, as well as programs that target at-risk youth, collaborate with nonprofit and police groups and leverage non-Federal resources.

For the first time, it allows the Secretary to make multiyear program grants, instead of one-time-only start up grants. And finally, it requires cities to update their recreation recovery plans to reflect the need to target at-risk youth.

These changes are modest because UPARR already has demonstrated its ability to quickly and effectively provide the places cities need to provide recreation for its residents and give teachers of all kinds a place to teach children. But these changes also are needed to help UPARR better respond to those needs and meet new priorities.

Mr. Speaker, it is my hope that when the House considers the omnibus crime bill it will have an opportunity to incorporate H.R. 4034. Many of us in the House recognize that a bill that deals only with the aftermath of crime by building more jails and imposing longer sentences is doomed if we do not do something to get young people off the track that puts them on a collision course with police, courts, and prisons in the first place.

Some provisions in the Senate and House Judiciary Committee bills recognize this vital fact. Programs like ounce of prevention, midnight basketball, and community schools are important, necessary steps in the right direction.

I strongly believe that the updated urban park program we are discussing today is highly compatible with and even necessary to these other laudable efforts. The UPARR Program provides places where these vital programs can be located. In fact, recreation centers, whether they are in buildings owned by schools, municipalities or nonprofits, are magnets to young people like no other kind of place.

Moreover, UPARR already has the structure, the network and the working relationships to get millions of much-needed new money literally on the streets and serving our young people in no more than 4 months. This is crucial.

Mr. Speaker, the extraordinary outpouring of support in just a few days is impressive testimony to the simple common sense of this approach. The U.S. Conference of Mayors, the National Association for Sport and Physical Education, the National Police Athletic League, the Boys and Girls Clubs of America, Major League Baseball and the National Hockey League endorse this legislation. So do Nike, Reebok, Wilson, Spalding, Avia, Coleman, the Sporting Goods Manufacturing Association, the 20,000-member National Sporting Goods Association, and major regional retailers as well as parks and environmental organizations.

Mr. Speaker, this is the right thing to do. The mayors know it, the police know it, the kids know it.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as with all Members of this House, I am very concerned about the growing violent crime in this country. For that reason, I support strong anticrime measures similar to the one that was passed by the other body last year on a bipartisan basis. I hope that the leadership of this House will permit a strong measure to come before the House.

H.R. 4034, as described by Chairman Vento, authorizes the expenditure of Federal funds for recreation programs targeted at at-risk youth in urban areas through the Urban Park and Recreation Renewal Program.

While there is evidence that some youth recreation programs can be effective, an effective alternative to violence, there is some question as to whether or not this should be the highest priority for the use of limited Federal funds available for fighting violence on the streets in this country.

Further, it does not appear that this measure authorizes any new programs that do not already appear in the 1978 law. The appropriations for this program have gone down from substantial appropriations early to very little activity of late.

I note that recent administrations of both parties have only funded this program at a minimal level. Frankly, I expect that that would remain unchanged unless, of course, you are successful in getting it into the crime bill, which would force, I suppose, some appropriation. And that is what this exercise is about, I imagine.

At any rate, this bill does not lead to the establishment of any new Federal programs nor any additional expenditures of Federal dollars, and I do not intend to oppose it.

Mr. Speaker, I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. Martinez], a subcommittee chairman of the Committee on Education and Labor and a supporter of the bill.

Mr. MARTINEZ. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of H.R. 4034 and I would like to offer my thanks to Chairman Miller and Chairman Vento for bringing this measure to the floor.

As noted, this bill amends current authorizing legislation to provide a new category of competitive grants under the urban park and recreation recovery program.

In my congressional district, I have found that current law is insufficient to ensure that local efforts are able to achieve success, even where local activities have garnered wide support, both in terms of volunteers and funding to undertake projects to reclaim recreational sites to be used to provide sites for activities designed to lessen incidences of gang and other criminal activities by at-risk youth.

The city of El Monte, in my district, raised over $130,000 in matching funds for projects under UPARR, and filed a request for Federal funding under the act.

Even though their application was a model under the program, they were denied funding because of a lack of available Federal funding.

I believe that, as we begin to consider prevention of crime in our cities this week, it is unconscionable that we cannot fund these critical programs.

I support H.R. 4034, and trust that my colleagues will vote in favor of this bill.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume. I do so in order to point out that I have received a list of some 36 organizations supporting the Urban Recreation and At-Risk Youth Act of 1994. It does substantively change the basic law that we wrote, written actually by a mentor of the gentleman from California [Mr. Miller] and myself, the former chairman of the subcommittee at that time, the gentleman from California, Mr. Phil Burton.

I think that Congressman Thomas—and I appreciate his support for this—he points out rightly that if we do not get appropriations, good laws, good policies do not serve their desired ends. But at least I think with the type of reawakening that is occurring in terms of the recognition of youth and their relationship to violent crime, which has come to grip our society, that we have an opportunity to do some investments, some seed money with programs like this which will have a great return in terms of saving money at the other end of the spectrum when in fact we are dealing with people on the streets and dealing with the violence.

So I think trying to keep this going, it sounds like such a commonsense notion, one that has simply eluded many of our urban areas. Our urban areas are having difficulty meeting their budgets because of the lack of income, the lack of manufacturing jobs and employment which has occurred, and the property and tax base erosion which they are experiencing.

But these 36 organizations, including at the top of the list the U.S. Conference of Mayors, a group which is obviously concerned with the urban America and towns and cities they represent, and the Boys' and Girls' Clubs of America. I mention them because, again, they are active in these communities, providing the type of counseling necessary. It goes on with 36 other groups, some companies, some of which actually sell sporting goods and have an interest here, but more often the public-interest and others, all interested in the prevention of crime, this law can work, and should be given new emphasis in the 1995 crime legislation.

☐ 1330

Mr. Speaker, I hope that our colleagues, we will all join together and try to put a priority in terms of funding a program of this nature, which has, I think, tremendous potential with the new flexibility, and then, too, I think there is a concern that we somehow commit funds, a trust fund as it were, for the crime bill that is being considered. I do not know if that is going to come to pass. I think that is a different debate. But if it does, I would hope that some of these dollars, some substantial amounts of them, would be put into this crime-prevention type of initiative that we have before us on the floor today.

So, Mr. Speaker, I will put this in the Record and ask my colleagues to strongly support this, and again I commend the gentleman from California [Mr. Miller], chairman of the Committee on Natural Resources, for the outstanding work that he has done on urban youth and recreation programs and throughout his service in Congress, especially now chairing the Committee on Natural Resources, and I would ask that his statement be made part of the Record.

Mr. Speaker, I am going to put this list of supporters into the Record:

ORGANIZATIONS SUPPORTING H.R. 4034, URBAN RECREATION AND AT-RISK YOUTH ACT OF 1994

U.S. Conference of Mayors.
Boys and Girls clubs of America.
National Association of Service and Conservation Corps.
National Association of State Outdoor Recreation Liaison Officers.
National Association for Sport and Physical Education.
National Police Athletic League.
City of New York Department of Parks and Recreation.
National Hockey League.
Major League Baseball.
Inner City Games.
Soccer in the Streets.
The Recreation Roundtable.
Sporting Goods Manufacturing Association.
National Sporting Goods Association.
Outdoor Recreation Coalition of America.
Levi Strauss & Co.
Nike, Inc.
Spalding.
Porter Athletic.
Reebok.
Avia.
Wilson Sporting Goods.
Shutt Sports Group.
Oshman's Sporting Goods.
Sports, Inc.
FootAction.
Koenig Sporting Goods.
Sportmart.
Hibbett Sporting Goods.
Coleman Company.
Inner City Sportsgear.
National Recreation and Park Association.
The Trust for Public Land.
The Wilderness Society.
American Recreation Coalition.
Rails to Trails Conservancy.
Los Angeles Conservation Corps.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. THOMAS of Wyoming. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am, of course, interested, as the gentleman from Minnesota [Mr. VENTO] is, in urban areas and the crime there. I just guess I would like to make the point that we do not all come from urban areas, and, when we talk about Federal programs, Mr. Speaker, we see, it seems to me, more and more of a tilt constantly, whether it is education, crime, whatever, toward urban areas. I think there has to be some fairness and equity.

Mr. VENTO. Mr. Speaker, will the gentleman yield?

Mr. THOMAS of Wyoming. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Speaker, the language of this bill refers to urban areas, but I have come to recognize, working on serious social problems, that they know no bounds, and so I have come, when I have worked on homlessness, come to use the term "troubled communities" as an alternative because they, too, have the same problems that some urban areas or some troubled urban areas have, so the use of the words "troubled communities" seems to fit. But it is a case in terms of problems with cities, even though one may live in a suburb or they may live someplace else, but it is the trouble at the core that emanates out, and I understand the gentleman, coming from the ranching and rural communities, and that we so often are discussing issues that affect them in a different vein. But certainly I think we have to find ways to deal with the pockets of problems that exist in these areas. We have done that successfully, Mr. Speaker, as the gentleman knows.

During my service on the Committee on Natural Resources, and I also serve on the Committee on Banking, Finance and Urban Affairs, but very often the programs that we have written have been responsive, and I would hope that this also could meet the very special needs that exist in the ranches and rural areas, the pockets of problems, the pockets of poverty, the pockets of troubled communities in those areas. Wyoming is a great State, but I am certain some of these issues do manifest themselves.

Mr. THOMAS of Wyoming. Mr. Speaker, I thank the gentleman from Minnesota [Mr. VENTO]. I just wanted to make certain.

Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Speaker, sadly, the problem is familiar: children are being seduced by drugs, crime, and guns because they have little hope of escaping the poverty, despair, and violence of their daily lives.

Faced with this destructive trend, southwest Florida communities are fighting back—and winning. The success through academic and recreational support program [STARS] is an innovative approach to providing at-risk children between the ages of 8 and 14 with alternatives to juvenile crime, drugs, and violence.

STARS gives kids a place to go after schools where learning, friendly athletic competition, and positive role models replace street corners, drug trading, and gangs. This program is the product of an unprecedented alliance between the city of Fort Myers, an independent county school board, the school district of Lee County, the State of Florida, the Federal Government, private nonprofit organizations, and the private-corporate sector of the local community. STARS, an urban recreational and academic program like those envisioned by H.R. 4034, has been so successful that it is justly credited with the steady decline of juvenile crime in the city of Fort Myers. The positive achievements of the STARS Program can be directly credited to the hard work, dedication, and cooperation of Florida's leaders, including Fort Myers Mayor Wilbur Smith, Fort Myers Police Chief Donna Hansen, and U.S. Senator CONNIE MACK. I am proud to identify STARS as a role model for other urban cities in search of effective programs to combat teen crime, drugs, illiteracy, and poverty.

Mr. Speaker, we are talking about a landscape that is littered with failure, failed programs that did not work, and so I am offering this little bit of a success story, and I am very apt to report that the original seed tax money, those tax dollars in this case, were well invested and well spent, and I think that is a test that every program should be submitted to, and, if they come up as well as this one, we will be doing our job very well.

Mr. Speaker, I thank the gentleman from Wyoming [Mr. THOMAS] for having yielded this time to me.

Mrs. MINK of Hawaii. Mr. Speaker, the youth of our Nation are crying out for help. Threats of gang warfare are escalating and becoming more violent in our inner cities. Violence in parks, vandalism of school buildings and torment of many of our citizens mark the daily choices of activity a large proportion of youth pick to occupy their free time. We must help our younger generations to find healthy, productive ways to spend their free hours.

The Urban Park and At Risk Youth Act is a good bill which will do just that. Improved recreational facilities will give youth the pride of being able to step onto sparkling courts to shoot some hoops or onto clean and trimmed fields to score a few home runs. Let's improve our rundown parks and allow our youngsters to play with new equipment.

This cooperative effort will bring together law enforcement and social service agencies and park and recreation officials to positively combat juvenile crime.

Non-profits which care for at risk youth such as the Boys and Girls Clubs of America will be able to apply for funding through this bill. In the State of Hawaii, very successful late night basketball leagues will also be able to receive funds to ensure the continuation of these programs. The Honolulu Police Department noted a reduction in the rates of juvenile crime during league activities.

It's sad to see our children sitting around after school with nothing to do. Let's give them all a chance at friendly competition in sports activities. Every child should have an opportunity to say they're No. 1.

Ms. NORTON. Mr. Speaker, I am pleased to rise in support of this thoughtful and urgently-needed legislation. I extend my thanks to the crafters of this bill, particularly full committee Chairman GEORGE MILLER and subcommittee Chairman BRUCE VENTO, who, like many of us in this body, recognize that one of the many challenges we face as a nation working within the constraints of an ever-tightening budget is providing recreational resources and alternatives for the young people who can least afford them and who are at greatest risk if they don't get them.

The Urban Recreation At-Risk Youth Act would add a new category of competitive grants under the Urban Park and Recreation Recovery Program, established in 1978. The new category of "At-Risk Youth Grants" seeks to address the realities of our times—that crime has a chokehold on most of the Nation's urban areas and that the criminals are getting younger and younger. The matching grant funds that would be authorized under this bill would go to the Nation's urban crime hotspots for rehabilitating deteriorating urban recreational facilities and developing recreational programs run by State and local governments as well as non-profit organizations.

The bill's focus on urban areas with high crime rates is especially critical since many of our cities are producing a new generation of criminals—younger, tougher, and remorseless. The more assistance we give to our cities in reaching out to youth, even if only with matching grants, the more we do to aid cities in combatting our Nation's rising juvenile crime rate.

The District of Columbia provides a prime example of what happens when money for recreational facilities and programs evaporates. In our city, many of the neighborhoods with the highest crime rates are those where the facilities are rusted, broken, or non-existent. A dozen years of neglect are yielding a decade of soaring crime rates and overcrowded prisons. Thus, it is too late for many. Trying juvenile offenders as adults at younger and younger ages has not worked, and neither has imprisoning them for longer periods of time. Isn't it time we supported the alternatives to crime that kids have shown they embrace?

The older folk used to say, "An idle mind is the devil's workshop." In modern times we witness the truth of this axiom every day, particularly in cities full of children and adolescents who have no constructive, safe and fun outlets once the school day ends. Extracurricular recreation programs, be they in our Nation's parks, schools, community centers, provide an ideal outlet for properly directing youthful energy so that it will not become destructive. We certainly owe our young people opportunities and resources to enjoy this time in their lives and to prepare for a productive adult life. H.R. 4034 won't do all we need to do, certainly not nearly as much what our youth deserve. But it is a thoughtful and well-crafted effort in these budget-conscious times. I am proud to be a cosponsor of this bill and I urge its passage.

Miss COLLINS of Michigan. Mr. Speaker, I want to commend the Interior Committee for bringing to us today the Urban Recreation and At-Risk Youth Act. I will cast an enthusiastic "aye" vote.

This bill would create a new grant program for projects to improve recreational facilities and expand recreational services in urban communities that have a high crime rate. Grantees could, for example, rehabilitate existing facilities or install lights and security telephones. Importantly, grants could be awarded for programs to prevent young people from entering the criminal justice system and priority must be given to youth at greatest risk.

As one who represents an urban district, a district in which unemployment among minority adults is almost 20 percent and among some African-American males is 40 percent, I welcome this new initiative. Adolescents, we all know, are very vulnerable. What parent has not worried about what his or her child is doing after school. Most children in America today are raised in homes with two working parents or by a single working parent. One study found that 27 percent of eighth graders spend two or more hours at home alone every day.

With 60 percent of their time devoted to essential activities, young people have a large chunk of discretionary time. Yet most communities are hard strapped to provide quality after-school programs. Faced with boredom and neglect, some of our young people stray into unproductive activities and delinquency. One authority has said that 25 percent of youngsters aged 10 to 17 are at serious risk of not achieving productive adulthood.

It is long past time for us to recognize that we must give our young people alternatives to the street. By doing so, we are less likely to pay the societal bills for crime, delinquency, substance abuse, teen pregnancies, welfare and health care. And our young people deserve this kind of support and opportunity.

Mr. THOMAS of Wyoming. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore (Mr. Montgomery). The question is on the motion offered by the gentleman from Minnesota [Mr. Vento] that the House suspend the rules and pass the bill, H.R. 4034, as amended.

The question was taken.

Mr. VENTO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

CONFERENCE REPORT ON S. 1284, DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT AMENDMENTS OF 1994

Mr. WAXMAN. Mr. Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 1284) to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes.

The Clerk read the title of the Senate bill.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. Pursuant to rule, the gentleman from California [Mr. Waxman] will be recognized for 20 minutes, and the gentleman from California [Mr. Moorhead] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. Waxman].

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on S. 1284.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the principal purpose of S. 1284 is to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act. The act authorizes four programs designed to assist individuals with developmental disabilities to live more productive lives in communities and institutions: the State developmental disability councils; the protection and advocacy programs; the university affiliated programs; and projects of national significance. These four programs are authorized for a total of $117 million in fiscal year 1994, which is also the current appropriations level, and such sums as may be necessary for fiscal years 1995 and 1996.

The compromise legislation worked out with the Senate includes resolution of the issues brought to our attention on the needs of individuals living in the community and in institutions.

The legislation enjoys broad support on both sides of the aisle. I would especially like to thank my colleagues, Mr. Dingell, Mr. Bliley, Mr. Greenwood, and Mr. Brown for their hard work in bringing us to consensus on this legislation. I would also like to thank my colleagues on the Education and Labor Committee for their interest and valuable input into this process.

Mr. Speaker, I reserve the balance of my time.

Mr. MOORHEAD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on S. 1284.

Mr. Speaker, developmental disabilities are severe, chronic disabilities, either physical, mental, or a combination, which manifest themselves before a person reaches age 22. These disabilities result in substantial limitations in three or more major life areas, such as learning, mobility, and capacity for independent living. There are currently about 3 million individuals with developmental disabilities in the United States.

The developmental disabilities assistance and bill of rights act authorizes four programs: The State grant program; protection and advocacy systems; university affiliated programs; and projects of national significance. These programs work to support the development of a comprehensive system of services and support for people with developmental disabilities.

I am very pleased that language addressing the concerns of the voice of the retarded were incorporated in the conference report. I understand that the original House report language caused concern among several groups in the field. I am pleased that in clarifying this language we retained the language which states: "The goals expressed in this act to promote the greatest possible integration and independence for individuals with developmental disabilities may not be read as a Federal policy supporting the closure of residential institutions."

I am also pleased that all the funding levels in the bill are those that were in the House bill and that several of the concerns of some Governors were addressed.

I support the conference report and urge my colleagues to join me.

□ 1340

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOORHEAD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from California [Mr. WAXMAN] that the House suspend the rules and agree to the conference report on the Senate bill, S. 1284.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to the provisions of clause 12, rule I, the Chair declares the House in recess until 2:30 p.m.

Accordingly (at 1 o'clock and 42 minutes p.m.), the House stood in recess until 2:30 p.m.

□ 1430

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. COLEMAN] at 2 o'clock and 31 minutes p.m.

CONFERENCE REPORT ON H.R. 1804, GOALS 2000: EDUCATE AMERICA ACT

Mr. KILDEE submitted the following conference report and statement on the bill (H.R. 1804) to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes:

CONFERENCE REPORT (H. REPT. 103–446)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 1804), to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act (other than titles V and IX) may be cited as the "Goals 2000: Educate America Act".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Purpose.
Sec. 3. Definitions.

TITLE I—NATIONAL EDUCATION GOALS

Sec. 101. Purpose.
Sec. 102. National education goals.

TITLE II—NATIONAL EDUCATION REFORM LEADERSHIP, STANDARDS, AND ASSESSMENTS

PART A—NATIONAL EDUCATION GOALS PANEL

Sec. 201. Purpose.
Sec. 202. National Education Goals Panel.
Sec. 203. Duties.
Sec. 204. Powers of the Goals Panel.
Sec. 205. Administrative provisions.
Sec. 206. Director and staff; experts and consultants.
Sec. 207. Early childhood assessment.

PART B—NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

Sec. 211. Purpose.
Sec. 212. National Education Standards and Improvement Council.
Sec. 213. Duties.
Sec. 214. Annual reports.
Sec. 215. Powers of the Council.
Sec. 216. Publication for public comment.
Sec. 217. Administrative provisions.
Sec. 218. Director and staff; experts and consultants.
Sec. 219. Opportunity-to-Learn Development Grant.
Sec. 220. Assessment development and evaluation grants.
Sec. 221. Evaluation.

PART C—LEADERSHIP IN EDUCATIONAL TECHNOLOGY

Sec. 231. Purposes.
Sec. 232. Federal leadership.
Sec. 233. Office of educational technology.
Sec. 234. Uses of funds.
Sec. 235. Non-Federal share.
Sec. 236. Office of training technology transfer.

PART D—AUTHORIZATION OF APPROPRIATIONS

Sec. 241. Authorization of appropriations.

TITLE III—STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT

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SEC. 2. PURPOSE.

The purpose of this Act is to provide a framework for meeting the National Education Goals established by title I of this Act by—

(1) promoting coherent, nationwide, systemic education reform;

(2) improving the quality of learning and teaching in the classroom and in the workplace;

(3) defining appropriate and coherent Federal, State, and local roles and responsibilities for education reform and lifelong learning;

(4) establishing valid and reliable mechanisms for—

(A) building a broad national consensus on American education reform;

(B) assisting in the development and certification of high-quality, internationally competitive content and student performance standards;

(C) assisting in the development and certification of opportunity-to-learn standards; and

(D) assisting in the development and certification of high-quality assessment measures that reflect the internationally competitive content and student performance standards;

(5) supporting new initiatives at the Federal, State, local, and school levels to provide equal educational opportunity for all students to meet high academic and occupational skill standards and to succeed in the world of employment and civic participation;

(6) providing a framework for the reauthorization of all Federal education programs by—

(A) creating a vision of excellence and equity that will guide all Federal education and related programs;

(B) providing for the establishment of high-quality, internationally competitive content and student performance standards and strategies that all students will be expected to achieve;

(C) providing for the establishment of high quality, internationally competitive opportunity-to-learn standards that all States, local educational agencies, and schools should achieve;

(D) encouraging and enabling all State educational agencies and local educational agencies to develop comprehensive improvement plans that will provide a coherent framework for the implementation of reauthorized Federal education and related programs in an integrated fashion that effectively educates all children to prepare them to participate fully as workers, parents, and citizens;

(E) providing resources to help individual schools, including those serving students with high needs, develop and implement comprehensive improvement plans; and

(F) promoting the use of technology to enable all students to achieve the National Education Goals;

(7) stimulating the development and adoption of a voluntary national system of skill standards and certification to serve as a cornerstone of the national strategy to enhance workforce skills; and

(8) assisting every elementary and secondary school that receives funds under this Act to actively involve parents and families in supporting the academic work of their children at home and in providing parents with skills to advocate for their children at school.

SEC. 3. DEFINITIONS.

(a) TITLES I, II, III, AND X.—As used in titles I, II, III, and X of this Act—

(1) the terms "all students" and "all children" mean students or children from a broad range of backgrounds and circumstances, including disadvantaged students and children, students or children with diverse racial, ethnic, and cultural backgrounds, American Indians, Alaska Natives, Native Hawaiians, students or children with disabilities, students or children with limited-English proficiency, school-aged students or children who have dropped out of school, migratory students or children, and academically talented students and children;

(2) the term "Bureau", unless otherwise provided, means the Bureau of Indian Affairs;

(3) the terms "community", "public", and "advocacy group" include representatives of organizations advocating for the education of American Indian, Alaska Native, and Native Hawaiian children and Indian tribes;

(4) the term "content standards" means broad descriptions of the knowledge and skills students should acquire in a particular subject area;

(5) the term "Governor" means the chief executive of the State;

(6) the terms "local educational agency" and "State educational agency" have the meaning given such terms in section 1471 of the Elementary and Secondary Education Act of 1965;

(7) the term "opportunity-to-learn standards" means the criteria for, and the basis of, assessing the sufficiency or quality of the resources, practices, and conditions necessary at each level of the education system (schools, local educational agencies, and States) to provide all students with an opportunity to learn the material in voluntary national content standards or State content standards;

(8) the term "outlying areas" means Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Palau (until the effective date of the Compact of Free Association with the Government of Palau), the Republic of the Marshall Islands, and the Federated States of Micronesia;

(9) the term "performance standards" means concrete examples and explicit definitions of what students have to know and be able to do to demonstrate that such students are proficient in the skills and knowledge framed by content standards;

(10) the term "related services" has the same meaning given such term under section 602 of the Individuals with Disabilities Education Act;

(11) the term "State assessment" means measures of student performance which include at least 1 instrument of evaluation, and may include other measures of student performance, for a specific purpose and use which are intended to evaluate the progress of all students in the State toward learning the material in State content standards in 1 or more subject areas;

(12) the term "school" means a public school that is under the authority of the State educational agency or a local educational agency or, for the purpose of carrying out section 315(b), a school that is operated or funded by the Bureau;

(13) the term "Secretary", unless otherwise provided, means the Secretary of Education; and

(14) the term "State", unless otherwise provided, means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

(b) TITLES IV, V, VI, VII, VIII, AND IX.—For the purpose of titles IV, V, VI, VII, VIII, and IX—

(1) except as provided in paragraph (3) and unless otherwise provided, the terms used in such titles have the same meanings given such terms in section 1471 of the Elementary and Secondary Education Act of 1965;

(2) the term "Bureau", unless otherwise provided, means the Bureau of Indian Affairs; and

(3) the term "Secretary", unless otherwise provided, means the Secretary of Education

TITLE I—NATIONAL EDUCATION GOALS

SEC. 101. PURPOSE.

The purpose of this title is to establish National Education Goals.

SEC. 102. NATIONAL EDUCATION GOALS.

The Congress declares that the National Education Goals are the following:

(1) SCHOOL READINESS.—(A) By the year 2000, all children in America will start school ready to learn.

(B) The objectives for this goal are that—

(i) all children will have access to high-quality and developmentally appropriate preschool programs that help prepare children for school;

(ii) every parent in the United States will be a child's first teacher and devote time each day to helping such parent's preschool child learn, and parents will have access to the training and support parents need; and

(iii) children will receive the nutrition, physical activity experiences, and health care needed to arrive at school with healthy minds and bodies, and to maintain the mental alertness necessary to be prepared to learn, and the number of low-birthweight babies will be significantly reduced through enhanced prenatal health systems.

(2) SCHOOL COMPLETION.—(A) By the year 2000, the high school graduation rate will increase to at least 90 percent.

(B) The objectives for this goal are that—

(i) the Nation must dramatically reduce its school dropout rate, and 75 percent of the students who do drop out will successfully complete a high school degree or its equivalent; and

(ii) the gap in high school graduation rates between American students from minority backgrounds and their non-minority counterparts will be eliminated.

(3) STUDENT ACHIEVEMENT AND CITIZENSHIP.—(A) By the year 2000, all students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter including English, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography, and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our Nation's modern economy.

(B) The objectives for this goal are that—

(i) the academic performance of all students at the elementary and secondary level will increase significantly in every quartile, and the distribution of minority students in each quartile will more closely reflect the student population as a whole;

(ii) the percentage of all students who demonstrate the ability to reason, solve problems, apply knowledge, and write and communicate effectively will increase substantially;

(iii) all students will be involved in activities that promote and demonstrate good citizenship, good health, community service, and personal responsibility;

(iv) all students will have access to physical education and health education to ensure they are healthy and fit;

(v) the percentage of all students who are competent in more than one language will substantially increase; and

(vi) all students will be knowledgeable about the diverse cultural heritage of this Nation and about the world community.

(4) TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT.—

(A) By the year 2000, the Nation's teaching force will have access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.

(B) The objectives for this goal are that—

(i) all teachers will have access to preservice teacher education and continuing professional development activities that will provide such teachers with the knowledge and skills needed to teach to an increasingly diverse student population with a variety of educational, social, and health needs;

(ii) all teachers will have continuing opportunities to acquire additional knowledge and skills needed to teach challenging subject matter and to use emerging new methods, forms of assessment, and technologies;

(iii) States and school districts will create integrated strategies to attract, recruit, prepare, retrain, and support the continued professional development of teachers, administrators, and other educators, so that there is a highly talented work force of professional educators to teach challenging subject matter; and

(iv) partnerships will be established, whenever possible, among local educational agencies, institutions of higher education, parents, and local labor, business, and professional associations to provide and support programs for the professional development of educators.

(5) MATHEMATICS AND SCIENCE.—(A) By the year 2000, United States students will be first in the world in mathematics and science achievement.

(B) The objectives for this goal are that—

(i) mathematics and science education, including the metric system of measurement, will be strengthened throughout the system, especially in the early grades;

(ii) the number of teachers with a substantive background in mathematics and science, including the metric system of measurement, will increase by 50 percent; and

(iii) the number of United States undergraduate and graduate students, especially women and minorities, who complete degrees in mathematics, science, and engineering will increase significantly.

(6) ADULT LITERACY AND LIFELONG LEARNING.—(A) By the year 2000, every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

(B) The objectives for this goal are that—

(i) every major American business will be involved in strengthening the connection between education and work;

(ii) all workers will have the opportunity to acquire the knowledge and skills, from basic to highly technical, needed to adapt to emerging new technologies, work methods, and markets through public and private educational, vocational, technical, workplace, or other programs;

(iii) the number of quality programs, including those at libraries, that are designed to serve more effectively the needs of the growing number of part-time and midcareer students will increase substantially;

(iv) the proportion of the qualified students, especially minorities, who enter college, who complete at least two years, and who complete their degree programs will increase substantially;

(v) the proportion of college graduates who demonstrate an advanced ability to think critically, communicate effectively, and solve problems will increase substantially; and

(vi) schools, in implementing comprehensive parent involvement programs, will offer more adult literacy, parent training and life-long learning opportunities to improve the ties between home and school, and enhance parents' work and home lives.

(7) SAFE, DISCIPLINED, AND ALCOHOL- AND DRUG-FREE SCHOOLS.—

(A) By the year 2000, every school in the United States will be free of drugs, violence, and the unauthorized presence of firearms and alcohol and will offer a disciplined environment conducive to learning.

(B) The objectives for this goal are that—

(i) every school will implement a firm and fair policy on use, possession, and distribution of drugs and alcohol;

(ii) parents, businesses, governmental and community organizations will work together to ensure the rights of students to study in a safe and secure environment that is free of drugs and crime, and that schools provide a healthy environment and are a safe haven for all children;

(iii) every local educational agency will develop and implement a policy to ensure that all schools are free of violence and the unauthorized presence of weapons;

(iv) every local educational agency will develop a sequential, comprehensive kindergarten through twelfth grade drug and alcohol prevention education program;

(v) drug and alcohol curriculum should be taught as an integral part of sequential, comprehensive health education;

(vi) community-based teams should be organized to provide students and teachers with needed support; and

(vii) every school should work to eliminate sexual harassment.

(8) PARENTAL PARTICIPATION.—

(A) By the year 2000, every school will promote partnerships that will increase parental involvement and participation in promoting the social, emotional, and academic growth of children.

(B) The objectives for this Goal are that—

(i) every State will develop policies to assist local schools and local educational agencies to establish programs for increasing partnerships that respond to the varying needs of parents and the home, including parents of children who are disadvantaged or bilingual, or parents of children with disabilities;

(ii) every school will actively engage parents and families in a partnership which supports the academic work of children at home and shared educational decisionmaking at school; and

(iii) parents and families will help to ensure that schools are adequately supported and will hold schools and teachers to high standards of accountability.

TITLE II—NATIONAL EDUCATION REFORM LEADERSHIP, STANDARDS, AND ASSESSMENTS

PART A—NATIONAL EDUCATION GOALS PANEL

SEC. 201. PURPOSE.

It is the purpose of this part to establish a bipartisan mechanism for—

(1) building a national consensus for education improvement;

(2) reporting on progress toward achieving the National Education Goals; and

(3) reviewing the voluntary national content standards, voluntary national student performance standards and voluntary national opportunity-to-learn standards certified by the National Education Standards and Improvement Council, as well as the criteria for the certification of such standards, and the criteria for the certification of State assessments certified by the National Education Standards and Improvement Council, with the option of disapproving such standards and criteria not later than 90 days after receipt from such Council.

SEC. 202. NATIONAL EDUCATION GOALS PANEL.

(a) ESTABLISHMENT.—There is established in the executive branch a National Education Goals Panel (hereafter in this title referred to as the "Goals Panel") to advise the President, the Secretary, and the Congress.

(b) COMPOSITION.—The Goals Panel shall be composed of 18 members (hereafter in this part referred to as "members"), including—

(1) 2 members appointed by the President;

(2) 8 members who are Governors, 3 of whom shall be from the same political party as the President and 5 of whom shall be from the opposite political party of the President, appointed by the Chairperson and Vice Chairperson of the

National Governors' Association, with the Chairperson and Vice Chairperson each appointing representatives of such Chairperson's or Vice Chairperson's respective political party, in consultation with each other;

(3) 4 Members of the Congress, of whom—

(A) 1 member shall be appointed by the Majority Leader of the Senate from among the Members of the Senate;

(B) 1 member shall be appointed by the Minority Leader of the Senate from among the Members of the Senate;

(C) 1 member shall be appointed by the Majority Leader of the House of Representatives from among the Members of the House of Representatives; and

(D) 1 member shall be appointed by the Minority Leader of the House of Representatives from among the Members of the House of Representatives; and

(4) 4 members of State legislatures appointed by the President of the National Conference of State Legislatures, of whom 2 shall be of the same political party as the President of the United States.

(c) SPECIAL APPOINTMENT RULES.—

(1) IN GENERAL.—The members appointed pursuant to subsection (b)(2) shall be appointed as follows:

(A) If the Chairperson of the National Governors' Association is from the same political party as the President, the Chairperson shall appoint 3 individuals and the Vice Chairperson of such association shall appoint 5 individuals.

(B) If the Chairperson of the National Governors' Association is from the opposite political party as the President, the Chairperson shall appoint 5 individuals and the Vice Chairperson of such association shall appoint 3 individuals.

(2) SPECIAL RULE.—If the National Governors' Association has appointed a panel that meets the requirements of subsections (b) and (c), except for the requirements of paragraph (4) of subsection (b), prior to the date of enactment of this Act, then the members serving on such panel shall be deemed to be in compliance with the provisions of such subsections and shall not be required to be reappointed pursuant to such subsections.

(3) REPRESENTATION.—To the extent feasible, the membership of the Goals Panel shall be geographically representative and reflect the racial, ethnic, and gender diversity of the United States.

(d) TERMS.—The terms of service of members shall be as follows:

(1) PRESIDENTIAL APPOINTEES.—Members appointed under subsection (b)(1) shall serve at the pleasure of the President.

(2) GOVERNORS.—Members appointed under paragraph (2) of subsection (b) shall serve for 2-year terms, except that the initial appointments under such paragraph shall be made to ensure staggered terms with one-half of such members' terms concluding every 2 years.

(3) CONGRESSIONAL APPOINTEES AND STATE LEGISLATORS.—Members appointed under paragraphs (3) and (4) of subsection (b) shall serve for 2-year terms.

(e) DATE OF APPOINTMENT.—The initial members shall be appointed not later than 60 days after the date of enactment of this Act.

(f) INITIATION.—The Goals Panel may begin to carry out its duties under this part when 10 members of the Goals Panel have been appointed.

(g) VACANCIES.—A vacancy on the Goals Panel shall not affect the powers of the Goals Panel, but shall be filled in the same manner as the original appointment.

(h) TRAVEL.—Each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Goals Panel away from the home or regular place of business of the member.

(i) CHAIRPERSON.—

(1) IN GENERAL.—The members shall select a Chairperson from among the members.

(2) TERM AND POLITICAL AFFILIATION.—The Chairperson of the Goals Panel shall serve a 1-year term and shall alternate between political parties.

(j) CONFLICT OF INTEREST.—A member of the Goals Panel who is an elected official of a State which has developed content, student performance, or opportunity-to-learn standards may not participate in Goals Panel consideration of such standards.

(k) EX OFFICIO MEMBER.—If the President has not appointed the Secretary as 1 of the 2 members the President appoints pursuant to subsection (b)(1), then the Secretary shall serve as a nonvoting ex officio member of the Goals Panel.

SEC. 203. DUTIES.

(a) IN GENERAL.—The Goals Panel shall—

(1) report to the President, the Secretary, and the Congress regarding the progress the Nation and the States are making toward achieving the National Education Goals established under title I of this Act, including issuing an annual report;

(2) report on State opportunity-to-learn standards and strategies and the progress of States that are implementing such standards and strategies to help all students meet State content standards and State student performance standards;

(3) submit to the President nominations for appointment to the National Education Standards and Improvement Council in accordance with subsections (b) and (c) of section 212;

(4) after taking into consideration the public comments received pursuant to section 216 and not later than 90 days after receipt, review the—

(A) criteria developed by the National Education Standards and Improvement Council for the certification of State content standards, State student performance standards, State assessments, and State opportunity-to-learn standards; and

(B) voluntary national content standards, voluntary national student performance standards and voluntary national opportunity-to-learn standards certified by the National Education Standards and Improvement Council,

except that the Goals Panel shall have the option of disapproving such criteria and standards by a two-thirds majority vote of the membership of the Goals Panel not later than 90 days after receipt of such criteria and standards;

(5) report on promising or effective actions being taken at the national, State, and local levels, and in the public and private sectors, to achieve the National Education Goals; and

(6) help build a nationwide, bipartisan consensus for the reforms necessary to achieve the National Education Goals.

(b) REPORT.—

(1) IN GENERAL.—The Goals Panel shall annually prepare and submit to the President, the Secretary, the appropriate committees of Congress, and the Governor of each State a report that shall—

(A) report on the progress of the United States toward achieving the National Education Goals;

(B) identify actions that should be taken by Federal, State, and local governments to enhance progress toward achieving the National Education Goals and to provide all students with a fair opportunity-to-learn; and

(C) report on State opportunity-to-learn standards and strategies and the progress of States that are implementing such standards and strategies to help all students meet State content standards and State student performance standards.

(2) FORM; DATA.—Reports shall be presented in a form, and include data, that is understandable to parents and the general public.

SEC. 204. POWERS OF THE GOALS PANEL.

(a) HEARINGS.—

(1) IN GENERAL.—The Goals Panel shall, for the purpose of carrying out this part, conduct such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Goals Panel considers appropriate.

(2) REPRESENTATION.—In carrying out this part, the Goals Panel shall conduct hearings to receive reports, views, and analyses of a broad spectrum of experts and the public on the establishment of voluntary national content standards, voluntary national student performance standards, voluntary national opportunity-to-learn standards, and State assessments described in section 213(f).

(b) INFORMATION.—The Goals Panel may secure directly from any department or agency of the United States information necessary to enable the Goals Panel to carry out this part. Upon request of the Chairperson of the Goals Panel, the head of a department or agency shall furnish such information to the Goals Panel to the extent permitted by law.

(c) POSTAL SERVICES.—The Goals Panel may use the United States mail in the same manner and under the same conditions as other departments and agencies of the United States.

(d) USE OF FACILITIES.—The Goals Panel may, with consent of any agency or instrumentality of the United States, or of any State or political subdivision thereof, use the research, equipment, services, and facilities of such agency, instrumentality, State, or subdivision, respectively.

(e) ADMINISTRATIVE ARRANGEMENTS AND SUPPORT.—

(1) IN GENERAL.—The Secretary shall provide to the Goals Panel, on a reimbursable basis, such administrative support services as the Goals Panel may request.

(2) CONTRACTS AND OTHER ARRANGEMENTS.—The Secretary, to the extent appropriate, and on a reimbursable basis, shall make contracts and other arrangements that are requested by the Goals Panel to help the Goals Panel compile and analyze data or carry out other functions necessary to the performance of such responsibilities.

SEC. 205. ADMINISTRATIVE PROVISIONS.

(a) MEETINGS.—The Goals Panel shall meet on a regular basis, as necessary, at the call of the Chairperson of the Goals Panel or a majority of its members.

(b) QUORUM.—A majority of the members shall constitute a quorum for the transaction of business.

(c) VOTING AND FINAL DECISION.—

(1) VOTING.—No individual may vote, or exercise any of the powers of a member, by proxy.

(2) FINAL DECISIONS.—

(A) In making final decisions of the Goals Panel with respect to the exercise of its duties and powers the Goals Panel shall operate on the principle of consensus among the members of the Goals Panel.

(B) Except as otherwise provided in this part, if a vote of the membership of the Goals Panel is required to reach a final decision with respect to the exercise of its duties and powers, then such final decision shall be made by a three-fourths vote of the members of the Goals Panel who are present and voting.

(d) PUBLIC ACCESS.—The Goals Panel shall ensure public access to its proceedings (other than proceedings, or portions of proceedings, relating to internal personnel and management matters) and make available to the public, at reasonable cost, transcripts of such proceedings.

SEC. 206. DIRECTOR AND STAFF; EXPERTS AND CONSULTANTS.

(a) DIRECTOR.—The Chairperson of the Goals Panel, without regard to the provisions of title 5, United States Code, relating to the appointment and compensation of officers or employees of the United States, shall appoint a Director to be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule.

(b) APPOINTMENT AND PAY OF EMPLOYEES.—

(1) IN GENERAL.—(A) The Director may appoint not more than 4 additional employees to serve as staff to the Goals Panel without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(B) The employees appointed under subparagraph (A) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, but shall not be paid a rate that exceeds the maximum rate of basic pay payable for GS-15 of the General Schedule.

(2) ADDITIONAL EMPLOYEES.—The Director may appoint additional employees to serve as staff to the Goals Panel in accordance with title 5, United States Code.

(c) EXPERTS AND CONSULTANTS.—The Goals Panel may procure temporary and intermittent services of experts and consultants under section 3109(b) of title 5, United States Code.

(d) STAFF OF FEDERAL AGENCIES.—Upon the request of the Goals Panel, the head of any department or agency of the United States may detail any of the personnel of such agency to the Goals Panel to assist the Goals Panel in its duties under this part.

SEC. 207. EARLY CHILDHOOD ASSESSMENT.

(a) IN GENERAL.—The Goals Panel shall support the work of its Resource and Technical Planning Groups on School Readiness (hereafter in this section referred to as the "Groups") to improve the methods of assessing the readiness of children for school that would lead to alternatives to currently used early childhood assessments.

(b) ACTIVITIES.—The Groups shall—

(1) develop a model of elements of school readiness that address a broad range of early childhood developmental needs, including the needs of children with disabilities;

(2) create clear guidelines regarding the nature, functions, and uses of early childhood assessments, including assessment formats that are appropriate for use in culturally and linguistically diverse communities, based on model elements of school readiness;

(3) monitor and evaluate early childhood assessments, including the ability of existing assessments to provide valid information on the readiness of children for school; and

(4) monitor and report on the long-term collection of data on the status of young children to improve policy and practice, including the need for new sources of data necessary to assess the broad range of early childhood developmental needs.

(c) ADVICE.—The Groups shall advise and assist the Congress, the Secretary, the Goals Panel, and others regarding how to improve the assessment of young children and how such assessments can improve services to children.

(d) REPORT.—The Goals Panel shall provide reports on the work of the Groups to the appropriate committees of the Congress, the Secretary, and the public.

PART B—NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

SEC. 211. PURPOSE.

It is the purpose of this part to establish a mechanism to—

(1) certify and periodically review voluntary national content standards and voluntary national student performance standards that define what all students should know and be able to do;

(2) certify State content standards and State student performance standards submitted by States on a voluntary basis, if such standards are comparable or higher in rigor and quality to the voluntary national content standards and voluntary national student performance standards certified by the National Education Standards and Improvement Council;

(3) certify and periodically review voluntary national opportunity-to-learn standards that describe the conditions of teaching and learning necessary for all students to have a fair opportunity to achieve the knowledge and skills described in the voluntary national content standards and the voluntary national student performance standards certified by the National Education Standards and Improvement Council;

(4) certify opportunity-to-learn standards submitted by States on a voluntary basis, if such standards are comparable or higher in rigor and quality to the voluntary national opportunity-to-learn standards certified by the National Education Standards and Improvement Council; and

(5) certify State assessments submitted by States or groups of States on a voluntary basis, if such assessments—

(A) are aligned with and support State content standards certified by such Council; and

(B) are valid, reliable, and consistent with relevant, nationally recognized, professional and technical standards for assessment when used for their intended purposes.

SEC. 212. NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL.

(a) ESTABLISHMENT.—There is established in the executive branch a National Education Standards and Improvement Council (hereafter in this part referred to as the "Council").

(b) COMPOSITION.—

(1) IN GENERAL.—The Council shall be composed of 19 members (hereafter in this part referred to as "members") who shall be appointed as follows:

(A) The President shall appoint 7 individuals to the Council from among nominations received from the Secretary under subsection (c)(1)(B)(i), of whom—

(i) 2 shall be from each of the categories described in clause (i), (iii), or (iv) of subsection (c)(1)(A); and

(ii) 1 shall be from the category described in clause (ii) of subsection (c)(1)(A).

(B) The President shall appoint 12 individuals to the Council, of whom—

(i) 4 individuals shall be from nominations received from the Speaker of the House of Representatives, of whom 1 individual shall be from each of the categories described in clauses (i) through (iv) of subsection (c)(1)(A);

(ii) 4 individuals shall be from nominations received from the Majority Leader of the Senate, of whom 1 individual shall be from each of the categories described in clauses (i) through (iv) of subsection (c)(1)(A); and

(iii) 4 individuals shall be from nominations received from the Goals Panel, of whom 1 individual shall be from each of the categories described in clauses (i) through (iv) of subsection (c)(1)(A).

(2) SPECIAL RULES.—From among nominations received pursuant to subparagraphs (A) and (B) of paragraph (1) the President shall appoint to the Council—

(A) 1 individual representative of post-secondary educational institutions;

(B) 1 individual representative of organized labor; and

(C) 1 individual who is representative of business and is a member of the National Skill Standards Board established under title V.

(c) APPOINTMENT RULES AND QUALIFICATIONS.—

(1) APPOINTMENT CATEGORIES.—(A) The members of the Council shall be appointed from among the following categories of individuals:

(i) Professional educators, including elementary and secondary classroom teachers, preschool educators, related services personnel, and other school-based professionals, State or local educational agency administrators, and other educators.

(ii) Representatives of business and industry, organized labor, and postsecondary educational institutions.

(iii) Representatives of the public, including representatives of advocacy, civil rights and disability groups, parents, civic leaders, State or local education policymakers (including members of State, local, or tribal school boards).

(iv) Education experts, including experts in measurement and assessment, curriculum, school finance and equity, and school reform.

(B)(i) The Secretary shall nominate 21 individuals for membership on the Council, of whom—

(I) 3 individuals shall be nominated from the category described in subparagraph (A)(i); and

(II) 6 individuals shall be nominated from each of the categories described in clauses (ii) through (iv) of subparagraph (A).

(ii) The Speaker of the House of Representatives, in consultation with the Majority Leader and Minority Leader of the House of Representatives, shall nominate 12 individuals for membership on the Council, of whom 3 individuals shall be nominated from each of the categories described in clauses (i) through (iv) of subparagraph (A).

(iii) The Majority Leader of the Senate, in consultation with the Minority Leader of the Senate, shall nominate 12 individuals for membership on the Council, of whom 3 individuals shall be nominated from each of the categories described in clauses (i) and (iv) of subparagraph (A).

(iv) The Goals Panel shall nominate 12 individuals for membership on the Council, of whom 3 individuals shall be nominated from each of the categories described in clauses (i) and (iv) of subparagraph (A).

(2) REPRESENTATION.—To the extent feasible, the membership of the Council shall be geographically representative of the United States and reflect the diversity of the United States with regard to race, ethnicity, gender, and disability characteristics.

(3) EXPERTISE OR BACKGROUND.—Not less than one-third of the individuals nominated and appointed under subsection (b) shall have expertise or background in the educational needs of children who are from low-income families, from minority backgrounds, have limited-English proficiency, or have disabilities.

(4) DIVISION BETWEEN POLITICAL PARTIES.—To the extent feasible, the individuals nominated and the individuals appointed to the Council shall be equally divided between the 2 major political parties.

(d) TERMS.—

(1) IN GENERAL.—Members shall be appointed for 3-year terms, with no member serving more than 2 consecutive terms.

(2) STAGGERING.—(A) The Council shall establish initial terms for members of 1, 2, or 3 years in order to establish a rotation in which one-third of the members are selected each year.

(B) The Secretary shall determine, pursuant to a lottery, which members serve terms of 1, 2, or 3 years under subparagraph (A).

(e) DATE OF APPOINTMENT.—The initial members shall be appointed not later than 120 days after the date of enactment of this Act.

(f) INITIATION.—The Council shall begin to carry out the duties of the Council under this part when all 20 members have been appointed.

(g) RETENTION.—In order to retain an appointment to the Council, a member shall attend at least two-thirds of the scheduled meetings of the Council in any given year.

(h) VACANCY.—A vacancy on the Council shall not affect the powers of the Council, but shall be filled in the same manner as the original appointment.

(i) COMPENSATION.—Members of the Council who are not regular full-time employees of the United States may, while attending meetings or hearings of the Council, be provided compensation at a rate fixed by the Secretary, but not exceeding the maximum rate of basic pay payable for GS-15 of the General Schedule.

(j) CONFLICT OF INTEREST.—

(1) IN GENERAL.—A member of the Council may not concurrently serve as a member of the Goals Panel.

(2) PROHIBITION.—A member of the Council who resides in a State which has developed State content standards, State student performance standards, State opportunity-to-learn standards or State assessments that are submitted to the Council for certification may not participate in Council consideration of such standards and assessments.

(3) SPECIAL RULES.—(A) Notwithstanding any other provision of law, before an individual is appointed to the Council, the official responsible for issuing waivers under section 208(b)(3) of title 18, United States Code, shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a copy of the waiver required by that section. Information contained in the waiver that would not otherwise be publicly available under section 208(d)(1) of title 18, United States Code, shall be provided to such committees, but shall be noted as nonpublic information.

(B) The Council shall develop, consistent with the provisions of and regulations promulgated pursuant to section 208(b)(3) of title 18, United States Code, and submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate procedures governing the participation of members in any matter that affects the financial interests of the members or of a person or entity whose interests are imputed to the member.

(k) TRAVEL.—Each member of the Council may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for each day the member is engaged in the performance of duties away from the home or regular place of business of the member.

(l) OFFICERS.—The members of the Council shall select officers from among its members. The officers of the Council shall serve for one-year terms.

SEC. 213. DUTIES.

(a) VOLUNTARY NATIONAL CONTENT STANDARDS; VOLUNTARY NATIONAL STUDENT PERFORMANCE STANDARDS.—

(1) IN GENERAL.—The Council, which may consult with outside experts, shall—

(A) identify areas in which voluntary national content standards need to be developed;

(B) certify voluntary national content standards and voluntary national student performance standards using the criteria developed under paragraph (2)(A)(i), that define what all students should know and be able to do;

(C) forward such voluntary national content standards and voluntary national student performance standards to the Goals Panel for review, except that the Goals Panel shall have the option of disapproving such standards by a two-thirds majority vote of the full membership of the Goals Panel not later than 90 days after receipt of such standards; and

(D) develop a process for periodically reviewing any voluntary national content standards, voluntary national student performance standards, and voluntary national opportunity-to-learn standards that have been certified.

(2) CRITERIA.—(A) The Council, which may consult with outside experts, shall—

(i) identify and develop criteria to be used for certifying the voluntary national content standards and voluntary national student performance standards; and

(ii) before applying such criteria, forward such criteria to the Goals Panel for review, except that the Goals Panel shall have the option of disapproving such criteria by a two-thirds majority vote of the full membership of the Goals Panel not later than 90 days after receipt of such criteria.

(B) The criteria developed by the Council shall address—

(i) the extent to which the proposed standards are internationally competitive and comparable to the best in the world;

(ii) the extent to which the proposed voluntary national content standards and voluntary national student performance standards reflect the best available knowledge about how all students learn and about how the content area can be most effectively taught;

(iii) the extent to which the proposed voluntary national content standards and voluntary national student performance standards have been developed through an open and public process that provides for input and involvement of all relevant parties, including teachers, related services personnel, and other professional educators, employers and postsecondary education institutions, curriculum and subject matter specialists, parents, advocacy groups, secondary school students, and the public; and

(iv) other factors that the Council deems appropriate.

(C) In developing the criteria, the Council shall work with entities that are developing, or have already developed, content and student performance standards, and any other entities that the Council deems appropriate, to identify appropriate certification criteria.

(b) STATE CONTENT STANDARDS; STATE STUDENT PERFORMANCE STANDARDS.—The Council may certify State content standards and State student performance standards presented on a voluntary basis by a State or group of States, using the criteria developed under subsection (a)(2)(A)(i), if such standards are comparable or higher in rigor and quality to the voluntary national content standards and voluntary national student performance standards certified by the Council.

(c) VOLUNTARY NATIONAL OPPORTUNITY-TO-LEARN STANDARDS.—

(1) IN GENERAL.—The Council, which may consult with outside experts, shall certify exemplary, voluntary national opportunity-to-learn standards that will establish a basis for providing all students a fair opportunity to achieve the knowledge and skills set out in the voluntary national content standards certified by the Council. In carrying out the preceding sentence the Council is authorized to consider proposals for voluntary national opportunity-to-learn standards from groups other than groups that receive grants under section 219.

(2) ELEMENTS ADDRESSED.—The voluntary national opportunity-to-learn standards certified by the Council shall address—

(A) the quality and availability to all students of curricula, instructional materials, and technologies, including distance learning;

(B) the capability of teachers to provide high-quality instruction to meet diverse learning needs in each content area to all students;

(C) the extent to which teachers, principals, and administrators have ready and continuing access to professional development, including the best knowledge about teaching, learning, and school improvement;

(D) the extent to which curriculum, instructional practices, and assessments are aligned to voluntary national content standards;

(E) the extent to which school facilities provide a safe and secure environment for learning and instruction and have the requisite libraries, laboratories, and other resources necessary to provide an opportunity-to-learn;

(F) the extent to which schools utilize policies, curricula, and instructional practices which ensure nondiscrimination on the basis of gender; and

(G) other factors that the Council deems appropriate to ensure that all students receive a fair opportunity to achieve the knowledge and skills described in the voluntary national content standards and the voluntary national student performance standards certified by the Council.

(3) ADDITIONAL DUTIES.—In carrying out this subsection, the Council shall—

(A) identify what other countries with rigorous content standards do to—

(i) provide their children with opportunities to learn;

(ii) prepare their teachers; and

(iii) provide continuing professional development opportunities for their teachers; and

(B) develop criteria to be used for certifying the voluntary national opportunity-to-learn standards and State opportunity-to-learn standards and, before applying such criteria, forward such criteria to the Goals Panel for review, except that the Goals Panel shall have the option of disapproving such criteria by a two-thirds majority vote of the full membership of the Goals Panel not later than 90 days after receipt of such criteria.

(4) RECOMMENDATIONS AND COORDINATION.—The Council shall assist in the development of the voluntary national opportunity-to-learn standards developed by each consortium under section 219 by—

(A) making recommendations to the Secretary regarding priorities and selection criteria for each grant awarded under section 219; and

(B) coordinating with each consortium receiving awards under section 219 to ensure that the opportunity-to-learn standards the consortium develops are appropriate for the needs of all students, are of high quality, and are consistent with the criteria developed by the Council for the certification of such standards.

(5) APPROVAL.—The Council shall forward the voluntary national opportunity-to-learn standards the Council certifies to the Goals Panel for review, except that the Goals Panel shall have the option of disapproving such standards by a two-thirds majority vote of the full membership of the Goals Panel not later than 90 days after receipt of such standards.

(d) STATE OPPORTUNITY-TO-LEARN STANDARDS.—The Council may certify State opportunity-to-learn standards submitted voluntarily by a State, using the criteria developed under subsection (c)(3)(B), if such standards are comparable or higher in rigor and quality to the voluntary national opportunity-to-learn standards.

(e) GENERAL PROVISION REGARDING VOLUNTARY NATIONAL STANDARDS.—The Council may certify voluntary national content standards, voluntary national student performance standards, and voluntary national opportunity-to-learn standards if such standards are sufficiently general to be used by any State without restricting State and local control of curriculum and prerogatives regarding instructional methods to be employed.

(f) STATE ASSESSMENTS.—

(1) IN GENERAL.—(A) The Council may certify for a period not to exceed 5 years, State assess-

ments that are submitted voluntarily by a State, using the criteria developed under paragraph (2)(A), if such assessments are aligned with the State's content standards certified by the Council.

(B) State assessments shall be certified by the Council for the purposes of—

(i) informing students, parents, teachers, and related services personnel about the progress of all students toward the standards;

(ii) improving classroom instruction and improving the learning outcomes for all students;

(iii) exemplifying for students, parents, and teachers the kinds and levels of achievement that should be expected of all students, including the identification of State student performance standards;

(iv) measuring and motivating individual students, schools, districts, States, and the Nation to improve educational performance; and

(v) assisting education policymakers in making decisions about education programs.

(C) The Council shall certify State assessments only if—

(i) a State can demonstrate to the Council that all students have been prepared in the content for which such students are being assessed;

(ii) such assessments will not be used to make decisions regarding graduation, grade promotion, or retention of students for a period of 5 years from the date of enactment of this Act; and

(iii) the State has submitted to the Council—

(I) a description of the purposes for which the State assessments have been designed;

(II) the methodologies and process used to develop, select, validate, and use such State assessments;

(III) a copy of the test instrument, as appropriate;

(IV) a description of the other measures the State will use to evaluate student performance; and

(V) evidence that the test or tests which are part of the State assessments are valid, reliable measures of their intended purposes, are aligned with the State content standards, are capable of assessing the progress of all students toward learning the material in the State content standards, and are consistent with relevant nationally recognized professional and technical standards.

(D) The Council, at the request of a State prior to the State's submission to the Council of a State assessment for a proposed use, shall review and provide guidance to such State on a proposed package of measures, including tests that will be included in such a system.

(2) Criteria.—(A) The Council shall develop and, not sooner than three years nor later than four years after the date of enactment of this Act, begin utilizing criteria for the certification of State assessments for the purposes described in paragraph (1)(B).

(B) Before using such criteria, the Council shall forward the criteria to the Goals Panel for review, except that the Goals Panel shall have the option of disapproving such criteria by a two-thirds majority vote of the full membership of the Goals Panel not later than 90 days after receipt of such criteria.

(C) The certification criteria developed by the Council shall address the extent to which the State assessments—

(i) are aligned with a State's or a group of States' State content standards certified by the Council; and

(ii) are to be used for a purpose for which they are valid, reliable, and free of discrimination, and are consistent with relevant, nationally recognized professional and technical standards for assessment.

(D) In determining appropriate certification criteria for State assessments, the Council shall—

(i) consider standards and criteria being developed by other national organizations, research on assessment, and emerging new State and local assessments;

(ii) recommend needed research;

(iii) encourage the development and field testing of State assessments; and

(iv) provide a public forum for discussing, debating, and building consensus for the criteria to be used for the certification of State assessments.

(E) Prior to determining the certification criteria, the Council shall seek public comment regarding the proposed criteria.

(F) The Council shall certify State assessments only if such assessments include all students and provide for the adaptations and accommodations necessary to permit the participation of all students with diverse learning needs.

(g) Performance of Duties.—In carrying out its responsibilities under this title, the Council shall—

(1) provide for a process of broad public input as part of the process of developing criteria for standards and assessments;

(2) work with Federal and non-Federal departments, agencies, or organizations which are conducting research, studies, or demonstration projects to determine internationally competitive standards and assessments, and may establish subject matter and other panels to advise the Council on particular content, student performance, and opportunity-to-learn standards and on State assessments;

(3) establish cooperative arrangements with the National Skill Standards Board to promote the coordination of the development of content and student performance standards under this title with the development of skill standards under title V of this Act;

(4) recommend studies to the Secretary that are necessary to carry out the Council's responsibilities;

(5) inform the public about what constitutes high quality, internationally competitive, content, student performance, and opportunity-to-learn standards, and State assessments;

(6) on a regular basis, review and update criteria for certifying content, student performance, and opportunity-to-learn standards, and State assessments; and

(7) periodically recertify, as appropriate, the voluntary national content standards, the voluntary national student performance standards, and the voluntary national opportunity-to-learn standards and the State assessments that the Council certifies under this section.

(h) Special Rules.—

(1) Unconditioned State Participation.—No State shall be required to obtain certification of standards or assessments developed under subsection (b), (d), or (f) of this section or to participate in programs under title III of this Act, as a condition of participating in any Federal education program under this or any other Act.

(2) Construction.—Nothing in this Act shall be construed to create a legally enforceable right for any person against a State, local educational agency, or school based on a standard or assessment certified by the Council or the criteria developed by the Council for such certification.

SEC. 214. ANNUAL REPORTS.

Not later than one year after the date the Council concludes its first meeting, and in each succeeding year, the Council shall prepare and submit a report to the President, the Secretary, the appropriate committees of Congress, the Governor of each State, and the Goals Panel regarding its work.

SEC. 215. POWERS OF THE COUNCIL.

(a) Hearings.—

(1) In general.—The Council shall, for the purpose of carrying out its responsibilities, conduct such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate.

(2) Location.—In carrying out this part, the Council shall conduct public hearings in different geographic areas of the United States, both urban and rural, to receive the reports, views, and analyses of a broad spectrum of experts and the public on the establishment of voluntary national content standards, voluntary national student performance standards, voluntary national opportunity-to-learn standards, and State assessments described in section 213(f).

(b) Information.—The Council may secure directly from any department or agency of the United States information necessary to enable the Council to carry out this part. Upon request of the Chairperson of the Council, the head of such department or agency shall furnish such information to the Council to the extent permitted by law.

(c) Postal Services.—The Council may use the United States mail in the same manner and under the same conditions as other departments and agencies of the United States.

(d) Use of Facilities.—The Council may use the research, equipment, services, and facilities of any department, agency, or instrumentality of the United States, or of any State or political subdivision thereof with the consent of such department, agency, instrumentality, State or subdivision, respectively.

(e) Administrative Arrangements and Support.—

(1) In general.—The Secretary shall provide to the Council, on a reimbursable basis, such administrative support services as the Council may request.

(2) Contracts and other arrangements.—The Secretary, to the extent appropriate and on a reimbursable basis, shall enter into contracts and other arrangements that are requested by the Council to help the Council compile and analyze data or carry out other functions necessary to the performance of the Council's responsibilities.

SEC. 216. PUBLICATION FOR PUBLIC COMMENT.

(a) Transmittal.—For the purpose of obtaining public comment through publication in the Federal Register, the Council shall transmit to the Secretary—

(1) proposed criteria for certifying voluntary national content standards, voluntary national student performance standards, and State content standards and State performance standards;

(2) proposed criteria for certifying voluntary national opportunity-to-learn standards and State opportunity-to-learn standards;

(3) proposed criteria for certifying State assessments; and

(4) proposed voluntary national content standards, voluntary national student performance standards, and voluntary national opportunity-to-learn standards.

(b) Publication.—The Secretary shall publish such proposed procedures, standards, and criteria in the Federal Register.

SEC. 217. ADMINISTRATIVE PROVISIONS.

(a) Meetings.—The Council shall meet on a regular basis, as necessary, at the call of the Chairperson of the Council, or a majority of its members.

(b) Quorum.—A majority of the members shall constitute a quorum for the transaction of business.

(c) Voting.—The Council shall take all action of the Council by a majority vote of the total membership of the Council, ensuring the right of the minority to issue written views. No individual may vote or exercise any of the powers of a member by proxy.

(d) PUBLIC ACCESS.—The Council shall ensure public access to its proceedings (other than proceedings, or portions of proceedings, relating to internal personnel and management matters) and make available to the public, at reasonable cost, transcripts of such proceedings.

SEC. 218. DIRECTOR AND STAFF; EXPERTS AND CONSULTANTS.

(a) DIRECTOR.—The Chairperson of the Council shall, without regard to the provisions of title 5, United States Code, relating to the appointment and compensation of officers or employees of the United States, appoint a Director to be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule.

(b) APPOINTMENT AND PAY OF EMPLOYEES.—

(1) IN GENERAL.—(A) The Director may appoint not more than four additional employees to serve as staff to the Council without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(B) The employees appointed under subparagraph (A) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, but shall not be paid a rate that exceeds the maximum rate of basic pay payable for GS–15 of the General Schedule.

(2) ADDITIONAL EMPLOYEES.—The Director may appoint additional employees to serve as staff of the Council consistent with title 5, United States Code.

(c) EXPERTS AND CONSULTANTS.—The Council may procure temporary and intermittent services under section 3019(b) of title 5, United States Code.

(d) STAFF OF FEDERAL AGENCIES.—Upon the request of the Council, the head of any department or agency of the United States may detail any of the personnel of such department or agency to the Council to assist the Council in its duties under this part.

SEC. 219. OPPORTUNITY-TO-LEARN DEVELOPMENT GRANT.

(a) OPPORTUNITY-TO-LEARN DEVELOPMENT GRANT.—

(1) IN GENERAL.—The Secretary is authorized to award more than one grant, on a competitive basis, to consortia of individuals and organizations to develop voluntary national opportunity-to-learn standards consistent with the provisions of section 213(c), and to develop a listing of model programs for use, on a voluntary basis, by States, which standards and listing may be used to—

(A) provide all students with an opportunity to learn;

(B) assess the capacity and performance of individual schools; and

(C) develop appropriate actions to be taken in the event that the schools fail to achieve such standards.

(2) COMPOSITION OF CONSORTIA.—To the extent possible, each consortium shall include the participation of—

(A) State-level policymakers, such as Governors, State legislators, chief State school officers, and State school board members;

(B) local policymakers and administrators, such as local school board members, superintendents, and principals;

(C) teachers (especially teachers involved in the development of content standards) and related services personnel;

(D) parents and individuals with experience in promoting parental involvement in education;

(E) representatives of business;

(F) experts in vocational-technical education;

(G) representatives of regional accrediting associations;

(H) individuals with expertise in school finance and equity, the education of at-risk students, and the preparation and training of teachers and school administrators;

(I) curriculum and school reform experts;

(J) representatives of advocacy groups, including student and civil rights advocacy groups;

(K) representatives of higher education; and

(L) secondary school students.

(3) DUTIES OF CONSORTIA.—In developing voluntary national opportunity-to-learn standards, each consortium shall—

(A) draw upon current research about student achievement and the necessary conditions for effective teaching and learning; and

(B) provide for the development of more than one draft of standards which incorporate the comments and recommendations of educators and other knowledgeable individuals across the Nation.

(4) EXPERTISE OR BACKGROUND.—One-third of the members of each consortium shall consist of individuals with expertise or background in the educational needs and assessment of children who are from low-income families, are from minority backgrounds, have limited-English proficiency, or have disabilities.

(5) GEOGRAPHIC REPRESENTATION.—The membership of each consortium shall be geographically representative and reflect the racial, ethnic, and gender diversity of the United States.

(b) APPLICATIONS.—

(1) GRANTS FOR CONSORTIUM.—Each consortium that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

(2) AWARD CONSIDERATION.—In establishing additional priorities and selection criteria for awarding more than one grant, the Secretary shall give serious consideration to the recommendations made by the Council pursuant to section 213(c)(4)(A).

(c) REPORT.—After the development of the voluntary national opportunity-to-learn standards, each consortium receiving assistance under this section shall submit a report to the Secretary which discusses the background, important issues, and rationale regarding such standards.

SEC. 220. ASSESSMENT DEVELOPMENT AND EVALUATION GRANTS.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary is authorized to make grants to State and local educational agencies or consortia of such agencies to help defray the cost of developing, field testing, and evaluating State assessments to be used for some or all of the purposes indicated in section 213(f)(1)(B), that are aligned to State content standards certified by the Council.

(2) RESERVATION.—The Secretary shall reserve a portion of the funds authorized under section 241(d) for grants to State educational agencies and local educational agencies for purposes of developing such assessments in languages other than English and for students with disabilities.

(b) APPLICATIONS.—Each State or local educational agency, or consortium, that desires to receive a grant under subsection (a)(1) shall submit an application to the Secretary at such time, in such manner, and containing such information and assurances as the Secretary may require.

(c) REQUIREMENTS.—

(1) IN GENERAL.—A recipient of a grant under this section shall—

(A) examine the validity and reliability of the State assessment for the particular purposes for which such assessment was developed;

(B) ensure that the State assessment is consistent with relevant, nationally recognized professional and technical standards for assessments; and

(C) devote special attention to how a State assessment treats all students, especially with regard to the race, gender, ethnicity, disability, and language proficiency of such students.

(2) USE.—A State assessment developed and evaluated with funds under this section may not be used for decisions about individual students relating to program placement, promotion, or retention, graduation, or employment for a period of 5 years from the date of enactment of this Act.

SEC. 221. EVALUATION.

(a) GRANT.—From funds reserved under section 304(a)(2)(C), the Secretary shall make a grant, in an amount not to exceed $500,000, to the National Academy of Sciences or the National Academy of Education to—

(1) evaluate—

(A) the technical quality of the work performed by the Goals Panel and the Council;

(B) the process the Council uses to develop criteria for certification of standards and assessments;

(C) the process the Council uses to certify voluntary national standards as well as standards and assessments voluntarily submitted by States; and

(D) the process the Goals Panel uses to approve certification criteria and voluntary national standards;

(2) periodically provide to the Goals Panel and the Council, as appropriate, information from the evaluation under paragraph (1); and

(3) report on the activities authorized under sections 219 and 220.

(b) REPORT.—The recipient of a grant under this section shall submit a final report to the Congress, the Secretary, and the public regarding the activities assisted under this section not later than January 1, 1998.

PART C—LEADERSHIP IN EDUCATIONAL TECHNOLOGY

SEC. 231. PURPOSES.

It is the purpose of this part to promote achievement of the National Education Goals and—

(1) to provide leadership at the Federal level, through the Department of Education, by developing a national vision and strategy—

(A) to infuse technology and technology planning into all educational programs and training functions carried out within school systems at the State and local level;

(B) to coordinate educational technology activities among the related Federal and State departments or agencies, industry leaders, and interested educational and parental organizations;

(C) to establish working guidelines to ensure maximum interoperability nationwide and ease of access for the emerging technologies so that no school system will be excluded from the technological revolution; and

(D) to ensure that Federal technology-related policies and programs facilitate the use of technology in education;

(2) to promote awareness of the potential of technology for improving teaching and learning;

(3) to support State and local efforts to increase the effective use of technology for education;

(4) to demonstrate ways in which technology can be used to improve teaching and learning, and to help ensure that all students have an equal opportunity to meet State education standards;

(5) to ensure the availability and dissemination of knowledge (drawn from research and experience) that can form the basis for sound State and local decisions about investment in, and effective uses of, educational technology;

(6) to promote high-quality professional development opportunities for teachers and administrators regarding the integration of technology into instruction and administration;

(7) to promote the effective uses of technology in existing Federal education programs, such as

chapter 1 of title I of the Elementary and Secondary Education Act of 1965 and vocational education programs; and

(8) to monitor, advancements in technology to encourage the development of effective educational uses of technology.

SEC. 232. FEDERAL LEADERSHIP.

(a) ACTIVITIES AUTHORIZED.—

(1) IN GENERAL.—In order to provide Federal leadership that promotes higher student achievement through the use of technology in education and to achieve the purposes of this part, the Secretary, in consultation with the Office of Science and Technology Policy, the National Science Foundation, the Department of Commerce, the Department of Energy, the National Aeronautics and Space Administration, and other appropriate Federal departments or agencies, may carry out activities designed to achieve the purposes of this part.

(2) TRANSFER OF FUNDS.—For the purpose of carrying out coordinated or joint activities to achieve the purposes of this part, the Secretary may accept funds from other Federal departments or agencies.

(b) NATIONAL LONG-RANGE TECHNOLOGY PLAN.—

(1) IN GENERAL.—The Secretary shall develop and publish within 12 months of the date of enactment of this Act, and update when the Secretary determines appropriate, a national long-range plan that supports the overall national technology policy and carries out the purposes of this part.

(2) PLAN REQUIREMENTS.—The Secretary shall—

(A) develop the national long-range plan in consultation with other Federal departments or agencies, State and local education practitioners and policymakers, experts in technology and the educational applications of technology, representatives of distance learning consortia, representatives of telecommunications partnerships receiving assistance under the Star Schools Program Assistance Act, and providers of technology services and products;

(B) transmit such plan to the President and to the appropriate committees of the Congress; and

(C) publish such plan in a form that is readily accessible to the public.

(3) CONTENTS OF THE PLAN.—The national long-range plan shall describe the Secretary's activities to promote the purposes of this part, including—

(A) how the Secretary will encourage the effective use of technology to provide all students the opportunity to achieve State content standards and State student performance standards, especially through programs administered by the Department of Education;

(B) joint activities in support of the overall national technology policy with other Federal departments or agencies, such as the Office of Science and Technology Policy, the National Endowment for the Humanities, the National Endowment for the Arts, the National Aeronautics and Space Administration, the National Science Foundation, and the Departments of Commerce, Energy, Health and Human Services, and Labor—

(i) to promote the use of technology in education, and training and lifelong learning, including plans for the educational uses of a national information infrastructure; and

(ii) to ensure that the policies and programs of such departments or agencies facilitate the use of technology for educational purposes, to the extent feasible;

(C) how the Secretary will work with educators, State and local educational agencies, and appropriate representatives of the private sector to facilitate the effective use of technology in education;

(D) how the Secretary will promote—

(i) higher achievement of all students through the integration of technology into the curriculum;

(ii) increased access to the benefits of technology for teaching and learning for schools with a high concentration of children from low-income families;

(iii) the use of technology to assist in the implementation of State systemic reform strategies;

(iv) the application of technological advances to use in education; and

(v) increased opportunities for the professional development of teachers in the use of new technologies;

(E) how the Secretary will determine, in consultation with appropriate individuals, organizations, industries, and agencies, the feasibility and desirability of establishing guidelines to facilitate an easy exchange of data and effective use of technology in education;

(F) how the Secretary will utilize the outcome of the evaluation undertaken pursuant to section 908 of the Star Schools Program Assistance Act to promote the purposes of this part; and

(G) the Secretary's long-range measurable goals and objectives relating to the purposes of this part.

(c) ASSISTANCE.—The Secretary shall provide assistance to the States to enable such States to plan effectively for the use of technology in all schools throughout the State in accordance with the purpose and requirements of section 317.

SEC. 233. OFFICE OF EDUCATIONAL TECHNOLOGY.

(a) AMENDMENT TO THE DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Title II of the Department of Education Organization Act (20 U.S.C. 3411 et seq.) is amended by adding at the end the following new section:

"OFFICE OF EDUCATIONAL TECHNOLOGY

"SEC. 216. (a) There shall be in the Department of Education an Office of Educational Technology (hereafter in this section referred to as the 'Office'), to be administered by the Director of Educational Technology. The Director of Educational Technology shall report directly to the Secretary and shall perform such additional functions as the Secretary may prescribe.

"(b) The Director of the Office of Educational Technology (hereafter in this section referred to as the 'Director'), through the Office, shall—

"(1) in support of the overall national technology policy and in consultation with other Federal departments or agencies which the Director determines appropriate, provide leadership to the Nation in the use of technology to promote achievement of the National Education Goals and to increase opportunities for all students to achieve State content and challenging State student performance standards;

"(2) review all programs and training functions administered by the Department and recommend policies in order to promote increased use of technology and technology planning throughout all such programs and functions;

"(3) review all relevant programs supported by the Department to ensure that such programs are coordinated with and support the national long-range technology plan developed pursuant to section 232(b) of the Goals 2000: Educate America Act; and

"(4) perform such additional functions as the Secretary may require.

"(c) The Director is authorized to select, appoint, and employ such officers and employees as may be necessary to carry out the functions of the Office, subject to the provisions of title 5, United States Code (governing appointments in the competitive service), and the provisions of chapter 51 and subchapter III of chapter 53 of such title (relating to classification and General Schedule pay rates).

"(d) The Secretary may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.".

(b) COMPENSATION OF THE DIRECTOR.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Director of the Office of Educational Technology.".

SEC. 234. USES OF FUNDS.

(a) IN GENERAL.—The Secretary shall use funds appropriated pursuant to the authority of section 241(d) for activities designed to carry out the purpose of this part, including—

(1) providing assistance to technical assistance providers to enable such providers to improve substantially the services such providers offer to educators regarding the educational uses of technology, including professional development;

(2) consulting with representatives of industry, elementary and secondary education, higher education, and appropriate experts in technology and the educational applications of technology, in carrying out the activities assisted under this part;

(3) research on, and the development of, guidelines to facilitate maximum interoperability, efficiency and easy exchange of data for effective use of technology in education;

(4) research on, and the development of, educational applications of the most advanced and newly emerging technologies;

(5) the development, demonstration, and evaluation of applications of existing technology in preschool education, elementary and secondary education, training and lifelong learning, and professional development of educational personnel;

(6) the development and evaluation of software and other products, including multimedia television programming, that incorporate advances in technology and help achieve the National Education Goals and State content standards and State student performance standards;

(7) the development, demonstration, and evaluation of model strategies for preparing teachers and other personnel to use technology effectively to improve teaching and learning;

(8) the development of model programs that demonstrate the educational effectiveness of technology in urban and rural areas and economically distressed communities;

(9) research on, and the evaluation of, the effectiveness and benefits of technology in education, giving priority to research on, and evaluation of, such effectiveness and benefits in elementary and secondary schools;

(10) a biennial assessment of, and report to the public regarding, the uses of technology in elementary and secondary education throughout the United States upon which private businesses and Federal, State, and local governments may rely for decisionmaking about the need for, and provision of, appropriate technologies in schools, by using, to the extent possible, existing information and resources;

(11) conferences on, and dissemination of information regarding, the uses of technology in education;

(12) the development of model strategies to promote gender equity in the use of technology;

(13) encouraging collaboration between the Department of Education and other Federal departments and agencies in the development, implementation, evaluation and funding of applications of technology for education, as appropriate; and

(14) such other activities as the Secretary determines meet the purposes of this part.

(b) SPECIAL RULES.—

(1) IN GENERAL.—The Secretary shall carry out the activities described in subsection (a) directly or by grant or contract.

(2) GRANTS AND CONTRACTS.—Each grant or contract under this part shall be awarded—

(A) on a competitive basis; and

(B) pursuant to a peer review process.

SEC. 235. NON-FEDERAL SHARE.

(a) In General.—Subject to subsections (b) and (c), the Secretary may require any recipient of a grant or contract under this part to share in the cost of the activities assisted under such grant or contract, which non-Federal share shall be announced through a notice in the Federal Register and may be in the form of cash or in-kind contributions, fairly valued.

(b) Increase.—The Secretary may increase the non-Federal share that is required of a recipient of a grant or contract under this part after the first year such recipient receives funds under such grant or contract.

(c) Maximum.—The non-Federal share required under this section shall not exceed 50 percent of the cost of the activities assisted pursuant to a grant or contract under this part.

SEC. 236. OFFICE OF TRAINING TECHNOLOGY TRANSFER.

(a) Transfer.—

(1) In general.—The Office of Training Technology Transfer as established under section 6103 of the Training Technology Transfer Act of 1988 (20 U.S.C. 5093) is transferred to and established in the Office of Educational Technology.

(2) Technical amendment.—The first sentence of section 6103(a) of the Training Technology Transfer Act of 1988 (20 U.S.C. 5093(a)) is amended by striking "Office of Educational Research and Improvement" and inserting "Office of Educational Technology".

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 241. AUTHORIZATION OF APPROPRIATIONS.

(a) National Education Goals Panel.—There are authorized to be appropriated $3,000,000 for fiscal year 1994, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out part A of this title.

(b) National Education Standards and Improvement Council.—There are authorized to be appropriated $3,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998, to carry out part B of this title.

(c) Opportunity-to-Learn Development Grants.—There are authorized to be appropriated $2,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995, to carry out section 219.

(d) Assessment Development and Evaluation Grants.—There are authorized to be appropriated $5,000,000 for fiscal year 1994, and such sums as may be necessary for each of the 4 succeeding fiscal years, to carry out section 220.

TITLE III—STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT

SEC. 301. FINDINGS.

The Congress finds that—

(1) all students can learn and achieve to high standards and must realize their potential if the United States is to prosper;

(2) the reforms in education from 1977 through 1992 have achieved some good results, but such reform efforts often have been limited to a few schools or to a single part of the educational system;

(3) leadership must come from teachers, related services personnel, principals, and parents in individual schools, and from policymakers at the local, State, tribal, and national levels, in order for lasting improvements in student performance to occur;

(4) simultaneous top-down and bottom-up education reform is necessary to spur creative and innovative approaches by individual schools to help all students achieve internationally competitive standards;

(5) strategies must be developed by communities and States to support the revitalization of all local public schools by fundamentally changing the entire system of public education through comprehensive, coherent, and coordinated improvement in order to increase student learning;

(6) parents, teachers, and other local educators, and business, community, and tribal leaders must be involved in developing systemwide improvement strategies that reflect the needs of their individual communities;

(7) State and local education improvement efforts must incorporate strategies for providing all students and families with coordinated access to appropriate social services, health care, nutrition, and early childhood education, and child care to remove preventable barriers to learning and enhance school readiness for all students;

(8) States and local educational agencies, working together, must immediately set about developing and implementing such systemwide improvement strategies if our Nation is to educate all children to meet their full potential and achieve the National Education Goals described in title I;

(9) State and local systemic improvement strategies must provide all students with effective mechanisms and appropriate paths to the work force as well as to higher education;

(10) businesses should be encouraged—

(A) to enter into partnerships with schools;

(B) to provide information and guidance to schools based on the needs of area businesses for properly educated graduates in general and on the need for particular workplace skills that the schools may provide;

(C) to provide necessary education and training materials and support; and

(D) to continue the lifelong learning process throughout the employment years of an individual;

(11) schools should provide information to businesses regarding how the business community can assist schools in meeting the purposes of this Act;

(12) institutions of higher education should be encouraged to enter into partnerships with schools to provide information and guidance to schools on the skills and knowledge graduates need in order to enter and successfully complete postsecondary education, and schools should provide information and guidance to institutions of higher education on the skills, knowledge, and preservice training teachers need, and the types of professional development educators need in order to meet the purposes of this Act;

(13) the appropriate and innovative use of technology, including distance learning, can be very effective in helping to provide all students with the opportunity to learn and meet high standards;

(14) Federal funds should be targeted to support State and local initiatives, and to leverage State and local resources for designing and implementing systemwide education improvement plans;

(15) all students are entitled to participate in a broad and challenging curriculum and to have access to resources sufficient to address other education needs; and

(16) quality education management services are being utilized by local educational agencies and schools through contractual agreements among local educational agencies or schools and businesses providing quality education management services.

SEC. 302. PURPOSE.

(a) Purpose.—It is the purpose of this title to improve the quality of education for all students by improving student learning through a long-term, broad-based effort to promote coherent and coordinated improvements in the system of education throughout the Nation at the State and local levels.

(b) Congressional Intent.—This title provides new authorities and funding for the Nation's school systems without replacing or reducing funding for existing Federal education programs. It is the intention of the Congress that no State or local educational agency will reduce its funding for education or for education reform on account of receiving any funds under this title.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $400,000,000 for the fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998, to carry out this title.

SEC. 304. ALLOTMENT OF FUNDS.

(a) Reservations of Funds.—From funds appropriated under section 303, the Secretary—

(1) shall reserve a total of one percent to provide assistance, in amounts determined by the Secretary—

(A) to the outlying areas;

(B) to the Secretary of the Interior to benefit Indian students in schools operated or funded by the Bureau; and

(C) to the Alaska Federation of Natives in cooperation with the Alaska Native Education Council to benefit Alaska Native students; and

(2) may reserve a total of not more than 5 percent for—

(A) national leadership activities under sections 313 and 314;

(B) the costs of peer review of State improvement plans and applications under this title; and

(C) evaluation activities under section 221.

(b) State Allotments.—From the amount appropriated under section 303 and not reserved under subsection (a) in each fiscal year the Secretary shall make allotments to State educational agencies as follows:

(1) 50 percent of such amount shall be allocated in accordance with the relative amounts each State would have received under chapter 1 of title I of the Elementary and Secondary Education Act of 1965 for the preceding fiscal year if funds under such chapter in such preceding fiscal year were not reserved for the outlying areas.

(2) 50 percent of such amount shall be allocated in accordance with the relative amounts each State would have received under part A of chapter 2 of title I of the Elementary and Secondary Education Act of 1965 for the preceding fiscal year if funds under such chapter in such preceding fiscal year were not reserved for the outlying areas.

(c) Reallotments.—If the Secretary determines that any amount of a State educational agency's allotment for any fiscal year under subsection (b) will not be needed for such fiscal year by the State, the Secretary shall reallot such amount to other State educational agencies that need additional funds, in such manner as the Secretary determines is appropriate.

(d) Maintenance of Effort.—Each recipient of funds under this title, in utilizing the proceeds of an allotment received under this title, shall maintain the expenditures of such recipient for the activities assisted under this title at a level equal to not less than the level of such expenditures maintained by such recipient for the fiscal year preceding the fiscal year for which such allotment is received, except that the Secretary may reduce, temporarily or permanently, the level of expenditures required by this subsection if the Secretary determines that such recipient has justifiable reasons for a reduction in the level of expenditures required by this subsection.

SEC. 305. STATE APPLICATIONS.

(a) Application.—

(1) In general.—Each State educational agency that desires to receive an allotment under this title shall submit an application to the Secretary at such time and in such manner as the Secretary may determine.

(2) ADDITIONAL INFORMATION.—In addition to the information described in subsections (b) and (c), each such application shall include—

(A) an assurance that the State educational agency will cooperate with the Secretary in carrying out the Secretary's responsibilities under section 312, and will comply with reasonable requests of the Secretary for data related to the State's progress in developing and implementing its State improvement plan under this section 306;

(B) an assurance that State law provides adequate authority to carry out each component of the State's improvement plan developed, or to be developed under section 306, or that such authority will be sought;

(C) an assurance that the State content standards and State student performance standards developed for student achievement are not less rigorous than such standards used prior to the date of enactment of this Act;

(D) an assurance that the State will provide for broad public participation in the planning process; and

(E) such other assurances and information as the Secretary may require.

(b) FIRST YEAR.—A State educational agency's application for the first year of assistance under this title shall—

(1) describe the process by which the State educational agency will develop a State improvement plan that meets the requirements of section 306; and

(2) describe how the State educational agency will use funds received under this title for such year, including how such agency will make subgrants to local educational agencies in accordance with section 309(a), and how such agency will use funds received under this title for education preservice programs and professional development activities in accordance with section 309(b).

(c) SUBSEQUENT YEARS.—A State educational agency's application for the second year of assistance under this title shall—

(1) cover the second through fifth years of the State's participation;

(2) include a copy of the State's improvement plan that meets the requirements of section 306, or if the State improvement plan is not complete, a statement of the steps the State will take to complete the plan and a schedule for doing so; and

(3) include an explanation of how the State educational agency will use funds received under this title, including how such agency will make subgrants to local educational agencies in accordance with section 309(a), and how such agency will use such funds received under this title for education preservice programs and professional development activities in accordance with section 309(b).

SEC. 306. STATE IMPROVEMENT PLANS.

(a) BASIC SCOPE OF PLAN.—Except as provided in section 305(c)(2) and consistent with the requirements of this section, any State educational agency that wishes to receive an allotment under this title after its first year of participation shall develop and implement a State improvement plan for the improvement of elementary and secondary education in the State.

(b) PLAN DEVELOPMENT.—

(1) IN GENERAL.—A State improvement plan under this title shall be developed by a broad-based State panel in cooperation with the State educational agency and the Governor. The panel shall include—

(A) the Governor and the chief State school officer, or their designees;

(B) the chairperson of the State board of education and the chairpersons of the appropriate authorizing committees of the State legislature, or their designees;

(C) teachers, principals, and administrators who have successfully improved student performance, and deans or senior administrators of a college, school, or department of education; and

(D) representatives of teacher's organizations, parents, secondary school students, institutions of higher education, business and labor leaders, community-based organizations of demonstrated effectiveness, organizations serving young children, local boards of education, State and local officials responsible for health, social, and other related services, private schools in which students or teachers participate in Federal education programs, and, as appropriate, Indian tribes and others;

(E) representatives from rural and urban local educational agencies in the State, as appropriate; and

(F) experts in educational measurement and assessment.

(2) APPOINTMENT.—The Governor and the chief State school officer shall each appoint half the members of the panel and shall jointly select the Chairperson of the panel and the representative of private schools described in paragraph (1)(D).

(3) REPRESENTATION.—(A) To the extent feasible, the membership of the panel shall be geographically representative of the State and reflect the diversity of the population of the State with regard to race, ethnicity, gender, and disability characteristics.

(B) The membership of the panel shall be composed so that the minimum total number of members of the panel with expertise or background in the educational needs or assessments of children from low-income families, children with minority backgrounds, children with limited-English proficiency, or children with disabilities, serving on the panel—

(i) bears the same relation to the total number of members serving on the panel as the total number of all such children in the State bears to the total number of all children in the State; or

(ii) is at least one-third of the number of members of the panel,

whichever is less.

(4) CONSULTATION.—The panel shall consult the Governor, the chief State school officer, the State board of education, and relevant committees of the State legislature in developing the State improvement plan.

(5) OUTREACH.—The panel shall be responsible for conducting a statewide, grassroots outreach process, including conducting public hearings, to involve educators, related services personnel, parents, local officials, tribal government officials as appropriate, individuals representing private nonprofit elementary and secondary schools, community and business leaders, citizens, children's advocates, secondary school students, and others with a stake in the success of students and their education system, and who are representative of the diversity of the State and the State's student population, including, students of limited-English proficiency, students with disabilities, and, as appropriate, American Indian, Alaska Native, and Native Hawaiian students, in the development of the State improvement plan and in a continuing dialogue regarding the need for and nature of standards for students and local and State responsibilities for helping all students achieve such standards in order to assure that the development and implementation of the State improvement plan reflects local needs and experiences and does not result in a significant increase in paperwork for teachers.

(6) PROCEDURE AND APPROVAL.—The panel shall develop a State improvement plan, provide opportunity for public comment, and submit such plan to the State educational agency for approval.

(7) SUBMISSION.—The State educational agency shall submit the original State improvement plan developed by the panel and the State improvement plan if modified by such agency, together with an explanation of any changes made by such agency to the plan developed by the panel, to the Secretary for approval.

(8) MATTERS NOT UNDER THE JURISDICTION OF THE STATE EDUCATIONAL AGENCY.—If any portion of a State improvement plan addresses matters that, under State or other applicable law, are not under the authority of the State educational agency, the State educational agency shall obtain the approval of, or changes to, such portion, with an explanation thereof, from the Governor or other official responsible for that portion before submitting such plan to the Secretary.

(9) MONITORING; REVISIONS; REPORTING.—After approval of the State improvement plan by the Secretary, the panel shall be informed of progress on such plan by the State educational agency, and such agency, in close consultation with teachers, principals, administrators, advocates and parents in local educational agencies and schools receiving funds under this title, shall monitor the implementation and operation of such plan. The panel shall review such plan, and based on the progress described in the preceding sentence, determine if revisions to such plan are appropriate and necessary. The panel shall periodically report such determination to the public.

(c) TEACHING, LEARNING, STANDARDS, AND ASSESSMENTS.—Each State educational agency, with broad-based classroom teacher input, shall establish and include in its State improvement plan strategies for meeting the National Education Goals by improving teaching and learning and students' mastery of basic and advanced skills in core content areas, such as English, mathematics, science (including physics), history, geography, foreign languages, the arts, civics and government, and economics. Such strategies—

(1) shall include—

(A) a process for developing or adopting State content standards and State student performance standards for all students, which process shall include coordinating the standards developed pursuant to section 115 of the Carl D. Perkins Vocational and Applied Technology Education Act;

(B) a process for developing and implementing valid, nondiscriminatory, and reliable State assessments—

(i) which assessments shall—

(I) be aligned with such State's content standards;

(II) involve multiple measures of student performance;

(III) provide for—

(aa) the participation in such assessments of all students with diverse learning needs; and

(bb) the adaptations and accommodations necessary to permit such participation;

(IV) be consistent with relevant, nationally recognized professional and technical standards for such assessments;

(V) be capable of providing coherent information about student attainments relative to the State content standards; and

(VI) support effective curriculum and instruction; and

(ii) which process shall provide for monitoring the implementation of such assessments and the impact of such assessments on improved instruction for all students;

(C) a process for aligning State or local curricula, instructional materials, and State assessments with the State content standards and State student performance standards; and

(D) a process for familiarizing teachers with the State content standards and State student performance standards and developing the capability of teachers to provide high quality in-

struction within the content areas described in the matter preceding paragraph (1) of this subsection;

(2) may include strategies such as—

(A) a process for providing assistance and support to local educational agencies and schools to strengthen the capacity of such agencies and schools to provide all students the opportunity to increase educational achievement and meet State content standards and State student performance standards;

(B) assessing the effectiveness and equity of the school finance program of the State to identify disparities in the resources available to each local educational agency and school in such State and how such disparities affect the ability of the State educational agency and local educational agencies to develop and implement plans under this title;

(C) a process for developing, selecting, or recommending instructional materials, including gender equitable and multicultural materials, and technology to support and assist local educational agencies and schools to provide all students the opportunity to meet State content standards and State student performance standards;

(D) a process for providing appropriate and effective professional development, including the use of technology, distance learning, and gender-equitable methods, necessary for teachers, school administrators, and others to help all students meet State content standards and State student performance standards; and

(E) a process for improving the State's system of teacher and school administrator preparation and licensure, and of continuing professional development programs, including the use of technology at both the State and local levels, so that all teachers, related services personnel, and administrators develop the subject matter and pedagogical expertise needed to prepare all students to meet State content standards and State student performance standards.

(d) OPPORTUNITY-TO-LEARN STANDARDS AND STRATEGIES.—

(1) IN GENERAL.—Each State improvement plan shall establish standards or strategies for providing all students with an opportunity to learn. Such standards or strategies shall include such factors as the State deems appropriate to ensure that all students receive a fair opportunity to achieve the knowledge and skills as described in State content standards and State student performance standards adopted by the State.

(2) IMPLEMENTATION.—Notwithstanding any other provision of this Act, the implementation of opportunity-to-learn standards or strategies shall be voluntary on the part of the States, local educational agencies, and schools.

(3) CONSTRUCTION.—Nothing in this section shall be construed to—

(A) mandate equalized spending per pupil for a State, local educational agency, or school; or

(B) mandate national school building standards for a State, local educational agency, or school.

(e) GOVERNANCE, ACCOUNTABILITY AND MANAGEMENT.—Each State improvement plan shall establish strategies for improved governance, accountability and management of the State's education system, such as—

(1) aligning responsibility, authority, and accountability throughout the education system, so that decisions regarding the means for achieving State content standards and State student performance standards are made closest to the learners; and

(2) creating an integrated and coherent approach to recruiting, retaining and supporting the continued professional development of teachers (including vocational teachers), and other educators, giving special attention to the recruitment into and retention of qualified minorities in the education profession;

(f) PARENTAL AND COMMUNITY SUPPORT AND INVOLVEMENT.—Each State improvement plan shall describe strategies for how the State educational agency will involve parents and other community representatives in planning, designing, and implementing the State improvement plan, including strategies such as—

(1) focusing public and private community resources and public school resources on prevention and early intervention to address the needs of all students by identifying and removing unnecessary regulations and obstacles to coordination; and

(2) increasing the access of all students to social services, health care, nutrition, related services, and child care services, and locating such services in schools, cooperating service agencies, community-based centers, or other convenient sites designed to provide "one-stop shopping" for parents and students.

(g) MAKING THE IMPROVEMENTS SYSTEMWIDE.—To help provide all students throughout the State the opportunity to meet State standards, each State improvement plan shall describe strategies, such as strategies that—

(1) provide for the availability of curricular materials, learning technologies, including distance learning, and professional development in a manner that ensures equal access by all local educational agencies in the State; and

(2) develop partnerships with Indian tribes and schools funded by the Bureau, where appropriate, to improve consistency and compatibility in curriculum among public elementary and secondary schools, and such schools funded by the Bureau at all grade levels.

(h) PROMOTING BOTTOM-UP REFORM.—Each State improvement plan shall include strategies for ensuring that comprehensive, systemic reform is promoted from the bottom up in communities, local educational agencies, and schools, as well as guided by coordination and facilitation from State leaders, including strategies such as—

(1) providing flexibility to individual schools and local educational agencies to enable such schools and agencies to adapt and integrate State content standards into courses of study appropriate for individual schools and communities; and

(2) facilitating the provision of waivers from State rules and regulations that impede the ability of local educational agencies or schools to carry out local improvement plans.

(i) DROPOUT STRATEGIES.—Each State improvement plan shall include strategies for assisting local educational agencies and schools to enable such agencies and schools—

(1) to meet the needs of school-aged children who have dropped out of school;

(2) to bring such children into the education system; and

(3) to help such students meet State content standards and State student performance standards.

(j) COORDINATION WITH SCHOOL-TO-WORK PROGRAMS.—If a State has received Federal assistance for the purpose of planning for, expanding, or establishing a school-to-work program, then a State shall include in the State improvement plan a description of how such school-to-work program will be incorporated into the school reform efforts of the State. In particular, the State improvement plan shall include a description of how secondary schools will be modified in order to provide career guidance, the integration of academic and vocational education, and work-based learning, if such programs are proposed in the State's school-to-work plan.

(k) BENCHMARKS AND TIMELINES.—Each State improvement plan shall include specific benchmarks of improved student performance and of progress in implementing such plan, and timelines against which the progress of the State in carrying out such plan, including the elements described in subsections (c) through (j), can be measured.

(l) COORDINATING STRATEGIES.—Each State plan shall include strategies for coordinating the integration of academic and vocational instruction pursuant to the Carl D. Perkins Vocational and Applied Technology Education Act.

(m) PROGRAM IMPROVEMENT AND ACCOUNTABILITY.—Each State improvement plan shall describe—

(1) how the State will monitor progress toward implementing the State and local improvement plans; and

(2) procedures the State plans to use, consistent with State law, to improve schools that are not meeting the State content standards voluntarily adopted by the State within the established timelines.

(n) PEER REVIEW AND SECRETARIAL APPROVAL.—

(1) IN GENERAL.—(A) The Secretary shall review, within a reasonable period of time, each State improvement plan prepared under this section, and each application submitted under section 305, through a peer review process involving the assistance and advice of State and local education policymakers, educators, classroom teachers, related services personnel, experts on educational innovation and improvement, parents, advocates, and other appropriate individuals. Such peer review process shall be representative of the diversity of the United States with regard to geography, race, ethnicity, gender and disability characteristics. Such peer review process shall include at least 1 site visit to each State, except during the period when a State improvement plan is being developed.

(B) Notwithstanding the provisions of subparagraph (A), in the first year that a State educational agency submits an application for development of a State improvement plan under this title the Secretary shall not be required to—

(i) review such application through a peer review process; and

(ii) conduct a site visit.

(2) APPROVAL.—The Secretary shall approve a State improvement plan if such plan is submitted to the Secretary not later than 2 years after the date the State educational agency receives its first allotment under section 304(b), and when the Secretary determines, after considering the peer reviewers' comment, that such plan—

(A) reflects a widespread commitment within the State;

(B) holds reasonable promise of helping all students to achieve at the high levels called for by this Act;

(C) meets the requirements of subsections (a) through (k); and

(D) allows local schools, local educational agencies and communities the flexibility to implement local improvement plans in a manner which reflects local needs and requirements in order to promote a 'bottom up' system of school reform.

(3) DISAPPROVAL.—The Secretary shall not disapprove a State improvement plan, or any State application submitted under section 305, before offering the State—

(A) an opportunity to revise such plan or application; and

(B) a hearing.

(o) REGULAR REVIEW.—Each State improvement plan shall include a process for periodically reviewing and updating any State content standards, State student performance standards, State opportunity-to-learn standards or strategies, and State assessments.

(p) AMENDMENTS TO PLAN.—

(1) IN GENERAL.—Each State educational agency shall periodically review its State improvement plan and revise such plan, as appropriate, in accordance with the process described in subsection (b).

(2) REVIEW.—The Secretary shall review any major amendment to a State improvement plan and shall not disapprove any such amendment before offering a State educational agency—

(A) an opportunity to revise such amendment; and

(B) a hearing.

(q) PREEXISTING STATE PLANS AND PANELS.—

(1) IN GENERAL.—If a State has developed a comprehensive and systemic State improvement plan to help all students meet State standards or any component of such plan, that meets the intent and purposes of this section, then the Secretary may approve such plan or component notwithstanding that such plan was not developed in accordance with subsection (b) if the Secretary determines that such approval would further the purposes of State systemic education improvement; and

(2) SPECIAL RULE.—(A) If, before the date of enactment of this Act, a State has made substantial progress in developing a plan that meets the intent and purposes of this section, but was developed by a panel that does not meet the requirements of paragraphs (1) through (3) of subsection (b), the Secretary may, at the request of the Governor and the State educational agency, treat such panel as meeting the requirements of this title if the Secretary determines that there has been statewide involvement of educators, parents, students, advocacy groups, and other interested members of the public in the development of the plan.

SEC. 307. SECRETARY'S REVIEW OF APPLICATIONS; PAYMENTS.

(a) FIRST YEAR.—The Secretary shall approve the State educational agency's first year application under section 305(b) if the Secretary determines that—

(1) such application meets the requirements of this title; and

(2) there is a substantial likelihood that the second year application of the State educational agency under section 305(c) will provide for the development and implementation of a State improvement plan that complies with section 306.

(b) SECOND THROUGH FIFTH YEARS.—The Secretary shall approve the State educational agency's second year application under section 305(c)(1) for the second through fifth years of participation only if—

(1)(A) the Secretary has approved the State improvement plan under section 306(n); or

(B) the Secretary determines that the State has made substantial progress in developing its State improvement plan and will implement such plan not later than the end of the second year of participation; and

(2) the application meets the other requirements of this title.

(c) PAYMENTS.—For any fiscal year for which a State has an approved application under this title, the Secretary shall provide an allotment to the State educational agency in the amount determined under section 304(b).

SEC. 308. STATE USE OF FUNDS.

(a) FIRST YEAR.—In the first year for which a State educational agency receives an allotment under this title, such agency—

(1) if the amount made available under section 303 for such year is equal to or greater than $50,000,000, shall use at least 60 percent of such allotted funds to award subgrants—

(A) in accordance with section 309(a), to local educational agencies for the development or implementation of local improvement plans; and

(B) in accordance with section 309(b), to improve educator preservice programs and for professional development activities consistent with the State improvement plan;

(2) if the amount made available under section 303 for such year is less than $50,000,000, may use such funds for the subgrants described in paragraph (1); and

(3) shall use any such allotted funds not used in accordance with paragraphs (1) and (2) to develop, revise, expand, or implement a State improvement plan described in section 306.

(b) SUCCEEDING YEARS.—Each State educational agency that receives an allotment under this title for any year after the first year of such agency receives assistance under this title shall—

(1) use at least 90 percent of such allotment to make subgrants—

(A) in accordance with section 309(a), to local educational agencies for the implementation of the State improvement plan and of local improvement plans; and

(B) in accordance with section 309(b), to improve educator preservice programs and for professional development activities that are consistent with the State improvement plan; and

(2) use the remainder of such assistance for State activities designed to implement its State improvement plan, such as—

(A) supporting the development or adoption of State content standards and State student performance standards, State opportunity-to-learn standards, and State assessments linked to such standards, including—

(i) through consortia of States; or

(ii) with the assistance of the National Education Standards and Improvement Council established under part B of title II;

(B) supporting the implementation of high-performance management and organizational strategies, such as site-based management, shared decisionmaking, or quality management principles, to promote effective implementation of such plan;

(C) supporting the development and implementation, at the local educational agency and school building level, of improved human resource development systems for recruiting, selecting, mentoring, supporting, evaluating and rewarding educators;

(D) providing special attention to the needs of minority, limited-English proficient, disabled, and female students, including instructional programs and activities that encourage such students in elementary and secondary schools to aspire to enter and complete post-secondary education or training;

(E) supporting innovative and proven methods of enhancing a teacher's ability to identify student learning needs, and motivating students to develop higher order thinking skills, discipline, and creative resolution methods;

(F) supporting the development, at the State or local level, of performance-based accountability and incentive systems for schools;

(G) outreach to and training for parents, tribal officials, organizations serving young children, classroom teachers, related services personnel, and other educators, and the public, related to education improvement;

(H) providing technical assistance and other services to increase the capacity of local educational agencies and schools to develop and implement systemic local improvement plans, implement new State assessments, and develop curricula consistent with the State content standards and State student performance standards;

(I) promoting public magnet schools, public "charter schools", and other mechanisms for increasing choice among public schools, including information and referral programs which provide parents with information on available choices;

(J) supporting activities relating to the planning of, and evaluation of, projects under which local educational agencies or schools contract with private management organizations to reform a school;

(K) supporting intergenerational mentoring programs;

(L) supporting the development, at the State or local level, of school-based programs that restore discipline and reduce violence in schools and communities, such as community mobilization programs; and

(M) collecting and analyzing data.

(c) LIMIT ON ADMINISTRATIVE COSTS.—A State educational agency that receives an allotment under this title in any fiscal year shall use not more than 4 percent of such allotment in such year, or $100,000, whichever is greater, for administrative expenses, which administrative expenses shall not include the expenses related to the activities of the panel established under section 306(b)(1).

(d) SPECIAL RULE.—Any new public school established under this title—

(1) shall be nonsectarian;

(2) shall not be affiliated with a nonpublic sectarian school or religious institution; and

(3) shall operate under the authority of a State educational agency or local educational agency.

SEC. 309. SUBGRANTS FOR LOCAL REFORM AND PROFESSIONAL DEVELOPMENT.

(a) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

(1) IN GENERAL.—(A) Each State educational agency shall make subgrants, through a competitive process to carry out the authorized activities described in paragraph (4), to local educational agencies (or consortia of such agencies) in accordance with section 308.

(B) In making such subgrants, the State educational agency shall award not less than 1 subgrant in each fiscal year to an urban local educational agency and not less than 1 subgrant in each fiscal year to a rural local educational agency, where appropriate, except that this provision shall not apply to the District of Columbia. An education service agency may serve as a fiscal agent for a rural local educational agency.

(C) Each such subgrant shall be for a project of sufficient duration and of sufficient size, scope, and quality to carry out the purpose of this title effectively.

(2) APPLICATION REQUIRED.—(A) A local educational agency desiring to receive a subgrant under this subsection for the development of a local improvement plan shall submit an application to the State educational agency. Such application shall contain assurances that the local educational agency intends to develop a local improvement plan that meets the requirements of this section.

(B) A local educational agency only shall be eligible to receive a subgrant under this subsection to develop a local improvement plan for one fiscal year.

(3) PLAN REQUIRED.—Each local educational agency desiring to receive a subgrant under this subsection to implement a local improvement plan shall submit a local improvement plan to the State educational agency. Each such plan shall—

(A) be developed by a broad-based panel that—

(i) is appointed by the local educational agency and is representative of the diversity of students and community with regard to race, language, ethnicity, gender, disability, and socioeconomic characteristics and includes teachers, parents, advocacy groups, school administrators, business representatives, and others, as appropriate; and

(ii) shall, following the selection of its members, establish the procedures regarding the operation of the panel, including the designation of the chairperson;

(B) address districtwide education improvement, directed at enabling all students to meet the State content standards and State student performance standards, including specific goals and benchmarks, reflect the priorities of the State improvement plan (either approved or under development) and include a strategy for—

(i) ensuring that all students have a fair opportunity to learn;

(ii) improving teaching and learning;

(iii) improving governance and management;

(iv) generating, maintaining, and strengthening parental and community involvement; and

(v) expanding improvements throughout the local educational agency;

(C) promote the flexibility of local schools in developing plans which address the particular needs of their school and community and are consistent with the local improvement plan;

(D) describe a process of broad-based community participation in the development, implementation, and evaluation of the local improvement plan;

(E) describe how the local educational agency will encourage and assist schools to develop and implement comprehensive school improvement plans that—

(i) focus on helping all students reach State content standards and State student performance standards; and

(ii) address relevant elements of the local improvement plan of the local educational agency identified in subparagraph (B);

(F) describe how the local educational agency will implement specific programs aimed at ensuring improvements in school readiness and the ability of students to learn effectively at all grade levels by identifying the most pressing needs facing students and their families with regard to social services, health care, nutrition, and child care, and entering into partnerships with public and private nonprofit agencies to increase the access of students and families to coordinated nonsectarian services in a school setting or at a nearby site;

(G) describe how the subgrant funds will be used by the local educational agency, and the procedures to be used to make funds available to schools in accordance with paragraph (6)(A);

(H) identify, with an explanation, any State or Federal requirements that the local educational agency believes impede educational improvement and that such agency requests be waived in accordance with section 311, which requests shall promptly be transmitted to the Secretary by the State educational agency; and

(I) contain such other information as the State educational agency may reasonably require.

(4) SUBMISSION.—A local educational agency which has approved a local improvement plan shall submit such plan to the State educational agency for approval together with a description of modifications to such plan and any comments from the local panel regarding such plan.

(5) MONITORING.—The panel described in paragraph (3)(A), after approval of the local educational agency's application by the State educational agency, shall be informed of progress on such plan by the local educational agency, and the local educational agency shall monitor the implementation and effectiveness of the local improvement plan in close consultation with teachers, related services personnel, principals, administrators, community members, and parents from schools receiving funds under this title, as well as assure that implementation of the local improvement plan does not result in a significant increase in paperwork for teachers. The panel shall review such plan and based on the progress described in the preceding sentence, determine if revisions to the local improvement plan should be recommended to the local educational agency. The panel shall periodically report such determination to the public.

(6) AUTHORIZED ACTIVITIES.—(A) A local educational agency that receives a subgrant under this subsection—

(i) in the first year such agency receives the subgrant shall use—

(I) not more than 25 percent of the subgrant funds to develop a local improvement plan or for any local educational agency activities approved by the State educational agency that are reasonably related to carrying out the State or local improvement plans, which may include the establishment of innovative new public schools; and

(II) not less than 75 percent of the subgrant funds to support individual school improvement initiatives related to providing all students in the school the opportunity to meet State content standards and State student performance standards; and

(ii) in subsequent years, shall use subgrant funds for any activities approved by the State educational agency which are reasonably related to carrying out the State or local improvement plans which may include the establishment of innovative new public schools, except that at least 85 percent of such funds shall be made available to individual schools to develop and implement comprehensive school improvement plans which are designed to help all students meet State content standards and State student performance standards.

(B) At least 50 percent of the funds made available by a local educational agency to individual schools under this section in any fiscal year shall be made available to schools with a special need for such assistance, as indicated by a high number or percentage of students from low-income families, low student achievement, or other similar criteria developed by the local educational agency.

(C) A local educational agency may not use more than five percent of the subgrant funds such agency receives in each fiscal year under this title for administrative expenses.

(7) SPECIAL CONSIDERATION.—The State educational agency shall give special consideration in awarding a subgrant to—

(A) a consortium of local educational agencies; or

(B) a local educational agency that provides in the application or local improvement plan described in paragraph (2) or (3), respectively, that such subgrant funds will be used to assist a consortium of schools that has developed a plan for school improvement.

(b) SUBGRANTS FOR PRESERVICE TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT ACTIVITIES.—

(1) IN GENERAL.—(A) Each State educational agency shall make subgrants, through a competitive, peer-reviewed process to a local educational agency, or a consortium of local educational agencies, in cooperation with institutions of higher education, nonprofit organizations, or any combination thereof, in accordance with section 308 to—

(i) improve preservice teacher education programs consistent with the State improvement plan, including how to work effectively with parents and the community; and

(ii) support continuing, sustained professional development activities for educators and school administrators or related services personnel working with educators which will increase student learning in accordance with the State improvement plan.

(B) Each State educational agency awarding subgrants under subparagraph (A) shall give priority to awarding such subgrants to—

(i) a local educational agency or consortium serving a greater number or percentage of disadvantaged students than the statewide average of such number or percentage;

(ii) a local educational agency or consortium that forms partnerships with collegiate educators to establish professional development sites; and

(iii) a local educational agency or consortium that—

(I) focuses on upgrading teachers' knowledge of content areas; or

(II) targets preparation and continued professional development of teachers of students with limited-English proficiency and students with disabilities.

(2) APPLICATION.—Each local educational agency or consortium that desires to receive a subgrant under this subsection shall submit an application to the State educational agency which—

(A) describes how the applicant will use the subgrant to improve teacher preservice and school administrator education programs or to implement educator professional development activities consistent with the State improvement plan;

(B) identifies the criteria to be used by the applicant to judge improvements in preservice education or the effects of professional development activities consistent with the State improvement plan; and

(C) contains any other information that the State educational agency determines is appropriate.

(3) REQUIRED ACTIVITIES.—A recipient of a subgrant under this subsection shall use the subgrant funds for activities supporting—

(A) the improvement of preservice teacher education and school administrator programs so that such programs equip educators with the subject matter and pedagogical expertise necessary for preparing all students to meet standards; or

(B) the development and implementation of new and improved forms of continuing and sustained professional development opportunities for teachers, principals, and other educators at the school or district level that equip educators with such expertise, and with other knowledge and skills necessary for leading and participating in continuous education improvement.

(4) PERMISSIVE ACTIVITIES.—A recipient of a subgrant under this subsection may use the subgrant funds for costs related to release time for teachers to participate in professional development activities, which professional development shall include related services personnel as appropriate.

(c) SPECIAL AWARD RULE.—

(1) IN GENERAL.—Each State educational agency shall award at least 50 percent of subgrant funds under subsection (a) in each fiscal year to local educational agencies that have a greater percentage or number of disadvantaged children than the statewide average such percentage or number for all local educational agencies in the State.

(2) WAIVER.—The State educational agency may waive the requirement of paragraph (1) if such agency does not receive a sufficient number of applications to comply with such requirement.

SEC. 310. AVAILABILITY OF INFORMATION AND TRAINING.

(a) INFORMATION AND TRAINING.—Proportionate to the number of children in a State or in a local educational agency who are enrolled in private elementary or secondary schools—

(1) a State educational agency or local educational agency which uses funds under this title to develop goals, State content standards or State student performance standards, curricular materials, and State assessments shall, upon request, make information related to such goals, standards, materials, and assessments available to private schools; and

(2) a State educational agency or local educational agency which uses funds under this title for teacher and administrator training shall

provide in the State improvement plan described in section 306 for the training of teachers and administrators in private schools located in the geographical area served by such agency.

(b) WAIVER.—If, by reason of any provision of law, a State or local educational agency is prohibited from providing for the equitable participation of teachers and administrators from private schools in training programs assisted with Federal funds provided under this title, or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation, the Secretary shall waive such requirements and shall arrange for the provision of training consistent with State goals and State content standards for such teachers and administrators. Such waivers shall be subject to consultation, withholding, notice, and judicial review in accordance with section 1017 of the Elementary and Secondary Education Act of 1965.

SEC. 311. WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Except as provided in subsection (c), the Secretary may waive any statutory or regulatory requirement applicable to any program or Act described in subsection (b) for a State educational agency, local educational agency, or school if—

(A) and only to the extent that, the Secretary determines that such requirement impedes the ability of the State, or of a local educational agency or school in the State, to carry out the State or local improvement plan;

(B) the State educational agency has waived, or agrees to waive, similar requirements of State law;

(C) in the case of a statewide waiver, the State educational agency—

(i) provides all local educational agencies and parent organizations in the State with notice and an opportunity to comment on the State educational agency's proposal to seek a waiver; and

(ii) submits the local educational agencies' comments to the Secretary; and

(D) in the case of a local educational agency waiver, the local educational agency provides parents, community groups, and advocacy or civil rights groups with the opportunity to comment on the proposed waiver.

(2) APPLICATION.—(A)(i) To request a waiver under paragraph (1), a local educational agency or school that receives funds under this title, or a local educational agency or school that does not receive funds under this title but is undertaking school reform efforts that the Secretary determines are comparable to the activities described in section 306, shall transmit an application for such a waiver to the State educational agency. The State educational agency then shall submit approved applications for waivers under paragraph (1) to the Secretary.

(ii) A State educational agency that receives funds under this title may request a waiver under paragraph (1) by submitting an application for such waiver to the Secretary.

(B) Each application submitted to the Secretary under subparagraph (A) shall—

(i) identify the statutory or regulatory requirements that are requested to be waived and the goals that the State educational agency or local educational agency or school intends to achieve;

(ii) describe the action that the State educational agency has undertaken to remove State statutory or regulatory barriers identified in the application of local educational agencies;

(iii) describe the goals of the waiver and the expected programmatic results if the request is granted;

(iv) describe the numbers and types of students to be impacted by such waiver;

(v) describe a timetable for implementing a waiver; and

(vi) describe the process the State educational agency will use to monitor, on a biannual basis, the progress in implementing a waiver.

(3) TIMELINESS.—The Secretary shall act promptly on a request for a waiver under paragraph (1) and shall provide a written statement of the reasons for granting or denying such request.

(4) DURATION.—Each waiver under paragraph (1) shall be for a period not to exceed 4 years. The Secretary may extend such period if the Secretary determines that the waiver has been effective in enabling the State or affected local educational agencies to carry out reform plans.

(b) INCLUDED PROGRAMS.—The statutory or regulatory requirements subject to the waiver authority of this section are any such requirements under the following programs or Acts:

(1) Chapter 1 of title I of the Elementary and Secondary Education Act of 1965, including Even Start.

(2) Part A of chapter 2 of title I of the Elementary and Secondary Education Act of 1965.

(3) The Dwight D. Eisenhower Mathematics and Science Education Act.

(4) The Emergency Immigrant Education Act of 1984.

(5) The Drug-Free Schools and Communities Act of 1986.

(6) The Carl D. Perkins Vocational and Applied Technology Education Act.

(c) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any statutory or regulatory requirement of the programs or Acts described in subsection (b)—

(1) relating to—

(A) maintenance of effort;

(B) comparability of services;

(C) the equitable participation of students and professional staff in private schools;

(D) parental participation and involvement; and

(E) the distribution of funds to States or to local educational agencies; and

(2) unless the underlying purposes of the statutory requirements of each program or Act for which a waiver is granted continue to be met to the satisfaction of the Secretary.

(d) TERMINATION OF WAIVERS.—The Secretary shall periodically review the performance of any State, local educational agency, or school for which the Secretary has granted a waiver under subsection (a)(1) and shall terminate the waiver if the Secretary determines that the performance of the State, the local educational agency, or the school in the area affected by the waiver has been inadequate to justify a continuation of the waiver.

(e) FLEXIBILITY DEMONSTRATION.—

(1) SHORT TITLE.—This subsection may be cited as the "Education Flexibility Partnership Demonstration Act".

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary may carry out an education flexibility demonstration program under which the Secretary authorizes not more than 6 State educational agencies serving eligible States to waive statutory or regulatory requirements applicable to 1 or more programs or Acts described in subsection (b), other than requirements described in subsection (c), for the State educational agency or any local educational agency or school within the State.

(B) AWARD RULE.—In carrying out subparagraph (A), the Secretary shall select for participation in the demonstration program described in subparagraph (A) three State educational agencies serving eligible States that each have a population of 3,500,000 or greater and three State educational agencies serving eligible States that each have a population of less than 3,500,000, determined in accordance with the most recent decennial census of the population performed by the Bureau of the Census.

(C) DESIGNATION.—Each eligible State participating in the demonstration program described in subparagraph (A) shall be known as an "Ed-Flex Partnership State".

(3) ELIGIBLE STATE.—For the purpose of this subsection the term "eligible State" means a State that—

(A) has developed a State improvement plan under section 306 that is approved by the Secretary; and

(B) waives State statutory or regulatory requirements relating to education while holding local educational agencies or schools within the State that are affected by such waivers accountable for the performance of the students who are affected by such waivers.

(4) STATE APPLICATION.—(A) Each State educational agency desiring to participate in the education flexibility demonstration program under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall demonstrate that the eligible State has adopted an educational flexibility plan for the State that includes—

(i) a description of the process the State educational agency will use to evaluate applications from local educational agencies or schools requesting waivers of—

(I) Federal statutory or regulatory requirements described in paragraph (2)(A); and

(II) State statutory or regulatory requirements relating to education; and

(ii) a detailed description of the State statutory and regulatory requirements relating to education that the State educational agency will waive.

(B) The Secretary may approve an application described in subparagraph (A) only if the Secretary determines that such application demonstrates substantial promise of assisting the State educational agency and affected local educational agencies and schools within such State in carrying out comprehensive educational reform and otherwise meeting the purposes of this Act, after considering—

(i) the comprehensiveness and quality of the educational flexibility plan described in subparagraph (A);

(ii) the ability of such plan to ensure accountability for the activities and goals described in such plan;

(iii) the significance of the State statutory or regulatory requirements relating to education that will be waived; and

(iv) the quality of the State educational agency's process for approving applications for waivers of Federal statutory or regulatory requirements described in paragraph (2)(A) and for monitoring and evaluating the results of such waivers.

(5) LOCAL APPLICATION.—(A) Each local educational agency or school requesting a waiver of a Federal statutory or regulatory requirement described in paragraph (2)(A) and any relevant State statutory or regulatory requirement from a State educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require. Each such application shall—

(i) indicate each Federal program affected and the statutory or regulatory requirement that will be waived;

(ii) describe the purposes and overall expected results of waiving each such requirement;

(iii) describe for each school year specific, measurable, educational goals for each local educational agency or school affected by the proposed waiver; and

(iv) explain why the waiver will assist the local educational agency or school in reaching such goals.

(B) A State educational agency shall evaluate an application submitted under subparagraph (A) in accordance with the State's educational flexibility plan described in paragraph (4)(A).

(C) A State educational agency shall not approve an application for a waiver under this paragraph unless—

(i) the local educational agency or school requesting such waiver has developed a local reform plan that is applicable to such agency or school, respectively; and

(ii) the waiver of Federal statutory or regulatory requirements described in paragraph (2)(A) will assist the local educational agency or school in reaching its educational goals.

(6) MONITORING.—Each State educational agency participating in the demonstration program under this subsection shall annually monitor the activities of local educational agencies and schools receiving waivers under this subsection and shall submit an annual report regarding such monitoring to the Secretary.

(7) DURATION OF FEDERAL WAIVERS.—(A) The Secretary shall not approve the application of a State educational agency under paragraph (4) for a period exceeding 5 years, except that the Secretary may extend such period if the Secretary determines that such agency's authority to grant waivers has been effective in enabling such State or affected local educational agencies or schools to carry out their local reform plans.

(B) The Secretary shall periodically review the performance of any State educational agency granting waivers of Federal statutory or regulatory requirements described in paragraph (2)(A) and shall terminate such agency's authority to grant such waivers if the Secretary determines, after notice and opportunity for hearing, that such agency's performance has been inadequate to justify continuation of such authority.

(f) ACCOUNTABILITY.—In deciding whether to extend a request for a waiver under subsection (a)(1), or a State educational agency's authority to issue waivers under subsection (e), the Secretary shall review the progress of the State educational agency, local educational agency, or school affected by such waiver or authority to determine if such agency or school has made progress toward achieving the desired results described in the application submitted pursuant to subsection (a)(2)(B)(iii) or (e)(5)(A)(ii).

(g) PUBLICATION.—A notice of the Secretary's decision to grant waivers under subsection (a)(1) and to authorize State educational agencies to issue waivers under subsection (e) shall be published in the Federal Register and the Secretary shall provide for the dissemination of such notice to State educational agencies, interested parties, including educators, parents, students, advocacy and civil rights organizations, other interested parties, and the public.

SEC. 312. PROGRESS REPORTS.

(a) STATE REPORTS TO THE SECRETARY.—Each State educational agency that receives funds under this title shall annually report to the Secretary regarding—

(1) progress in meeting State goals and plans;

(2) proposed State activities for the succeeding year; and

(3) in summary form, the progress of local educational agencies in meeting local goals and plans and increasing student learning.

(b) SECRETARY'S REPORTS TO CONGRESS.—By April 30, 1996, and every 2 years thereafter, the Secretary shall submit a report to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate describing—

(1) the activities assisted under, and outcomes of, grants or contracts under section 220, including—

(A) a description of the purpose, uses, and technical merit of assessments evaluated with funds awarded under such paragraph; and

(B) an analysis of the impact of such assessments on the performance of students, particularly students of different racial, gender, ethnic, or language groups and individuals with disabilities;

(2) the activities assisted under, and outcomes of, allotments under this title; and

(3) the effect of waivers granted under section 311, including—

(A) a listing of all State educational agencies, local educational agencies and schools seeking and receiving waivers;

(B) a summary of the State and Federal statutory or regulatory requirements that have been waived, including the number of waivers sought and granted under each such statutory or regulatory requirement;

(C) a summary of waivers that have been terminated, including a rationale for the terminations; and

(D) recommendations to the Congress regarding changes in statutory or regulatory requirements, particularly those actions that should be taken to overcome Federal statutory or regulatory impediments to education reform.

SEC. 313. TECHNICAL AND OTHER ASSISTANCE REGARDING SCHOOL FINANCE EQUITY.

(a) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—From funds reserved in each fiscal year under section 304(a)(2)(A), the Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, State educational agencies and other public and private agencies, institutions, and organizations to provide technical assistance to State and local educational agencies to assist such agencies in achieving a greater degree of equity in the distribution of financial resources for education among local educational agencies in the State.

(2) ACTIVITIES.—A grant, contract or cooperative agreement under this section may support technical assistance activities, such as—

(A) the establishment and operation of a center or centers for the provision of technical assistance to State and local educational agencies;

(B) the convening of conferences on equalization of resources within local educational agencies, within States, and among States; and

(C) obtaining advice from experts in the field of school finance equalization.

(b) DATA.—Each State educational agency or local educational agency receiving assistance under the Elementary and Secondary Education Act of 1965 shall provide such data and information on school finance as the Secretary may require to carry out this section.

(c) MODELS.—The Secretary is authorized, directly or through grants, contracts, or cooperative agreements, to develop and disseminate models and materials useful to States in planning and implementing revisions of the school finance systems of such States.

SEC. 314. NATIONAL LEADERSHIP.

(a) TECHNICAL ASSISTANCE AND INTEGRATION OF STANDARDS.—From funds reserved in each fiscal year under section 304(a)(2)(A), the Secretary may, directly or through grants or contracts—

(1) provide technical assistance to States, local educational agencies, and tribal agencies developing or implementing school improvement plans, in a manner that ensures that such assistance is broadly available;

(2) gather data on, conduct research on, and evaluate systemic education improvement and how such improvement affects student learning, including the programs assisted under this title;

(3) disseminate research findings and other information on outstanding examples of systemic education improvement in States and local communities through existing dissemination systems within the Department of Education, including through publications, electronic and telecommunications mediums, conferences, and other means;

(4) provide grants to tribal divisions of education for coordination efforts between school reform plans developed for schools funded by the Bureau and public schools described in section 306(g)(2), including tribal activities in support of such plans;

(5) support national demonstration projects that unite local and State educational agencies, institutions of higher education, government, business, and labor in collaborative arrangements in order to make educational improvements systemwide; and

(6) support model projects to integrate multiple content standards, if—

(A) such standards are certified by the National Education Standards and Improvement Council and approved by the National Goals Panel for different subject areas, in order to provide balanced and coherent instructional programs for all students; and

(B) such projects are appropriate for a wide range of diverse circumstances, localities (including both urban and rural communities), and populations.

(b) RESERVATION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall use at least 50 percent of the funds reserved each year under section 304(a)(2)(A) to make grants, in accordance with the provisions of section 309(a) that the Secretary determines appropriate, and provide technical and other assistance to urban and rural local educational agencies with large numbers or concentrations of students who are economically disadvantaged or who have limited English proficiency, to assist such agencies in developing and implementing local school improvement plans, except that any school that received funds under section 309(a) shall not receive assistance pursuant to this paragraph other than technical assistance.

(2) SURVEY.—The Secretary shall use not less than $1,000,000 of the funds reserved for fiscal year 1994 under section 304(a)(2)(A) to replicate coordinated services programs that have been found to be successful in helping students and families and improving student outcomes, and shall disseminate information about such programs to schools that plan to develop coordinated services programs.

(c) ADMINISTRATION.—Any activities assisted under this section that involve research shall be administered through the Office of Educational Research and Improvement.

SEC. 315. ASSISTANCE TO THE OUTLYING AREAS AND TO THE SECRETARY OF THE INTERIOR.

(a) OUTLYING AREAS.—

(1) IN GENERAL.—Funds reserved for outlying areas under section 304(a)(1)(A) shall be distributed among such areas by the Secretary according to relative need of such areas.

(2) INAPPLICABILITY OF PUBLIC LAW 95–134.—The provisions of Public Law 95–134, permitting the consolidation of grants to the insular areas, shall not apply to funds received by such areas under this title.

(b) SECRETARY OF THE INTERIOR.—

(1) IN GENERAL.—The funds reserved for the Secretary of the Interior under section 304(a)(1)(B) shall be made in a payment which shall be pursuant to an agreement between the Secretary and the Secretary of the Interior containing such assurances and terms as the Secretary determines shall best achieve the provisions of this section and this Act. The agreement shall, at a minimum, contain assurances that—

(A) a panel, as set forth in paragraph (4) of this subsection, shall be established;

(B) a reform and improvement plan, designed to increase student learning and assist students in meeting the National Education Goals, meeting the requirements pertaining to State improvement plans required in section 306 and providing for the fundamental restructuring and improvement of elementary and secondary education in schools funded by the Bureau, shall be developed by such panel; and

(C) the provisions and activities required under such State improvement plans, including the requirements for timetables for opportunity-to-learn standards, shall be carried out in the same time frames and under the same conditions stipulated for the States in sections 305 and 306, provided that for these purposes, the term "local educational agencies" shall be interpreted to mean "schools funded by the Bureau".

(2) VOLUNTARY SUBMISSION.—The provisions applicable to the States in section 213 of this Act shall apply to the Bureau plan with regard to voluntary submission of standards and assessments to the National Education Standards and Improvement Council for review and certification.

(3) PLAN SPECIFICS.—The reform and improvement plan shall include, in addition to the requirements described above, specific provisions for—

(A) opportunity to learn standards pertaining to residential programs and transportation costs associated with programs located on or near reservations or serving students in off-reservation residential boarding schools;

(B) review and incorporation of the National Education Goals and the voluntary national content standards, voluntary natural student performance standards, and voluntary natural opportunity-to-learn standards developed under part B of title II of this Act, provided that such review shall include the issues of cultural and language differences; and

(C) provision for coordination of the efforts of the Bureau with the efforts for school improvement of the States and local educational agencies in which the schools funded by the Bureau are located, including the development of the partnerships outlined in section 306(g)(2) of the Act.

(4) PANEL.—(A) To carry out the provisions of this section, and to develop the plan for systemwide reform and improvement required under the agreement required under paragraph (1), the Secretary of the Interior shall establish a panel coordinated by the Assistant Secretary of the Interior for Indian Affairs. Such panel shall consist of—

(i) the Director of the Office of Indian Education Programs of the Bureau and two heads of other divisions of such Bureau as the Assistant Secretary shall designate;

(ii) a designee of the Secretary of Education; and

(iii) a representative nominated by each of the following:

(I) The organization representing the majority of teachers and professional personnel in schools operated by the Bureau.

(II) The organization representing the majority of nonteaching personnel in schools operated by the Bureau, if not the same organization as in subclause (I).

(III) School administrators of schools operated by the Bureau.

(IV) Education line officers located in Bureau area or agency offices serving schools funded by the Bureau.

(V) The organization representing the majority of contract or grant schools funded by the Bureau not serving students on the Navajo reservation.

(VI) The organization representing the majority of contract or grant schools funded by the Bureau serving students on the Navajo reservation.

(VII) The organization representing the school boards required by statute for schools operated by the Bureau not serving students on the Navajo reservation.

(VIII) The organization representing the school boards required by statute for schools funded by the Bureau serving students on the Navajo reservation.

(B) Including the additional members required by paragraph (5), a majority of the members of such panel shall be from the entities designated under subparagraph (A)(iii).

(5) ADDITIONAL MEMBERS.—In addition, the members of the panel described in paragraph (4) shall designate for full membership on the panel four additional members—

(A) one of whom shall be a representative of a national organization which represents primarily national Indian education concerns; and

(B) three of whom shall be chairpersons (or their designees) of Indian tribes with schools funded by the Bureau on their reservations (other than those specifically represented by organizations referred to in paragraph (4)), provided that preference for no less than two of these members shall be given to Indian tribes with a significant number of schools funded by the Bureau on their reservations, or with a significant percentage of their children enrolled in schools funded by the Bureau.

(c) BIA COST ANALYSIS.—

(1) IN GENERAL.—(A) The Secretary of the Interior shall reserve from the funds received pursuant to section 304(a)(1)(B) in the first fiscal year that the Secretary of the Interior receives such funds an amount not to exceed $500,000 to provide, through the National Academy of Sciences or the National Academy of Education, for an analysis of the costs associated with meeting the academic and home-living/residential standards of the Bureau for each school funded by the Bureau. The purpose of such analysis shall be to provide the Bureau and the panel described in paragraph (4) with baseline data regarding the current state of operations funded by the Bureau and to provide a framework for addressing the implementation of opportunity-to-learn standards.

(B) The results of such analysis shall be reported, in aggregate and school specific form, to the chairpersons and ranking minority members of the Committees on Education and Labor and Appropriations of the House of Representatives and the Select Committee on Indian Affairs and the Committee on Appropriations of the Senate, and to the Secretary of the Interior, the Secretary of Education (who shall transmit the report to the appropriate entities under this Act), and the Assistant Secretary of the Interior for Indian Affairs, not later than 6 months after the date of enactment of this Act.

(2) CONTENT.—Such analysis shall evaluate the costs of providing a program in each school operated or supported by the Bureau for the next succeeding academic year and shall be based on—

(A) the standards either published in the Federal Register as having effect in schools operated by the Bureau on the date of enactment of this Act or the standards incorporated into each grant or contract in effect on such date with a tribally controlled school funded under section 1128 of Public Law 95–561 (as amended);

(B) the best projections of student counts and demographics, as provided by the Bureau and as independently reviewed by the National Academy of Sciences or the National Academy of Education; and

(C) the pay and benefit schedules and other personnel requirements for each school operated by the Bureau, as such pay and benefit schedules and requirements existed on the date of enactment of this Act.

(d) SECRETARY OF DEFENSE.—The Secretary shall consult with the Secretary of Defense to ensure that, to the extent practicable, the purposes of this title are applied to the Department of Defense schools.

SEC. 316. CLARIFICATION REGARDING STATE STANDARDS AND ASSESSMENTS.

Notwithstanding any other provision of this title, standards or State assessments described in a State improvement plan submitted in accordance with section 306 shall not be required to be certified by the Council.

SEC. 317. STATE PLANNING FOR IMPROVING STUDENT ACHIEVEMENT THROUGH INTEGRATION OF TECHNOLOGY INTO THE CURRICULUM.

(a) PURPOSE.—It is the purpose of this section to assist each State to plan effectively for improved student learning in all schools through the use of technology as an integral part of the State improvement plan described in section 306.

(b) PROGRAM AUTHORIZED.—

(1) AUTHORITY.—The Secretary shall award grants in accordance with allocations under paragraph (2) to each State educational agency that, as part of its application under section 305, requests a grant to develop (or continue the development of), and submits as part of the State improvement plan described in section 306, a systemic statewide plan to increase the use of state-of-the-art technologies that enhance elementary and secondary student learning and staff development in support of the National Education Goals and State content standards and State student performance standards.

(2) FORMULA.—From the amount appropriated pursuant to the authority of subsection (f) in each fiscal year, each State educational agency with an application approved under section 305 shall receive a grant under paragraph (1) in such year in an amount determined on the same basis as allotments are made to State educational agencies under subsections (b) and (c) of section 304 for such year, except that each such State shall receive at least $75,000.

(c) PLAN OBJECTIVES.—Each State educational agency shall use funds received under this section to develop and, if the Secretary has approved the systemic statewide plan, to implement such plan. Such plan shall have as its objectives—

(1) the promotion of higher student achievement through the use of technology in education;

(2) the participation of all schools and school districts in the State, especially those schools and districts with a high percentage or number of disadvantaged students;

(3) the development and implementation of a cost-effective, high-speed, statewide, interoperable, wide-area-communication educational technology support system for elementary and secondary schools within the State, particularly for such schools in rural areas; and

(4) the promotion of shared usage of equipment, facilities, and other technology resources by adult learners during after-school hours.

(d) PLAN REQUIREMENTS.—At a minimum, each systemic statewide plan shall—

(1) be developed by a task force that—

(A) includes among its members experts in the educational use of technology and representatives of the State panel described in section 306(b); and

(B) ensures that such plan is integrated into the State improvement plan described in section 306;

(2) be developed in collaboration with the Governor, representatives of the State legislature, the State board of education, institutions of higher education, appropriate State agencies, local educational agencies, public and private telecommunication entities, parents, public and school libraries, students, adult literacy providers, and leaders in the field of technology, through a process of statewide grassroots out-

reach to local educational agencies and schools in the State;

(3) identify and describe the requirements for introducing state-of-the-art technologies into the classroom and school library in order to enhance educational curricula, including the installation and ongoing maintenance of basic connections, hardware and the necessary support materials;

(4) describe how the application of advanced technologies in the schools will enhance student learning, provide greater access to individualized instruction, promote the standards and strategies described in section 306(d), and help make progress toward the achievement of the National Education Goals;

(5) describe how the ongoing training of educational personnel will be provided;

(6) describe the resources necessary, and procedures, for providing ongoing technical assistance to carry out such plan;

(7) provide for the dissemination on a statewide basis of exemplary programs and practices relating to the use of technology in education;

(8) establish a funding estimate (including a statement of likely funding sources) and a schedule for the development and implementation of such plan;

(9) describe how the State educational agency will assess the impact of implementing such plan on student achievement and aggregate achievement for schools;

(10) describe how the State educational agency and local educational agencies in the State will coordinate and cooperate with business and industry, and with public and private telecommunications entities;

(11) describe how the State educational agency will promote the purchase of equipment by local educational agencies that, when placed in schools, will meet the highest possible level of interoperability and open system design;

(12) describe how the State educational agency will consider using existing telecommunications infrastructure and technology resources;

(13) describe how the State educational agency will apply the uses of technology to meet the needs of children from low-income families;

(14) describe the process through which such plan will be reviewed and updated periodically; and

(15) describe how the State educational agency will facilitate collaboration between State literacy resource centers, local educational agencies, and adult and family literacy providers, to ensure that technology can be used by adult and family literacy providers during after school hours.

(e) REPORTS.—Each State educational agency receiving a grant under this section shall submit a report to the Secretary within 1 year of the date such agency submits to the Secretary its systemic statewide plan under this section. Such report shall—

(1) describe the State's progress toward implementation of the provisions of such plan;

(2) describe any revisions to the State's long-range plans for technology;

(3) describe the extent to which resources provided pursuant to such plan are distributed among schools to promote the standards and strategies described in section 306(d); and

(4) include any other information the Secretary deems appropriate.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal year 1994 to carry out this section.

SEC. 318. PROHIBITION ON FEDERAL MANDATES, DIRECTION, AND CONTROL.

Nothing in this Act shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State, local educational agency, or school's curriculum, program of instruction, or allocation of State or local resources or mandate a State or any subdivision thereof to spend any funds or incur any costs not paid for under this Act.

SEC. 319. STATE AND LOCAL GOVERNMENT CONTROL OF EDUCATION.

(a) FINDINGS.—The Congress finds as follows:

(1) Congress is interested in promoting State and local government reform efforts in education.

(2) In Public Law 96–88 the Congress found that education is fundamental to the development of individual citizens and the progress of the Nation.

(3) In Public Law 96–88 the Congress found that in our Federal system the responsibility for education is reserved respectively to the States and the local school systems and other instrumentalities of the States.

(4) In Public Law 96–88 the Congress declared the purpose of the Department of Education was to supplement and complement the efforts of States, the local school systems, and other instrumentalities of the States, the private sector, public and private educational institutions, public and private nonprofit educational research institutions, community based organizations, parents and schools to improve the quality of education.

(5) With the establishment of the Department of Education, Congress intended to protect the rights of State and local governments and public and private educational institutions in the areas of educational policies and administration of programs and to strengthen and improve the control of such governments and institutions over their own educational programs and policies.

(6) Public Law 96–88 specified that the establishment of the Department of Education shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States and local school systems and other instrumentalities of the States.

(7) Public Law 96–88 specified that no provision of a program administered by the Secretary or by any other officer of the Department of Health, Education, and Welfare shall be construed to authorize the Secretary or any such officer to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, over any accrediting agency or association or over the selection or content of library resources, textbooks, or other instructional materials by any educational institution or school system.

(b) REAFFIRMATION.—The Congress agrees and reaffirms that the responsibility for control of education is reserved to the States and local school systems and other instrumentalities of the States and that no action shall be taken under the provisions of this Act by the Federal Government which would, directly or indirectly, impose standards or requirements of any kind through the promulgation of rules, regulations, provision of financial assistance and otherwise, which would reduce, modify, or undercut State and local responsibility for control of education.

TITLE IV—PARENTAL ASSISTANCE

SEC. 401. PARENTAL INFORMATION AND RESOURCE CENTERS.

(a) PURPOSE.—The purpose of this title is—

(1) to increase parents' knowledge of and confidence in child-rearing activities, such as teaching and nurturing their young children;

(2) to strengthen partnerships between parents and professionals in meeting the educational needs of children aged birth through 5 and the working relationship between home and school;

(3) to enhance the developmental progress of children assisted under this title; and

(4) to fund at least 1 parental information and resource center in each State before September 30, 1998.

(b) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary is authorized to award grants in each fiscal year to nonprofit organizations, and nonprofit organizations in consortia with local educational agencies, to establish parental information and resource centers that provide training, information, and support to—

(A) parents of children aged birth through 5 years;

(B) parents of children enrolled in elementary and secondary schools; and

(C) individuals who work with the parents described in subparagraphs (A) and (B).

(2) AWARD RULE.—In awarding grants under this title, the Secretary shall ensure that such grants are distributed, to the greatest extent possible, to all geographic regions of the United States.

SEC. 402. APPLICATIONS.

(a) GRANTS APPLICATIONS.—

(1) IN GENERAL.—Each nonprofit organization and nonprofit organization in consortium with a local educational agency which desires a grant under this title shall submit an application to the Secretary at such time and in such manner as the Secretary shall determine.

(2) CONTENTS.—Each application submitted under paragraph (1) shall, at a minimum, include assurances that a grantee will—

(A)(i) be governed by a board of directors the membership of which includes parents; or

(ii) be an organization that represents the interests of parents;

(B) establish a special advisory committee the membership of which—

(i) includes—

(I) parents described in subparagraphs (A) and (B) of section 401(b)(1); and

(II) representatives of education professionals with expertise in improving services for disadvantaged children; and

(ii) is broadly representative of minority, low-income, and other individuals and groups that have an interest in compensatory education and family literacy;

(C) use at least one-half of the funds provided under this Act in each fiscal year to serve areas with high concentrations of low-income families in order to serve parents who are severely educationally or economically disadvantaged;

(D) operate a center of sufficient size, scope, and quality to ensure that the center is adequate to serve the parents in the area;

(E) serve both urban and rural areas;

(F) design a center that meets the unique training, information, and support needs of parents described in subparagraphs (A) and (B) of section 401(b)(1), particularly parents who are educationally or economically disadvantaged;

(G) demonstrate the capacity and expertise to conduct the effective training information and support activities for which assistance is sought;

(H) network with—

(i) clearinghouses;

(ii) parent centers for the parents of infants, toddlers, children, and youth with disabilities served under section 631(e) of the Individuals with Disabilities Education Act;

(iii) other organizations and agencies;

(iv) established national, State, and local parent groups representing the full range of parents of children, aged birth through 5 years; and

(v) parents of children enrolled in elementary and secondary schools;

(I) focus on serving parents described in subparagraphs (A) and (B) of section 401(b) who are parents of low-income, minority, and limited-English proficient, children; and

(J) use part of the funds received under this title to establish, expand, or operate Parents as

Teachers programs or Home Instruction for Preschool Youngsters programs.

(b) GRANT RENEWAL.—In each fiscal year after the first fiscal year a grantee receives assistance under this title, the grantee shall demonstrate in the application submitted for each fiscal year after such first year that a portion of the services provided by such grantee is supported through non-Federal contributions, which contributions may be in cash or in kind.

SEC. 403. USES OF FUNDS.

Grant funds received under this title may be used—

(1) for parent training, information, and support programs that assist parents to—

(A) better understand their children's educational needs;

(B) provide followup support for their children's educational achievement;

(C) communicate more effectively with teachers, counselors, administrators, and other professional educators and support staff;

(D) participate in the design and provision of assistance to students who are not making adequate educational progress;

(E) obtain information about the range of options, programs, services, and resources available at the national, State, and local levels to assist parents described in subparagraphs (A) and (B) of section 401(b);

(F) seek technical assistance regarding compliance with the requirements of this title and of other Federal programs relevant to achieving the National Education Goals;

(G) participate in State and local decision-making;

(H) train other parents; and

(I) plan, implement, and fund activities that coordinate the education of their children with other Federal programs that serve their children or their families; and

(2) to include State or local educational personnel where such participation will further the activities assisted under the grant.

SEC. 404. TECHNICAL ASSISTANCE.

The Secretary shall provide technical assistance, by grant or contract, for the establishment, development, and coordination of parent training, information and support programs and parental information and resource centers.

SEC. 405. DEFINITIONS.

For purposes of this title—

(1) the term "parent education" includes parent support activities, the provision of resource materials on child development, parent-child learning activities and child rearing issues, private and group educational guidance, individual and group learning experiences for the parent and child, and other activities that enable the parent to improve learning in the home;

(2) the term "Parents as Teachers program" means a voluntary early childhood parent education program that—

(A) is designed to provide all parents of children from birth through age 5 with the information and support such parents need to give their child a solid foundation for school success;

(B) is based on the Missouri Parents as Teachers model with the philosophy that parents are their child's first and most influential teachers;

(C) provides—

(i) regularly scheduled personal visits with families by certified parent educators;

(ii) regularly scheduled developmental screenings; and

(iii) linkage with other resources within the community in order to provide services that parents may want and need, except that such services are beyond the scope of the Parents as Teachers program;

(3) the term "Home Instruction for Preschool Youngsters program" means a voluntary early-learning program for parents with one or more children between the ages of 3 through 5, that—

(A) provides support, training, and appropriate educational materials necessary for parents to implement a school-readiness, home instruction program for their child; and

(B) includes—

(i) group meetings with other parents participating in the program;

(ii) individual and group learning experiences with the parent and child;

(iii) provision of resource materials on child development and parent-child learning activities; and

(iv) other activities that enable the parent to improve learning in the home.

SEC. 406. REPORTS.

Each organization receiving a grant under this title shall submit to the Secretary, on an annual basis, information concerning the parental information and resource centers assisted under this title, including—

(1) the number of parents, including the number of minority and limited-English-proficient parents, who receive information and training;

(2) the types and modes of training, information, and support provided under this title;

(3) the number of Parents as Teachers programs and Home Instruction for Preschool Youngsters programs which have been assisted under this title; and

(4) the strategies used to reach and serve parents of minority and limited-English-proficient children, parents with limited literacy skills, and other parents in need of the services provided under this title.

SEC. 407. GENERAL PROVISION.

Notwithstanding any other provision of this title—

(1) no person, including a parent who educates a child at home, public school parent, or private school parent, shall be required to participate in any program of parent education or developmental screening pursuant to the provisions of this title;

(2) no program assisted under this title shall take any action that infringes in any manner on the right of a parent to direct the education of their children; and

(3) the provisions of section 438(c) of the General Education Provision Act shall apply to organizations awarded grants under this title.

SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995 through 1998 to carry out this title.

TITLE V—NATIONAL SKILL STANDARDS BOARD

SEC. 501. SHORT TITLE.

This title may be cited as the "National Skill Standards Act of 1994".

SEC. 502. PURPOSE.

It is the purpose of this title to establish a National Skill Standards Board to serve as a catalyst in stimulating the development and adoption of a voluntary national system of skill standards and of assessment and certification of attainment of skill standards—

(1) that will serve as a cornerstone of the national strategy to enhance workforce skills;

(2) that will result in increased productivity, economic growth, and American economic competitiveness; and

(3) that can be used, consistent with civil rights laws—

(A) by the Nation, to ensure the development of a high skills, high quality, high performance workforce, including the most skilled frontline workforce in the world;

(B) by industries, as a vehicle for informing training providers and prospective employees of skills necessary for employment;

(C) by employers, to assist in evaluating the skill levels of prospective employees and to assist in the training of current employees;

(D) by labor organizations, to enhance the employment security of workers by providing portable credentials and skills;

(E) by workers, to—

(i) obtain certifications of their skills to protect against dislocation;

(ii) pursue career advancement; and

(iii) enhance their ability to reenter the workforce;

(F) by students and entry level workers, to determine the skill levels and competencies needed to be obtained in order to compete effectively for high wage jobs;

(G) by training providers and educators, to determine appropriate training services to offer;

(H) by government, to evaluate whether publicly funded training assists participants to meet skill standards where such standards exist and thereby protect the integrity of public expenditures;

(I) to facilitate the transition to high performance work organizations;

(J) to increase opportunities for minorities and women, including removing barriers to the entry of women into nontraditional employment; and

(K) to facilitate linkages between other components of the national strategy to enhance workforce skills, including school-to-work transition, secondary and postsecondary vocational-technical education, and job training programs.

SEC. 503. ESTABLISHMENT OF NATIONAL BOARD.

(a) IN GENERAL.—There is established a National Skill Standards Board (hereafter in this title referred to as the "National Board").

(b) COMPOSITION.—

(1) IN GENERAL.—The National Board shall be composed of 28 members (appointed in accordance with paragraph (3)), of whom—

(A) one member shall be the Secretary of Labor;

(B) one member shall be the Secretary of Education;

(C) one member shall be the Secretary of Commerce;

(D) one member shall be the Chairperson of the National Education Standards and Improvement Council established pursuant to section 212(a);

(E) eight members shall be representatives of business (including representatives of small employers and representatives of large employers) selected from among individuals recommended by recognized national business organizations or trade associations;

(F) eight members shall be representatives of organized labor selected from among individuals recommended by recognized national labor federations; and

(G)(i) 2 members shall be neutral, qualified human resource professionals; and

(ii) 6 members shall be representatives from the following groups, with at least 1 member from each group:

(I) Educational institutions (including vocational-technical institutions).

(II) Community-based organizations.

(III) State and local governments.

(IV) Nongovernmental organizations with a demonstrated history of successfully protecting the rights of racial, ethnic, or religious minorities, women, individuals with disabilities, or older persons.

(2) DIVERSITY REQUIREMENTS.—The members described in subparagraph (G) of paragraph (1) shall have expertise in the area of education and training. The members described in subparagraphs (E), (F), and (G) of paragraph (1) shall—

(A) in the aggregate, represent a broad cross-section of occupations and industries; and

(B) to the extent feasible, be geographically representative of the United States and reflect the racial, ethnic, and gender diversity of the United States.

(3) APPOINTMENT.—The membership of the National Board shall be appointed as follows:

(A) Twelve members (four from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be appointed by the President.

(B) Six members (two from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be appointed by the Speaker of the House of Representatives, of whom three members (one from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be selected from recommendations made by the Majority Leader of the House of Representatives and three members (one from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be selected from recommendations made by the Minority Leader of the House of Representatives.

(C) Six members (two from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be appointed by the President pro tempore of the Senate, of whom three members (one from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be selected from recommendations made by the Majority Leader of the Senate and three members (one from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)) shall be selected from recommendations made by the Minority Leader of the Senate.

(4) EX OFFICIO NONVOTING MEMBERS.—The members of the National Board specified in subparagraphs (A), (B), (C), and (D) of paragraph (1) shall be ex officio, nonvoting members of the National Board.

(5) TERM.—Each member of the National Board appointed under subparagraph (E), (F), or (G) of paragraph (1) shall be appointed for a term of 4 years, except that of the initial members of the Board appointed under such subparagraphs—

(A) twelve members shall be appointed for a term of 3 years (four from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)), of whom—

(i) two from each such class shall be appointed in accordance with paragraph (3)(A);

(ii) one from each such class shall be appointed in accordance with paragraph (3)(B); and

(iii) one from each such class shall be appointed in accordance with paragraph (3)(C); and

(B) twelve members shall be appointed for a term of 4 years (four from each class of members described in subparagraphs (E), (F), and (G) of paragraph (1)), of whom—

(i) two from each such class shall be appointed in accordance with paragraph (3)(A);

(ii) one from each such class shall be appointed in accordance with paragraph (3)(B); and

(iii) one from each such class shall be appointed in accordance with paragraph (3)(C).

(6) VACANCIES.—Any vacancy in the National Board shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) CHAIRPERSON AND VICE CHAIRPERSONS.—

(1) CHAIRPERSON.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the National Board, by majority vote, shall elect a Chairperson once every 2 years from among the members of the National Board.

(B) INITIAL CHAIRPERSON.—The first Chairperson of the National Board shall be elected, by a majority vote of the National Board, from among the members who are representatives of business (as described in subparagraph (E) of subsection (b)(1)) and shall serve for a term of 2 years.

(2) VICE CHAIRPERSONS.—The National Board, by majority vote, shall annually elect 3 Vice Chairpersons (each representing a different class of the classes of members described in subparagraphs (E), (F), and (G) of subsection (b)(1) and each of whom shall serve for a term of 1 year) from among its members appointed under subsection (b)(3).

(d) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—All Members of the National Board who are not full-time employees or officers of the Federal Government shall serve without compensation. All members of the National Board who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) EXPENSES.—The members of the National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57, title 5, United States Code, while away from their homes or regular places of business in the performance of services for the National Board.

(e) EXECUTIVE DIRECTOR AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Chairperson of the National Board shall appoint an Executive Director who shall be compensated at a rate determined by the National Board, not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—The Executive Director may appoint and compensate such additional staff as may be necessary to enable the Board to perform its duties. Such staff shall include at least one individual with expertise in measurement and assessment.

(B) COMPENSATION.—The Executive Director may fix the compensation of the staff without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the staff may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(f) VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the National Board is authorized, in carrying out this title, to accept voluntary and uncompensated services.

(g) AGENCY SUPPORT.—

(1) USE OF FACILITIES.—The National Board may use the research, equipment, services, and facilities of any agency or instrumentality of the United States with the consent of such agency or instrumentality.

(2) STAFF OF FEDERAL AGENCIES.—Upon the request of the National Board, the head of any Federal agency of the United States may detail to the National Board, on a reimbursable basis, any of the personnel of such Federal agency to assist the National Board in carrying out this title. Such detail shall be without interruption or loss of civil service status or privilege.

(h) CONFLICT OF INTEREST.—An individual who has served as a member of the National Board may not have any financial interest in an assessment and certification system developed or endorsed under this title for a period of 3 years after the termination of service of such individual from the National Board.

(i) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the National Board may procure temporary and intermittent services of experts and consultants under section 3109(b) of title 5, United States Code.

(j) TERMINATION.—The National Board shall terminate on September 30, 1999.

SEC. 504. FUNCTIONS OF THE NATIONAL BOARD.

(a) IDENTIFICATION OF OCCUPATIONAL CLUSTERS.—

(1) IN GENERAL.—Subject to paragraph (2), the National Board shall identify broad clusters of major occupations that involve 1 or more than 1 industry in the United States and that share characteristics that are appropriate for the development of common skill standards.

(2) PROCEDURES FOR IDENTIFICATION.—Prior to identifying broad clusters of major occupations under paragraph (1), the National Board shall engage in extensive public consultation, including solicitation of public comment on proposed clusters through publication in the Federal Register.

(b) ESTABLISHMENT OF VOLUNTARY PARTNERSHIPS TO DEVELOP STANDARDS.—

(1) IN GENERAL.—For each of the occupational clusters identified pursuant to subsection (a), the National Board shall encourage and facilitate the establishment of voluntary partnerships to develop a skill standards system in accordance with subsection (d).

(2) REPRESENTATIVES.—Such voluntary partnerships shall include the full and balanced participation of—

(A)(i) representatives of business (including representatives of large employers and representatives of small employers) who have expertise in the area of workforce skill requirements, and who are recommended by national business organizations or trade associations representing employers in the occupation or industry for which a standard is being developed; and

(ii) representatives of trade associations that have received grants from the Department of Labor or the Department of Education to establish skill standards prior to the date of enactment of this title;

(B) employee representatives who have expertise in the area of workforce skill requirements and who shall be—

(i) individuals recommended by recognized national labor organizations representing employees in the occupation or industry for which a standard is being developed; and

(ii) such other individuals who are nonmanagerial employees with significant experience and tenure in such occupation or industry as are appropriate given the nature and structure of employment in the occupation or industry;

(C) representatives of—

(i) educational institutions;

(ii) community-based organizations;

(iii) State and local agencies with administrative control or direction over education, vocational-technical education, or employment and training;

(iv) other policy development organizations with expertise in the area of workforce skill requirements; and

(v) non-governmental organizations with a demonstrated history of successfully protecting the rights of racial, ethnic, or religious minorities, women, individuals with disabilities, or older persons; and

(D) individuals with expertise in measurement and assessment, including relevant experience in designing unbiased assessments and performance-based assessments.

(3) EXPERTS.—The partnerships described in paragraph (1) may also include such other individuals who are independent, qualified experts in their fields.

(c) RESEARCH, DISSEMINATION, AND COORDINATION.—In order to support the activities described in subsections (b) and (d), the National Board shall—

(1) conduct workforce research relating to skill standards (including research relating to use of skill standards in compliance with civil rights laws) and make such research available to the public, including the voluntary partnerships described in subsection (b);

(2) identify and maintain a catalog of skill standards used by other countries and by States and leading firms and industries in the United States;

(3) serve as a clearinghouse to facilitate the sharing of information on the development of skill standards and other relevant information among representatives of occupations and industries identified pursuant to subsection (a), the voluntary partnerships described in subsection (b), and among education and training providers through such mechanisms as the Capacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and the Educational Resources Information Center Clearinghouses;

(4) develop a common nomenclature relating to skill standards;

(5) encourage the development and adoption of curricula and training materials, for attaining the skill standards developed pursuant to subsection (d), that provide for structured work experiences and related study programs leading to progressive levels of professional and technical certification and postsecondary education;

(6) provide appropriate technical assistance to voluntary partnerships involved in the development of standards and systems described in subsection (b); and

(7) facilitate coordination among voluntary partnerships that meet the requirements of subsection (b) to promote the development of a coherent national system of voluntary skill standards.

(d) ENDORSEMENT OF SKILL STANDARDS SYSTEMS.—

(1) DEVELOPMENT OF ENDORSEMENT CRITERIA.—(A) The National Board, after extensive public consultation, shall develop objective criteria for endorsing skill standards systems relating to the occupational clusters identified pursuant to subsection (a). Such criteria shall, at a minimum, include the components of a skill standards system described in subparagraph (B). The endorsement criteria shall be published in the Federal Register, and updated as appropriate.

(B) The skill standards systems endorsed pursuant to paragraph (1) shall have one or more of the following components:

(i) Voluntary skill standards, which at a minimum—

(I) take into account relevant standards used in other countries and relevant international standards;

(II) meet or exceed the highest applicable standards used in the United States, including apprenticeship standards registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act", 50 Stat. 664, chapter 663, 29 U.S.C. 50 et seq.);

(III) take into account content and performance standards certified pursuant to title II;

(IV) take into account the requirements of high performance work organizations;

(V) are in a form that allows for regular updating to take into account advances in technology or other developments within the occupational cluster;

(VI) are formulated in such a manner that promotes the portability of credentials and facilitates worker mobility within an occupational cluster or industry and among industries; and

(VII) are not discriminatory with respect to race, color, gender, age, religion, ethnicity, disability, or national origin, consistent with Federal civil rights laws.

(ii) A voluntary system of assessment and certification of the attainment of skill standards developed pursuant to subparagraph (A), which at a minimum—

(I) has been developed after taking into account relevant methods of such assessment and certification used in other countries;

(II) utilizes a variety of evaluation techniques, including, where appropriate, oral and written evaluations, portfolio assessments, and performance tests; and

(III) includes methods for establishing that the assessment and certification system is not discriminatory with respect to race, color, gender, age, religion, ethnicity, disability, or national origin, consistent with Federal civil rights laws.

(iii) A system to promote the use of and to disseminate information relating to skill standards, and assessment and certification systems, developed pursuant to this paragraph (including dissemination of information relating to civil rights laws relevant to the use of such standards and systems) to entities such as institutions of higher education offering professional and technical education, labor organizations, trade associations, employers providing formalized training, and other organizations likely to benefit from such standards and systems.

(iv) A system to evaluate the implementation of the skill standards, and assessment and certification systems developed pursuant to this paragraph, and the effectiveness of the information disseminated pursuant to subparagraph (C) for informing the users of such standards and systems of the requirements of relevant civil rights laws.

(v) A system to periodically revise and update the skill standards, and assessment and certification systems developed pursuant to this paragraph, which will take into account changes in standards in other countries.

(2) ENDORSEMENT.—The National Board, after public review and comment, shall endorse those skill standards systems relating to the occupational clusters identified pursuant to subsection (a) that—

(A) meet the objective endorsement criteria that are developed pursuant to paragraph (1); and

(B) are submitted by voluntary partnerships that meet the requirements of subsection (b).

(e) RELATIONSHIP WITH CIVIL RIGHTS LAWS.—

(1) IN GENERAL.—Nothing in this title shall be construed to modify or affect any Federal or State law prohibiting discrimination on the basis of race, color, gender, age, religion, ethnicity, disability, or national origin.

(2) EVIDENCE.—The endorsement or absence of an endorsement by the National Board of a skill standard, or assessment and certification system, under subsection (d) shall not be used in any action or proceeding to establish that the use of a skill standard or assessment and certification system conforms or does not conform to the requirements of civil rights laws.

(f) COORDINATION.—The National Board shall establish cooperative arrangements with the National Education Standards and Improvement Council to promote the coordination of the development of skill standards under this section with the development of voluntary national content standards and voluntary national student performance standards in accordance with section 213.

(g) FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—From funds appropriated pursuant to section 507—

(A) the National Board may enter into contracts and cooperative agreements to carry out the purposes of this title; and

(B) the Secretary of Labor may, in accordance with paragraph (2), award grants to voluntary partnerships for the development of skill standards systems meeting the requirements of subsection (d).

(2) GRANTS TO VOLUNTARY PARTNERSHIPS.—

(A) ELIGIBILITY AND APPLICATION.—Voluntary partnerships that meet the requirements of subsection (b) shall be eligible to apply for a grant under this subsection. Each such voluntary partnership desiring a grant shall submit an application to the National Board at such time, in such manner, and accompanied by such information as the National Board may reasonably require.

(B) REVIEW AND RECOMMENDATION.—The National Board shall review each application submitted pursuant to subparagraph (A) in accordance with the objective criteria published pursuant to subparagraph (C) and shall forward each such application to the Secretary of Labor accompanied by a nonbinding recommendation for the approval or disapproval of each such application by the Secretary.

(C) CRITERIA FOR REVIEW.—Prior to each fiscal year, the National Board shall publish objective criteria to be used by the Board in reviewing applications under subparagraph (B).

(3) LIMITATION ON USE OF FUNDS.—

(A) IN GENERAL.—Not more than 20 percent of the funds appropriated pursuant to the authority of section 507(a) for each fiscal year shall be used by the National Board for the costs of administration.

(B) COSTS OF ADMINISTRATION DEFINED.—For purposes of this paragraph, the term "costs of administration" means costs relating to staff, supplies, equipment, space, and travel and per diem, costs of conducting meetings and conferences, and other related costs.

SEC. 505. DEADLINES.

Not later than December 31, 1995, the National Board shall, at a minimum—

(1) identify occupational clusters pursuant to section 504(a) representing a substantial portion of the workforce; and

(2) promote the development of an initial set of skill standards in accordance with section 504(d) for such clusters.

SEC. 506. REPORTS.

The National Board shall prepare and submit to the President and the Congress in each of the fiscal years 1994 through 1999, a report on the activities conducted under this title. Such report shall include information on the extent to which skill standards have been adopted by employers, training providers, and other entities, and on the effectiveness of such standards in accomplishing the purposes described in section 502.

SEC. 507. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $15,000,000 for fiscal year 1994 and such sums as may be necessary for each of fiscal years 1995 through 1999.

(b) AVAILABILITY.—Amounts appropriated pursuant to subsection (a) shall remain available until expended.

SEC. 508. DEFINITIONS.

For purposes of this title, the following definitions apply:

(1) COMMUNITY-BASED ORGANIZATIONS.—The term "community-based organizations" has the meaning given the term in section 4(5) of the Job Training Partnership Act (29 U.S.C. 1503(5)).

(2) EDUCATIONAL INSTITUTION.—The term "educational institution" means a high school, a vocational school, and an institution of higher education.

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" means an institution of higher education (as such term is defined in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088)) which continues to meet the eligibility and certification requirements under section 498 of such Act.

(4) SKILL STANDARD.—The term "skill standard" means a standard that specifies the level of knowledge and competence required to successfully perform work-related functions within an occupational cluster.

SEC. 509. SUNSET PROVISION.

(a) REPEAL.—This title is repealed on September 30, 1999.

(b) REVIEW OF REPEAL.—It is the sense of the Congress that the appropriate committees of the Congress should review the accomplishments of the National Board prior to the date of repeal described in subsection (a) in order to determine whether it is appropriate to extend the authorities provided under this title for a period beyond such date.

TITLE VI—INTERNATIONAL EDUCATION PROGRAM

SEC. 601. INTERNATIONAL EDUCATION PROGRAM.

(a) PROGRAM ESTABLISHED.—The Secretary, with the concurrence of the Director of the United States Information Agency and with the foreign policy guidance of the Secretary of State, shall carry out an International Education Program in accordance with this section that shall provide for—

(1) the study of international education programs and delivery systems; and

(2) an international education exchange program.

(b) ASSESSMENT AND INFORMATION.—The Secretary shall award grants for the study, evaluation, and analysis of education systems in other nations, particularly Great Britain, France, Germany and Japan. Such studies shall focus upon a comparative analysis of curriculum, methodology, and organizational structure, including the length of the school year and school day. In addition, the studies shall provide an analysis of successful strategies employed by other nations to improve student achievement, with a specific focus upon application to schooling and the National Education Goals.

(c) INTERNATIONAL EDUCATION EXCHANGE.—

(1) REQUIREMENT.—

(A) IN GENERAL.—The Secretary, in consultation with the Director of the United States Information Agency, shall carry out a program to be known as the International Education Exchange Program. Under such program the Secretary shall award grants to or enter into contracts with organizations with demonstrated effectiveness or expertise in international achievement comparisons, in order to—

(i) make available to educators from eligible countries exemplary curriculum and teacher training programs in civics and government education and economic education developed in the United States;

(ii) assist eligible countries in the adaptation and implementation of such programs or joint research concerning such programs;

(iii) create and implement educational programs for United States students which draw upon the experiences of emerging constitutional democracies;

(iv) provide a means for the exchange of ideas and experiences in civics and government education and economic education among political, educational, and private sector leaders of participating eligible countries; and

(v) provide support for—

(I) research and evaluation to determine the effects of educational programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

(II) effective participation in and the preservation and improvement of an efficient market economy.

(B) PROGRAM ADMINISTRATION.—The Secretary and the Director of the United States Information Agency, or their designees, shall be jointly responsible for the design of the program described in subparagraph (A). The Secretary and the Director of the United States Information Agency shall name to an oversight committee an equal number of representatives. Such committee shall determine the specifications for requests for proposals, the eligibility and review criteria for proposals, and the review process for proposals, for grants or contracts under this section. The Director of the United States Information Agency shall have particular responsibility for ensuring that programs assisted under this section are not duplicative of other efforts in the target countries and that foreign partner institutions are creditable.

(C) RESERVATIONS.—In carrying out the program described in subparagraph (A), there shall be reserved in each fiscal year—

(i) 50 percent of the amount available to carry out this subsection for civics and government education activities; and

(ii) 50 percent of such amount available to carry out this subsection for economic education activities.

(2) CONTRACT AUTHORIZED.—

(A) IN GENERAL.—The Secretary, in consultation with the Director of the United States Information Agency, is authorized to contract with independent nonprofit educational organizations to carry out the provisions of this subsection.

(B) NUMBER.—The Secretary, in consultation with the Director of the United States Information Agency, shall award at least 1 but not more than 3 contracts described in subparagraph (A) in each of the areas described in clauses (i) and (ii) of paragraph (1)(B).

(C) AVOIDANCE OF DUPLICATION.—The Secretary, in consultation with the Director of the United States Information Agency, shall award contracts described in subparagraph (A) so as to avoid duplication of activities in such contracts.

(D) REQUIREMENTS.—Each organization with which the Secretary enters into a contract pursuant to subparagraph (A) shall—

(i) be experienced in—

(I) the development and national implementation of curricular programs in civics and government education and economic education for students from grades kindergarten through 12 in local, intermediate, and State educational agencies, in schools funded by the Bureau, and in private schools throughout the Nation with the cooperation and assistance of national professional educational organizations, colleges and universities, and private sector organizations;

(II) the development and implementation of cooperative university and school-based inservice training programs for teachers of grades kindergarten through grade 12 using scholars from such relevant disciplines as political science, political philosophy, history, law and economics;

(III) the development of model curricular frameworks in civics and government education and economic education;

(IV) the administration of international seminars on the goals and objectives of civics and government education or economic education in constitutional democracies (including the sharing of curricular materials) for educational leaders, teacher trainers, scholars in related disciplines, and educational policymakers; and

(V) the evaluation of civics and government education or economic education programs; and

(ii) have the authority to subcontract with other organizations to carry out the provisions of this subsection.

(3) ACTIVITIES.—The international education program described in this subsection shall—

(A) provide eligible countries with—

(i) seminars on the basic principles of United States constitutional democracy and economics, including seminars on the major governmental and economic institutions and systems in the United States, and visits to such institutions;

(ii) visits to school systems, institutions of higher learning, and nonprofit organizations conducting exemplary programs in civics and government education and economic education in the United States;

(iii) home stays in United States communities;

(iv) translations and adaptations regarding United States civics and government education and economic education curricular programs for students and teachers, and in the case of training programs for teachers translations and adaptations into forms useful in schools in eligible countries, and joint research projects in such areas;

(v) translation of basic documents of United States constitutional government for use in eligible countries, such as The Federalist Papers, selected writings of Presidents Adams and Jefferson and the Anti-Federalists, and more recent works on political theory, constitutional law and economics; and

(vi) research and evaluation assistance to determine—

(I) the effects of educational programs on students' development of the knowledge, skills and traits of character essential for the preservation and improvement of constitutional democracy; and

(II) effective participation in and the preservation and improvement of an efficient market economy;

(B) provide United States participants with—

(i) seminars on the histories, economics, and governments of eligible countries;

(ii) visits to school systems, institutions of higher learning, and organizations conducting exemplary programs in civics and government education and economic education located in eligible countries;

(iii) home stays in eligible countries;

(iv) assistance from educators and scholars in eligible countries in the development of curricular materials on the history, government and economics of such countries that are useful in United States classrooms;

(v) opportunities to provide on-site demonstrations of United States curricula and pedagogy for educational leaders in eligible countries; and

(vi) research and evaluation assistance to determine—

(I) the effects of educational programs on students' development of the knowledge, skills and traits of character essential for the preservation and improvement of constitutional democracy; and

(II) effective participation in and improvement of an efficient market economy; and

(C) assist participants from eligible countries and the United States in participating in international conferences on civics and government education and economic education for educational leaders, teacher trainers, scholars in related disciplines, and educational policymakers.

(4) PARTICIPANTS.—The primary participants in the international education program assisted under this subsection shall be leading educators in the areas of civics and government education and economic education, including curriculum and teacher training specialists, scholars in relevant disciplines, and educational policymakers, from the United States and eligible countries.

(5) PERSONNEL AND TECHNICAL EXPERTS.—The Secretary is authorized to provide Department of Education personnel and technical experts to assist eligible countries to establish and implement a database or other effective methods to improve educational delivery systems, structure and organization.

(6) DEFINITIONS.—For the purpose of this subsection the term "eligible country" means a Central European country, an Eastern European country, Lithuania, Latvia, Estonia, Georgia, the Commonwealth of Independent States, and any country that formerly was a republic of the Soviet Union whose political independence is recognized in the United States.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) ASSESSMENT AND INFORMATION.—There are authorized to be appropriated $1,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 through 1999, to carry out subsection (b).

(2) INTERNATIONAL EDUCATION EXCHANGE.—There are authorized to be appropriated $10,000,000 for fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996 through 1999, to carry out subsection (c).

TITLE VII—SAFE SCHOOLS

SEC. 701. SHORT TITLE; STATEMENT OF PURPOSE.

(a) SHORT TITLE.—This title may be cited as the "Safe Schools Act of 1994".

(b) STATEMENT OF PURPOSE.—It is the purpose of this title to help local school systems achieve Goal Six of the National Education Goals, which provides that by the year 2000, every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning, by ensuring that all schools are safe and free of violence.

SEC. 702. SAFE SCHOOLS PROGRAM AUTHORIZED.

(a) AUTHORITY.—

(1) IN GENERAL.—From funds appropriated pursuant to the authority of subsection (b)(1), the Secretary shall make competitive grants to eligible local educational agencies to enable such agencies to carry out projects and activities designed to achieve Goal Six of the National Education Goals by helping to ensure that all schools are safe and free of violence.

(2) GRANT DURATION AND AMOUNT.—Grants under this title may not exceed—

(A) two fiscal years in duration; and

(B) $3,000,000.

(3) GEOGRAPHIC DISTRIBUTION.—To the extent practicable, grants under this title shall be awarded to eligible local educational agencies serving rural, as well as urban, areas.

(b) AUTHORIZATION OF APPROPRIATIONS AND RESERVATION.—

(1) AUTHORIZATION.—There are authorized to be appropriated $50,000,000 for fiscal year 1994 to carry out this title.

(2) RESERVATION.—The Secretary is authorized in each fiscal year to reserve not more than 10 percent of the amount appropriated pursuant to the authority of paragraph (1) to carry out national activities described in section 706, of which 50 percent of such amount shall be available in such fiscal year to carry out the program described in section 706(b).

SEC. 703. ELIGIBLE APPLICANTS.

(a) IN GENERAL.—To be eligible to receive a grant under this title, a local educational agency shall demonstrate in the application submitted pursuant to section 704(a) that such agency—

(1) serves an area in which there is a high rate of—

(A) homicides committed by persons between the ages 5 to 18, inclusive;

(B) referrals of youth to juvenile court;

(C) youth under the supervision of the courts;

(D) expulsions and suspensions of students from school;

(E) referrals of youth, for disciplinary reasons, to alternative schools; or

(F) victimization of youth by violence, crime, or other forms of abuse; and

(2) has serious school crime, violence, and discipline problems, as indicated by other appropriate data.

(b) PRIORITY.—In awarding grants under this title, the Secretary shall give priority to a local educational agency that submits an application that assures a strong local commitment to the projects or activities assisted under this title, such as—

(1) the formation of partnerships among the local educational agency, a community-based organization, a nonprofit organization with a demonstrated commitment to or expertise in developing education programs or providing educational services to students or the public, a local law enforcement agency, or any combination thereof; and

(2) a high level of youth participation in such projects or activities.

SEC. 704. APPLICATIONS AND PLANS.

(a) APPLICATION.—In order to receive a grant under this title, an eligible local educational agency shall submit to the Secretary an application that includes—

(1) an assessment of the current violence and crime problems in the schools to be served by the grant and in the community to be served by the applicant;

(2) an assurance that the applicant has written policies regarding school safety, student discipline, and the appropriate handling of violent or disruptive acts;

(3) a description of the schools and communities to be served by the grant, the activities and projects to be carried out with grant funds, and how these activities and projects will help to reduce the current violence and crime problems in the schools and communities served;

(4) a description of educational materials to be developed in the first most predominate non-English language of the schools and communities to be served by the grant, if applicable;

(5) if the local educational agency receives Federal education funds, an explanation of how activities assisted under this title will be coordinated with and support any systemic education improvement plan prepared with such funds;

(6) the applicant's plan to establish school-level advisory committees, which include faculty, parents, staff, and students, for each school to be served by the grant and a description of how each committee will assist in assessing that school's violence and discipline problems as well as in designing appropriate programs, policies, and practices to combat such problems;

(7) the applicant's plan for collecting baseline and future data, by individual schools, to monitor violence and discipline problems and to measure the applicant's progress in achieving the purpose of this title;

(8) a description of how, in subsequent fiscal years, the grantee will integrate the violence prevention activities the grantee carries out with funds under this title with activities carried out under the grantee's comprehensive plan for drug and violence prevention adopted under the Drug-Free Schools and Communities Act of 1986;

(9) a description of how the grantee will coordinate the grantee's school crime and violence prevention efforts with education, law enforcement, judicial, health, and social service programs supported under the Juvenile Justice and Delinquency Prevention Act of 1974, and other appropriate agencies and organizations serving the community;

(10) a description of how the grantee will inform parents about the extent of crime and violence in their children's schools and maximize the participation of parents in the grantee's violence prevention activities;

(11) an assurance that grant funds under this title will be used to supplement and not supplant State and local funds that would, in the absence of funds under this title, be made available by the applicant for the purposes of the grant;

(12) an assurance that the applicant will cooperate with, and provide assistance to, the Secretary in gathering statistics and other data the Secretary determines are necessary to determine the effectiveness of projects and activities assisted under this title or the extent of school violence and discipline problems throughout the Nation; and

(13) such other information as the Secretary may require.

(b) PLAN.—In order to receive funds under this title for a second year, a grantee shall submit to the Secretary a comprehensive, long-term, school safety plan for reducing and preventing school violence and discipline problems. Such plan shall contain a description of how the grantee will coordinate the grantee's school crime and violence prevention efforts with education, law-enforcement, judicial, health, social service, and other appropriate agencies and organizations serving the community.

SEC. 705. USE OF FUNDS.

(a) IN GENERAL.—A local educational agency shall use grant funds received under this title for one or more of the following activities:

(1) Identifying and assessing school violence and discipline problems, including coordinating needs assessment activities with education, law enforcement, judicial, health, social service, and other appropriate agencies and organizations, juvenile justice programs, and gang prevention activities.

(2) Conducting school safety reviews or violence prevention reviews of programs, policies, practices, and facilities to determine what changes are needed to reduce or prevent violence and promote safety and discipline.

(3) Planning for comprehensive, long-term strategies for addressing and preventing school violence and discipline problems through the involvement and coordination of school programs with other education, law enforcement, judicial, health, social service, and other appropriate agencies and organizations.

(4) Training school personnel in programs of demonstrated effectiveness in addressing violence, including violence prevention, conflict resolution, anger management, peer mediation, and identification of high-risk youth.

(5) Activities which involve parents in efforts to promote school safety and prevent school violence.

(6) Community education programs, including video- and technology-based projects, informing parents, businesses, local government, the media and other appropriate entities about—

(A) the local educational agency's plan to promote school safety and reduce and prevent school violence and discipline problems; and

(B) the need for community support.

(7) Coordination of school-based activities designed to promote school safety and reduce or prevent school violence and discipline problems with related efforts of education, law enforcement, judicial, health, social service, and other appropriate agencies and organizations and juvenile justice programs.

(8) Developing and implementing violence prevention activities and materials, including—

(A) conflict resolution and social skills development for students, teachers, aides, other school personnel, and parents;

(B) disciplinary alternatives to expulsion and suspension of students who exhibit violent or antisocial behavior;

(C) student-led activities such as peer mediation, peer counseling, and student courts; or

(D) alternative after-school programs that provide safe havens for students, which may include cultural, recreational, educational and instructional activities, and mentoring and community service programs.

(9) Educating students and parents regarding the dangers of guns and other weapons and the consequences of their use.

(10) Developing and implementing innovative curricula to prevent violence in schools and training staff how to stop disruptive or violent behavior if such behavior occurs.

(11) Supporting "safe zones of passage" for students between home and school through such measures as Drug- and Weapon-Free School Zones, enhanced law enforcement, and neighborhood patrols.

(12) Counseling programs for victims and witnesses of school violence and crime.

(13) Acquiring and installing metal detectors and hiring security personnel.

(14) Reimbursing law enforcement authorities for their personnel who participate in school violence prevention activities.

(15) Evaluating projects and activities assisted under this title.

(16) The cost of administering projects or activities assisted under this title.

(17) Other projects or activities that meet the purpose of this title.

(b) LIMITATIONS.—

(1) IN GENERAL.—A local educational agency may use not more than—

(A) a total of 5 percent of grant funds received under this title in each fiscal year for activities described in paragraphs (11), (13), and (14) of subsection (a); and

(B) 5 percent of grant funds received under this title in each fiscal year for activities described in paragraph (16) of subsection (a).

(2) SPECIAL RULE.—A local educational agency shall only be able to use grant funds received under this title for activities described in paragraphs (11), (13), and (14) of subsection (a) if funding for such activities is not available from other Federal sources.

(3) PROHIBITION.—A local educational agency may not use grant funds received under this title for construction.

SEC. 706. NATIONAL ACTIVITIES.

(a) NATIONAL ACTIVITIES.—

(1) IN GENERAL.—To carry out the purpose of this title, the Secretary—

(A) is authorized to use funds reserved under section 702(b)(2) to—

(i) conduct national leadership activities such as research, program development and evaluation, data collection, public awareness activities, training and technical assistance, dissemination (through appropriate research entities assisted by the Department of Education) of information on successful projects, activities, and strategies developed pursuant to this title;

(ii) provide grants to noncommercial telecommunications entities for the production and distribution of national video-based projects that provide young people with models for conflict resolution and responsible decisionmaking; and

(iii) conduct peer review of applications under this title; and

(B) shall develop a written safe schools model so that all schools can develop models that enable all students to participate regardless of any language barrier.

(2) SPECIAL RULE.—The Secretary may carry out the activities described in paragraph (1) directly, through interagency agreements, or through grants, contracts or cooperative agreements.

(b) NATIONAL MODEL CITY.—The Secretary shall designate the District of Columbia as a national model city and shall provide funds made available pursuant to section 702(b)(2) in each fiscal year to a local educational agency serving the District of Columbia in an amount sufficient to enable such agency to carry out a comprehensive program to address school and youth violence.

SEC. 707. NATIONAL COOPERATIVE EDUCATION STATISTICS SYSTEM.

Subparagraph (A) of section 406(h)(2) of the General Education Provisions Act (20 U.S.C. 1221e-1(h)(2)(A)) is amended—

(1) in clause (vi), by striking "and" after the semicolon; and

(2) by adding after clause (vii) the following new clause:

"(viii) school safety policy, and statistics on the incidents of school violence; and".

SEC. 708. REPORTS.

(a) REPORT TO SECRETARY.—Each local educational agency that receives funds under this title shall submit to the Secretary a report not later than March 1, 1995, that describes progress achieved in carrying out the plan described in section 704(b).

(b) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report not later than October 1, 1995, which shall contain a detailed statement regarding grant awards, activities of grant recipients, a compilation of statistical information submitted by applicants under section 704(a), and an evaluation of programs assisted under this title.

SEC. 709. COORDINATION OF FEDERAL ASSISTANCE.

The Secretary, as a member of the Coordinating Council on Juvenile Justice and Delinquency Prevention of the Department of Justice, shall coordinate the programs and activities carried out under this title with the programs and activities carried out by the departments and offices represented within the Council that provide assistance under other Federal law for purposes that are determined by the Secretary to be similar to the purpose of this title, in order to avoid redundancy and coordinate Federal assistance, research, and programs for youth violence prevention.

TITLE VIII—MINORITY-FOCUSED CIVICS EDUCATION

SEC. 801. SHORT TITLE.

This title may be cited as the "Minority-Focused Civics Education Act of 1994".

SEC. 802. PURPOSES.

It is the purpose of this title—

(1) to encourage improved instruction for minorities and Native Americans in American government and civics through a national program of accredited summer teacher training and staff development seminars or institutes followed by academic year inservice training programs conducted on college and university campuses or other appropriate sites, for—

(A) social studies and other teachers responsible for American history, government, and civics classes; and

(B) other educators who work with minority and Native American youth; and

(2) through such improved instruction to improve minority and Native American student knowledge and understanding of the American system of government.

SEC. 803. GRANTS AUTHORIZED; AUTHORIZATION OF APPROPRIATIONS.

(a) GRANTS AUTHORIZED.—

(1) IN GENERAL.—The Secretary is authorized to make grants to eligible entities for the development and implementation of seminars in American government and civics for elementary and secondary school teachers and other educators who work with minority and Native American students.

(2) AWARD RULE.—In awarding grants under this title, the Secretary shall ensure that there is wide geographic distribution of such grants.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 for fiscal 1995, and such sums as may be necessary for each of the fiscal years 1996, 1997, and 1998, to carry out this title.

SEC. 804. DEFINITIONS.

For purposes of this title—

(1) the term "eligible entity" means a State educational agency, an institution of higher education or a State higher education agency, or a public or private nonprofit organization, with experience in coordinating or conducting teacher training seminars in American government and civics education, or a consortium thereof; and

(2) the term "State higher education agency" means the officer or agency primarily responsible for the State supervision of higher education.

SEC. 805. APPLICATIONS.

(a) APPLICATION REQUIRED.—Each eligible entity desiring a grant under this title shall submit an application to the Secretary, at such time, in such manner and containing or accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS OF APPLICATION.—Each application submitted pursuant to subsection (a) shall—

(1) define the learning objectives and course content of each seminar to be held and describe the manner in which seminar participants shall receive substantive academic instruction in the principles, institutions and processes of American government;

(2) provide assurances that educators successfully participating in each seminar will qualify for either graduate credit or professional development or advancement credit according to the criteria established by a State or local educational agency;

(3) describe the manner in which seminar participants shall receive exposure to a broad array of individuals who are actively involved in the political process, including political party representatives drawn equally from the major political parties, as well as representatives of other organizations involved in the political process;

(4) provide assurances that the seminars will be conducted on a nonpartisan basis;

(5) describe the manner in which the seminars will address the role of minorities or Native Americans in the American political process, including such topics as—

(A) the history and current political state of minorities or Native Americans;

(B) recent research on minority or Native American political socialization patterns and cognitive learning styles; and

(C) studies of political participation patterns of minorities or Native Americans;

(6) describe the pedagogical elements for teachers that will enable teachers to develop effective strategies and lesson plans for teaching minorities or Native American students at the elementary and secondary school levels;

(7) identify the eligible entities which will conduct the seminars for which assistance is sought;

(8) in the case that the eligible entity is an institution of higher education, describe the plans for collaborating with national organizations in American government and civics education;

(9) provide assurances that during the academic year educators participating in the summer seminars will provide inservice training programs based upon what such educators have learned and the curricular materials such educators have developed or acquired for their peers in their school systems with the approval and support of their school administrators; and

(10) describe the activities or services for which assistance is sought, including activities and services such as—

(A) development of seminar curricula;

(B) development and distribution of instructional materials;

(C) scholarships for participating teachers; and

(D) program assessment and evaluation.

(c) PRIORITY.—The Secretary, in approving applications for assistance under this title, shall give priority to applications which demonstrate that—

(1) the applicant will serve teachers who teach in schools with a large number or concentration of economically disadvantaged students;

(2) the applicant has demonstrated national experience in conducting or coordinating accredited summer seminars in American government or civics education for elementary and secondary school teachers;

(3) the applicant will coordinate or conduct seminars on a national or multistate basis

through a collaboration with an institution of higher education, State higher education agency or a public or private nonprofit organization, with experience in coordinating or conducting teacher training programs in American government and civics education;

(4) the applicant will coordinate or conduct seminars designed for more than one minority student population and for Native Americans; and

(5) the applicant will coordinate or conduct seminars that offer a combination of academic instruction in American government, exposure to the practical workings of the political system, and training in appropriate pedagogical techniques for working with minority and Native American students.

TITLE IX—EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 901. SHORT TITLE.

This title may be cited as the "Educational Research, Development, Dissemination, and Improvement Act of 1994".

SEC. 902. FINDINGS.

The Congress finds as follows with respect to improving education in the United States:

(1) A majority of public schools in the United States are failing to prepare students to achieve the National Education Goals. The Federal Government should support an extensive program of educational research, development, dissemination, replication and assistance to identify and support the best responses for the challenges ahead. A significant investment in attaining a deeper understanding of the processes of learning and schooling and developing new ideas holds the best hope of making a substantial difference to the lives of every student in the United States. The Office of Educational Research and Improvement within the Department of Education should be at the center of this campaign in order to coordinate such efforts.

(2) The Federal role in educational research has been closely identified with youths who are socioeconomically disadvantaged, are minorities, belong to a language minority, or have a disability. The Federal commitment to education was sufficient to serve not more than—

(A) in 1993, 1 out of every 6 low-income children in need of preschool education;

(B) in 1990, 3 out of every 5 children in need of remediation;

(C) in 1991, 1 out of every 5 children in need of bilingual education; and

(D) in 1992, 1 out of every 20 youths eligible for assistance under the Job Training Partnership Act.

(3) The failure of the Federal Government to adequately invest in educational research and development has denied the United States a sound foundation of knowledge on which to design school improvements. The educational achievement of minority children is of particular concern because at least half of the public school students in 25 of the largest cities of the United States are minority children, and demographers project that, by the year 2005, almost all urban public school students will be minority children or other children in poverty.

(4) The investment goal of the Federal research, development, and dissemination function should be at least 1 percent of the total amount of funds spent on educationally.

(5) Nationwide model programs and reliable interventions should be demonstrated and replicated, and for such purposes, programs should be established to conduct research and evaluations, and to disseminate information.

(6) The Office should develop a national dissemination policy that will advance the goal of placing a national treasure chest of research results, models, and materials at the disposal of the education decisionmakers of the United States.

(7) A National Educational Research Policy and Priorities Board should be established to work collaboratively with the Assistant Secretary to forge a national consensus with respect to a long-term agenda for educational research, development, dissemination, and the activities of the Office.

(8) Existing research and development entities should adopt expanded, proactive roles and new institutions should be created to promote knowledge development necessary to accelerate the application of research findings to high priority areas.

(9) Greater use should be made of existing technologies in efforts to improve the educational system of the United States, including efforts to disseminate research findings.

(10) Minority educational researchers are inadequately represented throughout the Department of Education, but particularly in the Office. The Office therefore should assume a leadership position in the recruitment, retention, and promotion of qualified minority educational researchers.

(11) The coordination of the mission of the Office with that of other components of the Department of Education is critical. The Office should improve the coordination of the educational research, development, and dissemination function with those of other Federal agencies.

PART A—GENERAL PROVISIONS REGARDING THE OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

SEC. 911. REPEAL.

(a) REPEAL.—Section 405 of the General Education Provisions Act (20 U.S.C. 1221e) is repealed.

(b) CONFORMING AMENDMENT.—The second sentence of section 209 of the Department of Education Organization Act (20 U.S.C. 3419) is amended by inserting "and such functions as set forth in the Educational Research, Development, Dissemination, and Improvement Act of 1994" after "delegate".

SEC. 912. OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) DECLARATION OF POLICY REGARDING EDUCATIONAL OPPORTUNITY.—

(1) IN GENERAL.—The Congress declares it to be the policy of the United States to provide to every individual an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, age, disability, national origin, or social class. Although the American educational system has pursued this objective, it has not been attained. Inequalities of opportunity to receive high quality education remain pronounced. To achieve the goal of quality education requires the continued pursuit of knowledge about education through research, development, improvement activities, data collection, synthesis, technical assistance, and information dissemination. While the direction of American education remains primarily the responsibility of State and local governments, the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

(2) MISSION OF OFFICE.—

(A) The mission of the Office shall be to provide national leadership in—

(i) expanding fundamental knowledge and understanding of education;

(ii) promoting excellence and equity in education; and the achievement of the National Educational Goals by spurring reform in the school systems of the United States;

(iii) promoting the use and application of research and development to improve practice in the classroom; and

(iv) monitoring the state of education.

(B) The mission of the Office shall be accomplished in collaboration with researchers, teachers, school administrators, parents, students, employers, and policymakers.

(b) PURPOSE AND STRUCTURE OF OFFICE.—

(1) IN GENERAL.—The Secretary, acting through the Office, shall carry out the policies set forth in subsection (a). In carrying out such policies, the Office shall be guided by the Research Priorities Plan developed by the Assistant Secretary working collaboratively with the Board and which has been approved by the Board.

(2) ADMINISTRATIVE STRUCTURE.—The Office shall be administered by the Assistant Secretary and shall include—

(A) the National Educational Research Policy and Priorities Board established by section 921;

(B) the national research institutes established by section 931;

(C) the national education dissemination system established by section 941;

(D) the National Center for Education Statistics; and

(E) such other units as the Secretary deems appropriate to carry out the purposes of the Office.

(3) AUTHORIZED ACTIVITIES.—

(A) OFFICE.—In fulfilling its purposes under this section, the Office is authorized to—

(i) conduct and support education-related research activities, including basic and applied research, development, planning, surveys, assessments, evaluations, investigations, experiments, and demonstrations of national significance;

(ii) disseminate the findings of education research, and provide technical assistance to apply such information to specific problems at school sites;

(iii) collect, analyze, and disseminate data related to education, and to library and information services;

(iv) promote the use of knowledge gained from research and statistical findings in schools, other educational institutions, and communities;

(v) provide training in education research; and

(vi) promote the coordination of education research and research support within the Federal Government, and otherwise assist and foster such research.

(c) APPOINTMENT OF EMPLOYEES.—

(1) IN GENERAL.—The Assistant Secretary may appoint, for terms not to exceed three years (without regard to the provisions of title 5, United States Code, governing appointment in the competitive service) and may compensate (without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates) such scientific or technical employees of the Office as the Assistant Secretary considers necessary to accomplish its functions, provided that—

(A) at least 30 days prior to the appointment of any such employee, public notice is given of the availability of such position and an opportunity is provided for qualified individuals to apply and compete for such position;

(B) the rate of basic pay for such employees does not exceed the maximum rate of basic pay payable for positions at GS–15, as determined in accordance with section 5376 of title 5, United States Code;

(C) the appointment of such employee is necessary to provide the Office with scientific or technical expertise which could not otherwise be obtained by the Office through the competitive service; and

(D) the total number of such employees does not exceed one-fifth of the number of full-time, regular scientific or professional employees of the Office.

(2) REAPPOINTMENT OF EMPLOYEES.—The Assistant Secretary may reappoint employees described in paragraph (1) upon presentation of a

clear and convincing justification of need, for one additional term not to exceed 3 years. All such employees shall work on activities of the Office and shall not be reassigned to other duties outside the Office during their term.

(d) AUTHORITY TO PUBLISH.—

(1) IN GENERAL.—The Assistant Secretary is authorized to prepare and publish such information, reports, and documents as may be of value in carrying out the purposes of this title without further clearance or approval by the Secretary or any other office of the Department of Education.

(2) QUALITY ASSURANCE.—In carrying out such authority, the Assistant Secretary shall—

(A) establish such procedures as may be necessary to assure that all reports and publications issued by the Office are of the highest quality; and

(B) provide other offices of the Department of Education with an opportunity to comment upon any report or publication prior to its publication when its contents relate to matters for which such office has responsibility.

(e) BIENNIAL REPORT ON ACTIVITIES OF OFFICE.—The Assistant Secretary shall transmit to the President and the Congress by not later than December 30 of every other year a report which shall consist of—

(1) a description of the activities carried out by and through each research institute during the fiscal years for which such report is prepared and any recommendations and comments regarding such activities as the Assistant Secretary considers appropriate;

(2) a description of the activities carried out by and through the national education dissemination system established by section 941 during the fiscal years for which such report is prepared and any recommendations and comments regarding such activities as the Assistant Secretary considers appropriate;

(3) such written comments and recommendations as may be submitted by the Board concerning the activities carried out by and through each of the institutes and the national education dissemination system during the fiscal years for which such report is prepared;

(4) a description of the coordination activities undertaken pursuant to subsection (g) during the fiscal years for which such report is prepared;

(5) recommendations for legislative and administrative changes necessary to improve the coordination of all educational research, development, and dissemination activities carried out within the Federal Government; and

(6) such additional comments, recommendations, and materials as the Assistant Secretary considers appropriate.

(f) RESEARCH PRIORITIES PLAN.—

(1) IN GENERAL.—Working collaboratively with the Board, the Assistant Secretary shall—

(A) survey and assess the state of knowledge in education research, development and dissemination to identify disciplines and areas of inquiry in which the state of knowledge is insufficient and which warrant further investigation, taking into account the views of both education researchers and practicing educators;

(B) consult with the National Education Goals Panel and other authorities on education to identify national priorities for the improvement of education;

(C) actively solicit recommendations from education researchers, teachers, school administrators, cultural leaders, parents, and others throughout the United States through such means as periodic regional forums;

(D) provide recommendations for the development, maintenance, and assurance of a strong infrastructure for education, research, and development in the United States; and

(E) on the basis of such recommendations, develop a research priorities program which shall recommend priorities for the investment of the resources of the Office over the next 5-, 10-, and 15-year periods, including as priorities those areas of inquiry in which further research, development and dissemination—

(i) is necessary to attain the National Education Goals;

(ii) promises to yield the greatest practical benefits to teachers and other educators in terms of improving education; and

(iii) will not be undertaken in sufficient scope or intensity by the other Federal and non-Federal entities engaged in education research and development.

(2) CONTENTS OF PLAN.—(A) The research and priorities plan described in paragraph (1) shall, at a minimum—

(i) set forth specific objectives which can be expected to be achieved as a result of a Federal investment in the priorities set forth in the plan;

(ii) include recommendations with respect to research and development on cross-cutting issues which should be carried out jointly by 2 or more of the research institutes; and

(iii) include an evaluative summary of the educational research and development activities undertaken by the Federal government during the preceding 2 fiscal years, which shall describe—

(I) what has been learned as a result of such activities;

(II) how such new knowledge or understanding extends or otherwise relates to what had been previously known or understood;

(III) the implications of such new knowledge or understanding for educational practice and school reform; and

(IV) any development, reform, and other assistance activities which have utilized such knowledge or understanding and the effects of such efforts.

(B) REPORT.—(i) Not later than 6 months after the first meeting of the Board and by October 1 of every second year thereafter, the Assistant Secretary shall publish a report specifying the proposed research priorities of the Office and allow a 60-day period beginning on the date of the publication of the report for public comment and suggestions.

(ii) Not later than 90 days after the expiration of the 60-day period referred to in clause (i), the Assistant Secretary shall submit to the Board a report specifying the proposed research priorities of the Office and any public comment and suggestions obtained under such subparagraph for the Board's review and approval.

(g) COORDINATION.—With the advice and assistance of the Board, the Assistant Secretary shall work cooperatively with the Secretary and the other Assistant Secretaries of the Department of Education to establish and maintain an ongoing program of activities designed to improve the coordination of education research, development, and dissemination and activities within such Department and within the Federal Government to—

(1) minimize duplication in education research, development, and dissemination carried out by the Federal Government;

(2) maximize the value of the total Federal investment in education research, development, and dissemination; and

(3) enable entities engaged in education research, development, and dissemination within the Federal Government to interact effectively as partners and take full advantage of the diverse resources and proficiencies which each entity has available.

(h) ACTIVITIES REQUIRED WITH RESPECT TO COORDINATION.—In carrying out such program of coordination, the Assistant Secretary shall compile (and thereafter regularly maintain) and make available a comprehensive inventory of education research, development, dissemination activities, and expenditures being carried out by the Federal Government.

(i) STANDARDS FOR THE CONDUCT AND EVALUATION OF RESEARCH.—

(1) IN GENERAL.—In consultation with the Board, the Assistant Secretary shall develop such standards as may be necessary to govern the conduct and evaluation of all research, development, and dissemination activities carried out by the Office to assure that such activities meet the highest standards of professional excellence. In developing such standards, the Assistant Secretary shall review the procedures utilized by the National Institutes of Health, the National Science Foundation, and other Federal departments or agencies engaged in research and development and shall also actively solicit recommendations from research organizations and members of the general public.

(2) CONTENTS OF STANDARDS.—Such standards shall at a minimum—

(A) require that a process of open competition be used in awarding or entering into all grants, contracts, and cooperative agreements under this title;

(B) require that a system of peer review be utilized by the Office—

(i) for reviewing and evaluating all applications for grants and cooperative agreements and bids for those contracts which exceed $100,000;

(ii) for evaluating and assessing the performance of all recipients of grants from and cooperative agreements and contracts with the Office; and

(iii) for reviewing and designating exemplary and promising programs in accordance with section 941(d);

(C) describe the general procedures which shall be used by each peer review panel in its operations;

(D)(i) describe the procedures which shall be utilized in evaluating applications for grants, proposed cooperative agreements, and contract bids; and

(ii) specify the criteria and factors which shall be considered in making such evaluations;

(E) describe the procedures which shall be utilized in reviewing educational programs which have been identified by or submitted to the Secretary for evaluation in accordance with section 941(d); and

(F) require that the performance of all recipients of grants from and contracts and cooperative agreements with the Office shall be periodically evaluated, both during and at the conclusion of their receipt of assistance.

(3) PUBLICATION AND PROMULGATION OF STANDARDS.—

(A) The Assistant Secretary shall publish proposed standards—

(i) which meet the requirements of subparagraphs (A), (B), (C), and (D) of paragraph (2) not later than 1 year after the date of the enactment of this title;

(ii) which meet the requirements of paragraph (2)(E) not later than 2 years after such date; and

(iii) which meet the requirements of subparagraph (F) of paragraph (2) not later than 3 years after such date.

(B) Following the publication of such proposed standards, the Assistant Secretary shall solicit comments from interested members of the public with respect to such proposed standards for a period of not more than 120 days. After giving due consideration to any comments which may have been received, the Assistant Secretary shall transmit such standards to the Board for its review and approval.

(C) Upon the approval of the Board, the Assistant Secretary shall transmit final standards to the Secretary which meet the requirements of the particular subparagraphs of paragraph (2) for which such standards were developed. Such

standards shall be binding upon all activities carried out with funds appropriated pursuant to subsection (m).

(j) ADDITIONAL RESPONSIBILITIES OF THE ASSISTANT SECRETARY.—In carrying out the activities and programs of the Office, the Assistant Secretary—

(1) shall be guided by the Research Priorities Plan developed by the Assistant Secretary working collaboratively with the Board and which has been approved by the Board;

(2) shall ensure that there is broad and regular public and professional involvement from the educational field in the planning and carrying out of the Office's activities, including establishing teacher advisory boards for any program office, program or project of the Office as the Assistant Secretary deems necessary and involving Indian and Alaska Native researchers and educators in activities that relate to the education of Indian and Alaska Native people;

(3) shall ensure that the selection of research topics and the administration of the program are free from undue partisan political influence;

(4) shall ensure that all statistics and other data collected and reported by the Office shall be collected, cross-tabulated, analyzed, and reported by sex within race or ethnicity and socioeconomic status whenever feasible (and when such data collection or analysis is not feasible, ensure that the relevant report or document includes an explanation as to why such data collection or analysis is not feasible);

(5) is authorized to administer funds to support a single project when more than 1 Federal agency uses funds to support such project, and the Assistant Secretary may act for all such agencies in administering such funds; and

(6) is authorized to offer information and technical assistance to State and local educational agencies, school boards, and schools, including schools funded by the Bureau, to ensure that no student is—

(A) denied access to the same rigorous, challenging curriculum that such student's peers are offered; or

(B) grouped or otherwise labeled in such a way that may impede such student's achievement.

(k) INDEPENDENT EVALUATIONS.—The Secretary shall enter into one or more contracts for the conduct of an independent evaluation of the effectiveness of the implementation of the provisions of this title. Such evaluations shall be transmitted to the Congress, the President, and the Assistant Secretary not later than 54 months after the date of the enactment of this title.

(l) DEFINITIONS.—For purposes of this title, the following definitions apply:

(1) ASSISTANT SECRETARY.—The term "Assistant Secretary" means the Assistant Secretary for Educational Research and Improvement established by section 202 of the Department of Education Organization Act.

(2) AT-RISK STUDENT.—The term "at-risk student" means a student who, because of limited English proficiency, poverty, race, geographic location, or economic disadvantage, faces a greater risk of low educational achievement or reduced academic expectations.

(3) BOARD.—The term "Board" means the National Educational Research Policy and Priorities Board.

(4) DEVELOPMENT.—The term "development"—

(A) means the systematic use, adaptation, and transformation of knowledge and understanding gained from research to create alternatives, policies, products, methods, practices, or materials which can contribute to the improvement of educational practice; and

(B) includes the design and development of prototypes and the testing of such prototypes for the purposes of establishing their feasibility, reliability, and cost-effectiveness.

(5) DISSEMINATION.—The term "dissemination" means the communication and transfer, through the provision of technical assistance and other means, of the results of research and proven practice in forms that are understandable, easily accessible and usable or adaptable for use in the improvement of educational practice by teachers, administrators, librarians, other practitioners, researchers, policymakers, and the public.

(6) EDUCATIONAL RESEARCH.—The term "educational research" includes basic and applied research, inquiry with the purpose of applying tested knowledge gained to specific educational settings and problems, development, planning, surveys, assessments, evaluations, investigations, experiments, and demonstrations in the field of education and other fields relating to education.

(7) FIELD-INITIATED RESEARCH.—The term "field-initiated research" means education research in which topics and methods of study are generated by investigators, including teachers and other practitioners, not by the source of funding.

(8) NATIONAL EDUCATION DISSEMINATION SYSTEM.—The term "national education dissemination system" means the activities carried out by the Office of Reform Assistance and Dissemination established by section 941.

(9) OFFICE.—The term "Office", unless otherwise specified, means the Office of Educational Research and Improvement established in section 209 of the Department of Education Organization Act.

(10) NATIONAL RESEARCH INSTITUTE.—The term "national research institute" means an institute established in section 931.

(11) TECHNICAL ASSISTANCE.—The term "technical assistance" means assistance in identifying, selecting, or designing solutions based on research to address educational problems, planning, and design that leads to adapting research knowledge to school practice, training to implement such solutions, and other assistance necessary to encourage adoption or application of research.

(12) UNITED STATES; STATE.—The terms "United States" and "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Palau (until the effective date of the Compact of Free Association with the Government of Palau), the Republic of the Marshall Islands, and the Federated States of Micronesia.

(m) AUTHORIZATION OF APPROPRIATIONS.—

(1) NATIONAL INSTITUTES.—

(A) For the purpose of carrying out section 931, there is authorized to be appropriated $68,000,000 for fiscal year 1995.

(B)(i) For the purpose of carrying out the provisions of section 931 relating to the National Institute on Student Achievement, Curriculum, and Assessment and the National Institute on the Education of At-Risk Students, there are authorized to be appropriated $60,000,000 for fiscal year 1996, and such sums as are necessary for each of fiscal years 1997, 1998, and 1999.

(ii) Of the total amounts appropriated pursuant to clause (i)—

(I) 50 percent shall be used by the Assistant Secretary for the purpose of carrying out the provisions of section 931 relating to the National Institute on the Education of At-Risk Students; and

(II) 50 percent shall be used for the purpose of carrying out the provisions of section 931 relating to the National Institute on Student Achievement, Curriculum, and Assessment.

(C) For the purpose of carrying out the provisions of section 931 relating to the National Institute on Educational Governance, Finance, Policy-Making, and Management, there are authorized to be appropriated $10,000,000 for fiscal year 1996, and such sums as are necessary for each of fiscal years 1997, 1998, and 1999.

(D) For the purpose of carrying out the provisions of section 931 relating to the National Institute on Early Childhood Development and Education, there are authorized to be appropriated $15,000,000 for fiscal year 1996, and such sums as are necessary for each of fiscal years 1997, 1998, and 1999.

(E) For the purpose of carrying out the provisions of section 931 relating to the National Institute on Postsecondary Education, Libraries, and Lifelong Learning, there are authorized to be appropriated $15,000,000 for fiscal year 1996, and such sums as are necessary for each of fiscal years 1997, 1998, and 1999.

(F) COORDINATION AND SYNTHESIS.—The Assistant Secretary is authorized to reserve not more than 10 percent of the total amounts appropriated in any fiscal year pursuant to subparagraphs (A) through (E) (but not more than 33 percent of the amount appropriated for any single institute in any fiscal year) for the purposes of supporting coordination and synthesis activities described in section 931(i) or to address other priorities which are consistent with the Research Priorities Plan developed by the Assistant Secretary and approved by the Board.

(2) NATIONAL EDUCATION DISSEMINATION SYSTEM.—

(A)(i) For the purpose of carrying out paragraph (2) of subsection (b) and subsections (c) through (g) of section 941, there are authorized to be appropriated $23,000,000 for fiscal year 1995, and such sums as are necessary for each of the fiscal years 1996 through 1999.

(ii) Of the amount appropriated under clause (i) for any fiscal year, the Secretary shall make available not less than $8,000,000 to carry out subsection (f) of section 941 (relating to Educational Resources Information Center Clearinghouses).

(B) For the purpose of carrying out subsection (h) of section 941 (relating to regional educational laboratories), there are authorized to be appropriated $41,000,000 for fiscal year 1995, and such sums as are necessary for each of the fiscal years 1996 through 1999. Of the amounts appropriated under the preceding sentence for a fiscal year, the Secretary shall obligate not less than 25 percent to carry out such purpose with respect to rural areas (including schools funded by the Bureau which are located in rural areas).

(C) For the purpose of carrying out subsection (j) of section 941 (relating to the teacher research dissemination demonstration program) there are authorized to be appropriated $20,000,000 for fiscal year 1995, and such sums as are necessary for each of the fiscal years 1996 through 1999.

(D) For the purpose of carrying out subsection (i) of section 941 (relating to the Goals 2000 Community Partnerships program), there are authorized to be appropriated $30,000,000 for fiscal year 1995, $50,000,000 for fiscal year 1996, and such sums as are necessary for each of the fiscal years 1997 and 1999.

(3) NATIONAL EDUCATIONAL RESEARCH POLICY AND PRIORITIES BOARD.—Of the amounts appropriated under paragraphs (1) and (2) for any fiscal year, the Secretary shall make available 2 percent of such amounts, or $1,000,000, whichever is less, for the purpose of supporting the activities and expenses of the Board and the collaborative development of the Research Priorities Plan by the Assistant Secretary and the Board.

(4) ALLOCATIONS FOR GRANTS, COOPERATIVE AGREEMENTS, AND CONTRACTS.—Of the amounts appropriated under paragraph (1) or (2) for any fiscal year, not less than 95 percent shall be expended to carry out the purposes described in

such paragraphs through grants, cooperative agreements, or contracts.

(5) LIMITATIONS ON APPROPRIATIONS.—No amounts are authorized to be appropriated under paragraph (1) or (2) for fiscal year 1996 or any fiscal year thereafter unless the Board has been appointed in accordance with section 921.

(6) GRANT AUTHORIZED.—

(A) IN GENERAL.—From the amounts appropriated pursuant to paragraph (1) for any fiscal year, the Secretary is authorized, in accordance with the provisions of this paragraph, to award a grant of not more than $5,000,000 to a public or private institution, agency or organization for a period not to exceed 5 years for the purpose of conducting a State-by-State poll to determine the perceptions of recent graduates of secondary schools, their instructors in institutions of higher education, parents of recent such graduates, and employers of recent such graduates on how well schools have prepared students for further education or employment.

(B) MATCHING REQUIREMENT.—The grant described in subparagraph (A) shall be awarded on a competitive basis and shall be matched on a two-to-one basis by the recipient.

SEC. 913. ASSISTANT SECRETARY FOR EDUCATIONAL RESEARCH AND IMPROVEMENT.

Subsection (b) of section 202 of the Department of Education Organization Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively; and

(2) by adding at the end the following new paragraph:

"(3) There shall be in the Department an Assistant Secretary for Educational Research and Improvement who shall be—

"(A) appointed by the President, by and with the consent of the Senate; and

"(B) selected (giving due consideration to recommendations from the National Educational Research Policy and Priorities Board) from among individuals who—

"(i) are distinguished educational researchers or practitioners;

"(ii) have proven management ability; and

"(iii) have substantial knowledge of education within the United States.".

SEC. 914. SAVINGS PROVISION.

Notwithstanding any other provision of law, contracts for the regional educational laboratories, Educational Resources Information Center Clearinghouses and research and development centers and regional educational laboratories assisted under section 405 of the General Education Provisions Act, as such section was in effect on the day before the date of the enactment of this title, shall remain in effect until the termination date of such contracts.

SEC. 915. EXISTING GRANTS AND CONTRACTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, grants and contracts for the research and development centers assisted under section 405 of the General Education Provisions Act, as such section was in effect on the day before the date of enactment of this Act, shall remain in effect until the termination date of such grants or contracts, as the case may be, except that such grants and contracts may be extended to implement the provisions of this title.

(b) USE OF FUNDS.—In carrying out subsection (a), the Secretary shall use funds appropriated pursuant to section 912(m)(1).

PART B—NATIONAL EDUCATIONAL RESEARCH POLICY AND PRIORITIES BOARD

SEC. 921. ESTABLISHMENT WITHIN OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) IN GENERAL.—There is established within the Office a National Educational Research Policy and Priorities Board.

(b) FUNCTIONS.—It shall be the responsibility of the Board to—

(1) work collaboratively with the Assistant Secretary to determine priorities that should guide the work of the Office and provide guidance to the Congress in its oversight of the Office;

(2) review and approve the Research Priorities Plan developed by the Assistant Secretary in collaboration with the Board;

(3) review and approve standards for the conduct and evaluation of all research, development, and dissemination carried out under the auspices of the Office pursuant to this title; and

(4) review regularly, evaluate, and publicly comment upon, the implementation of its recommended priorities and policies by the Department and the Congress.

(c) ADDITIONAL RESPONSIBILITIES OF THE BOARD.—It shall also be the responsibility of the Board to—

(1) provide advice and assistance to the Assistant Secretary in carrying out the coordination activities described in section 912;

(2) make recommendations to the Assistant Secretary of persons qualified to fulfill the responsibilities of the Director of each research institute established by section 931 after making special efforts to identify qualified women and minorities and soliciting and giving due consideration to recommendations from professional associations and interested members of the public;

(3) advise and make recommendations to the President with respect to individuals who are qualified to fulfill the responsibilities of the Assistant Secretary for the Office;

(4) review and comment upon proposed contract grant, and cooperative agreement proposals in accordance with section 931(c)(4);

(5) advise the United States on the Federal educational research and development effort;

(6) recommend ways for strengthening active partnerships among researchers, educational practitioners, librarians, and policymakers;

(7) recommend ways to strengthen interaction and collaboration between the various program offices and components;

(8) solicit advice and information from the educational field, to define research needs and suggestions for research topics, and shall involve educational practitioners, particularly teachers, in this process;

(9) solicit advice from practitioners, policymakers, and researchers, and recommend missions for the national research centers assisted under this title by identifying topics which require long-term, sustained, systematic, programmatic, and integrated research and dissemination efforts;

(10) provide recommendations for translating research findings into workable, adaptable models for use in policy and in practice across different settings, and recommendations for other forms of dissemination; and

(11) provide recommendations for creating incentives to draw talented young people into the field of educational research, including scholars from disadvantaged and minority groups.

(d) STANDING SUBCOMMITTEES.—The Board may establish a standing subcommittee for each of the Institutes established by section 931 and for the Office of Reform Assistance and Dissemination established by section 941(b) which shall advise, assist, consult with and make recommendations to the Assistant Secretary, the Board, the Director of such entity and the Congress on matters related to the activities carried out by and through such entities.

(e) POWERS OF THE BOARD.—In carrying out its functions, powers, and responsibilities, the Board—

(1) shall, without regard to the provisions of title 5, United States Code, relating to the appointment and compensation of officers or employees of the United States, appoint a director to be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule who shall assist in carrying out and managing the activities of the Board and perform such other functions the Board determines to be necessary and appropriate;

(2) shall utilize such additional staff as may be appointed or assigned by the Assistant Secretary;

(3) may arrange for the detail of staff personnel and utilize the services and facilities of any department or agency of the Federal Government;

(4) may enter into contracts, or make other arrangements as may be necessary to carry out its functions;

(5) shall participate in any public meetings or other activities carried out by the Assistant Secretary in the development of the Research Priorities Plan;

(6) may review any grant, contract, or cooperative agreement made or entered into by the Office;

(7) may, to the extent otherwise permitted by law, obtain directly from any department or agency of the United States such information as the Board deems necessary to carry out its responsibilities;

(8) may convene workshops and conferences, collect data, and establish subcommittees which may be composed of members of the Board and nonmember consultants (including employees of the Department of Education) with expertise in the particular area addressed by such subcommittees; and

(9) shall establish such rules and procedures to govern its operations as it considers appropriate, to the extent otherwise permitted by law.

(f) MEMBERSHIP IN GENERAL.—

(1) QUALIFICATIONS.—The members of the Board shall be individuals who, by virtue of their training, experience, and background in educational research and the education professions, are exceptionally qualified to appraise the educational research and development effort of the United States and to fulfill the responsibilities described in subsections (b) and (c).

(2) BROAD REPRESENTATION.—Due consideration shall be given to the gender, race, and ethnicity of appointees to assure that the Board is broadly representative of the diversity of the United States.

(3) LIMITATION.—A voting member of the Board may not serve on any other governing or advisory board within the Department of Education or as a paid consultant of such Department.

(4) CONFLICT OF INTEREST.—A voting member of the Board shall be considered a special Government employee for the purposes of the Ethics in Government Act of 1978.

(g) SECRETARIAL APPOINTMENTS.—The Board shall consist of 15 members appointed by the Secretary. Of the members of the Board—

(1) five shall be appointed from among researchers in the field of education who have been nominated by the National Academy of Sciences;

(2) five shall be outstanding school-based professional educators; and

(3) five shall be individuals who are knowledgeable about the educational needs of the United States and may include parents with ex-

perience in promoting parental involvement in education, Chief State School Officers, local educational agency superintendents, principals, members of State or local boards of education or Bureau-funded school boards, and individuals from business and industry with experience in promoting private sector involvement in education.

(h) REQUIREMENTS FOR NOMINATIONS BY THE NATIONAL ACADEMY OF SCIENCES.—

(1) IN GENERAL.—In making nominations for the members of the Board described in subsection (g)(1), the National Academy of Sciences—

(A) shall give due consideration to recommendations from research and education organizations;

(B) may not nominate any individual who is an elected officer or employee of such organization; and

(C) shall nominate not less than 5 individuals for each of the positions on the Board for which such organization has responsibility for making nominations.

(2) REQUEST FOR ADDITIONAL NOMINATIONS.—In the event that the Secretary determines that none of the individuals nominated by the National Academy of Sciences meets the qualifications for membership on the Board specified in subsection (g), the Secretary may request that such organization make additional nominations.

(i) NOMINATIONS FOR BOARD MEMBERSHIP.—Prior to appointing any member of the Board, the Secretary shall actively solicit and give due consideration to recommendations from organizations such as the National Education Association, the American Federation of Teachers, the National Parent-Teachers Association, the American Library Association, the American Association of School Administrators, the National Association of State Boards of Education, the National Indian School Board Association, the Association of Community Tribal Schools, the National Indian Education Association, and other education-related organizations and interested members of the public.

(j) EX OFFICIO MEMBERS.—The ex officio, nonvoting members of the Board shall include the Assistant Secretary and may also include—

(1) the Director of Research for the Department of Defense;

(2) the Director of Research for the Department of Labor;

(3) the Director of the National Science Foundation;

(4) the Director of the National Institutes of Health;

(5) the chair of the National Endowment for the Arts;

(6) the chair of the National Endowment for the Humanities;

(7) the Librarian of Congress; and

(8) the Director of the Office of Indian Education Programs of the Department of the Interior.

(k) CHAIR.—The Board shall select a Chair from among its appointed members who shall serve for a renewable term of 2 years.

(l) TERMS OF OFFICE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the term of office of each voting member of the Board shall be 6 years.

(2) EXCEPTIONS.—(A) Any individual appointed to fill a vacancy occurring on the Board prior to the expiration of the term for which the predecessor of the individual was appointed shall be appointed for the remainder of the term. A vacancy shall be filled in the same manner in which the original appointment was made.

(B) The terms of office of the members of the Board who first take office after the date of the enactment of this title shall, as designated by a random selection process at the time of appointment, be as follows:

(i) 3 years for each of 5 members of the Board.

(ii) 4 years for each of 5 members of the Board.

(iii) 6 years for each of 5 members of the Board.

(3) PROHIBITION ON CERTAIN CONSECUTIVE TERMS.—An individual who has been a member of the Board for 12 consecutive years shall thereafter be ineligible for appointment during the 6-year period beginning on the date of the expiration of the 12th year.

(4) PROHIBITION REGARDING REMOVAL.—The Secretary shall neither remove nor encourage the departure of a member of the Board before the expiration of such member's term.

(m) MEETINGS OF BOARD.—

(1) INITIAL MEETING.—The Secretary shall ensure that the first meeting of the Board is held not later than May 15, 1995.

(2) SUBSEQUENT MEETINGS.—The Board shall meet quarterly, at the call of the Chair, and when at least one-third of the members of the Board make a written request to meet.

(3) QUORUM.—A majority of the Board shall constitute a quorum.

(4) OPEN MEETINGS.—The Government in the Sunshine Act (5 U.S.C. 552b) shall apply to meetings of the Board.

PART C—NATIONAL RESEARCH INSTITUTES

SEC. 931. ESTABLISHMENT WITHIN THE OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) ESTABLISHMENT OF INSTITUTES.—In order to fulfill the research and development purposes of the Office, and to carry out a program of high-quality and rigorously evaluated research and development that is capable of improving Federal, State, Indian tribal, and local education policies and practices, there are established within the Office the following Institutes:

(1) The National Institute on Student Achievement, Curriculum, and Assessment.

(2) The National Institute on the Education of At-Risk Students.

(3) The National Institute on Educational Governance, Finance, Policy-Making, and Management.

(4) The National Institute on Early Childhood Development and Education.

(5) The National Institute on Postsecondary Education, Libraries, and Lifelong Education.

(b) DIRECTORS.—

(1) IN GENERAL.—Each Institute established by subsection (a) shall be headed by a Director who shall be appointed by the Assistant Secretary from among individuals who have significant experience and expertise in the disciplines relevant to the purposes of such Institute. The Assistant Secretary shall give due consideration to recommendations made by the Board of individuals qualified to fill the position.

(2) REPORTING.—Each Director shall report directly to the Assistant Secretary regarding the activities of the Institute and shall work with the other directors to promote research synthesis across the Institutes.

(c) AUTHORITIES AND DUTIES.—

(1) IN GENERAL.—The Assistant Secretary is authorized to conduct research, development, demonstration, and evaluation activities to carry out the purposes for which such Institute was established—

(A) directly;

(B) through grants, contracts, and cooperative agreements with institutions of higher education, regional educational laboratories, public and private organizations, institutions, agencies, and individuals, or a consortium thereof, which may include—

(i) grants to support research and development centers which are—

(I) awarded competitively for a period of 5 years and which may be renewed for an additional 5 years;

(II) of sufficient size, scope, and quality, and funded at not less than $1,500,000 annually in order to support a full range of basic research, applied research and dissemination activities, which may also include development activities; and

(III) established by institutions of higher education, by institutions of higher education in consortium with public agencies or private nonprofit organizations, or by interstate agencies established by compact which operate subsidiary bodies established to conduct postsecondary educational research and development;

(ii) meritorious unsolicited proposals for educational research and related activities;

(iii) proposals that are specifically invited or requested by the Assistant Secretary, on a competitive basis; and

(iv) dissertation grants, awarded for a period of not more than 2 years and in a total amount not to exceed $20,000 to graduate students in the sciences, humanities, and the arts to support research by such scholars in the field of education;

(C) through the provision of technical assistance;

(D) through the award of fellowships to support graduate study in educational research by qualified African-American, Hispanic, American Indian and Alaska Native, and other individuals from groups which have been traditionally underrepresented in the field of educational research which shall—

(i) be awarded on the basis of merit for a period of 3 years; and

(ii) provide stipends to each fellow in an amount which shall be set at a level of support comparable to that provided by the National Science Foundation Graduate Fellowships, except that such amounts shall be adjusted as necessary so as not to exceed each fellow's demonstrated level of need; and

(E) through the award of fellowships in the Office for scholars, researchers, policymakers, education practitioners, librarians, and statisticians engaged in the use, collection, and dissemination of information about education and educational research which—

(i) shall be awarded following the biennial publication in the Federal Register of proposed research priorities and a period of 60 days for public comments and suggestions with respect to such priorities;

(ii) shall be awarded competitively following the publication of a notice in the Federal Register inviting the submission of applications;

(iii) may include such stipends and allowances, including travel and subsistence expenses provided under title 5, United States Code, as the Assistant Secretary considers appropriate;

(2) SCOPE AND FOCUS OF ACTIVITIES.—In carrying out the purposes for which each Institute is established, the Assistant Secretary shall—

(A) maintain an appropriate balance between applied and basic research;

(B) significantly expand the role of field-initiated research in meeting the education research and development needs of the United States by reserving not less than 20 percent of the amounts available to each Institute in fiscal years 1996 and 1997 and 25 percent in fiscal years 1998 and 1999 to support field-initiated research;

(C) provide for and maintain a stable foundation of long-term research and development on core issues and concerns conducted through university-based research and development centers by reserving not less than one-third of the amounts available to each Institute in any fiscal year to support such research and development centers;

(D) support and provide research information that leads to policy formation by State legislatures, State and local boards of education,

schools funded by the Bureau, and other policy and governing bodies, to assist such entities in identifying and developing effective policies to promote student achievement and school improvement;

(E) promote research that is related to the core content areas;

(F) plan and coordinate syntheses that provide research knowledge related to each level of the education system (from preschool to postsecondary education) to increase understanding of student performance across different educational levels;

(G) conduct and support research in early childhood, elementary and secondary, vocational, adult and postsecondary education (including the professional development of teachers) to the extent that such research is related to the purposes for which such Institute has been established;

(H) conduct sustained research and development on improving the educational achievement of poor and minority individuals as an integral part of its work; and

(I) coordinate the Institute's activities with the activities of the regional educational laboratories and with other educational service organizations in designing the Institute's research agenda and projects in order to increase the responsiveness of such Institute to the needs of teachers and the educational field and to bring research findings directly into schools to ensure greatest access at the local level to the latest research developments.

(3) REQUIREMENTS REGARDING FINANCIAL ASSISTANCE.—No grant, contract, or cooperative agreement may be made under this title unless—

(A) sufficient notice of the availability of, and opportunity to compete for, assistance has first been provided to potential applicants through notice published in the Federal Register or other appropriate means;

(B) such grant, contract, or agreement has been evaluated through peer review in accordance with the standards developed pursuant to 912(i);

(C) such grant, contract, or agreement will be evaluated in accordance with the standards developed pursuant to section 912(i);

(D) in the case of a grant, contract, or cooperative agreement which exceeds $500,000 for a single fiscal year or $1,000,000 for more than one fiscal year, the Secretary has complied with the requirements of paragraph (4); and

(E) in the case of a grant, contract, or cooperative agreement to support a research and development center, all applications for such assistance have been evaluated by independent experts according to standards and criteria which include—

(i) whether applicants have assembled a group of high quality researchers sufficient to achieve the mission of the center;

(ii) whether the proposed organizational structure and arrangements will facilitate achievement of the mission of the center;

(iii) whether there is a substantial staff commitment to the work of the center;

(iv) whether the directors and support staff will devote a majority of their time to the activities of the center;

(v) review of the contributions of primary researchers (other than researchers at the proposed center) to evaluate the appropriateness of such primary researcher's experiences and expertise in the context of the proposed center activities, and the adequacy of such primary researcher's time commitment to achievement of the mission of the center; and

(vi) the manner in which the results of education research will be disseminated for further use, including how the center will work with the Office of Reform Assistance and Dissemination.

(4) BOARD REVIEW OF CERTAIN PROPOSED GRANT AND CONTRACT ACTIONS.—The Assistant Secretary may not solicit any contract bid or issue a request for proposals or applications for any grant or cooperative agreement the amount of which exceeds $500,000 in any single fiscal year or which exceeds an aggregate amount of $1,000,000 for more than one fiscal year unless the Board has had an opportunity to review such proposed grant, contract, or cooperative agreement and to provide written comments to the Assistant Secretary with respect to whether—

(A) the purposes and scope of the proposed action are consistent with the Research Priorities Plan; and

(B) the methodology and approach of the proposed action are sound and adequate to achieve the objectives of such grant, contract, or cooperative agreement.

(5) HISTORICALLY UNDERUTILIZED RESEARCHERS AND INSTITUTIONS.—The Assistant Secretary shall establish and maintain initiatives and programs to increase the participation in the activities of each Institute of groups of researchers and institutions that have been historically underutilized in Federal educational research activities, including—

(A) researchers who are women, African-American, Hispanic, American Indian and Alaska Native, or other ethnic minorities;

(B) promising young or new researchers in the field, such as postdoctoral students and recently appointed assistant or associate professors;

(C) Historically Black Colleges and Universities, Tribally Controlled Community Colleges, and other institutions of higher education with large numbers of minority students;

(D) institutions of higher education located in rural areas; and

(E) institutions and researchers located in States and regions of the United States which have historically received the least Federal support for educational research and development.

(6) ADDITIONAL AUTHORITIES.—The Assistant Secretary—

(A) may obtain (in accordance with section 3109 of title 5 but without regard to the limitation in such section on the period of service) the services of experts or consultants with scientific or professional qualifications in the disciplines relevant to the purposes of such Institute;

(B) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefore; and

(C) may accept voluntary and uncompensated services.

(d) NATIONAL INSTITUTE ON STUDENT ACHIEVEMENT, CURRICULUM, AND ASSESSMENT.—

(1) FINDINGS.—The Congress finds as follows:

(A) The current achievement levels of students in the United States are far below those that might indicate competency in challenging subject matter in core content areas.

(B) During the last 20 years, relatively little changed in how students were taught. Despite much research suggesting better alternatives, classrooms continue to be dominated by textbooks, teacher lectures, short-answer activity sheets, and unequal patterns of student attention.

(C) Despite progress in narrowing the gaps, the differences in performance between Caucasian students and their minority counterparts remain unacceptably large. While progress has been made in reducing the gender gap in mathematics, such gap still remains at higher levels of problem solving. Too little progress has been made in reducing gender performance gaps favoring males in science and females in writing.

(2) PURPOSE.—The purpose of the National Institute on Student Achievement, Curriculum, and Assessment is to carry out a coordinated and comprehensive program of research and development to provide research-based leadership to the United States as it seeks to improve student achievement in core content areas and the integration of such areas. Such program shall—

(A) identify, develop, and evaluate innovative and exemplary methods to improve student knowledge at all levels in the core content areas, such as—

(i) student learning and assessment in various subject matters;

(ii) the effects of organizational patterns on the delivery of instruction, including issues of grouping and tracking, ungraded classrooms, and on the effects of various pedagogies, including the issues of technology in education;

(iii) standards for what students should know and be able to do, particularly standards of desired performance set to internationally competitive levels;

(iv) methods to improve the process of reading, the craft of writing, the growth of reasoning skills, and the development of information-finding skills;

(v) enabling students to develop higher order thinking skills;

(vi) methods to teach effectively all students in mixed-ability classrooms;

(vii) curriculum, instruction, and assessment, in vocational education and school-to-work transition;

(viii) the impact and effectiveness of Federal, State, and local efforts to provide gender-fair educational opportunities to elementary and secondary students;

(ix) programs, policies, approaches which promote gender equity in elementary and secondary education;

(x) improving the working conditions of teachers and other educational practitioners, which may include such topics as—

(I) teacher isolation;

(II) professional resources available to teachers;

(III) continuing educational and professional opportunities available to teachers;

(IV) physical facilities and equipment, such as office space, telephone, computer access, and fax machines and television cable access available to teachers in the work environment;

(V) opportunities for teachers to share information and resources with other teachers and education professionals;

(VI) opportunities for advanced learning experience; and

(VII) the reduction of stress in the teaching profession;

(xi) curriculum development designed to meet challenging standards, including State efforts to develop such curriculum;

(xii) the need for, and methods of delivering, teacher education, development, and inservice training;

(xiii) educational methods and activities to reduce and prevent violence in schools;

(xiv) the use of technology in learning, teaching and testing; and

(xv) other topics relevant to the mission of the institute;

(B) conduct basic and applied research in the areas of human learning, cognition, and performance, including research and development on the education contexts which promote excellence in learning and instruction, and motivational issues related to learning;

(C) identify, develop, and evaluate programs designed to enhance academic achievement and narrow racial and gender performance gaps in a variety of subject areas, including research and development on methods of involving parents in their children's education and ways to involve business, industry and other community partners in promoting excellence in schools; and

(D) include a comprehensive, coordinated program of research and development in the area of assessment which—

(i) addresses issues such as—

(I) the validity, reliability, generalizability, costs, relative merits, and most appropriate uses of various approaches and methods of assessing student learning and achievement;

(II) methods and approaches to assessing student opportunities to learn (including the quality of instruction and the availability of resources necessary to support learning) and evaluating the quality of school environment;

(III) the impact of high-stakes uses of assessment on student performance and motivation, narrowing of curriculum, teaching practices, and test integrity;

(IV) the impact of various methods of assessment on children of different races, ethnicities, gender, socioeconomic status, and English language proficiencies, and children with other special needs;

(V) standards of performance, quality, and validity for various methods of assessment and the means by which such standards should be developed;

(VI) current and emerging testing practices of State and local education agencies within the United States, as well as other nations;

(VII) the diverse effects, both intended and unintended, of assessments as actually used in the schools, including effects on curriculum and instruction, effects on equity in the allocation of resources and opportunities, effects on equity of outcomes, effects on other procedures and standards for judging students and practitioners and possible inflation of test scores;

(VIII) identifying and evaluating how students with limited-English proficiency and students with disabilities are included and accommodated in the various assessment programs of State and local education agencies;

(IX) the feasibility and validity of comparing or equating the results of different assessments;

(X) test security, accountability, validity, reliability, and objectivity;

(XI) relevant teacher training and instruction in giving a test, scoring a test, and in the use of test results to improve student achievement;

(XII) developing, identifying, or evaluating new educational assessments, including performance-based and portfolio assessments which demonstrate skill and a command of knowledge; and

(XIII) other topics relevant to the purposes of the Institute; and

(ii) may reflect recommendations made by the National Education Goals Panel.

(e) NATIONAL INSTITUTE ON THE EDUCATION OF AT-RISK STUDENTS.—

(1) FINDINGS.—The Congress finds as follows:

(A) The rate of decline in our urban schools is escalating at a rapid pace. Student performance in most inner city schools grows worse each year. At least half of all students entering ninth grade fail to graduate 4 years later and many more students from high-poverty backgrounds leave school with skills that are inadequate for today's workplace. Student performance in many inner city neighborhoods grows worse each year. At least half of all students entering ninth grade fail to graduate in 4 years. In 1992, the average National Assessment of Educational Progress reading score of Caucasian 17 year-olds was approximately 25 points higher than that of African American 17 year-olds and 20 points higher than that of Hispanic 17 year-olds.

(B) Rural schools enroll a disproportionately large share of the poor and at-risk students of the United States and yet often lack the means to address effectively the needs of these children. Intensive efforts should be made to overcome the problems of geographic isolation, declining population, inadequate financial resources and other impediments to the educational success of children residing in rural areas.

(C) By the year 2000, an estimated 3,400,000 school age children with limited-English proficiency will be entering the school system. The Federal Government should develop effective policies and programs to address the educational needs of this growing population of children who are at increased risk of educational failure.

(D) An educational emergency exists in those urban and rural areas where there are large concentrations of children who live in poverty. The numbers of disadvantaged children will substantially increase by the year 2020, when the number of impoverished children alone will be 16,500,000, a 33 percent increase over the 12,400,000 children in poverty in 1987.

(E) American Indian and Alaska Native students have high dropout, illiteracy and poverty rates, and experience cultural, linguistic, social and geographic isolation. The estimated 400,000 Indian and Alaska Native student population from over 500 Indian and Alaska Native tribes, is small and scattered throughout remote reservations and villages in 32 States, and in off-reservation rural and urban communities where Indians constitute but a small percentage of public school student bodies. To meaningfully address the special educational needs of this historically under-served population, the existing research and development system should be opened to Indian and Alaska Native people to identify needs and design ways to address such needs.

(F) Minority scholars as well as institutions and groups that have been historically committed to the improvement of the education of at-risk students need to be more fully mobilized in the effort to develop a new generation of programs, models, practices, and schools capable of responding to the urgent needs of students who are educationally at-risk.

(2) PURPOSE.—It shall be the purpose of the Institute on the Education of At-Risk Students to carry out a coordinated and comprehensive program of research and development to provide nonpartisan, research-based leadership to the United States as it seeks to improve educational opportunities for at-risk students. Such program shall—

(A) undertake research necessary to provide a sound basis from which to identify, develop, evaluate, and assist others to replicate and adapt interventions, programs, and models which promote greater achievement and educational success by at-risk students, such as—

(i) methods of instruction and educational practices (including community services) which improve the achievement and retention of at-risk students;

(ii) the quality of educational opportunities afforded at-risk students, particularly the quality of educational opportunities afforded such students in highly concentrated urban areas and sparsely populated rural areas;

(iii) methods for overcoming the barriers to learning that may impede student achievement;

(iv) innovative teacher training and professional development methods to help at-risk students meet challenging standards;

(v) methods to improve the quality of the education of American Indian and Alaska Native students not only in schools funded by the Bureau, but also in public elementary and secondary schools located on or near Indian reservations, including—

(I) research on mechanisms to facilitate the establishment of tribal departments of education that assume responsibility for all education programs of State educational agencies operating on an Indian reservation and all education programs funded by the Bureau on an Indian reservation;

(II) research on the development of culturally appropriate curriculum for American Indian and Alaska Native students, including American Indian and Alaska Native culture, language, geography, history and social studies, and graduation requirements related to such curriculum;

(III) research on methods for recruiting, training and retraining qualified teachers from American Indian and Alaska Native communities, including research to promote flexibility in the criteria for certification of such teachers;

(IV) research on techniques for improving the educational achievement of American Indian and Alaska Native students, including methodologies to reduce dropout rates and increase graduation by such students; and

(V) research concerning the performance by American Indian and Alaska Native students of limited-English proficiency on standardized achievement tests, and related factors;

(vi) means by which parents and community resources and institutions (including cultural institutions) can be utilized to support and improve the achievement of at-risk students;

(vii) the training of teachers and other educational professionals and paraprofessionals to work more effectively with at-risk students;

(viii) the most effective uses of technology in the education of at-risk students;

(ix) programs designed to promote gender equity in schools that serve at-risk students;

(x) improving the ability of classroom teachers and schools to assist new and diverse populations of students in successfully assimilating into the classroom environment;

(xi) methods of assessing the achievement of students which are sensitive to cultural differences, provide multiple methods of assessing student learning, support student acquisition of higher order capabilities, and enable identification of the effects of inequalities in the resources available to support the learning of children throughout the United States;

(xii) other topics relevant to the purpose of the Institute; and

(B) maximize the participation of those schools and institutions of higher education that serve the greatest number of at-risk students in inner city and rural areas, and on Indian reservations, including model collaborative programs between schools and school systems, institutions of higher education, cultural institutions, and community organizations.

(3) CONSULTATION WITH INDIAN AND ALASKA NATIVE EDUCATORS.—All research and development activities supported by the Institute which relate to the education of Indian and Alaska Native students shall be developed in close consultation with Indian and Alaska Native researchers and educators, tribally controlled community colleges, tribal departments of education, and others with expertise in the needs of Indian and Native Alaska students.

(f) NATIONAL INSTITUTE ON EARLY CHILDHOOD DEVELOPMENT AND EDUCATION.—

(1) FINDINGS.—The Congress finds as follows:

(A) Despite efforts to expand and improve preschool programs, many children still reach school age unprepared to benefit from formal education programs.

(B) Early intervention for disadvantaged children from birth to age five has been shown to be a highly cost-effective strategy for reducing later expenditures on a wide variety of health, developmental, and educational problems that often interfere with learning. Long-term studies of the benefits of preschool education have a demonstrated return on investment ranging from three to six dollars for every one dollar spent.

(C) The Federal government should play a central role in providing research-based information on early childhood education models which enhance children's development and ultimately their success in school.

(2) PURPOSE.—The purpose of the National Institute on Early Childhood Development and

Education is to carry out a comprehensive program of research and development to provide nonpartisan, research-based leadership to the United States as it seeks to improve early childhood development and education. Such program shall undertake research necessary to provide a sound basis from which to identify, develop, evaluate, and assist others to replicate methods and approaches that promise to improve early childhood development and education, such as—

(A) social and educational development of infants, toddlers, and preschool children;

(B) the role of parents and the community in promoting the successful social and educational development of children from birth to age five;

(C) topics relating to children's readiness to learn, such as prenatal care, nutrition, and health services;

(D) family literacy and parental involvement in student learning;

(E) methods for integrating learning in settings other than the classroom, particularly within families and communities;

(F) practices and approaches which sustain the benefits of effective preschool and child care programs;

(G) effective learning methods and curriculum for early childhood learning, including access to current materials in libraries;

(H) the importance of family literacy and parental involvement in student learning;

(I) effective teaching and learning methods, and curriculum;

(J) instruction that considers the cultural environment of children;

(K) access to current materials in libraries;

(L) the impact that outside influences have on learning, including television, and drug and alcohol abuse;

(M) the structure and environment of early childhood education and child care settings which lead to improved social and educational development;

(N) training and preparation of teachers and other professional and paraprofessional preschool and child care workers;

(O) the use of technology, including methods to help parents instruct their children; and

(P) other topics relevant to the purpose of the Institute.

(3) CERTAIN REQUIREMENTS.—In carrying out the activities of the Institute, the Assistant Secretary shall ensure that the Institute's research and development program provides information that can be utilized in improving the major Federal early childhood education programs.

(g) NATIONAL INSTITUTE ON EDUCATIONAL GOVERNANCE, FINANCE, POLICY-MAKING, AND MANAGEMENT.—

(1) FINDINGS.—The Congress finds as follows:

(A) Many elementary and secondary schools in the United States—

(i) are structured according to models that are ineffective and rely on notions of management and governance that may be outdated or insufficient for the challenges of the next century; and

(ii) are unsuccessful in equipping all students with the knowledge and skills needed to succeed as citizens and in the working world.

(B) New approaches are needed in the governance and management of elementary and secondary education within the United States at the State, local, school building and classroom level.

(C) Not enough is known about the effects of various systems of school governance and management on student achievement to provide sound guidance to policymakers as such policymakers pursue school restructuring and reform.

(D) A concentrated Federal effort is needed to support research, development, demonstration, and evaluation of approaches to school governance, finance and management which promise to improve education equity and excellence throughout the United States.

(2) PURPOSE.—It shall be the purpose of the National Institute on Educational Governance, Finance, Policy-Making, and Management to carry out a coordinated and comprehensive program of research and development to provide nonpartisan, research-based leadership to the United States as it seeks to improve student achievement through school restructuring and reform. Such program shall undertake research necessary to provide a sound basis from which to identify, develop and evaluate approaches in elementary and secondary school governance, finance, policy-making, and management at the State, local, tribal, school building and classroom level which promise to improve educational equity and excellence, such as—

(A) open enrollment programs, public school choice, magnet schools and other systems through which parents may select the public schools and educational programs in which their children are enrolled;

(B) innovative school design, including lengthening the school day and the school year, reducing class size and building professional development into the weekly school schedule and, as appropriate, conducting such further research as may be recommended or suggested by the report issued by the National Education Commission on Time and Learning pursuant to section 102 of the Education Council Act of 1991 (20 U.S.C. 1221-1 note);

(C) effective approaches to organizing learning;

(D) effective ways of grouping students for learning so that a student is not labeled or stigmatized in ways that may impede such student's achievement;

(E) effective approaches to organizing, structuring, and financing vocational education;

(F) the provision of financial and other rewards and incentives to schools and educators based on performance to improve student achievement;

(G) the use of regulatory flexibility on the State or school district level to promote innovation and school restructuring;

(H) policy decisions at all levels and the impact of such decisions on school achievement and other student outcomes;

(I) the effective use of dollars for classroom construction;

(J) expanding the role of teachers in policymaking and administration at the school and school district-wide level;

(K) disparity in school financing among States, school districts, schools, and schools funded by the Bureau;

(L) the use of technology in areas such as assisting in school-based management or ameliorating the effects of disparity in school financing among States, school districts, and schools funded by the Bureau;

(M) the involvement of parents and families in the management and governance of schools and the education of their children; and

(N) effective approaches to increasing the representation of women and minorities among leadership and management positions in education;

(O) approaches to systemic reforms involving the coordination of multiple policies of each level of government to promote higher levels of student achievement;

(P) approaches to coordinated services for children;

(Q) teacher certification at the State and tribal levels; and

(R) school-based management, shared decisionmaking and other innovative school structures, and State and local reforms and educational policies, which show promise for improving student achievement;

(S) policies related to school-to-work transitions and preparing non-college-bound students; and

(T) other topics relevant to the mission of the Institute.

(h) NATIONAL INSTITUTE ON POSTSECONDARY EDUCATION, LIBRARIES, AND LIFELONG LEARNING.—

(1) FINDINGS.—The Congress finds as follows:

(A) The American system of postsecondary education is foremost in the world in such system's achievement of both academic excellence and equity in access, but maintaining that preeminence requires renewed efforts to strengthen the quality of postsecondary education. Disappointing student performance on achievement tests and licensure examinations, declining rates of postsecondary education persistence and completion among minorities, and other troubling trends in the quality of postsecondary education should be addressed by the United States as part of its overall drive to improve American education.

(B) The need to improve our economic productivity of the United States to meet the competitive challenges of a new, international economy, coupled with high levels of mobility in the United States labor market and demographic changes in the workforce, now demands more and higher quality programs of learning and training in the American workplace.

(C) The more than 1,000,000 men and women incarcerated in the prisons and jails in the United States are among the most severely educationally disadvantaged in the United States, with high rates of functional illiteracy and extremely low levels of educational attainment. Since an estimated 90 percent of these individuals are expected to be released by the end of the decade, the United States must act to assure that our correctional system has the means to equip these Americans with the knowledge and skills they will need to participate productively in our society.

(D) The development of a "Nation of Students" capable of and committed to the pursuit of formal and informal lifelong learning and literacy is essential to sustain both national and individual economic success and to provide a nurturing environment in which all children and youth can learn and achieve. Historically the most effective community resource for lifelong learning, the public library system of the United States should expand and restructure its delivery of services to take full advantage of the potential of new information technologies to meet the needs of learning communities.

(2) PURPOSE.—The purpose of the National Institute on Postsecondary Education, Libraries, and Lifelong Learning is to promote greater coordination of Federal research and development on issues related to adult learning and to carry out a program of research and development in adult learning to provide nonpartisan, research-based leadership to the United States as it seeks to improve libraries, postsecondary education, literacy, and lifelong learning throughout the United States. Such program—

(A) shall only support research and development in those areas of postsecondary education, libraries, literacy, and lifelong learning which are not being addressed by other entities within the Federal Government;

(B) may include basic and applied research, development, replication, and evaluation activities in areas such as—

(i) methods of assessing and evaluating individual, program, and institutional performance;

(ii) the uses and applications of new technologies to improve program effectiveness and enhance student learning;

(iii) the most effective training methods for adults to upgrade education and vocational skills;

(iv) opportunities for adults to continue their education beyond higher education and graduate school, in the context of lifelong learning and information-finding skills;

(v) adult literacy and effective methods, including technology, to eliminate illiteracy;

(vi) preparing students for a lifetime of work, the ability to adapt through retraining to the changing needs of the work force and the ability to learn new tasks;

(vii) the use of technology to develop and deliver effective training methods for adults to upgrade their education and their vocational skills; and

(viii) institutional and classroom policies and practices at the postsecondary level necessary to improve matriculation, persistence, achievement and graduation by students who are economically disadvantaged, ethnic and racial minorities, women, older, working, and who have children;

(ix) instructional practices and programs which are effective in correctional settings;

(x) new models of service delivery for public library systems which expand opportunities for lifelong learning;

(xi) effective programs and approaches which promote greater access to and success by minorities in postsecondary programs which prepare such minorities for scientific, technical, teaching, and health career fields;

(xii) effective teaching for the preparation and continuing education of teachers;

(xiii) the development and evaluation of curricular materials for the initial and continuing education of teachers and teacher educators;

(xiv) the role of Historically Black Colleges and Universities, Tribally-Controlled Indian Community Colleges, women's colleges, and other special mission institutions in providing access, excellence, and equal opportunity in higher education;

(xv) methods for evaluating the quality of education at different types of institutions of higher education at all levels and the roles and responsibilities of regional and national accrediting agencies;

(xvi) methods for evaluating the productivity of different types of institutions of higher education;

(xvii) financial barriers to postsecondary educational opportunity, including—

(I) the role of Federal programs authorized under title IV of the Higher Education Act of 1965 and State grant and work programs in mitigating such barriers;

(II) the impact of the rising total cost of postsecondary education on access to higher education; and

(III) the extent and impact of student reliance on loans to meet the costs of higher education;

(xviii) opportunities for adults to continue their education beyond higher education and graduate school, in the context of lifelong learning and information-finding skills; and

(xix) preparing students for a lifetime of work, the ability to adapt through retraining to the changing needs of the work force and the ability to learn new tasks; and

(xx) other topics relevant to mission of the Institute.

(3) INVOLVEMENT OF CERTAIN AGENCIES AND ORGANIZATIONS.—In promoting coordination and collaboration on research and development on issues related to postsecondary education, literacy, libraries, and lifelong learning, the Institute shall, as appropriate, seek the involvement—

(A) within the Department of Education of—

(i) the Office of Library Programs;

(ii) the Office of Correctional Education;

(iii) the Office of Vocational and Adult Education;

(iv) the National Institute on Disability and Rehabilitation Research; and

(v) the Office of Postsecondary Education;

(B) of the National Institute for Literacy;

(C) of the National Board for Professional Teaching Standards;

(D) of the Employment and Training Administration of the Department of Labor;

(E) of the Administration for Children and Families within the Department of Health and Human Services;

(F) of the National Institutes of Health;

(G) of the National Endowment for Humanities;

(H) of the National Endowment for the Arts;

(I) of the Bureau of Prisons of the Department of Justice;

(J) of the Department of Commerce;

(K) of the Department of Defense; and

(L) of the Office of Indian Education Programs of the Department of the Interior.

(4) ADDITIONAL RESPONSIBILITIES.—In addition to the responsibilities described in paragraph (2), the Assistant Secretary shall ensure that the activities of the National Center on Literacy are fully coordinated with those of the National Institute for Literacy.

(i) COORDINATION AND RESEARCH SYNTHESIS.—The Assistant Secretary shall promote and provide for research syntheses and the coordination of research and development activities among the Institutes established by this section to investigate those cross-cutting disciplines and areas of inquiry which are relevant to the missions of more than one of the Institutes. Such activities—

(1) may be carried out jointly by any one of the Institutes and—

(A) one (or more) of the Institutes;

(B) the National Center for Education Statistics; or

(C) any research and development entity administered by other offices of the Department of Education or by any other Federal agency or department; and

(2) shall meet all the standards developed by the Assistant Secretary and approved by the Board for other research and development conducted by the Office.

(j) DATES FOR ESTABLISHMENT OF INSTITUTES.—The National Institute on the Education of At-Risk Students, the National Institute on Educational Governance, Finance, Policy-Making, and Management, the National Institute on Early Childhood Development and Education, the National Institute on Student Achievement, Curriculum, and Assessment and the National Institute on Postsecondary Education, Libraries, and Lifelong Learning shall each be established on October 1, 1995.

PART D—NATIONAL EDUCATION DISSEMINATION SYSTEM

SEC. 941. ESTABLISHMENT WITHIN OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) IN GENERAL.—

(1) FINDINGS.—The Congress finds as follows:

(A) In order to improve the American educational system for all students, achieve the National Education Goals, and provide for greater educational equity, policymakers, administrators, teachers, and parents must have ready access to the best information and methods available as a result of educational research and development.

(B) The Office of Educational Research and Improvement should have as one of its primary purposes the dissemination of such information and methods in order to assist the national education reform effort.

(C) All current resources within the Office, the Department of Education, and other agencies that can help accomplish the purposes described in subparagraph (B) should be coordinated by the Assistant Secretary, to the extent practicable, so as to form a systematic process to accomplish such purposes.

(D) Education research has the capacity to improve teaching and learning in our Nation's schools, however, teachers need training in the skills necessary to translate research into practice and to allow teachers to become knowledgeable practitioners and leaders in educational improvement.

(E) Adequate linkages between research and development providers and practitioners are essential to ensuring that research on effective practice is useful, disseminated to and supported with technical assistance for all educators, and that all educators are partners in the research and development process.

(2) PURPOSE.—The purpose of this section is to—

(A) create a national system of dissemination, development, and educational improvement in order to create, adapt, identify, validate, and disseminate to educators, parents, and policymakers those educational programs that have potential or have been shown to improve educational opportunities for all students; and

(B) empower and increase the capacity of teachers to participate in the research and development process.

(3) DEFINITION OF EDUCATIONAL PROGRAM.—For the purposes of this section, the term "educational program" includes educational policies, research findings, practices, and products.

(b) ESTABLISHMENT OF OFFICE.—

(1) IN GENERAL.—There is established within the Office an Office of Reform Assistance and Dissemination (hereafter in this section referred to as the "Dissemination Office") through which the Secretary shall carry out all functions and activities described in this section. Such office shall be headed by a Director who shall be appointed by the Assistant Secretary and have demonstrated expertise and experience in dissemination, including promoting the effective use of research in the classroom.

(2) CERTAIN DUTIES.—The Dissemination Office shall—

(A) disseminate relevant and useful research, information, products, and publications developed through or supported by the Department of Education to schools, educators, parents, and policymakers throughout the United States;

(B) operate a depository for all Department of Education publications and products and make available for reproduction such publications and products;

(C) provide technical and financial assistance to individuals and organizations in the process of developing promising educational programs but who might not, without such assistance, be able to complete necessary development and assessment activities;

(D) coordinate the dissemination efforts of the Office, the regional educational laboratories, the research institutes, the National Diffusion Network, and the Educational Resources Information Center Clearinghouses;

(E) provide training and technical assistance regarding the implementation and adoption of exemplary and promising programs by interested entities;

(F) carry out a program of research on models for successful knowledge dissemination, and utilization, and strategies for reaching education policymakers, practitioners, and others interested in education;

(G) develop the capacity to connect schools and teachers seeking information with the relevant regional educational laboratories assisted under subsection (h), the National Diffusion Network, the Institutes assisted under this section, and the Educational Resources Information Center Clearinghouses; and

(H) provide a biennial report to the Secretary regarding the types of information, products, and services that teachers, schools, and school districts have requested and have determined to

be most useful, and describe future plans to adapt Department of Education products and services to address the needs of the users of such information, products, and services.

(3) ADDITIONAL DUTIES.—The Dissemination Office shall carry out a process for the identification of educational programs that work, dissemination through electronic networking and new technologies and the functions and activities performed by the following:

(A) The Educational Resources Information Center Clearinghouses.

(B) The regional educational laboratories.

(C) The Teacher Research Dissemination Demonstration Program.

(D) The Goals 2000 Community Partnerships Program.

(E) The existing National Diffusion Network and its Developer-Demonstrator and State Facilitator projects.

(F) Such other programs, activities, or entities the Secretary determines are consistent with purposes for which the Dissemination Office is established.

(c) IDENTIFICATION OF PROGRAMS.—The Assistant Secretary shall coordinate a process through which successful educational programs are actively sought out for possible dissemination through the national educational dissemination system. Such process shall, at a minimum, have the capability to—

(1) work closely with the Institutes, research and development centers, regional educational laboratories, the National Diffusion Network and its Developer-Demonstrator and State Facilitator projects, learning grant institutions established under the Goals 2000 Community Partnerships Program, Department of Education-supported technical assistance providers, and other entities to identify successful educational programs at the regional, State, local, or classroom level;

(2) review successful educational programs supported by the Department of Education through all of its programs;

(3) through cooperative agreements, review for possible inclusion in the system educational programs administered by the Departments of Health and Human Services (particularly the Head Start program), Labor, and Defense, the National Science Foundation, the Department of the Interior (particularly the Office of Indian Education Programs), and any other appropriate Federal agency; and

(4) provide for an active outreach effort to identify successful educational programs through cooperative arrangements with State and local education agencies, teachers and teacher organizations, curriculum associations, foundations, private schools, institutions of higher education, and other entities that could enhance the ability of the Secretary to identify programs for possible inclusion in the dissemination system.

(d) DESIGNATION OF EXEMPLARY AND PROMISING PROGRAMS.—

(1) IN GENERAL.—The Assistant Secretary, in consultation with the Board, shall establish 1 or more panels of appropriately qualified experts and practitioners to—

(A) evaluate educational programs that have been identified by the Secretary under subsection (c) or that have been submitted to the Secretary for such evaluation by some other individual or organization; and

(B) recommend to the Secretary programs that should be designated as exemplary or promising educational programs.

(2) CONSIDERATIONS IN MAKING RECOMMENDATIONS.—In determining whether an educational program should receive a recommendation under paragraph (1), a panel established under such paragraph shall consider—

(A) whether, based on empirical data, which may include test results, the program is effective and should be designated as exemplary and disseminated through the national dissemination system; or

(B) whether there is sufficient evidence to lead a panel of experts and practitioners to believe that the program shows promise for improving student achievement and should be designated as promising and disseminated through the national dissemination system while the program continues to be evaluated.

(3) REQUIREMENT REGARDING APPROVAL OF PROGRAMS.—In seeking out programs for approval under paragraph (2), the Assistant Secretary shall seek programs that may be implemented at the State, local, and classroom level.

(4) REQUIREMENTS REGARDING PANELS.—

(A) A panel shall not eliminate a program from consideration under this subsection based solely on the fact that the program does not have one specific type of supporting data, such as test scores.

(B) The Assistant Secretary may not designate a program as exemplary or promising unless a panel established under paragraph (1) has recommended that the program be so designated.

(C) The Secretary shall establish such panels under paragraph (1) as may be necessary to ensure that each program identified or submitted for evaluation is evaluated.

(D) Not less than ⅔ of the membership of a panel established under paragraph (1) shall consist of individuals who are not officers or employees of the United States. Members of panels under paragraph (1) who are not employees of the United States shall receive compensation for each day they are engaged in carrying out the duties of the panel as well as compensation for their expenses.

(e) DISSEMINATION OF EXEMPLARY AND PROMISING PROGRAMS.—In order to ensure that programs identified as exemplary or promising are available for adoption by the greatest number of teachers, schools, local and State education agencies, and Bureau-funded schools, the Assistant Secretary shall utilize the capabilities of—

(1) the Educational Resources Information Center Clearinghouses;

(2) electronic networking;

(3) the regional educational laboratories;

(4) the National Diffusion Network;

(5) entities established under the Goals 2000 Community Partnerships Program;

(6) department-supported technical assistance providers;

(7) the National Library of Education; and

(8) other public and private nonprofit entities, including existing education associations and networks, that have the capability to assist educators in adopting exemplary and promising programs.

(f) EDUCATIONAL RESOURCES INFORMATION CENTER CLEARINGHOUSES.—

(1) IN GENERAL.—The Assistant Secretary shall establish a system of 16 clearinghouses having, at a minimum, the functions and scope of work as the clearinghouses had on the day preceding the date of the enactment of this title. The Assistant Secretary shall establish for the clearinghouses a policy for the abstraction from, and inclusion in, the Educational Resources Information Center Clearinghouses system for books, periodicals, reports, and other materials related to education.

(2) ADDITIONAL FUNCTIONS.—In addition to those functions carried out by the clearinghouses on the day preceding the date of the enactment of this title, such clearinghouses may—

(A) periodically produce interpretive summaries, digests, and syntheses of the results and findings of education-related research and development; and

(B) contain and make available to users information concerning those programs designated as exemplary and promising under subsection (d).

(3) COORDINATION OF ACTIVITIES.—The Assistant Secretary shall assure that the functions and activities of such clearinghouses are coordinated with the activities of the Institutes, the regional educational laboratories, learning grant institutions, other clearinghouses supported by the Department of Education, the National Diffusion Network, and other appropriate entities within the Office and such Department.

(4) SPECIAL RESPONSIBILITIES OF THE SECRETARY.—To assure that the information provided through such clearinghouses is fully comprehensive, the Secretary shall—

(A) require that all reports, studies, and other resources produced directly or by grant or contract with the Department of Education are made available to clearinghouses;

(B) establish cooperative agreements with the Departments of Defense, Health and Human Services, Interior, and other Federal departments and agencies to assure that all education-related reports, studies, and other resources produced directly or by grant from or contract with the Federal Government are made available to such clearinghouses; and

(C) devise an effective system for maximizing the identification, synthesis, and dissemination of information related to the needs of Indian and Alaska Native children.

(5) COPYRIGHT PROHIBITED.—

(A) No clearinghouse or other entity receiving assistance under this subsection may copyright or otherwise charge a royalty or other fee that—

(i) is for the use or redissemination of any database, index, abstract, report, or other information produced with assistance under this subsection; and

(ii) exceeds the incremental cost of disseminating such information.

(B) For purposes of subparagraph (A), the incremental cost of dissemination does not include any portion of the cost of collecting, organizing, or processing the information which is disseminated.

(g) DISSEMINATION THROUGH NEW TECHNOLOGIES.—

(1) IN GENERAL.—The Assistant Secretary is authorized to award grants or contracts in accordance with this subsection to support the development of materials, programs, and resources which utilize new technologies and techniques to synthesize and disseminate research and development findings and other information which can be used to support educational improvement.

(2) ELECTRONIC NETWORKING.—

(A) ELECTRONIC NETWORK.—The Assistant Secretary, acting through the Office of Reform Assistance and Dissemination, shall establish and maintain an electronic network which shall, at a minimum, link—

(i) each office of the Department of Education;

(ii) the Institutes established by section 931;

(iii) the National Center for Education Statistics;

(iv) the National Library of Education; and

(v) entities engaged in research, development, dissemination, and technical assistance under grant from, or contract, or cooperative agreement with, the Department of Education.

(B) CERTAIN REQUIREMENTS FOR NETWORK.—The network described in subparagraph (A) shall—

(i) to the extent feasible, build upon existing national, regional, and State electronic networks and support video, telecomputing, and interactive communications;

(ii) at a minimum, have the capability to support electronic mail and file transfer services;

(iii) be linked to and accessible to other users, including State and local education agencies, institutions of higher education, museums, libraries, and others through the Internet and the National Research and Education Network; and

(iv) be provided at no cost (excluding the costs of necessary hardware) to the contractors and grantees described in clause (v) of subparagraph (A) and to educational institutions accessing such network through the Internet and the National Research and Education Network.

(C) INFORMATION RESOURCES.—The Assistant Secretary, acting through the Office of Reform Assistance and Dissemination, may make available through the network described in subparagraph (A)—

(i) information about grant and contract assistance available through the Department of Education;

(ii) an annotated directory of current research and development activities and projects being undertaken with the assistance of the Department of Education;

(iii) information about publications published by the Department of Education and, to the extent feasible, the full text of such publications;

(iv) statistics and data published by the National Center for Education Statistics;

(v) syntheses of research and development findings;

(vi) a directory of other education-related electronic networks and databases, including information about the means by which such networks and databases may be accessed;

(vii) a descriptive listing of materials and courses of instruction provided by telecommunications partnerships assisted under the Star Schools program;

(viii) resources developed by the Educational Resources Information Center Clearinghouses;

(ix) education-related software (including video) which is in the public domain;

(x) a listing of instructional materials available through telecommunications to local education agencies through the Public Broadcasting Service and State educational television networks; and

(xi) such other information and resources the Assistant Secretary considers useful and appropriate.

(D) EVALUATIONS REGARDING OTHER FUNCTIONS OF NETWORK.—The Assistant Secretary shall also undertake projects to test and evaluate the feasibility of using the network described in subparagraph (A) for—

(i) the submission of applications for assistance to the Department of Education; and

(ii) the collection of data and other statistics through the National Center for Education Statistics.

(E) TRAINING AND TECHNICAL ASSISTANCE.—The Assistant Secretary, acting through the Office of Reform Assistance and Dissemination, shall—

(i) provide such training and technical assistance as may be necessary to enable the contractors and grantees described in clause (v) of subparagraph (A) to participate in the electronic network described in such subparagraph; and

(ii) work with the National Science Foundation to provide, upon request, assistance to State and local educational agencies, the Department of the Interior's Office of Indian Education Programs, tribal departments of education, State library agencies, libraries, museums, and other educational institutions in obtaining access to the Internet and the National Research and Education Network.

(h) REGIONAL EDUCATIONAL LABORATORIES FOR RESEARCH, DEVELOPMENT, DISSEMINATION, AND TECHNICAL ASSISTANCE.—

(1) REGIONAL EDUCATIONAL LABORATORIES.—The Assistant Secretary shall enter into contracts with public or private nonprofit entities to establish a networked system of not less than 10 and not more than 12 regional educational laboratories which serve the needs of each region of the United States in accordance with the provisions of this subsection. The amount of assistance allocated to each laboratory by the Assistant Secretary shall reflect the number of local educational agencies and the number of school-age children within the region served by such laboratory, as well as the cost of providing services within the geographic area encompassed by the region.

(2) REGIONS.—The regions served by the regional educational laboratories shall be the 10 geographic regions in existence on the day preceding the date of the enactment of this title, except that in fiscal year 1996, the Assistant Secretary may support not more than 2 additional regional educational laboratories serving regions not in existence on the day preceding the date of enactment of this Act, provided that—

(A) the amount appropriated for the regional educational laboratories in fiscal year 1996 exceeds the amount appropriated for the regional educational laboratories in fiscal year 1995 by not less than $2,000,000;

(B) each such additional regional laboratory shall be supported by not less than $2,000,000 annually;

(C) the creation of any such additional laboratory region is announced at the time of the announcement of the competition for contracts for all regional educational laboratories;

(D) the creation of a regional educational laboratory that involves the combination or subdivision of a region or regions in existence on the day preceding the date of enactment of this Act in which States in 1 such region are combined with States in another such region does not result in any region in existence on such date permanently becoming part of a larger region, nor result in any such region permanently subsuming another region, nor creates within the continental United States a region that is smaller than 4 contiguous States, nor partitions a region in existence on the day preceding the date of the enactment of this Act to include less than 4 contiguous States included in the region on the day preceding the date of enactment of this Act;

(E) the Assistant Secretary has published a notice in the Federal Register inviting the public, for a period of not less than 60 days, to make recommendations with respect to the creation of 1 or 2 additional regional educational laboratories;

(F) the Assistant Secretary has solicited and received letters of support for the creation of any new region from the Chief State School Officers and State boards of education in each of the contiguous States that would be included in such new region.

(3) DUTIES.—Each regional educational laboratory receiving assistance under this section shall promote the implementation of broad-based systemic school improvement strategies and shall have as such laboratory's central mission and primary function to—

(A) develop and disseminate educational research products and processes to schools, teachers, local educational agencies, State educational agencies, librarians, and schools funded by the Bureau, as appropriate, and through such development and dissemination, and provide technical assistance, to help all students meet standards;

(B) develop a plan for identifying and serving the needs of the region by conducting a continuing survey of the educational needs, strengths, and weaknesses within the region, including a process of open hearings to solicit the views of schools, teachers, administrators, parents, local educational agencies, librarians, and State educational agencies within the region;

(C) provide technical assistance to State and local educational agencies, school boards, schools funded by the Bureau, as appropriate, State boards of education, schools, and librarians;

(D) facilitate school restructuring at the individual school level, including technical assistance for adapting model demonstration grant programs to each school;

(E) serve the educational development needs of the region by providing education research in usable forms in order to promote school improvement and academic achievement and to correct educational deficiencies;

(F) facilitate communication between educational experts, school officials, and teachers, parents, and librarians, to enable such individuals to assist schools to develop a plan to meet the National Education Goals;

(G) provide training in—

(i) the field of education research and related areas;

(ii) the use of new educational methods; and

(iii) the use of information-finding methods, practices, techniques, and products developed in connection with such training for which the regional educational laboratory may support internships and fellowships and provide stipends;

(H) use applied educational research to assist in solving site-specific problems and to assist in development activities;

(I) conduct applied research projects designed to serve the particular needs of the region only in the event that such quality applied research does not exist as determined by the regional education laboratory or the Department of Education;

(J) collaborate and coordinate services with other technical assistance providers funded by the Department of Education;

(K) provide support and technical assistance in—

(i) replicating and adapting exemplary and promising practices;

(ii) the development of high-quality, challenging curriculum frameworks;

(iii) the development of valid, reliable assessments which are linked to State, local, or Bureau-funded content and student performance standards and reflect recent advances in the field of educational assessment;

(iv) the improvement of professional development strategies to assure that all teachers are prepared to teach a challenging curriculum;

(v) expanding and improving the use of technology in education to improve teaching and learning;

(vi) the development of alternatives for restructuring school finance systems to promote greater equity in the distribution of resources; and

(vii) the development of alternative administrative structures which are more conducive to planning, implementing, and sustaining school reform and improved educational outcomes; and

(L) bring teams of experts together to develop and implement school improvement plans and strategies;

(4) NETWORKING.—In order to improve the efficiency and effectiveness of the regional laboratories, the governing boards of the regional laboratories shall establish and maintain a network to—

(A) share information about the activities each laboratory is carrying out;

(B) plan joint activities that would meet the needs of multiple regions;

(C) create a strategic plan for the development of activities undertaken by the laboratories to reduce redundancy and increase collaboration and resource-sharing in such activities; and

(D) otherwise devise means by which the work of the individual laboratories could serve national, as well as regional, needs.

(5) ADDITIONAL DUTIES.—Each regional education laboratory receiving assistance under this subsection shall carry out the following activities:

(A) Collaborate with the Institutes established under section 931 in order to—

(i) maximize the use of research conducted through the Institutes in the work of such laboratory;

(ii) keep the Institutes apprised of the work of the regional educational laboratory in the field; and

(iii) inform the Institutes about additional research needs identified in the field.

(B) Consult with the State educational agencies and library agencies in the region in developing the plan for serving the region.

(C) Develop strategies to utilize schools as critical components in reforming education and revitalizing rural communities in the United States.

(D) Report and disseminate information on overcoming the obstacles faced by rural educators and rural schools.

(E) Identify successful educational programs that have either been developed by such laboratory in carrying out such laboratory's functions or that have been developed or used by others within the region served by the laboratory and make such information available to the Secretary and the network of regional laboratories so that such programs may be considered for inclusion in the national education dissemination system.

(6) CERTAIN REQUIREMENTS.—In carrying out its responsibilities, each regional educational laboratory shall—

(A) establish a governing board that—

(i) reflects a balanced representation of the States in the region, as well as the interests and concerns of regional constituencies, and that includes teachers and education researchers;

(ii) is the sole entity that—

(I) guides and directs the laboratory in carrying out the provisions of this subsection and satisfying the terms and conditions of the contract award;

(II) determines the regional agenda of the laboratory;

(III) engages in an ongoing dialogue with the Assistant Secretary concerning the laboratory's goals, activities, and priorities; and

(IV) determines at the start of the contract period, subject to the requirements of this section and in consultation with the Assistant Secretary, the mission of the regional educational laboratory for the duration of the contract period;

(iii) ensures that the regional educational laboratory attains and maintains a high level of quality in the laboratory's work and products;

(iv) establishes standards to ensure that the regional educational laboratory has strong and effective governance, organization, management, and administration, and employs qualified staff;

(v) directs the regional educational laboratory to carry out the laboratory's duties in a manner as will make progress toward achieving the National Education Goals and reforming schools and educational systems; and

(vi) conducts a continuing survey of the educational needs, strengths, and weaknesses within the region, including a process of open hearings to solicit the views of schools and teachers.

(B) Comply with the standards developed by the Assistant Secretary and approved by the Board under section 912.

(C) Coordinate its activities, collaborate, and regularly exchange information with the Institutes established under section 941, the National Diffusion Network, and its Developer Demonstrator and State Facilitator projects, learning grant institutions and district education agents assisted under subsection (i), the Educational Resources Information Center Clearinghouses, and other entities engaged in technical assistance and dissemination activities which are supported by other offices of the Department of Education.

(D) Allocate the regional educational laboratory's resources to and within each State in a manner which reflects the need for assistance, taking into account such factors as the proportion of economically disadvantaged students, the increased cost burden of service delivery in areas of sparse populations, and any special initiatives being undertaken by State, intermediate, local educational agencies, or Bureau-funded schools, as appropriate, which may require special assistance from the laboratory.

(7) EVALUATIONS.—The Assistant Secretary shall provide for independent evaluations of each of the regional educational laboratories in carrying out the duties described in paragraph (1) in the third year that such laboratory receives assistance under this subsection in accordance with the standards developed by the Assistant Secretary and approved by the Board and shall transmit the results of such evaluations to the relevant committees of the Congress, the Board, and the appropriate regional educational laboratory board.

(8) INVITATION REGARDING COMPETITION FOR AWARDS OF ASSISTANCE.—Prior to awarding a grant or entering into a contract under this section, the Secretary shall invite applicants, including the regional educational laboratories in existence on the day preceding the date of enactment of this Act, to compete for such award through notice in the Federal Register and in the publication of the Department of Commerce known as the Commerce Business Daily.

(9) APPLICATION FOR ASSISTANCE.—Each application for assistance under this subsection shall—

(A) cover not less than a 5-year period;

(B) describe how the applicant would carry out the activities required by this subsection; and

(C) contain such additional information as the Secretary may reasonably require.

(10) RULE OF CONSTRUCTION.—No regional educational laboratory receiving assistance under this subsection shall, by reason of the receipt of that assistance, be ineligible to receive any other assistance from the Department of Education as authorized by law or be prohibited from engaging in activities involving international projects or endeavors.

(11) ADVANCE PAYMENT SYSTEM.—Each regional educational laboratory shall participate in the advance payment system at the Department of Education.

(12) ADDITIONAL PROJECTS.—In addition to activities described in paragraph (3), the Assistant Secretary, from amounts appropriated pursuant to subsection (h), is authorized to enter into agreements with a regional educational laboratory for the purpose of carrying out additional projects to enable such regional educational laboratory to assist in efforts to achieve the National Education Goals and for other purposes.

(13) PLAN.—Not later than July 1 of each year, each regional educational laboratory shall submit to the Assistant Secretary a plan covering the succeeding fiscal year, in which such laboratory's mission, activities, and scope of work are described, including a general description of—

(A) the plans such laboratory expects to submit in the remaining years of such laboratory's contract; and

(B) an assessment of how well such laboratory is meeting the needs of the region.

(14) CONSTRUCTION.—Nothing in this subsection shall be construed to require any modifications in the regional educational laboratory contracts in effect on the day preceding the date of enactment of this title.

(i) GOALS 2000 COMMUNITY PARTNERSHIPS PROGRAM.—

(1) PURPOSE.—The purpose of the Goals 2000 Community Partnerships program is to improve the quality of learning and teaching in the most impoverished urban and rural communities of the United States by supporting sustained collaborations between universities, schools, businesses, and communities which apply and utilize the results of educational research and development.

(2) GRANTS FOR GOALS 2000 COMMUNITY PARTNERSHIPS.—The Assistant Secretary is authorized to make grants to eligible entities to support the establishment of Learning Grant Institutions and District Education Agents and the activities authorized under this subsection within eligible communities.

(3) DEFINITION OF ELIGIBLE ENTITY AND ELIGIBLE COMMUNITY.—For the purposes of this subsection:

(A) The term "eligible entity" includes any institution of higher education, regional educational laboratory, National Diffusion Network project, national research and development center, public or private nonprofit corporation, or any consortium thereof, that—

(i) has demonstrated experience, expertise and commitment in serving the educational needs of at-risk students; and

(ii) is, by virtue of its previous activities, knowledgeable about the unique needs and characteristics of the community to be served.

(B) The term "eligible community" means a unit of general purpose local government (such as a city, township, or village), a nonmetropolitan county, tribal village, or a geographically distinct area (such as a school district, school attendance area, ward, precinct or neighborhood), or any group of such entities that—

(i) has a population of not less than 200,000 and not more than 300,000; and

(ii) in which not less than one-half of the school-age children have family incomes which are below the poverty line, as determined by the 1990 United States Census, participation in the National School Lunch program, or other current, reliable data concerning family income.

(4) GOALS 2000 COMMUNITY PARTNERSHIPS.—Each learning grant institution receiving assistance under this subsection shall establish a Goals 2000 community partnership to carry out the activities authorized under this subsection. Such partnership—

(A) shall include the participation of one or more local educational agencies, institutions of higher education, community-based organizations, parents, teachers, and the business community;

(B) may include the participation of human, social service and health care agencies, Head Start and child care agencies, libraries, museums, employment and training agencies, and the State educational agency or tribal department of education; and

(C) shall be broadly representative of all segments of the community in which the activities will be carried out.

(5) COMPREHENSIVE GOALS 2000 PLAN.—Each Goals 2000 Community Partnership shall develop a comprehensive plan for assuring educational success and high achievement for all students in the community. Each such plan shall—

(A) adopt the National Education Goals;

(B) identify additional needs and goals for educational improvement within the community;

(C) focus on helping all students reach challenging content and student performance standards;

(D) be consistent with the State and local improvement plans for system-wide education improvement developed pursuant to title III;

(E) establish a comprehensive community-wide plan for achieving such goals; and

(F) develop a means for measuring the progress of the community in meeting such goals for improvement.

(6) IMPLEMENTATION OF COMMUNITY-WIDE PLAN.—Each Goals 2000 Community Partnership

shall, utilizing the District Education Agent, provide assistance in implementing the community-wide plan for educational improvement by—

(A) supporting innovation, restructuring, and continuous improvement in educational practice by—

(i) disseminating information throughout the community about exemplary and promising educational programs, practices, products, and policies;

(ii) evaluating the effectiveness of federally funded educational programs within the community and identifying changes in such programs which are likely to improve student achievement;

(iii) identifying, selecting and replicating exemplary and promising educational programs, practices, products, and policies in both in- and out-of-school settings;

(iv) applying educational research to solve specific problems in the classroom, home and community which impede learning and student achievement; and

(v) supporting research and development by teachers, school administrators, and other practitioners which promise to improve teaching and learning and the organization of schools;

(B) improving the capacity of educators, school administrators, child care providers and other practitioners to prepare all students to reach challenging standards and to attain the goals set out in the comprehensive community-wide plan through such means as—

(i) the training of prospective and novice teachers (including preschool and early childhood educators) in a school setting under the guidance of master teachers and teacher educators;

(ii) training and other activities to promote the continued learning and professional development of experienced teachers, related services personnel, school administrators to assure that such teachers develop the subject matter and pedagogical expertise needed to prepare all students to reach challenging standards;

(iii) training and other activities to increase the ability of prospective, novice, and experienced teachers to teach effectively at-risk students, students with disabilities, students with limited-English proficiency, and students from diverse cultural backgrounds; and

(iv) programs to enhance teaching and classroom management skills, including school-based management skills, of novice, prospective, and experienced teachers;

(C) promoting the development of an integrated system of service delivery to children from birth through age 18 and their families by facilitating linkages and cooperation among—

(i) local educational agencies;

(ii) health and social services agencies and providers;

(iii) juvenile justice and criminal justice agencies;

(iv) providers of employment training; and

(v) child care, Head Start, and other early childhood agencies; and

(D) mobilizing the resources of the community in support of student learning and high achievement by facilitating effective partnerships and collaboration among—

(i) local educational agencies;

(ii) postsecondary educational institutions;

(iii) public libraries;

(iv) parents;

(v) community-based organizations, neighborhood associations, and other civic and community organizations;

(vi) child care, Head Start, and other early childhood agencies;

(vii) churches, synagogues and other religious institutions;

(viii) labor organizations; and

(ix) business and industry.

(7) ADDITIONAL REQUIREMENTS.—In carrying out its responsibilities under this subsection, each partnership receiving assistance under this subsection shall—

(A) appoint a District Education Agent who shall be responsible, on a full-time basis, for directing the implementation of the community-wide plan, who shall have significant experience and expertise in the field of education in—

(i) addressing the needs of at-risk students; and

(ii) conducting educational research and promoting the application of the results of such research to educational practice;

(B) provide for such other professional and support personnel as may be necessary to implement the community-wide plan under the direction of the District Education Agent; and

(C) coordinate the partnership's activities and work cooperatively with the National Diffusion Network State facilitators, regional educational laboratories, and other components of the Office to utilize most effectively Federal research, development, and dissemination resources in implementing the community-wide plan.

(8) APPLICATION FOR GRANTS.—Any eligible entity desiring a grant under this subsection shall submit an application to the Assistant Secretary at such time, in such manner, and accompanied by such information as the Assistant Secretary may reasonably require. Each such application shall—

(A) include a comprehensive plan for meeting the objectives and requirements of this subsection; and

(B) provide evidence of support for the application from local elected officials, the State educational agency, the local educational agency, parents, local community leaders, businesses, and other appropriate organizations.

(9) PRIORITY IN MAKING GRANTS; DURATION AND AMOUNT OF GRANT.—Each grant made under this subsection shall be—

(A) awarded on a competitive basis, with first priority given to those applications from communities with the greatest percentage of school-age children in families with poverty-level incomes;

(B) made for a 5-year period, with funding for the second and each succeeding year in such period conditioned upon a determination by the Assistant Secretary that the grant recipient has complied with the conditions of the grants during the previous year; and

(C) an amount equal to not less than $1,000,000 per year.

(10) LIMITATION OF ONE GRANT PER CONGRESSIONAL DISTRICT.—Not more than one grant under this subsection shall be awarded within a single congressional district.

(11) TECHNICAL ASSISTANCE; EVALUATIONS.—In administering the program authorized under this subsection, the Assistant Secretary shall, either directly or through grant or contract with an eligible nonprofit agency—

(A) upon request, provide technical assistance to eligible entities to assist in the development of a comprehensive community-wide plan to meet the requirements of this subsection and in the preparation of applications for assistance;

(B) regularly provide technical assistance to learning grant institutions receiving assistance under this subsection to assist with the development and implementation of the comprehensive community-wide plan for educational improvement;

(C) provide for an independent evaluation of the activities assisted under this subsection, including—

(i) the impact of the Goals 2000 Community Partnerships program on children and families within each community, including effects on the extent of educational achievement, rates of school retention and completion, and enrollment in postsecondary educational programs; and

(ii) whether an intensified effort to apply and utilize educational research within a limited geographic area significantly improves student learning and achievement; and

(D) plan for the expansion of the Goals 2000 Community Partnerships program throughout the remainder of the United States beginning in fiscal year 1999.

(j) TEACHER RESEARCH DISSEMINATION DEMONSTRATION PROGRAM.—

(1) FINDINGS.—The Congress finds that—

(A) education research, including research funded by the Office, is not having the impact on the schools of the United States that such research should;

(B) relevant education research and resulting solutions are not being adequately disseminated to and used by the teachers that need such research and solutions;

(C) there are insufficient linkages between the research and development centers assisted under this section, the regional educational laboratories described in subsection (h), the National Diffusion Network State facilitators, the Educational Resources Information Center Clearinghouses, the comprehensive technical assistance centers assisted under the Elementary and Secondary Education Act of 1965, and the public schools to ensure that research on effective practice is disseminated and technical assistance provided to all teachers;

(D) the average teacher has little time to plan or engage in a professional dialogue with peers about strategies for improved learning;

(E) teachers do not have direct access to information systems or networks;

(F) teachers have little control over what in-service education teachers will be offered; and

(G) individual teachers are not encouraged to move beyond the walls of their school buildings to identify and use outside resources.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary is authorized to make grants to, and enter into contracts or cooperative agreements with, public and private agencies and organizations, including institutions of higher education, the regional education laboratories, and the research and development centers, or consortia thereof—

(i) to develop and carry out projects that demonstrate effective strategies for helping elementary and secondary education teachers, in both urban and rural areas, become knowledgeable about, assist in the design and use of, and use, education research, including education research carried out under this section; and

(ii) to develop, implement, and evaluate models for creation of teacher research dissemination networks.

(B) PRIORITY.—In awarding grants and entering into contracts and cooperative agreements under subparagraph (A) the Secretary shall give priority to entities that have received Federal funds for research and dissemination.

(3) APPLICATIONS.—

(A) IN GENERAL.—An entity desiring to receive assistance under this subsection shall submit an application to the Secretary in such form, at such time, and containing such information and assurances as the Secretary may require.

(B) CONTENTS.—Each such application shall describe how the project described in the application—

(i) was developed with the active participation of elementary and secondary school teachers;

(ii) will include the continuing participation of elementary and secondary school teachers in the management of the project;

(iii) is organized around one or more significant research topics;

(iv) will involve collaboration with entities that have received Federal funds for research and dissemination; and

(v) will sustain over time teacher research dissemination networks after Federal funding for such networks terminates.

(4) USE OF FUNDS.—Funds provided under this subsection may be used—

(A) to train elementary and secondary education teachers (particularly new teachers) about the sources of education research findings, including research findings available through activities supported by the Office, and how to access and use such findings to improve the quality of instruction;

(B) to develop simple formats, both administrative and technological, that allow elementary and secondary education teachers easy access to and use of education research findings;

(C) to share strategies and materials;

(D) to support professional networks;

(E) to survey teacher needs in the areas of research and development; and

(F) for other activities designed to support elementary and secondary education teachers in becoming knowledgeable about, assisting in the design of, and using, educational research.

(5) STIPENDS.—The Secretary may provide for the payment of such stipends (including allowances for subsistence and other expenses for elementary and secondary teachers), as the Secretary determines to be appropriate, to teachers participating in the projects authorized under this subsection.

(6) COORDINATION.—Recipients of funds under this subsection shall, to the greatest extent possible, coordinate their activities with related activities under the Elementary and Secondary Education Act of 1965.

(7) REPORT.—The Secretary shall, within 5 years of the date of enactment of this Act, submit to the Congress a report on the effectiveness of activities assisted under this subsection.

PART E—NATIONAL LIBRARY OF EDUCATION

SEC. 951. ESTABLISHMENT WITHIN OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) IN GENERAL.—There is established within the Department of Education a National Library of Education (hereafter in this section referred to as the "Library"), which shall be maintained by the Department of Education as a governmental activity.

(b) FUNCTIONS OF LIBRARY.—The functions of the Library are—

(1) to provide a central location within the Federal Government for information about education;

(2) to provide comprehensive reference services on matters related to education to employees of the Department of Education and its contractors and grantees, other Federal employees, and members of the public; and

(3) to promote greater cooperation and resource sharing among providers and repositories of education information in the United States.

(c) MISSION.—The mission of the Library shall be to—

(1) become a principal center for the collection, preservation, and effective utilization of the research and other information related to education and to the improvement of educational achievement;

(2) strive to ensure widespread access to the Library's facilities and materials, coverage of all education issues and subjects, and quality control;

(3) have an expert library staff; and

(4) use modern information technology that holds the potential to link major libraries, schools, and educational centers across the United States into a network of national education resources.

(d) ONE-STOP INFORMATION AND REFERRAL SERVICE.—The Library shall establish and maintain a central information and referral service to respond to telephonic, mail and electronic and other inquiries from the public concerning—

(1) programs and activities of the Department of Education;

(2) publications produced by the Department of Education and, to the extent feasible, education related publications produced by the Departments of Labor, Health and Human Services, and other Federal departments and agencies;

(3) services and resources available to the public through the Office, including the Educational Resources Information Center Clearinghouses, the research institutes, and the national education dissemination system;

(4) statistics and other information produced by the National Center for Education Statistics; and

(5) referrals to additional sources of information and expertise about educational issues which may be available through educational associations and foundations, the private sector, colleges and universities, libraries and bibliographic databases.

The Library shall maintain and actively publicize a toll-free telephone number through which public inquiries to the Library may be made.

(e) COMPREHENSIVE REFERENCE SERVICES.—

(1) IN GENERAL.—The Library shall, to the extent feasible, provide for the delivery of a full range of reference services on subjects related to education to employees of the Department of Education and such Department's contractors and grantees, other Federal employees, and members of the general public. Such services may include—

(A) specialized subject searches;

(B) search and retrieval of electronic databases;

(C) document delivery by mail and facsimile transmission;

(D) research counseling, bibliographic instruction, and other training services;

(E) interlibrary loan services; and

(F) selective dissemination of information services.

(2) PRIORITY.—The Library shall first give priority in the provision of reference services to requests made by employees of the Department of Education.

(f) COOPERATION AND RESOURCE SHARING.—The Library shall promote greater cooperation and resource sharing among libraries and archives with significant collections in the area of education through means such as—

(1) the establishment of information and resource sharing networks among such entities;

(2) the development of a national union list of education journals held by education libraries throughout the United States;

(3) the development of directories and indexes to textbook and other specialized collections held by education libraries throughout the United States; and

(4) cooperative efforts to preserve, maintain and promote access to items of special historical value or interest.

(g) ADMINISTRATION.—The Library shall be administered by an Executive Director who shall—

(1) be appointed by the Assistant Secretary from among persons with significant training or experience in library and information science; and

(2) be paid at not less than the minimum rate of basic pay payable for GS-15 of the General Schedule.

(h) TASK FORCE.—

(1) IN GENERAL.—The Assistant Secretary shall appoint a task force of librarians, scholars, teachers, parents, and school leaders (hereafter in this paragraph referred to as the "Task Force") to provide advice on the establishment of the Library.

(2) PREPARATION OF PLAN.—The Task Force shall prepare a workable plan to establish the Library and to implement the requirements of this section.

(3) CERTAIN AUTHORITIES.—The Task Force may identify other activities and functions for the Library to carry out, except that such functions shall not be carried out until the Library is established and has implemented the requirements of this section.

(4) REPORT.—The Task Force shall prepare and submit to the Assistant Secretary not later than 6 months after the first meeting of the Task Force a report on the activities of the Library.

(i) TRANSFER OF FUNCTIONS.—There are hereby transferred to the Library all functions of—

(1) the Department of Education Research Library;

(2) the Department of Education Reference Section; and

(3) the Department of Education Information Branch.

(j) COLLECTION DEVELOPMENT POLICY.—Not later than 180 days after the date of the enactment of this title, the Assistant Secretary shall promulgate a comprehensive collection development policy to govern the Library's operations, acquisitions, and services to users. Such collection development policy shall—

(1) be consistent with the functions of the Library described in subsection (b);

(2) emphasize the acquisition and maintenance of a comprehensive collection of reference materials; and

(3) avoid unnecessary duplication by putting a priority on meeting the information needs of the Library's users through cooperation and resource-sharing with other entities with significant collections in the field of education.

(k) ARREARAGE AND PRESERVATION.—On the basis of the collection development policy promulgated under subsection (j), the Executive Director shall develop a multiyear plan which shall set forth goals and priorities for actions needed to—

(1) eliminate within 3 years the arrearage of uncataloged books and other materials in the Library's collections; and

(2) respond effectively and systematically to the preservation needs of the Library's collections, relying, whenever possible, upon cooperative efforts with other institutions to preserve and maintain the usability of books and materials in the Library's collections.

PART F—STAR SCHOOLS

SEC. 961. STAR SCHOOLS.

Subsection (a) of section 908 of the Star Schools Assistance Act (20 U.S.C. 4085b(a)) is amended by striking "greater" and inserting "lesser".

PART G—OFFICE OF COMPREHENSIVE SCHOOL HEALTH EDUCATION

SEC. 971. OFFICE OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.

(a) IN GENERAL.—Subsection (c) of section 4605 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3155(c)) is amended—

(1) in the matter preceding paragraph (1), by striking "Office of the Secretary" and inserting "Office of Elementary and Secondary Education"; and

(2) by adding at the end the following new paragraph:

"(4) To act as a liaison office for the coordination of the activities undertaken by the Office under this section with related activities of the Department of Health and Human Services and to expand school health education research grant programs under this section.".

(b) TRANSITION.—The Secretary shall take all appropriate actions to facilitate the transfer of the Office of Comprehensive School Health Education pursuant to the amendment made by subsection (a).

PART H—FIELD READERS

SEC. 981. FIELD READERS.

Section 402 of the Department of Education Organization Act (20 U.S.C. 3462) is amended—

(1) by inserting "(a) In General.—" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b) Special Rule.—

"(1) In general.—Notwithstanding any other provision of law, the Secretary may use not more than 1 percent of the funds appropriated for any education program that awards such funds on a competitive basis to pay the expenses and fees of non-Federal experts necessary to review applications and proposals for such funds.

"(2) Applicability.—The provisions of paragraph (1) shall not apply to any education program under which funds are authorized to be appropriated to pay the fees and expenses of non-Federal experts to review applications and proposals for such funds.".

PART I—AMENDMENTS TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT

SEC. 991. NATIONAL OCCUPATIONAL INFORMATION COORDINATING COMMITTEE.

Section 422 of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2422) is amended—

(1) in paragraph (2) of subsection (a), by inserting "(including postsecondary employment and training programs)" after "training programs"; and

(2) in subsection (b)—

(A) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(B) in the matter preceding paragraph (1) (as redesignated in subparagraph (A)), by inserting "the State board or agency governing higher education," after "coordinating council,"; and

(C) in paragraph (1) (as redesignated in subparagraph (A))—

(i) by striking "Act and of" and inserting "Act, of"; and

(ii) by inserting "and of the State board or agency governing higher education" after "Job Training Partnership Act";

(3) by redesignating subsection (d) as subsection (e); and

(4) by inserting after subsection (c) the following new subsection:

"(d) Data Collection System.—In the development and design of a system to provide data on graduation or completion rates, job placement rates from occupationally specific programs, licensing rates, and awards of high school graduate equivalency diplomas (GED), each State board for higher education shall develop a data collection system the results of which can be integrated into the occupational information system developed under this section.".

TITLE X—MISCELLANEOUS

PART A—MISCELLANEOUS PROVISIONS

SEC. 1011. SCHOOL PRAYER.

No funds authorized to be appropriated under this Act may be used by any State or local educational agency to adopt policies that prevent voluntary prayer and meditation in public schools.

SEC. 1012. FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

(a) Findings.—The Congress finds that—

(1) the Individuals with Disabilities Education Act was established with the commitment of forty percent Federal funding but currently receives only eight percent Federal funding;

(2) this funding shortfall is particularly burdensome to school districts and schools in low-income areas which serve higher than average proportions of students with disabilities and have fewer local resources to contribute; and

(3) it would cost the Federal Government approximately $10,000,000,000 each year to fully fund the Individuals with Disabilities Education Act.

(b) Sense of Congress.—It is the sense of the Congress that the Federal Government should provide States and communities with adequate resources under the Individuals with Disabilities Education Act as soon as reasonably possible, through the reallocation of noneducation funds within the current budget monetary constraints.

SEC. 1013. NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS.

Section 551 of the Higher Education Act of 1965 (20 U.S.C. 1107) is amended—

(1) in paragraph (1) of subsection (b), by striking "the Federal share of";

(2) in subparagraph (B) of subsection (e)(1), by striking "share of the cost of the activities of the Board is" and inserting "contributions described in subsection (f) are"; and

(3) by amending subsection (f) to read as follows:

"(f) Matching Funds Requirement.—

"(1) In general.—The Secretary shall not provide financial assistance under this subpart to the Board unless the Board agrees to expend non-Federal contributions equal to $1 for every $1 of the Federal funds provided pursuant to such financial assistance.

"(2) Non-Federal contributions.—The non-Federal contributions described in paragraph (1)—

"(A) may include all non-Federal funds raised by the Board on or after January 1, 1987; and

"(B) may be used for outreach, implementation, administration, operation, and other costs associated with the development and implementation of national teacher assessment and certification procedures under this subpart.".

SEC. 1014. FORGIVENESS OF CERTAIN OVERPAYMENTS.

(a) In General.—Notwithstanding section 1401 of the Elementary and Secondary Education Act of 1965 or any other provision of law—

(1) the allocation of funds appropriated for fiscal year 1993 under the Department of Education Appropriations Act, 1993, to Colfax County, New Mexico under section 1005 of the Elementary and Secondary Education Act of 1965, and any other allocations or grants for such fiscal year resulting from such allocation to such county under any program administered by the Secretary of Education, shall be deemed to be authorized by law; and

(2) in any program for which allocations are based on fiscal year 1993 allocations under section 1005 of such Act, the fiscal year 1993 allocations under such section deemed to be authorized by law in accordance with paragraph (1) shall be used.

(b) Special Rule.—Notwithstanding subsection (a)(1) of this section, in carrying out section 1403(a) of the Elementary and Secondary Education Act of 1965 for fiscal year 1994, the amount allocated to Colfax County, New Mexico under section 1005 of such Act for fiscal year 1993 shall be deemed to be the amount that the Secretary determines would have been allocated under such section 1005 had the correct data been used for fiscal year 1993.

SEC. 1015. STUDY OF GOALS 2000 AND STUDENTS WITH DISABILITIES.

(a) Study Required.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary shall make appropriate arrangements with the National Academy of Sciences or the National Academy of Education to conduct a comprehensive study of the inclusion of children with disabilities in school reform activities assisted under the Goals 2000: Educate America Act.

(2) Definition.—For purposes of this section, the term "children with disabilities" has the same meaning given such term in section 602 of the Individuals with Disabilities Education Act.

(b) Study Components.—The study conducted under subsection (a) shall include—

(1) an evaluation of the National Education Goals and objectives, curriculum reforms, standards, and other programs and activities intended to achieve those goals;

(2) a review of the adequacy of assessments and measures used to gauge progress towards meeting National Education Goals and any national and State standards, and an examination of other methods or accommodations necessary or desirable to collect data on the educational progress of children with disabilities, and the costs of such methods and accommodations;

(3) an examination of what incentives or assistance might be provided to States to develop improvement plans that adequately address the needs of children with disabilities;

(4) the relation of the Goals 2000: Educate America Act to other Federal laws governing or affecting the education of children with disabilities; and

(5) such other issues as the National Academy of Sciences or the National Academy of Education considers appropriate.

(c) Study Panel Membership.—Any panel constituted in furtherance of the study to be conducted under subsection (a) shall include consumer representatives.

(d) Findings and Recommendations.—The Secretary shall request the National Academy of Sciences or the National Academy of Education to submit an interim report of its findings and recommendations to the President and Congress not later than 12 months, and a final report not later than 24 months, from the date of the completion of procurement relating to the study.

(e) Funding.—From funds appropriated to the Secretary for research related to individuals with disabilities the Secretary shall make available $600,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995, to carry out this section. Amounts made available under this subsection shall remain available until expended.

SEC. 1016. AMENDMENTS TO SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM.

(a) Program Design.—

(1) Academic enrichment authorized.—Paragraph (1) of section 253(a) of the Job Training Partnership Act (20 U.S.C. 1632(a)) is amended by inserting "academic enrichment" after "remedial education,".

(2) Required services and design.—(A) Subsection (c) of such section 253 of the Job Training Partnership Act (20 U.S.C. 1632(c)) is amended by adding at the end the following new paragraphs:

"(3) Basic education and preemployment training.—The programs under this part shall provide, either directly or through arrangements with other programs, each of the following services to a participant where the assessment and the service strategy indicate such services are appropriate:

"(A) Basic and Remedial Education.

"(B) Preemployment and Work Maturity Skills Training.

"(4) Integration of work and learning.—

"(A) Work experience.—Work experience provided under this part, to the extent feasible, shall include contextual learning opportunities which integrate the development of general competencies with the development of academic skills.

"(B) Classroom training.—Classroom training provided under this part shall, to the extent feasible, include opportunities to apply knowledge and skills relating to academic subjects to the world of work.".

(B) Section 253 of the Job Training Partnership Act (20 U.S.C. 1632) is further amended by adding at the end the following new subsection:

"(e) EDUCATIONAL LINKAGES.—In conducting the program assisted under this part, service delivery areas shall establish linkages with the appropriate educational agencies responsible for service to participants. Such linkages shall include arrangements to ensure that there is a regular exchange of information relating to the progress, problems and needs of participants, including the results of assessments of the skill levels of participants.".

(C) Section 254 of the Job Training Partnership Act is amended by adding at the end the following new subsection:

"(c) PROHIBITION ON PRIVATE ACTIONS.—Nothing in this part shall be construed to establish a right for a participant to bring an action to obtain services described in the assessment or service strategy developed under section 253(c).".

(b) TRANSFER OF FUNDS TO YEAR ROUND PROGRAM.—Section 256 of the Job Training Partnership Act is amended by striking "10 percent" and inserting "20 percent".

SEC. 1017. PROTECTION OF PUPILS.

Section 439 of the General Education Provisions Act (20 U.S.C. 1232g) is amended to read as follows:

"PROTECTION OF PUPIL RIGHTS

"SEC. 439. (a) All instructional materials, including teacher's manuals, films, tapes, or other supplementary material which will be used in connection with any survey, analysis, or evaluation as part of any applicable program shall be available for inspection by the parents or guardians of the children.

"(b) No student shall be required, as part of any applicable program, to submit to a survey, analysis, or evaluation that reveals information concerning—

"(1) political affiliations;

"(2) mental and psychological problems potentially embarrassing to the student or his family;

"(3) sex behavior and attitudes;

"(4) illegal, anti-social, self-incriminating and demeaning behavior;

"(5) critical appraisals of other individuals with whom respondents have close family relationships;

"(6) legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers; or

"(7) income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program),

without the prior consent of the student (if the student is an adult or emancipated minor), or in the case of an unemancipated minor, without the prior written consent of the parent.

"(c) Educational agencies and institutions shall give parents and students effective notice of their rights under this section.

"(d) ENFORCEMENT.—The Secretary shall take such action as the Secretary determines appropriate to enforce this section, except that action to terminate assistance provided under an applicable program shall be taken only if the Secretary determines that—

"(1) there has been a failure to comply with such section; and

"(2) compliance with such section cannot be secured by voluntary means.

"(e) OFFICE AND REVIEW BOARD—The Secretary shall establish or designate an office and review board within the Department of Education to investigate, process, review, and adjudicate violations of the rights established under this section.".

SEC. 1018. CONTRACEPTIVE DEVICES.

The Department of Health and Human Services and the Department of Education shall ensure that all federally funded programs which provide for the distribution of contraceptive devices to unemancipated minors develop procedures to encourage, to the extent practical, family participation in such programs.

SEC. 1019. ASSESSMENTS.

(a) TITLE II.—No funds provided under title II of this Act shall be used to develop or undertake assessments that will be used to make decisions regarding the graduation, grade promotion, or retention of students for 5 years after the date of enactment of this Act.

(b) TITLE III.—Assessments developed with funds under title III of this Act may be used for decisions regarding graduation, grade promotion, or retention of students only on the condition that students have been prepared in the content for which the students are being assessed.

SEC. 1020. PUBLIC SCHOOLS.

Except as provided in section 310, nothing in this Act shall be construed to authorize the use of funds under title III of this Act to directly or indirectly benefit any school other than a public school.

SEC. 1021. ASSESSMENT OF EDUCATIONAL PROGRESS ACTIVITIES.

Section 421(h) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2421(h)) is amended—

(1) by inserting "(1)" after "(h)"; and

(2) by inserting at the end the following:

"(2)(A) Notwithstanding any provision of section 406 of the General Education Provisions Act, the Commissioner of Education Statistics may authorize a State educational agency or a consortium of such agencies to use items and data from the National Assessment of Educational Progress for the purpose of evaluating a course of study related to vocational education, if the Commissioner has determined, in writing, that such use will not—

"(i) result in the identification of characteristics or performance of individual students or schools;

"(ii) result in the ranking or comparing of schools or local educational agencies;

"(iii) be used to evaluate the performance of teachers, principals, or other local educators for the purpose of dispensing rewards or punishments; or

"(iv) corrupt or harm the use and value of data collected for the National Assessment of Educational Progress.

"(B) Not later than 60 days after making an authorization under subsection (a), the Commissioner shall submit to the Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate, a report which contains—

"(i) a copy of the request for such authorization;

"(ii) a copy of the written determination under subsection (a); and

"(iii) a description of the details and duration of such authorization.

"(C) The Commissioner may not grant more than one such authorization in any fiscal year and shall ensure that the authorized use of items or data from the National Assessment is evaluated for technical merit and for its affect on the National Assessment of Educational Progress. The results of such evaluations shall be promptly reported to the committees specified in subparagraph (B).".

SEC. 1022. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) no funds appropriated pursuant to this Act should be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1993 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act");

(2) in the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products;

(3) in providing financial assistance under this Act, the head of each Federal agency should provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress; and

(4) if it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning to any product sold in or shipped to the United States that is not made in the United States, such person should be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations, as such sections existed on the date of enactment of this Act.

PART B—GUN-FREE SCHOOLS

SEC. 1031. SHORT TITLE.

This part may be cited as the "Gun-Free Schools Act of 1994".

SEC. 1032. GUN-FREE REQUIREMENTS IN ELEMENTARY AND SECONDARY SCHOOLS.

The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) by redesignating title X as title IX;

(2) by redesignating sections 8001 through 8005 as sections 9001 through 9005, respectively; and

(3) by inserting after title VII the following new title:

"TITLE VIII—GUN-FREE SCHOOLS

"SEC. 8001. GUN-FREE REQUIREMENTS.

"(a) REQUIREMENTS.—

"(1) IN GENERAL.—No assistance may be provided to any local educational agency under this Act unless such agency has in effect a policy requiring the expulsion from school for a period of not less than one year of any student who is determined to have brought a weapon to a school under the jurisdiction of the agency except such policy may allow the chief administering officer of the agency to modify such expulsion requirement for a student on a case-by-case basis.

"(2) DEFINITION.—For the purpose of this section, the term "weapon" means a firearm as such term is defined in section 921 of title 18, United States Code.

"(b) REPORT TO STATE.—Each local educational agency requesting assistance from the State educational agency that is to be provided from funds made available to the State under this Act shall provide to the State, in the application requesting such assistance—

"(1) an assurance that such local educational agency has in effect the policy required by subsection (a); and

"(2) a description of the circumstances surrounding any expulsions imposed under the policy required by subsection (a), including—

"(A) the name of the school concerned;

"(B) the number of students expelled from such school; and

"(C) the types of weapons concerned.".

PART C—ENVIRONMENTAL TOBACCO SMOKE

SEC. 1041. SHORT TITLE.

This part may be cited as the "Pro-Children Act of 1994".

SEC. 1042. DEFINITIONS.

As used in this part:

(1) CHILDREN.—The term "children" means individuals who have not attained the age of 18.

(2) CHILDREN'S SERVICES.—The term "children's services" means the provision on a routine or regular basis of health, day care, education, or library services—

(A) that are funded, after the date of the enactment of this Act, directly by the Federal Government or through State or local governments, by Federal grant, loan, loan guarantee, or contract programs—

(i) administered by either the Secretary of Health and Human Services or the Secretary of Education (other than services provided and funded solely under titles XVIII and XIX of the Social Security Act); or

(ii) administered by the Secretary of Agriculture in the case of a clinic (as defined in 7 CFR 246.2) under section 17(b)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(6)), or

(B) that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds, as determined by the appropriate Secretary in any enforcement action under this title,

except that nothing in clause (ii) of subparagraph (A) is intended to include facilities (other than clinics) where coupons are redeemed under the Child Nutrition Act of 1966.

(3) PERSON.—The term "person" means any State or local subdivision thereof, agency of such State or subdivision, corporation, or partnership that owns or operates or otherwise controls and provides children's services or any individual who owns or operates or otherwise controls and provides such services.

(4) INDOOR FACILITY.—The term "indoor facility" means a building that is enclosed.

(5) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

SEC. 1043. NONSMOKING POLICY FOR CHILDREN'S SERVICES.

(a) PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility owned or leased or contracted for and utilized by such person for provision of routine or regular kindergarten, elementary, or secondary education or library services to children.

(b) ADDITIONAL PROHIBITION.—After the date of the enactment of this Act, no person shall permit smoking within any indoor facility (or portion thereof) owned or leased or contracted for by such person for the provision by such person of regular or routine health care or day care or early childhood development (Head Start) services to children or for the use of the employees of such person who provides such services, except that this subsection shall not apply to—

(1) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(2) any private residence.

(c) FEDERAL AGENCIES.—

(1) KINDERGARTEN, ELEMENTARY, OR SECONDARY EDUCATION OR LIBRARY SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility operated by such agency, directly or by contract, to provide routine or regular kindergarten, elementary, or secondary education or library services to children.

(2) HEALTH OR DAY CARE OR EARLY CHILDHOOD DEVELOPMENT SERVICES.—After the date of the enactment of this Act, no Federal agency shall permit smoking within any indoor facility (or portion thereof) operated by such agency, directly or by contract, to provide routine or regular health or day care or early childhood development (Head Start) services to children, except that this paragraph shall not apply to—

(A) any portion of such facility that is used for inpatient hospital treatment of individuals dependent on, or addicted to, drugs or alcohol; and

(B) any private residence.

(3) APPLICATION OF PROVISIONS.—The provisions of paragraph (2) shall also apply to the provision of such routine or regular kindergarten, elementary or secondary education or library services in the facilities described in paragraph (2) not subject to paragraph (1).

(d) NOTICE.—The prohibitions in subsections (a) through (c) shall be incorporated by publication of a notice in the Federal Register by the Secretary (in consultation with the heads of other affected agencies) and by such agency heads in funding arrangements involving the provision of children's services administered by such heads. Such prohibitions shall be effective 90 days after such notice is published, or 270 days after the date of the enactment of this Act, whichever occurs first.

(e) SPECIAL WAIVER.—

(1) IN GENERAL.—On receipt of an application, the head of the Federal agency may grant a special waiver to a person described in subsection (a) who employs individuals who are members of a labor organization and provide children's services pursuant to a collective bargaining agreement that—

(A) took effect before the date of enactment of this Act; and

(B) includes provisions relating to smoking privileges that are in violation of the requirements of this section.

(2) TERMINATION OF WAIVER.—A special waiver granted under this subsection shall terminate on the earlier of—

(A) the first expiration date (after the date of enactment of this Act) of the collective bargaining agreement containing the provisions relating to smoking privileges; or

(B) the date that is 1 year after the date of the enactment of this Act.

(f) CIVIL PENALTIES.—

(1) IN GENERAL.—Any failure to comply with a prohibition in this section shall be a violation of this section and any person subject to such prohibition who commits such violation may be liable to the United States for a civil penalty in an amount not to exceed $1,000 for each violation, or may be subject to an administrative compliance order, or both, as determined by the Secretary. Each day a violation continues shall constitute a separate violation. In the case of any civil penalty under this section, the total amount shall not exceed the amount of Federal funds received by such person for the fiscal year in which the continuing violations occurred. For the purpose of the prohibition in subsection (c), the term "person" shall mean the head of the applicable Federal agency or the contractor of such agency providing the services to children.

(2) ADMINISTRATIVE PROCEEDING.—A civil penalty may be assessed in a written notice, or an administrative compliance order may be issued, by the Secretary only after an opportunity for a hearing in accordance with section 554 of title 5, United States Code. Before making such assessment or issuing such order, or both, the Secretary shall give written notice thereof to such person by certified mail with return receipt and provide therein an opportunity to request in writing not later than 30 days after the date of receipt of such notice such hearing. The notice shall reasonably describe the violation and be accompanied with the procedures for such hearing and a simple form to request such hearing if such person desires to use such form. If a hearing is requested, the Secretary shall establish by such certified notice the time and place for such hearing which should be located, to the greatest extent possible, at a location convenient to such person. The Secretary (or the Secretary's designee) and such person may consult to arrange a suitable date and location where appropriate.

(3) CIRCUMSTANCES AFFECTING PENALTY OR ORDER.—In determining the amount of the civil penalty or the nature of the administrative compliance order, the Secretary shall take into account, as appropriate—

(A) the nature, circumstances, extent, and gravity of the violation;

(B) with respect to the violator, any good faith efforts to comply, the importance of achieving early and permanent compliance, the ability to pay or comply, the effect of the penalty or order on the ability to continue operation, any prior history of the same kind of violation, the degree of culpability, and any demonstration of willingness to comply with the prohibitions of this section in a timely manner; and

(C) such other matters as justice may require.

(4) MODIFICATION.—The Secretary may, as appropriate, compromise, modify, or remit, with or without conditions, any civil penalty or administrative compliance order. In the case of a civil penalty, the amount, as finally determined by the Secretary or agreed upon in compromise, may be deducted from any sums that the United States or its agencies or instrumentalities owes to the person against whom the penalty is assessed.

(5) PETITION FOR REVIEW.—Any person aggrieved by a penalty assessed or an order issued, or both, by the Secretary under this section may file a petition for judicial review thereof with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which the person resides or transacts business. Such person shall provide a copy thereof to the Secretary or the Secretary's designee. The petition shall be filed within 30 days after the Secretary's assessment or order, or both, are final and have been provided to such person by certified mail. The Secretary shall promptly provide to the court a certified copy of the transcript of any hearing held under this section and a copy of the notice or order.

(6) FAILURE TO COMPLY.—If a person fails to pay an assessment of a civil penalty or comply with an order, after either or both are final under this section, or after a court under paragraph (5) has entered a final judgment in favor of the Secretary, the Attorney General, at the request of the Secretary, shall recover the amount of the civil penalty (plus interest at then currently prevailing rates from the day either or both are final) or enforce the order in an action brought in the appropriate district court of the United States. In such action, the validity and appropriateness of the penalty or order or the amount of the penalty shall not be subject to review.

SEC. 1044. PREEMPTION.

Nothing in this part is intended to preempt any provision of law of a State or political subdivision of a State that is more restrictive than a provision of this part.

PART D—MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP

SEC. 1051. SHORT TITLE.

This part may be cited as the "Midnight Basketball League Training and Partnership Act".

SEC. 1052. GRANTS FOR MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.

Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a) is amended—

*(1) in the section heading by inserting "**AND ASSISTED**" after "**PUBLIC**";*

(2) in the subsection heading for subsection (a), by inserting "PUBLIC HOUSING" before "YOUTH"; and

(3) by adding at the end the following new subsection:

"(l) MIDNIGHT BASKETBALL LEAGUE TRAINING AND PARTNERSHIP PROGRAMS.—

"(1) AUTHORITY.—The Secretary shall make grants, to the extent that amounts are approved in appropriations Acts under paragraph (13), to—

"(A) eligible entities to assist such entities in carrying out midnight basketball league pro-

grams meeting the requirements of paragraph (4); and

"(B) eligible advisory entities to provide technical assistance to eligible entities in establishing and operating such midnight basketball league programs.

"(2) ELIGIBLE ENTITIES.—

"(A) IN GENERAL.—Subject to subparagraph (B), grants under paragraph (1)(A) may be made only to the following eligible entities:

"(i) Entities eligible under subsection (b) for a grant under subsection (a).

"(ii) Nonprofit organizations providing employment counseling, job training, or other educational services.

"(iii) Nonprofit organizations providing federally assisted low-income housing.

"(B) PROHIBITION ON SECOND GRANTS.—A grant under paragraph (1)(A) may not be made to an eligible entity if the entity has previously received a grant under such paragraph, except that the Secretary may exempt an eligible advisory entity from the prohibition under this subparagraph in extraordinary circumstances.

"(3) USE OF GRANT AMOUNTS.—Any eligible entity that receives a grant under paragraph (1)(A) may use such amounts only—

"(A) to establish or carry out a midnight basketball league program under paragraph (4);

"(B) for salaries for administrators and staff of the program;

"(C) for other administrative costs of the program, except that not more than 5 percent of the grant amount may be used for such administrative costs; and

"(D) for costs of training and assistance provided under paragraph (4)(I).

"(4) PROGRAM REQUIREMENTS.—Each eligible entity receiving a grant under paragraph (1)(A) shall establish a midnight basketball league program as follows:

"(A) The program shall establish a basketball league of not less than 8 teams having 10 players each.

"(B) Not less than 50 percent of the players in the basketball league shall be residents of federally assisted low-income housing or members of low-income families (as such term is defined in section 3(b) of the United States Housing Act of 1937).

"(C) The program shall be designed to serve primarily youths and young adults from a neighborhood or community whose population has not less than 2 of the following characteristics (in comparison with national averages):

"(i) A substantial problem regarding use or sale of illegal drugs.

"(ii) A high incidence of crimes committed by youths or young adults.

"(iii) A high incidence of persons infected with the human immunodeficiency virus or sexually transmitted diseases.

"(iv) A high incidence of pregnancy or a high birth rate, among adolescents.

"(v) A high unemployment rate for youths and young adults.

"(vi) A high rate of high school drop-outs.

"(D) The program shall require each player in the league to attend employment counseling, job training, and other educational classes provided under the program, which shall be held immediately following the conclusion of league basketball games at or near the site of the games and at other specified times.

"(E) The program shall serve only youths and young adults who demonstrate a need for such counseling, training, and education provided by the program, in accordance with criteria for demonstrating need, which shall be established by the Secretary, in consultation with the Advisory Committee.

"(F) The majority of the basketball games of the league shall be held between the hours of 10:00 p.m. and 2:00 a.m. at a location in the neighborhood or community served by the program.

"(G) The program shall obtain sponsors for each team in the basketball league. Sponsors shall be private individuals or businesses in the neighborhood or community served by the program who make financial contributions to the program and participate in or supplement the employment, job training, and educational services provided to the players under the program with additional training or educational opportunities.

"(H) The program shall comply with any criteria established by the Secretary, in consultation with the Advisory Committee established under paragraph (9).

"(I) Administrators or organizers of the program shall receive training and technical assistance provided by eligible advisory entities receiving grants under paragraph (8).

"(5) GRANT AMOUNT LIMITATIONS.—

"(A) PRIVATE CONTRIBUTIONS.—The Secretary may not make a grant under paragraph (1)(A) to an eligible entity that applies for a grant under paragraph (6) unless the applicant entity certifies to the Secretary that the entity will supplement the grant amounts with amounts of funds from non-Federal sources, as follows:

"(i) In each of the first 2 years that amounts from the grant are disbursed (under subparagraph (E)), an amount sufficient to provide not less than 35 percent of the cost of carrying out the midnight basketball league program.

"(ii) In each of the last 3 years that amounts from the grant are disbursed, an amount sufficient to provide not less than 50 percent of the cost of carrying out the midnight basketball league program.

"(B) NON-FEDERAL FUNDS.—For purposes of this paragraph, the term 'funds from non-Federal sources' includes amounts from nonprofit organizations, public housing agencies, States, units of general local government, and Indian housing authorities, private contributions, any salary paid to staff (other than from grant amounts under paragraph (1)(A)) to carry out the program of the eligible entity, in-kind contributions to carry out the program (as determined by the Secretary after consultation with the Advisory Committee), the value of any donated material, equipment, or building, the value of any lease on a building, the value of any utilities provided, and the value of any time and services contributed by volunteers to carry out the program of the eligible entity.

"(C) PROHIBITION ON SUBSTITUTION OF FUNDS.—Grant amounts under paragraph (1)(A) and amounts provided by States and units of general local government to supplement grant amounts may not be used to replace other public funds previously used, or designated for use, under this section.

"(D) MAXIMUM AND MINIMUM GRANT AMOUNTS.—

"(i) IN GENERAL.—The Secretary may not make a grant under paragraph (1)(A) to any single eligible entity in an amount less than $55,000 or exceeding $130,000, except as provided in clause (ii).

"(ii) EXCEPTION FOR LARGE LEAGUES.—In the case of a league having more than 80 players, a grant under paragraph (1)(A) may exceed $130,000, but may not exceed the amount equal to 35 percent of the cost of carrying out the midnight basketball league program.

"(E) DISBURSEMENT.—Amounts provided under a grant under paragraph (1)(A) shall be disbursed to the eligible entity receiving the grant over the 5-year period beginning on the date that the entity is selected to receive the grant, as follows:

"(i) In each of the first 2 years of such 5-year period, 23 percent of the total grant amount shall be disbursed to the entity.

"(ii) In each of the last 3 years of such 5-year period, 18 percent of the total grant amount shall be disbursed to the entity.

"(6) APPLICATIONS.—To be eligible to receive a grant under paragraph (1)(A), an eligible entity shall submit to the Secretary an application in the form and manner required by the Secretary (after consultation with the Advisory Committee), which shall include—

"(A) a description of the midnight basketball league program to be carried out by the entity, including a description of the employment counseling, job training, and other educational services to be provided;

"(B) letters of agreement from service providers to provide training and counseling services required under paragraph (4) and a description of such service providers;

"(C) letters of agreement providing for facilities for basketball games and counseling, training, and educational services required under paragraph (4) and a description of the facilities;

"(D) a list of persons and businesses from the community served by the program who have expressed interest in sponsoring, or have made commitments to sponsor, a team in the midnight basketball league; and

"(E) evidence that the neighborhood or community served by the program meets the requirements of paragraph (4)(C).

"(7) SELECTION.—The Secretary, in consultation with the Advisory Committee, shall select eligible entities that have submitted applications under paragraph (6) to receive grants under paragraph (1)(A). The Secretary, in consultation with the Advisory Committee, shall establish criteria for selection of applicants to receive such grants. The criteria shall include a preference for selection of eligible entities carrying out midnight basketball league programs in suburban and rural areas.

"(8) TECHNICAL ASSISTANCE GRANTS.—Technical assistance grants under paragraph (1)(B) shall be made as follows:

"(A) ELIGIBLE ADVISORY ENTITIES.—Technical assistance grants may be made only to entities that—

"(i) are experienced and have expertise in establishing, operating, or administering successful and effective programs for midnight basketball and employment, job training, and educational services similar to the programs under paragraph (4); and

"(ii) have provided technical assistance to other entities regarding establishment and operation of such programs.

"(B) USE.—Amounts received under technical assistance grants shall be used to establish centers for providing technical assistance to entities receiving grants under paragraph (1)(A) of this subsection and subsection (a) regarding establishment, operation, and administration of effective and successful midnight basketball league programs under this subsection and subsection (c)(3).

"(C) NUMBER AND AMOUNT.—To the extent that amounts are provided in appropriations Acts under paragraph (13)(B) in each fiscal year, the Secretary shall make technical assistance grants under paragraph (1)(B). In each fiscal year that such amounts are available the Secretary shall make 4 such grants, as follows:

"(i) 2 grants shall be made to eligible advisory entities for development of midnight basketball league programs in public housing projects.

"(ii) 2 grants shall be made to eligible advisory entities for development of midnight basketball league programs in suburban or rural areas.

"(iii) Each grant shall be in an amount not exceeding $25,000.

"(9) ADVISORY COMMITTEE.—The Secretary of Housing and Urban Development shall appoint an Advisory Committee to assist the Secretary in providing grants under this subsection. The Ad-

visory Committee shall be composed of not more than 7 members, as follows:

"(A) Not less than 2 individuals who are involved in managing or administering midnight basketball programs that the Secretary determines have been successful and effective. Such individuals may not be involved in a program assisted under this subsection or a member or employee of an eligible advisory entity that receives a technical assistance grant under paragraph (1)(B).

"(B) A representative of the Center for Substance Abuse Prevention of the Public Health Service, Department of Health and Human Services, who is involved in administering the grant program for prevention, treatment, and rehabilitation model projects for high risk youth under section 509A of the Public Health Service Act (42 U.S.C. 290aa–8), who shall be selected by the Secretary of Health and Human Services.

"(C) A representative of the Department of Education, who shall be selected by the Secretary of Education.

"(D) A representative of the Department of Health and Human Services, who shall be selected by the Secretary of Health and Human Services from among officers and employees of such Department involved in issues relating to high-risk youth.

"(10) Reports.—The Secretary shall require each eligible entity receiving a grant under paragraph (1)(A) and each eligible advisory entity receiving a grant under paragraph (1)(B) to submit to the Secretary, for each year in which grant amounts are received by the entity, a report describing the activities carried out with such amounts.

"(11) Study.—To the extent amounts are provided under appropriation Acts pursuant to paragraph (13)(C), the Secretary shall make a grant to one entity qualified to carry out a study under this paragraph. The entity shall use such grant amounts to carry out a scientific study of the effectiveness of midnight basketball league programs under paragraph (4) of eligible entities receiving grants under paragraph (1)(A). The Secretary shall require such entity to submit a report describing the study and any conclusions and recommendations resulting from the study to the Congress and the Secretary not later than the expiration of the 2-year period beginning on the date that the grant under this paragraph is made.

"(12) Definitions.—For purposes of this subsection:

"(A) The term 'Advisory Committee' means the Advisory Committee established under paragraph (9).

"(B) The term 'eligible advisory entity' means an entity meeting the requirements under paragraph (8)(A).

"(C) The term 'eligible entity' means an entity described under paragraph (2)(A).

"(D) The term 'federally assisted low-income housing' has the meaning given the term in section 5126 of the Public and Assisted Housing Drug Elimination Act of 1990.

"(E) The term "Secretary" unless otherwise specified, means the Secretary of Housing and Urban Development.

"(13) Authorization of Appropriations.—There are authorized to be appropriated—

"(A) for grants under paragraph (1)(A), $2,650,000 in each of fiscal years 1994 and 1995;

"(B) for technical assistance grants under paragraph (1)(B), $100,000 in each of fiscal years 1994 and 1995; and

"(C) for a study grant under paragraph (11), $250,000 in fiscal year 1994.".

SEC. 1053. PUBLIC HOUSING MIDNIGHT BASKETBALL LEAGUE PROGRAMS.

Section 520(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C 11903a(c)) is amended by adding at the end the following new paragraph:

"(3) Midnight Basketball League Programs.—Notwithstanding any other provision of this subsection and subsection (d), a grant under this section may be used to carry out any youth sports program that meets the requirements of a midnight basketball league program under subsection (l)(4) (not including subparagraph (B) of such subsection) if the program serves primarily youths and young adults from the public housing project in which the program assisted by the grant is operated.".

And the House agree to the same.

From the Committee on Education and Labor, for consideration of the House amendment (except title II) to the Senate amendment, and the Senate amendment (except secs. 901–14), and modifications committed to conference:

William D. Ford,
Dale E. Kildee,
George Miller,
Tom Sawyer,
Major R. Owens,
Jolene Unsoeld,
Jack Reed,
Tim Roemer,
Patsy Mink,
Eliot L. Engel,
Xavier Becerra,
Gene Green,
Lynn C. Woolsey,
Karen English,
Ted Strickland,
Donald M. Payne,
Carlos Romero-Barceló,
Bill Goodling,
Steve Gunderson,
Susan Molinari,

From the Committee on Education and Labor, for consideration of title II of the House amendment to the Senate amendment, and secs. 901–14 of the Senate amendment, and modifications committed to conference:

William D. Ford,
Major R. Owens,
Donald M. Payne,
Robert C. Scott,
Tom Sawyer,
Bill Goodling,
Cass Ballenger,
Bill Barrett,
Harris W. Fawell,

As additional conferees from the Committee on Energy and Commerce, for consideration of title XII of the Senate amendment, and modifications committed to conference:

John D. Dingell,
Henry A. Waxman,
Mike Synar,
Carlos J. Moorhead,
Thomas J. Bliley, Jr.,

As additional conferees from the Committee on Foreign Affairs, for consideration of sec. 921 of the Senate amendment, and modifications committed to conference:

Lee H. Hamilton,
Howard L. Berman,
Tom Lantos,
Ben Gilman,
Managers on the Part of the House.

Edward M. Kennedy,
Claiborne Pell,
Howard M. Metzenbaum,
Paul Simon,
Christopher Dodd,
Tom Harkin,
Barbara A. Mikulski,
Jeff Bingaman,
Paul Wellstone,
Harris Wofford,
Nancy Landon
Kassebaum,
James M. Jeffords,
Dave Durenberger,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 1804) to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House amendment struck out all of the Senate amendment and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the House amendment and the Senate amendment. The differences between the Senate amendment, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

SHORT TITLE

Short Title: The House bill includes titles I through VI, including the National Skill Standards Board in the "Goals 2000: Educate America Act"; the Senate bill includes only titles I through IV in the "Goals 2000 Educate America Act" and establishes the National Skill Standards Board under the "National Skill Standards Act of 1993." The Conference Agreement includes the Skill Standards title and all other titles of the bill, with the exception of Title IX, as part of the "Goals 2000: Educate America Act."

TABLE OF CONTENTS

Table of Contents: The Senate bill, but not the House bill, contains a table of contents for the legislation. The House recedes.

PURPOSE

Purpose: The House bill includes improving the quality of learning in the classroom as well as in the workplace; the Senate bill includes improving the quality of learning in the classroom. The Senate recedes.

Purpose: The House bill refers to "education reform and lifelong learning"; the Senate bill refers to "education reform". The Senate recedes.

Purpose: The House bill, but not the Senate bill, includes "succeed in the world of employment and civic participation" as additional results to be achieved through equal educational opportunities. The Senate recedes, with an amendment including high academic and occupational skill standards.

Purpose: The House bill refers to "all students" and later defines the term; the Senate bill, following the term "all students", specifies that "all students" include "disadvantaged students, students with diverse racial, ethnic, and cultural backgrounds, students with disabilities, students with limited-English proficiency, and academically talented students." The Senate recedes.

Purpose: The House bill, but not the Senate bill, includes the additional phrase, "enabling them [all children] to participate fully as workers, parents, and citizens." The Senate recedes, with an amendment to replace "enabling them to" with "to prepare them to".

Purpose: The Senate bill, but not the House bill, includes an additional objective of promoting the use of technology to enable all students to achieve the National Education Goals. The House recedes.

Purpose: The House bill, but not the Senate bill, includes an additional purpose of stimulating the development and adoption of a voluntary national system of skill standards and certification to serve as a cornerstone of the national strategy to enhance workforce skills. The Senate recedes.

Purpose: The House bill, but not the Senate bill, includes the additional purpose of assisting every elementary and secondary school that receives funds under this Act to actively involve parents and families in supporting the academic work of their children at home and in providing parents with skills to advocate for their children at school. The Senate recedes.

TITLE I—NATIONAL EDUCATION GOALS

SCHOOL READINESS

Objectives: The House bill includes "mental alertness necessary to be prepared to learn" as one of the aspects of readiness; the Senate bill includes "physical activity experiences" among the components children will receive to achieve school readiness. The House recedes, with an amendment adding "mental alertness necessary to be prepared to learn" to the list of components.

STUDENT ACHIEVEMENT AND CITIZENSHIP

Goal: The Senate bill, but not the House bill, includes economics as a subject matter. The House recedes.

Objective: The Senate bill, but not the House bill, includes "good health" in the list of items student activities should promote. The House recedes.

TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT

Goal: Both bills have a teacher education and professional development goal, but the objectives are different in the two bills. The House recedes to the Senate objectives. The House lists the teacher goal as Goal Four. The Senate lists the teacher goal as Goal Eight. The Senate recedes.

ADULT LITERACY

Objective: The House bill, but not the Senate bill, includes as an objective of the adult literacy goal that schools, in implementing comprehensive parent involvement programs, will offer more adult literacy, parent training and lifelong learning opportunities to improve the ties between home and school, and enhance parents' work and home lives. The Senate recedes.

SAFE, DISCIPLINED, AND ALCOHOL- AND DRUG-FREE SCHOOLS

Goal: The Senate bill, but not the House bill, clarifies that part of Goal 6 is to make schools free of alcohol and firearms. The House recedes, with an amendment clarifying that the goal refers to the unauthorized presence of alcohol and firearms.

Objective: The House and Senate bills both refer to creating a healthy environment and a safe haven for children, but the Senate bill includes governmental organizations as a group that will be working together toward the goal, and there are some drafting differences. The House recedes, with an amendment that combines the House and Senate language.

Objective: The House bill, but not the Senate bill, includes an objective of the safe schools goal that every school district will develop and implement a policy to ensure that all schools are free of weapons and violence. The Senate recedes, with an amendment saying that every school district will be free of "violence and the unauthorized presence of weapons."

Objective: The Senate bill, but not the House bill, includes an objective of the safe schools goal that every school should work to eliminate sexual harassment. The House recedes.

PARENTAL PARTICIPATION

Goal: The House bill titles the goal "School and Home Partnership"; the Senate bill titles the goal "Parental Participation". The House recedes.

Goal: With regard to increasing parental participation, the House bill states "every school and home will engage in partnerships"; the Senate bill states "every school will promote partnerships". The House recedes.

Objective: The House bill, but not the Senate bill, includes as an objective of the parent involvement goal that every home will be responsible for creating an environment of respect for education and providing the physical and emotional support needed for learning. The House recedes.

TITLE II—NATIONAL EDUCATION REFORM LEADERSHIP, STANDARDS, AND ASSESSMENTS

NATIONAL EDUCATION GOALS PANEL

Purpose: The Senate bill, but not the House bill, includes as a purpose of the Goals Panel periodically reviewing the goals and objectives described in title I and recommending adjustments to such goals and objectives, as needed, in order to guarantee education reform that continues to provide guidance for quality, world class education for all students. The Senate recedes.

It was agreed by both Houses that the term used throughout the bill regarding the subject of assessment throughout the bill would be "State assessments". This agreement eliminates all references to any form of assessment system throughout the bill.

The Senate amendment requires that the Goals Panel review and approve NESIC-certified standards and assessments, as well as the criteria for certifying such standards and assessments. The House bill requires that the Goals Panel review the standards, assessments, and criteria, with the option of disapproving them within 60 days. The Senate recedes, with an amendment changing the number of days from 60 to 90.

NATIONAL EDUCATION GOALS PANEL

Establishment

Establishment: The House bill establishes the National Education Goals Panel to "advise the President, the Secretary, and the Congress"; the Senate bill simply establishes the Panel. The Senate recedes.

Composition

Composition: With regard to members of State Legislatures appointed by the President of the National Conference of State Legislatures, the House bill says "not more than two may be of the same political party as the President of the United States", and the Senate bill says "of whom two shall be of the same political party as the President of the United States". The House recedes.

Special rule

Special Rule: The House bill, but not the Senate bill, requires that, to extent feasible, the membership of the Goals Panel shall be geographically representative and reflect the racial, ethnic, and gender diversity of the United States. The Senate recedes.

Chairperson

In General: The House bill authorizes the President to select a chairperson from among the membership of the Goals Panel; the Senate bill authorizes the members to select a chairperson from among the Governors who are members of the Goals Panel. The House recedes, with an amendment to expand the eligibility of the Chairperson to all members of the Goals Panel.

Conflict of Interest: The House bill, but not the Senate bill, includes a conflict of interest provision regarding members of the Goals Panel. The Senate recedes.

Ex-Officio Member: The House bill, but not the Senate bill, requires that if the President has not appointed the Secretary of Education as one of his 2 appointments, that the Secretary shall serve as an ex-officio, nonvoting member of the Panel. The Senate recedes.

Duties

In General: The House bill specifies that the Goals Panel is to report to the President, Secretary, and the Congress on the progress towards the goals in an annual report; the Senate bill requires the Panel to report on progress towards the goals in an annual national report card. The Senate recedes.

The Senate bill, but not the House bill, requires the Panel to submit to the President nominations for appointments to NESIC. The House recedes, consistent with changes in the NESIC appointment process agreed to by both Houses.

The House bill, but not the Senate bill, requires the Panel to report on State opportunity to learn standards and the progress of States in meeting such standards. The conference agreement requires the report to report on State opportunity to learn standards and strategies and the progress of states which are implementing such standards and strategies.

The House bill, but not the Senate bill, requires the Panel to take into consideration public comments. The Senate recedes.

National report card

Title: The House bill titles the provision "REPORT"; the Senate bill titles the provision "NATIONAL REPORT CARD". The Senate recedes.

The House bill, but not the Senate bill, requires the report to identify actions that should be taken by Federal, State, and local governments to enhance progress toward achieving State opportunity to learn standards. The Senate recedes, with an amendment rewriting the House provision to read as follows: "(B) identify actions that should be taken by Federal, State, and local governments to enhance progress toward achieving the National Education Goals and providing all students with a fair opportunity to learn."

The House bill, but not the Senate bill, requires the report to report on State opportunity to learn standards and the progress of States in meeting such standards. The conference agreement requires the report to report on State opportunity to learn standards and strategies and the progress of states which are implementing such standards and strategies.

Powers of the Goals Panel

Representation: The House bill refers to "voluntary national content and student performance standards, assessments, and opportunity to learn standards"; the Senate bill refers to "voluntary national content, voluntary national student performance standards, voluntary national opportunity to learn standards, and State assessments or systems of assessments described in section 213(e)". The House recedes, with an amendment striking "or systems of assessments".

Gifts; Use of Facilities: The Senate bill, but not the House bill, allows the Goals Panel to accept, administer, and utilize gifts or donations of services. The Senate recedes.

Administrative provisions

Voting and Final Decisions: The Senate bill, but not the House bill, requires that final decisions of the Goals Panel be made by consensus or, if a vote is required, by a three-fourths vote of the members of the Goals Panel who are present and voting. The House recedes.

Early childhood assessment

In General: The House bill, but not the Senate bill, includes the phrase "that would lead to alternatives to currently used norm-referenced early childhood assessments." Senate recedes, with an amendment deleting 'norm-referenced".

Activities: The Senate bill, but not the House bill, asks the Groups to develop a model of elements of school readiness that address a broad range of early childhood developmental needs, including the needs of children with disabilities. The House bill requires that the groups create guidelines on the nature, functions, and uses of early childhood assessments including a model of school readiness; the Senate bill requires that the groups create guidelines on the nature, functions, and uses of early childhood assessments based on model elements of school readiness. The House recedes.

Activities: The Senate bill, but not the House bill, includes the phrase "including norm-referenced assessments and assessment formats that are appropriate for use in culturally and linguistically diverse communities,". The House recedes, with an amendment striking "norm-referenced assessments and".

Part B—National Education Standards and Improvement Council

PURPOSE

Purpose: The House bill says "certify and regularly review"; the Senate bill says "certify." The Senate recedes, with an amendment replacing "regularly" with "periodically".

Purpose: With regard to State content and performance standards being certified by NESIC, the House bill refers to "equal or higher quality"; the Senate bill refers to "comparable in rigor and quality to". The House recedes, with an amendment changing the provision to "comparable or higher in rigor and quality to".

Purpose: The House bill says "certify and regularly review"; the Senate bill says "certify." The Senate recedes, with an amendment replacing "regularly" with "periodically".

Purpose: The House bill says "opportunity-to-learn standards"; the Senate bill says "comprehensive State opportunity-to-learn standards". The Senate recedes.

The House bill authorizes certification of the State opportunity-to-learn standards if such standards are of "equal or higher quality" as compared with the voluntary national standards. The Senate bill authorizes certification of the State opportunity to learn standards if such standards "describe the conditions of teaching and learning necessary for all students to have a fair opportunity to learn" and if such standards meet the elements described in section 213(c)(3). The Senate recedes, with an amendment striking "if such standards are of equal or higher quality as compared with the voluntary national opportunity to learn standards" and inserting "if such standards are comparable or higher in rigor and quality to the voluntary national opportunity to learn standards certified by the National Education Standards and Improvement Council".

Purpose: The House bill allows submission of assessments by States; the Senate bill allows submission of assessments by States or groups of States. The House recedes.

Purpose: With regard to NESIC certifying assessments, the House bill specifies that the assessments must be "valid, reliable, and consistent with relevant, nationally recognized professional and technical standards for assessment"; the Senate bill specifies that the assessments must be "valid, reliable, and fair". The Senate recedes.

NATIONAL EDUCATION STANDARDS AND IMPROVEMENT COUNCIL

Composition: The House bill requires that the Council be composed of 20 members; the Senate bill requires that the Council be composed of 19 members. The House recedes.

Composition: The House bill has 8 members appointed by the President, 4 members appointed by the Speaker of the House, 4 members appointed by the Majority Leader of the Senate, and 4 members appointed by the Goals Panel; the Senate bill has the members appointed by the President from nominations received from the Goals Panel.

The conference agreement provides for the Council to be appointed by the President from nominations submitted as follows:

(1) 7 members from among 21 individuals nominated by the Secretary;

(2) 4 members from among 12 individuals nominated by the Speaker of the House of Representatives, in consultation with the majority and minority leaders of the House;

(3) 4 members from among 12 individuals nominated by the majority leader of the Senate, in consultation with the minority leader of the Senate;

(4) 4 members from among 12 individuals nominated by the National Education Goals Panel. The nominees in each group are to be distributed among the four categories of NESIC members (professional educators; representatives of business, labor, and post-secondary education; members of the public; and education experts) as outlined in the conference agreement.

QUALIFICATIONS

In General: The House bill says "including . . . and"; the Senate bill says "appointed from among . . . or". The House language indicates that all of the groups listed must be represented. The Senate language indicates that the five professional educators should be appointed from among the groups listed. The House recedes.

In General: The House bill requires that five members of the Council be from business and industry, organized labor, and post-secondary educational institutions, including at least one representative from each of the three groups (the required business representative must also be a member of the National Skill Standards Board).

The Senate bill requires that four members of the Council be from business and industry or postsecondary educational institution, including at least one representative of business and industry who is also a member of the Skill Standards Board. The Senate recedes, with an amendment changing the number of members to four from business and industry.

In General: The House bill says "including . . . and"; the Senate bill says "appointed from among . . . or". Same problem as above: The House language indicates that all of the groups listed must be represented. The Senate language states that the five representatives of the public should be appointed from among the groups listed. The House recedes.

In General: The Senate bill, but not the House bill, includes tribal government representatives. The House recedes, with an amendment specifying that policymakers may includes tribal school boards.

In General: The House bill says "including . . . and"; the Senate bill says "appointed from among . . . or". The House language indicates that all of the groups listed must be represented. The Senate language states that the five professional education experts should be appointed from among the groups listed. The House recedes.

Representation: The House bill requires that one-third of the Council consist of individuals with expertise in educational needs of children who are from low-income families, minority backgrounds, have limited English proficiency, or have disabilities. The Senate bill requires that, to the extent feasible, the membership of the Council shall include persons from each of the four categories with expertise in the education of subgroups of students who are at risk of school failure. The Senate recedes, with an amendment adding "or backgroup" after "expertise", to require that at least one-third of all nominations and appointments have such expertise or background, and adding a new subsection that will read as follows: "To the extent feasible, the membership of the Council will be equally represented by both major political parties."

TERMS

Initial Terms: The House bill requires that the Council establish by lot initial terms for individuals of one, two, or three years; the Senate bill requires the President to establish initial terms of 1, 2, or 3 years. The Senate recedes.

CONFLICT OF INTEREST

Conflict of Interest: The House bill conflict of interest provision bars members of the Council from serving concurrently on the Goals Panel. The Senate bill, but not the House bill, prohibits members, staff, experts, and consultants from being appointed to the Council if they have a fiduciary interest in an educational assessment unless they agree that they will not obtain such an interest for a period of 2 years from the date of termination of the member's service on the Council. The Senate recedes.

Conflict of Interest: The House bill, but not the Senate bill, requires that section 208 of title 18 of the United States Code, relating to criminal penalties, apply to members of the Council except that, for the purposes of making written determinations under subsection (b)(1), the Government official responsible for the appointment of any member of the Council is deemed to be the Director of the Office of Government Ethics. The Senate recedes, with an amendment striking the House language and replacing it with a sunshine provision which details why the individual's services outweigh the potential for a conflict of interest to the House and Senate committees of jurisdiction and a requirement that NESIC develop and submit to the

House and Senate committees of jurisdiction procedures to govern the recusal process, consistent with current regulations.

Conflict of Interest: The House bill, but not the Senate bill, says that a member of the Council who resides in a State which has developed standards and assessments "may not" participate in Council consideration of that State's standards and assessments. The Senate recedes.

DUTIES

Voluntary national content standards

In General: The House bill requires the Council to carry out certain duties; the Senate bill requires the Council to carry out certain duties based upon recommendations from a working group on voluntary national content standards. The Senate recedes, with an amendment, which allows the Council to consult with outside experts. (p. 53, #50)

In General: The House bill, but not the Senate bill, specifies that the Council shall use the criteria developed under paragraph (2)(A)(i) when certifying content standards and student performance standards. The Senate recedes. (p. 53, #51)

In General: The House bill, but not the Senate bill, requires the Council to develop a process for regularly reviewing any national voluntary content, student performance, and opportunity to learn standards that have been certified. The Senate recedes, with an amendment replacing "regularly" with "periodically". (p. 54, #53)

Criteria: The House bill requires the Council to develop criteria; the Senate bill requires the Council to develop criteria, upon the recommendation from a working group on the content and performance standards. The Senate recedes, with an amendment, which allows the Council to consult outside experts. (p. 54, #54)

Criteria: The House bill, but not the Senate bill, includes advocacy groups among those that should be involved in the process. The Senate bill, but not the House bill, includes secondary school students among those that should be involved in the process. The House recedes, with an amendment including advocacy groups among those that should be involved in the process. (p. 56, #56)

Voluntary State content standards

Voluntary State Content Standards: The House bill allows "States" to have standards certified; the Senate bill refers to "a State or groups of States". The House recedes. (p. 57, #57a)

Voluntary State Content Standards: The House bill, but not the Senate bill, specifies that the Council shall use the criteria developed under subsection (a)(2)(A)(i). The Senate recedes. (p. 57, #58)

Voluntary State Content Standards: The House bill refers to states standards of "equal or higher quality" than the national standards; the Senate bill refers to "comparable in rigor and quality". The House recedes, with an amendment to "comparable or higher in rigor and quality to". (p. 57, #58a)

Voluntary national opportunity-to-learn standards

In General: The House bill requires the Council to certify exemplary, voluntary national opportunity to learn standards; the Senate bill requires the Council to certify exemplary, voluntary national opportunity to learn standards based upon the recommendations from a working group on voluntary national opportunity to learn standards. The Senate recedes, with an amendment that the Council may consult outside experts. (p. 57, #59)

The Senate bill, but not the House bill, includes a provision clarifying that the Council and the working group may consider proposals for voluntary national OTL standards from groups other than those that receive OTL development grants from the Secretary. The House recedes. (p. 58, #60)

Elements addressed: The House bill, but not the Senate bill includes "distance learning" among the factors to be addressed when the Council certifies opportunity-to-learn standards. The Senate recedes. (p. 58, #61)

Elements addressed: The House bill, but not the Senate bill, includes "principals" in this list. The Senate recedes. (p. 58, #62)

Elements addressed: The House bill, but not the Senate bill, specifies that the voluntary national opportunity to learn standards shall address the extent to which schools utilize policies, curricula, and instructional practices which ensure nondiscrimination on the basis of gender. The Senate recedes. (p. 59, #63)

Additional Duties: The House bill requires NESIC to develop criteria for both "voluntary national and State opportunity to learn standards."

The Senate bill requires NESIC to develop criteria only for "voluntary national opportunity to learn standards." The Senate recedes. (p. 60, #64)

Voluntary State Opportunity to Learn Standards: The House bill, but not the Senate bill, requires that the Council use the criteria it developed under subsection (c)(3)(B) for certifying State opportunity to learn standards. The Senate recedes, with an amendment striking "if such standards are of equal or higher quality as compared with the voluntary national opportunity to learn standards" and inserting "if such standards are comparable or higher in rigor and quality to the voluntary national opportunity to learn standards certified by the National Education Standards and Improvement Council". (p. 62, #68)

Voluntary State Opportunity to Learn Standards: The House bill allows the Council to certify State opportunity to learn standards if they are of equal or higher quality as compared to the voluntary national opportunity to learn standards.

The Senate bill allows the Council to certify State opportunity to learn standards that—(1) describe the conditions of teaching and learning necessary for all students to have a fair opportunity to learn; and (2) address the same elements that the national opportunity to learn standards are required to address (outlined in Sec. 213(c)(3)). The Senate recedes. (p. 62, #68)

Requirement: The major difference here between the two bills is that the House provision [(e) GENERAL PROVISION REGARDING VOLUNTARY NATIONAL STANDARDS] refers to voluntary national content standards, student performance standards, and OTL standards, while the Senate provision [(2) REQUIREMENT] refers only to voluntary national OTL standards. The Senate recedes. (p. 62, #69)

ASSESSMENTS

The conferees intend that, if the Council deems it appropriate, the Council should include the notice and comment procedures in the Administrative Procedures Act (5 U.S.C. 553) in its process of certifying assessment criteria under this section.

In General: The House says the Council may certify assessments whereas the Senate says the Council shall certify such assessments. The Senate recedes. (p. 63, #69a)

In General: The House bill says that the Council may certify an assessment system that is "submitted voluntarily by a State" the Senate bill says "presented on a voluntary basis by a State or group of States". The Senate recedes, with an amendment adding "or group of States" after "State" and replacing "an assessment system" with "State assessments". (p. 63, no #)

In General: The House bill, but not the Senate bill, says that the Council should use the criteria it develops under paragraph (2)(A) below. The Senate recedes. (p. 63, #70)

In General: The Senate bill, but not the House bill, requires that the Council certify assessments "for a period not to exceed five years." The House recedes. (p. 63, #71)

In General: The House bill says that assessments may be certified if they are "aligned with the State's content standards certified by the Council." The Senate bill says the assessments shall be certified if the assessment or system of assessments—(1) is aligned with the State's or group of State's challenging content standards certified by the Council; (2) involves multiple measures of student performance; (3) provides for the participation of all students with diverse learning needs; and (4) provides for the accommodations and adaptations necessary to permit such participation. The Senate recedes. (p. 63, #72)

In General: The House bill, but not the Senate bill, includes related services personnel. The Senate recedes. (p. 64, #73)

In General: The House bill, but not the Senate bill, says that the Council shall certify a State's assessment system only if the State has established or adopted opportunity to learn standards. With an amendment, replacing "State's assessment system" with "State assessments". The Senate recedes, with an amendment rewriting the House provision to read as follows:

"(C) The Council shall certify State assessments only if—

"(i) a State can demonstrate that all students have been prepared in the content for which they are being assessed; (ii) such assessments will not be used to make decisions regarding graduation, grade promotion, or retention of students for a period of four years from the date of enactment of this Act; and" (p. 65, #74)

In General: Both the House and Senate bills say that the Council shall certify an assessment system only if it will not be used to make "high stakes" decisions. The House prohibition is for period of five years from the date of enactment of this act; The Senate prohibition is for a period of three years. The House recedes, with an amendment changing the period to four years. (p. 65, #75)

In General: The House bill, but not the Senate bill, says that the Council shall certify an assessment system only if the State has submitted—(1) a description of the purposes for which the assessment system has been designed; (2) the methodologies and process used to develop, select, validate, and use such assessment systems; and (3) a copy of the test instrument and other measures that will make up the system. The Senate recedes, with an amendment adding a fourth submission requirement stating, "a description of other measures the State will use to evaluate student performance", striking "and as appropriate, other measures that will make up the system", and changing "assessment system" to "State assessments" throughout the provision to "State assessments". (p. 65, #76)

In General: The House bill, but not the Senate bill, says that the Council shall certify an assessment system only if the State has submitted evidence that the test or tests are valid, reliable measures of their intended purposes, are aligned with State content standards, are capable of assessing the progress of all students toward learning the material in the State content standards, and are consistent with relevant nationally recognized professional and technical standards. The Senate recedes. (p. 66, #77)

In General: The House bill, but not the Senate bill, requires the Council to, at the request of a State prior to developing an assessment system for a proposed use, review and provide guidance to that State on a proposed package of measures, including tests that would be included in an assessment system. The Senate recedes, with an amendment replacing "developing" with "submitting". (p. 66, #77a)

Implementation: The Senate bill adds the phrase ", if such State or group has challenging State content standards that have been certified by the Council." The Senate recedes. (p. 67, #78a)

Implementation: The Senate bill, but not the House bill, requires the certification criteria to address the extent to which a State's assessment will support effective curriculum instruction. The Senate bill, but not the House bill, refers to assessments being "fair". The House bill, but not the Senate bill, refers to assessments being "consistent with relevant, nationally recognized professional and technical standards for assessment". The Senate recedes. (p. 68, #79)

Implementation: The House bill, but not the Senate bill, refers to "emerging new State and local assessments". The Senate recedes. (p. 68, #80)

Implementation: The House bill requires the Council to certify an assessment only if it includes all students; Senate bill requires that the certification criteria address the extent to which assessments include all students, especially students with disabilities or with limited English proficiency. The Senate recedes, with an amendment saying that the assessment "provides for the adaptations and accommodations necessary to permit such participation." (p. 69, #81)

Performance of Duties: The House bill, but not the Senate bill, requires the Council to provide for a process of broad public input as part of the process of developing criteria for standards and assessments. The Senate recedes. (p. 70, #82)

Performance of Duties: The House bill, but not the Senate bill, requires the Council to periodically recertify the assessments it certifies. The Senate recedes. (p. 71, #83)

Construction: The House bill and the Senate bill have similar provisions regarding the voluntary nature of standards certification, but the House includes assessment certification. The House bill clarifies that State participation in title III of this Act shall not be a condition to participate in any Federal education program. The Senate recedes.

The Senate bill clarifies that the Act does not create a legal enforceable right for any person against a State, LEA, or school based on a standard or assessment certified by NESIC or the NESIC certification criteria. The House recedes.

POWER OF THE COUNCIL

Gifts; Use of Facilities: The Senate bill, but not the House, bill allows NESIC to accept, administer, and utilize gifts or donations of services. The Senate recedes. (p. 74, #84).

ADMINISTRATIVE ARRANGEMENTS AND SUPPORT

Contracts and Other Arrangements: The House bill, but not the Senate bill, requires the Council to transmit to the Secretary the criteria and proposed national content, performance, and opportunity to learn standards and assessments so that the Secretary may publish such criteria and proposed standards in the Federal Register in order to receive public comment. The Senate recedes. (p. 75, #85)

OPPORTUNITY-TO-LEARN DEVELOPMENT GRANTS

In General: The House bill authorizes the Secretary to make one OTL development grant; the Senate bill authorizes the Secretary to award more than one such grant. The House recedes. (p. 79, #86)

In General: The Senate bill, but not the House bill, requires the consortia which receive grants to develop a listing of model programs for use by States in assessing the capacity and performance of individual schools and developing appropriate actions to be taken in the event that schools fail to achieve opportunity to learn standards. The House recedes, with an amendment including a new provision to read as follows: "providing all students with an opportunity to learn;". (p. 79, #88)

Composition of Consortium: Both bills require that, to the extent possible, each consortium that receives a grant include the participation of certain people. The House includes "State level policy makers" (e.g. Governors, State legislators, chief State school officers, and State school board members), whereas the Senate requires each of these people separately; the House has one category called "local policymakers and administrators" (e.g., local school board members, superintendents, and principals), whereas the Senate requires each of these people separately; both bills include teachers, but the Senate bill, unlike the House bill, also includes related services personnel; both bills include parents, but the House bill, unlike the Senate bill, also includes individuals with experience in promoting parental involvement in education; the House bill, but not the Senate bill, includes experts in vocational-technical education; the House bill, but not the Senate bill, includes individuals with expertise in school finance and equity, the education of at-risk students, and the preparation and training of teachers and school administrators; both bills include representatives of advocacy groups, but the House specifies "student and civil rights advocacy groups." The Senate recedes, with an amendment to include related service personnel and representatives of advocacy groups including students and civil rights advocacy groups. (p. 80–81, #89)

Composition of Consortium: The House bill, but not the Senate bill, requires that the consortium draw upon current research about student achievement and the necessary conditions for effective teaching and learning, and provide for the development of several consecutive drafts of standards which incorporate the comments and recommendations of educators and other knowledgeable individuals across the Nation. The Senate recedes, with an amendment replacing "several consecutive" with "more than one". (p. 82, #90)

Composition of Consortium: The House bill, but not the Senate bill requires that one-third of the consortium's membership consist on individuals with expertise in the educational needs and assessment of children who are from low-income families, minority backgrounds, have limited-English proficiency, or have disabilities. The Senate recedes. (p. 82, #91)

Composition of Consortium: The House bill, but not the Senate bill, requires that the membership of the consortium be geographically representative and reflect the racial, ethnic, and gender diversity of the United States. The Senate recedes. (p. 82, #92)

Applications: The House bill, but not the Senate bill, requires the Secretary to give a priority to applications from consortia which involve individuals and organizations with the greatest diversity of perspectives and points of view. (p. 83, #93)

Report: The House bill, but not the Senate bill, requires the consortium to submit a report to the Secretary which discusses the background, important issues, and rationale regarding the voluntary national opportunity to learn standards. The Senate recedes. (p. 83, #94)

Assessment development and evaluation grants

General: The House bill and the Senate bill have similar provisions regarding grants for the development of assessments. They differ as follows: The House provision is in its own section and has a separate funding authorization; the Senate provision is in Section 313(b) and may be funded from a pool of funds (drawn from not more than 50% of the National Leadership money), which funds may also be used for assistance to urban and rural LEAs, schools, or consortia. The two possible uses of funds are connected by the word "or"—so the Secretary must provide either urban and rural assistance or assessment assistance, or both. The House bill lists the eligible entitles as "States and local educational agencies"; the Senate bill lists the eligible entities as a State or local educational agency, nonprofit organization or consortium thereof". The Senate recedes. It is the intent of the conferees that when the Secretary makes grants to SEAs or LEAs, such agencies can work with organizations of demonstrated effectiveness.

General: The Senate bill, but not the House bill, put a priority on grants or contracts for limited English proficient students or students with disabilities. The Senate recedes, with an amendment inserting "and for students with disabilities" at the end of the provision. (p. 84a, #96)

General: The House bill requires the Secretary to reserve a portion of the funds authorized for assessment grants to make grants to SEAs and LEAs for purposes of developing assessments in languages other than English. The Senate recedes, with an amendment inserting "and for students with disabilities" at the end of the provision. (p. 84a, #96)

Requirements: The House bill, but not the Senate bill, says that an assessment system developed and evaluated with funds under this section may not be used to make "high stakes" decisions for a period of five years from the date of enactment of this Act. The Senate recedes, with an amendment replacing "an assessment system" with "State assessments". (p. 85, #999)

EVALUATION

Grant: The House bill, but not the Senate bill, requires that the Secretary annually make a grant to the National Academy of Sciences or to the National Academy of Education to conduct an evaluation of technical quality of the work performed by the Goals Panel and the Council; the process used by the Council to develop criteria for certification and to certify standards and assessments; and the process used by the Goals Panel to approve certification criteria and standards. The grantee must also periodically provide the Goals Panel and the Council information from the evaluation, and report on the opportunity to learn and assessment development grants. Finally, the grantee must periodically report to Congress, the Secretary, and the public regarding its findings, and shall make a final report not later than January 1, 1998. The Senate recedes, with an amendment specifying that the National Academy of Education is the group to do the study and that the study be done only once during reauthorization of the bill, with the final report finished by January 1, 1998. (p. 86, #100)

Part C—Leadership in Educational Technology

PURPOSES

Purpose: The Senate bill, but not the House bill, includes a new program in title II for Leadership in Educational Technology. The House recedes. (p. 88, 1st #101)

FEDERAL LEADERSHIP ACTIVITIES AUTHORIZED

In General: The Senate bill, but not the House bill, authorizes the Secretary, in consultation with the National Science Foundation, the Department of Commerce, and other appropriate Federal departments or agencies, to carry out activities designed to provide Federal leadership in promoting higher student achievement through the use of technology in education. The House recedes. (p. 91, 1st #101)

Transfer of Funds: The Senate bill, but not the House bill, in order to carry out coordinated or joint activities to achieve the purposes of this program, allows the Secretary to accept funds from, and transfer funds to, other Federal departments or agencies. The House recedes, with an amendment deleting "transfer funds to". (p. 91, 2nd #101)

NATIONAL LONG-RANGE PLAN

The Senate bill, but not the House bill, requires the Secretary to publish within 12 months of the enactment of this Act, a national long-range plan to carry out the purposes of this part. The Secretary must develop the plan in consultation with other Federal departments or agencies, State and local educators and policymakers, experts in technology, and providers of technology; transmit the plan to the President and Congress; and publish the plan. The plan must describe how the Secretary will encourage the use of technology in order to provide all students the opportunity to achieve State standards; joint activities to be conducted with other Federal agencies and departments; how the Secretary will work with educators and State and local educational agencies to facilitate the use of technology in education; how the Secretary will promote higher achievement of all students through the integration of technology in the curriculum, increased access to technology, the use of technology to assist in the implementation of State systemic reform strategies, the application of technological advances, and the professional development of teachers in the use of new technologies; how the Secretary will determine the feasibility and desirability of establishing guidelines to facilitate an easy exchange of data and effective use of technology; and the Secretary's long-range measurable goals and objectives relating to the purposes of this part. The House recedes.

The Senate bill, but not the House bill, requires the Secretary to provide assistance to the States to enable them to plan effectively for the use of technology in all schools. The House recedes.

OFFICE OF EDUCATIONAL TECHNOLOGY

Amendment to the Department of Education Organization Act: The Senate bill, but not the House bill, creates an Office of Educational Technology in the Department of Education. The House recedes, with an amendment striking the reference to the General Education Provisions Act. (p. 96, 2nd #101)

Establishment: The Senate bill, but not the House bill, delineates the functions of the Director of the Office of Educational Technology as carrying out part C of the Goals 2000: Educate America Act; providing leadership to the Nation in the use of technology and to promote the achievement of the National Education Goals; reviewing all programs and training functions administered by the Department in order to promote the infusion of technology and technology planning throughout all such programs; and performing additional functions as the Secretary may require. The House recedes, with an amendment putting the matter into the Department of Education Organization Act. (p. 97, #101)

Personnel: The Senate bill, but not the House bill, authorizes the Director, to select, appoint, and employ such officers and employees as may be necessary. The House recedes (p. 99, 1st #101)

Compensation of the Director: The Senate bill, but not the House bill, amends section 5315 of the U.S. code in order to provide for the compensation of the Director. The House recedes. (p. 99, 2nd #101)

USES OF FUNDS

In General: The Senate bill, but not the House bill, authorizes the Secretary to use funds appropriated for part to carry out activities to achieve the purpose of this part, including providing assistance to technical assistance providers so that they might improve their services; consulting with interested parties in carrying out this part; conducting research on and developing guidelines to facilitate maximum interoperability; conducting research on and developing educational applications of the most advanced and newly emerging technologies; developing and evaluating software, model strategies for preparing teachers to use technology, and model programs; conducting conferences; and other activities. The House recedes. (p. 100, #101)

Grants and Contracts: The Senate bill, but not the House bill, requires the Secretary to carry out activities directly by grant or contract, and requires that each grant or contract be awarded on a competitive basis and pursuant to a peer review process. The House recedes. (p. 103, #101)

NON-FEDERAL SHARE

In General: The Senate bill, but not the House bill, allows the Secretary to require any recipient of a grant or contract to share the costs of the activities under this part. The House recedes. (p. 103, no #)

OFFICE OF TRAINING TECHNOLOGY TRANSFER

Transfer: The Senate bill, but not the House bill, requires that the Office of Training Technology Transfer established under section 6103 of the Training Technology Act of 1988, be transferred to the Office of Educational Technology. The House recedes, with an amendment to add "and established in" before the Office. (p. 104, #101)

AUTHORIZATION OF APPROPRIATIONS

Authorization of Appropriations: The Senate bill, but not the House bill, amends section 6108 of the Training Technology Transfer Act of 1988 to authorize $3,000,000 to be appropriated in fiscal year 1995, and such sums as may be necessary in fiscal years 1996 through 1999. The Senate recedes. (p. 105, #101)

Opportunity to Learn Development Grant: The House bill authorizes $3,000,000 to be appropriated for fiscal year 1994 and such sums as may be necessary for fiscal year 1995 to carry out the opportunity to learn development grant program; the Senate bill authorizes $1,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995 to carry out the opportunity to learn development grant program. The House recedes, with an amendment replacing "1,000,000" with "2,000,000". (p. 106, #102)

Assessment Development and Evaluation Grant: The House bill authorizes $5,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 through 1998 to carry out the assessment development and evaluation grants program; the Senate bill allows the Secretary to use a portion of the funds reserved for National Leadership Activities under title III for the assessment development grants. The Senate recedes. (p. 107, #103)

Leadership in Educational Technology: The Senate bill, but not the House bill, authorizes $5,000,000 to be appropriated for fiscal year 1994 and such sums as may be necessary to each of the fiscal years 1995 through 1998 to carry out the technology program. The Senate recedes. (p. 107, #104)

TITLE III—STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT

FINDINGS

Titles: Different Titles (House: CONGRESSIONAL FINDINGS; Senate: FINDINGS). The House recedes. (p. 108, no #)

Findings: The House bill refers to "learn and achieve high standards"; the Senate bill refers to "learn to high standards". The Senate recedes. (p. 108, no #)

Findings: The House bill, but not the Senate bill, adds the phrase "in order to increase student learning". The Senate recedes. (p. 109, #105)

Fingings: The House bill refers to "child care"; the Senate bill refers to "early childhood education and child care". The House recedes. (p. 110, #106)

Findings: The House bill, but not the Senate bill, states that schools should provide information to business regarding how the business community can assist schools in meeting the goals of this Act. The Senate recedes. (p. 111, #108)

Findings: The House bill, but not the Senate bill, includes a finding regarding institutions of higher education entering into partnerships with schools. The Senate recedes. (p. 111, #109)

Findings: The House bill refers to "helping to bring all students the opportunity to learn"; the Senate bill refers to "helping to provide all students with the opportunity to learn". The House recedes. (p. 111, no #)

Findings: The Senate bill, but not the House bill, includes a finding stating that all students are entitled to teaching practices that are in accordance with accepted standards of professional practice. The Senate recedes. (p. 112, #110)

Findings: The Senate bill, but not the House bill, includes a finding stating that all students are entitled to participate in a broad and challenging curriculum and to have access to resources sufficient to address other education needs. The House recedes. (p. 112, #111)

Findings: The Senate bill, but not the House bill, includes a finding stating that quality education management services are being used by LEAs and schools that contract out for services. The House recedes. (p. 112, #112)

PURPOSE

Purpose: The House bill says the purpose of the title is to improve the quality of education for all students "by improving student learning through a long-term, broad-based effort to promote" while the Senate refers to the same purpose "by supporting a long-term, broad-based effort to provide". The Senate recedes. (p. 112, no #)

Purpose: The House bill refers to "throughout the Nation at the local and State levels"; the Senate bill refers to "throughout our Nation at the State and local levels". The House recedes, with an amendment replacing "our Nation" with "the Nation". (p. 112, no #)

AUTHORIZATION OF APPROPRIATIONS

Authorization: The House bill authorizes $393,000,000 to be appropriated in FY 1994; the Senate bill authorizes $400,000,000 to be appropriated in FY 1994, and the wording is different. The House recedes. (p. 113, #113)

ALLOTMENT OF FUNDS

Reservation of Funds: The House bill refers to "funds appropriated under section 303"; the Senate bill refers to "funds appropriated pursuant to the authority of section 303 in each fiscal year". The Senate recedes. (p. 113, no #)

Reservation of Funds: The House bill, but not the Senate bill, includes the parenthetical phrase "(referred to in this Act as the 'Bureau')". The Senate recedes. (p. 114, #113a)

Reservation of Funds: The Senate bill, but not the House bill, includes assistance to Alaska Native students under this subsection. The House recedes. (p. 114, #114)

Reservation of Funds: The House bill reserves up to 6 percent for national activities; the Senate bill reserves not more than 4 percent for national activities. The House recedes, with an amendment that changes the reserved funds to 5 percent. (p. 114, #115)

Reservation of Funds: The Senate bill, but not the House bill, specifies the subsection of section 313 (National Leadership Activities) for which funds may be reserved under this paragraph. This is because the House and Senate bills have different versions of section 313. (See section 313 for details.) The Senate recedes. (p. 114, #115a)

Reservation of Funds: The House bill, but not the Senate bill, authorizes the cost of the evaluation activities to be met with the funds reserved for national activities. The Senate recedes. (p. 114, #116)

State Allotments: The House bill refers to "States"; the Senate bill refers to "State educational agencies". The House recedes. (p. 115, no #)

Reallotments: The House bill refers to "State's"; the Senate bill refers to "State educational agency's". The House recedes. (p. 116, no #)

Reallotments: The House bill refers to "States"; the Senate bill refers to "State educational agencies". The House recedes. (p. 116, no #)

Maintenance of Effort: The Senate bill, but not the House bill, includes a maintenance of effort requirement. The House recedes, with an amendment striking the last except clause and inserting the following after "received"; except that the Secretary may waive the applicability of this subsection when the recipient presents justifiable reasons for a reduction of expenditures. (p. 116, #118)

Supplement Not Supplant: The Senate bill, but not the House bill, includes a supplement not supplant requirement. The Senate recedes. (p. 117, #119)

STATE APPLICATIONS

Application

The conference agreement makes clear that states may apply for a one-year planning grant in order to develop a plan. Once they have a plan, states may use the plan as their application for implementation funds.

In General: The House bill refers to "State"; the Senate bill refers to "State educational agency". The House recedes. (p. 117, no #)

Additional Information: The House bill, but not the Senate bill, requires an assurance that the student achievement standards developed pursuant to this Act are not less rigorous than those standards used prior to enactment of this Act. The Senate recedes. (p. 118, #120)

Additional Information: The House bill, but not the Senate bill, requires an assurance that States will provide for broad public participation in the planning process. The Senate recedes. (p. 118, #121)

First Year: The House bill refers to "State's"; the Senate bill refers to "State educational agency's". The House recedes. (p. 119, no #)

Subsequent Years: The House bill refers to "A State's second application"; the Senate bill refers to "A State educational agency's application for the second year of assistance". The House recedes. (p. 119, no #)

STATE IMPROVEMENT PLANS

Basic scope of plan

Basic Scope of Plan: The House bill refers to "plan"; the Senate bill refers to "State improvement plan". The House recedes throughout the bill.

Basic Scope of Plan: The Senate bill, but not the House bill, eliminates the words "fundamental restructuring". The House recedes.

The House bill in this section requires any State that wishes to receive a grant to address the establishment of content and student performance standards and the means to have students achieve them. It lists the requirements that are repeated in subsections (c) through (i) below. The Senate bill requires only that any State that wishes to receive an allotment to develop a State improvement plan for education in the State. The Senate bill lists the requirements only in subsections (c) through (i) below.

The differences between the two bills in this subsections are compared in those subsections. The House recedes with an amendment, adding "Consistent with the requirements of this section," at the start of the provision and moving paragraph (7) to a new subsection in the State plan section, and amending that paragraph to read as follows: "(i) each state plan shall establish strategies to assist local educational agencies and schools to meet the needs of children aged 5 to 17 who have dropped out of school and the extent to which such children can be brought back into the education system and meet state standards;".

Plan development

In General: The House bill states that the State plan "must be developed by a broad-based panel (referred to in this title as the 'panel')"; The Senate bill states that the State plan "shall be developed by a broad-based panel". The House recedes. (p. 123, no #)

In General: The House bill refers to "teachers"; the Senate bill refers to "school teachers" and "related services personnel". The House bill includes deans of colleges of education. The Senate recedes, with an amendment changing deans of colleges of education to "deans or senior administrators of a college, school, or department of education". (p. 124, #125b)

In General: The House bill refers to "Indian tribes"; the Senate bill refers to "tribal agencies", and in the Senate bill, the "as appropriate" modifies tribal agencies; in the House bill the "as appropriate" modifies others. The Senate recedes, with an amendment deleting "Indian tribes" and inserting "Indian tribes and others" after "and, as appropriate". (p. 124, no #)

In General: The House bill refers to "State and local officials responsible for health, social services, and other related services"; the Senate bill refers to State and local officials". The Senate recedes. (p. 124, no #)

In General: The Senate bill, but not the House bill, refers to "organizations serving young children" and "secondary students". The House recedes. (p. 124, 1st #126)

In General: The House bill, but not the Senate bill, includes representatives from rural and urban local educational agencies. The Senate recedes, with an amendment adding "as appropriate" after "the State". (p. 124, 2nd #126)

In General: The Senate bill provides that a representative from a private, non-profit elementary and secondary school should be included on the panel. The House recedes, with an amendment that the representative must come from a private school that is participating in federal programs of aid to education. (p. 124, 3rd #126)

In General: The House bill, but not the Senate bill, includes experts in educational measurement and assessment. The Senate recedes. (p. 124, 4th #126)

Appointment: The House bill requires the State panel to establish procedures regarding the operation of the panel, including the designation of the panel chairperson; the Senate bill requires the Governor and the chief State school officer to jointly select the chairperson of the panel and the representative of a private, non-profit elementary and secondary school described in paragraph (1)(D). The Senate recedes, with an amendment that the Governor and chief State school officer jointly select a private school representative, and that the representative come from a private school participating in federal programs of aid to education. (p. 125, #127)

Representation: The House bill adds the words "To the extent feasible" before "The membership". The Senate recedes. (p. 125, #128)

Representation: The House bill, but not the Senate bill, requires that one-third of the panel members be individuals with expertise in educational needs and assessments of children who are from low-income families, minority group backgrounds, have limited English proficiency, or have disabilities. The Senate recedes, with an amendment establishing the number of panel members with expertise or background in the educational needs or assessments of children from low-income families, with minority group backgrounds, with limited-English proficiency, or with disabilities, in a proportion not less than the proportion that such children bear to all children in the state or one-third, whichever is less. (p. 125, #129)

Outreach: The House bill refers to "Indian tribes"; the Senate bill refers to "tribal government officials, as appropriate". The House recedes. (p. 126, no#)

Outreach: The Senate bill, but not the House bill, refers to specific groups within the State's diverse population of students and clarifies the definition of Native American students to include "American Indian, Alaska Native, and Native Hawaiian" students. The House recedes, with the amendment adding, "as appropriate". (p. 126, #130)

Outreach: The Senate bill, but not the House bill, refers to assuring that the development and implementation of the State improvement plan reflects local needs and experiences and does not result in a significant increase in paperwork for teachers. The House recedes. (p. 126, #131)

Outreach: The House bill, but not the Senate bill, requires the State panel to develop a continuing process for interacting with local educational agencies and schools engaged in systemic reform which receive subgrants under this Act. The House recedes. (p. 127, #132)

Submission: The Senate bill requires the submission of both the State improvement plan and the plan developed by the panel with an explanation of the differences. The House bill requires the submission of the State's plan only if it has modified the panel's plan, and also requires an explanation of the changes. The Senate recedes. (p. 127, #133)

Monitoring; Revisions; Reporting: The House bill requires the panel to monitor the implementation and effectiveness of the State's plan after it has been approved by the Secretary. The Senate bill requires the SEA to inform the panel about progress of the State's plan, but the SEA monitors "the implementation and operation of the plan." The House recedes. (p. 128, #134)

Teaching, Learning, Standards, and Assessments: Both the House bill and the Senate amendment include a section on improving teaching and learning in the State plan. The House bill requires the plan to establish strategies and a timetable for improving teaching and learning; the Senate bill requires the plan to establish strategies for meeting the National Education Goals by improving teaching and learning, and requires that the strategies involve broad-based and ongoing classroom teacher input. The Senate bill, but not the House bill, also says the State improvement plan must establish strategies for improving students' mastery of basic and advanced skills to achieve a higher level of learning and academic accomplishment in English, math, science, history, geography, foreign languages and the arts, civics, government, economics, physics, and other core curricula.

The conference agreement combines elements of the two bills so that each State plan, with broad-based classroom teacher input, must establish strategies for meeting the National Goals by improving teaching and learning and students' mastery of basic and advanced skills in core content areas, such as English, mathematics, science (including physics), history, geography, foreign languages, the arts, civics and government, and economics.

Both the House bill and the Senate amendment included lists of activities under the Teaching, Learning, Standards, and Assessments subsection. In the House bill, these activities were required elements of the plan, while in the Senate amendment they were illustrative examples. The elements in the lists also differed somewhat.

The conference agreement makes four of these elements required—(1) a process for developing or adopting content and student performance standards for all students, including coordination with the Perkins Act; (2) a process for developing valid, nondiscriminatory, and reliable State assessments; (3) a process for aligning State or local curricula, instructional materials, and State assessments with the State content and performance standards; and (4) a process for familiarizing teachers with the State content and performance standards and developing the capability of teachers to provide high quality instruction within such content areas. All other elements from both the House bill and the Senate amendment are included in a second list of illustrative examples. Duplicative provisions are eliminated, and there are minor drafting changes.

On the required assessment provision, the House receded to the Senate language with minor changes.

Opportunity-to-Learn Standards: The House bill requires each State plan to establish a strategy and timetable for adopting and establishing opportunity to learn standards, and each item following is an item which must be addressed by the State plan. The Senate bill requires each State improvement plan to establish strategies for providing all students with an opportunity to learn. The conference agreement provides for the following with regard to the issue of opportunity to learn:

(d) OPPORTUNITY TO LEARN STANDARDS OR STRATEGIES.—

(1) Each State improvement plan shall establish standards or strategies for providing all students with an opportunity to learn. These standards or strategies shall include such factors that the State deems appropriate to ensure that all students receive a fair opportunity to achieve the knowledge and skills as described in content and performance standards adopted by the State.

(2) Notwithstanding any other provisions of this Act, the implementation of opportunity to learn standards or strategies shall be voluntary on the part of the States, local educational agencies, and schools.

(3) Nothing in this section shall be construed to—(A) mandate equalize spending per pupil for a State, local educational agency, or school; or (B) mandate national school building standards for a State, local educational agency, or school." It is the intent of the conferees that the factors referenced in subsection (d) include those listed in subsection (c).

Accountability and Governance and Management: The House and Senate bills both requires the State plan to establish strategies for improvement management; the House bill includes governance and management while the Senate bill includes accountability and management. The House bill lists a series of activities that a State may undertake while the Senate has no list. The Senate recedes, with amendment to add accountability to the title and the provision. (p. 134, #145)

The House bill's list of activities includes:

1. States may align responsibility, authority, and accountability throughout the education system. The Senate recedes, with an amendment striking "regarding content and student performance standards are coordinated with decisions". (p. 135, #145)

2. States may create an integrated and coherent approach to attracting, recruiting, preparing and licensing, appraising, rewarding, retaining, and supporting the professional development of teachers, administrators, and other educators. The Senate receded, striking the House language and replacing it with: "(2) creating an integrated and coherent approach to recruiting, retaining, and supporting the continued professional development of teachers (including vocational teachers) and other educators, with special attention to the recruitment and retention of qualified minorities into the education profession;", (p. 135, #145)

3. States may provide incentives for high performance. The House recedes. (p. 136, #145)

4. States may increase the proportion of State and local funds allocated to direct instructional purposes. The House recedes. (p. 136, #145)

5. States may increase flexibility for local educational agencies and schools. The House recedes. (p. 136, #145)

Parental and Community Support and Involvement: The House bill requires each State plan to describe strategies for how the State will involve parents and other community members in planning, designing, and implementing its plan and then goes on to list a series of allowable strategies; the Senate bill requires each State to describe comprehensive strategies to involve the community (and then list different parts of the community) in helping all students the challenging State standards. The Senate recedes, with an amendment replacing "members" with "representatives" after "community". (p. 137, #146)

The House list includes:

1. educating the public about the need for higher standards, systemic improvement, and awareness of diverse learning needs. The House recedes. (p. 137, #146)

2. involving parents, communities, and advocacy groups in the standards setting and improvement process. The House recedes. (p. 138, #146)

3. linking the family and school in supporting students in order to meet the standards. The House recedes. (p. 138, #146)

4. reporting to parents, educators, and the public on the progress of implementing the State plan and improving student performance. The House recedes. (p. 138, #146)

5. focusing public and private resources on prevention and early intervention. The Senate recedes, with an amendment striking "(B) improving communications and information exchange; and" and "(C) providing appropriate training to agency personnel,". (p. 138, #146)

6. increasing the access of all students to social services, health care, nutrition, related services and child care services. The Senate recedes. (p. 139, #146)

Making the Improvement System-Wide: The House bill requires State plans to described the strategies States will employ to help people provide all students throughout the State the opportunity to meet challenging State standards, and then list a series of allowable strategies; the Senate bill requires State improvement plans to describe the various strategies for ensuing that all local educational agencies and schools within the State are involved in developing and implementing needed improvements within a specified period of time in order to help provide all students throughout the State the opportunity to meet challenging State standards. The Senate recedes. (p. 139, #147)

The House list of allowable strategies includes:

1. ensuring that the improvement efforts expand from the initial local educational agencies, schools and educators involved to all such entities in the State. The House recedes. (p. 139, #147)

2. developing partnerships among preschools, elementary and secondary schools, institutions of higher education, cultural institutions, health and social service providers and employers. The House recedes. (p. 140, #147)

3. providing for the close coordination of standards development and improvements efforts among institutions of higher education, secondary and elementary schools. The House recedes. (p. 140, #147)

4. conducting parental involvement activities and outreach programs to involve all segments of the community in the develop-

ment of the State plan. The House recedes. (p. 140, #147)

5. developing partnerships with Indian tribes and schools funded by the Bureau of Indian Affairs. The Senate recedes, with an amendment moving this subsection to be in the last in the list. (p. 141, #147)

6. allocating all available local, State, and Federal resources to achieve systemwide improvement. The House recedes. (p. 141, #147)

7. providing for the development of objective criteria and measures against which the success of the local plans will be evaluated. The House recedes. (p. 141, #147)

8. providing for the available curricular materials, learning technologies, and professional development in a manner ensuring equal access by all local educational agencies in the State. The Senate recedes. (p. 141, #147)

9. taking steps to ensure that all local educational agencies, schools, and educators in the State benefit from successful programs and practices supported by funds under this title. The House recedes. (p. 141, #147)

10. providing assistance to students, teachers, schools and local educational agencies that are identified as needing assistance. The House recedes. (p. 142, #147)

Promoting Bottom-Up Reform: Both the House and Senate require the state plan to include strategies for ensuring that reform is promoted from the bottom up. The Senate recedes. (p. 142, #148)

The House bill also includes a list of allowable strategies:

1. ensuring that the State plan is responsive to the needs and experiences of local educational agencies, schools, teachers, the communities, and parents. The House recedes. (p. 142, #148)

2. establishing mechanisms for continuous input and feedback from schools, communities, advocacy groups, institutions of higher education, and local educational agencies. The House recedes. (p. 142, #148)

3. providing discretionary resources that enable teachers and schools to purchase needed professional development. The House recedes. (p. 143, #148)

4. establishing collaborative networks of teachers. The House recedes. (p. 143, #148)

5. providing flexibility to schools and local educational agencies. The Senate recedes. (p. 143, #148)

6. facilitating the provision of waivers from State rules and regulations that impede the local educational agency's ability to carry out plans. The Senate recedes. (p. 143, #148)

7. facilitating communication among educators and within local educational agencies. The House recedes. (p. 144, #148)

Coordination with School-to-Work Programs: The House bill, but not the Senate bill, requires that a State that has received a school to work grant include a description of how such program will be incorporated into school reform efforts, and requires the plan to demonstrate how secondary schools will be modified in order to provide certain services. The Senate recedes. (p. 144, #149)

Benchmarks and Timelines: The House bill, but not the Senate bill, requires State plans to include strategies for coordinating the integration of academic and vocational instruction. The Senate recedes. (p. 145, #150)

Benchmarks and Timelines: The House bill requires each State to describe how it will monitor progress toward implementing the State and local plans and the procedures that the State will use to ensure that schools and school districts meet State opportunity to learn and content standards within the established timelines. The Senate recedes, with an amendment rewriting paragraph (2) of the House language to read as follows: "(2) procedures the State plans to use, consistent with State law, to improve schools that are not meeting the content standards voluntarily adopted by the State within the established timelines;". With regard to this item and item regarding accountability, governance and management in disagreement, it is the intent of the conferees that each State plan, as part of monitoring progress, should provide for the periodic reporting to the public on the extent of the State's improvement in providng all students with an opportunity to achieve the knowledge and skill levels that meet the State's content and student performance standards. (p. 145, #151)

PROHIBITION ON FEDERAL MANDATES, DIRECTION, AND CONTROL

Prohibition: Both bills include a general prohibition on Federal mandates, direction, and control although the House bill limits the prohibition to this Section and the Senate bill applies it to the Act. The Senate version also says that this Act does not allow the Federal government to mandate a State or locality to incur costs not paid for under this act. The House recedes. (p. 146a, #152)

Construction: The Senate bill, but not the House bill, clarifies that nothing in this Act shall be construed to supersede the provisions of section 103 of the Department of Education Organization Act, and to require the teaching of values or the establishment of school-based clinics as a condition of receiving funds under this Act. The Senate bill also contains numerous specific prohibitions on federal mandates. The Senate recedes.

It is the intent of the conferees that nothing in this legislation supersedes Section 103 of the Department of Education Organization Act. This would include, but is not limited to, prohibiting the federal government from mandating to states, local educational agencies, or schools: limitations on class size, a Federal teacher certification system, teacher instructional practices, equalized per pupil spending, school building standards, curriculum content, or curriculum framework, instructional material, examination, or assessment for private, religious, or home schools.

STATE AND LOCAL GOVERNMENT CONTROL OF EDUCATION

Findings

Finding: The Senate bill includes a provision reaffirming State and local responsibility for the control of education. The House recedes. (p. 146c, #153)

Peer review and secretarial approval

In General: The House and Senate bills both require approval by the Secretary of Education, with advice. The Senate bill adds "within a reasonable period of time" and the word "peer" to review. The House recedes. (p. 146f, #154)

In General: Both Senate and House bills require involvement of advocates, but the House bill says "advocates of children with disabilities". The House recedes. (p. 146f, #155)

In General: The Senate bill, but not the House bill, does not require the Secretary to review a State application through the peer review process and conduct a site visit for a State educational agency in the first year. The House recedes, with an amendment to add "except during the period of when a grant is being developed" after "Such peer review process shall include at least 1 site visit to each State." (p. 147, #156)

Approval of Plan: Both the House and Senate bills require the Secretary to approve a state's plan after reviewing the peer reviewers' comments. There are some differences in what the bills require the Secretary to consider. The House adds "holds promise of enabling all students to achieve at high levels", meets the requirements of subsections (a) through (k), and allows schools, LEAs, and communities the flexibility to implement plans. The Senate version adds that the plan should have been submitted within two years after an SEA got its first allotment and if it "holds reasonable promise of helping all students." The Senate recedes, with an amendment to keep its provision of a two-year deadline and replacing "enabling" in the House provision with "helping". (p. 147, #157)

Disapproval: The House bill, but not the Senate bill, requires that each State plan include a process for regularly reviewing and updating standards and assessments. The Senate recedes, with an amendment replacing "regularly" with "periodically" and adding "or strategies" after "opportunity to learn standards". (p. 148, #158)

Amendments to plan

In General: The House bill refers to "Each State"; the Senate bill refers to "Each State educational agency". The House recedes. (p. 148, no #)

Review: The House bill requires the Secretary to review major amendments to the State plan through the same process used to review the original plan—i.e., peer review as described in (n)(1), criteria as described in (n)(2), and an opportunity for revision and a hearing as described in (n)(3).

The Senate bill also requires the Secretary to review any major amendment to the State improvement plan, but only specifies that the Secretary shall not disapprove any such amendment before offering the State educational agency an opportunity for revision and a hearing (the equivalent of (n)(3) in the House bill). The Senate bill does not require the Secretary to conduct a peer review for amendments to the plan. The House recedes. (p. 149, #159)

Preexisting State Plans and Panel: The House bill refers to a plan that "otherwise meets the requirements of this section"; the Senate bill refers to a plan that "meets the intent and purposes of section 302." The House recedes, with an amendment replacing "of section 302" with "of this section". (p. 149, #159a)

Preexisting State Plans and Panel: The House bill says the Secretary may approve preexisting plans; the Senate bill says the Secretary shall approve such preexisting plans if they meet all the requirements listed. The Senate recedes. (p. 149, #160)

The Senate bill, but not the House bill, requires that the preexisting plan ensures broad-based participation of representatives from education, political, community groups, and other appropriate groups. The Senate recedes. (p. 149, #161)

Special Rule: The House bill refers to meeting the "requirements of this section"; the Senate bill refers to meeting the "intent and purposes of section 302". The Senate recedes, with an amendment replacing "requirements" with "intents and purposes". (p. 150, #159a)

Special Rule: The House bill says the Secretary "may"; the Senate bill says the Secretary "shall". The Senate recedes. (p. 150, #161a)

The House bill allows the Secretary to treat the panel as "meeting the requirements of this title"; the Senate bill allows the Secretary to treat the panel as "meeting such requirements for all purposes of this title". The Senate recedes. (p. 150, #159aa)

The House bill refers to "statewide involvement of educators, parents, students, advocacy groups, and other interested members of the public"; the Senate bill refers to "substantial public and educator involvement". The Senate recedes. (p. 150, #162)

The Senate bill, but not the House bill, allows the Secretary to approve, at the request of the Governor and the State educational agency, an existing panel if the Secretary determines that the existing panel is serving a similar purpose and if the composition of the panel would ensure broad-based input from various education, political, community and other appropriate representatives. The Senate recedes. (p. 151, #163)

Secretarial review of applications; payments

First Year: The House bill refers to "the renewal application of the State will be able to develop"; the Senate bill refers to "the State will be able to develop". The Senate recedes. (p. 152, no #)

Second Through Fifth Years: The Senate bill, but not the House bill, requires that in order for a State to have its renewal application approved, it must implement its State improvement plan not later than the end of the second year of participation. The Senate recedes. (p. 152, #164)

State use of funds

First Year: The House bill, but not the Senate bill, requires that, if appropriations for section 304(b) is at least $50,000,000, States receiving a grant use at least 75 percent of such funds for subgrants to local educational agencies to allow such agency to develop or implement local improvement plans or for professional development activities; and a State may use the remainder of such funds for State activities under section 306. If appropriations for section 304(b) are less than $50,000,000, then a State is not required to make subgrants to local educational agencies. The Senate recedes, with an amendment setting the percentage at 60 percent. (p. 153, #165)

First Year: The Senate bill sets the trigger at $200 million, and then States must use at least 75% of funds for subgrants. The Senate bill also says that if funds appropriated are greater than $100,000,000 but less than $200,000,000, then the State shall use at least 50 percent of such funds for local educational agency subgrants; if funds appropriated are less than $100,000,000, then a State may make subgrant grants to local educational agencies. The Senate recedes. (p. 154, #165)

Succeeding Years: The House bill requires that States receiving an allotment for any year after the first year of participation use 90 percent of such funds for subgrants to local educational agencies to implement local and State improvement plans and for professional development activities; the Senate bill requires that 85 percent of such funds be used for subgrants. The Senate recedes. (p. 155, #166)

Succeeding Years: Senate adds "related service personnel" to educators. The Senate recedes. (p. 155, #166a)

Succeeding Years: The House bill says that, if the State uses its funds for developing or adopting standards, it must do so through consortia of States "and" in conjunction with NESIC. The Senate bill says that, if the State uses its funds for developing or adopting standards, it must do so through a consortia of States "or" in conjunction with NESIC. The House recedes. (p. 156, #167)

Succeeding Years: The House bill, but not the Senate bill, includes limited-English proficient students. The Senate recedes. (p. 157, #168)

Succeeding Years: The Senate bill, but not the House bill, includes as an allowable activity supporting innovative and proven methods of enhancing a teacher's ability to identify student learning needs, etc., including significantly reducing class size and promoting instruction in chess. The House recedes, with an amendment to strike the provision regarding chess, ending the provision with "creative resolution methods." (p. 157, #169)

Succeeding Years: The Senate bill includes organizations serving young children and includes training for parents. The House recedes. (p. 157, #171)

Succeeding Years: The House bill refers to "promoting public magnet schools, public 'charter schools', and other mechanisms for increasing choice among public schools"; the Senate bill refers to "promoting mechanisms for increasing public school choice, including information and referral programs which provide parents information on available choices and other initiatives to promote the establishment of innovative new public schools, including magnet schools and charter schools". The Senate recedes, with an amendment to include the Senate provision about information and referral programs. (p. 158, #172)

Succeeding Years: The Senate bill adds provisions for supporting activities related to start-up costs or evaluation costs associated with contracts between LEAs and private management contracts. The House recedes, with an amendment striking "start-up costs or" from the provision. It is the intent of the conferees that private companies engaging in these types of contracts must pay for start-up costs. (p. 158, #173)

Succeeding Years: The Senate bill also allows programs for mentoring and for programs that restore discipline and reduce violence. The House recedes. (p. 158, #174)

Succeeding Years: The Senate bill, but not the House bill, includes a special rule regarding any new public school that is established under this title. The House recedes. (p. 159, #175)

SUBGRANTS FOR LOCAL REFORM AND PROFESSIONAL DEVELOPMENT

Subgrants for local educational agencies

In General: The House bill, but not the Senate bill, allows States to make subgrants to consortia of local education agencies. The Senate recedes.

In General: The House bill says that State subgrants to LEAs must be consistent with sections 308 (a) (1) and 308(b)(1) (A)—these sections indicate how much of the money a State receives must be used for subgrants. The Senate bill says that SEA subgrants to LEAs must be used to carry out the authorized activities described in paragraph (4)—this paragraph describes how an LEA can use its subgrant and how the subgrant must be allocated. The Senate recedes, with an amendment specifying the cross-references to authorized activities.

In General: The House bill, but not the Senate bill, requires the State to make at least one subgrant to a rural local educational agency and at least one subgrant to an urban local educational agency. The Senate recedes, with an amendment adding "where appropriate".

Application Required: The House bill includes an additional first paragraph that refers to LEAs wishing to receive a subgrant "under this title" (not subsection). This paragraph also requires LEAs to include in their application assurances that they intend to develop a plan that meets the requirements of this section.

The House bill (in paragraph 3) requires LEAs to submit a "local plan"; the Senate bill requires an "application." (The House bill also requires an "application" in paragraph 2 above.) The Senate recedes, with an amendment adding "for one year only" after "under this title".

Application Required: The Senate bill includes related services personnel, secondary students, early childhood educators, and community-based organizations. The Senate recedes.

Application Required: The House bill includes advocacy groups. The Senate recedes.

Application Required: The House bill, but not the Senate bill, requires the local panel to establish the procedures regarding the operation of the panel, including the designation of the chairperson. The Senate recedes.

Application Required: The House bill requires, in the first year, a "comprehensive local plan" that is consistent with the State improvement plan (which is either approved or under development); the Senate bill requires a "comprehensive local improvement plan" that LEAs must include in the application submitted for the second year of participation. The Senate recedes, with an amendment replacing "includes a comprehensive local plan for" with "shall address" at the beginning of the provision, and inserting "reflecting the priorities of" after "benchmarks," and before "consistent".

Application Required: The House bill requires a strategy for implementing opportunity to learn standards; the Senate bill requires a strategy for ensuring that all students have a fair opportunity to learn. The House recedes.

Application Required: The House bill requires a strategy for "generating and strengthening parental and community involvement"; the Senate bill requires a strategy for "generating and maintaining parental and community involvement". The Senate recedes, with an amendment including "maintaining" along with "generating and strengthening" parental and community involvement.

Application Required: The House bill, but not the Senate bill, requires the local plan to promote the flexibility of local schools in developing plans which address the particular needs of their school and community and are consistent with the local plan. The Senate recedes.

Application Required: The House bill, but not the Senate bill, requires the local plan to describe a process of broad-based community participation in the development, implementation, and evaluation of the local plan. The Senate recedes.

Application Required: Both bills require a description of how the LEA help individual schools develop plans. The Senate bill includes "and implement." The House bill says "relevant" elements; the Senate bill says "each" element. The Senate recedes, with an amendment to include "and implement" after "develop" with regard to comprehensive school improvement plans.

Application Required: The House bill refers to "public and private agencies"; the Senate bill refers to "public and private nonprofit agencies". The House recedes (p. 164, no #)

Application Required: The House bill refers to "coordinated services"; the Senate bill refers to "coordinated nonsectarian services". The House recedes. (p. 164, no #)

Application Required: The House bill requires that a local educational agency submit its plan to the State for approval together with the modifications and comments from the local panel regarding such plan.

The Senate bill only requires participation of the broad-based panel in the development of the application and plan. The LEA is allowed to make modifications it deems appropriate. (see side by side 161) The Senate recedes. (p. 165, #187)

Monitoring: The House bill requires that the panel monitor the effectiveness of the local plan; the Senate bill has the LEA monitor its plan's progress to inform the panel of progress. In both bills, the panel may make recommendations to the LEA for revisions, and report to the public. The House recedes. (p. 165, #188)

Monitoring: In the Senate bill, the LEA must make assurances that the plan does not result in significant increase in paperwork for teachers. The House recedes. (p. 165, #188)

Monitoring: The House bill, but not the Senate bill, includes community members in the list of people to be consulted. The Senate recedes. (p. 165, #189)

Authorized Activities: The Senate bill, but not the House bill, allows local districts to use a portion of their planning money to establish innovative new public schools. The House recedes, with an amendment charging replacing "shall" with "may" after "the subgrant" and before "use". (p. 166, #190)

Authorized Activities: The House bill, but not the Senate bill, includes the phrase "which are tailored to meet the needs of their particular student populations". The Senate recedes, with an amendment to include "State content and performance standards" at the end of the provision. (p. 167, #191)

Authorized Activities: The House bill, but not the Senate bill, requires that a local educational agency use not more than 5 percent of its annual allotment under this Act for administrative expenses. The Senate recedes. (p. 167, #192)

Authorized Activities: The House bill, but not the Senate bill, requires the State educational agency to give priority to awarding subgrants to consortia of local educational agencies or to a local educational agency that makes assurances that funds will be used to assist a consortium of schools that has developed a plan for school improvement. The Senate recedes, with an amendment to replace "priority" with "special consideration". (p. 168, #193)

Subgrants for preservice teacher education and professional development activities

In General: Both bills require SEA to make peer reviewed subgrants for progressional development to consortia, but the Senate would also allow a single LEA to receive such a grant. The Senate recedes, with an amendment so that it reads: "(1)(A) Each State educational agency shall make subgrants to a local educational agency or a consortium of LEAs, in cooperation with institutions of higher education, nonprofit organizations, or any combination thereof". The Senate recedes, with an amendment replacing "consortia of local educational agencies," with "a local educational agency or a consortium of local educational agencies, in cooperation with". (p. 168, #194)

In General: The House bill lists "private nonprofit organizations" among the groups of which consortia are developed; the Senate bill lists "nonprofit education organizations". The Senate recedes, with an amendment to strike "private". (p. 168, no #)

In General: The Senate bill adds reheated services personnel education programs. The House recedes, with an amendment that inserts "and related services personnel working with educators" in subsection (ii) after "professional development activities for educators". (p. 168, #194a)

In General: The House bill requires that—(1) a consortium that applies for a preservice grant must include at least one local educational agency and at least one institution of higher education; (2) a consortium that applies for an inservice grant must include at least one local educational agency. The Senate bill requires that a consortium that applies for either kind of grant must include at least one local educational agency. Note: The Senate bill, unlike the House bill, also allows individual LEAs to receive grants on their own. Also, there are drafting differences ("to apply for" vs. "to be eligible to receive"). The House recedes. (p. 169, #197)

In General: The Senate bill requires that State educational agencies give a priority to awarding subgrants to a local educational agency or consortium that serves a greater number of percentage of disadvantaged students that the statewide average or a consortium that has a demonstrated record of working with schools, including consortia that prepare and screen teacher interns in professional development school sites, that focus on upgrading teachers knowledge of content areas or target teachers of students with limited English proficiency or students with disabilities. The House recedes, with an amendment striking item (b)(ii) and replacing it with the following (ii) a local educational agency or consortium that forms partnerships with collegiate educators to establish professional development sties; and (iii) a local educational agency or consortium that—(I) focuses on upgrading teachers' knowledge of content areas; or (II) targets preparation and continued professional development of teachers of students with limited-English proficiency and students with disabilities. (p. 169, #198)

In General: Throughout this application section, the House bill refers to "a consortium"; the Senate bill refers to "a local educational agency or a consortium". The Senate adds related services personnel. The House recedes, with an amendment starting the provision with "A local educational agency in cooperation with or a consortium in cooperation with". (p. 170, no#)

In General: The House bill, but not the Senate bill, allows subgrant funds to be used for costs related to release time for teachers to participate in professional development activities. The Senate recedes. (p. 172, #199)

In General: The House bill allows inclusion of related services personnel in professional development activities, as appropriate; the Senate bill requires that related services personnel be included in professional development activities under paragraph (B). The Senate recedes. (p. 172, no #)

In General: The House bill, but not the Senate bill, requires State educational agencies to place a priority on awarding subgrants to local educational agencies that form partnerships with collegiate educators to establish professional development schools. This provision is similar to Senate provision in (b)(1)(B) iii p. 169 & 170. The House recedes, with an amendment striking item (b)(ii) and replacing it with the following: (ii) a local educational agency or consortium that forms partnerships with collegiate educators to establish professional development sites; and (iii) a local educational agency or consortium that—(I) focuses on upgrading teachers' knowledge of content areas; or (II) targets preparation and continued professional development of teachers of students with limited-English proficiency and students with disabilities. (p. 172, #200)

SPECIAL AWARD RULES

In General: The House bill requires that 50 percent of subgrant funds be made to local educational agencies that have a greater percentage or number of disadvantaged students than the statewide average; the Senate bill requires that 65 percent of subgrants funds be awarded to those local educational agencies. The Senate recedes. It is the intent of the conferees for states to ensure that school districts serving numbers or concentrations of low-income students higher than the state average receive a share of local grant funds that is at least proportionate to their share of the total student population in the state. Too often, competitive grant programs end up serving those schools with political connections or the best grant writing team, rather than the schools that have the greatest need for improvement. This provision is intended to ensure that states provide the kind of support and assistance that is necessary so that all districts can develop quality innovative school reform proposals. This fifty-percent provision is intended as a floor, not a ceiling. (p. 173, #201)

AVAILABILITY OF INFORMATION AND TRAINING

Availability: The House bill, but not the Senate bill, provides for a waiver of the private school participation language if a State or local educational agency is either prohibited from providing for the equitable participation of private school teachers and administrators, or if the SEA or LEA has failed to provide or is unwilling to provide for their participation. In these cases, the Secretary shall arrange for training consistent with State goals and standards. Waivers are subject to section 1017 in ESEA. The Senate recedes. (p. 175, #202)

WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS

Waiver authority

In General: The Senate bill, but not the House bill, requires local educational agencies seeking a waiver to provide parents, community groups, and advocacy or civil rights groups with an opportunity to comment on the proposed waiver. The House recedes. (p. 177, #204)

Application: The House bill allows an LEA not receiving assistance under this Act but is undertaking school reform efforts that meet the state plan's objectives to request a waiver. The Senate bill has a similar provision, but says "a state approved reform plan." The Senate recedes, with an amendment including schools. (p. 177, #205)

Application: The House bill includes a requirement that the Secretary state the expected outcome from the granting of the waiver request and requires that the State identify the numbers and types of students to be impacted, a timetable for implementing the waiver, and a process for monitoring implementation. The Senate recedes. (p. 177, #206)

Application: The Senate bill has the SEA submit LEA or school requests that it has approved to the Secretary. The House recedes. (p. 177, #207)

Application: The Senate bill, but not the House bill, also allows any state with a state reform plan to request waivers. The Senate recedes. (p. 177, #208)

Duration

Duration: The House bill, but not the Senate bill, requires the Secretary's decision to be printed in the Federal Register and disseminated by the State educational agency. (p. 178, #209)

In General: The House bill requires the waivers to be for a period not to exceed 3 years; the Senate bill requires the waivers to be for a period not to exceed 5 years. The Senate recedes, with an amendment establishing the period not to exceed 4 years. (p. 179, #210)

Waivers Not Authorized: In the list of waivers not authorized, the House version has "or" between the first four and the fifth while the Senate version has "and". Leg. Counsel: It is the understanding of both bills that none of the requirements listed may be waived. (p. 180, #211)

Waivers Not Authorized: The Senate bill, but not the House bill, does not allow waivers unless the underlying purposes of the statutory requirements continue to be met to the satisfaction of the Secretary. The House recedes. (p. 180, #212)

Results-Oriented Accountability: The Senate bill specifies that when the Secretary makes the determination that performance justifies an extension of a waiver, that determination should be based on achieving the outcomes described in the application. The House recedes, with an amendment striking "Results-Oriented" in the title and replacing "outcomes" with "desired results". (p. 181a, #213)

Flexibility Demonstration: The Senate bill contains a flexibility demonstration pilot for up to 6 states. In this pilot, the Secretary would delegate to states the authority to grant waivers for the same programs as in (b) included programs. The House recedes, with amendments replacing "any" with "one or more" so that the Secretary can allow States to waive one or more federal regulations, replacing "shall" with "may" so that the Secretary may carry out an educational flexibility program; and change "State" to "State educational agency" throughout the provisions outlining the program. (p. 181aa, #214)

PROGRESS REPORTS

State Reports to the Secretary: The House bill adds "and increasing student learning," to local goals and plans. The Senate recedes. (p. 181e, #215)

Secretary's Report to Congress: The Senate bill includes reporting requirements on the waivers, including recommendations to Congress on which statutes impede reform and should be changed. The House recedes. (p. 182, #216a)

TECHNICAL AND OTHER ASSISTANCE REGARDING SCHOOL FINANCE EQUITY

Technical Assistance: The Senate bill includes a provision for technical assistance regarding school finance equity. This provision would provide help to states that request it on models and methods for equalizing resources within a state. The House recedes. (p. 182b, #217)

NATIONAL LEADERSHIP

Technical Assistance and Integration of Standards: The House bill requires the Secretary to carry out the national leadership activities through OERI; the Senate bill allows the Secretary to carry out some of the national leadership activities, and requires the Secretary to do others. The House recedes, with an amendment stating that any of these activities that are research-based shall be administered by the Office on Educational Research and Improvement. (p. 183, #218)

Required by the House:

(1) technical assistance to SEAs and LEAs on school planning (optional in Senate)

(2) grants to tribal agencies (optional in Senate)

(3) support for demonstration projects that unite LEAs and outside collaborators

The House recedes. (p. 183, #219)

Data and Dissemination: Both the House and Senate require dissemination on systemic improvement although the emphasis is different. Senate requires dissemination through existing systems in Department of Education. The House recedes, with an amendment adding "and how it affects student learning" after "evaluate systemic education improvement". (p. 183, #220)

Data and Dissemination: The Senate bill, but not the House bill, allows the Secretary to support model projects to integrate multiple content standards. The House recedes. (p. 185, #221)

Innovative Programs; Assessment; Evaluation: Both bills have provisions regarding grants and assistance the Secretary shall provide to urban and rural areas. The differences between the provisions are as follows:

(1) In the House bill, the grants and assistance are intended to assist urban and rural LEAs in developing and implementing local school improvement plans. In the Senate bill, the grants and assistance are for innovative and experimental programs in systemic education reform that are not being undertaken through grants under section 309(a) [Subgrants to LEAs]. Note: The House bill says that grants must be made "consistent with the provisions of section 209(a)". The Senate recedes, with the amendment that local educational agencies getting money under this provision cannot get money under section 309(a). (p. 185, 1st #222)

(2) In the House bill, grants and assistance may go to LEAs; the Senate bill says LEAs, schools, or consortia thereof. The House recedes, with an amendment to remove schools from the Senate provision. (p. 185, 2nd #222)

(3) Both bills say that grants and assistance must go to urban and rural LEAs (or, in the Senate bill, consortia, as described in note 2 above). The House bill says that the LEAs must have large numbers or concentrations of poor children or LEP children. The Senate bill says that the Secretary must give special consideration or priority to LEAs (or schools or consortia) that serve large numbers or concentrations or poor children, including LEP children. The Senate recedes. (p. 185, 3rd #222)

(4) The House bill reserves "at least 50%" of the national leadership funds for this subsection; the Senate bill reserves "not more than 50%" of the national leadership funds. Note: In the Senate bill, these reserved funds may also be used to provide grants and contracts for assessment development (see page 84a of side-by-side) The Senate recedes. (p. 185, 4th #222)

Innovative Programs; Assessment; Evaluation: The House bill, but not the Senate bill, requires the Secretary to use not less than $1,000,000 of the funds reserved for national leadership activities to survey coordinated services programs that have been found to be successful in helping students and families and in improving student outcomes. The Secretary is also required to disseminate information about such programs to schools that plan to develop coordinate service programs. The Senate recedes, with an amendment to replace "survey" with "replicate". (p. 186, #223)

ASSISTANCE TO THE OUTLYING AREAS AND TO THE SECRETARY OF THE INTERIOR

Outlying Areas

In General: The House bill requires that funds reserved under section 304(a)(1)(A) for the outlying areas be distributed among such areas by the Secretary according to the relative need; the Senate bill requires that funds reserved under section 304(a)(1)(A) shall be made available to, and expended by the outlying areas under such conditions and in such manner as the Secretary determines will best meet the purposes of this title. The Senate recedes. (p. 186, #223a)

Secretary of the Interior

Secretary: Both the House bill and the Senate bill have similar provisions regarding the use of funds reserved to the Secretary of Interior, but the House bill includes a series of detailed provisions regarding Bureau of Indian Affairs programs funded under this title. The Senate recedes (p. 187, #224)

Secretary: The House bill, but not the Senate bill, contains minimum assurances that must be contained in the agreement between the Secretary and the Secretary of Interior. The Senate recedes. (p. 187, #224a)

Voluntary Submission: The House bill, but not the Senate bill, requires that the provisions regarding State submission of standards and assessment systems to NESIC apply to the Bureau. The Senates recedes. (p. 189, #224b)

Plan Specifics: The House bill, but not the Senate bill, contains specific provisions that must be included in the reform and improvement plans. The Senate recedes. (p. 189, #224c)

Panel: The House bill, but not the Senate bill, requires the Secretary of Interior to establish a panel to develop the plan for system-wide reform and improvement (the House bill delineates the membership of that panel). The Senate recedes. (p. 189, #224d)

BIA COST ANALYSIS

In General: The House bill, but not the Senate bill, requires the Secretary of Interior to reserve an amount not to exceed $500,000 for the National Academy of Science, to do an analysis of the costs associated with meeting the academic and home-living residential standards of the Bureau of Indian Affairs. The Senate recedes. (p. 194, #224e)

CLARIFICATION REGARDING STATE STANDARDS AND ASSESSMENTS

Clarification: The Senate bill, but not the House bill, clarifies that standards, assessments, and systems of assessments described in the State improvement plan do not have to be certified by NESIC. The House recedes, with an assessment replacing ", assessments, and systems of assessments" with "State assessments". (p. 196, #225)

STATE PLANNING FOR IMPROVING STUDENT ACHIEVEMENT THROUGH INTEGRATION OF TECHNOLOGY INTO THE CURRICULUM

Purpose: The Senate bill, but not the House bill, includes a $10,000,000 program for States to plan effectively to improve student learning through the use of technology in all schools in the State. The House recedes, with an amendment to change the program to a $5 million authorization for 1994. (p. 197, #226)

PROGRAM AUTHORIZED

Authority: The Senate bill, but not the House bill, allows a State to submit, as part of its application under section 305, a request for a grant to develop a systemic statewide plan to increase the use of state-of-art technology in schools. The House receded. (p. 197, #226a)

Formula: The Senate bill, but not the House bill, would provide each State making a request for a grant an amount determined in the same basis as amounts are determined under subsections (b) and (c) of section 304, except that each State shall receive 1 and ½ percent of the amount appropriated for this program or $75,000, whichever is greater. The House recedes, with an amendment establishing the State minimum at $75,000. (p. 198, #226b)

Duration: The Senate bill, but not the House bill, provides for the duration of a grant under this section to be for 2 years. The Senate recedes. (p. 198, #226c)

Plan Objectives: The Senate bill, but not the House bill, contains a listing of plan objectives that each systemic statewide plan must have. The House recedes. (p. 198, #226d)

Plan Requirements: The Senate bill, but not the House bill, contains minimum requirements that must be included in each systemic statewide plan. The House recedes, with an amendment including an additional requirement that shall read as follows: "(15) describe how the SEA will facilitate collaboration between the State Literacy Resource Centers (20 USC 1208aa), LEAs, and adult and family literacy providers, to ensure that technology can be used by adult and family literacy programs during after school hours.". (p. 199, #226e)

Reports: The Senate bill, but not the House bill, requires State educational agencies receiving grants under this section to submit a report to the Secretary within 1 year of the date that an agency submits its systemic statewide plan to the Secretary. The House recedes. (p. 202, #226f)

Reports: The Senate bill, but not the House bill, contains requirements regarding what should be included in the State reports. The House recedes. (p. 202, #226g)

Authorization of Appropriations: The Senate bill, but not the House bill, authorizes $10,000,000 for fiscal year 1994, and such sums as may be necessary for fiscal year 1995 to carry out this section. The House recedes, with an amendment changing the authorization to $5 million. (p. 203, #226h)

MISCELLANEOUS

Khalid Abdul Mohammed: The Senate bill includes a sense of the Senate provision condemning the speech made by Khalid Abdul Mohammed at Kean College on November 29, 1993. The Senate recedes. (p. 204b, #226i)

The Senate amendment contains three provisions relating to voluntary prayer or mediation in public schools. Section 405 provided for the cut-off of all federal education funds to state or local educational agencies that have a policy that prevents constitutionally protected prayer in public schools. Section 418 provided that federal education funds shall not be denied to state or local educational agencies because they have adopted a constitutional policy relative to prayer in public schools. Section 406 expressed the sense of the Senate that schools should encourage a period of daily silence. The House bill contained no provision. The House recedes with an amendment providing that funds authorized to be appropriated by the Act may not be used by state or local educational agencies to adopt policies that prevent voluntary prayer and meditation in public schools.

Students do not shed their right to religious liberty at the schoolhouse gate, just as they do not lose other constitutional rights. In addition, private reflection is valuable in permitting children to draw strength from their personal values and beliefs so that they are prepared to learn and grow. Children would do well to take time each day to consider what they hope to accomplish and how their actions will affect themselves and others around them.

This section promotes these important values by providing that funds made available under this Act may not be used to adopt policies designed to prevent students from engaging in constitutionally protected prayer or silent reflection. The conferees do not intend that this section confer new legal rights. Instead, the section respects our long tradition of local control over educational decisions, while ensuring that funds made available under this Act are not spent preventing the exercise of cherished constitutional rights.

Funding for the Individuals with Disabilities Education Act: The Senate bill includes a provision expressing the sense of the Senate that the Federal government should fully fund IDEA, through the reallocation on funds within the current budget monetary constraints. The House recedes, with an amendment specifying the expenditure would originate from the reallocation of non-educational funds. (p. 204d, #226m)

National Board for Professional Teaching Standards: The Senate bill includes a provision regarding the National Board for Professional Teaching Standards. The House recedes. (p. 204e, #226n)

Forgiveness of Certain Overpayments: The Senate bill includes a provision (Sec. 405) correcting a Department of Education error in Chapter One allocations to Colfax County, New Mexico. The House recedes. (p. 204f, #226o)

Study of Goals 2000 and Students with Disabilities: The Senate bill includes a provision of requiring the Secretary of Education to make arrangements with the National Academy of Sciences to conduct a study of the inclusion of children with disabilities in Goals 200 school reform activities. The House recedes, with an amendment stating that funding come from funds available to the Secretary for research related to individuals with disabilities, the Secretary shall make available, and to give the option to make arrangements with the National Academy of Sciences or the National Academy of Education. (p. 204g, #226p)

Mentoring, Peer Counseling and Peer Tutoring: The Senate bill includes a provision expressing the sense of the Congress that federal education programs should include authorizations for mentoring, peer counseling, and peer tutoring programs. The Senate recedes. (p. 204j, #226q)

Content and Performance Standards: The Senate bill includes a provision expressing the Sense of the Senate regarding the importance of high academic standards in state reform plans. The Senate recedes. (p. 204k, #226r)

State-Sponsored Higher Education Trust Fund Savings Plan: The Senate bill includes a provision expressing the Sense of the Senate that Federal tax laws should not preclude States from promoting higher education savings plans. The Senate recedes. (p. 204l, #226s)

Amendments to Summer Youth Employment and Training Program: The Senate bill includes a provision amending the Summer Youth Employment and Training Program. The House recedes. (p. 204m, #226t)

Protection of Pupils: The Senate bill includes a provision which amends Section 439 of the General Education Provisions Act regarding students' right to privacy. The House recedes. It is the intent of the conferees that the language in Section 439, part a, referring to "any applicable program" applies to programs funded in whole or in part by the Department of Education. It is not intended to cover, nor does it cover, programs funded through other Departments or Agencies of the Federal government. It is also the intent of the conferees that full discretion is left to the local school district in deciding how to comply with the law. There are other federal education laws that require that certain notice be given to parents (FERPA) for example), and a school has discretion to determine their methodology. (p. 204o, #226u)

Contraceptive Devices: The Senate bill includes a provision instructing the Departments of Education and Health and Human Services to ensure that all federally funded programs which provide for the distribution of contraceptive devices to unemancipated minors encourage, to the extent practical, family participation in such programs. The House recedes. It is the intent of the conferees to make clear that, while family involvement is to be encouraged, to the extent practical, in federally funded programs which provide for the distribution of contraceptive devices to emancipated minors, nothing shall be construed to mandate parental consent or parental notification in accessing or utilizing these services. (p. 204r, #226v)

DEFINITIONS

Definitions: The House bill defines the terms "all student and all children" in the same definition and uses the term "students" throughout the definition; the Senate bill separates the definitions of the terms "all children" and "all students", but uses the same definition for both, and also uses the term "children" and the term "all students" in the appropriate definitions. The House bill, but not the Senate bill, includes American Indians, Alaska Natives, Native Hawaiians, and migrant children. The House bill refers to "school-aged children who have dropped out"; the Senate bill refers to "students who have dropped out of school". The Senate recedes, with the amendment that eliminates one of the two references to "migrant children" and replaces every instance of "students" or "children" with "students and children". (p. 239, #227)

Definitions: The House bill defines the term "assessment system" to mean at least 1 test, and may include other measures of student performance, for a specific purpose and use which are intended to evaluate the progress of all students in the State toward learning the material in State content standards in 1 or more subject areas; the Senate bill defines the term "assessment" to mean the overall process and instrument used to measure student attainment of content standards, except that such term need not include the discrete items that comprise each assessment. The House recedes, with an amendment changing the term to "State assessment" and defining the term as "means measures of student performance which includes at least one instrument of evaluation, and may include other measures of student performance, for a specific purpose and use which are intended to evaluate the progress of all students in the State toward learning the material in State content standards in one or more subject areas;" (p. 240, #228)

Definitions: The House bill, but not the Senate bill, defines the terms "community", "public", and "advocacy group," all in one definition. The Senate recedes. (p. 240, no #)

Definitions: The House bill includes the definitions of the terms "local educational agency" and "State educational agency" within the same definition and defines them as they are defined in section 1471 of ESEA; the Senate bill has separate definitions of the terms "local educational agency" and "State educational agency", and defines local educational agency to have the same meaning as under section 1471(12) of ESEA except that the term may include a public school council if such council is mandated by State law, and defines State educational agency as having the same meaning as under section 1471 (23) of ESEA. The Senate recedes. (p. 241, #229)

Definitions: The House bill defines "opportunity to learn standards" as the criteria for, and the basis of assessing the sufficiency or quality of the resources, practices, and conditions necessary at each level of the education system (schools, local educational agencies, and States) to provide all students with an opportunity to learn the material in national or State content standards; the Senate bill defines opportunity to learn as the conditions of teaching and learning necessary for all students to have a fair opportunity to learn, including ways of measuring the extent to which such standards are being met. The Senate recedes to the House definition of OTL standards, with the understanding that there be no definition in the act of the term "opportunity to learn strategies." The conferees chose not to include a definition of the term "opportunity to learn strategies" in order to acknowledge that the nature of such strategies will vary from state to state.

Definitions: The Senate bill, but not the House bill, includes the Freely Associated States in the definition of outlying areas. The House recedes. (p. 242, #231)

Definitions: The House bill refers to "school", but has a later provision specify that only public schools should receive assistance under title III; the Senate bill refers to "public school". The House recedes. (p. 242, #231a)

Definitions: The House bill, but not the Senate bill, includes the proviso of "except as otherwise provided" in its definition of "State", and includes the outlying areas in that definition. The Senate recedes. (p. 242, #232)

LIMITATIONS

Assessments: The House bill, but not the Senate bill, prohibits funds provided under titles II or III to be used to undertake assessments that will be used for high stakes purposes for a period of five years from the date of enactment of this Act. The conference agreement preserves the five-year restriction on high stakes uses for title II assessments, but it modifies the title III restriction to say that assessments developed with Title III funds may be used for high stakes decisions only if students have been prepared in the content for which they are being assessed.

ASSESSMENT OF EDUCATIONAL PROGRESS ACTIVITIES

Assessment: The House bill, but not the Senate bill, includes an amendment to the Carl D. Perkins Vocational and Applied Technology Act to allow a State educational agency to use items and data from NAEP for the purpose of evaluating a course of study related to vocational education. The Senate recedes.

COMPLIANCE WITH BUY AMERICAN ACT

Compliance: The House bill, but not the Senate bill, requires that no funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with the Buy American Act. The Senate recedes, with an amendment making the provision a Sense of the Congress provision.

SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE

Purchase of American-Made Equipment and Products: The House bill, but not the Senate bill, includes a sense of the Congress that funds provided under this Act, when used for purchasing products, should purchase American made equipment and products, and requires the head of each Federal agency providing such assistance to notify each recipient of this statement. The Senate recedes.

PROHIBITION OF CONTRACTS

Prohibition: The House bill, but not the Senate bill, requires that if a court of law determines that person intentionally affixed a "Made in America" inscription on a foreign-made product, then that person shall be ineligible to receive funds under this Act. The Senate recedes, with an amendment making the provision a Sense of the Congress provision.

PARENTAL INFORMATION RESOURCE CENTERS

The House bill, but not the Senate amendment, includes a provision called Parental Information and Resource Centers. It authorizes the Secretary to make annual grants to nonprofit organizations to providing training and information to parents of children aged birth to 5 years, and children enrolled in participating schools, to individuals who work with such parents. The grants should be distributed geographically throughout the United States, include funds to establish, expand, and operate Parents as Teachers programs.

The Senate amendment, but not the House bill, includes a provision authorizing the Parents As Teachers Program.

The Senate amendment, but not the House bill, includes a section amending ESEA to allow 20% of a State's Even Start funds to be used to fund the Home Instruction Program for Preschool Youngsters (HIPPY).

On these three provisions, the Senate recedes, with an amendment including funding for Parents as Teachers and HIPPY programs in a modified provision called Parental Assistance.

ENVIRONMENTAL TOBACCO SMOKE

The Senate amendment includes Title XII regarding Environmental Tobacco Smoke, which provides that within 180 days after enactment the Administrator of the Environmental Protection Agency (EPA) would issue guidelines for instituting and enforcing a non-smoking policy at each indoor facility where children's services are provided. The term "children" is defined to mean persons who have not attained the age of 18. Children's services include health services and other direct services routinely provided to children, including educational services that are funded, directly or indirectly, by federal funds. The policy would, at a minimum, prohibit smoking in each portion of an indoor facility where such services are provided that is not ventilated separately from other portions of the facility. The title would provide for technical assistance and civil penalties.

The House has no comparable provision.

The conference agreement adopts the Senate title with some revisions aimed at making the specified prohibitions self-executing. The agreement deleted from the Senate bill provisions mandating guidelines. The objective is to make it unnecessary to issue either guidelines or regulations. Indeed, the agreement does not include any provision authorizing guidelines or regulation. The conferees understand that in the context of enforcement, the Secretary of Health and Human Services may need to develop guidelines. Presumably, that would be a public process. The revisions provide for enforcement by the Secretary of Health and Human Services.

An "indoor facility" is defined as an enclosed building.

The conference agreement prohibits smoking within any indoor facility, or portion thereof, owned or leased or contracted for and utilized by the children's service provider to provide health, day care, or Head Start services to children or for the use of the employees of such provider. Where the health or day care or Head Start service is provided in a building that also has other uses, such as for law offices, retail establishments, or even for the making of steel of the building of cars, the prohibitions would not apply to those portions of the facility. However, any portion of the facility is covered to the extent it is routinely or regularly used by employees of the service provider.

The prohibitions apply for enforcement purposes to the person who provides the children's services. Any enforcement action would be against that person. The conferees intend that the official who controls the operation of the facility would be responsible for complying with the prohibitions.

The conference agreement does not apply to health programs for which Titles 18 or 19 of the Social Security Act are the sole sources of funding. However, programs such as Community or Migrant Health Centers which receive funds under the Public Health Services Act as well as Title 19 of the Social Security Act are covered by this agreement.

The conference agreement provides that the provision by federal agencies of routine or regular kindergarten, elementary, or secondary education or library services within the United States is to be governed by the facility-wide prohibition in the first sentence of section 1204(c), while the provision of such services by federal agencies outside the United States is to be governed by the prohibition in the second sentence of 1204(c).

One test of covered children's services is that they are provided by the service provider in an indoor facility whose services are funded, after the effective date of the title, with federal grant, loan, loan guarantee, or contract monies, either directly or through a state or local government, from either the Secretary of Education or the Secretary of Health and Human Services or from, in the case of clinics under the Child Nutrition Act of 1966, the Secretary of Agriculture. In the latter case, the conferees specifically referred to section 17 of the Child Nutrition Act and the Code of Federal Regulations to make it clear that it covers clinics and it does not include any food establishments (that are not clinics) where vouchers under that Act are redeemed. The second test is that the service provider provides the services in an indoor facility that is operated, constructed, or maintained with such funds provided after the effective date of the title from such Secretaries. Where these tests are met and the services identified above are provided to children, the applicable provisions apply.

In order to give the widest possible notice, the revisions provide that the prohibitions must be published by the Secretary of Health and Human Services in the *Federal Register*. Ninety days after publication, they will be effective. The Secretary is to consult with all the affected agencies. The conferees afford the Secretary up to 270 days to do this ministerial act. They intend that the Secretary act early in this period in order to provide the full 90-day lead time. If the Secretary delays, the prohibitions are automatically effective at the end of 270 days.

Enforcement is by either civil penalty or administrative compliance order, or both. The amendment spells out the procedures.

GUN-FREE SCHOOLS

The Senate amendment, but not the House bill, contains provisions amending the Elementary and Secondary Education Act requiring local educational agencies to adopt a policy to expel for at least one year students found to have brought a gun to school. The policy may authorize the superintendent to modify the expulsion on a case-by-case basis.

The House recedes. It is the intent of the conferees that local educational agencies adopt their own polices regarding the legitimate and illegitimate possession of guns by students on public school property based on the particular circumstances of the district and its public schools. The expulsion required under the amendment should be considered a minimum sanction for the violation of that particular school district's policy regarding gun possession and is not meant to be the only alternative for the treatment of a violator. Further, the amendment should be interpreted as applying to expulsion from the regular school program. It would not preclude the student violator's attendance in alternative educational programs or receipt of educational services outside the regular school program during the period of the expulsion.

MIDNIGHT BASKETBALL

The Senate bill includes a provision authorizing the establishment of a Midnight Basketball program in the Department of housing and Urban Development. The House bill includes no such provision. The House recedes.

YOUTH VIOLENCE IN SCHOOLS AND COMMUNITIES

The Senate bill includes a provision regarding Youth Violence in Schools and Communities. The House includes no such provision. The Senate recedes. However, it is the intent of the conferees to request that the Secretary of Education and the Attorney General jointly undertake a study of the scope of disciplinary measures available under State and Federal law to school districts and schools for dealing with violent behavior on school premises, and the types and sources of information, concerning, among other things, prior convictions and pending arrests for violent offenses, that schools and school districts should have access to in order to minimize violent behavior on school premises. The study shall identify any changes in law necessary to provide schools and school districts with necessary information.

GENERAL PROVISIONS REGARDING THE OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

The House bill, but not the Senate bill, includes in its title "development, dissemination and excellence" along with "research".

The Senate recedes with an amendment to incorporate "improvement" into the title to read, "Educational Research, Development, Dissemination and Improvement."

The table of contents reflect differences of the bills.

The table will be redrawn to reflect the final bill.

The House bill, but not the Senate bill, lists findings.

The Senate recedes with editorial and clarifying changes to the text and adds "minorities" to the list of youths identified as educational research targets.

The Senate bill, but not the House bill removes OERI from the General Education Provisions Act.

The House recedes.

The House and Senate bills contain similar language contained in "policy/mission" of House bill and "purpose" of Senate bill.

The Senate recedes with an amendment to define the mission of the Office as one of expanding knowledge about education, promoting excellence and equity, promoting the use of research and monitoring the state of education.

Both bills authorize the Office to carry out the stated purposes. The Senate bill provides greater detail on the types of activities authorized. The House bill states that OERI will be guided by the priorities established by the Board.

The House recedes with an amendment to require that the Office be guided by a long-range plan which is developed by the Assistant Secretary, working collaboratively with the Board, and approved by the Board. It is the intent of the conferees that should there be disagreement between the Assistant Secretary and the Board during the development of the long-range plan on discrete items, final disposition of such items shall rest with the Assistant Secretary during the development process.

The Senate bill describes the functions of the Assistant Secretary as follows: provides for broad involvement in the planning of OERI activities, free from partisan influence; provides for standards for research; provides for a long-term agenda developed in consultation with the Board; provides information and technical assistance to States; and includes teacher advisory boards for all programs. The House has comparable provisions elsewhere in the bill.

The House recedes with an amendment to require the Assistant Secretary to develop a long-range plan, working collaboratively with the Board, which must subsequently be approved by the Board.

The House and Senate bills contain similar provisions concerning the administrative structure of the Office.

The conference substitute conforms the section to the final bill.

The House bill, but not the Senate bill, requires that certain research areas of the Institutes receive priority within OERI.

The House recedes.

Both bills contain similar provisions concerning the appointment of employees, with the added provisions in the House bill concerning public notice of vacancies and of opportunities to compete for such positions; and the requirement that such employees provide expertise that is not otherwise available among permanent employees.

The Senate recedes with an amendment requiring a public notice of vacancies of 30 days.

The House bill, but not the Senate bill, provides that the Assistant Secretary may publish reports without prior clearance once quality assurances have been met.

The Senate recedes.

Both bills require biennial reports be submitted to the Congress on the activities of the Office, the House bill by December 30th, the Senate bill by January 15th. The House bill spells out in more detail than the Senate bill what the report shall contain.

The Senate recedes with a conforming change.

The House bill provides for the coordination of education research within the Department and among the federal agencies. The bill requires the Assistant Secretary to compile and update an inventory of all federal education research. The Senate bill requires the Assistant Secretary to coordinate research activities within the Department of Education.

The Senate recedes with an amended first paragraph on coordination as follows, "With the advice and assistance of the Board, the Assistant Secretary shall work cooperatively with the Secretary and the other Assistant Secretaries of the Department to establish and maintain an ongoing program of activities designed to improve the coordination of education, research, development, and dissemination activities within the Department and within the Federal government . . ." The Secretary's report on federal research and development activities is amended to strike the word "all".

Both bills require the awards be made with the principles of peer review, in the House bill for awards above $100,000 and in the Senate bill for all awards, except for where it would be "clearly inappropriate". The House bill requires further that the Assistant Secretary establish standards for the evaluation of research and standards for the review panels.

The Senate recedes on the following sections of the contents of standards specified in the House bill: section (A) relating to a system of peer review, subsection (B)(iii) relating to a description of general procedures to be used in peer reviews, subsections (i) and (ii) of (C) concerning specific procedures to be used in evaluations, subsection (D)(i) and subsection (E)(i), concerning evaluations of performance.

The Senate bill requires that the Assistant Secretary develop standards. The House bill requires the same, but requires further that the proposed standards for evaluating research be published for comment and then be submitted to the Board for approval. The Senate bill requires that all awards be made through an open competition and peer review.

The conference substitute amends the section to merge all language in both bills.

The House and Senate bills have similar provisions concerning the Assistant Secretary's role on public involvement, long-range plans and research that is free from partisan influence. The House bill requires further that the Assistant Secretary be guided by the Research Priorities Plan and requires the Assistant Secretary to report by sex in the collection of data.

The conference substitute amends the section to merge all language in both bills.

The Senate bill, but not the House bill, requires an independent evaluation of the activities of OERI.

The House recedes with clarifying changes and an amendment which requires the Assistant Secretary to report the results of the evaluation within four years of enactment.

DEFINITIONS

The House bill but not the Senate bill defines "at-risk" student.

The Senate recedes with an amendment to include "race" among the categories and to drop from the definition the phrase, "greater potential for dropping out of school", and insert instead, "reduced academic expectations." The conferees specifically included students "who because of . . . race . . . face a greater risk of low educational achievement or *reduced academic expectations* (emphasis added)" in the definition of at-risk student. It is the entent of the conferees that the Institute on At-Risk Students examine the causes and methods to improve, low identification and service of gifted and talented minorities.

Both bills have Boards, but the House bill includes in its definition "policy" and the Senate bill includes "advisory".

The Senate recedes.

Both bills have similar definitions for "research", but the Senate bill adds "applying tested knowledge gain to specific settings".

The House recedes.

Both bills contain similar definitions for "development."

The Senate recedes.

Both bills contain similar definitions for "technical assistance."

The House recedes.

Both bills contain similar definitions for "dissemination" with the addition of technical assistance and the provision of comparative evaluations under the House bill.

The House recedes with an amendment to incorporate the idea that dissemination includes the provision of technical assistance.

The House bill, but not the Senate bill, includes a definition for "national education dissemination system".

The Senate recedes.

The House bill, but not the Senate bill, includes a definition for "national research institute".

The Senate recedes.

The House bill, but not the Senate bill, includes a definition of the United States and State.

The Senate recedes with an amendment to include the Virgin Islands and the outlying territories. We intend that the labs should continue to serve the outlying territories beginning in fiscal year 1996.

The Senate bill, but not the House bill includes a definition for the term "field-initiated research."

The House recedes.

APPROPRIATIONS

The House bill authorizes appropriations from fiscal year 1994 through fiscal year 1998 and the Senate bill makes the authorization from fiscal year 1995 through fiscal year 1995.

The House recedes.

	House	Senate
Institute/Directorates	Fiscal year 1994, $37m (at-risk). Fiscal year 1995, $100m total.	 $100m total
	Minimum amount	
	House above $70m	Senate at or below $70m
$20m (at-risk)	10%	10%
$20m (assessment)	30%	25%
$20m (governance)	10%	5%
$20m (early child)	10%	10%
$20m (lifelong)	10%	5%
	Maximum amount	
Crosscut	10%	10%
Office of Dissemination	Fiscal year 1994, $22m	
	Fiscal year 1995 such sums.	$5m
	ERIC ($7.175m)	$10m
Regional labs	Fiscal year 1994, $37m.	
	Fiscal year 1995, "such sums".	$41m
Teacher research dissemination.	Fiscal year 1994, $30m	
	Fiscal year 1995 "such sums".	$10m

The conference substitute provides $68 million prior to implementation of the Institutes in fiscal year 1995. It combines the Student Assessment and At-Risk Institutes into a single line item funded in Fiscal Year 1996 at $60 million with the requirement that each of the Institutes receives 50% of the funds appropriated in any year. The substitute provides for separate authorizations of appropriations for the remaining three Institutes beginning in fiscal year 1996, with $15 million for the Early Childhood Institute, $10 million for the Institute on Governance and $15 million for the Institute on Lifelong Learning. The substitute allows the Assistant Secretary to use up to 10% of funds appropriated for the combined Institutes for synthesis and coordination, provided that no single Institute shall have more than one-third of its funds used for this purpose. The substitute incorporates the House proposal for the Office of Dissemination and the Senate proposal for the regional laboratories and $20 million for the Teacher Research Dissemination program, from which .2% may be used for peer review.

The House bill, but not the Senate bill, authorizes $30 million for Community Partnerships.

The Senate recedes.

The Senate bill, but not the House bill, authorizes $10 million for fiscal year 1995 for National Diffusion State Facilitators.

The Senate recedes.

The Senate bill, but not the House bill, authorizes $10 million for fiscal year 1995 for the National Education Library. House bill assumes expenses to be covered under Salaries and Expenses of the Department.

The Senate recedes.

The House bill, but not the Senate bill, makes available 2% of appropriations for institutes/dissemination or $1 million (whichever is less) available for Board.

The Senate recedes with an amendment to allow funds to be used for expenses of the Board and consensus building activities by the Assistant Secretary.

The House bill requires that 95% of the funds from the amounts provided to the Institutes and to the programs under the Office of Dissemination be made available through grants or contracts. The Senate bill applies the same provision to only those funds available through the Directorates.

The Senate recedes.

The House bill, but not the Senate bill, makes appropriations for fiscal year 1995 and beyond contingent on appointment of Board.

The Senate recedes with an amendment to change the effective date to fiscal year 1996.

The House bill, but not the Senate bill, authorizes a grant of $5 million for fiscal year 1995 for a State-by-State poll.

The Senate recedes with a clarifying change and amendment to allow the grant for "any" fiscal year.

The Senate bill, but not the House bill, authorizes the Office to act for all agencies when more than one federal agency supports a single project.

The House recedes.

Both bills have language to require that existing contracts for the regional labs and grants for the research centers fulfill the time for which they were granted. The Senate bill also adds a funding mechanism to carry out the provision.

The House recedes with a clarifying change.

The Senate bill, but not the House bill, sets forth provisions regarding the continuation of legal documents, proceedings, suits and actions.

The Senate recedes.

The House bill, but not the Senate bill, specifies required qualifications for the position of Assistant Secretary.

The Senate recedes with an amendment to include "practitioners" and to modify a phrase to give "due consideration to the recommendations from the Board."

The Senate bill, but not the House bill, provides for funding of field readers.

The House recedes.

NATIONAL EDUCATIONAL RESEARCH POLICY AND PRIORITIES BOARD

The House bill establishes a Board within the Office to develop priorities for guiding the work of the Office; to review the standards for the conduct and evaluation of research; to oversee the implementation of its recommended priorities. The House bill requires further that the Board establish a long-range research priorities plan and provide biennial evaluative summaries of the research and development activities carried out by the federal government during the preceding two years. The Senate bill establishes an advisory board. The bill requires the Board to provide oversight of the Office, and requires the Board to report recommendations for improvement to the Nation.

The Senate recedes to clauses (b) (1) and (2) of the House bill with an amendment to strike, "acting through the Assistant Secretary", and to change the function of the Board to "approve" rather than "determine" the long-range plan. The House recedes on all provisions in the Senate bill, requiring that they be moved to the section concerning the duties of the Assistant Secretary.

The House bill requires the Assistant Secretary, every two years, to publish the proposed research priorities of the Office for comment and to submit the proposed priorities and comments to the Congress. The Senate bill requires the Secretary to submit a 6-year research priorities plan to the Congress, along with a progress report, every two years for meeting that plan.

The conference substitute merges all aspects of each bill.

The Senate bill, but not the House bill, requires the Assistant Secretary to publish the proposed research agenda of the directorates and allow for public comment every two years.

The House recedes.

The House bill, but not the Senate bill, requires the Board to make recommendations for the position of the Assistant Secretary and for the positions of directors of Institutes. It also requires the Board to approve standards for the conduct and evaluation of research.

The Senate recedes.

The House bill requires the Board to appoint standing subcommittees for each institute. The Senate bill gives the Board authority to establish committees.

The Senate recedes with an amendment to make the establishment of subcommittees permissive.

The House bill, but not the Senate bill, makes certain requirements on the composition of subcommittees.

The House recedes.

The House bill, but not the Senate bill, gives the Board the authority to hire staff. It establishes rates of pay. It provides the Board such powers as the authority to review grants and contracts made by the Office, to enter into contracts, to convene workshops. The Senate bill gives the Assistant Secretary the authority to hire staff which the Board can assign.

The Senate recedes with an amendment to authorize the Board to appoint an executive director and require that additional staff be provided by the Office.

Both bills require consideration be given to gender and race in the selection of Board members. The Senate bill also requires the consideration of classroom teachers.

The Senate recedes.

Both bills impose certain limitations on Board members. The House bill also includes language prohibiting "conflict of interest."

The conference substitute merges all provisions.

Both bills establish minimum qualifications for membership on the Board.

The conference substitute merges all provisions.

The House bill establishes an 18-member Board. The Senate bill establishes a 9-member Board.

The conference substitute provides for a 15 member board.

The House bill specifies that the composition of the Board shall include researchers nominated by the National Academy of Sciences and the National Academy of Education and 7 other categories of people. The Senate bill requires the Secretary to consider nominations from a wide variety.

The conference substitute establishes three categories from which 5 nominees each shall be selected. The categories are (1) school practitioners, (2) nominees made by the National Academy of Sciences, and (3) other individuals knowledgeable about education.

The House bill, but not the Senate bill, defines the conditions under which nominations may be considered from the National Academy of Sciences/Education.

The Senate recedes with a clarifying amendment.

The House bill, but not the Senate bill, requires the Secretary to solicit and to consider recommendations for Board membership from specified organizations.

The Senate recedes with a technical change.

The House bill, but not the Senate bill, lists additional nonvoting members from Federal agencies who may serve on the Board.

The Senate recedes.

Both bills select the chair in the same manner. The House bill provides the chair a two-year renewable term.

The House recedes with an amendment to keep the two-year renewable term.

The House bill gives Board members 5-year terms, renewable for another 5 years followed by a break of the same length before serving again. The Senate bill applies the same conditions to its 6-year terms.

The House recedes.

The House bill, but not the Senate bill, specifies the Board shall meet by a date certain, followed by quarterly meetings. A quorum is constituted in same fashion under both bills.

The Senate recedes with an amendment to strike the initial meeting date.

The House bill, but not the Senate bill, requires that the Board comply with the Sunshine Act.

The Senate recedes.

NATIONAL RESEARCH INSTITUTES

The House bill establishes 5 Institutes; the Senate bill establishes 5 Directorates.

The Senate recedes with an amendment to insert the conference agreements on the titles of each Institute. A technical change is also made to conform to the bill.

Both bills require that the Assistant Secretary appoint a Director for each Institute. The House bill requires additionally that nominations from the Board be considered.

The Senate recedes.

The House bill, but not the Senate bill, limits each director to a renewable 3-year term.

The House recedes.

Both bills make directors report directly to the Assistant Secretary and charges them to work with each other.

The conference substitute merges these provisions. The managers of the conference wish to note that the Committee believes that the directors of the Institutes and the Office of Dissemination in the Office of Educational Research and Improvement should be in the Senior Executive Service. It is important that OERI be advised by persons selected by virtue of their professional qualifications and expertise in research, practice, dissemination, and statistics.

Both bills authorize the same types of activities, but the House bill adds "regional laboratories" and the Senate adds "consortia". The House bill provides this authority to the Assistant Secretary. The Senate bill provides the authority to the directorates.

The conference substitute merges both bills.

The House bill requires funding of at least $2 million per year for R&D centers. They must be funded for a least 6, but not more than 10, years. The Senate bill requires that the directorates reserve at least ⅓ of their funds for R&D centers, funded at a minimum of $1.1 million per year. They must be funded for at least 5 years, renewable for another 5.

The conference substitute requires a minimum of $1.5 million per center with a funding cycle of 5 years renewable for an additional 5 years.

The Senate bill, but not the House bill, makes provisions concerning the eligibility of existing R&D centers to receive grants.

The House recedes.

The House bill, but not the Senate bill, authorizes public-private partnerships funded up to 50% with federal funds. It also authorizes funds for other solicited and unsolicited proposals and for dissertation grants.

The Senate recedes with an amendment to strike the public-private partnerships.

Both bills authorize grants for fellowships. The House bill gives meritorious 3-year fellowships to individuals traditionally under represented in research. The bill requires a level of funding comparable to those offered by the NSF.

The conference substitute merges both bills making them permissive authorities.

The House bill, but not the Senate bill, requires a balance between applied and basic research in the institutes.

The Senate recedes.

The House bill requires a minimum of 15%, the Senate bill requires 33⅓%, be reserved by the Institutes/Directorates for field-initiated studies.

The conference substitute requires a minimum of 20% be reserved in fiscal years 1996 through 1997, and that 25% be reserved in fiscal years 1998, and 1999.

The Senate bill, but not the House bill, authorizes directorates to conduct research on schools funded by the Bureau of Indian Affairs.

The House recedes with a conforming change.

The Senate bill, but not the House bill, requires directorates to conduct basic and applied research in all levels of education in the core subjects.

The House recedes with clarifying changes.

The Senate bill, but not the House bill, requires the directorates to serve as a database on model programs in the public and private sector.

The Senate recedes with an amendment placing this function within the Office of Reform Assistance and Dissemination.

The Senate bill, but not the House bill, requires the directorates to disseminate their research to the classroom.

The Senate recedes.

The House bill promotes cross-cutting issues, the Senate bill promotes synthesis, of work of the institutes/directorates. The House bill requires the cross-cutting issues be consistent with research priorities of the Board and the areas selected by the Assistant Secretary. The Senate bill requires synthesis be developed across the directorates in all levels of education. The House authorizes cross-cutting to also include collaboration with entities other than the institutes.

The conference substitute merge all provisions.

The House bill, but not the Senate bill requires that procedures regarding public notice, peer review and evaluation standards be followed before a grant or contract may be made.

The Senate recedes.

Both bills specify similar criteria to be used for the review of research centers. The Senate bill specifies how research will be disseminated. Both bills differ on the amount of time required of the director of the research center to be spent on center activities—with the House bill requiring "adequate time" and the Senate bill requiring "full-time."

The conference substitute requires that center directors and support staff devote a majority of their time to center activities.

The House bill, but not the Senate bill, requires the Assistant Secretary to submit any grant or contract proposal in excess of $500,000 to the Board for comment before being issued.

The Senate recedes.

The House bill, but not the Senate bill, requires the Assistant Secretary to maintain initiatives to increase the participation of historically under represented groups in research.

The Senate recedes.

The House bill, but not the Senate bill, gives the Assistant Secretary the authority to use outside experts, to use services and equipment made available through other public entities and to accept unconditional gifts.

The Senate recedes with an amendment striking "gift" authority.

The House bill, but not the Senate bill, sets forth findings for each of the institutes.

The Senate recedes with clarifying and editorial changes.

Both bills provide overlapping areas of research in the At-Risk Institute, but the House bill adds (1) research on how parents and communities can help students achieve (2) research on culturally sensitive assessments and research on gender equity; the Senate bill adds (1) research on effective institutional practices and (2) research on students with disabilities.

The House recedes to Senate provision (1), (3), (4), (7) and (8) and the Senate recedes to House provisions (A)(i), (ii), (iv), (v), (vi), and (b).

Both bills provide overlapping areas of research in the National Institute for Innovation in Educational Governance, Finance, Policy-making and Management. The House bill, but not the Senate bill includes research on: choice, financial incentives for achievement, expanded role for teachers, increased involvement of parents, increased representation of women and minorities, coordinated services, school to work. The Senate bill includes research on: inner workings of schooling, policy decisions at all levels, amount of dollars spent on classroom instruction, use of technology and adult education needs.

The conference substitute merges the two bills and includes "public school choice."

The House bill, but not the Senate bill, requires research on educational leadership.

The House recedes.

The House, but not the Senate bill requires research on educational choice.

The House recedes with a provision making research on public school choice permissive.

Both bills describe the similar authorized activities of the National Institute for Early Childhood Development and Education. The House bill authorizes research on learning within families with a special emphasis on character development. The Senate bill references research on instruction that considers differing cultural experiences of children.

The conference substitute merges the provisions.

The House bill, but not the Senate bill, requires that the Early Childhood Institute place an emphasis on research of at-risk children, girls and children with disabilities. It also requires that the research be aimed at improving other federal programs for young children.

The Senate recedes with an amendment striking the required emphasis.

Both bills describe similar activities to be conducted under the National Institute on Curriculum, Assessment, and Student Achievement. The Senate bill, but not the House bill, also includes research on standards of what students should know. The House bill describes in greater detail than the Senate bill, research on testing and requires that the research comply with the Standards for Educational and Psychological Tests.

The Senate recedes with an amendment striking the standards of assessment requirement and the definition of development.

The House and Senate bill describe similar activities to be conducted under the National Institute for Postsecondary Education, Libraries, and Lifelong Learning. The House bill requires collaboration with many other federal entities. The House bill is more descriptive than the Senate bill and includes in its description of areas of research, research of effective models in corrective settings and models in libraries. It requires that research be conducted on the effectiveness of various postsecondary education institutions in serving underserved populations. The Senate bill enumerates 5 areas in which research shall occur.

The conference substitute merges the House and Senate provisions.

The House bill, but not the Senate bill, requires the Assistant Secretary to coordinate a research program on teacher education.

The Senate recedes with modification.

The House bill, but not the Senate bill, requires the Assistant Secretary to coordinate a research program on technology in education.

The House recedes.

The House bill, but not the Senate bill, requires OERI to be reorganized into administrative units which parallel the institute structure.

The House recedes.

The House bill, but not the Senate bill, requires that all 5 institutes be established by October 1994.

The Senate recedes, changing the date to 1995.

NATIONAL EDUCATION DISSEMINATION SYSTEM

The House bill, but not the Senate bill, includes a "findings", "purpose" and "definition of educational program" for its Office of Dissemination.

The Senate recedes with technical changes.

Both bills establish an office of dissemination and reform within OERI. The Senate bill requires that the office be headed by a director with experience in dissemination.

The conference substitute incorporates the requirement that the office include programs or activities which are enumerated in the Senate bill under (1) and in the House bill under "Additional Duties".

Both bills require that specific duties be performed within the dissemination office. The House bill requires the Office to identify programs for dissemination and to assist programs in their assessment. It also requires assistance for the implementation of promising programs and requires research on models for dissemination. The Senate bill requires the Office to establish a depository for Department of Education products, to coordinate all OERI dissemination functions, to help link schools with labs, and to report to the Assistant Secretary on the products or services most frequently requested.

The conference substitute merges all provisions.

The House bill, but not the Senate bill, establishes a program for identifying, designating, and disseminating successful educational programs for dissemination.

The Senate recedes with technical changes.

The House bill, but not the Senate bill, requires the Assistant Secretary to keep entities apprised of dissemination programs and to make assistance available when needed.

The House recedes.

Both bills establish ERIC with similar intent, but differing language. The Senate adds the requirement that the Assistant Secretary develop a coherent policy for abstractions from literature. The House bill allows the clearinghouses to produce a variety of written formats to update its users on education research.

The House recedes on (1) with an amendment to incorporate "16 educational resource information clearinghouses" and on paragraph (2)(A). The Senate recedes on (2).

The House bill, but not the Senate bill, requires the Assistant Secretary to coordinate the activities of listed entities involved with dissemination.

The Senate recedes.

The House bill, but not the Senate bill, requires the Assistant Secretary to perform various functions to help ensure the information stored for dissemination is comprehensive.

The Senate recedes.

The House bill, but not the Senate bill, prohibits matter stored in or retrieved from the Clearinghouse from being copyrighted.

The Senate recedes.

The House bill, but not the Senate bill, authorizes the Assistant Secretary to award grants and contracts to conduct dissemination activities using technology. Smartline is among those activities authorized.

The Senate recedes with an amendment changing the term "smartline" to "electronic networking" in order to be more descriptive of the activities authorized.

The Senate bill, but not the House bill, authorizes NDN state facilitators to provide information on model or demonstration projects without program effectiveness panel approval.

The Senate recedes.

Both bills establish regional educational labs, but the Senate bill renames them. The House bill requires the Assistant Secretary to award funds through contracts.

The conference substitute takes the title of the Senate bill, with the House provisions regarding contracts, modifying the language to reflect the agreement to allow up to 12 labs.

The Senate bill, but not the House bill, expands the number of labs from 10 to not more than 20.

The conference substitute allows up to 12 labs with the following conditions: (1) creation of new labs, if at all, should take place in fiscal year 1996 as part of the recompetition of all labs; (2) provide a 60-day public comment period regarding where new regions should be formed; (3) in order for a new region to be formed, must be letters of support for new configuration from the Chief State Schools Officers and the State Boards of Education that would comprise a new region; (4) minimum of four contiguous states to form a new region, excluding those entities outside the continental United States; (5) the amount of assistance allocated to each laboratory shall reflect the total number of children within the region served by such laboratory, as well as the cost of providing services within the region. Section 941(h) requires that the existing laboratory regions be maintained except under the circumstances and conditions set forth in the legislation. These existing regions are: (i) Connecticut, Maine, Massachusetts, New Hampshire, New York, Puerto Rico, Rhode Island, Vermont, Virgin Islands; (ii) Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania; (iii) Kentucky, Tennessee, Virginia, West Virginia; (iv) Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina; (v) Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin; (vi) Arkansas, Louisiana, New Mexico, Oklahoma, Texas; (vii) Colorado, Kansas, Missouri, Nebraska, North Dakota, South Dakota, Wyoming; (viii) Arizona, California, Nevada, Utah; (ix) Alaska, Idaho, Montana, Oregon, Washington; (x) American Samoa, Guam, Hawaii, the Northern Mariana Islands, and Palau.

The Senate bill changes the definition of lab. The House bill codifies the regulatory definition of a lab.

The House recedes with clarification.

The Senate bill, but not the House bill, allows the Assistant Secretary to support a new regional lab once appropriations reach $40 million, to be funded at a minimum of $2 million and it describes the procedure for forming a new region.

The conference substitute requires a trigger year to be fiscal year 1996 with $2 million above the amount provided in that year.

Both bills describe many overlapping required duties. The Senate bill also emphasizes the labs' role of disseminating products to help students reach challenging standards. The House bill emphasizes using labs for assisting schools with systemic improvements and requires labs to provide support and technical assistance to the NDN state facilitators.

The House recedes with an amendment to insert "implementing broad-based, systemic school improvement strategies."

Both bills require labs to form networks among themselves, with the House bill more descriptive. The House bill requires the governing Board to establish the newtork.

The Senate recedes.

Both bills have similar language concerning the coordination of the labs with the Institutes/Directorates. The House bill requires attention to rural schools and educators.

The Senate recedes.

Both bills require the establishment of a governing board. The Senate bill adds the requirement that boards include teachers and education researchers.

The conference substitute merges all provisions.

The House bill requires the work of the labs to be determined by its governing board. The Senate bill requires the work of the lab to be determined by statute and by the board in consultation with the Secretary. In addition, the Senate bill holds the governing board accountable for the quality of work performed.

The conference substitute merges all provisions with a redraft of the Senate bill's first paragraph to read as follows: "subject to the requirements of this section, engage in an on-going dialogue with the Assistant Secretary concerning its goals, activities and priorities."

The House bill, but not the Senate bill, requires the Board to comply with standards of the House bill.

The Senate recedes.

Both bills require coordination with other entities, but the Senate bill focuses that coordination exclusively on Technical Assistance Centers.

The Senate recedes.

The House bill, but not the Senate bill, requires competitions for lab contracts to be announced in several publications.

The Senate recedes.

Both bills require evaluations of the work of labs. The Senate requires them every 3 years. The House requires them periodically, and requires that the review be done by an independent entity.

The House recedes.

Both bills make similar requirements concerning an application by an entity desiring to become a lab.

The Senate recedes.

Both bills make similar requirements concerning the ability of labs to be eligible to receive other assistance from the Office. The Senate bill would also allow labs to become involved in international projects or endeavors.

The House recedes.

The Senate bill, but not the House bill, authorizes the Assistant Secretary to enter into agreements with labs to use their funds for additional purposes.

The House recedes.

The Senate bill, but not the House bill, requires labs to submit a plan for the Assistant Secretary's approval. The Senate bill requires that the expiration of labs' contracts coincide with the reauthorization cycle.

The House recedes with an amendment to strike the provision concerning the expiration of labs contracts and to place the provision in statement of managers language.

The Senate bill, but not the House bill, provides that nothing in the bill shall be construed to modify existing contracts for the labs.

The House recedes.

The House bill, but not the Senate bill, authorizes Goals 2000 partnerships.

The Senate recedes.

Both bills have a teacher research dissemination program with differing title and identical findings.

The House recedes.

The House bill requires a contract for the teacher research dissemination program be given to regional labs in partnership with another entity. The Senate bill allows the Assistant Secretary to provide funds through grants, contracts or cooperative agreements, and makes a variety of institutions eligible.

The House recedes.

The House bill requires the Assistant Secretary to correlate the amount of funding for each teacher dissemination contract with the number of schools, students, etc. served. Contracts are for 3 years. The Senate bill requires the Secretary to give priority to entities which have received federal funds for research and dissemination.

The House recedes.

Both bills describe some overlapping activities of the teacher dissemination program which may be funded along with other areas unique to each bill. For example, the House bill authorizes the teacher dissemination program to train teachers in applied research, to offer sabbaticals, to train teachers in change management.

The Senate recedes with an amendment to include Senate language in the House provisions.

The House bill makes certain requirements of those who have participated in the teacher dissemination program. No comparable Senate provision.

The House recedes.

Both bills use different language for the similar purpose concerning applications to receive assistance.

The House recedes.

Both bills contain overlapping requirements for applications. The House requires, the Senate allows, participants to be offered stipends. The House requires that following participation of a teacher, funds be provided to his school districts for an additional 2 years for program continuity.

The House recedes.

The House bill, but not the Senate bill, describes selection procedures for teacher participants.

The House recedes.

Both bills require an evaluation of the teacher dissemination program, within 3 years and by an independent evaluator in the House bill, within 5 years and through a report in the Senate bill.

The Senate recedes with an amendment to change the number of years to "four."

The House bill, but not the Senate bill, allows the Assistant Secretary to reserve up to $250,000 for evaluations of the program.

The House recedes.

The Senate bill, but not the House bill, provides for coordination of activities of this program with those of the programs of the Elementary and Secondary Education Act.

The House recedes.

THE NATIONAL LIBRARY OF EDUCATION

Both bills establish a National Education Library, within OERI by the House bill, within the Department of Education by the Senate bill.

The House recedes.

The Senate bill, but not the House bill, gives an in-depth description of the library with a mission statement.

The House recedes.

Both bills list overlapping functions of the library. The House bill requires the library to establish an information and referral service on federal programs accessible through a toll-free number; it requires the library to provide comprehensive reference services; and it requires the library to foster cooperative arrangements with other libraries.

The conference substitute merges all provisions.

The House bill requires the Library to be headed by an executive director, trained in library science, to serve for renewable 5-year terms. The Senate bill requires a librarian to be selected after the Secretary solicits nominations, with no fixed term.

The Senate recedes with an amendment to strike the House provision authorizing the administrator of the Library to serve for a renewable term of 5 years.

The House bill, but not the Senate bill, requires the Assistant Secretary to appoint a task force to develop a plan for implementing the Library.

The Senate recedes.

The House bill, but not the Senate bill, requires that certain functions within the Department of Education be transferred to the Library.

The Senate recedes.

The House bill, but not the Senate bill, requires a policy be developed governing the Library's collections.

The Senate recedes.

The House bill, but not the Senate bill, requires cataloging and preservation activities.

The Senate recedes.

ADDITIONAL PROGRAMS

The Senate bill, but not the House bill, authorizes the "international education program" to study effective practices in other countries and to provide for educational exchanges. The authorization of appropriations for the combined activities is $11 million for fiscal year 1995 and "such sums" for fiscal year 1996 through fiscal year 1999.

The House recedes with an amendment striking in section 921(c)(1)(A) "The Secretary shall carry out" and inserting in lieu thereof "The Secretary, with the concurrence of the Director of the United States Information Agency and with the foreign policy guidance of the Secretary of State, shall carry out".

The committee of conference notes that the U.S. Government has already begun extensive education and exchange programs with the independent states of the former Soviet Union and Central and Eastern Europe. These programs are conducted under the authorities of the Mutual Educational and Cultural Exchange Act of 1961, the FREEDOM Support Act, and the SEED Act. The committee of conference expects that the program of international educational exchange authorized under this section will be consistent with and not duplicate, and be carried out under the same authorities and guidelines, of the ongoing programs in the region. In carrying out the purposes of this section, the committee of conference expects the Secretary of Education, the Secretary of State, and the Director of the United States Information Agency to work closely to ensure efficient uses of resources for international education programs for the NIS and Central and Eastern Europe.

In order to monitor the coordination and implementation of programs authorized under this section, the committee of conference expects the Secretary of Education, the Secretary of State, and the Director of the United States Information Agency to submit to the Committees on Foreign Affairs and on Education and Labor of the House and the Committees of Foreign Relations and on Labor and Human Resources of the Senate periodic reports on activities and programs conducted under this section.

The Senate bill, but not the House bill, amends the Perkins Vocational and Applied Technology Act to add higher education data to that which the National Occupational Information Coordinating Committee currently collects.

The House recedes.

The Senate bill, but not the House bill, amends the Elementary and Secondary Education Act to authorize a formula driven program to State Educational Agencies to provide state and local educational agencies with funds to provide science equipment in elementary schools. $10m is authorized to be appropriated in fiscal year 1995, with such sums from fiscal year 1996 through fiscal year 1997.

The Senate recedes.

The Senate bill, but not the House bill, authorizes the Secretary of Education to enter into a contract for television-based projects to help improve literacy among elementary school children. $5m is authorized to be appropriated in fiscal year 1995, with such sums in fiscal year 1996 through fiscal year 1997.

The Senate recedes.

The Senate bill, but not the House bill, amends the Star Schools Assistance Act to change the amount reserved from any appropriations for a study of the Star Schools to the "lesser" of, rather than the "greater" of 5% or $500,000.

The House recedes.

The Senate bill, but not the House bill, amends the ESEA to remove the Office of

Comprehensive School Health Education from the Secretary's Office and place it in the Office of the Assistant Secretary of Elementary and Secondary Education and to authorize the Office to act as liaison to HHS for the purpose of coordinating school health activities.

The House recedes.

The Senate bill, but not the House bill, authorizes a competitive grant program, "the minority-focused civics education program" to be administered by the Dept. of Education. $5m is authorized to be appropriated in fiscal year 1995 with "such sums" for fiscal year 1996 through fiscal year 1998.

The House recedes.

The Senate bill, but not the House bill, authorizes a new program, "Parents As Teachers" to assist families with children aged zero through three, funded at $20 million in fiscal year 1993, with "such sums" in fiscal year 1994 through fiscal year 1997.

The Senate recedes.

The Senate bill, but not the House bill, amends the Elementary and Secondary Education Act to authorize a State which receives a grant under section 1052 to reserve 20% of its funds to establish a Home Instruction Program for Preschool Youngsters.

The Senate recedes.

The Senate bill, but not the House bill, provides that under this Act the definitions for the following terms shall be the same as those under current law: "elementary school", "institution of higher education", "local educational agency", "Elementary and Secondary Education Act", "secondary school", "Secretary" and "State educational agency".

The House recedes.

TITLE VII—THE SAFE SCHOOLS ACT

1. The Senate included the Safe Schools Act as part of Goals 2000; the House bill is drafted as a freestanding provision. The conference agreement makes the Safe Schools provision Title VII of Goals 2000: Educate America Act.

2. The Senate amendment provides for 2-year grants; the House bill provides for 1-year grants. The conference agreement provides for 2-year grants.

3. The House bill directs the Secretary to develop a written safe schools model. The Senate recedes with an amendment moving this project to the National Leadership activity section.

4. The House bill provides a 1-year $50 million authorization. The Senate provides a 2-year authorization—$75 million in the first year, $100 million in the second. The Senate recedes.

5. The Senate sets aside 10% of funds for national leadership activities with 50% of that designated for a Model City Project. The House sets aside 5%. The conference agreement provides for a set aside of 5% of funds for national leadership activities with one-half of the 5% designated for a model city project.

6. The Senate provides a funding priority for districts that qualify for Chapter 1 concentration grants, that demonstrate local commitment to the project, and incorporate a high level of youth participation in related activities. The conference agreement provides for funds to be distributed to programs that demonstrate a local commitment to the project and that incorporate a high level of youth participation.

7. The House bill includes a requirement for the development of educational materials in the second most predominate language of the schools and communities. The conference agreement provides that materials be developed in the second most predominate language "other than English".

8. The Senate requires that Safe Schools activities be coordinated with Goals 2000 activities; the House requires that Safe Schools activities be coordinated with all federal education funds. The Senate recedes.

9. The House bill includes additional application requirements: description of how Safe Schools activities will be integrated with Drug-free Schools activities; description of coordination with other federal violence prevention activities; (Senate provides for Secretary to coordinate in separate section.) description of parental participation efforts. The Senate recedes.

10. The Senate includes a requirement that LEAs' applying for grants have a policy prohibiting sexual contact between school personnel and students. The Senate recedes.

11. The Senate requires the submission of a long-term school safety plan in the second year of the grant. The House recedes.

12. The House use of funds is permissive; the Senate requires funds to be used in specific areas. The House recedes.

13. The House includes additional areas for coordination. The Senate recedes.

14. Throughout the bill, the House uses the term, "combat," to describe general activities and the Senate uses the terms, "address," "reduce," and "prevent." The House recedes.

15. The Senate amendment, but not the House bill, includes training as a use of funds. The House recedes.

16. The House bill, but not the Senate amendment, includes activities to promote parental involvement as a use of funds. The Senate recedes.

17. The Senate rewords the paragraph on community education programs and includes technology-based programs. The House recedes.

18. The House bill, but not the Senate amendment, includes coordination with juvenile justice programs. The Senate recedes.

19. The House bill, but not the Senate amendment, includes the development of materials. The Senate recedes.

20. The House bill, but not the Senate amendment, includes mentoring and community service programs. The Senate recedes.

21. The Senate includes several other use of funds: minor remodelling, metal detectors, reimbursement of law enforcement. The conference agreement deletes "remodelling" and adding language specifying that assistance for these measures is only available through the United States Department of Education if it is not available in other departments.

22. The Senate limits spending on security-related measures to 10%. The conference agreement provides for security-related measures to be funded at no more than 5%.

23. The Senate bill includes dissemination as a leadership activity; the House includes the production and distribution of video-based projects. The conference agreement combines the two activities together.

24. The Senate amendment, but not the House bill, provides that the National Center on Educational Statistics to collect data on school violence. The House recedes.

25. The House requires a report to Congress. The conference agreement provides for the report to be sent to the House Committee on Education and Labor and the Senate Committee on Labor and Human Resources.

26. The Senate includes language providing for coordination with other federal efforts. The House recedes with an amendment replacing "Attorney General, through" and the "Secretary of Education, as a member of".

27. The Senate amendment, but not the House bill, includes an effective date. The House recedes.

From the Committee on Education and Labor, for consideration of the House amendment (except title II) to the Senate amendment, and the Senate amendment (except secs. 901-14), and modifications committed to conference:

WILLIAM D. FORD,
DALE E. KILDEE,
GEORGE MILLER,
TOM SAWYER,
MAJOR R. OWENS,
JOLENE UNSOELD,
JACK REED,
TIM ROEMER,
PATSY MINK,
ELIOT L. ENGEL,
XAVIER BECERRA,
GENE GREEN,
LYNN C. WOOLSEY,
KARAN ENGLISH,
TED STRICKLAND,
DONALD M. PAYNE,
CARLOS ROMERO-BARCELÓ,
BILL GOODLING,
STEVE GUNDERSON,
SUSAN MOLINARI,

From the Committee on Education and Labor, for consideration of title II of the House amendment to the Senate amendment, and secs. 901-14 of the Senate amendment, and modifications committed to conference:

WILLIAM D. FORD,
MAJOR R. OWENS,
DONALD M. PAYNE,
ROBERT C. SCOTT,
TOM SAWYER,
BILL GOODLING,
CASS BALLENGER,
BILL BARRETT,
HARRIS W. FAWELL,

As additional conferees from the Committee on Energy and Commerce, for consideration of title XII of the Senate amendment, and modifications committed to conference:

JOHN D. DINGELL,
HENRY A. WAXMAN,
MIKE SYNAR,
CARLOS J. MOORHEAD,
THOMAS J. BLILEY, Jr.,

As additional conferees from the Committee on Foreign Affairs, for consideration of section 921 of the Senate amendment, and modifications committed to conference:

LEE H. HAMILTON,
HOWARD L. BERMAN,
TOM LANTOS,
BEN GILMAN,

Managers on the Part of the House.

EDWARD M. KENNEDY,
CLAIBORNE PELL,
HOWARD M. METZENBAUM,
PAUL SIMON,
CHRISTOPHER DODD,
TOM HARKIN,
BARBARA A. MIKULSKI,
JEFF BINGAMAN,
PAUL WELLSTONE,
HARRIS WOFFORD,
NANCY LANDON
KASSEBAUM,
JAMES M. JEFFORDS,
DAVE DURENBERGER,

Managers on the Part of the Senate.

IMPROVING AMERICA'S SCHOOLS ACT OF 1994

The SPEAKER pro tempore. Pursuant to House Resolution 366 and rule

XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the Bill, H.R. 6.

□ 1433

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes, with Mr. PRICE of North Carolina in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, March 9, 1994, title V of the proposed Elementary and Secondary Education Act had been designated and is now open for amendment.

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to indicate to all of my colleagues that H.R. 6 is to extend for 5 years the authorization of appropriations for the programs under the Elementary and Secondary Education Act of 1965. That is the purpose of the Elementary and Secondary Education Act. I repeat that just so we do not get into the business of trying to reform all the school districts out there the way we think they would be reformed.

As I said, each time when we start this discussion it is just as wrong from my side of the aisle as from the other side of the aisle to micromanage school districts unless we are sending all the funds.

The CHAIRMAN. Are there amendments to title V?

AMENDMENT OFFERED BY MR. MILLER OF FLORIDA

Mr. MILLER of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Florida: Beginning on page 456, strike line 5 and all that follows through line 15 on page 458 (and redesignate the subsequent parts accordingly).

Mr. MILLER of Florida. Mr. Chairman, the gentleman from Ohio [Mr. BOEHNER] and I have been offering a series of amendments to cut some spending in this particular H.R. 6 bill.

Mr. Chairman, as we continue debate on H.R. 6, Mr. BOEHNER and I have focused on trying to bring some semblance of fiscal sanity to this Chamber, and to maintain some minimum level of autonomy for State and local officials to make the education decisions best suited for their unique circumstances.

And, here we go again. The technical assistance for funding equalization is another small, new spending program totaling $8 million for fiscal year 1995, intended to promote funding equalization on the State level. This spending is unnecessary. Not one cent of this $8 million will ever reach a student. It will only go to feed the education bureaucracy.

This program is based on the questionable assumption that equality of resources is somehow the key to solving our education problems in America. If pouring more money into education funding was the key to solving all our problems, we would not be debating this issue today. Unlike some Members of this body, I do not believe that Federal spending, per se, is the magical solution to improved education. As a nation, we are already spending more on the education of our children than our competitors with too few results to show for it.

We simply cannot afford to keep spending money we don't have.

Also, there is a presumption here that the States somehow need the Federal Government to teach them what is in their best interests. State and local education officials, and more importantly parents, disagree. They do not want important questions, such as funding equalization, determined by politicians and bureaucrats in Washington. In truth, nearly half of the States have already developed funding equity solutions without federal micromanaging. This program gets the Federal Government involved in an issue it has no business being involved in.

Before we attempt to get more involved in an issue that I believe is best left to States and parents, let's get our own fiscal house in order. We can start by passing the Boehner amendment, and eliminating another poorly thoughtout program from H.R. 6.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Michigan.

Mr. KILDEE. I thank the gentleman for yielding.

Mr. Chairman, we have read the amendment offered by the gentleman from Florida, and we accept his amendment.

Mr. BOEHNER. Mr. Chairman, I rise today to offer an amendment to eliminate an $8 million program which would give technical assistance to States and school districts so they can try to equalize their funding.

Let us look closely at what this program does. It provides for centers, conferences, and expert advice on finance equalization, research and analysis of school funding equity, and the development and dissemination of school finance models.

I must ask, should this be a Federal priority at all? Nearly half of the States have already undergone funding equity challenges and have been able to craft their own solutions without Federal help. This program is another Federal venture into an area better left to the States and is unneeded.

In addition, with this program, we are again looking at a situation where we are disrupting our focus and getting away from programs which would actually have an impact on the vast majority of American children. Let me ask, are we willing to take money away from title I to pay the bureaucrats called for in this program? Are we willing to take money away from chapter 2 or professional development? Do we really need to spend our resources on this program? Do we really want to say this is a Federal priority? The honest answer to these questions is "no."

I have argued throughout the consideration of this bill that we cannot have small targeted programs interfering with larger programs aimed at broad national educational concerns. This program is a small, targeted program and should be eliminated.

On a final note, I cannot help but think that the better way to help schools have adequate funding is to funnel this money directly to the students, instead of wasting it on bureaucrats.

I urge adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. MILLER].

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. MINK of Hawaii: Page 458, after line 10, insert the following:

SEC 5202. STATISTICAL AND POLICY ANALYSIS.

"(a) NATIONAL CENTER FOR EDUCATION STATISTICS.—The National Center for Education Statistics (established under section 403 of the Improving America's Schools Act of 1994) using standard statistical methods, shall conduct analysis of issues such as—

"(1) Federal policy issues regarding educational access and equity;

"(2) spending inequities at the State and local levels and alternative mechanisms for financing;

"(3) the ability and willingness of States and local educational agencies to generate new revenue sources for education;

"(4) the effect of Federal education assistance on the equalization of education funding at the State and local levels;

"(5) the effects of school finance equalization on the quality of education;

"(6) the costs in providing education to students with special needs;

"(7) the effects of high and low population density on education needs and costs;

"(8) the effects of different teacher compensation policies on costs of providing education services;

"(9) relationships among expenditures, the quality and quantity of instruction, and the different backgrounds of students; and

"(10) how legislation and judicial decisions regarding school finance programs affect education and equalization of funding.

"(b) DATA AND INFORMATION.—In addition to the issues reviewed in subsection (a), the National Center for Education Statistics may utilize data and information which includes—

"(1) sources of revenue and types of taxes;

"(2) tax assessment rates and ability of the State or local educational agency to generate additional revenues;

"(3) the cost of providing services to students with different abilities and needs; and

"(4) student enrollment, per pupil expenditures, and average daily attendance figures.

SEC. 5203. STUDY OF EDUCATIONAL EQUITY.

"(a) STUDY.—The Secretary shall enter into appropriate arrangements with the National Academy of Sciences to conduct an in-depth study of school finance. The study by the National Academy of Sciences shall include the following:

"(1) Review Federal policy issues regarding educational access and equity with respect to fiscal and educational resources.

"(2) Review existing State and local systems and evaluate alternative mechanisms for school financing programs with regard to equity and adequacy.

"(3) Review the legal and constitutional context of school finance and equalization programs.

"(4) Evaluate the costs of providing education to students with special needs.

"(5) Evaluate the costs entailed in providing education that promotes the student outcomes called for in the National Education Goals.

"(6) Review the relationships between resources, instruction and children's learning needs, explore a variety of indicators of need, how to measure need, and how to link need to expenditure, and develop illustrative indicators of student achievement and other desired outcomes that might clarify the relationship between education expenditures, the quality and quantity of instruction and resources available, and the background characteristics of students.

"(7) Propose funding models for States and local educational agencies to consider and explicate the conceptual framework of each approach with regard to tax policy, equity, compensatory aid to populations with special needs, and a performance-oriented education policy.

"(b) INTERIM REPORT.—(1) The National Academy of Sciences shall prepare and submit to the Secretary and the Congress an interim report not later than 24 months after the procurement is made and a final report not later than 36 months after the date of procurement. The interim report shall—

"(A) review the data collection design prepared by the Secretary and any preliminary data on the current state of education finance; and

"(B) communicate appropriate findings to date.

"(2) The final report shall—

"(A) provide a comprehensive analysis of education finance structures and the legal context of school finance;

"(B) provide guidance on the resources that will be needed at the school district, and State level to implement reform plans and meet the National Education Goals;

"(C) bring together the best thinking on equity and adequacy as philosophical underpinnings of education finance systems; and

"(D) propose and explicate a variety of funding models."

—Page 458, strike lines 11 through 15 and insert the following:

"SEC 5205. AUTHORIZATION OF APPROPRIATIONS.

"(a) TECHNICAL ASSISTANCE.—For the purpose of carrying out sections 5201 and 5202, there are authorized to be appropriated $8,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(b) NATIONAL ACADEMY OF SCIENCES.—For the purpose of carrying out section 5203, there are authorized to be appropriated $3,865,000 to be available until expended.

Mrs. MINK of Hawaii (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

Mrs. MINK of Hawaii. Mr. Chairman, the amendment I offer seeks to provide detailed and accurate information on the status of education financing across the country. It authorizes the National Center for Educational Statistics to collect and analyze data on school finances and requires the National Academy of Sciences to conduct an in-depth study on school finance issues.

Ensuring that all students have equal educational opportunities has always been a Federal priority and one of the greatest barriers to equity for many students is inadequate financing at a local level.

Currently, there are 34 States that have or are currently facing a legal challenge to their education financing system on the grounds that it is inequitable. As of November 1993, the financing system of 12 States have been ruled unconstitutional by a State supreme court. While the Federal Government has nothing to do with State school financing, it can play a significant role by assisting the States in developing adequate financing systems through data collection, analysis, and model development. Furthermore, many States are already moving toward equalizing education funding across school districts, as mandated by a court as part of systemwide school reform. However, this is not an easy task. States have been confronted with a host of legal, financial, and ethical issues.

As States continue to grapple with these issues, the Federal Government can help by giving us a better idea of what the stages have been doing, what success has been arrived at, and how that has resulted comparability of educational services for all children.

The National Center for Educational Statistics and the National Academy of Sciences are both well-respected institutions with the expertise and capability of collecting the necessary data, analyzing it, and putting forth a comprehensive study.

I urge my colleagues to support this amendment to provide us with the data information and analysis and a comprehensive examination of the school finance issues which will be of enormous help to the States that have these problems.

Mr. GOODLING. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I hate to rise in opposition to the amendment of my dear friend, the gentlewoman from Hawaii [Mrs. MINK], but I do have some real concerns. I would hope the chairman would have hearings on this issue before we make this kind of an investment.

There are some concerns which I have, with this amendment. For instance, the proposal really goes beyond research because we are asking them to make recommendations which could be setting policies in a way that represents a new and unwarranted Federal intrusion into the very heart of State and local control of education; that is, taxing and funding decisions.

□ 1440

The actions required by the amendment may be the foundation activities for involving the Federal Government in creating funding equity across the States, so I would hope that we could delay this and have hearings on the whole issue, and perhaps come back and not include it in this reauthorization.

Mr. BOEHNER. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Hawaii [Mrs. MINK].

Mr. Chairman, this amendment offered by the gentlewoman from Hawaii adds a new part to the technical assistance for funding equity section for title V that will involve the National Center for Educational Statistics in collecting and analyzing data on this issue, and it creates a major study for funding of equity concerns, and I know the gentlewoman is sincere in offering this amendment, and she believes this data will help school districts and States around our country, but I have grave concerns that it is another mandate in this bill that takes away the focus of this bill and, more importantly, over 22 or 23 States have already dealt with the issue of funding equity. I believe that the States are the right place to continue this problem in our education system, and there is no role for the Federal Government to play in it.

Mr. KILDEE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the gentlewoman from Hawaii [Mrs. MINK] has brought to us an area of very great interest to all of us, something that we have expressed interest in for the last few authorizations, and I would like to do this:

I would like to have a hearing on this issue itself, and, if the gentlewoman, and I have talked to her, would be willing to withdraw this amendment, we would have hearings just on this one subject.

Mrs. MINK of Hawaii. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I yield to the gentlewoman from Hawaii.

Mrs. MINK of Hawaii. Mr. Chairman, this is a matter not of concern necessarily to the Congress, but certainly to the 30-plus States that are in a situation of having their financial systems contested by local communities, and so it is a vital issue, and the Congress has addressed it on several occasions. But I understand the other side indicating that perhaps it would be meritorious to have hearings, and with the assurance of the chairman of our subcommittee that hearings will be called shortly, Mr. Chairman, I will agree to withdrawing my amendment.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Are there further amendments to this title?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

"TITLE VI—INDIAN EDUCATION

"SEC. 6001. FINDINGS.

"The Congress finds that—

"(1) the Federal Government has a special responsibility to ensure that educational programs for all American Indian and Alaska Native children and adults—

"(A) are based on high-quality, internationally competitive content and student performance standards and build on Indian culture and the Indian community;

"(B) assist local educational agencies, Indian tribes, and others in providing Indian students the opportunity to achieve those standards; and

"(C) meet the special educational and culturally related academic needs of American Indian and Alaska Native students;

"(2) since enactment of the original Indian Education Act in 1972, Indian parents have become significantly more involved in the planning, development, and implementation of educational programs that affect them and their children, and schools should continue to foster such involvement;

"(3) although the numbers of Indian teachers, administrators, and university professors have increased since 1972, teacher training programs are not recruiting, training, or retraining sufficient numbers of Indian persons as educators to meet the needs of a growing Indian student population in elementary, secondary, vocational, adult, and higher education;

"(4) the dropout rate for Indian students is unacceptably high; for example, nine percent of Indian students who were eighth graders in 1988 had already dropped out of school by 1990;

"(5) from 1980 to 1990, the percentage of Indian persons living in poverty increased from 24 percent to 31 percent, and the readiness of Indian children to learn is hampered by the high incidence of poverty, unemployment, and health problems among Indian children and families; and

"(6) research related specifically to the education of Indian children and adults is very limited, and much of it is poor in quality or focused on limited local or regional issues.

"SEC. 6002. PURPOSE.

"(a) Purpose.—It is the purpose of this title to support the efforts of local educational agencies, Indian tribes and organizations, postsecondary institutions, and other entities to meet the special educational and culturally related academic needs of American Indians and Alaska Natives, so that they can achieve to the same challenging State performance standards expected of all students.

"(b) Programs Authorized.—This title carries out the purpose described in subsection (a) by authorizing programs of direct assistance for—

"(1) meeting the special educational and culturally related academic needs of American Indians and Alaska Natives;

"(2) the education of Indian children and adults;

"(3) the training of Indian persons as educators and counselors, and in other professions serving Indian people; and

"(4) research, evaluation, data collection, and technical assistance.

"PART A—FORMULA GRANTS TO LOCAL EDUCATIONAL AGENCIES

"SEC. 6101. PURPOSE.

"It is the purpose of this part to support local educational agencies in their efforts to reform elementary and secondary school programs that serve Indian students in order to ensure that such programs—

"(1) are based on challenging State content and student performance standards that are used for all students; and

"(2) are designed to assist Indian students meet those standards and assist the Nation in reaching the National Education Goals.

"SEC. 6102. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

"A local educational agency is eligible for a grant under this part for any fiscal year if the number of Indian children who were enrolled in the schools of the agency, and to whom the agency provided free public education, during the preceding fiscal year—

"(1) was at least 20; or

"(2) constituted not less than 25 percent of the agency's total enrollment.

"SEC. 6103. AMOUNT OF GRANTS.

"(a) Amount of Grants.—(1) The Secretary is authorized to allocate to each local educational agency which has an approved application under this part an amount equal to the product of—

"(A) the number of Indian children described in section 6106; and

"(B) the greater of—

"(i) the average per-pupil expenditure of the State in which the agency is located; or

"(ii) 80 percent of the average per-pupil expenditure in the United States.

"(2) The Secretary shall reduce the amount of each allocation determined under paragraph (1) in accordance with subsection (e) of this section.

"(b) Minimum Grant Amount.—The Secretary shall not make a grant to a local educational agency if the amount determined under subsection (a) is less than $4,000, except that the Secretary may make a grant to a consortium of local educational agencies, one or more of which does not qualify for such a minimum award, if—

"(1) the total amount so determined for such agencies is not less than $4,000;

"(2) such agencies, in the aggregate, meet the eligibility requirement of either section 6102(1) or 6102(2); and

"(3) the Secretary determines that such a grant would be effectively used to carry out the purpose of this part.

"(c) Definition.—For the purpose of this section, the average per-pupil expenditure of a State is determined by dividing—

"(1) the aggregate current expenditures of all the local educational agencies in the State, plus any direct current expenditures by the State for the operation of such agencies, without regard to the sources of funds from which such local or State expenditures were made, during the second fiscal year preceding the fiscal year for which the computation is made; by

"(2) the aggregate number of children who were in average daily attendance for whom such agencies provided free public education during such preceding fiscal year.

"(d) Schools Operated or Supported by the Bureau of Indian Affairs.—(1) In addition to the grants determined under subsection (a), the Secretary shall allocate to the Secretary of the Interior an amount equal to the product of—

"(A) the total number of Indian children enrolled in schools that are operated by—

"(i) the Bureau of Indian Affairs; or

"(ii) an Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, for the children of that tribe under a contract with, or grant from, the Department of the Interior under the Indian Self-Determination Act (25 U.S.C. 450f et seq.) or the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.); and

"(B) the greater of—

"(i) the average per-pupil expenditure of the State in which the school is located; or

"(ii) 80 percent of the average per-pupil expenditure in the United States.

"(2) The Secretary shall transfer the amount determined under paragraph (1), reduced as may be necessary under subsection (e), to the Secretary of the Interior in accordance with, and subject to, section 9205 of this Act.

"(e) Ratable Reductions.—If the sums appropriated for any fiscal year under section 6602(a) are insufficient to pay in full the amounts determined for local educational agencies under subsection (a)(1) and for the Secretary of the Interior under subsection (d), each of those amounts shall be ratably reduced.

"SEC. 6104. APPLICATIONS.

"(a) General.—Any local educational agency that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) Comprehensive Program Required.—Each such application shall include a comprehensive program for meeting the needs of Indian children in the local educational agency, including their language and cultural needs, that—

"(1) provides programs and activities to meet the culturally related academic needs of American Indian and Alaska Native students,

"(2)(A) is consistent with, and promotes the goals in, the State and local plans, either approved or being developed, under title III of the Goals 2000: Educate America Act or, if such plans are not approved or being developed, with the State and local plans under sections 1111 and 1112 of this Act; and

"(B) includes academic content and student performance goals for such children, and benchmarks for attaining them, that are based on the challenging State standards adopted under title III of the Goals 2000: Educate America Act or under title I of this Act for all children;

"(3) explains how Federal, State, and local programs, especially under title I of this Act, will meet the needs of such students;

"(4) demonstrates how funds under this part will be used for activities authorized by section 6105;

"(5) describes the professional development to be provided, as needed, to ensure that—

"(A) teachers and other school professionals who are new to the Indian community are prepared to work with Indian children; and

"(B) all teachers who will be involved in the project have been properly trained to carry it out; and

"(6) describes how the agency—

"(A) will periodically assess the progress of all Indian children in its schools, including Indian children who do not participate in programs under this part, in meeting the goals described in paragraph (2);

"(B) will provide the results of that assessment to the parent committee described in subsection (c)(6) and to the community served by the agency; and

"(C) is responding to findings of any previous such assessments.

"(c) Assurances.—Each such application shall also include assurances that—

"(1) the local educational agency will use funds received under this part only to supplement the level of funds that, in the absence of such Federal funds, the agency would make available for the education of Indian children, and not to supplant such funds;

"(2) the local educational agency will submit such reports to the Secretary, in such form and containing such information, as the Secretary may require to—

"(A) carry out the Secretary's functions under this part; and

"(B) determine the extent to which funds provided under this part have been effective in improving the educational achievement of Indian students in the local educational agency;

"(3) the program for which assistance is sought has been based upon a local assessment and prioritization of the special educational and culturally related academic needs of the American Indian and Alaska Native students for which the local educational agency is providing an education;

"(4) the program for which assistance is sought will use the best available talents and resources, including persons from the Indian community;

"(5) the local educational agency has developed the program in open consultation with parents of Indian children, teachers, and, where appropriate, secondary school Indian students, including holding public hearings at which such persons have had a full opportunity to understand the program and to offer recommendations regarding such program;

"(6) the local educational agency has developed the program with the participation and written approval of a committee—

"(A) that is composed of, and selected by, parents of Indian children in the local educational agency's schools, teachers, and, where appropriate, secondary school Indian students and of which at least half the members are such parent;

"(B) that sets forth such policies and procedures, including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served; and

"(C) that, in the case of an application which includes a schoolwide project (as specified in section 6105(c) of this part) finds that such project will not diminish the availability of culturally related activities for American Indians and Alaskan Native students; and

"(D) that adopts and abides by reasonable bylaws for the conduct of the activities of the committee.

"(d) STATE EDUCATIONAL AGENCY REVIEW.—(1) Before submitting its application to the Secretary, the local educational agency shall obtain comments on the application from the State educational agency.

"(2) The local educational agency shall send the State educational agency's comments to the Secretary with its application.

"SEC. 6105. AUTHORIZED SERVICES AND ACTIVITIES.

"(a) GENERAL REQUIREMENTS.—Each local educational agency that receives a grant under this part shall use the grant funds for services and activities, consistent with the purpose of this part, that—

"(1) are designed to carry out its comprehensive plan for Indian students, described in its application under section 6104(b);

"(2) are designed with special regard for the language and cultural needs of those students; and

"(3) supplement and enrich the regular school program.

"(b) PARTICULAR ACTIVITIES.—Such services and activities include—

"(1) culturally related activities which support the program set out in the application, as required in section 6104;

"(2) early childhood and family programs that emphasize school readiness;

"(3) enrichment programs that focus on problem-solving and cognitive skills development and that directly support the attainment of challenging State content and student performance standards;

"(4) integrated educational services in combination with other programs meeting similar needs;

"(5) school-to-work transition activities to enable Indian students to participate in programs such as those supported by the School-to-Work Opportunities Act of 1993 and the Carl D. Perkins Vocational and Applied Technology Education Act, including tech-prep, mentoring, and apprenticeship programs;

"(6) prevention of, and education about, substance abuse; and

"(7) acquisition of equipment, but only if such acquisition is essential to meet the purpose of this part.

"(c) SCHOOLWIDE PROGRAMS.—Notwithstanding any other provision of this part, a local educational agency may use funds it receives under this part to support a schoolwide program under section 1114 of title I of this Act, in accordance with such section, if the Secretary determines that the local educational agency has made adequate provision for the participation of Indian children in such project and the involvement of Indian parents in the formulation of such project.

"SEC. 6106. STUDENT ELIGIBILITY FORMS.

"(a) The Secretary shall require that each application for a grant under this subpart for each fiscal year be supported by a form, maintained in the files of the applicant, for each eligible Indian child for whom the local educational agency is providing free public education that sets forth information establishing the status of the child as an eligible Indian child.

"(b) The Secretary shall request on the form required under subsection (a) at least the following information:

"(1) either—

"(A) the name of the tribe, band, or other organized group of Indians with which the child claims membership, along with the enrollment number establishing membership (if readily available), and the name and address of the organization which has updated and accurate membership data for such tribe, band, or other organized group of Indians, or

"(B) if the child is not a member of a tribe, band, or other organized group of Indians, the name, the enrollment number (if readily available), and the organization (and address thereof) responsible for maintaining updated and accurate membership rolls of any of the child's parents or grandparents, from whom the child claims eligibility;

"(2) whether the tribe, band, or other organized group of Indians with which the child, his parents, or grandparents claim membership is federally recognized;

"(3) the name and address of the parent or legal guardian;

"(4) the signature of the parent or legal guardian verifying the accuracy of the information supplied; and

"(5) any other information which the Secretary deems necessary to provide an accurate program profile.

"(c) Nothing in the requirements of subsection (b) may be construed as affecting the definition set forth in section 6601. In order for a child to be counted in computing the local educational agency's grant award, the eligibility form for the child must contain at a minimum—

"(1) the child's name;

"(2) the name of the tribe, band, or other organized group of Indians; and

"(3) the parent's dated signature.

The failure of an applicant to furnish any other information listed in subsection (b) with respect to any child shall have no bearing on the determination of whether the child is an eligible Indian child.

"(d) The forms and the standards of proof (including the standard of good faith compliance) that were in use during the 1985–1986 academic year to establish a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the only forms and standards of proof used to establish such eligibility and to meet the requirements of subsection (a).

"(e) For purposes of determining whether a child is an eligible Indian child, the membership of the child, or any parent or grandparent of the child, in a tribe, band, or other organized group of Indians may be established by proof other than an enrollment number, even if enrollment numbers for members of such tribe, band, or groups are available. Nothing in subsection (b) may be construed as requiring the furnishing of enrollment numbers.

"(f)(1)(A) The Secretary shall establish a method of auditing, on an annual basis, a sample of not less than one-fourth of the total number of local educational agencies receiving funds under this part and shall submit to the Congress an annual report on the findings of the audits.

"(B) For purposes of an audit conducted by the Federal Government with respect to funds provided under this part, all procedures, practices, and policies that are established by—

"(i) the Office of Indian Education of the Department of Education, or

"(ii) a grantee under this subpart who, in establishing such procedures, practices, and policies, was acting under the direction of any employee of such Office that is authorized by the Director of such Office to provide such direction,

shall, with respect to the period beginning on the date of the establishment of such procedures, practices, and policies, and ending on the date (if any) on which the Director of such Office revokes authorization for such procedures, practices, and policies, be considered appropriate and acceptable procedures, practices, and policies which are in conformity with Federal law.

"(C) A local educational agency may not be held liable to the United States, or be otherwise penalized, by reason of the findings of an audit that relate to the date of completion, or the date of submission, of any forms used to establish, before April 28, 1988, a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act.

"(2) Any local educational agency that provides false information in the application for a grant under this subpart shall be ineligible to apply for any other grants under this part and shall be liable to the United States for any funds provided under this part that have not been expended.

"(3) Any student who provides false information on the form required under subsection (d)(1) may not be taken into account in determining the amount of any grant under this part.

"(g) For purposes of distribution of funds under this Act to schools funded by the Bureau of Indian Affairs, the Secretary shall use the count of the number of students in each such school funded under the Indian Student Equalization Formula developed pursuant to section 1128 of Public Law 95–561, in lieu of the requirements of this section.

"SEC. 6107. PAYMENTS.

"(a) GENERAL.—The Secretary shall pay each local educational agency with an application approved under this part the amount determined under section 6103, subject to subsections (b) and (c) of this section and shall notify such local educational agency of the amount no later than June 1 of the year in which the grant will be paid.

"(b) PAYMENTS TAKEN INTO ACCOUNT BY THE STATE.—The Secretary shall not make a grant under this part for any fiscal year to any local educational agency in a State that has taken into consideration payments under this part (or under subpart 1 of the Indian Education Act of 1988) in determining the eligibility of the local educational agency for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

"(c) REDUCTION OF PAYMENT FOR FAILURE TO MAINTAIN FISCAL EFFORT.—(1) The Secretary shall not pay any local educational agency the full amount determined under section 6103 for any fiscal year unless the State educational agency notifies the Secretary, and the Secretary determines, that the combined fiscal effort of that local agency and the State with respect to the provision of free public education by such local agency for the preceding fiscal year, computed on either a per-student or aggregate expenditure basis, was not less than 90 percent of such combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

"(2) If the Secretary determines for any fiscal year that a local educational agency failed to maintain its fiscal effort at the 90 percent level required by paragraph (1), the Secretary shall—

"(A) reduce the amount of the grant that would otherwise be made to the agency under this part in the exact proportion of such agency's failure to maintain its fiscal effort at such level; and

"(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

"(3)(A) The Secretary may waive the requirement of paragraph (1), for not more than one year at a time, if the Secretary determines that the failure to comply with such requirement is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources.

"(B) The Secretary shall not use the reduced amount of such agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) for any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of the waiver.

"(d) REALLOCATIONS.—The Secretary may reallocate, in the manner the Secretary determines will best carry out the purpose of this part, any amounts that—

"(1) based on estimates by local educational agencies or other information, will not be needed by such agencies to carry out their approved projects under this part; or

"(2) otherwise become available for reallocation under this part.

"PART B—SPECIAL PROGRAMS AND PROJECTS TO IMPROVE EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN

"SEC. 6201. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

"(a) IN GENERAL.—The Secretary shall carry out a program of making grants for the improvement of educational opportunities for Indian children—

"(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Indian children;

"(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate—

"(A) the provision of educational services not available to Indian children in sufficient quantity or quality, and

"(B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Indian children are educated;

"(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Indian children as educational personnel; and

"(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian children.

"(b) DEMONSTRATION PROJECTS.—The Secretary is authorized to make grants to State and local educational agencies, federally supported elementary and secondary schools for Indian children and to Indian tribes, Indian organizations, and Indian institutions to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Indian children, including—

"(1) innovative programs related to the educational needs of educationally deprived children;

"(2) bilingual and bicultural education programs and projects;

"(3) special health and nutrition services and other related activities which meet the special health, social, and psychological problems of Indian children; and

"(4) coordination of the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

"(c) SERVICES AND PROGRAMS TO IMPROVE EDUCATIONAL OPPORTUNITIES.—

"(1) The Secretary is authorized to make grants to State and local educational agencies and to tribal and other Indian community organizations to assist them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children. Such grants may be used—

"(A) to provide educational services not available to such children in sufficient quantity or quality, including—

"(i) remedial and compensatory instruction, school health, physical education, psychological, and other services designed to assist and encourage Indian children to enter, remain in, or reenter elementary or secondary school;

"(ii) comprehensive academic and vocational instruction;

"(iii) instructional materials (such as library books, textbooks, and other printed, published, or audiovisual materials) and equipment;

"(iv) comprehensive guidance, counseling, mentoring, and testing services;

"(v) special education programs for disabled and gifted and talented Indian children;

"(vi) early childhood programs, including kindergarten;

"(vii) bilingual and bicultural education programs; and

"(viii) other services which meet the purposes of this subsection; and

"(B) to establish and operate exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for Indian children.

"(2) In addition to the grants provided under paragraph (1), the Secretary is authorized to provide grants to consortia of Indian tribes or tribal organizations, local educational agencies, and institutions of higher education for the purpose of developing, improving, and implementing a program of—

"(A) encouraging Indian students to acquire a higher education, and

"(B) reducing the incidence of dropouts among elementary and secondary school students.

"(d) TRAINING.—

"(1) The Secretary is authorized to make grants to institutions of higher education and to State and local educational agencies, in combination with institutions of higher education, for carrying out programs and projects—

"(A) to prepare persons to serve Indian students as teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

"(B) to improve the qualifications of such persons who are serving Indian students in such capacities.

"(2) Grants made under this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a continuing program, for seminars, symposia, workshops, and conferences.

"(3) In programs funded by grants authorized under this subsection, preference shall be given to the training of Indians.

"(4) In making grants under this subsection, the Secretary shall consider prior performance and may not limit eligibility on the basis of the number of previous grants or the length of time for which the applicant has received grants.

"(d) APPLICATIONS FOR GRANTS.—

"(1) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

"(A) set forth a statement describing the activities for which assistance is sought;

"(B) in the case of an application for a grant under subsection (c)—

"(i) subject to such criteria as the Secretary shall prescribe, provide for—

"(I) the use of funds available under this section, and

"(II) the coordination of other resources available to the applicant,

in order to ensure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section, and

"(ii) provide for the training of personnel participating in the project; and

"(C) provide for an evaluation of the effectiveness of the project in achieving its purpose and the purposes of this section.

"(2)(A) The Secretary may approve an application for a grant under subsection (b) or (c) only if the Secretary is satisfied that such application, and any document submitted with respect thereto—

"(i) demonstrate that—

"(I) there has been adequate participation by the parents of the children to be served and tribal communities in the planning and development of the project, and

"(II) there will be such participation in the operation and evaluation of the project, and

"(ii) provide for the participation, on an equitable basis, of eligible Indian children—

"(I) who reside in the area to be served, *"(II) who are enrolled in private nonprofit elementary and secondary schools, and*

"(III) whose needs are of the type which the program is intended to meet,

to the extent consistent with the number of such children.

"(B) In approving applications under this section, the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

"SEC. 6202. SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR THE TEACHERS OF INDIAN CHILDREN.

"(a) In General.—

"(1) The Secretary is authorized to make grants to, and enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for the purpose of—

"(A) preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian people, and

"(B) providing in-service training for persons teaching in such programs.

"(2) Priority shall be given in the awarding of grants, and in the entering into of contracts, under subsection (a) to Indian institutions and organizations.

"(b) Fellowships and Traineeships.—

"(1) In carrying out the provisions of this section, the Secretary is authorized to award fellowships and traineeships to individuals and to make grants to, and to enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for the costs of education allowances.

"(2) In awarding fellowships and traineeships under this subsection, the Secretary shall give preference to Indians.

"(3) In the case of traineeships and fellowships, the Secretary is authorized to grant stipends to, and allowances for dependents of, persons receiving traineeships and fellowships.

"SEC. 6203. FELLOWSHIPS FOR INDIAN STUDENTS.

"(a) In General.—During each fiscal year ending prior to October 1, 1999, the Secretary is authorized to award fellowships to be used for study in graduate and professional programs at institutions of higher education. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not more than 4 academic years leading toward a postbaccalaureate degree in medicine, clinical psychology, psychology, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.

"(b) Stipends.—The Secretary shall pay to persons awarded fellowships under subsection (a) such stipends (including such allowances for subsistence of such persons and their dependents) the Secretary may determine to be consistent with prevailing practices under comparable federally supported programs.

"(c) Payments to Institutions in Lieu of Tuition.—The Secretary shall pay to the institution of higher education at which the holder of a fellowship awarded under subsection (a) is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Secretary may determine to be necessary to cover the cost of education provided the holder of such a fellowship.

"(d) Special Rules.—

"(1) The Secretary may, if a fellowship awarded under subsection (a) is vacated prior to the end of the period for which it was awarded, award an additional fellowship for the remainder of such period.

"(2) By no later than the date that is 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of the amount of such fellowship and of any stipends or other payments that will be made under this section to, or for the benefit of, such individual for such academic term.

"(3) Not more than 10 percent of the fellowships awarded under subsection (a) shall be awarded, on a priority basis, to persons receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

"(e) Service Obligation.—The Secretary shall, by regulation, require that individuals who receive training under this section perform related work and shall notify such local educational agency of the amount no later than June 1 of the year in which the grant will be paid following that training or repay all or part of the cost of the training.

"SEC. 6204. GIFTED AND TALENTED.

"(a) Establishment of Centers.—The Secretary shall establish 2 centers for gifted and talented Indian students at tribally controlled community colleges.

"(b) Demonstration Projects.—

"(1) The Secretary shall award separate grants to, or enter into contracts with—

"(A) 2 tribally controlled community colleges that—

"(i) are eligible for funding under the Tribally Controlled Community College Assistance Act of 1978, and

"(ii) are fully accredited, or

"(B) if acceptable applications are not submitted to the Secretary by 2 of such colleges, the American Indian Higher Education Consortium,

for the establishment of centers under subsection (a) and for demonstration projects designed to address the special needs of Indian students in elementary and secondary schools who are gifted and talented and to provide such support services to their families that are needed to enable the students to benefit from the project.

"(2) Any person to whom a grant is made, or with whom a contract is entered into, under paragraph (1) may enter into a contract with any other persons, including the Children's Television Workshop, for the purpose of carrying out the demonstration projects for which such grant was awarded or for which the contract was entered into by the Secretary.

"(3) Demonstration projects funded under this section may include—

"(A) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these students and to the provision of those support services to their families that are needed to enable these students to benefit from the project;

"(B) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions, and mentoring and apprenticeship programs;

"(C) the provision of technical assistance and the coordination of activities at schools which receive grants under subsection (c) with respect to the activities funded by such grants, the evaluation of programs at such schools funded by such grants, or the dissemination of such evaluations;

"(D) the use of public television in meeting the special educational needs of such gifted and talented children;

"(E) leadership programs designed to replicate programs for such children throughout the United States, including the dissemination of information derived from the demonstration projects conducted under this section; and

"(F) appropriate research, evaluation, and related activities pertaining to the needs of such children and to the provision of such support services to their families that are needed to enable such children to benefit from the project.

"(c) Additional Grants.—

"(1) The Secretary, in consultation with the Secretary of the Interior, shall provide 5 grants to schools that are Bureau funded schools for program research and development regarding, and the development and dissemination of curriculum and teacher training material regarding—

"(A) gifted and talented students,

"(B) college preparatory studies (including programs for Indian students interested in teaching careers),

"(C) students with special culturally related academic needs, including social, lingual, and cultural needs, and

"(D) math and science education.

"(2) Applications for the grants provided under paragraph (1) shall be submitted to the Secretary in such form and at such time as the Secretary may prescribe. Applications for such grants by Bureau schools, and the administration of any of such grants made to a Bureau school, shall be undertaken jointly by the supervisor of the Bureau school and the local school board.

"(3) Grants may be provided under paragraph (1) for one or more activities described in paragraph (1).

"(4) In providing grants under paragraph (1), the Secretary shall—

"(A) achieve a mixture of programs described in paragraph (1) which ensures that students at all grade levels and in all geographic areas of the United States are able to participate in some programs funded by grants provided under this subsection, and

"(B) ensure that a definition of the term 'gifted and talented student' for purposes of this section and section 1128(c)(3)(A)(i) of the Education Amendments of 1978 is developed as soon as possible.

"(5) Subject to the availability of appropriated funds, grants provided under paragraph (1) shall be made for a 3-year period and may be renewed by the Secretary for additional 3-year periods if performance by the grantee is satisfactory to the Secretary.

"(6)(A) The dissemination of any materials developed from activities funded by grants provided under paragraph (1) shall be carried out in cooperation with institutions receiving funds under subsection (b).

"(B) The Secretary shall report to the Secretary of the Interior and to the Congress any results from activities described in paragraph (4)(B).

"(7)(A) The costs of evaluating any activities funded by grants made under paragraph (1) shall be divided between the school conducting such activities and the demonstration project recipients under subsection (b).

"(B) If no funds are provided under subsection (b) for—

"(i) the evaluation of activities funded by grants made under paragraph (1),

"(ii) technical assistance and coordination with respect to such activities, or

"(iii) dissemination of such evaluations,

the Secretary shall, by grant or through contract, provide for such evaluations, technical assistance, coordination, and dissemination.

"(d) Information Network.—The Secretary shall encourage persons to whom a grant is made, or with whom a contract is entered into, under this section to work cooperatively as a national network so that the information developed by such persons is readily available to the entire educational community.

"SEC. 6205. TRIBALLY CONTROLLED SCHOOLS ACT.

"(a) TIMELY PAYMENTS.—Subsection (a) is amended to read as follows:

"'(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in 2 payments:

"'(A) one payment to be made no later than July 1 of each year in an amount equal to one-half of the amount which the grantee was entitled to receive during the preceding academic year, and

"'(B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made no later than December 1 of each year.

"'(2) For any school for which no payment was made from Bureau funds in the preceding academic year, full payment of the amount computed for the first academic year of eligibility under this part shall be made no later than December 1 of the academic year.

"'(3) With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which they are appropriated, the Secretary shall make payments to grantees no later than December 1 of the fiscal year.

"'(4) The provisions of the Prompt Payment Act (31 U.S.C. 3901 et seq.) shall apply to the payments required to be made by paragraphs (1), (2), and (3) of this subsection.'.

"(b) Paragraph (3) is amended by striking 'Paragraphs (1) and (2)' and inserting in lieu thereof 'Paragraphs (1), (2), and (3)', and is renumbered as paragraph '(5)'.

"PART C—SPECIAL PROGRAMS RELATING TO ADULT EDUCATION FOR INDIANS

"SEC. 6301. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

"(a) IN GENERAL.—The Secretary shall carry out a program of awarding grants to State and local educational agencies and to Indian tribes, institutions, and organizations—

"(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

"(2) to assist in the establishment and operation of programs which are designed to stimulate—

"(A) the provision of basic literacy opportunities to all nonliterate Indian adults, and

"(B) the provision of opportunities to all Indian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

"(3) to support a major research and development program to develop more innovative and effective techniques for achieving the literacy and high school equivalency goals;

"(4) to provide for basic surveys and evaluations to define accurately the extent of the problems of illiteracy and lack of high school completion among Indians; and

"(5) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian adults.

"(b) EDUCATIONAL SERVICES.—The Secretary is authorized to make grants to Indian tribes, Indian institutions, and Indian organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

"(c) INFORMATION AND EVALUATION.—The Secretary is also authorized to make grants to, and to enter into contracts with, public agencies and institutions and Indian tribes, institutions, and organizations for—

"(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations thereof; and

"(2) the evaluation of federally assisted programs in which Indian adults may participate to determine the effectiveness of such programs in achieving the purposes of such programs with respect to such adults.

"(d) APPLICATIONS.—

"(1) Applications for a grant under this section shall be submitted at such time, in such manner, contain such information, and be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

"(A) set forth a statement describing the activities for which assistance is sought; and

"(B) provide for an evaluation of the effectiveness of the project in achieving its purposes and the purposes of this section.

"(2) The Secretary shall not approve an application for a grant under subsection (a) unless the Secretary is satisfied that such application, and any documents submitted with respect thereto, indicate that—

"(A) there has been adequate participation by the individuals to be served and tribal communities in the planning and development of the project, and

"(B) there will be such a participation in the operation and evaluation of the project.

"(3) In approving applications under subsection (a), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

"PART D—NATIONAL ACTIVITIES AND GRANTS TO STATES

"SEC. 6401. NATIONAL ACTIVITIES.

"(a) AUTHORIZED ACTIVITIES.—From funds appropriated for any fiscal year to carry out this section, the Secretary may—

"(1) conduct research related to effective approaches to the education of Indian children and adults;

"(2) evaluate federally assisted education programs from which Indian children and adults may benefit;

"(3) collect and analyze data on the educational status and needs of Indians; and

"(4) carry out other activities consistent with the purpose of this Act.

"(b) ELIGIBILITY.—The Secretary may carry out any of the activities described in subsection (a) directly or through grants to, or contracts or cooperative agreements with, Indian tribes, Indian organizations, State educational agencies, local educational agencies, institutions of higher education, including Indian institutions of higher education, and other public and private agencies and institutions.

"(c) COORDINATION.—Research activities supported under this section—

"(1) shall be carried out in consultation with the Office of Educational Research and Improvement to assure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

"(2) may include collaborative research activities which are jointly funded and carried out by the Office of Indian Education and the Office of Educational Research and Improvement.

"SEC. 6402. STATE EDUCATIONAL AGENCY REVIEW.

"(a) Before submitting its application to the Secretary, the local educational agency shall submit its application to the State educational agency.

"(b) The State education agency may send to the Secretary comments on each local educational agency application its reviews. The Secretary shall take such comments into consideration in reviewing such application.

"PART E—FEDERAL ADMINISTRATION

"SEC. 6501. OFFICE OF INDIAN EDUCATION.

"(a) OFFICE OF INDIAN EDUCATION.—There shall be an Office of Indian Education (referred to in this section as 'the Office') in the Department of Education.

"(b) DIRECTOR.—(1) The Office shall be under the direction of the Director, who shall be appointed by the Secretary and who shall report directly to the Assistant Secretary for Elementary and Secondary Education.

"(2) The Director shall—

"(A) be responsible for administering this title;

"(B) be involved in, and be primarily responsible for, the development of all policies affecting Indian children and adults under programs administered by the Office of Elementary and Secondary Education;

"(C) coordinate the development of policy and practice for all programs in the Department relating to Indian persons; and

"(D) assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to the education of Indian persons.

"(3) The Director of the Office shall be a member of the career Senior Executive Service.

"(c) INDIAN PREFERENCE IN EMPLOYMENT.—(1) The Secretary shall give a preference to Indian persons in all personnel actions in the Office.

"(2) Such preference shall be implemented in the same fashion as the preference given to any veteran under section 2609 of the Revised Statutes, section 45 of title 25, United States Code.

"SEC. 6502. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

"(a) MEMBERSHIP.—There shall be a National Advisory Council on Indian Education (referred to in this section as 'the Council'), which shall—

"(1) consist of 15 Indian members, who shall be appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations; and

"(2) represent different geographic areas of the country.

"(b) DUTIES.—The Council shall—

"(1) advise the Secretary on the funding and administration, including the development of regulations and of administrative policies and practices, of any program, including programs under this title, for which the Secretary is responsible and in which Indian children or adults participate or from which they can benefit;

"(2) make recommendations to the Secretary for filling the Director's position whenever a vacancy occurs in such position; and

"(3) submit to the Congress, by June 30 of each year, a report on its activities, which shall include—

"(A) any recommendations it finds appropriate for the improvement of Federal education programs in which Indian children or adults participate, or from which they can benefit; and

"(B) its recommendations with respect to the funding of any such programs.

"SEC. 6503. PEER REVIEW.

"In reviewing applications under parts B, C, and D of this title, the Secretary may use a peer review process.

"SEC. 6504. PREFERENCE FOR INDIAN APPLICANTS.

"In making grants under parts B and C of this title, the Secretary shall give a preference to Indian tribes, Indian organizations, and Indian institutions of higher education under any program for which they are eligible to apply.

"SEC. 6505. MINIMUM GRANT CRITERIA.

"In making grants under parts B and C of this title, the Secretary shall approve only projects that are—

"(1) of sufficient size, scope, and quality to achieve the purpose of the section under which assistance is sought; and

"(2) based on relevant research findings.

"PART F—DEFINITIONS; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 6601. DEFINITIONS.

"The following definitions apply to terms as used in this title:

"(1) The term 'adult' means an individual who is either—

"(A) not less than 16 years old; or

"(B) beyond the age of compulsory school attendance under State law.

"(2) The term 'adult education' has the meaning given such term in section 312(2) of the Adult Education Act.

"(3) The term 'free public education' means education that is—

"(A) provided at public expense, under public supervision and direction, and without tuition charge; and

"(B) provided as elementary or secondary education in the applicable State or to preschool children.

"(4) The term 'Indian' means an individual who is--

"(A) a member of an Indian tribe or band, as membership is defined by the tribe or band, including—

"(i) tribes and bands terminated since 1940; and

"(ii) tribes and bands recognized by the State in which they reside;

"(B) a descendant, in the first or second degree, of an individual described in subparagraph (A);

"(C) considered by the Secretary of the Interior to be an Indian for any purpose; or

"(D) an Eskimo, Aleut, or other Alaska Native.

"SEC. 6602. AUTHORIZATIONS OF APPROPRIATIONS.

"(a) PART A.—For the purpose of carrying out part A of this title, there are authorized to be appropriated $61,300,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(b) PARTS B THROUGH D.—For the purpose of carrying out parts B, C, and D of this title, there are authorized to be appropriated $20,925,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(c) PART E.—For the purpose of carrying out part E of this title, including section 6502, there are authorized to be appropriated $3,775,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"PART G—BUREAU OF INDIAN AFFAIRS PROGRAMS

"SEC. 6701. STANDARDS FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS.

"(a) The purpose of the standards developed under this section shall be to afford Indian students being served by a Bureau funded school with the same opportunities as all other students to achieve the high goals embodied in the Goals 2000: Educate America Act. Consistent with the provisions of this section and section 6711 of this part, the Secretary shall take such actions as are necessary to coordinate standards developed and implemented under this section with those in the State plans developed and implemented pursuant to the GOALS 2000 Educate America Act for the States in which each Bureau funded school operates. In developing and reviewing these standards and such coordination, the Secretary shall utilize the findings and recommendations of the panel established by the Goals 2000: Educate America Act

"(b) The Secretary, in consultation with the Secretary of Education, and in consultation with Indian organizations and tribes, shall carry out or cause to be carried out by contract with an Indian organization such studies and surveys, making the fullest use possible of other existing studies, surveys, and plans, as are necessary to establish and revise standards for the basic education of Indian children attending Bureau funded schools. Such studies and surveys shall take into account factors such as academic needs, local cultural differences, type and level of language skills, geographic isolation, and appropriate teacher-student ratios for such children, and shall be directed toward the attainment of equal eductional opportunity for such children.

"(c)(1) Within 18 months of the date of enactment of this Act, the Secretary shall revise the minimum academic standards published in the Federal Register of November 1983 for the basic education of Indian children which are consistent with subsections (a) and (b) of this section and section 6711, and shall distribute such revised standards in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within 21 months of the date of enactment of the Elementary and Secondary Education Act Amendments of 1993, the Secretary shall establish final standards, distribute such standards to all the tribes and publish such standards in the Federal Register. The Secretary shall revise such standards periodically as necessary. Prior to any revision of such standards, the Secretary shall distribute such proposed revision to all the tribes, and publish such proposed revision in the Federal Register, for the purpose of receiving comments from the tribes and other interested parties.

"(2) Such standards shall apply to Bureau schools, and subject to subsection (f), to contract and grant schools, and may also serve as a model for educational programs for Indian children in public schools. In establishing and revising such standards, the Secretary shall take into account the special needs of Indian students and the support and reinforcement of the specific cultural heritage of each tribe. Such standards shall include a requirement, developed in coordination with Indian tribes, the affected local school boards, the Indian Health Service of the Department of Health and Human Services, the State health departments, and the Centers for Disease Control and Prevention, on immunization for childhood diseases, including provisions for in-school immunization, where necessary.

"(d) The Secretary shall provide alternative or modified standards in lieu of the standards established under subsection (c), where necessary, so that the programs of each school shall be in compliance with the minimum standards required for accreditation of schools in the State where the school is located.

"(e) A tribal governing body, or the local school board so designated by the tribal governing body, shall have the local authority to waive, in part or in whole, the standards established under subsections (c) and (d), where such standards are deemed by such body to be inappropriate or ill-conceived. The tribal governing body or designated school board shall, within 60 days thereafter, submit to the Secretary a proposal for alternative standards that takes into account the specific needs of the tribe's children. Such revised standards shall be established by the Secretary unless specifically rejected by the Secretary for good cause and in writing to the affected tribes or local school board, which rejection shall be final and unreviewable.

"(f)(1) The Secretary, through contracting and grant-making procedures, shall assist school boards of contract and grant schools in the implementation of the standards established under subsection (c) and (d), if the school boards request that such standards, in part or in whole, be implemented. At the request of a contract or grant school board, the Secretary shall provide alternative or modified standards for the standards established under subsections (c) and (d) to take into account the needs of the Indian children and the contract or grant school.

"(2) Within 1 year of the date of the enactment of the Indian Education Technical Amendments Act of 1985, the Bureau shall, either directly or through contract with an Indian organization, establish a consistent system of reporting standards for fiscal control and fund accounting for all contract schools. Such standards shall yield data results comparable to those used by Bureau schools.

"(g) Subject to subsections (e) and (f), the Secretary shall begin to implement the standards established under this section immediately upon the date of their establishment. No later than January 1, 1995, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract and grant schools up to the level required by the applicable standards established under this section. Such plan shall include, but not be limited to, detailed information on the status of each school's educational program in relation to the applicable standards established under this section, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school up to the level required by such standards.

"(h)(1) Except as specifically required by statute, no school or peripheral dormitory operated by the Bureau of Indian Affairs on or after January 1, 1992, may be closed or consolidated or have its program substantially curtailed unless done according to the requirements of this subsection, except that, in those cases where the tribal governing body, or the local school board concerned (if so designated by the tribal governing body), requests closure or consolidation, the requirements of this subsection shall not apply. The requirements of this subsection shall not apply when a temporary closure, consolidation, or substantial curtailment is required by plant conditions which constitute an immediate hazard to health and safety.

"(2) The Secretary shall, by regulation, promulgate standards and procedures for the closing, consolidation, or substantial curtailment of Bureau schools in accordance with the requirements of this subsection.

"(3) Whenever closure, transfer to any other authority, consolidation, or substantial curtailment of a school is under active consideration or review by any division of the Bureau or the Department of the Interior, the affected tribe, tribal governing body, and designated local school board, will be notified as soon as such consideration or review begins, kept fully and currently informed, and afforded an opportunity to comment with respect to such consideration or review. When a formal decision is made to close, transfer to any other authority, consolidate, or substantially curtail a school, the affected tribe, tribal governing body, and designated local school board shall be notified at least 6 months prior to the end of the school year preceding the proposed effective date. Copies of any such notices and information shall be transmitted promptly to the Congress and published in the Federal Register.

"(4) The Secretary shall make a report to Congress, the affected tribe, and the designated local school board describing the process of the active consideration or review referred to in paragraph (3). At a minimum, the report shall include a study of the impact of such action on the student population, with every effort to identify those students with particular educational and social needs, and to ensure that alternative services are available to such students.

Such report shall include the description of the consultation conducted between the potential service provider, current service provider, parents, tribal representative and the tribe or tribes involved, and the Director of the Office of Indian Education Programs within the Bureau regarding such students. No irreversible action may be taken in furtherance of any such proposed school closure, transfer to any other authority, consolidation, or substantial curtailment (including any action which would prejudice the personnel or programs of such school) until the end of the first full academic year after such report is made.

“(5) The Secretary may terminate, contract, transfer to any other authority, or consolidate or substantially curtail the operation or facilities of—

“(A) any Bureau funded school that is operated on or after April 1, 1987,

“(B) any program of such a school that is operated on or after April 1, 1987, or

“(C) any school board of a school operated under a grant under the Tribally Controlled Schools Act of 1988 (Public Law 100–297),

only if the tribal governing body approves such action.

“(i) There are hereby authorized to be appropriated such sums as may be necessary, for academic program costs, in order to bring all Bureau and contract schools up to the level required by the applicable standards established under this section.

“(j)(1) All schools funded by the Bureau of Indian Affairs shall include within their curriculum a program of instruction relating to alcohol and substance abuse prevention and treatment. The Assistant Secretary shall provide the technical assistance necessary to develop and implement such a program for students in kindergarten and grades 1 through 12, at the request of—

“(A) any Bureau of Indian Affairs school (subject to the approval of the school board of such school);

“(B) any school board of a school operating under a contract entered into under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.); or

“(C) any school board of a school operating under a grant under the Tribally Controlled Schools Act of 1988 (Public Law 100–297).

“(2) In schools operated directly by the Bureau of Indian Affairs, the Secretary shall provide for—

“(A) accurate reporting of all incidents relating to alcohol and substance abuse; and

“(B) individual student crisis intervention.

“(3) The programs requested under paragraph (1) shall be developed in consultation with the Indian tribe that is to be served by such program and health personnel in the local community of such tribe.

“(4) Schools requesting program assistance under this subsection are encouraged to involve family units and, where appropriate, tribal elders and Native healers in such instructions.

“(k) For purposes of this section, the term ‘tribal governing body’ means, with respect to any school, the tribal governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.

“(l)(1)(A) The Secretary shall only consider the factors described in subparagraphs (B) and (C) in reviewing—

“(i) applications from any tribe for the awarding of a contract or grant for a school that is not a Bureau funded school, and

“(ii) applications from any tribe or school board of any Bureau funded school for—

“(I) a school which is not a Bureau funded school; or

“(II) the expansion of a Bureau funded school which would increase the amount of funds received by the Indian tribe or school board under section 6707.

The Secretary shall give consideration to all of such factors, but none of such applications may be denied based primarily upon the geographic proximity of public education.

“(B) The Secretary shall consider the following factors relating to the program that is the subject of an application described in subparagraph (A):

“(i) the adequacy of facilities or the potential to obtain or provide adequate facilities;

“(ii) geographic and demographic factors in the affected areas;

“(iii) adequacy of the applicant's program plans or, in the case of a Bureau funded school, of projected needs analysis done either by a tribe or by Bureau personnel;

“(iv) geographic proximity of comparable public education; and

“(v) the stated needs of all affected parties, including (but not limited to) students, families, tribal governments at both the central and local levels, and school organizations.

“(C) The Secretary shall consider with respect to applications described in subparagraph (A) the following factors relating to all the educational services available at the time the application is considered:

“(i) geographic and demographic factors in the affected areas;

“(ii) adequacy and comparability of programs already available;

“(iii) consistency of available programs with tribal educational codes or tribal legislation on education; and

“(iv) the history and success of these services for the proposed population to be served, as determined from all factors and not just standardized examination performance.

“(2)(A) The Secretary shall make a determination of whether to approve any application described in paragraph (1)(A) by no later than the date that is 180 days after the day on which such application is submitted to the Secretary.

“(B) If the Secretary fails to make the determination described in subparagraph (A) with respect to an application by the date described in subparagraph (A), the application shall be treated as having been approved by the Secretary.

“(3)(A) Any application described in paragraph (1)(A) may be submitted to the Secretary only if—

“(i) the application has been approved by the tribal governing body of the students served by (or to be served by) the school or program that is the subject of the application, and

“(ii) written evidence of such approval is submitted with the application.

“(B) Each application described in paragraph (1)(A)—

“(i) shall provide information concerning each of the factors described in paragraph (1)(B), and

“(ii) may provide information concerning the factors described in paragraph (1)(C).

“(4) Whenever the Secretary makes a determination to deny approval of any application described in paragraph (1)(A), the Secretary shall—

“(A) state the objections in writing to the applicant by no later than the date that is 180 days after the day on which the application is submitted to the Secretary,

“(B) provide assistance to the applicant to overcome stated objections, and

“(C) provide the applicant a hearing, under the same rules and regulations pertaining to the Indian Self-Determination and Education Assistance Act, and an opportunity to appeal the objections raised by the Secretary.

“(5)(A) Except as otherwise provided in this paragraph, the action which is the subject of any application described in paragraph (1)(A) that is approved by the Secretary shall become effective with the commencement of the academic year succeeding the fiscal year in which the application is approved, or at an earlier date determined by the Secretary.

“(B) If an application is treated as having been approved by the Secretary by reason of paragraph (2)(B), the action that is the subject of the application shall become effective on the date that is 18 months after the date on which the application is submitted to the Secretary, or at an earlier date determined by the Secretary.

“SEC. 6702. NATIONAL CRITERIA FOR DORMITORY SITUATIONS.

“(a) The Secretary, in consultation with the Secretary of the Department of Education, and in consultation with Indian organizations and tribes, shall conduct or cause to be conducted by contract with an Indian organization, a study of the costs applicable to boarding arrangements for Indian students provided in Bureau and contract and grant schools, for the purpose of establishing national criteria for such dormitory situations. Such criteria shall include adult-child ratios, needs for counselors (including special needs related to off-reservation boarding arrangements), space, and privacy.

“(b) No later than January 1, 1996, the Secretary shall propose such criteria, and shall distribute such proposed criteria to the tribes and publish such proposed criteria in the Federal Register for the purpose of receiving comments from the tribes and other interested parties. Within eighteen months of the date of the enactment of this Act, the Secretary shall establish final criteria, distribute such criteria to all the tribes, and publish such criteria in the Federal Register. The Secretary shall revise such criteria periodically as necessary. Any revisions to the standards established under this section shall be developed subject to requirements established under section 6711.

“(c) The Secretary shall begin to implement the criteria established under this section immediately upon the date of their establishment. No later than January 1, 1981, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all Bureau and contract boarding schools up to the criteria established under this section. Such plan shall include, but not be limited to, predictions for the relative need for each boarding school in the future, detailed information on the status of each school in relation to the criteria established under this section, specific cost estimates for meeting such criteria at each school, and specific time lines for bringing each school up to the level required by such criteria.

“(d)(1) The criteria established under this section may be waived in the same manner as the standards provided under section 6701(c) may be waived under section 6701(e).

“(2) No school in operation on or before January 1, 1987 (regardless of compliance or noncompliance with the criteria established under this section) may be closed, transferred to another authority, consolidated or have its program substantially curtailed for failure to meet the criteria.

“(3) By no later than May 1, 1996, the Secretary shall submit to the Congress a report detailing the costs associated with, and the actions necessary for, complete compliance with the criteria established under this section.

“(e) There are hereby authorized to be appropriated such sums as may be necessary in order to bring each school up to the level required by the criteria established under this section.

“SEC. 6703. REGULATIONS.

“(a) The provisions of part 32 of title 25 of the Code of Federal Regulations, as in effect on January 1, 1987, are hereby incorporated into

this Act and shall be treated as though such provisions are set forth in this subsection. Accordingly, such provisions may be altered only by means of an amendment to this subsection that is contained in an Act or joint resolution which is enacted into law. To the extent that such provisions of part 32 do not conform with this Act or any statutory provision of law enacted before the date of enactment of this Act, the provisions of this Act and the provisions of such other statutory law shall govern.

"(b) The provisions of parts 31, 33, 36, 39, 42, and 43 of title 25 of the Code of Federal Regulations, as in effect on January 1, 1987, shall be applied by the Federal Government and shall not, before July 1, 1989, be amended, revoked, or altered in any manner. No officer or employee of the Executive Branch shall have the authority to issue any other regulations, prior to July 1, 1989, that supersede, supplement, or otherwise affect the provisions of such parts. To the extent that the provisions of such parts do not conform with this Act or any statutory provision of law enacted before the date of enactment of this Act, the provisions of this Act and the provisions of such other statutory law shall govern.

"(c) After June 30, 1989, no regulation prescribed for the application of any program provided under this title shall become effective unless—

"(1) the regulation has been published as a proposed regulation in the Federal Register,

"(2) an opportunity of no less than 90 days has been afforded the public to comment on the published proposed regulation, and

"(3) the regulation has, after such period for public comment, been published in the Federal Register as a final regulation.

"(d) For purposes of this section, the term 'regulation' means any rules, regulations, guidelines, interpretations, orders, or requirements of general applicability prescribed by any officer or employee of the Executive Branch.

"SEC. 6704. SCHOOL BOUNDARIES.

"(a) The Secretary shall, in accordance with this section, establish separate geographical attendance areas for each Bureau school.

"(b)(1) Except as provided in paragraph (2), on or after July 1, 1985, no attendance area shall be changed or established with respect to any such school unless the tribal governing body or the local school board concerned (if so designated by the tribal governing body) has been (i) afforded at least six months notice of the intention of the Bureau to change or establish such attendance area, and (ii) given the opportunity to propose alternative boundaries. Any tribe may petition the Secretary for revision of existing attendance area boundaries. The Secretary shall accept such proposed alternative or revised boundaries unless the Secretary finds, after consultation with the affected tribe or tribes, that such revised boundaries do not reflect the needs of the Indian students to be served or do not provide adequate stability to all of the affected programs.

"(2) In any case where there is more than 1 Bureau funded school located on an Indian reservation, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the relevant attendance areas for such schools, subject to the approval of the tribal governing body. Any such boundaries so established shall be accepted by the Secretary.

"(c) In any case where there is only 1 Bureau operated program located on an Indian reservation, the attendance area for the program shall be the boundaries of the reservation served, and those students residing near the reservation shall also receive services from such program.

"(d) The Bureau of Indian Affairs shall include in the final rules the requirement that each appropriate education line officer coordinate and consult with the affected tribes and relevant school boards in the establishment of such geographic boundaries.

"SEC. 6705. FACILITIES CONSTRUCTION.

"(a) The Secretary shall immediately begin to bring all schools, dormitories, and other facilities operated by the Bureau or under contract or grant with the Bureau in connection with the education of Indian children into compliance with all applicable Federal, tribal, or State health and safety standards, whichever provide greater protection (except that the tribal standards to be applied shall be no greater than any otherwise applicable Federal or State standards), and with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and with the Americans with Disabilities Act of 1990, except that nothing in this section shall require termination of the operations of any facility which does not comply with such provisions and which is in use on the date of enactment of this Act.

"(b) By January 1, 1996, and at each time thereafter that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring such facilities into compliance with such standards. Such plan shall include, but not be limited to, detailed information on the status of each facility's compliance with such standards, specific cost estimates for meeting such standards at each school, and specific time lines for bringing each school into compliance with such standards.

"(c) Within six months of the date of enactment of this Act, the Secretary shall submit to the appropriate committees of Congress, and publish in the Federal Register, the system used to establish priorities for school construction projects. At the time any budget request for school construction is presented, the Secretary shall publish in the Federal Register and submit with the budget request the current list of all school construction priorities.

"(d)(1) A Bureau school may be closed or consolidated, and the programs of a Bureau school may be substantially curtailed, by reason of plant conditions that constitute an immediate hazard to health and safety only if a health and safety officer of the Bureau determines that such conditions exist at the Bureau school.

"(2)(A) In making determinations described in paragraph (1) before July 1, 1989, health and safety officers of the Bureau shall use the health and safety guidelines of the Bureau that were in effect on January 1, 1988.

"(B)(i) If—

"(I) the Secretary fails to publish in the Federal Register in final form before July 1, 1989, and

"(II) action described in paragraph (1) is taken after June 30, 1989, and before the date on which such regulations are published in final form in the Federal Register by reason of the condition of any plant,

an inspection of the condition of such plant shall be conducted by an appropriate tribal, county, municipal, or State health and safety officer to determine whether conditions at such plant constitute an immediate hazard to health and safety. Such inspection shall be completed by no later than the date that is 30 days after the date on which the action described in paragraph (1) is taken.

"(ii) The inspection required under clause (i) shall be conducted by a health and safety officer designated jointly by the Secretary and the tribes affected by the action described in paragraph (1). If the Secretary and such tribes are unable to agree on the designation of the health and safety officer, the Secretary shall designate the health and safety officer and shall provide notice of such designation to each of such tribes before the inspection is conducted by such officer.

"(iii) If the health and safety officer conducting an inspection of a plant required under clause (i) determines that conditions at the plant do not constitute an immediate hazard to health and safety, any consolidation or curtailment that was made by reason of conditions at the plant shall immediately cease and any school closed by reason of conditions at the plant shall be reopened immediately.

"(3) If—

"(A) a Bureau school is temporarily closed or consolidated, or the programs of a Bureau school are substantially curtailed, by reason of plant conditions that constitute an immediate hazard to health and safety, and

"(B) the Secretary estimates that the closure, consolidation, or curtailment will be more than 1 year in duration,

the Secretary shall submit to the Congress, by no later than the date that is 6 months after the date on which the closure, consolidation, or curtailment is initiated, a report which sets forth the reasons for such temporary actions and the actions the Secretary is taking to eliminate the conditions that constitute the hazard.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to carry out subsection (a).

"SEC. 6706. BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS.

"(a) The Secretary shall vest in the Assistant Secretary for Indian Affairs all functions with respect to formulation and establishment of policy and procedure, and supervision of programs and expenditures of Federal funds for the purpose of Indian education administered by the Bureau. The Assistant Secretary shall carry out such functions through the Director of the Office of Indian Education.

"(b) The Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved with provision of education services by the Bureau, including (but not limited to) school or institution custodial or maintenance personnel. The Assistant Secretary for Indian Affairs shall provide for the adequate coordination between the affected Bureau Offices and the Office to facilitate the consideration of all contract functions relating to education. Except as required by section 6709(d), nothing in this Act shall be construed to require the provision of separate support services for Indian education.

"(c) Education personnel who are under the direction and supervision of the Director of the Office in accordance with the first sentence of subsection (b) shall—

"(1) monitor and evaluate Bureau education programs,

"(2) provide all services and support functions for education programs with respect to personnel matters involving staffing actions and functions, and

"(3) provide technical and coordinating assistance in areas such as procurement, contracting, budgeting, personnel, and curriculum.

"(d)(1) The Assistant Secretary shall submit in the annual Budget a plan—

"(A) for school facilities to be constructed under the system required by section 6705(c);

"(B) for establishing priorities among projects and for the improvement and repair of education facilities, which together shall form the basis for the distribution of appropriated funds; and

"(C) including a 5-year plan for capital improvements.

"(2) The Assistant Secretary shall establish a program, including the distribution of appropriated funds, for the operation and maintenance of education facilities. Such program shall include, but not be limited to—

"(A) a method of computing the amount necessary for each education facility;

"(B) similar treatment of all Bureau funded schools;

"(C) a notice of an allocation of appropriated funds from the Director of the Office directly to the appropriate education line officers; and

"(D) a system for the conduct of routine preventive maintenance.

The appropriate education line officers shall make arrangements for the maintenance of education facilities with the local supervisors of the Bureau maintenance personnel who are under the authority of the agency superintendent or area directors, respectively. The local supervisors of Bureau maintenance personnel shall take appropriate action to implement the decisions made in this regard by the appropriate education line officers, except that no funds from this program may be authorized for expenditure unless such appropriate education line officer is assured that the necessary maintenance has been, or will be, provided in a reasonable manner. Subject to the requirements of subsection (b) of this section, nothing in this Act shall be construed to require the provision of separate operations and maintenance personnel for the Office.

"(3) The requirements of this subsection shall be implemented no later than July 1, 1995.

"(e) Any other provision of law notwithstanding, the Director shall promulgate guidelines for the establishment of mechanisms for the acceptance of gifts and bequests for the use of, and benefit of, particular schools or designated Bureau operated education programs, including, where appropriate, the establishment and administration of trust funds. When a Bureau operated program is the beneficiary of such a gift or bequest, the Director shall make provisions for monitoring its use, and shall report to the appropriate committees of Congress the amount and terms of such gift and bequest, the use to which it is put, and any positive results achieved by such action.

"(f) For the purpose of this section the term 'functions' includes powers and duties.

"SEC. 6707. ALLOTMENT FORMULA.

"(a) The Secretary shall establish, by regulation adopted in accordance with section 6719, a formula for determining the minimum annual amount of funds necessary to sustain each Bureau funded school. In establishing such formula, the Secretary shall consider—

"(1) the number of eligible Indian students served and size of the school;

"(2) special cost factors, such as—

"(A) isolation of the school;

"(B) need for special staffing, transportation, or educational programs;

"(C) food and housing costs;

"(D) maintenance and repair costs associated with the physical condition of the educational facilities;

"(E) special transportation and other costs of isolated and small schools;

"(F) the costs of boarding arrangements, where determined necessary by a tribal governing body or designated local school board;

"(G) costs associated with greater lengths of service by educational personnel; and

"(H) special programs for gifted and talented students;

"(3) the cost of providing academic services which are at least equivalent to those provided by public schools in the State in which the school is located; and

"(4) such other relevant factors as the Secretary determines are appropriate.

Upon the establishment of the standards required by sections 6701 and 6702 of this Act, the Secretary shall revise the formula established under this subsection to reflect the cost and funding standards so established. Prior to January 1, 1995, the Secretary shall review the formula established under this section and shall take such steps as may be necessary to increase the availability of counseling services for students in off-reservation boarding schools and other Bureau operated residential facilities. Concurrent with such action, the Secretary shall review the standards established under section 6701 of this title to be certain that adequate provision is made for parental notification regarding, and consent for, such counseling services.

"(b) Notwithstanding any other provisions of law, Federal funds appropriated for the general local operation of Bureau funded schools, shall be allotted pro rata in accordance with the formula established under subsection (a).

"(c)(1) For fiscal year 1990, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

"(A) use a weighted unit of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school in considering the number of eligible Indian students served by the school;

"(B) consider a school with an enrollment of less than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools; and

"(C) take into account the provision of residential services on a less than 9-month basis at a school when the school board and supervisor of the school determine that a less than 9-month basis will be implemented for the school year involved.

"(2)(A) The Secretary shall reserve for national school board training 0.2 percent of the funds appropriated for each fiscal year for distribution under this section. Such training shall be conducted through the same organizations through which, and in the same manner in which, the training was conducted in fiscal year 1992. If the contract for such training is not awarded before May 1 of each fiscal year, the contract under which such training was provided for the fiscal year preceding such fiscal year shall be renewed by the Secretary for such fiscal year. The agenda for the training sessions shall be established by the school boards through their regional or national organizations.

"(B) For each year in which the Secretary uses a weighted unit formula established under subsection (a) to fund Bureau schools, a Bureau school which generates less than 168 weighted units shall receive an additional 2 weighted units to defray school board activities.

"(C) From the funds allotted in accordance with the formula established under subsection (a) for each Bureau school, the local school board of such school may reserve an amount which does not exceed the greater of—

"(i) $5,000, or

"(ii) the lesser of—

"(I) $15,000, or

"(II) 1 percent of such allotted funds,

for school board activities for such school, including but not limited to, and notwithstanding any other provision of law, meeting expenses and the cost of membership in, and support of, organizations engaged in activities on behalf of Indian education.

"(3)(A) The Secretary shall adjust the formula established under subsection (a) to use a weighted unit of 2.0 for each eligible Indian student that—

"(i) is gifted and talented (as determined pursuant to section 6204 of the Indian Education Act of 1988), and

"(ii) is enrolled in the school on a full-time basis,

in considering the number of eligible Indian students served by the school.

"(B) The adjustment required under subparagraph (A) shall be used for the later of the following fiscal years and for each fiscal year succeeding such later fiscal year:

"(i) the second fiscal year succeeding the fiscal year in which the Secretary of Education makes the report required under section 6204(c)(6)(B) of the Indian Education Act of 1988, or

"(ii) the first fiscal year for which an increase in the amount of funds appropriated for allotment under this section is designated by the law that appropriates such funds as the amount necessary to implement such adjustment without reducing allotments made under this section to any school.

"(d) The Secretary shall reserve from the funds available for distribution for each fiscal year under this section an amount which, in the aggregate, shall equal 1 percent of the funds available for such purpose for that fiscal year. Such funds shall be used, at the discretion of the Director of the Office, to meet emergencies and unforeseen contingencies affecting the education programs funded under this section. Funds reserved under this subsection may only be expended for education services or programs at a schoolsite (as defined in section 5204(c)(2) of the Tribally Controlled Schools Act of 1988). Funds reserved under this subsection shall remain available without fiscal year limitation until expended. However, the aggregate amount available from all fiscal years may not exceed 1 percent of the current year funds. Whenever the Secretary makes funds available under this subsection, the Secretary shall report such action to the appropriate committees of Congress within the annual budget submission.

"(e) Supplemental appropriations enacted to meet increased pay costs attributable to school level personnel shall be distributed under this section.

"(f) In this section 'eligible Indian student' means a student who—

"(1) is a member of or is at least a 1/4 degree Indian blood descendant of a member of an Indian tribe which is eligible for the special programs and services provided by the United States through the Bureau of Indian Affairs to Indians because of their status as Indians, and

"(2) resides on or near an Indian reservation or meets the criteria for attendance at a Bureau off-reservation boarding school.

"(g)(1) An eligible Indian student may not be charged tuition for attendance at a Bureau or contract school. A student attending a Bureau school under clause (2)(C) of this subsection may not be charged tuition.

"(2) The Secretary may permit the attendance at a Bureau school of a student who is not an eligible Indian student if—

"(A) the Secretary determines that the student's attendance will not adversely affect the school's program for eligible Indian students because of cost, overcrowding, or violation of standards,

"(B) the school board consents, and

"(C) the student is a dependent of a Bureau, Indian Health Service, or tribal government employee who lives on or near the school site, or

"(D) a tuition is paid for the student that is not more than that charged by the nearest public school district for out-of-district students. The tuition collected is in addition to the school's allocation under this section.

"(3) The school board of a contract school or grant school may permit students who are not eligible Indian students under this subsection to attend its contract school or grant school and any tuition collected for those students is in addition to funding under this section.

"(h)(1) The Secretary shall conduct, through contact or cooperative agreement with an entity having proven expertise in the field of school fi-

nance, and after consultation with tribes and national Indian organizations, a study to determine the feasibility and desirability of changing the method of financing for Bureau funded schools from the weighted student unit formula method in effect on the date of enactment of this Act to a school based budget system of financing. The Assistant Secretary shall take such steps as are necessary to immediately implement this provision.

"(2) For the purposes of this study, the term 'school-based budget system' means a system based upon an initial determination, at each school site, of the number of students who shall be served at the site, the needs of those students, the standards which will best meet those needs (including any standards or conditions reflecting local community input and the program developed under this part), the personnel profile necessary to establish such program and the cost (determined on an actual basis) of funding such a program. Such a system would include procedures to aggregate the determinations for each school site to determine the amount needed to fund all Bureau-funded schools, to prepare a budget submission based upon such aggregate and would provide for a mechanism for distributing such sums as may be appropriated based upon the determination at each school site.

"(3) No later than January 20, 1996, the Secretary shall transmit to the Committees on Education and Labor and Appropriations of the House of Representatives and the Committees on Indian Affairs and Appropriations of the Senate of the United States the study required under this subsection, along with any views or comments of the Secretary on such study.

"(i) Any other provision of law notwithstanding, at the election of the school board made at any time during the fiscal year, a portion equal to no more than 15 percent of the funds allocated with respect to a school under this section for any fiscal year shall remain available to the school for expenditure without fiscal year limitation. The Assistant Secretary shall take steps as may be necessary to implement this provision immediately.

"(j) Tuition for the out-of-State students boarding at the Richfield Dormitory in Richfield, Utah, who attend Sevier County high schools in Richfield, Utah, may be paid from the Indian School Equalization Program funds at a rate not to exceed the amount per Weighted Student Unit for that year for instruction. No additional administrative cost funds will be added to the grant.

"SEC. 6708. ADMINISTRATIVE COST GRANTS.

"(a)(1) The Secretary shall, subject to the availability of appropriated funds, provide grants to each tribe or tribal organization operating a contract or grant school in the amount determined under this section with respect to the tribe or tribal organization for the purpose of paying the administrative and indirect costs incurred in operating contract schools in order to—

"(A) enable tribes and tribal organizations operating such schools, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice, and

"(B) carry out other necessary support functions which would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

"(2) Amounts appropriated to fund the grants provided under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract schools.

"(b)(1) The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate of the tribe or tribal organization to the aggregate of the Bureau elementary and secondary functions operated by the tribe or tribal organization for which funds are received from or through the Bureau. The administrative cost percentage rate determined under subsection (c) does not apply to other programs operated by the tribe or tribal organization.

"(2) The Secretary shall—

"(A) reduce the amount of the grant determined under paragraph (1) to the extent that payments for administrative costs are actually received by an Indian tribe or tribal organization under any Federal education program included in the direct cost base of the tribe or tribal organization, and

"(B) take such actions as may be necessary to be reimbursed by any other department or agency of the Federal Government for the portion of grants made under this section for the costs of administering any program for Indians that is funded by appropriations made to such other department or agency.

"(c) For purposes of this section, the administrative cost percentage rate for a contract or grant school for a fiscal year is equal to the percentage determined by dividing—

"(1) the sum of—

"(A) the amount equal to—

"(i) the direct cost base of the tribe or tribal organization for the fiscal year, multiplied by

"(ii) the minimum base rate, plus

"(B) the amount equal to—

"(i) the standard direct cost base, multiplied by

"(ii) the maximum base rate, by

"(2) the sum of—

"(A) the direct cost base of the tribe or tribal organization for the fiscal year, plus

"(B) the standard direct cost base.

The administrative cost percentage rate shall be determined to the $1/100$ *of a decimal point.*

"(d)(1)(A) Funds received by a tribe or contract or grant school as grants under this section for tribal elementary or secondary educational programs may be combined by the tribe or contract school into a single administrative cost account without the necessity of maintaining separate funding source accounting.

"(B) Indirect cost funds for programs at the school which share common administrative services with tribal elementary or secondary educational programs may be included in the administrative cost account described in subparagraph (A).

"(2) Funds received as grants under this section with respect to tribal elementary or secondary education programs shall remain available to the contract or grant school without fiscal year limitation and without diminishing the amount of any grants otherwise payable to the school under this section for any fiscal year beginning after the fiscal year for which the grant is provided.

"(3) Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived.

"(4) In applying this section and section 106 of the Indian Self-Determination and Education Assistance Act with respect to an Indian tribe or tribal organization that—

"(A) receives funds under this section for administrative costs incurred in operating a contract school or a school operated under the Tribally Controlled Schools Act of 1988, and

"(B) operates 1 or more other programs under a contract or grant provided under the Indian Self-Determination and Education Assistance Act,

the Secretary shall ensure that the Indian tribe or tribal organization is provided with the full amount of the administrative costs, and of the indirect costs, that are associated with operating the contract school, a school operated under the Tribally Controlled Schools Act of 1988, and all of such other programs, except that funds appropriated for implementation of this section shall be used only to supply the amount of the grant required to be provided by this section.

"(e) For purposes of this section—

"(1)(A) The term 'administrative cost' means the costs of necessary administrative functions which—

"(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program,

"(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds, and

"(iii) are either—

"(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds, or

"(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

"(B) The term 'administrative cost' may include, but is not necessarily limited to—

"(i) contract (or other agreement) administration;

"(ii) executive, policy, and corporate leadership and decisionmaking;

"(iii) program planning, development, and management;

"(iv) fiscal, personnel, property, and procurement management;

"(v) related office services and record keeping; and

"(vi) costs of necessary insurance, auditing, legal, safety and security services.

"(2) The term 'Bureau elementary and secondary functions' means—

"(A) all functions funded at Bureau schools by the Office of Indian Education Programs of the Bureau;

"(B) all programs—

"(i) funds for which are appropriated to other agencies of the Federal Government, and

"(ii) which are administered for the benefit of Indians through Bureau schools; and

"(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

"(3) The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract or agreement with the Bureau.

"(4)(A) Except as otherwise provided in this paragraph, the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

"(i) the second fiscal year preceding such fiscal year, or

"(ii) if such programs have not been operated by the tribe or tribal organization during the 2

preceding fiscal years, the first fiscal year preceding such fiscal year.

"(B) In the case of Bureau elementary or secondary education functions which have not previously been operated by a tribe or tribal organization under contract or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

"(5) The term 'maximum base rate' means 50 percent.

"(6) The term 'minimum base rate' means 11 percent.

"(7) The term 'standard direct cost base' means $600,000.

"(f)(1) Upon the enactment of the Indian Education Amendments of 1988, the Secretary shall—

"(A) conduct such studies as may be needed to establish an empirical basis for determining relevant factors substantially affecting the required administrative costs of tribal elementary and secondary educational programs, using the formula set forth in subsection (c), and

"(B) a study to determine—

"(i) a maximum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the smallest tribal elementary or secondary educational programs,

"(ii) a minimum base rate which ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the largest tribal elementary or secondary educational programs, and

"(iii) a standard direct cost base which is the aggregate direct cost funding level for which the percentage determined under subsection (c) will—

"(I) be equal to the median between the maximum base rate and the minimum base rate, and

"(II) ensure that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of tribal elementary or secondary educational programs closest to the size of the program.

"(2) The studies required under paragraph (1) shall—

"(A) be conducted in full consultation (in accordance with section 1130) with—

"(i) the tribes and tribal organizations that are affected by the application of the formula set forth in subsection (c), and

"(ii) all national and regional Indian organizations of which such tribes and tribal organizations are typically members;

"(B) be conducted on-site at a representative statistical sample of the tribal elementary or secondary educational programs under a contract entered into with a nationally reputable public accounting and business consulting firm;

"(C) take into account the availability of skilled labor, commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found substantially to affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to assure that all required administrative activities can reasonably be delivered in a cost effective manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

"(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

"(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational programs studied and determine whether the factors are of general applicability to other such programs, and (if so) how they may effectively be incorporated into such formula.

"(3) In carrying out the studies required under this subsection, the Secretary shall obtain the input of, and afford an opportunity to participate to, the Inspector General of the Department of the Interior.

"(4) Determinations described in paragraph (2)(C) shall be based on what is pragmatically possible to do at each location studied, given prudent management practice, irrespective of whether required administrative services were actually or fully delivered at these sites, or other services were delivered instead, during the period of the study.

"(5) Upon completion of the studies conducted under paragraph (1), but in no case later than October 1, 1989, the Secretary shall submit to the Congress a report on the findings of the studies, together with determinations based upon such findings that would affect the definitions of terms used in the formula that is set forth in subsection (c).

"(6) The Secretary shall include in the Bureau's justification for each appropriations request for each fiscal year beginning after fiscal year 1989, a projection of the overall costs associated with the formula set forth in subsection (c) for all tribal elementary or secondary educational programs which the Secretary expects to be funded in the fiscal year for which the appropriations are sought.

"(7) For purposes of this subsection, the size of tribal elementary or secondary educational programs is determined by the aggregate direct cost program funding level for all Bureau funded programs which share common administrative cost functions.

"(g)(1) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

"(2) If the total amount of funds necessary to provide grants to tribes and tribal organizations in the amounts determined under subsection (b) for a fiscal year exceeds the amount of funds appropriated to carry out this section for such fiscal year, the Secretary shall reduce the amount of each grant determined under subsection (b) for such fiscal year by an amount that bears the same relationship to such excess as the amount of such grant determined under subsection (b) bears to the total of all grants determined under subsection (b) for all tribes and tribal organizations for such fiscal year.

"(h)(1) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1989 shall—

"(A) in lieu of being determined under subsection (b), be determined for each tribal elementary or secondary educational program on the same basis that indirect costs were determined for such programs for fiscal year 1988, and

"(B) be subject to the provisions of subsection (d).

"(2) Notwithstanding any other provision of this section, the amount of the grant provided under this section for fiscal year 1990 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1989 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1990 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1988 (or fiscal year 1989 if such program was not operated by the tribe or tribal organization during fiscal year 1988), the sum of—

"(i) such amount received, plus

"(ii) ⅓ of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to ⅓ of the excess of—

"(I) such amount received, over

"(II) such amount determined under subsection (b).

"(3) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1991 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1989 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1991 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1990, the sum of—

"(i) such amount received, plus

"(ii) ½ of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to ½ of the excess of—

"(I) such amount received over,

"(II) such amount determined under subsection (b).

"(i) The provisions of this section shall also apply to those schools operating under the Tribally Controlled Schools Act of 1988.

"SEC. 6709. BUDGET PREPARATION AND SUBMISSION.

"(a) For each fiscal year beginning after October 1, 1994, and ending before October 1, 1998, the Secretary shall enter into an interagency agreement with the Secretary of Education for the purpose of carrying out this section. The Secretary shall take such actions as are necessary to transfer information requested by the Secretary of Education or the entity designated under subsection (b) of this section needed to carry out this section in a timely and accurate fashion.

"(b) The Secretary of Education, through the National Center for Education Statistics, shall prepare and submit to Congress the study set forth in subsection (c) of this section no later than January 20, 1995, and January 20 of each of the next 3 succeeding years. The Secretary of Education shall transmit the report directly and without substantive amendment to the Secretary of the Interior, the Assistant Secretary for Indian Affairs of the Department of the Interior, and the Committees on Education and Labor and Appropriations of the House of Representatives and the Committees on Indian Affairs and Appropriations of the Senate of the United States.

"(c)(1) The National Center for Educational Statistics (hereinafter referred to as the 'Center') shall prepare for each of the fiscal years covered under subsection (a) of this section a report on the amount needed to achieve academic and residential programs set forth in this part for Bureau-funded schools funded under section

6707. Such study shall be based on (A) the standards developed and implemented for Bureau-funded schools under section 6701 and 6702 of this part or such other standards as may apply to Bureau-funded contract schools or schools funded under the Tribally Controlled Schools Act of 1988, (B) the student count and characteristics of such schools, as determined pursuant to the formula developed and implemented pursuant to section 6707 of this part for the preceding academic year, adjusted for any changes in student demographics which the Center may project, (C) the employee statistics with respect to such schools for the preceding fiscal year, and (D) such other factors as the Center may set forth, including but not limited to age or physical condition of the schools and changes in isolation.

"(2) Each study shall include a total projected cost for attaining the standards set forth under paragraph (1), and shall presume compliance with those standards. Such study shall also include a projection of the cost for meeting such standards for each Bureau-funded school. Such study shall also include a report on any shortfall in the amount needed to fund Bureau-funded schools, as determined by the study conducted pursuant to this section and the appropriations amount requested and enacted for the period covered by the study.

"(d)(1) Within 24 months of the date of enactment of this Act, the Secretary shall establish within the Office of Indian Education Programs a Division of Budget Analysis (hereinafter referred to as the 'Division'). Such Division shall be under the direct supervision and control of the Director of the Office.

"(2) The Division shall have the capacity to conduct such studies, surveys, or other activities as are necessary to gather demographic information on Bureau-funded schools (current and future) and project the amount necessary to provide Indian students in such schools the educational program set forth in this part.

"(3) The Division shall prepare projections on such amounts, along with such other information as the Director of the Office shall require, for each fiscal year beginning after October 1, 1996. The Director of the Office and the Assistant Secretary for Indian Affairs shall use such reports when preparing their annual budget submissions.

"SEC. 6710. UNIFORM DIRECT FUNDING AND SUPPORT.

"(a)(1) Within six months after the date of enactment of this Act, the Secretary shall establish, by regulation adopted in accordance with section 6719, a system for the direct funding and support of all Bureau-funded schools. Such system shall allot funds, in accordance with section 6707. Amounts appropriated for distribution under this section may be made available under paragraph (2) or under paragraph (3), as provided in the appropriation Act.

"(2)(A) For the purpose of affording adequate notice of funding available pursuant to the allotments made by section 6707, amounts appropriated in an appropriation Act for any fiscal year shall become available for obligation by the affected schools on July 1 of the fiscal year in which they are appropriated without further action by the Secretary, and shall remain available for obligation through the succeeding fiscal year.

"(B) The Secretary shall, on the basis of the amount appropriated in accordance with this paragraph—

"(i) publish, on July 1 preceding the fiscal year for which the funds are appropriated, allotments to each affected school made under section 6707 of 85 percent of such appropriation; and

"(ii) publish, no later than September 30 of such preceding fiscal year, the allotments to be made under section 6707 of the remaining 15 percent of such appropriation, adjusted to reflect actual student attendance.

"(3) Notwithstanding any law or regulation, the supervisor of a Bureau school may expend an aggregate of no more than $35,000 of the amount allotted the school under section 6707 to acquire supplies and equipment for the school without competitive bidding if—

"(A) the cost for any single item purchased does not exceed $10,000;

"(B) the school board approves the procurement;

"(C) the supervisor certifies that the cost is fair and reasonable;

"(D) the documents relating to the procurement executed by the supervisor or other school staff cite this paragraph as authority for the procurement; and

"(E) the transaction is documented in a journal maintained at the school clearly identifying when the transaction occurred, what was acquired and from whom, the prices paid, the quantities acquired, and any other information the supervisor or school board considers relevant.

The Director shall be responsible for determining the application of this paragraph, including the authorization of specific individuals to carry out this authority, and shall be responsible for the provision of guidelines on the use of this authority and adequate training on such guidelines.

"(4) If a sequestration order issued under the Balanced Budget and Emergency Deficit Control Act of 1985 reduces the amount of funds available for allotment under section 6707 for any fiscal year by more than 7 percent of the amount of funds available for allotment under such section during the preceding fiscal year—

"(A) the Secretary may, notwithstanding any other provision of law, use—

"(i) funds appropriated for the operation of any Bureau school that is closed or consolidated, and

"(ii) funds appropriated for any program that has been curtailed at any Bureau school,

to fund allotments made under section 6707, and

"(B) the Secretary may waive the application of the provisions of section 6701(h) with respect to the closure or consolidation of a school, or the curtailment of a program at a school, during such fiscal year if the funds described in clauses (i) and (ii) of subparagraph (A) with respect to such school are used to fund allotments made under section 6707 for such fiscal year.

"(b) In the case of all Bureau schools, allotted funds shall be expended on the basis of local financial plans which shall be prepared by the local school supervisor in active consultation with the local school board for each school, and the local school board for each school shall have the authority to ratify, reject, or amend such financial plan, and expenditures thereunder, and, on its own determination or in response to the supervisor of the school, to revise such financial plan to meet needs not foreseen at the time of preparation of the financial plan. The supervisor shall provide the appropriate union representative of the education employees with copies of proposed draft financial plans and all amendments or modifications thereto, at the same time they are submitted to the local school board. The supervisor of the school may appeal any such action of the local school board to the appropriate education officer of the Bureau agency by filing a written statement describing the action and the reasons the supervisor believes such action should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the appropriate education officer may, for good cause, overturn the action of the local school board. The appropriate education officer shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such action.

"(c) Funds for self-determination grants under section 103(a)(2) of the Indian Self-Determination and Education Assistance Act shall not be used for providing technical assistance and training in the field of education by the Bureau unless such services are provided in accordance with a plan, agreed to by the tribe or tribes affected and the Bureau, under which control of education programs is intended to be transferred to such tribe or tribes within a specific period of time negotiated under such agreement. The Secretary may approve applications for funding tribal divisions of education and the development of tribal codes of education from funds appropriated pursuant to section 104(a) of such Act.

"(d) In the exercise of its authority under this section, a local school board may request technical assistance and training from the Secretary, and he shall, to the greatest extent possible, provide such services, and make appropriate provisions in the budget of the Office for such services.

"(e)(1) A financial plan under subsection (b) for a school may include, at the discretion of the local administrator and the school board of such school, a provision for a summer program of academic and support services for students of the school. Any such program may include activities related to the prevention of alcohol and substance abuse. The Assistant Secretary of Indian Affairs shall provide for the utilization of any such school facility during any summer in which such utilization is requested.

"(2) Notwithstanding any other provision of law, funds authorized under the Act of April 16, 1934 (25 U.S.C. 452 et seq.) and the Indian Education Act may be used to augment the services provided in each summer program at the option, and under the control, of the tribe or Indian controlled school receiving such funds.

"(3) The Assistant Secretary of Indian Affairs, acting through the Director of the Office of Indian Education Programs, shall provide technical assistance and coordination for any program described in paragraph (1) and shall, to the extent possible, encourage the coordination of such programs with any other summer programs that might benefit Indian youth, regardless of the funding source or administrative entity of any such program.

"(f)(1) From funds allotted to a Bureau school under section 6707, the Secretary shall, if specifically requested by the tribal governing body (within the meaning of section 6701(k)), implement any cooperative agreement entered into between the tribe, the Bureau school board, and the local public school district which meets the requirements of paragraph (2) and involves the school. The tribe, the Bureau school board, and the local public school district shall determine the terms of the agreement. Such agreement may encompass coordination of all or any part of the following:

"(A) Academic program and curriculum, unless the Bureau school is currently accredited by a State or regional accrediting entity and would not continue to be so accredited.

"(B) Support services, including procurement and facilities maintenance.

"(C) Transportation.

"(2) Each agreement entered into pursuant to the authority provided in paragraph (1) shall confer a benefit upon the Bureau school commensurate with the burden assumed, though this requirement shall not be construed so as to require equal expenditures or an exchange of similar services.

"(g) Any other provision of law notwithstanding, where there is agreement on such action between the superintendent and school board of a B.I.A. funded school, the product or result of a project conducted in whole or in major part by a student may be given to that student upon the completion of said project.

"(h) Notwithstanding any other provision of law, funds received by Bureau funded schools under this title shall not be considered Federal funds for purposes of meeting a match requirement in any Federal program.

"SEC. 6711. POLICY FOR INDIAN CONTROL OF INDIAN EDUCATION.

"(a) It shall be the policy of the the Secretary and the Bureau, in carrying out the functions of the Bureau, to facilitate Indian control of Indian affairs in all matters relating to education.

"(b)(1) All actions under this Act shall be done with active consultation with tribes.

"(2) The consultation required under paragraph (1) means a process involving the open discussion and joint deliberation of all options with respect to potential issues or changes between the Bureau and all interested parties. During such discussions and joint deliberations, interested parties (including, but not limited to, tribes and school officials) shall be given an opportunity to present issues including proposals regarding changes in current practices or programs which will be considered for future action by the Bureau. All interested parties shall be given an opportunity to participate and discuss the options presented or to present other alternatives, with the views and concerns of the interested parties given effect unless the Secretary determines, from information educed or presented by the interested parties during 1 or more of the discussions and deliberations, that there is a substantial reason for another course of action. The Secretary shall submit to any Member of Congress, within 18 days of the receipt of a written request by such Member, a written explanation of any decision made by the Secretary which is not consistent with the views of the interested parties.

"SEC. 6712. EDUCATION PERSONNEL.

"(a)(1) Chapter 51, subchapter III of chapter 53, and chapter 63 of title 5, United States Code, relating to leave, pay, and classification, and the sections relating to the appointment, promotion and removal of civil service employees, shall not apply to educators or to education positions (as defined in subsection (n)).

"(2) Paragraph (1) shall take effect 1 year after the date of enactment of this Act.

"(b) Not later than the effective date of subsection (a)(2), the Secretary shall prescribe regulations to carry out this section. Such regulations shall govern—

"(1) the establishment of education positions,

"(2) the establishment of qualifications for educators,

"(3) the fixing of basic compensation for educators and education positions,

"(4) the appointment of educators,

"(5) the discharge of educators,

"(6) the entitlement of educators to compensation,

"(7) the payment of compensation to educators,

"(8) the conditions of employment of educators,

"(9) the length of the school year applicable to education positions described in subsection (n)(1)(A),

"(10) the leave system for educators, and

"(11) such other matters as may be appropriate.

"(c)(1) In prescribing regulations to govern the qualifications of educators, the Secretary shall require—

"(A)(i) that lists of qualified and interviewed applicants for education positions be maintained in each agency and area office of the Bureau from among individuals who have applied at the agency or area level for an education position or who have applied at the national level and have indicated in such application an interest in working in certain areas or agencies; and

"(ii) that a list of qualified and interviewed applicants for education positions be maintained in the Office from among individuals who have applied at the national level for an education position and who have expressed interest in working in an education position anywhere in the United States;

"(B) that a local school board shall have the authority to waive on a case-by-case basis, any formal education or degree qualifications established by regulation pursuant to subsection (b)(2), in order for a tribal member to be hired in an education position to teach courses on tribal culture and language and that subject to subsection (d)(2)(A), a determination by a school board that such a person be hired shall be followed by the supervisor; and

"(C) that it shall not be a prerequisite to the employment of an individual in an education position at the local level that such individual's name appear on the national list maintained pursuant to subsection (c)(1)(A)(ii) or that such individual has applied at the national level for an education position.

"(2) The Secretary may authorize the temporary employment in an education position of an individual who has not met the certification standards established pursuant to regulations, if the Secretary determines that failure to do so would result in that position remaining vacant.

"(d)(1) In prescribing regulations to govern the appointment of educators, the Secretary shall require—

"(A)(i) that educators employed in a school (other than the supervisor of the school) shall be hired by the supervisor of the school unless there are no qualified applicants available, in which case the vacant position shall be filed at the national level from the list maintained pursuant to subsection (c)(1)(A)(ii);

"(ii) each school supervisor shall be hired by the superintendent for education of the agency office of the Bureau in which the school is located, and

"(iii) educators employed in an agency office of the Bureau shall be hired by the superintendent for education of the agency office;

"(B) that before an individual is employed in an education position in a school by the supervisor of a school (or, with respect to the position of supervisor, by the appropriate agency superintendent for education), the local school board for the school shall be consulted, and that subject to subsection (d)(2), a determination by the school board that such individual should or should not be so employed shall be followed by the supervisor (or with respect to the position of supervisor, by the agency superintendent for education); and

"(C) that before an individual may be employed in an education position at the agency level, the appropriate agency school board shall be consulted, and that, subject to subsection (d)(3), a determination by such school board that such individual should or should not be employed shall be followed by the agency superintendent for education.

"(2)(A) The supervisor of a school may appeal to the appropriate agency superintendent for education any determination by the local school board for the school that an individual be employed, or not be employed, in an education position in the school (other than that of supervisor) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the superintendent may, for good cause, overturn the determination of the local school board. The superintendent shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such determination.

"(B) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the local school board for the school that an individual be employed, or not be employed, as the supervisor of a school by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the local school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such superintendent identifying the reasons for overturning such determination.

"(3) The superintendent for education of an agency office of the Bureau may appeal to the Director of the Office any determination by the agency school board that an individual be employed, or not be employed, in an education position in such agency office by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the agency school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the agency school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such superintendent identifying the reasons for overturning such determination.

"(4) Any individual who applies at the local level for an education position shall state on such individual's application whether or not such individual has applied at the national level for an education position in the Bureau. If such individual is employed at the local level, such individual's name shall immediately be forwarded to the Secretary, who shall, as soon as possible but in no event in more than thirty days, ascertain the accuracy of the statement made by such individual pursuant to the first sentence of this subparagraph. If the individual's statement is found to have been false, such individual, at the Secretary's discretion, may be disciplined or discharged. If the individual had applied at the national level for an education position in the Bureau, if the appointment of such individual at the local level shall be conditional for a period of ninety days, during which period the Secretary may appoint a more qualified individual (as determined by the Secretary) from the list maintained at the national level pursuant to subsection (c)(1)(A)(ii) to the position to which such individual was appointed.

"(5) Except as expressly provided, nothing in this section shall be construed as conferring upon local school boards, authority over, or control of, educators.

"(e)(1) In prescribing regulations to govern the discharge and conditions of employment of educators, the Secretary shall require—

"(A) that procedures be established for the rapid and equitable resolution of grievances of educators;

"(B) that no educator may be discharged without notice of the reasons therefore and op-

portunity for a hearing under procedures that comport with the requirements of due process; and

"(C) educators employed in Bureau schools shall be notified sixty days prior to the end of the school year whether their employment contract will be renewed for the coming year.

"(2) The supervisor of a Bureau school may discharge (subject to procedures established under paragraph (1)(B) for cause (as determined under regulations prescribed by the Secretary) any educator employed in such school. Upon giving notice of proposed discharge to an educator, the supervisor involved shall immediately notify the local school board for the school of such action. A determination by the local school board that such educator shall not be discharged shall be followed by the supervisor. The supervisor shall have the right to appeal such action to the superintendent for education of the appropriate agency office of the Bureau. Upon such an appeal, the agency superintendent for education may, for good cause and in writing to the local school board, overturn the determination of the local school board with respect to the employment of such individual.

"(3) Each local school board for a Bureau school shall have the right (A) to recommend to the supervisor of such school that an educator employed in the school be discharged, and (B) to recommend to the superintendent of education of the appropriate agency office of the Bureau and to the Director of the Office, that the supervisor of the school be discharged.

"(f)(1) Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action within the purview of this section respecting an applicant or employee not entitled to Indian preference if each tribal organization concerned grants, in writing, a waiver of the application of such laws with respect to such personnel action, where such a waiver is in writing deemed to be a necessity by the tribal organization, except that this shall in no way relieve the Bureau of its responsibility to issue timely and adequate announcements and advertisements concerning any such personnel action if it is intended to fill a vacancy (no matter how such vacancy is created).

"(2) For purposes of this subsection, the term 'tribal organization' means—

"(A) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c); 85 Stat. 688)); or

"(B) in connection with any personnel action referred to in this subsection, any local school board as defined in section 1139, and which has been delegated by such governing body the authority to grant a waiver under such subsection with respect to such personnel action.

"(3) The term 'Indian preference laws' means section 12 of the Act of June 18, 1934 (25 U.S.C. 472; 48 Stat. 986) or any other provision of law granting a preference to Indians in promotions and other personnel actions, except that such term shall not be considered to include section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b); 88 Stat. 2295).

"(g) Subject to the authority of the Civil Service Commission to determine finally the applicability of chapter 51 of title 5, United States Code, to specific positions and employees in the executive branch, the Secretary shall determine in accordance with subsection (a)(1) the applicability or inapplicability of such chapter to positions and employees in the Bureau.

"(h)(1)(A) Except as otherwise provided in this section, the Secretary shall fix the basic compensation or annual salary rate for educators and education positions at rates comparable to the rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 is applicable or on the basis of the Federal Wage System schedule in effect for the locality.

"(B) By no later than October 28, 1988, the Secretary shall establish, for contracts for the 1991–1992 academic year, and thereafter, the rates of basic compensation, or annual salary rates, for the positions of teachers and counselors (including dormitory counselors and home-living counselors) at the rates of basic compensation applicable (on the date of enactment of such Amendments and thereafter) to comparable positions in overseas schools under the Defense Department Overseas Teachers Pay and Personnel Practices Act, unless the Secretary establishes such rates within such 6-month period through collective bargaining with the appropriate union representative of the education employees that is recognized by the Bureau.

"(C) By no later than October 28, 1988, the Secretary shall establish the rates of basic compensation or annual salary rates for the positions of teachers and counselors (including dormitory and home-living counselors)—

"(i) for contracts for the 1989–1990 academic year, at rates which reflect ⅓ of the changes in the rates applicable to such positions on April 28, 1988, that must be made to conform the rates to the rates established under subparagraph (B) for such positions for contracts for the 1991–1992 academic year, and

"(ii) for contracts for the 1990–1991 academic year, at rates which reflect ⅔ of such changes.

"(D) The establishment of rates of basic compensation and annual salary rates by the Secretary under subparagraphs (B) and (C) shall not preclude the use of regulations and procedures used by the Bureau before the enactment of the Indian Education Amendments of 1988 in making determinations regarding promotions and advancements through levels of pay that are based on the merit, education, experience, or tenure of the educator.

"(E)(i) Except as provided in clause (ii), the establishment of rates of basic compensation and annual salary rates by the Secretary under subparagraphs (B) and (C) shall not affect the continued employment or compensation of an educator who was employed in an education position on October 31, 1979, and who did not make the election under paragraph (2) of subsection (o).

"(ii) Any individual described in clause (i) may, during the 5-year period beginning on the date on which the Secretary establishes rates of basic compensation and annual salary rates under subparagraph (B), make an irrevocable election to have the basic compensation rate or annual salary rate of such individual determined in accordance with this paragraph.

"(iii) If an individual makes the election described in clause (ii), such election shall not affect the application to the individual of the same retirement system and leave system that applies to the individual during the fiscal year preceding the fiscal year in which such election is made, except that the individual must use leave accrued during a contract period by the end of that contract period.

"(F) The President shall include with the budget submitted under section 1105 of title 31, United States Code, for each of the fiscal years 1990, 1991, and 1992 a written statement by the Secretary which specifies—

"(i) the amount of funds the Secretary needs to pay basic compensation and the annual salaries of educators for such fiscal year, and

"(ii) the amount of funds the Secretary estimates would be needed to pay basic compensation and the annual salaries of educators for such fiscal year if the amendments made to this paragraph by the Indian Education Amendments of 1988 had not been enacted.

"(2) Each educator employed in an education position in Alaska shall be paid a cost-of-living allowance equal to 25 per centum of the rate of basic compensation to which such educator is entitled.

"(3)(A) The Secretary may pay a postdifferential not to exceed 25 per centum of the rate of basic compensation, on the basis of conditions of environment or work which warrant additional pay as a recruitment and retention incentive.

"(B)(i) Upon the request of the supervisor and the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide 1 or more post differentials under subparagraph (A) unless the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that certain of the requested post differentials should be disapproved or decreased because there is no disparity of compensation for the involved employees or positions in the Bureau school, as compared with the nearest public school, that is either—

"(I) at least 5 percent, or

"(II) less than 5 percent and affects the recruitment or retention of employees at the school.

The request under this subparagraph shall be deemed granted as requested at the end of the 60th day after the request is received in the Central Office of the Bureau unless before that time it is approved, approved with modification, or disapproved by the Secretary.

"(ii) The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential authorized by reason of this subparagraph at the beginning of a school year after either—

"(I) the local school board requests that it be discontinued or decreased, or

"(II) the Secretary or the supervisor determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

"(iii) On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and grants of authority under this subparagraph during the previous fiscal year and listing the positions contracted under those grants of authority.

"(i) Any individual—

"(1) who on the date of enactment of this Act is holding a position which is determined under subsection (f) to be an education position and who elects under subsection (o)(2) to be covered under the provisions of this section, or

"(2) who is an employee of the Federal Government or the municipal government of the District of Columbia and is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to an education position,

shall be credited for the purpose of the leave system provided under regulations prescribed pursuant to subsection (b)(10), with the annual and sick leave to his credit immediately before the effective date of such election, transfer, promotion, or reappointment.

"(j) Upon termination of employment with the Bureau, any annual leave remaining to the credit of an individual within the purview of this section shall be liquidated in accordance with sections 5551(a) and 6306 of title 5, United States Code, except that leave earned or accrued under regulations prescribed pursuant to subsection (b)(10) shall not be so liquidated.

"(k) In the case of any educator who is transferred, promoted, or reappointed, without break in service, to a position in the Federal Government under a different leave system, any remaining leave to the credit of such person earned or credited under the regulations prescribed pursuant to subsection (b)(10) shall be transferred to his credit in the employing agency on an adjusted basis in accordance with regulations which shall be prescribed by the Civil Service Commission.

"(l) An educator who voluntarily terminates employment with the Bureau before the expiration of the existing employment contract between such educator and the Bureau shall not be eligible to be employed in another education position in the Bureau during the remainder of the term of such contract.

"(m) In the case of any educator employed in an education position described in subsection (n)(1)(A) who—

"(1) is employed at the close of a school year,

"(2) agrees in writing to serve in such a position for the next school year, and

"(3) is employed in another position during the recess period immediately preceding such next school year, or during such recess period receives additional compensation referred to in subsection (g)(2) or (g)(3), section 5533 of title 5, United States Code, relating to dual compensation, shall not apply to such educator by reason of any such employment during a recess period for any such receipt of additional compensation.

"(n) For the purpose of this section—

"(1) The term "education position" means a position in the Bureau the duties and responsibilities of which—

"(A) are performed on a school-year basis principally in a Bureau school and involve—

"(i) classroom or other instruction or the supervision or direction of classroom or other instruction;

"(ii) any activity (other than teaching) which requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education;

"(iii) any activity in or related to the field of education notwithstanding that academic credits in educational theory and practice are not a formal requirement for the conduct of such activity; or

"(iv) support services at, or associated with, the site of the school; or

"(B) are performed at the agency level of the Bureau and involve the implementation of education-related programs other than the position for agency superintendent for education.

"(2) The term "educator" means an individual whose services are required, or who is employed, in an education position.

"(o)(1) Subsections (a) through (n) of this section apply to an educator hired after November 1, 1979 (and to an educator who elected application under paragraph (2)) and to the position in which such individual is employed. Subject to paragraph (2), the enactment of this Act shall not affect the continued employment of an individual employed on October 31, 1979 in an education position, or such individual's right to receive the compensation attached to such position.

"(2) Any individual employed in an education position on October 31, 1979, may, not later than November 1, 1983, make an irrevocable election to be covered under the provisions of subsection (a) through (n) of this section.

"(p)(1) An educator who was employed in an education position on October 31, 1979, who was eligible to make an election under paragraph (2) of subsection (o) at that time, and who did not make the election under paragraph (2) of subsection (o), may not be placed on furlough (within the meaning of section 7511(a)(5) of title 5, United States Code) without the consent of such educator for an aggregate of more than 4 weeks within the same calendar year, unless—

"(A) the supervisor, with the approval of the local school board (or of the agency superintendent for education upon appeal under paragraph (2)), of the Bureau school at which such educator provides services determines that a longer period of furlough is necessary due to an insufficient amount of funds available for personnel compensation at such school, as determined under the financial plan process as determined under section 1129(b) of this Act, and

"(B) all educators (other than principals and clerical employees) providing services at such Bureau school are placed on furloughs of equal length, except that the supervisor, with the approval of the local school board (or of the agency superintendent for education upon appeal under paragraph (2)), may continue 1 or more educators in pay status if (i) they are needed to operate summer programs, attend summer training sessions, or participate in special activities including (but not limited to) curriculum development committees, and (ii) they are selected based upon their qualifications, after public notice of the minimum qualifications reasonably necessary and without discrimination as to supervisory, nonsupervisory, or other status of the educators who apply.

"(2) The supervisor of a Bureau school may appeal to the appropriate agency superintendent for education any refusal by the local school board to approve any determination of the supervisor that is described in paragraph (1)(A) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be approved. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the superintendent may, for good cause, approve the determination of the supervisor. The superintendent shall transmit the determination of such appeal in the form of a written opinion to such local school board and to the supervisor identifying the reasons for approving such determination.

"SEC. 6713. MANAGEMENT INFORMATION SYSTEM.

"The Secretary shall establish within the Office, within 1 year after the date of the enactment of the Indian Education Amendments of 1984, a computerized management information system, which shall provide information to the Office. Such information shall include but shall not be limited to—

"(1) student enrollment;

"(2) curriculum;

"(3) staff;

"(4) facilities;

"(5) community demographics;

"(6) student assessment information; and

"(7) information on the administrative and program costs attributable to each Bureau program, divided into discreet elements.

"SEC. 6714. BUREAU EDUCATION POLICIES.

"Within 180 days of the date of enactment of this Act, the Secretary shall develop, publish in the Federal Register, and submit to all agency and area offices of the Bureau, all tribal governments, and the appropriate committees of the Congress, a draft set of education policies, procedures, and practices for education-related action of the Bureau. The Secretary shall, within 1 year of the date of enactment of this Act, provide that such uniform policies, procedures, and practices shall be finalized and promulgated. Thereafter, such policies, procedures, and practices and their periodic revisions, shall serve as the foundation for future Bureau actions in education.

"SEC. 6715. UNIFORM EDUCATION PROCEDURES AND PRACTICES.

"The Secretary shall cause the various divisions of the Bureau to formulate uniform procedures and practices with respect to such concerns of those divisions as relate to education, and shall report such practices and procedures to the Congress.

"SEC. 6716. RECRUITMENT OF INDIAN EDUCATORS.

"The Secretary shall institute a policy for the recruitment of qualified Indian educators and a detailed plan to promote employees from within the Bureau. Such plan shall include opportunities for acquiring work experience prior to actual work assignment.

"SEC. 6717. ANNUAL REPORT.

"(a) The Secretary shall submit to each appropriate committee of the Congress a detailed annual report on the state of education within the Bureau and any problems encountered in the field of education during the year. Such report shall contain suggestions for improving the Bureau educational system and increasing local Indian control of such system. Such report shall also include the current status of tribally controlled community colleges. The annual budget submission for the Bureau's education programs shall, among other things, include (1) information on the funds provided previously private schools under section 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 458d; 88 Stat. 2216) and recommendations with respect to the future use of such funds; (2) the needs and costs of operation and maintenance of tribally controlled community colleges eligible for assistance under the Tribally Controlled Community College Assistance Act of 1978 (92 Stat. 1325; 25 U.S.C. 1801 et seq.) and recommendations with respect to meeting such needs and costs; and (3) the plans required by section 1121(f), and 1122(c); and 1125(b) of this Act (25 U.S.C. 2001(f), 2002(c), and 2005(b)).

"(b) The Inspector General of the Department of the Interior shall establish a system to ensure that financial and compliance audits are conducted of each Bureau school at least once in every three years. Audits of Bureau schools shall be based upon the extent to which such school has complied with its local financial plan under section 1129.

"SEC. 6718. RIGHTS OF INDIAN STUDENTS.

"Within six months of the date of enactment of this Act, the Secretary shall prescribe such rules and regulations as are necessary to insure the constitutional and civil rights of Indian students attending Bureau schools, including, but not limited to, their right to privacy under the laws of the United States, their right to freedom of religion and expression and their right to due process in connection with disciplinary actions, suspensions, and expulsions.

"SEC. 6719. REGULATIONS.

"Regulations required to be adopted under sections 6706 through 6718 and any revisions of the standards developed under section 6701 or 6702 of this Act shall be deemed rules of general applicability prescribed for the administration of an applicable program for the purposes of section 431 of the General Education Provisions Act and shall be promulgated, submitted for congressional review, and take effect in accordance with the provisions of such section. Such regulations shall contain, immediately following each substantive provision of such regulations, citations to the particular section or sections of statutory law or other legal authority upon which such provision is based.

"SEC. 6720. DEFINITIONS.

"For the purpose of this part—

"(1) the term 'agency school board' means a body, the members of which are appointed by the school boards of the schools located within

such agency, and the number of such members shall be determined by the Secretary in consultation with the affected tribes, except that, in agencies serving a single school, the school board of such school shall fulfill these duties;

"(2) the term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior;

"(3) the term 'Bureau funded school' means—

"(A) a Bureau school;

"(B) a contract school; or

"(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988;

"(4) the term 'Bureau school' means a Bureau operated elementary or secondary day or boarding school or a Bureau operated dormitory for students attending a school other than a Bureau school;

"(5) the term 'contract school' means an elementary or secondary school or a dormitory which receives financial assistance for its operation under a contract or agreement with the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(a), and 458d);

"(6) the term 'education line officer' means education personnel under the supervision of the Director, whether located in central, area, or agency offices;

"(7) the term 'financial plan' means a plan of services to be provided by each Bureau school;

"(8) the term 'grant school' means a school which is provided assistance under the Tribally Controlled Schools Act of 1988;

"(9) the term 'Indian organization' means any group, association, partnership, corporation, or other legal entity owned or controlled by a federally recognized Indian tribe or tribes, or a majority of whose members are members of federally recognized Indian tribes;

"(10) the term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State, and includes any State agency which directly operates and maintains facilities for providing free public education;

"(11) the term 'local school board', when used with respect to a Bureau school, means a body chosen in accordance with the laws of the tribe to be served or, in the absence of such laws, elected by the parents of the Indian children attending the school, except that in schools serving a substantial number of students from different tribes, the members shall be appointed by the governing bodies of the tribes affected; and the number of such members shall be determined by the Secretary in consultation with the affected tribes;

"(12) the term 'Office' means the Office of Indian Education Programs within the Bureau;

"(13) the term 'Secretary' means the Secretary of the Interior;

"(14) the term 'supervisor' means the individual in the position of ultimate authority at a Bureau school; and

"(15) the term 'tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"SEC. 6721. VOLUNTARY SERVICES.

"Notwithstanding section 1342 of title 31, United States Code, the Secretary may, subject to the approval of the local school board concerned, accept voluntary services on behalf of Bureau schools. Nothing in this title shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees. An individual providing volunteer services under this section is a Federal employee only for purposes of chapter 81 of title 5, United States Code, and chapter 171 of title 28, United States Code.

"SEC. 6722. PRORATION OF PAY.

"(a) Notwithstanding any other provision of law, including laws relating to dual compensation, the Secretary, at the election of the employee, shall prorate the salary of an employee employed in an education position for the academic school-year over the entire twelve month period. Each educator employed for the academic school-year shall annually elect to be paid on a twelve month basis or for those months while school is in session. No educator shall suffer a loss of pay or benefits, including benefits under unemployment or other Federal or federally-assisted programs, because of such election.

"(b) During the course of such year the employee may change election once.

"(c) That portion of the employee's pay which would be paid between academic school years may be paid in lump sum at the election of the employee.

"(d) For the purposes of this section the terms "educator" and "education position" have the meaning contained in section 6712(n)(1) and (n)(2) of this title. This section applies to those individuals employed under the provisions of section 6712 of this title or title 5, United States Code.

"SEC. 6723. EXTRACURRICULAR ACTIVITIES.

"(a) Notwithstanding any other provision of law, the Secretary may provide, for each Bureau area, a stipend in lieu of overtime premium pay or compensatory time off. Any employee of the Bureau who performs additional activities to provide services to students or otherwise support the school's academic and social programs may elect to be compensated for all such work on the basis of the stipend. Such stipend shall be paid as a supplement to the employee's base pay.

"(b) If an employee elects not to be compensated through the stipend established by this section, the appropriate provisions of title 5, United States Code, shall apply.

"(c) This section applies to all Bureau employees, whether employed under section 6712 of this title or title 5, United States Code.

"SEC. 6724. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

"(a) The Secretary shall provide grants to tribes, tribal organizations, and consortia of tribes and tribal organizations to fund early childhood development programs that are operated by such tribes, organizations, or consortia.

"(b)(1) The total amount of the grants provided under subsection (a) with respect to each tribe, tribal organization, or consortium of tribes or tribal organizations for each fiscal year shall be equal to the amount which bears the same relationship to the total amount appropriated under the authority of subsection (f) for such fiscal year (less amounts provided under subsection (e)) as—

"(A) the total number of children under 6 years of age who are members of—

"(i) such tribe,

"(ii) the tribe that authorized such tribal organization, or

"(iii) any tribe that—

"(I) is a member of such consortium, or

"(II) authorizes any tribal organization that is a member of such consortium, bears to

"(B) the total number of all children under 6 years of age who are members of any tribe that—

"(i) is eligible to receive funds under subsection (a),

"(ii) is a member of a consortium that is eligible to receive such funds, or

"(iii) authorizes a tribal organization that is eligible to receive such funds.

"(2) No grant may be provided under subsection (a)—

"(A) to any tribe that has less than 500 members,

"(B) to any tribal organization which is authorized—

"(i) by only 1 tribe that has less than 500 members, or

"(ii) by 1 or more tribes that have a combined total membership of less than 500 members, or

"(C) to any consortium composed of tribes, or tribal organizations authorized by tribes, that have a combined total tribal membership of less than 500 members.

"(c)(1) A grant may be provided under subsection (a) to a tribe, tribal organization, or consortia of tribes and tribal organizations only if the tribe, organization or consortia submits to the Secretary an application for the grant at such time and in such form as the Secretary shall prescribe.

"(2) Applications submitted under paragraph (1) shall set forth the early childhood development program that the applicant desires to operate.

"(d) The early childhood development programs that are funded by grants provided under subsection (a)—

"(1) shall coordinate existing programs and may provide services that meet identified needs of parents and children under 6 years of age which are not being met by existing programs, including—

"(A) prenatal care,

"(B) nutrition education,

"(C) health education and screening,

"(D) educational testing, and

"(E) other educational services,

"(2) may include instruction in the language, art, and culture of the tribe, and

"(3) shall provide for periodic assessment of the program.

"(e) The Secretary shall, out of funds appropriated under the authority of subsection (f), include in the grants provided under subsection (a) amounts for administrative costs incurred by the tribe or tribal organization in establishing and maintaining the early childhood development program.

"(f) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $5,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"SEC. 6725. TRIBAL DEPARTMENTS OF EDUCATION.

"(a) Subject to the availability of appropriations, the Secretary shall provide grants and technical assistance to tribes for the development and operation of tribal departments of education for the purpose of planning and coordinating all educational programs of the tribe.

"(b) Grants provided under this section shall—

"(1) be based on applications from the governing body of the tribe,

"(2) reflect factors such as geographic and population diversity,

"(3) facilitate tribal control in all matters relating to the education of Indian children on Indian reservations and on former Indian reservations in Oklahoma,

"(4) provide for the development of coordinated educational programs on Indian reservations (including all preschool, elementary, secondary, and higher or vocational educational programs funded by tribal, Federal, or other sources) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation

and coordination with all educational programs receiving financial support from State agencies, other Federal agencies, or private entities,

"(5) provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities, and support programs, and

"(6) otherwise comply with regulations for grants under section 103(a) of the Indian Self-Determination and Educational Assistance Act (25 U.S.C. 450h) that are in effect on the date application for such grants are made.

"(c)(1) In approving and funding applications for grants under this section, the Secretary shall give priority to any application that—

"(A) includes assurances from the majority of Bureau funded schools located within the boundaries of the reservation of the applicant that the tribal department of education to be funded under this section will provide coordinating services and technical assistance to all of such schools, including (but not limited to) the submission to each applicable agency of a unified application for funding for all of such schools which provides that—

"(i) no administrative costs other than those attributable to the individual programs of such schools will be associated with the unified application, and

"(ii) the distribution of all funds received under the unified application will be equal to the amount of funds provided by the applicable agency to which each of such schools is entitled under law,

"(B) includes assurances from the tribal governing body that the tribal department of education funded under this section will administer all contracts or grants (except those covered by the other provisions of this title and the Tribally Controlled Community College Assistance Act of 1978) for education programs administered by the tribe and will coordinate all of the programs to the greatest extent possible,

"(C) includes assurances for the monitoring and auditing by or through the tribal department of education of all education programs for which funds are provided by contract or grant to ensure that the programs meet the requirements of law, and

"(D) provides a plan and schedule for—

"(i) the assumption over the term of the grant by the tribal department of education of all assets and functions of the Bureau agency office associated with the tribe, insofar as those responsibilities relate to education, and

"(ii) the termination by the Bureau of such operations and office at the time of such assumption,

but when mutually agreeable between the tribal governing body and the Assistant Secretary, the period in which such assumption is to occur may be modified, reduced, or extended after the initial year of the grant.

"(2) Subject to the availability of appropriated funds, grants provided under this section shall be provided for a period of 3 years and the grant may, if performance by the grantee is satisfactory to the Secretary, be renewed for additional 3-year terms.

"(d) The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

"(e) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"SEC. 6726. PAYMENTS.

"(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in 2 payments:

"(A) one payment to be made no later than July 1 of each year in an amount equal to one-half of the amount which the grantee was entitled to receive during the preceding academic year, and

"(B) the second payment, consisting of the remainder to which the grantee is entitled for the academic year, shall be made no later than December 1 of each year.

"(2) For any school for which no payment was made from Bureau funds in the preceding academic year, full payment of the amount computed for the first academic year of eligibility under this part shall be made no later than December 1 of the academic year.

"(3) With regard to funds for grantees that become available for obligation on October 1 of the fiscal year for which they are appropriated, the Secretary shall make payments to grantees no later than December 1 of the fiscal year.

"(4) The provisions of the Prompt Payment Act (31 U.S.C. 3901 et seq.) shall apply to the payments required to be made by paragraphs (1), (2), and (3) of this subsection.

(b) Paragraph (3) is amended by striking "Paragraphs (1) and (2)" and inserting in lieu thereof "Paragraphs (1), (2), and (3)", and is renumbered as paragraph "(5)".

The CHAIRMAN. Are there amendments to this title? If not, the Clerk will designate title VII. The text of title VII is as follows:

"TITLE VII—BILINGUAL EDUCATION PROGRAMS

"SEC. 7001. SHORT TITLE.

"This title may be cited as the 'Bilingual Education Act'.

"SEC. 7002. FINDINGS, POLICY, AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) language-minority Americans constitute a large and growing proportion of the Nation's population;

"(2) language-minority Americans speak virtually all world languages plus many that are indigenous to the United States;

"(3) the presence of language-minority Americans is related in part to Federal immigration policies;

"(4) many language-minority Americans are limited in their English proficiency, and many have limited education and income;

"(5) limited-English-proficient children and youth, like all other children and youth, have diverse educational needs and strengths and therefore require access to all educational programs and services;

"(6) the Federal Government has a responsibility for the education of American Indians and a special obligation to Native Alaskans, Native Hawaiians and native residents of the territories and freely associated nations to redress the effect of past Federal policies;

"(7) institutions of higher education can assist in preparing teachers, administrators and other school personnel to understand and build upon the educational strengths and needs of language-minority and culturally diverse student enrollments;

"(8) it is the purpose of this title to help ensure that limited-English-proficient students master English and develop high levels of academic attainment in content areas;

"(9) quality bilingual education programs enable children and youth to learn English and meet high academic standards including proficiency in more than one language;

"(10) as the world becomes increasingly interdependent and as international communication becomes a daily occurrence in government, business, commerce, and family life, multilingual skills constitute an important national resource which deserves protection and development;

"(11) educational technology has the potential for improving the education of language-minority and limited-English-proficient students and their families, and the Federal Government should foster this development;

"(12) research, development, implementation and dissemination of effective bilingual education methods, practices, and programs for limited-English-proficient children are essential to systemwide school reform that improves education for all children; and

"(13) a recognized means by which a child learns is through the use of the child's native language, cultural heritage, and instructional programs which use and build upon a child's non-English native language and cultural heritage to promote parent and community involvement in education, student self-esteem, proficiency in English, and subject matter achievement.

"(b) POLICY.—The Congress declares it to be the policy of the United States, in order to ensure equal educational opportunity for all children and youth and to promote educational excellence, to assist State and local educational agencies, institutions of higher education, and community-based organizations to build their capacity to establish, implement, and sustain programs of instruction for language minority and limited-English-proficient children and youth.

"(c) PURPOSE.—The purpose of this title is to educate language minority and limited-English-proficient children and youth to meet the same rigorous standards for academic performance expected of all children and youth, including meeting challenging State performance standards in academic areas by developing—

"(1) systemic improvement and reform of educational programs serving language-minority and limited-English-proficient students through the development and implementation of exemplary bilingual education programs and special alternative instruction programs;

"(2) data collection and dissemination, research, materials development, and technical assistance which is focused on school improvement for language-minority and limited-English-proficient students; and

"(3) programs which strengthen and improve the professional training of educational personnel who work with limited-English-proficient and language-minority students.

"SEC. 7003. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—For the purpose of carrying out the provisions of this title (except part F), there are authorized to be appropriated $215,000,000 for the fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(b) DISTRIBUTION.—From the sums appropriated under subsection (a) for any fiscal year, the Secretary shall reserve at least 25 percent for part C of this title.

"SEC. 7004. DEFINITIONS; REGULATIONS

"(a) GENERAL RULE.—For purposes of this title—

"(1) The term 'native language', when used with reference to an individual, means the language normally used by such individuals, or, in the case of a child, the language normally used by the parents of the child.

"(2) The term 'language-minority' means—

"(A) individuals whose native language is other than English;

"(B) individuals who usually speak a language other than English or come from home environments where a language other than English is usually spoken; or

"(C) American Indians, Alaskan Natives, and Native Hawaiians and native residents of the territories and freely associated nations.

"(3) The term 'limited-English-proficient' means a language-minority person who has difficulty understanding, speaking, reading, or writing the English language at a level appro-

priate to his or her age and grade and is, thereby, academically disadvantaged in programs conducted exclusively in English.

"(4) The term 'bilingual education' refers to educational programs for limited-English-proficient students which make instructional use of both English and a student's native language. Programs of bilingual education must enable limited-English-proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking, so as to meet age-appropriate grade-promotion and graduation standards in concert with national education goals. Bilingual education programs may also develop the native language skills of limited-English-proficient students, or ancestral languages of American Indians, Alaskan Natives, Native Hawaiians and native residents of the territories and freely associated nations. English proficient students may participate in bilingual education programs if the programs are designed to enable all enrolled students to become proficient in English and a second language.

"(5) The term 'special alternative instructional program' refers to educational programs for limited-English-proficient students which utilize specially designed English language curricula and services but do not use the student's native language for instructional purposes. Special alternative instructional programs must enable limited-English-proficient students to achieve English proficiency and academic mastery of subject matter content and higher order skills, including critical thinking so as to meet age-appropriate grade-promotion and graduation standards in concert with national education goals. Special alternative instructional programs are suitable for schools where the diversity of the limited-English-proficient students' native languages and the small number of students speaking each respective language makes bilingual education impractical and where there is a critical shortage of bilingual education teachers.

"(6) The term 'family education programs' refers to bilingual education or special alternative instructional programs designed to help limited-English-proficient adults and out-of-school youths achieve proficiency in the English language and to provide instruction on how parents and family members can facilitate the educational achievement of their children. When feasible, instructional programs such as the model developed under the Even Start Literacy Programs that promote adult literacy and train parents to support the educational growth of their children shall be developed. Programs shall give preference to participation by parents and immediate family members of children attending school. Family education programs may also provide instruction to facilitate higher education and employment outcomes.

"(7) The term 'institution of higher education' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965.

"(8) The term 'Office' means the Office of Bilingual Education and Minority Languages Affairs.

"(9) The term 'community college' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 for an institution which provides not less than a 2-year program which is acceptable for full credit toward a bachelor's degree, including institutions receiving assistance under the Tribally Controlled Community College Assistance Act of 1978.

"(10) The term 'paraprofessional' means an individual who is employed in preschool or elementary or secondary school under the supervision of a certified or licensed teacher, including individuals employed in bilingual education, special education and migrant education.

"(11) The term 'other programs for persons of limited-English-proficiency' means any programs administered by the Secretary that serve persons of limited-English-proficiency.

"(12) The term 'community-based organization' means a private nonprofit organization or Indian tribe or tribally sanctioned educational authority which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community. The term 'community-based organization' includes Native Hawaiian organizations (including Native Hawaiian education organizations) as defined in section 4009 of Public Law 100–297).

"(13) The term 'children and youth' means individuals aged 3 through 21.

"(14) The term 'immigrant children and youth' means individuals who—

"(A) are aged 3 through 21;

"(B) were not born in any State; and

"(C) have not been attending 1 or more schools in any 1 or more States for more than 2 full academic years.

"(b) Regulation Rule.—In developing regulations under this title, the Secretary shall consult with State and local educational agencies, organizations representing limited-English-proficient individuals, and organizations representing teachers and other personnel involved in bilingual education.

"(c) Parental Notification.—Parents of children and youth participating in programs assisted under this title shall be informed of—

"(1) a student's level of English proficiency, how it was assessed, the status of a student's academic achievement and the implications of a student's educational strengths and needs for age and grade appropriate academic attainment, promotion, and graduation;

"(2) what programs are available to meet the student's educational strengths and needs and how the programs differ in content and instructional goals, and in the case of a disabled student, how the program meets the objectives of a student's individualized education program;

"(3) the instructional goals of the bilingual education or special alternative instructional program, and how the program will specifically help the limited-English-proficient student acquire English and meet age-appropriate standards for grade-promotion and graduation, including—

"(A) the benefits and nature of the bilingual educational program and of the instructional alternatives; and

"(B) the reasons for the selection of their child as being in need of bilingual education.

"(4)(A) Parents shall also be informed that they have the option of declining enrollment of their children and youth in such programs and shall be given an opportunity to do so if they so choose.

"(B) Local educational agencies are not relieved of any of their obligations under title VI of the Civil Rights Act of 1964 because parents choose not to enroll their children in bilingual education programs.

"(5) Parents must receive, in a manner and form understandable to them, including, if necessary and to the extent feasible, in their native language, the information required by this subsection. At a minimum, parents must receive—

"(A) timely information about projects funded under this part; and

"(B) if the parents of participating children so desire, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from such parents.

"(6) no action may involve the admission or exclusion of students to or from any federally assisted education program merely on the basis of the surnames or language-minority status of such students.

"SEC. 7005. INDIAN AND ALASKAN NATIVE CHILDREN IN SCHOOLS.

"(a) Eligible Entities.—For the purpose of carrying out programs under this title for individuals served by elementary, secondary, or postsecondary schools operated predominately for Indian or Alaska Native children and youth, an Indian tribe, a tribally sanctioned educational authority, or an elementary or secondary school that is operated or funded by the Bureau of Indian Affairs shall be considered to be a local educational agency as such term is used in this title, subject to the following qualifications:

"(1) The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.), that is recognized for the special programs and services provided by the United States to Indians because of their status as Indians.

"(2) The term 'tribally sanctioned educational authority' means—

"(A) any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe; or

"(B) any nonprofit institution or organization that is—

"(i) chartered by the governing body of an Indian tribe to operate any such school or otherwise to oversee the delivery of educational services to members of that tribe; and

"(ii) approved by the Secretary for the purpose of this section.

"(b) Bureau of Indian Affairs Schools.—From the sums appropriated pursuant to section 7003, the Secretary is authorized to make payments to applicants to carry out programs of bilingual education or special alternative instruction for Indian children served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

"(c) Annual Report.—(1) The Assistant Secretary of the Interior for the Bureau of Indian Affairs in collaboration with the Secretary shall submit to the Congress, the President, and the Secretary, by September 30 of each year, a report which provides—

"(A) an assessment of the educational outcomes and needs of Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including tribes and local educational agencies receiving assistance under the Johnson-O'Malley Act and the Native American Languages Act; and

"(B) an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

"(2) The results presented in this report shall be included in the report under section 7041 of this Act.

"(3) The assessments required under this subsection shall be waived if such assessments duplicate similar assessment requirements under other Federal or tribal laws.

"SEC. 7006. RESIDENTS OF THE TERRITORIES AND FREELY ASSOCIATED NATIONS.

"For the purpose of carrying out programs under this title in Guam and the freely associated nations, the term 'local educational agency' shall include public institutions or agencies whose mission is the preservation and maintenance of native languages.

"PART A—BILINGUAL EDUCATION CAPACITY AND DEMONSTRATION GRANTS

"SEC. 7101. PURPOSE OF GRANTS.

"Grants under this part shall be used to develop the capacity of local educational agencies, institutions of higher education, and commu-

nity-based organizations which provide educational programs to initiate, develop, enhance or improve bilingual education or special alternative instruction programs for children and youth of limited-English-proficiency.

"SEC. 7102. PROGRAM DEVELOPMENT AND IMPLEMENTATION GRANTS.

"(a) Purpose.—The purpose of this section is to develop and implement new comprehensive, coherent, and successful bilingual education or special alternative instructional programs for limited-English-proficient students including programs of early childhood education, K–12 education, gifted and talented education, and vocational and applied technology education.

"(b) Program Authorized.—

"(1) The Secretary is authorized to make program development and implementation grants of up to $100,000 annually for 3 years with 1 additional year upon the Secretary's approval.

"(2) Grants approved under this section shall be used to improve the education of limited-English-proficient students and their families by—

"(A) developing and implementing comprehensive preschool, elementary, or secondary bilingual education or special alternative instructional programs that are coordinated with other relevant programs and services to meet the full range of educational needs of limited-English-proficient students; and

"(B) providing in service training to classroom teachers, administrators, and other school or community-based organizational personnel to improve the instruction and assessment of language-minority and limited-English-proficient students.

"(3) Grants approved under this section may be used to improve the education of limited-English-proficient students and their families by—

"(A) implementing family education programs and activities; and

"(B) improving the instructional program for limited-English-proficient students by upgrading curriculum, instructional materials, and assessment procedures and, if appropriate, applying educational technology.

"(c) Eligible Entities.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency. A grant may also be made under this section upon application by a community-based organization which is agreed to by the local educational agency to develop and implement early childhood education or family education programs or to conduct an instructional program which supplements the educational services provided by a local educational agency.

"(d) Distribution.—The Secretary shall, to the extent practicable, award grants equally among early childhood education, elementary education, and secondary education programs.

"SEC. 7103. PROGRAM ENHANCEMENT PROJECTS.

"(a) Purpose.—The purpose of this section is to carry out highly focused, innovative, locally designed projects to expand or enhance existing bilingual education or special alternative instructional programs for limited-English-proficient students.

"(b) Program Authorized.—

"(1) The Secretary is authorized to make program enhancement project grants of up to $100,000 for 2 years to eligible applicants.

"(2) Grants approved under this section shall be used for providing in-service training to classroom teachers, administrators, and other school or community-based organization personnel to improve the instruction and assessment of language-minority and limited-English-proficient students.

"(3) Grants approved under this section may be used for—

"(A) improving the instructional program for limited-English-proficient students by upgrading curriculum, instructional materials, and assessment procedures and, if appropriate, applying educational technology;

"(B) implementing family education programs and activities; and

"(C) providing intensified instruction.

"(c) Eligible Entities.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency. A grant also may be made under this section upon application by a community-based organization which is agreed to by the local educational agency to enhance early childhood education or family education programs or to conduct an instructional project which supplements the educational services provided by a local educational agency.

"SEC. 7104. WHOLE-SCHOOL PROGRAMS.

"(a) Purpose.—The purpose of this section is to provide financial assistance to eligible applicants to reform, restructure, and upgrade all relevant programs and operations within an individual school to fulfill the comprehensive educational needs of all of a school's limited-English-proficient students and their families.

"(b) Program Authorized.—

"(1) The Secretary is authorized to make 5-year grants of up to $100,000 for the first year and up to $250,000 for each of the subsequent 4 years to eligible applicants.

"(2) Grants approved under this section shall be used to improve education of limited-English-proficient students and their families by reviewing, restructuring, and upgrading in-service training for all school staff and, if appropriate, for community-based organization personnel.

"(3) Grants approved under this section may be used to improve the education of limited-English-proficient students and their families by reviewing, restructuring, and upgrading—

"(A) the school's instructional program for limited-English-proficient students including curriculum, instructional materials, and assessment systems, and, if appropriate, the application of educational technology;

"(B) family education programs and activities; and

"(C) intensified instruction.

"(4) During the first year of the grant, a priority is established in use of funds for preparatory activities including planning, training, curriculum development, and materials acquisition or development.

"(c) Eligible Entities.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organizations or local or State educational agency.

"SEC. 7105. SYSTEM-WIDE IMPROVEMENT GRANTS.

"(a) Purpose.—The purpose of this section is to provide financial assistance to improve, reform, and upgrade relevant programs and operations with an entire local educational agency to fulfill the comprehensive educational needs of all the agency's limited-English-proficient students and, to the extent feasible, their families.

"(b) Program Authorized.—

"(1) The Secretary is authorized to make 5-year grants of up to $1,000,000 for the first year and up to $5,000,000 for each of the subsequent 4 years to eligible applicants.

"(2) Grants approved under this section may be used during the first 12 months exclusively for activities preparatory to the delivery of services.

"(3) Grants approved under this section may be used to improve education of limited-English-proficient students and their families by reviewing, restructuring, and upgrading—

"(A) educational goals, curriculum guidelines and content, standards and assessments;

"(B) personnel policies and practices including recruitment, certification, staff development, and assignment;

"(C) student grade-promotion and graduation requirements;

"(D) student assignment policies and practices;

"(E) program delivery standards, management information and accountability systems;

"(F) instructional and extracurricular programs and services; and

"(G) application of educational technology.

"(c) Eligible Entities.—A grant may be made under this section only upon application by one or more local educational agencies, applying alone or in collaboration with an institution of higher education, community-based organization or local or State educational agency.

"(d) Priority.—The Secretary shall give priority to applications from—

"(1) applicants which enroll a large percentage or large number of limited-English-proficient students; and

"(2) consortia of eligible applicants to serve limited-English-proficient students in rural and linguistically isolated settings.

"SEC. 7106. APPLICATIONS.

"(a) Submission.—To receive a grant under this part, applicants shall submit an application to the Secretary in such form and containing such information as the Secretary may require:

"(1) An application for a grant under this part shall be developed in consultation with, and shall provide for the continuing involvement of, an advisory council which shall be composed of representatives responsible for implementing grant activities and of parents and other relatives of the children to be served in such programs; parents shall comprise a majority of all council members.

"(2) All applicants for grants under this part, except for those applicants identified in section 7005, shall submit a copy of the application to the relevant State educational agency. The State educational agency may submit to the Secretary written comments on the application with respect to how the applications further State education improvement plans including any developed under Goals 2000: Educate America Act (if such plans exist) or title I of this Act. If the State educational agency of a State submits written comments on any application, it must submit written comment on all applications within that same grant category from within that State. The Secretary shall take comments into consideration when funding applications under this part.

"(b) Required Documentation.—Such application shall include documentation that the applicant has the qualified personnel required to develop, administer, and implement the proposed program.

"(c) Contents.—(1) An application for a grant under this part shall contain the following:

"(A) A description of the need for the proposed program, including data on the number of children and youth of limited-English-proficiency in the school or district to be served and their characteristics, such as language spoken, dropout rates, proficiency in English and the native language, academic standing in relation to their English proficient peers, and, where applicable, the recency of immigration.

"(B) A description of the program to be implemented and how its design—

"(i) relates to the linguistic and academic needs of the children and youth of limited-English-proficiency to be served;

"(ii) is consistent with, and promotes the goals in, the local educational agency plan

under title III of the Goals 2000: Educate America Act, if such plan exists, and the local educational agency's plan under title I of this Act, particularly as those plans relate to the education of children and youth of limited-English-proficiency;

“(iii) involves the parents of the children and youth of limited-English-proficiency to be served;

“(iv) ensures accountability in the expected student outcomes; and

“(v) promotes coordination of services for the children and youth of limited-English-proficiency to be served and their families.

“(C) A description, if appropriate, of the applicant's collaborative activities with institutions of higher education, community-based organizations, local or State educational agencies, private schools, nonprofit organizations, or businesses in carrying out the proposed program.

“(D) An assurance that the applicant will not reduce the level of State and local funds that it expends for bilingual education or special alternative instruction programs if it receives an award under this part.

“(E) A budget for grant funds.

“(2) An application for a grant under section 7102 or 7104 shall also contain a description of the instructional program, student services, inservice training, and family education programs to be provided under the grant.

“(3) An application for a grant under section 7103 shall also contain the following:

“(A) A description of the existing bilingual education or special alternative instruction program which the project is designed to enhance.

“(B) A description of the proposed project activities.

“(4) An application for a grant under section 7105 shall also contain a description of the activities which would be carried out under the grant.

“(d) APPROVAL OF APPLICATIONS.—An application for a grant under this part may be approved only if the Secretary determines that—

“(1) the program will use qualified personnel, including those personnel who are proficient in the language or languages used for instruction;

“(2) in designing the program for which application is made, the needs of children in nonprofit private elementary and secondary schools have been taken into account through consultation with appropriate private school officials and, consistent with the number of such children enrolled in such schools in the area to be served whose educational needs are of the type and whose language and grade levels are of a similar type that the program is intended to address, after consultation with appropriate private school officials, provision has been made for the participation of such children on a basis comparable to that provided for public school children;

“(3) student evaluation and assessment procedures in the program are valid, reliable, and fair for limited-English-proficient students, and that limited-English-proficient students who are disabled are identified and served in accordance with the requirements of the Individuals with Disabilities Education Act;

“(4) Federal funds made available for the project or activity will be used so as to supplement the level of State and local funds that, in the absence of such Federal funds, would have been expended for special programs for children of limited-English-proficient individuals and in no case to supplant such State and local funds, except that nothing in this paragraph shall preclude a local educational agency from using funds under this title for activities carried out under an order of a court of the United States or of any State respecting services to be provided such children, or to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided such children;

“(5) the assistance provided under the application will contribute toward building the capacity of the applicant to provide a program on a regular basis, similar to that proposed for assistance, which will be of sufficient size, scope, and quality to promise significant improvement in the education of students of limited-English-proficiency, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

“(6) the applicant provides for utilization of the State and national dissemination sources for program design and in dissemination of results and products.

“(e) SPECIAL CONSIDERATION AND PRIORITIES.—

“(1) Students may participate in any program receiving funds under this part for the duration of the program.

“(2) The Secretary shall give priority to applications which provide for the development of bilingual proficiency for all participating students.

“(3) Grants for special alternative instructional programs shall not exceed 25 percent of the funds provided for any type of grant under any section or of total funds provided under this part.

“(4) Notwithstanding paragraph (3), the Secretary may award grants for special alternative instructional programs if an applicant has demonstrated that they cannot develop and implement a bilingual education program for the following reasons:

“(A) Where the diversity of the limited-English-proficient students' native languages and the small number of students speaking each respective language makes bilingual education impractical.

“(B) Where, despite documented convincing efforts, the applicant has not been able to hire instructional personnel who are able to communicate in the students' native language.

“(5) In approving applications under this part, the Secretary shall give consideration to the degree to which the program for which assistance is sought involves the collaborative efforts of institutions of higher education, community-based organizations, the appropriate local and State educational agency, or business.

“(6) The Secretary shall ensure that projects funded under this part address the full needs of school systems of all sizes and geographical areas, including rural schools.

“(7) The Secretary shall give priority to applications providing training for personnel participating in or preparing to participate in the program which will assist them in meeting State and local certification requirements and that, to the extent possible, college or university credit will be awarded for such training.

“SEC. 7107. INTENSIFIED INSTRUCTION.

“In carrying out this part, each grant recipient may intensify instruction for limited-English-proficient students by—

“(1) expanding the educational calendar of the school in which such student is enrolled to include programs before and after school and during the summer months;

“(2) expanding the use of professional and volunteer aids;

“(3) applying technology to the course of instruction; and

“(4) providing intensified instruction through supplementary instruction or activities, including educationally enriching extracurricular activities, during times when school is not routinely in session.

“SEC. 7108. CAPACITY BUILDING.

“Each recipient of a grant under this part shall use its grant in ways that will build its capacity to continue to offer high-quality bilingual and special alternative education programs and services to children and youth of limited-English-proficiency once Federal assistance is reduced or eliminated.

“SEC. 7109. SUBGRANTS.

“A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a non-profit organization, or a consortium of such entities to carry out an approved program, including a program to serve out-of-school youth.

“SEC. 7110. GEOGRAPHIC DISTRIBUTION OF FUNDS.

“To the extent possible, the Secretary shall award funds under this part throughout the Nation in a manner that reflects the geographic distribution of children and youth of limited-English-proficiency.

“SEC. 7111. PROGRAMS IN PUERTO RICO.

“Programs authorized under this title in the Commonwealth of Puerto Rico may, notwithstanding any other provision of this title, include programs of instruction, teacher training, curriculum development, evaluation, and testing designed for children and youth of limited-Spanish proficiency.

“SEC. 7112. EVALUATIONS.

“(a) EVALUATION.—Each recipient of funds under this part shall provide the Secretary with an evaluation, in the form prescribed by the Secretary, of its program every two years.

“(b) USE OF EVALUATION.—Such evaluation shall be used by a grantee—

“(1) for program improvement;

“(2) to further define the local program's goals and objectives; and

“(3) to determine program effectiveness.

“(c) EVALUATION COMPONENTS.—Evaluations shall include—

“(1) student outcome indicators that measure progress toward the performance standards set out in the State's plan, either approved or being developed, under title III of the Goals 2000: Educate America Act, or, if the State does not have an approved plan under title III of the Goals 2000: Educate America Act and is not developing such a plan, with the State plan approved or being developed under section 1111 of this Act, including data comparing children and youth of limited-English-proficiency with non-limited-English-proficient children and youth with regard to school retention, academic achievement, and gains in English (and, where applicable, native language) proficiency;

“(2) program implementation indicators that provide information for informing and improving program management and effectiveness, including data on appropriateness of curriculum in relationship to grade and course requirements, appropriateness of program management, appropriateness of the program's staff professional development, and appropriateness of the language of instruction;

“(3) program context indicators that describe the relationship of the activities funded under the grant to the overall school program and other Federal, State, or local programs serving children and youth of limited-English-proficiency; and

“(4) such other information as the Secretary may require.

“PART B—RESEARCH AND DISSEMINATION

“SEC. 7201. USE OF FUNDS.

“The Secretary is authorized to conduct data collection, dissemination, research, and evaluation activities through the Office of Bilingual Education and Minority Languages Affairs for the purpose of improving bilingual education and special alternative instruction programs for

children and youth of limited-English-proficiency.

"SEC. 7202. RESEARCH.

"(a) RESEARCH ACTIVITIES.—The Secretary shall support through competitive grants contracts and cooperative agreements to institutions of higher education, nonprofit and for-profit organizations, and local and State educational agencies, funds for research with a practical application to teachers, counselors, paraprofessionals, school administrators, parents, and others involved in improving the education of limited-English-proficient students and their families.

"(b) AUTHORIZED ACTIVITIES.—

"(1) The Secretary may conduct research activities that include—

"(A) identifying criteria for the establishment, use and monitoring of local, State, or national education goals, content, performance and delivery standards, and assessments for all students that provide for appropriate, valid, reliable, and fair participation by limited-English-proficient and language-minority students;

"(B) identifying determinants of appropriate high quality secondary school programs for limited-English-proficient students, and high quality curriculum-related instructional materials;

"(C) identifying determinants of appropriate high quality early childhood development programs for limited-English-proficient children, including families, and appropriate high quality materials;

"(D) studies to identify models of effective program coordination that support students while in transition to English language classrooms that develop and maintain high levels of proficiency in the native languages and English;

"(E) studies of effective curricula and instructional strategies for the development and maintenance of high levels of student proficiency in both their native language and English, including the role of family, community, and career contexts;

"(F) identification of strategies for effective participation by limited-English-proficient parents in their children's education for attainment of educational excellence;

"(G) identifying methods of improving classification, placement, and services to limited-English-proficient students including, but not limited to their participation in early childhood development programs, title I, special education, foreign language education, and gifted and talented education;

"(H) identification of methods for effective delivery of bilingual education to rural schools and in the less-commonly-taught languages using educational technology and electronic communications networks;

"(I) identification of trends in demand for language skills and of career opportunities for individuals with high levels of proficiency in English and a second language; and

"(J) establishing through the National Center for Education Statistics and in consultation with the Office of Bilingual Education and Minority Languages Affairs, and experts in bilingual education, second language acquisition and English-as-a-second language, a common definition of 'limited-English-proficient student' for purposes of national data collection.

"(c) FIELD-INITIATED RESEARCH.—The Secretary shall reserve at least 5 percent of the funds available under this section for field-initiated research by current or recent recipients of grants under parts A or C of this title. Research must be conducted by current grant recipients or by former recipients who have received such grants within the previous 5 years. Field-initiated research may provide for longitudinal studies of students or teachers in bilingual education, monitoring the education of such students from entry in bilingual education through high school completion. Applicants may submit an application for field-initiated research at the same time as applications are submitted under part A or part C. The Secretary shall complete a review of such applications on a timely basis to allow research and program grants to proceed in coordination where appropriate.

"(d) CONSULTATION.—The Secretary shall consult with agencies and organizations that are engaged in bilingual education research and practice, or related research, and bilingual education researchers and practitioners to identify areas of study and activities to be funded under this section.

"(e) COORDINATION.—Research activities supported under this section—

"(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

"(2) may include collaborative research activities which are jointly funded and carried out by the Office of Bilingual Education and Minority Language Affairs and the Office of Educational Research and Improvement.

"(f) DATA COLLECTION.—The Secretary shall provide for the continuation of data collection on limited-English-proficient students as part of the data systems operated by the Department.

"SEC. 7203. ACADEMIC EXCELLENCE AWARDS.

"(a) AWARDS.—The Secretary may make grants to, and enter into contracts and cooperative agreements with, State and local educational agencies, nonprofit organizations, and institutions of higher education to promote the adoption and implementation of bilingual education, special alternative instruction programs, and professional development programs that demonstrate great promise of assisting children and youth of limited-English-proficiency to meet challenging State standards.

"(b) APPLICATIONS.—(1) An entity desiring to receive an award under this section shall submit an application to the Secretary in such form, at such time, and containing such information and assurances as the Secretary may require.

"(2) The Secretary shall use a peer review process, using effectiveness criteria that the Secretary shall establish, to review applications under this section.

"(c) USE OF FUNDS.—Funds under this section shall be used to enhance the capacity of States and local education agencies to provide high quality academic programs for children and youth of limited-English-proficiency, which may include—

"(1) completing the development of such programs;

"(2) professional development of staff participating in bilingual education programs;

"(3) sharing strategies and materials; and

"(4) supporting professional networks.

"(d) COORDINATION.—Recipients of funds under this section shall coordinate their activities with those carried out by comprehensive technical assistance centers under title II of this Act.

"SEC. 7204. STATE GRANT PROGRAM.

"(a) STATE GRANT PROGRAM.—The Secretary is authorized to make an award to a State educational agency that demonstrates, to the satisfaction of the Secretary, that its approved plan under title III of the Goals 2000: Educate America Act, if such plan exists, or, if such plan does not exist, its plan under title I of this Act, effectively provides for the education of children and youth of limited-English-proficiency within the State.

"(b) PAYMENTS.—The amount paid to a State educational agency under subsection (a) shall not be less than $100,000 nor greater than 5 percent of the total amount awarded to local educational agencies within the State under part A of this title for the previous fiscal year.

"(c) USE OF FUNDS.—(1) A State educational agency shall use funds for programs authorized by this section to—

"(A) assist local educational agencies in the State with program design, capacity building, assessment of student performance, and program evaluation; and

"(B) collect data on the State's language-minority and limited English-proficient populations and the educational programs and services available to these populations.

"(2) The State educational agency may also use funds for the training of State educational agency personnel in educational issues affecting limited-English-proficient children and youth.

"(3) Recipients of awards under this section shall not restrict the provision of services under this section to federally-funded programs.

"(d) STATE CONSULTATION.—A State educational agency receiving funds under this section shall consult with recipients of grants under this title and other individuals or organizations involved in the development or operation of programs serving limited-English-proficient children or youth to ensure that funds are used in a manner consistent with the requirements of this title.

"(e) APPLICATIONS.—A State educational agency desiring to receive an award under this section shall submit an application to the Secretary in such form, at such time, containing such information and assurances as the Secretary may require.

"(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section for any fiscal year shall be used by the State educational agency to supplement and, to the extent practical, to increase to level of funds that would, in the absence of such funds, be made available by the State for the purposes described in this section, and in no case to supplant such funds.

"(g) REPORT TO THE SECRETARY.—State educational agencies receiving grants under this section shall provide for the annual submission of a summary report to the Secretary containing information on such matters as the Secretary shall, by regulation, determine necessary and proper to achieve the purposes of this title, including information on State capacity and progress in meeting the education needs of all limited-English-proficient children, plans for additional action, the effect of standards and assessments in improving their education. Such reports shall be in such form and shall be submitted on such date as the Secretary shall specify by regulation.

"SEC. 7205. NATIONAL CLEARINGHOUSE FOR BILINGUAL EDUCATION.

"(a) ESTABLISHMENT.—The Secretary shall establish and support the operation of a National Clearinghouse for Bilingual Education, which shall collect, analyze, synthesize, and disseminate information about bilingual education and related programs.

"(b) FUNCTIONS.—The National Clearinghouse for Bilingual Education shall—

"(1) be administered as an adjunct clearinghouse of the ERIC system of clearinghouses supported by the Office of Educational Research and Improvement;

"(2) coordinate its activities with Federal data and information clearinghouses and dissemination networks and systems; and

"(3) develop a data base management and monitoring system for improving the operation and effectiveness of funded programs.

"SEC. 7206. INSTRUCTIONAL MATERIALS DEVELOPMENT.

"The Secretary may provide grants for the development, publication and dissemination of high quality instructional materials in Native

American, Native Hawaiian and other languages for which instructional materials are not readily available. The Secretary shall give priority to the development of instructional materials in languages indigenous to the United States, its territories, and freely associated nations. The Secretary shall also accord priority to applications which provide for developing and evaluating materials in collaboration with activities under parts A and C of this title and which are consistent with national and State content standards.

"SEC. 7207. EVALUATION ASSISTANCE CENTERS AND MULTIFUNCTIONAL RESOURCE CENTERS.

"(a) TRANSITION.—The Secretary shall extend grants or contracts for Evaluation Assistance Centers and Multifunctional Resource Centers that are in effect on the date of enactment of the Improving America's School Act through fiscal year 1996.

"(b) CONTINUITY OF SERVICES.—(1) The Secretary shall ensure that the comprehensive regional technical assistance centers authorized under title II of this Act provide services which are at least equal in volume, scope, and quality to those provided by Evaluation Assistance Centers and Multifunctional Resource Centers.

"(2) The Secretary shall ensure that the comprehensive regional technical assistance centers authorized under title II of this Act, as amended by the Improving America's School Act, provide services which enable children and youth of limited-English-proficiency to meet challenging State and National standards.

"(3) The Secretary shall ensure that the comprehensive technical assistance centers authorized under title II of this Act are established with consideration given to the geographic and linguistic distribution of children and youth of limited-English-proficiency.

"(c) GIFTS, BEQUESTS, AND DEVISES.—The entities may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal for the purpose of aiding or facilitating the work of entities under this section. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the national clearinghouse on bilingual education, the Evaluation and Assistance Center or Multifunctional Resource Center, respectively.

"PART C—BILINGUAL EDUCATION TEACHER TRAINING

"SEC. 7301. PURPOSE.

"The purpose of this part is to assist in preparing educators to improve the delivery of educational services to language-minority and limited-English-proficient children and youth. This part supports the training of all educational personnel to serve more effectively limited-English-proficient students. The goal of this part is to provide for the training of not less than 50,000 teachers who meet professional preparation and certification standards for bilingual education teachers by the year 2000.

"SEC. 7302. TRAINING FOR ALL TEACHERS PROGRAM.

"(a) PURPOSE.—The purpose of this section is to provide for the incorporation of courses and curricula on appropriate and effective instructional and assessment methodologies, strategies and resources specific to limited-English-proficient and language-minority students into education personnel preparation programs for teachers, counselors, administrators and other education personnel.

"(b) AUTHORIZATION.—The Secretary shall award grants for up to 5 years to institutions of higher education, local educational agencies, and State educational agencies or to nonprofit organizations which have entered into consortia arrangements with one of such institutions, agencies, or organizations.

"(c) PERMISSIBLE ACTIVITIES.—Activities conducted under this section may include the development of training programs in collaboration with training under titles I and II of this Act, the Head Start Act, and other relevant programs.

"(d) PRIORITY.—The Secretary shall give priority to applications from institutions of higher education which currently operate, with full-time tenured faculty, programs to prepare educators and administrators to work with language-minority and limited-English-proficient students in bilingual education settings and from institutions of higher education which are attempting to start bilingual teacher training programs if such institutions demonstrate a significant commitment in financial and human resources, including cash and in-kind. The Secretary shall give special consideration to applications for such programs which provide training of secondary school teachers or early childhood development teachers. Such special consideration would not disallow the funding of applications for exemplary programs for the training of elementary school teachers.

"SEC. 7303. BILINGUAL EDUCATION TEACHERS AND PERSONNEL GRANTS.

"(a) PURPOSE.—The purpose of this section is to provide for degree programs to prepare new bilingual education teachers, administrators, counselors, and other educational personnel to meet high professional standards for bilingual education teachers and to increase the availability of educators to provide high quality education limited-English-proficient students.

"(b) AUTHORIZATION.—The Secretary shall award grants for up to 5 years to institutions of higher education in consortia with local or State educational agencies.

"SEC. 7304. BILINGUAL EDUCATION CAREER LADDER PROGRAM.

"(a) PURPOSE.—The purpose of this section is to upgrade the qualifications and skills of noncertified educational personnel, especially educational paraprofessionals, to meet high professional standards, including certification and licensure as bilingual education teachers and other educational personnel who serve limited-English-proficient students, through collaborative training programs operated by institutions of higher education and local and State educational agencies. Grants for programs under this section may also provide for collaborative programs operated by institutions of higher education and secondary schools which are designed to recruit and train secondary school students as bilingual education teachers and other educational personnel to serve limited-English-proficient students.

"(b) AUTHORIZATION.—The Secretary shall award grants of up to 5 years for bilingual education career ladder programs to institutions of higher education applying in consortia with local or State educational agencies; consortia may include community-based organizations or professional education organizations.

"(c) ACTIVITIES.—Grants funded under this section may—

"(1) include the development of bilingual education career ladder program curricula appropriate to the needs of the consortium participants;

"(2) provide assistance for stipends and costs related to tuition, fees and books for enrolling in courses required to complete degree and certification requirements as bilingual education teachers; and

"(3) include programs to introduce secondary school students to careers in bilingual education teaching that are coordinated with other activities under this program.

"(d) SPECIAL CONSIDERATION.—The Secretary shall give special consideration to applications under this section which provide for—

"(1) participant completion of baccalaureate and masters degree teacher education programs, certification and may include effective employment placement activities;

"(2) development of teacher proficiency in English and a second language, including required demonstration of proficiency in the instructional use of English and a second language in classroom contexts;

"(3) coordination with Trio, the Teacher Corps, National Community and Service Trust Act, Mini Corps, and other programs for the recruitment and retention of bilingual students in secondary and post-secondary programs to train as bilingual educators; and

"(4) the applicant's contribution of additional student financial aid to participating students.

"SEC. 7305. GRADUATE FELLOWSHIPS IN BILINGUAL EDUCATION PROGRAM.

"(a) AUTHORIZATION.—The Secretary may award fellowships for masters, doctoral, and post-doctoral study related to instruction of children and youth of limited-English-proficiency in such areas as teacher training, program administration, research and evaluation, and curriculum development, and for the support of dissertation research related to such study. For fiscal year 1994 not less than 500 fellowships leading to a masters or doctorate degree shall be awarded under this section, rising each subsequent year of this authorization by not less than 50. The Secretary shall include information on the operation and the number of fellowships awarded under the fellowship program in the report required under section 7401 of this title.

"(b) FELLOWSHIP REQUIREMENTS.—(1) Any person receiving a fellowship under this section shall agree to—

"(A) work in an activity related to the program or in an activity such as those authorized under this title, including work as a bilingual education teacher, for a period of time equivalent to the period of time during which such person receives assistance under this title; or

"(B) repay such assistance.

"(2) The Secretary shall establish in regulations such terms and conditions for such agreement as the Secretary deems reasonable and necessary and may waive the requirement of paragraph (1) in extraordinary circumstances.

"(c) The Secretary may give priority to institutions of higher education that demonstrate experience in assisting fellowship recipients find employment in the field of bilingual education.

"SEC. 7306. APPLICATIONS.

"(a) IN GENERAL.—Each applicant or consortium that desires to receive a grant under this part shall submit an application to the Secretary and the State educational agency or State board for higher education as appropriate, at such time and in such manner as the Secretary shall prescribe. The application shall demonstrate integration, where appropriate, with the State and local plans, if such plans exist, for serving limited-English-proficient students. The State and local educational agency, and where applicable the State board for higher education, may comment in writing on the application indicating how the application furthers State education reform activities, including the provision of appropriate high quality education to all language minority students. If the State educational agency or State Board for Higher Education submits comments on any application, it shall submit comments on all. The Secretary shall take any written comments that have been made into consideration when considering applications under this part.

"(b) ELIGIBLE ENTITIES.—

"(1) A grant may be made under this part upon application of an institution of higher

education, applying individually or jointly with one or more local educational agencies, nonprofit organizations, or State educational agencies.

"(2) The Secretary shall provide for outreach and technical assistance to institutions of higher education eligible under title III of the Higher Education Act and institutions of higher education that are operated or funded by the Bureau of Indian Affairs to facilitate their participation in activities under this part.

"(3) In making grants under this part, the Secretary shall, consistent with subsection (d), ensure adequate representation of Hispanic serving institutions that demonstrate competence and experience in the programs and activities authorized under this title and are otherwise qualified.

"(c) APPLICATION REQUIREMENTS FOR BILINGUAL TEACHER TRAINING PROGRAMS.—The application shall demonstrate integration, where appropriate, with the State plan, if one exists, for serving limited-English-proficient students.

"(d) PREFERENCE IN ASSISTANCE AND PURPOSE OF TRAINING.—

"(1) In making a grant under this part the Secretary shall give preference to programs which—

"(A) include tenured faculty in bilingual education, and

"(B) and for institutions of higher education which are attempting to start bilingual teacher training programs if such institutions demonstrate a significant commitment in financial and human resources, including cash and inkind.

"(C) provide additional resources for such training from other sources.

"(2) In making grants under sections 7302, 7303 and 7304, the Secretary shall give special consideration to programs that ensure that individuals completing such programs demonstrate proficiency in English and a second language.

"SEC. 7307. PROGRAM REQUIREMENTS.

"Activities conducted under this part shall assist educational personnel in meeting State and local certification requirements for bilingual education and, wherever possible, shall award college or university credit.

"SEC. 7308. STIPENDS.

"The Secretary shall provide for the payment of such stipends (including allowances for subsistence and other expenses for such persons and their dependents), as the Secretary determines to be appropriate, to persons participating in training programs under this part.

"SEC. 7309. PROGRAM EVALUATIONS UNDER PART C.

"Each recipient of funds under part C of this title shall provide the Secretary with an evaluation of its program every two years. Such evaluation shall include data on—

"(1) post-program placement of persons trained;

"(2) how the training relates to the employment of persons served by the program;

"(3) program completion; and

"(4) such other information as the Secretary may require.

"PART D—ADMINISTRATION

"SEC. 7401. OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGE AFFAIRS.

"(a) ESTABLISHMENT.—There shall be, in the Department of Education, an Office of Bilingual Education and Minority Languages Affairs through which the Secretary shall carry out functions relating to bilingual education.

"(b) DIRECTOR.—(1) The Office shall be headed by a Director of Bilingual Education and Minority Languages Affairs, appointed by the Secretary, to whom the Secretary shall delegate all delegable functions relating to bilingual education. The Director shall also be assigned responsibility for recommending improvements and providing technical assistance to other Federal programs serving language-minority and limited-English-proficient students and their families and for assisting the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of language-minority and limited-English language proficient students.

"(2) The Office shall be organized as the Director determines to be appropriate in order to carry out such functions and responsibilities effectively.

"(3) The Secretary shall ensure that limited-English-proficient and language-minority students are included in ways that are valid, reliable and fair under all standards and assessment development conducted or funded by the Department.

"(c) REPORT.—The Director shall prepare and, not later than February 1 of every other year, shall submit to Congress, the President, the Governors, and the clearinghouse a report on—

"(1) the activities carried out under this title and their effectiveness in improving the education provided to limited-English-proficient children and youth;

"(2) a critical synthesis of data reported by the States pursuant to section 7204;

"(3) an estimate of the number of certified bilingual education personnel in the field and an estimate of the number of bilingual education teachers which will be needed for the succeeding 5 fiscal years;

"(4) the major findings of research carried out under this title; and

"(5) recommendations for further developing the capacity of our Nation's schools to educate effectively limited-English-proficient students.

"(d) ASSESSMENT OF GATEWAY EDUCATION.—The Secretary shall prepare a report on the education of all students who reside near the United States border with Canada and Mexico or areas or communities which serve as a gateway for immigrants to the United States. Gateway communities shall include Hawaii, the Commonwealth of Puerto Rico, as well as the territories and freely associated nations. The report shall identify trends in student and out-of-school youth immigration trends, appropriate procedures for the international transfer of records, the language proficiency of students living in border and gateway areas, and opportunities for teacher exchange. Such efforts shall be coordinated with other ongoing efforts in this area. A preliminary report on these issues shall be provided to the Congress not later than 2 years after the enactment of this Act. The final report including policy proposals for improvements in these areas shall be provided to Congress and the President not later than October 21, 1997.

"(e) COORDINATION WITH RELATED PROGRAMS.—In order to maximize Federal efforts aimed at serving the educational needs of children and youth of limited-English proficiency, the Secretary shall coordinate and ensure close cooperation with other programs serving language-minority and limited-English-proficient students that are administered by the Department of Education and other agencies. The Secretary shall consult with the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Agriculture, Attorney General and other relevant agencies to identify and eliminate barriers to appropriate coordination of programs that affect language-minority and limited-English-proficient students and their families. The Secretary shall provide for continuing consultation and collaboration between Office and relevant programs operated by the Department, including title I and other programs in this Act, in planning, contracts, providing joint technical assistance, providing joint field monitoring activities and in other relevant activities to ensure effective program coordination to provide high quality education opportunities to all language-minority and limited-English-proficient students. In no case shall such coordination at the local, State or Federal level permit funds under this title to be used in programs that do not provide bilingual education or special alternative instructional programs for the instruction of language-minority or limited-English-proficient students.

"(f) The Secretary shall, to the extent feasible, ensure that all data collected shall include for the collection and reporting of data on limited-English-proficient students in all Departmental data keeping and with respect to all Federal education programs.

"(g) STAFFING REQUIREMENTS.—The Secretary shall ensure that the Office of Bilingual Education and Minority Language Affairs is staffed with sufficient personnel trained or with experience in bilingual education to discharge effectively the provisions of this title.

"(1) Notwithstanding section 403 of the Department of Education Organization Act, the Assistant Secretary may appoint not more than 7 additional employees to serve as staff without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

"(2) The employees appointed under paragraph (1) may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, but shall not be paid a rate that exceeds the minimum rate of basic pay payable for GS-15 of the General Schedule.

"(h) READING APPLICATIONS.—For the purpose of reading applications for competitive grants authorized under this title, the Secretary shall use persons who are not employees of the Federal Government and who are experienced and involved in bilingual education including teachers, researchers, and administrators of educational programs similar to those assisted under this title. Readers of applications for grants involving conservation of Indian languages and other indigenous language which are subject to loss shall include individuals with expertise in such programs. The Secretary shall solicit nominations for application readers from State directors of bilingual education, graduate programs of bilingual education, tribal organizations and professional associations and shall have readers serve for a period of 3 years.

"(i) PUBLICATION OF PROPOSALS.—The Secretary shall publish and disseminate all requests for proposals for programs funded under this title.

"SEC. 7402. RELEASE TIME.

"Professional development programs funded under this Act shall permit use of funds for professional release time to enable participation in programs assisted under this part.

"SEC. 7403. EDUCATION TECHNOLOGY.

"Funds available under this Act may be used to provide for the acquisition or development of education technology or instructional materials, including authentic materials in languages other than English, access to and participation in electronic networks for materials, training and communications, and incorporation of such resources in curricula and programs such as those funded under this title.

"SEC. 7404. NOTIFICATION.

"The State educational agency, when applicable, the State Board for postsecondary education, when applicable, the clearinghouse, the applicable Evaluation and Assistance Center and Multifunctional Resource Center shall be notified within three working days of the date a grant is made to an eligible entity within the State.

"SEC. 7405. CONTINUED ELIGIBILITY.

"Entities receiving grants under this title shall remain eligible for grants for subsequent activities which extend or expand and do not duplicate those activities supported by a previous grant under this title. In considering applications for grants under this title the Secretary shall take into consideration the applicant's record of accomplishments under previous grants.

"SEC. 7406. LIMITATION OF AUTHORITY.

"The Secretary shall not impose restrictions on the availability of funds authorized under this title other than those set out in this title or other applicable Federal statutes and regulations.

"PART E—TRANSITION

"SEC. 7501. TRANSITION PROVISIONS.

"Any grant or contract awarded under this title prior to the date of the enactment of the Improving America's Schools Act of 1994 shall be allowed to continue the term of the original award in accordance with the conditions of the original award but not for a period in excess of 3 years from the date of the grant or contract.

"PART F—EMERGENCY IMMIGRANT EDUCATION PROGRAM

"SEC. 7601. PURPOSE.

"The purpose of this part is to assist eligible local educational agencies that experience unexpectedly large increases in their student population due to immigration to—

"(1) provide high-quality instruction to immigrant children and youth; and

"(2) help such children and youth—

"(A) with their transition into American society; and

"(B) meet the same challenging State performance standards expected of all children and youth.

"SEC. 7602. STATE ADMINISTRATIVE COSTS.

"For any fiscal year, a State educational agency may reserve up to 1.5 percent of the amount allocated to it under section 7604 to pay the costs of performing its administrative functions under this part.

"SEC. 7603. WITHHOLDING.

"Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirement of any provision of this part, the Secretary shall notify that agency that further payments will not be made to the agency under this part, or in the discretion of the Secretary, that the State educational agency shall not make further payments under this part to specified local educational agencies whose actions cause or are involved in such failure until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made to the State educational agency under this part, or payments by the State educational agency under this part shall be limited to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

"SEC. 7604. STATE ALLOCATIONS.

"(a) PAYMENTS.—The Secretary shall, in accordance with the provisions of this section, make payments to State educational agencies for each of the fiscal years 1995 through 1999 for the purpose set forth in section 7601.

"(b) ALLOCATIONS.—(1) Except as provided in subsections (c) and (d) of this section, of the amount appropriated for each fiscal year for this part, each State participating in this program shall receive a share equal to the proportion of its number of immigrant children and youth who are enrolled in elementary and secondary public schools under the jurisdiction of each local educational agency described in paragraph (2) within that State, and in elementary and secondary nonpublic schools within the district served by each such local educational agency, relative to the total number of immigrant children and youth so enrolled in all the States participating in this program.

"(2) The local educational agencies referred to in paragraph (1) are those local educational agencies in which the sum of the number of immigrant children and youth who are enrolled in elementary or secondary public schools under the jurisdiction of such agencies, and in elementary or secondary nonpublic schools within the districts served by such agencies, during the fiscal year for which the payments are to be made under this part, is equal to—

"(A) at least 500; or

"(B) at least 3 percent of the total number of students enrolled in such public or nonpublic schools during such fiscal year;

whichever number is less.

"(c) DETERMINATIONS OF NUMBER OF CHILDREN AND YOUTH.—(1) Determinations by the Secretary under this section for any period with respect to the number of immigrant children and youth shall be made on the basis of data or estimates provided to the Secretary by each State educational agency in accordance with criteria established by the Secretary, unless the Secretary determines, after notice and opportunity for a hearing to the affected State educational agency, that such data or estimate are clearly erroneous.

"(2) No such determination with respect to the number of immigrant children and youth shall operate because of an underestimate or overestimate to deprive any State educational agency of the allocation under this section that such agency would otherwise have received had such determination been made on the basis of accurate data.

"(d) REALLOCATION.—Whenever the Secretary determines that any amount of a payment made to a State under this part for a fiscal year will not be used by such State for carrying out the purpose for which the payment was made, the Secretary shall make such amount available for carrying out such purpose to one or more other States to the extent the Secretary determines that such other States will be able to use such additional amount in carrying out such purpose. Any amount made available to a State from any appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under subsection (b)) for such year, but shall remain available until the end of the succeeding fiscal year.

"(e) RESERVATION OF FUNDS.—(1) If appropriations under this part exceed $40,000,000 for a fiscal year, a State educational agency may reserve up to 20 percent of its payment for redistribution through competitive grants to local educational agencies within the State in the following manner:

"(A) At least one-half of such grants shall be made to local educational agencies within the State with the highest numbers and percentages of immigrant children and youth.

"(B) Remaining funds shall be distributed to local educational agencies within the State with a sudden influx of immigrant children and youth which are otherwise not eligible for assistance under this part.

"(2) Local educational agencies with the highest number of immigrant children and youth receiving additional funds under this subsection may make information available on serving immigrant children and youth to areas in the State with sparse numbers of such children.

"SEC. 7605. STATE APPLICATIONS.

"(a) SUBMISSION.—No State educational agency shall receive any payment under this part for any fiscal year unless such agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

"(1) provide that the educational programs, services, and activities for which payments under this part are made will be administered by or under the supervision of the agency;

"(2) provide assurances that payments under this part will be used for purposes set forth in section 7601, including a description of how local educational agencies receiving funds under this part will use such funds to meet such purposes, and how the program designs are consistent with other education improvement plans, including any developed under Goals 2000: Educate America Act, if such plan exists, or title I;

"(3) provide assurances that such payments, with the exception of payments reserved under section 7604(e), will be distributed among local educational agencies within that State on the basis of the number of immigrant children and youth counted with respect to each such local educational agency under section 7604(b)(1);

"(4) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this part without first affording the local educational agency submitting an application for such funds reasonable notice and opportunity for a hearing;

"(5) provide for making such reports as the Secretary may reasonably require to perform the functions under this part;

"(6) provide assurances—

"(A) that to the extent consistent with the number of immigrant children and youth enrolled in the elementary or secondary nonpublic schools within the district served by a local educational agency, such agency, after consultation with appropriate officials of such schools, shall provide for the benefit of these children and youth secular, neutral, and nonideological services, materials, and equipment necessary for the education of such children and youth;

"(B) that the control of funds provided under this part and title to any materials, equipment, and property repaired, remodeled, or constructed with those funds shall be in a public agency for the uses and purposes provided in this part, and a public agency shall administer such funds and property; and

"(C) that the provision of services pursuant to this paragraph shall be provided by employees of a public agency or through contract by such public agency with a person, association, agency, or corporation who or which, in the provision of such services, is independent of such elementary or secondary nonpublic school and of any religious organization; and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this paragraph shall not be commingled with State or local funds;

"(7) provide that funds reserved under subsection (e) of section 7604 be awarded on the basis of merit and need consistent with such subsection; and

"(8) provide an assurance that State and local educational agencies receiving funds under this part will comply with the requirements of section 1121(b).

"SEC. 7606. PAYMENTS.

"(a) AMOUNT.—The Secretary shall pay by not later than June 1 of each year to each State educational agency that has its application approved under section 7605 the amount of the State's allocation as determined under section 7604.

"(b) SERVICES TO CHILDREN ENROLLED IN NONPUBLIC SCHOOLS.—If by reason of any provision of law a local educational agency is prohibited from providing educational services for

children enrolled in elementary and secondary nonpublic schools, as required by section 7605(a)(6), or if the Secretary determines that a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in such schools, the Secretary may waive such requirement and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this part. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with the provisions of title I.

"SEC. 7607. USES OF FUNDS.

"(a) USE OF FUNDS.—Funds awarded under this part shall be used to pay for enhanced instructional opportunities for immigrant children and youth, which may include—

"(1) family literacy, parent outreach, and training activities designed to assist parents to become active participants in the education of their children;

"(2) salaries of personnel, including teacher aides who have been specifically trained, or are being trained, to provide services to immigrant children and youth;

"(3) tutorials, mentoring, and academic or career counseling for immigrant children and youth;

"(4) identification and acquisition of curricular materials, educational software, and technologies to be used in the program; and

"(5) such other activities, related to the purposes of this part, as the Secretary may authorize.

"(b) CONSORTIA.—A local educational agency that receives a grant under this part may collaborate or form a consortium with one or more local educational agencies, institutions of higher education, and non-profit organizations to carry out the approved program.

"(c) SUBGRANTS.—A local educational agency that receives a grant under this part may, with the approval of the Secretary, make a subgrant to, or enter into a contract with, an institution of higher education, a non-profit organization, or a consortium of such entities to carry out an approved program, including a program to serve out-of-school youth.

"SEC. 7608. REPORTS.

"(a) TRIENNIAL REPORT.—Each State educational agency receiving funds under this part shall submit, once every 3 years, a report to the Secretary concerning the expenditure of funds by local educational agencies under this part. Each local educational agency receiving funds under this part shall submit to the State educational agency such information as may be necessary for such report.

"(b) REPORT TO CONGRESS.—The Secretary shall submit, once every 3 years, a report to the appropriate committees of the Congress concerning programs under this part.

"SEC. 7609. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of carrying out the provisions of this part, there are authorized to be appropriated $40,000,000 in fiscal year 1995, and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

The CHAIRMAN. Are there amendments to this title?

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROTH: Beginning on page 618, strike line 1 and all that follows through page 688, line 10.

Mr. ROTH. Mr. Chairman, we Americans are people from every corner of the globe, every cultural, every religious, every linguistic, every ethnic background. We are the most diverse nation in the world. Yet we are one Nation, one people.

Why? One of the main reasons is because we have a wonderful bond, a wonderful common glue, a commonality called the English language.

From the very beginning of our government, Mr. Chairman, from 1789 to 1968, 179 years, we did not have bilingual education as a governmental policy. Then in the 1960's, the period of the Great Society, the concept of bilingual education was established.

Now for 25 years this issue has not been debated, and that is one of the reasons, one of the main purposes, for my amendment. Bilingual education is a failure. It costs the taxpayer, Federal, State, and local government, billions of dollars. It pits one group against another, and sets up now and in the future, linguistic ghettos, and it sets up entire subcultures. This is not what we want in America because we realize what they will mean to America's future. It only helps bilingualism, only helps professional activists and politicians who profit from this policy.

Listen to Everett Alvarez, Jr., best-selling author and a decorated Vietnam war hero:

> Like my parents before me, and with even more justification than they had, I believe that education is the key to a successful and happy life in an open society. With that in mind, I oppose the movement to make Spanish (or any other foreign tongue) a second coequal language in American schools. This is a hindrance, rather than a help to the young people who will eventually have to make their way in an English speaking society.

Listen, as well, to Jose Fabila, a Sacramento businessman who testified at the English language task force hearings we held in August of last year:

> English is the language of opportunity for everybody in this country. Bilingual education has been created for political purposes. Immigrants have not even asked for these services. Government bureaucrats fight for bilingual programs because they get money and status from them. It is in this way that the government divides us on the basis of language and national origin. It is a grave danger to all of us.

And it was best said by Ernesto Ortiz, a foreman on a south Texas ranch who put it this way:

> My children learn Spanish in school so they can grow up to be busboys and waiters. I teach them English at home so they can grow up to be doctors and lawyers.

Arthur Schlesinger, in his fine little book, The Disuniting of America, and many people are talking about this particular issue, where America is headed, but he says, and I quote in just a sentence:

> And in a world savagely rent, and we see that, by ethnic and racial antagonisms it is all the more essential that the United States continue as an example of how a highly differentiated society holds itself together.

And in another place he says:

> Bilingualism is an elitist, not a popular, movement. Institutionalized bilingualism remains another source of fragmentation of America, another threat to the dream of one people.

Mr. Chairman, people who have given this a good deal of thought realize that, if we are going to remain one Nation, one people, then we have to have a commonality that brings all of our cultures together. It is great for us to have different cultures and for people to speak any language they want in their home, to cherish their culture, but we have to have a commonality, a common link that brings all us together as Americans, and that is the English language. Not only are immigrants taught in bilingual education from outside of our country coming in, but also people who were born here are now in bilingual education.

Charles Pacheco, and ex-marine and a native-born American, has this story to tell: His daughter was placed into a bilingual education program, not because she didn't speak English, but because her last name was Hispanic in origin. Even after Mr. Pacheco informed the school that no one in his home spoke Spanish, his daughter remained trapped in that bilingual education class.

My position is best stated by a Chicago Tribune editorial:

> Bilingual education has ossified into practices that foster and prolong ethnic segregation and isolation. It robs children of their best chance to become full participants in American life. And it contributes to the fragmenting of this nation into competing ethnic splinters, increasingly conscious and defensive of our differences instead of our unity.

We are all Americans. Let us rise above special interests. Let us rise above the education lobby. Let us rise above group mentality. This is our country, our entire country. It belongs to all of us.

Let us, therefore, proceed and vote on this amendment so that we can keep one Nation, one people, indivisible.

Joseph Califano, who was President Carter's Secretary of Health, Education, and Welfare from 1979 was with President Johnson when this program was initiated in 1968.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. ROTH] has expired.

(By unanimous consent, Mr. ROTH was allowed to proceed for 30 additional seconds.)

Mr. ROTH. Mr. Chairman, here is what he said:

> Of most serious concern to me was that the HEW bilingual education program had become captive of professional Hispanic and other ethnic groups with their understandable emotional, but often exaggerated, political rhetoric and biculturalism.

☐ 1450

Joseph Califano was there when this was started, and he has now said that it is time for us to rethink this program because it does not serve our immigrant children of America.

Mr. FORD of Michigan. Mr. Chairman, I rise in opposition to the gentleman's amendment.

Mr. Chairman, the gentleman's closing remarks are the most telling. He says that Joseph Califano was with the Johnson administration when they invented bilingual. That is just another illustration that the gentleman does not know what he is talking about. Bilingual education was not invented by or created by the Congress or by any State legislature. The requirement placed upon the States to provide bilingual education resulted from a Supreme Court decision, Lau versus Nichols, and the remedies developed by U.S. Commissioner of Education Jewell Bell to assist States in meeting the spirit of that decision.

The Lau decision involved Chinese children from San Francisco who were dispersed into schools where there were no Chinese speaking teachers. There was a lawsuit brought on behalf of some of those students. The Supreme Court held that if the children could not be communicated with by the teacher, they could not get a free public education.

They used the same reasons they have used in the past to force schools to buy school books for children and to force schools to buy slates for children, and pencils and papers.

If we adopt the gentleman's amendment, we abolish the help that the Federal Government gives to States and localities to provide the remedies developed to meet this Supreme Court decision. We do not impose a mandate. We came along and said if States are going to have to ensure a meaningful education to students who do not understand English, we had better give them some help. The gentleman's amendment would stop the help we have been giving them for 20 years to meet this court-imposed mandate.

The Bilingual Education Act is the major Federal assistance specifically designed to help State and local agencies meet the needs of the limited English-proficient students. Schools are at the present time facing the largest influx of immigrants since the early 1990's. Limited English-proficient students are the fastest growing segment of our school population.

California experienced a threshold increase in the limited English-speaking proficient population during the past decade, with 1 million students attending California's schools. In New Mexico, 2 of every 10 students is limited English-proficient. In Texas, 1 of every 10 students is limited English-proficient. During the 1980's the population of limited English-proficient children coming to the schools increased 38 percent in Montana, 46 percent in Oklahoma, 39 percent in South Dakota, 36 percent in North Dakota, and 41 percent in Delaware. We can go all across the country and track these numbers and we will see it.

The Federal Government which controls immigration policy has a responsibility to the public schools by offsetting the cost of their need of additional resources they are mandated to spend because the courts have said that they will have to have those programs. If we would adopt the gentleman's amendment, we would not stop one bilingual program in this country. What we would do is force our States or our local school districts at the point of a gun held by the court system to come up with money from some other source, and this year we are going to have to replace $156 million with local tax money. If we want to dump this burden into the local taxpayer and take it out of our regular school programs, we can vote for the Roth amendment. If Members think they are getting a cheap shot at people who do not speak English very well or little children who live in a household where English is not spoken, they can take the cheap shot.

Perhaps Members may, like the gentleman from Wisconsin, think that would be a good political move. I think it is just plain stupid.

Mr. Chairman, I urge the Members to vote against the amendment.

Mr. Chairman, I submit the following material following my remarks:

OPPOSE THE ROTH AMENDMENT TO REPEAL BILINGUAL EDUCATION

The Bilingual Education Act makes clear that parents choose, are not required, to enroll their child in a bilingual program. Bilingual Education offers choice.

Schools that are able to offer two-way bilingual programs, are finding that their limited-English-proficient students acquire English faster and in greater depth than limited-English-proficient students in the same school who are placed in English immersion programs.

The amendment is opposed by the Dept. of Education, OMB and diverse organizations, including: American Assn. of School Administrators, National Conference of State Legislatures, U.S. Catholic Conference, National School Boards Assn., National Parent Teacher Association, National Assn. of State Boards of Education, Nat'l Assn. of Elementary School Principals and others.

This amendment would discourage the use of bilingual education programs, in favor of English immersion programs. Under the Committee's bi-partisan bill, English immersion programs are supported and so are bilingual education programs. The bill approved by the Committee helps schools offer "choice" to their students for the instructional approaches which work best in each individual situation.

Limited English proficient children would be discouraged from reaching high academic standards in their native languages while acquiring English. This provision eviscerates a major premise of the bill which is to hold all students to high academic standards. Almost all the research looking at long-term results over at least four years has found that the greater the amount of instructional support in one's native language, combined with balanced support in English, the higher they are able to achieve academically in English in the succeeding academic years. In Arlington County Virginia, a two-way bilingual education program begun 8 years ago in one elementary school has been so successful that (1) a second program was begun in an elementary school close by to meet the large demand, (2) a junior high school program was implemented in the same area in response teacher and parent desire for a continuation of the program, and (3) a high school two-way bilingual program is about to be offered in that same area.

The Committee bill is carefully crafted to provide a balance of support for bilingual education programs and for special alternative instructional programs (those using English). The amendment would alter this balance which ensures that schools with students of diverse language backgrounds and schools without access to proficient bilingual education teachers are given full consideration for program funds.

Mr. FORD of Michigan, Mr. Chairman, lastly, let me read from a letter from Secretary Riley who opposes this amendment.

DEPARTMENT OF EDUCATION,
Washington, DC, March 21, 1994.

DEAR MEMBER OF CONGRESS: I am writing in strong opposition to the Roth amendments which may be offered to H.R. 6, the reauthorization of the Elementary and Secondary Education Act. These amendments to Title VII would prohibit the implementation of bilingual education, or, alternatively, eliminate all Federal support for Title VII services to limited-English-proficient children.

Since its inception some 25 years ago, Title VII has been the primary Federal education assistance program for states and local schools in their educational equity pursuits in behalf of limited-English-proficient students. Elimination of this program would place further burden on state and local education agencies as they implement legally mandated requirements to educate limited-English-proficient students (under the Supreme Court's *Lau v. Nichols* decision) while the number of these students increases to record proportions.

Moreover, research over the last decade, including the Education Department's independent evaluations of bilingual education programs, indicates clearly that bilingual education strategies can be effective in the development of English language competencies and related academic content achievement.

I hope you will vote against these amendments.

Yours sincerely,
RICHARD W. RILEY,
Secretary.

Mr. EMERSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, While Mr. ROTH, and I share many similar views, such as the importance of the English language, I must rise today in opposition to the Roth amendments to H.R. 6 which would restrict or eliminate federally supported bilingual education programs.

As my colleagues may know, I am the persistent author of several pieces of legislation regarding the English language. One bill would declare English to be the official language of our

Federal Government, another would offer tax credits to employers who offer English language training and instruction to the employees, and another would prohibit citizenship ceremonies in a language other than English.

I have introduced and strongly support these bills because I know it is the bond of language that has blended our many cultures to form a heritage that is uniquely American. The movement for official English is inclusive, and it seeks to extend the American Dream to all Americans, regardless of race, religion, national origin, or language ability.

In order to achieve nationwide communication in English, bilingual education must continue. Children from all over the world face a difficult transition from their native language into English fluency when they enter American schools. Bilingual education is based on the idea that the transition can be eased when children can be taught—temporarily—in the language they understand.

I do share the concerns of Mr. ROTH that some bilingual education programs may be losing sight of the original goal of bilingual education. The goal of bilingual education was and is to help children become fluent in English as quickly as possible. For example, while I recognize that there is a transition period whereby children need time to learn English, I do not agree with some educators and policymakers about the length of the transition period—which some believe should last as long as 8 years. Bilingual education was enacted because Congress wants limited English proficient students to quickly learn English and move on.

I think that—as with many Government programs—bilingual education could certainly stand changing and updating. However, these improvements will not take place if local schools lose Federal funds or if all references to bilingual education are eliminated. Instead, we need to work to ensure that local schools have the flexibility to use these funds for programs they believe work best. Bilingual education programs which use innovative methods to move students along more quickly and thus integrate them with their peers sooner should be encouraged, rewarded, and highlighted for others to replicate.

Knowledge of English is a key to opportunity in America. Those who don't speak English have only a limited number of doors available to them. In 1990, one in seven children lived in a home where a language other than English was spoken. For these children, a bilingual education class which quickly and effectively leads to fluency in English is crucial to their futures.

For these reasons, I cannot support the Roth amendments and urge their defeat. But I want to encourage my colleagues to support the underlying issue for these amendments, official English and the Language of Government Act. Legislating a common language makes common sense. By designating English as the official language of the Federal Government, we will create a channel of communication common to all the diverse peoples of this great Nation of ours. Bilingual education and official English can work together to bring our Nation together.

□ 1500

Mr. KILDEE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the gentleman's amendment. Bilingual education, as has been pointed out by the gentleman from Michigan [Mr. FORD], our chairman, is the only Federal assistance program designed to help State and the school districts to meet the needs of students with limited English proficiency.

I would suggest the gentleman read the bilingual section of this 902-page bill, where it gives the purpose of bilingual education. I helped write this purpose of bilingual education in a bipartisan way with people like Steve Bartlett and JOHN MCCAIN, when he was a Member of the House.

It is the purpose, the bill reads, of this title, to help ensure that limited English proficient students master English and develop high levels of academic attainment in content areas.

That is the purpose of bilingual education. With JOHN MCCAIN, and Steve Bartlett, when we worked on this bill over the last three authorizations, we allowed 25 percent of the money to be used for alternative methods of helping these students with limited English proficiency. And with Mr. GOODLING's amendment in committee, we allow waivers to go beyond that 25 percent.

We recognize that it would be a terrible social failure, a terrible educational failure, for a student to finish school not being proficient in English. Bilingual education, as written in this bill, recognizes that. But we wanted to make sure that those students do not fall behind in promotion or in graduation because of their lack of English proficiency. When they are in the third grade, we want them to become English proficient, but at the same time, when they are learning the other subjects, to use their native language when necessary, to make sure they do not fall behind their peers in that class.

Again, I will read to the gentleman. The purpose of this title is to ensure that limited English proficient students master English. We want them to do that. We do not want them to fall behind their peers in their other subjects.

Ms. ROS-LEHTINEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendments offered by Representative ROTH which would restrict or eliminate federally funded bilingual education programs.

One of the amendments would deny thousands of disadvantaged students of the essential services they need to succeed educationally. The other amendment would eliminate badly needed funding to schools which are legally required to provide special services to students with limited English proficiency.

Bilingual programs aid students who do not speak English to develop competency in English, and they aim to ensure that these students maintain good academic progress in other academic areas. Eliminating the bilingual programs would deprive bilingual children of an essential part of their education. The consequences to this are devastating—not only to these children and their families, but to the country as a whole, when these children reach adulthood.

I learned English through a bilingual program when I came to this country as a child and therefore, I witnessed firsthand the invaluable service this program provides. As a certified teacher, I have seen how students in bilingual programs succeed in school, and tackle challenging situations.

Bilingual programs address the different needs experienced by students who are learning a second language. These needs are the ability to communicate in English, the type of English needed to socially interact, and the type of English needed to successfully participate in the curriculum. The bilingual program offers techniques that account for different linguistic and cultural habits as well as speeding the process of language learning by reinforcing both languages.

Removing these programs means that we are disregarding the high percentage of students whose first language is not English. A bilingual program is imperative if we are to make productive citizens out of all our students. That is why I oppose Mr. ROTH'S amendments and I urge my colleagues to do the same.

When I came to the United States at age 7, I did not know how to speak one word in English. The classroom was totally bewildering to me, because I did not understand anything the teacher was saying. But, because the Dade County Public School System was, and continues to be, a vanguard in the bilingual educational movement, programs were already being implemented to help refugee children—thousands of them—just like me.

I went to Southside, Riverside, and Shenandoah Elementary Schools in Miami and all had excellent bilingual programs.

In a few years, all of us Cuban refugees were able to be mainstreamed into an English-only classroom.

Could I have survived without a bilingual program? No, I doubt it. Bilingual programs helped me understand the subject matter and also have the self-confidence I needed to excel in school. There are more little Ileana's out there. Help them learn. Support bilingual education. Defeat the Roth amendments.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise against the amendment, but first let me add a little bit of history that may not be known to most of us here.

Where I live in Texas, my hometown of Mission, TX, the first nonoriginal language spoken there was Spanish, when the Spaniards first came. Later they wove in with what is now Mexico, but the language still remained Spanish. Later they came from the northeast, other white Europeans, but not Spanish speaking, to that area of Texas.

When I was in the State legislature, there was a gentleman named Felix Tijerina from Houston, who had grown up near Houston, and the problem there then was every household was Spanish speaking. Therefore when a child went to the first grade, he failed, except for a very bright one. The second grade, he failed. The third grade he failed, because there was no involvement at all from the Spanish community. All of the teachers were English-speaking teachers.

Felix Tijerina then moved as a young child to Houston, working in a restaurant washing dishes. Eventually he moved into an assistant cook position. He eventually became the cook. Eventually he became the manager. Eventually he bought the restaurant, which is the American dream. But he had not yet mastered English. He had only a third grade education. But he had a heart as big as this Chamber, and he did not want the youngsters to go through in this day and age what he had gone through. So he went and inquired, what is the problem? They do not know enough basic words of English to successfully finish the first grade.

Therefore, with his own funds, he went and got one of his teachers, and they looked about how to remedy this. The State would not touch it. Therefore, this teacher told him that you needed 400 basic words of English not to remain in the first grade beyond the 1 year. So he funded several seniors from the high school in the summer prior to the first grade for the children in that neighborhood where he had grown up, and paid them a stipend to teach the children the basic 400 words of English.

That little school was then called the Little School of the Four Hundred. It was sponsored by the League of United Latin American Citizens and Felix Tigerina through their own resources. Eventually it caught the eye of then Governor Price Daniels, and three Members of the Legislature, Malcolm McGregor of El Paso, Oscar Laurel of Laredo, and myself sponsored what we called the preschool English legislation. And it passed the House, and it passed the Senate. It was signed by Governor Daniels at the time.

This is what we are arguing here basically in ignorance. Why did we get there? Why did it happen? The only thing that we can do now is to fund what the courts ordered. During elections you hear about unfunded mandates.

□ 1510

That was the problem. Eventually, it became such a problem that the Federal courts moved into it. And then we legislated. I was here.

The problem became what we are now suffering, that is, it became a Spanish issue in the areas where Spanish was spoken, little knowing that it was French in another area and German in another area and Polish in another area and Slovak in another area.

But now we are bashing someone who looks Oriental or if they look like me. Someone recently said, "We need more European-sounding names around here." Is DE LA GARZA a European-enough name for my colleagues? Or does it have to be Winthrop or Walsh? That is what the argument is all about. It is not about the funding. It is that we are down on anyone that does not look American, whatever the heck that is. I guess it is one that looks like you.

And this is the area that we are legislating mostly in ignorance, with some degree of emotion of a negative kind. I urge my colleagues not to discuss this type of amendment. We need to educate our children. We need to stop crime in the streets. We need to get more housing. We need to build more roads.

We should not be wasting our time on if someone is speaking English or Spanish, does he look Oriental or does he look Hispanic.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DE LA GARZA] has expired.

(By unanimous consent, Mr. DE LA GARZA was allowed to proceed for 1 additional minute.)

Mr. DE LA GARZA. Mr. Chairman, I was asked recently by a person, "Why don't you just put American where it says nationality?" I said, "Fine with me, but what do we do about Central America? What do we do about South America?"

He said, "Well, I hadn't thought about that. I thought Americans was us."

A friend of mine who is a singer from Mexico was in Canada not too long ago. And at the end of his program, he sang "God Bless America." A Canadian walked up to him and said, "Why are you singing that here?" He said, "Is not Canada a part of North America? Are we not Americans all from Chile to Canada? Should we say this language, yes, that language, no?"

I say, let us worry about the issues of the day and not emotional outbursts of a negative nature. That is why I oppose this amendment, Mr. Chairman.

Mr. TAYLOR of North Carolina. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CUNNINGHAM], a member of the committee.

Mr. TAYLOR of North Carolina. Mr. Chairman, is it possible to have some support statements made on the floor, since most have been negative?

The CHAIRMAN. The Chair is to give priority to members of the committee and does not confer recognition by stated position on the issue. The gentleman will be recognized in due course.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

The gentleman from Wisconsin [Mr. ROTH], my good friend, probably 99 percent of the time on this House floor I would be in support of the gentleman, but as a member of the committee, I must oppose this amendment. And if Members look at the gentlewoman from Florida [Ms. ROS-LEHTINEN], take a look at a young woman that came to this country from Cuba and spoke no English. She rose to be a Member of the U.S. Congress.

I would ask my colleagues to take a look at what her opportunities would have been if she would have gone through junior high school or even high school and not spoken or not been able to learn the English language.

That happens in many cases in the State of California. I support English as a first language for this country. If I were going to move, and I am sure, Mr. Chairman, if Members would take their children to Russia, I would want my children to learn Russian better than they knew English. I would want them to know English as well from their home country, but I would want them to know Russian because they would have to operate not only in the school system but in the business place with that language. And to be successful, it would be mandatory.

I would hope that those Russian schools would support my children in learning the language in the mother-tongue of that country.

I take a look at the Paul Ecke School in my own district, which has a lot of limited-English-proficient children. It is a flower-picking area. I am talking about legal children, legal residents of this country. The illegals, it is a totally different issue.

But there are many children, 5 years old, 6 years old, 7 years old. I have sat in those classrooms and watched the teachers teach these children.

Again, visualize a 5-year-old learning English, and then take that same child to when they are in the fifth or sixth grade and not proficient in the English language. What kind of future, where we have a large portion of children dropping out of school, what happens to them? They end up selling crack on the street corner or getting involved in low-income jobs and not having much of a future or even on welfare.

So the investment that we make in these children early on, getting them prepared to live and work in this country and speak the language helps them and it helps us.

This is not an issue of race or what a person looks like. It is an issue of what a person can learn, what a person can do to help themselves so that we as the Government do not have to help them when they are adults.

I see a time in the future in the country, like France, where they have actually modems that go into the homes. When I walk precincts in my district, I go into homes where none of the parents speak English. They are legal citizens of this country, but they are on welfare or, in many cases, low-income jobs. I would like to see, through the information highway someday, where we reach out into the homes with these people to teach them English so that they can take part in the workplace and strengthen the economy and get off the Government dole.

Mr. Chairman, in this case I go against the amendment of my good friend, the gentleman from Wisconsin [Mr. ROTH]. In the name of the children and as a good investment, vote against this amendment.

Mr. MARTINEZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

My colleagues are looking at someone who has not always been a bilingual supporter. I think it was not until more recent years that I began to understand the gravity of young people entering into our schools speaking a different language and not being able to comprehend the studies and not being able to do the studies and falling behind and falling further and further behind all the time.

Understand this, there are a lot of myths surrounding bilingual education, and they are promoted generally by somebody who has a certain vested interest. I am not suggesting my friend, the gentleman from Wisconsin [Mr. ROTH] has a vested interest. He is genuinely sincere in what he is trying to do here. He is down the hall from me. I see him all the time. On occasion we talk about this.

He talks to me about the Hispanics who sign letters and make statements, antibilingual education. That is nothing new to me.

I remember not too long ago when this same kind of debate was taking place in California, that there was an editorial or there were letters to the editor on the issue in the Times, the local paper there. And if Members looked at the letters to the editor, those that were against bilingual education were signed by Hispanics. Those that were pro-bilingual education were not signed by Hispanics. Non-Hispanics signed those letters. But almost all of those that signed the letters in support of bilingual education were professionals where the other people were just laypeople and were emotional about it.

There are several reasons. I can understand, and if Members look at the history of Hispanics in the United States and understand that they are fiercely loyal to this country, fiercely patriotic, and still they are trying to allow themselves the enjoyment of their culture and appreciation of their culture and pride of their culture. For too many years they were denied that. For too many years they were denied that.

And so we can understand why some Hispanics, wanting to be that proud American, want to be called just an American not a Mexican-American. I had a friend who once told me, he said, "I am sick and tired of being called a Mexican-American. My parents were born in this country. Their parents before them were born in this country, and their parents before this country was a country were born here. And yet I am still called a Mexican-American."

☐ 1520

Yet, if some blond, blue-eyed individual got off the boat one generation ago, he is now called an American. So we can understand why there is a fierce, determined need to be called American.

If we look at our history in wars, in every major war Hispanics have been the most decorated heroes of those wars, even the ones they do not call a war. If we look at World War II, the Hispanic community as an ethnic group won more Congressional Medals of Honor than any other group, fiercely proud of being American, fiercely proud of their ability to speak the English language.

Let me tell the Members, if we visit the reunions of the Congressional Medal of Honor winners we will find many of them still speak English with a broken accent, deprived of proper education at a very young age.

I want to associate my remarks with those of the gentlewoman from Florida [Ms. ROS-LEHTINEN] who is an immigrant from Cuba who came to this country. She sits here in Congress a proud American, proud of her ability to speak Spanish, which she learned without the benefit of bilingual education.

Let me tell the Members a few of the myths about bilingual education and where it does do some good. The gentleman from Michigan [Mr. FORD] and others have spoken about the need for bilingual education because it is the Head Start for Hispanics. It is the Head Start for Hispanics.

We know what Head Start does for our young people. It gives them the ability and a greater chance of finishing school, of being more likely to graduate and go on to higher education. It gives them the advantage of less likelihood of being in criminal activities or being members of gangs. It does all of these things.

Bilingual education is the Head Start for Hispanics. I have two daughters-in-law, one born in Ecuador and one born in the United States of America. The one born in the United States of America is a first generation American. The one born in Ecuador is, naturally, an immigrant.

My daughter-in-law has taught her three children Spanish, and they speak Spanish fluently without any accent of English, and they speak English without any accent of Spanish. As a result, they have done very well in school, and have been promoted several grades, to the point that she is now holding them back because they will leave their age group too far from their age group.

My other daughter-in-law, who was born in this country, first generation American, is a bilingual education teacher in the Montebello School District, and yet she will not teach her children Spanish until they learn English. Should this not this tell us something?

I did not speak Spanish to begin with, I spoke English to begin with, and I as an adult had to learn Spanish in order that I could have the same kind of pride in my culture and my background as does the gentlewoman from Florida [Ms. ROS-LEHTINEN], as does the gentleman from New York [Mr. SERRANO], and many other Members of the Hispanic Caucus here. We are just as good Americans as anyone else.

Bilingual education is necessary for our children to get a head start. Without it, they do not learn the labels that they need to know and make the translations they need to know from Spanish to English. It benefits us, it benefits me, it benefits all of us that there is bilingual education.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I know there has been a lot of heat and implications of racism in this debate. I very much support legal immigration in this country of all races. This is not just an issue of dealing with Latin American immigrants who come to the United States and become citizens and a great part of this Nation. It speaks to all people who wish to immigrate to this area.

Mr. Chairman, I would like to quote Dr. Daniel J. Boorstin. He is a Pulitzer

Prize historian, former Librarian of Congress, and has received the highest intellectual honors the United States Government can bestow. He has two statements.

First, "The menace to America today is in the emphasis of what separates us, rather than what brings us together, the separation of race, of religious dogma, of religious practice, of origin, and of language."

He goes on to say, "Bilingual teaching tends to restrict opportunities for the very people who need the opportunity to enter the mainstream of American life."

Mr. Chairman, I know there are a lot of sincere feelings expressed on this floor by people who feel that continuing to spend the over $1 billion that we spend in this country on programs to teach non-English speaking and non-English-proficient students in their native languages, but I would remind the Members that Dr. Boorstin, whom we would not classify as a racist, we would not classify as someone with a hidden agenda, we would classify him as one of the leading educators and one of the great minds of this country, says, and I repeat the quote, "Bilingual teaching tends to restrict opportunities for the very people who need the opportunity to enter the mainstream of American life."

Of course, I can cite additional facts. In 1985, a poll in Dade County, FL, revealed that 98 percent of Dade County Hispanic parents agreed that it was essential for their children to speak and write English perfectly. Thomas Sowell, in his book "Inside American Education," cited numerous surveys proving that the great Majority of Hispanic parents, more than three-quarters of Mexican-American parents and more than 80 percent of Cuban-American parents, are opposed to the teaching of Spanish in the schools at the expense of English for their children.

Ninety-seven percent of all Americans support making English the official language, as was proved by the October, 1993 USA Weekend poll.

Mr. Speaker, that is why I am supporting the amendment of the gentleman from Minnesota (Mr. ROTH) to title 7 of H.R. 6. I think the overwhelming evidence is that we are spending $1 billion that could be better spent in improving education in the communities. As Dr. Boorstin said, we are removing opportunities, we are hurting the very people that we talk about helping. That is why I support this amendment.

Mr. SERRANO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, one of the problems with this amendment, the Roth amendment, is that it is an amendment that speaks to the language issue during an education debate, and while the language issue may, for some people, be a legitimate issue, it certainly does not belong in this kind of a debate, because this debate should be about education.

The fact of life is that if we take it as an education issue, bilingual education has been proven to help. The National Academy of Sciences found in 1992, in its assessment of two major evaluations, that bilingual education was helping and not hindering young people so they could acquire English as their main language.

Much has been said here today about parents somehow desiring their children not to speak English. We cannot really believe that. The fact of life is that most polls taken of parents newly arrived from any community, indicates that parents want for their children as quickly as possible to learn to speak English.

Bilingual education is a tool to allow people to learn subject matter while at the same time they learn to speak English. I can tell the Members from personal experience the difficulty of being placed in a mainstream program without knowledge of the language.

When I arrived in New York from Puerto Rico, I arrived as a migrant, not as an immigrant, speaking Spanish only. I recall how difficult it was for myself and for that group of youngsters who were in that classroom, because we had the language problem; one, we were not allowed to participate in any regular classroom work, so it was something like the fifth grade before most of us knew who George Washington was and what he had accomplished, when in fact we could have been told in Spanish who Jorge Washington was in the second grade and what he had accomplished.

Also, I recall the difficulty, the traumatic difficulty, of having a neighbor of mine who came from a family and at that time was told that you did not make one move in the classroom without the teacher's permission, so he could not communicate with the teacher in Spanish or in English the fact that he had to leave the room, and he wet his pants, and until the time he was in high school, his records indicated that because of his behavior in the second and third grade, there was something terribly wrong with this guy, and there in fact was nothing wrong, only the fact that they could not communicate in the same language.

Those are facts of life, how people have to deal with this particular problem. The other thing that is interesting about this debate is that it strikes bilingual education programs, without making any provisions for the fact that, as the gentleman from Michigan [Mr. FORD] said, these programs would still continue to be part of every State's responsibility.

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For instance, California would have to come up with $59 million if this amendment was approved. New York would have to come up with $26 million, Texas with $12, the State of Washington with $3, Alaska almost $1.2, and on and on to replace these programs at the local level, replace the Federal funding, which is going to cost a lot to these local governments.

The real issue in this debate is the issue of whether or not we as Americans are going to continue to be fearful of languages other than English.

I must tell my colleagues this part of the debate is the part I find the most difficult to understand.

Why is it that we continuously get on the floor of this House and talk about how we must compete with other people throughout the world, and yet when our businessmen meet those other business people they have to speak in English, because we have never learned their language. The Japanese businessmen speak English. Is it because they recognize English as the most important language in the world? Is it because they are fearful of us? Is it because they think it is such an easy language to speak? Or is it perhaps that a very intelligent business community has decided that it is good business to learn languages other than their own? The Germans, the French all speak other languages.

I recall in the 1960's or 1970's in the era of the so-called spaghetti westerns, if Members will recall we had French actors, we had Italian actors, we had Spanish actors who dubbed their movies in three or four different languages. Yet, when Clint Eastwood or Charles Bronson or any of our other actors did not speak another language, we realized that this horrible dubbing did not sound anything like Clint Eastwood or Charles Bronson.

Let us not be dubbed in other languages. Let us learn the other languages of the world.

Mr. DIAZ-BALART. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have great respect for my friend, the gentleman from Wisconsin [Mr. ROTH], of which he knows, and I am of the belief that this is a legitimate debate, because I have at times been asked whether or not it is possible that bilingual education, by continuing teaching in the classroom in a native language, that the students may be retarded in their learning of English. I have been asked that question, whether they may be retarded in their learning of English. I have studied this issue at some length and in some depth, visiting a number of bilingual education programs and have learned that, on the contrary, bilingual education increases the rapidity, increases the speed with which students become totally fluent in the English language, and at the same time, at the same time it permits them not to sink while they are learning. In other words, to stay afloat in the substantive areas that they are taught in the language of the country of their origin. That is an important issue to focus in on.

I realize the decibels of emotion are high on this issue. It is natural. There is much passion with regard to this issue. So I think it is important to see where the evidence leads us with regard to what is actually occurring in the classroom.

I recently had an opportunity to visit the Miami Springs Middle School in my district. The kids that are in the bilingual education program are in that program again in the substantive areas like math, like science, and like history in the numerous languages of their countries of origin for a relatively short period of time. Actually during the day it is just a few hours. And it is a maximum of 3 years during their education that these students are in these substantive areas to stay afloat in those substantive areas while a great majority, the overwhelming amount of time that they spend each day in school is immersed in English. That fact is important to realize. The kids in bilingual education spend the overwhelming majority of their day immersed in the English language to become as proficient as possible and to be able to be in an English curriculum, in a totally English curriculum as soon as possible.

That is the goal, and actually that goal is achieved time and time again all throughout the country where bilingual education programs are maintained. It is very rare to see a pupil that is all 3 years in a bilingual education program. Within 1 year or a year and a half, they are usually immersed fully, and their curriculum is totally in English. So it is a program that works. It is a program that I understand evokes emotion, but I think it is important for us to keep the decibels as low as possible on the emotional scale and on the passion scale, and that we focus in on the education issue.

It works. It is cost-effective. The States fund these programs for the greatest majority of what they require. What we do is really more than anything else encourage States to have that option and school boards to offer the option of those programs.

So I think it is important that we make a statement today and defeat the amendment of my good friend, the gentleman from Wisconsin [Mr. ROTH].

Mr. GENE GREEN of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Roth amendment. I would like to briefly talk about the three reasons, and then like a lot of other Members on the floor relate personal experiences with bilingual education and the need for bilingual education.

First, the Roth amendment forces the States to pay the total cost, and whether in California, New York, or Texas, we are already providing substantial local and State funding for bilingual, because it does work. And this would just require those local States to pay even more money.

This is not a funding item. This is a grant formula. If the city of Houston or the Houston School District does not receive this grant, then they have to pay for it locally. This is not something that is automatically sent from Washington to say OK, Houston, independent school district, or L.A. Consolidated, you have to provide it. They competitively seek these grants to help provide this funding for the students.

We need to recognize that bilingual is not just teaching someone in their native language. It is also teaching them while they learn English, and so they are not getting further behind, like the gentleman from New York [Mr. SERRANO] said earlier. It is to make sure that they also learn math, and science and history at the same time that they are learning English, and not just being taught in their native tongue.

Let me talk about an experience that I have had in Texas, in Houston. I was raised in a majority Hispanic school, and I saw in the middle 1960's before there was bilingual programs in Texas what would happen in a high school where a child would come in, and they would stay 2 or 3 days and then would drop out. And in 1973, my first term in the legislature, we actually provided State funding across the board for bilingual. I was a small amount of $6 million, but it was hard to get at that time in 1973.

I realized coming and serving in Washington for my first term here in Congress that so much more is being done on a local basis, both in local school districts and in States for bilingual, and recognizing it. So we do not have those students who come in, whether they are in kindergarten or 11th grade, dropping out after that week. They actually are working in their native tongue so that they can stay there, and they can be educated and they can be productive citizens.

This last year, like a lot of Members, like my colleagues from Florida, I spent a lot of time in the local schools in my district, since I serve on the Committee on Education and Labor. And I am proud that one of my elementary schools has the bilingual teacher of the year, Love Elementary, in the Houston School District. But I had an opportunity this year to both start a bilingual program, a kindergarten program that was bilingual, in September, and the children were really quiet and subdued. And then I went back and visited not that same program, but a different program in May where those children started in that kindergarten with a program in bilingual, but in May they are not speaking Spanish anymore, they are speaking English. And they are aggressive. They want to talk, and they want to talk in English. I was a part of the reading program, and they did not want to talk in Spanish, they wanted to talk in English, whereas when I went in in September I had to read the program in Spanish. But when I went back in May they did not want me to read in Spanish, they wanted it in English, because it was a kindergarten program that started in Spanish, but by May they are speaking English, and they want to be taught in English.

So you do not start in my district or any other district in the kindergarten in bilingual and continue through it through high school. That is not the way the system works. Children are in bilingual for a very short period of time so that they do not get further behind while they are learning English.

Bilingual was funded on a statewide basis in Texas in 1973. If I had my way, we would fund it even more than what we are doing now under the grant program. But we are not, so I ask Members to join with me in opposing the Roth amendment, because we are not doing near enough on the Federal level to eliminate some of the education problems that we have that are caused by our immigration policy. Do not take away what little bit we have.

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Mr. KNOLLENBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in strong support of the amendments offered by my colleague from Wisconsin [Mr. ROTH].

The bilingual education program included in H.R. 6 is, in essence, an unfunded mandate. H.R. 6 requires State and local taxpayers to pay $7 to $8 for every dollar of Federal funding provided for bilingual education.

H.R. 6 authorizes over $1 billion for bilingual education over the term of the reauthorization, which represents and requires $8 billion in matching spending from State and local education agencies. Not only is bilingual education costly, it simply has not worked.

The original purpose of our bilingual education program was simple: to teach immigrants English quickly and effectively. Bilingual education has gotten away from that simple and important goal, and is hurting those that it was intended to help.

Similarly, the purpose of H.R. 6 was simple: To provide funding for the improvement of America's public education system. With this in mind, we should remember who our clients are. We are serving America's Children; all of our children.

This simple goal is lost in bilingual education, which is counterproductive to preparing all young people to enter, serve, and compete within the American public.

By teaching young people in their native languages, we are handicapping their performance in a highly competitive arena. Bilingual education may make the school day easier for children speaking English as a second language. However, it creates another class of student unable to read, speak and write English in an English-speaking society.

And the United States clearly is an English speaking society. While we have traditionally enjoyed the benefits of great cultural diversity, English has served as a common tie to link all of our religions, races, and cultures—India, Pakistan, Iraq, Eastern Europe, Korea, Orient. With people coming together in South Africa and the Middle East, let's not further splinter our own society by removing the important link of the English language, and reinforcing a social hierarchy based on the ability of our children to speak and communicate in English.

More than ever, education is vital to the success of our young people and our Nation. Let's not continue to handicap our bilingual students and splinter our society by teaching coequal second languages in our schools. Pass the Roth amendments and give our bilingual students the English skills that they will need to compete and succeed in the United States.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. KNOLLENBERG. I yield to the gentleman from Michigan.

Mr. KILDEE. I thank the gentleman for yielding.

Mr. Chairman, the gentleman spoke very sincerely, I am sure. But I would like to correct one statement he made. He stated this is a Federal mandate. This is not; it is a grant application program. I just wanted to clear that up.

Mr. KNOLLENBERG. The gentleman would not disagree, though, with the fact that I come from a district that has a great, great number of folks from all over the world. Believe me, if there is a test case anywhere, it is in my district, as the gentleman knows. That is the point I am making.

I think what we have to do is concentrate on English learning and that will help us to retain those cultural diversities, whether it be Spanish-speaking countries, European countries, or whatever. What we want to do is to make sure they keep their culture but learn the English language.

Mr. KILDEE. If the gentleman would yield again, I know the gentleman speaks very sincerely on this, we have spoken on this privately. I value the gentleman's views on various issues. But I just want to clarify one point. This is not a federally mandated program.

Mr. KNOLLENBERG. The only thing I would like to say in rejoinder to that is that there is a cost involved, and any time you impose this kind of mandate on the States, money has to come from somewhere. So it has to be, in my judgment, an unfunded mandate. We can argue that point, I guess, but nonetheless it is not funded; it is unfunded.

Mr. KILDEE. We may not agree, but I just wanted to make my statement that it is not a federally mandated program.

Mr. KNOLLENBERG. I accept the gentleman's statement.

Mr. FARR of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today to express my very strong opposition to the amendment from the gentleman from Wisconsin. The Supreme Court has rightly decided that our children are entitled to an education, no matter what their origins.

This legislation would eliminate a program that has been a proven success and its impact would be highly discriminatory on those who cannot defend themselves—our children.

The main goal of bilingual education is to teach children to be competent in English. Studies show:

That bilingual education increases odds for a child's success;

Studies show that teaching children in their native language does not interfere with their learning English;

Studies show that native language instruction helps children keep up with students already being taught in English—English only instruction does not; and

Studies show that parents of bilingual education children are more likely to get involved in their children's education if bilingual instruction is used in schools.

When people say that their grandfather was an immigrant and he succeeded economically without bilingual education, they must remember that years ago the labor pool was a lot less educated and skilled than it is today. Then, low-skilled, lower waged jobs would allow a family to buy a modest home. Now, these jobs barely cover basic living expenses. To compete, all children must be allowed the same opportunity to succeed in today's competitive world.

In my district, close to one-quarter of children in grades K–12 are in bilingual education programs. These children deserve the same chance for success that I want for my own daughter.

In my district, a young man, Raul Huerta, was raised by a single parent who spoke only Spanish and he went through bilingual programs. Raul is now going to Sacramento State University and works at recruiting children of migrant families into higher education.

Also in my district, a young lady, Yesenia Hueremo is one of seven children. Her parents died within a short time of one another, leaving her and her siblings as orphans. Yesenia went through bilingual programs in both elementary and junior high school. Overcoming both language and personal difficulties, and earning a 3.5 grade average, she is now on her way to college. A productive member of our society—is that not what we want from our children?

Yesenia is also bilingual and biliterate. Studies have shown that with the increasingly global economy, business and industry need a work force that is competent in a variety of languages. There are at least 3.3 million children in our schools, like Yesenia, who have the potential of being truly bilingual. They speak almost every language in the world. They are the best hope that we have to produce a multilingual work force—a critical component for America's ability to compete in the world marketplace.

Therefore, Mr. Chairman, I believe this proposed amendment has no place in an educated society—as a matter of fact, it would create quite the opposite. As a former Peace Corps volunteer, I urge my colleagues to join me in casting a no vote against the Roth amendment.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment, which will do two things which Members of this Chamber have been claiming they wanted to do for a long time. First, it will save the Federal Government a quarter of a billion dollars every year that it is currently spending on a counterproductive program. We can get study after study, for every study that someone brings forth that says this is so effective, there are other studies, in fact more numerous studies, which show that bilingual education, as it exists today, is counterproductive and hurts the people it is intended to help rather than helping those people that people of goodwill are trying to help in this body.

Second of all, it will end one of the largest unfunded mandates ever imposed on local schools, one that costs States and school districts—it will eliminate one of the largest unfunded mandates that have been imposed on public schools, local schools, across States and school districts, billions of dollars every year. Again, we can argue as to whether or not this is an unfunded mandate.

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Two weeks ago, Mr. Chairman, when I tried to propose something that would require something as part of the registration process, it was attacked as being an unfunded mandate. Well, obviously what we do here, what laws we have passed, what regulations we have passed in this body, end up mandating, end up forcing, local schools to adopt bilingual education programs whether they want it or not, and it costs them a lot of money. Now how it is defined as an unfunded mandate, that is a matter of debate, but let us note, first of all, as far as the efficacy of the program itself:

Everywhere in the world, every country in the world that has a bilingual problem or situation, recognizes that immersion in a foreign language is the quickest and most effective way to learn that language. Those of my colleagues who have been to Israel have undoubtedly seen how new immigrants from all over the world are taught in that country. Hebrew immersion is the way Israelis have found to speed the assimilation into their society of new citizens who are coming from different places. I guess that we cannot just be as smart as the State of Israel and other countries because there are political considerations here that have to be taken into account, and not educational considerations.

In fact, only in the United States, and only in the Government, does anyone apparently believe that it is more important for students to hold on to their native language in some way rather than quickly learn a common language through the immersion process. That is what happens.

Mr. Chairman, I urge my colleagues to strike a blow for fiscal sanity, and we do not have the money, it is an ineffective program, but also, Mr. Chairman, it is a huge unfunded mandate. There have been some suggestions today, for example, that in some way those people who are opposing bilingual education are in some way trying to put roadblocks in the way of people who come to this country or other people that have English as a second language. The fact is we are not trying to put roadblocks in the way. We do not believe bilingual education leads to the kind of learning that is beneficial for those who the proponents of bilingual education claim to want to help. In fact we believe that it hurts those young people not to immerse them in the language as we find in every place else in the world.

By the way, if the amendment offered by the gentleman from Wisconsin [Mr. ROTH] is adopted, and local people do believe that it is effective, we are not saying that local schools cannot have bilingual education programs. We are just saying it is not mandated by the Federal Government, and we are not going to pay the bill for something we think is ineffective. If those people at the local level really believe this is effective, they will continue to have bilingual programs, and again no one is suggesting that our people should not be bilingual, that we should not teach people to learn other languages. The fact is that we want people to learn other languages.

By the way, Mr. Chairman, bilingual education, as it is mandated today, that is not the issue at all, but, the way it is mandated, it affects more than just the Spanish language. In my part of the country we have people from Korea, Vietnam, China, Japan, other parts of Asia, and Africa as well. The fact is that this idea, which might be a well-intended idea of providing bilingual education, is a nightmare for the local schools who find out that they have not just Spanish and English, but Hmong, which is a language of the hill tribes in Laos, literally tens of different languages that they are literally supposed to provide education for. It hurts the local school's ability to provide education for all of their children, including children where English is their second language to begin with.

Finally, Mr. Chairman, let us just take one look at the overall effect, and that is what keeps our Nation together, what opens the door of opportunity. It is language that we all share and a love liberty.

Ms. ROYBAL-ALLARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

Mr. Chairman, The bilingual education programs reauthorized in H.R. 6 are critical to promoting equal education opportunities for public school children. Many limited English-proficient students simply cannot learn and compete in the classroom without the English language instruction and supportive services authorized by this bill.

It is important to emphasize that the primary objective of bilingual education is to teach children English, while simultaneously providing instruction in core academic subjects in their native language. This approach is designed to prevent a child from falling behind in basic subjects until they acquire English language proficiency and make the transition into an English-only classroom.

The elimination of these essential programs could cause irreparable harm to tens-of-thousands of children and permanently hamper their academic growth by increasing the likelihood that they will lose their self-esteem, interest in academics, and drop out of school.

Our Nation simply cannot afford to waste these young lives and ultimately lose the benefits of their untapped talents. We must protect our children and defeat the Roth amendments.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to take a little time, I suppose, to give a history lesson. Having been a history professor at one time, first of all, I want to point out that bilingual education began in the United States in 1839 and included States such as Ohio, Louisiana, and New Mexico, where they taught in several languages because of the diversity of the population. German, French, and Spanish were used for instruction. Then from 1880 to 1917 German instruction was used in Ohio, Minnesota, and Maryland as part of a bilingual education program. In 1908, Mr. Chairman, New York discovered that 13 percent of the 12-year-olds enrolled in New York public schools did not go on to high school. They were children of parents who were not born in the United States. However 32 percent of all other children whose parents were born here did go on to high school.

Mr. Chairman, an individual could drop out of school back in that day and still get a job and still be very much a participant in our society. Unfortunately, or fortunately, at the present time the technology is so great that one positively must compete with a high school education, and it will not be too long until education beyond a high school education will be needed to be functionally literate in our country.

Mr. Chairman, our problem in the past has not been over whether there should be a bilingual education program or not. I led a fight for several years, and then I was joined by the gentleman who is now mayor of Dallas to continue that fight, to indicate that 100 percent of the dollars available for grants should not be only for transitional bilingual—that we should give an opportunity to local areas to determine that is the best approach. All the studies would indicate that no matter which approach is used, whether we use transitional bilingual, whether we use ESL, whether we use immersion, it is usually a 3-to-5-year process to move from the language of one's family and the country from where they came to being fluent in English. Therefore, Congressman BARTLETT and I indicated that we thought that at least a 75- to 25-percent mix should be in order. That was worked out, as I said, with the help of the mayor of Dallas who was a Congressman at that time.

Then, Mr. Chairman, I added language to the legislation before us to add some additional flexibility for local determination. Basically it says, "If you have many children with many languages, and you cannot get certified bilingual educators, you do not have to use transitional bilingual." I am not saying "certified," although I am sure the unions would say "certified," properly prepared people, "you can get a waiver from the secretary."

I think it is important to point out that this is not a mandated program. No one has to participate in this program. Very few people participate in this program.

Last year, for instance, we had about 300,000 students participating in this program—300,000 students out of

43,353,428. Only 300,000 students were participating in this competitive grant program. It is strictly up to a local school district if they want to seek a grant. Most do not, but it is entirely up to the local district whether or not to apply for these funds. Then the grant money is sent out from the secretary's office for that purpose.

When I was growing up in the framing and fruit growing business in my area, Mr. Chairman, of course all the older folks spoke German. When they would come to the packing house to buy their fruit to can, my father could understand what they were saying. My mother could understand and respond.

☐ 1600

So we did not lose any customers because somebody in the House understood. I could not do either. We had a mother there who could respond, and we did not lose any customers because she was not able to speak the language that was being spoken. So again, Mr. Chairman, I just make to summarize the history lesson.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. GOODLING] has expired.

(By unanimous consent, Mr. GOODLING was allowed to proceed for 5 additional minutes.)

Mr. GOODLING. Mr. Chairman, I just want to repeat again that this is a competitive grant program, a program that a local district can apply for if they wish, a program that does not only say that they must use transitional bilingual education programs. Twenty-five percent of that money, with some flexibility with this new language, can be used for other methods of teaching limited English proficient. If one came with the first group, for instance, that came from Vietnam, immersion was the way to go because the parents of all those youngsters spoke English. If one was not fortunate enough to be in that wave and, let us say, came in during our most recent immigration and arrived here and did not even have any formal education at all in their own language—and most of our young people coming from many areas at the present time have had no formal education at all, nor did their parents—it makes it very, very difficult to meet that 3-to-5-year transition period, if, as a matter of fact, we totally tried to immerse them.

So again, repeating, it is a competitive grant program. School districts can reject it or accept it. No one is required to participate. Only 300,000 students participated last year out of the 43 million that are in public schools in the United States.

Mr. Chairman, let me yield to the gentleman from Wisconsin [Mr. ROTH], the sponsor of the amendment.

Mr. ROTH. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania, for yielding.

I think it is important to note that once they are in the program it is almost impossible to get out of the program, and it is not only immigrant children that are brought into the program but youngsters born here are brought into the program, too.

Basically, what we are concerned about as the issue here is that we want to keep our Nation as one Nation and one people, and the way we do that is keeping the commonality we have. We are the most diverse people in the world. That is why "The Disuniting of America" and books such as this are being published today, because we are concerned about our country turning into another Canada or another Yugoslavia or other places around the world where they do have all these differences. And we are a Nation that has people from every corner of the globe, every linguistic background, and every cultural background, and we want to keep that unity.

That is why I had before quoted, for example, our great war hero, Everett Alvarez, who talked about bilingual. He said, "No, I am not in favor of bilingual education because it holds my people back."

I had a hearing here on Capitol Hill not only with people with a Spanish background but also immigrants from Hungary, immigrants from the Soviet Union, and, yes, people from Cuba, all of them opposed to bilingual education because it harms their people.

We have, for example, Jose Fabila, who is a successful businessman in Sacramento. He said, "No, I'm very much opposed to bilingual education. Bilingual education is created for political purposes."

This we hear over and over, and if we had a hearing on Capitol Hill and invited some of the business people, the common people right off the street, to appear before our committee, we would find that they are not in favor of this program. For example, Ernesto Ortiz is a foreman on a south Texas ranch, and he said it best, I think, when he said, "Children are taught in Spanish at school so they can become busboys and waiters. I am trying to teach them English at home so they can become doctors and lawyers."

This gentleman understood that the language of opportunity in our country is still the English language. Like someone said, "You know, the reason I want my kids taught in English is because the SAT's are given in English and application forms are in English."

In many of these bilingual education programs they only get 30-to-45 minutes a day at the most in English, and they come out of these schools nonproficient in either language. What we are trying to say is that we want to give these young kids a good education so we can assimilate them into our national culture as quickly as we can, and the way we do that is to bring them in and teach them in English, not in some foreign language.

We are not just talking about Spanish here. In Florida they have to teach them in Mandarin and sometimes in Cantonese and all the other different languages they are required to teach youngsters in. We are saying that is not in the best interest of our country.

I was on a talk show in Canada because of this particular legislation, and I wish all my colleagues could have heard the people of Canada talk and what they had to say about what is happening in their country, how the Separatist Party is now the second largest party in Canada, ripping the heart out of that country, and what is going on in various countries around the world because of these linguistic differences.

What we are trying to say is that we want to keep this as one Nation and one people.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. FORD of Michigan, and by unanimous consent, Mr. GOODLING was allowed to proceed for 3 additional minutes.)

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield to me?

Mr. GOODLING. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman from Wisconsin [Mr. ROTH] just made another misstatement that cannot be left standing with the Members who are watching this from their offices. He said flatly that once they get into bilingual, it is virtually impossible to get out of it.

We fought that battle the last time we reauthorized this legislation with the young gentleman who is now the mayor of a major city in Texas. He was an immersion person, and we finally got around to a compromise and we said that at the end of 3 years of bilingual education the child shall be evaluated to determine whether he needs any more bilingual education, and if he does not, in the opinion of the educators, he is brought out of the program.

It is virtually impossible to stay in the program, not virtually impossible to get out of the program. It is not a permanent educational experience for the child. It is a transition from some language other than English into English. If we want everybody in this country to speak English, we should be supporting this instead of trying to destroy it.

Mr. ROTH. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Wisconsin, but I do wish to reserve some time for myself.

Mr. ROTH. Mr. Chairman, the gentleman is obfuscating the amendment again and what is behind the amendment.

These kids are not out in 3 years. Sometimes they are in until the seventh or eighth grade and they are nonproficient in either language. That is why the dropout rate is so high, because of bilingualism.

When this was brought in in 1968, they said it was going to be here because the dropout rate is so high. The dropout rate is higher today than it was in 1968.

Here I have a note from Charles Pacheco, an ex-marine who was born here in the United States. His daughter was placed in the bilingual program, not because she did not speak English but because of her Hispanic name, and he tried to get her out of that class and could not get her out. So we are not going to put kids in there and have you tell me they can take them out right away, because we have heard time and time again that it is impossible to get them out.

Mr. GOODLING. Mr. Chairman, let me just close by indicating that in spite of what we may hear from some national leaders, every immigrant parent wants their child to become proficient in the English language as quickly as they possibly can. That is every parent, because they know it is the ladder of success. As we have heard today, there are many who spoke here today who, because of their ability to go through a bilingual program, became very, very successful.

But again, let me repeat that it is a competitive grant program. Nobody has to accept it. Nobody has to request it. Only 300,000 out of some 40 million students participated in it last year. It does not address whether school districts use their own money and State money to do other things in this area. That is something else. But in this program 300,000 students participated out of 43 million.

☐ 1610

Mr. PASTOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, bilingual education, as you have heard from our distinguished colleague from Pennsylvania and other members before me, is a teaching method, along with other methods such as immersion and transition. They are all teaching methods with one goal: To have the non-English speaking student learn English without falling behind in his core subject studies.

You heard one of my colleagues from California tell you that in Israel only the immersion method is used. He is mistaken. I was in Israel in August to visit bilingual education centers where Ethiopian and Eastern European Jews were being taught Hebrew. They used their native language as a transition into Hebrew; a prime example of bilingualism as a good teaching method.

Mr. Chairman, I am a leader in the Hispanic community. For somebody to insinuate that as a supporter of bilingual education, I am un-American or that I wish to separate non-English speaking persons from this country, or that I seek to create chaos is completely wrong.

Mr. Chairman, this is America. We all should learn how to speak English, because that is the only way that an individual in this country can progress. The people who will tell you that this is a movement of subversion are wrong. Along with immigrant bashing, those who oppose bilingual education are taking the simple objective of teaching English to non-English speaking students, and turning this necessary and just program into some sort of clandestine operation that seeks to over-run this country.

Mr. Chairman, I tell you they are wrong, and that the characterization of this teaching method is completely incorrect.

I took an oath to uphold the law of this country. In no way do I want to do anything to make this a weaker country. I only want to make sure that my children, and all our children, are able to speak English.

Mr. DOOLITTLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I support the Roth amendment. I think it is unfortunate that it is being portrayed as somehow anti-Hispanic or anti-immigrant. It is nothing of the kind. Indeed, the evidence on this issue seems to suggest that bilingual education has failed to properly teach children English. And when we have such scarce resources, we as a Government ought to be doing those things that work. No other country in the world that I am aware of uses this type of a bilingual education program to teach children the national language. Every other country uses bilingual education to support minority language maintenance.

What needs to occur, I think, is to recognize the data available on this subject. Thomas Sowell in his book "Inside American Education" cited numerous surveys proving that the great majority of Hispanic parents—more than three-fourths of Mexican-American parents and more than four-fifths of Cuban-American parents—are opposed to the teaching of Spanish in the schools at the expense of English. After all, these are the families who want their children to succeed in the U.S.A.

If we want to help these children, which I believe is the motive of all of us here, then we ought to do those things that encourage their learning English the best. I think that this bilingual education program is one that is ineffective and should be discontinued. I thing the Roth amendment is a step in the right direction.

Mr. Chairman, I would be happy to yield the balance of my time to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, we are talking about teaching methods here. I do appreciate the tenor of the debate we have had so far. As my colleague from California has just suggested, we are not only talking about teaching methods, we are talking about a particular type of teaching method that is a failed teaching method. In fact, many of our colleagues who have been on the floor today supporting bilingual education were actually educated in a nonbilingual education system. In fact, they are giving testimony as to not how important bilingual education is, but instead they have risen before us today in defense of bilingual education. But they themselves are a product of a system that did not have the type of bilingual education system they are advocating today.

In terms of what type of method is used in other countries that has been found to be successful, I would like to differ from my colleague, who stated that Israel has this type of bilingual education system. I have been told by several people who have visited Israel recently that yes, they teach other people who do not speak Hebrew. They teach them to speak Hebrew in their classrooms. They do not, however, have a bilingual education system that teaches non-Hebrew speaking citizens in their own native language. The only languages that are automatic other than Hebrew are courses in how to learn how to speak Hebrew in that particular foreign language.

We have no objection to having classes in the United States teaching people how to speak English. That is not bilingual education. That is not what this debate is about. This debate is about whether we will have a bilingual education system that makes it possible for young people to go through our education process without fully learning the English language.

We believe that the English language should be adopted, not as a punishment, but because we care about young people who are being educated in our system. We know that if they are permitted an easy way out of learning to speak English, that that will be the worst possible condemnation that this society could put on their heads.

The fact is the doorway to economic opportunity, the key to that doorway, is an understanding of English. Every one recognizes that. That is something that is recognized on both sides of the aisle today. What we are coming to now is the debate as to really what is the best method and how can we use our scarce resources in the best possible way to ensure that the young people that come from different lands, that have English as their second language, do become part of the American mainstream and have the opportunity that all other Americans have.

I would suggest to my colleagues on the other side of the aisle, who are well intended in this, and to my fellow Americans who are listening today or reading this is the CONGRESSIONAL RECORD, that English immersion, making sure that every student is able to speak the English language by not giving that student an easy way out in learning other things without having to learn English, that the best thing we can do for that student is to not give them that easy way out.

The fact is, America is the land of opportunity for those people who have been prepared to take advantage of the opportunity. Learning English is a prerequisite to enjoying the freedom we have here in America. The two things that keep us together as a Nation is the love of liberty and the English language. That permits all of us to take advantage of the opportunities our forefathers and mothers struggled to build in this country.

Mr. Chairman, I would suggest that the bilingual program does not enable students to achieve proficiency in the English language.

Mr. HAYES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I represent a little over 600,000 people, almost three-quarters of whom speak French as their primary language. I am proud to represent them in this great hall of democracy. My hometown is Lafayette, LA. It is named after one of only two gentlemen who are pictured in the People's Hall, a French citizen named the Marquis of Lafayette, who during the Revolutionary period helped his good friend, George Washington, to combine the resources of the two countries and to fight a war for independence against people who spoke impeccable English.

Two centuries before there was a United States or any State, the people were excluded from Nova Scotia by those same folks who spoke impeccable English, because they were Catholic and there was no first amendment, because they spoke a different language. There was no 5th and 14th amendment, and they settled in the bayous of south Louisiana.

Later in the War of 1812, when an American President and an American hero who became President called upon them to march to the plantations of Chalmette, to stand up and fight against a takeover by folks in red coats who spoke impeccable English, they did so. They did so because they understood that the principles of the democracy which had evolved while they were first here was something worth fighting and dying for.

It is also something worth representing the Seventh District of Louisiana for. I should probably pause at this time and ask a parliamentary inquiry. I do not know the precise rules on using a phrase from another language. This, however, is from an American language.

It is a derivation. It is Cajun Catholic. The phrase is "lache pas la patate." I will have it removed from the RECORD, since I am sure it should not have been in in the first place and since I am sure that virtually no one in this Chamber understands one word of it, due to their lack of education.

What it means is, "Don't drop the potato." That is a literal translation. It is a funny expression, but its meaning is so much more important than its literal words. Many of the romance languages have those kinds of idioms.

What it means is, do not concentrate on the wrong thing so that you lose the basic.

In other words, we have a terrible problem in this Nation with illegal aliens. We have stretched resources trying to cover folks who got here against the law. All of those things I support remedial measures, when we have an Immigration bill. And I want more money for Naturalization and Immigration. I want to support the law.

But when you start losing folks like me, who more often than the leadership on this side of the aisle would care, who support propositions from this side of the aisle, then you must be making a mistake.

I suggest what we are doing is dropping the issue, dropping the potato and losing a much, much more important war.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

I had not intended to speak on this item, but I must say that I was motivated to speak not only by the very sensitive remarks of the previous speaker, my colleague from Louisiana, but because of the inspiration of the presentation made earlier by my colleague, the gentlewoman from Florida [Ms. ROS-LEHTINEN].

The gentlewoman from Florida [Ms. ROS-LEHTINEN] reminds me of some years ago, when a relatively new American, who had come to this country from Latin America, chose to become a schoolteacher as the gentlewoman from Florida did. She, too, had learned her English by way of bilingual experience in southern California, became an educator and, eventually, she was my classroom Spanish teacher, teaching me in my own native tongue—her original native tongue.

One of my frustrations is that the inspiration of that schoolteacher has not pervaded southern California deeply enough. For of all of the parts of the country where we have the potential of developing bilingualism, it is in southern California. Not very long down the line approximately half of our population will be from Latin America.

What a crime it is that we have not taken advantage of that proximity so that we all could read and write and speak English well and read and write and speak Spanish as well.

I remember that Spanish teacher one day, with a twinkle in her eye, this takes me to my colleague from Louisiana, she loved plays on words in Spanish. And the phrase that day was "En la boca cerrada no entran moscas." In English the play on words would suggest that silence is golden. Literally, it says that in closed mouths flies do not enter.

It is also very important around here for us to remember from time to time that we make our point best by being very careful about what we say about the subject that we are advocating. It has been stated many times here on the floor today that there is a horrendous Federal mandate involving bilingual education.

The fact is there is not a Federal mandate. The Bilingual Education Act contains no mandates. It is a voluntary competitive grant program. Title VII requires nothing of any school in the Nation.

Since 1968, the Bilingual Education Act has provided Federal assistance to school districts which operate or wish to start programs for limited-English-proficient students. Under current law and under H.R. 6, schools can apply for grants to start either a bilingual education program or a monolingual English only program for LEP students. There is no Federal mandate of bilingual education programs.

State and local schools implement bilingual programs on their own because they work, not because of the U.S. Congress.

Mr. Chairman, it is very important for us to recognize that in this shrinking world, our opportunity lies with reaching out, understanding better and communicating better with our friends to the south. The most important legislation we have passed, in my mind, since I came to Congress is that which is designed to create a cooperative venture between Canada, Mexico, and the United States that will allow our entire hemisphere to become more competitive in the world marketplace. It will provide jobs and opportunities for all of us, including our children and grandchildren, well into the next century.

Bilingual education is an opportunity. It is not a problem for the American education system.

Mr. TORRES. Mr. Chairman, I move to strike the requisite number of words.

I rise in strong opposition to the Roth amendments to H.R. 6, Improving America's School Act, as it is called.

The Roth amendments would severely weaken and ultimately eliminate title VII, the bilingual education programs of H.R. 6, which were passed by the bipartisan leadership of the Committee on Education and Labor. The Roth amendments would undo a bipartisan initiative with a 26-year history of legislative and classroom success.

It would deprive limited-English-proficient students, who are the fastest growing group of students in the Nation, of critical educational programs. It would also destroy a national infrastructure designed to cope effectively with the students.

The Roth amendments would consign limited-English-proficient children to an inferior education and a generation of students would be lost, I say lost, in the educational system.

For the first time ever, for the first time ever a bipartisan coalition on the Committee on Education and Labor worked together to pass a comprehensive authorization of title VII. These title VII programs have proven to be the best way to teach children with limited English proficiency and to teach them much-needed English language skills.

I want to emphasize, teach them much-needed English skills. Not Spanish; we are not teaching kids Spanish. We are teaching them English, the language of this Nation.

Children who speak languages other than English can be great resources to the United States in our global economy, as just enunciated by my good colleague, the gentleman from California [Mr. LEWIS].

The gentleman from Pennsylvania [Mr. GOODLING] gave us a good example of his own experiences of growing up in this country, when he said that his mother could understand English but his father could not. And yet the experience that his mother had in understanding English was a good deal for their store, for their business.

My own experience in English was the same, Mr. Chairman. I grew up speaking Spanish as my first language. But I was lucky that my mother and my grandmother spoke English. So they taught me English by teaching me through that first language, Spanish.

By the time I got to grammar school, I knew English. I could read English. The teachers were amazed that I could speak English. This Mexican kid could speak English and read English.

I was taught at home, and the teachers would ask me, "Show the kids how to read English. Tell them about 'See Jack run; see Jane run; watch Spot run.'"

They were amazed that I could do that. One might say that at a very early age I was a teacher's aide.

Mr. Chairman, by teaching English and preserving their native language skills, bilingual education can permit some of our future leaders to retain the skills necessary to negotiate in Mexico in Spanish or with Japan in Japanese or with the Russians in Russian and so on and so on. I want to make this point clear, again, and I do it every time when this senseless type of rhetoric comes before us. We are talking about children. Children who want to learn, who want to learn English. That is what they want to learn.

□ 1630

They want to learn about American history. They want to learn about math and about science and about art, and all that we can teach them.

Without the programs that have been made possible by title XII, limited English-proficient students will not be able to fully appreciate or benefit from education reform. They will be more likely to suffer from high dropout rates, from low rates of academic achievement and disproportionately low rates of placement in gifted and talented programs.

The proliferation of bilingual programs is a testament to the fact that across this country school boards, educators, and parents are more interested in results than in rhetoric. Mr. Chairman, educators and Americans recognize the value bilingual education has in preparing our youth for the 21st century.

Congress, this House, must understand and recognize this important value. It is ludicrous to assert that a multilingual nation will be another Canada or a Yugoslavia, and to intimate that because we know more languages or speak more languages, we will be less Americans. That is ludicrous.

Mr. Chairman, I speak and I have a working knowledge of four languages, English and Spanish and Portuguese and German, and it is because I was able to speak these languages and learn them at an early age that I had opportunities opened up to me in this country. I was an international trade union organizer; I was a U.S. Ambassador to the U.N. system; I am a better Congressman today, and let me tell the Members, I am just as good an American if not a better American than some others who do not know another language.

Mr. MENENDEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me just say—at this point, Mr. MENENDEZ addressed the House in Spanish.

For those who did not catch that, I simply said that those of you who do not understand what I am saying might not be able to help American businesses compete in many of the world's emerging markets, such as Mexico, under NAFTA.

It is not about Spanish, it is about a diversity of languages and the customs and cultures of doing business worldwide. Chevrolet learned that when they tried to introduce the Chevy Nova in Latin America. If Members know what "Nova" means in Spanish, basically it means "it does not move," it will not go. Imagine marketing a car that simply would not move.

America's diversity is what makes it uniquely qualified to compete in the global economy. Is it not ironic, then, that some of the most ardent boosters of global trade are here on the floor today, trying to cut off that resource, by putting an end to bilingual education?

While the whole world seems to be moving together toward a truly global village, only here in America do we consider moving backward. We consider retreating from our diversity, to imprison ourselves in our monolingualism.

The bilingual education program is one of our most successful, because it makes sense. There is no question that immigrants to the United States are better off once they learn English. When those of limited English proficiency arrive here, they know they need to learn English, and they want to learn English. The fact is that the goal, the purpose, the ends of the bilingual education program is to take a non-English speaking child and have them become fluent in English—while they move along educationally in their other subjects—math, science, and history.

In my own experience, as a former school board member for 5 years, in a school district where the majority of students were from immigrant families, we enjoyed tremendous success.

For example, a young woman who did not understand English went on not only to conquer the language, but to become a valedictorian of her high school, an honor student at Stevens Institute of Technology, and ultimately the valedictorian of the University of Medicine and Dentistry of New Jersey. Today she is a doctor.

Only a bilingual education could have made this possible. Every immigrant needs to learn English. But a successful student needs to learn much, much more.

As each of you will recall from your school days, there was more to school than just English. History, math, and science courses round out a complete education. Imagine now if I were your history teacher, lecturing you, as I began my remarks, in Spanish. How do you think you would fare on your final exam? Do you think you would pass my course? Probably not. But do you consider your knowledge of history deficient? Do you consider yourself incapable of learning history? Of course not. You would have passed the test, had it been in English. But it was not, and now you've got to repeat my class. Unless, of course, you decide to drop out, which is what many students of limited English proficiency end up doing. Not because they were incapable of learning, but because nobody gave them a chance to do it.

Now that we have given many students that chance, and begun opening some doors of opportunity for them, amendments proposed by the gentleman from Wisconsin seek to slam the doors shut.

Bilingual education costs money, that is true. All education costs money. Putting a student of limited English proficiency through the same classes, taught in a language he does not understand, over and over and over again—costs even more money. It is taxpayer money wasted.

The cost of bilingual education, like the cost of English education, is an investment. Not only an investment in preparing our students to compete in a global economy, but in empowering all students to do their best, and to become productive, successful Americans. Do not shut any child out. Do not shut American business out. Defeat the Roth amendments.

Mr. COLEMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think sometimes in the course of debates like this we have sometimes gotten angry and sometimes not discussed what the real issue is. I think today, instead, we have actually had a fairly serious debate about these amendments offered by our colleague, the gentleman from Wisconsin [Mr. ROTH], and I appreciate them.

I can tell the Members that 21 years ago in my State, in our legislature we had a proposal called bilingual education offered in the State of Texas, and I remember being asked to coauthor it. I asked a lot of questions of the author, a gentleman named Carlos Truan from Corpus Christi, a member of the House at that time, about that legislation and how in the world we would get to the point where we would do what it is that all of us know bilingual education is meant to do, that is to teach a child English, math, reading, writing skills, social studies, geography, all the rest, in a way that educates the child and in fact leaves no one else behind, not the English-speaking child, not the Spanish-speaking child, or others in the class who may have been brought up to speak as a first language a completely different language than the two I just mentioned.

I remember thinking, "This will not be easy," but I coauthored that legislation that year, and I remember going home to my State representative district and hearing from both sides very loudly, sometimes, about how good it was and how bad it was. What I found out, boy, this is the difference between the school districts I represented.

I had several school districts in my legislative district. I thought maybe it is the way it is being administered, but no, I found out that some schools within the district had a very different opinion, as well, about how effective or how bad it was. Then, no, I discovered even more importantly, within the same schoolhouse programs met with great success and others had great problems. The reasons, I found out, were really and truly basically how it was being administered by the teacher in the classroom.

My great fear, I say to my colleague, the gentleman from Wisconsin [Mr. ROTH] about his amendments is simply that I am afraid his amendments attempt to take away some of the very options that school districts now have. Let me say that in terms of both of his amendments, and I know that we are only considering one at present, but I know that probably what I consider the most effective way in which to address the needs of children with limited English proficiency to make a smooth transition into our society, is to allow them to develop those basic skills in areas like math and science and other areas, as well as in writing and reading.

□ 1640

But to do so, we have found, in their native language can be helpful, and a lot of schools and school districts have determined that there are different methods of teaching that help move us along in that direction. Whether it is English immersion known as English Only Program that they think will meet their best local needs or whether or not they believe we should have limited English proficient students' bilingual education programs, English as a second language program, then I think those are decisions that can best be made, quite honestly, even in the classrooms, and I know some school districts do not share that view and a lot of them want to say well, we will mandate, some States have often said we will mandate how it will be done. I think the last thing we ought to do here in Congress is mandate how they ought to be done. I really and truly believe that our goals should be what the gentleman from Wisconsin notes his goal is and that is to see to it that we remain united as a Nation, that we do the very very best we can for all of the students in that classroom.

I happen to think that a bilingual education program that is properly run can properly do that. I do not think that is beyond the realm of our capabilities as a country, as a people, as educators. I happen to believe very strongly that bilingual education programs do work. I can show evidence, as you can show me evidence of the problems along the way, I can show you evidence. We have heard some of it discussed here today that these programs do work, and I think it would be a mistake to cut off funds and try to deny the reality that children who speak a language other than English make up the fastest growing segment of our K through 12 population. and that is a fact.

And I think to simply deny that and attempt to cut off the funds is a mistake. I do not think that is how we get to solve the problems that others have spoken to and alluded to here in the debate on the education bill.

I think what we need to do is maintain the course we have set for ourselves in what I consider to be a very progressive bill on education.

I want to compliment my colleagues, the gentlemen from Michigan, Mr. KILDEE and Mr. FORD, and others on the committee for this legislation.

I would ask my colleagues to defeat the Roth amendment and let us move on to the real issues that confront this Nation, and that is educating our children.

Mr. MORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when I began working for the Federal Government I was an auditor and I was assigned to the migrant farm worker program. I went down to the Rio Grande Valley of Texas, with no particular ideological bent, and I was brought in to talk to a leader of the barrios down there. It was a beautiful September day, and this man was smiling, as only a father can look when he is expressing the pride he has in his child. His youngest daughter had started school. All of his other children were in the migrant stream.

The way that it used to work is that the children had to work in the migrant stream, they needed the money, and the fact is they were not welcome in the Texas school system.

We were talking that morning, it was about 10:30, and as we were talking, this little girl came running home. She was crying her eyes out. She was a beautiful little girl, kindergarten, 5 years old. She came into the House, and it was actually kind of a shack. She did not want to tell us what had happened and finally we got it out of her, that in her excitement to show the teacher what she knew, she had burst out a word in Spanish, and at that time the Texas education agency did not allow Spanish to be spoken in the school system, and she had been physically punished on her calves and, in fact, her calves were black and blue. This 5-year-old girl had been beaten because in her excitement to participate in school she had been physically punished for speaking Spanish.

I asked the official of the State education agency what he thought about having bilingual education and teaching a little respect and appreciation for the Spanish culture and he told me, why do they need to learn about burritos and tacos and things like that; that is what the Spanish culture is all about. They do not need that. If they want to get ahead, they need to learn our culture and we are doing the best thing for them.

Mr. Chairman, in the years following, people like Armando Rodriguez and Gil Sanchez, and many people whose names have well been forgotten now, started the bilingual education program and the Texas education agency changed its attitude. And thousands of children have had an opportunity to participate in this society and this economy because of the value and appreciation of having a bilingual capability, an appreciation for bilingual education in the public school system in Texas, and in fact around the country.

This is an important program. This is part of what America is all about, and this is something we owe to all America's children.

Mr. FILNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the Roth amendment. I come to this debate as a classroom teacher for more than 20 years. I come to this debate as a former school board member, and president of the school district in San Diego, CA, which has had as much experience in bilingual education as any school district in this Nation. I have been in hundreds of classrooms, talked to thousands of students and their parents.

This is not a failed educational method. Bilingual education works in San Diego, CA, and all over this Nation.

I have watched the debate for the last hour or so, and the aims of all of my colleagues are the same. The aims are to teach English to children as rapidly as possible.

I have seen bilingual education work in San Diego, I have seen the test results, I have talked with children. It does work.

We cannot let children fall behind in the basic skills of mathematics and social studies while they are learning English. Bilingual education is a way for these students to keep up with those basic skills while learning the English language.

I beg my colleagues in this House not to hurt the children in San Diego and the rest of this Nation. Do not cut this program out. Do not allow bilingual education to fail. It is a working program and we should continue to help these children.

Mr. MINETA. Mr. Chairman, I rise today in strong opposition to the Roth amendment that seeks to eliminate federally supported bilingual education programs.

This amendment would eliminate title VII, the 25-year-old Bilingual Education Act, that reauthorizes bilingual education programs. Title VII grants have helped school districts develop and implement bilingual education programs. Bilingual education is a proven success at teaching students who come to school speaking a language other than English.

As we all know, most funding for education, including bilingual education, comes from State and local governments. The Federal Government has sole jurisdiction over immigration policy; it must share the responsibility to serve the needs of the immigrants that Federal policy allows to enter the United States. Limited English proficient students represent the fastest-growing segment of our school-age population.

In 1990, one of every seven students lived in a home where a language other than English was spoken. The Federal Government should support providing these students the programs they need to develop the language skills to succeed.

I urge my colleagues to vote no on the Roth amendment.

Mr. RICHARDSON. Mr. Chairman, one out of every seven children in America, living in almost every district in this Nation, starts school speaking a language other than English. Through the bilingual education act, these children including Hispanics, Asians, Armenians, Native Americans, and many others, are able to learn and become future teachers, doctors and leaders in our communities. Now, after 25 years of success, bilingual education is being threatened. The Roth amendment will directly take away the only program that gives thousands of innocent children the chance at a good education and a successful future.

This amendment which eliminates bilingual education will severely hinder the ability of teachers and schools to effectively reach the fastest growing segment of the kindergarten through 12th grade population which is minority children. Bilingual education, which has bipartisan support, helps these children improve their English and ensures that they do not fall behind in other essential subjects such as math. Therefore, it is critical that any serious and comprehensive education reform must address the needs of an increasingly diverse student body in our nation's rural, suburban, and urban areas. Striking these programs which have been so successful towards giving our children a quality education is the same as turning our backs to the future of our country. Thousands of students will begin to suffer from language-related educational problems including low academic achievement, low self esteem, and high student drop-rates.

In my own State of New Mexico, one out of every five students is limited-English-proficient. In addition, 41 programs funded under the Bilingual Education Act would lose the chance to assist students towards receiving a quality education—10,000 students in New Mexico alone would be deprived of the bilingual service they now receive and need.

Mr. Chairman, this amendment will not only prevent our students from learning, but it will also imply to children that their native languages and cultures are not worth preserving. One group that will be harmed by the amendment are native Americans. The amendment seeks to revisit a dark chapter in the history of Federal-Indian policy where the Federal Government prohibited Indian children from speaking their native language in school. In the 1800's, this Government took Indian children out of their homes, put them in boarding schools, forbade them for speaking their own language, and severely punished them if they did speak their own language. This policy resulted in the destruction of native cultures and hundreds of native languages. Of the several hundred native languages that once existed in the United States, only 155 are still remembered or spoken today. Many of these languages have fallen out of use. Today, we in Congress recognize the errors of the past and understand the important role that language plays in education. Specifically, Congress has worked to preserve, promote, and protect the rights of native Americans to use, practice and develop their own languages. To eliminate bilingual education would be to relive the mistakes of the past by continuing the destruction of native language culture. Teaching each child the importance of their native culture and history is paramount to any students's ability to not only comprehend the present, but to accept the challenges of the future.

Mr. Chairman, the question is, "do we condemn those children who grow up with a language other than English? Or do we encourage the students and their peers to create a learning environment that is both challenging and expressive. Voting for the Roth amendment will not create a learning environment and is the same as voting against our own children's future. The education of innocent children is at stake, and bilingual education is essential for all children in order to keep our Nation strong. Let's not interfere with what works, and instead enable teachers to do what they do best—teach.

Mr. DOOLEY. Mr. Chairman, I rise today in opposition to the Roth amendment because I believe that bilingual education is an important link in our Nation's public education system. The Bilingual Education Act is the only Federal education program specifically designed to assist State and local education agencies in meeting the needs of limited-English-proficient students.

In California there are more than 1 million limited-English-proficient students attending our schools. The research on bilingual education is clear. Use of both English and the child's native language serves to promote the learning of English, and allows students to achieve in other subjects such as math and science—raising prospects for overall success in school.

I have seen over and over again in my congressional district, the benefits of bilingual education. We merely cripple children's prospects for success and assimilation if we are not willing to acknowledge a language barrier and assist in overcoming it. Bilingual education gives thousands of children in my—and all over the country—the tools to succeed, and the ability to become productive, law-abiding citizens.

For 25 years, we have watched as kids have assimilated into our society with aid of bilingual education. We must not destroy the most important citizenship program that we have in this country today.

Mr. TOWNS. Mr. Chairman, as both a Representative of a highly multicultural district, and as a former educator, I must oppose this amendment offered by my distinguished colleague from Wisconsin. The amendment before us would eliminate the Federal Bilingual Education Program, including funding for materials, staff training, teachers, and aides. It would also prohibit the use of native language instruction. These policies ignore the growing diversity of our student population.

New York City is populated with thousands of immigrants who have greatly enriched our economic and social fabric. Our public school system provides educational services, which include bilingual education programs, to a growing immigrant student population. I find it unconscionable that in this land of milk and honey we would seek to eliminate bilingual education programs, services and/or resources for language minority children. I am saddened that we would seek to weaken and ultimately diminish the Bilingual Education Program by prohibiting the use of the native language for instructional purposes.

This proposal, clearly, offends those of us who endorse the educational goals of preparing our students for this increasingly multicultural world. If we want to provide an education of enrichment of all our children, then we must oppose this amendment. I strongly urge you to vote "no."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The question was taken; and the Chairman announced that noes appeared to have it.

RECORDED VOTE

Mr. ROTH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 58, noes 334, not voting 46, as follows:

[Roll No. 73]

AYES—58

Archer
Armey
Bachus (AL)
Baker (CA)
Baker (LA)
Barrett (NE)
Bartlett
Bentley
Bliley
Bunning
Burton
Callahan
Coble
Collins (GA)
Combest
Crane
DeLay
Dickey
Doolittle
Dreier
Duncan
Everett
Ewing
Fawell
Fields (TX)
Gekas
Goodlatte
Hancock
Hansen
Herger
Hunter
Hutchinson
Johnson, Sam
Kim
King
Kingston
Knollenberg
Linder
Manzullo
McCandless
McMillan
Mica
Myers
Oxley
Packard
Paxon
Petri
Rogers
Rohrabacher
Roth
Royce
Sensenbrenner
Shuster
Smith (OR)
Solomon
Spence
Stump
Taylor (NC)

NOES—334

Abercrombie
Allard
Andrews (NJ)
Andrews (TX)
Applegate
Baesler
Ballenger
Barca
Barcia
Barrett (WI)
Barton
Bateman
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Blute
Boehner
Bonilla
Bonior
Borski
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Byrne
Calvert
Camp
Canady
Cantwell
Cardin
Carr
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Coppersmith
Costello
Coyne
Cramer
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
Dellums
Derrick
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Dornan
Dunn
Durbin
Edwards (CA)
Edwards (TX)
Ehlers
Emerson
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Fish
Flake
Foglietta
Ford (MI)
Frank (MA)
Franks (CT)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Green
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastert
Hayes
Hefley
Hefner
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Hoyer
Huffington
Hughes
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klein
Klink
Klug
Kolbe
Kopetski
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Levin
Levy
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Long
Machtley
Maloney
Mann
Manton
Margolies-Mezvinsky
Markey
Martinez
Matsui
Mazzoli
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Menendez
Meyers
Mfume
Michel
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Nadler
Neal (MA)
Neal (NC)
Norton (DC)
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Reed
Regula
Reynolds
Richardson
Roberts
Roemer
Ros-Lehtinen
Rose
Roukema
Rowland
Roybal-Allard
Rush
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Sawyer
Saxton
Schaefer
Schenk
Schiff
Schroeder
Schumer
Scott
Serrano
Sharp
Shaw
Shays
Shepherd
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (TX)
Snowe
Spratt
Stark
Stearns
Stenholm
Strickland
Studds
Stupak
Swett
Swift
Synar
Talent
Tanner
Tauzin
Taylor (MS)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Watt
Waxman
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zimmer

NOT VOTING—46

Ackerman
Andrews (ME)
Bacchus (FL)
Barlow
Becerra
Boehlert
Boucher
Buyer
Clay
Cox
Deutsch
Faleomavaega (AS)
Ford (TN)
Fowler
Gallo
Gillmor
Gingrich
Grams
Grandy
Gutierrez
Hamburg
Hastings
Hoke
Johnson, E. B.
Johnston
Lehman
Lowey
McCloskey
Meehan
Meek
Miller (CA)
Murphy
Natcher
Owens
Pelosi
Pickle
Ridge
Romero-Barcelo (PR)
Rostenkowski
Slattery
Stokes
Sundquist
Underwood (GU)
Velazquez
Washington
Zeliff

☐ 1718

The Clerk announced the following pair:

On this vote:

Mr. Grams for, with Mr. Deutsch against.

Messrs. SAXTON, KASICH, LANCASTER, TUCKER, MCHUGH, and HYDE changed their vote from "aye" to "no."

Mr. KIM changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GENE GREEN OF TEXAS

Mr. GENE GREEN of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GENE GREEN of Texas: Page 688, line 8, strike "$40,000,000" and insert "$100,000,000".

☐ 1720

Mr. GENE GREEN of Texas. Mr. Chairman, this amendment would raise the authorization of the Emergency Immigrant Education Program for fiscal year 1995 from $40 million to $100 million. This amendment, as proposed, would increase the amount to $100 million, however, a compromise has been reached with Republican Members and it is my hope that this amendment is now acceptable to both sides of the aisle.

The Emergency Immigrant Education Program provides funding to States who have been paying the cost of education for children of recent immigrants to this country. These children often are more costly to educate since they often have special needs and this program offers a moderate amount of Federal assistance to recognize the Federal Government's responsibility to compensate States for the costs associated with our Federal immigration policy.

We are asking for an increase in authorized amount because the program has not kept pace with the steady increase in the number of immigrant children in our schools. As you may be aware, States such as Texas and California have recently begun legal action against the Federal Government in order to recover the costs associated with immigration. This program addresses part of those costs and is supported by both Gov. Pete Wilson and Gov. Ann Richards.

Passing this amendment will send a strong message to the States that the Federal Government can and will accept responsibility for its actions. It is our Federal immigration policy that causes much of the burden on our public schools and this amendment will help those States who have thus far been bearing a greater share of this burden.

I urge my colleagues to accept this amendment and give our States the resources they need to provide education services to all children.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. GENE GREEN of Texas. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this is a tremendously important amendment. I compliment the gentleman for offering it, the gentleman from Florida [Mr. JOHNSTON], as well as the gentleman from California [Mr. MILLER], who have done a wonderful job in pushing this amendment forward.

In my home State of Florida over the last 5 years we have expended almost $1 billion on the program of educating newcomers to our State. It is a terrible burden upon the States who are impacted tremendously by people coming from offshore the United States.

Mr. Chairman, this is a responsibility of the Federal Government. The States have no control over who is admitted to the schools or who is even admitted to our shores. This is clearly a tremendous responsibility.

Mr. Chairman, I compliment the gentleman for this amendment, and urge its approval.

Mr. GOSS. Mr. Chairman, I commend my colleague and good friend from Florida, HARRY JOHNSTON, for his hard work in seeking to assist Florida and other highly impacted States in recouping resources strained by immigration—both legal and illegal. Because of its rapid growth, which routinely outpaces the census, Florida is a donor State in many of the Federal funding formulas. Add to that our border location and the wonderful quality of life and opportunities we offer, and you begin to understand the root of our problem with immigration. The social costs associated with immigration should be a matter of Federal policy and should be addressed by Federal solutions. Yet Florida is spending hundreds of millions of dollars on her own—without nearly the support from the Federal Government that is needed. Of course I support any measure designed to pay back those dollars. And I think that is the intention of this amendment, which is specifically designed to help States cope with the costs of providing emergency education for immigrants.

At the same time, however, I recognize the inherent problem with making more resources available for immigrant services—and that is the magnet effect. America is viewed by millions around the world as the land of opportunity, a place where dreams come true through employment, health care, and education. If we continue to expand the authorization for services every time more people seek to avail themselves of those services, we will embark on an indefinite and unsustainable spiral. Given our precarious Federal budget situation, we cannot keep increasing funding every time we have an increase in the numbers of refugees and immigrants seeking entry into this country. So my concern with this amendment is that it will be viewed and implemented as a new authorization, a new baseline level for future services that will act as a magnet for ever increased immigration—rather than a payback for the costs already incurred by the States.

Ms. THURMAN. Mr. Chairman, I rise in strong support of the Green/Johnston amendment to increase Emergency Immigrant Education Act funding to $100 million dollars.

Today, there are 700,000 immigrant students in the United States that qualify for support under the E.I.E.A.

At a funding level of $40 million dollars, only 460,000 students can receive support. Even among those served, the amount of aid per student does not come close to covering actual costs. Local school systems are being forced to absorb the difference.

Increasing the E.I.E.A. allotment to $100 million is an important first step, but only part of the solution. the distribution formula itself also needs to be reformed.

Mr. Chairman, Floridians are very generous people, but they simply cannot continue to carry the financial burden of our Nation's immigration policies.

About 150,000 foreign born students, both legal and illegal immigrants, are costing Florida $975 million each year. This is money that won't be available to improve health care, build parks, expand prison space, or make roads safer. These are all legitimate State responsibilities that are being shortchanged because of Federal immigration policies.

The U.S. Supreme Court has ruled that all students, regardless of legal status, are entitled to a public education. I say it is about time that the Federal Government help States like Florida and others that have the largest number of immigrant students.

AMENDMENT OFFERED BY MR. GOODLING TO THE AMENDMENT OFFERED BY MR. GENE GREEN OF TEXAS

Mr. GOODLING. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GOODLING to the amendment offered by Mr. GENE GREEN of Texas:

In the amendment made to page 688, line 8, strike "$100,000,000" and insert "$75,000,000".

Mr. GOODLING (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Chairman, I have said many times that I am very thankful that I was the superintendent of Spring Grove Schools and not the superintendent of Dade County Schools. Every morning he must wonder how many hundred new students he has and where he is going to get the funds in order to finance their education. Until we do something out of the proper committee in relation to immigration, we certainly have a responsibility to help the local districts with those students who are coming into their districts from other countries.

Mr. Chairman, what I do not agree with is that we would move immediately from an authorization level of $40 million to an authorization level of $100 million. I realize we are up against the $40 million figure and the ceiling must be raised. My amendment says that we will move from the $40 million authorization level to an authorization level of $75 million, rather than $100 million.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to my chairman, the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think this amendment to the amendment is reasonable. It moves us along the road, and I would urge its adoption.

Mr. GENE GREEN of Texas. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Texas.

Mr. GENE GREEN of Texas. Mr. Chairman, like the chairman of my committee, I also think this amendment is acceptable and is a good compromise. We worked this out to provide that funding for the children.

Mr. CONDIT. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from California.

Mr. CONDIT. Mr. Chairman, I rise today in support of the Miller-Johnston amendment to increase the fiscal year 1995 authorization level for the emergency immigrant education program from $40 to $100 million.

The Federal Government implements and enforces immigration policy. It is our responsibility. Yet State and local governments have shouldered much of the financial burden of providing services to illegal and legal immigrants, particularly in the areas of education, health, and criminal justice. While illegal immigrants do contribute tax dollars, most of this money goes to the Federal Treasury.

Federal immigration policy is nothing short of an unfunded mandate on local and State governments. The Federal Government sets the numbers that are allowed in legally and has basically failed in keeping individuals from entering illegally. The education, health, and welfare costs of these individuals—required by Federal law—are left to cities, counties, and States. This is simply unfair.

This amendment is a first step in coming to terms with the enormous costs incurred by local and State governments in the area of education. Quite frankly, it is not enough. There are currently 700,000 students in the United States that qualify for support under this program. Only 460,000 students can receive support at a funding level of $40 million. The Federal Government has a responsibility to fully reimburse local and State governments for all costs associated with immigration.

Many of my colleagues who do not come from immigration-impacted States may ask, why should the Federal Government pay for these programs, especially when the Federal Government has an enormous debt? Immigration is a Federal responsibility and immigration-related costs should therefore be a Federal fiscal priority. State and local governments are experiencing dramatic budgetary shortfalls, and are being forced to cut vital services, even in the face of growing populations. Crucial State and local responsibilities are being compromised by Federal immigration policy.

Mr. Chairman, I firmly believe that the Federal Government has an obligation to fully reimburse State and local governments for the costs of illegal immigration. I also believe that we need to make corresponding cuts in the budget in order to fully pay for this reimbursement. It is the right and the fiscally responsible action to take.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GOODLING] to the amendment offered by the gentleman from Texas [Mr. GENE GREEN].

The amendment to the amendment was agreed to.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. GENE GREEN], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN pro tempore. Are there other amendments to title VII?

If not, the Clerk will designate title VIII.

The text of title VIII, as modified, is as follows:

"TITLE VIII—IMPACT AID

"SEC. 8001. FINDINGS.

"The Congress finds that—

"(1) certain activities of the Federal Government place a financial burden on the local educational agencies serving areas where such activities are carried out; and

"(2) it is the shared responsibility of the Federal Government, the States, and local educational agencies to provide for the education of children connected to those activities.

"SEC. 8002. PURPOSE.

"In order to fulfill the Federal responsibility to assist with the provision of educational services to federally connected children, and to help them meet challenging State standards, it is the purpose of this title to provide financial assistance to local educational agencies that—

"(1) experience a substantial and continuing financial burden due to the acquisition of real property by the United States;

"(2) educate children who reside on Federal property and whose parents are employed on Federal property;

"(3) educate children of parents who are in the military services and children who live in low-rent housing;

"(4) experience sudden and substantial increases in enrollments because of military realignments; or

"(5) need special assistance with capital expenditures for construction activities because of the enrollments of substantial numbers of children who reside on Indian lands or who are defined in sections 2 and 3 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 631 et seq.).

"SEC. 8003. PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

"(a) IN GENERAL.—Where the Secretary, after consultation with any local educational agency and with the appropriate State educational agency, determines for a fiscal year ending prior to October 1, 1999—

"(1) that the United States owns Federal property in the local educational agency, and that such property—

"(A) has been acquired by the United States since 1938;

"(B) was not acquired by exchange for other Federal property in the local educational agency which the United States owned before 1939; and

"(C) had an assessed value (determined as of the time or times when so acquired) aggregating 10 percent or more of the assessed value of all real property in the local educational agency (similarly determined as of the time or times when such Federal property was so acquired);

"(2) that the ownership by the United States of such Federal property places a substantial and continuing financial burden on such agency; and

"(3) that such agency is not being substantially compensated for the loss in revenue resulting from such ownership by increases in revenue accruing to the agency from the conduct of Federal activities with respect to such Federal property,

then such agency shall be entitled to receive for such fiscal year such amount as, in the judgment of the Secretary, is equal to the continuing Federal responsibility for the additional financial burden with respect to current expenditures placed on such agency by the ownership of such Federal property.

"(b) AMOUNT.—

"(1) IN GENERAL.—The amount to which a local educational agency is entitled to receive under subsection (a) for a fiscal year—

"(A) shall not exceed—

"(i) the amount which, in the judgment of the Secretary, such agency would have derived in such year, and would have had available for current expenditures, from the property acquired by the United States; and

"(ii) the amount which is equal to the difference of—

"(I) the maximum amount that such agency is eligible to receive for such fiscal year under section 8004(b)(1)(C); and

"(II) the amount that such agency receives in such fiscal year under section 8004(b)(2); and

"(B) shall be reduced by the Secretary by an amount equal to the amount of revenue, if any, that such agency received from activities conducted on such property during the previous year.

"(2) APPLICATION OF CURRENT LEVIED REAL PROPERTY TAX RATE.—In making a determination of the amount that would have been derived in such year under paragraph (1)(A)(i), the Secretary shall apply the current levied real property tax rate for current expenditures levied by fiscally independent local educational agencies or imputed, for fiscally dependent local educational agencies, to the current annually determined aggregate assessed value of such acquired Federal property.

"(3) DETERMINATION OF AGGREGATE ASSESSED VALUE.—Such aggregate assessed value of such acquired Federal property shall be determined (on the basis of the highest and best use of property adjacent to such acquired Federal property as of the time such value is determined), and provided to the Secretary, by the local official responsible for assessing the value of real property located in the jurisdiction of such local educational agency for the purpose of levying a property tax.

"(c) APPLICABILITY TO TENNESSEE VALLEY AUTHORITY ACT.—For the purposes of this section, any real property with respect to which payments are being made under section 13 of the Tennessee Valley Authority Act of 1933 shall not be regarded as Federal property.

"(d) OWNERSHIP BY UNITED STATES.—The United States shall be deemed to own Federal property for the purposes of this Act, where—

"(1) prior to the transfer of Federal property, the United States owned Federal property meeting the requirements of subparagraphs (A), (B), and (C) of subsection (a)(1); and

"(2) the United States transfers a portion of the property referred to in paragraph (1) to another nontaxable entity, and the United States—

"(A) restricts some or any construction on such property;

"(B) requires that the property be used in perpetuity for the public purposes for which it was conveyed;

"(C) requires the grantee of the property to report to the Federal government (or its agent) containing information on the use of the property;

"(D) except with the approval of the Federal government (or its agent), prohibits the sale, lease, assignment, or other disposal of the property unless such sale, lease, assignment, or other disposal is to another eligible government agency; and

"(E) reserves to the Federal government a right of reversion at any time the Federal government (or its agent) deems it necessary for the national defense.

"SEC. 8004. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.

"(a) COMPUTATION OF PAYMENT.—

"(1) IN GENERAL.—For the purpose of computing the amount that a local educational agency is eligible to receive under subsection (b) or (f) for any fiscal year, the Secretary shall determine the number of children who were in average daily attendance in the schools of such agency, and for whom such agency provided free public education, during the preceding school year and who, while in attendance at such schools—

"(A) resided on Federal property and had a parent employed on Federal property situated in whole or in part within the boundaries of the school district of such agency;

"(B) resided on Federal property and had a parent on active duty in the uniformed services (as defined in section 101 of title 37, United States Code);

"(C) resided on Indian lands;

"(D) had a parent on active duty in the uniformed services (as defined by section 101 of title 37, United States Code) but did not reside on Federal property; or

"(E) resided in low-rent housing.

"(2) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the basic support payment under subsection (b), the Secretary shall calculate the total number of weighted student units for a local educational agency by adding together the results obtained by the following computations:

"(A) Multiply the number of children described in subparagraphs (A) and (B) of paragraph (1) who are not eligible to receive services under the Individuals With Disabilities Education Act (20 U.S.C. 1400 et seq.) by a factor of 1.0.

"(B) Multiply the number of children described in subparagraphs (A) and (B) of paragraph (1) who are eligible to receive services under such Act by a factor of 1.50.

"(C) Multiply the number of children described in paragraph (1)(C) who are not eligible to receive services under such Act by a factor of 1.25.

"(D) Multiply the number of children described in paragraph (1)(C) who are eligible to receive services under such Act by a factor of 1.825.

"(E) Multiply the number of children described in subparagraphs (D) and (E) of paragraph (1) who are not eligible to receive services under such Act by a factor of .25.

"(F) Multiply the number of children described in subparagraphs (D) and (E) of paragraph (1) who are eligible to receive services under such Act by a factor of .375.

"(b) Basic Support Payments and Payments With Respect to Fiscal Years in Which Insufficient Funds Are Appropriated.—

"(1) Basic support payments.—

"(A) In general.—From the amount appropriated under section 8013(b) for a fiscal year, the Secretary is authorized to make basic support payments to eligible local educational agencies with children described under subsection (a).

"(B) Eligibility.—A local educational agency shall be entitled to receive a basic support payment under subparagraph (A) for a fiscal year with respect to a number of children determined under subsection (a) only if the number of children so determined with respect to such agency amounts to the lesser of—

"(i) at least 400 such children, or

"(ii) a number of such children which equals at least 3 percent of the total number of children who were in average daily attendance, during such year, at the schools of such agency and for whom such agency provided free public education.

"(C) Maximum amount.—The maximum amount that a local educational agency is eligible to receive under this subsection for any fiscal year is the sum of the total weighted student units, as computed under subsection (a)(2), multiplied by—

"(i) the greater of—

"(I) one-half of the average per pupil expenditure of the State in which the local educational agency is located, or

"(II) one-half of the average per pupil expenditures of all of the States, or

"(ii) the comparable local contribution rate certified by the State, as determined under regulations prescribed to carry out the Act of September 30, 1950 (Public Law 874, 81st Congress), as in effect on January 1, 1994.

"(2) Payments with respect to fiscal years in which insufficient funds are appropriated.—

"(A) In general.—For any fiscal year in which the sums appropriated under section 8013(b) are insufficient to pay to each local educational agency the full amount computed under paragraph (1), the Secretary shall make payments based upon the provisions of this paragraph.

"(B) Learning opportunity threshold payments.—For fiscal years described in subparagraph (A), the Secretary shall compute a learning opportunity threshold payment (hereinafter 'threshold payment') by multiplying the amount obtained under paragraph (1)(C) by the total percentage obtained by adding—

"(i) the percentage of federally connected children for each local educational agency determined by calculating the fraction, the numerator of which is the total number of children described under subsection (a)(1) and the denominator of which is the total number of children in average daily attendance at the schools served by such agency; and

"(ii) the percentage that funds under this paragraph represent of the total budget of the local educational agency, determined by calculating the fraction, the numerator of which is the total amount of funds calculated for each educational agency under this paragraph, and the denominator of which is the total current expenditures for such agency.

"(C) Ratable distribution.—For fiscal years described in subparagraph (A), the Secretary shall make payments as a ratable distribution based upon the computation made under subparagraph (B).

"(c) Prior Year Data.—All calculations under this title shall be based upon data for each local educational agency from the fiscal year preceding the fiscal year for which the agency is making application for payment.

"(d) Use of Funds for Children With Disabilities.—The local educational agency shall use an amount equal to the amount of funds generated by the factors in subparagraphs (B), (D), and (F) of subsection (a)(2) which are in excess of the factor of 1.0 applied to the amount of payments generated for each fiscal year applicable to the weighted student unit factor of 1.0 to provide a free appropriate public education to children described in subsection (a)(2), in accordance with part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

"(e) Hold-Harmless Amounts.—

"(1) In general.—Notwithstanding any other provision of this section, the total amount that the Secretary shall pay to a local educational agency under subsections (b) and (f)—

"(A) for fiscal year 1995, shall not be less than 80 percent of the payment such agency received for fiscal year 1994 under section 3(a) of the Act of September 30, 1950 (Public Law 81–874, 81st Congress), as in effect for fiscal year 1994;

"(B) for fiscal year 1996, shall not be less than 60 percent of such payment received for fiscal year 1994; and

"(C) for fiscal year 1997, shall not be less than 40 percent of such payment received for fiscal year 1994.

"(2) Reduction in payments.—In order to make payments to local educational agencies in accordance with paragraph (1), the Secretary shall reduce payments to other local educational agencies determined under subsection (b).

"(f) Supplemental Assistance.—

"(1) Reservation.—

"(A) In general.—Except as provided in subparagraph (B), from amounts appropriated under section 8013(b) for a fiscal year, the Secretary shall reserve not less than 6 percent to provide supplemental assistance to meet special circumstances relating to the provision of education in local educational agencies eligible to receive assistance under this section.

"(B) Reservation in fiscal years when amounts from prior fiscal year reservations available.—With respect to a fiscal year in which amounts are available from a reservation made by the Secretary under subparagraph (A) for a prior fiscal year, the Secretary shall, from amounts appropriated under section 8013(b) for the current fiscal year, reserve an amount which, when added to the amount available from such prior fiscal year reservation, equals not less than 6 percent of amounts appropriated under such section for such current fiscal year.

"(C) Availability.—Amounts reserved under subparagraph (A) are authorized to remain available until expended.

"(2) Eligibility.—

"(A) In general.—A local educational agency shall be eligible to receive supplemental assistance under this subsection only if such agency—

"(i)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 40 percent of the total student enrollment of such agency; and

"(II) has a tax rate for general fund purposes which is at least 95 percent of the average tax rate for general fund purposes (before any State mandated tax rate reductions) of all local educational agencies in the State;

"(ii)(I) has an enrollment of federally connected children described in subsection (a)(1) which constitutes at least 35 percent of the total student enrollment of such agency; and

"(II) has a tax rate for general fund purposes which is at least 125 percent of the average tax rate for general fund purposes (before any State mandated tax rate reductions) of all local educational agencies in the State; or

"(iii) is a local education agency whose boundaries are the same as a Federal military installation or includes Federal property under exclusive Federal jurisdiction.

"(B) Special rule.—If a local educational agency receives assistance under this subsection for 3 consecutive fiscal years because such agency satisfied the requirements of clause (i) or (ii) of subparagraph (A), then such agency shall be deemed to meet such requirements with respect to assistance under this subsection for each consecutive succeeding fiscal year in which such agency applies for assistance under this subsection.

"(C) Exclusion of remaining cash balances.—In determining eligibility under this paragraph, the Secretary shall exclude any cash balances of the local educational agency remaining at the end of the school year as allowed by State law.

"(3) Current year data.—Notwithstanding subsection (c), the Secretary shall, for purposes of providing assistance under this subsection (or section 3(d)(2)(B) of the Act of September 30, 1950 (Public Law 81–874, 81st Congress), as in effect on October 1, 1993), use—

"(A) data from the fiscal year in which the local educational agency is applying for assistance under this subsection; or

"(B) the most recent data available which is adjusted to such fiscal year.

"(4) Application procedures.—The Secretary shall prescribe regulations establishing procedures for the application for assistance by a local educational agency under this subsection.

"(5) Prohibition on State restrictions with respect to assistance.—A State shall not restrict the ability of a local educational agency to use assistance received by such agency under this subsection.

"(6) Prohibition on consideration of assistance in State aid calculation.—Notwithstanding section 8009(b), a State shall not take into consideration any assistance received under this subsection in determining a State aid calculation for a local educational agency.

"SEC. 8005. POLICIES AND PROCEDURES RELATING TO CHILDREN RESIDING ON INDIAN LANDS.

"(a) In General.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 shall establish policies and procedures to ensure that—

"(1) such children participate in programs and activities supported by such funds on an equal basis with all other children;

"(2) parents of such children and Indian tribes are afforded an opportunity to present their views on such programs and activities, including an opportunity to make recommendations on the needs of those children and how they may help those children realize the benefits of those programs and activities;

"(3) parents and Indian tribes are consulted and involved in planning and developing such programs and activities;

"(4) relevant applications, evaluations, and program plans are disseminated to the parents and Indian tribes; and

"(5) parents and Indian tribes are afforded an opportunity to present their views on the agency's general educational program to such agency.

"(b) Records.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 shall maintain records demonstrating its compliance with requirements contained in subsection (a).

"(c) Waiver.—A local educational agency that claims children residing on Indian lands for the purpose of receiving funds under section 8004 is excused from the requirements contained in subsections (a) and (b) for any year with re-

spect to any Indian tribe from which it has received a written statement that the agency need not comply with those subsections because the tribe is satisfied with the provision of educational services by such agency to such children.

"(d) TECHNICAL ASSISTANCE AND ENFORCEMENT.—The Secretary shall—

"(1) provide technical assistance to local educational agencies, parents, and Indian tribes to enable them to carry out this section; and

"(2) enforce this section through such actions, which may include the withholding of funds, as the Secretary determines to be appropriate, after affording the affected local educational agency, parents, and Indian tribe an opportunity to present their views.

"SEC. 8006. APPLICATION FOR PAYMENTS UNDER SECTIONS 8003 AND 8004.

"(a) IN GENERAL.—A local educational agency desiring to receive a payment under section 8003 or 8004 shall—

"(1) submit an application for such payment to the Secretary; and

"(2) provide a copy of such application to the State educational agency.

"(b) CONTENTS.—Each such application shall be submitted in such form and manner, and shall contain such information, as the Secretary may require, including—

"(1) information to determine the eligibility of the local educational agency for a payment and the amount of such payment; and

"(2) where applicable, an assurance that such agency is in compliance with section 8005 (relating to children residing on Indian lands).

"(c) DEADLINE FOR SUBMISSION.—The Secretary shall establish deadlines for the submission of applications under this section.

"(d) APPROVAL.—

"(1) IN GENERAL.—The Secretary shall approve an application submitted under this section that—

"(A) is filed by the deadline established under subsection (c); and

"(B) otherwise meets the requirements of this title.

"(2) REDUCTION IN PAYMENT.—The Secretary shall approve an application filed up to 60 days after a deadline established under subsection (c) that otherwise meets the requirements of this title, except that, notwithstanding section 8004(e), the Secretary shall reduce the payment based on such late application by 10 percent of the amount that would otherwise be paid.

"(3) LATE APPLICATIONS.—The Secretary shall not accept or approve any application that is filed more than 60 days after a deadline established under subsection (c).

"SEC. 8007. PAYMENTS FOR SUDDEN AND SUBSTANTIAL INCREASES IN ATTENDANCE OF MILITARY DEPENDENTS.

"(a) ELIGIBILITY.—A local educational agency is eligible for a payment under this section if—

"(1) the number of children in average daily attendance during the current school year is at least ten percent or 100 more than the number of children in average daily attendance in the preceding school year; and

"(2) the number of children in average daily attendance with a parent on active duty (as defined in section 101(18) of title 37, United States Code) in the Armed Forces who are in attendance at such agency because of the assignment of their parent to a new duty station between July 1 and September 30, inclusive, of the current year, as certified by an appropriate local official of the Department of Defense, is at least ten percent or 100 more than the number of children in average daily attendance in the preceding school year.

"(b) APPLICATION.—A local educational agency that wishes to receive a payment under this section shall file an application with the Secretary by October 15 of the current school year, in such manner and containing such information as the Secretary may prescribe, including information demonstrating that it is eligible for such a payment.

"(c) CHILDREN TO BE COUNTED.—For each eligible local educational agency that applies for a payment under this section, the Secretary shall determine the lesser of—

"(1) the increase in the number of children in average daily attendance from the preceding year; and

"(2) the number of children described in subsection (a)(2).

"(d) PAYMENTS.—From the amount appropriated for a fiscal year under section 8013(c), the Secretary shall pay each local educational agency with an approved application an amount, not to exceed $200 per eligible child, equal to—

"(1) the amount available to carry out this section, including any funds carried over from prior years, divided by the number of children determined under subsection (c) for all such local educational agencies; multiplied by

"(2) the number of such children determined for that local educational agency.

"(e) NOTIFICATION PROCESS.—

"(1) ESTABLISHMENT.—The Secretary shall endeavor to establish, with the Secretary of Defense, a notification process relating to the closure of Department of Defense facilities, or the adjustment of personnel levels assigned to such facilities, which may substantially affect the student enrollment levels of local educational agencies which receive or may receive payments under this title.

"(2) INFORMATION.—Such process shall provide timely information regarding such closures and such adjustments—

"(A) by the Secretary of Defense to the Secretary; and

"(B) by the Secretary to the affected local educational agencies.

"SEC. 8008. FACILITIES.

"(a) CURRENT FACILITIES.—From the amount appropriated for any fiscal year under section 8013(e), the Secretary may continue to provide assistance for school facilities that were supported by the Secretary under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 640) as in effect prior to the date of the enactment of the Improving America's Schools Act of 1994.

"(b) TRANSFER OF FACILITIES.—

"(1) IN GENERAL.—The Secretary shall, as soon as practicable, transfer to the appropriate local educational agency or another appropriate entity all the right, title, and interest of the United States in and to each facility provided under section 10 of the Act of September 23, 1950 (Public Law 815, 81st Congress; 20 U.S.C. 640), or under section 204 or 310 of the Act of September 30, 1950 (Public Law 874, 81st Congress), as in effect on January 1, 1958.

"(2) OTHER REQUIREMENTS.—Any such transfer shall be without charge to such agency or entity, and prior to such transfer, the transfer must be consented to by the local education agency or other appropriate entity, and may be made on such terms and conditions as the Secretary deems appropriate to carry out the purposes of this Act.

"SEC. 8009. STATE CONSIDERATION OF PAYMENTS IN PROVIDING STATE AID.

"(a) GENERAL PROHIBITION.—Except as provided in subsection (b), a State may not—

"(1) consider payments under this title or under the Act of September 30, 1950 (Public Law 874, 81st Congress) in determining for any fiscal year—

"(A) the eligibility of a local educational agency for State aid for free public education; or

"(B) the amount of such aid; or

"(2) make such aid available to local educational agencies in a manner that results in less State aid to any local educational agency that is eligible for such payment than it would receive if it were not so eligible.

"(b) STATE EQUALIZATION PLANS.—

"(1) IN GENERAL.—A State may reduce State aid to a local educational agency that receives a payment under section 8004 or under the Act of September 30, 1950 (Public Law 874, 81st Congress) as such Act existed prior to the enactment of the Improving America's Schools Act of 1994 (other than a payment under section 2 or an increase in payments described in paragraphs (2)(B), (2)(C), (2)(D), or (3)(B)(ii) of section 3(d)) for any fiscal year if the Secretary determines, and certifies under subsection (c)(3)(A), that such State has in effect a program of State aid that equalizes expenditures for free public education among local educational agencies in such State.

"(2) COMPUTATION.—

"(A) IN GENERAL.—For purposes of paragraph (1), a program of State aid equalizes expenditures among local educational agencies if, in the second preceding fiscal year, the amount of per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the lowest such expenditures or revenues by more than 10 percent.

"(B) OTHER FACTORS.—In making a determination under this subsection, the Secretary shall—

"(i) disregard local educational agencies with per-pupil expenditures or revenues above the 95th percentile or below the 5th percentile of such expenditures or revenues in the State; and

"(ii) take into account the extent to which a program of State aid reflects the additional cost of providing free public education in particular types of local educational agencies, such as those that are geographically isolated, or to particular types of students, such as children with disabilities.

"(3) EXCEPTION.—Notwithstanding paragraph (2), if the Secretary determines that the State has substantially revised its program of State aid, the Secretary may certify such program for any fiscal year only if—

"(A) the Secretary determines, on the basis of projected data, that the State's program will meet the 10 percent disparity standard described in paragraph (2) in that fiscal year; and

"(B) the State provides an assurance to the Secretary that, if final data do not demonstrate that the State's program met such standard for that year (or that it met such standard with a greater percentage of disparity than anticipated), the State will pay to each affected local educational agency the amount by which it reduced State aid to the local educational agency on the basis of such certification, or a proportionate share thereof, as the case may be.

"(c) PROCEDURES FOR REVIEW OF STATE EQUALIZATION PLANS.—

"(1) WRITTEN NOTICE.—

"(A) IN GENERAL.—Any State that wishes to consider payments described in subsection (b)(1) in providing State aid to local educational agencies shall submit to the Secretary, not later than 120 days before the beginning of the State's fiscal year, a written notice of its intention to do so.

"(B) CONTENTS.—Such notice shall be in the form and contain the information the Secretary requires, including evidence that the State has notified each local educational agency in the State of its intention to consider such payments in providing State aid.

"(2) OPPORTUNITY TO PRESENT VIEWS.—Before making a determination under subsection (b), the Secretary shall afford the State, and local educational agencies in the State, an opportunity to present their views.

"(3) QUALIFICATION PROCEDURES.—If the Secretary determines that a program of State aid qualifies under subsection (b), the Secretary shall—

"(A) certify the program and so notify the State; and

"(B) afford an opportunity for a hearing, in accordance with section 8011(a), to any local educational agency adversely affected by such certification.

"(4) NON-QUALIFICATION PROCEDURES.—If the Secretary determines that a program of State aid does not qualify under subsection (b), the Secretary shall—

"(A) so notify the State; and

"(B) afford an opportunity for a hearing, in accordance with section 8011(a), to the State, and to any local educational agency adversely affected by such determination.

"(d) REDUCTIONS OF STATE AID.—

"(1) IN GENERAL.—A State whose program of State aid has been certified by the Secretary under subsection (c)(3) may reduce the amount of such aid provided to a local educational agency that receives a payment described in subsection (b)(1) by any amount up to—

"(A) the amount of such payment; multiplied by

"(B) 100 percent minus the percentage of disparity determined under subsection (b).

"(2) PROHIBITION.—A State may not make a reduction described in paragraph (1) before its program of State aid has been certified by the Secretary under subsection (c)(3).

"(e) REMEDIES FOR STATE VIOLATIONS.—

"(1) IN GENERAL.—The Secretary or any aggrieved local educational agency may, without exhausting administrative remedies, bring an action in a United States district court against any State that violates subsection (a) or subsection (d)(2) or fails to carry out an assurance provided under subsection (b)(3)(B).

"(2) IMMUNITY.—A State shall not be immune under the eleventh amendment to the Constitution of the United States from an action described in paragraph (1).

"(3) RELIEF.—The court shall grant such relief as it determines is appropriate, which may include attorney's fees to a prevailing local educational agency.

"SEC. 8010. FEDERAL ADMINISTRATION.

"(a) PAYMENTS IN WHOLE DOLLAR AMOUNTS.—The Secretary shall round any payments under this title to the nearest whole dollar amount.

"(b) OTHER AGENCIES.—Each Federal agency administering Federal property on which children reside, and each agency principally responsible for an activity that may occasion assistance under this title, shall, to the maximum extent practicable, comply with requests of the Secretary for information the Secretary may require to carry out this title.

"SEC. 8011. ADMINISTRATIVE HEARINGS AND JUDICIAL REVIEW.

"(a) ADMINISTRATIVE HEARINGS.—A local educational agency and a State that is adversely affected by any action of the Secretary under this title shall be entitled to a hearing on such action in the same manner as if such agency were a person under chapter 5 of title 5, United States Code.

"(b) JUDICIAL REVIEW OF SECRETARIAL ACTION.—

"(1) IN GENERAL.—A local educational agency or a State aggrieved by the Secretary's final decision following an agency proceeding under subsection (a) may, within 60 days after receiving notice of such decision, file with the United States court of appeals for the circuit in which such agency or State is located a petition for review of that action. The clerk of the court shall promptly transmit a copy of the petition to the Secretary. The Secretary shall then file in the court the record of the proceedings on which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

"(2) FINDINGS OF FACT.—The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence. The Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) REVIEW.—The court shall have exclusive jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"SEC. 8012. DEFINITIONS.

"For purposes of this title, the following definitions apply:

"(1) ARMED FORCES.—The term 'Armed Forces' means the Army, Navy, Air Force, and Marine Corps.

"(2) AVERAGE PER-PUPIL EXPENDITURE.—The term 'average per-pupil expenditure' means—

"(A) the aggregate current expenditures of all local educational agencies in the State; divided by

"(B) the total number of children in average daily attendance for whom such agencies provided free public education.

"(3) CONSTRUCTION.—The term 'construction' means—

"(A) the preparation of drawings and specifications for school facilities;

"(B) erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities;

"(C) inspecting and supervising the construction of school facilities; and

"(D) debt service for such activities.

"(4) FEDERAL PROPERTY.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) through (E), the term 'Federal property' means real property that is not subject to taxation by any State or any political subdivision of a State due to Federal agreement, law, or policy, and that is—

"(i) owned by the United States or leased by the United States from another entity;

"(ii)(I) held in trust by the United States for individual Indians or Indian tribes;

"(II) held by individual Indians or Indian tribes subject to restrictions on alienation imposed by the United States;

"(III) conveyed at any time under the Alaska Native Claims Settlement Act (Public Law 92–203, 43 U.S.C. 1601 et seq.) to a Native individual, Native group, or Village or Regional corporation; or

"(IV) public land owned by the United States that is designated for the sole use and benefit of individual Indians or Indian tribes; or

"(iii) owned by a foreign government or by an international organization.

"(B) SCHOOLS PROVIDING FLIGHT TRAINING TO MEMBERS OF AIR FORCE.—The term 'Federal property' includes, so long as not subject to taxation by any State or any political subdivision of a State, and whether or not that tax exemption is due to Federal agreement, law, or policy, any school providing flight training to members of the Air Force under contract with the Air Force at an airport owned by a State or political subdivision of a State.

"(C) NON-FEDERAL EASEMENTS, LEASES, LICENSES, PERMITS, IMPROVEMENTS, AND CERTAIN OTHER REAL PROPERTY.—The term 'Federal property' includes, whether or not subject to taxation by a State or a political subdivision of a State—

"(i) any non-Federal easement, lease, license, permit, or other such interest in Federal property as otherwise described in this paragraph, but not including any non-Federal fee-simple interest;

"(ii) any improvement on Federal property as otherwise described in this paragraph; and

"(iii) real property that, immediately before its sale or transfer to a non-Federal party, was owned by the United States and otherwise qualified as Federal property described in this paragraph, but only for one year beyond the end of the fiscal year of such sale or transfer.

"(D) CERTAIN POSTAL SERVICE PROPERTY AND PIPELINES AND UTILITY LINES.—Notwithstanding any other provision of this paragraph, the term 'Federal property' does not include—

"(i) any real property under the jurisdiction of the United States Postal Service that is used primarily for the provision of postal services; or

"(ii) pipelines and utility lines.

"(E) PROPERTY WITH RESPECT TO WHICH STATE OR LOCAL TAX REVENUES MAY NOT BE EXPENDED, ALLOCATED, OR AVAILABLE FOR FREE PUBLIC EDUCATION.—Notwithstanding any other provision of this paragraph, 'Federal property' does not include any property on which children reside that is otherwise described in this paragraph if—

"(i) no tax revenues of the State or of any political subdivision of the State may be expended for the free public education of children who reside on that Federal property; or

"(ii) no tax revenues of the State are allocated or available for the free public education of such children.

"(5) FREE PUBLIC EDUCATION.—The term 'free public education' means education that is provided—

"(A) at public expense, under public supervision and direction, and without tuition charge; and

"(B) as elementary or secondary education, as determined under State law, except that, notwithstanding State law, such term—

"(i) includes preschool education; and

"(ii) does not include any education provided beyond grade 12.

"(6) INDIAN LANDS.—The term 'Indian lands' means any Federal property described in paragraph (4)(A)(ii).

"(7) LOCAL EDUCATIONAL AGENCY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'local educational agency'—

"(i) means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent school district, or other school district; and

"(ii) includes any State agency that directly operates and maintains facilities for providing free public education.

"(B) EXCEPTION.—The term 'local educational agency' does not include any agency or school authority that the Secretary determines on a case-by-case basis—

"(i) was constituted or reconstituted primarily for the purpose of receiving assistance under this title or the Act of September 30, 1950 (Public Law 874, 81st Congress) or increasing the amount of such assistance; or

"(ii) is not constituted or reconstituted for legitimate educational purposes.

"(8) LOW-RENT HOUSING.—The term 'low-rent housing' means housing located on property that is—

"(A) used for low-rent housing that is located on land described in subclause (I), (II), (III), or

(IV) of paragraph 4(A)(ii) or on land that met one of the descriptions in any such subclause immediately before its use for such housing;

"(B) part of a low-rent housing project assisted under the United States Housing Act of 1937;

"(C) located in the State of Oklahoma that—

"(i) is owned by an Indian housing authority and used for low-income housing (including housing assisted under the mutual help homeownership opportunity program under section 202 of the United States Housing Act of 1937), and

"(ii) at any time prior to the date of the enactment of Public Law 103-102—

"(I) was designated by treaty as tribal land, or

"(II) satisfied the definition of Federal property under section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress); or

"(D) used to provide housing for homeless children at closed military installations pursuant to section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

"(9) SCHOOL FACILITIES.—The term 'school facilities' includes—

"(A) classrooms and related facilities; and

"(B) equipment, machinery, and utilities necessary or appropriate for school purposes.

"SEC. 8013. AUTHORIZATION OF APPROPRIATIONS.

"(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL PROPERTY.—For the purpose of making payments under section 8003, there are authorized to be appropriated $16,750,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(b) BASIC PAYMENTS.—For the purpose of making payments under section 8004(a), there are authorized to be appropriated $425,500,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(c) PAYMENTS FOR CHILDREN WITH DISABILITIES.—For the purpose of making payments under section 8004(d), there are authorized to be appropriated $45,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(d) PAYMENTS FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—For the purpose of making payments under section 8004(f), there are authorized to be appropriated $42,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(e) PAYMENTS FOR INCREASES IN MILITARY CHILDREN.—For the purpose of making payments under section 8007, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(f) FACILITIES MAINTENANCE.—For the purpose of making payments under section 8008, there are authorized to be appropriated $2,000,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

The CHAIRMAN pro tempore. Are there amendments to title VIII?

AMENDMENT OFFERED BY MR. FISH

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 694, after line 7, insert the following:

"(e) ADDITIONAL ASSISTANCE FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—

"(1) IN GENERAL.—From amounts appropriated under section 8013(a)(2) for a fiscal year; the Secretary shall provide additional assistance under this subsection to local educational agencies that are heavily impacted because of Federal acquisition of real property in such local educational agencies.

"(2) ELIGIBILITY.—A local educational agency shall be eligible to receive assistance under this subsection only if Federal property in such agency comprised 25 percent or more of the total land area within such agency during the preceding fiscal year.

"(3) MAXIMUM AMOUNT.—The amount that a local educational agency may receive under this subsection for a fiscal year may not exceed the difference of—

"(A) the amount such agency is entitled to receive under subsection (b) for such fiscal year; and

"(B) the amount such agency actually receives under such subsection for such fiscal year.

Page , strike line and all that follows through line (subsection (a) of section 8013) and insert the following:

"(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL PROPERTY.—

"(1) IN GENERAL.—For the purpose of making payments under section 8003 (except subsection (e) of such section), there are authorized to be appropriated $16,750,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(2) PAYMENTS FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—For the purpose of making payments under section 8003(e), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995, 1996, 1997, 1998, and 1999.

Mr. FISH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KILDEE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman from Michigan reserves a point of order on the amendment, and the gentleman from New York [Mr. FISH] is recognized for 5 minutes in support of his amendment.

Mr. FISH. Mr. Chairman, much of the debate over H.R. 6 has centered around the role of the Federal Government in education. I am a firm believer that the primary responsibility for education lies with the States. However, when the Federal Government directly affects the ability of a school district to provide the best education it can for its students, the Federal Government must be involved—hence Congress established the Impact Aid Program. It is hypocrisy that as this House has moved toward a greater involvement in education policy—mandates, standards, and requirements—it has turned it's back on impact aid. Where is our responsibility to the children in the school districts in America which have suffered a loss of tax base either because a sizable number of students reside on military bases, or Indian land, or because the Federal Government has literally taken land from the school district.

My amendment deals specifically with section 2 of the Impact Aid Program. Section 2 provides funds to school districts where tax roles have been reduced because of acquisition of property by the Federal Government after 1938. For several years section 2 has been funded at 55 to 60 percent of authorization levels. The result is impacted school districts have not been compensated with a payment in lieu of taxes needed to make up for the diminished tax base resulting from the loss of this land. This to me is a failure of responsibility by the Federal Government that caused the problem in the first place.

Mr. Chairman, it happens that many of the school districts that receive section 2 moneys have been able to maintain strong education programs in their districts because the payments received make up only a small portion of their overall budgets, or they are still able to generate adequate revenue from the remaining taxable lands in their districts. However, there are section 2 school districts that have lost over 25 percent of their local taxable lands. With a small tax base and decreasing impact aid payments, the only options for these schools is to continue to increase local property taxes, and continue to cutback educational expenditures. How does one explain that a teacher is being laid off or a child's school is closing because Congress no longer feels the responsibility to make payments to school districts on land that was formerly within its boundaries.

I reluctantly accept that section 2 impact aid may never be fully funded. What this amendment does, is establish a category for severely impacted school districts. It acknowledges that there are school districts which cannot absorb steadily decreasing impact aid payments, and need additional assistance to provide their students with the education they deserve. I would make eligibility dependent on a 25 percent or greater land taking and cap funding at the level of full entitlement for eligible school districts.

My amendment mirrors the creation of a new subcategory of funding created under section 3 of the Impact Aid Program. The section 3 subcategory acknowledges that there are section 3 schools that are severely impacted by Federal activities. My amendment merely asks this House to acknowledge that there are section 2 school districts that are also severely impacted by Federal activities. It demands our support.

□ 1730

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise today in support of Representative FISH's impact aid amendment to H.R. 6, Improving America's Schools Act of 1994. Impact aid is a program which compensates school districts for revenue lost when Federal ownership or Federal activity adversely interferes with any or all of the basic revenue sources school districts avail themselves of: residential taxes, property taxes from business and industry, sales taxes, income taxes, and local licenses and fees. In essence, impact aid is simply general operating revenue for the loss of what would otherwise be an existing tax base. For some school districts, impact aid is their single largest source of revenue.

Mr. FISH's amendment deals specifically with section 2 of the impact aid program, which provides funds to school districts where tax roles have been reduced because of procurement of property by the Federal Government. One must look at the dollars a school district receives from impact aid as a payment from the Federal Government to help pick up the cost of running a school, just as one looks at the dollars paid to the school district from local property taxpayers. The one thing all these dollars, Federal and local property taxpayers have in common, is that they provide the school district with the flexibility needed to operate a school districtwide program. Take away or reduce any of these funding sources and the district loses its ability to effectively operate a districtwide educational reform program. Without the Federal dollars received from impact aid, a federally impacted school district will have little success at developing an educational reform effort.

The Highland Falls-Fort Montgomery School District, the site of the U.S. Military Academy at West Point, is an example of a school district that has been recognized for its high quality, but whose quality is threatened by the continued negative economic circumstances that have forced the district schools to cut staff, services, and programs. Unless a correcting formula is found to balance the economic instability, the quality, upon which students and parents have a right to defend, will be in danger of being lost.

Mr. Chairman, the Fish amendment establishes a category for severely impacted school districts. It acknowledges that there are school districts which cannot absorb steadily decreasing impact aid payments, and need additional assistance to provide their students with quality education. Additionally, this amendment would make eligibility dependent on a 25 percent or greater land taking and cap funding at the level of full entitlement for eligible school districts.

The greatest challenge for the Impact Aid Program is to provide school districts the resources to create a learning environment necessary to achieve the national goals established by the President and the governors. Highland Falls-Fort Montgomery School District is meeting these goals. More than 20 million students are affected by the Impact Aid Program. These students deserve a chance. Accordingly, I urge my colleagues to support this important amendment.

POINT OF ORDER

The CHAIRMAN pro tempore. Does the gentleman from Michigan [Mr. KILDEE] insist on his point of order?

Mr. KILDEE. Mr. Chairman, reluctantly, I rise to a point of order.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. KILDEE. Mr. Chairman, the amendment offered by my good friend, the gentleman from New York [Mr. FISH], proposes to amend the amendment to H.R. 6 offered by myself on February 24, 1994, and found in the CONGRESSIONAL RECORD of February 24, 1994, on pages 2986 through 2991.

The amendment was previously agreed to. Accordingly, this amendment is not in order.

I call the Chair's attention to section 27.1 of chapter 27 of Deschler's Procedure, which provides as follows: "It is fundamental that it is not in order to amend an amendment already agreed to."

Mr. Chairman, I insist upon my point of order.

The CHAIRMAN pro tempore. Does the gentleman from New York [Mr. FISH] wish to be heard on the point of order?

Mr. FISH. Mr. Chairman, No. 1, it was only in the last 2 or 3 minutes that I learned the point of order would lie against this amendment. I would hope that we could have some debate as to why it is unseemly to do what we have done in another section of this bill for section 2 school recipients. I think the burden falls on the leadership of the committee to tell the House the answer.

Specifically, I would say that the background that brings the gentleman to make this point of order is quite unusual, and I doubt if Mr. Deschler had this in mind.

The fact of the matter was, there was an error in the drafting by legislative counsel that required a change when the bill was brought to the House floor. It is not a question of an amendment to change anything that the committee had agreed to. It was the committee's work product which was not faithfully reported by legislative counsel. If anything, it was the most technical of amendments to put back in what they had intended from the beginning. This could be called an oversight, a printing error, but not a substantive amendment.

I do think that my amendment is within the purview and the context of an amendment to an amendment under the rules of the House.

The CHAIRMAN pro tempore (Mr. DARDEN). Is there further discussion on the point of order? If not, the Chair is prepare to rule.

The Chair rules that the Fish amendment would, in fact, insert language in a portion of the bill which has already been amended; that is, on page 694.

The Chair further finds that on February 24, an amendment offered by the gentleman from Michigan [Mr. KILDEE] and adopted in the committee rewrote the bill from page 689 to page 729.

Accordingly, the point of order is sustained.

□ 1740

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do that because I want to emphasize that the gentleman from New York [Mr. FISH] was completely in order. It was the subcommittee's language that was inadvertently included in the bill reported by the full committee, which was a mistake. In order to get the full committee's language into the bill, it had to be offered as part of an en bloc amendment. So, I am merely rising to say that that was not my understanding that this was the way this was going to be handled, and I think it was not handled properly.

Mr. KILDEE. Will the gentleman yield?

Mr. GOODLING. I am happy to yield to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I share the same concern that the gentleman from Pennsylvania [Mr. GOODLING] shares. I think, however, the outcome would have been the same. I have great respect for the gentleman from New York [Mr. FISH] and I have great respect for the gentleman from Pennsylvania [Mr. GOODLING], but I am convinced in my own heart that the outcome would have been the same.

However, I will assure the gentleman from New York [Mr. FISH] that I will be most happy to have hearings on this issue and see whether we can come up with some approach to the problems the gentleman seeks to solve. I am convinced, as I am sure the gentleman from Pennsylvania is, that the outcome would have been the same, that the amendment would have been defeated. I felt reluctantly compelled to raise the point of order.

Mr. GOODLING. Mr. Chairman, I would not question the fact that the outcome would have been the same. I probably would have assisted in that effort. However, the understanding that we thought we had was that he would be allowed to offer his amendment because the mistake was made in drafting the legislation.

The CHAIRMAN pro tempore (Mr. DARDEN). Are there further amendments to title VIII?

AMENDMENT OFFERED BY MR. MACHTLEY

Mr. MACHTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MACHTLEY: Page 695, line 6, insert "or employed on property under the jurisdiction of the uniformed services" after "United States Code)".

Mr. KILDEE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN pro tempore. The gentleman reserves a point of order on the amendment, and the gentleman from Rhode Island [Mr. MACHTLEY] is recognized for 5 minutes in support of his amendment.

Mr. MACHTLEY. Mr. Chairman, in view of the last order from the Chair, my intentions are to speak on this amendment and to offer an opportunity for other Members to speak on this amendment, and then we will withdraw this amendment.

Mr. Chairman, I yield to the gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Chairman, I rise in favor of the proposition which the Machtley amendment would have placed before the House. It is something that needs to be done, ought to be done, and I hope we will find a vehicle by which it can be done.

Mr. MACHTLEY. Reclaiming my time, Mr. Chairman, today along with the gentleman from Utah [Mr. ORTON] and the gentleman from Virginia [Mr. SCOTT], I am offering an amendment to strengthen the Education Department's Impact Aid Program.

For many years and with strong support in Congress, impact aid has helped literally thousands of school districts cope with lost revenue resulting from Federal activities and employees who did not fully contribute to the local tax base.

In my home State of Rhode Island impact aid helps many of our school districts enhance the level of education for our children. In fact, without impact aid our children would be given an inferior education. Without this critical support, the adverse impact of our naval base would be far too much for our local school districts to meet with their property taxes.

Mr. Speaker, I am pleased that H.R. 6 continues the Impact Aid Program at a reasonable level of support, providing some $775 million in funding in fiscal year 1995. However, while the bill includes what are called military "b"'s as eligible for impact aid, it does not address the impact of what are called civilian "b"'s which have been covered for many years by our Federal Government.

Those familiar with impact aid know that "b" students, and I am not talking about the grades which they get but the category in which they fall, are children of parents who work but do not live on the military base, while "a" students' parents both work and live on the military base. My amendment would deal with the defense aspect of this, only.

Mr. Chairman, last year civilian "b"'s accounted for some $43 million, which was merely 6.4 percent of the entire impact aid. Our amendment would simply aid the civilian "b"'s, as has been done in the past, and which all of the communities are now counting on, in determining which Federal employees' children are to be counted for impact aid support.

Our reasoning for this amendment is, I think, solid, and has been the reasoning which has permitted this to be used in the past. Although local school districts receive property taxes from the Nation's civilian employees, they are unable to levy taxes on the employees' place of work. As a result, over 2,100 school districts nationally are adversely impacted, in that they are unable to raise the revenue were a private sector entity to be located on the Federal property.

Oftentimes, military facilities are located on very valuable property, which would generate literally millions of dollars in local tax revenue. For those who argue, "But communities across America fight tooth and nail to keep their military bases," I would also suggest that while those are going to be kept in some districts, that the school districts within these communities will not share the sentiment when their impact aid is not equally distributed, both for civilian as well as military people who live on the base.

We simply ask to address a small inequity in what I consider to be a generally well-crafted bill. I urge support for this modest amendment.

Mr. ORTON. Will the gentleman yield?

Mr. MACHTLEY. I am happy to yield to the gentleman from Utah.

Mr. KILDEE. Mr. Chairman, I reserve my point of order.

The CHAIRMAN pro tempore. The gentleman reserves his point of order.

Mr. ORTON. Mr. Chairman, I rise in support of the Machtley-Orton amendment to H.R. 6. As the gentleman has indicated, this amendment would restore a portion of the impact aid funding for students whose parents are civilian employees of the Defense Department and work but do not live on Federal installations.

I would just like to note that the funding levels in this bill originally included the impact aid, so we have funded it at a greater level than would be necessary if in fact we do not include "b" impact aid. Therefore, by adopting this amendment, and I certainly hope that we can resolve this issue before final passage of the bill, but by adopting this amendment it would not take money from any other aid or for aid to any other schools or students.

Mr. Chairman, just let me indicate that in my district, I know that 2,100 schools around the country are impacted by this aid, in Utah there are 25 schools districts who receive this aid and would be faced with reductions of the tax base due to Federal ownership of property and increased civilian student enrollments attributable to the Federal activity taking place on that land.

I do believe that these students, although they do have a less dramatic impact than students of parents residing on Federal lands, there is still an impact, and civilian type "b" aid has been adjusted to take into consideration that lesser impact with a lesser subsidy.

Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. KILDEE. Mr. Chairman, I reserve my point of order.

The CHAIRMAN pro tempore. The gentleman from Michigan reserves his point of order.

The gentleman from Utah [Mr. ORTON] is recognized for 5 minutes.

Mr. ORTON. Mr. Chairman, I will not take all of that time.

I will just say that, in closing, impact aid is the only source of revenue that the school districts have in order to make up for this loss, and unless schools have some opportunity to expand their tax base, we could see over 2,100 schools in this country losing funding, vital funding necessary to be able to stay open and provide benefits and education for these students.

Mr. Chairman, I would just urge my colleagues to support this concept. I understand that we are going to withdraw this particular amendment. Mr. Chairman, I would hope that at some point, however, we could place back into the bill the civilian type "b" impact aid as the Machtley-Orton amendment would restore.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. KILDEE. Mr. Chairman, I reserve my point of order.

The CHAIRMAN pro tempore. The gentleman from Michigan [Mr. KILDEE] continues to reserve his point of order.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words, even though the gentleman is going to withdraw the amendment.

I think it is important for us to understand exactly what this is. I lived impact aid. For example, I registered in the State of Illinois. When I got orders to California, I still paid Illinois State taxes. Those taxes were not forward to the State of California, so my children impacted the State of California's education system.

What I would love to do is to have, when the military shifts around, that the military would be paying the State taxes, but we cannot affect State laws, so there is a direct impact on that school district by military "a"'s and "b"'s that are moving.

On the hand of the civilian side, the civilians who live and reside in that State are paying State taxes in that

State. They are paying Federal taxes, like the military does, so that there is not the impact on those particular school districts for the State taxes. Ninety-five percent of all the aid that goes to the schools is from the States.

For that, Mr. Chairman, I would go against my friend, the gentleman from Rhode Island [Mr. MACHTLEY] and his amendment, and ask the Members not to support it in the future.

□ 1750

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise today in strong support of the Machtley-Orton amendment. Most of my colleagues, have over the years, realized the impact that Federal installations place on our local school districts and the students they want to teach. Fortunately, Congress has remedied that Federal impact by providing funding for districts who must educate the dependents of our Federal employees. I am pleased to see that this reauthorization again compensates for these government-caused shortfalls by providing $533 million in impact aid to mitigate the lost revenue created by dependents of federally employed personnel.

Unfortunately, a misperception exists and has thus caused us to overlook an equally important segment of those previously assisted through impact aid funding. This amendment would restore impact aid for dependents of civilian employees of the Federal Government whose parents work, but do not live, on Federal property. These parents of civilian "b" students work for a variety of employers located on Federal Government property. In a normal community, these local businesses employ workers and pay property taxes to the local school district. However, these businesses located on Federal property are exempt from local property taxes and thus undercut the financial base of the local school district. The Puget Sound Naval Shipyard, for example, located in my district in Bremerton, WA, employs the parents of over 5,000 civilian "b" students, a third of the district's school students, and would lose just under $1 million in impact aid funds that have previously helped keep our local school districts operating.

Similar situations exist across the Nation as over 2,100 schools face reduced tax bases due to Federal ownership of property and increased civilian student enrollments. Although, civilian "b" students account for only 6.4 percent of the total impact aid payment or $43.2 million, that loss of funding would be detrimental to many districts unable to recoup that tax base.

I urge my colleagues acceptance of the Machtley-Orton amendment which would signal continued support of our Nation's students. We can not penalize those families who have chosen to serve their country through Federal employment nor the school districts faced with educating those federally connected students.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have to rise in opposition to the amendment, primarily because I cannot go before the Base Closing Commission and put forth an argument why they positively cannot take the New Cumberland Army Depot and Mechanicsburg Navy Depot and Army War College away from my district because it will devastate the district, and then come in and say that I also realize that I make out like a bandit on Civilian B payments under impact aid due to their presence, and, therefore, we should continue it.

So for that reason, I have to be true to my colors.

Mr. SCOTT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this amendment to impact aid would expand the eligible children served under this title to include dependents of nonmilitary personnel employed on property under the jurisdiction of the uniformed services. These include children of vital personnel such as machinists, engineers, medical professionals, and other support staff that help to keep our military installations and personnel functioning at their peak capacity. These families are often as closely tied to Federal activity as military personnel; when bases close or personnel are transferred, these families are less able to contribute to the tax base of their communities. While they do contribute tax dollars from home ownership or other personal property, these revenues represent only part of the total educational budget of most local educational agencies.

Employers generally contribute a significant share of the cost of educating their employees' children, in the form of property taxes assessed by local governments. Where the Federal Government employs significant numbers of people, both military and civilian, we have an obligation to help defray the cost of educating their children. Impact aid funds have been provided to help defray these costs, but local governments cannot collect taxes from the Federal Government.

Mr. Speaker, there are over 8,000 civilian category B children living in my district, and over 500,000 of these children nationwide. We have restored funding for some category B children in subcommittee with the inclusion of children living in low-rent housing and military dependents in the markup. Under the current proposal, however, the third district of Virginia stands to lose over $1.3 million dollars in funds for civilian category B children. It is unfair to ask school districts to carry the weight of this burden. Let us show our support for our schools and our military by helping to ensure that dependents of civilian personnel have the same opportunities for a quality education as the children of our uniformed personnel.

Mr. KILDEE. Mr. Chairman, while I feel I am technically correct, and the parliamentarian has so upheld my point of order, in the interest of comity and in the interest of clearing up any misunderstandings that may have been created in dialog between the two staffs, I will both withdraw my point of order and ask that the amendment by the gentleman from New York [Mr. FISH] be added to the Machtley amendment, and we will hopefully have a brief debate on that and then vote on it.

The CHAIRMAN pro tempore (Mr. DARDEN). The point of order of the gentleman from Michigan is withdrawn.

Mr. KILDEE. If we could join the two amendments, having the Fish amendment as an amendment to the Machtley amendment and have a discussion, then we could vote on that.

The CHAIRMAN pro tempore. The gentleman from New York [Mr. FISH] of course would have to offer his amendment as an amendment to the pending amendment offered by the gentleman from Rhode Island.

Does the gentleman from Michigan submit to the Chair a unanimous-consent request?

Mr. KILDEE. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. FISH] be allowed to offer his amendment as an amendment to the Machtley amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. MACHTLEY. Mr. Chairman, reserving the right to object, before I make my unanimous consent I would ask that the gentleman from California [Mr. THOMAS] be permitted to strike the requisite number of words and address my amendment. My intention then is to ask unanimous consent to withdraw my amendment so that the gentleman from New York [Mr. FISH] can then proceed.

Mr. KILDEE. Mr. Chairman, if the gentleman will yield under his reservation, at that point if he withdraws his amendment, I want to make sure that the gentleman from New York [Mr. FISH] has the opportunity to offer his amendment, and if he cares for a vote on that, to have a vote on that. I want to do a nunc pro tunc.

The CHAIRMAN pro tempore. Does the gentleman from Michigan [Mr. KILDEE] now withdraw his unanimous consent request?

Mr. KILDEE. I do, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman withdraws his request.

Mr. THOMAS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of Mr. MACHTLEY's amendment to add DOD civilian part B students to the list of those to be counted for impact aid.

One school system in my district is greatly impacted by the elimination of the civilian part B, Impact Aid Program in H.R. 6. Sierra Sands Unified School District, which has been negatively affected by the impact aid formula over the years, would be devastated by this proposal to eliminate category B funding.

Sierra Sands Unified School District is located in the desert community of Ridgecrest, CA, and serves the children of military and civilian personnel at the Naval Air Warfare Center, China Lake [NAWC]. In fact, over 50 percent of the district's students are dependents of NAWC-China Lake scientists, engineers, and support personnel. However, since the Navy decided to get out of the housing business in 1968 and eliminate 1,600 housing units, a majority of base personnel no longer live on base. This has resulted in the redesignation of students from category A to category B, and severe funding shortfalls in the district.

Impact aid funding for Sierra Sands has dropped from approximately 40 percent in 1974, even though a majority of their students were already category B, to under 3 percent of the district's budget due to cutbacks in category B funding.

The district's funding problems are exacerbated by the fact that the Department of Defense is still the primary employer and a significant land holder in the Ridgecrest area. Only 13 percent of the district's annual revenue is from local property tax. The district has had to rely on the State of California for additional funding in the past, but current State budget problems have forced this funding to also diminish. All of these factors have caused the district's annual per pupil funding to fall $674 over the past 2 years to only $3,473.

Because of the testing and evaluation nature of NAWC-China Lake's mission, the Ridgecrest area has one of the most highly educated populations in the United States. These scientists and engineers are particularly concerned about the education of their children. Unless Sierra Sands Unified School District receives the Federal assistance they need to offset the effect of Federal presence in the area, per pupil spending will continue to decline, much-needed physical plant maintenance will continue to be put off, and the quality of education could begin to decline. If this should occur, prospective employees could decline to move to the area and current employees could decide to move out of the area, endangering the successful completion of NAWC-China Lake's mission.

I urge the House to adopt the Machtley amendment to restore. For schools such as Sierra Sands where the only difference between them and category A districts is where personnel are housed, the elimination of part B would be greatly unfair to the students—those we wish to help.

□ 1800

Mr. MACHTLEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I am happy to yield to the gentleman from Rhode Island.

Mr. MACHTLEY. Mr. Chairman, I appreciate very much the gentleman's support of this amendment, as I do appreciate very much the support of other Members.

There are over 150 Members who are going to be adversely impacted should category B not be included in this impact aid.

School districts for many years have counted on this money, as they should have, because it was creating a level playing field. We have determined, in anticipation of a point of order being raised, that we would not go forward with this amendment today, but it is my hope the chairman and ranking minority member of this subcommittee would recognize there is enormous support for inclusion of category B, and that when they get to conference on this issue that they would recognize there are many Members in this House who, on a bipartisan basis, are very much concerned about providing adequate educational resources for all students.

Mr. THOMAS of California. Mr. Chairman, I would say only that we have got to be able to work out some way to continue B. I do not care what threshold screening is put upon the category B, frankly, my school district can meet any level of screening necessary, and we ought not leave these people unsupported.

Mr. EVERETT. Mr. Chairman, I rise in strong support of the Machtley amendment to extend the coverage of the Impact Aid Program to include category "B" students whose parents are military civilians. If we are truly interested in improving the educational standards of this Nation, Federal aid to compensate local communities who are financially burdened by the presence of a military facility is essential.

I do not have to tell the Members of this Chamber how important impact aid is to federally impacted school systems. As you all know, this funding is basically a reimbursement for tax revenues these communities would otherwise receive. Without this assistance, the addition of military-connected students in the classrooms would unfairly burden the entire school system. I firmly believe this is a quality-of-life issue for the children of military families who deserve to have access to a decent education.

The complete reauthorization of the Impact Aid Program should be a vital and an integral part of any effort to reform our national education system. The policy of the United States should continue to support financial assistance to school districts, either because of a loss of real property due to Federal acquisition, or because of the financial burdens placed upon them when they are responsible for educating the dependents of all people who live and, or work on military facilities.

Although we have a new administration in the White House, "B" category students continue to be ignored as relevant factors to the impact aid formula. Unfortunately, the legislation before us endorses the Clinton administration's intention to phase out "B" students from the formula by determining that military civilians are less of an impact on local communities than active duty military. That premise is simply unfounded.

Category "B" students represent 350,000 military dependents—from both civilian and active duty personnel. If the reauthorization of impact aid does not include the coverage of all "B" students, these students will become the full financial burden of local school districts, and will undoubtedly impair the quality of education offered by these elementary and secondary schools.

Mr. Chairman, I represent the Second Congressional District of Alabama which is heavily impacted by two major military installations: Air University at Maxwell Air Force Base, including the Gunter Annex, and the Army's Aviation Center at Fort Rucker.

Sixteen separate school systems in my district are impacted by these military bases, with almost 14,000 students who are federally connected—more than 13,000 are "B" category students. In fiscal year 1992, that amounted to a direct payment of almost $1.5 million. That may not seem like much here in Washington, but to those school systems in my district, it's a matter of survival. It was made very clear to me by some of the school superintendents from my district that this program represents the only Federal dollar to Alabama school systems that is not specifically earmarked, giving each school system the flexibility to manage their schools in a way that best suits their individual needs.

We talk a good deal around here about the need to improve the quality of education for our children if we want them to be able to function in this increasingly competitive and technologically demanding society in which we live. The Impact Aid Program is basic to the need of equitable funding for all school districts, and I would urge all Members to support the full reauthorization of this program. Support the Machtley amendment.

Mr. LANCASTER. Mr. Chairman, I rise today in support of the Machtley-Orton-Scott impact aid amendment. While there are a number of wealthy school districts that will not suffer from the deletion of a substantial part of their Federal impact aid money, this across the board cut of allowances for students of nonmilitary parents who work on Federal installations would deal a devastating blow to the budgets of financially strapped schools in my district and in others throughout the Nation.

In my district 16 school districts receive impact aid funds. Three of these school systems currently receive approximately $630,000 in impact aid funds for civilian "B" students. One system is the 11 largest system in the State, but the lowest per-student funding in the State. The loss of these federal funds will work real hardships on education in these schools. As the result of closures of other military facilities, the Naval aviation Depot in Cherry Point, in my district is expected to employ another 1,100 civilian employees within the next year, causing a severe Federal impact on the local school system in years to come.

The compensatory funds provided for civilian "B" impact aid student are vital to the curricula of these schools.

Mr. Chairman, if there are wealthy districts that use the civilian "B" category funds as gravy, then perhaps it is time to means test this program. It is unfair to cut funding that is desperately needed just to maintain the status quo in poorer, severely impacted districts. If there are justifiable cuts, they should be made on a district-by-district basis, but don't throw out the baby with the bathwater.

The civilian "B's" have been targeted year after year, and better sense has prevailed to restore them. It would be ironic if this administration—with its ambitious educational goals—should be the one to succeed in wrecking a program that has been successful and fair in North Carolina and has never suffered any taint of scandal or misuse.

I ask my colleagues to restore this funding.

Mr. MACHTLEY. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore (Mr. DARDEN). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDMENT OFFERED BY MR. FISH

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 694, after line 7 (at the end of section 8003), insert the following:

"(e) ADDITIONAL ASSISTANCE FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—

"(1) IN GENERAL.—From amounts appropriated under section 8013(a)(2) for a fiscal year, the Secretary shall provide additional assistance under this subsection to local educational agencies that are heavily impacted because of Federal acquisition of real property in such local educational agencies.

"(2) ELIGIBILITY.—A local educational agency shall be eligible to receive assistance under this subsection only if Federal property in such agency comprised 25 percent or more of the total land area within such agency during the preceding fiscal year.

"(3) MAXIMUM AMOUNT.—The amount that a local educational agency may receive under this subsection for a fiscal year may not exceed the difference of—

"(A) the amount such agency is entitled to receive under subsection (b) for such fiscal year; and

"(B) the amount such agency actually receives under such subsection for such fiscal year.

Page , strike line and all that follows through line (subsection (a) of section 8013) and insert the following:

"(a) PAYMENTS FOR FEDERAL ACQUISITION OF REAL PROPERTY.—

"(1) IN GENERAL.—For the purpose of making payments under section 8003 (except subsection (e) of such section), there are authorized to be appropriated $16,750,000 for fiscal year 1995 and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, and 1999.

"(2) PAYMENTS FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES.—For the purpose of making payments under section 8003(e), there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1995, 1996, 1997, 1998, and 1999.

Mr. FISH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FISH. Mr. Chairman, I yield to the chairman, the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding to me.

I say to the gentleman from New York [Mr. FISH] that I know there are several problems throughout the country on impact aid, and I cannot say 100 percent sure we have addressed all of them in this bill.

For that reason, I would be most happy to have a hearing just on those districts that feel that they have not been treated as fairly as they could be, and would be most happy to have you be the leadoff witness on that hearing. Other people have come to me with some problems.

We have worked very, very hard to try to wrestle with the problems of impact aid within the Federal budget and the Federal deficit, but I recognize that nothing is perfect. So I would hope to have hearings very soon just on that issue and have you certainly lead off as a witness to bring to the committee the special needs you may have in your district.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I rise again in support of the Fish amendment, as I indicated earlier. I want to commend the gentleman from Michigan [Mr. KILDEE] for permitting this amendment to go forward and withdrawing his point of order. I am also very much impressed with the gentleman's willingness to have his committee conduct hearings on the need for impact aid.

For as long as I have been in Congress, and that has been a number of years, the impact aid problem has become an annual, a perennial problem, only because we have never developed a satisfactory formula to help these impacted school districts. When there is a township, like we have in our own area, in New York's Hudson Valley, affecting both the gentleman from New York [Mr. FISH] and my area in the Hudson River Valley where the U.S. Military Academy at West Point, along with the Palisades Park Commission, takes up over 9 percent of the taxable property, leaving less than 10 percent of taxable property burdening the taxpayers in trying to finance their school district. We have a serious problem, and that is not just unique to our own area in New York State. This problem exists in regions throughout our Nation.

Accordingly, I hope your proposed committee hearings will not be limited to just those few districts that are impacted but will try to develop an equitable, reasonable formula for helping all those school districts burdened by nontaxable Federal lands.

Mr. FISH. Mr. Chairman, I thank my colleague.

Mr. Chairman, I previously spoke on this amendment and the need for it because of the underfunding of section 2 and the problem we have created by the Federal Government taking lands from school districts.

I appreciate very much what the chairman has said with respect to allowing this to go forward and that he promises to have hearings on this very important issue, because we simply cannot walk away from this.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The question was taken, and on a division (demanded by Mr. KILDEE) there were—ayes 6, noes 8.

So the amendment was rejected.

The CHAIRMAN pro tempore. Are there further amendments to title VIII?

If not, the clerk will designate title IX.

The text of title IX is as follows:

"TITLE IX—GENERAL PROVISIONS

"PART A—DEFINITIONS

"SEC. 9101. DEFINITIONS.

"Except as otherwise provided, for the purposes of this Act, the following terms have the following meanings:

"(1)(A) Except as provided otherwise by State law or this paragraph, the term 'average daily attendance' means—

"(i) the aggregate number of days of attendance of all students during a school year; divided by

"(ii) the number of days school is in session during such school year.

"(B) The Secretary shall permit the conversion of average daily membership (or other similar data) to average daily attendance for local educational agencies in States that provide State aid to local educational agencies on the basis of average daily membership or such other data.

"(C) If the local educational agency in which a child resides makes a tuition or other payment for the free public education of the child in a school located in another school district, the Secretary shall, for purposes of this Act—

"(i) consider the child to be in attendance at a school of the agency making such payment; and

"(ii) not consider the child to be in attendance at a school of the agency receiving such payment.

"(D) If a local educational agency makes a tuition payment to a private school or to a pub-

lic school of another local educational agency for a child with disabilities, as defined in section 602(a)(1) of the Individuals with Disabilities Education Act, the Secretary shall, for the purposes of this Act, consider such child to be in attendance at a school of the agency making such payment.

''(2) The term 'average per-pupil expenditure' means, in the case of a State or of the United States—

''(A) without regard to the source of funds—

''(i) the aggregate current expenditures, during the third preceding fiscal year (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State or, in the case of the United States for all States (which, for the purpose of this paragraph, means the 50 States and the District of Columbia); plus

''(ii) any direct current expenditures by the State for operation of such agencies; divided by

''(B) the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

''(3) The term 'child' means any person within the age limits for which the applicable State provides free public education.

''(4) The term 'community-based organization' means a private nonprofit organization that—

''(A) is representative of a community or significant segments of a community; and

''(B) provides educational or related services to individuals in the community.

''(5) The term 'consolidated State application' means an application submitted by a State educational agency pursuant to section 9302 of this Act.

''(6) The term 'county' means one of those divisions of a State used by the Secretary of Commerce in compiling and reporting data regarding counties.

''(7) The term 'covered program' means each of the programs authorized by—

''(A) part A of title I of this Act;

''(B) part C of title I of this Act;

''(C) part A of title II of this Act; and

''(D) part A of title IV of this Act except section 4104.

''(8) The term 'current expenditures' means expenditures for free public education—

''(A) including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities; but

''(B) not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds received under title I and part A of title II of this Act.

''(9) The term 'Department' means the Department of Education.

''(10) The term 'educational service agency' means regional public multiservice agencies authorized by State statute to develop, manage, and provide services and programs to local educational agencies.

''(11) The term 'elementary school' means a nonprofit day or residential school that provides elementary education, as determined under State law.

''(12) The term 'free public education' means education that is provided—

''(A) at public expense, under public supervision and direction, and without tuition charge; and

''(B) as elementary or secondary school education as determined under applicable State law, except that such term does not include any education provided beyond grade 12.

''(13) The term 'institution of higher education' has the meaning given that term in section 1201(a) of the Higher Education Act of 1965.

''(14)(A) The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools.

''(B) The term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

''(15) The term 'mentoring' means a program in which an adult works with a child or youth on a 1-to-1 basis, establishing a supportive relationship, providing academic assistance, and exposing the child or youth to new experiences that enhance the child or youth's ability to excel in school and become a responsible citizen.

''(16) The term 'other staff' means pupil services personnel, librarians, career guidance and counseling personnel, education aides, and other instructional and administrative personnel.

''(17) The term 'outlying area' means the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and Palau (until the effective date of the Compact of Free Association with the Government of Palau).

''(18) The term 'parent' includes a legal guardian or other person standing in loco parentis.

''(19) The terms 'pupil-services personnel' and 'pupil services' mean, respectively—

''(A) school counselors, school social workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services as part of a comprehensive program to meet student needs; and

''(B) the services provided by such individuals.

''(20) The term 'secondary school' means a nonprofit day or residential school that provides secondary education, as determined under State law, except that it does not include any education beyond grade 12.

''(21) The term 'Secretary' means the Secretary of Education.

''(22) The term 'State' means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

''(23) The term 'State educational agency' means the agency primarily responsible for the State supervision of public elementary and secondary schools.

"SEC. 9102. APPLICABILITY OF THIS TITLE.

''Parts B through F of this title do not apply to title VIII of this Act.

"SEC. 9103. REFERENCES IN OTHER ACTS.

''References to section 1471 of this Act, as it existed prior to the enactment of the Improving America's Schools Act of 1994, shall be deemed to refer to this section.

"PART B—FLEXIBILITY IN THE USE OF ADMINISTRATIVE AND OTHER FUNDS

"SEC. 9201. CONSOLIDATION OF STATE ADMINISTRATIVE FUNDS FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS.

''(a) Consolidation of Administrative Funds.—(1) A State educational agency may consolidate the amounts specifically made available to it for State administration under one or more of the programs specified under paragraph (2) if such State educational agency can demonstrate that the majority of such agency's resources come from non-Federal sources.

''(2) This section applies to title I of this Act and the covered programs specified in sections 9101(7)(C) and (D).

''(b) Use of Funds.—(1) A State educational agency shall use the amount available under this section for the administration of the programs included in the consolidation under subsection (a).

''(2) A State educational agency may also use funds available under this section for administrative activities designed to enhance the effective and coordinated use of funds under such programs, such as—

''(A) the coordination of programs specified in subsection (a)(2) with other Federal and non-Federal programs;

''(B) the establishment and operation of peer-review mechanisms under this Act;

''(C) the administration of this title;

''(D) the dissemination of information regarding model programs and practices; and

''(E) technical assistance under programs specified in subsection (a)(2).

''(c) Records.—A State educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual program, to account for costs relating to the administration of programs included in the consolidation under subsection (a).

''(d) Review.—To determine the effectiveness of State administration under this section, the Secretary may periodically review the performance of State educational agencies in using consolidated administrative funds under this section and take such steps as the Secretary finds appropriate to ensure the effectiveness of such administration.

''(e) Unused Administrative Funds.—If a State educational agency does not use all of the funds available to it under this section for administration, it may use such funds during the applicable period of availability as funds available under one or more programs included in the consolidation under subsection (a).

"SEC. 9202. SINGLE LOCAL EDUCATIONAL AGENCY STATES.

''A State educational agency that also serves as a local educational agency shall, in its applications or State plans under this Act, describe how it will eliminate duplication in the conduct of administrative functions.

"SEC. 9203. CONSOLIDATION OF FUNDS FOR LOCAL ADMINISTRATION.

''(a) General Authority.—In accordance with regulations of the Secretary, a local educational agency, with the approval of its State educational agency, may consolidate and use for the administration of one or more covered programs for any fiscal year not more than the percentage, established in each covered program, of the total amount available to that local educational agency under those covered programs.

''(b) State Procedures.—Within one year from the date of enactment of the Improving America's Schools Act of 1994, a State educational agency shall, in collaboration with local educational agencies in the State, establish procedures for responding to requests from local educational agencies to consolidate administrative funds under subsection (a) and for establishing limitations on the amount of funds under covered programs that may be used for administration on a consolidated basis.

''(c) Conditions.—A local educational agency that consolidates administrative funds under this section for any fiscal year shall not use any other funds under the programs included in the consolidation for administration for that fiscal year.

''(d) Uses of Administrative Funds.—A local educational agency that consolidates administrative funds under this section may use

these consolidated funds for the administration of covered programs and for the purposes described in section 9201(b)(2).

"(e) RECORDS.—A local educational agency that consolidates administrative funds under this section shall not be required to keep separate records, by individual covered program, to account for costs relating to the administration of covered programs included in the consolidation.

"SEC. 9204. ADMINISTRATIVE FUNDS STUDY.

"(a) STUDY.—(1) The Secretary shall conduct a study of the use of funds under this Act for the administration, by State and local educational agencies, of covered programs, including the percentage of grant funds used for such purpose in covered programs.

"(2) Based on the results of such study, the Secretary shall develop a definition of what types of activities constitute the administration of programs under this Act by State and local educational agencies.

"(3) Based on the results of such study, the Secretary may publish regulations or guidelines regarding the use of funds for administration under those programs, including the use of such funds on a consolidated basis and limitations on the amount of such funds that may be used for administration where such limitation is not otherwise specified in law.

"(b) REPORT.—The Secretary shall submit to the President and the appropriate committees of the Congress a report regarding the study conducted under this section within 30 days of its completion.

"SEC. 9205. CONSOLIDATED SET-ASIDE FOR DEPARTMENT OF THE INTERIOR FUNDS.

"(a) GENERAL AUTHORITY.—(1) The Secretary shall transfer to the Department of the Interior, as a consolidated amount for covered programs, the Indian education programs under part A of title VI of this Act, and the education for homeless children and youth program under subtitle B of title VII of the Stewart B. McKinney Homeless Assistance Act, the amounts allotted to the Department of the Interior under those programs.

"(2)(A) The Secretary and the Secretary of the Interior shall enter into an agreement, consistent with the requirements of the programs specified in paragraph (1), for the distribution and use of those funds under terms that the Secretary determines best meet the purposes of those programs.

"(B) The agreement shall—

"(i) set forth the plans of the Secretary of the Interior for the use of the amount transferred, the steps to be taken to achieve the National Education Goals, and performance measures to assess program effectiveness, including measurable goals and objectives; and

"(ii) be developed in consultation with Indian tribes.

"(b) ADMINISTRATION.—The Department of the Interior may use up to 1.5 percent of the funds consolidated under this section for its costs related to the administration of the funds transferred under this section.

"SEC. 9206. AVAILABILITY OF UNNEEDED PROGRAM FUNDS.

"(a) UNNEEDED PROGRAM FUNDS.—With the approval of its State educational agency, a local educational agency that determines for any fiscal year that funds under a covered program other than part A of title I of this Act are not needed for the purpose of that covered program may use such funds, not to exceed five percent of the total amount of its funds under that covered program, for the purpose of another covered program.

"(b) COORDINATION OF SERVICES.—A local educational agency, individual school, or consortium of schools may use a total of up to 5 percent of the funds it receives under this Act for the establishment and implementation of a coordinated services project consistent with the requirements of Title X of this Act.".

"PART C—COORDINATION OF PROGRAMS; CONSOLIDATED STATE AND LOCAL APPLICATIONS

"SEC. 9301. PURPOSE.

"It is the purpose of this part to improve teaching and learning by encouraging greater cross-program coordination, planning, and service delivery under this Act and enhanced integration of programs under this Act with educational activities carried out with State and local funds.

"SEC. 9302. OPTIONAL CONSOLIDATED STATE APPLICATION.

"(a) GENERAL AUTHORITY.—(1) In order to simplify application requirements and reduce burden for State educational agencies under this Act, the Secretary shall, in accordance with subsection (b), establish procedures and criteria under which a State educational agency may submit a consolidated State application meeting the requirements of this section for each of the covered programs in which the State participates.

"(2) A State educational agency may also include in its consolidated application—

"(A) the Even Start program under part B of title I of this Act;

"(B) the education of neglected and delinquent youth program under part D of title I of this Act;

"(C) part A of title II of the Carl D. Perkins Vocational and Applied Technology Education Act;

"(D) Goals 2000: Educate America Act;

"(E) School-to-Work Opportunities Act; and

"(F) such other programs as the Secretary may designate.

"(3) A State educational agency that submits a consolidated State application under this section shall not be required to submit separate State plans or applications under any of the programs to which its consolidated application under this section applies.

"(b) COLLABORATION.—(1) In establishing criteria and procedures under this section, the Secretary shall collaborate with State educational agencies and, as appropriate, with other State agencies, local educational agencies, public and private nonprofit agencies, organizations, and institutions, private schools, and representatives of parents, students, and teachers.

"(2) Through the collaboration process described in subsection (b), the Secretary shall establish, for each program under the Act to which this section applies, the descriptions, information, assurances, and other material required to be included in a consolidated State application.

"(3) The Secretary shall require only descriptions, information, assurances, and other materials that are absolutely necessary for the consideration of the State application.

"SEC. 9303. GENERAL APPLICABILITY OF STATE EDUCATIONAL AGENCY ASSURANCES.

"(a) ASSURANCES.—A State educational agency that submits a State plan or application under this Act, whether separately or under section 9302, shall have on file with the Secretary a single set of assurances, applicable to each program for which a plan or application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public agency, in a nonprofit private agency, institution, or organization, or in an Indian tribe if the statute authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

"(3) the State will adopt and use proper methods of administering each such program, including—

"(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations and other recipients responsible for carrying out each program;

"(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation; and

"(C) the adoption of written procedures for the receipt and resolution of complaints alleging violations of law in the administration of such programs;

"(4) the State will cooperate in carrying out any evaluation of each such program conducted by or for the Secretary or other Federal officials;

"(5) the State will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to the State under each such program;

"(6) the State will—

"(A) make reports to the Secretary as may be necessary to enable the Secretary to perform the Secretary's duties under each such program; and

"(B) maintain such records, provide such information to the Secretary, and afford access to the records as the Secretary may find necessary to carry out the Secretary's duties; and

"(7) before the application was submitted to the Secretary, the State has afforded a reasonable opportunity for public comment on the application and has considered such comment.

"(b) GEPA PROVISION.—Section 440 of the General Education Provisions Act does not apply to programs under this Act.

"SEC. 9304. CONSOLIDATED LOCAL APPLICATIONS.

"(a) GENERAL AUTHORITY.—A local educational agency receiving funds under more than one covered program may submit applications to the State educational agency under such programs on a consolidated basis.

"(b) REQUIRED CONSOLIDATED APPLICATIONS.—A State educational agency that has submitted and had approved a consolidated State application under section 9302 may require local educational agencies in the State receiving funds under more than one program included in the consolidated State application to submit consolidated local applications under such programs.

"(c) COLLABORATION.—A State educational agency shall collaborate with local educational agencies in the State in establishing procedures for the submission of the consolidated applications under this section.

"(d) The State educational agency shall require only descriptions, information, assurances, and other material that are absolutely necessary for the consideration of the application of the local educational agency.

"SEC. 9305. OTHER GENERAL ASSURANCES.

"(a) ASSURANCES.—Any applicant other than a State educational agency that submits an application under this Act, whether separately or pursuant to section 9304, shall have on file with the State educational agency a single set of assurances, applicable to each program for which an application is submitted, that provides that—

"(1) each such program will be administered in accordance with all applicable statutes, regulations, program plans, and applications;

"(2)(A) the control of funds provided under each such program and title to property acquired with program funds will be in a public

agency or in a nonprofit private agency, institution, organization, or Indian tribe, if the statute authorizing the program provides for assistance to such entities; and

"(B) the public agency, nonprofit private agency, institution, or organization, or Indian tribe will administer such funds and property to the extent required by the authorizing statutes;

"(3) the applicant will adopt and use proper methods of administering each such program, including—

"(A) the enforcement of any obligations imposed by law on agencies, institutions, organizations, and other recipients responsible for carrying out each program; and

"(B) the correction of deficiencies in program operations that are identified through audits, monitoring, or evaluation;

"(4) the applicant will cooperate in carrying out any evaluation of each such program conducted by or for the State educational agency or the Secretary or other Federal officials;

"(5) the applicant will use such fiscal control and fund accounting procedures as will ensure proper disbursement of, and accounting for, Federal funds paid to such applicant under each such program;

"(6) the applicant will—

"(A) make reports to the State educational agency and the Secretary as may be necessary to enable such agency and the Secretary to perform their duties under each such program; and

"(B) maintain such records, provide such information, and afford access to the records as the State educational agency or the Secretary may find necessary to carry out the State educational agency's or the Secretary's duties; and

"(7) before the application was submitted, the applicant afforded a reasonable opportunity for public comment on the application and has considered such comment.

"(b) GEPA PROVISION.—Section 442 of the General Education Provisions Act does not apply to programs under this Act.

"PART D—WAIVERS

"SEC. 9401. WAIVERS OF STATUTORY AND REGULATORY REQUIREMENTS.

"(a) GENERAL.—Except as provided in subsection (c), the Secretary may waive any requirement of this Act or of the General Education Provisions Act, or of the regulations issued under such Acts, for a State educational agency, Indian tribe, or other agency, organization, or institution that receives funds under a program authorized by this Act from the Department and that requests such a waiver if—

"(1) the Secretary determines that such requirement impedes the ability of the State educational agency or other recipient to achieve more effectively the purposes of this Act; and

"(2) in the case of a waiver proposal submitted by a State educational agency, the State educational agency—

"(A) provides all interested local educational agencies in the State with notice and an opportunity to comment on the proposal; and

"(B) submits the comments to the Secretary; and

"(3) in the case of a waiver proposal submitted by a local educational agency or other agency, institution, or organization that receives funds under this Act from the State educational agency, such request has been reviewed by the State educational agency and is accompanied by the comments, if any, of such agency.

"(b) WAIVER PERIOD.—(1) A waiver under this section shall be for a period not to exceed three years.

"(2) The Secretary may extend such period if the Secretary determines that—

"(A) the waiver has been effective in enabling the State or affected recipients to carry out the activities for which it was requested and has contributed to improved performance; and

"(B) such extension is in the public interest.

"(c) WAIVERS NOT AUTHORIZED.—The Secretary may not waive, under this section, any statutory or regulatory requirement relating to—

"(1) comparability of services;

"(2) maintenance of effort;

"(3) the equitable participation of students attending private schools;

"(4) parental participation and involvement;

"(5) the distribution of funds to States or to local educational agencies or other recipients of funds under this Act;

"(6) maintenance of records;

"(7) applicable civil rights requirements;

"(8) the requirements of sections 444 and 445 of the General Education Provisions Act; or

"(9) the requirements related to the element of a charter school described in paragraph (1) of section 3407 of this Act.

"(d) TERMINATION OF WAIVERS.—The Secretary shall terminate a waiver under this section if the Secretary determines that the performance of the State or other recipient affected by the waiver has been inadequate to justify a continuation of the waiver or if it is no longer necessary to achieve its original purposes.

"PART E—UNIFORM PROVISIONS

"SEC. 9501. MAINTENANCE OF EFFORT.

"(a) GENERAL.—A local educational agency may receive funds under a covered program for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

"(b) REDUCTION IN CASE OF FAILURE TO MEET.—(1) The State educational agency shall reduce the amount of the allocation of funds under a covered program in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of subsection (a) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency).

"(2) No such lesser amount shall be used for computing the effort required under subsection (a) for subsequent years.

"(c) WAIVER.—The Secretary may waive the requirements of this section if the Secretary determines that such a waiver would be equitable due to—

"(1) exceptional or uncontrollable circumstances such as a natural disaster; or

"(2) a precipitous decline in the financial resources of the local educational agency.

"SEC. 9502. PROHIBITION REGARDING STATE AID.

"No State may take into consideration payments under this Act (other than under title VIII) in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

"SEC. 9503. PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.

"(a) GENERAL REQUIREMENT.—(1) Except as otherwise provided in this Act, to the extent consistent with the number of eligible children in a State educational agency, local educational agency, or intermediate educational agency or consortium receiving financial assistance under a program specified in subsection (b), who are enrolled in private elementary and secondary schools in such agency or consortium, such agency or consortium shall, after timely and meaningful consultation with appropriate private school officials, provide such children and their teachers or other educational personnel, on an equitable basis, special educational services or other benefits under such program.

"(2) Educational services or other benefits, including materials and equipment, provided under this section, must be secular, neutral, and nonideological.

"(3) Educational services and other benefits provided under this section for such private school children, teachers, and other educational personnel shall be equitable in comparison to services and other benefits for public school children, teachers, and other educational personnel participating in such program.

"(4) Expenditures for educational services and other benefits provided under this section to eligible private school children, their teachers, and other educational personnel serving them shall be equal, taking into account the number and educational needs of the children to be served, to the expenditures for participating public school children.

"(5) Such agency or consortium may provide such services directly or through contracts with public and private agencies, organizations, and institutions.

"(b) APPLICABILITY.—(1) This section applies to—

"(A) each covered program; and

"(B) programs under title VII of this Act.

"(2) For the purposes of this section, the term 'eligible children' mean children eligible for services under a program described in paragraph (1).

"(c) PUBLIC CONTROL OF FUNDS.—(1) The control of funds used to provide services under this section, and title to materials, equipment, and property purchased with these funds, shall be in a public agency for the uses and purposes provided in this Act, and a public agency shall administer such funds and property.

"(2)(A) The provision of services under this section shall be provided—

"(i) by employees of a public agency; or

"(ii) through contract by such public agency with an individual, association, agency, or organization.

"(B) In the provision of such services, such employee, person, association, agency, or organization shall be independent of such private school and of any religious organization, and such employment or contract shall be under the control and supervision of such public agency.

"(C) Funds used to provide services under this section shall not be commingled with non-Federal funds.

"SEC. 9504. STANDARDS FOR BY-PASS.

"If, by reason of any provision of law, a State, local, or intermediate educational agency or consortium is prohibited from providing for the participation in programs of children enrolled in, or teachers or other educational personnel from, private elementary and secondary schools, on an equitable basis, or if the Secretary determines that such agency or consortium has substantially failed or is unwilling to provide for such participation, as required by section 9503, the Secretary shall—

"(1) waive the requirements of that section for such agency or consortium; and

"(2) arrange for the provision of equitable services to such children, teachers, or other educational personnel through arrangements that shall be subject to the requirements of this section and of sections 9503, 9505, and 9506.

"SEC. 9505. COMPLAINT PROCESS FOR PARTICIPATION OF PRIVATE SCHOOL CHILDREN.

"(a) PROCEDURES FOR COMPLAINTS.—The Secretary shall develop and implement written procedures for receiving, investigating, and resolving complaints from parents, teachers, or other individuals and organizations concerning violations by an agency or consortium of section 9503 of this Act. Such individual or organization

shall submit such complaint to the State educational agency for a written resolution by such agency within a reasonable period of time.

"(b) APPEALS TO THE SECRETARY.—Such resolution may be appealed by an interested party to the Secretary within 30 days after the State educational agency resolves the complaint or fails to resolve the complaint within a reasonable period of time. Such appeal shall be accompanied by a copy of the State educational agency's resolution, and a complete statement of the reasons supporting the appeal. The Secretary shall investigate and resolve each such appeal within 120 days after receipt of the appeal.

"SEC. 9506. BY-PASS DETERMINATION PROCESS.

"(a) REVIEW.—(1)(A) The Secretary shall not take any final action under section 9504 until the agency or consortium affected by such action has had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary to show cause why that action should not be taken.

"(B) Pending final resolution of any investigation or complaint that could result in a determination under this section, the Secretary may withhold from the allocation of the affected State or local educational agency the amount estimated by the Secretary to be necessary to pay the cost of those services.

"(2)(A) If such affected agency or consortium is dissatisfied with the Secretary's final action after a proceeding under paragraph (1), it may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action.

"(B) A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary.

"(C) The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary based this action, as provided in section 2112 of title 28, United States Code.

"(3)(A) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings.

"(B) Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(4)(A) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part.

"(B) The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(b) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines, in consultation with such agency or consortium and representatives of the affected private school children, teachers, or other educational personnel that there will no longer be any failure or inability on the part of such agency or consortium to meet the applicable requirements of section 9503 or any other provision of this Act.

"(c) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allocation or allocations under this Act.

"(d) PRIOR DETERMINATION.—Any by-pass determination by the Secretary under this Act as in effect on the day before enactment of the Improving America's Schools Act of 1994 shall remain in effect to the extent the Secretary determines that it is consistent with the purpose of this section.

"SEC. 9507. PROHIBITION AGAINST FUNDS FOR RELIGIOUS WORSHIP OR INSTRUCTION.

"Nothing contained in this Act shall be construed to authorize the making of any payment under this Act for religious worship or instruction.".

"PART F—GUN POSSESSION

"SEC. 9601. POLICY FOR GUN POSSESSION.

"(a) IN GENERAL.—Each local educational agency which receives assistance under this Act shall have a policy that addresses student possession and use of a gun on school property.

"(b) POLICY CONTENT.—The content of such policy may include—

"(1) punishment requirements for possession and use of a gun on school property, including expulsion and suspension;

"(2) alternative placement for an individual who violates the policy;

"(3) educational services for a student expelled from school for violation of the policy; and

"(4) opportunities for a hearing to address expulsion or suspension decisions for violation of the policy.

The CHAIRMAN pro tempore. Are there amendments to title IX?

AMENDMENT OFFERED BY MS. WOOLSEY

Ms. WOOLSEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. WOOLSEY: To Title IX, on p. 763, add a new Part G.

After line 3 add "Part G—Sense of the Congress to Increase the Total Share of Federal Spending on Education".

The Congress finds that—

(1) in order to increase our Nation's standard of living and to increase the number of good jobs, the United States must increase its productivity and ability to compete in the international marketplace by improving the educational level of our workforce;

(2) although efforts are being made to establish higher educational standards and goals, there is a substantial shortage of resources to meet such standards and goals;

(3) States and local communities are finding it increasingly difficult to meet even higher educational standards and goals, and States will not be able to fund needed changes without Federal help to reach such standards and goals;

(4) the Federal Government has established many education programs but failed to provide adequate funding for such programs, for example one such program provides education to our Nation's disabled students and was established with a promise of 40 percent Federal funding but currently receives only 8 percent Federal funding;

(5) the annual shortfall in Federal education programs is approximately half of the promised funding:

(6) many needed education improvements will not need Federal funds, however, other suggested changes such as lengthened school years, better pay, after-school activities, mentoring for students at risk, programs for gifted students, and replacing substandard buildings will require substantial Federal assistance; and

(7) the Federal contribution to education is less than 2 percent of the total Federal budget, and in order to make education a national priority, the total percentage of Federal education funding should be increased by 1 percent each year over the next 8 years to reach 10 percent of the total Federal budget.

(b) It is the sense of the Congress that the total share of the Federal spending on education should increase by at least 1 percent each year until such share reaches 10 percent of the total Federal budget.

Ms. WOOLSEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. WOOLSEY. Mr. Chairman, my amendment is a sense of the Congress resolution to increase the total share of Federal spending on education by 1 percent of spending each year until total education spending equals 10 percent of the Federal budget.

Ten years ago, the National Commission on Excellence in Education published a landmark report on education in America titled, "A Nation at Risk." That report said, "Our Nation is at Risk." And, that our educational performance is "being eroded by a rising tide of mediocrity that threatens our very future as a Nation, and, a people."

That report was right, Mr. Chairman. In a 1992 study conducted by the Department of Education, eighth grade students in the United States ranked 13th out of 14 nations in mathematics proficiency, and 12th out of 14 in science proficiency.

Today, the education budget makes up 2 percent of total Federal spending. If we are truly committed to our children's future—this country's future—we must do better by backing up that commitment with increased Federal funding.

How would we spend these funds? We have heard alot of talk about unfunded Federal mandates while debating this bill. The increase I am proposing would fully fund all currently existing Federal education mandates: We could extend successful education programs to all eligible students; we could increase participation in Head Start and Chapter I programs; we could ensure that every eligible student received his or her full Pell grant; we could support violence and drug prevention programs, adult literacy programs, and repair unsafe school buildings.

And you know what? By increasing our investment in education, we will save money in the long run, because more Americans will be trained for the jobs of the future; health care costs will be reduced; there will be less dependence on welfare; and decreased crime and violence.

As a member of the House Budget Committee, I am particularly aware of the need for more funds for education. Along with other members of the Budget Committee, I spent the last week fighting to make funds for education a higher budget priority.

This sense of the Congress resolution will give needed support to members of both the Budget and the Appropriations Committees who want to increase the share of Federal funds that go to education. It also sends a clear message that this Congress values education.

Mr. Chairman, this sense of the Congress resolution has already been passed by the other body, and I ask my colleagues to join with our colleagues in the other body to unite Congress in a commitment to improving education in America.

□ 1810

Mr. MILLER of Florida. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I realize this is just a sense-of-the-Congress amendment and not a mandate, but it really does not make a lot of sense to try to create false expectations that we are going to spend a lot more money out of our Federal budget on education. We just do not have the money.

I recognize that education is very important, so important because it is the cause of violence, crime, health care problems, teen pregnancy, and it means so much. But the problem is we only have so much money.

Last week we spent 2 days debating the balanced budget amendment, which unfortunately was defeated. We had a majority of the House that supported it. We want to get serious.

I am on the Committee on the Budget and the Committee on Education and Labor, and I recognize the need for the money in education. But if you do not have the money, you do not have the money.

We are talking about $150 billion if we use today's budget. We are spending approximately $30 billion now. To go to $150 billion under pay-go, how do you get to that number?

The other assumption that is made is that throwing money at education on the Federal level solves the problem. Education, in my opinion, belongs to the family, the State and local levels; it is not a Federal money issue. We just cannot throw money. Let us not try to create a false impression that we are going to come up with another $100 billion-some when the money is not there. And we cannot get it under the pay-go rule, and where do we cut to get that money?

I oppose the sense-of-Congress amendment.

The CHAIRMAN pro tempore (Mr. DARDEN). The question is on the amendment offered by the gentlewoman from California [Ms. WOOLSEY].

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title IX?

AMENDMENT OFFERED BY MR. SAM JOHNSON OF TEXAS

Mr. SAM JOHNSON of Texas. Mr. Chairman, I offer an amendment. This amendment was printed on page 2776 of the CONGRESSIONAL RECORD of February 23, by the gentleman from Tennessee [Mr. DUNCAN].

The Clerk read as follows:

Amendment offered by Mr. SAM JOHNSON of Texas: Page 762, after line 8, insert the following:

"SEC. 9508. PROHIBITION AGAINST FUNDS FOR PROTECTED PRAYER.

"Notwithstanding any provision of law, no funds made available through the Department of Education under this Act, or any other Act, shall be available to any State or local educational agency which has a policy of denying or which effectively prevents participation in, constitutionally protected prayer in public schools by individuals on a voluntary basis. Neither the United States nor any State nor any local educational agency shall require any person to participate in prayer or influence the form or content of any constitutionally protected prayer in such public schools.".

Mr. SAM JOHNSON of Texas. Mr. Chairman, this amendment would allow students and teachers in public schools across the Nation to voluntarily pray. My amendment is identical to the language offered February 23 by the gentleman from Tennessee [Mr. DUNCAN]. In fact, it is Mr. DUNCAN's language which was overwhelmingly supported by the Members of this body by a margin of 367 to 55.

As you will remember, the House voted to instruct conferees on Goals 2000 to accept a Senate amendment of the same language which I am offering now. The other body passed this same language by a steadfast 75-to-22 vote. Judging by these margins, this Congress supports protecting the constitutional right of children to pray.

Let me just tell you a couple of stories. One, which is out of St. Louis, where kids were in school and one of them, a 10-year-old boy, was praying before eating his lunch on three separate occasions. Finally, he was disciplined with detention during recreation periods for 1 week.

The boy's mother was told that it was against the law to pray in school and that the decision to punish her son would not be overturned. That is not America. That is not what this country was built on. This country is one Nation under God, and prayer is part of our legal right.

The Congress, this Congress, will not tolerate abridgement of this right, nor discrimination against those who would seek to exercise it. There is no better time than today on this bill for Congress to take action to protect the constitutional right to freely practice one's religion.

When I was in school, participation in religious programs, the Pledge of Allegiance, pregame prayers, were every day occurrences. In fact, the Ten Commandments were posted on the walls.

I think even today right here in Washington, DC, we see that coming back when Marion Barry, who used to be the mayor and is currently a councilman, said, "With all the violence and other problems, we need to get back to trying to allow those who want to pray to do it." Barry said, referring to shootings and beatings in the schools, "It may set a moral tone at the schools." That is out of the paper. You all read it. I think you realize, and so does the rest of the country, finally, realizing that it is time to get prayer back to school.

When I took my oath of office, I pledged to uphold the Constitution just like every Member of this body, and that is what we would do today by passing this amendment.

The courts have affirmed that students in public schools do not shed their constitutional right to freedom of speech or expression at the school gatehouse. That is from Wallace versus Jeffrey.

The court concluded that there is no constitutional barrier to a State protecting every student's right to engage in voluntary prayer.

It does not require State education agencies or local education agencies to do anything except uphold our Constitution. An abiding belief in and a love of God were the building blocks of our Founding Fathers. That laid the foundation for this wonderful Nation. This Nation's heritage is rooted in religious faith.

I believe those same values have helped to maintain its strength.

Over 200 years ago, George Washington affirmed this belief when he stated, "Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports." And I believe that the omission of voluntary prayer in school removes from children the very values on which this great Nation was founded.

The right to voluntary prayer is vital to the future of our children and this Nation. I think we need to put this amendment on this bill just to uphold that right.

By voting for this amendment today, you would be casting a vote to uphold the U.S. Constitution; you are fighting discrimination against voluntary prayer, but above all you are allowing our children, who are the future of our Nation, the freedom to pray.

□ 1820

Mr. KILDEE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON].

Mr. Chairman, I probably prayed every day of my life since I was 3 years old, which goes back about 60 years, and I commend it to everyone. I think it is very good, and I know that there are sometimes some overzealous teachers or some overzealous administrators who are uninformed and really interfere with private prayer. When I taught in public school, that was not the case then, and in most public schools it is not the case now, but there are some occasions where there is interference.

In a school cafeteria when I was on cafeteria duty, Mr. Chairman, I would see students sometimes bowing their heads before they began to eat, or making the sign of the cross, giving some religious indication, privately before they began to eat, and I certainly feel that is protected prayer. That is their own voluntary prayer.

I looked at the language. I think the gentleman from Montana [Mr. WILLIAMS] has some language that might be acceptable to the gentleman that is probably a little briefer but still achieves the same purpose, so I would ask us to take a look at the amendment to the gentleman's amendment which Mr. WILLIAMS may offer.

But I certainly agree, Mr. Chairman, that there are instances where people are interfered with in their constitutional right of privately praying.

AMENDMENT OFFERED BY MR. WILLIAMS TO THE AMENDMENT OFFERED BY MR. SAM JOHNSON OF TEXAS

Mr. WILLIAMS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS to the amendment offered by Mr. SAM JOHNSON of Texas: In section 9508, as proposed to be added by the amendment—

(1) in the heading, strike "**PROHIBITION AGAINST**"; and

(2) in the text, strike "Notwithstanding" and all that follows through "in such", and insert the following:

"No funds authorized to be appropriated under this Act may be used by any State or local educational agency to adopt policies that prevent voluntary prayer and medication in".

Mr. WILLIAMS. Mr. Chairman, I want to draw my colleagues' attention to the fact that the gentleman from Texas offers a serious amendment about which he and many people in this Chamber and around this country have considered for many years now, and that is the appropriate and proper way to allow America's school children a moment of contemplation in which they might pray in school, if they so choose and do so in a way that does not violate the Constitution of the United States. I thank my gentleman friend for raising this issue before the House.

I do hold, however, that my colleague's amendment, although it does not intend to, would, in fact, unfairly punish schools with a drastic penalty; that is, the loss of every dime of their Elementary and Secondary Education Act money, and it would penalize them simply if a school official guessed wrong about what prayer is constitutionally acceptable and what prayer is not.

Now we all understand that this is an exceedingly complex and unsettled area of law. It is far from clear, both to the Members of this body, as well, of course, to all school officials in the land, as to what is constitutionally protected prayer. The law in this area continues to evolve, and there are flatly contradictory opinions and decisions from the Federal courts about voluntary prayer in the public schools, and yet the amendment offered by my friend from Texas would ask people who are trained as teachers to make these difficult, complex constitutional decisions, and, if they decided wrong in the opinion of an all-powerful and omnipotent Federal Government, then every child under their charge, every child in that school district, would lose every dime of money envisioned in this bill.

So, Mr. Chairman, I am simply trying to perfect what I think is an alarmingly flawed amendment offered by the gentleman from Texas [Mr. SAM JOHNSON]. My perfecting amendment does not take us down the path I have described. What my amendment does is, I think, very simple. It does protect two important principles. First, it upholds our time-honored tradition of local control of schools; and, second, it supports voluntary prayer.

By the way, Mr. Chairman, it keeps the Federal Government out of the business of telling local schools what they must do and how they must do it while making it clear that no Federal funds, and this is the heart of my amendment, no Federal funds may be used to prevent voluntary prayer and meditation in our public schools. So, my amendment says, "You simply can't use any Federal funds under this act to prevent school prayer," but it does not threaten students with the elimination of every dime of Federal money. It just says, "You can't use Federal funds to deny someone the chance to engage in voluntary prayer and meditation."

Mr. Chairman, let me spend another minute or so talking to my colleagues about what I think the unintended consequences are of the Johnson-Duncan amendment. First, as it is now drafted, Mr. Chairman, the amendment places significant Federal control over some fundamental local school matters. Does this Chamber really want to empower Federal officials to review local school decisionmaking concerning the disposition of State and local education dollars?

Equally disturbing, Mr. Chairman, is that these Federal officials would be authorized under the gentleman's amendment to pronounce upon issues of constitutional law and to terminate all support, financial support, to a school district if the Federal officials disagree with the local decision that the local administrators have made. I ask, "Isn't that the reverse of what my friends on the other side of the aisle say they are for?" They want the Federal Government out of it, and here they are going to empower the Federal Government to come in and tell a local official they were wrong and, not only they were wrong, but we have now stripped every dime of the money in this act from every child in that school district.

Mr. Chairman, that is an arrogant use of Federal authority over the local decisionmaking power of the schools. Why would our colleagues on the other side of the aisle want to empower Federal officials?

The CHAIRMAN pro tempore (Mr. DARDEN). The time of the gentleman from Montana [Mr. WILLIAMS] has expired.

Mr. WILLIAMS. Mr. Chairman, I ask unanimous consent for an additional 3 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. SAM JOHNSON of Texas. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. SAM JOHNSON of Texas. Mr. Chairman, let me just withdraw my objection. I would like to listen to the gentleman, but I would just like to be able to ask him some questions before he is done.

The CHAIRMAN pro tempore. The gentleman from Texas [Mr. SAM JOHNSON] withdraws his objection.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS] for 3 additional minutes.

Mr. WILLIAMS. Mr. Chairman, I appreciate the gentleman from Texas [Mr. SAM JOHNSON] withdrawing his objection.

Mr. Chairman, the point is that the gentleman's amendment, as I understand it, is trying to help local school children, but what he is really doing is empowering Federal officials to walk into our school districts, decide whether or not our local officials are correct when they make a decision over a child's personal decision regarding prayer. Federal officials can come in and decide whether that local official's decision about that personal time that a child may or may not want to spend with his or her God is the right decision, and, if a Federal official decides it is not right, they can strip that school of all their money.

Finally, Mr. Chairman, I ask my colleagues in a thoughtful way to consider this:

Wouldn't this amendment, as offered by my friend from Texas, risk dividing communities and encouraging costly litigation?

□ 1830

You are a Federal school official. You wake up in the morning and what you really want to do is go administer the schools, or maybe even teach a couple of classes. But what you are faced with is a memo from the American Center for Law and Justice taking one side of the school prayer issue, and another memo on your desk from the American

Civil Liberties Union or the National Education Association taking another side of the complex evolving school prayer issue.

All you want to do is teach the children. But because the Johnson-Duncan amendment passed the Congress a few months earlier, you must now make a decision in this terribly complex and personal area as to how the children can best pray according to the Constitution.

As soon as you make that decision, are you not going to divide the community of parents and children within that district? And are you not going to invite litigation? Absolutely, and every Member of this Chamber knows it.

Let us not put that burden on our local school officials. Let us not put that burden on our teachers. Let us simply say to them, school officials, teachers, you cannot use a dime of this money in this bill to deny constitutionally protected prayer by your students in your schools. That is what my amendment would do.

Mr. Chairman, now I yield to my friend the gentleman from Texas [Mr. SAM JOHNSON].

Mr. SAM JOHNSON of Texas. Mr. Chairman, I just want to tell Members that the Supreme Court, first of all, says it is unconstitutional to deny a student the right to pray. According to the gentleman from Montana [Mr. WILLIAMS], the gentleman wants to not have the Federal Government get involved because he says it is not unconstitutional for a student to pray.

I say the gentleman is wrong. I cannot believe that the gentleman would try to say, it is kind of humorous at best, that allowing a child to pray on his own accord is a Federal mandate. The Johnson-Duncan amendment does not do anything that requires a school to do anything. All it says is they must not prevent a constitutional right to pray.

The CHAIRMAN pro tempore. The time of the gentleman from Montana [Mr. WILLIAMS] has expired.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think what you have got to look at is the language in the amendment. The language in the amendment strikes the whole Duncan-Johnson amendment, the whole thing. It strikes the words prohibition against protected prayer. It strikes constitutionally protected prayer in public schools voluntarily. Nothing is left that protects prayer in school.

I think it is also interesting to note that in 1989 the gentleman from Montana [Mr. WILLIAMS] voted against a school prayer amendment passed by a margin of 269 to 135. Clearly the gentleman has created for himself a problem of conflicting votes on the issue of voluntary prayer in school, trying to raise just another issue, that of Federal mandates.

To begin with, this whole bill is a Federal mandate of pretty large degree. I think since we understand now that it does not perfect the amendment, it guts the entire language, it is creating a giant loophole for schools to violate the Constitution, not uphold it. I still say it is our constitutional right in this Congress to protect the Constitution as written, and this language in our bill will do it, not the amendment that is on hand. I suggest Members vote against it.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. SAM JOHNSON of Texas. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, the gentleman is saying the Federal Government should have a role in protecting the constitutional rights of freedom of religion of the students of this country?

Mr. SAM JOHNSON of Texas. I say we should, and I think the gentleman trying to amend our amendment is taking that constitutional authority away from the Congress.

Mr. ROHRABACHER. Mr. Chairman, if the gentleman will yield further, your position is basically that the Federal Government, by coming in to the local schools to protect students' right to pray, is something that the Federal Government should be responsible for, protecting the constitutional rights of peoples' rights to the freedom to pray and the freedom of religion.

Mr. SAM JOHNSON of Texas. Exactly.

Mr. ROHRABACHER. The gentleman is saying our friend's amendment actually guts your intention of having the Federal Government protect this constitutional right and make that one of its responsibilities?

Mr. SAM JOHNSON of Texas. Precisely.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to pose a question to the author of the amendment, the gentleman from Montana [Mr. WILLIAMS], if he is so inclined to answer the question.

Mr. Chairman, is it my understanding the gentleman from Montana's intent is to place the educational system in a situation where it does not have to pass judgment upon whether a particular activity is constitutional or not?

Mr. WILLIAMS. Mr. Chairman, if the gentleman will yield, it is impossible to craft a law that would remove that dilemma from officials. It seems to me that every official that attempts to find their way through the Constitution to allow voluntary prayer is in a briar patch, and I do not know how to craft a law to prevent that dilemma.

What I am trying to do is stop Federal officials from forcing that dilemma.

Mr. MANZULLO. Mr. Chairman, reclaiming my time, is that inconsistent with the vote of the gentleman from Montana when he voted for Mr. DUNCAN's language in February on Goals 2000?

Mr. WILLIAMS. If the gentleman would remind me what the vote was?

Mr. MANZULLO. That is on the amendment that is present now, the Johnson-Duncan amendment that is present now.

Mr. WILLIAMS. The gentleman from Montana was incorrect and cast a bad vote.

Mr. MANZULLO. I would like to ask another question.

Mr. WILLIAMS. As did, unfortunately, a majority of the House and Senate.

Mr. MANZULLO. We all make mistakes.

Mr. Chairman, my understanding, again, is that the amendment offered by the gentleman from Montana [Mr. WILLIAMS] is saying the schools should now be placed in a position of determining what is or what is not constitutional with regard to the activities of children, is that correct?

Mr. WILLIAMS. If the gentleman will yield further, I could teach that one round or flat, I guess.

Mr. MANZULLO. Mr. Chairman, I did not hear the answer, I am sorry.

Mr. WILLIAMS. Will the gentleman rephrase his question?

Mr. MANZULLO. Mr. Chairman, my understanding is that the reason for the amendment offered by the gentleman from Montana [Mr. WILLIAMS] is that the gentleman does not feel that school authorities, including teachers, should be placed in the position of determining whether or not a certain activity is constitutional. Is that the purpose of the gentleman's amendment?

Mr. WILLIAMS. Mr. Chairman, if the gentleman will yield further, the purpose of my amendment is to deny any school official from using the money in this act to deny constitutionally permitted voluntary prayer.

Mr. MANZULLO. Mr. Chairman, that did not answer the question of this speaker here. Let me rephrase that.

Do schools have to make decisions from time to time as to whether or not a particular conduct is permissible, either under the general, at that time, statutory law, or under the Constitution?

Mr. WILLIAMS. They do.

Mr. MANZULLO. And my understanding of the amendment that is offered by the gentleman from Texas [Mr. SAM JOHNSON] and the gentleman from Tennessee [Mr. DUNCAN] is the schools would have a ready forum in the event a question arises, so instead of being barraged by letters from both sides, they could have a quick forum in the Federal courts.

Mr. WILLIAMS. Mr. Chairman, if I may, let me answer the question by asking the gentleman a question. What if the schools guess wrong? The gentleman is asking whether or not the schools have to guess. I am saying, yes, they have to guess. What if they guessed wrong under the gentleman's amendment?

□ 1840

If they are going to be litigated against, they are going to be sued. The community is going to be divided. If they guessed wrong, the Federal Government is going to deny every dime of money under this act. Does the gentleman support that?

Mr. MANZULLO. Mr. Chairman, this gentleman is opposed to Federal restrictions on schools that place schools and all local government entities in that particular position.

Mr. WILLIAMS. Mr. Chairman, the gentleman did not answer my question.

Mr. MANZULLO. Mr. Chairman, the issue here is very simple. As I understand the Johnson-Duncan amendment, it simply says that if a school receives Federal funds that it should, as part of its tutorial role, ensure that students have the full range of constitutional rights. There are all kinds of issues that come up, for example, dress codes, the manner in which students can publish newspapers, that went to the Supreme Court. And teachers and schools deal on a day-to-day basis with the rights of students.

My understanding of the Johnson-Duncan law is, all it says is that students are entitled to constitutional rights and, to the extent that schools are receiving Federal funding, they should be guarding the constitutional rights of those children.

Mr. EMERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of an amendment offered by the gentleman from Texas and in opposition to the amendment of the gentleman from Montana. This amendment incorporates the same language passed last week by the House as a motion to instruct conferees on Goals 2000 legislation that I offered along with Congressman DUNCAN from Tennessee. In addition, it is similar to the one recently passed by the Senate concerning school prayer. The amendment offered by Senator HELMS overwhelmingly passed the Senate by a vote of 77–23. I think it is important to note that an almost identical amendment to this one was passed by the House of Representatives in 1989 by a vote of 269 to 135—almost a 2-to-1 margin.

First, let me spell out what this language does do and then make it clear what it doesn't do. This language will prevent any school district which has a policy of prohibiting voluntary student-initiated prayer in the schools from receiving any Federal funds authorized by this act or any other act. In other words, it simply forbids school districts from setting up official policies or procedures with the intent and purpose of prohibiting individuals from voluntarily saying prayers at school.

This language does not mandate school prayer or require schools to write any particular prayer. Under this language, a school is not required to do anything in favor of voluntary prayer. It simply must refrain from instituting policies prohibiting voluntary student prayer.

The Founding Fathers intended religion to provide a moral anchor for our democracy. Wouldn't they be puzzled to return to modern-day America and find, among elite circles in academia and the media, a scorn for the public expression of religious values.

One of the many liberties our forefathers founded this great Nation upon was freedom of religion; a freedom to pray to the God we want, when we want, and where we want. Unfortunately, this freedom has been eroded by the Supreme Court over the last few decades. I firmly believe that no one should be forced to pray, especially if a certain prayer is contrary to an individual's beliefs. But, there can be no question that every American citizen has the right to pray voluntarily whenever and wherever he or she chooses, and that includes children in public schools. This is protected under the first amendment; "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." It is that second part that I ask you to pay special attention to today.

As President Reagan so eloquently stated in 1982, "the first amendment of the Constitution was not written to protect the people of this country from religious values; it was written to protect religious values from government tyranny." I urge you to vote for the Johnson amendment.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Montana. Let us understand what we are not voting on today. We are not voting on the right of students to pray in school.

That right is protected by our Constitution and is respected in our schools. Any child who wants to say a prayer before the day begins or recite a blessing before a meal at school or seek divine intervention before an exam is free to do so.

The Williams substitute would ensure that that right will remain protected. It will ensure that no Federal funds can be used to prohibit constitutionally permitted voluntary school prayer.

Moreover, there is no reported case in our courts in the history of the Republic involving school officials refusing to allow private voluntary prayers by individual students. And this practice goes on all the time.

As William Safire, the noted advisor to President Nixon once observed, so long as there are math tests, there will be prayer in schools.

The gentleman's amendment would protect the taxpayers in our school districts from defending nuisance lawsuits and from the threat of losing all federal education aid.

What does the amendment offered by the gentleman from Texas really do? It would, by applying Draconian penalties to only one side of the church-state debate, effectively encourage schools and schools boards to violate the rights of all students to be free from the coercive effects of government-sponsored religious practices. It would make school boards feel vulnerable to the threats of lawsuits from the most unreasonable person in the community.

It would give to some Federal bureaucrat in the local office of the Department of Education the right to decide in his or her own volition that the policy of the local school board is inadequate and all the Federal aid ought to be cut off, and then the school board would have to go sue in Federal court to restore the Federal aid. What a one-sided threat that is.

What the proponents of officially sponsored prayer, and make no mistake about it, that is what the amendment offered by the gentleman from Texas would lead to, officially sponsored prayer, ignore is that the establishment clause exists to protect religious liberty. It is difficult to understand why some of the same Members who do not trust the machinery of state to regulate railroad tariffs nonetheless seem perfectly at ease with the possibility that local bureaucrats would be involved in school prayer decisions.

For religion to be truly free, it must flow from individual faith, not from government coercion.

The Williams substitute will protect that most precious of our liberties without threatening to bankrupt our local schools or permit the enemies of religious freedom to use the courts and the schools to coerce the religious practices of our children.

The gentleman from Montana [Mr. WILLIAMS] is in the tradition of Roger Williams.

I urge adoption of the Williams substitute.

Mr. ROHRABACHER. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Chairman, what is it that leaves the gentleman, the gentleman said that this proposal is leading to officially, an official prayer, something, officially-sanctioned prayer, what leads the gentleman to the conclusion that someone who has stated over and over again that what he is really concerned about is protecting the rights of students to exercise their own right of voluntary prayer, that that leads to officially-sanctioned prayer, protecting people's right to pray as they so choose?

Mr. NADLER. Mr. Chairman, I note two things in answer to the question. Number one, the right of voluntary school prayer is not threatened. There is no case on record in the courts of this country that has ever stopped voluntary school prayer, number one, so there is no threat there.

And I note, secondly, that the amendment of the gentleman from Texas would threaten a local school district, would give the power to a local bureaucrat to determine in his opinion that the policy of a local school district is not sufficiently protective of his opinion of the constitutional right, let that bureaucrat cut off the Federal aid, and that would be a heck of an incentive to local school districts to lean over backward in favor of officially sponsored prayer.

□ 1850

Mr. STEARNS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, before I start to present my support of the amendment offered by the gentleman from Texas [Mr. JOHNSON] and the gentleman from Tennessee [Mr. DUNCAN], I would like to compliment the gentleman from Montana [Mr. WILLIAMS], who candidly admitted he thought he had made a mistake on this vote. We rarely hear that kind of candor here on the House floor, so I wanted to compliment the gentleman, and also have him think carefully about his amendment today, that he might perhaps be wrong again.

Mr. Chairman, the language of the Johnson amendment has been accepted overwhelmingly by both the House and the Senate with regards to constitutionally protected school prayer. As recently as February 23, this House voted 367 to 55 in favor of identical language for the Education legislation.

Apparently, for the opponents of the Johnson amendment, constitutionally-protected prayer ranks low on the list of constitutional freedoms, and local schools should have broad discretion to limit the exercise of that right. The only protection they would like to place against local school systems infringing on that right is that schools cannot use funds provided in this bill to do so.

What I am concerned about is that the small constitutional protection that has been carved out for our children must be protected by all persons who are concerned with the protection of civil liberties. The violation of these rights should not be responded to with a slap on the wrist. We should bring the full force of the law to see that these protections are maintained.

The Supreme Court has been very strict in drawing a line between voluntary and involuntary prayer. And, once again, let me say this amendment affects only constitutionally protected prayer—only the right to say grace before a meal, a silent prayer in the morning or a voluntary student-led invocation at graduation.

This House has stood firmly for that principle in the past and again this year. We should not dilute that message with the Williams amendment.

I ask my colleagues to vote no on the Williams amendment and yes on the amendment offered by my good friend, Mr. JOHNSON of Texas, and Mr. DUNCAN of Tennessee.

Mr. EDWARDS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. JOHNSON] and the gentleman from Tennessee [Mr. DUNCAN]. Back in 1963 when the Supreme Court outlawed compulsory religious services, that is what we are talking about, in the public schools, there was a lot of compulsory religious services all over this Nation.

The Supreme Court found that terribly sad things were happening, children of different religions were going through horrible experiences in portions of the country, well, we will say in Mormon country, where most of the children happen to be Mormons and the prayers always followed that religion, and in Baptist country, and in Catholic areas, and so forth. So the children who were not of that denomination, who did not believe that, children were hurt and humiliated by the fact that prayers were being held in religions other than theirs and which they might have strongly disagreed with.

Really, it was a very controversial decision of the Supreme Court based on the First Amendment that says that the Government is supposed to stay out of religion. It must stay out. It cannot support, it cannot demand, it cannot countenance compulsory religious services in schools.

Mr. Chairman, there is no doubt, absolutely, no doubt, that freedom of prayer is protected in schools. A child in a public school can pray, can read the Bible, all in his or her free time. They cannot interrupt classes and things to do that.

Behind this, behind this amendment, too, is a campaign being waged by the radical right, the born again, to some extent conservative religious people who are determined to get public schools with compulsory religious services, religious prayer. That is what is behind this.

Mr. Chairman, there is one case out there that sort of triggered it. In the first place, in 1992 it infuriated these people that the Supreme Court would not allow or outlawed as unconstitutional a prayer at a graduation. They were right, it was compulsory, because it was done by majority vote, we will say by the students, but majority vote is not necessarily constitutional. The purpose of the Constitution is generally to protect the minority, the person who is to be destroyed or humiliated by the majority, the minority.

Then there was a case in one circuit, one court, that held that where the students got together and voluntarily, absolutely with no adult or church supervision, wanted to have a prayer, that that was all right. That is the only case there is. The Supreme Court has never countenanced anything like this, and I do not think they will.

This is what they have grasped. They want to get the camel's nose under the tent, because what they want and what a lot of my colleagues that I respect want is compulsory school prayer. They want, as President Reagan used to say over and over again, "What about our little children? They are not allowed to pray in schools," and so forth.

Let me tell my colleagues, children can pray in public schools any time they want to. Nobody is threatening the right of children to pray. What we cannot countenance, though, is to have compulsory prayer, and that is really what they are talking about.

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, what about just last year in Corpus Christi, students at various high schools and junior highs were offered by school officials in Corpus Christi, TX, to disperse, and were advised that they would receive disciplinary action for gathering before school to pray around a flag pole?

What about in Dallas, where students at Skyline High School were threatened by their principal that if they continued to read audibly from their Bible and pray on the school lawn before school, they would receive disciplinary action?

We could give case by case by case, maybe not legal cases, because these people cannot afford to go through the gentleman's system, but with the Johnson amendment they would be protected from this kind of abuse by school officials.

The CHAIRMAN pro tempore. The time of the gentleman from California [Mr. EDWARDS] has expired.

(By unanimous consent, Mr. EDWARDS of California was allowed to proceed for 1 additional minute.)

Mr. EDWARDS of California. Mr. Chairman, I do not think they would be protected. What the gentleman wants is compulsory. The gentleman wants there to be compulsory prayer in schools. Is that not correct? I would ask the gentleman, is that what he really wants?

Mr. DELAY. Will the gentleman yield further?

Mr. EDWARDS of California. I yield to the gentleman from Texas.

Mr. DELAY. Mr. Chairman, that is not correct. We do not want to discourage those who want to practice religions on school grounds from doing so.

Mr. EDWARDS of California. They can practice it anytime they want.

Mr. DELAY. It has nothing to do with compulsory religion.

Mr. EDWARDS of California. Mr. Chairman, advocates for school prayer want us to believe that without the Johnson-Duncan amendment children would be denied the opportunity to pray in school. This is simply not true and that kind of inflammatory rhetoric should be rejected by the Members of this body. Before casting a vote on this issue, everyone should know what is really happening in our schools.

The Johnson-Duncan amendment appears to support voluntary, constitutionally permissible school prayer. If that is all proponents of this amendment want, they should be aware that truly voluntary prayer is permissible under current law. Students may read the Bible during their free time, as well as pray voluntarily and silently anytime they desire. No school system has tried to deny a student this right. Therefore, if voluntary prayer is permissible, what do proponents of this amendment really want? I believe the real motivation behind this amendment is the reinstatement of compulsory prayer in the public schools. We simply cannot allow that to happen.

The problems currently plaguing schools have been constant and deeply troubling. Armed with misrepresentations of the law and one lower court case, the religious right has sent out self-described SWAT teams to put prayer back in the schools. Letters were sent to public school officials around the country advising them on ways to circumvent a 1992 Supreme Court ruling banning school-sponsored graduation prayers. One fundamentalist leader has suggested that teachers "get [their] Christian students, get them to speak out" during class. In Jackson, MS, 490 students—a bare 54 percent—voted for prayer and the school principal allowed the student body president to read a prayer over the loudspeaker. Ironically, all of this has been done in the name of voluntary prayer. If this amendment passes, these problems will only increase.

The Johnson-Duncan amendment would only serve to confuse public school administrators and subject public schools to the threat of being sued or losing their Federal funds. The bottom line is that the Federal courts are split—a minority of one favors student-led and initiated prayer—and the Supreme Court has not spoken. Yet this amendment would force school administrators to determine what constitutes voluntary prayer and where and when it is permissible during the school day. We simply cannot put school principals in that precarious position, particularly since the funds used to educate our children are at risk.

I urge Members to vote against the Johnson-Duncan amendment as it is currently written and support the Williams amendment.

Mr. GUNDERSON. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I think the motives and intent of my colleague, the gentleman from Montana [Mr. WILLIAMS], are honorable, but I am not sure, frankly, that it is necessary. If I read and understand the Johnson amendment correctly, I think it is an amendment which we, frankly, can support.

Those who know my record here know that I am not one who believes in the mixture of church and state, but I would like the Members to listen to both the amendment and then to the American Law Division's definition of what is constitutionally protected prayer in the schools.

First of all, Mr. Chairman, the amendment offered by the gentleman from Texas [Mr. JOHNSON] says that no funds shall be available to any State or local education agency which has a policy of denying or effectively preventing participation. That tells me that we are not going to have quite the concerns that the gentleman from Montana [Mr. WILLIAMS] raises; that, very frankly, you have to have on the books as a State education agency or local education agency an effective policy and procedure saying, "If you do this or this, we are not going to allow it in this particular school."

There is not a school in this country that does not have a policies and procedures book, so I think we are going to know up front exactly what we are talking about in this area.

Let me read from what the American Law Division has to say about constitutionally protected prayer, because I think that is the issue that many of us have struggled with. They suggest, and now I am quoting,

> The Supreme Court has held in a number of decisions that government sponsorship of devotional activities in the public schools violates the establishment of religion clause of the First Amendment. With respect to prayer in the public schools, it has held the constitutional prohibition of government sponsorship and promotion to apply (1) regardless of whether the prayer is composed by the State, is taken from religious literature, or is composed by a teacher or student; (2) regardless of whether students can be excused from participating; and (3) to both regular devotional activities during the school day and to prayers at such singular events as graduation exercises. The proscription has even been held to extend to moments of silence in the public schools where the State has prescribed that the moments are to be used for prayer.
>
> None of these prayer activities, in other words, are constitutionally protected; and SEA or LEA policies or actions to prevent students and teachers from engaging in such activities, thus, would not, or should not, trigger the cutoff of funds under the Helms-Lott amendment.
>
> But while the Court has been clear in holding government to be barred by the establishment clause from sponsoring or promoting prayer in the public schools, it has had less occasion to address the converse issue of what prayer activities must be allowed in the public schools, i.e., what prayer activities might be considered to be "constitutionally protected." In general the Court has affirmed that students in public schools do not "shed their constitutional rights to freedom of speech or expression at the schoolhouse gate"; but it has also made clear that the "First Amendment rights of students in the public schools 'are not automatically coextensive with the rights of adults in other settings' and must be 'applied in light of the special characteristics of the school environment.'" Yet specific rulings illuminating the parameters of those generalities and, consequently, the scope of the standard articulated in the Helms-Lott amendment are few. One can surmise, for instance, that it would violate both the free speech and free exercise clauses of the First Amendment for a SEA or LEA to forbid a student from praying silently during the school day or, perhaps, even from praying aloud, at least so long as the prayer activity was not disruptive of the school environment and did not connote school endorsement. But our research has found no case directly on point.
>
> Other areas involving prayer in the public schools have more decisional authority, but the parameters of what is constitutionally protected or mandated or permissible have not been fully defined. For instance, the Court has indicated in *dicta* that it would be constitutionally permissible for a State to provide for a moment of silence in the public schools that could be used by students, *inter alia*, for voluntary prayer. But in the one case in which it considered the issue, it struck down the specific silent prayer or meditation statute that was before it on the grounds the State adopted the statute to promote prayer; and it has so far chosen not to address the issue again. The one subsequent lower Federal court decision also struck down a particular moment of silence statute. Thus, although it seems possible for a constitutional policy relating to moments of silence to be articulated, the courts have not as yet provided certain guidance.
>
> Some degree of uncertainty about what is constitutionally protected also attends the issue of commencement prayer. In *Lee* v. *Weisman*, *supra*, the Supreme Court held school-initiated and clergy-delivered prayer at a public secondary school's commencement ceremony to be unconstitutional. Subsequently, however, the U.S. Court of Appeals for the Fifth Circuit, as well as a Federal district court in Idaho, differentiated student-initiated and student-delivered prayer at a public secondary school's commencement ceremony and held that kind of commencement prayer to be constitutional. The Supreme Court chose not to review the Fifth Circuit's decision, despite the fact that analogous decisions involving school prayer suggested it might not be correct. Thus, student-initiated prayer at commencement ceremonies might for now be considered to be constitutionally protected in the jurisdiction of the Fifth Circuit and in Idaho, but its status elsewhere, as well as its ultimate constitutional status in the Fifth Circuit and Idaho, remains uncertain.

□ 1900

The CHAIRMAN pro tempore (Mr. DARDEN). The time of the gentleman from Wisconsin [Mr. GUNDERSON] has expired.

(By unanimous consent, Mr. GUNDERSON was allowed to proceed for 3 additional minutes.)

Mr. GUNDERSON. Mr. Chairman, I read this into the RECORD because I think it is important in this dialog that we have some understanding of what we mean by constitutionally protected school prayer, and I think it is important that we do so, that we do understand that we are within the limits as defined by the American Law Division and within the amendment, as I understand, within the Johnson amendment to require a specific policy prohibiting such.

I do not think we are entering the legal quagmire some Members would suggest. I think this amendment does promote a better effort to refine what we mean by constitutionally protected school prayer, and frankly I encourage its adoption.

Mr. FINGERHUT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to respond briefly, if I may, to some of the arguments that have been made here today. This is a troubling issue, and quite frankly, I thank the gentleman from Texas [Mr. JOHNSON] for pressing us on this matter, because by his repeated raising of this issue it will undoubtedly force us to grapple with the issue and sooner or later to arrive at the appropriate policy.

I find myself in opposition though today to his amendment and in support of the amendment offered by the gentleman from Montana [Mr. WILLIAMS]. Let me make a few remarks in response to some of the points that have been raised.

The gentleman from Texas [Mr. DELAY] previously talked about some cases, very disturbing cases indeed, to every Member of this body, which have occurred in school districts, I assume, in cases in which he has some personal knowledge or familiarity. And with regard to those cases, he said that some of these have been litigated and some have not been litigated because the fact is that some people have access to lawyers and some people do not. But he said for those people who do not, the Johnson amendment would protect them. But I fail to see how that is so, because in any case, whether it is the current sanctions of the court which are responsible for enforcing the Constitution, or whether it would be the added action that would be provided by the amendment of a court withdrawing funding under this important act, nevertheless there would be litigation and lawyers and courts required in order to effectuate the amendment.

A second argument that has been made here today that I think requires a response is that those of us who supported the instruction to the conferees on the Education 2000 bill must necessarily support this amendment because it is crafted in identical language, and indeed it is. And let me say first that the statement by the gentleman from Montana about that vote being incorrect I think is only a partially correct statement, because the stakes in this issue are very much higher and the subject of the Education 2000 bill we were creating a new and very voluntary program into which some school districts might wish to participate if they chose to try and involve themselves in the process of education and goals, and the Johnson language, new to this body at that time, gave us some thought about how we might wish to enforce this constitutional issue of voluntary prayer in that context.

But in this case, the stakes are much higher. In this case, the Johnson amendment seeks to ban the use of Federal funds from the most broadly used Federal funding program for education, education that is used by virtually every school district in the country, certainly by every school district in my congressional district. And what it says to each and every one of those school districts is that they are at risk, if they make an error, or even if any member of their constituency seeks to take them to court believing they have made an error, they are at risk of losing the most significant source of Federal funds that exists.

Now Mr. Chairman, I respect, as I say, the issue that the gentleman from Texas [Mr. JOHNSON] is trying to bring before us, and I hope that over the course of these many times of debate that we will reach an appropriate policy. But I believe very strongly that if we are here to protect taxpayer dollars, if we are here to protect the local autonomy of our school districts, which is the backbone of education in this country, the local decisionmaking, then we must reject this amendment at this time, and we must ask that we go back and craft language that does not make our school districts constantly at risk of litigation, constantly at risk of losing this vital source of Federal funds.

Students who are aggrieved have access to the courts today. The Constitution protects them and the courts protect them. To put our school districts at risk of losing all of the funds that are provided under this because of the threat of this kind of litigation is wrong at this stage and at this time, given the state of the law. This is an important issue. There are many people in my district and many of my constituents who care deeply about it and want to see us protect this constitutional right. I want to see us protect this constitutional right. But if we read the language of this amendment and we think about the impact of this very important, significant source of Federal funding, I strongly recommend that the House reject today the Johnson formula. Let us accept the responsible compromise by the gentleman from Montana [Mr. WILLIAMS], and let us continue to debate and discuss and work with our local school officials, who after all are the ones who are on the line here in finding the appropriate language to accomplish what it is the gentleman from Texas [Mr. JOHNSON] seeks to accomplish.

Mr. Chairman, I urge that for today we reject this amendment and accept the Williams amendment.

□ 1910

Mr. DUNCAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by my good friend, the gentleman from Texas [Mr. SAM JOHNSON], and I oppose the Williams amendment.

As was mentioned earlier, this amendment is exactly the same language that the House voted on last month when I offered a motion to instruct conferees on the Goals 2000 bill. That motion to instruct passed the House by an overwhelming vote of 367 to 55, and the other body has also approved this same language by an overwhelming vote of 75 to 22.

Contrary to the statement by the gentleman from California [Mr. EDWARDS] a few minutes ago, this amendment does not make any type of prayer compulsory. It simply allows voluntary student-initiated, nondenominational prayer in our public schools.

Most of the arguments, both pro and con, have already been made on this issue, Mr. Chairman, but I would like to read something that was in the Washington Times this past Friday, and I quote from this story on the front page of the Washington Times:

> Attorney General Janet Reno yesterday said she sees calls to permit school prayer as a symptom of violence-plagued communities trying to instill in young people "a sense of self-respect, a sense of regard for others." In an interview with the Washington bureau of Hearst newspapers, Ms. Reno said a renewed interest in school prayer reflects efforts to rehabilitate communities plagued by street shootings and family disintegration, and while Ms. Reno did not endorse repeal of the Supreme Court decision outlawing school prayer, she did go on to say this,

Or the story says this,

> but she said school prayer advocacy, especially in inner cities, is a symptom of people trying to figure every way possible, every way they can to reinforce people's ability to work together, to live together in families, to have a sense of purpose, a sense of self-respect, a sense of regard for others and how we get along with each other.

What a great argument in favor of school prayer are those words by our Attorney General, Janet Reno.

Mr. Chairman, let me add this: William Raspberry, the great syndicated columnist, has written several very fine columns in the last few months about governmental policy toward religion. Mr. Raspberry said in one recent column, "It is a species of intolerance to require the religious to make a secret of their beliefs." In a Christmas column, he wrote this:

> Unfortunately the ACLU also opposes the moment-of-silence substitute for school

> prayer. Why? After all, the constitutional requirement is that government not establish religion, not that it root out religion, or to put it another way, our Founding Fathers came here in large part to get freedom of religion, not freedom from religion.

In my home county this past spring, they would not even allow nondenominational prayers at high school graduation, the very same kind of prayers that we hear every day when our sessions are opened here in this House and also over in the Senate.

In a column printed around the country a few months ago, Mr. Raspberry quoted Kevin Hanson, the founder of the Beckett Fund, as saying this about the men who wrote the first amendment:

> They would not have dreamed they were banning Christmas trees or the ability of people to pray in legislatures or to offer simple invocations in high school graduations.

And then Mr. Raspberry asked this pointed question:

> Is it not just possible that antireligious bias masquerading as religious neutrality is costing more than we have been willing to acknowledge?

We need Government neutrality toward religion, not Government hostility toward religion. We need to defeat the watered-down Williams amendment and pass, instead, the amendment offered by my good friend, the gentleman from Texas [Mr. SAM JOHNSON]. It is well meaning. It is well intentioned. It would not lead to a quagmire in the courts, because it is clear, Mr. Chairman, and it is more specific, Mr. Chairman, than is the amendment offered by the gentleman from Montana.

I urge passage of the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON], which is a version of an amendment that I offered earlier.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when I first came to this institution several years back, along with the distinguished Senator from Illinois, Everett Dirksen, I would introduce the prayer in public buildings, or prayer in school amendment, and have done so from time to time, relying on the Founding Fathers' intentions that there be no mandatory imposition of religion upon the citizens of the newly named colonies, upon their separation from England, and that is a very simple process. They never denied; they implored the Almighty in all of their deliberations, in everything that they did. They implored the blessings even in the separation itself.

Therefore, I am concerned and disturbed this evening that we are somehow arguing about the how to do it or how to protect it, and deviating from what we need to do, which is to bring prayer back into the families, into the communities, into the schools, into the public meetings, as we do daily when we meet here.

I do not know the intricacies of the amendments. I hear the arguments on both sides, but what we should be doing is that we be given some guidance to the courts that have not given us finite definitions of what is prohibited, what is sanctioned. All that I know is that if we are going to attack crime, if we are going to attack the dissolution of families, if we are going to attack all of the evils that are eating into the heart of our institutions and our country, we need to bring prayer back into the system.

How to do it is probably a very intricate question, but this evening I am disturbed as I hear the amendments pro and con, and I probably would support either one of the amendments, but I think that one of the prior speakers said that we will work it out later. That is not the answer this evening, that we would work it out later. What we need to do is a very simple "yea" or "nay" whether you take the money away or whether you give money to entice. I do not know that that would be a final resolution.

All that we need to do is say that a prayer or prayers can be made or offered in public buildings or in the schools without interfering at all with the prohibition of State-imposed, or the guarantee of, that you have a right, and I may not have added much to the debate here this evening except to add that we need to bring prayer back into the hearts of the American people and into our institutions and everywhere where we need to implore the Almighty as was done by those that founded this great country of ours.

Mr. DELAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to compliment the chairman on his very heartfelt words, and you did add to this debate, because I think you said it very well.

I think Members really ought to get past the buzzwords and inflammatory phrases like "risk of losing funds," "officially sanctioned religion," "compulsory religion." That is not what we are talking about here.

What we are talking about is allowing students or teachers, for that matter, to do the things that the Supreme Court and other courts said that they can do on school campuses. That is all we are talking about.

We are taking two approaches to it. It is amazing to me, and I think the Williams amendment is a giant loophole that allows principals or school boards to use to continue the practices that I outlined earlier where students are discouraged from practicing their own religion, discouraged from holding Bible readings before school, discouraged from praying even before school, and they will not get sanctions against them at all.

I will explain in a moment.

But it is amazing to me, as the chairman of the Committee on Agriculture, the gentleman from Texas, has so eloquently pointed out, that we would be debating discouraging constitutionally protected prayer, and that is what we are talking about here, discouraging it.

In light of where we are today, and I quote our distinguished Republican whip when he so often says we have a nation now that has 12-year-olds having children, 15-year-olds being shot, 17-year-olds dying of AIDS, and 18-year-olds graduating with diplomas that they cannot read, and we have gangs proliferating in our schools.

Even here in Washington, DC, they are starting to reassess their school systems and understanding that one of the problems we have in our schools and in our families and in our society is the lack of values, the lack of understanding that the work ethic is important, that stealing is wrong, that having sex outside of marriage is wrong, that doing these kinds of things that we are sanctioning our children to do is wrong, and it is tearing at the very fabric of our society.

☐ 1920

All the Johnson amendment says is that you cannot use any funds, you cannot use any funds, Federal funds, if you deny or have a policy that denies constitutionally protected prayer. That is all it says.

Now, the loophole that the gentleman from Montana [Mr. WILLIAMS] provides is that you cannot use money for setting unconstitutional prayer policy. Now, how much money did it cost or did it cost anything in Corpus Christi, TX, to stop students from praying around a flagpole before school? No money at all. How much money did it take in Dallas, where the students at Skyline High School were threatened by their principal if they continued to read audibly from their bible and pray on the school lawn before school? No money at all.

Mr. FINGERHUT. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from Ohio.

Mr. FINGERHUT. I thank the gentleman for yielding.

Mr. Chairman, the gentleman began his statement by saying we should not rely on buzzwords and then he listed a variety of them. He said, "Including the risk of losing Federal funds." The gentleman just stated that the precise sanction in this amendment, which is what concerns this Member so much, is that the punishment, if a school district makes a mistake, is a withdrawal of the Federal funds, whether or not the action of the school district is wrong. The courts can do that, but this amendment punishes them for that. It is not a buzz word, it is an actual punishment. The debate is not whether or not the action of the school district is wrong, the courts can do that. The debate is whether we are punishing them by removing the Federal funds.

Mr. DELAY. Reclaiming my time, I will answer the gentleman. It is a real message. The gentleman says, "Well, these students at Skyline High School can go to court and sue for damages." But let me tell you, if we pass this into law, that is a very real message to Skyline High School that you will support constitutionally protected prayer. Skyline High School can decide whether they want Federal funds or not. If they are going to discourage children from practicing their religion freely under constitutionally protected mandates, that is just simply the fact.

I want to continue to explain the loophole the gentleman from Montana [Mr. WILLIAMS] provides in his amendment.

The loophole is you only get sanctioned if you use money to set these policies. We know setting these policies costs no money. You talk about creating lawsuits; I say to the gentleman from Ohio it will create lawsuits all over the place when a principal threatens children from praying or reading their bibles before school. You will have to take that principal to court. Rather, the principal, getting a directive from the U.S. Congress and the Federal Government that you will not use funds, he will not do that.

So I urge my colleagues to really take a look at these two amendments. The Williams amendment is trying to discourage.

Mr. BARTON of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Johnson amendment.

Mr. Chairman, I yield at this time to the gentleman from Texas [Mr. DELAY] if he wants to wrap up.

Mr. DELAY. I thank the gentleman for yielding.

Mr. Chairman, I just want to say that the Williams amendment is a loophole and totally guts the idea of not discouraging children from practicing their religion, and I urge my colleagues to vote "no" on the Williams amendment and vote "yes" on the Johnson/Duncan amendment.

Mr. BARTON of Texas. Mr. Chairman, I have been following this debate on the Johnson amendment with some interest from my television set in my office. I had not intended to participate. But it reminds me of the conversation that I observed when I was a White House Fellow in the Department of Energy in the early 1980's. I had the honor to attend a staff meeting involving assistant secretaries. We had—obviously the Secretary of Energy was chairing the meeting.

At the end of the meeting, the Secretary of Energy said, "Gentlemen, I just heard a nonintersecting conversation." That is what we have been hearing on this debate on this particular amendment this afternoon. The opponents of the Johnson amendment would have us believe that if it passes, there is the danger that bible-toting missionaries are going to be turned loose in the public classrooms, perhaps even federally funded.

Actually, all the Johnson amendment does is codify that you can have a moment of silent meditation at the beginning of school and, heaven forbid, maybe even having vocal prayer at public events like graduations, if it is student-led and totally voluntary.

Some of the opponents talked about the possible abridgement of civil rights because the student might actually have to hear some sort of a prayer that he or she did not want to listen to or perhaps even observe somebody silently bowing their head in the classroom.

While we have been worrying about these kinds of abridgements of civil rights, we had a student shot to death here in the public schools in Washington, DC, not too long ago. Many parents are afraid to even send their children to school because of dangers about physical safety. We have metal detectors, we have searches, we have dogs looking for drugs. We are worried about some of these issues that have been listened to today.

I think it is very interesting that last week the school board here in Washington, DC, voted to at least investigate the possibility of public prayer in the public schools here. The mayor of Washington said that she was supportive of this idea. I think it is time for a reality check.

I think we ought to pass the Johnson amendment, we ought to defeat the Williams amendment to the amendment offered by the gentleman from Texas [Mr. JOHNSON] and try to give our local school boards the opportunity to exercise a little common sense.

My grandmother and great-aunt were teachers in a two-room schoolhouse at Spring Creek, TX, in Bosque County at the turn of this century. They allowed voluntary prayer at the beginning of each day. There were no guard dogs in that classroom—there were dogs, but they were dogs that came to school with the children. If they wanted to be converted, they went across the creek, literally, to the Baptist Church that also served as the Methodist Church on alternating Sundays. To my knowledge, no one who attended that school at that time period went to prison, but almost everybody became good citizens and served their country well in whatever capacity.

I support the Johnson amendment.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to begin by thanking my good friend, Congressman JOHNSON, from the great Long Star State of Texas, for offering this amendment and opening up this debate.

Ladies and gentleman, we are all so very, very concerned these days about our children. So, hopefully, when we send our youngsters away to school, they will be in a healthy environment and that good things will happen.

There are so many things going on in our schools today that are worrisome and controversial.

One of my favorite controversies that I unfortunately get involved in with people all too often is this concern about sexual behavior among adolescents. It bothers me a great deal that some people are so insensitive in America today that they think only that if a child does not contract some horrible disease or get pregnant, that the child has had safe sex. And because they reason children are going to do it anyway, there is no need to talk to them about alternative behaviors but to hand out condoms in schools at public expense. Surrender to the most dangerous possible impulse a child may have, and accommodate to that by handing out condoms in the school.

But they have standards, ladies and gentleman; the condom distributors must be properly trained in the distribution of condoms.

What bothers me more than this is the insensitivity of it. Do those people who believe safe sex is not contracting a horrible disease or not getting pregnant, are they so insensitive, Mr. Chairman, that they do not understand about the emotional, the psychological trauma that children go through? Do they not understand the risks that go beyond the physical in this business?

And yet they accommodate to that. Where and when did we as a nation of adults decide that it was the only course of action, to accommodate the most dangerous impulses that we find in our children?

Now, there are other threats that our children face. Congressman BARTON just referred to a child who was murdered on the school grounds with a weapon. Many of us think that the second amendment is as precious as any of the amendment in the Bill of Rights.

□ 1930

However, Mr. Chairman, the gentleman from California [Mr. MILLER] because he perceives this threat, this very real threat to children, is offering a rigorous sanction against the carrying of weapons to schools. I voted for it in committee, and I will vote for it on the floor, because the children must be kept safe, and, if that makes some modest compromise in the second amendment rights of those in the school that will bring things to a school that are inappropriate, then we should address that.

Let us talk then about children. I am told that so long as there are math tests there will be prayer in school and there is nothing we can do about it. Is it possible, my colleagues, that there are some among our school children that have a healthy impulse, a reverend impulse, an impulse to demonstrate their religious convictions even on the school grounds where all the danger is afoot? And, my colleagues, might not we see it in our interests, as adults in this world, to surrender to that impulse with equal fervor and with equal enthusiasm as we surrender to the impulse for children to engage in sexual activity during these childhood years? I do not think that so much. I do not think we put the Bill of Rights at risk if we surrender to the impulse of school children to express their religious belief privately and publicly on school grounds so long as it is voluntarily and freely come to. Can we not surrender, my colleagues, to the impulse to pay respect to their religious beliefs as we have so eagerly rushed forward to pay our respect to their impulse and surrender to their impulse to have childhood sexual activities? Certainly, if we can afford the risk of handing out condoms to children, Mr. Chairman, we can afford the risk that some of them may carry a Bible to school. Can that be such a horrible danger facing our school children? I think not.

So, in that regard, Mr. Chairman, I would ask my colleagues to differentiate between that which is real and that which is not, that which respects the impulse of children and that which does not. Vote against the amendment offered by the gentleman from Montana [Mr. WILLIAMS] and vote for the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON].

Mrs. UNSOELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. WILLIAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. UNSOELD. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Chairman, I thank the gentlewoman from Washington [Mrs. UNSOELD] for yielding to me, and maybe we can come near to concluding what has been an important debate about a very important subject.

Let me first say that I and everyone in this Chamber I know has a deep and abiding respect for the zealous beliefs of individual Americans. I want to do nothing with my amendment, nor do I do a single thing with my amendment, to discourage voluntary constitutional prayer in school. In fact my amendment says:

> No funds authorized to be appropriated under this act may be used by any State or local education agency to adopt policies to prevent voluntary prayer and meditation.

Mr. Chairman, like all of my colleagues, I went to school, and I will bet, like all of my colleagues, I prayed in school, particularly every time there was a Spanish test or an algebra test. So, all of us have a deep respect for morality, religion, ethical behavior, and I refuse to allow my colleagues on either side of the aisle, particularly those on the far right, to claim some corner or monopoly over morality and ethical behavior. We believe in it, too. That is not at stake here. That is not what this amendment, either my amendment or the other amendment which I seek to displace this with, is about.

Here, my colleagues, is what I believe is going on:

The amendment offered by the gentleman from Texas [Mr. SAM JOHNSON] would say that all money from the Department of Education will be denied any school district, and, by the way, it says not just the money in this act, but school-to-work money, welfare money, all money administered by the Department of Education, will be denied a school district unless they have appropriately dealt with this school prayer issue.

Now that is a hammer, and let me tell my colleagues who the hammer is going to be used by. The hammer is the denial of all Federal money from the Department of Education.

Here is a recent memo to school administrators from a group called the American Center for Law and Justice who commends this very amendment, commends this very amendment which they say was offered by Senator JESSE HELMS in the Senate, and they commended it, and then a few days later they sent out another release which says:

> We will soon release details of employing legal swat teams around the country to file lawsuits against offending school districts.

That is then followed by a letter from the ACLU which warns the same school administrators that we are prepared to challenge school districts that disregard their constitutional obligation.

So, Mr. Chairman, the gentleman's amendment would set up the wall. It would divide the communities. It would place teachers and administrators into the briar patch. It would foster the inevitable entanglement between church and state. That is what the gentleman's amendment would do.

My amendment is simple. It simply says that no funds in this act can be used to deny voluntary prayer, meditation, in the schools.

I urge my colleagues to vote yes on the Williams voluntary prayer amendment.

Mrs. UNSOELD. Mr. Chairman, I support the amendment offered by the gentleman from Montana [Mr. WILLIAMS] and urge its passage.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there is one problem with the language the gentleman from Montana [Mr. WILLIAMS] would offer us here. It is weaker than present law. The fact is that under present law, in the appropriations bills that have been passed every year since 1978, there is specific language that says none of the funds appropriated under this act may deny participation in voluntary school prayer. This gentleman's amendment today weakens the language which is already a part of law, and so what he is asking us to do is not only to turn down the Duncan-Johnson amendment, but he is asking us to go a step further and weaken what is already present law as it applies to voluntary school prayer.

Now I think the House wants to think twice about that, Mr. Chairman, because we have for a period now of about 16 years had a policy very similar to what the gentleman from Montana [Mr. WILLIAMS] offers us here this evening, except stronger. And now the gentleman from Montana, I guess knowingly, has come to the floor and suggested he wants to set aside that policy and instead go with this new weaker policy.

I would suggest that the gentleman from Texas [Mr. SAM JOHNSON] and the gentleman from Tennessee [Mr. DUNCAN] have, in fact, moved us in the direction, if we want to have stronger language; and all across American I believe that middle-class Americans have decided that we need to have a stronger something to say about school prayer; but all they are suggesting is that schools ought to make certain that constitutionally protected prayer is allowed to take place in those schools and that they have a program for ensuring that it take place. That is all it says.

Now that is stronger than what present law is; I happen to think appropriately so, but the gentleman from Montana wants to weaken even present law.

□ 1940

So I would suggest to the House that what you want to look at here as you consider this amendment is do you want to go with what the gentleman from Montana is suggesting and weaken what is already in present law, or do you want to strengthen our commitment to volunteer school prayer by voting for the Johnson-Duncan amendment.

I would hope that we would turn down the Williams substitute, turn down weakening present law, and instead endorse the Johnson-Duncan amendment, which allows us to have voluntary school prayer for real.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, let me see if I can understand this debate. We have assault in school, we have no prayer. We have theft in school, we have no prayer. We have drugs in school, we have no prayer. We have condoms in school, we have no prayer. We have all kinds of crime in school, but there is no prayer. There is racism in our schools, there is no prayer. There is hate in our schools, there is no prayer. It is evident from assault to theft to guns to drugs to condoms, there is no God at all, and I think Congress has something to do with that.

The Constitution may have separated church and state from one specific religion, but the Constitution never intended to separate God and the American people. This debate should not be occurring here. Congress is responsible for the schools of our country in their sad shape.

I want to commend the authors of this amendment on the Republican side. I am going to vote with you, and I am going to oppose the Democrat amendment. It is a sad day, Congress, when the only time you hear God mentioned in our public schools is when God's name is taken in vain. Congress has a responsibility for what is happening in this country, and we have split hairs to the point of constitutional debates over whether or not the Constitution would recognize God or in fact prohibit God from our schools.

I think we have gone too far. I think it is time that Congress look in the mirror and Congress take a look at the public school system of America, and pat itself on the back for doing exactly what should not be done.

I am proud to join and support the gentleman from Texas [Mr. SAM JOHNSON] and the gentleman from Tennessee [Mr. DUNCAN] and I wish the Congress would also.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. WILLIAMS] to the amendment offered by the gentleman from Texas [Mr. SAM JOHNSON].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SAM JOHNSON of Texas. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 2(c) of rule XXIII, the Chair may reduce to not less than 5 minutes the time for any recorded vote that may be ordered on the Johnson of Texas amendment without intervening business or debate.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 171, noes 239, not voting 28, as follows:

[Roll No. 74]

AYES—171

Abercrombie
Andrews (ME)
Andrews (NJ)
Barca
Barlow
Barrett (WI)
Becerra
Beilenson
Berman
Bishop
Blackwell
Boehlert
Bonior
Borski
Brooks
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Cantwell
Cardin
Carr
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Coppersmith
Coyne
de Lugo (VI)
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Durbin
Edwards (CA)
Engel
English
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Fingerhut
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Green
Gutierrez
Hamburg
Harman
Hilliard
Hinchey
Hoagland
Hochbrueckner
Hughes
Inslee
Jefferson
Johnson (CT)
Johnson (SD)
Kennelly
Kildee
Kleczka
Klein
Kopetski
Kreidler
LaFalce
Lambert
Lantos
LaRocco
Laughlin
Leach
Levin
Lewis (GA)
Lowey
Maloney
Manton
Margolies-
  Mezvinsky
Markey
Martinez
Matsui
McDermott
McKinney
Meehan
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Moran
Murtha
Nadler
Neal (MA)
Norton (DC)
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pomeroy
Porter
Price (NC)
Rahall
Rangel
Reed
Reynolds
Richardson
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schenk
Schroeder
Schumer
Scott
Serrano
Sharp
Shays
Shepherd
Sisisky
Skaggs
Slaughter
Smith (IA)
Spratt
Stark
Stokes
Strickland
Studds
Stupak
Swett
Swift
Synar
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Tucker
Unsoeld
Velazquez
Vento
Visclosky
Waters
Watt
Waxman
Williams
Woolsey
Wyden
Yates

NOES—239

Allard
Andrews (TX)
Applegate
Archer
Armey
Bachus (AL)
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Boucher
Brewster
Browder
Bunning
Burton
Callahan
Calvert
Camp
Canady
Castle
Chapman
Clement
Clinger
Coble
Collins (GA)
Combest
Condit
Conyers
Cooper
Costello
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards (TX)
Ehlers
Emerson
Everett
Ewing
Fawell
Fields (TX)
Fish
Fowler
Franks (CT)
Franks (NJ)
Gallegly
Gekas
Geren
Gilchrest
Gingrich
Goodlatte
Goodling
Gordon
Goss
Grams
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hobson
Hoekstra
Holden
Horn
Houghton
Huffington
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Istook
Jacobs
Johnson (GA)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennedy
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
Kyl
Lancaster
Lazio
Lehman
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Machtley
Mann
Manzullo
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Mica
Michel
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Myers
Neal (NC)
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Portman
Poshard
Pryce (OH)
Quillen
Quinn
Ramstad
Ravenel
Regula
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Royce
Sangmeister
Sarpalius
Saxton
Schaefer
Schiff
Sensenbrenner
Shaw
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Stearns
Stenholm
Stump
Sundquist
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Torkildsen
Traficant
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wise
Wolf
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—28

Ackerman
Bacchus (FL)
Buyer
Byrne
Clay
Cox
Deutsch
Faleomavaega
  (AS)
Gallo
Gillmor
Grandy
Hastings
Hoke
Hoyer
Johnson, E. B.
Johnston
Meek
Murphy
Natcher
Pickle
Ridge
Romero-Barcelo
  (PR)
Rostenkowski
Santorum
Slattery
Underwood (GU)
Washington
Wheat

□ 2003

Messrs. McCLOSKEY, PETERSON of Florida, McCANDLESS, and MOLLOHAN, and Mrs. MORELLA changed their vote from "aye" to "no."

Mr. SWIFT and Mr. STUPAK changed their vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. DARDEN). The question is on the amendment offered by the gentleman from Texas [Mr. JOHNSON].

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. JOHNSON of Texas. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. The Chair announces that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 345, noes 64, not voting 29, as follows:

[Roll No. 75]

AYES—345

Allard
Andrews (NJ)
Andrews (TX)
Applegate
Archer
Armey
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barca
Barcia
Barlow
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Blackwell
Bliley
Blute
Boehlert
Boehner
Bonilla
Borski
Boucher
Brewster
Brooks
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant

Bunning
Burton
Byrne
Callahan
Calvert
Camp
Canady
Cantwell
Carr
Castle
Chapman
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (GA)
Combest
Condit
Cooper
Costello
Cramer
Crane
Crapo
Cunningham
Danner
Darden
de la Garza
de Lugo (VI)
Deal
DeFazio
DeLauro
DeLay
Derrick
Diaz-Balart
Dickey
Dicks
Dixon
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards (TX)
Ehlers
Emerson
English
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Fish
Flake
Foglietta
Ford (TN)
Fowler
Franks (CT)
Franks (NJ)
Frost
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gingrich
Glickman
Goodlatte
Goodling
Gordon
Goss
Grams
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hayes
Hefley
Hefner
Herger
Hilliard
Hinchey
Hoagland
Hobson
Hochbrueckner
Hoekstra
Holden
Horn
Houghton
Huffington
Hughes
Hunter
Hutchinson
Hutto
Hyde
Inglis
Inhofe
Inslee
Istook
Jacobs
Jefferson
Johnson (CT)
Johnson (GA)
Johnson (SD)
Johnson, Sam
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klein
Klink
Klug
Knollenberg
Kolbe
Kreidler
Kyl
LaFalce
Lambert
Lancaster
Lantos
LaRocco
Laughlin
Lazio
Leach
Lehman
Levin
Levy
Lewis (CA)
Lewis (FL)
Lightfoot
Linder
Lipinski
Livingston
Lloyd
Long
Lowey
Machtley
Maloney
Mann
Manton
Manzullo
Martinez
Matsui
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McHale
McHugh
McInnis
McKeon
McMillan
McNulty
Menendez
Meyers
Mfume
Mica
Michel
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Neal (MA)
Neal (NC)
Norton (DC)
Obey
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (VA)
Penny
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quillen
Quinn
Rahall
Ramstad
Rangel
Ravenel
Regula
Richardson
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Rowland
Royce
Sanders
Sangmeister
Sarpalius
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shepherd
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (IA)
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solomon
Spence
Spratt
Stearns
Stenholm
Stokes
Strickland
Studds
Stump
Stupak
Sundquist
Swett
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas (CA)
Thomas (WY)
Thompson
Thornton
Thurman
Torkildsen
Torricelli
Traficant
Tucker
Upton
Valentine
Volkmer
Vucanovich
Walker
Walsh
Weldon
Whitten
Wilson
Wise
Wolf
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—64

Abercrombie
Andrews (ME)
Becerra
Beilenson
Berman
Bonior
Cardin
Collins (IL)
Collins (MI)
Conyers
Coppersmith
Coyne
Dellums
Dingell
Edwards (CA)
Engel
Eshoo
Filner
Fingerhut
Ford (MI)
Frank (MA)
Furse
Gonzalez
Hamburg
Harman
Kopetski
Lewis (GA)
Margolies-Mezvinsky
Markey
McKinney
Meehan
Miller (CA)
Mineta
Mink
Nadler
Oberstar
Olver
Owens
Payne (NJ)
Pelosi
Reed
Reynolds
Roybal-Allard
Rush
Sabo
Schenk
Scott
Serrano
Skaggs
Stark
Swift
Synar
Torres
Towns
Unsoeld
Velazquez
Vento
Visclosky
Waters
Watt
Waxman
Williams
Woolsey
Yates

NOT VOTING—29

Ackerman
Bacchus (FL)
Bachus (AL)
Buyer
Clay
Cox
Deutsch
Faleomavaega (AS)
Gallo
Gillmor
Grandy
Hastings
Hoke
Hoyer
Johnson, E. B.
Johnston
Meek
Murphy
Natcher
Nussle
Pickle
Ridge
Romero-Barcelo (PR)
Rostenkowski
Santorum
Slattery
Underwood (GU)
Washington
Wheat

☐ 2013

Mr. COYNE, Mr. MARKEY, Ms. MCKINNEY, and Mr. RUSH changed their vote from "aye" to "no."

Mrs. THURMAN changed her vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. KILDEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PETERSON of Florida) having assumed the chair, Mr. DARDEN, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes, had come to no resolution thereon.

PERSONAL EXPLANATION

Mr. GEJDENSON. Mr. Speaker, I wish to go on record that during the consideration of H.R. 6, I mistakenly voted for the Johnson amendment on rollcall No. 75. My intent was to vote no. I erred because I believed that the perfecting Williams amendment to the Johnson amendment had passed. I deeply regret this error, and hope that an opportunity will arise prior to final passage of H.R. 6 for the House to amend this portion of the bill.

PERSONAL EXPLANATION

Mr. GUTIERREZ. Mr. Speaker, at the end of the afternoon I was unavoidably absent because I was on my way back from El Salvador, where I had the privilege to participate in the U.S. Citizens Observer Mission monitoring the El Salvador election, the first election held in this country since the peace accords were signed in 1992. I therefore missed one rollcall vote on H.R. 6, Improving America's Schools Act. More specifically, I missed rollcall vote No. 73, to strike the title of the bill that reauthorizes bilingual education programs, on which I would have voted "no."

PERSONAL EXPLANATION

Mr. NUSSLE. Mr. Speaker, I cast my vote in favor of the Johnson amendment to H.R. 6—rollcall vote No. 75. However, my vote was not recorded. I would like to take this opportunity to express my support for the Johnson amendment to H.R. 6, and had my vote been recorded, it would have been recorded as "aye."

PERSONAL EXPLANATION

Mr. BECERRA. Mr. Speaker, I unavoidably missed rollcall vote No. 73, to strike the title of the bill that reauthorizes bilingual education programs within H.R. 6, "The Improving America's Schools Act."

I strongly opposed Congressman ROTH'S amendment to eliminate bilingual education, and would have voted "no" on rollcall vote No. 73. When one out of every seven children nationally comes to school speaking a language other than English, we need to expand bilingual education programs not eliminate them. These programs teach limited English proficient students English, and give them the opportunity to learn other subjects, like math and science, as they transition into English instruction.

My partial day absence was due to the fact that I was on my way back, along with the President's official observer delegation, from Central America where I was observing and monitoring El Salvador's election as part of the United States Citizens Observer Mission.

PERSONAL EXPLANATION

Mr. COX. Mr. Speaker, I was unavoidably detained in California and was not able to return to Washington, DC, in time to record my vote on three amendments to H.R. 6.

Had I been present, I would have voted "yes" on the Roth amendment, rollcall No. 73; "no" on the Williams amendment, rollcall No. 74; and "yes" on the Johnson amendment, rollcall No. 75.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1804, GOALS 2000: EDUCATE AMERICA ACT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 103–447) on the resolution (H. Res. 393) waiving points of order against the conference report to accompany the bill (H.R. 1804) to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications; and for other purposes, which was referred to the House Calendar and ordered to be printed.

IMPROVING AMERICA'S SCHOOL ACT OF 1994

The SPEAKER pro tempore. Pursuant to House Resolution 366 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 6.

□ 2016

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes, with Mr. DARDEN, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole House rose earlier today, the amendment offered by the gentleman from Texas [Mr. JOHNSON] had been disposed of.

Are there further amendments to title IX?

AMENDMENT OFFERED BY MR. CONDIT

Mr. CONDIT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONDIT: Page 762, after line 8, insert the following new section (and redesignate accordingly):

"SEC. 9508. PROVISIONS TO BE TREATED AS VOLUNTARY UNTIL FULLY FUNDED.

"Notwithstanding any other provision of this Act, the provisions relating to opportunity-to-learn standards that impose requirements on States and local educational agencies (whether the development of opportunity-to-learn standards or actions taken to meet such standards) shall be treated as recommendations to the States and local educational agencies and compliance with such provisions shall be voluntary on the part of the State and local educational agencies until the costs of implementing such provisions are fully funded by the Federal Government."

Mr. CONDIT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CONDIT. Mr. Chairman, my amendment focuses on the opportunity-to-learn standards contained in title I. My amendment will make the development and submission as well as the implementation of the standard voluntary unless the Federal resources are provided to pay the cost incurred in developing the standards.

So it is a simple, straightforward amendment and I would ask for an aye vote.

AMENDMENT OFFERED BY MR. ROBERTS TO THE AMENDMENT OFFERED BY MR. CONDIT

Mr. ROBERTS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS to the amendment offered by Mr. CONDIT: Page 762, after line 8, insert the following:

"SEC. 9508. VOLUNTARY COMPLIANCE.

"Notwithstanding any other provision of this Act, any requirements relating to reporting, planning, and data collection established under this Act that were not required prior to the enactment of the Improving America's Schools Act of 1994, shall not be required until funds for the cost of implementing such requirements are provided in appropriation acts.

Mr. ROBERTS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. KILDEE. Mr. Chairman, I reserve a point of order on the Roberts amendment to the Condit amendment.

The CHAIRMAN pro tempore. The gentleman from Michigan [Mr. KILDEE] reserves a point of order on the amendment.

Mr. ROBERTS. Mr. Chairman, I am offering an amendment to the Condit proposal to ensure that all of the additional spending programs that are required in this legislation will be funded by the Federal Government or be considered voluntary for State and local governments until such funding is provided.

For the past several weeks the House has been debating all sorts of aspects of this legislation. they have focused on special State programs, individual programs, learning standards and other new reporting requirements to be placed on State education programs. As this debate has developed, it has become obvious to many of my colleagues that there are considerable new spending and reporting requirements that are contained in this bill, Federal mandates that may or may not be funded in future years. The Congressional Research Service has just now completed an analysis of this bill and found 23, 23 additional requirements that require reporting to all of the titles.

□ 2020

Now, many of us here may disagree on whether this or that new program or requirement should be enacted, and many of my colleagues would agree that all new requirements should be voluntary unless some Federal funds are provided to pay for these new mandates.

I recognize the concerns of the chairman, the gentleman from Michigan [Mr. FORD], and the gentleman from Michigan [Mr. KILDEE] and the gentleman from Pennsylvania [Mr. GOODLING] in regard to their view on the need for this legislation and their position that this is an appropriations issue, not an authorizing issue. But unfortunately, Mr. Chairman, unless action is taken at this time during the authorizing process, the mandates will remain mandatory. Unless this language is included at this time to make all mandates voluntary until the Federal funding is provided, States and local governments will possibly be left funding millions of dollars in new reporting requirements.

As a member of the Congressional Caucus on Unfunded Mandates, the gentleman from California [Mr. CONDIT] and I share a concern over the additional cost being shifted on State and local governments, and for that reason I urge adoption of both the Roberts amendment and the Condit amendment.

Now, after visiting with the gentleman from Michigan [Mr. FORD] and the gentleman from Michigan [Mr. KILDEE], I recognize that my amendment is not in order under the rule, and the amendment can and will be denied consideration.

But I urge my colleagues to recognize the need to include a universal exception to all unfunded mandates contained with this bill. If not my amendment, I at least urge adoption of the Condit amendment.

While many of us here may disagree on whether this or that new program or requirement should be enacted at the Federal level, many of my colleagues would agree that all new requirements should be voluntary unless Federal funds are provided to pay for the new mandates.

I recognize the concerns of Chairman FORD and Congressman KILDEE regarding their view on the need for this legislation and their position that this is an appropriations issue—not an authorizing issue. Unfortunately, unless action is taken at this time, during the authorizing process, the mandates will remain mandatory whether accompanied or not with the necessary Federal funding from the Appropriations Committee. Unless this language is included at this time to make all mandates voluntary until Federal funding is provided, States and local governments will possibly be left funding millions of dollars in new Federal programs.

As members of the Congressional Caucus on Unfunded Mandates, Congressman CONDIT and I share a concern over the additional costs being shifted on State and local governments. For that reason, I urge adoption of both the Roberts amendment and the Condit amendment.

After visiting with Mr. FORD and Mr. KILDEE, I recognize that my amendment is not in order under the rule—and the amendment can and will be denied consideration.

I urge my colleagues to recognize the need to include a universal exception to all unfunded mandates contained within this bill. If not my amendment, I at least urge adoption of the Condit amendment.

CONGRESSIONAL RESEARCH SERVICE,
LIBRARY OF CONGRESS,
Washington, DC, February 23, 1994.

Subject: "New" Report Requirements in H.R. 6, the Improving America's Schools Act of 1994.

This memorandum was prepared in response to your request for a listing of "new" requirements in H.R. 6, the Improving America's Schools Act (IASA), as reported by the House Committee on Education and Labor. As you requested, this list is limited to requirements that are "new"—i.e., essentially different from any current requirements associated with programs that would be amended and extended by H.R. 6—and that apply to State or local educational agencies (SEAs, LEAs). Requirements that SEAs or LEAs make specific reports to the U.S. Department of Education (ED), or other Federal agencies, as well as to each other (i.e., LEAs to SEA), or to the public are included, as are new requirements for SEA or LEA plans if they are significantly different from current application requirements. It should be noted that current report requirements that would be terminated by H.R. 6, if any, are not included. Further, report requirements in H.R. 6 that involve only ED or other Federal agencies, including required evaluations or reports to Congress, are not included.

Finally, this is referred to below as a "selected" list because we are unable to assure that we have found all such provisions, due primarily to the limited time available to complete this request before House floor action on H.R. 6.

"NEW" STATE OR LOCAL REPORTING REQUIREMENTS IN H.R. 6, AS REPORTED BY THE HOUSE COMMITTEE ON EDUCATION AND LABOR—A SELECTED LIST

TITLE I—IMPROVED EDUCATION FOR DISADVANTAGED CHILDREN

1. Sec. 1111—State plans[2] to be submitted to Ed, including State content, pupil performance, and opportunity to learn standards, and reports to be disseminated within the State on the extent to which participating schools and LEAs meet the State's opportunity to learn standards.
2. Sec. 1112—LEA plans (to be submitted to the State).
3. Sec. 1115(c)(2)—Targeted assistance school plans.
4. Sec. 1116(a)—LEAs required to disseminate throughout their communities annual performance profiles for participating schools.
5. Sec. 1118(c)—Parental involvement plans for participating schools.
6. Sec. 1118(e)—School-parent compacts.
7. Sec. 1306—Comprehensive needs assessment and service delivery plan for State agency migrant program.
8. Sec. 1404—State plan for services to delinquent youth and youth at risk of dropping out of school.

TITLE II, PART A—DWIGHT D. EISENHOWER PROFESSIONAL DEVELOPMENT PROGRAM[3]

1. State plan to improve teaching and learning to be submitted as part of SEA application to Secretary; such plan is to include an assessment of State and local needs for professional development.
2. Participating States must submit report to Secretary every 3 years on progress toward performance indicators.
3. Local plan to be submitted as part of LEA application to SEA; LEA application is to include a professional development needs assessment.
4. Participating LEAs must report every 3 years to State on progress toward performance indicators.

TITLE II, PART B—TECHNOLOGY EDUCATION ASSISTANCE ACT OF 1994

1. SEAs must file a 5-year educational technology plan with Secretary of Education.
2. LEAs must receive State approval of a technology use plan.
3. Sec. 2207(d) appears to require State agencies for higher education to report annually to SEA on progress of higher education programs.
4. Sec. 2208(d) appears to require library administrative agencies to report annually to SEA on progress of library and literacy programs.

TITLE II, PART C—LIBRARY MEDIA PROGRAM

State must have a plan for school library media.

TITLE II, PART D—SUPPORT AND ASSISTANCE

1. Sec. 2343 requires each comprehensive assistance center to publish and disseminate widely an annual report of services and accomplishments; and requires the Secretary to collect information about the availability and quality of services provided by the centers.
2. Sec. 2347 requires the National Diffusion Network State facilitators to disseminate information about school reform and promising practices and to facilitate communications among educators.

TITLE II, PART E—EDUCATION PROGRAM STRATEGIES

Sec. 2444 requires LEAs using funds for community learning centers to provide information to SEAs describing activities and projects funded under this part.

TITLE III, PART C—PUBLIC CHARTER SCHOOLS

Applicant must provide annually to Secretary such information required to determine if charter school is making satisfactory progress toward school's objectives.

H.R. 6, TITLE II—GENERAL EDUCATION PROVISIONS ACT

Sec. 424 of the General Education Provisions Act (GEPA), as amended, requires each State educational agency to submit a biennial report to the Secretary regarding uses of Federal funds.[4]

H.R. 6, TITLE III, PART B—HOMELESS CHILDREN AND YOUTH

Sec. 722 of the Stewart B. McKinney Homeless Assistance Act (McKinney Act), as amended, requires each State Office of Coordination of Education of Homeless Children and Youth to estimate the number of homeless children and youth served under this program, collect information on the educational problems such children and youth, and report every third year to the Secretary.

FOOTNOTES

[1] Note: Title, part, and section references are to the Elementary and Secondary Education Act (ESEA) as it would be amended by H.R. 6, not to H.R. 6, itself.

[2] While SEAs and LEAs are currently required to submit applications for Title I (Chapter 1) assistance that contain some of the same elements as the plans required in H.R. 6, State and local plans, as such, are not currently required, nor are the current application requirements as extensive as the H.R. 6 plan requirements.

[3] Currently, the Eisenhower Mathematics and Science Education Act requires SEAs to submit a 3-year application which is referred to as a "plan"; State applications must have a projection of teacher supply and demand, and an assessment of curriculum needs in math and science; SEAs have to assess effects of their pros and submit results and summaries of local assessments to the Secretary; LEAs have to assess effects of their programs and report results to the SEA.

[4] This is a modification of a current requirement.

POINT OF ORDER

Mr. KILDEE. Mr. Chairman, I raise a point of order on the amendment offered by the gentleman from Kansas [Mr. ROBERTS] in that it is not germane.

The amendment offered by the gentleman from Kansas [Mr. ROBERTS] is more general in scope than the amendment of the gentleman from California [Mr. CONDIT], and, therefore, is not germane.

The CHAIRMAN pro tempore (Mr. DARDEN). Does the gentleman from Kansas [Mr. ROBERTS] desire to be heard on the point of order raised by the gentleman from Michigan?

Mr. ROBERTS. Yes, Mr. Chairman.

I realize the amendment is not germane under the rule considered. I realize the gentleman's point is well taken under the rule of the House, and my amendment is not germane under the rules of the House to this particular bill.

But it sure as heck is germane to each school district that is going to have to pay for 23 reporting requirements in regards to unfunded mandates.

The CHAIRMAN pro tempore. For the reasons stated by the gentleman from Michigan and agreed to by the gentleman from Kansas, the point of order is sustained.

Mr. KILDEE. Mr. Chairman, I move to strike the last word and say this: That the amendment offered by the gentleman from California [Mr. CONDIT] is well intentioned and certainly put before the House with good intentions. But I think it is no longer necessary inasmuch as the Goodling-Kildee amendment was adopted, which takes care of the very problem which the gentleman from California [Mr. CONDIT] wished to address.

So I think in light of the fact that the Goodling-Kildee amendment has been adopted, this amendment is not necessary.

Mr. CONDIT. Mr. Chairman, based on the compromise with the gentleman from Pennsylvania [Mr. GOODLING] and the gentleman from Michigan [Mr. KILDEE], I ask unanimous consent that I be permitted to withdraw my amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from California?

Footnotes at end of article.

There was no objection.

Mr. FORD of Michigan. Mr. Chairman, H.R. 6 is the eighth reauthorization of the Elementary and Secondary Education Act of 1965 [ESEA]. With the possible exception of the 1978 House consideration of ESEA, the number of amendments offered on the House floor to that act during consideration of past reauthorizations were far fewer than the number that have been offered to H.R. 6.

In general, the types of House floor amendments to ESEA reauthorizations in the past have been concerned with the title I/chapter 1 formula, impact aid, eliminating programs, amending specific program provisions, and, in the early 1970's, school busing for desegregation purposes.

Generally, the House floor amendments to H.R. 6 have been concerned with eliminating programs or creating new programs, and with social issues such as illegal aliens, school prayer, homosexuality, and sex education. Well over 100 amendments were in order to be offered to H.R. 6.

A more detailed analysis of past House consideration of ESEA legislation follows.

1965

With the original consideration of the Elementary and Secondary Education Act, an amendment in the nature of a substitute was adopted, along with an amendment limiting the Commissioner of Education to appointing one advisory council with 10 members.

Among the 11 amendments that were rejected, one sought to strike funding for school libraries and textbooks, another limited funding to areas serving large numbers of educationally and economically disadvantaged children, and one substituted the title "Commissar" for "Commissioner" wherever that title appeared in the bill.

1966

The next House consideration of ESEA occurred in 1966. During that consideration, 3 amendments were agreed to and 17 were rejected. The amendments which were agreed to dealt with school busing to correct racial imbalance; the Commissioner's compliance with the Civil Rights Act of 1964 regarding the withholding of funds; and allowing State educational agencies to research the first three grades of education. Most of the amendments that were rejected concerned the title I formula.

1967

During the 1967 House consideration of ESEA, a substitute and six amendments were agreed to; seven amendments were rejected. Among the amendments agreed to were several concerning desegregation and measures to strengthen State educational agencies. The House rejected amendments to block several grant programs, to provide additional funds for children of migratory children; and a teacher-intern program at universities.

1969

In 1969, a substitute amendment and an amendment which prohibited the National Advisory Council on Education from hiring its own staff were adopted; another substitute, along with four other amendments, were defeated. The House rejected amendments that prohibited Federal funds to be used in the busing of students and several impact aid amendments.

1974

The 1974 consideration of ESEA saw 11 amendments agreed to and 19 amendments defeated. The House adopted amendments which concerned involvement of private schools in Federal education programs; the title I set-aside for the territories; the prohibition of Federal funds to be used for busing; the protection of pupil and parent rights; and the requiring of the Commissioner to evaluate programs under the act. The House defeated several amendments to the title I formula, an amendment to phase out the title I program over 4 years, several impact aid amendments, two amendments concerning teacher unions and school district participation in programs, and amendments that sought to change the length of time for which the programs in ESEA were authorized.

1978

In 1978, the House agreed to 38 amendments and rejected 19. Among the amendments agreed to were amendments that addressed title I comparability; the noninstructional duties of school personnel paid with title I funds; the small State minimum for title I concentration grant funds; a new program for early childhood, family, and parenthood education; and Federal assistance to school districts with high incidents of crime to combat vandalism and crime. The House also adopted several bilingual education amendments and several amendments concerning school district compliance with Federal requirements. The House rejected amendments to terminate the followthrough and bilingual education programs; to change the threshold on title I concentration grants; and impact aid.

1981

Because the ESEA reauthorization was done as part of the Omnibus Budget Reconciliation Act, there were no floor amendments to ESEA.

1988

In 1988, the House adopted a substitute amendment and seven additional amendments; one amendment was rejected; and three amendments were offered and withdrawn. Among the amendments adopted by the house were amendments to provide grants for the improvement and expansion of critical foreign language study; to require States to include in their application for Federal assistance an assessment of the impact that the programs will have on the family; a study of the impact of the chapter 1 allocation method on States; and encouragement of school districts to recognize the contribution of teachers to the education of students; and two Indian education amendments. The House rejected an amendment to prohibit the use of funds to conduct special projects for the development or operation of programs related to youth suicide prevention or death education before the completion of a study by the Secretary to determine the effects of such curricula on students.

Mr. HOCHBRUECKNER. Mr. Chairman, I rise in strong support for H.R. 6, the Improving America's Schools Act, and specifically, title III, part F of the bill which funds the important "We the People" civic education program.

"We the People" is an outstanding program of instruction and competition in the basic principles of the U.S. Constitution. Every year, close to 1 million students in classrooms across our Nation spend months studying our Constitution and the Bill of Rights. Students work together to learn about the development and the basic principles of constitutional democracy.

After gaining a core understanding of the principles of our Government and the rights and responsibilities of citizens, classmates then compete together in the annual "We the People" National Bicentennial Competition on the Constitution and the Bill of Rights. The program culminates in a national final competition in Washington.

Importantly, the "We the People" Program is extremely cost effective. For a relatively minor investment, we are educating and empowering close to 1 million students every year to be informed citizens who are willing and able to make a positive contribution to addressing the critical issues of our Nation.

Mr. Chairman, the "We the People" Program has been a huge success in my congressional district on Long Island. I have been enormously impressed by the knowledge and enthusiasm of students participating in the program. I am pleased that the Education and Labor Committee is reauthorizing this important program.

Mr. KILDEE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PETERSON of Florida) having assumed the chair, Mr. DARDEN, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6) to extend for 6 years the authorizations of appropriations for the programs under the Elementary and Secondary Education Act of 1965, and for certain other purposes, had come to no resolution thereon.

EDUCATION AND SHARING DAY, U.S.A.

Ms. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 329) designating March 23, 1994, as "Education and Sharing Day, U.S.A.," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

Mr. GILMAN. Mr. Speaker, reserving the right to object, and I do not object, but I simply wish to inform the House the minority has no objection to the legislation now being considered.

Mr. Speaker, further reserving the right to object, I am pleased to rise in strong support of House Joint Resolution 329 designating March 23, 1994, as "Education and Sharing Day, U.S.A.," and I commend my colleagues, our distinguished minority whip, Mr. GINGRICH, and our distinguished majority leader, Mr. GEPHARDT, for introducing this measure.

Mr. Speaker, the future of our Nation, our very way of life, and our democratic system of government is dependent on a highly educated citizenry that must be fully equipped to compete with other nations of the world. We must nurture our desire for learning and to motivate students and teachers to assure that we maintain leadership to continue our American democracy.

The quality of education is essential to our American heritage of cultural and political freedom. Our schools are instrumental in providing our scientific and technical competence. Education holds the key to the future. By designating March 23, 1994, as "Education Day, U.S.A." we call the attention of the American people to the necessity of improving our educational system, by promoting good morals and ethics.

House Joint Resolution 329 also calls attention to the Lubavitch movement, which promotes many of our ethical values and principles upon which the educational system of our great Nation was founded.

Accordingly, Mr. Speaker, I urge my colleagues to join in supporting this resolution.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 329

Whereas the Congress recognizes that ethical teachings and values have played a prominent role in the foundation of civilization and in the history of our great Nation;

Whereas President William J. Clinton has indicated that ethical considerations should inform the decisions of Society;

Whereas ethical teachings and values have formed the cornerstone of society since the dawn of civilization and found expression in the Seven Noahide Laws;

Whereas sharing and education represent 2 pillars of these laws and ethical conduct;

Whereas Rabbi Menachem Mendel Schneerson, the leader of the Lubavitch movement, is revered worldwide for the contributions he has made to education and sharing;

Whereas the over 2,000 educational, social, and rehabilitative centers administered by the Lubavitch movement advance these ideals for the millions of people whom they serve each year;

Whereas Rabbi Menachem Mendel Schneerson has interpreted, in the miraculous events of our times, the increasing vitality of these ideals for the furtherance of human understanding and betterment;

Whereas the extraordinary life and work of Rabbi Menachem Mendel Schneerson have long been acknowledged by the Congress through the enactment of joint resolutions designating his birthday in each of the last 16 years as "Education and Sharing Day, U.S.C.";

Whereas the Lubavitcher Rebbe's 92nd birthday falls on March 23, 1994;

Whereas in tribute to this esteemed spiritual leader, the Lubavitcher Rebbe's birthday will be designated as "Education and Sharing Day, U.S.A.; and

Whereas such designation will signal a renewal of our Nation's commitment to greater acts of charity, to an enriched emphasis on education, and to the furtherance of ethical teachings and values in the affairs of government and in the lives of our citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 23, 1994, the 92nd birthday of the Rabbi Menachem Mendel Schneerson, leader of the worldwide Lubavitch movement, is designated as "Education and Sharing Day, U.S.A.". The President is requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SMALL FAMILY FARM WEEK

Ms. NORTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 171) to designate March 20 through March 26, 1994, as "Small Family Farm Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

Mr. GILMAN. Mr. Speaker, reserving the right to object, I would like to note the minority has no objections to the measure offered by the gentlewoman from North Carolina [Mrs. CLAYTON] and, further reserving the right to object, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON], who is the sponsor of this resolution.

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding to me.

I also want to thank my colleagues who signed on to the resolution recognizing the week of March 20 through March 26 as Small Family Farm Week.

It is a recognition that we are giving because, in fact, we are losing small family farms. We are losing the opportunity and way of life that many people have found of value, and I think those of us who are not affected by that do not know what that would mean to our society.

□ 2030

We need to be supportive of small family farms. I certainly commend my colleagues who have joined with me in supporting this resolution. And I thank the gentleman for yielding.

Mr. GILMAN. Mr. Speaker, further reserving the right to object, I commend the gentlewoman for sponsoring the bringing to the floor this resolution at this time, a resolution that I am pleased to cosponsor.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. PETERSON of Florida). Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 171

Whereas the small family farmer contributes enormously to the agricultural productivity of the United States;

Whereas the plight of the small family farmer has been in jeopardy in recent times;

Whereas many small family farms continue to operate in the face of financial and credit difficulties;

Whereas the size and crop makeup of family farms varies from region to region in the United States; and

Whereas the small family farm represents the historical foundation of American agriculture: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of March 20 through March 26, 1994, is designated as "Small Family Farm Week", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the week with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Ms. NORTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two joint resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from the District of Columbia?

There was no objection.

WOMEN OFTEN MISDIAGNOSED

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I want to bring to my colleagues' attention an article in the March 1994 edition of Lear's magazine entitled "The Most Common Misdiagnoses."

As the article points out, doctors too often misdiagnose female patients because they do not take their complaints seriously or because they don't think a disease affects women.

As the magazine points out, some of the ailments most commonly misdiagnosed in women are endometriosis, cardiovascular disease, thyroid dysfunction, interstitial cystitis, ovarian cancer, clinical depression, and lupus.

All this is no surprise to women, who historically have been slighted when it comes to health care research and treatment. Recently, we learned that the National Surgical Adjuvant Breast and Bowel Project used falsified data in critical breast cancer studies. What is worse, 3 years have passed without a published reevaluation of these findings.

Recently, women's confidence in the science behind their doctors' recommendations was shaken again when the National Cancer Institute retreated from its national mammography screening guidelines for women in their forties.

And we know in the past women were not included in Government-sponsored clinical trials or drug studies, which prompted the Congressional Caucus for Women's Issues to introduce the Women's Health Equity Act.

This blase attitude toward women's lives must change. I would like to take this opportunity to insert the Lear's article in the CONGRESSIONAL RECORD as a reminder to my colleagues that when the health care reform train leaves the station, women expect to be on it in numbers equal to men.

[From Lear's, March 1994]

THE MOST COMMON MISDIAGNOSIS

(By Peg Byron)

All too often, doctors make the wrong call on female patients. Early signs of a heart attack are written off as stress; lupus is mistaken for Lyme disease. Women need to be vigilant about these and other overlooked ailments.

Women's health is attracting some overdue attention these days, resulting in welcome policy changes. The Food and Drug Administration, as of this October, will require all mammogram providers to be certified. Last year the Centers for Disease Control expanded the definition of AIDS to include symptoms that occur only in women; this may free up public funds to help HIV-positive women. And the National Institutes of Health, after acknowledging that virtually all information about major diseases derives from studies of men, has taken steps to ensure gender equity in future research.

Nonetheless, problems persist between women and their doctors. Some physicians are still too quick to attribute women's complaints to stress or emotional disorders. "Doctors are much more willing to write off real symptoms in women as hysteria," says Marianne J. Legato, a New York internist. And certain diseases are erroneously perceived—by doctors and patients alike—as primarily affecting men, which means that women may not be tested for some obvious culprits. Below are some commonly missed ailments, most of which affect women disproportionately.

ENDOMETRIOSIS

Endometriosis, which affects more than 5 million women, is a painful, chronic disease that occurs when tissue similar to the lining in the uterus (endometrium) grows where it shouldn't—usually in the pelvic area, sometimes in the abdomen or on old surgery scars. It is now known why this happens. Until recently, the discomfort caused by endometriosis was usually attributed, incorrectly, to menstrual distress. Mary Lou Ballweg of Milwaukee founded the Endometriosis Association in 1980 after doctors could not identify the source of her pelvic-area pain. "They put me on birth control pills," she says. "Then they told me I needed a vacation." It wasn't until she did her own research that she discovered what was wrong. Endometriosis can cause infertility, ectopic pregnancy, ruptured ovarian cysts, adhesions, and general debilitation.

Symptoms: painful and heavy periods; discomfort with intercourse; fatigue; painful bowel movements. Diagnosis: Laparoscopy is needed to confirm diagnosis, though some endometrial growth can be felt with a pelvic exam. Treatment: Endometriosis is often not curable, but painful symptoms can be lessened by drug therapy or surgery. Mild cases may simply be monitored, and pregnancy may bring temporary relief of symptoms. Endometriosis usually goes away after menopause. For more information: the Endometriosis Association, 800–992–3636.

CARDIOVASCULAR DISEASE

The number one killer of women is coronary artery disease—in which plaque deposits build up on the walls of major arteries and disrupt blood flow to the heart. Stroke—in which blood flow to the brain is impaired—is number two. Together they kill nearly 350,000 women per year. But studies have shown that men are more likely than women to get proper attention in the emergency room at the first sign of trouble.

Symptoms: for heart attacks: pain for more than a couple of minutes and a tightening in the chest; shortness of breath; nausea; sweating; lightheadedness or faintness; severe pain in the jaw, neck, shoulder, or arm; severe indigestion not alleviated with an antacid. For strokes: sudden numbness; sudden dimness or loss of vision; loss of speech or trouble understanding speech; sudden severe headaches; dizziness. Diagnosis: exercise stress tests and thallium stress tests, though they are less reliable in women than in men; echocardiograms; angiograms; various imaging techniques, such as CT scans or MRIs. Treatment: coronary artery bypass surgery; angioplasty (whereby a tiny balloon is threaded through the artery and expanded to compress plaque against artery walls); drug therapy; diet changes; exercise. There are some indications that estrogen-replacement therapy reduces heart attack risk in women, but researchers have yet to prove this conclusively. For more information: local chapters of the American Heart Association; the Women's Health Information Service at the National Women's Health Network, 202–347–1140. Women with heart disease may want to enroll in the NIH's first major clinical trial to determine the effectiveness of estrogen supplements in preventing heart disease: 800–54–WOMEN.

THYROID DYSFUNCTION

The thyroid gland, located just below the larynx, regulates hormones that control digestion, heart rate, body temperature, sweat gland sends out the wrong amount of hormones, resulting in any number of different symptoms. Many of these are often blamed on stress, menopause, or even the aging process. But thyroid disease, which affects up to 11 million people, can wreak havoc on the body, eventually leading to serious or even fatal outcomes.

Symptoms: Hypothyroidism (an underactive thyroid) is characterized by chronic fatigue, muscle aches, cold intolerance, constipation, heavy periods, brittle nails, thinning hair, and elevated cholesterol. Hyperthyroidism (an overactive thyroid)can cause insomnia, lighter periods, hand tremors, rapid pulse, heat intolerance, and protruding eyes. Diagnosis: a simple blood test. Treatment: Drugs (such as radioactive iodine) and careful monitoring can, in many cases, cure all symptoms. Surgery is an option for people with enlarged thyroids. For more information: the Thyroid Foundation of America Inc., 800–832–8321; the American Thyroid Association, 800–542–6687.

INTERSTITIAL CYSTITIS

A poorly understood bladder disease that affects some 450,000 women, interstitial cystitis is an inflammation of the bladder wall. It may be caused by infection, a defect in the bladder's lining, or an autoimmune reaction. Until 1986, however, Campbell's Urology, the standard urology textbook, referred to this painful disorder as "a pathway for the discharge of unconscious hatreds." When orthopedist Vicki Ratner, in her third year of medical school, encountered the textbook description for the first time, she knew it was bunk. Suffering from what felt like a nonstop urinary tract infection, she consulted 14 doctors, who tested her for everything they could think of; some then suggested that she quit medical school and get married. After doing her own research, she diagnosed the condition. She then went on to found the Interstitial Cystitis Association.

Symptoms: pain in bladder and urethra; lower-abdominal and often vaginal pain; pain during intercourse; urgent need to urinate many times a day. Diagnosis: After ruling out infections, cancer, and other problems, the physician will perform a cystoscopy, in which a tiny scope is threaded into the bladder to view hemorrhages on the bladder wall. Treatment: There is no cure, though symptoms may be reduced with diet therapy, painkillers, anti-inflammatory drugs, and such drugs as DMSO and Elmiron. Cystoscopy, which stretches the bladder, may also being relief. Surgical removal of the bladder is only for the worst cases. For more information: the Interstitial Cystitis Association, P.O. Box 1553, Madison Square Station, New York, NY 10159.

CLINICAL DEPRESSION

Even though the crushing symptoms of clinical depression can be treated, doctors often assume "the blues" are simply part of every woman's life. "They may just write if off, and that's a tragedy," says Leah Dickstein, a professor of psychiatry at the University of Louisville in Kentucky and a past president of the American Medical Women's Association. In fact, researchers are finding that the disease is due to abnormal brain function rather than psychosocial issues. Depression affects about 11.5 million people and occurs about twice as often among women as men. Despite this, says Susan Blumenthal, an NIH psychiatrist and cofounder of the Society for the Advancement of Women's Health Research, most antidepressant drugs have been tested on men.

Symptoms: According to the National Institute of Mental Health, at least five of the following symptoms must be apparent nearly every day for at least two weeks: a depressed mood; suicidal thoughts; changes in sleep, appetite, or energy; decreased interest in sex; slowed speech; feelings of worthlessness; diminished ability to concentrate. Diagnosis: evaluation by a psychiatrist. Treatment: Most clinical depression can be effectively treated with therapy and drugs. For more information: the National Institute of Mental Health, 800-421-4211; the National Foundation for Depressive Illness, 800-248-4344.

OVARIAN CANCER

While cancer of the ovaries is relatively rare, it is often deadly, simply because early detection is so difficult. Nearly 22,000 women get the disease each year; more than 13,300 die of it annually. And like comic Gilda Radner, many women waste precious time before a doctor thinks to look for ovarian cancer. Often the disease is mistaken for an ulcer or a gallbladder problem. The earlier treatment begins, the better the chance for survival.

Symptoms: prolonged abdominal pain or bloating; the sensation that clothes are too tight. Diagnosis: Three tests—a pelvic exam, a sonogram, and the CA-125 blood test—have yet to prove effective at identifying ovarian cancer. Surgical biopsy (laparoscopic) is the only way to confirm diagnosis. Treatment: surgery to remove ovaries and any tumors; chemotherapy (including, sometimes, taxol); radiation. For more information: the Society of Gynecologic Oncologists, 401 North Michigan Avenue, Chicago, IL 60611, provides referrals to doctors and clinical trials. Women with a family history of this disease should see a genetic counselor and may want to enroll in clinical trials conducted at major medical centers to gauge the effectiveness of the above-mentioned tests.

LUPUS

Systemic lupus erythematous, commonly known as lupus, is an autoimmune disorder of unknown origin that afflicts nearly half a million women. Characterized by flare-ups and remissions, it mimics other ailments. Patients occasionally suffer extreme mood swings, and are inappropriately referred to a psychiatrist. An unusual facial rash might be misdiagnosed as rosacea. Joint pain can be mistaken for signs of Lyme disease. And persistent fatigue could erroneously suggest chronic-fatigue syndrome. If left untreated, lupus can attack major organs, especially the kidneys. It tends to appear before age 45 and is more common in African American and Hispanic women than in other groups.

Symptoms: low-grade fever, swelling and aching joints and muscles; digestive problems; easy bruising; extreme reaction to cold; pain with deep breaths; anemia; chronic fatigue; mood swings; butterfly-shaped facial rash; mouth ulcers; hair loss; occasionally, even seizures. Diagnosis: an array of blood and urine tests. Treatment: There is no cure. Drugs, regular rest, and sunscreens to prevent rashes can keep the disease in check indefinitely. Early diagnosis can improve response to treatment. For more information: the Lupus Foundation, 800-558-0121.

THE NAZI DEATH CAMPS, AND "SCHINDLER'S LIST"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN], is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, and my colleagues, I want to speak tonight briefly about an incredible motion picture, "Schindler's List." But before I do, I will ask unanimous consent to put in the RECORD an article from this week's USA Weekend. This has a multimillion circulation. It is an article by a gentleman who I think is the best movie critic in the United States, Michael Medved. He is as much a philosopher as he is a critic of films.

Michael Medved writes an article entitled, "It Is Safe To Go Back Into the Dark,"meaning the darkness of movie theaters. He said that Monday's Oscars, which start in about 24 minutes, will "showcase a welcome change at the movies, but there is a long way to go, a controversial critic argues." By Michael Medved.

Now, of course, USA Weekend calls him controversial only because I guess he believes in the Mosaic law and the ethics upon which this country was built—Jewish/Christian ethics. He goes to a synagogue and he has respect for the Christian tenets that grew out of Judaism. He is a hero to me.

I want to put this into the CONGRESSIONAL RECORD, his great article.

The article follows:

[From the USA Weekend, Mar. 18-20, 1994]

IT'S SAFE TO GO BACK IN THE DARK

(By Michael Medved)

This year on Oscar night, at all the glamorous parties around town, Hollywood really will have cause to celebrate. The major nominees for Academy Awards represent the most distinguished crop of contenders in recent memory and 1993 box-office figures reflect rekindled public enthusiasm for the American film industry. After three consecutive years of steadily shrinking attendance, the number of moviegoers increased sharply.

In part, this unmistakable improvement in the public's response to Hollywood stemmed from an industry-wide shift in the direction of family entertainment. Those millions of movie fans who'd been yearning for wholesome alternatives discovered a startling wealth of new titles that parents and children could enjoy together.

Future historians may, in fact, point to 1993 as a decisive turning point for popular culture, with significant changes in network television as well as motion pictures. The year just passed could well be remembered as the year that Hollywood finally got the message, and started to make a serious effort to reconnect with the values of ordinary Americans.

The readers of this magazine should know that they played a part in this historic process. Two years ago, USA Weekend ran early excerpts from my controversial book Hollywood vs. America as a cover story under the title "One angry critic." The editors invited readers to call in to register their agreement or disagreement with my statement: "Hollywood no longer reflects—or even respects—the values of most American families."

The volume shattered all records from the magazine's previous six years: 54,453 callers managed to get through on the jammed phone lines to register their agreement; 21,221 callers said they disagreed. The actual number of "yes" votes would have been many times higher had the lines been able to handle them all: Phone company computers registered 400,000 unsuccessful attempts to call the "yes" line.

This overwhelming reaction attracted a great deal of attention in the entertainment industry, because it corresponded so closely to accompanying evidence that people meant what they said when they expressed a preference for family-friendly material.

For a long time, the conventional wisdom in Tinseltown dictated that a movie had to include harsh language, explicit sex and vivid violence to rake in big bucks. But I proved in Hollywood vs. America that this notion had no factual basis. Comprehensive computer analysis showed that, when it came to average receipts at the box office, G- and PG-rated movies aimed at families outperformed "hard-edged" R-rated movies more than 2-to-1. Moreover, this pattern of higher average returns on movies with softer ratings repeated itself 10 years in a row, even as Hollywood steadily—and self-destructively—increased the overall percentage of R-rated material. In other words, an objective examination of the commercial track record showed that the growing obsession with sleaze and gore represented not only bad citizenship, but also bad business.

A few weeks after the release of my book, the press reported another major study that reached the same conclusions. Paul Kagan Associates, one of the industry's most respected consulting firms, declared: "Ironically, while R-rated films are less likely to score big at the box office and are less profitable than films with other ratings . . . the percentage of R-raters in the mix has increased from 50.3 percent in 1989 to 58.2 percent in 1991." In other words, the movie industry might not be evil—as many parents had come to believe—but it most certainly could be described as dysfunctional.

Before long, industry leaders began to face up to their long, awkward record of ignoring the public. On Dec. 13, 1992, The Los Angeles Times ran an article headlined "At the box office, R doesn't rate as high as PG" saying that "Hollywood is taking note of two recent studies . . . point out that PG-13 and lower ratings are more likely to turn a profit than those rated R." The story went on to note that even Eddie Murphy had agreed to restrain his penchant for salty dialogue in the upcoming Beverly Hills Cop III—which means that the irreverent young star might have to master a whole new vocabulary.

Prestige journals started reporting a sea change in Hollywood's thinking. The New York Times ran an analysis, "Hollywood testing the financial value of family values," listing an impressive array of new projects the writer called a "feel-good flood." A few months later (March 22, 1993), a Los Angeles Times story headlined "A startling new concept: family films" quoted Bruce Berman, head of worldwide distribution at Warner Bros., saying: "This resurgence of family pictures is no coincidence. We've begun to realize there's a big audience out there."

Many of his colleagues from the executive suites began making similar pronouncements. On March 9, 1993, a year after USA WEEKEND's "One angry critic" piece and the accompanying call-in, Sony/Columbia Pictures chairman Mark Canton told the leading convention of movie exhibitors: "Together . . . we can make the needed changes. If we don't, this decade will be noted in the history books as the embarrassing legacy of what began as a great art form. We will be labeled 'the decline of the empire.' . . . Any smart business person can see what we must do: make more PG-rated films."

Even Jack Valenti, an unfailingly eloquent apologist for Hollywood as head of the Motion Picture Association of America, took up the new theme. Delivering his annual "State of the Industry" address to the same gathering Canton addressed, he conceded: "We have to increase the theater audience. We just have to do it." He acknowledged that the best way to achieve that purpose would be to "start pictures with less violence, less sensuality and less raunchy language." Less than a year before, Valenti had attacked me in a magazine interview as a "singularly uninformed individual who leaps from soggy premises to stupid conclusions." Apparently, a few months' sober reflection made my premises and conclusions look a good bit less soggy and stupid, as he unmistakably echoed arguments that I had been making for a long time.

As these Hollywood honchos' statements make clear, the industry's newfound enthusiasm for family entertainment in no way represents an abrupt attack of conscience. But it does reflect a spasm of enlightened self-interest and common sense.

Pioneer movie mogul Samuel Goldwyn phrased the same common sense in memorably concise terms some 50 years ago. "It's always better to sell four tickets than two!" he repeatedly reminded his underlings—suggesting that to lure Mom, Dad and their two kids together is preferable to forcing the parents to pay a baby sitter so they can go alone.

Fortunately, this logic provided its irrefutable force at the box office in 1993. The three top money makers released last year—Jurassic Park, The Fugitive and Mrs. Doubtfire—all happened to be PG–13 movies with powerful appeal to kids as well as their parents. Although may observers thought Jurassic Park's rampaging dinosaurs were too menacing for small kids, Steven Spielberg at least deserves credit for toning down the gore and horror in the original book by Michael Crichton. By the same token, had The Fugitive appeared a few years ago, it might well have been an R-rated bloodbath full of dismemberment and crude macho language; as it was, director Andrew Davis kept faith with his broader PG–13 audience by crafting a marvelously old-fashioned thriller that kept you at the edge of your seat without trying to turn your stomach.

At the same time, some of the most serious, brilliant (and Oscar-contending) films were rated PG, including The Remains of the Day, Shadowlands and The Age of Innocence. That last title is an especially important milestone, because it is the work of Martin Scorsese, Hollywood's most acclaimed director. When this moody genius turns from Mean Streets to Clean Streets, following up the lurid Last Temptation of Christ, Goodfellas and Cape Fear with a stately, elegant adaptation of an Edith Wharton novel, you can be sure powerful changes are at work within the creative community.

Scorsese's shift illustrates one of the most positive aspects of Hollywood's new directions, which involve slight but significant changes in overall aesthetic standards, not just a commercially motivated fad for "kiddie" flicks. In the recent past, the most influential film commentators saved their most lavish praise for dark, disturbing, "cutting-edge" productions, as if we had abandoned traditional ideas of beauty and worth, accepting the ability to shock as a substitute for the old ability to uplift or inspire. This year, the movies that won the most prestigious Oscar nominations reflect a far healthier diversity—beginning with the likely winner for best picture.

The last two best picture winners, The Silence of the Lambs (1991) and Unforgiven (1992), were technically brilliant, superbly acted but spiritually empty explorations of the depths of depravity, demonstrating the seductive power of evil. Schindler's List, on the contrary, describes the seductive power of goodness. It focuses on the convincing transformation of a Nazi opportunist (Liam Neeson) into a most unlikely savior who risks everything for others. Though set in one of history's most tormented moments, it stirs the soul with hope and gratitude.

Some of the nominated female actors show an even more surprising and welcome development in this turning-point year: a new willingness to look seriously, even sympathetically, at religious faith. No issue has more clearly demonstrated the entertainment industry's unnecessary alienation of a huge segment of its potential audience than the contemptuous attitude toward traditional believers in a long series of recent (invariably money-losing) films. This year, however, Debra Winger won a nomination for best actress for her role in the exquisite Shadowlands, in which the faith of both main characters, the famed Christian scholar C.S. Lewis (Anthony Hopkins) and his late-in-life wife, Joy Gresham (Winger), is presented with tenderness and respect. And Rosie Perez is a frontrunner for the best supporting actress award for her role in the haunting Fearless, which probes questions of faith and fate with intensity and integrity.

The crowd-pleasing Rudy, the inspiring story of an undersized football wannabe who nurses impossible dreams of playing for Notre Dame, features the most affectionate characterization of a priest (played by Robert Proskey) since Bing Crosby's death. At the same time, TV's L.A. Law welcomed a "born-again" Christian character who, as played by Alexandra Powers, amazed most observers by turning out to be a beautiful, brilliant, capable idealist.

The recent changes are encouraging for many reasons, but they hardly signify the start of a messianic age. Last year helped to ease, but did not solve, Hollywood's ongoing crisis in values. In spite of all the positive developments, the industry still creates scores of exploitative, gratuitously violent films, with far too many R releases (61.2 percent of '93's total, according to MPAA figures) for an intelligent or effective mix. Even worse are the out-of-place elements that turn up even in family-oriented features, rudely shocking moviegoers. Why include a sequence showing attempted date rape in the charming Beethoven's 2nd? Why insert a scene into the handsomely crafted Iron Will (one of '94's best family films so far) in which the 17-year-old hero solves a crucial problem by threatening a rival with a gun?

These are minor quibbles, of course, but they remind us that the situation in the movie business is always fluid and unpredictable, and that the current new directions will continue only with encouragement from the public and critics.

Hollywood's recent renewal shows an aroused, engaged public can have a profound impact on the direction of show business. Two years ago, I ended my USA Weekend story by expressing my "hope that this appalling but amazing industry will regain its bearings and once again merit the affection of its audience." We all can feel gratified that recent developments have moved us closer to realizing that hope.

Mr. DORNAN. It shows the difference in 2 years, it shows the picture of the great English actor Anthony Hopkins, who has been made a peer of the realm, a lord, and it shows Lord Hopkins in March 1992, "The Silence of the Lambs." Hannibal Lector Cannibal. It shows him in his Academy-nominated performance tonight, March 1994, "Shadowlands," the story of C.S. Lewis, Christian scholar.

Mr. Speaker, I went to see "Schindler's List" about 2 weeks ago. The theater was almost empty. It was in a multiplex group of theaters.

I asked the manager why there was not a very big crowd. He said the theater had filled the first week, but that people who had an interest in the Holocaust were the ones who filled the theater. I believe it will win the Academy Award as the Best Picture tonight. That will help a little bit.

But he said he heard some people who came in to see other films say they did not want to go through the experience.

Now, you cannot make a film about the Holocaust without shocking people, without stabbing their conscience, without making them think about the history of our times. As I heard Phil Donahue say on his show the other day, he was alive while this was all going on; so was I and so were you, Mr. Speaker. It is hard to believe that these nightmares took place in the 1940's following the great world's fair in New York in 1939 and 1940.

But the reason that this brilliant—and he is still very young—director-producer, Stephen Spielberg put it in black and white was to tone down some of the blood and the horror and also to capture the starkness of World War II, which we recall in our memories as a black-and-white war because of most of the newsreels.

I would say that someone cannot lay claim to being, not an intellectual but an educated person alive today without seeing this film. It is not a movie, it is an experience, an historical experience like spending 3 hours and 15 minutes at the Holocaust Museum or as a tourist, for example, going to a beautiful Bavaria in Germany, visiting the pubs, the beer cellars in Munich, and then taking the time to go less than an hour outside of Munich to the first of all the concentration camps, Dachau, when it was run by Hess.

I took my younger son Mark—he is not so young, he is in his thirties—a few years ago to a horrible experience but a deeply moving one. We visited in Poland all of the extermination death camps; drove 40 minutes north of Warsaw to Treblinka, to Sobibor, spent the night, then went to Belzec, to Mydanyck, and then we took a short detour to a work camp called Placow. Little did I know that that would be the principal camp in "Schindler's List."

Then we went to Auschwitz, the satellite camp Birkenau, and completed the six camps designed just to exterminate millions of people up at Chelmo. It was night, the third day had gone by, and my son sat across the hood of the car and said, "Dad, look at all the stars in the sky and imagine each one of them as each one of the 6 million souls of the Jewish people whom Hitler managed to exterminate until he ran out of time." I reminded my son it was 12 million who died in the concentration camps.

I would beg anybody, I repeat, who wants to engage in serious conversation about the hate crimes arising over the world, even in our own country; you cannot discuss skinheads, the Aryan nation, Farrakhan, you cannot probably understand the whole crisis in the Middle East, the up and off and on again peace process, unless you take the time to visit the Holocaust Museum, as close to us as the Lincoln, closer than the Lincoln Memorial, right next to the Washington Monument.

□ 2040

And I would suggest that my colleagues, yes, subject themselves to the intellectual exercise of sitting there and watching "Schindler's List." Spielberg is a remarkable young man. He already has the Irving Thalberg Award for his life's work, and I will finish on this, Mr. Speaker:

He is nominated for three awards for "Jurassic Park," plain old popular, populist film. He will win two of those. He is nominated 12 times for "Schindler's List." I predict he will win 9 of those, maybe 10. To take 12, 11, even 10, but 15 nominations is incredible. See the work of this fabulous young artist, and, even if he thinks the sixties were the generation of greed, it made him a multimillionaire. So, we do not agree on politics, but I certainly agree this young man is a remarkable historian.

I say to my colleagues, "Schindler's List"; see it, and you'll be glad you did.

TAIWAN SHOULD BE ADMITTED TO THE UNITED NATIONS

The SPEAKER pro tempore (Mr. PETERSON of Florida). Under a previous order of the House, the gentleman from Ohio [Mr. BROWN] is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, as a member of the Asia and Pacific Subcommittee, I would like to offer my perspective on an issue of particular importance to the Asian Continent: U.N. membership for Taiwan.

Mr. Speaker, it makes little sense to continue to exclude Taiwan from the United Nations.

Whatever logic and whatever political rationale that formerly existed for treating Taiwan as a subset of China or as a government in exile has long since faded.

In the post-cold-war era, we must take a realistic view of the world.

We must realize that the U.N. membership includes 184 nations, and excludes only a handful of very small countries and one large one, Taiwan.

Taiwan has 21 million people, a population greater than the great majority of U.N. members. Yet we deny Taiwan membership.

Taiwan has taken a number of steps in recent years toward democracy and political reform. Indeed, in many respects we should celebrate the success story in Taiwan—particularly when we consider the difficulty in convincing the People's Republic of China of the importance of behaving as a responsible member of the world community. We simply do not have that problem with Taiwan.

There has been no martial law for 7 years, and the most recent elections were the most free in modern Taiwanese history. Yet we do not reward progress. Instead we deny them their own seat.

Taiwan is America's 6th largest trading partner; it is the 14th largest trading nation in the world.

Its foreign currency holdings are the largest in the world.

Taiwan has the 20th largest gross domestic product in the world.

Taiwan already has been admitted to GATT and APEC.

Taiwan is truly one of the strongest of the little tigers of Asia. Its economic future appears very bright.

Mr. Speaker, it simply does not make sense to exclude Taiwan from the United Nations—especially if our foreign policy is going to be increasingly interlinked with economic policy.

The United Nations, for all its faults, remains the preeminent multilateral international organization. Excluding Taiwan certainly conveys the wrong message to the world community.

I believe we should no longer deny an important global economic force representation in the most important of world forums.

We treat Taiwan as an international pariah for outdated reasons.

The geopolitical and ideological basis for our policy toward Taiwan no longer serves any useful purpose.

The reality is that Taiwan is a strong player in the world community.

That fact is indisputable.

Taiwan is an increasingly significant member of the Pacific rim community.

The 21 million residents of free and independent Taiwan must be allowed their own seat in the United Nations.

MY ADVICE TO THE PRIVILEGED ORDERS

The Speaker pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, last week Federal Reserve Chairman Alan Greenspan met with President Clinton. This is neither unusual, controversial, nor startling. It is a practice that has been common as long as I can remember as a member of the Committee on Banking, Finance and Urban Affairs for 32 years. It is proper because the American people have elected the President, and he, in turn, has chosen and selected members of the Federal Board, and it would be proper for them to review the country's economic health and financial policies. But under the secrecy role of the Fed, the newspaper, the Washington Post, as of Saturday, March 19, reports White House talk sinks bond prices, Clinton-Greenspan meeting starts rumors. Now this, of course, is also a part of what should be the oversight jurisdiction of the Committee on Banking, Finance and Urban Affairs and the reporting requirements for monetary policy legislated in the Humphrey-Hawkins Act of 1978.

The Federal Open Market Committee [FOMC], the powerful 12-member committee of the Federal Reserve that determines the Nation's monetary policy, should recognize this need for accountability to the Congress and the American public. The FOMC meets tomorrow. One of the topics committee members will reportedly discuss is how to reply to my request that the FOMC make public complete minutes of its eight annual meetings and how it should promptly disclose any decisions to raise or lower interest rates.

These reforms, contained in my legislation, H.R. 28, the Federal Reserve System Accountability Act of 1993, are not an attempt to influence or micromanage the Fed. The Fed would continue to remain independent of short-term political pressures. These reforms would simply establish individual accountability for the members of the FOMC because the Nation has the right to know what each individual member of the FOMC thinks about monetary policy. This is a basic requirement of decisionmakers in a government bureaucracy in a democracy. Supreme Court Justices publicly state their opinions—and justice is better served.

Not so the Fed. Far from making its opinions public, in 1976 the FOMC stopped releasing complete minutes of its meetings. The then Chairman of the Federal Reserve, Arthur Burns, went as far as to testify that no detailed minutes would be taken after this time. This testimony was intended to block Freedom of Information Act [FOIA] and other requests from the Congress, press and public for detailed accountability for FOMC discussions. I found out on October 26, 1993, that this statement was untrue. The Federal Reserve, in fact, has maintained a 17-year treasure trove of transcripts of its FOMC meetings.

It was not easy to elicit this admission from Federal Reserve officials. I had asked specifically in my letter of invitation that each of the Federal Reserve Bank presidents and Governors slated to appear before my committee on October 19, 1993, independently disclose what they knew about the records being kept of FOMC meetings.

My colleagues, on October 15, 4 days before they were to testify before the committee, the FOMC held one of two conference phone calls where they discussed their strategy for this upcoming hearing. On January 13, 1994, after long negotiations, my staff listened to a tape and read the transcript from this call.

During this call many of the FOMC members found out perhaps for the first time, that the Federal Reserve has maintained 17 years of transcripts dating back to 1976, the year the FOMC erroneously claimed it had stopped taking minutes of its meetings. During the conference call, participants indicated they were worried how this embarrassing information would look when seen in the harsh light of day.

The Federal Reserve staff tried to calm their fears, with one staff member indicating that the Fed planned to try to hide the existence of the 17 years of transcripts from the Banking Committee. He announced in the conference call that the "[Fed] Chairman [Alan Greenspan] is not highlighting these transcripts * * *. We're not waving red flags." Chairman Greenspan then read his prepared testimony which conveniently left out any mention of 17 years of FOMC transcripts.

During the call, some of the Fed officials despaired that they would not be able to hide the existence of the transcripts for long, and that Chairman Greenspan should offer to release them in 5 years but settle for 3 years. The general counsel of the Federal Reserve warned that in the event of FOIA requests he saw the chances of the Fed holding on to these FOMC transcripts for longer than 3 years as not good.

I urge the Federal Reserve not to stonewall and to make the full transcript of the conference call public. There is no sensitive material involved. No monetary policy was discussed, rather the discussion is centered around a plan to mislead the Congress when Federal Reserve witnesses were to appear before the Banking Committee 4 days later. As Dallas Federal Reserve Bank President Robert D. McTeer, Jr. said during the call, the Fed "had better quit stonewalling." Federal Reserve Congressional Liaison Don Winn said, "I don't have any sense that they [the Banking Committee] have any knowledge whatever of what we've been talking about."

The plan to conceal the existence of these 17 years of FOMC transcripts was actively carried out when all 16 Fed witnesses failed to reveal to the Banking Committee at the October 19, 1993, hearing that they knew about the transcripts. When asked about a permanent record of FOMC meetings by Congressman MAURICE HINCHEY of New York, Chairman Greenspan testified:

> There is no permanent electronic record, that is correct. We obviously have rough notes.

But these are verbatim transcripts, not rough notes. Chairman Greenspan deliberately shaded the truth. I pursued my inquiry and on October 26, 1993, Chairman Greenspan admitted that there were 17 years of complete FOMC transcripts. The FOMC agreed to edit them at a snail's pace and to make them public with a 5-year lag, which means we will have to wait 5 years before we can read the transcript of this week's FOMC meeting. This is wholly unacceptable. The Fed surely won't be harmed by letting the light shine in, so we can all know what it is doing, and why.

I think it is long past time for the FOMC members to change their version of accountability to one that is compatible with full accountability of government officials in a democracy. I therefore urge the Fed to comply with my requests to give the Banking Committee the FOMC transcripts, to continue the practice begun on February 4, 1994, of promptly announcing monetary policy changes, and to make the transcripts of FOMC meetings available on a timely schedule. Full accountability will enhance the credibility and stature of the Federal Reserve. It cannot afford to do less and still earn any trust from the American people whom it serves.

[From the Washington Post, Mar. 19, 1994]

WHITE HOUSE TALK SINKS BOND PRICES—CLINTON-GREENSPAN MEETING STARTS RUMORS

(By Clay Chandler)

A hastily convened meeting yesterday between President Clinton and Federal Reserve Chairman Alan Greenspan at the White House sent a shudder through the bond market and generated broad expectation that the central bank will raise short-term interest rates at a key policy meeting next week.

Clinton aides insisted there was nothing unusual about yesterday's meeting. But the fact that Greenspan canceled a long-standing speaking engagement in Houston for yesterday's one-hour audience with the president kicked Wall Street's rumor mill into overdrive.

Many market observers speculated that Clinton summoned Greenspan to the White House in a last-ditch effort to stop him from raising short-term interest rates at Tuesday's meeting of the Federal Open Market Committee, the central bank's main policy board.

Others guessed that Greenspan had initiated the meeting to warn Clinton that he planned a substantial rate increase at the FOMC meeting.

Both theories gave markets the willies. At the end of trading yesterday, the Treasury's 30-year bond had dropped 27/32 point, or $8.44 per $1,000 in face value, driving up long-term interest rates to 6.90 percent from 6.82 percent. Stocks recoiled as well early in the day, before closing higher amid heavy volume related to options trading.

The Fed last engineered a rise in short-term rates on Feb. 4, when it boosted the federal funds rate a quarter of a percentage point for the first time in five years.

Yesterday's White House meeting was "a big mistake," said Charles Leiberman, managing director at Chemical Securities Inc. He argued that Greenspan now must raise short-term rates at least a quarter of a percent at next week's FOMC meeting to maintain his credibility in financial markets. Anything less, he said, "will give the impression that Greenspan's arm can be twisted by the administration."

The White House professed surprise at the market's adverse reaction to the meeting. "This was a routine meeting between the president and the chairman," said Gene Sperling, deputy director of National Economic Council.

Clinton and Greenspan "had a wide-ranging discussion on the economy," Sperling said, but there was "no discussion whatsoever about the FOMC meeting and the chairman did not in any way signal or indicate any future Fed policies on interest rates."

Greenspan meets with Clinton every six to eight weeks to talk generally about the economy. As a rule, the White House does not publicize those meetings. Word of yesterday's meeting surfaced because Greenspan was scheduled to give a speech at a conference sponsored by the Federal Reserve Bank of Dallas, but bailed out suddenly to meet with Clinton.

The abrupt change in Greenspan's schedule, combined with the fact that the FOMC meeting is just days away, sparked the firestorm of speculation.

Some White House officials acknowledged yesterday that the timing of the meeting was ill-advised.

But members of Clinton's economic team said they didn't know Greenspan would have to cancel a speaking engagement to see the president.

White House handling of the meeting provoked the ire of many in the market yesterday. "The market is confused by actions of Greenspan and the administration," said Thomas Sowanick, chief fixed-income strategist at Merrill Lynch & Co. "It's not clear to Wall Street that the White House understands the dynamics of how the bond market works."

□ 2050

IMPORTANT ISSUES FACING AMERICA

The SPEAKER pro tempore (Mr. PETERSON). Under the Speaker's announced policy of February 11, 1994, the gentleman from Georgia [Mr. KINGSTON] is recognized for 60 minutes as the designee of the minority leader.

Mr. KINGSTON. Mr. Speaker, I certainly appreciate the opportunity to address the House tonight on a number of important issues that are facing the country today, that of defense, that of health care, that of the family and taxes and crime, and so forth.

I am going to start out by yielding the floor to the gentleman from Utah [Mr. HANSEN].

Mr. HANSEN. I appreciate my friend from Georgia yielding the floor to me.

Mr. Speaker, it has been interesting as we go through the downsizing of the military, we all realize that this is a necessary thing to do. But the question comes down to how far do we go?

We are going through a base closing. We have done a 1991 and 1993. We are looking at a 1995. We are finding out the Pentagon does not have the money to come up with the promises they made as far as defense conversion, as far as cleaning up the toxic wastes, all of the economies of the area. I do not see that money coming about as we first anticipated it would. We have a big backlog.

Having sat for 6 years on the Restoration Environment Panel of the Committee on Armed Services, I do not think there is enough money in the whole defense budget to take care of the toxic wastes we see in the various bases, but we are looking at those things. We know every time there is a debate on the floor, people stand up and say the cold war is over. Why are we spending all this money on defense?

If I may, Mr. Speaker, I would like to talk for just a moment on the history of what has happened in this country of America where we are all Pollyannas and want to believe the very best. We want to believe that all is well. Peace on Earth, goodwill toward men. No more problems for any of us.

Unfortunately, that is not what history tells us. Those who choose not to learn from history seem to relive it. That has been the case of the United States of America.

During the First World War, my father was in that one. He flew Jennies down in Texas at Kelly Field, that fine old airplane that many of us look back on and those of us who have been pilots enjoyed that very much. I remember my dad talking about how euphoric they were when the war ended, the war to end all wars, bring the doughboys home. It is all done. We have nothing more to worry about.

Then in a few short years, just a little over 20 years, here came the Second World War, and the United States was not ready to get into it, because after the First World War, we went too far too fast. We wanted to believe this Pollyanna thing that all is well. There is nothing more to worry about. Things are OK in the world today. We have brought the boys home. There is nothing more.

In the Second World War, probably one of the bitterest wars ever fought on the face of the Earth, look at all the people we lost, both in the Pacific and in Europe. Look at the terrible things of war that were created. Following that, again, the same euphoria seemed to permeate the people of America, all is well. There is nothing more to worry about.

I still remember my father saying to me, you were too young for the Second World War, you will be too old for the next one. Again we disarmed too far and too fast and found ourselves after winning that one at a point where a man by the name of Kim Sung from North Korea said to a man by the name of Stalin from Moscow that I can push the people off that peninsula in 3 weeks and the United States will not respond.

However, he read that one wrong, as we all know, and we did respond, and the Korean War started. I am a Korean War veteran myself. We got through that one. Then Vietnam, that terribly unpopular war.

After each one of those, what does the United States do? We disarm too far, too fast. And a few little ones like Panama, Grenada, Libya, and then the Persian Gulf, which was probably a textbook war, if there can be such a thing.

Now we find ourselves in the position of doing it again. I have the greatest respect for people like Chairman DELLUMS and Chairman SAM NUNN. But as I look at what we are doing now, we find ourselves, first we were looking at the force structure that Dick Chaney, Colin Powell, and George Bush worked on, which was basically a 25-percent reduction in military. Now under the Clinton administration we are seeing closer to a 40-percent reduction in military, which I personally am worried about, and I feel we find ourselves maybe in the same position.

I know the Director of the CIA, Mr. Jim Woolsey, has made a very interesting statement. He said the Soviet Union was like a great big dragon out in the jungle. And that dragon has now split apart and now we have 50 poisonous snakes.

Think about it. We do not have to be too bright to figure out there are poisonous snakes in various areas. You can read Jane's, the defense magazine, and know what is happening in Libya as far as biological and chemical, know what is happening in Iran and Iraq. We know what is happening in North Korea, and many areas. These 50 slithering poisonous snakes are all over.

Yet, at the same time, we are disarming the military so rapidly that do not we ever learn from history? Didn't we learn what happened? The First World War, the Second World War, Korea, Vietnam, one after another? Are we going to put the people of America in jeopardy again by disarming this Nation too far and too fast?

Will we ever learn from our great first President, George Washington, who made the statement, "The best way to keep the peace is be prepared for war," not overly prepared, but adequately prepared, that we can handle any contingency that may happen.

I submit to the American public that we are not there and we are going too far and we will rue the day we do that, just as we did at the First World War, the Second World War, the Korean War, the Vietnam War, and you name it. Let us be cautious as Members of Congress who are making these policy decisions. Let us be cautious that we do not disarm this military to the point we can't bring it back.

Do you realize how fast we could build P–51's, DC–3's, B–17's, and B–24's. Well, you can't do it now. There is no way we can build like we did during those times. Now we will have just what we have got, and those 50 poisonous snakes worry me, Mr. Speaker, and they should worry the American public. We should be very cautious and very prudent as we start this builddown and not go as fast as we have in the past.

I thank my friend from Georgia for yielding to me.

Mr. KINGSTON. I thank the gentleman from Utah.

I wanted to touch base on two of the things you pointed out. I have read during the course of this year "The Last Line," part II, by William Manchester, which is a biography of Winston Churchill, and the book actually took place from about 1920 to 1939.

During that period of time, of course, Churchill fell from grace in the English Parliament. Really he was one of the most hated men in England during that period of time. What he was hated about was he kept saying we are not preparing, we are disarming too fast and meanwhile, Germany, yes, Germany of all places, is rearming, and they are building, and they are getting prepared for a war. They are going to be a world power.

Nobody believed him. History shows Churchill was ridiculed, laughed at, and scorned. Yet, he stood steadfast, and because of those beliefs, he was able to become Prime Minister and lead England successfully through World War II. But he was out there crying in the wilderness alone.

Mr HANSEN. If the gentleman will yield, it is interesting to me you would bring that up, because that is another classic example in world history. When Chamberlain, the Prime Minister of England, talked to Hitler about whether or not they were going to Czechoslovakia, and Chamberlain came back and told the English people all is well, we have it worked out, he was cheered all over England.

But a voice of reason and understanding, Winston Churchill, stood up and was booed off the House floor, the House of Parliament. And yet in a short time, did Hitler live up to what he said he would do? Surely not. He walked right into Czechoslovakia, and the next thing we knew we were in it up to our ears. That man that had the courage to be the voice of reason when everyone wanted to believe differently, stood up, took the flak that he had to take, and later, as you pointed out so ably, became the Prime Minister of England and was the man who gave the inspiration to all of the world when he talked about we will fight in the streets, we will do all this type of thing.

Churchill was an amazing individual. In fact, in his last talk that he ever gave to Parliament, he stood before them and all he said is never give up. Never, never give up.

I cannot say it the way he would say it, of course, but that is a good thing for all Americans to look at also as we look at the roots that we have from England.

And I am interested in what you said about him, because he was one great leader, and probably someone we should all emulate and should think about it and cautiously think about it as we, here as Members of Congress, who are studying the policies, setting the money for what is going to happen with the defense of America, should never forget those great lessons of history from people such as him.

Mr. KINGSTON. I think the gentleman is correct. I have heard it said many times that while the United States cannot afford to be the policeman of the world, if there is to be one, let it be the United States, because we have always been a peace loving nation and have never used our military power to invade other countries, as history shows many other countries do when they have that advantage.

The gentleman from California is here and has great knowledge and expertise on military topics. If I could yield to him.

□ 2100

Mr. HUNTER. Mr. Speaker, I listened with interest to my friend from Utah, who is one of the leaders on the Armed Services Committee, because what you have said needs to be said at townhalls throughout this Nation. Instead of the news media focusing on some of the juicier aspects of Government and politics, they need to be looking very seriously at what we are doing with our defense apparatus, this dismantlement we are going through, and address it.

Let me take some of the statements that you have made and talk a little bit about some specific things.

First, the threat has changed. I think we all concur in that. The former Soviet Union is now broken down into States. The problem is that the four States of Belarus and Kazakhstan and Ukraine and Russia that came out of the Soviet Union, those four States at least retained nuclear weapons. And it is at times the ownership of the pink slip of those nuclear weapons is somewhat in doubt, and the political leadership is a very fragile political leadership in those four States. I think that those nations are understanding now, I think they have always known instinctively, but they are understanding now that the ownership of those nuclear weapons gives them prestige and gives them leverage.

In looking at the Nunn-Lugar moneys, the moneys that we have appropriated in Congress to dismantle some of those nuclear weapons, we notice that the schedules are dragging and dragging and dragging. We keep asking in Armed Services, when are they going to dismantle the nuclear weapons aimed at us? The answer is, sometime in the future. But we tend to have a few problems with moving this process down the line.

I think the delay is caused by the fact that these nations understand there is a certain prestige attached to these weapons. I think it is going to be a long time before they are dismantled. But beyond the Soviet threat, we have North Korea obtaining nuclear capability. We understand that. We also understand that there is very little we can do about it, according to our experts who say we cannot make a clean scalpel-like attack, surgical strike on the nuclear apparatus, the nuclear development apparatus of North Korea, like the Israelis made on the Iraqi nuclear reactor, because they have underground facilities. It is very complex. It is difficult to tell exactly what is going on and where. And our intelligence apparatus has not penetrated the Korean peninsula well, everyone understands that. And so we have problems with stopping this development.

When you are dealing with the brutal leadership of North Korea, we have discovered that the fine print and the excellent, eloquent statements of our diplomats have little effect on their military machine and on their nuclear development operation.

So you have nuclear weapons being acquired by an instable regime that is dependent on the personalities of a few people.

In the South China Sea, you have Communist China now claiming a great deal of territories, understanding that there is some wealth in the South China Sea, moving into the South China Sea with strength, building warship bases and warplane bases in the Sea.

In the Balkans, of course, we have the situation that most Americans who watch CNN are aware of. The Balkans continue to explode. And in the Middle East we have a continuing, dangerous situation. And overlaying all of these threats around the world, we have now a stampede among the Western nations to proliferate high technology, what is known as dual-use technology. That is machinery and technology that can be used on the domestic side to make plant and equipment for domestic manufacturing operations but also be used on the military side to build the military machines that at some point may meet young Americans on the battlefield and kill them. That is militarily critical technology, and I am reminded that when we found the skull furnaces that had been shipped by the United States to Saddam Hussein before the Iraq conflict, and we looked up the documentation that came out of our Department of Commerce, they had stamped on that documentation for these skull furnaces, which were used by Hussein in his nuclear weapons development program, very critical parts, they had stamped on those documents that they were going to be used by the Iraqi people to make prostheses for amputees.

Of course, our Department of Commerce bought that particular explanation. The point is that even with that illustration, the United States is the most conservative Nation of all the nations in the Western democracies with respect to shipping high technology to our potential adversaries.

We now have a stampede, a flood by Great Britain, by France, Germany, Japan, by many others to sell military critical technology, technology that is equivalent to selling Winchesters to the hostiles, to our adversaries. It is no longer just a thin hemorrhage around the world. It is a flood of technology.

So overlaying all these threats that we have in Korea, with respect to China, with respect to the former Soviet States, with respect to the Middle East, and with respect to what I guess you would call the usual suspects, Libya, Iraq, and others, you have overlaid on this proliferation of killing technology that is currently at flood stage.

We have a very dangerous world. And against this threat, the Clinton administration is reducing national security by $127 billion. This was last year's baseline, $127 billion below what George Bush cut out of defense of $50 billion. So this is $177 billion below what we figured in 1990, we would need for national defense.

We have cut our fighter forces 50 percent. We have cut our bomber forces by 33 percent in just a few months. We are now reducing our 600-ship Navy. It was almost 600 ships a few years ago. It is a little bit above 300, massive reductions taking place right now.

We are cashiering 600 young people a week out of the military, taking the uniform off these people, putting them back in the private sector and praying that the world is going to be stable.

I think, to the gentleman from Utah and my good friend my Georgia, I think we are approaching what George Marshall described, after World War II, when somebody said, what do you think about the demobilization, General? He said, "This is not a demobilization; it is a rout."

Of course, we know that shortly after that rout took place in the most powerful army in the history of the world, the United States military was down to such a level that when we were challenged in Korea, we were unable for many months to meet the challenge.

Mr. KINGSTON. I wanted to relate a old hunting story. We were talking about selling technologies to our suspected enemies.

There is a great and illustrative joke, the story of a hunter who was out hunting when it was cold. He found a frozen snake, and he took the snake home with him. And he heated the snake up by the fireplace and gave him a little water, fed him a mouse. And the snake, sure enough, revived and got alive again.

Then one day the man was moving the snake's water dish and the snake bit him. And the hunter said, I do not understand this. I took you in. You were fed. You were frozen. I thawed you out. I fed you, gave you water. The snake shrugged and says, you knew I was a snake.

I think that is what we forget in America. Often we think that we can kill our enemies with kindness when, in fact, you cannot reform people who do not want to be your ally. Yet time and time again, we do sell furnaces or other sort of technology to the people who will be after our very own citizens in one form or the other one day.

Mr. HUNTER. I think my friend is right. He has made a wonderful illustration with this story.

My only problem with that story is, I think it is very difficult for me to imagine how a snake shrugs.

Mr. KINGSTON. You people in California do not have very big snakes. We will get you to Georgia sometime.

Mr. HUNTER. You have those broad-shouldered snakes in Georgia.

Let me bring out one other thing that I think is important for us to remember. That is, as Leo Thorsness, who was a POW for many years in North Vietnam and a Medal of Honor winner, said, he said in areas of national defense, if you are going to make a mistake in budgeting, err on the side of strength.

And what I think the American people were so grateful for during Desert Storm was when Colin Powell said, we are going to destroy the Iraqi Army, the fourth largest military in the world, with overwhelming force.

So we met that military with overwhelming force, and we took around 100 casualties, that is KIA, killed in action, 100 casualties.

Somebody was comparing that to the number of people who were killed in drive-by shootings in Washington, DC, during the same period of time. I think there were more people killed by drive-by shootings in the drug wars in Washington, DC, than were killed during Desert Shield and Desert Storm on the battlefield in Iraq.

The reason we were able to prosecute that war and cut off Saddam Hussein before he cut the oil lifeline that the West depends on, the reason we were able to do that was because we had overwhelming strength. This was not an even match.

□ 2110

In technology and in quantity and in quality of systems, we had overwhelming strength.

We are now cutting back to where our analysts are coming in, like those from the General Accounting Office and the Budget Office, who told us the other day in the Committee on Armed Services, "We think we can win these wars on what we are going to have." I asked him, "Did you take into account casualties?" "No, we did not take into account casualties."

I just want to give two situations and ask you to compare them. At Antietam, just a few miles from here, where Robert E. Lee invaded the North during the early part of the Civil War, went across the Potomac and took on McClellan's army at Antietam Creek, the battle forces of the South and the North, considering the geographical proximity or the geographical location that Lee set up in, were fairly, fairly even. There was rough parity. The North had more people but the South had a geographical—because they sat up on a ridge near Antietam Creek, they had the edge in terrain and topography, and they were set up in a fairly strong position when the North struck them.

Because both sides were evenly matched, it was a fierce, grinding struggle. In a matter of about 10 hours, 33,000 Americans were either killed or wounded. The cornfield, if you go to Antietam Creek and you stand there and you let the ranger brief you on that battle, and you are standing there at the headquarters of Antietam battlefield, he will show you where the cornfield was, the famous cornfield which was taken and retaken by both sides, until it had switched possession six times. At the end of that carnage, you could walk all the way across the cornfield on bodies.

We took 33,000 casualties, North and South, in that battle, because there was an evenness of forces; because there was not overwhelming superiority on one side or another.

Compare that with our fight in Desert Storm, where we beat the fourth-largest army in the world and took about 100 men killed in action. The facts are that having overwhelming force is much better for your young men and women in uniform, because it protects them, it allows them to get the job done quickly without taking massive casualties, and it does not turn your operation into a long, grinding battle that wears you down and results in body bag after body bag being shipped home.

Mr. HANSEN. Will the gentleman yield on that?

Mr. HUNTER. I am happy to yield to the gentleman from Utah.

Mr. HANSEN. I think my friend from California has brought up a very interesting point, talking about the Civil War in the United States of America.

As we go back and look at the history of that, it was a grisly, mean, dirty, bloody affair, and we lost literally thousands and thousands of our people.

Now we look at the thing today, as we talked about, the kind of wars we could look at. The gentleman brought up the idea of weapon proliferation, talking about ethnic, religious wars, problems we have probably not faced at other times, and the gentleman has used a good example which I appreciate the gentleman used, what happened in Iraq.

At this point, the big, fourth-largest military might on the face of the Earth moved into Kuwait. It was a war of aggression, much like during the Second World War, when Hitler's Germany moved into Czechoslovakia, France, Scandinavian countries.

At that point people wanted to push them out. It was the anticipation, get them out of our country. They have occupied something that is not theirs.

It is interesting the gentleman brings up the Civil War, a different kind of war. In Vietnam, what did we have on our hands? We had a civil war on our hands. When you talk to people who were Vietnam veterans, they did not know who was wearing the white hat, who was the right person, a very difficult type of war to get in. Korea was another civil war. Ours was a civil war. The history of civil wars is that they are very tough to win.

Now as we look at what we may face now, these are not easy wars, and I'm not saying the Persian Gulf was easy, but we knew those people did not have their hearts in it. Look how they surrendered.

Look at the problems with Bosnia and these areas. Look at some of the problems that could come up. What you have alluded to is another one of these tough wars to fight, much more, even with the overwhelming odds because they had people fighting for God, country, and mother, so to speak. It is not one of those things where they are mercenaries.

There is another point that I believe even requires a higher degree of training, a higher degree of preparedness, than having the technology and the overwhelming odds that we have. It is a sin almost in my mind to see the technology that we have perpetuated in America, which has been the leading edge of why we have been ahead and in my opinion why the cold war ended, is the technology of America. To see that taken apart and eroded is to me one of the biggest mistakes we are seeing in America at this particular time.

Mr. KINGSTON. If the gentleman will yield, I think one of the things we are saying is that yes, it is efficient to swat a fly with a sledgehammer when you are talking about saving lives. That is how the American military has been successful throughout the years.

Mr. Speaker, we have a couple of other things we wanted to talk about, but I don't want to cut the gentleman short, but just encourage him to maybe sum up.

Mr. HUNTER. I thank the gentleman from Georgia, and I thank him for letting my friend from Utah and I talk a little bit on his time in this special order.

Let me just finish by saying this, Mr. Speaker. The airlift that we have undertaken over Bosnia has now been carried on longer than the Berlin airlift. This is another aspect of military operations and military requirements in this so-called peaceful period. We have now carried that airlift on longer than the Berlin airlift.

Our military operations over Iraq have now been carried on longer and we have had more military operations over Iraq, aircraft operations, than we had during the Iraq war, so the so-called period of peace following the war has been more stressful on our air wings than the war itself.

At the same time, Mr. Speaker, we have gone down in President Clinton's defense budget, we are cutting down on the number of new aircraft that we procure to the point where if we compare what we did in the 1980's, when we had in naval air, for example, we had about 5,500 aircraft, and that includes fixed-wing aircraft, fighters, attack planes, bombers, and it includes helicopters.

We replaced those aircraft with replacement budgets each year of in excess of 300 aircraft, or roughly about 18 to 1. That means for every 18 aircraft we had in our inventory, whether on the decks of our carriers or in our air bases, for every 18 aircraft in inventory we would buy at least 1 new aircraft every year.

We have cut back so far on replacing those aircraft, on replenishment inventories, that we are only going to replace this year at the ratio of about 1 to 100, so we are replacing them at five times lower rates than what we were replacing them during the 1980's. That means we are aging our naval air force.

That means that instead of replacing those 1965 Chevys with new models, we are going to go ahead and get along with the 1965 Chevys for a few years longer. That means that when we have that conflict that the gentleman from Utah [Mr. HANSEN] talked about, and it might be a civil war, it might be something along the lines of Desert Storm, it could be an ethnic problem, but when we have to meet that conflict, we are going to have much older aircraft than the modern aircraft that we were able to prosecute Desert Storm with.

Mr. HANSEN. I thank the gentleman from Georgia for allowing us to use a little of his time and be a voice in the wilderness in what some of us feel very strongly about.

Mr. KINGSTON. I appreciate the gentleman's leadership in defense matters.

I wanted to touch on some health care topics, and particularly, Mr. Speaker, I wanted to talk about the impact of health care on small businesses and the family. I think it is so important that we talk about the family more.

We had this great debate today on school prayer. I was glad to be here for that. It is very important. I was glad it was a healthy debate on school prayer. The central theme behind that debate was, will this make life better for our students and our families, and will we be getting back to maybe some better values as a country?

I think one of the things that we need to do in America is assess our tax system as respects the family. A statistic that I fell across the other day has just shocked me. That is that in the 1950's, the average American family paid, as part of their income, 2 percent taxes in Federal income tax, so part of the average family income, 2 percent went to Federal income taxes. Today that same average family pays 24 percent.

During that period of time, Mr. Speaker, the family time spent with each other has actually decreased about 37 percent. Now I'm not sure how that statistic actually has been studied, but I think the fact is that everyone we talk to is busy: The mom works, the dad works, they are rushing around here and there, they are trying to catch planes and go on trips and so forth.

And yet, is our quality of life any better than it used to be, are we spending more time with our children? No. If we do not spend more time with them, we do not impart our values and I am afraid if this health care plan passes with its $400 billion price tag that it will just be one more massive tax on the middle class who cannot afford it anymore.

I am very concerned that in the health care debate we are forgetting the tax formula as it hits the middle class, because if we look at it statistically, Mr. Speaker, the folks who have the traditional families as much as Hollywood and some of our pseudointellectual think-tank types hate to admit it, the traditional families have the fewer dropouts, the fewer drug problems, the fewer DUI's for their children. We need to do anything we can to promote and encourage that traditional family unit, and I think making the tax system more friendly toward them will keep families together.

I am going to also say this is not unique to the middle class. If you look at what we are doing for the folks in the lower social and economic levels particularly those who are on welfare, we are absolutely murdering them. We do not even let the dad get near the house because if we do we cut off all of the benefits, push them off the economic cliff and they cannot survive.

The gentleman from California [Mr. HUNTER].

Mr. HUNTER. I know the gentleman from North Carolina [Mr. TAYLOR], has some important comments on this so I will not take long. But the one statement the gentleman just made about the so-called Great Society and the progeny of the Great Society which are all of these programs that are supposed to help people are something I have often reflected on because as a young lawyer in San Diego County I remember going to the presiding courtroom of the superior court and the municipal court and watching fathers be sent out for trial, for criminal trial on the basis that they had been caught by a neighbor or seen by a neighbor slipping back into their own house. And that was a function of this, the great welfare system that was a function of this, the great welfare system that was built initially under Lyndon Johnson, that said that people got more money if the father was not around, and as a result of that, you had families that purposely stayed apart or gave the image of staying apart, the impression of staying apart so they could receive more money. It was human nature to do everything you could possibly do once you have been seduced by the great welfare system from Washington to accommodate that welfare system. You do everything possible to get the most money possible.

So as a result, instead of Lyndon Johnson's pride and joy, the Great Society welfare programs, bringing families together, they ended up splitting families apart because they gave them an economic incentive for the father to be gone and ultimately the father would be, if he was caught slipping back into his own house to see his own wife and children, he would be criminally prosecuted. And I have wondered often how many families were broken up permanently because they made that initial separation on the basis that they could get more sugar from Uncle Sam, more money from Uncle Sam if they would just split up. The gentleman is right on point when he mentioned that fact.

Mr. KINGSTON. I will give the gentleman a statistic that has been proven. Ninety-two percent of the children on AFDC or basically welfare do not have a father at home. Listen to this: 35 percent of the children in Washington, DC, are on AFDC, 28 percent in New York City, 24 percent in Chicago, 19½ percent in Los Angeles, and the national average is 13 percent. And that is because our tax policies and our benefit policies have attacked the family, and particularly in these cases the family in the lower socioeconomic levels.

There is a bill pending right now which I am a cosponsor of, which is a rent control bill that actually allows the father to move back into the housing project and does not kick the family out, because we have got to rebuild the family before we can get folks off welfare, and this is an issue which is bipartisan. And I am proud to say that there is so much agreement between the Democrats and Republicans on it, to me there is no reason why this should be back burner stuff. We should be debating this and moving this through the Congress before recess, because it is that important to the security of our Nation. But there is so much bipartisan agreement on it.

I know the gentleman from North Carolina [Mr. TAYLOR], wants to say a word and I am happy to yield to him.

Mr. TAYLOR of North Carolina. I appreciate the gentleman from Georgia having this special order and giving time. I was interested in his comments about small business and how the health care bill, the Clinton health care program will impact small business. I think most of us recognize that mandates that will be placed on small business, if that legislation passes, will kill a lot of small businesses. About 95 percent of the jobs in my district are tied to small business, and we feel that, in fact I have had business after business tell me they cannot sustain that kind of cost.

Now I know Mrs. Clinton said we cannot afford to be concerned about these under capitalized small businesses. I think that is the way she put it. But we have to recognize that everything from Apple Computer to Coca Cola started in someone's back yard or in their garage and became a small business. That idea was developed. As it proved to be an idea that served people, it grew into a large business, and that is how most large businesses become large, they start as small businesses, are allowed to grow and become successful and then provide more and more jobs and more and more benefits as they are able to do that. There are few businesses that start as major businesses, few companies in this country start this way.

I know the President has been in Detroit with the job summit worrying about creating more jobs and strengthening the economy. That was the base of his whole campaign. It is a worthwhile goal that many of us want to work toward. But, he has lost his compass in that direction. It is the Government that is creating the problem for small business. I cannot tell you the hours and hours I spend and the horror stories I hear of the Government, the onerous hand of Government and the damage it is doing to our small businesses, going far beyond the basic public health and safety protection, going far beyond the basic consumer protection. It reaches out, Government does, to be more and more intrusive until the point that it kills the patient altogether.

Mr. KINGSTON. If the gentleman will yield, what we are hearing from our small businesses in the first district of Georgia, if they have to pay 80 percent of the health care for their employees they will eliminate jobs starting with the part-timer, and the lower wage, which in my opinion are the people who need the work the most and need to have that opportunity, and they will raise their prices and when you draw that back one more time what will it do with the family. It will probably eliminate more, it will reduce the number of jobs available to the second wage earner and when you go to the grocery store, the restaurant, the dry cleaners, wherever, your goods and services that you purchase will be more.

Mr. TAYLOR of North Carolina. Yes. How will we have served the people in this country is they lose their job? Then they will have neither health care nor a job. And I do not see how we move people ahead with that kind of draconian action.

Mr. HUNTER. If the gentleman will yield on that point. The gentleman is one of our experts as a successful businessman, one of the real experts on the cause and effect of Government policies on business. And you know I have two cents' worth from California. The liberal leadership in the legislature in the State of California decided that they were going to do a wonderful thing for working people in California, and that was to put into place the most expansive, all encompassing Workmen's Compensation program on the face of the earth. I am talking about a Workmen's Compensation program that allows you to sue for stress and has very lenient guidelines in proving stress.

Well let us look at what happened with that Workmen's Compensation program. It passed. This was supposed to help the workers. Liberals around the world celebrated when this thing passed and as a result of that you had a steady exodus of businesses leaving the State of California, going not just to Mexico, but to Arizona, Nevada, Texas, all other States which are considered to be business-friendly, and it is my understanding that now if you rent a U-Haul going back to California, instead of leaving California, you can get a very good deal, because no businesses are coming in. And I have talked to colleagues who serve in this Chamber, who have said to me, "DUNCAN, we hate to say it, but we are on another raid in California; you have so many businesses out there to whom government has dealt a killing blow that they cannot wait to come to our States and we are going out with our chambers of commerce, our city fathers and we are going to go bring your businesses to our States. So here is an example of the welfare state attitude, the liberals in Congress doing something that they thought was good for workers, and in doing so, they deprived the workers of their most precious possession, their job."

□ 2130

Mr. KINGSTON. I want to speak on the State of California and this whole issue of really mandates on employers, because that is what we are talking about. It is not the 80/20 split. It is just one more mandate, more Government intrusion.

But there was a great movie several years ago called Billy Jack, and I have got to tell you my anecdote, but one of the lines was that Billy Jack came up to one of the bad guys and said, "You know what, Duncan," and I am going to pick on you, "I am going to put my right foot on your right cheek, and you know something else," he said, "No," he said, "there is nothing you can do about it." I will say this, having studied the fact that you all passed that work comp allowing stress, the fact that you have a 700-percent increase in claims and that your permitting process when businesses want to add on, sometimes they have to go through 25 local agencies and 35 State agencies and seeing what they have to go through, to raid California right now as an outsider, it is fruit like California oranges is ready to pick, because your business climate, in my opinion, has been ruined by Government taking fish out of the water to keep them from drowning.

Mr. HUNTER. The gentleman is exactly right.

Just one last thing with respect to regulations put together by Government, we had one company, a great aerospace company that tried, it took 3 years for them to get a permit to increase their factory size in San Diego County. They went to Arkadelphia, AR, and they got a permit to build a 500,000-square-foot manufacturing facility in 3 weeks. What they could not get in their own hometown in 3 years they were able to get in 3 weeks in another State. That is the story of big Government ruining California.

Mr. TAYLOR of North Carolina. You were mentioning California. We are happy to accept in North Carolina those companies that leave.

Mr. HUNTER. Let us not get too quick to take all of our businesses. We are going to come back. We are going to elect Republicans and they are going to slash regulations and bring businesses back to California.

Mr. TAYLOR of North Carolina. The problem is we in this body nationally are creating those same problems for every State in the Union.

Of course, in my district, I see companies going to Mexico for that reason. We lost Ball Manufacturing. It said, "We are going to Mexico. We are making it a lot cheaper." We had Eaton Corp. that announced much the same thing. We may lose a portion of our Gruber Manufacturing for the same thing. We are creating more joblessness because of these regulations.

It is not just the disparity in wages. Our workers can outproduce and take up that slack of the difference in wages, but the businesses themselves, nor the workers, can make up the difference for these onerous regulations that keep piling on and piling on. There is no way they can make up that difference in cost.

So we are losing outside the country.

I want to cite just two or three areas just to tell people what we are talking about rather than just talking in generalities.

Let us talk about the Superfund sites. Now, that is up for renewal in this legislature, in this Congress, this year. It may go over to the next Congress, but it is up this year to be renewed. It should have been named the Lawyers' Relief Act, because the study over the last 15 years shows that of the sites that were listed as critical sites to be cleaned up, only about 20 percent have been cleaned up. There are still 80 percent of the sites that were there 15 years ago.

It also showed that almost 80 percent of the funds went for lawyers' fees, did not go toward what folks would be talking about cleaning up actual chemical spills or other problems. It went for litigation, and it went into a fund, or it went into lawyers, whether they were defending, whether they were prosecuting. It was strictly a legal mechanism.

In the legislation itself which totally overlooks the ex post facto law, in my district I can tell you a story of a situation some 25 years ago. We all know batteries were being tossed in the creek or on the side of the road for people to get rid of them. We did not have a collection process. Some of the local service stations and the recycling salvage dealers there decided, let us collect these things up and send them away to be recycled. That takes them out of the creeks, that takes them out of the public for any damage they would do. They did it. They would urge people to bring old batteries to their service stations and they would come by and pick them up.

This was the best environmental move at that time. There was no law against it at that time. They would ship them to central sites, and that central site would break them down and salvage the components of the batteries that could be reused.

In the early 1980's after Superfund passed, they said, "You know, the contents of these batteries may create spills." Now, there is not a great deal of scientific evidence that this is a deadly site. It could pollute in certain circumstances. And so these areas that were used as breakdown points for those batteries were declared Superfund sites.

Now, the stations and the recycling centers in my district stopped when the law said this might be a problem.

Twenty-five years later now in my district one of the central sites, the gentleman who the site was declared a Superfund site, they first said it is an $80 million Superfund site, and so they allowed him to plead to a $15,000 fine if he would list the names of all the people that had sent in batteries over the last 25 years.

Now small dealers, small salvage companies have fines on them anywhere from $200 to a million and a quarter dollars for doing what was legal at the time they did it, for doing what was best for the environment at the time they did it and totally disregarding the ex post factor protections in our Constitution, and these people are now facing, small family companies, small businesses, are facing total ruin for doing what was best at the time and totally legal at the time.

Now, when Government can reach out and do that, think of the chilling effect it puts on any business to make any positive move or to try to do anything in the area of business.

In the area of pesticides, we had in the late 1950's a bill passed in this Congress, and I think it was 1957, called the Delaney clause. It said that any technical amount of a carcinogen found on a fruit would render that fruit out of the market. It would have to be destroyed and could not be sold in the market.

At that time the detection had large amounts of pesticides were all that could be detected, and you could not detect small amounts. Today you can detect up to 1 quadrillionth of an amount.

There is more of the same chemical in the skin of the fruit than there is pesticide that might be detected on the fruit. And yet now we have the Delaney clause holding up in my district, and it happens to be a fungicide, there is a question whether or not it is a carcinogen, but without the use of it, our Red Delicious apple trees are dying, 60 percent of the crop.

Most of our small farmers will be wiped out unless something is done. The FDA and the EPA, sitting in my office, both say this is not a public health and safety question. They recognize there is more danger, if there is danger at all, in the skin of the fruit than there is on the pesticide. And yet this onerous bureaucratic regulation is there now going to destroy thousands of our farmers and take out of circulation a very valuable commodity, I think, for the American people, if you follow the old adage that an apple a day keeps the doctor away. We are not going to be having many Red Delicious coming out if we do not do something about the Delaney clause.

Here again, it is one of a long list of ways that we have piled on regulations. It seems to operate along the candy theory. You know, if a piece of candy is good, a pound will be better, and a ton will be wonderful. We all know that a piece may be good, a pound will make you sick, and a ton will kill you, and that is what happens with the regulations. Jefferson said that Government is best that governs least, not that it does not govern at all.

There are needs in our product safety and our food laws and other areas for certain regulations, but as they continue to spread and become counterproductive, it kills our small businesses, and that is what is happening.

I think both of you gentlemen are on a piece of legislation that we have that would require regulations that are promulgated after a bill is passed to come back to Congress for those regulations to be approved by the Congress before they go out to the public.

We had 70,000 pages of those regulations come out of this body last year that small business is now having to live under and having to try to survive under, and I cannot imagine that anyone in this body, nor anyone with a small business, nor anyone else out there, knows what those 70,000 pages of regulations say.

I was on the plane coming in this morning, and two lawyers were going to the regulators today, because they said the regulators did not even know; that the numbers of regulations had so surpassed them they did not even know what the regulations were anymore, and here lawyers were having to go down, and they will be sitting there talking about what is coming out in such abundance that they cannot be kept up with.

Mr. KINGSTON. On the subject of regulation and Government overkill, I understand right now the average family pays about $4,000 a year more in all total goods and services purchased simply because of the additional cost of regulation, anywhere from, you know, filling out forms to putting in new guardrails on machinery. Some of it is good. Some of it is simply overkill and bureaucracy.

One of the things in the health care bill that people need to know about in this 1,342-page document is that if you have a friend who is a physician and you go straight to that physician because, say, they are in the same Sunday school class or kindergarten, you know the physician, and you say, "Tell me, Johnny has got a little sore throat. What can you do about it?"

☐ 2140

And right now this situation happens all over America. The physician says, "Look, here is a prescription. Go get it," or, "I have some stuff in my office. Have him take 2 or 3 of these and it will be OK." Now, that becomes a Federal law under this new health care program. That leaves you subject to a fine of up to $10,000. That is an example of more regulation, more Government coming into your life and destroying, once again, the family because the bureaucracy is now in the formula. The bureaucracy has now entered this kindergarten, and the bureaucracy is standing between little Johnny and that friendly doctor.

Mr. Speaker, I yield to the gentleman from California.

Mr. HUNTER. Mr. Speaker, I want to thank the gentleman from Georgia

[Mr. KINGSTON] for having this special order and talking about this threat. I think the health care bill that is before us represents a struggle between Government and freedom. I hope Government does not win this struggle, because I think that the health care bill is going to produce more $300 ashtrays—remember the $300 ashtray that the Defense Department produced; and the $600 hammer—they are going to produce more of those, more $300 health care ashtrays and hammers than the Defense Department ever thought of. We will end up with high-priced medicine. We will end up with very high-priced medicine. I think we will end up a lot like the Canadians. The Canadian system was ballyhooed for months in this Chamber by many Members of the House. They have kind of quieted down now because over December the biggest hospital in Ontario had to shut down because they ran out of money. I think that is the trademark of socialist system, they find out in the end people who do not care, Government bureaucrats, will never be able to produce systems as efficiently as people who do care, free individuals.

Mr. TAYLOR of North Carolina. In a health care forum I had a nurse from Canada stand up and testify as to how horrible the system was, how that she could not stand the fact that they could not take care of patients, could not apply medicine as she had been taught, they did not have the resources to do it. They had to watch people wait and die, in many cases, because of the rash nature of that system.

The gentleman said it—I think both the gentleman from California [Mr. HUNTER] and from Georgia [Mr. KINGSTON] have hit the right thing. The McDermott, the Clinton, the Cooper bill, are all bills that believe that more Government, more of your tax money, more regulations, will do for health care a better system that what we have and an improved system in the world. On the other hand, there are those of us who recognize that there are problems in our health care system.

MOST-FAVORED-NATION STATUS FOR CHINA SHOULD BE DENIED

The SPEAKER pro tempore (Mr. PETERSON of Florida). Under the Speaker's announced policy of February 11, 1994, the gentlewoman from California [Ms. PELOSI] is recognized for 60 minutes as the designee of the majority leader.

Ms. PELOSI. Mr. Speaker, I rise today to discuss with my colleagues the subject of China.

As you know, recently Secretary Christopher made a trip there. I want to rise in support of the actions that he took on that trip. He very forthrightly presented the Clinton administration proposal. He delivered to the leadership in Beijing a letter, signed by 275 of our colleagues, which showed support for the Clinton administration Executive order basing renewal of most-favored-nation status on improvement of human rights in China.

This is an issue that has been before this Congress for a number of years. Last year we were poised to send a piece of legislation to the President of the United States. Instead, the President suggested an Executive order which, though our concerns include the trade imbalance with China, the proliferation and human rights issues, in the Executive order the President said that he would deal with proliferation and trade under the laws that we had in existence and that he would condition the renewal of MFN on the reasonable and achievable conditions contained in that Executive order.

Secretary Christopher brought that message to China. He had the support of the Members of this House of Representatives in doing so.

Tonight some of my colleagues have gathered here to talk about the trip, talk about the Executive order, and to talk about issues of our concern in our relationship with China.

My colleague, the gentleman from Massachusetts [Mr. MARKEY] has been patiently waiting. I know he is going to quickly take the floor to address the House on this issue of Secretary Christopher's trip.

Mr. Speaker, he has been a leader in the House of Representatives on many issues. A subject of particular concern to him where he has educated Members is on the issue of proliferation. As you know, Mr. Speaker, the Clinton administration has issued sanctions against China for the proliferation of weapons. Let me be very specific: The delivery systems to Pakistan. This is a very dangerous action on the part of the Chinese.

Mr. Speaker, at this time I am pleased to yield to the gentleman from Massachusetts, who, as I mentioned, has been a leader on this issue.

Mr. MARKEY. I thank the gentlewoman for having this special order, and I thank her for conducting it tonight. I again compliment her for her nationally and internationally recognized leadership on the subject of human rights in China.

You know, one of the problems that historically has been the issue of our relationship not only with China but also with the former Warsaw-bloc countries is that while we raise and sanctify a certain set of issues, human rights, and nonproliferation of weapons, as the ultimate primary objectives of our foreign policy, the truth of the matter is that we have always allowed those objectives to be subordinated to the short-term political or diplomatic agenda of a particular President or Secretary of State or Secretary of Defense.

Now, finally, Warren Christopher has made the decision that he will stand up on human rights, he will deal with the Chinese in a way which presents the American perspective on the subject.

And what do we hear from critics? We hear that it could jeopardize trade with China, it could jeopardize the economic or political short-term interests that we have with this country, and we, as a result, should be more careful, and the Secretary should be more careful if in fact the United States is not going to stand up for those principles which they believe in.

My belief is that the Secretary should be complimented, that rather than being undermined, he should be praised.

Just in the last week, we have learned that the Chinese have exported, just in the past year, 1 million semiautomatic military-style rifles into the United States. On average, they are selling on the streets of America for $100 to $130 apiece. So the very same Chinese Government which proliferates nuclear materials around the globe, which still engages in human rights abuses domestically within their own country, now we find that in addition to being the butchers of Beijing, they also are, in fact, leading a butchery on the streets of America; 1 million semiautomatic rifles, a very slight but important loophole constructed in a 1989 regulation set by the Alcohol, Tobacco, and Firearms Agency, which the Chinese Government is exploiting.

Now listen to this.

□ 2150

Who is running this trade into our country?

Interesting. It happens to be the Chinese secret service and the Chinese Army.

Where do the revenues for the sales go?

They go back to the Chinese secret service and to the Chinese Army for their use.

Now what a circle being constructed by these butchers of Beijing that now infects our society with 1 million assault weapons, and unless we close this loophole, by the way, we will see a proliferation of these weapons on the streets of our country.

My feeling is that we have to be honest with the Chinese, and we also have to be willing to walk away from some potential economic or political short-term benefits if, in fact, human rights and nuclear and conventional weapons proliferation is more important to our country, and I think that Warren Christopher is a good man who took American values and presented them to the Chinese Government in an honest way, and he needs to be praised, and I think that the Chinese Government should understand that to a very large extent the gentlewoman from California [Ms. PELOSI] holds the balance of power in her hands with regard to how we are going to be handling our economic relationship with them over the next several years and that they should listen very carefully to her and to Warren Christopher as they tell that Government how important human rights and respect for human dignity is to the people of the United States of America.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MARKEY] for his remarks. Certainly the dangers that he described in the export of these slightly modified AK-47 rifles poses a danger on the streets of America in addition to the danger from the proliferation of weapons worldwide. Our policy should be to make the trade fairer, the world safer, and the people freer. And so in terms of what he had to say about my role in all of this, Mr. Speaker, it is not my role. I have a great interest in it, but Congress, especially this House of Representatives, has been a bulwark of support for promoting democratic values, American values, but they are international values, not just American. And some of the issues that have built the coalition in this Congress are issues of proliferation, the issue of trade violations and the issue of human rights.

I am now pleased to yield to the gentleman from New York [Mr. GILMAN] who is the Chair of the Tibetan Caucus in the House of Representatives. This is an issue of concern to many people in the House and Senate, and I thank him for his leadership on it and human rights, not only in China and Tibet, but throughout the world. So, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman from California [Ms. PELOSI] for yielding to me, and I want to thank the gentlewoman for arranging this special order tonight. I commend her for her dedicated leadership on the issue of human rights in China and occupied Tibet.

Mr. Speaker, the New York Times ran a front page article today entitled, "Beijing Says It Could Live Well Even If U.S. Trade Was Cut Off." That article states that Communist China's Foreign Minister said this weekend that the importance of China's trade with the United States has been overstated, and that China was prepared to return to the cold war status of no trade relations with Washington if the dispute over China's human rights record could not be resolved. Mr. Speaker, if the Chinese Government does not make significant progress in human rights as defined by President Clinton's Executive order, then the Foreign Minister will have an opportunity to prove his point. Candidate Clinton took a very strong opposition against President Bush on this issue. As one of the many Republicans who did not support the former administration on MFN, I want this administration to know that many of us in the Congress will be very closely monitoring President Clinton's action on this issue.

It is difficult to perceive how the Chinese Government could be extended MFN again in June. If we look at only one of the previously adopted conditions, religious freedom for example, laid down in the administration's Executive order, it becomes apparent that the Clinton administration will have to be highly imaginative in certifying any progress in that area.

Religious worshipers in China and Tibet continue to suffer from government-sponsored persecution. In early February, China took its first reported action to enforce new rules aimed at stopping activities by foreign missionaries. It expelled seven overseas evangelists from Henan Province. Late last year, relatives of Bishop Stephen Liu Difen—after being summoned to pick up their uncle—found him lying unconscious in a hospital, where he died 3 days later. When they dressed his remains for burial, they were horrified to discover puncture wounds all over his body. Last year Bishop Joseph Fan of Hubei also died while incommunicado in administrative detention, and showed bruises on his body and injury to his legs.

Just a little over 1 month ago, Chinese authorities arrested three Catholic bishops, seven underground Catholic priests and seven evangelical house-church preachers. At least six of them have been sentenced to "reform through labor" for between 1 and 3 years, and at least five of these six sentences were handed down administratively—i.e., without trial or other due process guarantees. And, Christian Solidarity International reported last month that one of their pastors was recently killed by authorities in Hubei Province.

In Tibet, on February 12, nuns, including a 15-year-old girl, were given sentences of up to 7 years in prison for demonstrating in June 1993. In addition, in late February, the sentences of 14 other nuns who were already in prison were doubled and tripled for singing pro-independence songs in prisons.

Accordingly, Mr. Speaker, under these tyrannical conditions, if the Chinese Foreign Minister believes he can live without us, I believe the feeling in this Congress is mutual.

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for his very eloquent remarks and putting in perspective what the Chinese have at stake here. I think that the references that the gentleman has made to religious persecution are very important. They are important to the American people, and the list, as the gentleman knows, goes on and on both in China and in Tibet, and it is for that reason, and that is just one of the reasons, that we have very serious concerns about China making overall significant progress in meeting the conditions of MFN in an executive order relating to the Uniform Declaration of Human Rights.

Mr. Speaker, what we are asking China to do is almost everything is something they are a party to already. They were founders of the United Nations. They signed the Declaration of Human Rights, and it is that Declaration of Human Rights that we are asking them to respect. Their Constitution even guarantees some rights to their people, and it is that Constitution that we are asking them to respect in regard to accounting for prisoners arrested for speaking out peacefully at the time of Tiananmen Square and Democracy Wall.

I next, Mr. Speaker, will yield to the gentleman from North Carolina [Mr. ROSE]. He has been a relentless advocate in the Congress on the issue of Tibet. He has a personal friendship because of his leadership with His Holiness, the Dalai Lama, and he has educated the Members of this body and the country on what is happening there, and how we can ignore it I do not know. But suffice to say that His Holiness recognizes both the role of the gentleman from New York [Mr. GILMAN] and the gentleman from North Carolina [Mr. ROSE], and I hope that the American people will become more aware of the terrible tragedy that is Tibet and the opportunity that this executive order presents for improving that unfortunate situation.

So, with that, Mr. Speaker, I yield with great respect and admiration to the gentleman from North Carolina [Mr. ROSE].

□ 2200

Mr. ROSE. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I want to join my colleague from California to commend the current administration and Secretary of State Warren Christopher for their firm and clear stand on human rights in China and Tibet. I will put the remainder of my comments in the RECORD.

But I want to make a few comments about the things that the gentlewoman from California [Ms. PELOSI] said, along with many of her colleagues and my friend BEN GILMAN, who came here many years ago with me in the 93d Congress and who shares with me our concern about human rights in Tibet, and share an article recently in the Los Angeles Times by Mr. Fang Lizhi, the very prominent dissident that, after the Tiananmen Square massacre on June 4, 1989, took asylum in the embassy in Beijing and stayed there until the summer of 1990.

In this March 16 article in the L.A. Times, it says:

> As much as President Clinton may want to satisfy American businessmen and create jobs in a time of fledgling economic recovery, it would be shortsighted to sell East Asia down the tube in the bargain.

I am very optimistic about what I think the President is going to do. I really believe from conversations that I have had with him last week, and he did not tell me directly what he was going to do, with members of his Cabinet who feel very close to him, I believe our President is going to deny MFN status to China. Here we stand several months before that final decision, but I firmly believe if the decision were today, he would say no to a continuation of MFN.

When I go to Russia, my colleagues in the Russian Parliament say to me, "America preaches to us that we must have institutions of self-government in Russia before we can truly understand and learn the capitalist system." They say to me, "Why don't you say that to the Chinese? Why is it that you participate in vigorous trade with China, when they have the kind of dictatorship that they do in that country and not even the hint of Democratic self-government?"

It would be nice if I had a straight answer to give my friends in Russia, but the simple truth is that we are hypocrites. We see a market to exploit, American business sees opportunities to make a great deal of money with both an expanding market and with cheap labor, and the principles of Jefferson and Madison go out the window.

But the business community says to those of us who feel this way, that China is not deserving of MFN, why not do business with a country that needs our help and that needs us to buy things from them and to sell us things?

MFN is a gift from this country. It is a very special relationship with a nation that was founded over 200 years ago on the basic premise that our reason for being was to preserve freedom and liberty in a world that had little knowledge of freedom and liberty.

To me, standing up for human rights as a precondition to granting MFN to any country in the world is purely and simply a matter of being true to our roots, true to our heritage.

There is no other country on the face of this planet that has the same heritage about freedom and liberty that we have. When Lafayette went back to France after the revolution, he said to the world in a speech, "Liberty and freedom have found a home, and it is in America." And if Bill Clinton denies MFN, as I believe and hope that he will, in the absence of substantial progress in both Tibet and China in the area of MFN, Bill Clinton will be following the true course that this nation has always taken.

The Dalai Lama says that he is a simple monk, that he comes to us in American and asks that we understand the plight of Tibetans. I have said that this man has asked us to shine the light of freedom in his country of Tibet, and for us to stand up for our heritage.

Mr. Speaker and my colleague from New York, Mr. GILMAN, and my colleague from California, Ms. PELOSI, who believe as I do that human rights and America standing true and tall for tits heritage, are more important than making money off the backs of cheap worker labor. I thank you for this special order.

The gentlewoman from California [Mr. PELOSI], who has gone to the well time and time again, has gone to the President personally time and time again, who has gone to Cabinet members, friends that she has known for years time and time again when being social and nice, would be more pleasant, but who has spent her political capital on saying to the world, human rights in China must come before big business concerns. My hat is off to you, Ms. PELOSI. You are a beacon of honor, of dignity, of freedom and liberty for all of us to admire.

So Mr. GILMAN and I and you as well may have known His Holiness the Dalai Lama for many years, but I want to salute you tonight for your tireless effort in behalf of freedom and justice in China. I thank you for yielding me this time.

Mr. Speaker, I am happy to join my colleague from California to commend the current administration and Secretary of State Warren Christopher for their firm and clear stand on human rights in China and Tibet.

Since the 1987 massacre of Tibetan demonstrators by Chinese occupation forces in Lhasa, Tibet, the United States policy of constructive engagement through trade has not yielded even the slightest improvement of human rights conditions in China or Tibet. United States business interests were the prime reason for not imposing MFN sanctions in 1987; as they were after the 1988 killing of scores of Buddhist protesters in Tibet's holiest shrine and the 1989 Tiananmen Square massacre in which thousands of people were brutally destroyed by the so-called enlightened, modernizing, and trade-oriented leadership in Beijing.

Under the cover of constructive engagement with Beijing, many U.S. corporations collude with a Communist tyranny to exploit a workforce that lives without freedom, without a voice and without mercy. In the absence of decisive action to advance the cause of democracy in China, our investments only serve to bolster a regime that is in direct contradiction to the funding principles of our Nation.

My message today is that it is not President Clinton not is it Secretary of State Warren Christopher that deserve to be scorned. The Administration and many of us here in Congress wish to end tyranny; not to make excuses for Beijing or to ignore injustice. Those parties that deserve our condemnation are the Chinese Government which grossly abuses even the most fundamental human rights and those United States businesses entities which neglect human rights in their blind and unprincipled pursuit of the dollar.

Individuals who press for delinking MFN and human rights offer no real alternatives to bring about positive change in China. Since the 1987 massacre of peaceful Tibetan demonstrators, many United States business interests and their allies in Washington and Beijing have engineered a United States Government policy that has placed trade over human rights. For 7 years, this approach has failed. It is time to change our course of action with the Chinese Government. The future of Asia and the trade of the United States should be inextricably linked to the nurturing and development of human rights and democracy.

I fully support the decision by this Congress and by President Clinton to link China's MFN-trading status with substantial progress in human rights in China and Tibet. I commend the President for his faithful implementation of this policy and for the administration's strong stance with Beijing. Should June come without substantial human rights progress in China and without actions to preserve the culture of Tibet, I will support the President in his decision to revoke Beijing's preferential trade status.

[From the New York Times, Mar. 16, 1994]

STANDING UP TO CHINA

When dealing with China, it sometimes helps to see matters through Chinese eyes. As Beijing views it, a great power must always insist on being treated with due respect. To behave otherwise is to acknowledge inferiority and therefore to forfeit influence.

During Secretary of State Christopher's weekend visit to Beijing, Chinese leaders aggressively asserted what they see as the prerogatives of China. They deliberately humiliated America's highest-ranking diplomat by temporarily rounding up some of the country's most prominent dissidents, and by detaining several Western correspondents trying to report on the crackdown.

The purpose of the roundup was to prevent Mr. Christopher from hearing any independent views on the human rights issues he is required to evaluate before making a recommendation by June on renewing China's access to the most favorable American tariff schedules.

For the sake of a healthy U.S.-China relationship, Washington is now obliged to respond with equal firmness. To kowtow to Chinese bullying would be to repeat the mistakes of the Bush Administration, which squandered American influence by its consistent refusal to press human rights issues. That was what first provoked Congress to force annual showdowns over linking continuation of China's trade privileges to progress on human rights.

The Clinton Administration needs instead to be forthright about its continued determination to insist on human rights progress. It especially needs to dispel China's impression that it can exploit differences between various policy makers in the Administration, Congress and the business community. Such miscalculation can only increase the likelihood of a rupture both sides would prefer to avoid.

China, despite its pose of cool indifference, desperately needs the $20 billion hard currency surplus it earns from its trade with the U.S. to carry on with its ambitious economic development plans. And U.S. business frankly wants to maintain access to one of the world's largest and fastest-growing economies. For their part, human rights advocates recognize that China's continued economic growth and openness contribute to domestic pressures for more responsive, less dictatorial government.

Even so, the Clinton Administration has a clear right under international law, and an obligation under U.S. law, to link China's trade status to minimum human rights goals. The Administration has demanded nothing unreasonable or demeaning, for the most part asking only compliance with international agreements to which China already subscribes. Washington seeks an end to the export of goods produced by slave labor, freer emigration for relatives of exiles and detainees, humane and lawful treatment of prisoners, and respect for the cultural traditions of Tibet. On most of these issues it has not set rigid benchmarks but is looking for "overall significant progress."

The Administration can use the remaining two and a half months provided by last year's executive order to give China the greatest possible incentive to demonstrate progress. But Mr. Clinton must make clear that if Beijing continues to try to blow past the whole issue with deliberate human rights provocations, it will be making a very big mistake.

[From the Los Angeles Times, Mar. 16, 1994]

CALLING BEIJING'S BLUFF: PUT UNIVERSAL VALUES AHEAD OF TRADE

(By Fang Lizhi)

China's leaders have slammed the door from the inside and, unless the United States responds now with the revocation of most-favored-nation trade status, Beijing will see the United States as the "paper tiger" that Mao always said it was.

Failure to react to China's intransigence on human rights will show to the East what the failure to act in Bosnia has meant elsewhere. When push comes to shove, the West does not have the will to stand up for the values it purports to stand for.

That perception will be dangerous in the long run. Feeling free to flout human rights, develop its military might and sell weapons to the world in any way it sees fit, an economically powerful China will then pose a threat to the stability of all of East Asia.

By detaining and harassing dissidents on the eve of the visit by Secretary of State Warren Christopher, whose very purpose was to discuss human rights, China's rulers were trying to show their strength and demonstrate that they will not be bullied by the West. They were trying to show that they will not blithely surrender to a new hierarchy of the world order with the United States on top. When Chinese leaders ignored a U.S. plea several months ago not to test a nuclear device, thus upsetting a worldwide moratorium on testing, they were putting the United States itself to a test of wills.

Their affront to Secretary Christopher in recent days was another test of that sort, which they think they can get away with because of President Clinton's political troubles over the Whitewater scandal. China's rulers are banking on Clinton's perceived political weakness and America's commercial interests in trade with China to win their bluff.

Already, the argument is common in business circles that China is "different" from the West because of its Confucian culture and thus should not be subject to the same human-rights standards as the rest of the world. Well, Taiwan is a Confucian society and its human-rights record is far better than Beijing's.

The truth is that China's leaders, starting with Deng Xiao Ping, are more Leninist than Confucian. Their power is based not on learned authority or respect for elders, but on the brutal ideology of one-party rule.

No matter how open the market has become, China's communist rulers have not departed one iota from this principle. They fully understand that to allow the kind of freedom implied by the American pressure for human rights is a direct threat to their hold on power.

The other common argument against revoking MFN status for human-rights reasons is that greater trade with the United States will bring a more generalized prosperity to China and that, in turn, will be the basis for more widespread democratic practices. Here we need only remind ourselves that, in addition to the Leninist element, China's rulers are also invoking nationalism to protect themselves. And, as Japan and Germany bloodily illustrated in this century, nationalism plus economic might without human rights is not the road to democracy; it is the road to fascism.

Former President Richard M. Nixon has often said that good relations must be maintained with China because the West can be better heard talking quietly inside Zhongnanghai (the compound near the Forbidden City where China's leaders live and work) than shouting from beyond the Great Wall. That may have worked at some point in the past, and it may be true at some point in the future.

For now, though, China's leaders aren't listening to voices from either location. The best way to get them to listen is to revoke MFN status while maintaining diplomatic relations so that channels of communication remain open. We must remember that MFN status did not precede diplomatic relations. It was the other way around. First, Nixon met with Mao in the early 1970s; then, later on, MFN status was bestowed.

In the end, China will recognize its own interests and return to the table. To maintain MFN relations with China under the current circumstances is tantamount to letting up on the pressure. If that pressure is gone, China's leaders will do anything. Harassment of dissidents will be the least of their crimes.

From my perspective, the current confrontation between the United States and China is akin to the Cuban missile crisis during the Cold War. If the United States had not forced the Soviet Union to back down in Cuba, global stability would have been threatened. If the world wants stability in East Asia over the longer term, as that region becomes an economic powerhouse, China's bluff must be called today.

As much as President Clinton may want to satisfy America's businessmen and create jobs in a time of fledgling economic recovery, it would be shortsighted to sell East Asia down the tube in the bargain. What is at stake today is the future stability of East Asia and the credibility of the West in defending the values that are the essence of its leadership role on the world stage.

Ms. PELOSI. I thank the gentleman for his very important remarks and kind remarks at the end. I accept any compliments from my colleagues on this issue on behalf of the congressional working group on China, of which my colleagues are members, and for the hard work that has been done, both Member to Member here and in working with some of the outside groups and in helping to get some people free who are in China.

One of the ones that Mr. ROSE mentioned, Fang Lizhi, is a great leader for democratic principles in the world. Working in this House of Representatives, I have the honor, as you do, Mr. Speaker, of being a colleague to many great people who care very much about our country and its values and its principles and its well-being. Sometimes on issues we have the opportunity to work with exceptional people in history even outside of this great body.

I must say, and I think my colleagues would share the view, that one of the great rewards of this effort that we have made is that we have been able to work with people who are colleagues not to us, but to our Founding Fathers, who with great courage have spoken out for democracy in their oppressive country and at risk to their personal security and in some cases to that of their families.

One such individual is Fang Lizhi. Mr. ROSE mentioned him in his remarks. He cited a recent op-ed that Prof. Fang Lizhi had in the Los Angeles Times. I would like to read from another part of his statement.

To reiterate, as Mr. ROSE said, Dr. Fang Lizhi is an astrophysicist who was in China. He and his wife were great leaders in the pro-democracy movement. At the time of Tiananmen Square they were sought by the Chinese authorities. They fled to the American Embassy where they received refuge. They remained there for over 1 year and then were expelled from the country. But through the good offices of the American Embassy, they were able to safely come to the United States.

Doctor Fang Lizhi is an astrophysicist, a highly regarded scientist. But in addition to that, he has advanced the cause of democracy, pro-democratic principles in China.

In his article he says, giving some advice, Prof. Fang Lizhi has taken the long view on the China issue, as I am sure President Clinton will do. In his article he said the Chinese do not think that we will live up to our values. Paper tiger, that is what Mao Tse-tung called us, and after Tiananmen Square, the butchers of Beijing referred to us again. They said we will not do anything. They are driven by money and they are a paper tiger when they want to talk about values and democratic ideals.

I quote Prof. Fang Lizhi when he says that perception will be dangerous in the long run. Feeling free to flout human rights, develop its military might and sell weapons to the world in any way they see fit, an economically powerful China will then pose a threat to the stability of East Asia, as Mr. ROSE mentioned.

□ 2210

It goes on to say:

> Although the argument in business circles is that China is different from the West because of its Confucian culture and thus should not be subjected to the same human rights standards of the rest of the world, the truth is that China's leaders, starting with Deng Xiaoping, are more Leninist than Con-

> fucian. Their power is based not on learned authority or respect for elders but on the brutal ideology of one-party rule. China's present leadership is a corrupt remnant left over from communism.

Mr. Speaker, it is a very interesting article, and I will read more from it in the days ahead.

I would also like to point out that I believe one of our colleagues has sent that out as a "Dear Colleague." Our colleagues should be aware of it. That is what Dr. Fang Lizhi says.

I would like to quote, because so much has been said about what the business community thinks about this issue and how the business community treated Secretary Christopher in Beijing. Frankly, I thought that the Chinese discourtesies to Secretary Christopher were appalling, but they were not surprising. It is a regular routine of the Chinese to be harsh in the beginning, mellow out a bit and then make sure that some communication takes place. Because, indeed, as Mr. GILMAN said, they do need access to our markets. If they want to pretend that they do not, they may find out just how much they do. But let us assume for a moment, and I know I am speaking for my own self, that we would all like to see most favored nation status renewed, but only if they meet the conditions of MFN.

I said the Chinese behavior was appalling. Equally appalling, if not more so, I believe, is the behavior of the business community in China, the United States Chamber in Beijing. While it is obviously perfectly appropriate for all of us to disagree on approach and tactic, we certainly had hoped at the very least as a courtesy to our Secretary of State, once he had been discourteously treated by the Chinese regime, that they would have stood by him in terms of the message he brought about human rights.

Would it not have been wonderful to see the American business community in Beijing say, while we disagree, Mr. Secretary, with the policy and the approach and the use of MFN, we want to remove all doubt from anybody's mind that we stand with you in advancing American values and promoting human rights. Our differences are not about that.

Instead, they chose to lecture the Secretary of State, and I thought in an inappropriate way.

Let me put the words in someone else's writings. There is a writer for the Los Angeles Times, Mr. Flanigan, a business writer for the Los Angeles Times. He writes:

> Right now China's leaders are pushing American companies to lobby the U.S. Government, and U.S. business seems a bit too ready to cooperate. Some of them lectured Secretary Christopher at the U.S. Chamber of Commerce at Beijing, criticizing his emphasis on human rights.

And he calls—this business writer for the Los Angeles Times, not this prodemocratic advocate, this business writer for the Los Angeles Times—he called that action "distasteful, disloyal and dumb."

"Aside from morality, there is good economic reason for U.S. emphasis on democratic reforms and human rights."

Mr. Speaker, I will include Mr. Flanigan's article in the RECORD.

Just a few days before Mr. Christopher arrived in Beijing, the Chinese engaged in a roundup of dissidents. One of the Chinese leaders very candidly said, at the end of Mr. Christopher's visit, we would not have rounded them up, if we thought you were not going to want to talk to them.

Here was an admission on the part of a Chinese leader that there was no cause to round these people up. They had not broken the law, but for fear that Secretary Christopher might speak with them and hear their view of what was going on in China. Anyway, my point is, Mr. Speaker, that just before Secretary Christopher got there, seven leading Chinese dissidents very courageously came forward and wrote a letter to the Beijing leadership expressing their concern about the rounding up of the other dissidents.

I believe that these seven dissidents who wrote the letter were encouraged by the Congress of the United States, by our President of the United States, and the visit of Secretary Christopher that the world was watching and that there was some sense of security in their coming forth with their message.

I also believe that they were encouraged by the actions of Wei Jingsheng who was considered the leading dissident in China. He served a long, long sentence for criticizing Deng Xiaoping. He was released a few months before his turn was up in order to make points, the Chinese readily admit, before the Olympic Committee vote on assigning the Olympics, which Beijing, as you know, wanted. And in their cynical act, they released him a few months sooner, but they rearrested him before Secretary Christopher came.

They have since released him, but I think that after serving nearly 14 years in prison for attempting to speak freely, for speaking his mind, it did not happen to be freely, because he went to jail for it, even after coming out of prison he still spoke about human rights and promoting democratic principles and criticized the regime. So he has been in and out of prison since even the last few months.

But anyway, these seven dissidents, as I say, encouraged by our position and by particularly Wei Jingsheng, that courageous man, they wrote a letter, an appeal and a warning from seven Chinese.

"The following is the text of a petition to the Government issued today by a group of Chinese intellectuals," and it is translated by the New York Times.

> So lately there have been many incidents in which people have been arrested or detained in Beijing and Shanghai for interrogation because of their ideas and their exercise of free speech. World public opinion has reacted strongly. People of insight who are concerned with the fate of the Nation and who are dedicated to the cause of our country's modernization are shocked, upset and worried. In looking at history, we find that modern civilization began when humans awoke to eliminating the ideological confinement of ancient and medieval dictatorship and to becoming aware that humans should have independent personalities and dignity and enjoy unalienable and inviolate basic rights, the first of which is freedom of ideas and speech. To talk about modernization without mentioning human rights is like climbing a tree to catch a fish. Two hundred and five years ago, the French Declaration of Rights of Man stated clearly that being ignorant, neglectful and disdainful of human rights is the sole cause of the general public's misfortune and corruption in government. China's history and reality have verified that long-standing truth.
>
> In the 1940's, with the victory over the fascists, it became common thinking for people the world over to diligently seek an end to preventing human rights. In 1948, the United Nations adopted the Declaration of Universal Human rights.

I depart from the letter for a moment to make the point, Mr. Speaker, that what we are talking about in Executive order and on this floor is not about inflicting American views on China. It is about the Universal Declaration of Human Rights and the idea that we subscribe to that human rights knows no boundary. They are universal.

□ 2220

China, by the way, is a signatory to the declaration of human rights, as I mentioned earlier.

The letter goes on to list what those rights are, which are basically freedom of speech, religion, press, assembly, and the right of workers to organize.

> China was a founder of the United Nations, and is a member of the Security Council. It should be a pioneer in abiding by all United Nations conventions instead of a target of international blame because of the issue of domestic human rights.
>
> For this reason, we appeal to the authorities to bravely end our country's history of punishing people for their ideas, speeches and writings, and release all those imprisoned because of their ideas and speeches.
>
> We believe that only after human rights are respected and all rights of citizens are secure will society achieve true stability. Otherwise contradictions will intensify, causing unmanageable turmoil.

It was signed by seven intellectuals, seven dissidents in China. One of them, Xu Lianying, is a gentleman who translated the works of Albert Einstein. We are talking about some of the great minds of China, who understand that a society can only succeed if free inquiry is allowed to happen, and freedom of speech.

One of the tragedies in China is that many of these dissidents, when they are imprisoned and they have to sit on a stool for 14 hours a day and they are tortured and all of the rest, one of the reasons they are tortured is they will not tell their guards and torturers what they are thinking, so it is not only that you cannot speak freely when you are living in China, or you cannot exercise the right of freedom of the press or worship or assembly or the right of thought. They insist on knowing what you are thinking, so that they can try to change your mind.

Mr. Speaker, this is not a wholesome attitude, I think anyone would agree.

Mr. Speaker, I also want to—I think he will save this one until we get toward the end. Mr. Speaker, I just want to get back to where we started on this. I thank the gentleman from New York [Mr. GILMAN] for staying here. I know the hour is late.

I said earlier, very briefly, that how we got to where we are in these last couple of months before the President must make an announcement about China-MFN, many business people will say, "Everybody has MFN, so why should not China?"

First of all, everyone does not, and China does not unless by June 3 of each year the President requests a special waiver granting most-favored-nation status to China. This is because China is still considered a centralized economy, and part of our most-favored-nation status law has in it the Jackson-Vanik requirement. It is on the basis of that that we base the conditionality on human rights, improvement in human rights for the renewal of MFN.

Mr. Speaker, in the Congress of the United States, in both Houses, we have had overwhelming votes in support of conditioning MFN. In fact, we have votes in favor of revoking most-favored-nation status, but I think generally most people say we want MFN to continue if we can use it as leverage to improve the situation in China.

Mr. Speaker, however, President Bush vetoed the bill every year and we could not override on the Senate side. We always did on the House side, had the votes, but not on the Senate side; but nonetheless, always a strong, strong majority in favor of conditioning MFN.

Mr. Speaker, Senator MITCHELL on the Senate side, if I may refer to the Senate side, and I in the House, introduced the legislation last year. President Clinton preferred the executive order, and frankly it was a good idea, I think, that the administration had, because it gave us the opportunity to speak with one voice, the House, the Congress, and the administration, on a policy which contained reasonable and achievable conditions for the renewal of MFN. We must obey our law about Jackson-Vanik, freedom of emigration, and the laws prohibiting prison labor for export. Those conditions we could not weaken. They are American law, so they are "must meet" conditions.

In addition to that, the President's executive order said that China must make overall significant progress, which gives the President some latitude, and frankly the Chinese some latitude, too, to improve human rights in China and Tibet; specifically, that they should move toward abiding by the universal declaration of human rights of the U.N., of which they are signers; that they must stop jamming Voice of America, and they told Secretary Christopher on his visit that they were not intentionally jamming Voice of America but there were some technical difficulties that made the jamming happen, so hopefully we can work out those technical difficulties. That does not seem to be a big problem to the Chinese, as they said to Secretary Christopher. We will see in the implementation of removing the technicalities, the technical difficulties.

They have to cease to threaten the culture of Tibet, and one form that could take would be to agree to meet with His Holiness, the Dalai Lama, as he has requested. They said they do not want to talk to him about independence. Since I have been in the Congress, since 1987, he has been talking about autonomy, not independence, and many of us here who worked on the Tibet issue believe that there is progress to be made there that is reasonable and achievable.

It also talks about the—I mentioned the prison labor, but it talks about accounting for and releasing those people arrested in Tienenmen Square and Democracy Wall, while peacefully demonstrating. In addition to that, that relates to the declaration of human rights, because it talks about freedom of speech, press, religion.

My colleague, the gentleman from New York [Mr. GILMAN] very carefully and scientifically spelled out some of the harsh penalties and the violations of people's right of freedom of worship in China, as I said earlier. That is part of it. We cannot go into all of it in one special order, but it is a very, very, very—an issue of concern to many people in the Congress, whether they are—of whatever denomination, as well as the repression of the Buddhist priests and nuns in Tibet.

The point is that the conditions in the most favored nation are reasonable and achievable. That is why they are in there. If they were not achievable, it would be cynical to put forth an executive order that said, "We are putting forth conditions which are not achievable." We purposely designed our bill, calibrating it for renewal, and the President took some of the conditions that we had and put in the bill. As I mentioned earlier, he wisely put the trade issues and the proliferation issues in a separate category, where he said we would forcefully enforce our laws on that.

Even though they are not part of the conditions of the bill, they were part of the text of the executive order, and for that reason, I want to spend a moment on it.

Mr. Speaker, why do we think we have leverage with the Chinese, and what is the situation with trade, United States-Chinese trade?

Mr. Speaker, I think it is important for the American people, particularly American workers, to know that we are—the Chinese, as the expression goes, are eating our lunch on trade. They have preferential access to our market to the tune of—let me just read from the Washington Post—I do not even have to read it, because I know the fixtures. There is about 31 billion dollars' worth of trade. Of that, they buy about $8 billion from us, and we buy the $31 billion from them, giving them a $24 billion trade surplus. That means hard currency for the regime to stay in power.

What the American people and the American worker should know is that we have no reciprocal access to the Chinese markets. For the most part, most American products made in America are not—do not have market access into China. They want aerospace, electronics, wheat, some refrigeration. These are good, and those industries have been lobbying the Congress and the President for the renewal of MFN without any conditions, which is fine for them, but what about the rest of the work force in America? Why should our products not have access to the Chinese market?

Mr. Speaker, when we hear people talk about this great, growing market, for the most part it is about products made in China. An American business goes into China, accesses cheap labor, the minimum wage in most areas in China is $24 a month, a month; they access the cheap labor, and they want to have access to the Chinese market, or they sell those products back into the United States.

That is the marketplace, but it is not the marketplace if our products do not have the nontariff barriers, they do not have the access back into China for products made in America. So this whole thing about jobs is confined to a very narrow spectrum of jobs to the exclusion of a very broad spectrum of the American work force, so there is great concern in this body about the issue of trade, and that is just about market access.

In addition to that is the issue of transshipments in which the President, the Clinton administration, very forcefully issued, threatened to issue sanctions against China at the end of December, and guess what, China complied and reached an agreement on transshipments.

Transshipments means, as most of the Members know, that when a country's quota is exhausted—in other words, we allow x amount of Chinese sweaters into the United States. If they have exhausted their quota, they have filled their quota, they will simply sew in a label that says "made in wherever," some other place, probably a place that does not make sweaters because they would have already used up their quota into the United States, so they transship to another country, but they have gotten a little more arrogant and have just been sending them directly with the labels, but they are called transshipments for the reason I describe.

This is a billion-dollar business. The United States got the goods, literally, on China, and with the threat of sanctions at the end of this year, finally, the Chinese came to the table and agreed to negotiate, but it was a very tough negotiation, and I frankly think that absent this debate on MFN, the Chinese would not have been so willing, because they knew this was at risk and at stake.

Mr. Speaker, the other thing is prison labor for export. We will probably have a special thing just on prison labor. This is one of the vilest traditions because it is twofold. They round up people. They put them in reform through labor camps to reeducate them and change their thinking, and then they have them make these products and we say, "Those products should not come into the United States."

□ 2230

First of all, they are made by prison labor which is against our laws. We cannot have our workers competing with slave labor in China.

But in addition to that, the immorality of having this slave labor, of people who are now in the prison labor camps, and the slave labor camps, and the reform-through-labor camps, there are people who are there for offenses other than expressing their political and religious views. But there are those who are there for that reason. So the list goes on and on about how they violate our trade relationship.

The Chinese people's liberation army and its companies have thriving businesses in the United States. The gentleman from Massachusetts, Mr. MARKEY, talked about the AK-47s slightly changed just a little bit to get through Customs, through some letter that they got from the Treasury Department. And we are writing to Secretary Bentsen about that. And I think he seems willing to review that issue. But a million of those AK-47 rifles are sold on the streets of our country for $129. That is about one-tenth of the cost it would be for a similar weapon. It has become the weapon of choice for gangs, for drug dealers, for you name it.

We talked about weapons proliferation, and we were really talking about nonconventional, nuclear, chemical, and biological weapons. But in this case we are talking about arming to the teeth the teenagers of the country. It is cheaper to buy one of those than some of the high-falutin sneakers that teenagers like today.

So we have major problems with how they abuse our good nature that we have given them.

Why again do we have the leverage?

Back at the time of Tiananmen Square in 1989, they were making $6 billion off of our trade, almost $9 billion in 1990, $12 billion in 1991, $18 billion in 1992, $24 billion in 1993, and it will be into the $30 billions this year of profit they make off of our trade. They do not like capitalism. They abhor democracy. But they love money, and they need hard currency. It is up to nearly 40 percent of the Chinese exports which come to the United States. They need those exports to fuel their domestic economy growth.

We have been told by their trade people that they need to increase their exports in order to continue to fuel that growth. So they need access to our markets regardless of what their bullying tactics are and their brinksmanship has attempted to put forth. Why the fuss? Why have they hired many lawyers in Washington, DC? Almost every law firm has something going with China. Why have they hired so many public relations firms over and over?

When I was in China once, the Foreign Minister said to me, "We consider MFN your domestic issue. We're not involved in it." I said, "Well, that's interesting. Then why pay over $1 million to a public relations firm to lobby Congress to defeat the override of the President's veto if you consider it such a domestic issue?"

It is not a domestic issue for them. It is just not the United States, it is a domestic issue for them in their own country.

Sure, there are human rights violations all throughout the world. But when we have an opportunity to make a real difference in a country about how it treats its people, and how it allows freedom of speech and thought and religion, et cetera, and we do not use that leverage, then we lose the moral authority to go out and to say to people, "You should correct your human rights," because what we were saying if we walk away from the situation is we want to promote human rights, but we do not want to do it if there is any squawking from the business community.

And we do not want to do it if the other country objects. Well I mean, we are a very mature democracy.

We say that promoting human rights and democratic principles is part of our foreign policy, and indeed President Clinton, I am very proud to say, has reinforced that message. That is why I am so very, very proud of Secretary Christopher. He went there to deliver a message. He was strong enough to take what was inevitable from the Chinese, and anybody who has dealt with them a long time knows that this is act one, bully; act two, soften; act three, let us sit down and talk. He had enough self-confidence and the strength of his commitment to the promotion of human rights throughout the world that he was the person to do the job. And I am proud that he did it.

The third issue that I touched on, and it was the issue of proliferation and that the Clinton administration has issued sanctions against China for the sale of the missile technology to Pakistan, giving them the capacity to launch a nuclear weapon. It seems ironic that everybody says oh, we cannot lift MFN in China or even threaten to, because they will not cooperate with our policy as far as North Korea is concerned and their developing a weapon. Well China has no interest in a nuclear Korean Peninsula. They have every interest in it being non-nuclear, so South Korea decides now that it wants a weapon if North Korea does, and Japan says well, I have to have one if they have one. So it is in China's interest to cooperate on North Korea.

But at the same time people are saying we need their help there, they are forgetting conveniently that China is part of the problem by proliferating weapons to non-safeguarded countries, weapons that are very serious, and which our law requires sanctions, for which I am pleased that the Clinton administration did.

Of course, obviously I could talk all night. I have a lot to say about this, as do many of our other Members, and they will be in the nights ahead. But I through it was important, as our colleagues did, that we stand up and say thank you, Mr. Christopher, for having the courage of your convictions, for being willing to come back here and take the attacks of the new China lobby in Washington, DC, including, may I say, some former Secretaries of State who made their reputation and their name as a part of the public sector in this country, and who are now extensively involved in business deals in China. That is their right, and I respect their opinion that they hold that they disagree about China MFN. But for them to criticize the Secretary of State for standing up for American values, while making big money, and this China thing is very big money, now they are personally financially benefiting from it, I think it is appalling.

I think they owe the American people an apology, and I think also the press should really point out that while so and so is speaking as a former Secretary of State or a former National Security Adviser, he is also in theory doing business deals as we speak with China, and there is a direct conflict of interest. As I said, they have a right to do business, and they have a right to their opinion. The public has a right to know what their financial gain is when they speak as a Secretary of State and they are privately benefiting from the statements they are making.

I will end, Mr. Speaker, and then we will do this another night and in the morning as well. In addition to thanking Secretary Christopher, I want to quote from the New York Times editorial this week entitled "Standing up to China." It supported the conditioning of MFN to China, and it says, "To kowtow to Chinese bullying would be to repeat the mistakes of the Bush administration which squandered American influence by its consistent refusal to press human rights issues." The Clinton administration needs instead to be forthright about its continued determination to insist on human rights progress.

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China, despite its cool indifference, desperately needs the over $20 billion hard currency surplus it earns from its trade with the United States to carry on with its ambitious economic development plans.

The Clinton administration has a clear right under international law and an obligation under United States law to link China's trade status to minimum human rights goals. The administration has demanded nothing unreasonable or demeaning, for the most part asking only compliance with international agreements to which China already subscribes.

Mr. Speaker, with that, I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentlewoman for yielding.

I want to thank the gentlewoman for her astute, thorough, eloquent analysis of the problems between our Nation and the People's Republic of China as we consider our trade relations with China.

I think that what we are saying tonight is not so much China-bashing, not so much as trying to prevent favorable trade relations with China, but to remind the Chinese people that we have important values that we live by in our Nation, important values that other nations have joined with us in the Declaration of Human Rights for prevention of this kind of tyranny and this kind of atrocities that are being waged in China today.

All we are saying to China by these conditions that we put in the prior Executive order that the President so clearly spelled out is abide by the international values that we all have for human rights, for religion, for equal trading rights, to prevent proliferation of arms, and we will be pleased to work with them as an equal trading partner. And I hope that those who may be listening tonight representing the People's Republic of China will take that as part of our important message to them. We want to trade with China. We want to be an equal trading partner with them. But, please, abide by these principles that we hold so dearly.

I thank the gentlewoman again for arranging this hour and for her eloquent address.

Ms. PELOSI. I thank the gentleman from New York [Mr. GILMAN] for this and for your leadership as the ranking Republican on the Committee on Foreign Affairs. You bring great honor to this issue by your attention to it and the information that you have provided to our colleagues.

The respect with which you are held in this body is great, and it is because of your commitment to basic values and the hard work that you do in addition to the pronouncements which many people are willing to make, but you match it with hard work, and that is why I believe we have a chance to make a difference on this issue.

Mr. GILMAN. I thank the gentlewoman for her kind words.

Ms. PELOSI. I thank your constituents for allowing you to do this.

In closing, I would just like to say the past 8 or 9 months, for the most part, those of us who have been advocating for this issue over the years have been fairly silent. We have not engaged in any China-bashing. We have held our fire, because we wanted to give the President's policy a chance to work, and I believe that the President has a good policy, and I give him high marks for his implementation of it including Secretary Christopher.

Make no mistake, I am blessed in my district with a 30-percent Asian-American community, many of whom are Chinese-Americans. We believe we will have a brilliant future with China, diplomatically, politically, economically, culturally. I know anybody our age, when we were little people, said if you dig a hole in the sand far enough you will reach China, and we all felt this mystique and connection about this special place.

We will have a very wonderful relationship with them. This is not about China-bashing. The conditions are in the executive order about renewal. They are not about revocation. And it is for that reason I believe the Chinese will meet the conditions, and I urge my colleagues to support Secretary Christopher, and thank them for all the support they have given to the President's policy.

We will be back another evening and perhaps on morning business as well.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. MEEK of Florida (at the request of Mr. GEPHARDT), for today, on account of personal business.

Mrs. FOWLER (at the request of Mr. MICHEL), until 6:30 today, on account of family reasons.

Mr. BUYER (at the request of Mr. MICHEL), for today, on account of illness.

Mr. GALLO (at the request of Mr. MICHEL), for today and the balance of the week, on account of hip surgery.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KINGSTON) to revise and extend their remarks and include extraneous material:)

Mr. GOSS, for 5 minutes, today.

Mr. DORNAN, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes each day on March 22, 23, and 24.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. OWENS, for 5 minutes, today.

Mr. RICHARDSON, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BOEHNER, immediately following the remarks of Mr. MILLER of Florida, in the Committee of the Whole today.

(The following Members (at the request of Mr. KINGSTON) and to include extraneous material:)

Mr. CALVERT.
Mr. WELDON.
Mr. HORN.
Mr. HYDE.
Mr. PACKARD.
Mrs. JOHNSON of Connecticut.
Mr. SANTORUM.
Mr. COLLINS of Georgia.

(The following Members and to include extraneous matter:)

Ms. BYRNE in two instances.
Mr. SCHUMER.
Ms. NORTON.
Mr. RICHARDSON in two instances.
Mr. MANTON.
Ms. ESHOO in three instances.
Mr. MINGE.
Miss COLLINS of Michigan.
Mr. FROST.
Mr. REED in three instances.
Mr. SANGMEISTER.
Mr. HUTTO.

(The following Members (at the request of Ms. PELOSI) and to include extraneous matter:)

Mr. CONDIT.
Ms. DELAURO.
Mr. MFUME.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the

Speaker's table and, under the rule, referred as follows:

S.J. Res. 171. Joint resolution to designate March 20 through March 26, 1994, as "Small Family Farm Week"; to the Committee on Post Office and Civil Service.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 56. Joint resolution to designate the week beginning April 11, 1994, as "National Public Safety Telecommunications Week."

ADJOURNMENT

Ms. PELOSI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 45 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, March 22, 1994, at 10:30 a.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1993 TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, DC, March 15, 1994.

Hon. THOMAS S. FOLEY,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: In compliance with Section 4(a) of Public Law 85-804, enclosed is the calendar year (CY) 1993 report entitled Extraordinary Contractual Actions to Facilitate the National Defense.

Section A, Department of Defense Summary, indicates that 54 contractual actions were approved and that 4 were disapproved. Those approved include actions for which the Government's liability is contingent and can not be estimated.

Section B, Department Summary, presents those actions which were submitted by affected Military Departments/Agencies with an estimated or potential cost of $50,000 or more. A list of contingent liability claims is also included where applicable. The Defense Logistics Agency, Ballistic Missile Defense Organization, Defense Information Systems Agency, Defense Mapping Agency, and the Defense Nuclear Agency reported no actions, while the Departments of the Army, Navy, and Air Force, provided data regarding actions that were either approved or denied.

Sincerely,

D.O. COOKE,
Director.

Enclosure: As stated.

DEPARTMENT OF DEFENSE

EXTRAORDINARY CONTRACTUAL ACTIONS TO FACILITATE THE NATIONAL DEFENSE (Public Law 85–804) Calendar Year 1993

FOREWORD

On October 7, 1992, the Deputy Secretary of Defense (DEPSECDEF) determined that the national defense will be facilitated by the elimination of the requirement in existing Department of Defense (DoD) contracts for the reporting and recoupment of nonrecurring costs in connection with the sales of military equipment. In accordance with that decision and pursuant to the authority of Public Law 85-804, the DEPSECDEF directed that DoD contracts heretofore entered into be amended or modified to remove these requirements with respect to sales on or after October 7, 1992, except as expressly required by statute.

In accordance with the DEPSECDEF's decision, on October 9, 1992, the Under Secretary of Defense for Acquisition directed the Assistant Secretaries of the Army, Navy, and Air Force, and the Directors of the Defense Agencies, to modify or amend contracts that contain a clause that requires the reporting or recoupment of nonrecurring costs in connection with sales of defense articles or technology, through the addition of the following clause:

> The requirement of a clause in this contract for the contractor to report and to pay a nonrecurring cost recoupment charge in connection with a sale of defense articles or technology is deleted with respect to sales or binding agreements to sell that are executed on or after October 7, 1992, except for those sales for which an Act of Congress (see section 21(e) of the Arms Export Control Act) requires the recoupment of nonrecurring costs.

This report reflects no costs with respect to the reporting or recoupment of nonrecurring costs in connection with sales of defense articles or technology, as none have been identified for calendar year 1993.

CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85–804 TO FACILITATE THE NATIONAL DEFENSE, CALENDAR YEAR 1993

SECTION A—DEPARTMENT OF DEFENSE SUMMARY

SUMMARY REPORT OF CONTRACTUAL ACTIONS TAKEN PURSUANT TO PUBLIC LAW 85–804 TO FACILITATE THE NATIONAL DEFENSE—JANUARY–DECEMBER 1993

Department and type of action	Actions approved			Actions denied	
	Number	Amount requested	Amount approved	Number	Amount
Department of Defense, total	54	25,783,716.00	25,783,716.00	4	5,076,107.75
Amendments without consideration	2	25,000,000.00	25,000,000.00	3	4,896,207.75
Implied contract of "fair consideration"	1	783,716.00	783,716.00	0	0.00
Award new contract	0	0.00	0.00	1	179,900.00
Contingent liabilities	51	0.00	0.00	0	0.00
Army, total	2	783,716.00	783,716.00	1	833,860.75
Amendments without consideration	[1] 1			[3] 1	833,860.75
Implied contract of "fair consideration"	[2] 1	783,716.00	783,716.00	0	0.00
Navy, total	49	25,000,000.00	25,000,000.00	2	4,062,347.00
Amendments without consideration	1	25,000,000.00	25,000,000.00	2	[4] 4,062,347.00
Contingent liabilities	48	0.00	0.00	0	0.00
Air Force, total	3	0.00	0.00	1	179,900.00
Award new contract	0	0.00	0.00	1	[5] 179,900.00
Contingent liabilities	[6] 3	0.00	0.00	0	0.00
Defense Logistics Agency, total	0	0.00	0.00	0	0.00
Ballistic Missile Defense Organization, total	0	0.00	0.00	0	0.00
Defense Information Systems Agency, total	0	0.00	0.00	0	0.00
Defense Mapping Agency, total	0	0.00	0.00	0	0.00
Defense Nuclear Agency, total	0	0.00	0.00	0	0.00

[1] Intes Construction Company ACAB No. 1235A. Supplemental Decision. Released amounts previously approved but withheld from contractor (under ACAB No. 1235, 10 Apr 92) until contract was complete. Contract was completed in 1993. ($2,500,000 was reported last year and will not be reported again to avoid duplication.)

[2] Mela Associates, Inc., requested extraordinary contractual relief under Public Law 85–804. The request for relief was approved for $783,716.

[3] Thiokol Corporation requested extraordinary contractual relief in the amount of $833,860.75, plus interest, under Public Law 85–804. The request for relief was denied.

[4] Denials involved Trident Marine Corporation ($1,062,347.00) and RD&D Corporation ($3,000,000.00).

[5] Subcontractor requested payment directly from the Government for work performed for the prime contractor and for which the prime contractor did not pay.

[6] Two additional indemnifications were approved; however, the Air Force has deemed them to be "CLASSIFIED," not subject to this report's purview.

SECTION B—DEPARTMENT SUMMARY

Contractor: Intes Construction Company.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: Supplemental Decision (Released amounts previously approved but withheld from contractor (under ACAB No. 1235, April 10, 1992) until contract was complete. Contract was completed in 1993. ($2,500,000 was reported last year and will not be reported again to avoid duplication).

Service and activity: United States (U.S.) Army Corps of Engineers.

Description of product or service: Construction of a composite medical facility at Incirlik, Turkey.

Background: In ACAB No. 1235, dated 10 April 1992, the Board granted relief to Intes Construction Company by extending the period of performance to December 31, 1992, and increasing the contract price by $2.5 million, payable only when the contract was satisfactorily completed. Intes requests that the Board modify its decision to permit early release of part of the $2.5 million. The Corps of Engineers recommends approval.

The U.S. Army Corps of Engineers reports that Intes was able to negotiate deferment of actions by its creditors based upon the expectation of receiving payment in December 1992. Subsequent to the Board's decision and Intes' arrangements with its creditors, the completion date was extended as a result of change orders issued by the U.S. Army Corps of Engineers. Performance was issued by the U.S. Army Corps of Engineers. Performance was further delayed by Intes due to its inability to obtain adequate financing. Currently Intes finds itself facing the same plight that brought it to the Board with its original request.

Justification: The U.S. Army Corps of Engineers recommends that the Board authorize immediate release of $1 million, an additional $100,000 for each additional one percent of progress, and the remainder upon completion. Although Intes requested that payments be made at the rate of $250,000 instead of $100,000, and linked to time as opposed to progress, it now agrees that the restructuring proposed by the U.S. Army Corps of Engineers will be sufficient to enable it to complete the project. The U.S. Army Corps of Engineers maintains that these measures are adequate to address the concern expressed by the Board in the original decision. The U.S. Army Corps of Engineers notes that the job is 92 percent complete, that less than $1.5 million worth of work remains, and that $700,000 retainage will provide ample incentive for Intes to finish the work.

Decision: The Board agrees with the U.S. Army Corps of Engineers, and therefore, authorizes the immediate release of $1 million, additional payments of $100,000 for each additional one percent of completion, and payment of the remaining $700,000 upon completion of performance.

This action will facilitate the national defense.

Contractor: Thiokol Corporation.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: $833,860.75.

Service and activity: U.S. Army Armament, Munitions and Chemical Command (AMCCOM).

Description of product or service: Settling a suit filed by the family of a Thiokol employee who died several days after being seriously burned in a fire at the Longhorn Army Ammunition Plant.

Background: Thiokol Corporation submitted an application for relief under Public Law 85–804 through the U.S. Army Armament, Munitions and Chemical Command (AMCCOM), seeking an amendment without consideration to contract DAAA09–90–C–0990 in the amount of $833,860.75, plus interest. The request represents the cost of settling a suit filed by the family of a Thiokol employee who died several days after being seriously burned in a fire at the Longhorn Army Ammunition Plant. AMCCOM forwarded the request to the Board with a recommendation that relief be granted.

After consideration of Thiokol's written submissions, its testimony before the Board, and the recommendation of AMCCOM, the Board has determined that relief is not appropriate for the reasons set forth below.

Statement of facts: Thiokol has operated and managed the Longhorn Army Ammunition Plant for many years under a series of cost-reimbursable operating contracts. These contracts included indemnification provisions covering unusually hazardous risks such as detonation or combustion of explosives and incendiary materials. The contract under which Thiokol seeks relief, however, was a separately negotiated, firm-fixed-price contract for the production of flares. It did not include an indemnification provision. (Hereinafter, this contract is called the Flare Contract to distinguish it from the Operating Contract.)

The Flare Contract was negotiated during the Spring and Summer of 1990. On several occasions during the course of negotiations, Thiokol was advised of the separate nature of the contract. Insurance was an item of discussion four times. Specifically, the contract specialist advised Thiokol that the Flare Contract was not a "standard government owned, contractor operated (GOCO) contract," and that Thiokol would need to get its own insurance. Thiokol ultimately responded with a letter stating that its liability needs were met by Worker's Compensation Insurance. The contract was awarded on November 30, 1990, without an indemnification provision.

During the same time frame, the Army and the operators of 18 Army ammunition plants were engaged in the final stages of defining the risks to be indemnified under a consolidated indemnification authorization for operating contracts pursuant to the Secretary's authority under Public Law 85–804. The process concluded with a memorandum of decision, dated November 14, 1990, that authorized inclusion of indemnification provisions in the operating contracts for 18 specified ammunition plants. The new indemnification provision was added to Thiokol's Operating Contract on December 20, 1990.

The fire occurred on September 27, 1991, when excess hexane was dumped into a trough that flowed to a collection pan. After the fire, a grounding strap was found next to the collection pan. Apparently, it had not been connected while the hexane was being dumped. Thus, investigators determined the most probable cause of the fire to be an electrostatic discharge that ignited hexane vapors.

Two Thiokol employees were seriously burned and hospitalized. One of them died several days later as a result of a heart attack. The family of the decedent filed suit on January 24, 1992, under the following provision of the Texas Worker's Compensation Act:

> This section does not prohibit the recovery of exemplary damages by the surviving spouse of heirs of the body of a deceased employee whose death was caused by an intentional act or omission of the employer or by the employer's gross negligence . . . [Article 8308–4.01(b), Texas Revised Civil Statutes]

Shortly thereafter, Thiokol sent AMCCOM a letter requesting authority to retain outside counsel. The letter cited provisions of the Operating Contract. In conversations between AMCCOM counsel and Thiokol counsel, Thiokol was again advised that the indemnification provision of the Operating Contract did not extend to work under the Flare Contract, and that the Flare Contract did not include an indemnification provision. Thiokol then unilaterally stopped work and commenced negotiations to add an indemnification provision to the contract. In May 1992, the Secretary authorized prospective indemnification.

Justification: Thiokol states that it performed the Flare Contract under the assumption that it was covered by the indemnification provision in the Operating Contract. This assumption was based upon the historical indemnification of operating contracts and the Secretary's execution, at about the time of the Flare Contract award, of the consolidated authorization for Operating Contract indemnification. Thiokol cites FAR Section 50.302–2, Correcting Mistakes, as authority for relief.

It asserts that the mistake was, or should have been, apparent to the contracting officer based upon historical dealings with the company.

Decision: The Secretary's November 14, 1990, memorandum authorizes AMCCOM to include an indemnification provision in operating contracts. It further authorizes contracting officers to extend coverage to subcontracts under operating contracts and to third party contracts when the ultimate purchaser of the items is an agency of the United States.

The memorandum did not address indemnification under other contracts between Thiokol and AMCCOM (such as the flare contract). Thus, it did not provide authority to include an indemnification provision in the flare contract.

We find no reasonable basis for Thiokol to have been misled by the memorandum. It clearly did not establish umbrella coverage for all hazardous activities undertaken by the Longhorn Division. It merely authorizes the extension of indemnification under specified circumstances. While it is conceivable that Thiokol may have been confused about whether its contract was a third party contract, it is unmistakably clear that the memorandum does not provide for self-operating extensions of coverage. Some action is required by the parties to implement the authority. It was incumbent upon Thiokol to initiate that action.

We also find no reasonable basis for Thiokol's assumption that it was covered by the Operating Contract indemnification provision. To the contrary we find ample reason to believe that Thiokol knew or should have known, that it was not covered by the Operating Contract. AMCCOM specifically advised Thiokol that it would require insurance because the Government would not be responsible for any risk of injuries sustained in contract performance. Thiokol responded with an assertion that it was covered by the Operating Contract as was further advised that it interpretation was accurate for equipment but not with regard to accidents resulting in injuries to employees. Although AMCCOM did not explicitly discuss the absence of an indemnification provision in the Flare Contract, we believe its actions were more than sufficient to put Thiokol on notice that employee injuries were not covered by either the Flare Contract or the Operating Contract.

There may be circumstances under which the Board would grant relief for liabilities related to an unindemnified contract, however, they are not presented by this request. Notwithstanding the importance of indemnification in munitions production, the Board must insist that the parties bear some minimum responsibilities in an arm's length bargain. To do otherwise would encourage laxity in important matters such as this. It is the Board's view that Thiokol bears the responsibility for assessing the risks associated with a contract and for requesting indemnification, if appropriate. Given the discussions concerning insurance, the sophistication of the applicant, and the unambiguous terms of the indemnification authorization, it is the unanimous view of the Board that relief is neither justified nor appropriate.

Contractor: MELA Associates, Incorporated.

Type of action: Implied Contract of "Fair Consideration".

Actual or estimated potential cost: $783,716.

Service and activity: U.S. Army Information Systems Selection and Acquisition Agency (ISSAA).

Description of product or service: Proposal preparation and other work directed by ISSAA.

Background: MELA Associates, Incorporated submitted an application for relief under Public law 85-804 through the U.S. Army Information Systems Selection and Acquisition Agency (ISSAA) for costs incurred in proposal preparation and other work directed by ISSAA in anticipation of a contract award. For the reasons set forth below, it is the unanimous view of the Board that relief should be granted in the amount of $783,716.

Statement of facts: Section 8(a) of the Small Business Act established a program that authorizes the Small Business Administration (SBA) to enter into contracts with other agencies and to subcontract the work to eligible businesses. Under this program the SBA may request a specific requirement from an agency for subcontracting to a particular firm. In October 1991, the SBA requested the Installation Transition Processing (ITP) project for MELA (a small, disadvantaged, woman-owned business). ISSAA agreed and commenced negotiations with MELA in December 1991.

The ITP project was intended to provide computer hardware and software in support of Army installations throughout the United States to process five sustaining base automation systems including (1) Installation Support Modules, (2) Standard Army Retail Supply Support Installation, (3) Standard Army Maintenance System/Table of Distribution and Allowances, (4) Standard Installation/Division Personnel System-3, and (5) Army Food Management Information Systems.

Because the Army was under tight time constraints to begin fielding systems under the ITP project, ISSAA directed MELA to begin performing a substantial amount of work related to the requirement in addition to submitting a proposal. This work included analyzing the Army's requirements, evaluating and testing alternative system designs, and configuring components to satisfy compatibility requirements to meet the ITP specialized information processing needs. Although no written agreement was executed, ISSAA expected to compensate MELA for these pre-contract costs after the contract was awarded. ISSAA's confidence in this arrangement was based upon the virtual certainty of a contract award after acceptance of a project by the SBA.

As it happens sometimes with virtual certainties, this one did not mature. In response to protests, the details of which are not relevant to this decision, the SBA determined that MELA did not satisfy the "regular dealer" requirements of the Walsh-Healy Act. Since MELA was no longer eligible for the award, ISSAA withdrew the ITP project from the 8(a) program on May 28, 1992, leaving MELA with dashed expectations and a host of uncompensated costs relating to the project.

Justification: In ACAB decision Nos. 1236 and 1237, Public Law 85-804 Applications of LDH Instandsetzungswerke and REM Ryder System-EWK GmbH, dated January 17, 1991, the Board determined that its authority to grant relief does not turn on the existence of an express, written contract. In that decision the Board authorized amendment of the implied contract of "fair consideration" created when an offeror submits a proposal in response to a government solicitation. The instant application differs from the LDH decision in that the contract resulting from the ITP solicitation would have been with a party (the SBA) other than the applicant. We believe, however, that there is little question that the parties to the implied contract of "fair consideration" are MELA and ISSAA. ISSAA requested the proposal and MELA furnished it. Thus, there is at least one contract available for adjustment by the Board.

Beyond the implied contract of "fair consideration," it is also likely that an implied (if not express) contract was created when ISSAA directed MELA to begin performance of the requirement with the expectation that MELA would be compensated after contract award. The likelihood of the latter contract raises an issue concerning the availability of other adequate relief authority within the Army (FAR Section 50.102(a)). Arguably, ISSAA could reduce to writing the action it has already taken.

We find that such relief, even if available, would be inadequate. ISSAA has noted that the line between proposal costs and the work it directed is not clear. Significant delay would be entailed in differentiating these costs. Because MELA is a small, disadvantaged business that has already borne many of these costs for over a year, we believe that additional delay would be inappropriate.

Decision: The Board finds that granting relief would facilitate the national defense. With regard to the work directed by ISSAA, the Army's interest in fairness demands immediate compensation. We also find that granting proposals costs are appropriate considering the unique circumstances of this application, i.e., that segregation of these costs would result in unacceptable delay, that MELA bears no responsibility for the turn of events that resulted in the withdrawal of the requirement, and that MELA is a small, disadvantaged business. Therefore, subject to the availability of funds to be obtained by ISSAA, and to the release by MELA of all claims against the Army arising out of, or related to, the ITP project, ISSAA is authorized and directed to formalize the implied contracts in a consolidated document and make payment in accordance with this decision.

The Board finds that granting relief would facilitate the national defense.

Contingent liabilities: None.

Contractor number: None.

DEPARTMENT OF THE NAVY

Contractor: Trident Marine Corporation.

Type of action: Amendment Without Consideration.

Actual potential cost: $1,062,347.00.

Service and activity: The Department of the Navy.

Description of product or service: Cleaning, abrasive blasting, and corrosion control services on Navy ships.

Background: The original request was submitted on May 3, 1991. The Contracting Officer requested additional information from the contractor on June 21, 1991. In addition, the Contracting Officer requested a Defense Contract Audit Service (DCAA) audit on May 21, 1992. Following receipt of additional information from the contractor and from DCAA, the Contracting Officer has forwarded the claim with a recommendation for denial.

The contractor, Trident Marine Corporation (Trident), 2305 56th Street, Hampton, Virginia, 23661, submitted the subject claim for $1,062,347 under contract N00189-89-D-0175. This is a fixed price, requirements-type contract for cleaning, abrasive blasting, and corrosion control services on Navy ships. By awarding a requirements contract, the Navy agreed that all requirements for this type of services would be fulfilled through this contract with Trident. The original contract included a base year and two one-year options for a total estimated value of $4,549,420. The contract was awarded on February 7, 1989, and expired on February 7, 1991, after the Government chose not to exercise the second option. Trident states that the shortage of delivery orders under the contract has caused substantial losses and has threatened the firm's viability.

The information in paragraph one provides sufficient basis for a final decision. Trident provided a Certified Public Accountant's (CPA) report to substantiate its position. DCAA performed an independent audit and compared its findings with those of the CPA.

Contracting personnel at Naval Supply Center (NSC), Norfolk, Virginia, indicate that Trident is not essential to the Navy's operations. The services performed under this contract are not highly technical in nature and could be performed by a number of other contractors. NSC awarded this contract based on full and open competition.

Justification: Trident bases their claim on five major factors. First, Trident claims that the Government caused them to incur excess labor costs to support the contract. Second, they claim that the contract required them to incur costs for a larger facility. Third, they claim that in order to perform, they had to lease additional equipment which remained idle. Fourth, they claim that they are entitled to lost profits. Finally, they claim that the Government delayed and disrupted performance of the contract.

Trident is requesting money to compensate them for each of the costs detailed in the above paragraph. However, the DCAA audit shows that Trident has no basis for the amounts it is requesting. The analysis below shows that the Government did not cause a loss in any of the claimed five areas.

Trident's claim regarding labor costs is based on three components: certification time for flame spray operators, salaries for quality assurance and program management personnel, and wages for idle workers kept on hand to staff the contract. As shown below, the facts do not support any of these components.

a. Although Trident personnel indicate that they had to train and certify 14 flame spray operators, their original proposal indicated they would only be using three operators, and that they already employed two of the three. Moreover, Trident has no time sheets or other labor records to support the number of hours claimed. Trident management personnel indicated that they have never used time sheets. However, they did submit time sheets to support their claim of Government delay.

b. Trident requests reimbursement for the salaries of two individuals—a quality assurance manager and a program manager. Trident cannot identify the individuals whose salaries it is requesting, nor does Trident have payroll records for these individuals.

c. Trident claims they employed eight workers full time for the entire two-year tenure of the contract. They request that the Government reimburse them completely for the cost of these workers. However, Trident has no time sheets or other labor records to support the cost of the workers. The fact is, Trident did receive orders under this contract, hence the workers could not have been idle. In addition, it is possible that Trident used these workers for other contracts.

With labor records documenting that these individuals were actually employed or that they were idle, the claim is unsubstantiated.

Trident requests money to cover the expense they incurred to lease a larger facility. However, Trident indicated in its original proposal in response to the solicitation that the existing facility would be adequate for performance of the contract. There is no evidence that the Government required them to move to a larger facility.

Trident requests reimbursement for a flame spray system and blast room that it leased for performance of the contract. As a result of a preaward survey and a Certificate of Competency investigation, Trident had to guarantee that it would acquire the needed equipment. Trident had a duty to show that it was a responsible offeror. Without the extra equipment, they would not have been responsible (they could not have performed successfully). Whether or not they included the cost for the equipment in their proposal, they must bear the cost for the equipment.

Trident included in its request an amount equal to ten percent of the estimated contract value to account for lost profits. However, the contractor received orders under the contract, which included profit in each line item. Trident is really asking for the profits it thought it would receive. FAR Section 50.302-1(b) indicates that the Government is not to adjust the contract price to account for a decrease in anticipated profits. Also, the estimated contract price already includes profit, so Trident would be collecting double profit.

Trident indicates that the Government delayed and disrupted work on three occasions. However, when DCAA questioned the validity of the claim and time sheets used to support it, Trident withdrew the portion of its claim related to allegations of delay and disruption.

Decision: a. Essentiality. FAR Section 50.302-1(a) states that the contract may be amended when the contractor's "continued operation as a source of supply is found to be essential to the national defense." NSC Norfolk contracting personnel indicate that Trident is not an essential source of supply. On the contrary, there are a number of sources for these services. Consequently, it was found that Trident is not essential to the national defense.

b. Government action. FAR Section 50.302-1(b) states that "when a contractor suffers a loss (not merely a decrease in anticipated profits) under a defense contract because of Government action . . . fairness may make some adjustment appropriate." First, Trident cannot show that it suffered a loss, because it has inadequate financial records. Second the alleged losses are not Government-caused, since these were financial risks of which the contractor was or should have been aware. Third, Trident has withdrawn the only direct claim of Government delay and disruption. Finally, Trident is attempting to recover anticipated profits, which is unacceptable. There is no evidence that a loss took place, or that Government action caused such a loss. It was, therefore, determined that the contractor did not suffer a loss because of Government action.

c. Conclusion. Since the contractor is not essential to the national defense, and since the Government did not cause the contractor to suffer a loss, the contractor is not entitled to an amendment without consideration under FAR Section 50.302-1.

Contractor: RD&D Corporation.

Types of action: Amendment Without Consideration.

Actual or estimated potential cost: $3,000,000.00.

Service and Activity:

Naval Regional Contracting Center, Washington.

Description of product or services: To build four extra-heavy duty lathes.

Backgound: The subject action is a request for Amendment Without Consideration under FAR Section 50.302-1. The request was originally submitted to the Naval Regional Contracting Center, Washington, on December 23, 1991, with necessary additional information provided to the Contracting Officer throughout much of 1992. After thorough analysis of the complete request, the Contracting Officer forwarded it with a recommendation for denial.

The contractor, RD&D Corporation (RD&D), 4693 Iroquois Avenue, Erie, Pennsylvania, claims that its costs to build four extra-heavy duty lathes under contracts N00600-87-C-0894 and N00600-87-C-1078 exceeded the total prices of the two contracts by $4,949,381, with attendant interest expense of $1,195,164.60. The request for adjustment is for $3,000,000, which RD&D described as the amount "sufficient to insure [sic] the company's viability." This is consistent with the statutory requirement that a contract may be amended without consideration, but only to the extent necessary to avoid impairment to the contractor's productive ability.

Justification: The fact that losses were incurred in performing Government contracts is not basis alone for exercising the authority of Public Law 85-804. RD&D, however, has cited both of the examples presented in FAR Section 50.302-1 as applicable in this case. The contractor asserts that it expended additional costs to construct lathes which, by complying with contract specifications, exceeded the Navy's real requirements; the claim is that Government insistence on infeasible specifications caused unnecessary rework and redesign effort. RD&D also claims that its losses, no matter how caused, impair its productive ability as a source of supply which is essential to the national defense, thereby entitling the firm to contract adjustments which would ensure its continued operation.

Technical issues of timing regarding submission RD&D's request are directly related to the issue of the firm having exhausted its administrative remedies. Contract adjustment is only authorized if the contractor submits its request before all obligations under the contract have been discharged and if it has exhausted all remedies available to it under the contract within the agency.

The subject matter of RD&D's claims (defective specifications and/or impracticability of performance) are matters routinely addressed and resolved by The Armed Services Board of Contract Appeals (ASBCA) pursuant to the Contract Disputes Act. However, it may be that RD&D's financial situation, in itself and as the wholly-owned subsidiary of a holding company (Sudbury, Inc., of Cleveland, Ohio) recently discharged from Chapter 11 bankruptcy with the expressed intent of selling RD&D, could be considered to require relief more quickly than could be obtained through the ASBCA.

Final payment had already been made on contract N00600-87-C-0894 before RD&D submitted its application for relief. But final payment for contract N00600-87-C-1078 was not made until several months after submission of the request. Since, however, the requested contract adjustment of $3,000,000.00 is not related directly to losses under either contract, but rather is stated to be the amount needed to maintain the productive capacity of the firm, consideration of the request as being related exclusively to contract 1078 would make it timely under Public Law 85-804.

RD&D asserts that its costs of performance for both contracts increased because of actions on the part of the Government. This assertion is summarized as: the Government's initial insistence on and prolonged adherence to a Headstock Horsepower drive of 100 H.P. 3 R.P.M. As a result of the Government's action in this regard, RD&D expended additional costs on engineering, design, material and work to construct lathes that were far more massive robust [sic], and sophisticated than necessary to meet the Navy's real requirements.

RD&D claims that it had to proceed with design and construction of the lathes "without the benefit of knowing the practical application of the specified capability," and that the Navy eventually "agreed to the relaxation of the 100 horsepower, 3 R.P.M. test requirement."

None of the three elements of this claim rises to the level of Government action which would result in relief under Public Law 85-804:

a. The Navy awarded contracts which contained performance specifications and test requirements. The specifications were written to satisfy the 50-year life cycle of necessary equipment, based on shipyard experience with current equipment and anticipated usage for known and expected materials comprising ship propeller shafts. The performance specifications were clear, unambiguous and achievable.

b. RD&D has stated that its offered prices for the two contracts were generally based on design and cost of a previously manufactured lathe. However, after the contracts were awarded, RD&D discovered that "a far more massive, complex and sophisticated design would be required." Over a two year period, RD&D completed an "iterative series of preliminary and critical design reviews" in order to "improve the probability that the machine would meet the 'letter' of the detailed specifications." Any costs which RD&D incurred in excess of the offered prices appear to have resulted from the firm having undertaken its in-depth engineering analysis after award of the contracts.

c. The lathes which RD&D delivered were accepted by the Navy as meeting the performance specifications of the contracts. The original test requirements were relaxed, by contract modification, at the request of the contractor; however, the purpose of the tests—to demonstrate that the equipment could perform as required—never changed.

In the alternative to the assertion that its losses were incurred due to Government action, RD&D contends that its contracts may be amended without consideration because it suffered losses—however caused—which impair is productive ability as a source of supply essential to the national defense.

The Navy does not consider RD&D to be an essential supplier. The four lathes delivered by RD&D, which represent all known requirements for this type of equipment, have a 50-year useful life; no additional procurements are anticipated. While it may become necessary to relocate one or more of these lathes, RD&D's assistance would be useful but not necessary.

In accordance with FAR Section 50.305(d), all other Government agencies identified as having an interest in the issue of RD&D's essentiality to the national defense were requested to provide their advice. Their input was as follows:

a. The United States Department of Commerce, International Trade Administration, identified RD&D as "the only domestic supplier left" which manufactures a machine "that meets the requirement for shaft turning as solicited by the Navy." The Navy's needs, however, have already been met; other similar requirement, have already been met; other similar requirements, if there are any, can be met by several firms which the Department of Commerce concedes have "the capacity (facilities) to manufacture equipment comparable to the Navy's needs."

b. The Office of the Assistant Secretary of Defense, Production and Logistics, provided information on prior contracts performed by RD&D, but did not conduct an independent assessment of RD&D's "essentiality to the national defense industrial base" since that effort would duplicate the Navy's direct requests for information to military and civilian agencies.

c. The Department of the Army, for which RD&D has provided a substantial amount of equipment to Watervliet Arsenal, considers the contractor to be "a valuable supplier within a dwindling domestic base for machine tools," but not an essential supplier.

d. The National Aeronautics and Space Administration, George C. Marshall Space Flight Center, "cannot support a determination that RD&D Corporation is essential for the national defense." As a lower-tier subcontractor to both Martin Marietta Manned Space Systems and to Babcock & Wilcox, RD&D is a "cost and schedule advantageous source" for manufacture and rehabilitation of large machine tools. But alternate sources have been identified for all required work.

Decision: a. Government action. FAR Section 50.302–1(b) states that "when a contractor suffers a loss (not merely a decrease in anticipated profits) under a defense contract because of Government action . . . fairness may make some adjustment appropriate." In this case, award of a contract and insistence upon adherence to performance specifications do not represent actions which warrant that the contract price be adjusted in the interest of fairness.

Therefore, it is determined that the contractor did not suffer a loss because of Government action.

b. Essentiality. FAR Section 50.302–1(a) provides that a contract may be amended when a "loss under a defense contract, however caused, will impair the productive ability" of a contractor whose "continued operation as a source of supply is found to be essential to the national defense." RD&D, however, is not a unique supplier of items for which there is any known or anticipated requirement.

Therefore, it is determined that the contractor is not essential to the national defense.

c. Conclusion. Since the Government did not cause the contractor to suffer a loss under contracts N00600–87–C–0894 and N00600–87–C–1078, and since the contractor's continued operation is not essential to the national defense, the request of RD&D Corporation for amendment of these contracts without consideration is denied.

Contractor: Avondale Industries, Inc.

Type of action: Amendment Without Consideration.

Actual or estimated potential cost: $25,000,000.00.

Service and activity: The Department of the Navy.

Description of product or services: Detail design and construction of LSD (CV) 49–51 (N00024–88–C–2048).

Background: By letter of December 22, 1992, Avondale Industries, Inc. (Avondale), New Orleans, Louisiana, submitted a request under P.L. 85–804 seeking an Amendment Without Consideration of $25 million under its contract for detail design and construction of LSD (CV) 49–51 (N00024–88–C–2048). Avondale requests immediate relief to preclude an adverse opinion by its outside auditors, which would impair Avondale's current relationships with its creditors, and would, in all probability, force Avondale to seek protection of Federal bankruptcy laws. Avondale states that P.L. 85–804 relief is appropriate in that it has submitted requests for equitable adjustments under its contracts with the Navy for over $340 million, and these have not been resolved. The Naval Sea Systems Command (NAVSEA) forwarded this request by letter of March 1, 1993, to the Navy Contract Adjustment Board (NCAB) and recommended approval of the request.

Status of the Avondale Contracts: Avondale had a backlog of approximately $769 million in Navy contracts for ship construction and repair on September 30, 1992. The majority of this effort, associated with the T–AOs (N00024–88–C–2050) and the LSD (CV)s (N00024–88–2048) is expected to result in an overall loss, without consideration of the pending requests for equitable adjustment (REAs). Each of these contracts was awarded to Avondale after competitive bidding, with Avondale being the lowest responsive offeror.

Status of the REAs: In late 1991, Avondale informed NAVSEA that it was planning to submit a number of REAs in addition to those already submitted. These REAs amount to over $340 million, covering a number of NAVSEA contracts. NAVSEA promptly created an evaluation team consisting of appropriate technical, procurement and legal professionals. The last of these REAs was submitted in September 1992. The evaluation team is being assisted by the Defense Contract Audit Agency (DCAA) for audit support. Additional outside accounting and technical support is also being used to expedite the evaluation. Not including audit support some thirty Government personnel are dedicated to resolving these claims. Because of the number and the complexity of the claims, they cannot be immediately analyzed or resolved. Extensive technical analysis reports must be prepared and legal entitlement positions must be determined. This effort will require several months before NAVSEA will be in a position to make fair and reasonable proposals for resolving these REAs.

Current financial situation: Although Avondale is currently performing its contractual obligations, due to its outflow of cash to cover losses on Navy contracts and the time required to resolve the REAs, Avondale's cash flow position is such that if additional funds are not provided in 1993, it is forecasted that the Avondale cash position will be insufficient to meet operational requirements. NAVSEA has advised that Avondale is currently undergoing an annual financial audit by its independent auditors, which is required to be completed and submitted to the Securities and Exchange Commission by March 31, 1993. The auditors have indicated to Avondale and to NAVSEA that based on Avondale's projected financial condition, they will issue an opinion questioning Avondale's "going concern" status. Such a qualified opinion would breach certain of Avondale's credit agreements with its banks and would raise the realistic expectation that Avondale would seek protection under Federal bankruptcy laws. Avondale has also stated that such a qualified opinion would cause certain loans to be accelerated and become payable. In the event of bankruptcy, there is a real probability that Avondale will cease work on unprofitable contracts, and will seek to repudiate such contracts. Avondale has worked with its banks to restructure its debt. NAVSEA has assisted in this effort to restructure these arrangements. In addition, NAVSEA has already taken action to improve Avondale's cash flow by increasing progress payments to Avondale. The Assistant Secretary of the Navy (FM) approved unusual progress payments for Avondale on April 9, 1992. While current forecasts indicate that Avondale will have available cash until the June-November 1993 period, the auditors have indicated that they will be forced to issue a qualified opinion at the end of March 1993, unless additional sources of funding can be identified. NAVSEA has extensively reviewed these cash projections, and has presented them to the Navy Contract Adjustment Board. This situation compels the Navy to act at this point.

Consideration of alternatives: The following alternatives have been considered but are unsatisfactory for the reasons indicated. Take no action on the Avondale request and await the auditor's opinion. It's very probable that a qualified opinion will be issued, causing creditors to refuse further credit, consequently creating the potential that Avondale would seek the protection of Federal bankruptcy law. Actions after bankruptcy cannot be predicted. A contract can be assumed or rejected, and it's likely that Avondale would reject its larger loss contracts. The Navy would then have to take action to preserve the hull construction work, and find another contractor, or renegotiate with Avondale. These actions are both unsatisfactory from a planning standpoint and from a financial standpoint.

In the event of bankruptcy and rejection of certain contracts, the Navy would have to complete the work in another yard. Because of the large number of ships under repair or under construction, this is an impractical alternative. NAVSEA has performed an analysis of the cost to complete the ships under contract at other facilities and has estimated that it would cost approximately $532 million more than to have the ships completed by Avondale. In addition, based on recent experience in attempting to complete two other ships at another shipyard, this estimate is highly dependent on the ability of the new shipyard to schedule in such work, and the ability of the new shipyard to obtain necessary skilled labor and professional workforce. In addition to the cost of completion, significant delays can be expected. The Navy would have to select a completion contractor(s), arrange for transfer of the ships, materials and equipment, and provide for the transfer and review of necessary engineering products. Schedule slippages are therefore expected to be lengthy.

Await resolution of the REAs: The analysis of the REAs will not be completed in time to yield significant cash settlements and to avert a qualified opinion. Since such an opinion will begin a train of events that will make obtaining additional credit difficult if not impossible, REA resolution will be too late to address the problem. At this point, twenty REAs have been submitted, totaling about $343 million. These REAs must be reviewed from a technical standpoint, resulting in a Technical Analysis Report (TAR). After TAR completion, a legal analysis is performed to determine whether entitlement has been demonstrated, and to provide NAVSEA with legal advice and recommendation in resolving the claims. This process has, as described above, been expedited, but due to the complexity of the REAs, immediate resolution is not possible.

Determinations: The Navy Contract Adjustment Board determines that it is essential to the national defense to grant immediate aid under P.L. 85–804 to resolve the immediate Avondale short term cash flow problems for the following reasons:

1. The completion of the ships are essential to the national defense. The Vice Chief of Naval Operations has affirmed the requirement for a fourth LSD (CV) class ship by letter dated December 11, 1992. This assumes completion of the existing vessels. In addition, the T–AO class is part of a long term operational requirement. Continuation of these ships is therefore crucial.

2. Absent P.L. 85–804 relief, Avondale will receive an opinion by its auditors that will question its going concern status. Such a qualified opinion will impair Avondale's ability to obtain loans and additional work, and impair the continuation or completion of the ships under construction.

3. A consideration of the alternatives reveals no practical or feasible alternatives. Completing the ships at another shipyard would add significant cost and undue schedule delay.

4. Immediate P.L. 85–804 relief will accomplish the objective of allowing Avondale to continue working into 1994, and permitting the resolution of the REA's.

Conclusion: Applicable regulations provide that no contract, amendments, or modifications shall be entered into under the authority of P.L. 85–804 unless other legal authority in the Department is deemed lacking or inadequate. In the current case, the financial situation of Avondale is such that absent immediate action, Avondale's credit will be impaired and it may seek protection from its creditors under the bankruptcy laws. This will result in unacceptable uncertainty, delay and possible work stoppage on essential Navy ship construction. Further, because of the complexity of the pending requests for equitable adjustment and the period of time necessary for evaluation and resolution, the NCAB considers the normal contract disputes resolution process inadequate to resolve Avondale's financial situation.

FAR Section 50.302–1(a) provides: "When an actual or threatened loss under a defense contract, however caused, will impair the productive ability of a contractor whose continued performance on any defense contract . . . is found to be essential to the national defense, the contract may be amended without consideration, but only to extent necessary to avoid such impairment to the contractor's productive ability."

Decision: For the foregoing reasons, the NCAB has concluded that Avondale faces an actual or threatened loss which will impair its productive ability on contracts whose continued performance is essential to the national defense. The operating forces need the ships under construction. The relief of $25 million recommended by NAVSEA is considered adequate to supplement the ash flow position of Avondale to achieve the Navy's purpose of maintaining Avondale as a going concern until the analysis of the REAs is complete and an overall resolution of the REAs can be expected.

The Navy Contract Adjustment Board adopts the NAVSEA recommendations that this relief be conditioned as follows: the modification(s) preclude the use of any amounts in excess of $2 million provided pursuant to P.L. 85–804 for the payment of any principal on debt; funds are not authorized under P.L. 85–804 for payment to Avondale in the event Avondale's creditors attach any assets of Avondale, in the event any of Avondale's creditors initiate foreclosure proceedings on any secured debt, or in the event Avondale's creditors, or Avondale itself, files a petition for involuntary or voluntary bankruptcy; in the event that a settlement of the REAs is not achieved by mutual agreement, any amounts paid to Avondale pursuant to P.L. 85–804 shall offset any recovery ultimately obtained by Avondale through a court or board of contract appeals proceeding; and further provided that Avondale and its creditors ("the Bank Group") implement the "Key Terms and Conditions" in general accordance with the creditor's letter of February 5, 1993.

Accordingly, the Navy Contract Adjustment Board in the exercise of the authority delegated to it, grants an amendment without consideration under P.L. 85–804 in the amount of $25 million, and finds that this is essential to the national defense. The increase will be applied at the discretion of the contracting officer to avoid a negative cash flow. As requested by NAVSEA, the contracting officer is authorized to amend any or all of the current Navy contracts with Avondale, under which losses are occurring, as may be administratively convenient. The contracting officer shall provide for such internal controls and audits as are deemed necessary to validate appropriate use of this money.

Contingent liabilities

Provisions to indemnify contractors against liabilities because of claims for death, injury, or property damage arising from, nuclear radiation, use of high energy propellants, or other risks not covered by the Contractor's insurance program were included in these contracts; the potential cost of the liabilities cannot be estimated since the liability to the United States Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause. Items procured are generally those associated with nuclear-powered vessels, nuclear armed missiles, experimental work with nuclear energy, handling of explosives, or performance in hazardous areas.

Contractor:	Number
Litton Systems, Inc.	1
Kearfott Guidance and Navigation Corp.	4
General Electric Company	3
Westinghouse Electric Corporation	3
General Dynamics Corporation, Electric Boat Division	1
Honeywell, Inc.	2
Raytheon Company	3
EG&G Reticon Corporation	1
Interstate Electronics Corporation	2
Martin Marietta Defense Systems	6
Lockheed Missiles & Space Company	7
Rockwell International Corporation	2
Paramax Systems Corporation	4
Vitro Corporation	1
Hughes Aircraft Company	6
McDonnell Douglas Aerospace	1
Newport News Shipbuilding and Drydock Company	1
Total	48

DEPARTMENT OF THE AIR FORCE

Contractor: Commercial Siding and Maintenance Company.

Type of action: Award New Contract.

Actual or estimated potential cost: $179,900.00.

Service and activity: Plattsburgh Air Force Base, New York.

Description of product or services: Replacement of Room on the F–111 Flight Simulator Building.

Background: Commercial Siding and Maintenance (CSM) was a subcontractor to L&H Development Corporation (L&H) under Contract No. F30636–87–C0742 to replace the roof on the F–111 Flight Simulator Building at Plattsburgh Air Force Base, New York. CSM claims it performed work under its contract with L&H, the prime contractor, but that L&H's owner disappeared and absconded with all the funds that L&H had received from the Air Force for work performed under the contract. CSM requests that the Air Force enter into a contract with it, reimbursing it for its out-of-pocket expenses of $179,900.00 that it claims it expended in performing its subcontract with L&H.

CSM failed to file suit under L&H's payment bond before the expiration of the statute of limitations under the Miller Act. In addition, CSM claims it did not bring suit directly against the prime contractor because it alleges that L&H had declared bankruptcy. (The Bankruptcy Notice submitted by CSM says that the name of the debtor is Donald L. Maracle, also known as an officer in L&H Development Corporation. While this notice does not show that L&H had declared bankruptcy, this fact is not relevant to the Board's decision.) Instead, CSM sought relief under P.L. 85–804 from the contracting officer. The contracting officer denied the request, concluding that the Air Force did not have privity of contract with CSM. CSM now seeks "to have a contract entered into between the U.S. Government and Commercial Siding as a subcontractor to provide payment for the outstanding balance due to Commercial Siding."

Justification: The Air Force, through its Air Force Contract Adjustment Board (Board), has decided to review the contracting officer's decision. Under the appropriate circumstances, and agency may grant relief to subcontractors. While such relief is normally granted by amendment to the prime contract, for the use and benefit of the subcontractor, relief, if warranted, may be granted directly to the subcontractor by directing the contracting officer to enter into a contract with the subcontractor for the purpose of effecting payment to the subcontractor.

CSM, as a subcontractor, seeks relief under the Board's authority to grant contract adjustments. Under Federal Acquisition Regulation (FAR) Section 50.302–1 (48 C.F.R. Section 50.302–1), which CSM quotes in its request, contract adjustments are authorized as follows:

When a contractor suffers a loss (not merely a decrease in anticipated profits) under a defense contract because of Government action, the character of the action will generally determine whether any adjustment in the contract will be made, and its extent. When the Government directs its action primarily at the contractor and acts in its capacity as the other contracting party, the contract may be adjusted in the interest of fairness. Thus, when Government action, while not creating any liability on the Government's part, increases performance cost and results in a loss to the contractor, fairness may make some adjustment appropriate.

CSM has not established that it is entitled to relief under FAR Section 50.302-1. It is essential, under FAR Section 50.302-1, that there be some Government action that causes harm to the contractor. No such action is present in the case of CSM. In the cases relied upon by CSM, contractors, including subcontractors, were provided relief because some type of Government conduct harmed the contractor.

In the present case, the Government did not engage in any action, or inaction, that harmed CSM. While CSM, in passing, alleges that "the government failed to ensure that the individual sureties possessed the requisite assets," this allegation is unproven and irrelevant.

In a supplement to its request, CSM alleges that "[p]art of the problem in the one (1) year [Miller Act statute of limitations] expiring was that the government was insisting on warranties which was part of the original contract. . . ." This allegation does not establish government action that has increased CSM's performance cost or that has resulted in a loss to CSM, as is required by FAR Section 50.302-1(b). Other than the accusation itself, CSM presents no evidence that the Government engaged in any action causing harm to CSM. Moreover, the allegation is irrelevant because CSM never sought relief from the surety.

CSM's inability to obtain payment is the result of its failure to file suit under the Miller Act, rather than any Government action. Although CSM argues that it is without any other legal remedy, CSM could have brought suit against L&H's surety. Congress enacted the Miller Act, 40 U.S.C.A Sections 270a-270d (West 1986), to protect subcontractors from prime contractors who do not pay for work performed on a government contract. Section 270a of the Miller Act provides that the prime contractor must post a payment bond to guarantee payment of the subcontractors. If the subcontractor is not paid, then it may sue on the bond in federal district court, but the suit must be commenced within one year after the day on which the last labor was performed or material supplied. 40 U.S.C.A Section 270b (West 1986).

Decision: The Board has granted the request for review, but denies relief. CSM has failed to establish that it is entitled to relief under P.L. 85-804. Any loss that CSM has suffered is due to the conduct of the prime contractor and its failure to seek relief under the Miller Act or against L&H. Because CSM has failed to show that Government action contributed to its loss, relief under P.L. 85-804 and FAR Section 50.312-1 is inappropriate. All members of the Board concur in this decision.

Contingent liabilities

Provisions to indemnify contractors against liabilities because of claims for death, injury, or property damage arising from nuclear radiation, use of high energy propellants, or other risks not covered by the contractor's insurance program were included in one contract; the potential cost of the liabilities cannot be estimated since the liability to the United States Government, if any, will depend upon the occurrence of an incident as described in the indemnification clause.

Contractor:	*Number*
McDonnell Douglas Space Systems Company (DELTA II Program)	1
Civil Reserve Air Fleet (Somalia)	1
Civil Reserve Air Fleet (Southwest Asia)	1
Total	[1]3

[1] Two additional indemnifications were approved; however, the Air Force has deemed them to be "classified," not subject to this report's purview.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2794. A communication from the President of the United States, transmitting a request to make available appropriations in budget authority for the Department of Commerce, pursuant to Public Law 99-177, sec. 251(b)(2)(D)(i) (H. Doc. No. 103-225); to the Committee on Appropriations and ordered to be printed.

2795. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Russia, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking, Finance and Urban Affairs.

2796. A letter from the Executive Director, Thrift Depositor Protection Oversight Board, transmitting a report pursuant to section 21A(k)(9) of the Federal Home Loan Bank Act; to the Committee on Banking, Finance and Urban Affairs.

2797. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Greece for defense articles and services (Transmittal No. 94-15), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2798. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998 resulting from passage of H.R. 2339, pursuant to Pub. L. 101-508, Sec. 13101(a) (104 State. 1388-582); to the Committee on Government Operations.

2799. A letter from the Director for Administration and Management, Office of the Secretary of Defense, transmitting the calendar year 1993 report on "Extraordinary Contractual Actions to Facilitate the National Defense," pursuant to 50 U.S.C. 1434; to the Committee on Government Operations.

2800. A letter from the Comptroller General, General Accounting Office, transmitting the list of all reports issued or released in February 1994, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

2801. A letter from the Vice President, Corporation for National and Community Service, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2802. A letter from the General Manager, Defense Nuclear Facilities Safety Board, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2803. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2804. A letter from the Director, Officer of Science and Technology Policy, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2805. A letter from the Secretary of Defense, transmitting a statement of assurance regarding the internal controls and financial systems for fiscal year 1993, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

2806. A letter from the Senior Attorney, U.S. Copyright Office, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2807. A letter from the Deputy Director, U.S. Office of Government Ethics, transmitting a report of activities under the Freedom of Information Act for calendar year 1993, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

2808. A letter from the Secretary of Defense, transmitting his views on the balanced budget amendment; to the Committee on the Judiciary.

2809. A letter from the Administrator, Federal Aviation Administration, transmitting the final report on assessment of threats to domestic airport security, pursuant to Public Law 101-604, section 106(d) (104 Stat. 3075); to the Committee on Public Works and Transportation.

2810. A letter from the Secretary, Department of Veterans Affairs, transmitting the 1993 annual report of the activities of the Secretary of Veterans Affairs, and the Veterans' Advisory Committee on Rehabilitation annual report, fiscal year 1993, pursuant to 38 U.S.C. 214, 221(c), 664 and 3121(c); to the Committee on Veterans' Affairs.

2811. A letter from the Secretary of Veterans, transmitting a draft of proposed legislation to amend title 38, United States Code, to clarify the coverage and protection provided to medical quality assurance records by section 5705 of that title; jointly, to the Committees on Veterans' Affairs and Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 3235. A bill to amend subchapter II of chapter 53 of title 31, United States Code, to improve enforcement of antimoney laundering laws, and for other purposes; with an amendment (Rept. 103-438). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUDDS: Committee on Merchant Marine and Fisheries. H.R. 2760. A bill to authorize the Marine Mammal Protection Act for a period of 6 years, to establish a new regime to govern the incidental taking of marine mammals in the course of commercial fishing operations, and for other purposes; with amendments (Rept. 103–439). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUDDS: Committee on Merchant Marine and Fisheries. H.R. 3360. A bill to direct the Secretary of Transportation to demonstrate on vessels ballast water management technologies and practices, including vessel modification and design, that will prevent aquatic nonindigenous species from being introduced and spread in U.S. waters; with an amendment (Rept. 103–440). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUDDS: Committee on Merchant Marine and Fisheries. H.R. 3886. A bill to amend the boundaries of the Flower Garden Banks National Marine Sanctuary (Rept. 103–441). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee of Conference. Conference report on S. 1284. An act to amend the Developmental Disabilities Assistance and Bill of Rights Act to expand or modify certain provisions relating to programs for certain individuals with developmental disabilities, Federal assistance for priority area activities for individuals with developmental disabilities, protection and advocacy of individual rights, university affiliated programs, and projects of national significance, and for other purposes (Rept. 103–442). Ordered to be printed.

Mr. MILLER of California: Committee on Natural Resources. S. 1574. An act to authorize appropriations for the Coastal Heritage Trail Route in the State of New Jersey, and for other purposes; with an amendment (Rept. 103–443). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of California: Committee on Natural Resources. H.R. 4034. A bill to amend the Urban Park and Recreation Recovery Act of 1978 to authorize grants for the expansion of recreation opportunities for at risk youth in urban areas with a high prevalence of crime, and for other purposes; with an amendment (Rept. 103–444). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUDDS: Committee on Merchant Marine and Fisheries. H.R. 3786. A bill to amend title 46, United States Code, to establish requirements to ensure safe operation of recreational vessels, to require allocation of State recreational boating safety program assistance based on State adoption of laws regarding boating while intoxicated, and for other purposes (Rept. 103–445). Referred to the Committee of the Whole House on the State of the Union.

Mr. FORD of Michigan: Committee of Conference. Conference report on H.R. 1804. A bill to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high levels of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications, and for other purposes (Rept. 103–446). Ordered to be printed.

Mr. DERRICK: Committee on Rules. House Resolution 393. Resolution waiving points of order against the conference report to accompany the bill (H.R. 1804) to improve learning and teaching by providing a national framework for education reform; to promote the research, consensus building, and systemic changes needed to ensure equitable educational opportunities and high level of educational achievement for all American students; to provide a framework for reauthorization of all Federal education programs; to promote the development and adoption of a voluntary national system of skill standards and certifications, and for other purposes (Rept. 103–447).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BILIRAKIS:

H.R. 4094. A bill to require that a study be conducted with respect to the medical benefits and services that are available to individuals by virtue of being Members of Congress; to the Committee on House Administration.

By Mrs. FOWLER:

H.R. 4095. A bill to repeal the Medicare and Medicaid coverage data bank, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. HILLIARD:

H.R. 4096. A bill to ensure that certain unresolved commercial disputes between American firms and Saudi Arabia are resolved satisfactorily; to the Committee on Foreign Affairs.

By Mr. LEACH:

H.R. 4097. A bill to reform the Federal regulation of depository institution service corporations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MONTGOMERY:

H.R. 4098. A bill to suspend through September 30, 1995, the duty on certain textile manufacturing machinery; to the Committee on Ways and Means.

By Mr. MORAN:

H.R. 4099. A bill to amend the Internal Revenue Code of 1986 to index the basis of certain assets for purposes of determining gain; to the Committee on Ways and Means.

By Mr. PORTER:

H.R. 4100. A bill to limit the *Seawolf* submarine program to two vessels and to limit the costs of procurement of those vessels; to the Committee on Armed Services.

By Mr. SANGMEISTER (for himself, Mr. Lipinski, and Mr. Costello:

H.R. 4101. A bill to amend title 28, United States Code, to create a southern division in the Northern Judicial District of Illinois; to the Committee on the Judiciary.

By Mr. BARCA of Wisconsin:

H. Con. Res. 228. Concurrent resolution expressing the sense of Congress with respect to violence against truckers; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

314. By the SPEAKER: Memorial of the Legislature of the State of Washington, relative to the Washington State Rural Development Council; to the Committee on Agriculture.

315. Also, memorial of the Legislature of the State of Washington, relative to disabled veterans; to the Committee on Armed Services.

316. Also, memorial of the Legislature of the State of Washington, relative to allowing States to require a notice requirement before imposing a Federal lien on real property; to the Committee on Ways and Means.

317. Also, memorial of the Legislature of the State of Washington, relative to employment security system funding; jointly, to the Committees on Education and Labor, Ways and Means, and Government Operations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McCOLLUM introduced a bill (H.R. 4102) for the relief of Jacques H. Mims; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 302: Mr. Peterson of Florida.

H.R. 412: Mr. Bachus of Alabama.

H.R. 567: Mr. Gilchrest.

H.R. 587: Mr. Mineta.

H.R. 885: Mr. Brown of Ohio.

H.R. 911: Mr. Levy.

H.R. 998: Mr. Torkildsen.

H.R. 1309: Mr. Payne of Virginia.

H.R. 1342: Mr. Johnston of Florida.

H.R. 1438: Mrs. Meyers of Kansas.

H.R. 1517: Ms. Woolsey.

H.R. 1712: Mr. Paxon.

H.R. 1719: Mr. Fields of Texas, Mr. Sam Johnson of Texas and Mr. Calvert.

H.R. 1906: Mrs. Maloney.

H.R. 1910: Mr. Barrett of Nebraska.

H.R. 2741: Mr. Nadler.

H.R. 2873: Mr. Baesler, Mr. McKeon, Mr. Livingston, Mr. Pastor, and Mr. Barlow.

H.R. 2898: Mr. McDermott.

H.R. 2930: Ms. Eddie Bernice Johnson of Texas, Mr. de Lugo, Mr. Blackwell, and Mr. Bonior.

H.R. 2951: Mr. Dickey.

H.R. 2995: Ms. Furse.

H.R. 3023: Mr. Deal, Mr. Torres, Mr. Duncan, Mr. Diaz-Balart, Mr. Bonilla, and Mr. Tanner.

H.R. 3246: Mr. Bilbray, Mr. Burton of Indiana, Mr. Combest, Ms. Danner, Mr. DeFazio, Mr. Ewing, Mr. Grams, Mr. Hutto, Mr. Lancaster, Mr. Manzullo, Mr. Olver, Mr. Richardson, Mr. Rowland, and Ms. Snowe.

H.R. 3266: Mr. Wyden, Mr. Barcia of Michigan, Mr. Diaz-Balart, Mrs. Roukema, Mr. Gene Green of Texas, Mr. Roberts, Mr. Fields of Texas, Mr. Barca of Wisconsin, Mr. Hansen, Ms. Danner, Mr. Gilman, Mr. Baesler, Mr. Johnson of Georgia, Mr. Parker, Mr. Peterson of Florida, Mr. McCrery, Mr. Roth, Mr. Skeen, Mr. Smith of Oregon, Mr. Spence, Ms. Schenk, Mr. Mann, Mr. Grams, Mr. Lewis of Florida, Mr. Sarpalius, Mr. Bateman, Mr. Callahan, Mr. Clinger, Mrs. Bentley, Mr. Inslee, Mr. Fish, Mr. Schaefer, and Mr. Levy.

H.R. 3288: Mr. Foglietta.

H.R. 3293: Mr. Skeen and Mr. Evans.

H.R. 3302: Mrs. Meyers of Kansas.

H.R. 3320: Mr. Calvert and Mr. Hayes.

H.R. 3328: Mr. Goodlatte.

H.R. 3333: Mr. Baker of California.

H.R. 3365: Mr. Deutsch and Ms. DeLauro.

H.R. 3367: Mr. Barton of Texas, Mr. Knollenberg, Mr. McDade, Mr. Hastert, Mr. Hefley, Mr. Brewster, Mr. Browder, Mr. Levy, Mr. Poshard, Mr. Crapo, and Mr. McCandless.

H.R. 3386: Mr. Linder and Mr. Baker of Louisiana.

H.R. 3481: Mr. Clay and Mr. Jacobs.

H.R. 3490: Mr. Stenholm.

H.R. 3513: Mr. Levin, Mr. Ramstad, and Mr. Klein.

H.R. 3704: Mr. Hobson.

H.R. 3805: Mr. Saxton.

H.R. 3810: Mrs. Thurman, Mr. Coleman, and Mr. Murphy.

H.R. 3841: Mr. Hinchey.

H.R. 3845: Mr. DeFazio, Mr. Synar, Mr. Castle, and Ms. Shepherd.

H.R. 3851: Mr. Camp, Mr. Gekas, Mr. Young of Alaska, Mr. Grams, Mr. McCandless, Mr. Torkildsen, Mr. Gene Green of Texas, Mr. Fish, Mr. Chapman, Mr. Barcia of Michigan, Mr. Hoke, Mr. Weldon, Mr. Sensenbrenner, Mr. Gingrich, Mr. Rohrabacher, Mr. Hyde, and Mr. Zimmer.

H.R. 3866: Mr. Hilliard, Mr. Bryant, Ms. Byrne, Mr. Minge, Mr. Blackwell, and Mrs. Clayton.

H.R. 3872: Mr. Gene Green of Texas, Mr. Fazio, and Mr. Herger.

H.R. 3875: Mr. Hancock, Mr. Everett, Mr. Baker of Louisiana, Mr. Lightfoot, Mr. Barcia of Michigan, Mr. Bateman, Mr. Skeen, and Mr. Inglis of South Carolina.

H.R. 3895: Mr. Hunter and Mr. Taylor of North Carolina.

H.R. 3900: Mr. Bonior, Mr. Faleomavaega, Mr. Filner, Mr. Jacobs, Mr. LaFalce, Mr. Martinez, Mr. Miller of California, Mr. Pallone, Mr. Rahall, Mr. Spratt, and Mr. Stokes.

H.R. 3923: Mr. Bartlett of Maryland.

H.R. 3926: Mr. Levy, Mr. Hughes, and Mr. Menendez.

H.R. 3951: Mr. Boucher, Mr. Stupak, Mr. Wilson, and Mr. Poshard.

H.R. 3986: Mrs. Thurman, Mr. Wolf, Mr. Laughlin, Ms. Lambert, Mr. Barrett of Wisconsin, Mr. Petri, Ms. Danner, and Mr. Linder.

H.R. 3992: Mr. Stump, Mr. DeFazio, Mr. DeLay, Mr. Hancock, and Mr. Duncan.

H.R. 3993: Mr. Lantos and Ms. Byrne.

H.R. 3994: Mr. Levy.

H.R. 4024: Ms. Roybal-Allard, Mr. Hinchey, Mr. Filner, and Mr. Abercrombie.

H.R. 4030: Mr. McHale.

H.R. 4034: Mr. Neal of Massachusetts, Mr. Hilliard, Mr. Tejeda, Mr. Hall of Ohio, Mr. Coleman, Mr. Edwards of California, Ms. Norton, Mr. Flake, and Mr. Farr.

H.R. 4036: Mr. Smith of New Jersey, Mr. Blute, and Mr. Ackerman.

H.R. 4050: Mr. Bryant and Mr. Hinchey.

H.R. 4073: Mr. Coyne.

H.R. 4078: Mr. Skeen.

H.J. Res. 253: Mrs. Maloney, Mr. Engel, Mr. DeFazio, Mr. Crapo, Mr. Browder, Mr. Duncan, Mr. Waxman, Mr. Jacobs, Mr. Gunderson, Mr. Bilbray, Mr. Callahan, and Mrs. Thurman.

H.J. Res. 291: Mr. Costello, Mr. Swift, Mr. Barrett of Nebraska, Mr. Peterson of Minnesota, Mr. McKeon, Mr. Fingerhut, Mr. Inslee, Mr. Dixon, Ms. Dunn, Mr. Edwards of Texas, Mr. Johnson of Georgia, Mr. Whitten, Mr. Volkmer, Mr. Glickman, Mr. Price of North Carolina, Ms. Danner, Ms. Lambert, Mr. Oberstar, Mr. Pastor, Mr. Payne of Virginia, Mr. Roemer, Ms. Slaughter, Mr. Stearns, Mr. Tanner, Mrs. Vucanovich, Mr. Abercrombie, Mr. Ackerman, Mr. Baker of California, Mr. Baker of Louisiana, Mr. Ballenger, Mr. Barca of Wisconsin, Mr. Barcia of Michigan, Mr. Bartlett of Maryland, Mr. Bilbray, Mr. Blackwell, Mr. Brewster, Mr. Brooks, Mr. Brown of Ohio, Mr. Bryant, Ms. Byrne, Mr. Callahan, Mr. Calvert, Mr. Coleman, Mr. Condit, Mr. Conyers, Mr. Coppersmith, Mr. Deal, Mr. de Lugo, Mr. DeLay, Mr. Deutsch, Mr. Diaz-Balart, Mr. Dooley, Mr. Frank of Massachusetts, Mr. Gejdenson, Mr. Pete Geren of Texas, Mr. Gonzalez, Mr. Gutierrez, Mr. Hilliard, Mr. Hinchey, Mr. Horn, Mr. Houghton, Mr. Kanjorski, Ms. Kaptur, Mr. Kasich, Mr. Kennedy, Mr. Kim, Mr. LaRocco, Mr. McCrery, Mr. Machtley, Mrs. Maloney, Ms. Margolies-Mezvinsky, Mr. Miller of Florida, Mr. Mineta, Mr. Mollohan, Mrs. Morella, Mr. Murtha, Mr. Burton of Indiana, Mr. Darden, Mr. Doolittle, Mr. Gilman, Mr. Kingston, Mr. Levin, Mr. McCloskey, Mr. Markey, Mr. Meehan, Mr. Mfume, Mr. Miller of California, Mr. Moakley, Mr. Skelton, Mr. Spratt, and Mr. Torres. Mr. Moran, Mr. Myers of Indiana, Mr. Quinn, Mr. Roberts,

H.J. Res. 297: Ms. Collins of Michigan, Mr. Hilliard, and Mr. Wilson.

H.J. Res. 317: Mr. Stupak and Mr. Bonior.

H.J. Res. 329: Mr. Skeen, Mrs. Meyers of Kansas, Mr. Torkildsen, Mr. Hoke, Mr. Pickett, Mr. Bevill, Mr. Lipinski, Ms. Pryce of Ohio, Mr. Gordon, Ms. Collins of Michigan, and Mr. Martinez.

H.J. Res. 333: Mr. Frost, Ms. Schenk, Mr. Bateman, Mr. Traficant, Mr. Fawell, Mr. Diaz-Balart, Mrs. Thurman, Mr. Frank of Massachusetts, Mr. Lantos, Mr. Waxman, and Mr. Synar.

H. Con. Res. 147: Mr. Gejdenson.

H. Con. Res. 199: Mr. Manzullo, Mr. Rohrabacher, Mr. Royce, Mr. Canady, Mr. McCrery, Mr. Porter, Mr. McDade, Mr. Quinn, Mr. LaFalce, Mr. Paxon, Mr. McKeon, Mr. Gillmor, Mr. Baker of Louisiana, Mr. Everett, Ms. Dunn, Mr. Thomas of California, Mr. Moorhead, Mr. Diaz-Balart, Mr. Beilenson, Mr. Owens, Mr. Bateman, Mr. Kyl, and Mr. Bilbray.

H. Con. Res. 202: Mr. Slattery.

H. Res. 247: Mr. Ehlers, Mr. Young of Alaska, and Mr. Minge.

H. Res. 270: Mr. Levy.

H. Res. 383: Mr. Rohrabacher and Mr. Walsh.

H. Res. 390: Mr. Dingell.

EXTENSIONS OF REMARKS

CHINA: THE EMERGING ECONOMIC COLOSSUS

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mrs. JOHNSON of Connecticut. Mr. Speaker, I am pleased to share with my colleagues a very thoughtful speech delivered by former Commerce Secretary and my Bristol, CT, constituent, Barbara Hackman Franklin. In her remarks, Ms. Franklin gives us considerable material to ponder as we examine the importance of international trade in general and with China in particular.

CHINA: THE EMERGING ECONOMIC COLOSSUS

(By Hon. Barbara Hackman Franklin, Former U.S. Secretary of Commerce)

CHINA

China has always held a special intrigue for westerners. I am no exception. This vast populous country is thought by many to have the oldest culture on Earth. Certainly it was the center of Eastern civilization. Many Asian neighbors drew upon China as the source of their written language, religion, philosophy and style of living. It was already a sophisticated society when Marco Polo traveled there in the fourteenth century, bringing back such treasures as silk, tea, spices, noodles, fireworks, exquisite porcelain, and wood block printing.

But this special fascination has not translated into a smooth and predictable relationship over the past few centuries. To us, China has been alternately open, then closed, and then reopened again. The result is that we do not understand China very well—its ancient culture, its history, its people, way of life, political structure or place in today's world. But, our fascination persists, perhaps because we have a sixth sense about—and emotional reaction to—the huge sleeping giant on the other side of the world.

Now the sleeping giant has awakened. It is increasingly important—even urgent—that we understand this unusual country, which could eclipse the United States in the size of its economy in the early part of the next century. I believe we have reached a defining moment in our relationship with China.

THE HISTORY OF THE U.S.-CHINA RELATIONSHIP

Ever since Hong Kong was established—back in the days of clipper ships when trade with China flourished—the United States was engaged, along with Europe, in China. But having existed as a self-contained society for many centuries, China did not move easily into a cooperative relationship with the nations of the West.

Restriction of trade to specific ports in the eighteenth and nineteenth centuries, the Boxer Rebellion, the limit on trade by the mandarins in the early 20th century, the Japanese occupation before and during World War II, the brief reopening under Chiang Kai-shek, and the quick retreat behind the walls of communism in 1949—these are some of the more notable instances of the on-again, off-again flirtation China has had with the West.

It has only been since Richard Nixon's trip in 1972 that China has again been reopened to the U.S. And even though George Bush was sent to establish a liaison office after the Nixon visit, it was not until 1979, in Jimmy Carter's Presidency, that the U.S. officially recognized China.

U.S.-China trade resumed in 1972, but remained minimal until 1979 when China's "open door" policy began. China launched its economic reforms, made efforts to attract foreign investment, and created Special Economic Zones. In 1980, the U.S. accorded China Most Favored Nation trading status. Under our laws, this status must be renewed annually. It has become harder to do this every year because of the growing pressure to link MFN for China with progress in human rights.

In 1983, in the Reagan years, we took our commercial relationship one step further. The Joint Commission on Commerce and Trade was begun—Malcolm Baldrige was Secretary of Commerce—to provide a government-to-government channel to increase business activity and handle problems.

As freer markets and economic growth progressed, so too did the move toward more political freedom. A high water mark was reached when the democracy movement was put down forcefully at Tienanmen Square in 1989. As a result, the U.S. and a number of other countries imposed sanctions. The U.S. imposed six—prohibiting military contacts and sales, high level government contacts and government backed financial support for trade and investment, among other things. Once again, China openness took a backward step.

Moves to normalize relations inched forward in 1992. Three new market opening agreements were signed and were the first step toward "reopening" China for commercial activity. A trip I made last December, at the request of President Bush, was another "reopening" step. It also removed one of the sanctions—the one prohibiting high-level government contacts between China and the United States. Others remained, and today the U.S. is the only country still maintaining sanctions against China that are linked to the Tienanmen Square tragedy.

CHINA'S PLACE IN THE WORLD TODAY

Today, China is a country in transition. Much change is occurring—economically, politically and socially. And the course of the change is not always smooth or even; semi-controlled chaos might be one way to describe it. But the outcome has tremendous significance for us in the United States as well as for all the rest of the world.

China is the world's most populous country—1.2 billion people. This statistic alone gives China great weight in the community of nations, but there are other reasons that it has tremendous strategic importance.

Its geography is one. China is the geographic center of Asia. It shares a border with 14 different countries—Russia, India, Pakistan, North Korea, Vietnam, Laos, Burma (now Myanmar), Mongolia and Nepal, to name a few. China has more common borders than any other country in the world.

China also has a significant role in political and security terms. It has one of the seven permanent seats on the United Nations Security Council. This means China has a voice—and a veto—over the decisions made by this organization, mainly involving peace-keeping missions the nations of the world should undertake and how to conduct them.

Finally, and most importantly, we now have China's escalating economic clout. China's economy is the fastest growing large economy in the world. The International Monetary Fund already ranks China as the third largest economy in the world, behind the U.S. and Japan. Predictions are that the Chinese economy will grow between 13 and 14 percent this year despite stringent efforts to rein it in and cool it down. This is after a 12 percent growth rate last year.

No end is in sight. Economists around the world expect China's economy to continue growing at least 6 to 8 percent annually for the next 10 years. In contrast, growth rates for industrialized countries, including the United States, are predicted to remain at only 2 to 3 percent for at least the next five years. This means that China could overtake the U.S. as the world's largest economy within the next decade.

Right now, China is the largest market in the world—for aircraft, for telephones, for construction equipment and, increasingly, for consumer goods. The country needs virtually everything we produce and sell. And demand is growing rapidly. In cities like Shenzhen, one of the first special economic zones located in the south of China just across the border from Hong Kong, one can stand on the street corner and feel the dynamism and the energy as the Chinese people build another Hong Kong. I have never before seen and felt that kind of dynamic growth in any other place.

However, there are still contradictions. Some parts of China, especially in the north and west, have not yet been touched by the freedom of the special economic zones. They are not as advanced nor prosperous. But, one thing is clear—the Chinese want to advance, to prosper, to accumulate wealth.

The economic promise of China is heightened by Hong Kong and Taiwan.

Hong Kong will revert to China from Britain in 1997. Though there are ongoing controversies between China and Britain about how much democracy there should be in Hong Kong's governance, I believe, that in the end, the reversion will take place without incident. Hong Kong is by far the largest investor in China, and the economies of the two are unmistakably intertwined.

Taiwan is the second largest investor in China today. The people of Taiwan have done well economically since the Nationalist Chinese retreated there after the Communists assumed control of mainland China in 1949. And while tensions and political differences still exist between China and Taiwan, economic ties are flourishing. If one day in the next century Taiwan and China should decide to join together again, that would further accelerate the dynamism and size of the Chinese economy.

So, for all these reasons—population, geography, politics, and especially, economic potential—China must be reckoned with and understood.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I came away from my trip there last year more convinced than ever that we must remain engaged in China. This is the only way the United States can hope to influence the direction of change and help ensure a positive outcome—a market-oriented economy paired with a more open and free society.

However, there are others who think differently. There are a number of people, historically and now, who think the U.S. should not have contact or do business with China. There are those who are concerned about China's human rights record, such things as imprisonment of dissidents, use of prison labor to produce products for export, and coercive birth control measures. There are others who think we should not deal with any regime that is Communist, and therefore, an enemy. And, there are still others in our intelligence and defense establishments, who see a threat in China's military modernization and arms sales to other nations.

This jumble of attitudes and opinions about China and what the U.S.-China relationship should be made for a complex situation here at home.

MY MISSION TO CHINA, DECEMBER, 1992

Let me talk for a moment about my trip to China, where it fits into this mosaic, and what it accomplished.

Just after the 1992 election, President Bush asked me to go to China to reconvene the Joint Commission on Commerce and Trade with my counterpart Li Lanqing, then head of the Ministry of Foreign Economics and Trade. (He has since been elevated to Vice Premier and the Ministry has been renamed the Ministry of Foreign Trade and Economic Relations.) The Commission had been moribund since 1989 because of the sanction barring ministerial contact with China. As I said before, my trip lifted that sanction. It was the first Cabinet-level contact since Tienanmen Square.

As I also mentioned before, the trip was the next logical step in normalizing the U.S.-China commercial relationship, following the signing of three new market-opening agreements. These agreements dealt with market access, protection of intellectual property and a prohibition against using prison labor to make products for export to the U.S. The trip's objective was the advancement of U.S. commercial interests and the continued encouragement of economic reform and political freedom in China. To underscore the commercial aspects, I took six U.S. business people with me.

Before going, I met here with the Chinese Ministers of Aerospace and Telecommunications. I strongly indicated to both that our growing trade deficit with China was becoming an increasing problem and that the only way to address it was for China to buy more U.S. products. I had a list of pending U.S. sales—at the top was Boeing aircraft purchase. When I arrived in China, ten days later, and had my first bilateral meeting with Minister Li, he was quick to inform me that we would get our Boeing contract and that, to underscore Chinese good faith, it would be signed while I was in China. It was, as were other contracts between Chinese companies and AT&T and Northern Telecom. All told, we brought back more than $1 billion in new contracts for American companies. Let us remind ourselves that every billion dollars in export creates or supports more than 19,000 jobs in the U.S.

And, the discussions had with various other government and business officials were the stimulus for more U.S. business, signed later—including an order for GE engines, for more Boeing aircraft, a major AT&T joint venture, plus other sales of automobiles, satellites, and power generation equipment.

Other things accomplished on the trip—the whole of which netted more than either President Bush or I had expected—were these:

We moved forward on implementing the trade agreements, agreeing to specific deadlines, targets, and vehicles to accomplish specific objectives.

We agreed to negotiate a Memorandum of Understanding on end-user checks on "dual-use" technology products, such as computers, which could have both civilian and military uses. We indicated that if China agreed to allow checks of the end use of these products, it would be easier to convince our intelligence and military establishments that the Chinese were using them for peaceful purposes. That would provide leverage for the loosening of controls over the export of such products.

We agreed to resume negotiations on a bilateral investment treaty, to facilitate investment between our two countries.

During my talks with Primer Li Peng and other Chinese leaders, I made very clear that the U.S. also wanted to see substantial progress in a number of areas. I stressed that reducing the trade deficit, achieving full implementation of trade agreements, and addressing U.S. concerns in the areas of human rights and arms proliferation were the best ways to ensure a good working relationship between the U.S. and China.

I am proud of what we did to reopen commercial relationships with China more fully, to place the full weight of our government behind our business people, and to mend the U.S.-China relationship.

THE STATUS TODAY

The question now is: where is our relationship with China today, and where do we want it to go?

On balance, right now, in November of 1993, I think our relationship with China is one of mixed signals and escalating tensions, which holds the possibility of undoing much of our recent progress.

The Clinton Administration seems conflicted in its attitude toward China. Administration officials appear to be working at cross purposes. Strong objections to some of China's policies and actions are uttered at the same time a stream of high level visitors is traveling to China to extend olive branches. A meeting between President Clinton and China's President Jiang Zemin has been scheduled to be held during the Asia Pacific Economic Cooperation (APEC) conference in Seattle on November 18 and 19 as part of this campaign to soothe the troubled waters of the U.S.-China relationship.

COMMERCIAL RELATIONS

There is some good news. The efforts we began last year seem to be moving forward.

On the business front, U.S. companies continue to rush to explore business opportunities, send more exports, and sign more contracts in China. About 2,000 U.S. companies have about $6 billion invested there now, making the U.S. the third largest investor in China. U.S. exports are growing substantially.

We continue to move forward on implementation of the market access agreement. The Clinton Administration is considering a bigger push on services; however, progress is slower than we would like. More programs has been made on implementation of the intellectual property rights agreement. The Chinese have taken significant steps by changing laws and setting up courts. The issue now is enforcement. Our government intends to pursue this concern.

Unfortunately, the progress in these areas has not done much yet to reduce our trade deficit with China. Estimates are that the deficit will climb to $23 billion this year, a significant jump from the almost $19 billion deficit recorded in 1992.

One thing that could be done to shave almost $2 billion off that deficit quickly would be for China to get serious about stopping illegal transshipments of textiles to the U.S. This is a continuing—and growing—problem. Textile products are shipped through Hong Kong, Taiwan and other Asian ports to obscure the country of origin and thereby avoid import quotas set by a textile agreement between the U.S. and China.

The current agreement is due to expire at the end of this year. The Chinese are dragging their feet on concluding a new one. Resolving this issue would help reduce the trade deficit and remove one point of tension in the U.S.-China relationship.

ESCALATING TENSIONS

The rest of the news about our relationship with China is not so good. A number of other incidents are causing tensions to escalate.

First, came the debate about whether Most Favored Nation status should be renewed for another year. President Clinton did the right thing—renewed it—but indicated there would be human rights conditions the Chinese would be expected to meet if MFN is to be renewed again next year. Even though the conditions irritated the Chinese, there was a sign of relief on both sides of the Pacific.

From here, things have deteriorated fast.

Perhaps the most significant event—the one that angered the Chinese the most—was the vocal opposition in the U.S. to China's bid for the Olympics. China desperately wanted to host the 2000 Olympics, viewed it as a right of passage that would enable the country to demonstrate that, economically at least, it had arrived as a player in the modern world.

However, some here in the United States launched a campaign, saying China did not deserve to host the Olympics because of its human right record. Human rights groups, some in the media and some members of Congress loudly and emphatically expressed their opposition to China being awarded the honor of hosting the games. The Chinese vigorously protested this injection of politics into the Olympic games site selection process and no one will ever know whether it played any role in the Committee's decision to award the games to Sydney, Australia. The Chinese think it did.

Another incident contributing to rising tensions was the August finding by the State Department that China had delivered missile parts and technology to Pakistan. If the technology was sold to Pakistan, the action would be a violation of the Missile Technology Control Regime guidelines to which China has promised adherence. The evidence may not be conclusive, and China has denied violating the treaty. But nonetheless, the finding automatically triggered sanctions against the sale of certain high technology equipment to China.

Sanctions can cost U.S. businesses billions of dollars and throw thousands of Americans out of work. To complicate matters, the U.S. action was unilateral. No other country which is part of the regime has joined us. Thus, our competitors are moving quickly to capture the business that U.S. companies are losing.

The U.S. business community has protested and President Clinton has agreed to review this decision. Hughes Aircraft Company and Martin Marietta Corporation, two companies that are being hurt most, are leading the charge. Hughes could lose contracts to sell 10 satellites to China, sales worth $250 million, jeopardizing 3,000 jobs, according to the Washington Post.

On the heels of the sanction decision was the confrontation in August and September over U.S. suspicions that a Chinese freighter bound for Iran was transporting chemical weapons. U.S. naval vessels prevented the ship from docking, and after weeks of intense negotiations, the Chinese agreed to let the ship put in at a Saudi port and be inspected by officials of all three countries. No weapons were found, and the Chinese have demanded an official apology.

And then came the Chinese underground nuclear test just weeks ago, performed over our objections. One wonders if the Chinese weren't just showing the U.S. that they would not tolerate interference in their affairs.

Now we are threatening more sanctions because of alleged violations of treaties protecting endangered species. China and Taiwan are accused of trading in rhinoceros and tiger parts, ingredients of traditional Chinese medicines. Both animals are on endangered species lists. If sanctions are imposed, millions of dollars of trade in flowers, timber and other plant and animal products would be affected.

We are also fast approaching the deadline for a six-month report due from the State Department to Congress on China's progress in resolving human rights issues. It is bound to be a focal point for reviving debate about China's human rights stance and the appropriate U.S. response. And whatever happens will be a major factor in 1994's annual debate about MFN renewal.

THE FUTURE

It is time we focused on our long-term relationship. We need to adopt a consistent, stable policy toward China. We need to develop a long-term vision of what our relationship should be. We must stop reacting to individual incidents and respond only in the context of this long-term vision.

And what should that vision be? I think it has to be rooted in a goal of being a friend, of helping China transform itself into a full-fledged modern, free market economy. This is the key to attaining a more free and open society in the most populous country in the world.

This means the U.S. has to stay engaged in China. We achieve nothing from withdrawal except a loss of influence. As an old China hand I know said, "we might go away in Asia, but China never will." Only by increasing the ties that bind us can we affect change.

We should have an expanding commercial relationship. We should pursue our agenda—pushing for full implementation of the market-opening agreements we have, reducing our trade deficit and supporting China's quest for membership in the GATT. We should intelligently balance all our interests in China—the commercial as well as our human rights and arms proliferation concerns.

To do this, we need to exercise the best of diplomatic judgement and skills, to disagree with the Chinese when we must, be tough-minded when necessary, but do so in the context of fostering an important friendship. We need to encourage, cajole and coax the Chinese forward, instead of blustering, threatening and shouting at them in public. Above all, we need to treat our Chinese friends—as we would any friends—with dignity and fairness.

I'm told by some close observers that the Chinese leadership is very upset about the deteriorating relationship with the U.S. They are rethinking whether they want a long-term partnership with our government. They fear the U.S. will not be a constant and consistent partner and will not treat them with the dignity and fairness they feel they deserve.

We in the U.S. must remember that China has other options. Japan and Europe are waiting in the wings, eager to forge stronger ties with the world's fastest growing large market.

Much remains to be done in China to fully resolve our concerns about human rights and arms proliferation. But the best way to promote progress is to stay engaged, to encourage China's economic reform and integration into the world economy. History has shown that economic freedom inevitably leads to personal freedom.

Let's not turn our back on the possibility of helping free markets and democracy along in China. If we are short-sighted and fail to adopt a long-term vision about our relationship, if we continue our current schizophrenic approach to a China policy, who knows what direction change could take. The U.S.—and the world—cannot afford to take this risk.

TRIBUTE TO LARRY KLEIN

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor Larry Klein on the occasion of his being presented with the 1994 Tall Tree Outstanding Citizen Award by the Palo Alto Chamber of Commerce.

Larry Klein currently serves as chair of the Palo Alto Centennial celebrations, an enormous and exciting undertaking. His contributions to the Palo Alto community are well known and highly regarded. He served on the Palo Alto City Council for 9 years, serving as mayor in 1989, a job he performed with distinction and integrity. Larry Klein has been a leader in long-range planning, regional cooperation, and environmental protection. He has been tireless in his efforts to promote cooperation between the city and the Palo Alto Unified School District.

Mr. Speaker, Larry Klein is an outstanding citizen with an unswerving commitment to his community and public service. His work on behalf of the city of Palo Alto is exemplary and he is indeed a model for others to emulate. I ask my colleagues to join me in saluting him on this auspicious occasion of receiving the coveted 1994 Tall Tree Outstanding Citizen Award.

TRIBUTE TO JONATHAN JOUBERT

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Jonathan Joubert of Troop 13 in West Warwick, RI and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as citizenship in the community, citizenship in the nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Jonathan stripped, resealed, and waxed the floors at St. James Church in West Warwick.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Jonathan Joubert. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of whom now serve in the House.

It is my sincere belief that Jonathan Joubert will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

TRIBUTE TO CAROL KOUSNETZ STERKIN (1923–93)

HON. LESLIE L. BYRNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mrs. BYRNE. Mr. Speaker, I rise today to pay tribute to a remarkable scientist, wife, and mother whose unique contributions to the American scientific community deserve our highest accolades and profound admiration. Although an accomplished scientist in her own right, Carol Kousnetz Sterkin will be most remembered as the legendary head of the Literature Search Function at the Jet Propulsion Laboratory [JPL] in Pasadena, CA, a position which she held with distinction for the past 30 years.

Carol Kousnetz Sterkin was born in Chicago, IL, in 1923 and spent her childhood under the shadow of the Great Depression. Taking advantage of a remarkably early ability to read, she finished every book in her father's extensive library by the age of 6. Since many of his books were technical in nature, the seeds of a life-long dedication to science were planted at an early age. As a young teenager bedridden by a severe accident, she continued her pattern of voracious reading which helped prepare her for admission to college in 1940.

She received her B.S. in physics from the University of Chicago in 1944 and, after working for 2 years as an engineer for General Electric on low pressure, plasma discharge research and igniter point development related to mercury pool tubes—thyratrons and ignitrons—she taught math and physics and completed her M.S. in nuclear physics at the University of Illinois in 1947. During these years she studied under several famous scientists, including Enrico Fermi, who were working on the Manhattan project at the time. While she was not involved with the initial development of the atomic bomb, she did participate in subsequent research and development for both the destructive and peaceful uses of the atom.

Long before the advent of modern feminism, Carol Sterkin deplored the sex discrimination suffered by professional women in science. She noted that often men with half her education were receiving twice her salary and 10 times the recognition for far less impressive work. This was especially true in the 1940's, when it was unusual for a woman to even study the sciences, not to mention actually teaching in that field.

In the following years, Ms. Sterkin developed severe moral reservations about the destructive uses of the atom. She was also ahead of her time in realizing the hazards of radioactive materials and decided that she did not want a career working with such substances. She is quoted as saying:

> At the time, the only work being done in physics was in the field of nuclear physics. I found myself surrounded by a group of men who had helped develop the A(tomic)-bomb at Los Alamos. Most of the graduate students in my nuclear physics courses could have written the (text) book! * * *. When I left I was faced with the dilemma of not really wanting to work with radio-active materials, and disapproving morally of the atomic bomb.

With these factors in mind, Carol turned more and more to the fields of research and technical writing. For the last 30 years of her life she served as the head of the Literature Search Function at the Jet Propulsion Laboratory Library. In this capacity she was so valuable because she combined the research skills of a librarian with the knowledge of a scientist, and became truly indispensable to the scientific community which she served.

She was a pioneer in the development of global access to online scientific and technical data bases. In the late 1960's and 1970's, she was one of the original developers (from the NASA side), along with experts from other government agencies and universities all over the world, of the online information systems that provide scientists worldwide with the capability of sharing and pooling knowledge. Until the time of her death, she remained one of the world's ranking experts in this field.

Again and again, she postponed her retirement because there was no one else at the Jet Propulsion Laboratory who could continue her work. Her extensive technical knowledge and acquaintance within the worldwide scientific community enabled her, not only to support the appropriate literature to a scientist, but also to put him/her in touch with the latest published work being done in the field.

Scientists all over the world knew her and valued her concept of unrecorded knowledge and information (as opposed to the common notion recorded information). This is the ongoing information as it is discovered and developed. It includes the personal knowledge a scientist has yet to document, unpublished documents and papers, current test and research results, personal scientific diaries, and so forth. For obvious reasons, in a rapidly changing technological world, this information is the most valuable to a scientist.

The high quality of her work is attested to by the fact that she did extensive work on extreme vacuums and atomic theory for Nobel laureate, Richard Feynman, the late American physicist of international fame. One of the Jet Propulsion Laboratory's principal scientists, Dr. James Stephens, has said that "she knew so much, it will be absolutely impossible to replace her." The truth of this statement is borne out by the fact that her position—which the JPL scientists are desperate to fill—remains vacant and they have yet to find anyone they feel even has the potential to grow into her capability.

Carol Sterkin was married at one time to Samuel Sterkin and was the mother of three sons, Bruce, Joel, and Lawrence. Although she worked in an era in which women often received little recognition for their accomplishments, she leaves a legacy of achievement, dedication, and expertise which has paved the way for greater recognition of other women of outstanding ability in the latter part of the 20th century. Her loss will be felt, not only by her family and local community, but throughout the scientific world for a long time. I ask my colleagues to join me on the floor of the House of Representatives to honor a truly great American, Carol Kousnetz Sterkin.

THE SERVICE EDUCATION REDEVELOPMENT PROGRAM

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. RICHARDSON. Mr. Speaker, I am honored to share with my colleagues a success story about cooperation between a community nonprofit organization, private corporations and a Federal grant program that has made a difference in the life of a young woman in Santa Fe, NM.

Brenda Ortega could have easily been another teenage statistic. Brenda was pregnant by the time she was a ninth grader and a high school dropout by 16. Today at age 18, Brenda has earned a GED, has a job with the New Mexico Economic Development Department and is a student at Santa Fe Community College. The link between Brenda's situation and success was the Service Education Redevelopment [SER] Program.

The Service Education Redevelopment Program is provided by a nonprofit organization which helps students obtain a high school equivalency degree and find employment. Funded by JPTA grants, State matching education funds, and contributions from private businesses and foundations, the Service Education Redevelopment Program finds students' jobs and pays their wages while they study to obtain a GED. While preparing students for the GED test, the SER program also coaches students in how to fill out a job application, how to dress appropriately, the importance of being on time and communicating with an employer.

I ask my colleagues to join me in recognizing what is possible when we have cooperation between community, State, and Federal sources and the difference we can make in the lives of young people like Brenda Ortega.

GOVERNOR'S AWARD FOR DRUG AWARENESS WON BY HENRY COUNTY SCHOOL SYSTEM

HON. MICHAEL A. "MAC" COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. COLLINS of Georgia. Mr. Speaker, it is with great pleasure that I announce that the Henry County School System, Henry County, GA, has won the prestigious Governor's Award for Drug Awareness for the fourth consecutive year. In a joint effort, all 15 schools throughout the county submitted a single application to the Governor's office and were then chosen for their dedication to such antidrug programs as Red Ribbon Week. With the help of PALS [Parents and Leaders in Schools], an organization made up of all the PTO's, PTA's, and advisory groups from each school, the students were able to achieve success in the battle against drugs.

This award demonstrates that children in today's society are willing to stand up to their peers and say "no" to drugs. We must all applaud this courage and commend them for their high moral values. However, we cannot forget the hard work done by the parents, teachers, schools, and local community in this equation. Without loving guidance or constant encouragement, this drug-free way of life that the students have chosen may not have been a reality.

This award says a lot about what works in our government. I am a firm believer that schools, as well as communities, thrive when problems are addressed on the local level, rather than by the Federal Government in Washington, DC. Parents and teachers know how to best educate children on the dangers of drugs. This recognition of the Henry County School System only proves my point.

Again, let me say, for the record, that I commend the Henry County School System and its students and teachers for their continued dedication to the war on drugs.

TRIBUTE TO BOB THOMPSON

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. WELDON. Mr. Speaker, this week is an important milestone for Robert J. Thompson, a distinguished gentleman from Chester County, PA. His friends and colleagues will come together to wish him well as he enters semiretirement. Bob Thompson is an individual who has had an extraordinarily successful career in both business and public service.

Most recently, Bob was president of the Chester County Chamber of Business and Industry, where he was a forceful advocate for local business. Bob previously served as a Chester County Commissioner, including 4 years as chairman of the board of commissioners. He also was a member and chairman of the board of directors of the Southeastern Pennsylvania Transportation Authority, and a vice president of Fidelity Bank.

Bob has also been a member of the board of the Chester County Hospital, the Chester County Historical Society, the Chester County unit of the American Cancer Society, and the YMCA of Central Chester County. He was cofounder of an adolescent suicide prevention group and serves on the board of the Chester County Youth Expo.

He is an elder of the First Presbyterian Church of West Chester and a member of the Rotary Club of Westtown-Goshen.

Bob Thompson is the rare individual who can undertake a business career, public service, and civic involvement and be successful with each endeavor. I commend him for his achievements and wish him and his wife, Nancy, much happiness for their future.

DISTRICT CHAMPS

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. FROST. Mr. Speaker, it is my distinct pleasure to announce that the Ferris Yellow Jackets from Ferris, TX, are State High School Class 3A State Basketball Champions. The Yellow Jackets, led by Coach James Rogers, were an impressive 31–3 on their way to the school's first State championship. For the past 2 years, I had the pleasure to pay tribute to two other champions in my district—The Paul Lawrence Dunbar Wildcats who were the 1993 Class 5A State Basketball Champions and the Waxahachie Indians who were 1992 Class 4A State Football Champions. I am very proud of all the district champs.

The entire Ferris community has been longing for a State championship for sometime and this year's championship has been cause for great celebration in both the school and the community. This achievement is a prime example of what our young people can achieve given the determination and encouragement. This was Coach Rogers' 13th season as head coach for Ferris, and it turned out to be a lucky year for him.

All of Ferris is proud of their accomplishment. I salute the members: coaches—James Rogers, Mike Russell, Randy Waggoner; players—Vernon Butler, Pedro Tyejo, Jeremy Sims, Roman Barnes, Tyson Hollywood, Alonzo Harrison, Kendrick Cherry, Casey Greene, Jonathan Spence, Robert Brown, Kris Salas, Kyle Rogers, Jason Runnels, Kurt Harrison, and Tracy Johnson.

TRIBUTE TO THEATREWORKS

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor TheatreWorks on the occasion of it being presented with the 1994 Tall Tree Outstanding Organization Award by the Palo Alto Chamber of Commerce.

TheatreWorks is the San Francisco Peninsula's largest and most critically acclaimed performing arts organization. Founded in 1970 by Artistic Director Robert Kelly, the company serves over 90,000 theatergoers throughout the bay area during its season of 12 plays and musicals. It is a theater of all ages and races, unique in its dedication to multi-culturalism. TheatreWorks is a major cultural asset to the Palo Alto community and contributes in many ways. It encourages community participation, creates special opportunities for groups such as seniors and children, trains artists, and forges partnerships with school and other organizations.

Mr. Speaker, TheatreWorks is an outstanding organization and has made a substantial contribution to the lasting enhancement of Palo Alto. I ask my colleagues to join me in saluting it for receiving the coveted 1994 Tall Tree Outstanding Organization Award.

TRIBUTE TO JUSTIN HART

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Justin Hart of Troop 1284 in Warwick, RI and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 Merit Badges, 11 of which are required from areas such as citizenship in the community, citizenship in the Nation, citizenship in the world, safety, environmental science, and first aid.

As he progresses through the Boy Scout ranks a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership skills by holding one or more specific youth leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Justin raised the funds and built a shed at the Apponaug Bambino little league field in Warwick.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Justin Hart. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of whom now serve in the House.

It is my sincere belief that Justin Hart will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

LONG BEACH SHIPYARD WORKERS HELP EARTHQUAKE VICTIMS

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. HORN. Mr. Speaker, the employees of the Long Beach Naval Shipyard are well known for their extraordinary work ethic, their high skill level, and their considerable contribution to the Nation's security. They should also be recognized for their strong compassion for their fellow citizens and their willingness to make significant sacrifices to help those in need.

In the wake of the earthquake centered in Northridge, CA on January 17, approximately 200 Long Beach Naval Shipyard employees responded to a January 21 request for assistance from the Office of Personnel Management [OPM]. They volunteered their services at disaster assistance centers throughout those areas that had been devastated by the earthquake.

When the OPM call came in, supervisors were immediately contacted, and they in turn set in motion a phone tree process to contact their employees in order to obtain volunteers. Workers were told that they would be taking applications for relief from the earthquake victims. They were also told that volunteers would be working approximately 12 hours a day, 7 days a week, for up to 20 days and that they were to report for an orientation session the next day.

The calls to employees continued late into the night on the 21st and then throughout the next morning. The response was overwhelming and gratifying. Over 200 shipyard employees volunteered. They attended the orientation session on the 22d and the majority began work the next day.

These employees began working in centers in Reseda, Hollywood, Santa Clarita, Santa Monica, Northridge, and anywhere else they were needed. One group of employees working at the center in Reseda reported taking in over 800 applications in one day. Fortunately, many of the Long Beach Naval Shipyard volunteers are bilingual, which proved especially helpful to many non-English speaking people in some of the hardest hit areas.

Also, because of the variety of skills the Long Beach volunteers possess, they were called on to perform many other services. For example, when rain was predicted, one group worked late into the night putting up tents to provide shelter to many of the thousands left homeless by the quake.

Disasters sometimes have a way of revealing the best in people. The volunteers from the Long Beach Naval Shipyard worked very long hours in difficult circumstances because they simply wanted to help. There was a need and they responded willingly.

This commitment to help their fellow citizens following the earthquake reflects the commitment, dedication, and compassion which is personified in all of these talented individuals. The spirit they showed in this emergency is the same spirit they have demonstrated in their consistent commitment to excellence in their work at the Long Beach Naval Shipyard.

In closing, I would like to include a short article from the January 25 edition of the San Pedro News-Pilot.

[From the San Pedro News-Pilot, Jan. 25, 1994]

SHIPYARD CREWS GIVE QUAKE AID

Approximately 200 employees at the Long Beach Naval Shipyard on Terminal Island have volunteered their services to the Federal Emergency Management Agency to help displaced victims of the Northridge earthquake.

The volunteers will remain at various FEMA centers until they no longer are needed.

The Office of Personnel Management called the shipyard Friday to ask for volunteers; then supervisors and union officials were contacted.

In turn, they called employees at home. Those who volunteered attended a training session Saturday in Pasadena and began helping Sunday.

HONORING GREEK INDEPENDENCE DAY AND THE IMPORTANCE OF GREEK HERITAGE TO AMERICAN DEMOCRACY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. SCHUMER. Mr. Speaker, as you may know March 25 is Greek Independence Day. This day is important to all Americans because it commemorates the unique bond Greeks share in our commitment to democracy. The democracy that originated in Greece 2,500 years ago, was the inspiration of our Founding Fathers when creating our democratic system. As Members of Congress, serving in this body born out of Greek ideals, Greek Independence Day will be a celebration of our common bond to liberty and freedom. To this day, my constituents of Greek descent are proud of the influence their heritage has had on this country—and so am I.

It is very appropriate as we salute Greece's past that we also salute the strong bonds between us in the present and the future. Greece and the United States have developed close ties, as members of NATO and the European Community. Let us continue to honor these ties and work to strengthen them by celebrating with Greek Americans on March 25.

CONGRATULATIONS AND THANKS TO NORTON YOUNGLOVE

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. CALVERT. Mr. Speaker, the county of Riverside, CA has been extremely fortunate during its history to have many dedicated citizens who have been willing to contribute their time and talents to help make our community an exceptionally good place in which to live and work. For the better part of four decades, one of the most dedicated and active of these citizens has been Mr. Norton Younglove.

Mr. Younglove is a native of Riverside. He was born in 1929, and attended local public schools before traveling to Oregon to obtain his BA in public administration and political science at Willamette University. After a stint in the U.S. Army Signal Corps in Korea, Norton returned to Riverside to work several years in his family's oil business before beginning a career as a teacher of government and history at Sierra Junior High and Ramona High School in Riverside. A decade later, Norton Younglove decided to put in practice the lessons about government that he had learned and taught.

Norton was first elected to the Riverside County Board of Supervisors in 1971, and has served in that position continuously ever since. For nearly a quarter of a century in office he has helped guide our county through an era of unprecedented progress. During that time, he has striven to be fair to everyone, and has worked diligently to manage rapid growth and development to keep it from destroying the natural assets which have attracted so many people to our area of southern California.

Norton has always believed that his job of representing the people of Riverside County entailed much more than attending board meetings and casting votes. He has involved himself in a myriad of activities at the county, regional, and State levels. These include serving as: chairman of the Riverside County Flood Control and Water Conservation District; a founding member of the board of directors of the Riverside Transit Agency; chairman of the Habitat Conservation District; executive board member of the Inland Manpower Association; past member of the governing body of the Inland Counties Health Systems Agency; member of the Regional Airport Authority; former board member of the Inland Empire Labor Management Council; former chairman of the County Supervisors Association of California; founding chairman of the California Association of Councils of Government; and a member of the southern California earthquake preparedness project, policy advisory board.

For his entire adult life, no one has worked harder or contributed more than Mr. Norton Younglove to make Riverside County a community of which we all can be proud. On March 25, 1994, Norton will be recognized for his service to our community by being named the Citizen of the Year by the Riverside Rotary Club. On behalf of the citizens of the 43d Congressional District, I want to add to this tribute my thanks and congratulations, and to wish Norton, his wife Ardith, and their three sons and five grandchildren best wishes for a happy and productive future.

INTERSTATE MUNICIPAL SOLID WASTE CONTROL ACT

HON. RICK SANTORUM

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. SANTORUM. Mr. Speaker, I am pleased to join my colleagues from Pennsylvania in introducing important bipartisan legislation to help our State address its growing problems with out-of-State municipal waste. I would particularly like to commend Congressmen JIM GREENWOOD, JACK MURTHA, BILL CLINGER, and JOE MCDADE for their leadership in this effort.

Back in 1992, I joined many of my Pennsylvania colleagues in writing to congressional leadership urging them to break the gridlock that has blocked action on this issue for so many years. I reiterate that plea today: we must act to give States a voice in limiting interstate waste shipments.

This bill will give the Governors, in consultation with local communities, the authority to restrict interstate waste shipments.

Pennsylvania imports far more municipal waste than any other State. In 1993 alone, nearly 4 million tons of waste was shipped into our State for disposal. Almost 2 million tons of waste was shipped to Pennsylvania from New York, and another 1.3 million tons came from New Jersey. According to the waste management industry, this waste is brought to our State because "the political and economic costs of disposal in the generating state become so high that it is 'less expensive' to transport [waste] to other states." In other words, since other States cannot find the political willpower to make hard decisions about where to place their landfills, they choose the easy way out and ship their waste to Pennsylvania.

I believe that the time has come to give Pennsylvania and other States the power to say "no" to the huge shipments of interstate waste that cross our borders every day.

Federal laws require States to develop plans for comprehensive State management of municipal waste. These plans can include programs to reduce waste and require recycling. But, citing the Interstate Commerce Clause of the Constitution, courts have repeatedly overturned State plans to limit interstate waste shipments. As a result, Governors are virtually powerless to control or restrict out-of-State waste. It is time to close this loophole.

For Pennsylvania, this legislation is important because it will give us the ability to comprehensively manage all municipal solid waste in our State. For our neighbors, enactment of this legislation will mean that their political "free-ride" is over. These States will have to find ways to manage their own waste problems without pushing it across our borders.

CONGRATULATIONS TO JUDGE THOMAS A. DEMAKOS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. MANTON. Mr. Speaker, I rise today to congratulate Judge Thomas A. Demakos for his outstanding service and contribution to Queens County. On Tuesday, March 22, 1994, the Benevolent and Protective Order of Elks Queens Borough Lodge No. 878 will pay special tribute to Judge Demakos and his dedication to the judiciary system of Queens County.

Judge Demakos was born in New York City and currently lives with his wife Mary and has two children. He received his bachelor of science from Long Island University and his masters from New York University Graduate School. In 1957, Judge Demakos was awarded his juris doctor from New York State School of Law. He also served in the U.S. Marine Corps from 1943–46.

Judge Demakos was admitted to a number of courts throughout his career including: all New York State courts, Second Judicial Department; U.S. district courts, eastern and southern districts; U.S. Supreme Court and the U.S. Court of Appeals, second circuit. He has presided over a number of courts including the supreme court where he was Justice from 1986 to present in the Eleventh Judicial District; acting supreme court Justice from 1982 to 1985 and criminal court judge from 1980 to 1982.

In addition, Mr. Speaker, Judge Demakos worked in the office of Queens County District Attorney where he served as the chief assistant district attorney, chief Supreme Court Trial Bureau, chief Rackets Bureau, deputy chief Supreme Court Trial Bureau and the assistant district attorney. Furthermore, Judge Demakos worked on several major cases which including People versus Forest Hills General Hospital in 1965, People versus Ferguson & Harris in 1968, People versus Alice Crimmins in 1971, and People versus Thomas Shea in 1974.

Over the years, Judge Demakos has been involved in a number of professional activities which include: member, faculty of the office of Court Administration Judicial Seminars; member, Chief Administrators' Advisory Committee on Criminal Law, and procedure and a lecturer at the British and Canadian Bar Association joint meeting 1990 Annual Bar Conference in London, England.

Mr. Speaker, Judge Demakos deserves this special recognition for his allegiance to the judiciary system of New York. I know my colleagues join me in saluting Judge Thomas Demakos for his outstanding achievements.

ILLINOIS LEGISLATURE HONORS ADAM TOMASZKIEWICZ

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. HYDE. Mr. Speaker, one of Illinois' most distinguished citizens is Adam Tomaszkiewicz of Willow Springs, who was honored last January by the Illinois State Senate.

State Senator Judy Baar Topinka offered the following Resolution which was unanimously adopted. I have had the pleasure of knowing Adam for many years, and he is indeed an inspiration to all of us who count him as a good friend.

SENATE RESOLUTION NO. 988

Whereas, Adam Tomaszkiewicz has been named Man of the Year by the Polish National Alliance for his service to the Polish-American community; and

Whereas, Mr. Tomaszkiewicz, of Willow Springs, is the president of the alliance's Cicero Society and has served as national treasurer of the alliance and as chairman of the national budget and finance committee; and

Whereas, Adam Tomaszkiewicz has been active in the Polish American Congress and chaired its $1 million fund-raising campaign after World War II; and

Whereas, He succeeded his father, Michael Tomaszkiewicz, as treasurer of the Polish National Alliance in 1955 and has served the association in many capacities since then; and

Whereas, Mr. Tomaszkiewicz richly deserves the honor accorded him by the organization he has served so well; therefore, be it

Resolved, by the Senate of the eighty-eighth General Assembly of the State of Illinois, That we congratulate Adam Tomaszkiewicz on being named Man of the Year by the Polish Nation Alliance, commend him on his long history of public service, and wish him all the best in the future; and be it further

Resolved, That a suitable copy of this preamble and resolution be presented to Adam Tomaszkiewicz.

Adopted by the Senate, January 13, 1994.

25TH ANNIVERSARY OF WTOP RADIO

HON. LESLIE L. BYRNE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mrs. BYRNE. Mr. Speaker, recently all of us in the Washington metropolitan area had the pleasure of listening to the highlights of news coverage for the past 25 years as Washington's premier all-news radio station, WTOP, celebrated its anniversary.

On March 10, 1969, WTOP Radio launched its all-news format and has for a quarter century served the Washington area with responsible and accurate news coverage of local and national events.

The high standards of this radio station must be credited to its outstanding writing and reporting staff. WTOP has launched the careers of many broadcasting greats like Walter Cronkite, Connie Chung, and Sam Donaldson to name a few.

And, as Members of Congress, we have the good fortune of working with WTOP's Capitol Hill Correspondent, Dave McConnell. I begin every workday with Dave McConnell's reports from Capitol Hill, and I know that many of my colleagues do the same.

Mr. Speaker, I want to thank WTOP Radio for providing a great public service. May the next 25 years be as successful as the first.

TUFTS IS FOREVER

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. RICHARDSON. Mr. Speaker, I would like to take this opportunity to make our colleagues aware of an important even that will be taking place the week of April 21.

The year 1994 signifies the 10th annual celebration of Turftonia's Week. This is a special time for the over 75,000 Tufts alumni who gather in groups throughout the world to take part in Tuftonia's week festivities. From Somerville to Saigon, Wyckoff to Warsaw, and Albuquerque to Ankara, thousands of graduates come together to pay tribute to their alma mater and to remember the good times that they shared as fellow Tuftonians.

Tuftonia's Week is named after the venerable Tufts football fight song written by E.W. Hayes, class of 1916. Through the continual and widespread involvement of the Tufts community, this celebration captures the same sense of spirit and vitality for which this song was written. In honor of this special 10th anniversary commemoration, our male a capella singing group, the Beelzebubs, will join in the festivities as they entertain alumni on an Amtrak railroad trip which begins in Boston and travels down the Northeast corridor until reaching its final destination in our Nation's Capital.

Tufts University was founded in 1852 and enrolls approximately 7,900 students from all 50 States and 109 countries. As a Tufts alum, I am deeply honored to congratulate this outstanding institution and its loyal alumni for their continued achievements in public and community service. I ask my colleagues to join me in urging their Tufts alumni constituents to participate in this year's Tuftonia's Week celebrations.

LEGISLATION INTRODUCED TO CONSTRUCT A NEW FEDERAL COURTHOUSE IN THE NORTHERN DISTRICT OF ILLINOIS

HON. GEORGE E. SANGMEISTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. SANGMEISTER. Mr. Speaker, I am pleased today to introduce a bill legislating the creation of a new Federal courthouse and division in the northern district of Illinois. This courthouse, located in Joliet, would serve a newly created southern division within the northern district of Illinois. It would be comprised of Grundy, Kendall, La Salle, and Will Counties. The counties of Cook, Du Page, Kane, and Lake would remain within the district's eastern division.

The idea for establishing a suburban Federal district courthouse originally arose at the State bar level at a board of governors meeting over a year ago as a way to deal with the problem of overcrowding. A number of local bar associations, including those in Grundy, Kendall, La Salle, and Will Counties, became interested in the project, and have since urged me to help them turn their idea into a reality.

The demographics of south and west suburban Chicago have changed dramatically over the last decade. The population has increased much faster than in other areas and, as a result, more legal activity has followed. From 1980 to 1990, the combined population of Grundy, Kendall, La Salle and Will Counties has increased from 504,277 to 535,976, a total of 6 percent. The U.S. Census Bureau predicts that by 1997, the population of these four counties will increase another 11 percent. This is a total of 17 percent in less than two decades. In comparison, the combined population of Cook, Du Page, Kane, and Lake Counties only increased 1 percent in the 10 years from 1980 to 1990, and is expected to rise a mere 2 percent by 1997.

Furthermore, Will County is the fourth largest county in Illinois, with Cook being the largest. With the vast majority of northern Illinois' population located in this area, it stands to reason that legal activity would be high. Presently, the western division of the northern district has two courthouses to handle the heavy caseload generated by the 10 counties within its division The entire central district of Illinois has six courthouses and the southern district has four.

However, with only one Federal courthouse for the eastern division, located in Chicago, serving an eight-county area with a population of more than 7.2 million people, caseload problems are exacerbated. A new courthouse for this area would, without question, allow for improved efficiency, convenient access for local residents, and a reduced caseload for the Chicago district court system.

An ongoing expansion project in the Dirksen Federal Building will eventually provide additional courtrooms. However, according to a spokesperson with the Administrative Office of the U.S. Courts, even the completion of the expansion project will not sufficiently address the problems associated with overcrowding. It's time for our court system to accommodate this shift in population.

Situated in the heavily populated, fast-growing Will County, the city of Joliet is a natural choice. Another advantage of the Joliet location is its easy accessibility to all of the counties in the newly proposed southern district. For example, those attorneys presently practicing in the southwest corner of the eastern division would find it much more convenient to practice in a forum within 1 hour's drive, as opposed to being forced to travel nearly 2 hours, one way, to file a case or attend a court date in downtown Chicago.

This initiative, in my opinion, is a crucial step toward alleviating the weighty caseload congesting the Chicago Federal court system. It is my belief that the introduction of this bill will alert people to the necessity of this urgent community need and ultimately will lead to the construction of a new Federal courthouse for the people in the southwestern suburbs of Chicago.

Most county bar associations in the eastern division agree that something needs to be done to resolve this problem. The question remains as to where would be the best location to house additional court facilities. It is my fervent hope that we make the right choice—the responsible choice.

TRIBUTE TO MARGE COLLINS

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Ms. ESHOO. Mr. Speaker, I rise today to honor Marge Collins on the occasion of her being presented with the 1994 Tall Tree Outstanding Professional Award by the Palo Alto Chamber of Commerce.

Marge Collins is the ideal person to receive this prestigious award. She has been a teacher for more than 25 years, educating children in unique, creative ways and inspiring them to be productive and successful citizens. As a leader in the education community, Marge Collins has served as a mentor teacher and used her wisdom and experience to develop new and innovative programs. She makes important contributions to the Palo Alto community by working with numerous school and school district committees, the Palo Alto Centennial Committee, Neighbors Abroad, the American Association of University Women, her church, and many other organizations.

Mr. Speaker, Marge Collins is an outstanding professional with an unswerving commitment to her students and public service. Her work is exemplary and she is a model for others to emulate. I ask my colleagues to join me in saluting her on this auspicious occasion of receiving the coveted 1994 Tall Tree Outstanding Professional Award.

TRIBUTE TO JAMIE R. VILLANUEVA

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. REED. Mr. Speaker, I rise today to salute a distinguished young man from Rhode Island who has attained the rank of Eagle Scout in the Boy Scouts of America. He is Jamie R. Villanueva of Troop 13 in West Warwick, RI, and he is honored this week for his noteworthy achievement.

Not every young American who joins the Boy Scouts earns the prestigious Eagle Scout Award. In fact, only 2.5 percent of all Boy Scouts do. To earn the award, a Boy Scout must fulfill requirements in the areas of leadership, service, and outdoor skills. He must earn 21 merit badges, 11 of which are required from areas such as Citizenship in the Community, Citizenship in the Nation, Citizenship in the World, Safety, Environmental Science, and First Aid.

As he progresses through the Boy Scout ranks, a Scout must demonstrate participation in increasingly more responsible service projects. He must also demonstrate leadership positions in his patrol and/or troop. This young man has distinguished himself in accordance with these criteria.

For his Eagle Scout project, Jamie cleaned the walls and living area and waxed the floors at a local shelter called the Warwick House of Hope.

Mr. Speaker, I ask you and my colleagues to join me in saluting Eagle Scout Jamie R. Villanueva. In turn, we must duly recognize the Boy Scouts of America for establishing the Eagle Scout Award and the strenuous criteria its aspirants must meet. This program has through its 80 years honed and enhanced the leadership skills and commitment to public service of many outstanding Americans, two dozen of who now serve in the House.

It is my sincere belief that Jamie R. Villaneuva will continue his public service and in so doing will further distinguish himself and consequently better his community. I join friends, colleagues, and family who this week salute him.

VOICE OF DEMOCRACY WINNER

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. HUTTO. Mr. Speaker, my constituent, Stacey Boozer of Panama City, FL is a State winner in the Veterans of Foreign Wars of the U.S. "Voice of Democracy" broadcast scriptwriting contest. I am pleased to submit the following winning script written by Stacey Boozer.

> As a teenager, I feel a strong commitment to America because I know that I am a part of its future. My generation will soon be taxpayers, voters, and members of the work force. We will be running this Nation in a matter of years. We need to be equipped to use the concepts that made this country great: patriotism, benevolence, pride, and democracy.
>
> I will be able to vote in a year. This is important to me because I want to have a say in the government that is supposed to represent me. I want to pick candidates who feel the way I do about taxes, the economy, and social issues. Though I am still young, I know what I want the government to do about moral issues like abortion, prayer in public schools, and education. I feel that far too many people remain silent when voting season rolls around because they are unprepared to participate. They don't know who stands for what, or sometimes, even what they themselves stand for. They prefer to remain a part of the "silent majority," who let others run the world for them. Voting is about taking a stand for what you believe in and who you believe in. I am interested in voting because I want my opinions to count. I want to be a part of my government and have my fair say. I feel that I am ready to analyze any candidates and make responsible decisions. A democracy relies on informed, active citizens. We can't change anything unless we make an effort to try.
>
> I plan to major in elementary education in college because my heart is yearning to teach young children. Like myself, children are the future of America. Their visions will form this country into what it will become. I want to teach our children about their world and how to be responsible Americans. I want to instill in them the same concepts of patriotism that I received in kindergarten, as I recited the Pledge of Allegiance. This patriotism is what our forefathers intended for everyone to have. I want to make a difference in the way our future society will view their part in our nation when it is their turn to lead. My generation has been stereotyped as a careless, apathetic genera-

tion with little concern about government or the economy. I must admit that in many cases this is true. As a nation we rank far below other growing nations like Japan, Germany, and England in our test scores and output as students. At the same time, we are at the top when it comes to self-confidence. In the words of T.V. talk show host, ". . . we are a nation of proud dumbbells." I resent that opinion and want to change it. Unfortunately, there is a great apathy among my peers. Most teens don't care about politics or news unless it affects them personally. I want to reach out and show them that everything that happens to our nation will and does affect them personally. I want to do something to change the world's opinion of American teens. I do care and I know that there are many others who are ready and willing to make a difference in our society.

In the future I hope to impact the lives of American children. In the meantime, I shall try to set an example to my peers who are indifferent toward their nation and show them how important we are to the future of America and our world. We are the future of America. It is our responsibility to keep America the great nation that it is and to be prepared to be reliable citizens.

TRIBUTE TO COMDR. RAY B. NIXON

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. CONDIT. Mr. Speaker, I rise today to commend Comdr. Ray B. Nixon, for his exemplary service to the United States of America. Commander Nixon, a native of Panama City, FL, is a graduate of McKendree College in Lebanon, IL. He served in the U.S. Air Force from 1967 to 1971, assigned to the 6987th Security Group in Taipei, Taiwan.

In 1974, he joined the Navy and was commissioned under the Aviation Officer Candidate School in Pensacola, FL. Following flight training, he served as a naval flight officer with Tactical Electron Warfare Squadron 132 from 1976 to 1978, and was qualified a mission commander. Upon designation as a naval cryptologist in 1978, he was assigned to U.S. Naval Security Group Activity Misawa, Japan, where he served as a direct support officer, operation watch officer, and the enciphered communications division officer.

In 1981, Commander Nixon reported to Naval Security Group Activity, Pyongtaek, Republic of South Korea, as executive officer. From that assignment he went to U.S. Naval Security Group Activity, Edzell, Scotland, where he was the processing and reporting officer from 1982 to 1984. His next tour was with Commander Carrier Group Six where he served as the staff cryptologist until 1986. He went next to Naval Technical Training Center, Corry Station in Pensacola, where he was the fleet advanced systems training division officer and the base support department head.

In 1988 Commander Nixon reported to Rota, Spain, as officer in charge, Cryptologic Support Group 6th Fleet. He assumed command of Naval Security Group Activity, Key West in August in 1991.

Mr. Speaker, Commander Nixon has been awarded the Meritorious Service Medal, Navy Commendation Medal, and the Navy Achievement Medal with gold star, in addition to various service medals and ribbons. I rise to honor his achievements and thank him upon his retirement from the U.S. Navy.

VOTES REGARDING THE ISSUE OF SCHOOL PRAYER

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. MFUME. Mr. Speaker, on February 23, 1994, I voted against a motion to instruct the House conferees to accept an amendment offered by the senior Senator from the State of South Carolina to H.R. 1804, the Goals 2000 legislation, which had been accepted in the other body by a vote of 75 to 22.

Specifically, the amendment states that:

> No funds made available through the Department of Education under this Act, or any other Act, shall be available to any state or Local Education Agency which has a policy of denying, or which effectively prevents participation in, constitutionally protected prayer in public schools by individuals on a voluntary basis. Neither the United States nor any state nor any Local Education Agency shall require any person to participate in prayer or influence the form or content of any constitutionally protected prayer in such public schools.

I would like to state at this point, however, that on February 23, 1994, I voted erroneously—a conclusion I came to after a careful review of my position and of my past votes.

A review of my record on this matter will show that on May 9, 1989, I supported an amendment to the Vocational Education Reauthorization which was almost identical to the amendment stated above. Specifically, the amendment would have allowed voluntary prayer in school. I do not know of any other instances since May 9, 1989, on which this issue has been addressed on the House floor.

As the record should indicate, I also voted today in favor of the amendment offered by the gentleman from Texas, Mr. SAM JOHNSON, which again mirrors the language which was approved in the other body.

Mr. Speaker, I hope that this clarifies my position on the issue.

VOICE OF DEMOCRACY WINNER

HON. EARL HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 21, 1994

Mr. HUTTO. Mr. Speaker, my constituent, David Hurst of Pensacola, FL, is a State winner in the Veterans of Foreign Wars of the U.S. "Voice of Democracy" broadcast scriptwriting contest. I am pleased to submit the following winning script written by David Hurst.

Commitment. Webster says, "A pledge or promise to do something." A commitment is a decision to do something for another for no other reason than love for them. Some commitments are not initiated by the receiver, they are made freely, without obligation of return, by the giver. These are, perhaps, the highest of all commitments. The other type of commitment is reciprocal, in other words, both parties involved do something for the other. I would like to say my commitment to America would be of the first type, that I would love America without hope of anything in return. But I cannot make that statement because my country has done so much for me: so much that everything I do in return cannot begin to replace it.

What has America given to me and the many millions who have been her citizens? A heritage of freedom, a past that reminds us of our liberty, and patriots who have fought and died for that cause. A prosperous economy, a land blessed with great bounty, provision for a high standard of living, and a chance for success for those who will work hard for it. Freedom of speech, freedom of press, freedom of assembly, freedom of worship, and every part of the Bill of Rights. Life, liberty, and the pursuit of happiness from our Declaration of Independence. And most importantly, the freedom to do what I believe is morally right within the bounds of human law.

This list gives just an idea of what my country provides. These conditions give me incentive not only to be a law-abiding citizen, but also to make commitments to give back what I have been given. I hope that my personal commitments will challenge you to take the privilege of being an American more seriously.

My first and most important commitment to America is moral. More and more today, Americans are being encouraged to defy authority. This is seen so vividly in the crime rate and its increase. As a committed American, I will seek to obey the laws of the land as they are established by government.

The second of my commitments is mental; I will learn why America is great from her past. I will look for the principles in the lives of her founding fathers, in her foundational documents, and in the historical events that have fed her growth. I will learn from the men who have sacrificed for my country and seek to make their commitments mine.

The third of my commitments is educational. My education is so important to my future commitments to America. To be the best citizen possible I must take full advantage of my educational opportunities. Great men of the past have made great commitments in the area of education; through what has been provided for them or their own initiative to teach themselves. To give America my best later, I must learn all I can now in math, science, writing skills, critical reading, government, and economics.

My fourth commitment is informational; that is, I will be informed on present issues of importance to my country. A citizen who is not informed and knowledgeable about problems cannot be a part of their solution. Voting is another part of being an informed citizen. Intelligent choices are made by informed citizens, not those who ignore the facts.

My fifth commitment is vocational. I will work for a prosperous, economically sound country. Whatever my job, I will work hard to reach my goals, and provide economic means for others. I will use the benefits of capitalism as a means of achievement economically. This also involves personal service if my country should ask for it. I will be willing to give my life so that others may experience the freedom I enjoy.

My sixth and last commitment is societal. I will be involved in areas of service to make others happier and more successful. I will try to give others knowledge and insight I have gained in my life. This is an area of commitment especially important in my latter years as young people need the advice of those with experience.

I hope you have been challenged to make pledges to America in each of these areas. Even if others lose their love for her, America has my solemn promise that I will stand firm in my commitments. Fellow patriots, take the challenge and commit yourself to "the land of the free, and the home of the brave."

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, March 22, 1994, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 23

9:30 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Constitution Subcommittee
To hold hearings on S. 1882, to amend title 18, United States Code, to promote the safe use of guns and to reduce gun violence, focusing on public health and child safety.
SD-628

Indian Affairs
To hold hearings on S. 1021, to assure religious freedom to Native Americans.
SR-485

10:00 a.m.

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of the Attorney General.
SR-253

Banking, Housing, and Urban Affairs
To hold hearings on proposed legislation authorizing funds for the Federal Transit Authority, focusing on operating assistance to transit authorities and the New Starts light rail program.
SD-538

Finance
To resume hearings to examine the result of the Uruguay Round of multilateral trade negotiations and what more needs to be accomplished before the trade agreements are to be signed on April 15, 1994.
SD-215

Foreign Relations
To hold hearings to examine United States policy toward Russia.
SD-419

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Labor and Human Resources
To hold hearings on proposed legislation to authorize funds for the National Science Foundation.
SD-430

2:00 p.m.

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Forest Service, Department of Agriculture.
SD-138

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for energy and water development programs.
SD-192

Armed Services
To resume hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense, and the future years defense program, focusing on Department of Energy national security programs and on safety issues at the Department of Energy defense nuclear facilities.
SR-222

Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 1270, to establish the Cache La Poudre River National Water Heritage Area in Colorado, S. 1324, to exchange certain lands of the Columbia Basin Federal reclamation project, Washington, S. 1402, to convey a certain parcel of public land to the county of Twin Falls, Idaho, for use as a landfill, S. 1703, to expand the boundaries of the Piscataway National Park, and H.R. 194, to withdraw and reserve certain public lands and minerals within the State of Colorado for military uses.
SD-366

2:30 p.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on competition in the U.S. biotechnology industry.
SR-253

MARCH 24

9:00 a.m.

Environment and Public Works
Business meeting, to mark up S. 1547, authorizing funds for fiscal years 1994–2000 for programs of the Safe Drinking Water Act.
SD-406

Office of Technology Assessment
Board meeting, to consider pending business.
EF-100, Capitol

9:30 a.m.

Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Labor.
SD-138

Energy and Natural Resources
To hold hearings to examine the effect of the Administration's Superfund reauthorization proposals on the Department of Energy's Environmental Restoration and Waste Management Program.
SD-366

Judiciary
Patents, Copyrights and Trademarks Subcommittee
Business meeting, to mark up S. 1485, to extend certain satellite carrier compulsory licenses.
SD-234

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the AMVETS, American Ex-Prisoners of War, Vietnam Veterans of America, Veterans of World War I, Association of the U.S. Army, The Retired Officers Association, and the Military Order of the Purple Heart.
345 Cannon Building

9:45 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to consider the nominations of William Alan Reinsch, of Maryland, to be Under Secretary of Commerce for Export Administration, Raymond E. Vickery Jr., of Virginia, to be an Assistant Secretary of Commerce, Maria Luisa Mabilangan Haley, of Arkansas, to be a Member of the Board of Directors of the Export-Import Bank of the United States, and Elaine A. McReynolds, of Tennessee, to be Federal Insurance Administrator, Federal Emergency Management Agency.
SD-538

10:00 a.m.

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for National Guard and Reserve programs, focusing on manpower and equipment requirements and the restructuring of brigades.
SD-106

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Emergency Management Agency.
SD-124

Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for energy and water development programs.
SD-192

Finance
To resume hearings to examine health care reform issues, focusing on the Medicaid program.
SD-215

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings to review U.S. policy toward East Asia.
SD-419

Governmental Affairs
Federal Services, Post Office, and Civil Service Subcommittee
To hold hearings to review the Annual Report of the Post Master General.
SD-342

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts and Humanities Subcommittee
To hold hearings on S. 1513, authorizing funds for programs of the Elementary

and Secondary Education Act of 1965, focusing on professional development.

SD–430

11:30 a.m.

Labor and Human Resources

To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Children, Family, Drugs and Alcoholism to examine proposals for preventing youth violence.

SH–216

2:00 p.m.

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Railroad Administration, Department of Transportation, and the National Railroad Passenger Corporation (AMTRAK).

SD–138

Armed Services

Military Readiness and Infrastructure Subcommittee

To resume hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense and the future years defense program, focusing on the operation and maintenance accounts and on the defense business operations fund.

SR–232A

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine charitable solicitation fraud.

SR–253

Foreign Relations

African Affairs Subcommittee

To hold hearings on S. 1856, to promote international cooperation and assistance programs and activities, focusing on implications for Sub-Saharan Africa.

SD–419

2:30 p.m.

Veterans' Affairs

To hold hearings on pending veterans legislation.

SR–418

Select on Intelligence

To hold closed hearings on intelligence matters.

SH–219

MARCH 25

10:00 a.m.

Judiciary

To hold hearings on the nominations of Fortunato P. Benavides, of Texas, to be United States Circuit Judge for the Fifth Circuit, Ruben Castillo, to be United States District Judge for the Northern District of Illinois, and Audrey B. Collins, to be United States District Judge for the Central District of California.

SD–226

Labor and Human Resources

To hold joint hearings with the Committee on Indian Affairs to examine headstart programs serving Native Americans.

SR–485

Indian Affairs

To hold joint hearings with the Committee on Labor and Human Resources to examine headstart programs serving Native Americans.

SR–485

10:15 a.m.

Appropriations

Treasury, Postal Service, General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of Management and Budget, and the Executive Office of the President.

SD–116

APRIL 11

2:00 p.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for Marketing and Inspection Services, Animal and Plant Health Inspection Service, Food Safety and Inspection Service, and Agricultural Marketing Service, all of the Department of Agriculture.

SD–138

APRIL 12

10:00 a.m.

Appropriations

Defense Subcommittee

To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on classified programs.

S–407, Capitol

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the National Oceanic and Atmospheric Administration, Department of' Commerce.

S–146, Capitol

2:30 p.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings to examine Federal agency roles in addressing the contemporary needs and management of the Newlands Project in Nevada.

SD–366

APRIL 13

9:30 a.m.

Indian Affairs

Business meeting, to mark up S. 1216, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe, and the United States and various other issues pertaining to the Crow Indian Reservation, S. 1526, to improve the management of Indian fish and wildlife and gathering resources, and S. 720, to clean up open dumps on Indian lands; to be followed by a hearing on proposed budget estimates for fiscal year 1995 for the Bureau of Indian Affairs.

SR–485

10:00 a.m.

Appropriations

Interior Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Energy, focusing on fossil energy and clean coal programs.

SD–116

Appropriations

Transportation Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Coast Guard, Department of Transportation.

SD–138

Appropriations

Treasury, Postal Service, General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Postal Service.

SD–192

Veterans' Affairs

To hold oversight hearings on dangerous exposures in the Persian Gulf War.

SH–216

APRIL 14

9:30 a.m.

Energy and Natural Resources

To hold hearings on the operating and economic environment of the domestic natural gas and oil industry.

SD–366

10:00 a.m.

Appropriations

Defense Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on health services and infrastructure.

SD–192

Appropriations

Commerce, Justice, State, and Judiciary Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Bureau of Investigation, and the Drug Enforcement Administration, both of the Department of Justice.

S–146, Capitol

2:00 p.m.

Armed Services

Nuclear Deterrence, Arms Control, and Defense Intelligence Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense, and the future years defense program, focusing on chemical demilitarization.

SR–222

3:00 p.m.

Agriculture, Nutrition, and Forestry

Agricultural Research, Conservation, Forestry and General Legislation Subcommittee

To hold hearings on issues relating to ecosystem management.

SR–332

APRIL 18

2:00 p.m.

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1995 for Science and Education, Agricultural Research Service, Cooperative State Research Service, Extension Service, and Alternative Agricultural Research and Commercialization, all of the Department of Agriculture.

SD–138

APRIL 19

9:30 a.m.

Rules and Administration

To resume hearings on S. 1824, to improve the operations of the legislative branch of the Federal Branch, focusing on Subtitle A, Parts I and II of Title III, relating to Congressional biennial budgeting and additional budget process changes.

SR–301

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on strategic programs.
SD-192

2:30 p.m.
Armed Services
Nuclear Deterrence, Arms Control, and Defense Intelligence Subcommittee
To resume hearings on proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense, and the future years defense program, focusing on the Department of Energy's environmental restoration and waste management programs.
SR-222

Veterans' Affairs
To hold hearings to examine proposals to finance veterans health care reform.
SR-418

APRIL 20

9:30 a.m.
Indian Affairs
To hold oversight hearings on the regulation of Indian gaming.
SR-485

10:00 a.m.
Appropriations
Treasury, Postal Service, General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of the Treasury.
SD-116

APRIL 21

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on intelligence programs.
S-407, Capitol

Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Housing and Urban Development.
SD-106

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Fish and Wildlife Service, Department of the Interior.
S-128, Capitol

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Securities and Exchange Commission, and the Federal Communications Commission.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Aviation Administration, Department of Transportation.
SD-138

APRIL 25

2:00 p.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for International Affairs and Commodity Programs, Natural Resources and Environment, Agricultural Stabilization and Conservation Service, Foreign Agriculture Service, Soil Conservation Service, and Federal Crop Insurance Corporation, all of the Department of Agriculture.
SD-138

APRIL 26

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on National Foreign Intelligence Programs (NFIP) and Tactical Intelligence and Related Activities (TIARA).
S-407, Capitol

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Office of Justice Programs, and the Immigration and Naturalization Service, both of the Department of Justice.
S-146, Capitol

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Federal Transit Administration, Department of Transportation, and the Washington Metro Transit Authority.
SD-138

APRIL 28

9:30 a.m.
Rules and Administration
To resume hearings on S. 1824, to improve the operations of the legislative branch of the Federal Branch, focusing on Subtitle A, Parts I and II of Title III, relating to Congressional biennial budgeting and additional budget process changes.
SR-301

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Environmental Protection Agency, and the Council on Environmental Quality.
SD-106

Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the United States Information Agency.
S-146, Capitol

2:30 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Bureau of Indian Affairs, Department of the Interior.
SD-116

MAY 3

9:30 a.m.
Energy and Natural Resources
To hold hearings on Boron-Neutron Cancer Therapy.
SD-366

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for Food and Consumer Services, Food and Nutrition Service, and Human Nutrition Information Service, all of the Department of Agriculture.
SD-138

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on defense conversion programs.
SD-192

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings to review the implementation of the Central Valley Project Improvement Act (Title 34 of P.L. 102-575) and the coordination of the program with other Federal protection and restoration efforts in the San Francisco Bay/Sacramento-San Joaquin Delta.
SD-366

MAY 5

10:00 a.m.
Appropriations
Commerce, Justice, State, and Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Legal Services Corporation.
S-146, Capitol

Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the National Transportation Safety Board, and the National Highway Traffic Safety Administration, Department of Transportation.
SD-138

MAY 10

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Commodity Futures Trading Commission, the Farm Credit Administration, and the Food and Drug Administration, Department of Health and Human Services.
SD-138

MAY 11

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the National Park Service, Department of the Interior.
S-128, Capitol

MAY 12

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Corporation for National and Community Service.
SD-106

MAY 17

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense, focusing on the Pacific Rim, NATO, and peacekeeping programs.
SD-192

MAY 19

10:00 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Defense.
SD-192
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of Veterans Affairs, and the Selective Service System.
SD-106

MAY 20

9:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Departments of Veterans Affairs and Housing and Urban Development, and independent agencies.
SD-138

MAY 25

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the Department of the Interior.
S-128, Capitol

MAY 26

10:00 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1995 for the National Aeronautics and Space Administration.
SD-106

JUNE 8

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings proposed budget estimates for fiscal year 1995 for the Department of Energy.
S-128, Capitol

JULY 19

10:00 a.m.
Appropriations
Defense Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for fiscal year 1995 for the Department of Defense.
SD-192

POSTPONEMENTS

MARCH 22

9:30 a.m.
Indian Affairs
To hold oversight hearings on water and sanitation issues in rural Alaska.
SR-485
2:00 p.m.
Foreign Relations
To hold hearings on the nominations of Edward W. Gnehm, Jr., of Georgia, to be the U.S. Deputy Representative to the United Nations, with the rank of Ambassador, David E. Birenbaum, of the District of Columbia, to be the U.S. Representative to the United Nations for U.N. Management and Reform, with the rank of Ambassador, Arvonne S. Fraser, of Minnesota, for the rank of Ambassador during her tenure of service as the U.S. Representative on the Commission on the Status of Women of the Economic and Social Council of the United Nations, and Henry Howard, Jr., of Virginia, to be an Associate Director for Management, and John P. Loiello, of the District of Columbia, to be an Associate Director for Educational and Cultural Affairs, both of the U.S. Information Agency.
SD-419

MARCH 23

2:30 p.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings to examine science and technology policy issues.
SR-253